

# Customer Lookalike Model Report

## Introduction

The Customer Lookalike Model identifies customers with similar characteristics to improve personalized marketing. This approach leverages customer profiles, transaction data, and product preferences to find lookalike groups.

## Methodology

### 1. **Data Integration:**

- Combined customer, transaction, and product data into a unified profile.

### 2. **Feature Engineering:**

- Encoded categorical features (e.g., region, product category) and normalized numerical data.

### 3. **Similarity Calculation:**

- Used cosine similarity to find the top 3 similar customers for each target.

## Key Insights

The model enables businesses to:

- Identify potential customers with similar spending and preferences.
- Tailor recommendations and offers for targeted engagement.

This report presents results for 20 sample customers, highlighting personalized marketing opportunities.