# AB INBEV: OPTIMAL PRODUCT RECOMMENDATION RANKING FRAMEWORK

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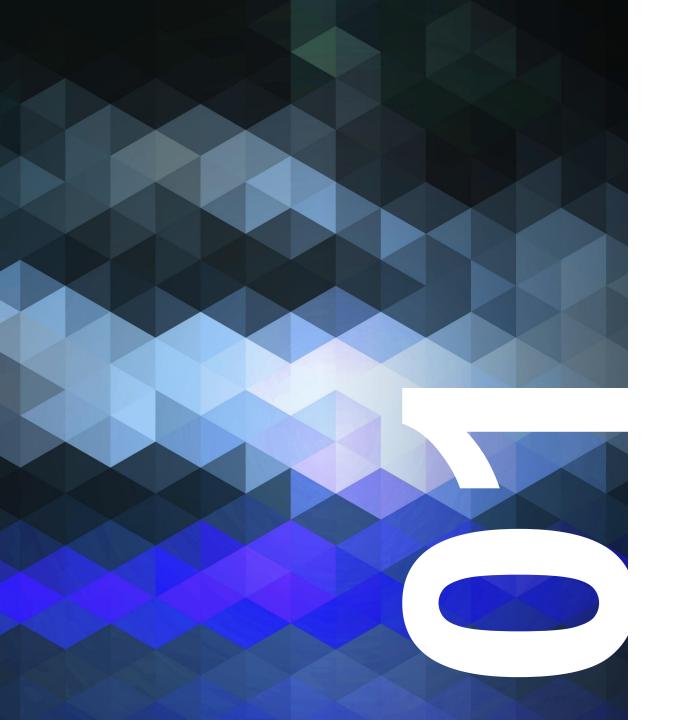














## **OUR JOURNEY**





## THE PROBLEM:

Task: Improve personalized and dynamic recommendations on BEES e-commerce platform using app behavior data

**Method:** Create a ranking algorithm for recommendations and assess precision





#### **TIMELINE**

- Use Python and SQL to integrate and analyze data
- Convert data types
- Remove duplicates and N/A values

**Data Cleaning** 

#### Classification Models

- Curate unranked list of product recommendations
- Rank by probability from model
- 30 day moving window

- Learning to Rank technology
- LightFM and LightGBM
- Use Logistic Regression to calculate scores

Ranking Algorithms









## FINAL MODEL



#### **Data Selection and Feature Engineering**



Counts of interaction data and significant features (ex. product information)

Counts based on a 30-day rolling window



Split data using time-split

Resampling using the Synthetic Minority Over-sampling Technique (SMOTE)



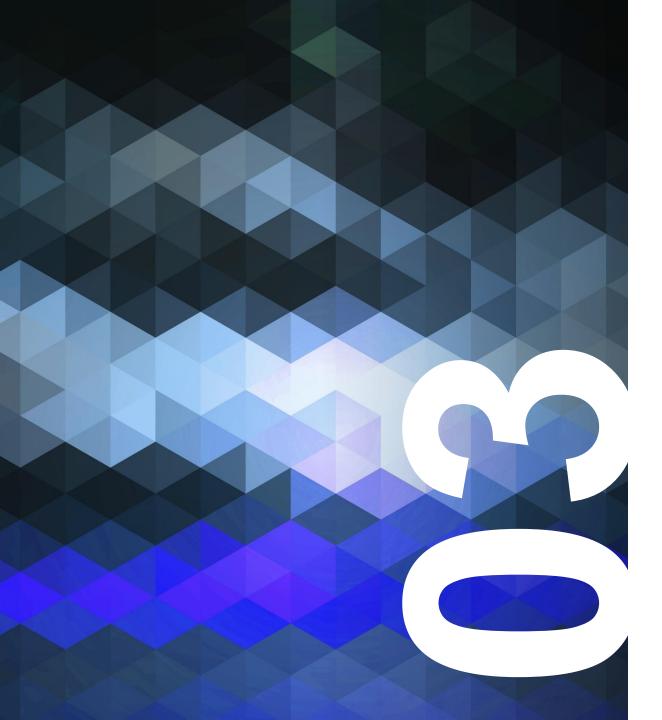
#### **Ranking Using LightGBM**

Logistic Regression for scores

Optimizes Normalized Discounted Cumulative Gain with LambdaRank









## **RESULTS**

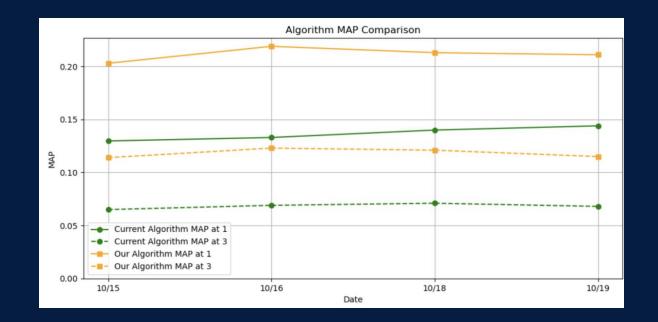


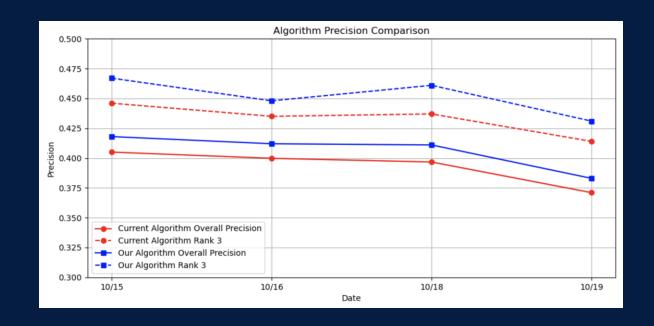
#### **UPSELL**

- Mean Average Precision (MAP):
  - 8% point increase at rank 1
    - Current model: 14%
  - 5% point increase at rank 1-3
    - Current model: 7%

#### **SUGGESTED ORDER**

- 1% point increase in overall precision
  - Current model: 30-40%
- 2% point increase in rank 1-3 precision
  - Current model: 35-45%









## **DISCUSSION**



#### **DISCUSSION**





#### **Interaction Data**

Customer interactions are correlated to purchase behaviors



## **Future Models**

Integrate live interaction data into existing models for better predictions



## A/B Testing

Understand impact of improved recommendations on sales and future customer interactions



## THANK YOU! QUESTIONS?



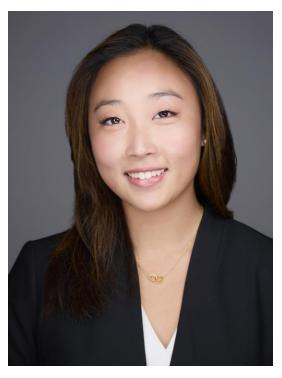
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