REPORT

Business Problem

In recent years, both hotel and resort bookings have seen high cancellation rates. Consequently, each hotel is now dealing with a number of issues, including lesser revenue generation and suboptimal utilization of rooms. Therefore, lowering cancellation rates is of utmost importance to hotels in order to improve their efficiency in generating revenue.

The analysis of hotel booking cancellations as well as other factors that affect their business are the main topics of this project. The dataset was obtained from kaggle, containing 119390 observations for a hotel and a resort. Each observation represents a hotel booking between the 1st of July 2015 and 31st of August 2017, including bookings that effectively arrived and those that were canceled. It is assumed that this data is valid for the current times and can be used to analyze a hotel's plan of action effectively.

Research Questions

- What are the variables that affect hotel reservation cancellation?
- How can hotels reduce the number of cancellations?
- How can hotels and resorts be assisted in making pricing and promotional decisions?

Hypothesis

- More cancellations occur when the prices are higher.
- Customers tend to cancel frequently when there is a longer waiting list.
- Majority of the clients do their bookings through offline travel agents.

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