

Safestay: Hostels & Hotels

Mock Performance Analysis Report

This report provides insights into how a 'Data Analyst' can enhance the overall performance of 'Safestay' by analyzing historical data. The data used for this analysis is synthetically generated to reflect Safestay's operations across 18 locations throughout Europe. By the end of this report, stakeholders will gain a clear understanding of how leveraging real-world data through a data analyst can identify key issues and drive meaningful improvements in the business.

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Has Safestay's performance improved compared to the previous financial year? Are there any ground-level issues affecting the company's overall performance? Let me analyze the data and provide effective, data-driven solutions!

Introduction

<u>Safestay</u> is a European hospitality company that owns and operates a growing chain of hostels and hotels under the Safestay brand. Their properties are located in key cities across Europe, offering both private rooms and shared dormitory-style accommodations. Safestay emphasizes creating a safe, stylish, and inclusive environment for all travelers — including backpackers, families, and digital nomads — while maintaining affordability and comfort.

Core Business: The core of Safestay's business is the development and management of high-quality hostels and hotels. The brand is built around delivering a premium yet budget-friendly experience, with a consistent service standard and a welcoming atmosphere, while preserving the local and cultural character of each property.

Mission: Safestay's mission is to offer secure, social, and enjoyable spaces for travelers, with an emphasis on service excellence and comfort across all its European locations.

Safestay: History & Financial Performance

Founded in 2011 as a joint venture with Moorfield Group and Safeland, Safestay opened its first hostel in London (John Smith House) in 2012. It debuted on the London AIM stock market in 2014, spinning out from Safeland. Between 2017 and 2019, Safestay aggressively expanded into mainland Europe, acquiring and integrating hostels in cities such as **Madrid, Prague, Lisbon, Warsaw, Brussels, Vienna, and Pisa**. By the end of 2019, it operated **21 hostels** with over **5,000 beds**. In 2019, the company reported £18.3–18.4 million in revenue, marking a 25–26% growth year-over-year, with occupancy climbing to ~77% and adjusted EBITDA increasing by around 11% . Investment of £1.8 million in refurbishments, and a new £23 million debt facility, supported its transformation into a premium hostel operator (hospitalityinvestor.com).

The COVID-19 outbreak in early 2020 temporarily halted operations. During this time, Safestay sold its flagship Edinburgh hostel for £16 million, reducing debt by 35% and preserving cash reserves. Recovery continued steadily. By 2022, annual revenue rebounded to £19.1 million (from £6.4 million in 2021), and occupancy rates returned close to pre-pandemic levels. However, the company still posted a small post-tax loss of £0.3 million.

The first half of 2024 saw further growth, with revenue reaching £10.7 million—a 6.6% increase year-over-year—and the pre-tax loss significantly reduced from £947,000 to just £113,000, driven by strong summer occupancy.

Strategically, Chairman Larry Lipman aims to double hostel count to around 40 by 2027, focusing on management contracts and franchising instead of outright property purchases—allowing revenue growth without heavy capital expenditure. The global hostel market is projected to reach \$8.9 billion by 2027, positioning Safestay to leverage this growth (thetimes.com).

Disclaimer: The overall performance of the company has seen a significant improvement post-COVID — growing from £18 million in 2019 to nearly £23 million in 2023. Despite the setbacks during the pandemic, Safestay has managed to cut down losses and demonstrate consistent year-on-year growth through strategic improvements. This progress is a testament to the commitment of the stakeholders and the dedication of employees working hard to meet customer needs. To build on this momentum, it is crucial to understand the **Key Performance Indicators (KPIs)** that contributed to this success. Identifying these metrics will allow the company to focus on what truly drives performance and make informed decisions to improve even further. While we do not currently have access to the company's real-world data, we can generate a mock dataset that closely reflects Safestay's operational model.

Key Performance Indicators (KPIs)

In the hospitality industry, there are several key performance indicators (KPIs) that are essential for evaluating and improving business performance. These include Occupancy Rate per Day, Average Bed Price per Day (ADR), Revenue per Available Room (RevPAR), Revenue by Room Type (ReRTI), Customer Reviews, and Market Penetration Index (MPI). By closely tracking these KPIs, businesses can identify inefficiencies, adapt to demand trends, and make data-driven decisions that directly impact profitability and customer satisfaction.

