

Introduction to Data Science

Part 1: About Data Science

Nicolas Pfeuffer

Table of Contents

- 1. What is Data Science?
- 2. Data Science Roles and Skills
- 3. Data Science Process
- 4. The first step: Asking the right Questions
- 5. Step 2 and $2^{1/2}$: A first glance at our dataset

The sexiest job of the 21st century



Data scientists' most basic, universal skill is the ability to write code. This may be less true in five years' time, when many more people will have the title "data scientist" on their business cards. More enduring will be the need for data scientists to communicate in language that all their stakeholders understand—and to demonstrate the special skills involved in storytelling with data, whether verbally, visually, or—ideally—both.

https://hbr.org/2012/10/data-scientist-the-sexiest-job-of-the-21st-century

"The next sexy job"

"The ability to take data—to be able to understand it, to process it, to extract value from it, to visualize it, to communicate it—that's going to be a hugely important skill."

Hal Varian, Google's Chief Economist, NYT, 2009

"Data Scientist (n.): Person who is **better at statistics than any software engineer** and **better at software engineering than any statistician**."

Josh Wills, 2012

Data Science Headlines

efl Maria Science Institute

Lessons learned from 2012 U.S. presidential campaign sure to play more important role in future elections.



Analytics, especially microtargeting, played a critical role in both campaigns, and Obama won in significant part because his analytics performance was better. Photo courtesy of "Obama for America."

2,185 views | Aug 27, 2019, 06:11pm

Data Science Will Drive Auto Industry In Future, Tata Consultancy Services Says

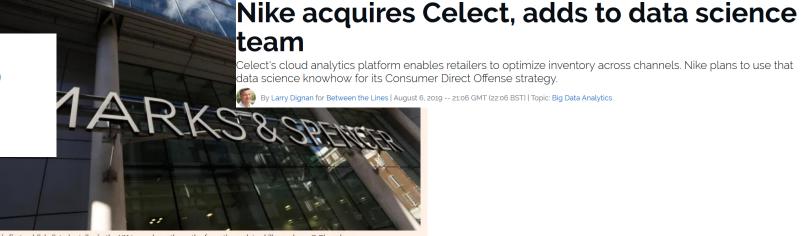
Cargill's iQShrimp helps farmers manage risk, make better decisions

Digital software provides shrimp producers with data clarity and predictive insights

MINNEAPOLIS - March 5, 2018 - Shrimp farmers can tap into the first cloud-based solution in the aquaculture industry thanks to Cargill's iQShrimp. The predictive software uses machine learning and sensors to give them real-time visibility into their farm operations. iQShrimp is a first-generation offering driven by iQuatic[™], Cargill's digital platform for aquaculture.

M&S aims to turn staff into data scientists

Retailer wants workers to become digitally savvy in market rocked by likes of Amazon



M&S is first publicly listed retailer in the UK to go down the path of creating a data skills academy © Bloomberg

Data Science for Social Good





Using a range of data both held by Ofsted and publicly available, the goal of this project is to build a risk model that can help Ofsted to prioritise its inspections of IFAs.





The goal of the project is to reduce the time it takes to find a new rough sleeper and to improve access to services for particularly vulnerable individuals.



The goal was a resource that can provide real-time local labor market data that helps employers, job-seekers, and educators collaborate to target skills training and match potential employees to jobs.

Definitions of Data Science

Data Science aims to **gain insights into data** through **computation, statistics, and visualization**.

by Pfister, Blitzstein and Kaynig for their course "CS109 Data Science" at Harvard John A. Paulson School of Engineering

Data science is the **study of the generalizable extraction of knowledge from data**.

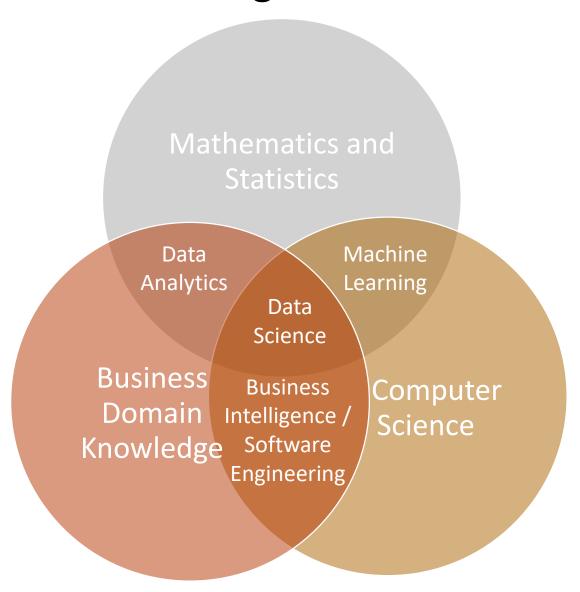
Vasant Dhar. Data Science and Prediction. Communications of the ACM, December 2013, Vol. 56 No. 12, Pages 64-73

[...] Data Science is the science of learning from data; it studies the methods involved in the analysis and processing of data and proposes technology to improve methods in an evidence-based manner. The scope and impact of this science will expand enormously in coming decades as scientific data and data about science itself become ubiquitously available.

