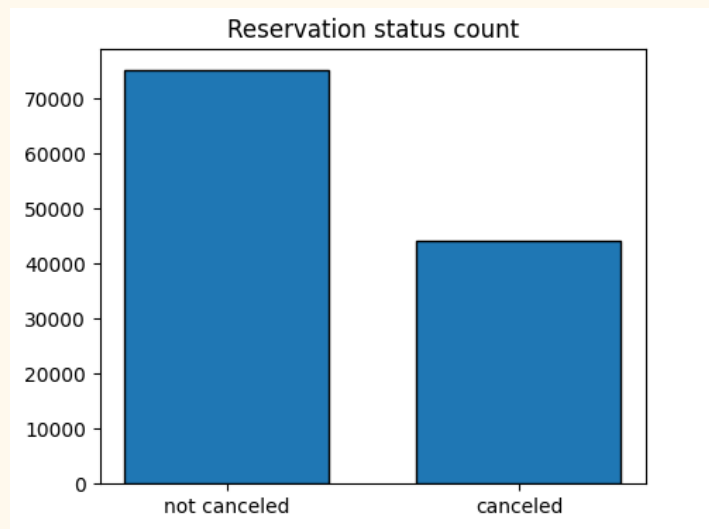


REPORT

Analysis and Finding

PROBLEM

In the past few years, both the City Hotel and Resort Hotel have experienced significant increases in their cancellation rates. As a result, both hotels are currently facing a range of challenges, such as reduced revenue and underutilized hotel rooms. Therefore, the top priority for both hotels is to reduce their cancellation rates, which will enhance their efficiency in generating revenue. This report focuses on the analysis of hotel booking cancellations and other factors that do not directly impact their business and annual revenue generation.



37% : percentage of reservations canceled in both hotels.

1 --> canceled / 0 --> not canceled [0 : 0.628648 ; 1 : 0.371352]

Majority of bookings were not canceled, still some half of the bookings were canceled.

This graph titled "Reservation status count" is a bar chart comparing the counts of hotel reservations based on their status: **not canceled** and **canceled**.

It is evident that a substantial portion of the reservations remains unaffected by cancellations.

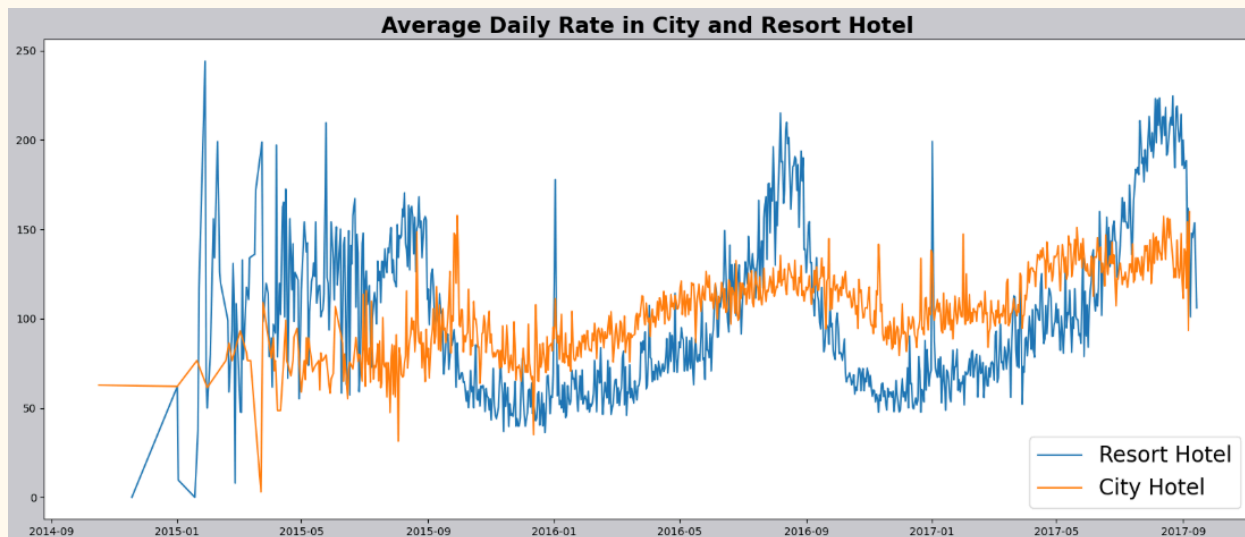
The cancellation rate appears substantial, as a large proportion of reservations have been canceled, **likely around 37% of clients have chosen to cancel their reservations, and this has a noteworthy impact on the hotels revenue.**



