Project_stat

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Libraries

```
library(ggplot2)
library(tidyverse)
library(leaps)
library(ggcorrplot)
library(regclass)
library(boot)
#library(caret)
library(MASS)
library(knitr)
library(glmnet)
library(glmnet)
```

Hotel booking demand dataset

We decided to analyze the *Hotel booking demand dataset* that we load from Kaggle. This dataset contains information about two different kinds of hotel: City Hotel and Resort Hotel. Each observation represents an ho.tel booking. Both hotels are located in Portugal: the resort hotel at the resort region of Algarve and the city hotel at the city of Lisbon.

```
# Load the dataset
hotel_bookings <- read.csv("hotel_bookings.csv", na.strings="NULL")
View(hotel_bookings)</pre>
```

Dataset Pre-Processing

The dataset contains 32 variables describing 119390 observations.

```
# First look to the dataset
glimpse(hotel_bookings)
```

Rows: 119,390 ## Columns: 32

```
## $ hotel
                                                            <chr> "Resort Hotel", "Resort Hotel", "Resort~
## $ is canceled
                                                            <int> 0, 0, 0, 0, 0, 0, 0, 1, 1, 1, 0, 0, ~
## $ lead time
                                                            <int> 342, 737, 7, 13, 14, 14, 0, 9, 85, 75, ~
## $ arrival_date_year
                                                            <int> 2015, 2015, 2015, 2015, 2015, 2015, 201~
                                                            <chr> "July", "July", "July", "July", "July",~
## $ arrival date month
## $ arrival date week number
                                                            ## $ arrival date day of month
                                                            ## $ stays_in_weekend_nights
                                                            <int> 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, ~
## $ stays in week nights
                                                            <int> 0, 0, 1, 1, 2, 2, 2, 2, 3, 3, 4, 4, 4, ~
## $ adults
                                                            <int> 2, 2, 1, 1, 2, 2, 2, 2, 2, 2, 2, 2, 2, ~
## $ children
                                                            ## $ babies
                                                            ## $ meal
                                                            <chr> "BB", 
                                                            <chr> "PRT", "PRT", "GBR", "GBR", "GBR", "GBR~
## $ country
                                                            <chr> "Direct", "Direct", "Direct", "Corporat~
## $ market_segment
                                                            <chr> "Direct", "Direct", "Corporat~
## $ distribution_channel
## $ is_repeated_guest
                                                            <int> 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, ~
## $ previous cancellations
                                                            <int> 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, ~
## $ reserved room type
                                                            ## $ assigned_room_type
## $ booking changes
                                                            <int> 3, 4, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, ~
                                                            <chr> "No Deposit", "No Deposit", "No Deposit~
## $ deposit_type
                                                            <int> NA, NA, NA, 304, 240, 240, NA, 303, 240~
## $ agent
                                                            ## $ company
## $ days_in_waiting_list
                                                            <chr> "Transient", "Transient", "Transient", ~
## $ customer_type
## $ adr
                                                            <dbl> 0.00, 0.00, 75.00, 75.00, 98.00, 98.00,~
## $ required_car_parking_spaces
                                                            ## $ total_of_special_requests
                                                            <int> 0, 0, 0, 0, 1, 1, 0, 1, 1, 0, 0, 0, 3, ~
                                                            <chr> "Check-Out", "Check-Out", "Check-Out", ~
## $ reservation_status
                                                            <chr> "2015-07-01", "2015-07-01", "2015-07-02~
## $ reservation_status_date
```

As we can see from the code above, there are many character variables that we converted into factors. Furthermore, we noticed that some categorical variables like *children* were numeric, so we converted them.

```
# Convert column "children" into numeric
hotel_bookings_new$children <- as.numeric(as.character(hotel_bookings_new$children))
# Convert column "reservation status date" into date
hotel_bookings_new$reservation_status_date <- as.Date(
   hotel_bookings_new$reservation_status_date, format = "%Y-%m-%d")</pre>
```

The dataset provides two different variables for the stay: $stays_in_weekend_nights$ and $stays_in_week_nights$. We decided to add the sum of these two variables as a new variable $total_stays$ for ease of analyses.

```
# New column for total stays
hotel_bookings_new=hotel_bookings_new%>%
  mutate(total_stays=(stays_in_week_nights + stays_in_weekend_nights))
```

Missing values

```
colSums(is.na(hotel_bookings_new))[colSums(is.na(hotel_bookings_new))>0]
```

```
## children country agent company
## 4 488 16340 112593
```

