Inferring Altruism in Consumption Contexts

by

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DEDICATION

To my mother, who taught me compassion and kindness.

Kính gởi mẹ, người đã dạy cho con về lòng trắc ẩn và nhân hậu.

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ABSTRACT

With so much aid needed to address today's health and social issues, it is fortunate that as a society, we have a great capacity to be generous. Acts of generosity are so prevalent in our everyday lives – especially in our consumption culture – that they have spurred a growing body of research examining consumer altruism. Most research in this burgeoning area of consumer behavior has focused on determinants of generosity and various ways to motivate generosity. Less is known about the evaluative judgments of the donor (or benefactor) after an act of generosity has been observed. My dissertation provides additional insight into how people infer (general, across-domain) generosity after observing a single act of generosity. Essay 1 examines how consumers evaluate a brand's generosity based on the numerical attributes of its cause marketing campaign. Essay 2 investigates how consumers perceive their own generosity after encountering an unavoidable request for a minimal donation.

CHAPTER I

Introduction

As a society, we have a great capacity to be generous. We donate our money to help those less fortunate (Harbaugh, Mayr, & Burghart, 2007; Mathur, 1996; Small, 2010), we splurge on lavish gifts for our loved ones (Belk, 1976; Chan & Mogilner, 2017; Waldfogel, 1993), we even contribute our time and money to help rescue vulnerable animals (Desvousges et al. 1993; Kogut & Ritov, 2005; Taylor, 2010). These instances of altruism are pervasive and so thoroughly woven into our everyday lives that it even permeates our consumption culture. Indeed, consumers have come to value generosity and social goodwill from the brands that they buy (Aaker, Garbinsky, & Vohs, 2012; Chernev & Blair, 2015; Einstein, 2012). For instance, in the last several decades, there has been an increase in the popularity of "cause marketing" campaigns, whereby companies attempt to generate positive feelings toward their brand by championing a charity or a "cause." These positive feelings often translate into increased sales and loyalty (Krishna, 2011). Despite the important role of altruism in consumption settings, it remains unclear how people process and perceive generosity after observing an act of generosity, and whether there are any emotional or behavioral implications (for the observer or the actor) as a result of the observation.

In recent years, the field of consumer behavior has increasingly focused on consumer altruism – purchasing behavior that also benefits others or society (Batson, 2011; Small & Cryder, 2016). Much of the research in this nascent field, thus far, has focused on what motivates altruism (Briers, Pandelaere, & Warlop, 2007; Cain, Dana, & Newman, 2014; Liu & Aaker, 2008; Shang & Croson, 2006) and builds on the debate over whether motives that drive charitable giving are pure or are actually driven by self-interest (e.g., Andreoni, 1990; Batson, 1991; Flynn, 2003; Olivola & Shafir, 2013). For instance, salient extrinsic incentives, such as money or gifts, undermine or "crowd out" altruistic motivations and decrease donation amounts because the incentive creates ambiguity over whether one is donating to support the charity or to receive the incentive (Newman & Shen, 2012). In addition, extrinsic incentives are effective at encouraging prosocial behavior in private settings, but not in public settings. This is because in public settings, people are concerned about being perceived as good, and extrinsic incentives undermine this perception. In private settings, people can no longer signal to others that they are behaving prosocially, so extrinsic incentives no longer affect image concerns (Ariely, Bracha, & Meier, 2009).

While the study of consumer altruism continues to develop, it is important to move beyond uncovering motives and factors that facilitate or hinder generosity. For instance, how do consumers evaluate acts of generosity? Would this evaluation have implications for the consumer or company that have behaved prosocially? Answers to these questions can help donors re-assess their donation efforts, as well as allow observers to reward charitable efforts appropriately. Small and Cryder (2016) recently called for research that focuses on charitable credit (i.e., status from being perceived as

generous) and consumers' inferences about companies and brands that behave prosocially. Understanding the evaluative judgments of generous acts will provide us with a more complete picture of consumer altruism. My dissertation builds on this developing area of research in consumer altruism by examining how consumers update their beliefs about their own and others' generosity based on observed acts of altruism or selfishness.

