

Date

2. 50 years old active male customer

$$\begin{aligned} \text{elasticity} &= \Pr[\text{resp}_i = 0 | \text{male}_i = 1, \text{active}_i = 1, \text{age}_i = 50] \cdot \text{active}_i \cdot \beta_2 \\ &= \frac{1 \times 0.914}{1 + \exp(-2.488 + 0.954 \times 1 + 0.914 \times 1 + 0.07 \times 50 - 0.069 \times (50/10)^2)} \\ &\approx 0.22 \end{aligned}$$

50 years old inactive male customer

$$\text{elasticity} = \Pr[\text{resp}_i = 0 | \text{male}_i = 1, \text{active}_i = 0, \text{age}_i = 50] \cdot \text{active}_i \cdot \beta_2 = 0$$

$$\begin{aligned} \eta &= \frac{\Pr[\text{resp}_i = 1 | \text{active}_i = 1] - \Pr[\text{resp}_i = 1 | \text{active}_i = 0]}{\Pr[\text{resp}_i = 1 | \text{active}_i = 0]} = \left( \frac{\exp(\beta_2) \cdot 2i}{1 + \exp(\beta_2) \cdot 2i} - \frac{2i}{1 + 2i} \right) / \frac{2i}{1 + 2i} \\ &= \frac{\exp(\beta_2) \cdot (1 + 2i)}{1 + \exp(\beta_2) \cdot 2i} - 1 / 1 = \frac{\exp(\beta_2) - 1}{1 + \exp(\beta_2) \cdot 2i} \end{aligned}$$

$$\begin{aligned} \frac{1}{1 + \exp(\beta_2) \cdot 2i} &= \Pr[\text{resp}_i = 0 | \text{active}_i = 1] \\ \text{elasticity} &= [\exp(\beta_2) - 1] \Pr[\text{resp}_i = 0 | \text{active}_i = 1] \end{aligned}$$

50-year-old active male customer,

$$\begin{aligned} &= (\exp(0.914) - 1) \cdot \frac{1}{1 + \exp(-2.488 + 0.954 \times 1 + 0.914 \times 1 + 0.07 \times 50 - 0.069 \times (50/10)^2)} \\ &\approx 0.35 \end{aligned}$$

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