

# **DATA MINING IS A HIGH ORDER CONCEPT**

**Creating** -generating new ideas

**Evaluating** - justifying a decision or choice

**Analyzing** - breaking into component parts

**Applying** - using information in a new setting

**Understanding** - explaining idea or concept

**Remembering** - recalling information

# Data science process

## 1: Setting the research goal

- Define research goal
- Create project charter

## 2: Retrieving data

- Internal data
  - Data retrieval
  - Data ownership
- External data

## 3: Data preparation

- Data cleansing
  - Errors from data entry
  - Physically impossible values
  - Missing values
  - Outliers
  - Spaces, typos, ...
  - Errors against codebook
- Data transformation
  - Aggregating data
  - Extrapolating data
  - Derived measures
  - Creating dummies
  - Reducing number of variables
- Combining data
  - Merging/joining data sets
  - Set operators
  - Creating views

## 4: Data exploration

- Simple graphs
- Combined graphs
- Link and brush
- Nongraphical techniques

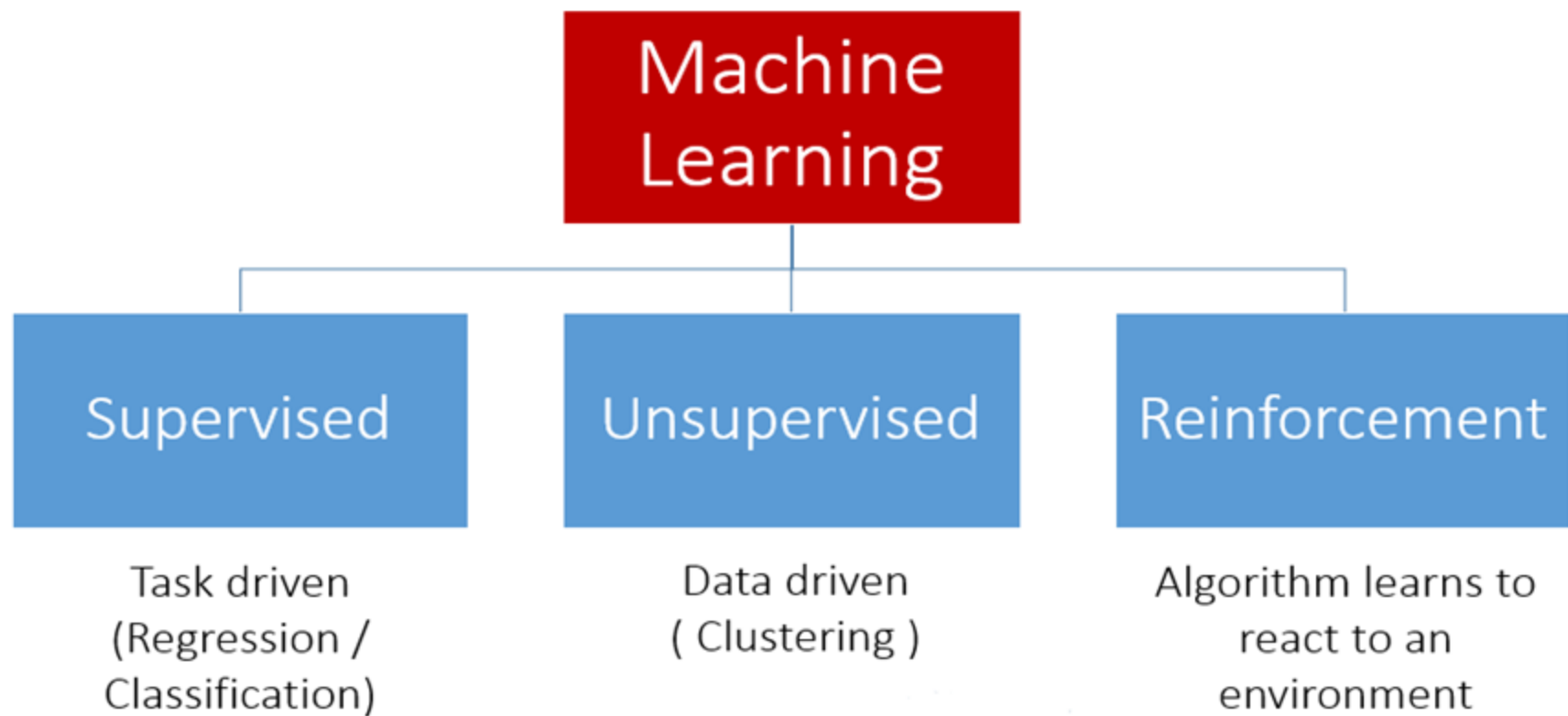
## 5: Data modeling

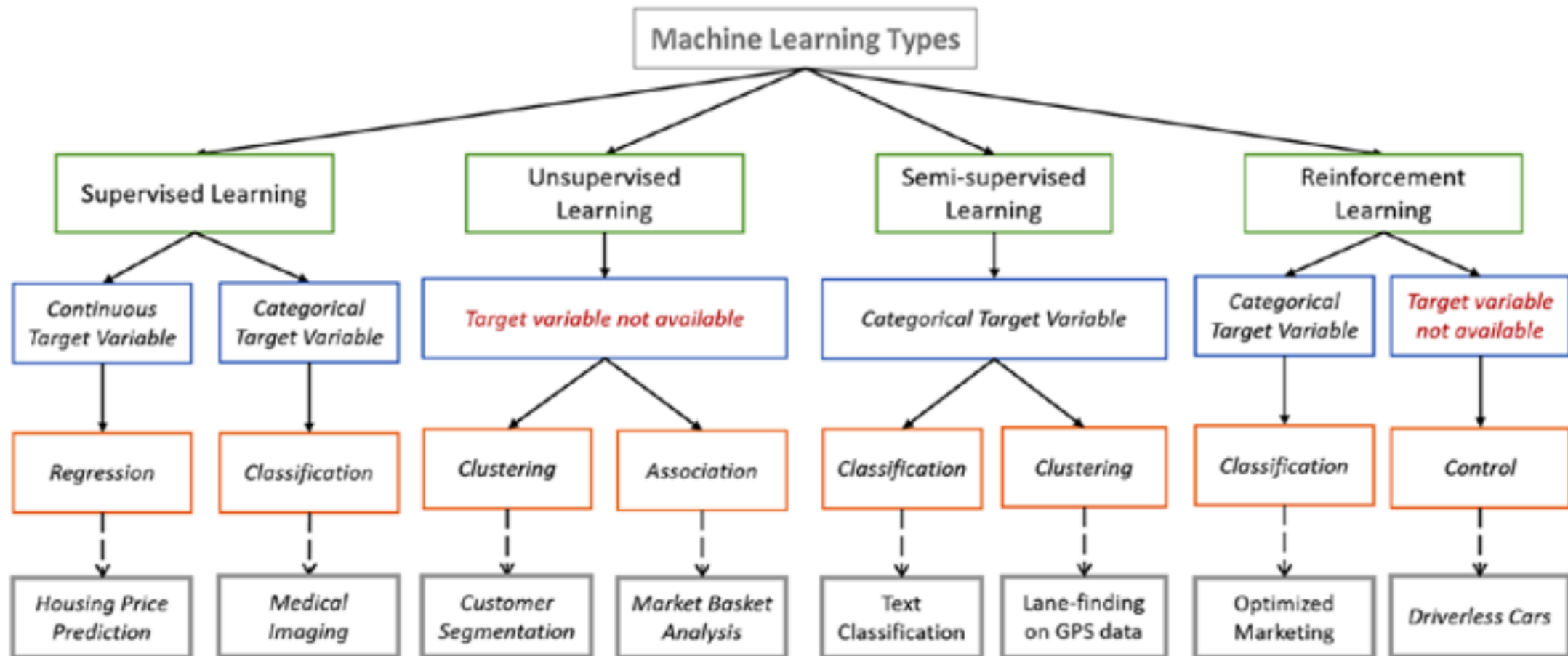
- Model and variable selection
- Model execution
- Model diagnostic and model comparison

