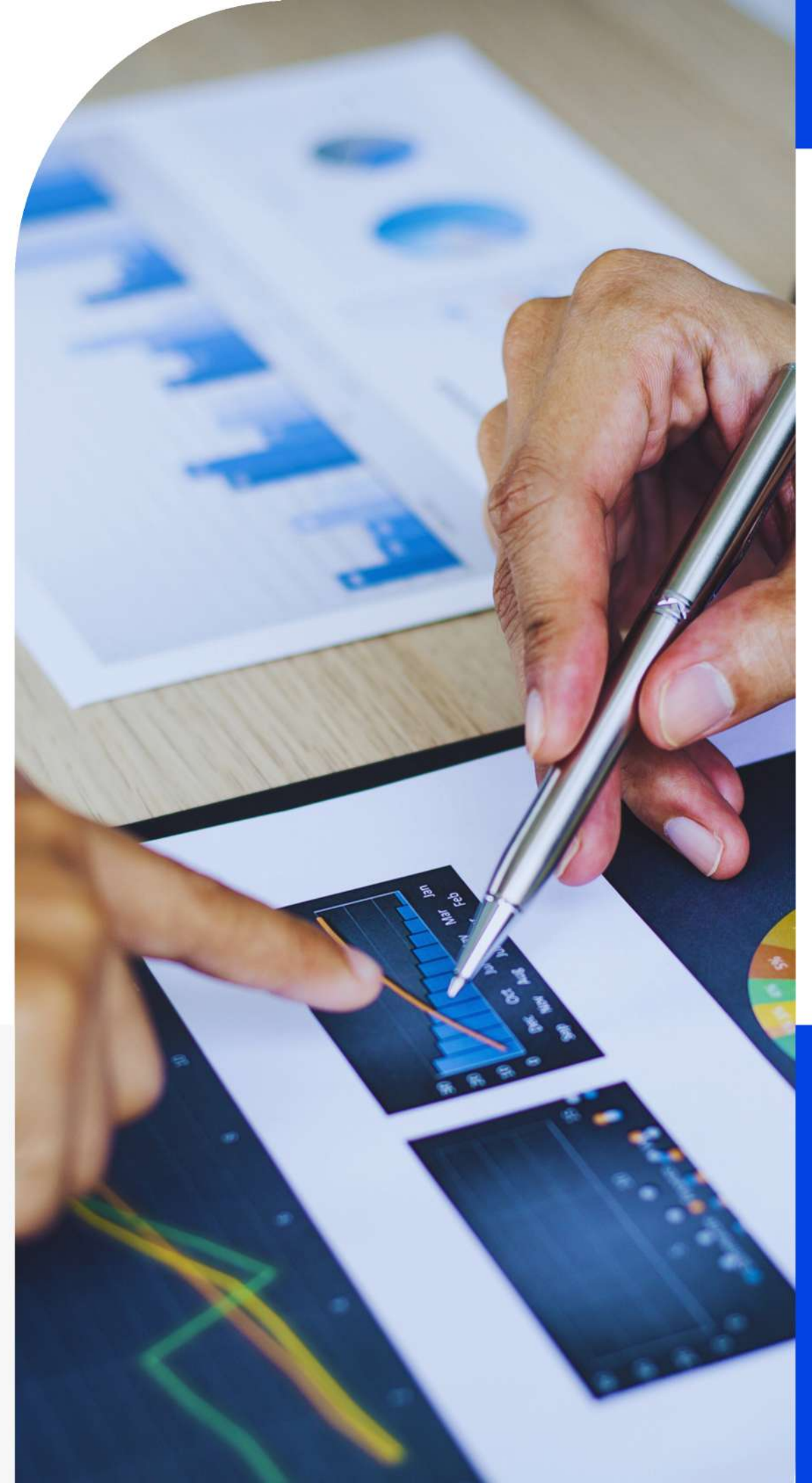


# HOTEL BOOKING ANALYSIS





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# **BUSINESS PROBLEM**

**In recent years, City Hotels and Resort Hotels have seen high cancellation rates. Both the hotels are dealing with number of issues as a result, such as decrease in revenues and less use of hotel rooms. Consequently, lowering of cancellation rates in both hotels' primary goal in order to increase their efficiency is generating revenue, and for us to offer through business advice to address this problem**

