

Hotel Booking Cancellation

Business Problem

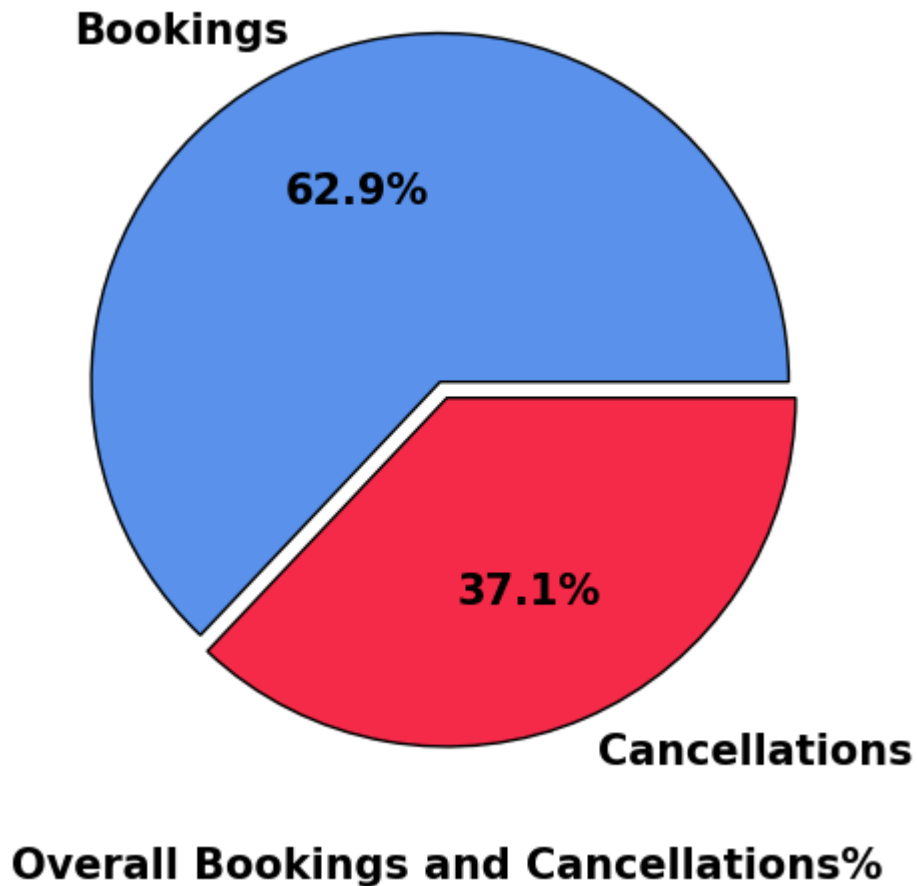
In recent years, City Hotel and Resort Hotel have seen high cancellation rates. Each hotel is now dealing with a number of issues as a result, including fewer revenues and less than ideal hotel room use. Consequently, lowering cancellation rates is both hotels' primary goal in order to increase their 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.

Research Question

1. What are the variables that affect hotel reservation cancellations?
2. How can we make hotel reservations cancellations better?

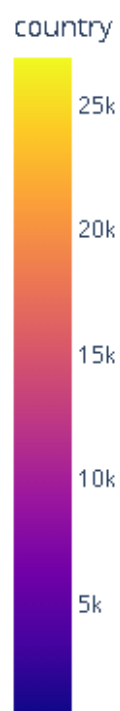
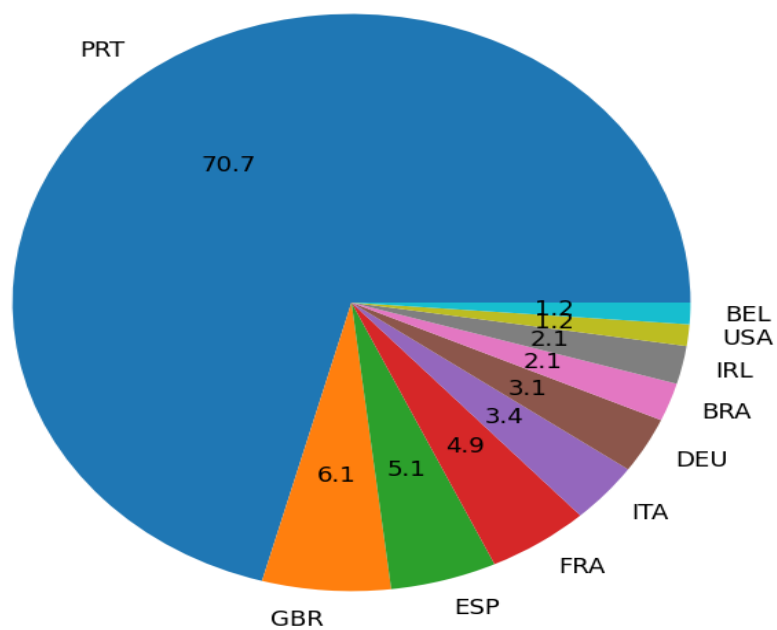
Analysis and Findings

