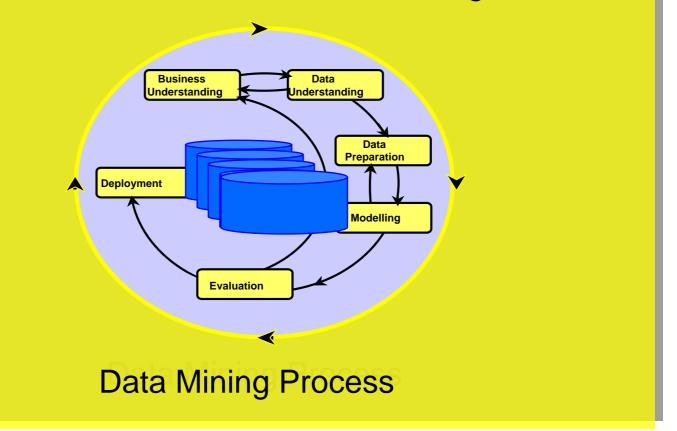
Statistic Methods in Data Mining



Professor Dr. Gholamreza Nakhaeizadeh

Short review of the last lecture

Introduction

- Literature used
- Why Data Mining?
- Examples of large databases
- What is Data Mining?
- Interdisciplinary aspects of Data Mining
- Other issues in recent data analysis: Web Mining, Text Mining
- Typical Data Mining Systems
- Examples of Data Mining Tools
- Comparison of Data Mining Tools
- History of Data Mining, Data Mining: Data Mining rapid development
- Some European funded projects
- Scientific Networking and partnership
- Conferences and Journals on Data Mining
- Further References

Examples of applications

- Optimal structure of a Data Mining Team
- Success factors of DM-Applications
- Predictive Modeling
- Data Mining in Business and Banking
- Data Mining in Quality Management

CRISP-DM:

- Provides an overview of the life cycle of a data mining project
- Consists of six phases
- was partially funded by the European Commission



Business

Understanding

Data nderstanding

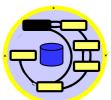
> Data Preparation

Modelling

- CRISP-DM Process Model is described in:

http://www.crisp-dm.org/CRISPwP-0800.pdf

CRISP-DM: Business Understanding



http://www.crisp-dm.org/CRISPwP-0800.pdf

Determine business objectives

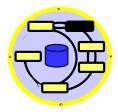
Assess situation

Determine data mining goals

Produce project plan

CRISP-DM: Data Understanding

General aspects



Collect initial data

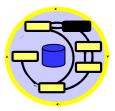
Describe data

Explore data

Verify data quality

CRISP-DM: Data Understanding

Collecting initial data



Can the data be accessed effectively and efficiently ?

- How big is the needed storage ?
- How long does it take to access the data ?
- Is there any restriction in collecting the data ?
 - privacy issues,
 - too expensive data,
 - too expensive collecting process,...

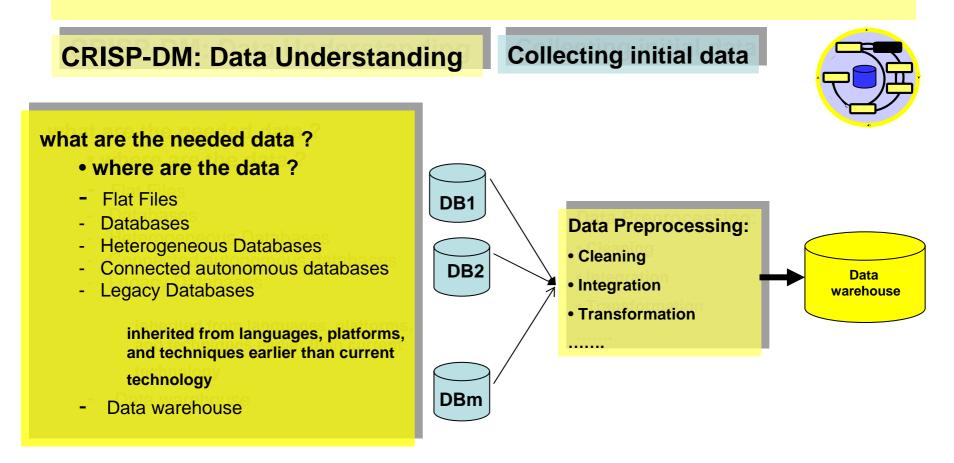
CRISP-DM: Data Understanding

Collecting initial data

what are the needed data ? where are the data ?

Examples of data sources

UCI KDD Database Repository for large datasets used machine learning and knowledge discovery research. **UCI Machine Learning Repository. Delve, Data for Evaluating Learning in Valid Experiments** FEDSTATS, a comprehensive source of US statistics and more FIMI repository for frequent itemset mining, implementations and datasets. Financial Data Finder at OSU, a large catalog of financial data sets GeneSifter Data Center, access to microarray datasets through the GeneSifter microarray data analysis system. GEO (GEO Gene Expression Omnibus), a gene expression/molecular abundance repository supporting MIAME compliant data submissions, and a curated, online resource for gene expression data browsing, guery and retrieval. Grain Market Research, financial data including stocks, futures, etc. Investor Links, includes financial data Microsoft's TerraServer, aerial photographs and satellite images you can view and purchase. MIT Cancer Genomics gene expression datasets and publications, from MIT Whitehead Center for Genome Research. National Government Statistical Web Sites, data, reports, statistical yearbooks, press releases, and more from about 70 web sites, including countries from Africa, Europe, Asia, and Latin America. National Space Science Data Center (NSSDC), NASA data sets from planetary exploration, space and solar physics, life sciences, astrophysics, and more. PubGene(TM) Gene Database and Tools, genomic-related publications database SMD: Stanford Microarray Database, stores raw and normalized data from microarray experiments. SourceForge.net Research Data, includes historic and status statistics on approximately 100,000 projects and over 1 million registered users' activities at the project management web site. STATOO Datasets part 1 and part 2 UCR Time Series Data Mining Archive, offering datasets, papers, links, and code. United States Census Bureau.



