

Data Analysis Capstone Project

Chicago Cyclistic Case Study for Google Analytics Professional Certificate

Full Project Content: Access the comprehensive analysis, including PowerPoint presentation, two R Markdown files (one for data cleaning and one for data analysis), their HTML versions for easy reference, an Excel worksheet with its PDF version, and more, all available through the [\[Project Content\]](#) link.

Introduction

As a junior aspiring Data Analyst, I have completed a Capstone project for the Google Analytics Professional Certificate. I have performed extensive data analysis for a fictional bike-share company, Cyclistic, to help them attract more customers. In this scenario, I was a part of the Cyclistic's marketing analytics team and worked to help my company achieve its business goals.

Real data from the City of Chicago's Divvy bicycle-sharing service has been provided by Lyft Bikes and Scooters, LLC (Bikeshare) to use for educational purposes. According to Wikipedia

"Divvy is the bicycle sharing system in the Chicago metropolitan area, currently serving the cities of Chicago and Evanston. The system is owned by the Chicago Department of Transportation and has been operated by Lyft since 2019. As of Sept 2021, Divvy operated 16,500 bicycles and over 800 stations, covering 190 square miles"

I used Cyclistic's historical trip data (from Divvy) to analyze trends from the year 2023. Because Cyclistic is a fictional company, I was restricted from real communication with the executive team. As a result, I made several assumptions within this analysis that were not included in the data analysis scenario provided by the Certificate course. These assumptions are noted within the report.

The Divvy bike-sharing company was actively providing services throughout the project, so I checked their website, and prices, and even listened to bloggers' comments for real-time information.

This document presents six phases of data analysis: Ask, Prepare, Process, Analyze, Share, and Act. Supporting documents from R Markdown, Excel, and PowerPoint are linked within the document.

About Cyclistic from course material

Cyclistic is a successful bike-share company based in Chicago. Bikes can be unlocked from one station and locked back into any other station within the system at any time by users. Cyclistic users are more likely to ride for leisure, but about 30% use bikes to commute to work each day. The majority of riders opt for traditional bikes; about 8% of riders use the assistive options.

Customers who purchase single-ride or full-day passes are referred to as casual riders. Customers who purchase annual memberships are Cyclistic members.

Cyclistic's finance analysts have concluded that annual members are much more profitable than casual riders, so the company's future success depends on maximizing the number of annual memberships. Lily Moreno, the marketing director, believes there is a solid opportunity to convert casual riders into members.

Data Discrepancies

Some differences were present between the scenario description provided by the Certificate course and the Divvy data. Divvy's bicycle-sharing service, according to the 2023 dataset for analysis, their website, and my phone call to customer service, does not offer reclining bikes, hand tricycles, and cargo bikes, which are most likely considered assistive options as stated in the course material. Additionally, the description from the course material states Cyclistic has 692 docking stations. However, Divvy data shows 964 unique docking station names in January 2023 and 1100 docking station names in December 2023. Possibly that a number of unique station names can be larger due to some typos in their names. But it is likely that the course material information was taken from an older 2016 data set. Overall, these numbers are good evidence of a well-growing business.

Within the Cyclistic's data, three types of bikes: classic, electric, and docked bikes were included. The "docked bike" type in the data was a mystery because the Divvy website and customer service stated that they do not have "docked bikes". An in-depth look into the "docked" bike type is provided in the Analysis Phase.

Ask Phase

Business Goal and Task

The goal of this analysis was to find marketing strategies for increasing the number of annual memberships by convincing casual riders to become Cyclistic members.

This task was completed by finding differences and trends in bike use between members and casual riders in terms of the number of trips, trip duration, and price. Additionally, an investigation into how digital media can help in marketing tactics was conducted.

Stakeholders

Lily Moreno: The director of marketing and my manager.

Cyclistic's Executive Team: The executive team will decide whether to approve the recommended marketing program.

Question To Be Answered:

1. What is the distinction between annual members' and casual rider's bike trip behaviors?
2. What marketing strategy will convince casual riders to buy an annual membership?
3. Discover how digital media can help in marketing tactics.

Prepare Phase

Data Origin & Credibility

[Link to Divvy datasets](#) provided by course material

The course material provides access to a huge number of datasets as CSV files from 2013 up to March 2024. I started this project in April 2024 and found that the last available dataset was for March 2024.

New data is continuously being added. I chose the data from January to December 2023 because it is easier to see trends by looking at the whole year's data.

I uploaded 2023 data from the following monthly zip files: 202301-divvy-tripdata.zip to 202312-divvy-tripdata.zip. All the files were unzipped and saved in external storage on my local machine.

A note from the course material:

“The datasets have a different name because Cyclistic is a fictional company. For this case study, the datasets are appropriate and will enable you to answer the business questions. The data has been made available by Motivate International Inc. under this license (see link below). This is public data that you can use to explore how different customer types are using Cyclistic’s bikes.”

[\[License\]](#)

After my observations, and checking the Data License Agreement I can state that the data appeared to be reliable, original, comprehensive, current, and cited properly. It does not have any personal or credit card information.

Data Limitations

The data doesn't include any demographic information and it does not give the actual number of annual members or casual riders. Therefore, it is impossible to check, for example, how often, on average, one rider takes a bike trip in a week, and compare this between all kinds of bike users or to find a proportion between permanent and occasional casual users. This data could help more accurately filter the data to make better conclusions and clarify how to reach business goals and tasks in the future.

Process Phase

Appropriate file-naming conventions to organize and name all project folders, and subfolders for .csv, .xlsx, .Rmd, .RData and .pptx files were used.

The tools used for data cleaning & analysis were Microsoft Excel and RStudio Desktop.

The twelve months of the combined dataset after data cleaning contains 5,380,725 rows and 13 columns. Due to the large dataset, I may have encountered limitations in the free version of my RStudio. So, instead of combining all 12 months' datasets and then doing a data cleaning process at once, I chose to analyze each month separately. I did all data cleaning steps for each month in RStudio, then saved the cleaned and modified dataset with relevant columns for analysis as 12 .RData files. The R Markdown template that I created helped me to do this process quickly and smoothly. Additionally, I was able to separately analyze clean data using Excel for several months and added useful information to the analysis.

Link to data in cleaning R Markdown: [Template2023_04.html](#) for viewing of R codes in the HTML file.

A Brief Description of the Data Cleaning Process: For a detailed explanation and to see all the codes and comments, refer to the R Markdown document using the provided above link.

1. After uploading the original "2023(01-12)-divvy-tripdata.csv" I found and corrected two datasets (for March & April) with two identical problems:
 - a. Varying number of characters in "ride_id" column
 - b. "started_at" & "ended_at" columns were formatted as "chr" and should have been "dtm"
2. Electric bikes can be parked in two different ways. According to the Divvy Bikes website, "you can either dock or lock your e-bike (not both at once). Dock at any Divvy station or use the cable to lock at any e-station or the 500+ Divvy-approved public bike racks for no additional cost". Classic bikes that were not docked had missing values in the "start & end_stations_name" columns. Therefore, rows with missing values in the "start & end_stations_name" columns were deleted except if the rideable_type was "electric_bike".
3. I excluded rides with trip durations of less than 2 minutes and more than 12 hours. Rides under two minutes are likely to be mistakenly unlocked and are likely not potential annual members. Rides with trip durations of over 12 hours suggest bike were lost or stolen. This will become clear in the Analysis Phase from a line chart for prices (including for 12 hours of ride) and trip duration percentiles.
4. To verify the data was clean I used the function `skim_without_charts()` which reveals the extent of data cleanness and compared it to the following criteria:
 - a. Number of rows = `n_unique` for ride_id column - no duplicates;
 - b. Same number of characters (16) in ride_id column;
 - c. Whitespace and empty cells: 0 in each column;
 - d. Completeness: `complete_rate` = 1 (no missing values in any column);
 - e. Column names: Correct;
 - f. Character length variation in columns 2-4 is normal for this data type;
5. Next, I exported January, April, and August datasets as clean data for further investigation in Excel. These datasets were chosen because they include the first, middle, and last month of so-called "docked bikes".
6. After analyzing the data using Excel Pivot Table and charts, I decided to delete all rows with "docked_bikes." The rationale for this decision will be explained in the Analysis Phase.
7. As the final step in RStudio, I added "ride_length" and "day_of_week" columns for all the months and kept columns that are relevant to the analysis. The 12 datasets was now cleaned, modified, and saved as an .RData objects.

Analysis Phase

Linked below is the analysis performed in R Studio.

Link to Analysis Performed in R Markdown: [Cyclistic_Analysis1.html](#) for easy viewing of R codes in the HTML file.

I analyzed the data from least to most important so that at the end of this analysis we could see a clear picture and could concentrate on the most critical differences in bike usage between annual members (Members) and casual riders (Casuals). This approach made it easier to conclude the new marketing strategy and achieve the business goal.

Docked Bike Data Discrepancy

The “docked bike” was present in datasets from January to August 2023. Since September 2023, docked bikes have been removed from monthly datasets and, apparently, from service entirely. I did not have access to internal company information to know conclusively what a docked bike is. I chose three months to investigate: January, April, and August 2023. I created a bar and corresponding pie chart for each month as shown below in Figures 1A-1C. Excel Pivot Tables were used to make the initial data observation and to analyze the “docked bikes” behavior, or so to speak its origin. My hypotheses and subsequent analysis are below.

