LECTURER: MAX MUSTERMANN

DATA UTILIZATION

INTRODUCTORY ROUND

Who are you?

- Name
- Employer
- Position/responsibilities
- Fun Fact
- Previous knowledge? Expectations?



TOPIC OUTLINE

| Introduction to Data Utilization | 1 |
|-----------------------------------|---|
| Pattern Recognition | 2 |
| Natural Language Processing (NLP) | 3 |
| Image Recognition | 4 |
| Detection and Sensing | 5 |

TOPIC OUTLINE

| Problem-Solving | 6 |
|-----------------------------------|---|
| Decision Support | 7 |
| Data Security and Data Protection | 8 |

INTRODUCTION TO DATA UTILIZATION



On completion of this unit, you will have learned...

- ... definitions of data, information, and knowledge.
- ... the main characteristics of big data.
- ... the different categories of data.
- ... general frameworks for data utilization and business analytics.
- ... different types of pattern recognition problems and their applications.



- 1. What are the stages from raw data to understanding?
- 2. What distinguishes *big data* from conventional datasets?
- 3. Describe the general framework of data utilization.

INTRODUCTION

Industry 4.0 (fourth industrial revolution) has turned everything smart.

- based on data exchange automation
- smart manufacturing
- intelligent robots
- AI
- IoT
- Progress made in tech. results in high volumes of data generation.

DATA, INFORMATION, AND KNOWLEDGE

DATA

Those elements that are taken: extracted through observation, computation, experiments and record-keeping; partial, selective and representative—does not speak for itself

INFORMATION

Data in context: a set of data along with its explanations, reasons and interpretations

METADATA

Data about data/information: data providing information about one or more aspects of the data (e.g., descriptive summaries, high-level categorization of data and information

KNOWLEDGE

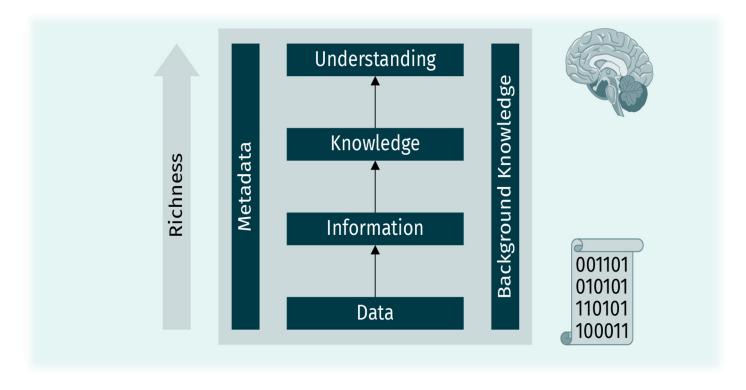
Organized, synthesized, or summarized information to enhance comprehension, awareness, or understanding: metadata + awareness of the context

BACKGROUND KNOWLEDGE

Prior knowledge; abstract notions deep inside the subconscious mind

FROM DATA TO UNDERSTANDING

Different people with varying background knowledge will understand different things from the same information; essentially, the cognition process depends on background knowledge.

