**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 a result, including fewer revenues and

less than ideal hotel room use. Consequently, lowering cancellation rates is both hotels

primary goal in order to increase their efficiency in generating revenue, and for us to

offer thorough business advice to address this problem.

The analysis of hotel booking cancellations as well as other factors that have no bearing

on their business and yearly revenue generation are 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 analyse a hotel’s possible pans 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 the suggested solutions.

5. The biggest factor affecting the effectiveness of earning income is booking

Cancelations.

6. Cancellations result in vacant rooms for the booked length of time.

7. Clients make hotel reservations the same year they make cancelation.

**Research Question**

1. What ae the variables that affect hotel reservation cancellations?

2. How can we make hotel reservations cancellations better?

3. How will hotels be assisted in making pricing and promotional decisions?

**Hypothesis**

1. More cancellations occur when prices ae higher.

2. When there is a longer waiting list, customers tend to cancel mare frequently.

3. The majority of clients are coming from offline travel agents to make their

reservations.

**Analysis and Findings**

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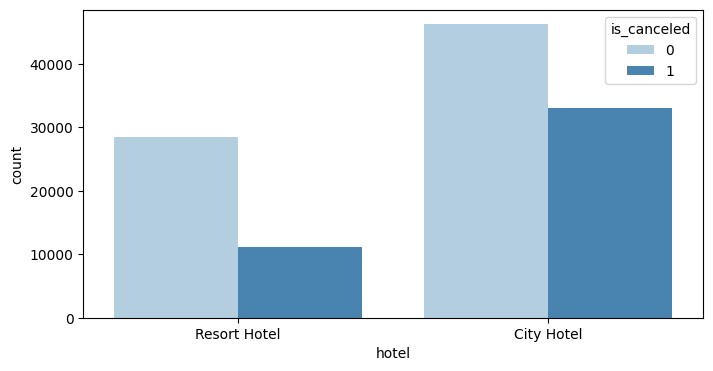
The accompanying bar graph shows the percentage of reservations that are cancelled

and those that are not. It Is obvious that there are still a significant number of

reservations that have not been cancelled. There are still 37% of clients who cancelled

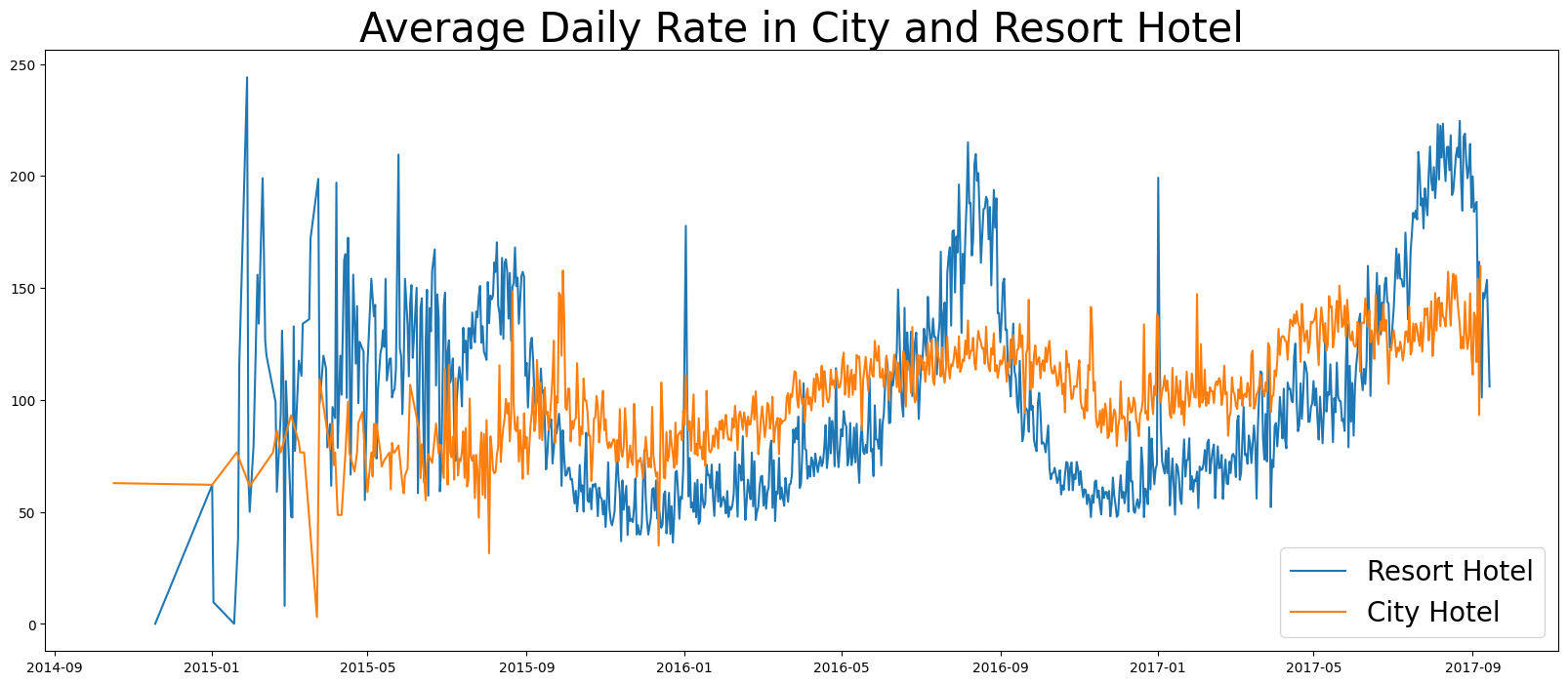
their reservation, which has a significant impact on the hotels earnings.