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

# **ASSUMPTIONS**

- **No unusual occurrences 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 hotel's 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 cancellation**
- **Clients make hotel reservations the same year they make cancellations.**

# **RESEARCH QUESTIONS**

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

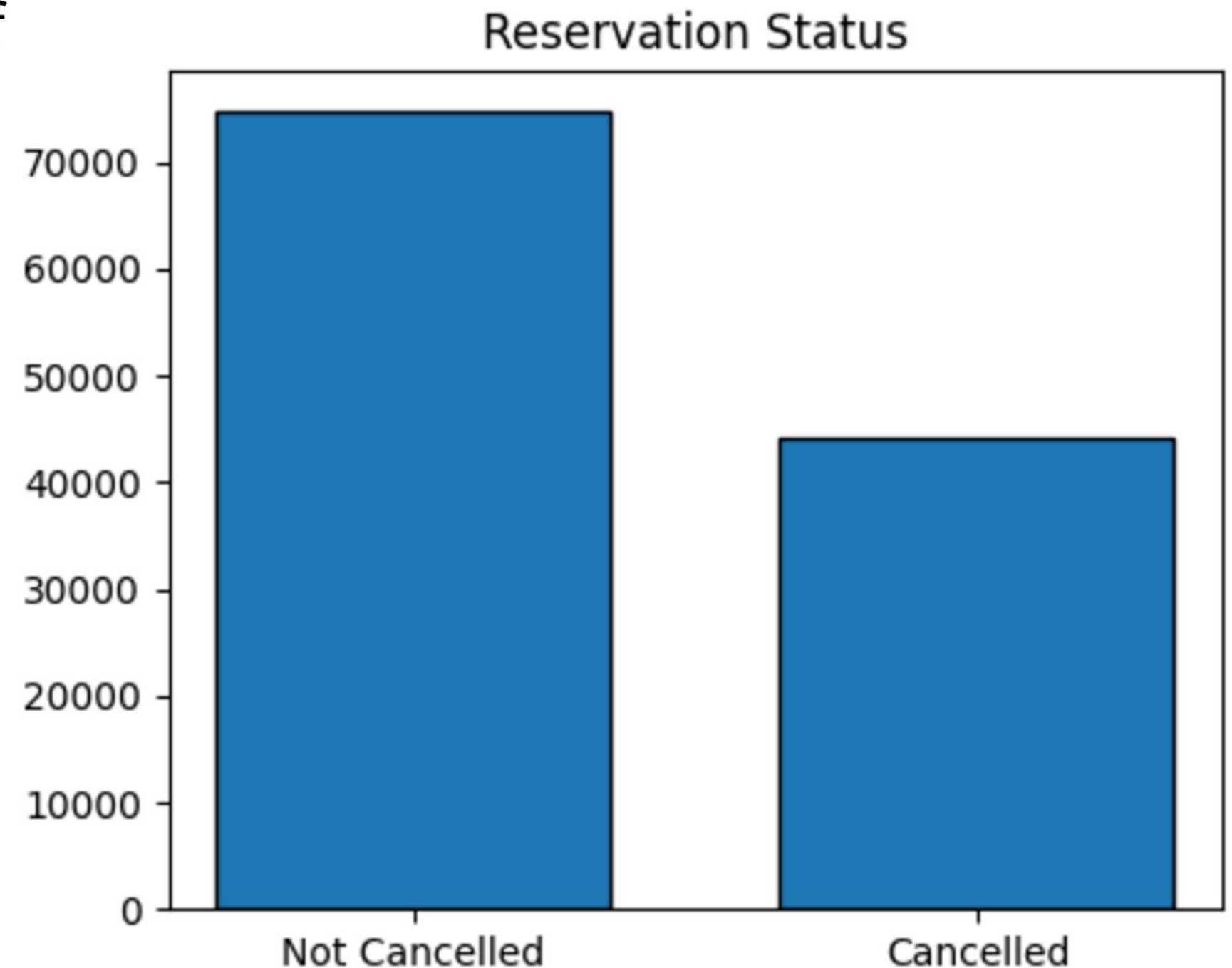
# **HYPOTHESIS**

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



