# Learn Predictive Analytics in 2 Hours! Oracle Advanced Analytics Hands on Lab

Making Big Data + Analytics Simple - On-Premise & Cloud

Charlie Berger, MS Eng, MBA

Sr. Director Product Management, Data Mining and Advanced Analytics charlie.berger@oracle.com www.twitter.com/CharlieDataMine

Brendan Tierney, President, Oralytics, Oracle ACE Director, Author

Tim Vlamis, VP & Analytics Strategist, Vlamis Software

Karl Rexer, Ph.D, President, Rexer Analytics



### **BIWA SUMMIT 2016**

The Oracle Big Data + Analytics User Conference January 26–28, 2016

Oracle Spatial Summit + YesSQL Summit

ORACLE

Oracle Advanced Analytics Hands on Lab



#### Lessons—Novices

- 1. OAA Quick Overview
- 2. Data Mining Concepts Briefly
- 3. Quick Oracle Data Miner GUI Demo
- 4. Take off! Do as many Tutorials as you can in the 2 hours HOL
- 5. Ask questions! We're all here to help!



### Take off!—Intermediate/Experts

#### 1. Environment

- Oracle 12c on the Oracle Database Cloud
- Need SQL Developer 4.1.3
  - [See roaming instructors for memory stick]
  - Set up/configure Oracle Data Miner extension (already done, but read instructions)

#### 2. Do 3-5 Tutorials

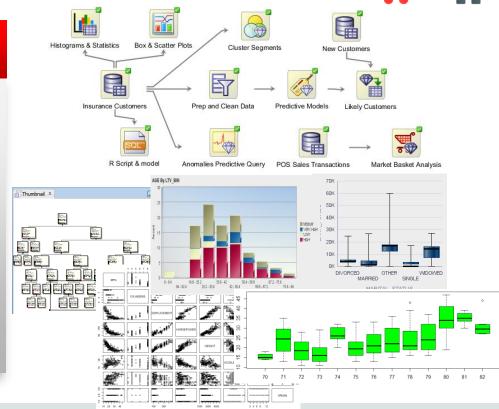
· Instructors will walk around helping

### Fastest Way to Deliver Scalable Enterprise-wide Predictive Analytics



#### **Key Features**

- Scalable in-Database + Hadoop data mining algorithms and R integration
- Powerful predictive analytics and deployment platform
- Drag and drop workflow, R and SQL APIs
- Data analysts, data scientists & developers
- Enables enterprise predictive analytics applications

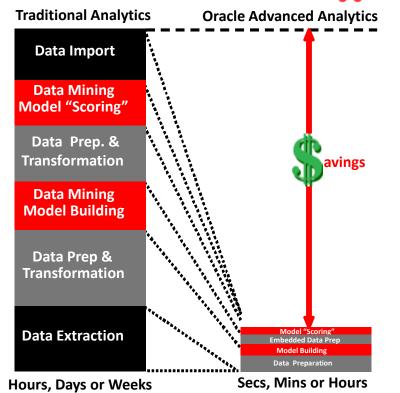


### Fastest Way to Deliver Scalable Enterprise-wide Predictive Analytics



#### **Major Benefits**

- Data remains in Database & Hadoop
  - Model building and scoring occur in-database
  - Use R packages with data-parallel invocations
- Leverage investment in Oracle IT
  - Eliminate data duplication
  - Eliminate separate analytical servers
- Deliver enterprise-wide applications
  - GUI for predictive analytics & code generation
  - R interface leverages database as HPC engine



Multiple interfaces across platforms — SQL, R, GUI, Dashboards, Apps

Users

R programmers

Data & Business Analysts

Business Analysts/Mgrs

**Domain End Users** 











**Platform** 



#### Hadoop

#### **ORAAH**

Parallel, distributed algorithms

#### **Oracle Database Enterprise Edition**

#### **Oracle Advanced Analytics - Database Option**

SQL Data Mining & Analytic Functions + R Integration for Scalable, Distributed, Parallel in-Database ML Execution



**Oracle Cloud** 



Oracle Advanced Analytics Hands on Lab

We're using the Oracle Database Cloud!





Oracle Advanced Analytics Hands on Lab

• Step 1—Install SQLDEV 4.1.3



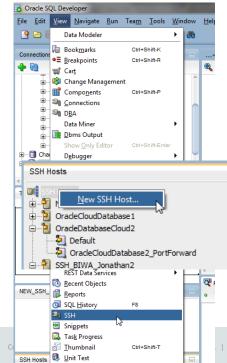


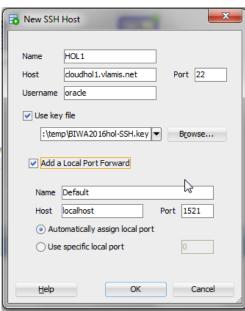




Step 2—Connect to Oracle Database Cloud

- 1. Create SSH using "key"
  - www.vlamis.com/storage/biwa2016/BIWA2016hol-SSH.key
  - www.vlamis.com\storage\biwa.key
  - Cloudhol"N".vlamis.net
  - Username is "oracle"
  - Add Port Forward and accept defaults





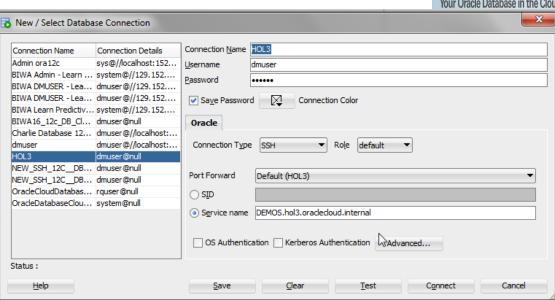


- Step <u>1—Install SQLDEV</u> 4.1.3
- Step 2—Connect to Oracle Database Cloud
  - 1. Create SQL Database Connection
    - (Each student take unique HOL"N" assigned)
    - dmuser/dmuser (save password)
    - SSH
    - Port Forward (Default HOL"N")
    - Service ID

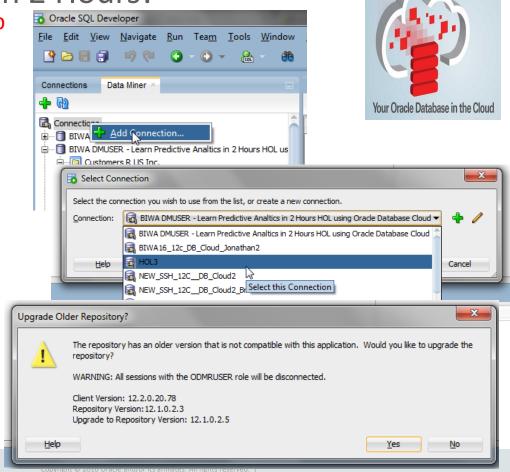
       (e.g.
       DEMOS.hol"N".oraclecloud.internal)



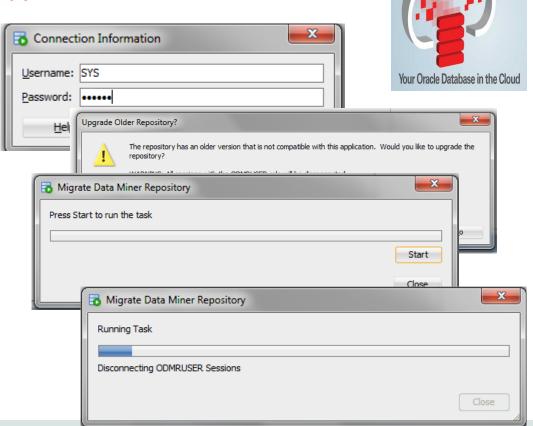




- Step <u>1—Install SQLDEV 4.1.3</u>
- Step 2—Connect to Oracle Database Cloud
  - 1. Go to Oracle Data Miner & create a NEW Connection e.g. HOL"N"
  - Select HOL"N" from drop down menu
  - Optionally may need to upgrade older Data Mining repository (may take 3 mins)
  - You are done!



