

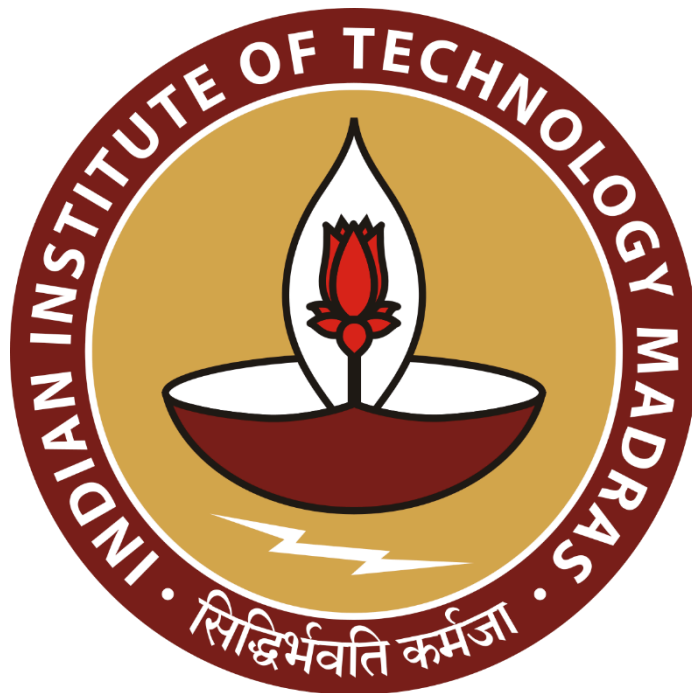
Analysis to maximize the customer retention of Hotel Rajshreya

A Final report for the BDM capstone Project

Submitted by

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Executive summary

In this report, detailed analysis of sales data from Hotel Rajshreya, a beachfront hotel in Malvan, Sindhudurg district, Maharashtra, is included. The main aim of this analysis is to try to determine the best food combinations for combo offers by analysing sales trends, customer preferences, and demand variations season-wise.

In this report, the data collection process and analysis methods which are used in this along with their importance are included. The data for this analysis was collected from hotel sales records. The methodology included item-wise day-wise analysis and item-wise month-wise analysis to check patterns and trends day-wise and month-wise, respectively. Category-wise ABC analysis was conducted in order to categorise food items based on their contribution to revenue. SWOT analysis to evaluate strengths, weaknesses, opportunities, and threats. In order to showcase trends and patterns, various graphs are plotted and shown.

Findings and results are also included in this report in a detailed manner. Key findings indicate that demand is highly seasonal, with peak sales in December, January, and May, while sales drop significantly during monsoon months due to hotel closure. Additionally, day-wise analysis was also done. So, in that, weekends showed higher sales volumes, with customers preferring heavier meals, whereas midweek trends leaned toward lighter meals. Slow-moving, fast-moving goods are identified in order to decide combo offers.

In this report, in order to boost sales, recommendations are added. This report suggests introducing combo meals to maximise revenue, replacing slow-moving items, etc.

Detailed Explanation of Analysis Process/Method

1. Data collection – Apart from daily sales data which was collected from the hotel's bill book, a survey among local people as well as tourists was conducted. In order to know about people's opinions. I also talked with the owner, manager and other staff to try to know about their hotel and the hotel industry in general. The survey method was used. For this, a Google Form was shared among customers. After collection, I collected responses from the manager. Also, I talked with people visiting the hotel to know about their preferences and likings for food items. This survey was needed because it helped to decide which food item can be added to the existing menu.

2.Data analysis – Again, in-depth analysis of data using Google Sheets was done. The following analysis methods are used during analysis:

- **ABC analysis:** This method is useful in order to classify items based on their revenue contribution. In this method, items are classified into three categories, i.e., A, B and C. In category A, items with 80% contribution, in B and items with the next 15% contribution, and in category C, items with the next 5% contribution to total revenue are included. ABC analysis revealed so many facts about slow-moving, fast-moving goods. Also, how items are contributing towards organisation revenue.
- **Item-wise day-wise analysis** – This analysis is useful for finding trends that food items are showing day-wise. Analysis was done using a pivot table in order to know how a particular food item is sold on a particular day throughout the year. This helped to decide on which day an offer can be given in particular.
- **Item-wise month-wise analysis** – This analysis is important to find any variations among sales of food items based on month. This analysis was done using a pivot table, and it reveals demand for particular food items changing based on seasonal variations.
- **SWOT analysis** – This is another important analysis which is done to identify core strengths and weaknesses, and also to find potential opportunities and threats that businesses face. This was a helpful analysis for the hotel to try to decide its strategies.

3. Data visualisation: In order to convey results based on data analysis, various charts like bar charts, pie charts, etc., are used in the report. Bar charts are very useful to show trends and variations. A pie chart is useful in order to show how a particular factor is contributing to

the whole. Through these charts and diagrams, it can be easily known about customers preferences, their likings etc.

