Business Case Yulu - Hypothesis Testing

June 21, 2024

1 Business Case: Yulu - Hypothesis Testing

About Yulu

Yulu is India's leading micro-mobility service provider, which offers unique vehicles for the daily commute. Starting off as a mission to eliminate traffic congestion in India, Yulu provides the safest commute solution through a user-friendly mobile app to enable shared, solo and sustainable commuting.

Yulu zones are located at all the appropriate locations (including metro stations, bus stands, office spaces, residential areas, corporate offices, etc) to make those first and last miles smooth, affordable, and convenient!

Yulu has recently suffered considerable dips in its revenues. They have contracted a consulting company to understand the factors on which the demand for these shared electric cycles depends. Specifically, they want to understand the factors affecting the demand for these shared electric cycles in the Indian market.

How you can help here?

The company wants to know:

- Which variables are significant in predicting the demand for shared electric cycles in the Indian market?
- How well those variables describe the electric cycle demands?

1.1 Importing libraries and Downloading dataset

```
[2]: # Importing libraries
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns
import scipy.stats as stats
import statsmodels.api as sm
from warnings import filterwarnings
filterwarnings('ignore')

# Downloading dataset
```

1.2 Basic Metrics

```
[]: data.head()
[]:
                   datetime
                             season
                                    holiday
                                              workingday
                                                          weather
                                                                  temp
                                                                          atemp \
       2011-01-01 00:00:00
                                                                   9.84 14.395
                                                       0
     1 2011-01-01 01:00:00
                                  1
                                           0
                                                       0
                                                                1 9.02 13.635
     2 2011-01-01 02:00:00
                                  1
                                           0
                                                       0
                                                                1 9.02 13.635
     3 2011-01-01 03:00:00
                                  1
                                           0
                                                       0
                                                                1 9.84 14.395
     4 2011-01-01 04:00:00
                                  1
                                           0
                                                       0
                                                                1 9.84 14.395
       humidity windspeed
                             casual
                                     registered
                                                count
     0
              81
                        0.0
                                  3
                                             13
              80
                        0.0
     1
                                  8
                                             32
                                                    40
     2
              80
                        0.0
                                  5
                                             27
                                                    32
     3
              75
                        0.0
                                  3
                                             10
                                                    13
     4
              75
                        0.0
                                  0
                                              1
                                                     1
[]: data.shape
[]: (10886, 12)
[]: data.info()
```

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 10886 entries, 0 to 10885
Data columns (total 12 columns):

#	Column	Non-Null Count	Dtype
0	datetime	10886 non-null	object
1	season	10886 non-null	int64
2	holiday	10886 non-null	int64
3	workingday	10886 non-null	int64
4	weather	10886 non-null	int64
5	temp	10886 non-null	float64
6	atemp	10886 non-null	float64
7	humidity	10886 non-null	int64
8	windspeed	10886 non-null	float64
9	casual	10886 non-null	int64
10	registered	10886 non-null	int64
11	count	10886 non-null	int64
<pre>dtypes: float64(3), int64(8), object(1)</pre>			
memory usage: 1020.7+ KB			

• datetime: datetime

- season: season (1: spring, 2: summer, 3: fall, 4: winter)
- holiday: whether day is a holiday or not (extracted from http://dchr.dc.gov/page/holiday-schedule)
- workingday: if day is neither weekend nor holiday is 1, otherwise is 0.
- weather:
 - 1: Clear, Few clouds, partly cloudy, partly cloudy
 - 2: Mist + Cloudy, Mist + Broken clouds, Mist + Few clouds, Mist
 - 3: Light Snow, Light Rain + Thunderstorm + Scattered clouds, Light Rain + Scattered clouds
 - 4: Heavy Rain + Ice Pallets + Thunderstorm + Mist, Snow + Fog
- temp: temperature in Celsius
- atemp: feeling temperature in Celsius
- humidity: humidity
- windspeed: wind speed
- casual: count of casual users
- registered: count of registered users
- count: count of total rental bikes including both casual and registered

