Business Case: Yulu - Hypothesis Testing

```
y [45] import numpy as np
       import pandas as pd
       import matplotlib.pyplot as plt
       import seaborn as sns
       from scipy.stats import ttest 1samp, ttest ind, shapiro, levene, chi2 contingency
¼ [2] df = pd.read_csv("https://d2beiqkhq929f0.cloudfront.net/public_assets/assets/000/001/428/original/bike_sharing.csv?1642089089")
                      datetime season holiday workingday weather temp atemp humidity windspeed casual registered count
             2011-01-01 00:00:00
                                                                9.84
                                                                     14.395
                                                                                                             13
                                                                                                                   16
              2011-01-01 01:00:00
                                                                                        0.0000
                                                                                                                   40
              2011-01-01 02:00:00
                                                                                        0.0000
                                                                                                             27
                                          0
                                                     0
                                                                9.02
                                                                     13.635
                                                                                 80
                                                                                                                   32
              2011-01-01 03:00:00
                                                                                        0.0000
                                          0
                                                     0
                                                                9.84 14.395
                                                                                 75
                                                                                                             10
                                                                                                                   13
              2011-01-01 04:00:00
                                                                                        0.0000
                                                                 9.84 14.395
       10881 2012-12-19 19:00:00
                                                             1 15.58 19.695
                                                                                 50
                                                                                       26.0027
                                                                                                            329
                                                                                                                  336
       10882 2012-12-19 20:00:00
                                                             1 14.76 17.425
                                                                                       15.0013
                                                                                                            231
                                                                                                                  241
        10883 2012-12-19 21:00:00
                                                             1 13.94 15.910
                                                                                       15.0013
                                                                                                            164
                                                                                                                  168
        10884 2012-12-19 22:00:00
                                                                                                                  129
       10885 2012-12-19 23:00:00
                                                             1 13.12 16.665
                                                                                        8.9981
       10886 rows × 12 columns
▼ Basic Analysis
   Shape of Data
   [ ] print("Rows in the data: ",df.shape[0])
        print("Columns in the data: ",df.shape[1])
        Rows in the data: 10886
        Columns in the data: 12
   First 5 rows
   [ ] df.head(5)
                    datetime
                              season holiday workingday
                                                                         atemp humidity windspeed casual registered
         0 2011-01-01 00:00:00
                                                                   9.84
                                                                        14.395
                                                                                                0.0
                                                                                                                    13
                                                                                                                           16
```

40

32

13

32

27

10

0

0

0

1 9.02

9.84

13.635

14.395

9.02 13.635

9.84 14.395

80

80

75

0.0

0.0

0.0

0.0

1 2011-01-01 01:00:00

2 2011-01-01 02:00:00

3 2011-01-01 03:00:00

4 2011-01-01 04:00:00

```
[] df.columns
    Datatype of all Attributes
[] df.dtypes
    datetime
                object
                 int64
    holiday
                 int64
    workingday
                 int64
    weather
                 int64
    temp
               float64
    atemp
humidity
               float64
    windspeed
               float64
    casual
                 int64
    registered
                 int64
                 int64
   dtype: object
[] df.info()
     <class 'pandas.core.frame.DataFrame'>
     RangeIndex: 10886 entries, 0 to 10885
     Data columns (total 12 columns):
     # Column Non-Null Count Dtype
     ---
                       -----
         datetime 10886 non-null object season 10886 non-null int64
     0
     1 season 10886 non-null int64
2 holiday 10886 non-null int64
      3 workingday 10886 non-null int64
     4 weather 10886 non-null int64
         temp 10886 non-null float64
atemp 10886 non-null float64
      6
          humidity 10886 non-null int64
     8 windspeed 10886 non-null float64
9 casual 10886 non-null int64
10 registered 10886 non-null int64
                       10886 non-null int64
      11 count
     dtypes: float64(3), int64(8), object(1)
     memory usage: 1020.7+ KB
      [] # Missing Values
          df.isnull().sum()
          datetime
           season
                        0
          holiday
                        0
          workingday
                        0
          weather
                        a
          temp
           atemp
           humidity
           windspeed
           casual
          registered
           count
                        0
          dtype: int64
      There are no missing values present in dataset.
```

