

## UNIT- 4

### Reservation Operations

#### Reservation

The term reservation is defined as ‘blocking or booking a particular room type for a guest, for a definite period of time, for a particular guest’. To ensure a safe and secure place for stay during their visit to another town, guests generally prefer to make advance reservations in hotels and other types of accommodation units.

All hotels accept advance reservations in order to achieve high occupancy and to maximize their room revenue. When a guest makes an advance reservation for a definite time period in hotel, it is expected that the hotel will honor its commitment by providing the specific type of room when the guest arrives. A reservation is therefore is a bilateral contract between a hotel and a guest, according to which the hotel must provide the specified room type to the guest and the guest must agree to pay all relevant charges. However, reservation assistant (RA) must inform the guest about all the relevant details involved in booking, that is, the type of room, stay dates, room charges, government taxes, and value added tax (VAT) and service charges (if applicable).

If either the hotel or the guest wishes to alter or cancel the reservation, this can be done only through a mutual agreement. If a guest fails to inform the hotel about his cancellation, the hotel may decide to retain the advance deposit received from the guest earlier to cover up for any loss of room revenue. The amount forfeited when a guest does not inform about his cancellation to the hotel is termed as **RETENTION CHARGES**. Alternatively if a hotel is unable to provide room to a guest upon his arrival, the hotel has to provide alternative accommodation of similar standard in another hotel and pay for any differences in room rates and any additional expenses the guest may have to incur. The reservation department handles all reservation requests for accommodation, interacts with the customers and constantly monitors the room status and the reservation status.

#### Importance of Reservation Section

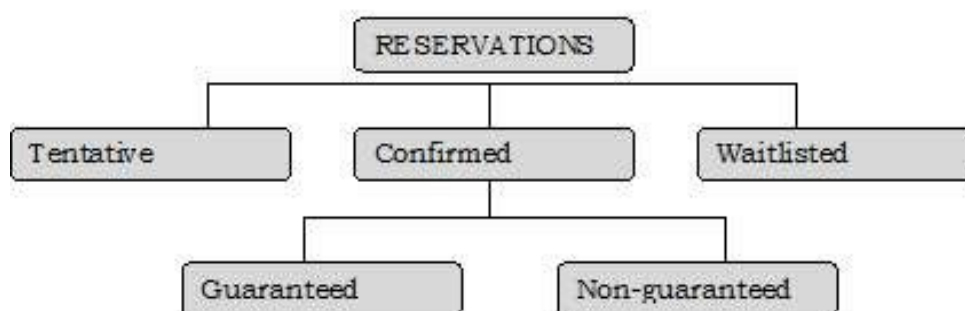
##### ❖ Importance of Reservation for the Hotel:

- Gives the first impression of the hotel to guests.
- Sells the main product of a hotel (accommodation).
- Generates customers for other departments.
- Provides important management information to other departments.

❖ **Importance of Reservation for the Guest:**

- Assurance about accommodation:
- Choice in the type of accommodation
- Type of room or suite
- As per the guest's Preference of floor, view, and personal choice such as low-floor room; sea view/pool view/garden view/monument view room; smoking/non-smoking room; etc.

## Types of Reservation



❖ **Tentative Reservation** - It is a reservation request that a prospective guest makes on a tentative basis for particular stay dates. The hotel holds the room for the guest till a cut-off date, by which the guest should confirm the reservation. Upon confirmation from the guest the hotel changes the tentative reservation to a confirmed reservation, otherwise it cancels the tentative reservation, and updates its records accordingly.

❖ **Waitlisted Reservation** - A reservation is waitlisted when the requested category of room is not available for the requested dates.

- The waitlisted reservation is confirmed when the hotel receives a cancellation request for a room of the same category.
- This way the hotel ensures that its rooms will not remain vacant in case of cancellations.

- The hotel does not guarantee a room for waitlisted reservations; it is understood that the guest will be assigned a room only in the case of a cancellation or a no show.
- The hotel informs the guest at the time of processing the reservation the reservation request of guest is being put on waitlist and may be confirmed at later date if some rooms are made available due to cancellation.
- This situation usually occurs in high-occupancy periods such as long weekends or festival/ fair time, or season time.

