HOTEL BOOKINGS

analysis report

Overview:

In recent years, City Hotel and Resort Hotel have experienced high cancellation rates, leading to reduced revenue and suboptimal room occupancy. As a result, reducing cancellation rates has become the primary goal for both hotels to enhance their revenue generation and operational efficiency.

This report focuses on analyzing hotel booking cancellations and other unrelated factors impacting their business and annual revenue.

Assumptions:

01 No unusual occurrences between 2015 and 2017 will have a substantial impact on the data used.

02 The information is still current and can be used to analyse a hotel's possible plans in an efficient manner

03 There is no unanticipated negatives to the hotel employing any advised technique.

04 The biggest factor affecting the earnings is booking cancellations which can lead to vacant rooms for the booked length of time

Research Question

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

Hypothesis

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

Analysis and Findings

Count of Reservations Status
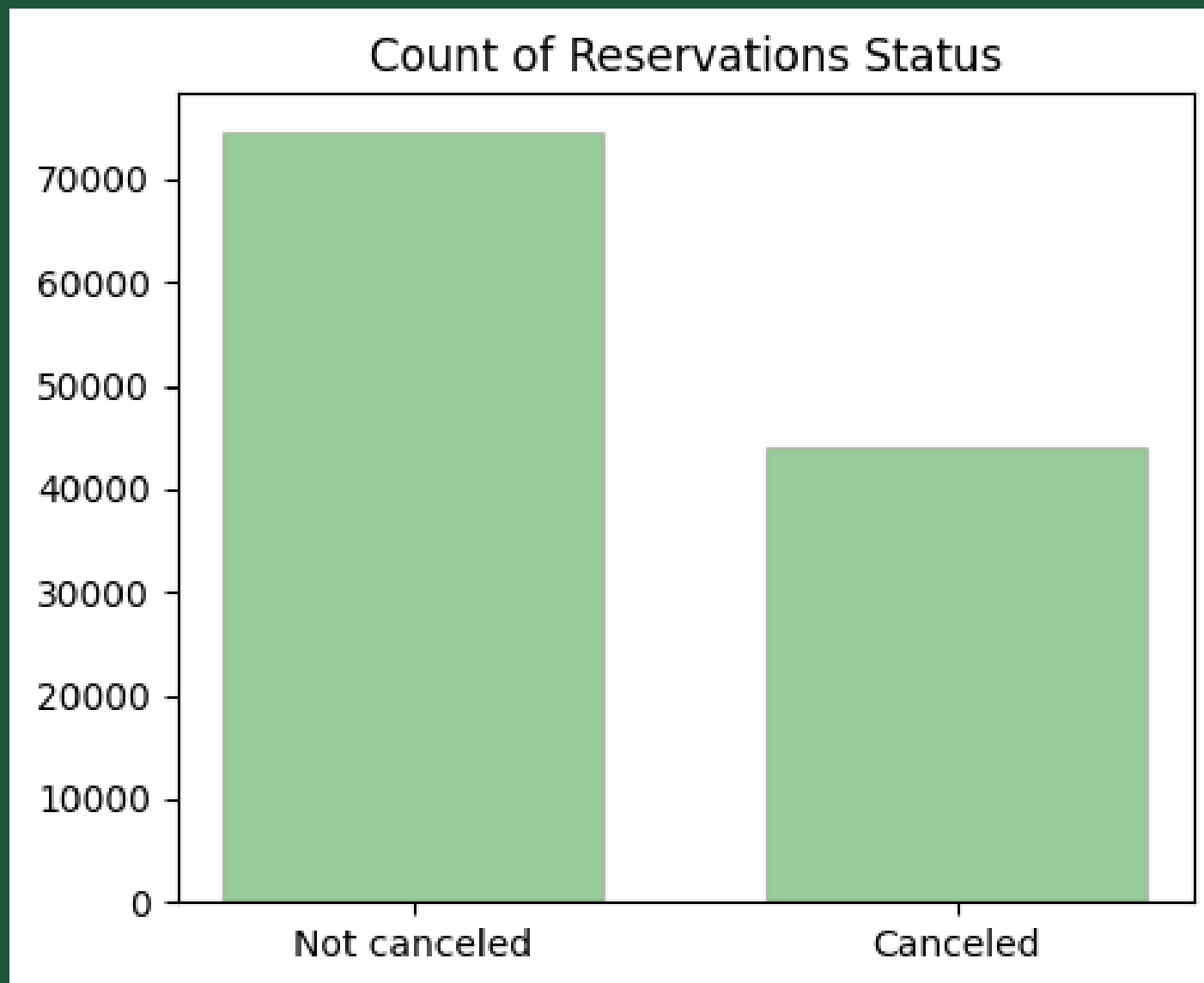
The bar graph illustrates the proportion of reservations that are canceled versus those that are not. It is clear that a substantial number of reservations remain intact, with 37% of clients having canceled their bookings. This level of cancellations has a notable impact on the hotels' revenue.

