

Uber

Supply-Demand Gap

Case Study

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Introduction

"Uber's ride request system is a complex operation involving thousands of requests each day. However, the company faces significant challenges that affect both customer experience and revenue."





Problem Statement

"Two critical issues stand out: driver cancellations and car unavailability. Both lead to unmet demand and lost revenue."

Why This Matters:

With ride completions at only 41.97%, there is a massive opportunity to close the gap and improve both the customer experience and Uber's profitability."



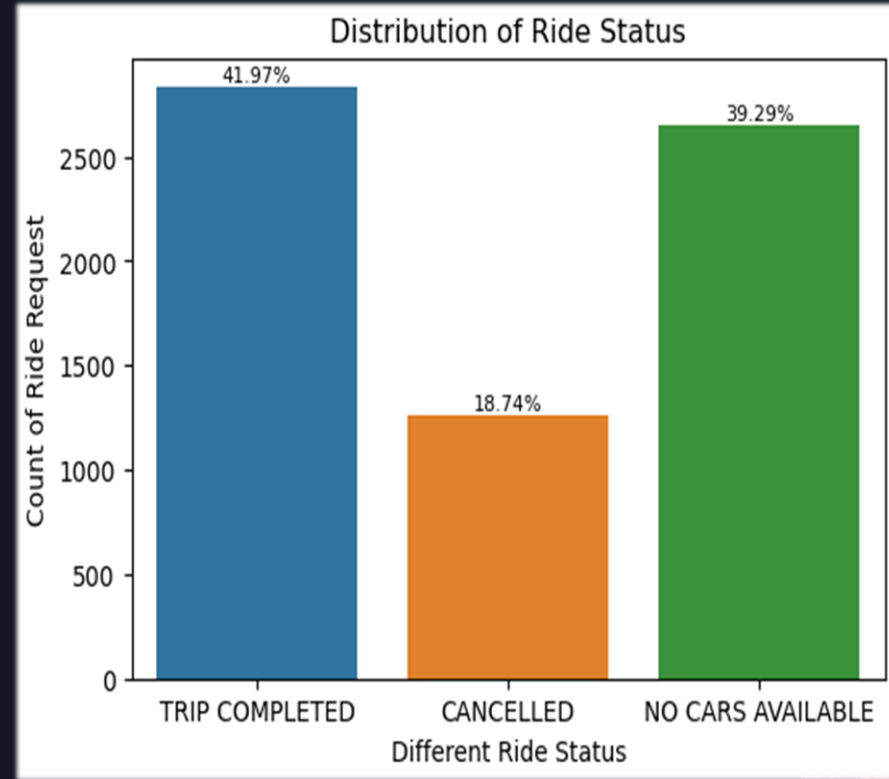
The Ride Request Breakdown

Insights:

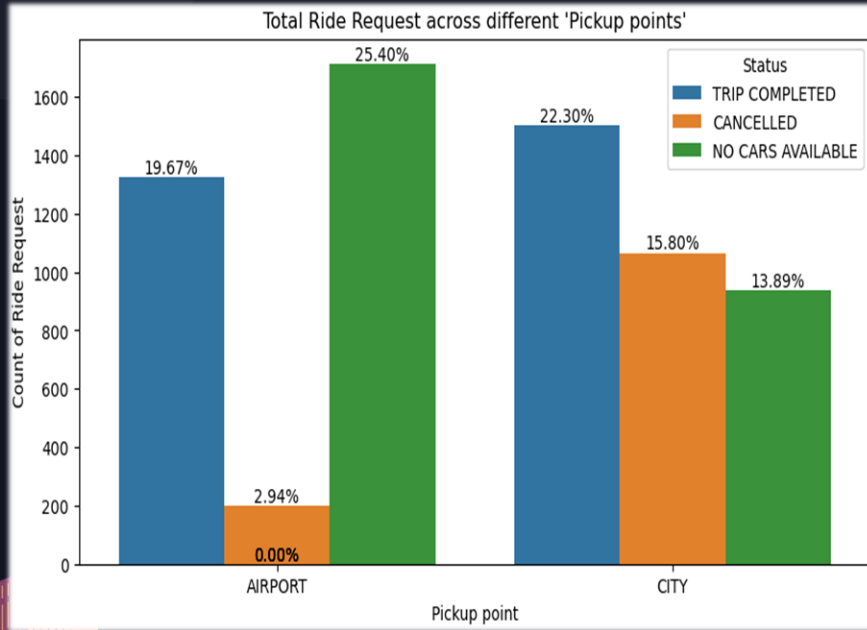
"This chart shows that only a small portion of ride requests are being successfully completed. Car unavailability and driver cancellations together account for nearly 58% of all failed requests."

