Intelligent Data Automation in E-Commerce

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Abstract

The role of data engineering in e-commerce systems is critical, especially for personalization, product recommendations, dynamic pricing, and demand forecasting. Conventional data engineering relies on large amounts of manual effort, making it challenging to keep pace with rapidly changing data and application requirements. The application of AI techniques to data pipelines in e-commerce is an active area of research and practice. Such application offers the prospect of greater automation of data engineering, similar to the role of CI/CD and MLOps for software and machine-learning model development. The work summarizes concepts relating to the use of AI techniques in data processing and engineering, thereby extending the scope of AI beyond traditional product systems and closer to the data pipelines themselves. Functionally significant e-commerce application areas are highlighted, with an emphasis on personalization systems.

Several emerging architectural patterns in e-commerce, including data meshes, federated learning, privacy-preserving computation, and observability tools, are introduced. These patterns encapsulate concepts that support the deployment and operationalization of AI-driven data-granularity pipelines. Recent research also emphasizes how the application of AI techniques helps capture ever-changing data conditions and customer needs. Academic work proposes measures that can be applied across data pipelines to provide insights about data drift—an accelerated shift in data characteristics that leads to decreased model quality. Practical challenges in real-time usage together with opportunities for the further development of AI techniques in data engineering are also considered.

Keywords : Artificial intelligence; data engineering; data engineering automation; data pipeline; e-commerce; intelligent data processing.

1. Introduction

An explosion of AI capabilities and cloud computing has given organizations an unprecedented ability to manage large-scale machine learning applications. The combination of AI and cloud computing offers the same scalable road for data processing and data engineering that DevOps enabled for software engineering. The applications include both traditional data processing and AI-based data processing and processing for business-critical pipelines, such as fraud and anomaly detection or those enabling recommendation engines. AI is deployed in both data preparation and feature engineering for batch and stream pipelines. Processing techniques are augmented by AI optimizations to cover large-scale batch use cases.

Although pipelines are often labelled as “AI powered,” full automation of data engineering pipelines is rare. Data preparation is expensive, breaking the automation advantage created by batch processing and inference pipelines. Metadata-enabled automation is a step toward realizing the “self-driving data pipeline.” New architectural patterns can further reduce manual data-centre engineering by distributing data pipeline ownership to multiple business domains, similar to how the DevOps paradigm democratized the software engineering pipeline process and made software

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delivery more efficient. Contacts with e-commerce and retail companies confirmed that personalization and recommendation engines, dynamic pricing and promotion optimization, fraud and anomaly detection, and inventory and supply chain analytics are the main scenarios where AI technology is embedded in data processing and engineering workflows for e-commerce and retail applications.

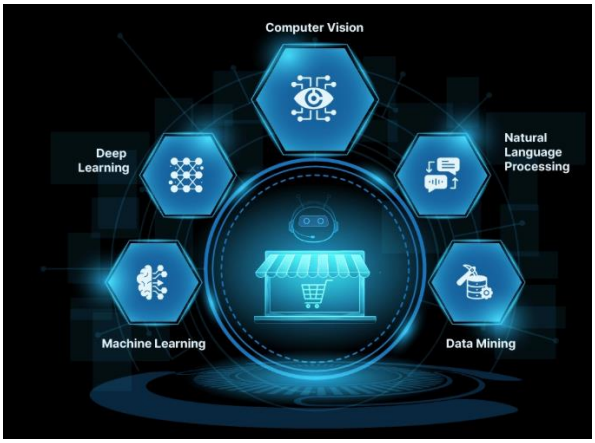


Fig 1: AI In eCommerce

1.1. Background and Significance

Technological advances in digitalization and data-enabled services, such as e-commerce, revolutionize business models and consumer behavior, resulting in a massive growth of data volume. Consequently, companies need to process and analyze large data sets in real time to gather insights and support data-driven decision making. Data engineering involves the development of information systems and technologies for data collection, storage, processing, and consumption and plays a key role in e-commerce systems. However, the integration of artificial intelligence (AI) offers new opportunities to automate many parts of data engineering.

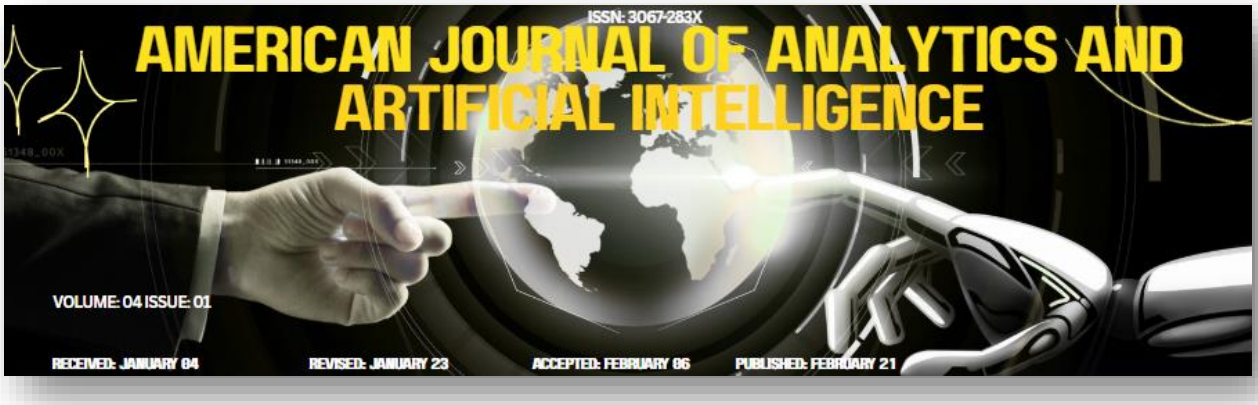
Recent research highlights how AI can automate key components of data pipelines, so-called Data Engineering as an AI Service. E-commerce is one of the industries where the integration of AI has a particularly large impact because of its multiple potential applications and the high need for automation. However, there is little systematic exploration of the key aspects of Data Engineering as an AI Service in the context of e-commerce systems, limiting the identification of its potential and its operationalization in businesses. Therefore, an analysis of the foundations of data engineering in e-commerce, the opportunities and challenges of AI infusion, the major use cases, and the impact on data pipeline architectures is warranted.

1.2. Research design

AI and Machine Learning (ML) have revolutionized many domains within Computer Science. Particularly, Application Areas such as Image and Natural Language Processing have produced systems and applications that have exceptional performance. However, engineering these solutions requires extreme specialist knowledge, immense investment, and dedicated teams. Most importantly, significant extra effort in the engineering of these AI and ML applications is needed to create high quality, high-performance Data Pipelines – the end-to-end solutions to feed Data into models and manage the models in production.

In the Data Engineering discipline itself there are still significant areas open to automation and streamlining. These areas represent “low hanging fruit” that could be solved with AI techniques or ML-based infrastructure components. Furthermore, the actual Data Pipelines that compound these individual areas – the end-to-end solutions that ingest Data into a centralised Data System and export Data from the centralised Data System back into the Business Applications – are often engineered using bespoke logic and Data Processing code that needs significant operational expertise and vocational skill to build and operate. Novel methods using modern Distributed Computing Platforms can help improve the Data Pipeline Quotient.

