

Knowledge Management Data Warehouses and Data Mining

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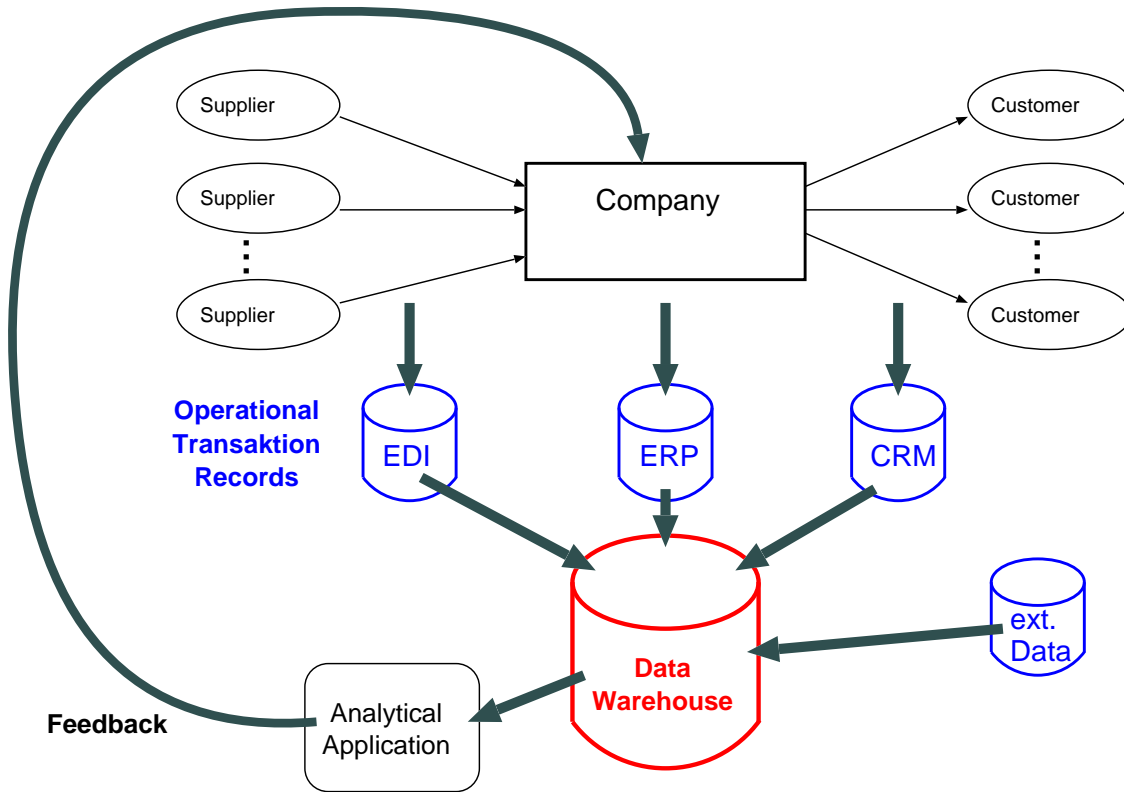
Introduction and Motivation

- Strong competitive pressure in a service based economy (1-to-1 marketing, mass customization)
- IS to support a learning relationships with other entities
 - EDI (Electronic data interchange)
 - CRM (Customer relationship management)
 - SCM (Supply chain management)
- IS for the organizational memory
 - ERP (Enterprise resource planning)
- Mergers and acquisitions cause nonuniform IT infrastructures
- Automation: Transaction records are available and contain valuable information but they are hard to analyze
- Technology for analysis is available and already mainstream

