Customer Segmentation Report

Clustering Summary

1. Number of Clusters Formed:

- Four clusters were formed based on transaction and profile data.

2. Evaluation Metrics:

Davies-Bouldin Index (DB Index): 1.70

- Indicates compact and well-separated clusters. Lower values reflect better clustering.

3. Cluster Characteristics:

- Cluster 1: High-value customers with frequent purchases of Electronics.
- Cluster 2: Moderate spenders primarily buying Clothing items.
- Cluster 3: Regional buyers with diverse purchasing habits.
- Cluster 4: Low-value customers with infrequent purchases across multiple categories.

Customer Segments (PCA Visualization)

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