

Hotel- Bookings

Business Problem

In recent years, City and Resort hotels are seeing 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 hotels' primary goal in order to increase their efficiency in generating revenue, and for us to offer thorough business advice to address this problem.

The analysis of hotel cancellation as well as other factors that have no bearing on their business and yearly revenue generation are the main topics of this report.

Hotel- Bookings

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 use to analyze a hotel's possible plans in an efficient manner.
- 3.There are no unanticipated negatives of the hotel employing and advised technique.
- 4.The hotes are not currnetly using any of the suggested solutions.
- 5.The biggest factor affecting the effectiveness of earning income is booking cancellations.
- 6.Cancellation result in vacant rooms for the booked length of time.
- 7.Clients make hotes reservations the same year they make cancellations.

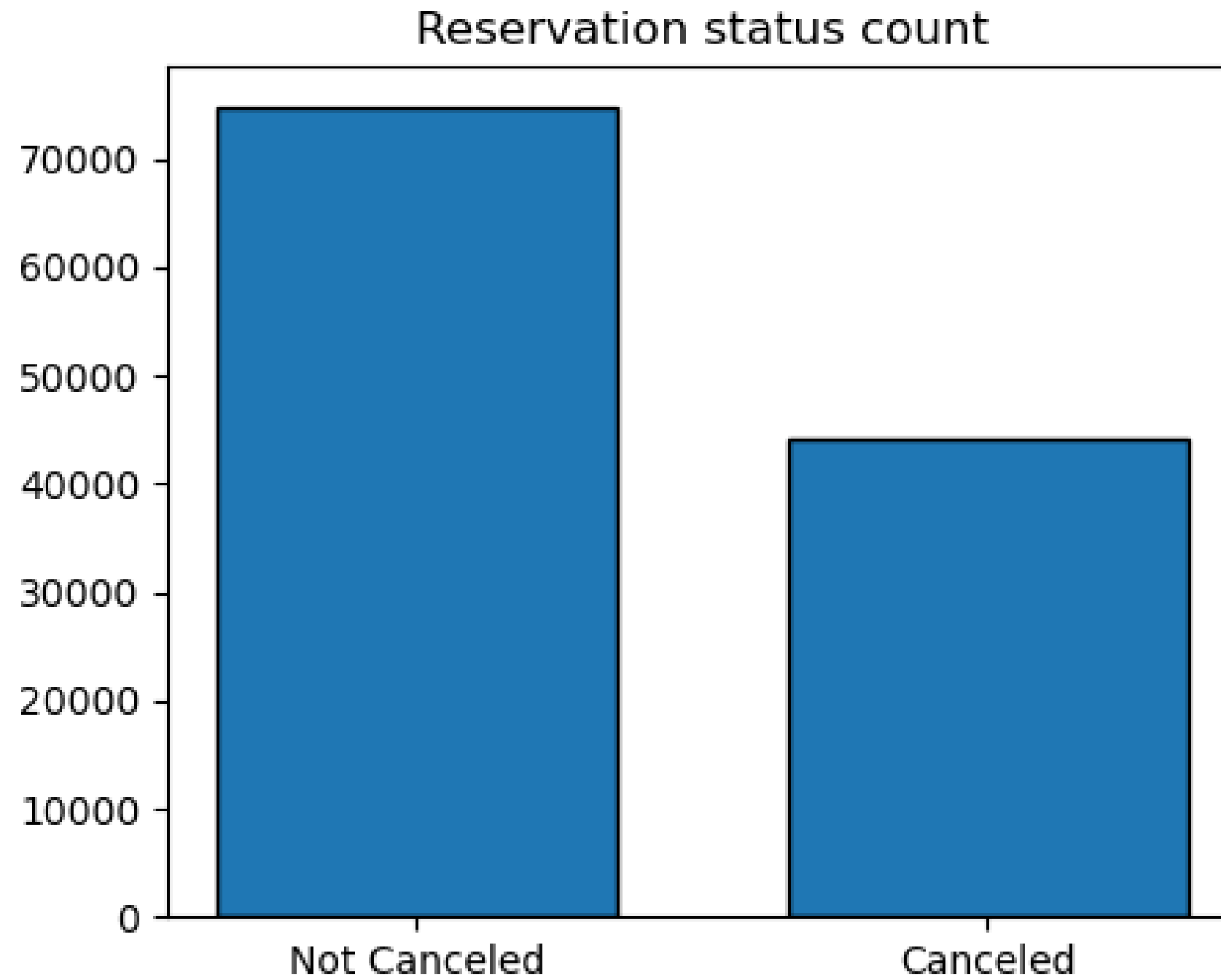
Hotel- Bookings

Research Question

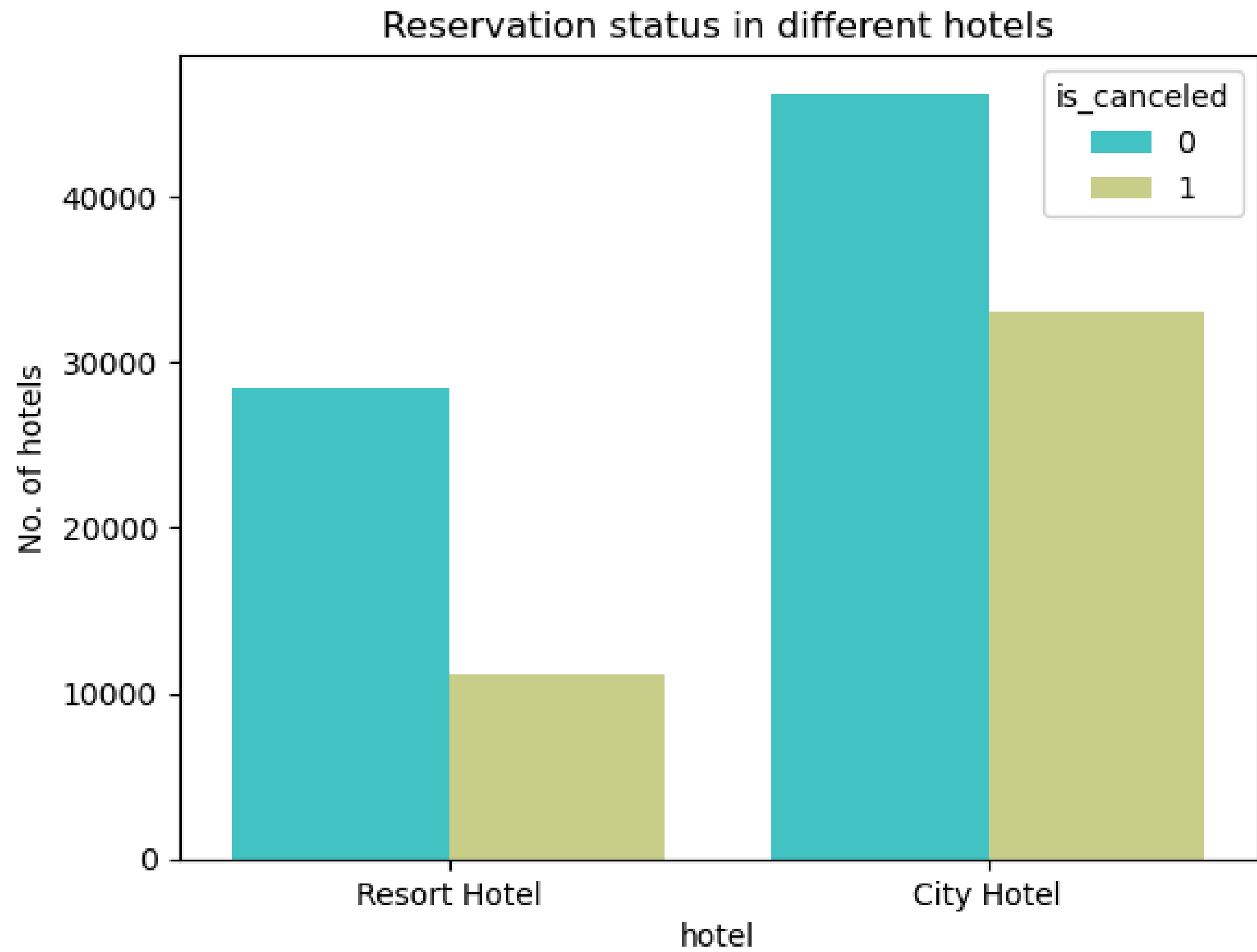
1. What are the variable that affect hotel reservation cancellations?
2. How can we make hotel reservations cacellations better?
3. How will hotels be assisted in making pricing and promotional decisions?

