

UNDERSTANDING CUSTOMERS BETTER THROUGH NEURAL NETWORK EMBEDDINGS

Adam Hornsby
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ABOUT ME

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- Researching **consumer decision-making** through experiments, big-data and computational modelling

EXTENSIVE HERITAGE AND EXPERIENCE WORKING WITH RETAILERS AND BRANDS



Leading Global FMCG Companies



Leading Consumer Brands



Over 25 years
experience

Using world-leading
data and science to
drive growth

72 retailers and
1,000+ brands

TODAY

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1. Why **item similarity** is so important in retail science

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2. What are **embeddings**?

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4. Conclusions

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2. What are **embeddings**?
3. How can **2vec** algorithms help?
4. Conclusions

(Massive thanks to [Josh Cooper](#) for doing lots of the thinking in this presentation)

ITEM SIMILARITY

HOW SIMILAR ARE THESE TWO PRODUCTS?



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Questions of similarity are **everywhere** in retail:

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"Your selected product X **goes well with** product Y" (i.e. product complementarity)

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"Your product X **was not available**, so how about alternative Y?" (i.e. product substitutability)

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"**Products of this type** tend to be placed together on the shelf" (i.e. product similarity)

"**Customers like you** also tend to buy Y" (i.e. customer similarity)

Solving similarity is a **huge goal for data scientists** working to improve; recommendations, ranging, pricing, assortment and more

TRADITIONAL METHODS DON'T HELP WITH SIMILARITY

Cat food	Dog food		Bananas
1	0		0
0	1		0
0	0		0
.	.	.	.
.	.	.	.
.	.	.	.
0	0		0
0	0		1
0	0		0

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.	.	.	.
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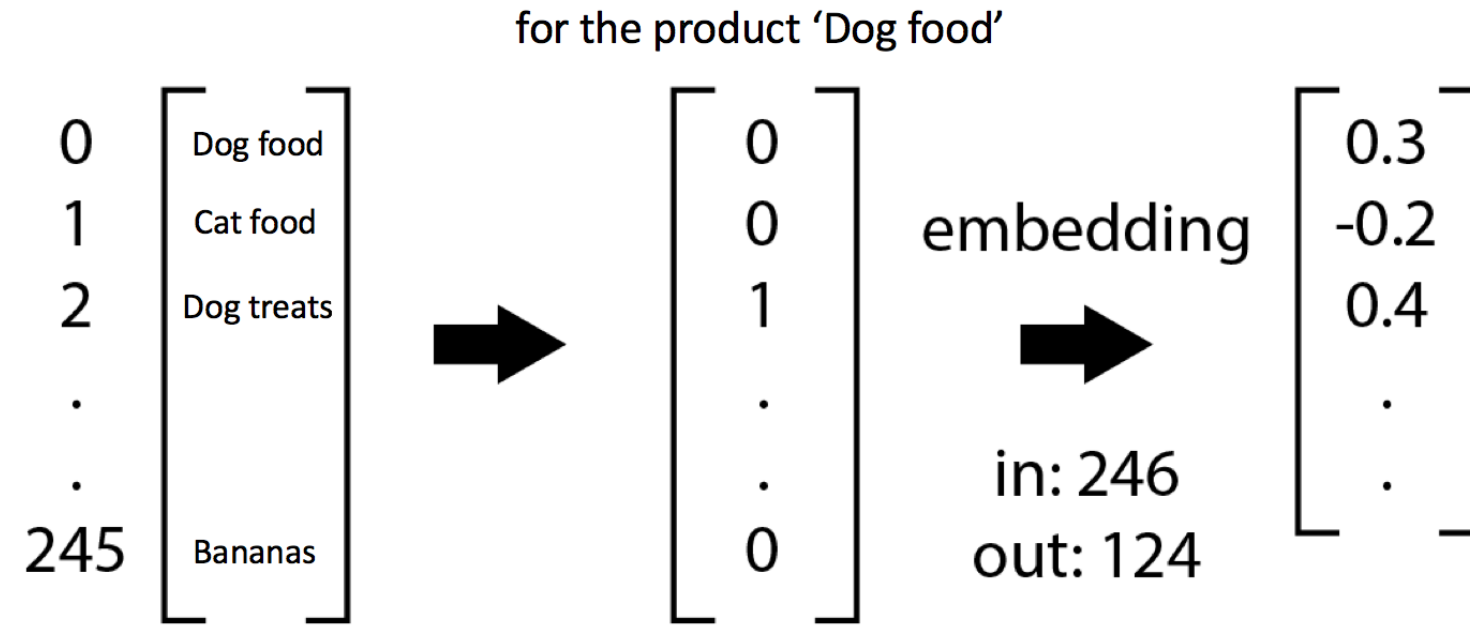
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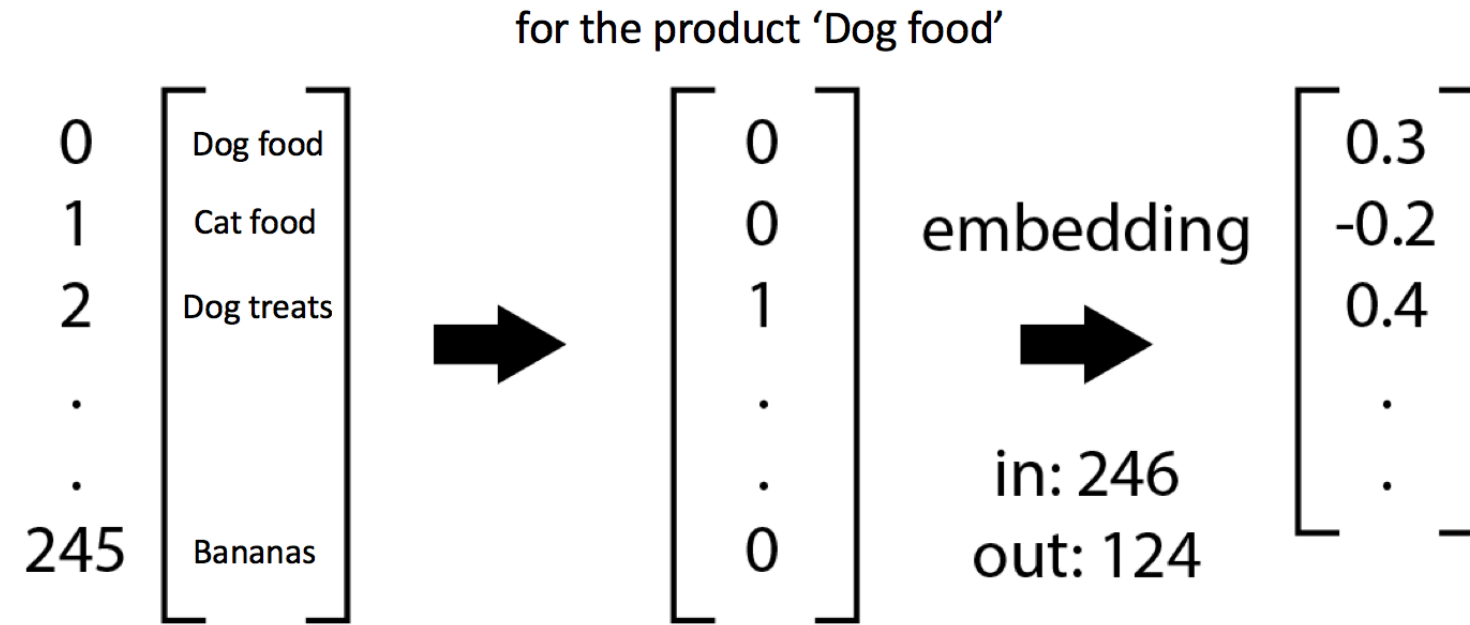
We need a way to represent these items using **dense** vectors

