

Hotel Booking Cancellations



Natasya Izzaty Khoo

CONTENTS

of the day

01

PROBLEM
STATEMENT



02

PROJECT
GOALS



03

BUSINESS
QUESTIONS



04

SUGGESTIONS/
CONCLUSIONS



01

PROBLEM STATEMENT



Problem Statement

An unsold room due to a cancellation (especially close to the check-in date) is something that we need to avoid, especially during high season. This impact, which is difficult to measure, is critical since it fully attacks most important part of your income statement.

02



PROJECT GOALS

PROJECT GOALS

1. PREPROCESSING

Finding out how to clean the data

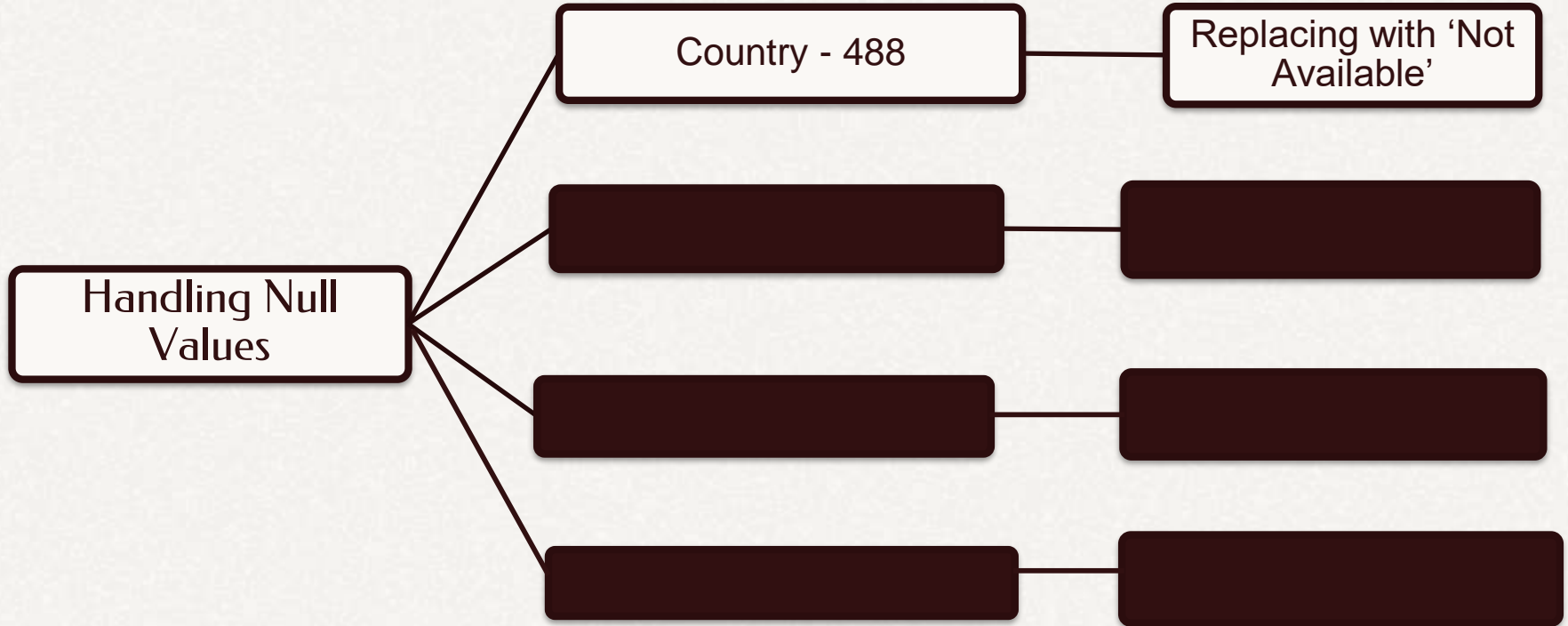
3. OPPORTUNITIES

Recommendations on how to
minimize the cancellations by
customers

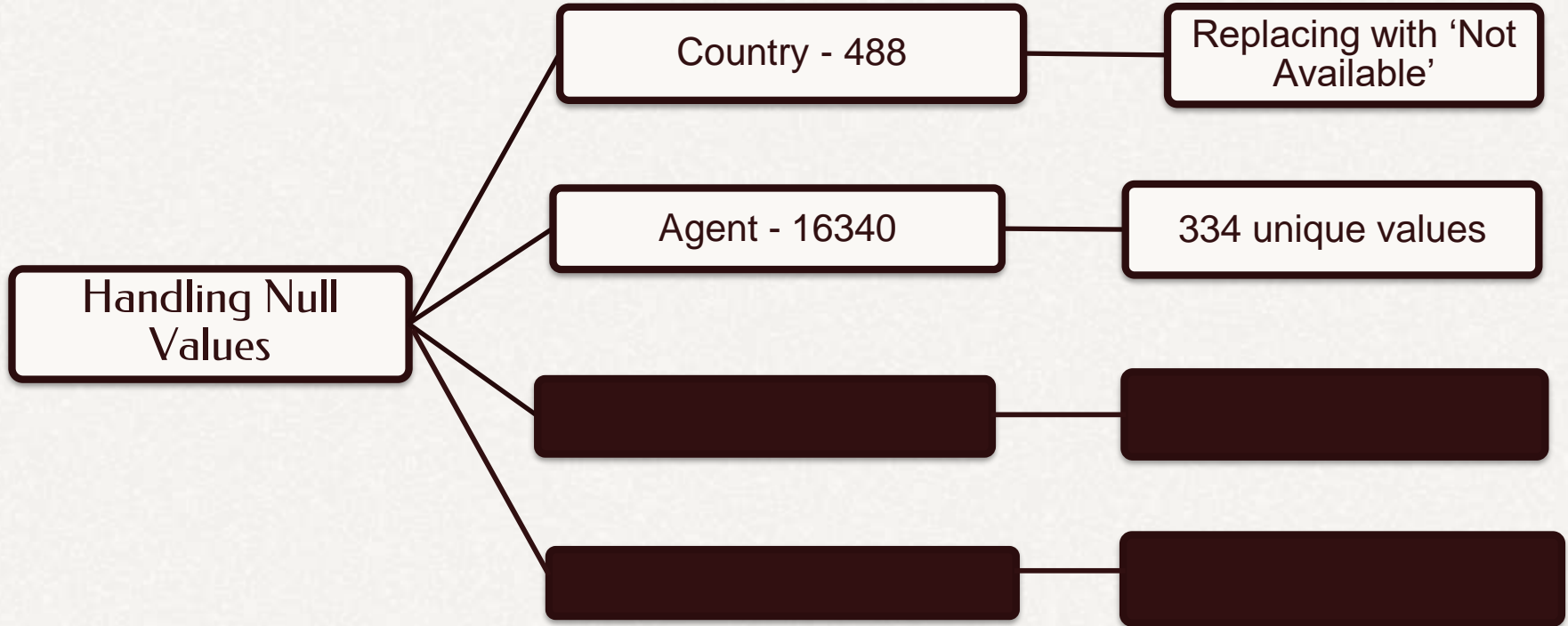
2. PATTERNS

Finding out the trends and
patterns in cancelled bookings
made by customer

