

# Uber Supply Demand Gap Assignment

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# Business Objective

- ▶ The Aim of Analysis is to Identify :-
  - ▶ The root cause of the problem (i.e. cancellation and non-availability of cars)
  - ▶ Recommend ways to improve the situation.

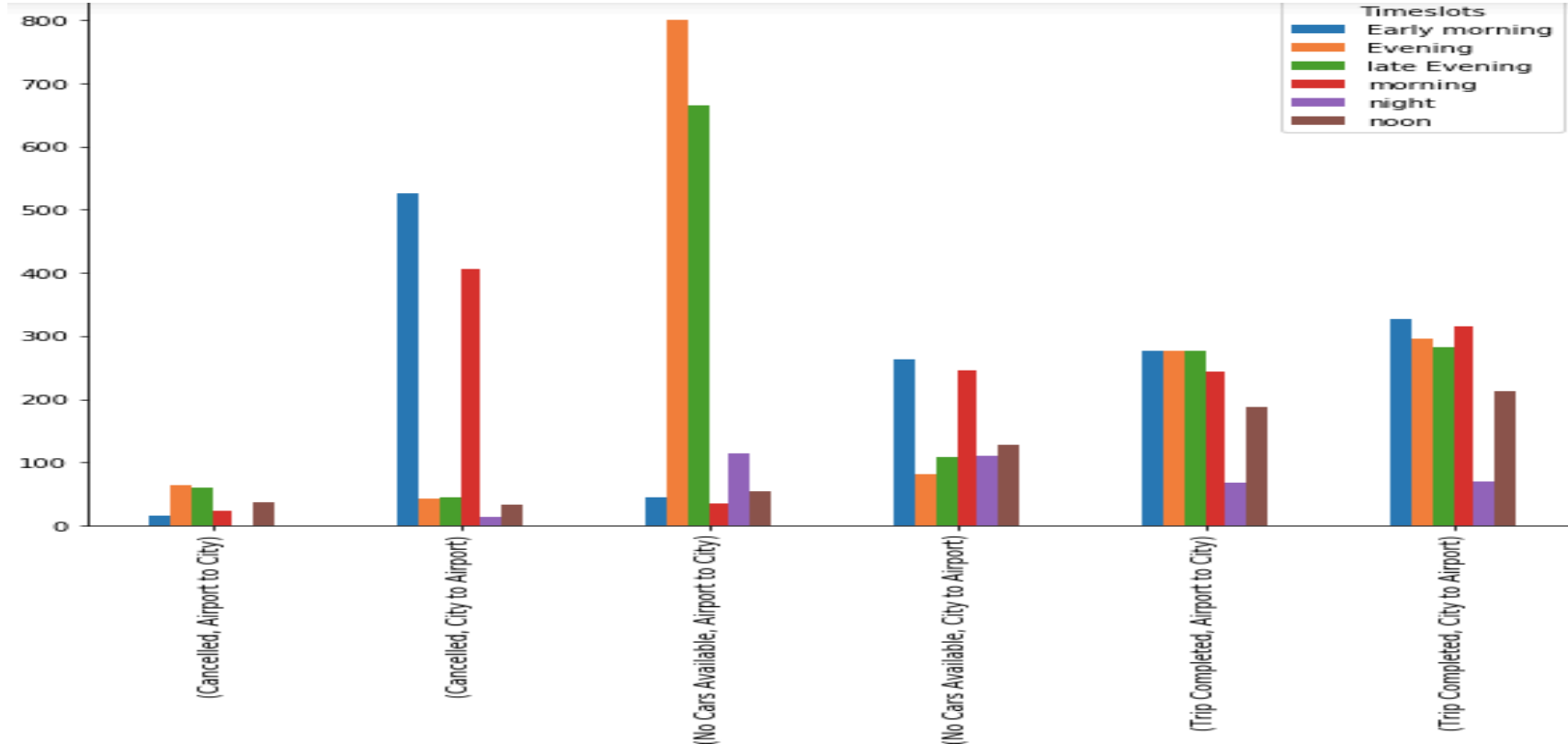
# Identifying the most pressing problems for Uber

## ► Outcome of Analysis on Data Set

- 1. Frequency of request that gets cancelled is 19%
- 2. Frequency of request that shows no cars available is 39%
- The most problematic type of request is of 2 types
  - City to Airport: This route faces **cancellation** issue in the time slot of 0-4 hours followed by 4-8 hours(early morning time slot)
  - Airport to City: This route faces **no cars available** issue in the time slot of 16-20 hours followed by 20-24 hours (late evening time slots)
- To conclude early morning requests faces cancellation issue while late evening requests faces no cars available issue

# Finding out the gap between supply and demand

- ▶ Time-slot where the highest supply demand gap exist is **16-20 hours**
- ▶ The route for which this gap is highest in the identified slot (i.e 16-20 hours) is **Airport to City**



# Reason for this issue for the supply-demand gap

- ▶ The reason for the supply demand gap is as follows
  - ▶ The number of trips completed from City to Airport in the slot of 12-16 hours is lesser as compared to other slots. As a result not much cabs are available for rides from Airport to City in the slot of 16-20 hours, hence resulting in No cars available
  - ▶ The other possible reason for this supply demand gap can be the timings of flights. The number of flight departing from the city will be less in the time slot of 12-16 hours, hence resulting in lesser cabs arriving at the airport in that time frame.
  - ▶ The number of flights arriving the city between slot of 16-20 hours will be relatively high, but as number of flight departing from the city in the just previous slot ( i.e 12-16 hours) is less, so lesser cabs are available for ride from city to Airport, hence again resulting in No cabs Available problem

# Recommending some ways to resolve the supply-demand gap

- ▶ Uber cannot control the timings of the flights, so the only way to resolve this problem is by providing more incentives to the drivers for completing “Airport to City” rides in the slot of “16-20 hours”
- ▶ To achieve this without affecting the business profit, Uber can charge surge prices to the riders requesting for “Airport to City” rides in the slot of “16-20 hours”, so as to provide higher incentives to the drivers.

Thank You!