# PAOLO\_SCHIRRU\_A2\_Write\_Up

# Insights

## Insight #1

Being able to gather customers’ phone number seems to be a decisive factor in influencing customers to participate in the Cross-Selling Promotion. This is true and experimented in sales and CRM as the cellphone number constitutes a new touch point (Kulpa, 2017), between companies and customers.

In this case, the cellphone number makes for a trigger point that reminds the customers of Apprentice Chef’s promotion and offerings. Thus, it can increase the chances of a user adhering to the Cross-Sell promotion, by 56%.

## Insight #2

Tailored recommendations are definitely the most impactful factor when customers choose whether or not to participate in the “Halfway There” promotion. In Apprentice Chef’s case, if a user follows the recommendations, in 83% of the situations, the user will subscribe to “Halfway There”.

In fact, there is plenty of examples from companies that have exploited the benefits of recommending the right products or services to clients. Netflix subscribers followed the company’s recommendations, for about75% of the time, already in 2012 (Trefis Team).

Pandora is another example of a company that has been able to grow by giving the right recommendations (Insight Team, 2019).

# Recommendations

In order to increase the subscription rate to the Cross-Sell Promotion, Apprentice Chef can follow the Hook model (Eyal, n.d.).

As a first step, Apprentice Chef should require a mobile number when new users sign up.

Apprentice Chef should also follow Netflix example, as the media company has been able to unlock value from recommending the right TV shows or movies to the customers. This, however, can be tricky for the new users, where data is scarce.

Nevertheless, gathering data from new customers becomes crucial, as 90% of the Revenue comes from customers that have been subscribed for less than 12 months.

At the moment, best-selling products are displayed as recommendations to the new users.

One way to acquire new data is by asking users to compare two products or express their preferences in regard to an array of products or services. In fact, comparisons have been recognized to be one of the most effective ways to improve recommendations (Hardesty, 2011). This also creates a sense of attachment to the company as the user has invested time (Also known as the IKEA factor). Apprentice Chef can now trigger an action through the users’ mobile and offer a variable reward, that will encourage them to participate frequently to “Halfway There”

# List of References

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