❖ **Confirmed Reservation** - Once a guest confirms a reservation request, the hotel blocks a room for specified stay dates and sends a written confirmation of the same to the guest. The confirmation of reservation is sent through letter or e-mail containing the following information-

- Name of the guest
- Date and time of arrival
- Room type
- Duration of stay
- Room rate
- Number of persons
- Reservation classification (Guaranteed or Non-guaranteed)
- Reservation confirmation Number
- Special request made by guest if any, such as airport pick-up, wheel chair, baby sitter, non smoking room, etc.

Confirmed reservation can be of the following two types:

- Guaranteed reservation
- Non-guaranteed reservation

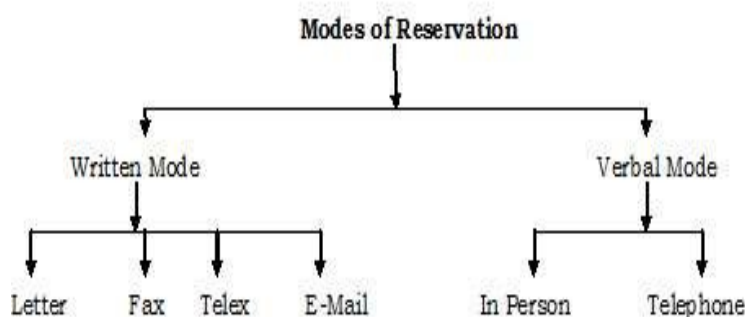
❖ **Guaranteed Reservation-** A guaranteed reservation is a confirmation that the hotel will hold the reserved room for the guest and not release it to any other guest even if the guest doesn't arrive on time.

- This requires the guest to make an advance payment (part or full, depending on the hotel policy and the hotel occupancy for the requested stay dates), irrespective of whether the guest avails the reservation or not, unless the reservation is cancelled according to the hotel's cancellation procedures.

- The guaranteed reservation can be obtained through one of the following ways:
  - a. Pre-payment
  - b. Contractual agreement
  - c. Allotment
  
- a. **Pre-Payment** - A guaranteed reservation requires the payment of the room rent or a specified amount in advance, known as pre-payment. As the hotel holds the room for the guest even after the cancellation hours, pre-payment protects the hotel from any loss of revenue in case of a last moment cancellation or a no-show.
  - Pre-payment can be made by sending demand draft or depositing cash at the hotel.
  - Cash deposit is the most preferred mode of accepting guaranteed reservation
  
- b. **Contractual Agreement** - guaranteed reservations. according to such a contract, the hotel confirms the reservation for the individual or a person referred by the company on a guaranteed basis, and the person or the company agrees to pay for the reservation, even in the case of a no-show. Hotels may have contractual agreement with the following:
  - **Travel agencies/Tour operators**
  - **Corporate houses**
  - **Travel Agencies/Tour Operators:** *Travel agencies and tour operators make bulk purchases of rooms at a relatively low contracted price. They guarantee the hotel a minimum number of room nights in a particular period and agree to pay the room charges even if they are unable to fill the number of rooms as per their agreement with the hotel. Examples, Make my trip, Thomas cook.*
  - **Corporate Houses:** *In this case, a company or a corporate body may enter into a contract with a hotel, whereby the company guarantees payment for its employees or sponsored guests and accepts the financial responsibilities for any no-shows.*
  
- c. **Allotment** - It is set of rooms blocked for a particular period of time for a company or a group. this type of reservation is made for conferences and conventions and private parties. It is controlled by reservation manager or reservation co-ordinator on their operational checks or daily basis

- ❖ **Non-guaranteed Reservation** - When a guest confirms her reservation at a hotel but does not guarantee it with an advance deposit, it is treated as a non-guaranteed reservation. In this type of reservation, the hotel agrees to hold the room for the guest till the cancellation hour, unless the guest informs the hotel about her late arrival. The cancellation hour is the time fixed by a hotel after which a non-guaranteed reservation stands cancelled and the room is released to a walk-in guest—it is generally 6 p.m.

## Modes of Reservation



1. **Written Mode** - When a reservation request reaches the hotel in writing, the mode is classified as a written mode of reservation.

- ❖ The advantages of the written mode of reservations are that they are clear, unambiguous, and provide a written record for the hotel, which can be referred to in case of any miscommunication or confusion. The correspondence with the guest is filed for future reference.

