Your task in this homework is to calculate cross price elasticity of brand choice probability of brand 5 with respect to brand 4 for the three remaining segments. ‘

- Standard’ – Segment 0

- Fewer-opportunities – segment 2

- ‘Well-off’ – segment 3

You can try that completely on your own or follow the steps below:

For each Segment:

1. Create a data frame and select only customers the chosen segment.

2. Create the Logistic Regression Model.

3. Compute own price elasticities for brand 5.

4. Compute cross price elasticities for brand 5 with respect to brand 4.

5. Plot elasticities on graph.

Some additional hints:

Plotting the graph.

o Use a figure with axes to plot all 10 elasticities side by side. Create a 2 by 5 figure and display the elasticities for the average customer and then by each of the four segments.

o To have the same color scheme as in the descriptive analysis, use:

Standard - ‘b’, Fewer-Opportunities ‘red’, Well-off - ‘orange’.