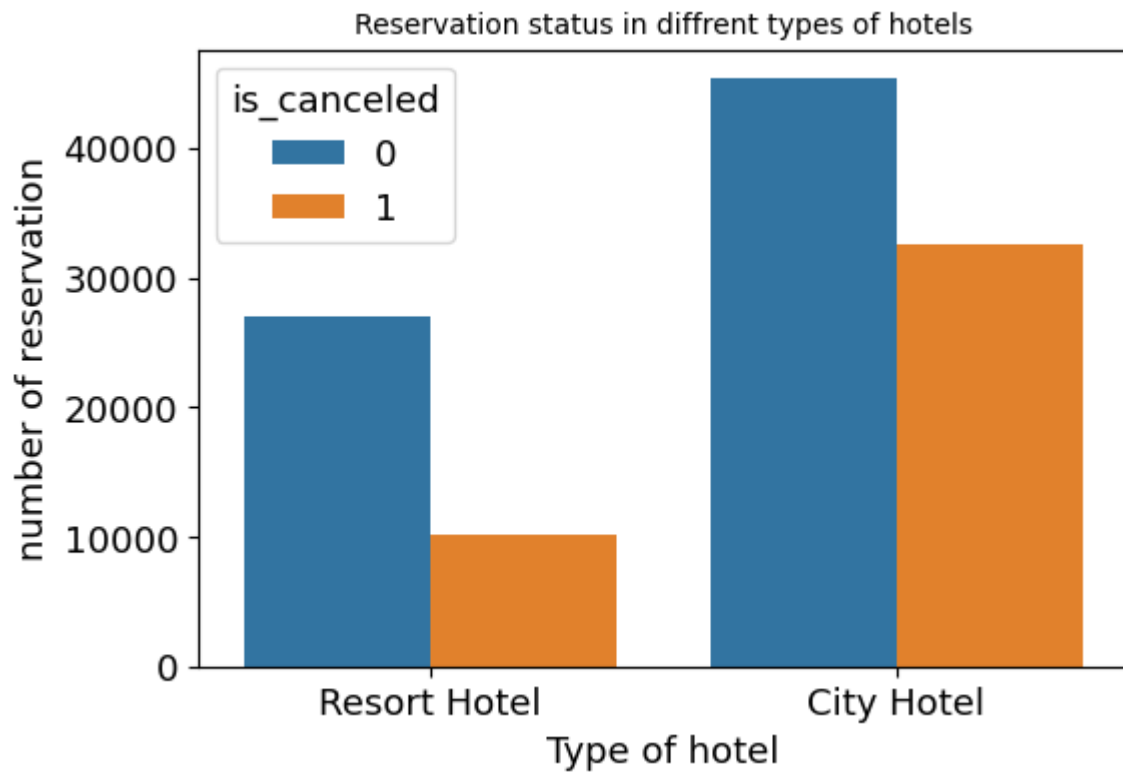


The accompanying Pie chart shows the percentage of reservations that are cancelled and those that are not. It is obvious that there are still a significant number of reservations that have not been cancelled. There are still 37% of clients who cancelled their reservation, which has a significant impact on the hotels' earnings.

