

Feasibility Study

Luang Prabang Visitor Attractions Passport

Commissioned by the Lao Association of Travel Agents

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Executive Summary

The Board of Directors of the Lao Association of Travel Agents has commissioned this study to examine the feasibility of establishing a single purchase, commissionable, Luang Prabang 'Visitor Attractions Passport' to be sold by travel agents (and others) to groups and individuals wishing to visit multiple tourism attractions in Luang Prabang city and environs.

Tourism Product Bundling and Marketing

Visitor attractions passports are a form of tourism "bundling" – linking and packaging a number of tourism sites in any destination or country into a marketable product. This new product can help to brand a destination, facilitating promotion through agents who can better sell a 'package' and attracting international visitors through a coherent message. Visitors are drawn to buy the passport as it offers savings on individual ticket purchases and provides other incentives such as easy entry to attractions or discounts at local businesses.

These passports also have clear destination management benefits, increasing length of stay, encouraging local spending, facilitating visitation of lesser-known attractions, maximizing revenues for all beneficiaries, and promoting the destination as a whole through a strong branded product. Further, though Luang Prabang's tourism industry could be considered strong overall in terms of pro-poor and local benefits, this study has found that the revenues from tourism attraction ticket sales are exceedingly centralized, with a minimum of 52% of income going directly to the government and little being redirected to the sites themselves or local communities. A well-formulated and transparently run passport scheme could introduce new responsible tourism initiatives and support more responsive site management systems.

Stakeholder Views

Most local stakeholders are positive about the idea of a passport scheme, though many expressed concerns about the operational aspects and appropriate management authority. Tour companies are interested in a scheme that would allow them to pre-purchase passes, guarantee ticket pricing, provide discounts and added value, and improve site management and maintenance. Most government offices think it's a good concept, but have doubts on how (or whether) it would work with so many inter-departmental interests. Indicatively, the Department of Information and Culture and Maison du Patrimoine, two major stakeholders, would not consent to discuss the idea with the consultants. Tourists are overwhelmingly in favor of a passport scheme, as long as it is affordable, flexible and optional. It is important to note that village and ticket sellers expressed anxiety that a new scheme would reduce their stake, and also that the Buddhist Federation is opposed to any commercialization of temples.

Proposed "Luang Prabang Visitor Passport"

Based on stakeholder views, international case studies and the Luang Prabang context, a "Luang Prabang Visitor Passport" scheme is proposed, providing tourists with an optional pass which includes entry to 6 tourist sites, discounts at local businesses, and an attractive product which incorporates stamps, background on Luang Prabang and the sites, and information on how tourism revenues are utilized. The Passport would be valid for one month, available for pre-purchase, with commissions and discounts given to agents and tour operators.

The Passport would help brand Luang Prabang as a forward-thinking World Heritage Site with a commitment to responsible tourism, and would help to distribute benefits from tourism to a wider number of beneficiaries, through commissions, direct village earnings (not just a handful of ticket collecting families), the sites themselves and a more transparently managed Tourism Management Fund. Less well-known tourist sites would gain a larger share of visitors than under the current system, as the Passport encourages tourists to go to more attractions. Any sites and villages visited

under the passport scheme would receive a percentage of overall passport revenues, as well as access to the Tourism Management Fund. The Passport would encourage longer stays and more spending through one-month validity periods and discount schemes and promotions.

This scheme aims to retain a large portion of the earnings of the current beneficiaries and stakeholders (i.e. the government, local villages, and sites) while building in funds for improved maintenance and sustainable tourism development activities. In comparison to current ticket revenue distribution systems, the “general” government share will remain similar, but explicitly allocate 20% of the earnings into a Tourism Management Fund, used for tourism site management, village development and sustainable tourism activities. Further, under this system, more villages, not just the four villages in the current system, would gain access to the income from tourist attractions.

Overall Feasibility

A Visitor Passport could be a strong marketing tool and responsible tourism product for Luang Prabang, if appropriately overseen and operated. The conclusion of the study is that such a scheme would be feasible, but only with the instigation of a strong political advocate at the highest levels of the provincial government. Further, such a Passport would really only be successful if provided with medium-term financial and technical support from a development agency or private company with strong marketing experience.

It is recommended that this study be used as a working document by LATA, to build consensus among its members and other stakeholders, seek the consent of the government, and approach potential sources of support and technical assistance.

This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of SNV and LATA and can under no circumstances be regarded as reflecting the position of the European Union.

ບົດສະຫຼຸບຫຍໍ້

ຄະນະປະທານຂອງສະມາຄົມທຸລະກິດທ່ອງທ່ຽວລາວໄດ້ຈັດຕັ້ງການສຶກສານີ້ ເພື່ອຄົ້ນຄວ້າເຖິງຄວາມເປັນໄປໄດ້ຂອງການເຮັດບັດນັກທ່ອງທ່ຽວ, ແບບຊື້ບັດດຽວແລ້ວສາມາດເຂົ້າຊົມສະຖານທີ່ທ່ອງທ່ຽວໄດ້ຫຼາຍແຫ່ງຢູ່ຕົວເມືອງ ຫຼວງພະບາງ ແລະອ້ອມແອ້ມ, ເຊິ່ງຈະຈຳໜ່າຍໂດຍບໍລິສັດທ່ອງທ່ຽວ (ແລະພາກສ່ວນອື່ນໆ) ເພື່ອຂາຍໃຫ້ແກ່ກຸ່ມນັກທ່ອງທ່ຽວ ຫຼື ບຸກຄົນ ທີ່ຕ້ອງການມາທ່ຽວຊົມສະຖານທີ່ທ່ອງທ່ຽວທີ່ຫຼາກຫຼາຍໃນຕົວເມືອງ ຫຼວງພະບາງ ແລະສະຖານທີ່ອ້ອມແອ້ມ.

ການລວມສູນຜະລິດຕະພັນທ່ອງທ່ຽວ ແລະ ການຕະຫຼາດ

ບັດນັກທ່ອງທ່ຽວ, ບັດດຽວເຂົ້າຊົມໄດ້ຫຼາຍແຫ່ງທ່ອງທ່ຽວ ເປັນແບບຢ່າງໜຶ່ງຂອງການລວມສູນຜະລິດຕະພັນທ່ອງທ່ຽວ, ມັນເປັນການເຊື່ອມໂຍງ ແລະຈັດຮວມຈຳນວນສະຖານທີ່ທ່ອງທ່ຽວຕ່າງໆ ໃຫ້ກາຍເປັນຜະລິດຕະພັນເພື່ອເຮັດການຕະຫຼາດໄດ້. ຜະລິດຕະພັນໃໝ່ຕົວນີ້ຈະສາມາດຊ່ວຍສ້າງພາບພົດສະເພາະໃຫ້ແກ່ແຫຼ່ງທ່ອງທ່ຽວ ແລະຊ່ວຍໃນການໂຄສະນາຜ່ານບັນດາບໍລິສັດທ່ອງທ່ຽວເຊິ່ງສາມາດຂາຍຜະລິດຕະພັນປະເພດ " Package " ໄດ້ດີ ໂດຍການຜ່ານສື່ສານຂໍ້ມູນ ທີ່ສະໜ້າສະເໜີໃຫ້ແກ່ນັກທ່ອງທ່ຽວຕ່າງຊາດ. ນັກທ່ອງທ່ຽວຈະຫັນມາຊື້ບັດເຂົ້າຊົມສະຖານທີ່ທ່ອງທ່ຽວຮູບແບບນີ້ ເນື່ອງຈາກວ່າ ບັດນີ້ສະໜອງຜົນປະໂຫຍດຫຼາຍຢ່າງເຊັ່ນ: ເປັນການປະຫຍັດຫຼາຍກວ່າການຊື້ປີ້ກັບທີ່ ແລະຍັງໄດ້ຄວາມສະດວກອື່ນເຊັ່ນ: ງ່າຍຕໍ່ການເຂົ້າຊົມສະຖານທີ່ແຕ່ລະແຫ່ງ ຫຼື ໄດ້ສ່ວນຫຼຸດລາຄາຈາກທຸກລະກິດທີ່ເຂົ້າຮ່ວມການໂຄສະນາ.

ບັດນັກທ່ອງທ່ຽວດັ່ງກ່າວນີ້ກໍ່ຍັງມີຜົນປະໂຫຍດທີ່ຈະແຈ້ງສຳລັບການຄຸ້ມຄອງສະຖານທີ່ທ່ອງທ່ຽວ, ເພີ່ມໄລຍະເວລາການມາພັກເຊົາ, ສະໜັບສະໜຸນທຸລະກິດທ່ອງທ່ຽວ, ເປັນສິ່ງແນະນຳບ່ອນທ່ອງທ່ຽວທີ່ຍັງບໍ່ຄ່ອຍເປັນທີ່ຮູ້ຈັກ, ເຮັດໃຫ້ຜູ້ທີ່ມີສ່ວນຮ່ວມມີລາຍຮັບທີ່ສູງຂຶ້ນ, ແລະສາມາດໂຄສະນາແຫຼ່ງທ່ອງທ່ຽວທັງໝົດໂດຍຜ່ານຜະລິດຕະພັນນີ້. ຢ່າງໃດກໍ່ຕາມ, ເຖິງວ່າອຸດສາຫະກຳການທ່ອງທ່ຽວແຂວງຫຼວງພະບາງຈະສາມາດຫຼຸດຜ່ອນຄວາມທຸກຍາກ ແລະສ້າງຜົນກຳໄລໃຫ້ແກ່ທ່ອງທ່ຽວຢ່າງເຂັ້ມແຂງແລະຕໍ່ເນື່ອງ, ແຕ່ການສຶກສາຮັ່ງມີຍັງພົບວ່າລາຍໄດ້ຈາກການຂາຍບັດເຂົ້າຊົມຈຸດທ່ອງທ່ຽວຫຼັກໆ ຢູ່ໃນແຂວງຈະຕົກຢູ່ພາຍໃນພາກສ່ວນລັດເປັນສ່ວນໃຫຍ່, ເຊິ່ງວ່າລາຍໄດ້ມອບເຂົ້າງົບປະມານຂອງລັດຖະບານແຂວງແມ່ນບໍ່ຕໍ່າກວ່າ 52% ຂອງລາຍໄດ້ທັງໝົດ ມີພຽງສ່ວນໜ້ອຍເທົ່ານັ້ນທີ່ສົ່ງກັບໃຫ້ສະຖານທີ່ທ່ອງທ່ຽວ ແລະໜ່ວຍງານເຄື່ອນໄຫວຄຸ້ມຄອງທ່ອງທ່ຽວ. ການສ້າງຜະລິດຕະພັນແບບລວມສູນ ທີ່ມີການຄຸ້ມຄອງຢ່າງໂປ່ງໃສຊັດເຈນຂອງບັດນັກທ່ອງທ່ຽວນີ້ ຈະເປັນການແນະນຳການທ່ອງທ່ຽວແບບມີຄວາມຮັບຜິດຊອບ ແລະຊ່ວຍໃນການສ້າງລະບົບຄຸ້ມຄອງສະຖານທີ່ທ່ອງທ່ຽວດີຂຶ້ນ.

ຄວາມຄິດເຫັນຂອງພາກສ່ວນທີ່ກ່ຽວຂ້ອງ

ບັນດາຜູ້ທີ່ມີສ່ວນຮ່ວມ ແລະກ່ຽວຂ້ອງກັບການທ່ອງທ່ຽວໃນທ້ອງຖິ່ນແມ່ນເຫັນດີຕໍ່ກັບແນວຄວາມຄິດສ້າງບັດນັກທ່ອງທ່ຽວ, ບັດດຽວເຂົ້າຊົມໄດ້ຫຼາຍບ່ອນ, ແຕ່ກໍ່ສະແດງຄວາມເປັນຫວ່າງກ່ຽວກັບການຈັດຕັ້ງບໍລິຫານ ແລະຈັດການ ທີ່ເໝາະສົມ.

- ບໍລິສັດທ່ອງທ່ຽວໄດ້ໃຫ້ຄວາມສົນໃຈຕໍ່ນະໂຍບາຍທີ່ຈະອະນຸຍາດໃຫ້ພວກເຂົາຊື້ບັດໄດ້ລ່ວງໜ້າ, ລາຄາທີ່ຮັບປະກັນ ແລະແນ່ນອນ, ສະໜອງສ່ວນຫຼຸດລາຄາ ແລະຊ່ວຍເພີ່ມຄຸນຄ່າ ແລະປັບປຸງການຈັດການໃນພາກສ່ວນຜູ້ຄຸ້ມຄອງ ເພື່ອປົກປັກຮັກສາສະຖານທີ່ທ່ອງທ່ຽວ.

- ໜ່ວຍງານພາກລັດສ່ວນໃຫຍ່ຄິດວ່າມັນເປັນແຜນທີ່ດີ, ແຕ່ກໍ່ຍັງສົງໄສເຖິງຄວາມເປັນໄປໄດ້ຍ້ອນວ່າມັນຈະແຕະຕ້ອງເຖິງຜົນປະໂຫຍດຂອງຫຼາຍພາກສ່ວນຂອງລັດ. ໃນນີ້ພະແນກຖະແຫຼງຂ່າວ ແລະວັດທະນະທຳ ແລະທ້ອງຖານມໍລະດົກ, ທັງສອງພາກສ່ວນເຊິ່ງເປັນພາກສ່ວນກ່ຽວຂ້ອງຫຼັກໆ ບໍ່ຍິນຍອມໃຫ້ເຂົ້າພົບປຶກສາກ່ຽວກັບແນວຄວາມຄິດນີ້.
- ສຳລັບນັກທ່ອງທ່ຽວ ໂດຍສ່ວນຫຼາຍແມ່ນສະແດງຄວາມສົນໃຈສູງຕໍ່ແນວຄວາມຄິດນີ້ ຖ້າຫາກວ່າດ້ານລາຄາແມ່ນສົມມາພາຄວນ ແລະເປັນຮູບແບບທີ່ສາມາດເລືອກໄດ້ (ບໍ່ແມ່ນລັກສະນະບັງຄັບໃຊ້).
- ຂັ້ນບ້ານ ແລະ ຜູ້ຂາຍປີ້ສະແດງຄວາມກັງວົນຕໍ່ນະໂຍບາຍໃໝ່ຂອງບັດນັກທ່ອງທ່ຽວ ເພາະມັນອາດຈະເຮັດໃຫ້ພວກເຂົາມີລາຍໄດ້ຫຼຸດລົງ ແລະພ້ອມກັນນັ້ນຄະນະສົງແມ່ນມີຄວາມເຫັນຄັດຄ້ານຕໍ່ການນຳໃຊ້ສະຖານທີ່ສາສະໜາເພື່ອເຮັດການຄ້າຫາລາຍໄດ້.

ຂໍ້ສະເໜີກ່ຽວກັບ “ ບັດນັກທ່ອງທ່ຽວຢູ່ຫຼວງພະບາງ ”

ອີງຕາມການໃຫ້ຄວາມເຫັນຂອງບາງບັນດາພາກສ່ວນກ່ຽວຂ້ອງໃນຂະແໜງການທ່ອງທ່ຽວ, ກໍລະນີສຶກສາ ຈາກສາກົນ ແລະອີງໃສ່ສະພາບແວດລ້ອມຂອງຫຼວງພະບາງ ຈຶ່ງໄດ້ຂໍສະເໜີ “ ບັດນັກທ່ອງທ່ຽວຢູ່ຫຼວງພະບາງ ” ດັ່ງນີ້:

- ຕອບສະໜອງບັດນັກທ່ອງທ່ຽວໃນຮູບແບບທີ່ ບໍ່ບັງຄັບໃຊ້ ເຊິ່ງລວມມີສະຖານທີ່ທ່ອງທ່ຽວ 6 ແຫ່ງໃຫ້ຜູ້ຖືບັດສາມາດເລືອກໄດ້ຕາມອັດທະຍາໄສ.
- ມີສ່ວນຫຼຸດລາຄາຕາມທ້າງຮ້ານຕ່າງໆ ໃນທ້ອງຖິ່ນ ແລະບັດນີ້ຍັງສາມາດເກັບໄວ້ເປັນສິ່ງທີ່ລະນຶກອີກດ້ວຍ. ເພື່ອດຶງດູດຄວາມສົນໃຈ ບັດຈະບັນຈຸ 6 ໜ້າ ເຊິ່ງອອກແບບຢ່າງສວຍງາມ ເພື່ອບັນຈຸສະແຕັມສະເພາະຂອງສະຖານທີ່ທ່ອງທ່ຽວ, ຮູບພາບສະຖານທີ່ທ່ອງທ່ຽວຕ່າງໆ, ແຜນທີ່ ແລະຂໍ້ມູນແນະນຳການນຳໃຊ້ລາຍໄດ້ຈາກບັດທ່ອງທ່ຽວ.
- ອາຍຸໃຊ້ງານຂອງບັດແມ່ນ 1 ເດືອນ, ສາມາດສັ່ງຊື້ລ່ວງໜ້າໄດ້ ໂດຍມີສັນຍາ ແລະສ່ວນຫຼຸດລາຄາບັດໃຫ້ແກ່ຕົວແທນຈຳໜ່າຍ ແລະບໍລິສັດທ່ອງທ່ຽວ.
- ບັດນັກທ່ອງທ່ຽວນີ້ຈະຊ່ວຍສ້າງຊື່ສຽງແລະພາບພົດສະເພາະໃຫ້ຫຼວງພະບາງເປັນແຫຼ່ງທ່ອງທ່ຽວມໍລະດົກ ໂລກທີ່ກ້າວໜ້າທີ່ສົ່ງເສີມການທ່ອງທ່ຽວແບບມີຄວາມຮັບຜິດຊອບ.
- ຈະຊ່ວຍກະຈາຍຜົນປະໂຫຍດຈາກການທ່ອງທ່ຽວໄດ້ຢ່າງກວ້າງຂວາງ ເຊິ່ງວ່າລາຍໄດ້ຈະເຂົ້າສູ່ບ້ານໄດ້ໂດຍກົງ (ບໍ່ແມ່ນສະເພາະແຕ່ຄອບຄົວຜູ້ທີ່ເກັບປີ້).
- ສະຖານທີ່ທ່ອງທ່ຽວໄດ້ລາຍຮັບໂດຍກົງ ແລະການນຳໃຊ້ການບໍລິຫານເງິນກອງທຶນພັດທະນາທ່ອງທ່ຽວຈະມີຄວາມໂປ່ງໃສຂຶ້ນ.
- ນັກທ່ອງທ່ຽວຈະຮູ້ຈັກສະຖານທີ່ທ່ອງທ່ຽວຫຼາຍຂຶ້ນກວ່າລະບົບທີ່ເປັນຢູ່ປະຈຸບັນ ເພາະບັດນັກທ່ອງທ່ຽວຈະຊ່ວຍກະຕຸ້ນນັກທ່ອງທ່ຽວໄປຊົມຫຼາຍບ່ອນ ໂດຍສະເພາະບ່ອນທີ່ບໍ່ທັນມີຊື່ສຽງ.
- ສະຖານທີ່ທ່ອງທ່ຽວ ທີ່ຈັດເຂົ້າຢູ່ໃນບັດນັກທ່ອງທ່ຽວ ແລະບ້ານທີ່ຮັບຜິດຊອບຈະໄດ້ລາຍຮັບຈາກບັດເປັນ ເປີເຊັນຈາກລາຍໄດ້ຂອງການຂາຍບັດທັງໝົດ ແລະກໍ່ມີສິດເຂົ້າເຖິງກອງທຶນພັດທະນາການທ່ອງທ່ຽວອີກດ້ວຍ.

- ບັດນັກທ່ອງທ່ຽວຈະກະຕຸ້ນໃຫ້ນັກທ່ອງທ່ຽວພັກເຊົາດົນຂຶ້ນ ແລະໃຊ້ຈ່າຍເພີ່ມຂຶ້ນເນື່ອງຈາກວ່າບັດນີ້ສະໜອງຜົນປະໂຫຍດຫຼາຍຢ່າງ ໂດຍສະເພາະແມ່ນໄລຍະນຳໃຊ້ໜຶ່ງເດືອນ, ລາຄາທີ່ປະຫຍັດ ແລະສ່ວນຫຼຸດຕາມຮ້ານຕ່າງໆ.