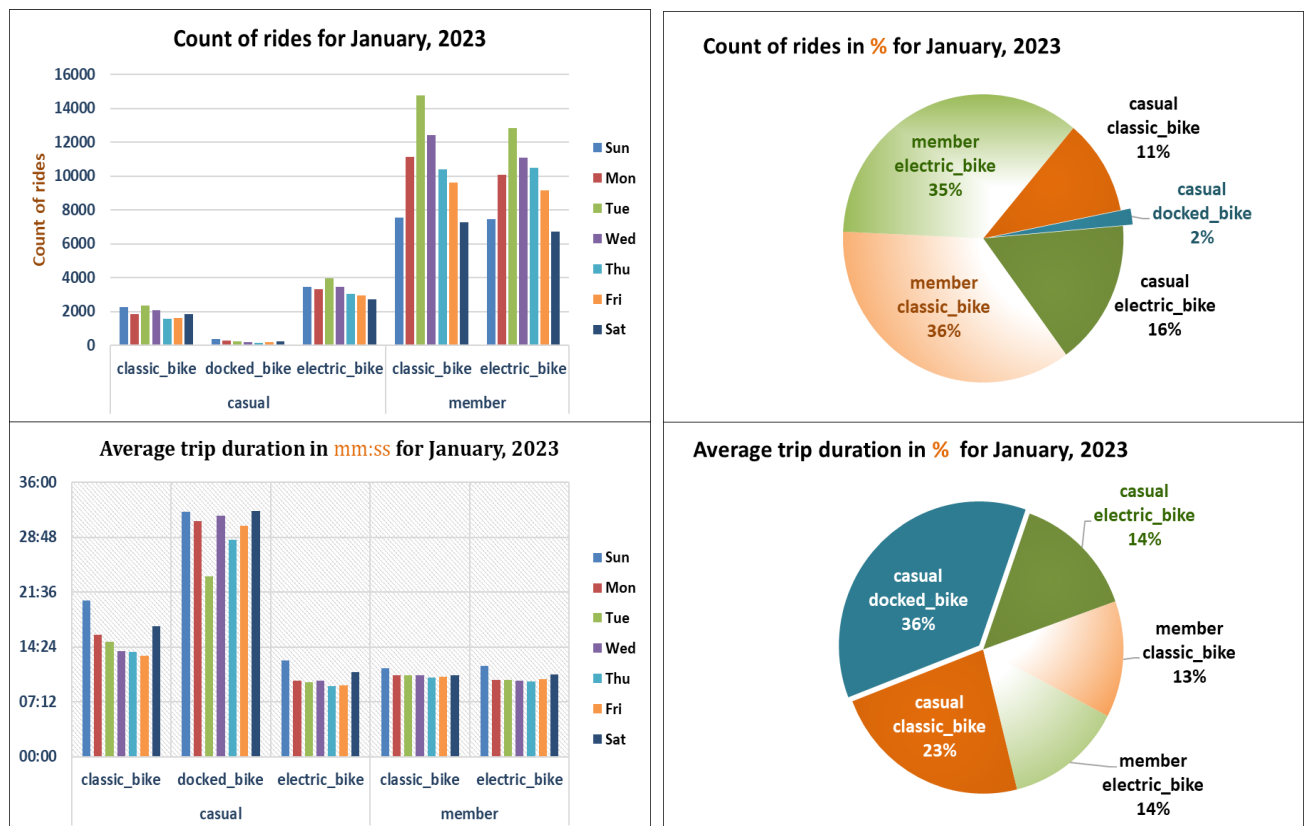


Figure 1A: Docked Bike Data Investigation for January 2023

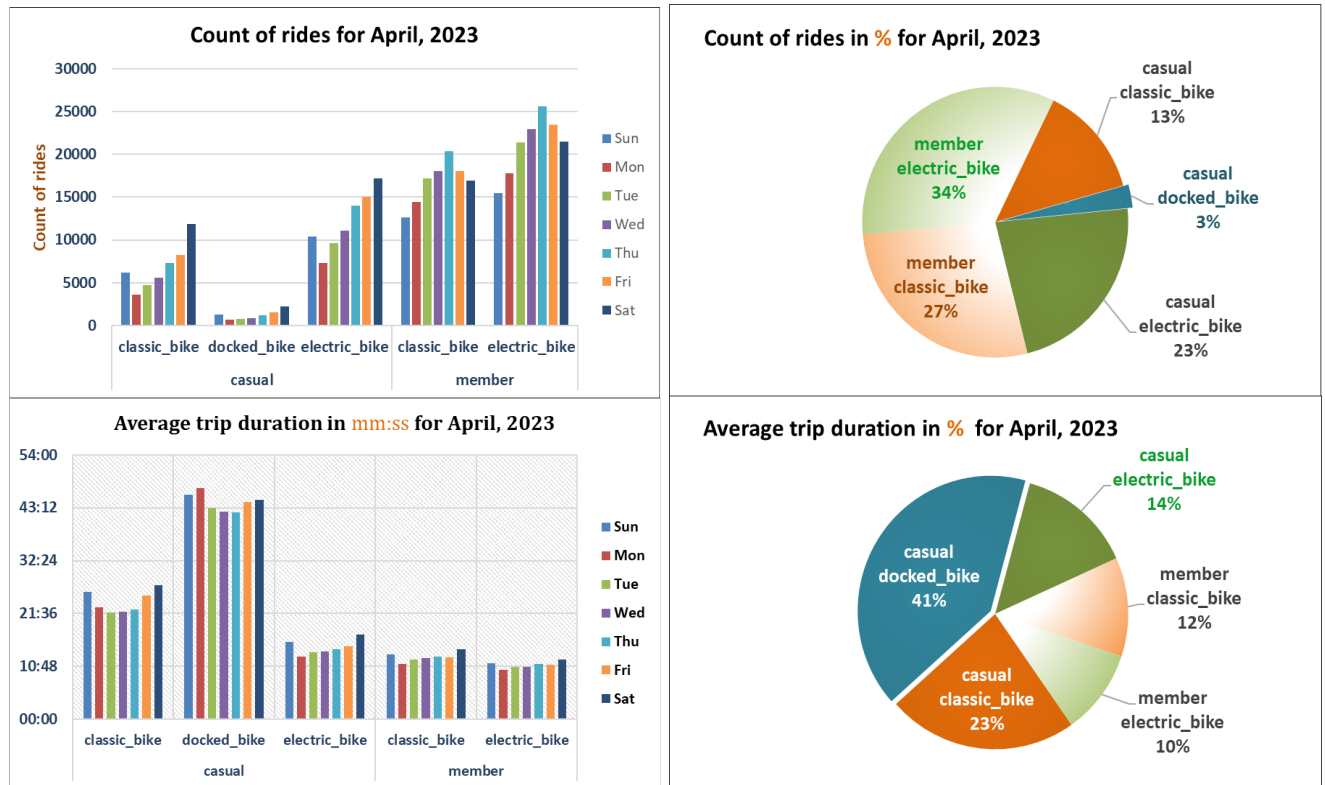


Figure 1B: Docked Bike Data Investigation for April 2023

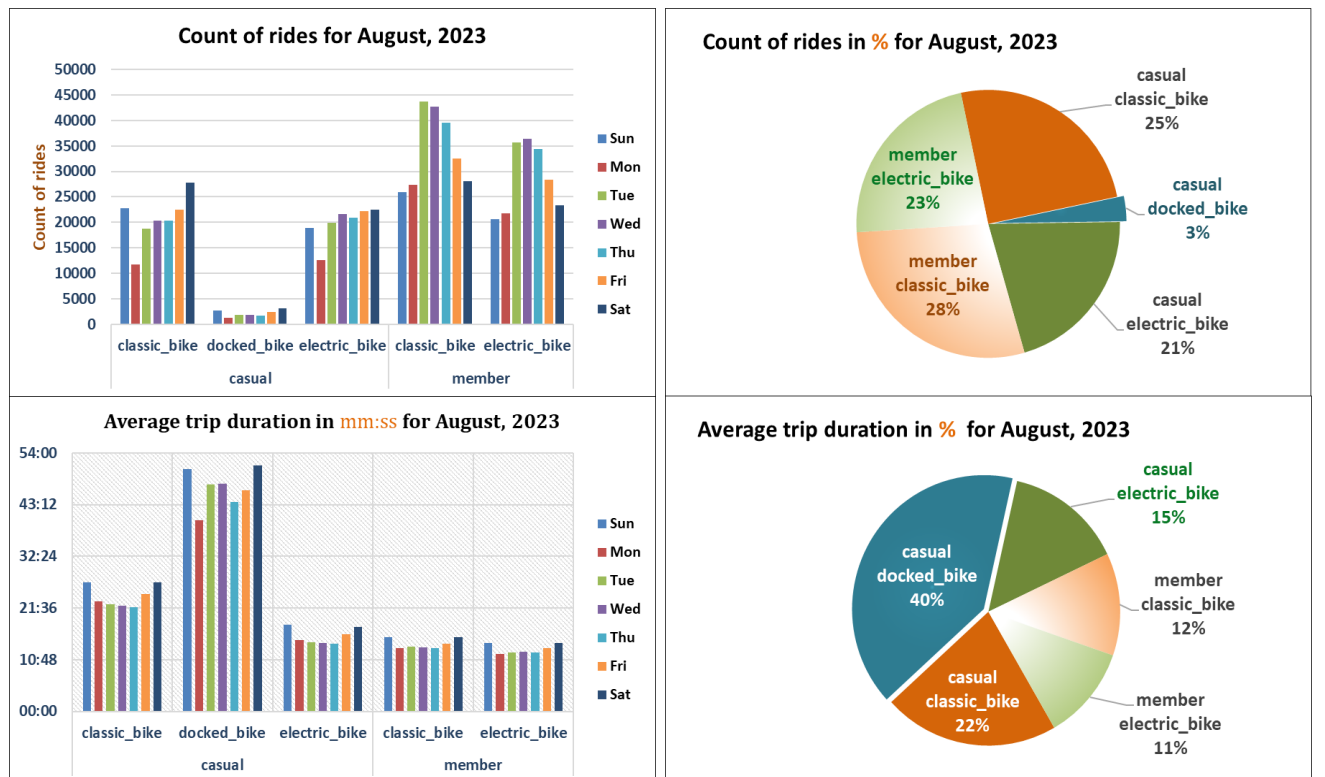


Figure 1C: Docked Bike Data Investigation for August 2023

Hypothesis 1

The first hypothesis was that docked bikes are another name for classic bikes. However, docked bikes showed very different behavior in the charts compared to other bike ride types. The pie charts illustrate that docked bikes have the smallest total count of rides (2-3%) and the highest average trip duration compared to other bike types. This suggests that docked bikes are unique kinds of bikes and different from classic bikes.