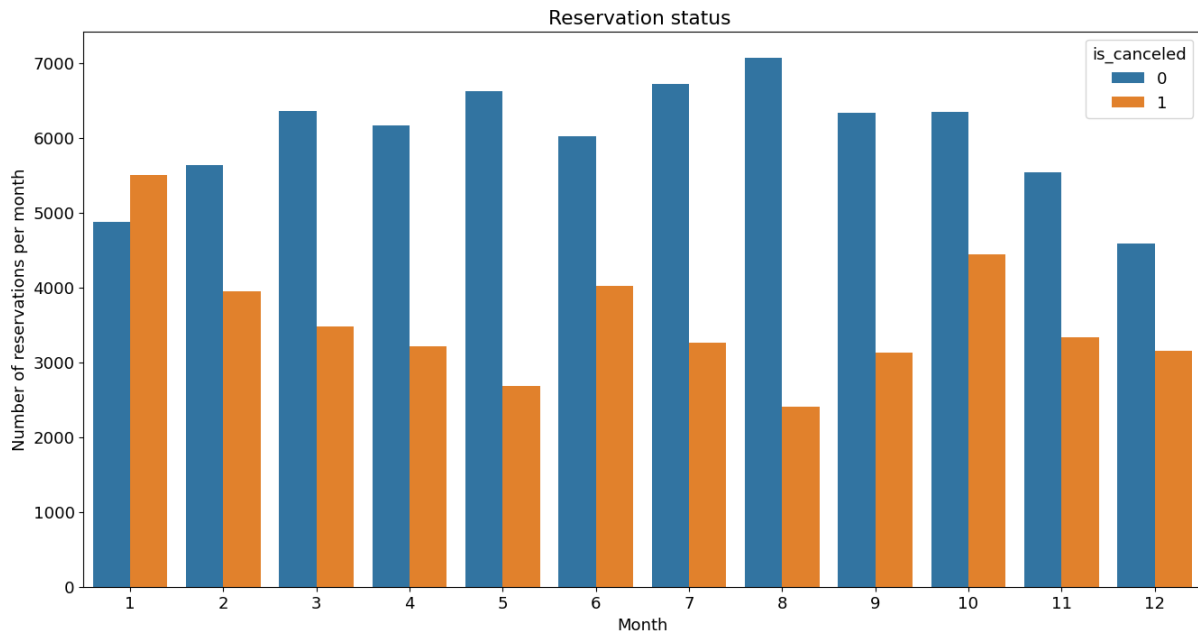
Visualising top 10 countries with highest cancelation rate

Top 10 countries with reservation canceled

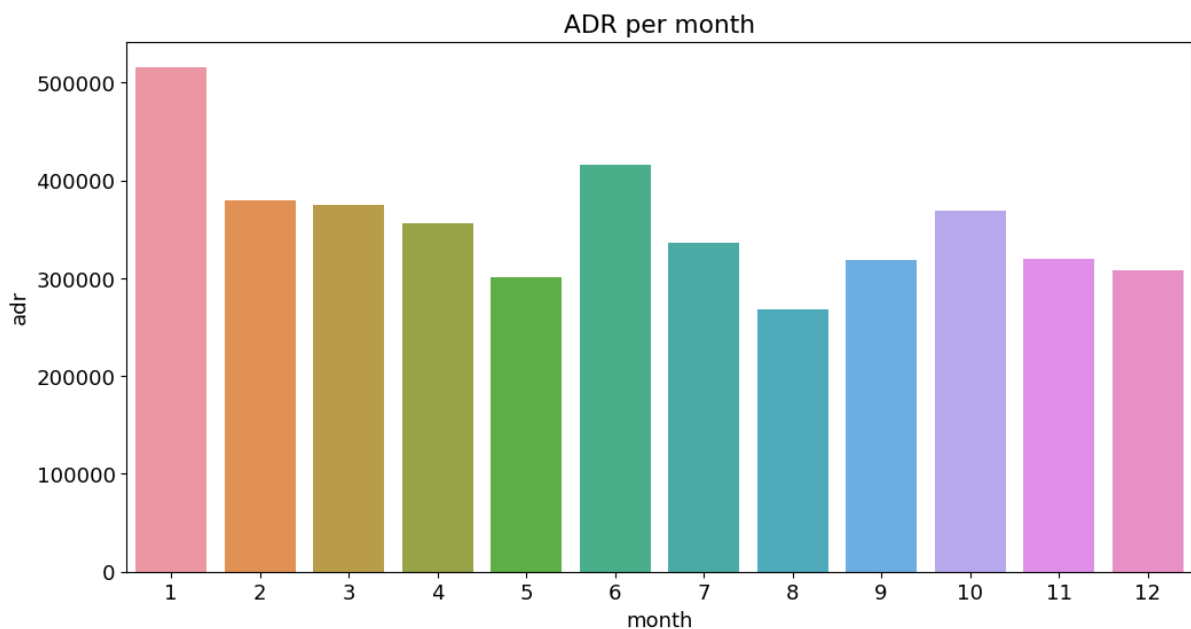




In comparison to resort hotels, city hotels have more bookings. It's possible that resort hotels are more expensive than those in cities.

