



§ EMC005

# MACHINE LEARNING IN HOTEL ROOM PRICING

Data Mining Research - Michael Jacob M. Delos Santos

20 NOV, 2024

# PROBLEM

With the Philippines becoming a popular tourist destination for Westerners, venturing into hotels offers a promising business opportunity.

Goal: What's the best price for room types in urban, suburban, and rural areas?

§ EMC005





# DATASET DESCRIPTION



“Analysis of Hotels in  
booking.com”

# DATASET DESCRIPTION

**LABEL**

Price (Zloty)

**NOMINAL**

Hotel, Performance, Guest  
Reviews, Region City

**BINOMINAL**

Breakfast


**INTEGER**


Marks, Reviews, Price,  
Distance, Stars


# DATA VISUALIZATION



Open in 

 Turbo Prep

 Auto Model

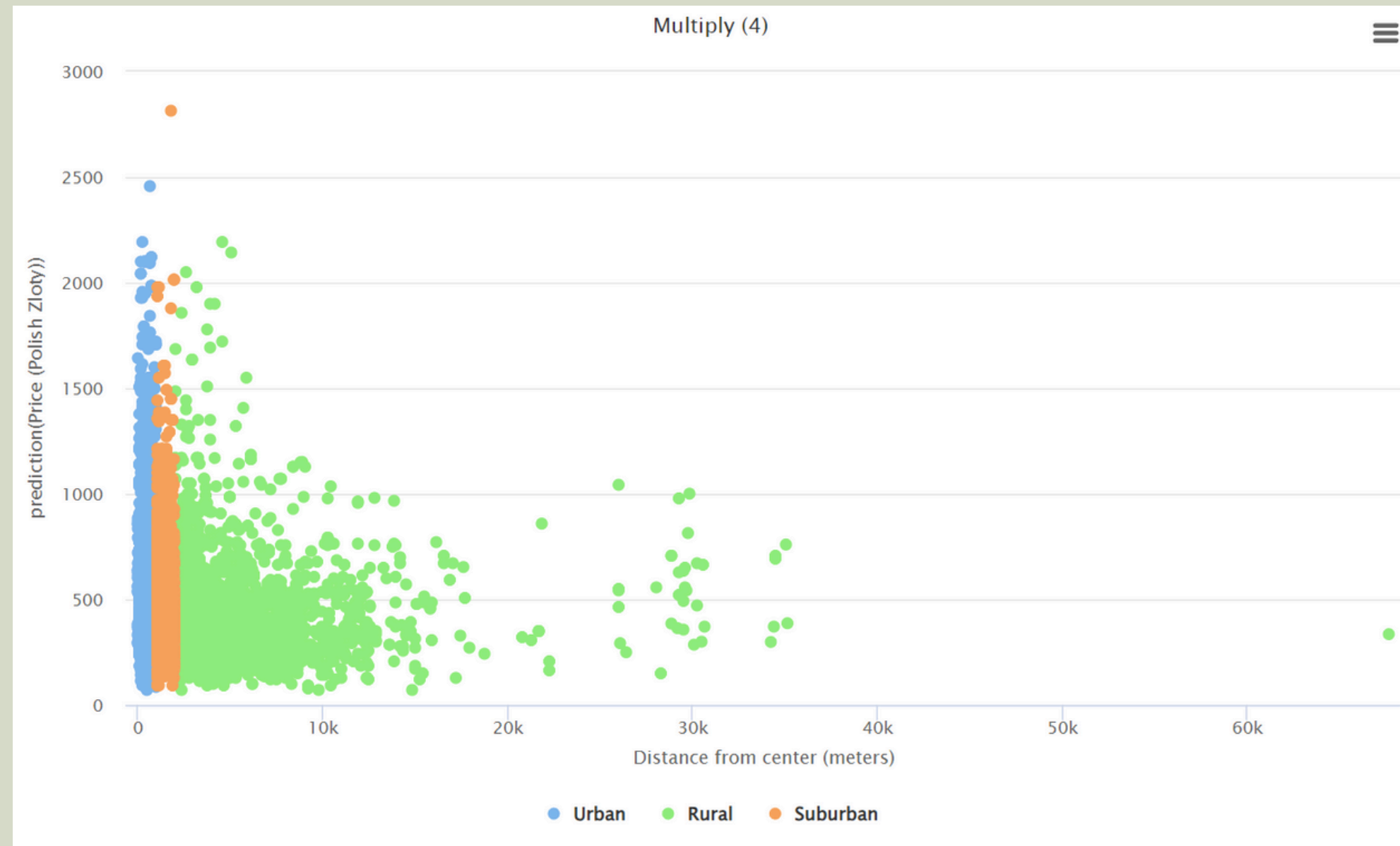
 Interactive Analysis

Filter (8,717 / 8,717 examples): 

