Go-To-Market Case Study

Virtual Internship

14-May-2023

Background – Go-To-Market insights for investment in the Cab Industry

- The remarkable growth in the Cab Industry in the last few years and the existence of multiple key players in the market have not gone unnoticed by XYZ firm who wants to make an investment.

- As a result, XYZ firm wants to have a better understanding of the market to make investment decisions with conviction.

- **OBJECTIVE** = Provide valuable insights and a recommendation to assist XYZ firm in finding the best investment opportunity

- The presentation consists of the following parts:

  1. Understanding the data
  2. Reviewing data insights
  3. Recommendation

Understanding the data

Data timeframe: 02/01/2016 - 31/12/2018
Number of files = 3
Total number of observations in the master data file = 359392
Total number of features in the master data file = 13

There are no blank or null cells in the data sets provided.
There are no clear outliers in the data provided.

Steps:

1. Changed the data type of fields.

2. The Transactions ID field has no duplicate values so I used it as join key.

3. I merged the Cab_Data.csv with the Transaction_ID.csv on the Transaction ID field.

4. I then merged the result of that with the Customer_ID.csv on the Customer ID field; thus creating the master dataset.

5. I used a data tool in Excel called Remove Duplicates and selected the join key range of values. The returned result was that there are no duplicates. Since I created a master data ensuring the join key has no duplicates is sufficient to use the data for analysis.

ASSUMPTIONS:

1. I assumed Profit = Price Charged – Cost of Trip.

2. It is assumed that the data has been correctly entered, recorded, and processed.

3. It is assumed there are no variations or inconsistencies in the way data is recorded.

4. I assume the data is free from bias.

5. I assumed the current valuation of both companies does not play a role in the investment decision.

6. When creating any forecast I assumed "Ceteris paribus" for the forecast year.

Reviewing data insights

2

Total sales/revenue

Company	
Pink Cab	26,328,251
Yellow Cab	125,853,887

Total cost

Company	
Pink Cab	21,020,923
Yellow Cab	81,833,514

Total profit

Company	
Pink Cab	5,307,328
Yellow Cab	44,020,373

- The Yellow Cab firm has a profit margin of 34.98% whereas the Pink Cab firm sits at 20.16%

- The Yellow Cab has 4.78 times the sales of the Pink Cab

Sales/Revenue over time

Company / Date of Travel

| Pink Cab | Yellow Cab |

- 2016: 7,908,479
- 2017: 9,578,630
- 2018: 8,841,143
- 2016: 38,481,133
- 2017: 45,818,910
- 2018: 41,553,844

Price Charged
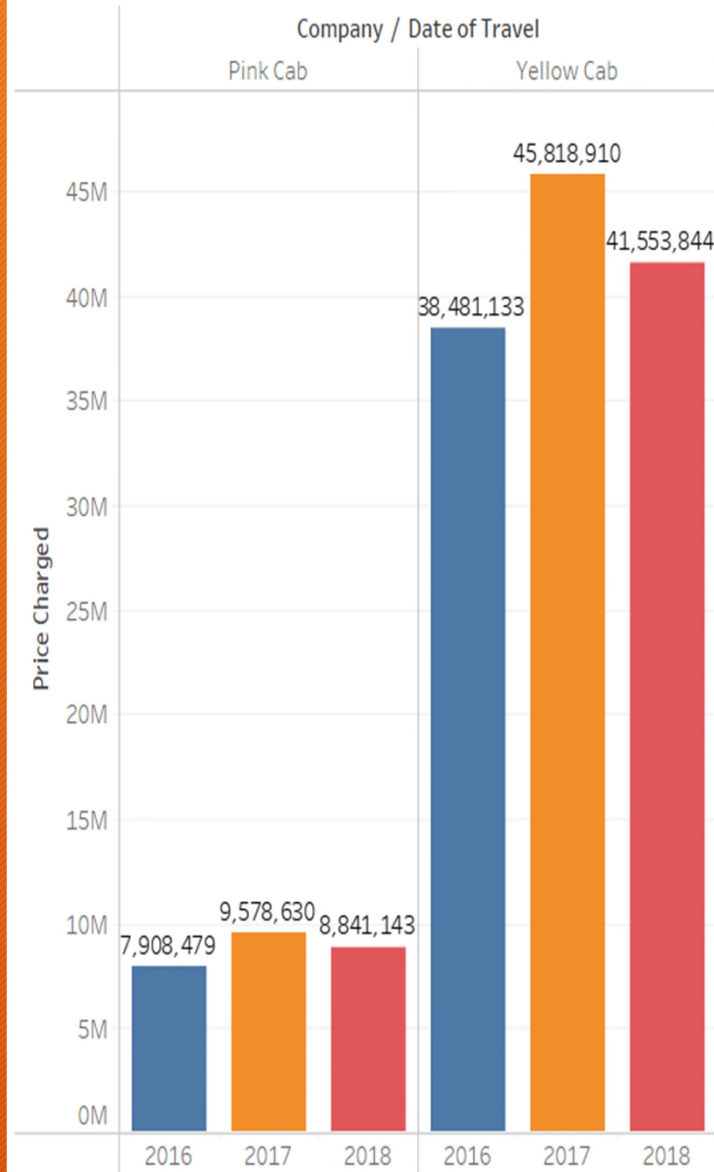
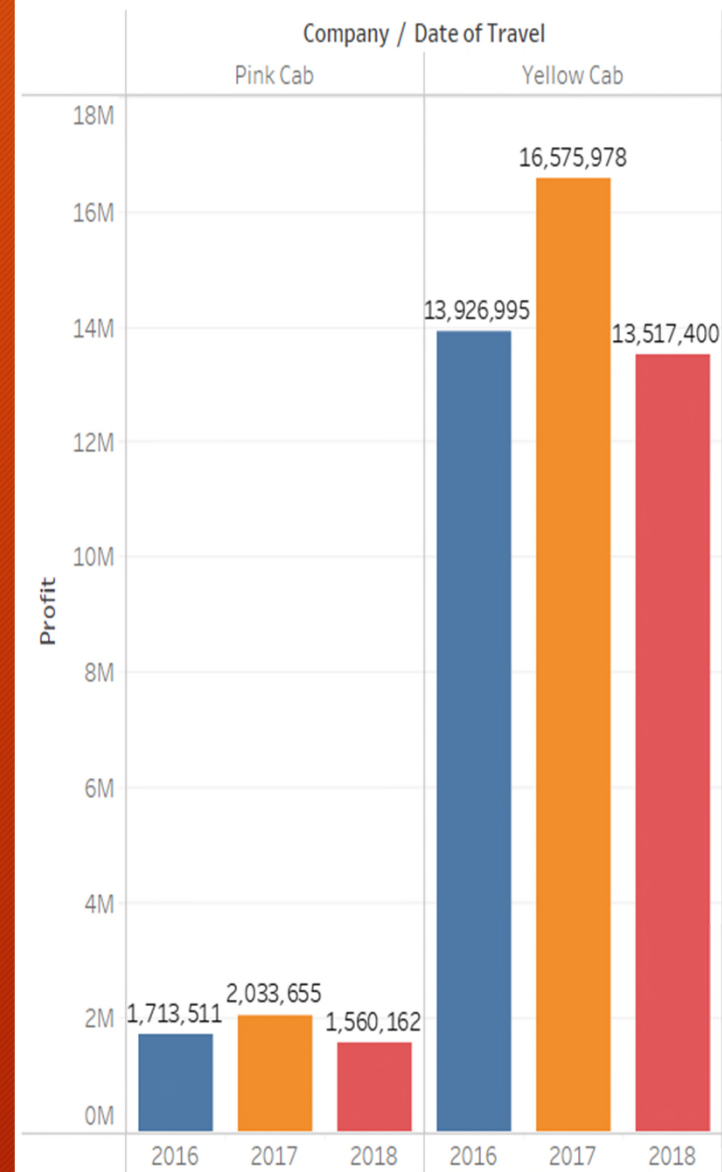- The Yellow Cab firm has 8 times more profit than the Pink cab every single year

