



**Data Glacier**

Your Deep Learning Partner

# G2M Case Study

Virtual Internship LISUM16

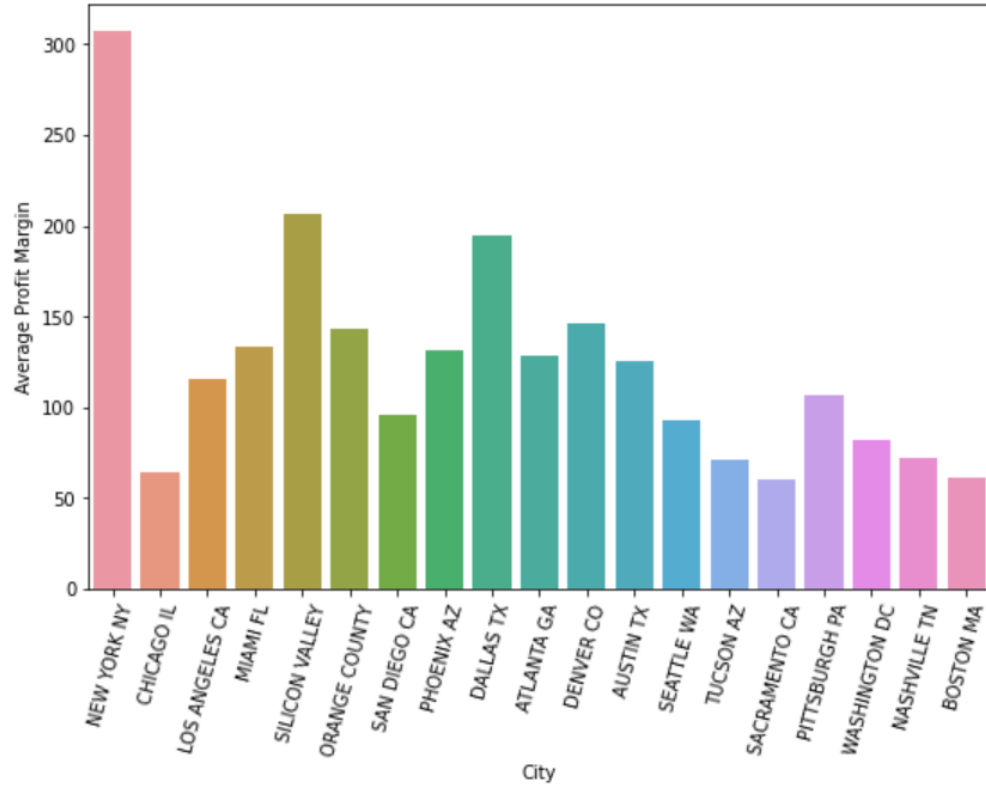
12/13/2022

# Background –G2M(cab industry) case study

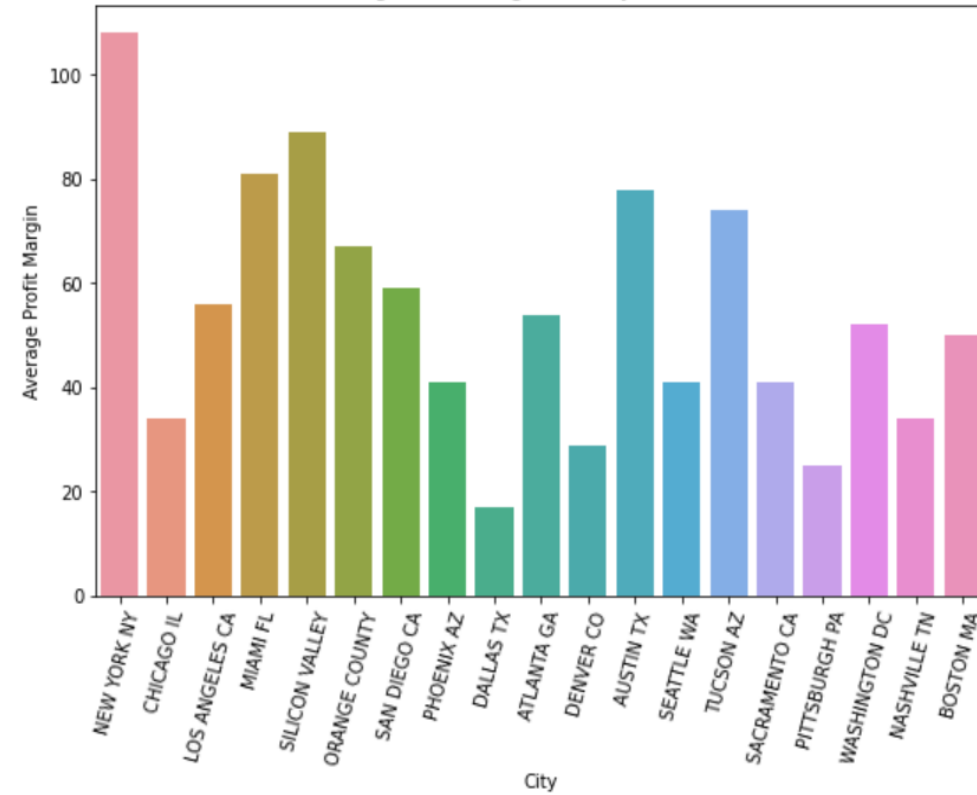
- XYZ is a private equity firm in US. Due to remarkable growth in the Cab Industry in last few years and multiple key players in the market, it is planning for an investment in Cab industry.
- Objective : Provide actionable insights to help XYZ firm in identifying the right company for making investment.
- Guiding Questions:
  - What is the impact of location on profit margin, and how does it vary between companies?
  - What is the impact of distance travelled on profit margin, and how does it vary between companies?
  - Is there any effect of seasonality on profit margins, and how does it vary between companies?
  - Which company is better at attracting repeat customers?
  - Which company is better at attracting higher income vs. lower income customers?