Data Warehouse (DWH)

Introduction

Development of DWH started in the beginning of 80s DWH is an enterprise-wide *database* that serves as a databse for all kind of management support systems

Definition:

Several definition can be found for DW in the literature. One often used is due to W. H. Inmon:

"A Data Warehouse is a subject-oriented, integrated, time-variant and non-volatile collection of Data in support of managements Decision support process."

Technical potential benefits

- Integrated database systems for management support
- Discharge operational data processing systems
- Quick queries and reports due to the integrated data

Data Warehouse

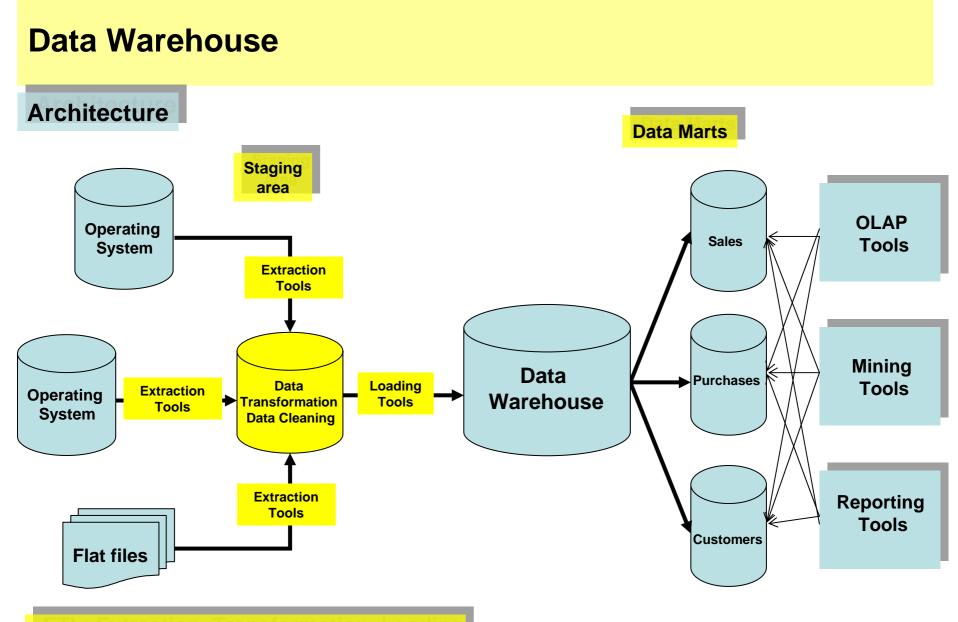
Definition (continuous)

✓ Subject-Oriented: Oriented to main subjects like Customer, Company, product, supplier,... instead to concentrate on company's ongoing operations.

✓ Integrated:
 Integrate data from different heterogeneous data sources
 Relational databases flat files....
 by application of data cleaning and data integration methods consistency in naming, encoding structure and attributes measures is fulfilled

✓ Time-variant : Analysis on temporal changes and developments requires the long-term storage of data in DW; therefore "time" is a main dimension of DW

✓ Nonvolatile: The data once stored in a DW should not change ; otherwise it is not possible to perform a realistic data analysis



ETL: Extraction, Transformation, Loading

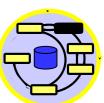
Describing data

Data Characterizing Tool, DCT, was developed at DaimlerChrysler Data Mining Research Department in cooperation with the Universities of Karlsruhe and Leeds

Data Mining Process

CRISP-DM: Data Understanding

Some of data characterization measures number of observations number of attributes number of classes • number of observations per class (balanced and unbalanced classes)

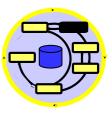


Data Mining Process CRISP-DM: Data Understanding Describing data

Initial Statistics	Example
Count Mean Min Max Range Variance Standard Deviation Standard Error of Mean	1000 1.407 1 4 3 0.334 0.578 0.018

CRISP-DM: Data Understanding

• Other measures to characterize data



Describing data

Skewness

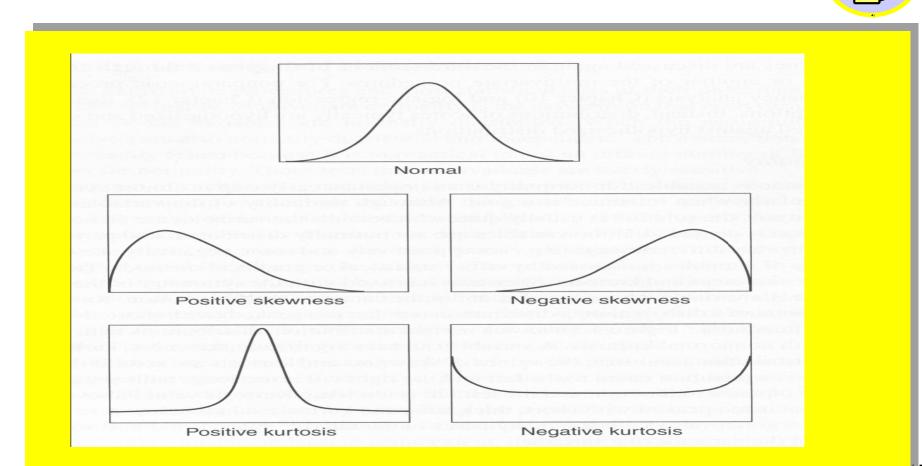
Is a measure that determines the degree of asymmetry of a distribution

Kurtosis

Is a measure that determines the degree of peakedness or flatness of a distribution compared with normal distribution.

