Hospitality Business Analysis

Overview
Atliq Grands, a luxury hotel chain with 5-star properties across four Indian cities, has been in the hospitality industry for over 20 years. Recently, the chain has faced declining market share and revenue due to rising competition and ineffective management decisions. The company has provided past data of three-month bookings from May to July and wants insights on overall performance improvement , revenue growth and lesser cancellations in the future .

Business problems

1. How can dynamic pricing be optimized to maximize overall revenue while maintaining competitive room prices across weekdays, weekends, and peak seasons on various booking platforms ?
2. Which properties are performing low in the cities in terms of revenue and high cancellations?
3. What patterns emerge in customer booking behavior by city, weekday vs. weekend, and seasonality, and how can these insights inform long-term capacity planning ?
4. How can we track and improve the efficiency of revenue recovery ?
5. Identify platform-level inefficiencies and assess the different channels to prioritize company's spends.
6. What booking platforms contribute to the highest cancellations, and how can lead time and cancellation patterns be used to design better refund and pricing policies?

Key Findings , Insights and Strategy Recommendations

Calculated key metrics : RevPAR , ADR and compared them against the fluctuating room occupancy % trend . RevPAR = revenue earned per available room , ADR = Average price of sold room , occupancy % = ratio of rooms sold to rooms available .
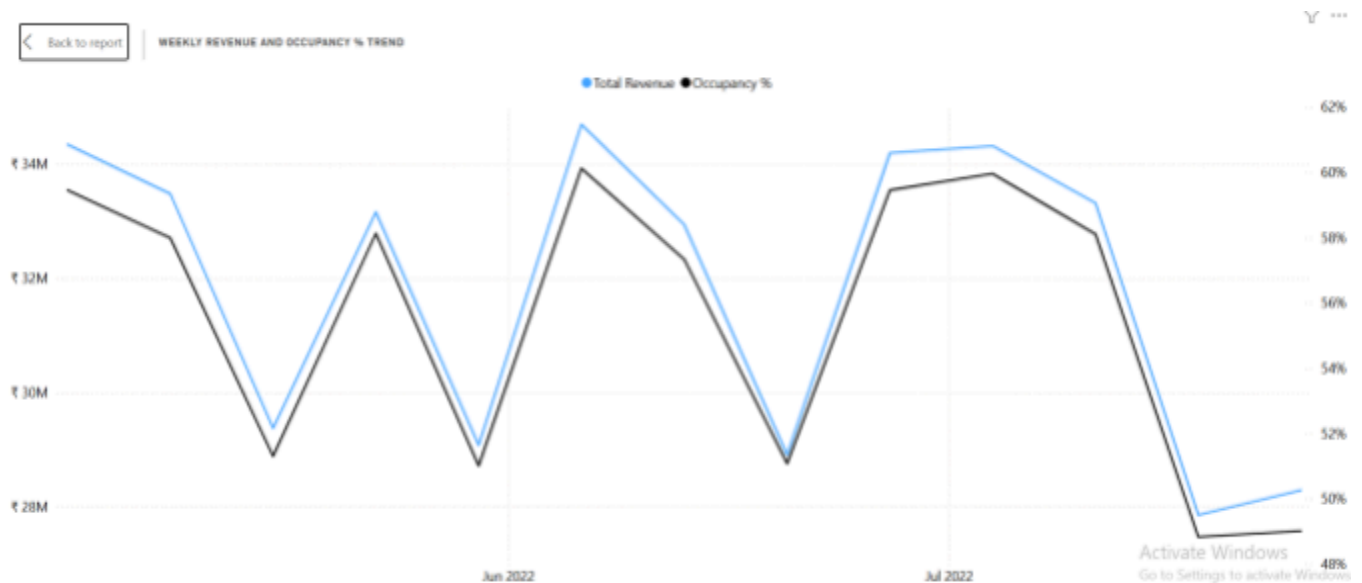
Bangalore Case
1. Analysis of booking trends of 6 hotels in Bangalore collectively shows that the occupancy % consistently drops to around **51%** , the lowest in the month during the third week of all months (May-July), while the **ADR (Average Daily rate)** remains flat at around **Rs. 13,000** during this low demand period .
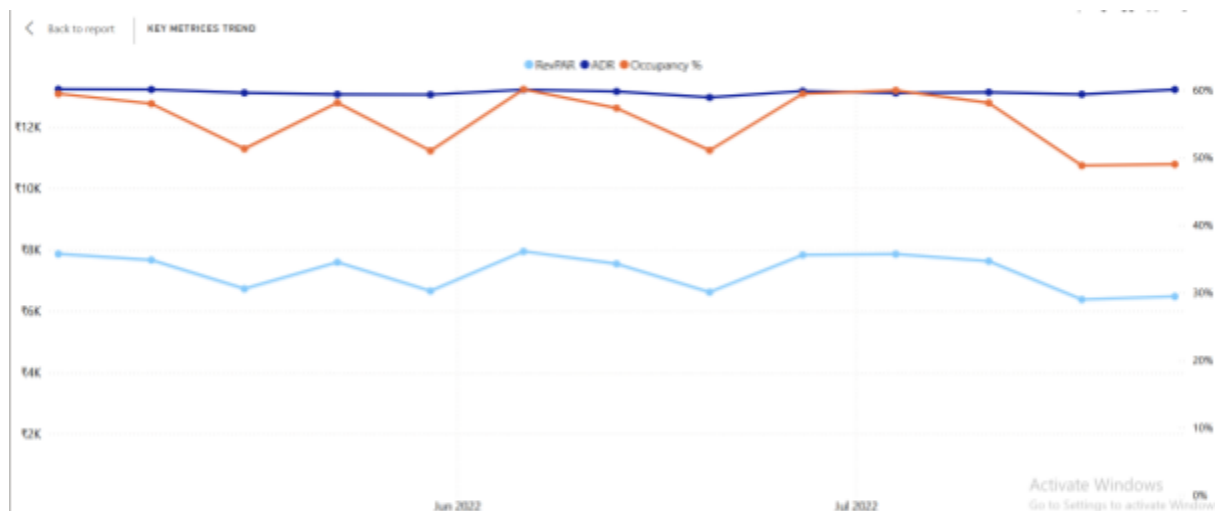
RevPAR, ADR , Occupancy % during May, June , July in Bangalore