Results and Findings

In this section, all the observations, results and various findings are included based on different analyses so that recommendations can be decided. Following are the analyses along with their results and plots and tables.

Item	Total sales	Revenue(in Rs.)	Cumulative Revenue(in %)	Category
Usal Pav	4400	176000	41.84	A
GhavanChutney	3870	116100	69.44	A
Vada Pav	4659	93180	91.59	B
Anda Pav	1769	35380	100	C

Table1

ABC analysis revealed some important facts about the data. It is shown in the above table. ABC analysis was done for each category of food item. This was done to find out how each food item in different categories is performing. This ABC analysis was done based on revenue contribution. The details are recorded in the above tables (Refer to Table1, Table2, Table3).

In the case of breakfast items, although Vada-Pav is sold in more numbers than Usal-Pav and Ghavan Chutney, it contributes less in revenue. Usal Pav is top most in revenue generation, followed by Ghavan chutney. So, both of them got an A category and Vada Pav got a B category. On the other hand, Anda-Pav is very poor in terms of no. Of units sold as well as revenue generation. So, it's included in the C category.(Refer to Table1)

Item name	Total sales	Revenue(in Rs.)	Cumulative Revenue(in %)	Category
Bangda Thali	1615	565250	35.25	A
Kolambi Thali	1550	542500	69.08	A
Paplet Thali	1379	275800	86.28	B
Veg Thali	1467	220050	100	C

Table2

In case of lunch menus,A category items are Bangada thali and Kolambi thali which creates more revenue and also sold more.B category item is Paplet thali .Although its no.of thalis are less sold than veg thali. It is because sea-food thalis are costlier.Veg thali got C Category.(refer Table2)

Item name	Total sales	Revenue(in Rs.)	Cumulative Revenue(in %)	Category
Solkadhi	2511	50220	45.23	A
Coffee	2300	34500	76.31	A
Tea	2630	26300	100	C

Table3

In case of drinks, only two categories got assigned.Solkadhi and coffee both got A category and Tea got C category.Although ,Tea is most popular among drinks,it is classified as C based on its revenue.There is no B category because cumulative percentage directly jumped 100 .(Refer Table3)

Day Wise Analysis of Food Items

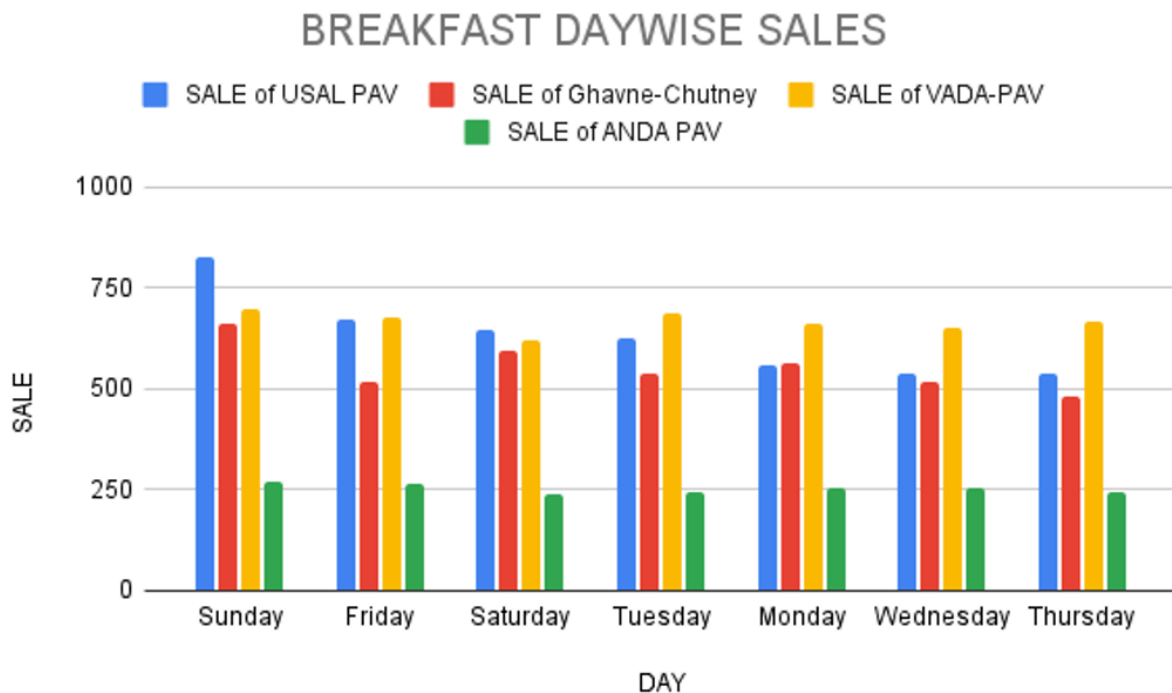


Figure1

Breakfast Items

Usal Pav: This is one of the popular breakfast dishes. In the case of demand for breakfast items, it's in second position. It shows strong demand on Sundays. Mondays show a significant drop. Midweek sales remain moderate, with not so many fluctuations. By Friday and Saturday, the demand increases again.