- Occupancy Rate: measures how many available beds or rooms are filled on a given day. It reflects both demand and how
 effectively the business is attracting guests. Low occupancy can signal issues in pricing, marketing, or service quality at a
 specific location.
- Average Bed Price (or ADR Average Daily Rate): shows the average income earned per occupied bed or room. This helps
 determine if pricing strategies align with demand patterns, seasons, or special events.
- Revenue Per Available Room (RevPAR): This is the measure used to analyze the average revenue for a certain period of time (usually given as a daily average), based on your income across all bookings. To calculate this KPI, you have to multiply the average daily rate by the occupancy rate. Another option is dividing the total revenue per night by the number of rooms available.
- Revenue per Room Type (ReRTI): breaks down income by bed or room category (e.g., dorm beds vs. private rooms). This helps managers understand which room types are more profitable and whether adjustments to capacity or pricing are needed.
- Customer Reviews play a vital role in brand perception and booking decisions. Online platforms like Booking.com, Hostelworld, Expedia, and Google Reviews can heavily influence guest trust and conversion rates. Analyzing review trends can uncover pain points like cleanliness, staff behavior, or Wi-Fi quality that may be dragging down overall ratings.
- Market Penetration Index (MPI): MPI is an important metric when measuring KPIs. This shows your hotel performance with respect to your competitors in terms of industry.

For a company like **Safestay**, which operates across 18 diverse locations in 10 countries, monitoring and optimizing these KPIs is crucial. Each market behaves differently based on seasonality, tourism trends, local events, and cultural factors. By simulating data across all locations—from January 2022 to June 2025—we aim to create a realistic performance landscape and analyze which branches are lagging.

For example, if one property in Glasgow has an 8% lower occupancy rate compared to the rest, we can dive deeper into pricing patterns, staff reviews, or event calendars to determine potential causes. From there, actionable steps—like re-evaluating local pricing strategies, enhancing staff training, or better aligning marketing efforts with event dates—can help drive improvement.

Data Overview

Replicating Safestay's Business Performance Data (2022–2025)

To effectively analyze and improve Safestay's business performance, access to real operational data is critical. However, in the absence of official internal datasets, we will create a realistic, hypothetical dataset that mirrors the actual structure and operations of Safestay's business across its European locations.

As of 2025, Safestay operates in 10 European countries, including:

S.No	Country	City	Hostel Name
1	Belgium	Brussels	Brussels Grand Place

2	Czech Republic	Prague	Prague Charles Bridge
3	Germany	Berlin	Berlin Kurfürstendamm
4	Greece	Athens	Athens Monastiraki
5	Italy	Pisa	Pisa Centrale
6	Poland	Warsaw	Warsaw Old Town
7	Portugal	Lisbon	Lisbon Bairro Alto
8	Slovakia	Bratislava	Bratislava Presidential Palace
9	Spain	1. Barcelona 1 2. Barcelona 2 3. Calpe 4. Cordoba 5. Madrid	Barcelona Gothic Barcelona Passeig de Gracia Calpe Seafront, Costa Blanca Córdoba Mezquita Catedral Madrid Central
10	United Kingdom	1. Glasgow 2. Edinburgh 3. London 1 4. London 2 5. York	Glasgow Charing Cross Edinburgh Cowgate London Elephant & Castle London Kensington Holland Park York Micklegate

Each of these 18 properties operates as a hostel, hotel, or a hybrid of both, offering both dormitories and private rooms. To maintain consistency in the dataset, we will assume each location has the following room structure:

- 3 × 10-bed dorms
- 4 × 8-bed dorms
- 6 × 6-bed dorms
- 4 × 4-bed dorms
- 10 × 3-bed rooms
- 10 × 2-bed rooms (private)

This results in a maximum guest capacity per property of 164 guests. Across 18 properties, the total system-wide capacity is: 164 × 18 = 2,952 guests per day. Analysis Period:

- From January 1, 2022, to June 30, 2025
- For each day, there will be 18 rows (one for each location)
- Total number of rows ≈ 1,277 days × 18 = 22,986 data points

To reflect daily business performance, the dataset will include the following columns:

S.No	Date	Hostel/Hotel Name	City	Country	Avg Bed price (On the day)	Occupancy (No of Guests Checked in)	
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(Note - Here the average bed rate is considered as, on the particular day the avgerage of all room types prices, the max and min of the price of each room type is mentioned below.)

