



Hotel Booking Cancellations

Reducing cancellation rates to maximize revenue and room efficiency

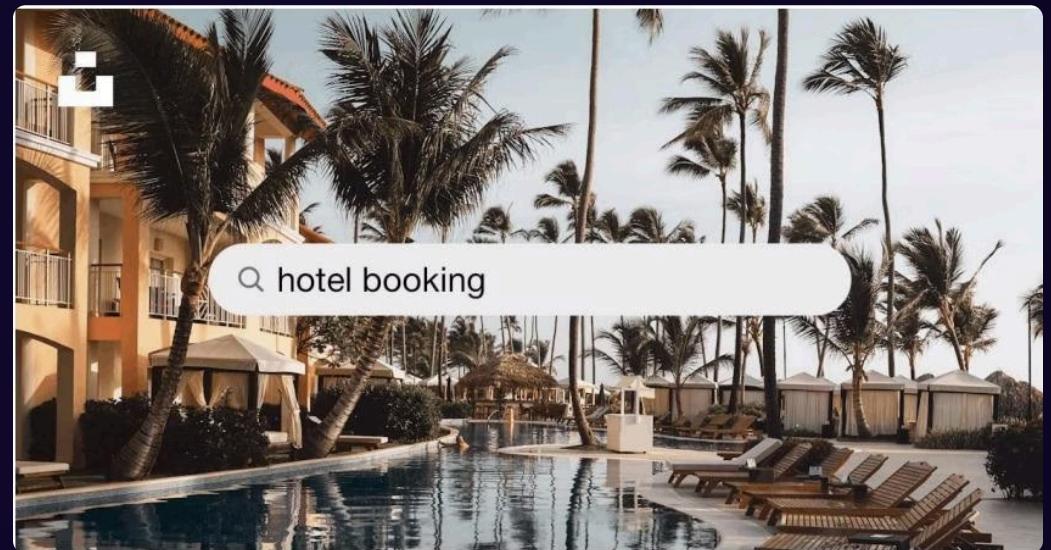
The Business Challenge

The Problem

City Hotel and Resort Hotel face high cancellation rates, losing revenue and underutilizing rooms.

Our Mission

Analyze cancellation drivers and provide actionable recommendations to boost income and efficiency.



Research Framework



Key Questions

- What drives cancellations?
- How to reduce them?
- How to optimize pricing?



Hypotheses

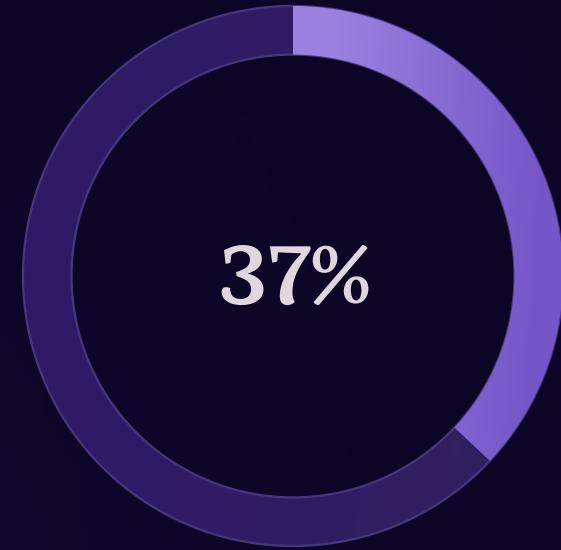
- Higher prices = more cancellations
- Longer waitlists increase cancellations
- Offline agents dominate bookings



Assumptions

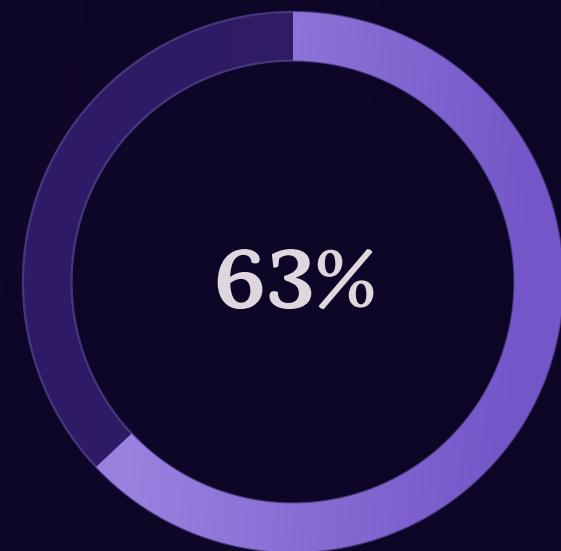
- Data from 2015-2017 remains relevant
- Cancellations are primary revenue factor
- No current mitigation strategies in place

