

# DAT 301 - Project 2

## Tema Members

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Here's the Dataset we're using for this project:

Taxi/Cab Industry Dataset - <https://www.kaggle.com/datasets/xiyuanwu/taxicab-industry-dataset>

## Problem Statement

- In this project, we want to understand taxi usage and various customer demographics behind the business for identifying market trends.
- We aim to analyze various aspects of taxi usage and customer demographics.
- We will use comprehensive data analysis and visualization techniques, including:
  - Bar charts
  - Pie charts
  - Histograms
  - Box plots
  - Scatter plots
  - Descriptive statistics
- Our goal is to provide actionable insights into customer behavior and taxi usage patterns.
- These insights will aid in:
  - Enhancing service quality
  - Targeting marketing efforts
  - Maximizing profitability.

This version addresses the grammar issues and maintains clarity.

## Import Libraries and Read CSV File

In [1]: # Import Libraries

```
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns
from sklearn.linear_model import LinearRegression
from sklearn.model_selection import train_test_split
from sklearn.metrics import r2_score
```

```

from sklearn.metrics import mean_squared_error
#import plotly.express as px

# Load datasets
taxi_data = pd.read_csv("Taxi_Data.csv")
customer_data = pd.read_csv("Customer_ID.csv")
transaction_data = pd.read_csv("Transaction_ID.csv")
city_data = pd.read_csv("City.csv")

print(taxi_data.head())
print(customer_data.head())
print(city_data.head())
print(transaction_data.head())

```

	Transaction ID	Date of Travel	Company	City	\
0	10000011	42377	Pink Cab	ATLANTA	GA
1	10000012	42375	Pink Cab	ATLANTA	GA
2	10000013	42371	Pink Cab	ATLANTA	GA
3	10000014	42376	Pink Cab	ATLANTA	GA
4	10000015	42372	Pink Cab	ATLANTA	GA

	Distance Travelled(KM)	Price Charged	Cost of Trip
0	30.45	370.95	313.635
1	28.62	358.52	334.854
2	9.04	125.20	97.632
3	33.17	377.40	351.602
4	8.73	114.62	97.776

	Customer ID	Gender	Age	Income (USD/Month)
0	29290	Male	28	10813
1	27703	Male	27	9237
2	28712	Male	53	11242
3	28020	Male	23	23327
4	27182	Male	33	8536

	City	Population	Users
0	NEW YORK NY	8,405,837	302,149
1	CHICAGO IL	1,955,130	164,468
2	LOS ANGELES CA	1,595,037	144,132
3	MIAMI FL	1,339,155	17,675
4	SILICON VALLEY	1,177,609	27,247

	Transaction ID	Customer ID	Payment_Mode
0	10000011	29290	Card
1	10000012	27703	Card
2	10000013	28712	Cash
3	10000014	28020	Cash
4	10000015	27182	Card

## Relationships between various factors and taxi usage (Taylor's Section)

In this section, we're exploring the relationships between various factors and taxi usage, particularly focusing on distance traveled, income, age, and spending on taxi services:

Distance Traveled vs. Cost of Trip:

- Analyzing the relationship between distance traveled and the cost of the trip.
- Investigating the variability in costs for longer distances.
- Discussing potential factors influencing the cost of the trip, such as traffic conditions or specific routes.

Income vs. Distance Traveled:

- Examining whether there's a correlation between a person's income and the distance they travel in a taxi.
- Considering possible additional variables that might influence distance traveled.

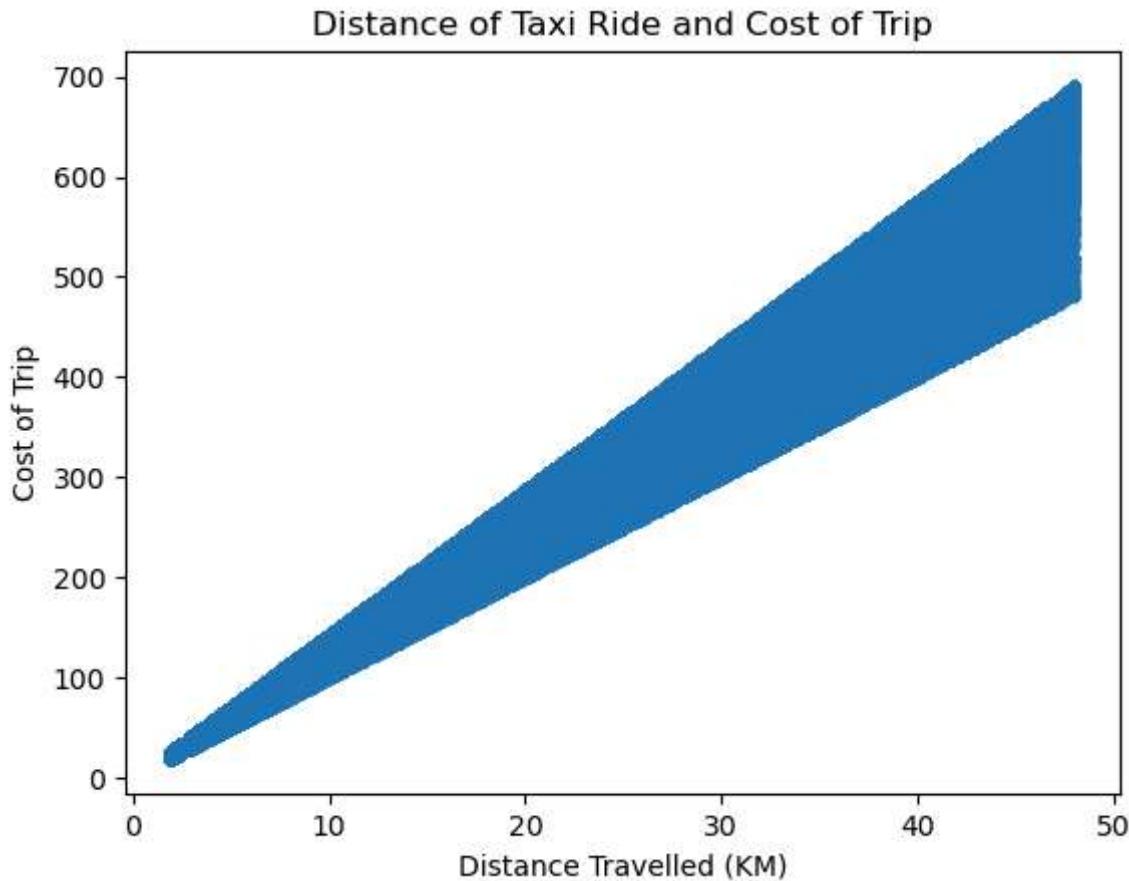
Age vs. Spending on Taxi Services:

- Investigating the correlation between age and spending on taxi services.
- Discussing potential factors influencing spending on taxi services within different age groups.

## What is the relationship between distance traveled and cost of the trip?

```
In [2]: date = taxi_data['Distance Travelled(KM)']
distance = taxi_data['Cost of Trip']
plt.scatter(date, distance, s=10)
plt.xlabel('Distance Travelled (KM)')
plt.ylabel('Cost of Trip')
plt.title('Distance of Taxi Ride and Cost of Trip')

Out[2]: Text(0.5, 1.0, 'Distance of Taxi Ride and Cost of Trip')
```