David Donoho. 50 Years of Data Science. 2015, p. 38

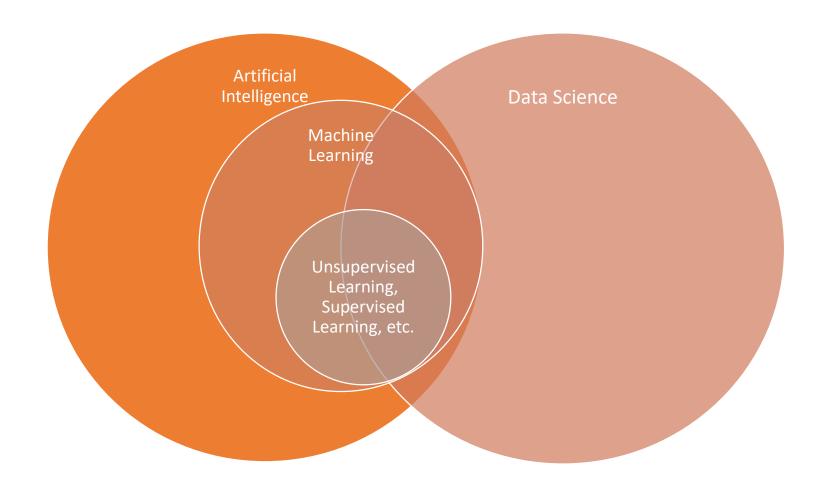
How is Data Science Distinguishable?





How is Data Science Distinguishable?





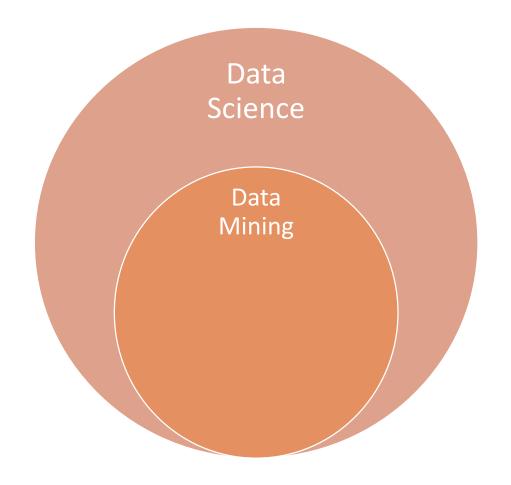
Data Mining

Data mining, [... is] the process of discovering interesting and useful patterns and relationships in large volumes of data.

The field combines tools from statistics and artificial intelligence (such as neural networks and machine learning) with database management to analyze large digital collections, known as data sets.

How is Data Science Distinguishable?





- Although at first glance quite similar, but different
- Data Mining:
 - is part of a broader Knowledge Discovery Process
 - Goal → Get Data, Find useful patterns in data
- Data Science:
 - Follow (Research/Business) Questions /Hypotheses
 - Goals → Analyse Data, Generate Predictions,
 Find answers in an evidence-based manner
- → Data Mining can be seen as a sub-task in a data science process

Table of Contents

- 1. What is Data Science?
- 2. Data Science Roles and Skills
- 3. Data Science Process
- 4. The first step: Asking the right Questions
- 5. Step 2 and $2^{1/2}$: A first glance at our dataset

Typical Roles in Data Science



"I worry that the Data Scientist role is like the mythical "webmaster" of the 90s: master of all trades."

Aaron Kimball, CTO Wibidata

"No matter how you define data science, you'll find practitioners for whom the definition is totally, absolutely wrong."

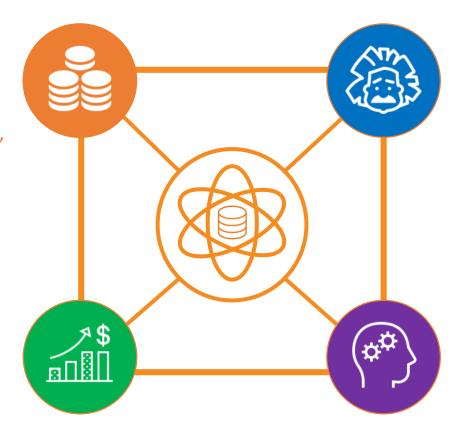
Joel Grus, in his book "Data Science from Scratch". O'Reilly, 2015.

Typical Roles in Data Science



Data Engineer

- → Responsible for the acquisition, organization and storage of data
- → Possible skills: Software Engineering, SQL, Hadoop, Python(Pandas)



General Data Scientist

- → Coding Generalist who creates business value with the full data science stack
- → Possible Skills: Domain Knowledge, Statistics, Python/R, Pandas/Numpy, Machine Learning, Data Visualization, etc.

Data Analyst

- → Responsible for the creation of business value with data
- → Possible Skills: Domain Knowledge, Python/R, SQL, Excel, Data Visualization

Machine Learning Engineer

- → Specialist in the field of Machine Learning; Creator of Algorithms
- → Possible Skills: Mathematics/Statistics, Software Engineering, Python, C++, Pandas/Numpy/Pytorch, Machine Learning, Neural Networks, etc.

