How does it work? Amazon Recommendations

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Background



A little history about Amazon

- Started by Jeff Bezos in 1994 along with the help of his then wife Mackenzie Scott
- Initially sold books to customers in 50 states
- Expanded to other domains such as as electronics etc
- Now has expanded its market to multiple countries
- Generated up to \$ 280.5 billion in net profit in 2019



Why a recommendation system?

- 91% of online store customers admit that they are more likely to use a brand's offer that personalizes their experience
- 98% of eCommerce website owners say that personalization improves their relationships with customers
- Providing recommendations to maximize potential value for individual customers, Amazon can keep consumers engaged and offer products of interest to them that they might not even think about

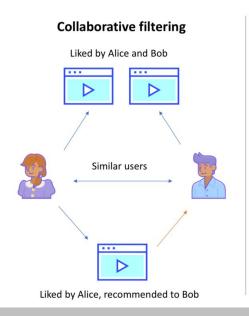


Amazon's recommendation

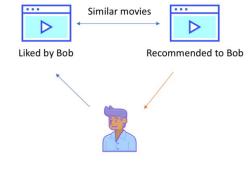


The algorithm - filtering

- First proposed in 1998
- Item-to-Item Collaborative Filtering
- selects recommended products for each user based on their
 - previous purchases,
 - interactions and ratings of other items on display,
 - combines them with similar items viewed by users with similar preferences and interests
- Amazon also uses content-based filtering as well
- Collaborative and Content-based methods offer the best and most effective results if they work together



Content-based filtering



A9/A10 algorithm for scoring

- Ranking/Scoring for the items after filtering
- Signals between products and targeted user is calculated
- Signals (not an exhaustive list):
 - Product Rank
 - Sales Velocity
 - Keyword Relevancy
 - Price Competitiveness
 - Conversion Rate
 - Detail Page View Rate
 - Average Star Ratings
- Weight given to each feature

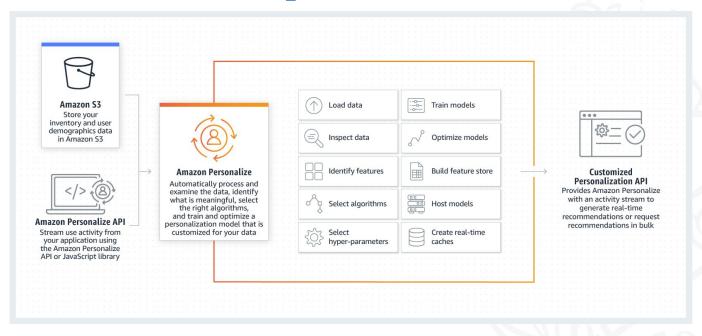


Hybrid Approaches

- A mix of new approaches:
 - Bandit-approaches to balance exploration of new possibilities with exploitation of profitable ones already discovered
 - Graph Neural Nets to do link prediction task on a bipartite graph (users and items)
 - Causal Statistics focuses on determining "how" and "why" under changing condition



Amazon Personalize Pipeline



Amazon's recommendations (Content-based)

Smart home products inspired by your shopping trends















Model), Mercury White

★★★★ 30,598

vprime FREE Delivery

\$22.08



Razer Huntsman Tournament Edition TKL Tenkeyless Gaming Keyboard: Fast Keyboard Switches - Linear Optic... ** * 5,171 \$73.05 Prime FREE Delivery

Razer BlackWidow V3 Mechanical Gaming Keyboard: Green Mechanical Switches -... ** 2,812

Amazon's Choice in PC

\$99.99

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Gaming Keyboards

Razer Cynosa Chroma Gaming Keyboard: Individually Backlit RGB Keys - Spill-Resistant Design - Programmabl... *** 17,944 \$39.99 ✓prime FREE Delivery

Keyboard: Hybrid Mechanical Key Switches - Customizable Chroma RGB Lighting -... *** 11,210 \$46.99

Razer Ornata V2 Gaming

Get it Jun 17 - 21

FREE Shipping Only 20 left in stock - orde...

Govee Glide RGBIC Smart Wall Light. Multicolor Customizable, Music Sync Home Dec... **** 390

Amazon's Choice

Sconces \$149.99

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Razer Viper Mini Ultralight Gaming Mouse: Fastest Gaming Switches - 8500 DPI... ** 15,946

Amazon's Choice in PC

Gaming Mice \$23.77

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Razer BlackWidow Mechanical Gaming Keyboard: Green Mechanical Switches, Tactile & Clicky, Chroma RGB Lighting, Anti-...

★★★★ 1,883 \$161.75

\$17.26 shipping Only 2 left in stock - order...

Amazon's recommendations (Item-based)

Customers who viewed items in your browsing history also viewed



8 Pcs Glide RGBIC Smart Wall Light, Multicolor Music Sync LED Wall Light Bar with Smart APP and Remote... ★★★☆☆ 20

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Questions



Thank You!