Key Point:

"Every cancelled or unfulfilled ride is a missed revenue opportunity."



The Location Factor



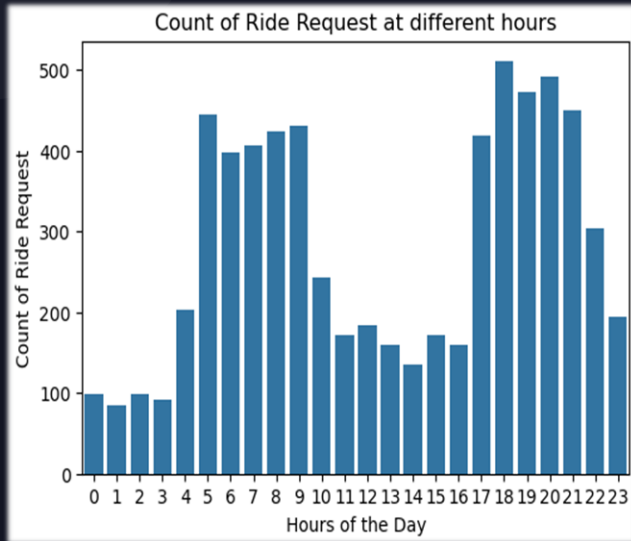
Insights:

- ❑ "At the Airport, car unavailability is the primary issue."
- ❑ "In contrast, City pickup points suffer from a higher rate of cancellations."

Key Point:

"The challenges Uber faces are location-specific, requiring tailored solutions for each area."

The Time Factor



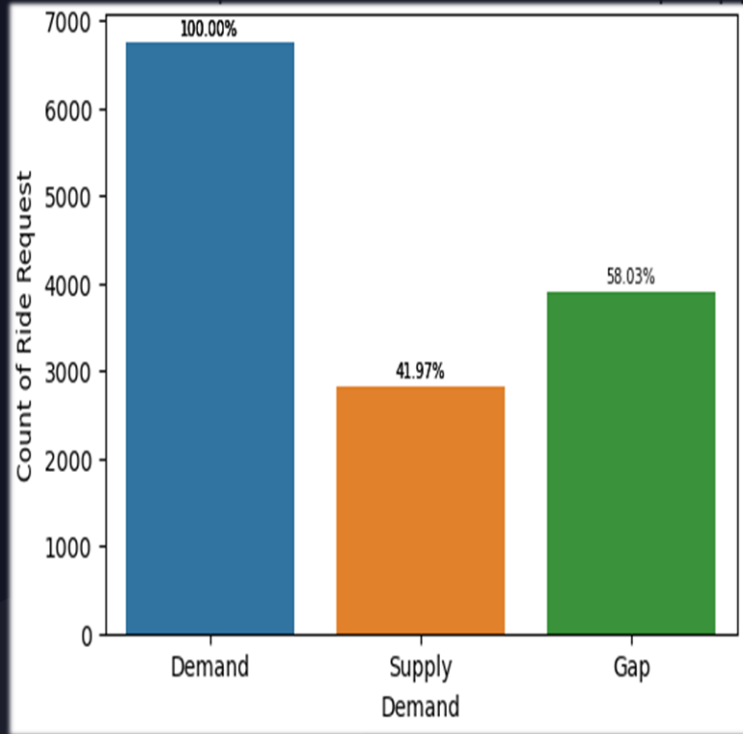
- ❑ "Uber experiences the highest demand during the Morning (5AM-9AM) and Evening (5PM-9PM) timeslots."
- ❑ "This is when most of the gaps occur, driven by either car unavailability at the Airport or cancellations in the City."