- Step 1—Install SQLDEV 4.1.3
- Step 2—Connect to Oracle Database Cloud
  - Connect as SYS/Welcome#1
  - Start to run task
  - Running task (may take 3 mins)



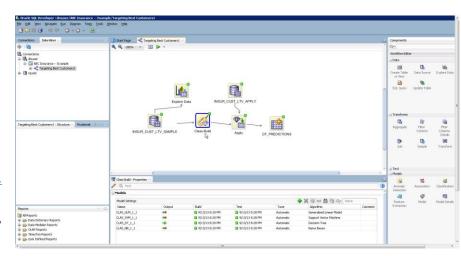
Oracle Advanced Analytics Hands on Lab

ORACLE
SQL Developer





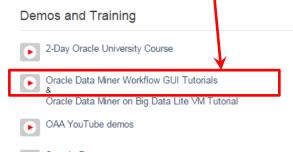
- Step 1—Install SQLDEV 4.1.3
- Step 2—Connect to Oracle Database Cloud
- Step 3—Start HOL!
  - dmuser/dmuser
  - Demo data for learning
  - Follow 3-5 OBE Online Tutorials
    - 1. Using Oracle Data Miner 4.1
    - 2. Star Schema Mining Using Oracle Data Miner 4.1
    - 3. Text Mining with an EM Clustering Model Using Data Miner 4.1
    - 4. Anomaly Detection (CLAIMS) See Instructor for assistance
    - 5. Market Basket Analysis (SH.SALES) See Instructor for assistance



### OAA/Oracle Data Miner 4.1 HOL

We're Using the Oracle by Example Free Online Tutorials

- Google "Oracle Data Miner"—
- Scroll down to bottom of page & launch tutorials
  - https://apexapps.oracle.com/pls/apex/f?p=44785:24:::NO::P24 CONTENT ID,P24 PREV PAGE:11925,2



Oracle Data Miner/ SQL Developer Extension



Drag & Drop Workflow for Creating and Deploying in-Database Analytical Methodologies

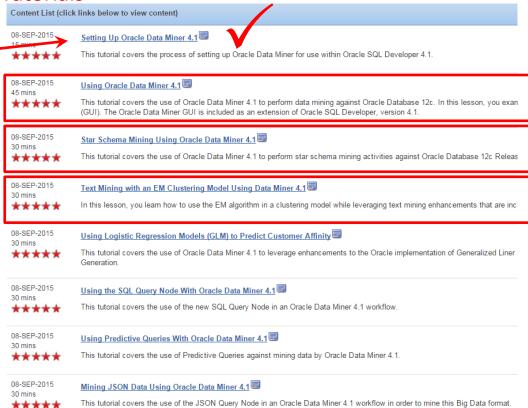
#### Oracle Data Miner GUI

The Oracle Data Miner is an Oracle SQL Developer extension that enables data analysts, business analysts and data scientists to work directly with data inside the database using in-database data mining algorithms of Oracle Advanced Analytics and it's Oracle Data Mining component SQL functions. Data analyst can use Oracle Data Miner's "drag and drop" workflow and component pallet to explore the data in graphs, build and evaluate data mining models, apply the predictive models to new data and then deploy the OAA/Oracle Data Mining's predictions and insights

### OAA/Oracle Data Miner 4.1 HOL

#### Uses Oracle by Example Free Online Tutorials

- There are 6 Tutorials
  - The first tutorial is already done for you
  - Recommend doing 3-5Tutorials
    - 1. Using Oracle Data Miner 4.1
    - 2. <u>Star Schema Mining Using Oracle Data</u> Miner 4.1
    - 3. <u>Text Mining with an EM Clustering Model</u>
      Using Data Miner 4.1
    - **4. Anomaly Detection (CLAIMS)** *See Instructor for assistance*
    - **5.** Market Basket Analysis (SH.SALES) See Instructor for assistance

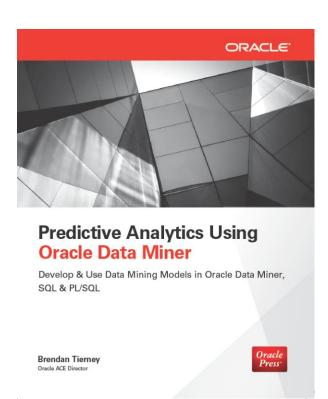


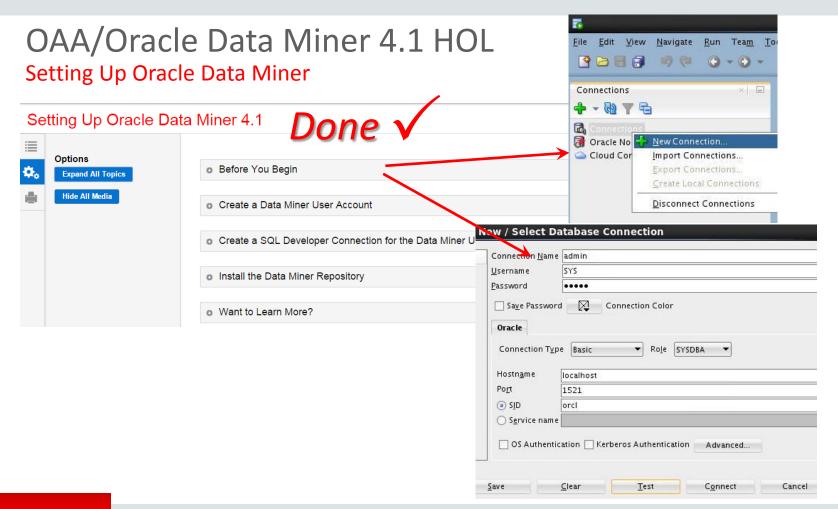


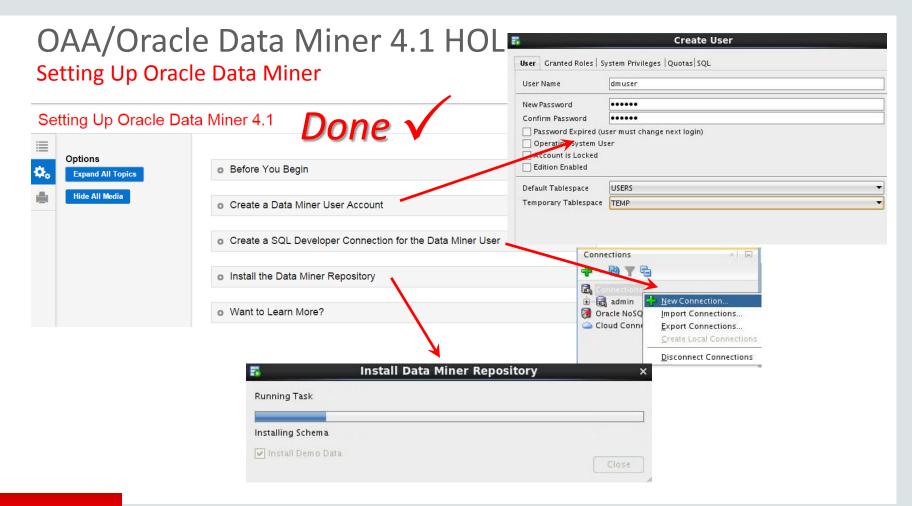
### Great book on Oracle Advanced Analytics

