

Research Article

When donating is liberating: The role of product and consumer characteristics in the appeal of cause-related products

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Abstract

The present work examines the effectiveness of pairing a charitable donation with a product purchase. We propose a compensatory process, in which the guilt-laundering properties of charitable donations are more appealing the more consumption guilt is experienced. Consumption guilt is dependent on both product type (hedonic vs. utilitarian) and consumer characteristics (guilt-sensitivity), such that adding a charitable donation to hedonic products is more impactful than adding the same donation to utilitarian products, especially for guilt-sensitive consumers. As a result of the impact of product type and guilt-sensitivity, several non-intuitive findings emerge. For example, guilt-sensitive consumers, who normally indulge in hedonic consumption the least, indulge at least as much as their less guilt-sensitive counterparts when hedonic products are paired with a charitable donation. Moreover, guilt-sensitive consumers are relatively insensitive to the nature of the supported cause, indulging in hedonic consumption even when it supports disliked causes. Six studies demonstrate the impact of adding charitable donations to products as well as the unique role that consumption guilt and its alleviation play in the underlying process.

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Corporate Social Responsibility (CSR) strategies have been touted as “the next big thing” in marketing (Kotler & Lee, 2004; Mainwaring, 2011) and Fortune 500 companies spend upwards of \$15 billion a year on CSR efforts (Smith, 2014). However, to be effective, CSR strategies are required to contribute not only to society, but also to companies’ bottom lines. Although some findings suggest that CSR generates financial gains (Krishna & Rajan, 2009; Orlitzky, Schmidt, & Rynes, 2003), other findings show no positive impact on companies’ profits (Hamilton, Jo, & Statman, 1993; Nelling & Webb, 2009). This suggests that

perhaps we should continue to investigate when, why, and for whom CSR efforts are effective.

To do so, we extend existing work exploring the impact of product type on the appeal of cause-related products (Strahilevitz, 1999; Strahilevitz & Myers, 1998), that is, products whose purchase is accompanied by the company donating a portion of proceeds to charity (Gupta & Pirsch, 2006; Krishna, 2011; Menon & Kahn, 2003; Pracejus & Olsen, 2004; Strahilevitz, 1999; Torelli, Monga, & Kaikati, 2012; Winterich & Barone, 2011). Prior work shows that hedonic products paired with charitable donations are more appealing than hedonic products offering a discount of the same value, while utilitarian products paired with charitable donations are less appealing than equivalent discounts (Strahilevitz & Myers, 1998). This effect is explained using a multiplicative model that relies largely on the positive emotional characteristics of hedonic consumption. Yet,

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the role of these positive emotions has not been explored. Moreover, hedonic consumption has negative emotional characteristics as well, such as guilt (Kivetz & Simonson, 2002b; Ramanathan & Williams, 2007); the role of guilt in driving the appeal of cause-related products remains similarly unexplored.

The present work seeks to address these knowledge gaps by exploring the role of guilt in driving preference for cause-related products, particularly hedonic products. We distinguish between the role of guilt and that of other emotions associated with hedonic products. By doing so, we aim to enhance the field's understanding of the appeal of cause-related products and to better predict and understand consumers' preferences for such products.

Consistent with existing theories, we propose that because hedonic consumption is appealing and desirable, consumers covet hedonic products. However, because engaging in (or contemplating engaging in) hedonic consumption induces guilt (Bagozzi, Dholakia, & Basuroy, 2003; Kivetz & Simonson, 2002b; Mellers & McGraw, 2001; Wilson & Gilbert, 2003), consumers seek justification for such consumption (Kivetz & Simonson, 2002a; Ramanathan & Williams, 2007). We posit that cause-related products offer such justification—consumers can alleviate their consumption guilt by engaging in the prosocial behavior of charitable donation (Bybee, Merisca, & Velasco, 1997; Estrada-Hollenbeck & Heatherton, 1997). Thus, we propose a compensatory process in which pairing a product with a charitable donation can be used to launder consumption guilt; the laundering (i.e., alleviation) of guilt liberates consumers to engage in hedonic consumption guilt-free.