CRISP-DM: Data Understanding Describing data

Skewness and Kurtosis



CRISP-DM: Data Understanding

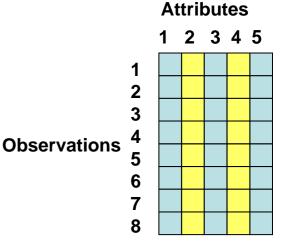
Dataset Structure

Observations

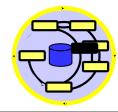
- A dataset can be considered as a collection of observations
- Other names for observation: case, data object, entity, event, instance, pattern, point, record, sample,..

Attributes

- Each observation is described by one or several attributes
- The attributes of an observation essentially define the properties of that observation
- Other names for attributes: feature, field, variable, ..



Describing data



CRISP-DM: Data Understanding

Dataset Structure

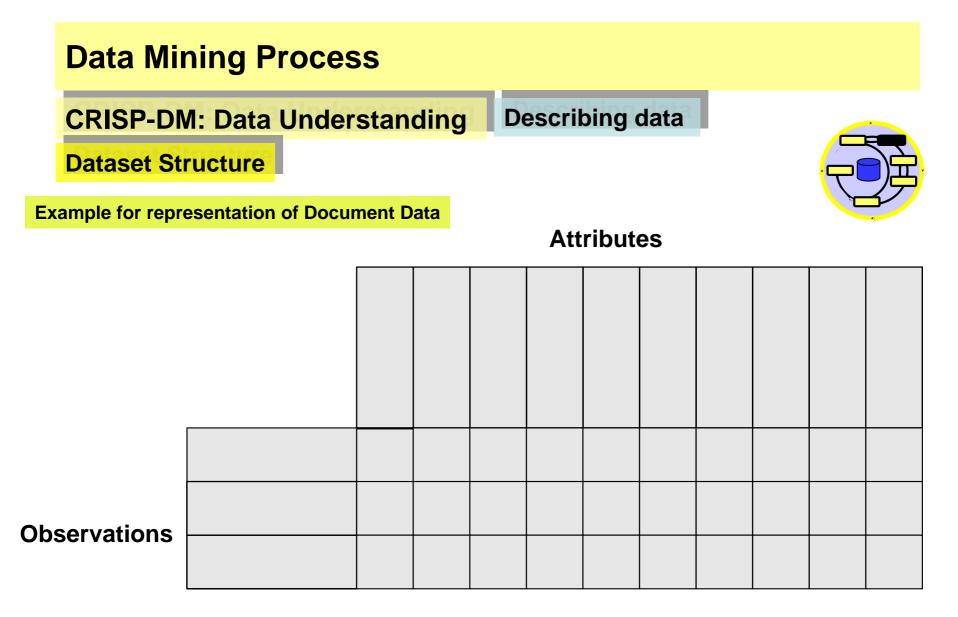
Example for a dataset: Annual Income

Observations

	Income in three years ago	Education	Age	Income
1	24552	High School	32	27026
2	88282	BSc	52	93725
3	82902	PhD	41	82356
4	39838	High School	56	36828
5	53542	PhD	32	62542
6	63826	MS	28	64882
7	82783	MA	43	89025
8	72886	High School	33	74925
9	21383	BA	37	62572
10	63552	BA	41	66427
11	62522	High School	25	63552
12	65254	PhD	56	67252

Attributes

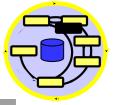
Describing data



CRISP-DM: Data Understanding De

Dataset Structure

Describing data



Attribute Type: Attribute type is characterized by type of the values used to measure it

Level of Measurement: nominal, ordinal, interval, ratio

{nominal, ordinal} \rightarrow categorical, qualitative {interval, ratio} \rightarrow continuous-valued, quantitative

The value of a *nominal-scaled* attribute does not have per se any evaluative distinction. It is just enough to distinguish one observation from another: A=B, or $A \neq B$ Example: race, birthplace, religious, ID

Data Mining ProcessCRISP-DM: Data UnderstandingDescribing dataDataset StructureAttribute type

The value of a ordinal-scaled variable represents its rank order. It is enough to distinguish one observation from another: A=B, or $A\neq B$ and its rank: A>B or A<B.

