Recommender Systems: Beyond the Algorithms

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About me

- Professor of Computer Science at TU Dortmund, Germany
  - On the move to Alpen-Adria-Universität Klagenfurt, Austria

- Research interests
  - Recommender Systems
    - E-Commerce applications, business value of recommenders
    - Interactive advisory systems
  - Artificial Intelligence
    - Model-based Diagnosis, Constraints
  - Software Engineering
    - Debugging of Spreadsheets
Recommender Systems

- Automated recommendations
  - A pervasive part of our online user experience
  - Explicitly recommend us shopping items, movies, music, news, friends, jobs, groups or people to follow, restaurants, hotels...
  - Silently select and rank the items to present
    - News feeds, ads (in some sense)
Recommender Systems

Once you see them, they are everywhere
This summer school

- Mostly focuses on a computer science oriented perspective, e.g.,
  - Algorithms to process past user actions to predict the relevance of an item for a certain user
  - Information sources that be fed into our algorithms
  - Ways to make our algorithms scale to millions of users and items
  - Methods of measuring that our algorithms are better than previous ones
  - UI mechanisms to acquire user preferences and to present the recommendations

- Algorithm help us predict to which extent an item is generally relevant for an individual user
  - Which is a central question
But there is more

- Recommender systems research is not only about algorithms and application design
- Automated recommendations have an effect on recommendation consumers and providers
  - They change the consumer behavior
  - They have an effect on the business

- Some challenges
  - These effects are not always easily predictable
  - There might be conflicting goals
  - Some effects are based on psychological effects
  - And may depend on a variety of other factors, including user trust or website credibility
In this talk

- We will briefly review the history of recommender systems
- We will outline challenges when adopting a purely algorithmic-oriented research perspective
- We sketch a purpose-oriented framework for the design and evaluation of recommender systems


A bit of history

- Recommender systems have their roots in various fields
  - e.g., Information Retrieval, Machine Learning, Human Computer Interaction

- Their design can furthermore be influenced by insights from more distant fields
  - e.g., Consumer behavior, psychology, marketing

- Typical goals:
  - Avoid information overload (filtering)
  - Active promotion of content

- Personalization often as a central concept
Information Filtering roots

- Information Filtering
  - Systems that filter incoming streams of information in a personalized way
  - Dates back to the late 1960s
  - Early systems use explicitly stated preferences regarding topics or keywords
  - Later on, automated content analysis and user profiling

- Today:
  - “Content-based Filtering” recommender techniques
  - Personalized Information Retrieval
Leveraging the opinions of others

1982: ACM president complained about email junk
- Envisioned a set of “trusted authorities” that assess the quality of the messages

1987: Information Lens
- Based on manual filters, but could also specify people whose opinions they value

1992: Tapestry - “Collaborative Filtering”
- Continued Information Lens ideas, introduced idea of considering ratings, but still a manual process

1994: GroupLens and others
- System automatically predicted ratings of users, based on “matrix filling” (completion) setup
Collaborative Filtering booms

▶ The Matrix Completion problem
  ▶ Became established as a standard way of operationalizing research
  ▶ Problem of predicting missing ratings
  ▶ Evaluate algorithms
    ▶ Prediction error, rank measures

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<th>Item1</th>
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Collaborative Filtering (CF) booms

- **1998:**
  - Dimensionality reduction for CF, clustering
  - Collaborative/Content-based Hybrids

- **1999:** *It works in e-commerce!*
  - First reports on successful applications in practice (e-commerce, music, video)

- **2000:**
  - Item-to-item collaborative filtering

- **2003:** *Amazon.com*
  - Report on the successful use of recommendations at Amazon.com using item-to-item filtering
  - Today, many algorithms, many non-personalized ones as well
The Netflix Prize

