

Statistical Review and A/B Testing for New York City TLC Project

Executive summary report prepared by **Automatidata**

Overview

The purpose of this project is to find ways to generate more revenue for New York City taxi cab drivers. This part of the project examines the relationship between total fare amount and payment type.

Objective

This project aims to find out whether customers who pay in cash tend to pay a smaller fare amount than customers who pay by credit card.

Results

The Automatidata team ran an A/B test to analyze the relationship between credit card payment and total fare amount.

The customers were randomly selected and divided into two groups: customers who were required to pay with a credit card, and customers who were required to pay with cash.

According to the two-sample t-test (A/B test), there is a statistically significant difference in the average total fare between customers who use credit cards and customers who use cash.

The key business insight is that encouraging customers to pay with credit cards will likely generate more revenue for taxi drivers.

Next Steps

The Automatidata data team recommends that New York City TLC encourages customers to pay with credit cards and creates strategies to promote credit card payments.

