

# **PROFIT MAXIMIZATION FOR A CARPOOL SCENARIO**

**IE 537- DISCRETE OPTIMIZATION MODELS AND ALGORITHMS**

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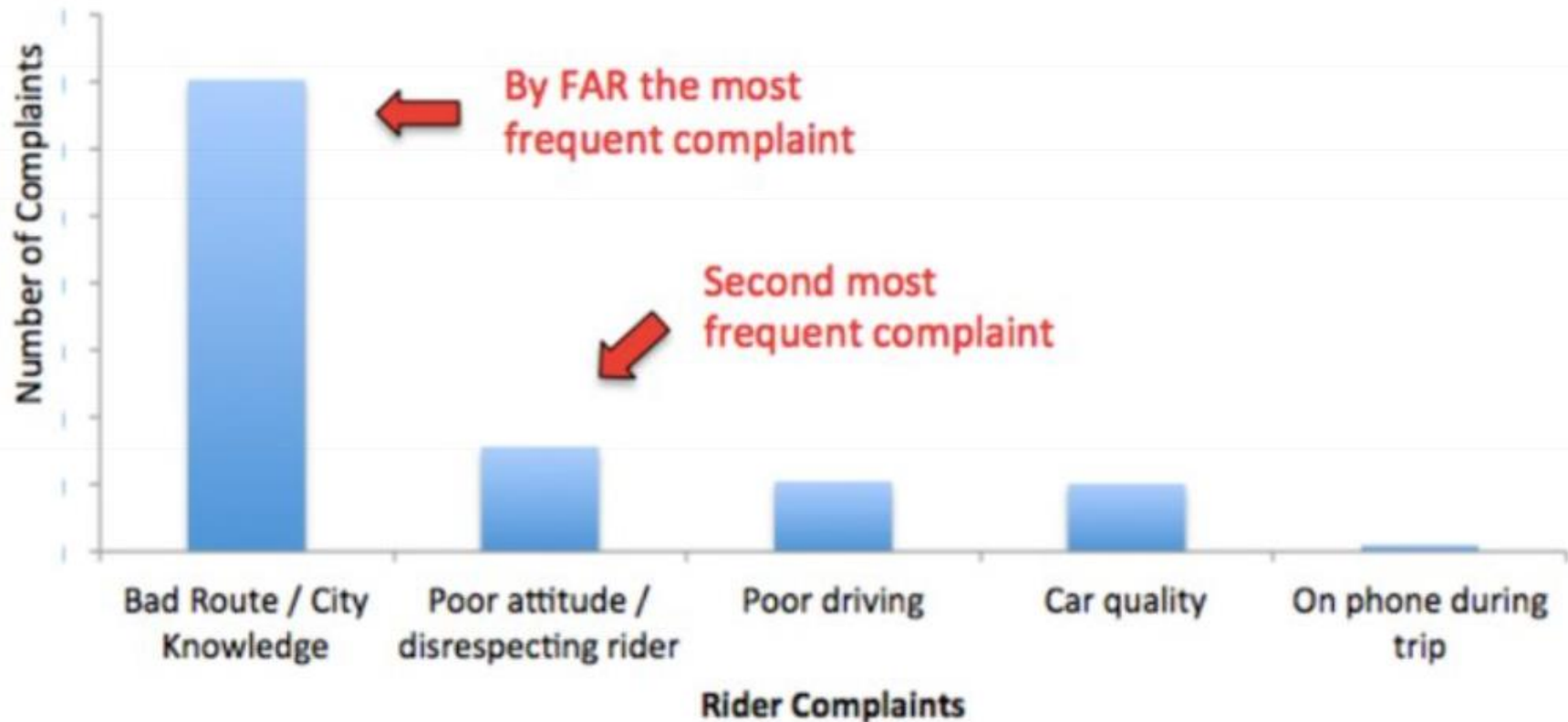
**And**

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# INTRODUCTION

- Carpooling is a promising mode of transportation which addresses the problem of congestion to a great extent.
- Intelligent carpool systems have become more prominent nowadays and it becomes even more pressing to improve customer satisfaction and retain our customers in this competitive market.
- As generally perceived, the customer satisfaction is influenced not only by the optimized route chosen by the driver to drop him/her at the destination but also by two other important factors “driver rating” and “waiting time of the customer (ETA)”

**Figure 1: Top 5 Most Frequent Rider Complaints**



# GREEDY APPROACHES

- In this greedy approach, drivers pick up passengers as and when requests are made, in the decreasing order of “drivers ratings”
- Drivers with higher ratings pick up passengers until they have no remaining seats left.
- Now, when drivers with higher ratings are busy and occupied, drivers with lower ratings are assigned to meet requests made by passengers.
- Is this a good approach...? NO
- Why?