[]: data.isna().sum()

```
[]: datetime
                     0
                     0
     season
     holiday
                     0
     workingday
     weather
                     0
                     0
     temp
                     0
     atemp
     humidity
                     0
     windspeed
                     0
     casual
                     0
     registered
                     0
     count
     dtype: int64
```

[]: data.duplicated().sum()

[]: 0

We can see that there are no null values and no duplicate values

1.3 Exploratory Data Analysis

- Here Holiday data is included in the workingday column.
- Casual and Registered is summed to counts column.
- Also, temp and atemp gives us the similar info.
- So we can ignore these columns holiday, casual, registered, temp

```
[31]: df = data.copy()
     num_cols = ['atemp', 'humidity', 'windspeed', 'count']
     cat_cols = ['season', 'weather', 'workingday']
     # conversion of categorical attributes
     df['season'] = df['season'].replace({1:'Spring',2:'Summer',3:'Fall',4:'Winter'})
     df['weather'] = data['weather'].replace({1: 'Clear', 2: 'Cloudy', 3: 'Lightu
       →Rain', 4: 'Heavy Rain'})
     df['workingday'] = df['workingday'].replace({0:'No',1:'Yes'})
     df['holiday'] = df['holiday'].replace({0:'No',1:'Yes'})
     # extrating months and days from datetime column
     df['datetime'] = pd.to_datetime(df['datetime'])
     df['month'] = df['datetime'].dt.month
     df['weekday'] = df['datetime'].dt.weekday
     df['month'] = df['month'].replace({1: 'January', 2: 'February', 3: 'March', 4:11

¬'April', 5: 'May', 6: 'June', 7: 'July', 8: 'August', 9: 'September', 10:
□
      ⇔'October', 11: 'November', 12: 'December'})
     df['weekday'] = df['weekday'].replace({0: 'Monday', 1: 'Tuesday', 2:
       df['datetime'] = df['datetime'].dt.strftime('%Y-%m-%d %H:%M:%S')
[32]: df.head()
[32]:
                   datetime
                             season holiday workingday weather
                                                              temp
                                                                     atemp \
     0 2011-01-01 00:00:00
                             Spring
                                        No
                                                   No
                                                        Clear
                                                              9.84
                                                                    14.395
     1 2011-01-01 01:00:00
                                                        Clear 9.02 13.635
                            Spring
                                        No
                                                   No
     2 2011-01-01 02:00:00
                                                        Clear 9.02 13.635
                            Spring
                                        No
                                                   No
     3 2011-01-01 03:00:00
                            Spring
                                        No
                                                   No
                                                        Clear
                                                             9.84 14.395
     4 2011-01-01 04:00:00
                                                        Clear 9.84 14.395
                            Spring
                                        No
                                                   No
        humidity
                 windspeed
                             casual
                                    registered
                                               count
                                                        month
                                                                weekday
                                                       January
     0
              81
                        0.0
                                 3
                                                               Saturday
                                            13
                                                   16
     1
              80
                        0.0
                                 8
                                            32
                                                   40
                                                       January
                                                               Saturday
     2
              80
                        0.0
                                 5
                                            27
                                                       January Saturday
                                                   32
     3
              75
                        0.0
                                 3
                                            10
                                                   13
                                                       January Saturday
              75
                        0.0
                                 0
                                             1
                                                       January Saturday
     1.3.1 Statistical Analysis
[34]: df.describe()
```