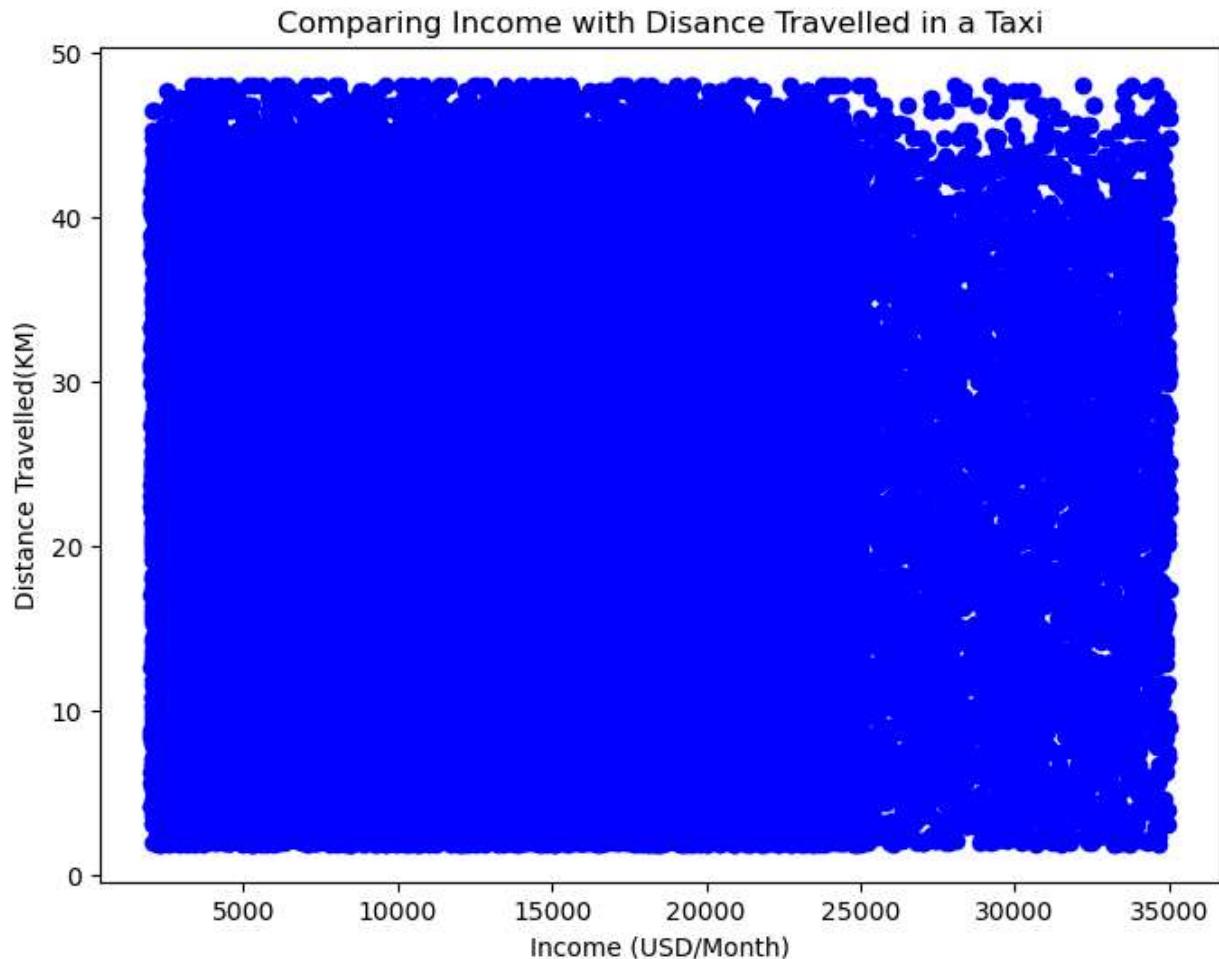


Is there a correlation between income and distance travelled in taxi?

```
In [3]: num_rows = min(len(customer_data), len(taxi_data))
x = customer_data['Income (USD/Month)'].iloc[:num_rows]
y = taxi_data['Distance Travelled(KM)'].iloc[:num_rows]

plt.figure(figsize=(8, 6))
plt.scatter(x, y, color='blue')
plt.xlabel('Income (USD/Month)')
plt.ylabel('Distance Travelled(KM)')
plt.title('Comparing Income with Disance Travelled in a Taxi')

Out[3]: Text(0.5, 1.0, 'Comparing Income with Disance Travelled in a Taxi')
```



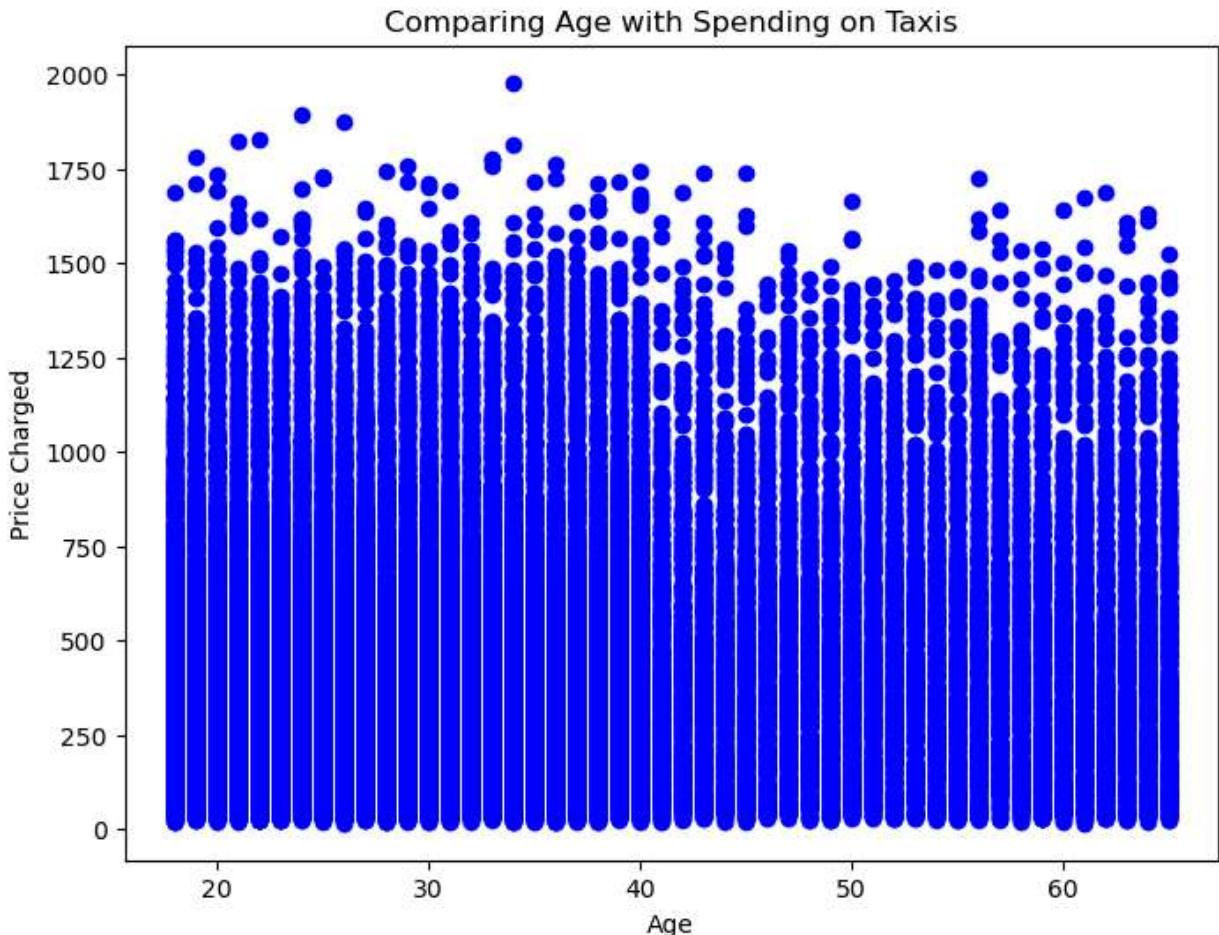
- There does not seem to be a correlation between a person's income and the distance they travel in a taxi

## Is there a correlation between age and spending on taxi services?

```
In [4]: num_rows = min(len(customer_data), len(taxi_data))
x = customer_data['Age'].iloc[:num_rows]
y = taxi_data['Price Charged'].iloc[:num_rows]

plt.figure(figsize=(8, 6))
plt.scatter(x, y, color='blue')
plt.xlabel('Age')
plt.ylabel('Price Charged')
plt.title('Comparing Age with Spending on Taxis')
```

Out[4]: Text(0.5, 1.0, 'Comparing Age with Spending on Taxis')



- While there is no clear correlation between age and spending on taxi services, there does seem to be a very slight downward trend.
- It appears that younger people tend to spend a little more on taxis compared to older people.