▼ Statistical Summary

Statistical Summary of Numeric columns

[] df.describe()

	season	holiday	workingday	weather	temp	atemp	humidity	windspeed	casual	registered	count
count	10886.000000	10886.000000	10886.000000	10886.000000	10886.00000	10886.000000	10886.000000	10886.000000	10886.000000	10886.000000	10886.000000
mean	2.506614	0.028569	0.680875	1.418427	20.23086	23.655084	61.886460	12.799395	36.021955	155.552177	191.574132
std	1.116174	0.166599	0.466159	0.633839	7.79159	8.474601	19.245033	8.164537	49.960477	151.039033	181.144454
min	1.000000	0.000000	0.000000	1.000000	0.82000	0.760000	0.000000	0.000000	0.000000	0.000000	1.000000
25%	2.000000	0.000000	0.000000	1.000000	13.94000	16.665000	47.000000	7.001500	4.000000	36.000000	42.000000
50%	3.000000	0.000000	1.000000	1.000000	20.50000	24.240000	62.000000	12.998000	17.000000	118.000000	145.000000
75%	4.000000	0.000000	1.000000	2.000000	26.24000	31.060000	77.000000	16.997900	49.000000	222.000000	284.000000
max	4.000000	1.000000	1.000000	4.000000	41.00000	45.455000	100.000000	56.996900	367.000000	886.000000	977.000000

Non-Graphical Analysis: Value counts and unique attributes

Unique Values

[] df.nunique()

 datetime
 10886

 season
 4

 holiday
 2

 workingday
 2

 weather
 4

 temp
 49

 atemp
 60

 humidity
 89

 windspeed
 28

 casual
 309

 registered
 731

 count
 822

 dtype: int64
 300

Value Counts

[] df.season.value_counts()

4 2734 2 2733 3 2733 1 2686

Name: season, dtype: int64

[] df.holiday.value_counts()

0 10575

Name: holiday, dtype: int64

▼ Data-type conversion

Converting datetime column to type datetime from object type

```
[ ] df['datetime']=pd.to_datetime(df['datetime'])
       df['datetime']
              2011-01-01 00:00:00
              2011-01-01 01:00:00
2011-01-01 02:00:00
              2011-01-01 04:00:00
       10881 2012-12-19 19:00:00
       10882 2012-12-19 20:00:00
       10883 2012-12-19 21:00:00
       10884 2012-12-19 22:00:00
              2012-12-19 23:00:00
       Name: datetime, Length: 10886, dtype: datetime64[ns]
 Converting season column from numerical to categorical
 [ ] def season_type(x):
          if x==1:
               return 'spring'
           elif x==2:
               return 'summer'
           elif x==3:
               return 'fall'
               return 'winter'
 [] df['season']=df['season'].apply(lambda x:season_type(x))
      df['season']
              spring
spring
              spring
      4
              spring
      10881
              winter
      10882
              winter
      10883
              winter
      10884
              winter
      Name: season, Length: 10886, dtype: object
   Converting season, weather, holiday and workingday columns into categorical

'[3] df['season'] = pd.Categorical(df['season'])

       df['weather']=pd.Categorical(df['weather'])
df['holiday']=pd.Categorical(df['holiday'])
       df['workingday']=pd.Categorical(df['workingday'])
  [] df[['datetime','season','weather','holiday','workingday']].info()
       <class 'pandas.core.frame.DataFrame'>
RangeIndex: 10886 entries, 0 to 10885
       Data columns (total 5 columns):
        # Column Non-Null Count Dtype
        0 datetime 10886 non-null datetime64[ns]
1 season 10886 non-null category
            weather
                         10886 non-null category
            holiday
                        10886 non-null category
        4 workingday 10886 non-null category
       dtypes: category(4), datetime64[ns](1) memory usage: 128.3 KB
   Statistical Summary after data-type conversion
```

