



Eidgenössische Technische Hochschule Zürich
Swiss Federal Institute of Technology Zurich



Master's Thesis Nr. 265

Systems Group, Department of Computer Science, ETH Zurich

in collaboration with

Digitec Galaxus AG

Applying the GAN Framework to Recommender Systems

by

Mohammed Ajil

Supervised by

Bojan Karlas, Ce Zhang

September 13, 2019



Eidgenössische Technische Hochschule Zürich
Swiss Federal Institute of Technology Zurich

Applying the GAN Framework to Recommender Systems

Master Thesis

Mohammed Ajil

September 13, 2019

Advisors: Prof. Ce Zhang, Bojan Karlas

Department of Computer Science, ETH Zürich

Abstract

This example thesis briefly shows the main features of our thesis style, and how to use it for your purposes.

Contents

Contents	iii
1 Introduction	1
2 Background	3
2.1 Recommendation Systems	3
2.1.1 Problem Statement	3
2.1.2 Properties of Recommendation Systems	4
2.1.3 Well-Known Examples	6
2.2 Concepts	7
2.2.1 Recurrent Neural Networks	7
2.2.2 Embeddings of categorical variables	11
2.3 Previous Work	12
2.3.1 Meta-Prod2Vec	12
2.3.2 Personalized Session-based Hierarchical Recurrent Neu- ral Network	14
2.4 Key Performance Indicators	16
3 Dataset	19
3.1 Data Collection	19
3.2 Data Preparation	20
3.3 User Parallel Batches	23
3.4 Dataset properties	24
4 System Overview	27
4.1 Model Architecture	27
4.1.1 Model training	28
4.2 Product Embedding	28
4.3 Implementation	28
4.3.1 API	28

4.4	Production Setup	29
5	Experiments	31
5.1	Offline	31
5.1.1	Experiment Setup	31
5.1.2	Measurements	31
5.2	Online/Production Experiment Setup	31
5.2.1	Experiment Setup	31
5.2.2	Measurements	32
6	Results	33
	Bibliography	35

Chapter 1

Introduction

- Recommender Systems are a field in machine learning that get more and more attention
- In principle the goal of a recommender system is to recommend items (in the case of an e-commerce system products) to users
- The idea is that the system helps the user navigate the mass of products available and to show the user what is relevant
- A recommender system can be tuned to optimize for different metrics such as click through rate, conversion rate etc.
- In the past there have been mainly two approaches to recommender systems: user based and item based
- In the last years there have been more and more proposals for session based approaches (refer to paper that does the survey)
- Specifically GRU4Rec has gained attention as a RNN based approach to solving this problem
- In a session based setting we try to model the sequence of events a user makes when he browses the product catalog instead of items or users themselves.
- This has the following advantages: Usually we have a lot of users that only visit the site once or twice a year, these users are very difficult to model. The same goes for products, there are a lot of products that have limited attention from the userbase, therefore it is difficult to get a useful representation for products like this.
- In a session based setting we model the sequence of events, which is more useful since there is a lot more data, and sessions are comparable even if we do not know which user is online.

1. INTRODUCTION

- Session based approaches work in both settings where we don't know the user and where we know the user
- Item based are for unknown users and user based for known users
- Here we need to state the hypothesis -¿ We are looking to improve personalized session based recommendations by using pre trained embeddings for products.
- The goal of the thesis is twofold:
 - First we want to explore the capabilities of such a system in a production setting with real world data. Are we really better than simple approaches like "often bought together"?
 - Also we want to compare it to a more sophisticated system that is a blackbox and consumed as a service provided by Google.
 - Third, since this is an RNN approach we want to find out if we can improve the system by applying the GAN framework in form of professor forcing
 - Fourth, the system inherently produces embeddings for products and users, we want to find out if we can improve the overall performance if we use a pretrained product embedding which captures the semantic similarity of products

Background

2.1 Recommendation Systems

2.1.1 Problem Statement

Generally speaking recommendation systems are concerned with recommending items to be of use to users. The recommendations should help the users decide which items to buy, music to listen to, what news articles to read etc. Virtually any decision-process can be made easier for users by providing recommendations. Typically recommendation systems are used by online services, famously for example by Spotify for music [2] and YouTube for videos [4]. By using these online service the users generate data that the service can use to improve the recommendations, for example rating videos gives the operator of the service a datapoint on how much a video is liked by a specific user. However also retailers are known to use recommendation systems, based on data generated by customer loyalty programs such as Migros Cumulus [13] retailers tailor coupons or other offers to their customers. In principle data of users interacting with items (viewing, buying, rating etc.) serves as the basis for a recommendation system. Depending on the use-case this data is utilized to assign scores to items depending on the user. The semantic meaning of a score depends on the objective of a recommendation system. For example a system which recommends products to be bought might assign a "probability of purchase", whereas a system which recommends videos might predict the probability of a user watching a video to the end.

Bringing this all together we can define a general recommendation system with the following function:

$$s = f(i, u, h_u) \quad (2.1)$$

Where s is the assigned score to item i for the user u and the users history u_h . The users history represents all the previous interactions with items.

Essentially when we design a recommendation engine we want to learn the function f . To assess the quality of the learned function we need to know the "true" score for the specific item and user, this can be done in different ways. Usually during training we will hold off later interactions with items, and test the learned functions on those. However as soon as the users sees recommendations, we essentially change the reality, i.e. we don't know what the user saw as recommendations, if any, in the user history, therefore it makes sense to also assess the performance of a recommendation engine in production.

2.1.2 Properties of Recommendation Systems

In the following we will look at different properties of recommendation systems. Typically recommendation systems have a combination of the following properties.

User-based User-based recommendation system base the information used to make recommendations mainly on properties of the user, such as gender, age, etc. Also information from the history of the user can be used, for example what the user has bought or read before. Essentially that means when we try to generate recommendations for a specific user we try to find similar users and recommend items that the similar users liked.

Item-based Item-based recommendation system use mostly information about the item to produce recommendations, such as item type (e.g. genre of a movie). However as the name suggests, the basis for a recommendation is always a specific item, for example a product a user is looking at online. This item the user is currently interacting with is referred to as the "active item". Usually item-based recommendation systems then try to find similar items to the currently active item. The method of finding similar items can be arbitrarily complex, identifying similar items is its own field of research. What is also often done is combine this approach with a user-based component, where the similar items are sorted or filtered based on the user. An example of this might be the following:

- Steve is a male looking at black shirts.
- When extracting similar products we find a range of black shirts, also containing womens shirts.
- If we would recommend items by popularity the womens shirts would appear as the first recommendation, since women typically buy more shirts.
- Instead of directly displaying the recommendations we filter out the womens shirts that is found in this selection.

Session-based Session-based recommendation systems are a rather new form of such a system. A session is a sequence of interactions from a user with one or several items. Depending on the use-case and setting this can be defined differently. Usually online-services define a session as the sequence of interactions a user produces on the site until closing the browser window. Obviously sessions can have variable lengths, therefore it is difficult to directly feed that information into a recommendation system. However with the rise of Recurrent Neural Networks (c.f. 2.2.1) a powerful tool for handling variable length sequence data becomes available. Session-based recommendation systems use RNNs to model the sequence data generated by sessions to achieve two things. First by using RNNs we can extract a fixed dimensional representation of a specific session, this allows us to compare different sessions. Second by using the fixed representation of a session we can try to identify the intent a user has in a specific session, based on this recommendations can be made to fulfill the users intent. An intent can be defined as the goal the user has in a specific session. In the example of an online-shop there are a few different, well-known intents identified by analysts such as: Browsing for inspiration, searching for a specific product, buying a specific product, researching products etc. Also these intents exist in different contexts, in the case of an online-shop the contexts can be different product types (mobile phone, couch, dining table) etc. From the above explanation it is intuitive to see why these systems are more desired by operators of online services, since the recommendations can be targeted much more specific to the user and his intent, instead of just general information of the user and the active item.