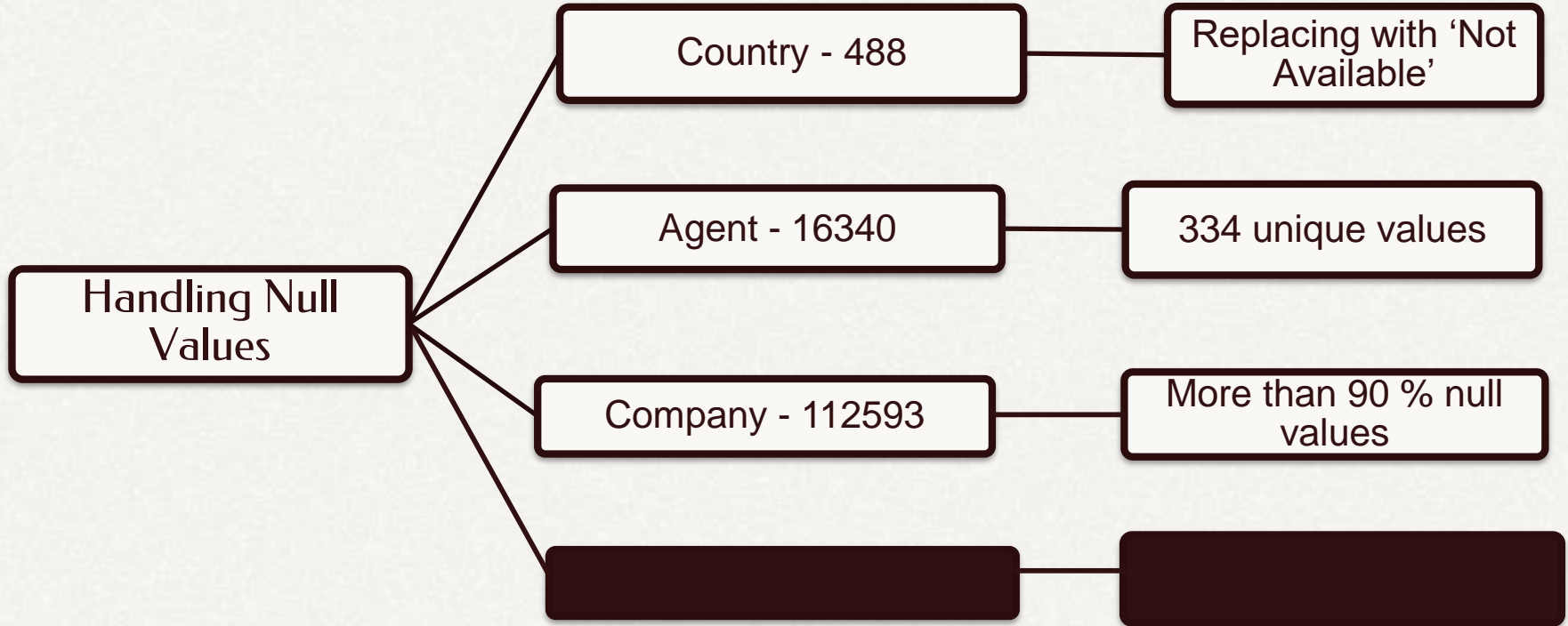
PREPROCESSING OF DATA



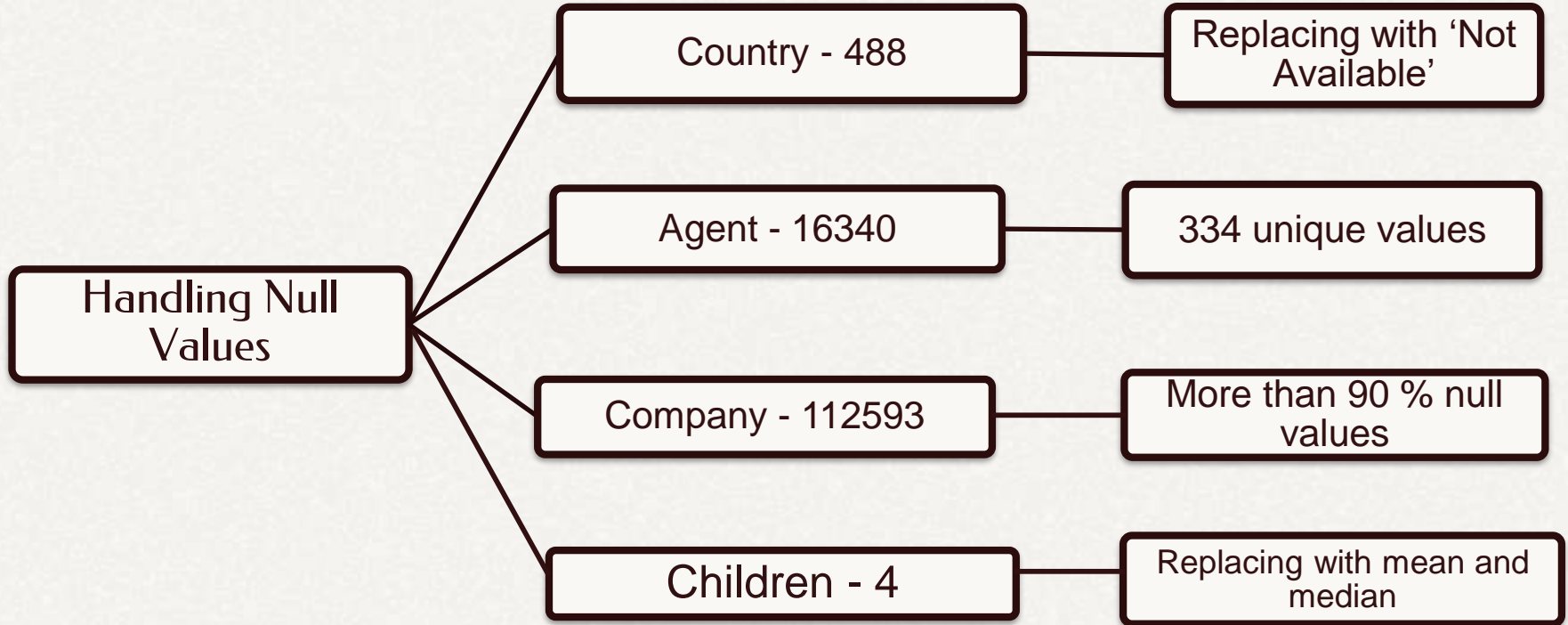
PREPROCESSING OF DATA



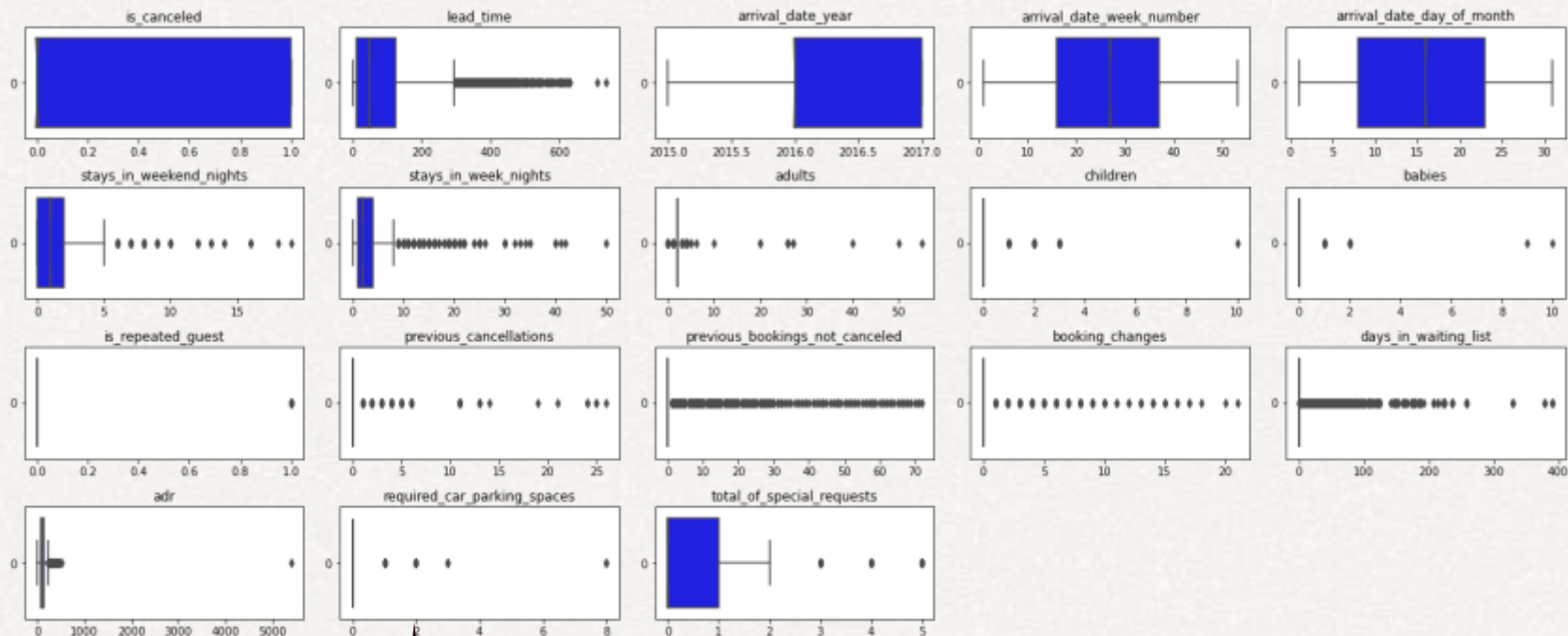
PREPROCESSING OF DATA



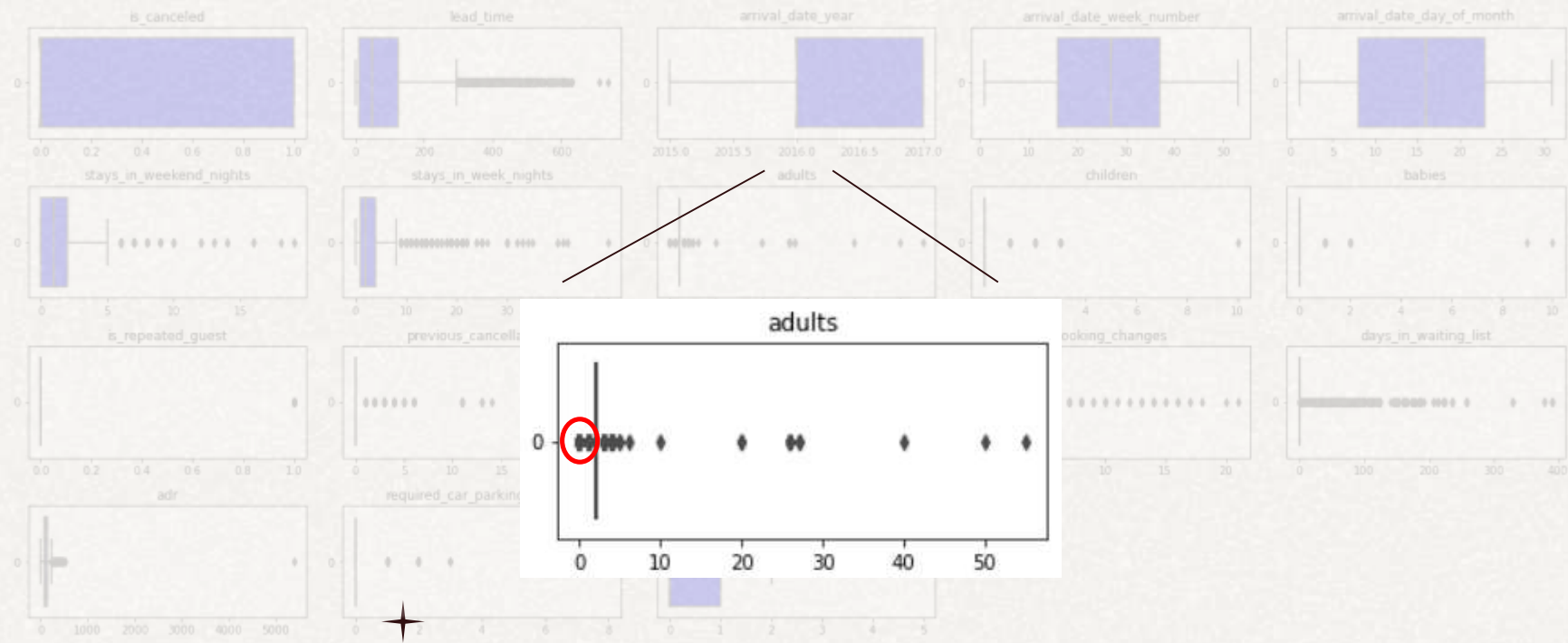
PREPROCESSING OF DATA



Handling OUTLIERS



Handling OUTLIERS



Handling OUTLIERS



Handling OUTLIERS



03

Business Questions



Business Questions



1. Where does the location of bookings mostly come from?



