

## G2M Insight for Cab Investment Firm

Virtual Internship

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## Agenda

- Problem Statement
- Data Information
- Exploratory Data Analysis (EDA)
- Hypothesis tests
- Recommendations



### **Problem Statement**

XYZ is a private equity firm in US. Due to remarkable growth in the Cab Industry in last few years and multiple key players in the market, it is planning for an investment in Cab industry.

**Objective**: Provide actionable insights to help XYZ firm in identifying the right company for making investment.

The analysis has been divided into four parts:

- Data Understanding
- Forecasting profit and number of rides for each cab type
- Finding the most profitable Cab company
- Recommendations for investment



### **Data Information**

The dataset contains four different csv files. These datasets were combined in the 'all data.csv' file after reviewing.

**Cab\_Data.csv**: This file includes details of transactions for 2 cab companies (9 features).

**Customer\_ID.csv**: This is a mapping table that contains a unique identifier that links the customer's demographic details (4 features).

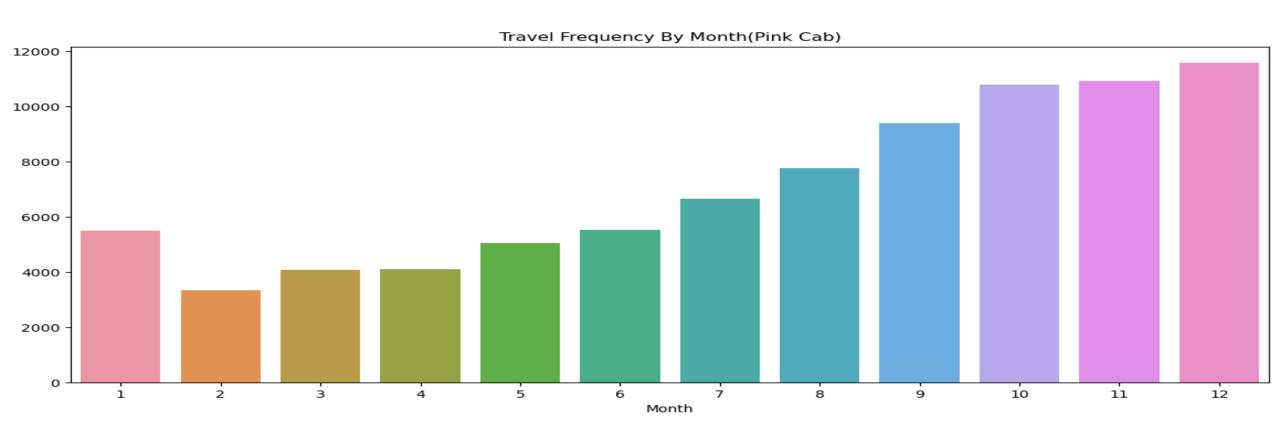
**Transaction\_ID.csv**: This is a mapping table that contains transaction to customer mapping and payment mode (3 features).

**City.csv:** This file contains a list of US cities, their population, and the number of cab users (3 features).

**All\_data.csv:** This file is a combination of 4 files. The dataset is combined based on the "Customer ID" and "Transaction ID" features. Also, new features such as profit, state have been added to the dataset (16 features).

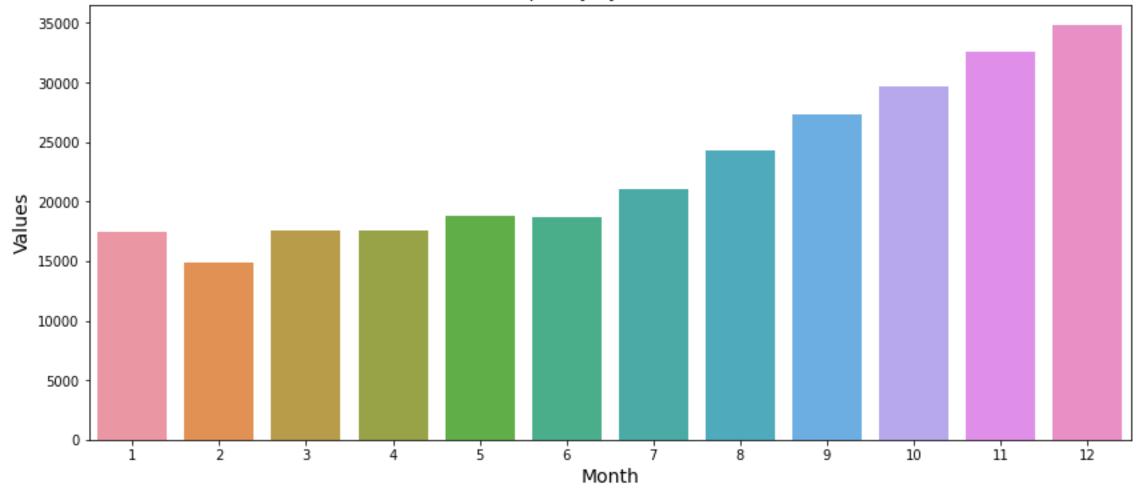


Here, the travel frequency by Month for pink cab is shown.

