Green Marketing Survey

METHODOLOGY REPORT

Prepared For:

Federal Trade Commission

Prepared By:
Harris Interactive Inc.

November 3, 2009
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Background and Objectives

As part of the Commission's decennial regulatory review of the Guides for the Use of Environmental Marketing Claims ("Green Guides"), the Federal Trade Commission (FTC) commissioned Harris Interactive to conduct a study to examine consumers’ perceptions of environmental marketing claims. The results of this research will aid the FTC in determining what revisions, if any, should be made to the Green Guides to ensure that the Guides are appropriately responsive to any changes in consumer perception of environmental claims.

The survey focused on determining consumers' understanding of the following environmental marketing claims that are prevalent in today's marketplace:

- General environmental benefit claims (e.g., green, eco-friendly);
- Sustainable claims;
- Renewable claims (e.g., made with renewable energy, made with renewable materials); and,
- Carbon neutral and carbon offset claims.

More specifically, the study explored:

- Whether general environmental benefit claims (e.g., green) lead consumers to believe that a product has specific environmental benefits (e.g., recyclable, biodegradable, made from recycled materials);
- Whether qualified general environmental benefit claims (e.g., green – made with renewable materials) imply to consumers that the product provides environmental benefits beyond the specific attribute mentioned (e.g., made from recycled materials); and,
- If environmental claims suggest anything about the environmental impact of a product throughout the stages of its life cycle (e.g., production, transportation, consumption, disposal).

The environmental claims were tested against a control claim (i.e., new and improved), and all claims were tested in the context of multiple products (wrapping paper, laundry basket, kitchen flooring) to determine whether consumers' interpretations are affected by the product about which a claim is made.

All data collection was conducted online by Harris Interactive between July 27th and August 26th, 2009.
Questionnaire Design and Pre-Testing

The survey questionnaire was initially developed by FTC staff, with Harris Interactive researchers providing feedback and edits on subsequent drafts.

Upon finalization of the main survey questionnaire, a pre-test was conducted between July 27\textsuperscript{th} and July 28\textsuperscript{th}, 2009 among 103 respondents.

In addition to the demographic and survey content questions (i.e., the claims being tested), the pre-test questionnaire also included several open-ended questions which were interspersed throughout the survey and asked respondents to provide feedback on whether or not they understood the preceding set of questions as follows:

“\textit{Now thinking specifically about the section of questions you just answered, was anything unclear? Were there any questions that you had difficulty with? Why? Please be as specific as possible.”}

Respondents typed their answers into a mandatory text box. All individual verbatim responses were reviewed by FTC staff and Harris Interactive researchers. The data for the pre-test were not coded.

The pre-test data revealed that most respondents were not very familiar with the topics addressed in the survey (e.g., carbon offsets), but that the survey questions themselves were sufficiently clear for the majority of respondents. As a result, few edits were made to the survey between the pre-test questionnaire and the final questionnaire.

All pre-test open-ended questions were omitted from the final questionnaire, and the complete final survey was conducted between August 18\textsuperscript{th} and August 26\textsuperscript{th}, 2009 among 3,777 U.S. adults ages 18+. 
Data Collection: The Harris Poll Online (HPOL) Panel

The Harris Poll Online database is a multi-million member global panel of cooperative online respondents, with membership bases concentrated in North America and Western Europe.

All panelists have completed a “confirmed” or “double” opt-in (COI/DOI) process as follows:
1. Recruited panelists register for inclusion in the database (registration varies by recruitment method).
2. Registrants receive an email asking them to confirm their desire to join our panel.
3. If a registrant clicks on the link within the email, he/she is added to the HPOL panel.
4. If a registrant does not click on this link, he/she is NOT added to the database.

Panelists are recruited through diverse methods and more than 100 different sources, including:
- Co-registration offers on partners’ websites;
- Targeted emails sent by online partners to their audiences;
- Graphical and text banner placement on partners’ websites (including social media, news, search, and community portals);
- Trade show presentations;
- Targeted postal mail invitations;
- TV advertisements; and,
- Telephone recruitment of targeted populations.

Each recruitment source is carefully vetted through a rigorous interviewing and testing process, and our continuous recruitment and maintenance operations enable us to provide representative samples of the general population as well as identify and reach under-represented and hard-to-reach populations of interest.

