

# BUSINESS PROBLEM

**In recent years, City Hotel and Resort Hotel have seen 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 hotel's primary goal in order to increase their efficiency in generating revenue and for us to offer through business advise to address this problem.**

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

# ASSUMPTIONS:

- ▶ No unusual occurrence between 2015 and 2017 will have a substantial impact on the data used.
- ▶ The information is still current and can be used to analyze a hotels possible plans in an efficient manner.
- ▶ There are no unanticipated negatives to the hotel employing any advised technique.
- ▶ The hotels are not currently using any of the suggested solutions.
- ▶ The biggest factor affecting the effectiveness of earning income is booking cancellations.
- ▶ Cancellations result in vacant rooms for the booked length of time.
- ▶ Clients make hotel reservations the same year they make cancellations.

# Analyzed the data to get useful insights by these questions

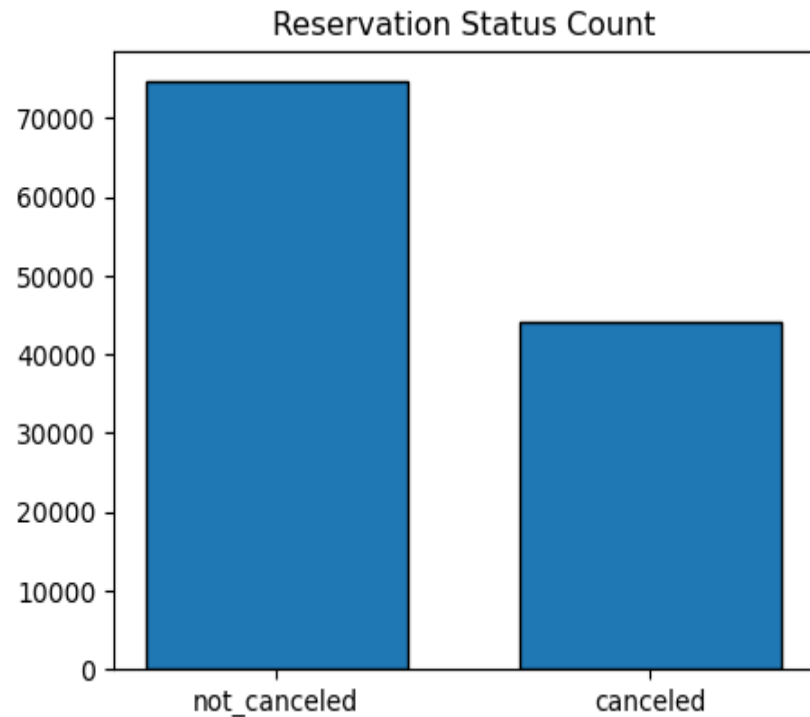
## Research Questions:

- ▶ What are the variables that affect hotel reservation cancellation?
- ▶ How can we make hotel reservation cancellations better.
- ▶ How will hotels be assisted in making pricing and promotional decision.