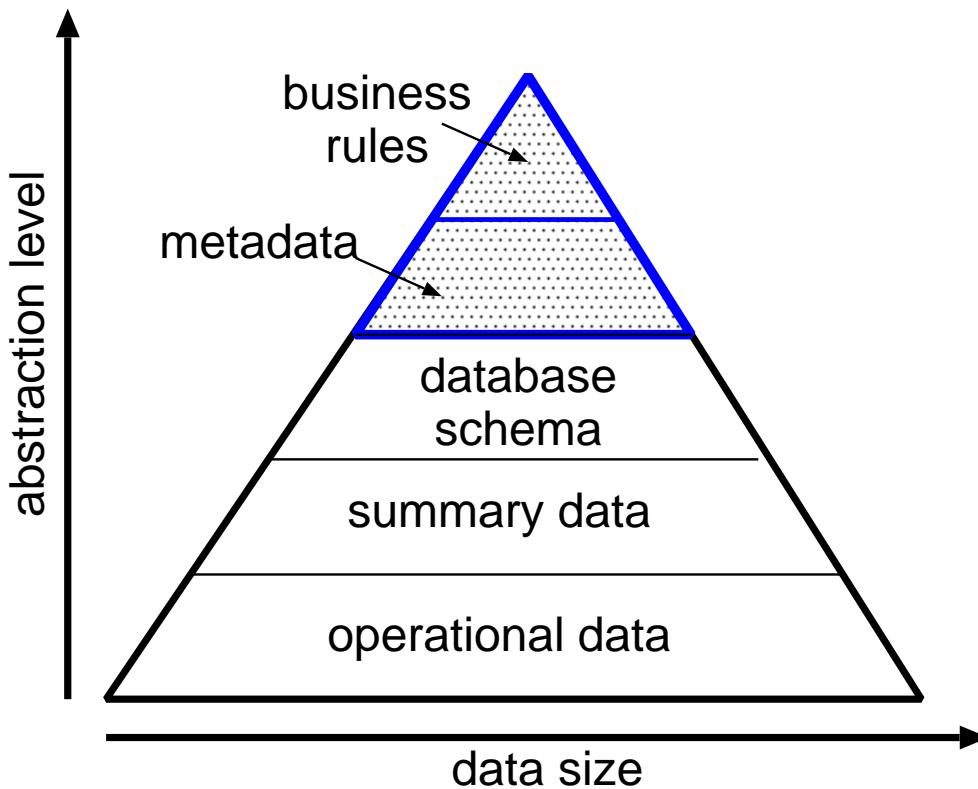
Data Warehouses

- A **central repository** for all or significant parts of the data that an enterprise's various business systems collect
- **Data** from various online transaction processing (OLTP) applications and other sources **is selectively extracted and organized**
- Provides **access to data** for use by analytical applications and user queries

A Data Warehouse in a Company



Architecture of Data



Differences between the Operational System and the Data Warehouse

Data in Operational System

- High volume, detailed
- High update frequency
- Record oriented, optimized for performance
- Current data only
- Internal data of one application

Data in a Data Warehouse

- Medium volume, summarized
- Low update frequency (daily, weekly)
- optimized for queries, accessible for analysis
- Past and present data
- Used for several application (OLAP, DSS,...)

