Credit Card Customer Segmentation using K-Means Clustering

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Purpose

- Customer segmentation is the process of dividing customers into groups based on their purchase patterns.
- This is crucial to businesses as it helps them to understand their customers and target audience in a better way.
- This can help them to provide a more personalized client service experience.

Benefits

1) Improved customer experience
2) Improved advertisement
3) Improved product development
4) Increased customer loyalty

What has been done

- We have used K-Means Clustering to perform credit card customer segmentation so that the company can define its marketing strategy.
- We have also used PCA for dimensionality reduction and visualization.

Activities Performed

1) Data preprocessing
2) Perform data normalization
3) Dimensionality reduction using PCA
4) K-means clustering
5) Visualization

Link to the datasource

https://www.kaggle.com/datasets/arjunbhasin2013/ccdata

The sample Dataset summarizes the usage behavior of about 9000 active credit card holders during the last 6 months.

The file is at a customer level with 18 behavioral variables.