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Predicting Catalog Demand

REVIEW

ANNOTATIONS 1

HISTORY

Meets Specifications

Kudos! I think you've done a perfect job of Predicting Catalog Demand. It's very clear that you have a good understanding of the basics.

Keep improving and keep learning. 😊

Business and Data Understanding



The section is written clearly and is concise. The section is written in less than 500 words.



All following questions have been accurately answered:

- What decisions need to be made?
- What data is needed to inform those decisions?

Awesome: That is the key decision we need to make!

Note that in addition to customer data we also need to know the costs involved to verify the expected profit.

Analysis, Modeling, and Validation



The section is written clearly and is concise. The section is written in less than 500 words.



Each predictor variable is shown to have a linear relationship between the target variable whenever appropriate.

Each predictor variable should be significant ($p\text{-value} \leq 0.05$)

Your analysis is correct and you have correctly selected the predictor variables. Well done!



p-values and R-squared values are used to justify how well the linear model works.

Good job using both R-squared and p-values to justify why your model is a good one! An r-squared of 0.8366 means that about 84% of the target variable is explained by the predictor variables. In general, when a model with R-squared above 0.7 is considered a good model.

A variable that has a significant p-value ($p < 0.05$) indicates that a change in the value of this variable will be related to a change in the value of the target variable as well.

This site is a very good resource on statistics in general and may be helpful to you in the future as well:

- <http://blog.minitab.com/blog/adventures-in-statistics-2/regression-analysis-how-do-i-interpret-r-squared-and-assess-the-goodness-of-t>



The regression equation given is correct. Each coefficient should have up to 2 digits after the decimal figures (ex: 1.28).

The linear regression equation is correct.

It missed only include zero coefficient for CreditCard segment. For the equation to be complete, it is important that all values of the CustomerSegment variable are represented in the equation.

Presentation/Visualization



The section is written clearly and is concise. The section is written in less than 500 words.



All questions have been accurately answered and the recommendations are well justified.

- What is your recommendation?
- How did you come up with your recommendation?
- What is the expected profit from the new catalog (assuming the catalog is sent to these 250 customers)?

The recommendation is correct, as well as both your calculation and expected profit for sending the catalogs.



The profit calculation is correct.

The value is accurate!

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