Skills of the modern data scientist: 🔑 python 🔀 📶





Basic Skills Functions Basic Libraries

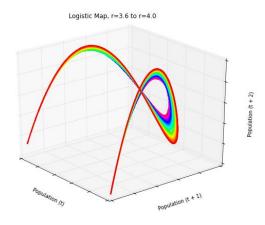
```
# Variables
iVariableA = 1
iVariableB = 2
iVariableC = iVariableA/iVariableB
# Data Structures
LNames = ['Gary','Marc','Paula']
LNames reversed = LNames.reverse()
sNameGary = LNames[0]
DLanguages ={ 'England':'English',0101:'Python'}
sDataScienceLanguage = DLanguages['0101']
# Control Structures
iNumber = 5
if iNumber < 10:</pre>
    print('Number is less than 10')
else:
   print('Number is greater or equal to 10')
# Loops
LNumbers = [1,2,3,4,5,6,7,8,9,10]
for iNum in LNumbers:
     print(iNum)
```

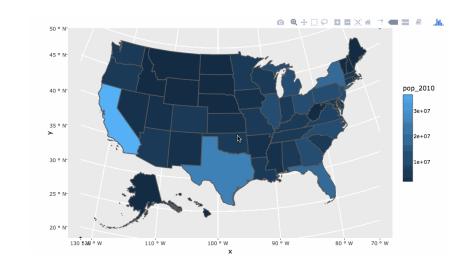
```
# Functions
LNumbers = [5,23,37,49,50,46,30,46,70]
def count list (list):
      # 1. while loop
      iCount = 0
      iSizeofList = len(LNumbers)
     i = 0
      while i < iSizeofList:</pre>
          if LNumbers[i] > 30:
              iCount = iCount + 1
          i = i + 1
      return iCount
iFinalCounts = count list(LNumbers)
# Objects and Classes (not part of these lectures)
class DSClass:
      '''This is an example Data Scientist class'''
      def init (self,title = 'Data Scientist'):
        self.title = title
      def work(self):
        print('Doing Data Science Magic')
```

```
# os
import os
for i in range (10):
    os.makedir("folder "+str(i))
# csv and writing files
import csv
with open ("test.csv", "w") as testFile:
    writer = csv.writer(testFile, delimiter=",")
    for row in data:
        writer.writerow(row)
# re - regular expressions
import re
re.findall(pattern="[0-9]", string="4 plus 8
yields 12")
re.findall(pattern="[0-9]+", string="4 plus 8
vields 12")
# further libs, see python core libraries
```

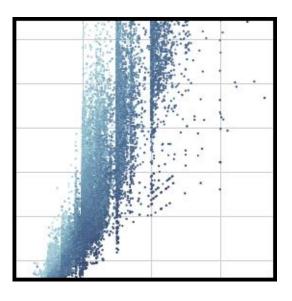
Skills ..: Data Visualization











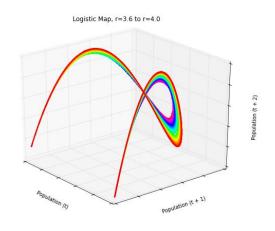
seaborn

matpletlib

https://moderndata.plot.ly/plotly-4-7-0-now-on-cran/https://geoffboeing.com/2015/04/animated-3d-plots-py

Skills ..: Data Visualization





- Build affordances that prioritize data exploration and comparison.
- Emphasize clarity and transparency.
- Reduce cognitive load and focus on what matters.
- Experiences should be intuitive and easy to use.
- Provide context and help users navigate the data.
- Consider performance, polish, surprise, and innovation.



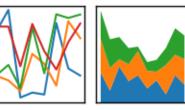
Skills ...: Data Wrangling, Statistics and Calculus eff



$\mathsf{pandas}_{y_{it} = \beta' x_{it} + \mu_i + \epsilon_{it}}$

$$y_{it} = \beta' x_{it} + \mu_i + \epsilon_{it}$$

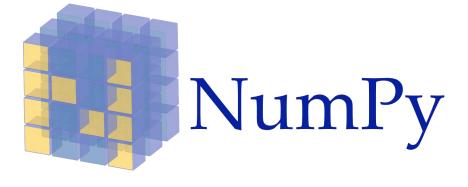




```
In [ ]: %matplotlib inline
         import cartoframes
         from cartoframes import Credentials
         import pandas as pd
         cc = cartoframes.CartoContext()
In [ ]: # Get a CARTO table as a pandas DataFrame
         df = cc.read('brooklyn poverty')
         df.head(15)
In [ ]: from cartoframes import Layer
         cc.map(Layer('brooklyn poverty'))
         Notice that:

    the index of the DataFrame is the same as the index of the CARTO table (cartodb_id)

           • the geom column stores the geometry. This can be decoded if we set the
```



https://cartoframes.readthedocs.io/en/stable/

Skills ...: Data Wrangling, Statistics and Calculus fl













In []: %matplotlib inline
import cartoframes import Credentials
import pandas as pd

cc = cartoframes.CartoContext()

In []: # Get a CARTO table as a pandas DataFrame
df = cc.read('brooklyn_poverty')
df.head(15)

In []: from cartoframes import Layer
cc.map(Layer('brooklyn_poverty'))

Notice that:

• the index of the DataFrame is the same as the index of the CARTO table (cartodb_id)
• the_geom column stores the geometry. This can be decoded if we set the

- Obtain the data from the right sources.
- Store and structure the data efficiently with suitable data structures.
- Plot the data to explore their nature and generate first insights.
- Perform statistical operations and data transformations to generate insights and prepare your data for inferential operations, such as machine learning.