## Hypothesis:

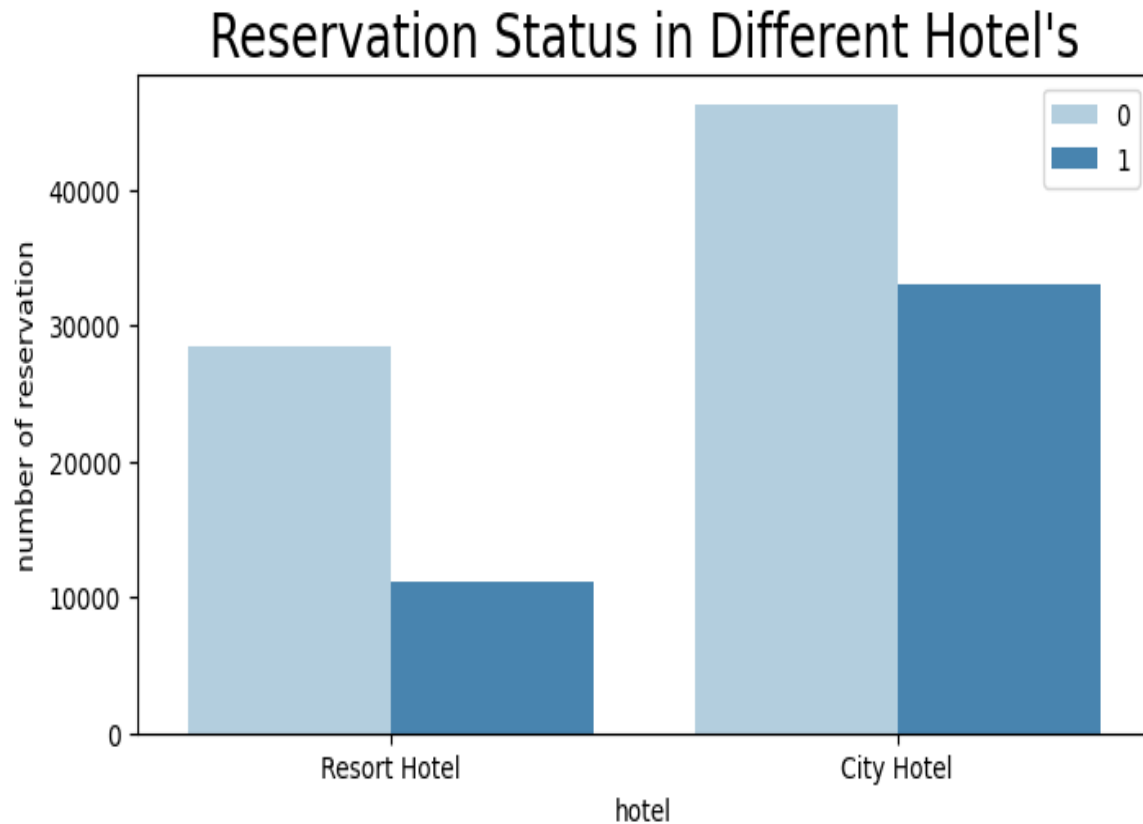
- ▶ More cancellations occur when prices are higher.
- ▶ When there is a longer waiting list, customers are tend to cancel more frequently.
- ▶ The majority of clients are coming from offline travel agents to make their reservation.

# Analysis and Findings:



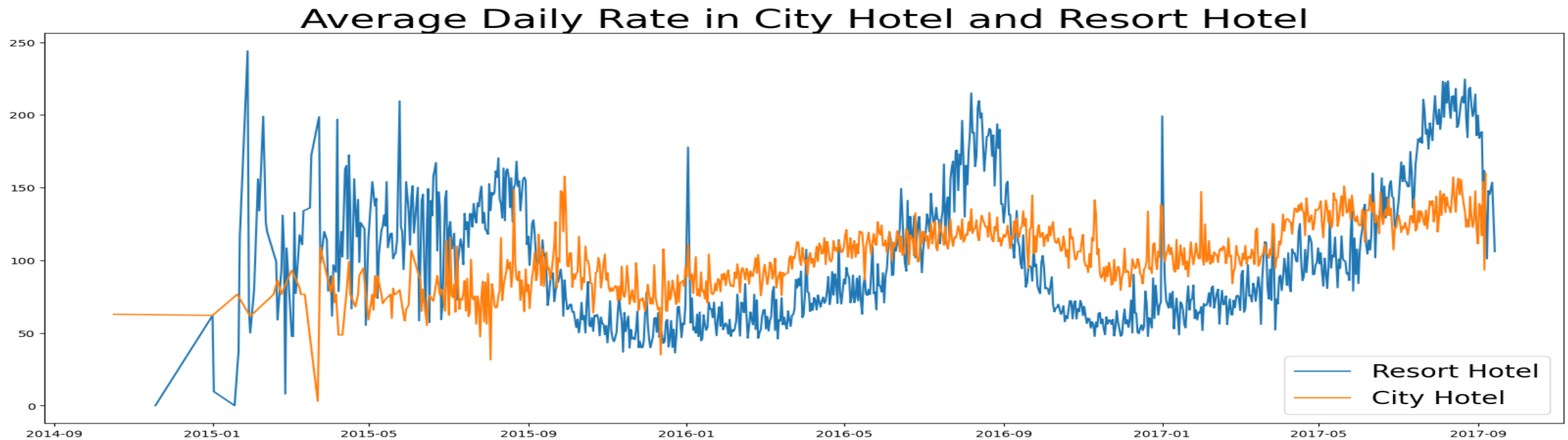
The accompanying bar graph shows the percentage of reservations that are cancelled and those that are not, it is obvious that there are still a significant number of reservations that have not been cancelled. there are still 37% of clients who cancelled their reservations which has a significant impact on the hotels earning.

