

ITC HOTELS REVENUE OPTIMIZATION



Introduction :

ITC Hotels is a luxury hotel chain operating multiple properties with diverse room categories and varying occupancy rates. To optimize revenue generation, minimize cancellations, and enhance customer satisfaction, the company requires deep insights into its financial performance, customer booking behaviour, and occupancy trends. This project aims to develop an interactive, multi-page Power BI dashboard that provides stakeholders with real-time insights for data-driven decision-making.

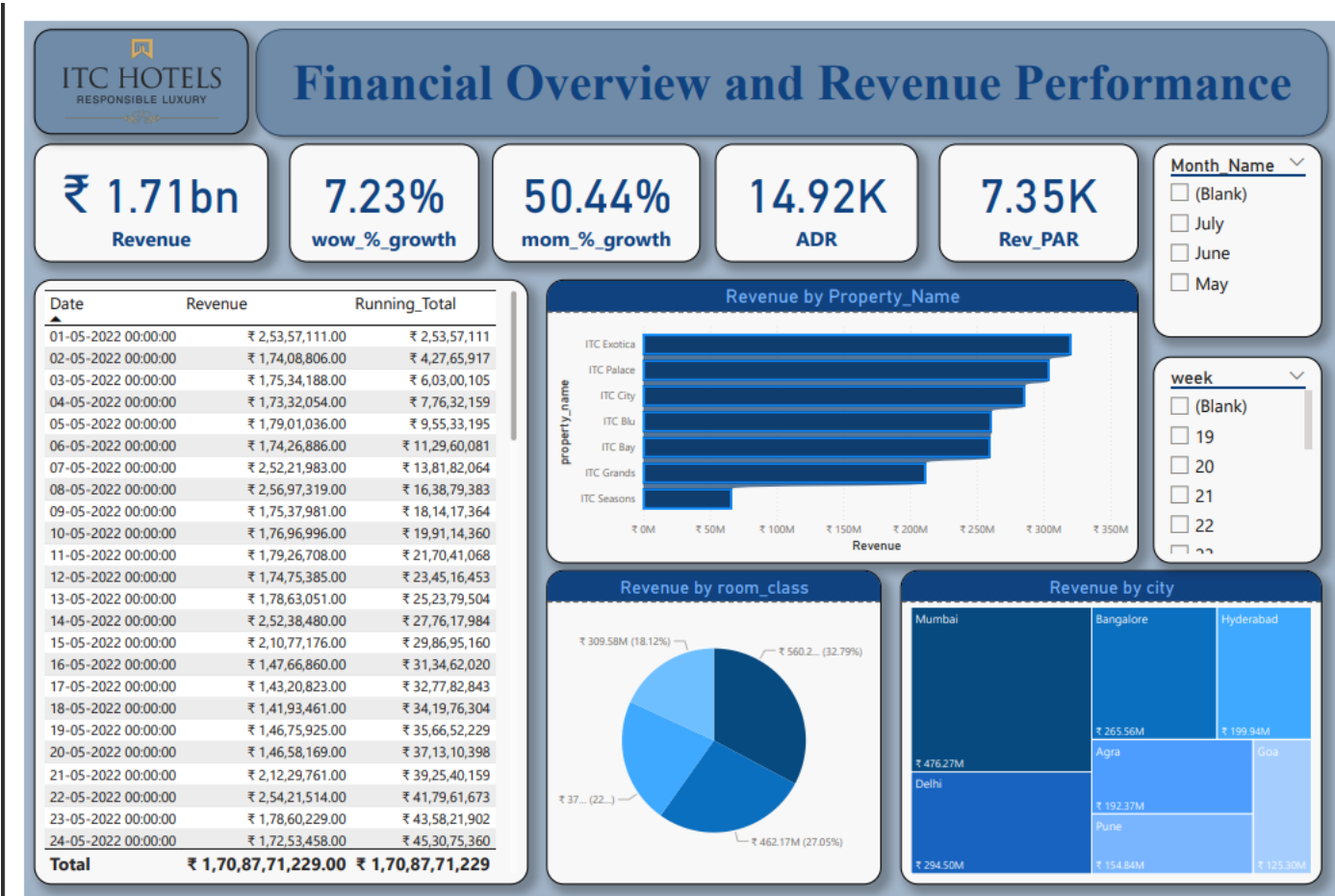
Problem Statement :