# ILP FORMULATION:

Time feasibility:

- $f d1 = L(d1) - E(d1) - t$

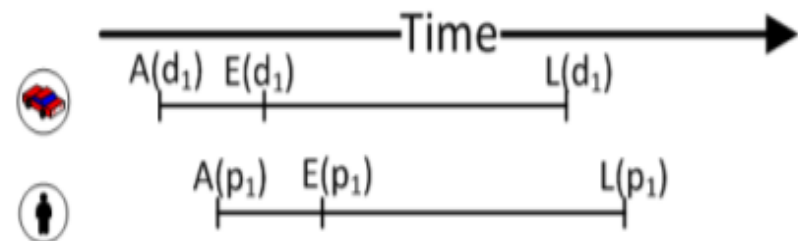
- Assigned Departure time is:

$$H(Si) = \min[L(p1) - T(M(p1), N(p1)) - T(M(d1), M(p1)), L(d1) - T(M(p1), N(p1)) - T(M(d1), M(p1)) - T(N(p1), N(d1))]$$

$$H(Si) \geq E(d1)$$

$$H(Si) + T(M(d1), M(p1)) \geq E(d1)$$

$$H(Si) \geq t$$



# ILP FORMULATION:

Cost feasibility:

- $C(sij) = \{(Le(M(sij), N(sij)) / \sum Le(M(sij'), N(sij')) ) * [total\ cost] \} \forall sij \in S$
- For example, considering the one driver-one passenger scenario,

$$C(d1) = \{(Le(M(d1), N(d1)) / (Le(M(d1), N(d1)) + Le(M(p1), N(p1)))) * \\ \{Le(M(d1), M(p1)) + Le(M(p1), N(p1)) + Le(N(p1), N(d1))\} \\ C(p1) = \\ \{(Le(M(p1), N(p1)) / (Le(M(d1), N(d1)) + Le(M(p1), N(p1)))) * \{Le(M(d1), M(p1)) \\ + Le(M(p1), N(p1)) + Le(N(p1), N(d1))\}$$

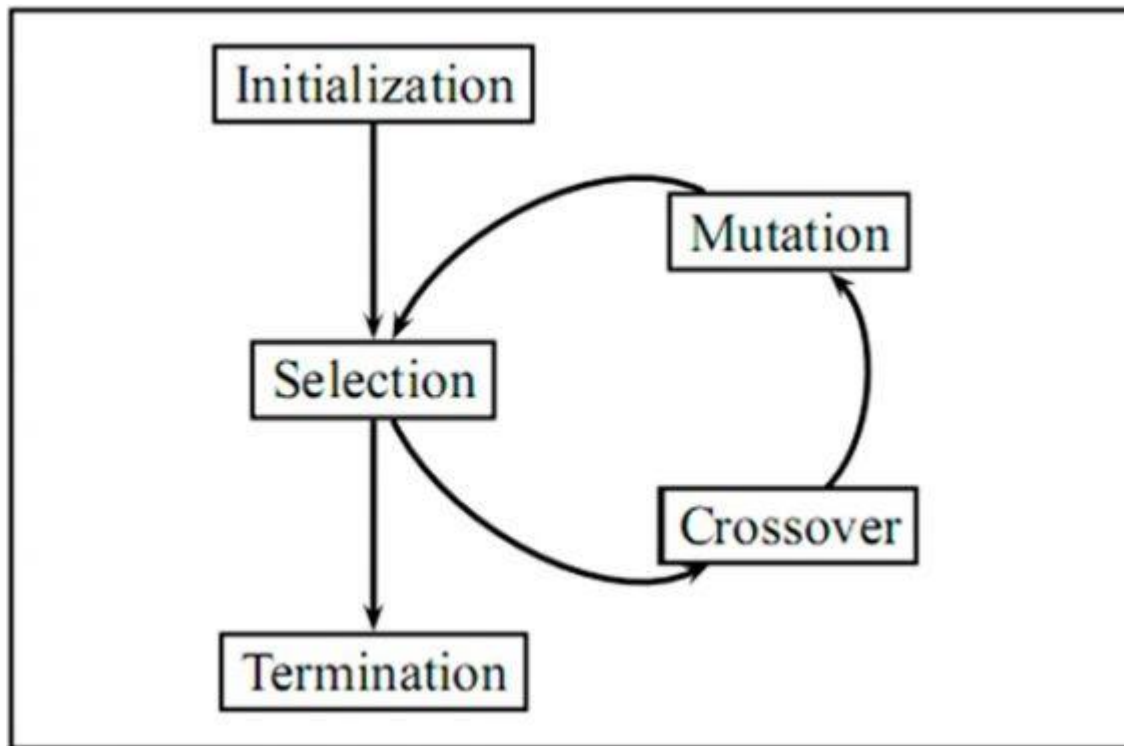
$$C(sij) \leq (Le(M(sij), N(sij))).$$

# WHY GENETIC ALGORITHM?

- From the ILP we can see that this problem is an assignment problem with a nested shortest path problem.
- Integer programming, which belongs to the family of exact optimization, is a deterministic method that always obtains same approximate solutions in different runs. It is not very effective at generating adequate solutions for a large number of carpool users.
- Heuristic methods like genetic algorithms can give us **nearly** optimal solutions.
- The genetic algorithm has been successfully applied in many situations, and is able to determine solutions with near-optimal quality within a reasonable amount of time.