Skills ...: Inference, Machine Learning and Deep Learning

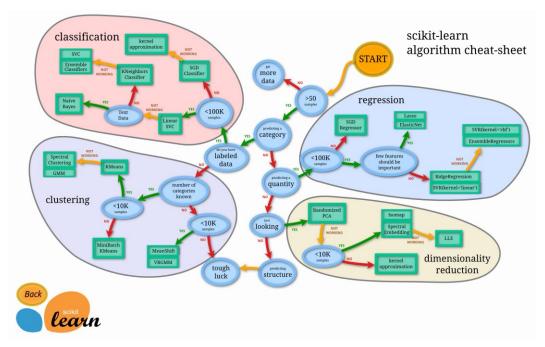


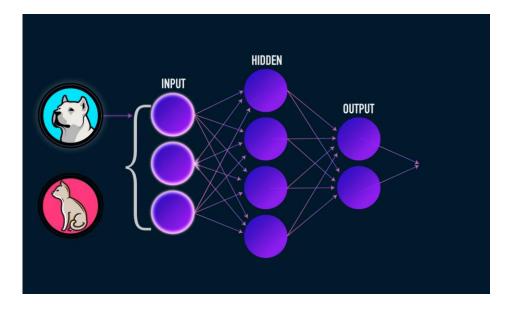












Inference and Machine Learning



Different Inference tools are appropriate for different kind of problems:

Statistical Inference (Inferenzstatistik)

- Statistical inference analyzes data to infer properties of a population, by testing hypotheses and deriving estimates.
- A conclusion of an inference is e.g., a probability estimate, a classification or clustering.
- Easier to implement than ML methods, focus on high transparency
- E.g., Bayesian Statistics, Likelihood statistics
- E.g., Linear Regression, Lasso

Machine learning (Maschinelles Lernen)

- Machine Learning deals with the development of and research on computer based algorithms capable of learning to improve their task performance (Jordan & Mitchell 2015).
- ML provides the capabilities to train powerful models on large amounts of data
- (Rather) Focus on model performance
- E.g., Decision Trees, Support Vector Machines, Neural Nets

Deep learning

(ML mit tiefen Neuronalen Netzen)

- Special sub-area of machine learning that deals with architectures of neural nets that consist of multiple layers of a multitude of neurons.
- Models are highly non-linear and powerful, but also less transparent than simpler ML methods, such as Decision Trees or Naïve Bayes.
- Appropriate for very complex problems
- E.g., Convolutional Neural Nets, LSTM-Nets

Machine Learning

In general, there are three major learning categories on how algorithms can learn:

Supervised learning (Überwachtes Lernen)

- For each observation (e.g. person, age, interests) there is an associated target value (purchased products).
- Two problems:
 - Target value is continuous, e.g. quantity of products purchased → Regression, e.g. Regression Trees
 - Target value is categorical,
 e.g. which products
 purchased → Classification,
 e.g. Decision Trees

Machine Learning- Supervised Learning



Preset: A set of labels(classes) is known

Task-Classification: Estimate to which class x belongs.



I know there are dogs, cats and muffins. Which one is it?

Machine Learning-Supervised Learning



Preset: Some info (attributes/features) that could give us an idea about the state\quantity\probability of an object or event of interest in the future.

Task-Regression/Prediction: Estimate the unknown quantity of interest in the future.



I have some weather sensor data, historical data... Which weather is it going to be tomorrow?

Machine Learning



In general, there are three major learning categories on how algorithms can learn:

Supervised learning (Überwachtes Lernen)

- For each observation (e.g. person, age, interests) there is an associated target value (purchased products).
- Two problems:
 - Target value is continuous, e.g. quantity of products purchased → Regression, e.g. Regression Trees
 - Target value is categorical,
 e.g. which products
 purchased → Classification,
 e.g. Decision Trees

Unsupervised learning (Unüberwachtes Lernen)

- There is no associated target variable for observations.
- Instead, focus on analyzing the relationships between variables, e.g. cluster analysis (grouping observations based on similarities in their properties)
- E.g., K-Means, K-Medians

Machine Learning- Unsupervised Learning



Preset: Some info (attributes/features) that could help us differentiate between objects of interest.

Task-Clustering: Try to cluster the data/ group it / find different categories.



I have some info, like color, size, running speed...

