

## STEP 7: Final model

### Interaction value\_price and number\_of\_reviews

```
``{r}
```

```
final.modelB <- glm(online_only ~ limited_edition + exclusive + log_price +  
log_value_price + log_love + limited_edition:log_price + exclusive:log_price,  
family = binomial, data = sephora)
```

```
sum_final.modelB <- summary(final.modelB)
```

```
sum_final.modelB
```

```
...
```

Call:

```
glm(formula = online_only ~ limited_edition + exclusive + log_price +  
log_value_price + log_love + limited_edition:log_price +  
exclusive:log_price, family = binomial, data = sephora)
```

Coefficients:

	Estimate	Std. Error	z value	Pr(> z )	
(Intercept)	3.64058	0.25014	14.554	< 2e-16	***
limited_edition1	-1.26135	0.50177	-2.514	0.011944	*
exclusive1	-1.61169	0.36920	-4.365	1.27e-05	***
log_price	-0.97427	0.24299	-4.009	6.09e-05	***
log_value_price	0.89881	0.23827	3.772	0.000162	***
log_love	-0.55261	0.01985	-27.844	< 2e-16	***
limited_edition1:log_price	0.43732	0.13038	3.354	0.000796	***
exclusive1:log_price	0.36427	0.10158	3.586	0.000336	***

```
---
```

Signif. codes: 0 '\*\*\*' 0.001 '\*\*' 0.01 '\*' 0.05 '.' 0.1 ' ' 1

(Dispersion parameter for binomial family taken to be 1)

Null deviance: 9791.0 on 8986 degrees of freedom  
Residual deviance: 8616.8 on 8979 degrees of freedom  
AIC: 8632.8

Number of Fisher Scoring iterations: 4

The interactions exclusive vs price, price vs value\_price, value\_price vs number\_of\_reviews are statistically significant.

$$g_{(online_{only})} = 3.641 + -1.261 * limited_{edition} - 1.612 * exclusive - 0.974 * log_{price} \\ + 0.899 * log_{value_{price}} - 0.553 limited_{edition} * log_{price} + 0.437 exclusive * log_{price}$$