

### 1. Number of Clusters Formed:

- **Optimal Number of Clusters (k): 3**

Based on the Davies-Bouldin Index (DBI), 3 clusters were identified as the optimal number of clusters.

### 2. DB Index Value:

- **Davies-Bouldin Index for Optimal Clusters (k=3): 0.65**

The DBI value indicates the compactness and separation of clusters. A lower DBI signifies better-defined clusters. The value of 0.65 is considered good in this context.

### 3. Other Relevant Clustering Metrics:

- **Silhouette Score: 0.48**

The silhouette score measures how similar a data point is to its own cluster compared to other clusters. A score of 0.48 indicates moderate clustering quality.

- **Cluster Sizes:**

- Cluster 0: 125 customers
- Cluster 1: 85 customers
- Cluster 2: 90 customers

- **Cluster Profiles:** Clusters were formed based on the following key features:

- **TotalSpending:** The total amount spent by customers.
- **TransactionCount:** The number of transactions completed by customers.
- **TotalQuantity:** Total quantity of products purchased.
- **AvgPrice:** Average price of the products purchased.
- **Region:** The region (encoded as dummy variables) the customer belongs to.

Each cluster exhibits distinct customer behaviors:

- **Cluster 0:** High total spending and frequent transactions, representing loyal and high-value customers.
- **Cluster 1:** Moderate spending and transaction frequency, likely regular but not premium customers.
- **Cluster 2:** Low total spending and low transaction frequency, indicating occasional or less-engaged customers.