

KANTAR PUBLIC

CO₂ offset claims

Consumer survey

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Note: this is an informal translation of the Kantar Public report of July 2022. Only the Dutch version is official.



01

CONTEXT

A number of companies in the Netherlands offer the option to offset carbon (CO₂) emissions generated by their products. The Netherlands Authority for Consumers and Markets (ACM) is interested to know whether carbon offsetting claims are clear to the average consumer.

Consumers may assume that carbon offsetting compensates fully for the climate damage caused by a product. As a result, they could be inclined to choose a product that is presented as “carbon neutral” or “carbon offset” over a regular one. Because it is a complex product, the risk that consumers may be misled is higher.

02

PURPOSE

ACM wishes to learn more about consumer understanding of the claims companies make when selling their products. It also wants to know how whether this understanding (or lack of it) affects purchasing decisions with regard to carbon offsets.

To this end, as an example, ACM has chosen the aviation sector (sale of air tickets by airlines and online platforms).

03

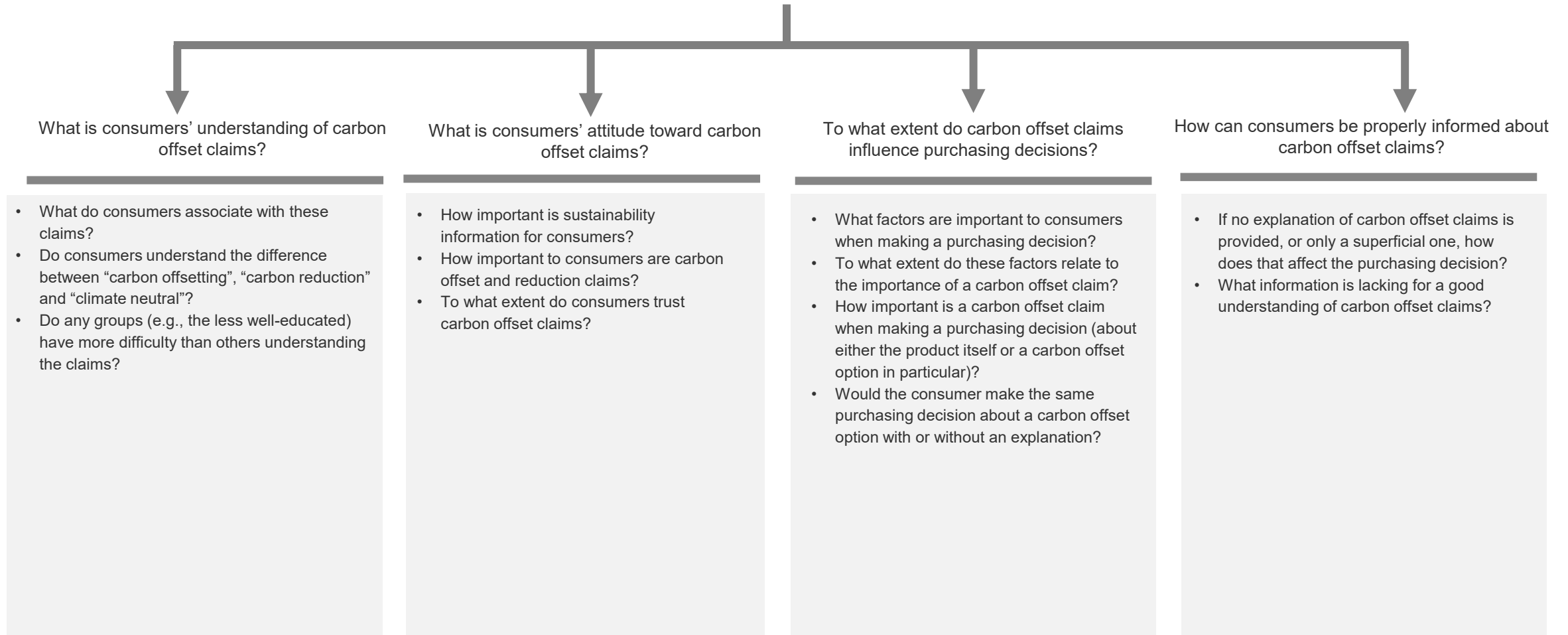
CORE QUESTION

Do consumers understand carbon offset claims and to what extent is there a risk that they will be misled?

This core question is elaborated on the next page, where you will also find the specific research questions formulated to answer it.

Core question and research questions

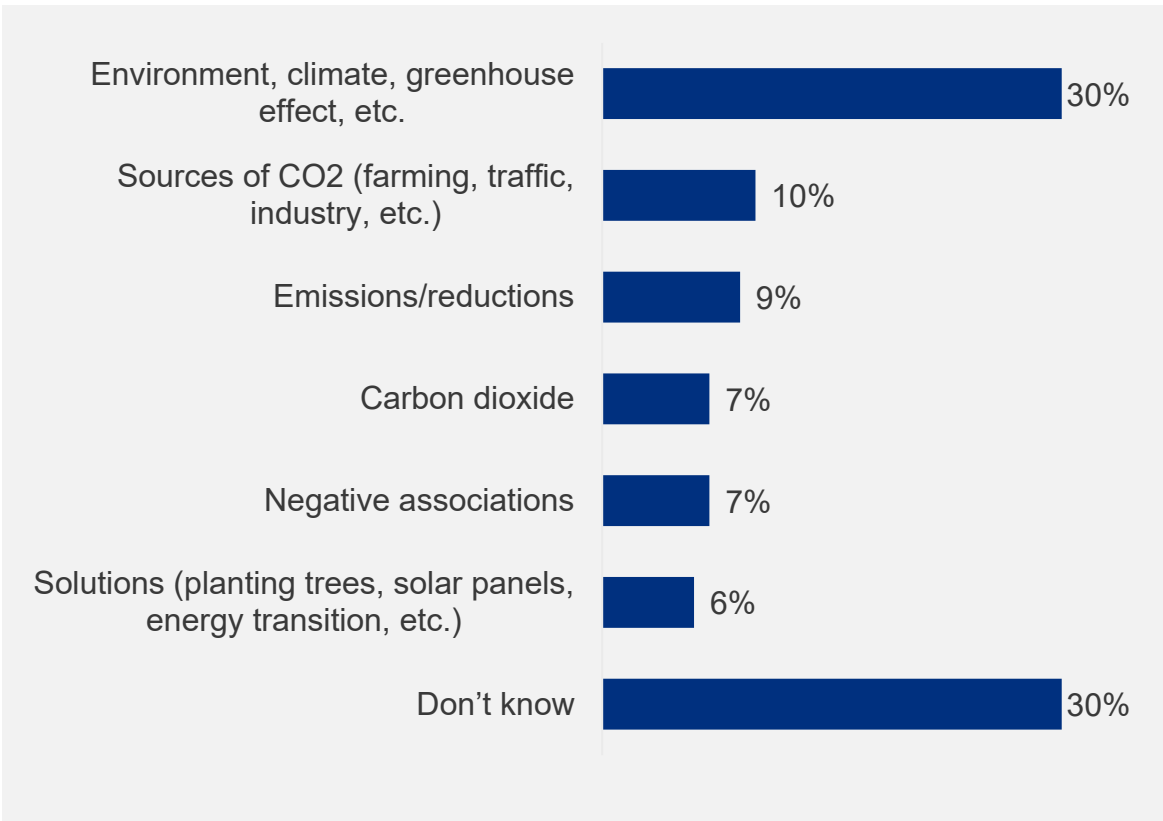
Do consumers understand carbon offset claims and to what extent is there a risk that they will be misled?



An aerial, black and white photograph of a city street intersection. A prominent crosswalk with white stripes runs vertically on the right side of the frame. Several pedestrians are walking across the crosswalk. The street is marked with dashed white lines. Overlaid on the image are thick, teal-colored curved lines that sweep across the frame from the top and bottom edges, creating a modern, graphic design. The text '1 Understanding of offset claims' is positioned on the left side of the image.

1 Understanding of offset claims

Environment and climate most common associations with terms used in carbon offset claims



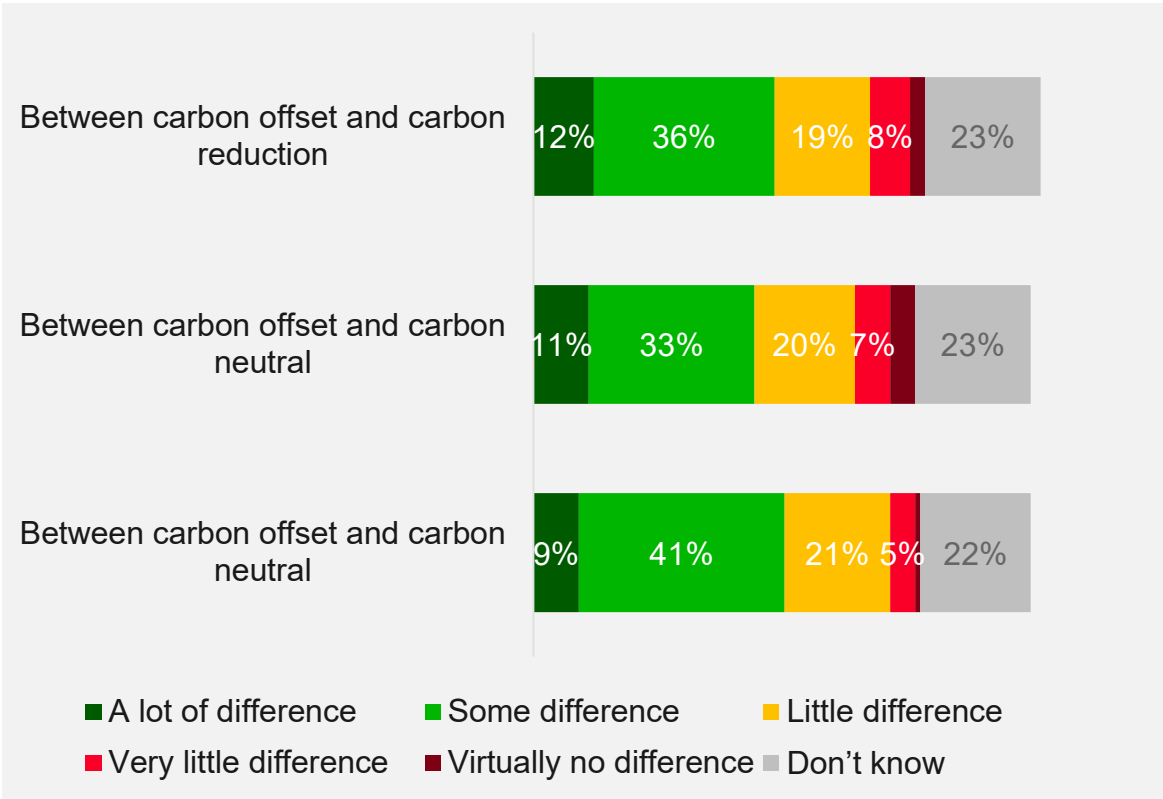
Before any explanation of the survey or answering any questions, respondents were given the opportunity to state what they associate with carbon offset claims.