[34]: temp atemp humidity windspeed casual 10886.00000 10886.000000 10886.000000 10886.000000 10886.000000 count 20.23086 23.655084 61.886460 12.799395 36.021955 mean

```
std
           7.79159
                         8.474601
                                       19.245033
                                                       8.164537
                                                                     49.960477
           0.82000
                         0.760000
min
                                        0.000000
                                                       0.000000
                                                                      0.000000
25%
          13.94000
                        16.665000
                                       47.000000
                                                       7.001500
                                                                      4.000000
50%
          20.50000
                        24.240000
                                       62.000000
                                                      12.998000
                                                                     17.000000
75%
          26.24000
                        31.060000
                                       77,000000
                                                      16.997900
                                                                     49.000000
          41.00000
max
                        45.455000
                                      100.000000
                                                      56.996900
                                                                    367.000000
         registered
                             count
      10886.000000
                      10886.000000
count
mean
         155.552177
                        191.574132
std
                        181.144454
         151.039033
min
           0.000000
                          1.000000
25%
          36.000000
                         42.000000
50%
         118.000000
                        145.000000
75%
         222.000000
                        284.000000
max
         886.000000
                        977.000000
```

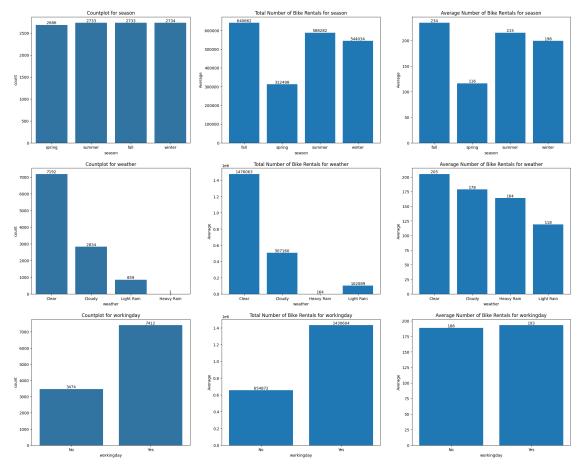
```
[35]: df[cat_cols].describe()
```

```
[35]:
               season weather workingday
      count
                10886
                        10886
                                    10886
      unique
                                         2
      top
               Winter
                        Clear
                                      Yes
                         7192
      freq
                 2734
                                     7412
```

1.3.2 Analysis on categorical columns

```
[]: # plots for categorical columns
     plt.figure(figsize=(25, 20))
     for i in cat_cols:
       plt.subplot(3, 3, cat_cols.index(i)*3+1)
      plt.title('Countplot for '+i)
       g = sns.countplot(df, x=i)
       for j in g.patches:
         plt.text(x=j.get_x()+j.get_width()/2, y=j.get_height(), s=int(j.

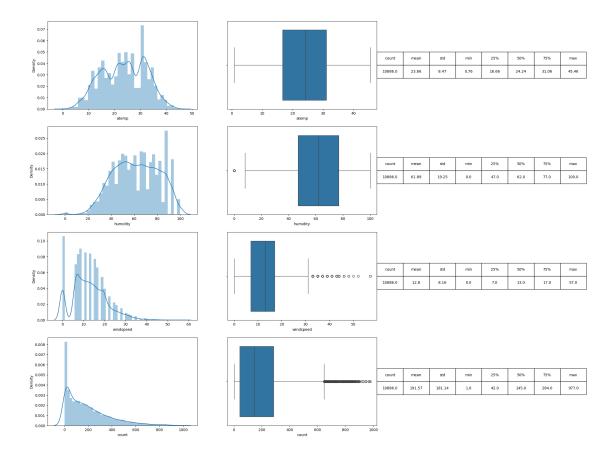
→get_height()), ha='center', va='bottom')
      plt.subplot(3, 3, cat_cols.index(i)*3+2)
      plt.title('Total Number of Bike Rentals for '+i)
       d = df.groupby(i)['count'].sum().reset_index()
       g = plt.bar(d[i],d['count'])
      plt.xlabel(i)
      plt.ylabel('Average')
       for j in g.patches:
```



- There are more bike rentals on fall season with a total count of 640662 and an average of 234.
- There are more bike rentals on Clear weather with a total count of 1476063 and an average of 205.