Collaborative Collaborative recommendation-systems mostly use interaction data to generate recommendations. For example we use the clicks on products as a data source and then predict which products the user will click next. However the collaborative aspect comes from the fact that we source other users interactions as a basis for the recommendations. In principle we view different users as versions of possible behaviour of a user, the more interactions two users have in common, the more similar they are assumed to be. Therefore we can extend the behaviour (i.e. product views) of a user by looking at what similar users have done on the same active item.

Content-based In contrast to collaborative recommendation systems, content-based systems heavily rely on so called content information. Content information refers to the actual content of different items. The name stems from early recommendation systems which mainly focussed on recommending media. The idea is to actually analyze the content of an item, be it the images in a movie, the soundwaves of a song or the text in a book. The assumption is that a user likes to see items that are similar to each other

(e.g. a user who mostly likes action films). However this method can also be used in different contexts, such as online-shopping, where the "content" of an item might be its textual description or an image of the actual product.

2.1.3 Well-Known Examples

In the following sections we will look at some well-known examples of recommendation engines and their properties.

Collaborative Filtering via Matrix Factorization

As the name suggests model is a collaborative approach to a recommendation engine, meaning the model uses primarily interaction data between users and items. As mentioned in [11] the main idea behind collaborative filtering is to recommend items to the user based on what users with similar taste liked in the past. Collaborative filtering refers to a class of models that use similar users' tastes to recommend items. Also this class of models uses the user as a basis for recommendations and not the active item, making it a user-based recommendation system. As seen in [1] there are many ways of implementing a collaborative filtering system. However the important part is the problem representation.

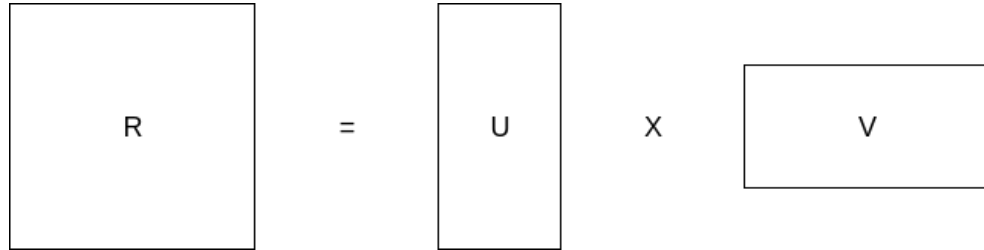


Figure 2.1: Matrix Completion via Matrix Factorization

In the Model-Based approach the problem is represented as a matrix completion problem. The matrix R in figure 2.1 represents the interactions of users and items, where u_{ij} represents the interaction of user i with item j . Usually when dealing with such interaction data, this matrix is very sparse, since in general a user interacts with a small set out of possibly millions of items. The main idea behind this approach is to fill in the missing entries of the matrix. To achieve that we define two randomly initialized matrices U and V which when multiplied produce a matrix of the same shape as U . As explained in [1] these two matrices represent low rank representations of users and items respectively. The next step is to use an optimization algorithm to fit U and V such that $r_{ij} \approx UV_{ij}$. The error of the chosen optimization algorithm however is only applied to entries of R which are known. Therefore

when we find U and V such that the values for the known entries match the values in R we assume that we also found a good approximation for the values unknown in R and use these to predict the interaction of the respective users and items.

Often Bought Together

Often/frequently bought together is a recommendation system very popular in online-stores. The idea behind it is to recommend products that complement the one the user is intending to buy. A classical example for this would be to recommend a protection case when the users adds a smartphone to the basket. Therefore it is a item-based approach. The implementation of this recommendation system can be done in a rather simple way, but can be improved a lot by complex systems, which could personalize the recommendations by using the users history, thereby extending it with a user-based component. However the basic idea stays the same, as the name suggests, finding items that are frequently bought together. The simplest, yet still effective, implementation of this is to just count how many times products appear in the same order as other products, i.e. for each combination of two products i and j we will have a count c_{ij} of how many times these products were bought together. When a user adds a product to the basket, we extract the products with the highest count from a database and recommend these to users.

2.2 Concepts

2.2.1 Recurrent Neural Networks

Recurrent Neural Networks or RNNs are a form of artificial neural networks, which allow to explicitly model sequence input data. The enabling factor for this is that RNNs allow the output of the network to be fed back in.

Further RNNs carry a so called hidden state, which is propagated along the temporal axis. The following two equations from [7] describe the general behaviour of a simple RNN unit as illustrated in figure 2.2.

$$h_{i+1} = \sigma(W^{hx}x_i + W^{hh}h_i + b_h) \quad (2.2)$$

$$y'_i = \text{softmax}(W^{yh}h_i + b_y) \quad (2.3)$$

We can see in equation 2.2 how the hidden state is carried over. This equation represents the connections across the temporal axis mentioned above. Figure 2.2 shows how the sequence input denoted by x is unfolded and fed into the network one timestep at a time. For each timestep the corresponding output is computed as well as the hidden state that is carried over to the next timestep. Intuitively the hidden state can be seen as the variable

2. BACKGROUND

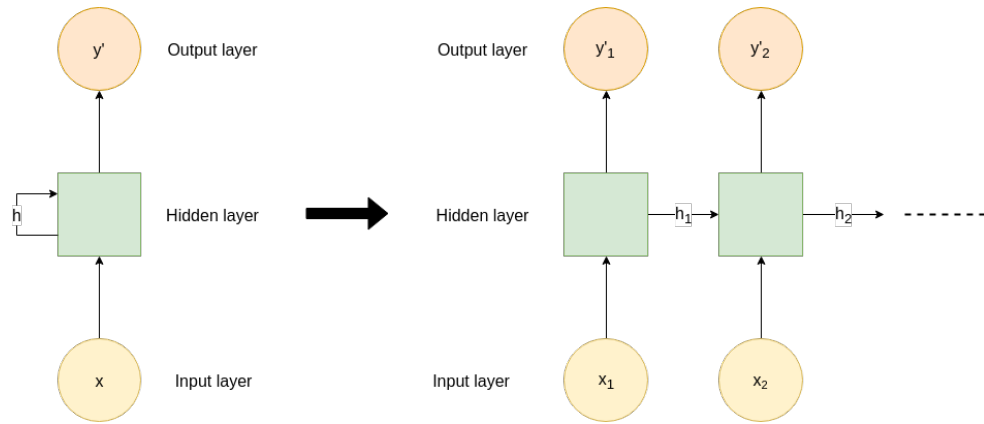


Figure 2.2: Recurrent Neural Network

holding the relevant information from the previous steps to influence the prediction of the next step.