all

Row No.	Price (Polis...	prediction(P...	Breakfast	Marks	Region City	Performanc...	Stars	Number of ...	Distance fro...	Filtered_Ro...	Are
1	480	292.500	Breakfast incl...	7.500	Bergenhus, B...	Good	4	1106	250	Double Room	Urb
2	383	510.409	Breakfast incl...	7.400	Bergenhus, B...	Good	3	3572	500	Single Room	Urb
3	283	398.839	No Breakfast	7.900	Lower Town, ...	Good	3	2633	500	Single Room	Urb
4	398	482.167	Breakfast incl...	8.800	Zagreb	Excellent	3	1049	2800	Double Room	Ru
5	430	434.500	Breakfast incl...	9	Upper Town ...	Wonderful	4	441	1600	Deluxe Room	Sul
6	462	560.100	Breakfast incl...	8.800	Lower Town, ...	Excellent	4	3667	100	Single Room	Urb
7	402	526.429	Breakfast incl...	8.700	Lower Town, ...	Excellent	4	894	500	Double Room	Urb
8	383	954.867	Breakfast incl...	9.200	Lower Town, ...	Wonderful	4	1301	900	Double Room	Urb
9	197	295.508	No Breakfast	9.300	Upper Town ...	Wonderful	3	232	1400	Single Room	Sul
10	211	190	No Breakfast	9.100	Lower Town, ...	Wonderful	2	639	1000	Studio Room	Urb
11	160	171	No Breakfast	?	Lower Town, ...	?	0	?	700	Studio Room	Urb
12	383	265.750	Breakfast incl...	8.800	Upper Town ...	Excellent	3	793	350	Deluxe Room	Urb
13	263	282	No Breakfast	8.500	Lower Town, ...	Very Good	4	43	300	Single Room	Urb
14	375	755.462	No Breakfast	9.400	Lower Town, ...	Wonderful	4	883	350	Deluxe Room	Urb
15	258	241	No Breakfast	9.600	Lower Town, ...	Exceptional	3	126	450	Single Room	Urb

Predicts the price of the hotel room based on the other attributes.



Predicted price compared  
to distance

# DATA PREPARATION

How I prepared the data.

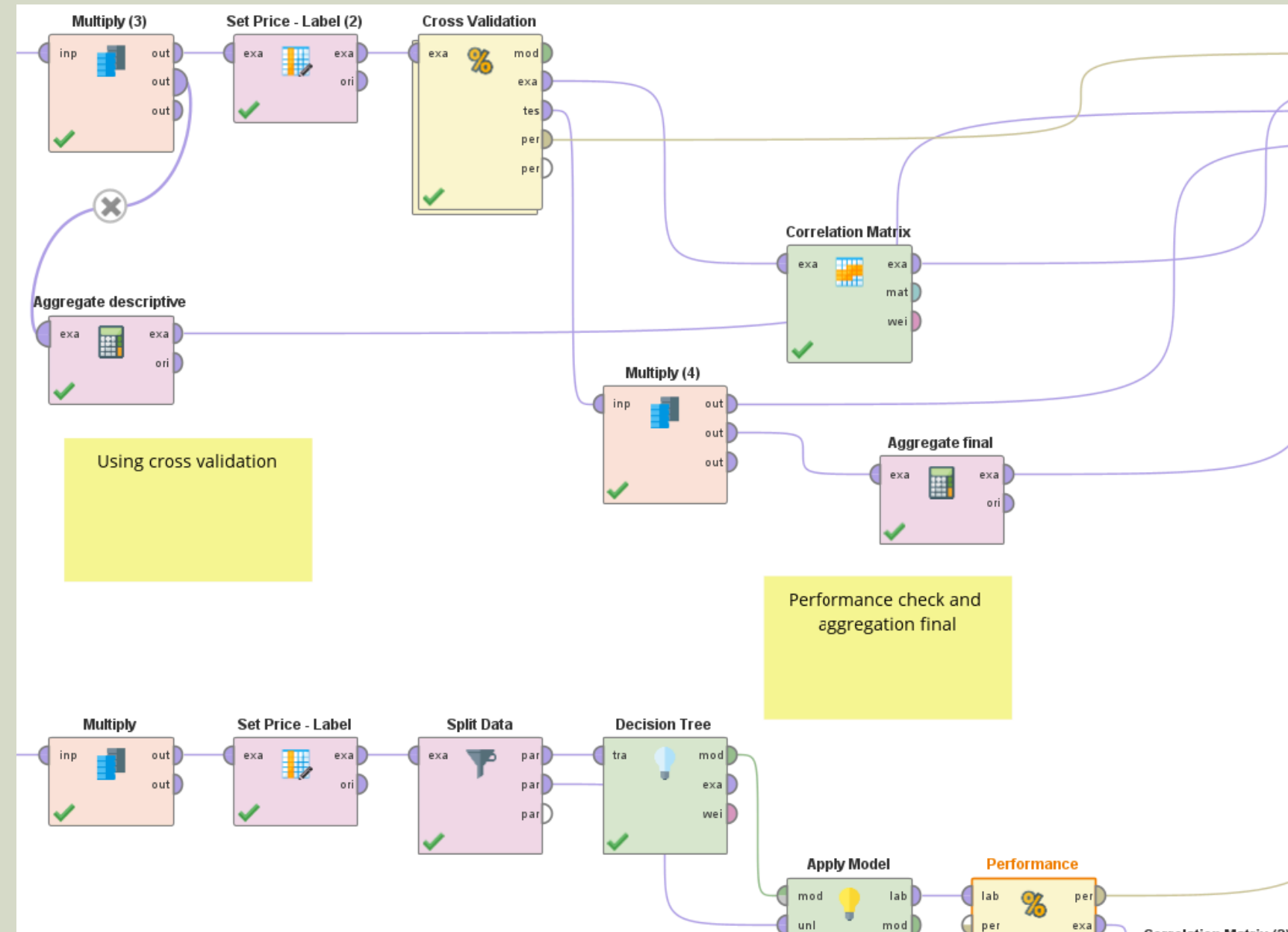
Cleaning up the data by removing missing values and the removing string in the pricing

