Overview of Agglomerative Hierarchical Clustering Example

Dataset Link:

<https://www.kaggle.com/takedown/200x5-mall-customers-data>

Dataset Content:

This dataset contains 5 columns. It contains information about the gender, age, annual income and spending score of shopping mall customers.

Problem:

The marketing department of a s shopping mall would like to divide its customers into different groups so it would be easier to send targeted notifications about new products, sales etc. but they don’t know how to divide them and how many such groups of customers exist.

Solution:

We want to develop a clustering model using Agglomerative Hierarchical Clustering algorithm which allows us to cluster customers into different groups based on their income and spending score.

Variables:

Independent variable🡪 Annual Income of Customers, Spending Score.

Dependent variable 🡪 Non Applicable.