The hospitality sector is characterized by intense competition, necessitating that ITC Hotels adopt a data-driven strategy to enhance revenue and streamline operational efficiency. The primary challenges faced include:

- 1 . Gaining insights into the overall financial performance and revenue allocation among various properties and room types.
 2. Examining occupancy trends to improve the utilization of hotel capacity.
 3. Recognizing booking patterns and their effects on revenue generation.
 4. Mitigating cancellations and minimizing revenue loss.
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Dashboard Overview :

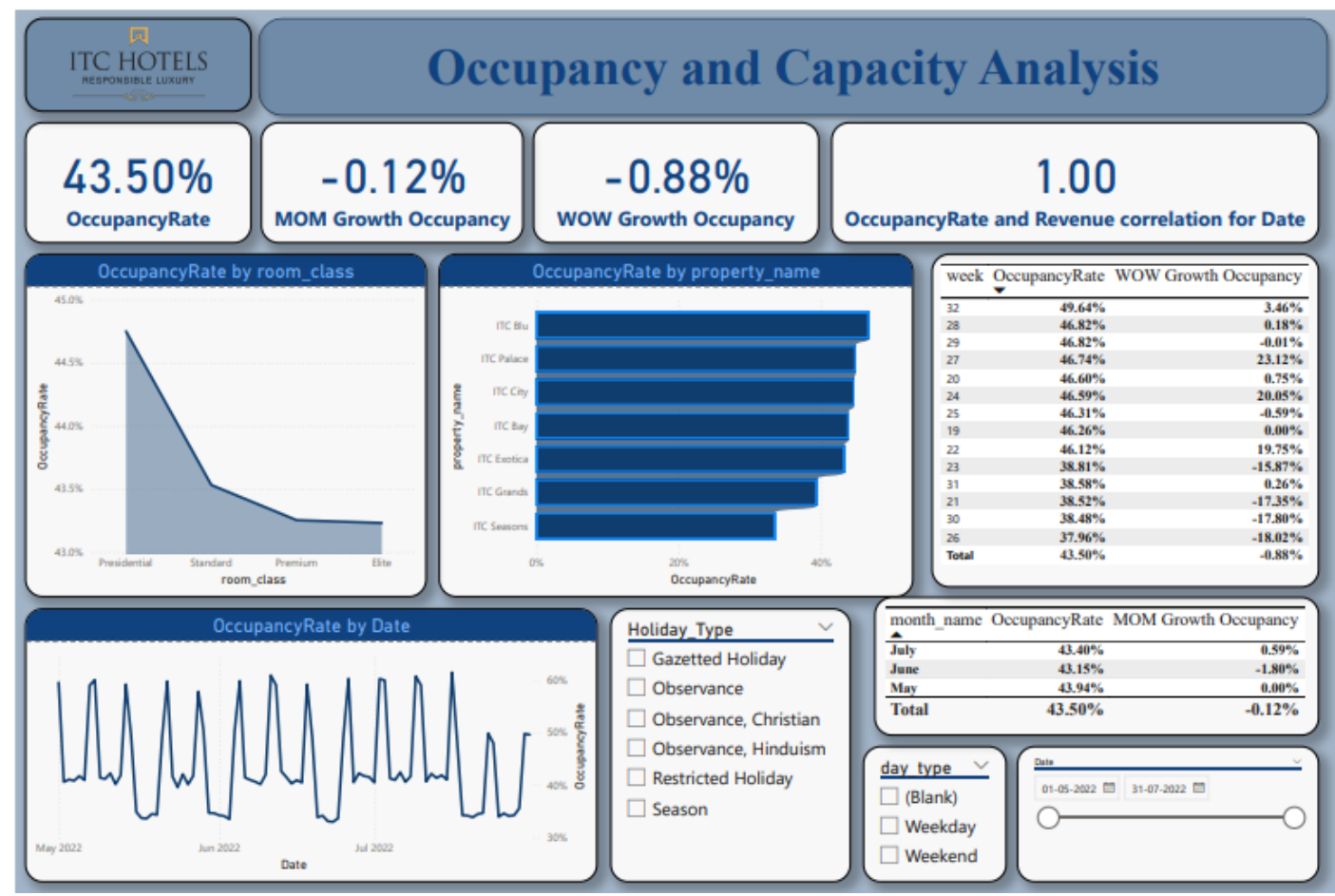
1. Financial Overview and Revenue Performance :