Are these really different breeds? / Are these breeds really that different?

Machine Learning



In general, there are three major learning categories on how algorithms can learn:

Supervised learning (Überwachtes Lernen)

- For each observation (e.g. person, age, interests) there is an associated target value (purchased products).
- Two problems:
 - Target value is continuous, e.g. quantity of products purchased → Regression, e.g. Regression Trees
 - Target value is categorical,
 e.g. which products
 purchased → Classification,
 e.g. Decision Trees

Unsupervised learning (Unüberwachtes Lernen

- There is no associated target variable for observations.
- Instead, focus on analyzing the relationships between variables, e.g. cluster analysis (grouping observations based on similarities in their properties)
- E.g., K-Means, K-Medians

Reinforcement learning (Verstärkendes Lernen)

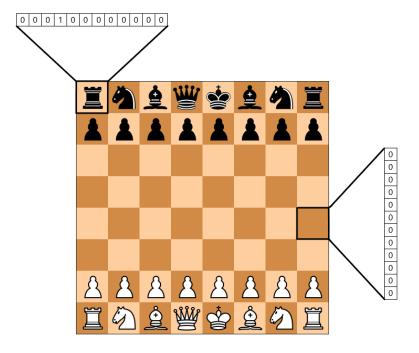
- Algorithm learns optimum strategy for given problem to maximize reward
- Translation of a situation in action
- E.g., Q-Learning

Machine Learning-Reinforcement Learning



Preset: Some info (attributes/features) about a problem environment.

Task: Find the best strategy to reach a certain goal with minimum effort.



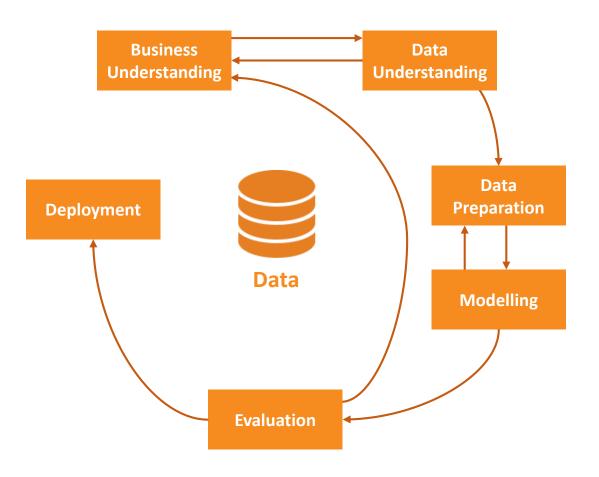
How can I win the game (against my opponent)?

Table of Contents

- 1. What is Data Science?
- 2. Data Science Roles and Skills
- 3. Data Science Process
- 4. The first step: Asking the right Questions
- 5. Step 2 and $2^{1/2}$: A first glance at our dataset

The Data Science Cycle: CRISP-DM

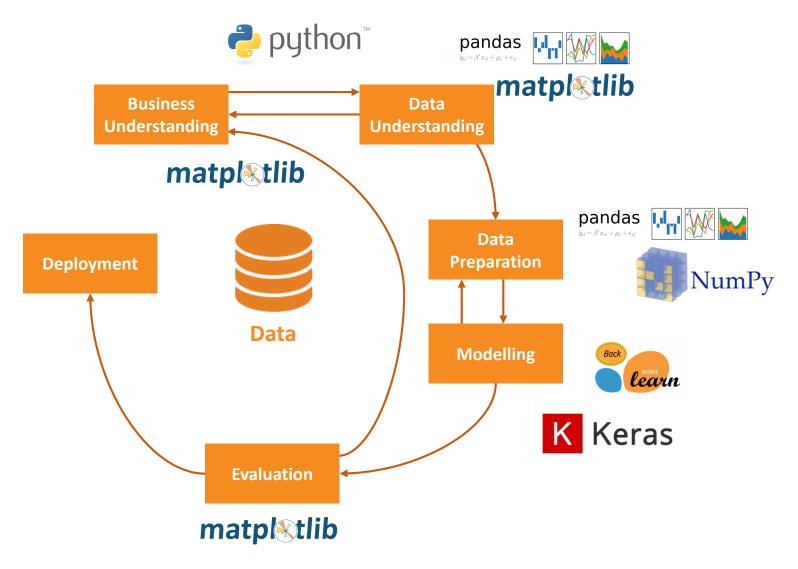




Cross Industry Standard Process for Data Mining

The Data Science Cycle: CRISP-DM

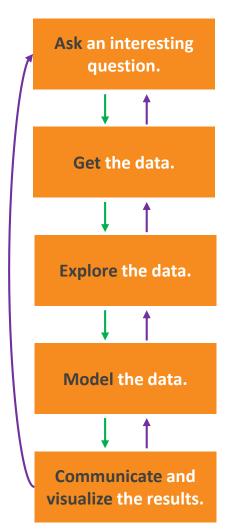




The Data Science Process







What is the **goal**?
What would you do with the **data**?
What do you want to **predict** or **estimate**?