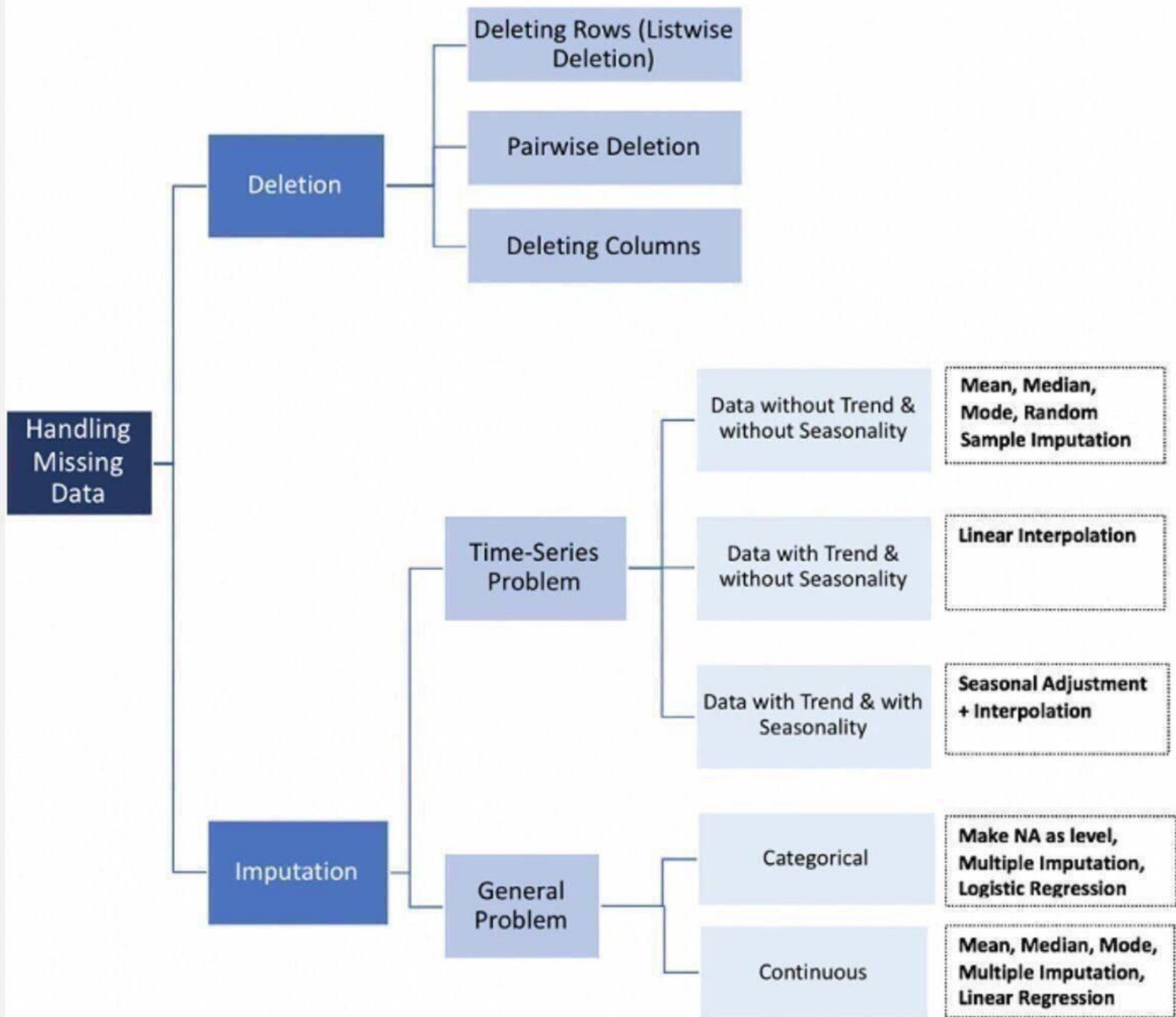
## 6: Presentation and automation