# Location Analysis

Average Profit Margin Per City for Yellow Cab



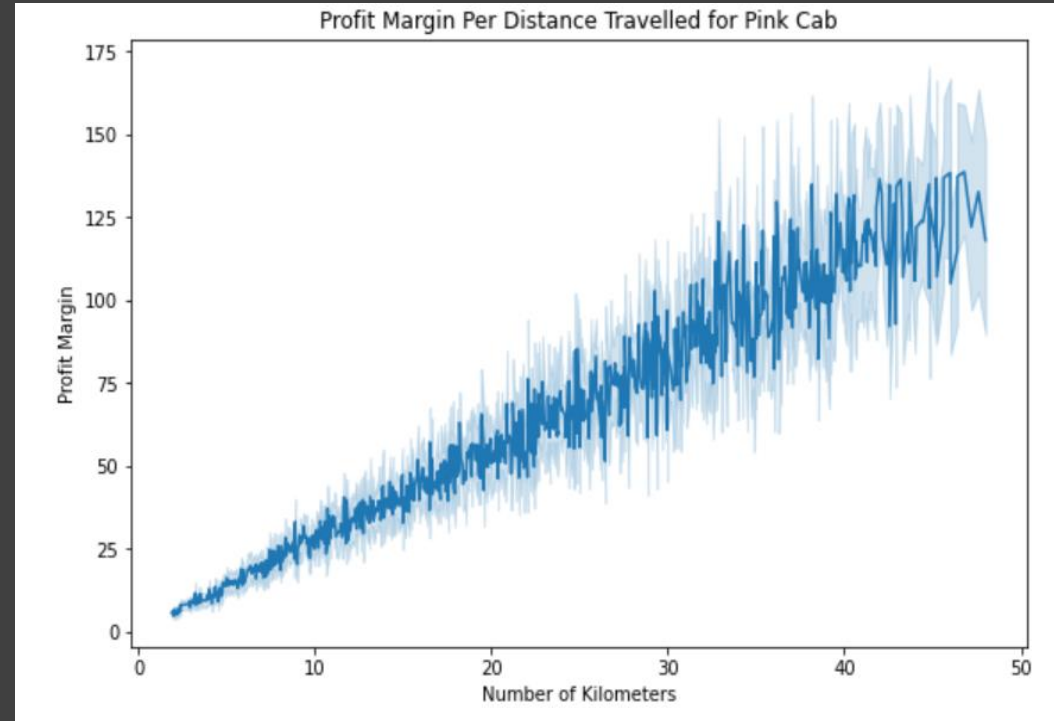
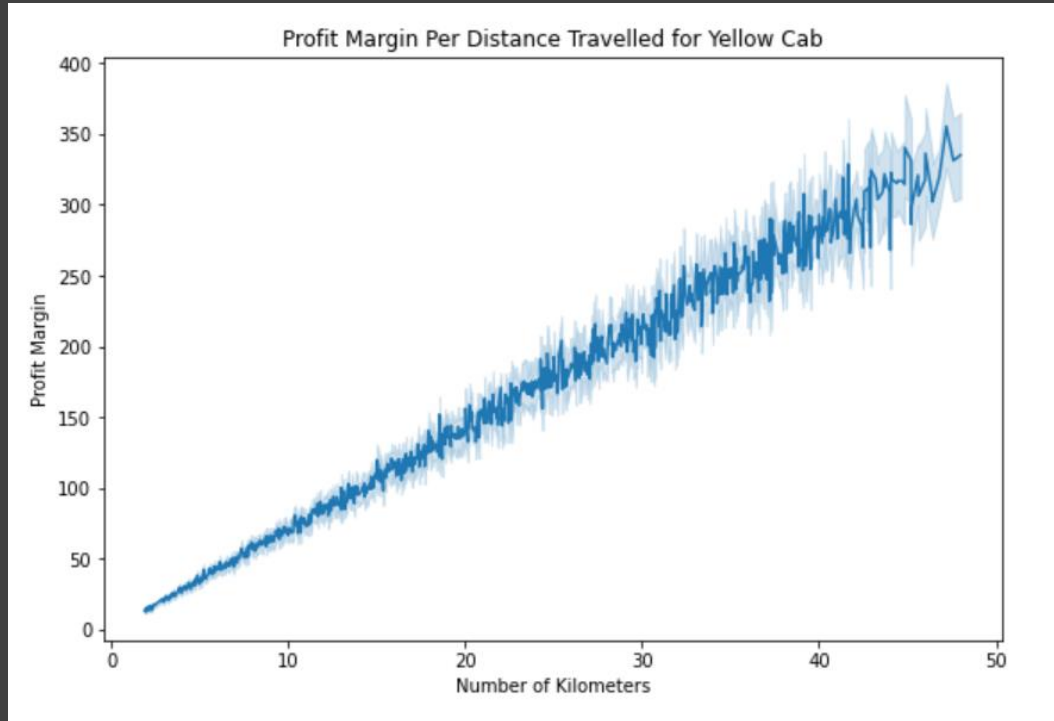
Average Profit Margin Per City for Pink Cab



# Location Analysis

- The most profitable location for both Pink Cab and Yellow Cab is New York City, followed by Silicon Valley.
- Dallas is a profitable location for Yellow Cab but among the least profitable locations for Pink Cab.
- Tucson is a profitable location for Pink Cab, but among the least profitable locations for Yellow Cab.

