



# ITC HOTELS REVENUE OPTIMIZATION

## POWER BI PROJECT

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# INTRODUCTION

ITC Hotels is an Indian hospitality company that operates and manages hotels. It has over 100 hotels and is India's third largest hotel chain. It has a franchise agreement to operate most of its hotels as part of The Luxury Collection of Marriott International. It is a subsidiary of ITC Limited.

ITC Hotels has four brands, each with a different class of hotel:

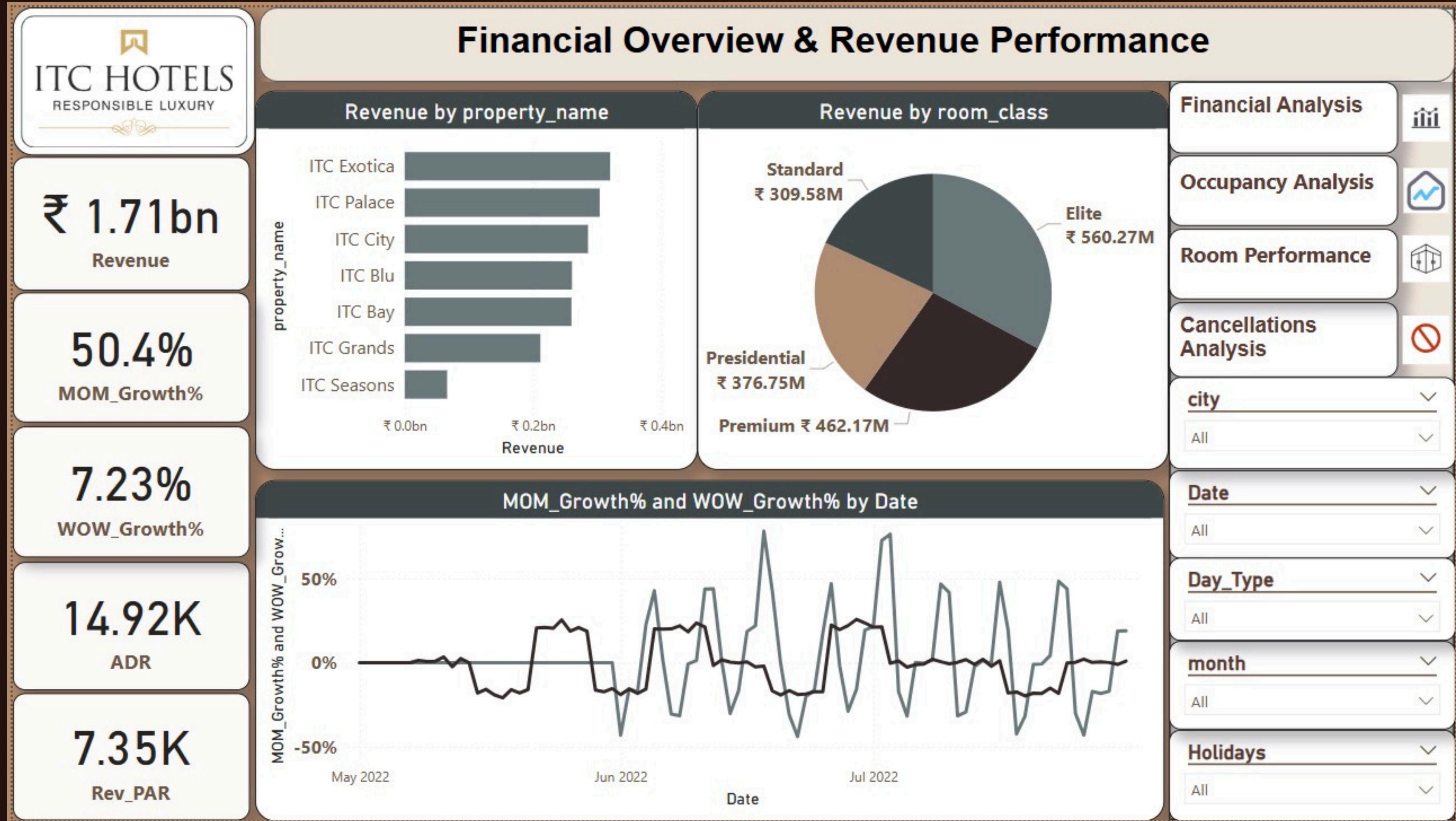
- ITC Hotels: Luxury hotels
- Welcome Hotel: Five-star hotels
- Fortune: Mid-market to upscale hotels
- Welcome Heritage: Heritage leisure hotel



