Santosh Singh

**Project3b\_Target Customer Compass report**

The clustering analysis on the Mall Customers dataset segmented customers into five distinct groups based on their annual income and spending score, revealing actionable insights for targeted marketing. Using the K-means algorithm, clusters were identified: high-income, high-spending customers (luxury shoppers); moderate-income, low-spending customers (budget-conscious shoppers); low-income, low-spending customers (occasional shoppers); low-income, high-spending customers (value-driven shoppers); and moderate-income, moderate-spending customers (average shoppers). Insights suggest focusing premium marketing efforts on high-value clusters, like luxury and value-driven shoppers, while engaging budget-conscious and occasional shoppers with discounts and promotions. These findings can support personalized strategies to maximize customer engagement and drive sales. Future work could include adding features like shopping frequency and experimenting with alternative clustering methods for deeper segmentation.