**Filtered rows that cost less than 3000 zloty since it might be too high.**

Set price as label.



# MODEL SELECTION



**CROSS VALIDATION  
w/ DECISION TREE**

**DECISION TREE**



0.338

## Cross Validation w/ Tree

**squared\_correlation**

squared\_correlation: 0.338 +/- 0.063 (micro average: 0.337)

0.333

## Decision Tree

**squared\_correlation**

squared\_correlation: 0.313



# CONCLUSION



URBAN				Suburban				Rural			
Room	Average	Min	Max	Room	Average	Min	Max	Room	Average	Min	Max
Twin Room	560.69	35	2323	Twin Room	509.15	70	2094				
Suite Room	835.82	132	2478	Suite Room	715.92	194	1506				
Studio Room	424.1	129	1487	Studio Room	424.53	131	1188				
Single Room	446.22	84	2346	Single Room	403.9	44	1598				
Loft	804.6	686	943	Loft	622	465	779	Suite Room	602.59	209	1271
Family Room	563.29	181	1112	Family Room	404.6	192	815				
Double Room	518.65	94	2041	Double Room	493.45	30	2013				
Deluxe Room	705.53	84	2815	Deluxe Room	621.34	161	1938	Studio Room	389.91	70	854
Apartment	547.39	108	2120	Apartment	417.45	140	1540				
								Single Room	352.92	47	2975
								Loft	610.13	188	931
								Family Room	364	122	617





# CONCLUSION

Key trends show that Urban rooms not only average higher prices but also exhibit the widest price range. Suburban areas are more stable and moderately priced, while Rural rooms offer the most budget-friendly options.

URBAN				Rural			
Room	Average	Min	Max	Room	Average	Min	Max
Twin Room	560.69	35	2323	Twin Room	426.62	96	1403
Suite Room	835.82	132	2478	Suite Room	602.59	209	1271
Studio Room	424.1	129	1487	Studio Room	389.91	70	854
Single Room	446.22	84	2346	Single Room	352.92	47	2975
Loft	804.6	686	943	Loft	610.13	188	931
Family Room	563.29	181	1112	Family Room	364	122	617
Double Room	518.65	94	2041				
Deluxe Room	705.53	84	2815				
Apartment	547.39	108	2120				
Suburban							
Room	Average	Min	Max				
Twin Room	509.15	70	2094				
Suite Room	715.92	194	1506				
Studio Room	424.53	131	1188				
Single Room	403.9	44	1598				
Loft	622	465	779				
Family Room	404.6	192	815				
Double Room	493.45	30	2013				
Deluxe Room	621.34	161	1938				
Apartment	417.45	140	1540				



Timmerman Industries

# THANK YOU

20 NOV, 2024