EMBEDDINGS

EMBEDDINGS ARE DENSE REPRESENTATIONS

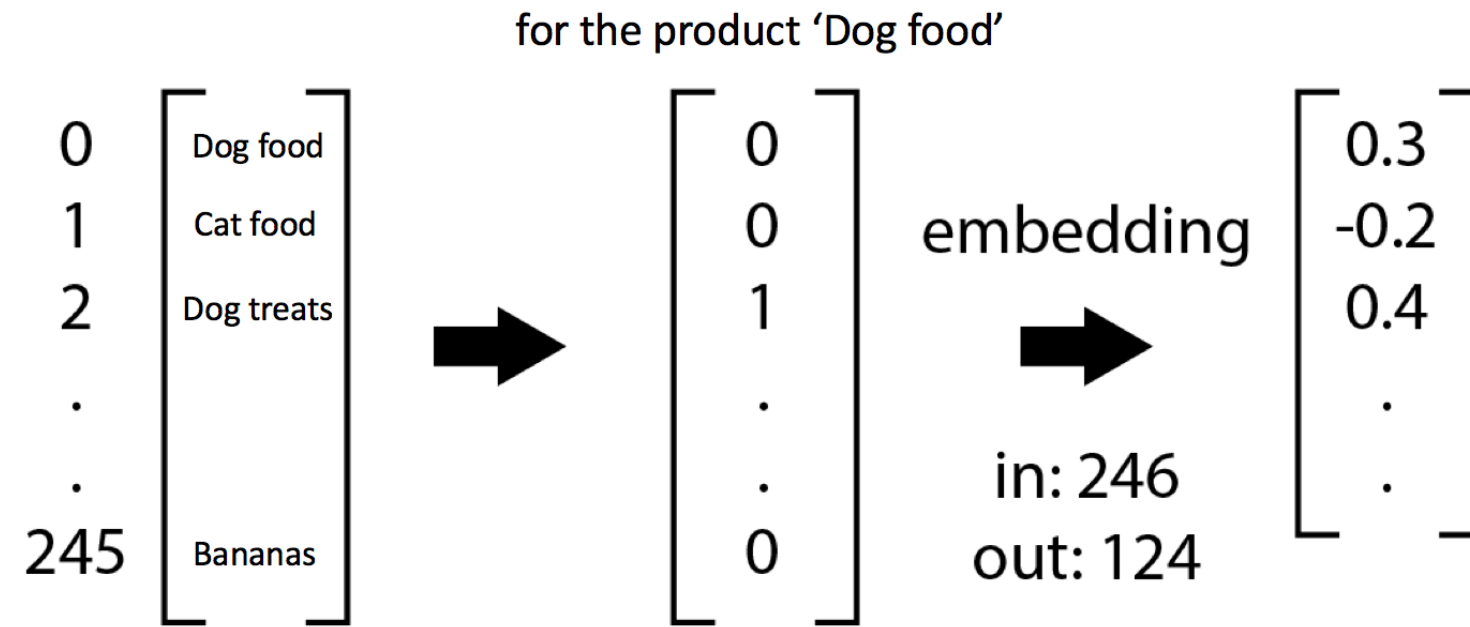


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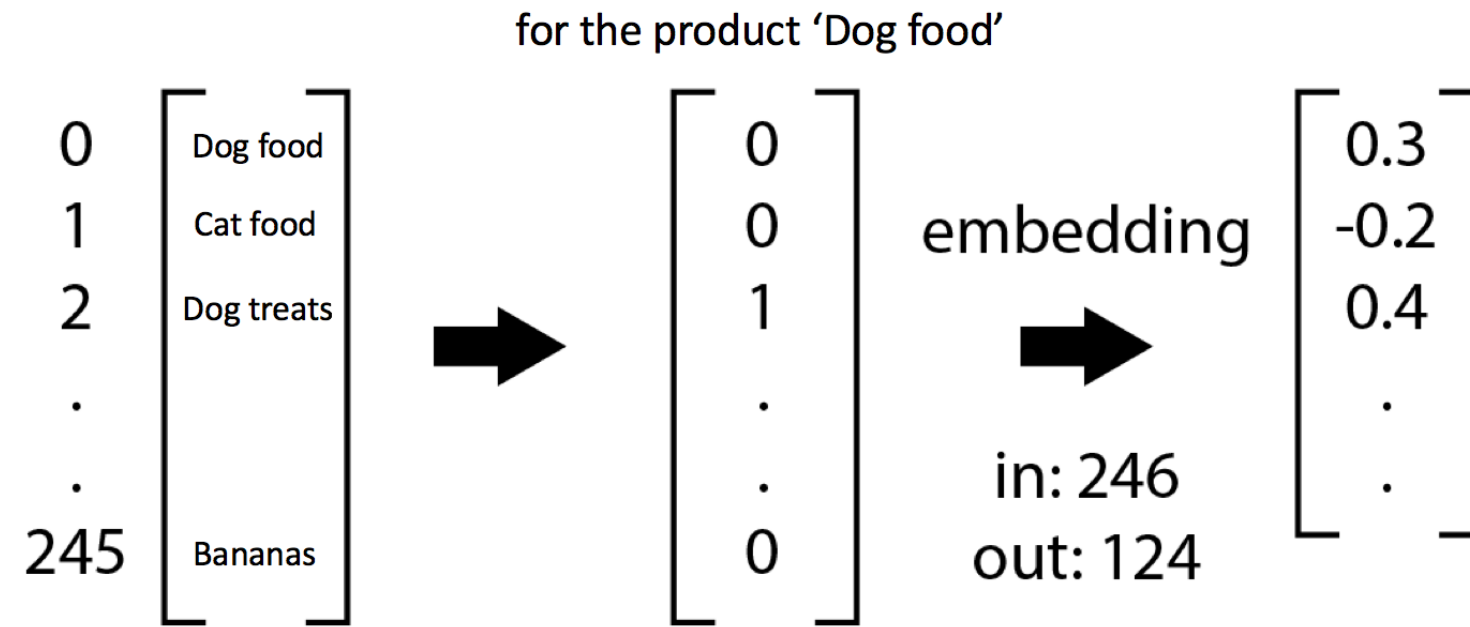
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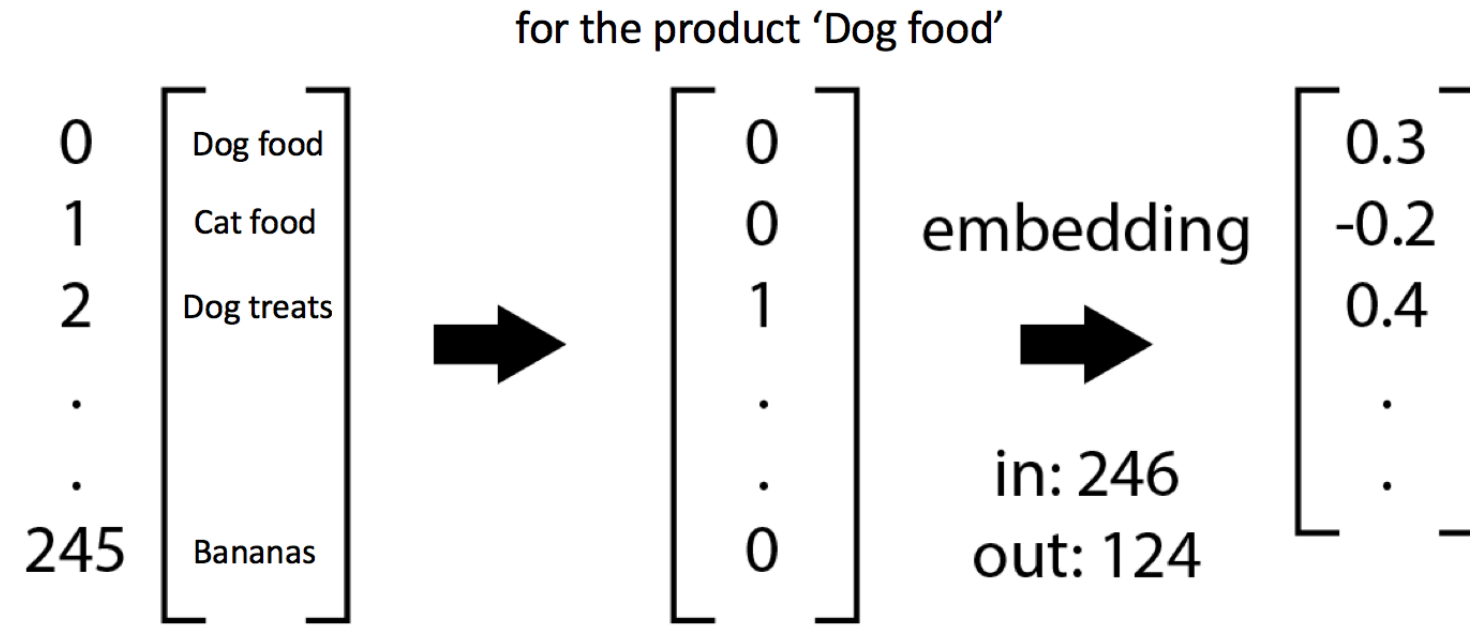
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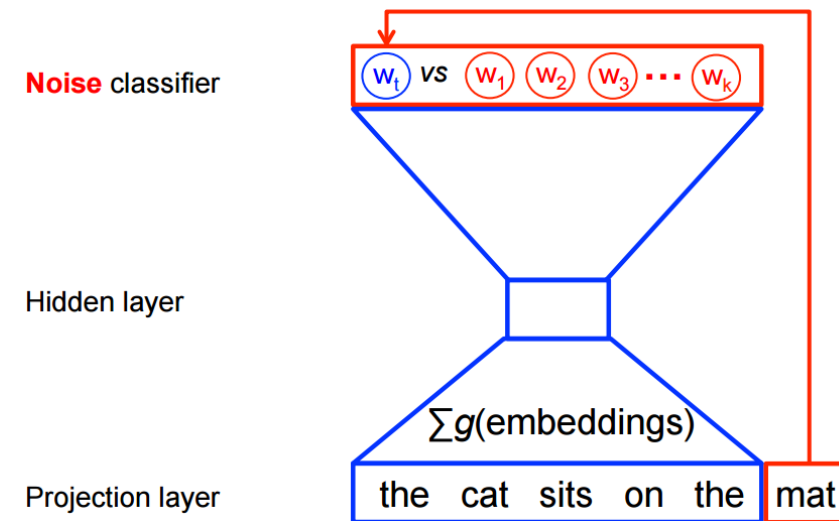
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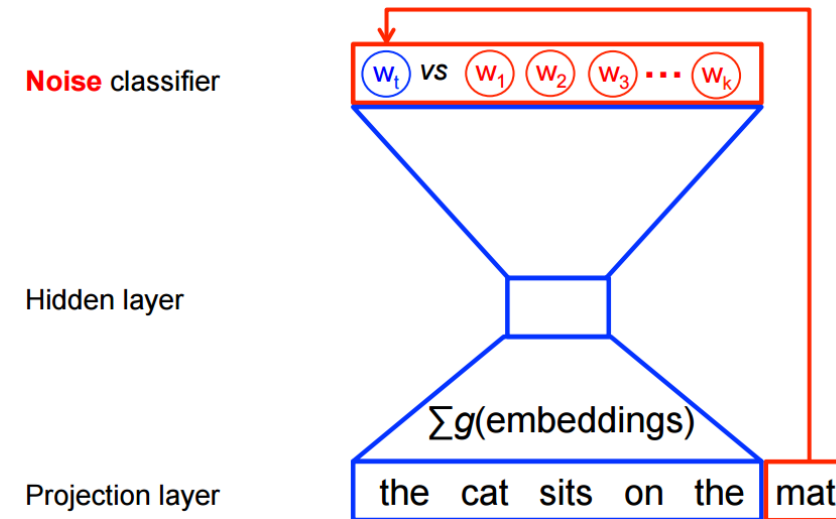
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When learned well, produce **similar vectors for similar items** (e.g. cats vs. dogs)