- Netflix announced a 1 million $ prize in 2006
  - For beating their system by 10% in terms of the prediction error
  - Provided at that time huge dataset
- Effects
  - Further boosted research on the matrix completion problem
- Contest ended in 2009, some winning ingredients
  - Matrix factorization (not using exact SVD)
  - Ensemble methods
- Today
  - Collaborative Filtering as a standard method in industry
Recommendation Paradigms

Recommender systems reduce information overload by estimating relevance
Recommendation Paradigms

Recommendations are usually personalized
Recommendation Paradigms

Collaborative:
"Tell me what's popular among my peers"
Recommendation Paradigms

Content-based:
"Show me more of the same what I've liked"
Recommendation Paradigms

Knowledge-based:
"Tell me what fits based on my needs"
Recommendation Paradigms

Hybrid:
Combinations of various inputs and/or composition of different mechanism
Beyond matrix completion

- Research based on the matrix completion problem formulation still predominant today
  - An established and domain-independent problem abstraction
  - Established evaluation procedures
  - Allows for reproducibility, in theory
  - Hundreds of papers published each year
  - Plethora of technical approaches, many of them comparably complex

- The problem formulation however has its limitations
Matrix completion setup limitations

▶ “Post-diction” is not prediction
  ▶ Users do not rate items at random
  ▶ Algorithm optimization and evaluation procedures however only considers the rated items
  ▶ Models optimized for known ratings might not work best in the real world
  ▶ More and more field tests (A/B tests) done, often confirming this issue

▶ Public datasets
  ▶ Help us compare our methods
  ▶ But how important is movie recommendation?
  ▶ How do the findings generalize?
Matrix completion setup limitations

- Rating prediction not often relevant in practice
  - Item ranking more important
  - Learning-to-rank methods important in recent years
- Evaluation focused on finding good items
  - Avoiding “bad” recommendations might also be important
  - Accurately predicting the 1-star or 2-star ratings might be of limited value
- “Bad” research practice
  - Many different accuracy measures and evaluation protocol variants
  - Non-public datasets or data sampling
  - No source code provided
Matrix completion setup limitations

- There is at most one preference signal per user and item
  - In reality there are a lot of implicit signals over time
  - Implicit feedback based algorithms often use the matrix completion setup as well
- Reminding users of known items not in the scope
  - Even though it might be relevant in practice
  - Recent log analysis from e-commerce shop
    - 40% of “successful” recommendations were viewed before by the user
  - Recent field test with reminders
    - Reminding can be helpful also for the business

Prediction accuracy addiction

- **Prediction and ranking accuracy**
  - Predicting the (relative) relevance of unseen items as the main focus of algorithmic works still today
  - However, researchers for many years know that prediction accuracy is often not enough

- **Other components of utility**
  - Diversity, novelty, and serendipity
    - But how much of it (in a given domain)?
  - Utility for the consumer
    - Recommending the obvious might be accurate but pointless
  - Utility for the provider
    - Business value (see also later)

Prediction accuracy addiction

- Additional undesired biases can exist
  - Focus mostly on popular items (popularity bias)
    - Leads to high precision and recall, but limited value
    - Can lead to “rich-get-richer-effect"
  - Focus on a small set of items (concentration bias)
    - Limited catalog coverage
- Some algorithms lead to similar accuracy values but to largely different recommendations
- Undesired Long-term effects
Rich-get-richer simulation

Context matters

- Which items are relevant can depend on the context
  - With whom I watch a video, my mood, environmental parameters
- Traditional matrix completion setups do not consider the user context
  - A number of technical approaches developed in recent years
  - Still, a lack of datasets to do research on
- Long-term and short-term interests
  - Users may have a diverse profile, but arrive at the site with a specific shopping intent

Interacting with users

- How the user can interact with the system can significantly impact their effectiveness
- Much less research on UI/UX-related issues than on algorithmic approaches
- Questions, e.g.,:
  - How do we acquire the preferences?
  - How do we present the results?
  - Are there any ways to convince or persuade a user?
  - How should the system explain its recommendations?
  - When should recommendations be presented?

