G2M insight for Cab Investment

Date: 08th October 2021

Proposition Statement

XYZ is is planning for an investment in Cab industry and as per a developed **Go-to-Market(G2M)** strategy it is critical to understand the market before making a final decision.

Approach

Comparing performance criteria for the current market leaders, we determined the most effective investment opportunity based on current & forecasted business operations

Analysis of **Pink** & **Yellow** Cab Companies.

Available Datasets:

Cab Data – Details of transaction for prospective cab companies

Customer ID – Customer Demographic details for prospective Cab Companies with income levels.

Transaction ID – Customer Transaction data for prospective Cab Companies

City – this file contains list of US cities, their population and number of cab users

Period: January 2016 – December 2018

Data Considerations

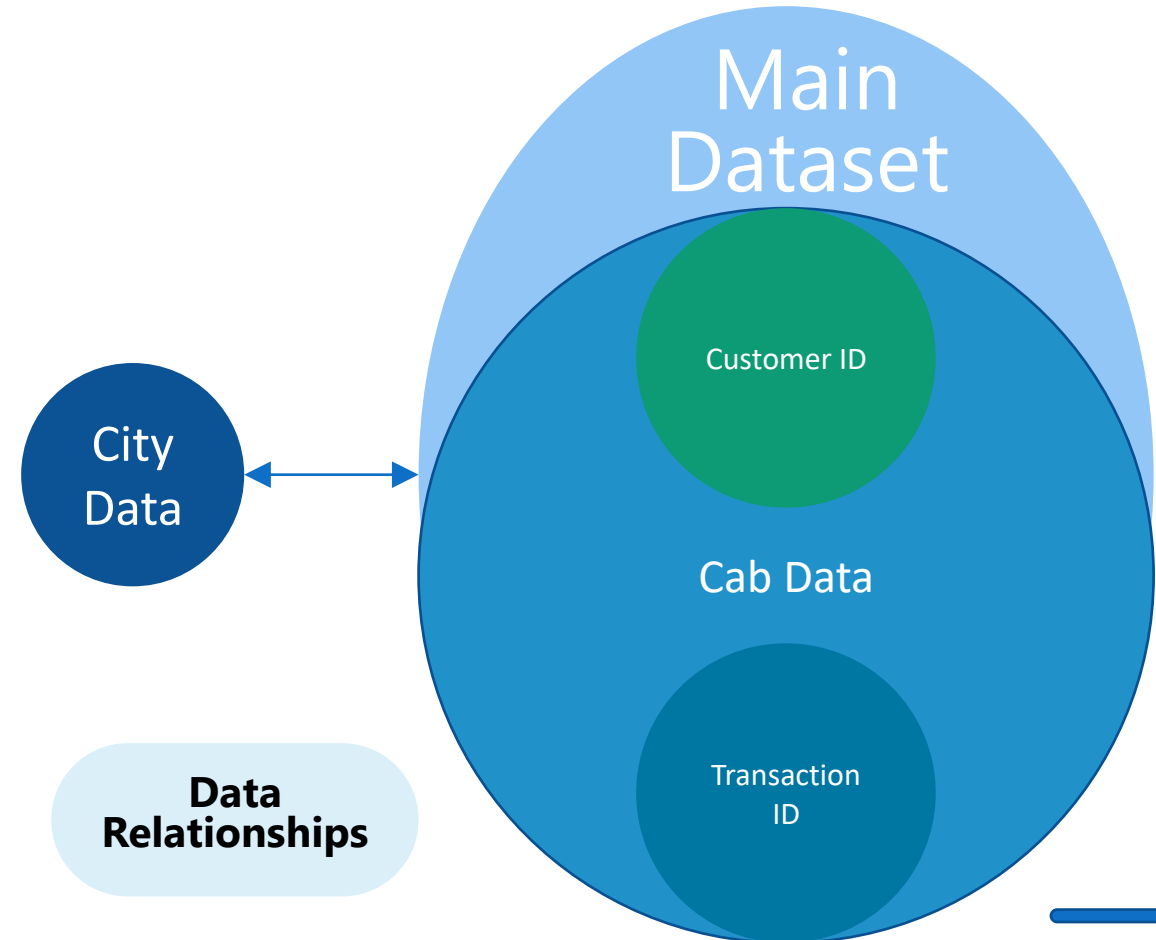## Data Properties

Demographics

- Cab Users,
- City Population

Revenue Scales

- Company Cost per Trip
- Company Revenue per Trip

### Market Share

- Comparative Market sizes for the companies

Main Dataset

Customer ID

Cab Data

Transaction ID

City Data

Data Relationships

Implementation

Hypothesis Testing

1. Yellow Cab has a **larger market share** than Pink Cab
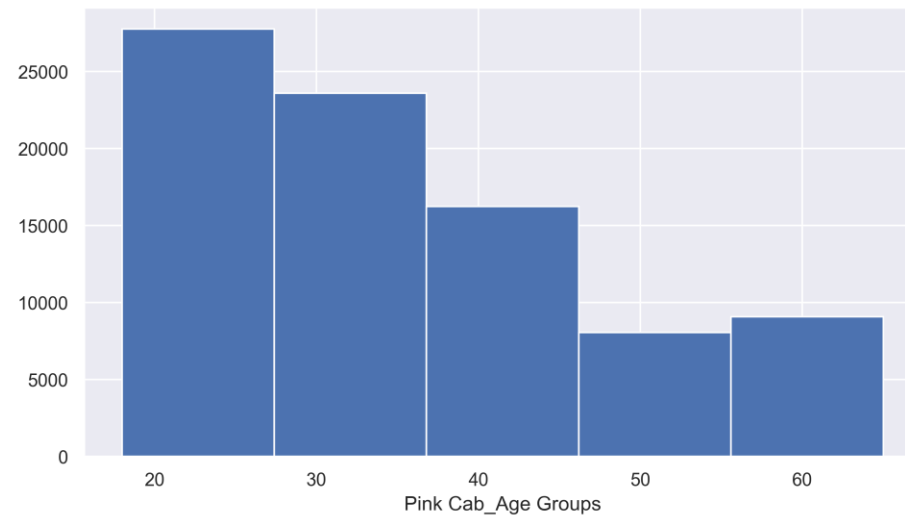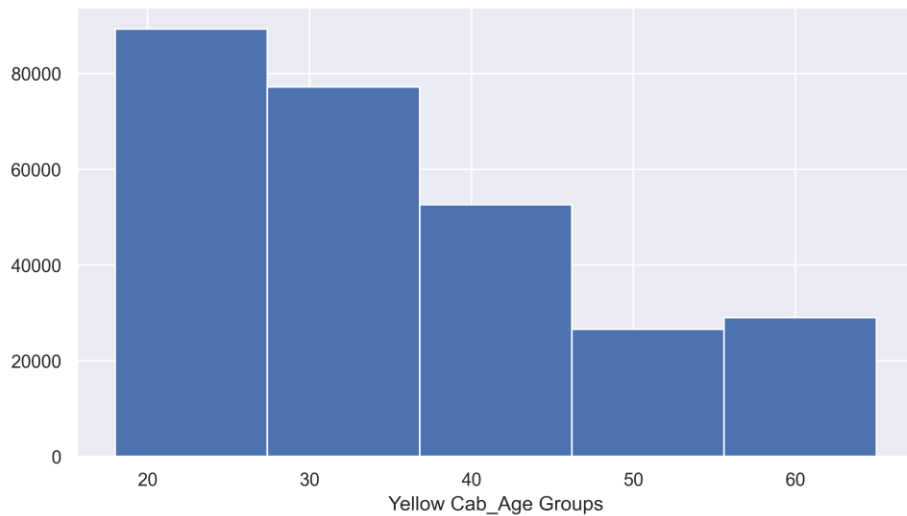
Yellow Cab has a **larger** market share than Pink Cab.