Example (1): Mineral Hardness

3	
Hardness _	Mineral _
1	<u>Talc</u> (Mg ₃ Si ₄ O ₁₀ (OH) ₂)
2	<u>Gypsum</u> (CaSO₄·2H ₂ O)
3	Calcite (CaCO ₃)
4	Fluorite (CaF2)
5	Apatite (Ca5(PO4)3(OH-,Cl-,F-)
6	Orthoclase Feldspar (KAISi ₃ O ₈)
7	Quartz (SiO ₂)
8	Topaz (Al ₂ SiO ₄ (OH-,F-) ₂)
9	Corundum (Al ₂ O ₃)
10	Diamond (C)

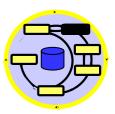
Attribute type

Example 2: Ranking of German Soccer Teams (Bundesliga)

Rank	Club
1th	Bayern München
2nd	Hamburger SV
3rd	Bayer Leverkusen
4th	Werder Bremen
5th	FC Schalke 04
6th	VfB Stuttgart
7th	Eintracht Frankfurt
8th	VfL Wolfsburg
9th	Karlsruher SC
10th	Hannover 96

CRISP-DM: Data Understanding Describing data

Dataset Structure Attribute type



Interval Attribute:

- Have all the features of ordinal attributes
- In addition equal differences between measurements can be viewed as equivalent intervals.
- Differences between arbitrary pairs of measurements can be meaningfully compared
 It is meaningful: A=B, A>B (A<B), A-B
 No absoult zero exists

Examples:

- Temperatur in Celsius or Fahrenheit (Equal differences represent equal differences in temperature, but 40 degrees is not twice as warm as 20 degrees).
- Zero temperature does not mean no temperature

CRISP-DM: Data Understanding Describing data

Attribute type

Ratio Attribute:

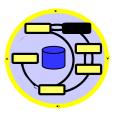
Have all the features of interval attributes
In addition *ratios* are meaningful absoult zero exists

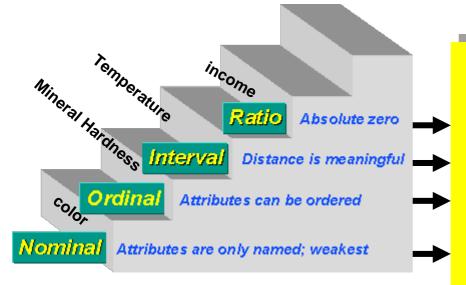
Examples:

- Age, income, sales volume
- Zero Age is meaningful: absence of age or birth.
- A 60-year old person is twice as old as a 30-year old one
- Zero income means no income

CRISP-DM: Data Understanding

Attribute type





Source: http://www.socialresearchmethods.net/kb/measlevl.php

Meanigful are:

Describing data

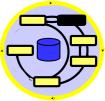
Multiplication, devision (*, /), (-), (> , <)(= \neq)

Difference (-), (> , <), (=
$$\neq$$
)

Greater, les (>, <), (=
$$\neq$$
)

Equality, inequality (= \neq)

Data Mining Process CRISP-DM: Data Understanding Describing data Attribute type : another classification



Discrete Attributes

- Have a finite or countable infinite set of values
- Examples: number of children, counts
- Often represented as integer variables
- Special case of discrete attributes : binary attributes

Continuous Attributes

- Have real numbers as attribute values
- Examples: Income, sales, weight

CRISP-DM: Data Understanding



- Cross-Section data
- Time Series data
- Panel data
- Sequences
 - Postman Routes
 - Web Click Streams

- Data Streams
 - Infinite volumes
 - Dynamically Changing
 - Real time processing
- Spatial data
- Spatiotemporal data
- Transaction data
- Text data
- web data
- Multimedia data



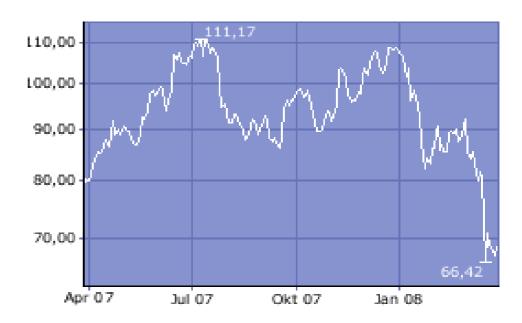
CRISP-DM: Data Understanding

Example for cross-section data: Annual Income

	Income in three years ago	Education	Age	Income
1	24552	High School	32	27026
2	88282	BSc	52	93725
3	82902	PhD	41	82356
4	39838	High School	56	36828
5	53542	PhD	32	62542
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7	82783	MA	43	89025
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9	21383	BA	37	62572
10	63552	BA	41	66427
11	62522	High School	25	63552
12	65254	PhD	56	67252

