



Introduction to Machine Learning



Companion Book

We will be using **Introduction to Statistical Learning** by Gareth James as a companion book.

It's freely available online, let's see how to get it



Companion Book

Students who want the mathematical theory should do the reading.

Students who just want light theory and more interested in R Applications.



Companion Book

Read Chapters 1 & 2 to gain a background understanding before continuing to the Machine Learning Lectures.



What is Machine Learning?

- Machine learning is a method of data analysis that automates analytical model building.
- Using algorithms that iteratively learn from data, machine learning allows computers to find hidden insights without being explicitly programmed where to look.

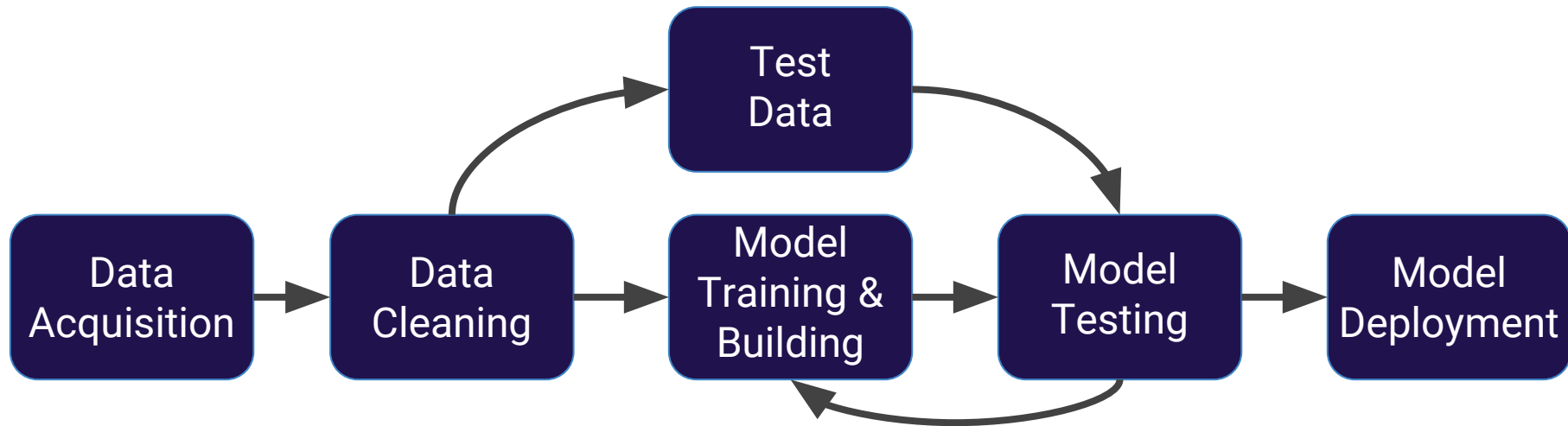


What is it used for?

- Fraud detection.
- Web search results.
- Real-time ads on web pages
- Credit scoring and next-best offers.
- Prediction of equipment failures.
- New pricing models.
- Network intrusion detection.
- Recommendation Engines
- Customer Segmentation
- Text Sentiment Analysis
- Predicting Customer Churn
- Pattern and image recognition.
- Email spam filtering.
- Financial Modeling



Machine Learning Process





Supervised Learning

- **Supervised learning** algorithms are trained using **labeled** examples, such as an input where the desired output is known.
- For example, a piece of equipment could have data points labeled either “F” (failed) or “R” (runs).



Supervised Learning

- The learning algorithm receives a set of inputs along with the corresponding correct outputs, and the algorithm learns by comparing its actual output with correct outputs to find errors.
- It then modifies the model accordingly.



Supervised Learning

- Through methods like classification, regression, prediction and gradient boosting, supervised learning uses patterns to predict the values of the label on additional unlabeled data.
- Supervised learning is commonly used in applications where historical data predicts likely future events.



Supervised Learning

- For example, it can anticipate when credit card transactions are likely to be fraudulent or which insurance customer is likely to file a claim.
- Or it can attempt to predict the price of a house based on different features for houses for which we have historical price data.



Unsupervised Learning

- **Unsupervised learning** is used against data that has no historical labels.
- The system is not told the "right answer." The algorithm must figure out what is being shown.
- The goal is to explore the data and find some structure within.



Unsupervised Learning

- Or it can find the main attributes that separate customer segments from each other.
- Popular techniques include self-organizing maps, nearest-neighbor mapping, k-means clustering and singular value decomposition.



Unsupervised Learning

- These algorithms are also used to segment text topics, recommend items and identify data outliers.



Reinforcement Learning

- **Reinforcement learning** is often used for robotics, gaming and navigation.
- With reinforcement learning, the algorithm discovers through trial and error which actions yield the greatest rewards.



Reinforcement Learning

- This type of learning has three primary components: the agent (the learner or decision maker), the environment (everything the agent interacts with) and actions (what the agent can do).



Reinforcement Learning

- The objective is for the agent to choose actions that maximize the expected reward over a given amount of time.
- The agent will reach the goal much faster by following a good policy.



Reinforcement Learning

- So the goal in reinforcement learning is to learn the best policy.



Machine Learning in this Course

- For each algorithm or Machine Learning topic:
 - Reading Assignment
 - Light Overview of Theory
 - Demonstration Lecture with R
 - Machine Learning Project Assignment
 - Overview of Solution for Project
- Let's get a brief tour of the Machine Learning notes!



Reinforcement Learning

- Machine Learning takes time to learn.
- Be patient with yourself and feel free to post to the QA forums.
- No one course can be a reference for all Machine Learning topics, but I'm always happy to point you in the right direction!



Let's start using R for Machine Learning!