- **Yellow Cab Profit margin:**
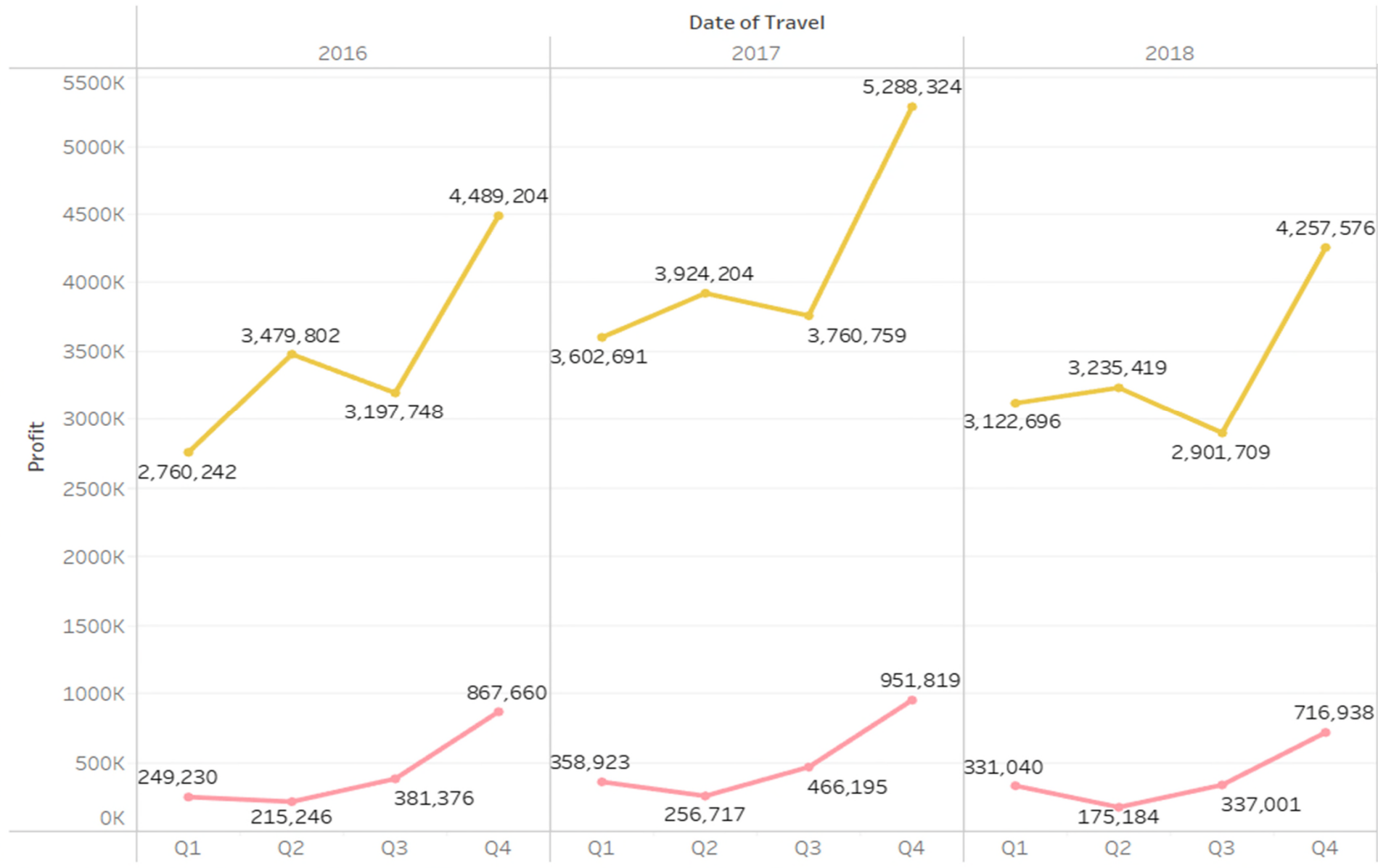 ➢ 2016: 36.19 %
  ➢ 2017: 36.18%
  ➢ 2018: 32.53%