Ghavan-Chutney: This light and traditional breakfast dish also performs well on Sundays. Midweek demand is moderate, while Sundays and Saturdays maintain a stable demand. It does not see major spikes or declines, making it a consistently chosen breakfast item.

Vada Pav: Its top-most popular among breakfast items. Vada Pav also performs best on Sunday but, unlike other items, it shows high demand on Tuesday also. Other breakfast items are only shown, especially on Saturdays or Sundays.

Anda Pav: This is an extremely little sold breakfast item. Its sale is not even close to other breakfast items. It is not showing much sale throughout all days.

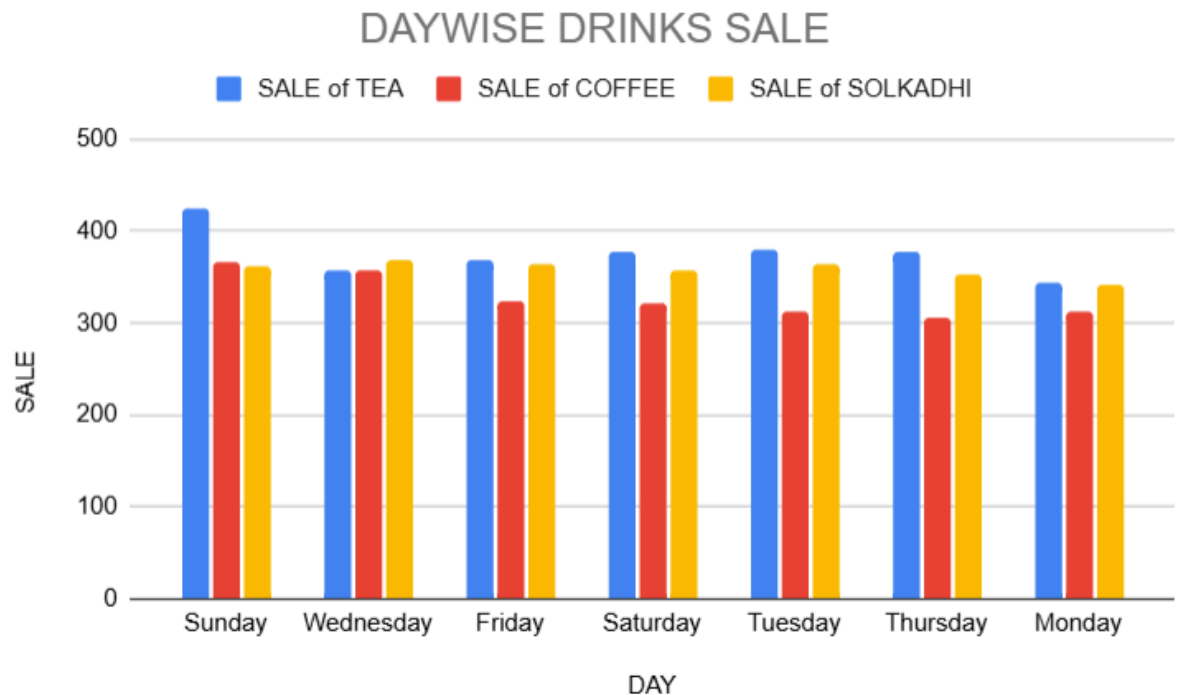


Figure2

Drinks

Tea: Tea is one of the most consistent items throughout the week. Sundays and Wednesdays show slightly higher sales. There are no drastic fluctuations.

Coffee: Unlike tea, coffee sales show distinct patterns. It also shows high sales on Sunday and Wednesday.

Solkadhi: This traditional drink performs well on Wednesday and Friday. Unlike other drinks, it does not show top demand on Sundays. The demand remains moderate on other days.