2. When is the peak month for each hotel?



3. How is different deposit type affect cancellation of booking?



4. How is lead time of booking affecting cancellation?



5. Does previously cancelled booking have relation with current cancellations?

OVERVIEW OF DATA



44K

Total of
cancelled
booking

235K

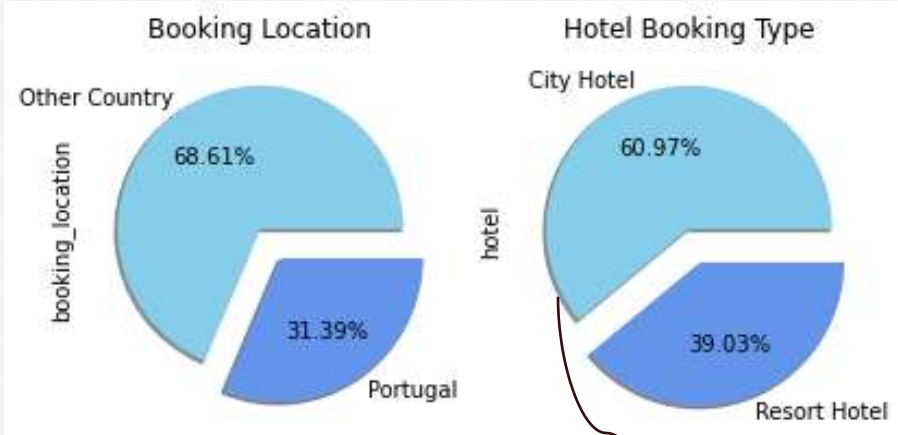
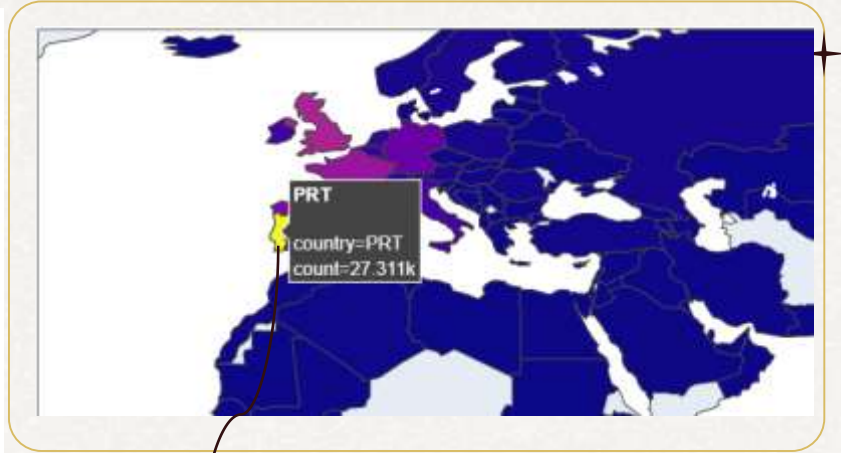
Total
guests