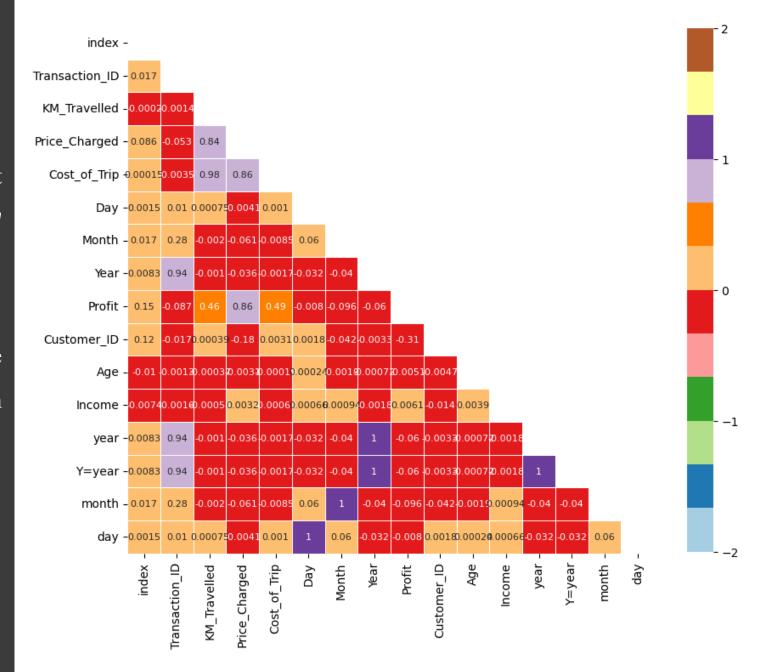


Here, the travel frequency by Month for yellow cab is shown.

Travel frequency by Month (Pink Cab)

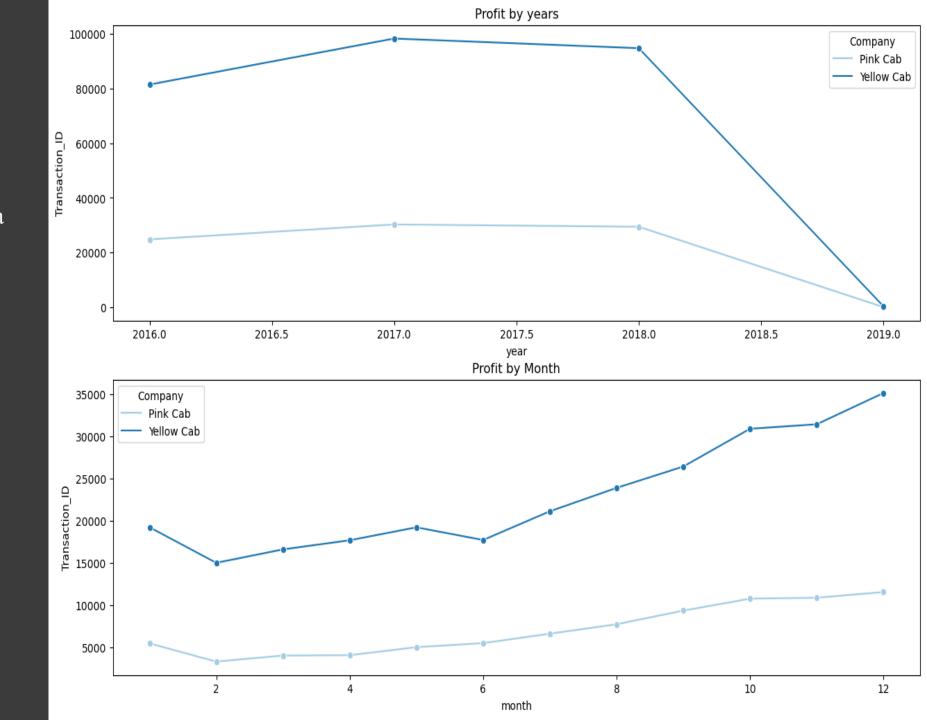


- The two features with the strongest correlation in the dataset are 'KM\_Travelled' and 'Cost of Trip' with 0.98.
- It is seen that there is a strong positive correlation with 0.92 correlation between 'Year' and 'Transaction\_ID' features.