Data Accessibility is defined for BI and MDM Data Stores in Data Catalog Handles built-in Features and Data Meshes in Data-Mesh tools. Automated Data Contracts Generation



define the Data Contracts in GTP services. Data Contracts aim to define, structure and schedule end-to-end data pipelines Data Ingestion and Transformation and perform Data Pipeline System Daily Health Checks.

2. Foundations of Data Engineering in E-Commerce

E-commerce systems generate and consume vast amounts of data. Therefore, the execution of a data engineering pipeline, including data ingestion and integration, data modeling, and data quality and governance, is critical to enable advanced data analytics and AI-driven applications. However, in early phases of the data engineering pipeline, extensive human involvement is often required, which will set the pace of the pipeline. In this context, the combination of data engineering processes and Artificial Intelligence (AI) techniques will enable the automation of data engineering tasks and the enhancement of data pipelines. The aim of this chapter is to support the discussion of this combination and its related application domains.

Data ingestion and integration are the process components responsible for enabling data pipelines to ingest data from a variety of systems and formats. They provide complementary functions to metadata and models to derive data from internal sources, such as transactional databases, or from external sources, such as publicly available APIs, and merge disparate data into a cohesive vision for analytics, such as a data warehouse. E-commerce systems are often heterogeneous environments – composed of a multitude of loosely linked systems and constantly developing – and data ingestion and integration queries can quickly evolve in sync with these changes.

Equation 1: Bayesian Knowledge Tracing (BKT) for student mastery

Let $L_t \in \{0,1\}$indicate mastery at step t. Parameters:

- $P(L_0) = p_0$(initial mastery)
- T= learning probability (transition from not-mastered → mastered)
- G= guess probability (correct even if not mastered)
- S= slip probability (wrong even if mastered)

Observation model

- If mastered: $P(C_t = 1 \mid L_t = 1) = 1 - S$
- If not mastered: $P(C_t = 1 \mid L_t = 0) = G$

Bayes update after a correct answer

$$P(L_t \mid C_t = 1) = \frac{P(C_t = 1 \mid L_t)P(L_t)}{P(C_t = 1)}$$

Compute the denominator (law of total probability):

$$P(C_t = 1) = P(L_t)(1 - S) + (1 - P(L_t))G$$

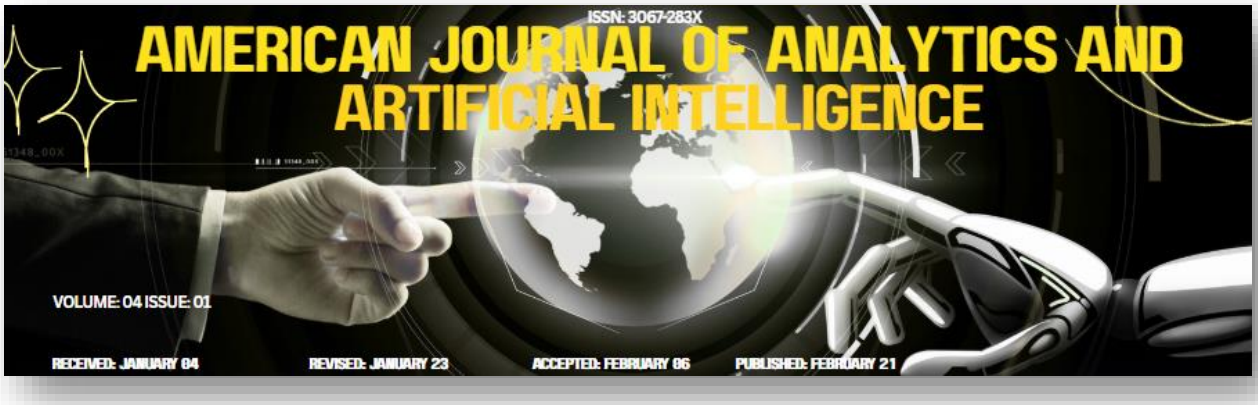
So:

$$P(L_t \mid C_t = 1) = \frac{P(L_t)(1 - S)}{P(L_t)(1 - S) + (1 - P(L_t))G}$$

2.1. Data Ingestion and Integration

Both business activities and penetration of traditional data analytics techniques in E-Commerce companies have led to traditionally created Data Warehouses being used more as Data Lakes, and new variety and speed requirements for data analysis have created the need for modern Data Lake architectures. These architectures often include specialized open-source tools and offer high-level Data Processing Pipelines that use Data Ingestion Frameworks. However, the creation and maintenance of these Pipelines remain largely a manual task.

Seamless Data Ingestion and Integration remain challenging, especially considering the multitude of heterogeneous,



dynamic, and non-dedicated Data Sources, among which social network APIs have gained great strategies and relevance. Artificial Intelligence can reduce manual intervention that is still required for the definition and creation of Automate Data Ingestion Pipelines, and can induce a more dynamic Data Integration process and also reduce the impact on not dedicated Data Sources. This enables pretreatment of the data being sent mid-to-low Volume Data Sources to mitigate their high frequency and, consequently, lower the impact on the Services.

2.2. Data Modeling for E-Commerce

The data models of e-commerce systems reflect the organization of their data stores, represent the domain concepts and their interrelations, and are at the basis of the data pipeline system ingestion, processing, serving, storage, and access/consumption. E-commerce relies on a variety of data sources, Kinds of Data, and Business SQL queries and Analyses, for this reason data-engineering teams must choose a Data Model architecture according to the context and use cases. The Structure of the Data is defined through the Data Schemas in the Data Contracts using data-engineering tools such Business Intelligence (BI), Master Data Management (MDM), or Data Governance Tools built-in algorithms that support Data Modeling decisions.

Data Quality is defined in the MMDBMS through Data Quality Dimensions built-in functions and applied to the Data Domains of Data Sources in the Data Contracts using data-engineering tools that include Data Quality features. Data Quality Frameworks and Framework-Setter rely on built-in capability on native databases and big-data engines. BI and MDM tools also provided Data Accessibility in Data Integration, Data Pipelines and Data Storage Data Access, Data Transfer and ETL in GTP services for E-commerce.

2.3. Data Quality and Governance

In e-commerce systems, heterogeneous data collected from multiple sources is ingested into distributed storage systems. In addition to the scalability of data storage and compute, a major challenge is to ensure that the data is of high quality. Data quality can be defined in terms of accuracy and precision, completeness, consistency and trustworthiness, format conformity, and aging. Such aspects of the data must be properly managed throughout the entire data pipeline life cycle in order to maximize the utility of data-driven models and AI applications. Because data management and governance are usually handled by operations teams, re-using previously recorded information for monitoring and controlling data quality can lead to further automation.

Governance principles define what data is permitted (or not) within an AI-driven analytics platform in order to ensure compliance with corporate policies and regulatory requirements. Such policies govern various aspects of data operation, such as creating data representations and reports, detecting sensitive information, or providing access to the data. Corporate policies are usually defined as rules and allow for simple yes/no decisions, while the data or information classification is usually defined using formal ontologies that can be applied to different domains, such as the Health Insurance Portability and Accountability Act for patient data or the General Data Protection Regulation for personal data.

3. Artificial Intelligence in Data Pipelines

A data pipeline is a set of data processing elements connected in series, with the output of one element acting as the input of the next. In practice, the implementation of a data pipeline requires the specification of many moving parts, such as data movement and scheduling. More sophisticated metadata management requirements—such as model development lifecycle support; tracking, management, and serving of training data features; and adjustment, monitoring, and rotation of serving models—overload classical data pipelines, necessitating metadata-driven automation of these increasingly complex data-processing environments. Machine learning operations (MLOps) pipeline monitoring frameworks can now automatically track metadata related to the statistic

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distribution of features in the training data above and shift the features in the model's output distribution below.