ການສ້າງບັດດັ່ງກ່າວນີ້ແມ່ນມີເປົ້າໝາຍເພື່ອເຮັດໃຫ້ພາກສ່ວນທີ່ກ່ຽວຂ້ອງມີລາຍໄດ້ເພີ່ມຂຶ້ນຈາກເດີມ (ຕົວຢ່າງ ພາກລັດ, ບ້ານ ແລະສະຖານທີ່ທ່ອງທ່ຽວ) ບວກໃສ່ກັບລາຍໄດ້ຈາກການຂາຍປີ້ທີ່ມີຢູ່ປະຈຸບັນ, ໃນຂະນະດຽວກັນກໍ່ສາມາດສ້າງ ກອງທຶນພັດທະນາແຫຼ່ງທ່ອງທ່ຽວແບບຍືນຍົງໄດ້ຕື່ມອີກ. ເມື່ອສົມທຽບກັບລະບົບກະຈາຍລາຍໄດ້ຈາກການຂາຍປີ້ ແບບປະຈຸບັນ, ການແບ່ງປັນຜົນປະໂຫຍດໂດຍທົ່ວໄປແລ້ວແມ່ນມີລັກສະນະຄ້າຍຄືກັນ, ແຕ່ວ່າການແບ່ງປັນ 20% ຂອງລາຍໄດ້ເຂົ້າເປັນກອງທຶນພັດທະນາການທ່ອງທ່ຽວແມ່ນຈະລະບຸຢ່າງຈະແຈ້ງ, ເຊິ່ງວ່າກອງທຶນນີ້ຈະໃຊ້ສຳລັບຄຸ້ມຄອງສະຖານທີ່ທ່ອງທ່ຽວ, ພັດທະນາບ້ານ ແລະໃຊ້ໃນກິດຈະກຳການທ່ອງທ່ຽວແບບຍືນຍົງ. ຢ່າງໃດກໍ່ຕາມ, ພາຍໃຕ້ລະບົບນີ້ມີຫຼາຍ ບ້ານບໍ່ພຽງແຕ່ 4 ບ້ານໃນລະບົບປະຈຸບັນເທົ່ານັ້ນ ທີ່ຈະມີລາຍຮັບເພີ່ມຂຶ້ນຈາກແຫຼ່ງທ່ອງທ່ຽວ.

ສັງລວມການສຶກສາຄວາມເປັນໄປໄດ້

ບັດນັກທ່ອງທ່ຽວສາມາດເປັນເຄື່ອງມືການຕະຫຼາດທີ່ດີ ແລະເປັນຜະລິດຕະພັນທ່ອງທ່ຽວທີ່ມີຄວາມຮັບຜິດຊອບສຳລັບຫຼວງພະບາງ ຖ້າມີການກວດກາຄວບຄຸມ ແລະບໍລິຫານທີ່ເໝາະສົມ. ບົດສະຫຼຸບຜົນການສຶກສານີ້ ສະແດງ ໃຫ້ເຫັນວ່າແນວຄວາມຄິດການຈັດຕັ້ງບັດນັກທ່ອງທ່ຽວຮູບແບບທີ່ກວ່າມາຂ້າງເທິງນັ້ນ ມີຄວາມເປັນໄປໄດ້ ຖ້າຫາກວ່າມີການສະໜັບສະໜູນຂັ້ນສູງສຸດຈາກພາກສ່ວນລັດຖະບານແຂວງ. ນອກນີ້, ບັດນັກທ່ອງທ່ຽວຈະປະສົບຜົນສຳເລັດໄດ້ເປັນຈິງ ຖ້າຫາກວ່າມີການສະໜອງທຶນຮອນ ແລະວິຊາການທີ່ເໝາະສົມໃນເບື້ອງຕົ້ນ.

ເຖິງຢ່າງໃດກໍ່ຕາມ, ຜົນການສຶກສາຄັ້ງນີ້ ໃຫ້ຖືເປັນເອກະສານຄົ້ນຄວ້າ ຂອງສະມາຄົມທຸລະກິດທ່ອງທ່ຽວລາວ ເພື່ອສ້າງຄວາມເຂົ້າໃຈລະຫວ່າງ ຊະນິດຊື່ກ ແລະພາກສ່ວນທີ່ກ່ຽວຂ້ອງອື່ນໆ, ເພື່ອຄົ້ນຫາຂໍ້ຕົກລົງຈາກພາກລັດ ແລະຜູ້ສະໜັບສະໜູນແຫຼ່ງທຶນ ແລະວິຊາການທີ່ຕ້ອງການຈາກອົງກອນພັດທະນາ, ລັດຖະບານ ຫຼື ພາກສ່ວນເອກະຊົນ.

Part I: Current situation

1. Introduction

1.1 Background of study

The Lao Association of Travel Agents (LATA) is the representative association for professional tour operators and travel agents in Lao PDR. The association currently has some 57 members and is expanding. LATA opened a full office in the LNTA building on Lang Xang Avenue in July 2006 and offers a training and advocacy service to its member travel agents.

The Association is receiving support through the EU Asia Invest II programme 'Marketing Responsible Tourism in Lao PDR' in partnership with SNV Netherlands Development Organisation (SNV) and Leeds Metropolitan University (Leeds Met). The Asia-Invest Programme was launched in 1997 as an initiative of the European Union to promote and support business co-operation between the EU Member States and Asia. The Programme provides assistance to intermediary organisations to facilitate mutually beneficial partnerships between EU and Asian companies, in particular small and medium-sized enterprises (SMEs), as well as to strengthen the framework conditions to increase trade and investment flows between the two regions. The Programme's three main areas of activity are: (i) Business to business match-making and partnership building; (ii) Asian private sector development, and (iii) Institutional capacity building, networking and dialogue.

The Board of Directors of LATA has commissioned this study to examine the feasibility of establishing a single purchase, commissionable, Luang Prabang 'Visitor Attractions Passport' to be sold by travel agents (and others) to groups and individuals wishing to visit multiple tourism attractions in Luang Prabang city and environs.

Despite the charm and beauty of the town, many tourists and tour operators have voiced the concern that entrance fees to key attractions are becoming expensive while their facilities remain the same or decline. Over the years, numerous discussions have periodically surfaced debating the potential of an 'attraction passport' allowing visitors to purchase a single pass that gives them the right to enter various tourist sites around town. This could generate funds for destination management, streamline visitor entries, promote lesser known attractions, and create value-for-money. It is expected that such a product would be heavily utilized by tour companies.

Although a few private attractions exist in and around Luang Prabang including an elephant park, waterfall/picnic area, and ethnology museum, most of Luang Prabang's main attractions are under the authority of various government agencies, including the Provincial Tourism Department, Provincial Department of Information and Culture, and District Offices. The attractions employ a diverse range of management and fee systems that include local villages, government offices and private concessionaires. There are no shared regulations, fund distribution mechanisms, or development strategies amongst these attractions at present.

In 2005, Maison du Patrimoine, the primary agency responsible for enforcing and managing Luang Prabang's heritage regulations, explored the feasibility of several different taxation and tourism passport schemes to generate funds for heritage management. In this study, they proposed three "Heritage Pass" models with varying degrees of feasibility and benefits. Their findings are summarized in Annex 2.

Marketing an effective tourist package provides a strong reason for people to visit a destination or region, enhancing the area's coherence and attractiveness and adding value and incentives for

tourists. Packaging of larger or key attractions with smaller sites and with other tourism services, such as accommodation, souvenir shops, restaurants, spa/massage parlors etc., can create synergies and increase tourist volume. It also allows lesser-known attractions and services the opportunity to attract a share of the tourism receipts, bringing benefits to a wider community. However, effective tourism pass schemes generally require single management entities responsible for branding and marketing the passes and allocating the earnings. Most pass schemes in operation are located in developed countries with sophisticated and highly urbanized tourism sites.

Tourism promotional schemes and packaging strategies have been implemented around the world for national monuments and museums, as well as natural attractions and cityscapes, including several World Heritage Sites. There has been very little concerted research to evaluate the success factors, comparative financial advantages, and site management benefits of tourism passport schemes, and limited information is publicly available on operational structures and financial distribution mechanisms. Nevertheless, this study uses cases from Asia and Europe to draw lessons and propose models for possible implementation in Luang Prabang.

1.2 Objectives

To explore the feasibility of the concept of an all-inclusive Luang Prabang Visitor Attractions Passport, based on international best practice, and to work to establish a consensus amongst interested parties as to the most equitable and practical way of sharing revenues that would result. The product should include a strong pro-poor tourism element.

1.3 Methodology

To achieve the stated objective above, various methods were employed to gather data and information for a comprehensive analysis by the consultants. This includes a concerted desk study in order to gather information on key examples that can demonstrate the cost and benefits of setting up such a scheme and how it can be adapted and used in Luang Prabang. Relevant statistical data and other important documents such as attraction management agreements and related were gathered to provide Luang Prabang-specific background information. Questionnaire surveys and interviews with key informants in the concerned organizations were carried out during the field study between 6 and 22 July, 2008.

Questionnaire survey – were used to gather tourist data such as the willingness to buy such product in order to provide a consensus on the demand. In addition, a different questionnaire was employed to explore the willingness on the supply side, including key attraction operators/managers. Other service providers, such as accommodation, shops, restaurants, spas/massage parlors, and other businesses were also surveyed for their willingness to participate in a joint promotional scheme.

Interviews – semi-formal interviews were conducted with relevant stakeholders including the Provincial Tourism Department, Provincial Federation of Buddhist Faith, Luang Prabang Tour Operator Group, individual travel agents, and village groups who usually work as ticket sellers. Interviews and discussions have provided in-depth information on the management structure at each site, including ownership and beneficiaries. In addition, this method allowed the consultants to close the information gap that the questionnaire survey might have omitted.

2. Tourism in Luang Prabang

Since its inscription as a World Heritage Site in 1995, tourism in Luang Prabang has grown by over 400%, transforming this provincial town of approximately 76,000 inhabitants into Laos' most important tourist destination. The town received 186,819 international visitors in 2007, and with increasing regional air links, a rapidly expanding accommodation sector, and Time Magazine, The New York Times and other publications rating Luang Prabang a top destination for 2008, this growth is expected to continue.

Luang Prabang is attractive to both regional and long-haul tourists for its royal history, Buddhist architecture, and overall character and atmosphere. Visitors of European and Asia Pacific origin make up roughly equal shares of the market, at 42% and 41% in 2007, with Thailand as the top single origin country, followed by the US, Australia, France and Germany.

Official numbers for FITs (free independent tourists) versus tourists arriving on package tours or with tour companies are not collated by the Provincial Tourism Department. Nevertheless, the consultants were able to obtain data indicating that in 2007/2008, 17 tour companies registered 26,579 tourists as using their services. However, 15% of the data from these 17 tour companies was missing, and in total, there are 32 licensed tour operators in Luang Prabang. Using 2007 international visitor arrival data, we can make a very rough estimation that 20% of tourists in Luang Prabang are on packaged tours.

Table 1. Tourist arrivals, expenditure, length of stay and total revenues, Luang Prabang¹

Year	International	Domestic	Average expenditure pppd (US\$)	Length of stay	Revenue from tourism in (US\$)
2000	65,225	45,015	35	3	11,575,200
2001	68,250	47,250	35	3	12,127,500
2002	94,846	75,697	35	3	17,907,015
2003	78,129	58,983	40	3	16,454,640
2004	105,513	90,593	40	3	26,474,310
2005	133,569	128,381	50	4	52,390,000
2006	151,703	123,451	59	4.5	61,090,650
2007	186,819	124,826	50	5	77,911,250

*Luang Prabang PTD Tourism Statistics 2007

¹ The sources of data included in this table are unclear and there are likely large discrepancies from the reality. For example, the revenues calculated in 2007 assume that all tourists, both domestic and international, have an average daily expenditure of \$50 per day. It is unclear how the length of stay numbers are derived, and also where the domestic visitor statistics come from.

This growth has turned tourism into the number one sector driving Luang Prabang's economy, fuelling demand for agricultural produce, construction, labor, transport and services and introducing significant entrepreneurial and income opportunities for local residents. It is estimated that roughly US \$3 million goes to Lao producers of food and beverages per year; US \$1.8 million to local artisans, traders and suppliers of crafts; and about US \$600,000 to local transport providers and guides². These figures are considerable in a country where the estimated annual per capita income is a mere \$490 and do not include the money earned by relatively wealthier Lao people who own guesthouses, hotels, internet shops or restaurants. In the past 10 years, accommodation establishments increased by over 700%, tour agencies by 300%, and restaurants by 470%³; all by and large, owned and run by Lao nationals. The province's relative lack of infrastructure, poor accessibility and niche status has meant that until quite recently, foreign investment was the exception. The vast majority of tourism businesses are small, and locally-owned and operated.

2.1 Key attractions

Luang Prabang's main attractions are encompassed within the heritage zone itself, with over 60 Buddhist temples (including Vat Xiengthong, Vat Visoun, Vat Chomphet, Vat Phabath Tai, and Vat Mai), the Royal Palace Museum, Phu Si Mountain, and the night market. On the outskirts, attractions such as waterfalls (Kuangxi and Sae Waterfalls), Tam Ting (Pak Ou Caves), and various handicraft villages (Phanom and Xang Kong villages) are among the largest tourist draws.

The majority of classic itineraries operated by tour companies are 2 nights/3 days, and include a standard roster of attractions: Vat Xiengthong, Vat Visoun (and Aham), Vat Mai, the Royal Palace Museum, Phousi Hill and Pak Ou Caves (including Xang Hai village). A 3 nights/4 days itinerary will also add Kuangxi Waterfalls and trips to Xang Kong and Phanom handicraft villages.

Tour operators have said that it's difficult to extend trip durations due to the lack of distinctive attractions or activities, and currently, overall visitor length of stay is roughly 5 days, though tour package visitors tend to stay for about 3 days.

2.2 Current attraction management practices

Luang Prabang has 111 registered public tourist attractions, of many of which are found within Luang Prabang town and surrounding area. The majority of these attractions are public assets such as temples, the museum, Phousi Hill, the waterfalls and caves. Various management mechanisms have been applied to these sites, of which the following three models are most common:

- Government management and operation of an attraction;
- Public/private partnership in operation of an attraction (i.e. government manages/villager operates); and
- Private concession.

In general the government retains the overall authority to set policy for managing the attractions, including determining the fee structures.

In December 2006 the government tried to standardize the management system for some of the major attractions in the Heritage area that collect entrance fees including Vat Xiengthong, Vat Visoun, Vat Aham, the Royal Palace Museum, and Phousi Mountain (both entrances). These sites

² Ashley, C., 2006. Luang Prabang Tourism and Opportunities for the Poor. SNV Laos

³ Luang Prabang Provincial Tourism Department Statistics 2007

were previously managed under the directorship of the Department of Information and Culture (DIC) which retained approximately 60% of the total revenue and redistributed to the ticket sellers (9%), temples (8%), and respective villages (8%). The remaining 40% was distributed to the Department of Finance (DoF) as part of the public revenue collection.

Following recommendations from the Governor's Office in late 2006, it was agreed that the Tax Office under the DoF take over the overall management of revenue collected for the above mentioned attractions (six in total). In January 2007 the recommendation came into effect and new contracts were issued and signed between the Tax Office (party A) and Party B, the representatives of four villages (Visoun, Xiengthong, Aham, Khamyong) representing about 20 families that are involved in the day to day management of the site including ticket sales, bookkeeping and cleaning. The Tax Office also signed a separate contract with the Director of the Royal Palace Museum. For Phousi Hill, the contract for the entrance on the western end (Museum side) was signed with three private individuals (previous employees or family of employees of the Department of Information and Culture). All contract periods are one year, renewable yearly, and were effective as of 1 January 2007.

The terms and conditions stipulated in the contracts are quite general, stating the basic rights of each party. They also clearly outline the direct beneficiaries and amounts in percentages that the respective beneficiaries are entitled to receive (see Table 2). The main articles for the contracts include:

- Article 1:** Effective date of contract
- Article 2:** Party A have the right to monitor and audit the operation of the Party B in any chosen time based on the rules of the Department of Finance.
- Article 3:** Rights to Terminate
- Article 4:** Party B is the only party that is allowed by the rule to sell tickets unless authorized by Party A.
- Article 5:** Party B can only sell ticket according to the given price. Tickets shall not be sold a higher or lower than the suggested price unless authorized by Party A.
- Article 6:** Benefit distribution: for distribution percentage see Table 2. The article stated that DIC is responsible for regular maintenance of the sites and the Tax office is responsible for printing and issuing ticket books. Part of the money the Tax Office receives contributes to the payment of utilities of the Royal Palace Museum, Phousi Mountain, and the Radio and National Broadcasting Units.
- Article 7:** Guidelines for depositing the money: Once a week (every Monday) Party B need to report the account to the DIC and once DIC verify the amounts equivalent to Kip for each of the stakeholders as stated in Article 6 the money is deposit at the Tax Office. Party B is also responsible for summarizing and reporting the outstanding amount owed by tour companies (those that pay on credit). Party A will claim the money directly from the tour operators.
- Article 8:** Party B is responsible for summarizing the monthly account and indicates the amount that each stakeholder will receive.
- Article 9:** The contract period is 1 year starting from 1 January 2007 to 31 December 2007. A new contract will be issued only when there is change in the current benefit distribution. Therefore the current contract is in effect until changes need to be administered to Article 6.

The key natural attractions such as Kuangxi Waterfalls, Sae Waterfalls and Tham Ting (Pak Ou Caves) have a slight variation to the attraction management practices as follows.

Kuangxi Waterfall

The Kuangxi Waterfall is an all government managed and operated attraction under the Provincial Tourism Department (PTD). The contract for this particular site was signed by the representative of the PTD and the State Assets Management Office witnessed by the Director of the Provincial Department of Finance. The contract came into effect on 1 January 2007.

There are 4 major stakeholders who receive an allocated share of the income: PTD (20%), State Assets Management Office (10%), Department of Finance – revenue collection (70%), and villagers (7 people in total), who are paid a monthly salary for on-site maintenance and inspection from the 20% that the PTD receives. The PTD staff responsible for accounting of the Kuangxi Fund stated that approximately 50% of the income the PTD receives goes back to the park in the form of park staff salaries, transportation costs, regular upgrade of facilities, and maintenance of the park.

The roles and responsibilities of each stakeholder are as follows:

- PTD responsible for selling entry tickets according to the set prices; the PTD is not allowed to increase prices or give discounts or exemptions on entrance fees unless agreed by the Department of Finance.
- PTD has exclusive rights over the area, and is responsible for the overall management and operation of the sites including monitoring and retaining local staff responsible for maintenance, cleaning, and guarding.
- State Assets Management Office is responsible for printing of entry tickets and administrative costs of the office.

Sae Waterfalls

Since 1996 the waterfalls have been managed by Luang Prabang Travel & Tours, a public company, in the form of a 10 year concession. In 2006 the concession period expired and was renewed in 2007 for an additional 25 years. However, an additional partner was included in the new contract, a Thai company which is responsible for the elephant activities and also operates the restaurant in the waterfall area. The new concession price is \$1200 per year, with a yearly appreciation rate of 5%. Currently Luang Prabang Travel & Tours holds 30% of the shares and the Thai company holds 70%, such that they split the revenue/profit from the elephant activities and from general ticket sales. The concessionaires also pay a 10% tax to the Xieng Ngern District.

Tham Ting (Pak Ou Caves)

The cave attraction has been managed in the form of a concession to Pak Ou village since 2000. The village has organized itself into a rotational system with 10 groups based on the resident households and population. Each year, one group controls the concession, responsible for paying the concession fee to the District Government, selling tickets and maintaining the site. Any income earned above the concession fee is distributed within the group itself.

There are four main government stakeholders at district level involved in the management of the cave: Information and Culture Office, Governor's Office, Government Audit Office and Finance Office. Pak Ou village is involved at the operational level. The Finance Office together with the Governor's office are responsible for indicating the concession price each year; The Information and Culture office is part of the monitoring committee. The government has an overall supervisory role and collects the stated concession fee each month.

Of the concession fees received by the District in 1996, 94% contributed to district revenue collection and 6% went to cave maintenance. In 2007 the Finance Department utilised 96.4% and cave maintenance 3.6%.

