



BIG DATA and AI for business

Introduction to Big Data and AI

Decisions, Operations & Information Technologies
Robert H. Smith School of Business
Fall, 2020





UNIVERSITY OF MARYLAND

ROBERT H. SMITH SCHOOL OF BUSINESS

A large central word 'Welcome' is displayed in a variety of international languages, including English, Spanish, French, German, Dutch, Italian, Portuguese, Chinese, Japanese, Korean, and many others. The words are arranged in a dense, overlapping cluster around the central 'Welcome'.

Syllabus

- Lecture discussion
 - Tuesday, Thursday
 - 2:00 – 3:15PM (0501): Mingwei Sun
 - 3:30 – 4:45PM (0502): Zhonghao Li
 - 5:00 – 6:15PM (0503): Adithy Solai
 - Room
 - Online: <https://umd.zoom.us/j/3206804434>
- Office hour
 - TBD

What cover in this course

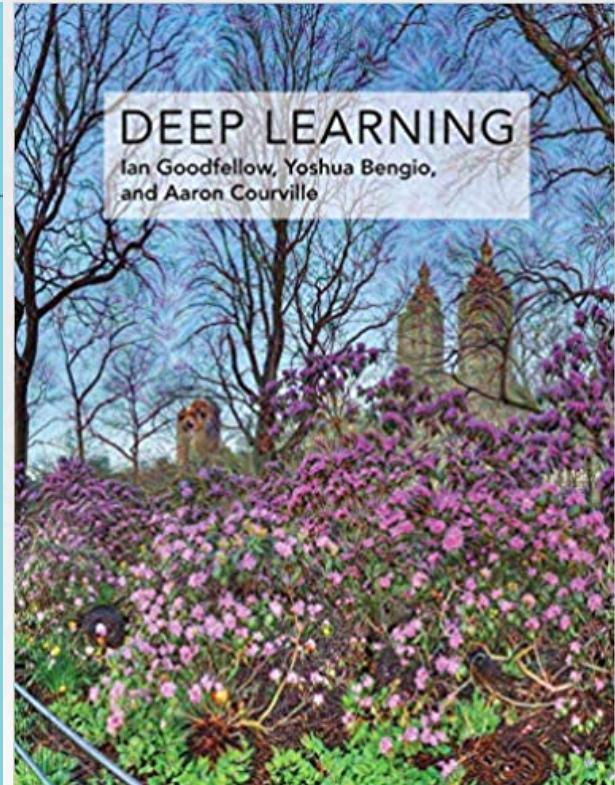
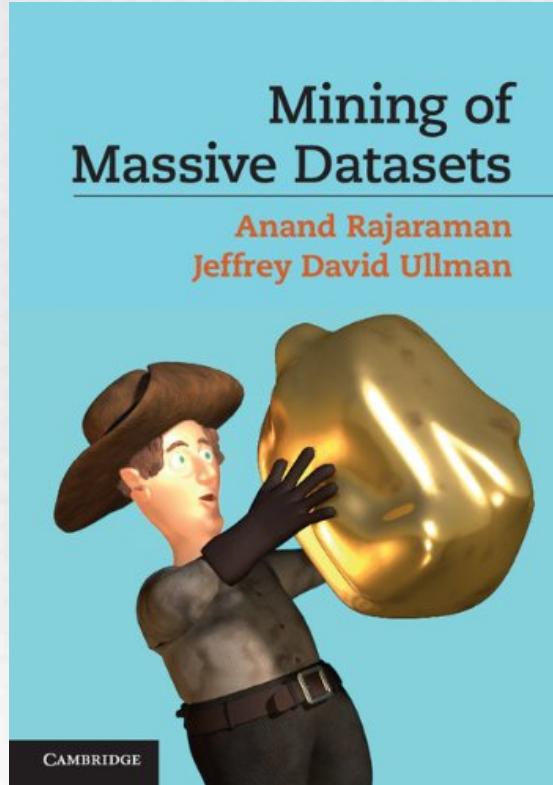
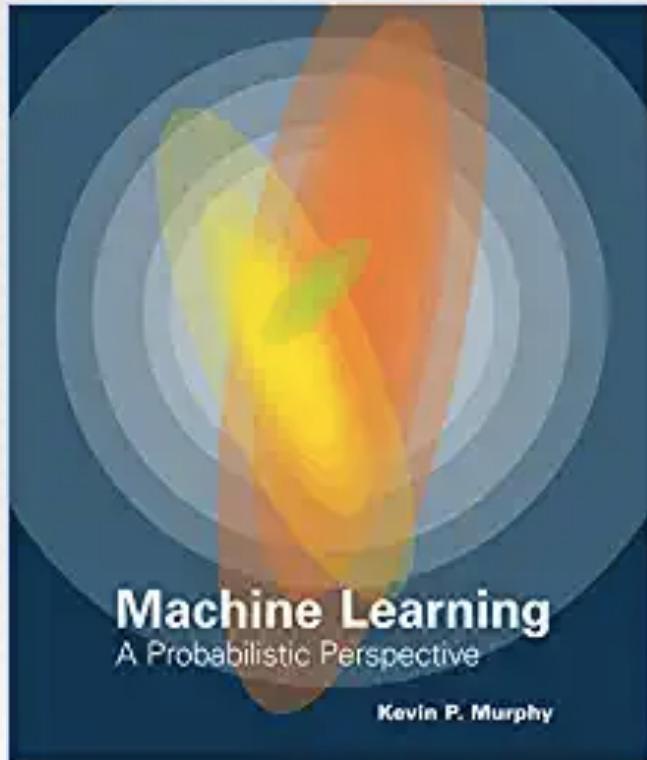
- Deep Learning
 - Introduction
 - Fully connected feedforward
 - Training and evaluation
 - Autoencoder
 - Batch normalization
 - Autoencoder
 - Word embedding
 - CNN
 - Sequence to sequence learning
 - GAN
- Hadoop and MapReduce
 - Framework / architecture
 - Cloud computing (Amazon AWS)

What cover in this course

- Data management
 - MongoDB
 - RedShift
 - Hive, Pig
- Spark
 - RDD
 - DataFrame
 - Spark-SQL
 - Spark-ML/GraphX
 - Applications

Recommended textbooks

- No required textbooks, but recommend you read the following books:



Recommended textbooks

- Deep Learning
 - <http://www.deeplearningbook.org/>
- Machine Learning
 - <https://www.cs.ubc.ca/~murphyk/MLbook/>

Prerequisites

- Required
 - ❑ Data Mining for Business
 - ❑ Python programming
- Recommended
 - ❑ Database: SQL knowledge
 - ❑ Math
 - Statistics, Probability, and Matrices

Lab session

- **Must attend**
- 6 labs (in class)
 - Sentiment identification using deep learning
 - word2vec
 - Sentiment identification using CNN and RNN
 - AWS – Redshift, Hive, Glue, Athena, Sage maker
 - Data operations using Spark
 - ML using Spark

