

Apprentice Chef

Regression-Based Analysis

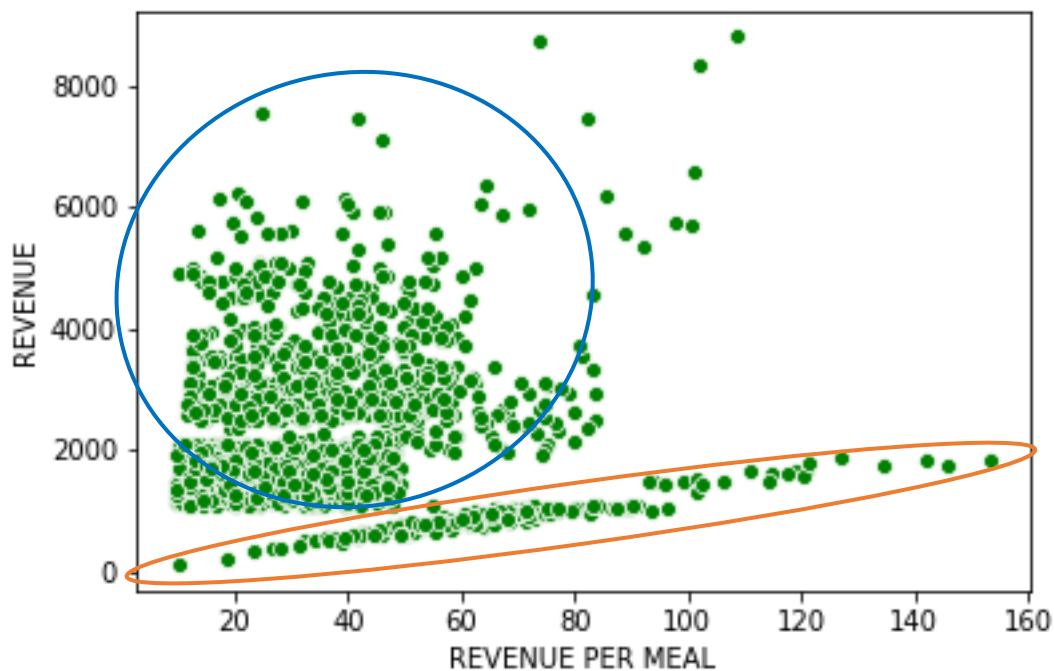


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Analysis One

Revenue per meal ($\text{REVENUE}/\text{TOTAL_MEALS_ORDERED}$) categorizes customers roughly into two groups. One with orange circle shows stable linear increment in revenue per meal against total revenue generation, however, it is somewhere between 0 and 2000. The other group with blue circle demonstrates lower revenue per meal, but it yields much higher total revenue, which could be the customer segment that is relatively short-term (12 months maximum) and that generates 90% of Apprentice Chef's revenue. On the other hand, the orange segment could be long-term customer (over 12 months), but somehow not using their service as much anymore.

Image 1 : Revenue vs. Revenue Per Meal



Analysis Two

The number of customers who have not viewed any photos on neither website nor mobile platform is 1140, which accounts for 58.6% of all the customers on the dataset. However, it leads to roughly the same amount of revenue compared to those customers who utilize photos on the platform more frequently (image 2). Moreover, lower average platform visit time actually yields higher revenues as shown on image 3. With those factors in mind, Apprentice Chef's website contents/ features might not create additional significant value to customers in terms of ordering meals.

