



INSTRUCTOR:  
**CHIH KHIAM PING**



# OBJECTIVES

- To promote the learning of ML among students of IUMW.
- To work as a knowledge sharing platform on the applications of ML.
- To build an active ML community within IUMW.

# Housekeeping Rules!

In order to have an effective learning in this Group, a few rules to be adhere to at all times:

- Be punctual on all occasions.
- Do not take things for granted; learning works in both directions.
- Do not shy away in class, afterall everyone is here to learn something.
- Be proactive in learning; the scope for ML is too broad and not everything can be covered in class.

**expectations**

**What do you think of  
when you heard of  
machine learning?**

# Machine Learning is...



*Ethem  
Alpaydin*

Machine learning is programming computers to optimize a performance criterion using example data or past experience.



*Andrew  
Ng*

The science of getting computers to act without being explicitly programmed.



*Kevin P.  
Murphy*

The goal of machine learning is to develop methods that can automatically detect patterns in data, and then to use the uncovered patterns to predict future data or other outcomes of interest.

# In a nutshell, Machine Learning is ...

# making sense of DATA



# Types of Machine Learning

*At a glance*



**Supervised Learning**

- Makes machine learn explicitly
- Data with clearly defined output is given
- Direct feedback is given
- Predicts outcome/future
- Resolves classification & regression problems



**Unsupervised Learning**

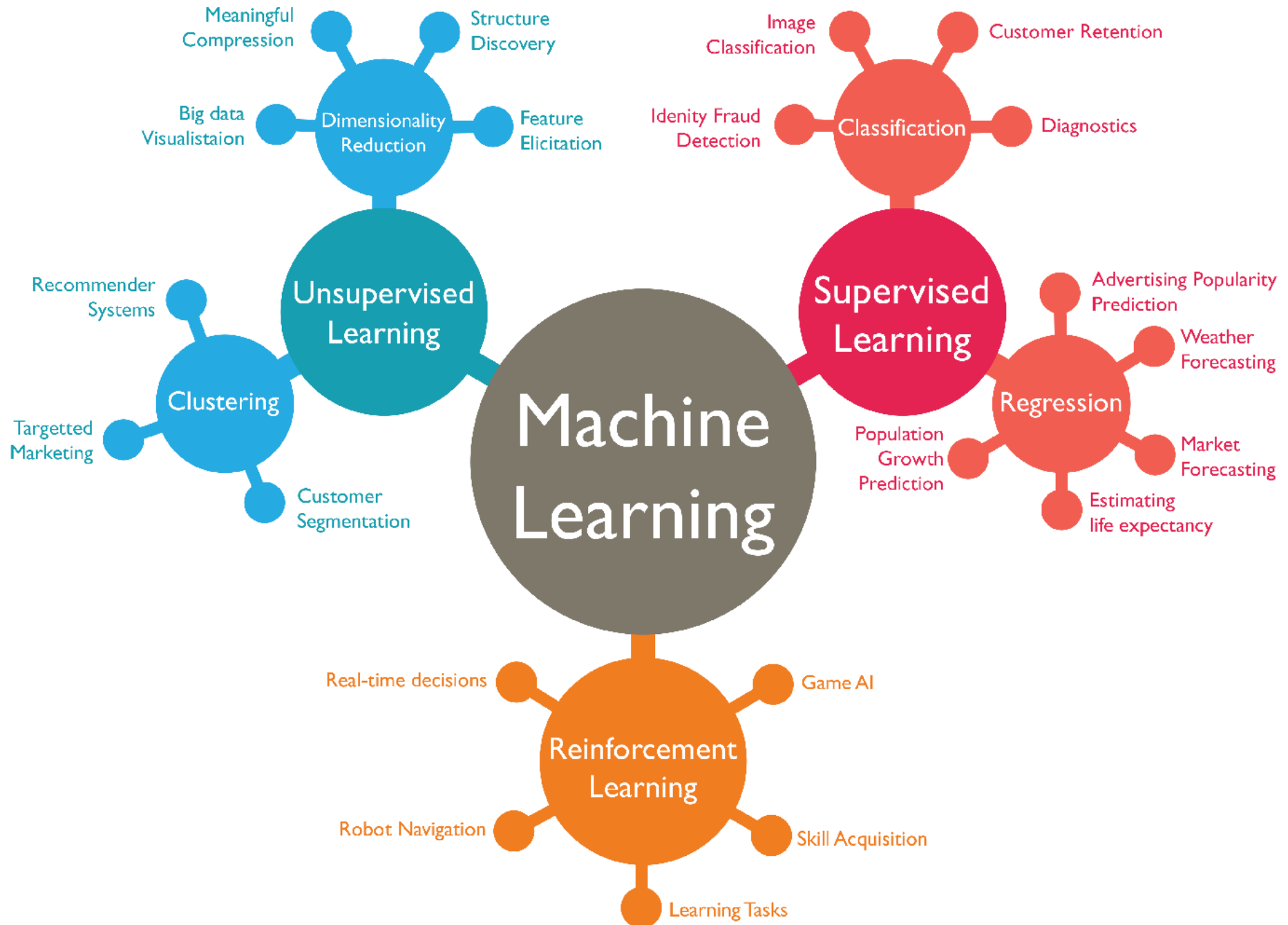
- Machine understand the data (identifies patterns/structures)
- Evaluation is qualitative or indirect
- Does not predict/find anything specific



