# The Dynamics of Information 

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## tapping tacit knowledge within social networks

- discover informal communities
- determine how information flows through these communities
- use that knowledge to discover what people are about and harvest their preferences and knowledge


## discovering communities



Bruegel, Peter the Younger. Village Feast
traditional methods accurate but laborious

## informal communities

communities that form around tasks or topics

- scientific and technical communities (ziman, crane)
- bureaucracies (crozier)
- how they grow and evolve to solve problems (huberman \& hogg)
- how information flows within organizations (allen)
the measurement problem: interviews and surveys are accurate but time consuming. worse, they don't scale


## uncovering communities with e-mail

## tyler,huberman and wilkinson, in Communities and Technologies, Kluwer Academic (2003)

- e-mail is a rich source of communication data
- virtually everyone in the "knowledge economy" uses it
- It provides data in a convenient format for research



## hp labs email network



## our goal

- decompose an organization's email network (dense and jumbled) into communities of practice (clean and distinct)



## find communities using betweenness centrality

a graph has community structure if it consists of groups of nodes with many more links within each group than between different groups

betweeness of an edge: number of shortest paths that traverse it

## a problem

betweeness centrality is slow (scales as the cube of the number of nodes (Brandes, Girvan and Newman, Wilkinson and Huberman)
we have designed an algorithm that runs much faster (linearly in the number of nodes (Wu and Huberman, Eur. Phys. Journal B38, 331-338 (2004).

## a different method

wu and huberman Eur. Phys. Journal, B38, 331 (2004)


## examples

| rragan | HPL Advanced Studies | venky | Mobile \& Media Systems Lab |
| :--- | :--- | :--- | :--- |
| olmos | HPL Advanced Studies | dohlberg | HPL Advanced Studies |
| samuels | HPL Advanced Studies | kvincent | Hardcopy Tech Lab |
| saifi | HPL Advanced Studies | pmcc | University Relations |
| zhiyong | HPL Advanced Studies | trangvu | HPL Communications |
| gunyoung | HPL Advanced Studies | markstei | HPL Advanced Studies |
| larade | HPL Advanced Studies | hollerb | HPL Research Operations |
|  |  | krishnav | Handheld HQ |
| penrose | Mobile \& Media Systems Lab | babcock | REWS Americas |
| mistyr | HPL Advanced Studies | bgel | Solutions \& Services Tech Cntr |
| vinayd | HPL Advanced Studies | meisi | HPL - Research Operations |
| seroussi | HPL Advanced Studies | henze | Information Access Lab |
| tsachyw | HPL Advanced Studies |  |  |
|  |  | kuekes | HPL Advanced Studies |
|  |  | thogg | Systems Research Lab |
| reedrob | University Relations | kychen | Intelligent Enterprise Tech Lb |
| carterpa | University Relations | Sfine | Systems Research Lab |
| sbrodeur | University Relations | Intelligent Enterprise Tech Lb |  |
| pruyne | Internet Systems \& Storage Lab | akarp |  |
| bouzon | University Relations |  |  |
| Imorell | University Relations |  |  |
| marcek | University Relations |  |  |

organizational hierarchy

email correspondents scrambled

actual email correspondence


## document similarity by usage

similarity: overlap in users accessing documents

earlier documents are blue, later ones are red.
size of node reflects the number of users accessing the document.
I. adamic

## HPS-mining knowledge briefs

| Paul Johansen | SAM AMCI Tech Consulting Systems Integration 32 docs viewed |
| :--- | :--- |
| Paul Johansen is a consultant with the .NET Solutions group within the Central EMS Practice in |  |
| Minneapolis, Minnesota. Paul specializes in e-commerce Ul and middle tier development and |  |
| their related Microsoft technologies. In his spare time he enjoys the freezing Minnesota |  |
| weather, cheering for the Vikings, Twins, Wolves and Wild and traveling the world. |  |


| users similar to Paul Johansen |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| sim | name | unit | group | function | family | \#docs |
| Doce | John R Bugarin | AM | AMCI | Solution Architech | Systems Integration | 30 |
| 0.35 |  | John Bugarin is a member of the .NET Results North American Team. He has extensive experience developing customized solutions in Domino, Microsoft, and WebSphere. He is certified MCSD for .N MCAD for .NET, MCSD for Visual Studio 6.0, MCSE for Windows 2000, and MCDBA for MSSQL 20 |  |  |  |  |
| Docs | Tom Kern | AM |  | Tech Consulting | Systems Integration | 236 |
| 0.29 |  | om Kern is a consultant for the Enterprise Microsoft Services. Net Solutions practice. Tom has wo On a variety of custom software projects based on Microsoft technologles. |  |  |  |  |
| DOC | Martyn Dowsett |  |  | Tech Consulting | Systems Integration | 46 |
| 0.26 |  | Martyn Dowsett is a member of EMEA C\&I currently working with Microsoft .NET. He has been designing, developing, and testing various kinds of software since 1979 and has experienced many examples of "how not to do things". He has worked on many projects and is experienced in the full project lifecycle. His current interests are round all things .Net. |  |  |  |  |

## a new people finder

there is a trove of information in power point presentations, public repositories within the organization, and the internal website of the enterprise
peoplefinder ${ }^{2}$ allows you to find out what people are about, as opposed to where in the organization they belong
it also discovers who is working on what
http://shock.hpl.hp.com/peoplefinder/
e. adar and I. adamic