*2VEC ALGORITHMS

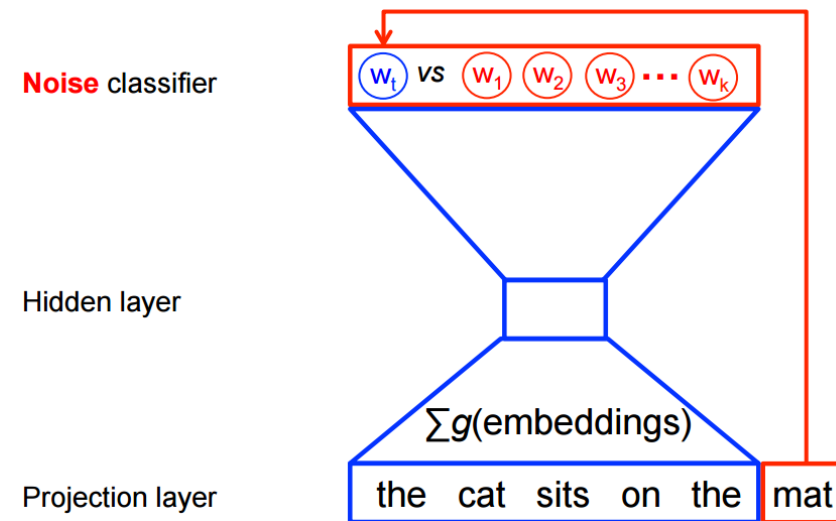


*2VEC ALGORITHMS



A set of **unsupervised learning** algorithms that learn vector embeddings (Mikolov et al.)

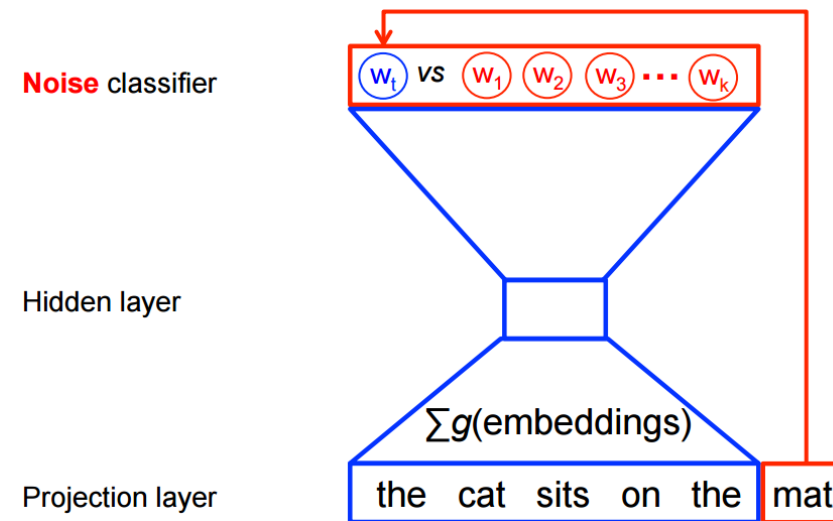
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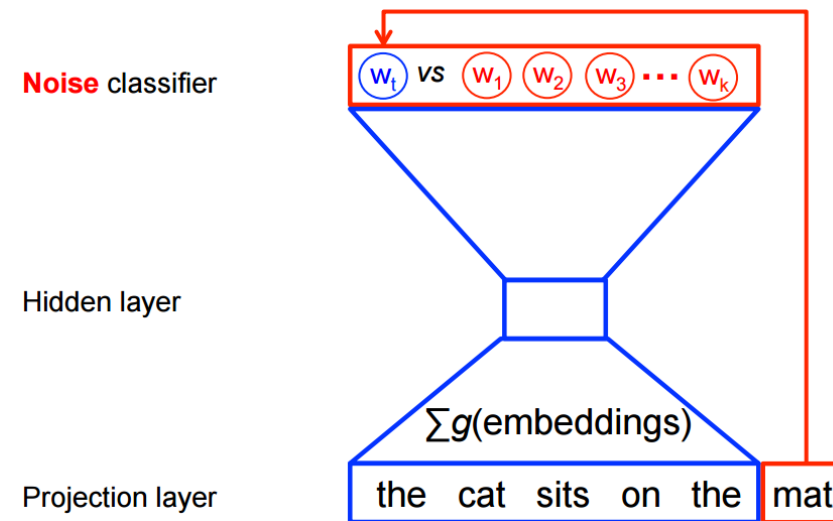