Example for time-series data: Siemens share

Data Type



CRISP-DM: Data Understanding

Example for the source of panel-data

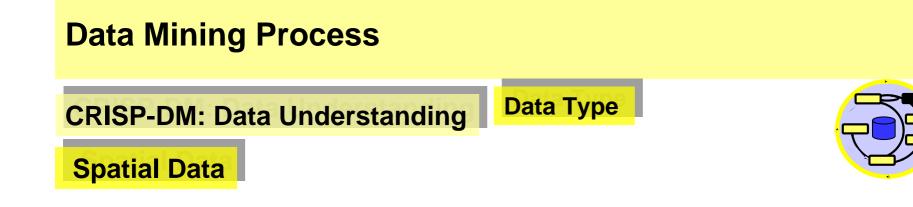


Data Type

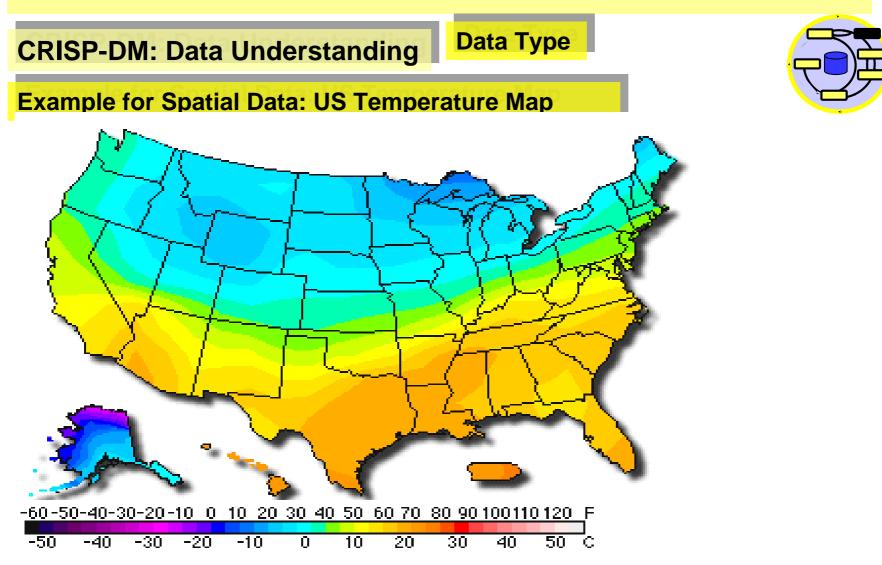
The German Socio-Economic Panel Study

A Representative Longitudinal Study of Private Households in the Entire Federal Republic of Germany

- The SOEP is a wide-ranging representative longitudinal study of private households.
- It provides information on all household members, consisting of Germans living in the Old and New German States, Foreigners, and recent Immigrants to Germany.
- The Panel was started in 1984. In 2006, there were nearly 11,000 households, and more than 20,000 persons sampled.
- Some of the many topics include household composition, occupational biographies, employment, earnings, health and satisfaction indicators.
- The data are available to researchers in Germany and abroad in SPSS, SAS, Stata, and ASCII format for immediate use. Extensive documentation in English and German is available online.



- known also as geospatial data or geographic information
- describes the geographic location of features and boundaries on Earth
- usually stored as coordinates and topology
- can be mapped represented as **2D or 3D images**
- can be often accessed or analyzed through GIS (Geographic Information systems)



CRISP-DM: Data Understanding

Spatiotemporal Data

 Spatiotemporal data describes the development and changes of Spatial data over the time

Data Type

Examples: GPS-Data, Satallite images Traffic Data Telecommunication Data



CRISP-DM: Data Understanding

Example for the source of spatial data

USGS : U.S.Geological Survey

Geospatial Data One-Stop

Geodata Explorer National Mapping Information Products, Information, and Services **Data Standards** FGDC : Federal Geographic Data Committee Manual of Federal Geographic Data Product SDTS : Spatial Data Transfer Standard NGDC : National Geospatial Data Clearinghouse Popular Digital Geospatial Data Set Collections Digital Geospatial Data Set by Theme **GLIS : Global Land Infomation System** 1:100,000-Scale Digital Line Graphs 1:200,000-Scale Digital Line Graphs 30 Arc-Sec. DCW Digital Elevation Models 5 Minute Gridded Earth Topography Data Conterminous U.S. AVHRR MultiSpectral Scanner Landsat Data Space Shuttle Earth Observation Program **Thematic Mapper Landsat Data** USGS Land Use and Land Cover Data

EDC : EROS Data Center Earth Explorer Seamless Data Distribution Center"> **Publications and Data Products Cartographic Data Geologic Data** Water Resources Data U.S. GeoData FTP file access - DEM, DLG, LULC **CENSUS BUREAU TIGER Database** 2000 U.S. Census Data 1990 U.S Census Data 1980 Census Data (SEEDIS) Data Maps **TIGER Map Services Census State Data Centers** NOAA : National Oceanic and Atmospheric Administration NOAA Data Set Catalog National Geophysical Data Center (NGDC) World Data Center System National Climatic Data Center (NCDC) National Hurricane Center National Oceanographic Data Center (NODC) **Environmental Research Laboratories**

Data Type

Example of Web Data: A log file sample



Example of Web Data: A log file sample

fcrawler.looksmart.com - - [26/Apr/2000:00:00:12 -0400] "GET /contacts.html HTTP/1.0" 200 4595 "-" "FAST-WebCrawler/2.1-pre2 (ashen@looksmart.net)"

fcrawler.looksmart.com - - [26/Apr/2000:00:17:19 -0400] "GET /news/news.html HTTP/1.0" 200 16716 "-" "FAST-WebCrawler/2.1-pre2 (ashen@looksmart.net)"

ppp931.on.bellglobal.com - - [26/Apr/2000:00:16:12 -0400] "GET /download/windows/asctab31.zip HTTP/1.0" 200 1540096 "http://www.htmlgoodies.com/downloads/freeware/webdevelopment/15.html" "Mozilla/4.7 [en]C-SYMPA (Win95; U)"

123.123.123 - - [26/Apr/2000:00:23:48 -0400] "GET /pics/wpaper.gif HTTP/1.0" 200 6248 "<u>http://www.jafsoft.com/asctortf/</u>" "Mozilla/4.05 (Macintosh; I; PPC)"

123.123.123 - - [26/Apr/2000:00:23:47 -0400] "GET /asctortf/ HTTP/1.0" 200 8130 "http://search.netscape.com/Computers/Data_Formats/Document/Text/RTF" "Mozilla/4.05 (Macintosh; I; PPC)"

123.123.123.123 - - [26/Apr/2000:00:23:48 -0400] "GET /pics/5star2000.gif HTTP/1.0" 200 4005 "http://www.jafsoft.com/asctortf/" "Mozilla/4.05 (Macintosh; I; PPC)"

