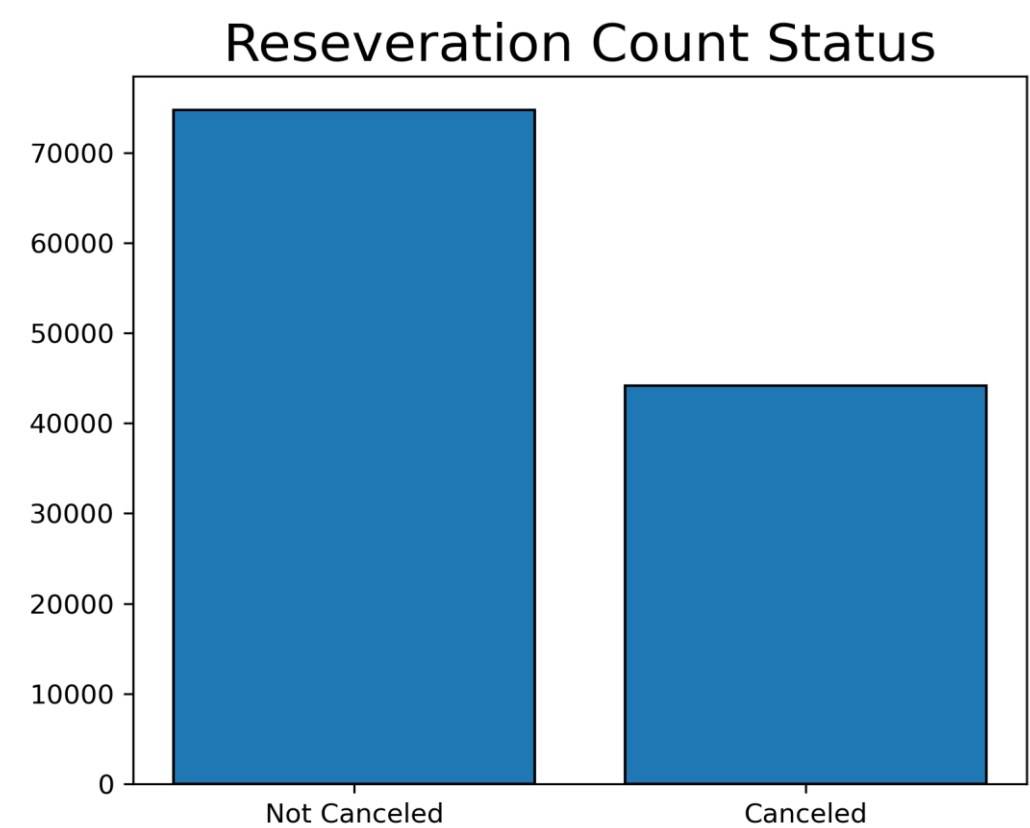
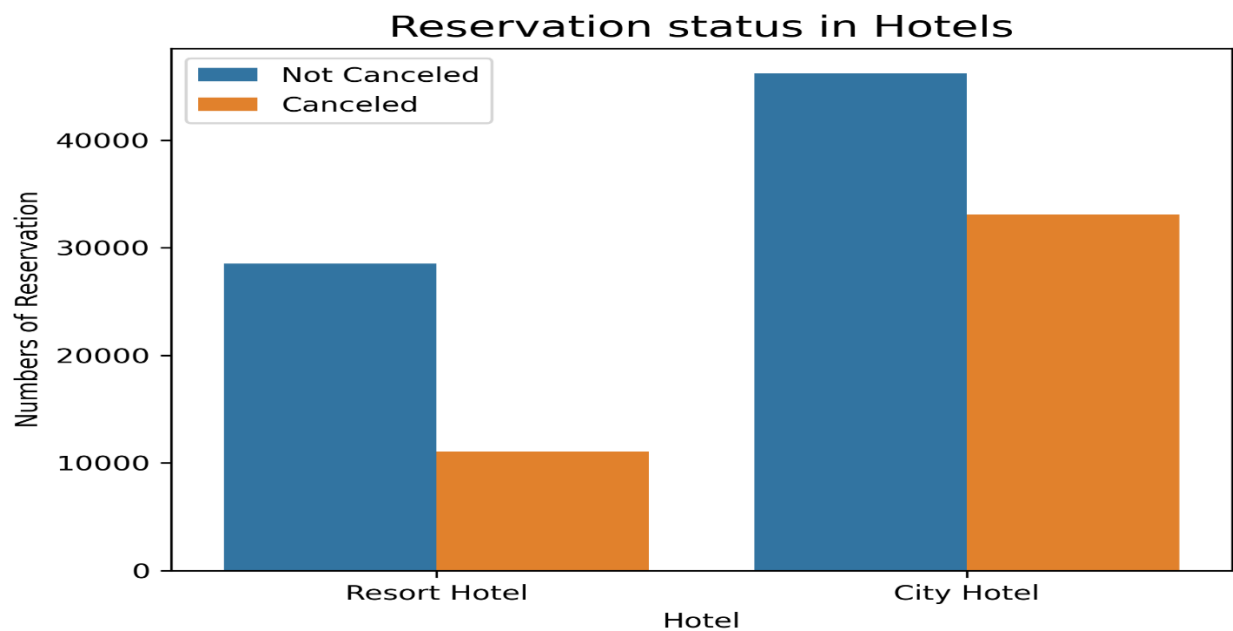


