



ໃສ່ໃຈ - ຫຼວງພະບາງ
Luang Prabang - Handle with Care



ສະຫະພາບ ເອີຣົບ
European Union



ການ ຮ່ວມມື
ໄຢຍລະມັນ
DEUTSCHE ZUSAMMENARBEIT

Implemented by



Impact Stories: Methods and Approaches

**Improving Sustainable Practices and Applying Nudge Theory
to the Hospitality Sector in Luang Prabang**

1. Overview



Luang Prabang is a small UNESCO World Heritage destination in South-East Asia welcoming about 650.000 visitors a year. The visitors are mainly coming from the region (Thailand, South-Korea, China, Australia), but there is also a long-haul segment (Western Europe, USA, South-America). The destination of 80.000 inhabitants (ca. 15.000 in the core heritage zone) is experiencing significant growth and has positioned itself as a sustainable and responsible tourism destination. This requires the local tourism and hospitality sector to improve their sustainable business practices with regards to waste management, local sourcing and resource efficiency. To support local SMEs in their efforts the project has developed a practice-oriented approach. The instruments applied by the EU Switch Asia Luang Prabang Handle with Care project are a combination of technical workshops to educate about sustainable practices as well as regular networking and knowledge-sharing events that foster a community of sustainability practitioners. The engagement with the supply side (i.e. SMEs) has been supplemented with sustainable practices awareness targeting consumers (i.e. tourists) – nudging them to make more sustainable consumption decisions when visiting Luang Prabang.

2. Improving Business Practices – Creating a Community of Sustainability Practitioners



The Luang Prabang hospitality sector is defined by small scale boutique properties (20-40 rooms, few hotels are larger) with only few international hotel management companies such as ACCOR or Angsana active at the destination. The project encountered qualified interest by the business community, especially if sustainable practices proved useful for improving profitability or contributing to “developing the brand” of Luang Prabang as an authentic, sustainable destination. Due to the size of many properties there was limited capacity for developing sustainable business practices without external support. Together with the Lao business membership organisations the project was thus focusing on making knowledge about sustainable practices available to relevant hospitality staff. These technical workshops haven then been enhanced by providing continuous on-the-job coaching. However, one of the most important elements for creating lasting change was to provide opportunities for peer-to-peer knowledge exchange. During these networking events participants shared success stories, and also discussed how common challenges could be solved.

3. Adaption of “Nudge Theory” – Sustainable Consumer Practices



Nudge theory is a behavioural economics approach popularized by Nobel prize laureate (2017) Richard Thaler. The main tenet is that consumers can be “nudged” through positive reinforcements and strategically placed communication (“indirect suggestions”). In our case we adjusted the theory to local conditions in Luang Prabang to encourage tourists to make sustainable hospitality service choices. Such an approach that is not using force or threat (e.g. fines for violations) is particularly suitable for a hospitality setting that values a positive consumer experience. Communication messages (signs, stickers) reminding about energy or water usage in a hotel room are practical examples of a well-placed nudge. This approach of placing communication where action takes place also applies to tourists in the context of temple visits, or employees of SMEs in the context of food waste and solid waste management. A best-case practical example is how to remove plastic straws offered with drinks from the hospitality service supply chain. The nudge here would be to change the default option by no longer offering any kind of straw unless a patron requests a straw. And even then, to offer sustainable alternatives made of metal, paper or community-produced bamboo straws.

4. Summary – Sharing Knowledge, Shaping Sustainable Choices



The combination of using a quantifiable measurable approach to sustainable business practice innovation when working with SMEs for sustainable production and clearly linked consumer communication “nudging” sustainable consumption practices is a methodological approach that creates lasting impacts. By creating communities of knowledge with local businesses’ sustainability practitioners the project intervention ensured high local ownership and continuation, even once the project comes to a close.

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