



Closing the Gap: Urgent Strategies to Secure Lyft's Market Position in NYC

TEAM 1

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Challenge

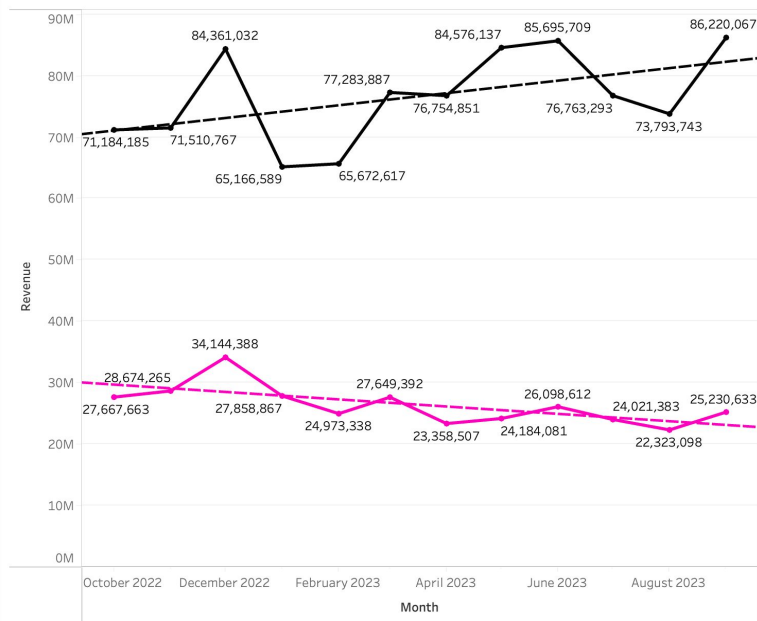


Post-pandemic: 5% decrease in business performance v.s. 3% increase for Uber.¹

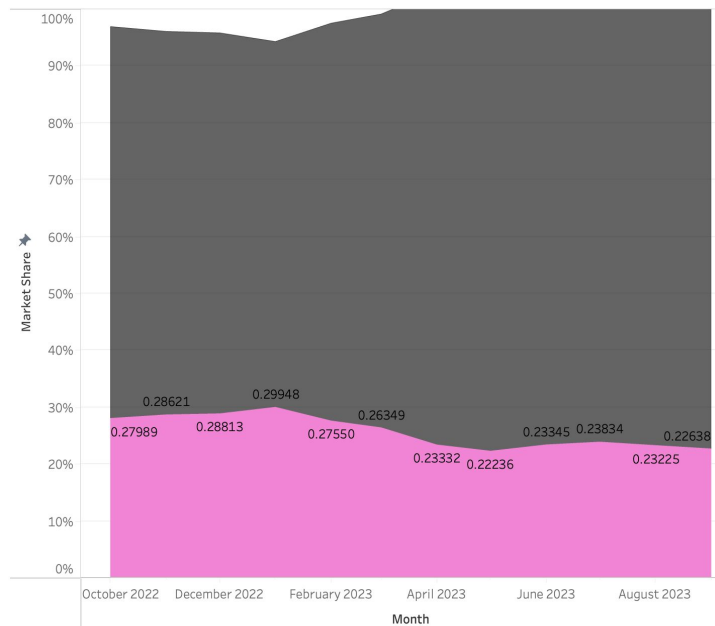


Market share of Lyft is decreasing v.s. Uber increased during past 12 months