#### Available on Amazon or from Author

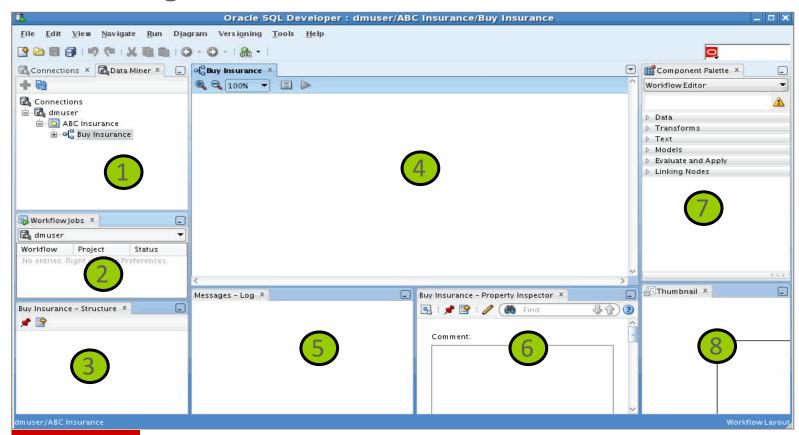
Predictive Analytics
 Using Oracle Data
 Miner: Develop for
 ODM in SQL & PL/SQL





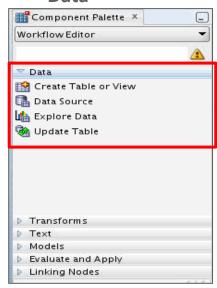


### Introducing the Data Miner Interface

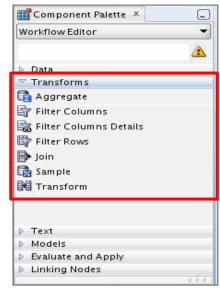


### **Examining Oracle Data Miner Nodes**

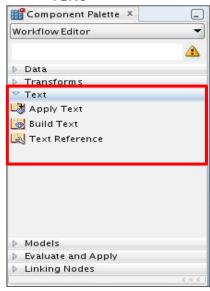
#### Data



#### **Transforms**

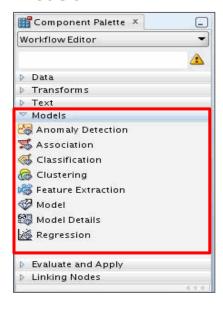


#### **Text**

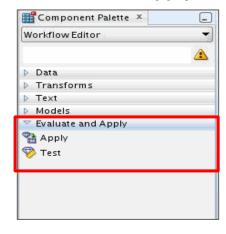


### **Examining Oracle Data Miner Nodes**

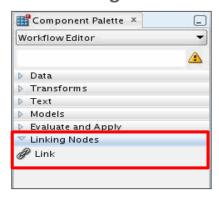
#### **Models**



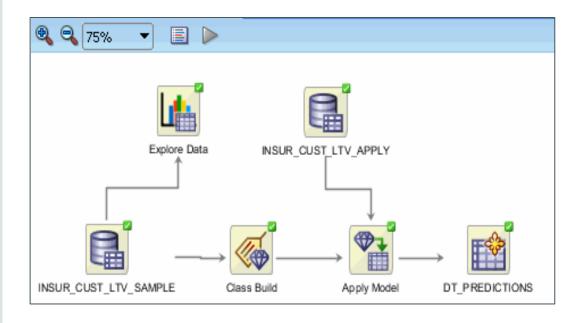
#### **Evaluate and Apply**



#### Linking



### Previewing a Data Miner Workflow



Multiple Data Sources/Types with Predictive Modeling Ease of Deployment through SQL Script Generation **Transactional** SQL Joins and arbitrary SQL POS data transforms & queries – power of SQL POS Sales data **Generates SQL scripts** Aggregated POS data for deployment Predicted credit rating 60 degree view of customers Multiple Predictive models Filter Columns Most Likely customers Customers edit score model Consider: Inline predictive Demographics model to augment input Demographics and comments Customer sentiment data Past purchases Clust Build Recent purchases data Unstructured data **Customer comments & tweets** also mined by algorithms

### The Data Mining Sample Programs

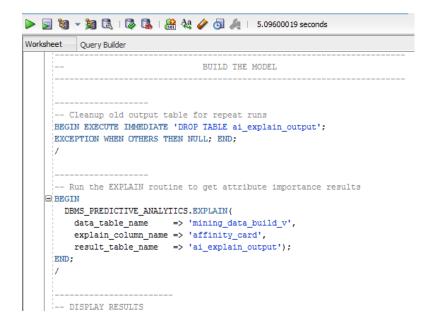
#### • The Data Mining Sample Programs 12c Documentation

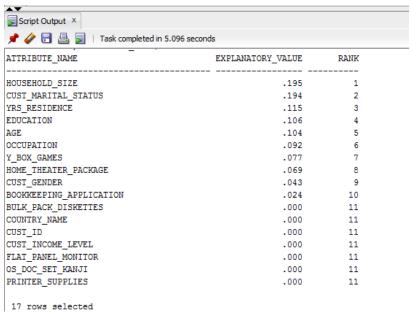
- You can learn a great deal about the Oracle Data Mining API from the data mining sample programs. The programs illustrate typical approaches to data preparation, algorithm selection, algorithm tuning, testing, and scoring.
- The programs are easy to use. They include extensive inline comments to help you understand the code. They delete all temporary objects on exit; you can run the programs repeatedly without setup or cleanup.
- The data mining sample programs are installed with Oracle Database Examples in the demo directory under Oracle Home. The demo directory contains sample programs that illustrate many features of Oracle Database. You can locate the data mining files by doing a directory listing of dm\*.sql.

dmglcdem.sql
dmglrdem.sql
dmocdemo.sql
dmaidemo.sql
dmardemo.sql
dmdtdemo.sql
dmdtxvlddemo.sql
dmkmdemo.sql
dmnbdemo.sql
dmnmdemo.sql
dmsh.sql
dmstardemo.sql
dmsvcdem.sql
dmsvodem.sql
dmsvrdem.sql
dmtxtnmf.sql
dmtxtsvm.sql
dmshgrants.sql
mhpdemo.sql

### The Data Mining Sample Programs

#### Attribute Importance Sample Code





- Recommend doing 3-5 Tutorials
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  - **4.Anomaly Detection (CLAIMS)** See Instructor for assistance
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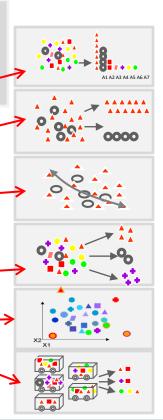




### What is Data Mining & Predictive Analytics?

Automatically sifting through large amounts of data to create models that find previously hidden patterns, discover valuable new insights and make predictions