Finding 1: Based on the chart illustrations, I concluded that docked bikes are not another name for classic bikes as initially hypothesized.

Hypothesis 2

The second hypothesis investigated was that docked bikes are reclining bikes, hand tricycles, and/or cargo bikes, making bike-share more inclusive to people with disabilities and riders who can't use a standard two-wheeled bike. According to the Cyclistic company description provided by the course material:

“Cyclistic sets itself apart by offering reclining bikes, hand tricycles, and cargo bikes. It makes bike-share more inclusive to people with disabilities and riders who can't use a standard two-wheeled bike. Most riders opt for traditional bikes; about 8% of riders use the assistive options”

Finding 2: If this is true, then this is a clear explanation of a very small count of trips and longer trip duration. There are fewer number of these types of individuals, and they typically ride at a slower pace which can be reflected in longer trip duration. However, the data set and my own investigations into the Divvy program did not have any evidence to be able to conclude this.

Hypothesis 3

Divvy offers large discounts for people in households receiving SNAP, WIC, LIHEAP, FAFSA, or public housing assistance. With lower prices, this smaller group of users can take longer duration and smaller number of trips. This is less likely for “docked bike” users, but they can be classified as a separate group. However, this deeper investigation is beyond the scope of my assignment.

Conclusion: Since this group of individuals are outliers, and docked bikes are no longer in service, I removed them from the dataset as not relevant to our analysis. These charts can help to make a better business decision if Cyclistic wants to offer the “docked bikes” service again.

Analysis-Driven Data Trim

In order to figure out a reasonable range of trip duration, below is percentile Table 1 with short 1 to 4 minutes and long – up to 12 hours trip durations. The plot in Figure 2 serves as a general visualization.

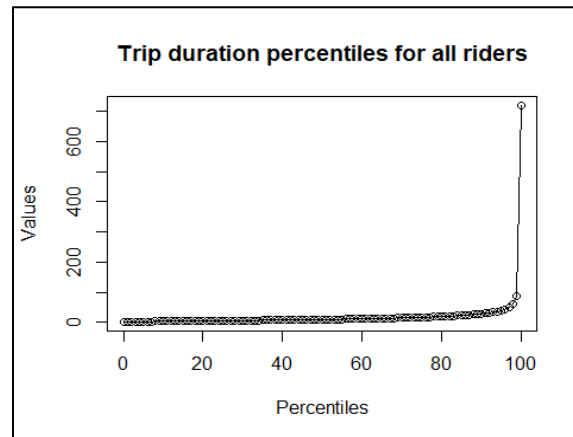


Figure 2: Trip Duration Percentiles for all 2023 Riders (Values in minutes)

Evaluations of the Trim Boundaries: Rides that were under 2 minutes were likely due to mistakenly unlocking a bike or occasional riders. Also, riders who potentially will buy a membership are generally making longer trips. These extremely short-ride customers are not good candidates for annual membership and therefore are excluded from this analysis. Rides over 12 hours were likely lost, stolen, or improperly parked and therefore excluded from the analysis. According to globalaffairs.org, over 200 bikes are stolen in Chicago every month. I hypothesized that some of the long-duration rides are due to improper parking based on Divvy customer reviews. Some customers stated that if a bike is parked improperly, riders were overcharged because it was treated the same as a bike that was not returned.

Lower Range			Upper Range		
##	Percentile	Minutes	##	Percentile	Minutes
##	1.5%	0.015 0 mins	##	97%	0.970 75.1
##	2%	0.020 1 mins	##	97.5%	0.975 81.4
##	2.5%	0.025 1 mins	##	98%	0.980 89.7
##	3%	0.030 1 mins	##	98.5%	0.985 101.1
##	3.5%	0.035 1 mins	##	99%	0.990 118.5
##	4%	0.040 2 mins	##	99.5%	0.995 153.2
			##	100%	1.000 719.4

Table 1: Percentile Ranges for Trip Duration of Casual Riders - Data Generated Using R Scripts

4% trips were up to 2 minutes. Table 1 shows that 100% of the data was up to 719.4 minutes.

Conclusion: A range of 2 minutes to 12 hours (720 minutes) is reasonable.

Member vs Casual Rider Breakdown

Figure 3 indicates that the ratio of the total number of trips by Casual users to Members is approximately 1:2. This unweighted total yearly average ($35.2\%/64.8\% = 0.54$) represents the rider type trip count divided by the total trip count. Later, I will compare it with the weighted yearly average based on monthly and weekly averages.

The data doesn't include a personal ID column but a trip ID ("ride_id" column). As a result, I could not directly compare the actual number of customers and their proportion between categories.

Assumption: The trip count proportion roughly mirrors the customer ratio among rider types; further validation will follow with additional data.

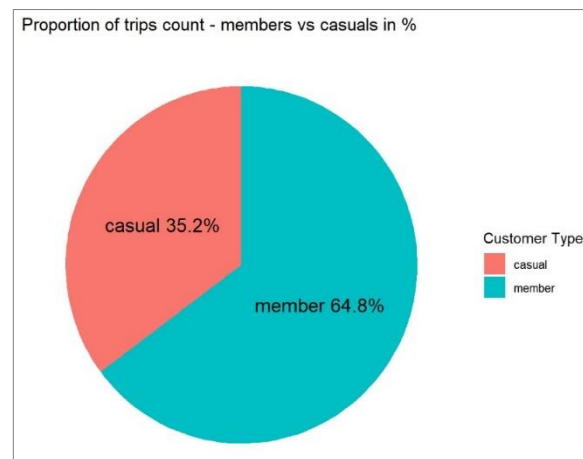


Figure 3: Ratio of Cyclistic Customers in 2023

Figure 4 shows a further breakdown of the typical rider. For classic bikes, the ratio of Casual users to Members in trip count is approximately 1:2, while for electric bikes, this ratio is about 2:3.

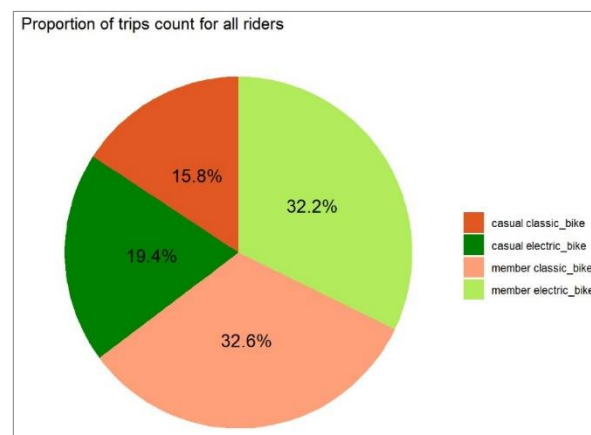


Figure 4: Types of Trips for 2023

Later in this analysis, we will explore other comparisons of typical riders. However, these ratios significantly impact most numbers and chart appearances.

Trip Duration Percentiles Investigation

Let's delve into other aspects of pricing and bike ride time duration. Because the price of a trip was dependent on how long a trip is, it was important to know how long most riders use their bikes for.

R programming codes can show what percent of trip duration falls in a certain range.

<i>Print the data frame for members</i>		
<code>print(perc_member5)</code>		
##	Percentile	Value
## 97%	0.970	37.5
## 97.5%	0.975	39.6
## 98%	0.980	42.0
## 98.5%	0.985	45.5
## 99%	0.990	52.1
## 99.5%	0.995	70.0
## 100%	1.000	718.1

<i>Print the data frame for casuals</i>		
<code>print(perc_casual2)</code>		
##	Percentile	Value
## 97%	0.970	75.1
## 97.5%	0.975	81.4
## 98%	0.980	89.7
## 98.5%	0.985	101.1
## 99%	0.990	118.5
## 99.5%	0.995	153.2
## 100%	1.000	719.4

Table 2: Trip Duration Percentiles for Members and Casual Riders in 2023

In Table 2, “value” refers to minutes.

Insight 1: The majority of users rarely exceed their free ride time: members have a 45-minute free ride limit, and casual customers have a 180-minute free ride limit. 98% of members use up to 42 minutes, and 99.5% of casuals use up to 153.2 minutes.

Insight 2: Despite the Casuals have a 180-minutes of free ride, 98% of them take trips lasting less than 90 minutes. For our marketing challenge, targeting free ride time should be our focus. I'll revisit these figures later.

Typical Week Analysis

The question I aimed to answer was whether we can develop a better marketing strategy based on the variation in trip counts across different days of the week. Figures 7 and 8 show the breakdown of the number of trips and duration of the trips throughout the week for Causals and Members.