# Distance Analysis

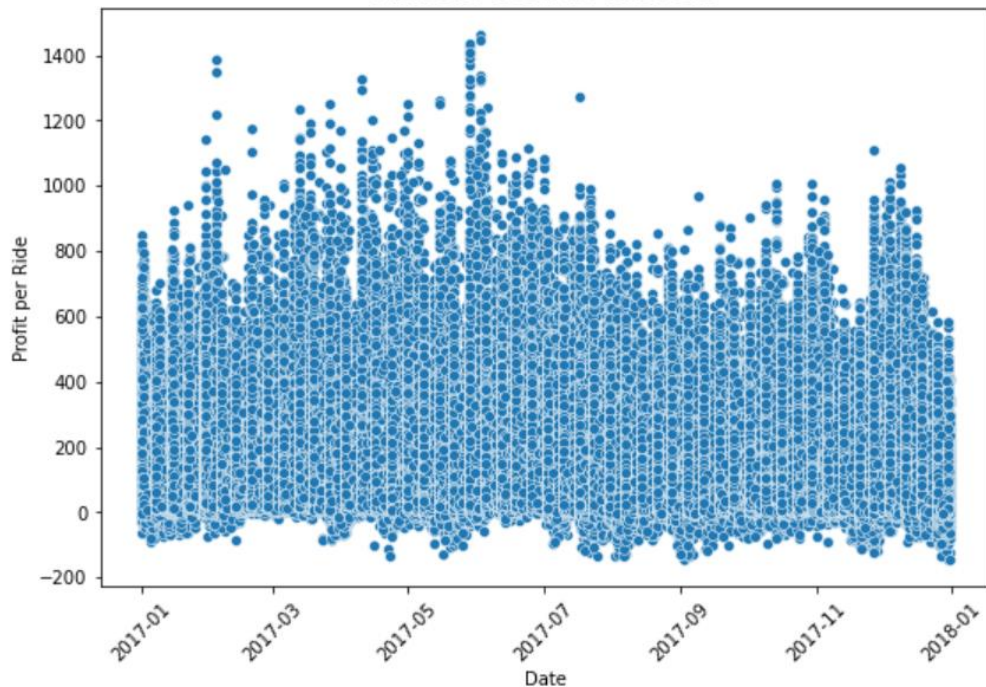


# Distance Analysis

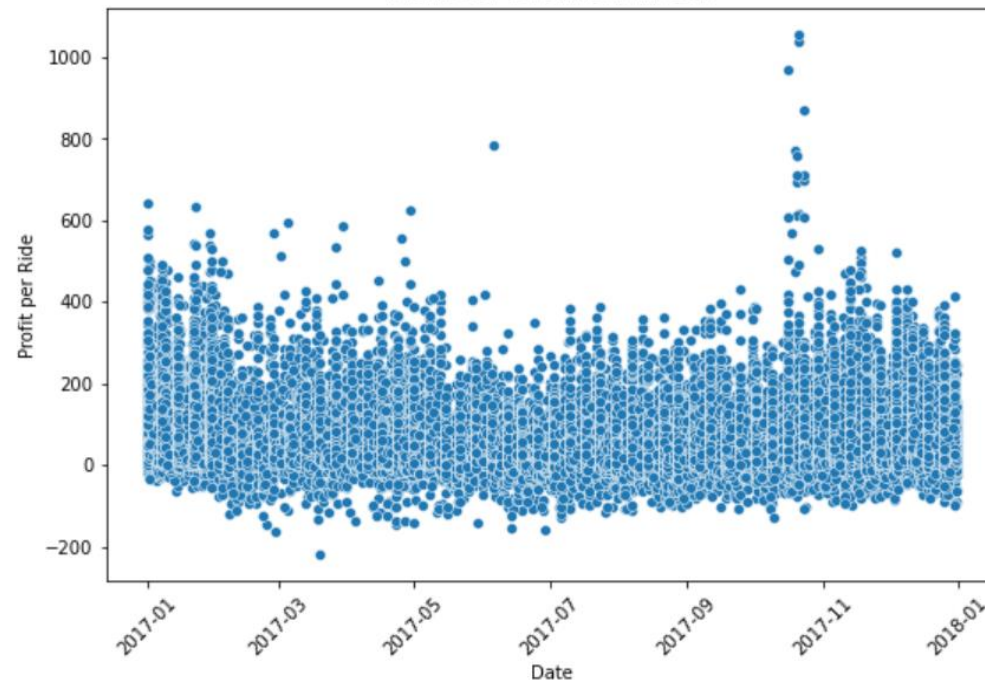
- Profit margin increases linearly as number of kilometers travelled increases in the case of both companies.
- The size of profits experienced greater variation as distance travelled increased for Pink Cab as opposed to Yellow Cab

