

Hotel Booking Cancellations Project

Business Problem:-

In recent years, City Hotel and Resort Hotel have seen high cancellation rates. Each hotel is now dealing with a number of issues as result, including fewer revenues and less than ideal hotel room use. Consequently, lower cancellation rates are both hotels primary goal in order to increase their efficiency in generating revenue and for us to offer through business advice to address this problem.

The analysis of hotel booking cancellation as well as other factors that have no bearing on their business and yearly revenue generation is the main topics of this report.



Assumptions:-

- 1) No unusual occurrences between 2015 and 2017 will have a substantial impact on the data used.
- 2) The information is still current and can be used to analyze a hotel's possible plans in an efficient manner.
- 3) There are no unanticipated negatives to the hotel employing any advised technique.
- 4) The hotels are not currently using any of suggested solutions.
- 5) The biggest factor affecting the effectiveness of earning income is booking cancellations.
- 6) Cancellations result in vacant rooms for the booked length of time.
- 7) Clients make hotel reservations the same year they make cancellations.

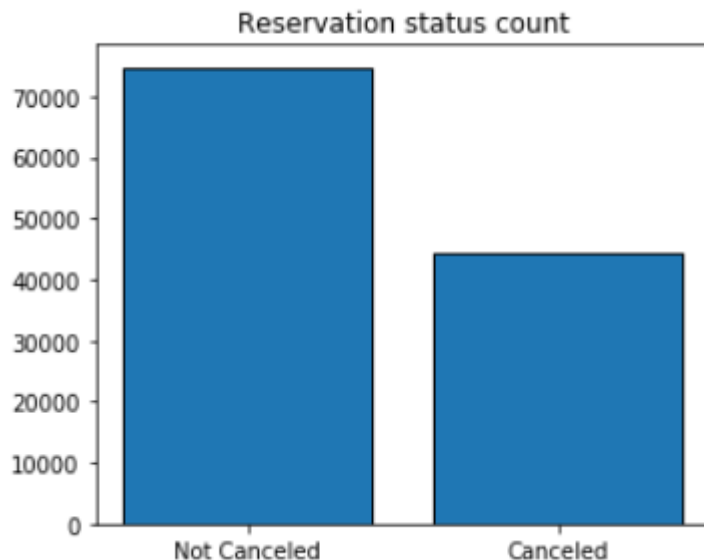
Research Question:-

- 1) What are the variables that affect hotel reservation cancellations?
- 2) How can we make hotel reservation cancellations better?
- 3) How will hotels be assisted in making pricing and promotional decisions?