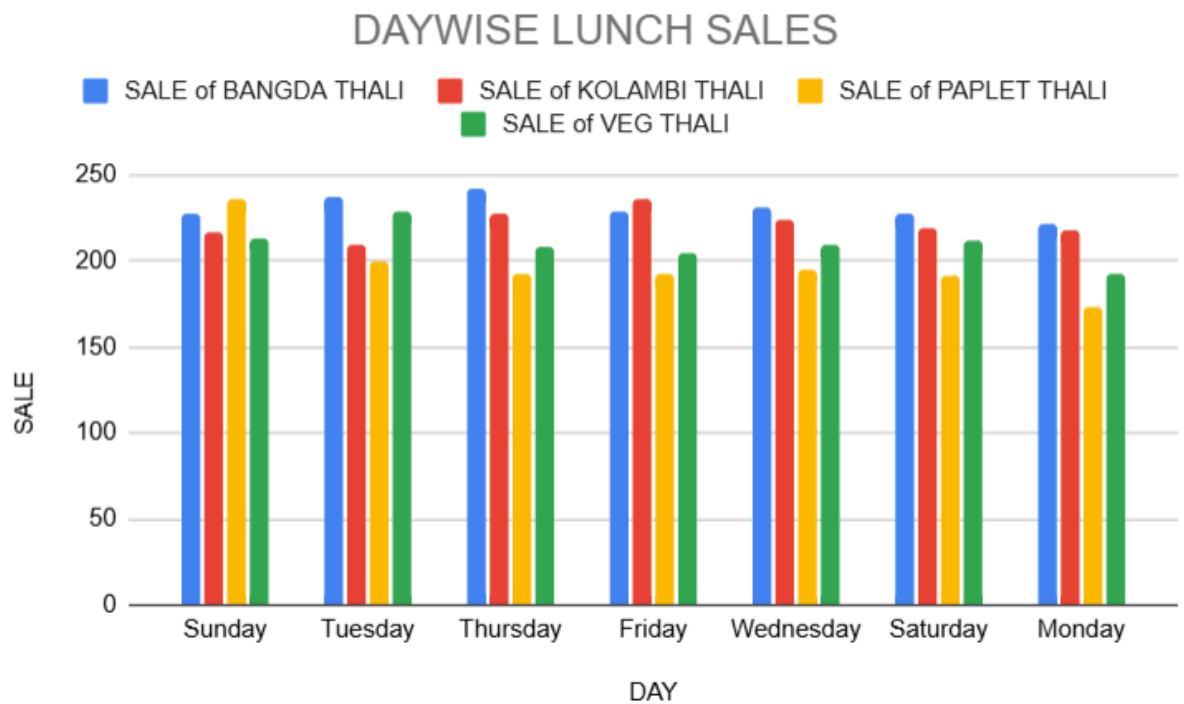


Figure3

Lunch Thalís

Bangda Thali: This fish-based thali is most popular on Thursday, unlike other food items. Monday sees a slight drop.

Paplet Thali: This is a prawn-based dish. It peaks on Sundays. This dish shows much less demand as compared to other thalis.

Kolambi Thali: This thali show peaks on Thursday. This is the second most popular among dishes.

Veg Thali: Unlike seafood thalis, the Veg Thali has a steady demand throughout the week, with minor fluctuations. Tuesday sees peaks. The demand does not drop significantly on weekends.