Image 2 : Revenue vs. Total Photos Viewed

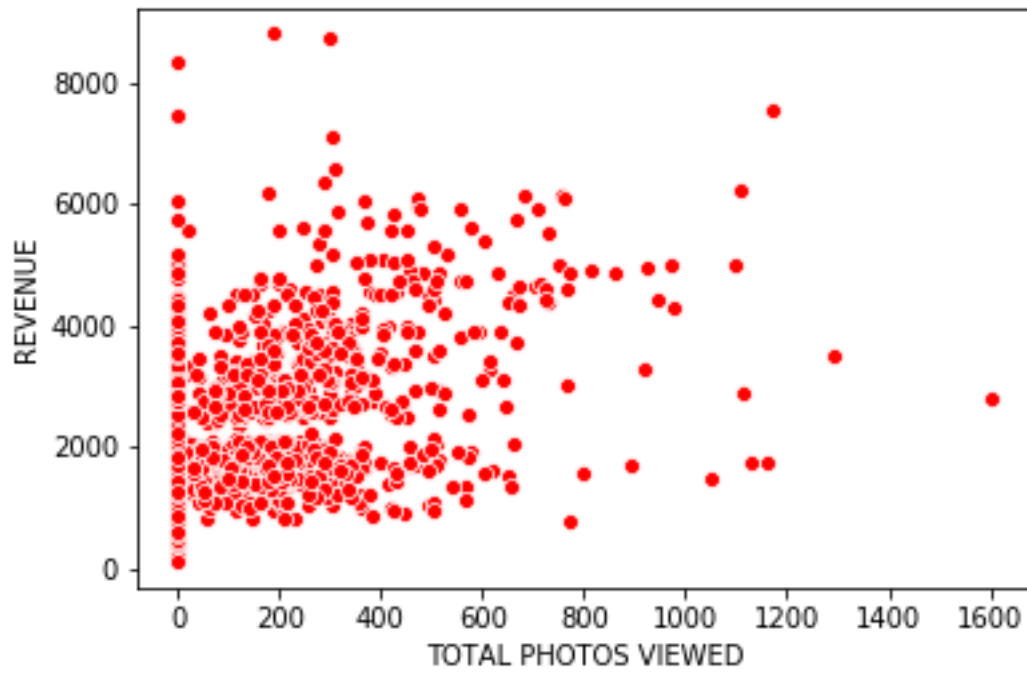
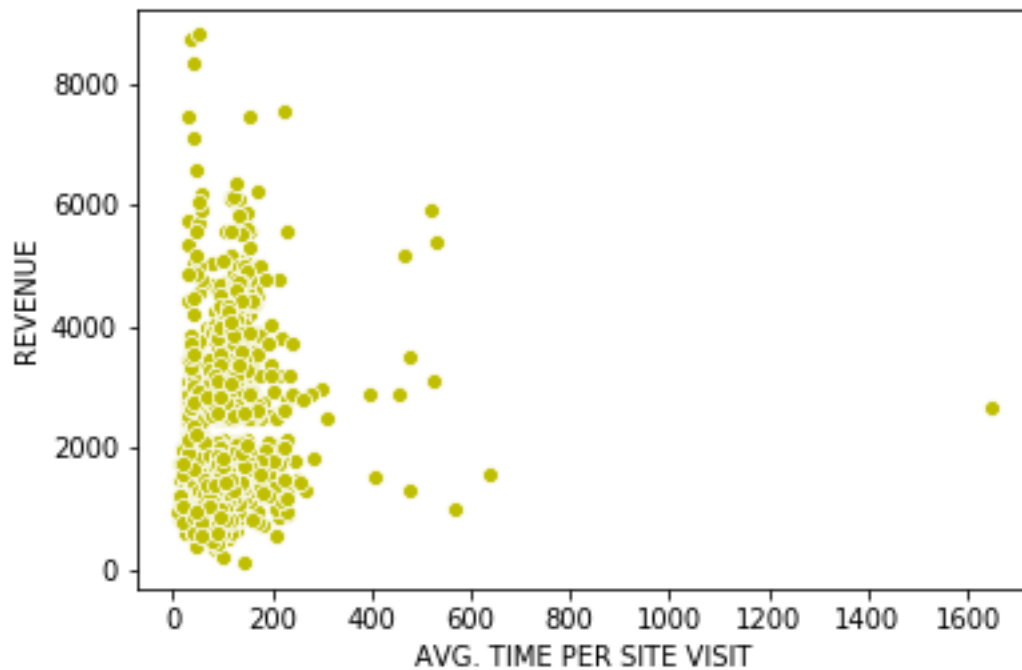


