

MICROSEGMENTATION IN TELECOM MARKET: DATA MINING APPROACH

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Abstract: *The aim of this paper is to present the benefits of data mining in the field of telecommunication. In this research, we will present how cluster analysis can be used as a substitute method for industrial market segmentation in telecommunications instead of the common approach based on the location and the total revenue of telecommunication services invoiced to the user. The goal of data mining analysis was to determine if cluster analysis could be used for finding interesting segments in the business sector of the telecommunication market. The sample consisted of data of the companies that were clients of a telecommunication company. K-means algorithm is applied showing that microsegmentation approach based on data for each individual client gives additional insight into the usual approach to industrial market segmentation.*

Key words: *data mining, cluster analysis, telecommunication*



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