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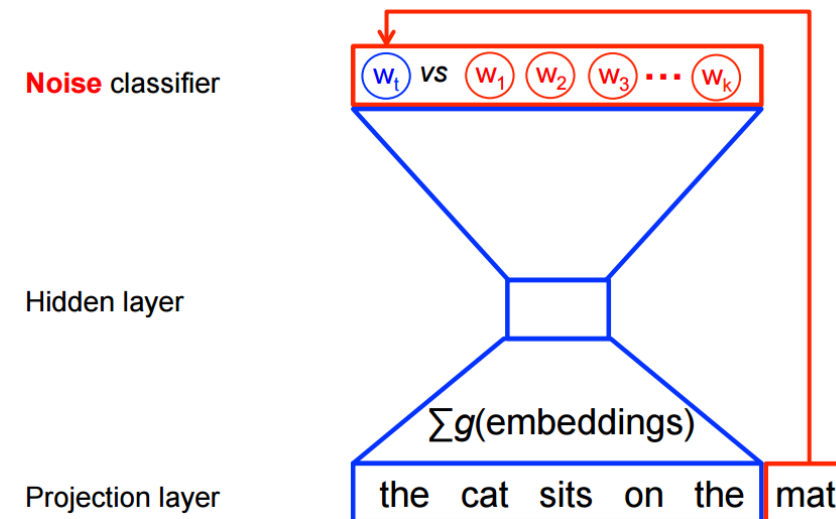
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Typically **very fast to train** and scale well to large data

SENTENCES VS. BASKETS



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(e.g. A basket is represented with product codes)

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Products are analogous to words and **baskets/customers** are analogous to sentences
(e.g. A basket is represented with product codes)

This data is a **neat place to test NLP algorithms** (e.g. no order, "stop words" and arguably more natural)

THE MODEL

THE MODELLING PROBLEM

dunnhumby | SOURCE FILES

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Aim: Understand whether doc2vec can learn **useful** vector representations of products and baskets

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Model solutions evaluated using Tensorflow's amazing [Embedding Projector](#)

EVALUATION



EASTER BASKET STUFFERS

EncodedLabels	672
SUB_COMMODITY_DESC	EASTER BASKET STUFFERS
Frequency	106
Type	Product
BASKET_ID	
Contents	Not basket
Items	

EASTER BASKET STUFFERS

COOKIES/SWEET GOODS

CONTINUITY: FRAMES

JHOOK - HOUSEHOLD

GRASS/SHRED

BOUQUET EVERYDAY MUSICAL

LOREAL COSMETICS

EASTER FILL EGGS

GAMES

MISC BUDGET COSMETICS

COLOR SETS

ACTIVITY

MAKE-UP/WIGS

GREAT GIFTS

EASTER EGG COLORING

CANDLES

GIFT-WRAP EVERYDAY

BONNE BELL

SWIN/TOYS

['MAINSTREAM WHITE BREAD', 'MISCELLANEOUS H & B AIDS', 'FLUID MILK']

JHOOK - MISC

LOIN - CHOPS BONE-IN

CANDY BOXED CHOCOLATES

DECOR

CHILDRENS LOW END

NOVELTY CANDY

HAIR BARRETTES TAILERS

PEG TOYS

AIR CARE - CANDLES

SEASONAL MISCELLANEOUS

Data

points

selection

Search

easter

by

SUB...

neighbors ?

100

distance

COSINE

EUCLIDEAN

Nearest points in the original space:

EASTER BASKETS	0.561
EASTER PLUSH	0.581
GRASS/SHRED	0.582
EASTER GIFTWARE/DECOR	0.612
EASTER FILL EGGS	0.631
BULK CANDY	0.723
ACTIVITY	0.723
GIFT-WRAP EVERYDAY	0.723
JHOOK - MISC	0.727
VAPORIZERS	0.728
MISC BUDGET COSMETICS	0.730
SWIN/TOYS	0.735
GAMES	0.736



Data

points

selection

Search
vegetarian by
SUB... *

neighbors ? 100

distance COSINE EUCLIDEAN

Nearest points in the original space:

FROZEN MEAT (VEGETARIAN)	0.560
FROZEN ENTREES	0.630
NON-DAIRY CHEESE	0.654
BREAD:TORTILLAS/PITA	0.655
FITNESS&DIET - BARS	0.659
TOFU	0.666
YOGURT	0.676
FROZEN BREAKFAST	0.677
FROZEN CONVENIENCE/POCKETS	0.681
SALAD SPINACH	0.691
BOXED PREPARED/ENTREE/DRY PREP	0.706
FROZEN BURGERS	0.712
EGGS	0.712

