## **Constructing E-Tourism Platform Based on Service Value Broker** -----*A Knowledge Management Perspective*

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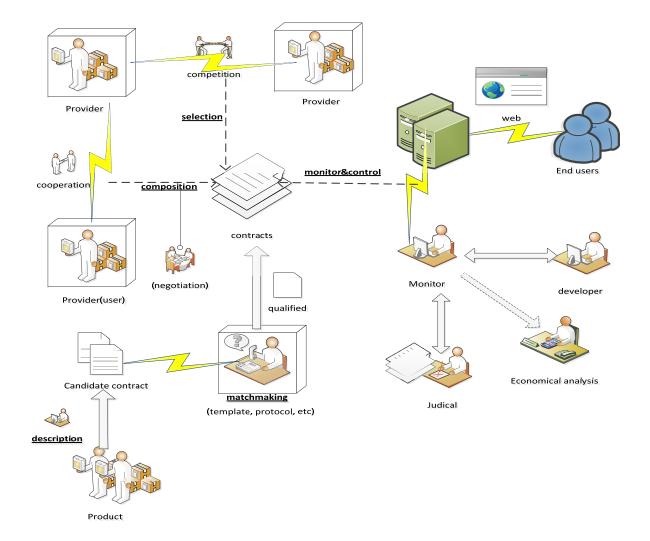
- Service Contract and Service Value Broker (SVB)
- SVB scenario: E-Tourism case study.
- Construction of SVB based E-Tourism platform.
- Model the added value for E-Tourism parties.
- Experiment: Personal recommendation system.
- Conclusion and Future work

## **Example of E-Contract:**

#### Example service contract of IaaS service Linode 512 (http://www.linode.com)

Service Attribute	Attribute Value		
Identifier	Linode 512		
Description	The hosting of virtual private servers from the cloud datacenter.		
Provider	Linode, LLC		
Consumer	ACME Ltd.		
Price	\$19.95 / month		
Service Attribute	Attribute Value		
Quantity	1 server instance consisting of:		
- RAM	512MB		
- storage	16GB		
- transfer	200GB		
Quality	Features – full SSH and root access, guaranteed resources, 4 processor Xen instances, out of band console shell, dedicated IP address, HA and clustering support, bandwidth pooling, managed DNS with API, manager support ticket system		
Rules	chosen datacenter – London (UK)		
Provisioning	Consumer signs up service through the service website (http://www.linode.com/), fills in company data and pays for the service with signed-up credit card on the regular monthly basis. Consumer completely administrates rented server through administration interface and SSH. Provider takes care of the availability, performance and extensions of the cloud environment. In the case of any problem, consumer could contact provider through the support ticket system and provider should appropriately respond and solve the problem.		

### **Service Contract in E-service**



SVB is used to increase the added value for multiple parties

Service Value Broker (SVB): driven by a value based goal, when a direct service composition cannot meet some required constraints from the service contract [2] or service level agreement(SLA) such as response time, location, license area, available period, currency format. If an introduction of an intermediate service can help to solve these problems and enable a service composition to be qualified, the introduced intermediate service is a SVB.

### **SVB Introduction:**

Traditional broker

Quality driven - For constructing a traditional broker, a composing service is chosen based on the order of the quality of its functionality. And for a set of composing services, the priority is in ratio to:  $\sum_{integration} (quality)_{i...n}$ .

Service Value Broker

Price/quality driven - For constructing a SVB, a composing service is chosen based on the order of the price/quality of its functionality. And for a set of composing services, the priority is in ratio to:  $\sum_{integration} (price/quality)_{i...n} + \Delta_{valueadded}$  We denote:

- •The contract on the source end of an exchange a s *CS*.
- •The contract on the target end of an exchange as *CT*.
- •The input of a SVB contract as *iSVB*
- •The output of a SVB contract as *oSVB*

**Location**  $(LC \in \mathbb{D}_S)$ : requests are restricted to be "requested within France" while the customer want to visit "from Italy". *Problem*:  $LC|_{CS}! = LC|_{CT}$ 

*Location broker*: a service which "accepts requests from Italy" and located in France has the possibility of playing the broker.