# Hotel Reservations Cancellation Analysis



**Reservation Count Status:**

The bar chart illustrates the distribution of reservations based on their cancellation status. Two categories are represented: "Not Canceled" and "Canceled." The data suggests a cancellation rate of about 36%, which has a significant impact on the hotel’s revenue.



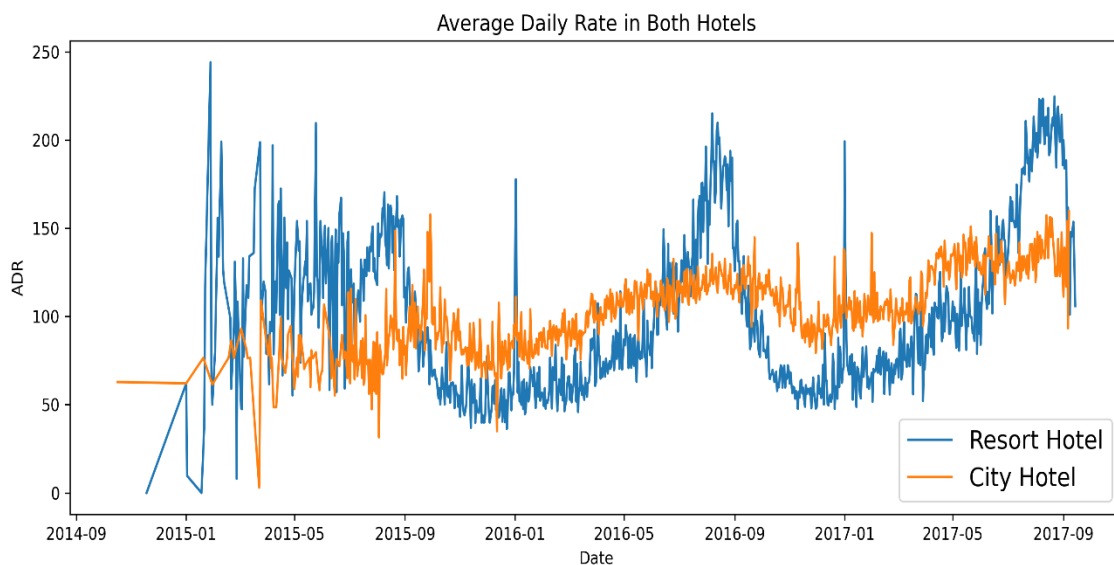
## Reservation Status in Resort & City Hotel:

Bar chart compares the number of reservations that were not canceled versus those that were canceled for each hotel type. In Resort Hotel approximately 30,000 reservations were not canceled and around 10,000 reservations were canceled. In City Hotel approximately 45,000 reservations were not canceled and around 30,000 reservations were canceled.