Quiz

- 3 quizzes:
 - ❑ About Deep learning
 - ❑ About Data Management
 - ❑ About Spark

Class project

- Develop a big data and AI system to solve an interesting problem using what we learn in this course
 - project proposal
 - project report
 - Examples:
 - <http://cs229.stanford.edu/proj2018/>
 - <http://cs230.stanford.edu/past-projects/#fall-2018>
 - From Kaggle competition

Group

- Form your team by yourself
 - No more than **3** members (**strict rule**)
 - Have a name and a leader for contacting and coordinating

Grading

Class participation: $10\% * 1 = 10\%$

Class project: $30\% * 1 = 30\%$

Quizzes: $10\% * 3 = 30\%$

Lab assignments: $5\% * 6 = 30\%$

Attendance

- Encourage you to attend every lecture session and lab session
 - ❑ Have several **random** attendance checking
 - ❑ **Receive F** if absence for **5+** times
 - ❑ **Not receive A** if absence for **2+** times
- Project presentation session is **required** to attend

Contact

- TA
 - Mingwei Sun (0501): ms1991@umd.edu
 - Zhonghao Li (0502):
zhonghao.li@marylandsmit.umd.edu
 - Adithya Solai (0503): ppalanic@terpmail.umd.edu
- Non-regular Office Hour
 - Appointments by email preferred
- Email
 - kpzhang@umd.edu
- EMLS

Plagiarism

- For lab assignment, both involved individuals receive ZERO credit and the final grade will be down one level.
- For quizzes, both will be sent to the Graduate Office.
- For project, all members in all groups will be sent to the Graduate Office.

Tentative schedule

Topics	Lab	Assignment
1. Introduction - Business Value of Big data and AI - Internet of Things - Review of machine learning		
2. Deep Learning (1) - Introduction - Fully Connected Feedforward		
	Lab 1: Sentiment prediction using deep neural networks (dataset: doctor reviews)	Submit report
3. Deep Learning (2) - Batch normalization - Auto-encoder - Word embedding - Topic modeling		
	Lab 2: word2vec	Submit report

Tentative schedule

4. Deep Learning (3) - CNN - RNN (LSTM)		
	Lab 3: Sentiment prediction using CNN and RNN	Submit report
5. Deep Learning (4) - Generative Adersarial Network		
	Handwritten digit generation (practice)	
		Quiz 1

Tentative schedule

6. Cloud computing - AWS		Project proposal Due
7. Hadoop - Overview of Hadoop Ecosystem - HDFS		
8. MapReduce		
9. Data Management - RedShift - MongoDB - Hive		
10. Data Pipelines - Glue - Athena - Sage maker		
	Lab 4 - RedShift, Hive - Glue, Athena - Sage maker	Submit report
		Quiz 2

Tentative schedule

11. Spark - Introduction - RDD - DataFrame		
	Lab 5: Data operations using Spark	
12. Spark - SQL - ML/GraphX		
	Lab 6: Clustering and network analysis using Spark	
		Quiz 3
		Project report due

Introduction to big data

- Importance
- Definition and characteristics
- Applications
- Big data analysis pipeline
- Challenges
- Analytical techniques
- Review of machine mining algorithms

Why big data?

Science
Engineering
Business
Healthcare

...



Importance of big data

Government

- In 2012, the Obama administration announced the Big Data Research and Development Initiative 84 different big data programs spread across six departments.

Private Sector

- Walmart handles more than 1 million customer transactions every hour, which is imported into databases estimated to contain more than 2.5 petabytes of data.
- Facebook handles 40 billion photos from its user base.
- Falcon Credit Card Fraud Detection System protects 2.1 billion active accounts worldwide.

Science

- Large Synoptic Survey Telescope will generate 140 Terabyte of data every 5 days.
- Medical computation like decoding human Genome.
- Social science revolution.
- New way of science (Microscope example).

Many opportunities

- Many demands from different domains, including finance, IT, biology, physics,
- The U.S. had a shortage by 2018 of 140,000 to 190,000 people with "deep analytical talent" and of 1.5 million people capable of analyzing data in ways that enable business decisions. (McKinsey & Co)
- Big Data industry is worth more than \$100 billion growing at almost 10% a year (roughly twice as fast as the software business)

Big data analytics: data mining, statistics, computer programming, business intelligent, and others.

Usage example of big data



- Predictive modeling
- mybarackobama.com
- Drive traffic to other campaign sites
 - Facebook page (33 million “likes”)
 - YouTube channel (240,000 subscribers and 246 million page views).
- Every single night, the team ran 66,000 computer simulations.

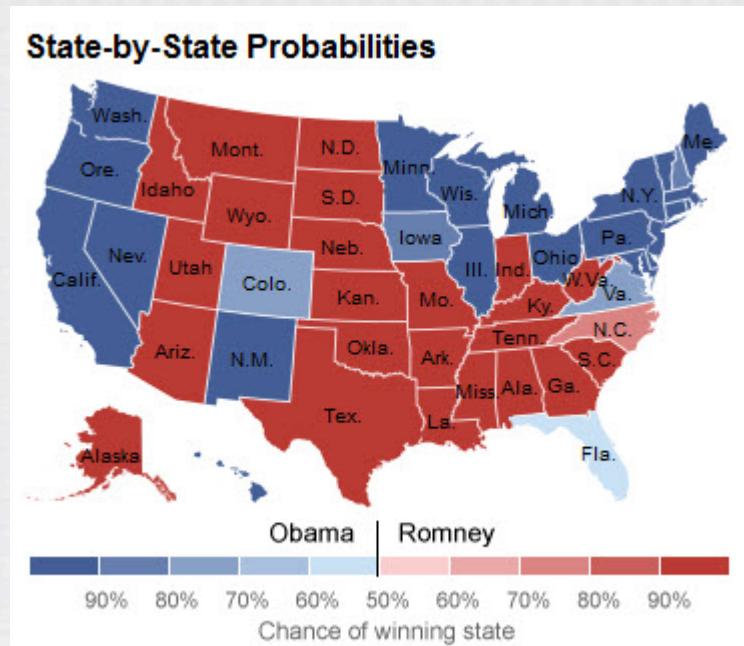


- Data mining for individualized ad targeting
- Orca big-data app
- YouTube channel(23,700 subscribers and 26 million page views)

Prediction for US 2012 Election

Nate Silver's, Five thirty Eight blog predicts Obama had a 86% chance of winning predicted all 50 state correctly

Sam Wang, the Princeton Election Consortium: The probability of Obama's re-election at more than 98%