**Reinforcement Learning**

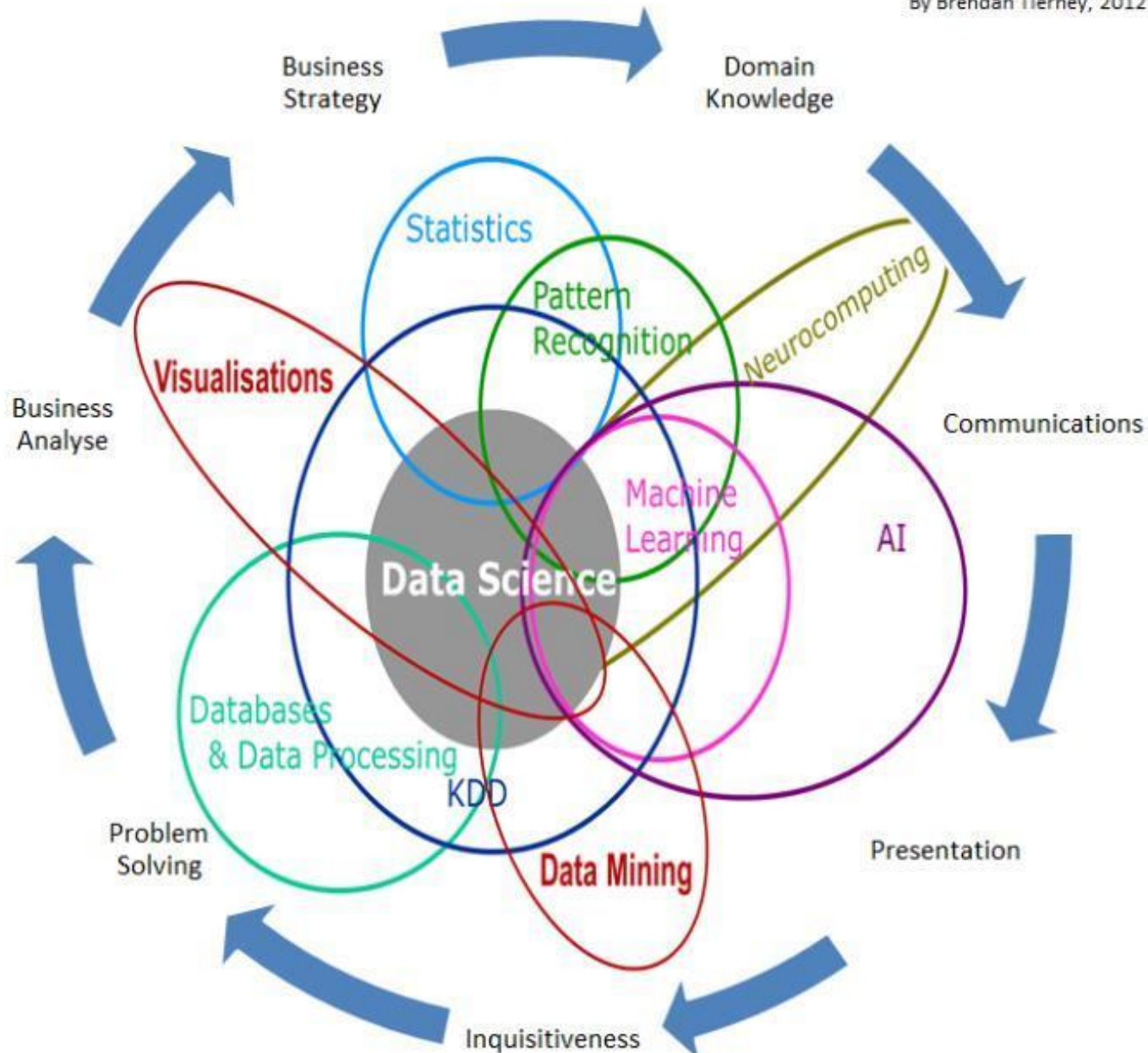
- An approach to AI
- Reward based learning
- Learning from +ve & -ve reinforcement
- Machines learns how to act in certain environment
- To maximize rewards





