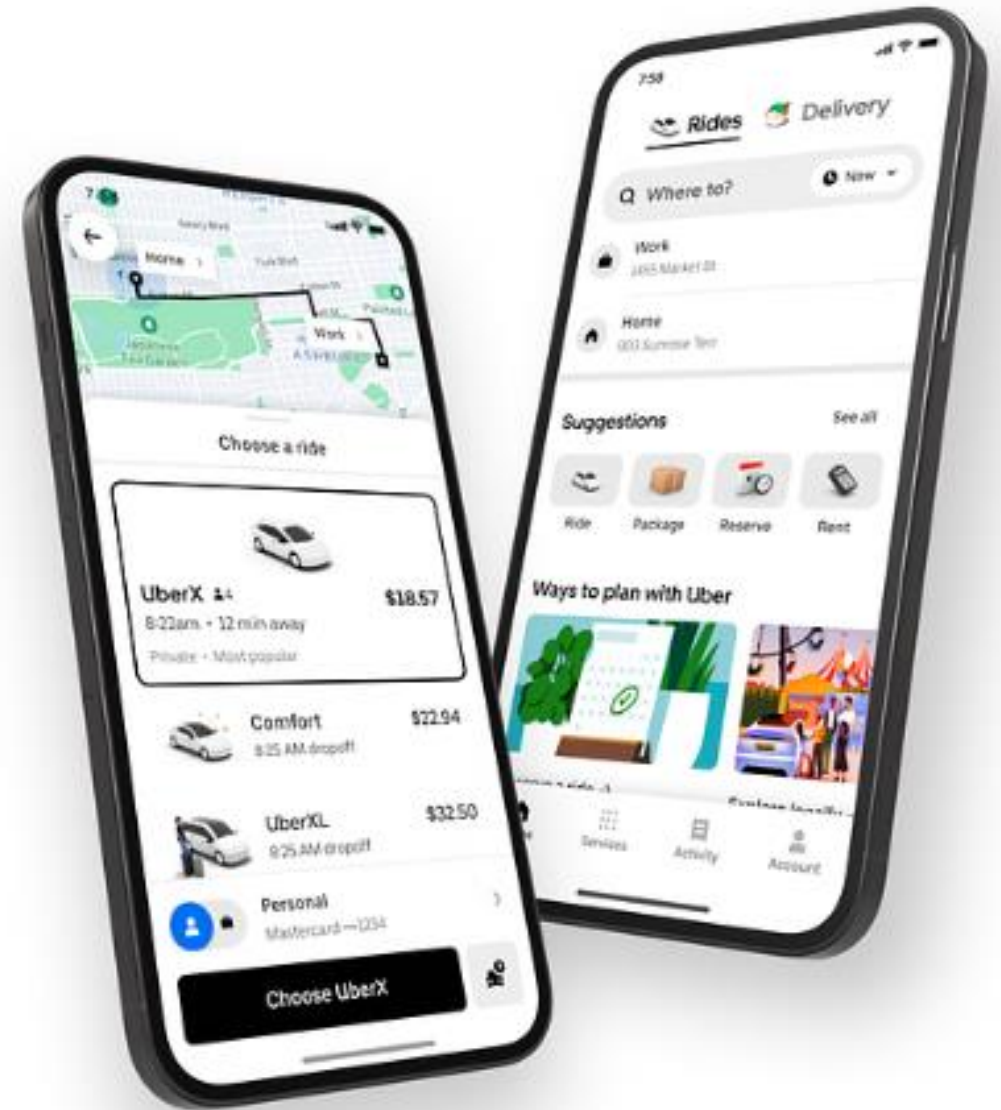


# Uber Supply Demand Gap Analysis



# Analyst Profile

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[Linkedin](#) 

## Academic Qualifications:

- Bachelors of Technology, IIT Kharagpur
- PG Diploma in Business Analytics, IIM Calcutta

## Executive Academic Qualifications:

- MS in Artificial Intelligence, Liverpool John Moores University
- eMBA in Marketing, Golden Gate University, USA

## Professional Experience:

- Senior Data Scientist, Advisors Client Services MasterCard, Gurgaon, India
- Client Engagement Manager, Athancare, New Delhi
- AI and Market Research Analyst, Athancare, New Delhi

# Business Problem and Data Understanding

Dara Cleaning and  
Feature  
Engineering

Exploratory Data  
Analysis - Insights

Recommendation



# Overview

Considering inputs from customer tickets and operations, it was identified that there are issues with customers securing trips to and from the airport. Through this analysis, we aim to identify the root cause of the problem and provide recommendations to improve the situation

## Business Risk

- Fluctuations in demand due to cancellations and non-availability of cars pose a significant business risk, affecting revenue streams and operational efficiency.
- Inefficient management of cancellations and non-availability issues can lead to customer dissatisfaction, brand erosion, and loss of market share, amplifying the overall business risk.

