

# 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
- 

**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.