

## **Booking, Cancellation and Change Policy**

A booking and cancellation policy is a means in which a business shows how it operates when accepting payment for confirmed services. It provides the buyer with the information they need to determine if they should make a reservation now or later, or at all.

Booking policies vary from sector to sector and business to business.

In Yukon the majority of visitors are on multi-day or multi-week itineraries that often include Alaska. Your service or product is only one of the many components in their travel itinerary. When a consumer or tour operator is trying to match the components of the tour with the availability of services on the dates the consumer needs to travel it may take a few tries to achieve this. They may have to change the routing of travel in order to confirm space in selected accommodations or on activities. They may need to change the preferred travel dates by a couple of days in order for the itinerary to work. It can't be expected that every component in a multi-day itinerary will match-up on the first try. To assist them in this process consider offering a *courtesy hold* on your service to the consumer or tour operator while they try and match up the rest of the itinerary. This allows them to complete the itinerary without risking financial penalties.

A courtesy hold could be stated as: "we will confirm your reservation and hold it for you for seven days without a deposit. If the deposit is not applied at the end of seven days, your courtesy hold will be released without notice".

**Note:** *if a visitor is not able to obtain the travel program they want and it becomes cumbersome or costly for them to do so they may decide not to bother at all and go elsewhere. It is to your advantage to allow flexibility in your booking policy so they can attain their desired program.*

### **TRAVEL TRADE**

When the travel trade is booking with you on behalf of the consumer you will need to accommodate their needs and provide flexibility in your terms and conditions. Examples of this include:

- ⇒ Non-refundable deposits will not likely be paid to accommodations for FIT clients that cancel well in advance.
- ⇒ Some bookings will not be paid until after the client travels
- ⇒ A copy of the tour operators voucher along with an invoice may be required for payment after the clients have travelled
- ⇒ They may only pay their bills on a monthly basis to all suppliers

Working with the travel trade requires the ability to negotiate your terms and conditions along with your prices. It is also critical that you remember what you negotiated and with who so there is no misunderstanding when it comes time to invoicing for deposits and final payments.

**Group Bookings:** when the travel trade blocks a *significant* number of rooms or spaces for a tour in advance you are then not able to confirm that space for anyone else until it is released. Consider a policy that allows them to release all or some of the rooms at 60 to 45 to 30 days prior to arrival without significant penalties. Cancellations within the time periods then become subject to penalties. Consider a policy that releases the block space at 30 days prior to arrival so these rooms or spaces can go back into your inventory for you to sell.

**Note:** *the size of the accommodation, the number of rooms being blocked, the ability to re-sell those rooms, the demand for your rooms are all factors you should consider when determining a policy for blocking space for groups.*  
*This is the same for some tour activities that require group numbers to operate. I.e) A rafting trip that has space for 12 persons and requires a minimum of 5 persons to operate. The tour supplier needs to know well in advance that they will or will not meet this number so they can decide to cancel the trip altogether or run the tour. If the tour supplier cancels, the clients who have booked should not be penalized.*

Working with the travel trade requires a professional attitude and an understanding of how they sell and promote your business on your behalf. They are not interested in being penalized for trying to sell your product to their clients, which are in fact your clients too.

The travel trade sell direct to the consumer and have their own policies that the consumer is subject to. They cannot effectively sell a multi-day program to Yukon and Alaska if they are going to have to pay *non-refundable deposits at time of booking* for selling your product for you to the client. They need to be able to adhere to what their policy states which may be something like this:

#### Cancellations

Any time after receipt of confirmation:	10% of total
60 - 45 days prior to departure:	30% of total
44 - 30 days prior to departure:	60% of total
Within 30 days:	100% non-refundable

Having a **consumer** policy for direct bookings through your website protects you from frivolous cancellations – such as no-shows because they changed their mind and decided to stay at another hotel down the street. If a consumer risks losing money because of a cancellation penalty, they are more likely to stick with what they have already confirmed.

If your business does not issue cancellation penalties, then that is great for the consumer, but it may not be to your advantage, especially if you have made special arrangements to be available to operate your tour or called in staff specifically to accommodate them.