Most bookings were in city hotel

cancellation in Resort hotel is less compared to city hotel

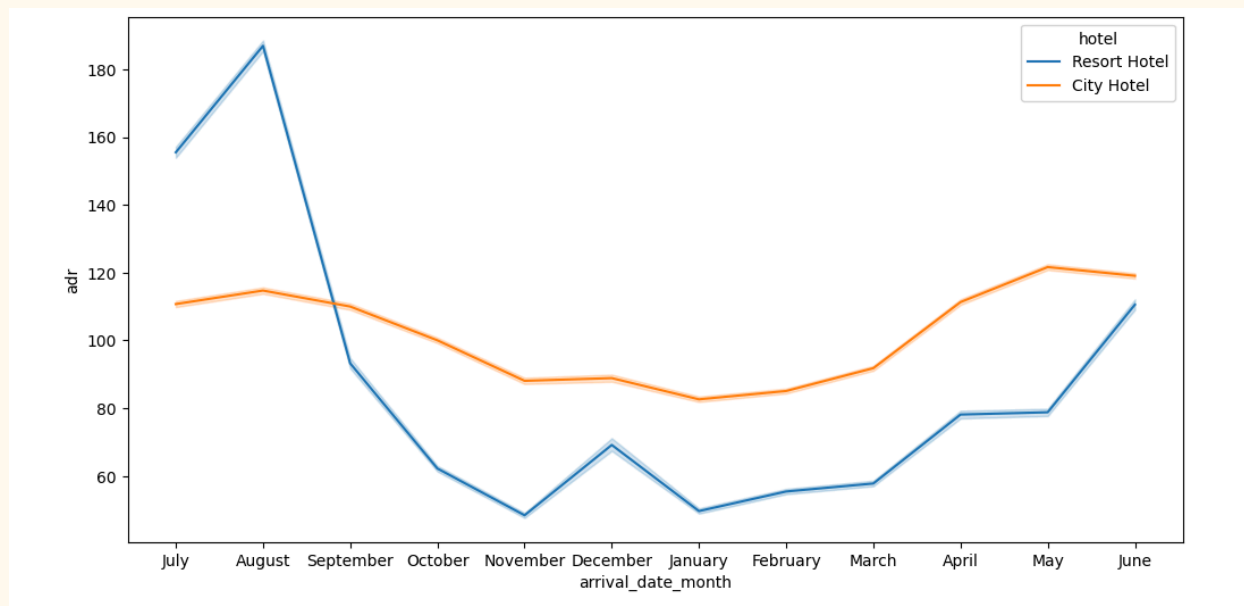
In comparison to resort hotels, city hotels have more bookings. It's possible that resort hotels are more expensive than those in cities.