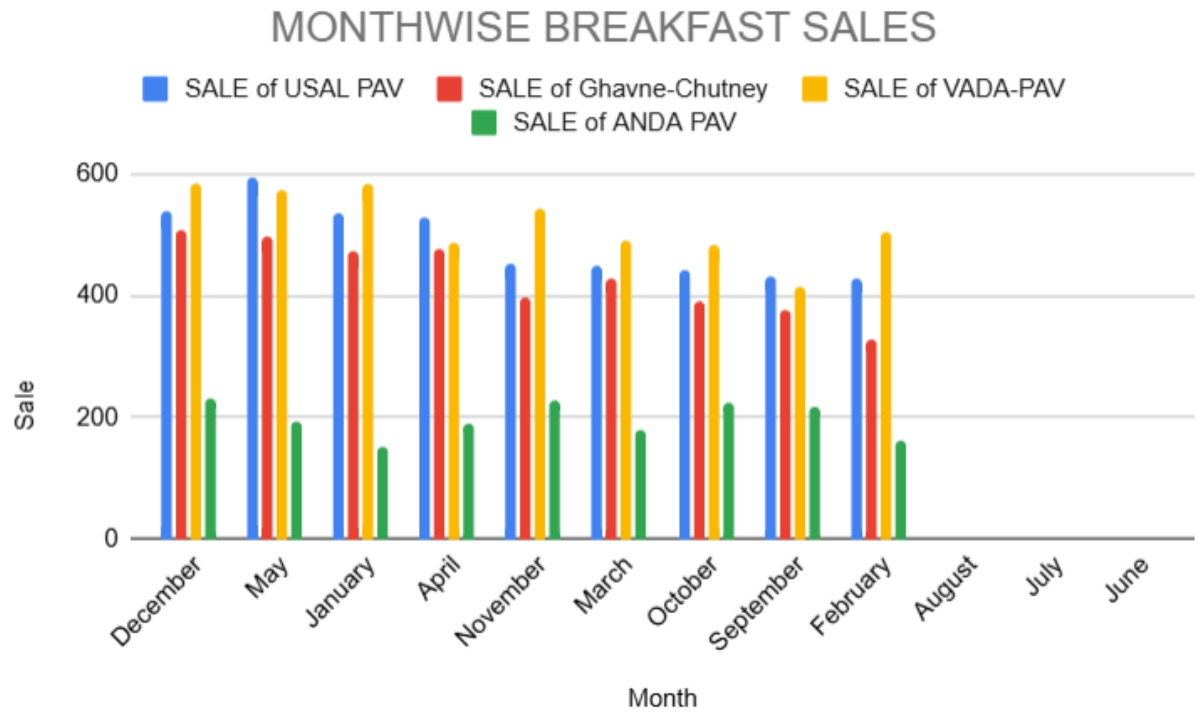


Figure4

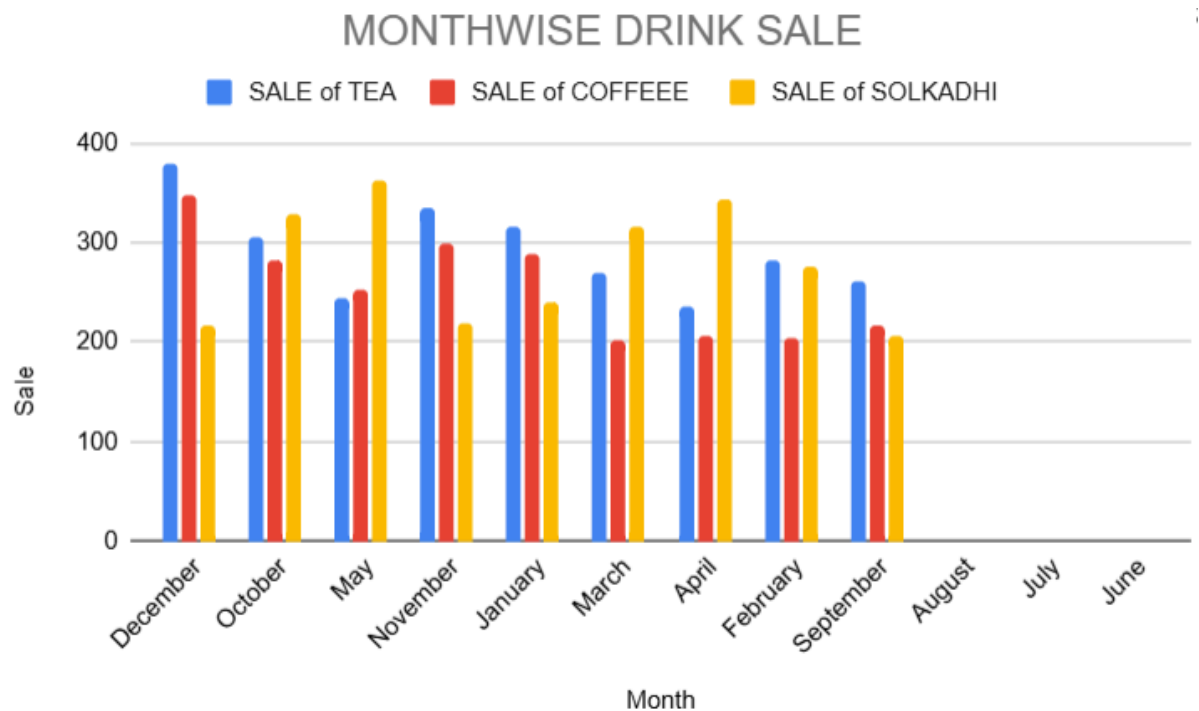


Figure5

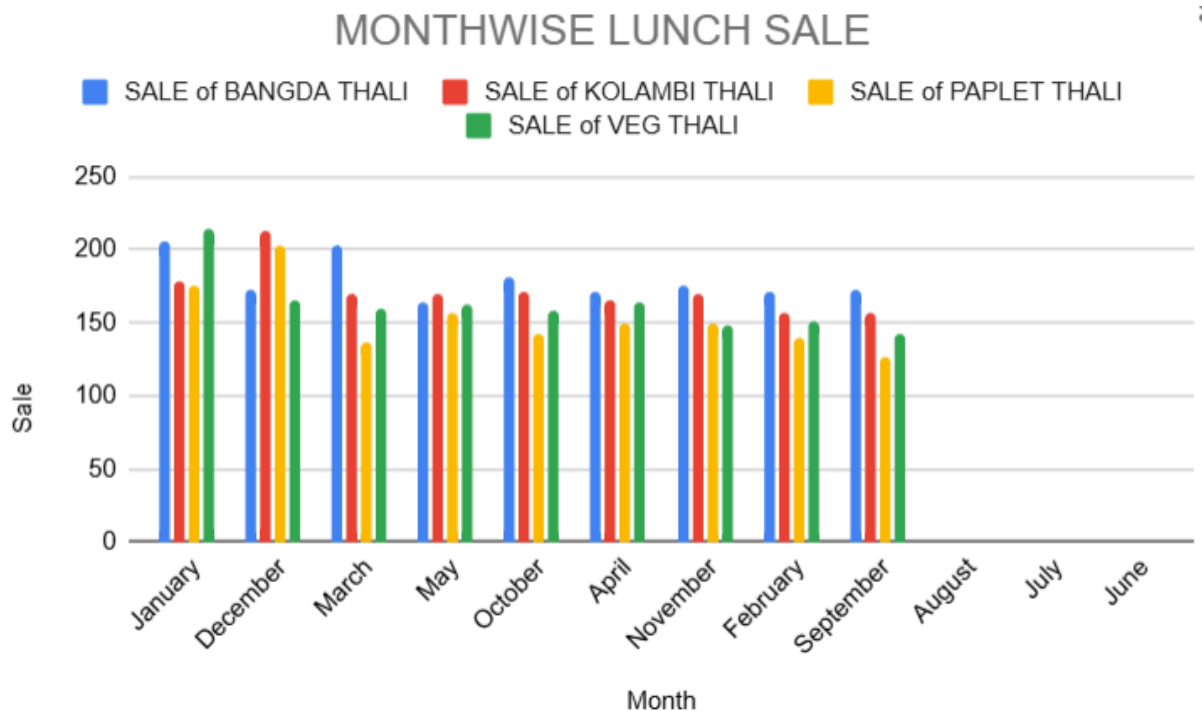


Figure6

Month Wise analysis: Analyzing the hotel's sales data from January to December reveals distinct trends in customer tastes & preferences. It showed seasonal variations. Following is the detailed observations and findings monthwise.(Refer to Figure4 , Figure5 , Figure6)

January: The year started strong in January, with good sales across all food categories. Breakfast items, particularly Vada-Pav and Usal Pav, were in high demand. And in the case of beverages like tea and coffee, coffee also performed well. In Thali sales, Bangda Thali and Veg-thali both peaked in January, and Kolambi Thali and Paplet thali also did very well in January and showed a steady presence. January saw one of the highest overall sales figures, and it became a key month for business.

February:However, sales dipped slightly in February, particularly for breakfast items like Ghavan-Chutney and Usal-pav, whereas Vada-pav maintained its consistency in sales in February also. In the case of drinks, there is a different kind of trend in which Tea and Solkadhi maintain consistency. Coffee sales have totally dropped. All four thales are also not performing that well in February.

March:For March, Vada-Pav & Tea are showing moderate kinds of sales. Usal-Pav, Solkadhi, Ghavne chutney are showing good sales figures. Coffee is sold less in March. But, the

demand for refreshing beverages, in particular, saw a noticeable rise in sales during this period. Except Bangda thali, all other three thalis are showing moderate performance. Bangda thali had its second most sales in March.