Yellow Cab processed roughly **250%** more cab requests than Pink Cab over the period 2016 - 2018
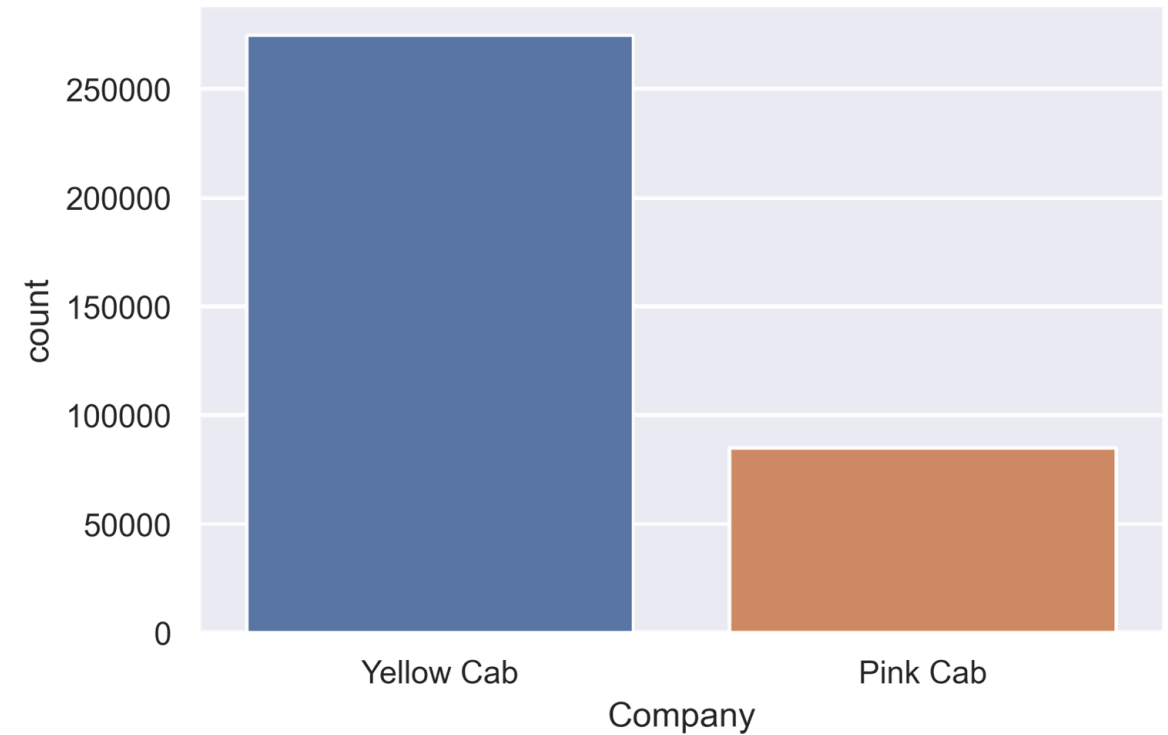
Hypothesis Testing

