Simmons Catalogue

Adapted from Anderson, Sweeney, and Williams

Simmons' catalogs are expensive and Simmons would like to send them to only those customers who have the highest probability of making a $200 purchase using the discount coupon included in the catalog.

Simmons' management thinks that annual spending at Simmons Stores and whether a customer has a Simmons credit card are two variables that might be helpful in predicting whether a customer who receives the catalog will use the coupon to make a $200 purchase.

Simmons Catalogue-Continues

Simmons conducted a study by sending out 100 catalogs, 50 to customers who have a Simmons credit card and 50 to customers who do not have the card. At the end of the test period, Simmons noted for each of the 100 customers:

1) the amount the customer spent last year at Simmons,
2) whether the customer had a Simmons credit card, and
3) whether the customer made a $200 purchase.

The data file that contains the information is in Logit-Simmons.xls

Develop a logistic regression model, obtain the output and interpret the results