



Project:

Customer Segmentation Analysis[Hotel Booking]

About:

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Company:

Navodita infotech is a dynamic and innovative information technology(IT) company at the forefront of technological advancements.

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Project Overview:

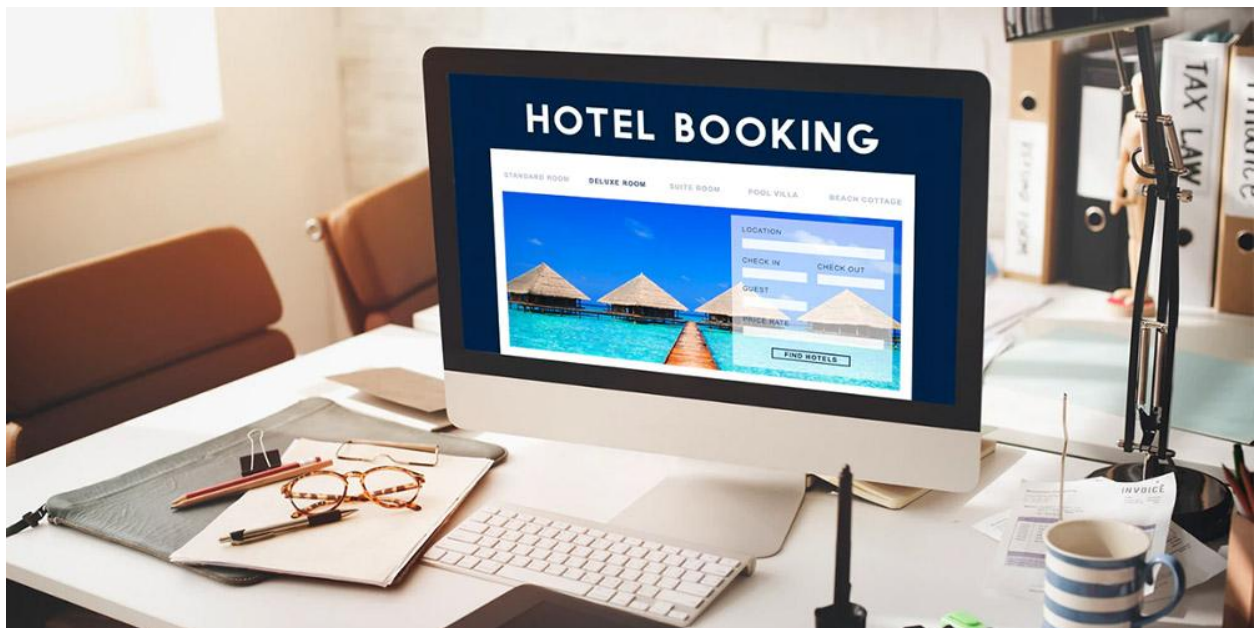
Analyze customer data to segment customers based on behaviour, demographics, and preferences, providing insights for targeted marketing strategies.

Preface

In recent years, the hospitality industry has witnessed a substantial rise in cancellation rates, presenting a significant challenge for both City Hotel and Resort Hotel. This escalating issue has given rise to a cascade of complications, encompassing diminished revenues and suboptimal utilization of hotel room resources. As we embark on this data analysis project, our primary objective is to address and mitigate the challenges posed by high cancellation rates, ultimately optimizing revenue generation and enhancing operational efficiency for both establishments. The motivation behind this project stems from the recognition that a reduction in cancellation rates can yield multifaceted benefits. Not only does it translate to a more stable and predictable revenue stream for the hotels, but it also ensures more efficient use of their facilities, contributing to an enhanced guest experience. In our pursuit of a solution, this analysis aims to unearth actionable insights that go beyond mere statistical findings. This report unfolds a systematic exploration of data, delving into the intricacies of hotel booking patterns, customer behavior, and various other relevant parameters. Through rigorous data collection, thorough cleaning processes, and advanced analytical techniques, we intend to extract meaningful and actionable intelligence. As we navigate through the labyrinth of data, our overarching goal is to equip hotel management with the tools necessary to make informed decisions. By identifying patterns, trends, and potential bottlenecks, we hope to empower both City Hotel and Resort Hotel to implement strategic measures that effectively curb cancellation rates, leading to a more resilient and prosperous future. This report is not merely a compilation of statistical analyses; it is a strategic roadmap towards optimizing business operations. The journey we embark upon is one of discovery, enlightenment, and, ultimately, transformation. Through the lens of data, we seek not only to comprehend the challenges at hand but also to illuminate the path toward sustainable growth and operational excellence for City Hotel and Resort Hotel.