Key Considerations for Data Simulation: Weekends: Expect higher occupancy and higher average prices. **Summer Months (March to July):** Seasonal increase in occupancy and rates. **Low Season:** Lower occupancy and prices during December and January (Christmas and New Year). **Special Events:** Occasional spikes due to local festivals, football matches, and public holidays (these will be randomly simulated).

Price Ranges (Per Bed Per Night):

10-bed dorms: £15-£30
8-bed dorms: £15-£35
6-bed dorms: £18-£38
4-bed dorms: £22-£45
3-bed rooms: £30-£70
2-bed rooms: £38-£82

Project Goal: To improve overall company performance by **3–5%** in the upcoming financial year by identifying **underperforming locations** and implementing strategic improvements.



Fig 1 - A glimpse of Data Set Generated

Business questions to be answered

- Why did bookings drop in Edinburgh last week?"
- "Which cities are performing best in off-season?"
- "What's the cost of overstaffing on low-occupancy days?"
- "Are we losing customers after their first visit?"

Exploratory Data Analysis

Figure 2 presents the statistical summary of the numerical features from the dataset. The summary focuses on two numerical columns: 'Avg Bed Price (Pound)' and 'Occupancy'.

The **count** for both columns is **22,986**, which matches the number of records discussed earlier. The **mean average bed price** is £33.7, indicating that between **January 2022 and June 2025**, the average price per night for all bed types (both dormitory and private) was around £33, which is quite affordable.

Looking at **occupancy**, the **mean is 117 guests per night** across all locations. Given that the **maximum capacity** at each location is **164 guests**, an average occupancy of **117** indicates strong overall performance. The **occupancy values range from 50 to 164**, suggesting that while there are fluctuations, the company is generally maintaining a healthy fill rate.

	Avg Bed Price (£)	Occupancy
count	22986.000000	22986.000000
mean	33.705302	117.883190
std	5.868113	23.694913
min	15.380000	50.000000
25%	29.490000	101.000000
50%	33.670000	117.000000
75%	37.940000	135.000000
max	53.120000	164.000000

Fig 2 - Statistical summary

Data Visualization

Now that the statistical summary has been analyzed, the next step involves a detailed data visualization of each feature and its trends. Below, a step-by-step explanation of the key trends will be provided.

To quickly recap the dataset: our mock data contains approximately 23,000 data points, covering 18 hostels and hotels located across Europe, from January 2022 to June 2025. The dataset focuses on two primary features that represent the company's key performance indicators (KPIs): the **total daily occupancy** at each location and the **average bed price per night** for each branch.

Since the company's performance is directly influenced by these two KPIs, comprehensive visual analyses have been conducted to uncover patterns, track performance, and identify areas for improvement.

Performance Analysis: Jan 2022 - June 2025

Average Occupancy by location (Jan 2022 - June 2025) - The first and foremost analysis was conducted on the average
occupancy by location, with the objective of identifying which of the 18 branches had the highest and lowest occupancy during
the period from January 2022 to June 2025.

The results indicated that there was **no significant variation** in the occupancy rates across branches. Given that the **maximum occupancy capacity** for each branch is **164 guests per night**, the **average occupancy** observed ranged between **116 and 119 guests**. This suggests a narrow spread, highlighting overall consistency in guest volume across locations.

However, when analyzing the gap between average and full capacity:

- 164-117=47164 117 = 47164-117=47 guests below full capacity
- This translates to approximately 28.66% unutilized capacity, or roughly 29% untapped potential per night per location in terms of room/bed utilization.

Despite the relatively small differences, certain branches stood out:

- Lowest Performing: Prague Charles Bridge (Prague, Czech Republic) had the lowest average occupancy in the given time period.
- Top Performers: Pisa Centrale (Rome, Italy) and Berlin Kurfürstendamm (Berlin, Germany) recorded the highest average occupancy, around 119 guests per night.

