

# Data Mining

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# Overview & Objectives

- Introduction to data mining and the KDD process.
- Examination of core techniques:
  - Classification
  - Clustering
  - Association Rule Mining (Apriori & FP-Growth)
  - Regression
  - Anomaly Detection
- Discussion of evaluation metrics, software tools, and ethical considerations.

# Learning Objectives

- Define data mining and its significance in extracting actionable insights.
- Master the underlying mathematics behind advanced data mining techniques.
- Analyze and implement real-world computer science applications using rigorous evaluation metrics.

# What is Data Mining?

## Definition:

- The process of discovering hidden patterns, trends, and relationships in large datasets using mathematical models and algorithms.

## Key Elements:

- **Data:** The raw material (structured or unstructured).
- **Algorithms:** Mathematical models used to extract insights.
- **Domain Knowledge:** Expertise required for proper interpretation.

# Data Mining vs. Related Fields

## Data Mining vs. Machine Learning:

- Focuses on pattern discovery using measures like entropy, information gain, and the Gini index:

$$Gini(S) = 1 - \sum_{i=1}^n p_i^2$$

## Data Mining vs. Data Analytics:

- Data Analytics is hypothesis-driven, while data mining is exploratory.

# The KDD Process: Data Collection

- **Data Collection:**
  - Gather data from diverse sources such as databases, sensors, public datasets, or web scraping.

# The KDD Process: Data Preprocessing

- **Data Preprocessing:**
  - Clean and transform data.
  - Example: Normalization

$$x' = \frac{x - \mu}{\sigma}$$

# The KDD Process: Data Exploration

- **Data Exploration:**
  - Perform statistical analysis and visualization to understand data distributions and identify trends.



# The KDD Process: Data Mining

- **Data Mining:**
  - Apply advanced algorithms to extract patterns from the processed data.

# The KDD Process: Evaluation & Deployment

- **Evaluation:**
  - Assess models using quantitative metrics.
- **Deployment:**
  - Integrate insights into real-world decision-making.

# Data Collection & Preprocessing: Data Collection

- **Sources:**
  - Databases, sensors, public datasets, web scraping.

# Data Collection & Preprocessing: Cleaning

- **Cleaning Techniques:**
  - Remove noise and handle missing values.
  - Example: Z-score

$$z = \frac{x - \mu}{\sigma}$$

# Data Collection & Preprocessing: Transformation

- Transformation Techniques:
  - Normalize data using min-max scaling:

$$x' = \frac{x - x_{\min}}{x_{\max} - x_{\min}}$$

# Exploratory Data Analysis (EDA)

## Purpose:

- Understand distributions, identify trends, and detect outliers.

## Techniques:

- Statistical summaries (Mean, Variance, Standard Deviation).
- Visualizations (Histograms, Scatter Plots, Box Plots).
- Correlation Coefficient:

$$r = \frac{\sum (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum (x_i - \bar{x})^2 \sum (y_i - \bar{y})^2}}$$

# Classification Techniques: Overview

- **Objective:**
  - Assign data points to predefined categories.
- **Common Methods:**
  - Decision Trees, Logistic Regression, k-Nearest Neighbors.

# Classification: Decision Trees (Entropy)

- Entropy Formula:

$$Entropy(S) = - \sum_{i=1}^n p_i \log_2(p_i)$$



# Classification: Decision Trees (Gini Index)

- Gini Index Formula:

$$Gini(S) = 1 - \sum_{i=1}^n p_i^2$$

# Classification: Logistic Regression

- Logistic Regression Model:

$$P(y = 1|x) = \frac{1}{1 + e^{-(\beta_0 + \beta_1 x_1 + \dots + \beta_n x_n)}}$$

# Classification: k-Nearest Neighbors

- Euclidean Distance:

$$d(x, y) = \sqrt{\sum_{i=1}^n (x_i - y_i)^2}$$

# Clustering Techniques: Overview

- **Objective:**
  - Group similar data points without predefined labels.
- **Common Method:**
  - k-Means Clustering.

# Clustering: k-Means (Centroid Calculation)

- Centroid Calculation:

$$\mu_j = \frac{1}{|C_j|} \sum_{x_i \in C_j} x_i$$

# Clustering: k-Means (Euclidean Distance)

- Euclidean Distance:

$$d(x_i, \mu_j) = \sqrt{\sum_{k=1}^n (x_{ik} - \mu_{jk})^2}$$

# Association Rule Mining: Overview

- **Objective:**
  - Discover relationships among items (market basket analysis).

# Association Rule Mining: Support

- Support Formula:

$$\textit{Support}(X) = \frac{\text{Number of transactions containing } X}{N}$$



# Association Rule Mining: Confidence

- Confidence Formula:

$$\textit{Confidence}(X \rightarrow Y) = \frac{\textit{Support}(X \cup Y)}{\textit{Support}(X)}$$

# Association Rule Mining: Lift

- Lift Formula:

$$Lift(X \rightarrow Y) = \frac{Support(X \cup Y)}{Support(X) \times Support(Y)}$$

# Association Rule Mining: Additional Measures

- Leverage:

$$\textit{Leverage} = \textit{Support}(X \cup Y) - \textit{Support}(X) \times \textit{Support}(Y)$$

- Conviction:

$$\textit{Conviction} = \frac{1 - \textit{Support}(Y)}{1 - \textit{Confidence}(X \rightarrow Y)}$$