The cancellation rate is higher in City Hotels compared to Resort Hotels.

Resort Hotel: About 25% of the reservations were canceled (10,000 canceled out of 40,000 total). City Hotel: About 40% of the reservations were canceled (30,000 canceled out of 75,000 total).

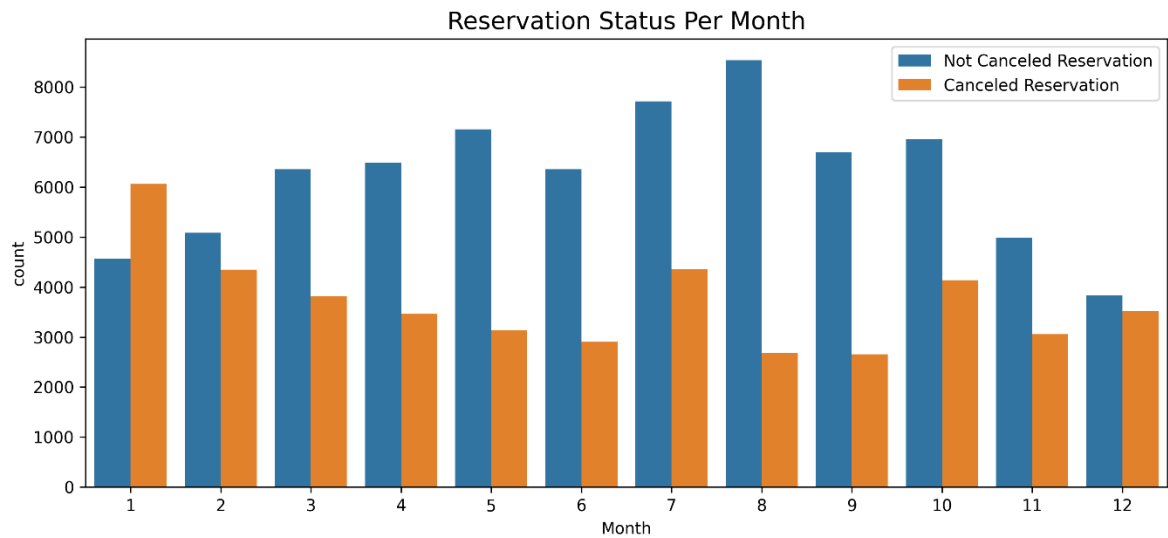
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## Average Daily Rate in Both Hotels:

The line graph above illustrates that on some days, the average daily rate (ADR) for city hotels is lower than that of resort hotels, and on other days, it is even further reduced. It is evident that weekends and holidays likely lead to an increase in the rates for resort hotels.

