

# UNPRECEDENTED FLEXIBILITY

For jet setters tempted to swap the security of home for a trip abroad, travel companies will be encouraging bookings with free cancellations, no change fees and status extensions

**By Marisa Cannon**



# UNPRECEDENTED FLEXIBILITY

The fallout from cancelled bookings has presented the travel sector with a crisis unlike anything it has seen before. Companies have responded in a variety of ways, from issuing credit notes to upfront refunds, and while UK travellers are legally entitled to refunds within 14 days, the reality is that many operators are buckling under the strain of such seismic revenue loss.

In an open letter to customers, Mark Tanzer, CEO of the UK travel association ABTA, asked them for flexibility while it holds out for government support. "We fully understand and sympathise with the frustration that many customers may be feeling. But if companies are forced into bankruptcy, it will not only destroy livelihoods but extend the refund delays far beyond



the term of refund credit notes," he wrote.

When this crisis does pass, we can expect to see much greater demand for flexibility in booking policies, and more travellers booking direct with operators to ensure this. In the wake of coronavirus, nearly all airlines have waived change fees temporarily, bringing into relief those with pre-existing no-fee policies, such as

Southwest Airlines, which went even further to extend the usual year that passengers have to use their travel credits until June 30, 2021. Hilton and Marriott are also allowing guests to cancel reservations at no charge, while Airbnb has agreed to either refund cancellations or issue travel credit, providing guests can show supporting documentation that their stay was made impossible by coronavirus.

In the future, customers will be less inclined to book travel requiring a deposit, and are likely to exercise greater scrutiny over an operator's cancellation policy. Founder of private travel club Little Emperors Rebecca Masri says: "People won't mind paying a little extra for the comfort in knowing that they can cancel should they need to. I can't imagine

prepaid offers on third-party websites being so popular anymore." But now, third parties such as Expedia are responding to this demand for flexibility. Global PR director Nisreene Atassi says: "Expedia is working hard to enhance our user experience so that refundable hotels are more prominent when searching. Just look for our 'free cancellation' messaging throughout to

help identify the flexible hotel offerings."

Loyalty scheme redemptions will be more important than ever, as travellers take greater caution when parting with their money. Although brands might want to limit loyalty redemptions after such a long stint without revenue, it's true that customers will return to companies they trust, and increasing their buying power and opportunities to earn points at such a volatile time could cement their loyalty. Hyatt's World of Hyatt credit card partnership with US bank Chase has suspended its forfeiture policy, where cardholders lose their points after two years of inactivity, until December 31. Hilton has also announced that Hilton Honors members due to have their status downgraded will receive an extension through March 31, 2021.