ITC Hotels Revenue Optimization

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Introduction

ITC Hotels is a renowned luxury hotel chain with diverse properties, offering multiple room categories and services. The organization aims to optimize its revenue generation, enhance customer satisfaction, and minimize cancellations through data-driven decision-making. This project focuses on creating an interactive, multi-page Power BI dashboard that provides stakeholders with real-time insights into financial performance, occupancy trends, and customer booking behaviour.

Problem Statement

The hotel industry is highly competitive and influenced by various factors such as seasonality, customer preferences, and operational efficiency. The company wants to gain deeper insights into its overall financial performance, customer booking behaviour, occupancy trends, and room category performance to optimize revenue generation, minimize cancellations, and enhance customer satisfaction. The goal of this project is to create an interactive, multi-page Power BI dashboard to provide stakeholders with real-time insights for decision-making. ITC Hotels faces the following challenges:

1. Understanding financial performance across properties and room categories.

2. Analyzing occupancy trends and their correlation with revenue.

3. Evaluating room category performance to identify high and low-performing categories.

4. Investigating cancellation trends and their financial impact.

Dashboard Overview

Page 1: Financial Overview and Revenue Performance
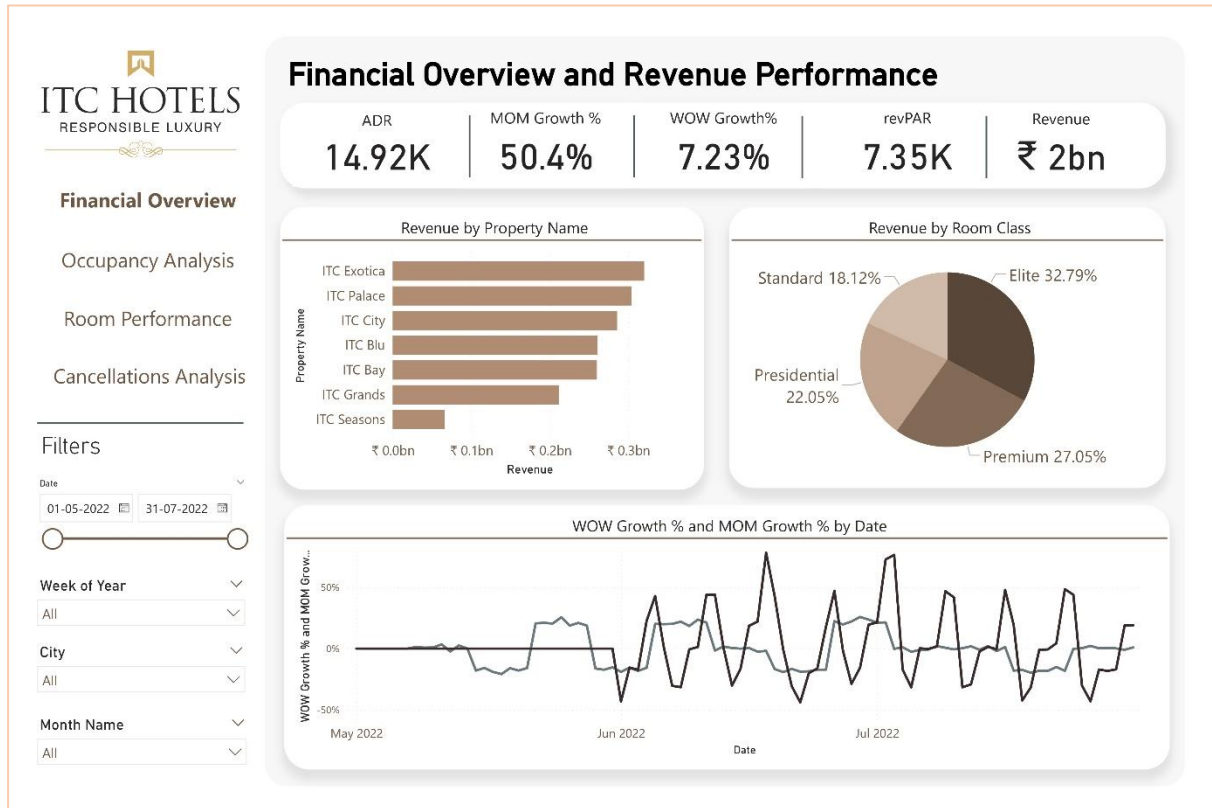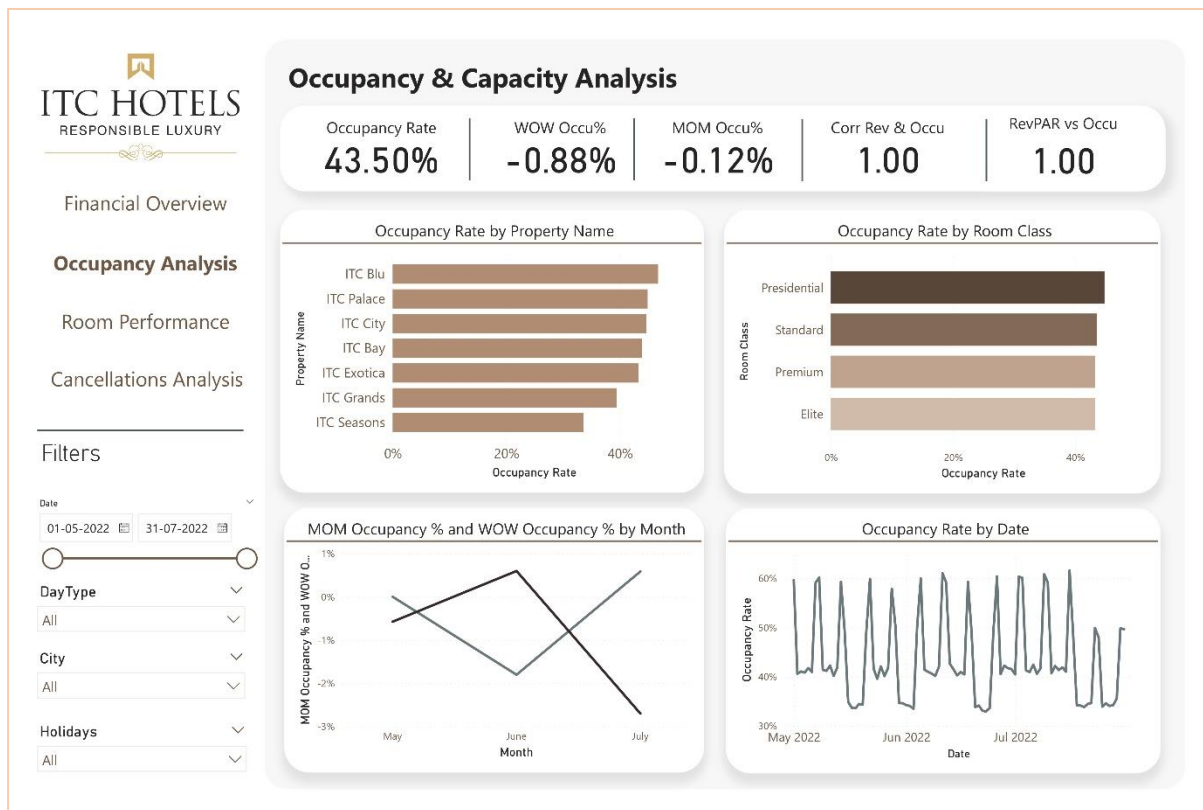