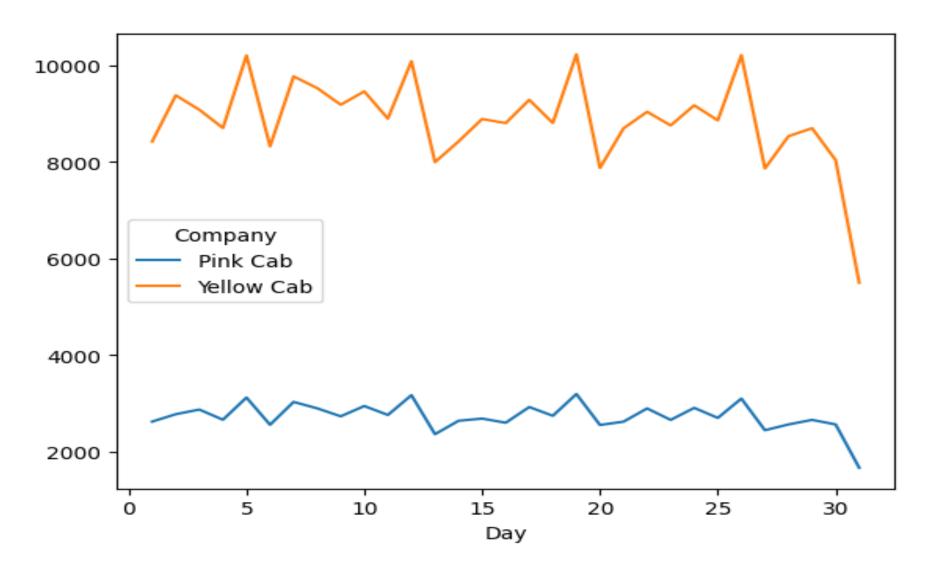


 Profits of cab companies on a monthly and annual basis

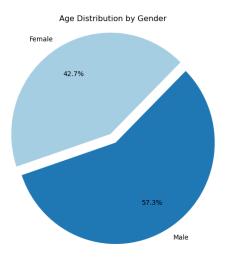


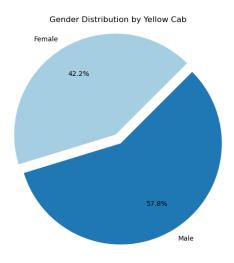


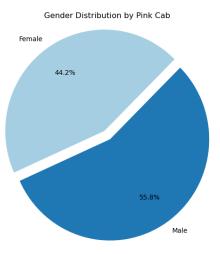
It is seen that the demand is higher on the third day of the week for both companies.