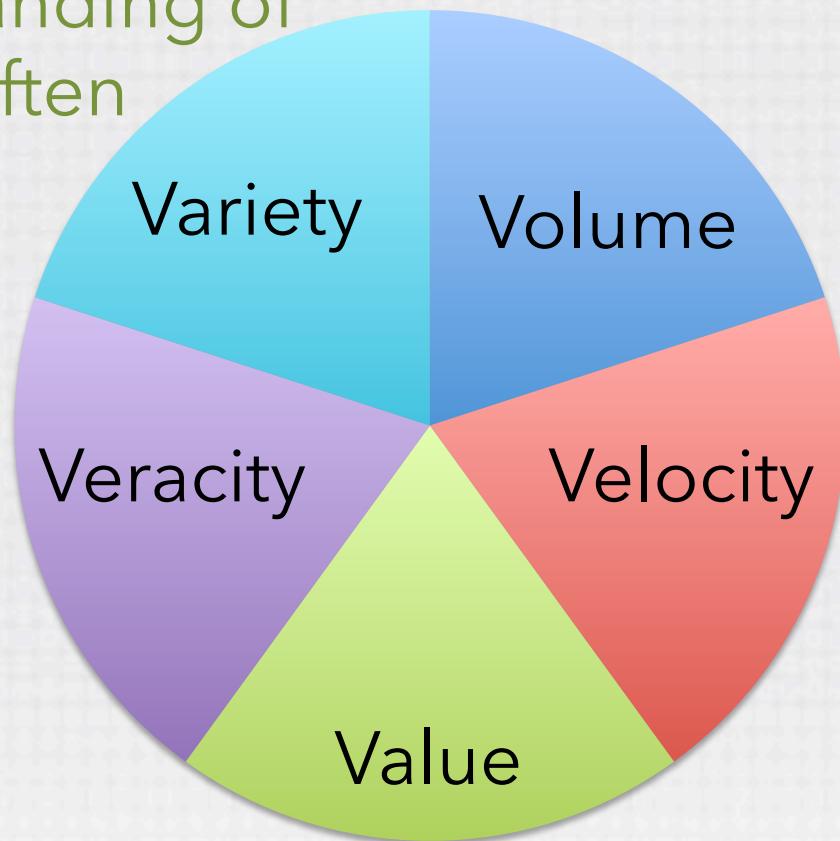


What is big data?

- Big data is a blanket term for any **types** of data sets so **large** and **complex** that it becomes difficult to process using on-hand **data management tools** or traditional **data processing applications**. [from Wikipedia]

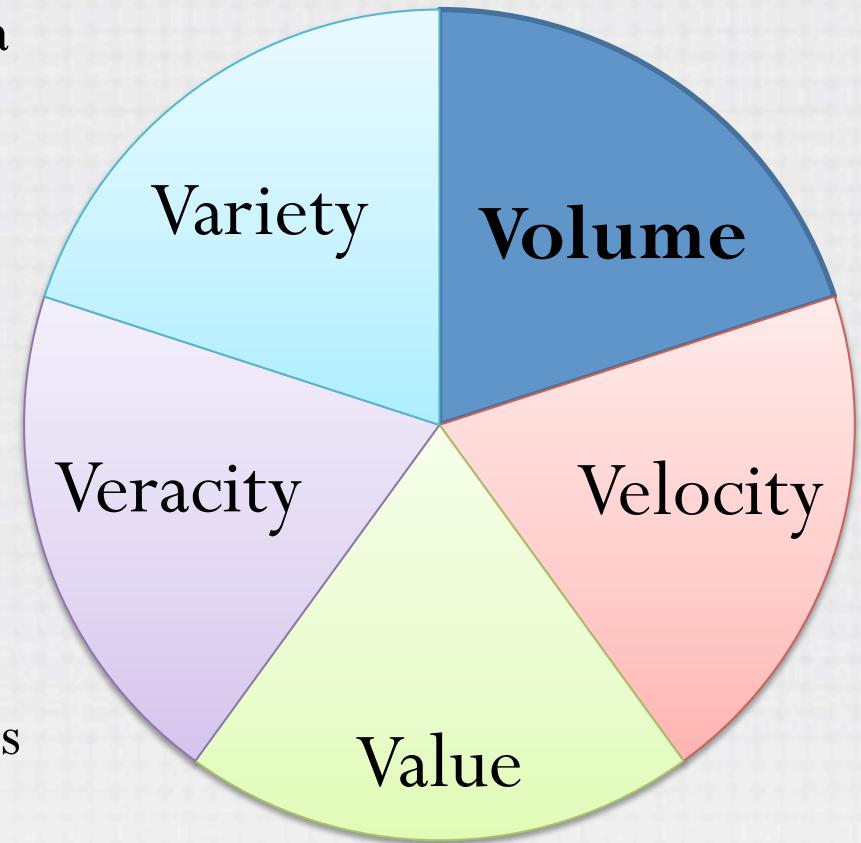
5 Vs of big data

To get better understanding of what big data is, it is often described using 5 Vs.



We see increasing volume of data, that grow at exponential rates

Volume refers to the vast amount of data generated every second. We are not talking about Terabytes but Zettabytes or Brontobytes. If we take all the data generated in the world between the beginning of time and 2008, the same amount of data will soon be generated every minute. This makes most data sets too large to store and analyze using traditional database technology. New big data tools use distributed systems so we can store and analyze data across databases that are dotted around everywhere in the world.



A DAY IN DATA

The exponential growth of data is undisputed, but the numbers behind this explosion – fuelled by internet of things and the use of connected devices – are hard to comprehend, particularly when looked at in the context of one day

500m

tweets are sent every day

Twitter

294bn

billion emails are sent

Rediffusion Group

3.9bn

people use emails

320bn

emails to be sent each day by 2021

306bn

emails to be sent each day by 2020

4TB

4PB

of data created by Facebook, including

350m photos

100m hours of video watch time

Facebook Research

4TB

of data produced by a connected car

Intel

ACCUMULATED DIGITAL UNIVERSE OF DATA

4.4ZB

PwC

44ZB

2020

DEMYSTIFYING DATA UNITS

From the more familiar 'bit' or 'megabyte', larger units of measurement are more frequently being used to explain the masses of data

Unit	Value	Size
b	bit	1/8 of a byte
B	byte	1 byte
KB	kilobyte	1,000 bytes
MB	megabyte	1,000 ³ bytes
GB	gigabyte	1,000 ⁶ bytes
TB	terabyte	1,000 ¹² bytes
PB	petabyte	1,000 ¹⁵ bytes
EB	exabyte	1,000 ¹⁸ bytes
ZB	zettabyte	1,000 ²¹ bytes
YB	yottabyte	1,000 ²⁴ bytes

*A lowercase 'b' is used as an abbreviation for bits, while an uppercase 'B' represents bytes.

463EB

of data will be created every day by 2025

iec

95m

photos and videos are shared on Instagram

Instagram Business

65bn

messages sent over WhatsApp and two billion minutes of voice and video calls made

Facebook

Searches made a day → **5bn**

Searches made a day from Google → **3.5bn**

28PB

to be generated from wearable devices by 2020

Statista



RACONTEUR

Big data is everywhere...



processed about 24 petabytes of data per day in 2009.



transfers about 30 petabytes of data through its networks each day.

As of January 2013, Facebook users had uploaded over 240 billion photos, with 350 million new photos every day.



