



# Why you Bikein'?

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## TEAM

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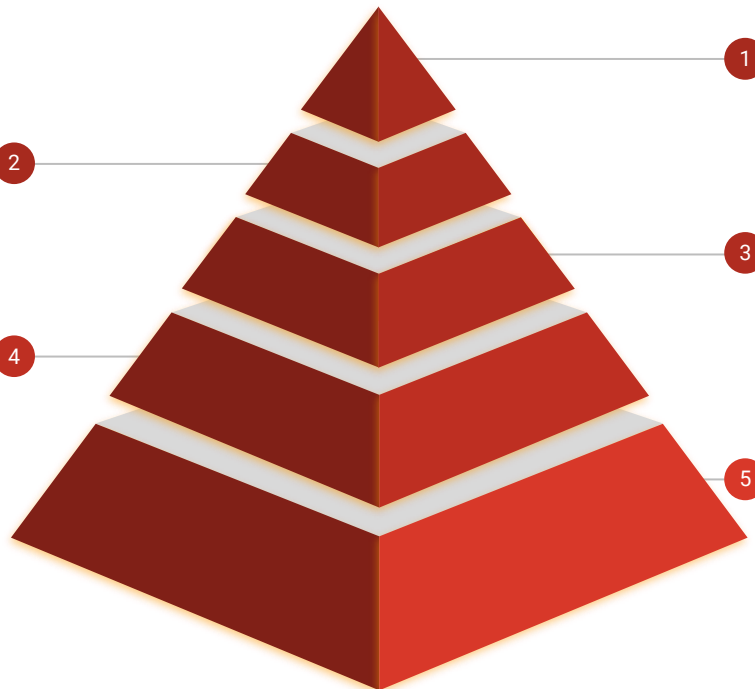
# Agenda

## Data Explanation

A normalized set of 17580 rows having number of casual and registered rides based on day of the week, month, years season and multiple weather variables.

## Data Preprocessing

One Hot encoding - data transmitted into 0 and 1 to turn categorical variables to numerical variables



## Problem Statement

Predict the demand of bike users based on the number of rides w.r.t casual and registered users.

## Exploratory Data Analysis

Analyzing the number of rides based on categorical variables (day of the week, season and weather variables)

## Model Selection

Non-parametric and parametric model selection : Multiple regression, Trees and Knn

# Problem Statement

Bike sharing is one of the most accessible way to commute for employees and students. Lime and Bird were the commonly used bikes in Austin especially for student commute and it is interesting to see how the membership, payment and trips have become more automatic.

Inspired by these observations, we took the trips data from Capital Bikeshare<sup>[1]</sup> to predict the demand of bike users based on the number of rides pertaining to registered and casual users.

*[1] Capital Bikeshare – State owned bike sharing system in counties around Washington D.C and Virginia*

# Data Explanation

Data set : 17380 rows

Processing : One hot encoding to convert data from categorical to numerical as we are predicting a quantitative factor. Also removed highly correlated variables to reduce the RMSE.

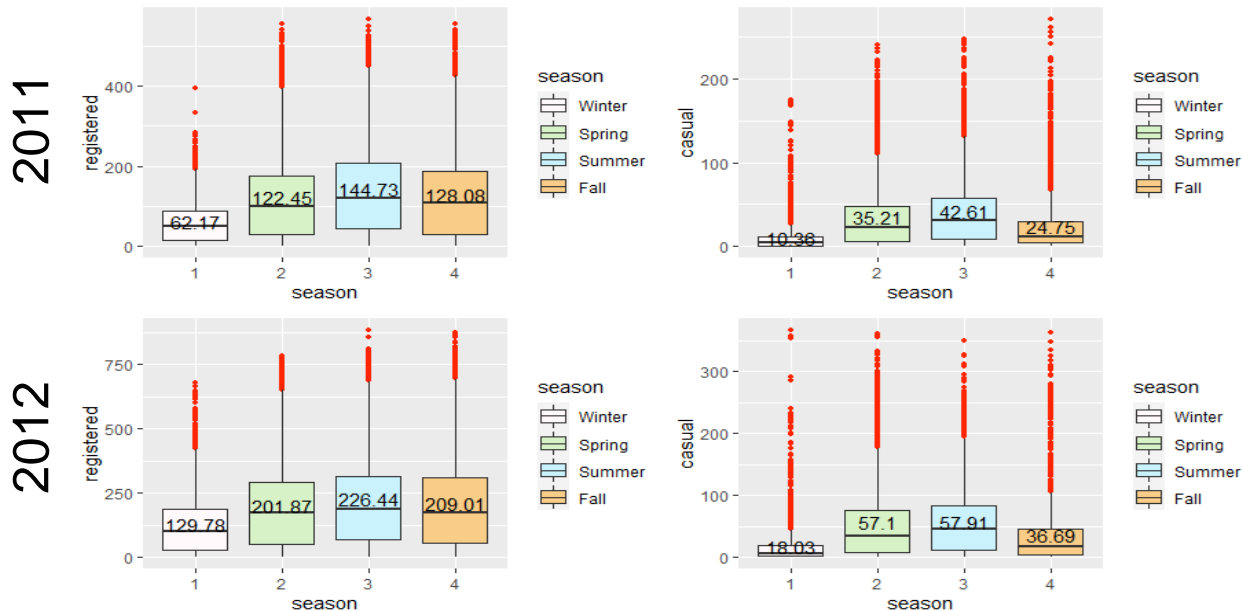
Training 50%

Testing 25%

Validation 25%

- instant: record index
- dteday : date
- season : season (1:winter, 2:spring, 3:summer, 4:fall)
- yr : year (0: 2011, 1:2012)
- mnth : month ( 1 to 12)
- hr : hour (0 to 23)
- holiday : weather day is holiday or not (extracted from [\[Web Link\]](#))
- weekday : day of the week
- workingday : if day is neither weekend nor holiday is 1, otherwise is 0.
- + weathersit :
  - 1: Clear, Few clouds, Partly cloudy, Partly cloudy
  - 2: Mist + Cloudy, Mist + Broken clouds, Mist + Few clouds, Mist
  - 3: Light Snow, Light Rain + Thunderstorm + Scattered clouds, Light Rain + Scattered clouds
  - 4: Heavy Rain + Ice Pellets + Thunderstorm + Mist, Snow + Fog
- temp : Normalized temperature in Celsius. The values are derived via  $(t-t_{min})/(t_{max}-t_{min})$ ,  $t_{min}=-8$ ,  $t_{max}=+39$  (only in hourly scale)
- atemp: Normalized feeling temperature in Celsius. The values are derived via  $(t-t_{min})/(t_{max}-t_{min})$ ,  $t_{min}=-16$ ,  $t_{max}=+50$  (only in hourly scale)
- hum: Normalized humidity. The values are divided to 100 (max)
- windspeed: Normalized wind speed. The values are divided to 67 (max)
- casual: count of casual users
- registered: count of registered users
- cnt: count of total rental bikes including both casual and registered

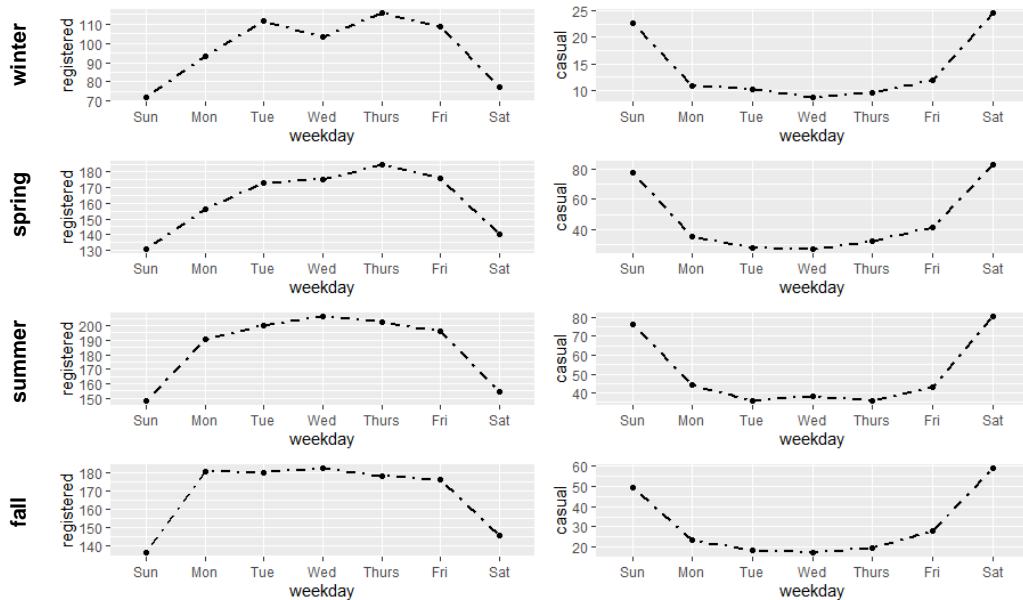
# Exploratory Data Analysis



Season wise registered and casual rides per hr

- Both registered and casual users had increased number of rides in Summer and Spring
- Large range of outliers for casual users while the registered users have a small range with higher magnitude