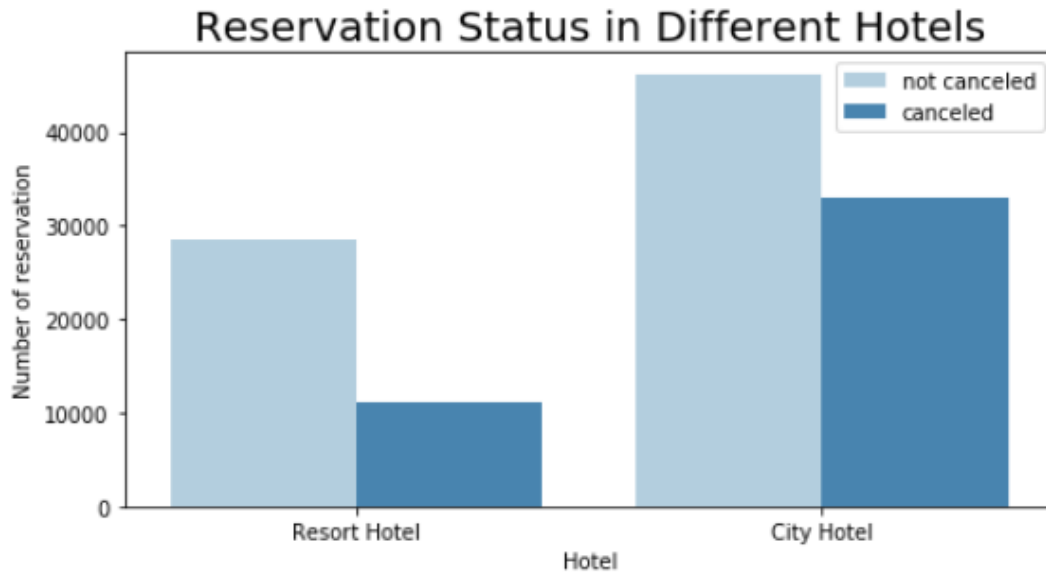
Hypothesis:-

- 1) More cancellations occur when prices are higher.
- 2) When there is a longer waiting list, customer tends to cancel more frequently.
- 3) The majority of clients are coming from offline travel agents to make their reservations

