

Business Recommendations Based on Customer Segmentation

Objective

The objective of this analysis is to improve customer retention and revenue by applying segment-specific strategies derived from machine learning models.

Segment-wise Strategy

1. Premium Spenders

- Focus on retention rather than acquisition
- Introduce exclusive loyalty programs
- Offer premium add-ons and early access features

Expected Impact:

Higher lifetime value and increased brand advocacy.

2. Budget Conscious Customers

- Implement churn-prevention discounts
- Introduce short-term incentives
- Simplify pricing structures

Expected Impact:

Reduced churn rate and improved short-term retention.

3. Young Professionals

- Promote scalable plans
- Provide educational product guidance
- Encourage feature adoption

Expected Impact:

Increased long-term revenue and customer lifetime value.

Model Limitations

- Dataset size is limited
 - No real-time behavioral data
 - DBSCAN clustering sensitivity to parameters
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Final Conclusion

Segment-based modeling allows businesses to move from reactive decision-making to predictive and proactive strategies.

Applying machine learning insights can significantly improve customer satisfaction and profitability.