# Exploratory Data Analysis

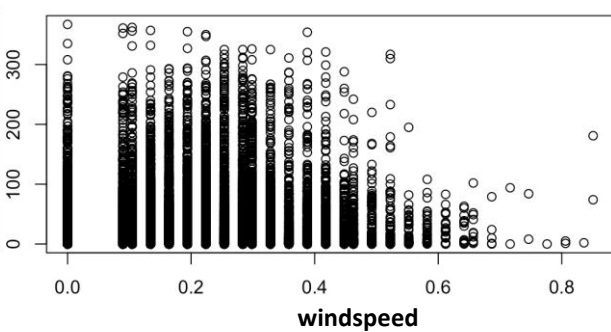
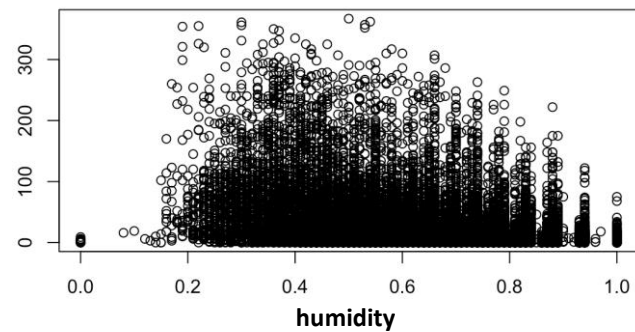
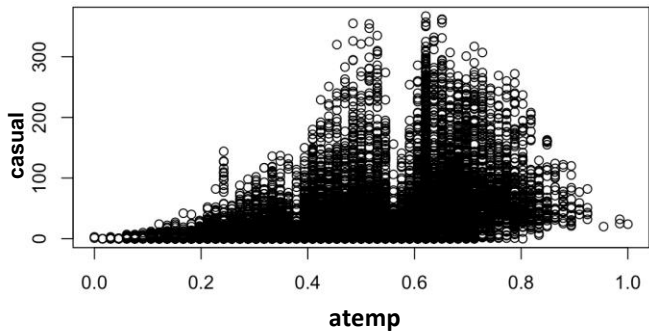
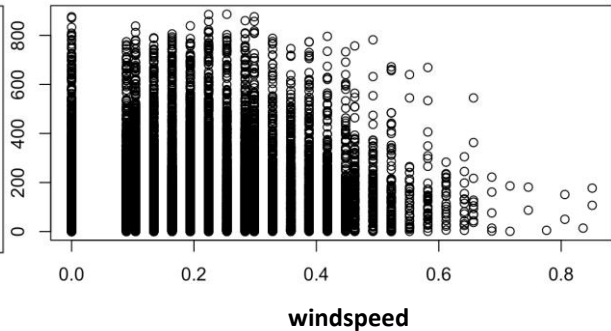
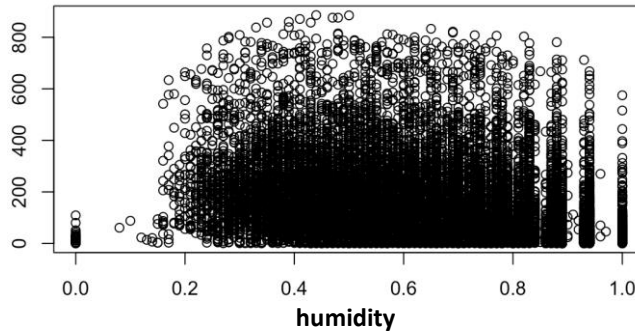
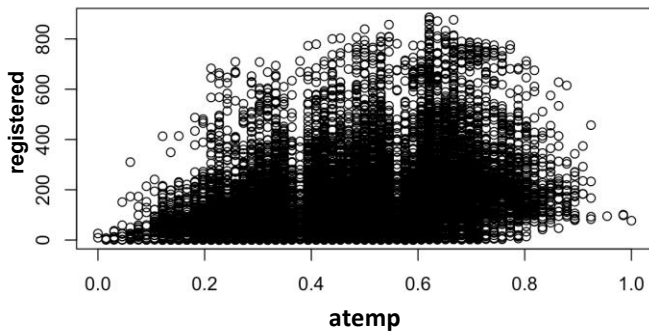


No. of rides for registered and casual across the week w.r.t seasons

- A contrasting pattern in the number of rides observed for both registered and casual riders
- Increased number of rides over the week and decreased number of rides over the weekends for registered users
- Decreased number of rides in weekdays and increased number of rides over the weekends for casual users



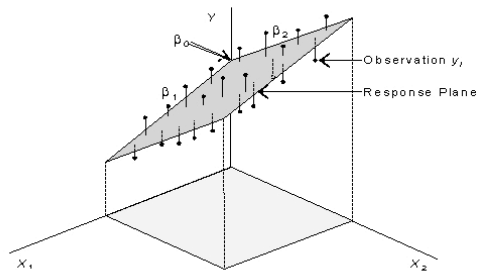
# Exploratory Data Analysis



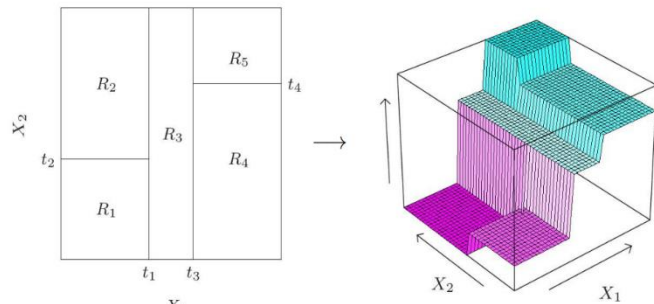
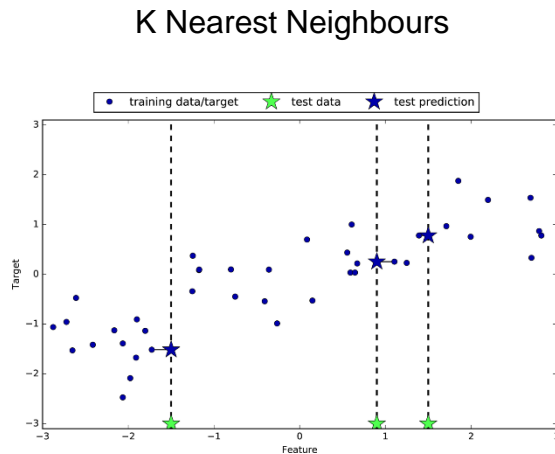
# Approach

- Build separate models for *registered* users and *casual* users

**3 approaches** to consider – Regression, K Nearest Neighbours, Trees



Multilinear Regression  
+  
(Ridge and Lasso)



Tree Regression



# Multilinear Regression

## Data Pre-Processing

1) Encoding Categorical Variables  
(converting factors to integer inputs)

Two methods –

Ordinal Encoding and OneHot Encoding

season = {1, 2, 3, 4} ->

season_1 = {0, 1}
season_2 = {0, 1}
season_3 = {0, 1}
season_4 = {0, 1}

e.g.