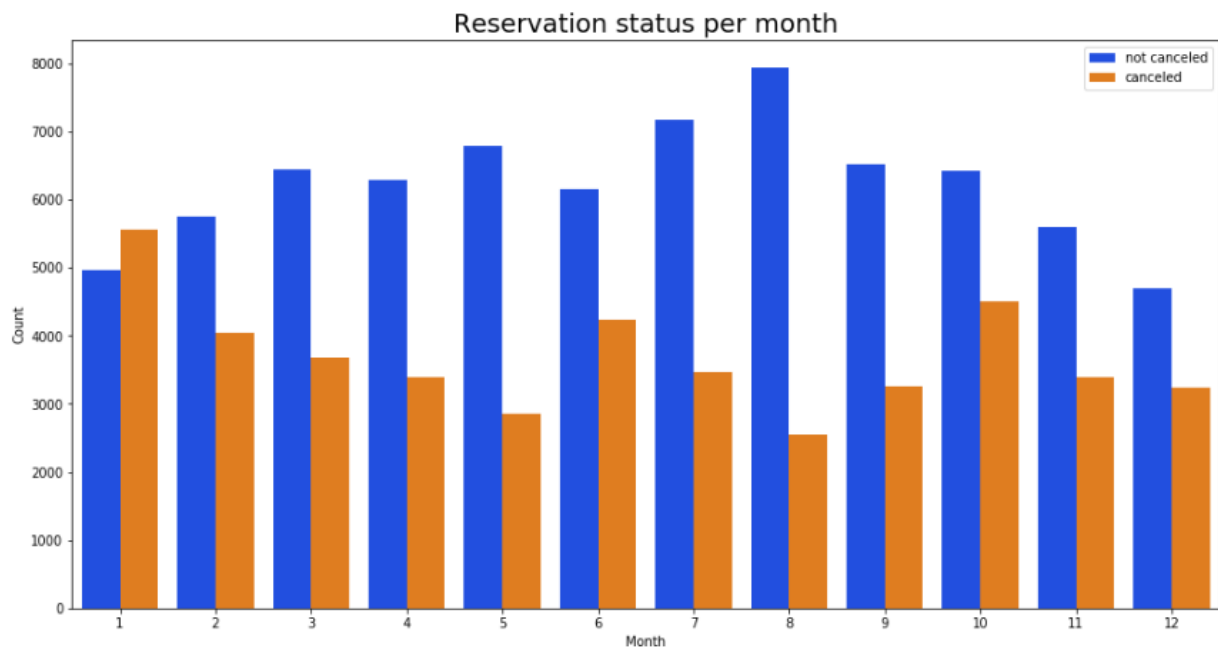
Analysis and Findings:-



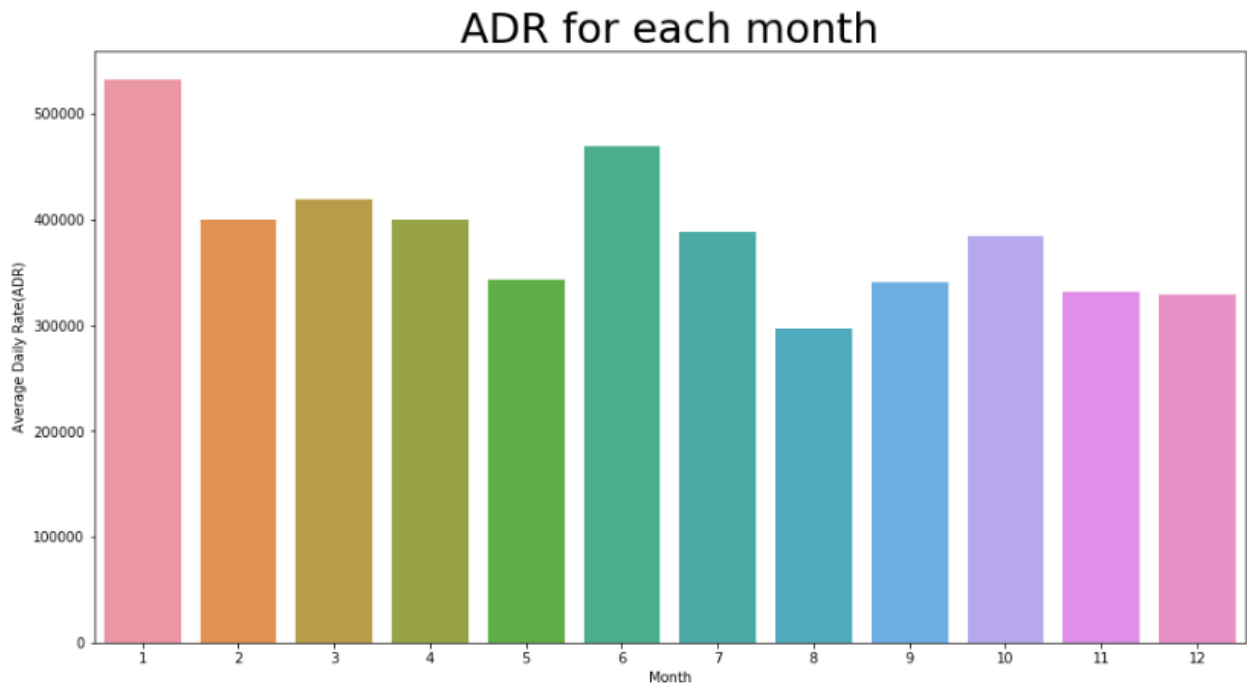
The accompanying bar graph shows the percentage of reservations that are canceled and those that are not (Not Canceled) .it is obvious that there are still a significant number of reservations that have not been canceled. There are still 37% of clients who canceled their reservation, which has a significant impact on the hotel's earnings.



In comparison to resort hotels, city hotels have more bookings. It's possible that resort hotel is more expensive than those in cities

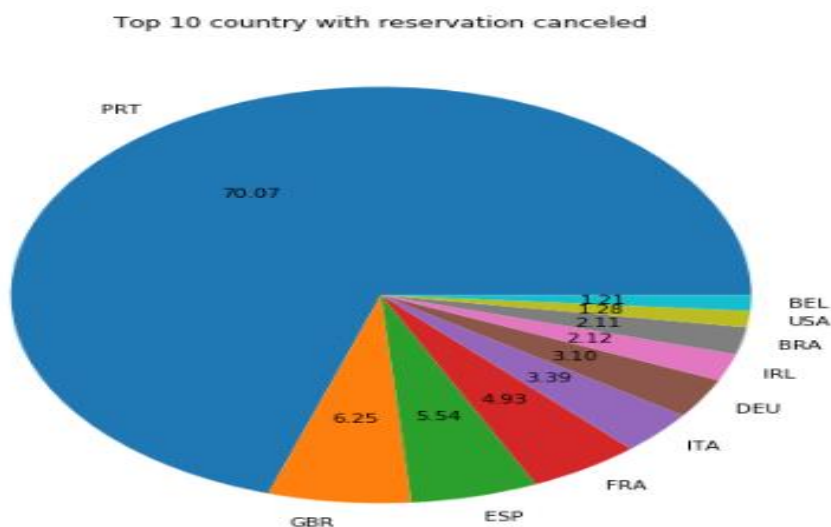


We have developed the grouped bar graph to analyze the month with the highest and lowest reservation levels according to reservation status. August witnessed the highest number of uncanceled reservation whereas January is the month with the highest canceled reservations.