S3: 449B objects, peak 290k request/second (7/2011)
1T objects (6/2012)



By 2012, LHC collision data was being produced at approximately 25 petabytes per year.



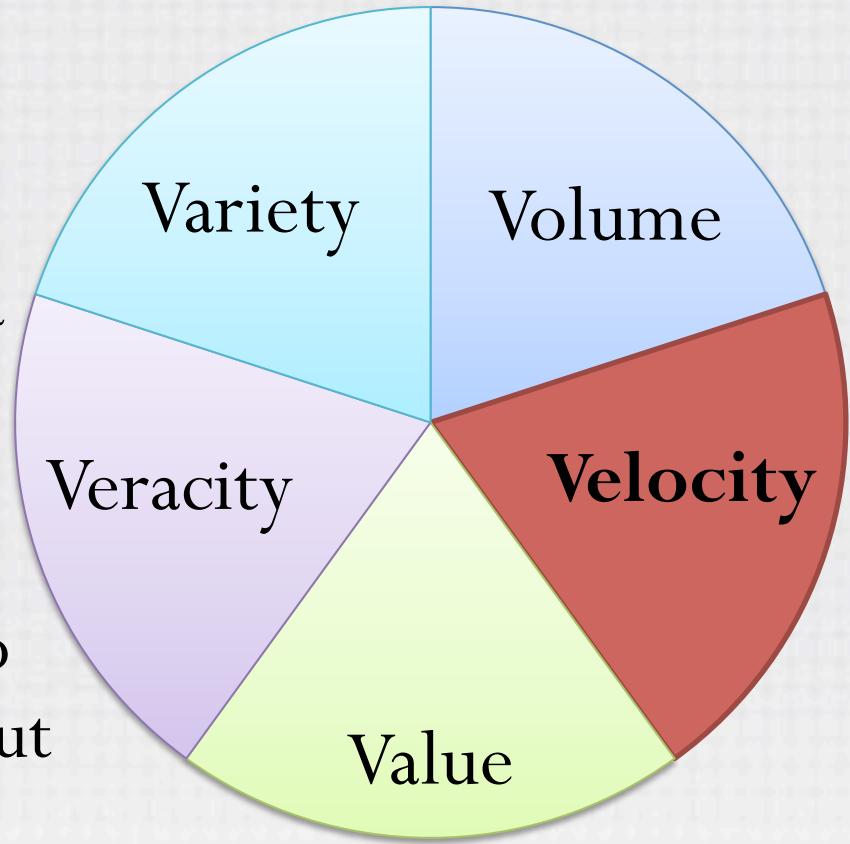
Twitter now sends and receives as many as 200 million "tweets" every day.



150 PB on 50k+ servers running 15k apps (6/2011)

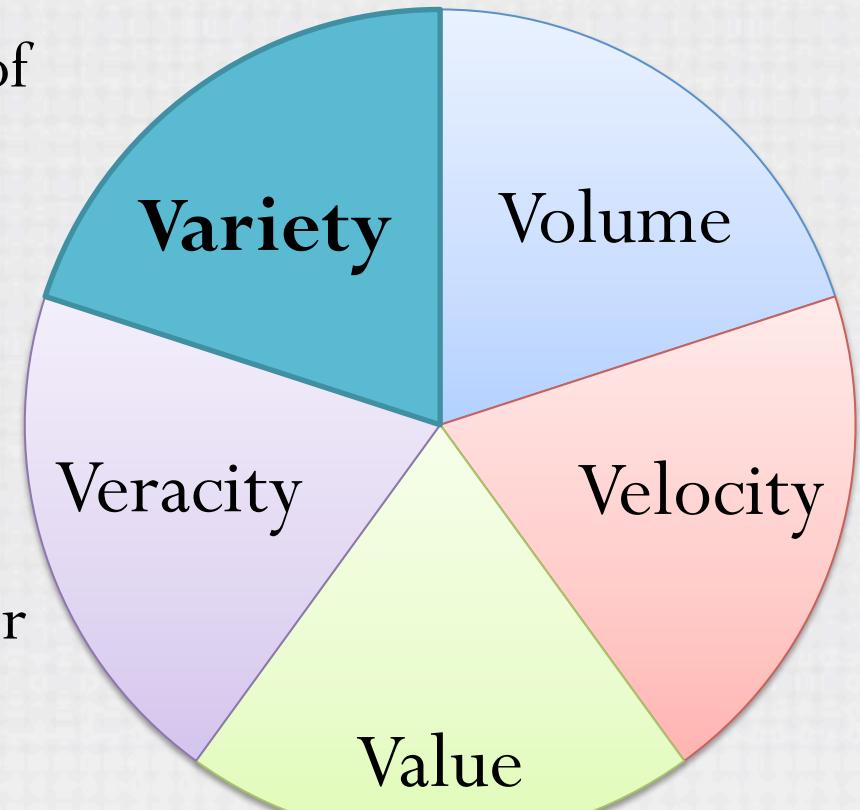
We see increasing velocity (or speed) at which data changes, travels, or increases

Velocity refers to the speed at which new data is generated and the speed at which data moves around. Just think of social media messages going viral in seconds. Technology now allows us to analyze the data while it is being generated (sometimes referred to as it in-memory analytics), without ever putting into databases.



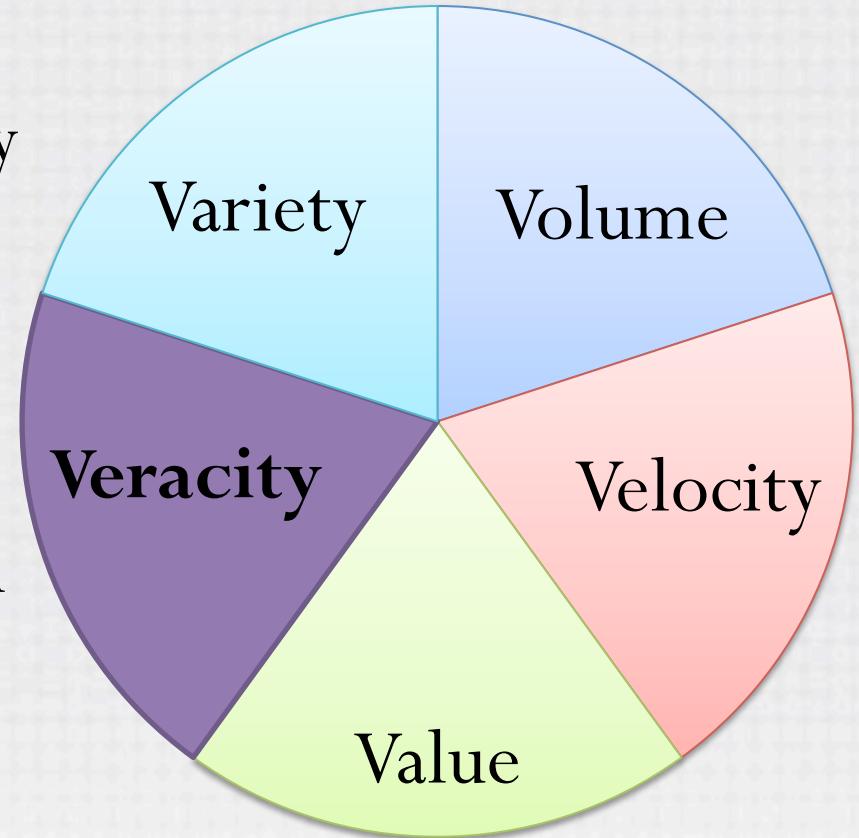
We see increasing variety of data types

Variety refers to the different types of data we can now use. In the past we only focused on structured data that neatly fitted into tables or relational databases, such as financial data. In fact, 80% of world's data is unstructured (text, images, video, voice, etc.). With big data technology we can now analyze and bring together data of different types such as messages, social media conversations, photos, sensor data, video or voice recordings.



