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Apprentice Chef, Inc.

By Sophie Briques

Introduction

The meal kit market is competitive, with new players joining every day, as well as traditional grocery stores which are now also offering customers semi-prepared kits (Forbes, 2018). However, research shows consumers continue to order meal kits due to health reasons and getting to know new recipes (Nielsen, 2017).

Therefore, it is essential to diversify our revenue streams at Apprentice Chef through different promotions such as Halfway There, a wine subscription service.

Insight 1:

We provide full refunds for customers that cancel before noon. This policy is contributing to increase our customer satisfaction and loyalty. Indeed, of those that have cancelled at least once before noon, 73% have subscribed to Halfway There.

Thus, allowing for full refunds in cancellations increases customer satisfaction and loyalty. Assuming the bottle delivery is independent from the meal delivery, our customer's may have an easier time committing to a half-bottle wine delivery then a fresh full meal, increasing their loyalty to the brand. Once loyal, customers are more likely to subscribe to new services.

Insight 2:

Our recommendation system adapts to our customer's previous purchases, lookalike scores and trending products. In the context of our new product, of customers that have previously followed our recommendations 20% of the time, 85% are subscribed to Halfway There. Additionally, customers that usually follow our recommendations are almost twice as likely to subscribe for this new service.

This group of customers is pickier with their meal options. Due to their busy schedules, they enjoy new offerings from recommendations, and take this opportunity to explore new tastes without the effort of research and appreciate the uniqueness of the local selection.

Recommendation and Business Implementation:

The number of customers that follow recommendations and the influence of communication channels are predictors of success in selling Halfway There. It indicates that a two-fold marketing strategy should be implemented when promoting the new service to a wider audience.

- 1) **In-house:** Customers that followed recommendations and that have watched preparation videos have proved to positively impact the success in selling Halfway There. Thus, implementing promotional videos inside our mobile and web platform would reduce marketing costs related to external parties and still be effective in reaching the desired customer (ex: advertisement videos before food prep videos promoting the wine as a drink while preparing the food).
- 2) **Email Marketing:** email campaigns are a cheap way to reach a great number of customers. Professional emails are positively correlated with successfully selling Halfway There, since customers access these inboxes multiple times a day. Therefore, we should consider an email campaign of the new service, in addition to make an email and email confirmation, required fields upon new customer registration.

Final Model Score

With a CART model, the final score on test training set is 0.906.

Sources:

Technical Sources

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Domain Knowledge Sources:

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