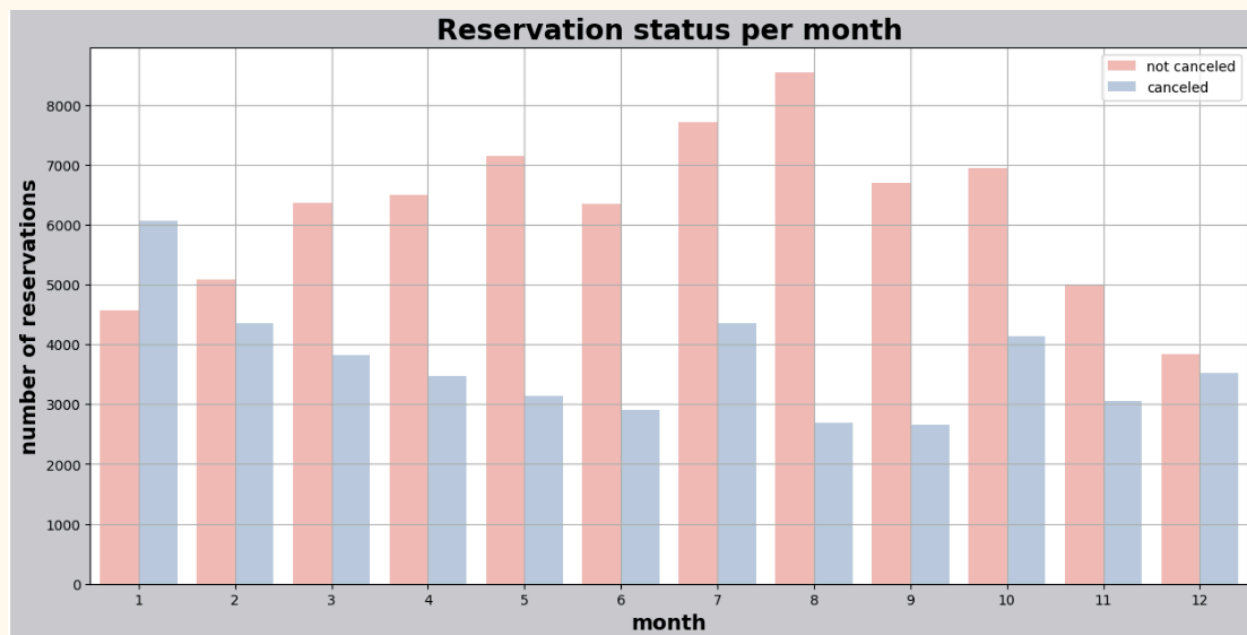
As we say, the prices of the Resort hotels are much higher than the prices of the City hotels.

The line graph above shows that, on certain days the average daily rate for a city hotel is less than that of a resort hotel and on other days, it is even less.

It goes without saying that weekends and holidays may see a rise in resort hotel rates.



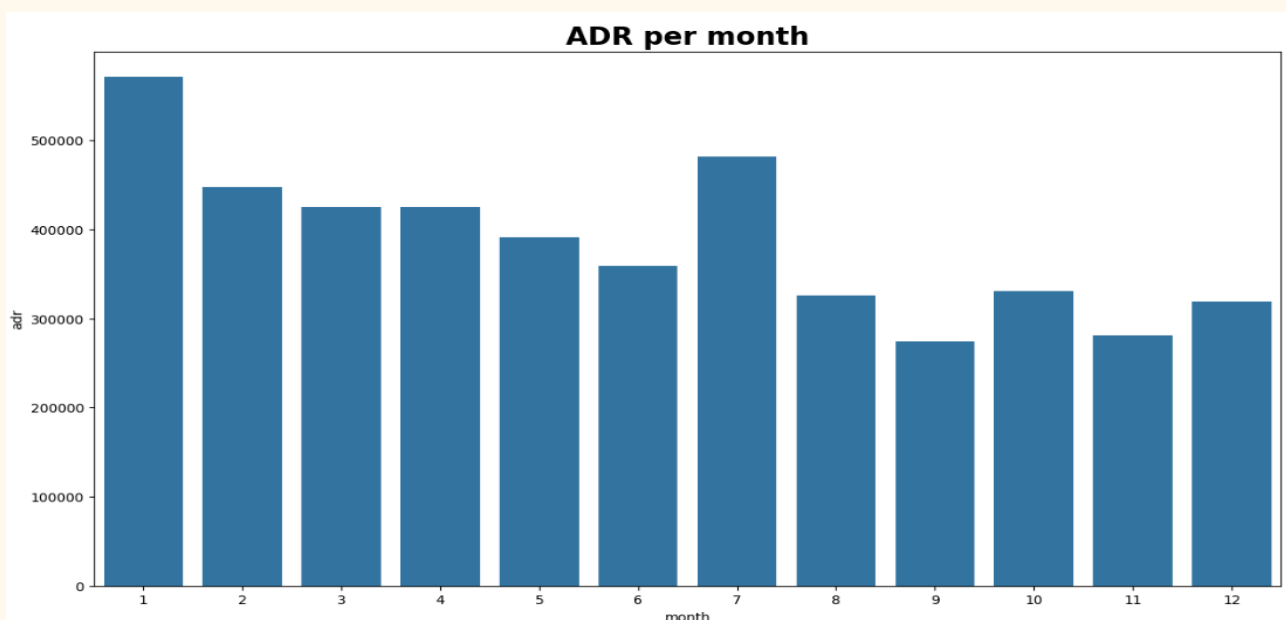
For Resort Hotels, ADR is more expensive during July, August and September and for City hotels, ADR is slightly higher during March, April and May.