Most of the answers they gave related to the environment. Terms like “environment”, “climate change” and “nature” were mentioned frequently.

Strikingly, for some respondents these claims evoke negative associations. This is a fairly small group (7 percent), but the terms used were harsh – things like “rip-off”, “overreaction” and “nonsense”. And they came up to some extent in all sections of the population.

Q001: When you think of claims like “carbon offset”, “carbon reduction”, “carbon neutral” or “climate neutral”, what comes to mind? | Base: total sample, n = 1,189.

Half of consumers think there is no or little difference between claims, or do not know



There are various types of carbon offset claims. In general, about half of consumers recognize at least some difference between them.

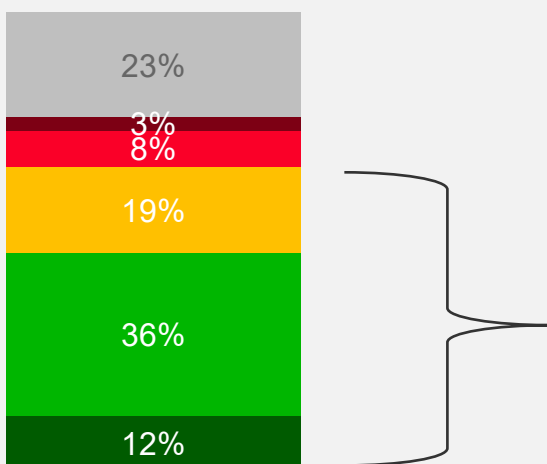
On the other hand, roughly one in five think there is “little” difference and about a quarter found the question difficult to answer and chose “don’t know”. This was especially the case for those with only basic education: about four out of ten of them gave that response. In fact, we found that this applied generally throughout the survey: the less well-educated had some trouble answering questions on this topic. With a few exceptions, therefore, we do not discuss differences by education any further in this report.

We look more closely at the perceived differences between claims on the next page.

Q003: To what extent is there a difference between the following terms? | Base: total sample, n = 1,189.

“Carbon reduction” is well understood, “carbon offset” less so

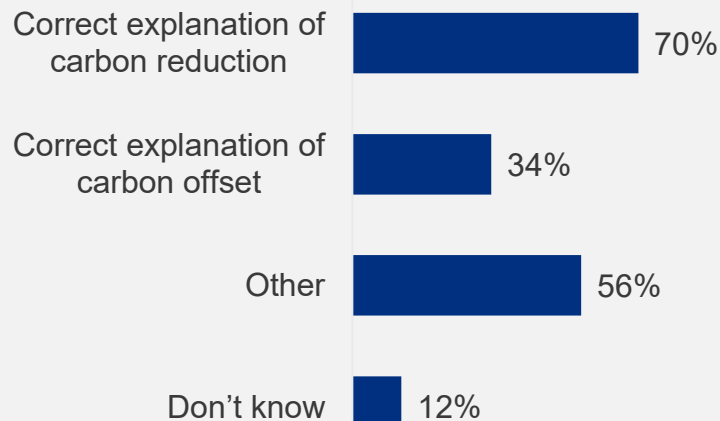
Explanation. The basic difference between carbon offset and carbon reduction is that with the former there is no change in the amount of CO₂ emitted in the first place, but that is compensated for later and/or elsewhere. In the meantime, the emissions still have an impact on the environment. With carbon reduction, emissions are cut directly at the source.



Between carbon offset and carbon reduction

- A lot of difference
- Some difference
- Little difference
- Very little difference
- Virtually no difference
- Don't know

Q003: To what extent is there a difference between the following terms? | Base: total sample, n = 1,189.



Q004: What do you think is the difference between “carbon offset” and “carbon reduction”? | Base: respondents who think that there is little, some or a lot of difference, n = 806.

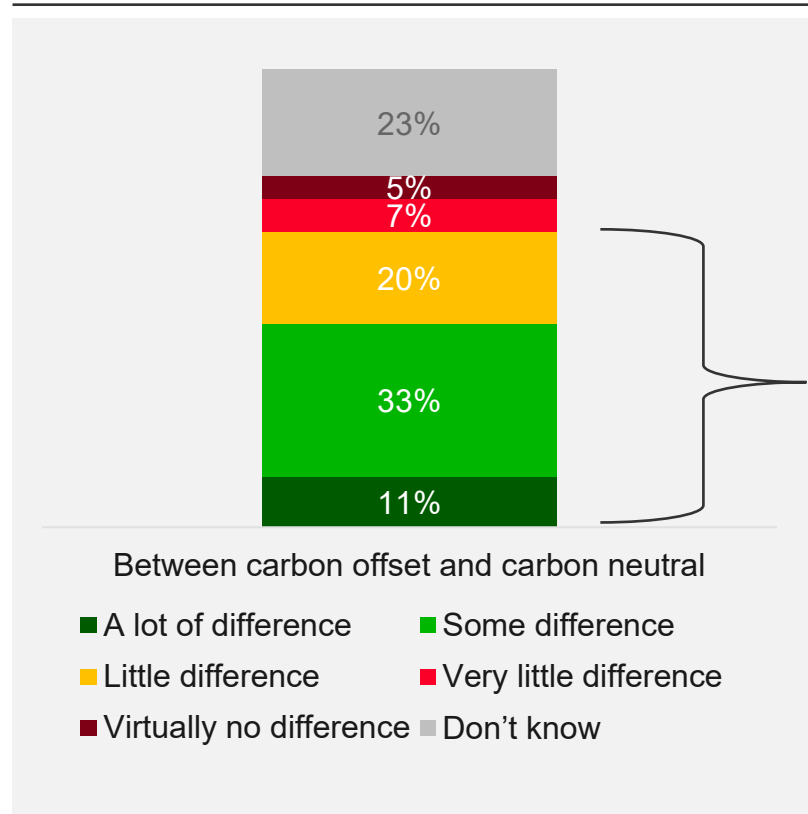
In all, about two thirds of consumers think that there is some difference between “carbon offset” and “carbon reduction” claims.

Seven out of ten respondents who did think that there is a difference described carbon reduction correctly. That applied significantly less often to carbon offset.

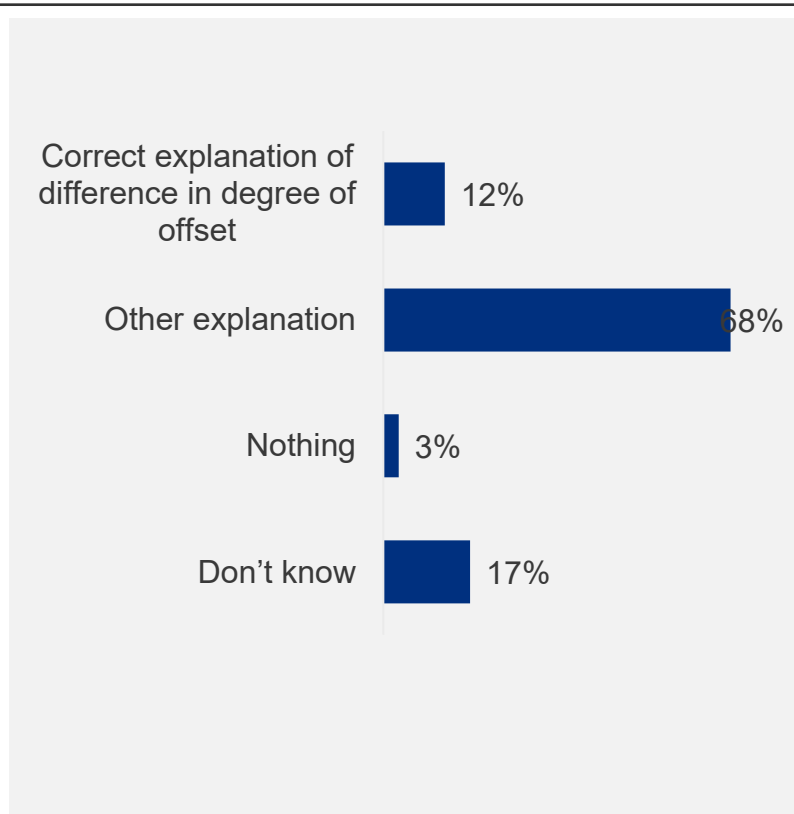
The other answers were mostly half-correct approximations of the term “carbon offset”. It was often thought that this means that emissions are cancelled out in full. Some respondents also made a value judgement with regard to carbon offsetting, for the most part indicating that in their opinion companies should aim for reduction rather than offsetting.

“Carbon neutral” is often misunderstood

Explanation. The basic difference between carbon offset and carbon neutral lies in the degree of offset. In neither case do CO₂ emissions at the source have to be reduced, but instead they are compensated for later and/or elsewhere. The claim “carbon neutral” implies that they are cancelled out completely (“neutralized”), whereas that is not necessarily the case with offsetting.



Q003: To what extent is there a difference between the following terms? | Base: total sample, n = 1,189.



Q005: What do you think is the difference between “carbon offset” and “carbon neutral”? | Base: respondents who think that there is little, some or a lot of difference, n = 785.