- Identify most important factor (Attribute Importance)
- Predict customer behavior (Classification)
- Predict or estimate a value (Regression)
- Find profiles of targeted people or items (Decision Trees)
- Segment a population (Clustering)
- Find fraudulent or "rare events" (Anomaly Detection)
- Determine co-occurring items in a "baskets" (Associations)



### Predictive Analytics & Data Mining

#### **Typical Use Cases**

∠ \

- Targeting the right customer with the right offer
- How is a customer likely to respond to an offer?
- Finding the most profitable growth opportunities
- Finding and preventing customer churn
- Maximizing cross-business impact
- Security and suspicious activity detection
- Understanding sentiments in customer conversations
- Reducing medical errors & improving quality of health
- Understanding influencers in social networks















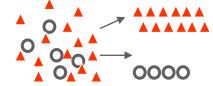


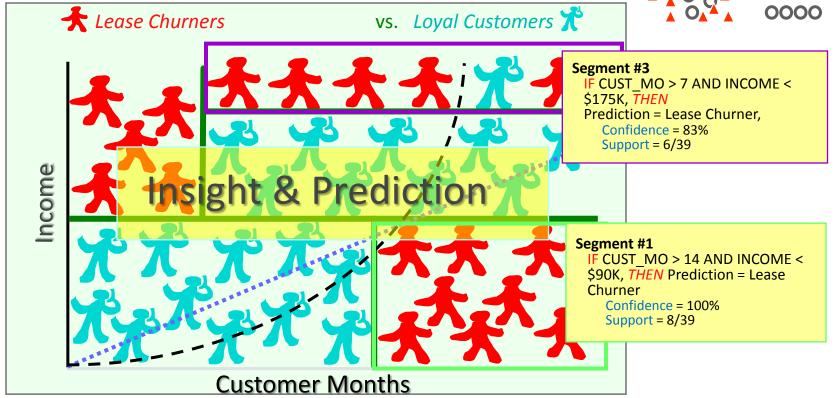




### **Data Mining Provides**

Better Information, Valuable Insights and Predictions





In-Database Data Mining Algorithms\*—SQL & R & GUI Access



#### Classification 🔏



- Decision Tree
- Logistic Regression (GLM)
- Naïve Bayes
- Support Vector Machine (SVM)
- Random Forest

#### Regression



- Multiple Regression (GLM)
- Support Vector Machine (SVM)
- Linear Model
- Generalized Linear Model
- Multi-Layer Neural Networks
- Stepwise Linear Regression

#### Clustering



- Hierarchical k-Means
- Orthogonal Partitioning Clustering
- Expectation-Maximization

#### Attribute Importance 乳緣 🎄



- Minimum Description Length Length
- Unsupervised pair-wise KL div.

#### Anomaly Detection ::



• 1 Class Support Vector Machine

#### **Time Series**

Single & Double Exp. Smoothing

#### **Predictive Queries**

- Clustering
- Regression
- Anomaly Detection
- Feature Extraction

#### **Feature Extraction & Creation**

- Nonnegative Matrix Factorization
- Principal Component Analysis
- Singular Value Decomposition

#### **Market Basket Analysis**



Apriori – Association Rules

#### **Open Source R Algorithms**



- Ability to run any R package via Embedded R mode
- \* supports partitioned models, text mining



## Oracle University's Learn Predictive Analytics Using Oracle Data Mining Course Agenda

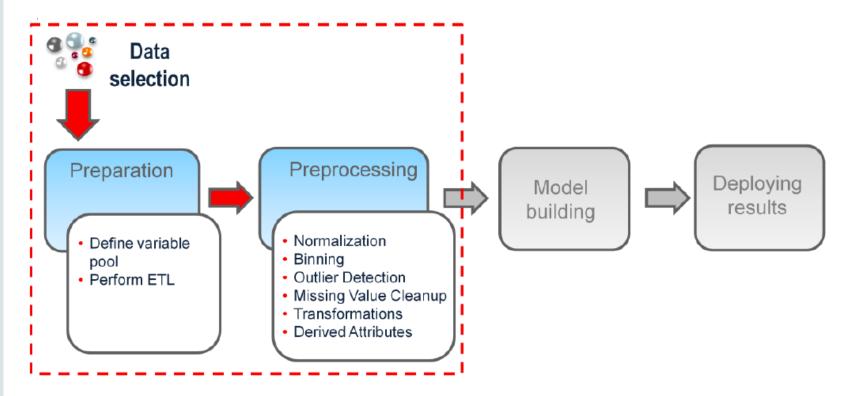
Day 1

- 1. Introduction
- Predictive Analytics and Data Mining Concepts
- 3. The Data Mining Process
- Introducing Oracle Data Miner 4.1
- Using Classification Models
- 6. Using Regression Models 12. Deploying Data Mining

Day 2

- 7. Using Clustering Models
- 8. Performing Market Basket Analysis
- Performing Anomaly Detection
- 10. Performing Star Schema Mining
- 11. Using Predictive Queries
- Deploying Data Mining Results

### The Data Mining Process



### **Data Mining Attributes**

#### Data mining attributes can be:

- Categorical
- Numerical
- Text
- Target
- Active or Inactive

OCCUPATION
Prof.
Sales
Machine
Crafts

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Numerical

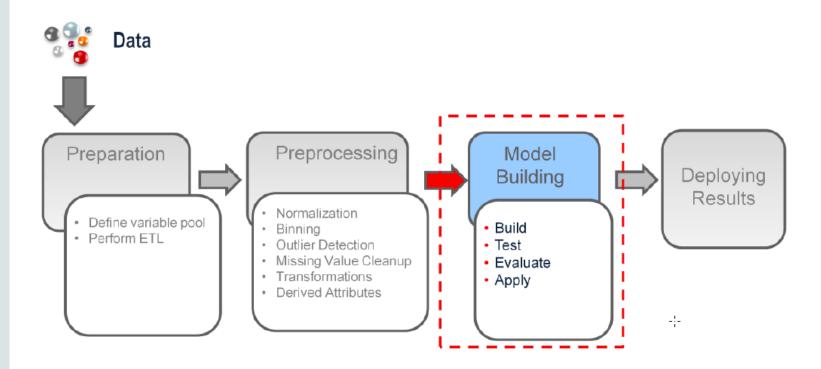
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Target

EDUCATION
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5th-6th
HS-grad
Bach.
HS-grad