Cancellation Impact



Cancellation Rate

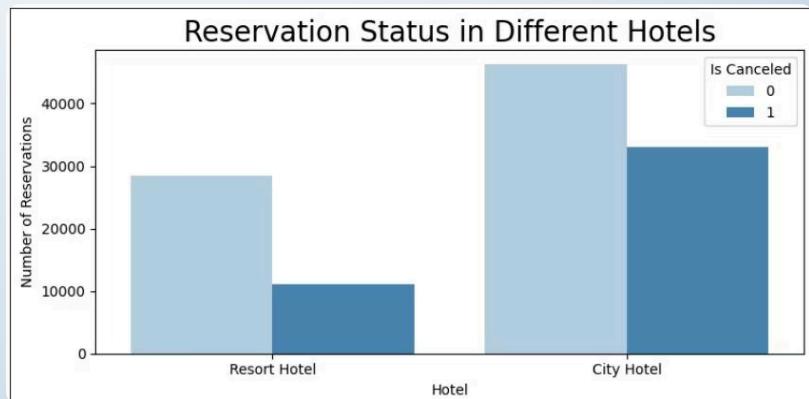
Significant revenue loss affecting hotel income



Confirmed Bookings

Majority of reservations honored

City vs. Resort Hotels



City Hotels Lead

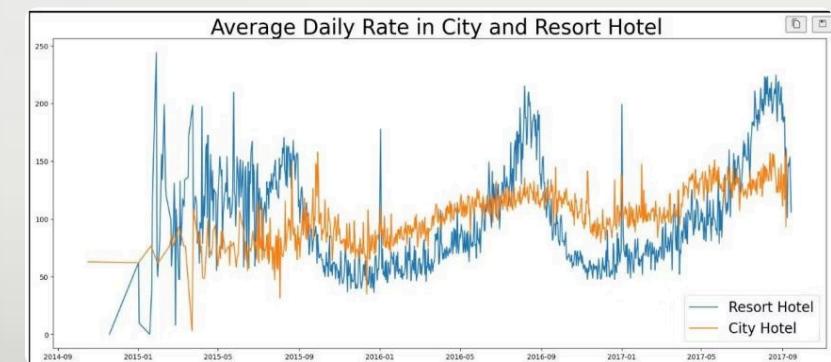
More bookings due to lower pricing compared to resort properties

Resort Premium

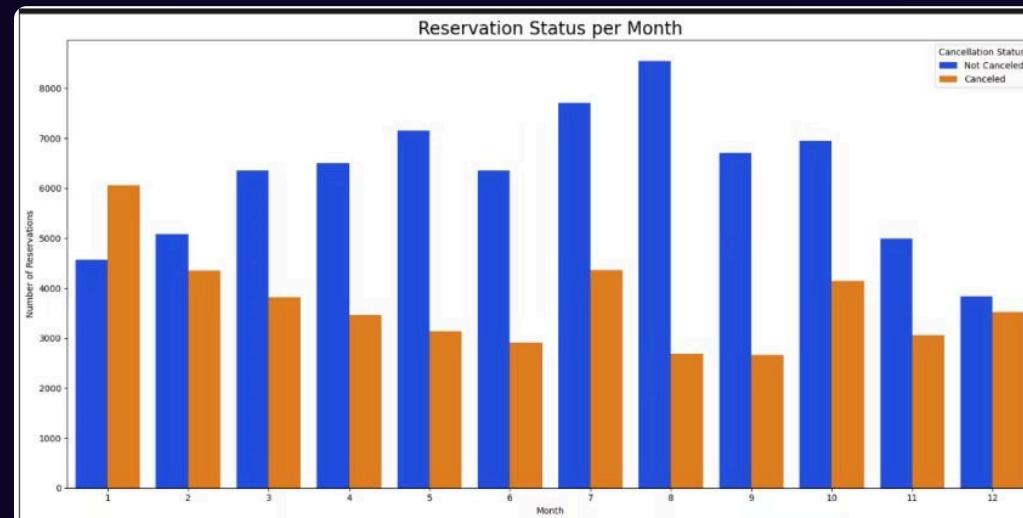
Higher rates, especially on weekends and holidays

Pricing Patterns

Average daily rates fluctuate significantly. City hotels offer lower rates on certain days, while resort prices spike during peak periods.