Key Insights:

- The total revenue generated is ₹1.71bn.
- The highest revenue-generating cities are Mumbai (₹476.27M), Delhi (₹294.50M), and Bangalore (₹265.56M).
- The highest revenue-generating properties are ITC Exotica, ITC Palace, and ITC City.
- The average daily rate (ADR) is ₹14.92K, while revenue per available room (RevPAR) is ₹7.35K.
- Revenue shows a Week-over-Week (WoW) growth of 7.23% and Month-over-Month (MoM) growth of 50.44%.

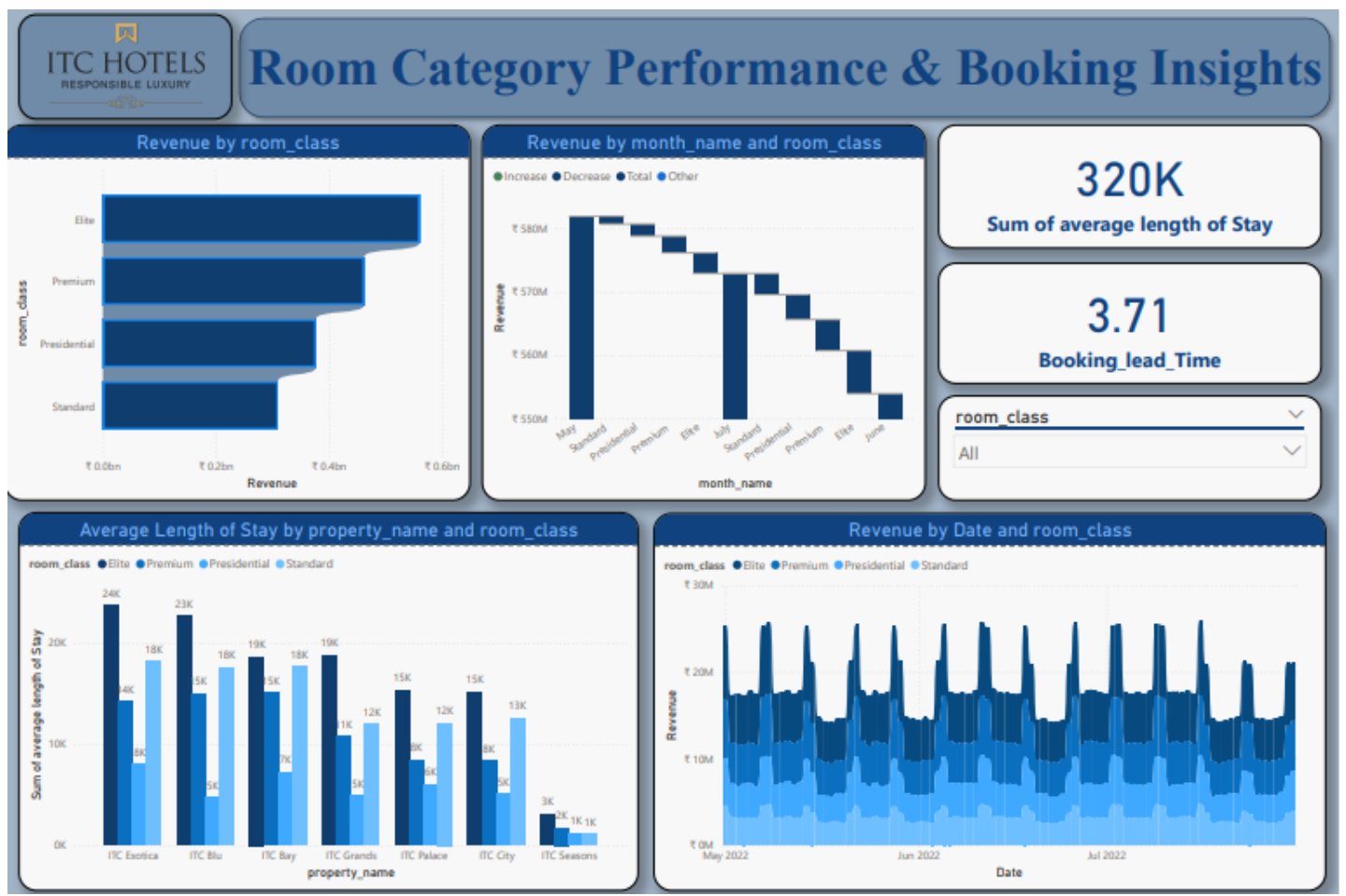
2. Occupancy & Capacity Analysis :



