User-Based Collaborative Filtering—

User-Based Collaborative Filtering uses the assumption that similar people will have similar taste, and recommend items by finding similar users to the active user. A specific application of this is the user-based Nearest Neighbor algorithm. This algorithm needs two tasks"

1. Find the K-nearest neighbors (KNN) to the user a, use a similarity function w to measure the distance between each pair of users:

$$Similarity(a,i) = w(a,i) \ \ i \in K$$

2. Predict the rating that user a will give to all items the k neighbors have consumed but a has not. We look for the item j with the best predicted rating.

In other words, we are creating a User-Item Matrix, predicting the ratings on items the active user has not see, based on the other similar users. This technique is also called memory-based.

Pros:

- · Easy to implement
- · Context independent
- More accurate when compared to other techniques, such as content-based.

Cons:

- . Sparsity: the percentage of people who rate items is really low
- Scalability: the more *K* neighbors we consider (under a certain threshold), the better my classification should be.

 Nevertheless, the more users there are in the system, the greater the cost of finding the nearest K neighbors will be.
- · Cold-start: new users will have no to little information about them to be compared with other users
- New item: new items will lack of ratings to create a solid ranking

Item-Based Collaborative Filtering—

This method can also be divided into two sub tasks:

- 1. Calculate similarity among the items
 - o Cosine-Based Similarity
 - o Correlation-Based Similarity
 - Adjusted Cosine Similarity
 - I-Jaccard distance
- 2. Calculation of Prediction
 - Weighted Sum
 - Regression

The difference between User-Based and Item-Based is, in this cases, we directly pre-calculate the similarity between the co-rated items, skipping K-neighborhood search.