We see increasing veracity (or accuracy) of data

Veracity refers to messiness or trustworthiness of data. With many forms of big data quality and accuracy are less controllable (just think Twitter posts with hash tags, abbreviations, typos and colloquial speech as well as the reliability and accuracy of content) but technology now allows us to work with this type of data.

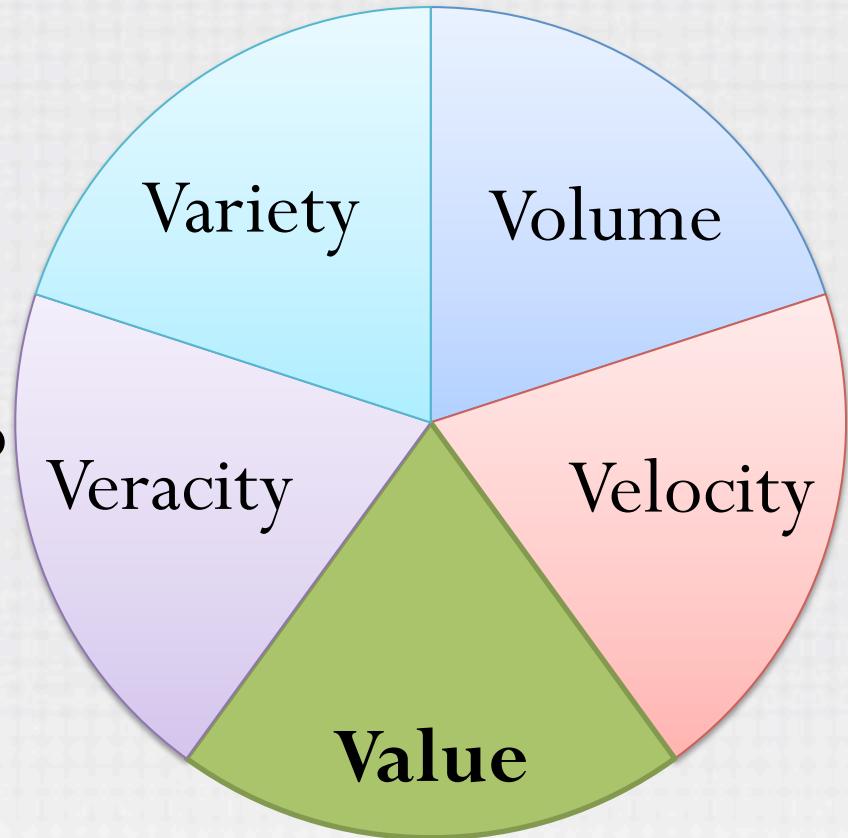


Value - the most important V of all

There is another V to take into account when looking at big data: **Value**.

Having access to big data is no good unless we can turn it into value.

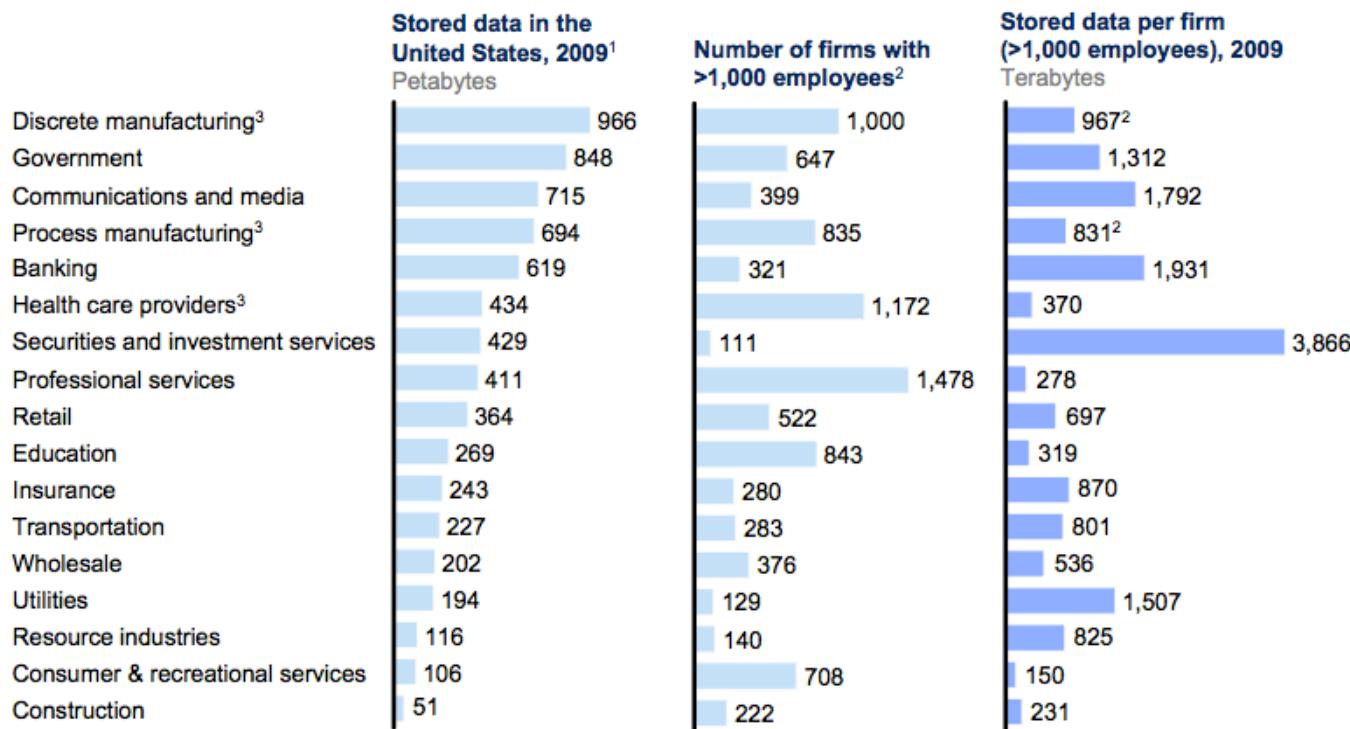
Companies are starting to generate amazing value from their big data.