# Problem Statement

ITC Hotels is a luxury hotel chain that operates multiple properties with diverse room categories and varying occupancy rates. The company wants to gain deeper insights into its overall financial performance, customer booking behaviour, occupancy trends, and room category performance to optimize revenue generation, minimize cancellations, and enhance customer satisfaction. The goal of this project is to create an interactive, multi-page Power BI dashboard to provide stakeholders with real-time insights for decision-making.

# 1. Financial Overview and Revenue Performance



# 1. Financial Overview and Revenue Performance Insights

## **Strong Revenue Performance:**

- The total revenue is ₹1.71bn, showing a 50.4% MOM growth and 7.23% WOW growth, indicating a positive financial trajectory.
- Revenue distribution by room class shows Elite (₹560.27M) and Premium (₹462.17M) leading the revenue share.

## **Property-Wise Revenue Distribution:**

- Properties like ITC Exotica and ITC Palace generate the highest revenue.
- Some properties have lower contributions, signaling potential underperformance or demand fluctuations.

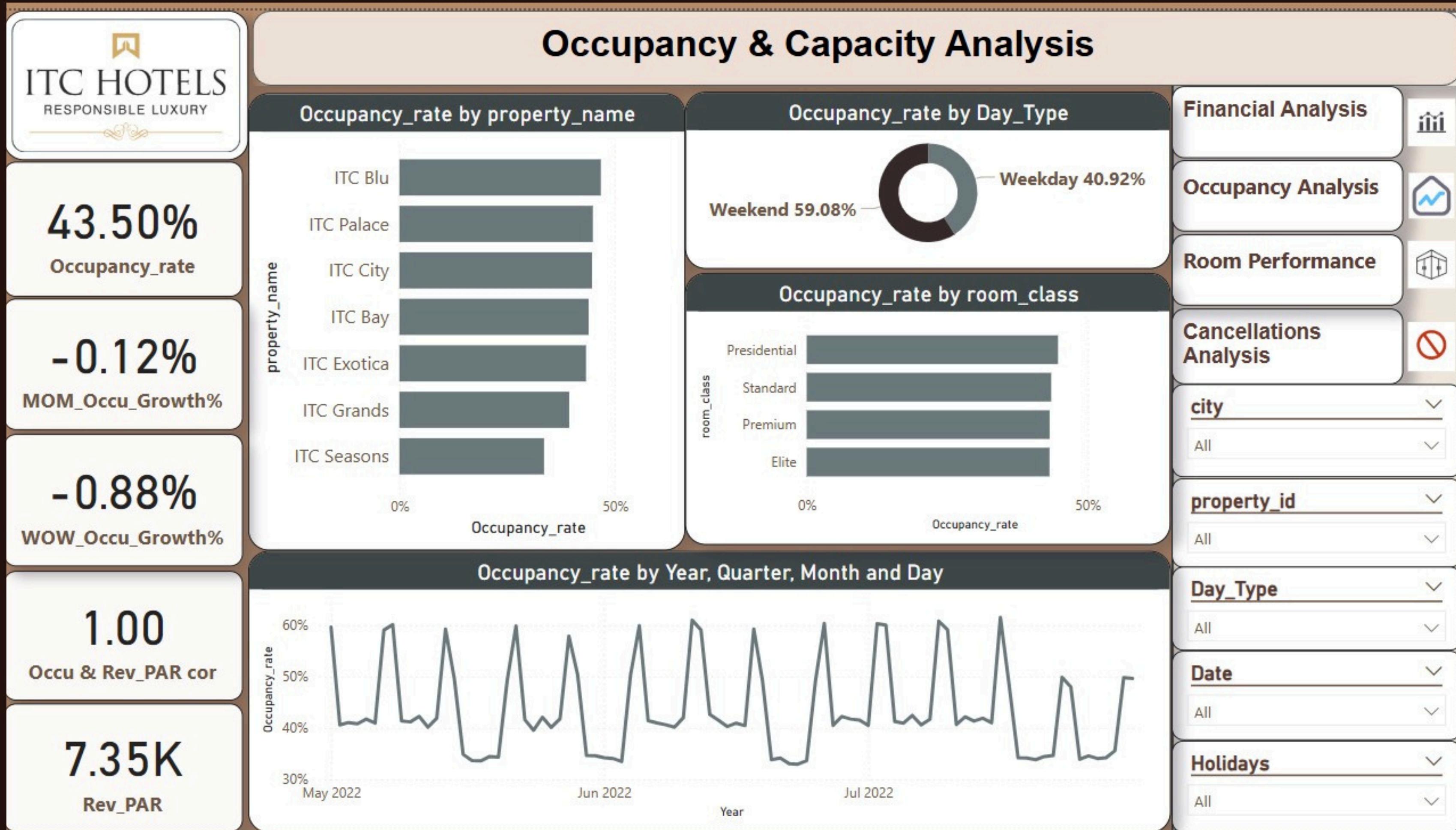
## **Key Revenue Metrics:**

- ADR (Average Daily Rate): 14.92K, indicating strong pricing strategies.