As panelists complete our surveys, they are asked various demographic questions, the responses to which are used to update individual members’ profiles. We routinely collect and store demographic (e.g., gender, birth year, race/ethnicity, income, education) and other information (e.g., industry, profession, modem speed, operating system) about our panelists, enabling us to send outgoing sample to reflect certain weighting targets and efficiently target specific populations of interest.

For each individual research endeavour, we randomly select panelists to invite to the survey based on the population of interest. Our surveys are password-protected to maintain anonymity and to ensure that each respondent can take the survey only once. Invitation emails and welcome screens contain only general information about the survey topic in order to avoid betraying the qualification criteria in an attempt to reduce self-selection bias.

Panelists are encouraged to participate in our surveys, and rewarded for doing so, through a loyalty and retention program that includes:
- **HiPoints**: For every survey they complete, panelists receive “points” which can then be redeemed for various products or cash-like gift cards.
- **HiStakes**: Panelists are eligible to participate in a bi-monthly sweepstakes which awards cash prizes. Non-HPOL members who take Harris Interactive surveys (e.g., customers who complete a client-sponsored survey) are also eligible to win HiStakes prizes.
Sampling

The sample for the FTC Green Marketing survey consisted of adults ages 18+ residing within the United States.

Sample (i.e., panelists invited to participate in the survey) was pulled from the HPOL database (described in detail on page 5) to reflect weighting targets developed to be representative of the U.S. adult population (described in detail on page 7). Outgoing sample is balanced by the following demographic variables:

- Country of residence;
- Age by gender;
- Region;
- Race/ethnicity;
- Household income; and,
- Education.

In addition to ensuring that the outgoing sample is demographically representative of the target population, we also follow specific rules about how often individual panelists can be invited to participate in our surveys. Respondents who were recently (within the past 10 days) invited to participate in another survey were excluded from the initial sample pull. All sample pulls for the complete final survey also excluded any respondents who were invited to participate in the pre-test.

Our second sample mailing was more targeted based on how interviewing had been proceeding thus far, specifically in relation to our weighting targets. The second sampling mailing therefore emphasized adults ages 30+ and those with a lower education (less than college grad and below).

Panelists who were selected to be invited to participate in the survey received an email invitation that included a password-protected link to the online survey. Panelists who did not respond to the initial invitation (as well as those who began taking the survey but then suspended) received an email reminder letting them know that the survey is still open. We also sent a reminder to those receiving the second sample mailing (lower educated adults). Only respondents who have completed the survey (qualified or terminated) did not receive a reminder.

A total of 49,481 invitations were sent, and 4,488 individuals responded to the invitation as follows:

- 3,924 total completes
  - 3,777 qualified completes (i.e., U.S. adults ages 18+)
  - 114 over-quota qualified completes
  - 34 non-qualified completes
    - Age = under 18 (n=24)
    - Country of residence does not = U.S. (n=10)
- 564 total suspends

The response rate for this survey was 9% and was calculated as follows:

\[
\frac{(\text{Total completes} + \text{Total suspends})}{\# \text{ of invitations sent}} = \frac{3,924 + 564}{49,481} = 0.0907 \approx 9\%
\]
The distribution of our sample differed from that of the general U.S. adult population as follows:

<table>
<thead>
<tr>
<th>Demographic Subgroup</th>
<th>Population %</th>
<th>Sample % (unweighted)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age by Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male 18-29</td>
<td>11.20</td>
<td>14.22</td>
</tr>
<tr>
<td>Male 30-39</td>
<td>8.80</td>
<td>9.90</td>
</tr>
<tr>
<td>Male 40-49</td>
<td>9.70</td>
<td>9.11</td>
</tr>
<tr>
<td>Male 50-64</td>
<td>11.80</td>
<td>9.05</td>
</tr>
<tr>
<td>Male 65+</td>
<td>7.00</td>
<td>5.98</td>
</tr>
<tr>
<td>Female 18-29</td>
<td>10.80</td>
<td>11.83</td>
</tr>
<tr>
<td>Female 30-39</td>
<td>8.90</td>
<td>8.76</td>
</tr>
<tr>
<td>Female 40-49</td>
<td>9.90</td>
<td>10.70</td>
</tr>
<tr>
<td>Female 50-64</td>
<td>12.50</td>
<td>11.78</td>
</tr>
<tr>
<td>Female 65+</td>
<td>9.40</td>
<td>8.66</td>
</tr>
<tr>
<td><strong>Race/Ethnicity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>13.50</td>
<td>5.64</td>
</tr>
<tr>
<td>Black (not Hispanic)</td>
<td>11.30</td>
<td>5.75</td>
</tr>
<tr>
<td>All other (not Hispanic)</td>
<td>75.20</td>
<td>85.62</td>
</tr>
<tr>
<td><strong>Region</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East 1</td>
<td>4.90</td>
<td>6.51</td>
</tr>
<tr>
<td>East 2</td>
<td>16.60</td>
<td>19.33</td>
</tr>
<tr>
<td>South 3</td>
<td>22.50</td>
<td>19.86</td>
</tr>
<tr>
<td>South 4</td>
<td>11.00</td>
<td>7.73</td>
</tr>
<tr>
<td>Midwest 5</td>
<td>15.30</td>
<td>19.33</td>
</tr>
<tr>
<td>Midwest 6</td>
<td>6.60</td>
<td>6.49</td>
</tr>
<tr>
<td>West 7</td>
<td>7.00</td>
<td>7.41</td>
</tr>
<tr>
<td>West 8</td>
<td>16.10</td>
<td>13.34</td>
</tr>
</tbody>
</table>