VEGETARIAN MEATS ^

EncodedLabels

2275

SUB_COMMODITY_DESC

VEGETARIAN MEATS

Frequency

502

Type

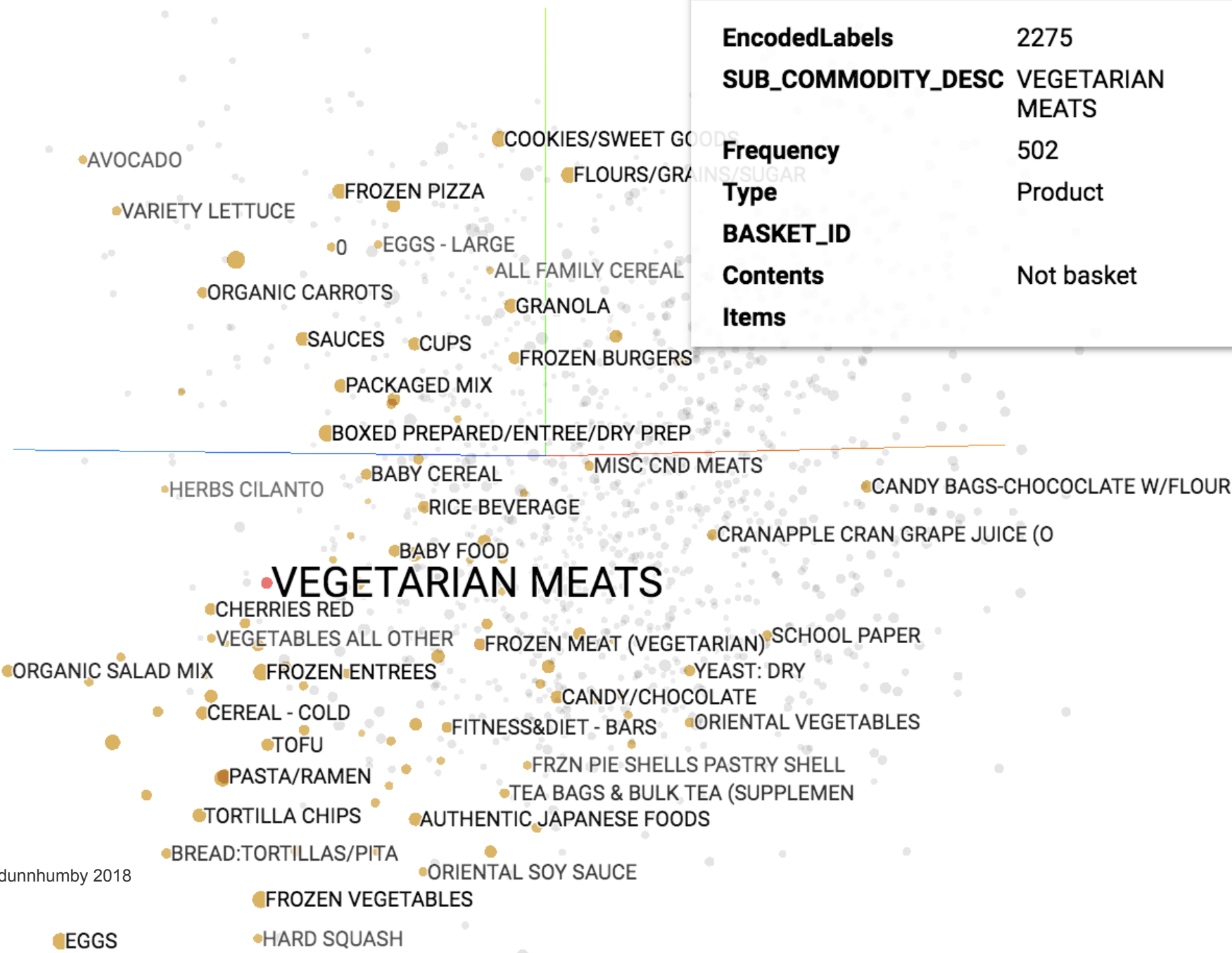
Product

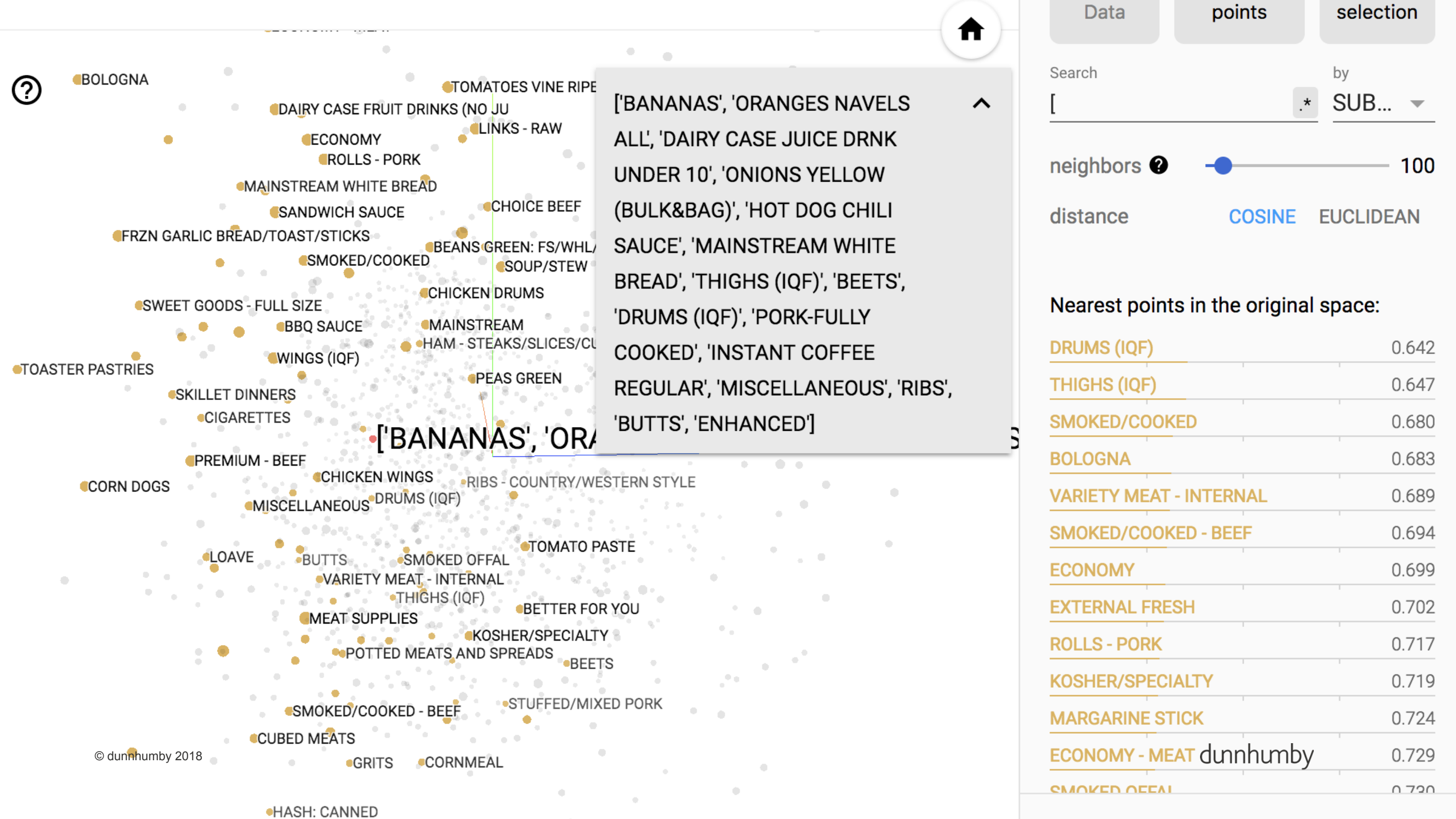
BASKET_ID

Contents

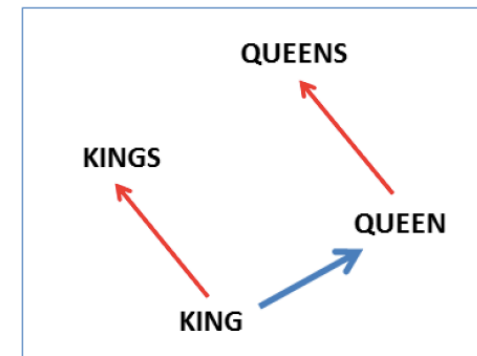
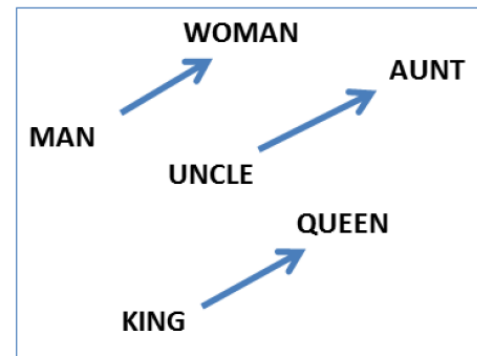
Not basket

Items

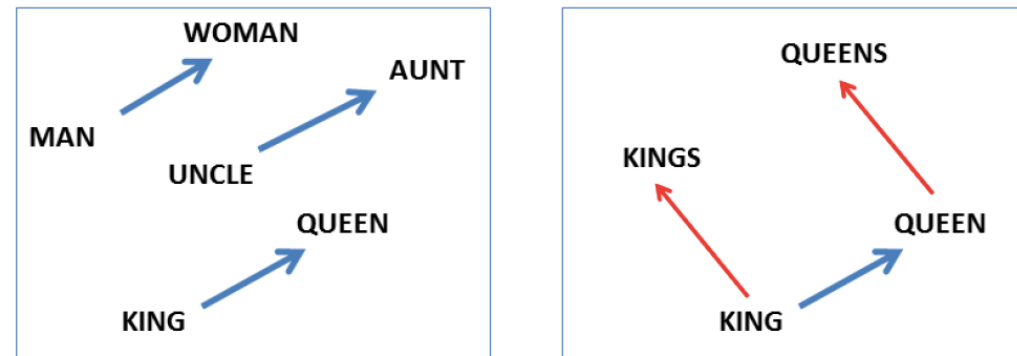




ANALOGICAL REASONING

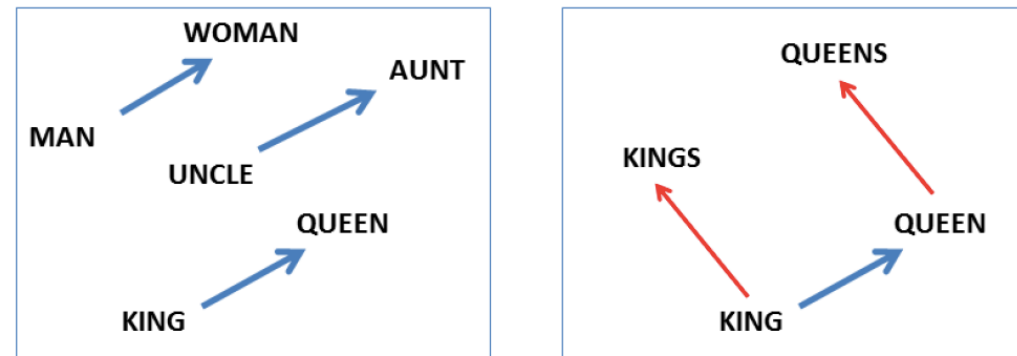


ANALOGICAL REASONING



Semantic relationships between words are typically preserved within embedding space