season	s_1	s_2	s_3	s_4
1	0	0	1	0

2) Removing unnecessary variables

- instant (serial no.), dte (date), yr (year), cnt (total rides per hour)

A) For 'registered' users

- casual (no. of casual rides per hour)

B) For 'casual' users

- registered (no. of registered rides per hour)

# Multilinear Regression

## Registered Users

- Simple model with all predictors - `reg_mlr <- lm(registered~., data=newdata_tr)`

Coefficients: (6 not defined because of singularities)

	Estimate	Std. Error	t value	Pr(> t )
(Intercept)	78.7416	66.4693	1.185	0.236182
season_1	-64.8434	4.7986	-13.513	< 2e-16 ***
season_2	-35.1019	5.6315	-6.233	4.69e-10 ***
season_3	-36.5785	5.0584	-7.231	5.02e-13 ***
season_4	NA	NA	NA	NA
mnth_1	8.9759	4.8776	1.840	0.065754 .
mnth_2	11.5552	4.8883	2.364	0.018099 *
mnth_3	6.6308	4.8516	1.367	0.171736
mnth_4	-2.1317	6.2980	-0.338	0.735017
mnth_5	8.7006	6.6484	1.309	0.190667
mnth_6	-6.2026	6.5767	-0.943	0.345634
mnth_7	-26.5935	7.0080	-3.795	0.000148 ***
mnth_8	-4.7479	6.8233	-0.696	0.486548
mnth_9	16.9256	5.6348	3.004	0.002671 **
mnth_10	2.7937	4.2928	0.651	0.515195
mnth_11	-12.2396	4.0997	-2.985	0.002836 **
mnth_12	NA	NA	NA	NA
hr_0	-27.8180	5.2579	-5.291	1.24e-07 ***
hr_1	-41.9033	5.2408	-7.996	1.38e-15 ***
hr_2	-48.5245	5.3152	-9.129	< 2e-16 ***
hr_3	-57.7344	5.3240	-10.844	< 2e-16 ***
hr_4	-57.6386	5.3528	-10.768	< 2e-16 ***
hr_5	-42.8105	5.2923	-8.089	6.46e-16 ***
hr_6	12.0549	5.2765	2.285	0.022349 *
hr_7	138.2743	5.2635	26.270	< 2e-16 ***
hr_8	272.1059	5.2433	51.895	< 2e-16 ***
hr_9	115.1939	5.2509	21.938	< 2e-16 ***
hr_10	42.3958	5.2585	8.062	8.05e-16 ***
hr_11	56.8320	5.3169	10.689	< 2e-16 ***
hr_12	88.7857	5.3331	16.648	< 2e-16 ***
hr_13	81.1071	5.3573	15.139	< 2e-16 ***
hr_14	60.2285	5.3883	11.178	< 2e-16 ***
hr_15	73.7507	5.4346	13.570	< 2e-16 ***
hr_16	139.3247	5.4032	25.786	< 2e-16 ***
hr_17	289.5501	5.3563	54.058	< 2e-16 ***

hr_16	139.3247	5.4032	25.786	< 2e-16 ***
hr_17	289.5501	5.3563	54.058	< 2e-16 ***
hr_18	274.4671	5.3457	51.344	< 2e-16 ***
hr_19	173.6713	5.3159	32.670	< 2e-16 ***
hr_20	105.7933	5.2519	20.144	< 2e-16 ***
hr_21	64.2633	5.2572	12.224	< 2e-16 ***
hr_22	32.4652	5.2611	6.171	6.97e-10 ***
hr_23	NA	NA	NA	NA
holiday_0	9.4176	4.7327	1.990	0.046621 *
holiday_1	NA	NA	NA	NA
workingday_0	-39.1123	1.7000	-23.008	< 2e-16 ***
workingday_1	NA	NA	NA	NA
weathersit_1	2.8262	65.8346	0.043	0.965759
weathersit_2	0.4817	65.8311	0.007	0.994161
weathersit_3	-48.0169	65.8609	-0.729	0.465974
weathersit_4	NA	NA	NA	NA
temp	126.1760	28.3600	4.449	8.69e-06 ***
atemp	71.8406	29.3688	2.446	0.014450 *
hum	-81.2101	5.4268	-14.965	< 2e-16 ***
windspeed	-26.0292	6.9204	-3.761	0.000170 ***
---				

# Multilinear Regression

## Registered Users

### What are singularities ?

- Singularity is the extreme form of multicollinearity - when a perfect linear relationship exists between variables or, in other terms, when the correlation coefficient is equal to 1.0 or -1.0

$$X_1 = a * X_2 + b * X_3 + c$$

- Usually happens when encoding dummy variables during data preprocessing
- Leads to incorrect calculations of coefficients with the OLS method

# Multilinear Regression

## Registered Users

Residual standard error: 92.92 on 14953 degrees of freedom  
 Multiple R-squared: 0.6278, Adjusted R-squared: 0.6267  
 F-statistic: 548.3 on 46 and 14953 DF, p-value: < 2.2e-16

```
[1] "Root mean square error -"
```

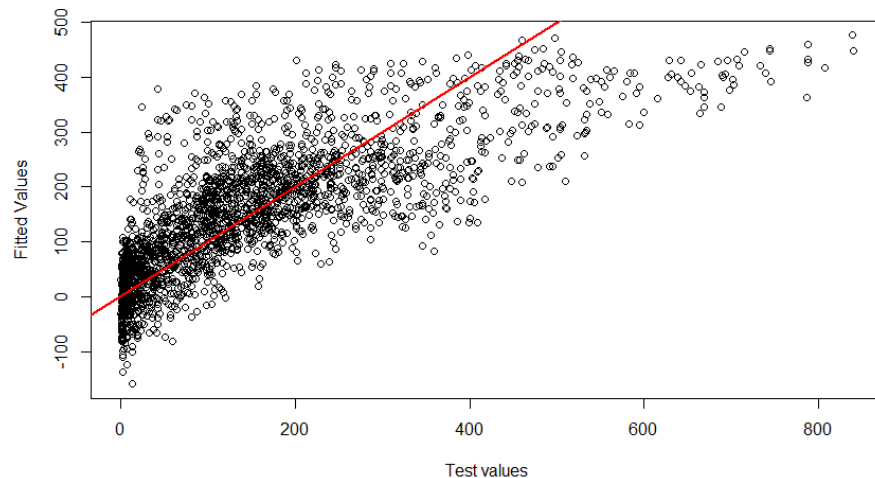
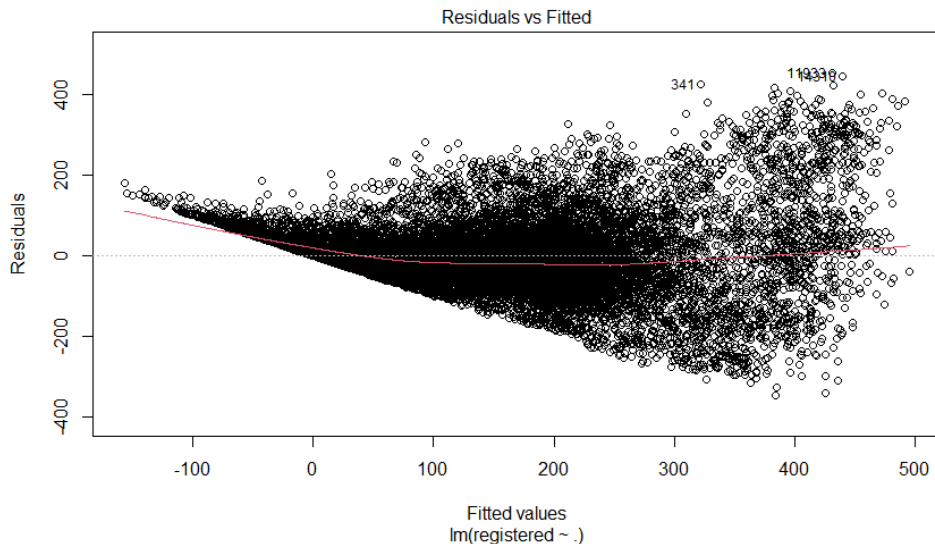
```
> round(rmse.mlr,2)
```

```
[1] 92.92
```

```
[1] "R-squared value for test set -"
```

```
> round(r2.mlr,4)
```

```
[1] 0.599
```