Analysis and Findings


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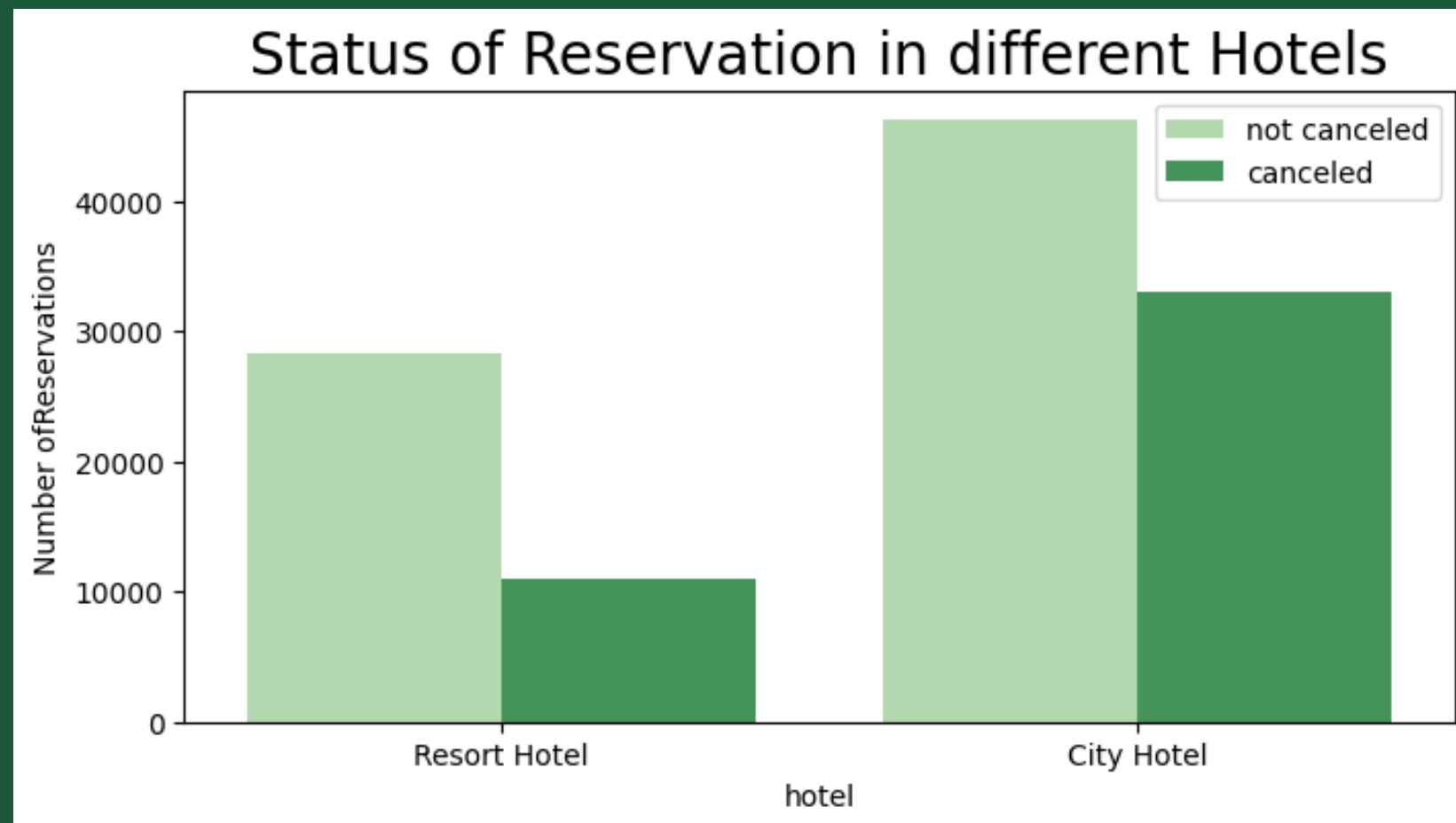
In comparison to resort hotels, city hotels have more bookings. It's possible that resort hotels are more expensive than those in cities.