This section focuses on analyzing various aspects of taxi service data, including profitability, payment modes, average prices, customer spending, and demographics of top-spending customers. (Abhi's Section)

1. Profitability Analysis by Company and City:
2. Profitability Analysis by Payment Mode:
3. Profitability Analysis by Payment Mode and Company:
4. Average Price of Trips per City:

## 5. Average Distance Traveled per Trip by Company and City:

## 6. Customer Spending and Demographics Analysis:

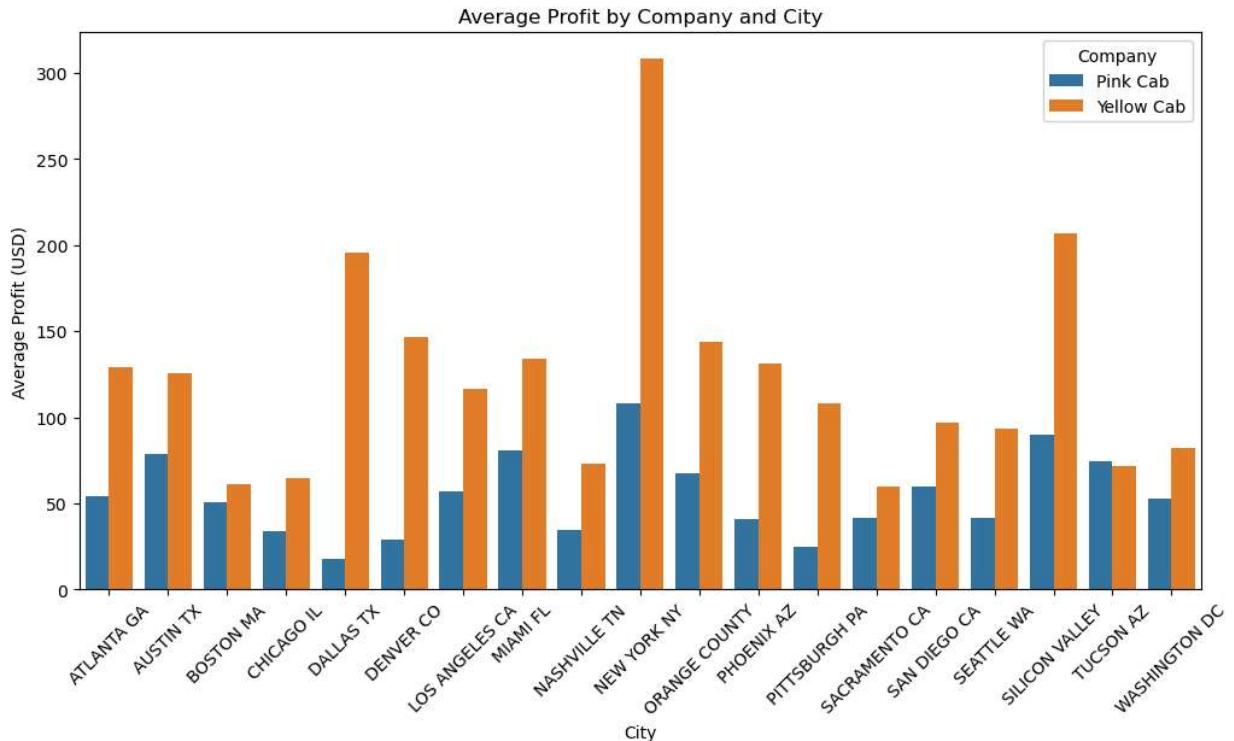
### What is the profitability of each cab company, and how does it vary by city?

- Calculate the profitability of each trip by subtracting the cost of the trip from the price charged.
- group the data by company and city to find the average profit per trip for each combination of company and city

```
In [5]: # Calculate profitability
taxi_data['Profit'] = taxi_data['Price Charged'] - taxi_data['Cost of Trip']

# Group by company and city to get average profit
profit_by_company_city = taxi_data.groupby(['Company', 'City'])['Profit'].mean().reset_index()

# Visualization
plt.figure(figsize=(12, 6))
sns.barplot(x='City', y='Profit', hue='Company', data=profit_by_company_city)
plt.title('Average Profit by Company and City')
plt.xlabel('City')
plt.ylabel('Average Profit (USD)')
plt.xticks(rotation=45)
plt.legend(title='Company')
plt.show()
```



- The visualization presents a bar plot showing the average profit by company and city, allowing you to compare the profitability across different companies and cities. This data

shows the average profit for each combination of company and city. Here are some observations and analyses:

#### 1. Pink Cab vs. Yellow Cab:

- In most cities, Yellow Cab seems to have higher average profits compared to Pink Cab.
- For instance, in New York, Yellow Cab's average profit is significantly higher at *307.86* compared to Pink Cab's *108.22*.

#### 2. Variation Across Cities:

- Profitability varies significantly across different cities for both Pink Cab and Yellow Cab.
- For Pink Cab, Miami has the highest average profit at *81.07*, while Dallas has the lowest at *17.92*.
- For Yellow Cab, New York has the highest average profit at *307.86*, while Sacramento has the lowest at *60.02*.

#### 3. Differences Within Cities:

- In some cities, there's a notable difference between the average profits of Pink Cab and Yellow Cab.
- For example, in Chicago, Yellow Cab's average profit is *64.92*, while Pink Cab's is *34.05*.
- Similarly, in Los Angeles, Yellow Cab's average profit is *116.66*, significantly higher than Pink Cab's *56.67*.

#### 4. Potential Factors:

- Factors influencing these differences could include market share, pricing strategies, operating costs, demand, and competition.
- Yellow Cab generally has higher prices, possibly indicating premium services or higher demand in certain areas.
- Pink Cab's lower prices may attract a different customer segment or compete more aggressively on price.

#### 5. Implications:

- These differences suggest opportunities for both companies. For Pink Cab, improving profitability might involve examining cost structures or optimizing pricing strategies.
- For Yellow Cab, maintaining high profitability might involve understanding and catering to the needs of their higher-paying customer base.