Reservation status in different hotels



In comparison to resort hotels, city hotels have more bookings. It's possible that resort

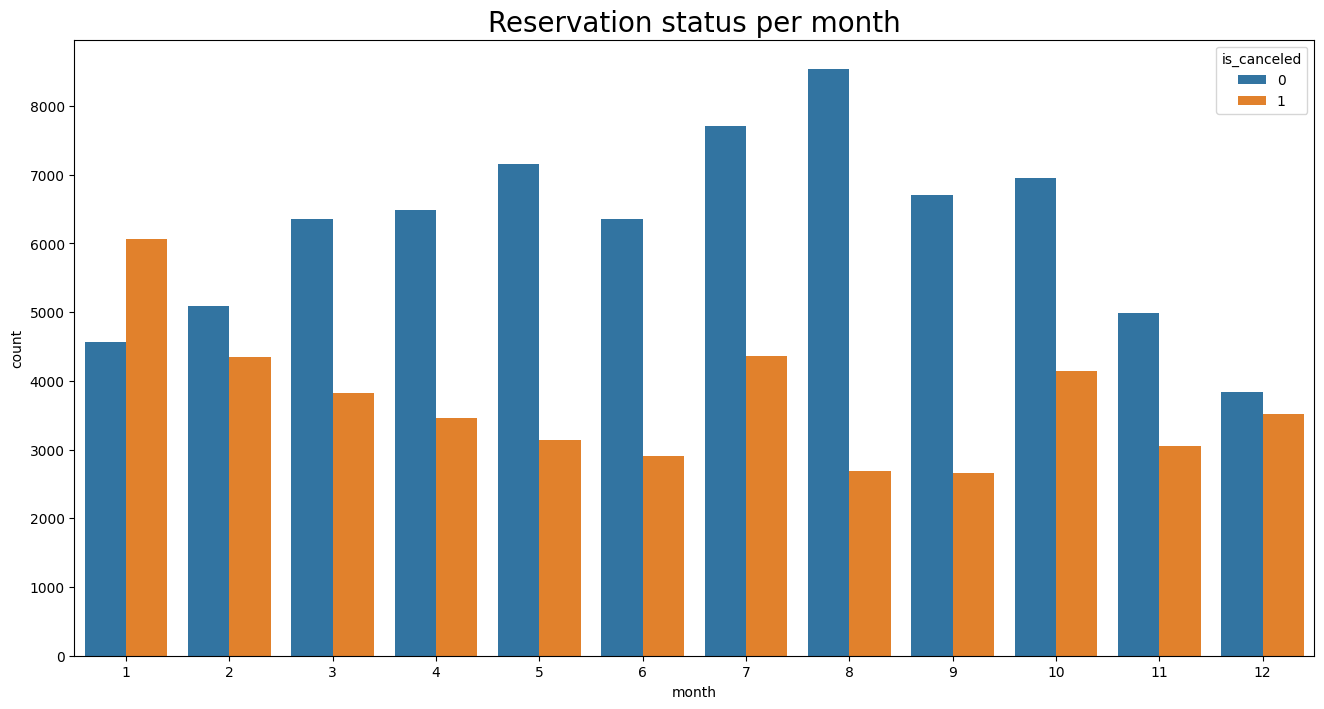
hotels are more expensive than those in cities.