123.123.123.123 - - [26/Apr/2000:00:23:50 -0400] "GET /pics/5star.gif HTTP/1.0" 200 1031 "http://www.jafsoft.com/asctortf/" "Mozilla/4.05 (Macintosh; I; PPC)"

123.123.123.123 - - [26/Apr/2000:00:23:51 -0400] "GET /pics/a2hlogo.jpg HTTP/1.0" 200 4282 "http://www.jafsoft.com/asctortf/" "Mozilla/4.05 (Macintosh; I; PPC)"

123.123.123.123 - - [26/Apr/2000:00:23:51 -0400] "GET /cgi-bin/newcount?jafsof3&width=4&font=digital&noshow HTTP/1.0" 200 36 "http://www.jafsoft.com/asctortf/" "Mozilla/4.05 (Macintosh; I; PPC)"

Source: http://www.jafsoft.com/searchengines/log_sample.html

CRISP-DM: Data Understanding

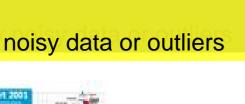
Data exploration



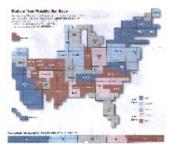
Data exploration May be useful

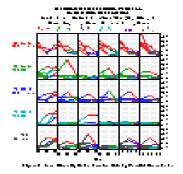
to get the first insights into the structure of data

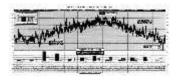
to identify noisy data or outliers











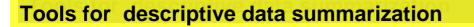
Data exploration Tools

- Using descriptive data summarization
- Using Visualization



CRISP-DM: Data Understanding

Data exploration



Measures of Location (Central Tendency):

summarize an attribute by a "typical" value common measures: *mean, median , mode*

Measures of Spread (Dispersion):

summarize how much the observations of an attribute differ from each other common measures of spread: *range, variance,*

average absolute deviation

CRISP-DM: Data Understanding

Data exploration

Measures of Location:

Mean (Average): $\overline{X} = 1/n \sum_{i=1}^{n} X_i$ Median (Middel Number):

(The observations should be arranged in ascending order)

$$\mathbf{n} \mathbf{odd} \rightarrow \mathbf{X}_{\mathrm{Med}} = \mathbf{X}_{(n+1)/2}$$

even
$$\rightarrow X_{Med} = 1/2 (X_{n/2} + X_{n/2+1})$$

Mode (Modal Number) : The most frequently occurring attribute value

Warning: If there is in observation an outlier, the *mean* understates (overstates) the true value. In this case the *median* is a better measure

n

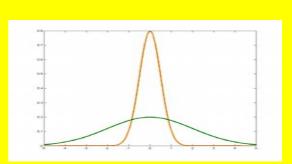
CRISP-DM: Data Understanding

Measures of Spread

Unbiased Sample Variance:

$$S^{2} = \frac{1}{N-1} \sum_{i=1}^{N} (x_{i} - \overline{x})^{2}.$$

Data exploration



Same mean different variance

Standard Deviation: is the positive square root of the variance

Range:

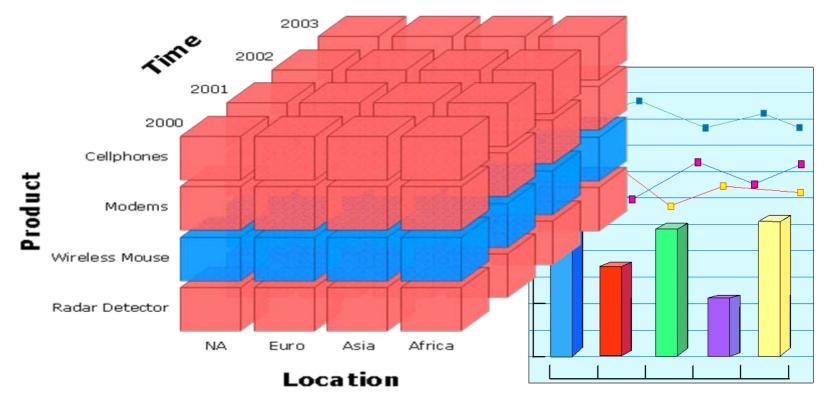
R = Xmax - Xmin

Average Absolute Deviation $AA = 1/n \sum_{i=1}^{n} |X_i - m(X)|$ m(x): Mean, Median or Mode