## Is there a significant difference in profitability between different payment modes?

- The second block merges transaction data with taxi data.
- It calculates the profitability of each trip and groups the data by payment mode to find the average profit per trip for each payment mode.

```
In [6]: # Merge transaction_data with taxi_data
merged_data = pd.merge(transaction_data, taxi_data, on='Transaction ID')

# Calculate profitability
merged_data['Profit'] = merged_data['Price Charged'] - merged_data['Cost of Trip']

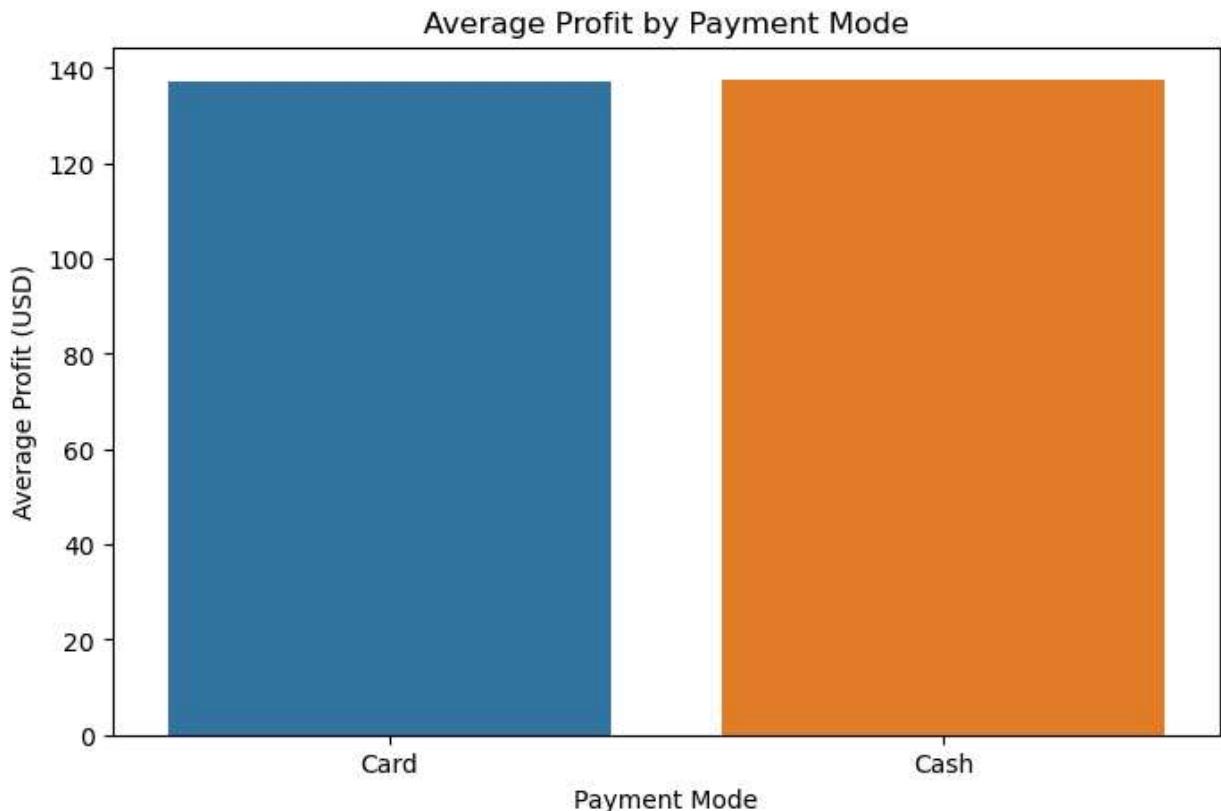
# Group by payment mode to get average profit
profit_by_payment_mode = merged_data.groupby('Payment_Mode')['Profit'].mean().reset_index()

# Visualization
plt.figure(figsize=(8, 5))
sns.barplot(x='Payment_Mode', y='Profit', data=profit_by_payment_mode)
plt.title('Average Profit by Payment Mode')
plt.xlabel('Payment Mode')
plt.ylabel('Average Profit (USD)')
plt.show()

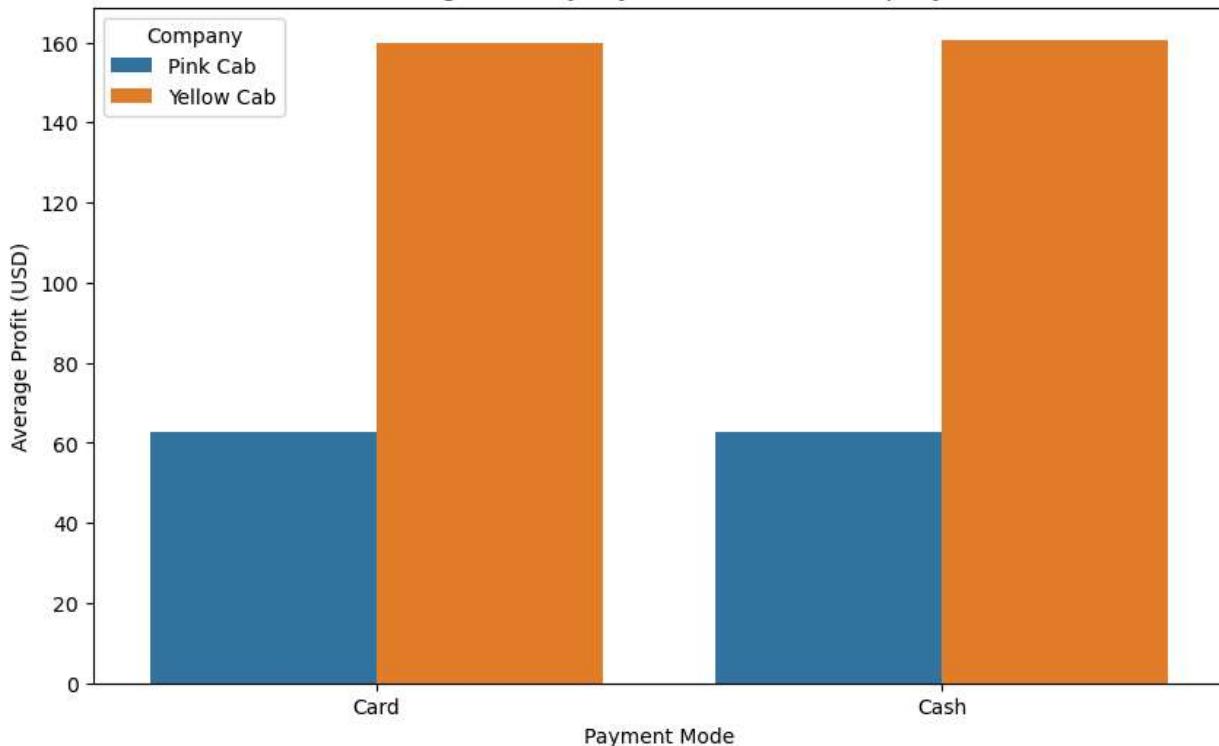
# Group by payment mode and company to get average profit
profit_by_payment_mode_company = merged_data.groupby(['Payment_Mode', 'Company'])['Profit'].mean().reset_index()

# Visualization
plt.figure(figsize=(10, 6))
sns.barplot(x='Payment_Mode', y='Profit', hue='Company', data=profit_by_payment_mode_company)
plt.title('Average Profit by Payment Mode and Company')
plt.xlabel('Payment Mode')
plt.ylabel('Average Profit (USD)')
plt.legend(title='Company')
plt.show()

print(profit_by_payment_mode)
print()
print(profit_by_payment_mode_company)
```



### Average Profit by Payment Mode and Company



	Payment_Mode	Profit
0	Card	137.086461
1	Cash	137.502924

	Payment_Mode	Company	Profit
0	Card	Pink Cab	62.710282
1	Card	Yellow Cab	159.978626
2	Cash	Pink Cab	62.565472
3	Cash	Yellow Cab	160.681874

- The visualization presents a bar plot showing the average profit by payment mode

- Payment Mode Analysis:**

- Card payments average *137.09 profit, while cash payments average 137.50.*
- Profitability doesn't significantly differ between payment modes.

- Company Analysis:**

- Yellow Cab's average profit is notably higher: *159.98 with cards and 160.68 with cash.*
- Pink Cab's average profit is significantly lower: *62.71 with cards and 62.57 with cash.*

- Overall:**

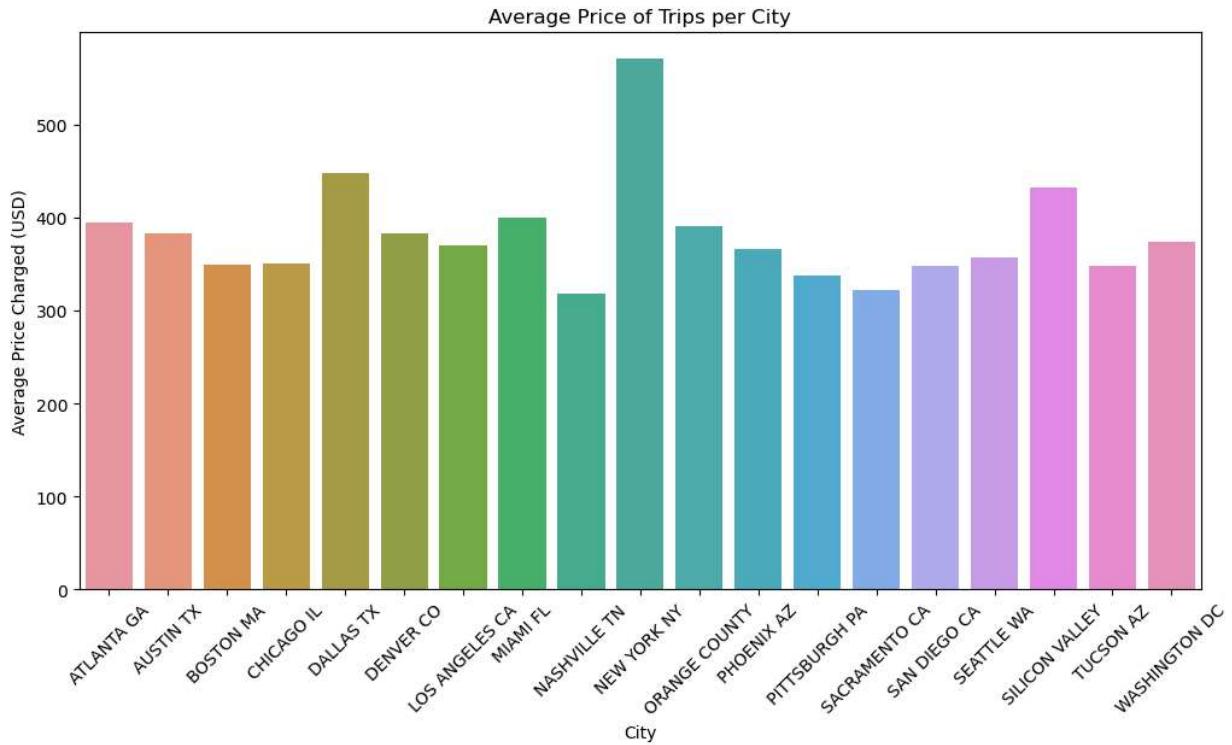
- Yellow Cab is far more profitable than Pink Cab, regardless of payment mode.
- Payment mode doesn't affect profitability much.