The opportunity to launder one's guilt should be more appealing the more consumption guilt one experiences. Accordingly, hedonic products (whose consumption induces more guilt than utilitarian products; Dhar & Wertenbroch, 2000; Kivetz & Simonson, 2002b) should particularly benefit from offering charitable donations. While existing literature is suggestive and supportive of this idea (Strahilevitz & Myers, 1998), there is no empirical data on the impact of adding charitable causes to different products (e.g., hedonic vs. utilitarian) relative to a no-cause control. We provide such data.

Moreover, we propose that consumption guilt is driven not only by product type, but also by consumer characteristics. Specifically, we rely on literature showing some consumers find hedonic consumption induces more consumption guilt; we call these consumers “guilt-sensitive” (Haws & Poynor, 2008; Kivetz & Keinan, 2006). We predict that guilt-sensitive consumers will be most likely to value the opportunity to reduce consumption guilt, therefore, they will be most likely to show an increase in hedonic consumption when a charitable donation is added to a hedonic product. Such a finding would extend our knowledge regarding which kinds of consumers respond more positively to CSR efforts.

In addition, the higher need of guilt-sensitive consumers for guilt-laundering is expected to result in some non-intuitive predictions. First, in an effort to reduce their consumption guilt, guilt-sensitive consumers are expected to (ironically) *increase* their hedonic consumption of products that offer charitable donations. Second, as a result of the presence of a charitable donation,

guilt-sensitive consumers, who usually indulge the least in hedonic products (Zemack-Rugar, Bettman, & Fitzsimons, 2007), may come to indulge at least as much as (and, in some instances, more than) their less guilt-sensitive counterparts. Third, we propose that due to their need for guilt-alleviation, guilt-sensitive consumers may be relatively insensitive to the characteristics of the donated-to cause, showing preference for products that support causes they dislike. Such a finding would run in contrast to extensive CSR work suggesting that an individual's liking of company-supported causes is critical for CSREfforts' success (Bendapudi, Singh, & Bendapudi, 1996; Gupta & Pirsch, 2006; Winterich & Barone, 2011).

We elaborate further on these predictions below. First, we provide relevant theoretical background on CSR's effectiveness, consumption guilt, hedonic consumption, and helping; we also discuss the nature and consequences of individual differences in guilt-sensitivity, followed by our theory, hypotheses, and six experiments.

Corporate Social Responsibility: Background and the Role of Product Type

Previous research has explored many moderators of CSR's effectiveness, including when companies should engage in CSR (Becker-Olsen, Cudmore, & Hill, 2006), why they should engage in it (Becker-Olsen et al., 2006; Gupta & Pirsch, 2006), and what kind of causes they should support (Barone, Norman, & Miyazaki, 2007; Basil & Herr, 2006; Hoeffler & Keller, 2002; Winterich & Barone, 2011). Companies must choose to associate their products with causes that are consistent with their corporate nature, values, or brand message (Barone et al., 2007; Hoeffler & Keller, 2002). For example, Home Depot should partner with charities related to home building (e.g., Habitat for Humanity), whereas Revlon should partner with charities related to domestic violence (Becker-Olsen et al., 2006). In addition, for CSR efforts to be effective, consumers must have empathy toward the promoted cause (Mattila & Hanks, 2012), must perceive that they share the traits and values of the cause (Hoeffler & Keller, 2002), and must feel that they are similar to the cause (Barone et al., 2007; Basil & Herr, 2006; Bendapudi et al., 1996). In other words, for CSR efforts to succeed, consumers must believe in and like the supported charity (Sargeant, 1999; Winterich & Barone, 2011).

While work on which causes companies choose to associate with abounds, work on which products CSR efforts should be associated with has been sparser. One notable exception is Strahilevitz and Myers' (1998) research, which provided a first exploration of the role of product type in the effectiveness of CSR efforts. Strahilevitz and Myers (1998) looked at the effectiveness of adding a financial incentive (i.e., a discount/rebate) vs. a charitable donation to a given product type. The authors found that charitable donations were preferred over discounts for hedonic products, while the reverse was true for utilitarian products.

To explain these findings, the authors proposed a theory of affect-based complementarity. The term was derived from the concept of functional complementarity, which suggests that products that are functionally complementary (e.g., a printer and paper) have greater joint value than the mere sum value of

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