Hypothesis

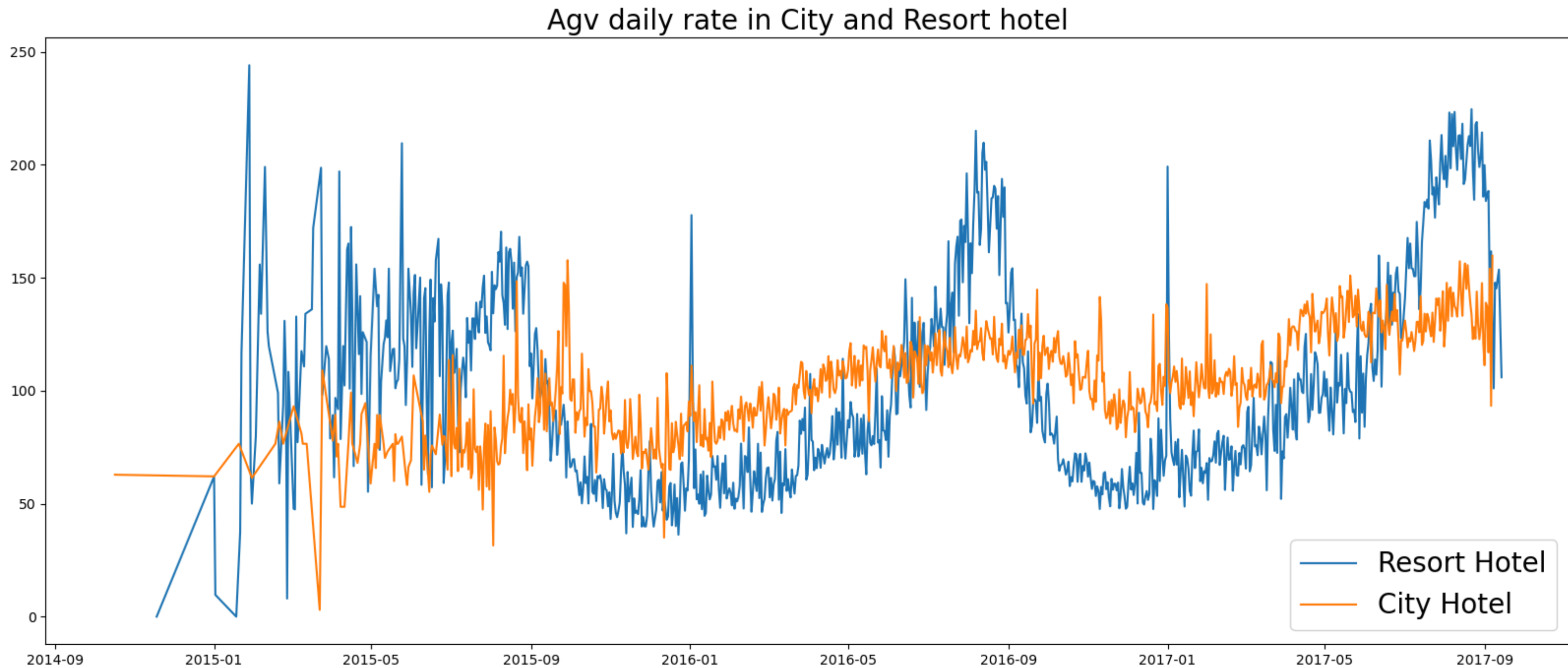
1. More cacellations occur when prices are higher.
2. When there is a longer waiting list, customers tend to cancel more frequently.
3. The majority of clients are coming from offline travel agents to make their reservations.