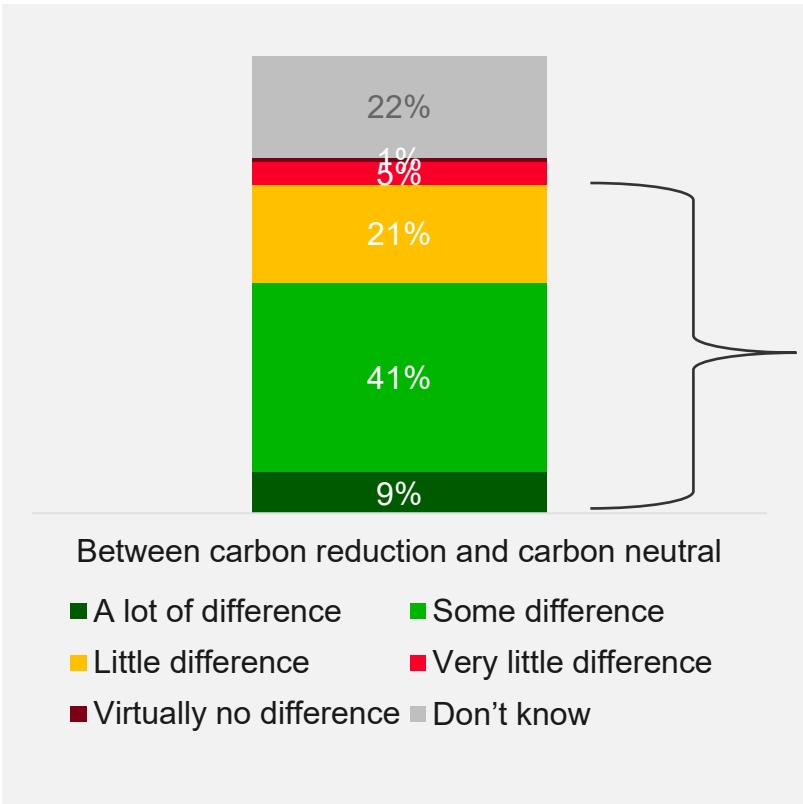
About two out of three consumers think that there is some difference between “carbon offset” and “carbon neutral” claims.

One out of ten respondents who did think that there was a difference described it correctly, namely in terms of the degree of offset.

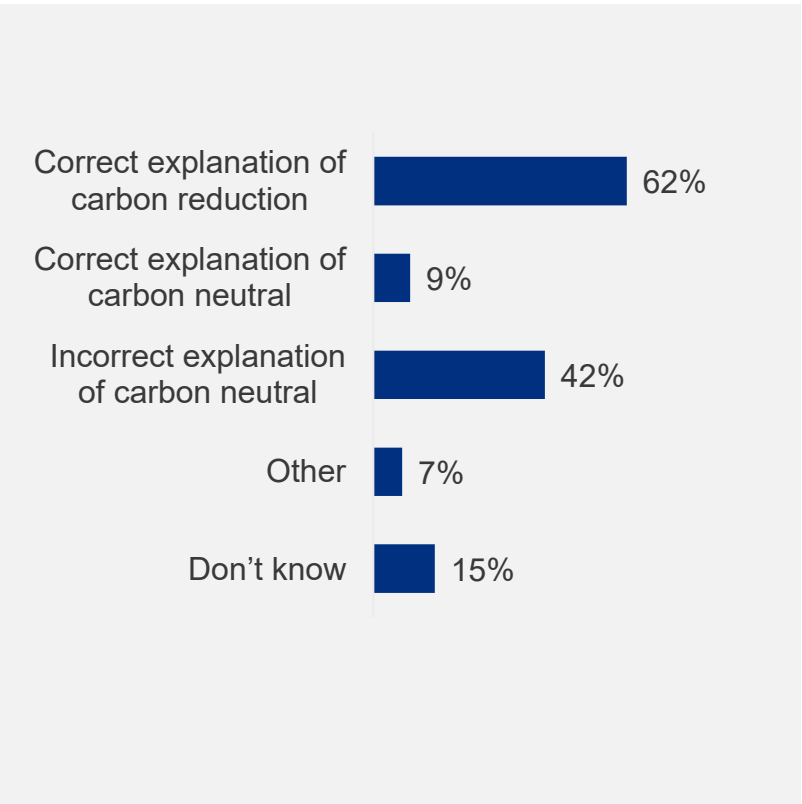
The other answers were mostly incorrect interpretations of the term “carbon neutral”. It was often thought that this means that “emissions do not change”, that there are “no additional emissions” or that there are “no emissions” at all.

Few consumers understand “carbon neutral”, but “carbon reduction” is reasonably well-understood

Explanation. The basic difference between carbon reduction and carbon neutral is that with the latter there is no change in the amount of CO₂ emitted in the first place, but that it is fully compensated for later and/or elsewhere. In the meantime, the emissions still have an impact on the environment. With carbon reduction, emissions are cut directly at the source..



Q003: To what extent is there a difference between the following terms? | Base: total sample, n = 1,189.



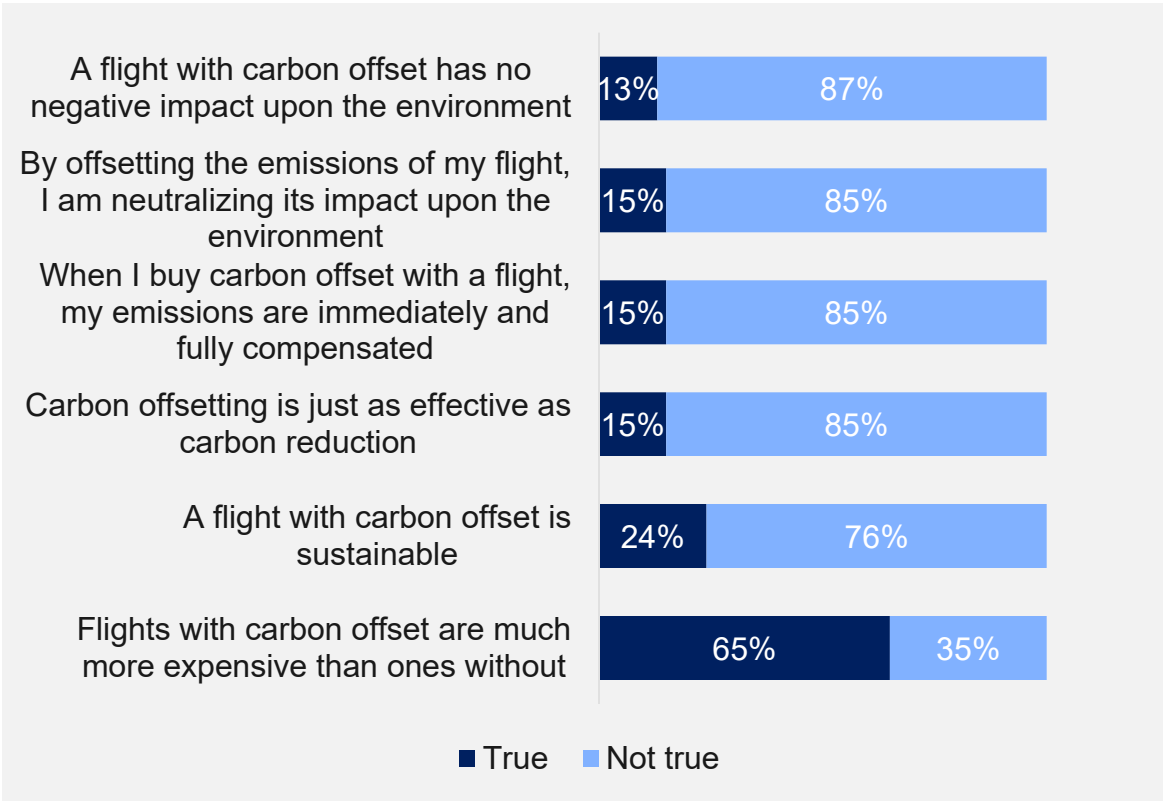
Q006: What do you think is the difference between “carbon reduction” and “carbon neutral”? | Base: respondents who think that there is little, some or a lot of difference, n = 862.

Seven out of ten consumers think that there is some difference between “carbon reduction” and “carbon neutral” claims.

Six out of ten respondents who did think that there was a difference described “carbon reduction” correctly. That applied far less often to “carbon neutral”.

The other answers were mostly incorrect descriptions of the term “carbon neutral”. As with the previous distinction, it was often thought that this means that “emissions do not change”, that there are “no additional emissions” or that there are “no emissions at all”. When respondents did not state that carbon neutral meant full compensation for emissions, we could not consider that a good, complete explanation of the term.

Consumers have a reasonable understanding of the basics of offsetting



In general, consumers seem to have a correct perception of what a carbon offset claim has to offer them – and above all what it does not offer. Approximately 85 percent gave the correct answer (“not true”) to almost all the statements presented on that topic.

The statement that a flight with carbon offset is sustainable was considered “true” by a quarter of respondents. Technically, this is incorrect. A flight with carbon offset is in fact slightly more sustainable than one without it, but this does not mean that it is “sustainable”.

The statement that flights with carbon offset are much more expensive was considered “true” by 65 percent. In practice, this is often not so at the moment; these flights cost a little more, but are not necessarily that much more expensive.

