



SNOWPLOW

GOUSTO CASE STUDY

How Gousto used data to boost growth.

Omnichannel marketing analytics for subscription businesses.

Introducing Gousto: UK-based meal delivery service

Gousto takes the stress out of grocery shopping and meal planning so people can have access to good food whether they're cooking for a family, short on time, or looking to try something new. Each week, subscribers choose the meals that will come in their next box from Gousto's expansive recipe library.

Gousto was growing rapidly, doubling in size each year; they needed powerful, advanced analytics that provided highly detailed data in order to identify and then act on their most effective drivers of growth.



Growth depended on three things:

1. Maximizing return on ad spend:

Gousto needs to optimize their marketing spend across all of the different platforms, channels, and campaigns available for acquiring new subscribers. To do that, they need to accurately measure the return on their ad spending, segmented by each platform, channel, and campaign. For subscription businesses, this is particularly difficult.

2. Relentlessly improving retention:

Because Gousto is a subscription business, retention is a key driver of growth: the longer Gousto retains customers, the faster the company grows because they need to replace fewer customers who have churned. Gousto had an ongoing process to use data to systematically improve retention.

3. Delivering delicious meals, conveniently:

Gousto's service is geared towards people who care about food but are stressed by shopping and meal planning. By personalizing the recipes customers see, Gousto provides each person with an easier choice to make between recipes they're more likely to enjoy, improving the customer experience and driving retention.



Following

These Roasted Veg Satay Skewers are
#MeatfreeMonday made incredible 🌟

Get the recipe: gous.to/2Fv2leR
Add to the box: gous.to/2QUSQwd



GROWTH DEPENDED ON THREE THINGS

1. Maximizing return on ad spend required accurate analytics

To continue growing their subscriber base, Gousto devotes a lot of their marketing budget to advertising across multiple channels, including:

- Facebook
- Instagram
- Twitter
- Google Ads

To measure the return on each campaign, Gousto needs to know how long each of the customers acquired on **that** campaign stay subscribed; loyal customers who stay with the service for years drive much more return than those who leave after one or two months.

Gousto needed data detailed enough to be easily segmented by marketing channel and campaign, and Snowplow delivered. Snowplow provided a rich, detailed data stream for each user, showing:

- Which campaign on which platform the user engaged with
- when they subsequently signed up
- exactly how they browse Gousto's recipe selection each week
- how many boxes they get delivered
- how long they remain a subscriber

This made it straightforward for Gousto to aggregate the data to calculate the real return on each campaign and use that data to optimize their spending across all campaigns and channels.



The Gousto data science team built a model that predicted how likely each user is to retain into the near future and assigning that user a retention score. Gousto could then ran A/B tests on different initiatives to see which ones had the biggest impact on reach user's likelihood to retain in the most cost effective way.

“Without Snowplow data, this would not be possible at all. We tried to do this with transactional data, but that doesn’t give you enough information. Really looking into customer activity is what actually gives you predictive information.”