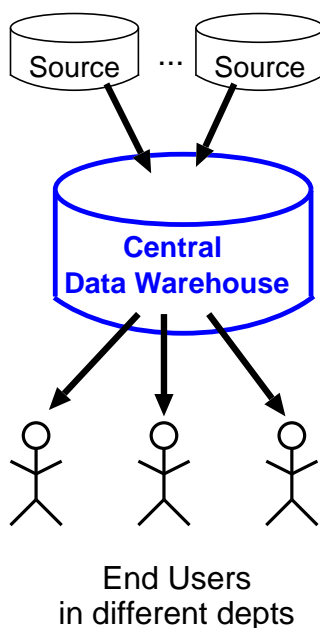
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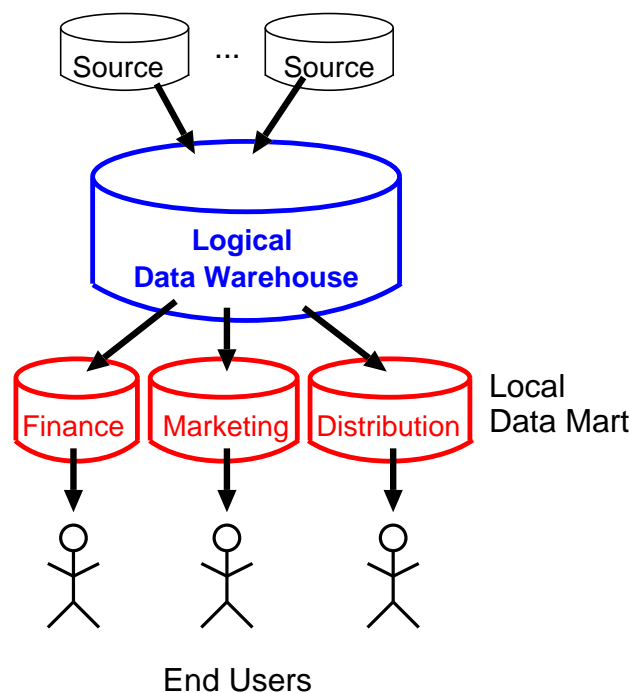
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Physical Structure of Data Warehouses

Central Architecture



Federal Architecture with Data Marts

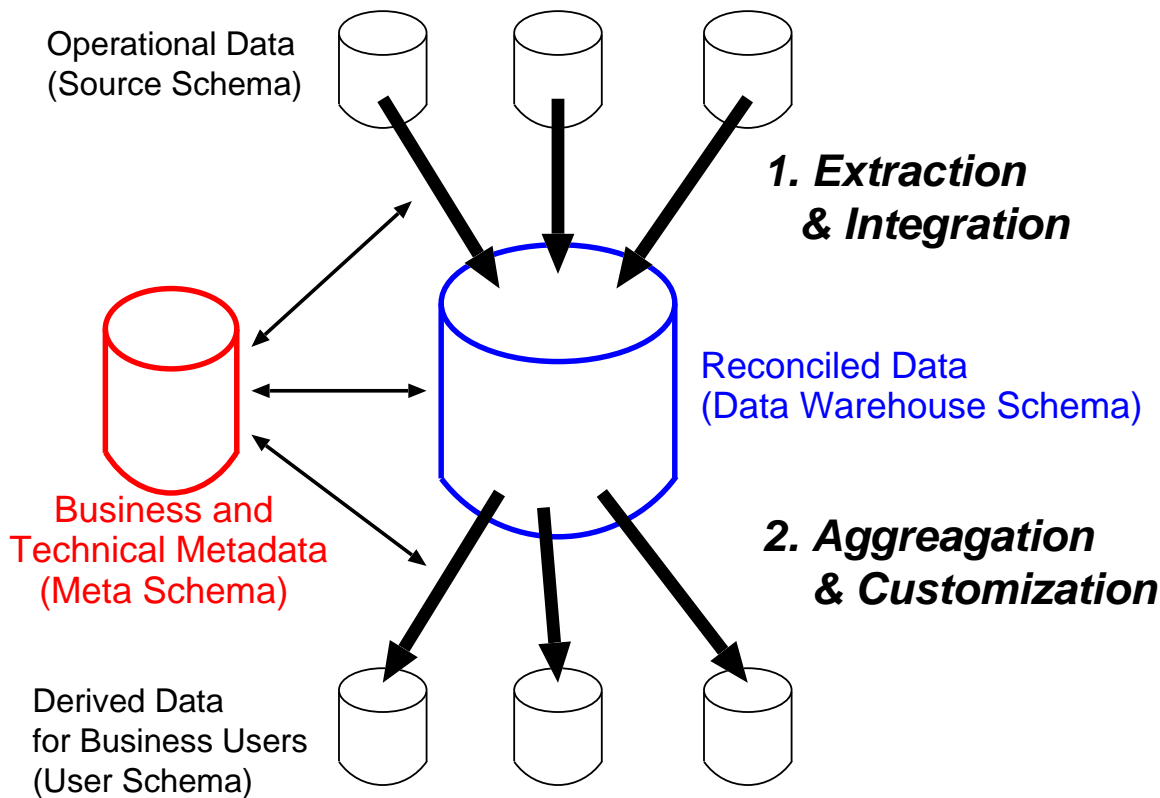


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Components of Data Warehouses