2. Conversely, occupancy surges to around **64 %** during the first week of the month and in the last 5–6 days, yet **ADR** pricing **does not reflect** this demand increase and remains unchanged.

3. The total revenue of six hotels in Bangalore **closely mirrors occupancy percentage** trends. Periods of low occupancy % (50- 51 %) directly correspond to revenue drops, while occupancy surges (60 %) result in revenue spikes. This indicates that room pricing has remained **flat across all six properties**, without adjustment to fluctuations in demand.

Total revenue of 6 hotels mirrors occupancy % changes in Bangalore

Insights Based on Trend

1. ADR is **not aligned with occupancy trends**, resulting in **lost revenue opportunities** during high-demand weeks.
2. Flat pricing during low-occupancy periods fails to stimulate additional demand, leading to underutilized capacity.
3. The mismatch between **demand fluctuations and pricing strategy** indicates an opportunity for **dynamic price optimization**.

Strategy

1. Implementation of **dynamic pricing models** that adjust ADR in response to real-time occupancy trends to increase the revenue further substantially instead of just mirroring the occupancy percent surge.
2. **Raise ADR** during high-demand windows (start and end of the month) to maximize RevPAR.
3. **Introduce tactical discounts/promotions** in the third week of each month to stimulate demand and improve occupancy.
4. Combine pricing optimization with **targeted marketing campaigns** (e.g. weekday offers, loyalty promotions) during low-occupancy weeks to maintain a healthy occupancy baseline.

Weekend Vs. Weekday Trend in Delhi

1. During summer months (May - July), **occupancy rates** in Delhi hotels show a clear contrast: **76.7% on weekends vs. 53.7% on weekdays**.

2. However, despite significantly higher demand on weekends, **ADR dropped** slightly to ₹12,140 on weekends vs. ₹12,165 on weekdays.