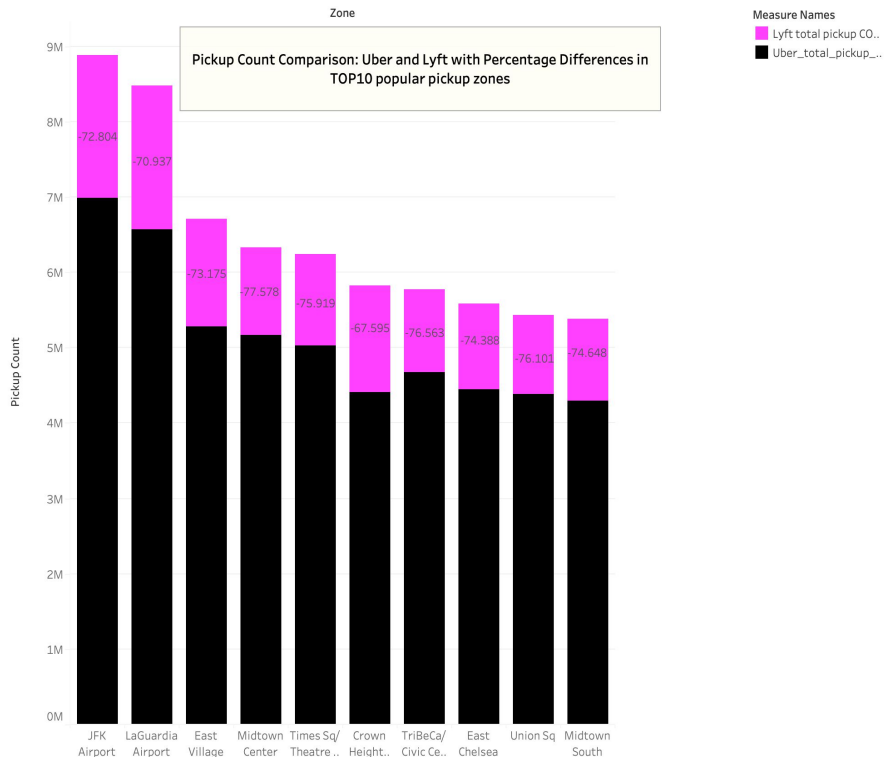
Revenue from Oct 2022 to Sep 2023 in NYC



Market Share in NYC from Oct 2022 to Sep 2023



Lyft has lower Pick-up Count than Uber

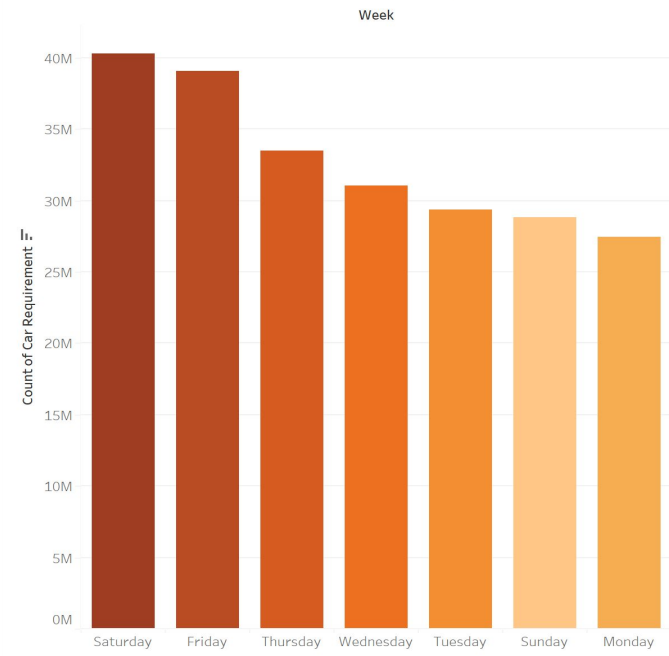


Lyft has a lower pickup count compared to Uber in both of their popular top-10 pick-up zones, with **an average percentage difference of -73.97%** when compared to Uber.