# Multilinear Regression

## Registered Users

Other model building techniques to consider -

- Nth root model with all predictors – `reg_mlr_root <- lm(registered^(1/n)~., data=newdata_tr)`
- Log model with all predictors – `reg_mlr_log <- lm(log(registered+1)~., data=newdata_tr)`

(Note we added a value of 1 to registered no. of riders per hour because we  $\log(0)$  is not defined)

# Multilinear Regression

## Registered Users

- Nth root model with all predictors - `reg_mlr_root <- lm(registered^(1/n)~., data=newdata_tr)`

N = 2

Coefficients:

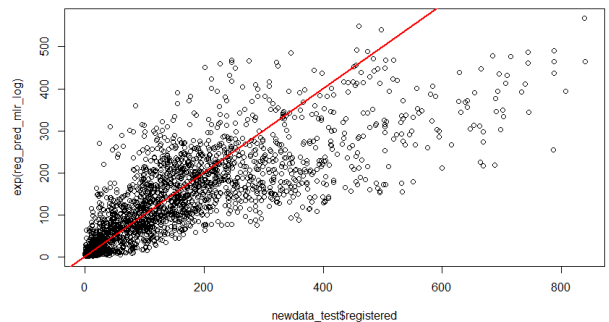
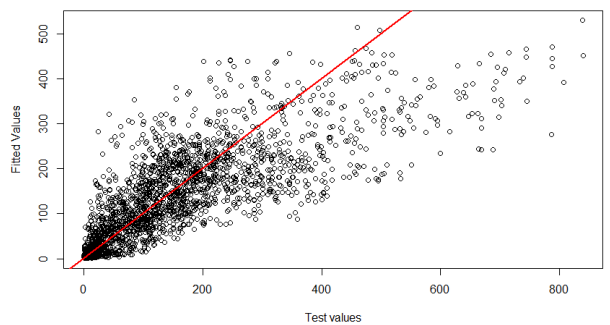
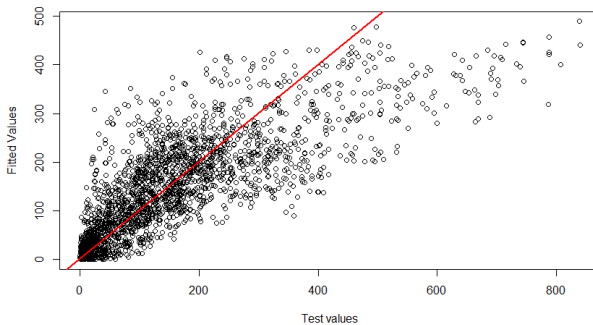
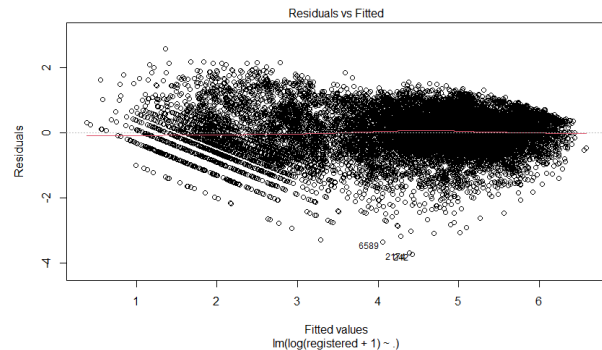
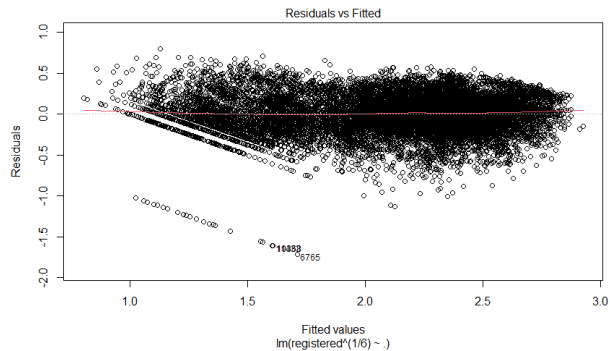
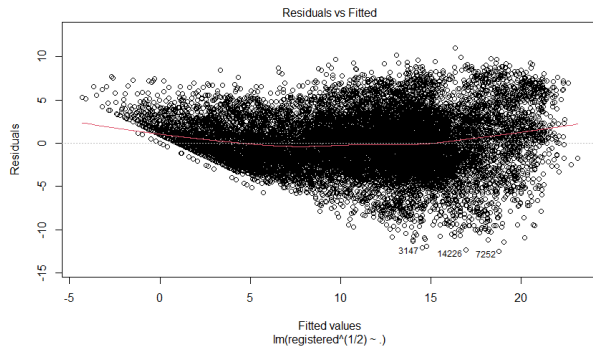
	Estimate	Std. Error	t value	Pr(> t )						
(Intercept)	9.2507104	2.2594427	4.094	4.26e-05	***					
season_1	-2.8241070	0.1631162	-17.313	< 2e-16	***					
season_2	-1.5211135	0.1914268	-7.946	2.06e-15	***					
season_3	-1.3776772	0.1719479	-8.012	1.21e-15	***	hr_12	4.1110491	0.1812826	22.678	< 2e-16 ***
mnth_1	0.3961497	0.1658008	2.389	0.01689	*	hr_13	3.8317203	0.1821086	21.041	< 2e-16 ***
mnth_2	0.6695769	0.1661642	4.030	5.61e-05	***	hr_14	3.0323100	0.1831592	16.556	< 2e-16 ***
mnth_3	0.3717264	0.1649185	2.254	0.02421	*	hr_15	3.5645933	0.1847358	19.296	< 2e-16 ***
mnth_4	-0.0062021	0.2140834	-0.029	0.97689		hr_16	5.8082196	0.1836669	31.624	< 2e-16 ***
mnth_5	0.4967974	0.2259958	2.198	0.02795	*	hr_17	9.6926891	0.1820740	53.235	< 2e-16 ***
mnth_6	-0.1336239	0.2235561	-0.598	0.55004		hr_18	9.3604225	0.1817125	51.512	< 2e-16 ***
mnth_7	-0.9911199	0.2382167	-4.161	3.19e-05	***	hr_19	6.7713659	0.1806999	37.473	< 2e-16 ***
mnth_8	-0.2868708	0.2319411	-1.237	0.21617		hr_20	4.6199200	0.1785247	25.878	< 2e-16 ***
mnth_9	0.4191153	0.1915409	2.188	0.02868	*	hr_21	3.0905888	0.1787046	17.294	< 2e-16 ***
mnth_10	-0.0006239	0.1459219	-0.004	0.99659		hr_22	1.7510740	0.1788365	9.791	< 2e-16 ***
mnth_11	-0.4122169	0.1393585	-2.958	0.00310	**	holiday_0	0.6481452	0.1608760	4.029	5.63e-05 ***
hr_0	-1.9880028	0.1787270	-11.123	< 2e-16	***	workingday_0	-1.1266033	0.0577858	-19.496	< 2e-16 ***
hr_1	-3.4349847	0.1781474	-19.282	< 2e-16	***	weathersit_1	-1.2757949	2.2378693	-0.570	0.56862
hr_2	-4.3414905	0.1806751	-24.029	< 2e-16	***	weathersit_2	-1.3349891	2.2377501	-0.597	0.55080
hr_3	-5.3698346	0.1809738	-29.672	< 2e-16	***	weathersit_3	-3.5412173	2.2387635	-1.582	0.11372
hr_4	-5.7047536	0.1819527	-31.353	< 2e-16	***	temp	4.7789876	0.9640217	4.957	7.22e-07 ***
hr_5	-3.7953653	0.1798960	-21.098	< 2e-16	***	atemp	3.0449611	0.9983134	3.050	0.00229 **
hr_6	-0.0080504	0.1793618	-0.045	0.96420		hum	-2.8543112	0.1844680	-15.473	< 2e-16 ***
hr_7	4.9269826	0.1789183	27.538	< 2e-16	***	windspeed	-1.0694743	0.2352411	-4.546	5.50e-06 ***
hr_8	9.0629513	0.1782335	50.849	< 2e-16	***	---				
hr_9	5.1011442	0.1784900	28.579	< 2e-16	***					
hr_10	2.2436935	0.1787501	12.552	< 2e-16	***					
hr_11	2.8478759	0.1807344	15.757	< 2e-16	***					
hr_12	4.1110491	0.1812826	22.678	< 2e-16	***					
hr_13	3.8317203	0.1821086	21.041	< 2e-16	***					