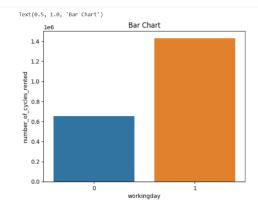
[] #Statistical summary of numeric columns df.describe()

	temp	atemp	humidity	windspeed	casual	registered	count
count	10886.00000	10886.000000	10886.000000	10886.000000	10886.000000	10886.000000	10886.000000
mean	20.23086	23.655084	61.886460	12.799395	36.021955	155.552177	191.574132
std	7.79159	8.474601	19.245033	8.164537	49.960477	151.039033	181.144454
min	0.82000	0.760000	0.000000	0.000000	0.000000	0.000000	1.000000
25%	13.94000	16.665000	47.000000	7.001500	4.000000	36.000000	42.000000
50%	20.50000	24.240000	62.000000	12.998000	17.000000	118.000000	145.000000
75%	26.24000	31.060000	77.000000	16.997900	49.000000	222.000000	284.000000
max	41.00000	45.455000	100.000000	56.996900	367.000000	886.000000	977.000000

[] #Statistical summary of categorical columns

df.describe(include='category')

	season	holiday	workingday	weather
count	10886	10886	10886	10886
unique	4	2	2	4
top	winter	0	1	1
freq	2734	10575	7412	7192



```
[] sizes = workingday_df["number_of_cycles_rented"]
labels = workingday_df["workingday"]

# Create a pie chart
plt.pie(sizes, labels=labels, autopct='%1.1f%%', startangle=140)

# Add a title
plt.title("Pie Chart")

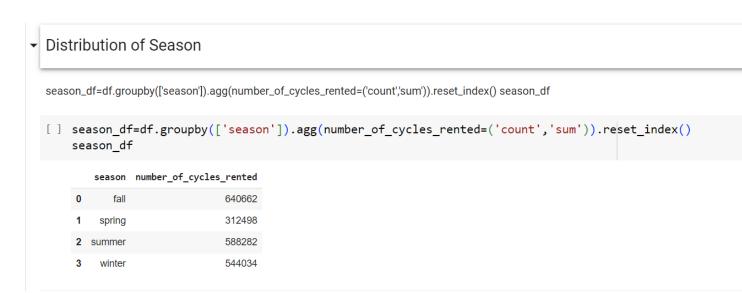
# Display the pie chart
plt.show()

Pie Chart

1
68.6%
1
```

observation:

On working days, 68.6% of cycles are rented, whereas on non-working days, 31.4% of cycles are rented.

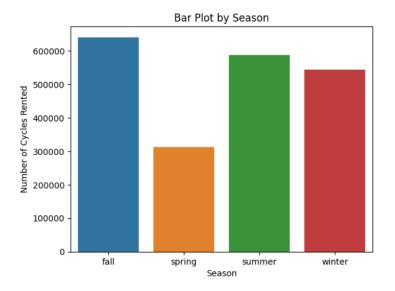


```
[] # Define the data to be plotted
    labels = season_df['season']
    values = season_df['number_of_cycles_rented']

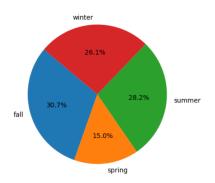
# Create a bar plot using Seaborn
    sns.barplot(x=labels, y=values)

# Optionally, add labels and a title
    plt.xlabel("Season")
    plt.ylabel("Number of Cycles Rented")
    plt.title("Bar Plot by Season")

# Show the plot
    plt.show()
```



```
[] sizes = season_df["number_of_cycles_rented"]
  labels = season_df["season"]
  plt.pie(sizes, labels=labels, autopct='%1.1f%%', startangle=140)
  plt.show()
```

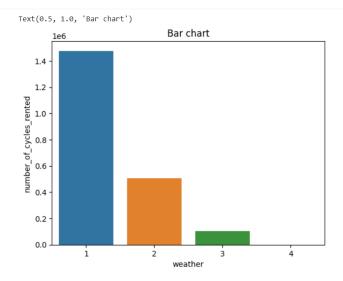


observations:

- $\bullet\,$ During the fall season, approximately 30.7% of cycles are rented.
- In the summer season, around 28.2% of cycles are rented.
- The winter season records a rental rate of about 26.1% for cycles.
- The lowest rental rate, at just 15%, is observed in the spring season.