For e-commerce systems employing catalog or customer behavior information, training data preparation is often a data-science-intensive task with associated cognitive quotas, similar to the preparation of training data for computer vision models. A feature store, a centralized repository for metadata and training set features used in AI models, mitigates these issues and is emerging as a common architectural component for MLOps pipelines. Features are computed, cleaned, and stored for future consumption at a feature store, with metadata to capture feature transformations, quality, distribution statistics, servability checks, and so on. The graph of transactions is supervised by feature-store systems. Data ingestion and training data preparation are carried out in surrounding pipelines, while serving models directly read features from the feature store and rely on the feature-store-servable metadata to check, prepare, and warn about features' servability.

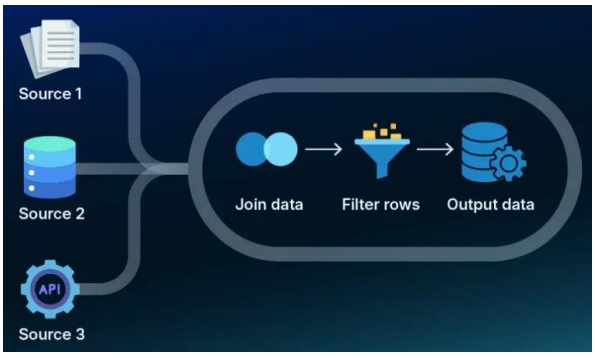

Fig 2: Data pipeline automation

3.1. Metadata-Driven Automation

Large organizations typically rely on centralized teams providing a full Data Engineering-as-a-Service solution to development teams through a plethora of data ingestion and processing pipelines. These teams deliver what is needed as fast as possible but operate under a significant scalability bottleneck. Automating Data Engineering as much as possible could relieve delivery pressure and allow them to focus on governance and quality assurance. AI and ML applications, however, require a dedicated team working close to the consumer side of the data to build high-quality Feature Stores. These two tendencies sometimes pull opposite directions.

An advanced metadata-management solution can help alleviate the pain of delivering data pipelines for standard use cases. Leveraging a rich catalog that describes the business semantics of dataset elements—entity set names, attribute sets, their names, types, enumeration values, tolerable missing-value ratios, and so on—would empower all data users (in Data DevOps terms, all consumers) involved in building model pipelines on supervised learning to easily wire ingestion jobs and consume them with growing confidence in data quality. Using the engineering side of the catalog, data producers could rapidly bootstrap ingestion jobs as well, units of work that in many deployments require neither feature transformations nor enriching operations. Having transformation and enrichment components defined separately in a declarative manner and dynamically linked through metadata at runtime would facilitate reusability and sharing while keeping costs down.

The AI and ML teams could dedicate their resources to building and maintaining Feature Stores that overcome such needs without sacrificing quality. In a fully fleshed-out implementation of the approach, Data Engineering teams would focus their efforts more on building reusable component flows for the catalog and maintaining the internal Quality Say, which drives several observability features related to A/B testing and drift detection, than on constructing the production systems themselves.

3.2. Feature Store Architectures for E-Commerce

A different form of automation is provided by a Feature Store, a repository for the storage, development, and governance of feature sets that can be used in model training and inference. Typical components of a Feature Store

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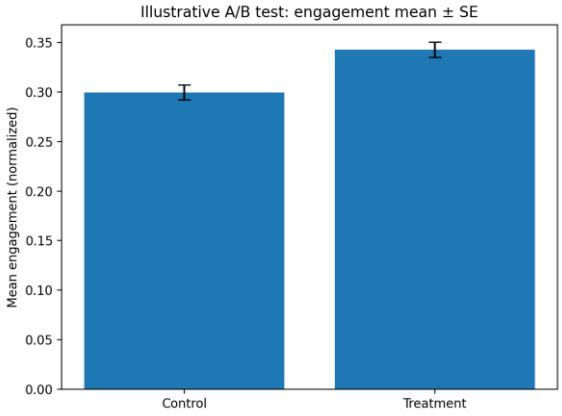
include feature engineering, storage, serving, quality management, monitoring, data access, discovery and governance. Once the Feature Store is populated with features generated by metadata-driven automation tools, those features can be used for the model training or inference processes with a much lower cost and a higher trust level.

Architecturally, EZ-Feature-Store is a Feature Store built for E-Commerce service designs and feasibility studies that further unify a company level Special-Interest-Group cloud service use. The reference architecture provides guidelines for major component selections and system compositions. Currently, the reference architecture is focused on supervised-learning-based classification and regression tasks. Features supported by EZ-Feature-Store fall into original-feature-set and computed-feature-set types. The Original-Feature Store contains the original feature sets that are acquired or ingested from data sources, while the Computed-Feature Store contains the mete-phase-computed feature sets that are transformed from original feature sets into the desired forms for model training and inference use.

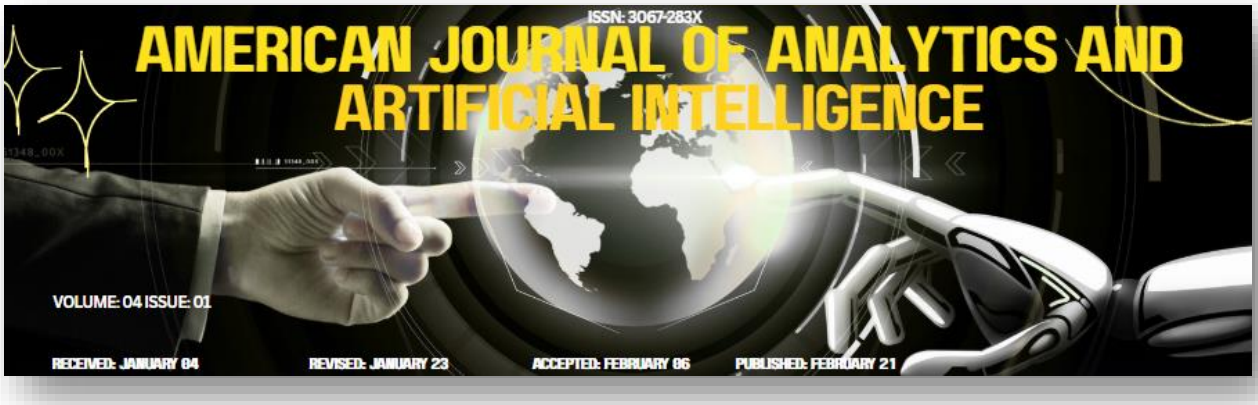
Unlike classical Feature Store implementations that accept features from sources and serve them for training tasks only, the list of special-interest groups in social networks makes a different use case for E-Commerce service designs. When the Special-Interest Group cloud service associates with Web3 based centralized-decentralized public and private chains, privacy information on the data generated in the member-accessible groups can’t be used in model in times of training and inference. Nevertheless, the topic feature composition is still helpful for training the models and model inference in those inaccessible groups through federated learning design. The Special-Interest-Group Feature Store provides the design template for creating the computing nodes of the topic features without exposing privacy information to other Advertising-Services groups.