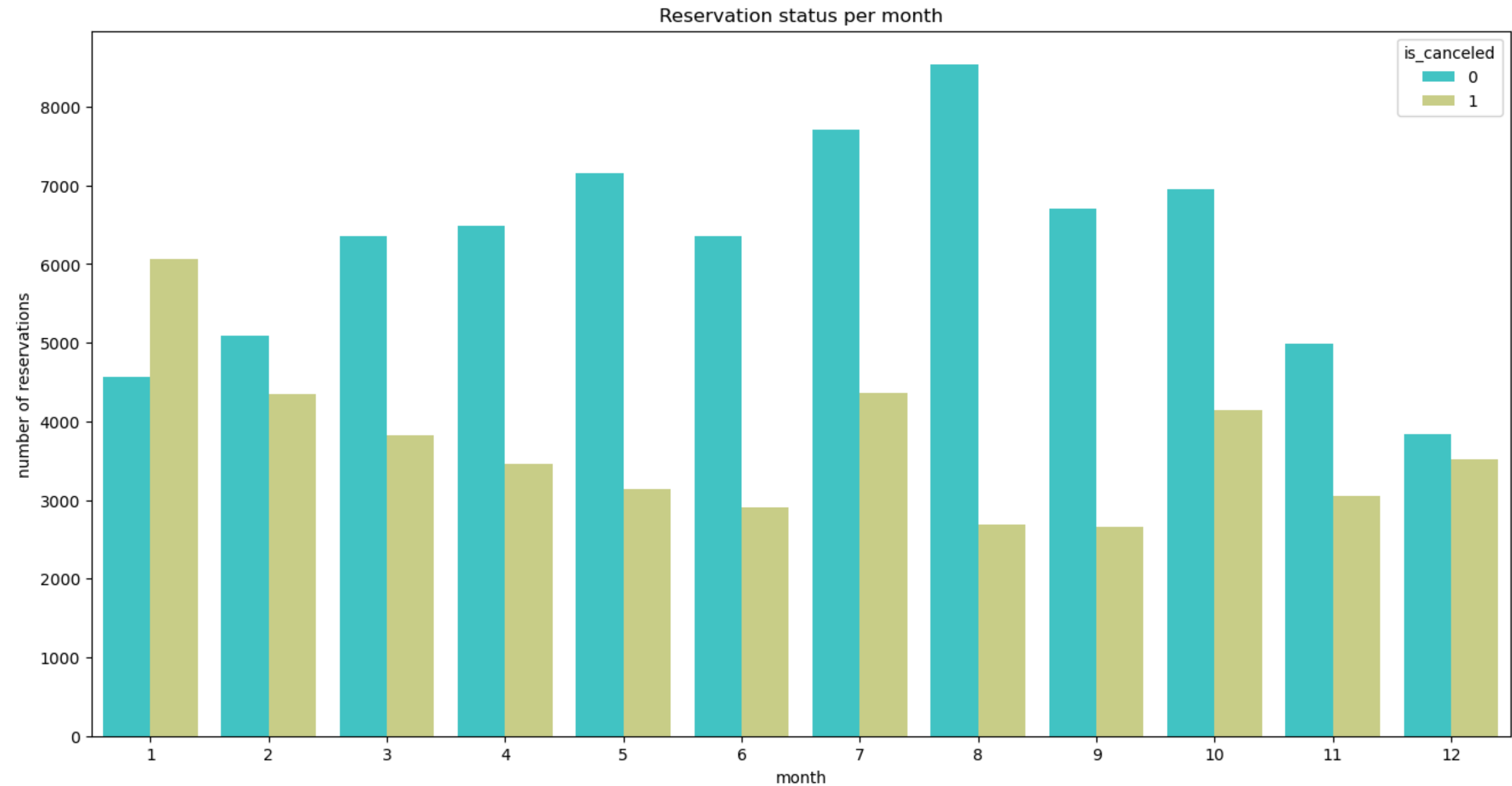
The accompanying bar graph show the percentage of reservation that are canceled and those that are not. It is obvious that there are still a significant number of reservations that have not been canceled. There are still 37% of clients who canceled their reservation, which has a significant impact on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