- **Key Metrics:**

  - Total Revenue: ₹2 billion.

  - MoM Revenue Growth: 50.4%.

  - WoW Revenue Growth: 7.23%.

- **Findings:**

  - The highest revenue was generated by **ITC Exotica**, followed by **ITC Palace**.

  - Among room classes, **Elite rooms** accounted for 32.79% of the total revenue, the highest contribution.

  - Revenue growth was strongest in **June 2022**, as shown by MoM and WoW trends.

  - ADR (Average Daily Rate): ₹14.92K.

  - RevPAR (Revenue per Available Room): ₹7.35K.

Page 2: Occupancy and Capacity Analysis

Occupancy & Capacity Analysis

| Occupancy Rate	WOW Occu%	MOM Occu%	Corr Rev & Occu	RevPAR vs Occu
43.50%	-0.88%	-0.12%	1.00	1.00

- **Key Metrics:**

  - Overall Occupancy Rate: 43.5%.

  - MoM Occupancy Growth: -0.12%.

  - WoW Occupancy Growth: -0.88%.

  - Correlation (Revenue vs. Occupancy): 1.00 (strong positive).

- **Findings:**

  - **ITC Blu** had the highest occupancy rate, while **ITC Grands** was lower than average.

  - Occupancy rate fluctuated seasonally, with weekends showing slightly higher utilization.

  - Room classes **Elite** and **Premium** had higher occupancy rates compared to **Standard**.

