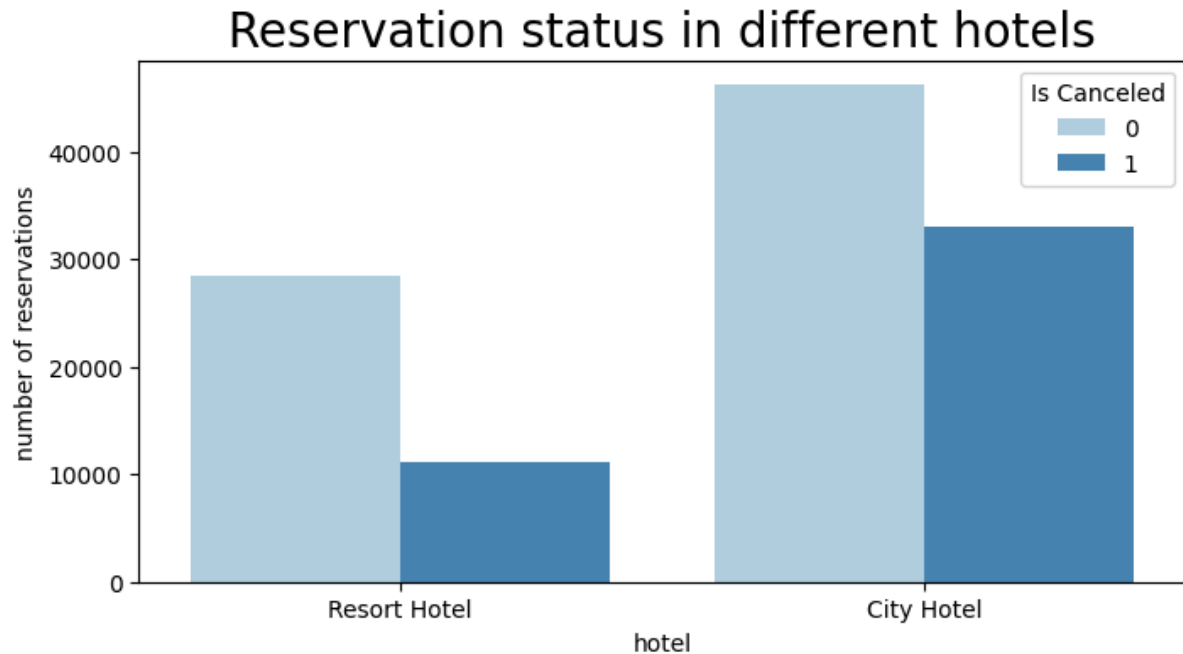The accompanying bar graph shows the percentage of reservations that are cancelled and those that are not. It is obvious that there are still a significant number of reservations that have not been cancelled. There are still 37% of clients who cancelled their reservations, which has a significant impact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


In comparison to resort hotels, city hotels have more bookings. Resort hotels may be more expensive than those in cities
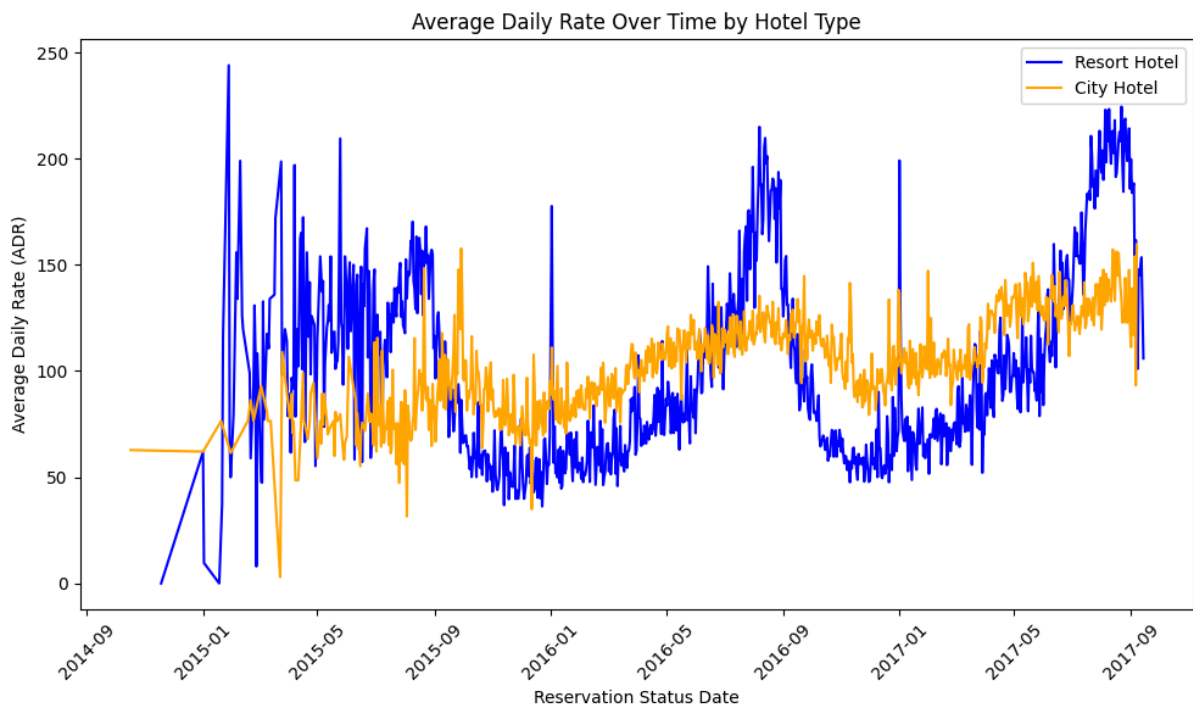
The line graph above shows that, on certain days, the average daily rate for a city hotel is less than that of a resort hotel, and on other days, it is even less. Weekends and holidays may see a rise in resort hotel rates .