- RevPAR (Revenue Per Available Room): 7.35K, highlighting good occupancy and pricing efficiency.

## **Actionable Recommendations:**

- Focus on revenue optimization strategies for lower-performing properties.
- Enhance dynamic pricing models to maximize revenue potential.
- Offer exclusive deals and promotions for Premium and Elite categories to maintain their high revenue contribution.

## 2. Occupancy and Capacity Analysis



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### Insights

#### **Moderate Occupancy Rate:**

- The overall occupancy rate is 43.50%, indicating that there is room for improvement in increasing room utilization.
- The occupancy trend fluctuates significantly, showing peaks and dips, likely influenced by seasonality and events.

#### **Occupancy by Day Type:**

- Weekends (59.08%) have a significantly higher occupancy rate than weekdays (40.92%), suggesting that demand spikes during weekends.

#### **Room Class Performance:**

- Presidential and Standard rooms have lower occupancy, while Premium and Elite categories perform better.

#### **MOM & WOW Growth Analysis:**

- MOM Occupancy Growth dropped by -0.12%, and WOW Occupancy Growth dropped by -0.88%, indicating a slight decline in occupancy trends.

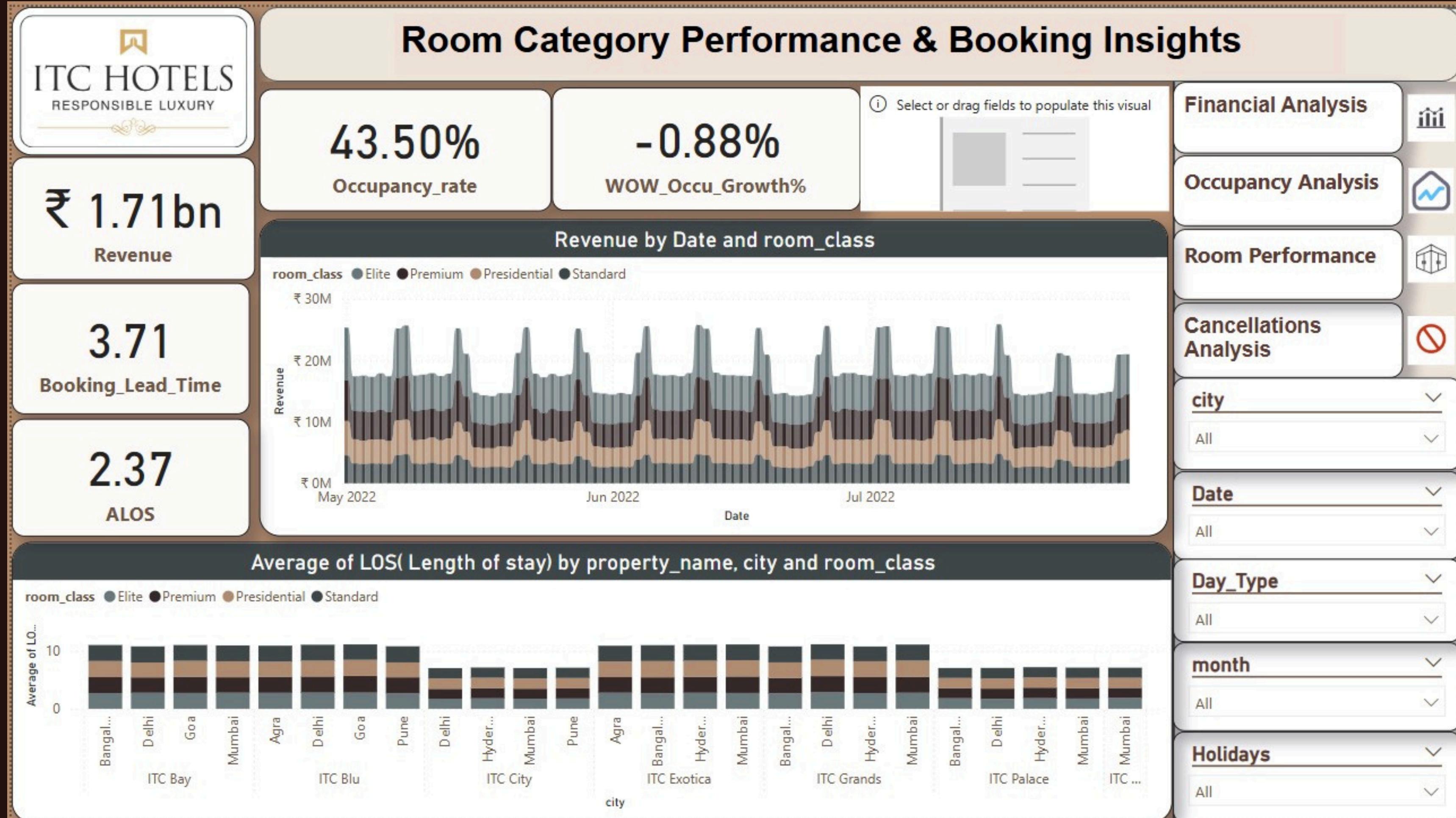
#### **Occupancy vs. Revenue Correlation:**

