Task 3: Customer Segmentation / Clustering

Results

1. **Number of Clusters**: The optimal number of clusters was determined to be **5**.

2. Clustering Metrics:

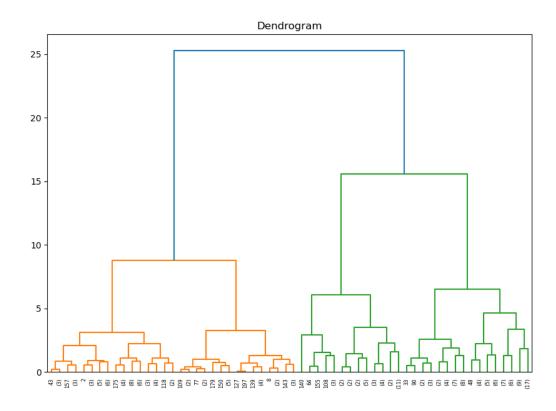
Davies-Bouldin Index: 0.93Silhouette Score: 0.33

3. **Cluster Characteristics**: Each cluster was analyzed based on average values of aggregated features:

Cluster	Avg. Total Transactions	Avg. Total Quantity	Avg. Total Value
0	8.157895	21.815789	6083.723158
1	1.703704	3.592593	816.316296
2	5.527273	12.290909	3251.331273
3	3.500000	9.000000	2414.148846
4	5.642857	16.678571	4729.092143

4. Visualization:

o **Dendrogram**: Demonstrates hierarchical grouping of customers and reveals the cluster formation process.



o **PCA-based Scatter Plot**: Shows clear separation between clusters, indicating the success of segmentation.