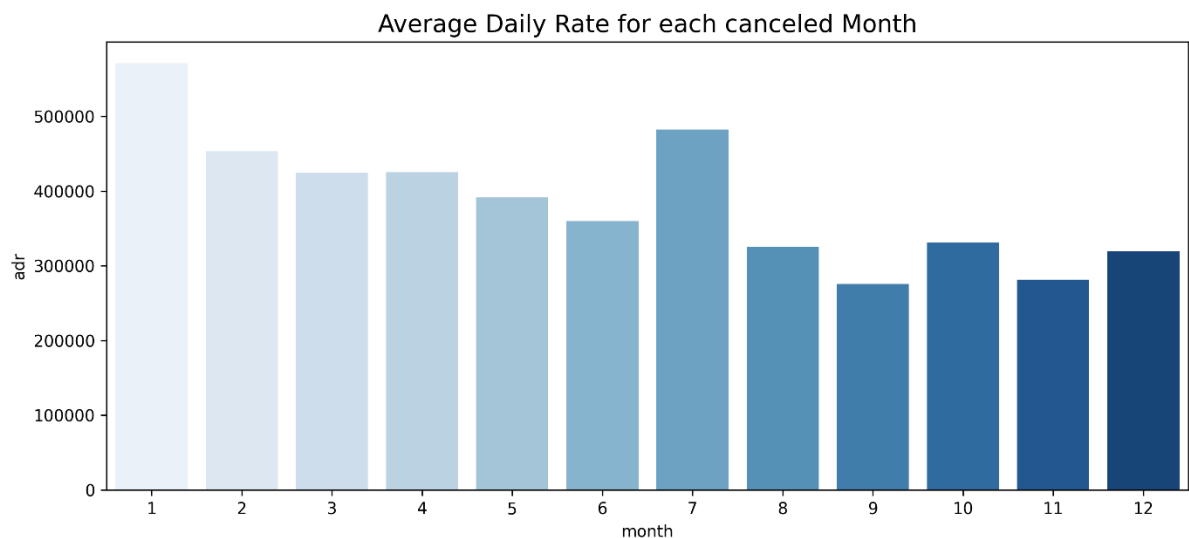
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### Reservation Status Per Month:

In this chart, we can analyze “Not Canceled Reservation” and “Canceled Reservation” months wise with highest and lowest reservation levels according to reservation status. As we can see, August consistently shows the highest volume of not-canceled reservations and January have higher cancellation rates.

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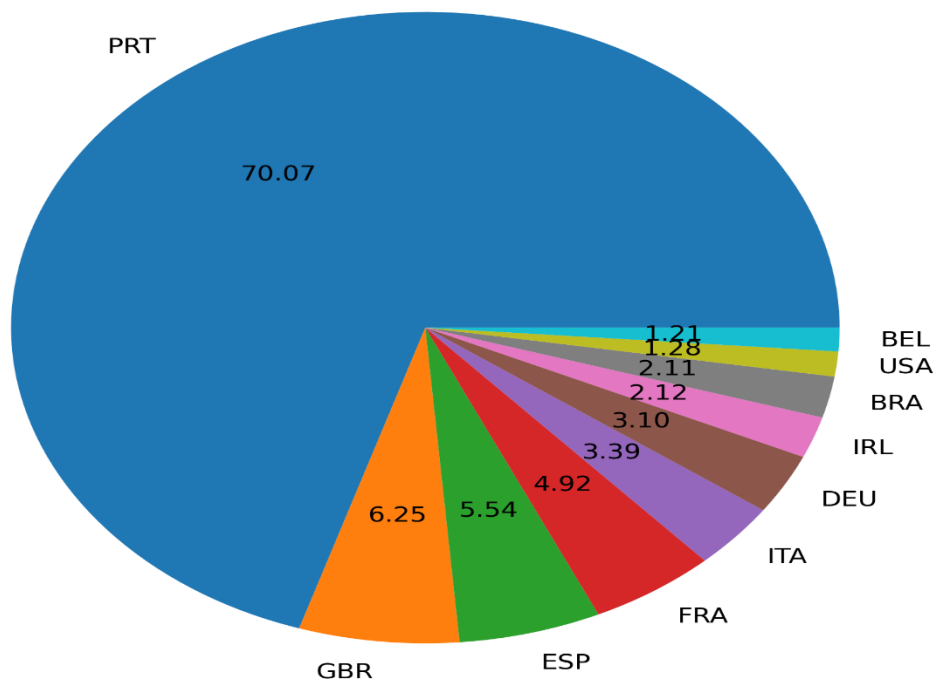
### Average Daily Rate for Each Canceled Month:

The bar chart provides a visual representation of the average daily rates (ADR) for canceled reservations, broken down by month throughout the year. January shows the highest average daily rate for canceled reservations, surpassing 500,000 units. The period from August to November sees the lowest ADRs for canceled reservations, with November having the lowest at just above 200,000 units.