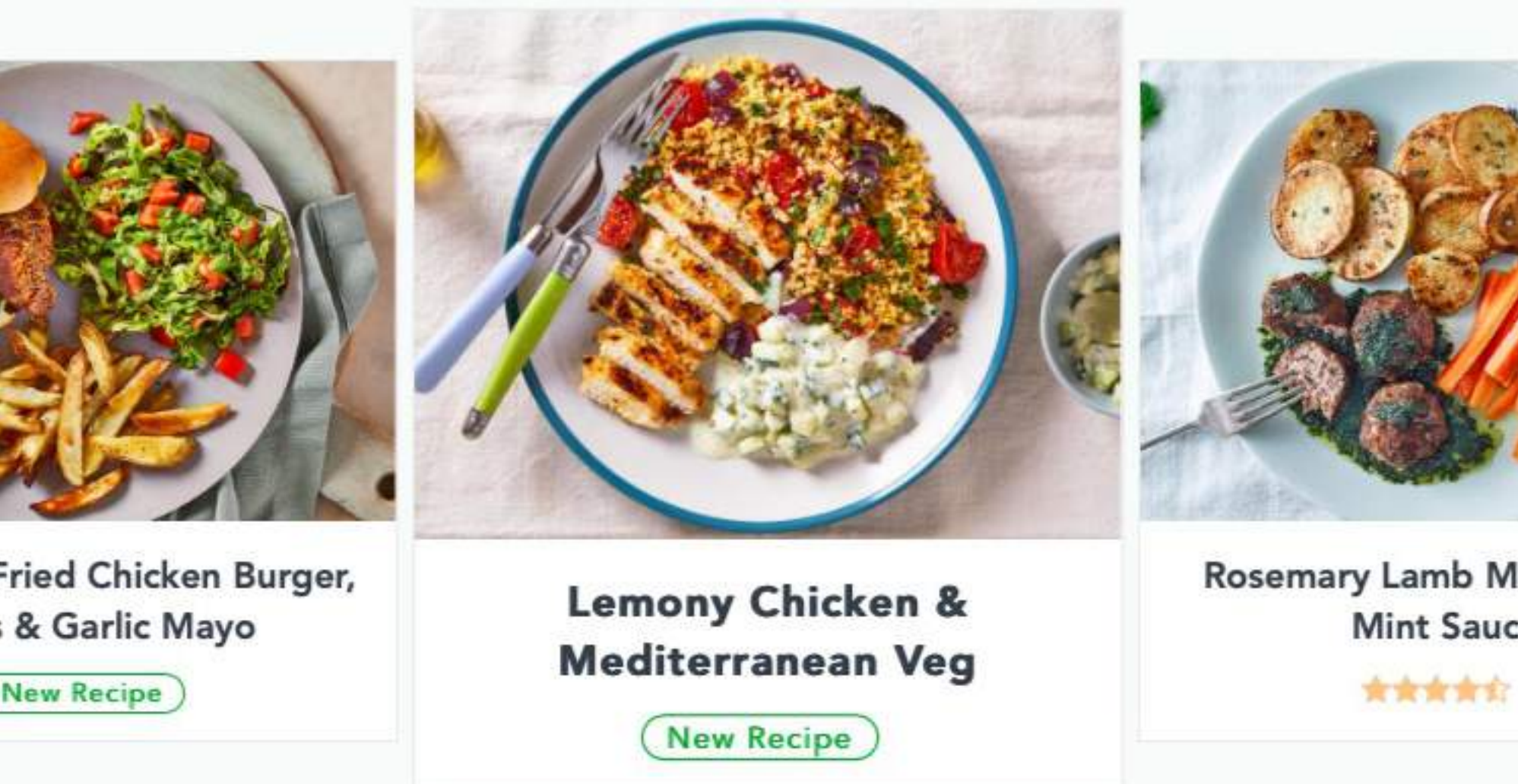
*Dejan Petelin, Head of Data, **Gousto***

The first version of their model used random forests. However, the data science team moved to a deep learning model because it meant they could feed it much more data without having to do expensive feature engineering. The deep learning model could also understand all the rich data that Gousto collected with Snowplow from the different sources that contribute to figuring out a user’s likelihood to retain:

- Web behavior
- Mobile app usage
- Engagement with email
- Transactional history
- Customer service conversations in Zendesk

They A/B tested different campaigns with customers at different scores to understand both what range of scores is the best to intervene and what is the most effective intervention at each stage. Gousto learned there were threshold points where customers responded better to interventions. Once a retention score got too high or dropped too low, the user was essentially disengaged and would “ignore” any of the attempted interventions.

Now, what looks good?



GROWTH DEPENDED ON THREE THINGS

3. Using data to surprise and delight subscribers with personalized recipes

Two things were important for all of Gousto's subscribers:

1. Having delicious recipes.

If you're not excited about the meals from Gousto, you're going to leave the service.

2. Convenience.

You don't want to sift through 30 recipes to find one or two that you like. After extensive testing, Gousto realized you want 5-10 recipes with a high likelihood to be appealing to your taste.



It's really hard to deliver both of these. Reducing selection makes choosing recipes more convenient but risks not showing users meals they like; conversely, giving people more selection means they have more meals they're excited about to choose from, but the experience is less convenient.

Personalization solves this tension: because Gousto can be confident they know which recipes a user will like, they can show a user fewer choices (which is better for the experience).

Gousto's personalization efforts were powered by a combination of behavioral data from Snowplow and a graph database of their individual recipes built using Neo4j. Feeding the algorithm a combination of recipe data plus the rich data from Snowplow about how users engage with each recipe prior to actually making their selections was critical and ensured subscribers who like chicken don't end up with ten different chicken dishes to choose from, and get just the right amount of variety each week.



SNOWPLOW

DIFFERENTIATE WITH DATA

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Snowplow can help grow your business,
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