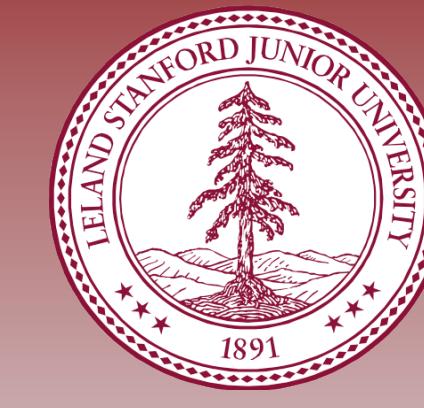


# Taxi in New York City: Generating Lucrative Passenger Pick-up Strategy

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## Project Description

### Data:

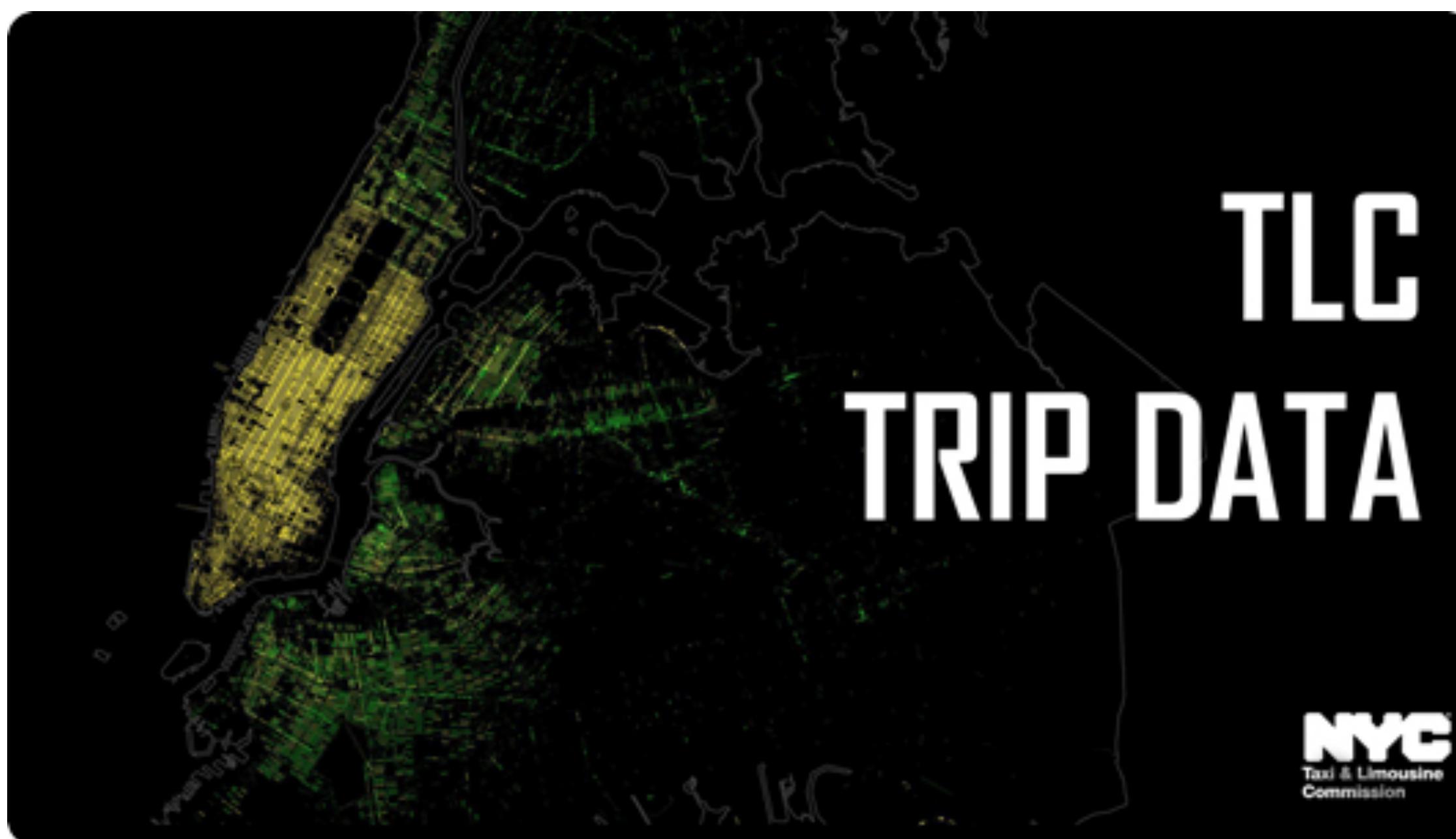
- 500 million records of NYC taxi trips from Jan 2015 to Jun 2016
- Gathered from NYC taxi & limousine commission official source
- Each record contains important details about the trip