April: April saw moderate sales of breakfast-items. Tea and coffee are sold less, but Solkadhi has one of the highest sales in April. Seafood thalis are moderately sold with Veg Thali maintaining consistent demand.

May: May emerged as one of the strongest months in terms of sales, with several food items, including all breakfast items and Thalis recording high numbers. Usal Pav, in particular, reached its highest sales figures in May, indicating strong customer preference for this dish. Solkadhi also reached its highest sales figure.

However, a significant decline in sales occurred in June, July, and August, with recorded figures dropping to zero. This sudden drop is because the hotel had to be closed during those months. There is heavy rain in these months and the hotel is located on the beach.

September: After three months of inactivity, sales picked up again in September. But, sales are not like earlier months of the year. Thali sales were stable, but seafood thalis saw lower demand compared to earlier months. All food items, including breakfast and thalis are showing low to moderate demand. Beverages also show the same kind of trend only.

October: In October, there was an upward trend in sales across all categories. All food items and beverages are showing moderate sales in October

November saw further growth, with total sales figures surpassing most previous months. The demand for beverages increased, with both tea and coffee recording strong sales. Vada-Pav and Usal Pav continued to be customer favorites, Thali sales were also moderate in November

December: December emerged as the peak sales month. The highest sales are recorded in this across multiple categories. This month saw record-breaking sales for Vada-Pav, Ghavane-chutney, Tea, and Coffee. Also, Kolambi thali and Paplet thali peaked. All other food items are also showing very good sales figures.

