

Customer Segmentation Report

This report provides an overview of customer segmentation using K-Means clustering. The dataset has been analyzed and segmented into different customer groups based on various behavioral metrics. The clustering approach allows businesses to identify customer patterns and target segments more effectively.

Cluster Summary

The dataset was divided into optimal clusters using the Elbow Method and Silhouette Score to determine the best number of clusters. Each cluster represents a group of customers with similar behaviors and characteristics.

Key Findings

1. High-Value Customers: Customers who make frequent purchases and have high spending patterns were grouped together.
2. Occasional Shoppers: This segment represents customers who make purchases less frequently but tend to spend a moderate amount.
3. Discount Seekers: These customers primarily purchase during discounts or promotions.
4. Low Engagement Customers: Customers with minimal transactions and engagement fall into this category.

Conclusion

Customer segmentation allows businesses to tailor their marketing strategies to different customer groups. By understanding segment characteristics, companies can implement targeted promotions, personalized recommendations, and improved customer retention strategies.