3. **Realization %** remained steady at **~70%** on both weekends and weekdays . (realization % = No. of rooms utilized / No. of rooms booked) . The cancellation rate does not change according to day type (weekday vs. weekend)

Day Type	RevPAR	ADR	Occupancy %	Realization %
Weekday	₹6,535	₹12,165	53.7%	70.08%
Weekend	₹9,315	₹12,140	76.7%	69.97%
Total	**₹7,329**	**₹12,156**	60.3%	70.04%

Weekend vs. Weekday Booking Trend

Insights

1. The company has failed to incorporate weekend vs. weekday pricing of hotel rooms in Delhi.

2. The mismatch between **higher weekend demand and lower ADR** highlights a gap in pricing optimization.

3.Hotels are failing to leverage weekend surges, missing revenue opportunities despite higher occupancy % .

Strategy

1.Include weekend- weekday pricing strategy to leverage weekend surges and improve occupancy % on weekdays.

2. Inflating room prices on weekends to leverage the demand surge and lowering room prices on weekdays , especially in mid of the week to increase occupancy % .

Mumbai Case

Analysis of July data for Mumbai properties highlights a **positive correlation** between avg. customers ratings and rooms occupancy:

Low-rated hotels (avg. rating 2.3) reported the lowest occupancy at ~44.5%.

Mid-rated hotels (avg. rating 3.0) improved occupancy to ~52.7%.

High-rated hotels (avg. rating 4.3) achieved the highest occupancy at ~66%.

Avg. Rating and Occupancy % by Property
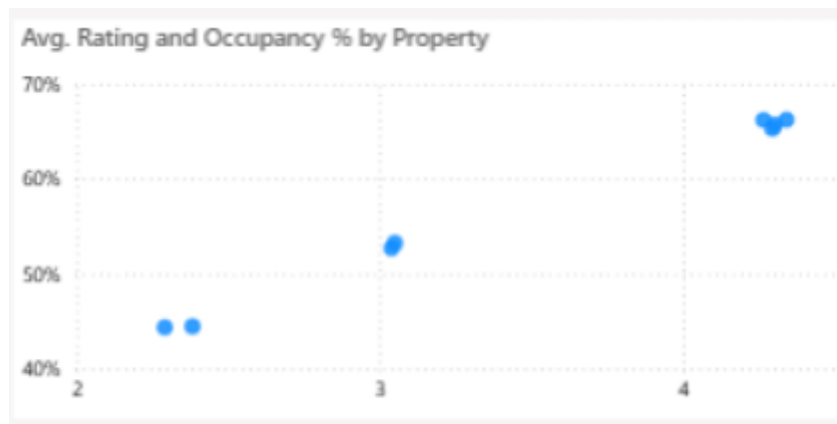
Positive Correlation between Avg. rating and rooms occupancy

Insights

1. Customer booking preference is strongly influenced by **perceived room quality , images on online platforms , services and customer reviews .**

2.**Higher-rated** properties consistently **attract stronger demand**, while lower-rated properties struggle to achieve baseline occupancy.

3.Occupancy gaps of **20+ percentage points** across rating tiers signal a **direct revenue impact** of service quality.

Strategy

1.Identify the issues with low rated hotels : online presence updation , improving services, staff management , customer experience reviewing etc.

2. Launching **rating improvement initiatives** at lower-performing hotels through staff training, guest experience enhancements, and targeted facility upgrades.

3.Use **occupancy-linked pricing models**—slight ADR reductions at lower-rated hotels during off-peak periods may help close the occupancy gap.

4. Promote high-rated properties more aggressively in **premium marketing campaigns**, leveraging strong ratings as a competitive differentiator.

Bad rating leads to lower RevPAR (revenue per available room)

Analysis of May month data shows Mumbai properties with very low rating ~2.3 could only generate RevAPR of around Rs.7,350-Rs.7800 , while good rated properties generated much higher RevPAR Rs.9500-Rs.10,500 .