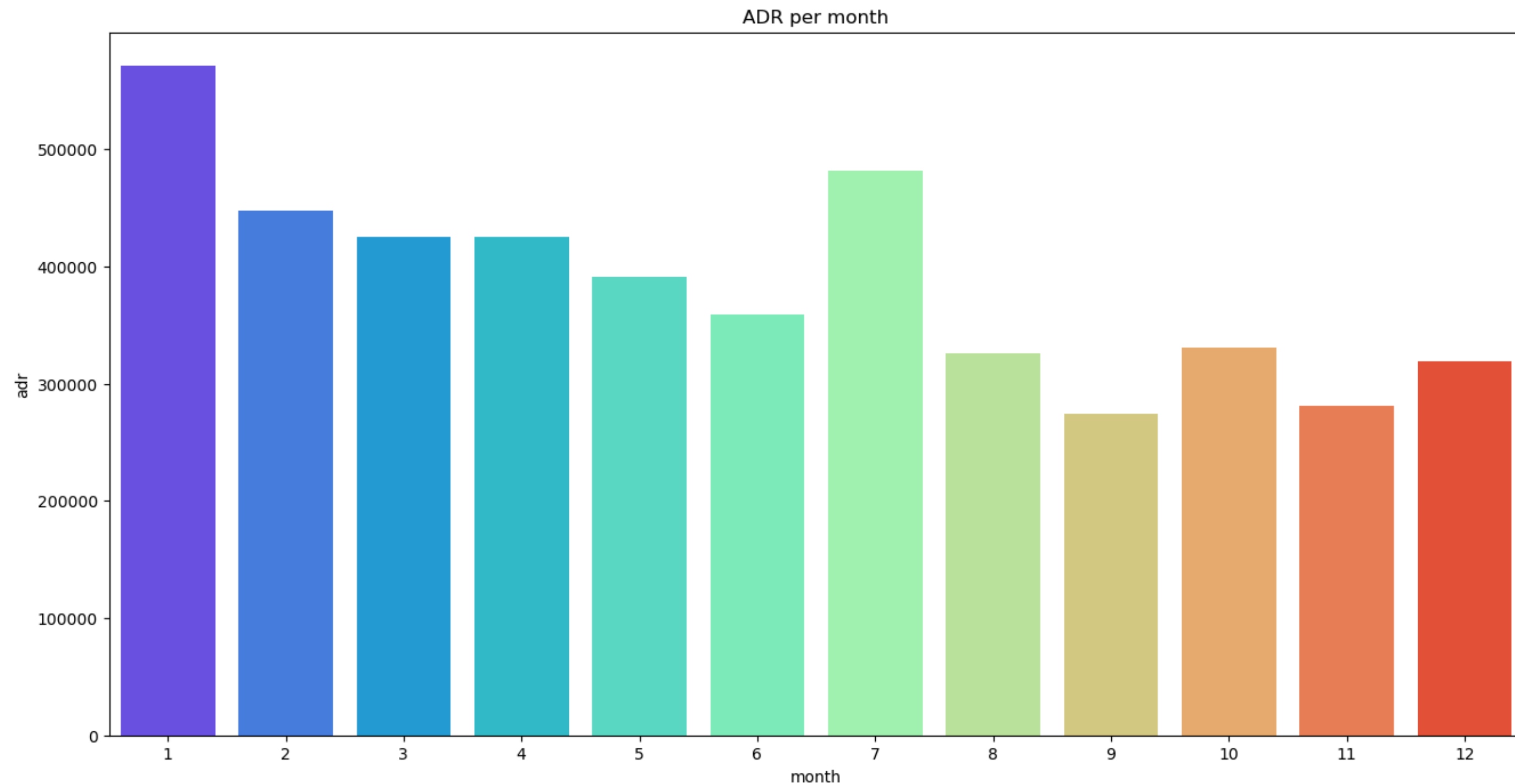
In comparison to resort hotels, city hotels have more bookings. It's possible that resort hotels are more expensive than those in cities.