Standard 80-20 split for training and test/validation sets

N = 2

N = 6

Log Model





# Multilinear Regression

## Registered Users

Model (Regression)	RMSE (training)	RMSE (test)	R-square (training)	R-square (test)
Simple	92.921	92.92	0.6267	0.599
2nd Root	NA	88.99	0.729	0.632
6th Root	NA	90.62	0.7731	0.617
Log Model	NA	92.72	0.786	0.6008

# Multilinear Regression

## Casual Users

- Root (N=6) model with all predictors - `cas_mlr_root <- lm(casual^(1/6)~., data=newdata_tr)`

	Estimate	Std. Error	t value	Pr(> t )							
(Intercept)	1.133118	0.224205	5.054	4.38e-07	***	hr_12	0.389066	0.017989	21.628	< 2e-16	***
season_1	-0.119222	0.016186	-7.366	1.85e-13	***	hr_13	0.379683	0.018071	21.011	< 2e-16	***
season_2	0.004937	0.018995	0.260	0.794935		hr_14	0.381031	0.018175	20.965	< 2e-16	***
season_3	-0.021124	0.017062	-1.238	0.215712		hr_15	0.391224	0.018331	21.342	< 2e-16	***
mnth_1	-0.065257	0.016452	-3.966	7.33e-05	***	hr_16	0.391985	0.018225	21.508	< 2e-16	***
mnth_2	-0.001874	0.016488	-0.114	0.909525		hr_17	0.418805	0.018067	23.180	< 2e-16	***
mnth_3	0.145727	0.016365	8.905	< 2e-16	***	hr_18	0.357717	0.018031	19.839	< 2e-16	***
mnth_4	0.121930	0.021244	5.740	9.67e-09	***	hr_19	0.292608	0.017931	16.319	< 2e-16	***
mnth_5	0.149956	0.022426	6.687	2.36e-11	***	hr_20	0.207832	0.017715	11.732	< 2e-16	***
mnth_6	0.076181	0.022183	3.434	0.000596	***	hr_21	0.151586	0.017733	8.548	< 2e-16	***
mnth_7	0.036126	0.023638	1.528	0.126463		hr_22	0.098353	0.017746	5.542	3.04e-08	***
mnth_8	0.080506	0.023016	3.498	0.000470	***	holiday_0	0.070149	0.015964	4.394	1.12e-05	***
mnth_9	0.126893	0.019007	6.676	2.54e-11	***	workingday_0	0.258768	0.005734	45.128	< 2e-16	***
mnth_10	0.154256	0.014480	10.653	< 2e-16	***	weathersit_1	-0.198020	0.222064	-0.892	0.372555	
mnth_11	0.078886	0.013829	5.705	1.19e-08	***	weathersit_2	-0.214215	0.222052	-0.965	0.334708	
hr_0	-0.134661	0.017735	-7.593	3.31e-14	***	weathersit_3	-0.442147	0.222153	-1.990	0.046578	*
hr_1	-0.314302	0.017678	-17.780	< 2e-16	***	temp	0.488980	0.095660	5.112	3.23e-07	***
hr_2	-0.465062	0.017928	-25.940	< 2e-16	***	atemp	0.512748	0.099063	5.176	2.30e-07	***
hr_3	-0.681903	0.017958	-37.972	< 2e-16	***	hum	-0.174239	0.018305	-9.519	< 2e-16	***
hr_4	-0.808220	0.018055	-44.764	< 2e-16	***	windspeed	-0.157970	0.023343	-6.767	1.36e-11	***
hr_5	-0.691850	0.017851	-38.757	< 2e-16	***	---					
hr_6	-0.316069	0.017798	-17.759	< 2e-16	***						
hr_7	-0.013345	0.017754	-0.752	0.452273							
hr_8	0.192759	0.017686	10.899	< 2e-16	***						
hr_9	0.248392	0.017712	14.024	< 2e-16	***						
hr_10	0.301961	0.017737	17.024	< 2e-16	***						
hr_11	0.360564	0.017934	20.105	< 2e-16	***						
hr_12	0.389066	0.017989	21.628	< 2e-16	***						
hr_13	0.379683	0.018071	21.011	< 2e-16	***						

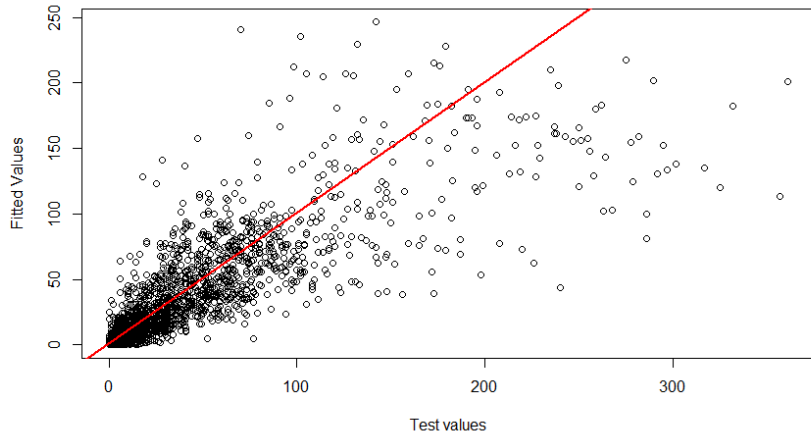
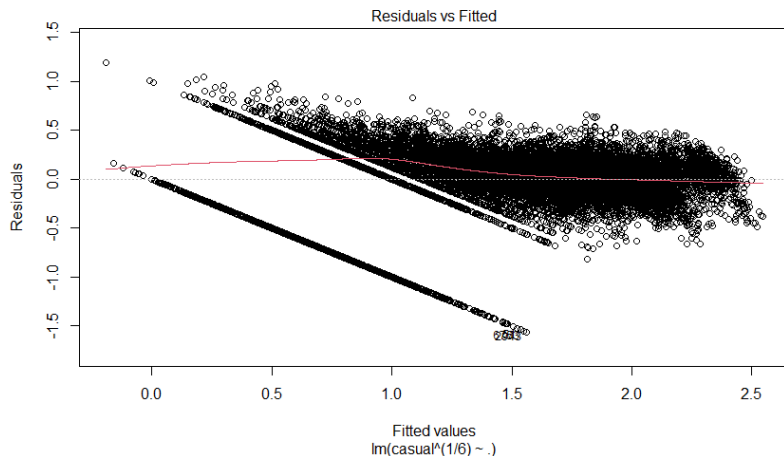
# Multilinear Regression

## Casual Users

Residual standard error: 0.3134 on 14953 degrees of freedom  
 Multiple R-squared: 0.7246, Adjusted R-squared: 0.7238  
 F-statistic: 855.3 on 46 and 14953 DF, p-value:  $< 2.2e-16$

```
[1] "Root mean square error -"  
> round(rmse_lm_root_cas,2)  
[1] 28.14
```

```
[1] "R-square value for test set -"  
> round(rsq_lm_root_cas,4)  
[1] 0.6847
```



# Lasso and Ridge Regression

We tried to predict the registered users using regularization models - Lasso and Ridge regression