- ❖ The various written mode for reservation request are as under:

- Letter
- Fax
- Telex
- E-mail

- I. **Letter** – this mode is commonly used by companies and corporate houses, travel agents and tour operators who send in their reservation request to the hotel on their company letterheads. The hotel will make the reservation as per details given in the letter.

- II. **Fax** – Fax or Facsimile transmission uses electronic scanning technique to send copies of a document over an ordinary telephone line through a special machine that prints identical copies of the document. This makes it possible to send a reservation request instantaneously. Hotel processed the request as per details and send the confirmation letter to the guest.
  - III. **Telex or Tele Printer Exchange** – involves the use of specialized telephone lines, where the message is communicated in a written form.
  - IV. **E-mail** – It is the most common method of communication. E-mail or Electronic mail that makes it possible to contact the hotel instantaneously. This is a fast and very convenient method of reservation.
2. **Verbal Mode** - Reservation requests may also reach the hotel through verbal mode or oral communication, i.e. in person or over the telephone. The advantage of oral communication is that it generates immediate response and feedback and is very fast and convenient.
- I. **In person** – if an individual or a representative goes to the hotel to book rooms for future, it is termed as an in person reservation.
  - II. **Telephone** – the most common method of direct reservation communications, a prospective guest may telephone the hotel directly. The reservationist takes the information sequentially as per the script. Most of the hotels these days have high-end systems that record a call which can be used later on, for training purpose.

## Sources of Reservation

A hotel receives reservation requests from different sources like:

- I. Direct reservation
- II. Central reservation system (CRS)
- III. Instant reservation system (IRS)
- IV. Inter-sell agencies
- V. Global distribution system
- VI. Corporate bodies
- VII. Government sector
- VIII. Hotel websites

- I. Direct Reservation** - When a hotel receives a reservation request directly from a guest without any mediator, it is termed as direct reservation. An individual or group can contact the hotel directly.
- II. Central reservation system (CRS)** - CRS is a computer based reservation system, which enables a prospective guest to make reservations in any of the properties of a single chain. The CRS office deals with direct guests, corporate houses, travel agents and so on by means of toll free telephone numbers. Equipped with the necessary communication equipment, the CRS office works 7 days a week and 24 hours a day. They have accurate and up-to-date information of the number of rooms available for the day of the member hotels, thereby, assisting the guests to make reservations in more than one hotel through a CRS. In case rooms are not available, the reservationists can direct the reservation to the other member hotel.

Examples of CRS –

- Marsha (Marriot International)
- Taj Central Reservation System
- Welcomnet
- Holiday inn Worldwide

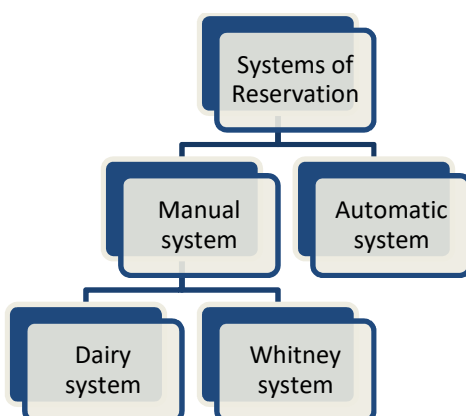
**The CRS is of two types:**

- **Affiliated system:** In affiliated reservation systems, all the participating hotel units belong to the same chain or group, like Welcome net by Welcome group of Hotels, Holidex by Holiday Inn Hotels, Image by Hyatt Hotels, and ITT by Sheraton Hotels.
- **Non-affiliated system:** Non-affiliated system is a subscription-based system, designed to connect independent or non chain properties, like the Leading Hotels of the World (LHW), Small Luxury Hotels of the World (SLH). This enables non-chain properties to enjoy the benefits of CRS.

- III. Instant Reservation System** – It is generally an independent division of the chain of hotels and situated in one of its units. While the reservation department of that unit of the chain takes reservation for that unit only, IRS takes booking for all the units of the chain, except that particular unit where IR office is located.
- IV. Intersell Agencies** - An intersell agency is an agency that deals with many products such as hotel reservations, car rentals, travel arrangements, tour operations, airline reservations, railway bookings, etc.  
EG : make my trip, yatra.com.

