<table>
<thead>
<tr>
<th>Title</th>
<th>Design intelligence of web application for internet direct consumer-to-consumer trading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author(s)</td>
<td>Chan, V; Wu, TH; Pang, G</td>
</tr>
<tr>
<td>Issued Date</td>
<td>2015</td>
</tr>
<tr>
<td>URL</td>
<td><a href="http://hdl.handle.net/10722/214834">http://hdl.handle.net/10722/214834</a></td>
</tr>
<tr>
<td>Rights</td>
<td>International Conference on Information Networking. Copyright © IEEE.; ©2015 IEEE. Personal use of this material is permitted. Permission from IEEE must be obtained for all other uses, in any current or future media, including reprinting/republishing this material for advertising or promotional purposes, creating new collective works, for resale or redistribution to servers or lists, or reuse of any copyrighted component of this work in other works.; This work is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License.</td>
</tr>
</tbody>
</table>
Design Intelligence of Web Application for Internet Direct Consumer-to-consumer Trading

Vincent Chan  
Department of Electronics and Computer Science  
University of Southampton  
Southampton, UK  
vc3g13@soton.ac.uk

Tony Hao Wu  
Department of Electrical and Electronic Engineering  
The University of Hong Kong  
Hong Kong  
h1385189@hku.hk

Grantham Pang  
Department of Electrical and Electronic Engineering  
The University of Hong Kong  
Hong Kong  
g pang@eee.hku.hk

Abstract— An online web application called Student-Trade has been developed. It is a state-of-the-art platform for direct consumer-to-consumer trading in the Internet. The platform is targeted for direct consumer-to-consumer trading among university students. The items for trading include books, household items, electronics, housing rental, sports equipment and tutoring services. This paper is on the design intelligence of the Student-Trade web application. One objective is to help the user to decide on the selling price of his item when the item is being posted in the web application. The system integrates a hybrid neighborhood search algorithm for determining the price of sale item when it is placed for trading in the Internet. Data mining techniques are explored for efficient processing of a vast amount of information in the database tables. In addition, the trading system would also have the intelligence of recommending items or products to a potential buyer given the previous purchase patterns. The aim is to provide a pleasant trading experience for the user.

Keywords— used goods; recommender systems; data mining; artificial neural network; decision making; online trading

I. INTRODUCTION

The rapid development of information technology has facilitated an elegant trading environment in the Internet. There are many trading platforms nowadays but there is no good platform designed for direct consumer-to-consumer (C2C) trading primarily for university students, to buy and sell their goods and services directly to other students within their university or city. Such a need arises in a social network where items should be traded or exchanged easily with a small community. The famous websites such as Amazon or eBay are too global in nature and does not support the direct trading of goods and services among the students in a small social network such as a campus environment.

An online web application called Student-Trade has been developed. It is a state-of-the-art platform for direct consumer-to-consumer trading in the Internet. The platform is targeted for direct consumer-to-consumer trading among university students. The items for trading include books, household items, electronics, housing rental, sports equipment and tutoring services. The web application design needs to be modern, fast, and very simple to use. It is developed using PHP, the Laravel framework, HTML, CSS and MySQL. The main contribution of this paper is on the design intelligence of the Student-Trade web application. The objective is to help the user to decide on the selling price of the sale item. In addition, the web application can also have features of a recommender system [1]. That is, the trading system would also have the intelligence of recommending items or products to a potential buyer given his previous purchase patterns. The decision support system is embedded with a hybrid neighborhood search algorithm, with emphasis on solving a price-recommendation problem in a real-world internet trading platform. The solution to the price-recommendation problem would require techniques from decision-support systems as well as data-mining on a database of used items already traded or currently available.

Currently, there is a vast amount of information in the web and users are often faced with the problem of information overload. Yet, users have to make decisions in order to proceed with their search for data/information or processing of information. Examples of internet applications include the recommendation of consumer items such as books, music albums, movies, household and electronic products. Recommendation of services includes news, restaurants, hotels, spa shops, etc. In the field of Intelligent Transport Systems (ITS), recommendation of travel route in a vehicle navigation system is an example of ITS recommender system. In [2], a fuzzy neural network was used to recommend personalized travel route with considerations that include travel time, travel distance, toll charges, etc. A user has to specify his preference, and recommendation on routes would be given. One specific feature is that the system can be made adaptive to the user.