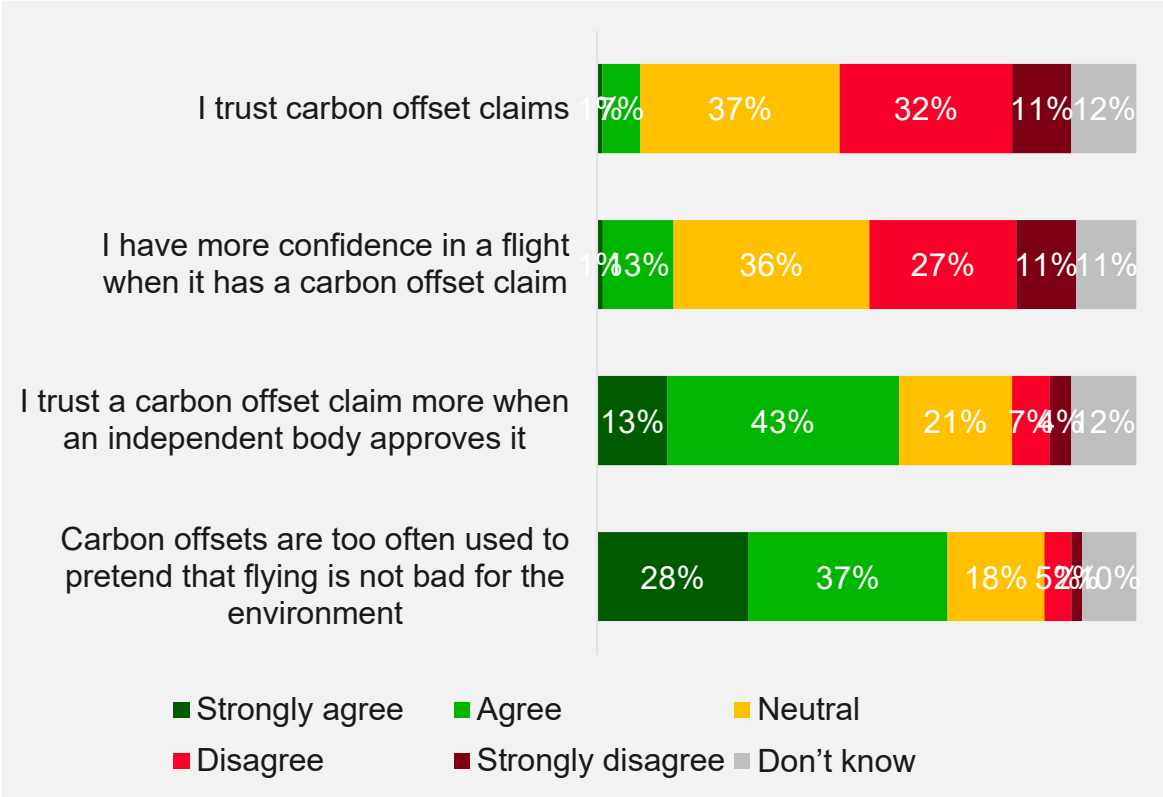
Q008: Do you think the following statements true or false? | Base: total sample, n = 1,189.



2

Attitudes toward offset claims

Little trust in carbon offset claims

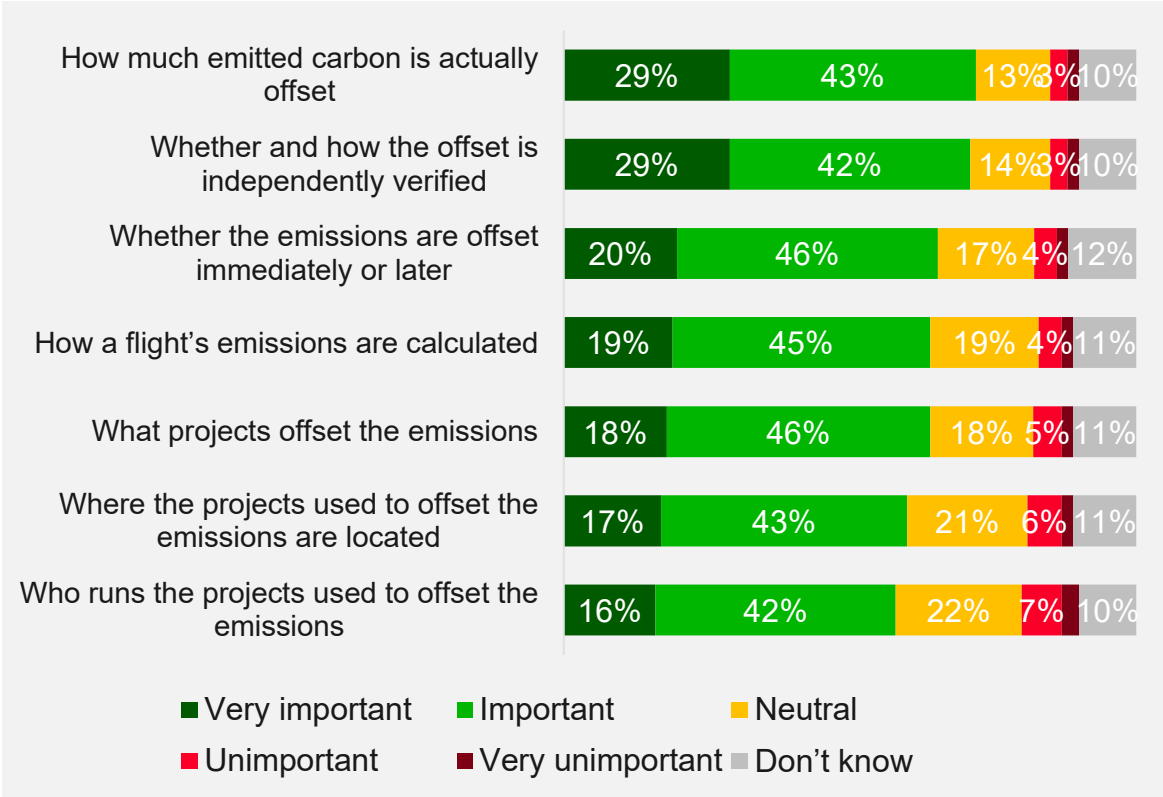


In general, consumers are suspicious of carbon offset claims. Fewer than one in ten trust them. Moreover, two out of three indicate that they think these claims are used too often to pretend that flying is not bad for the environment.

That said, independent certification might increase confidence. More than half of respondents (56 percent) agreed with a statement to that effect. We return to certification and its effects on page 26.

Q013: To what extent do you agree or disagree with the following statements? | Base: total sample, n = 1,189.

Consumers find clear explanation of carbon offset claims important



When asked directly, consumers say that they want the information accompanying a carbon offset claim to be clear. Eight out of ten consider this “important” or “very important” (not in graph).

Looking at the specific details they want explained, we also see that substantial majorities (60-70 percent) cite each of the factors put to them as “important” or “very important”.

We take a closer look at how such information actually influences purchasing decisions with regard to carbon offsets in Chapter 3.

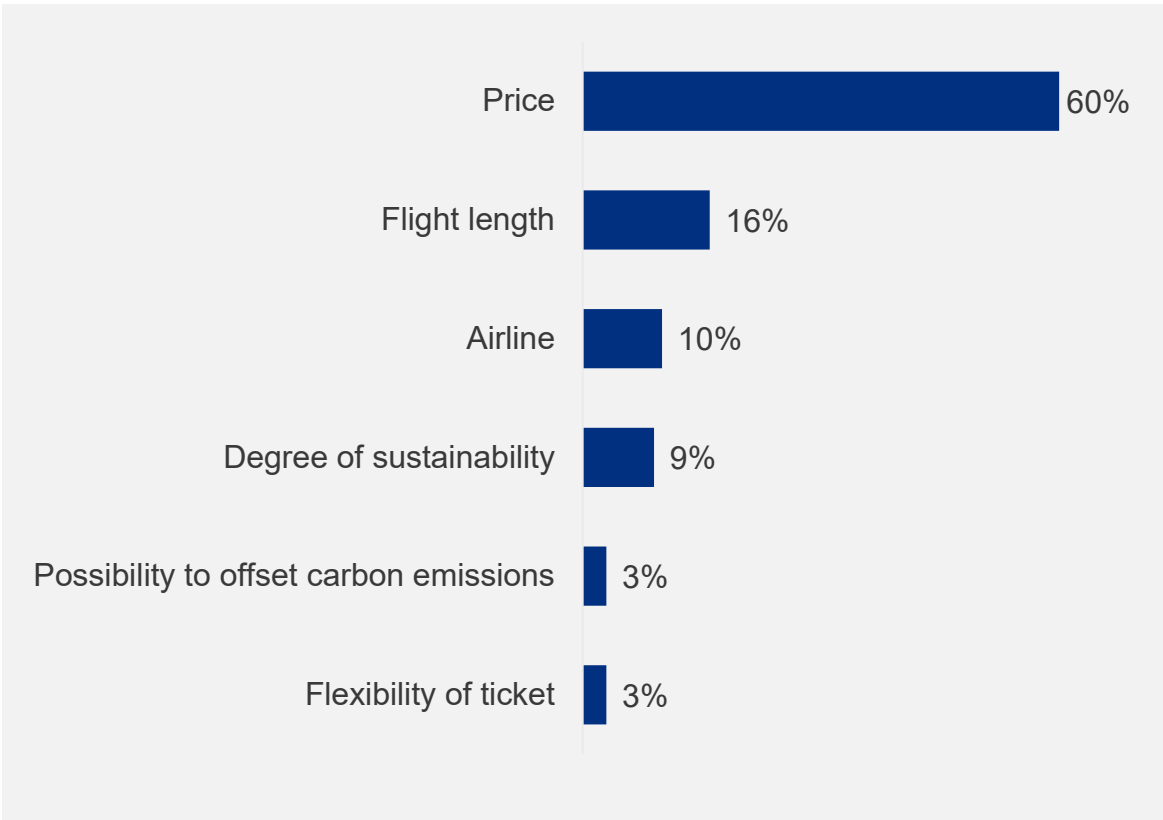
Q012: How important do you think the following information is in carbon offset claims? | Base: total sample, n = 1,189.

An aerial, black and white photograph of a city street intersection. A prominent crosswalk with white stripes runs vertically on the right side of the frame. Several pedestrians are walking across the crosswalk. The street has dashed white lines for lane markings. Overlaid on the image are thick, teal-colored curved lines that sweep across the frame from the left and bottom, creating a modern, graphic design. The text '3 Influence on purchasing decisions' is positioned on the left side, partially overlapping the teal lines.