The ticket price doubled between 2006 and 2007, from 10,000k to 20,000k for international visitors, and from 5,000k to 10,000k for domestic visitors. The concession fee similarly increased, from 250,000,000k in 2006 to 416,000,000k in 2007. However, the maintenance fund remained static, at 15,000,000k per year, even persisting in 2008, when the concession fee has risen to 600,000,000k.

Table 2. Revenue distribution for nine main attractions from January 2007

Attractions	Fees (kip)*		Recipients and percentage share of revenues							
	Foreigner	Lao	Ticket Sellers	Info & Culture Dept.	Tax Office	Treasury	Temple	Villages	PTD	State Assets Mgt Office
Phousi Hill (Museum Entrance)	20,000	5,000	9	10	13	68	–	–	–	–
Vat Tham Phousi (Nam Khan Entrance)	20,000	5,000	9	10	13	52	8	8	–	–
Temples (Xieng thong, Visoun, Aham)	20,000	5,000	9	10	13	52	8	8	–	–
Royal Palace Museum	30,000	5,000	–	10	13	77	–	–	–	–
Tat Kuangsi	20,000	10,000	–	–	–	70	–	–	20	10
Tham Ting Cave	20,000	10,000	(N/A. Village concession agreement.)							
Tat Sae	15,000	10,000	(N/A. Private concession agreement.)							

*Prices effective 1 March 2007

Table 3. Attraction revenue distribution to government departments only in 2007

Beneficiaries	Attractions					
	Phousi Hill (Museum Entrance)		Kuangxi Waterfall		Royal Palace Museum	
Total Revenue	724,321,000		1,395,360,000		1,299,449,000	
Ticket Sellers	9%	65,188,890	–	–	–	–
Info & Culture Dept.	10%	72,432,100	–	–	10%	129,944,900
Tax Office	13%	94,161,730	–	–	13%	168,928,370
DoF	68%	492,538,280	70%	976,752,000	77%	1,000,575,730
Temple	–	–	–	–	–	–
Villages	–	–	–	–	–	–
PTD	–	–	20%	279,072,000	–	–
State Assets Mgt Office	–	–	10%	139,536,000	–	–

Table 4. Attraction revenue distribution to government and other stakeholders in 2007

Beneficiaries	Attractions				
		Vat Visoun	Vat Aham	Vat Xiengthong	Vat Tham Phousi (Nam Khan Entrance)
Total Revenue		413,636,000	140,380,000	857,763,000	369,360,000
Ticket Sellers	9%	37,227,240	12,634,200	77,198,670	33,242,400
Info & Culture Dept.	10%	41,363,600	14,038,000	85,776,300	36,936,000
Tax Office	13%	53,772,680	18,249,400	111,509,190	48,016,800
DoF	52%	215,090,720	72,997,600	446,036,760	192,067,200
Temple	8%	33,090,880	11,230,400	68,621,040	29,548,800
Villages	8%	33,090,880	11,230,400	68,621,040	29,548,800
PTD	–	–	–	–	–
State Assets Mgt Office	–	–	–	–	–

2.3 Attraction earnings and beneficiaries

There are 12 fee collecting attractions in and around Luang Prabang town that consistently receive tourists, however, only approximately nine out of those 12 are popular with both FITs and package tourists. These sites have been collecting entrance fees for an average of five years each, with ticket price increases in that period of time. The last official fee change for these nine attractions was in March 2007, initiated by the local government. The prices significantly increased for all attractions, by 100% for both international and domestic tourists to temples (10,000k to 20,000k and 5,000k to 10,000k respectively), and by 50% for the National Museum.

An attempt was made to calculate the earnings for these attractions, however, at the time of the study, the only complete figure for 2007 available were from the Tax Office. The Tax Office only collects data on total revenues, not numbers of domestic and international tourists, making it impossible to correlate visitor numbers and income. Nevertheless, the figures in Table 5 provide an indication of the minimum revenue each site generated in 2007. The top three attractions in terms of total earnings were Kuangxi Waterfalls with approximately 1.4 billion kip, the National Museum with 1.3 billion kip, and Vat Xiengthong at 858 million kip. These figures should be used with caution – it is highly unlikely that Vat Xiengthong or the National Museum receive fewer visitors than Kuangxi. Visitor numbers and earnings may have been understated.

Table 5. Earnings of nine main attractions in Luang Prabang 2007

Attractions earnings and number of tourists in 2007			
		Tourists	Revenue
1	Kuangxi waterfall	92,114	1,395,360,000
2	Thamting cave	49,004	816,730,000
3	Tad Sae waterfall	15,603	198,210,000
4	Vat Xiengthong		857,763,000
5	Vat Visoun		413,636,000
6	Vat Aham		140,380,000
7	Phousy hill		780,271,000
8	Vat Tham Pousy		369,360,000
9	National Museum		1,299,449,000
	Total		6,271,159,000

As detailed in section 2.2, most of Luang Prabang's major attractions are owned by the state, but have shared management arrangements between the government and villages. Since January 2007 when new site contracts came into effect, the main beneficiaries from tourist attraction income include the government departments and offices namely: the Department of Finance, the PTD, the Tax Office, the DIC, the temples, and the State Asset Management Office (under the Department of Finance) and the ticket sellers (usually from the local village, currently

approximately 20 families). Tables 3 and 4 detail the revenue distribution to actual stakeholders in 2007 for each attraction, and Table 6 below summarizes these earnings. Please note that these earnings exclude income from Tam Ting (Pak Ou Cave) and Tad Sae as these attractions operate in a concession arrangement.

As summarized in Table 2, an examination of current revenue distribution schemes show that a large majority of the earnings from public tourism sites go directly to government departments, in some cases up to 100% (Kuangxi Waterfalls and the National Museum). The Department of Finance receives a minimum of 52% of the income from each site, normally retained as part of the overall provincial revenue and then redistributed each fiscal year as state annual budgets to all departments for administrative and operational purposes. These funds do not generally go back to the sites. However, the Tax Office and State Assets Management Office (both under the Department of Finance) use 10-13% of the total ticket sales revenue for overhead costs such as printing ticket books, hiring staff stationed at some of the sites and paying utilities of some sites (Museum and Phousi Hill).

Maintenance of the sites is up to individual departments, the Provincial Tourism Department in the case of Kuangsi Waterfalls, and the Department of Information and Culture in the case of most of the cultural sites. The PTD uses its 20% share of the revenue from Kuangsi to retain park staff, pay administrative expenses related to site management, and maintain the site. However, it has also received funding from other sources, such as the Mekong Tourism Development Project, to do major site upgrades. The Department of Information and Culture is under contract to utilize its 10% share to perform regular maintenance and restoration of sites under its jurisdiction. However, from all reports, this has not happened on any regular basis. Finally, 8% of the earnings of some sites are directed to four villages, but with no specific roles and responsibilities. Thus, maintenance of sites and funds available to manage sites are unevenly distributed, and in most cases, unaccountable. Government departments, concessionaires (in the case of Pak Ou village) and villages are not impelled to improve site facilities or services, and the overwhelming majority of the funds earned from visitors are not invested back into the tourism attractions.

It can also be said that from a pro-poor perspective, the current system does not contribute significantly to local livelihoods or village benefits. Only four villages receive money from attraction revenue distribution (about US\$ 4000 each last year) and only 20 families earn income from selling tickets. Further, based on interviews, it becomes clear that the ticket sellers are generally not the poorest families of the village, but the relatives of the village chief or other local authorities, or former staff of the Department of Information and Culture.

2.4 Key Issues

Some of the major points arising from this section with significance for a proposed visitor passport scheme include:

- Visitor numbers and tourism businesses are growing at a steady rate
- Roughly 20% of tourists come to Luang Prabang on packaged tours
- Visitor length of stay is limited at somewhere between 3-5 days (tour company clients are on the shorter end)
- Contracts developed in 2006 distribute revenues to a range of stakeholders, but with a large share (52% - 100%) remaining with the government
- The Department of Information and Culture is responsible for performing maintenance on 5 sites, but has not regularly done so

- There are at least 4 different types of tourism site management/revenue distribution arrangements in place in Luang Prabang, with a variety of actors, making it difficult to assign responsibility for any site improvement
- Maintenance, market-responsive management of sites, and marketing of tourism sites has not been a priority thus far
- Luang Prabang’s tourist sites are not particularly pro-poor currently – a small percentage of earnings go to only four villages, and only 20 (relatively well-off and connected) families sell tickets.

Table 6. Total revenue for each stakeholder in 2007

Beneficiaries	Total amount received (Kip)
Ticket Sellers	225,491,400
Info & Culture Dept.	380,490,900
Tax Office	263,090,100
DoF	2,469,866,010
Temple	142,491,120
Villages	142,491,120
PTD	279,072,000
State Assets Mgt Office	139,536,000

3. Visitor attraction passport case studies

Visitor attractions passports are essentially a form of tourism site “bundling”, a marketing and profit maximization tool. Tourism product bundling is common – packaged tours that include flights, accommodation, and tours are the most well recognized form of bundling in the industry, both enhancing the visitor experience and expanding their spending. However, it can also be applied to a specific destination, combining several different tourism attractions in one ticket or pass, or even tourism site entry fees with transport and discounts at shops and restaurants. Generally, a good package needs one major attraction to draw the tourists, with secondary attractions attached. However, particularly for cultural tourism sites, several less distinguishable sites can reach the status of a primary attraction if strategically bundled⁴. A well-formulated visitor attractions passport is a strong marketing tool, helping to brand a destination and providing a hook for tour operators and agents to sell.

Tourism attraction bundling and visitor attraction passes also have clear destination management benefits: streamlining visitor entry to tourism sites (particularly in crowded urban destinations such as London), increasing visitor length of stay, attracting international tourists, dispersing tourism income to a wider number of tourism sites (particularly lesser known sites), and regulating tourism income and statistics.

⁴ McKercher, B. and H. Du Cros. 2002. **Cultural Tourism: The Partnership between Tourism and Cultural Heritage Management**. Philadelphia: Haworth.

However, as tourism passports network an often diverse range of ownership interests, geographically distinct sites, and stakeholders, they also require well organized ticketing and revenue management systems in order to operate efficiently, minimizing bureaucracy, impeding possible fraud, maximizing benefits for locals and government, and supporting well maintained and enjoyable tourism sites. It is important that revenues from such passport fees are transparently managed and utilized, and communicated to both international and local visitors. Their willingness to buy passports and satisfaction with a tourism site is very much contingent on their perception of how well managed and maintained an attraction is.

Best practices and case studies of heritage and tourism passport systems, particularly from the region, were sought to provide guidance on success factors and practical management structures for Luang Prabang. However, it was found that little research has been carried out specifically on tourism attraction passport schemes, and apart from online marketing targeting tourists buying these passes, documentation of implementation strategies, revenue distribution, and cost-benefit analyses was almost non-existent. Nevertheless, the brief cases presented here give an indication of the prevailing management models and passport systems in varying tourism contexts.

3.1 The Hoi An Ancient Town coupon system, Vietnam

Description: A World Heritage Site on the coast of Vietnam, known for its historic Old Town with winding lanes and Chinese-style shop houses. Entry to all historical sites in Hoi An is via a coupon system, where 75,000 dong (US\$5) gets you a ticket that can be used to enter five attractions: one museum, one old house, one assembly hall, the handicraft workshop (and traditional music show) or the traditional theater, and either the Japanese Covered Bridge or the Quan Cong Temple. Tickets are sold at various entry points into the Old Town, and also at some of the attractions, including the Cantonese Assembly Hall. These tickets are included on promotional material from tour companies and well-publicized in guidebooks on the internet, but are only available locally.

Management Structure: Government owned and operated, revenues collected by the Hoi An State Treasury. Other government departments, including the Department of Culture and Information, Department of Commerce and Tourism, and Hoi An Municipal Government are directly involved.

Financial Distribution: Since 2000, 76% of the coupon earnings are earmarked for the Heritage Restoration Fund, the rest is used for printing the coupons and staff salaries. Locals earn money through parking fees, guiding and operating traditional houses⁵.

3.2 Angkor Wat entry pass, Cambodia

Description: Passes to the Angkor Wat complex are only sold at a main entry gate and are checked at the entrances to each temple by ticketing company employees. A one-day ticket is \$20, a three-day ticket is \$40, and a seven-day ticket is \$60, and must be used on consecutive days. In 2007 1,106,890 tourists bought entry tickets to Angkor Wat Archaeological Park.

Management Structure: The temples are by law the property of all Cambodian citizens and ethnic Khmers. A government organization called Apsara Authority is responsible for the maintenance, restoration and preservation of the temples, while a private Cambodian company, Sokha-Hotel (a division of Sokimex), has had the ticket concession since 1999. They are responsible for issuing, inspecting and collecting tickets.

⁵ Cultural Heritage Management and Tourism: A case study on Hoi An Viet Nam. Submitted to UNESCO Office of the Regional Advisor for Culture in Asia and the Pacific. Bhaktapur, April 2000.

Financial Distribution: The gross revenue from the entrance fee, after deducting the value-added tax, is divided between the Apsara Authority which represents the government, and Sokha-Hotel. Sokha-Hotel retains 50% of the first \$3 million, and the remaining 50% goes to the Apsara Authority. For amounts higher than \$3 million, 15% goes to a fund for the development of the Angkor zone, 68% goes to the Apsara Authority, and 17% goes to Sokha-Hotel. The entire revenue collected by the Apsara Authority is turned over to the government Finance Ministry.

In 2006, there were 857,822 ticket-purchasing visitors of which 54% paid \$20 each, 44% paid \$40 each, and 2% paid \$60 each, netting a total revenue of \$25,389,520. In 2007, the visitor number grew to 1,106,890, of which 54% paid \$20 each, 44.3% paid \$40 each, 1.7% paid \$60 each, netting \$32,741,0806.

Based on these figures, the Director of the Department of Monuments and Culture for the Apsara Authority projected that roughly 28% of park income goes directly to the temples, and 31% to park maintenance and infrastructure. Local benefits are generally secondary, from selling food and drinks on the site, operating transport, and guiding⁷.

3.3 Burra Heritage Pass, Australia

Description: Burra's Heritage Passport Key allows the visitor access to eight locked sites and a comprehensive guide book detailing 65 historic sites over an 11 km driving trail and a walk through Market Square. The Passport Key costs AUS \$20 and is available from the Burra Visitor Centre, the four museums, and one shop, and can be held for the duration of one's stay in the area. A Museum Pass allows access to the four museums for an additional AUS \$15, with no expiry date. There were 9,348 passport keys sold in 2007. These are marketed only through the Burra Visitor Centre and local promotional materials, with the primary aim to attract and keep visitors to the area longer.

Management Structure: The Passport Key is issued by the Burra Burra Branch of the National Trust of South Australia, which manages the four museums and 17 of the historical sites. This is a branch of a private organization that manages many of the country's heritage sites, and performs maintenance, conservation work, and operates the four museums. The sites are either owned by the National Trust of South Australia, other government departments or by the Regional Council of Goyder⁸.

Financial Distribution: As most of the sites are owned by the Regional Council of Goyder, the profit made from sales of the passport is divided between National Trust Burra Burra Branch and Council. A commission is also paid to the Burra Visitor Centre, as sales agent.

3.4 London royal passes, UK

Description: Three types of passes combining royal attractions such as the Tower of London, Kensington Palace, and Hampton Court Palace are available on the internet, by telephone, and at each attraction, are valid for 2 years from purchase, and offer savings of up to 20% over buying tickets individually at each attraction. These five attractions are under the ownership of the Queen, managed by the government, and contracted out to an independent charity organization, Historical Royal Palaces, to handle operations and management. Ticketing agencies also sell the

⁶ "Government report on Angkor Wat entrance fee revenue: \$25 million in 2006 and \$32 million in 2007" 11 March 2008, Koh Santepheap newspaper. <http://ki-media.blogspot.com/2008/03/govt-report-on-angkor-wat-entrance-fee.html>

⁷ <http://www.talesofasia.com/cambodia-sokimex.htm>

⁸ Fyall, A., B. Garrod, A. Leask. 2003. *Managing Visitor Attractions: New Directions*. Oxford: Butterworth-Heinemann.

passes on the internet and in ticket kiosks, and in 2007/2008 these sites received a combined 2.97 million visitors. Numbers were not available on what percentage of visitors to these sites came from pass schemes, but they were featured prominently on the websites of the attractions and in online guides to London.

Management Structure: Private non-profit, under contract by the government. Historic Royal Palaces was originally set up as an agency in 1989 by the government to manage these five royal historical sites, and in 1998 became an independent charity by royal charter. The organization has a contract with the Secretary of State to manage the palaces.

Financial Distribution: In 2007/8, 27.2% of the budget was expended to maintain the sites, while 44.6% was used for educational and interpretation activities, and less than 1% on "governance". It does not appear that any concession fee is paid to the government for management rights to the palaces⁹.

3.5 Great British Heritage Pass, UK

Description: Offers free entry to more than 580 of Great Britain's heritage sites using 'smart card' technology. Properties covered include those managed by the National Trust, English Heritage, National Trust for Scotland, and others. Passes are sold in 4, 7, 15, or 30 day durations, and in individual and family packages and are only available to international visitors. Pass prices are £30 to £79 for individuals, averaging from £7.50 to £3 a day, with a value of over £3000. Passes are primarily sold online and are heavily promoted to individual ticket vendors and travel websites for sale. The pass was developed to encourage visitation and longer stays in Great Britain, marketing its heritage and historical attractions.

Management Structure: The Great British Heritage Pass was created by VisitBritain (formerly British Tourist Authority) 33 years ago, but is operated by the Leisure Pass Group, a company specializing in creating and managing city smart card pass systems.

Financial Distribution: Leisure Pass Group and VisitBritain signed joint venture in 2005, specifics on income sharing not available. Marketing done by affiliates, with 5% commissioned paid to ticketing agencies every month. All customer service, sales and shipping operated by Great British Heritage Pass.

3.6 Cayman Islands Heritage Passport, Cayman Islands

Description: The Cayman Islands Heritage Passport provides admission to four popular attractions: the National Museum, Cayman Turtle Farm, Pedro St. James National Historic Site, and Queen Elizabeth II Botanic Park for a savings of 25% over purchasing tickets at each attraction. There is no expiration date, and the cost is KYD\$19.95 (approximately US\$24.00). The Heritage Passport is available at each of the main attractions as well as from hotels, car rentals, post offices, and other selected sites on the island. Each time the passport is used it is stamped and visitors receive a souvenir coin¹⁰.

Management Structure: The Cayman Islands Heritage Passport is issued by the National Trust, an independent non-profit responsible for historic, natural and maritime heritage.

Financial Distribution: No information available.

⁹ Historic Royal Palaces Annual Review 2007/2008.

¹⁰ Permenter, P. and J. Bigley. 2001. *Adventure Guide to the Cayman Islands*. Walpole: Hunter.

3.7 Summary

A few patterns and lessons can be discerned from these case studies:

- Regional examples, from developing country cases like Vietnam and Cambodia, primarily rely on state management/control, and mandatory ticketing systems. This is more an indication of governmental attitudes rather than market-driven tourism development choices.
- Passes used in other countries are optional and often managed by a trust or other non-profit, which sometimes contracts out the operational aspects to a private company.
- Passport schemes are generally 'add-ons', helping to brand and promote overall tourism to a destination.
- Optional passes provide significant discounts to tourists, convenience, and flexibility (can be used in many sites, and for a long period of time).
- Professional marketing and promotion is an important part of the feasibility of any passport scheme.

4. Views of stakeholders on visitor attractions' passport

Information for this section was gathered through semi-formal interviews with representatives of the relevant government departments, tour operators, ticket sellers, village groups, and monks. However, at the time of field study the consultants were not able to obtain interview appointments with two key offices: the Department of Information and Culture and Maison de Patrimoine. Their information and opinion would have contributed significantly to the outcome of the research, and their unwillingness to participate is an indication of the sensitivity of any new tourism attraction management proposal. A complete list of interviewees can be found in Annex 1.

4.1 Government institutions

Views on Passport:

The feedback on a proposed passport scheme was positive from almost all government departments interviewed. Only the Director of the Department of Information and Culture (who also did not grant an interview to the consultants) said – through his secretary – that such a scheme would not be feasible. It is possible that due to their high stake in the earnings (10% of six major attractions), discussion of a new system is not in their favor.