Revenue analysis by month

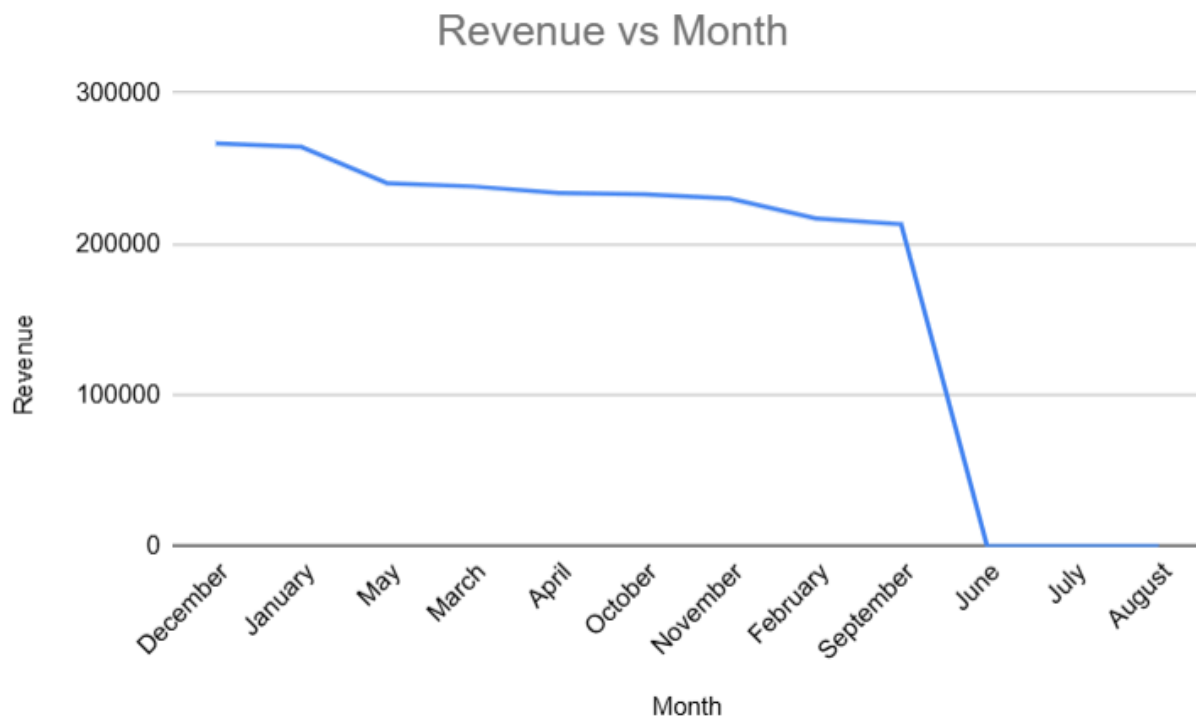


Figure7

From Figure 7, it can be noticed that December, January and May are key months for revenue generation. and other months like March, November, etc., are showing moderate revenue. In the case of June, July and August, revenue is nil. This is because the hotel has to be compulsorily closed because of heavy rain, and the hotel is located on the beach.

Customer Preferences: Pav Patis & South Indian Dishes

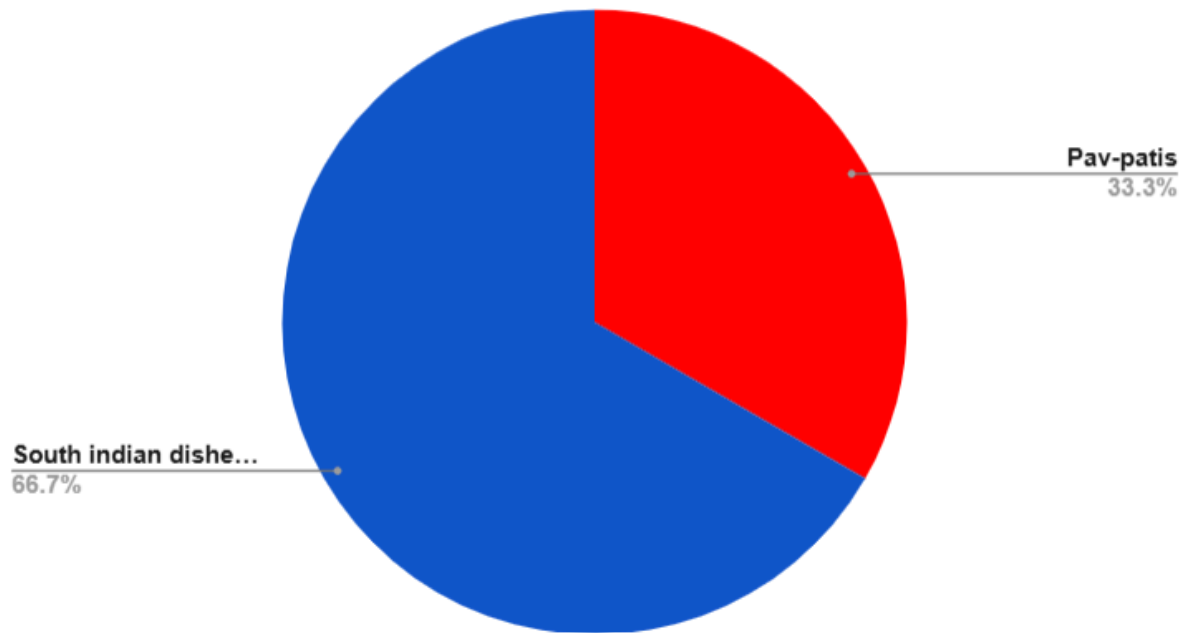


Figure8

A survey was conducted among people. In that it was found that 66.7% of people would like South Indian dishes like idli, dosa, etc., to be added to the menu. On the other hand, 33.3% of people voted for Pav-patis. (Refer to Figure 7)

SWOT Analysis

Here's a SWOT analysis for a hotel:

Strengths

1. Location benefit: Hotel Rajshreya is located on a sea beach. The hotel has a beautiful sea view. Also, their food stall is also on the beach. So, tourists enjoy breakfast with a beautiful atmosphere. The hotel's location is very helpful for attracting customers. The Konkan area has always been an attractive place for tourists.
2. Diverse Offerings: Malvan, which is situated in the Konkan area of Maharashtra, has a rich legacy of food. Because of this, tourists are attracted to this place. So, hotel offers various

kind of non-veg dishes of fishes such as bangda-thali, kolambi-thali , Surmai etc. Also, the hotel offers traditional veg food, including popular sol kadhi, rice, etc.