2

Type Of
Hotel

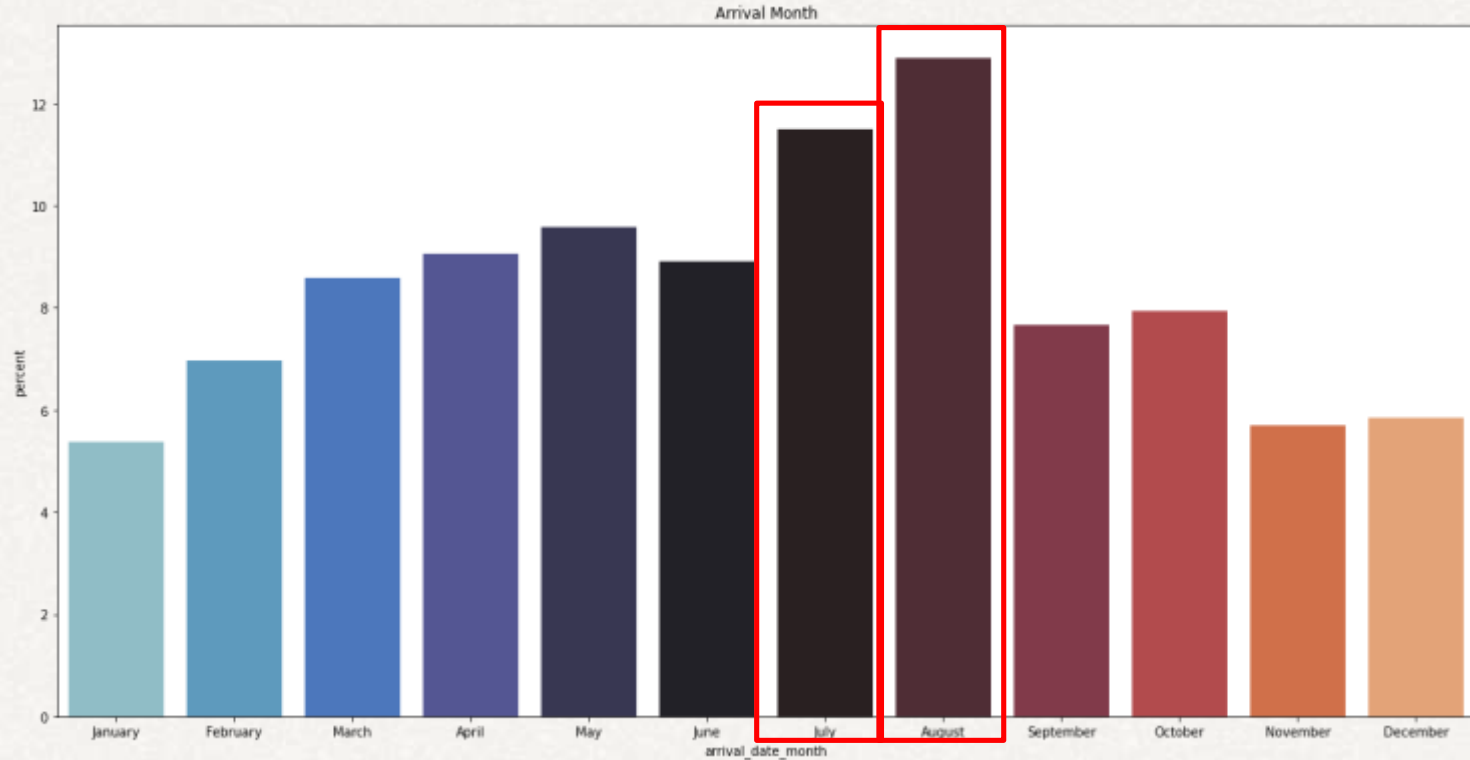


Where does location of most bookings come from?



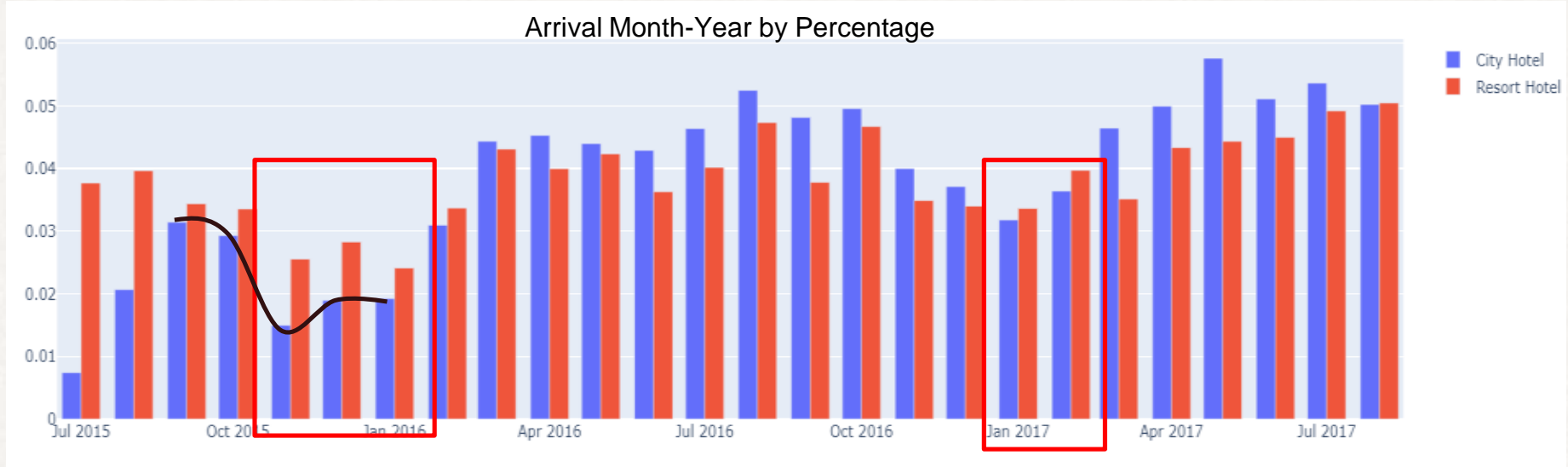
 Most bookings comes from Portugal (31.39%)
City Hotel (60.97 %) has the more bookings than Resort Hotel (39.03%)

When is the peak month?



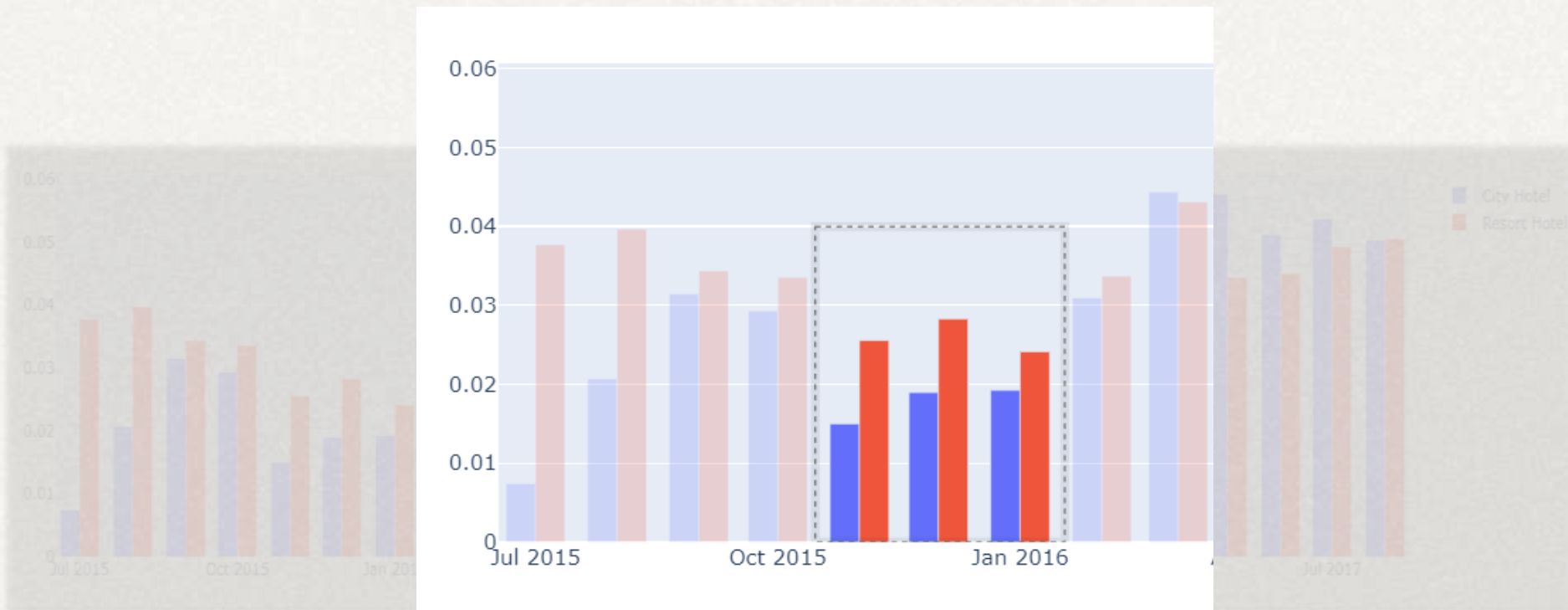
August has the highest total booking/ percentage of arrival
Summer holiday is around June to September

When is the peak month?