Solution:  $(LC|_{CS} = LC|_{iSVB})AND(LC|_{oSVB} = LC|_{CT})$ 

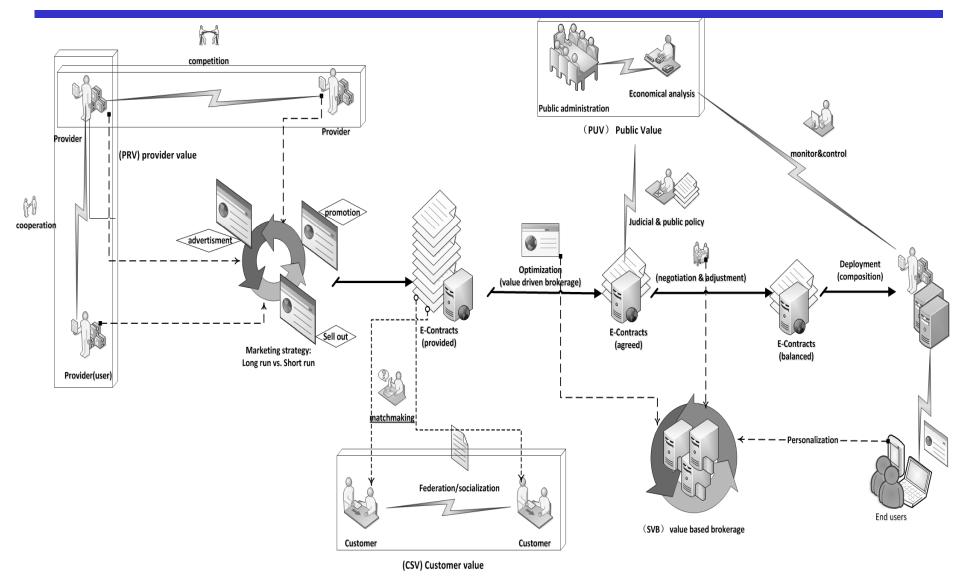
**Information privacy**: $(IP \in \mathbb{D}_S)$  during a transaction, some pieces of information which are not required or are not necessary for a transaction might be required or leaked without notice. *Information privacy broker*: a service which checks and restricts the usages of service information based on a necessary-only policy may play the broker.

Solution:  $(IP|_{CS} \rightarrow (check(access)|_{iSVB}ANDvalidate(necessary)|_{iSVB}))$ 

Horizontal composition: We take the *Currency* broker as an example. The payment is restricted to be "Czech Koruna" while the customer has only "Thai Baht". If a *Currency exchange broker (a)* which exchange "Thai Baht" to "Euro", and a *Currency* exchange broker (b) which exchange "Euro" to "Czech Koruna" are available. The connection of the two brokers will construct a solution from this customer to the provider.

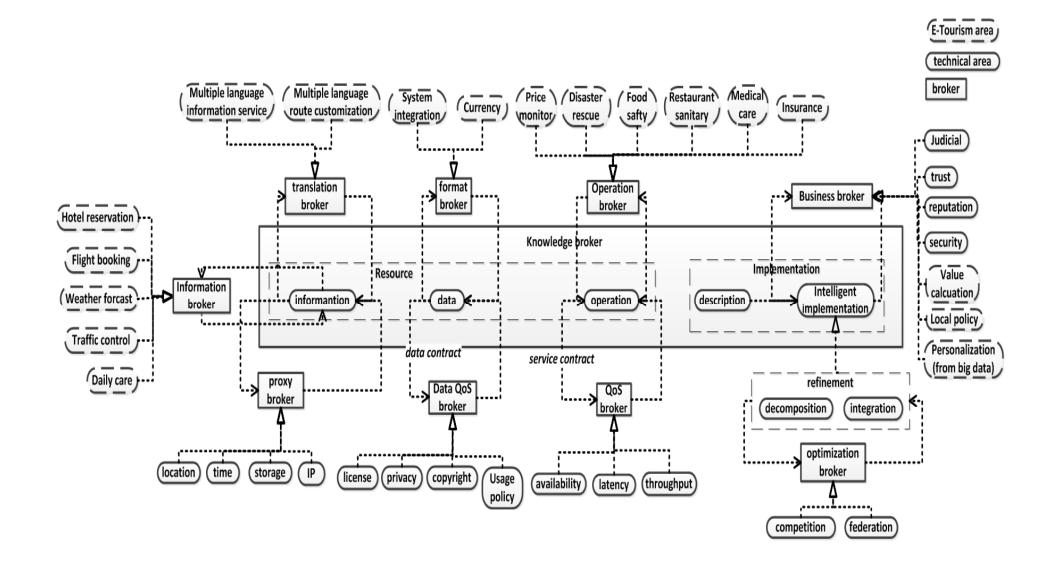
Solution:  $(CE|_{CS} = CE|_{iSVB(a)})AND(CE|_{oSVB(a)} = CE|_{iSVB(b)})AND(CE|_{oSVB(b)} = CE|_{CT})$ 

