## **Project: Creating Customer Segments**

## In this project, we will analyze a dataset containing data on various customers' annual spending amounts (reported in monetary units) of diverse product categories for internal structure. The goal of this project is to best describe the variation in the different types of customers that a wholesale distributor interacts with. Doing so would equip the distributor with insight into how to best structure their delivery service to meet the needs of each customer.

#### **Dataset and Inputs:**

Attribute Information:

1. FRESH: annual spending (m.u.) on fresh products (Continuous)
2. MILK: annual spending (m.u.) on milk products (Continuous)
3. GROCERY: annual spending (m.u.)on grocery products (Continuous)
4. FROZEN: annual spending (m.u.)on frozen products (Continuous)
5. DETERGENTS\_PAPER: annual spending (m.u.) on detergents and paper products (Continuous)
6. DELICATESSEN: annual spending (m.u.)on and delicatessen products (Continuous)
7. CHANNEL: customersale Channel - Horeca (Hotel/Restaurant/Cafe) or Retail channel (Nominal)
8. REGION: customersale Region - Lisnon, Oporto or Other (Nominal)

**Techniques applied:**

I have applied Hierarchical clustering and K-Means on the dataset to segment the customers.