- V. Global Distribution system** - It is a world-wide computerized reservation network, and is used as a single point of access for reserving hotel rooms, airline seats, car rentals and various other travel related services by travel agents, large corporations and online reservation sites. Being a link between the producers and the end users of travel related products and services; GDS provides a bundle of products to the prospective users across geographical boundaries. The most common GDS used around the globe are Amadeus, SABRE, Galileo and Worldspan.
- VI. Corporate Bodies** - Hotels also receive bookings from companies (FMCGs, pharmaceutical, etc.), non-governmental organizations (such as Care, Oxfam, Red Cross, WHO, etc.), and institutions (which may be educational, financial, banking, etc.).
- VII. Government Sectors** - Hotels receive bookings from government sectors such as public sector undertakings, embassies, and consulates.
- VIII. Hotel Website** - A hotel's website is another potential source for receiving reservations. The website contains a link for reservation requests. By clicking the link, guests can make a hotel reservation as per their requirements from the comforts of their house/office/cybercafe.

## Systems of Reservation





**1. Manual System -** In a manual system, all the reservation records are maintained manually. This is an old system is reservation is suitable for a small property, where the number of rooms is less and the volume of reservation requests is also low.

- The hotel may use one of the following systems of manual reservation:
  - Diary System of Reservation
  - Whitney system of reservation

- **Diary system of reservation:** As the name suggests, in this system a daily diary is kept, in which the reservation agent lists all arrivals due on a particular day.
  - a. It is usually kept on a loose-leaf basis.
  - b. The top page represents arrivals on the current date; this is removed and sent to the front desk for receiving the guests.
  - c. The hotel booking diary may be hard bound also.
  - d. The diary system of reservation is only suitable for very small properties.
  - e. The tools used in diary system of reservation are as under:
    - i. Booking diary
    - ii. Room status board/ reservation journal
    - iii. Expected arrival list/ Movement list
    - iv. Cancellation register (if required, for taking cancellations)
    - v. Black list (if required, to refuse reservation to un desirable guest)

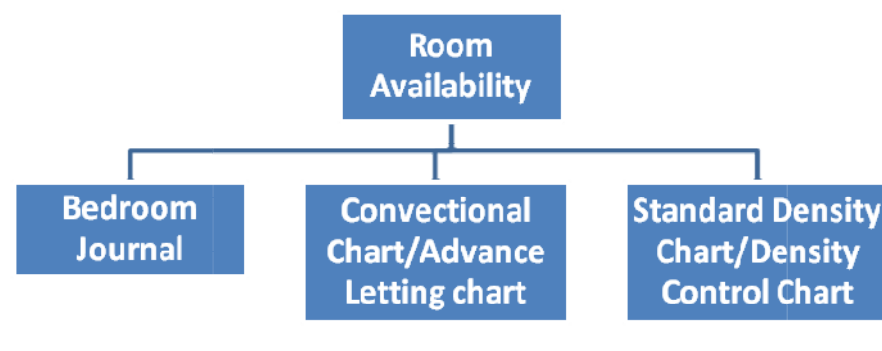
Hotel ABC Booking Diary												
Date: 25/03/2017												
S.No	Date of Booking	Name of guest	PAX	Address & Telephone No.	ETA	Type & No. of #s	Room Rate & Plan	Date & Time of Dep.	Booked by, Tel. No. & Address	Billing Instructions	Remarks	Sign. Of Reservationist
	10/2/17	Mr. Z	1		0800 hrs	STW, 01	EP, 3900/-	27/03/17 & 0700 hrs	Direct	APC (All Payments Cash)	Late Check-out	

- **Whitney System of Reservation** - This system of room reservation, developed by the American Whitney Duplicating Check Company, is suitable for small and medium properties—with up to 150 rooms. It is based on the use of standard size slips, known as Whitney slips or Shannon slips, which can be held on a metallic carrier on Whitney racks.
- The advantages of using Whitney system are as under:
    - Bookings can be kept in order of the date of arrival.
    - Booking records may be arranged in alphabetical order.
    - The racks and carriers can be used over and over again. The running expense is only of the slips.
    - The Whitney racks are placed vertically, saving storage space.