3.3. Model Monitoring and Drift Detection

An AI-driven data pipeline should ideally include monitoring and management of the underlying machine learning models. There are similarities between the architectures for model monitoring and drift detection in online and offline learning. In the online setting, monitoring can incorporate aspects of data drift detection discussed in the previous chapter, as monitoring is primarily about understanding the patterns of input data and whether current patterns match those that were present while training the model. In the offline case, the output of the model for prediction is compared with the actual label that is to be predicted, and drift analysis is performed on these predictions.

Such model monitoring can support action-oriented alerts, which take the form "action required" or "model retraining needed." Action-oriented alerts may provide useful suggestions beyond simple detection of drops in performance. An example is the recommendation to adjust a business rule that specifies when to enable or disable (in terms of consideration during decision-making) various algorithms. To facilitate such alerts, the underlying data need to be rich in metadata, describing not only input and output data but also the evolution over time of the decision-supporting business environment and all relevant performance criteria.



4. AI-Enabled Data Processing Techniques

AI techniques empower and speed up a broad set of data-processing capabilities in e-commerce systems. Real-time stream-processing applications ingest and analyze a continuous flow of changes in customer behavior, allowing online shops to adapt their offers and interaction messages quickly. Batch-processing applications often utilize large time windows and process historical data at non-real-time intervals. When running these processes, AI technologies support the rapid ingestions of massive data volumes for limited resource costs. Other processing applications monitor for rare, critical events—such as operational anomalies and criminal intrusions—hence improving security, fraud prevention, and loss detection.

In real-time stream-processing applications, data flows continuously into a set of predefined event sinks. Intelligent adaptation of dynamic components such as message routing and processing algorithms enables costs savings. To exploit large amounts of message data about customer interactions, event streams are organized in sources and sinks. Flows of information among event producers, routers, and consumers are orchestrated with frameworks such as Apache Kafka. An intelligent, metadata-driven architecture enables store reduce costs and tail capacity increases for the most popular products. Batch-processing applications are crucial in e-commerce data flows because they exploit of hours, days, or weeks of data availability. Such applications, however, do not need to guarantee real-time operation.

At each batch execution, available data are processed in training, learning, or scoring modes. These categories cover all conceivable use cases with the usual AI technologies, and they include other data operations that could also benefit from these AI techniques.

Equation 2: A/B testing (validation and metrics)

4.1. Real-Time Stream Processing

High-throughput, low-latency data processing is essential in modern e-commerce systems: rapidly changing environments, adaptive user experiences, and security provisions can be achieved only with real-time data processing support. Specialized solutions therefore have been developed to address specific components of stream processing pipelines: data ingestion is accelerated by dedicated devices such as message brokers, stream querying languages allow real-time condition checking and alert generation, and specialized prediction servers support fast inferencing. Furthermore, sufficient scalability, availability, reliability, and support for exactly-open delivery semantics must be ensured for each individual component of a streaming solution.

Largely for these re For a binary success metric (e.g., completion):

- Control: $x_C$successes out of n_C, $\hat{p}_C = x_C/n_C$
- Treatment: $x_T$successes out of n_T, $\hat{p}_T = x_T/n_T$

Under H_0: $p_C = p_T = p$, the pooled estimator is:

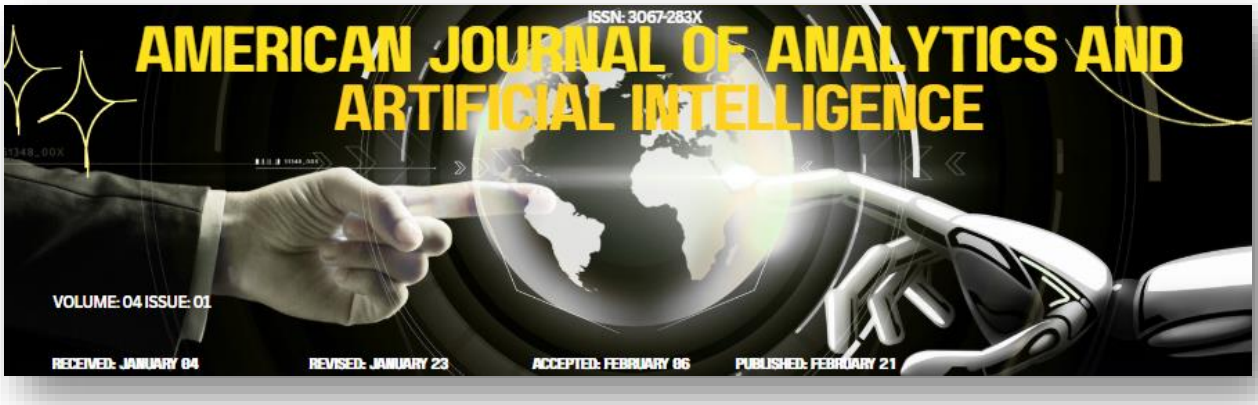
$$\hat{p} = \frac{x_C + x_T}{n_C + n_T}$$

Approx variance of the difference:

$$\mathrm{Var}(\hat{p}_T - \hat{p}_C) \approx \hat{p}(1-\hat{p})\left(\frac{1}{n_T} + \frac{1}{n_C}\right)$$

So the z-statistic:

$z = \frac{\hat{p}_T - \hat{p}_C}{\sqrt{\hat{p}(1-\hat{p})\left(\frac{1}{n_T}+\frac{1}{n_C}\right)}}$asons, however, most streaming systems follow a custom development pattern, not taking advantage of the scalability, versatility, and simplicity offered by established frameworks such as Hadoop. In high-value use cases, such as user activity analysis, fraud detection, and personal Content-Based Filtering, therefore, batched execution is deemed adequate, especially since a mixture of



high-latency, low-frequency first-party data and low-latency, high-frequency third-party data still guarantees an up-to-date picture of the users' features. Also, batch processing workflows can be enriched with custom-made fraud detection steps utilizing either classification models trained to identify fraud cases, or regression models capable of predicting the amount of money at stake—but only so long as the features used in the model are generated with sufficient freshness.

4.2. Batch Processing with AI Optimizations

Traditionally, batch processing followed a clear delineation of duty in an e-commerce, or any other active web application. Almost all data engineering operations were, except for reporting-related processes, either near real-time stream-processing computational workflows or employed in ML model training pipelines, with ingestion, integration, modelling, etc performed at large intervals, often using batch-oriented processing. However, these pipelines have evolved, thanks to AI advancements. In an e-commerce ecosystem, core data stores need to be storage and query optimised with novel indices (based on SVD, Principal Component Analysis...) that speed up key information retrievals, such as new product feature-sets in recommendation engines.

User behaviour is modelled in privacy-preserving manners by federated learning in a distributed setting with reduced central-copy access. Changing user behaviour and feature differences in co-product selections are auto-detected through drift concepts. Added to the permissions and rules of response execution are anomaly detection systems that flag undesirable user activity (using AI-enabled Cyber Kill Chains) so that rules and their execution can be configured and re-applied. Other distractions in such environments are unlike-user-place predictions or predictions with extreme or impossible values. Such points are detected and flagged for administrative verification and permitted. All these AI optimisations reduce storage-space concerns and greatly increase the response-time of key queries.

