🛍️ Customer Segmentation Report

Summary of Insights & Business Strategies

Dataset: Customer Personality Analysis
Method Used: K-Means Clustering
Total Clusters Identified: 4

Cluster 1 – Premium Wine Enthusiasts

% of Customers: 22.23%
Key Traits:

- Avg. Age: 56 years
- Spending: Highest ($1,384)
- Income: $77339

Business Strategy :

- Luxury Cross-Selling - Target with premium Gold and Meat products as they show interest in these categories
- Loyalty Program - Implement tiered rewards with premium benefits for high spenders

Cluster 2 – Budget-Conscious Young Consumers

% of Customers: 27.07%
Key Traits:

- Avg. Age: 48 years
- Income: $30,192
- Spending: Lowest ($106)

Business Strategy :

- Promotional Campaigns - Implement limited-time discounts and flash sales to drive engagement
- Value Bundles - Create cost-effective product bundles to increase average order value

Cluster 3 – Affluent Selective Shoppers

% of Customers: 23.81%
 Key Traits:

- Avg. Age: 60 years
- Income: $59,771
- Spending: Moderate ($820)

Business Strategy:

- Loyalty Tiers - Design a loyalty program that rewards consistent purchasing rather than high spending
- Subscription Services - Offer flexible wine subscription options with moderate price points

Cluster 4 – Frugal Seniors

% of Customers: 24.9%
 Key Traits:

- Avg. Age: 60 years
- Income: $42,967
- Spending: Very Low ($128)

Business Strategy:

- Seasonal Promotions - Target during special occasions when they might be more willing to spend
- Simplified Shopping - Create easy ordering processes (phone orders, simplified catalog)