Is this even a recommender?

Mr Janach, how do you feel right now? What would you like to improve if it were possible?

- [ ] I feel quite tired and would like to recharge my batteries
- [x] I would like to improve my fitness.
- [x] I would like to lose some weight and be slimmer.
- [ ] I often feel tense and sometimes have problems with my back.
- [ ] I would like to do something about my appearance and my image.
- [ ] I feel perfectly healthy and would simply like to relax for a few days.

Think about what you’d really like and I’ll see what I can come up with for you.
Is this even recommender?
Is this even a recommender?

You’re bound to ask yourself why I recommended the following. I’ll be happy to explain...

- I am happy to have found autumn packages for you, as you wished. If you want more suggestions for a specific date, you’ll have to use the detailed advice option (more questions).

- We have a whole range at the Warmbad-Villach spa resort to suit your request: Leisure and activities programme & Long walks. Ask about them.

- Our comprehensive supporting programme of cultural events (Carinthian Summer Music Festival, Villach Carnival, exhibitions at the Warmbad culture club, Jazz Over Villach, etc.) all year round and attractions in the vicinity will round off your stay at the...

- Do you want to feel fit and healthy? Our sports and activities programmes respond to your wishes.
User control

- Recommenders are mostly a black box to users
- How do we help users change their profiles and “correct” the system’s assumptions?

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In the long run

- Trust and loyalty
  - Key targets in the long run from the provider perspective
- Trust needs repeated positive experiences
  - Continuously persuading the user to take a non-optimal decision can be detrimental for the service
  - Balance between provider and consumer benefit must be found
- Explanations maybe a key factor
  - Transparency as an important trust-enabling factor

A purpose-oriented approach

A central, but often not-addressed question

What is a good recommender system?

Some possible answers

- One that achieves a low RMSE on historical data?
- One that produces diverse item lists?
- One that leads to high click-through-rates?
...

Or:

One that creates some form of utility
Utility for whom

- **Value for the customer**
  - RS helps user find things that are interesting
  - RS helps user narrow down the set of choices
  - RS helps user explore the space of options
  - RS helps user discover new things, entertainment
  - ...

- **Value for the provider**
  - Increased sales, click trough rates, conversion etc.
  - Increased trust and customer loyalty
  - More opportunities for promotion, persuasion
  - More knowledge about customers
  - ...

It all depends

- Recommendations can serve different purposes
  - Whether a recommendation is good or not depends on the intended purpose and the perspective
  - The purpose can be very specific for a domain or application

- In academia:
  - We often abstract from such domain-specifics
In the literature

Set of abstract, computational tasks

1. Find (all or some) good items
2. Predict the relevance of unseen items ("annotate in context")
3. Recommend sequence
4. Just browsing
Current research practice

- Operationalization of the research problem
  - Limited set of tasks, mostly relevance prediction
  - Abstract, domain-independent performance measures

- Plus:
  - Standard evaluation schemes
  - Public datasets

- Benefits:
  - Well-defined problem
  - Continuous improvement
  - Comparability & reproducibility
Some dangers

- Do we over-simplify or over-generalize things?
  - High diversity might be good in some domains, but not in others
  - What a "good item" is, depends on the viewpoint and purpose
  - How do we know that our abstract measures reflect either viewpoint?

- Time to re-assess our research practice
  - Re-visit the fundamental goals & tasks of recommenders and how we evaluate such systems
  - Is our approach too narrow - can we cover more than what we are currently do today?
A conceptual framework

- Goals
  - For a structured discussion of goals and purposes
  - To point out areas of future research
  - Consider provider and consumer side

- Structure - 4 layers

<p>| Overarching goal of the system, strategic value |
| Recommendation purpose / Intended utility |
| System (algorithm) task |
| Computational metrics |</p>
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• Create additional demand  
• Help users discover new artists, directors, genres  
• Increase activity on the site  
• . . . |
| **System Task** | • Annotate in context (i.e., estimate preference of a given item)  
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• Find mix of familiar and relevant unknown items  
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### Consumer’s Viewpoint

#### Overarching Goal

"Personal Utility": Happiness, **Satisfaction**, Knowledge, Entertainment, Benefit

#### Recommendation Purpose

- Help users find objects that match the user's long-term preferences
  - Show alternatives
  - Help users explore or understand the item space, ...