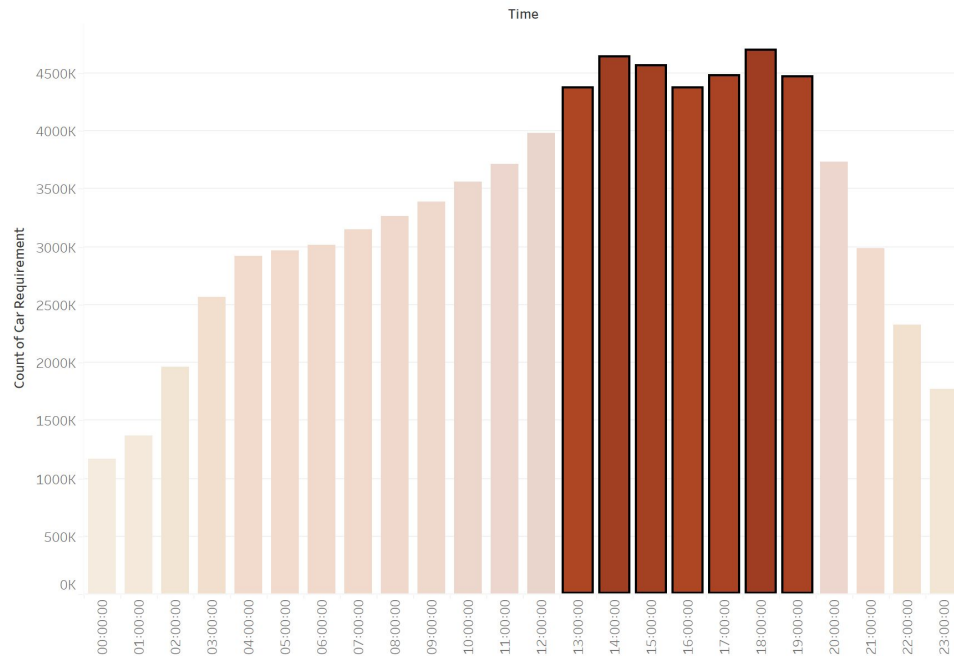
This shows Lyft's market share is significantly lower than Uber's.

Solution: Fulfilling vehicle demand in Peak hours in New York City that occurs every Friday and Saturday from 1 to 7 p.m.

