

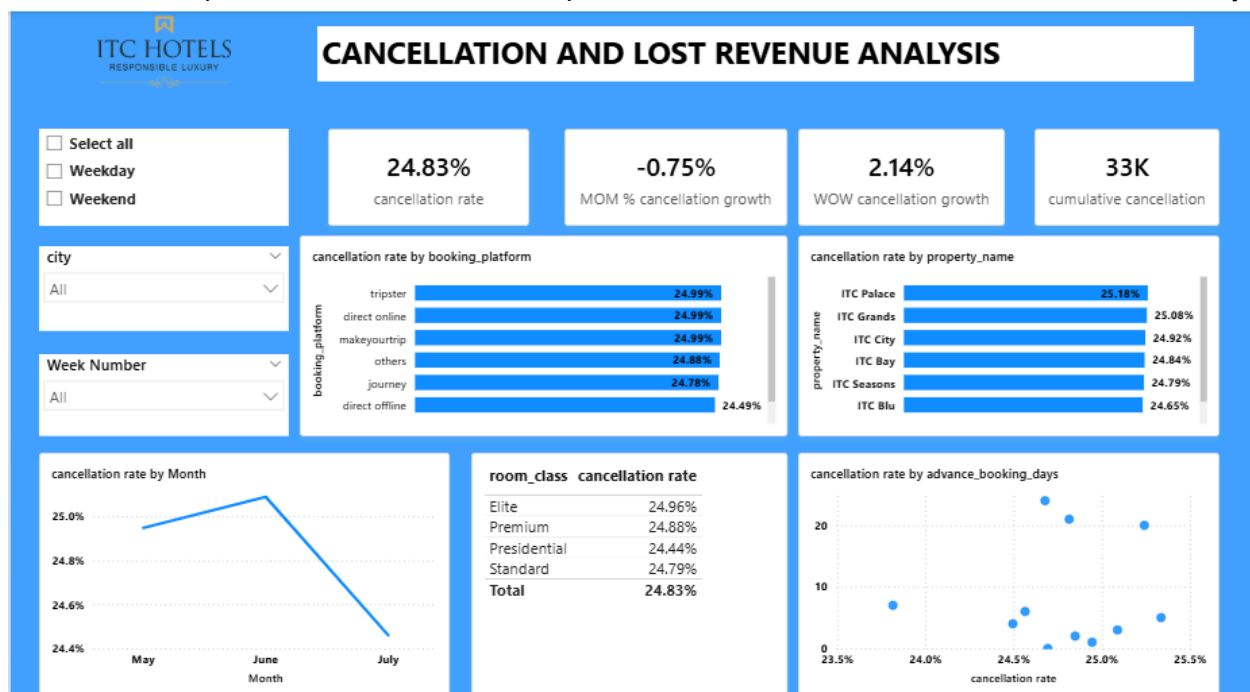
ITC Hotel Cancellation and Lost Revenue Analysis

Project Background

This analysis examines ITC Hotel's cancellation patterns and their impact on revenue, focusing on cancellation rates across different booking platforms, properties, room categories, and time periods. The analysis aims to identify cancellation trends, platform performance, and opportunities to reduce revenue loss through improved booking policies and customer retention strategies.

Executive Summary

ITC Hotel faces a significant cancellation challenge with a 24.83% overall cancellation rate, representing 33K cumulative cancellations. While month-over-month cancellation growth decreased by 0.75%, week-over-week growth increased by 2.14%, suggesting recent uptick in cancellations. All booking platforms show remarkably similar cancellation rates around 24.8-24.9%, indicating this is a systemic issue rather than platform-specific. Property-wise, cancellation rates range from 24.60% (ITC Blu) to 25.18% (ITC Palace), showing minimal variation. Room categories cluster tightly between 24.44% (Presidential) and 24.96% (Elite), while seasonal patterns reveal June as the peak cancellation month at 25.0% and 24.4% in July.



Insights Deep-Dive

The cancellation landscape reveals both concerning and encouraging patterns. The 24.83% cancellation rate means nearly one in four bookings doesn't materialize, representing substantial revenue leakage that directly impacts the bottom line. What's particularly striking is how consistent these rates are across virtually every dimension - booking platforms vary by only 0.1 percentage points, properties by just 0.58 points, and room categories by 0.52 points. This uniformity suggests the issue stems from broader market conditions, pricing strategies, or booking policies rather than specific operational problems.

The platform analysis shows all channels performing similarly poorly, with direct online and tripartite both at 24.89%, and even direct offline bookings at 24.84%. This consistency across platforms indicates guests are cancelling for reasons beyond booking channel convenience - likely due to changing travel plans, competitive pricing, or flexible cancellation policies that make it too easy to cancel without penalty.

Seasonally, the data tells an interesting story with June hitting the peak cancellation rate of 25.0% before improving to 24.4% in July. This June spike aligns with the occupancy dip we saw in previous analysis, suggesting external factors like weather, economic conditions, or competitive pressure particularly impacted that month. The slight improvement in July shows the business can recover, but the overall rates remain problematically high.

The advance booking analysis reveals a scattered pattern with no clear correlation between booking lead time and cancellation rates, with rates clustering between 23.5% and 25.5% regardless of how far in advance guests book. This suggests cancellation behavior isn't driven by booking timeline but rather by other factors like pricing flexibility or life circumstances.

Recommendations

Implement tiered cancellation policies that become stricter closer to arrival dates - current uniform cancellation rates across all advance booking periods suggest policies may be too lenient. Consider offering incentives for non-refundable bookings or implementing graduated cancellation fees that increase as check-in approaches to discourage last-minute cancellations.

Focus on June specifically since it showed the highest cancellation rate at 25.0% - analyze what external factors contributed to this spike and develop proactive strategies for similar future periods. This might include targeted communication campaigns, flexible rebooking options, or special retention offers during high-risk periods.

Since all booking platforms show similar cancellation rates, the issue isn't channel-specific but likely policy or market-driven. Review your cancellation terms across all channels to ensure they balance guest satisfaction with revenue protection. Consider implementing confirmation calls or pre-arrival engagement strategies to strengthen booking commitment.

With 33K cumulative cancellations representing nearly 25% of all bookings, even small improvements in cancellation rates could yield substantial revenue gains. Test different retention strategies like pre-arrival upsells, personalized communications, or loyalty program incentives to convert potential cancellations into confirmed stays. Monitor the week-over-week growth trend closely since the 2.14% increase suggests the problem may be worsening and requires immediate attention.