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▼ Distribution of Weather

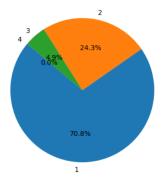


```
# Define the data to be plotted
    values = weather_df['number_of_cycles_rented']
    labels = weather_df['weather']

# Create a pie chart
    plt.pie(values, labels=labels,autopct='%1.1f%%', startangle=140)

# Add a title
    plt.title("Pie Chart")

# Display the pie chart
    plt.show()
```

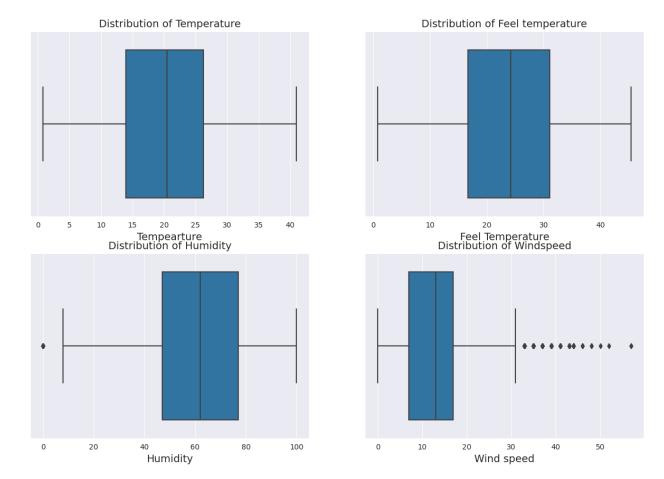


observations:

- $\bullet \ \ \text{Weather condition 1 experiences the highest rental rate, with approximately 70.8\% of cycles rented.}$
- In weather condition 2, around 24.3% of cycles are rented.
- Weather condition 3 has a rental rate of approximately 4.9% for cycles.
- Weather condition 4 exhibits an exceptionally low rental rate, with only 0.00786% of cycles being rented.

Distribution of temp, atemp, humidity and windspeed

```
plt.figure(figsize=(15,10))
# Boxplot for temp column
plt.subplot(2,2,1)
sns.boxplot(data=df,x='temp')
plt.xlabel('Tempearture',fontsize=14)
plt.title('Distribution of Temperature', fontsize=14)
#Boxplot for feel temperature
plt.subplot(2,2,2)
sns.boxplot(data=df,x='atemp')
plt.xlabel('Feel Temperature',fontsize=14)
plt.title('Distribution of Feel temperature',fontsize=14)
#Boxplot for Humidity
plt.subplot(2,2,3)
sns.boxplot(data=df,x='humidity')
plt.xlabel('Humidity',fontsize=14)
plt.title('Distribution of Humidity', fontsize=14)
#Boxplot for Wind Speed
plt.subplot(2,2,4)
sns.boxplot(data=df,x='windspeed',)
plt.xlabel('Wind speed',fontsize=14)
plt.title('Distribution of Windspeed',fontsize=14)
plt.show()
```



observation:

- No outliers are detected in the 'temp' and 'atemp' columns, suggesting that the temperature-related data points fall within the expected range.
- In the 'humidity' column, a single value is identified as an outlier, implying an unusual humidity measurement distinct from the others.
- The 'windspeed' column contains 12 outlier values, indicating instances where wind speed measurements significantly deviate from the typical range.