• There are more bike rentals on working day but we can't find much difference on average.

1.3.3 Analysis on numerical columns



- The **atemp** column displays a wide range of apparent temperatures (0.76 to 45.455), with a mean of approximately 23.66 and moderate variability around the median of 24.24.
- The **humidity** column depicts a range of humidity values (0 to 100), with an average around 61.89. The distribution shows moderate variability, from 47 at the 25th percentile to 77 at the 75th percentile, indicating diverse humidity levels in the dataset.
- The **windspeed** column displays a range of wind speeds from 0 to 56.9979, with a mean of approximately 12.80.
- The **count** column reveals a wide range of total bike rental counts, varying from 1 to 977. The distribution is positively skewed, with a mean (191.57) greater than the median (145.0), indicating a concentration of lower values.

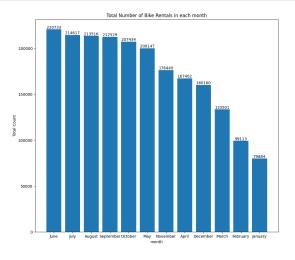
1.3.4 Analysis on months and days

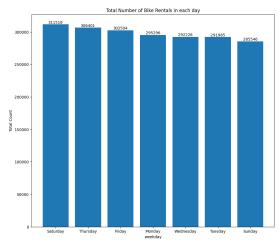
```
[48]: plt.figure(figsize=(25, 10))

plt.subplot(1,2,1)
plt.title('Total Number of Bike Rentals in each month')
```

```
d = df.groupby('month')['count'].sum().reset_index().sort_values(by='count',_
 ⇔ascending=False)
g = plt.bar(d['month'],d['count'])
plt.xlabel('month')
plt.ylabel('Total Count')
for j in g.patches:
 plt.text(x=j.get_x()+j.get_width()/2, y=j.get_height(), s=int(j.
 plt.subplot(1,2,2)
plt.title('Total Number of Bike Rentals in each day')
d = df.groupby('weekday')['count'].sum().reset_index().sort_values(by='count',_
 →ascending=False)
g = plt.bar(d['weekday'],d['count'])
plt.xlabel('weekday')
plt.ylabel('Total Count')
for j in g.patches:
 plt.text(x=j.get_x()+j.get_width()/2, y=j.get_height(), s=int(j.

→get_height()), ha='center', va='bottom')
```





- June stands out as the peak month for bike rentals, with the highest count of 220733, followed closely by July and August.
- January, February, and March have notably lower bike rental counts, indicating potential off-peak periods, possibly influenced by colder weather or fewer outdoor activities.
- Saturday stands out as the peak day for bike rentals and also we can see that there is mo much difference in bike rentals among weekdays.

