# Introduction to Data Mining Knowledge Discovery vs. Statistical Analysis

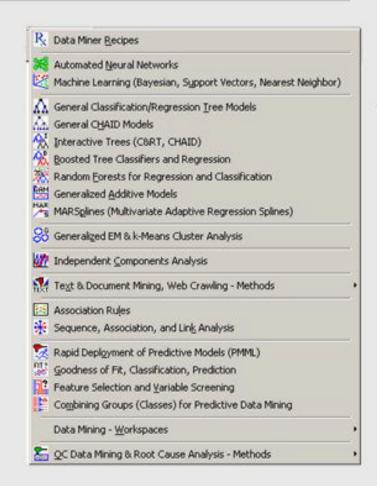


- Statistical Analysis
  - Focuses on "hypothesis testing" and "parameter estimation"
  - Fits "parsimonious statistical models" with the goal to "explain" complex relationships with fewer parameters
  - Examples: Regression, nonparametric statistics, factor analysis, traditional quality control
- Data Mining
  - Focuses on knowledge discovery, detection of patterns, clusters, and so on;
     we only have data and no (or few) expectations and hypotheses
  - Fits simple models (such as regression) or complex models (such as neural nets) to enable valid prediction
  - Examples: Neural nets, stochastic gradient boosting of tree classifiers, random forests, support vector machines

#### STATISTICA Data Miner



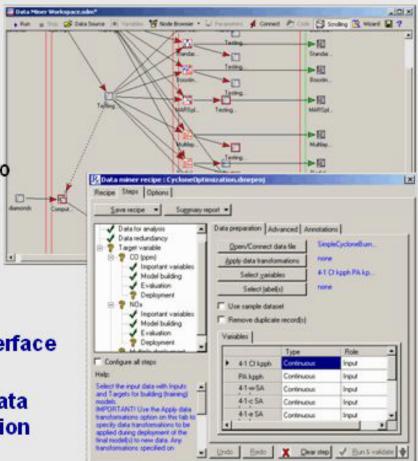
- Most comprehensive collection of data mining algorithms in a single package
  - Automatic Feature Selection
  - Automated Neural Network Problem Solver
  - Classification & Regression Trees
  - CHAID Trees (recursive partitioning)
  - Stochastic Gradient Boosted Trees
  - Voting of Trees (Forests)
  - MAR (Regression) Splines
  - Support Vector Machines
  - k-Nearest Neighbors
  - Naive Bayes Classifiers
  - Generalized Additive Models
  - k-Means and EM Clustering
  - Association/Sequence Rules
  - .... (continuously updated)

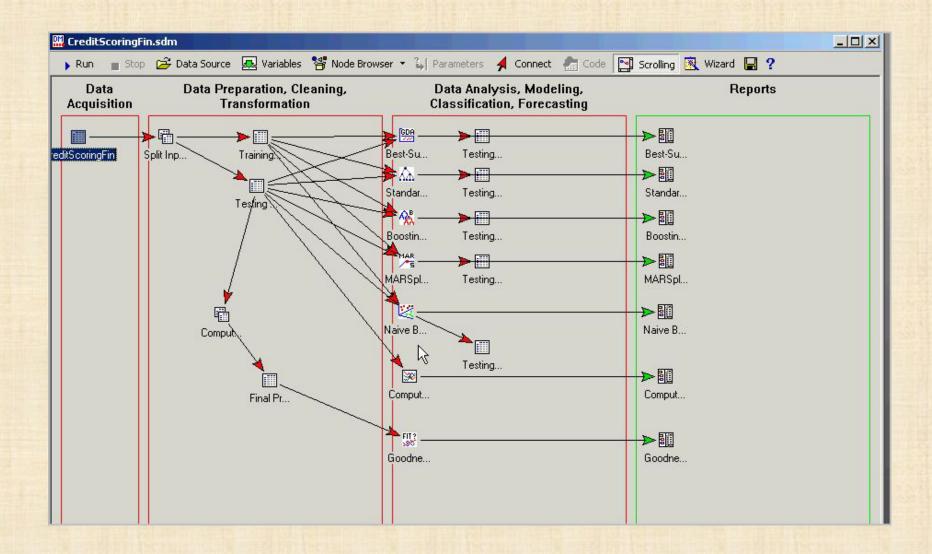




### Data Miner Workspaces, Recipes

- Efficient UI solutions for effective data mining
- Data Miner Workspaces
  - Custom data mining workflows or templates (best practices)
  - Use all STATISTICA functionality to build work flows that go beyond traditional data mining (e.g., perform Predictive QC-Mining,..)
- Run on desktop, offload to server
- Data Miner Recipes
  - Revolutionary, efficient user interface for both novices and experts
  - Single-click data mining, from data definition through model validation and deployment/ scoring

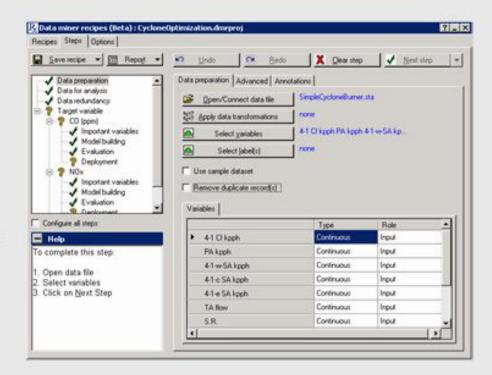




## Data Miner Recipe STATISTICA DMR



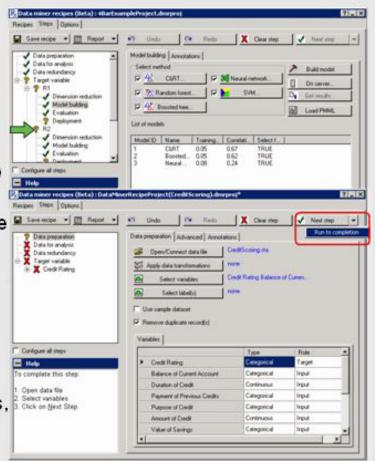
- Goals:
  - Make a Very Simplified UI
  - Make data mining quick and easy
  - Make data mining simple and fast
  - One-click data mining
  - Integration with STATISTICA platform
  - Easy scoring of new data
- Fool-proof until better fools are invented



### DMR: Make Data Mining Quick and Easy



- The "recipe" metaphor: There are a limited number of "recipes"
  - Predictive data mining for a continuous response (regression)
  - Predictive data mining for a categorical response (classification)
  - Predictive data mining for a rare (continuous or categorical) response
- All of these typical workflows can be accomplished using STATISTICA Data Miner Recipes
  - And often with a single click!
- Learning how to apply advanced data mining methods to solve real-world problems is now reduced to a few hours, at most





### DMR Example: Predicting Credit Risk

- Example:
  - 100,000 records and 19 variables
- Select variables for predictive modeling
- Click run-to-completion
- An excellent prediction model will appear in under 5 minutes
- Models can be deployed to STATISTICA Enterprise for automatic scoring for new data