Data Extraction & Integration

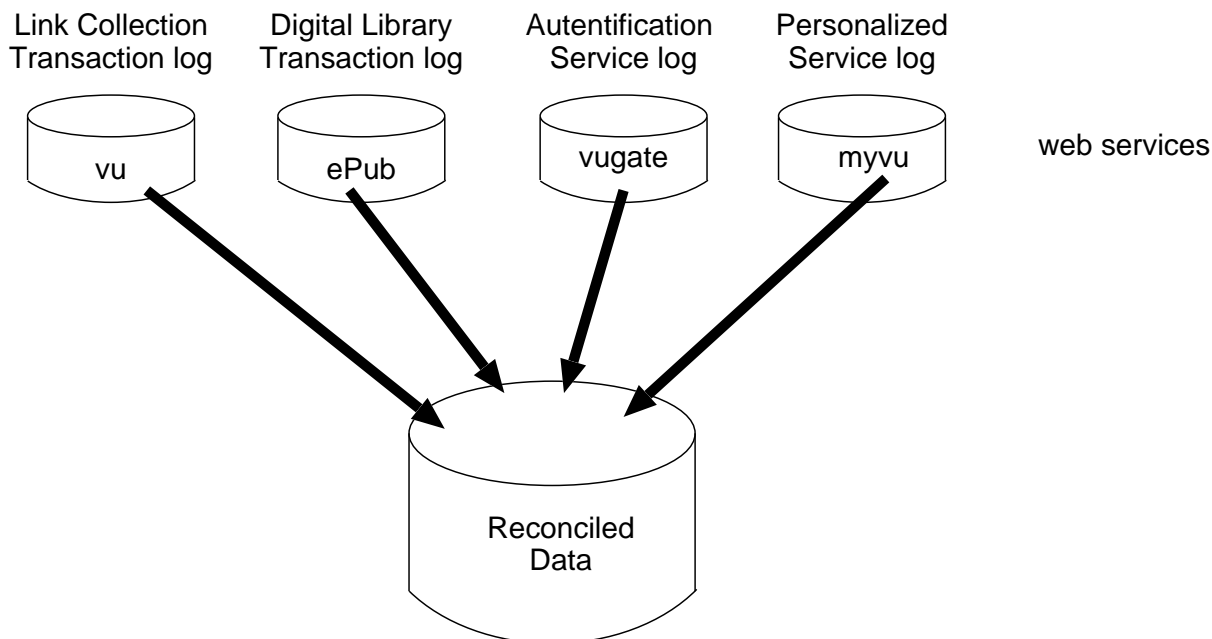
Getting heterogenous data into the Warehouse:

Data from different DBMSs (Data base management system), external information providers, various standard applications,...

Tasks:

- Extraction (accessing different databases)
- Cleaning (resolving inconsistencies)
- Transformation (different formats, languages)
- Replication (importing a whole DB)
- Analyzing (detecting invalid values)
- Checking for data quality (correctness, completeness)
- Update metadata, if necessary

Example: Extraction & Integration from the Virtual University



Original transaction data vu (raw Web server log)

```
rumba.wu-wien.ac.at - - [03/Dec/2001:13:53:12 +0100]
"GET /dyn/virlib/wu_org/mediate?ID=wu01_4da HTTP/1.0"
302 205 "session=wu01_session230f1-1007383972" 0
"http://vu.wu-wien.ac.at/dyn/virlib?type=doquery
&lib=wu_org&from=wu_query&style=wuhome&sortBy=score
&query=Griller"
"Mozilla/4.0 (compatible; MSIE 6.0; Windows NT 4.0)"
```