Most bookings were done (not canceled is more than canceled in the bar graph) in the months of May, June, July, August and September.

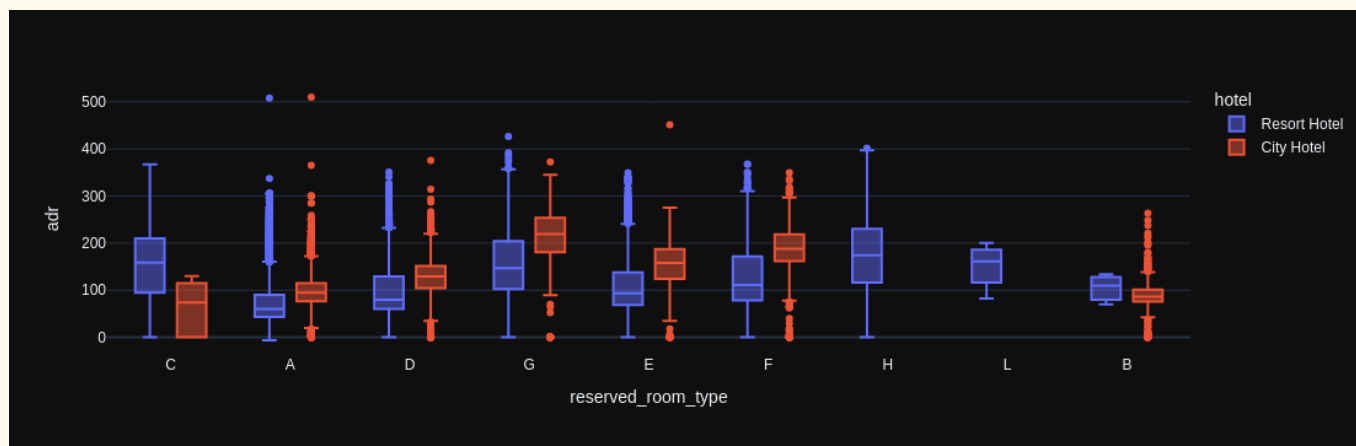
We've created a grouped bar graph to examine the months with the highest and lowest reservation levels based on their status. It's evident that the month of August stands out (easy to recognize), having the highest numbers of confirmed reservations. In contrast, January has the fewest number of confirmed bookings but the highest number of cancellations.

Let's see the average daily rate per month (the cause).



This bar graph illustrates that the cancellations are most frequent when prices are at their highest and least common when prices are at their lowest.

