







Ephemeral, Contextual Personalization

- Personalized to "what you are doing"
 - Your current navigation is a reflection of your current interest
 - Does not reflect any long-term knowledge of your preferences



How to Compute?

- Version I: Manual Cross-Sell Tables
 - Generated by marketers to reflect perceived cross-sales or up-sales
- Version II: Data Mining Associations
 - What are we looking for?
 - Mostly likely to be bought in this context?
 - Most "extra-likely" to be bought in this context?



Start Simple

 Start simple: percentage of X-buyers who also bought Y; divide the counts ...

$$\frac{X \wedge Y}{X}$$

- Intuitively right, but is it useful? What if X is anchovy paste and Y is bananas??
- Challenge doesn't compensate for overall popularity of Y

ntroduction to Recommender Systems

University of Minnesota

Bayes' Law

$$P(A|B) = \frac{P(B|A) P(A)}{P(B)}$$

Now, we look at how much more likely Y is than it was before:

$$\frac{P(Y|X)}{P(Y)}$$



Other solutions ...

Association rule mining brings us the lift metric:

P(X AND Y)

P(X) * P(Y)

- This looks at non-directional assocation
- More generally association rules look at baskets of products, not just individuals

Introduction to Recommender Systems



Association Rules in Practice

- The Beer and Diapers Story
- Not Just Products ... Link Associations
- Sports Cars and Leather Driving Gloves
- Are All Recommendations Worth Making
 - Business Rules



Some take-away lessons

- Product association recommenders use present context to provide more relevant recommendations
 - Current products; path; links
- Can compute product associations from prior transaction history
 - Balance between high-probability and increased probability
- Such recommendations can be targeted for additional or replacement purchases



Product Association Recommenders