Why big data matters to us?

Big data is more prevalent than you think

Companies in all sectors have at least 100 terabytes of stored data in the United States; many have more than 1 petabyte



1 Storage data by sector derived from IDC.

2 Firm data split into sectors, when needed, using employment

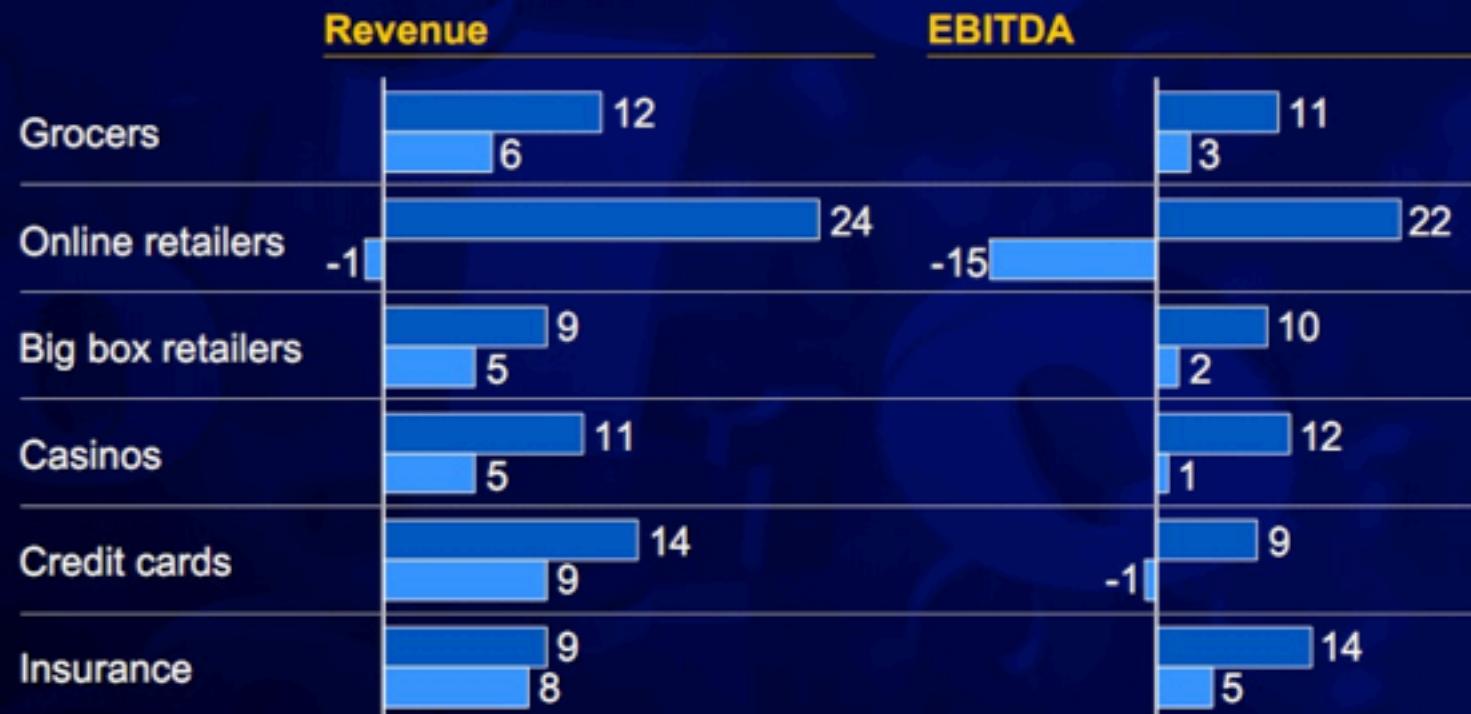
3 The particularly large number of firms in manufacturing and health care provider sectors make the available storage per company much smaller.

SOURCE: IDC; US Bureau of Labor Statistics; McKinsey Global Institute analysis

Competitive advantages gained through big data

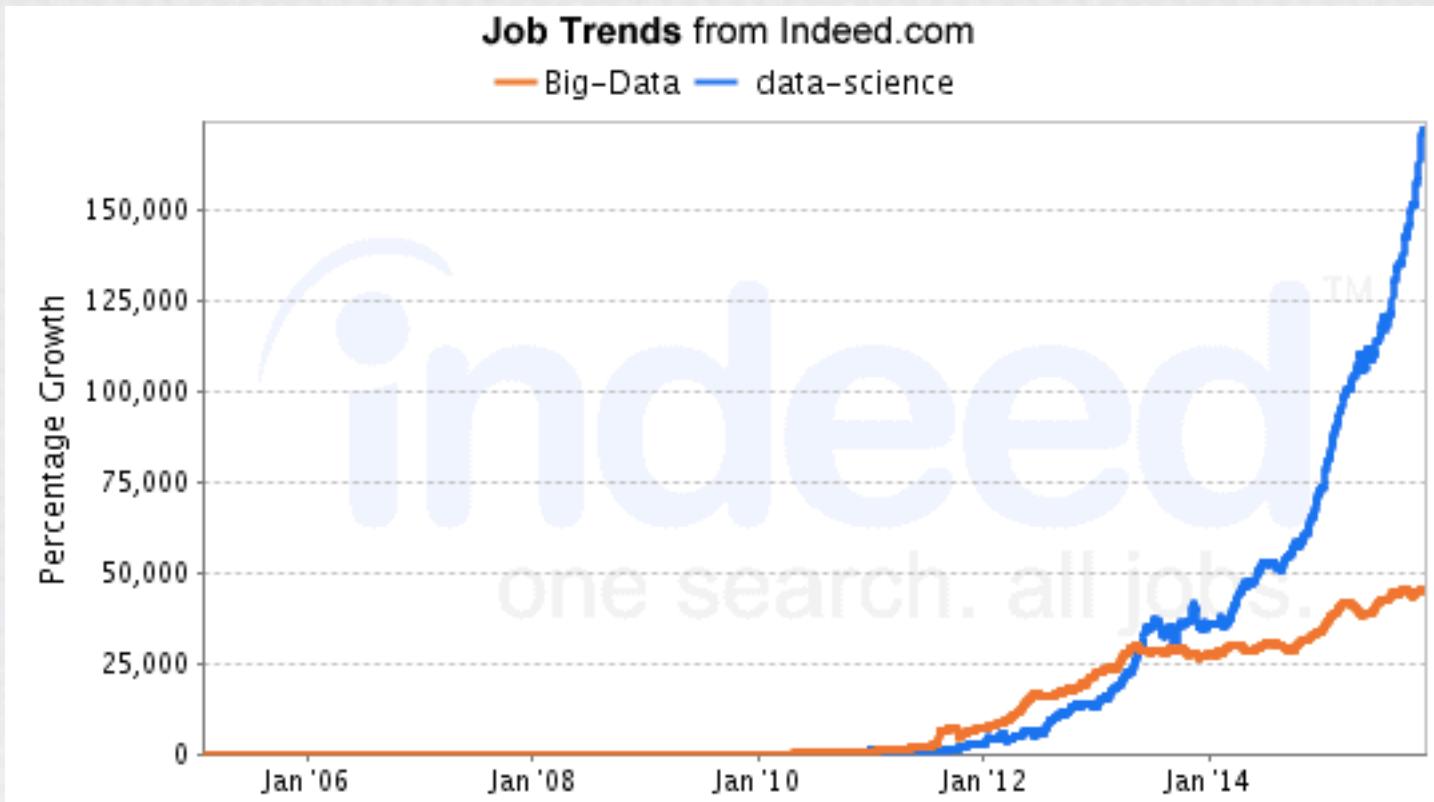
Big Data companies have outperformed their respective markets and have created competitive advantage