Original transaction data vugate (application level log)

```
[Wed Dec 5 14:13:40 2001] :cn=myvue4368d5213-
1007557998,ou=cookies,o=myvu,state=good,
uid=h8951527@powernet,ou=user,o=myvu
```

Extracted data

```
[Mon Dec 3 13:53:12 2001] "wu01_4da" ""
"session=wu01_session230f1-1007383972" "137.208.3.45"
```

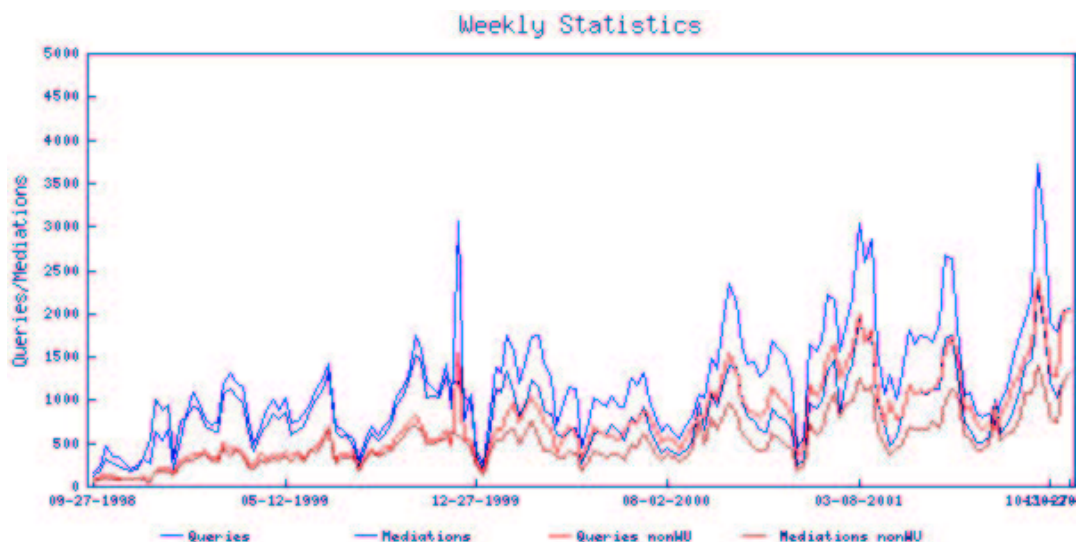
Data Aggregation & Customization

Getting (multidimensional) data out of the Warehouse as the input for:

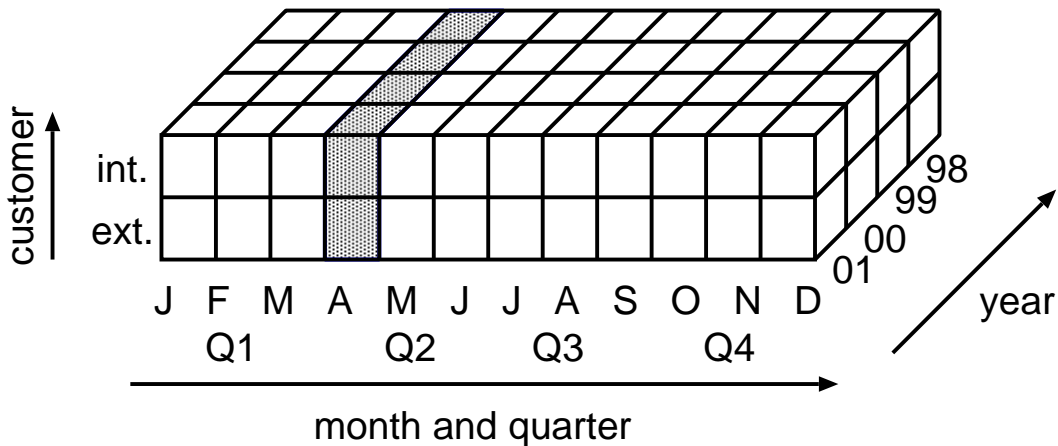
- Reporting (summarized by: who, when, where, what)
- Query tools
 - Online analytical processing (OLAP)
 - Geographic information systems (GIS)
- Decision support systems (DSS)
- Executive information systems (EIS)
- Data Mining