At the request of the FTC, the tabulations of the results (i.e., data tables) were provided in an unweighted format. Following Harris’ typical procedures for online surveys among U.S. adults ages 18+, the raw survey data for qualified completes were weighted to achieve a nationally representative sample. These weighted were included in the dataset provided to the FTC (i.e., data file in SPSS and STATA formats) so that analyses could be performed in either weighted or unweighted form.

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1 The eight (8) regions are defined as follows:
East 1: Connecticut (CT), Maine (ME), Massachusetts (MA), New Hampshire (NH), Rhode Island (RI), Vermont (VT)
East 2: Delaware (DE), District of Columbia (DC), Maryland (MD), New Jersey (NJ), New York (NY), Pennsylvania (PA), West Virginia (WV)
South 3: Alabama (AL), Florida (FL), Georgia (GA), Kentucky (KY), Mississippi (MS), North Carolina (NC), South Carolina (SC), Tennessee (TN), Virginia (VA)
South 4: Arkansas (AR), Louisiana (LA), Oklahoma (OK), Texas (TX)
Midwest 5: Illinois (IL), Indiana (IN), Michigan (MI), Ohio (OH), Wisconsin (WI)
Midwest 6: Iowa (IA), Kansas (KS), Minnesota (MN), Missouri (MO), Nebraska (NE), North Dakota (ND), South Dakota (SD)
West 7: Arizona (AZ), Colorado (CO), Idaho (ID), Montana (MT), Nevada (NV), New Mexico (NM), Utah (UT), Wyoming (WY)
West 8: Alaska (AK), California (CA), Hawaii (HI), Oregon (OR), Washington (WA)
Sample Distribution and Weighting (continued)

To develop the weights, raw survey data are first weighted to demographic targets from the 2008 U.S. Census Bureau Current Population Survey (CPS). Our demographic RIM weighting technique employs the following variables:
- Age by gender;
- Region;
- Race/ethnicity;
- Household income; and,
- Education.

Our weighting algorithm also included an additional variable called a *propensity score*. *Propensity score weighting* (a proprietary technique) allows us to adjust for attitudinal and behavioral differences between:
- Those who are online vs. offline;
- Those who join online panels vs. those who do not; and,
- Those who responded to this survey vs. those who did not.

We ran the RIM weighting including all of the demographic variables as well as the propensity score variable. At the end of the weighting process, the weights are normalized so that the sum of the weights is equal to the number of observations for total qualified completes. The final weights were capped at 5 and .2.
Data Cleaning and Coding

On the front end, the survey was programmed as per the final questionnaire and our survey programmer included a behind-the-scenes program to verify that the data was coming in correctly. There were no issues with the main survey data so no data cleaning was necessary.

On the back end, the following data cleaning measures were employed:

- Several respondents did not provide a zip code so we coded them as being in zip code “00000”.
- For the open-ended questions that were coded, respondents who entered a space and did not provide any other response were coded as “decline to answer”.

Open-ended questions were coded by our internal coders, who initially used a draft code frame provided by FTC staff. Additional codes were built as necessary while reviewing the verbatim responses. Whenever a new code is built, all already-coded responses are reviewed again to determine if the new code is applicable. The initial code frame and classification pattern developed by our coders was reviewed by FTC staff, who provided a few additional nets for the codes.