

Clustering Results Report

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Task : Report on clustering

1. Number of Clusters Formed:

The optimal number of clusters is determined by evaluating the Davies-Bouldin Index across cluster counts ranging from 2 to 10. The value of K corresponding to the lowest DB Index is selected as optimal.

Optimal Number of Clusters: {{optimal_k}}

(Note: Replace {{optimal_k}} with the actual value printed by the code.)

2. Davies-Bouldin Index (DB Index):

The DB Index for the optimal number of clusters ($K={{optimal_k}}$) is calculated as follows:

DB Index: {{min(db_scores):.4f}}

3. Other Clustering Metrics:

- **Cluster Size Distribution:**

You can calculate and present the size of each cluster to understand the distribution of customers across segments. For example:

```
print(customer_summary['Cluster'].value_counts())
```

- **Feature Importance for Clusters:**

Analyzing the centroid values of each cluster can help interpret the characteristics of each segment.

4. Visualizations:

- **DB Index vs. Number of Clusters:**

The plotted line graph shows the DB Index values for cluster counts from 2 to 10, allowing for the visualization of the optimal K.

- **Cluster Scatter Plot:**

A scatter plot of the clusters (using the first two normalized features) provides a visual representation of the segmentation.

Insights from Clustering:

1. **High-value customers:** Identify clusters with high total spending.
2. **Frequent buyers:** Segments with a high transaction count can represent repeat customers.
3. **Regional differences:** If clusters are influenced by the Region feature, tailor marketing efforts regionally.
4. **Low-value or inactive customers:** Segments with minimal spending or fewer transactions.