# Reservation Status in Different Hotels



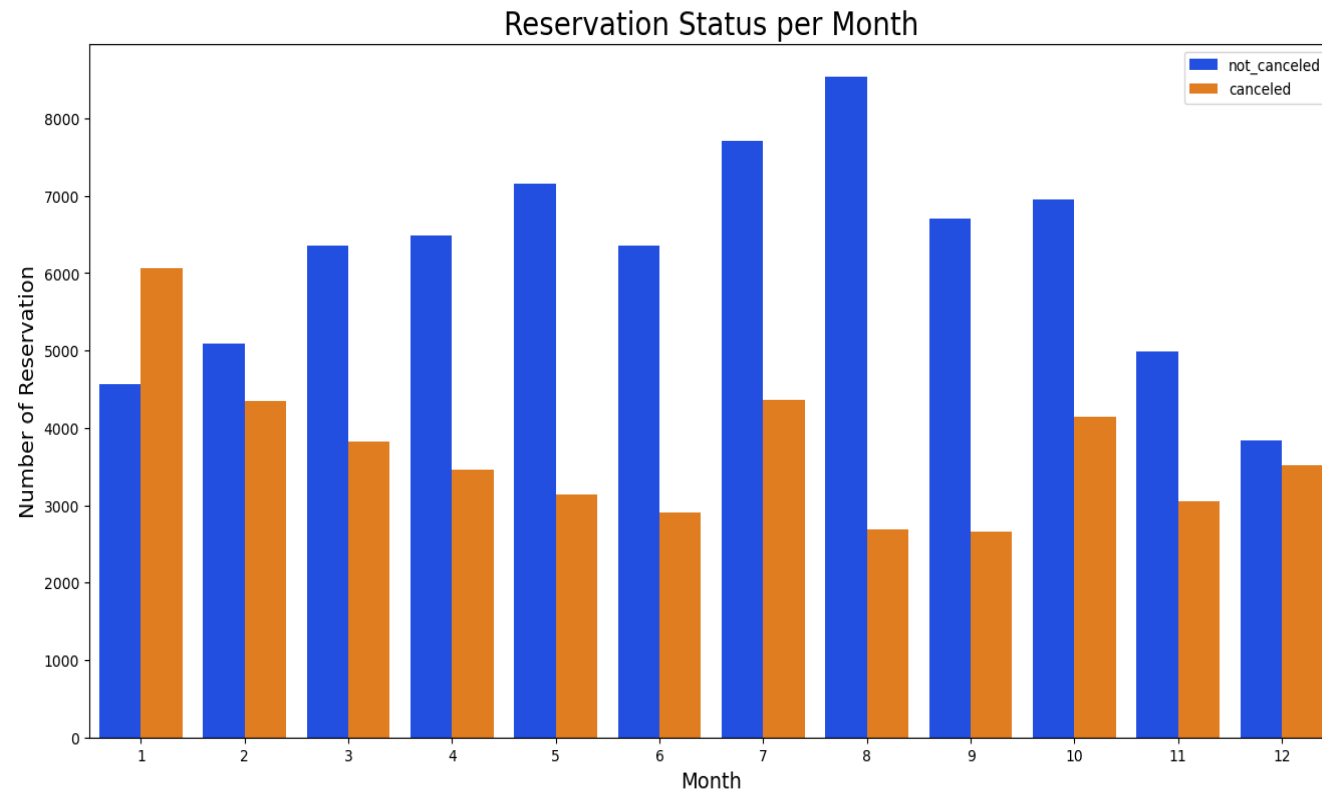
In comparison to resort hotels, city hotels have more bookings, its possible that resort hotels are more expensive than those in cities.