### Goal:

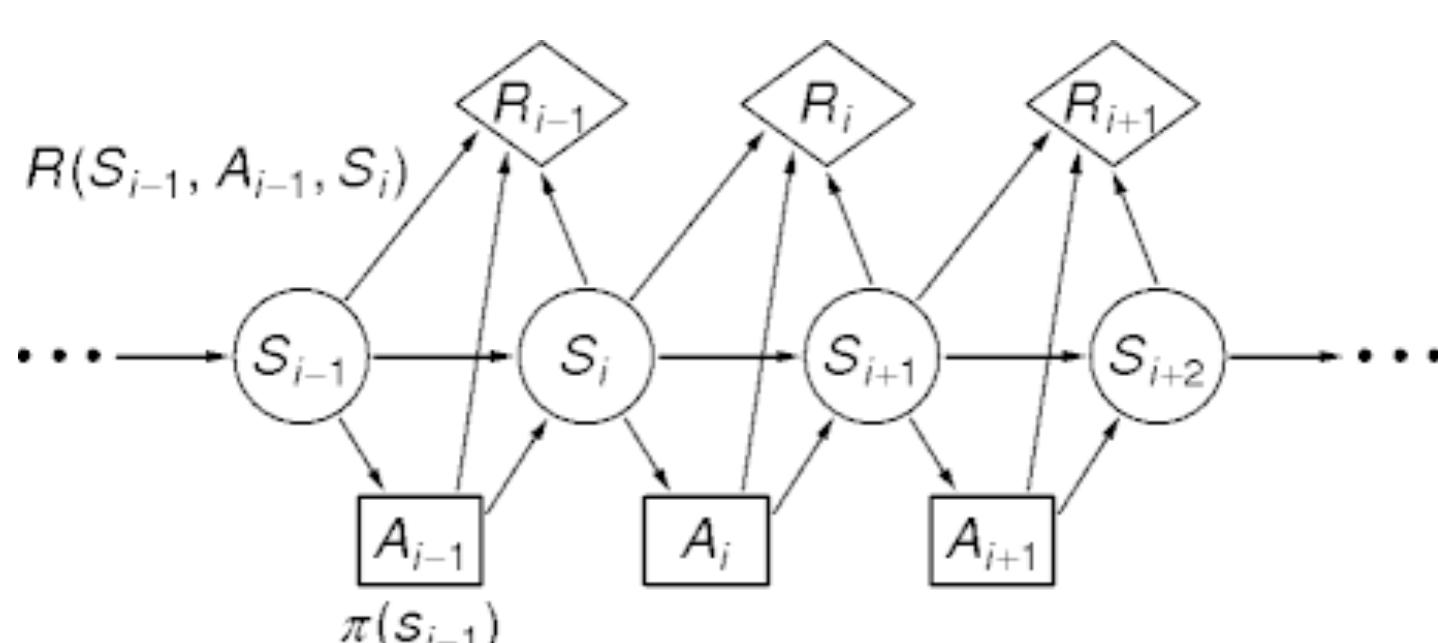
- To explore the most lucrative passenger pick-up location
- Produce useful data analytics as byproduct

### Areas of Impact:

- Artificial Intelligence — state search, Markov Decision Process
- Machine Learning — pattern finding, modeling
- Data Mining — big data, statistical analysis