## Average Price of Trips Per City

- This section calculates the average price of trips in each city.

```
In [7]: # Calculate average price of trips per city
avg_price_per_city = taxi_data.groupby('City')['Price Charged'].mean().reset_index()

# Visualization
plt.figure(figsize=(12, 6))
sns.barplot(x='City', y='Price Charged', data=avg_price_per_city)
plt.title('Average Price of Trips per City')
plt.xlabel('City')
plt.ylabel('Average Price Charged (USD)')
plt.xticks(rotation=45)
plt.show()
```



- The visualization presents a bar plot showing the average price of trips for each city, allowing you to understand price variations across different cities.

### Price Charged by City:

- New York has the highest average price charged at 570.20, indicating high demand or premium services.
- Dallas follows with 447.83, possibly due to a combination of factors like distance, demand, and local economy.
- Silicon Valley and Atlanta also have relatively high prices charged, suggesting similar dynamics.
- Nashville has the lowest average price charged at 318.64, possibly due to lower demand or shorter trips.

### Overall Observations:

- Pricing varies significantly across cities, reflecting differences in demand, distance, and local economic conditions.

- High prices in cities like New York and Silicon Valley may indicate a higher cost of living or higher demand for transportation services.
- Lower prices in cities like Nashville and Sacramento may suggest less demand or shorter trip distances.

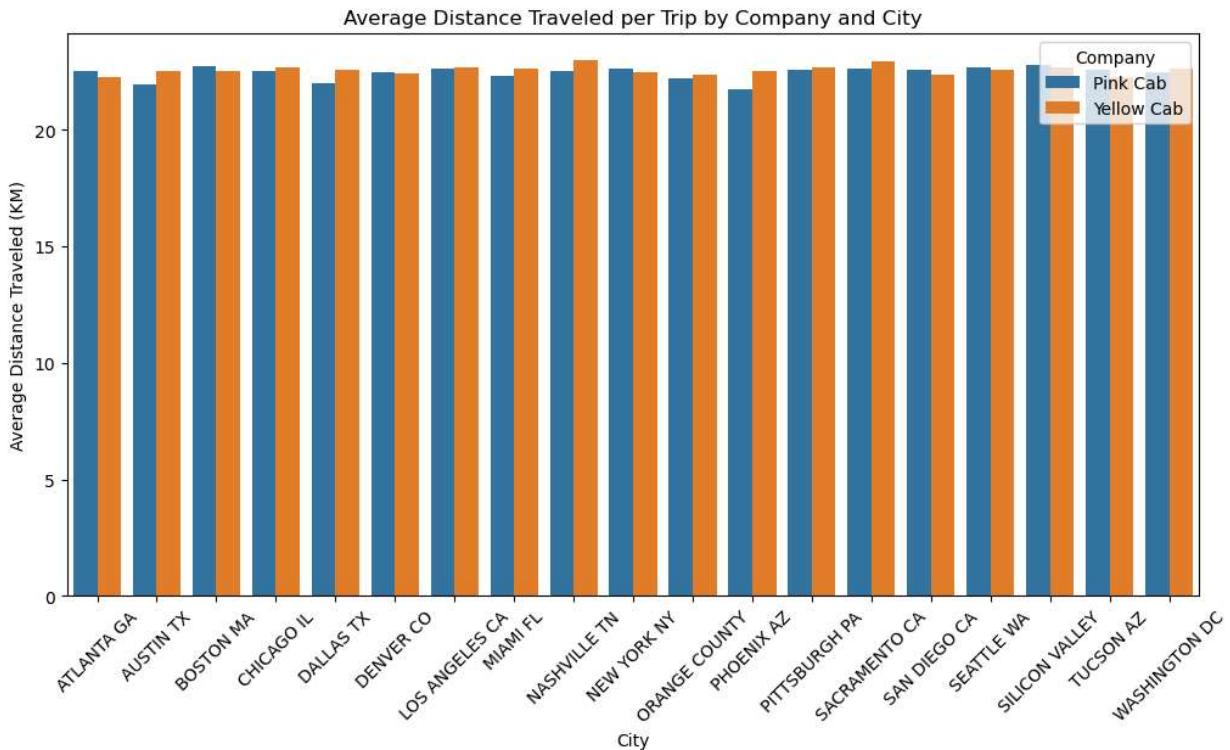
## How efficient are cab companies in terms of distance traveled per trip, and how does it vary across cities?

- This block calculates the average distance traveled per trip by each company in each city.

In [8]:

```
# Calculate average distance traveled per trip
avg_distance_per_trip = taxi_data.groupby(['Company', 'City'])['Distance Travelled(KM)']

# Visualization
plt.figure(figsize=(12, 6))
sns.barplot(x='City', y='Distance Travelled(KM)', hue='Company', data=avg_distance_per_trip)
plt.title('Average Distance Traveled per Trip by Company and City')
plt.xlabel('City')
plt.ylabel('Average Distance Traveled (KM)')
plt.xticks(rotation=45)
plt.legend(title='Company')
plt.show()
```



- The visualization presents a bar plot showing the average distance traveled per trip for each company in each city.
- **Distance Travelled by Company and City:**

- Pink Cab and Yellow Cab seem to cover similar distances across cities, averaging around 22.5 kilometers per trip.
- There's not much variation in distance travelled between the two companies, indicating similar service coverage.
- Yellow Cab's longest average trip is in Sacramento at 22.95 kilometers, while Pink Cab's longest is in Silicon Valley at 22.79 kilometers.
- Yellow Cab's shortest average trip is in Tucson at 22.27 kilometers, while Pink Cab's shortest is in Phoenix at 21.75 kilometers.
- **Overall Observations:**
  - Pink Cab and Yellow Cab operate similarly in terms of distance covered per trip across cities.
  - The variations in distance travelled are relatively minor between cities and companies, suggesting consistent service provision across the board.
  - The differences in trip distance between cities are not substantial, indicating a consistent service radius or demand pattern across cities.