3

Influence on purchasing decisions

Price is by far the most important factor when buying an airline ticket



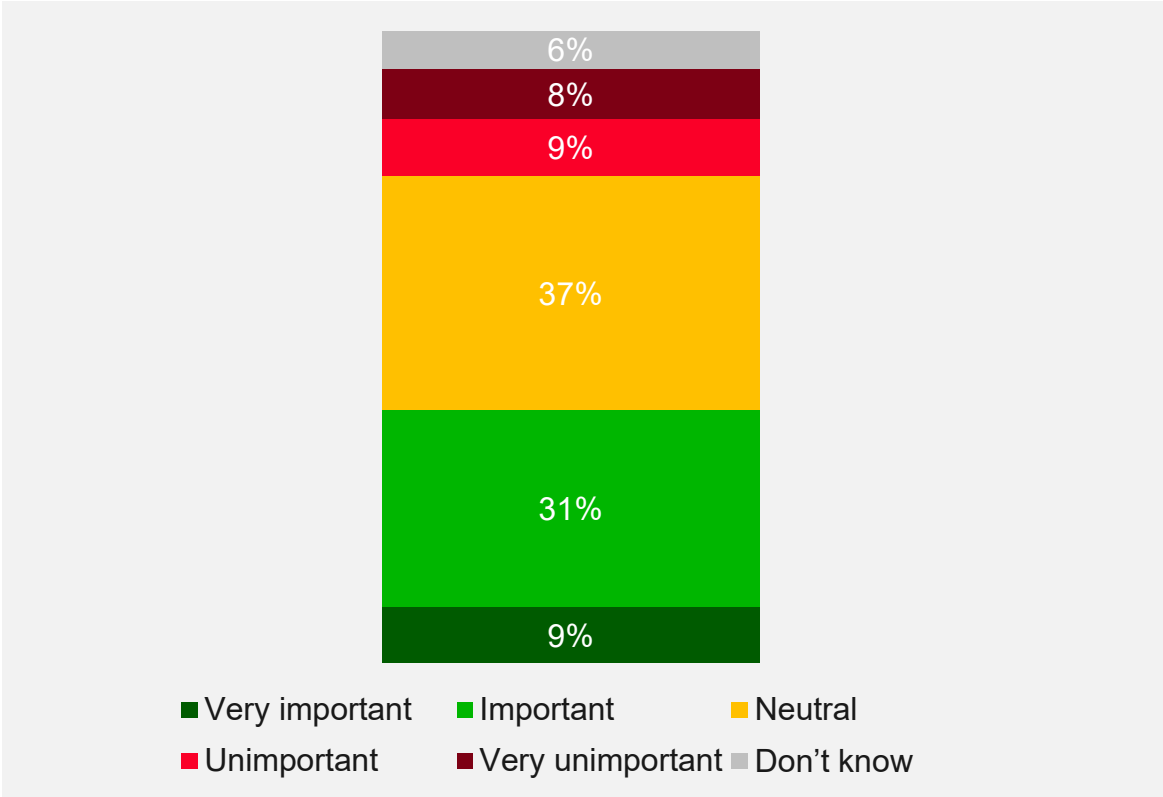
Price is by far the most important factor for consumers when buying an airline ticket. Six out of ten stated that its their first consideration.

The possibility of offsetting the flight’s carbon emissions is the least important factor. Only 3 percent of respondents put it first, whilst for more than four in ten (43 percent) it came last on their list.

For young people in particular, price is important (73 percent). Older people were slightly more inclined to mention the flight’s degree of sustainability first (but still only a small minority, 16 percent).

Q009: Suppose you buy an airline ticket for a holiday. How important are the following factors when making your purchase? Shown: first answer given. | Base: total sample, n = 1,189.

Four out of ten consumers find it important that a carbon offset option be offered

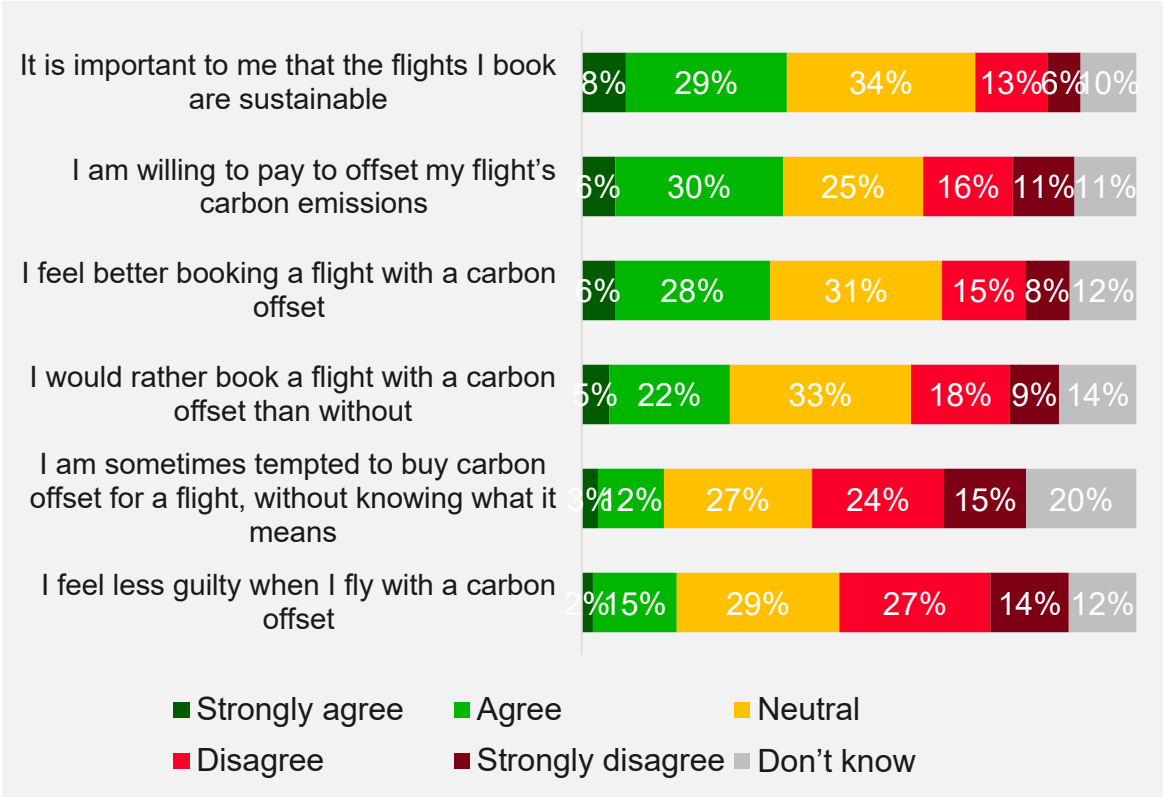


Although we could conclude from the previous page that the availability of a carbon offset is largely irrelevant to consumers, in fact 40 percent told us that they consider it “important” or “very important that this option be offered. Only one in six (17 percent) think it “unimportant” or “very unimportant”.

Even though they might not let it influence their choice of ticket, having this option available is regarded as important.

Q100: How important is it to you that airlines offer the option to offset carbon emissions? | Base: total sample, n = 1,189.

Consumers divided on willingness to buy carbon offsets



Overall, consumers are divided over the extent to which carbon offsetting is actually important to them when flying. About a third (36 percent) state that they are willing to pay for Co₂ offsetting of a flight, but more than a quarter (27 percent) are not prepared to. That divide is also apparent in responses to other statements on this topic.

Q014: To what extent do you agree or disagree with the following statements? | Base: total sample, n = 1,189.

Experiment: influence of explanation on decision to buy a carbon offset

Elements presented in explanation

The survey included an experiment in which respondents were asked to think about an imaginary flight. Each was shown a random selection of elements from an explanation of a carbon offset claim – in ACM's view, factors important for a good understanding of the claim and which could influence the decision whether or not to buy the offset. Some respondents received hardly any explanation, others a very extensive one.

On the right are the four elements making up the experiment. In this example, two elements are selected for to the respondent to see (green buttons) and two are hidden from them (grey buttons). They were then asked the following question.

Imagine that you are booking a flight from the Netherlands to Spain. The journey takes roughly two hours and the return ticket costs about €160. The airline offers the following option.

"For €6 extra we offer a carbon offset. The emissions generated by your flight total about 176 kg of CO₂. We have calculated this by looking at a number of factors. For example, how far is the flight? How long does it take? What type of aircraft are you flying in? How many passengers are on the flight? This figure is an average – exactly how much CO₂ is emitted differs for each flight. Our carbon offset projects are certified by [name of certifying body]." Would you buy this additional option?

Information about how much CO₂ is emitted by the flight and how much is offset (including details of how the emissions were calculated).



Information about how the CO₂ emissions are offset (including a concrete explanation of the offsetting project, for example describing what it does, where it is, whether it is certified and who runs it).



Information on whether or not the offsetting project is certified.

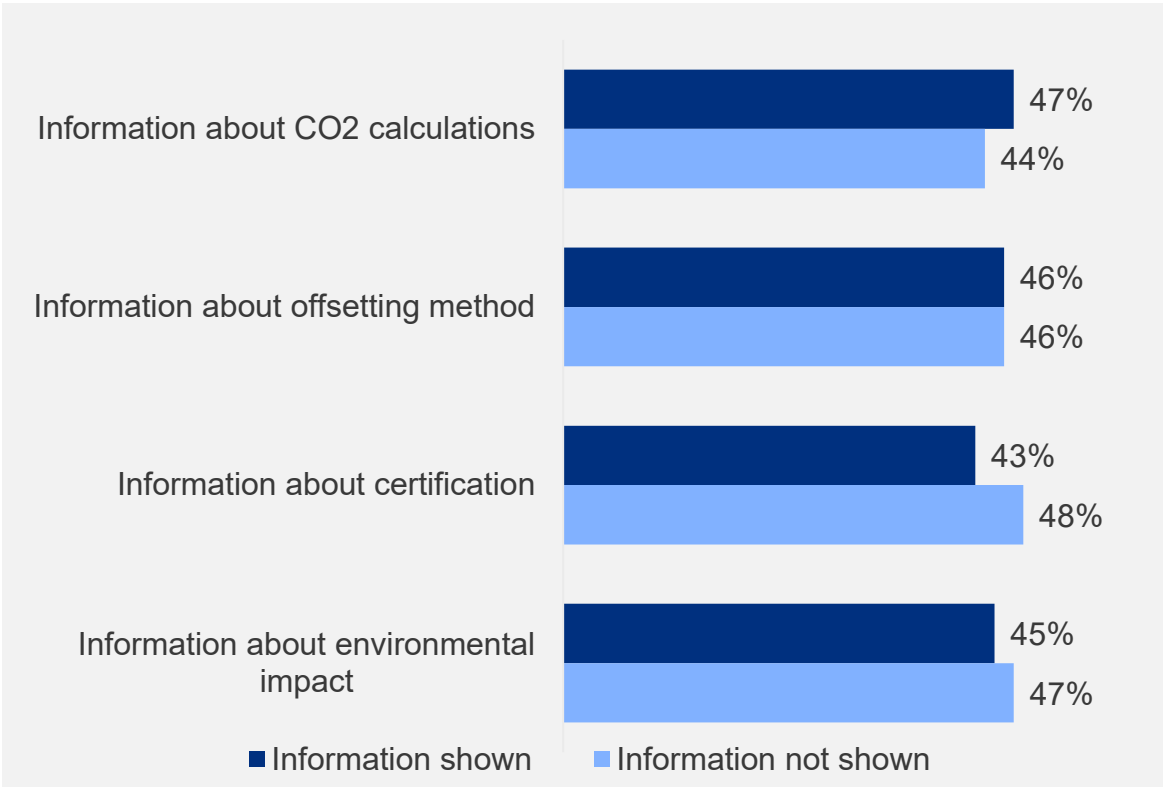


Information about the expected results of the offset (including details of the actual CO₂ reductions it aims to achieve, such as whether they are immediate or deferred and how certain they are).