# ANALYSIS AND FINDINGS

This bar graph shows the total number of reservations cancelled and that are not cancelled. It is obvious that there are still a significant number of reservations that have been cancelled but there are still 37% of clients who cancelled their reservations, which has a significant impact on the hotel's earnings.



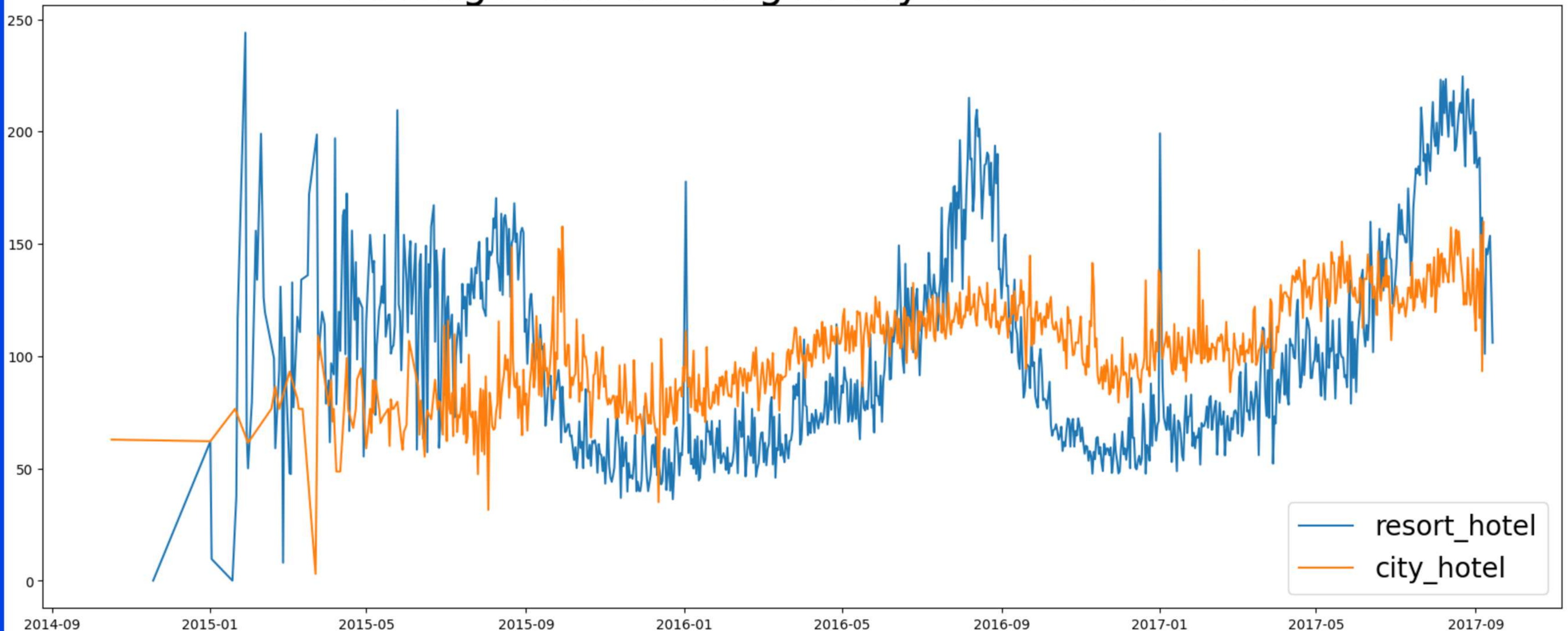
In comparison to resort hotels, city hotels have more bookings. There may be possibility that resort hotels are expensive than cities.



