DBSCAN

DBSCAN looks for densely packed observations and makes no assumptions about the number or shape of clusters.

1. A random observation, x_i, is selected
2. If x_i has a minimum of close neighbors, we consider it part of a cluster.
3. Step 2 is repeated recursively for all of x_i's neighbors, then neighbors' neighbors etc... These are the cluster's core members.
4. Once Step 3 runs out of observations, a new random point is chosen

Afterwards, observations not part of a core are assigned to a nearby cluster or marked as outliers.

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