In this dissertation, I examine how consumers make inferences about their own generosity as well as companies' generosity. Such beliefs not only have implications for feelings toward the self and others, but potential implications for behavior as well (e.g., a retailer that makes customers feel selfish may discourage subsequent visits from those customers; on the other hand, customers who feel selfish may be motivated to conduct future prosocial acts). Essay 1 examines how consumers evaluate a brand's generosity based on the numerical attributes of its cause marketing campaign. Essay 2 investigates how consumers perceive their own generosity after encountering an unavoidable request for a minimal donation (i.e., donations of one dollar or less). Throughout my dissertation, I examine inferences of across-domain generosity after consumers have observed an act of generosity or selfishness.

Overview of Chapters

Reputational Benefits of Nominal Corporate Generosity

In my first essay (Chapter II), I examine how consumers evaluate a brand's generosity based on the numerical attributes of its cause marketing campaign. Cause marketing campaigns often highlight two attributes: the percent-of-proceeds from each purchase to be donated, and the maximum amount of money the company will donate. For example, a recent campaign by Chipotle pledged to donate 50% of its proceeds, up to $35,000, to a zoo. I examine how consumers process this information when forming perceptions of the brand's generosity.

Prior work suggests that generosity perceptions will be fairly insensitive to variation in the percent-of-proceeds donated from each purchase. For example, in pay-what-you-want (PWYW) pricing schemes, consumers pay more when some of their payment will go to charity than when nothing goes to charity, but they are generally insensitive to variation in (nonzero) percentages donated to charity (Jung, Nelson, Gneezy, & Gneezy, 2017). Consumers were motivated to view themselves as charitable, and any nonzero portion of their purchase going to charity was sufficient to achieve that perception. I present an alternative perspective: when consumers are simply forming impressions of brands, consumers will be more sensitive to variation in the percent-of-proceeds donated than to variation in maximum donation amounts. To the extent that consumers have observed these campaigns, over time, they have the opportunity to learn about the distribution of these two attributes. Because similar campaigns in the past have generally had less variation in the percent-of-proceeds donated from each purchase than in maximum donations (documented later), I propose that consumers are more familiar with the typical distribution of percentages donated than with the typical distribution of maximum donation amounts. As a result, the percent-of-proceeds donated is easier to

evaluate (i.e., make sense of or put into context; cf. Hsee & Zhang, 2010), and consumers are more sensitive to variation in that attribute. Consistent with this reasoning, I find that brands can appear highly generous without actually being highly generous (by pledging a high percent-of-proceeds and a low maximum donation). Comparative context (provided by simultaneously exposing people to multiple cause marketing campaigns) helps people evaluate the maximum donation attribute and reduces the undue influence of the percent-of-proceeds attribute.

This essay joins a growing body of research that examines when brands receive less or more credit for their charitable efforts than they deserve (Chernev & Blair, 2015; Newman & Cain, 2014). A recent report by Engage for Good (a popular cause marketing forum; Chansky, 2015) expressed concern that, in cause marketing campaigns, a "generous-sounding percentage" of proceeds can be "misleading" and "naturally, what matters, is the actual amount donated." My work suggests that this concern is well-placed.

Coping with Opportunities for Minimal Generosity

In my second essay (Chapter III), I examine an increasingly popular type of charitable campaign in which retailers ask customers to donate a minimal amount (i.e., a dollar or less) to charity at checkout. These donation requests are usually administered to customers by cashiers or donation prompts, and usually after the customers' shopping items have been scanned and tallied. For example, some retailers, such as Whole Foods, run "roundup" donation campaigns, where they ask customers whether they would like to

round up their purchases to the next dollar and donate the difference to charity. This translates to requests for donations of as little as one penny. In this essay, I investigate how consumers perceive their own generosity after encountering an unavoidable request for a minimal donation.

Although complying with or rejecting such requests should convey minimal or no info about one's generosity (which should be based on a lifetime of examples), I propose that if the amount requested is relatively minimal, an unintended consequence of compliance or refusal is diminished evaluation of one's own generosity. In other words, the minimal donation could be interpreted as trivial and lacking, consequently resulting in lower self-perceived generosity (compared to if the customer did not encounter such a request at all). This reduced self-perceived generosity is a result of the nature of the request itself. Prior research has documented that people find prosocial requests to be aversive and would go to great lengths to avoid these requests (Cain, Dana, & Newman, 2014). However, a donation request administered at checkout after customers' purchases have been scanned and tallied prevents customers from evading the request. In essence, the request itself is unavoidable. In addition, the range of the donation amount is pre-determined by the retailer; therefore, customers only have an opportunity to donate a minimal amount. Under circumstances that might allow customers to avoid the request, they would have an opportunity to avoid putting themselves in a situation in which their moral character would be tested (i.e., donating a trivial amount or keeping the money). Given this predicament and that people generally are motivated to maintain a perception that they are good and moral (Aquino & Reed, 2002), consumers are potentially caught in

a proverbial corner in which either of the two available courses of action could produce a negative outcome.

