

Our results: Grouping customers by responsiveness to telemarketing offer

Below is the summary of our cluster model.

How many clusters do you think best fits these data? What are the major characteristics of each cluster? What are the major differences between the clusters?

Looking at the cluster results, we think three are appropriate, based on qualitative assessment of the cluster centroids. In the k=3 scheme the clusters are readily distinguishable as: blue collar workers, white collar workers with a positive economic outlook, and white collar workers with a negative economic outlook.

```
> summary(cluster_model)
Model Details:
 ==========
H2OClusteringModel: kmeans
Model Key: KMeans_model_R_1458001221395_7
Model Summary:
   number_of_rows number_of_clusters number_of_categorical_columns number_of_iterations
within_cluster_sum_of_squares
                                                                                                                                                       11
 391713.69464
   total_sum_of_squares between_cluster_sum_of_squares
                      641978.00000
                                                                                                  250264.30536
H2OClusteringMetrics: kmeans
 ** Reported on training data. **
Total Within SS: 391713.7
Between SS: 250264.3
Total SS: 641978
Centroid Statistics:
                                          size within_cluster_sum_of_squares
   centroid

      1
      1 14199.00000
      105596.99140

      2
      2 13534.00000
      199111.81221

                   3 13455.00000
                                                                                                 87004.89102
 Scoring History:
                              timestamp duration iteration avg_change_of_std_centroids
within_cluster_sum_of_squares

      1
      2016-03-15
      14:09:30
      0.127
      sec
      0
      554653.61191

      2
      2016-03-15
      14:09:30
      0.199
      sec
      1
      6.54885
      403066.35411

      3
      2016-03-15
      14:09:30
      0.217
      sec
      2
      1.39999
      393332.08710

      4
      2016-03-15
      14:09:30
      0.234
      sec
      3
      0.02795
      391934.01380

      5
      2016-03-15
      14:09:30
      0.249
      sec
      4
      0.00271
      391772.68517

      6
      2016-03-15
      14:09:30
      0.267
      sec
      5
      0.00075
      391728.94779

      7
      2016-03-15
      14:09:30
      0.282
      sec
      6
      0.00021
      391717.56624

      8
      2016-03-15
      14:09:30
      0.299
      sec
      7
      0.00003
      391715.84451

      9
      2016-03-15
      14:09:30
      0.314
      sec
      8
      0.00001
      391715.38636

      10
      2016-03-15
      14:09:30
      0.346
      sec
      9
      0.00001
      391714.64384

      11
      2016-03-15
      14:09:30
      0.346
      sec
 1 2016-03-15 14:09:30 0.127 sec
                                                                                                                                             554653.61191
```