

Customer Segmentation Report

Using KMeans Clustering (8 Clusters)

1. Number of Clusters Formed: 8
2. Davies-Bouldin Index (DB Index): 1.02
3. Silhouette Score: 0.37

Observations:

- The DB Index value of 1.02 indicates suboptimal clustering. Lower values are desired as they represent better separation and compactness of clusters.
- The Silhouette Score of 0.37 shows overlapping clusters, suggesting potential improvements in the clustering model.
- Customers were grouped based on their profile and transaction data, such as spending habits and product preferences.