The line graph above shows that, on certain days, the average daily rate for a city hotel

Is less than that of a resort hotel, and on other days, it is even less. It goes without

saying that weekends and holidays may see a rise in resort hotel rates.

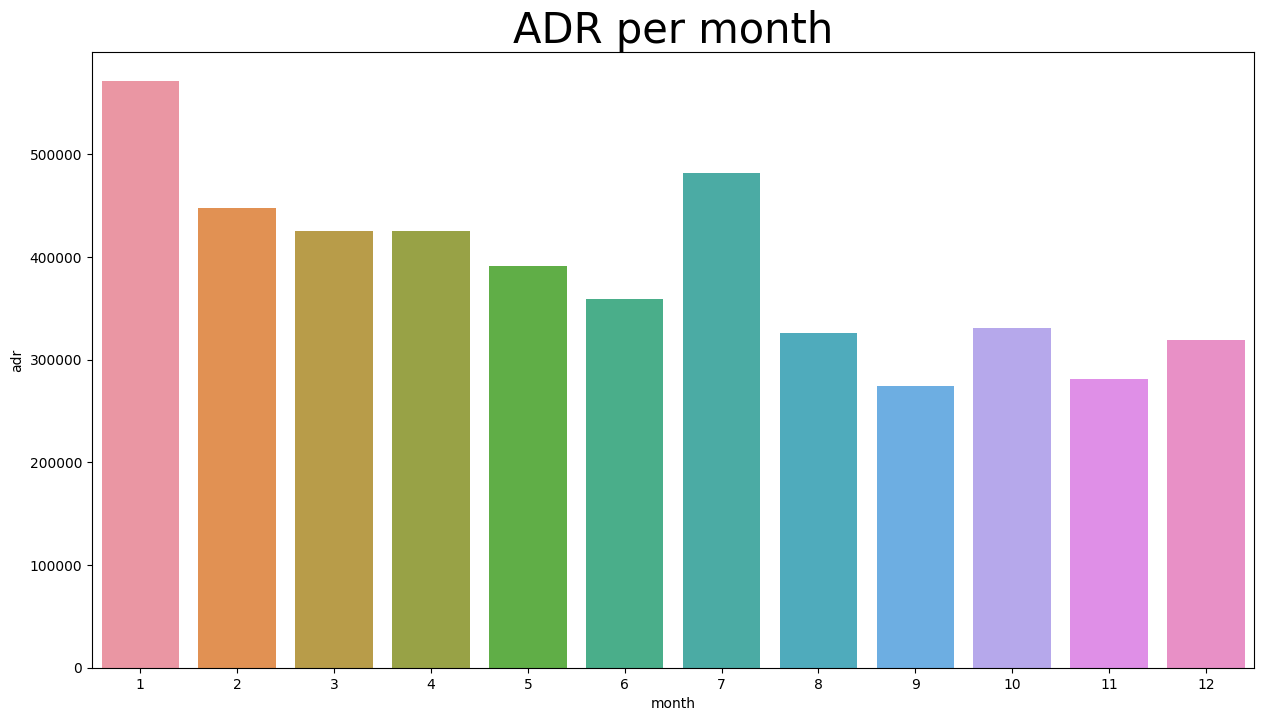


We have developed the grouped bar graph to analyse the months with the highest and

lowest reservation levels according to reservation status. As can be seen, both the

number of confirmed reservations and the number of cancelled reservations are largest

in the month of August. whereas January is the month with the most cancelled reservations.



