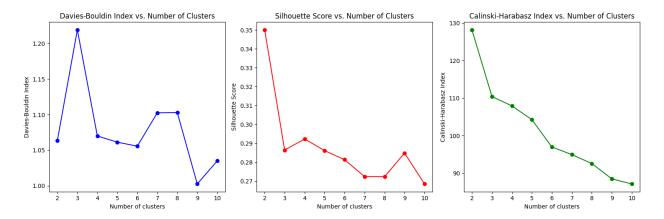
# **Customer Segmentation Analysis Report**

#### 1. Number of clusters formed: 9



- 2. Davies-Bouldin (DB) Index: 1.0027
  - Lower values indicate better-defined clusters
- 3. Other relevant clustering metrics:
  - a. Silhouette Score: 0.2849
    - Range: -1 to 1, higher values indicate better-defined clusters
  - b. Calinski-Harabasz Index: 88.5094
    - Higher values suggest better cluster separation
- 4. Key Cluster Characteristics:
  - High-value segments: Clusters 2, 3, 5, 7, 8
  - Frequent shoppers: Cluster 1
  - Average/low-value segments: Clusters 0, 4, 6

### Most valuable segment (Cluster 5):

- Avg. transaction count: 9.56

- Avg. total spend: \$7,231.87

## **Highest avg. transaction value (Cluster 7):**

- Avg. transaction value: \$1,108.35

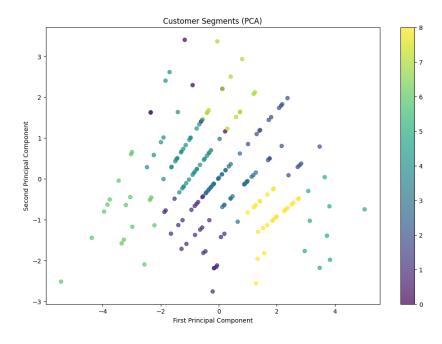
#### **Least valuable segment (Cluster 6):**

- Avg. total spend: \$605.96

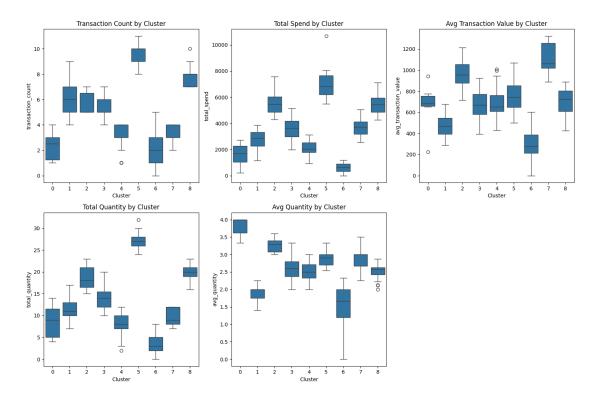
- Avg. transaction count: 2.06

## 5. Visualization Insights:

- PCA plot shows some overlap between clusters



- Box plots reveal variations in total spend and avg. transaction value across clusters



- More consistent patterns in transaction count and quantity for most clusters

#### Conclusion:

The 9-cluster segmentation provides distinct customer groups with varying purchasing behaviors. While reasonably well-defined, there is some overlap between segments. This segmentation offers valuable insights for targeted marketing strategies and customer relationship management.