# Data Science Is Multidisciplinary

By Brendan Tierney, 2012





# Applications of

## Machine Learning

### Manufacturing

- Predictive maintenance or condition monitoring
- Warranty reserve estimation
- Propensity to buy
- Demand forecasting
- Process Optimization
- Telematics



### Retail

- Predictive inventory planning
- Recommendation engines
- Upsell and cross-channel marketing
- Market segmentation and targeting
- Customer ROI and lifetime value



### Healthcare Life Sciences

- Alert and diagnostics from real-time patient data
- Disease identification and risk stratification
- Patient triage optimization
- Proactive health management
- Healthcare provider sentiment analysis



## Applications of

## Machine Learning

### Travel and Hospitality

- Aircraft scheduling
- Dynamic pricing
- Social media – consumer feedback and interaction analysis
- Customer complaint resolution
- Traffic patterns and congestion management



### Financial Services

- Risk analytics and regulation
- Customer segmentation
- Cross selling and up-selling
- Sales and marketing campaign management
- Credit worthiness evaluation



### Energy, Feedstock and Utilities

- Power usage analytics
- Seismic data processing
- Carbon emission and trading
- Customer-specific pricing
- Smart grid management
- Energy demand and supply optimization.



## 1

## SPAM DETECTION

- Given email in an inbox, identify message that are spam and those that are not.
- Having a model of this problem would allow a program to leave non-spam emails in the inbox and move spam emails to spam folder



## 2

## CREDIT CARD FRAUD DETECTION

- Given credit card transactions for a customer in a month, identify transaction that were made by the customer and those that were not.
- A program with a model of this decision could refund transactions that were fraudulent.



## 3

## DIGIT RECOGNITION

- Given ZIP code handwritten on envelopes. Identify the digit for each handwritten character.
- A model of this problem would allow a computer program to read and understand handwritten ZIP codes and sort envelopes by geographic region.





## 4

## SPEECH UNDERSTANDING

- Given an utterance from a user, identify the specific request made by the user.
- A model of this problem would allow a program to understand and make an attempt to fulfill that request. The iPhone with Siri has this capability



## 5

## FACE DETECTION

- Given a digit photo album of many hundreds of digital photographs, identify photos that include a given person.
- A model of this decision process would allow a program to organize photos by person. Some digital cameras and software like iPhoto have this capability.



## 6

## PRODUCT RECOMMENDATION

- Given the purchase history for a customer and a large inventory of products, identify products that the customer will be interested in and likely to purchase.
- A model of this decision process would allow a program to make recommendations to a customer and motivate product purchase.
- Amazon has this capability. Also think of Facebook and Google+, which recommend users for you to connect with.





## MEDICAL DIAGNOSIS

- Given the symptoms exhibited in a patient and a database of anonymized patient records, predict whether the patient is likely to have an illness.
- A model to this decision problem could be used by a program to provide decision support to medical professionals.



## 8

## STOCK TRADING

- Given the current and past price movements for a stock, determine whether the stock should be bought, held, or sold.
- A model of this decision problem could provide decision support to finance analysts.



## 9

## CUSTOMER SEGMENTATION

- Given the pattern of behavior by a user during a trial period and the past behavior of all users, identify users who will convert to the paid version of the product and those that will not.
- A model of this decision problem would allow a program to trigger customer interventions to persuade the customer to convert early or better engage in a limited trial.



10

## SHAPE DETECTION

- Given a user hand-drawing a shape on a touch screen and a database of known shapes, determine which shape the user was trying to draw.
- A model of this decision would allow a program to show the platonic version of that shape to make crisp diagrams. The Instaviz iPhone app does this.



# Core Concepts and Terminology

- In general, for performing Machine learning, there are primarily two types of datasets required. The first dataset is usually manually prepared, where the input data and the expected output data are available and prepared.
- It is important that every piece of input data has an expected output data point available as this will be used in a supervised manner to build the rule.
- The second dataset is where we have the input data, and we are interested in predicting the expected output.