▼ Bivariate Analysis

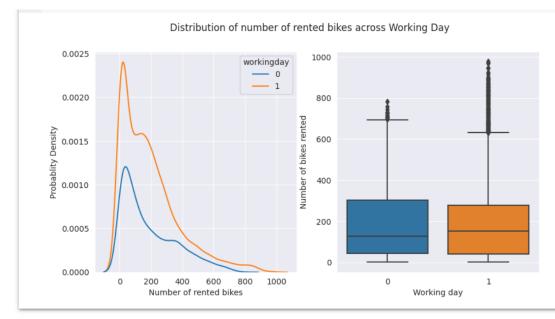
Distribution of count of rented bikes across working day

```
plt.figure(figsize=(10,5))

# KDE plot
plt.subplot(1,2,1)
sns.kdeplot(data=df,x='count',hue='workingday')
plt.xlabel('Number of rented bikes')
plt.ylabel('Probablity Density')

# Box plot
plt.subplot(1,2,2)
sns.boxplot(data=df,y='count',x='workingday',)
plt.xlabel('Working day')
plt.ylabel('Number of bikes rented')

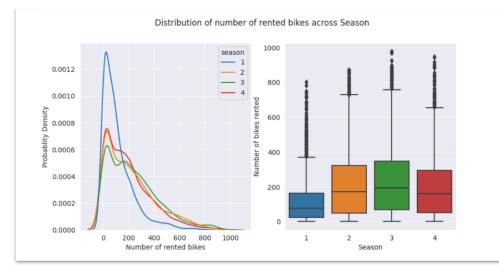
plt.suptitle('Distribution of number of rented bikes across Working Day')
plt.show()
```



observation:

The probability of renting bikes on a working day appears to be higher than on a non-working day, as evidenced by our univariate analysis, where 68.6% of bike rentals occurred on working days compared to 31.4% on non-working days. However, we will further investigate this through hypothesis testing to determine if the working day indeed has a statistically significant effect on the number of cycles rented."

▼ Distribution of count of rented bikes across Season



observation:

The probability of renting a bike during the fall season appears to be higher compared to other seasons. Conversely, the probability of renting bikes during the winter and spring seasons is lower in comparison to summer and fall. To investigate this further, we will conduct an ANOVA test to determine if the season has a statistically significant effect on bike rentals.

Distribution of count of rented bikes across Weather types

```
[24] plt.figure(figsize=(10,5))

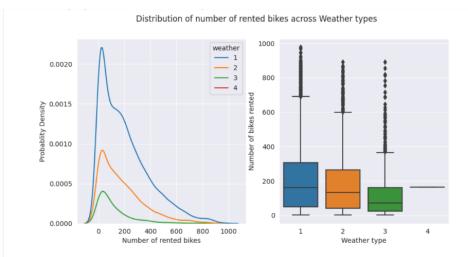
# KDE plot
plt.subplot(1,2,1)
sns.kdeplot(data=df,x='count',hue='weather')
plt.xlabel('Number of rented bikes')
plt.ylabel('Probablity Density')

# Box plot
plt.subplot(1,2,2)
sns.boxplot(data=df,y='count',x='weather')
plt.xlabel('Weather type')
plt.ylabel('Number of bikes rented')

plt.suptitle('Distribution of number of rented bikes across Weather types')
plt.show()
```

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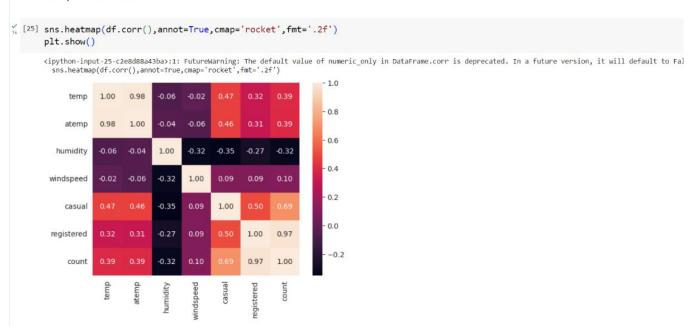
<ipython-input-24-eaccidd2cde0>:5: UserWarning: Dataset has 0 variance; skipping density estimate. Pass `warn_singular=False` to disable this warning.
sns.kdeplot(data=df,x='count',hue='weather')



observation:

The probability of renting a bike during weather condition 1 appears to be higher than in other weather types. This is supported by our univariate analysis, where approximately 70.8% of bike rentals occur in weather condition 1, while the remaining weather types collectively account for approximately 29% of bike rentals. However, we will further investigate this by conducting an ANOVA test to establish whether weather type indeed has a statistically significant effect on the number of bikes rented.

▼ Heatmap and Correlation



observation:

* The weak positive correlation of 0.39 between temperature and the number of

bikes rented suggests that, on average, fewer people prefer to use electric cycles during the daytime between 12 PM to 3 PM. This observation aligns with our univariate analysis, where we discovered that the average number of cycles rented during this time frame was lower compared to other times of the day. A similar correlation pattern is also observed in the case of "feels-like" temperature, reinforcing this trend.

* The presence of a weak positive correlation between windspeed and the number of cycles rented indicates that there is a subset of individuals who appear to favor using electric cycles during windy conditions for the sheer enjoyment of the experience. While this preference contributes to a slight increase in bike rentals on windier days, it's essential to recognize that this effect is not particularly strong, as indicated by the weak correlation. This suggests that the enjoyment of cycling in windy conditions is a relatively niche preference among riders.

Hypothesis Testing

Does Working day has an effect on the number of bikes rented?

Formulating Null and Alternative Hypotheses

To answer the above question we first set up Null and Alternate Hypothesis:

- H0: Working day does not have an effect on number of cycles rented
- Ha: Working day does have an effect on number of cycles rented

Solution: To test the above hypothesis, we use Two sample T Test

Assumptions of a T Test

- Independence: The observations in one sample are independent of the observations in the other sample.
- Normality: Both samples are approximately normally distributed.
- Homogenity of Variances: Both samples have approximately the same variance.
- Random Sampling : Both samples were obtained using random sampling method

Normality Check: Wilkin Shapiron Test

- To conduct the above experiment, we shall take the samples randomly, and also the number of electric cyles rented on Working day and non working day are independent.
- We however have to check for Normality and homogenity of Variances

1

Generate a sample of 300 bike rentals, randomly selected from both working days and nonworking days

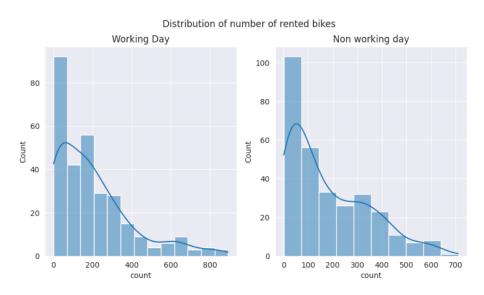
```
[26] workingday_sample=df[df['workingday']==1]['count'].sample(300)
nonworkingday_sample=df[df['workingday']==0]['count'].sample(300)
```

To check normality we can use histogram

```
#histogram for working day sample
plt.subplot(1,2,1)
sns.histplot(workingday_sample,kde=True)
plt.title('Working Day')

#histogram for non working day sample
plt.subplot(1,2,2)
sns.histplot(nonworkingday_sample,kde=True)
plt.title('Non working day')

plt.suptitle('Distribution of number of rented bikes')
plt.show()
```



observation:

- The counts of rented cycles on both working and non-working days do not follow a normal distribution.
- $\bullet\,$ We can try to convert the distribution to normal by applying log transformation