Business Problem

In recent years, City Hotel and Resort Hotel have seen high cancellation rates. Each hotel is now dealing with a number of issues as a result, including fewer revenues and less than ideal hotel room use. Consequently, lowering cancellation rates is both hotel's primary goal in order to increase their efficiency in generating revenue, and for us to offer through business advice to address this problem. The Analysis of hotel booking cancellations as well as other factors that have no bearing on their business and yearly generation are the main topics of this report.



Assumptions

1. No unusual occurrences between 2015 and 2017 will have a substantial impact on the data used.
2. The information is still current and can be used to analyze a hotel's possible plans in an efficient manner.
3. There are no unanticipated negatives to the hotel employing any advised technique.
4. The hotels are not currently using any of the suggested solutions.
5. The biggest factor affecting the effectiveness of earning income is booking cancellations.
6. Cancellations result in vacant rooms for the booked length of time.
7. Clients make hotel reservations the same year they make cancellations.

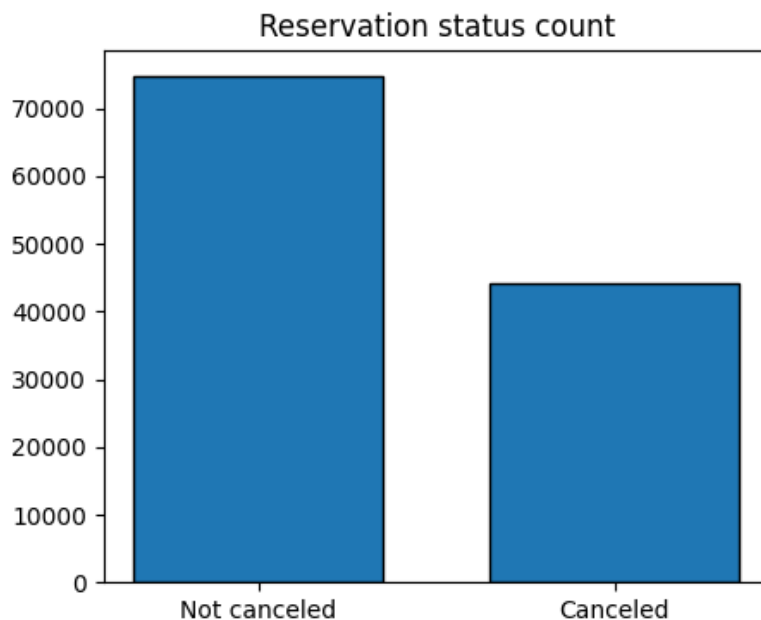
Research Questions

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

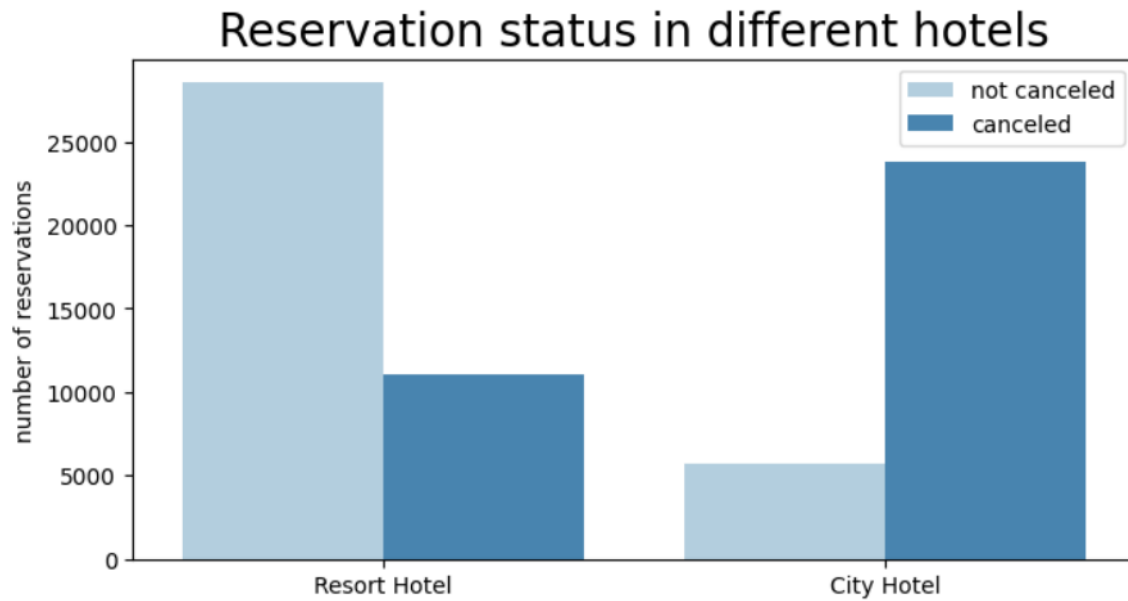
Hypothesis

1. More cancellations occur when prices are higher.
2. When there is a longer waiting list, customers tend to cancel more frequently.
3. The majority of clients are coming from offline travel agents to make their reservations.