Active

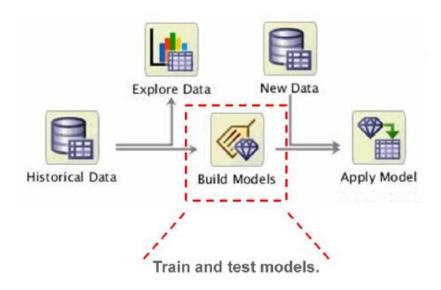
### **Building and Evaluating Models**



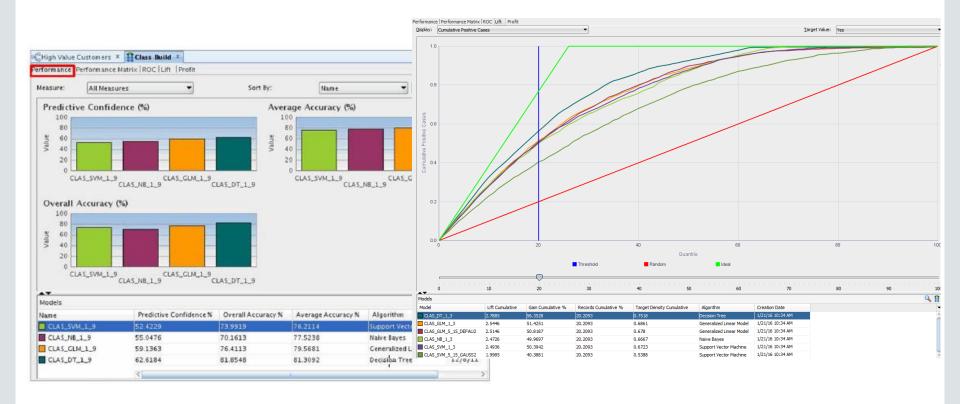
### **Model Building Tasks**



### Model Train & Test: Supervised Learning



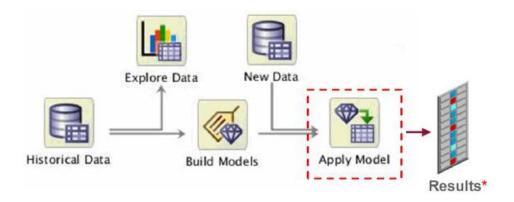
# Model Evaluation: Supervised Learning







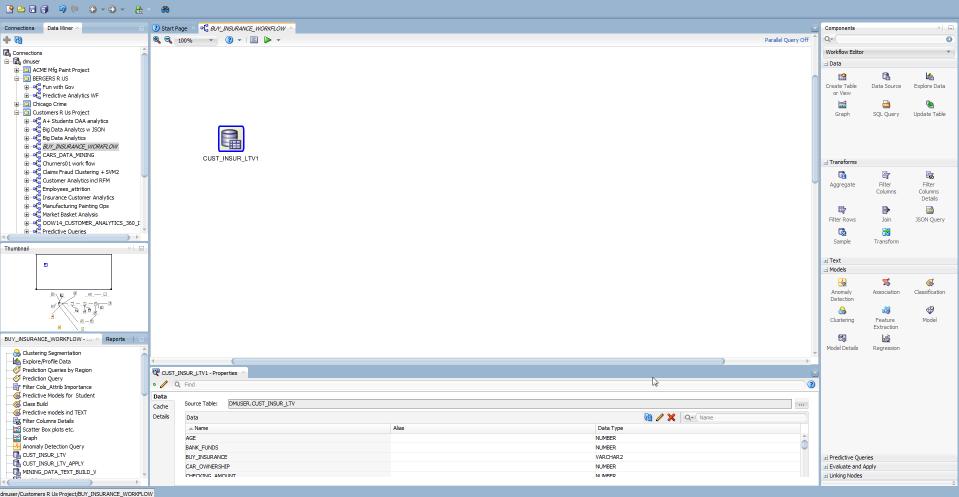
# Applying the Selected Model(s)

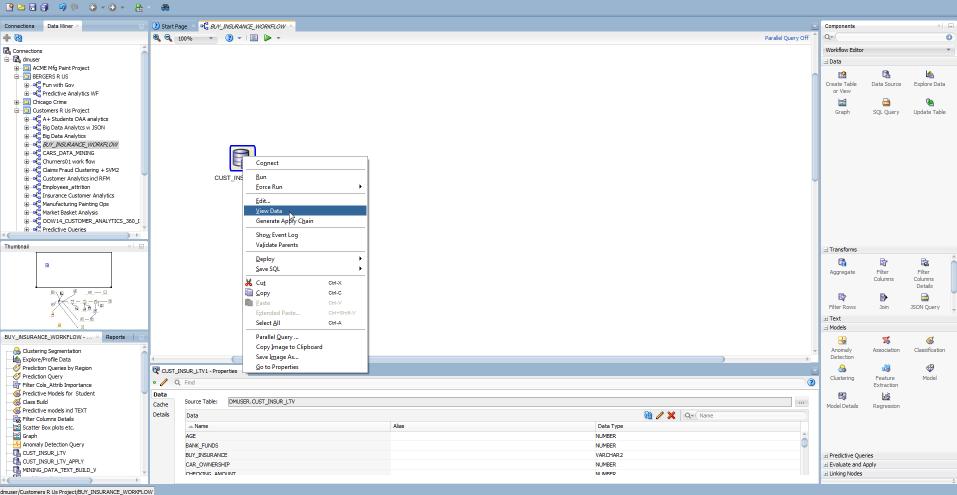


(\* Output settings may be specified by the user.)





