# **6** Main Aim

To segment customers based on purchasing patterns using SQL-based clustering techniques to support targeted marketing strategies and improved decision-making.

# Solution Overview

- Use SQL queries to implement clustering on customer transaction data.
- Normalize data and assign clusters based on centroids.
- Reallocate customers to more accurate clusters iteratively.
- Identify behavior patterns in each group for business insights.

# Slide-by-Slide Presentation Content

# Slide 1: Title Slide

### Text to Say:

Good [morning/afternoon], everyone.

Today, I'll be presenting our project on Customer Segmentation Using Clustering Algorithms, which is a practical approach to group similar customers together based on their spending behavior using SQL.

### Slide 2: Introduction & Problem Statement

# Text to Say:

Businesses today collect a huge amount of customer data.

The main problem is making sense of this data to deliver **personalized experiences**.

Our goal is to group customers based on their spending patterns, purchase frequency, and recency of purchases.

This segmentation helps in targeted marketing, product recommendations, and better customer service.

# Slide 3: Objective & Methodology

### Text to Say:

The objective is to perform customer segmentation using clustering techniques implemented in

Here's our methodology:

1. Create a database and insert the customer transaction data.

- 2. **Normalize the values** to bring them to the same scale.
- 3. **Apply clustering** by assigning initial centroids.
- 4. Measure distance, assign customers to the closest centroid.
- 5. **Recalculate centroids** and reassign until clusters stabilize. This iterative process results in meaningful segmentation of customer data.

### Slide 4: Results & Conclusion

### Text to Say:

After processing the data, we successfully identified four customer clusters.

Each cluster represented a distinct set of behaviors – such as high spenders, frequent buyers, or dormant customers.

The SQL-based method proved to be:

- Structured
- Scalable
- **Effective** for business use cases. It shows how we can handle large-scale data and extract useful patterns without advanced tools – just using SQL!



### Slide 5: Thank You

### Text to Say:

Thank you for your attention!

I'd be happy to answer any questions you may have.