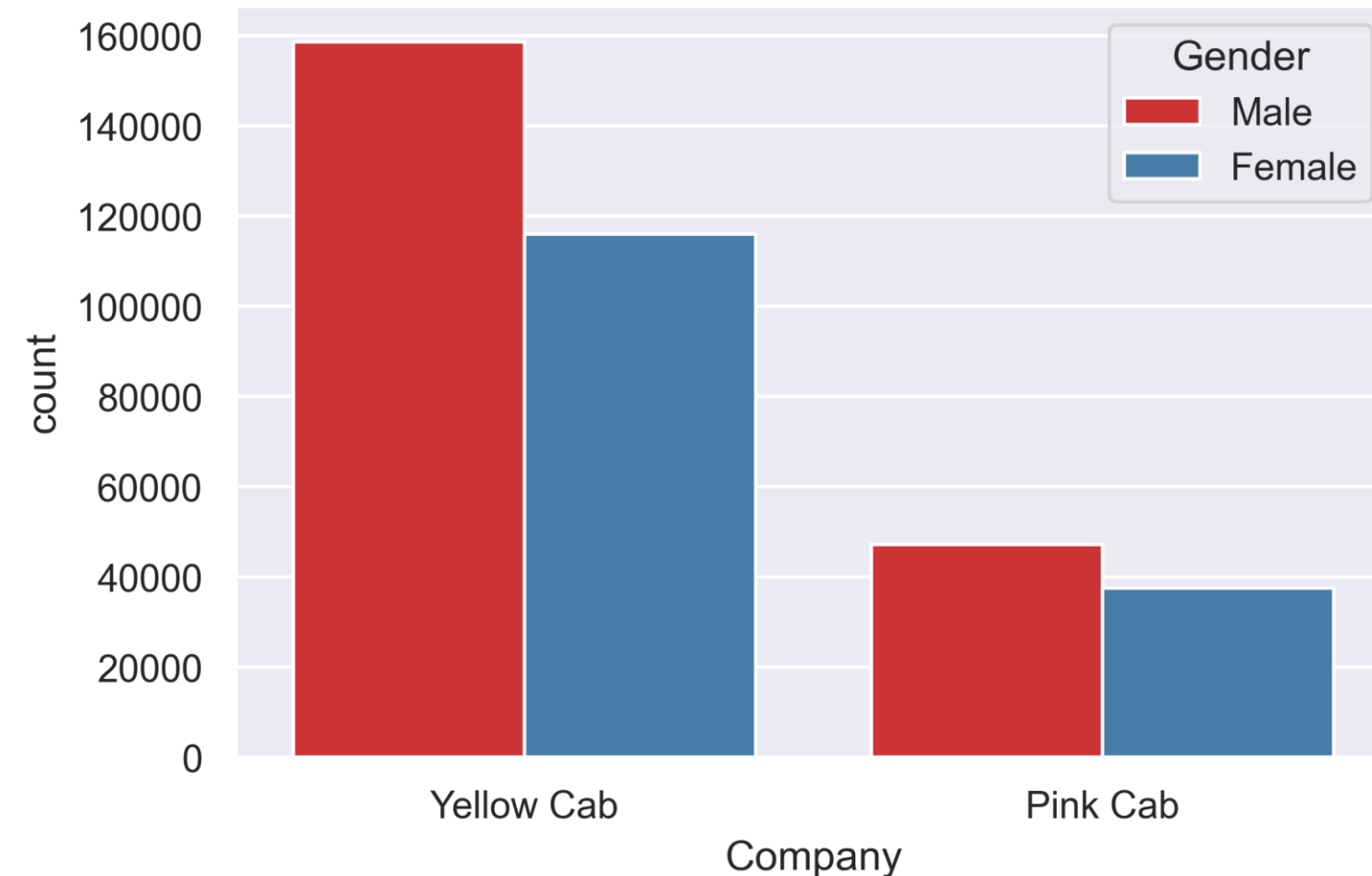**2.** Both Cabs have **similar distributed** client base, based on:
a). **Age**

Both Cabs have **similar** distributed client base, based on **age**.

Both cabs have similar Age grouped clientele, with higher market capacities in the 20 – 40 groups.

