# Hotel Profitability Diagnosis and Improvement

The hotel company **Sunrise Hospitality** is going through a period of tight margins due to high cancellation rates and intense competitive pressure. It has decided to hire a team of junior consultants to analyze its operational data and propose actions that could increase profitability in the short and medium term.



## Project Objective

Conduct a comprehensive diagnosis of the factors influencing revenue and bookings, identifying opportunities for improvement and potential economic impact.

## Suggested Research Questions

1. **How does the cancellation rate vary throughout the year, and what policies could reduce it during critical months?** *Example: Implement stricter cancellation policies during high-risk months or offer flexible but incentivized alternatives.*
2. **Is there a relationship between lead time (the time between booking and arrival) and the likelihood of cancellation? How could this insight be used to define deposits or non-refundable rates?** *Example: Require partial prepayments or offer discounts for non-refundable bookings made well in advance.*
3. **Which market segments and distribution channels generate the highest net revenue (ADR adjusted for cancellations and commissions)?** *Example: Analyze if direct bookings or corporate clients are more profitable compared to third-party travel agencies.*
4. **What upselling strategies or special request programs could be implemented to increase revenue and reduce cancellations?** *Example: Offer room upgrades, late check-outs, or add-on packages (like spa treatments) to increase guest commitment.*