In the context of the unavoidable prosocial request, customers are confronted with two options: comply or refuse the minimal request. Both options entail psychological costs. Refusing, on the one hand, might lead customers to feel selfish and ungenerous. However, complying, on the other hand, might lead customers to feel that their donation was lacking, and thus, cause them to feel ungenerous. Consistent with this reasoning, I find that when customers encounter an unavoidable prosocial request for a minimal donation amount, they experience a reduction in their self-perceived generosity (compared to if they never encountered such a request at all).

This essay advances our understanding about the ways in which consumers make inferences about the donor (in this case, themselves) for their charitable efforts (Chernev & Blair, 2015; Lin-Healy & Small, 2013, Newman & Cain 2014). The finding that consumers may not be particularly satisfied with themselves for donating a minimal amount provides hope that perhaps this dissatisfaction with one's own generosity might spur future prosocial activities – even if it's only to ameliorate this dissatisfaction. This research, thus, opens up avenues for future research to examine the (positive and negative) downstream consequences of lower self-perceived generosity. Given the increasing popularity of these roundup charitable campaigns, it seems that these types of paltry donation methods might not be abandoned anytime soon. However, in order to enact substantial change on a societal level, more than paltry donations would be needed[1]. This research provides some reassurance in knowing that we are not creating a society in

[1]For views on the effectiveness of aid, see Clemens, Radelet, Bhavnani, and Bazzi (2011) and Radelet (2015). For views on the ineffectiveness of aid, see Deaton (2013) and Qian (2015).

which individuals are satisfied (at least with themselves) with a token display of generosity.

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CHAPTER II

Large Steps Toward Small Donations: Reputational Benefits of Nominal Corporate Generosity

Most brands are motivated to create the impression that they are both warm and competent (Aaker, Garbinsky, & Vohs, 2012). While signaling competence can be straightforward (e.g., via the quality of one's products and services), signaling warmth is a more nuanced endeavor. Perceptions of a brand's warmth (e.g., its generosity, kindness, and helpfulness) are influenced by a range of factors, such as whether the brand is nonprofit or for-profit (Aaker, Vohs, & Mogilner, 2010), and the extent to which it is salient that companies themselves benefit from their prosocial efforts (Chernev & Blair, 2015; Newman & Cain, 2014; cf. Lin-Healy & Small, 2012).

More and more, brands are attempting to generate contributions for social causes (and positive feelings toward the brand) via "cause marketing" campaigns, whereby brands donate some proportion of sales or profits to designated charitable causes (e.g., Donnelly, Simester, & Norton, 2017; Krishna, 2011; Müeller, Mazar, & Fries, 2016; Small & Cryder, 2016). Brands engage in cause marketing campaigns "for the primary reason of portraying their brand as caring" (Kritt, 2016, p. 555). Ultimately, such campaigns can increase brands' profitability and even harm rival brands (Ballings, McCullough, & Bharadwaj, 2018).

Descriptions of such campaigns often highlight two attributes: the percent-of-profits (or percent-of-revenues) from each purchase that the brand will donate, and the maximum amount of money the brand will donate as part of the campaign. For example, a 2016 campaign by Kate Spade pledged to "donate 2% of sales (up to $120,000)" to help rebuild a Rwandan health clinic. Similarly, in 2014, some Chipotle locations pledged to donate "50% of proceeds up to $35,000" to a zoo (see Table 1 for other examples).

I examine how these numerical attributes of cause marketing campaigns influence perceptions of brands' generosity and overall favorability (Thomson, MacInnis, & Park, 2005). Normatively, to the extent that brands actually reach and make their maximum donations, those maximum donation amounts should be more relevant to generosity perceptions than percent-of-proceeds donated. For example, annual rankings of corporate generosity are based only on the amount of money corporations donated (Preston, 2016). Likewise, descriptively, there are reasons to anticipate that generosity perceptions will be fairly insensitive to variation in the percent-of-proceeds donated from each purchase.