## People associated with rfid

enter your SEA (e.g. "joe.schmoe@hp.com") to see how you can connect to the se people

| Score Name Submit |
| :--- | :--- |

### 100.00 Ian Robertson (GOIT SC Corp Logistics)

- See matches...
83.33 Lucien Repellin (CSG Ent Mfg Ind Vert - WM)
- See matches...
83.33 Nancy Brokopp (Mobile \& Media Systems Lab)
- See matches...
66.66 Dick Lampman (HPL Director)
- See matches...
50.00 Salil Pradhan (Mobile \& Media Systems Lab)


## information flow

how does information flow in a community or organization?
does the structure of the social network affect it?
how far does it spread?

Wu, Adamic and Huberman

## recommendation networks



15 million recommendations and 4 million customers
j. leskovec, l.adamic and b.a. huberman

## does receiving more recommendations increase the likelihood of buying?

> BOOKS DVDs


## so, how effective is viral marketing?

- recommendations do not propagate very far (on average)
- but there are rare instances where the information chain is long
- they are not very effective at eliciting purchases


## the future

we all care about it. and invest resources in finding out about it.


Caravaggio ,The Fortune Teller, 1596-97
"it is hard to predict anything, especially the future"

Niels Bohr

## how do organizations predict?

- they ask the experts (and consultants)
- have meetings (lots of them)
- designate someone as forecaster
- take a vote (not very good)


## an alternative: markets

- markets aggregate and reveal information (hayek, lucas, etc.)
- to predict outcomes, use markets where the asset is information (rather than a physical good)
- example:
- iowa electronic markets


## markets within organizations <br> -problematic-

- Iow participation
- illiquidity
- information traps
- hard to motivate
- easily manipulated


## a new mechanism

(with kay-yut chen and leslie fine)

- it identifies participants that have good predictive talents, and extracts their risk attitudes
- it induces them to be truthful
- while avoiding the pitfalls of small groups
- it aggregates information in nonlinear fashion

Information Systems Frontiers, Vol. 5, 47-61 (2003)
Management Science, Vol. 50, 983-994 (2004)

## what is it based on?

people are not all the same
-think of the information in peoples' heads as the assets and use portfolio theory
-use a market mechanism to determine a individual's risk attitudes and performance
then, ask people to forecast and perform a nonlinear aggregation of their results taking into account their risk characteristics
the information gathering process is simple, decentralized in time, and inexpensive to implement

## two stages

stage 1: a market for contingent securities.
it provides behavioral information, such as risk attitudes -synchronous-
stage 2: participants generate predictions on outcomes, which are then aggregated.
incorporates behavioral information
-asynchronous-

## stage 2- forecasting

- participants are given 100 tickets
- to be allocated among 10 securities
- this determines probabilities
- true state pays according to the number of tickets allocated to it


## aggregating predictions

the probability of event S occurring, conditioned on $I$, is given by

$$
P(s \mid I)=\frac{p_{s_{1}}^{\beta_{1}} p_{s_{2}}^{\beta_{2}} \ldots p_{s_{N}}^{\beta_{N}}}{\sum_{\forall s} p_{s_{1}}^{\beta_{1}} p_{s_{2}}^{\beta_{2}} \ldots p_{s_{N}}^{\beta_{N}}}
$$

with $\beta$ an exponent that denotes behavioral attitudes
>1 risk averse
<1 risk seeking
$=1$ risk neutral

## what determines the exponent?

$$
P(s \mid I)=\frac{p_{s_{1}}^{\beta_{1}} p_{s_{2}}^{\beta_{2}} \ldots p_{s_{N}}^{\beta_{N}}}{\sum_{\forall s} p_{s_{1}}^{\beta_{1}} p_{s_{2}}^{\beta_{2}} \ldots p_{s_{N}}^{\beta_{N}}}
$$

$$
\beta_{i}=r\left(V_{i} / \sigma_{i}\right) c
$$

## experiments

- human subjects in the laboratory (hp labs)
- each group receives diverse information
- run the two-stage mechanism
- and measure its performance


## results

comparison to omniscient probability
Kullback-Leibler = 1.453


## results

comparison to omniscient probability
Kullback-Leibler = 1.337


Experiment 4, Period 17
1 Player

## results

comparison to omniscient probability
Kullback-Leibler = 1.448


## results

comparison to omniscient probability
Kullback-Leibler = 1.606


## results

comparison to omniscient probability
Kullback-Leibler = 1.362


## results

comparison to omniscient probability
Kullback-Leibler $=0.905$


## results

comparison to omniscient probability
Kullback-Leibler = 1.042


## results

comparison to omniscient probability
Kullback-Leibler = 0.550


## results

comparison to omniscient probability
Kullback-Leibler = 0.120


## results

comparison to ominiscient probability
Kullback-Leibler $=0.133$


## overall performance


better than the best!

## predicting in the real world

(as opposed to the laboratory)
we ran a pilot test with one of hp divisions
15 managers distributed worldwide
goal: to predict monthly revenues and profits

Implied Probabilities of Revenue Bins, September 2003


## one more case: future component prices



it is all about the power of the implicit for more information go to:
http://www.hpl.hp.com/research/idl