- **Pink Cab Profit margin:**
  ➢ 2016: 21.67%
  ➢ 2017: 21.23%
  ➢ 2018: 17.65%

Profitability over time

Company / Date of Travel

| Pink Cab | Yellow Cab |

- 2016: 1,713,511
- 2017: 2,033,655
- 2018: 1,560,162
- 2016: 13,926,995
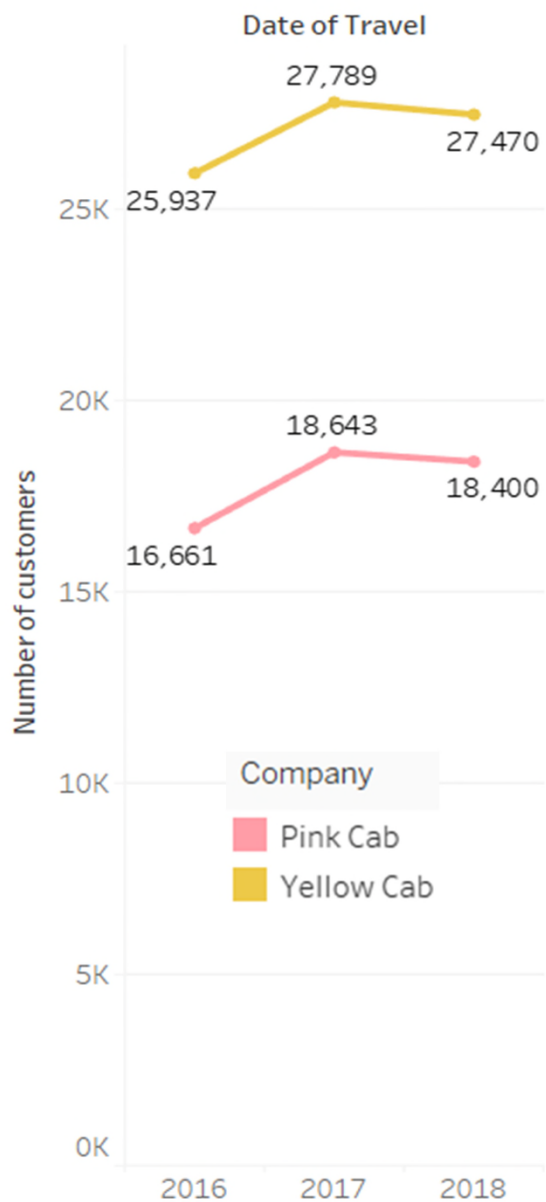- 2017: 16,575,978
- 2018: 13,517,400

Profit

Profit seasonality

There is strong seasonality in the profits generated by both firms around Q4

2

Customers over time

- The changes in profit margin are not a direct effect of the change in total clients served. This means that the profit margin does not proportionally increase or decrease with the increase or decrease in the number of clients. The two are not correlated and no conclusion on the effect of one on the other can be clearly drawn.

- Profit margins are decreasing year-on-year regardless of the increase or decrease in the number of customers served.