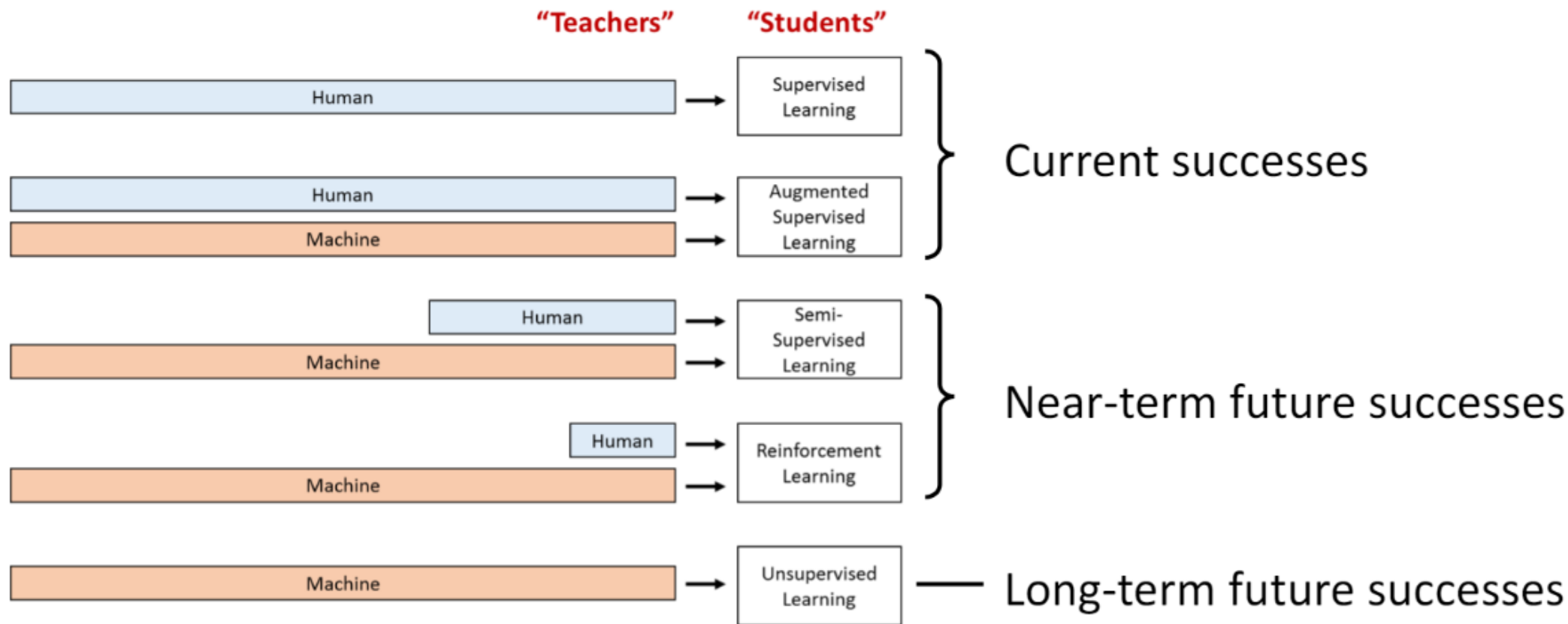
- Presenting data
- Automating data analysis

