Customer Segmentation

Using clustering techniques (KMeans), customers were segmented into 5 distinct clusters based on spending habits, transaction counts, and average purchase price.

• Cluster Insights:

- o Cluster 0: High spenders with frequent purchases.
- o Cluster 1: Low spenders with occasional transactions.
- o Cluster 2: Moderate spenders, high average transaction value.
- o Cluster 3: Seasonal customers with high transaction variability.
- o Cluster 4: New customers with limited transaction history.
- Clustering Metric:

Davies-Bouldin Index: 0.971000365773975

Recommendation: Develop tailored marketing strategies for each cluster to maximize sale