

## Eco-Friendly Practices

# Nudge Guests, Reduce Expenses and Save the Environment

By Michael Barbera, CEO, Barbera Solutions



Mr. Barbera

Most hotels have a sign in each bathroom that ask the guest to be environmentally friendly by reusing their towels. When a guest re-uses their towels, the hotel saves money on laundry expenses, which includes a reduced use of water. However, many hotels find these signs to be ineffective. The cards cost a fee to print, and they use employee resources for placement in the rooms, but hoteliers find little to no return on investment for these paper signs.

During the past 30-years, researchers have studied human behavior and social norms. Because, well, people don't make rational decisions. We tend to attribute our behavior to more noble motives, or to practical concerns about capital. But at its core, our actions often relate to that old mantra: Monkey see, monkey do. The field of behavioral economics was born after several brave researchers broke the rules to identify how individuals make irrational decisions. If psychology and microeconomics had offspring, behavioral economics would be the result. Moreover, Daniel Kahneman, the only psychologist to be awarded the Nobel Prize in economics, once stated, "you feed them [people] the same data twice, and the results are all over the place."

The problem, from a conservationist's assessment, is that much of our environmentally friendly behavior doesn't help set social norms because the actions are not visible to others. Individuals have few methods of knowing that others in their neighborhood have recently installed an energy star appliance, insulated their attic or switched to fluorescent light bulbs.

The most persuasive language is to show that other people are doing what you want them to do. Humans want to be like other humans. It's natural, regardless of how irrational the decision. Robert Cialdini conducted research regarding hotel towels. In his experiments, Cialdini attempted to encourage guests to reuse their towels.

The experiment consisted of four groups. Group number one received a sign in their rooms that cited environmental reasons to encourage visitors to reuse their towels. Group number two received a sign in their rooms that stated the hotel would donate a portion of the annual laundry savings to an environmental cause. Group number three received signs that said the hotel had already given a donation and asked: "Will you please join us?". And group number four received signs in their rooms that stated majority of guests reused their towels at least once during their stay.

Hotel guests in group number one reused their towels 38 percent of the time. Hotel guests in group two reused their towels 36 percent of the time. Guests in group number three reused their towels 46 percent of the time, and most significant, guests in group four, that were told the majority of guests reused their towels at least once during their stay, reused their towels 48 percent of the time. Displaying proof that others are doing the same task will entice individuals to act upon the same request; therefore, reciprocity is king.

Giving something for free is likely to give you returns in the future. Free samples, a complimentary mug, free hour and a free download are a few of the many methods of giving something for free today to secure a potential return in the future. The implication is that the hotel is required to go first. The free item doesn't need to be tangible. Individual's feel the need to return the favor of reciprocity; therefore, the consumer is likely to complete a transaction with the same brand. Informing hotel guests that the majority of other people have reused their towels is likely to create the effect of reciprocity: the act of reusing their towels.

In 2005, Randy Garner conducted research regarding response rates of authentic notes titled, 'Post-It Note Persuasion.' Garner mailed surveys to strangers with a request to return them. A person with a similar or dissimilar name to the recipient signed the request. For example, Robert James might receive a survey request from a person similarly-named Bob Ames.

Randy Garner stated, "those who received the questionnaire from someone with a similar-sounding name were

nearly twice as likely to fill out and return the packet as those who received the surveys from dissimilar sounding names (56 percent compared to 30 percent).” Sales teams could increase their chances of converting a sale by increasing their knowledge of their prospects' current preferences.

So, what's this nudge stuff? It's a simple concept - you subtly promote the choice that you want an individual to make, and if executed, odds are an individual will make that choice.

The research regarding a handwritten note is a great example of a nudge. The nudge gently persuades an individual to take action. The handwritten note offers a humanizing factor to the message. The note combined with the persuasion of others doing the act of reusing towels forms the perfect nudge; therefore, combining both messages allows the hotelier to change the default. Individuals in North America are exposed to approximately 30,000 brand impressions daily. Noise and unreliability overload the market.

The current hotel default is to remove even the most gently used towels and replace them with clean towels. The current practice is not one that occurs in most homes, so why does it happen in a hotel? Well, there are many hospitable answers; however, changing the default to using a handwritten note combined with the 'majority of others are doing it' message in the room allows the hotelier to replace towels upon request. There will likely be many guests that prefer clean towels daily; however, most guests will accept the default and reuse their towels.

Additionally, the most persuasive technique is to show that others are doing it. By providing a statement that others are reusing their towels, guests will be more inclined to do the same. Let's use the current election as an example. A candidate speaks at a rally, or during a debate and they say something similar to "last week I met a young man from Ohio. This young man's name is Austen. Austen told me about his struggle with [problem], and how we could use [solution] to better provide for his family." To understand the persuasive context I'm going to break it down.

First, the young man was from Ohio, which is a swing state and vital for all political parties. Next, the candidate's name was Austen, which is a common name for young adults in the mid-west. Furthermore, the candidate mentioned Austen's challenges. It's likely that other closely-aged males in Ohio have similar concerns. The message framing allows others to relate, and think, "if Austen is voting for this person, I might want to vote this person too."

As humans, we have limited cognitive processing capacity. Think of a fuel gauge on your car. You start the day with a full tank of gas. As we grab our morning coffee on the way to work, we use some fuel, and then we have less fuel when we arrive at work. We use more fuel to go to lunch, more on the way to the bank and then more when we drive home. Our minds have a similar process. Each decision we make reduces the ability to make a better decision later on in the same day. Nudging the hotel guest is likely to prime these effects to reuse towels. Responses to behavior change take an extended period to notice. Sit back, relax and gradually watch change.

It remains unknown how the most promising trials of nudging can be scaled up. Critics of big government remain suspicious of nudging. As behavioral economics and behavioral finance grow in popularity throughout academia, some critics argue that a nudge will become a shove, and others say that a nudge isn't enough. It's important to gauge individual responses to our nudges and respect their choices. A nudge can only nudge, and never force anyone to do anything. Persuasive or nudging methods should be developed with a high-value of ethics to the organization and the recipient; therefore, it is our responsibility to implement change with a nudge without forcing an undesirable action. Lastly, to nudge consumers towards less destructive behavior, take some advice from social marketers — make it easy, fun and fashionable.

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