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



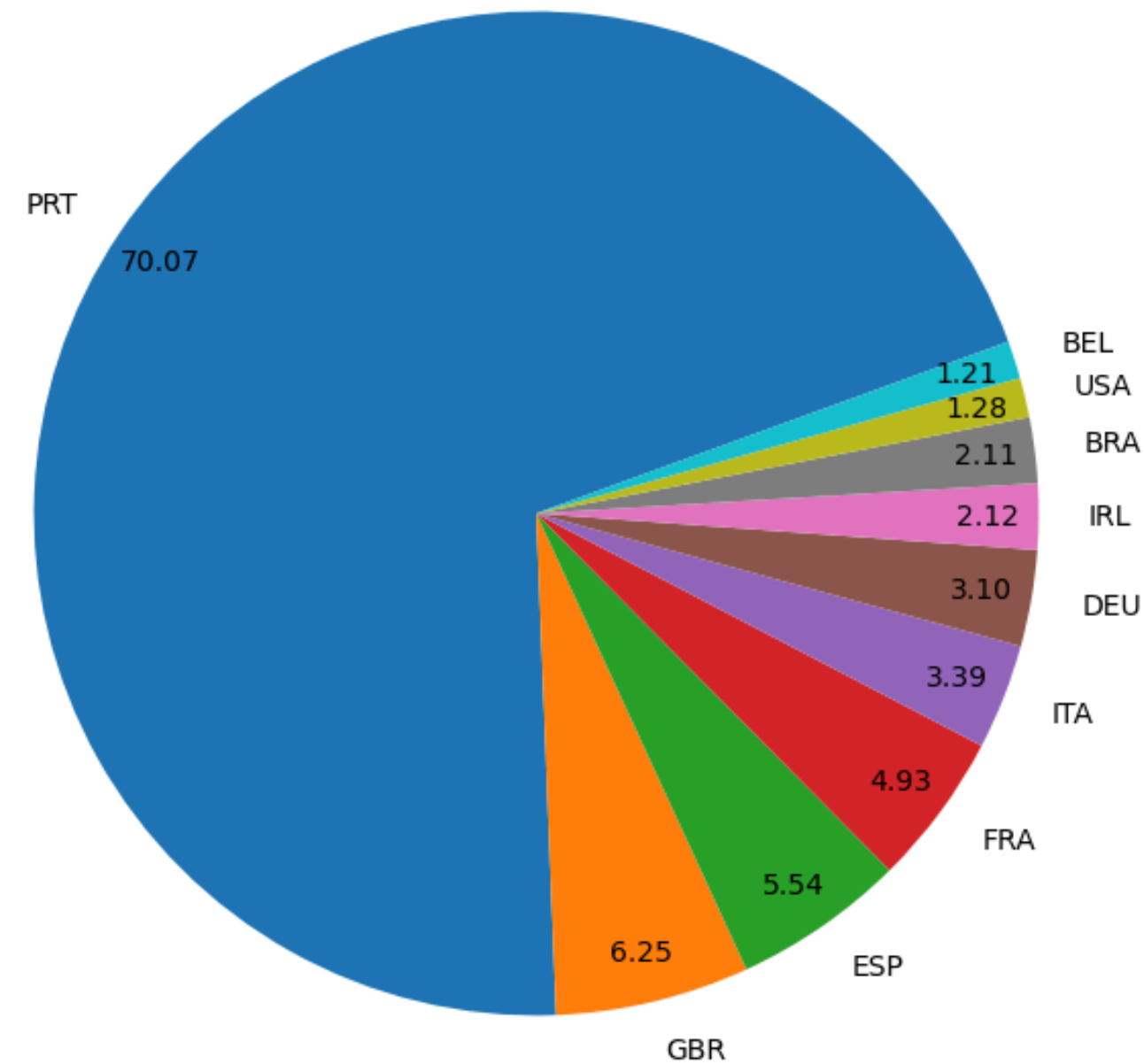
We have developed the group bar graph to analyze the months with the highest and lowest reservation levels according to reservation status. As can be seen, both the number of confirmed reservations and the number of canceled reservations are largest in the month of August, whereas January is the month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