Reservation status per month
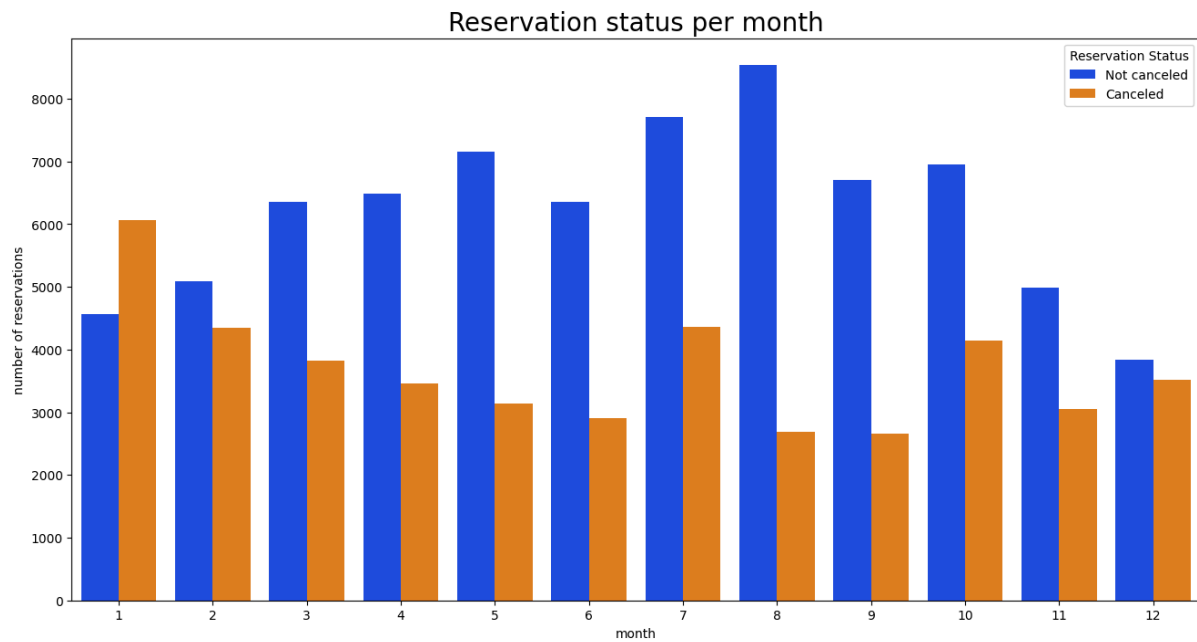
We have developed a grouped bar graph to analyse the months with the highest and lowest reservation levels accordingly to reservation status. As can be seen, both the number of confirmed reservations and the number of cancelled reservations are largest in the month of August, whereas January is the month with the most cancelled reservations.