Generally hotels will have a 4:00-6:00 pm cancellation policy on the day of arrival. Lodges, Inns and Resorts have stricter policies because of the demand for their accommodation. Their policy may be “cancellations within 72 hours of arrival will be penalized one nights stay”.

#### Deposits

Deposits, if cancelled well outside of the confirmed date, are generally refundable depending on the nature of the tour or accommodation.

Your deposit requirements should be based on the value of your product or service and your ability to re-book the space for others should you have a cancellation.

**Example:** 3 nights standard hotel or BB accommodation @ 125/night = \$375.00. 10% deposit = \$37.50

*If clients decide to cancel one month prior to the confirmed date, the industry standard is to refund the full deposit with perhaps a small fee for administration. If a client risks losing the full deposit by being subject to a non-refundable deposit at time of booking, why would they bother to book in advance?*

To help you decide what your booking and cancellation policy should be and how flexible you can be, consider these questions:

- Can I resell the room?
- Do I get mostly advance bookings and will I be turning away business that I won't be able to sell to at a later date?
- How many rooms am I willing to block and when should I release them so I can still resell them – how does the tour companies policy work for his clients?
- Do I own and control all the components in my product?
- Do I need to pay my suppliers non- refundable costs?
- How much time do I really need to pull together this tour departure and what other services do I need to secure in advance? ( guides, caterers, boats, planes, etc) What are their policies?
- Do I need minimum group numbers?
- What happens if someone cancels and my minimum number decreases?
- What happens if someone cancels the day before the tour?
- What happens if I am unable to provide the tour due to unforeseen circumstances? (ie, boat motor dies, accident in my personal family, animals are sick, weather is not cooperating ,etc)

- Is this policy fair for the purchaser?
- Is this policy industry standard and what consumers or travel trade expect?

In order to ensure that you have the information you require to secure the clients booking and there is no confusion when they arrive you need to ask a few questions:

- Date of arrival and departure
- Do they need an airport transfer and if so, what flight or time are they arriving?
- Number of persons travelling in the party
- Names of persons in the party ( in some cases you may need to obtain full legal names including children, dates of birth and citizenship, as noted on their passport)\*
- Preferred room type, number of beds: single, double, twin, triple or quad. (don't assume based on the names provided that they need two beds or only one queen)
- Number of rooms required, special requests; smoking or non, handicap accessible, special dietary needs, etc
- Physical abilities if participating in adventure activities

\*Bookings with Alaska Marine Ferry and Whitepass and Yukon Route Railway that cross the Canada / Alaska border.

Below are a few **examples** of policies used in the tourism industry. These vary from business to business and are presented here as a reference only when determining your own requirements.

### **Tour Company; Outbound, Inbound or Receptive Tour Operator**

Some tour companies may provide you with a credit card as a guarantee, but prefer to send you a bank wire transfer for payment. Depending on how much business you do with that Tour Company will determine your level of trust and what you are willing to accept as a guarantee. These are things you need to discuss with your travel trade partners.

#### **Sample Policy for Multi-day tour booking:**

A credit card is required to confirm and guarantee your reservation. No charges will incur on your credit card until you receive confirmation of all components in your tour. Payment will be automatically applied to your credit card as noted below. *Note: You will be required to sign a credit card authorization form in order to process your request. This form will be sent with your confirmation.*

#### **Booking and Cancellation Policy:**

- More than 60 days prior to start of tour, 10% deposit due when confirmation returned for all components.
- 60 days prior to start of tour, 50% of total payment due. Cancellations at 60 days to 45 days, deposit is non-refundable.
- 45 days prior to start of tour, final payment due. Cancellations at 45-30 days, 50% of total cost is non-refundable.
- 30 – 0 days prior to start of tour, 100% non-refundable.

#### **Change Fee Policy**

Once you've received your confirmation and are invoiced for payment, any changes to existing reservations will be subject to an administration fee. In some cases due to overwhelming demand for a tour or accommodation we cannot confirm your space without incurring a cancellation fee. You will be advised of this at time of booking and this will be passed onto you as part of your change fees.