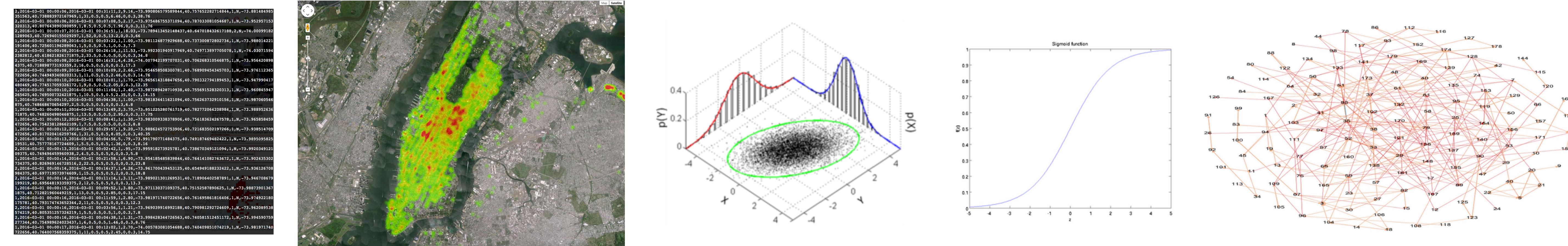
## Markov Decision Process



### Notations

- $t_{curr}$ ,  $t_{ava}$ ,  $t_{start}$ ,  $t_{end}$ : current time, available time, start time, end time
- $l_{curr}$ ,  $l_{start}$ : current location (longitude, latitude grids), start location
- $hasPassenger$ :  $\{-1, 0, 1\}$  where -1 indicates drop-off, 0 indicates cruising without passenger, and 1 indicates pick-up
- $\delta_t$ : Time elapse between moving between locations
- $f$ : Positive reward evaluation, sampled from payment
- $c$ : Negative reward evaluation, sampled from time and distance
- State  $s := (t_{curr}, l_{curr}, t_{ava}, hasPassenger)$
- $S_{start} := (t_{start}, l_{start}, t_{end} - t_{start}, 0)$
- $Succ(s, a) := (t_{curr} + \delta_t(a(s)), a(l_{curr}), t_{ava} - \delta_t(a(s)), p_{pickup}(l_{curr}))$
- $Transition(s, a, s') := 1\{s=s'\}(1 - p_{pickup}(s)) + p_{pickup}(s)p_{dest}(a(s), s')$
- $Reward(s, a, s') := E[f(s, a(s), s')] - c(s, a(s), s')$
- $IsEnd := 1\{t_{ava} = 0\}$ ,  $\gamma = 1$