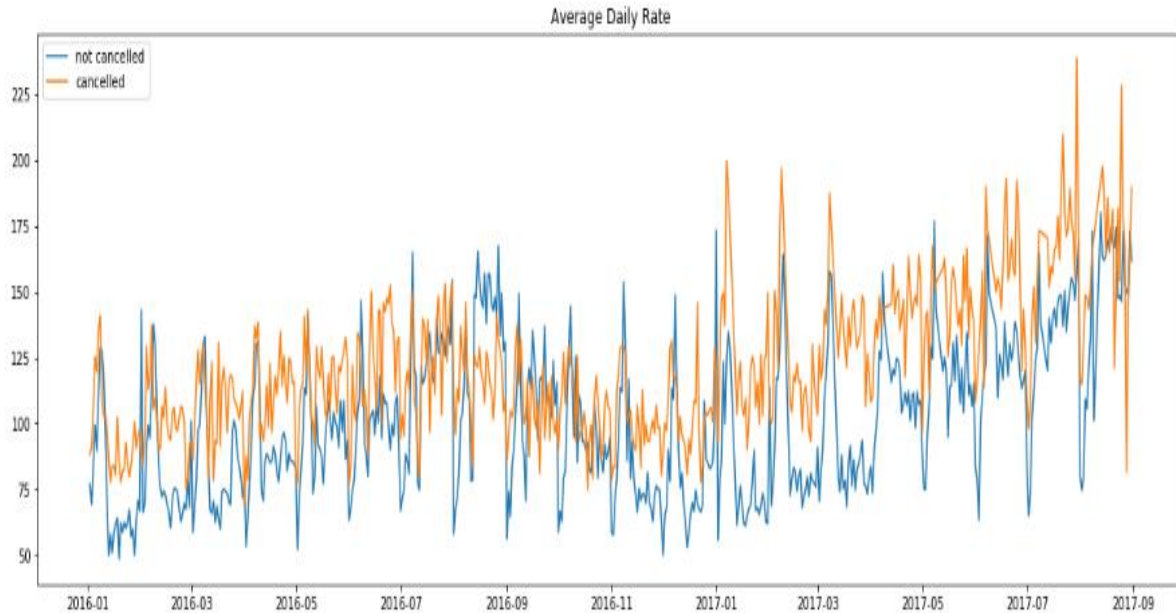


This bar graph demonstrates that rates were highest in month of January for canceled reservations, lowest in month of august.

This graph also indicates that cancellations are most common when prices are greatest and are least common when they are lowest. Therefore, the cost of the accommodation is solely responsible for the cancellation.



Now, let's see which country has the highest reservation canceled. The top country is PRT(Portugal) with the highest number of cancellation which is 70%.



As seen in the graph, reservations are canceled when the average daily rate is higher than when it is not canceled. it clearly proves all the above analysis that the higher price leads to higher cancellations.

Let's check the area from where guests are visiting the hotels and making reservations. is it coming from direct or groups, online or offline travel agents? Around 47% of the clients come from online travel agencies, whereas 20% come from offline TA/TO. Only 10% of clients book hotels directly by them and making reservations.

Suggestions:-

- 1) Cancellation rates rise as the price does. In order to prevent cancellations of reservations, hotels could work on their pricing strategies and try to lower the rates for specific hotels based on locations. They can also provide some discounts to the consumers.
- 2) As the ratio of the cancellation and not cancellation of the resort hotel is higher in the resort hotel than the city hotels. So the hotel should provide a reasonable discount on the room prices on weekends or on holidays.
- 3) In the month of January, hotels can start campaigns or marketing with a reasonable amount to increase their revenue as cancellations is the highest in the month.
- 4) They can also increase the quality of their hotels and their services mainly in Portugal to reduce the cancellations rate.

END

Thank you