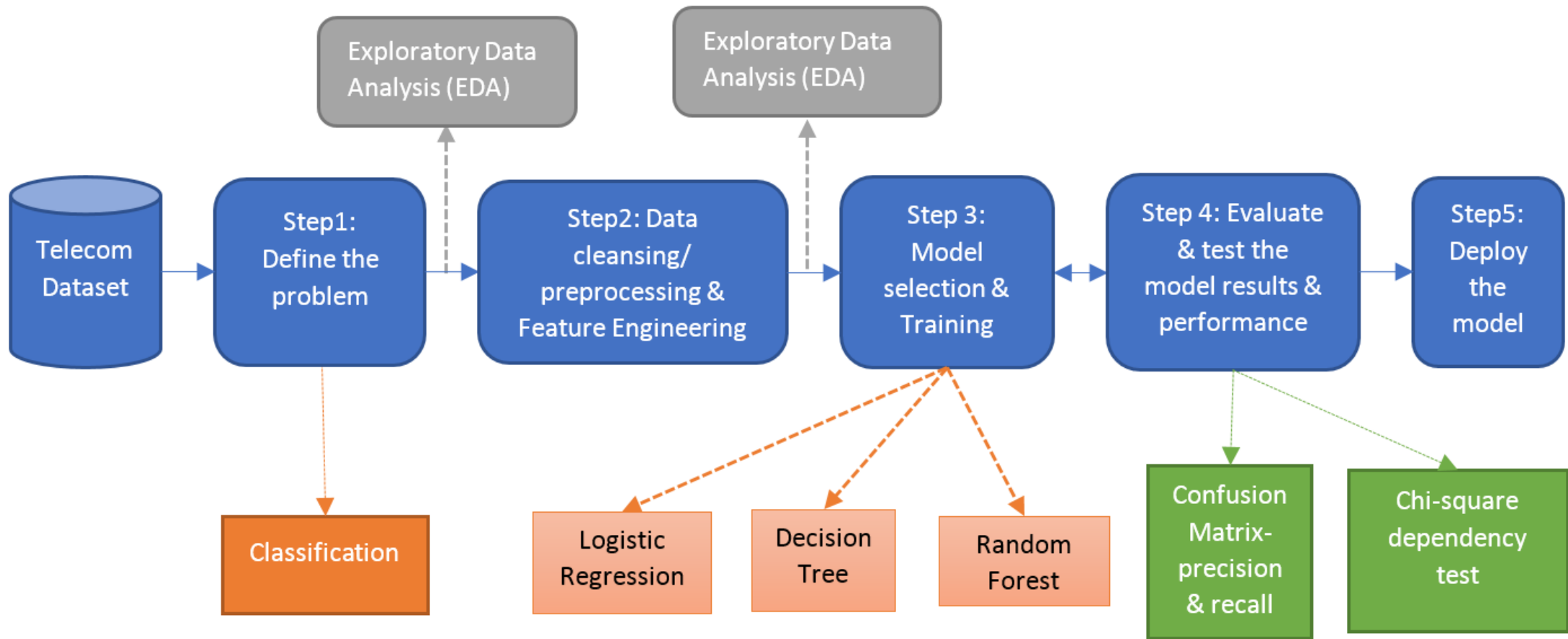
# Types of Machine Learning





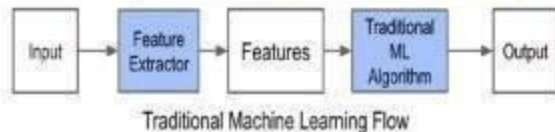






# Machine Learning vs Deep Learning

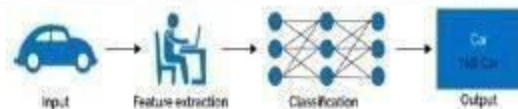
## Machine Learning



Can work with commodity hardware (including consumer laptop)