## Tasks

- Data Cleaning and Formatting
- Prepare a report with recommendation that can be presented to the client

## Dataset

There are six attributes associated with each request made by a customer:

- **Request id:** A unique identifier of the request
- **Time of request:** The date and time at which the customer made the trip request
- **Drop-off time:** The drop-off date and time, in case the trip was completed
- **Pick-up point:** The point from which the request was made
- **Driver id:** The unique identification number of the driver
- **Status of the request:** The final status of the trip, that can be either completed, cancelled by the driver or no cars available

Business Problem  
and Data  
Understanding

## Data Cleaning and Feature Engineering

Exploratory Data  
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# Features Set Generated for Analysis

## Request Hour

To facilitate swift grouping and analysis, the request timestamps have been categorized into 24 distinct groups corresponding to each hour of the day (0-23 hours). For instance, a request made between 14:00:01 and 14:59:59 will be assigned a request hour attribute of 14.

## Time Slots

The 24 distinct request hour attributes have been grouped into 5 time slot categories to study supply and demand variations throughout different parts of the day. This grouping is flexible and open to interpretation by the analyst. For this analysis, the categories are: Morning Peak Hour (5am to 9am), Late Noon (10am to 1pm), Early Evening (2pm to 4pm), Late Evening Rush (5pm to 10pm), and Night-Midnight (10pm to 4am).

## Demand Definition

Demand is defined as the total number of service requests received within a given period

## Supply Definition

Supply refers to the total number of service requests for which the trip status is completed

## Gap Definition

Difference between the number of service requested and number of service completed

Business Problem  
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Understanding

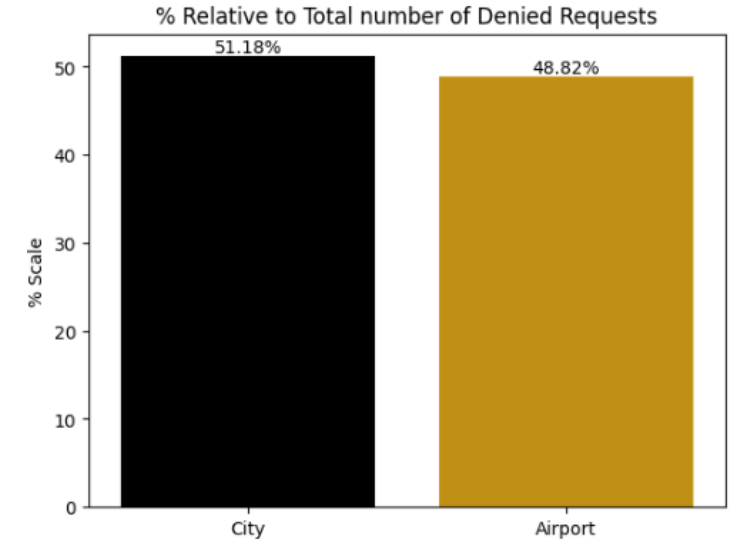
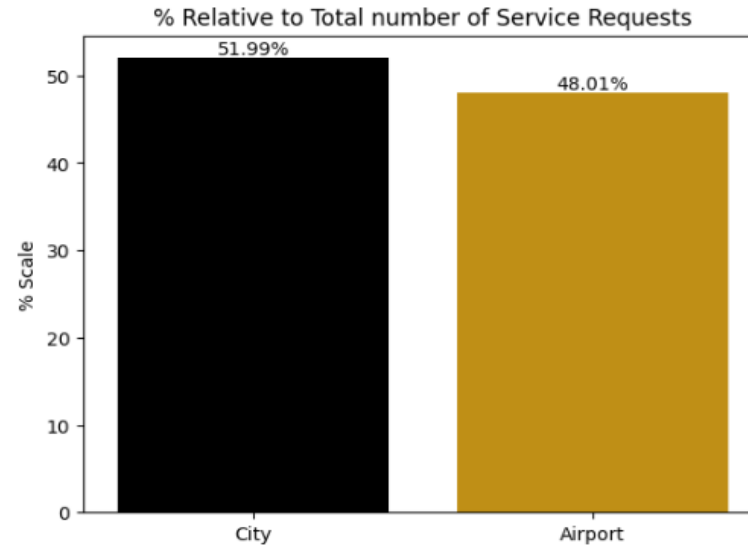
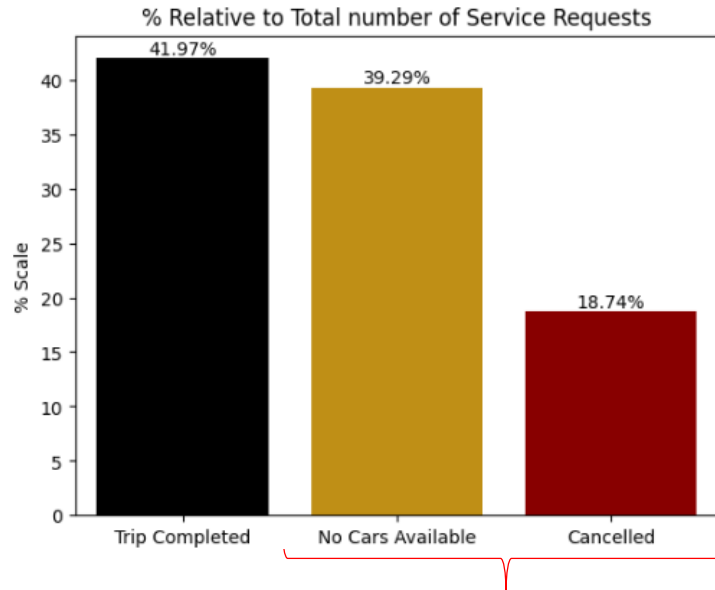
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**Exploratory Data  
Analysis - Insights**