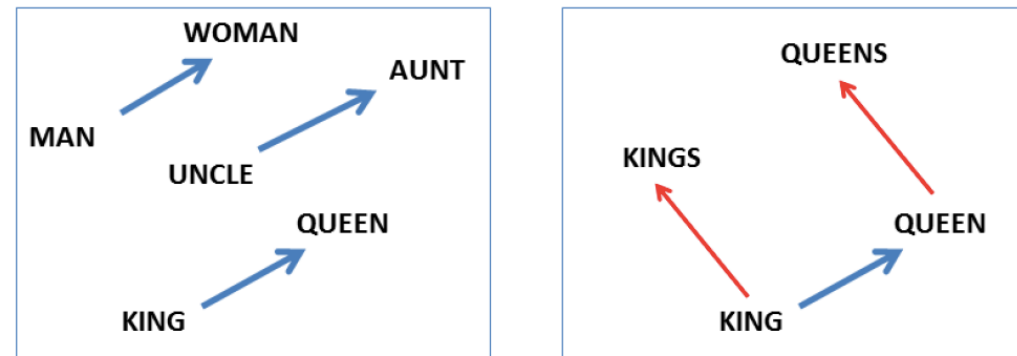
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$$\textit{King} - \textit{Man} + \textit{Woman} = y$$

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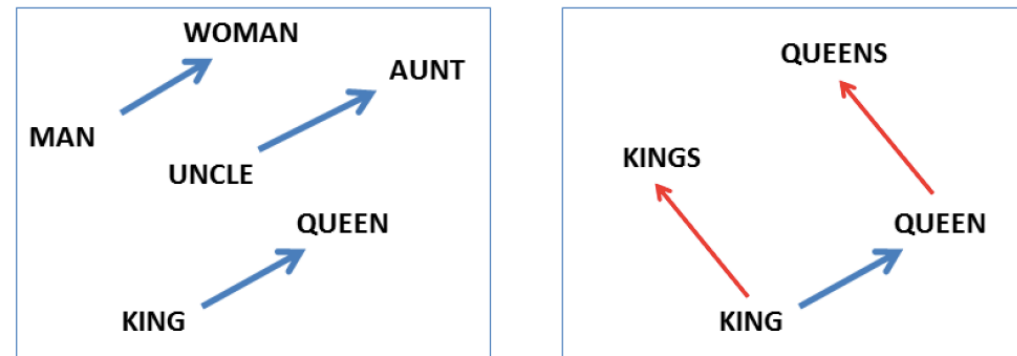


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Vectors most similar to y tend to be **related to "queen"**

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What would be the equivalent using **product embeddings**?

IDENTIFYING CHEAPER ALTERNATIVES

Premium Meat - Premium + Economy = ?

IDENTIFYING CHEAPER ALTERNATIVES

Premium Meat - Premium + Economy = ?

Rank	Product description	Cosine similarity
1	Economy meat	0.542439
2	Margarine stick	0.518072
3	Carrots (bagged)	0.500584
4	Chocolate milk	0.489882

IDENTIFYING CHEAPER ALTERNATIVES

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Suggests that there is a "**price sensitivity**" direction within the space

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Frozen Burgers - Beef + Tofu = ?

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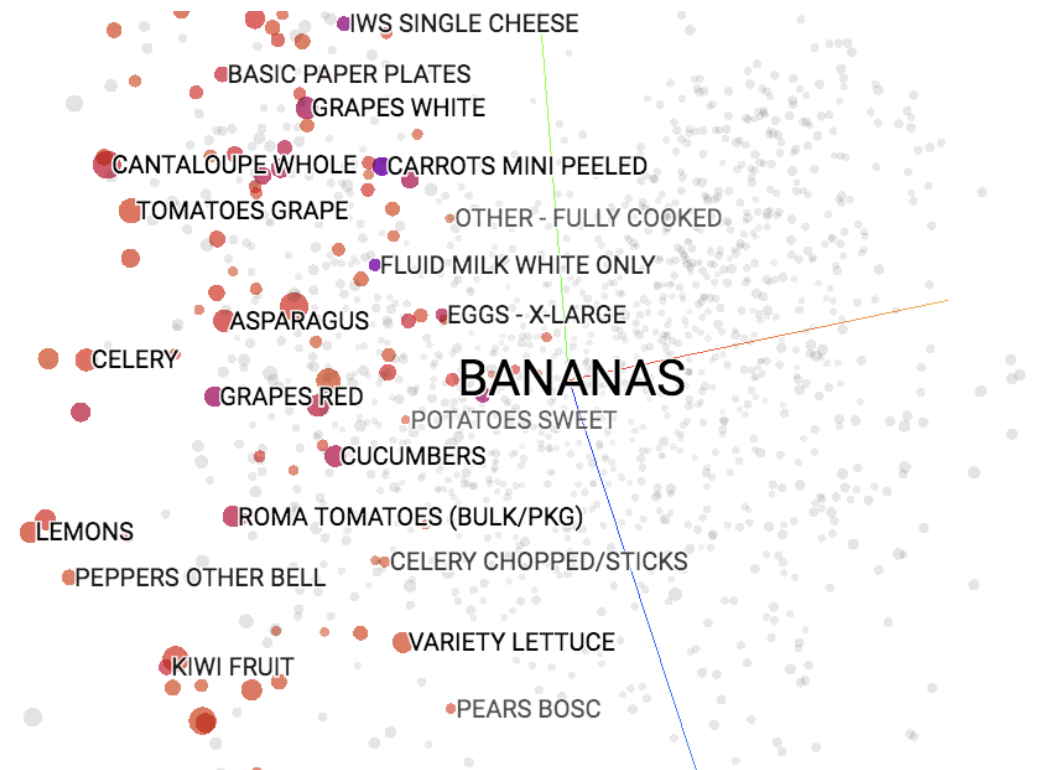
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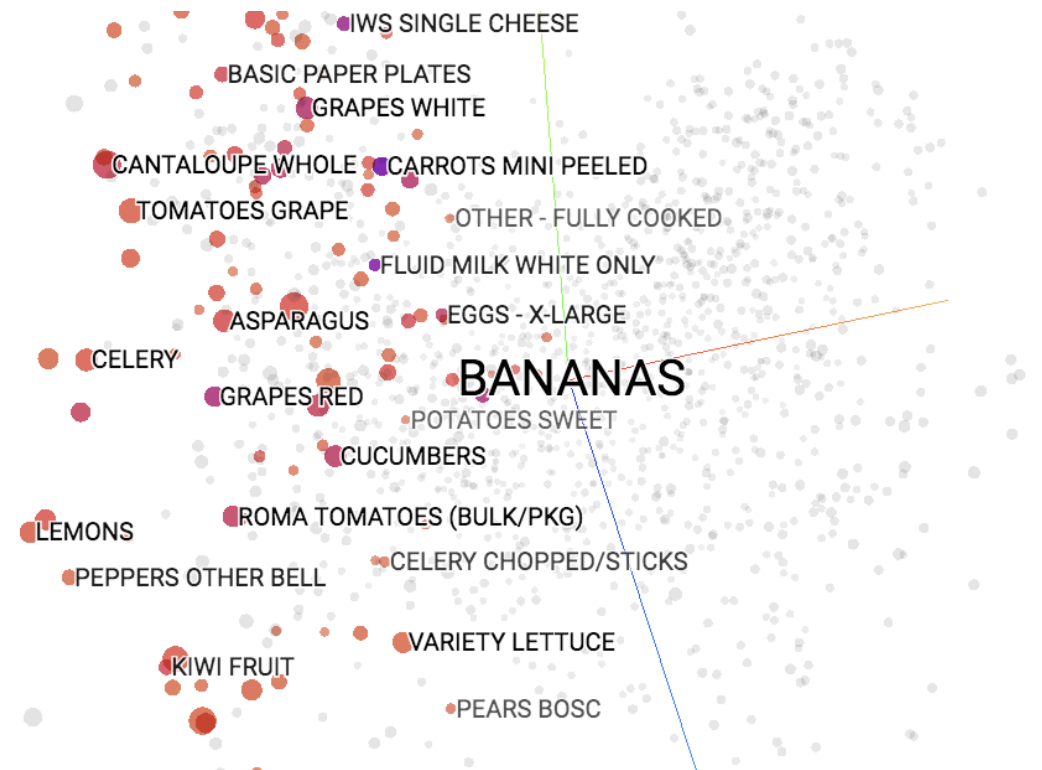
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Suggests there are "**frozen**" and "**vegetarian**" directions within the embedding space