# Apriori Algorithm: Candidate Generation

- Candidate Generation Formula:

$$C_k = \{X \cup Y \mid X, Y \in L_{k-1}, |X \cap Y| = k - 2\}$$

# Apriori Algorithm: Pruning

- Pruning Condition:

$$L_k = \{X \in C_k \mid \text{all } (k - 1)\text{-subsets of } X \text{ are in } L_{k-1}\}$$

# FP-Growth Algorithm: FP-Tree & Conditional Pattern Base

- **Conditional Pattern Base:**

$\{(\beta, \text{count}) \mid \beta \text{ is a prefix path in the FP-tree for a given prefix } \alpha\}$

# FP-Growth Algorithm: Frequent Pattern Extraction

- Frequent Pattern Extraction:

$$\text{FPGrowth}(T_\alpha) = \{\alpha \cup \beta \mid \beta \in \text{FPGrowth}(T_\alpha)\}$$

# Regression Techniques: Linear Regression

- Linear Regression Model:

$$y = \beta_0 + \beta_1 x_1 + \cdots + \beta_n x_n + \epsilon$$



# Regression: Evaluation Metrics

- Residual Sum of Squares (RSS):

$$RSS = \sum_{i=1}^m (y_i - \hat{y}_i)^2$$

- Coefficient of Determination ( $R^2$ ):

$$R^2 = 1 - \frac{RSS}{TSS}, \quad TSS = \sum_{i=1}^m (y_i - \bar{y})^2$$

# Anomaly Detection: Mahalanobis Distance

- Mahalanobis Distance:

$$D_M(x) = \sqrt{(x - \mu)^T \Sigma^{-1} (x - \mu)}$$

# Evaluation Metrics: Classification

- Precision:

$$Precision = \frac{TP}{TP + FP}$$

- Recall:

$$Recall = \frac{TP}{TP + FN}$$

- F1 Score:

$$F1 = 2 \times \frac{Precision \times Recall}{Precision + Recall}$$

# Evaluation Metrics: Clustering & Statistical Tests

- Silhouette Score:

$$s = \frac{b - a}{\max(a, b)}$$

- Chi-Square Test:

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

# Tools & Software for Data Mining

## Popular Platforms:

- Python (scikit-learn, Pandas, NumPy)
- R (caret, dplyr, ggplot2)
- Weka (GUI-based tool)
- RapidMiner & Orange (Visual interfaces)

# Real-World Applications of Data Mining

## Industries & Applications:

- Marketing: Customer segmentation and recommendation systems.
- Finance: Fraud detection and risk analysis.
- Healthcare: Diagnostic support and personalized treatment planning.
- E-commerce: Product recommendations and sentiment analysis.

# Challenges and Ethical Considerations

## Challenges:

- Handling high-dimensional data (the curse of dimensionality).
- Scalability and computational efficiency (e.g.,  $O(n \cdot k \cdot t)$  for k-means).
- Data quality issues such as noise and missing values.

## Ethical Considerations:

- Privacy, bias, and transparency.

# Case Study: Market Basket Analysis Using Association Rule Mining

## Project Example:

- Market Basket Analysis in a Large Supermarket Chain

## Dataset:

- Instacart Online Grocery Shopping Dataset
  - Over 3 million orders, 200,000+ unique products, 200,000+ customers.
  - Key columns: order\_id, user\_id, product\_id, add\_to\_cart\_order, reordered, order\_dow, order\_hour\_of\_day, etc.



# Case Study: Data Collection & Preprocessing

## Phases:

### 1. Data Collection:

- Obtain the extensive Instacart dataset covering millions of transactions.

### 2. Preprocessing:

- Clean the dataset by removing duplicates and standardizing product codes.

# Case Study: Mining Techniques - Apriori

## Mining Using Apriori:

- Generate candidate itemsets:

$$C_k = \{X \cup Y \mid X, Y \in L_{k-1}, |X \cap Y| = k - 2\}$$

- Prune candidates by ensuring every  $(k - 1)$ -subset is frequent.

# Case Study: Mining Techniques - FP-Growth

## Mining Using FP-Growth:

- Build an FP-tree to represent the dataset compactly.
- Extract the conditional pattern base:

$$\{(\beta, \text{count}) \mid \beta \text{ is a prefix path in the FP-tree for a given prefix } \alpha\}$$

- Recursively extract frequent patterns:

$$\text{FPGrowth}(T_\alpha) = \{\alpha \cup \beta \mid \beta \in \text{FPGrowth}(T_\alpha)\}$$

# Case Study: Evaluation & Deployment

## Evaluation:

- Compute Support, Confidence, Lift, Leverage, and Conviction for each rule.
- Identify high-value rules (e.g.,  $\text{Support}(\text{Bread} \rightarrow \text{Butter}) = 0.15$ ,  $\text{Confidence} = 0.50$ ,  $\text{Lift} = 2.5$ ).

## Deployment:

- Use the mined rules to optimize store layouts, personalize promotions, and improve inventory management.

# Summary & Key Takeaways

## Recap:

- Definition and significance of data mining.
- The complete KDD process: data collection, preprocessing, exploration, mining, evaluation, and deployment.
- Core techniques: classification, clustering, and advanced association rule mining (with detailed math for Apriori and FP-Growth), regression, and anomaly detection.
- Advanced mathematical concepts: Gini index, Information Gain Ratio, Mahalanobis distance, Chi-Square test, candidate generation formulas, and conditional pattern base extraction.

# Questions & Discussion

## Discussion Prompts:

- Which mathematical technique do you find most applicable to real-world computer science problems?
- What challenges do you foresee when working with large-scale datasets like Instacart's?
- How can we balance technical innovation with ethical considerations in data mining?