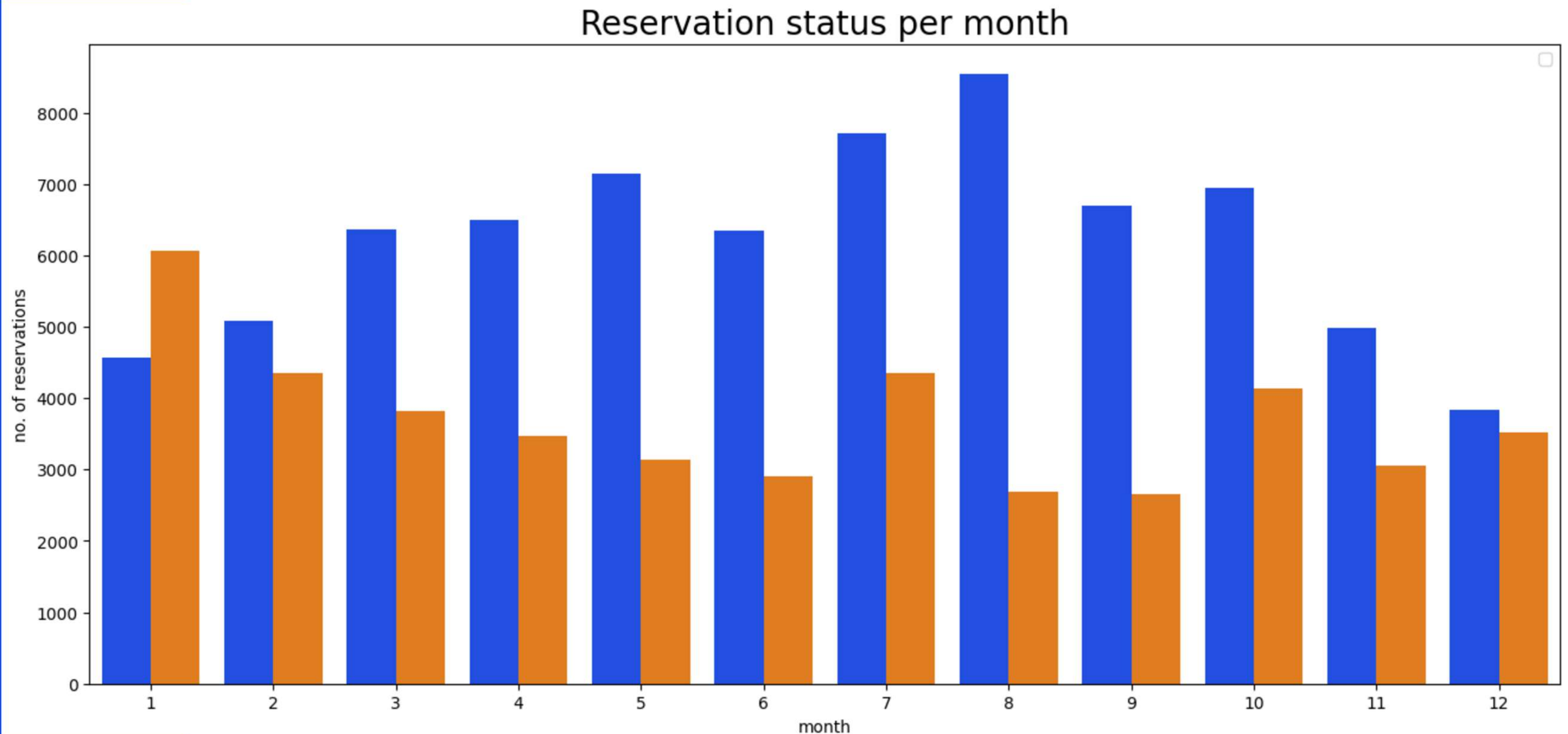


The line graph below shows that, on certain days, the average daily rate for the city hotel is less than of a resort hotel, and on other days, it is even less. It goes without saying that weekends and holidays may see a rise in resort hotel rates.