For clarification purposes it is important to note that the individual inputs x_t represent a datapoint in a sequence denoted by x , therefore in most cases are represented by a vector. In a feedforward neural network as illustrated in figure 2.3, the inputs x_i represent individual entries in the feature vector of the datapoint x .

Backpropagation

Backpropagation is the technique used to train neural networks.

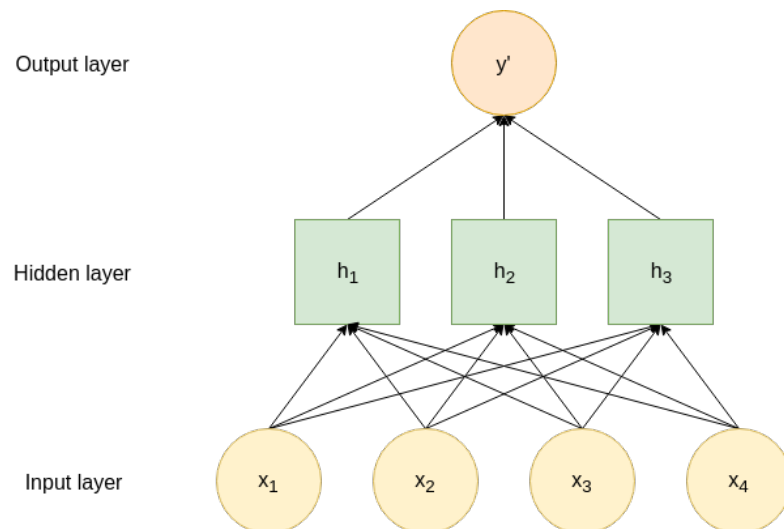


Figure 2.3: Feedforward Neural Network

Let us assume we have a simple feedforward neural network as shown in figure 2.3. This behaviour of this network is described by the following equations.

$$h_i = \sigma_h(w_{h_i}^T x) \quad (2.4)$$

$$y' = \sigma_y(w_y^T h) \quad (2.5)$$

Each individual cell has a weight vector associated with it denoted by w_o where o is the respective cell. The arrows in the illustration represent the individual weights of such a weight vector. Further each layer has an nonlinear activation function associated with it, denoted by σ_l , l being the respective layer.

In this setting we usually are in a supervised mode, where for each input x there is a true label y . Using the neural network we estimate y for a given x by applying the equations above to obtain the estimation y' .

The last component needed before training is possible is a loss function $\mathcal{L}(y, y')$, which quantifies the error of the estimation y' .

The basic idea of backpropagation is to attribute parts of the error computed to the different units of the network, and therefore make adjustments to the weight vector of a particular unit. As described in [7] this is done by using the chain rule to compute the derivative of $\mathcal{L}(y, y')$ with respect to each weight vector. The weight vector is then adjusted by gradient descent, i.e. by moving the vector in the direction of the largest decrease in the gradient. There are more parameters involved such as the learning rate, which defines how much in the direction of the gradient the weights are adjusted, however these are not needed for understanding the principle.

Backpropagation with RNNs

Also in [7] the authors mention that training RNNs has been known to be especially difficult due to the *vanishing* or *exploding gradients* problem. As an example we consider the RNN in figure 2.2. Now we assume we compute the estimation y'_t , i.e. the output of timestep t . As we can see in the equations 2.2 and 2.3 this output is also influenced by all the previous timesteps. The problem now arises from the so called recurrent weights denoted by W^{hh} , those connecting the units across the temporal axis. For now we assume that the weights are small, i.e. $|w_{ij}| < 1$ for $w_{ij} \in W^{hh}$. Since the weights are small, the contribution of input x_{t-k} to the output y'_t gets exponentially smaller with increasing k . Essentially by computing the gradient with respect to the input the aforementioned contribution is quantified. Therefore when k gets large and the contribution of the input x_{t-k} vanishes, the gradient with respect to the input unit also vanishes, resulting in the so called vanishing gradient problem. The opposite happens when the recurrent weights are large, i.e. $|w_{ij}| > 1$ for $w_{ij} \in W^{hh}$. In this case the

contribution gets amplified when k gets large, and therefore we would be dealing with exploding gradients. This is a problem in a setting where we want to learn long-range dependencies, which is often the case in sequence modeling.

Gated Recurrent Unit

The Gated Recurrent Unit (GRU) is a recurrent unit which aims to solve the exploding or vanishing gradients problem mentioned above. This is achieved by modifying the behaviour of the hidden units, in between which the recurrent edges of the network are. The authors of [3] introduced this new type of recurrent unit. They retrofitted the recurrent unit with the ability to adaptively remember and forget. This is achieved using two gates: The *reset* and *update* gate.

The reset gate is responsible to suppress features of the hidden state that were learned to be not important in the future. The reset gate is computed using the following formula:

$$r_t = \sigma(W_r x + U_r h_{t-1} + b_r) \quad (2.6)$$

The matrices W_r and U_r and the bias b_r are parameters specific to the reset gate and are learned simultaneously with backpropagation.

The update gate controls how much information is propagated from the previous hidden state to the next one, i.e. it learns which features of the previous hidden state will be how important in the future. The update gate is computed as follows:

$$z_t = \sigma(W_z x + U_z h_{t-1} + b_z) \quad (2.7)$$

Again the weight matrices and bias are specific to the update gate and learned via backpropagation.

To compute the next hidden state the computed gates are used as follows:

$$h_t = z_t \circ h_{t-1} + (1 - z_t) \circ \tanh(W_h x_t + U_h (r_t \circ h_{t-1}) + b_h) \quad (2.8)$$

In equation 2.8 we can see how the gates do their job. When the reset gate is close to 0 in some features, the hidden state is forced to ignore that information before being multiplied with the weight matrix of the recurrent unit. On the other hand, the update gate controls how much information should be propagated directly from the hidden state, versus the hidden state resulting from the new input. If the reset gate is 1 and the update gate is 0 we get the same formula as in 2.2, effectively returning to the vanilla RNN formulation.

2.2.2 Embeddings of categorical variables

A categorical variable is variable that can take one of a limited number of values. Examples are colors, locations or, in the context of e-commerce, product ids. When using such variables as an input variable for some model, the variables need to be transformed into a numerical representation, such that the variable can be used. Let us assume we have a variable which describes the color of a specific product. For simplicity we assume there are only four colors: red, green, blue, yellow. One possibility would be to just assign integer ids to the different colors as shown in table 2.1.

Color	Id
Red	0
Green	1
Blue	2
Yellow	3

Table 2.1: Integer Ids for Colors

The problem with this approach is that integers have a defined order. That means that any model will interpret the color yellow as larger or as a stronger signal, than the color red. This is not desirable, in the case of colors, all of them should have the same magnitude so to speak.

A different way of representing categorical variables is the so called one-hot encoding. A one-hot encoding requires a continuous id space, such as the one in table 2.1. The same colors encoded in a one-hot encoding can be seen in table 2.2.

