
1 SOP Title

Overbooking Handling SOP – Guest Relocation & Damage Control

2 Department

Front Office / Reservations

(Co-ordination: Revenue, Duty Manager, Owner)

3 Purpose

To manage overbooking situations professionally without damaging hotel reputation, online ratings, or guest relationships in a 2–3 star Indian hotel.

This SOP ensures:

- Proper handling of excess bookings
- Guest satisfaction despite issue
- Controlled financial loss
- Clear decision-making process
- Protection of brand reputation

In small hotels, poor overbooking handling can result in viral negative reviews.

4 Scope

Applicable to:

- OTA overbooking
- Manual booking error
- Room out of order (sudden maintenance issue)
- Group blocking conflict
- System error

Applies to:

- FO Associate
- FO Supervisor

- Duty Manager
 - Revenue/Owner
 - Night Auditor
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5 Responsibility

Position	Responsibility
FO Associate	Identify overbooking
FO Supervisor	Assess & inform management
Duty Manager	Handle guest communication
Owner / GM	Approve relocation & compensation

6 Step-by-Step Procedure

A. Identification of Overbooking

1. Check daily arrival list.
2. Compare:
 - Total physical rooms available
 - Total confirmed bookings
3. Identify mismatch early (preferably 1 day before).
4. Inform FO Supervisor immediately.

Early detection reduces damage.

B. Prioritization of Guests

When overbooking occurs, priority order:

1. In-house extension guests
2. Direct bookings (with advance)
3. Corporate bookings

4. Repeat guests
5. Long-stay guests
6. OTA bookings without advance

Lowest priority for relocation:

Short-stay OTA bookings without payment.

C. Pre-Arrival Solution (Best Practice)

1. Identify potential guest for relocation.
2. Call guest before arrival.
3. Explain politely:
“Due to unavoidable circumstances, we are arranging alternative accommodation of same standard.”
4. Offer:
 - Same or better hotel
 - Free transport
5. Confirm acceptance.

Never wait until guest reaches hotel if avoidable.

D. On-Arrival Overbooking Handling

If guest arrives and no room available:

1. Do NOT argue.
 2. Apologize sincerely:
“We sincerely apologize for the inconvenience.”
 3. Move guest aside (avoid public scene).
 4. Inform Duty Manager immediately.
 5. Offer seating and water.
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E. Relocation Procedure

1. Arrange nearby hotel (same or better category).

2. Confirm:
 - Room availability
 - Same room type
3. Hotel must bear:
 - Rate difference
 - Transportation cost
4. Provide written confirmation to guest.
5. Escort guest if possible.

Never relocate to lower category hotel.

F. Compensation Policy (If Required)

Options (based on management approval):

- Free upgrade (if available)
- Discount on next stay
- Complimentary meal
- Waiver of first-night charges (case-based)

Never promise compensation without approval.

G. System & OTA Update

1. Update PMS.
2. Inform OTA immediately (if applicable).
3. Record reason properly.
4. Avoid marking as “No Show” wrongly.

Transparency prevents OTA penalty.

H. Root Cause Review (Next Day)

1. Check reason:
 - Manual error

- Rate parity issue
 - Allotment not updated
 - Out-of-order room
2. Correct system immediately.
 3. Discuss in management meeting.
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📋 Do's and Don'ts

Do's

- ✓ Identify overbooking early
- ✓ Apologize sincerely
- ✓ Offer proper relocation
- ✓ Bear transportation cost
- ✓ Document incident

Don'ts

- ✗ Don't argue with guest
 - ✗ Don't blame OTA
 - ✗ Don't deny confirmed booking without solution
 - ✗ Don't relocate to poor-quality hotel
 - ✗ Don't ignore online review risk
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📋 Service Standards

- Overbooking identified at least 24 hours prior
 - Guest informed before arrival (if possible)
 - Relocation arranged within 30 minutes
 - Transportation arranged immediately
 - Zero shouting incident in lobby
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📋 Escalation Matrix

Situation	Escalate To
Same-day overbooking	Duty Manager
VIP affected	GM
OTA penalty issue	Revenue Head
Social media threat	GM
Corporate guest relocation	Owner

10 Documentation / Records Required

- Overbooking Incident Report
 - Guest Communication Record
 - Relocation Confirmation
 - Transport Receipt
 - Compensation Approval Record
 - OTA Communication Record
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11 Common Mistakes to Avoid

- Not updating OTA allotment
- Blocking too many rooms without advance
- Ignoring maintenance room block
- Over-selling during peak season
- Poor communication with revenue team
- Not documenting relocation
- Blaming guest at desk

In 2–3 star hotels, one mishandled overbooking can reduce rating from 4.0 to 3.5 quickly.

12 Training Notes

How to Train Staff:

1. Conduct role-play overbooking scenario.
2. Teach calm communication.
3. Train on guest prioritization.
4. Review peak season inventory daily.
5. Supervisor to check next 3-day occupancy daily.
6. Conduct monthly booking audit.

Training Duration:

- 1 day overbooking workshop
- Practical monitoring during peak season

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- SOP Ready for Printing
 - Suitable for Budget & 2–3 Star Indian Hotels
 - Reputation-Protective & Practical
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