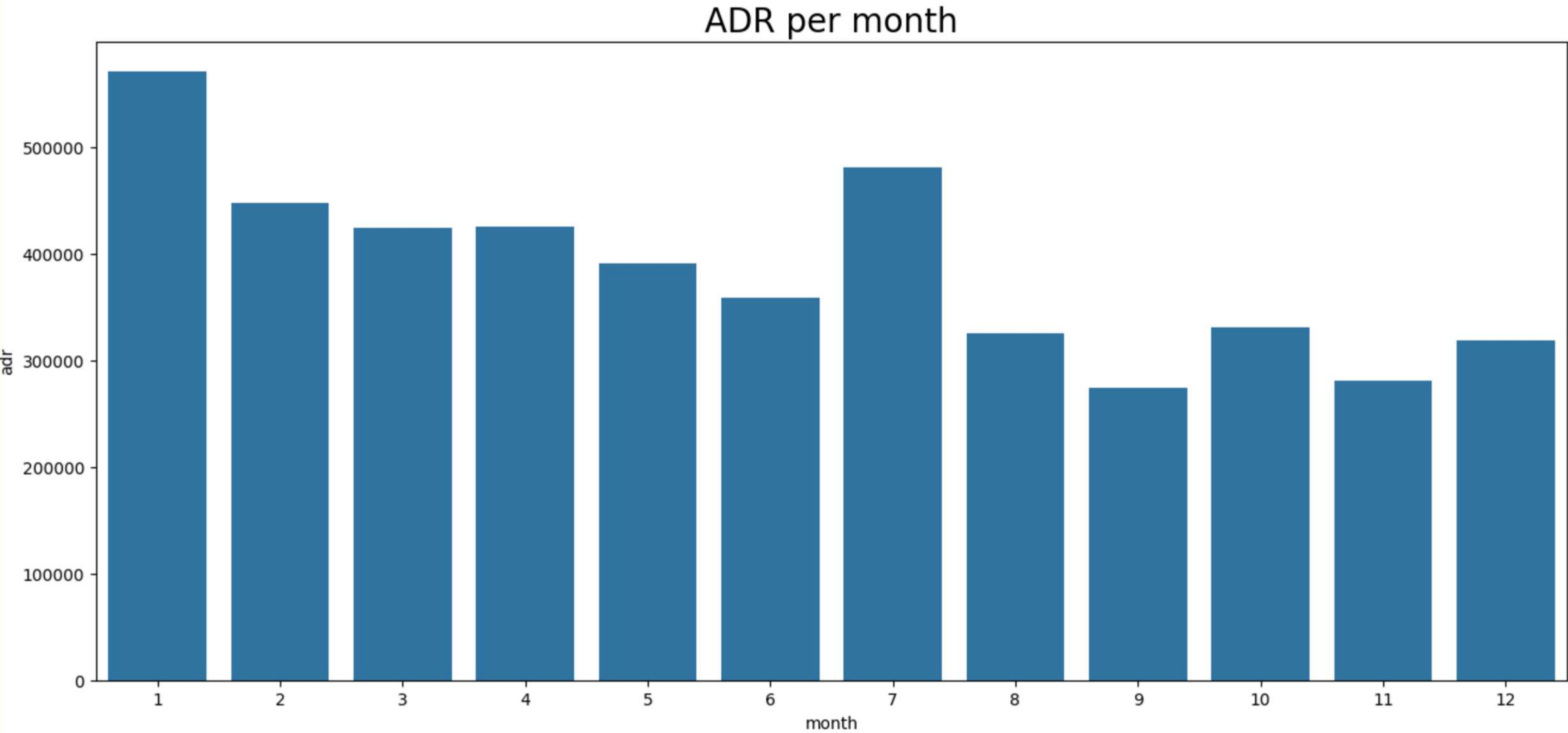
Average rate booking in city and resort hotel