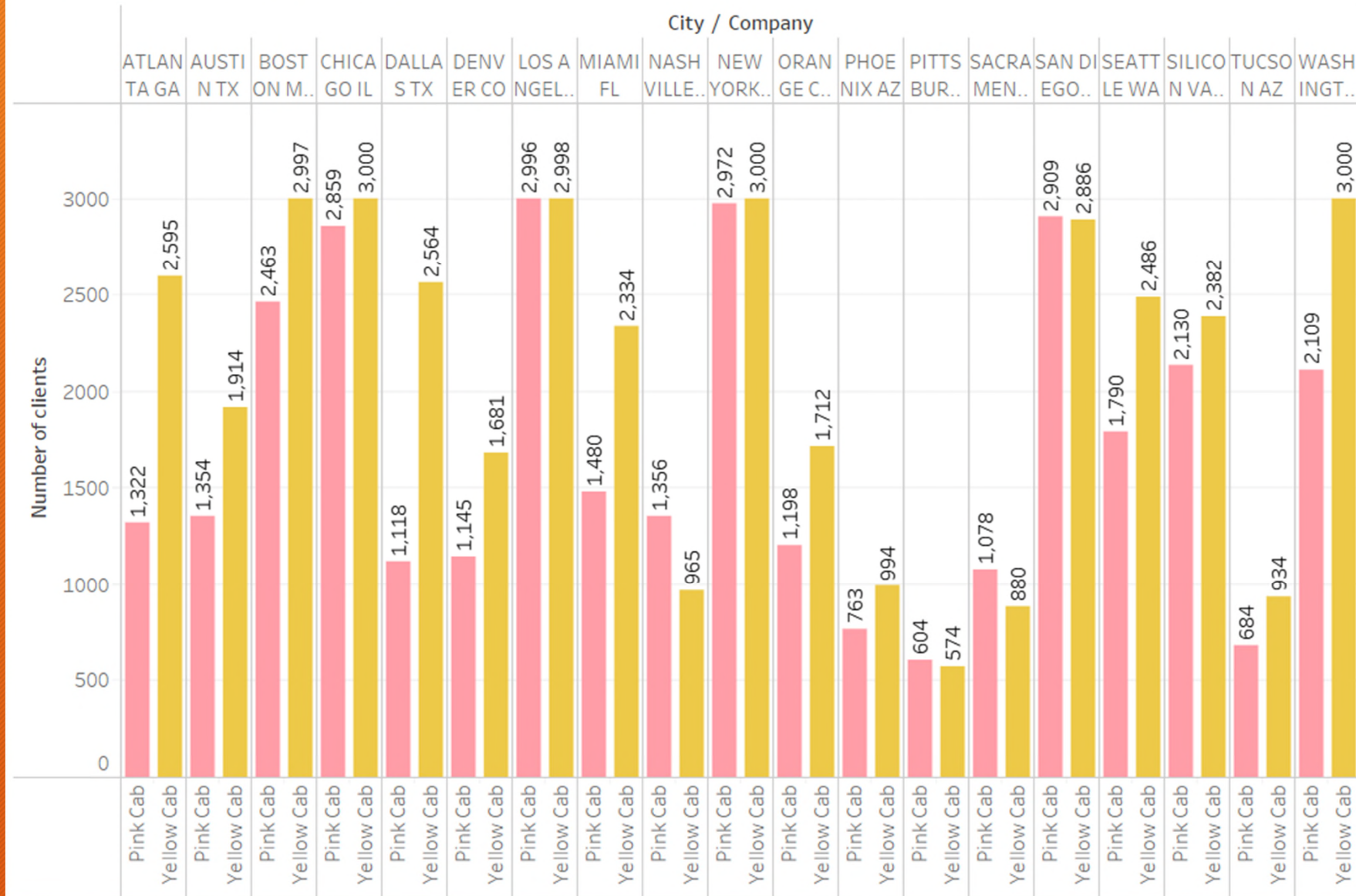- 26078 clients that pay for the services of both cab firms