## Lasso Regression

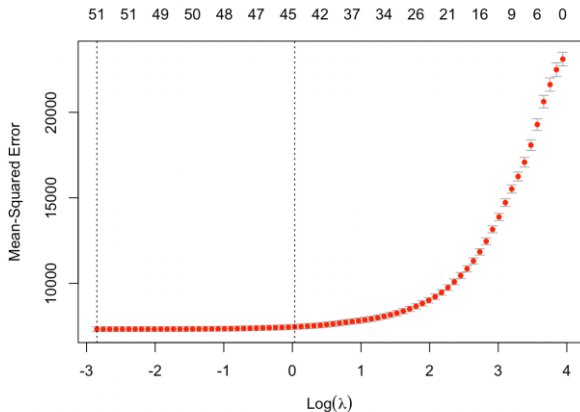
### Training data

- R square\_test - 0.68
- RMSE\_test - 85.29

### Test data

- R square\_test - 0.66
- RMSE\_test - 85.55

Lasso regression removes the predictors -  
 mnth\_4 and weathersit\_2



## Ridge Regression

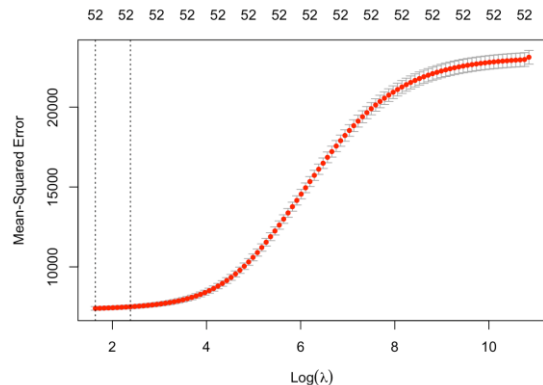
### Training data

- R square\_test - 0.68
- RMSE\_test - 85.71

### Test data

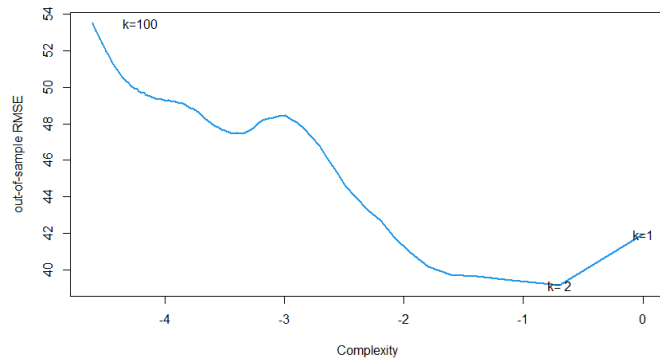
- R square\_test - 0.65
- RMSE\_test - 90.20

Ridge regression shrinks the following predictors to 0 -  
 mnth\_3 and hr\_22

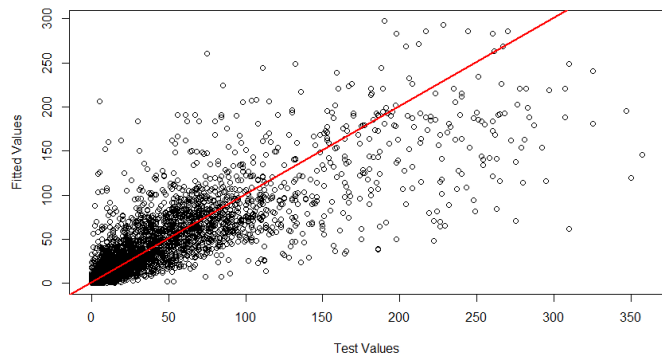
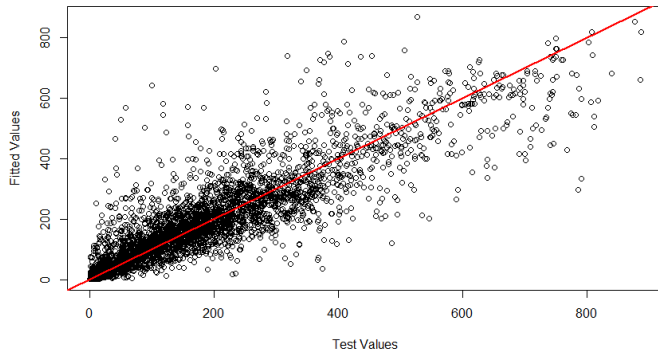
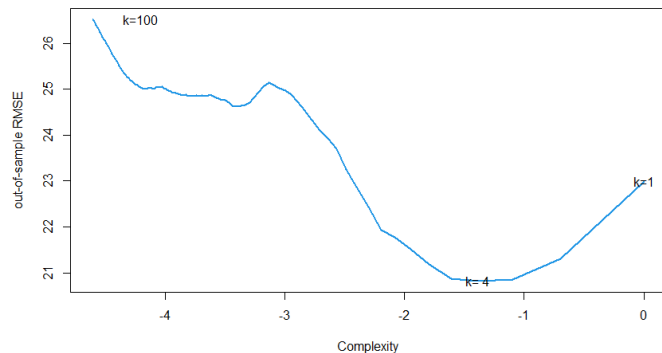


# K Nearest Neighbours

Registered Users per hour (knn)



Casual Users per hour (knn)



# K Nearest Neighbours

- K Nearest Neighbours algorithm works on the principle of ‘distance’
- Measuring ‘distance’ is confusing when you introduce nominal categorical variables



How do you measure distance between  
“Sunny” and “Cloudy”?

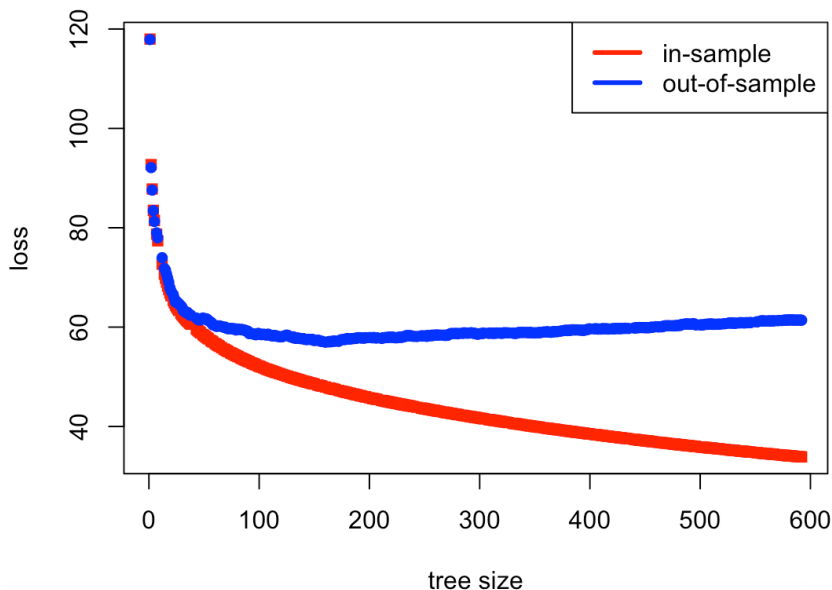
Compared to a temperature of 50 degrees,  
how far away is the month of May?



# Trees

## Fit a big tree using rpart

size of big tree: 592



```
> mean(oltree)
[1] 60.08772
> mean(iltree)
[1] 44.58782
```

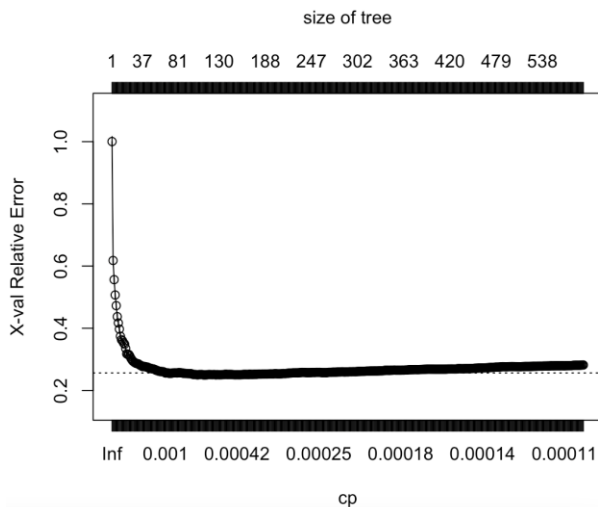
### For Registered Users:

- We first fit a big tree to the training set through a very small CP value.
- Then we fit on the training set and predict on the validation set.
- Mean in sample loss came to be 44.58, but mean out of sample loss is **60.08!**