4.3. Anomaly Detection and Fraud Prevention

Designing methods to spot anomalies in business transactional data can prevent fraudulent operations. Surprisingly, managing the scale of the problem – terabytes of data every day – is not the challenge, but rather being able to effectively detect anomalies while avoiding an excessive number of false positives. Conventional approaches for anomaly detection are supervised classification models, requiring labeled training data. However, for almost all business rules and operational processes in e-commerce systems, only normal instances are available; the dataset for the positive class consists of only a small fraction of all labeled data, resulting in a relatively low recall. More often than not, they are variations of the model prediction of the target column. Thus in these cases, instead of applying the usual supervised classification approaches, an unsupervised method is preferred.

Unsupervised models usually try to capture the distribution of the data through the normal training class, and use it to calculate the probability of any new unseen instance being normal. Ninety-five percent (95%) or ninety-eight percent (98%) percent probability thresholds are generally used as the cutoff to flag observations as anomalies. A limitation of such an approach is that they don't specialize in predicting the positive class unlike the supervised models. Hence the F1 score usually tends to be on the lower side. More recently, a hybrid approach tries to go for the best of both worlds by acting on the predicted probabilities from the unsupervised model to generate the labels for training a supervised model.

5. Use Cases in E-Commerce Systems

E-commerce businesses automate processes whenever possible. Using artificial intelligence (AI) allows data engineering aspects to be improved, releasing additional engineering resources for planning and design. AI-driven Data322 enables various machine learning use cases that create product and service value for customers, such as product recommendation engines, dynamic pricing, fraud

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detection, inventory forecasting, and supply-chain optimization. These use cases are actually different kinds of prediction problems that can often be solved with supervised machine learning (SLM).

Data engineering for machine learning concerns the development of production-ready models and the enablement of various prediction use cases in production environments. Reasoning about data processing in the context of SL is helpful because common laws from experimental design underline the predictability of SLMs. Predictive performance is sensitive to three aspects: the richness of the feature space, the quality of the target variable, and the amount of data available. Performance considerations therefore suggest providing feature store capabilities, creating trustworthy target variables, and enabling large-scale feature generation. Data pipelining becomes a function of the deployed models: producing features for the individual feature consumers, regarded as model-specific feature stores, and stepping back to direct data-processing functions as needed with the more difficult target-rich use cases.

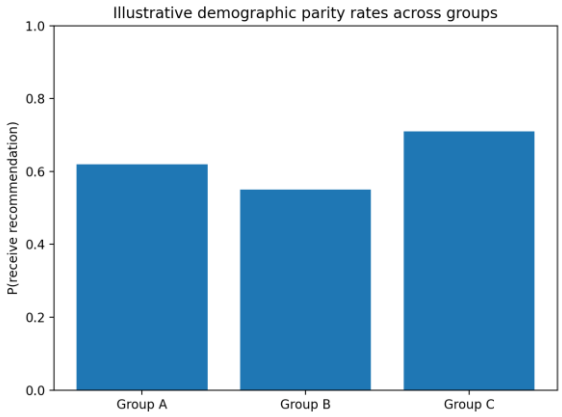
Fig 3: Cases of AI in eCommerce

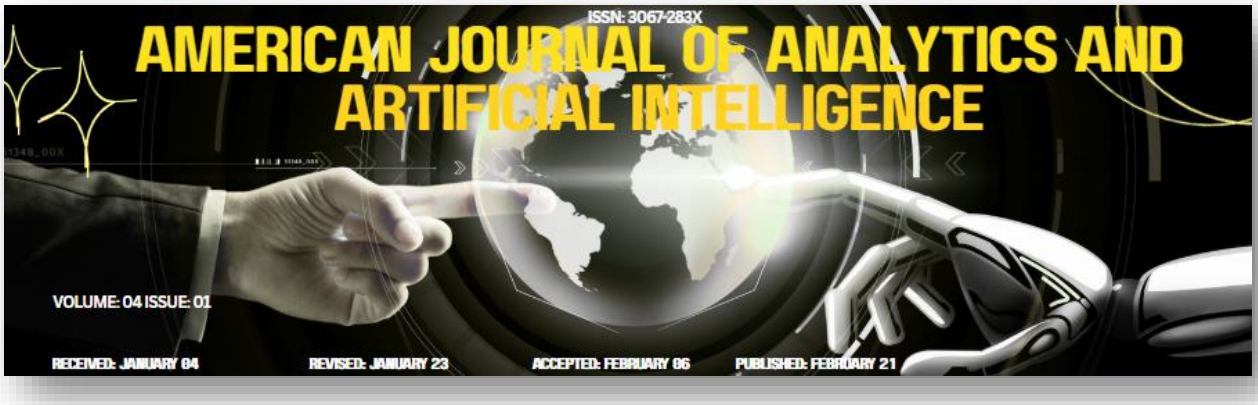
5.1. Personalization and Recommendation Engines

Building an effective recommendation engine is one of the key tasks for e-commerce systems that rely heavily on data analytics to develop and refine key features. The recommendation engine also grows in importance since personalization is a major selling point for online services. AI technologies support numerous components of a recommendation engine, such as user profiling, item description, and collaborative filtering.

Real-time personalization is a particularly challenging task that relies on continuously refreshing user profiles to meet individual needs at the moment of interacting with the service. For example, an online store must determine the most likely next item a user will select and even dynamically adapt the content of an advertisement to increase purchasing probability. To achieve this aggressive online strategy, Google uses its own ads system as both a buyer and seller and trains models with data from both sides.

Recommendation engines are very effective for information retrieval tasks where the volume of data is very high compared to the number of queries. Consolidating models over time and distributing the trained model to the users provides a compressed solution. For instance, when recommending the most relevant paper for an academic search engine, the ranking model can be trained once a day with thousands of papers, and the test set comprises a couple of queries generated from live traffic data. Nevertheless, under certain special circumstances where the live serving data is insufficient, online learning remains an attractive approach.





5.2. Dynamic Pricing and Promotion Optimization

Optimizing dynamic pricing and promotion policies enables an e-commerce company to use its prices as instruments for profit or transforming customer surplus into revenue. Machine learning technology is deployed in continuous, automated fashion to predict the effect of price changes on sales in real time, based on a carefully engineered set of features, some of which are exogenous drivers of demand and others more subtle indicators of the status of market competitors, such as on-line search intensity. Cost data, together with customer micro-segmentation, are used to model profit contribution by sku and ultimately to propose east and west coast pricing actions to merchandisers on a daily basis. The business impact has been substantial, with the solution eventually rolled out across the entire catalogue and the market permanently shifting into a re-forecast-and-respond operational mode. close collaboration between the analytics and commercial teams was key to embedding the system into both tactical and operational decision-making and to providing the necessary business discipline.

