

# Business Problem

The City Hotel and Resort Hotel have had significant cancellation rates recently. As a result, each hotel is currently having to cope with a variety of problems, such as decreased earnings and less-than-optimum hotel room usage. As a result, reducing cancellation rates is crucial for both hotels' effectiveness in producing income and for us to effectively manage this issue by providing extensive business guidance.

This report's primary subjects include a review of hotel reservation cancellations as well as other issues that have no influence on their business and yearly revenue creation.

## Hypothesis

1. When prices are higher, there are more cancellations.
2. Customers have a tendency to cancel more frequently when there is a larger waiting list.
3. The bulk of customers make their arrangements through traditional travel agencies.

## Assumptions

1. No exceptional events will significantly affect the data utilized between 2015 and 2017.
2. The data is still up to date and may be effectively utilized to examine potential hotel developments.
3. The hotel's use of any suggested strategy has not resulted in any unexpected drawbacks.
4. None of the alternatives that were recommended are now being used by the hotels.

5. Booking cancellations are the main element impacting the efficacy of money generation.
6. Cancellations leave unoccupied rooms for the duration of the reservation.
7. Customers cancel bookings at hotels the same year they make them.

### Research Question

1. What factors influence the cancellation of hotel reservations?
2. How can we improve the cancellation of hotel reservations?
3. How will hotels be supported in choosing their prices and marketing strategies?

### Suggestions

After Analysing the hotel's data we can conclude the followings -

1. As prices increase, cancellation rates climb as well. Hotels should improve their pricing tactics and attempt to cut the costs for particular hotels based on locations in order to prevent cancellations of reservations. The customers may also receive certain discounts from them.
2. Because a resort hotel has a larger ratio of cancellations to no cancellations than a hotel in a metropolis. So, on weekends and during holidays, hotels should provide a fair reduction in room rates.
3. Since cancellations are at their peak in January, hotels can initiate campaigns or marketing with a fair budget to boost income.
4. They may also improve the hotels and services they offer, particularly in Portugal, to lower the cancellation rate.