

BUSINESS PROBLEM

- In recent years, City Hotel and Resort Hotel have seen high cancellation rates.
- Dealing with a number of issues as a result, including fewer revenues and less than ideal room use.
- Lowering cancellation rates in both hotel's is the primary goal in order to increase their efficiency in generating revenue.
- Analysis of Hotel booking cancellations as well as other factors

ASSUMPTIONS

- No unusual occurrences between 2015 and 2017 will have substantial impact on the data used.(no outliers)
- Information is still current and can be used to analyze hotel's possible plans in an efficient manner
- Hotels are not currently using any suggested solutions
- Biggest factor affecting the effectiveness of earning income is booking cancellations
- Cancellations results in vacant rooms for booked length of time
- Clients makes hotel reservations same year they make cancellations

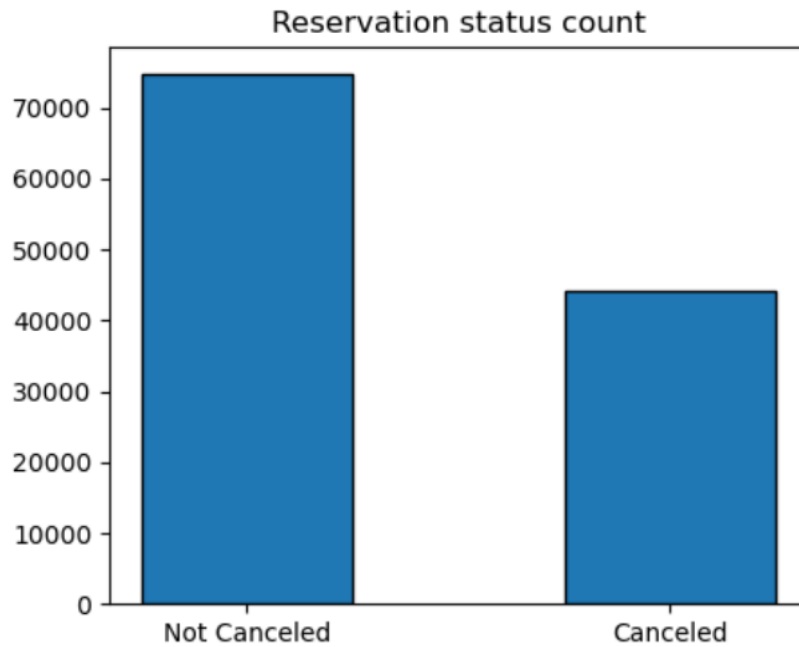
RESEARCH QUESTIONS

1. What are the variables that affect hotel reservation and cancellations?
2. How can we make hotel reservation cancellations better?
3. How will hotels be assisted in making pricing and promotional decisions

HYPOTHESIS

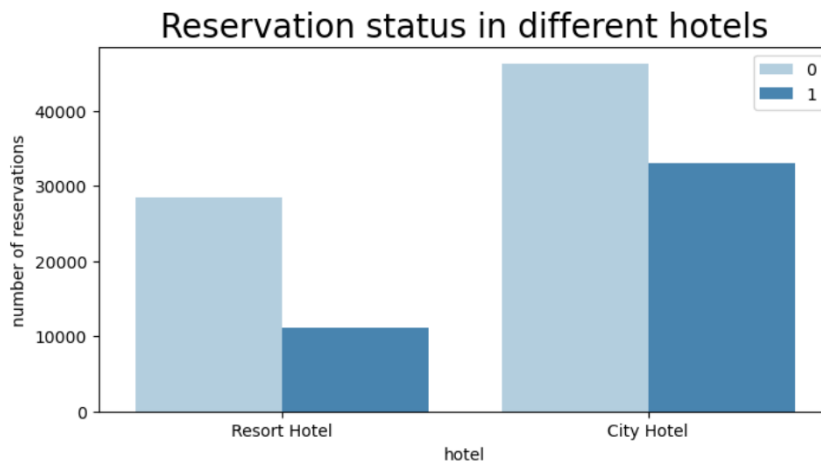
- More cancellations, when prices are higher
- Where there is longer waiting list, customer tends to cancel more frequently
- Majority of clients coming from offline travel agents to make their reservations

ANALYSIS & FINDINGS



Here, bar graph shows the percentages of reservations that are cancelled and that are not-cancelled