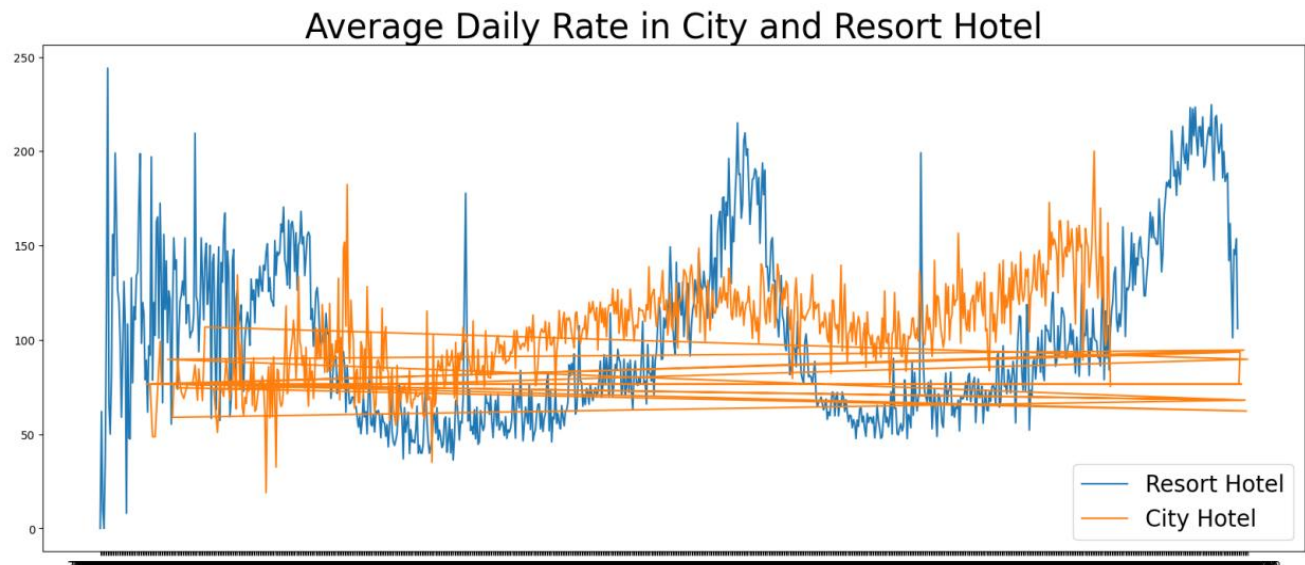
Analysis and Findings



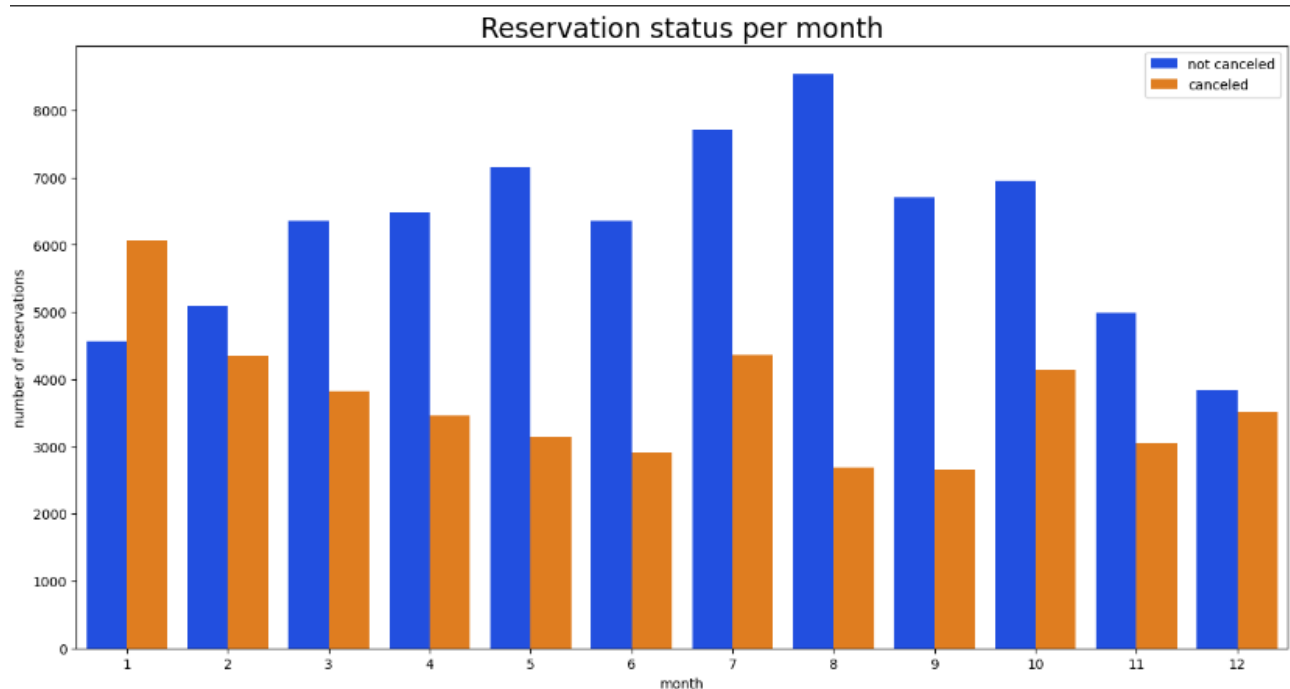
The accompanying bar graph shows the percentage of reservations that are canceled and those that are not. It is obvious that there are still a significant number of reservations that have not been canceled. There are still 37% of clients who canceled their reservation, which has a significant impact on the hotel's earnings.



In comparison to resort hotels, city hotels have more bookings. It's possible that resort hotels are more expensive than those in cities.