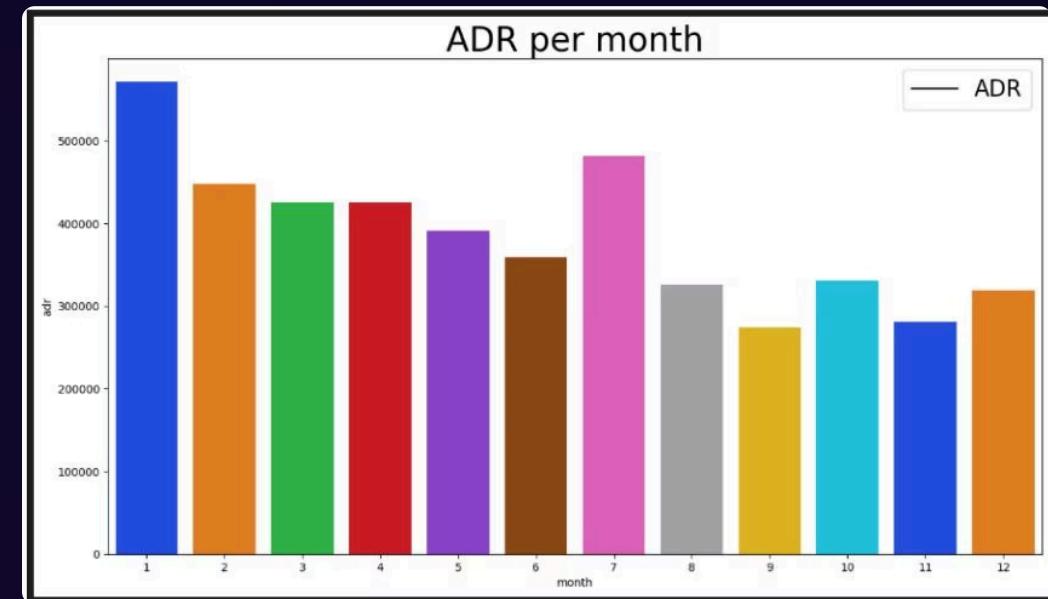
Seasonal & Pricing Insights



Peak Cancellation Months

August: Highest bookings overall

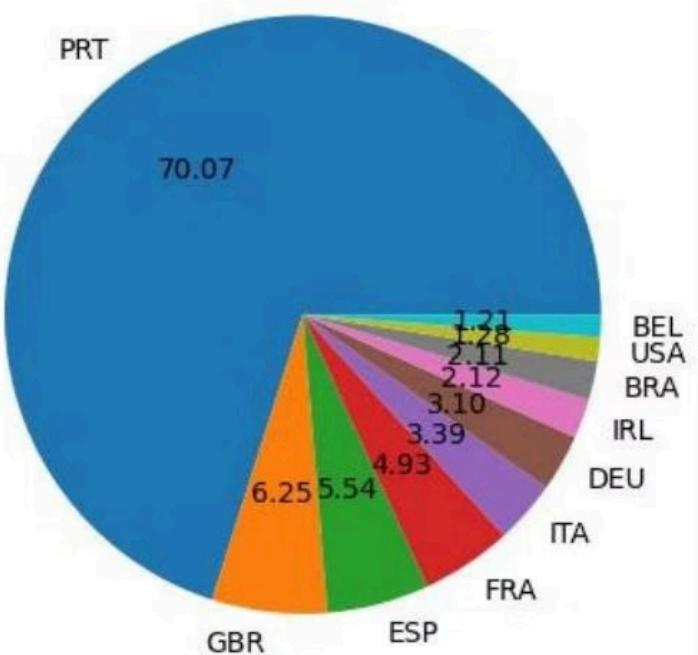
January: Most cancellations



Price-Cancellation Link

Clear correlation: higher prices drive more cancellations

Top 10 countries with reservation canceled



Booking Channels & Geography

46%

Online Travel
Agencies

Dominant booking
source

27%

Group Bookings

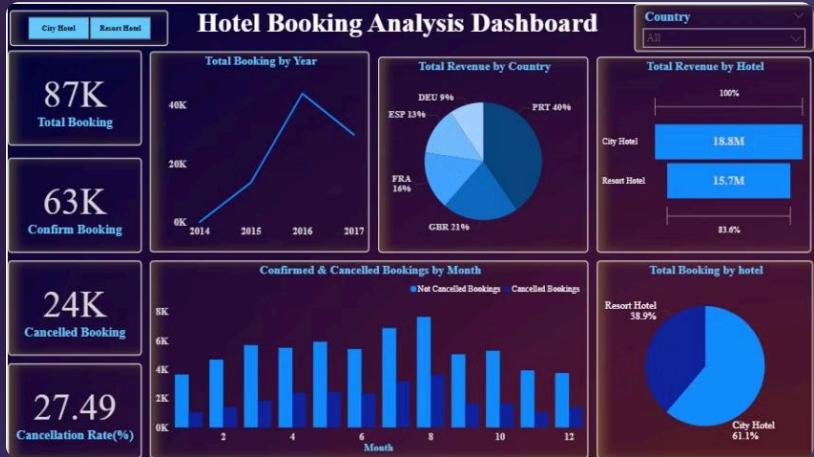
Second largest channel

4%

Direct Bookings

Minimal in-person
reservations

Portugal leads in cancellations among top 10 countries



Performance Dashboard

87K Total Bookings

27.49% cancellation rate across both properties

Revenue Distribution

City Hotel: \$18.8M | Resort Hotel: \$15.7M



Strategic Recommendations

01

Dynamic Pricing Strategy

Lower rates in high-cancellation periods. Offer targeted discounts and promotional deals.

02

Resort Weekend Discounts

Provide special rates during weekends and holidays to reduce resort cancellations.

03

January Marketing Campaigns

Launch promotional offers during peak cancellation month to boost revenue.

04

Portugal Service Enhancement

Improve quality and guest experience in highest-cancellation market to build trust.