New York City has the most travel demand on Fridays and Saturdays



Peak hours are 1-7pm



Visualize insights- Methods and Data



1. Overall Response Time



2. Dive into Location



3. Possible Cause of Slow Response

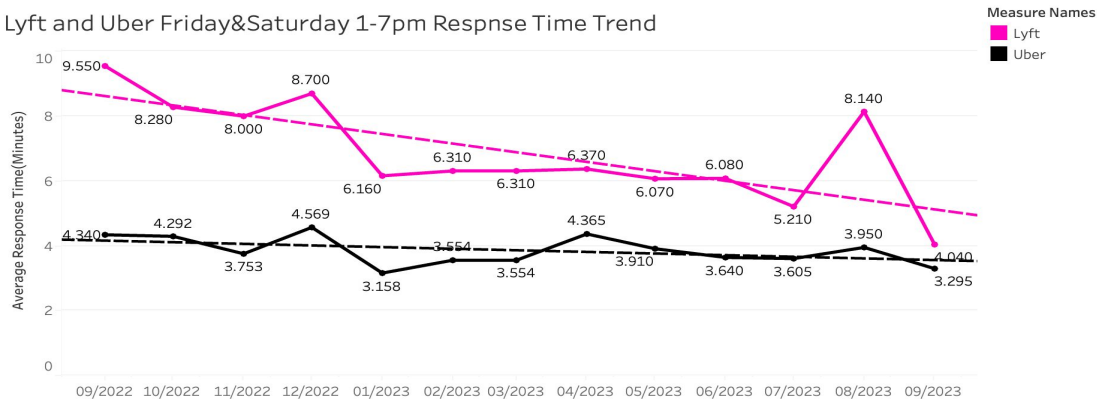


4. Driver Pay Analysis

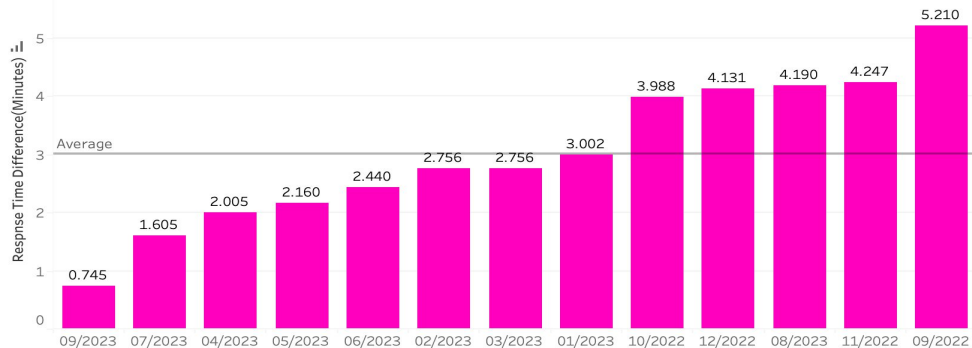
Our data is from: [NYC Trip Record Data](#), Taxi & Limousine Commission

Lyft has 3.26 Minutes Higher Response Time than Uber

Lyft and Uber Friday&Saturday 1-7pm Response Time Trend



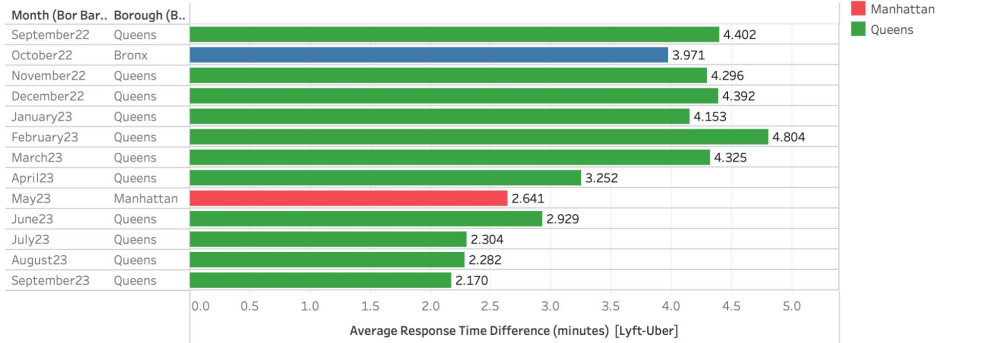
Lyft Has 3.26 Minutes Average Response Time Higher than Uber



- **Overview:** Lyft has higher response time than Uber
- **Comparison:** Potentially catching up to Uber passenger wait times
- **Future Outlook:** Improvement in wait times expected to continue
- **"Wait & Save" option** makes riders wait for cheaper rides which may extend rider wait times for cost savings

Queens & Bronx Have Longer Response Waiting Time

Monthly Friday's TOP1 response waiting time borough



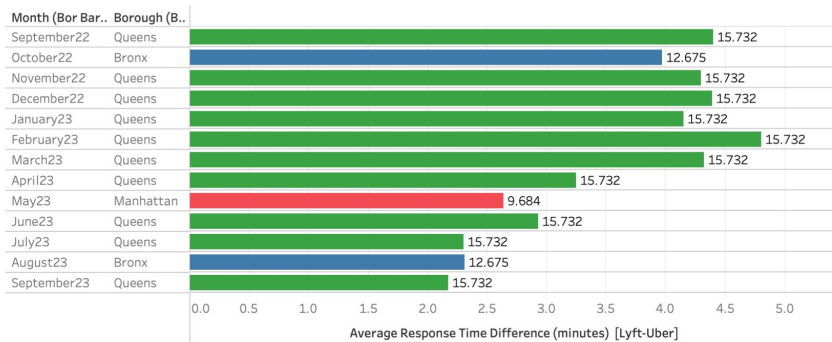
Which Borough Wait Longer?

