## **ABSTRACT**

At present every business platform has become digitalized. By implementing various rules and methods someone can make their business policy smarter. Customer segmentation is the process which distinct customers into groups based on a certain attribute (e.g. personality, interests, habit) and factors (e.g. demography, industry, income). Nowadays companies or entrepreneurs may focus on how to attract customers and hold them accountable. The most crucial aspects of effective business are innovation and knowing what customers want. Based on the RFM (Recency, Frequency, and Monetary) values of the consumers, an enterprise's clients are efficiently segmented into groups with comparable behavior. A company's transactional data is evaluated over a period of time. Segmentation provides a clear picture of the customer's needs and aids in the identification of the company's potential consumers. The revenue of the firm is also increased by segmenting the consumers. It is thought that keeping existing consumers is more essential than finding new ones. To retain consumers, for example, the firm might use marketing techniques tailored to a certain segment. The transactional data is first subjected to an RFM analysis, and then the data is clustered using standard K-means clustering method. In this analysis we successfully segmented the customer where we analyze customer data & information for an organization's dataset and then segment consumers regarding to RFM score, including generate business decision what will be the approach over this segmented customer, with this find out the most selling item from this dataset which will further needed for recommendation or promotional purposes in order to benefit both the customer and the business and also evaluate k-means and hierarchical clustering model regarding to silhouette & davies-boulding method.