DASHBOARD DOCUMENTATION

# Splendor Hotel Group: Bookings, Cancellations and Revenue Loss

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Power BI Desktop · DAX

| 119,390 | $29.6M | 44,224 | $13.1M |
|---|---|---|---|
| bookings | revenue | cancelled bookings | revenue lost to cancellations |

> A practice dashboard built on a training dataset. It is not client data. Figures are quoted as they appear on the report. Splendor Hotel Group is the case-study name used in the report.

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## 01 THE STORY BEHIND THE REPORT

> *Imagine a hotel where nearly four in ten bookings are cancelled. The rooms sit empty, the staff are rostered and the revenue never arrives.*
>
> *The manager wants three answers: when do guests come, who books and how, and what makes them cancel.*

Splendor Hotel Group wants to understand its booking patterns, guests and distribution channels, why bookings are cancelled, and where it makes and loses the most revenue.

## 02 WORDS USED IN THIS DOCUMENT

| Word | What it means |
|---|---|
| **KPI** | Key performance indicator: one number that says how the business is doing, such as total sales or churn rate. |
| **ADR** | Average daily rate: the average price paid for a hotel room for one night. |
| **Lead time** | The number of days between making a booking and arriving. |
| **Distribution channel** | How the booking was made: an online travel agent, an offline travel agent, direct, corporate or undefined. |
| **Customer type** | Transient (an individual), Transient-Party, Contract or Group. |
| **Deposit type** | No Deposit, Non Refundable or Refundable. |
| **Revenue loss** | Revenue from bookings that were cancelled. |

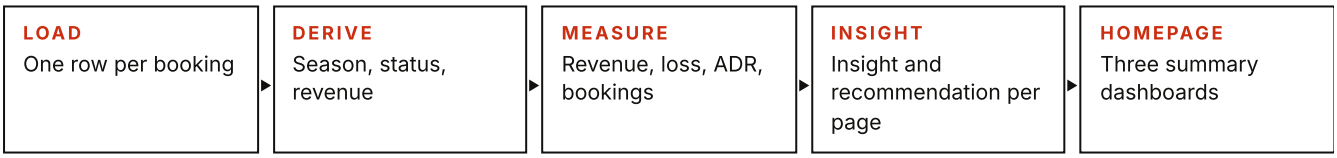
## 03 WHAT THIS REPORT IS

| Item | Detail |
|---|---|
| **Author** | Temidayo Sunday Alade |
| **Tool** | Power BI Desktop |
| **Data** | Hotel bookings from 2013 to 2017, with guest country, channel, deposit, lead time, price and status |
| **Pages** | Overview, KPIs, booking patterns, customer behaviour, cancelled analysis, geography, time to event, and three homepage dashboards |
| **Filters** | Hotel (city or resort), year, season |

## 04 THE QUESTIONS THE REPORT ANSWERS

| Question | Where it is answered |
|---|---|
| **How many guests and how much revenue?** | KPI page |
| **When do guests come?** | Bookings by season and year |
| **How do they book?** | Bookings and lead time by channel and customer type |
| **Where do they come from?** | Top five countries by revenue and guests |
| **Why do bookings fail?** | Cancelled bookings by deposit and customer type; lead time by status |
| **Which countries earn and lose the most?** | Geographical table |

## 05 HOW IT WAS BUILT




1. Load the booking records: hotel, arrival date, lead time, nights, guests, country, channel, customer type, deposit type, daily rate and cancellation status.
2. Prepare the fields the report needs, such as the season, and mark the revenue that belongs to cancelled bookings as the revenue loss.
3. Write measures for the number of bookings, guests, cancelled bookings, revenue, revenue loss, revenue per night, average daily rate and net revenue by country.
4. Build one page for each question with a short insight and a recommendation.
5. Build the homepage dashboards, with a hotel, year and season filter, that bring the main charts onto a single page.

## 06 HOW THE NUMBERS ARE WORKED OUT

### THE CORE CALCULATIONS

```
revenue loss     =  revenue of cancelled bookings
net revenue      =  revenue − revenue loss
cancellation rate  =  cancelled bookings ÷ all bookings
```

| Check | Working | Result |
|---|---|---|
| Net revenue | $29,600,597 − $13,122,900 | $16,477,697 |
| Cancellation rate | 44,224 ÷ 119,390 | 37.0% |
| Bookings by season | 39,324 + 29,819 + 26,396 + 23,851 | 119,390 |
| Bookings by channel | 74,072 + 23,991 + 14,645 + 6,677 + 5 | 119,390 |
| Bookings by year | 1 + 2,636 + 31,645 + 58,543 + 26,565 | 119,390 |

> **An everyday example.** Cancelled bookings are 37.0 per cent of bookings but carry 60.89 per cent of all lead-time days. Cancelled bookings therefore have about 2.7 times the lead time of the bookings that were kept. Bookings made far in advance are the ones most likely to be cancelled.

## 07 WHAT IT FOUND

Winter is the peak. 39,324 bookings come in winter, against 29,819 in autumn, 26,396 in spring and 23,851 in summer. The report links the peak to the Christmas and New Year holidays.

Online travel agents bring most of the business. They make 74,072 of the 119,390 bookings (62 per cent) with the highest average daily rate, $109, against $107 direct and $87 through offline agents.

Portugal carries the business. It earns $9.04M and has 90,036 guests, far ahead of the United Kingdom at $4.15M, France at $3.10M, Spain at $2.28M and Germany at $2.07M. Portugal also loses $5.09M to cancellations, which is 56 per cent of its revenue.

Deposits matter. The largest group of cancelled bookings is on No Deposit terms, and Transient customers are the largest cancelling group at 36,514.

Early bookers cancel. Cancelled bookings have far longer lead times than bookings that go ahead.

## 08 WHAT I RECOMMENDED

- Reduce the share of bookings taken without a deposit, because they are the easiest to cancel.
- Offer off-season discounts and host events to lift spring and summer, and market the hotel as a quiet place to work for long stays.
- Create a policy for very early bookings, such as a deposit that grows with lead time.
- Advertise to tourists visiting the leading countries, and market the facilities to companies for meetings, to grow the Group segment.

## 09 NOTES ON THE FIGURES AND LIMITATIONS

Every figure in this document is taken from the report page it describes. These notes say how to read the figures that need care, and what the data cannot show.

- **Cancelled bookings.** The pages give 43,017 (KPI card), 44,224 (geography table, customer-type chart and homepage deposit chart) and 35,301 (deposit chart on the cancellation page, which carries a filter). This document uses 44,224, the figure on which three views agree.
- **Revenue per booking.** The $248 card is $29.6M divided by 119,390 bookings. Per guest (234,988) the figure is about $126.

- **Profit column.** The column called profit from each country is revenue less the loss from cancellations. It is net revenue, not profit, because costs are not in the data.
- **First and last years.** 2013 has 1 booking and 2014 has 2,636, so the series starts in 2014, and 2017 probably covers only part of a year. The peak in 2016 is therefore the peak of the full years, and no trend is shown for the others.
- **Lead time shares.** The 60.89 and 38.5 per cent shares are shares of total lead time, not rates of cancellation. They are used here with the booking counts to compare average lead times.

## 10 OUTPUTS

A 15-page Power BI report (PDF export), including three homepage dashboards.

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