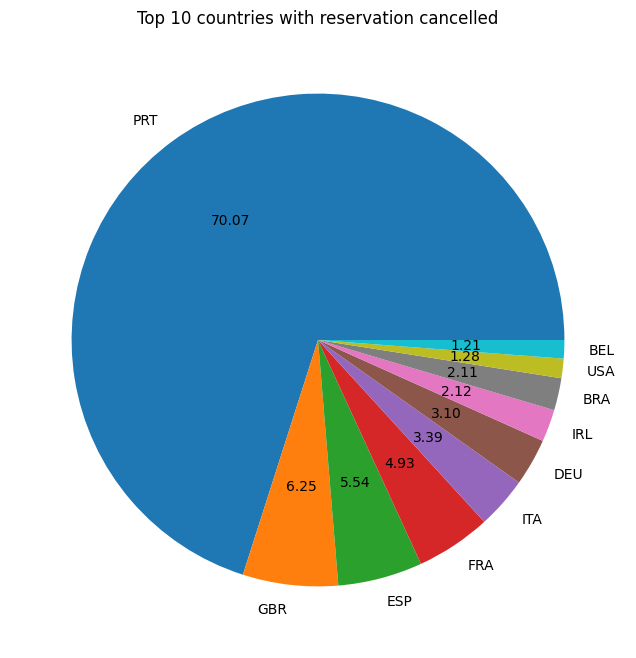
This bar graph demonstrates that cancellations are most common when prices are

greatest and are least common when they are lowest. Therefore, the cost of the

accommodation is solely responsible for the cancelation.

Now, let's see which country has the highest reservation cancelled. The top county is

Portugal with the highest number of cancellations.

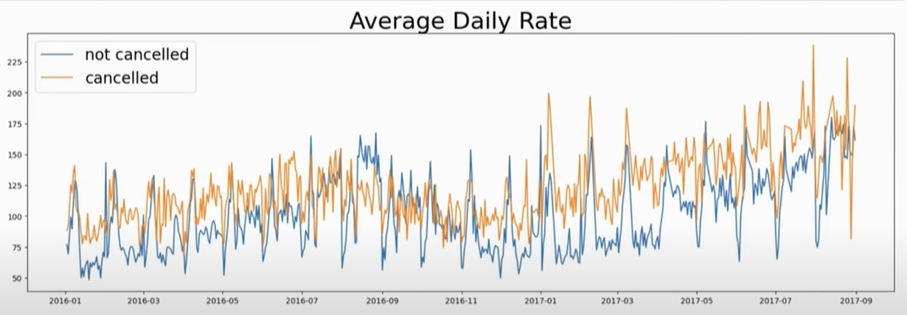


Let's check the area from where guests are visiting the hotels and making reservations.

Is it coming from Direct or Groups, Online or Offline Travel Agents? Around 46% of the

clients come from online travel agencies, whereas 27% come from groups. Only 4% of

clients book hotels directly by visiting them and making reservations.



As seen in the graph, reservations are cancelled when the average day rate is higher

than when it is not cancelled. It clearly proves all the above analysis, that the higher

rice leads to higher cancelation.

**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.

1. 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 hotels should provide a reasonable

discount on the room prices on weekends or on holidays.

1. In the month of January, hotels can start campaigns or marketing with a

reasonable amount to increase their revenue as the cancellation is highest in

this month.

1. They can also increase the quality of their hotels and their services mainly in

Portugal to reduce the cancelation rate.