- Day Tours \$10 per change/per tour
- Multi-destination tour packages of five nights or less: \$50 per person
- Multi-destination tour packages over five nights: \$75 per person

Requests for changes or cancellations must be received in writing and the effective date is the date on which the written cancellation or change is received by our office either by e-mail or fax.

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## Accommodation Booking and Cancellation Policy

### SAMPLE #1

#### Booking

A valid credit card is required to confirm your reservation.

If you are booking on behalf of an individual, you will be required to have them sign a credit card authorization form for the reservation and return to us. This will be sent to you by fax or e-mail upon confirmation. If the credit card authorization form is not returned within two weeks after confirmation, the reservation will be cancelled. Charges to the credit card will not incur until check out, unless cancelled as noted below.

**Cancellation:** Please notify Hotel ABC immediately of any changes or cancellations. Reservations not cancelled by 5 p.m. local time one day prior to scheduled arrival date will be subject to charges for one night's stay. The credit card used to guarantee your reservation will be charged for the first night's stay one day prior to arrival. An invalid credit card will cancel your reservation. To change or cancel a confirmed reservation and obtain a cancellation number, please call us at 1-800-555-5544 by 5 p.m. local time one day prior to scheduled arrival date.

Should you be delayed on your arrival date you must inform us before 5p.m local time, so your reservation is not considered a "no-show" and your room released.

### SAMPLE #2

A credit card is required to guarantee your reservation. Full payment will be charged at check out.

Cancellations must be received by 6pm on day of arrival or a charge of one night will be applied to your credit card.

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**Day Tours** – depends on the market demand and how you operate and schedule your tour. Will you:

- Offer daily tours with set departures, but a minimum number required?
- Offer tours on request only?
- Guaranteed scheduled departures regardless of minimum number?
- Is advance booking required?
- Will you take payment before tour starts? ( pay at the gate)
- Are there age requirements? (ie. children under 6 not permitted)

#### **Guaranteed Scheduled Departures, Advance Booking Required (ie. Whale Watching Tour) - Sample**

- Prices subject to 5% gst
- A 20% deposit is due 10 days after receiving your confirmation
- Full payment will be charged on day of departure and before the tour begins
- All seats need to be reserved ahead of time with a credit card number
- We require 48 hour cancellation notice prior to confirmed tour time. Cancellations within 48 hours; deposits are non- refundable and non-changeable
- Cancellations outside of 48 hours; deposits are fully refundable and changeable subject to availability.
- All children under two years old will be required to sit on parents lap if the vessel is full.
- Departure times are subject to change without notice. We reserve the right to cancel any trip due to weather conditions, mechanical problems or unforeseen circumstances. In that case the deposit will be refunded in full. We reserve the right to substitute vessels. All passengers will be required to sign a liability waiver prior to departure.

#### **Guaranteed Scheduled Departures, No Minimum Numbers, No Advance Booking Required ( ie. City Sightseeing tour)**

- Prices subject to 5% gst

- Space subject to availability on day of tour. If you wish to guarantee a certain departure time, a 10% non-refundable deposit will be required to secure your space
- Payment in the form of a valid credit card, interac ( bank card), or cash is accepted
- Full payment required before tour commences.
- You must arrive a minimum of 15 minutes prior to tour departure to guarantee a seat on the tour, space subject to availability
- Children under the age of 18 must be accompanied by an adult
- All passengers will be required to sign a liability waiver prior to departure.

**No scheduled Departures, Subject to Availability at Time of Booking, Advance Booking Required (full day guided canoe tour).**

- A valid credit card is required to confirm your reservation
- 10% non-refundable deposit required within seven days of confirmation to guarantee reservation.
- Changes to dates subject to availability
- Cancellations within 7 days of departure, 50% non-refundable
- Cancellations within 3 days of departure, 100% non-refundable
- Trips will operate rain or shine. We reserve the right to alter or cancel your trip due to unforeseen circumstances such as equipment breakage or failure, weather or water routes that are unsafe to operate in. Should we cancel your trip, you will receive a full refund

The above are some examples only. It will be up to you to determine what sort of policy works for your business and is fair and anticipated by the client, whether they be the consumer or the travel trade.