Hypothesis Testing

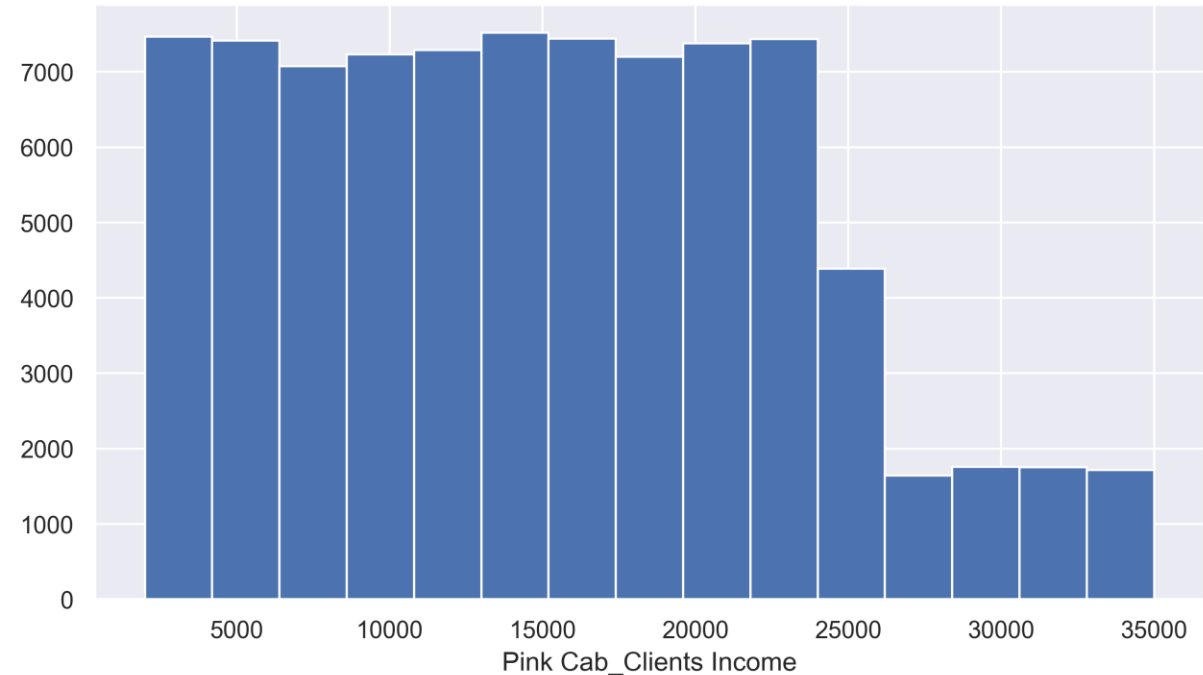**2.** Both Cabs have **similar distributed** client base, based on
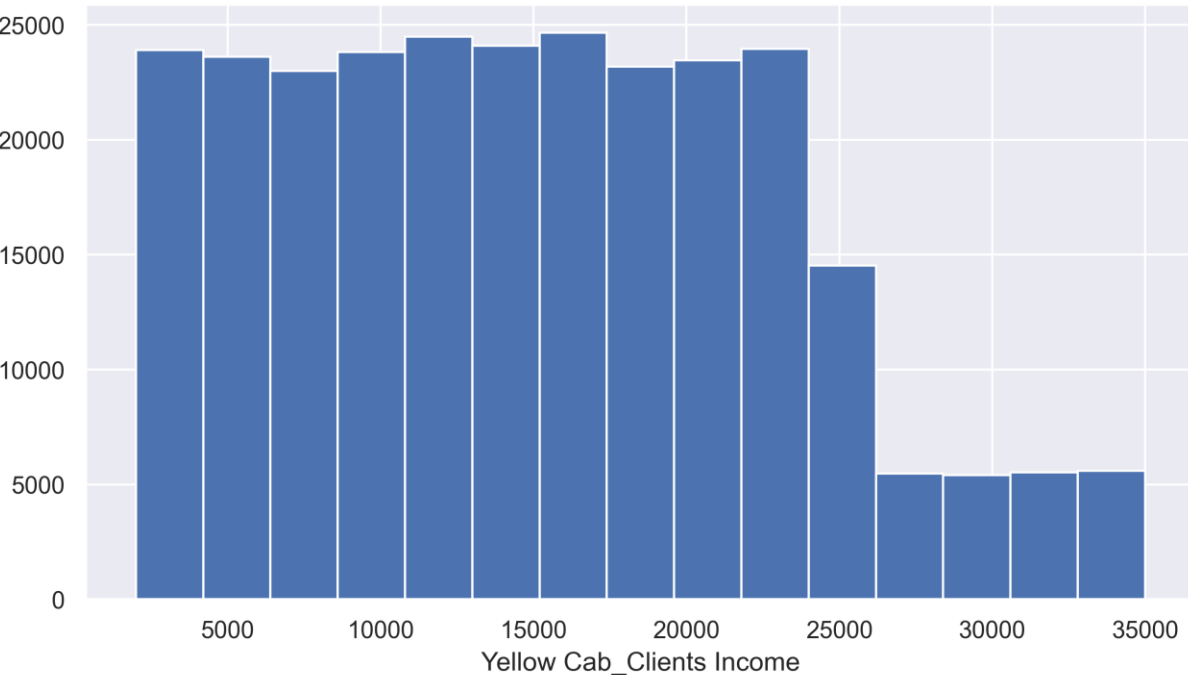b). **Gender**

Both Cabs have **similar** distributed client base, based on **gender**.