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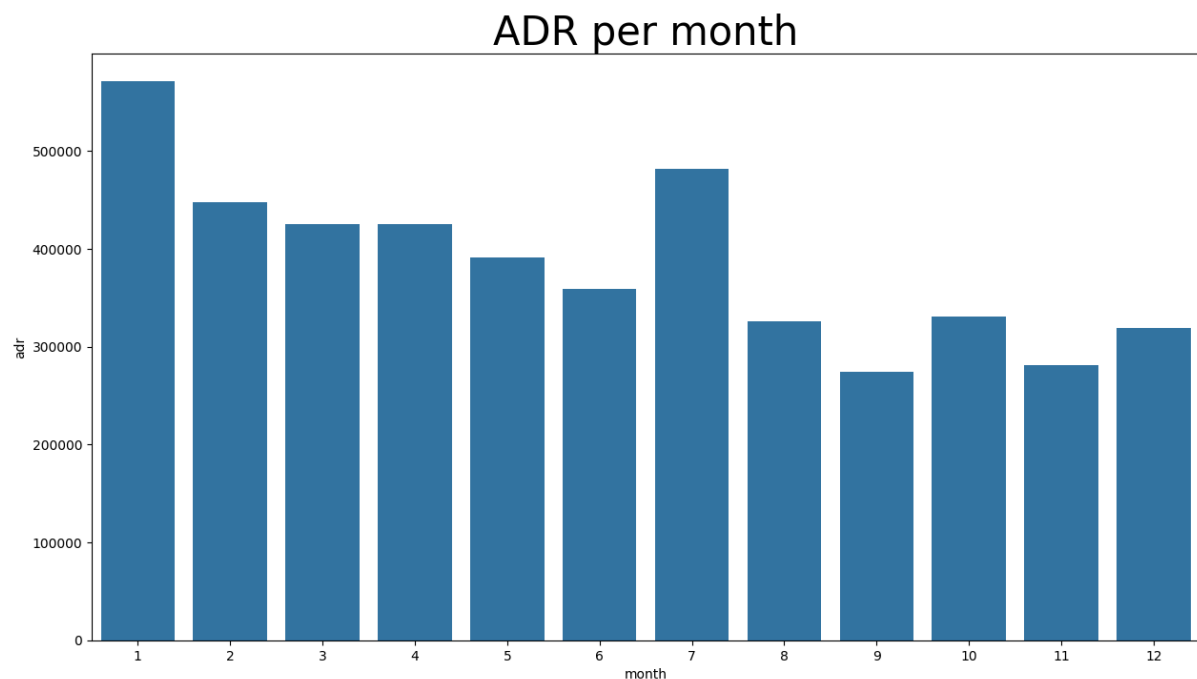
This bar graph demonstrates that cancellations are most common when prices are greatest and the least common when they are lowest. Therefore, the cost of the accommodations is solely responsible for the cancellation.

Now, let's see which has the highest cancellations. The top country is Portugal wth the highest number of cancellations.