1.4 Correlation and Pair Plot

1.4.1 Heat Map

```
[]: corr_df = data.corr(numeric_only=True)
    corr_df
[]:
                           holiday
                                    workingday
                                                 weather
                                                              temp
                                                                       atemp
                  season
    season
                1.000000
                          0.029368
                                     -0.008126
                                                0.008879
                                                          0.258689
                                                                    0.264744
    holiday
                0.029368
                          1.000000
                                     -0.250491 -0.007074
                                                          0.000295 -0.005215
    workingday -0.008126 -0.250491
                                      1.000000 0.033772
                                                          0.029966
                                                                    0.024660
    weather
                0.008879 -0.007074
                                                1.000000 -0.055035 -0.055376
                                      0.033772
    temp
                0.258689 0.000295
                                      0.029966 -0.055035 1.000000
                                                                    0.984948
                                      0.024660 -0.055376
                                                          0.984948
    atemp
                0.264744 -0.005215
                                                                    1.000000
    humidity
                0.190610 0.001929
                                     -0.010880 0.406244 -0.064949 -0.043536
    windspeed
               -0.147121
                          0.008409
                                      casual
                0.096758 0.043799
                                     -0.319111 -0.135918
                                                          0.467097
                                                                    0.462067
    registered
                                      0.119460 -0.109340
                0.164011 -0.020956
                                                          0.318571
                                                                    0.314635
    count
                0.163439 -0.005393
                                      0.011594 -0.128655 0.394454
                                                                    0.389784
                humidity
                          windspeed
                                       casual
                                               registered
                                                              count
                0.190610
                          -0.147121
                                                 0.164011
    season
                                     0.096758
                                                           0.163439
    holiday
                0.001929
                           0.008409
                                     0.043799
                                                -0.020956 -0.005393
    workingday -0.010880
                           0.013373 -0.319111
                                                 0.119460
                                                           0.011594
    weather
                0.406244
                           0.007261 -0.135918
                                                -0.109340 -0.128655
    temp
               -0.064949
                          -0.017852
                                     0.467097
                                                 0.318571
                                                           0.394454
    atemp
               -0.043536
                          -0.057473
                                     0.462067
                                                 0.314635
                                                           0.389784
    humidity
                1.000000 -0.318607 -0.348187
                                                -0.265458 -0.317371
    windspeed
                                     0.092276
                                                 0.091052
               -0.318607
                           1.000000
                                                           0.101369
    casual
               -0.348187
                           0.092276
                                     1.000000
                                                 0.497250
                                                           0.690414
    registered -0.265458
                           0.091052
                                     0.497250
                                                 1.000000
                                                           0.970948
    count
               -0.317371
                           0.101369
                                     0.690414
                                                 0.970948
                                                           1.000000
[]: plt.figure(figsize=(14,7))
    sns.heatmap(corr df, annot=True, cmap='Blues')
    plt.show()
```



count column seems to have *positive* correlation with **atemp** and and *negative* with **humidity**. We can see people go out with bike more when the temp is high and humidity is low.

1.4.2 Pair plot

```
[]: sns.pairplot(data, hue='workingday')
plt.show()
```

Output hidden; open in https://colab.research.google.com to view.

1.5 Hypothesis Testing

1.5.1 Effect of Working Day on Bike Rentals

```
[]: df.groupby('workingday')['count'].mean()
```

[]: workingday

No 188.506621 Yes 193.011873

Name: count, dtype: float64

Since this is categorical vs numerical having only 2 categorical fields, we can use 2 sample T-test

Null Hypothesis: Average number of bike rentals on the working day is same as the average number of bike rentals on the non-working day

Alternate Hypothesis: Average number of bike rentals on the working day is greater than the average number of bike rentals on the non-working day

```
[50]: # using 2 sample ttest
      t_stat, p_val = stats.ttest_ind(df[df['workingday'] == 'Yes']['count'],__

¬df[df['workingday'] == 'No']['count'], alternative='greater')

[51]: H0 = 'Average number of bike rentals on the working day is same as the average ⊔
       onumber of bike rentals on the non-working day'
      Ha = 'Average number of bike rentals on the working day is greater than the ⊔
       ⇒average number of bike rentals on the non-working day'
      alpha = 0.05
      print(f't-statistic: {t_stat}')
      print(f'p-value: {p_val}')
      print(f'alpha: {alpha}\n')
      if p_val < alpha:</pre>
        print('Result: Reject Null Hypothesis')
        print(Ha)
        print('Result: Failed to reject Null Hypothesis')
        print(HO)
```

t-statistic: 1.2096277376026694 p-value: 0.11322402113180674 alpha: 0.05

Result: Failed to reject Null Hypothesis

Average number of bike rentals on the working day is same as the average number of bike rentals on the non-working day

1.5.2 Effect of Season on Bike Rentals

```
[]: df.groupby('season')['count'].mean()
```

```
[]: season
fall 234.417124
spring 116.343261
summer 215.251372
winter 198.988296
Name: count, dtype: float64
```