Analysis and Findings


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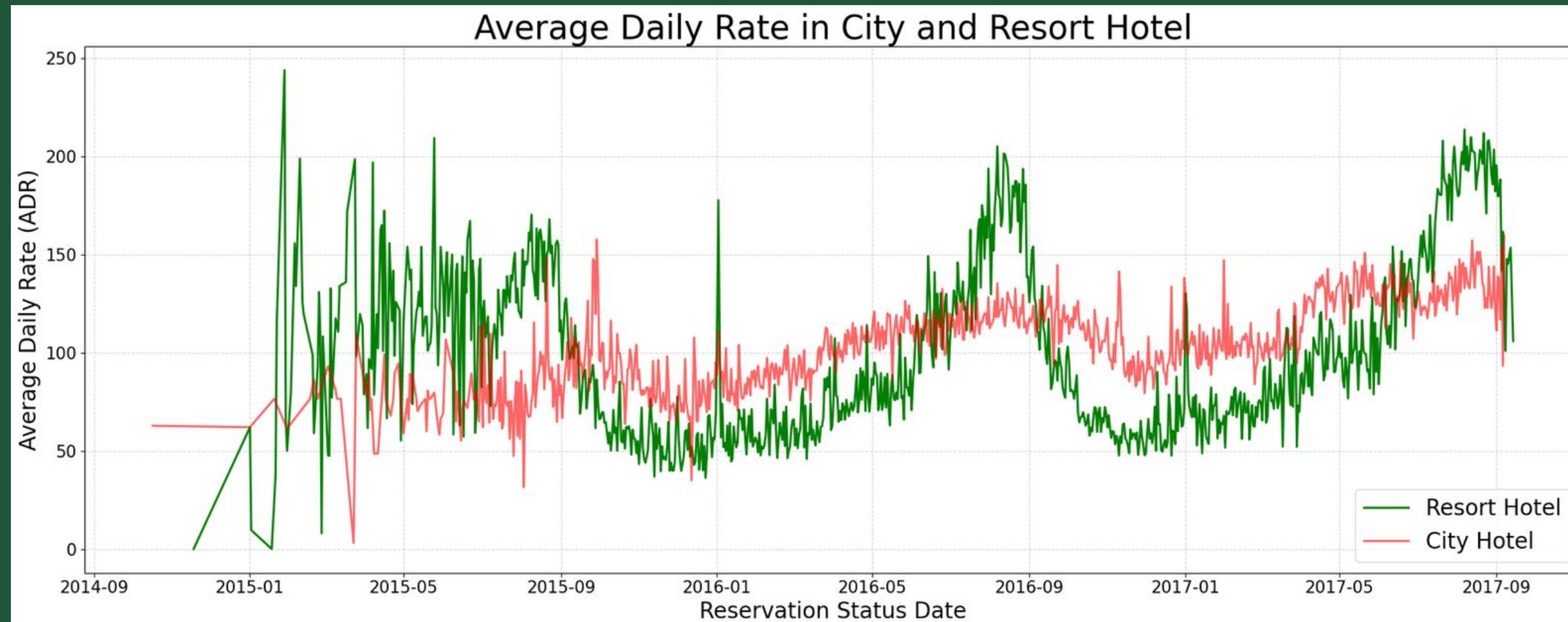
The line graph above shows that, on certain days, the average daily rate for a city hotel is less than that of a resort hotel, and on other days, it is even less. It goes without saying that weekends and holidays may see a rise in resort hotel rates.