- The 1.00 correlation between occupancy and RevPAR shows a strong dependency, meaning that increasing occupancy will significantly boost revenue.

#### **Actionable Recommendations:**

- Enhance weekday booking strategies by introducing business-traveller-focused promotions.
- Use targeted marketing campaigns to boost occupancy for Presidential and Standard rooms.
- Develop long-term stay packages to stabilize occupancy rates.

### 3. Room Category Performance and Booking Insights



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#### **Insights**

##### **Booking Behaviour & Trends:**

- The Booking Lead Time is 3.71 days, meaning most bookings are made within a short window.
- ALOS (Average Length of Stay) is 2.37 days, suggesting a high proportion of short stays.

##### **Revenue Contribution by Room Class:**

- Elite & Premium rooms contribute the highest revenue, emphasizing the importance of maintaining their high occupancy levels.
- Revenue fluctuates seasonally, indicating demand-based changes.

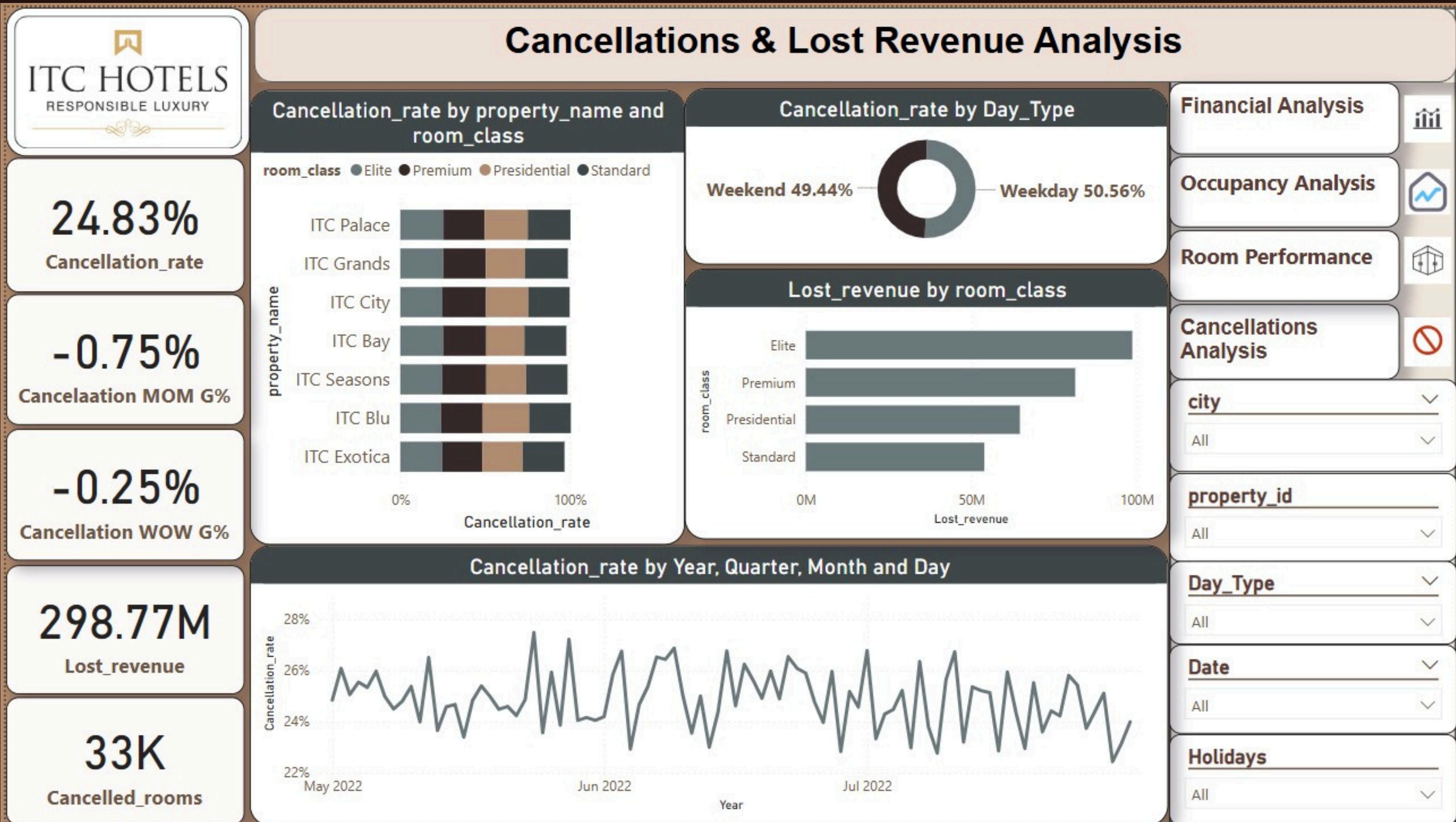
##### **Length of Stay (LOS) by City & Property:**

- Some cities have higher LOS, indicating regional trends affecting booking behaviour.

##### **Actionable Recommendations:**

- Target extended stays through attractive offers for long-term guests.
- Improve customer retention strategies to reduce last-minute cancellations.
- Use AI-based dynamic pricing to maximize revenue per booking window.

# 4. Cancellations and Lost Revenue Analysis



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### Insights

