

CHALLENGE

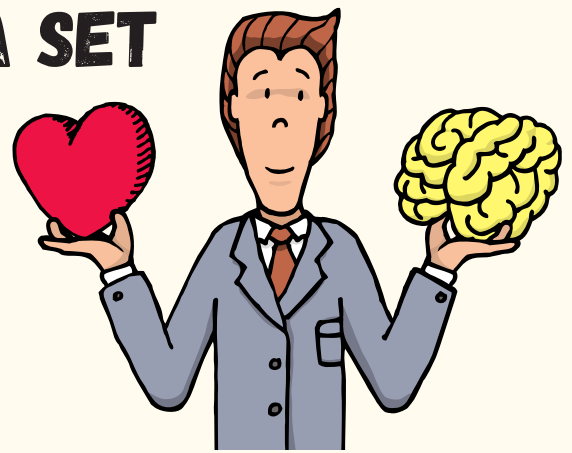
Behavioral Segmentation

Most companies have created a value-based segmentation. However, it does not really tell you who the customers are and how they behave. This is where Behavioral Segmentation comes in. To provide insights and group customers based on their characteristics

01

PREPARE THE DATA SET

First, you need to include all the dimensions you would like the segmentation to be done. Next, you need to make all variables are in numeric format to be included in the model



02

OPTIMAL NUMBER OF CLUSTERS

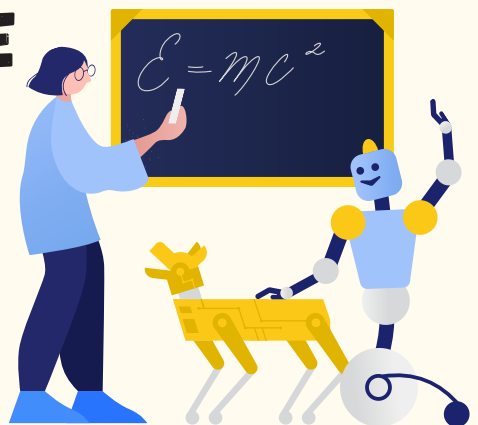
How many segments should you build? You need to use the AIC or BIC to determine it. Remember the lower the values, the best. Additionally, if you need



03

GAUSSIAN MIXTURE MODEL

You should have everything to build to create the segmentation model using the Gaussian Mixture. Good luck!



04

INTERPRET SEGMENTS

Clustering techniques group elements based on the characteristics they think are the correct ones. It is up to you to figure out whether the segments make sense. Also, please name the segments and bonus points for creativity :)



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