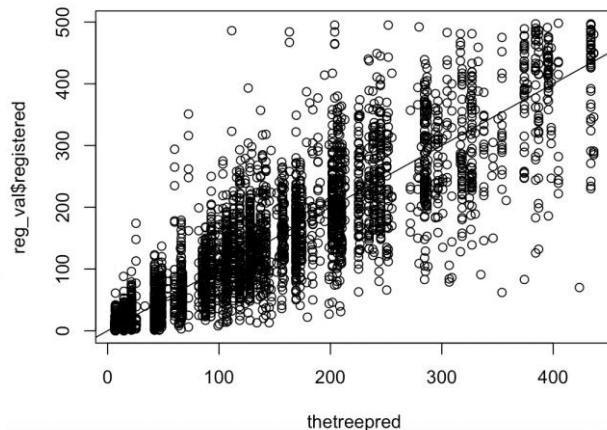


# Trees

## Pruning the tree



Pruned Tree RMSE for validation set : 56.9648



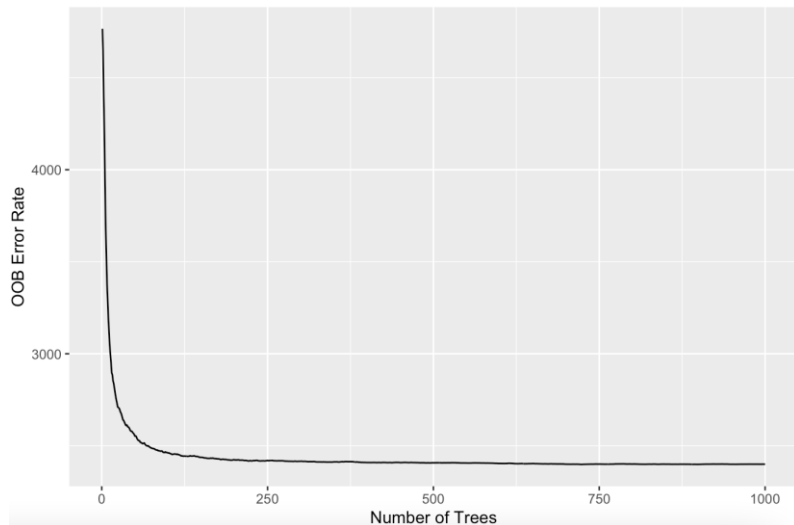
### For Registered Users:

- Let's look at the cross validation results from plotcp.
- Prune the tree using the CP value that gave us the lowest out of sample loss

**76.64% Variance Explained**  
**56.96 RMSE**

# Random Forests

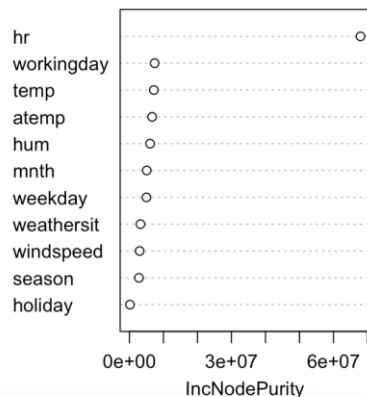
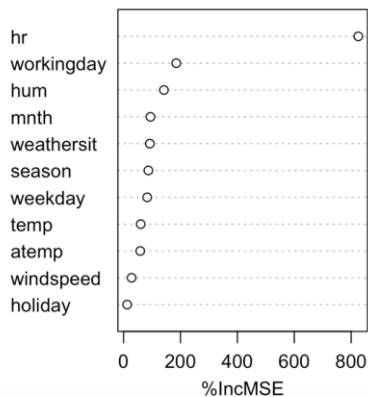
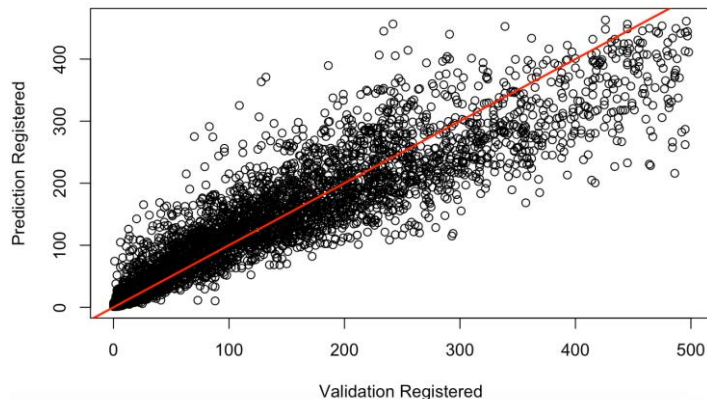
mtry	ntree	olrf	ilrf
11	200	49.488	49.697
3	200	53.757	53.736
11	500	49.449	49.583
3	500	53.661	53.683



## For Registered Users:

- Using random forests, we first tried 11 predictors (bagging) and 3 predictors with 200 and 500 trees.
- Minimum out of sample loss of **49.50** is much better than pruned tree
- Clearly, out of sample loss is lesser when we use the entire predictor set

# Random Forests (Bagging)

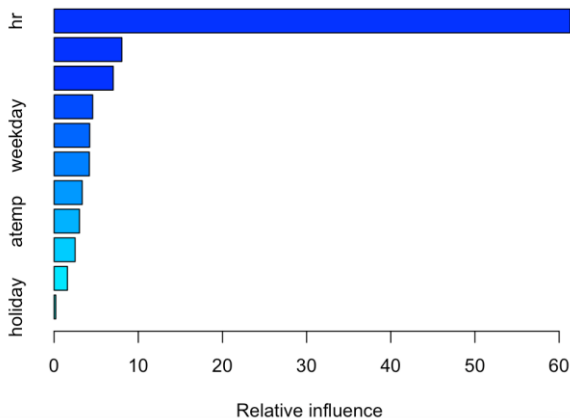


## For Registered Users:

- Thus, we wanted to see if we can get better results by exploring more with bagging
- In fact we can! 1000 trees and 100 trees both gave us very similar **RMSE of ~48.8** and **~82.8% Variance Explained**
- Hr is clearly the most impactful variable

# Boosting

tdepth	ntree	lam	olb	ilb
5	500	0.05	49.760	44.758
10	500	0.05	48.797	39.301
20	500	0.05	48.399	32.547
5	1000	0.05	49.386	40.935
10	1000	0.05	49.042	33.714
20	1000	0.05	48.878	25.338
5	2000	0.05	49.274	36.204
10	2000	0.05	49.113	27.062
20	2000	0.05	49.703	17.473
5	500	0.20	50.695	37.554
10	500	0.20	51.796	29.241
20	500	0.20	52.737	19.703
5	1000	0.20	51.979	33.069
10	1000	0.20	53.642	21.946
20	1000	0.20	53.162	11.817
5	2000	0.20	52.772	27.245
10	2000	0.20	54.334	14.450
20	2000	0.20	53.719	5.463