### **SVB based E-Tourism platform: general view**



Integrating value considerations from multiple stakeholder with value brokerage

#### **Classification of SVB from the perspective of Knowledge management:**

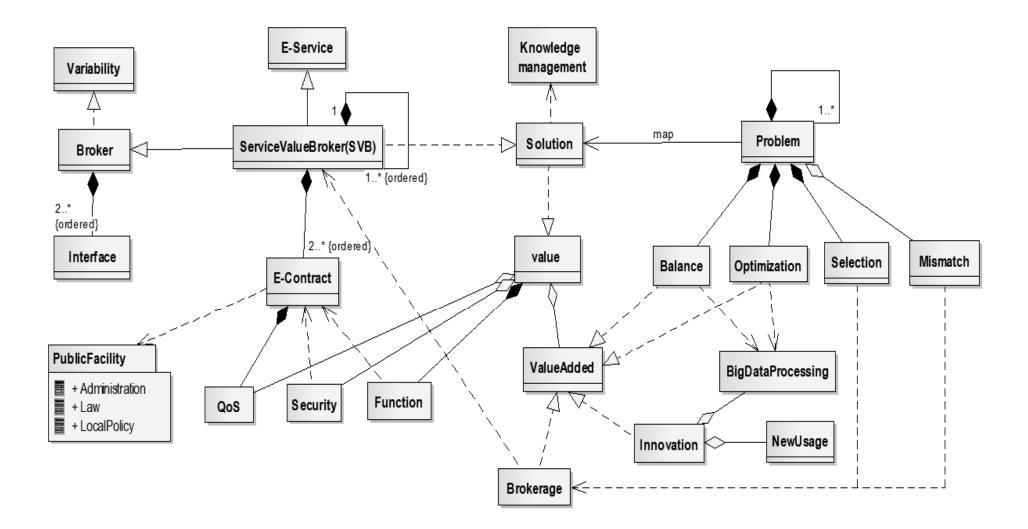


# 1) Provider value (PRV) - .

- Negative competitive cost Negative competitive cost occurs when other business competitors who offer similar services bid for the same order or market.
- Positive cooperative wins When service vendors who offer related or similar services agree on some fixed conditions such as market share, sells area, etc, they can build some cooperations to profit from the customer side such as lifting the price of services or charges of maintenance, etc.

2) Customer value (CSV) - Service customers in general have independent views on the value of the targeted services. However customers can socialize with other customers to query the quality of a service from others' experiences and comments. The experience information or news/advertisment propagated through social media among customers is playing an increasing role in promoting sales and adjusting commerce behavior. 3) Public value (PUV) - The public administration is the third party which can play the juridical role for solving the argumentation. The public administration also has other critical responsibilities: (i) monitor the service market through economical analysis to avoid the competition between the provider and customer side to enter an Zero-Sum game; (ii) employ public policies to intervene the strong cooperation against customer interests at the provider side, or collusive customers [28], etc.

### Meta Model design of E-tourism based on SVB:



# A. Sources of value added

• Added value of PRV  

$$\Delta_{PRV} (X_P) = \Delta_{req} * \Delta_{price}$$

$$\Delta_{CSV} (X_C) = \Delta_{pay} + \Delta_{sat} + \Delta_{cos}$$

• Added value of PUV

Added value of PUV<sub>competition</sub>.

 $\Delta_{competition = \sum avoid(loss(PRV)) - cost(interfere(PUV))$ 

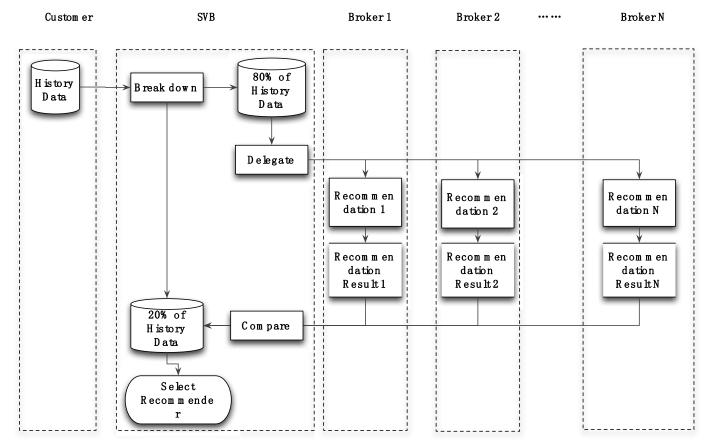
- Added value of  $PUV_{cooperation}$ 

 $\Delta_{cooperation=\sum avoid(loss(CSV))-cost(interfere(PUV))}$ - Added value of  $PUV_{security}$   $\Delta_{security=\sum avoid(malpractice)-cost(security(PUV))}$ 

$$\Delta_{PUV} = \Sigma \ \Delta_{competition} + \Sigma \ \Delta_{cooperation} \ + \Sigma \ \Delta_{security}$$

### Experiment

Our system offers a value based brokerage service to make personalized restaurant recommendation for new customer based on previous customer's rating history.



### Experiment

Mahout Recommender

UC Irvine's machine Learning repository "Restaurant

Consumer Data" (1161 instance of rating information)

Mean squared errors with different similarity measurements in E-Tourism SVB scenario

Broker #	Similarity	Average MSE
	Measurement	
1	Co-occurrence	1.800
2	Log likelihood	1.797
3	Tanimoto coefficient	1.814
4	city block	1.803
5	cosine	1.795
6	pearson correlation	1.452
7	euclidean distance	1.795

- Service value broker (SVB) is a critical element for constructing a coming era of E-Service Economics.
- We propose to build a problem solving framework of a smart E-T ourism from a knowledge management base on the SVB.
- SVB improves the profiting on the *provider* side, the satisfaction on the *customer* side and the efficiency and precision of the mark et surveillance and control from the *public administrative* side.

- Improve the added value modeling modules on each parties and consider comprehensive business application.
- Apply the prototype system to collect first hand feedba ck from the E-Tourism markets in Hainan province.

## Thanks for your attention!

Please contact us if your work is or will be related to service contract, se rvice value, service design pattern, etc.Welcome for collaboration and joint work.

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