Customer Segmentation Using Unsupervised Learning Techniques

About the business - Selore

Selore Nigeria is a popular electronics retail chain in Nigeria that specializes in the sale of mobile phones, tablets, laptops, and other related accessories. The company was founded in 2022 and has since grown to become one of the largest retailers of mobile phones and related products in the country.

Selore Nigeria offers a wide range of mobile phones from top brands such as Samsung, Apple, Nokia, and Huawei, among others. The company is also known for its after- sales support, including repairs and maintenance services, as well as trade-in options for old devices. With its numerous outlets nationwide, Selore Nigeria is a go-to destination for many Nigerians seeking to purchase mobile phones and related accessories.

Business Problem:

A retail company wants to understand the spending behaviour of its customers to target them with personalized marketing campaigns. They have collected data on customer demographics (age, gender) and spending habits (annual income, spending score) and want to segment their customers based on their spending behaviour. The objective of this project is to build a customer segmentation model to help the retail company in developing targeted marketing strategies.

Data Collection:

The retail company has collected data on 200 customers containing
- CustomerID,
- Gender,
- Age,
- Annual_Income_(k$),
- Spending_Score.

The goal of this project is to segment customers based on their purchasing behaviour and demographic information. We will use unsupervised learning techniques to identify groups of customers with similar behaviour and characteristics. This information can be used to develop targeted marketing campaigns, personalize product recommendations, and optimize pricing strategies.