Key Point:

"To improve performance, Uber must prioritize these peak demand periods."



Understanding the Supply-Demand Gap



Insights:

- ❑ "Total Ride Requests: Demand = 6745"
- ❑ "Completed Rides: Supply = 2831 (i.e. 41.97%)"
- ❑ "Unmet Requests: Gap = 3914 (i.e. 58.03%)"

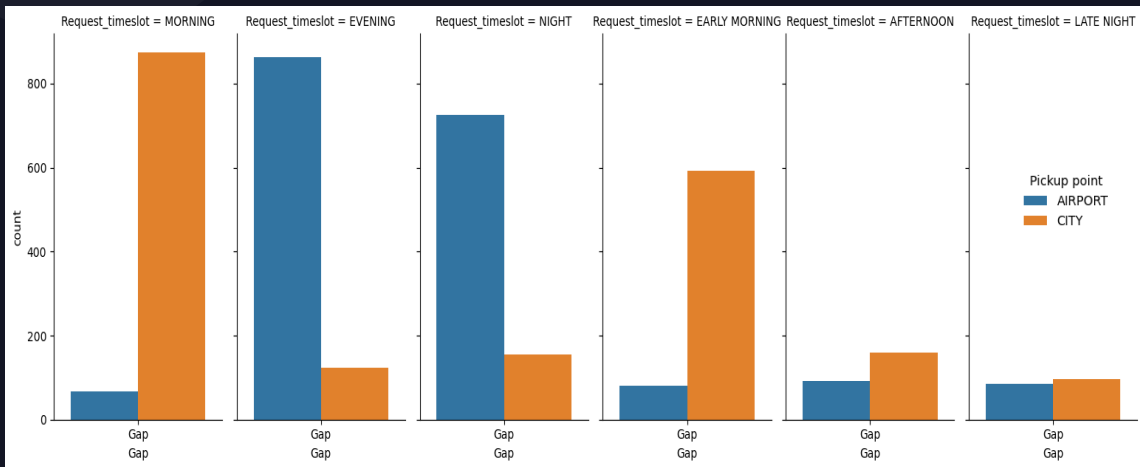
"The gap between demand and supply represents over half of all ride requests. Bridging this gap is essential for revenue growth and customer retention."

Key Point:

"Addressing both car availability and driver cancellations will significantly reduce this gap."



The Gap by Time and Location



Insights:

- "The Morning gap is driven by driver cancellations at City pickup points."
- "The Evening gap is due to car unavailability at the Airport."

Key Point:

"These insights allow us to target interventions more effectively, addressing the unique challenges of each location and time slot."

Conclusion

- ❑ The problematic status are Cancelled and No Cars Available, which leads to potential loss of revenue.
- ❑ The highest value of:

Status: 'No Car Available'

In the Evening time around 5PM - 9PM at the Airport pickup point

Status: 'Cancelled'

In the Morning time around 5AM - 9AM at the City pickup point

- ❑ As we get the highest ride request in the morning and evening timeslots.
- ❑ We also, saw the Gap in supply at the same timeslots and pickup points.
- ❑ Furthermore, in Morning hours, there is no high demand for cabs from Airport pickup point to City, and in Evening hours, there is no high demand for cabs from City pickup point to Airport.



Recommendations

The possible suggestions to fill these Supply-Demand Gap are:

- ❑ We can provide some incentives to the drivers for Airport trips during the peak hours.
- ❑ We can assign few extra cabs specially for the Airport trips.
- ❑ We can start a new fixing base price for drivers idle time in the airport or to the drivers who comeback to the city without any passenger.
- ❑ We can impose penalties for ride cancellation by the drivers during the peak hours, by setting-up a threshold for the maximum cancellation per day.
- ❑ We can also, promote continuous trip to airport with incentives.



Thank You!

