Customer Segmentation

The sample dataset summarizes the usage behavior, on 18 variables, of about 9000 active credit card holders during the last 6 months.

|  |  |  |
| --- | --- | --- |
| **S. No.** | **Variables** | **Description** |
| 1 | CUSTID | ID Number of Credit Card holder |
| 2 | Balance (£) | Balance amount left in their account to make purchases |
| 3 | Balance Frequency | How frequently the Balance is updated, score between 0 and 1 (1 = frequently updated, 0 = not frequently updated) |
| 4 | Purchases (£) | Amount of purchases made from account |
| 5 | One Off Purchases | Maximum purchase amount done in one-go |
| 6 | Installments Purchases | Amount of purchase done in installment |
| 7 | Cash Advance (£) | Cash in advance given by the user |
| 8 | Purchase Frequency | How frequently the Purchases are being made, score between 0 and 1 (1 = frequently purchased, 0 = not frequently purchased) |
| 9 | One Off Purchase Frequency | How frequently Purchases are happening in one-go (1 = frequently purchased, 0 = not frequently purchased) |
| 10 | Purchases Installments Frequency | How frequently purchases in installments are being done (1 = frequently done, 0 = not frequently done) |
| 11 | Cash Advance Frequency | How frequently the cash in advance being paid |
| 12 | Cash Advance TRX | Number of Transactions made with "Cash in Advanced" |
| 13 | Purchases TRX | Number of purchase transactions made |
| 14 | Credit Limit | Limit of Credit Card for User |
| 15 | Payments | Amount of Payment Done by User |
| 16 | Minimum Payments | Minimum Amount of Payments Made by User |
| 17 | PRC Full Payment | Percent of full payment paid by user |
| 18 | Tenure | Tenure of credit card service for user |

# Objective

**Your team is required to develop a customer segmentation (based on the data given) to define marketing strategy.**