When consumers are motivated to view themselves as generous and ethical, any gesture by a brand that portrays itself and its customers as prosocial may be appreciated, regardless of the magnitude of the gesture. For example, in pay-what-you-want pricing schemes, consumers pay more when some of their payment will go to charity than when nothing goes to charity, but they are generally insensitive to variation in (nonzero) percentages donated to charity (Jung, Nelson, Gneezy, & Gneezy, 2017). Evidently, any nonzero portion of one's payment going to charity provides a good opportunity for consumers to feel charitable. Experimental studies of more standard cause marketing campaigns (which donate some portion of a fixed price) have also observed that customers participating in the campaigns are insensitive to the magnitude of

the pledged donation (Arora & Henderson, 2007, study 1; Koschate-Fischer, Stefan, & Hoyer, 2012, study 2; Vaidyanathan & Aggarwal, 2005). Similarly, clothing brands benefit from reassuring its customers that some of its production processes are ethical, but the exact proportion of ethical processes does not appear particularly relevant to customers (Trudel & Cotte, 2009).

In addition, when particular percentages are rarely considered or otherwise unfamiliar, they tend to influence judgments less than they should. For example, Zikmund-Fisher, Fagerlin, and Ubel (2004) asked participants to judge the quality of fertility clinics based on their success rate (a percentage with a relatively unfamiliar distribution) and the amount of time it takes to travel to the clinic (an amount that is relatively easy to understand and put in context). When presented with a single fertility clinic, participants judged a clinic with a 33% success rate that is 15 minutes away to be of significantly higher quality than a clinic with a 40% success rate that is 45 minutes away.

However, the numerical details of cause marketing campaigns may matter when consumers simply encounter a cause marketing campaign that they are not actively participating in (e.g., as they would when viewing an ad or a promotional email). In these instances, when consumers are simply forming impressions of brands and are not actively motivated to find evidence of their own generosity, I anticipate that consumers will be more sensitive to variation in the percent-of-proceeds donated than to variation in maximum donation amounts. My rationale is that consumers observe many of these campaigns over time and have the opportunity to learn about the distributions of percent-of-proceeds donated and maximum donation amounts. Because there is generally less variation in the percent-of-proceeds donated from each purchase than in maximum donations (e.g., in Table 1, most percentages are clustered in the 1-10% range,

whereas there is more dispersion among maximum donation amounts), I anticipate that consumers are likely to have a better understanding of the (approximate) mode of the percent-of-proceeds distribution than of the mode of the maximum donation distribution. This reasoning suggests that consumers will form a stronger, more well-defined reference point from which to judge campaigns' percent-of-proceeds donated than to judge campaigns' maximum donation amounts (cf. Ericson & Fuster, 2011; Stewart, Chater, & Brown, 2006). This reasoning is consistent with attribute evaluability theory, which suggests that sensitivity to variation in the value of an attribute (i.e., the attribute's evaluability) is partly a function of knowledge of the attribute's distribution, such as its range or mean (Hsee & Zhang, 2010). For example, when given the opportunity to help save 2,000 or 20,000 birds, people donated about the same amount of money (Desvousges et al., 1993). When viewing only one quantity of birds, respondents apparently had difficulty spontaneously comparing that amount to a broader population of birds.

To summarize, I assume that aspects of the distribution of percentages donated are more familiar than aspects of the distribution of maximum donation amounts. Therefore, my central hypothesis is that the percent-of-proceeds donated from each purchase will be a stronger predictor (than maximum donation amounts) of perceptions of the brand (its perceived generosity and overall favorability). Because the percent-of-proceeds donated is generally not correlated with maximum donation amounts across campaigns (r = -.14 when excluding the Tiffany's outlier from Table 1), greater sensitivity to the percent-of-proceeds attribute would mean that brand generosity perceptions are unlikely to correlate with brands' actual generosity. In fact, a novel implication of my reasoning is that cause marketing campaigns may allow brands to appear highly generous without actually being highly generous (by pledging a high percent-of-proceeds and a low maximum donation).