Reservation Cancellations Distribution Among Top 10 Countries
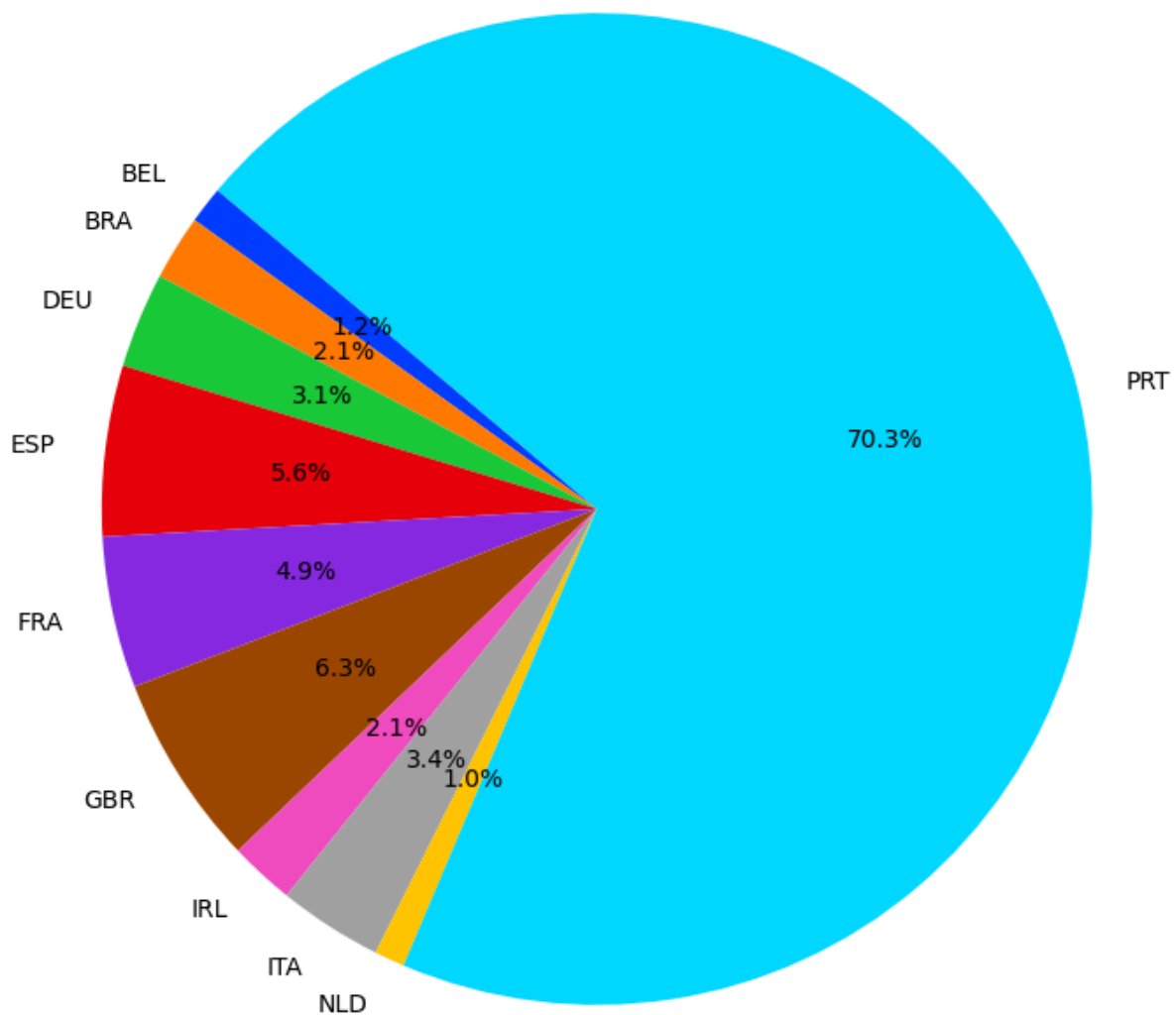
Let's check the area from where guests are visiting the hotels and making reservations. Is it coming from direct or groups, online or offline travel agents? Around 46 % of the clients come from online travel agencies, whwereae 27 % come from groups. Only 4%of clients book hotels directly by visiting them and making reservations.
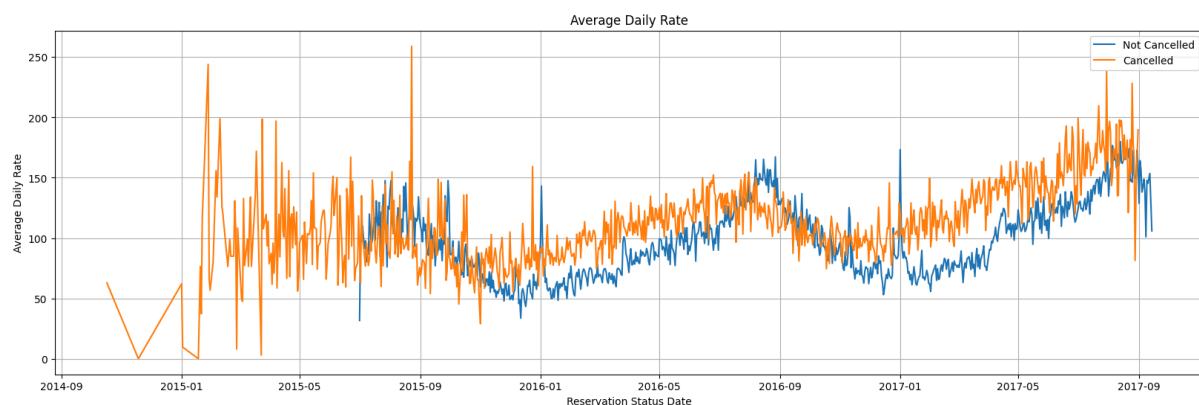
As seen in the graph, reservations are cancelled when the average daily rate is higher than when it is not cancelled. It proves all the above analysis, that the higher prices lead to higher cancellations.

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 location. They can also provide some discounts to the consumers.

2. As the ratio of cancellations and non-cancellations of the resort hotel is higher in that resort hotel than in the city hotels, 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 cancellations are 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.