The paper is organized as follows. In Section 2, a review on recommender systems in the Internet is given. Section 3 introduces the architecture of the trading platform. A hybrid neighborhood search algorithm designed for tackling the current search and match issues in price recommendation is also described. In Section 4, a neural network for recommending a selling price is described. Section 5 would give the details on the current implementation. Finally, discussions and conclusions are given in Section 6 of the paper.

II. REVIEW ON RECOMMENDER SYSTEMS

A common formulation of the recommendation problem can be found in [3,4,5].

The research issues are as follows:
Representing user behavior and the information about the items to be recommended;

More advanced recommendation modeling methods;

Incorporation of various contextual information into the recommendation process;

Utilization of multicriteria ratings;

Development of less intrusive and more flexible recommendation methods that also rely on the measures that more effectively determine performance of recommender systems.

One approach of developing recommender system is to estimate ratings for the items that can potentially recommend to the user. The recommendation is therefore simply a ranking of the items with high estimated ratings. A user can be represented with a profile that includes his characteristics such as age, gender, income, marital status, etc. whereas each item is defined with a set of characteristics. For example, a song can be represented by its title, singer, genre, country, year of release, etc. On the estimation of item ratings, heuristics and methods from machine learning and approximation theory have been used. Broadly speaking, recommendation systems can be classified into the following categories:

1. Content-based: The focus is on the characteristics of the items, and items similar to the previous choices of the user will be recommended; This approach is based on ideas of information retrieval [6] and information filtering [7]. Before the recommendation, the user profile is needed, which can be collected through questionnaires or the transactional behaviors of the user. An item profile, created based on the attributes of the item, is needed for each item. It is common that both profiles are defined by a vector of weights, and the score is computed by the cosine similarity measure [6].

Limitations of content-based recommender system:

- The features of an item must be explicitly associated with the objects that the system recommend. Also, they must be in a form that can be parsed by a computer. Otherwise, the system is hard to be developed automatically.
- The system would only recommend items that are similar to those that were previously rated by the user. Hence, the user may never be able to explore new alternatives. Very often, a diversity of recommendations is desirable.
- When a user is new to the system, very few item ratings have been given. Hence, the system would not be able to give good recommendations due to a lack of understanding of the user’s preference.

2. Collaborative-based: The focus is on the characteristics of all the users. The taste and preference of the users is analyzed, and the current user will be recommended items that other users with similar characteristics have acquired. The algorithms are grouped into memory-based [8] or model-based methods [9,10].

3. Hybrid-based: The features from both content-based and collaborative-based methods are combined. The ways to combine the two methods can be as follows:

- Both content-based and collaborative-based methods are used separately and then the recommendations are combined.
- The content-based characteristics are added to collaborative-based methods.
- The collaborative-based characteristics are added to content-based methods.
- Research into developing a general model that unifies both content-based and collaborative-based characteristics.

The idea of web personalization is discussed in [11]. The authors proposed a two-phase architecture for recommending a list of products to the users. Data mining techniques are given, through which the user preference is automatically learned from Web usage data. The kind of recommender system for online webpage recommendation is called Web Usage Mining system (WUM) [12]. The aim of WUM systems is to analyze the activity record or usage data of a user about a particular website. The modeling and knowledge acquired can contribute to the development of intelligent online applications. Data mining techniques are often be used for this purpose. Shinde et al. [12] have proposed an architecture called OLRWUMS for such a system. The proposed system claimed that it can enhance the accuracy of classification by interaction among classifications, evaluation, and current user activity and user profile in online phase of this architecture.

Jalali et al. [13] also proposed an architecture of WUM systems and an Longest Common Subsequence (LCS) algorithm is used for classifying user navigation patterns for predicting the future requests of the user. In [14], another architecture called Semantic Web and Agent Personalized Recommendation System (SWAPRS) is proposed. The design is based on Semantic Web, multi-agent and web mining technology. The function module of SWAPRS is constructed to be an autonomy intelligent agent by means of agent technology. A model of customer behavior is established by analyzing the customer shopping behaviors in the past, as well as through an analysis of the semantic results of data pretreatment of web site structure. Eventually, a personalized list of recommended products is obtained according to the need of customers, the preference of customers and the association rules of product. Multi agents complete the task of recommendation in a cooperative way. At the same time, the agent of recommendation engine saves the recommendation algorithms, rules that were used in the recommend course and the recommendation results to the database for future use. Each agent has its own function and the task of recommendation is
carried out in cooperation, thus the system can potentially exhibit a high degree of intelligence, autonomy and flexibility.