How were the data **sampled**? Which data are **relevant**? Are there **privacy** issues?

Plot the data. Are there **anomalies**? Are there **patterns**?

Build a model.

Fit the model.

Validate the model.

Table of Contents

- 1. What is Data Science?
- 2. Data Science Roles and Skills
- 3. Data Science Process
- 4. The first step: Asking the right Questions
- 5. Step 2 and $2^{1/2}$: A first glance at our dataset

Case Study: Lending Club





LendingClub is a US peer-to-peer lending company, headquartered in <u>San Francisco</u>, <u>California</u>. It was the first peer-to-peer lender to register its offerings as <u>securities</u> with the <u>Securities and Exchange Commission</u> (SEC), and to offer loan trading on a secondary market. LendingClub is the world's largest peer-to-peer lending platform. The company claims that \$15.98 billion in loans had been originated through its platform up to December 31, 2015.

Source: Wikipedia

Your Role at LendingClub:

You are a data scientist at lending club, driving the platform efficiency and informing management decisions. Recently, your boss decided to leverage the power of the large amounts of data that are available.

Step 1 – Asking the right questions



Ask an interesting question. Get the data. Model the data. **Communicate and** visualize the results. What is the **goal**?
What would you do with the **data**?
What do you want to **predict** or **estimate**?

How were the data sampled? Which data are relevant? Are there privacy issues?

Plot the data.
Are there anomalies?
Are there patterns?

Build a model.

Fit the model.

Validate the model.

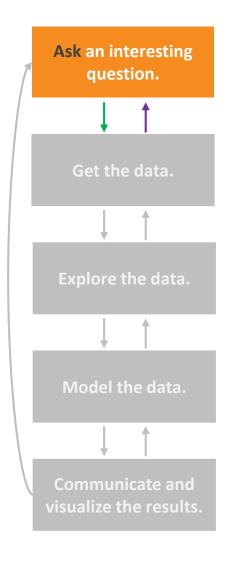
Step 1 – Asking the right questions



- During this course, we aim to solve two problems that Lending Club faces
- 1. Regression: An interest rate is assigned to the debtor that has to make an interest payment to the creditor. We aim to compute the interest rate automatically for a given transaction by training a machine learning algorithm that uses data on past transactions as a training sample.
- 2. Classification: Each debtor in the Lending Club database has a grade. To assign a grade to a new debtor, e.g., without prior information on his/her creditworthiness, we want to train a classifier that tell us the most probable grade of a new debtor.

Step 1 – Asking the right questions





How do we compute the informed interest rate automatically from a given datapoint?
What are the data we need to train a debt-class-classifier?

How were the data sampled? Which data are relevant? Are there privacy issues?

Plot the data.
Are there anomalies?
Are there patterns?

Build a model.

Fit the model.

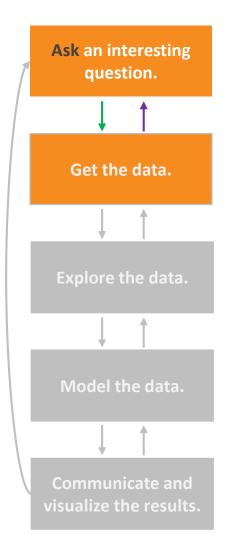
Validate the model.

Table of Contents

- 1. What is Data Science?
- 2. Data Science Roles and Skills
- 3. Data Science Process
- 4. The first step: Asking the right Questions
- 5. Step 2 and $2^{1/2}$: A first glance at our dataset

Step 2 – Get the data





How do we compute the interest rate automatically from a given datapoint?

What are the data we need to train a debt-class-classifier?

We got the data from our firm. No privacy problems. Let's go and explore!

Are there anomalies?
Are there patterns?

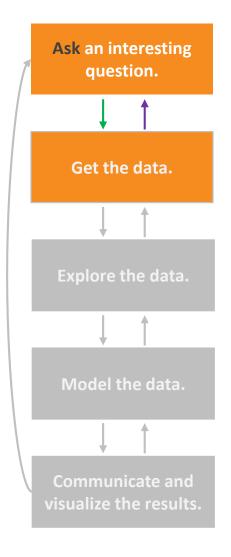
Build a model.

Fit the model.

Validate the model.

Step 2 – Get the data





How do we compute the interest rate automatically from a given datapoint?

What are the data we need to train a debt-class-classifier?

We got the data from our firm. No privacy problems. Let's go and explore!

Are there anomalies?

Are there patterns?

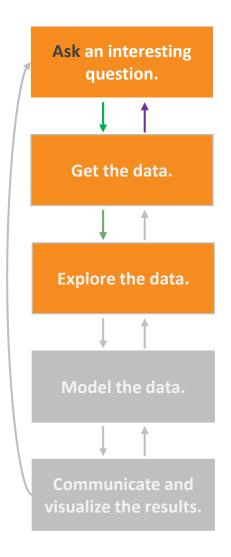
Build a model.

Fit the model.

Validate the model.

Step 2 – Get the data





How do we compute the interest rate automatically from a given datapoint?