Resort Hotel have higher bookings in **Winter** seasons
Winter is around the end of the year to start of the year

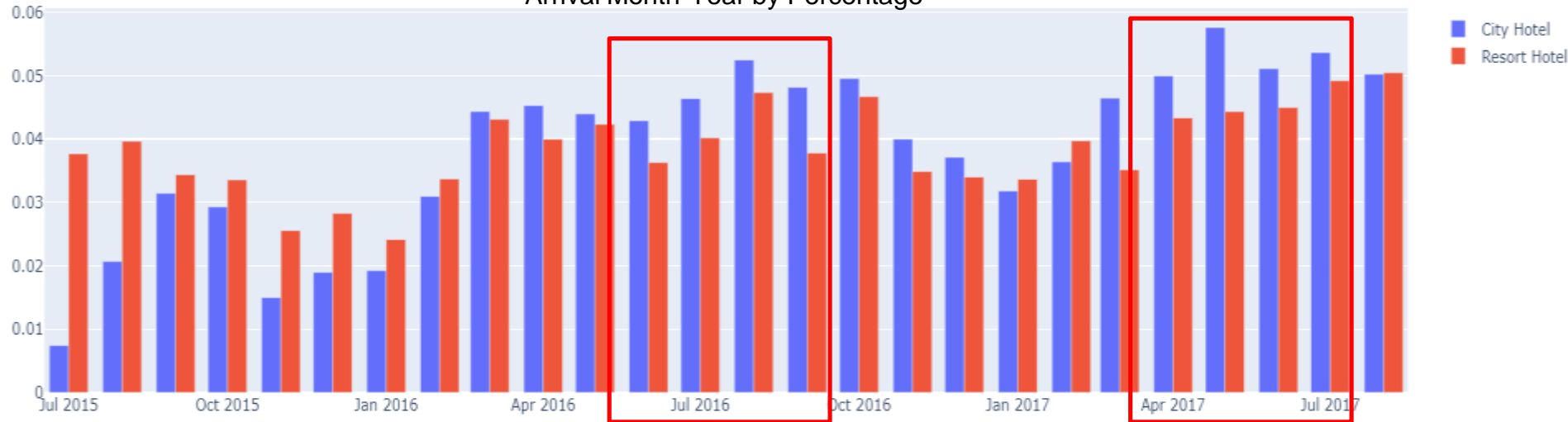
When is the peak month?



Resort Hotel have higher bookings in **Winter** seasons
Winter is around the end of the year to start of the year

When is the peak month?

Arrival Month-Year by Percentage

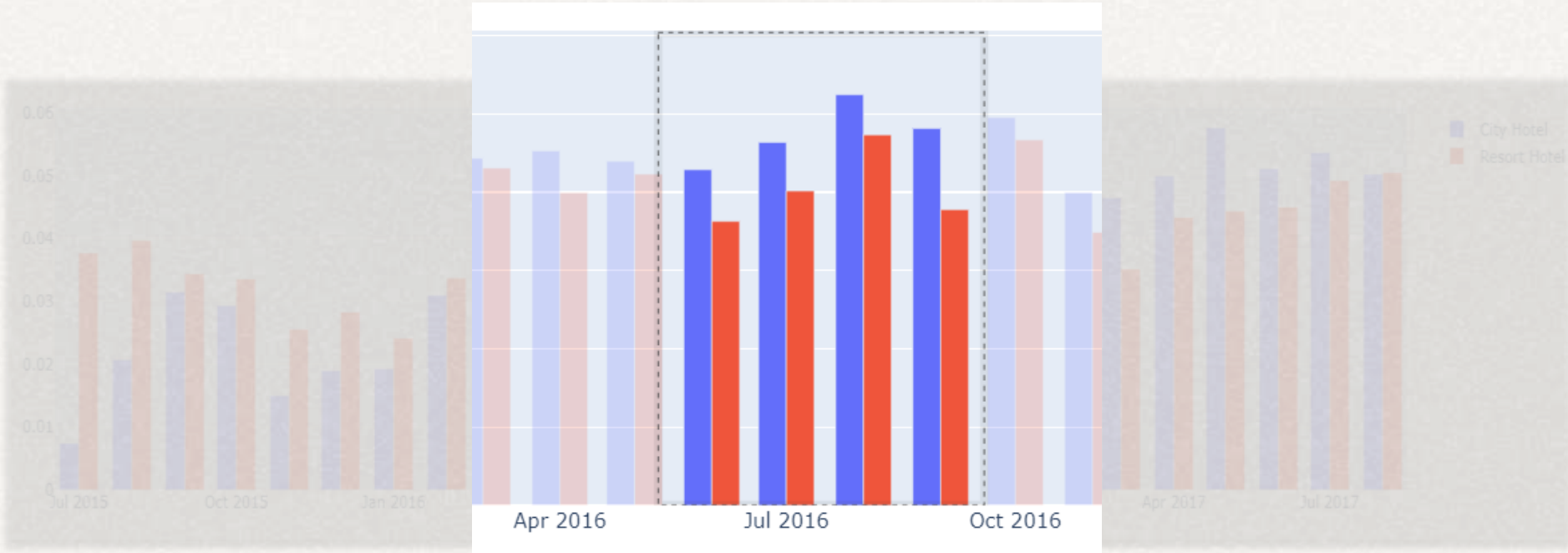


City Hotel have higher bookings in **Summer** seasons

Summer is around June to September

There is a summer holiday occurs on August

When is the peak month?