However, all other concerned government departments, both at the provincial and national level, supported such a scheme as it would facilitate tourist access, tour operator utilization, and help to minimize leakages and fraud by ticket sellers and guides.

All the interviewees proposed combining attractions by themes, location or government authority, rather than putting all attractions on one passport. For example, separating cultural sites from natural sites, or only selling passes for sites in the heritage area. Two interviewees suggested that combining sites that fall under the jurisdiction of the Department of Information and Culture would simplify management and revenue distribution.

They also proposed to maintain international and domestic price systems, and to have point of sales with tour operators, at attractions and the Provincial Tourism Information Centre.

Views on Management Structure:

Government interviewees had conflicting answers on whether the private sector (in the form of a concession) or the government should have primary responsibility for day-to-day management and operation of a passport scheme. The private sector is deemed to be more efficient and capable, and could be overseen by a government supervisory committee, with strict controls on

pricing and quality. Others felt that the government should retain control of the passport and particularly earnings, possibly by setting up a special unit. Or, if sites only within the Department of Information and Culture are included on the pass, then operations could be housed with their department. There was a general concern for how management of the sites and distribution of revenues would work, whether government departments would be willing to give up control over sites, and whether individual government departments have the capacity to market, manage and operate such a scheme.

Willingness to Participate:

All the government departments surveyed were amenable to participating in such a scheme, except for the Department of Information and Culture.

4.2 Tour operators

Views on Passport:

Nine of the ten tour companies interviewed were in favor of such a passport scheme – the one company that was not argued that it would be too sophisticated for government to manage well, and that it would disenfranchise local people. Others felt that a pass system would be more convenient for tour operators, facilitating entry into sites, allowing pre-purchases, discounting for bulk buys, and reducing leakages and cheating by guides using cash.

All companies voiced the complaint that ticket fees had been raised, sometimes unexpectedly, without corresponding improvements in the services and upkeep of the sites. Pak Ou Caves was the site most often cited as being poorly run and maintained. A centralized passport scheme could create a site maintenance fund for more transparent accounting and site improvement. Figures between 2% to 20% of total earnings were suggested for such a fund.

Two companies even asserted that they wouldn't mind paying extra fees by having the sites bundled together, as long as it is more convenient and contributes to better tourism attraction management. Many companies also suggested that they should receive discounts for buying in bulk.

Most of the interviewees also supported two separate passes, one for the city attractions and one for surrounding areas (such as the waterfalls and caves), which would create more flexibility. It was acknowledged that such a pass would probably be more advantageous for tourists on longer stays, but that it should be good value for money for all visitors. Different prices for domestic and international visitors should be maintained.

Views on Management Structure:

Interestingly, most tour operators favor a government managed scheme, either under the Provincial Tourism Department or a separate unit set up specially. Many were skeptical though, as to whether the government has the capacity to operate the passports, particularly in terms of marketing.

Willingness to Participate:

All tour companies but one were willing and happy to participate in such a scheme, as long as it provided value for money. Most companies are looking for an increase in their profit margin and therefore, discounts

4.3 Provincial Buddhist Fellowship Organization

Abbot Bounphan, the leader of the Luang Prabang Buddhist Fellowship Organization, was interviewed about his view of tourist visitation of temples, fee mechanisms, and temple management. He had very strong views against temples as fee collecting tourist attractions

generating revenues, and noted that before tourism became a fixture in the year 2000, temples never charged entry fees. He stated that it was the government that instigated the fee systems, and that the Organization had little influence over its decisions on how to manage the tourist sites, including the temples. He did not wish to give any comments on an attraction passport scheme, as he disagreed with the basic idea of temples of collecting fees. Other monks interviewed during visits to the temples had similar views.

4.4 Local villages and ticket sellers

Views on Passport:

For the most part, representatives of the villages linked to attractions (Aham, Khamyong, Pakham, Pak Ou, Visoun and Xiengthong) and corresponding ticket sellers were not in favour of any sort of centralized system or attraction pass. Many were concerned that centralizing the funds would make it even more difficult to get money for fees or maintenance and that it would reduce local income and share of the revenue. Ticket sellers from Vat Aham, one of the smallest sites, saw that it could be beneficial for them, as it would mean more visitors if they were bundled with other more popular attractions and Pak Ou village acknowledged that it may help to improve site management. However, most felt that it would complicate the administration of the sites, reduce their earnings, and take away their control and independence.

Many of the village representatives suggested simply lowering prices for the sites, and improving government's attention to maintenance of the sites.

Views on Management Structure:

Most of the interviewees assumed that such a system would be centralized and run by the government, and thus preferred that the current system be maintained.

Willingness to Participate:

Generally unwilling to participate. Currently, ticket sellers and villagers receive a percentage of ticket sales, and anticipate that with a centralized government-run pass, they would instead be paid salaries. This would reduce their earnings and ownership, and contributes to their misgivings of a passport scheme.

4.5 Other tourism-related businesses

A brief survey was carried out with 16 private sector services, such accommodation providers, restaurant operators, handicraft shops and massage parlors to explore their views on the "Visitor Attractions' Passport as well as their willingness to participate in joint promotion schemes.

Views on Passport:

13 of the 16 respondents suggested that the "Visitor Attractions' Passport" is a good idea for Luang Prabang as it would make it convenient for tourists. However, most suggested that the passport should be optional or flexible to make it convenient for those tourists that want to visit only a few places or have limited time. It was also suggested that if the passport was mandatory, the tourist should be able to claim money for remaining tickets. Interviewees also commented that the Passport or whichever system introduced should not be given to the accommodation or restaurants to sell. In 2000/2001 Luang Prabang authorities tried collecting heritage taxes through hotels and guesthouses by adding \$2 on top of regular room prices, which the owner/manager then summarized. However, this mechanism failed considerably as business owners were not willing to levy the tax and risk losing customers, and authorities were not able to enforce it.

Willingness to Participate:

Most businesses surveyed said that they would be willing to participate in the joint promotion program through discounts provision. Businesses were willing to provide discounts of between 3% - 15% to holders of a visitor passport, and more than 60% are willing to pay a small annual fee of \$60 - \$300 to cover marketing and printing costs of the tickets.

4.6 Summary

- Most stakeholders willing to participate and positive about the idea, though with many questions and concerns
- The Department of Information and Culture and Maison du Patrimoine significant exceptions, jeopardizing the possibility of any scheme involving cultural or heritage sites
- Private sector has proposed the government manage any passport scheme
- Tour operators primarily concerned with convenience, discounts and improved value-for-money
- Buddhist Fellowship negative about tourism and its effect on temples and temple life, and opposed to any commercialization of the religion
- Ticket sellers and villages apprehensive of possibility that their stake will go down

5. Tourist satisfaction and demand survey

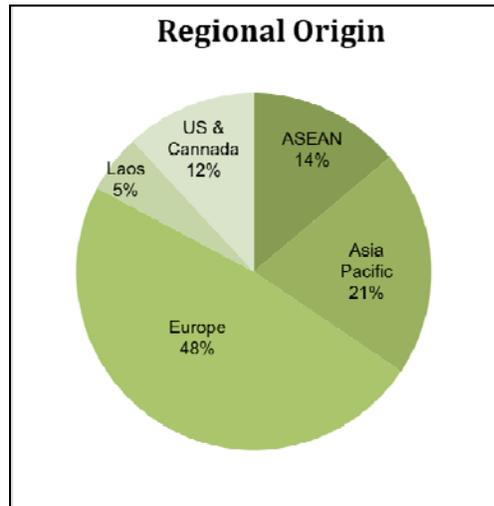
A survey of 151 tourists was carried out between 11 – 22 July 2008 in Luang Prabang town to assess their current satisfaction with Luang Prabang's major attractions and explore the demand for an attractions passport scheme. Not all respondents answered every question posed, but percentages calculated are based on actual number of responses.

5.1 Tourist profile

Among the 151 respondents the majority were European tourists (48%), followed by those from Asia Pacific countries (21%). Approximately 14% were from ASEAN countries, 12% from North America and 5% domestic Lao tourists. Female respondents made up the majority of the tourists surveyed at 56%, and more than 65% of the respondents were in the 20-30 years or 45+ years age groups. Approximately 50% of the tourists were professionals, including engineers, doctors, and business managers, etc. Of the remainder, approximately 31% were students and 17% were teachers.

Most tourists interviewed were travelling independently, with only 13% on group tours. 54% had stayed or intended to stay between 1-3 days, 31% 3-5 days, and 13% more than 5 days.

Figure 1. Regional Origin of Tourists Surveyed

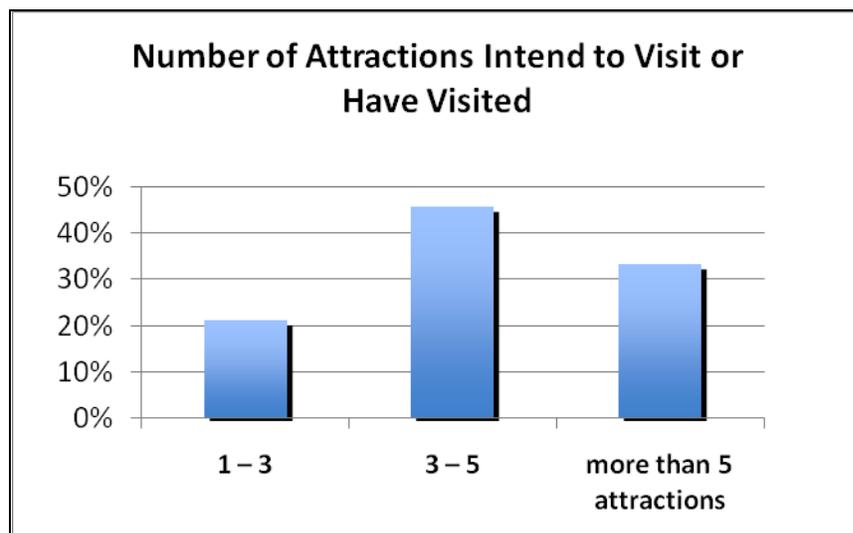


5.2 Tourist satisfaction with current attractions

Tourists were asked how many sites they had visited or intended to visit, and also to evaluate their satisfaction with the attractions and fees. Fee paying attractions referred to included Kuangxi Waterfalls, Tham Ting (Pak Ou Cave), Sae Waterfalls, Royal Palace Museum, Vat Xiengthong, Vat Mai, Vat Visoun, Vat Aham, Vat That Phousi (Phousi Hill), Vat Tam Phousi, Vat Chomphet and the Traditional Arts and Ethnology Center.

Out of 149 respondents, more than 45% said that they either intend to visit or have visited 3-5 attractions in Luang Prabang during their stay. Approximately 33% suggested that they saw more than 5 or plan to see more than 5 attractions.

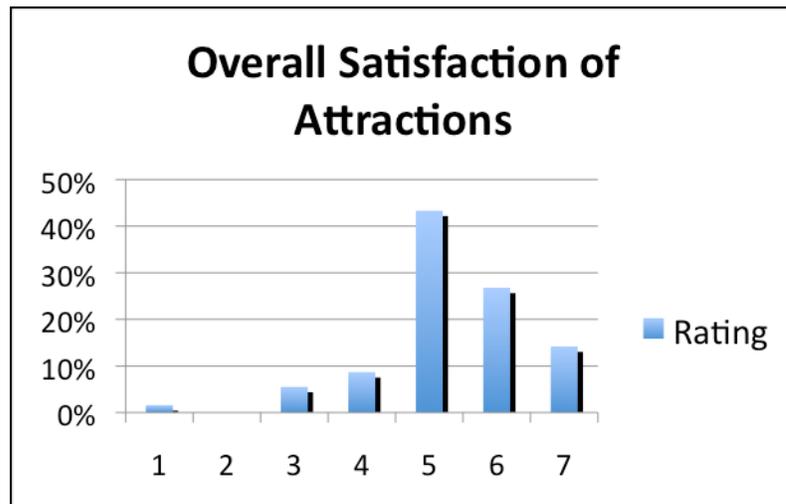
Figure 2. Numbers of attractions intend to visit or have visited



It is interesting to note that the majority of respondents said the individual attractions in Luang Prabang generally met their expectations. In most cases, their experiences slightly exceeded their expectations, particularly at Kuangxi Waterfalls, Phousi Hill and the Royal Palace Museum. Only one attraction, Tham Ting (Pak Ou Caves) was not able to meet expectations.

A total of 127 people responded to the overall satisfaction query, asking tourists to rate their satisfaction with the overall attractions in Luang Prabang. Most tourists were satisfied or happy with the combined attractions on offer, though most respondents rated "low" satisfaction. A small percentage (7%) of tourists were not satisfied.

Figure 3. Overall Satisfaction of Attractions



5.3 Tourist demand for attractions passport

It is worth noting that more than 75% of the tourists surveyed said that a visitor attractions passport is a good idea for Luang Prabang and 74% said that they would be interested in the passport if the government introduced them. However, almost all the tourists (95%) suggested that any passport implemented should be optional or flexible for tourists to choose what they want to do.

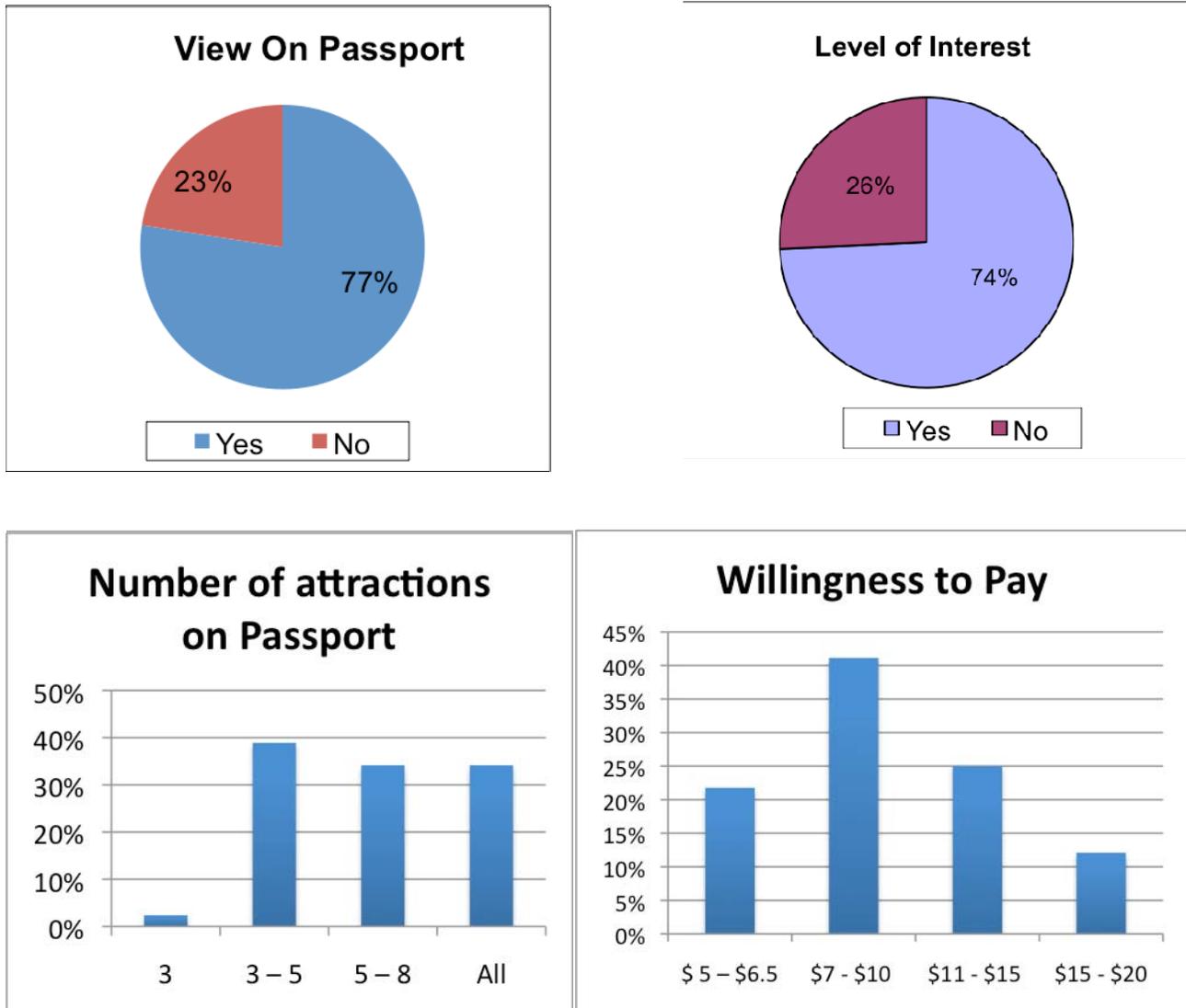
Close to 40% mentioned that the passport should include 3 – 5 attractions and nearly 35% suggested 5 – 8 attractions. By examining the intended length of stay and the number of attractions visited by the respondents, the suggested number of attractions to be included in the passport seems reasonable considering that each tourist visits roughly 2-3 attractions a day, depending on the sites and distance.

In terms of pricing, the survey showed that 41% of the respondents are willing to pay \$7-\$10 per passport or ticket bundle. 22% suggested \$5-\$6.50, 25% suggested \$11-\$15 and 12% \$15-\$20.

Price is definitely the most important attribute influencing the purchasing behavior of the tourists, thus, any pricing strategy should be attractive enough to convince tourists to buy the visitor passport rather than a ticket directly on site. The number of attractions included on the passport

will also affect tourist willingness to buy the pass, as would group discounts and discounts at participating shop, restaurants, etc.

Figure 4. Tourist Views on Attractions Passport



5.4 Summary

- Over half of the 151 tourists surveyed were staying only up to 3 days
- Most tourists visiting 3-5 attractions
- 40% of tourists satisfied with the quality of attractions currently (whereas tour operators expressed a great deal of dissatisfaction)
- 75% of the tourist said that the “visitor attractions’ passport” is a good idea
- 95% suggested that the passport if implemented should be kept optional or flexible
- Close to 40% mentioned that the passport should include 3 – 5 attractions and nearly 35% suggested 5 – 8 attractions
- Most respondents suggest a price range of \$7-\$10

Part II: Proposed Luang Prabang Visitor Passport

Using results of the desk research and field interviews, several options for attractions passports or site ticketing schemes were formulated by the consultants, encompassing mandatory and optional pass and ticketing systems, public and private management authorities, and domestic visitor needs. Described in detail in Annex 5, the options offer a variety of benefits depending on the destination management objectives. These were presented to a small meeting of LATA and Luang Prabang stakeholders on 25 August 2008 who debated their feasibility and potential. It emerged that what was important to them was cost-effectiveness, the ability to maintain overall current government management authority, and flexibility.

Thus, based on their feedback, stakeholder interviews, case studies, and the Luang Prabang context, it is proposed that a Luang Prabang Visitor Passport, managed by an independent, specially contracted unit within the government, is the most feasible and beneficial system for a proposed visitor attractions bundling system. If the enabling factors and political will to create this new combined tourism product can be brought about, this passport scheme can offer convenience and savings for tour companies and tourists, an attractive marketing and revenue distribution tool for the government and a more responsible tourism product that promotes accountability, transparent local benefits, and responsive site management.

In this section, systems for management, operations and revenue distribution are outlined, with projected costs, earnings, and growth for a Luang Prabang Visitor Passport scheme. Of course, the specific operational aspects described below could be fine-tuned or adjusted as necessary, and it is likely that the process of developing a pass scheme would reveal other financial or managerial considerations to be addressed. However, the profile below provides a structure in order to make an assessment of practicability and begin implementation.

6. Passport Operations

It is proposed that a “Luang Prabang Visitor Passport” would be developed, offering tourists a convenient package that combines entry fees for 6 tourism sites, discounts to local restaurants and shops, and an appealing keepsake about Luang Prabang. The pass would be optional, but its value and benefits would be highly attractive to most types of tourists, and also offer tour companies convenience and marketability. The Visitor Passport would be overseen and run by the government, but a specialized, independent unit would be created to streamline passport operations and management, with a view to future privatization. A main tenet of the Passport would be its contribution to a “Tourism Management Fund”, supporting pro-poor and sustainable tourism initiatives and tourism maintenance.