Recommendation



# Identifying Pressing Problems



**58% Customers were denied service**

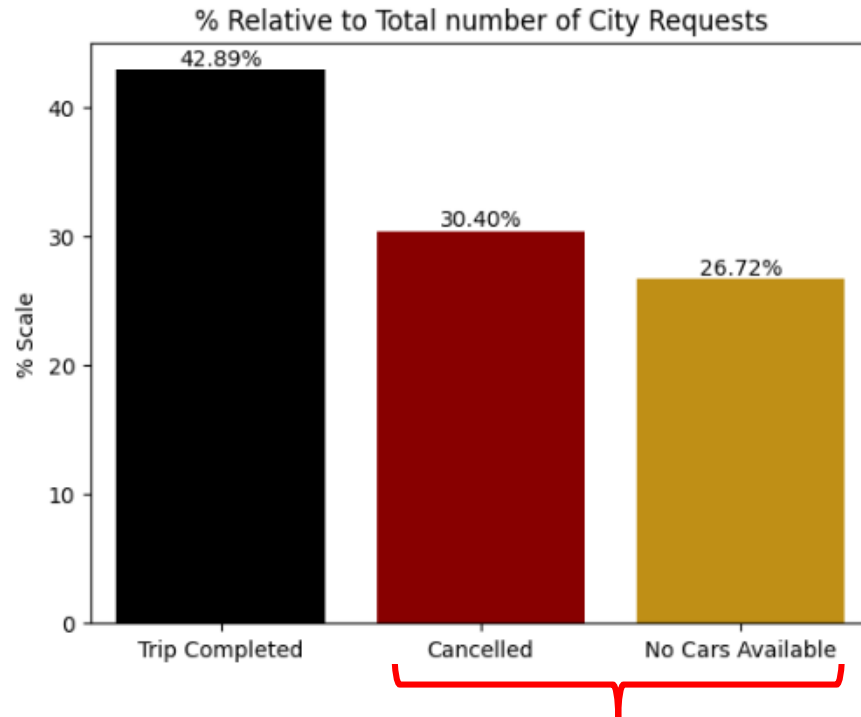
**58%** of all customers requesting trips either to or from the airport are denied service either due to

- requests being cancelled by drivers (**18.7%**) or
- no cars available at the time of booking (**39.3%**)

