

Market Segmentation (McDonalds') Report

Author:

P .M.V.VIVEK

VIVEKNAIDU6677@GMAIL.COM

1. **Objective:** The objective of the market segmentation analysis was to identify distinct segments within the customer base based on demographic features.
2. **Data Preparation:**
 - The dataset provided contained the following columns: 'yummy', 'convenient', 'spicy', 'fattening', 'greasy', 'fast', 'cheap', 'tasty', 'expensive', 'healthy', 'disgusting', 'Like', 'Age', 'VisitFrequency', and 'Gender'.
 - For market segmentation, we utilized the 'Age' and 'Like' columns as demographic features.
3. **Data Preprocessing:**
 - We performed basic data preprocessing steps such as handling missing values, converting categorical variables to numerical format, and extracting relevant features for segmentation.
4. **Market Segmentation Technique:**
 - We employed the KMeans clustering algorithm for market segmentation.
 - The 'Age' and 'Like' features were standardized using StandardScaler to ensure they have the same scale.
 - KMeans clustering was applied with 3 clusters to group customers based on similar demographic characteristics.
5. **Results:**
 - After applying KMeans clustering, each customer was assigned to one of the three segments based on their 'Age' and 'Like' features.
 - The resulting segments represent distinct groups of customers with similar demographic profiles and preferences.
6. **Visualization:**
 - We visualized the segmentation results using a scatter plot, where each point represents an individual customer.
 - The x-axis represents the 'Age' of the customers, while the y-axis represents the 'Like' score indicating customer satisfaction.
 - Different colors in the scatter plot represent different segments identified by the KMeans algorithm.
7. **Insights:**
 - The market segmentation analysis revealed three distinct customer segments based on demographic features.
 - Segment 0: This segment comprises customers with relatively lower 'Like' scores and a wide range of ages.
 - Segment 1: Customers in this segment exhibit moderate to high 'Like' scores across different age groups.
 - Segment 2: This segment consists of customers with high 'Like' scores, indicating high satisfaction levels, and mostly younger age groups.
8. **Conclusion:**
 - Market segmentation based on demographic features such as 'Age' and 'Like' provides valuable insights into customer preferences and satisfaction levels.
 - Understanding these segments can help in targeted marketing strategies, product customization, and improving overall customer experience.