6.1 Passport Description

The Luang Prabang Visitor Passport is a small booklet, attractively designed and of good quality, with 6 perforated pages that act as “tickets”, pages of descriptions of Luang Prabang and its attractions, and discount coupons and advertisements. There would be two types of passes: one for adults (110,000k) and one for children (70,000k). They would be non-refundable and non-transferable.

The pass would be valid for any state-owned fee-collecting tourist site, including the most popular attractions: Vat Xiengthong, Vat Visoun, Phousi Hill, Kuangsi Waterfalls, the National Museum, Pak Ou Caves; lesser known attractions such as Vat Phabat Tai, Vat Chomphet, and Sae Waterfalls, and possibly even private and emerging tourism sites, like Thong Waterfalls, the Traditional Arts and Ethnology Centre, and Tham Nang An.

4. The agents can be located anywhere in Laos, but must be registered with the management unit, and must pay for passes up front

Tour operator sales to tourists

1. Tour operators are only permitted to use one pass per client
2. The tour operator is responsible for stamping the pass with its date of validity
3. Tour operators can only charge tour agents and clients the official price listed

6.3 Passport Use at Attractions and Businesses

Each passport would have 6 pages with a small perforated section with the control number and color (adult or child) that is torn out by passport collectors at each site. The page that is kept in the book is stamped at each site with an attractive identifying design. Other pages describe the attractions the passport is valid for or discounts and offers from local businesses if the passport is shown.

At each entry to the tourist sites, the ticket collectors would:

1. Check the validity of the pass by the stamped date;
2. Check the color of the pass to ensure it is held by an adult or child;
3. Stamp one page; and
4. Tear out the "ticket" section of the page.

Ticket site collectors collect the tickets, and maintain daily records of passport tickets. Ticket stubs are submitted weekly or biweekly to the management unit.

7. Passport Management

7.1 Luang Prabang Visitor Passport Management Unit

It is proposed that the government should retain overall management unit for the Visitor Passport, but that a specialized, independent unit is set up for the day-to-day operations and management of the pass. This unit would be under the unit of the Department of Finance, overseen by a Steering Committee, and housed (not limited to) at the Provincial Tourism Department, but would operate independently, managing its own budget and running costs.

The unit would be created specially to manage the passport marketing, production, sales, and revenue collection, and would be staffed by a small team of government contract staff (not full government employees) that are vetted and hired for this unit. They would be on higher salaries, and have education and experience in business and/or tourism management, marketing, accounting, and statistics.

This unit would have the following responsibilities:

1. Marketing the Luang Prabang Visitor Passport, through advertising, posters, tour operators, and the internet
2. Designing and printing of the passports and accompanying materials
3. Developing discounts to add to the passports, by working with local businesses and business associations
4. Vetting, registering and training the passport agents and tour operators
5. Selling the passes to passport agents and tour operators
6. Explaining the passport scheme to the site stakeholders and managers, and training ticket collectors on its use

7. Collecting passport tickets from ticket collectors at each site in a transparent and auditable system
8. Collecting statistics data on numbers of passport sales to agents, locations of agents, sales to tour operators, types of passes sold (adult or child), tickets collected at each site, growth and trends in the passport system and revenues.
9. Redistributing the revenue from the tickets to ticket collectors, sites, villagers, Tax Department, other relevant government departments (PTD, DIC, Finance Department), and depositing funds into the Tourism Management Fund. Clear accounting procedures and records will be kept, in order to be audited by the government.
10. Receiving and drafting proposals for Tourism Management Fund utilization from villages, tourism sites and temples. The MU is allowed to approve maintenance or other site management projects value up to 15,000,000 Kip.

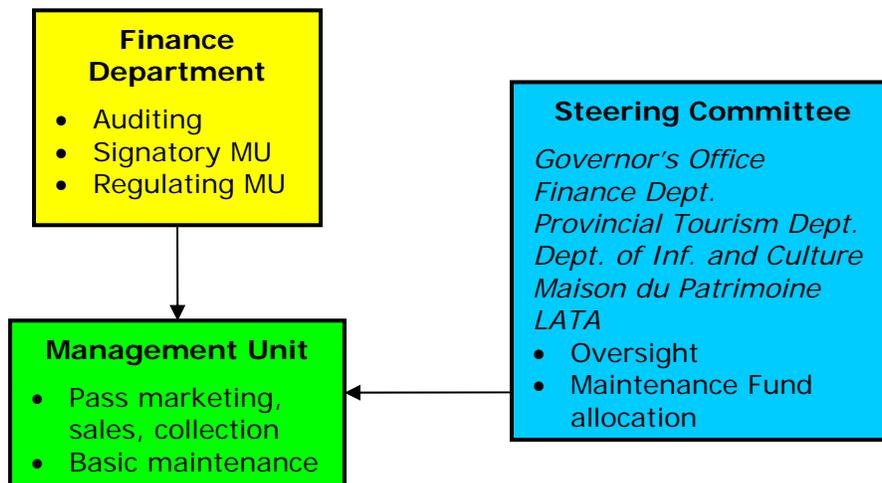
7.2 Passport Management Structure and Oversight

The Luang Prabang Visitor Passport Management Unit would be responsible for day-to-day operations of the pass. The Unit would be under the Department of Finance, and guided by a Steering Committee consisting of government and private sector stakeholders. It would be possible to put the Management Unit under the Provincial Tourism Department, but it would add a layer of administration, and may also create friction with other sector agencies, such as the Department of Information and Culture. However, for consolidation of locations and harmonize activities, it would be most appropriate if the Management Unit offices were with the PTD.

The Department of Finance would be responsible for auditing the Management Unit activities and income, collecting taxes and government revenue, and ensuring that the Management Unit deposited income into the Tourism Management Fund.

The Steering Committee would be responsible for reviewing Management Unit performance and activities every 6 months in a meeting, and approving Maintenance Fund activities, for larger-scale upgrades and repairs to sites. The Steering Committee would have representatives of the Provincial Governor’s Office, Department of Finance, Provincial Tourism Department, Department of Information and Culture, and Maison du Patrimoine.

Figure 5. Management structure of Visitor Passport



8. Passport Revenue Distribution and Financial Management

8.1 Financial Management

The income from the sales of the Luang Prabang Visitor Passport would be the responsibility of the Pass Management Unit, under the supervision of the Finance Department and Steering Committee. The Management Unit would collect, account for, and redistribute the funds using systematic and transparent bookkeeping methods (including the tickets from the sites, receipts, and income/expense summaries), with regular audits by the Finance Department. It would have the autonomy to pay for its own costs according to a budget.

Revenue distribution would be according to predetermined percentages, set and approved by the Steering Committee. Government revenues would be sub-divided by the Finance Department itself.

8.2 Revenue Distribution and Beneficiaries

The following revenue sharing system is proposed. This accounts for high initial costs by the Management Unit in the first two years of operation (for office outfitting, continued training, system improvement, marketing etc.) as well as an average commission of 5% to ticket agents and tour operators. It is assumed that the running costs of the Management Unit would drop after Year 2, and a fixed budget can be assigned, with the remainder allocated to government or other stakeholders as needed. Any changes to the revenue distribution structure would have to be agreed upon by the Steering Committee.

This structure aims to retain a large portion of the earnings of the current beneficiaries and stakeholders (i.e. the government, local villages, and sites) while building in funds for improved maintenance and sustainable tourism development activities. In comparison to current ticket revenue distribution schemes, the "general" government share will remain similar, but explicitly allocate 20% of the earnings into a Tourism Management Fund, used for tourism site management, village development and sustainable tourism activities. Further, under this system, more villages, not just the four villages in the current system, would gain access to the income from tourist attractions.

It must be noted that this is only a new distribution system for the Passport revenues additional to the current system, and revenue distribution schemes for existing ticket earnings would remain the same.

Table 8. Proposed Tourist Passport Revenue Distribution

	Beneficiary	% of Income	Details
1.	Government	27%	<ul style="list-style-type: none"> This amount would then be subdivided among the Provincial Tourism Department, Department of Information and Culture, and Finance Department
2.	Management Unit	25%	<ul style="list-style-type: none"> Passport printing costs, staff salaries (sales, accounting, marketing), administration, marketing
3.	Tourism Management Fund	20%	<ul style="list-style-type: none"> A fund for all Luang Prabang's tourist attractions, to be disbursed by the Finance Department, with approval by the Steering Committee
4.	Tax	10%	<ul style="list-style-type: none"> Tax Office of Finance Department
5.	Commissions	5%	<ul style="list-style-type: none"> An average of 5% to ticket agents and tour operators
6.	Sites/temples	8%	<ul style="list-style-type: none"> Funds to be directed to the sites themselves (temples) or to their management authority (PTD for Kuangsi, DIC for National Museum) to be used for site running, management and maintenance
7.	Villagers	5%	<ul style="list-style-type: none"> To local villages around sites, including ticket collectors
	TOTAL	100%	

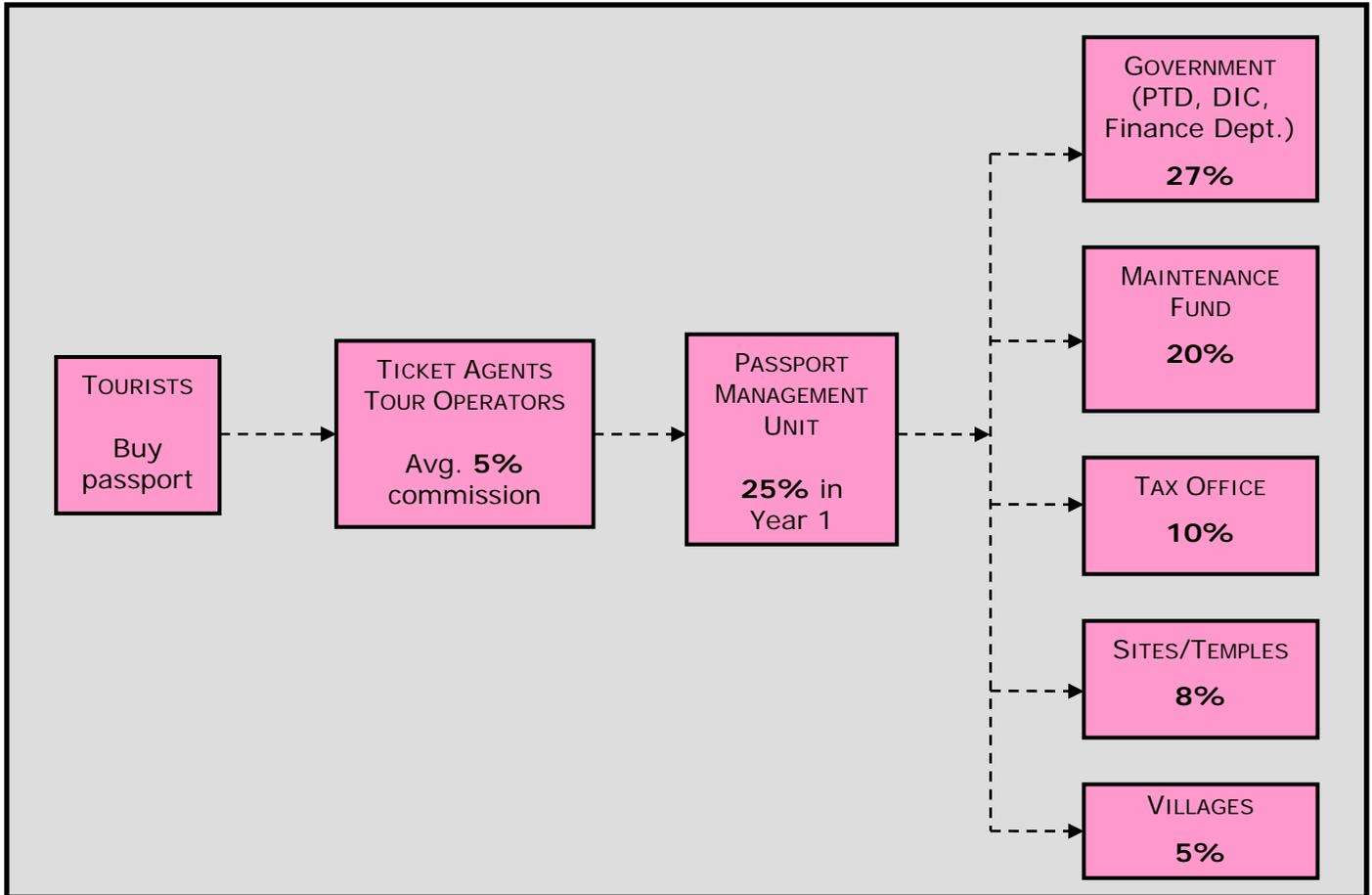
8.3 Tourism Management Fund

A major tenet and benefit of the Luang Prabang Visitor Passport scheme is the creation of a Tourism Management Fund. One of the main criticisms of current attraction management practices is the lack of maintenance and upgrade in tourism facilities. This fund allocates a significant share (20%) of the income to a public fund for tourism management and local development. This would also be a strong marketing tool, appealing to tourists to contribute to sustainable tourism development, and would be clearly detailed in each passport.

It is envisioned that a separate bank account would be created into which the Management Unit would deposit this percentage every month, however, the Department of Finance would be the account holder. These funds would only be disbursed with approval from a minimum of 3 of the 6 Steering Committee members at the 6-monthly meetings.

Proposals would be submitted by any of the tourism sites in Luang Prabang (not only those included in the Pass), tourism-related villages, or tourism-related management authorities (Management Unit, PTD, DIC, Maison du Patrimoine). Activities covered could include improved interpretive displays incorporating local culture and history, village trainings and activities for improved local tourism management, and heritage development work. These would be outlined in regulations for disbursement of the funds, with measures to impel the use of these funds in a timely manner (i.e. proposals must be approved or rejected within 6 months, and funds disbursed within 2 weeks of approval) and transparently.

Figure 6. Financial Flow from Sales of Tourist Passport



9. Passport Revenue Projection

In this section a projection of revenues from the Luang Prabang Visitor Passport scheme is outlined and compared with estimated revenues if continuing the current site ticketing scheme only. Some assumptions regarding visitor arrival growth rates, costs and visitor capture rates are made.

9.1 Projected Growth Rates of Visitor Arrivals and Revenues

Statistics were gathered at nine of the major tourist sites in Luang Prabang on visitor numbers and revenues generated. However, there were great discrepancies between the numbers of the Tax Office and the ticket sellers, as well as incomplete data for most years.

Nevertheless, a fairly accurate estimate of 6,271,159,000 in total revenues for 2007 in 9 main sites was calculated (see Table 9) and the Provincial Tourism Department reports that international tourist arrivals were 186,819 in the same year. Using these numbers as a starting point (as revenues for previous years were unavailable), and the LNTA's projected growth rates

for tourist arrivals¹¹, a conservative estimation can be made for earnings under the current system for the next five years.

Table 9. Projected growth rates of tourist numbers and total revenues for Luang Prabang

	Year	Tourist Arrivals	Total Revenues, 9 sites (Kip)	LNTA projected growth rate
0	2007	186,819*	6,271,159,000*	
1	2008	212,973	7,149,121,260	14%
2	2009	240,640	8,078,507,024	13%
3	2010	269,539	9,047,927,867	12%
4	2011	296,492	9,952,720,653	10%
5	2012	323,176	10,848,465,512	9%

* Actual numbers

9.2 Estimated Percentage of Tourists Buying Passports

The above numbers are used to project potential tourist numbers to Luang Prabang in a Year 1 to 5 scenarios for the Luang Prabang Visitor Passport. The assumption is also made that currently about 20% of all tourists use the services of tour operators and this number will increase marginally with an overall trend towards more packaged tours and higher-end tourists coming to Luang Prabang.

This projection assumes that in Year 1, half of all tour companies and their clients will use the Luang Prabang Visitor Passport, and this will increase each year as tour companies become used to the passport, are able to attract more tourists to use the passport, and increase their client length of stay. Thus, in Year 1, 20% of all tourists utilize the services of inbound tour operators, and 50% of *these* tourists are utilizing the Visitor Passport. This amounts to 10% of the *overall* tourist market to Luang Prabang. By Year 5, up to 25% of all tourists to Luang Prabang are with tour companies, and of those, over 70% are using the passport, meaning that 18% of all tourists coming to Luang Prabang are “buying” the Visitor Passport through the services of a tour operator.

It is forecasted that the number of tourists buying passports will increase drastically after Year 2, as the passport system becomes included in guidebooks, agent distribution channels become solidified, tour operators and agents regularly program the passport into quotations, and tourists come to “trust” the system.

¹¹ LNTA Tourism Statistics 2007

Table 10. Projection of passport sale capture rate and distribution

Year	Number of Tourists	% tourists with tour operator	% of sales to tour operator clients and FITs		Total % of tourists buying passports	Total # of tourists buying passports
			TOs	FITs		
Year 1	212,973	20%	10%	5%	15%	31,946
Year 2	240,640	22%	13%	7%	20%	48,128
Year 3	269,539	20-25%	15%	12%	27%	72,776
Year 4	296,492	20-25%	18%	14%	32%	94,877
Year 5	323,176	20-25%	18%	17%	35%	113,112

9.3 Projected Revenues Generated from Passport and Distribution

Using this projection of the number of tourists buying passports, we can estimate the following revenues generated by the passport system. The assumption is made that only about 1% of all passports sold will be for children under the age of 12. Luang Prabang is generally not considered a “family” destination, and is not particularly attractive for families with young children. Nevertheless, it is expected that the passport would be popular among any families visiting as it offers discounts for children, whereas on-site tickets do not.

Table 11. Projected revenue generated from passport sales

Year	Total # of passports sold	Type of passport	% of type of passport sold	# of passes	Price (Kip)	Revenue	Total Revenue
1	31,946	Adult	99%	31,626	110,000	3,478,913,955	3,501,276,120
		Child	1%	319	70,000	22,362,165	
2	48,128	Adult	99%	47,647	110,000	5,241,139,200	5,274,828,800
		Child	1%	481	70,000	33,689,600	
3	72,776	Adult	99%	72,048	110,000	7,925,255,217	7,976,198,088
		Child	1%	728	70,000	50,942,871	
4	94,877	Adult	99%	93,929	110,000	10,332,153,216	10,398,567,424
		Child	1%	949	70,000	66,414,208	
5	113,111	Adult	99%	111,980	110,000	12,317,787,900	12,396,965,600
		Child	1%	1131	70,000	79,177,700	

This revenue is then combined with a projection of the revenue that would still continue to be collected from tourists through on-site ticket sales to estimate total revenue flowing to the stakeholders from these tourist sites. This amounts to roughly 15 – 45% more earnings flowing to the government, villages, ticket collectors, sites, passport agents, and even tour operators. The table below projects the total revenue that would be collected with the passport scheme (i.e. on-site ticket revenues + passport revenues) and total revenue that would be collected without the passport scheme (i.e. the current system of on-site ticket sales only).

Table 12. Projection of total revenue generated with and without passport scheme

Year	On-site ticket revenues (k)	Passport revenues (k)	Total Revenue with passport scheme (k)	Revenue without passport scheme (k)
1	6,076,753,071	3,501,276,120	9,578,029,191	7,149,121,260
2	6,462,805,619	5,274,828,800	11,737,634,419	8,078,507,024
3	6,604,987,343	7,976,198,088	14,581,185,431	9,047,927,867
4	6,767,850,044	10,398,567,424	17,166,417,468	9,952,720,653
5	7,051,502,583	12,396,965,600	19,448,468,183	10,848,465,512

Using this estimate for total revenue generated from Luang Prabang Visitor Passport sales, distribution to site beneficiaries, government departments, the tourism management fund, and costs would be as below. It can be argued that instating the Visitor Passport scheme will also help to distribute benefits from tourism to a wider number of beneficiaries, through local commissions, direct village earnings (not just a handful of ticket collecting families), the sites themselves and a more transparently managed Tourism Management Fund. It is expected that less well-known tourist sites will gain a larger share of visitors than under the current system, as the Passport encourages tourists to go to more attractions. Any sites and villages visited under the passport scheme would receive a percentage of overall passport revenues, as well as access to the Tourism Management Fund.

