

# Hotel Performance Analysis Report

By Austin Wang

## Executive Summary

### Overview

This report provides an analysis of the hotel's performance based on key metrics including bookings, revenue, occupancy rates, etc, where two important filter are applied – Room Type and Date. The data is open sourced and covers the period for 2016 Q1.

### Key Metrics

Total bookings: 10,346

Total revenue: \$4.66M

Total Rooms: 684

Occupancy rate: 100%

Average daily rate (ADR): \$450.41

Revenue per available room (RevPAR): \$66.14

### Detailed Findings

Each key metrics will be discussed here for each filter.

**Total Bookings** is the total number of Q1 bookings.

#### Room Type:

Small conference room and normal room take up the most portion of total bookings of around 30% each. Double room, deluxe room and large conference room are around 12% each, which are less than a half of small conference room and normal room.

The reason that small conference room and normal room weight more than other room types is that small conference room and normal room are much cheaper with unit price of \$80 per day, while double room costs \$100, deluxe room and large conference room cost \$150.

**Highlights:** Customers tend to choose for cheaper room types

#### Date:

Total bookings are almost equal for January, February and March. Only February has slightly less bookings probably due to shorter days.

**Total Revenue** is the total earnings in a set a period and calculated by unit price times days stayed.

**Room Type:**

Normal room has highest percentages of 26%, small conference room and deluxe room are in second tire around 20%-22%, large conference room and double room have the lowest revenue about 17% and 13% respectively.

Firstly, normal room and small conference room have the most bookings as we discussed. Also, the customers stay in these two types of room also have a longer period, which will be discussed in next section.

**Highlights:** Higher number of bookings and longer check-in days making much more revenue for normal room and small conference room.

**Date** pattern is similar to bookings.

**Total Rooms** is number of each type of rooms in Q1

**Highlights:** The number of rooms is highly related to the number of bookings by room type, which is a very smart and effective strategy to meet customer's demands.

**Occupancy Rate** is the ratio of available rooms that are occupied during a specific period. It will reflect how well the hotel is utilizing its room inventory, and help to evaluate seasonal trends and identify periods with low occupancy.

**Date:**

Occupancy Rate of March (97%) is highly increased than January(85%) and February (83%)

**Room Type:**

Normal room and small conference room have a relatively lower Occupancy Rate in January and February and then drastically increased during March, while other room types remain a steady increasing trend.

**Highlights:** A generally very high Occupancy Rate indicates that a large proportion of the hotel's rooms are occupied, suggesting strong demands and effective room management.

**Recommendations:**

- **Pricing:** Adjust price based on Occupancy Rate and demands.  
Increasing the room unit price for higher Occupancy Rate period and room type, while decreasing the price for lower Occupancy Rate period and room type. That is to increase the price for March to earn more revenue, enlarging the maximum, and reduce the room price for normal room and small conference room in January and February, attracting more customers to fill in our rooms.
- **Promotions and Discounts:** Offer special deals, packages, or discounts to boost occupancy

**Average Daily Rate (ADR)** is the average revenue earned per occupied room during a specific period. It is a measure of the average price at which rooms are sold.

**Revenue per Available Room (RevPAR)** is the measure of revenue generated per available room, combining both occupancy and ADR. It provides a comprehensive view of how well a hotel is filling its rooms at what rate.

**Highlights:** We generally have a lower RevPAR than ADR, indicates potential issues with both occupancy and pricing strategies as we discussed previously to adjust price.

## Booking Trends

Bookings trends are showed by daily, weekly and monthly. Daily bookings trend is the moving average of 3 days to see clear patterns. Greyed-out-area shows the total bookings. Although they show fluctuations in the number of bookings over time, there are noticeable peaks and valleys, indicating periods of high and low booking activity, and also different room types have different booking volumes.

**Highlights:** Clearly normal room and small conference room have more booking volumes. The peaks and valleys might correspond to specific events, holidays, or promotions.

**Recommendations:** To remain high volume of customers bookings, we are able to identify the specific dates corresponding to peaks and valleys to understand causes and use this information to plan future promotions and events to boost bookings during low periods.

## Revenue

By the stacked bar charts showing bookings and revenue by request type, the majority of customers booked our hotel for holiday purpose, and the second for business, and this is positively related to revenue. It is also worth noting that normal room, double room and deluxe room are booked for holiday and business purpose, while the other request type only booked the conference rooms.

**Highlights:** Party and conferences have fewer bookings, suggesting potential areas for improvement.

**Recommendation:** Target Marketing focus on party and conferences to attract more potential customers, and also make personalize advertising for holiday and business travelers to highlight the features of Deluxe room to make more revenue since it has the highest price.

The weekly and daily moving average charts shows the trend of revenue over time. Although it is fluctuated, we can see some patterns.

**Highlights:** The lowest revenue is observed in the week of February 14, suggesting a potential off-peak period. It is important to analyze the reason why there is a huge down area on Valentine's Day.

**Recommendation:** Implement marketing strategies to boost revenue during special periods or holidays, such as discounts or bundled offers.

In conclusion, with all the analyzing of potential issues, and the right recommendations, it is able to strategically manage the revenue.