

Business problem

In recent years city hotel and resort hotel have been seen high cancellation rates. Each hotel is now dealing with the number of issue as result include fewer revenue and less than ideal hotel room use. Consequently lowering cancellation rate is both hotels primary goal in order to increase they are efficiency in generating revenue and for us to offer through business advice to address this problem.

To analysis the hotel booking cancellation as well as other factor that have not bring on there business and yearly revenue generation are the main topic of this report.

Assumption

- No unusual occurrence between 2015 to 2017 will have a substantial impact on the data used.
- The information is still current and can be used to analyze a hotel's possible plans in an efficient manner.
- The hotels are not currently using any of the suggested solutions.
- The biggest factor affecting the effectiveness of earning income is booking cancellations.
- Cancellations results in vacant rooms for the booked length of time.

Hypothesis

- More cancellations occurs when price is high.
- When there is a longer waiting list customer tend to cancel more frequently.
- The online descriptions and photos of the hotel may not accurately reflect the actual conditions, causing guests to cancel when they see the real situation.



Hypothesis

- A suggested solution to the problem/question.
- If...Then...



Analysis and Findings

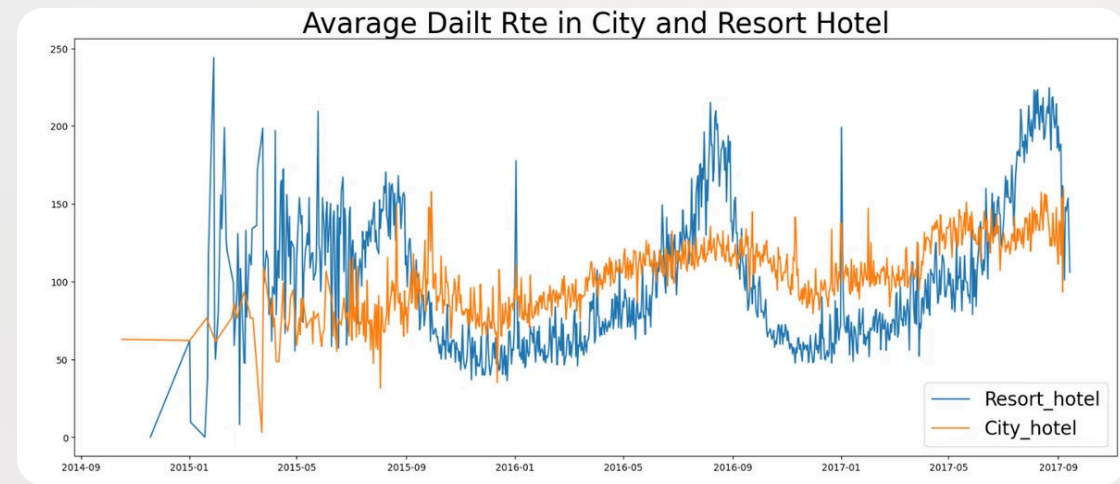
- The following bar graph shows The percentage of reservations that are canceled are significantly higher. It's obvious that still there are more number of reservation which are not canceled.