Example: Aggregation & Customization from the Virtual University

Simple reporting: Weekly Usage Statistics by int. and ext. Users



OLAP Cube: Usage of the Information Broker of the Virtual University



OLAP: Queries that take long with RDBMS and SQL (multiple joins) are fast and easy with OLAP-cubes (or the denormalized Star schema).

Operations: Roll-up, drill-down, slice, dice, pivot

Source data (from the data warehouse)

```
[Mon Dec 3 13:53:12 2001] "wu01_4da" ""
"session=wu01_session230f1-1007383972" "137.208.3.45"
```

Aggregated data by session

```
ID := {wu01_session2246d-1006862104}
date := {Tue Nov 27 12:55:46 2001}
mediation := {wu01_290a;wu01_30e3;wu01_35af;wu01_4d1;
wu01_4bf;wu01_4c1;wu01_a57;wu01_26b9;wu01_c69;wu01_419;
wu01_11a8;wu01_114;wu01_364d;wu01_3396;wu01_2e1a}
user := {myvu4e1245bef9-1006862431}
```

Implementation of a Data Warehouse

Several providers (IBM, Oracle, ...) offer Data Warehouse Systems.

But:

- Warehouses are not sold as of-the-shelf products
- Available products often only support part of the functionality of a warehouse (middleware for information transport, database)
- Implementation of a valuable warehouse is a major project with major risk factors
- Data Warehouses need constant maintenance to stay usable

Summary: Data Warehouse

A data warehouse is

- a central repository for
- all or significant parts of the data that an enterprise's various business systems collect.

It enables the management to

- access the available data in an efficient way,
- learn about trends and
- make informed decisions.

Data Mining

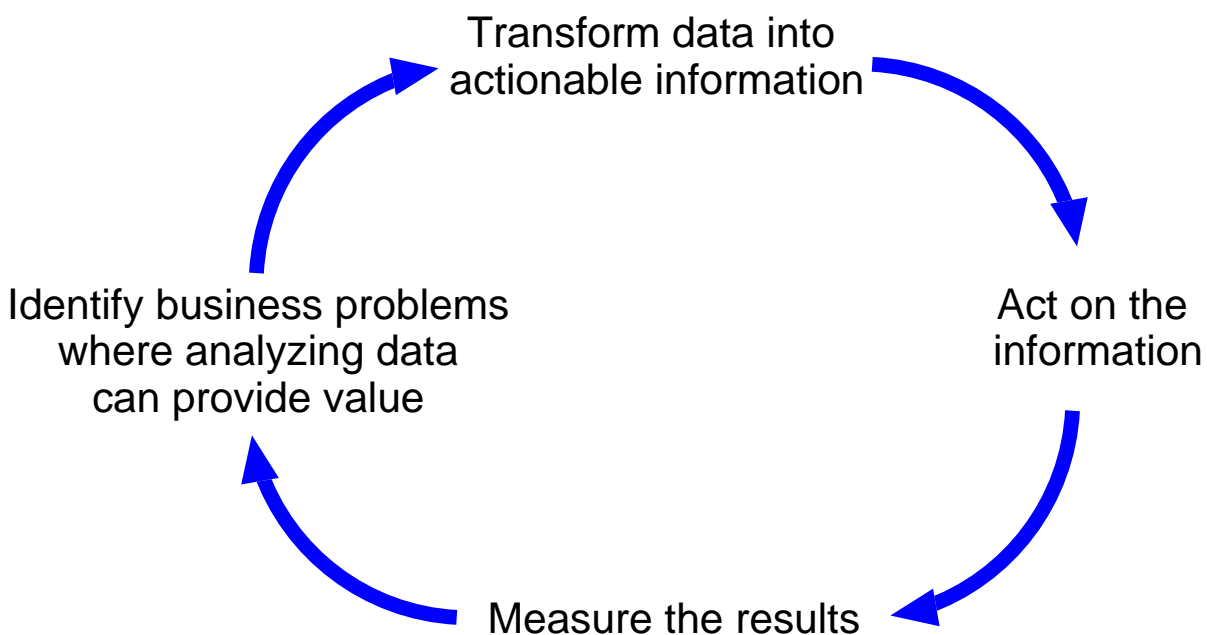
From Michael J.A. Berry and Gordon Linoff, Data Mining Techniques:

