Notes:

Elbow plot derives variable: ratio within class variance/between class variance

Needed to clean data to remove non-numeric attributes/observations.

**Assignment Questions:**

Choosing K:

Adding additional clusters after 5 does not add additional information, however, adding going from three to four clusters does not yield any additional information either. Analysis will be conducted with K = 3.

**How do people choose a fast food restaurant to visit?**

People generally choose a fast food restaurant based on convenience, ease of access/location, timeliness, cost, menu variety, along with notions of brand loyalty and nostalgia.

**What is important: location, price, assortment, or cuisine?**

**Who do you think are Sticks’ customers, and what are their motivations for visiting**

**Sticks?**

**What does the survey data tell us about differences between customers and**

**noncustomers?**

**What survey questions would you use to identify the customer segments?**

***How many customer segments can you estimate from the survey data?***

**What are the profiles of the customer segments?**

**Which customer segments should Sticks target?**

**Provide a recommendation for the location of the next Sticks Kebob Shop based on the**

**segmentation analysis and the demographic profiles of the locations in the following**

**table. (Hint: Please consider differences in the set restaurants visited for lunch/dinner by**

**Sticks customers and noncustomers.)**