Since there are only 4 Nan values for the variable *children*, we decided to replace them with the value 0. The variables *agent* and *company* have too many Nan values, therefore we removed them. We left untouched the variable *country* because we did not use it in our models.

```
# Replacing missing values in children column from the corresponding babies column

n_children <- length(hotel_bookings_new$children)

for (i in 1:n_children) {
    if (is.na(hotel_bookings_new$children[i]))
        hotel_bookings_new$children[i] <- 0
}

# Remove columns "agent" and "company"

index_agent <- which(colnames(hotel_bookings_new)=="agent")
    index_company <- which(colnames(hotel_bookings_new)=="company")
    hotel_bookings_new = hotel_bookings_new[-c(index_agent, index_company)]</pre>
```

At the end of the pre-processing, we obtained the following dataset:

```
##
            hotel
                         is canceled
                                      lead_time
                                                   arrival_date_year
  City Hotel :79330
                        0:75166
##
                                    Min. : 0
                                                   2015:21996
   Resort Hotel:40060
                        1:44224
                                     1st Qu.: 18
                                                   2016:56707
##
                                                   2017:40687
##
                                     Median: 69
##
                                     Mean :104
                                     3rd Qu.:160
##
```

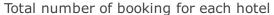
```
##
                                     Max.
                                            :737
##
##
   arrival date month arrival date week number arrival date day of month
   August :13877
                       Min. : 1.00
                                                      : 1.0
##
                                                Min.
                       1st Qu.:16.00
                                                1st Qu.: 8.0
##
    July
         :12661
##
   May
           :11791
                       Median :28.00
                                                Median:16.0
   October:11160
                       Mean :27.17
                                                Mean :15.8
   April :11089
                       3rd Qu.:38.00
                                                3rd Qu.:23.0
##
##
    June
           :10939
                       Max.
                              :53.00
                                                Max.
                                                       :31.0
##
   (Other):47873
   stays_in_weekend_nights stays_in_week_nights
                                                     adults
                                                 Min.
                                                        : 0.000
##
   Min.
         : 0.0000
                            Min.
                                  : 0.0
   1st Qu.: 0.0000
                            1st Qu.: 1.0
                                                  1st Qu.: 2.000
##
##
   Median: 1.0000
                            Median: 2.0
                                                 Median : 2.000
##
   Mean
         : 0.9276
                            Mean : 2.5
                                                 Mean
                                                       : 1.856
                            3rd Qu.: 3.0
##
   3rd Qu.: 2.0000
                                                 3rd Qu.: 2.000
##
   Max. :19.0000
                            Max.
                                 :50.0
                                                 Max.
                                                        :55.000
##
##
       children
                          babies
                                                 meal
                                                                country
                           : 0.000000
##
   Min.
          : 0.0000
                      Min.
                                          BB
                                                   :92310
                                                             PRT
                                                                    :48590
##
   1st Qu.: 0.0000
                      1st Qu.: 0.000000
                                          FΒ
                                                    : 798
                                                             GBR
                                                                    :12129
   Median : 0.0000
                      Median : 0.000000
                                          HB
                                                   :14463
                                                             FRA
                                                                    :10415
   Mean : 0.1039
                      Mean : 0.007949
                                          SC
##
                                                   :10650
                                                             ESP
                                                                    : 8568
##
   3rd Qu.: 0.0000
                      3rd Qu.: 0.000000
                                          Undefined: 1169
                                                             DEU
                                                                    : 7287
##
   Max. :10.0000
                      Max. :10.000000
                                                             (Other):31913
##
                                                             NA's
##
          market_segment distribution_channel is_repeated_guest
                 :56477
                          Corporate: 6677
                                               0:115580
##
   Online TA
##
   Offline TA/TO:24219
                          Direct
                                   :14645
                                               1: 3810
## Groups
                 :19811
                          GDS
                                   : 193
## Direct
                 :12606
                          TA/TO
                                   :97870
##
   Corporate
                 : 5295
                          Undefined:
##
   Complementary: 743
##
   (Other)
                 : 239
##
   previous cancellations previous bookings not canceled reserved room type
##
   Min.
         : 0.00000
                           Min.
                                  : 0.0000
                                                           Α
                                                                  :85994
##
   1st Qu.: 0.00000
                           1st Qu.: 0.0000
                                                          D
                                                                  :19201
##
   Median: 0.00000
                           Median: 0.0000
                                                          F.
                                                                  : 6535
##
   Mean : 0.08712
                           Mean : 0.1371
                                                          F
                                                                  : 2897
   3rd Qu.: 0.00000
                                                           G
##
                           3rd Qu.: 0.0000
                                                                  : 2094
##
   Max.
          :26.00000
                           Max. :72.0000
                                                           В
                                                                  : 1118
##
                                                           (Other): 1551
##
   assigned_room_type booking_changes
                                             deposit_type
                                                              days_in_waiting_list
##
                             : 0.0000
                                         No Deposit:104641
   Α
           :74053
                       Min.
                                                              Min.
                                                                   : 0.000
##
   D
           :25322
                       1st Qu.: 0.0000
                                         Non Refund: 14587
                                                              1st Qu.: 0.000
                                                              Median : 0.000
   Ε
                       Median : 0.0000
                                         Refundable:
##
           : 7806
                                                        162
   F
           : 3751
                              : 0.2211
##
                       Mean
                                                              Mean
                                                                     : 2.321
##
   G
           : 2553
                       3rd Qu.: 0.0000
                                                              3rd Qu.: 0.000
##
   C
           : 2375
                       Max.
                              :21.0000
                                                              Max.
                                                                     :391.000
##
    (Other): 3530
##
            customer_type
                                              required_car_parking_spaces
                                 adr
                                                     :0.00000
##
   Contract
                   : 4076
                            Min.
                                      -6.38
                                              Min.
##
   Group
                   :
                      577
                            1st Qu.:
                                      69.29
                                              1st Qu.:0.00000
                   :89613
                            Median: 94.58
                                              Median : 0.00000
##
   Transient
```