Color	One-Hot Encoding
Red	[1, 0, 0, 0]
Green	[0, 1, 0, 0]
Blue	[0, 0, 1, 0]
Yellow	[0, 0, 0, 1]

Table 2.2: One-Hot Encoding for Colors

Now all the color representations have the same magnitude, therefore the model will get the same signal strength from each of the colors. In principle we transform the id encoding to a one-hot encoding by using a zero vector of dimension $\max(\text{id}) + 1$ and set the element at the position $\text{id} - 1$ to 1. Therefore the one-hot encoding always has the same dimensionality as the number of categories. There are still two major drawbacks to this approach. As we will see in section 3.4 the number of categories for such a variable can range into

the millions. This means that the dimensionality of the single categorical feature can range into the millions, obviously this is not desirable, since high dimensionality leads to more difficulties in training and more computing resources needed to accomplish the training task. The second drawback is that this representation does not account for the notion of similarity, i.e. red is as similar to blue as it is to yellow. However it is known that green is a composition of blue and yellow, so intuitively green should be more similar to blue and yellow than to red.

These two issues can be solved by using embeddings. Embeddings are a low dimensional real numbered representation of a categorical variable. Further similar variables will have similar vectors representing them. The difficulty with embeddings is finding a process which produces the embeddings with the desired properties. For a small number of variables it is possible to manually construct them. In table 2.3 we can see a lower dimensional representation of the same colors, however now the distance between green and yellow or blue is smaller than the one between green and red. Further all the representations still have the same magnitude, therefore not triggering a stronger signal depending on the color.

Color	Embedding
Red	$[1, 0, 0]$
Green	$[0, \sqrt{0.5}, \sqrt{0.5}]$
Blue	$[0, 1, 0]$
Yellow	$[0, 0, 1]$

Table 2.3: Possible Embedding for Colors

2.3 Previous Work

2.3.1 Meta-Prod2Vec

Meta-Prod2Vec is a method proposed in [14] to compute such embeddings as described in the previous section. The original inspiration for this approach comes from the famous *word2vec* model (c.f. [8]), a method of computing embeddings for words, respecting the similarity between them. Based on *word2vec* Yahoo developed a model named *prod2vec* (c.f. [5]) based on *word2vec*, that computes embeddings of products based on the receipts their customers are receiving in their inbox. Meta-Prod2Vec is an extension of *prod2vec* that allows to include meta information about products, such as brands and product type for example.

The fundamental assumption behind all of the aforementioned models is the famous Distributional Hypothesis [12], which states that words that appear

in the same context have similar, if not identical, meaning. For illustration purposes consider the following two example sentences:

- George likes to drink a glass of wine in the evening.
- George likes to drink a glass of whiskey in the evening.

Without knowing the meaning of the words "wine" or "whiskey", it is possible to deduce that they are at least similar concepts. Essentially the context of a word limits the number of possible words that can appear in that context. If that context is restrictive enough, there are only few possible words or concept that can appear in that context. This assumption is translated into the context of e-commerce by interpreting products as words and sessions or purchase sequences as sentences.

Since Meta-Prod2Vec is an extension of prod2vec it makes sense to first look at the loss function of prod2vec in equation 2.9:

$$L_{J|I} = \sum_i X_i H(p_{\cdot|i}, q_{\cdot|i}) \quad (2.9)$$

Where X_i is the number of occurrences of word i and $H(\cdot)$ is the cross entropy loss. Further J describes the output space, whereas I is the input space, in this context they are the same, specifically all the possible products. Essentially the loss function is the weighted cross entropy loss between the empirical probability distribution $p_{\cdot|i}$ and the predicted probability distribution $q_{\cdot|i}$. The weighted cross entropy loss forces the predicted probability to be close to the observed empirical probability, for any product. Effectively this means that the learned probability function $q_{\cdot|i}$, in the case of observed events, is close to the empirical probability distribution, while also allowing predictions of yet unseen events.

In the next step we look at the learned probability function $q_{\cdot|i}$, and how it is related to the embeddings of products. In equation 2.10 we can see how $q_{\cdot|i}$ is defined:

$$q_{j|i} = \frac{\exp(w_i^T w_j)}{\sum_{j \in V_j} \exp(w_i^T w_j)} \quad (2.10)$$

This defines the probability that product j is in the context of product i . In principle this means, that the inner product $w_i^T w_j$ is interpreted as an unnormalized probability, and by applying the softmax function we get a probability distribution over all possible context words V_j .

From looking at the two equations above, it is apparent that computing this loss function is rather expensive, the complexity is $O(n^2)$ for n being the number of products. Due to this these models are usually trained using negative sampling loss [9].

The loss function of Meta-Prod2Vec as seen in equation 2.11 is a natural extension of the loss function of prod2vec.

$$L_{MP2V} = L_{J|I} + \lambda \cdot (L_{M|I} + L_{J|M} + L_{M|M} + L_{I|M}) \quad (2.11)$$

Where λ is a regularization parameter controlling how much the side information influences the total loss and M describes the metadata space. In the following we will look at the different components of the loss function:

- $L_{J|I}$: This is the same term as in equation 2.9, it describes the cross entropy between the observed conditional probability and the modeled conditional probability of the output products conditioned on the input products.
- $L_{M|I}$: This is the loss component of the probability distribution of metadata values of surrounding products, given the input product.
- $L_{J|M}$: This component measures the loss of the probability distribution of surrounding products, given the metadata values of the input product.
- $L_{M|M}$: This is the loss incurred from the probability distribution of surrounding products metadata, given the metadata values of the input product.
- $L_{I|M}$: Finally this component measures the loss of the probability distribution of the input products, given their own metadata values.

In principle the objective function in equation 2.9 is extended to include all possible interaction terms with the metadata. The beauty of this loss function is that it does not change the training algorithm of prod2vec at all. The only thing changing is the data generation process, additionally to creating the pairs of co-occurring products, also co-occurring metadata and products are generated. Since the individual components of the loss function are computed in exactly the same way, adding these co-occurrence terms will automatically compute the total loss. Thus the metadata values will be embedded in the same output space.

2.3.2 Personalized Session-based Hierarchical Recurrent Neural Network

The work presented in [10] serves as a basis for this thesis. The authors present a model architecture that can model the session behaviour of users, as well as learning historical user preferences and applying those to the recommendations. This makes it a user- and session-based recommendation system. The architecture presented is based on a model called *gru4rec* presented in [6]. In figure 2.4 we can see an illustration of the model architecture. Essentially the difference between *gru4rec* and *hgru4rec* is the

addition of the the second level GRU, GRU_u , which keeps track of historical user preferences.

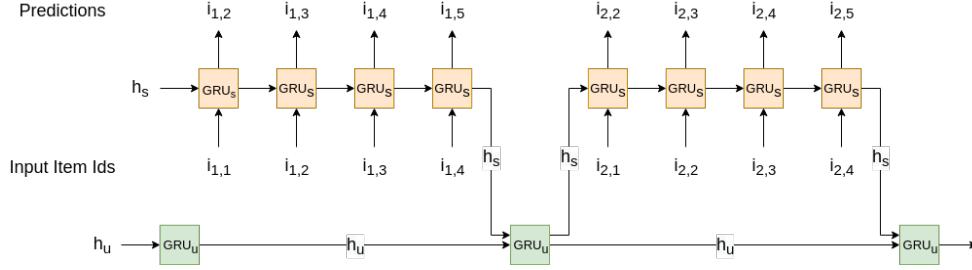


Figure 2.4: hguru4rec model architecture

To formalize the sessions of users we define the sessions of a specific user u as $\mathcal{S}_u = \{s_u^1, s_u^2, \dots, s_u^n\}$. Further a session is defined as $s_u^k = \{e_1^k, e_2^k, \dots, e_m^k\}$. Finally an event e_n^k is the product id of the product viewed in session k at position n .

