

Cluster Visualization and Insights

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In this analysis, the customers were segmented into three distinct clusters using the K-Means algorithm.

The scatter plot above visualizes the resulting clusters, with each color representing a different cluster.

Cluster Labels and Insights:

Cluster 0:

- Label: "High Tenure, High Monthly Charges"
- Description: This cluster consists of customers with high tenure and high monthly charges.
- Insights: These customers may be loyal but could be at risk of churn if not engaged properly.

Cluster 1:

- Label: "Moderate Tenure, Moderate Monthly Charges"
- Description: This cluster consists of customers with moderate tenure and moderate monthly charges.
- Insights: These customers might be price-sensitive and could be retained with targeted offers.

Cluster 2:

- Label: "Low Tenure, Low Monthly Charges"
- Description: This cluster consists of customers with low tenure and low monthly charges.

- Insights: These customers are new and may be at high risk of churn without proper onboarding and engagement.

Interpretation:

The cluster labels provide insights into the customer segments, enabling the company to design targeted marketing strategies.

For example, offering discounts or loyalty rewards to Cluster 0 could help in retaining high-value customers, while Cluster 2 might benefit from personalized onboarding programs to reduce churn.