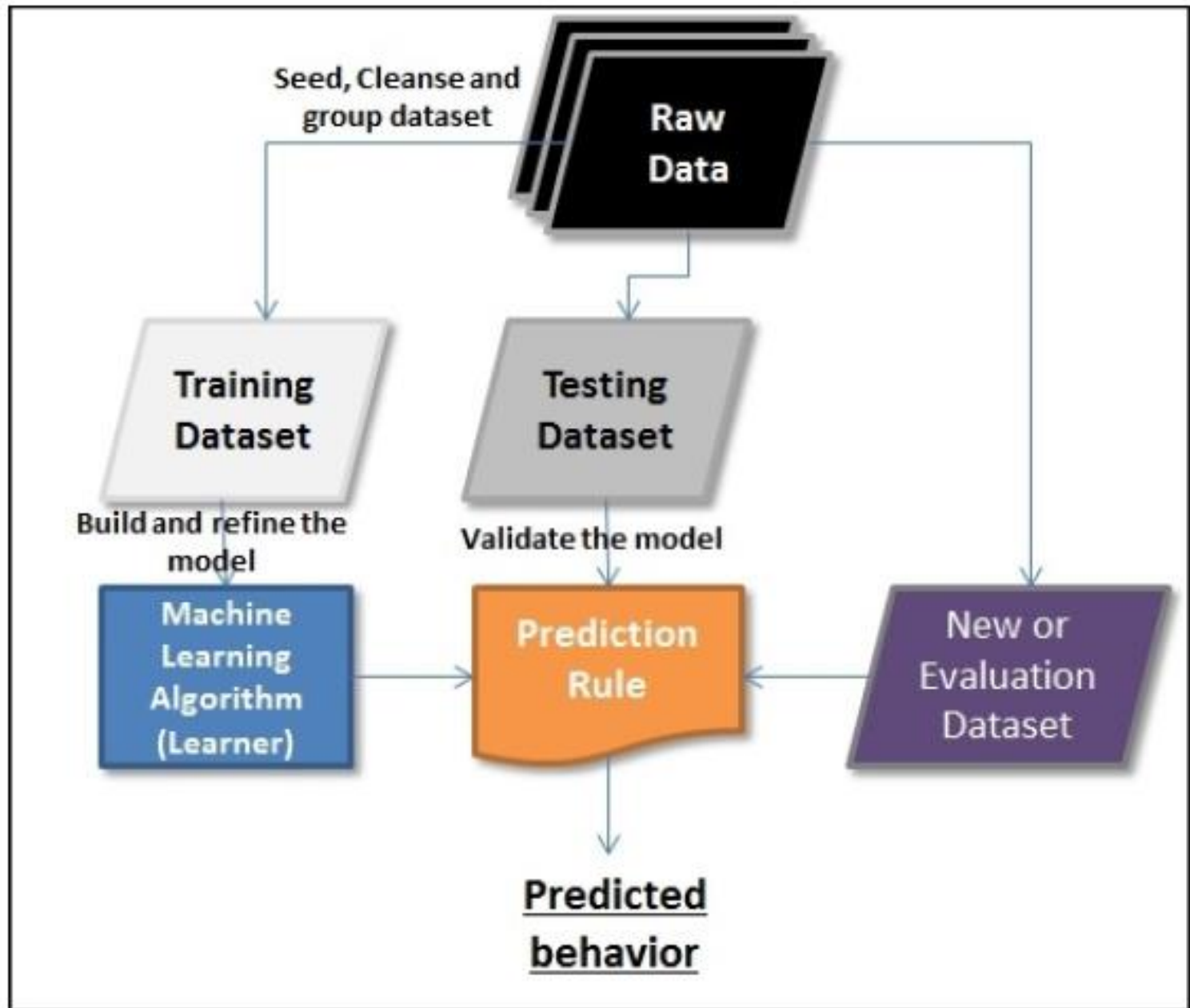
# Core Concepts and Terminology

- As a first step, the given data is segregated into three datasets: training, validation, and testing. There is no one hard rule on what percentage of data should be training, validation, and testing datasets. It can be 70-10-20, 60-30-10, 50-25-25, or any other values.
- The training dataset refers to the data examples that are used to learn or build a classifier, for example. The validation dataset refers to the data examples that are verified against the built classifier and can help tune the accuracy of the output. The testing dataset refers to the data examples that help assess the performance of the classifier.

# Core Concepts and Terminology

There are typically three phases for performing Machine learning:

- **Phase 1—Training Phase:** This is the phase where training data is used to train the model by pairing the given input with the expected output. The output of this phase is the learning model itself.
- **Phase 2—Validation and Test Phase:** This phase is to measure how good the learning model that has been trained is and estimate the model properties, such as error measures, recall, precision, and others. This phase uses a validation dataset, and the output is a sophisticated learning model.
- **Phase 3—Application Phase:** In this phase, the model is subject to the real-world data for which the results need to be derived.



## Activity: Refresher on Python Programming

In a breakfast menu, there consists of eggs, pancakes, waffles and oatmeal. Apart from this, customer can choose one topping from syrup, strawberries and powdered sugar.

Write a program to ask what the customer would like to eat for breakfast and their preferred topping. At the end, print out the statement of the customer's choice.

