

VeriflA Meeting Notes: Key Factors Influencing Hotel Booking Cancellations

Date: April 10, 2025
Time: 2:00 PM – 3:30 PM
Location: VeriflA Headquarters, Conference Room D

Attendees

- **Ariella Voss** – Head of Data Analytics
 - **Elias Rivera** – Senior Revenue Manager
 - **Mikael Tan** – Hospitality Operations Lead
 - **Jasmine Cole** – Customer Insights Analyst
 - **Rohan Kapoor** – Product Manager
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Agenda

1. Overview of Booking Cancellation Challenges
 2. Discussion of Single-Feature Influences on Cancellations
 3. Examination of Multi-Feature and Combined Effects
 4. Implications for Overbooking, Pricing, and Operational Planning
 5. Next Steps and Action Items
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1. Overview of Booking Cancellation Challenges

Ariella Voss opened the meeting by outlining the purpose: to review observed patterns in guest behavior that influence hotel booking cancellations. She emphasized the importance of understanding how various booking attributes—ranging from lead times to deposit policies—affect cancellation likelihood. This understanding is key for refining overbooking strategies and tailoring pricing policies.

2. Single-Feature Influences on Cancellations

High Advance Booking (Lead Time)

- **Discussion:**
Elias Rivera noted that bookings made well in advance offer guests more opportunities to change their plans, which can increase cancellation risk. He shared examples from recent data where long lead times correlated with higher cancellation rates.
- **Action:**
The team agreed to explore adjusting reservation policies for far-in-advance bookings.

Previous Cancellation History

- **Discussion:**
Jasmine Cole highlighted that a history of frequent cancellations is a strong indicator of future cancellations.
- **Action:**
Enhance data flags for guest records with multiple past cancellations to inform targeted follow-up.

Deposit Flexibility

- **Discussion:**
Mikael Tan explained that refundable deposit policies might reduce guest commitment because there is little financial penalty for canceling.
- **Action:**
Consider revising deposit policies or offering incentives for non-refundable options in high-risk segments.

Low Booking Lead Time

- **Discussion:**
Rohan Kapoor observed that last-minute bookings tend to have a lower cancellation risk, as guests have less time to alter plans.
- **Action:**
Incorporate lead time metrics into the predictive model to adjust cancellation forecasts.

History of Successful Stays & Repeat Guest Loyalty

- **Discussion:**
Ariella Voss and **Jasmine Cole** discussed that guests with a strong record of completed stays or repeat bookings generally show lower cancellation tendencies.
- **Action:**
Integrate these metrics into guest profiling for improved risk assessment.

3. Multi-Feature and Combined Effects

Two-Feature Interactions

- **Advance Booking with Cancellation History:**
Elias Rivera pointed out that a guest with a long lead time coupled with a history of cancellations is particularly risky.
- **Last-Minute Booking with Loyal Behavior:**
Mikael Tan shared that guests booking at the last minute, who also have a solid record of successful stays, are far less likely to cancel.
- **Premium Pricing and Flexible Channels:**
Rohan Kapoor noted that bookings made through flexible channels, even at higher rates, might be more prone to cancellation if better deals emerge.

Three-Feature Interactions

- **Long Lead Time, Cancellation History, and Refundable Deposits:**

Ariella Voss explained that this combination offers both the time and financial cushion to cancel, thus elevating risk.

- **Short Lead Time, Minimal Cancellations, and Non-Refundable Policies:**

Jasmine Cole contrasted the above with bookings that discourage cancellation through financial penalties and a proven reliability record.

Four-Feature Interactions

- **Detailed Booking Profiles and Commitment Indicators:**

Mikael Tan discussed how additional services (e.g., parking requests, special arrangements) can indicate a higher level of guest commitment, even if other risk factors are present.

Five-Feature and Complex Patterns

- **Maximum Vulnerability Scenario:**

Elias Rivera described the worst-case scenario where multiple risk factors—such as long lead time, high cancellation history, flexible deposit policies, and lack of repeat guest loyalty—combine to produce a very high cancellation risk.

4. Implications for Business Strategy

Rohan Kapoor summarized the discussion by linking these insights to practical business strategies:

- **Overbooking Strategies:**

Adjust reservation levels based on risk profiles to balance potential cancellations.

- **Pricing and Deposit Policies:**

Tailor deposit terms and pricing structures for high-risk versus low-risk segments.

- **Customer Loyalty Programs:**

Enhance incentives for repeat guests and those with proven reliability.

- **Operational Planning:**

Use cancellation forecasts to better manage staffing and resource allocation.

5. Next Steps and Action Items

- **Ariella Voss** will oversee the integration of cancellation risk metrics into the predictive modeling framework.
- **Jasmine Cole** is tasked with developing a guest profiling tool that flags high-risk bookings.
- **Elias Rivera** and **Rohan Kapoor** will review current deposit and pricing policies to identify potential adjustments.
- **Mikael Tan** will coordinate with the IT department to refine data collection forms for capturing detailed booking profiles.
- **Follow-Up Meeting:** Scheduled for April 17, 2025, at 2:00 PM to review progress and finalize recommendations.

6. Conclusion

The meeting concluded with a consensus that understanding and leveraging the various factors influencing hotel booking cancellations is critical for strategic decision-making at VeriflA. By integrating these insights into predictive models and operational policies, the team aims to reduce cancellation rates and improve revenue management, ultimately enhancing guest satisfaction and profitability.

Meeting adjourned at 3:30 PM.