I ran a pre-test to examine my key assumption that consumers have a better sense of the typical distribution of percentages donated than of the typical distribution of maximum donation amounts. I recruited 200 adults (51% female; mean age: 35) via Amazon Mechanical Turk (MTurk), and I told them that we examined 20 charitable donation campaigns by brands over the past five years (truthfully referring to the campaigns in Table 1, which participants did not see). I noted that these campaigns donated some percentage of their proceeds, up to some maximum donation amount. Participants then answered two multiple choice questions:

Which of the following percentages do you think was most common in this sample of 20 charitable campaigns?
Participants selected one of six options: 5%, 10%, 25%, 50%, 75%, or 100%.

Which of the following maximum donation amounts do you think was most common in this sample of 20 charitable campaigns?
Participants selected one of six options: $5,000, $10,000, $25,000, $50,000, $75,000, or $100,000.

Based on the 20 campaigns in Table 1, the correct answers to these questions are 5% and $50,000. As predicted, participants were significantly more likely to correctly answer the percentage question than the maximum donation question (35% vs. 20%, $\chi^2(1) = 10.61$, $p < .001$). (See Appendix A for all response frequencies.) This pre-test supports the assumption that consumers have a better sense of the typical distribution of percentages donated than of the typical distribution of maximum donation amounts.

I next present six studies testing my central hypothesis and investigating my proposed process and alternative accounts. Study 1 sought to establish the basic effect (that the percent-of-proceeds attribute is more predictive of brand perceptions than the maximum donation attribute). Study 2 aimed to rule out two alternative interpretations (that participants were uncertain brands

would reach their maximum donation and that the percent-of-proceeds attribute is more influential because it is presented first). Study 3 examined whether the effect is simply an artifact of consumers' reaction to firms that donate an extremely small percent-of-proceeds. In Studies 1-3, the paradigms featured more variation in the percent-of-proceeds attribute than in maximum donations. Study 4 explored whether consumers continue to be more sensitive to the percent-of-proceeds attribute than the maximum donation attribute when there is equal variation in the two attributes. Study 5 aimed to test whether simultaneous exposure to multiple cause marketing campaigns increases the evaluability of maximum donation amounts, thus eliminating the effect. Study 6 investigated whether biased generosity perceptions influence willingness to buy.

Study 1

Study 1 aimed to document initial evidence of consumers' greater sensitivity to the percent-of-proceeds attribute of cause marketing campaigns. In addition, the study aimed to assess for generalizability of brands. Participants read about a charitable campaign by a real brand. I selected Chipotle, Saks Fifth Avenue, and Nature's Way because these brands represent different product categories, and all had engaged in similar campaigns.

Procedure

I recruited 900 adults (49% female; mean age: 34) via MTurk to participate in exchange for a small payment. I told participants that I was interested in how consumers form impressions of companies based on limited information. I asked participants to imagine that a brand planned

to launch a charitable campaign. The study used a 3 (Brand: Chipotle, Saks Fifth Avenue, or Nature's Way) × 2 (Campaign Attributes: Lower%/Higher$ or Higher%/Lower$) between-subjects design. In the Lower%/Higher$ condition, the brand planned to donate 1% of its profits from each purchase, up to a maximum amount of $50,000. In the Higher%/Lower$ condition, the brand planned to donate 50% of its profits from each purchase, up to a maximum amount of $35,000. These numerical campaign attributes are within the normal range of similar campaigns (see Table 1). I selected these brands because they represent different product categories, and all had recently engaged in similar campaigns (Table 1). To most closely match the brands' recent campaigns, I specified a different recipient for each brand (i.e., Chipotle donated to Como Park Zoo, Saks Fifth Avenue donated to St. Jude Children's Hospital, and Nature's Way donated to the Rainforest Alliance). Participants viewed one planned charitable campaign from one brand.

Next, I asked participants to indicate their attitude favorability toward the brand, which is an important predictor of brand loyalty and willingness to pay a premium price for the brand (Thomson et al., 2005). In particular, participants evaluated the brand using four semantic differential items, ranging from *bad* (1) to *good* (7), *unfavorable* (1) to *favorable* (7), *dislikeable* (1) to *likeable* (7), and *disagreeable* (1) to *agreeable* (7). I averaged these four items to form a brand attitude favorability index ($\alpha = .94$).