2

Unique customers

46,148

Total number of customers

Total customers

Company
Pink Cab — 32,330
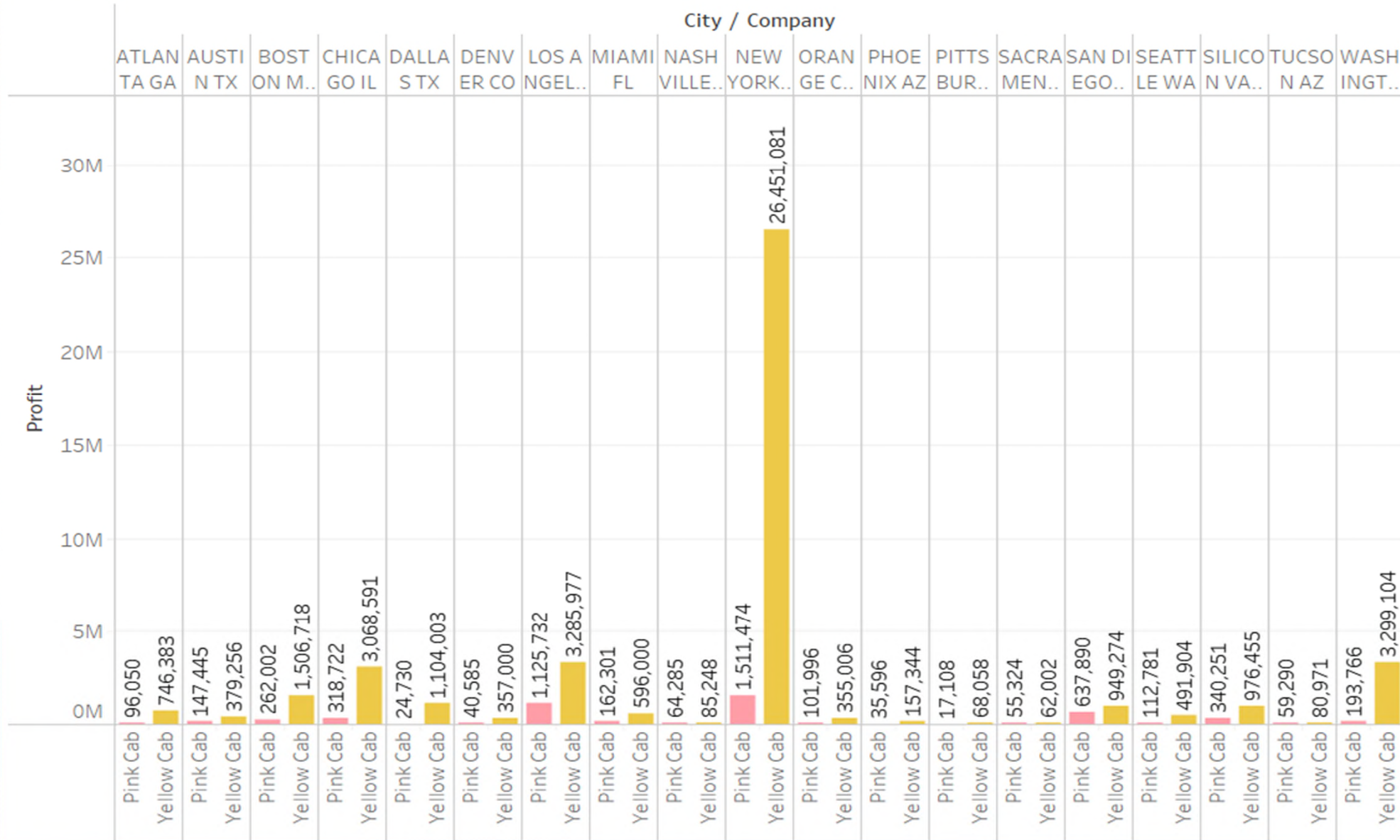Yellow Cab — 39,896
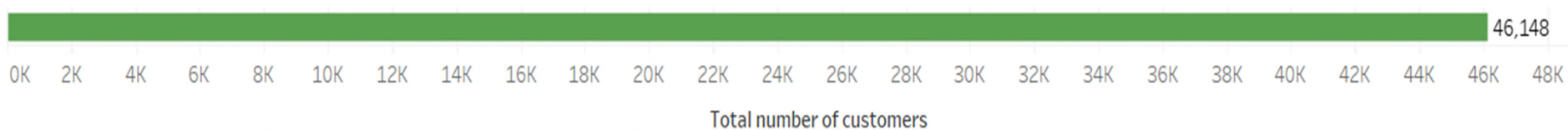
Number of customers
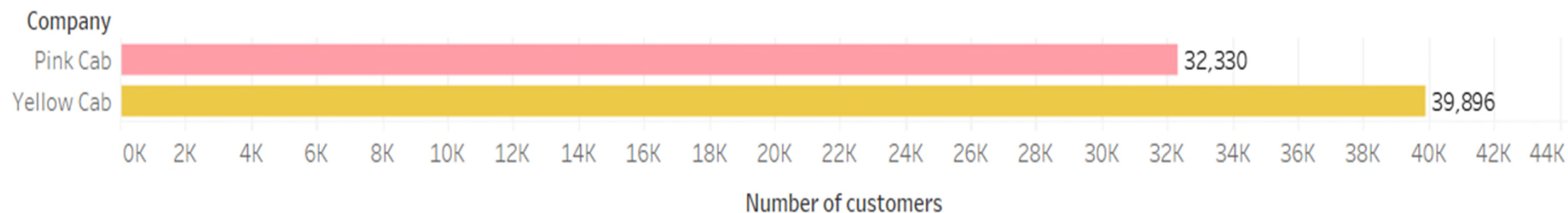
Number of clients per city

- Special consideration goes to New York where the difference is 28 (remember this because New York is the game changer)

- Biggest difference can be seen in Dallas TX (1446) followed by Atlanta GA (1273)
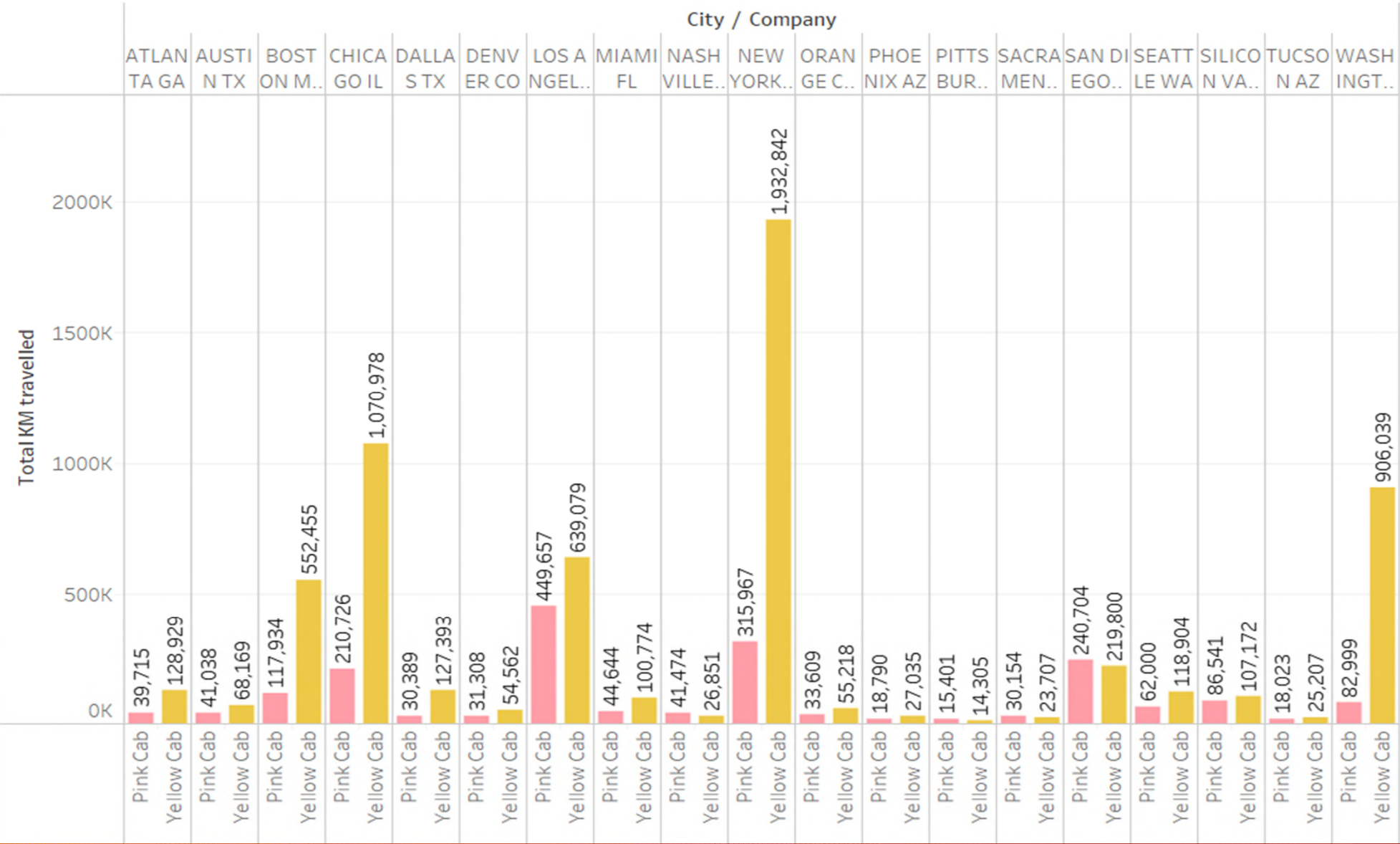
2