This analysis helps identify both consistently high-performing locations and branches that may need further investigation to understand the cause of underperformance.

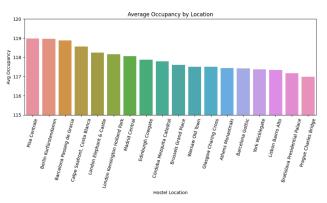


Fig 3 - Average Occupancy by Location (Jan 2022 - June 2025)

2. Average Occupancy Over Time (Jan 2022 - June 2025) - This visualization represents the average daily occupancy across all 18 hostel locations from January 2022 to June 2025. Each location has a maximum capacity of 164 guests, so the total maximum occupancy across all branches on any given day is: 18 locations × 164 = 2,952 guests.

From the plotted trend, we can observe that the overall occupancy remains **relatively stable over the entire time period**, with **no significant upward or downward trends**. The graph shows occupancy values ranging between **1,700 and 2,700 guests per day**. This steady pattern suggests that the company has maintained a consistent occupancy level across all its branches.

A few key observations:

- Maximum recorded occupancy during this period is around 2,700 guests, which indicates that no day reached full capacity
 (2,952) a realistic outcome in hospitality.
- Minimum occupancy observed was about 1,700 guests, meaning that at worst, the business was running at approximately 57.6% capacity.
- While the graph gives a general idea of performance, it lacks granular insights due to the long time span and relatively flat trend.

To gain more actionable insights, a **narrower analysis** will be done in the following sections, focusing on the most recent period — **January to June 2025** — to better understand fluctuations and performance patterns across locations.

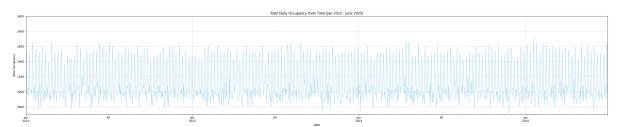


Fig 4 - Average Occupancy Over Time (Jan 2022 - June 2025)

3. Average Bed Price Distribution (Jan 2022 - June 2025) - This graph illustrates the average bed price per night across all 18 hostel locations from January 2022 to June 2025. Since this time span is relatively long, the analysis reflects general pricing trends, and a more detailed breakdown by shorter periods will be needed for deeper insights.

The prices shown represent the **average cost per night**, aggregated across **all room types** (e.g., dormitories and private rooms) at each location. For every hostel, the daily average price was calculated, and then averaged again over the entire time period to give a single value per location.

From the pie chart, we can observe that:

- The distribution of average prices is relatively uniform across all locations.
- The company appears to follow a standardized pricing strategy, maintaining similar price points regardless of the location.
- The **overall average price** is approximately £33 per night, which is affordable but may not fully align with regional differences in demand, local events, or customer behavior.

This uniform pricing approach may **limit revenue optimization opportunities**. To improve profitability, the company should consider implementing **dynamic pricing strategies** that adapt to:

- · Location-specific market conditions
- · Seasonal demand
- · Special events or local festivals
- · Customer demographics and preferences

In summary, while the current strategy promotes pricing consistency, a more adaptive model could unlock **additional revenue potential** and **increase occupancy in slower-performing locations**. Further analysis by **shorter timeframes** will be done next to evaluate how pricing varies across specific months and how it impacts occupancy.

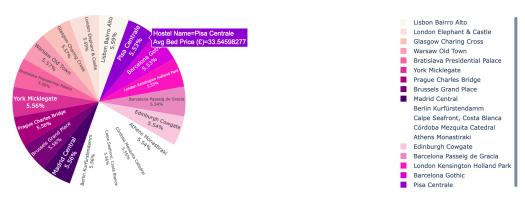


Fig 5 - Average Bed Price Distribution (Jan 2022 - June 2025)

Performance Analysis: January 2025 – June 2025

After reviewing the overall trends in occupancy and pricing from January 2022 to June 2025, we gained useful high-level insights into the company's performance. However, due to the long duration, that analysis remains generalized. To drive actionable improvements, it's critical to zoom in and evaluate recent performance trends. This section focuses on the most recent 6-month period (January to June 2025), helping to identify current strengths and improvement opportunities for the next half of the year.