#### **High Cancellation Rate:**

- The overall cancellation rate is 24.83%, which is significant and could indicate issues such as pricing, customer preferences, or external market conditions.
- The cancellation trend fluctuates over time, suggesting the need for deeper seasonal or event-based analysis.

#### **Cancellation by Day Type:**

- Weekdays (50.56%) and Weekends (49.44%) have nearly equal cancellation rates, implying that cancellations are not strongly driven by weekdays or weekends.

#### **Lost Revenue & Room Class Impact:**

- The total lost revenue is ₹298.77M, which is a significant revenue leakage.
- Elite and Premium room categories contribute the most to lost revenue, indicating that high-value bookings are at higher risk of cancellations.

#### **Month-over-Month (MOM) & Week-over-Week (WOW) Trends:**

- MOM cancellation rate dropped by -0.75%, and WOW cancellation rate decreased by -0.25%, indicating a slight improvement but still a concern.

#### **Actionable Recommendations:**

- Implement cancellation policies such as flexible rescheduling or loyalty incentives to retain customers.
- Conduct root-cause analysis for high-value room cancellations.
- Use predictive analytics to identify patterns and mitigate cancellations proactively.

A photograph of a tropical resort at dusk or night. In the foreground, there's a swimming pool with a wooden deck. The background features several two-story buildings with dark roofs and warm interior lighting. Numerous palm trees are scattered throughout the scene, their silhouettes standing against a sky transitioning from blue to orange and pink near the horizon.

**THANK YOU**

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