1st: Queens

2nd: Bronx

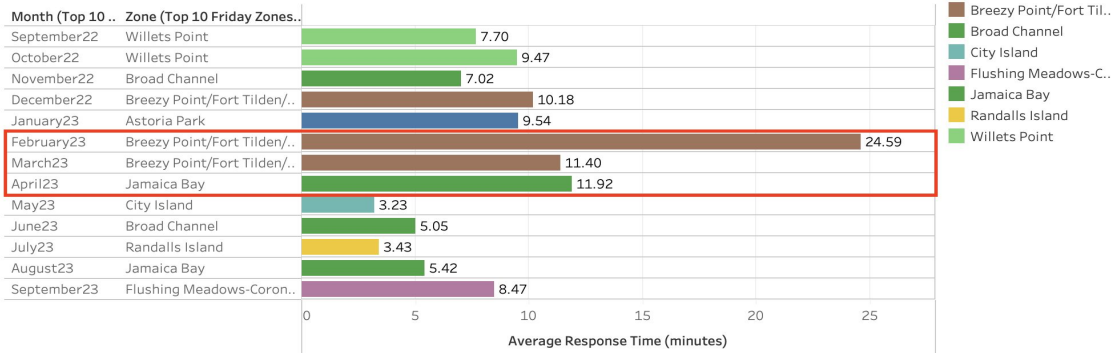
3rd: Manhattan

Monthly Saturday's TOP1 response waiting time borough



Specifically, Breezy Point & Jamaica Bay Wait Longer

Top-10 Response Waiting Time Pick-up Zone in each month's Friday



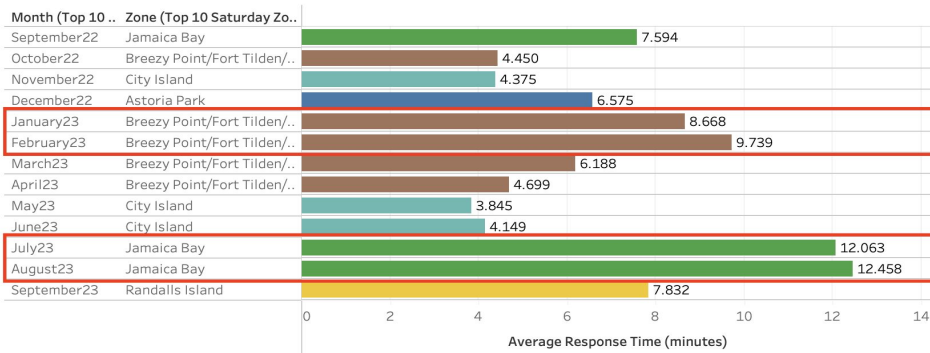
Which pick-up zone wait longer?

💡 Breezy Point: avg 9.9mins wait

💡 Jamaica Bay: avg 9.8mins wait

💔 Customers may wait too long!

Top-10 Response Waiting Time Pick-up Zone in each month's Saturday



Breezy Point may Facing Driver Shortage

Pickup Zone	Month/Weekday	Average response time difference (Lyft-Uber in minutes)	Pickup Count in this month	Average Monthly Pickup Count
Breezy Point/Fort Tilden/Riis Beach	February 23, Friday	24.59	89	694.5385
	March 23, Friday	11.40	149	
	January 23, Saturday	8.66	147	
	February 23, Saturday	9.73	89	
Jamaica Bay	July 23, Saturday	12.06	36	19.307
	August 23, Saturday	12.45	33	

For Breezy Point:
Pickup count
is smaller than average

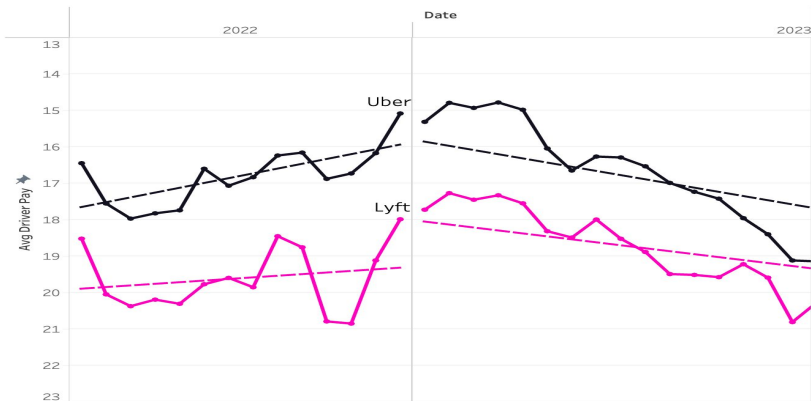
Why wait longer?