This is categorical vs numerical having 4 (more than 2) categorical fields, we can use one-way anova test if it follows anova assumptions or else we have to use krustal wallis test

Assumptions of Anova:

- 1. Data should follow a Gaussian distribution
- 2. Independent groups
- 3. Equal variance in all the groups

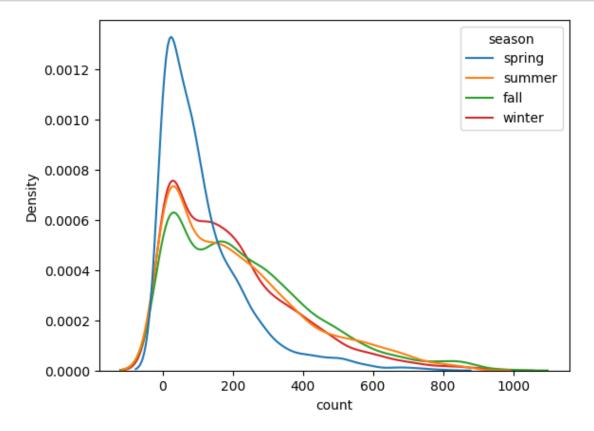
1. Normality Test

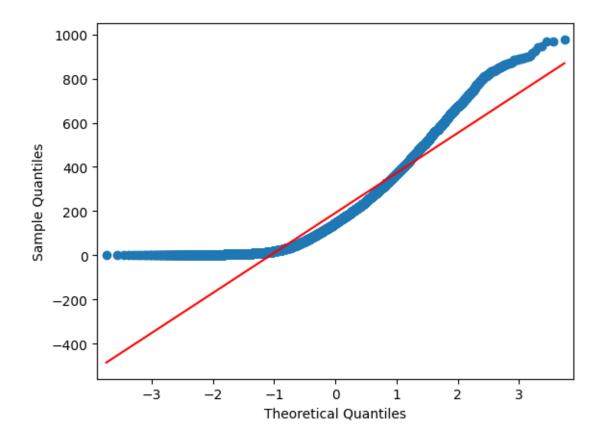
For this, curve test and qq-plot has to be used

```
[]: # curve test
sns.kdeplot(df, x='count', hue='season')

# Q-Q plot
sm.qqplot(df['count'], line='s')

plt.show()
```





From the plots, it is clear that the data is not a normal distribution.

2. Independent groups

This condition is already satisfied since all seasons are independent of each other

3. Equal Variance Test

For this, levene test is used

```
if p_val < alpha:
    print('Result: Reject Null Hypothesis')
    print(Ha)
else:
    print('Result: Failed to reject Null Hypothesis')
    print(H0)</pre>
```

levene-statistic: 187.7706624026276 p-value: 1.0147116860043298e-118 alpha: 0.05 Result: Reject Null Hypothesis Variance is not same for all seasons

From this, we can say that variance is not same for all seasons and third assumption failed.

This data is not suitable to perform a ANOVA test since the first and third assumptions are not met.

So we have to try Kruskal Wallis Test

Kruskal Wallis Test Null Hypothesis: Average number of bike rentals is same for all the seasons.

Alternate Hypothesis: Average number of bike rentals is different for different seasons.

```
[]: HO = 'Average number of bike rentals is same for all the seasons'
     Ha = 'Average number of bike rentals is different for different seasons'
     # Kruskal wallis Test
     alpha = 0.05
     stat, p_val = stats.kruskal(df[df['season'] == 'spring']['count'],__

df[df['season'] == 'summer']['count'], df[df['season'] == 'fall']['count'],

df[df['season'] == 'winter']['count'])
     print(f'kruskal-statistic: {stat}')
     print(f'p-value: {p_val}')
     print(f'alpha: {alpha}\n')
     if p_val < alpha:</pre>
      print('Result: Reject Null Hypothesis')
      print(Ha)
     else:
       print('Result: Failed to reject Null Hypothesis')
       print(H0)
```

kruskal-statistic: 699.6668548181988 p-value: 2.479008372608633e-151

alpha: 0.05

```
Result: Reject Null Hypothesis
Average number of bike rentals is different for different seasons
```