5.3. Inventory and Supply Chain Analytics

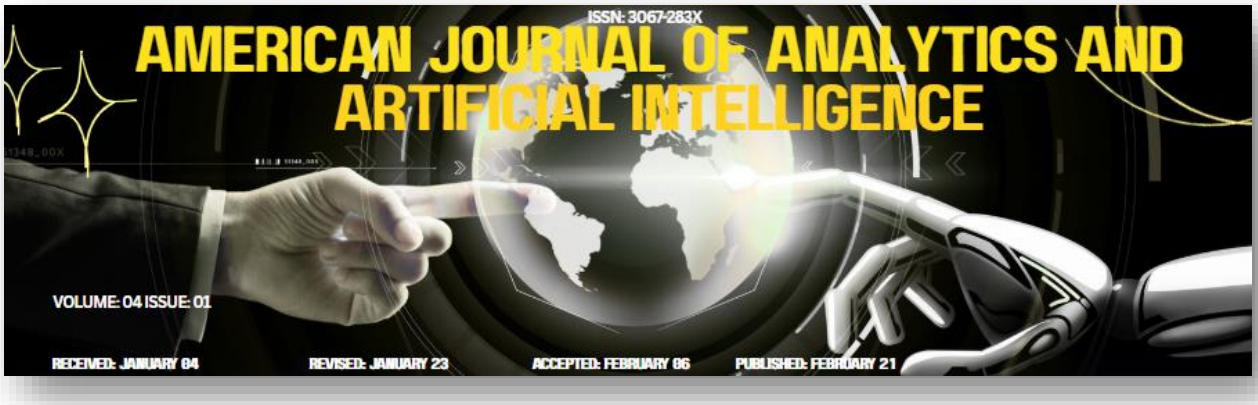
Managing inventory constitutes a critical element of any supply chain system, and decisions have to be taken at the most granular level related to managing the supply of products used in dynamic pricing and promotion strategies, the prevention of stock-outs through seasonal or expected demand forecasts, the management of special or variant items at least cost points, or even the proactive management of eligibility for member engagement schemes. Inventory levels can also need to be actively modeled and monitored to proactively signal unintended excess in e-commerce distribution centers, with outlets for excesses being sought where the clearance of the inventory might normally not be compatible with demand. An analytics-driven approach to supply chain thinking can assist in the modeling of the total net-screened demand and supply of inventory over given horizons for products, variants, different fulfillment methods, and different ages available, and in searching for consumer engagement strategies that optimize the decisions across transit, pricing, and, fulfillment.

A similar analytics approach can be extended into the extended supply chain, where inventory placed across the partner firms can be modeled at their net-screened transport capability, and lags in production or transport capacity anticipated and responded to. Preventing stock-outs at individual locations also enables transit resource management by balancing across planned and unplanned stock replenishment movements, thus preventing either over-expenditure in transport or unnecessary delays and resultant loss of sale. In fact, such partner level models can also be used to inhibit excessive routing of customers to engagement channels using normal product offerings that are already out-of-stock, calculating a transit resource saving in addition to detection of lost sales. The additional risk of noise in prediction can, however, be transferred instead into inventory level management at a higher administrative level for the extreme cases rather than managed directly by the individual partner.

6. Architectural Patterns for Automation

Two prevalent architectural paradigms for data engineering in the era of AI are data mesh and central data quotient architectures. A data mesh approaches data processing as a distributed domain-oriented product, with individual product teams managing their own data pipelines end to end. In contrast, a central data quotient architecture maintains a centralized metadata repository and governance rules while distributing processing of the actual data. Metadata-driven automation facilitates both patterns and allows for federated learning and privacy-preserving computation, thereby alleviating concerns around data silos.

Tremendous effort has recently been expended in building observability tooling for ML models and data pipelines. Workflow orchestration engines, such as Apache Airflow or Spotify SGO, are widely used for managing ETL and ML pipelines. Nevertheless, automation and observability of data pipelines—often considered the foundation of powerfully predictive ML models—still lag behind automation and observability of ML pipelines themselves. Evaluation



metrics for AI-driven data pipelines must also be established, describing how well the whole system enables business stakeholders to achieve their goals.

Equation 3: Fairness / bias auditing metric (demographic parity difference)

AI-Driven Cloud Computing for P…

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A simple auditing metric is **Demographic Parity Difference** between groups $a$and b:

$$DPD(a,b) = P(\hat{y} = 1 \mid A = a) - P(\hat{y} = 1 \mid A = b)$$

where:

- $A$is a sensitive attribute (e.g., subgroup)

$\hat{y} = 1$is a favorable system action (e.g., receiving an advanced recommendation)

6.1. Data Mesh versus Centralized Quotient Architectures

Data mesh and centralized quote architectures respond differently to the evolving service landscape of e-commerce systems. The former addresses the richness and variety needed in information source discovery, while the latter helps to provide responsive services at metropolitan scales. Data mesh patterns ease the inefficiencies in the continuous creation of new sources for fresh data by encapsulating data preparation into globally discoverable zones, rendering the problem of serving truly novel content less burdensome. Such preparation zones can also be used for near real-time creation of responses to non-streaming queries. Arguments for centralized quote architectures point to the growth of hosted services that merchants may not want to manage internally or in partnership, at least above a local scale, including aspects such as payment processing, postal and logistics optimization, metrics and alerting, fraud prevention, and the delivery of real-time social and context-aware attention data. A key aspect of such quote-based services is the wide-zone nature of most queries that consume it, and its usage patterns resembling virtual reference functions for lambda functions.

6.2. Federated Learning and Privacy-Preserving Computation

Most AI application areas in e-commerce require the availability of training data from multiple sources or user communities, such as recommendation engines and fraud detection. Configuring AI pipelines so that the models leverage data from multiple sources leads to improved generalization and avoids overfitting but may expose sensitive data about the users and their transactions. Federated learning enables the creation of models that can be trained over multiple domains without sharing the original training data with the entity that implements the training. The data therefore never leaves the source, only the model weights are transmitted to the central entity, leading to a new federated set of model weights that corresponds to the training over the combined training datasets of the participating parties.

In federated learning, local objectives are typically solved via alternating direction method-of-multipliers (ADMM) principles or a multi-party communication-efficient stochastic gradient descent approach. The models trained in the various data sources could also be using heterogeneous architectures; hence, they may not be well-suited for global aggregation. Heterogeneous federated learning takes place with multiple clients having different training tasks, and a generic aggregation method is thus required for model aggregation. Similarly, Federated meta-learning makes the model learn a proper initialization for a given learning task with limited labeled data.

6.3. Orchestration, Workflow Management, and Observability

System orchestration and workflow management ensure that data pipelines—connecting various data sources, analytics and learning models, external APIs, and application systems—run in the right order and at the right time. The

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components of an AI-based data pipeline are machine learning models whose outputs become new features for other pipelines. In this case, a proper orchestration is essential for re-running the pipelines in case of an archived model drift or because of new data from which a new model should be generated.

Cloud-based managed services reduce complexity by providing a proper management layer that avoids the need for building a lot of infrastructure. Serverless-managed services (such as AWS Glue or AWS Lambda) greatly reduce time-to-market but require to be organized in terms of hyperparameters such as timeouts, concurrency levels, invocation of other services, IAM roles, etc. The generated AI-based data pipelines induce a huge complexity for observability because of their density and their distributed execution on multiple nodes across multiple services. Allowing observability, with monitoring data and metrics at different granularity levels and the ability to alert about detected anomalies or deviations, is thus essential.

7. Evaluation, Risks, and Governance

Evaluation metrics, ethical and legal considerations, security aspects, and best practices governing the use of AI in data engineering are essential elements in guiding practical implementations of AI-enabled data pipeline components.

With data infrastructure technology evolving rapidly, it becomes challenging for executives evaluating different offerings to make the right decisions. Effective evaluation criteria help organizations choose the right data infrastructure providers. The analysis may start by defining qualitative properties that reflect why data is valuable in the first place. The qualities of AI-driven data pipelines can then be translated into a list of desirable product features. Where metrics do not yet exist in the form of a defined product feature, technological leaders in the data pipeline arena set targets, and others follow. The resulting set of evaluation metrics addresses the future of cloud data centers, data lakes, feature stores, and machine tool offerings, covering all categories and aspects of the AI-enabled pipeline during its lifecycle.