CONCLUSIONS

THE MODEL LOOKS GREAT

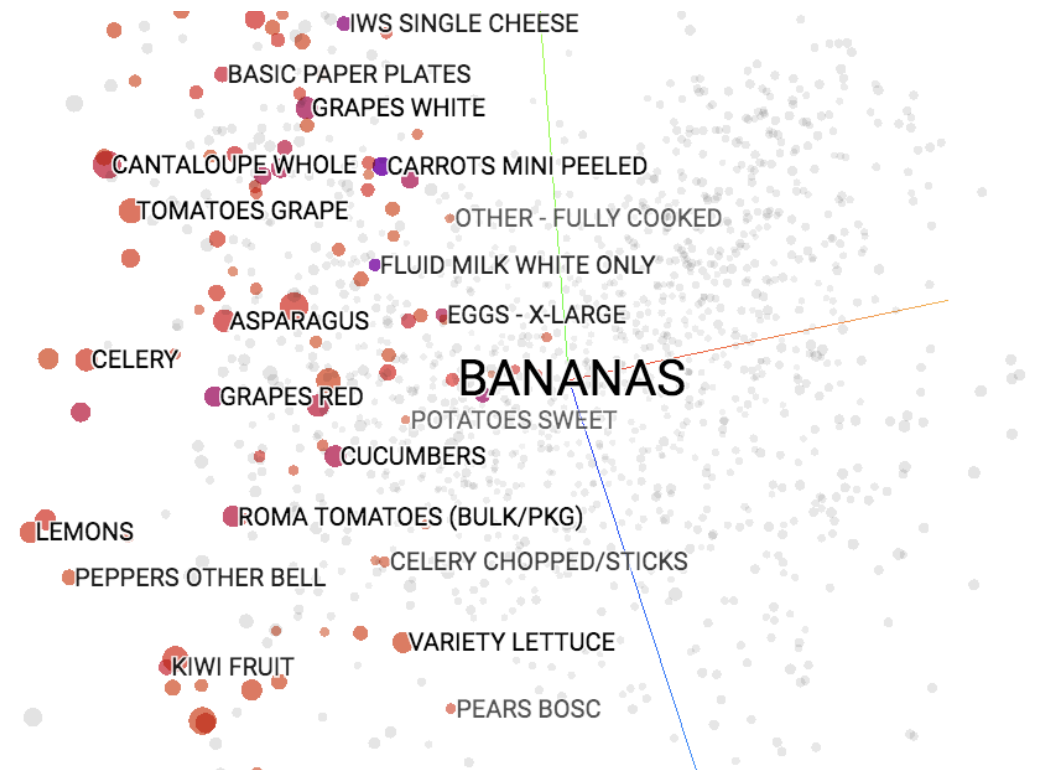


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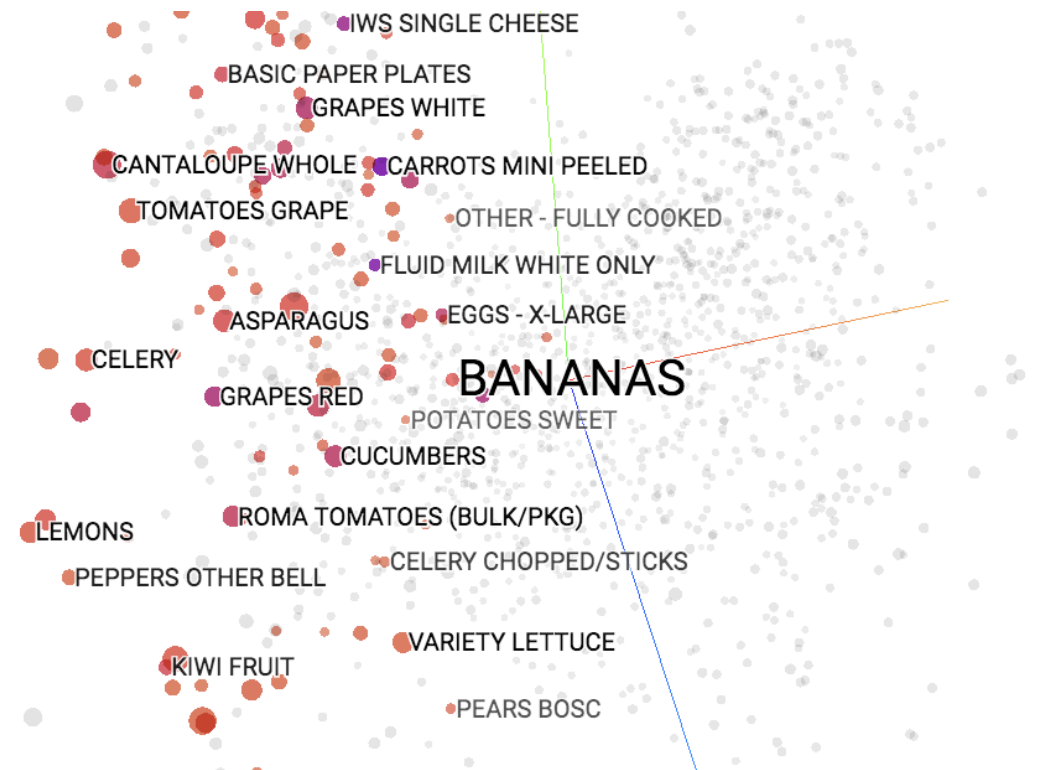
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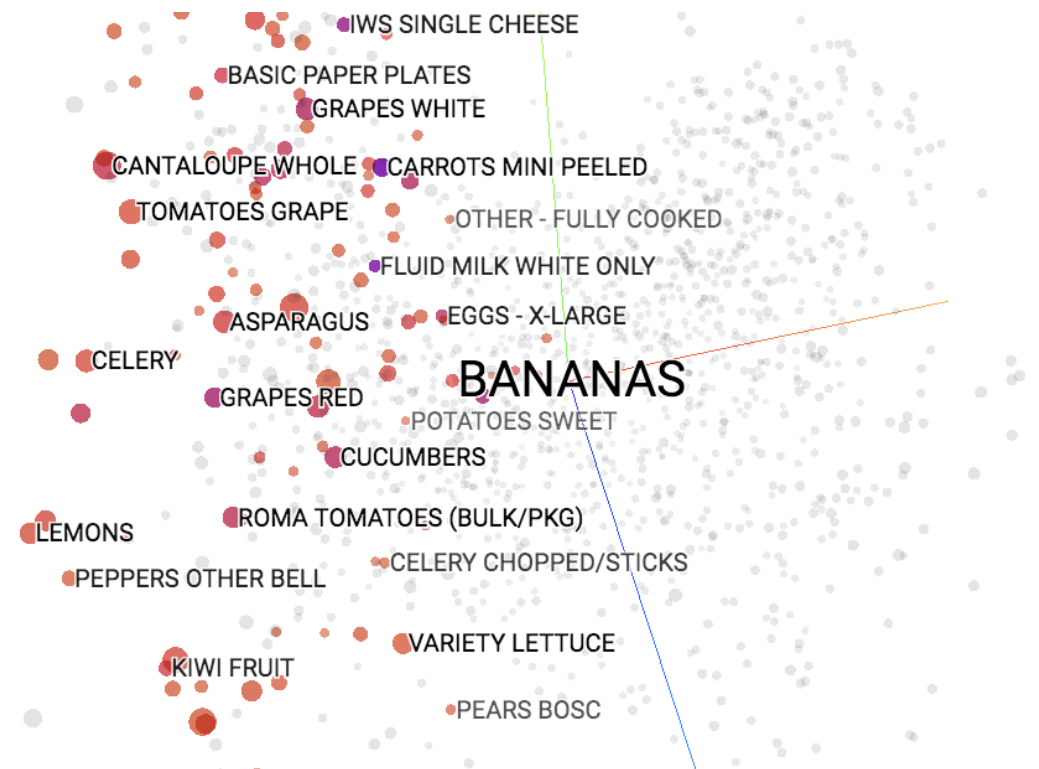
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- + The model appears to **understand product similarity** well