Page 3: Room Category Performance and Booking Insights
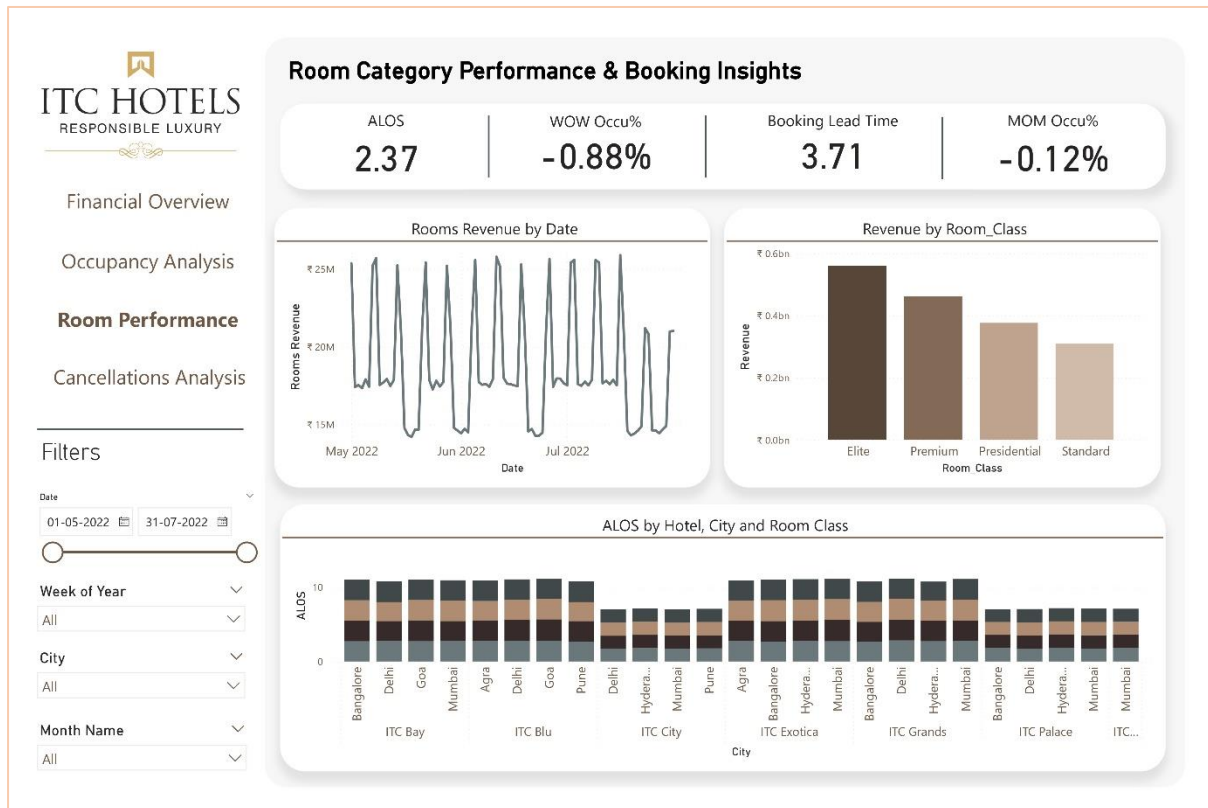
- **Key Metrics:**

  - ALOS (Average Length of Stay): 2.37 days.

  - Booking Lead Time: 3.71 days (average time between booking and check-in).

  - Revenue Trend: Highest in June 2022.

- **Findings:**

  - **Elite rooms** consistently outperformed other categories in revenue contribution.

  - The revenue trend highlighted **seasonal peaks** during mid-June.

  - Cities like **Mumbai** and **Delhi** showed longer stays compared to others.

Page 4: Cancellations and Lost Revenue Analysis

Cancellations & Lost Revenue Analysis

Canc Rate	WOW Can%	MOM Can%	Cummulative Canc	Revenue Lost
24.83%	-0.25%	-0.75%	33.42K	₹ 298.77M

- **Key Metrics:**

    o Cancellation Rate: 24.83%.

    o Lost Revenue: ₹298.77M.

    o Cumulative Cancellations: 33.42K.

    o MoM Cancellation Growth: -0.75%.

    o WoW Cancellation Growth: -0.25%.

- **Findings:**

    o **Presidential rooms** had the highest cancellation rate compared to other room classes.

    o Cancellation patterns were more frequent during **holidays and weekends**.

    o The **lost revenue** due to cancellations impacted financial performance significantly.

Key Insights & Recommendations

1. **Revenue Optimization:**

   o Focus on promoting **Elite and Premium rooms**, as they generate the most revenue.

   o Leverage the strong correlation between occupancy and revenue to maximize capacity utilization.

2. **Occupancy Improvements:**

   o Enhance strategies for **off-peak periods** to boost occupancy rates.

   o Introduce discounts and dynamic pricing for **low-performing hotels and room types.**

3. **Cancellation Management:**

   o Analyze cancellation reasons for **Presidential rooms** and implement customer retention strategies.

   o Increase cancellation penalties or introduce flexible booking policies to reduce lost revenue.

4. **Booking Insights:**

   o Target cities like **Mumbai** and **Delhi** for longer-stay promotions.

   o Optimize booking lead times by offering discounts for early reservations.

Conclusion

This dashboard offers ITC Hotels a comprehensive view of its operations, empowering stakeholders to:

- Drive revenue growth by focusing on high-performing room categories.

- Optimize occupancy rates through dynamic pricing and promotions.

- Address cancellation issues by revising policies or identifying cancellation-prone segments.

- Make data-driven decisions for enhanced customer satisfaction and operational efficiency.