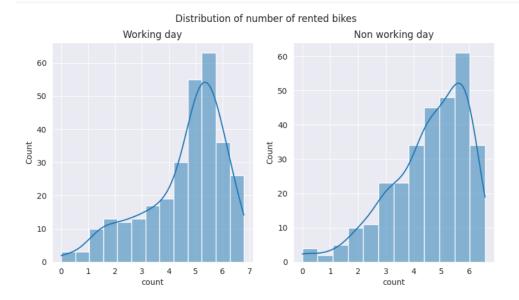
Converting sample distribution to normal by applying log transformation

```
plt.figure(figsize=(10,5))

#histogram for working day sample
plt.subplot(1,2,1)
sns.histplot(np.log(workingday_sample),kde=True)
plt.title('Working day')

#histogram for non working day sample
plt.subplot(1,2,2)
sns.histplot(np.log(nonworkingday_sample),kde=True)
plt.title('Non working day')

plt.suptitle('Distribution of number of rented bikes')
plt.show()
```



observation:

Upon implementing a log transformation on our continuous variables, we observed a substantial improvement in achieving a distribution that closely resembles normality for both the workingday_sample and nonworkingday_sample.

We will now conduct the Wilk-Shapiro Test to assess the normality of the log-normal distribution obtained in the previous step

Performing the Wilk-Shapiro test for the workingday sample

We select the level of signifiance as 5% and the null and alternate hypothesis is as follows:

- H0: The Working day samples are normally distributed
- · Ha: The Working day samples are not normally distributed

```
test_stat,p_value= shapiro(np.log(workingday_sample))
print("test stat : ",test_stat)
print("p value : ",p_value)
alpha = 0.05
if p_value< alpha:
print("Reject Ho: The working day samples are not normally distributed ")
else:
print("Fail to Reject Ho: The working day samples are normally distributed")

test stat : 0.9099098443984985
p value : 2.025387019580115e-12
Reject Ho: The working day samples are not normally distributed
```

observation:

- From the above output, we see that the p value is far less than 0.05, Hence we reject the null hypothesis.
- · We have sufficient evidence to say that the non working day sample data does not come from normal distribution.

▼ Homegenity of Variance test : Levene's Test

We select the level of signifiance as 5% and the null and alternate hypothesis is as follows:

- H0 : Variance is equal in both working day count and non working day count samples
- · Ha: Variances is not equal

p value : 0.604339982940315
Fail to Reject Ho: Variance is equal in both working day count and non working day count samples

observation:

- Since pvalue is not less than 0.05, we fail to reject null hypothesis.
- This means we do not have sufficient evidence to say that variance across workingday count and non workingday count is significantly different thus making the assumption of homogenity of variances true

▼ T-Test and final conclusion

- 3 out of 4 assumptions for T test has been satisfied.
- Although the sample distribution did not meet the criteria of passing the normality test, we proceed with the T-test as per the given instructions.

For T-Test we select the level of signifiance as 5% and the null and alternate hypothesis is as follows:

- H0 : Working day does not have an effect on number of cycles rented
- Ha: Working day does have an effect on number of cycles rented

```
y
[37] t_stat,p_value= ttest_ind(np.log(workingday_sample),np.log(nonworkingday_sample),equal_var=True)
print("f stat:",t_stat)
print("p value:",p_value)
alpha = 0.05
if p_value< alpha:
print("Reject Ho: Working day does have an effect on number of cycles rented ")
else:
print("Fail to Reject Ho: Working day does not have an effect on number of cycles rented")

f stat: 0.2668962988716935
p value: 0.7896410177551554
Fail to Reject Ho: Working day does not have an effect on number of cycles rented</pre>
```

Conclusion

- Since the p-value of our test is greater than alpha which is 0.05, we fail to reject the null hypothesis of this test.
- we do not have sufficient evidence to conclude that working days have a significant effect on the number of cycles rented. This suggests
 that there is no significant difference in the number of cycles rented on working days versus non-working days.

▼ Assumptions of Chi-Square Test

· Both variables are categorical:

In this dataset, season column has already been converted into categorical data and the weather column is nominal data. Hence it is safe to say that the above condition is satisfied.