The legal and ethical environment governing AI systems is still in flux. European regulations addressing the ethical implementation of AI have implications for all AI-driven systems, including data engineering pipelines. Politicians and other stakeholders are investigating which types of AI systems must be subjected to what kind of controls. These include recommendations for increased transparency when using AI-based data pipelines for decision-making, as well as the recommendation that AI systems affecting users' welfare must enable easy access to explanations of the systems' decisions. Organizations must stay up to date as the debate unfolds and burdens are defined. Data pipeline infrastructure naturally handles sensitive personal data, the use of which is covered by the general data protection regulation (GDPR). Therefore, responsibility for compliance with data pipeline implementation products, as well as GDPR software applications resting on the AI-driven data pipeline, must be carefully defined.

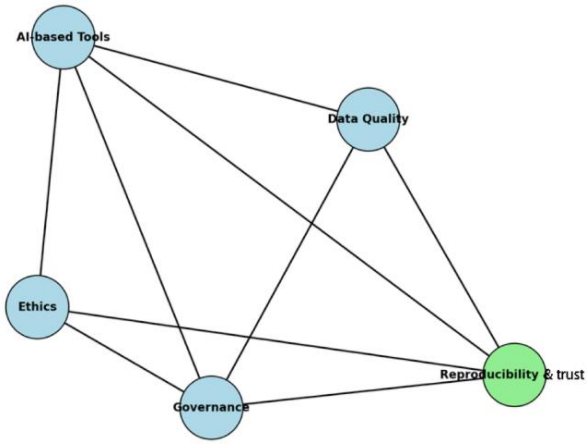
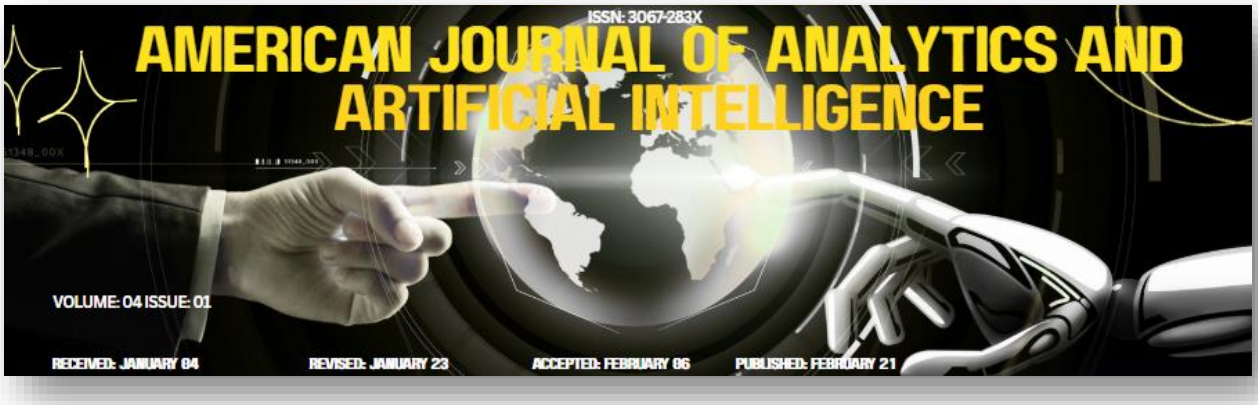


Fig 4: Governance, Ethics, and the FAIR Principles



7.1. Evaluation Metrics for AI-Driven Data Pipelines

Compared with traditional software systems, the evaluation of the capabilities and deployed algorithms is more difficult in data systems. The monitoring of data pipelines, in particular, is a complex task because of the multitude of services producing and consuming large amounts of data mainly in a stream-based manner. As a result, many generic data operational pipelines often face performance issues, which requires an extensive ad-hoc monitoring & debugging process of critical pipeline components. The traditional metrics for pipelines, such as data latency or data freshness, are validation-oriented metrics. They may help in determining the correctness of the pipeline at a certain time, but cannot properly address stability issues. Thus, dedicated monitoring and debugging services, workflows, and tools need to be applied. Although model validation pipelines may obviate the need for unit tests of the ML components, they cannot serve as a substitute, especially when models show signs of memory issues.

A production service monitoring non-ML systems measures metrics that gauge the defined requirements, such as minimum uptime and maximum downtime. Based on the deployed services, a similar monitoring service can also be used for ML systems, augmenting the existing monitoring with dedicated ML metrics. It serves as a secondary check ensuring that the service is not failing, and that problems are rapidly detected and acted on. Reliable data are crucial for the training and validation of the ML components. The performance of the feature extractors or drift detectors should therefore be evaluated regularly. If problems are detected, feature drifts could be made more conservative or unit tests could be executed to identify the cause.

7.2. Ethical, Legal, and Compliance Considerations

The adoption of AI for data engineering is accompanied by ethical, legal, and compliance considerations. Due to the complexity of responsible AI, the following consideration should be addressed for every data pipeline use case.

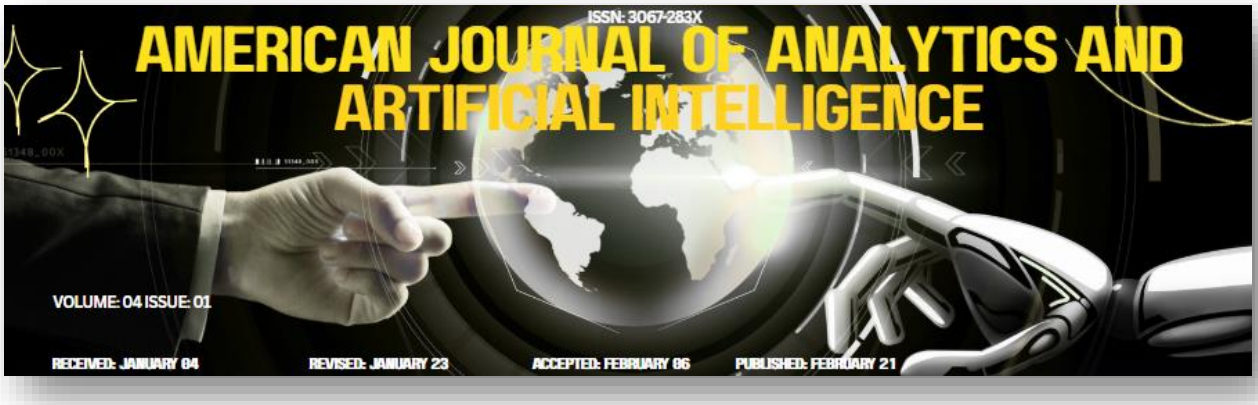
Data pipelines ingest data that often represents sensitive personal information. AI-based data engineering includes AI processing for a broad set of problems, including user targeting. As such, privacy-preserving computation is an important consideration, supported by techniques, such as federated learning, differential privacy, and secure multiparty computation. Moreover, data pipelines must be protected against unauthorized access or inappropriate usage possibly leading to user data being mishandled or misused.