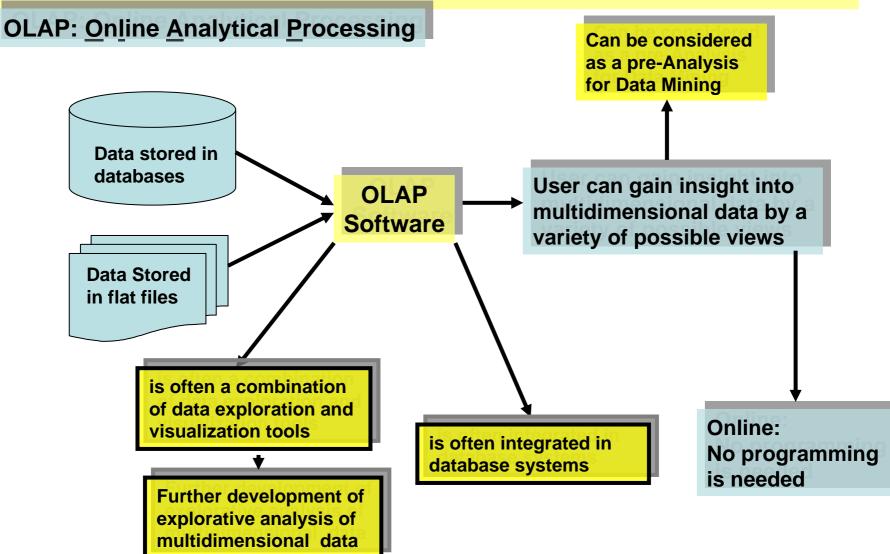
CRISP-DM: Data Understanding

Data exploration

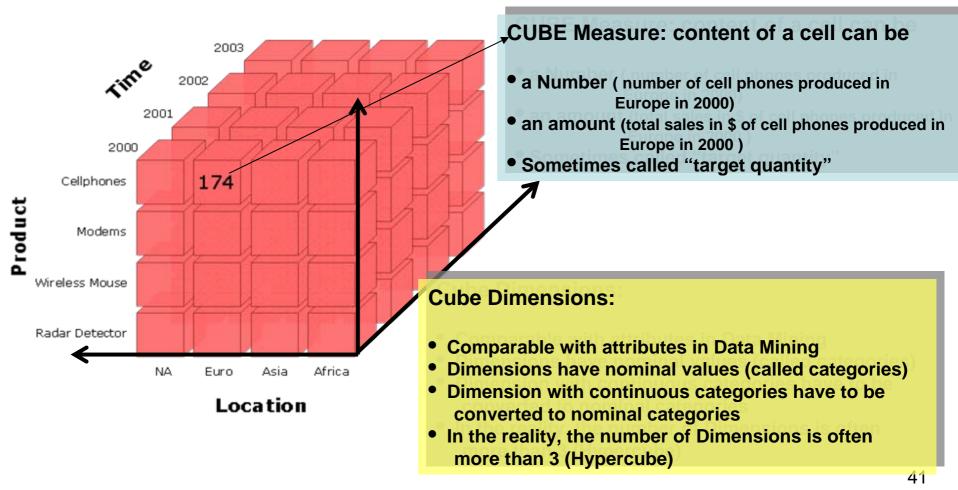
OLAP: Online Analytical Processing



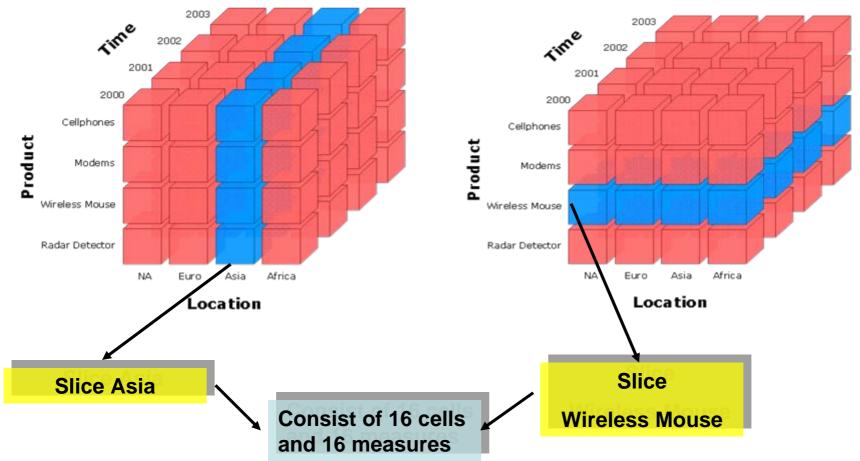
Source of the cube fig. in this and the following pages: http://training.inet.com/OLAP/Cubes.htm



OLAP-CUBE: Analysis in OLAP is done by using OLAP-CUBES

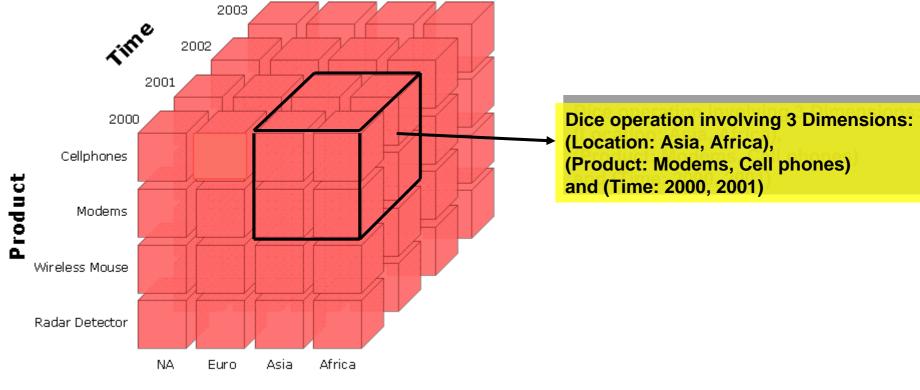


Slicing: Selecting a value of a dimensional and consider all the cells belong to other dimensions



Source of the cube fig. in this and the following pages: http://training.inet.com/OLAP/Cubes.htm