- Data mining provides the enterprise with Intelligence.
- Data mining is the exploration and analysis, by automatic or semiautomatic means, of large quantities of data to discover meaningful patterns and rules.

Reasons for Data Mining:

- Data is being produced
- Data is being warehoused
- Computing power is affordable
- Competitive pressure is strong
- Commercial Data Mining software packages are available

The Virtuous Cycle of Data Mining



From Berry and Linoff

Some Applications for Data Mining

- Market segmentation
- Identifying 'good' and 'bad' customers
- Fraud detection
- Detecting cross selling potential
- Basis for marketing decisions (shelving, sales promotions)
- Mass customization / recommender systems

Common Techniques for Data Mining

Data mining uses mostly techniques from artificial intelligence (AI) research. Examples are:

- Memory-based reasoning
- Automatic cluster detection
- Decision trees
- Neural networks
- Genetic algorithms
- Market basket analysis (MBA)

Market Basket Analysis (MBA)

MBA helps to understand what items are likely to be purchased together (association rules) with the aim to identify cross-selling opportunities.

Example: Supermarket

- Shopping cart (= a market basket), point-of-sale scanner produces transaction data.
With this information alone, the supermarket can already improve shelving.
- If the customer is member of the supermarket's 'Value Club' (using e.g. the ATM Card), the supermarket also has demographic information for data mining.