Analysis and Findings
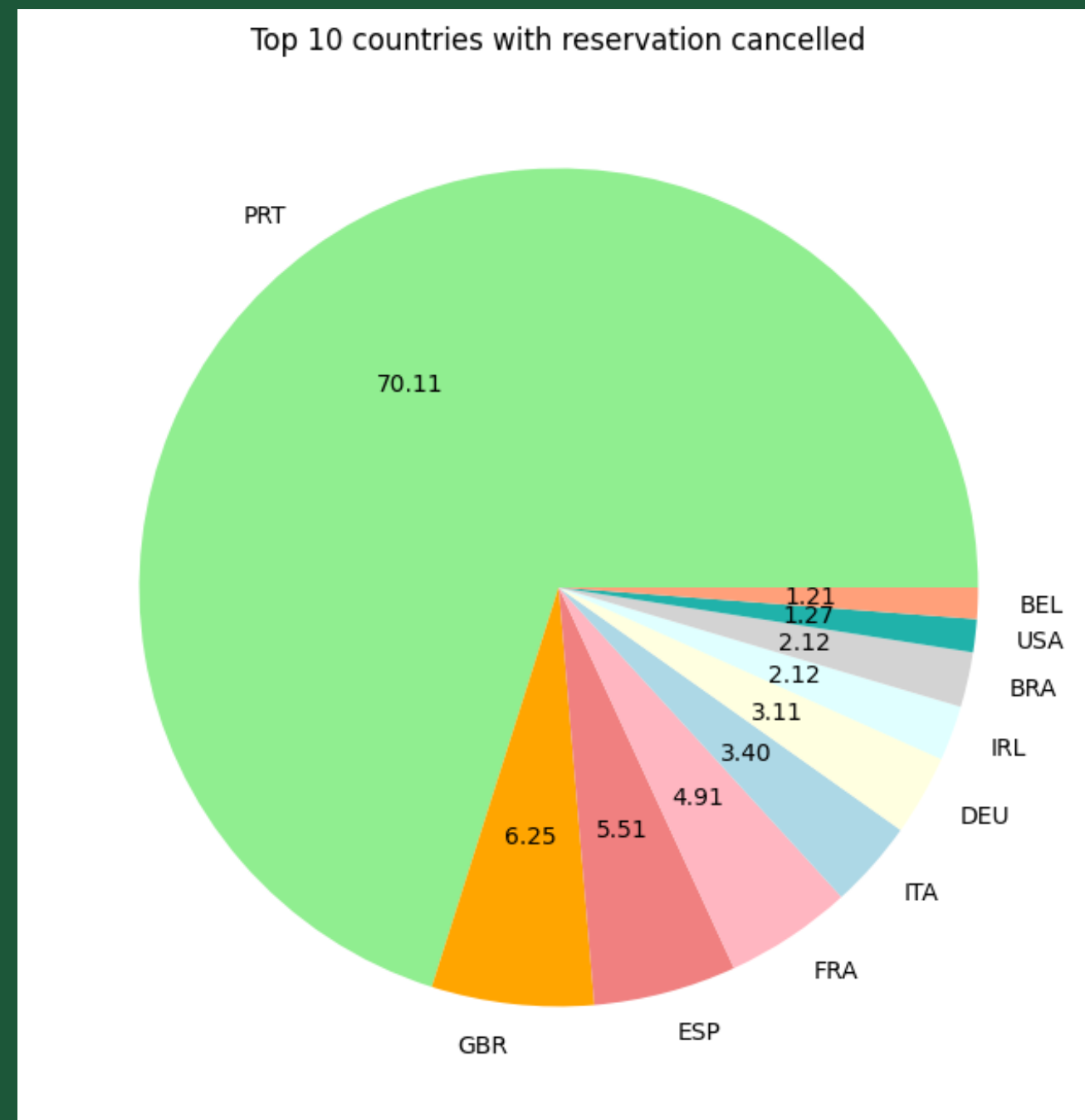

Reservation Status Per Month
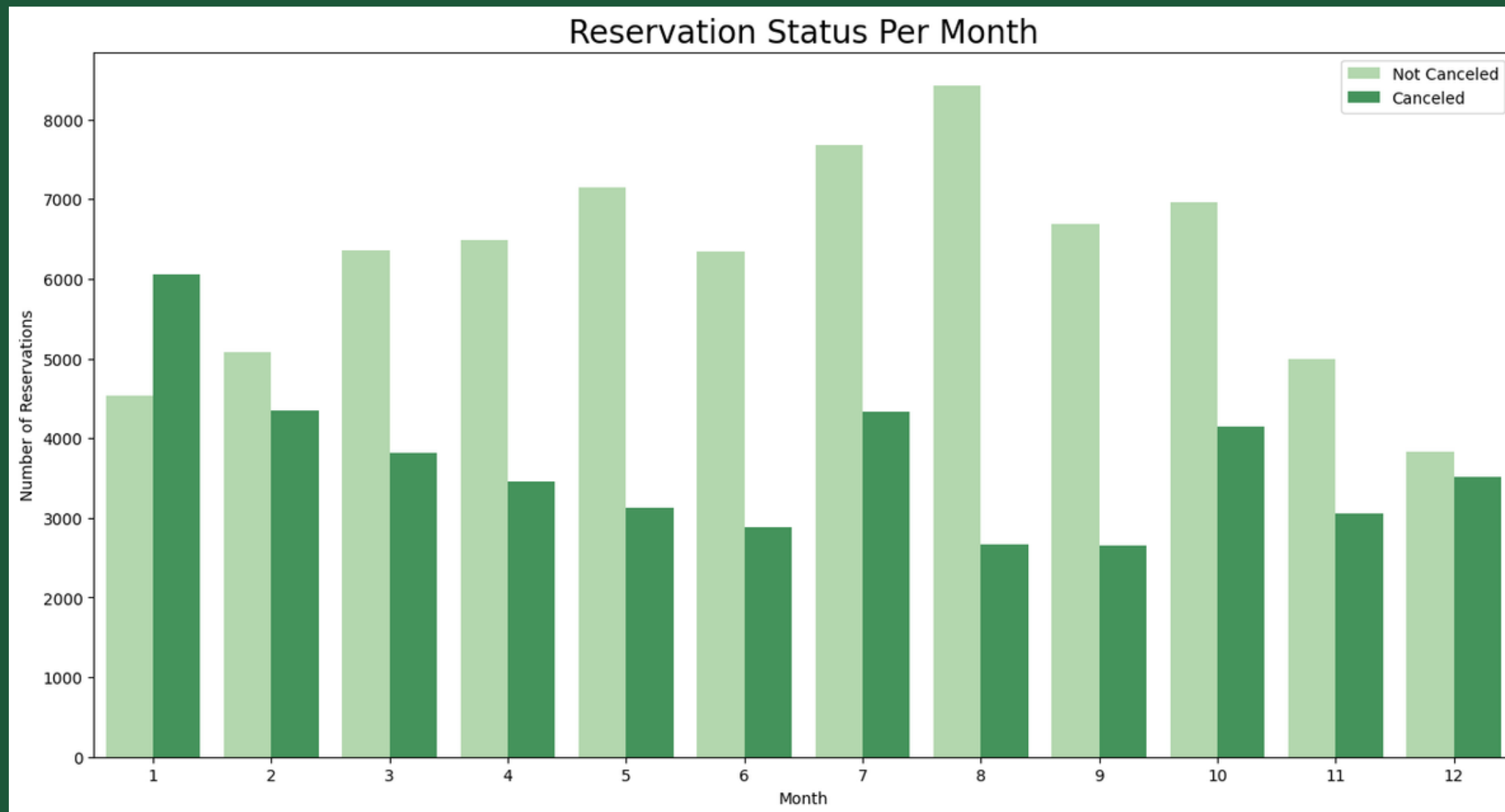
The grouped bar graph to analyses the months with the highest and lowest reservation levels according to reservation status. As can be seen, both the number of confirmed reservations and the number of canceled reservations are largest in the month of August. whereas January is the month with the most canceled reservations.