# Average Daily Rate in City Hotel and Resort Hotel



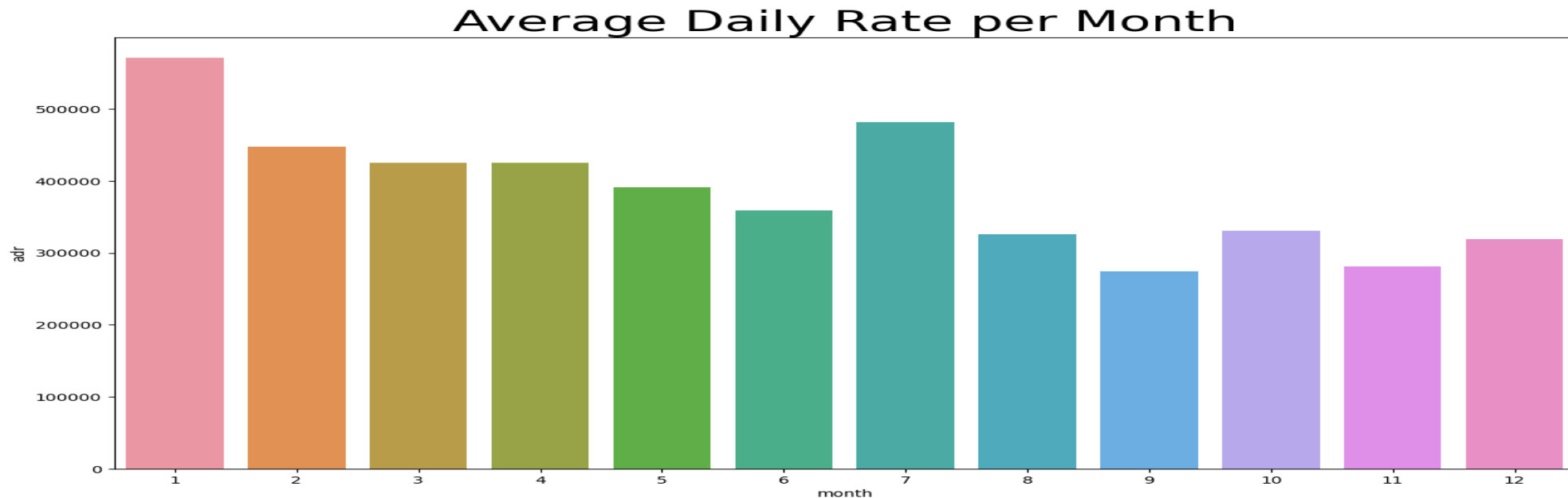
The Line Graph above shows that, on certain days the ADR for a city hotel is less than that of a resort hotel, and on other days, it is even less it goes even saying that weekends and holidays, may see a rise in resort hotel rates.

# Reservation Status per Month



We have developed the grouped 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 cancelled reservations are largest in the month of August, whereas January is the month with the most cancelled reservation.

# Average Daily Rate per Month

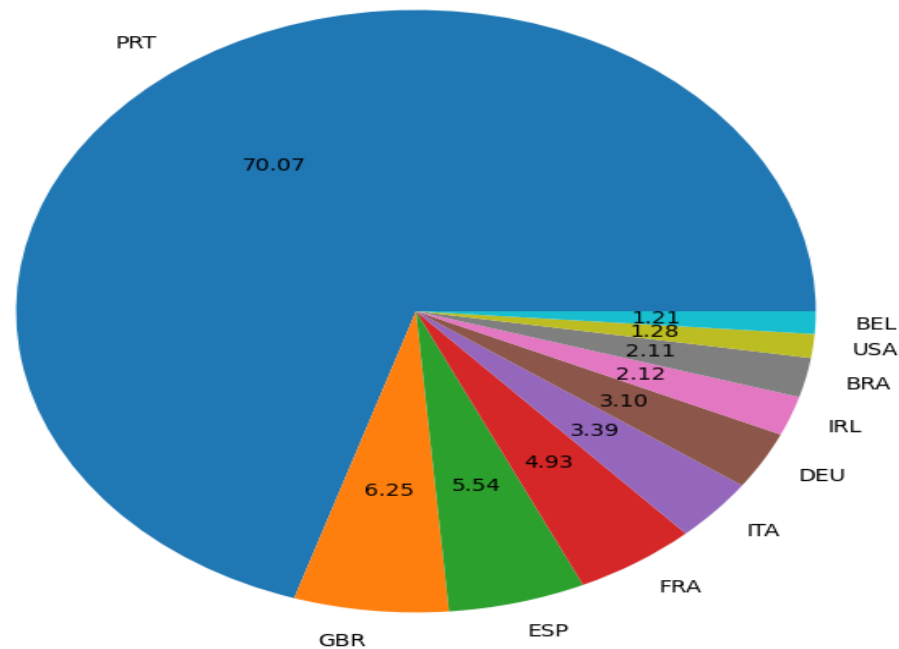


This bar graph demonstrates that cancellations are common when price are greatest and least common when they are lowest, therefore the cost of the accommodation is solely responsible for the cancellation.



# Top 10 Countries with Reservation Cancelled

The Top10 Countries with Reservation Cancelled



Now lets see which country has the highest reservation cancelled, the top country as Portugal with the highest number of cancellation

# Suggestions:

- ▶ Cancellation rates rise as the price does, in order to prevent cancellation of reservations, hotels could work on their pricing strategies and try to lower the rates for specific hotels based on location. They also provide some discounts to the consumers.
- ▶ As the ratio of cancellation and not cancellation of the hotel is higher in the resort hotel than the city hotel. So the hotels should provide a reasonable discount on the room price in weekends or on holidays.
- ▶ In the month of January, hotels can start campaign marketing with a reasonable amount to increase their revenue as the cancellation is the highest in this month.
- ▶ They can also increase the quality of their hotels and their services mainly in Portugal to reduce the cancellation rate.