

A Review of Customer Segmentation Methods

Rakeshkumar Umanath Upadhyay¹ and Prof. Nilesh Choudhary²

Student, Department of Computer Engineering¹

Professor, Department of Computer Engineering²

Godavari College of Engineering, Jalgaon, Maharashtra, India

Abstract: *Consumer segmentation is among the most essential aspects of knowledge-based marketing. Understanding consumers and placing them at the core of a business strategy are important for developing firms. With the advent of Machine Learning (ML) algorithms, segmenting clients based on behaviour patterns in the data has become a potent way to get a deeper understanding of the customers. By analysing consumer behaviour, customer analytics plays a crucial part in establishing customer trust. Being one of the leading causes of customer turnover, negative customer experiences in terms of quality, comprehension of ideas, and affordability are among the most important factors. For the sake of retaining customers in the future, we should be mindful of the aforementioned factors, as well as keep a close eye on the evolving nature of their requirements. This article provides an overview of the research conducted by various researchers on consumer segmentation using machine learning, as well as their conclusions and areas where more study is necessary.*

Keywords: Customer segmentation, Clustering, K- means clustering

REFERENCES

- [1]. Choudhury, A., Raihan, A., & Hossain, M. A. (2017). Customer segmentation for a retail store using fuzzy clustering. *International Journal of Advanced Computer Science and Applications*, 8(1), 287-295.
- [2]. Fazlollahtabar, H., & Ghodsypour, S. H. (2019). Customer segmentation in e-commerce using support vector machine. *Journal of Industrial and Systems Engineering*, 12(4), 137-152.
- [3]. Lee, H. J., & Kim, M. J. (2018). A hybrid clustering approach for customer segmentation in telecommunications industry. *Sustainability*, 10(9), 3175.
- [4]. Srinivasan, S., Sridevi, S., & Sankar, C. (2019). Neural network-based clustering for customer segmentation in mobile service industry. *Journal of Ambient Intelligence and Humanized Computing*, 10(7), 2749-2763.
- [5]. Xu, Y., & Akbarov, A. (2019). Customer segmentation in the age of big data: A review of state-of-the-art research and applications. *Journal of Business Research*, 98, 410-421.