Table 13. Projected flow of Tourist Passport revenue to beneficiaries

		Year 1	Year 2	Year 3	Year 4	Year 5
Tax	10%	350,127,612	527,482,880	797,619,809	1,039,856,742	1,239,696,560
Tourism Fund	20%	700,255,224	1,054,965,760	1,595,239,618	2,079,713,485	2,479,393,120
Commissions	5%	175,063,806	263,741,440	398,809,904	519,928,371	619,848,280
Management Unit Costs	25%	875,319,030	1,318,707,200	1,994,049,522	2,599,641,856	3,099,241,400
Government	27%	945,344,552	1,424,203,776	2,153,573,484	2,807,613,204	3,347,180,712
Sites	8%	280,102,090	421,986,304	638,095,847	831,885,394	991,757,248
Villages	5%	175,063,806	263,741,440	398,809,904	519,928,371	619,848,280
Total	100%	3,501,276,120	5,274,828,800	7,976,198,088	10,398,567,424	12,396,965,600

10. Proposed Marketing Plan

Often, the introduction of an attractions passport or ticket bundling scheme is a marketing strategy to enhance the attractiveness of a destination. The Luang Prabang Visitor Passport would be a key product for branding Luang Prabang as a whole, as a responsible World Heritage Site with historical attractions that benefit local people. The passport itself would be part of the marketing strategy, an attractive keepsake that can be taken home and shown to others, with information on Luang Prabang, the attractions, local businesses, and how the money from tourism is used for development.

A marketing plan for the Tourist Passport is proposed for a period of three years, separated into two phases with specific objectives and tasks. Phase 1 covers the first and second year of passport operations, while Phase 2 is for year three. Taking into consideration that the Visitor Passport will compliment the existing on-site ticket system, it is assumed that heavy marketing and promotion in the first two years of operation will then lead to more modest marketing needs in the third year onwards. As the passport becomes established and commonly known, continued marketing activities will involve updating and improving promotional materials, maintaining close relationships with sales agents, and seeking new and creative ways of reaching potential markets, such as web sales.

The government or responsible body should allocate a specific budget for Phase 1 of the marketing plan through its own funding or other sources to kick-off the “Luang Prabang Visitor Passport” scheme – this would cover the introduction stage of the Visitor Passport. At least 25% of the initial starting costs will be marketing and public relations costs. Phase 1 is deemed to be the most crucial stage as clear communication and strong publicity is required to deliver the message about the new product to the right audience. By the third year it is assumed that the Management Unit will be able to fund its own marketing budget through sales revenues.

10.1 Objectives

Marketing objectives are a crucial part of the overall implementation plan, and the management unit will be required to continuously review and monitor them to measure progress. The following objectives are defined in the context of the scheme’s three-year implementation plan.

1. To create a new brand for the tourism attractions in Luang Prabang, presenting the collective product strengths of Luang Prabang
2. To co-operate with other local tourism service providers to promote Luang Prabang as a responsible tourist destination, moving away from the Tak Bat image which creates social problems
3. To help achieve 270,000 visitors to Luang Prabang by third year of operation
4. To encourage longer stays and repeat visits

10.2 Marketing Strategy

Phase 1, Transition stage:

The key objective for the first two years is to heavily promote the new Visitor Attractions’ Passport domestically and internationally. Local and international tour operators as well as tourists will need to be well informed in advance of “what” the Visitor Passport is about, “how” it works, “who” operates it, “where” the pass can be obtained, and “when” the Visitor Passport will come into effect. At the same time the tourists, tour operators and the general public need to be

made aware of the new product, where they can obtain them, prices, and the benefits. Continuous public relation activities will also need to be carried out during this first two years to ensure that the local authorities and communities as well as businesses in Luang Prabang understand the function of the Tourist Passport.

Potentially the marketing activities in the first stage should address the following issues:

- Target market segments
- Positioning the Luang Prabang Visitor Passport as “value added”, “responsible tourism” product
- Public awareness
- Identify potential promotional partners
- Identify potential sales agents

Who are the target markets?

- Tour companies – so they will be informed and use it
- Individual tourists and travelers with family – so they will want to buy it
- Sales agents – so they will want to sell it (part of distribution strategy)
- Guidebooks and press – so they will inform others about it

Table 12. Marketing activities during Phase I

Activity	Description	Year
1. Public relations	<ul style="list-style-type: none"> • Public engagement - informing the public (particularly the government departments, tour operators, and local communities) about the introduction of new tourism product “Tourist Attractions’ Passport” • Hold press conferences for international and domestic journalists and other travel writers and guidebooks • Attend tourism fairs and events 	1 & 2 1 & 2 2
2. Market research	<ul style="list-style-type: none"> • Conduct thorough market study of the potential customers to enhance marketing of ‘Visitor Attractions’ Passport’ to the right target audience. • The Passport has high potential to attract more family market, Asian market and tour companies and therefore dedicated research should follow for these markets. • Market research should be carried out at least once a year 	1
3. Preparing Passes	<p>Designing the Passport/ticket booklet and printing – Passport will need to be made attractive enough to tourists that they would want to keep it as a souvenir. Creativity is the key in this activity.</p> <p>Key elements of the Passport should include:</p> <ul style="list-style-type: none"> • Front page includes the name or brand and color-coding for adult or child. A designated section will be provided for passport holder’s detail; validation stamp and control number • 6 perforated pages that act as “tickets”, each page will have space for particular stamp of each visited attraction and a tear off section of the ticket for statistic and financial control purposes. • Pages of simple descriptions of Luang Prabang and its attractions in a later section or at the front section of the booklet and possibly a small map of the sites. 	1 & 2

	<ul style="list-style-type: none"> Discount coupons and advertisements of participating partners. 	
4. Promotional materials and mechanism	<ul style="list-style-type: none"> Posters and billboards erected to create awareness about the optional Luang Prabang Visitor Passport Design and printing of promotional materials ready for distribution tour operators, tourists, local service providers and other provinces. Materials include: leaflets, posters, flyers Advertise through websites of Ecotourism Laos www.ecotourismlaos.com and other online sites e.g. www.travelfish.com Dedicated website will follow based on market research Advertise through local radio, national newspapers, travel publications 	1 1 & 2 2
5. Sales relations	<ul style="list-style-type: none"> Getting in touch with potential sales agents Creating sales packages for authorized agents 	1 & 2 1 & 2
6. Product management	<ul style="list-style-type: none"> Identify potential partners for joint promotion programmes such as accommodation providers, restaurant operators, massage parlors, etc. 	
7. Introduction of the Luang Prabang Visitor Passport	An introduction of the new pass system should be carried out for a period of at least 6 months prior to the official effective date, as this will allow tourists, ticket collectors and staff on sites to become aware of the new Passes.	2
8. Monitoring and evaluation	<ul style="list-style-type: none"> After first year of implementation the management unit to evaluate the responsiveness of the passport among tourists, tour operators and ticket agents. <ul style="list-style-type: none"> Based on statistic collect and compare with the existing system Based on direct interviews and also questionnaire survey Design customer comment card for direct tourists evaluation Make improvements according to the evaluation for the coming year 	All

Phase 2, Luang Prabang Visitor Passport Fully Operational

In this stage it is assumed that the Passport was well received in the introduction stage and that any problems have been ironed out by the management unit and the concerning authorities. In the third year, marketing activities should focus on updating the existing promotional programs and advertising materials. More sophisticated marketing activities can also be launched, such as web Passport sales, packages that add transport options and add-on activities, and festivals and special events. These events can be held on a monthly or quarterly basis, particularly during the "low" season, and highlight individual attractions or themes. Events could include participatory arts or restoration activities, special tours or speakers about the history of a site, children's activities, and performances. This would add further value to the package, engage tourists in the destination, and improve overall interpretation.

Consequently, overall promotional activities should be consistent and the public should be updated in a timely manner of any changes made on the Passport, its function and use. However, once established, the authorities should avoid changing the pass system, particularly prices, for the first 3 years of full operation.

It must be acknowledged that the Luang Prabang Visitor Passport is an optional program complementing the existing on-site ticket sales; therefore it is up to the management unit to strategically carry out marketing activities if it wishes to meet sales and revenue expectations as well as earning attractive market share.

11. Implementation Steps

Following consultations with the immediate stakeholders concerning attractions management in Luang Prabang in July and August 2008, it cannot yet be said that a general consensus has been established to set up the Luang Prabang Visitor Passport. A majority of the interviewees were supportive of the initiative, however, many issues concerning management and operation of the Passport and even the choice of passport type have not been agreed upon. Further, a substantial amount of start up capital is required for the project and there is no assurance of the government being able to provide such a budget at the present time. Thus, even if LATA has established agreement among all parties for such a scheme, the financial start-up costs would need to be secured before implementation could begin.

It is foreseen that to launch such a scheme in Luang Prabang would require time for further consensus-building among the wider stakeholders in Luang Prabang, including villages around the current sites, ticket sellers, government departments, and the Provincial Governor's Office. It is anticipated that at least two years would be needed to then gain approval from authorities and work out the details of the management structure and operations, with the launch in year three if all goes smoothly.

Implementing the Luang Prabang Visitor Passport can be separated into three main stages:

1. Feasibility: Consensus building among LATA members and consensus/consent from the government in year 1-2, and seeking financing.
2. Preparation: Setting up the Management Unit, introduction and testing in year 2-3.
3. Implementation: Launch and further testing in year 3.

Table 13 illustrates the steps towards successful Visitor Passport preparation and launch. Note that stages 1 and 2 will overlap. The degree of overlap will depend on the time undertaken to obtain approval from the Provincial Government. It is anticipated that a minimum of one year is required for activities related to consensus-building among stakeholders and obtaining the Governor's consent. With regards to financing, unless an NGO or other donor funded project agrees to provide some expertise and financing to set up the scheme, it will most likely take more time (anticipated about 1 year) to approach potential financiers and come to an arrangement. Only once financing has been confirmed can the Management Unit be established and direct implementation begun.

12. Feasibility and Conclusions

The rationale for a tourist attraction passport scheme in Luang Prabang has been presented: convenience and better business for tour operators, increased revenues for all beneficiaries, a new, marketable, tourism product raising Luang Prabang's profile, and a flexible, value-for-money option for tourists.

By and large, local stakeholders can be characterized as being positive about the idea of a passport scheme, though not necessarily convinced of its potential or feasibility. Tour operators are in favor of a scheme that would offer discounts, the ability to pre-purchase, and improve site management. Most government departments think it is a good concept, but are somewhat skeptical on how it might work. Notable exceptions were the Department of Information and Culture and Maison du Patrimoine, two major stakeholders whose Directors would not consent to meet with the consultants but intimated their overall opposition to the study. Tourists themselves are in favor of the concept, but only in its most flexible form: optional, inexpensive, and covering a basic number of sites. Most ticket sellers and villagers are not in favor of the proposition, but mostly out of concern that it would result in a reduction in their incomes.

It is clear that any sort of passport scheme would require a great deal of political and financial momentum to even initiate, with many challenges that could arise during establishment of the system and implementation. The risks are numerous: a weak or inefficient management unit, revenue distribution that disenfranchises local people and site managers, bureaucratic systems blocking approval and release of funds for maintenance, or a negative effect on tourist satisfaction.

12.1 Enabling factors for passport scheme

There are many factors affecting the feasibility and success of an attractions passport scheme that are both contextual and operational.

- 1. Political will:** Probably the most decisive factor in whether a visitor passport system will be feasible is whether the government and public management authorities have the motivation and political support to create it. It would require that many beneficiaries, particularly government departments, give up their monopoly over ticket incomes. Though it would not displace their total share of revenues, it would mean less control over how they receive and use the income, especially with the creation of the Tourism Management Fund. A perfectly designed attraction passport scheme for any destination will not succeed if the local authorities do not see the benefits in adapting the current system. This will certainly be the case in Luang Prabang.
- 2. Availability of initial investment:** A significant outlay will be required to develop, implement and market the Tourist Passport, in both a preparatory period and the initial two years. The scheme also requires that the government spends a significant portion of funds to create a new dedicated management unit and support its operations. This brings us back to "political will" – if the government does not see a significant advantage to creating and funding a new tourism management system, it will be a non-starter.
- 3. Effective central management authority:** The case studies demonstrate that different management organizations are effective in various contexts, with varying private or public accountability. Site and ticket management authorities can be national trusts or other charity organizations, government departments, a private/public partnership, or a private company with a concession over certain aspects of site operations. It seems that direct governmental

management or private sector concessions are more commonly seen in developing country contexts. In some cases, the private sector can help to provide the efficiency and capacity that a large public agency (like a tourism department) cannot. The government must make an honest assessment of what type of organization would be the most effective in managing a tourism passport scheme to maximize benefits and visitor satisfaction.

4. **Appropriate product bundling:** It is important to combine suitable attractions; this may be by theme or type of attraction, location, price range, or type of visitor. By linking attractions in the right combination, a destination can encourage longer stays, wider visitation, and purchases of the pass. If sites are linked that are not attractive to the same type of tourist, too far away from each other, or not sufficiently appealing, the pass scheme will have limited success.
5. **Value-for-money/appropriate pricing:** Calculating price schemes for a combined attraction pass should take into account site management costs, current prices, and tourist willingness to pay. Several interviewees said that current prices are too expensive, and that prices have increased without a corresponding improvement in site facilities. A passport scheme, particularly if optional, should be appropriately priced to make visitors feel that they are receiving value for their purchase.
6. **Communication to visitors of revenue use:** Many “willingness to pay” studies have shown that visitors are happy to pay higher prices for entry fees and public attractions if they feel where the money is going, if the funds are being used effectively, and they perceive a benefit to the local community or site. Communicating to tourists the use of earnings from a passport scheme (i.e. publishing the revenue sharing percentages) or the reason for a passport scheme through well-formulated marketing strategies can greatly increase visitor satisfaction.
7. **Transparency of revenue:** When combining revenue from several sites in a passport scheme or allocating a private concession over previously public attractions, it is important to explain the new distribution and use of the revenue for local stakeholders, tourists and even investors. This is particularly true if a new ticketing system has reduced the direct stake of local actors (such as village ticket sellers) – demonstrating how the restructured revenues will improve site management and continue to benefit locals will go a long way to reducing any public criticism.

12.2 Feasibility of establishing a Luang Prabang passport scheme

An attraction passport scheme has been proposed for Luang Prabang to help address some of the following issues:

- Sudden and drastic price increases without corresponding improvements in facilities;
- Inability to purchase tickets in advance;
- Lack of discounts or incentives for tour operators;
- Leakages at sites from guides handling cash directly;
- Lack of transparency of revenue use;
- Uneven management of sites depending on site authority or concession;
- Poor maintenance; and
- Unreliable statistics gathering on visitor numbers and revenues.

These are the problems facing the tourism sector in Luang Prabang, but whether one attraction passport system could solve them all is unlikely. It is also possible that these issues could be resolved without a passport scheme, by simply by taking measured steps towards improving

overall ticketing policies and tourism management at each site. Nevertheless, it would be important for any pass scheme proposed to offer improvements on some of the above issues.

It also very much depends on the goal of the pass scheme – whether it is a marketing and destination development tool, an opportunity for more transparent revenues for tourism management, or to increase the convenience of tour operators and tourists. For example, in 2005 a study was carried out by UNESCO and Luang Prabang's Maison du Patrimoine (Heritage House) to explore options for tourism financing or taxation systems to contribute to heritage management activities. Passport schemes were evaluated, identifying challenges such as income distribution, how to control access to tourist sites, and how to ensure involvement and benefits for local people, as Luang Prabang's tourism sector is not highly structured. More details on the results of this study are in Annex 2.

This study has detailed just one potential tourism attraction passport scheme, projecting costs and revenues using available statistics and data. The conclusion is that a Luang Prabang Visitor Passport would *technically* be feasible, if well planned and appropriately designed. The success in implementation would very much depend on the organization chosen to manage the scheme – whether it has the resources, capacity, and accountability to effectively and efficiently operate and market the pass scheme.

However, whether a strong enough impetus exists to begin this undertaking is highly uncertain. It would require several government departments to divest some control over lucrative tourism attractions, investing public funds to develop a new tourism management and revenue flow structure, and increased transparency and accountability of tourism earnings. It is clear that even simply the exploration of such a scheme was threatening to some stakeholders, as evidenced by the refusal of the Director of the Department of Information and Culture, the authority for five of Luang Prabang's most visited attractions, to be interviewed by the consultants. Thus, the motivation for such a large-scale undertaking would have to come from the highest levels.

13. Conclusions

This study has attempted to describe the case for a tourism attractions passport scheme, utilizing international case studies, compiling a survey of stakeholder and tourist views, and outlining variations on a bundled tourism product. The Luang Prabang Visitor Passport proposed could complement its tourism attractions, increasing the appeal of the destination, facilitating packages sales and marketing for tour companies and regional airlines, offering value-for-money for tourists, as well as an attractive memento, and increasing income for a wider number of beneficiaries. It would not decrease government revenues from tourism attraction tickets, but simply allocate its use in a more transparent manner through the Tourism Management Fund. The Fund itself would aid in marketing if communicated clearly to tourists as an incentive for buying the pass.

However, further work needs to be done to explore the political feasibility of this product, through advocacy with government departments and elaboration of implementation mechanisms. The exact revenue distribution percentages may need to be adjusted, the responsibilities of the management unit clearly defined, and branding agreed upon. The implementation steps outlined in the previous section demonstrate that a great deal of assessment and preparatory work would be necessary to bring a Luang Prabang visitor attractions passport scheme to light. Assistance would likely be needed to shepherd the process in its infancy, providing technical advice on marketing or project cost management. It is recommended that LATA use this report as a working document only; a foundation from which to gain consensus among its members,

advocate for such a scheme with the government, and approach development agencies and other resources for support.

Annex 1. List of Interviewees

Sector	Organisation Name	Person/Position
Government/NGO	LNTA	Dr. Sila Mounthalavong, Vice Chairman
		Mr. Sali Phimphinith, Director of Marketing Department
	Luang Prabang PTD	Mr. Khamthan, Mrs. Vilaychan (Deputy Directors), Mr. Somchay (Responsible for accounting and reporting of Kuangxi Waterfall)
	Department of Information and Culture	Not Available
	Provincial Tax office	Mr. Khanitha Philasouk, Technical staff responsible for revenue collection
	Pak Ou District Treasury Office	Mr. Bounmy Chanphavong, Deputy Chief of Office
	UNESCO Heritage House	Ms. Manivone Thoummabouth, Director of Heritage House
	SNV	Ms. Chanthala Koukeomanivong
Tourism Businesses	LATA Board members	
		Mr. Saleum Khamphengvong
	Inter-Lao Tourism	Mr. Bounthieng Soulivanh - Director
	Luang Prabang Travel & Tour	Mrs. Somsanith – Deputy Manager
	Savan Ban Hao	Mr. Kongchakky Phanthasombath – General Manager
	Savannakhet (North by North East Travel Services)	Mr. Somsak and Jason Rolan – Laos country Director
	Diethelm Travel	Mr. Bounthieng Vongphichit - Director
	Lao Youth Travel	Mr. Singsamouth Phinsavath – General Manager
	Mekong River Cruises	Gerald Winkler – Manager Sales & Operation
	Trails of Indochina	Mr. Soulideth Phommachan & Mr. Bui Tran Thanh Phong (Laos office Manager)
	Tiger Trails	Mr. Markus Neure, Director
Green Discovery	Mr. Phaivanh Phoneprasueth, Branch Manager	
Buddhist Sangha		Abbot Bounphan
Villages	Xiengthong	Ms. Kongseng (ticket seller), Mrs. Phapalad (Village chief's wife), Village Chief, Mr. Khamthan, Deputy Mr. Thongsay (responsible for village accounts)
	Visoun	Mr. Choumaly Muansavath (village chief)
	Phakharm (Wat Mai)	Mrs. Keo Phetsengdao (ticket seller)
	Pak Ou	Mr. Bounmee Chanthavong
	Aham	Mrs. Ladavanh, Mrs. Manichan, Village Chief (Mr. Siphon)
Others		Madame Vayakone Bodhisane, Former President of LATA and current advisor to LATA

Annex 2. Heritage House

In 2005 a study was carried out by UNESCO and Luang Prabang's Maison du Patrimoine (Heritage House) to explore options for tourism financing or taxation systems to contribute to heritage management activities. The study proposed six different scenarios, three of which were tourism passport schemes:

1. A national tax of \$5-\$10 added to visitor visas when entering Laos – these funds would be used for the two existing UNESCO World Heritage Sites (Luang Prabang and Vat Phou) and the potential third heritage site, the Plain of Jars in Xieng Khouang.
2. A compulsory local tax levied on all tourists entering Luang Prabang of \$5-\$10. This would be collected at all transport points (bus stations, boat landing, airport).
3. Heritage Passes
These passes function as visitor attraction passports, replacing or appending current ticket fees for tourism sites.
 - i. Attractions pass: ticket fees to get into all tourist sites in the heritage zone (i.e. the temples, museum, and Phousi Hill) would be combined into one pass of \$15.
 - ii. "Additional" attractions pass: visitors would need this pass (priced at \$5-\$10) in addition to paying entry fees at each tourism site.
 - iii. Optional pass: this pass would give visitors a guided tour, discounts and access to cultural activities.