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



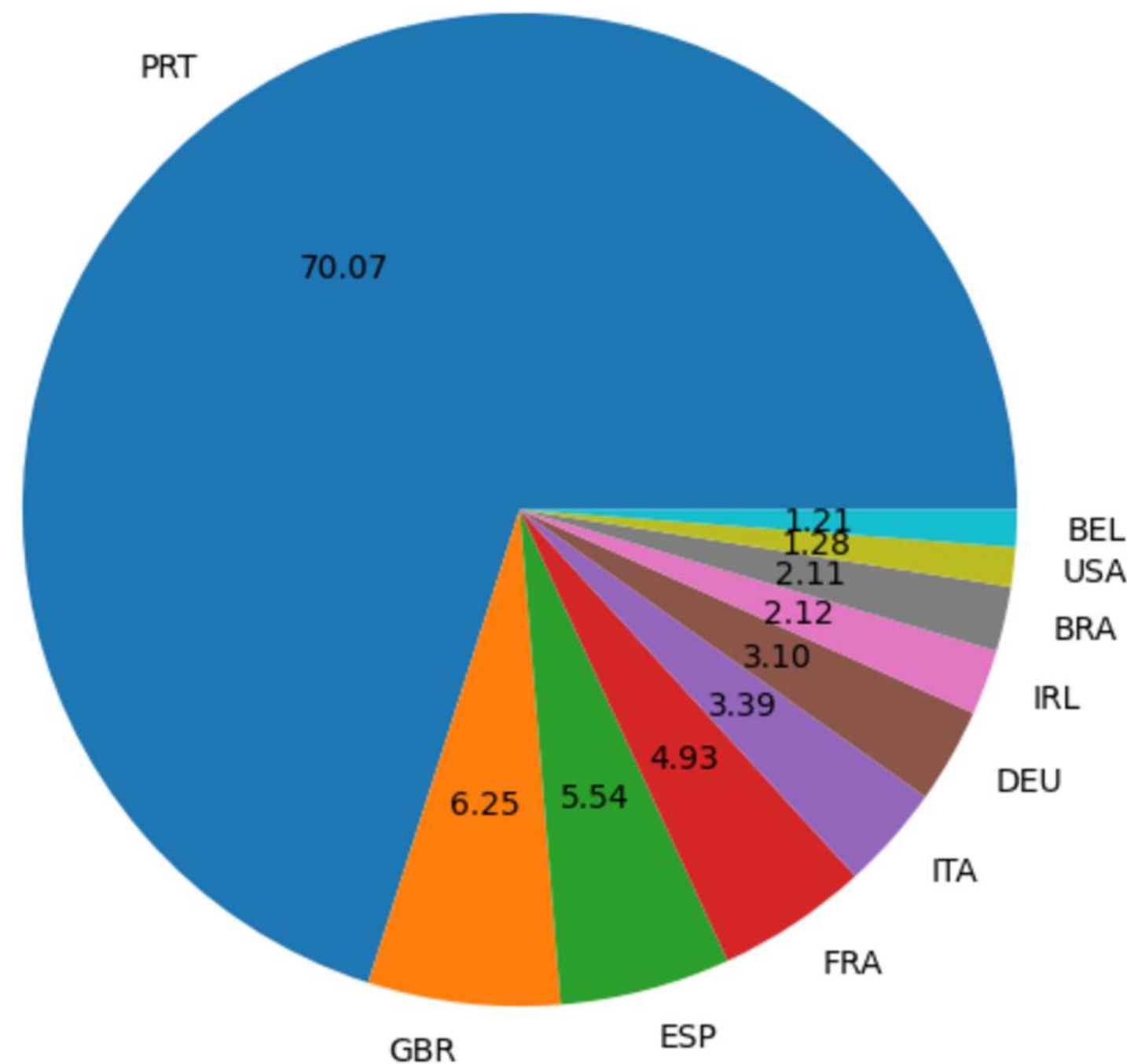
This bar graph demonstrates that cancellations are most common when prices are greatest and are least common when they are lowest. Therefore, the cost of accommodation is solely responsible for the cancellation.