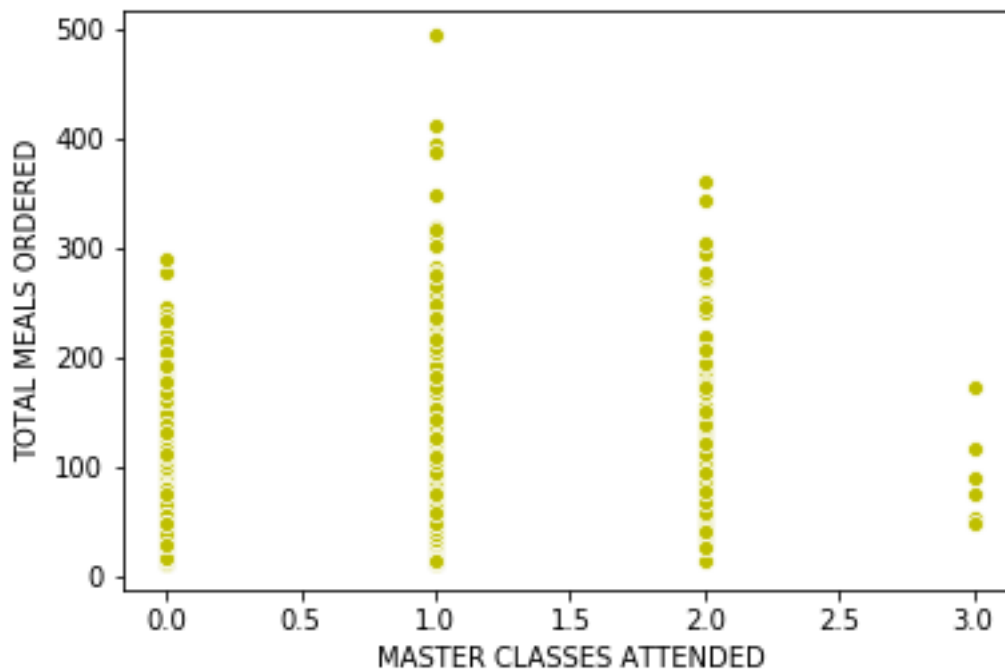
Image 3 : Revenue vs. Avg. Time Per Site Visit



Recommendation : Launch new platform where customers can attend/watch master classes virtually

Apprentice Chef currently have only 13% of retained users with over 12 months, and they generate only 8% of total revenue. Ultimately Apprentice Chef need to improve retention rates of this orange circled segment (image 1) since higher retention rates over a long term show greater monetization opportunities (adjust, 2020). Image 1 already demonstrates that the orange segment generates more revenue per meal, therefore, enhancing their purchase/order behavior is a key to increasing the company's revenue. In order to improve the trend with orange segment while keeping the rest of blue segment, Apprentice Chef should re-structure their platforms to create better user experience. Analysis two revealed that their platforms do not interact with customers effectively, and I would suggest creating a webinar/ video page on their platform where customers can attend/watch 'master classes.' According to image 4 below, those who attended master classes once or twice tend to order more meals. Total meals ordered has p-value of 0, which shows statistical significance with revenue as well as correlation of 0.60. Thus, increasing the number of meals ordered through better user experience leads to higher revenue.

Image 4 : Total Meals Ordered vs. Master Classes Attended



R-squared Score on Training Sets : 1.0

R-squared Score on Testing Sets : 0.974

Reference

adjust. (2020). Retention Rate | Meaning. Retrieved March 6, 2020 from:
<https://www.adjust.com/glossary/retention-rate/>