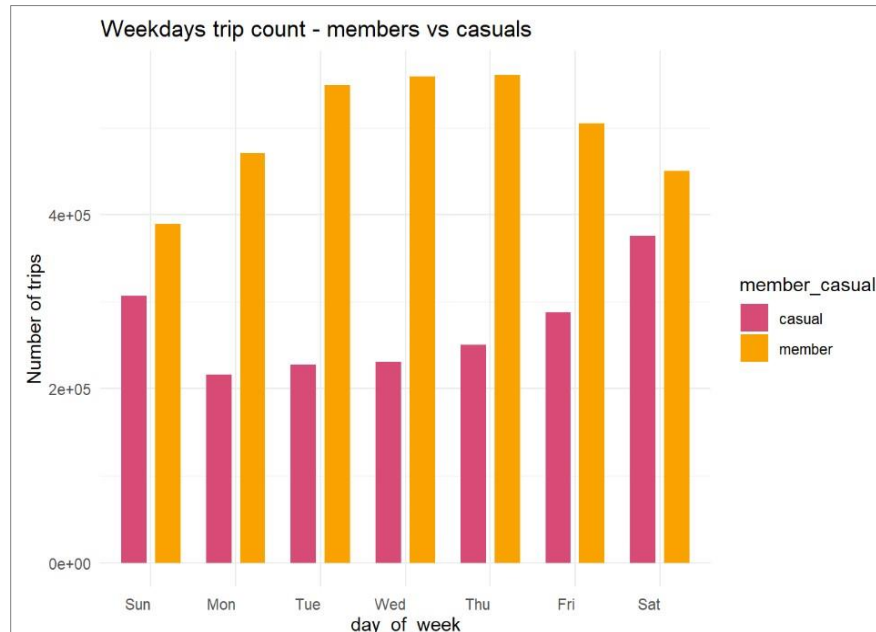


Figure 5: Number of Trips Throughout the Week For 2023

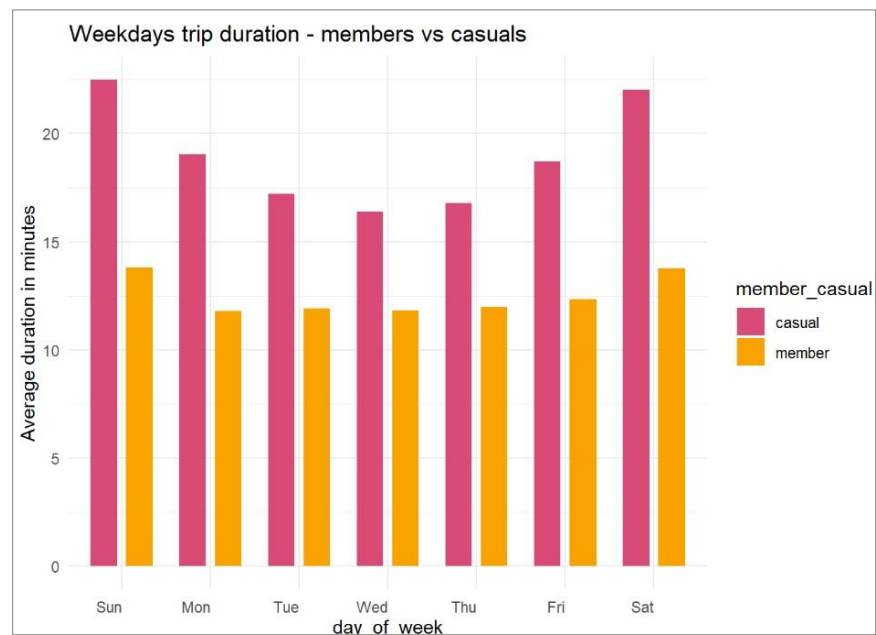


Figure 6: Duration of Trips Throughout the Weeks of 2023

Data Interpretation Approach: Based on the distinct differences in chart patterns of bike usage between Members and Casual riders during weekdays, it is unnecessary to seek specific numerical comparisons. These chart patterns alone provide sufficient insights to inform and develop an effective marketing strategy. I will apply the same approach to all other visualizations below, except for the analysis related to weighted average ratios of the trip counts and pricing.

Insight 1: As shown in Figure 5, from Monday to Friday Members have roughly double the number of trips compared to Casuals. The bar pattern for Members reflects that most of them are likely commuters to work or school during the week. Casual bike riders likely used bikes for leisure. Casual trips increased on the weekends and Fridays.

Insight 2: Figure 6 shows that the weekday average trip duration is greater for Casuals which is appropriate for this type of user. Normally, Casuals are not hurrying to work, and ride longer than Members, increasing the number of minutes on weekends as expected.

Insight 3: These two charts prove evidence that both categories of riders still look very active on any day of the week. Also, the consistency of these chart's patterns suggests that casual riders are using bikes as a lifestyle which is a good opportunity to convert them to annual members. This is also supported by the individual monthly column charts in Excel, as shown previously in Figures 1A-C, where each chart displays weekday data.

Suggestion: An option to increase the profitability of Cyclistic may be to increase prices on certain days based on demand. However, changing prices during the week may discourage casual riders, as people want the freedom to choose when they ride. We face risks such as losing customers, failing to convert casual riders to members, and disappointing current riders, which requires deeper analysis. Cyclistic's aim is to convert casual riders to members, and while an hourly analysis could determine the best pricing schedule, changing prices at certain hours might make leisurely riders feel rushed, risking customer loss. We need to seek win-win marketing strategies that encourage annual memberships without turning current customers away.

Monthly Analysis

Perspective: Reviewing monthly trends is likely to provide us with insights into typical ridership patterns. The next two charts show that the average trip duration for each month of the year was much longer for casual riders than for those who bought an annual membership. Figure 7B presents an aggregated view of all trip duration charts to see how they appear when all users are combined. I have not accounted for the differences based on trip count at this moment. Instead of conducting a deep analysis based on these charts, I first decided to compare the same type of users for easier observation and analysis, showing us a better picture of typical ridership.

Reflection: Later, after examining differences in bike ride usage patterns, I grouped the months into two categories: "Cold Season" and "Bike Season." Bike season includes seven months from April to October, typically featuring longer trip durations and larger number of trips. Cold season consists of the remaining five months from November through March. This division will provide better substantiation later and help focus the information, enabling more insightful analysis from the data visualization charts.

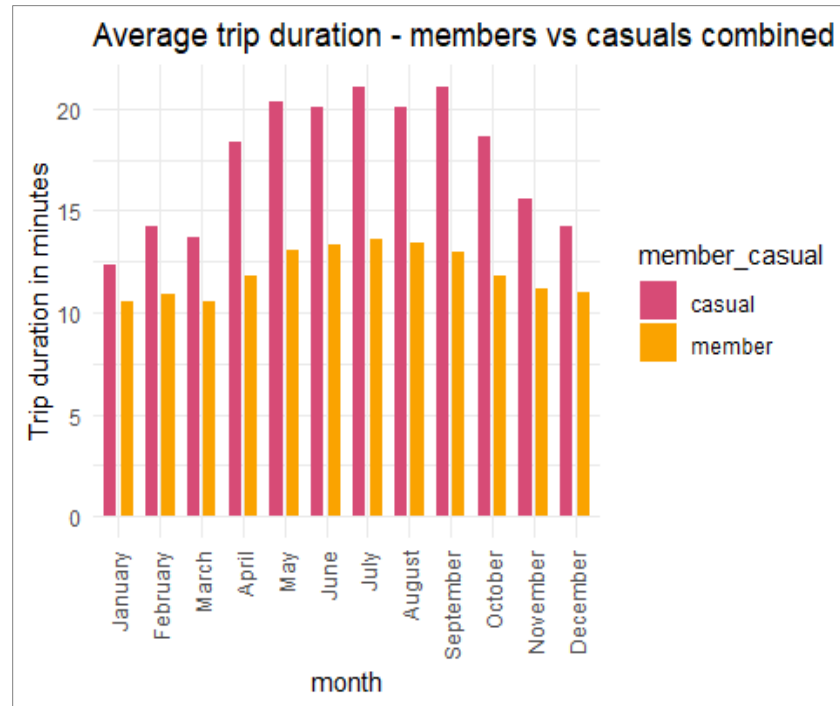


Figure 7A: Month by Month Breakdown of Trip Duration for Casuals and Members

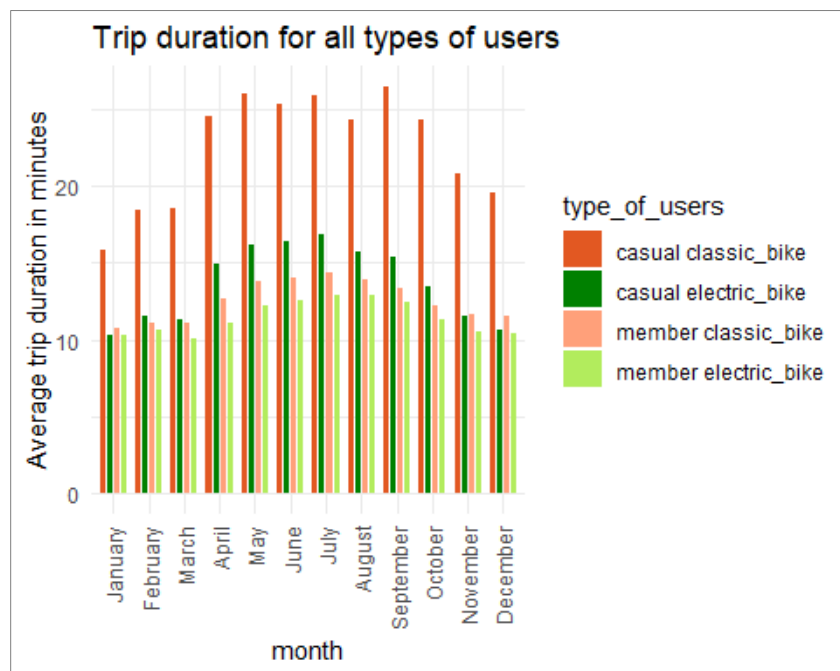


Figure 7B: Month by Month Breakdown of All Rider Types

But now, let us compare between same types of users...

