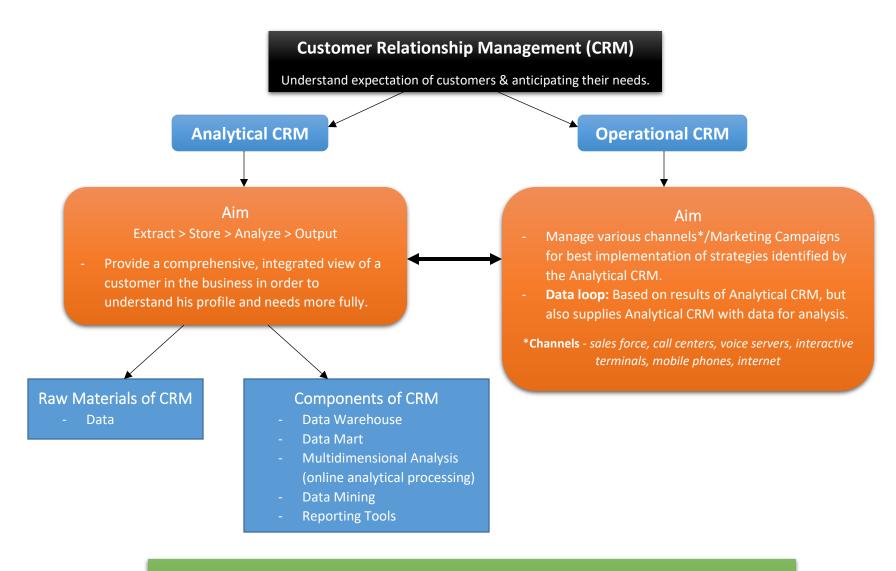
Summary of Data Mining and Analytics I

Overview of Data Mining

Types of Data Mining						
Basis for Comparison	Descriptive Mining	Predictive Mining				
Basic	It identifies what happened in the past by analyzing stored data.	It describes what can happen in the future based on historic data.				
Requirements	Data aggregation and data mining	Statistics and forecasting methods				
Preciseness	Provides accurate data	Produce results that does not ensure accuracy.				
Approach	Reactive	Proactive				
Practical Analysis Methods	Standard reporting, query/drill down and ad-hoc reporting.	Predictive modelling, forecasting, simulation and alerts.				
Examples	Adverse events of a drug were explored by clustering the therapeutic classes; A data analyst receives detailed customer purchasing data and finds associations of any type among customers.	An automobile company scored customers for likelihood to return to buy a new model within the next 6 months; A credit card company offered a valued customer product for their card holder based on past card usage to determine the risk pattern; Road traffic was forecasted hourly				

Data mining aims





Customer Segmentation

Looks at behavior of customers > Develops descriptive profile

Used for personalized marketing programs and strategies that are appropriate for each group.