Experiment: explanation does not influence decision to buy a carbon offset

Percentage of respondents who would buy the carbon offset in the experiment



Through statistical analysis (logistic regression), we investigated whether and to what extent the inclusion of particular elements in the comparison affected carbon offset purchasing decisions.

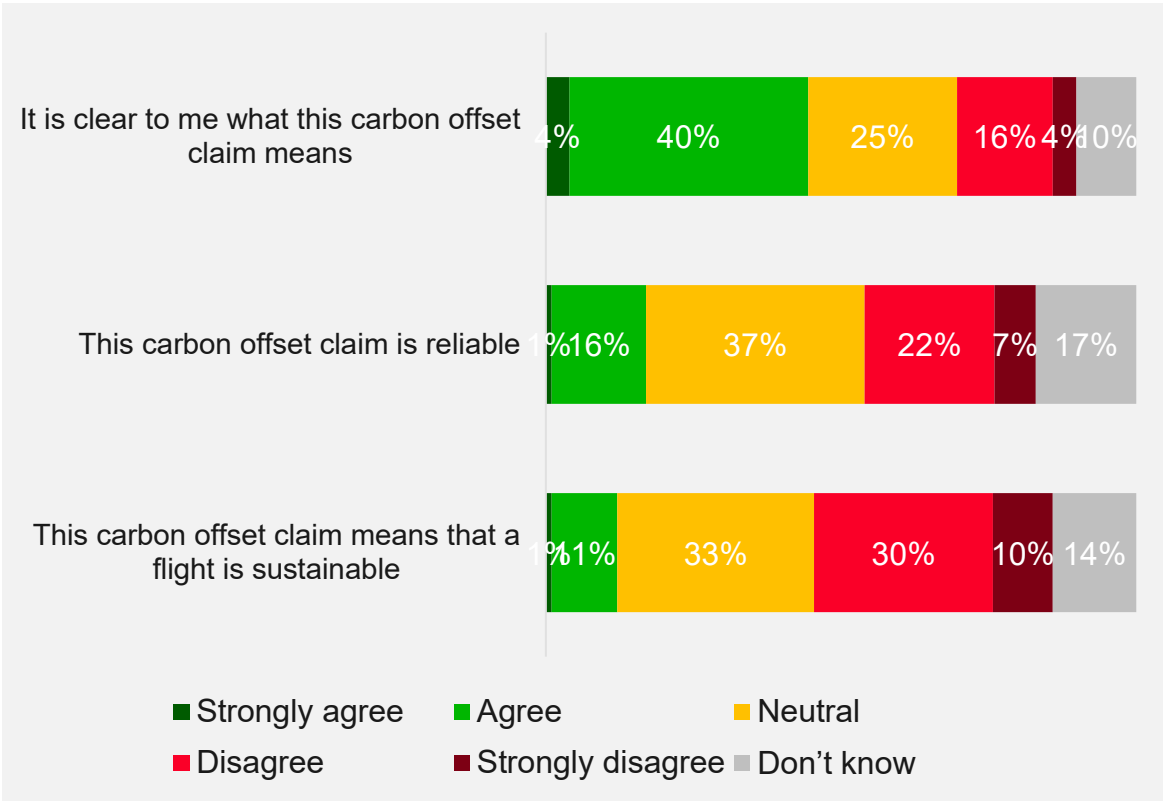
To be clear: the elements in the experiment only concerned information about the offset and its completeness. Other factors that might influence the decision whether or not to buy an offset (such as trust in the claims and methods, price, etc.) were not included.

The analysis found that providing such information exerts no clear influence over the purchasing decision. The presence or absence of the explanation, or elements of it, accounts for less than 1 percent of the variation in consumer responses. To an extent exceeding 99 percent, then, the decision is dictated by other factors.

Moreover, comparing the intentions to buy of respondents who were and were not shown specific elements reveals only minimal, insignificant differences in their effect (see graph). In all situations, just under half of the respondents indicate that they would buy the additional option.

Q027: Imagine that you are booking a flight from the Netherlands to Spain. The journey takes roughly two hours and the return ticket costs about €160. The airline offers the following option. “For €6 extra we offer a carbon offset. [+ RANDOM EXPLANATION.]” Would you buy this additional option? Shown: percentage answering “yes”. | Base: total sample, n = 1,189.

Completeness of explanation affects consumer understanding but not sustainability rating



The respondents were asked to rate the randomized claim from the previous pages.

Almost half (44 percent) of the consumers considered the claim presented to them clear. We see here a strong connection with the completeness of the explanation. The more elements that were included, the more often consumers judged the claim to be clear. Positive answers in this respect ranged from 22 percent when no elements were seen to 43 percent with two elements shown and 54 percent when all four were included in the explanation.

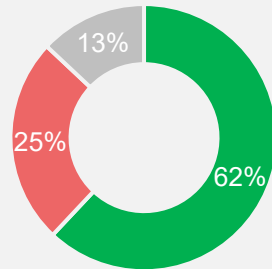
About one in six (17 percent) felt that the claim presented to them was reliable. Here too, we see a correlation with the number of elements included – albeit not as strong. The positive response in this case started at 13 percent with no elements seen, rising to 22 percent when all four were shown.

Approximately one in ten (12 percent) believe that a flight with the claim presented is sustainable. Here we see little correlation with the number of aspects included in the explanation.

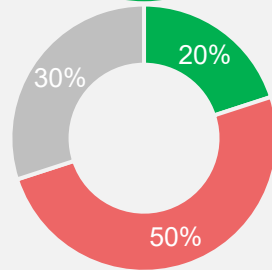
Q028: Think back to the carbon offset described in the previous question. To what extent do you agree with the following statements? | Base: total sample, n = 1,189.

Actual behaviour: most consumers have never offset emissions from their flights

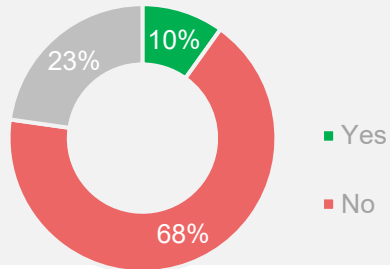
Q017: Have you ever heard of the possibility to offset the carbon emissions from your flights?



Q018: Have you ever seen the terms “carbon reduction”, “climate neutral” or “carbon neutral” when buying airline tickets?



Q019: Have you ever offset the emissions from your flight?



Base: have ever booked a flight ticket, n = 1,064.

Almost nine out of ten respondents have booked an airline ticket at some time or another (not in chart). And most (62 percent) have heard of the possibility to offset the carbon emissions. But the vast majority (68 percent) have never done so. This is possibly because half (50 percent) have never seen this option when buying tickets.

The respondents were also asked to explain their choices.

Consumers who have offset their emissions at least once gave the following reason in particular.

- “Because every little bit helps.”

Most of those who have never offset their emissions fall into one of three categories.

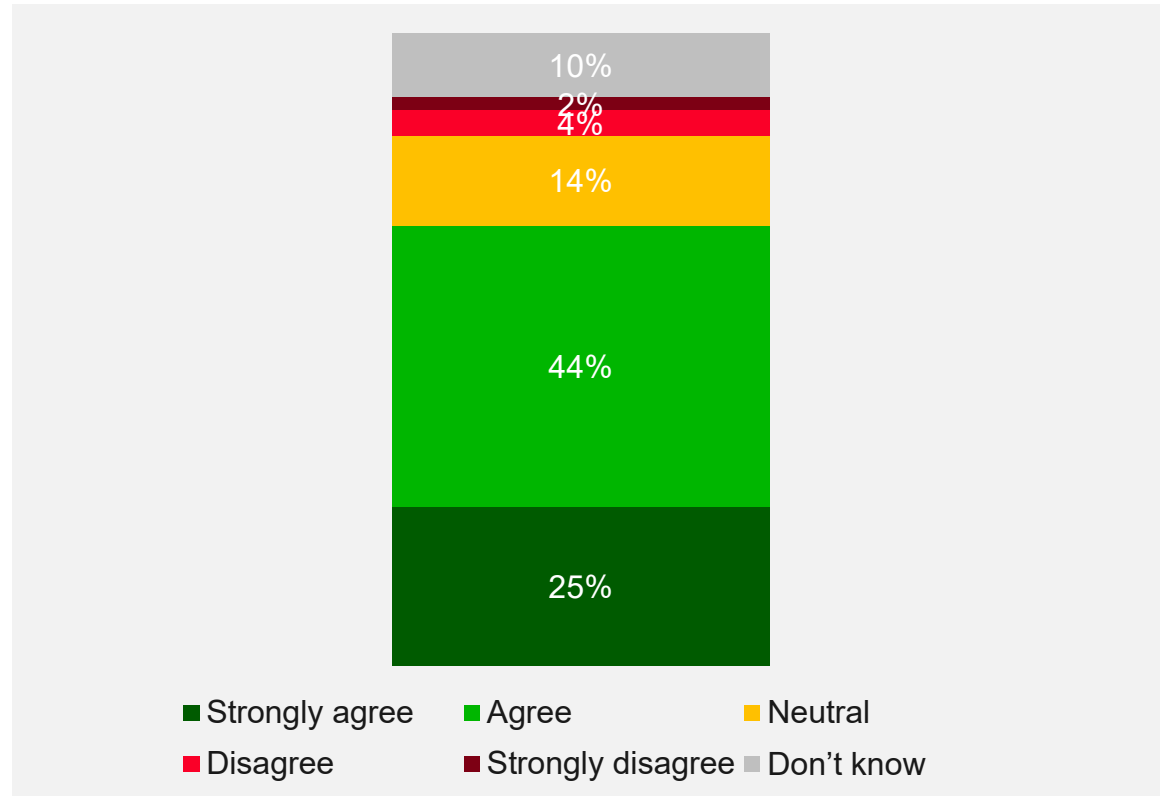
- “Because it wasn’t offered at the time.”
- “Because it’s all just a rip-off/a fad.”
- “Because it’s just a drop in the ocean.”