1. Average Occupancy per Hostel (Jan–June 2025) - Previously, in Figure 3, we reviewed average occupancy by location over the full 3.5-year period. Now, narrowing the focus to the last 6 months allows us to assess how well each branch has been performing more recently.

From the graph:

- The Berlin Kurfürstendamm branch stands out with an average occupancy of 121 guests per night, making it one of the topperforming locations during this period.
- Considering the maximum capacity per hostel is 164 guests, an average occupancy in the 117–121 range across most branches indicates healthy and consistent performance.
- The **York Micklegate branch**, however, is slightly underperforming with an average of **116 guests per night**. While the gap may seem minor, this **consistently lower utilization** highlights an opportunity for **targeted improvement** at that location.

This more focused timeframe reveals that while overall performance is stable and strong, **localized strategies**—especially for underperforming branches—can help the company **maximize its occupancy potential** across all locations.

Avg Occupancy per Hostel (Jan-June 2025)

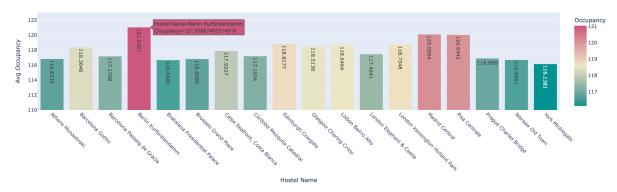


Fig 6 - Average Occupancy per Hostel (Jan-June 2025)

4. Daily Average Occupancy Across All Locations (Jan-June 2025) - In the earlier analysis of occupancy trends from January 2022 to June 2025, we observed that the overall daily occupancy remained fairly stable, with no significant upward or downward trends. However, when narrowing the focus to the last 6 months, more noticeable fluctuations become evident.

This graph represents the **average daily occupancy across all 18 hostel locations**. For each day in the period from **January to June 2025**, the average occupancy was calculated by combining the occupancy figures across all branches. For example, if one hostel had full occupancy (164) and another had 100 guests, their values would contribute to that day's overall average.

From this analysis:

- The lowest average occupancy was recorded on May 30th, with just 98 guests per hostel on average.
- · The highest occupancy was on January 19th, reaching an average of 151 guests per hostel.

Average Daily Occupancy (Jan-June 2025)

· On most days, occupancy fluctuated between 120 and 130, which indicates strong and steady performance.

While the company is operating at a healthy level, there is potential for further optimization. By better understanding location preferences, seasonal demand, and customer expectations, even a 10% improvement in occupancy rates could significantly boost revenue and customer satisfaction. For instance, reaching consistent averages of 140–150 guests per night per hostel would tap into underutilized capacity and drive better operational efficiency.

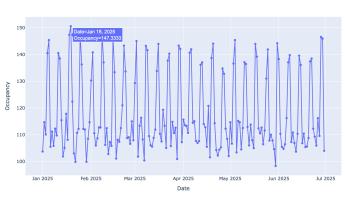


Fig 7 - Daily Average Occupancy Across All Locations (Jan-June 2025)

5. Average Bed Price Per Night by Hostel (Jan-June 2025) - Previously, when analyzing the average bed price per night across all hostel locations from January 2022 to June 2025, the pie chart indicated that pricing was highly consistent across all branches, with little variation. Now, upon narrowing the timeframe to January to June 2025, the pattern remains the same.

The analysis shows that the **average bed price per night** across the 18 locations is around £33, with only **minor fluctuations of £1 up or down**. This consistency suggests that the company is not differentiating prices based on **location-specific factors**, such as local demand, seasonal events, or customer preferences.

While it's commendable that the occupancy levels remain strong at this pricing level, there is still **untapped potential**. By **analyzing local market conditions** and **adjusting prices accordingly**, the company can provide a more **personalized and value-driven experience** for guests. After all, pricing should reflect not just affordability, but also the **perceived value and satisfaction** of the customer

In summary, while a standard pricing strategy may simplify operations, adopting a **dynamic pricing model**—tailored to individual branch performance and local trends—could lead to **increased revenue** and **higher guest satisfaction**.