Results and Discussion

As predicted, pooling across all brands, brand attitude favorability was significantly greater in the Higher%/Lower$ condition than in the Lower%/Higher$ condition ($M = 5.76$, $SD = 1.14$ vs. $M = 5.48$, $SD = 1.15$; $t(898) = 3.65$, $p < .001$, $d = .24$). If I focus on the individual

brands, the effect was significant for Chipotle (M = 5.69, SD = 1.07 vs. M = 5.38, SD = 1.20; $t(295) = 2.30$, $p = .022$), significant for Saks Fifth Avenue (M = 5.71, SD = 1.30 vs. M = 5.36, SD = 1.14; $t(310) = 2.57$, $p = .011$), and directional, but non-significant for Nature's Way (M = 5.89, SD = 1.01 vs. M = 5.72, SD = 1.08; $t(289) = 1.34$, $p = .181$). Thus, the majority of evidence in Study 1 suggests that brand attitude favorability is more strongly influenced by the percent of proceeds donated in charitable campaigns than to maximum donation amounts.

Study 2

Study 2 addressed two limitations produced by the naturalistic presentation of charitable campaigns in Study 1. First, participants in Study 1 may not have been completely sure that brands would reach and make their maximum donation. Study 2 therefore assured participants that the brand ultimately donated its maximum amount. Second, Study 1 presented the percent-of-proceeds attribute first, as is the case outside the lab (when companies pledge to donate X% of proceeds, up to $Y). However, this raises the question of whether participants were more sensitive to the percent-of-proceeds attribute because they paid greater attention to the first numerical information they encountered. Study 2 therefore counterbalanced which attribute appeared first.

Procedure

I recruited 600 adults (49% female; mean age: 33) via Amazon Mechanical Turk (MTurk) to participate in exchange for a small payment. I told participants that we were

interested in how consumers form impressions of companies based on limited information. In all conditions, I described a clothing retailer with annual profits of $10 million that had conducted a donation campaign over the past year to raise money for local charities.

I either described the retailer as donating 1% of its profits from each purchase, up to a maximum amount of $26,000 (Lower%/Higher$ condition) or donating 30% of its profits from each purchase, up to a maximum amount of $25,000 (Higher%/Lower$ condition). Because I noted that the retailer has annual profits of $10 million, it should be clear to participants that the retailer would ultimately donate the maximum amount. I emphasized this fact by noting that the retailer "ultimately donated that maximum amount." Thus, normatively, the retailer should be viewed as (slightly) more generous when they donate $26,000 than when they donate $25,000.

I also counterbalanced the order in which the campaign attributes were presented. Half of the participants were randomly assigned to view the percent-of-proceeds attribute first (e.g., in the Lower%/Higher$ condition, the retailer pledged to "donate 1% of its profits from each purchase, up to a maximum amount of $26,000"). The other half of participants were randomly assigned to view the maximum donation attribute first (e.g., in the Lower%/Higher$ condition, the retailer pledged to "donate up to a maximum amount of $26,000, based on 1% of its profits from each purchase"). See Appendix B for the full set of stimuli.

I then asked participants to indicate on 0-10 scales (where 0=*not at all* and 10=*very*) the extent to which they found the retailer to be generous, friendly, warm, and nice. I focus the analyses on the generosity item, but I also averaged these four item responses to form a perceived warmth index ($\alpha = .95$). The warmth index results are substantively identical to the generosity item results (see Appendix C). Next, I asked participants two open-ended recall questions: "What percentage of profits from each purchase did the company donate?" and "What

was the total amount of money the company ultimately donated?" Finally, participants provided demographic information.

Results and Discussion

I first conducted a factorial ANOVA treating generosity ratings as the dependent variable and numerical campaign attributes (Lower%/Higher$ vs. Higher%/Lower$) and attribute presentation order as independent variables. I found a significant main effect of numerical campaign attributes ($F(1,596) = 12.30$, $p < .001$). As predicted, perceived generosity was significantly greater when the company donated a higher percentage of profits and lower maximum amount than when the company donated a lower percentage of profits and higher maximum amount ($M = 6.69$, $SD = 2.57$ vs. $M = 5.93$, $SD = 2.73$; $t(598) = 3.49$, $p < .001$, $d = .29$). I observed this difference despite the fact that participants were assured that the retailers would ultimately donate their maximum amount. Normatively, I would expect the Lower%/Higher$ retailer to be viewed at least as generous as the Higher%/Lower$ retailer, if not slightly more generous.