# Seasonality Analysis

Profit over 1 Year for Yellow Cab



Profit over 1 Year for Pink Cab

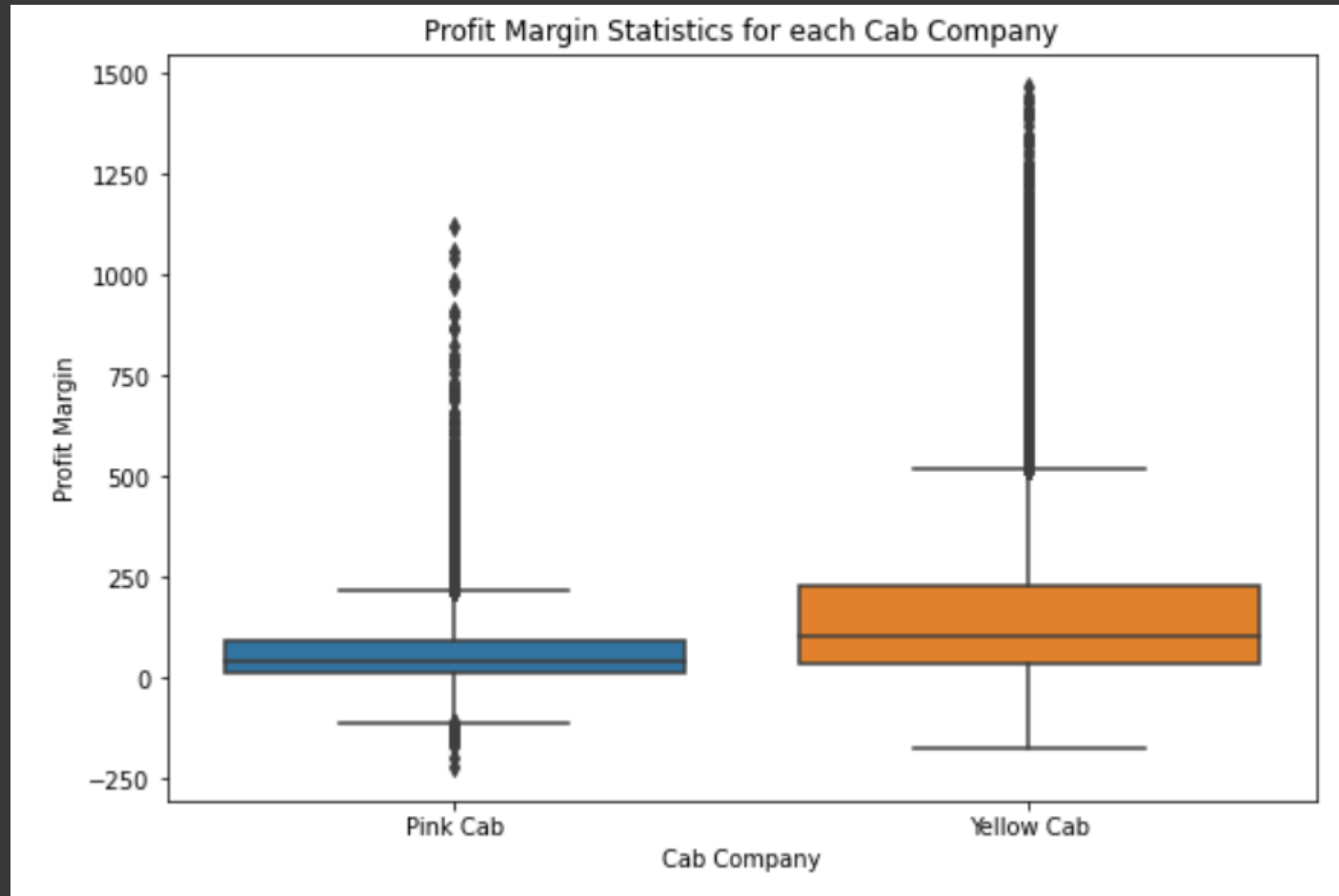


# Seasonality Analysis

- There appears to be little seasonal effect on profit margins for both companies.
- Pink Cab experienced a spike in transactions in late October / early November of 2017, while Yellow Cab experienced a smaller spike around June 2017.