1.5.3 Effect of Weather on Bike Rentals

This is categorical vs numerical having 4 (more than 2) categorical fields, we can use one-way anova test if it follows anova assumptions or else we have to use krustal wallis test

Assumptions of Anova:

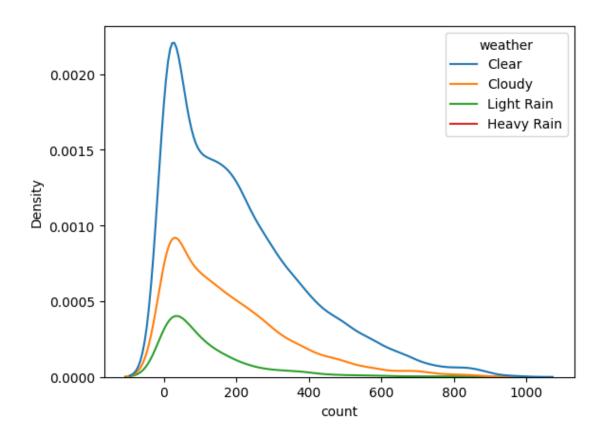
- 1. Data should follow a Gaussian distribution
- 2. Independent groups
- 3. Equal variance in all the groups

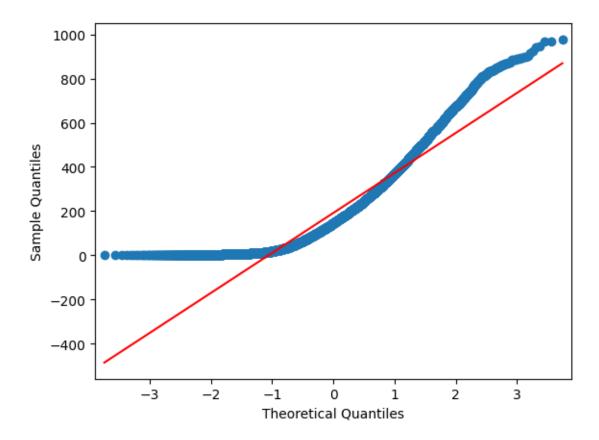
1. Normality Test

For this, curve test and qq-plot has to be used

```
[]: # curve test
sns.kdeplot(df, x='count', hue='weather')

# Q-Q plot
sm.qqplot(df['count'], line='s')
plt.show()
```





From the plots, it is clear that the data is not a normal distribution.

2. Independent groups

This condition is already satisfied since all weather conditions are independent of each other

3. Equal Variance Test

For this, levene test is used

```
if p_val < alpha:
    print('Result: Reject Null Hypothesis')
    print(Ha)
else:
    print('Result: Failed to reject Null Hypothesis')
    print(H0)</pre>
```

levene-statistic: 54.85106195954556 p-value: 3.504937946833238e-35 alpha: 0.05 Result: Reject Null Hypothesis

Variance is not same for all weather conditions

From this, we can say that variance is not same for all weather conditions and third assumption failed.

This data is not suitable to perform a ANOVA test since the first and third assumptions are not met.

So we have to try Kruskal Wallis Test

Kruskal Wallis Test Null Hypothesis: Average number of bike rentals is same for all weather conditions.

