

Insights and Recommendation

Apprentice Chef Inc.

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Insight 1: Customers who buy meals based on our recommendations are more likely to subscribe to new service. The correlation is positive and high, which makes sense because it's a psychological phenomenon: we have our foot in the door of these customers, it's relatively easy to persuade these customers to opt into the 'Halfway There' service than members who don't follow the recommendations.

Insight 2: Customers who use their mobile phones to log in to order meals and have professional email domain are more likely to subscribe to the new service. Maybe because customer with professional email domain check their emails regularly so even the email marketing campaigns have higher conversion rate. As for customers who use mobile phones to order might have a busy lifestyle and doesn't have enough time to buy wine (especially from local vineyard) during the week. Halfway There service will entice these customer segment, create niche market and provide the competitive advantage the company has been looking achieve.

Recommendation: Meal kit market was valued to be \$4.65 Billion in 2017, which represented 300% growth rate in single year. It is projected to reach \$11.6 Billion by 2022, that is more than doubling within 5 years of time. With the ever-increasing market opportunity comes the competition, so it is better for a company to have the competitive advantage. Apprentice Chef Inc. is trying to achieve that by planning to introduce Halfway There service. There do exist a niche market where the company can dominate and diversify their revenue. They would need to introduce this service as soon as possible because the timing is perfect and there is huge opportunity because of the Coronavirus pandemic. People are staying in their home and because of reduced trade between countries and people stocking up goods, the supermarkets are running out of supplies. This would provide the opportunity to market the meal kit and new service since all the food is produced, sourced and packaged locally. So, launching the service immediately and ensuring the food hygiene and safety through marketing would make sure that lot customers try the service and packaged meal kit. To ensure the higher conversion rate, the company can use the above-mentioned insights to make service a success.

Final Model: Gradient Boosting

Test_Score: 0.723

AUC Score: 0.635

Sources

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