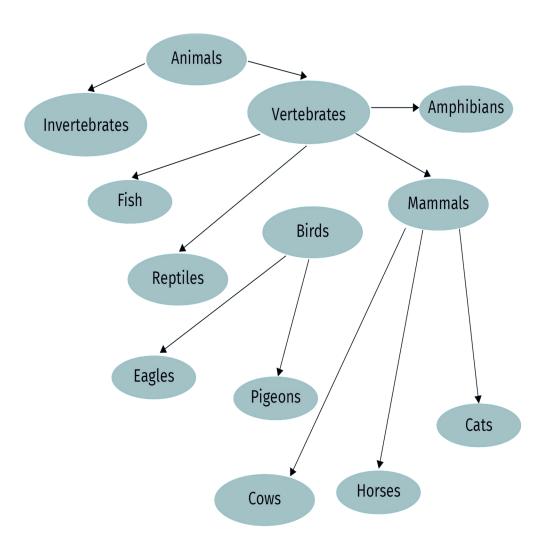


ONTOLOGY

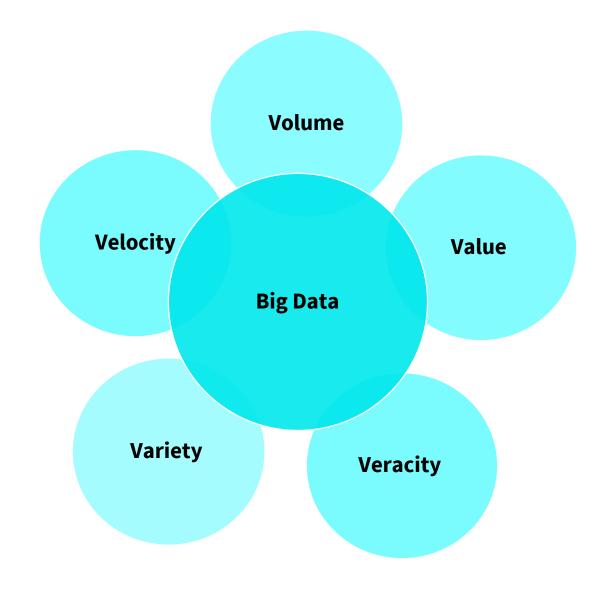
- A way to express knowledge by means of defining concepts, their properties, and interrelationships.
- Organizes information and knowledge.
- Describes individuals (instances), classes (concepts), class attributes, and the relationships between concepts.
- Diversity features: differentiate members within a group (identifying feature)
- Similarity features: features coming from an upper set or superset

HIERARCHICAL STRUCTURE OF ONTOLOGY

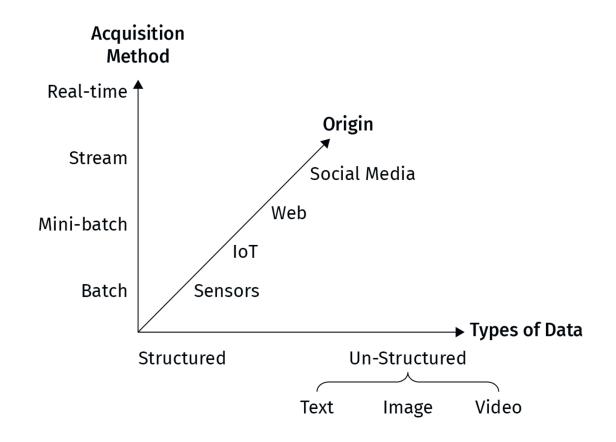
- Ontologies are hierarchical taxonomies used for representing knowledge in generalized and specialized classes
- Advantages:
 - Separating entities and operations
 - Reusing knowledge
 - Avoiding data repetition



Large datasets that can only be analyzed by powerful computers to reveal patterns.



Data can be categorized by type, origin, and method of acquisition.



TYPES OF DATA

Structured data: tubular form and typically stored in relational databases (SQL, Oracle, Microsoft Excel)

Spatial data: showing location of features, geographical in nature, discover which subsets are spatially autocorrelated or associated

Image data: "picture is worth a thousand words", image analysis extracts useful information (barcode reading, facial recognition, camera surveillance, and movement detection)

Text: contains a depth of buried information

ORIGINS OF DATA

DATA SOURCES

(the subject is narrowed down to organizations)

Internal

- a primary source of info in organizations; operational information sys.
- internal information sys.: ERP, CRM
- structured data stored in relational data bases or kept in spreadsheets
- unstructured data such as recorded meetings, photos and videos which may need to be analyzed in some cases

External

- publicly available and free (e.g., statistics issued by a government) or private and available for a fee(e.g., marketing reports)
- world wide web and social media contain a huge amount of data to be analyzed
- Web mining: learning about the distribution of info; classifying web pages
- Mining comments in social media, demographic information, and social networks

ACQUISITION METHODS

Data Streams

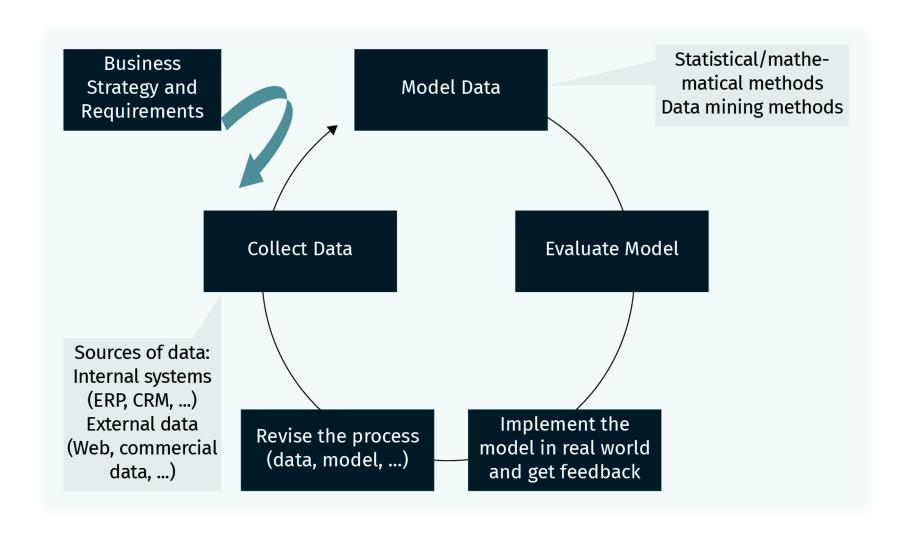
- Generated in a continuous manner and transmitted by different sources, such as IoT devices, sensors, and CCTV cameras.
- Processed incrementally as they are received.
- Concept drift: Statistical properties of the variables may change over time so predictions based on the data may be inaccurate.