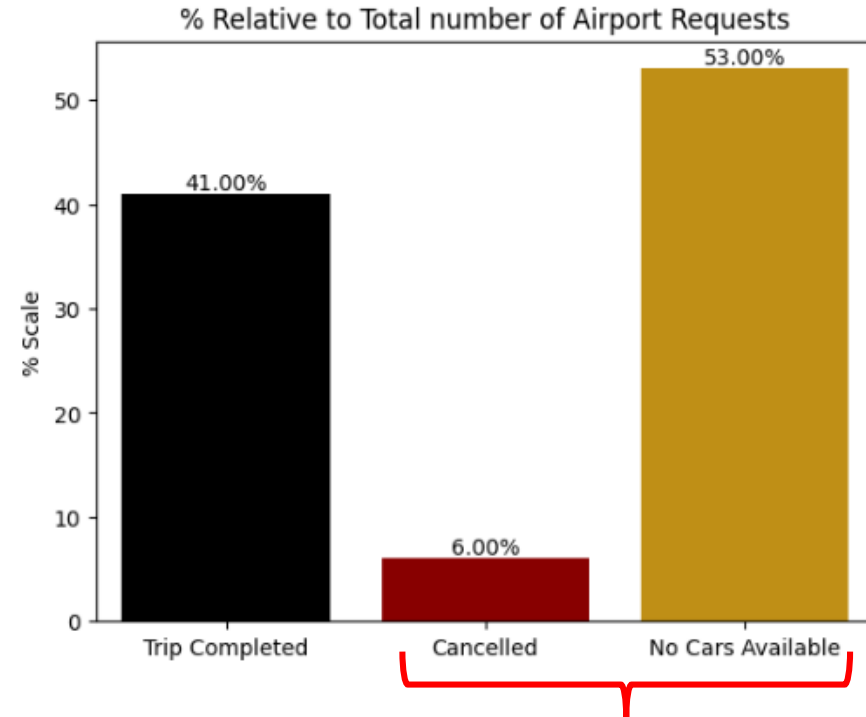
Out of total pick up request, **52%** pick up requests are from City and **48%** pickup requests are from Airport. Service requests denials from City pick up are **2.4% higher** than Service requests denials from Airport pick up



# Identifying Most Problematic Type of Request



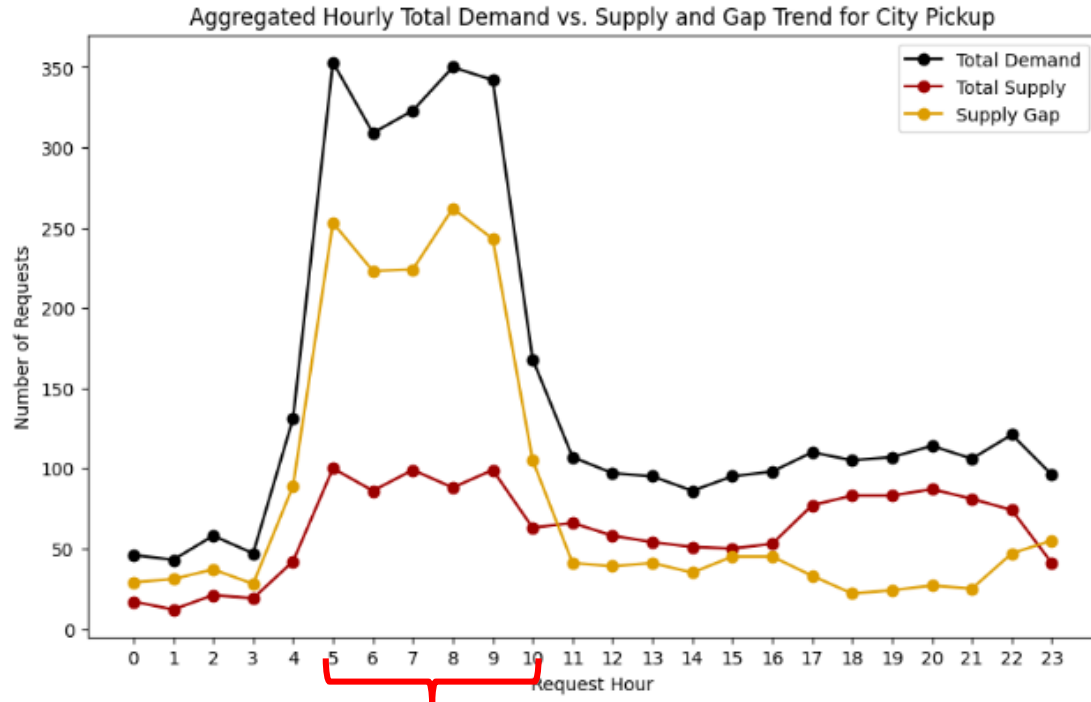
**57% of City Customer's requests were denied**



