ACADEMIC WEEKLY DIGEST

YOUR WEEKLY DIGEST OF KEY RESEARCH FINDINGS



FLYING GREEN:
EXPLORING AIR
TRAVELLERS'
WILLINGNESS TO
PAY FOR
SUSTAINABLE FUEL
SURCHARGE AND
CARBON TAX

Balancing environmental sustainability with the economics of air transport operations remains challenging. Awareness of the environmental impact of air travel has been increasing, and several green options alongside basic fares have been introduced.

This study done by <u>Nadine Itani</u> and <u>John F.</u>

O'Connell integrates the Theory of Planned

Behaviour and the Contingent Valuation Method to estimate the readiness of passengers to pay for compulsory eco-charges.



THERE IS A SIGNIFICANT GAP REGARDING THE FINANCIAL THRESHOLD PASSENGERS ARE WILLING TO PAY FOR THE EXTRA AIR TRAVEL GREEN PREMIUMS

Nadine Itani & John F. O'Connell

Utilising the Theory of Planned Behaviour (TPB) and the Contingent Valuation Method (CVM), the study explores how attitudes, subjective norms, and perceived behavioural impact air travellers' Willingness to Pay (WTP) for non-voluntary environmental charges. It assesses the economic valuation of environmental goods, focusing on the readiness of passengers to pay compulsory fees for Sustainable Aviation Fuel (SAF) and carbon taxes.

Analysis of a survey with 248 respondents reveals a broad willingness among air travellers to contribute to environmental premiums, especially carbon taxes. This willingness varies according to demographic factors, travel preferences, environmental values, and levels of awareness.

A significant finding is that younger travellers display the highest WTP, inversely related to ticket prices.
Additionally, a stronger environmental awareness is linked to a higher WTP.

The study also highlights the significant roles of price perception and the perceived effectiveness of environmental measures. However, financial limitations and scepticism about the credibility of these premiums restrict the willingness of some passengers to contribute.

This study highlights the complex interaction between economic considerations and environmental responsibility in the aviation sector.

Younger travellers exhibit the highest willingness to pay for sustainable fuel surcharge and carbon tax

Hui, T., Itani, N., & O'Connell, J. F. (2024). Examining air travellers' willingness to pay for non-voluntary environment-related fees: The case of SAF surcharge and carbon taxes.

Highlights of Sustainability

Link: <u>bit.ly/3T2AZ92</u>