Customer Segmentation / Clustering

Approach:

- ➢ Used K-Means clustering with an optimal number of clusters identified using the elbow method.
- ➢ Customer segmentation was based on total spend, transaction count, and recency.

Evaluation Metrics:

- ➢ DB Index: Measures clustering quality.
- ➢ Visualization: Scatter plots depicting clusters.

Findings:

- ➢ Distinct customer groups emerged based on spending and frequency patterns.
- ➢ High-value customers form a separate cluster, indicating premium segmentation strategies.