3. **Experienced Staff:** The hotel has appointed an experienced and expert manager. Also, other staff of cooking are well-skilled. Helpers are also customer-friendly. The owner has love towards food-making and offering. So, the hotel performs well under the leadership of an enthusiastic owner.
4. **Consistent Demand for Items:** Breakfast items like Usal Pav and Vada Pav, as well as drinks like tea and coffee, show steady demand. These items are generating reliable revenue and are showing a stable preference among customers.
5. **Seasonal Peaks:** The hotel experiences strong sales during peak periods, mainly in December, January, and May, because these are holiday seasons and tourists prefer to come in these months.
6. **Popularity of Regional Foods:** Items like solkadhi and seafood-based thalis are popular, so they are appealing to both local customers and tourists seeking authentic regional cuisine.

Weaknesses

1. **Low Demand in Off-Season:** In Malvan, during the months from June to August, heavy rain occurs. So, tourists don't come during this season. Hotel Rajshreya is located on a sea beach, so it has to be compulsorily closed. So, there are high fluctuations in demand. It leads to a decrease in revenue.
2. **Limited Differentiation:** Hotels are a very competitive industry. There are many other food stalls on the beach that offer comparable services and food items. So, it becomes difficult to stand out in the market.
3. **Dependence on Seasonal Peaks:** Hotels heavily relied on peak sales months (December, January, and May) and may be impacted very badly during off-seasons, as the hotel's revenue could be highly seasonal.

Opportunities:

Expanding Menu for Weather Preferences: It is observed from data that the popularity of warm beverages is in winter and refreshing drinks is in summer; the hotel could expand its menu with seasonal offerings.

Targeted Marketing for Festive Periods: There are high sales in December and January. So, it creates an opportunity for hotels to plan holiday-focused marketing strategies to create festive packages so that the hotel can attract even more customers.

Threats:

Seasonal Fluctuations in Tourism: As a major part of revenue is coming in high-tourism months. So, fluctuations in tourism trends or travel restrictions could impact tourists during peak seasons.

Competition from Local Eateries: The restaurant industry is a highly competitive industry. So, competing restaurants with similar offerings might reduce customers, especially if other hotels provide lower prices.

Weather-dependent nature of business: the hotel is located on the beach. So, it has to be compulsorily closed in the monsoon season. So, there are unavoidable restrictions. In a hotel from June to August.

Interpretation of Results and Recommendations

Based on results and findings gotten from different kinds of analysis, the following are the interpretations and recommendations:

Vada-Pav is fast-moving and popular, but it is not contributing at the top for revenue. Also, in the case of drinks, tea is fast-moving, but it is contributing least to revenue; both of them can be used to give a combo offer.

Usal-Pav and Ghavane chutney are authentic dishes of Malvan. Tourists are more interested in these kinds of dishes. These are special kokani foods. Although they are contributing more towards revenue generation, they are moderately moving. So, to attract more tourists, they can also be given as a combo offer with tea.

Anda-pav is the least sold breakfast item. It's not even close to other food items in terms of the number of units sold as well as revenue generation. It can be replaced with South Indian dishes such as idli sambar, dosa, etc.

In Malvan, tourists especially visit to taste fresh seafood dishes. Hotel Rajshreya is performing well in the case of Kolambi thali and Bangada thali. But it's moderately moving in the case of Paplet thali, although it's a seafood item. So, it can be given as a combo with the moderately moving drink Solkadhi, which is an authentic Malvani drink. Although Veg Thali is performing well, it is not generating that much revenue as seafood-based thalis; it can also be given as a combo offer with Solkadhi. It cannot be removed or replaced considering the tastes of vegetarian people.

Overall, for breakfast items, sales are less during midweek. So, combo offers can be offered on Thursdays or Wednesdays.

Overall, seabased thalis are less sold on Mondays because customers are preferring lighter meals. So, they can be offered with discounts or combos on Monday.

In the case of Solkadhi, it should be more promoted during summer months, like in April or May. Solkadhi is an authentic Malvani summer drink. From the data also, it's evident that customers are more inclined towards it during the summer season. So, in these months, it can be offered with a discount or as a combo with thalis in order to reach more customers.

Food items which are moderately or less sold should be improved. Cooks who have a speciality in making those particular dishes should be appointed.

Upon checking the hotel's social media handle, it was noticed that the hotel is not promoting that much on social sites. Authentic Malvani dishes, which are Hotel Rajshreya's speciality, should be highlighted.

We can see from data that most of the food items are sold more on weekends. So, there are more customers visiting the hotel. So, to gain popularity among them, the "Weekend Dhamaka" offer can be introduced under which offers such as 'Buy one – Get one' on Solkadhi can be given.