All three of these passes would be sold at major tourism attractions (Phousi Hill and Wat Xiengthong), as well as the Provincial Tourism Department and Heritage House.

4. "Overnight" tax of \$2-\$5 per stay would be levied on tourists at all guesthouses and hotels. This system was tried once in 2003 but was unsuccessful, due to a lack of enforcement and an overall unwillingness by accommodation establishments to report true occupancy data.

The study listed a number of strengths, weaknesses and difficulties of each scenario. Overall challenges included the question of how to distribute income, how to control access to tourist sites, and how to ensure involvement and benefits for local people, as Luang Prabang's tourism sector is not highly structured. Further, as Luang Prabang does not have a high number or quality of attractions, pass schemes would need to be relatively modest in price.

Interestingly, the Heritage Pass 1 system, which is most like a visitor attraction passport (though mandatory) was deemed unfeasible, due to the complexity in implementation and limited financial benefits.

The consultants were told that this proposal has been sent to the "central government" for consideration.

Robert, E., L. Chadaj, and A. Frantz. 2005. Rapport Final: Mise en place d'un système de contribution touristique en faveur de la préservation du Patrimoine, RDP Laos. UNESCO: Paris.

Annex 3. Questionnaires

Questionnaire survey of tourists

The Lao Association of Travel Agents is studying the possibility of setting up an 'attractions passport' system for Luang Prabang. Your response will help us determine whether such a pass scheme would improve attractions management and tourist experience. Thank you.

Section 1: Visitor Profile

1. Country of origin
2. Gender Male Female
3. Age 15 – 20 25 – 30 35 – 40 45 +
 20 – 25 30 – 35 40 – 45
4. Occupation:
5. Traveling: independently on organized/tour group with friends/relatives
6. Intended length of stay in Luang Prabang
 1 day 1 – 3 days 3 – 5 days more than 5 days

Section 2: Evaluation of Attractions

7. How many attractions in Luang Prabang you intend to visit or have visited?
 1 – 3 3 – 5 more than 5 attractions
8. What is your budget for visiting Luang Prabang's attractions?
9. Are the entry fees good value for money? Yes No

Why?

.....

10. Please indicate the expectation and satisfaction of the following attractions in Luang Prabang.

Attractions	Expectation					Satisfaction				
	Very low expectation		Very high expectation			Very low satisfaction		Very high satisfaction		
Kuangxi Waterfall	1	2	3	4	5	1	2	3	4	5
Tam Ting/Pak Ou Caves	1	2	3	4	5	1	2	3	4	5
Tad Sae	1	2	3	4	5	1	2	3	4	5
Royal Palace Museum	1	2	3	4	5	1	2	3	4	5
Wat Xiengthong	1	2	3	4	5	1	2	3	4	5
Wat Mai	1	2	3	4	5	1	2	3	4	5
Wat Visoun	1	2	3	4	5	1	2	3	4	5
Wat Aham	1	2	3	4	5	1	2	3	4	5

Wat Tad Phousi (Phousi Hill)	1	2	3	4	5	1	2	3	4	5
Wat Tam Phousi	1	2	3	4	5	1	2	3	4	5
Wat Chomphet	1	2	3	4	5	1	2	3	4	5
Traditional Art & Ethnology Centre	1	2	3	4	5	1	2	3	4	5

11. Overall, how satisfied were you with your visit to the above attractions?

Extremely dissatisfied Extremely satisfied

1 2 3 4 5 6 7

Please give your reason:

Section 3. View on Visitor Attractions' Passport

12. Do you think Visitor Attractions' Passport, which would combine entry fees to several attractions, is a good idea for Luang Prabang?

Yes No

13. If the authorities of Luang Prabang introduce Visitor Attractions' Passport would you be interested?

Yes No

14. How many attractions should be included in the Passport?

3 3 – 5 5 – 8 All

15. Should the attraction pass be mandatory or optional? Mandatory Optional
Why?

16. How much are you willing to pay for Visitor Attractions' Passport?

\$ 5 – \$6.5 \$7 - \$10 \$11 - \$15 \$15 - \$20

17. Which key attractions should be included in the Passport?

- | | | |
|---|---|---|
| <input type="checkbox"/> Kuangxi Waterfall | <input type="checkbox"/> Wat Xiengthong | <input type="checkbox"/> Wat Tad Phousi (Phousi Hill) |
| <input type="checkbox"/> Tam Ting/Pak Ou Cave | <input type="checkbox"/> Wat Mai | <input type="checkbox"/> Wat Tam Phousi |
| <input type="checkbox"/> Tad Sae Waterfall | <input type="checkbox"/> Wat Visoun | <input type="checkbox"/> Wat Chomphet |
| <input type="checkbox"/> Royal Museum | <input type="checkbox"/> Wat Aham | |
| <input type="checkbox"/> Traditional Art & Ethnology Centre | | |

18. What other attributes would make the Visitor Attraction Passport attractive to you?

- | | |
|--|--|
| <input type="checkbox"/> Discounts at participating partners | <input type="checkbox"/> Price |
| <input type="checkbox"/> Ability to purchase online | <input type="checkbox"/> Group discounts |
| <input type="checkbox"/> Others (please specify)..... | |

Questionnaire survey of tourism service providers

The Lao Association of Travel Agents is studying the possibility of setting up an 'attractions passport' system for Luang Prabang. Your response will help us determine whether such a pass scheme would improve attractions management and tourist experience. Thank you.

Section 1: Business Profile

1. Name of owner
2. Type of business
3. Average daily patronage by tourist

Section 2. View on Visitor Attractions' Passport

4. Do you think Visitor Attractions' Passport, which would combine entry fees to several attractions, is a good idea for Luang Prabang?
 Yes No
5. If the authorities of Luang Prabang introduce Visitor Attractions' Passport would you be interested in participating such as providing discounts to Pass holders?
 Yes No
6. How much discounts are you willing to give to tourist holding Visitor Attractions' Passport?
 3 % 5% 10% 15%
7. Are you willing to pay a small participation fee to cover marketing and printing costs of tickets?
 Yes No
If **YES**, how much are you willing to pay yearly?
8. Should the visitor attraction passport be mandatory or optional? Mandatory Optional
Why?
.....
9. How many attractions should be included in the Passport?
 1 - 3 3 - 5 5 - 8 All
10. Which key attractions should be included in the Passport?

<input type="checkbox"/> Kuangxi Waterfall	<input type="checkbox"/> Wat Xiengthong	<input type="checkbox"/> Wat Tad Phousi
<input type="checkbox"/> Tam Ting	<input type="checkbox"/> Wat Mai	<input type="checkbox"/> Wat Tam Phousi
<input type="checkbox"/> Tad Sae	<input type="checkbox"/> Wat Visoun	<input type="checkbox"/> Wat Chomphet
<input type="checkbox"/> Royal Museum	<input type="checkbox"/> Wat Aham	
<input type="checkbox"/> Traditional Art & Ethnology Centre		

Annex 4. Check list of questions for key informant interviews

I. Interviews with government and institutional partners (including DGO)

1. Name, organization, position
2. Which tourist attractions do the organization manage?
3. How many stakeholders are involved in management of attractions?
4. Do you have formal management agreements with the stakeholders? (If yes, please provide)
5. How many people visit the attraction daily, monthly, yearly (2005, 2006, 2007)?
6. How does the revenue get distributed?
7. How does the money get used?
8. How much get spent on maintaining and improving the attractions?
9. What is your knowledge and understanding of Visitor Attractions' Passport?
10. Do you think Visitor Attractions' Passport, which would combine entry fees to several attractions, is a good idea for Luang Prabang? Yes or No
11. If yes, how should it be administered or management by whom?
12. How should the benefit be shared among the stakeholders?
13. How should the tickets be sold and by whom?
14. Which attractions should be included in the Attractions' Passport?
15. How should the Attractions' Passport be priced? (Domestic & International tourist prices?)
16. If answered "No" to Question 10, why is it not a good idea, please provide indications for better attraction services.

II. Interviews with Private sector

1. Name, organization, position
2. Which attractions around Luang Prabang do you normally include in your tour packages?
3. How does your company normally pay for attraction entry fees? (Guides pay direction, monthly billing, flat fees, etc.)
4. Which type of payment is the easiest for you?
5. Are you satisfied with services provided at the attractions? In other word is the price value for money? How could it be improved?
6. What kinds of feedback do you normally received from your clients regarding attractions in Luang Prabang?
7. What is your knowledge and understanding of Visitor Attractions' Passport?
8. Do you think Visitor Attractions' Passport, which would combine entry fees to several attractions, is a good idea for Luang Prabang? Yes or No
9. If yes, how should it be administered or management by whom?
10. How should the benefit be shared among the stakeholders?
11. How should the tickets be sold and by whom?
12. How will the scheme assist your company's services?
13. Which attractions should be included in the Attractions' Passport?
14. How should the Attractions' Passport be priced? (Domestic & International tourist prices?)
15. If answered "No" to Question 8, why is it not a good idea, please provide indications for better attraction services.

III. Interviews with Buddhist Sanga

1. Name, organization, position
2. Does the temple receive benefits from the ticket sales? In what ways?
3. From which major sources do the temple receive funding for maintenance?
4. Do the temple receive specific roles or responsibility for temple attraction management?
5. Are you satisfied with how the temple attractions are currently managed? How could it be improved?
6. What is your knowledge and understanding of Visitor Attractions' Passport?

7. Do you think Visitor Attractions' Passport, which would combine entry fees to several attractions, is a good idea for Luang Prabang? Yes or No
8. If yes, how should it be administered or management by whom?
9. How should the benefit be shared among the stakeholders?
10. How should the tickets be sold and by whom?
11. How should the Attractions' Passport be priced? (Domestic & International tourist prices?)
12. Please provide indications for better attraction services.

IV. Interviews with Villages

1. Name, organization, position
2. Which attractions does the village manage?
3. What are the role and responsibilities of the village in managing the attraction?
4. How many people from the village are involved in managing the attraction?
5. Does the village have formal management agreement with the responsible authorities?
6. Does the village receive benefits from the ticket sales? In what ways?
7. Are you satisfied with how the temple attractions are currently managed?
8. What is your knowledge and understanding of Visitor Attractions' Passport?
9. Do you think Visitor Attractions' Passport, which would combine entry fees to several attractions, is a good idea for Luang Prabang? Yes or No
10. If yes, how should it be administered or management by whom?
11. How should the benefit be shared among the stakeholders?
12. How should the tickets be sold and by whom?
13. How should the Attractions' Passport be priced? (Domestic & International tourist prices?)
14. If answered "No" to Question 9, please provide indications for better attraction services.

Annex 5. Visitor Passport and Ticketing Scheme Options

In this section, options for management and operational systems appropriate to Luang Prabang are proposed. They have been chosen by the consultants for the applicability to the local context, utilizing stakeholder opinions and international best practice. They combine different elements in bundled tourism product schemes, including entry tickets, day pass schemes, discounts, and incentives. Management and operations have been separated, as various ownership/management styles are possible for different operational structures. For example, a day-pass scheme could be operated by a government agency or a private concessionaire.

Three management structures are outlined, as well as seven models for visitor passes or bundled attractions schemes, categorized as “optional pass schemes” and “mandatory pass schemes”. “Optional” schemes are generally tourism marketing tools that combine several attractions in a pass or coupon system to encourage longer stays, increase convenience for tourists and tour operators, provide discounts, and promote more site visitation. “Mandatory” schemes are more of a restructuring of the attraction management systems themselves, combining entry into sites into a centralized pass or ticket system to improve overall site management and control. The pass scheme chosen depends on the objective of the destination management organization.

Finally, entry mechanisms for domestic tourists have been proposed separately. In the event that a mandatory pass scheme is chosen, the domestic tourist market and its visitation and spending habits are different enough that it is not appropriate to simply propose a two-tiered pricing system. However, if an optional pass scheme is chosen, then current on-site ticketing prices for Lao visitors would be retained.

1. Management structures

Using international case studies and propositions from Luang Prabang stakeholders, there are three main management mechanisms possible for centralizing tourism attraction ticketing systems in Luang Prabang. Each is briefly explained, with an assessment of its advantages and disadvantages.

1.1 Government managed and operated within existing department

Currently, there are three main government departments directly involved in the management of tourism attractions in Luang Prabang: the Provincial Finance Department, Provincial Tourism Department, and the Provincial Department of Information and Culture. The Finance Department is involved in all the tourism attractions, through tax collection, ticket printing, or revenue collection, and it is assumed that with any new attraction ticket system, whether it be government or privately led, the Provincial Finance Department would retain a fundamental role.

However, it would be possible that the operational aspects of a new centralized attraction scheme could be housed under either the Tourism Department or Department of Information and Culture. Some stakeholders suggested the PTD is the most relevant, as it is the primary authority for tourism; however, it is the DIC that is currently responsible for some of the main tourist attractions in Luang Prabang: Phousi Hill, Vat Xiengthong, Vat Visoun and the Luang Prabang National Museum. It would be a politically sensitive process to divest ownership from one department and hand it to another, even if reasonable revenue distribution systems were developed.

Further, most stakeholders interviewed, both from government and the private sector, expressed their concern that any one government department (and perhaps government in general), does not have the capacity to take on such a significant project, requiring new types of expertise and human and financial resources. Nevertheless, it would be theoretically possible to assign more staff and allocate the management of this activity to one government office.

Advantages

- Retains management and control of the scheme within government
- Centralises management in one department, simplifying administration and procedures
- Utilises the existing management systems used by the PTD or DIC

Disadvantages

- Sensitive process to choose which department would gain control of all the tourism attractions in Luang Prabang
- One department may not have the capacity or resources to effectively manage the whole project

1.2 Government managed and operated with specially contracted unit

Several interviewees suggested that government should retain control of these tourism attractions, but that a special, independent unit be set up to operate and manage a new visitor pass system. Such a unit could work independently, but under the oversight of the Department of Finance, Governor's Office or Provincial Tourism Department. Rather than hiring government staff to man such a unit (an often time-consuming and bureaucratic process), government "contract" staff could be recruited – with higher salaries and more expertise possible.

This unit would operate autonomously and in a business-like and profit-oriented manner. A useful comparison is the Eco-Guide Service Units in Luang Namtha Province that sell treks to tourists, managed by government contract staff that work on commission. These units have more flexibility and independence than a fully-fledged government department. A management unit for a visitor attractions passport would be kept small, with either salaried or commission staff recruited for their experience in management, accounting, tourism and marketing. Attraction revenue would still be distributed to the appropriate stakeholders – only operational costs would be kept by this unit.

Advantages

- Retains management and control of the scheme within government
- May be more acceptable to give control of tourism attractions to a new independent unit, rather than to an existing department
- Centralises management in one unit, with oversight by the government
- Contract staff and a new unit will allow more flexibility and efficient operations

Disadvantages

- Politically difficult to create a new unit, divesting control of attractions from existing departments
- Government may not be able to attract appropriately-skilled contract staff
- Government may not have the capacity to effectively oversee such a unit

1.3 Private ticketing concession

The third option, which was proposed by several government stakeholders, is management or concession by a private company. This system would be something like Angkor Wat, where a local private company has the exclusive rights to market, sell and manage the ticketing system at

the country's premier heritage destination, paying a concession fee (through a percentage of sales) to the government. The concession system currently in place in Pak Ou Caves is another example, though one that was given to the local village, and currently not working very effectively due to poor maintenance. The perceived benefit of a private concession is that a company would be more likely to have the investment, expertise and operational capacity to effectively run such a system.

At the time of research the consultants were given a concession proposal submitted to the Department of Information and Culture from a Lao company called Jaroucell and Services. See Annex 3 for more details.

It is important to note that such a management system would only concession out the ticketing operation aspects of the attraction pass. Maintenance and management of the sites themselves would be retained by the government, temples and communities, funded by revenues collected by the company. However, a private concession could be viewed as overly commercializing national heritage sites and disenfranchising local stakeholders. It would be important that the government issues strict guidelines on rights and responsibilities of the company with regards to pricing, marketing, and site management, and that the revenue management procedures are transparent and even open to public scrutiny. Ideally the concession tendering process would also be open, allowing companies to submit bids proposing ticketing and marketing systems, which would be evaluated by a government committee before being awarded.

Advantages

- A private company is more likely to have the investment, expertise and operational capacity to effectively manage a visitor passport scheme
- Could potential increase revenues for government if marketed and managed effectively by the company
- Concession would only give ticketing or pass operations to a company – management and local revenue distribution still retained by the government

Disadvantages

- May be politically sensitive to have private involvement in nationally recognized tourist attractions like Wat Xiengthong and the Royal Palace Museum
- If the awarding of the concession is not transparent and open, could lead to lower public income and disenfranchisement of local people

2. Optional pass schemes

The attraction pass or ticketing models proposed below are 'add-on' schemes; current on-site ticketing and revenue distribution systems would remain the same. These passes would be an alternative option for tourists or tour companies on top of the current on-site tickets, offering more value, discounts, and convenience. 95% of tourists surveyed for this study said they would prefer an optional pass, however, an optional pass would require maintenance of the current system of on-site ticket sales as well as developing and managing a pass system. In essence, this would add another sales scheme, without addressing some of the current complaints of tour operators, including poor site maintenance and management. Nevertheless, it could provide a new market opportunity that does not require a politically-sensitive major overhaul of current management practices and interests.

The models proposed are only for international visitors to Luang Prabang.

2.1 Five day attraction pass and discount card

Description:

This is a 5-day pass offering tourists entry to Luang Prabang's 12 designated attractions (Vat Mai, Vat Visoun, Vat Aham, Vat Xiengthong, Vat Chomphet, Vat Phabat Tai, Museum, Phousi, Kuangsi Waterfalls, Sae Waterfalls, Vat Tham, and Pak Ou Caves), as well as discounts at stores and restaurants with 1 year validity. The pass would be in a booklet form, with 12 stamped tickets in duplicate, one for each site. The tickets are torn off by ticket collectors at each site, and used for statistics and revenue distribution purposes.

The appeal of this pass would be its price (150,000k) and value, making it worthwhile for anyone visiting 8 sites in the 5 days, and would attract tourists to a range of attractions. The unlimited validity discounts would also make it attractive.

Operation:

- The passes (booklets) are printed by the management authority with a control number and 12 tickets in duplicate.
- Tickets sold and distributed to ticket agents and tour operators by the ticket management authority at their offices.
- Tickets sold to tourists by authorized ticket agents, who register with the ticket management authority and pre-purchase ticket booklets from the ticket management authority. Commission of 3% for 20 passes (minimum order), 8% for 50 passes, and 12% for 100 passes up.
- Authorised ticket agents stamp each booklet with the validity date, and stamp each of the duplicate tickets with their identifying stamp.
- Tour companies are eligible for the same discounts as ticketing agents, and can pre-order the books with appropriate dates and passenger details.
- Site ticket collectors turn in the ticket stubs biweekly, tracking the number of visitors and the origin of the ticket.
- Revenue for each site and ticket collector is distributed according to the number of visitors.
- Visitors can still buy tickets at each attraction for the current price

Advantages:

- Promotes smaller sites
- Convenient for tour companies who want to purchase in bulk and in advance
- Raises the price for tour companies, while offering them more options
- Allows local businesses to sell tickets and earn commission
- Encourages longer stays through discounts and price incentives

Disadvantages:

- Still need two systems in place: ticket sellers at every site as well as pass and discount card sellers and collectors
- Inflexible – tourists cannot revisit sites without buying a new book, and impels them to spend more money on attractions even for short visits.
- Will not solve any of the existing management, revenue distribution, or maintenance problems
- May not be attractive enough for risk and cost-averse tourists
- May not be attractive enough for tour companies, who will choose to continue buying tickets on site if it's cheaper
- Risk of fraud and lost revenues, by tourists using the pass for 2-3 days, then passing/selling them on to others

2.2 One month passport scheme

Description:

This is the closest to the idea of a “passport” scheme, with a small and attractive booklet that would allow tourists entry into 6 tourism sites of their choice. At each site the passport would be stamped, and a small section of a page (with a control number) torn off by the ticket collector on site. An unlimited number of sites could be included; most likely the government-run and most popular sites, but also less-well known or private attractions.

