**Question 10.2**

*Describe a situation or problem from your job, everyday life, current events, etc., for which a logistic regression model would be appropriate. List some (up to 5) predictors that you might use.*

Here’s one potential suggestion. In business-to-business sales and marketing, buying-propensity models can be useful in ranking customers as high value or low value. A logistic regression model could be used to predict the probability of a customer buying or not, or (using a threshold) to classify into yes or no categories. Some of the predictors that could be used to develop such a model are:

1. Size of the customer in terms of revenue/year;
2. Average yearly spend (for the last 3 years) in the relevant product category;
3. The rating of the competitor(s) from where the customer currently buys the product (a market leader would have a higher rating as compared to a new entrant);
4. The number of years associated with the customer (is the customer long-standing? Have they bought from us for the last 5/10 years or is it a new relationship?);
5. Industry rankings for the product by various rating agencies (e.g., Gartner).

Using this model, sales teams can rationalize their efforts and concentrate their efforts on customers that are more likely to buy, rather than going broad and losing focus while catering to all customers