Key Insights:

- The overall occupancy rate is 43.50%.
- Occupancy fluctuates seasonally, with higher rates on weekends and during holidays.
- The occupancy rate saw a MoM decline of 0.12% and a WoW decline of 0.88%.
- Occupancy is positively correlated with revenue and RevPAR.

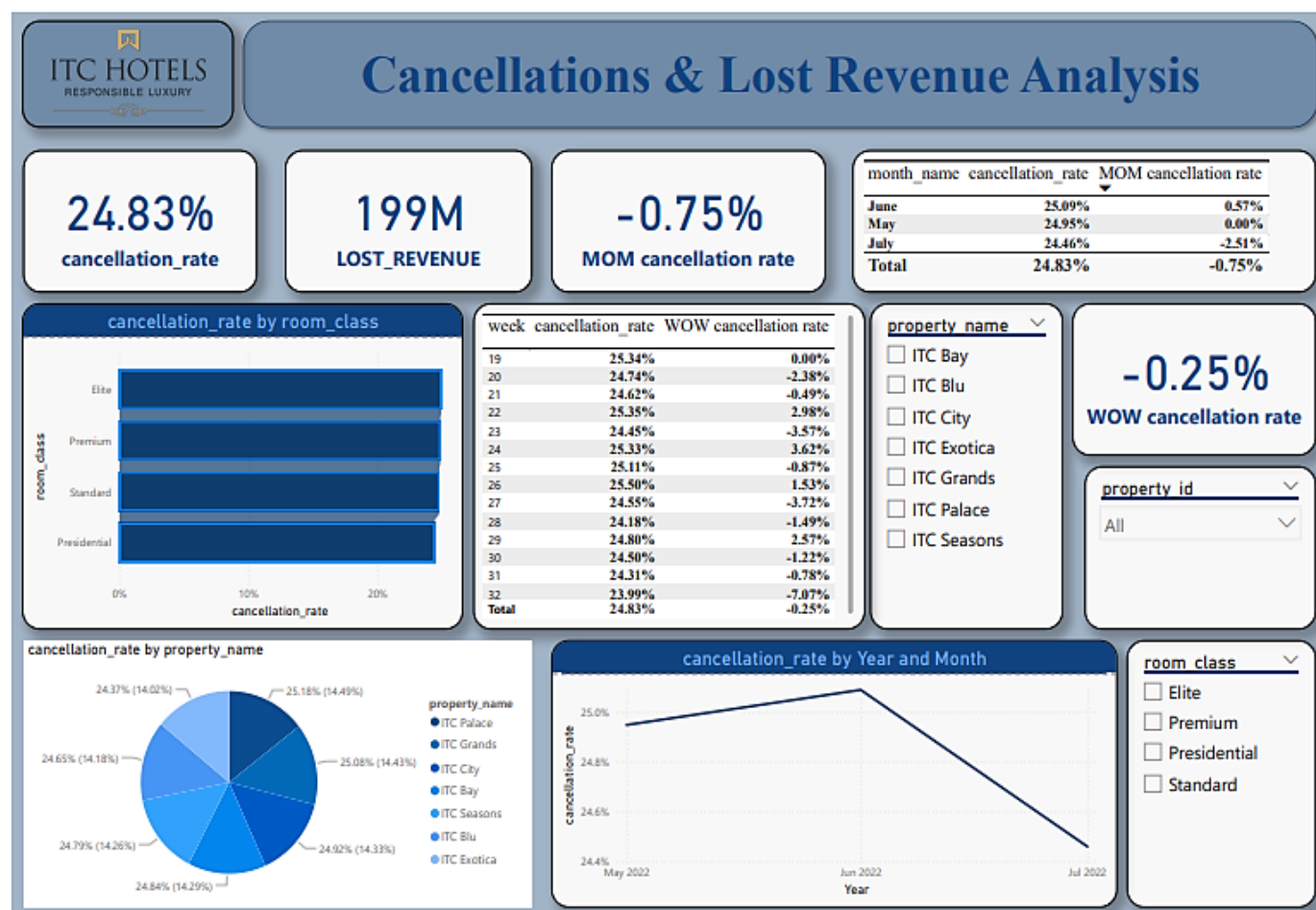
3. Room Category Performance & Booking Insights :