The passport would be 110,000k for adults and 70,000k for children under the age of 12, with pages of discount coupons and offers. Each passport would also contain a brief description of each site included, heritage and tourism information, and be attractively designed to serve as a souvenir item. The passport would be valid for 1 month from the first date of use. The pass would also be marketed as contributing to a tourism management fund.

Operation:

- The passes (booklets) are printed by the management authority, color coded for adult or child.
- Tickets sold and distributed to ticket agents and tour operators by the ticket management authority at their offices.
- Tickets sold to tourists by authorized ticket agents, who register with the ticket management authority and pre-purchase ticket booklets from the ticket management authority. Commission of 3% for 50 passes (minimum order), 5% for 100 passes up. Ticket agents and tour operators must pay cash on delivery, with the option of monthly billing as credit is built up.
- Authorized ticket agents sell directly to tourists for the official price, and stamp the booklet with their identifying stamp
- Tour companies are eligible for the same discounts as ticketing agents, and can pre-order the books.
- At the first site used per book, ticket collectors will stamp the expiry date.
- At each site, ticket collectors stamp one page, tearing off a section of the page for records.
- Site ticket collectors turn in the ticket stubs biweekly, tracking the number of visitors and the origin of the ticket.
- Revenue for each site and ticket collector is distributed according to the number of visitors.
- Visitors can still buy tickets at each attraction for the current price.

Advantages:

- Flexible, allows tourists to choose which sites to visit
- Convenient for tour companies who want to purchase in bulk and in advance
- Allows local businesses to sell tickets and earn commission
- Allows revisitation
- Encourages longer stays through discounts and price incentives
- Family-friendly
- Cost savings for tour operators (save on ticket price and discounts from bulk buy)

Disadvantages:

- Still need two systems in place: ticket sellers at every site as well as passport sellers and collectors
- Will not solve any of the existing management, revenue distribution, or maintenance problems
- Does not impel tourists to visit smaller or less-well known sites
- Does not encourage tourists to visit more than 6 sites
- May not be attractive enough for risk and cost-averse tourists
- Risk of fraud and lost revenues, by tourists using the pass for 2-3 days, then passing/selling them on to others

2.3 Pre-purchase ticket distribution point

Description:

This is not so much of a bundled tourism site product or a visitor pass, as simply a centralized system for selling tickets to tour companies. This option was developed from feedback from tour operators, offering a simple mechanism to facilitate ticket distribution. Many tour operators do not like having to give guides large amounts of cash for site entry tickets, would like to be able to pre-purchase tickets, and would like discounts for the sizeable number of clients they bring to tourism attractions. In this option, a ticketing authority would sell bulk numbers of tickets for each site to licensed tour companies only, giving them discounts of 5% for purchases of 50 tickets and up. Tickets would still be tied to a site (i.e. Kuangsi Waterfalls ticket, Vat Xiengthong ticket, Phousi Hill ticket), and would be the same price as purchasing on site. This would simply offer tour companies (only) the option of purchasing beforehand and receiving discounts for bulk buys.

Advantages:

- Streamlines ticket entry for large groups
- Retains ticketing systems and revenue distribution systems
- Provides discounts to tour operators
- Allows tour companies to purchase beforehand, streamlining their accounting and minimizing leakages

Disadvantages:

- Still need two systems in place: ticket sellers at every site as well as central ticket management unit
- Will not solve any of the existing management, revenue distribution, or maintenance problems
- Does not encourage longer stays or visits to less well-known sites
- Is not available for FITs
- Does not offer discount schemes or incentives for other businesses

3. Mandatory pass schemes

The following models are mandatory; any tourist wanting to visit a public tourism attraction in Luang Prabang would be required to buy one of the products in these schemes. These represent more comprehensive solutions to the variety of site management problems cited by stakeholders: sudden ticket price increases, poor maintenance, uneven management, and lack of incentives or convenience for tour operators. However, they also offer less flexibility for tourists, and would require a complete restructuring of the current tourism management system used by the government.

3.1 Ticket booklet with 12 major attractions

Description:

International visitors to Luang Prabang would have to buy a ticket booklet in order to visit any of its 12 major attractions: Vat Mai, Vat Visoun, Vat Aham, Vat Xiengthong, Vat Chomphet, Vat Phabat Tai, Museum, Phousi, Kuangsi Waterfalls, Sae Waterfalls, Vat Tham, and Pak Ou Caves.

The booklet would be sold for 160,000k for adults, 100,000k for children less than 12 years of age, and would be valid for 5 consecutive days. The booklet would have 12 tickets in duplicate, one for each attraction. At each site, a ticket collector would check the expiry date of the booklet and the ID of the tourist, and tear out the appropriate ticket.

Tourists would be able to purchase the booklets through authorized ticket sellers, located on the sites, at shops, online or at tour companies.

Operation:

- Ticket books printed by the management authority with a control number and 12 tickets for 12 attractions.
- Tickets sold and distributed to ticket agents and tour operators by the ticket management authority at their offices.
- Tickets sold to tourists by authorized ticket agents, who register with the ticket management authority and pre-purchase ticket booklets from the ticket management authority. Commission of 3% for 20 booklets (minimum order), 8% for 50 booklets, and 12% for 100 booklets up.
- Authorised ticket agents stamp each booklet with the validity date, and stamp each of the 12 duplicate tickets with their identifying stamp.
- Tour companies are eligible for the same discounts as ticketing agents, and can pre-order the books.
- Site ticket collectors turn in the ticket stubs biweekly, tracking the number of visitors and the origin of the ticket.
- Revenue for each site and ticket collector is distributed according to the number of visitors.

Advantages:

- Encourages an increase in the length of stay
- Promotes smaller, less visited sites
- Facilitates entry at each site
- Can be bought in advance, with discounts for bulk buys (more convenient for tour operators)
- Allows local businesses to sell tickets and earn commission
- Generates higher public revenue, as many tourists will not visit all 12 sites
- Reduces leakages on site, as no cash is used
- Improves statistics gathering of site visitation

Disadvantages:

- Inflexible – tourists cannot revisit sites without buying a new book, and impels them to spend more money on attractions even for short visits.
- Does not promote attractions not on the pass, attractions outside of Luang Prabang vicinity, or new private or public attractions that may be developed
- Increases overall attraction price for tour companies, from an average of \$13 to \$18 per tourist
- Risk of fraud, tourists or guesthouses can sell unfinished books to other tourists.
- Risk of fraud by ticket collectors, who take cash from tourists who just want to visit the one site.

3.2 Ticket booklet with town-based heritage attractions

Description:

Similar to the above system, but this ticket booklet covers only 5 main heritage sites in town: Wat Xiengthong, the National Museum, Wat Aham, Wat Visoun, and Phousi Hill/Wat Chomsi. These are all currently under the jurisdiction of the Department of Information and Culture.

The booklet would be sold for 120,000k for adults, 80,000k for children less than 12 years of age, and would be valid for 3 consecutive days. Again, the booklet would have 5 tickets in duplicate, one for each attraction. At each site, a ticket collector would check the expiry date of the booklet and the ID of the tourist, and tear out the appropriate ticket.

Ticket sales would be through authorized ticket agencies and tour operators.

Operation:

- Ticket books printed by the management authority with a control number and 5 tickets for 5 attractions.
- Tickets sold and distributed to ticket agents and tour operators by the ticket management authority at their offices.
- Tickets sold to tourists by authorized ticket agents, who register with the ticket management authority and pre-purchase ticket booklets from the ticket management authority. Commission of 3% for 20 booklets (minimum order), 8% for 50 booklets, and 12% for 100 booklets up.
- Authorised ticket agents stamp each booklet with the validity date, and stamp each of the 12 duplicate tickets with their identifying stamp.
- Tour companies are eligible for the same discounts as ticketing agents, and can pre-order the books with appropriate dates and passenger details.
- Site ticket collectors turn in the ticket stubs biweekly, tracking the number of visitors and the origin of the ticket.
- Revenue for each site and ticket collector is distributed according to the number of visitors.
- This may be most realistic option for “management option 1”: government managed and operated within existing department – in this case, the Department of Information and Culture.

Advantages:

- Simplified administration because under one Department of Information and Culture
- More flexibility for tourists, combining only the most popular town-based attractions which most visit anyways
- Facilitates entry at each site
- Could generate higher public revenue, as not all tourists will visit all 5 sites
- Allows local businesses to sell tickets and earn commission
- Reduces leakages on site, as no cash is used
- Improves statistics gathering of site visitation

Disadvantages:

- Does not encourage longer stays
- Does not encourage tourists to leave the heritage area
- Does not promote attractions not on the pass or new private or public attractions that may be developed
- Does not allow revisitation without buying a new book
- Does not solve management or maintenance issues of Pak Ou Caves, another popular tourist attractions
- Requires people to buy additional tickets if visiting Kuangsi, Pak Ou, or other attractions not included, and may deter them from visiting those sites
- Risk of fraud, tourists or guesthouses can sell unfinished books to other tourists.
- Risk of fraud by ticket collectors, who take cash from tourists who just want to visit the one site.

3.3 Day passes (simple)

Description:

In this scheme, international visitors can choose between “tourist passes” valid for 1, 2, 3 or 5 consecutive days. These passes will in essence be 4 different ticket booklets with varying validity and attractions. Each booklet still has a set number of tickets in duplicate, which are torn off at each site by ticket collectors. However, each ticket is identical, allowing them to visit whatever attraction they would like, or even revisit attractions. The passes would be priced as follows:

- | | |
|--|----------|
| • 1 day pass, includes 3 attractions | 100,000k |
| • 2 days pass, includes 6 attractions | 120,000k |
| • 3 days pass, includes 8 attractions and discounts | 150,000k |
| • 5 days pass, includes 12 attractions and discounts | 180,000k |

The 3 day and 5 day passes also include discounts to local restaurants and shops, encouraging longer stays and more local spending, with more value for money on attraction visitation.

Again, at the point of sale, each book would be stamped and dated, and at each site, ticket collectors tear out a ticket and stamp the stub with the site's seal. The 3 and 5 day passes would have extra pages of coupons and discounts from local businesses. All the booklets would be accompanied by a brief explanation of all the participating attractions.

These passes would be sold by authorized ticketing agents.

Operation:

- The four types of passes (booklets) are printed by the management authority with a control number and the appropriate number of tickets inside, which are all identical and in duplicate.
- Tickets sold and distributed to ticket agents and tour operators by the ticket management authority at their offices.
- Tickets sold to tourists by authorized ticket agents, who register with the ticket management authority and pre-purchase ticket booklets from the ticket management authority. Commission of 3% for 20 passes (minimum order), 8% for 50 passes, and 12% for 100 passes up.
- Authorised ticket agents stamp each booklet with the validity date, and stamp each of the duplicate tickets with their identifying stamp.
- Tour companies are eligible for the same discounts as ticketing agents, and can pre-order the books with appropriate dates and passenger details.
- Site ticket collectors turn in the ticket stubs biweekly, tracking the number of visitors and the origin of the ticket.
- Revenue for each site and ticket collector is distributed according to the number of visitors.

Advantages:

- Encourages longer stays through more value for money in multiple-day passes and discounts
- Encourages more local spending through discounts and longer stays
- Flexible, allows tourists to choose which sites to visit, how many sites, and how long they will stay
- Promotes visitation of smaller, less visited sites
- Allows revisitation
- Can be bought in advance, with discounts for bulk buys (more convenient for tour operators)
- Allows local businesses to sell tickets and earn commission
- Reduces leakages on site, as no cash is used
- Improves statistics gathering of site visitation
- Can create more value, as 1 day passes are priced high, and for multiple day passes, tourists may not visit all sites

Disadvantages:

- Increases overall attraction price for tour companies, from an average of \$13 to \$18 per tourist
- Risk of fraud, tourists or guesthouses can sell unfinished books to other tourists.
- Risk of fraud by ticket collectors, who take cash from tourists who just want to visit the one site.
- Does not encourage visitation of sites not included on the pass, sites further away from Luang Prabang, or new emerging tourism attractions

3.4 Day passes (smart card)

Description:

This pass is identical to the previous option, however, using “smart card” technology to streamline ticket selling, site entry, and minimize fraud. Instead of different booklets with tear-off tickets in duplicate, tourists would get a “smart card” programmed as a 1, 2, 3 or 5 day pass, electronically logging the days and number of attractions used.

To help compensate for the higher investment costs, the passes would be priced as follows:

- | | |
|--|----------|
| • 1 day pass, includes 3 attractions | 120,000k |
| • 2 days pass, includes 5 attractions | 150,000k |
| • 3 days pass, includes 7 attractions and discounts | 180,000k |
| • 5 days pass, includes 12 attractions and discounts | 200,000k |

Passes could only be sold by agents with the equipment to program the cards, so it is likely that sales points would all be operated by the management authority. An additional deposit of \$10 would be added to each pass price, to encourage tourists to return their passes within a specified period of time, also to the management authority, which would reprogram them.

At each site, there would have to be a ticketing machine where tourists “swipe” their smart card, with ticket agents monitoring each entry point.

This option would mean more sophisticated statistics gathering and operations, but also much higher investment, maintenance costs and advanced human resources needs.

Operation:

- “Smart cards” are produced and sold by the management authority, at a number of sales points, including the Tourist Information Centre, the airport, various convenient locations in town
- When a tourist or tour company purchases the card, the card is programmed with validity dates and number of attractions included
- Passes could not be sold widely by a range of ticketing agents, but commissions would still be granted to tour companies of 3% for 20 passes (minimum order), 8% for 50 passes, and 12% for 100 passes up.
- Management authority collects statistics from each smart card/machine
- Revenue for each site and ticket collector is distributed according to the number of visitors.
- With the technology, expertise and investment needed for such a scheme, “management option 3”: private ticket concession, would be necessary

Advantages:

- Encourages longer stays through more value for money in multiple-day passes and discounts
- Encourages more local spending through discounts and longer stays
- Flexible, allows tourists to choose which sites to visit, how many sites, and how long they will stay
- Promotes visitation of smaller, less visited sites
- Allows revisitation
- Can be bought in advance, with discounts for bulk buys (more convenient for tour operators)
- Reduces leakages, better statistics
- Can create more venue, as 1 day passes are priced high, and for multiple day passes, tourists may not visit all sites

- Fraud would be kept to a minimum, because the outside of the card would not have any indication of the number of days or attractions left on the card, and the deposit fee encourages returns

Disadvantages:

- Visitors arriving at sites outside of town without having bought their passes could not enter the sites (such as visitors arriving at Pak Ou Caves from the north) as the passes not widely sold (due to technology needs)
- Not as pro-poor, in that local businesses could not sell the cards and earn commission
- Requires smart card swipe machine at each site, which would be prone to damage and would reduce the “heritage” or “authentic” feel of Luang Prabang’s attractions
- Requires very high equipment, maintenance and human resources investments
- The technology may be too advanced for Luang Prabang, and any problems with the technology might be difficult to fix, disturbing tourist flows and tourists
- Risk of fraud by ticket collectors, who take cash from tourists who just want to visit the one site.
- Does not encourage visitation of sites not included on the pass, sites further away from Luang Prabang, or new emerging tourism attractions

4. Domestic Tourists

This is not an issue for optional international visitor pass schemes that maintain current on-site ticket schemes, but one of the major obstacles to creating any mandatory visitor passport scheme that bundles attractions is how to cater for domestic and local tourists. A two-tiered price system is the most basic solution, and currently, most attractions in Luang Prabang have different prices for international and local visitors. However, Luang Prabang also has many temple sites, some of which officially collect fees from Lao visitors. Further, many people feel that these religious sites and even local historical sites (like Pak Ou Caves or the National Museum) should not collect fees from locals.

However, bundling tourism sites, even with a lower price, will deter visitation by local residents. Sites like Kuangsi Waterfalls and Sae Waterfalls are common day trip destinations, particularly during festival times like Lao New Year and the Boat Racing Festival, and mandating ticket systems that include visits to other sites will invariably be more expensive than the current single ticket system. It is the view of the consultants that all efforts should be made to encourage the use and visitation of local tourist attractions by local people, particularly in sites with religious and historical importance, and thus, propose the following options.

4.1 Tickets on site

It would be possible to maintain ticket sales on-site for domestic visitors only. The current price and ticketing schemes would be maintained, but only for Lao tourists. (This would be the case for optional visitor passport schemes as well.)

Advantages:

- Can be maintained as is or a new revenue distribution system devised that would supplement the visitor passport income
- Allows local visitors to visit just one site and buy tickets on site

Disadvantages:

- Maintains cash transactions on site and problems of leakages and statistics (though of a lesser degree, due to the smaller numbers)
- Keeps two systems in place, which can confuse the issues of management authority and revenue distribution

- Doesn't provide any discounts or incentives to domestic visitors

4.2 Centralised ticket sales

Centralising ticket sales for locals at one location or in one authority could remove the necessity of having ticket sales at each site, without raising prices or bundling attractions. It would simply be a geographic and managerial consolidation of ticket sales, simplifying the administration. For example, tickets for all attractions could have a set price of 5,000 or 10,000k, and any Lao citizen would be free to buy as many tickets as needed at designated ticketing offices, with discounts given for bulk buys.

Advantages:

- Streamlines ticket entry
- Allows local visitors to visit as many or as few sites as they would like
- Simplifies management of ticket revenues

Disadvantages:

- Lao or local visitors not coming from town may find it difficult to buy tickets if not widely available (i.e. through ticketing agents in non-urban areas)
- May not be financially attractive for ticketing agents to sell (if commissions are not high)
- Could be susceptible to fraud, if tickets are not well designed

4.3 Free entry for Lao visitors

One argument, particularly for temples, is that heritage sites should be kept free for local people. As all of Luang Prabang's attractions are of cultural, natural or historical significance, it could be said that local people would benefit from gaining access to these sites without having to pay.

Advantages:

- Promotes local visitation of local heritage sites
- Simplifies management
- Preserve the local culture and 'living' temples
- Would address some of the concerns from the head of the Provincial Buddhist Fellowship Organisation (temple should be free for all)
- Encourage local pride in their traditions and customs
- Make Luang Prabang a better destination for local people and Buddhist followers

Disadvantages:

- Reduces government revenues
- Would not contribute to any statistics gathering and trend monitoring of local visitation
- Difficult to correlate impact on sites of local and international tourist numbers

Annex 6. Summary of proposal by Jaroucell and Services

A Vientiane based company, Jaroucell and Services, has proposed a concession of the ticket operations for the major tourist attractions in Luang Prabang's heritage zone only, including: Vat Visoun, Vat Xiengthong, Vat Mai, the Royal Palace Museum and Phousi Hill. Secondary attractions included are Vat Sene, Vat Choumkhong, Vat Xiengmouane and Vat Chomphet. The company proposed that the peninsula of the heritage area starting from Sisavangvong Road be closed off to vehicles and used by pedestrians only.

Operation: The Company will use an electronic machine to produce tickets similar to boarding passes, listing the tourist's information. These would be sold by authorized ticketing agents.

Points of sales: The proposed cost per ticket is \$20 for foreign tourists and \$5 for local tourists. Only the company has the rights to sell the tickets at their own sales office, and no tickets will be sold on site. The company will be responsible for placing its own staff in addition to the existing staff at entrances to the various attractions to monitor and punch tickets. The government departments, namely the PTD and DIC, will be called on for technical expertise.

Revenue distribution: After deducting the 10% tax, the company has proposed that 75% of the revenue be allocated to the government and 25% kept by the company. The company is then responsible for redistributing a fixed amount of 100 million kip per annum to the respective communities attached to the attractions, as well as to the sites like Phousi Hill and the National Museum. The PTD and the DIC each will receive a fixed sum of 300 million kip per annum.

The investment amount is US \$200,000 with an initial concession period of five years.