4

Information needs



Majority of consumers have difficulty assessing sustainability



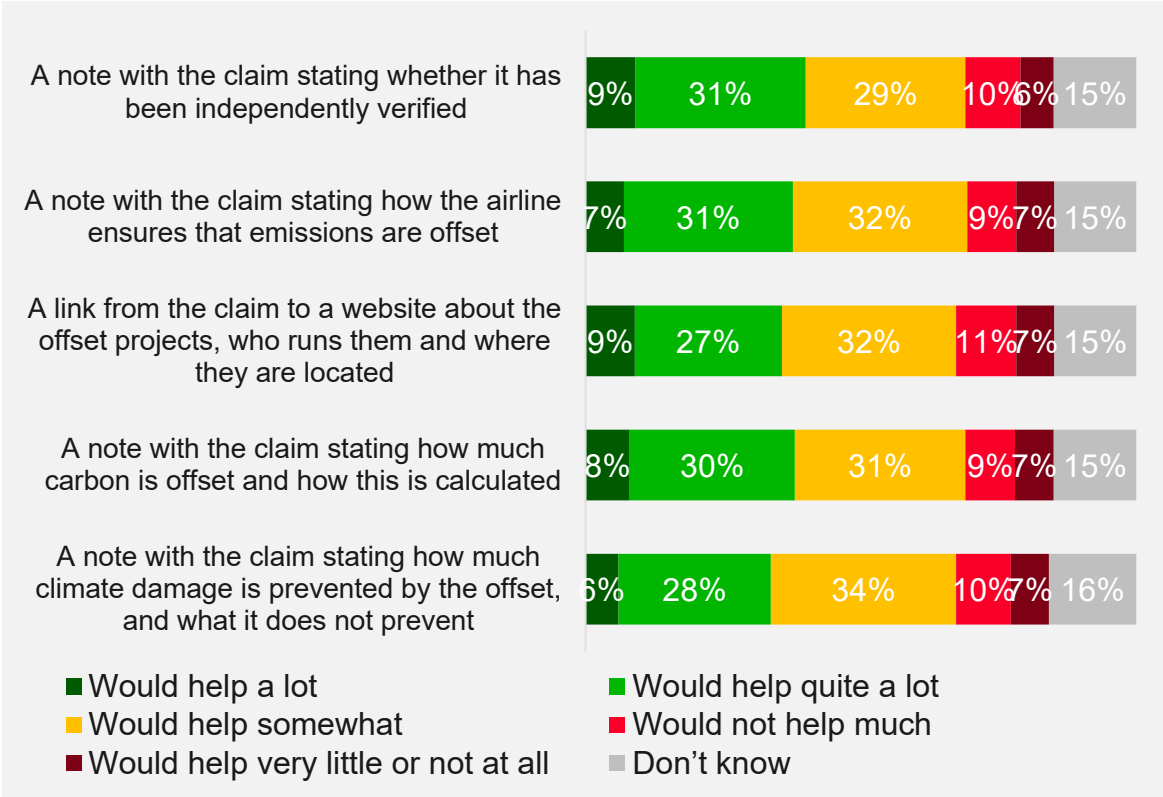
We saw earlier that the vast majority of consumers find it important that various aspects of a carbon offset claim be clearly explained (see page 15).

In practice, seven out of ten (69 percent) find it hard to tell how sustainable an air ticket with an offset is.

Strikingly, it is better-educated respondents who more often have difficulty with this. The less well- educated are more inclined to answer “don’t know”, but even after that has been taken into account the difference remains. It is possible that people with a higher level of education are more aware of the complexity of determining “sustainability” and therefore more likely to notice that information needed to form a sound opinion is missing from an explanation.

Q014: I find it hard to tell how sustainable an air ticket with a carbon offset is. | Base: total sample, n = 1,189.

More information would help about a third of consumers better understand carbon offset claims



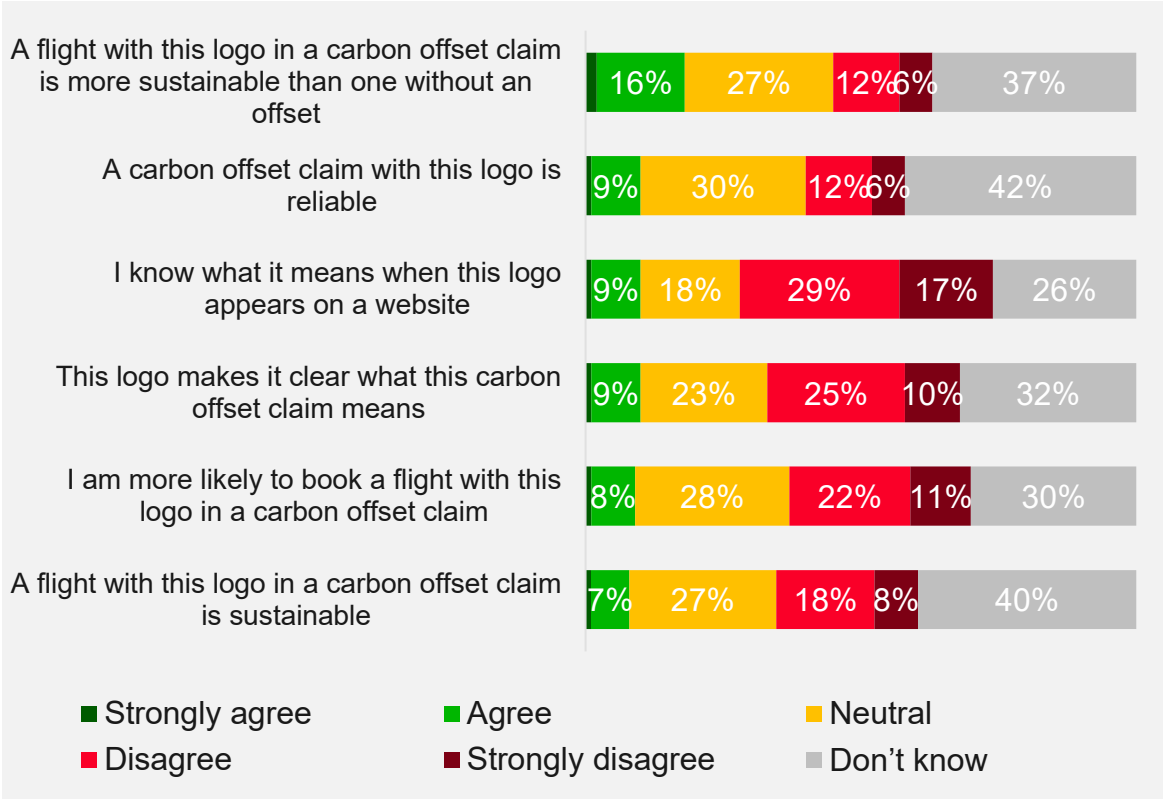
Q030: What would help you better understand carbon offset claims? | Base: total sample, n = 1,189.

In general, about a third of consumers believe that the inclusion of certain information would help them better understand carbon offset claims. The exact figures range from 34 percent for details of the extent of the climate damage being offset to 40 percent for an explanation of independent verification.

The responses here correlate to a substantial degree. In other words, a respondent who thinks that it would help for the explanation to state whether the claim is verified independently, say, is also likely to state that the same applies to details of how the emissions are offset and to what extent, to a quantification of the climate damage being prevented and to a link to the projects. And vice versa.

Generally speaking, the well-educated more often feel that such explanations assist them in better understanding the claims. By contrast, those with only secondary education or less tend to indicate that they are not sure whether or not more information would help them.

Shown certification logo is unknown and does not in itself change purchasing behaviour



Q030: What would help you better understand carbon offset claims? | Base: total sample, n = 1,189.

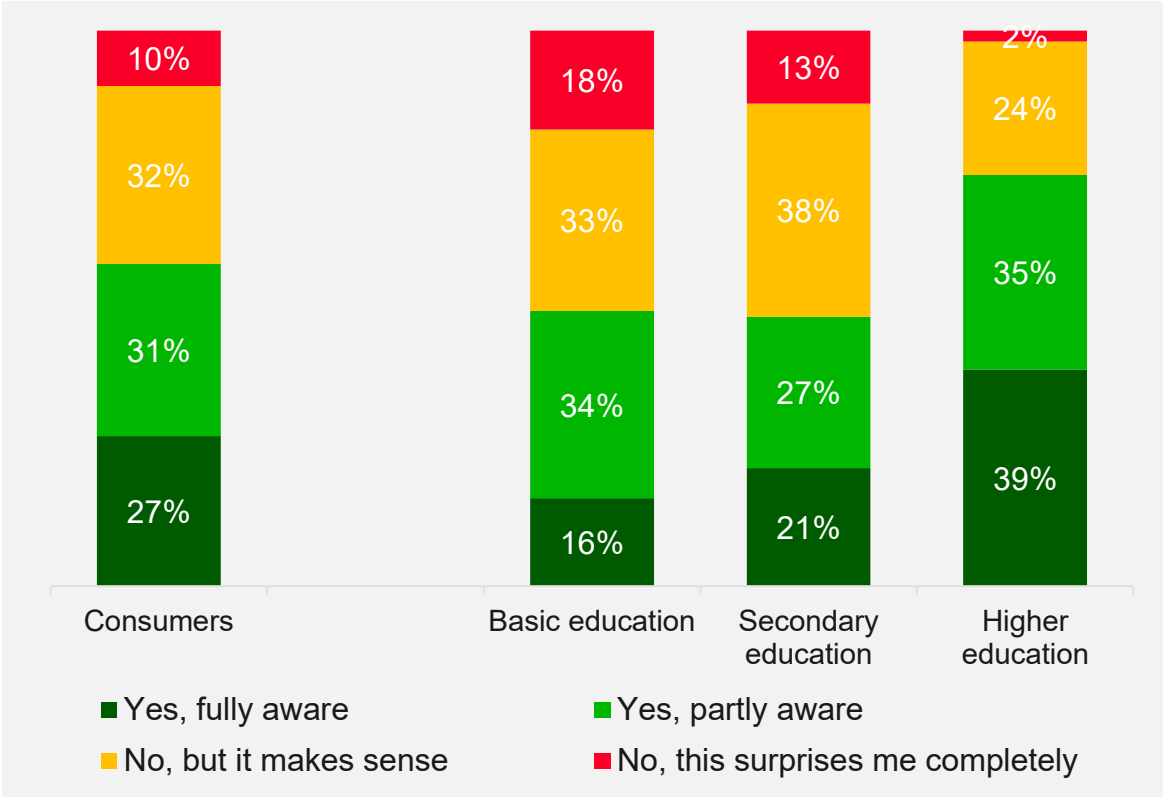
We saw earlier that more than half of consumers think that independent certification would generate greater trust in carbon offset claims (see page 14).