Analysis and Findings

Average Daily Rate Per Month
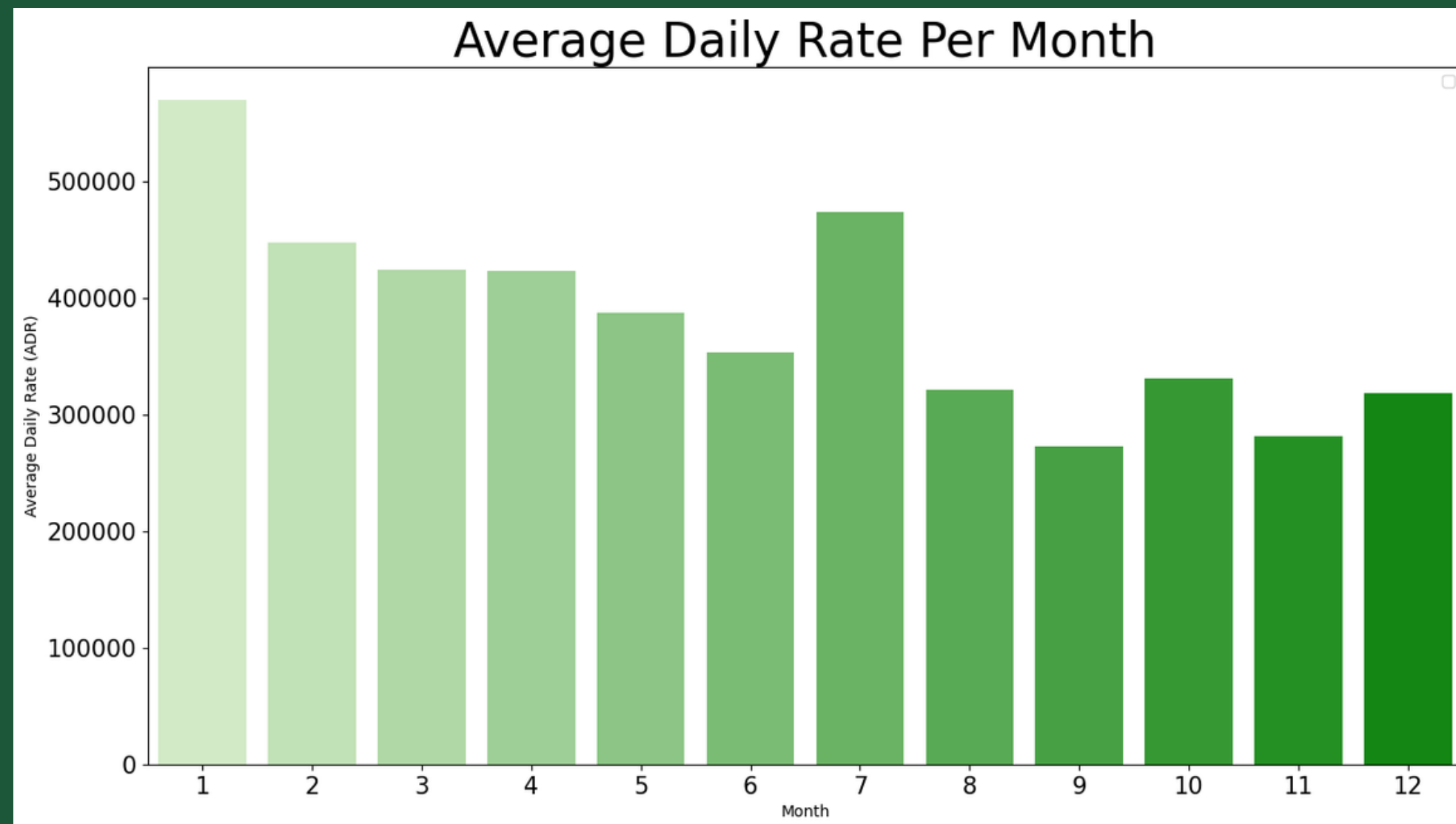
This bar graph demonstrates that cancellations are most common when prices are
greatest and are least common when they are lowest. Therefore, the cost of the accommodation is solely responsible for the cancellation.