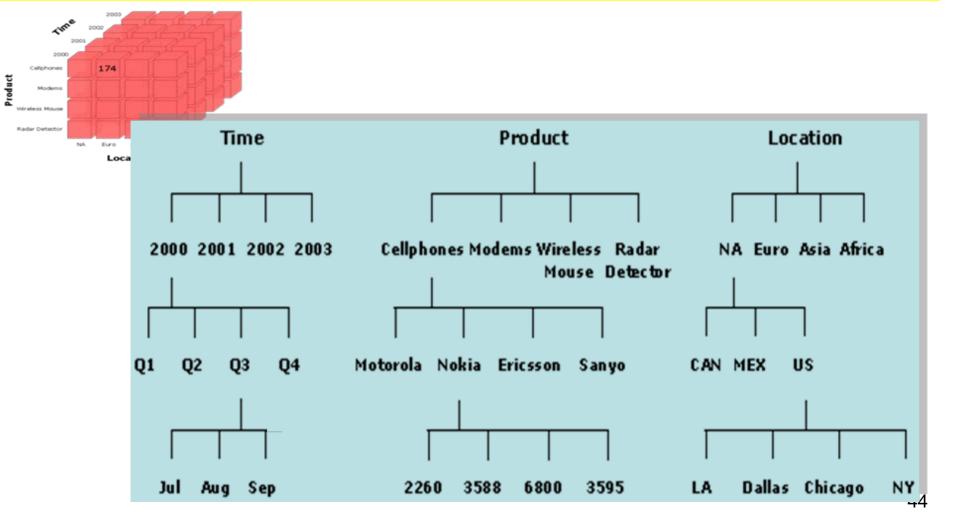
Dicing: selecting a subset of a cube on two or more dimensions



Location

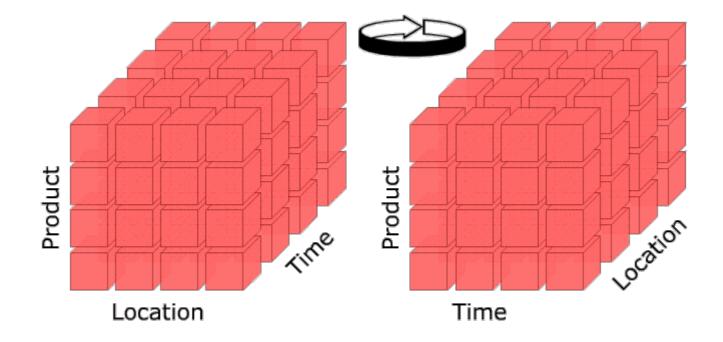
Source of the cube fig. in this and the following pages: http://training.inet.com/OLAP/Cubes.htm

More about Dimensions: Each category of a Dimension may have subcategories

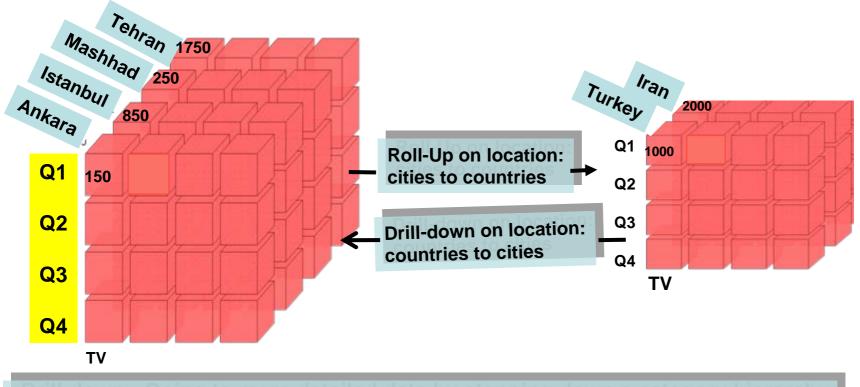


Source of the cube fig. in this and the following pages: http://training.inet.com/OLAP/Cubes.htm

Rotating (Pivoting): Rotating the axes in order to generate an alternative presentation of the data



Roll-up : Aggregation by climbing up a category hierarchy



Drill-down : Going to more detailed data by stepping down a category hierarchy

Other capabilities and functionalities

Calculation Engine for

- Ratios
- Mean
- Variance
- •....

Supporting functional modeling for:

- Forecasting
- Trend analysis
- Other statistical computations and tests

Other systems

ROLAP: Relational OLAP

- OLAP software based on relational data bases
- They have greater scalability than MOLAP but less efficiency

MOLAP: Multidimensional OLAP

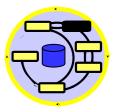
- OLAP software based on multidimensional data models
- Mapping multidimensional views directly to data cube array structures

HOLAP: Hybrid OLAP

- Such systems combine ROLAP and MOLAP technologies
- They benefit from the high scalability of ROLAP systems and faster computation of MOLAP systems
- OLAM: Online Analytical Mining
 Integration of OLAP with Data Mining
 - Related to the concept "in-database Mining"

CRISP-DM: Data Understanding

Verifying data quality



The real world data are often "dirty", data "Cleaning" is needed

- Are data accurate ? - noisy data
- Are data complete ?
 missing values
- •Are data consistent ? - Coding Errors

Collect initial data

- Can the data be accessed effectively and efficiently ?
- Is there any restriction in collecting the data ?
- what are the needed data ? where are the data ?
- Examples of data sources
- Data warehouse
- Describe data
 - Some of data characterization measures
 - Data Structure

Observation, attribute type (nominal, ordinal, interval, ratio, qualitative, quantitative, discrete) Data Type: Cross-section data, time series data, panel data, spatial data...

- Explore data
- Data exploration Tools

Using descriptive data summarization (mean, median, modus, variance,...)

- Using Visualization
- OLAP

Verify data quality

- Are data accurate ?
- Are data complete ?
- Are data consistent ?