### Provider’s Viewpoint

#### Overarching Goal

"Organizational Utility": Profit, Revenue, Return on Investment, Growth, Customer Retention

#### Recommendation Purpose

- Change user behavior in desired directions
- Create additional demand
- Help users discover new artists, directors, genres
- Increase activity on the site
- ...

### Strategic Perspective

#### System Task

- Annotate in context (i.e., estimate preference of a given item)
- **Find good items**
  - Create diverse set of alternatives
  - Find mix of familiar and relevant unknown items
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  - ...

### Operational Perspective

#### Computational Metric

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## Consumer’s Viewpoint

**Overarching Goal**
"Personal Utility": Happiness, Satisfaction, Knowledge, Entertainment, Benefit

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- Help users find objects that match the user’s long-term preferences
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## Provider’s Viewpoint

**Overarching Goal**
"Organizational Utility": Profit, Revenue, Return on Investment, Growth, **Customer Retention**

**Recommendation Purpose**
- Change user behavior in desired directions
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**Purpose**

- Change user behavior in desired directions
- **Support customer’s decision making process**
- Help users discover new artists, directors, genres
- Increase activity on the site
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• Help users discover new artists, directors, genres  
• Increase activity on the site  
• **Promote high-margin items** |
| **System Task** | • Annotate in context (i.e., estimate preference of a given item)  
• Find good items  
• **Create diverse set of alternatives for item of interest with a focus on high-margin items**  
• Find mix of familiar and relevant new items  
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Immediate challenges

- Defining new tasks and metrics
  - Next-item recommendation as a candidate
  - Consider metric-purpose-fit
- Multi-metric evaluations, understanding trade-offs
- Data and protocol issues
- Moving beyond computer science (RECO-nomics)
From Algorithms to Systems

- For a more comprehensive research approach, need to move beyond computer science
  - Often, too much focus on abstract accuracy measures (in machine learning based research)
  - Question of the purpose of the system seldom asked
    - What to measure and where to be good at depends on the purpose
- Research in Information Systems literature
  - Not much visibility in CS literature
  - Accuracy only one of many factors for RS success
- Putting the user back in the loop
A more comprehensive picture

User / Consumer

Needs, e.g.,
- Information Filtering
- Item Discovery
- Decision Making

Data, e.g.,
- Preferences
- Context
- Demographics
- Long-term Profile

Service Provider / Business

Business Goals, Desired Impact on Users, e.g.,
- Customer Loyalty
- Revenue Increase
- Sales Diversification

Recommender System

Design Decisions
- Algorithms
- Interactivity
- Explanations, ...

Data, e.g.,
- Ratings, Item Features, Social, ...

Environment
Summary

- Sketched importance of recommenders
- Discussed history of recommender systems
- Outlined challenges of current research practice
  - Recommendation is not (only) a machine learning problem
  - And it is not solved
- Reviewed a conceptual framework to the design and evaluation of recommender systems
Outlook

- Need to address problem (more often) with an interdisciplinary approach
  - Focus on problems other than algorithms
  - Develop a richer repertoire of research methods
    - Many of them are already out there
- “Standardize” research operationalization of relevant practical problems
  - E.g., next-item recommendation, session-based recommendation, usage of multiple recommendation lists, ....
- Need to better understand real-world implications of research results
  - Do a real-world check, consider specific purposes or our systems, consider the stakeholder’s roles
  - Several studies show that the most accurate methods in offline experiments lead to the best user perception or business success
Thank you for your attention

Contact:
  dietmar.jannach@tu-dortmund.de


