

Insights

- 1) There is much higher effectiveness of prep videos as compared to photos. People who watch videos tend to order more meals. Such a trend could not be observed in between customers and photos and more interestingly, a large portion of customers did not even bother to browse through the photos before ordering.
(Photos ~ Revenue: less data nearer to the trend line and noticeably a massive chunk of individuals near the zero-line. Average Video Prep Time ~ Revenue/meal, in a scatter plot between average video prep time and revenue shows datapoints more consistently spread around the trend line).
- 2) Revenue per meal goes down with an increase in the time of videos watched. One of the reasons may be that as customers watch the videos, they tend to think cooking is not a difficult task and the meals are overpriced. The consequences might be consumers dropping out of the plans and explains the reason for having an overwhelming percentage (90%) of the company's revenue coming from customers who are ordering meals sets for 12 months or lesser.
(As observed on a scatter plot between Average Video Prep Time ~ Revenue per meal)

Recommendations

Incentivize customers to continue even after 12 months. A two-pronged approach has to be implemented to achieve this goal. (i) targeted ads for customers reaching the 9 to 11-month period with the company offering special offers to ensure they sign up for more extended periods. For example, provide 12 coupons, two each redeemable every month over the next 12 months. (ii) reduce investing in photos of food and revamp the prep video to include famous chefs preparing dishes and doing community cooking classes. This might help nudge the customers' evaluating the video based on the preparation of them looking forward to associating with famous chefs.

Highest R-Square Value of the model

Training Score : 0.872
Testing Score : 0.828

References

1. Louis, M. S. (2016, March 25). The Brilliant Marketing Strategy That Helped Blue Apron Find Success. Retrieved from <https://www.inc.com/molly-reynolds/how-blue-apron-cooked-up-its-delicious-content-marketing-strategy.html>
2. Milnes, H., Monllos, K., Monllos, K., Monllos, K., Monllos, K., & Seb Joseph. (2019, June 12). Inside Blue Apron's comeback strategy. Retrieved from <https://digiday.com/marketing/inside-blue-aprons-comeback-strategy/>
3. Sun, L. (2019, August 7). Blue Apron's Core Business Is Still Crumbling. Retrieved from <https://www.fool.com/investing/2019/08/07/blue-apron-core-business-is-still-crumbling.aspx>