Classic Bike Users

Insight 1: When analyzing classic bike trips separately, we can see a normal distribution of the average trip duration and trip count between cold and warm seasons: colder weather – less trips.

In August, there is a peak in the number of trips, followed by July and September, for both types of users.

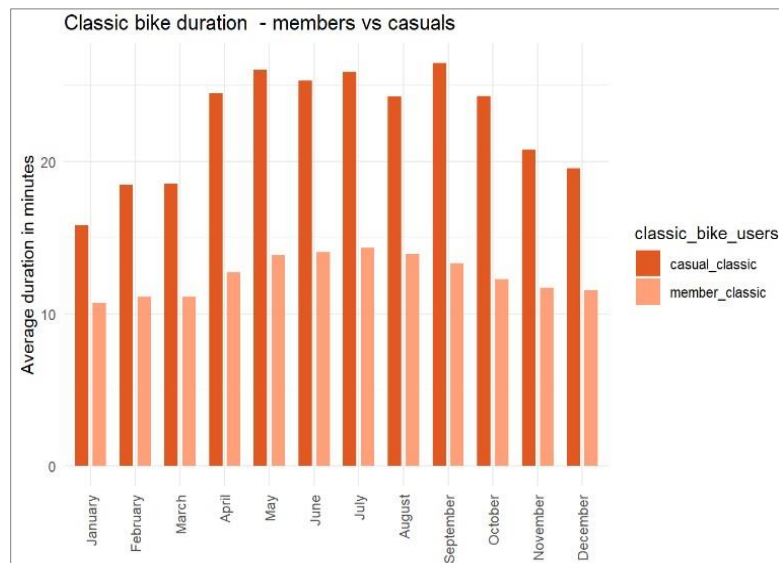


Figure 8: Average Trip Duration for Classic Bike Riders

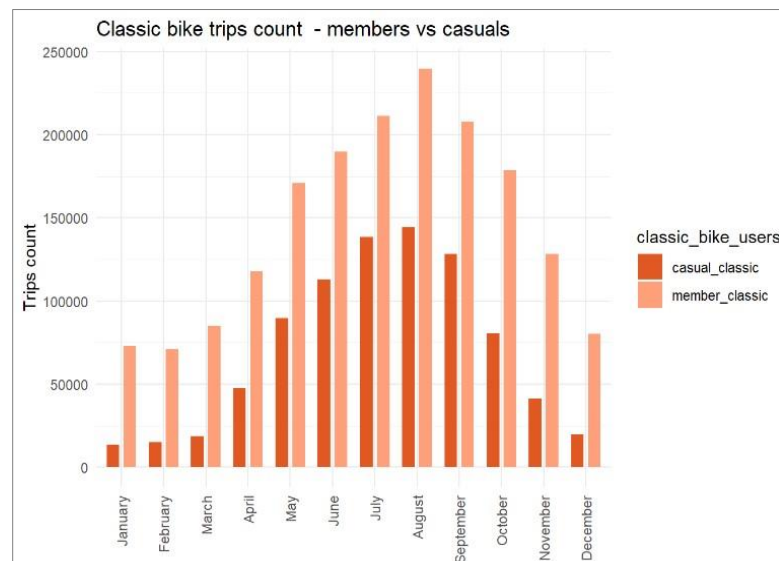


Figure 9: Monthly Trip Count for Classic Bike Riders

Insight 2: Observing the increased number of trips, and knowing that Members are usually commuters, it is clear that this surge in trip numbers is not due to more job openings or an influx of students during the summer. Rather, it indicates that Members are also using bikes for leisure and maintaining a healthy lifestyle.

Electric Bike Users

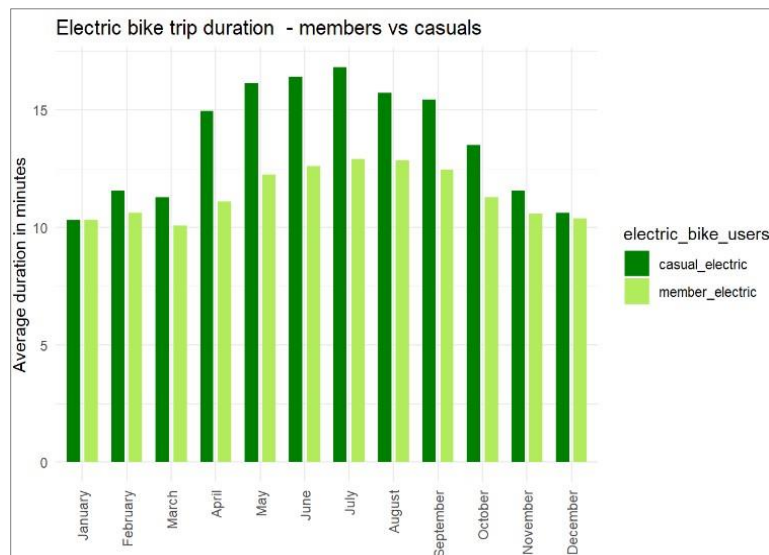


Figure 10: Average Trip Duration for Electric Bike Riders

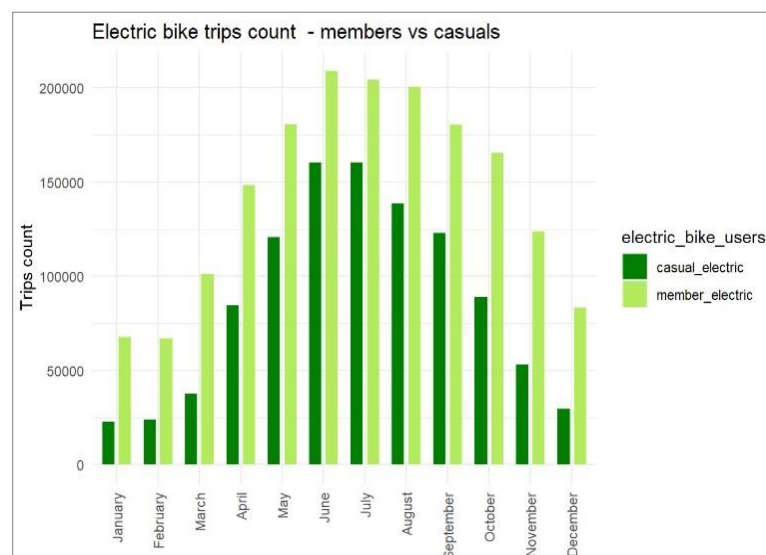


Figure 11: Monthly Trip Count for Electric Bike Riders

Figures 10 and 11 for electric bike users are very similar to the classic bikes, so we can have the same insights here that is mentioned above.

Insight 3: The difference in trip duration for the same type of bike between Members and Casuals:

There is a smaller difference for electric bikes (Figure 10) than for classic bikes (Figure 8). According to Figure 10, Casual electric bike users had an average trip duration of approximately 11 to 18 minutes, whereas Casual classic bike users (Figure 8) averaged between 16 and 27 minutes. The difference in trip duration between casual classic and electric bike users is likely influenced by bike speed and price. Prices are discussed in more detail later in this report.

Cold And Bike Season Analysis

As was mentioned before, I divided the year into two parts: Cold Season and Bike Season.