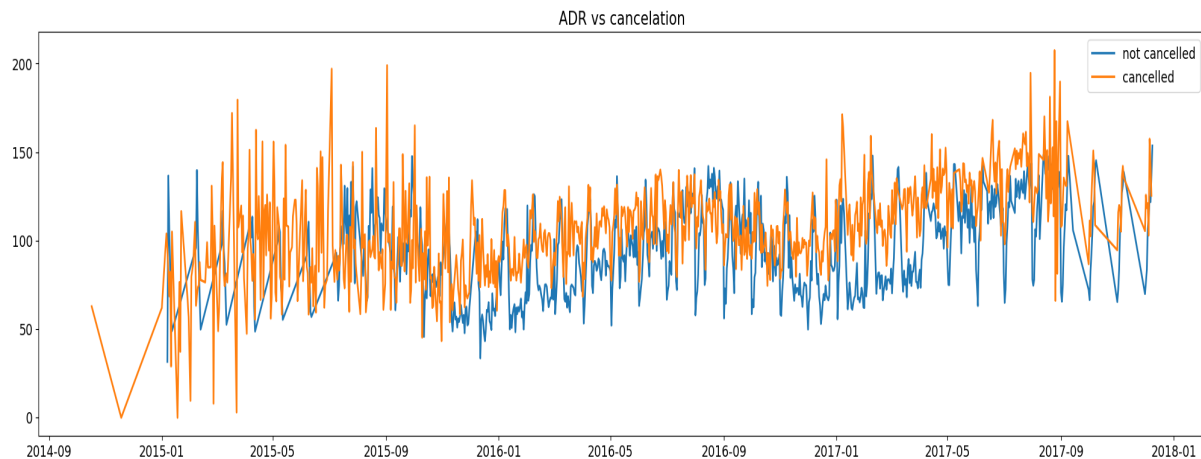


We have developed the grouped bar graph to analyse the months with the highest and lowest reservation levels according to reservation status. As can be seen, both the number of confirmed reservations and the number of cancelled reservations are largest in the month of August. whereas January is the month with the most cancelled reservations.

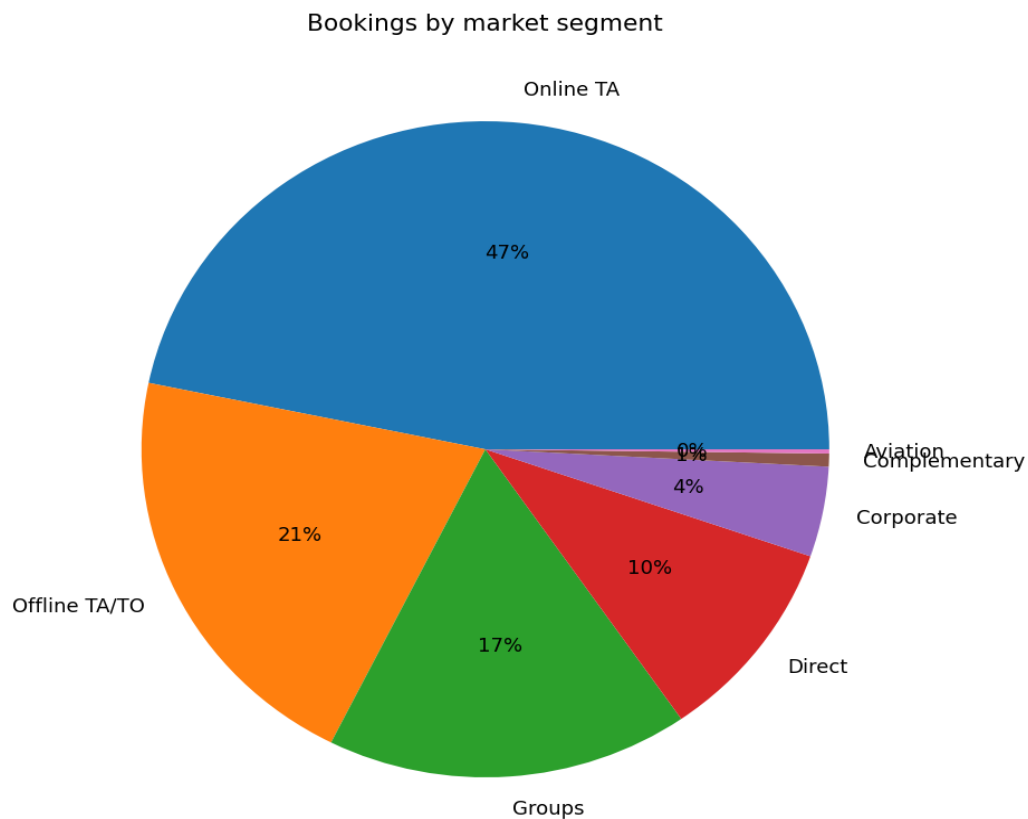


This bar graph demonstrates that cancellations are most common when prices are greatest and are least common when they are

lowest. Therefore, the cost of the accommodation is solely responsible for the cancellation.



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



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.

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 hotels 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 the cancellation is the highest in this month.**
- 4, They can also increase the quality of their hotels and their services mainly in Portugal to reduce the cancellation rate.**