Both companies have similar distribution structure based on **Gender**.

Hypothesis Testing

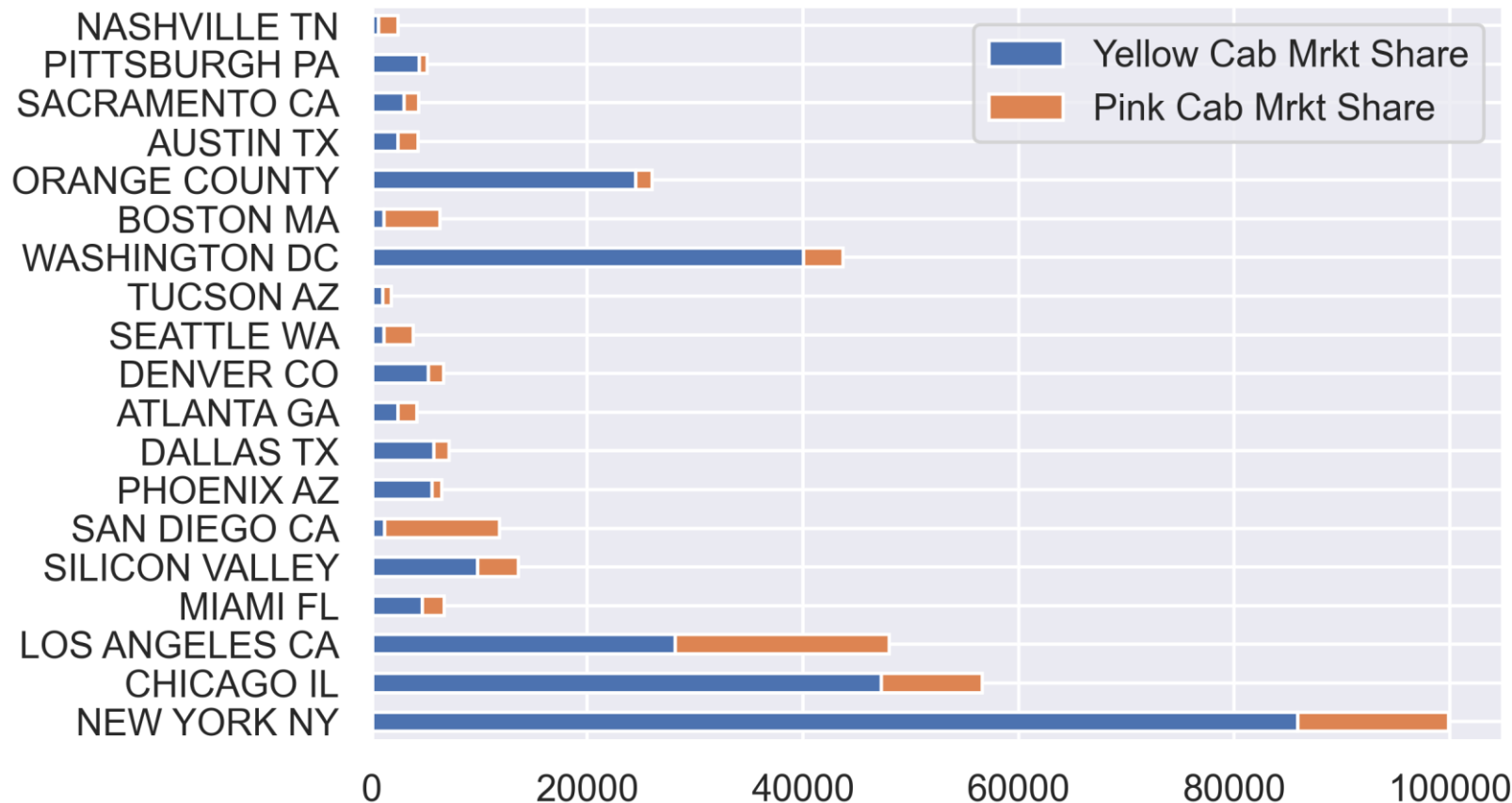**2.** Both Cabs have similar distributed client base, based on
c). **Income**

