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Pyber Ride Sharing Homework\_5

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PYBER Ride Sharing

1. Avg. Fare compared to City Type

* As expected, Urban cities have significantly more demand (number of rides) than Suburban and Rural Cities. Not only do Urban cities have higher populations, but the distance between destinations, assuming an Urban Driver is not driving to a Suburban or Rural City, is shorter.

1. Which city type driver makes the most money per hour?

* Without having mileage as an indicator of time spent with a customer, we aren’t able to measure the gas consumption, delays in traffic, and idle time between customers.
* It appears that Suburban drivers have the most consistent business and average fares, probably because they have more customers than Rural drivers and longer rides (larger fares) than Urban drivers.
* Rural drivers are probably at the greatest risk of making the least amount of money. Where there isn’t as much competition among drivers, the distance of the trip (measured by fare amount) has a very wide range and the number of customers (number of rides) is very low.
* Additional negatives for Rural drivers would include the amount of idle time between customers and the amount of non-paid commuting time (time and gas) resulting from longer distance one-way trips.
  + An urban driver may drive 100 miles per day but only need to travel 1 – 5 miles (unpaid) to pick up their next customer.
  + A rural driver may drive 100 miles per day but need to drive 10+ miles (unpaid) to pick up their next customer or return to their base city.
  + *Note: these are assumptions based on fare rates, not actual milage…*

1. Company Revenue compared to Number of Drivers
   1. From a company standpoint, assuming we are not reimbursing drivers for any expenses and collecting an equal percentage fee per fare for all city types:
      1. Urban city types generate 62% of the overall revenue but also has almost 81% of the company’s drivers. Assuming all drivers require the same amount of ‘attention’ for driver support, accounting, etc.; Urban drivers are much more expensive to maintain than Rural and Suburban.
      2. Assuming the above is true, Rural and Suburban drivers are significantly less expensive to maintain and generate more revenue per fare and driver than Urban Drivers.

Conclusions:

1. If I’m a driver, I want to work in a suburb.
2. If I’m deciding which city types we should try to grow, I would focus on Rural and Suburban. The Urban business is important and generates more than half the companies revenue, but the real upside probably comes from the ‘less expensive revenue’ generated in Suburban and Rural city types.