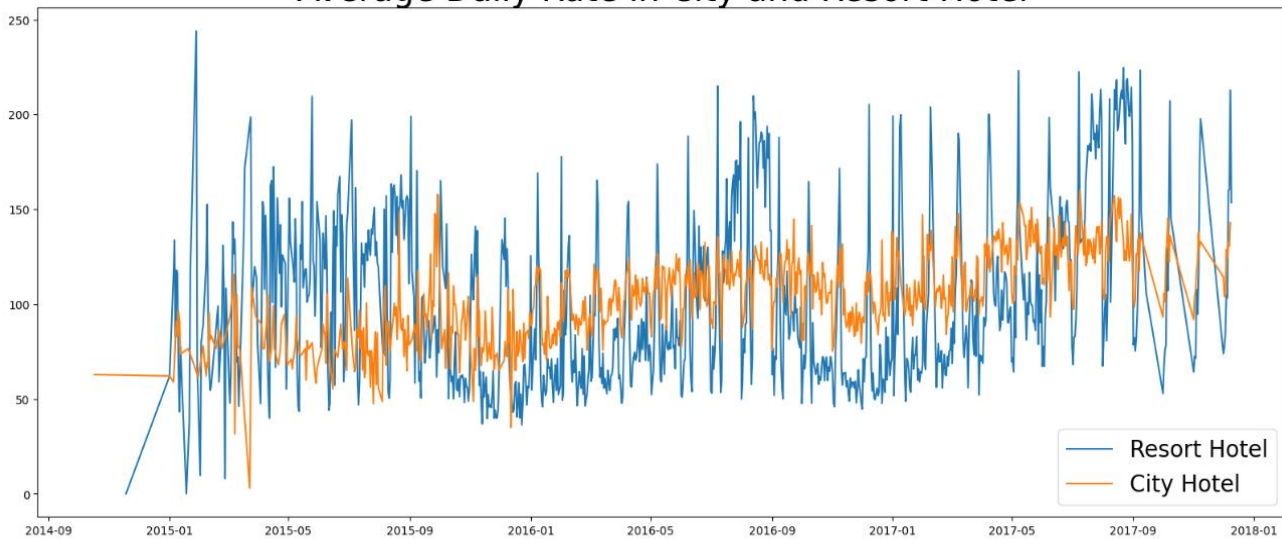
Significantly shows that number of reservations that are not cancelled are higher but still 37% of customer cancelled their reservations which has significant impact on the hotel's earnings.



In comparison to resort hotel , city hotel have more bookings.

Possibility :- resort hotels are more expensive than those in cities

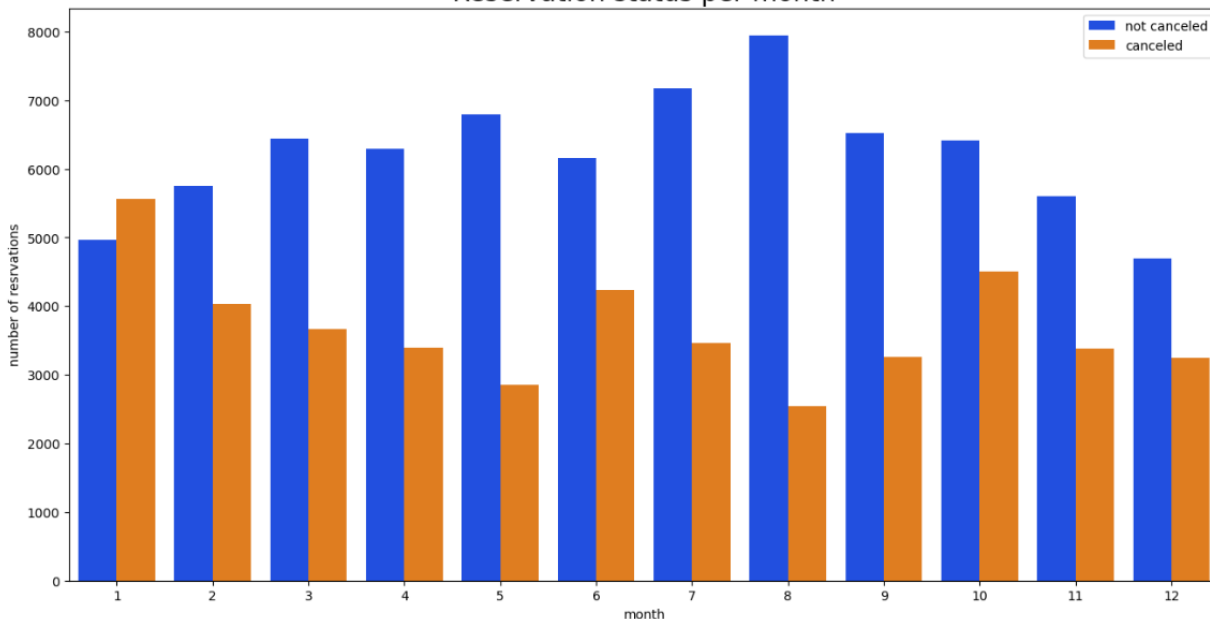
Average Daily Rate in City and Resort Hotel



