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# Introduction to Personalized Marketing with Azure Machine Learning



Presenters: Andy Lathrop, Principal Consultant



Jason Cantrell, Senior Consultant



Colby Ford, AI Architect



Microsoft



# Agenda

- What is Personalized Marketing?
- Benefits and Business Value
- Machine Learning Techniques and Challenges
- Azure Machine Learning
- Demo
- $\bullet$  Q and A



### What is Personalized Marketing?

What content does a consumer want to see?

What information about the product should be presented?

At what stage in the buying process is a consumer?

When is the consumer expected to make a purchase?

marketing experiences that target specific types of customers through your content



### **Business Value of Personalization**

by 2018, organizations that have fully invested in all types of online personalization will **outsell** companies that have not **by more than 30%** 

by 2020, **90% of brands** will practice at least one form of marketing personalization.

– Gartner

#### **Email List Segmentation Results**



68% of marketers say personalization based on behavioral data has a high impact on ROI, and 74% say it has a high impact on engagement. But only 19% do it.

– HubSpot (CRM Provider)

- Engagement / nurturing
- Click through /open rate
- Conversions
- Page views / visit
- Bounces / unopened email
- Marketing costs
- Sales cycle time

### **Personalization Maturity**

Machine learning: recognizing complex patterns from examples in order to predict

#### **List segmentation - Advanced**

Machine Learning Clustering/Classification targets narrow set of groups / personas

### List segmentation - Basic

Manual, rule-based – targets broad set of groups / personas

#### Data

- Customer profile
- Registered preferences

#### Data

- Registered preferences
- Transaction history

#### Targeted marketing / SEO

#### Machine Learning classification/recommender systems

- more individualized

#### Data

- Registered preferences
- Transaction history
- Click stream
- 3<sup>rd</sup> party, marketing provider
- Ratings

crawl

### **Personalization Maturity**

#### Targeted marketing / SEO

- Machine Learning classification/recommender systems – more individualized
- Data:
  - Registered preferences
  - Transaction history
  - Click stream
  - 3<sup>rd</sup> party, marketing provider
  - Ratings



On The Hook Fish and Chips Food Truck



You clicked this on June 5

Why This Luggage Company Is Causing So Many P... Take the hassle out of your next trip and unpack at your destination. RISE gear

run

### **Machine Learning for Personalization**



#### Scenario

Use personalization to predict which customers will respond to email offer for a new product

#### Data

Customer profile + previous transactions + offer info

**96% of relevant audience** reached through contact with **60% of total audience** 

36% lift with machine learning

# **Machine Learning Model Lifecycle**



#### **Challenges:**

- How do we scale to larger datasets?
- How do we collaborate?
- Which model was best and why? Are you sure?
- How do we actually use this model?
- How do we work with DevOps?

## **Azure Machine Learning Service Overview**

Cloud-scale service to simplify and accelerate the building, training, and deploying machine learning models

- Python SDK; Use familiar libraries and frameworks in notebooks, IDEs and CLI
- Cloud resources for monitoring, logging, and organizing your machine learning experiments. Keep track of the code, compute, datasets and results used in training the model
- Train models locally or with on-demand, scalable, cloud resources, including CPU and GPU clusters

- Deploy to both cloud and the edge as web services for real-time and batch scoring
- Improved productivity with hyperparameter tuning, automated ML, infrastructure control, and pipelines



# **Azure Machine Learning Workspace Overview**

#### Authoring (Preview)

Automated machine learnin	g		
Notebook VMs	aiwebinaramls Machine Learning service workspace		
		↓ Download config.json 🗰 Delete	
察 Visual interface	📥 Overview	Resource group : aawebinar-demo-rg	Storage : aiwebinaramls4449883837
	Activity log	Location : West US 2	Registry : aiwebinaramla84350bc
	Access control (IAM)	Subscription : BlueGranite Demos	Key Vault : aiwebinaramls7463106630
Assets	Tags	Subscription ID : d33098f5-4a90-4784-be1a-db39e054a7b0	Application Insights : aiwebinaramIs7837229309
	<ul> <li>Diagnose and solve problems</li> </ul>	Getting Started	
Experiments	Authoring (Preview)		
	Automated machine learning	Get Started with Sample Notebooks (Preview)           Quickly get started with the Python SDK and run sample experiments with Azure	Create a new Automated Machine Learning Model (Preview) Automatically create a model from your existing data.
	Notebook VMs	Machine Learning Notebook VMs.	Automatically create a model from your existing data.
📅 Pipelines	🙊 Visual interface		
	Assets	Build a model using the Visual Interface (Preview)	View Documentation
🛱 Compute	Experiments	Drag and drop existing components to create new models.	Learn how to use Azure Machine Learning.
	Pipelines		
left Models	Compute	View more samples at GitHub	View Forum
	Models	Get inspired by a large collection of machine learning examples.	View Forum Join the discussion of Azure Machine Learning.
	👘 Images		
ն Images	Peployments		

Deployments



### Recap

- Personalization involves decisions about content to be shown to different groups of customers, based on available data.
- Using techniques like machine learning for personalization can lead to significant business benefits like increased engagement and sales while strengthening your brand.
- Data science at scale for production usually involves many steps in a complex life cycle.
- Azure Machine Learning offers services to help manage the ML lifecycle while allowing data scientists to collaborate and keep using preferred tools and frameworks



### **Getting Started**

# Get started with Azure Machine Learning for free <a href="http://aka.ms/AMLfree">http://aka.ms/AMLfree</a>

<u>Azure Machine Learning service example notebooks</u> (GitHub repository)

Building recommender systems with AML service (blog)

Microsoft recommender system repository (GitHub repository)

### Q and A

### **Thank you for attending!**

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