This bar graph show that cancellations are the most common when prices are greatest and are least common when they are lowest. Therefore, the cost of the accomodation is solely responsible for the cancellation.

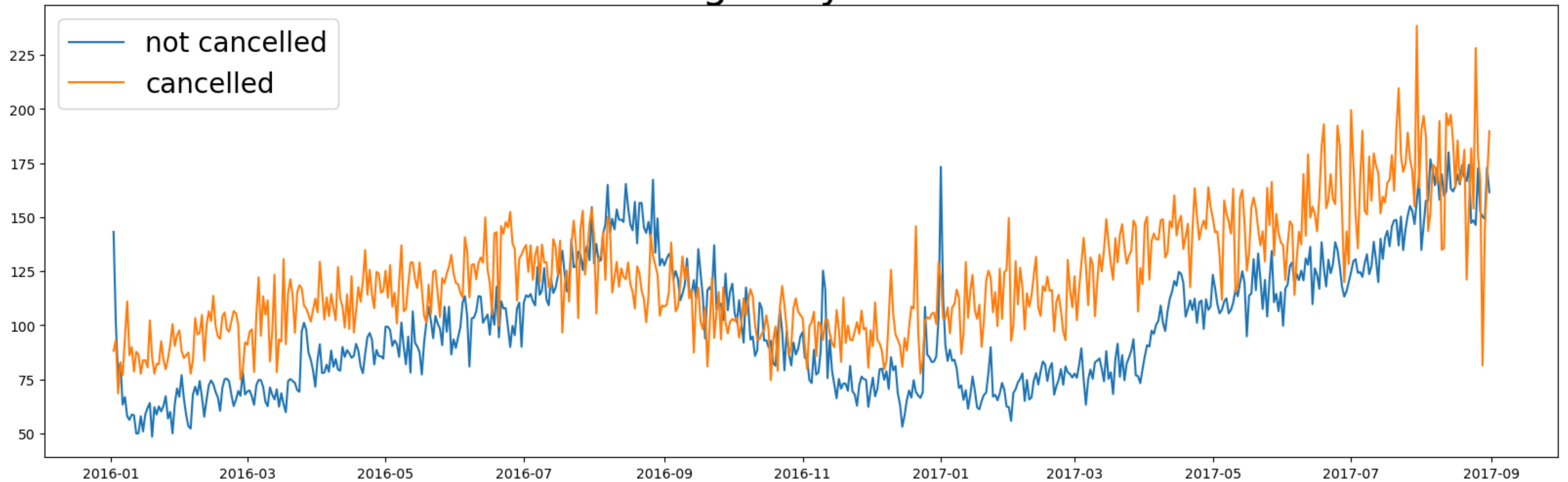
Now, let's see which country has the highest reservation canceled. The top country is Portugal with the highest humber of cancellations.

Top 10 Countries with reservation cancellation



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

Avg Daily Rate



As seen in 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 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.

Report – Nikhil Yadav

Thank You!