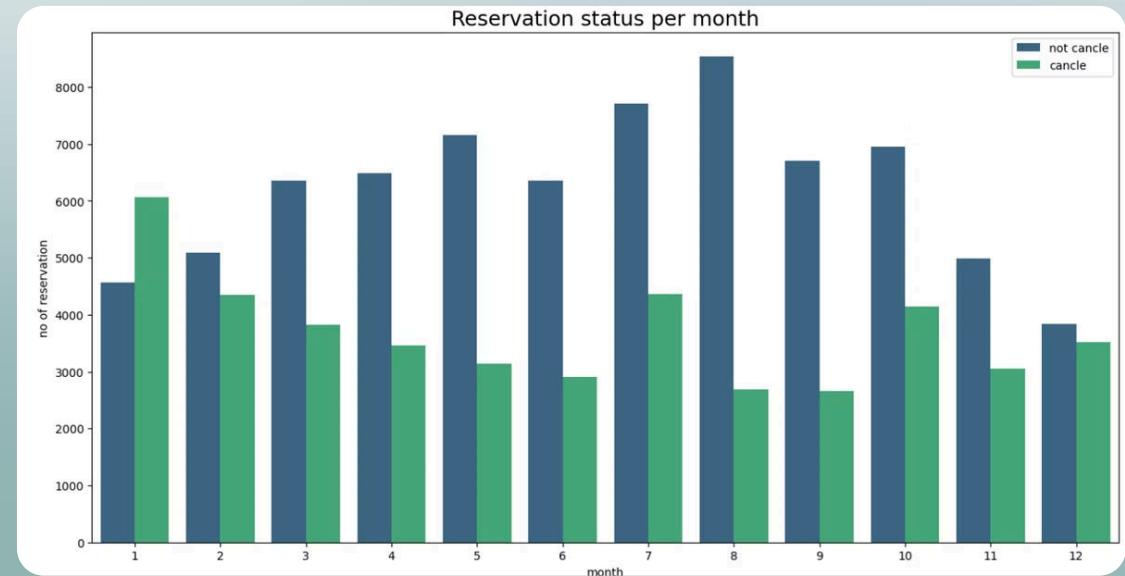
- In the following comparison of resort hotel and city hotel the reservation status is comparatively low because of high expensive.



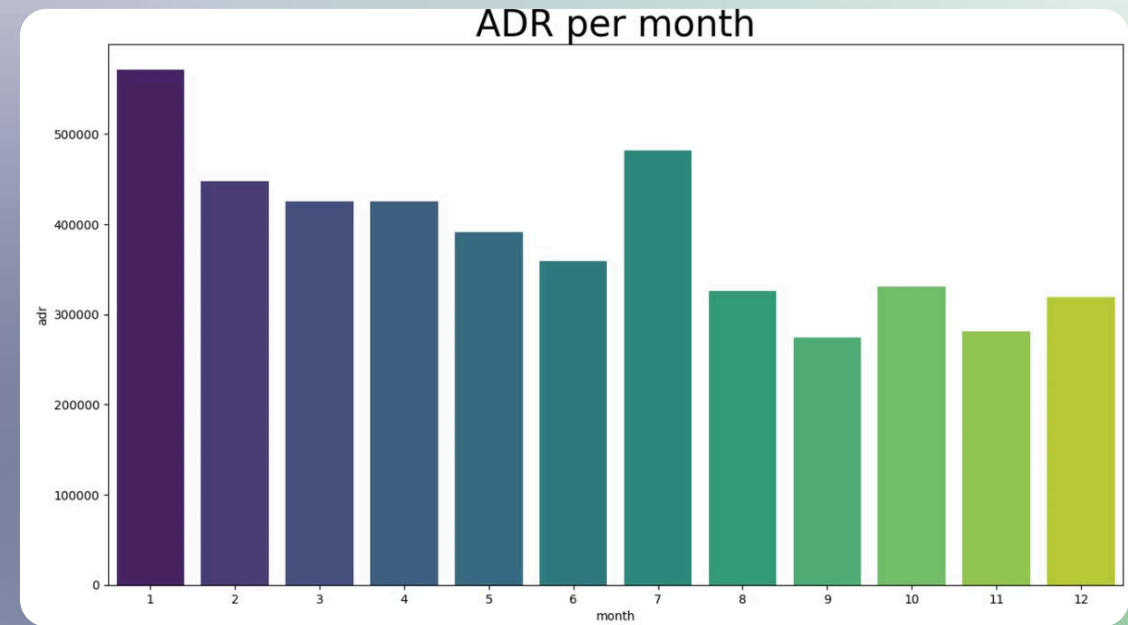
- The line graph shows that on certain days, the average daily rate for a city hotel is less than of that resort hotel and on other days, it's even less. It goes without sayin that weekends and holidays may see a rise in resort hotel rates.