# Profit Analysis



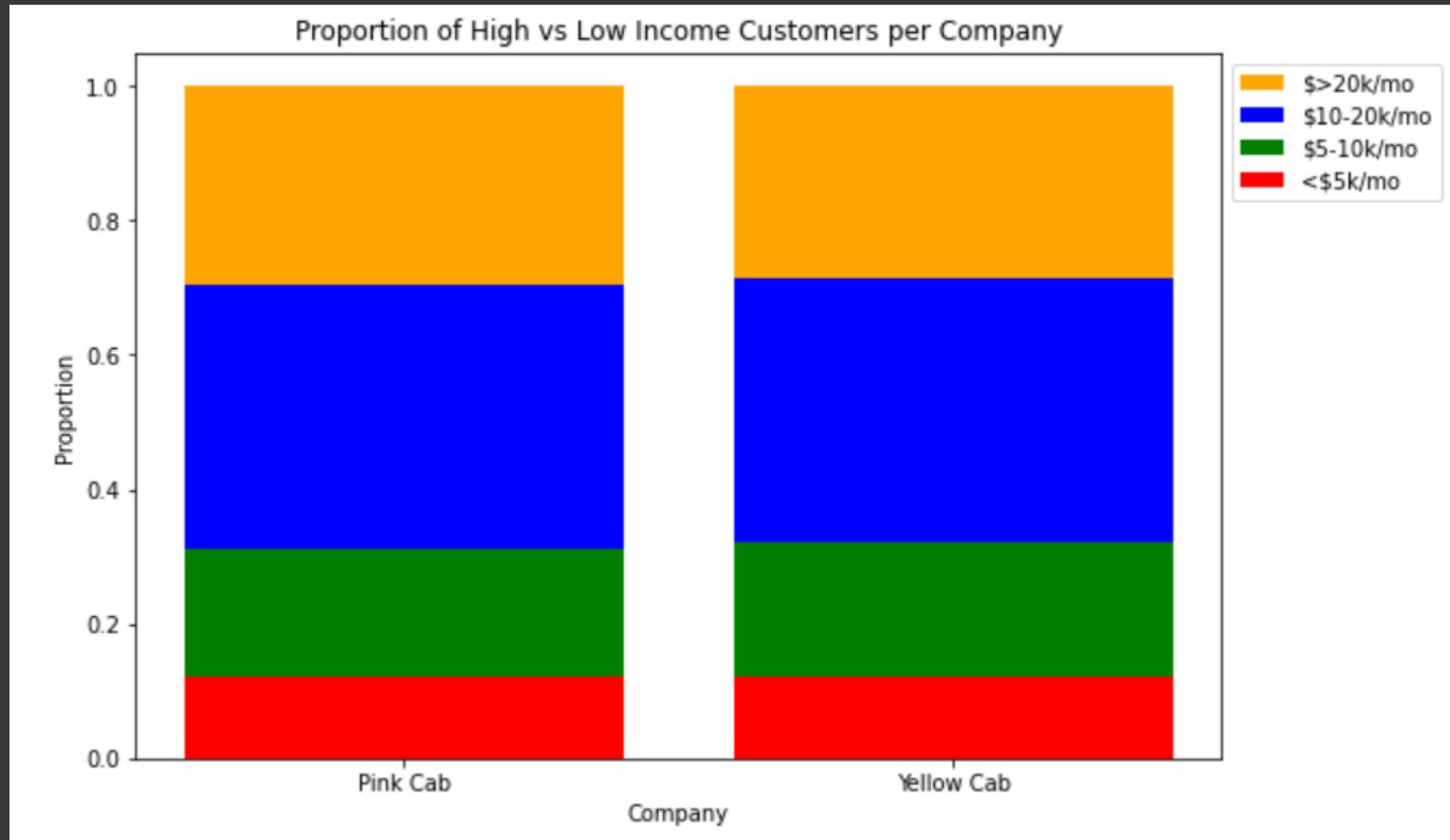
# Profit Analysis

- Yellow Cab experienced, on average, a higher profit margin than Pink Cab, with a significantly higher maximum, and greater numbers of high outliers as well.

# The Ideal Customer

- We need to be looking to target customers that are:
  - High-income
  - More likely to utilize the service repeatedly
- Let's see which company does a better job of targeting these key demographics.