Feature extraction with business context/domain has to be done

Relatively less training time



## Process



## Compute



## Feature Extraction



## Development time



## Schematic Example



## Deep Learning



Needs High end machines with GPU

Automatically learns features layer by layer

Long training time as DL learns all the diverse set of parameters

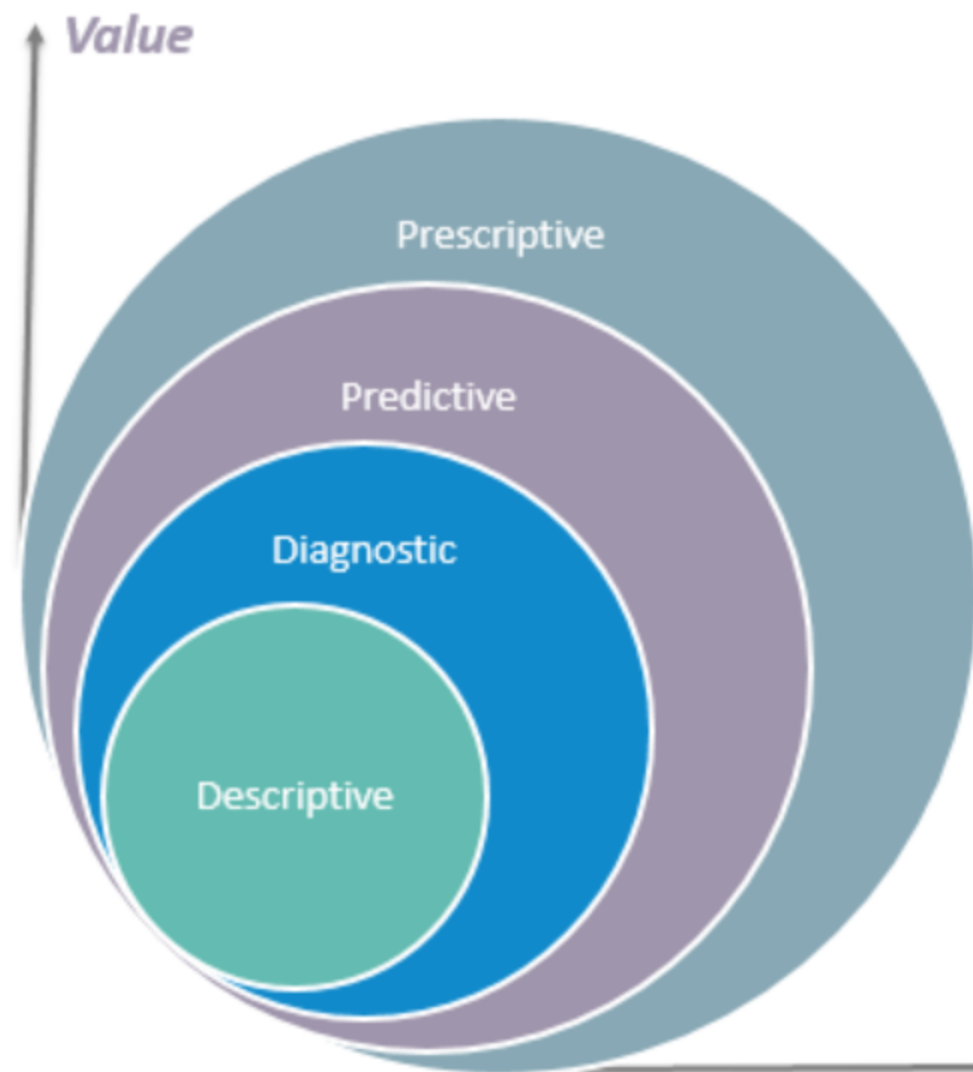




**Table 1: The three components of learning algorithms.**

Representation	Evaluation	Optimization
Instances	Accuracy/Error rate	Combinatorial optimization
<i>K</i> -nearest neighbor	Precision and recall	Greedy search
Support vector machines	Squared error	Beam search
Hyperplanes	Likelihood	Branch-and-bound
Naive Bayes	Posterior probability	Continuous optimization
Logistic regression	Information gain	Unconstrained
Decision trees	K-L divergence	Gradient descent
Sets of rules	Cost/Utility	Conjugate gradient
Propositional rules	Margin	Quasi-Newton methods
Logic programs		Constrained
Neural networks		Linear programming
Graphical models		Quadratic programming
Bayesian networks		
Conditional random fields		

## 4 types of Data Analytics



### What is the data telling you?

**Descriptive:** *What's happening in my business?*

- Comprehensive, accurate and live data
- Effective visualisation

**Diagnostic:** *Why is it happening?*

- Ability to drill down to the root-cause
- Ability to isolate all confounding information

**Predictive:** *What's likely to happen?*

- Business strategies have remained fairly consistent over time
- Historical patterns being used to predict specific outcomes using algorithms
- Decisions are automated using algorithms and technology

**Prescriptive:** *What do I need to do?*

- Recommended actions and strategies based on champion / challenger testing strategy outcomes
- Applying advanced analytical techniques to make specific recommendations

**Complexity**

## 6 Steps Approach to **#DataScience** for **#businesses** & practitioners

1. Set Research Goal - what are you going to research, how does it benefit the business, define a problem statement, what kind of data & resources are needed, a timeline of deliverables.
2. Data Collection - how to retrieve the data, check the quality & accessibility, data comes from many sources and formats, can be **#Excel** spreadsheets, **#MySQL** or other databases, **#Bigdata**
3. Prepare the Data - most crucial step in Data Science and **#MachineLearning** because data collection is prone to errors, it needs enhancement.
  - a) Data Cleansing - remove inconsistencies
  - b) Data Integration - enrich your data by combining sources
  - c) Data Transformation - ensure data is suitable for the model
4. Data Exploration - how variables interact, how data is distributed, identify outliers, gain insights. Use **#statistics**, **#DataVisualization**
5. Data Modeling - build a model, use domain expertise, use insights to answer research questions. Use stats, ML or Operation Research. Re-iterate to find a model that fits the best.
6. Presentation & Automation - share end results as an **#analysis**, report or an automated model that can be applied to other business problems.

**#Analytics #ArtificialIntelligence #Automation #IoT**

Data science process

Define research goal