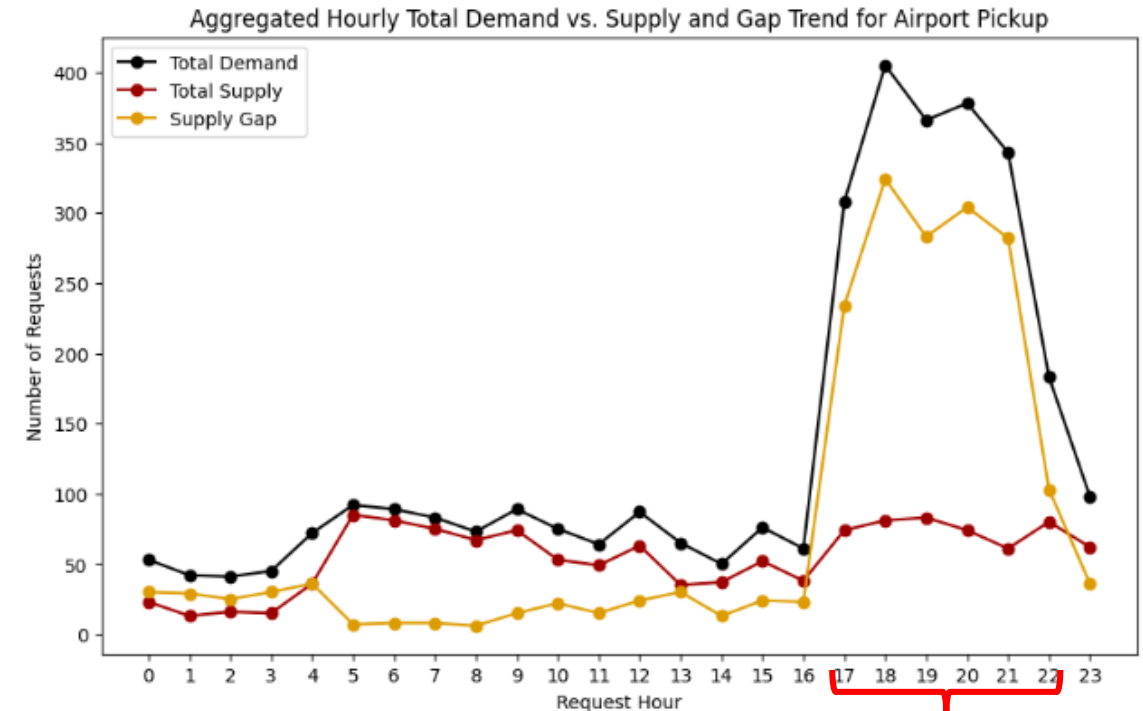
**59% of Airport Customers' request were denied**

- Taxi drivers are not accepting rides for airport from city. Hence cancellation rate in city are higher which also become a prominent cause for no taxi available at Airport when customer request for it.
- Overall, customer service request denials are **2% higher** in airport than city pick up.