Time-Related Data

- time-related and sequential in nature
- Stock exchange data can be mined to uncover trends that can help investment strategies.
- Mine computer network data streams to find intrusions. Such intrusions are discovered by analyzing the sequence of data or by comparing the current frequent pattern with those in the past.

- Three-phase cycle for data utilization:
 - collection
 - modelling
 - usage (experience delivery)
- Six-phase cycle:
 - Add business strategies and requirements (search questions concerning the subject at hand) to the beginning of the cycle.

GENERAL FRAMEWORK OF DATA UTILIZATION

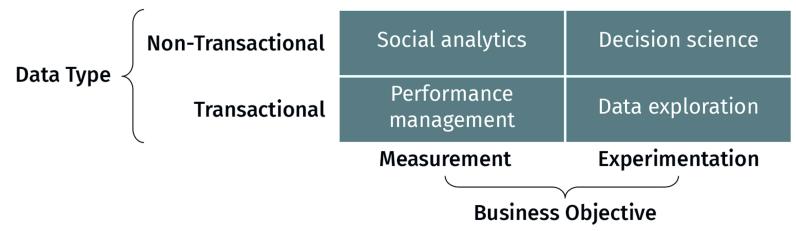


Several models are proposed according to the type of application:

| Analysis and description | Answers what question |
|--------------------------|---|
| Explanation | Concerned with understanding and answering <i>Why</i> -questions and providing insight into the behavior of individuals. |
| Prediction | Extracts knowledge from past events and exploits this knowledge to forecast future events with an acceptable degree of reliability. |
| Design and Action | Seeks to understand how people do certain activities. |

SALVATORE MODEL

- Studies the relationship between data type and business objective.
- Sorts data into transactional and non-transactional.
- Categorizes business objectives into measurement and experiment.



GARTNER MODEL

DESCRIPTIVE

- Includes performance analytics, context analytics, and research.
- Answers: What happened?
- Completed by research on the development of descriptive statistics around KPIs.

DIAGNOSTIC

- Answers: Why did it happen?
- It is performed by analyzing probabilities, filtering, etc.

FOUR TYPES OF DATA ANALYTICS

PREDICTIVE

- Builds a model to make predictions.
- Answers: What might happen?
 - Fulfilled through statistical and data mining methods.

PERSPECTIVE

- Helps with the creation of recommendations regarding which specific steps to take or the most appropriate decisions to make in order to reach certain goals.
- Answers: What should we do?

Places objects into categories or classes, depending on the application. These objects/patterns can be images, signals, etc.

Class/concept description: characterization and discrimation

Classification and regression for predictive analysis (finds common patterns, characteristics, and defines a class to distinguish it from other classes)

Cluster analysis: groups similar objects together; objects in the same group often have similar attributes, characteristics, and features

Mining frequent patterns, associations and correlations: identifies patterns that occur often in the data

Outlier analysis: interest in abnormal data (those that do not comply with general normal behavior)



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SESSION 1

TRANSFER TASK

Assume your company wants to analyze and describe its customers' behavior at the end of the year from their purchases and written feedback. Future production is intended to be planned based on this.

- 1. Define the type of acquired data.
- 2. Select a proper utilization framework and based on that explain the stages and questions that can be answered using the model .

TRANSFER TASK PRESENTATION OF THE RESULTS

Please present your results.

The results will be discussed in plenary.





- 1. "Information that is organized, synthesized, or summarized to enhance comprehension, awareness, or understanding" is the best description of...
 - a) ... knowledge.
 - b) ... information.
 - c) ... ontology.
 - d) ... metadata.



2. Which of the following types of data is structured?

- a) text
- b) image
- c) ERP system
- d) speech



- 3. Which of the following is <u>not</u> a benefit of using a hierarchical structure of ontologies for categorizing objects?
 - a) sharing of operational knowledge
 - b) reuse of knowledge
 - c) avoidance of data repetition
 - d) prediction of target variables

LIST OF SOURCES

Gregor, Shirley. (2006). The nature of theory in information systems. MIS Quarterly 30(3), 611-642.

Margaliot, M. (2008) Pattern Recognition (Theodoridis, S. and Koutroumbas, K.; 2006) [Book reviews]. *IEEE Transactions on Neural Networks* 19(2), 376-376. DOI <u>10.1109/TNN.2008.929642</u> Salvatore, P., lyer, B. & Vesset, D. (2012). Four strategies to capture and create value from big data. *Ivey Business Journal* 76(4). 1-5.

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