Here we can see that when hotel prices are high, the rate of reservation cancellations is also high. Conversely, when prices are low, the rate of reservation cancellations is correspondingly low.

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Top 10 Countries according to cancelation rate



#### Top 10 Countries according:

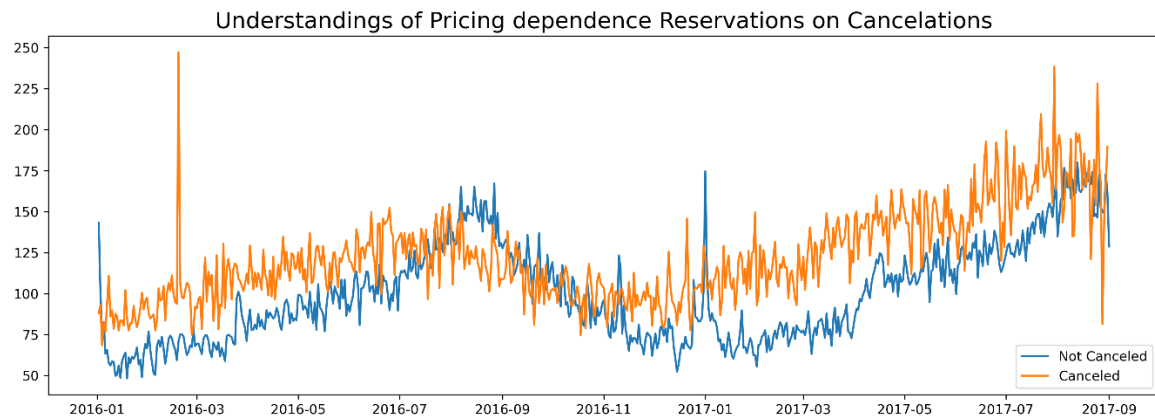
The pie shows the proportion of hotel reservation cancellations from the top ten countries. Portugal (PRT): Dominates with a significant 70.07% of cancellations. United Kingdom (GBR): Represents 6.25% of cancellations, the second-highest on the chart. Then, Spain(ESP) with 5.54%, France(FRA) with 4.92%, Italy(ITA) with 3.39%, Germany(DEU) with 3.10%, Ireland(IRL) with 2.12%, Brazil(BRA) with 2.11%, United States(USA) with 1.28%, Belgium(BEL) with 1.21%.

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**Now, check that from where guests are visiting the hotels and making reservations. Is it coming from Groups or Direct, Online or Offline Travel Agents?**

Around 47% of the clients are coming from Online Travel Agencies, whereas 20% come from Offline Travel Agencies. 16% are coming from Groups and Only 10% of Clients book hotels directly by visiting them and making reservations.

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As we 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 ,that the higher price leads to higher cancellation.

## Suggestions:

1. Cancellation rates rise as the price does. In order to prevent cancellations of reservations, hotels could work on their pricing strategies and try to lower the rates for specific hotels based on locations. They can also provide some discounts to the consumers.
2. In the month of January, hotels can start campaigns or marketing with a reasonable amount to increase their revenue as the cancellation is the highest in this month.
3. They can also increase the quality of their hotels and their services mainly in Portugal to reduce the cancellation rate.
4. Offer flexible booking options, such as date changes without penalties, to retain customers who might otherwise cancel. This approach can maintain occupancy rates while accommodating changing travel plans.
5. For city hotels, consider implementing stricter cancellation policies or offering non-refundable booking options at a discounted rate. This may reduce the high cancellation rate while also securing revenue.
6. Further analysis of booking sources (e.g., online travel agencies, direct bookings, corporate bookings) can help identify channels with higher cancellation rates. May be possible that online agencies charge extra money from customers.
7. Gathering insights through customer feedback surveys, especially for those who canceled, can help identify pain points or reasons for cancellations. Addressing these can enhance the overall booking experience and potentially reduce cancellations.