Percent, 10-year CAGR (1999 – 2009)



SOURCE: Bloomberg and Datastream; annual reports; McKinsey analysis

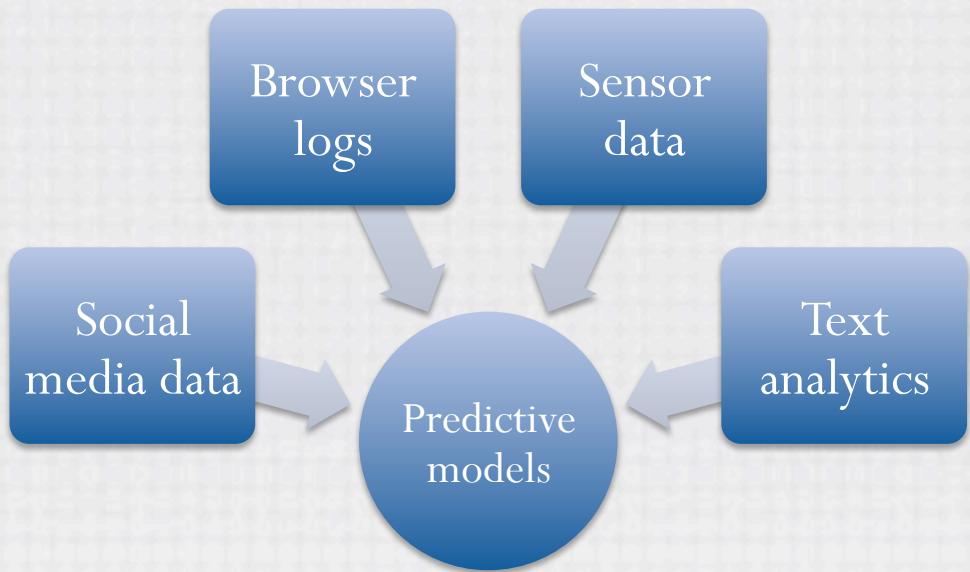
Big data jobs



Typical applications in big data

1. Understanding and targeting customers

- Big data is used to better understand customers and their behaviors and preferences.
 - Target: very accurately predict when one of their customers will expect a baby
 - Wal-Mart can predict what products will sell
 - Car insurance companies understand how well their customers actually drive
 - Obama use big data analytics to win 2012 presidential election campaign



2. Understanding and optimizing business processes

- Retailers are able to optimize their stock based on predictions generated from social media data, web search trends, and weather forecasts;
- Geographic positioning and radio frequency identification sensors are used to track goods or delivery vehicles and optimize routes by integrating live traffic data, etc.

3. Personal quantification and performance optimization

- The Jawbone armband collects data on our calorie consumption, activity levels, and our sleep patterns and analyze such volumes of data to bring entirely new insights that it can feed back to individual users;
- Most online dating sites apply big data tools and algorithms to find us the most appropriate matches.

4. Improving healthcare and public health

- Big data techniques are already being used to monitor babies in a specialist premature and sick baby unit;
- Big data analytics allow us to monitor and predict the developments of epidemics and disease outbreaks;
- By recording and analyzing every heart beat and breathing pattern of every baby, infections can be predicted 24 hours before any physical symptoms appear.

5. Improving sports performance

- Use video analytics to track the performance of every player;
- Use sensor technology in sports equipment to allow us to get feedback on games;
- Use smart technology to track athletes outside of the sporting environment: nutrition, sleep, and social media conversation.

6. Improving science and research

- CERN, the Swiss nuclear physics lab with its Large Hadron Collider, the world's largest and most powerful particle accelerator is using thousands of computers distributed across 150 data centers worldwide to unlock the secrets of our universe by analyzing its 30 petabytes of data.



7. Optimizing machine and device performance

- Google self-driving car: the Toyota Prius is fitted with cameras, GPS, powerful computers and sensors to safely drive without the intervention of human beings;
- Big data tools are also used to optimize energy grids using data from smart meters.



8. Improving security and law enforcement

- National Security Agency (NSA) in the U.S. uses big data analytics to foil terrorist plots (and maybe spy on us);
- Police forces use big data tools to catch criminals and even predict criminal activity;
- Credit card companies use big data to detect fraudulent transactions.

9. Improving and optimizing cities and countries

- Smart cities optimize traffic flows based on real time traffic information as well as social media and weather data.



10. Financial trading

- The majority of equity trading now takes place via data algorithms that increasingly take into account signals from social media networks and news websites to make, buy and sell decisions in split seconds (High-Frequency Trading, HFT).

Big data analysis pipelines

Phase #1

- Data acquisition and recording
 - Filters: not discard useful data and not store irrelevant data
 - Metadata: describe what data is recorded and how it is recorded and measured
 - Data provenance: data quality

Phase #2

- Information extraction and cleaning
 - Raw data in different formats
 - Inaccurate data due to many reasons

Phase #3

- Data integration, aggregation, and representation
 - Database techniques: NoSQL DB

Phase #4

- Query processing, data modeling, and analysis
 - Data mining techniques
 - Statistical modeling
 - Query, indexing, searching techniques

Phase #5

- Interpretation
 - Report
 - Visualization

Challenges in Big data

Challenge #1

- Heterogeneity and incompleteness
 - Data from different sources/platforms
 - Data formats are different
 - Data missing due to security, privacy, or other reasons

Challenge #2

- Scaling: data volume is scaling faster than compute resources.
 - Moving towards cloud computing

Challenge #3

- Timeliness
 - Query and indexing techniques to find suitable elements/records quickly

Other challenges

- Privacy
- Human collaboration

Applications, data, and corresponding commonly used analytical techniques

1. E-Commerce and marketing intelligence

Applications

- Recommender systems
- Social media monitoring and analysis
- Crowd-sourcing systems

Data

- Search and user logs
- Customer transaction records
- Customer generated content

Data characteristics

- Structured web-based, user-generated content, rich network information, unstructured informal customer opinions

Analytics

- Association rule mining
- Database segmentation and clustering
- Anomaly detection
- Graph mining
- Social network analysis
- Text and web analytics
- Sentiment and affect analysis