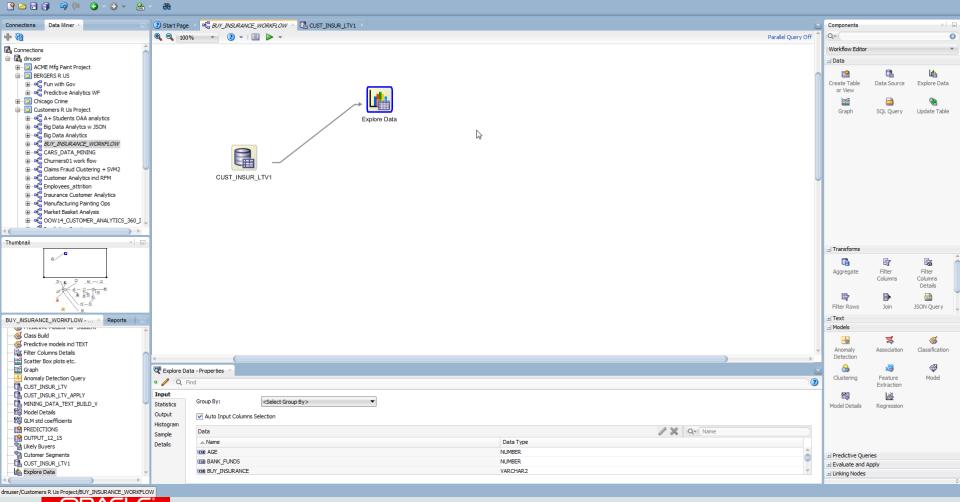




? Start Page × 9 BUY INSURANCE WORKFLOW × CA CUST INSUR LTV1 Connections Data Miner Components Data Columns | SQL # 69 | View: Actual Data | | Sort... | Parallel Query Off... | Filter: Enter Where Clause Connections dmuser CUST ID N TRANS ATM CHECKING AMOUNT MARITAL STATUS N TRANS KIOSK STATE HOUSE OWNERSHIP MONTHLY CHECKS WRITTEN LTV SALARY BANK FUNDS BUY INSURANCE CREDIT BALANCE N MORTGAG BERGERS R US 1 CU2404 25 WIDOWED 9 DC 2 25.370... 63.883 25,000 Fun with Gov 2 CU2405 М 2 MI 25 MARRIED 0 29,594.5 59,978 □ Predictive Analytics WF 3 CU2406 25 WIDOWED 2 CA 4 26,473.5 67,894 17,200 13.859 2 MI 4 CU2407 3,226 DIVORCED 7,600 0 2 25,976... 67,107 □ Customers R Us Project 5 CU2408 130 DIVORCED 2 NY 11 28,446.5 70,986 1,500 23,525 A+ Students OAA analytics 2 CX 6 CU2409 6,008 DIVORCED 0 2 13,921... 58,887 10,900 □ □ □ □ Big Data Analytcs w JSON ⊕ Big Data Analytics 2 NY 4,734 7 CU2411 10,943 MARRIED 2 23,833... 69,335 **⊞** □ BUY\_INSURANCE\_WORKFLOW 8 CU2412 25 MARRIED 2 FL 12 22,485.5 58,342 2,600 □ □ □ CARS\_DATA\_MINING 9 CU2413 293 SINGLE 1 NY 2 18,865... 67,061 1,614 2,249 ⊞ - ■ Churners01 work flow 10 CU2414 25 DIVORCED 2 CA 2 29,672... 67,489 Claims Fraud Clustering + SVM2 2 NY 11 CU2416 25 SINGLE 4 20, 190... 63,963 0 □ □ □ Customer Analytics incl RFM 12 CU2417 2,420 SINGLE 2 NY 4 19,941 64,964 1,156 963 ± □ □ Insurance Customer Analytics 13 CU2418 1,089 DIVORCED 2 MI 3 27,892... 6,850 58,771 ⊞...• • Manufacturing Painting Ops 14 CU2420 25 DIVORCED 2 NY 3 19,536.5 60,946 5,400 44,020 ⊞....... Market Basket Analysis 15 CU2421 882 DIVORCED 2 CA 4 29,123.5 67,694 3,950 ⊕ - GOW14 CUSTOMER ANALYTICS 360 I 16 CU2422 157 MARRIED 2 MI 4 29,145... 61,781 1,850 ⊕ • Predictive Queries 17 CU2423 9,894 WIDOWED 8 NY 12 25,868... 63,875 3,300 6,707 ⊕ Public Sector Tax Audit 18 CU3100 227 WIDOWED 2 MI 9 17,539... 65,359 4,280 ⊞ ■ R regression models ⊕ Star Schema360 Degree Customer 19 CU3101 40 MARRIED 2 MI 11 23,178... 61,513 800 20 CU3102 21,094 SINGLE 1 NV 4 21,644... 65,379 8,129 21 CU3104 25 MARRIED 2 NY 3 16,525.5 66,902 17,001 92,408 CUST INSUR LTV1 - Structure × Reports 22 CU3105 638 OTHER 2 NY 3 24,184.5 63,538 20,200 23 CU3106 372 DIVORCED 2 MI 12 26,580.5 69,522 24 CU3107 25 SINGLE 2 CA 0 19,374 64,296 25 CU3108 25 MARRIED 2 NY 4 14,843... 60,575 700 26 CU3109 25 MARRIED 2 MI 1 30,839.5 74,158 27 CU3110 25 MARRIED 2 CA 2 21,882... 59,929 2,300 36,102 28 CU3111 25 DIVORCED 2 MN 7 27, 128... 55, 713 3,650 29 CU3113 25 SINGLE 2 MS 1 15,834.5 64,138 30 CU3115 25 MARRIED 3 CA 3 27,130 66,120 1,600 31 CU3116 17, 173 DIVORCED 2 CA 18 24,554 68,616 4,000 11,098 32 CU3117 13,225 SINGLE 1 MI 0 11 16,890 65,560 1,606 No Structure 33 CU3118 7,543 SINGLE 3 CA 1 28,260... 71,843 700 34 CU3119 25 DIVORCED 3 MI 3 27,410 58,840 35 CU3120 25 SINGLE 3 CA n 1 0 63.095 0 36 CU3121 543 DIVORCED 3 CA 4 28, 178... 60, 315 5,700 37 CU3123 25 SINGLE 3 NY n 1 24,367.5 72,670 Ω 38 CU3124 12,988 SINGLE 3 MN 2 17,477.5 70,310 10.100 39 CU3125 25 DIVORCED 3 CA 16 22,995 68,380 5,950 66,417 3 MI 40 CU3126 2 108 DIVORCED 1 9 24.825 60.900 7,200 0

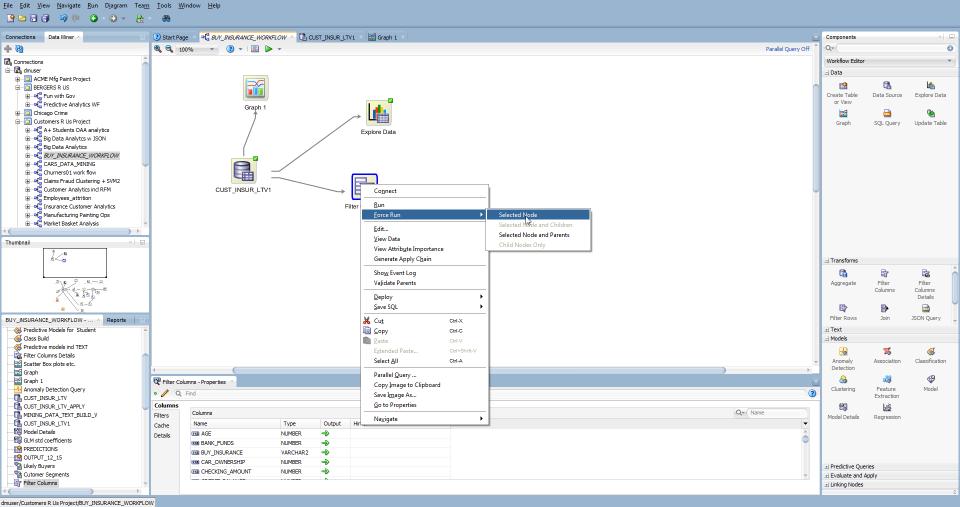
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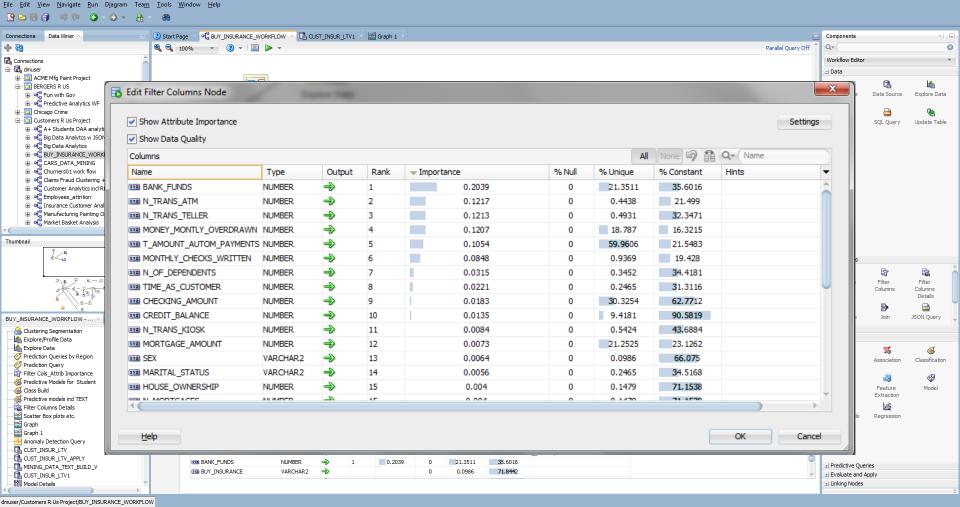
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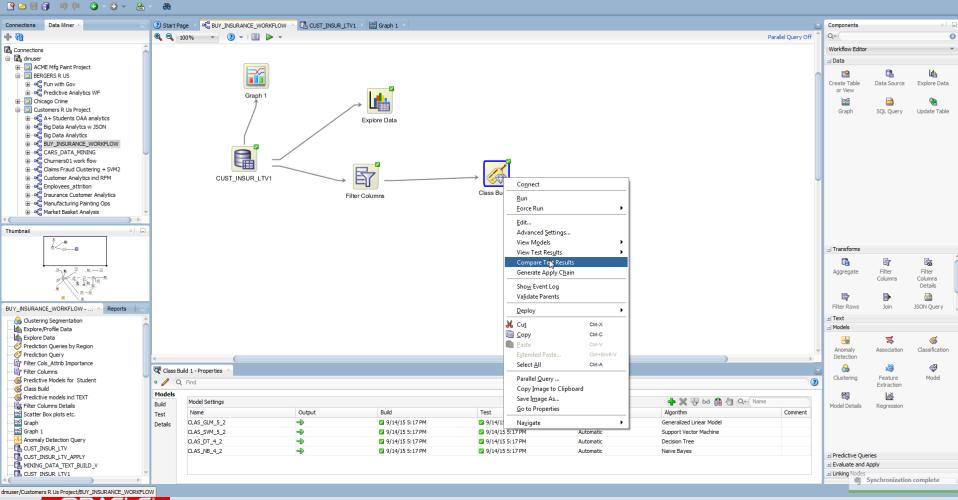