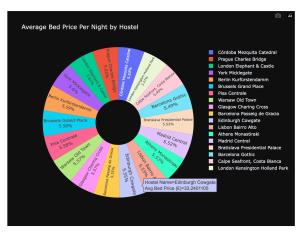


Fig 8 - Average Bed Price Per Night by Hostel (Jan-June 2025)

6. **Total occupancy Across All Hostels (Jan-Jun 2025)** - Just to have an over view of total occpancy in last 6 months the graph is plotted, the max occupancy of the hostel in a day across all 18 locations is 2952 guests. The max it was observed in 6 months is 66k and minimum of 59k, it was noticed that feb have less occupancy and the march month have bit high occupancy.

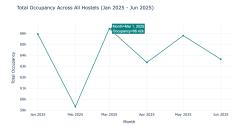


Fig 8 - Total occupancy Across All Hostels (Jan-Jun 2025)

7. Occupancy vs. Average Bed Price (Jan – June 2025): York Micklegate - As previously identified, the York Micklegate branch has shown a slightly lower occupancy trend compared to other locations. To better understand this, a graph was created to visualize the relationship between average bed price and occupancy during the period from January to June 2025.

The graph reveals a **clear inverse relationship**: As the **average bed price increases**, the **occupancy tends to decrease**, and vice versa. This suggests that the **York branch is highly price-sensitive**—even small fluctuations in bed pricing have a noticeable impact on customer turnout.

This insight highlights the importance of implementing a **price optimization strategy** specific to this location. Unlike other branches where occupancy remains stable despite pricing, the York Micklegate branch appears to have a **direct correlation between pricing and revenue performance**. Therefore, the company should consider:

- Testing lower price points during off-peak days or periods of historically low occupancy.
- ${\bf Analyzing\ customer\ feedback}$ and competitor pricing in the local area.
- Implementing dynamic pricing models that respond to local demand and events.

Overall, pricing at this branch should be approached more carefully, as it plays a **critical role in maximizing both occupancy and profitability**.

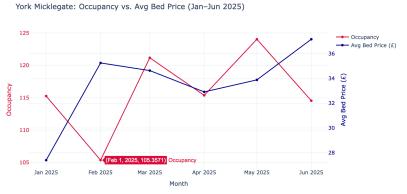


Fig 9 - Occupancy vs. Average Bed Price (Jan - June 2025): York Micklegate

Conclusion & Results

As we conclude this analysis, let's revisit the key insights gathered and outline what steps Safestay can consider moving forward.

Note: The data used in this project is synthetic—it was generated based on Safestay's business model to simulate a real-world scenario and offer a hands-on analytical experience.

Key Observations:

- Strong Performance: The company maintained an impressive ~90% average occupancy throughout the period from January 2022 to June 2025, indicating consistent customer demand and operational efficiency.
- Pricing Consistency: One critical observation is that average bed prices remain nearly identical across all 18 branches, with
 minimal variation. While this simplifies pricing strategy, it doesn't account for local market dynamics, seasonal events, or
 customer expectations—presenting an opportunity for 1–2% improvement in both occupancy and revenue by adopting
 location-specific dynamic pricing.
- York Branch Underperformance: The York Micklegate location showed a slight but consistent decline in occupancy compared to other branches. A deeper analysis revealed an inverse relationship between price and occupancy, indicating this branch is highly price-sensitive. Strategic adjustments in pricing based on local demand could significantly improve performance here.

Next Steps:

While this project focused on two primary KPIs—Occupancy and Average Bed Price per Night, further insights could be gained by analyzing additional performance indicators such as:

- · Guest Reviews & Ratings
- MPI (Market Penetration Index)
- RevPAR (Revenue Per Available Room)
- ReRTI (Revenue per Room Type Index)

These metrics, combined with customer sentiment and operational factors, would offer a **more comprehensive view of business health** and identify additional areas for optimization.

Final Thoughts:

Even with synthetic data, this case study demonstrates the **critical role a data analyst plays** in identifying patterns, uncovering inefficiencies, and **providing data-backed recommendations** for improvement.

Safestay is already performing well, but with focused refinements in **pricing strategy**, **localized analysis**, **and deeper KPI exploration**, the company can enhance guest satisfaction and drive greater profitability—**turning data into decisions that truly make a difference**.