Profit per city

2

- The region that contributes by far the most to the profitability of the Yellow Cab firm is New York (60.09%)
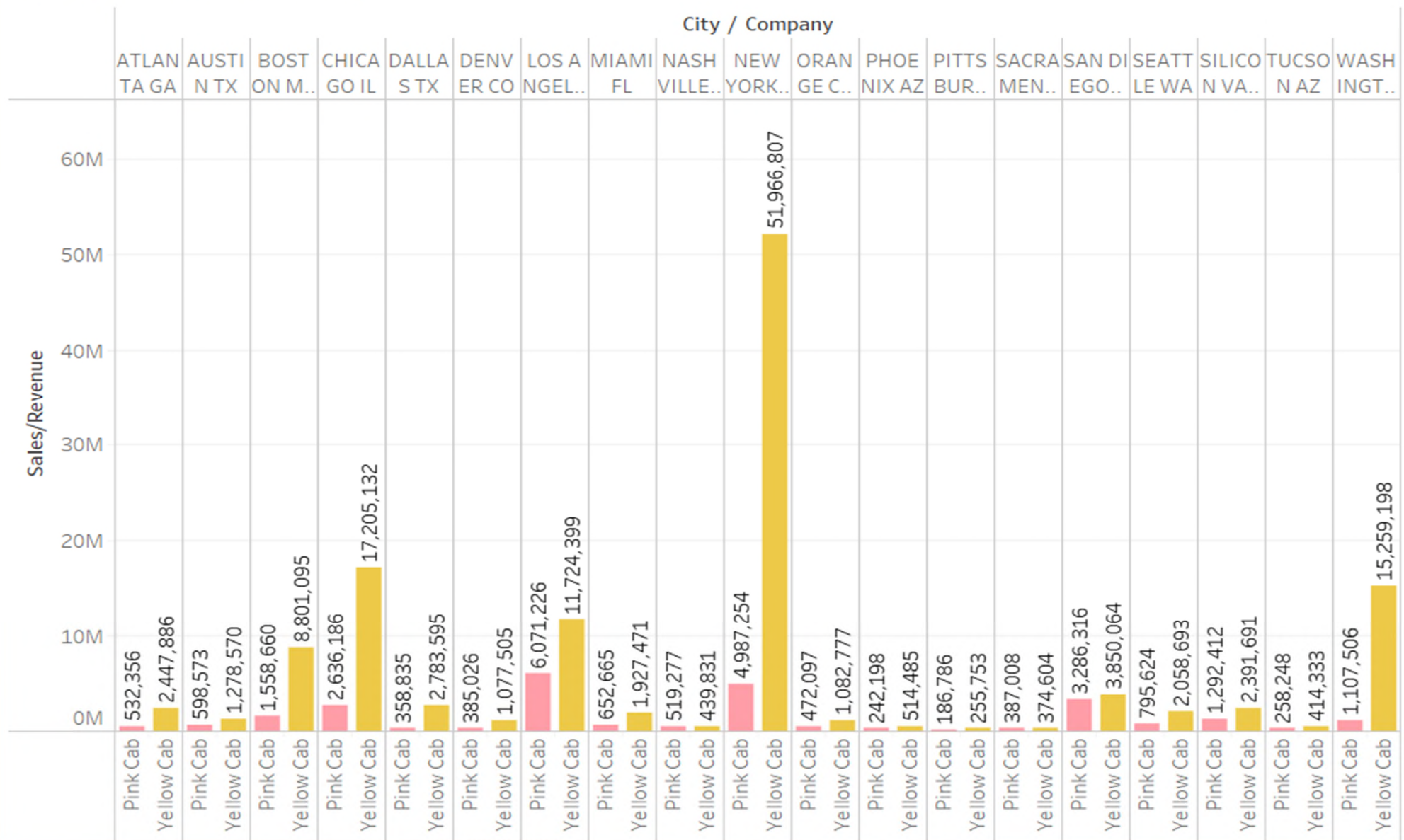
2