Cloud-native architectures allow the deployment of data pipelines that spontaneously scale according to workload. Injecting human oversight may appear a matter of cost; however, injecting current human management practice at scale introduces chaos and, many times, inconsistency on how same types of AI-based processes are governed. Injecting observability best practices during orchestration and scheduling also appears an overhead. Nevertheless, from past experiences, the cost of debugging clogged and malfunctioning systems far overshadows the investment on observability layers. Hence, risk management and auditing best practices should be included.

7.3. Security and Reliability Risks

Sabotage, abuse, and misuse of AI-based data engineering systems present additional security risks. Systems are attractive targets for attackers and can have their integrity damaged—effectively providing misleading data instead of real results, especially for anomaly detection, fraud detection, and access control systems. Systems that provide external interfaces are particularly vulnerable. Criminals can use such security issues to their advantage. For example, in the context of recommendation engines, an attacker can mislead the system into making certain Incorrect suggestions to boost his/her own or a competitor company’s sales, thus distorting overall sales patterns and eroding the market share of other actors in order to achieve an economic advantage."

Systems developed based on AI techniques should also be monitored to determine their reliability. Since such systems rely on learning from historical data, when the input data



distribution changes significantly over time, the effectiveness of the models can degrade. In the case of certain use cases, the consequences of using outdated models can even lead to critical operational problems for the business. Such model drift-indicating conditions can be controlled by defining suitable observability metrics and monitoring them all the time. These metrics can be used to determine whether a specific model is producing unexpected results. If so, a retraining process may need to be triggered.

8. Conclusion

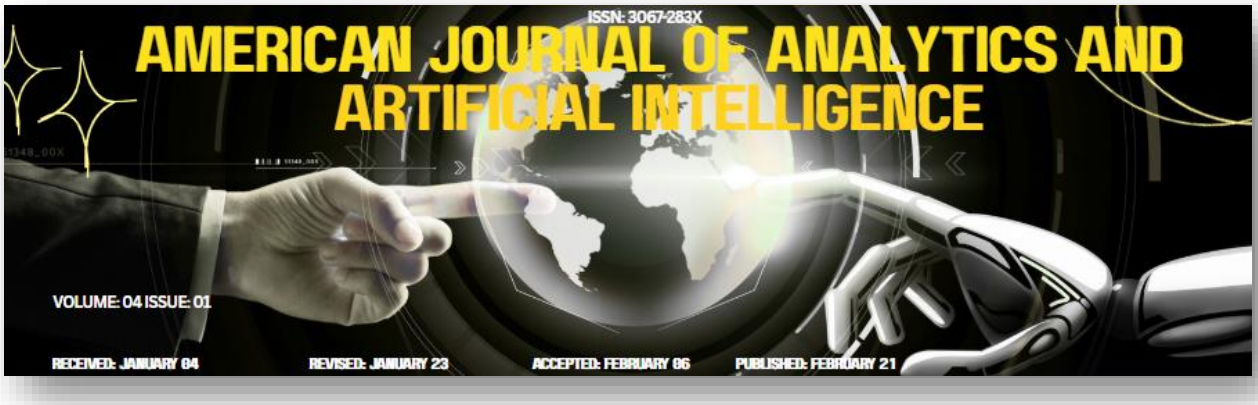
Despite the accelerating adoption of Artificial Intelligence (AI) methodologies in e-commerce systems, it is evident that most data engineering activities are still manual, carried out by specialized engineering teams, and reliant on traditional disciplines like Data Ingestion, Data Integration, Data Modeling, Data Quality, and Data Governance. A data engineering pipeline capable of AI-driven automation for different Data Engineering activities is therefore necessary, as investigations reveal that most activities can be automated if metadata-driven architectures are designed to share knowledge across teams to enhance the AI capabilities of many applications.

Data engineering activities in e-commerce systems are examined in depth, and several use cases highlight the value of automation and the potential bottlenecks that AI may address. Examples include intelligent data injection in Data Lakes to speed up analytics, automatic creation of pipelines from technology-specific templates, generation of data preparation jobs for Data Science teams, anomaly detection in Network Traffic or Customer Behavior, training of Neural Networks for NLP, Computer Vision or Object Detection, detection of concept drift in pre-trained Models, and FAAST-Spec-Adult-CTF. Data automation considerations are framed into standard architectural patterns, clarifying the Asset Mesh vs Centralized Quotient debate, providing guidance on when to adopt federated learning or privacy-preserving computation, and identifying requirements for cloud-native infrastructure focused on orchestration, workflow management, and observability. Metrics to assess the degree of automation in AI-Enabled Data Engineering Pipelines are also proposed, along with ethical, legal, and compliance issues and a risk assessment.

8.1. Future Trends

Future work will focus on generic evaluation metrics for AI-supported data pipelines. A separate research direction will investigate Data Mesh and Centralized Quotient Architecture patterns, comparing the benefits of localized data ownership and independent development cycles with the risks of a decentralized approach. Further investigation is required into federated learning and privacy-preserving computation, applied to the scenarios outlined in the previous sections. A final point of exploration is the impact of AI on orchestration workflow management and observability in complex e-commerce data-engineering setups.

Data Mesh and Centralized Quotient Architectures attend to the challenge of data pipelines in large organizations, where many product teams work independently and require access to streams of quality-controlled data. In Data Mesh a product team sources and exposes data, describing it in a Data Catalog for other teams to discover. Localized ownership of data is intended to promote high-quality data and fast, business-relevant development cycles. However, the resulting distributed architecture is subject to the same challenges faced by micro-service setups and should be carefully audited for security and quality. A Centralized Quotient Architecture supports local ownership of data but implements a dedicated team to develop and expose shared data products. Anti-patterns such as overloaded bus factor can still emerge, particularly if the shared data products are not properly governed.



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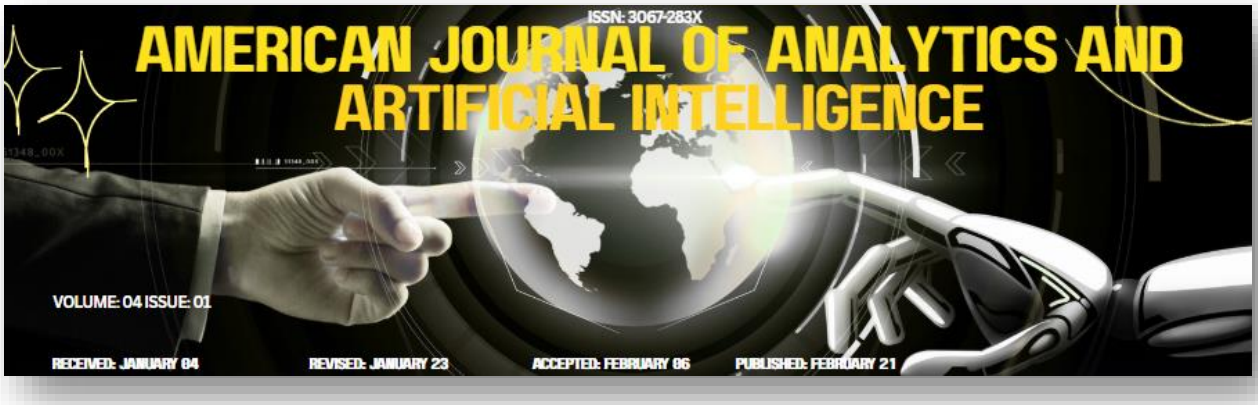

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