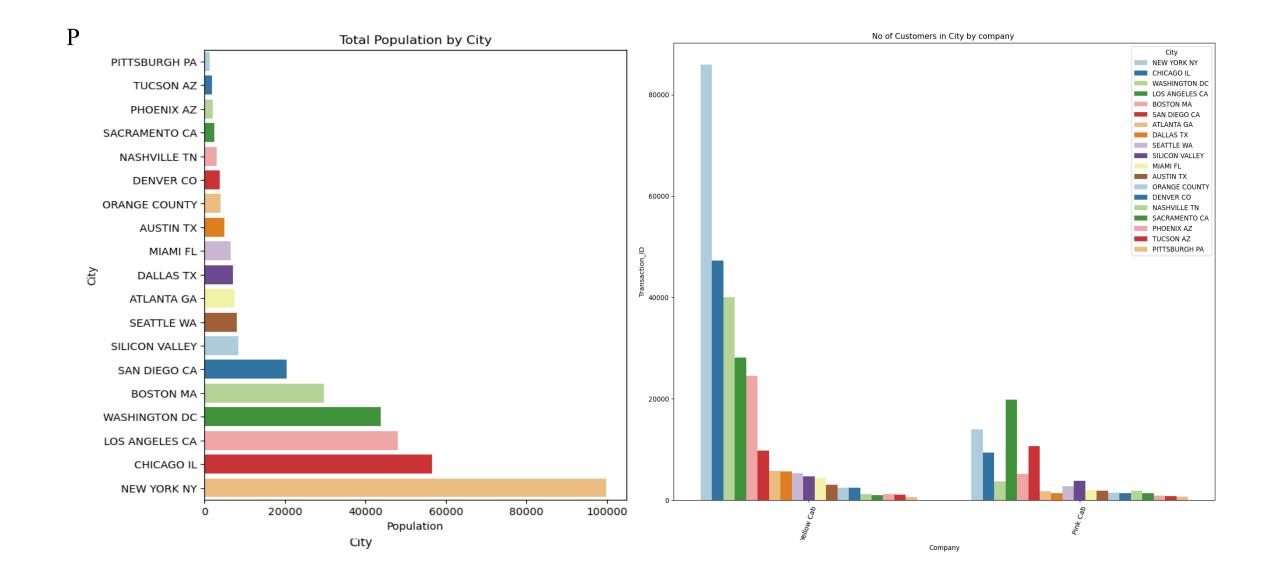


Gender distribution by cab company.

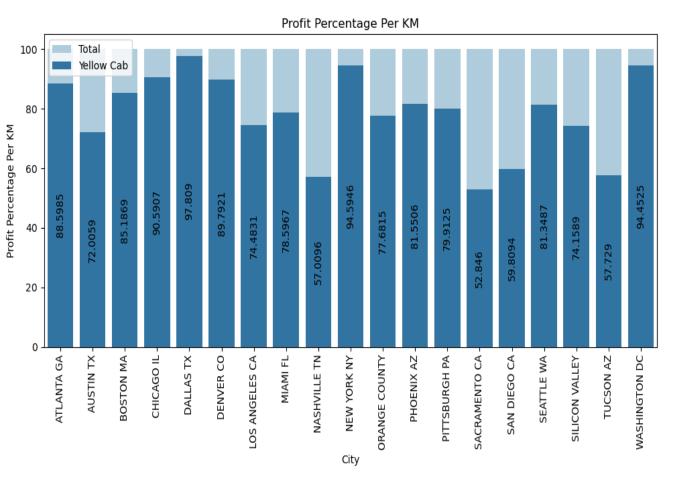


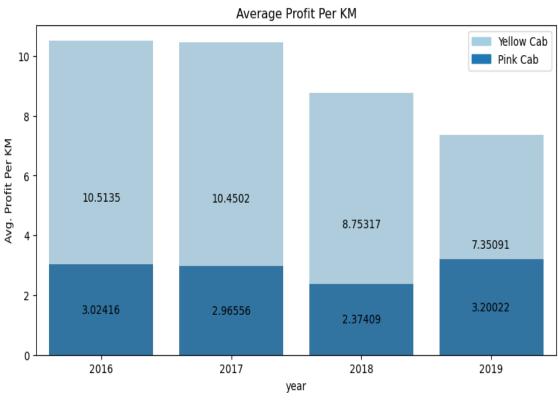




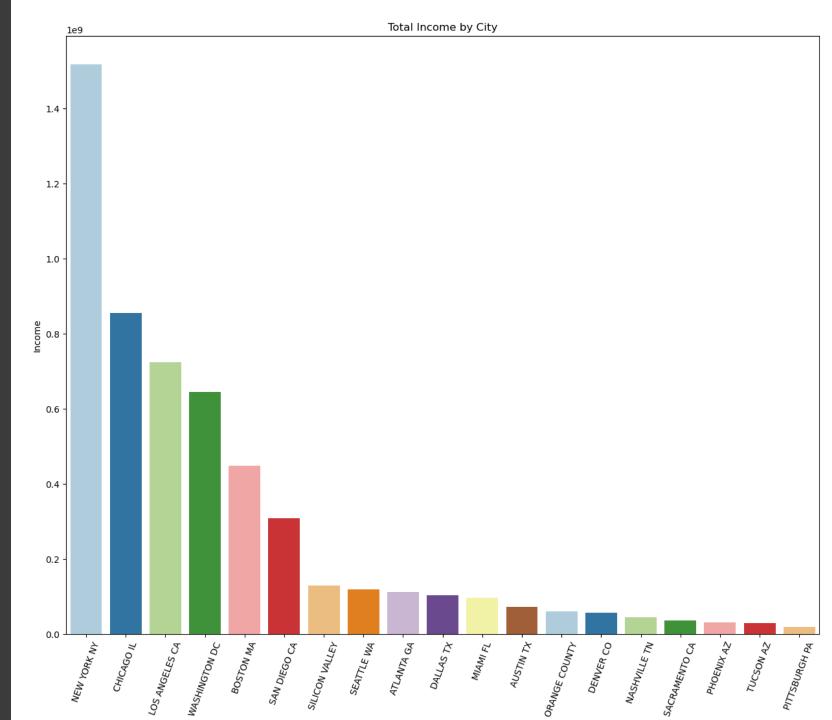


Profit distribution of cab companies by cities and years.



