Abstract

Customer segmentation is the practice of dividing a customer base into groups of individuals that are similar in specific ways relevant to marketing such as age, gender, interests, spending habits, and so on. One of the easiest definitions is "a group of customers with shared needs". From this definition, it's clear what we need to identify customers with shared needs. The customer segmentation consists of two phases. First phase includes K-Means clustering, where the customers are clustered according to their RFM (Recency Frequency Monetary). In the Second phase, with demographic data, each cluster is again partitioned into new clusters. Finally LTV (Life Time Value of the customers) are used to generate customer's profile.

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**Index Terms**

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**Keywords**