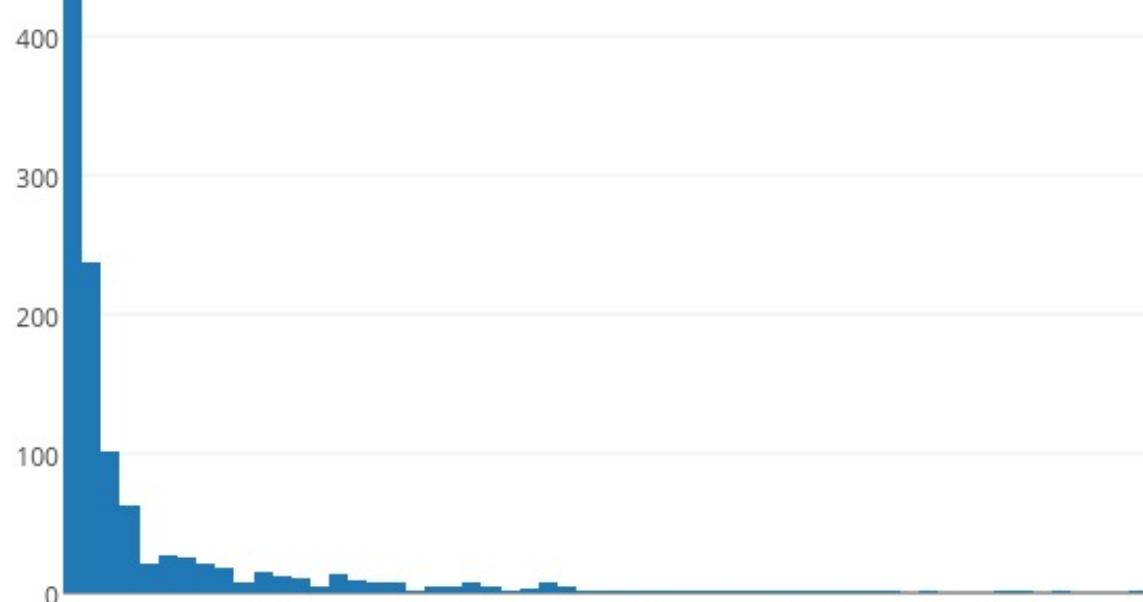
## Strategy Generation Process



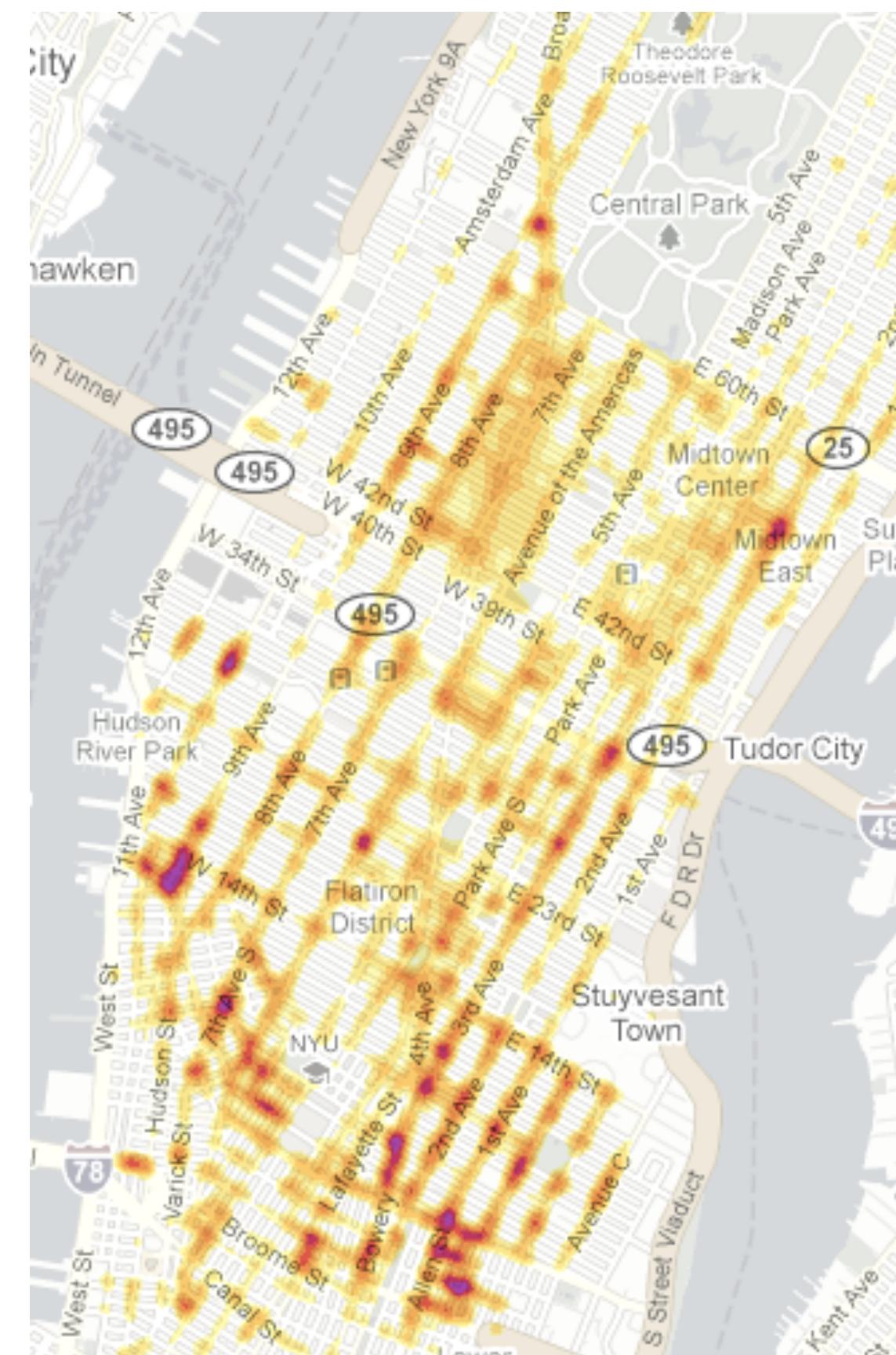
Input Data	Congestion Factor	Reward Function	Probability Map	Policy Generation
<b>Data Pre-Processing</b> <ul style="list-style-type: none"> <li>• Remove bad entries</li> <li>• Extract days</li> <li>• Discretize time and location intervals</li> </ul>	<b>Travel Time Estimation</b> <ul style="list-style-type: none"> <li>• Sigmoid model of speed calibration</li> <li>• Congestion factor linear in number of activities</li> </ul>	<b>Modeling Distribution</b> <ul style="list-style-type: none"> <li>• Gather payment reward information</li> <li>• Gather time, distance cost information</li> </ul>	<b>Pick-up Probability</b> <ul style="list-style-type: none"> <li>• Calculate average waiting time</li> <li>• Estimate cruise speed</li> <li>• Sampling from Poisson process</li> </ul>	<b>MDP Simulation</b> <ul style="list-style-type: none"> <li>• Defined by transition probability and reward</li> <li>• Maximize utility (money)</li> </ul>

