



MEDIA RELEASE

Carbon offset conundrum - purchases up but credibility down

May 14 2009

Despite a 75% increase in the number of Australians purchasing products and services which involve carbon offsetting as part of the offer over the last year, consumers are increasingly sceptical about carbon offset programs and fewer believe they effectively help reduce global warming, according to the latest annual Ipsos study on carbon offsetting.

The survey, conducted by Ipsos, the third largest research company in Australia, looks at consumers' views on carbon offset programs and directly compares results from the same survey 12 months ago.

Last year, just over 22% of Australians said they had purchased a product or service where carbon offsetting was on offer. This year the figure had risen to 38%. (see figure 1)

Interestingly, though, the tables were turned when it came to believing in the effectiveness of carbon offset products helping reduce global warming.

Last year 52% of those who had been exposed to such an offer thought it was effective while this year that figure dropped to 40%.

Furthermore, just 33% of respondents felt carbon offsetting offers are contributing to reduce global warming.

The survey also revealed that 76% of respondents exposed to an offer involving carbon offsetting believed that they had no way of knowing whether the associated environmental claims were true, rising from 60% in 2008. (see figure 2)

In fact, there was also an increase in the perception that carbon offsetting is a scam, with almost a quarter of respondents (24%) believing this (compared to 19% in 2008).

Ipsos executive director public affairs John Sergeant said that proponents of carbon offsetting and carbon neutrality may well be pleased with these results, but it is also critically important to consider whether the community believes in it.



“With increased exposure to carbon offsetting and carbon neutral products on the market, we have to ask why there hasn’t also been a corresponding increase in consumers’ ability to verify the claims made by the companies offering them. Is it because of a lack of industry transparency, a lack of market understanding of carbon offsetting, consumers being too busy to research the offers, they’re just not that interested or a combination of all of these,” said Sergeant.

Meanwhile, the jury is still out as to whether carbon offsetting enables people to maintain their current lifestyle without contributing to global warming, with just 32% in 2009 believing this and the remainder evenly divided with 34% not knowing and the same number disagreeing.

Generally, those who generally registered higher levels of scepticism were males and those living in regional towns.

Overall, these results indicate that, in the face of declining credibility, there is a very long way to go in convincing consumers about the role that carbon offsetting could play in combating global warming. The survey provides a clear cue for marketers to reconsider the way in which carbon offsetting is marketed and potentially how it might be packaged with other, more impactful ways of addressing global warming.

The Ipsos survey was conducted in March 2009 and surveyed more than 1,000 adults via fieldwork agency I-View.

Figure 1: Exposure to Carbon Offsetting: 2009 vs 2008

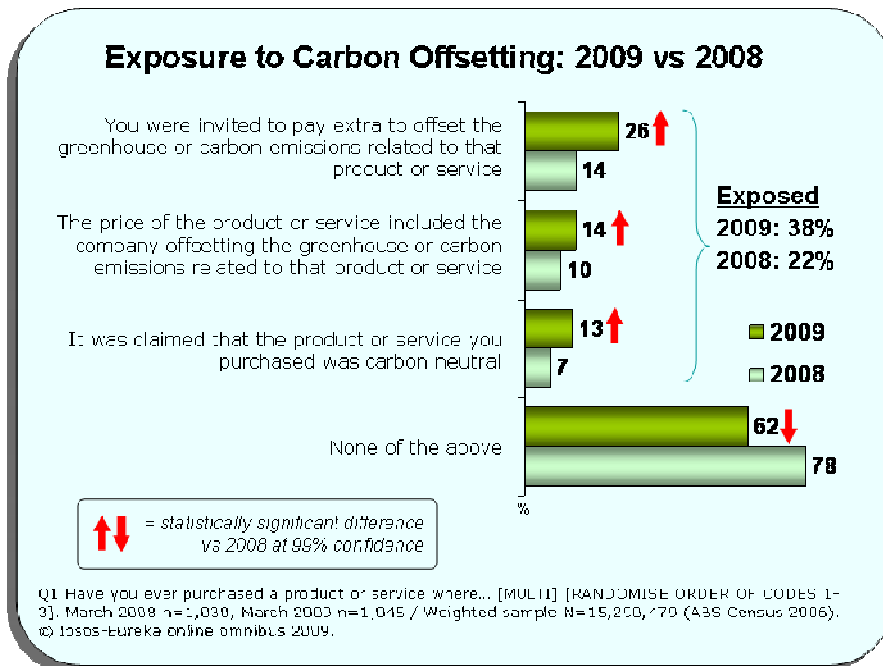
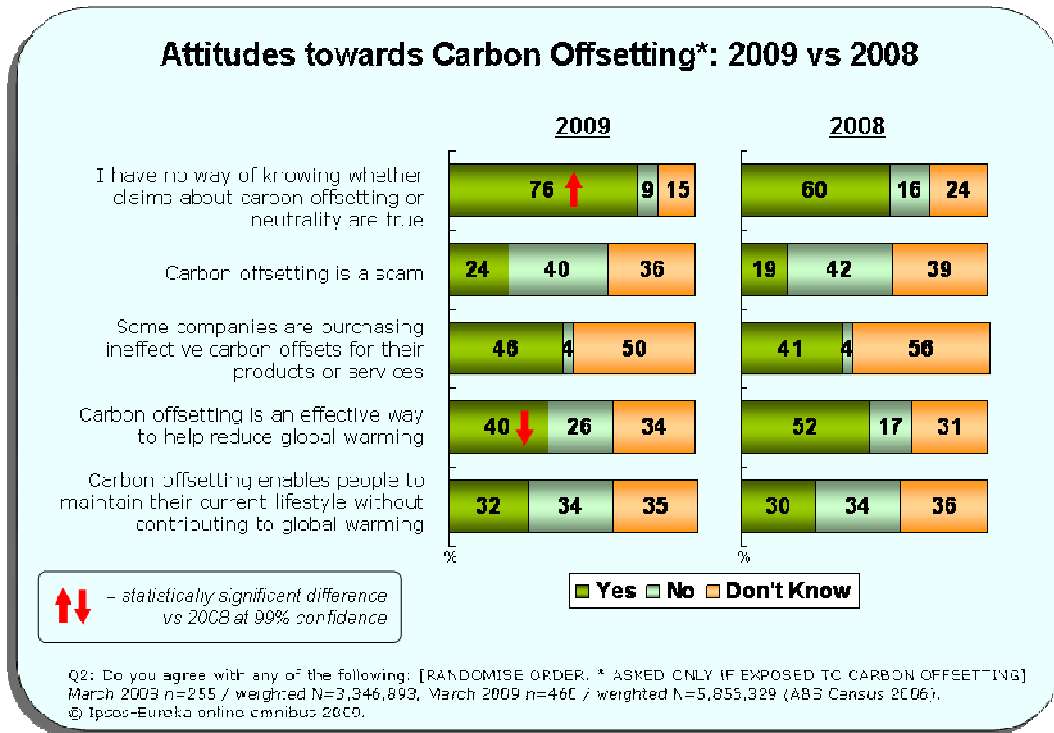




Figure 2: Attitudes towards Carbon Offsetting*: 2009 vs 2008



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About Ipsos

Ipsos is one of the world's leading survey-based marketing research firms. Founded and run by market research professionals, Ipsos interprets, simulates, and anticipates the needs and reactions of consumers, customers and citizens – locally, nationally and around the world. Ipsos has a direct presence in more than 60 countries and conducts research in more than 100.