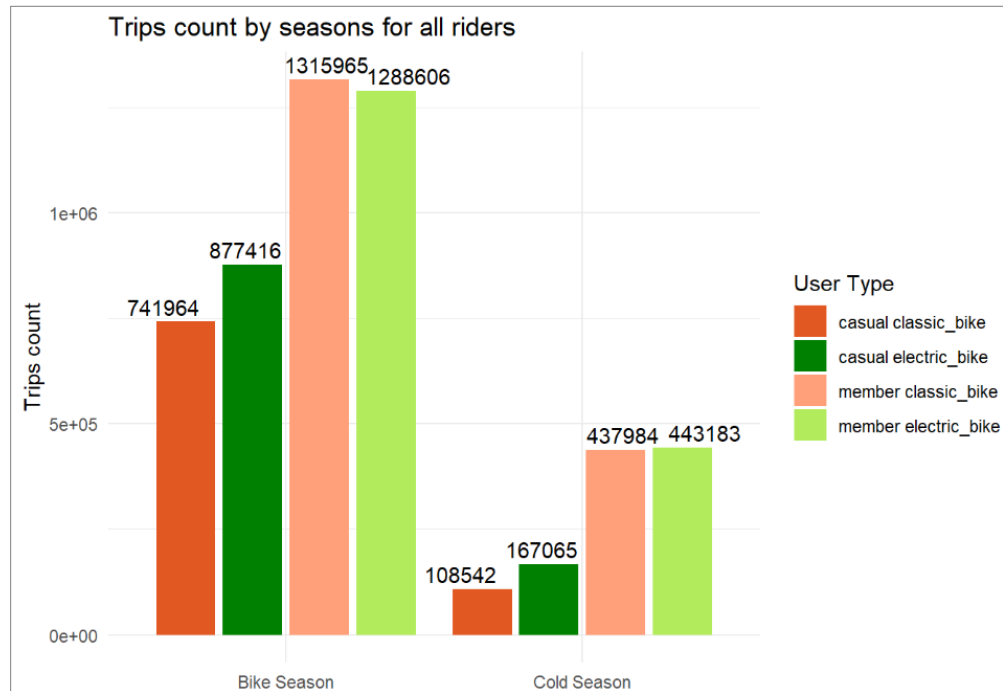


Figure 12: Bike Season and Cold Season Comparison of Trip Counts

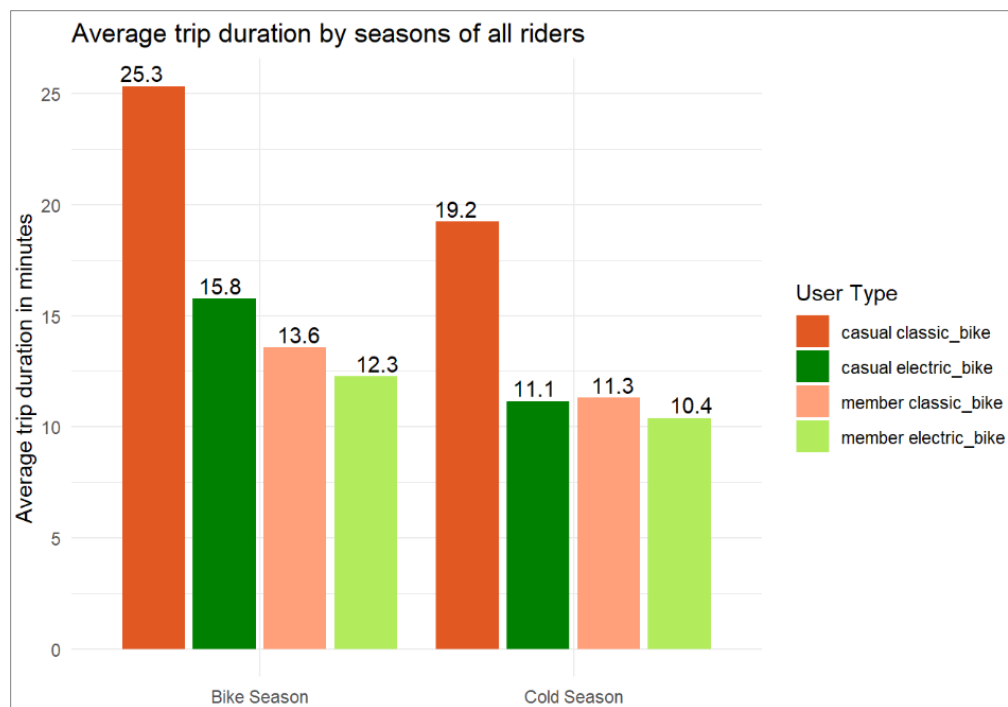


Figure 13: Bike Season and Cold Season Comparison of Average Trip Durations

As a reminder, the cold season is from November to March and the bike season is from April to October. Two compact graphs above that represent the most riders' activity in these two seasons are in Figures 12 and 13.

Insight 1: It is doubtful that Casual riders will take advantage of any promotions during the cold season, given the small number of trips during that period. This offering can be effective in converting casuals into members in April and May as the season for riders picks up.

Insight 2: Examining members' trip counts and average trip durations in Figures 12 and 13 reveals that their data bars are very similar between both bike types in each season, likely because most of them are commuters.

Insight 3: Casual riders are using electric bikes more frequently, resulting in a higher trip count compared to classic bikes. Therefore, targeting casual electric bike riders with promotions and advertisements for membership is a strategic approach. Promotions will be discussed in Share Phase.

[Print the data frame for casual](#)
`print(perc_casual3)`

##	Percentile	Value
## 60%	0.60	14.9
## 65%	0.65	16.7
## 70%	0.70	19.0
## 75%	0.75	21.8
## 80%	0.80	25.4
## 85%	0.85	30.7
## 90%	0.90	39.6
## 95%	0.95	58.6
## 100%	1.00	719.4

On the left is the combined percentile table showing values in minutes for Casual riders' common trip durations. Comparing average trip durations in Figure 13, the 15.8 to 25.3-minute range for electric and classic bikes represents 60% to 80% of Casual riders' trips during the bike season.

Insight 4: Casual customers, who are very active with 60% to 80% taking longer trips, have strong potential for conversion to Members. Additionally, the large number of casual users throughout the year and across all days of the week suggests that many are frequent or repeat riders, making them more likely to become members.

Casuals-to-Members Trip Count Weighted Average Ratio Analysis

Chart Description:

- The Figure 14 below will show the weighted average ratio method that provides a more accurate reflection of the overall yearly trend, considering the higher ridership in summer, which leads to a more realistic ratio.
- The weighted average ratio reflects the overall contribution of casual and member riders to the entire dataset, highlighting how trip counts vary from week to week and month to month.
- Figure 14 shows how the ratios of monthly averages smooth out the fluctuations of weekly ratios, making it necessary to differentiate the year into two parts. This differentiation is because ratios vary from 0.24 in January to 0.72 in July, according to the chart scale, resulting in an average ratio of 0.61 for Bike Season and 0.31 for Cold Season.
- The dot markers on the light-blue line represent 52 weeks, while the dot markers on the orange line represent the 12 months of the year.
- In Figure 14 Yearly Unweighted Average line is not shown.

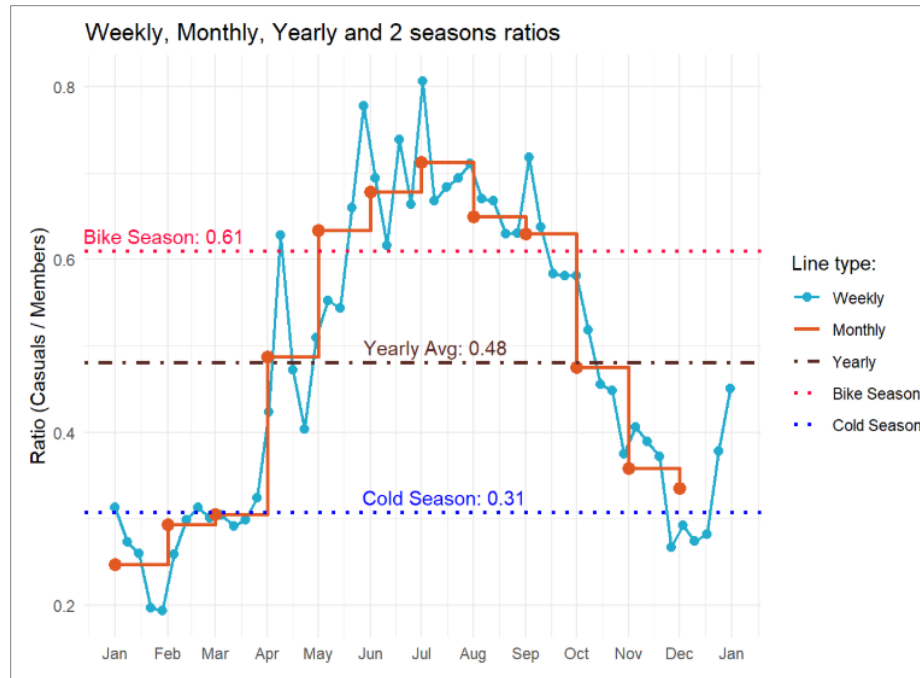


Figure 14: Weighted Averages for Weekly, Monthly, Yearly and Seasonal Ratios

Insight 1: Weighted Yearly average ratio 0.48 is very close to April and October ratios. The months that in between of them have much higher number resulting in Bike Season ratio is equal to 0.61.

Metric (Casuals only)	Value
Bike Season Trips	1,619,380
Cold Season Trips	275,607
Ratio (Bike/Cold)	5.88
Difference (Bike - Cold)	1,343,773

Table 3: (Auxiliary Table for Figure 12) Total number of both seasons' trips, their ratio and difference

Note: The values in Table 3 (above) and Table 4 (below) were derived from R code aggregations for Figures 3, 12, and 14. These values were calculated and compiled into a data frame and table at the end of the R Markdown script.

Evaluation 1: Let's define the Cold and Bike Seasons ratios of 0.31 and 0.61, in combination with Table 3 data, which was created from the aggregation of Figure 12 trip count values. The 30% difference ($0.61 - 0.31 = 0.30$) in the combined trip count ratio between Bike Season and Cold Season reflects the impact of an additional 1,343,773 Casual rider trips in Bike Season, which is 5.88 times more than in Cold Season.

Insight 2: Based on the comparison of the numbers above, particularly the 1,343,773 additional Casual rider trips in Bike Season compared to Cold Season, the most of the marketing strategy should focus on the Bike Season period.

Insight 3: Even though the marketing strategy should focus on Bike Season period, the actual trips number of Casuals during Cold Season still has a decent amount – 275,607 trips (Table 3 data).

Evaluation 2: The unweighted yearly ratio of 0.54 shown previously in Figures 3 gives more importance to summer months, which have a higher ratio. This skews the result up to 6% higher than it would be if we accounted for seasonality ($0.54 - 0.48 = 0.06$, which is 6%).

Metric	Average
Seasonal (April-October Avg.)	0.6096
Seasonal (Jan-Mar & Nov-Dec Avg.)	0.3077
Yearly (by Weeks)	0.4808
Yearly (by Months)	0.4837
Yearly (Unweighted)	0.5436

Table 4: Unweighted and Weighted Averages for Yearly and Seasonal Ratios

Evaluation 3: Table 4 shows a negligible difference between yearly by week and yearly by month weighted average ratios: 0.4808 and 0.4837. Figure 14 shows how monthly data smooths out intra-week fluctuations but still reflects the overall trend.