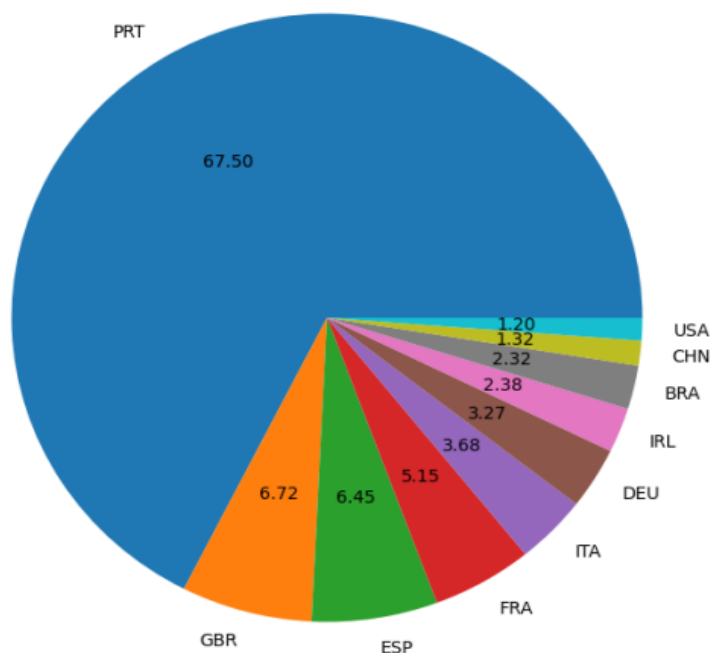
The line graph above shows that, on certain days, the average daily rate for a city hotel is less than of a resort hotel, and on other days, it is even less. It goes without saying that weekends and holidays may see a rise in resort hotel rates.



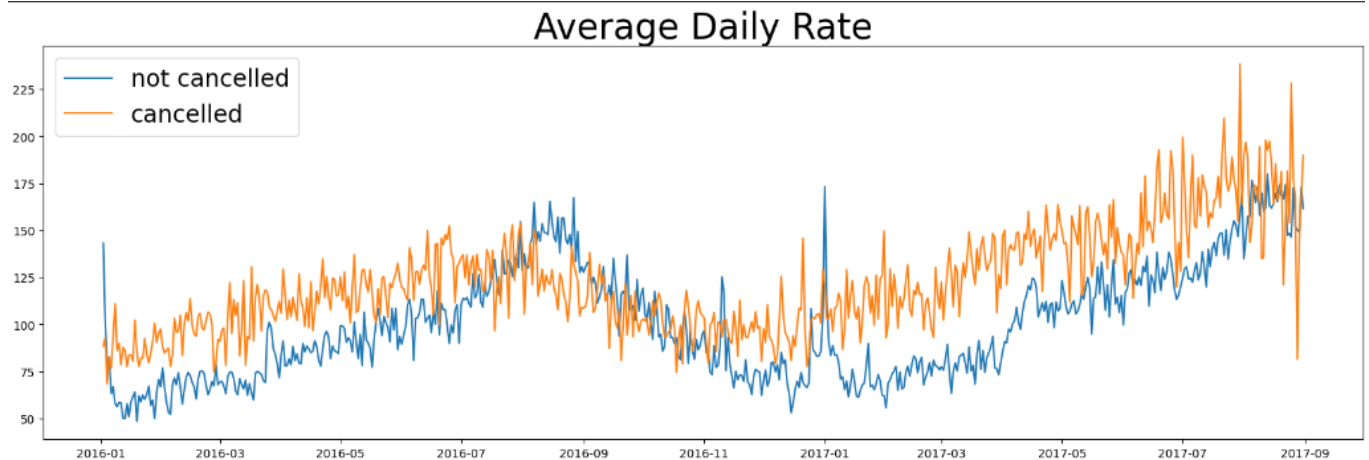
We have developed the grouped bar graph to analyze the months with the highest and lowest reservation levels according to reservation status. As can be seen, both the number of confirmed reservations and the number of canceled reservations are largest in the month of August. Whereas January is the month with the most canceled reservations.

Now, let's see which country has the highest reservation canceled. The top country is Portugal with the highest number of cancellations.

Top 10 countries with reservation canceled



Let's check the area from where guests are visiting the hotels and making reservations. Is it coming from Direct or Groups, Online or Offline Travel Agents? Around 46% of the clients come from online travel agencies, whereas 27% come from groups. Only 4% of clients book hotels directly by visiting them and making reservations.



As 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. As the ratio of the cancellation and not cancellation of the resort hotel is higher in the resort hotel than the city hotels. So the hotels should provide a reasonable discount on the room prices on weekends or on holidays.
3. 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.
4. They can also increase the quality of their hotels and their services mainly in Portugal to reduce the cancellation rate.