What are the data we need to train a debt-class-classifier?

We got the data from our firm. No privacy problems. Let's go and explore!

Plot the data.
Are there anomalies?
Are there patterns?

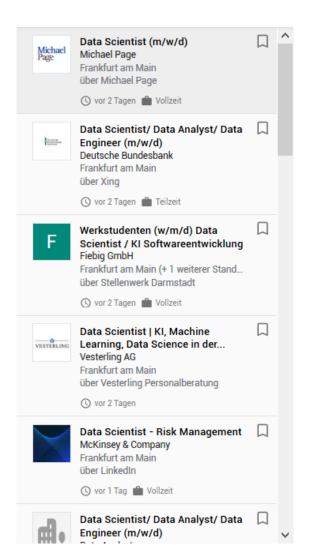
Build a model. Fit the model. Validate the model.

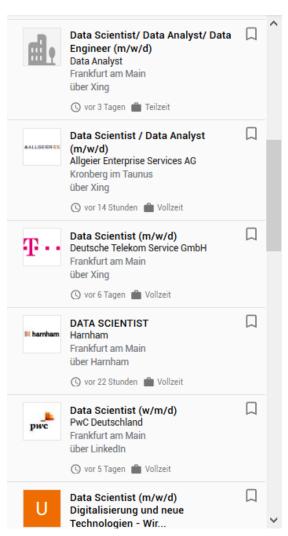
Backup



Job Offers in Data Science – Data Scientist?



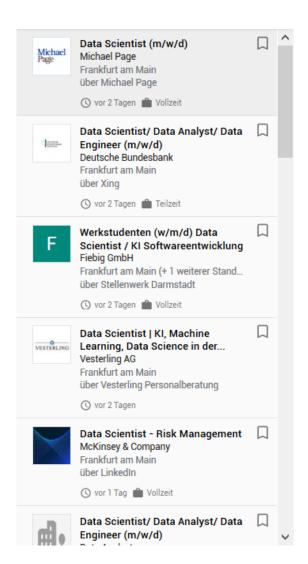


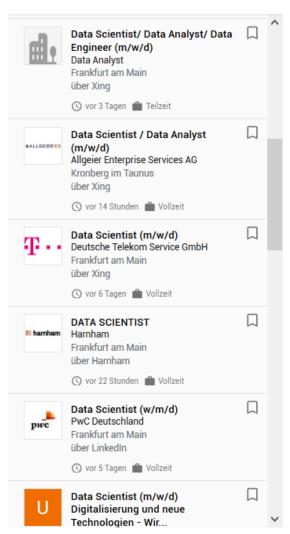


- Accredited Master's degree or equivalent in (business) informatics, (business) mathematics or economics with above-average results
- Experience as Data Scientist, Data Analyst or Data Engineer
- Good knowledge of big data systems, data management, data organization, data analysis and visualization
- Practical experience in dealing with data management systems, data organisation and administration as well as the creation and evaluation of data sets
- Good knowledge of current technologies as well as IT trends and market developments in the area of KI/ML
- Programming experience (e.g. Python, Java, R)
- Knowledge and experience in innovation management are an advantage
- Strong analytical and conceptual skills
- Commitment, flexibility and ability to work in a team as well as service and customer orientation
- Good communication, presentation and moderation skills
- Very good knowledge of German and English

Job Offers in Data Science – General DS



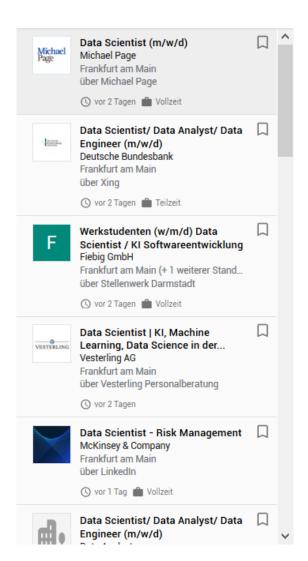


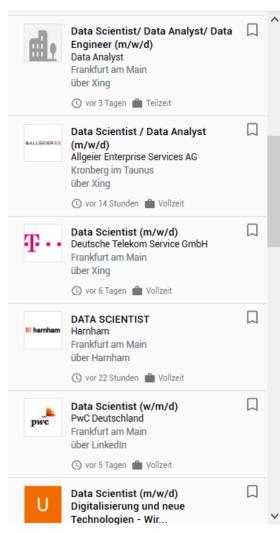


- Accredited Master's degree or equivalent in (business) informatics, (business) mathematics or economics with above-average results
- Experience as Data Scientist, Data Analyst or Data Engineer
- Good knowledge of big data systems, data management, data organization, data analysis and visualization
- Practical experience in dealing with data management systems, data organisation and administration as well as the creation and **evaluation** of data sets
- Good knowledge of current technologies as well as IT trends and market developments in the area of KI/ML
- Programming experience (e.g. **Python**, Java, R)
- Knowledge and experience in innovation management are an advantage
- Strong analytical and conceptual skills
- Commitment, flexibility and ability to work in a team as well as service and customer orientation
- Good communication, presentation and moderation skills
- Very good knowledge of German and English

Job Offers in Data Science - Data Scientist?