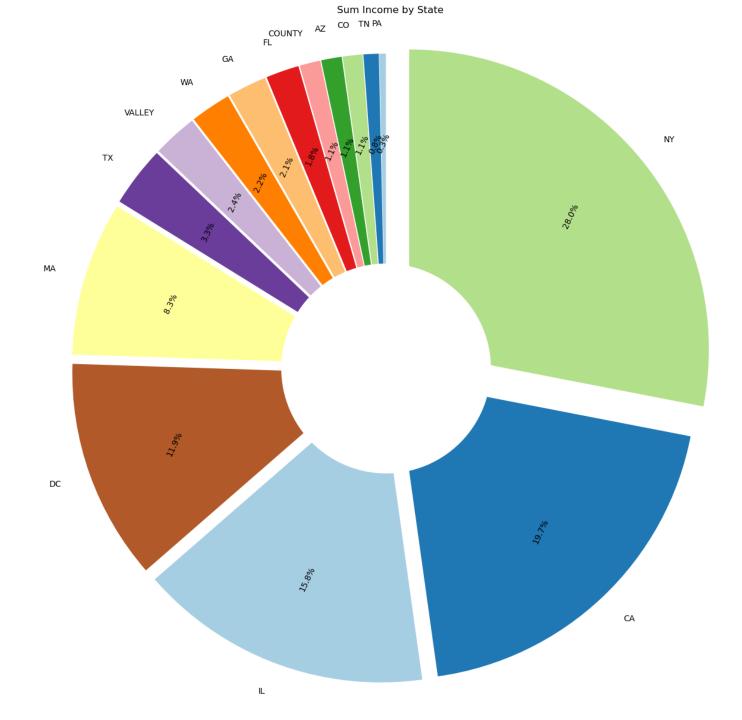


Maximum total income is new york city.





• Income distribution by state.





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### Hypothesis tests

#### **Hypothesis 1:**

**H0:**Gender has not effect on company profit

H1:Gender has effect on company profit

#### 'Pink Cab'

t statistics: [0.02786795]

p\_value: [0.98029821]

Reject Alternative Hypothesis(H1)

#### 'Yellow Cab'

t\_statistics: [-0.08386648]

p\_value: [0.94080144]

Reject Alternative Hypothesis(H1)

#### **Hypothesis 2:**

**H0:**Payment mode has not effect on company profit

**H1:**Payment mode has effect on company profit

#### 'Pink Cab'

t statistics: [-0.03834307]

p value: [0.97289731]

Reject Alternative Hypothesis(H1)

#### 'Yellow Cab'

t\_statistics: [0.17875066]

p\_value: [0.8746019]

Reject Alternative Hypothesis(H1)

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## Hypothesis tests

#### **Hypothesis 3:**

**H0:** The variable Year has not a positive correlation with mileage

**H1:** The variable Year has a positive correlation with mileage

#### 'Pink Cab'

t\_statistics: [-0.66243408]

p\_value: [0.57581736]

Reject Alternative Hypothesis(H1)

#### 'Yellow Cab'

t\_statistics: [-0.42772975]

p\_value: [0.71050085]

Reject Alternative Hypothesis(H1)

#### **Hypothesis 4:**

**H0:**Age has not effect on company profit

**H1:**Age has effect on company profit

#### 'Pink Cab'

t\_statistics: [0.13340069]

p\_value: [0.90608835]

Reject Alternative Hypothesis(H1)

#### 'Yellow Cab'

t\_statistics: [-0.50355161]

p\_value: [0.66456451]

Reject Alternative Hypothesis(H1)

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## Hypothesis tests

#### **Hypothesis 5:**

H0: The variable Income has not a positive correlation with mileage

H1: The variable Income has a positive correlation with mileage

t\_statistics: [-0.75691848]

p\_value: [0.52811574]

Reject Alternative Hypothesis(H1)

t\_statistics: [0.19035288]

p\_value: [0.86660314]

Reject Alternative Hypothesis(H1)

### Recommendations

As a result, it is seen that the yellow cab is better than the pink cab.

When both cab companies are compared, it is seen that the yellow cab is much more successful

- average profit per km,
- user,
- income,
- customer retention,
- customer access.

## Thank You