Both Cabs have **similar** distributed client base, based on **income**.

Both companies have similar distribution structure based on **income**, appealing greatly to the range **< 25,000**.

2. Both Cabs have **similar distributed** client base, based on
d). **Location**

Both Cabs **do not** have **similar** distributed client base, based on **income**.

Yellow Cab holds fort in a **few locations** expected to have high demand for Cab services. Locations where Pink has a **higher market** share have a **low demand** over the data period. However, Yellow cab still has presence in these locations.

Hypothesis Testing

3. Pink Cab **charges higher per KM** than Yellow Cab
4. Pink Cab has a **higher Turnover per KM** than Yellow Cab

	Cost per KM Pink	Price per KM Pink	Cost per KM Yellow	Price per KM Yellow
count	84711.000000	84711.000000	274681.000000	274681.000000
mean	10.998602	13.768510	13.200565	20.306073
std	0.606598	2.631528	0.726940	5.745021
min	10.000000	6.338621	12.000000	9.161765
25%	10.500000	11.937046	12.600000	15.805288
50%	11.000000	13.396096	13.200000	18.753655
75%	11.500000	15.232716	13.800000	24.100763
max	12.000000	39.046939	14.400000	53.955556

**3**. Pink Cab **charges lower** per KM than Yellow Cab.

Pink charges an average of **13.7** per KM with its range between **(6.3 – 39.04)**, while Yellow charges **20.3**, with its range between **(9.16 – 53.96)**

4. Pink Cab has a **lower Turnover** per KM than Yellow Cab.

Pink's has a cost per KM signify's a high operational cost for its services, & is unable to deliver a profit turnover that is comparable to Yellow's.

