

Customer Clustering Report

Customer Clustering Results

1. Number of Clusters Formed:

The optimal number of clusters identified is 5, based on the Davies-Bouldin Index.

2. DB Index Value:

The Davies-Bouldin Index for the optimal clustering configuration is 0.94.

This value reflects the compactness and separation of the clusters.

3. Key Metrics for Clustering:

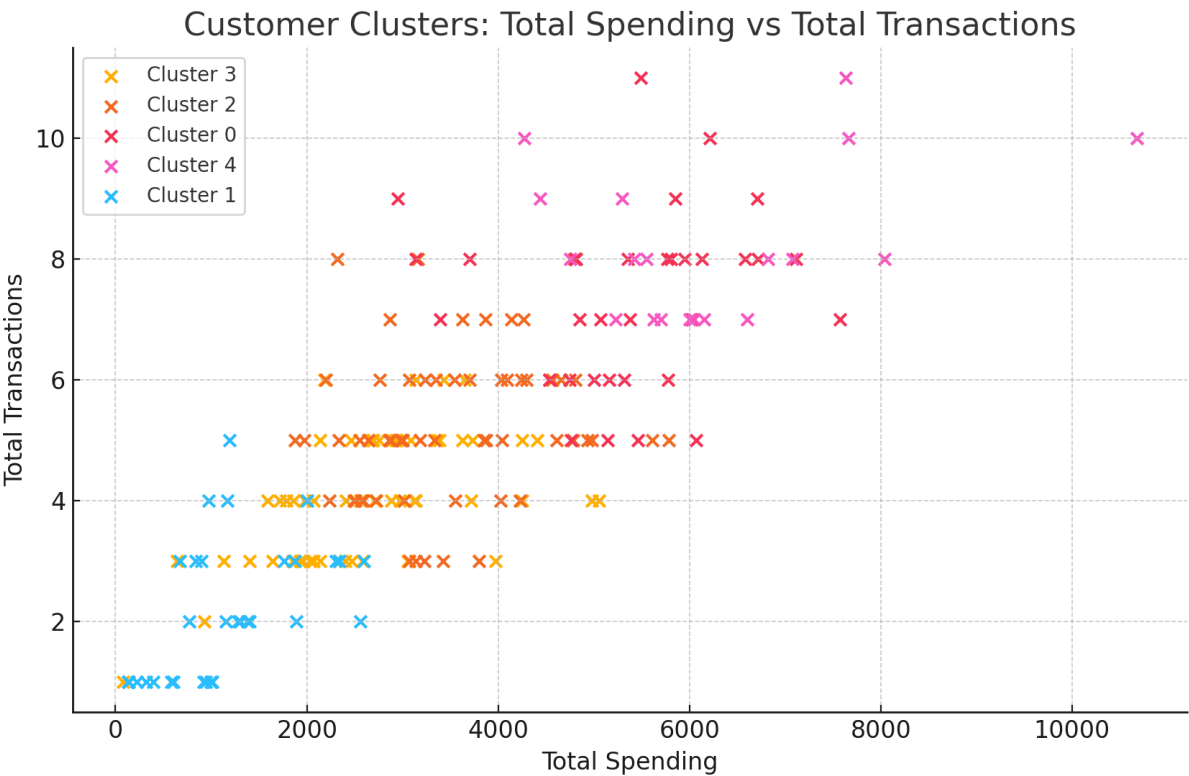
- Total Spending: Total monetary value spent by a customer.
- Total Transactions: The number of transactions made by a customer.
- Average Days Since Signup: Represents the average time since the customer joined the platform.

4. Insights from Clusters:

- High-value customers are identified in clusters with both high Total Spending and high Total Transactions.
- Low-engagement customers have low spending and fewer transactions.
- Medium-value clusters represent opportunities for growth and targeted marketing efforts.
- Customers with low transactions but moderate spending can benefit from retention campaigns.

2D Scatter Plot of Clusters

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The scatter plot above illustrates customer segmentation based on the features Total Spending and Total Transactions. Each color represents a distinct cluster of customers, helping to identify patterns in customer behavior.