This is the line graph, this shows, on certain days average daily rate of city hotel is less than that of resort hotel and other days, it is even less

During weekends and holidays may see a rise in resort hotel rates.

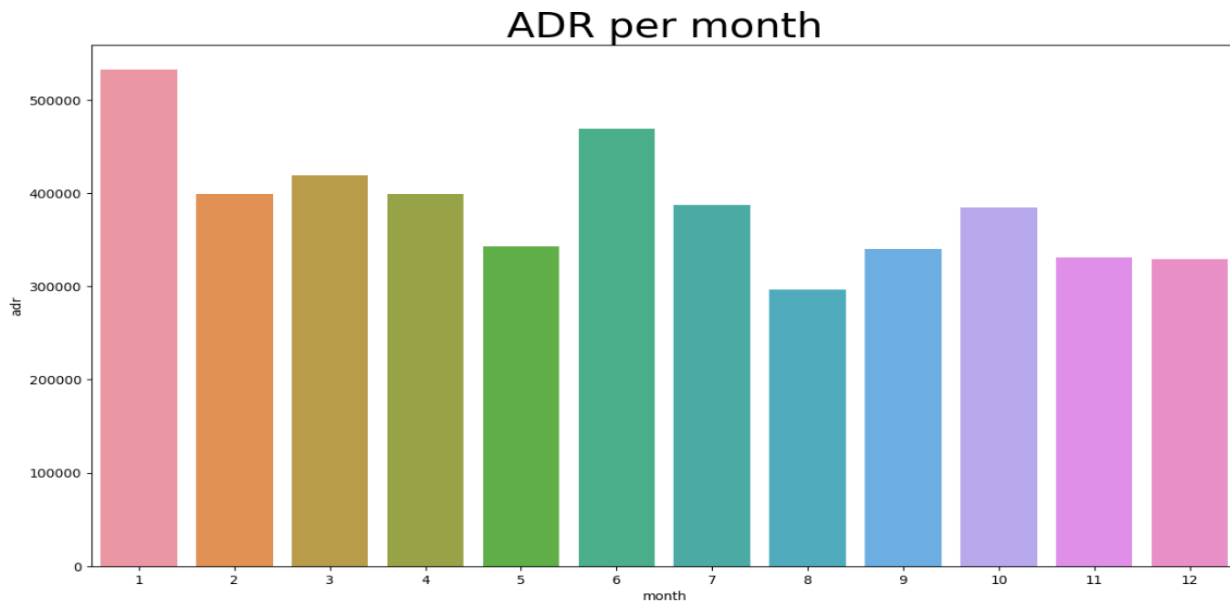
Reservation status per month



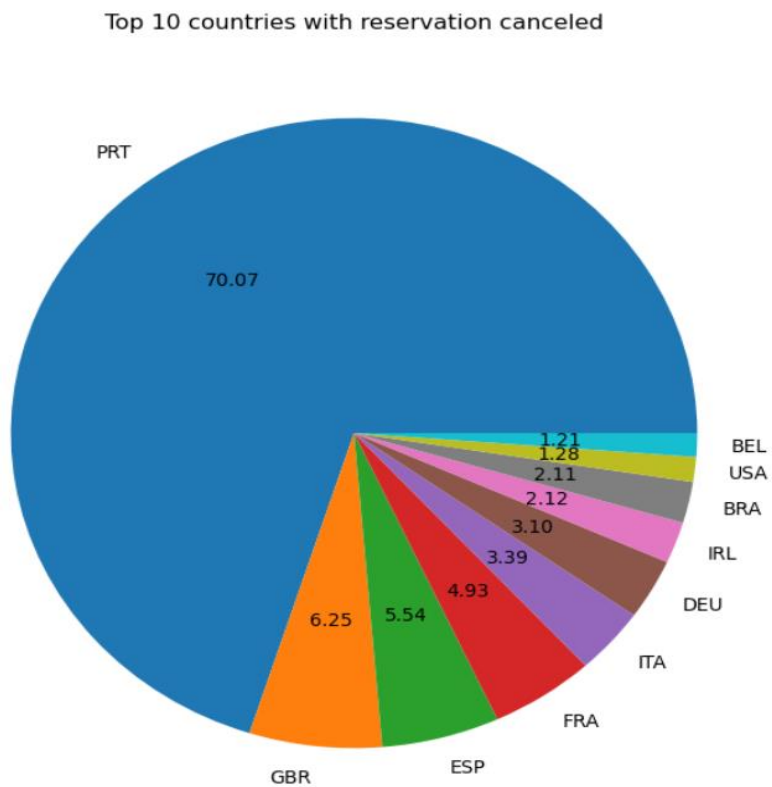
This is the grouped bar graph to analyze months with the highest and lowest reservation levels according to reservation status