<u>File Edit View Navigate Run Team Tools Window Help</u> ③ Start Page × 号 BUY\_INSURANCE\_WORKFLOW × 🔒 CUST\_INSUR\_LTV1 × 🕍 Explore Data Connections Data Miner **+ 砲** Statistics Data Columns SOL Connections Statistics: 10 Columns from 2,005 Rows(Sampled) Filter: Q+ Name Group by: LTV\_BIN ✓ Show Nulls □ dmuser Name Histogram Data Type Percent NULLs Distinct Values Distinct Percent Mode Average Median Min Value Max Value Standard Deviation Variance **□** ■ BERGERS R US AGE NUMBER 69 3.4414 37.6823 14.4737 209.4873 ⊞ • Gov BANK\_FUNDS NUMBER 0 425 21.197 2,585.3736 551 0 30,200 4,739.2687 22,460,667.7132 ⊕ Predictive Analytics WF BUY\_INSURANCE VARCHAR2 0 2 0.0998 No □ Customers R Us Project CAR OWNERSHIP NUMBER 0 2 0.0998 0.9247 1 0 1 0.264 0.0697 i → - A+ Students OAA analytics CHECKING AMOUNT NUMBER 0 626 31,2219 1.032.7312 25 25 24,471 3,103,6812 9.632.836.6997 ⊞ ⊶ Big Data Analytcs w JSON ⊕ ■ Big Data Analytics CREDIT\_BALANCE NUMBER 0 187 9.3267 2,369.3825 0 0 185,775 12,753.4182 162,649,675.2952 ■ BUY\_INSURANCE\_WORKFLOW CREDIT\_CARD\_LIMITS NUMBER 0 26 1,2968 1,266,384 1,000 500 5,000 814.3591 663,180,7806 □ □ CARS\_DATA\_MINING □ □ Churners01 work flow CUST\_ID VARCHAR2 0 2,005 100 <Other> ⊞ -- • Claims Fraud Clustering + SVM2 FIRST VARCHAR2 0 1.379 68,7781 <Other> □ □ Customer Analytics incl RFM NUMBER 2 HAS CHILDREN 0 0.0998 0.5172 1 0 1 0.4998 0.2498 □ □ □ □ Insurance Customer Analytics HOUSE\_OWNERSHIP NUMBER 0 3 0.1496 0.79 1 0 2 0.5116 0.2618 ⊞ -- ■ Manufacturing Painting Ops ■ ■ Market Basket Analysis AGE By LTV BIN □ Predictive Queries ⊕ -- Public Sector Tax Audit ⊞ • R regression models ± -- - G Star Schema360 Degree Customer 20 Explore Data - Structure × Reports 16 III LOW Jercent 12 ■ VERY HIGH MEDIUM III HIGH No Structure < 8.4 8.4 - < 16.8 16.8 - < 25.2 25.2 - < 33.6 33.6 - < 42 42 - < 50.4 50.4 - < 58.8 58.8 - < 67.2 67.2 - < 75.6 >= 75.6

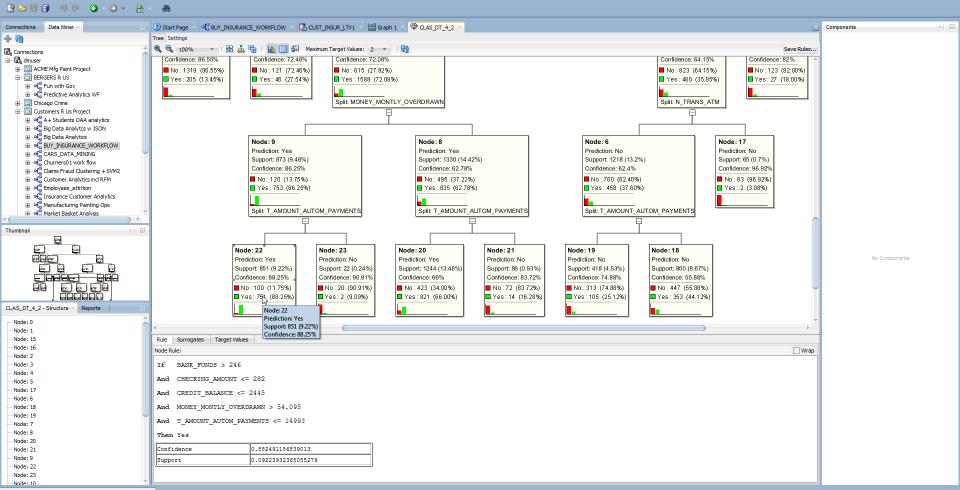
dmuser/Customers R Us Project/BUY\_INSURANCE\_WORKFLOW



