Customer Segmentation System

Project Definition:
Our project focuses on customer segmentation, a crucial strategy for brands to gain deeper insights into their target audience. Leveraging K-means clustering, we analyze diverse factors such as purchasing behavior, demographics, and preferences to partition customers into distinct segments. By uncovering detailed consumer profiles, brands can refine marketing strategies and product offerings, leading to enhanced engagement and accelerated growth.

Project Objectives:

1) Enhance brand understanding of target audience.
2) Drive revenue growth and market share expansion.
3) Evaluate segmentation model performance.
4) Enable continuous improvement for brands.
5) Optimize brand marketing strategies.

Proposed plan of Work:

Phase 1: Data collection and processing
Gather user data from website interactions such as searches, product views, clicks, and purchases. Preprocess collected data to prepare it for segmentation analysis.

Phase 2: Model development and testing
Develop a segmentation model using techniques like K-means clustering.
Train and test the model on a preprocessed dataset to identify distinct customer segments.

Phase 3: Evaluation and validation
Evaluate segmentation model using metrics like silhouette score and within-cluster sum of squares. Validate model performance through cross-validation and holdout testing.

Phase 4: Optimization and fine-tuning
Continuously optimize model parameters and feature selection criteria to enhance segmentation quality. Explore alternative clustering techniques to improve effectiveness and interpretability.

Phase 5: Documentation and reporting

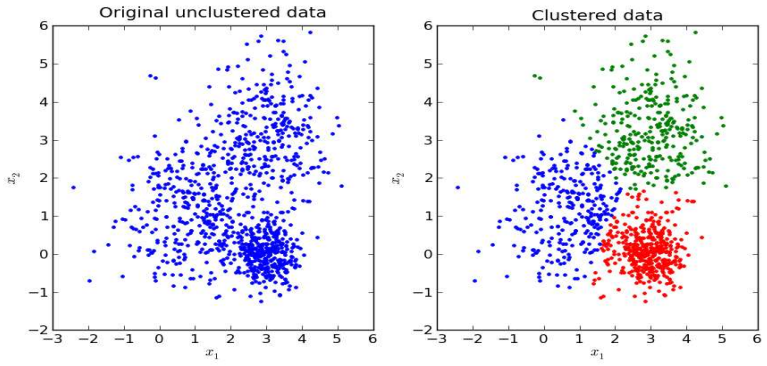
Document model development process, methodologies, and parameter settings.
Generate detailed reports summarizing model performance, insights gained, and recommendations for implementation.

Methodology:

1) Data collection: Gather customer feedback, wishlist data, website comments, cart interactions, demographic details, device information, transportation preferences, and historical purchase data.

2) Data processing: Clean, preprocess, and analyze collected data to extract relevant features.

3) Segmentation Analysis: We are applying K-means clustering algorithm to segment customers based on demographic factors, device details, preferences, and purchase history.



4) Real-time data integration: Implement mechanisms for real-time data updation to ensure the segmentation model reflects the latest customer information.

5) Evaluation: Assess segmentation quality using silhouette score and evaluate the effectiveness of the model in capturing customer segments.

Technology:

Use Case	Technology
Prototyping	Figma
Programming Language	Python
Data Storage	MySQL / SQLPLUS
Data Processing	NumPy, Pandas
Machine Learning	Scikit-learn for K-means clustering
Visualization	Matplotlib, Seaborn, Plotly , Tableau/Power BI

Web Development	HTML, CSS, JavaScript, Flask
Cloud Computing (Optional)	AWS/ Google Cloud
Streaming Data Processing (Optional)	Apache Kafka / Socket.io

Functional Specifications(Deliverables):

Our Model uses various methods to analyze customer data, including customer feedback, wishlist analysis, website comments analysis, cart and customer clicks tracking, real-time data updates, and demographic factors. These methods help understand customer preferences, preferences, and trends, inform marketing strategies, and optimize website usability. They also incorporate demographic data like age, income, gender, and location for targeted marketing strategies. These methods ensure the accuracy and relevance of customer information.

Project Scope:
Our model utilizes advanced segmentation techniques to understand and categorize customer behavior and preferences. By gathering data from various sources such as customer feedback, website interactions, and demographic information, we create detailed customer profiles. These profiles are then analyzed using K-means clustering and real-time data updates to segment customers into distinct groups based on their characteristics. Through integration of unstructured data like social media sentiment analysis, we gain deeper insights into customer preferences. Our model enables personalized marketing strategies, proactive inventory management, and continuous improvement based on evolving customer trends. By leveraging predictive modeling and historical purchase data, we anticipate future user behavior and optimize marketing strategies to drive revenue growth and enhance customer satisfaction.

Roll No.	Name of Group Members	Signature
21	Abhishek Chaudhary	
23	Akshat Shah	
26	Ansh Asati	
28	Anurag Chorghade	

Approved By:
Prof. Nisha Dable