Key Insights:

- The most revenue-generating room category is the Elite class.
- The average length of stay (ALOS) across all properties is 320K days.
- The average booking lead time is 3.71 days, indicating most bookings are made within a short period before check-in.
- Revenue trends by room category show that Premium and Presidential suites also contribute significantly to total revenue.

4. Cancellations & Lost Revenue Analysis :



Key Insights:

- The overall cancellation rate is 24.83%.
- The lost revenue due to cancellations is ₹199M.
- The cancellation rate declined MoM by 0.75% and WoW by 0.25%.
- The highest cancellation rates are observed in the Elite and Premium room categories.
- ITC Palace and ITC Grands have the highest cancellation rates.

Recommendations:

1. Revenue Growth Strategies :

- **Dynamic Pricing:** Implement dynamic pricing strategies based on demand trends, seasonality, and occupancy rates to maximize ADR and RevPAR.
- **Upselling & Cross-Selling:** Encourage guests to upgrade to higher-tier room categories through targeted offers.

2. Occupancy Optimization :

- **Weekend & Holiday Packages:** Design special weekend and holiday packages to maximize occupancy during high-demand times.
- **Loyalty Programs:** Enhance loyalty rewards for repeat guests to improve long-term occupancy stability.

3. Booking Behavior Insights :

- **Early Booking Incentives:** Since booking lead time is relatively short, encourage earlier bookings with discounts or value-added services (e.g., free breakfast, spa vouchers).
- **Corporate & Group Bookings:** Partner with corporate clients to secure long-term contracts and stabilize occupancy rates.

4. Reducing Cancellations & Lost Revenue :

- **Overbooking Management:** Use predictive analytics to manage overbookings and minimize revenue loss due to last-minute cancellations.
- **Deposit Requirements:** Introduce partial deposit payments to reduce no-shows and sudden cancellations.

Conclusion :

- The Power BI dashboard provides valuable insights into ITC Hotels' revenue optimization strategy. The key include:
 - **Revenue Growth:** Strong MoM and WoW revenue growth, driven by high-performing properties and room categories.
 - **Occupancy Trends:** Occupancy rates need improvement, particularly during off-peak periods.
 - **Booking Insights:** Short booking lead times indicate a need for better forecasting.
 - **Cancellations:** High cancellation rates highlight an area for potential revenue recovery strategies.
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