## Data Exploration

Histogram of Hotspots  
12am, Tuesday



Pick-up Probability Map



## Theoretical Foundations

### Travel Time Estimation

- Assume taxi driver drives through blocks without intentional stops
- Assume cruise speed linear with congestion factor and city average
- Congestion factor calculated by sigmoid

### Pick-up Probability

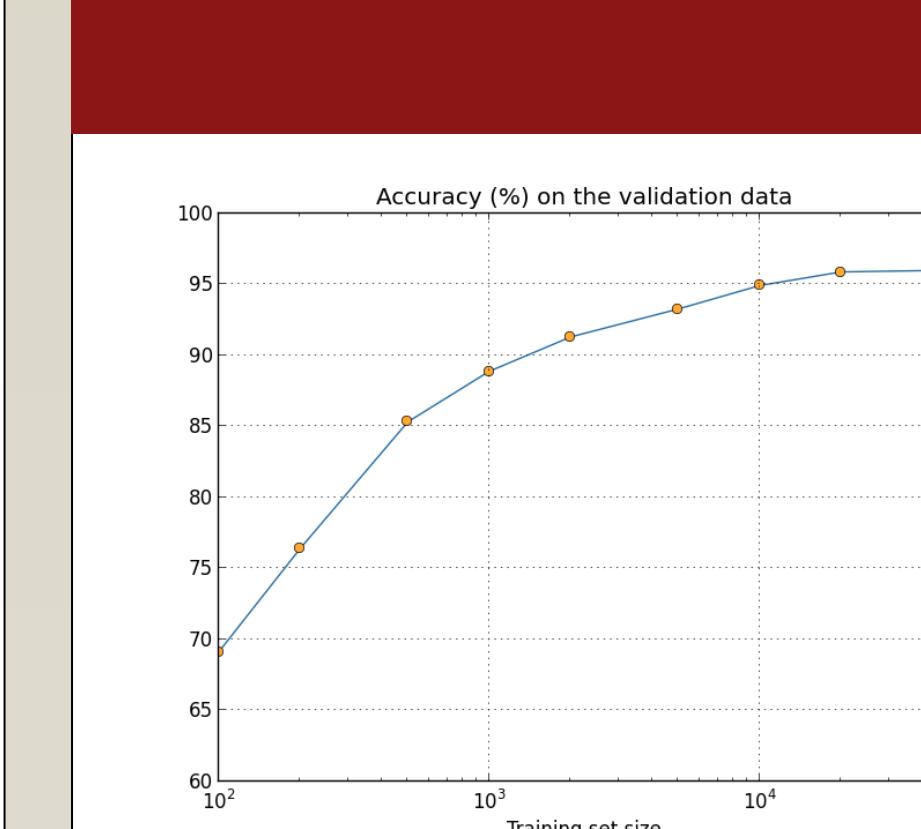
- Average waiting time is representative when sample dataset is large
- Passenger arrival is a standard Poisson process
- Assume waiting time is equivalent to travel time

### Reward Function

- Assume fixing starting position, the distributions of destination positions, trip time, trip distance, and payment amount are Gaussian models
- Assume taxi drivers maximize reward / cost.

## Next Steps

**Run on larger sets**  
 More data means more representative parameters, which suggests more accurate prediction results



**Visualize Path**  
 • Generate visualized optimal strategy path on city map real-time

## References

- NYC Taxi & Limousine Commission, [http://www.nyc.gov/html/tlc/html/about/trip\\_record\\_data.shtml](http://www.nyc.gov/html/tlc/html/about/trip_record_data.shtml)  
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 Nike's GPS NYC Visualization, Cooper Smith