Impacts

- Long-tail marketing, targeted and personalized recommendation, increased sale and customer satisfaction

2. E-Government and Politics 2.0

Applications

- Ubiquitous government services
- Equal access and public services
- Citizen engagement and participation
- Political campaign and e-polling

Data

- Government information and services
- Rules and regulations
- Citizen feedback and comments

Data characteristics

- Fragmented information sources and legacy systems, rich textual content, unstructured informal citizen conversations

Analytics

- Information integration
- Content and text analytics
- Government information semantic services and ontologies
- Social media monitoring and analysis
- Social network analysis
- Sentiment and affect Analysis

Impacts

- Transforming governments, empowering citizens, improving transparency, participation, and equality

3. Science & Technology

Applications

- S&T innovation
- Hypothesis testing
- Knowledge discovery

Data

- S&T instruments and system generated data
- Sensor and network content

Data characteristics

- High-throughput instrument-based data collection, fine-grained multiple-modality and large-scale records, S&T specific data formats

Analytics

- S&T based domain-specific mathematical and analytical models

Impacts

- S&T advances, scientific impact

4. Smart Health and Wellbeing

Applications

- Human and plant genomics
- Healthcare decision support
- Patient community analysis

Data

- Genomics and sequence data
- Electronic medical records (EMR)
- Health and patient social media

Data characteristics

- Disparate but highly linked content, person-specific content, and ethics issues

Analytics

- Genomics and sequence analysis and visualization
- EHR association mining and clustering
- Health social media monitoring and analysis
- Health text analytics
- Health ontologies
- Patient network analysis
- Adverse drug side-effect analysis
- Privacy-preserving data mining

Impacts

- Improved healthcare quality, improved long-term care, patient empowerment

5. Security and Public Safety

Applications

- Crime analysis
- Computational criminology
- Terrorism informatics
- Open-source intelligence
- Cyber security

Data

- Criminal records
- Crime maps
- Criminal networks
- News and web contents
- Terrorism incident databases
- Viruses, cyber attacks, and botnets

Data characteristics

- Personal identity information, incomplete and deceptive content, rich group and network information, multilingual content

Analytics

- Criminal association rule mining and clustering
- Criminal network analysis
- Spatial-temporal analysis and visualization
- Multilingual text analytics
- Sentiment and affect analysis
- Cyber attacks analysis and attribution

Impacts

- Improved public safety and security

Big Data Platforms

Analytic Applications

BI / Reporting | Exploration / Visualization | Functional App | Industry App | Predictive Analytics | Content Analytics

IBM Big Data Platform

Visualization & Discovery

Application Development

Systems Management

Accelerators

Hadoop System

Stream Computing

Data Warehouse

Information Integration & Governance

New Analytic applications drive the requirements for a big data platform

- Integrate and manage the full variety, velocity and volume of data
- Apply advanced analytics to information in its native form
- Visualize all available data for adhoc analysis
- Development environment for building new analytic applications
- Workload optimization and scheduling Security and Governance

Amazon EC2

- Elastic MapReduce
- MongoDB

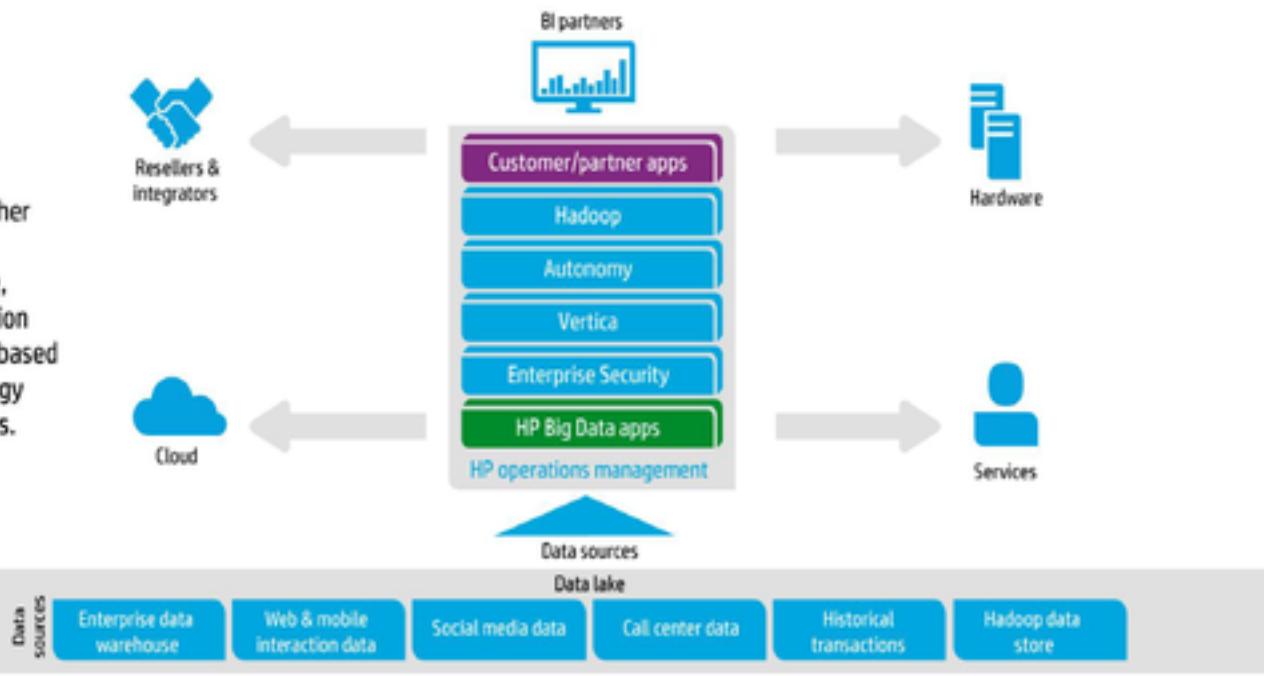


HP HAVEn

HAVEn Brings Together Everything you Need to Profit from Big Data

HP's HAVEn strategy

The HAVEn ecosystem brings together everything you need to profit from Big Data—infrastructure, software, services, and business transformation consulting—with open, standards-based support and an open partner strategy to help you transform your business.



Using Hadoop

- Java language
- High-level languages on top of Hadoop
 - Hive (Facebook)
 - A data warehouse system for Hadoop that facilitates easy data summarization, ad-hoc queries, and the analysis of large datasets stored in Hadoop compatible file systems
 - Provides a mechanism to project structure onto this data and query the data using a SQL-like language called HiveQL
 - It also allows traditional map/reduce programmers to plug in their custom mappers and reducers when it is inconvenient or inefficient to express this logic in HiveQL

- Pig (Yahoo)
 - A platform for analyzing large data sets that consists of a high-level language for expressing data analysis programs, coupled with infrastructure for evaluating these programs
- Jaql (IBM)
 - Primarily a query language for JavaScript Object Notation (JSON), but supports more than just JSON. It allows you to process both structured and nontraditional data