The respondents were shown the logo of a body active in offset certification. This proved unfamiliar to the great majority of them. Only one in ten (10 percent) indicated that they know what it means when a certification mark of this kind appears on a website, whilst the same proportion (10 percent) felt that the mark made it clear what the claim means. All the statements on this topic generated a considerable volume of “don’t know” answers.

The impact of certification thus seems limited. Only one consumer in ten (10 percent) said that they think a carbon offset claim tagged with the logo shown is reliable, and even fewer than that (9 percent) would be more likely to book a flight if an accompanying claim had that certification.

It is consumers aware of what the certification shown means who tend to trust a claim backed by the logo (44 percent, versus 10 percent on average). They are also the ones more inclined to book a flight labelled with it (37 percent, versus 9 percent on average).

Four out of ten consumers are unaware that carbon offsetting does not eliminate climate damage



ACM is particularly interested in knowing more about the extent of the misconception that carbon offsetting prevents climate damage and so makes a product harmless in that respect. That is not in fact the case. A flight always generates irreversible CO₂ emissions.

Almost six out of ten consumers understood this, at least when an explanation was provided, but the other four still did not. As might be expected, awareness is less widespread amongst people with basic or secondary education only. Even in these groups, though, about half said that they did know this fact. And most of those who did not, indicated that the explanation does make sense to them. So there is definitely room for better communication in this area.

Q031: Carbon offsetting does not mean that there is no damage to the climate. [+ EXPLANATION.] Were you aware of that? | Base: total sample, n = 1,189.



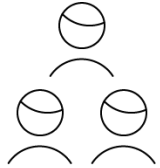
5 Survey data

Survey data



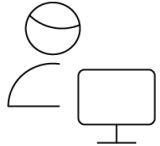
Sample parameters

Dutch citizens aged 18 or older, representative by gender, age (18+), region, family size and educational attainment.



Sample source

The sample was drawn from our consumer panel.



Response

In all, n = 2,640 prospective respondents were invited to participate. Of them, n = 1,189 participated (response rate 45 percent). Reminders were sent.



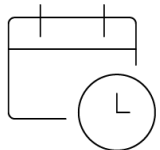
Method

This survey was conducted using an online questionnaire (computer-assisted web interviewing technique, CAWI). Respondents received an e-mail containing information about the survey and a link to the questionnaire.



Questionnaire

The questionnaire was compiled by Kantar in consultation with ACM. The average completion time was 10 minutes.

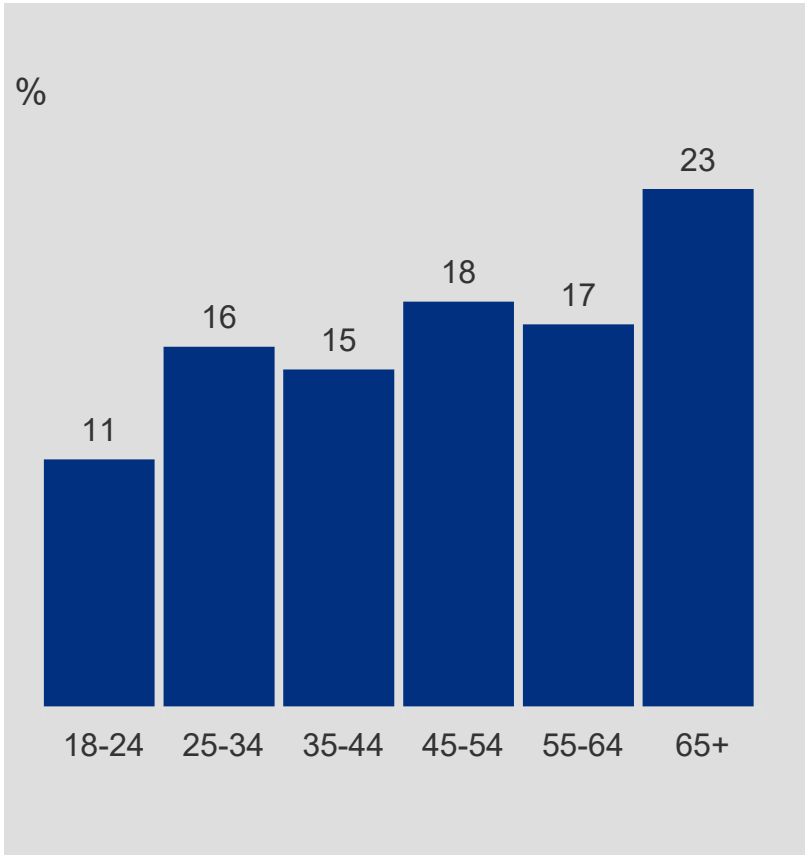


Survey period

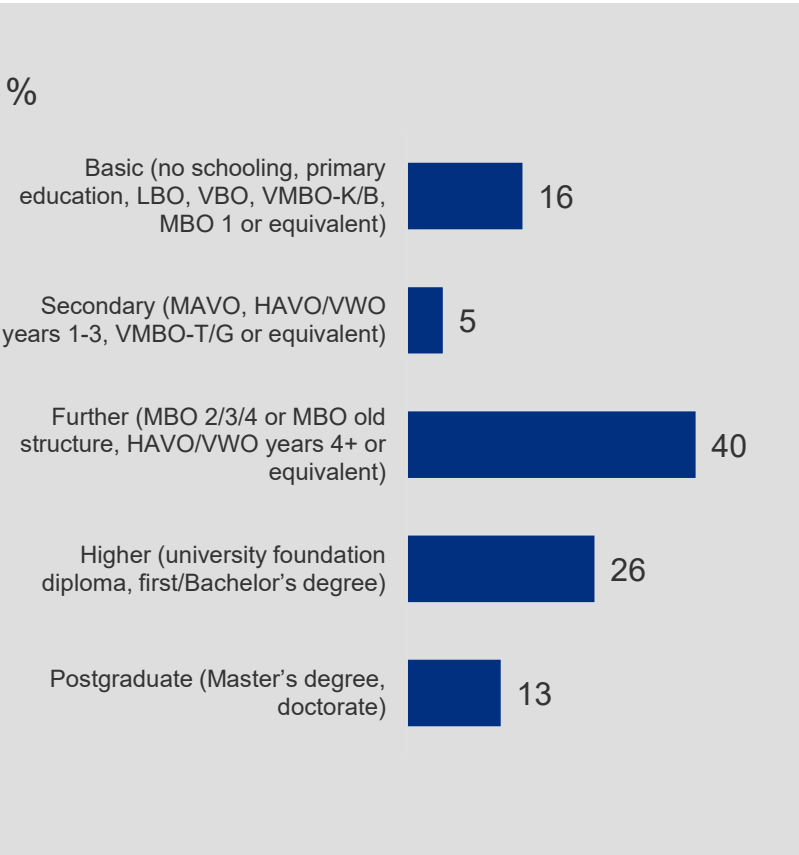
The survey was conducted between 9 and 19 May 2022.

Basic sample data

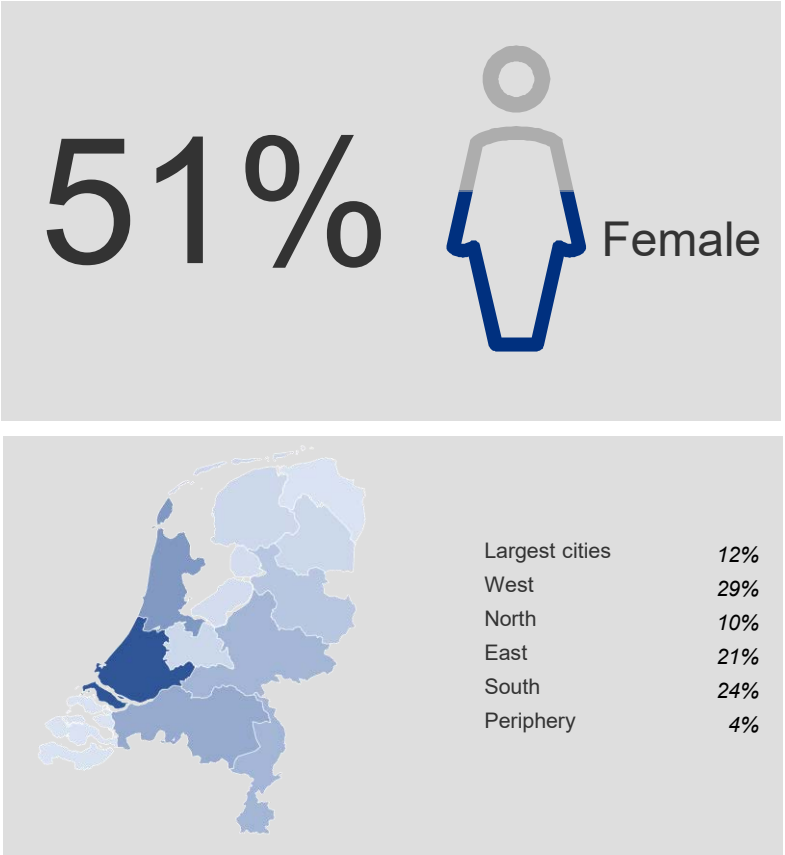
AGE



EDUCATION



SEX | REGION



* Basic data weighted using gold standard.
** Regions weighted per Nielsen regional classification.