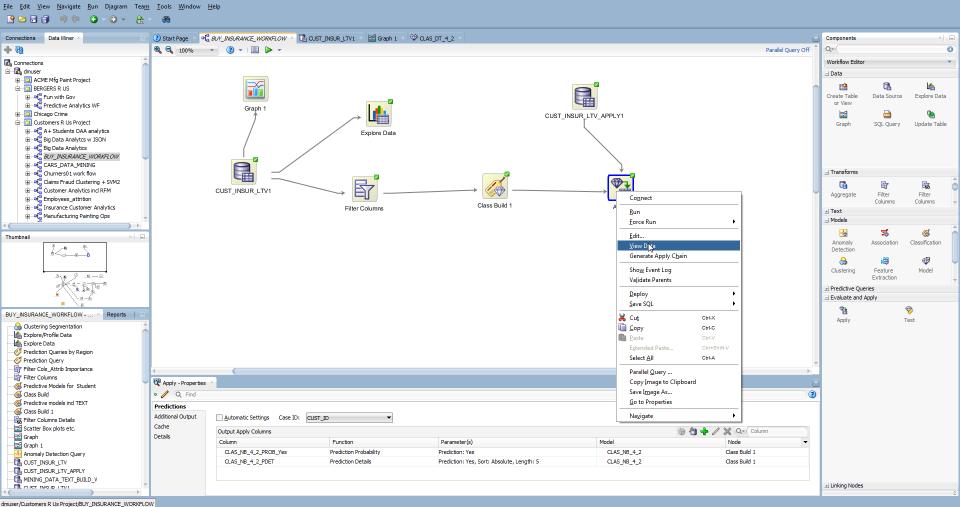


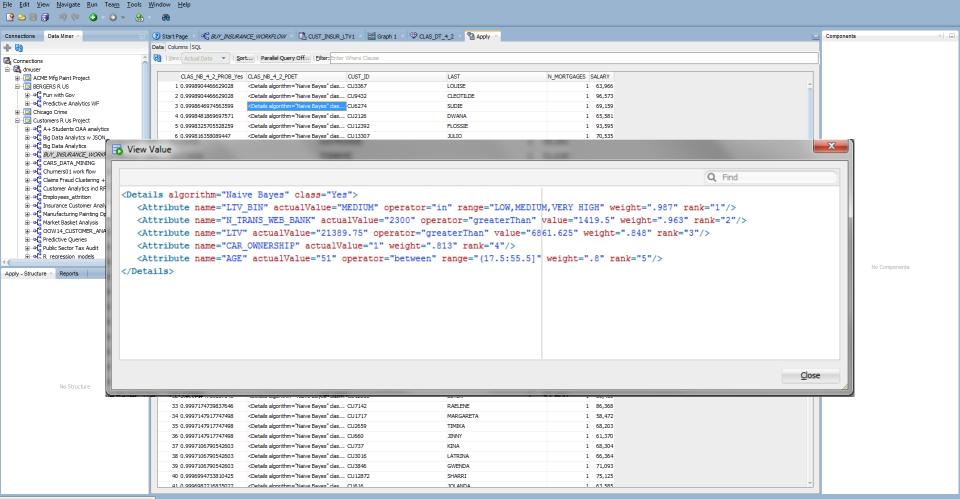




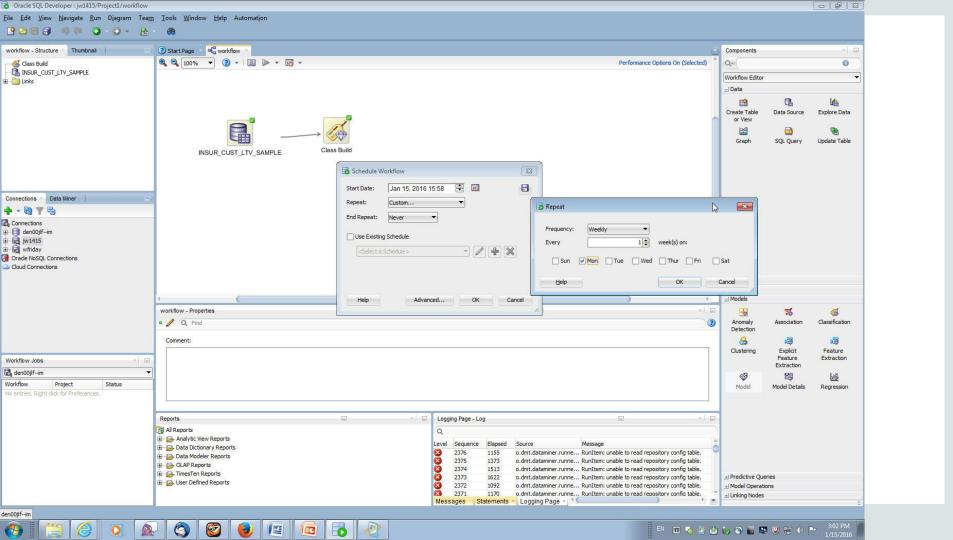


dmuser/Customers R Us Project/BUY\_INSURANCE\_WORKFLOW





dmuser/Customers R Us Project/BUY\_INSURANCE\_WORKFLOW



#### Fraud Prediction Demo

#### Automated In-DB Analytical Methodology

```
drop table CLAIMS SET:
exec dbms data mining.drop model('CLAIMSMODEL');
create table CLAIMS_SET (setting_name varchar2(30), setting_value varchar2(4000));
insert into CLAIMS SET values ('ALGO NAME', 'ALGO SUPPORT VECTOR MACHINES');
insert into CLAIMS SET values ('PREP AUTO', 'ON');
commit:
begin
dbms data mining.create_model('CLAIMSMODEL', 'CLASSIFICATION',
 'CLAIMS', 'POLICYNUMBER', null, 'CLAIMS SET');
end:
-- Top 5 most suspicious fraud policy holder claims
select * from
(select POLICYNUMBER, round(prob fraud*100,2) percent fraud,
   rank() over (order by prob fraud desc) rnk from
(select POLICYNUMBER, prediction probability(CLAIMSMODEL, '0' using *) prob fraud
from CLAIMS
where PASTNUMBEROFCLAIMS in ('2to4', 'morethan4')))
```



POLICYNUMBE	PERCENT_FRAUD RNK				
6532		64.78	1		
2749		64.17	2		
3440		63.22	3		
654		63.1		4	
12650	62.36		5		

Automated Monthly "Application"! Just

add: Create

View CLAIMS2 30

As

Select \* from CLAIMS2

Where mydate > SYSDATE - 30

Time measure: set timing on;

where rnk  $\leq 5$ 

order by percent fraud desc;

### Oracle Advanced Analytics

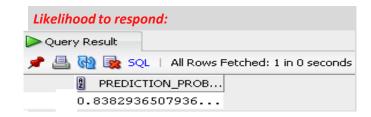
#### More Details



On-the-fly, single record apply with new data (e.g. from call center)

```
Select prediction_probability(CLAS_DT_1_2, 'Yes'
USING 7800 as bank funds, 125 as checking_amount, 20 as credit_balance, 55 as age, 'Married' as marital_status, 250 as MONEY_MONTLY_OVERDRAWN, 1 as house_ownership)
from dual;
```

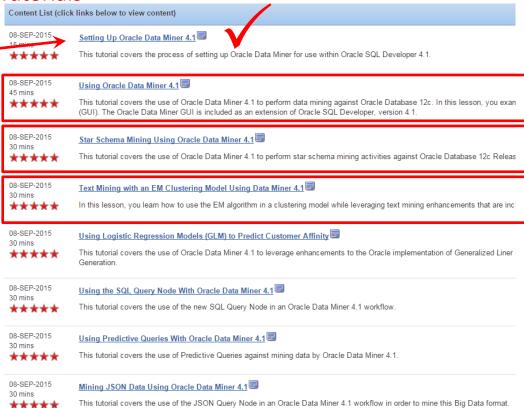




## OAA/Oracle Data Miner 4.1 HOL

#### Uses Oracle by Example Free Online Tutorials

- There are 6 Tutorials
  - The first tutorial is already done for you
  - Recommend doing 3-5
     Tutorials
    - 1. Using Oracle Data Miner 4.1
    - 2. <u>Star Schema Mining Using Oracle Data</u> Miner 4.1
    - 3. <u>Text Mining with an EM Clustering Model</u>
      Using Data Miner 4.1
    - **4. Anomaly Detection (CLAIMS)** *See Instructor for assistance*
    - **5.** Market Basket Analysis (SH.SALES) See Instructor for assistance





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