# Hourly Gap Between Supply and Demand



**48% of City Pick up request comes from 5am to 9am**

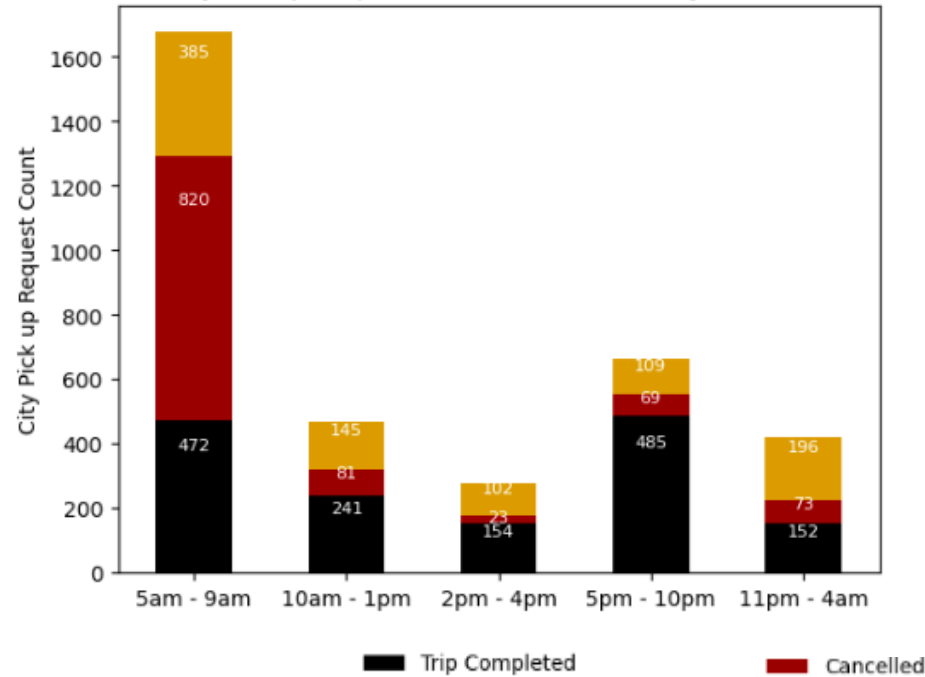


**61% of Airport Pick up request comes from 5pm to 10pm**

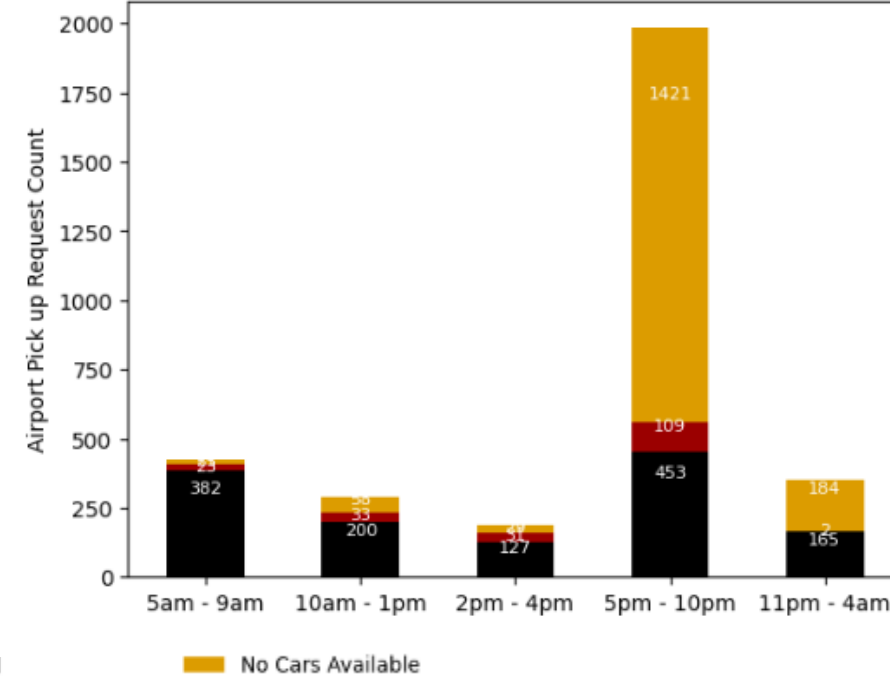
- Morning Hours from 5am to 9am city pick up has a sudden surge in demand.
- Airport pick up has sudden surge in demand in Evening hours from 5 pm to 10 pm.

# Identifying Most Problematic Time-Slot

City Pickup Request Status Distribution by Time Slot



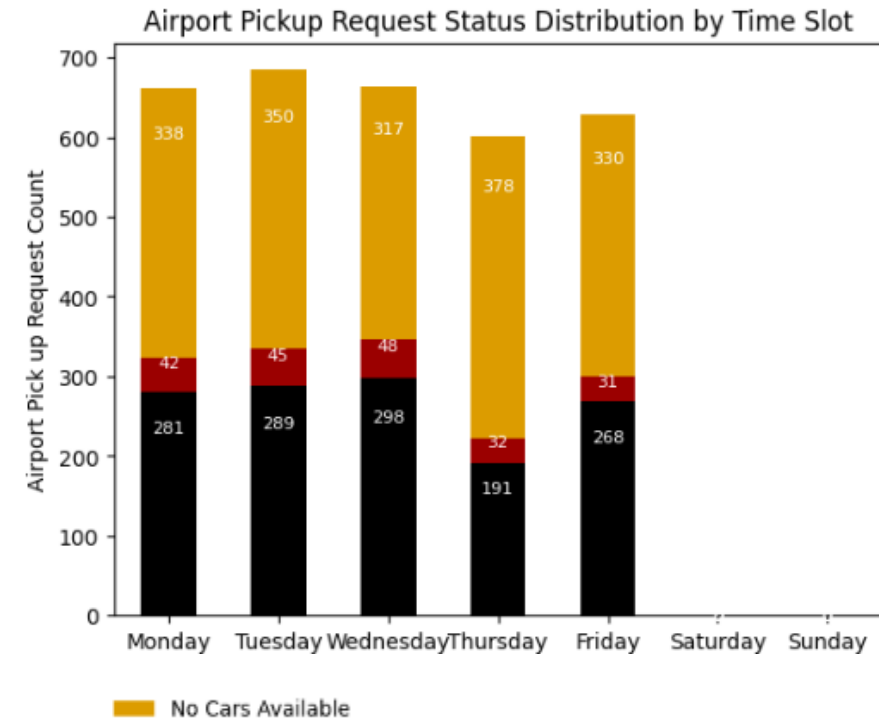
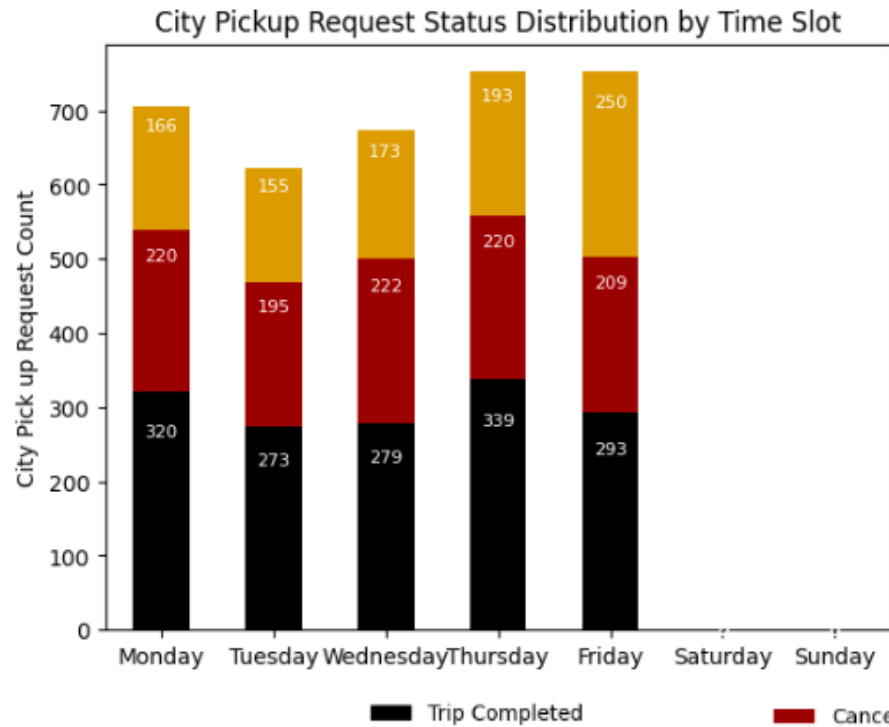
Airport Pickup Request Status Distribution by Time Slot