The proposed model uses the session level GRU, GRU_s , to predict the next item that the user would view. The hidden state h_s serves as a fixed size representation of the session. The input to the GRU is defined as follows: $i_{m,n} = \text{onehot}(e_n^m)$, where $\text{onehot}(x)$ is the one-hot encoding of the integer x . Now the output and the next hidden state are computed using the formula introduced in 2.2.1 as follows:

$$r_{m,t}, h_m^t = GRU_s(i_{m,n-1}, h_s^{t-1}) \quad (2.12)$$

Where h_m^t is the session hidden state of session m at time t and $r_{m,t}$ is a score for every item to be recommended in session m at time t . The output of the GRU, $r_{m,t}$ is compared to the one-hot encoding of the next item, i.e. $i_{m,t+1}$ to compute the loss function. The loss function was explicitly designed by the authors for this task. The TOP1 loss is the regularized approximate relative rank of the relevant item. The relative rank of the relevant item in the next step is defined in equation 2.13:

$$\text{relative rank} = \frac{1}{N} \cdot \sum_{j=1}^N I\{r_{m,t}^j > r_{m,t}^i\} \quad (2.13)$$

Where N is the number of items, $r_{m,t}^k$ is the score of item k in session m at time t and finally i is the relevant item in the next step. Essentially this function computes the number of items which have a higher score than the relevant item. However this relative rank has two drawbacks: First the indicator function is difficult to derive and second the computation of the loss for one item involves the computation of the score for all possible items.

Therefore the relative rank is approximated by the equation 2.14, which further includes a regularization term forcing the irrelevant item scores towards zero.

$$L_{TOP1} = \frac{1}{N_S} \cdot \sum_{j=1}^{N_S} \sigma(r_{m,n}^j - r_{m,n}^i) + \sigma(r_{m,n}^j) \quad (2.14)$$

Where N_S is the number of sampled irrelevant items, to avoid the computation of the scores for every item and σ is a sigmoid function. The sampling method will be discussed further when looking at the dataset.

After a session is completed the user-level GRU, GRU_u comes into play. The task of this GRU is to learn how the session representation of users change over time. This is achieved by using the fixed size session representation as the input to GRU_u . The output of GRU_u then will serve as the new initial session hidden state for the next session.

$$h_u^m, h_m^0 = GRU_u(h_u^{m-1}, h_{m-1}^{n_{m-1}}) \quad (2.15)$$

Where h_u^m is the hidden state of user u at the beginning of session m and n_m is the number of items in session m .

Both GRUs are trained jointly using the same loss function.

2.4 Key Performance Indicators

Key performance indicators (KPIs) are metrics used in a business process to measure the performance of said process. In online-services there are a few well established metrics, most relevant for this work are the click-through rate and the conversion rate. These metrics are also often used in testing multiple versions of the same element, for example a new design of a button. By measuring these metrics it can be determined which version suits the users better.

Click-Through Rate The click-through rate (CTR) measures how many users click on a specific element relative to the number of impressions. Impressions are defined as the event when a user has the specific element that is measured in his viewport. Finally the viewport is the part of the website or web application which is visible to the user in his browser window. In equation 2.16 we can see the formalization of this.

$$CTR = \frac{\text{\#clicks}}{\text{\#impressions}} \quad (2.16)$$

Conversion Rate The conversion rate measures how many successful transactions follow from the interaction with a specific element. A transaction can

be defined in a rather abstract way, such as listening to a song to the end, or watching a video to the end. In the context of e-commerce however the conversion rate is rather obvious, it measures how many successful sales are made following an interaction with an element. This is formalized in equation 2.17

$$\text{Conversion Rate} = \frac{\text{\#sales}}{\text{\#impressions}} \quad (2.17)$$

Since there might be multiple elements for which the conversion rate is measured, there needs to be a strategy of attributing sales to specific elements in the web application. An exact way of computing the conversion rate is therefore difficult to find, instead there are multiple ways to approximate this value. One common way to do is, if the user sees an impression of a specific element and completes a purchase in the same session, then this element receives credit for the sale. The problem with this approach is that this does not track the user across multiple sessions. The session in which the user finds this item, and the session in which the user actually makes the purchase are often not the same. Also if the user receives an impression, it is not clear that the user actually registers the item, or if the user is focused on another part of the application. Finally this method credits sales to an element even if the purchased product was not even recommended. Thus we chose another approximation of this metric. If a user purchases an item that was recommended and then clicked by the user, and the click is less than 14 days before the purchase, the element receives credit for the sale. The number 14 days was chosen because more than 99% of sales of products, which were clicked by the users after being recommended, fall into this range.

Chapter 3

Dataset

3.1 Data Collection

In this work we will use the data generated by the tracking systems of Digitec Galaxus AG. The following sequence-diagram gives an overview of the data collection process.

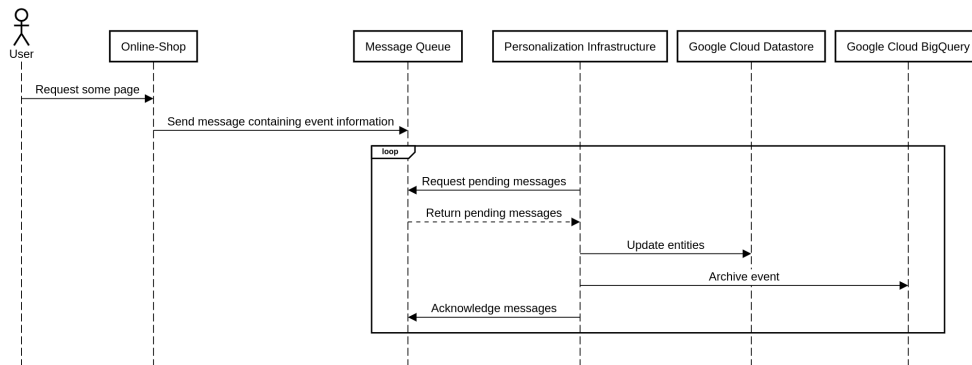


Figure 3.1: Collecting user interaction data on digitec.ch and galaxus.ch

When a user requests a specific page, the Online-Shop Application will collect some information on the user such as UserId, requested page, User Agent etc. This information is packaged as a message representing this specific event and then sent to a message queue. After that the Personalization Infrastructure will process these events by requesting batches of unprocessed messages. For each event then the Personalization Infrastructure will do two things: First it will update the involved entities, second it will archive the event. In the former case a managed Key-Value store (Google Cloud Datastore) is used to store entities. Examples of such entities

are Shopping Carts, Orders, and Last Viewed Products. In principle these entities represent the current state of various entities appearing in the context of the Online-Shop. In the latter case a managed Data Warehousing solution (Google BigQuery) is used, this solution provides the possibility to store large amounts of data in append-only tables. The data stored there is mainly denormalized, such that easy extraction is possible. Each row in these append-only tables contains all information belonging to a single event produced by a user. Essentially the data stored in the Key-Value store is the sum of all events stored in the data warehouse.

3.2 Data Preparation

To be able to focus on the model implementation when implementing the model we want to prepare the data for congestion as far as possible. Therefore the extraction and preparation of the dataset is implemented separately from the model implementation. The process is very similar to the process described in [10].