## What are the characteristics of the top 10% of customers by spending on taxi services?

- The final block merges necessary datasets (taxi data, transaction data, and customer data).
- It calculates the total spending per customer and identifies the top 10% of customers based on their spending.
- Descriptive statistics (gender distribution, age distribution, and income distribution) of these top-spending customers are calculated and visualized.

```
In [9]: # Merge necessary datasets
merged_data = pd.merge(pd.merge(taxi_data, transaction_data, on='Transaction ID'), customer_data, on='Customer ID')

# Calculate spending per customer
merged_data['Total Spending'] = merged_data.groupby('Customer ID')['Price Charged'].transform('sum')

# Identify top 10% of customers by spending
top_10_percent_customers = merged_data[merged_data['Total Spending'] >= merged_data['Total Spending'].quantile(0.9)] 

# Descriptive statistics on demographics of top-spending customers
top_10_percent_customers_demographics = top_10_percent_customers[['Gender', 'Age', 'Income Group']]

# Descriptive statistics
top_10_percent_customers_stats = top_10_percent_customers_descriptives.describe()

# Set up figure and axes
fig, axes = plt.subplots(nrows=3, ncols=1, figsize=(10, 15))

# Plot gender distribution
sns.countplot(x='Gender', data=top_10_percent_customers_descriptives, ax=axes[0])
axes[0].set_title('Gender Distribution of Top 10% Customers')
axes[0].set_xlabel('Gender')
```

```
axes[0].set_ylabel('Count')

# Plot age distribution
sns.boxplot(x='Age', data=top_10_percent_customers_demographics, ax=axes[1])
axes[1].set_title('Age Distribution of Top 10% Customers')
axes[1].set_xlabel('Age')

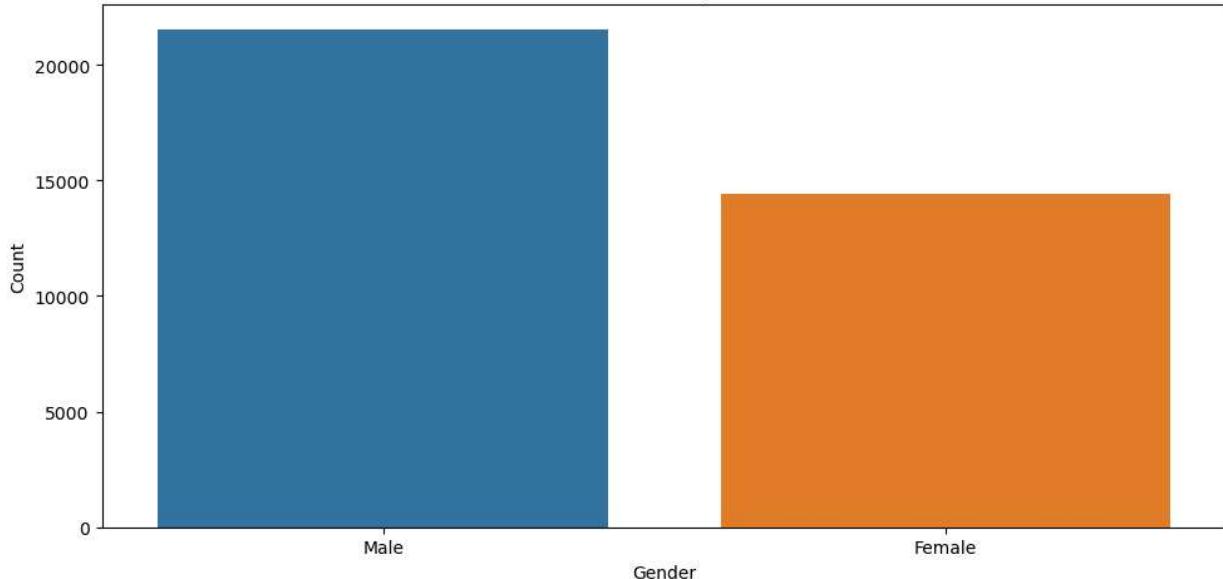
# Plot income distribution
sns.boxplot(x='Income (USD/Month)', data=top_10_percent_customers_demographics, ax=axes[2])
axes[2].set_title('Income Distribution of Top 10% Customers')
axes[2].set_xlabel('Income (USD/Month)')

# Adjust layout
plt.tight_layout()

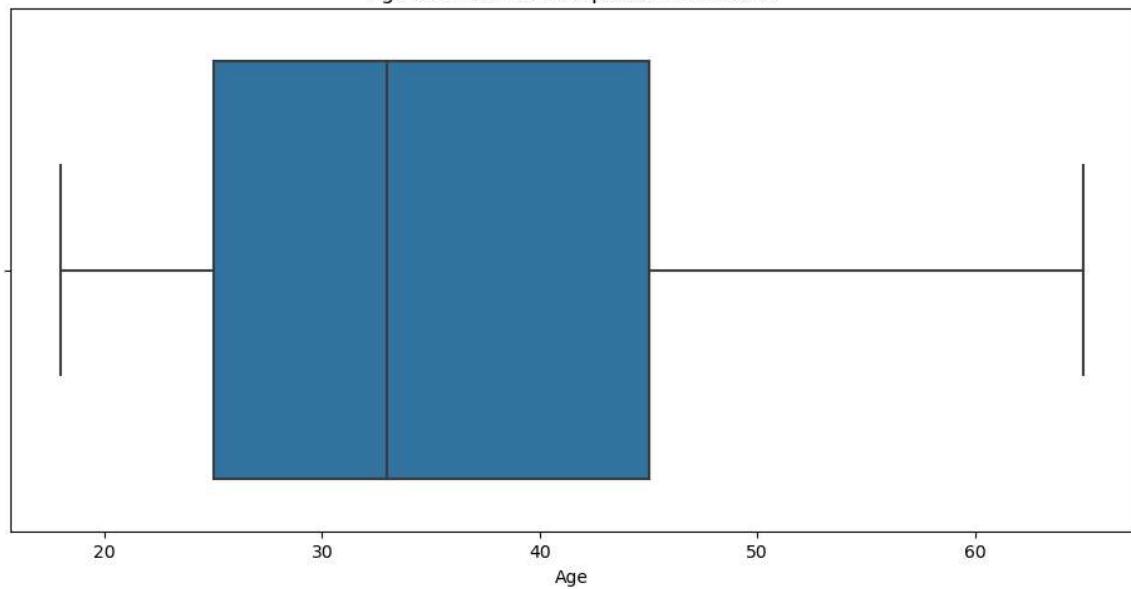
# Show plots
plt.show()

# Print descriptive statistics
print("Characteristics of the Top 10% of Customers by Spending on Taxi Services: \n")
print(top_10_percent_customers_stats)
```

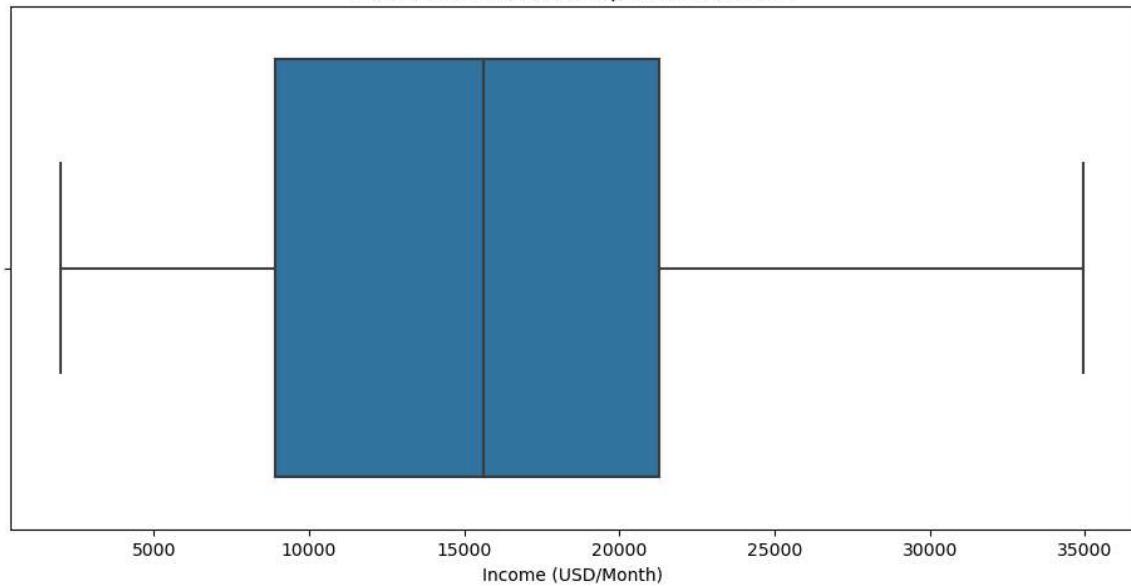
Gender Distribution of Top 10% Customers



Age Distribution of Top 10% Customers



Income Distribution of Top 10% Customers



## Characteristics of the Top 10% of Customers by Spending on Taxi Services:

	Age	Income (USD/Month)
count	35948.00000	35948.00000
mean	35.583760	15455.790698
std	12.871728	7826.960037
min	18.000000	2012.000000
25%	25.000000	8911.000000
50%	33.000000	15614.000000
75%	45.000000	21263.000000
max	65.000000	34953.000000

### Age Distribution:

- Mean: 35.58 years
- Standard Deviation: 12.87 years
- Range: 18 to 65 years
- Median: 33 years

### Income Distribution:

- Mean: 15,455.79 dollars per month
- Standard Deviation: 7,826.96 dollars
- Range: 2,012 to 34,953 dollars per month
- Median: 15,614 dollars per month

This analysis reveals that the top 10 percent of customers by spending on taxi services are, on average, in their mid-30s and earn around 15,000 dollars per month.