## Problem Prognosis:

- The Morning Peak Hour [5am to 9am] Timeslot shows excessively high number of customer requests for taxi, cancelled by the driver. This mainly impacts customers booking a taxi from the city to the airport. This forms our prognosis for relevant business Problem1.
- The Late Evening Rush [5pm to 10pm] Time slot shows excessively high number of customer requests denied due to lack of organic flow, i.e. No cars available. This mainly impacts customers booking a taxi from airport towards the city. This forms our prognosis for relevant business Problem2

# Identifying Most Problematic Weekday



**Data not available for Saturday and Sunday.**

- City and Airport pickup request denials are invariant to weekdays.
- There is no different nature for any particular day, hence slicing the data on weekday basis is not significant in our analysis.

Business Problem  
and Data  
Understanding

Data Cleaning and  
Feature  
Engineering

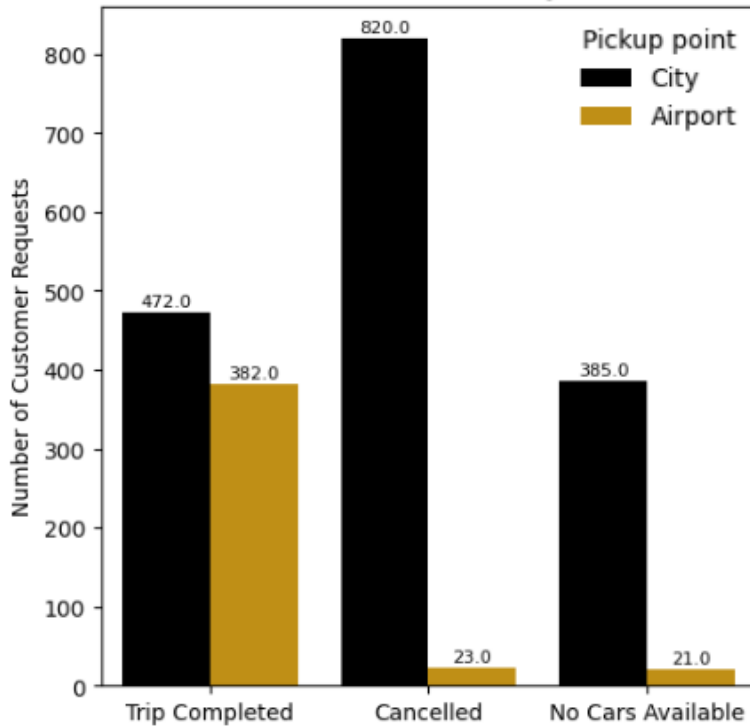
Exploratory Data  
Analysis - Insights

**Recommendations**



# High number of city pickup requests cancelled in morning peak hours

5am - 9am Hour Analysis



Demand - Supply gap for morning peak hour is most severe for city pickup request being cancelled