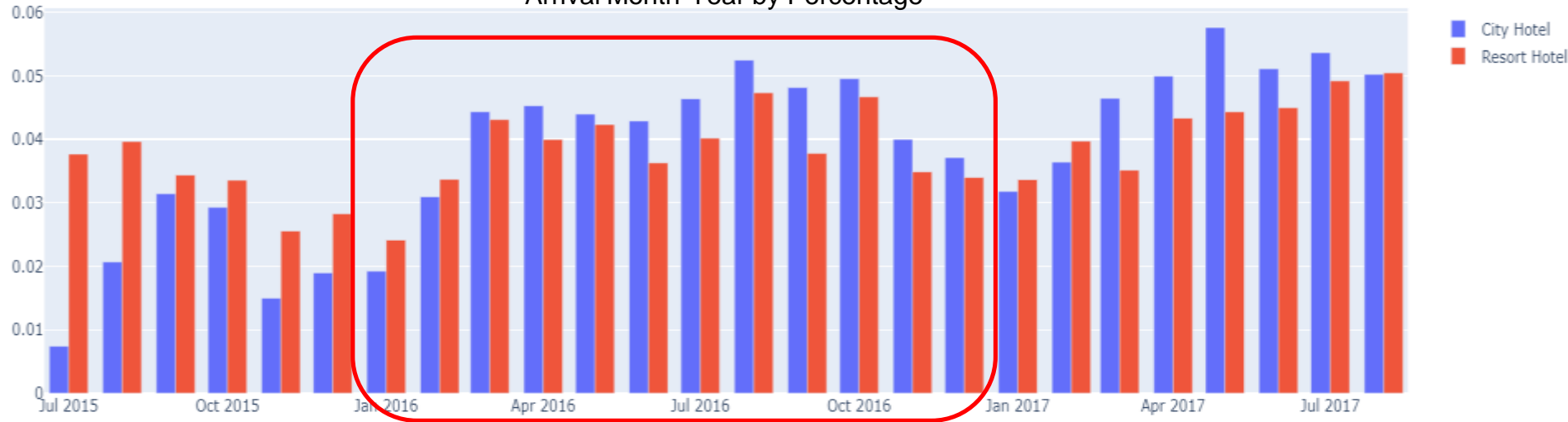
City Hotel have higher bookings in **Summer** seasons

Summer is around June to September

There is a summer holiday occurs on August

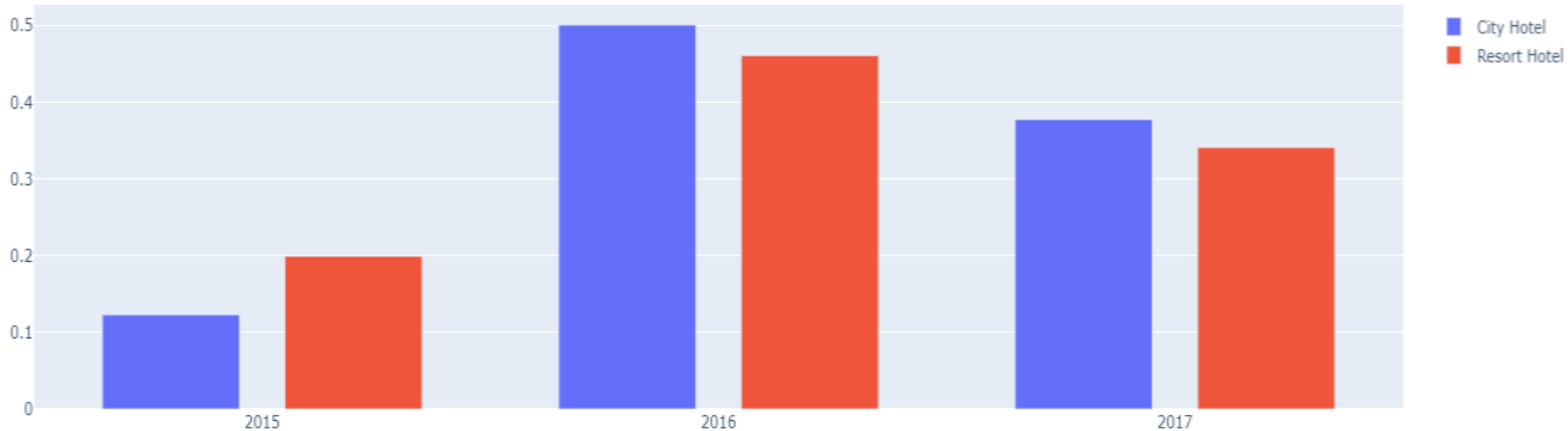
When is the peak month?

Arrival Month-Year by Percentage



Events that is held in Europe 2016 which is UEFA Euro 2016 Final

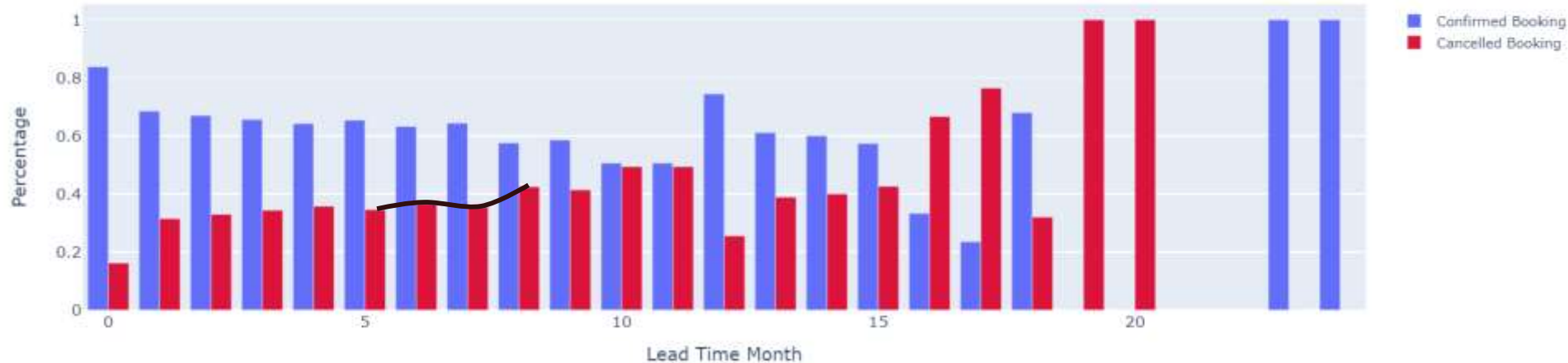
When is the peak month?



Events that is held in Europe 2016 which is UEFA Euro 2016 Final

How is lead time affecting cancellations ?