# GENETIC ALGORITHM

- Initialization: We take a population of  $n$  varied solutions. Each of this solution is in this format.

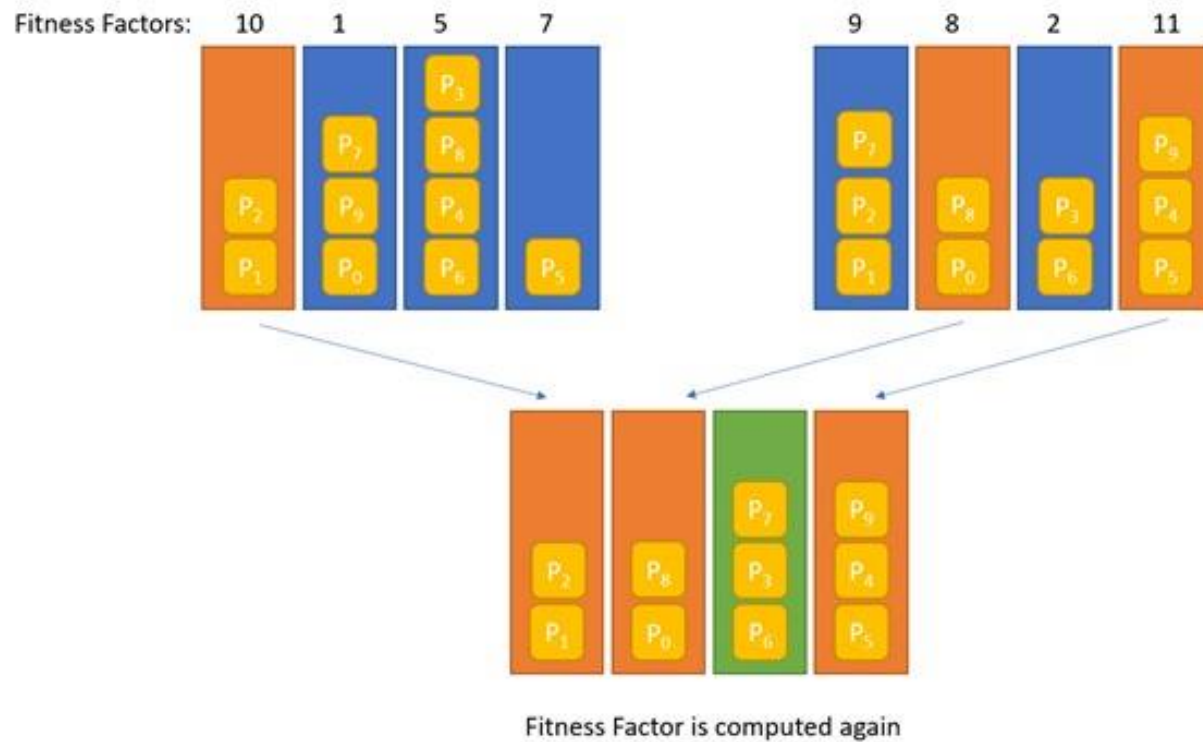




# GENETIC ALGORITHM

- Selection and Fitness : Fitness in this algorithm is the value of our objective function and here we compute the objective values for each route and select the route with the best fitness value.
- Crossover: We combine the routes which have the best fitness factors to give us the children population
- Mutation: We switch passengers or drivers in this child (very low value though) to keep the population varied. Variation ensures we take into consideration most the possibilities, while arriving at a solution.

# GENETIC ALGORITHM



# OBSERVATION AND CONCLUSION

- Case-1: Single driver, Single passenger (S-S): Our algorithm returned shortest path between the point of origin and destination.
- Case-2: Single Driver, Multiple passengers (S-M): Our algorithm returned the shortest path route which yielded maximum profit.
- Case-3: Multiple Drivers, Single passengers (M-S): Our Algorithm returned the shortest path route which yielded maximum profit considering the “least waiting time of the passenger”
- Case-4: Multiple Drivers, Multiple passengers (M-M): Our algorithm returned an optimal assignment and shortest path route while minimizing the overall waiting time of passengers and maximizing Profit respectively.

ANY QUESTIONS ??