Insight 4:

- Since the ratios are similar (0.481 vs. 0.484), the aggregated averages remain close. That is evidence that data appears evenly distributed over the year (no extreme outliers or seasonal spikes), as shown by the holistic view of consistent chart patterns across all other charts.
- However, seasonal analysis reveals distinct patterns: the Bike season shows a higher casual-to-member ratio (0.61) due to increased casual ridership, while the Cold season sees a lower ratio (0.31) as casual trips decline more sharply. This highlights how aggregation smooths seasonal variations while still capturing key behavioral trends in rider activity.

Conclusion: Our assumption that trip counts roughly mirror the customer ratio among rider types is correct for Bike Season only because:

- It has a better ratio (0.61) than the Unweighted (0.54) and Weighted (0.48) Average yearly ratios.
- As concluded before, most users rarely exceed their free ride time.
- The averages of the trip durations in Figure 13 fall within the 15.8 to 25.3-minute range for electric and classic bikes, representing 60% to 80% of Casual riders' trips during the Bike Season, indicating that few riders take more than one trip per day.

Bike Ride Pricing Analysis

At this point we need to know the real benefits and prices for Members and Casuals. Without this, I could only give superficial suggestions for new marketing strategies. The benefits and 2024 prices can be found at divvybikes.com which is open to the public.

In a real-world scenario, I would have access to both current and historical data on usage, prices, and other relevant metrics. For this case study, although the prices from 2024 differ from those in 2023, I will apply the 2024 prices to the 2023 data for further analysis. This approach allows me to simulate a close-to-real business project.

For casuals:	Single Ride	Day Pass
	\$1 + \$0.18/min	\$18.10/day
Classic prices	\$1 unlock + \$0.18/min	3 hours free , >\$0.18/min
E-bike prices	\$1 unlock + \$0.44/min	Free unlocks + \$0.44/min

For members:	\$143.90/year
Classic prices	45 min free , > \$0.18/min
E-bike prices	Free unlocks + \$0.18/min

Above are April, 2024 Divvy prices as shown on divvybikes.com/pricing. The full pricing table and graphs from Excel are available in PDF copy for easy view [here](#). Also, linked Excel worksheet with price tables, charts, and formulas to manipulate prices and visualize changes across all users here: [link](#).

Pricing Structure: Users can either purchase a Membership, a Day Pass, or a Single Ride.

“Free single rides”: Members and casuals have an unlimited number of “free single rides” during the day for classic bikes. Members have “free single ride” is up to 45 minutes long and will be charged per minute beyond that time if the bike is not locked. The “Day Pass” is purchased by Casuals also includes unlimited “single free ride”, each of which is up to 3 hours. Beyond 3 hours, the casual user will be charged per minute. None of electric bike users have “free single rides” benefit.

“Free unlock”: The Day Pass was priced at \$18.10 and includes a “free unlock” for classic and electric bikes. Without the Day Pass it cost \$1 to unlock.

Price Point: For electric bikes, the Day Pass does not include a “single free ride”. It therefore does not benefit the customer in most cases because they are charged \$18.10 and an additional \$0.44 per every minute they ride. The customer would need to unlock the bike at least 19 times during the day to make purchasing the Day Pass more cost-effective. I even called Divvy customer service to clarify this which they confirmed.

Benefits Consideration: The tables and charts I created do not consider all the benefits of being a Member or using a Day Pass for Casual riders. One of the benefits is that a rider can lock and unlock their bike an unlimited number of times during the day and use “free single rides” benefit as long as they do not exceed the free ride time included in the purchase price of the Day Pass or Membership.

Explanation of the structure of the next two charts:

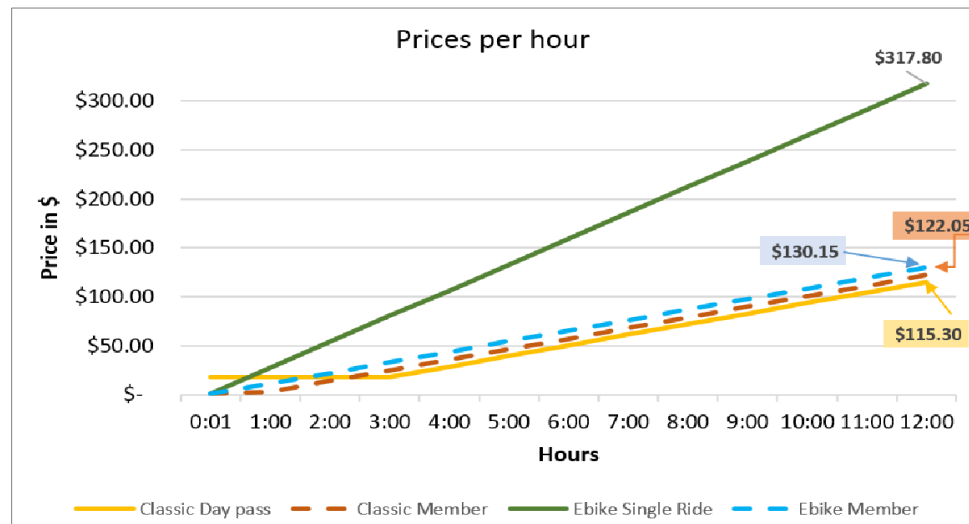


Figure 15: Overall Graph of Cost Per Hour of All Ride Types

Figure 15: Showing the price of each type of ride up to 12 hours of a single continuous trip. The prices at the end of the chart's lines show the cost for a 12-hour ride for reference—which is impractical for most riders due to the high cost, but it is useful to see the differences over a long period of time. As a reminder, all data is trimmed to the 2 – 720-minute range. The classic Single Ride line is not shown here.

Note: I assumed an average Member rides 5 days a week because most Members are commuters. Based on my calculations (see PDF), an annual membership costs \$0.55 a day. I used this \$0.55 rate in combination with the price per minute for further calculations. If Members ride 7 days a week, the cost drops to less than \$0.40 a day. This difference is not significant and is for reference only.

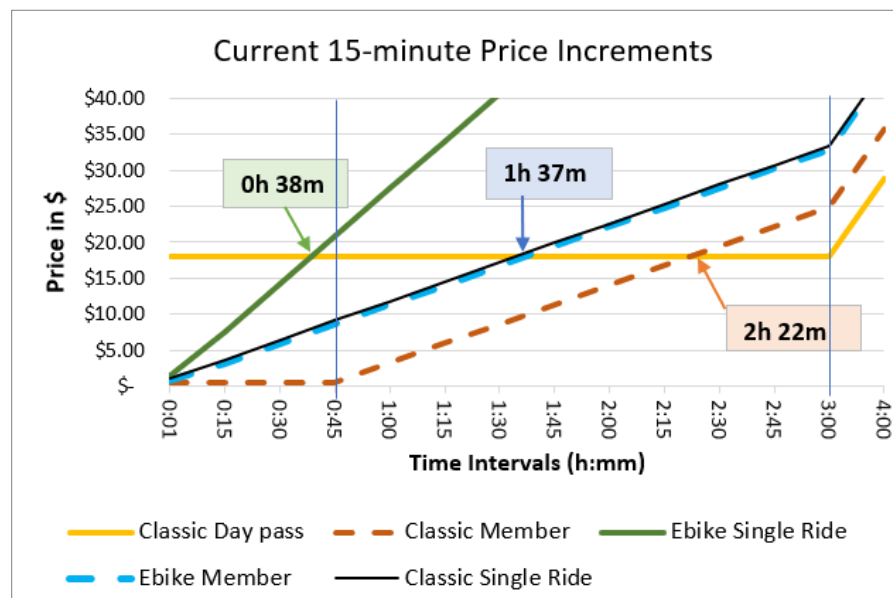


Figure 16: First 4 Hours Price Comparison of All Ride Types

Figure 16: The chart focuses on the first four hours of the trip, covering the majority of all riders. It has a 15-minute increment scale up to 3 hours. From 3 to 4 hours, there is a 1-hour increment due to space constraints on the x-axis, causing an abnormal bend at the 3-hour mark. Refer to Figure 15 for a clearer comparison, as the chart has a consistent 1-hour increment scale.

The horizontal yellow line shows 3 hours of "free ride" for a Day Pass before it slopes up. Also, the thin vertical blue lines at 0:45 minutes and 3:00 hours on the x-axis serve as reference points for free ride durations.

Analysis based on Figure 16

Breakdown 1: The thin black line for Classic Single Ride overlaps the blue dashed line for E-bike Member, indicating similar prices for these bikes and users. Members pay an extra \$0.55 per day, while Classic Single Ride users pay \$1 to unlock the bike—a nearly invisible \$0.45 difference. Though being a Member is slightly cheaper per day, the upfront cost of \$143.90 is high compared to the \$1 unlock fee, with the total per ride difference being just \$0.45.

Insight 1: There is little benefit to being a Member if the prices for Classic Single Ride and E-bike Member are the same, aside from the ease of riding an e-bike.

Breakdown 2: The text boxes with time stamps in Figure 16 show where each line crosses the yellow Classic Day Pass line. Up to these points, the crossing trip type is cheaper than a Day Pass with 3 hours of free ride. After these points, the Classic Day Pass becomes cheaper than Members' E-bike (after 1h 37m) and Classic bike (after 2h 22m).

Insight 2: This is unfair to Members as their benefits should surpass those of Casual customers in all respects.

Insight 3: The Cyclistic website (Chicago Divvy website) does not sufficiently highlight the benefits of purchasing an annual membership. For instance, the full membership price of \$143.90 is equivalent to the cost of eight Day Passes. Such advantages should be prominently featured as the primary advertisement on their website and phone app.