Alternate Hypothesis: Average number of bike rentals is different for different weather conditions.

```
[]: HO = 'Average number of bike rentals is same for all weather conditions'
     Ha = 'Average number of bike rentals is different for different weather ⊔
      ⇔conditions'
     # Kruskal wallis Test
     alpha = 0.05
     stat, p_val = stats.kruskal(df[df['weather'] == 'Clear']['count'],__
      ⇒df[df['weather'] == 'Cloudy']['count'], df[df['weather'] == 'Heavy⊔
      →Rain']['count'], df[df['weather'] == 'Light Rain']['count'])
     print(f'kruskal-statistic: {stat}')
     print(f'p-value: {p_val}')
     print(f'alpha: {alpha}\n')
     if p_val < alpha:</pre>
       print('Result: Reject Null Hypothesis')
      print(Ha)
     else:
       print('Result: Failed to reject Null Hypothesis')
       print(H0)
```

kruskal-statistic: 205.00216514479087

p-value: 3.501611300708679e-44

alpha: 0.05

Result: Reject Null Hypothesis

Average number of bike rentals is different for different weather conditions

1.5.4 Effect of Weather on Season

```
[]: ws_table = pd.crosstab(df['weather'], df['season'])
ws_table
```

```
fall spring summer winter
[]: season
    weather
    Clear
                1930
                        1759
                                1801
                                        1702
    Cloudy
                 604
                                 708
                                         807
                         715
    Heavy Rain
                   0
                           1
                                   0
                                           0
    Light Rain
                 199
                         211
                                 224
                                         225
```

This is categorical vs categorical, we can use chi-square test.

Null Hypothesis: Weather and Season are Independent

Alternate Hypothesis: Weather and Season are Dependent

chi-statistic: 49.15865559689363 p-value: 1.5499250736864862e-07

alpha: 0.05

Result: Reject Null Hypothesis

2 Insights

- There are more bike rentals on fall season.
- There are more bike rentals on Clear weather.
- There are more bike rentals on working day but we can't find much difference on average.
- June stands out as the peak month for bike rentals, followed closely by July and August.
- January, February, and March have notably lower bike rental counts, indicating potential off-peak periods, possibly influenced by colder weather or fewer outdoor activities.
- Saturday stands out as the peak day for bike rentals and also we can see that there is mo much difference in bike rentals among weekdays.
- count column has positive correlation with a temp and and negative with humidity. We can see people go out with bike more when the temp is high and humidity is low.
- Working day doesn't affect bike rentals i.e., Average number of bike rentals on the working day is same as the average number of bike rentals on the non-working day.
- Season affect bike rentals i.e., Average number of bike rentals is different for different seasons.
- Weather affect bike rentals i.e., Average number of bike rentals is different for different weather conditions.
- Weather and Season columns depends on each other.

3 Recommendations

- Flexible Pricing Models: Implement dynamic pricing models that adjust rental rates based on demand, season, and weather conditions to maximize revenue and utilization.
- **Inventory Management:** Ensure adequate availability of bikes during peak seasons and weekends. Conversely, optimize maintenance schedules during off-peak months to ensure bikes are ready for high-demand periods.
- Fall Season Promotions: Since there are more rentals in the fall, consider offering seasonal promotions such as discounts for long-term rentals or special deals for new customers.
- Winter Incentives: Given the lower rentals in January, February, and March, implement winter incentives like reduced prices, special bundled offers (e.g., bike rental plus hot beverage), or loyalty rewards for frequent renters.
- Clear Weather Marketing: Increase marketing efforts during clear weather days. Utilize weather forecasts to predict clear days and promote bike rentals through social media, email campaigns, and local advertising.
- Rainy Day Discounts: Offer discounts or incentives on rainy or less clear days to encourage rentals despite the weather conditions.

- Weekend rider programs: Develop weekend rental packages or extend Saturday operating hours to capitalize on the observed peak ridership on Saturdays.
- Partner with Local Events: Collaborate with local events, festivals, and outdoor activities during peak months and clear weather days to offer bike rentals as a convenient transportation option, thereby increasing visibility and rentals.
- Surveys and Feedback: Regularly gather feedback from customers about their preferences for seasons, weather conditions, and rental experiences to fine-tune strategies and improve service offerings.
- Loyalty Programs: Develop loyalty programs that reward frequent renters, especially targeting those who rent bikes during off-peak periods to encourage repeat business.