## Now let's understand the user base a little better. (Ayan's Section)

## Gender and Age Distribution Among Customers

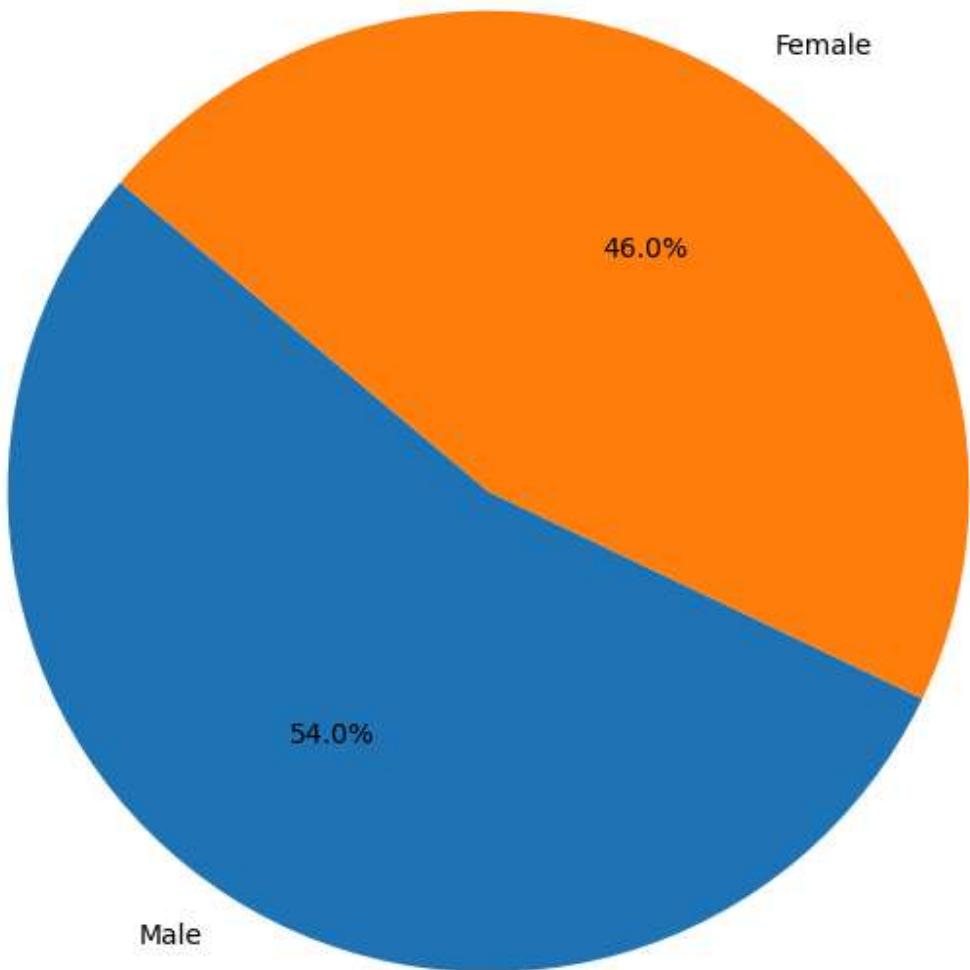
This segment of the code aims to analyze and visualize the demographic distribution of customers based on gender and age. The first part creates a pie chart to display the proportion of male and female customers, giving us a visual understanding of gender balance within the customer base. The second part generates a histogram of customer ages, which helps in understanding the age distribution and identifying the predominant age groups among our customers.

```
In [10]: gender_counts = customer_data['Gender'].value_counts()
plt.figure(figsize=(8, 8))
plt.pie(gender_counts, labels=gender_counts.index, autopct='%1.1f%%', startangle=140)
plt.title('Gender Distribution Among Customers')
plt.show()

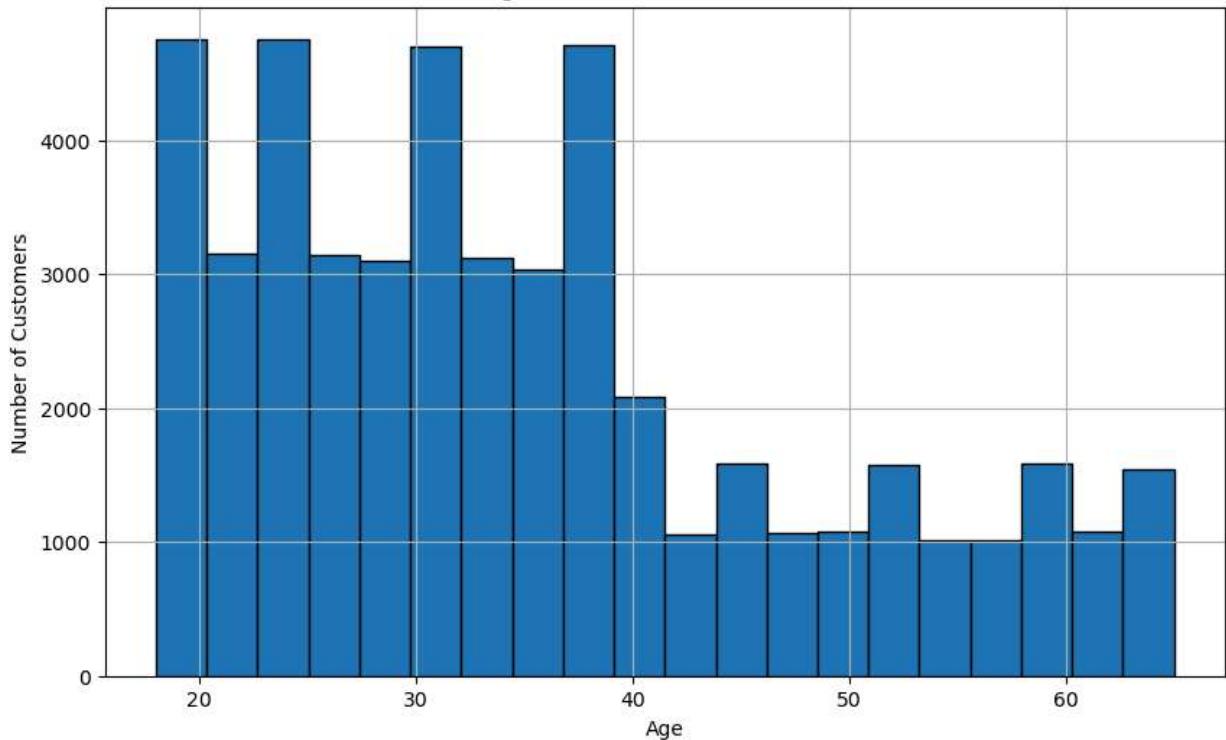
plt.figure(figsize=(10, 6))
plt.hist(customer_data['Age'], bins=20, edgecolor='black')
plt.title('Age Distribution of Customers')
```

```
plt.xlabel('Age')
plt.ylabel('Number of Customers')
plt.grid(True)
plt.show()
```

Gender Distribution Among Customers



### Age Distribution of Customers



From the pie chart, we observed that [54]% of our customers are male and [46]% are female, suggesting a more balanced customer base. The histogram of ages shows that the majority of our customers fall within the [20-40] age range, indicating that our primary user base is young adults and middle-aged but rarely seniors, which can inform targeted marketing strategies.