## For Registered Users:

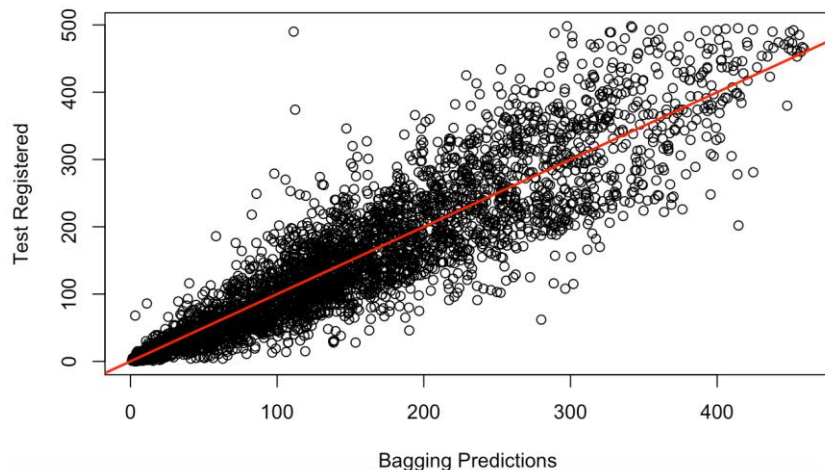
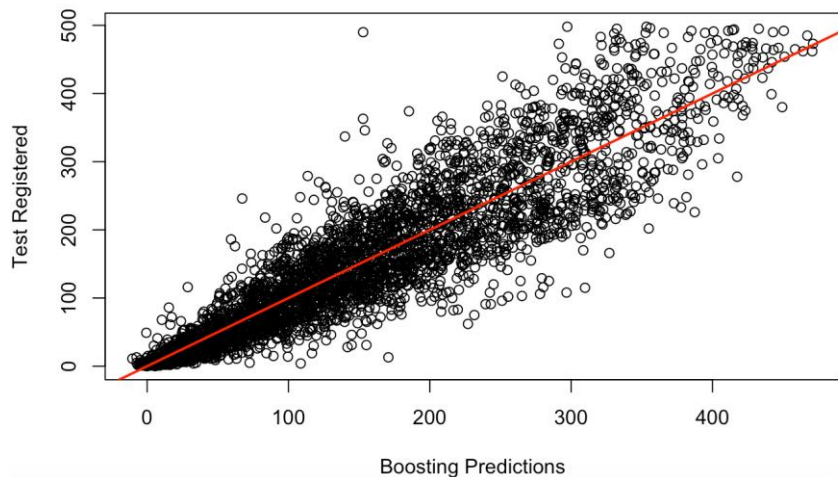
- We wanted to see if we could improve the results by tuning the parameters through boosting

Best in sample loss: **5.463**

Best out of sample loss: **48.399**

Again, hr is the most important variable

# Fit on Testing Set

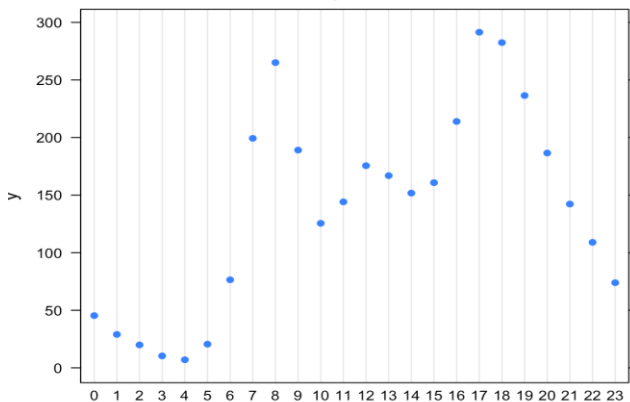


# Fit on Testing Set

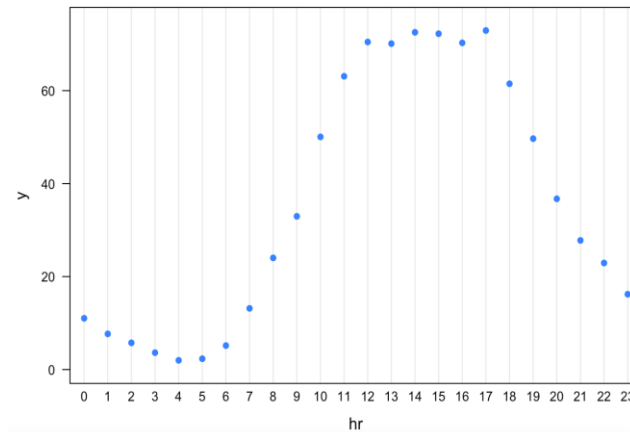
Registered Users	RMSE (Validation)	RMSE (Test)	R-square (Validation)	R-square (Test)
Pruned Tree	56.9	NA	76.6%	NA
Random Forest(Bagging)	48.8	46.2	82.2%	83.5%
Boosting	48.3	45.6	84.8%	84.4%

# Casual User Predictions

Registered



Casual



## For Casual Users:

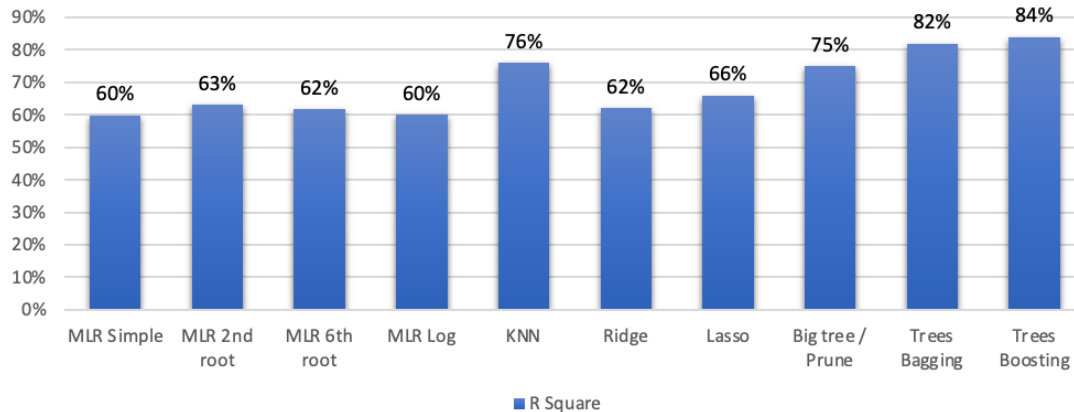
- We used the same approach in predicting the registered users and found that boosting & bagging produced very similar results in the test set

```
var    rel.inf
hr    36.4039009
temp  18.0786968
workingday 13.0298824
weekday 9.8553259
atemp  8.1963716
mnth   6.8000714
hum     4.4867479
windspeed 1.1222483
weathersit 0.8801604
season  0.7659165
holiday 0.3806780
```

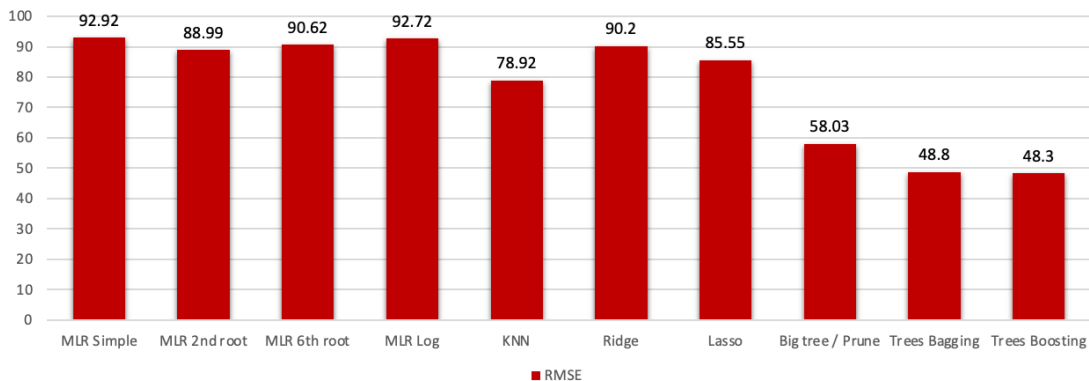
Casual Users	RMSE (Test)	R Squared (Test)
Random Forest (Bagging)	17.01	87.8%
Boosting	17.13	88.7



### R Square



### RMSE



# Conclusion

- On running multiple linear regression, we found that the best fit was the square root model. So this implied that at least a square relationship existed.
- The coefficients in our Square Root MLR model seemed to agree with the initial Exploratory Data Analysis for both registered and casual users.
- As expected, a non parametric model like trees worked best for our dataset which had multiple nominal categorical variables (without an inherent order).
- So, the major factor influencing registered users was **Hour of the Day**, while the temporal/weather factors were not as important.
- On the other hand, while the **Hour of the Day** was still the most important variable influencing the casual riders, the **Temperature** too was of considerable importance.

# Next Steps

- For casual users, we can try introducing a weekend pass model to take advantage of the positive correlation between no. of casual users and weekend days.
- Price surging/dynamic pricing can be based on weather conditions (temperature) for casual users. E.g. if it is a hot, sunny day and a weekend, our model says that there should be a higher number of casual users. It can be a good opportunity to raise prices.
- Using our model, Capital Bikeshare can perform demand and supply planning with reasonable accuracy.
- Finally, Capital Bikeshare should hire us for a model with even better accuracy!!