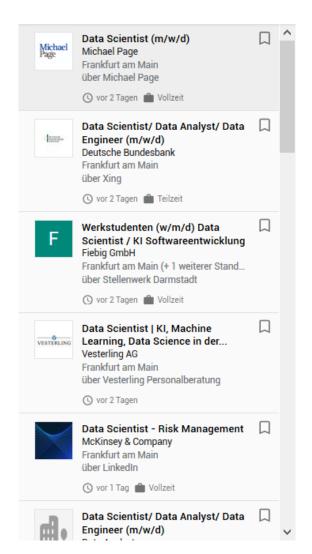


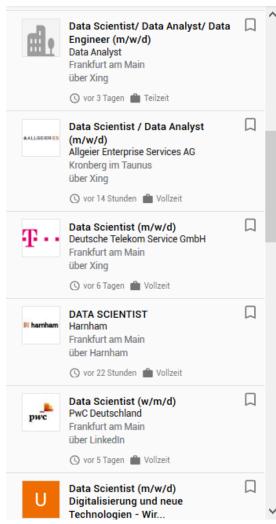


- Masters degree in computer science
- Several years of experience with machine learning models including their operation
- Fit in Python & Libraries such as scikit-learn, pandas, NumPy, TensorFlow
- Experienced in working with Big Data platforms and tools like Hadoop, Spark und Flink
- Profound know-how in software development incl. software testing, Continuous Integration, code reviews, etc.
- Constructive in discussions in English and willing to learn German
- Ready to travel up to max. 1/4 of your working time

Job Offers in Data Science – ML Engineer



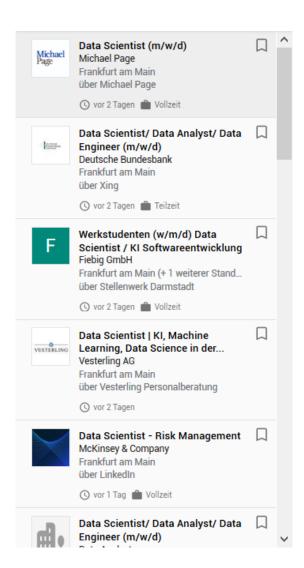


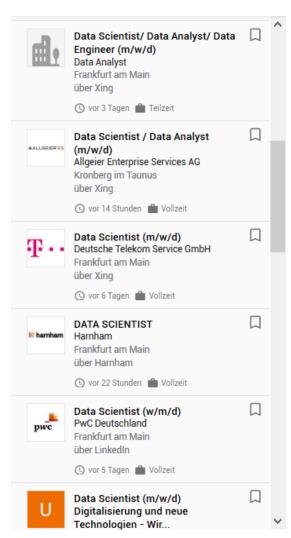


- Masters degree in computer science
- Several years of **experience with machine learning models** including their operation
- Fit in Python & Libraries such as **scikit-learn**, **pandas**, **NumPy**, **TensorFlow**
- Experienced in working with **Big Data platforms** and tools like **Hadoop, Spark und Flink**
- **Profound know-how in software development** incl. software testing, Continuous Integration, code reviews, etc.
- Constructive in discussions in English and willing to learn German
- Ready to travel up to max. 1/4 of your working time

Job Offers in Data Science – Data Scientist?



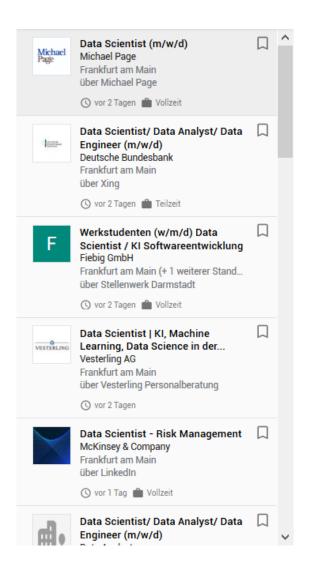


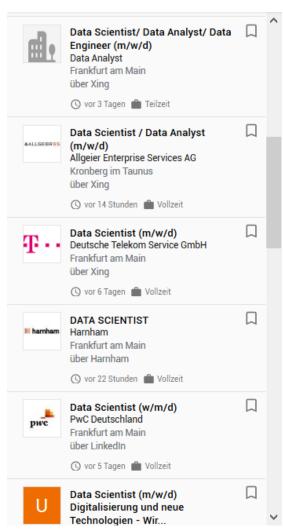


- Carrying out qualitative and quantitative analyses
- Evaluation, interpretation and visualization of the results
- Derivation of action measures for the optimization of business processes
- Coordination and close cooperation with internal departments
- Project work in a team with subsequent presentation

Job Offers in Data Science – Data Analyst







- Carrying out qualitative and quantitative analyses
- **Evaluation, interpretation and visualization** of the results
- **Derivation of action measures** for the optimization of business processes
- Coordination and close cooperation with internal departments
- Project work in a team with subsequent presentation