Data Extraction In the first step we extract the raw data from the data warehouse, selecting the following pieces of information: ProductId, Last-LoggedInUserId, UserId, SessionId, User Agent, Timestamp. Most of the properties are self-explanatory, except LastLoggedInUserId. This property represents the UserId last seen on a specific device accessing the Online-Shop, therefore it is useful if the user did not actively log in to the account. In this case we would not know which user accessed the page, however using this property we can complete missing UserIds in the dataset. The data extracted is limited to the events produced by visiting a product detail page as seen in figure 3.2. This filtering is done because this work focuses on recommending products, in another setting other data might also be relevant. The extracted data is stored in several shards of CSV files, each shard approximately represents the events of one day.

Cleaning data In the next step the data is cleaned, which involves mainly two steps. Anytime we encounter an event where we do not know the user, we try to complete the information with the LastLoggedInUserId. If we do not know the LastLoggedInUserId as well we discard the event.

There are many well-known bots roaming the Internet collecting various types of information on websites. Most famously the Google Bot which crawls the content of any website to determine the quality of the site and influence the rank of the website in Google searches. There are some open-source lists that collect the User Agents of these bots. The User Agent of a client accessing a website usually describes the type of device used, in the case of "good" bots they explicitly tell the server that the "device" accessing

3.2. Data Preparation

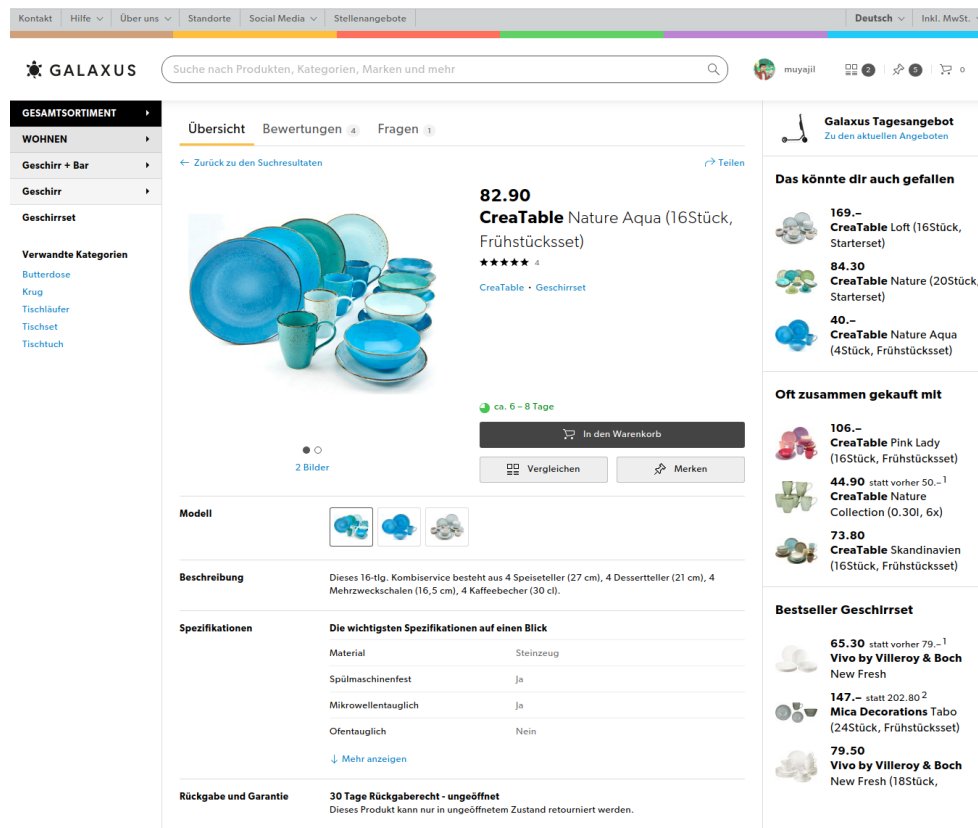


Figure 3.2: Product Detail Page on galaxus.ch

the website is actually a bot. Using one of these lists¹ the events produced by bots are removed from the dataset.

Aggregation of events The next step is to aggregate the events on two levels, first grouping events that were generated in the same session and second grouping these sessions by users. The resulting data structure looks as follows:

¹<https://raw.githubusercontent.com/monperrus/crawler-user-agents/master/crawler-user-agents.json>

3. DATASET

```
1      "<UserId_1>": {
2          "<SessionId_1>": {
3              "StartTime": "<Timestamp of first event>",
4              "Events": [
5                  {
6                      "ProductId": "<ProductId_1>",
7                      "Timestamp": "<Timestamp_1>"
8                  },
9                  {
10                     "ProductId": "<ProductId_2>",
11                     "Timestamp": "<Timestamp_2>"
12                 }
13             ]
14         }
15     }
16
```

Listing 3.1: Data Structure for user-events

This is done by processing one shard after another, when a shard is finished the JSON representation of this shard is saved in a separate file. The reason is that the large amount of datapoints cannot be kept in memory altogether.

Merging shards Since the shards only approximate the events of one day, it is not possible to assume that a session is completely represented in one shard, it might be distributed across multiple. Therefore it is necessary to merge the data in the different shards, however since it is not efficient to keep all the information in one file, a different method of partitioning is needed. However as we will see later it is further necessary that all the events produced by a single user are in the same file. An easy way of achieving this is by partitioning by UserId. Each shard is processed as follows:

```
1      for shard in shards:
2          for i in range(num_target_files):
3              relevant_user_ids = list(filter(lambda x: int(x) %
4              num_target_files == i, shard.keys()))
5              output_path = merged_shards_prefix + str(i) + '.json'
6              output_file = json.load(output_path)
7              for user_id in relevant_user_ids:
8                  for session_id in shard[user_id]:
9                      # Merge events from output_file and shard
```

Listing 3.2: Merging shards

Filtering Now we have some number of files containing all the information relevant to some users. As the authors of [10] mentioned as well, it makes sense to filter out some datapoints. Specifically the following:

- Remove items with low support (min 5 Events per product)

- Remove users with few sessions (min 5 Sessions per user)
- Remove sessions with few events (min 3 Events per session)

The reasons for removing these is rather obvious. Items with few interactions are not optimal for modeling, sessions that are too short are not really informative, and finally users with few sessions produce few cross-session information.

Subsampling Prototyping models with very large datasets is very inefficient. Therefore several different sizes of the dataset were produced. First the approximate number of users and the exact number of products desired in the dataset is defined. This was done by sampling from the set of products with a probability proportional to the number of events on that product. In a next step the partitions of the data are processed, iterating through the sessions of the users. For each sessions we remove the products that were not chosen to be kept, if the session is still long enough, the session is kept. Further a user is kept in the dataset if the number of filtered sessions is still large enough. This process is repeated for the different partitions until the number of users is larger than the approximate number of desired users.

Embedding Dictionary As we will see in 4.1 a version of the model uses one-hot encodings for representing products. Therefore the product IDs referenced in the dataset need to be mapped into a continuous ID space, otherwise it is not possible to produce one-hot encodings. The process for this is straight forward: Start with EmbeddingId 0 then iterate through all the sessions, and each time a product is seen for the first time it will be assigned the EmbeddingId and the EmbeddingId is increased by 1.