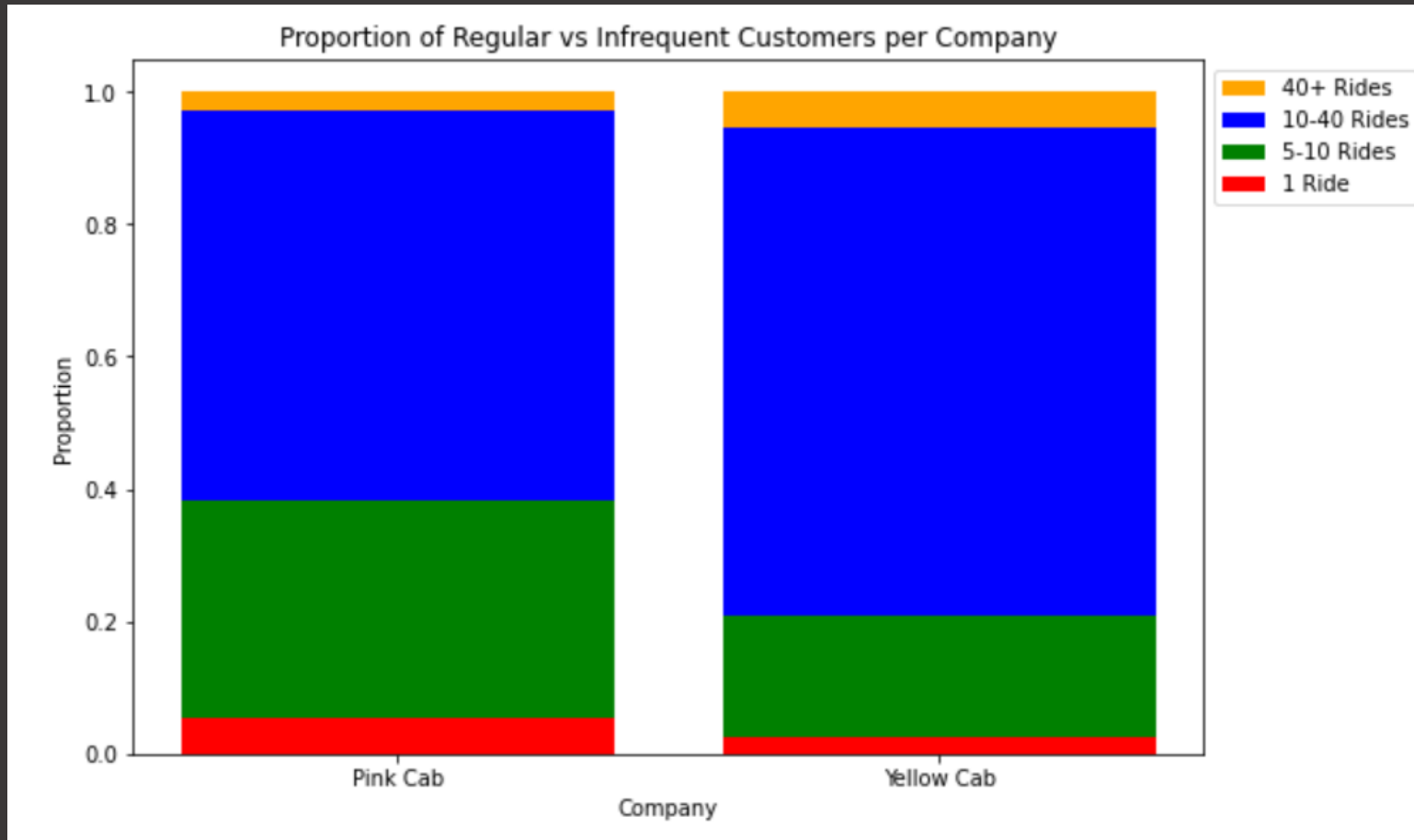
# Income Analysis



# Income Analysis

- There appears to be little difference between the 2 companies in the proportion of the customer base that is high/middle/low income.
- The majority (60-70%) of the customer base for both companies is upper-income (\$10k+/month).

# Customer Retention Analysis



# Customer Retention Analysis

- Yellow Cab has a higher share of "top" customers (who have taken 40+ cab rides) as well as "frequent" customers (who have taken 10-40 cab rides)
- Pink Cab has a higher share of "occasional" customers (5-10 Rides) as well as one-time customers.

# Final Recommendation

- Our final recommendation to the board for investment is the Yellow Cab company, based on their higher average profit margins, and greater retention of customers.



# Thank You