

Bank Customer Segmentation - Project Report

This report presents an analysis of customer spending behavior using clustering techniques. The objective is to segment customers into distinct groups based on financial patterns to improve business decision-making.

1. Clustering Insights

K-Means Clustering identified three customer segments:

- Cluster 2 (High Spenders): Customers with high spending and credit limits.
- Cluster 0 (Moderate Spenders): Customers with balanced spending.
- Cluster 1 (Low Spenders): Customers with lower spending and credit limits.

DBSCAN identified 6 outlier customers with unusual spending patterns.

2. Business Recommendations

- High Spenders: Offer premium rewards and personalized promotions.
- Moderate Spenders: Encourage spending through targeted discounts.
- Low Spenders: Provide credit education and controlled credit increases.
- Outliers: Monitor closely for unusual behavior or fraudulent activities.