DATE OF ARRIVAL	NAME OF THE GUEST	ROOM TYPE	RATE	DATE OF DEPARTURE
MODE OF RESERVATION	RESERVED BY	DATE RECEIVED		
AGENCY IF ANY				
BILLING INSTRUCTIONS			CONFIRMATION DATE	

### Whitney slip

## Room Availability Records used in Manual System



**1. Bedroom Journal** - It is similar to the reservation diary. It is tiled with date-wise sequence

- Each page of journal contains the occupancy details for that date– the name of the guest, the room number, and the type of room.
- Eg : if the guest has made a reservation from 10<sup>th</sup> -14<sup>th</sup> nov. then his/her name and room no will be entered in 4 pages of the journal.

DATE :10/11/14			DATE : 11/11/14		
NAME OF THE GUEST	ROOM NO	PARTICULAR	NAME OF THE GUEST	ROOM NO	PARTICULARS
Mr.Sumader	316		MR.Surander	316	

### Sample bed room journal

**2. Convectional Chart/Advance letting chart** - It is an old system used only by small hotels and those which do not have computerized system.

- This chart is prepared for each month, thus only 12 such charts are required for each year.
- Since there are max. of 31 days in a month, the chart has 31 vertical columns which indicates dates & on the horizontal rows the room numbers are mentioned.
- The number of horizontal rows will depend on the number of rooms in the hotel like single room, double room, etc.
- Abbreviations for room features like SR for Single room, Sp for facing Swimming Pool, DR for Double room etc. are used.
- Blocking, cancellation & amendment entries are generally made by PENCIL on the chart, so that the chart does not become messy by frequent usage & maintain records effectively.
- On receiving the request of booking from the prospective guest which include the type of room and period for which booking is required, the reservationist checks up the position from the chart & then blocks the room on the chart with the help of a pencil by drawing a line from the concerned dates against the room nos.
- All HK status such as (out of order) OOO rooms, (Under repair) U/R rooms etc. for that period are also recorded on the chart so as to avoid booking of such rooms.

#### **Advantages –**

- It is visual reference of future expected business of hotel.
- Useful for small hotel where guest's length of stay is long.

#### **Disadvantages –**

- .It is not easy to find out number of rooms booked or available by looking at glance in case of large transit hotel.
- It is difficult to show over booking.



**Advantages –**

- No specific room number is allotted to the guest prior to his arrival; the available room is given at the time of check-in.
- Easier to work on this chart.

**Disadvantage–**

- This chart works well where all rooms are of a particular type & have same physical facilities

HOTEL ABC																															
Density Control Chart																															
Double Bedded Rooms																				March, 2017											
Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
No. of #s																															
7	/	/		/	/					/	/	/						/		/		/									
6	/									/	/																				
5										/	/																				
4										/	/																				
3										/	/																				
2										/	/																				
1										/	/																				
OVERBOOKING																															
1										/	/																				
2										/	/																				
3																															
4																															

Active  
50 to 5

## **Automatic System**

Automated reservation systems are computerized reservation systems that are used to store and retrieve room status information and conduct transactions. The information stored in the automatic system is the same as in a manual system. However, the processing of reservation request does not require manual study of ALC, Density control chart etc. The reservation assistant can check the availability of rooms by clicking on a link on the computer. In this system, the reservation information is keyed into the electronic format of the reservation form, and this information is transferred to the central server where the room status is updated automatically. The automated system saves the trouble of manually updating the records. It also generates reports like occupancy records or forecasts and lists like Expected Arrival List, Expected Departure List, etc. CRS and GDS are examples of automated systems.

## **Room status board/ Perpetual Year Planner/ Stop & Go Board**

As the name suggests, this chart

- Shows the rooms booking position for 1 year on continuous basis.
- Sold Out- means no rooms are available for booking for the requested period.
- On Request – means rooms can be blocked subjected to cancellation and the guest is given the status of waitlist.
- V/C – vacant clean, V/D – vacant dirty

## 1. RESERVATION FORM

- ❖ A document where all the detailed information about the guest is recorded at the time of booking request.
- ❖ Filled by reservation assistant at reservation section.