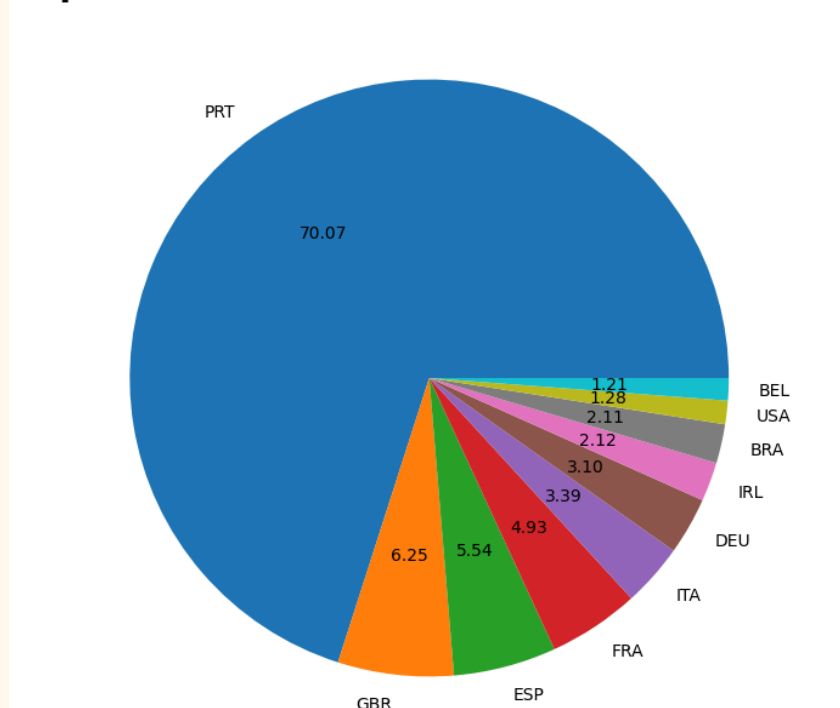
Consequently, the price of accommodation appears to be the primary factor influencing cancellations.



Both hotels have different room types and different meal arrangements. Seasonal factors are also important, so the prices vary a lot.

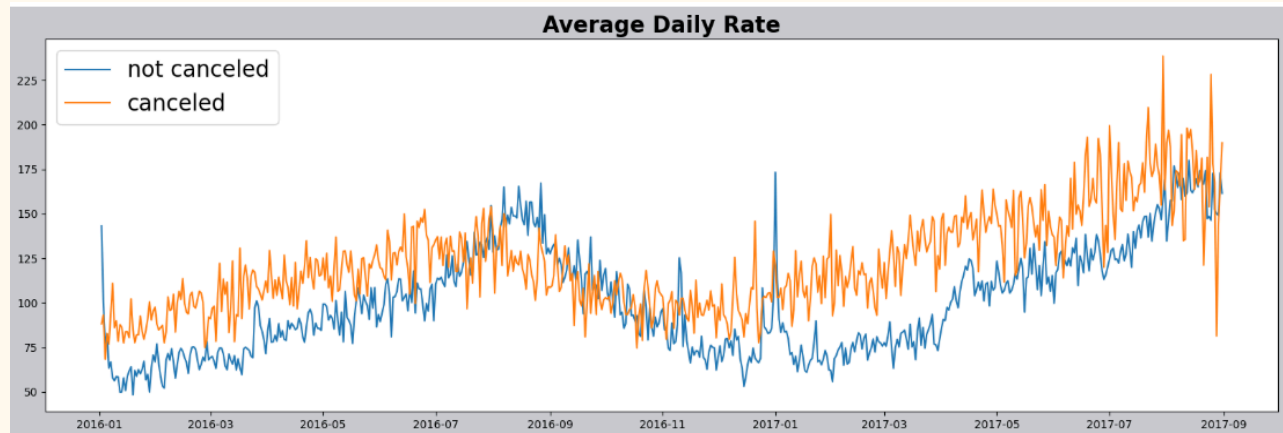
Now, we are going to examine which country experiences the highest number of canceled reservations.

top 10 countries with reservation canceled



Portugal stands out as the top country with the highest number of cancellations.

Here we can conclude that the percentage of Portugal is too high than the other countries so we can say or propose to set the prices of reservation in Portugal to reduce the cancellation percentage.



As seen in the graph, reservations are canceled when the average daily rate is higher than when it is not canceled.

It clearly proves all the above analysis shows that the higher price leads to higher cancellation.

Suggestions

1. Increasing prices are associated with a higher rate of cancellations. To mitigate reservation cancellations, hotels could refine their pricing strategies by offering reduced rates for specific locations and providing discounts to customers.
2. We also realise that the high rate of cancellations can be due to high no deposit policies.
3. The resort hotel experiences a lower ratio of cancellations compared to the city hotels.
4. During the month of January, hotels can launch marketing campaigns with attractive offers to boost their revenue, especially since cancellations tend to peak during this period.
5. We should also target between May and August, as they are peak months due to the summer season.