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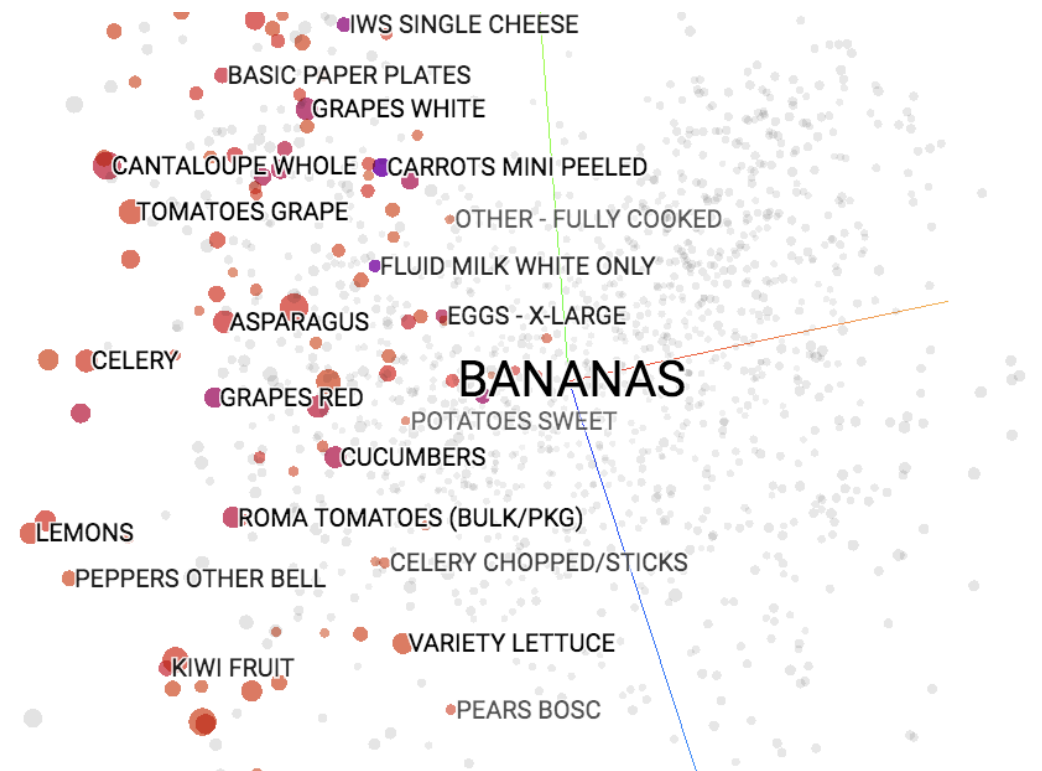
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- + **Analogical reasoning** results seem intuitive

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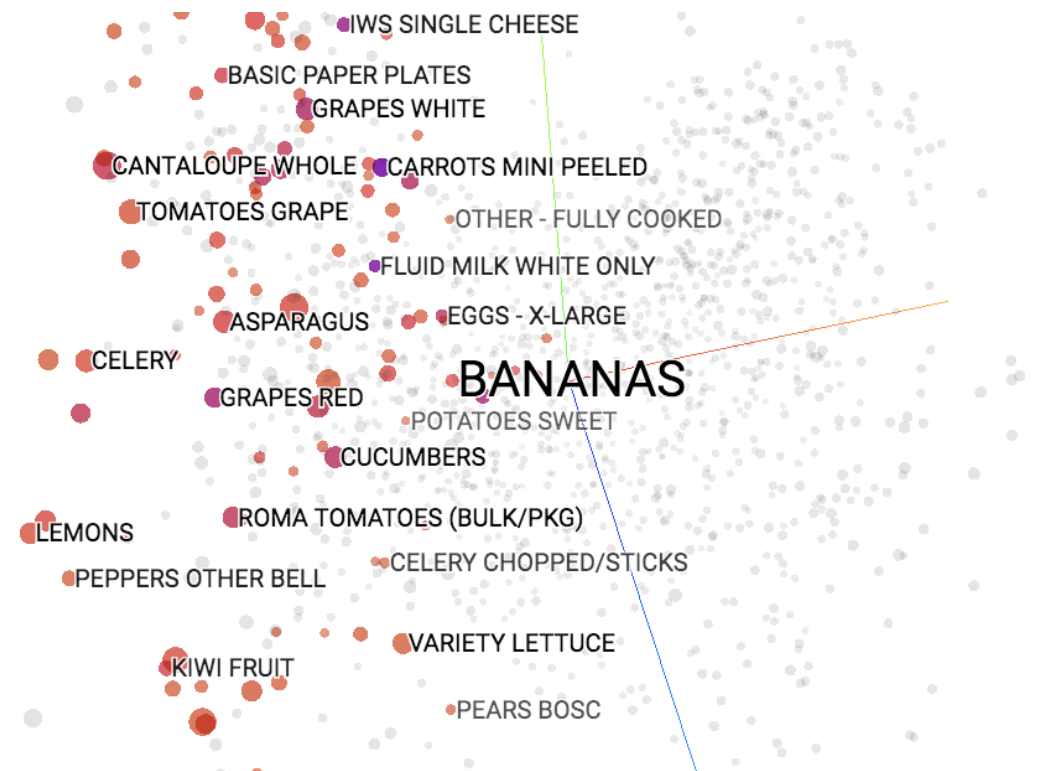
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 - + **Analogical reasoning** results seem intuitive
 - + **Scales** better than rival algorithms (e.g. NMF)
- Harder with **very low velocity** items
- Need some more **automated** ways of **evaluating** the model

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Global deployment of model in collaboration with partners

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Ultra-fast deployment of basket and customer segmentations with new clients

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Ultra-fast deployment of basket and customer **segmentations** with new clients

Exploring use of model to suggest **alternative & supplementary** products in ranges during **store ranging**

Exploring power of new features in **personalised recommender systems**

A significant leap forward in the endeavour to describe **similarity**

THANK YOU

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dunnhumby.com/careers

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