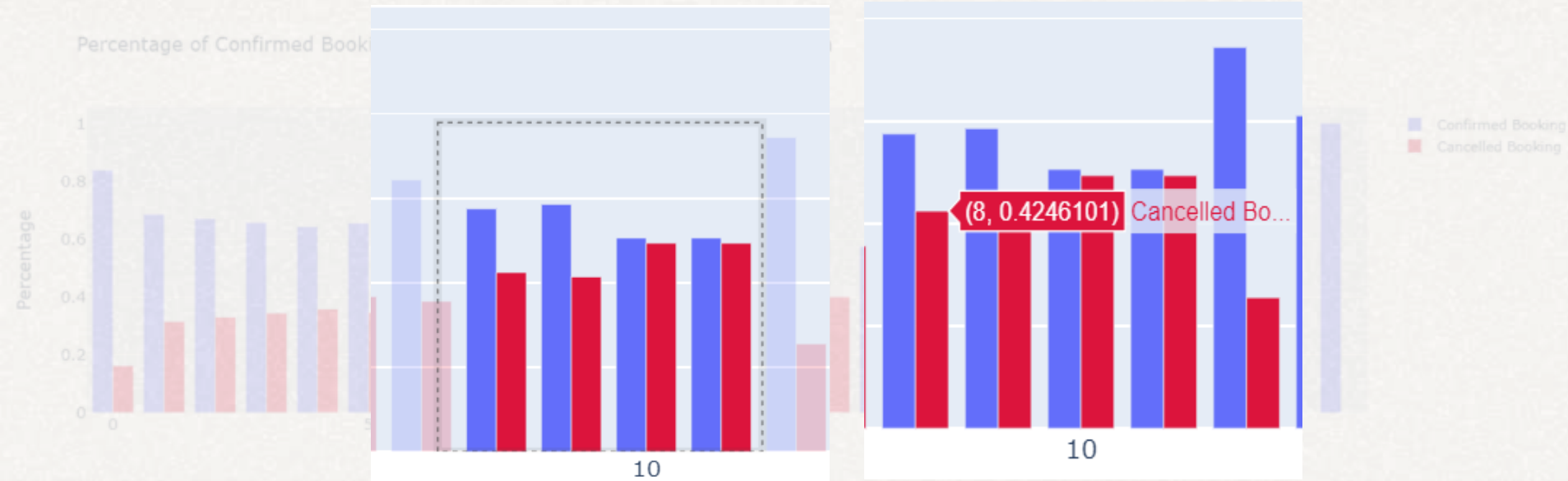
Percentage of Confirmed Booking and Cancelled Booking per Lead Time Month



Booking that has 0-8 months lead time have higher booking rate
(> 50 %) than its canceled rate

Booking that is more than 8 months have higher cancellation rate

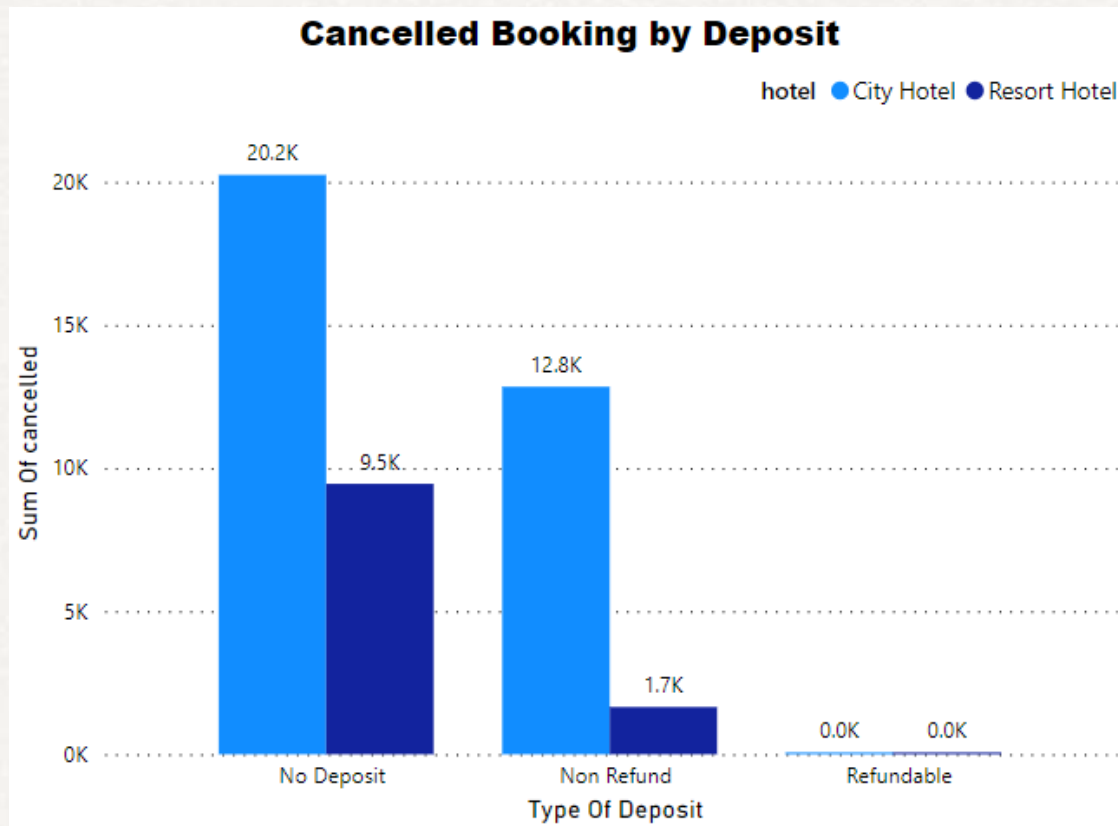
How is lead time affecting cancellations ?



Booking that has 0-8 months lead time have higher booking rate
(> 50 %) than its canceled rate

Booking that is more than 8 months have higher cancellation rate

How does Deposit Type affects cancellation rate?



Is previously cancelled related to present cancellation?

Percentage of Previously Cancelled Booking



04

RECOMMENDATIONS



RECOMMENDATIONS

Setting Maximum lead time for booking

“Limits booking that is too far in advance ”

Stricter cancellation for previously cancelled booking

“Set booking payment in advance for booking that was cancelled before”

Combination of Restriction

“ Combining deposit type policy with with the restriction might help the hotel get more exposure without higher risk of cancellation (**eg. Non Refundable Deposit for booking that's more than 243 days in advance**) ”

RSVP

“Send out RSVP to customers three days prior to confirm they are coming.”



THANKS!

CREDITS: This presentation template was created by **Slidesgo**, including icons by **Flaticon**, infographics & images by **Freepik**