

## HW 2- Non-Hierarchical Clustering (Team Assignment)

A company is trying to identify need-based segments in the current beer market for their new beer and would like to target the selected segments using specific marketing campaigns. The company collected data from over 300 individuals about their preferences when purchasing/choosing beer.

Use the non-hierarchical/ k-means segmentation method to get distinct segments using the sample data. Describe the characteristics of each of the beer segments in terms of the people's preferences and demographics.

Data: Beer.csv

Variables:

For the preference variables, the respondents were asked to indicate the importance of the variables in their preference for beer (0=Not Important to 9 =Extremely Important).

- 1.Rich\_flbd (Rich and full bodied)
- 2.No\_aftertst (No aftertaste)
- 4.Refreshing (Refreshing)
- 5.Goes\_easily (Goes easy on me)
- 6.Good\_taste (Good taste)
- 7.Lo\_price (Low price)
- 8.Attr\_bottle (Attractive bottle)
- 9.Prestigious\_brand (Prestigious brand)
- 10.Hi\_quality (High quality)
- 11.Masculine (Masculine)

Categorical variables (including demographics)

- 12.Wk\_consm (Weekly consumption by number of bottles)
- 13.Age (Age categories, 1= 21-25 years, 2=26-30 years, 3=31-35 years, 4=36-40 years, 5=41-50 years, 6=51-60 years, 7=>60 years)
- 14.Sex (1=male, 2=female)

Submission: Submit a pdf/word document indicating your recommendation and targeting strategies to the company executives. Limit your report to 4 pages (including charts and tables).

Submit any extra information, code and methods in appendices.