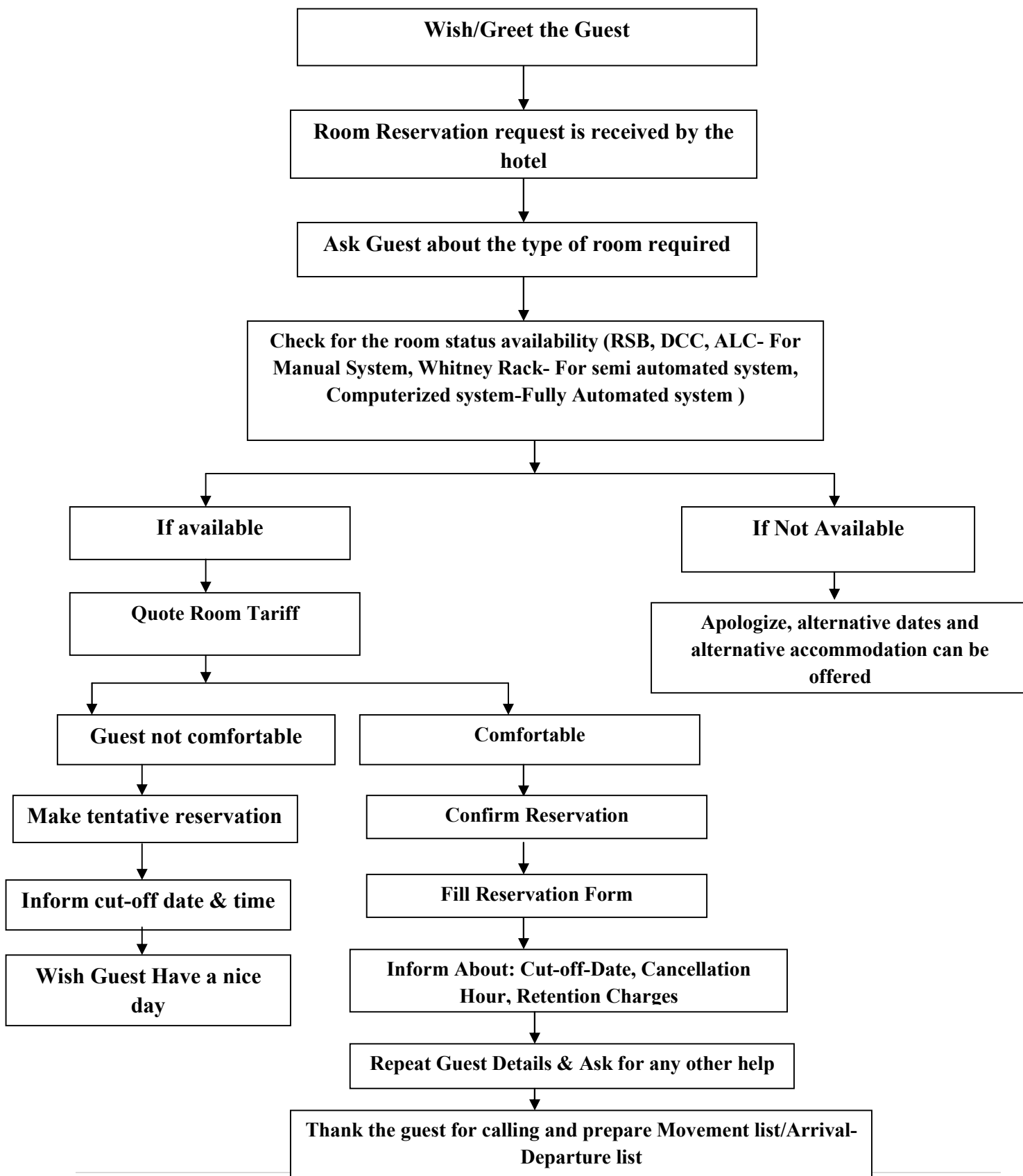
HOTEL ABC RESERVATION FORM		No. _____
Name of the Guest _____		
Company _____		
Address of the Guest _____		
		Tel. _____
Date of Arrival _____	Expected Time of Arrival _____	
Date of Departure _____	Expected Time of Departure _____	
No. of Pax _____		
Type of Room S [ ] D [ ] T [ ]	Other Category _____	
Room Rate _____	Discount _____	
Mode of Arrival _____	Flight No. _____	
Mode of Payment/Settlement of Bills _____		
Credit Card No. _____	Date of Expiry _____	
Personal Details of Person/Agency Making the reservation _____		
Special Request _____		
Date & Time of Booking _____		
<div style="border: 1px solid black; padding: 5px; min-height: 50px;"> <p><b><u>Remarks</u></b></p> </div>	Reservation Asst. Name _____ Signature _____	



## 2. BULK RESERVATION FORM

- ❖ Form in which relevant details and information about group room booking is noted at the time of booking request.