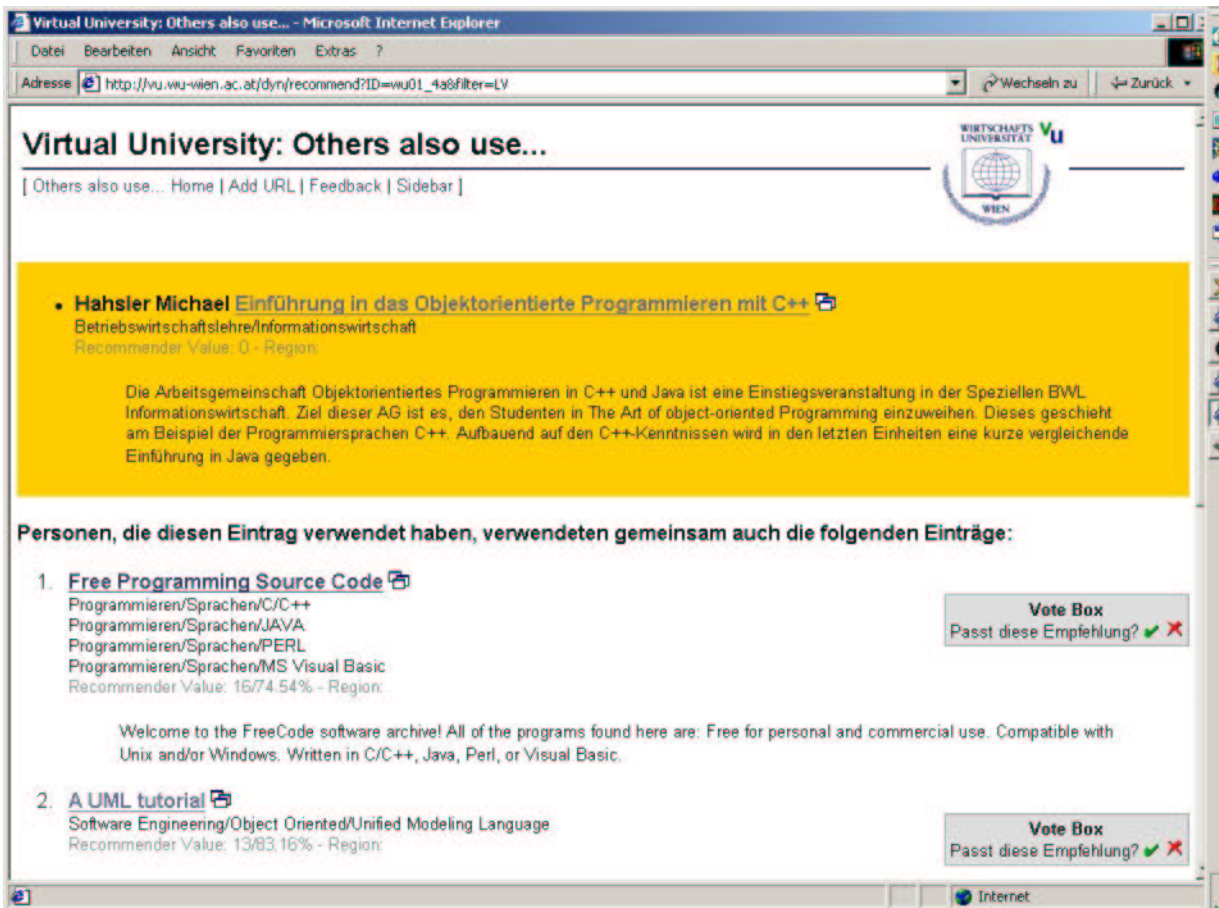
Famous Example: Young fathers buy diapers and six packs of beer Thursdays nights.

Example: Association Rules used in the Virtual University

Simple Association Rule Generator
Reading Sessions from 2001Oct

```
minsupport=0.001
minconfidence=0.05
number of transactions=13364
number of unique items=1587
```

```
wu01_28e3 -> wu01_22b0 s=0.00172 c=0.2948
wu01_3b -> wu01_3c s=0.00310 c=0.6774
wu01_22b0 -> wu01_28e3 s=0.00194 c=0.1780
wu01_34cf -> wu01_4a s=0.00179 c=0.1318
.
.
.
```



The Recommender System

Hahsler Michael: Einführung in das Objektorientierte Programmieren mit C++ (Introduction C++)

People, who used this site, also used the following sites:

1. Free Programming Source Code
2. A UML tutorial
3. UML Quick Reference
4. Overview of UML diagrams (Rational Software)
5. Nicolai Josuttis Die C++-Standardbibliothek
6. Vinny Carpenter Learn C/C++ today

Example: Amazon.com



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Summary

- Information technology constantly changes the relationship between customers and a company.
- Convenience and better service for customers are key factors for success.
- Intelligent gathering, integration and usage of information about the customer is vital in order to survive competition.
- Data Warehouses and Data Mining provide the components for mass customization.

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Readings

1. Matthias Jarke et al., Fundamentals of Data Warehouses, Springer, Berlin 2000
2. Michael J.A. Berry and Gordon Linoff, Data Mining Techniques, Wiley & Sons, NY, NY, 1997
3. Rhonda Delmater and Monte Hancock, Data Mining Explained, Butterworth-Heinemann, Woburn, MA, 2001

These slides are available at:

`http://wwai.wu-wien.ac.at/~hahsler/
research/datawarehouse_webster2001/talk/`

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