Client travel distance per city

Yellow Cab average profit per KM :
New York ($13.68)
Washington ($3.64)
Chicago ($2.86)
Boston ($2.72)
Los Angeles ($5.14)

Pink Cab average profit per KM :
New York ($4.78)
Washington ($2.33)
Chicago ($1.51)
Boston ($2.22)
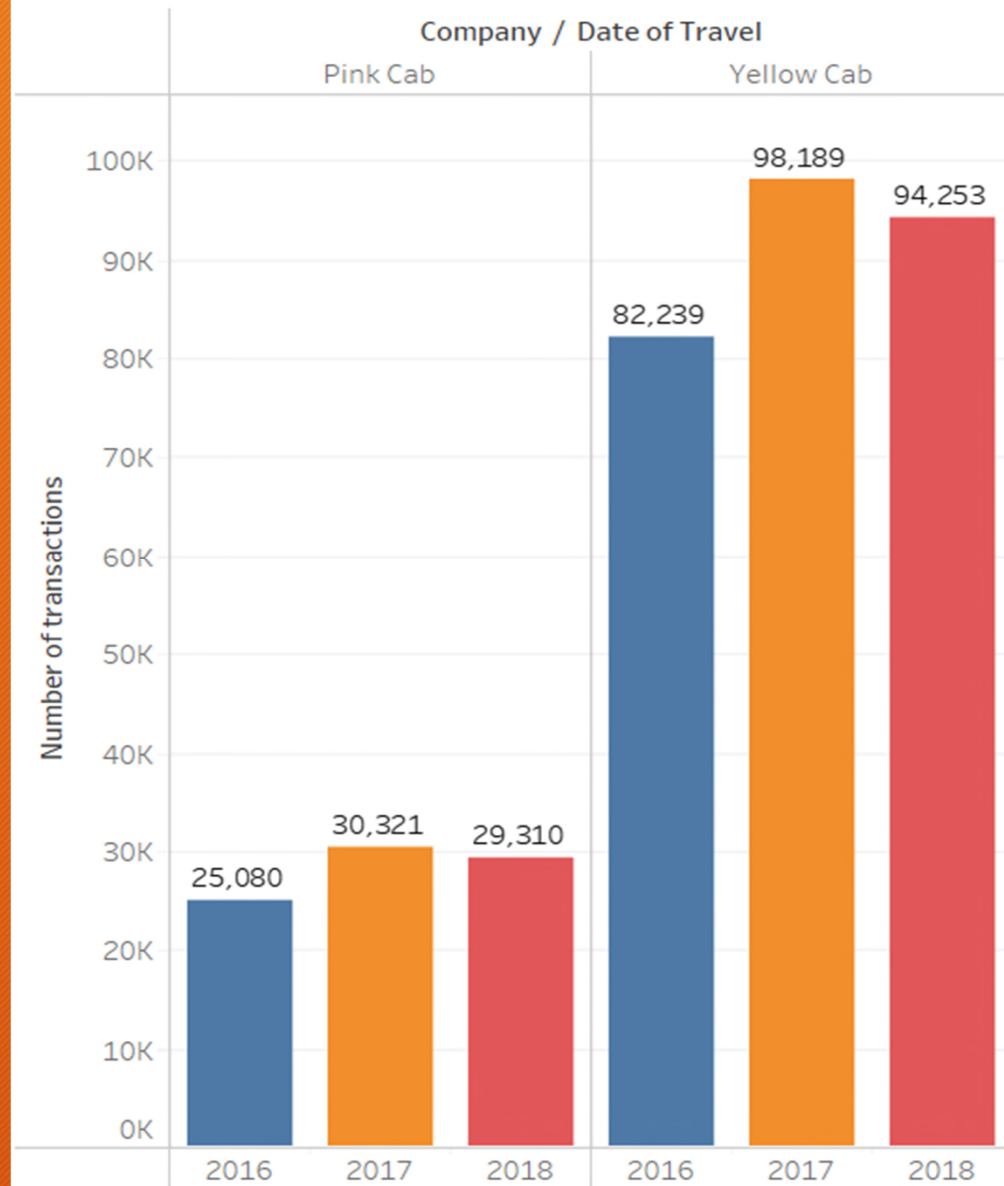Los Angeles ($2.50)

Sales/Revenue per city

2

Yellow Cab average sales per KM :
New York ($26.89)
Washington ($16.84)
Chicago ($16.06)
Boston ($15.93)
Los Angeles ($18.35)

Pink Cab average sales per KM :
New York ($15.78)
Washington ($13.34)
Chicago ($12.51)
Boston ($13.21)
Los Angeles ($13.50)

Number of transactions per year

Company / Date of Travel

Pink Cab | Yellow Cab

- 25,080 (2016, Pink Cab)
- 30,321 (2017, Pink Cab)
- 29,310 (2018, Pink Cab)
- 82,239 (2016, Yellow Cab)
- 98,189 (2017, Yellow Cab)
- 94,253 (2018, Yellow Cab)

2

- The difference in the average distance per transaction/trip between the two companies is negligible (0.01 km)

- The Yellow Cab company has more clients and more transactions (3 times more) then the Pink Cab company in each year

