

Analysis Write Up

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AUC Train: 0.782

AUC Test: 0.772

Insight 1 - Professional-Email Users

If a user registers with their professional mail address, the probability of buying Halfway There increments by 81%. These users correspond to Apprentice Chef's 35% previous year's customer base (696 users). According to Bernazzani (2018), it is highly important to know the audience by demographics or psychographics to understand their challenges. Professional-email customers have a tendency to order more meals within a year and to spend more money on Apprentice Chef. Around 46 % of meal kit consumers describe time management as a deciding factor in purchasing meal kit delivery (Packaged Facts, 2016).

Insight 2 - Final Section Customer Journey

The user experience in the final section of the customer's journey (food delivery and preparation) is critical for successful cross-sell. If a user experiments problems in their deliveries and tend to not follow recommendations, the probability of buying Halfway There decreases by 99%. Users that have this behavior correspond to 60% of Apprentice Chef's last year's customer base (1,162 users). These users have a high number of late and early deliveries and a low number of followed recommendations. According to Packaged Facts (2016), 44% of users reconsider purchasing meal kits purely because of convenience.

Actionable Recommendation

First, Apprentice Chef needs to optimize deliveries in order to solve customers' main pain points, convenience and time management. As mentioned in insight 1, customers have time management as a highly important factor for purchasing meal kit delivery. Moreover, customers that register with their professional emails might have a bigger time-management constraint due to their work lifestyle. In addition, this affects 60% of Apprentice Chef's customer base. This optimization can be performed by using time-windows for deliveries and/or partnering with third-party delivery companies (Grubhub or UberEats).

Second, Apprentice Chef must focus on improving the variety of meals and how this is marketed or recommended to customers. Users that followed that follow less than 35 recommendations on average have a strong tendency on not buying Halfway There (explained in insight 2). It is important to notice how users require to access as easy as possible a diverse variety of meals. The recommender system has proved highly effective in this matter. Thus, it is necessary to optimize the recommender system by leveraging content-based and

collaborative-based filtering (Techlabs, 2017). In addition, it is necessary to create marketing strategies for users to buy more unique meals.

References

Packaged Foods (2016). The Meal Kit Delivery Services Market. Recovered From: <https://www.packagedfacts.com/Content/Featured-Markets/Meal-Kit-Delivery-Services>

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