? Facing driver shortage

Jamaica Bay has higher demands so wait longer, this is normal

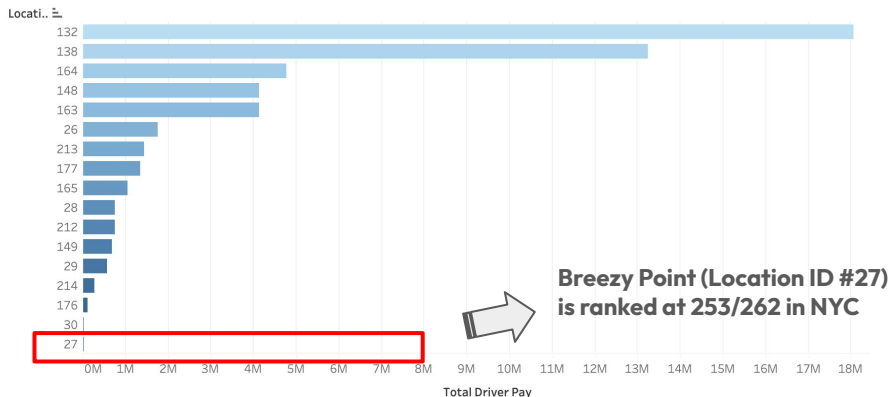
Average driver pay has been lower than Uber's over the past

NYC Driver Pay

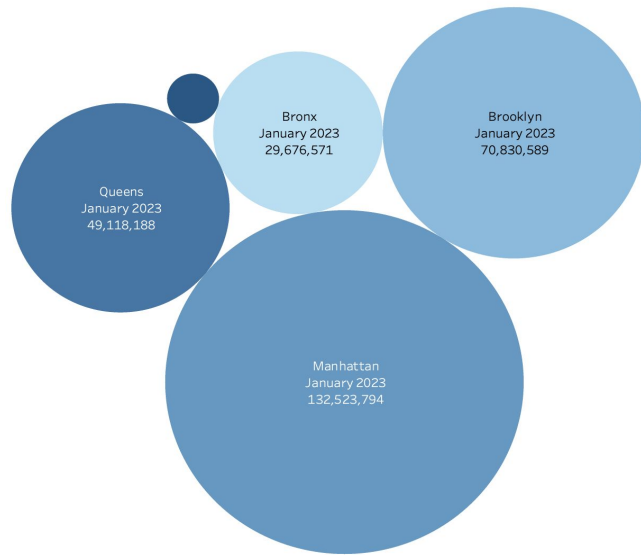


While Lyft is closing the gap with Uber, its average driver pay has been **lower than Uber's over the past year**. The result was a shortage of Lyft drivers and a lack of supply at peak times.

Driver Pay by Location ID



Breezy Point (Location ID #27) is ranked at 253/262 in NYC



Key Takeaways from Problems

- Lyft has 3.26 minutes **longer response time** than Uber on average
- Reason by Spatial Analysis: Less availability of drivers in **Queens; Breezy Point**
- Potential Cause: **Lower driver pay** than Uber at the same area

Recommendations



Reallocate more driver resources

Increase the number of vehicles supply in Queens, Breezy Point during 1-7 pm on Friday and Saturday (i.e. Peak Hours in NYC)



In the future: Increase driver's pay and bonus for picking up more orders.

Logistics of Increasing the Market Share in NYC



**Complete in
6 months**



**Cost
\$200k**



**Income
\$ 1.2 million**



**ROI
140%**

Data Acquisition (8-12 weeks)

Collect historical trip information from Uber and Lyft for comparing latest performance and customer demand

Data Analysis (1-2 weeks)

Identify the time period and areas with resource shortage

Strategy Development (6-8 weeks)

Optimize the order assignment algorithm, arrange more drivers in high-demand areas