Average distance per transaction

Company
- Pink Cab — 22.559917
- Yellow Cab — 22.569517

Avg. KM travelled
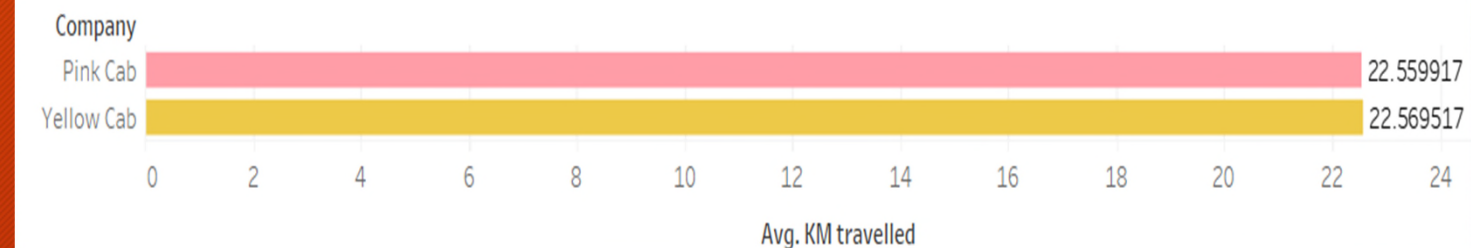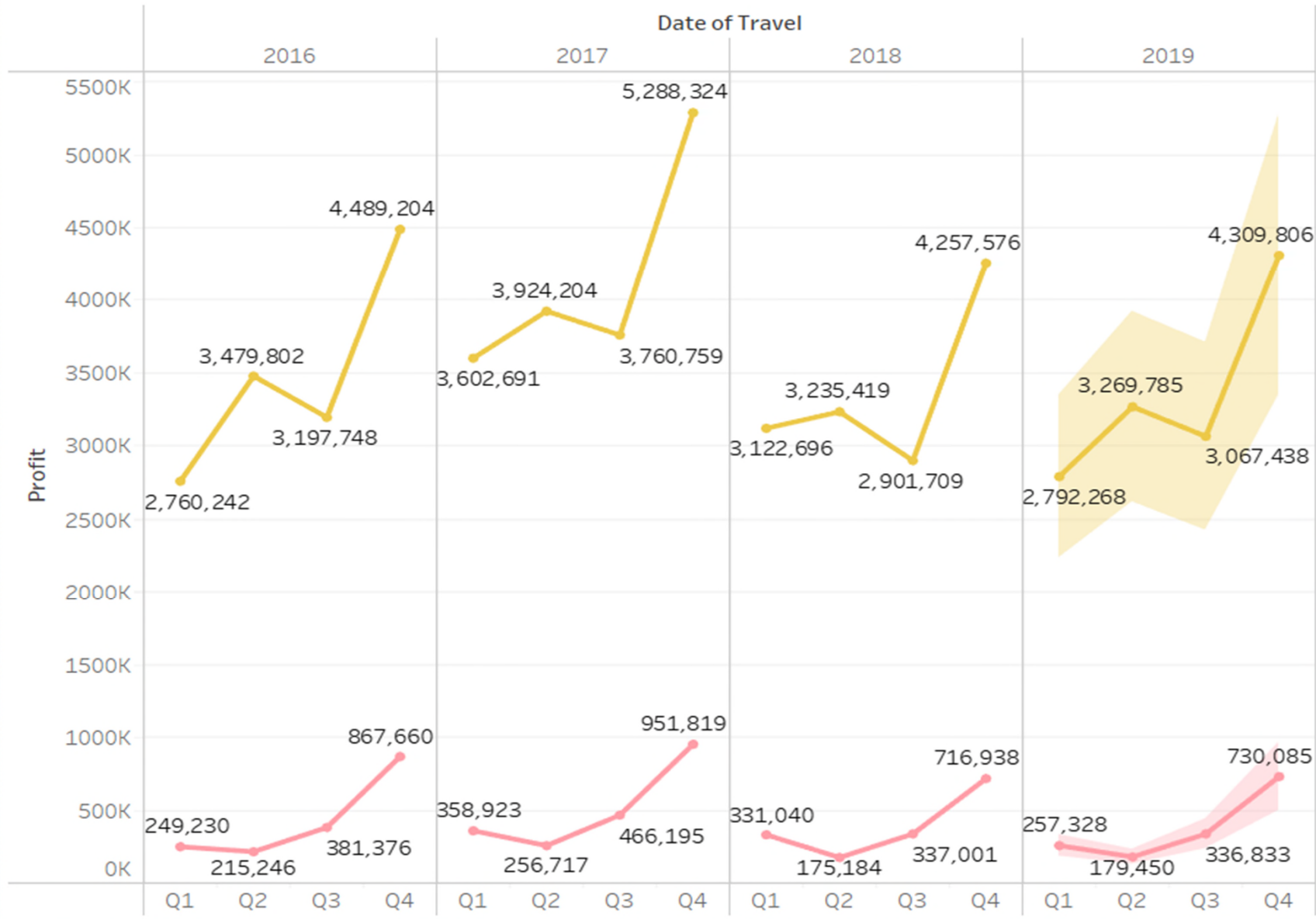
2

- The profit of the Yellow Cab firm is still more attractive than the profit of the Pink Cab firm

Recommendation

3

I recommend investing in the **Yellow Cab firm** for the following reasons:

1. The profit forecast for the following year (2019) for the Yellow Cab firm is higher compared to the Pink Cab firm profit forecast.

2. With $38713045 more in profit (2016-2018) than the Pink Cab firm, the Yellow Cab firm has got a bigger budget, therefore it is financially more stable.

3. The Yellow Cab firm earns more per KM in the cities with the highest demand for cab services than the Pink Cab firm.

4. Despite charging more per km the Yellow Cab firm has got more clients than the Pink Cab firm which could be a reason why it has more transactions.

Thank you