Conclusion:- It is observe that, number of confirmed reservations are largest in the month of August and January is the month with most number of cancelled reservations .

This bar graph shows that, cancellation is common when prices are greatest and are least common when they are lowest. when they are lowest.



Conclusion :- the cost of accommodations is solely responsible for the cancellation



Conclusion:- Portugal with the highest number of cancellations

Checking the area from where guests are visiting the hotels and making reservations.

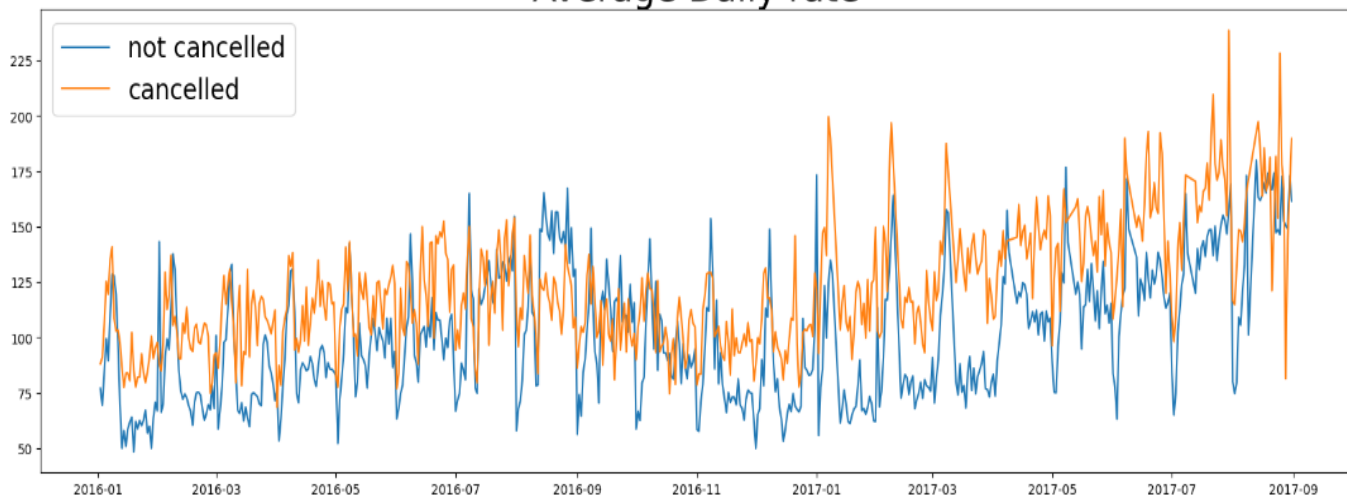
Around 47% of the clients comes from online travel agencies

20% of the clients comes from offline travel agencies

19% of the clients comes from groups

Only, 4% of the clients books hotels directly by visiting them and making reservations

Average Daily rate



From graph, reservations are cancelled when average daily rate is higher than when it is not cancelled.

Conclusion:- it clearly proved from above all analysis, that the higher price leads to higher cancellation

SUGGESTION

Cancellation rate rise whenever price is higher, in order to prevent cancellation of reservations, hotel should work on their pricing strategies and try to lower the rate of specific hotels and offer discounts based on their location

As the ratio of the cancellation and non-cancellation of resort hotel is higher compared to city hotels. Discounts to be provided on weekdays or holidays

In the month of January, hotels can start campaigns or marketing to increase their revenue as the cancellations is the highest in this month

In Portugal, in order to reduce cancellation rate ,better services to be provided