Analysis and Findings

Top 10 countries with reservation cancelled

PRT 70.11
GBR 6.25
ESP 5.51
FRA 4.91
ITA 3.40
DEU 3.11
IRL 2.12
BRA 2.12
USA 1.27
BEL 1.21

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

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.

Analysis and Findings
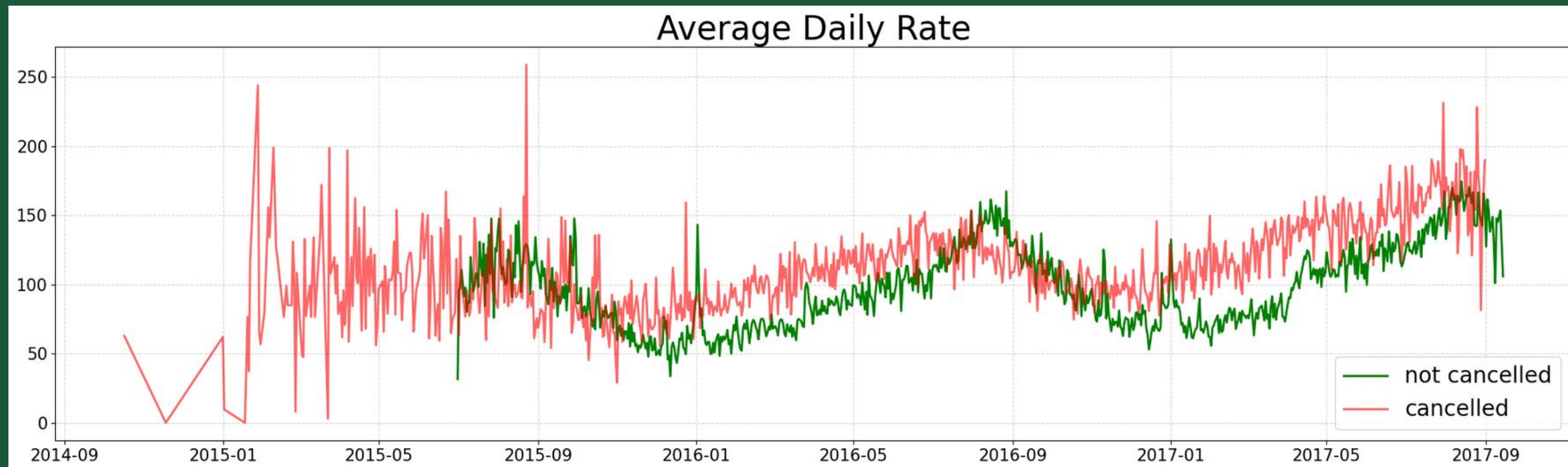
Average Daily Rate

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

- Cancellation rates tend to increase with higher prices. To mitigate cancellations, hotels could adjust their pricing strategies, potentially lowering rates for certain locations or offering discounts to attract customers.

- The cancellation rate is notably higher at resort hotels compared to city hotels. To address this, resort hotels could consider offering substantial discounts on room rates during weekends and holidays.

- Given that January experiences the highest cancellation rates, hotels could launch targeted marketing campaigns or promotions during this month to boost revenue.

- Improving the quality of accommodations and services, especially in Portugal, could help in reducing cancellation rates.