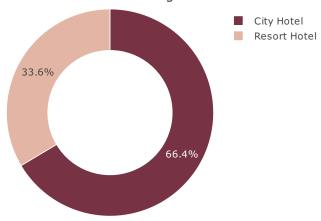
```
Transient-Party:25124
                                   : 101.83
                                                      :0.06252
##
                            Mean
                                               Mean
##
                            3rd Qu.: 126.00
                                               3rd Qu.:0.00000
##
                            Max.
                                    :5400.00
                                               Max.
                                                      :8.00000
##
##
   total_of_special_requests reservation_status reservation_status_date
           :0.0000
                              Canceled:43017
                                                         :2014-10-17
##
   Min.
                                                  Min.
   1st Qu.:0.0000
                              Check-Out:75166
                                                  1st Qu.:2016-02-01
##
## Median :0.0000
                              No-Show: 1207
                                                  Median :2016-08-07
##
   Mean
           :0.5714
                                                  Mean
                                                         :2016-07-30
##
   3rd Qu.:1.0000
                                                  3rd Qu.:2017-02-08
##
  Max.
           :5.0000
                                                  Max.
                                                         :2017-09-14
##
##
    total_stays
##
  \mathtt{Min}.
          : 0.000
   1st Qu.: 2.000
##
## Median : 3.000
          : 3.428
## Mean
## 3rd Qu.: 4.000
## Max.
           :69.000
##
```

EDA

As stated above, the dataset contains information about two different kinds of hotel: City Hotel and Resort Hotel. There are 79330 observation for the former and 40060 for the latter.

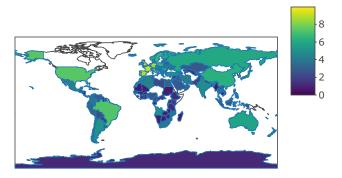
```
# Hotel donut plot
df_hotel <- as.data.frame(hotel_bookings_new[, c("hotel")])</pre>
df_hotel <- as.data.frame(lapply(df_hotel, function(x) as.data.frame(table(x))))</pre>
colnames(df_hotel) <- c("hotel", "frequency")</pre>
df hotel
##
            hotel frequency
       City Hotel
                       79330
                       40060
## 2 Resort Hotel
colors_donut <- c('rgb((119,51,68))','rgb((227,181,164))')</pre>
fig_hotel <- df_hotel %>% plot_ly(labels = ~hotel, values = ~frequency,
                                   marker = list(colors = colors_donut,
                                   line = list(color = '#FFFFFF', width = 1)))
fig_hotel <- fig_hotel %>% add_pie(hole = 0.6)
fig_hotel <- fig_hotel %>% layout(title = "Total number of booking for each hotel",
                       showlegend = T,
                       xaxis = list(showgrid = FALSE, zeroline = FALSE, showticklabels = FALSE),
                       yaxis = list(showgrid = FALSE, zeroline = FALSE, showticklabels = FALSE))
fig_hotel
```