Property Id	Name	city	Revenue	Bookings	RevPAR	ADR	Occupancy %	Realization %	DSRN	Cancelation %	Avg. Rating
17561	Atliq Blu	Mumbai	₹24M	1,675	₹9,500	₹14,463	65.7%	71.22%	85	23.2%	4.3
17564	Atliq Seasons	Mumbai	₹21M	1,290	₹7,350	₹16,580	44.3%	71.01%	97	24.3%	2.3
17558	Atliq Grands	Mumbai	₹25M	1,656	₹8,084	₹14,939	54.1%	70.95%	102	24.3%	3.1
17559	Atliq Exotica	Mumbai	₹31M	2,009	₹10,124	₹15,269	66.3%	70.93%	101	24.5%	4.4
16559	Atliq Exotica	Mumbai	₹38M	2,374	₹10,519	₹16,085	65.4%	70.56%	121	24.5%	4.3
17560	Atliq City	Mumbai	₹29M	1,969	₹7,806	₹14,629	53.4%	70.19%	123	24.9%	3.1
17563	Atliq Palace	Mumbai	₹33M	2,059	₹10,548	₹15,984	66.0%	68.97%	104	25.4%	4.3
17562	Atliq Bay	Mumbai	₹17M	1,116	₹6,730	₹15,017	44.8%	67.11%	83	26.5%	2.3
Total			₹218M	14,148	₹8,892	₹15,386	57.8%	70.22%	816	24.7%	3.7

Mumbai properties data in May

Hyderabad Case

Atliq Palace in Hyderabad recorded distinct booking behavior in July based on lead time:

1. **Last-minute** bookings (0–1 days lead time) dominated, with 500+ bookings, but showed a low-medium cancellation rate of 25–29%.
2. **Early-bird** bookings (7–20+ days lead time) were very few (18–23), but cancellations were disproportionately high, with 30–40% cancellations beyond 20 days.
3.**Medium lead time** bookings (3–4 days) exhibited the lowest cancellation rate at 20–21%, suggesting greater booking reliability.
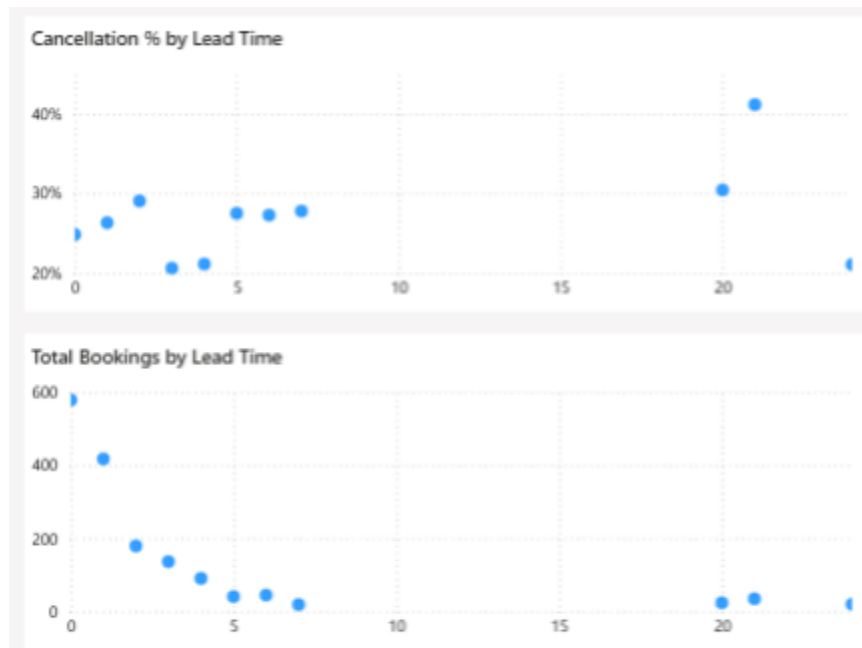
Atliq palace Rooms Cancellations and Bookings by Lead Time

Insights

1.Guests in Hyderabad show a strong preference for **last-minute bookings**, but these are riskier due to higher cancellations.

2. **Early bookings are not translating into guaranteed revenue**, as cancellation rates rise significantly with longer lead times.

3.The **3–4 day lead time segment** appears to be the "sweet spot" with both reasonable volume and the lowest cancellation risk.

