Choose one of the following problem scenarios and describe you approach to solve it:

**Scenario 1 : Direct Marketing**

–Goal: Reduce cost of mailing by *targeting* a set of consumers likely to buy a new cell-phone product.

**Scenario 2: Fraud Detection**

–Goal: Predict fraudulent cases in credit card transactions.

**Scenario 3: Customer Attrition/Churn**

–Goal: To predict whether a customer is likely to be lost to a competitor.

**Scenario 1 : Direct Marketing**

* Goal: Reduce cost of mailing by *targeting* a set of consumers likely to buy a new cell-phone product.

We are dealing with a classification problem because our will is to determine which are our best potential customers to buy a new cell-phone product.

In the first place, we assume that this new cell-phone is one of the bests of the market. That implies a high cost. Not everybody can afford a mobile between 600-1000€. And with that hypothesis we make a second hypothesis: People who is going to pay for it should have a job, nor just studying neither retired. So, if we have a data with thousands of mails, the most appropriate could be send the information to people between 25 and 55 years. 25 is the age where most of the young people can afford a new trendy mobile. And 55 is the age where people is thinking first in saving money for retirement before making and unnecessary spending for just talk and send messages (the core function of mobile phones).