HOTEL ABC BULK RESERVATION FORM						
						No. _____
Group No. _____		Tour Operator _____				
Group Leader _____		Telephone No. _____				
Number in the Group _____						
Arrival Date _____		Arrival Time _____				
Departure Date _____		Departure Time _____				
Accommodation				Meals Break up		
Rooms	No.	Rate	Days	Breakfast	Lunch	Dinner
Special Requirements _____						
Date _____				Signature _____		

**MAKING ROOM RESERVATION**

### ❖ Processing Reservation request

Every hotel has its own standard operating procedure (SOP) to deal with a reservation request from a guest. The standard procedure of responding to a guest's reservation request is-

- a. Receiving reservation inquiries
- b. Determining room availability
- c. Accepting or denying request for reservation

**a. Receiving reservation inquiries** - The request for a room reservation may reach a hotel from any one of the various modes. While receiving a reservation request, the reservation agent should ask for that particular information which will help in processing request faster. The following information will help to determine the availability of the room requested by the guest:

- Date and time of arrival.
- Date and time of departure.
- Number and type of rooms required.
- Number of persons in the party.

**b. Determining room availability** – Using the information gathered at the time of receiving the reservation request, the reservation agent will ascertain whether the requested type of room is available in the desired number for the required duration.

**c. Accepting or denying request for reservation** - Once the reservation agent has established the availability of the room for the guest, she will either accept or deny the reservation request and conclude the processing of reservation request.

If the rooms are available as per the guest's requirements, the reservation requested is accepted. The following details are gathered from the guest while accepting the reservation–

- Name of the guest
- Designation and company, if corporate guest
- Address and contact details of the guest
- Time and mode of arrival
- Reservation classification (confirmed, guaranteed, etc)
- Special requirement (if any)

## ❖ Amending Reservation

When guests with confirmed reservations change their travel plans, they convey the same to the hotel. This change—in the type of reservation (guaranteed or non-guaranteed), date of arrival, duration of stay, type of room, etc.—is termed as amendment.

- In case of amendments, the hotel has to check the availability of rooms again as per the fresh details given by the guest.
- The changes are recorded in a specialized form known as the reservation cancellation/amendment form.
- The hotel might charge an additional fee for making changes to the existing booking.

## ❖ Cancellation of Reservation

The cancellation of a reservation occurs when a guest with a confirmed reservation informs the hotel about her intention to cancel the reservation.

- As cancellation might lead to the loss of room revenue, hotels discourage cancellations by imposing retention charges.
- In care of guaranteed reservation, if the cancellation is not made before stipulated date and time, the hotel any charge retention fee , which may be equal to the rent of one night or more.

## ❖ Reservation Reports

The reservation department compiles many reports for the use of all departments. Some of the most commonly used reservation reports include the following:

1. **Reservation transaction report** - The reservation transaction report is the summary of the daily activities of the reservation department.

The daily activities are as follows:

- Creation of reservation records
- Amendment request
- Cancellation of reservation request.

2. **Commission agent report** - The commission agent report includes the amount payable by the hotel to the different commission agents (such as travel agents, tour operators, CRS, and GDS) that provide business to the hotel. This report is maintained alphabetically.
3. **Turn away or refusal report** - At times hotels have to 'turn away' guests due to unavailability of rooms. The reservation department compiles a report of the total "turn away" during a period of time. This report aids the management in planning the expansion and developing new properties in the city.
4. **Revenue forecast report** - The revenue forecast report is a projection of the volume of business that the hotel will be generating in a specified duration.

On a daily basis, the reservation team prepares the **expected arrival, stay over, and expected departure lists**, which help in maintaining a daily record of the room availability and thus maximizing room revenue.

5. **Expected arrival list** - It is the list of names and surnames, along with the respective room types, of the guests who are expected to arrive the next day.
6. **Stay over list** - It is the list of names and surnames, along with the respective to numbers, of the guests who are expected to continue their stay for the next day.
7. **Expected departure list** – It is the list of names and surnames, along with the respective room numbers, of the guests who are expected to depart the next day.