**Pricing Strategy and ADR optimization as per lead time**

1. Increase ADR for **last-minute bookings** (0–1 days) by 5–10%, since demand is high but cancellations are common, even after cancellations, realized RevPAR improves.
2. Offer **slight ADR discounts (2–4%) for 3–4 day** lead time bookings to **attract** more volume in this reliable segment and stabilize occupancy. Float discounted rating and heads up for price hike in future so that customers see it as a great deal available for a short time only and would be tempted to buy it out of fear of missing out .
3. Introduce **lowest prices** (discounted 8-10%) for **early bird bookings** to attract maximum customers and boost **advance bookings** for smooth hotel functioning and staff planning . Cancellations policy should be devised such that bookings cancelled 5-6 days before check-in date would get maximum refund as then the room would go under 5 days lead time category. Booking cancelled 3-4 days before check-in date, only 30 % refund and after that no refund policy .

Delhi Atliq Palace Case Weekend Vs. Weekday Demand

1. .Across May–July, weekend room occupancy consistently ranged between **75–91%**, far above the overall average occupancy of **65.2%**.

2..On weekdays, occupancy fell **below average** which reflected weaker demand.

3.Despite this clear demand contrast, **ADR remained relatively flat** and in fact dropped on weekends, indicating **inefficient pricing strategy**.
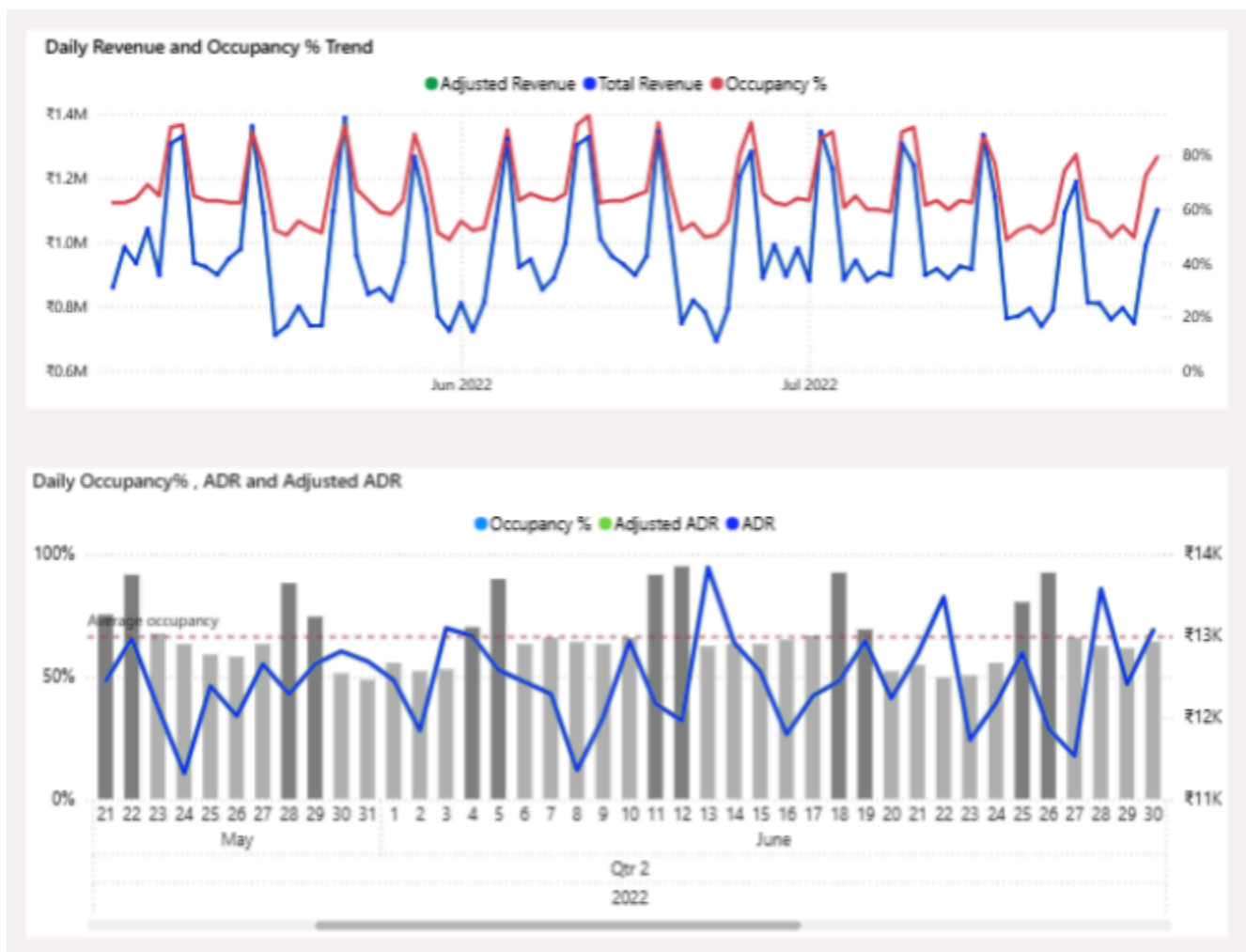
Delhi Atliq Palace room occupancy% trend on Weekend Vs. Weekday , Unoptimized ADR Pricing
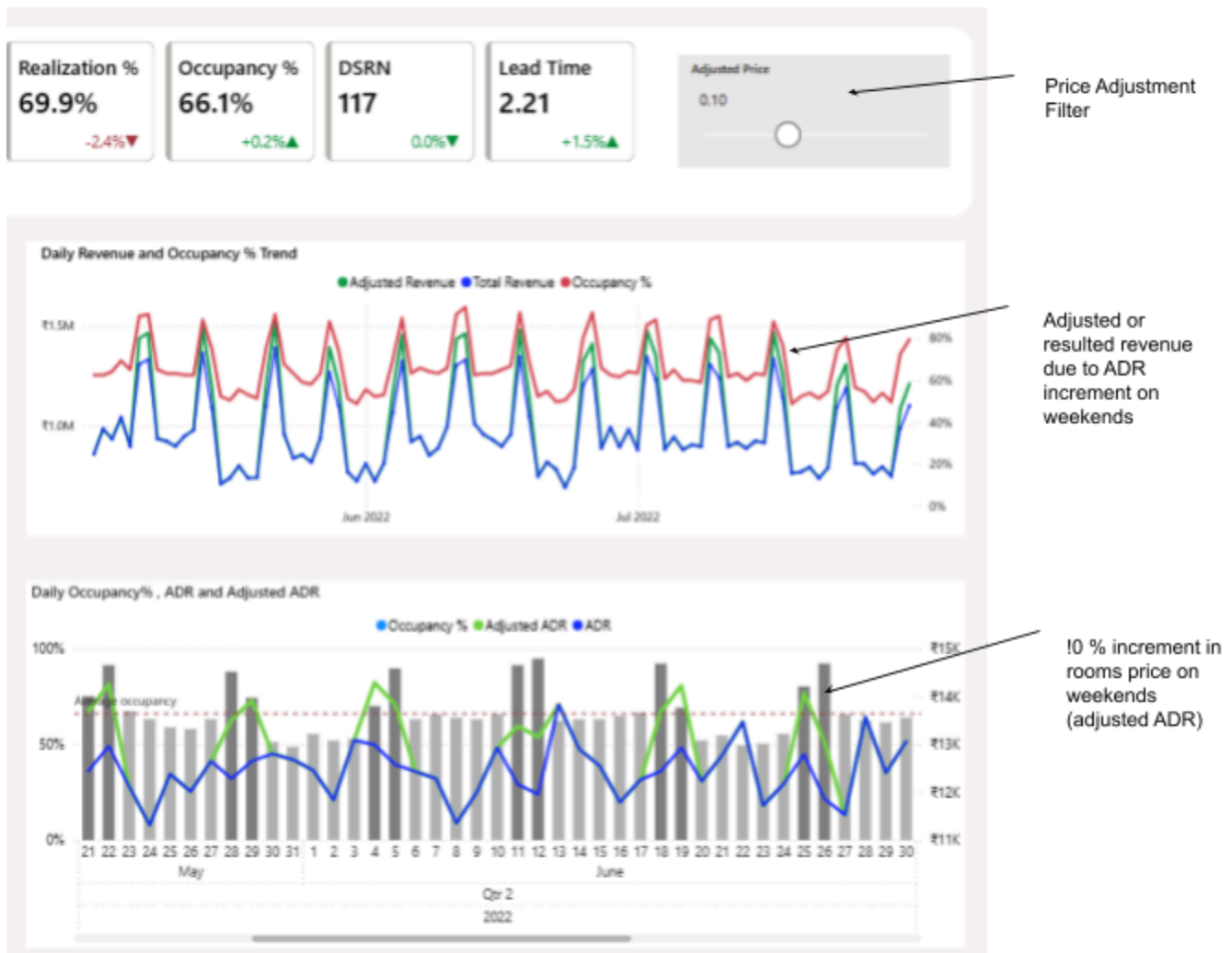
Dynamic Pricing Model Strategy

Devise **day-type based pricing logic** for revenue management

Weekend = Premium ADR strategy

Weekday = Competitive ADR + promotion strategy

Track **revenue uplift by day-type** as the primary success KPI .