In [15], an architecture is proposed for integrating semantic information about the products with web log data. A list of recommended products is then generated by using LCS algorithm.

There are currently a few online marketplaces in the Internet that facilitate C2C trading, but they have various drawbacks. Specific examples of some online marketplaces include eBay [16], Gumtree [17], iswapbooks [18], theprintspace [19] and Sellingfree [20]. eBay is a very large C2C web trading platform with a complex account setup procedure. Payment account such as Paypal is needed and the account setup process is quite complicated and time consuming. University students in a local community would not like such a trading platform for they would not like to be bothered by the Paypal payment system or the mailing of the used item to the buyer, who is likely to be just another student on campus.

Gumtree and iswapbooks are websites that host the advertisements only. The payment and item-mailing issues are all handled by the users/customers directly. This setup would eliminate the work required on handling payments. Yet, the homepage of Gumtree is cluttered and overly busy. All the categories and subcategories are laid out, and hence there are too many words on the page. The ‘Post an add’ button is relatively obvious and clear, but it actually directs to a sign-up page. iswapbooks has a cleaner homepage, but the design of a book post places heavy emphasis on the cover image. However, most of the images are missing which makes the site look empty and under-used.

Theprintspace is a specialized online marketplace for photography equipment. It has a clean homepage that is easy to use. One would need to be a registered user to post an item, and there is the ability to log in with external accounts (Facebook, Google). A buyer can send a message to the seller through the website without logging in. The simple webpage design makes it easy to use.

Sellingfree is also an online marketplace for trading of products and services. The account setup does not require any bank account information. The website does not hold such information and the detailed trading is just between the seller and buyer. Yet, during the user registration, there is no verification process on the user. Also, there is no information on the location (city or region in a certain country) of the seller in the website. Such location information is very useful for a potential buyer would take that into consideration in the purchase. A buyer is more likely to purchase from his neighbourhood, for the shipment cost would be minimal or nil. Another drawback of the site is that the email address of the seller is released to whoever just browses at the item.

In summary, the large online marketplace sites have many drawbacks. If the targeted users are students or people within a local community, a new web application can be developed to make a typical transaction simpler, as it can be tailored to suit the lifestyle of students. In addition, artificial intelligence techniques can be incorporated so that the trading platform is more helpful and intelligent.

For a seller, an intelligent trading platform would provide real-time search on related items in the marketplace and suggest a price for the sale item. Techniques from data mining, decision-support system and neural network would contribute to the software development. For a buyer, given information on his previous purchased items or his interests, sale items can be recommended to him. A recommender system module is used to provide a list of recommendations to the user.

The aim of this paper is to show the development of an intelligent, simple-to-use and user-friendly trading platform targeted for direct consumer-to-consumer trading among university students. It must be mentioned that a registered user can be easily verified as a university student by his/her university email address, which helps to provide a high degree of security for all registered users. This would facilitate easy trading of used goods/items among students within a local community or on campus.

III. ARCHITECTURE OF THE DECISION SUPPORT SYSTEM

The decision support system (DSS) aims to provide a flexible and interactive tool to help solve the price-recommendation problem. Figure 1 shows the architecture of the DSS.

Employing the methods of the information technology, the DSS is designed as a distributed intelligent system with a user-friendly interface. It is a graphical interface that facilitates the seller’s decision making process on determining a price for sale in the Internet marketplace. The information of related items in the database would be needed in the decision support process. Data mining on the vast amount of information is needed in order to provide real-time response to the seller. In this paper, a hybrid neighborhood search algorithm has been used.

It is necessary to develop a robust and fast algorithm to deal with an online user request for selling price recommendation. The price of the item if brand new has to be determined or provided by the seller. A reasonably detailed description of the item for sale, along with its used condition and number of years of usage would be needed. A hybrid neighborhood search
algorithm [21, 22] is proposed here to tackle the online problem.

![Diagram of Hybrid Search](image)

Figure 2. Hybrid search and price recommendation.

As shown in Figure 2, HNS contains two phases. In generating the initial solution, the item category would be automatically determined and a greedy look-ahead heuristic is employed in the first phase to find some feasible solutions [6, 7]. As fast real-time response is important in the interface, the heuristic would generate the initial solutions for subsequent processing. The same algorithm has also been used very successfully in another decision support system [21].