• All observations are independent:

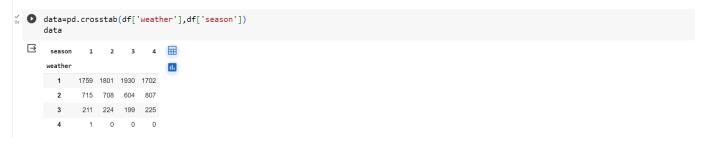
We are hoping that the sample provided by YULU has been obtained from random sampling upon which the condition is satisfied.

· Cells in the contingency table are mutually exclusive

Assuming each individual in the dataset was only surveyed once, this assumption should be met.

• Expected value of cells should be 5 or greater in at least 80% of cells and none less than 1

We shall check for this condition after the pearson chi-square test has been completed.



As previously mentioned, there is only one row in our dataset for weather type 4. We lack sufficient information to determine if it truly correlates with the season. To avoid potential biases and skewed results, it's advisable to exclude this rare weather type from our analysis.

All of the data points have expected values greater than 5, indicating that the assumption related to the expected values being greater than 5 is satisfied for the chi-square test.

→ Chi-Square Test and Final Conclusion

We shall setup Null and alternate Hypotheis to check if Weather is dependent on season

- H0: Weather is not dependent on the season
- Ha: Weather is dependent on the season, meaning they are associated or related

We consider level of significance as 0.05

```
[49] x_stat,p_value,dof,expected=chi2_contingency(data)
    print("X stat :",x_stat)
    print("p value : ",p_value)
    alpha = 0.05
    if p_value< alpha:
        print("Reject Ho: Weather is dependent on the season")
    else:
        print("Fail to Reject Ho: Weather is not dependent on the season")

X stat : 46.101457310732485
    p value : 2.8260014509929403e-08
    Reject Ho: Weather is dependent on the season</pre>
```

Final Conclusion

- Since the p-value obtained from our test is less than the predetermined alpha level of 0.05, we have sufficient evidence to reject the null hypothesis for this test.
- · Indeed, this suggests that we have gathered enough evidence to conclude that there is a dependence between weather and the season.

Insights

- 1. On working days, 68.6% of cycles are rented, whereas on non-working days, 31.4% of cycles are rented.
- 2. Despite the fact that 68.6% of cycles are rented on working days compared to 31.4% on non-working days, our t-test analysis does not provide sufficient evidence to conclude that working days have a significant effect on the number of cycles rented. This finding suggests that there is no statistically significant difference in the number of cycles rented between working days and non-working days.
- 3. During the fall season, approximately 30.7% of cycles are rented.
- 4. In the summer season, around 28.2% of cycles are rented.
- 5. The winter season records a rental rate of about 26.1% for cycles.
- 6. The lowest rental rate, at just 15%, is observed in the spring season.
- 7. Weather condition 1 experiences the highest rental rate, with approximately 70.8% of cycles rented.
- 8. In weather condition 2, around 24.3% of cycles are rented.
- 9. Weather condition 3 has a rental rate of approximately 4.9% for cycles.
- 10. Weather condition 4 exhibits an exceptionally low rental rate, with only 0.00786% of cycles being rented.
- 11. The chi-square test results reveal a statistically significant association between weather type and the season.

Recommendations

Actionable Insight: Despite the fact that 68.6% of cycles are rented on working days compared to 31.4% on non-working days, our t-test analysis does not provide sufficient

evidence to conclude that working days have a significant effect on the number of cycles rented. This finding suggests that there is no statistically significant difference in the number of cycles rented between working days and non-working days.

Recommendations:

- 1. Yulu can consider adjusting its fleet allocation and marketing efforts to better align with customer demand. While working days might not significantly impact rentals, Yulu can focus on peak hours within both working and non-working days to ensure bikes are available when and where they are needed most.
- 2. Yulu can engage with users through notifications and alerts to inform them of bike availability and incentives during specific timeframes, encouraging rentals during periods with lower demand.