To simulate the above day-type pricing and track revenue increment because of ADR increment on weekends (inflated rooms prices on weekends) , I have created a dynamic visualization with a filter to set the price of rooms , adjusted price (price increment %) . Stakeholders can visualize how much increment in ADR on weekends results in increased revenue on weekends .

Price Adjustment Filter

Adjusted or resulted revenue due to ADR increment on weekends

!0 % increment in rooms price on weekends (adjusted ADR)

Booking Platform Assessment
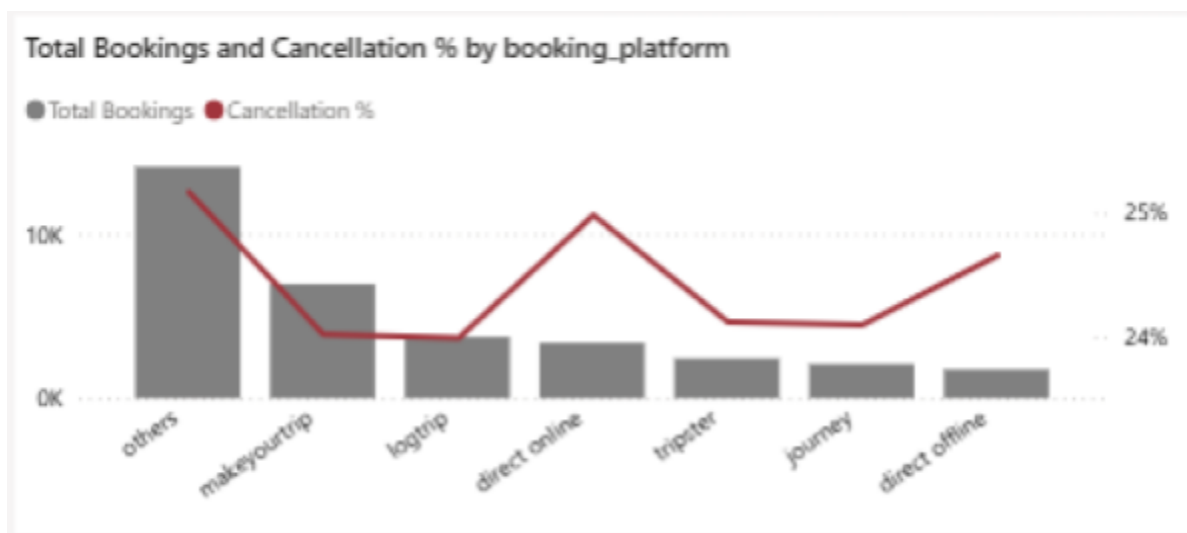
Hyderabad Case

- **Across all three months, platform revenue rankings remained consistent:**

    1. Others
    2. Makeyourtrip
    3. Logtrip
    4. Direct Online
    5. Tripster
    6. Journey
    7. Direct Offline

The "Others" platform generated the highest revenue but also showed the highest cancellation rate **(25.2%)**. Logtrip, ranked 3rd in revenue, had the lowest cancellation rate **(24%)**, suggesting relatively stable bookings.

| Booking Platform	Revenue	Bookings	Bookings % of Total	ADR	Realization %	Cancelation %	Average of Lead Time
direct offline	₹ 17M	1,748	5.1%	₹9,447	71.40%	24.7%	3.79
direct online	₹ 31M	3,374	9.8%	₹9,216	70.18%	25.0%	4.00
journey	₹ 19M	2,075	6.0%	₹9,317	70.99%	24.1%	3.86
logtrip	₹ 35M	3,731	10.9%	₹9,354	70.76%	24.0%	3.73
makeyourtrip	₹ 65M	6,937	20.2%	₹9,409	70.88%	24.0%	3.91
others	₹ 131M	14,088	41.0%	₹9,276	69.76%	25.2%	3.79
tripster	₹ 23M	2,413	7.0%	₹9,341	70.16%	24.1%	3.88
Total	₹ 320M	34,366	100.0%	₹9,321	70.32%	24.6%	3.84