3.3 User Parallel Batches

Since we are dealing with sequence data, it is not trivial to produce batches for the model to ingest. Especially since the sequences can have different lengths, and the number of sessions varies from user to user. User Parallel Batching is a way of having fixed size batches that can be ingested by the model, while allowing for sequences to have different lengths and users to have a different number of sessions. Usually in these cases the sequences are padded with some neutral value, however in this case there is no neutral product, and the introduction of such a neutral product might influence the results. Furthermore when processing sequence data it usually means that a datapoint is the input for the next datapoint, which means we still need to have the ordered sequence data. To illustrate these batches lets assume that there are 4 users with the sessions as in figure 3.3.

3. DATASET

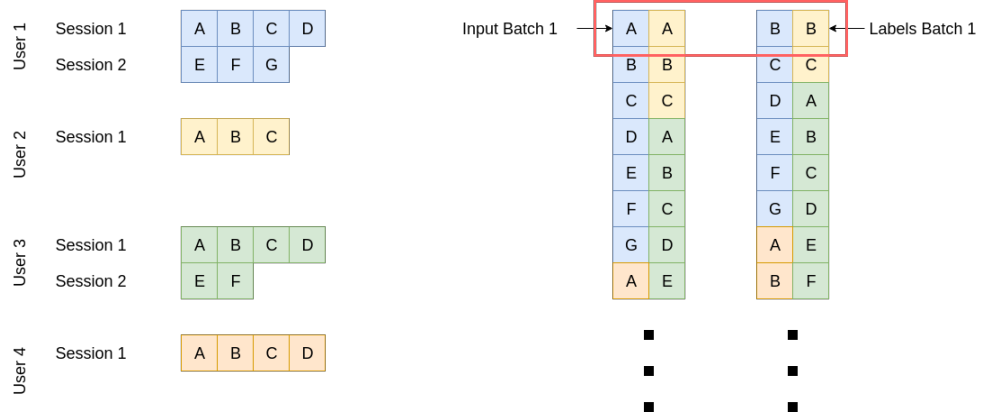


Figure 3.3: User Parallel Batches

In principle a batch of size x will contain an event from x different users. Essentially the labels are the event that happens after the input event.

The data representation shown in listing 3.1 is chosen explicitly to enable efficient generation of user parallel batches. To compute the loss function mentioned in 2.3.2 we sample the irrelevant items by using the items in the different sessions in the same batch. This basically enables popularity based sampling, since the samples are directly taken from other sessions.

3.4 Dataset properties

Using the aforementioned sampling step we generated different sizes of the dataset to enable model prototyping. In table 3.1 we can see the properties of the different datasets.

Property	MINI Dataset	MIDI Dataset	MAXI Dataset
#Users	23	15'242	242'797
#Products	161	42'103	470'817
#Events	633	1'234'697	28'726'701
#Sessions	183	250'187	4'652'496
#Sessions per User	7.96 \pm 5.41	16.41 \pm 22.08	19.16 \pm 28.67
#Events per Product	3.93 \pm 5.84	29.33 \pm 69.98	61.27 \pm 263.3
#Events per Session	3.46 \pm 0.82	4.94 \pm 3.07	6.17 \pm 60.22

Table 3.1: Dataset Properties

The MINI dataset is used to validate that the model works. The goal is to completely overfit to the training data and remember everything. This allows to quickly debug and validate the gradient flow through the model.

The MIDI dataset is used for experiments with different model sizes. The goal with this dataset is that we can try out different models on a somewhat realistic dataset, which is of similar size than the one from ??, and be able to train these models in a reasonable time frame. The MAXI dataset essentially is the complete dataset containing all events that were not filtered in the data preparation process. Depending on the model size training on this dataset can take several days, therefore only the models that performed best on the MIDI dataset were trained on the MAXI dataset. Further the models that are deployed in the experiments are all trained on the MAXI dataset.

System Overview

4.1 Model Architecture

The inspiration from this work comes from [10]. The authors designed a model architecture that can capture

- The architecture builds on what the authors of [6] designed.
- The model called GRU4Rec uses a RNN using GRUs to model the session data.
- The learning task boils down to learn the typical paths users take through the online-store.
- This model is not personalized, since we do not use the information which user generated a specific session.
- The idea is to predict which product the users wants to see next and provide him or her with a shortcut.
- Now we have a fixed size representation of a session.
- Now we could try to learn how sessions evolve over time by adding another RNN on the above layer.
- This is done by using the session representation as the input, and therefore the hidden state represents the evolvement of the user.
-
- Describe how it captures the session representation
- illustration for hierarchical neural network
- Describe Model Architecture
- Describe different Components of Model Architecture

- Describe different variants of the model (with/without pf, with/without embeddings)

4.1.1 Model training

4.2 Product Embedding

Add reference
to section about
metaprod2vec

- We introduced the model architecture for Meta Prod2Vec in
- We used the features brand, producttype, and price class.
- The price class is computed by determining the quantiles of products in the same product type and categorizing the products into 4 price classes.
- We used equal weights for all the metadata.
-
-
- Write about the features used, what are the transformations etc.

4.3 Implementation

- we could make a diagram showing the different components
- Describe Class Diagram
- Describe prediction mode/training mode
- Describe problems that arose during training (extensive resources used for so many products and users)

4.3.1 API

As described above the model is implemented in Tensorflow¹. Tensorflow provides a mechanism to export tensorflow models as so called SavedModel², which is the way Tensorflow serializes models universally. They also provide a premade Docker image³ which allows the model to be served as a REST or GRPC API.

- Describe API

¹<http://tensorflow.org>

²https://github.com/tensorflow/tensorflow/blob/master/tensorflow/python/saved_model/README.md

³<https://hub.docker.com/r/tensorflow/serving>

4.4 Production Setup

Digitec Galaxus AG is the largest online-retailer in Switzerland. They operate galaxus.ch and digitec.ch. The former is a general online-shop comparable to Amazon. The latter is specialized in Electronics. Distributed on the different sections of the site there are several recommendation engines populating the content the users see. Examples are the landing page and multiple engines on the product detail page.

Add screenshot

Add screenshot

There is a framework that computes probabilities which specific recommendation engine provides the content for a specific location. Further the framework then chooses the content for each location based on the probabilities computed before and some other constraints such as minimum and maximum value. However to test the model implemented in this work this framework is bypassed by a A/B Testing engine, therefore this framework is not part of this work. The specific tests and the test setup is described in 5.1.1, for the understanding of the following it is enough to assume that some independent system is providing recommendation requests to the recommendation system. Using the API containers described in 4.3.1 we can serve these requests. The sequence-diagram in figure 4.1 should give an overview on how the system is integrated in the production environment.