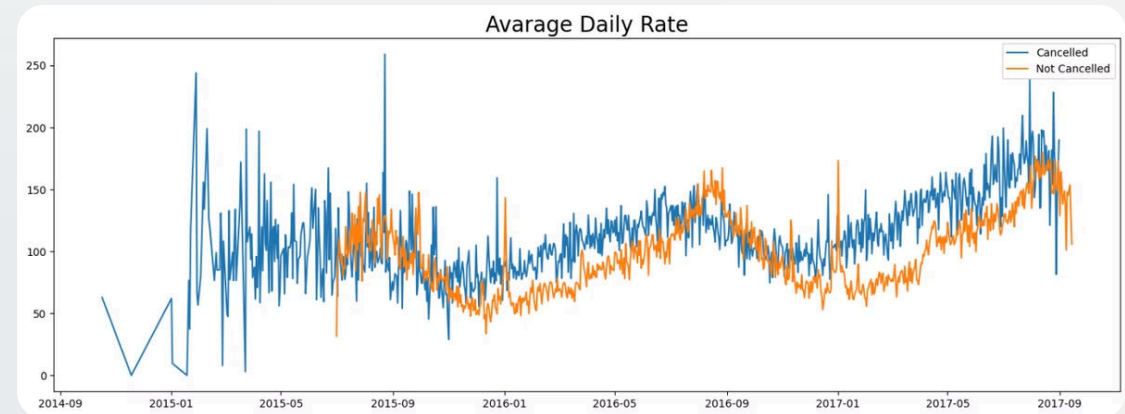
- We have developed the grouped bar graph to analyze the months with the highest and lowest reservation levels according to reservation status.
- As we can see month of August has highest reservation and also cancelation rate is low but January has highest canceled reservation.



- This bar graph demonstrates that cancellations are most common when price are greatest and least common when price are lowest.
- So the cost of the accommodation is solely responsible for cancellation.

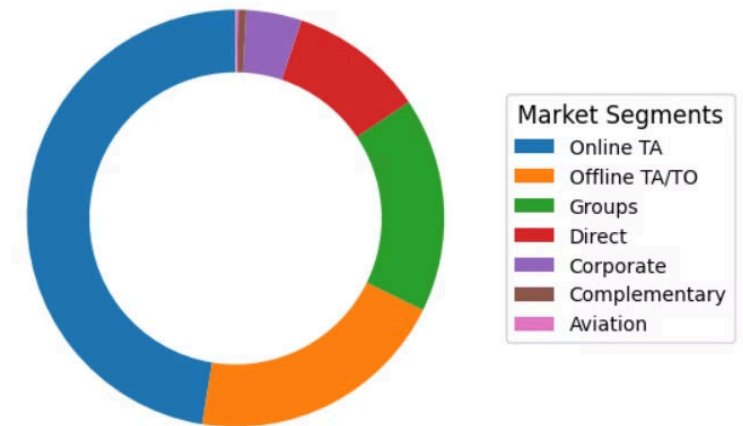


- As seen in the graph reservations are canceled when the average daily rate is higher than when it is not canceled.



- This report identifies a significant issue with higher cancellation rates for online bookings compared to offline bookings. The primary factor contributing to this problem is the discrepancy between the online hotel descriptions and the actual conditions of the hotel.

Distribution of Market Segments (Donut Chart)



Suggestions

- As the ratio of cancellation is high at resort hotels as compare to city hotel ,the resort hotels should provide a reasonable discount on the resort hotels on weekends and holidays.
- Cancellation rises as the price go high. In order to prevent cancellations of reservations hotel could work on their pricing strategies and try to lower the rates for specific hotels based on locations.
- The analysis indicates a high cancellation rate due to elevated hotel prices. Given that January is a peak travel season, offering discounts during this month could attract more guests and reduce cancellations. This approach is expected to improve occupancy rates and enhance customer satisfaction.
- Update the online hotel descriptions to accurately reflect the current conditions. Use high-quality images and detailed, honest information about the amenities and services offered.