Booking Platforms metrics across three months in Hyderabad

Total Bookings and Cancellations % by Booking platforms across three months in Hyderabad

Week Over week Growth

In the **28th week of the year**, **Tripster** recorded the **highest** week-over-week **(WoW) revenue growth** of **123.4%** compared to the previous week.
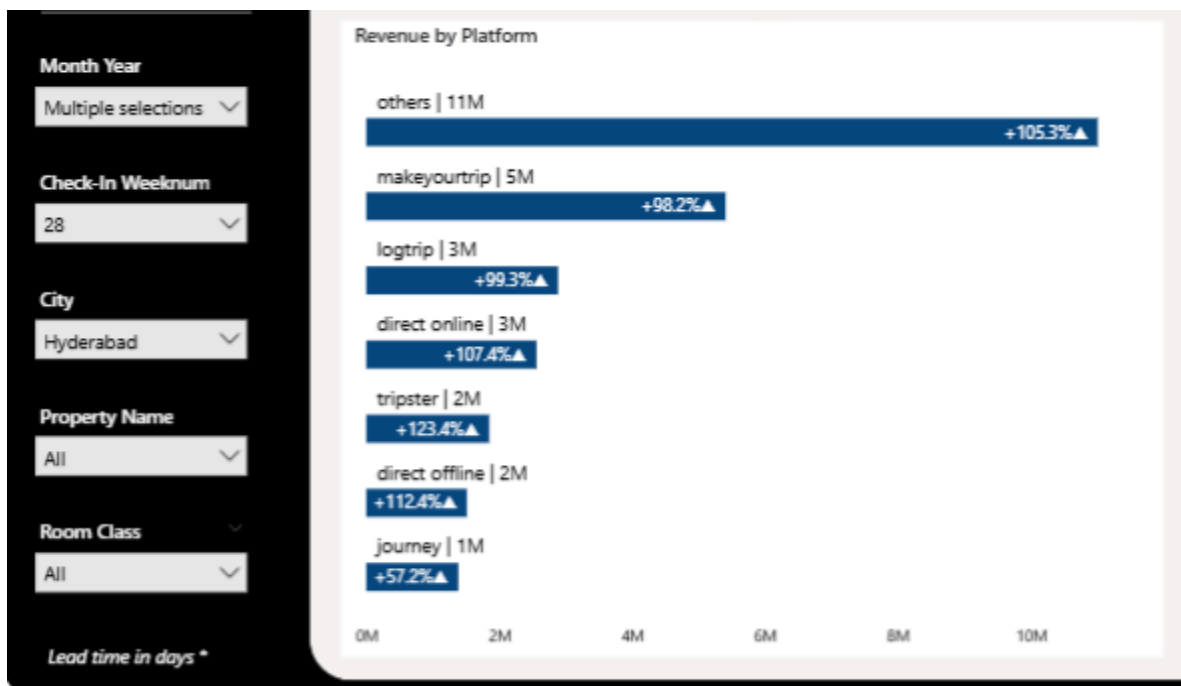
Tripster showed the highest WoW Growth in 28th Week of the year 2022

ADR and Realization% by Platforms for Hyderabad City across 3 months

Strategy

The Direct Online channel currently ranks **4th** in total bookings and faces a high cancellation rate of **25%**.To reduce other platform dependency and avoid **third-party commission costs**, the company should **strengthen** its **direct booking channel** through:

1.Onboarding Incentives – Offer **discount coupons** to first-time users booking directly via the website/app.

2.Loyalty Discounts – Provide **exclusive additional discounts** to regular customers to attract more customers and increase total bookings.

3.Revenue Advantage – With ADR **already lower** on **Direct Online**, the discount strategy remains cost-effective while making the channel more attractive compared to intermediaries.