Suggestion about "free single ride" time: To make the membership more attractive, consider reducing the Day Pass free ride duration from 3 hours to 2 hours. Since 98% of casual riders' trips are under 90 minutes, this change would not significantly impact them. Additionally, increasing the "free single ride" time for members' classic bikes from 45 minutes to 1 hour could further enhance the membership benefits.

Price Change Recommendations

Below, Table 5 and Figure 17 show price change suggestions aimed at making an annual membership more attractive. These suggestions, which are based on adjusting some prices per minute, and new single free ride time for Members and Casuals, are for reference only and maintain the annual membership price at \$143.90, the same as before.

Type of ride	Current	Suggested
Day Pass	\$ 18.10	\$ 20.00
Classic Casual	\$ 0.18	\$ 0.20
Classic Member	\$ 0.18	\$ 0.16
Ebike Single Ride	\$ 0.44	\$ 0.44
Ebike Member	\$ 0.18	\$ 0.16
<i>Single free ride</i>		
Casual	3 hours	2 hours
Member	45 min.	1 hour

Table 5: Current and Suggested Prices with Single Free Ride time

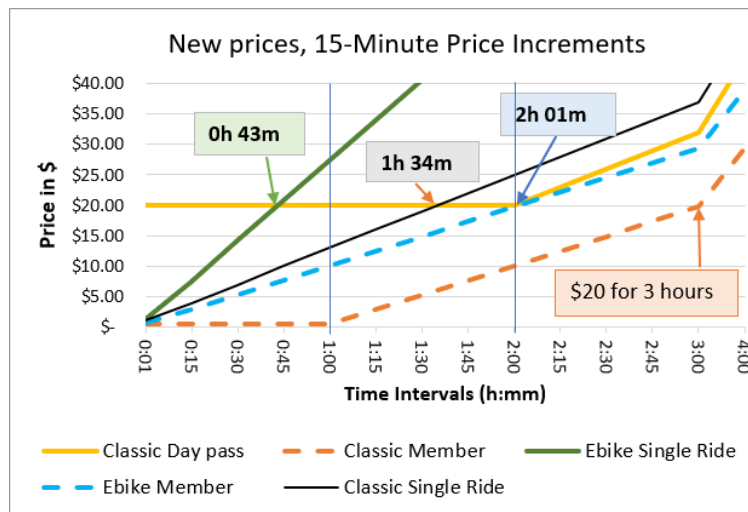


Figure 17 First 4 Hours Price Comparison of All Ride Types with Suggested Prices

Insight 1: Being a member is now always more beneficial than purchasing a Day Pass or other options available to Casual riders. Both the blue and dark orange dashed lines for members, indicating a lower price, are now lower than the lines for Casual riders.

Insight 2: Table 5 shows the new price list, making it easier to distinguish between members and casual riders. Slightly different prices for Casuals and Members have a psychological effect, similar to \$0.99 versus \$1.00 pricing. It encourages evaluation of the freedom of everyday bike rides, which is important for casual riders. Otherwise, these benefits are obscured by the identical price (\$0.18 in this case).

Conclusion: Naturally, the need to commute drives us to find convenient and cheaper options. Members choose bikes over personal and public transport for convenience and cost.

To motivate casual users to purchase an annual membership, offering longer “free single rides” for members (beyond the 45-minute limit for classic bike users) and more competitive per-minute rates could attract those interested in leisure, cardio, entertainment, and a healthy lifestyle. This approach aligns with casual users' nature and could attract more riders, potentially increasing the number of Members without affecting the company's profit. The analysis shows that casual riders are frequent and active users. The primary strategy to convert them to Members is to offer more benefits through pricing adjustments.

Share Phase

[Link](#) to PowerPoint Presentation of Share and Act phase

Introduction: Based on the analysis, it is evident that there are 1,343,773 additional Casual rider trips in Bike Season (from April to October) compared to Cold Season (from November to March). The Casuals-to-Members Trip Count ratio is also better in Bike Season (0.61) compared to Cold Season (0.31). Therefore, the majority of the marketing strategy should focus on the Bike Season period.

Furthermore, the current analysis reveals that casual riders are very active, especially on weekends, and use electric bikes more often than classic ones. The consistency of chart patterns shows that casual riders tend to ride much longer than members, primarily for leisure, cardio, and a healthy lifestyle. This presents a significant opportunity to convert them to annual members.

Converting Casual Riders vs New Customers

After data cleaning and trimming, this 12-month dataset contained 5,380,725 rows representing the number of trips taken in 2023. While this does not reflect the exact number of customers, it evidences the popularity of Cyclistic's bike-sharing service. The analysis suggests that converting Casual riders into Members will be more profitable than targeting entirely new customers with a marketing campaign.

Pricing

Day Pass for electric bikes: The analysis reveals that the Day Pass for electric bikes is not cost-effective for customers, as it doesn't include a "single free ride." Instead, customers are charged \$18.10 plus \$0.44 per minute. To make the Day Pass more economical, a customer would need to unlock the bike at least 19 times a day. Divvy customer service confirmed these details, highlighting the unreasonably high cost of the Day Pass for electric bikes.

The same price per minute of use applies for Classic Single Ride and E-bike Members, which, in some respects, makes a membership not as beneficial even though these are different types of bikes.

Set up the correct leverage of prices: Review the current prices and compare them with those suggested after detailed observation of the related charts from the analysis above. It is recommended to keep the annual membership price the same at \$143.90 unless other market analysis suggests otherwise.

Type of ride	Current	Suggested
Day Pass	\$ 18.10	\$ 20.00
Classic Casual	\$ 0.18	\$ 0.20
Classic Member	\$ 0.18	\$ 0.16
Ebike Single Ride	\$ 0.44	\$ 0.44
Ebike Member	\$ 0.18	\$ 0.16
<i>Single free ride</i>		
Casual	3 hours	2 hours
Member	45 min.	1 hour

Table 5: Current and Suggested Prices with Single Free Ride time

Table 5 shows the new prices, making it easier to distinguish between members and casual riders. Slightly different prices for Casuals and Members have a psychological effect, similar to \$0.99 versus \$1.00 pricing. It encourages evaluation of the freedom of everyday bike rides, which is important for casual riders. Otherwise, these benefits are obscured by the identical price (\$0.18 in this case).

Raising prices on weekends and/or on some hours of the day: To increase profitability, consider raising prices on certain days based on demand. However, changing prices during the week may discourage casual riders who value flexibility. An hourly analysis could identify optimal pricing, but varying prices by the hour might make leisurely riders feel rushed, risking customer loss. We need win-win strategies that encourage annual membership without coercing customers to buy it.

Length of “Free Single Rides”

I decreased the “free single ride” time for a Day Pass to 2 hours instead of the current 3 hours because the vast majority (99%) of casual riders only ride much below that amount of time. Again, for 99% of casuals, it will be not overly coercive but a gentle prompt to become a member.



Figure 27: First 4 Hours Price Comparison of All Ride Types with Suggested Prices

With the new prices, being a member is now always more beneficial than purchasing a Day Pass or other options available to Casual riders. Both the blue and dark orange dashed lines for members are now lower than the lines for Casual riders.

The [linked Excel](#) worksheet allows to adjust prices and visualize their distribution across all users.

If Members use bikes for leisure, exercise, and a healthy lifestyle as well as Casual riders, increasing the “free single ride” time to 1 hour for classic bikes and offering better per-minute prices for both types of bikes will attract Casual riders, who are using electric bikes more often than classic bikes. This strategy aligns with their nature and should not harm Cyclistic's profit but encourage memberships, creating a win-win situation.

Complimentary Month

Offering a complimentary free month as part of the membership can effectively convert Casuals into Members, especially in April and May when people are more likely to ride bikes and notice promotions. Casual trips drop significantly in colder months, so offering this benefit in winter or even in March is unlikely to attract many casual riders.

Free Ride Days and Other Membership Perks

Since Casual riders use electric bikes more frequently than classic bikes, offering free single rides for electric bikes on holidays or weekends to members could attract Casual riders to purchase annual memberships. Additionally, hosting customer appreciation days, competitions, and engaging activities for all members will make bike rides enjoyable and encourage new sign-ups and renewals.

Advertisements

Digital media can help in marketing tactics. The Cyclistic's website and phone's app should include advertisement pop-ups, interstitials, and banner ads. The following advertisement messages may be successful in drawing Casuals towards a membership:

- Annual memberships cost the same as only 8 Day Passes, or 7 Day Passes with the new prices.
- With the new prices, members can have a single ride of classic bikes for 3 hours at the same price that Day Pass users pay for just 2 hours. (See Figure 16)
- New pricing adjustments showing off advantages for members.
- Details of the benefits for members such as the health benefits of riding bikes, spending time outdoors, and staying healthy.
- Posters at the docking stations encouraging membership.

Act Phase

The following actions are recommended based on this analysis:

1. Review and adjust prices for annual members and casual riders so that it is more beneficial and attractive to buy an annual membership.
2. Review and adjust the "free single ride" time for annual members and casual riders for the same reason as mentioned above.
3. Provide member appreciation days, competitions, and activities that make bike rides fun.
4. Offer Casuals complimentary months of membership in April or May.
5. Offer free single rides for electric bikes on some holidays or weekends for members, in such a way that attracts casuals to buy an annual membership.
6. Re-design the company's website and phone app to better advertise new Cyclistic membership prices and benefits. Make ads on Instagram, Facebook, or similar platforms.
7. Conduct further analysis of members and casuals to determine more marketing strategies.

Suggested areas for further exploration are:

- a. Add an encrypted customer ID to datasets that allow a deeper analysis without access to personal information.
- b. Provide more information to analysts about reclining bikes, hand tricycles, and cargo bikes to find a way to continue this service.