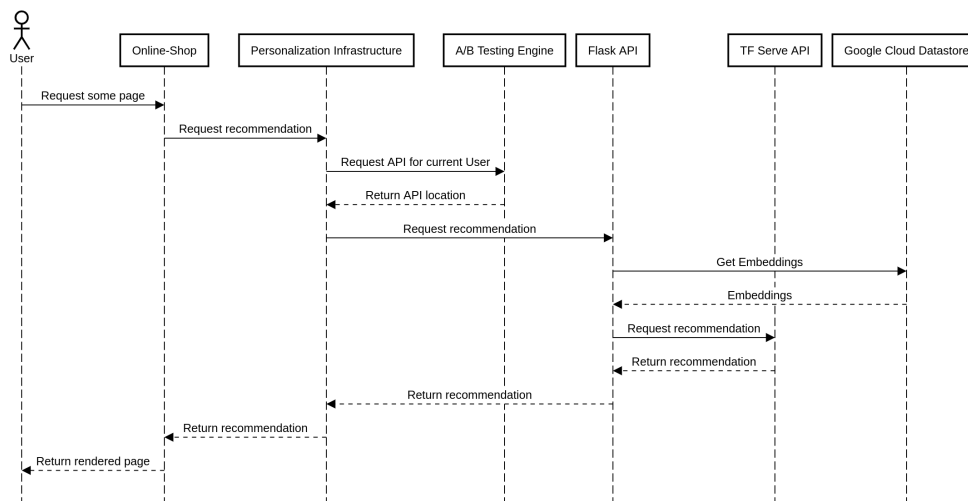


Figure 4.1: Serving Recommendations on digitec.ch and galaxus.ch

The whole process starts when a specific user requests a specific page on either digitec.ch or galaxus.ch. If the requested page has an element where there is an A/B test configured the Online-Shop Application will make a request to the testing engine. As mentioned above the testing engine will

4. SYSTEM OVERVIEW

then make a request to a API location, which corresponds to one of the model versions. After that the Online Shop will request the content, in this case, from the Personalization Infrastructure. Note that during this setup each of the four versions of the model is deployed simultaneously, all of them trained on the same dataset. The Personalization Infrastructure then calls the API described above. Before requesting a prediction from tf-serve the API will gather precomputed embeddings for the involved entities. The predictions are returned to the Personalization Infrastructure and from there to the Online Shop. The last step is for the Online Shop to render the content and deliver the page to the user. This process takes about XXmsms.

Get ms number here

Experiments

For each of the model variants evaluate the experiments offline and online.

5.1 Offline

5.1.1 Experiment Setup

- Describe the last session out split (test and eval)
- Describe how we train the model and how we evaluate it

5.1.2 Measurements

- Here we want to confirm a few things: user rnn helps, embeddings helps, profforcing helps
- The evaluation set is always the same
- Show the relevant KPIs (described in the chapter before)
- Show a bar plot for the different configurations
- Larger models are not tested because the time needed does not reflect the gain in performance

5.2 Online/Production Experiment Setup

5.2.1 Experiment Setup

- Describe the online shop
- Where do we have recommendations, general description

- Where do we put our recommendation system? Against what does it compete?
- Also describe the testing engine

5.2.2 Measurements

- First measure for each variant what the performance is (an ABCD test so to say, split customers maybe, there should be enough)
- Then explain the performance of Simple models
- After that the performance of a black box, specifically Google's AutoML
- Show results for AutoML, Often Bought Together and our system in the different variants
- Show the relevant KPIs

Chapter 6

Results

- bring everything together
- compare best performing model to automl from google
- Here we need the best performing models of each experiment
- The long tail is the problem -¿ histogram of visits per user/product
- Show PCA of user embeddings and product embeddings
- Future Work: Improving product embeddings by using content2vec, improving recommendations by using transfer learning, specializing a model on the top 20% of users and unpersonalized models for the bottom 80%, train the session based model on all sessions, not only the ones we know the userIds of.
-

Bibliography

- [1] Christopher R. Aberger. Recommender : An analysis of collaborative filtering techniques. <http://cs229.stanford.edu/proj2014/Christopher%20Aberger,%20Recommender.pdf>, 2014.
- [2] Erik Bernhardsson. Music discovery at Spotify. <https://www.slideshare.net/erikbern/music-recommendations-mlconf-2014>, 2014.
- [3] Kyunghyun Cho, Bart van Merriënboer, Caglar Gulcehre, Dzmitry Bahdanau, Fethi Bougares, Holger Schwenk, and Yoshua Bengio. Learning Phrase Representations using RNN Encoder-Decoder for Statistical Machine Translation. <https://arxiv.org/abs/1406.1078>, 2014.
- [4] Paul Covington, Jay Adams, and Emre Sargin. Deep Neural Networks for YouTube Recommendations. <https://ai.google/research/pubs/pub45530>, 2016.
- [5] Mihajlo Grbovic, Vladan Radosavljevic, Nemanja Djuric, Narayan Bhamidipati, Jaikit Savla, Varun Bhagwan, and Doug Sharp. E-commerce in your Inbox: Product Recommendations at Scale. <https://arxiv.org/abs/1606.07154>, 2016.
- [6] Balázs Hidasi, Alexandros Karatzoglou, Linas Baltrunas, and Domonkos Tikk. Session-based Recommendations with Recurrent Neural Networks. <https://arxiv.org/abs/1511.06939>, 2015.
- [7] Zachary C. Lipton, John Berkowitz, and Charles Elkan. A Critical Review of Recurrent Neural Networks for Sequence Learning. <https://arxiv.org/abs/1506.00019>, 2015.

- [8] Tomas Mikolov, Kai Chen, Greg Corrado, and Jeffrey Dean. Efficient Estimation of Word Representations in Vector Space. <https://arxiv.org/abs/1301.3781>, 2013.
- [9] Tomas Mikolov, Ilya Sutskever, Kai Chen, Greg Corrado, and Jeffrey Dean. Distributed Representations of Words and Phrases and their Compositionality. <https://arxiv.org/abs/1310.4546>, 2013.
- [10] Massimo Quadrana, Alexandros Karatzoglou, Balázs Hidasi, and Paolo Cremonesi. Personalizing Session-based Recommendations with Hierarchical Recurrent Neural Networks. <http://arxiv.org/abs/1706.04148>, 2017.
- [11] Francesco Ricci, Lior Rokach, and Bracha Shapira. Introduction to Recommender Systems Handbook. <http://www.inf.unibz.it/~ricci/papers/intro-rec-sys-handbook.pdf>, 2011.
- [12] Magnus Sahlgren. The distributional hypothesis. *Italian Journal of Disability Studies*, 20:33–53, 2008.
- [13] Marcel Urech. Migros CIO Interview. <https://www.netzwoche.ch/news/2017-06-29/martin-haas-ueber-cumulus-twint-und-die-migros-it>, 2017.
- [14] Flavian Vasile, Elena Smirnova, and Alexis Conneau. Meta-Prod2Vec - Product Embeddings Using Side-Information for Recommendation. <http://arxiv.org/abs/1607.07326>, 2016.



Eidgenössische Technische Hochschule Zürich
Swiss Federal Institute of Technology Zurich

Declaration of originality

The signed declaration of originality is a component of every semester paper, Bachelor's thesis, Master's thesis and any other degree paper undertaken during the course of studies, including the respective electronic versions.

Lecturers may also require a declaration of originality for other written papers compiled for their courses.

I hereby confirm that I am the sole author of the written work here enclosed and that I have compiled it in my own words. Parts excepted are corrections of form and content by the supervisor.

Title of work (in block letters):

Authored by (in block letters):

For papers written by groups the names of all authors are required.

Name(s):

First name(s):

With my signature I confirm that

- I have committed none of the forms of plagiarism described in the '[Citation etiquette](#)' information sheet.
- I have documented all methods, data and processes truthfully.
- I have not manipulated any data.
- I have mentioned all persons who were significant facilitators of the work.

I am aware that the work may be screened electronically for plagiarism.

Place, date

Signature(s)

For papers written by groups the names of all authors are required. Their signatures collectively guarantee the entire content of the written paper.