## Total Population and Number of Users by Top 10 Cities

This code snippet visualizes the population and the number of users in the top 10 most populous cities from our dataset. By presenting this data side by side in a bar chart, we can compare the actual population of a city with the number of users from that city, potentially identifying markets with high penetration and those with room for growth.

```
In [11]: top_cities = city_data.sort_values(by='Population', ascending=False).head(10)

fig, ax = plt.subplots(figsize=(14, 7))
indices = np.arange(len(top_cities))
width = 0.35 # the width of the bars

# Convert population and users data to integers, removing commas if necessary
top_cities['Population'] = top_cities['Population'].str.replace(',', '').astype(int)
top_cities['Users'] = top_cities['Users'].str.replace(',', '').astype(int)

population_bars = ax.bar(indices - width/2, top_cities['Population'], width, label='Population')
users_bars = ax.bar(indices + width/2, top_cities['Users'], width, label='Users')

# Setting y-axis limits to scale with the maximum population value
ax.set_ylim(0, top_cities['Population'].max() + top_cities['Population'].max() * 0.1)
```

```

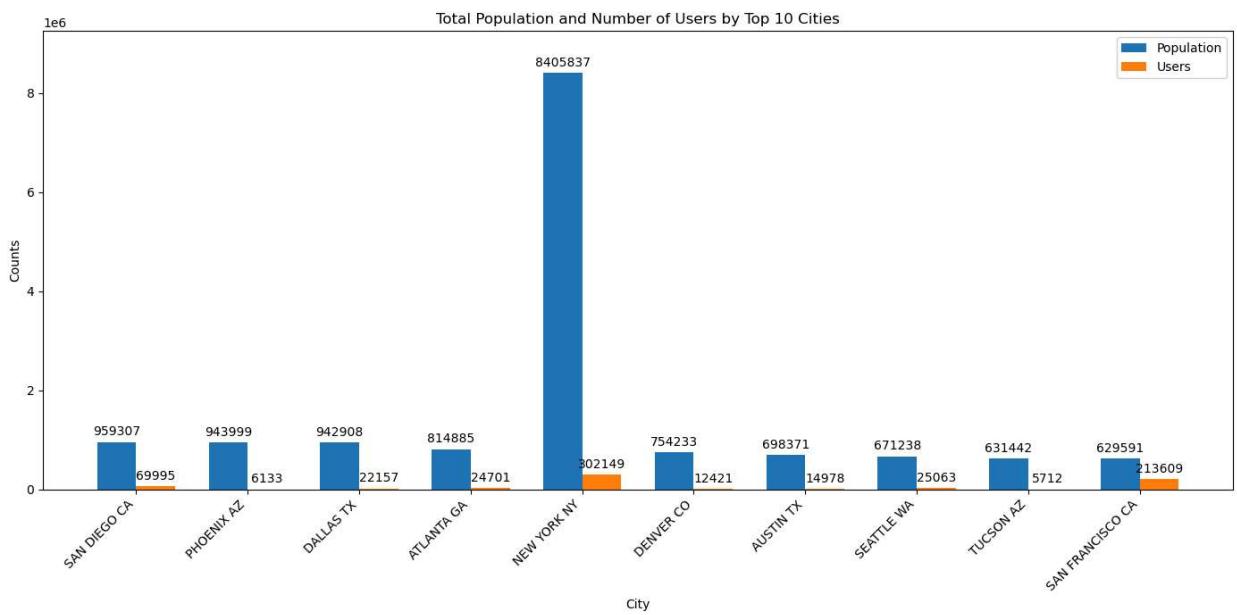
ax.set_xlabel('City')
ax.set_ylabel('Counts')
ax.set_title('Total Population and Number of Users by Top 10 Cities')
ax.set_xticks(indices)
ax.set_xticklabels(top_cities['City'], rotation=45, ha='right') # Rotate city names
ax.legend()

def autolabel(bars):
    """Attach a text label above each bar in *bars*, displaying its height."""
    for bar in bars:
        height = bar.get_height()
        ax.annotate('{}'.format(height),
                    xy=(bar.get_x() + bar.get_width() / 2, height),
                    xytext=(0, 3), # 3 points vertical offset
                    textcoords="offset points",
                    ha='center', va='bottom')

autolabel(population_bars)
autolabel(users_bars)

plt.tight_layout()
plt.show()

```



The chart reveals significant variations in user penetration across different cities. Cities like San Francisco and San Diego show a high number of users relative to their population, indicating strong market penetration. In contrast, cities such as Phoenix and Tucson have large populations but comparatively fewer users, suggesting potential markets for expansion. The data indicates that our service is either well-patronized or underrepresented in different regions, which could guide future business development strategies.

## Top 10 Cities by Population and Their Average Cost per Ride

In this analysis, we explore the relationship between city population size and the average cost per ride in those cities. This comparison aims to identify if there is a correlation between a city's

population density and the pricing dynamics of rides. The visualization includes a bar graph for population and a line plot for the average cost per ride, providing a dual perspective on how these metrics interact.

```
In [12]: top_cities_by_population = city_data.sort_values('Population', ascending=False).head(10)
taxi_data['Cost per Ride'] = taxi_data['Price Charged'] / taxi_data['Distance Travelled']
average_cost_per_ride = taxi_data.groupby('City')['Cost per Ride'].mean().reset_index()

top_cities_by_population['Population'] = top_cities_by_population['Population'].str.replace(',', '')
top_cities_average_cost = pd.merge(top_cities_by_population, average_cost_per_ride, on='City')

plt.figure(figsize=(14, 7))
indices = np.arange(len(top_cities_average_cost))
width = 0.4 # the width of the bars

population_bars = plt.bar(indices, top_cities_average_cost['Population'], width=width,
                           color='steelblue')
cost_per_ride_plot = ax2.plot(indices, top_cities_average_cost['Cost per Ride'], color='darkorange')

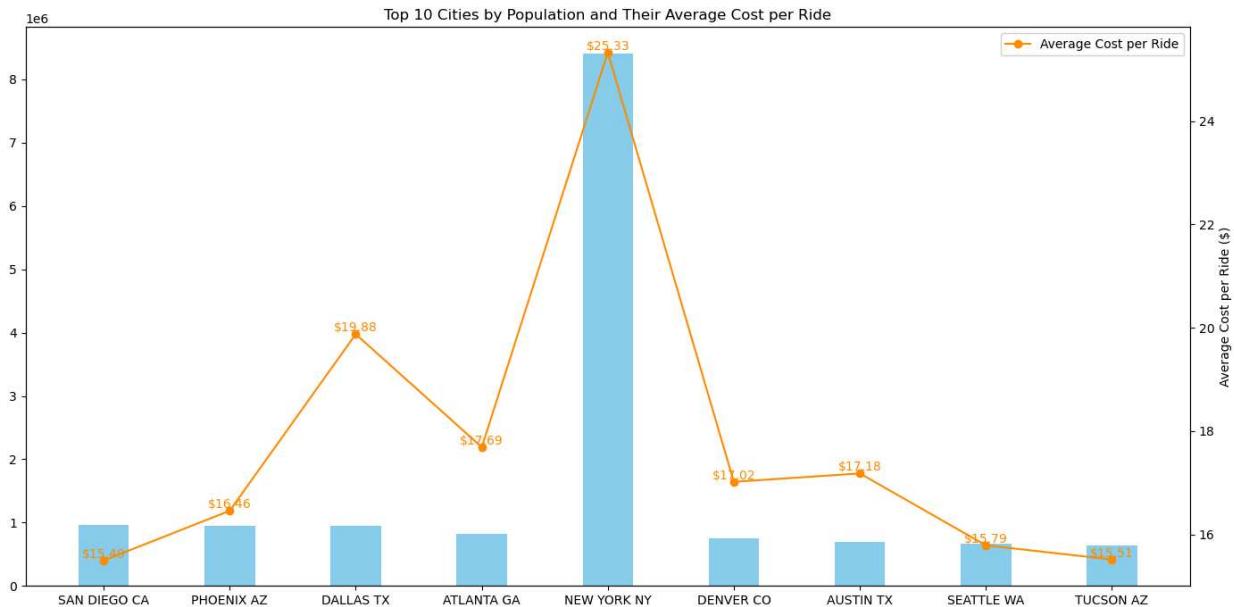
for i, cost in enumerate(top_cities_average_cost['Cost per Ride']):
    ax2.text(i, cost + 0.05, f"${cost:.2f}", ha='center', color='darkorange')

for bar in population_bars:
    height = bar.get_height()
    plt.gca().annotate(f'{height:,}', # Add a comma as a thousand separator
                       xy=(bar.get_x() + bar.get_width() / 2, height),
                       xytext=(0, 3), # 3 points vertical offset
                       textcoords="offset points",
                       ha='center', va='bottom')

plt.xticks(indices, top_cities_average_cost['City'], rotation=45, ha='right')
plt.xlabel('City')
plt.ylabel('Population')
ax2.set_ylabel('Average Cost per Ride ($)')
plt.title('Top 10 Cities by Population and Their Average Cost per Ride')

plt.legend(loc='upper left')
ax2.legend(loc='upper right')

# Show plot
plt.tight_layout()
plt.show()
```



The visualization suggests that cities with higher populations tend to have higher average costs per ride. For instance, cities like New York with the highest populations also exhibit highest average costs, which could be attributed to factors such as traffic density, longer average distances, or higher operational costs. Conversely, smaller cities like Dallas show higher costs, possibly due to less traffic but longer travel distances. This analysis can help adjust pricing strategies to better align with local market conditions.

## Conclusion

In conclusion, our analysis of taxi usage and customer demographics has provided valuable insights that can be instrumental in optimizing service, identifying market trends, and maximizing profitability in the taxi industry. By employing a range of data analysis and visualization techniques, including bar charts, pie charts, histograms, box plots, scatter plots, regression analysis, and descriptive statistics, we have gained a comprehensive understanding of customer behavior and taxi usage patterns. These insights enable us to enhance service quality, target marketing efforts effectively, and make informed strategic decisions. Leveraging such insights is crucial for staying competitive and meeting the changing needs of customers.