Both hotels are located in Portugal; this is the reason why most of the guests come from Portugal, as we can see from the map plot below:

Country plot



Total bookings considering both canceled and not canceled Total guests considering only is_canceled==0



For each year

```
# Total bookings for each hotel by month (year: 2015)
df_months_City_2015 <- as.data.frame(hotel_bookings_new[hotel_bookings_new$hotel=='City Hotel'
              & hotel_bookings_new$arrival_date_year==2015, c( "arrival_date_month")])
df_months_Resort_2015 <- as.data.frame(hotel_bookings_new[hotel_bookings_new$hotel=='Resort Hotel'
              & hotel_bookings_new$arrival_date_year==2015, c( "arrival_date_month")])
df_months_City_2015 <- as.data.frame(lapply(df_months_City_2015, function(x))</pre>
  as.data.frame(table(x))))
df_months_Resort_2015 <- as.data.frame(lapply(df_months_Resort_2015, function(x))</pre>
  as.data.frame(table(x))))
colnames(df_months_City_2015) <- c("arrival_date_month_City", "frequency_City")</pre>
colnames(df_months_Resort_2015) <- c("arrival_date_month_Resort", "frequency_Resort")</pre>
df_months_City_2015\arrival_date_month_City <- factor(df_months_City_2015\arrival_date_month_City,
            levels = c("January", "February", "March", "April", "May", "June", "July",
                        "August", "September", "October", "November", "December"))
df_months_Resort_2015$arrival_date_month_Resort <- factor(df_months_Resort_2015$arrival_date_month_Reso
fig_months_2015 <- plot_ly()</pre>
fig_months_2015 <- fig_months_2015 %>% add_lines(data=df_months_City_2015, x = ~arrival_date_month_City
fig_months_2015 <- fig_months_2015 %>% add_lines(data=df_months_Resort_2015, x = ~arrival_date_month_Re
fig_months_2015 <- fig_months_2015 %>% layout(title = "2015 - Total bookings for each hotel by month of
         xaxis = list(title = "Months", tickangle = -45),
         yaxis = list (title = "Total bookings"))
fig_months_2015
```



```
# Total bookings for each hotel by month (year: 2016)

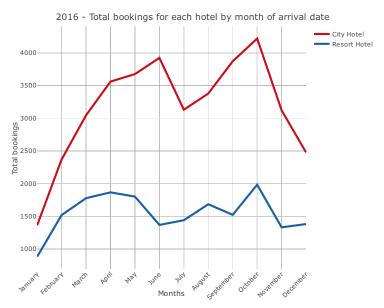
df_months_City_2016 <- as.data.frame(hotel_bookings_new[hotel_bookings_new$hotel=='City_Hotel' & hotel_df_months_Resort_2016 <- as.data.frame(hotel_bookings_new[hotel_bookings_new$hotel=='Resort_Hotel' & hotel_df_months_City_2016 <- as.data.frame(lapply(df_months_City_2016, function(x) as.data.frame(table(x))))

df_months_Resort_2016 <- as.data.frame(lapply(df_months_Resort_2016, function(x) as.data.frame(table(x))))

colnames(df_months_City_2016) <- c("arrival_date_month_City", "frequency_City"))

df_months_City_2016$arrival_date_month_City <- factor(df_months_City_2016$arrival_date_month_City, leve

df_months_Resort_2016$arrival_date_month_Resort <- factor(df_months_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$arrival_date_month_Resort_2016$
```

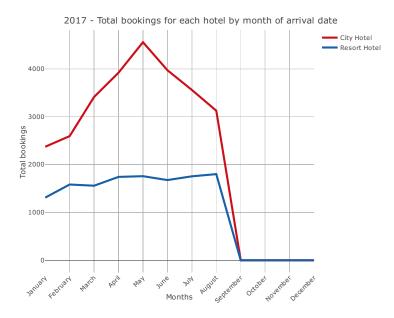


```
# Total bookings for each hotel by month (year: 2017)

df_months_City_2017 <- as.data.frame(hotel_bookings_new[hotel_bookings_new$hotel=='City Hotel' & hotel_df_months_Resort_2017 <- as.data.frame(hotel_bookings_new[hotel_bookings_new$hotel=='Resort Hotel'& hotel_df_months_City_2017 <- as.data.frame(lapply(df_months_City_2017, function(x) as.data.frame(table(x))))

df_months_Resort_2017 <- as.data.frame(lapply(df_months_Resort_2017, function(x) as.data.frame(table(x)))

colnames(df_months_City_2017) <- c("arrival_date_month_City", "frequency_City")
```