## Reason :

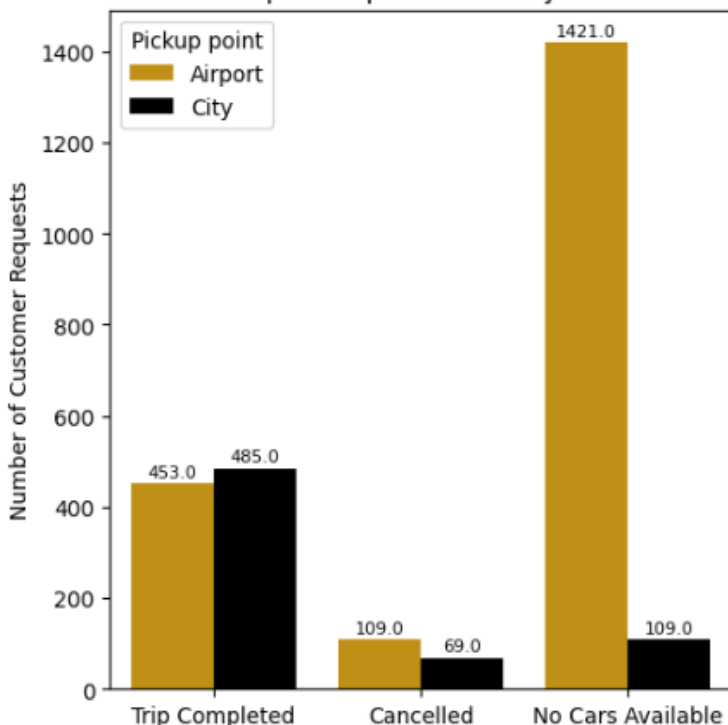
- There are significantly more outgoing flights than incoming flights during the morning to noon hours. For a driver who makes a trip from the city to the airport has to inadvertently wait for a longer duration to receive a return trip request.
- Consequently this will lead to increase in driver idle time, which could have been utilized for other trips if he chose not to accept a city to airport request during morning hours.
- In some cases the driver might have to return back to the city without a customer, therefore incurring a loss and waste of fuel. This might be the reason contributing to the high number of city-airport requests cancelled by the driver contributing to the large supply and demand gap.

## Recommendations to Uber:

- Increasing the profit margin for drivers making trips from the city to the airport during Morning Peak Hours thereby encouraging the driver to take up more city-airport trips during this timeslot.
- Surge pricing, by increasing the rate charged to the customer we can increase the revenue generated instead of changing the profit margin with normal prices. The benefit of the surge charge can be passed on to the drivers making this trip.
- Maintaining transparency with respect to the surge charging of customers during Morning Peak Hours

# High number of airport pickup requests declined in evening peak hours

5pm - 10pm Hour Analysis



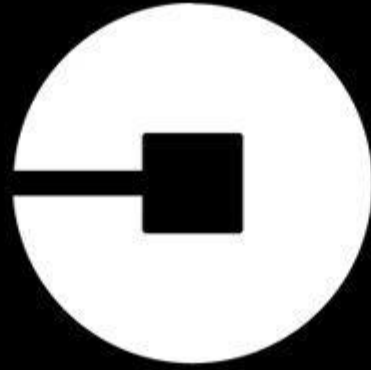
Demand Supply gap for late evening hours is most severe for airport pickup request due to cab shortage

## Reason :

- There are significantly more incoming flights than outgoing flights during the late evening rush hours. This may be due to the high number of international flights landing during the late evening to night time.
- Therefore, there is significant reduction in natural supply of taxi's to the airport during the late evening rush hour.
- This imbalance leads to a surge in the demand for cars from customers desiring to leave the airport.
- The increased demand and insufficient supply contributes to the significant supply-demand gap at the airport during the late evening rush hours.

## Recommendations to Uber:

- Encourage ride-sharing or Taxi pooling for customers leaving the airport during the late evening rush hours. This will improve the number of customers serviced through fewer supply of taxis.
- Surge Charge the customer for late evening trips from the airport to encourage more drivers to initiate a trip toward the airport during the late evening rush hour.
- Maintaining transparency with respect to the surge charging of customers during late evening rush hours.



**UBER**

**Thank you**