Data mining [23] tasks can also be performed offline (previously) for the automatic analysis of large quantities of data related to the items for sale and previously traded. In this paper, the focus is on the discussion of the decision support system. Yet, data mining is also important in identifying multiple groups of data, which would then be used by the decision support system.

Phase two of the HNS is on static solution refinement. After the initial solution is derived from Phase 1, we use a neighborhood search algorithm called Variable Neighborhood Search (VNS) to improve on the initial solution. VNS is a meta-heuristic first proposed by Mladenovic’ and Hansen [24]. Its competitive performance in working out some combinatorial optimization problems lies in its systematic change of the neighborhood during the local search process. VNS has undergone progressive development and several extensions are proposed and applied in a wide range of fields like data mining and graphic problems. In particular, a collection of studies have shown that VNS outperforms other approximate search algorithms. In this paper, a hybrid neighborhood search based on the philosophy of VNS is used and embedded in the decision support system as a core computational engine. Details can be found in [21, 24].

IV. NEURAL NETWORK APPROACH FOR PRICE RECOMMENDATION

Artificial neural network (ANN) is based on intelligent computational model, and uses the computer network system to simulate the biological neural network. It consists of an input layer of source, at least one middle or hidden layer of computational neurons, and an output layer of computational neurons [26-28]. The ability of an ANN is to discover the nonlinear relationship between its inputs and outputs. It has played a major role in many scientific and industrial applications, such as time series prediction, pattern recognition, decision making, load forecasting, event prediction etc. [28-29]. In the current work, we aim to use a neural network to suggest on the price of the used item to be post for trading in the website. Figure 3 show the architecture of the ANN.

![Diagram of Neural Network](image)

Figure 3. Structure of the artificial neural network.

The strength of a neural network is on its learning capability. It can solve the problem by first training the neural network using some training examples or instances of input-output pairs. The interconnection weights between the different layers in an ANN will be obtained at the end of the training.

The back-propagation (BP) neural network used in this paper is a typical architecture of multi-layered feed-forward neural network. It is probably the most popular type of ANN being used in many industrial applications and has been found to perform well on a wide variety of problems. A typical BP neural network is usually consisted of layers of neurons, and the objective is to train the network weights so as to minimize the mean-square error of the network output. It is widely recognized that the performance of the BP algorithm could be sensitive to the initial conditions. Hence, the training of the ANN is usually repeated a number of times so as to obtain a fair comparison of its performance.

V. IMPLEMENTATION OF THE INTELLIGENT TRADING PLATFORM

One important motivation for the current implementation is for university students within a small community or on campus, to buy or sell within the same community. Therefore, a registered user can submit an item post to his/her (university) community only. Registered buyers can also select to only view items being sold by those within the same community (university). Since all users within the same university community must be verified to be a student of that university, it is much easier for a seller to organize and complete a sale.
As an unregistered user, one of the limitations is that an item post can only be submitted publicly. Also, they can only view item listings within a city. Figure 4 shows the trading process of a seller and a buyer.

![Diagram of trading process](Image)

**Figure 4.** Trading process of a seller and a buyer.

VI. DISCUSSIONS AND CONCLUSIONS

There are currently many online trading platforms in the Internet. However, they have various drawbacks and are not welcome by university students who just want a simple and yet intelligent and user-friendly platform for trading on campus (or within a small community). For people trading within a small community, they would avoid any troubles to setup payment account or mailing of items to the buyer. This paper is focused on the development of web application to facilitate such a need with an aim to providing an intelligent user-interface to both the sellers and the buyers.

For a seller, the intelligent trading platform has provided real-time search on related items in the marketplace and would suggest a price for the sale item. This help a seller to post sale items in line with the market. Techniques from data mining, decision-support system and neural network have contributed to the process of software development.

For a buyer, the intelligent trading platform can gather information on his previous purchased items from the databases. Also, buyer can express his interests or post requests for certain desirable items. The recommender system would then recommend sale items to the potential buyer. Overall, the platform targeted for direct consumer-to-consumer trading would be more intelligent, simpler-to-use and more user-friendly.

REFERENCES


[16] www.ebay.co.uk

[17] www.gumtree.com

[18] www.iswapbooks.co.uk

[19] www.marketplace.theprintspace.co.uk