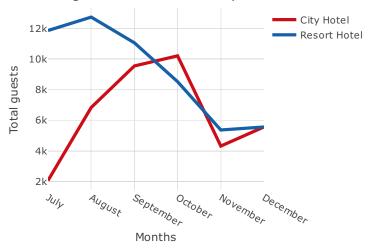
Total guests

```
# Total guests for each hotel by month
df City <- as.data.frame(hotel bookings new[hotel bookings new$is canceled==0 & hotel bookings new$hote
df_guests_City <- df_City %>%
  group_by(arrival_date_month) %>%
  summarise(guests = sum(total_stays*(adults+children+babies))) %>%
  ungroup()
df_Resort <- as.data.frame(hotel_bookings_new[hotel_bookings_new$is_canceled==0 & hotel_bookings_new$ho
df_guests_Resort <- df_Resort %>%
  group_by(arrival_date_month) %>%
  summarise(guests = sum(total_stays*(adults+children+babies))) %>%
  ungroup()
df_guests_City$arrival_date_month <- factor(df_guests_City$arrival_date_month, levels = c("January", "F
df_guests_Resort$arrival_date_month <- factor(df_guests_Resort$arrival_date_month, levels = c("January"
fig_guests <- plot_ly()</pre>
fig_guests <- fig_guests %% add_lines(data=df_guests_City, x = ~arrival_date_month, y = ~guests, name
fig_guests <- fig_guests %>% add_lines(data=df_guests_Resort, x = ~arrival_date_month, y = ~guests, nam
fig_guests <- fig_guests %>% layout(title = "Total guests for each hotel by month of arrival date",
         xaxis = list(title = "Months"),
         yaxis = list (title = "Total guests"))
fig_guests
```





15 - Total guests for each hotel by month of arrival da



```
# Total guests for each hotel by month (year: 2016)

df_2016_City <- as.data.frame(hotel_bookings_new[hotel_bookings_new$is_canceled==0 & hotel_bookings_new

df_guests_2016_City <- df_2016_City %>%
    group_by(arrival_date_month) %>%
    summarise(guests = sum(total_stays*(adults+children+babies))) %>%
    ungroup()

df_2016_Resort <- as.data.frame(hotel_bookings_new[hotel_bookings_new$is_canceled==0 & hotel_bookings_new

df_guests_2016_Resort <- df_2016_Resort %>%
    group_by(arrival_date_month) %>%
    summarise(guests = sum(total_stays*(adults+children+babies))) %>%
    ungroup()
```

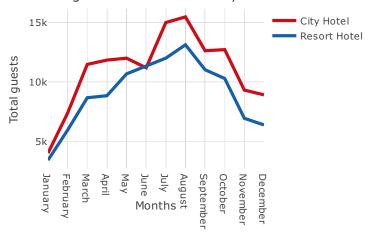
```
df_guests_2016_City$arrival_date_month <- factor(df_guests_2016_City$arrival_date_month, levels = c("Jactor(df_guests_2016_Resort$arrival_date_month, levels = c
df_guests_2016_Resort$arrival_date_month <- factor(df_guests_2016_Resort$arrival_date_month, levels = c

fig_guests_2016 <- plot_ly()

fig_guests_2016 <- fig_guests_2016 %>% add_lines(data=df_guests_2016_City, x = ~arrival_date_month, y = fig_guests_2016 <- fig_guests_2016 %>% add_lines(data=df_guests_2016_Resort, x = ~arrival_date_month, y = fig_guests_2016 <- fig_guests_2016 %>% layout(title = "2016 - Total guests for each hotel by month of a xaxis = list(title = "Months"), yaxis = list (title = "Total guests"))

fig_guests_2016
```

16 - Total guests for each hotel by month of arrival da



```
# Total guests for each hotel by month (year: 2017)

df_2017_City <- as.data.frame(hotel_bookings_new[hotel_bookings_new$is_canceled==0 & hotel_bookings_new$

df_guests_2017_City <- df_2017_City %>%
    group_by(arrival_date_month) %>%
    summarise(guests = sum(total_stays*(adults+children+babies))) %>%
    ungroup()
```

16 - Total guests for each hotel by month of arrival da