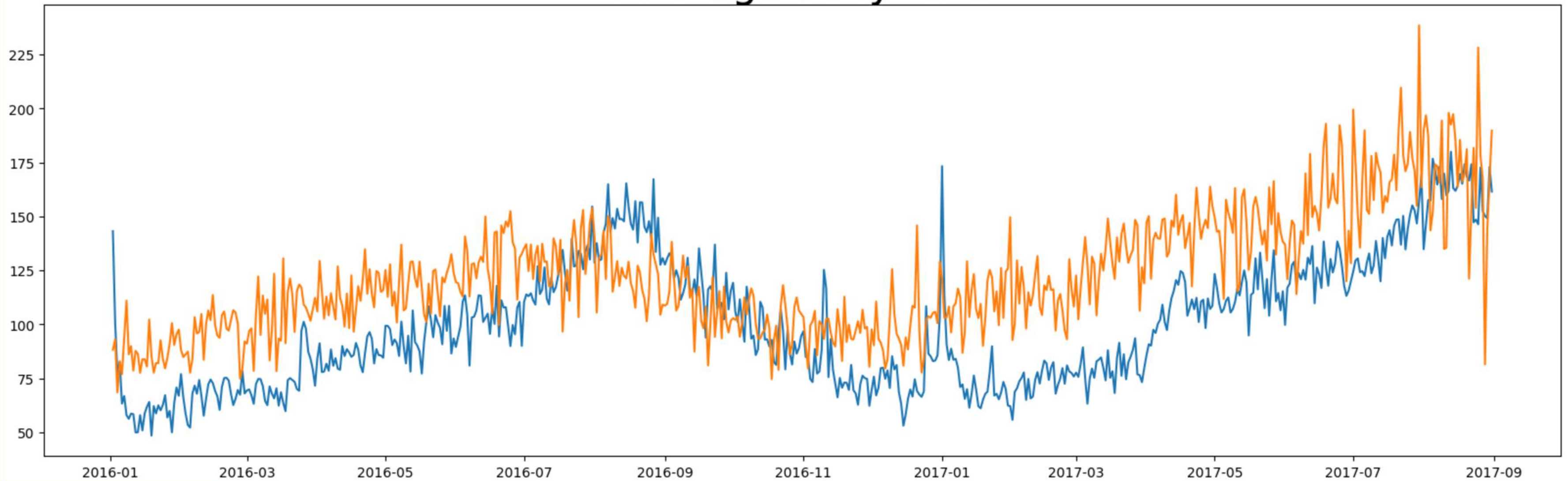


Now lets' see which country has the most cancelled reservations. The top country is Portugal which has highest number of reservation cancellations.

Top 10 countries with cancelled reservation



## Average daily rate



The above graph shows that the reservations are cancelled when the average daily rates are higher than when it is not cancelled. It clearly proves that all the above assumptions that the higher price leads to higher cancellation is true.

# **SUGGESTIONS**

- **Cancellation rates rise as the price does. In order to prevent cancellations of reservations, hotel could work on their pricing strategies and try to lower the rates for specific hotels based on their locations. They can also provide son discounts to customers.**
- **As the ratio of the cancellation and not cancellation of the resort hotel is higher in the resort hotel than the city hotels. So hotels should provide reasonable discount on the rooms on weekends and holidays**
- **In month of January, hotels can start campaigns or marketing with the reasonable amount to increase their revenue as cancellation is highest in this month.**
- **Hotels can also increase their quality and services.**



# THANK YOU