There was no main effect of attribute presentation order ($F(1,596) = .12$, $p = .73$), and no interaction between numerical campaign attributes and attribute presentation order ($F(1,596) = 1.65$, $p = .20$). This suggests that greater sensitivity to the percent-of-proceeds attribute is not an artifact of attribute presentation order.

I also examined whether the percent-of-proceeds attribute was more memorable than the maximum donation attribute. Participants were not significantly more likely to correctly recall the percent-of-proceeds donated from each purchase than the maximum donation amount (90%

vs. 87%; $p = .10$, Fisher's Exact Test). If I focus only on the 486 participants who correctly recalled both attributes, perceived generosity was still greater in the Higher%/Lower$ condition ($M = 6.76$, $SD = 2.57$ vs. $M = 6.04$, $SD = 2.71$; $t(484) = 3.05$, $p < .01$, $d = .27$).

Study 2 provides evidence that, when presented with a description of a cause marketing campaign, consumers' perceptions of the brand's generosity are more sensitive to the percent-of-proceeds to be donated than to the maximum donation amount. As a result, the brand was viewed as significantly less generous when it was objectively more generous. This was not driven by the order in which the two key attributes were described or differences in the memorability of the two attributes.

Study 3

My explanation for the greater perceived generosity of the Higher%/Lower$ brand is that the percent-of-proceeds attribute is easier to evaluate and thus more influential. However, in Studies 1 and 2, the Lower%/Higher$ campaigns donated 1% of profits; it is possible that percentages are not generally easier to evaluate than (maximum) donation amounts. Rather, the 1% of profits donated in the Lower%/Higher$ condition may have appeared to be an insultingly trivial gesture. In other words, the effect may have been driven by reactions to the 1% figure in particular, rather than the greater evaluability of (all) percentages. Study 3, therefore, examined whether generosity perceptions are more sensitive to the percent-of-proceeds attribute even when that percentage is not trivially low.

Procedure

I recruited 600 adults (52% female; mean age: 34) via MTurk to participate in exchange for a small payment. I told participants that I was interested in how consumers form impressions of companies based on limited information. In all conditions, I described a clothing retailer with annual profits of $10 million that plans to conduct a donation campaign during the current fiscal year to raise money for local charities.

I randomly assigned participants to one of four conditions. Much like Study 1, half of participants were randomly assigned to either a Lower%/Higher$ condition (retailer donates 1% of profits from each purchase, up to a maximum amount of $26,000) or a Higher%/Lower$ condition (retailer donates 25% of profits from each purchase, up to a maximum amount of $25,000). I increased these percentages by 20% for the other half of participants. That is, the other half of participants were randomly assigned to a Lower%+20 condition (retailer donates 21% of profits from each purchase, up to a maximum amount of $26,000) or a Higher%+20 condition (retailer donates 45% of profits from each purchase, up to a maximum amount of $25,000). In all conditions, based on the retailer's annual profits of $10 million, it should be clear that the retailer would ultimately reach (and donate) the maximum amount.

After presenting the description of the retailer's cause marketing campaign, I asked participants to rate the extent to which they viewed the retailer as generous on a 0-10 scale, where 0=*not at all generous* and 10=*very generous*. I also asked participants to recall the percent-of-proceeds and maximum donation values from the campaign they had read about (two open-ended questions). As in Study 2, participants were not significantly more likely to correctly

recall the percent-of-proceeds value than the maximum donation value (90% vs. 87%; $p = .11$, Fisher's Exact Test). Finally, participants provided demographic information.

Results and Discussion

Consistent with Studies 1 and 2, generosity ratings were significantly greater in the Higher%/Lower$ condition than in Lower%/Higher$ condition ($M = 6.53$, $SD = 2.65$ vs. $M = 5.13$, $SD = 2.57$; $t(302) = 4.66$, $p < .001$, $d = .54$). Generosity ratings were also significantly greater in the Higher%+20 condition than in the Lower%+20 condition ($M = 6.72$, $SD = 2.70$ vs. $M = 5.97$, $SD = 2.70$; $t(294) = 2.37$, $p = .019$, $d = .28$).