Annual Performance
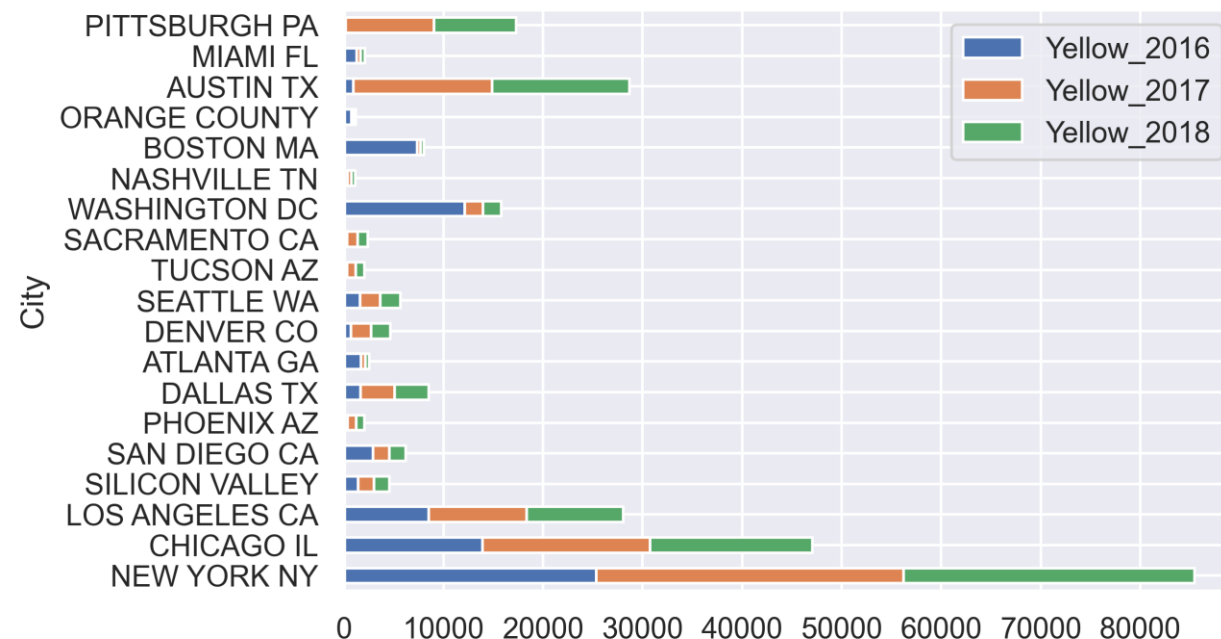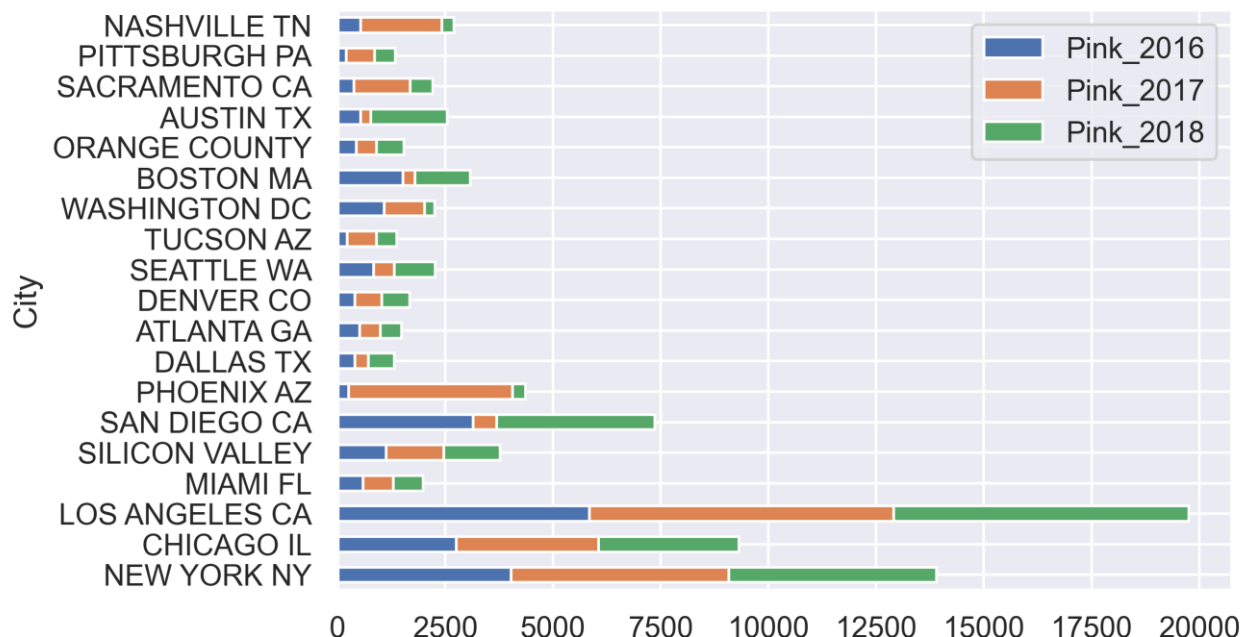
Both companies show **relatively little change** in market share annually, apart from drastic down shifts in transactions, such as **PHOENIX AZ** for **Pink Cab**, & **Washington DC** for **Yellow Cab.**

To note, Yellow Cab shows significant growth in **Austin TX** through since 2016

Conclusion

Pink cab is still in transition of joining the market, evident by its **smaller market share** in comparison to **Yellow** Cab. This is also evident by its **lower price per KM**, to serve as an incentive for **market disruption**.

Regardless, based on the analysis, we recommend the **best investment** to be in **Yellow** Cab, which demonstrates **longer experience** in the market sector, with a **loyal clientele**, & **greater margins** per prospective transaction.