These patterns suggest that the results obtained in Studies 1 and 2 were not merely driven by aversive reactions to a somewhat trivial donation of 1% of profits. Instead, these results suggest that generosity perceptions are generally more sensitive to the percent-of-proceeds attribute.

Study 4

The previous studies suggest that when consumers evaluate cause marketing campaigns, they are more sensitive to variation in the percent-of-proceeds attribute than variation in maximum donation amounts. However, it could be argued that this pattern is an artifact of my study designs, since there was always more variation in the percent-of-proceeds attribute (i.e., in my previous designs, the Higher%/Lower% ratio > the Higher$/Lower$ ratio). In Study 4, I explore whether consumers continue to be more sensitive to the percent-of-proceeds attribute

when there is equal variation in the two attributes (i.e., when the Higher%/Lower% ratio = the Higher$/Lower$ ratio).

Procedure

I recruited 591 adults (50% female; mean age: 31) via Prolific Academic, a U.K.-based crowdsourcing platform (for a comparison to MTurk, see Peer et al., 2016). I described Smith Co. as a "leading manufacturer of many popular goods, with annual profits of $50 billion." I said that the manufacturer recently conducted a donation campaign to raise money for national charities.

I randomly assigned participants to one of four conditions. I described the manufacturer as either donating 25% or 50% of its profits from each purchase, up to a maximum amount of either $1 million or $2 million. I then asked participants to rate the extent to which they viewed the manufacturer as generous on a 0-10 scale, where 0=*not at all generous* and 10=*very generous*.

Results and Discussion

Figure 1 displays mean perceived generosity by condition. I conducted a factorial ANOVA treating perceived generosity as the dependent variable and percent-of-profits and maximum donation amount as independent variables. I found a marginal main effect of percent-of-profits ($F(1,587) = 3.49$, $p = .062$). As predicted, perceived generosity was greater when the manufacturer donated 50% of profits than when the manufacturer donated 25% of profits (M =

6.97, $SD = 2.69$ vs. $M = 6.55$, $SD = 2.72$; $t(589) = 1.87$, $p = .062$). The effect size was smaller than those in my previous studies ($d = .154$), but the 90% confidence interval around the effect size excluded zero (.018, .289). The ANOVA revealed no main effect of maximum donation amount ($F(1,587) = .01$, $p = .94$) and no interaction between percent-of-profits and maximum donation amount ($F(1,587) = .05$, $p = .83$).

Thus, considering the full set of results, Study 4 supports my central hypothesis. When there is equal variation in the percent-of-profits and maximum donation attributes, I find modest evidence that participants are sensitive to variation in the percent-of-profits attribute and no evidence that participants are sensitive to variation in the maximum donation amount.

Study 5

A key assumption of the framework is that, over time, consumers become more familiar with the typical distribution of the percent-of-proceeds donated than the typical distribution of maximum donation amounts. An implication of that assumption is that simultaneously providing information about multiple cause marketing campaigns should particularly increase the evaluability of maximum donation amounts. When maximum donations become more evaluable, the objectively less generous campaign should no longer be viewed as more generous. Study 5 tests this implication.

Procedure

I recruited 297 adults (49% female, mean age: 33) via MTurk to participate in exchange for a small payment. As in previous studies, I told participants that I was interested in how consumers form impressions of companies based on limited information. In all conditions, I described a clothing retailer with annual profits of $10 million that plans to conduct a donation campaign during the current fiscal year to raise money for local charities.

I randomly assigned participants to one of three conditions. In two separate evaluation conditions, participants either learned of a cause marketing campaign that donates 1% of its profits from each purchase, up to a maximum amount of $40,000 (SE:Lower%/Higher$) or donates 20% of its profits from each purchase, up to a maximum amount of $10,000 (SE:Higher%/Lower$). In a third joint evaluation condition (JE), participants viewed both campaigns. The two campaigns were presented as the efforts of two different retailers (each with annual profits of $10 million). See Appendix D for the full stimuli.

In all three conditions, participants read that all donations would be made at the end of the fiscal year. I included this information to rule out the potential interpretation that the Higher%/Lower$ campaign could reach its target amount faster and donate faster than the Lower%/Higher$ campaign. In other words, I did not want the assumed speed of donation to be confounded with the numerical attributes of the campaign.

I then asked participants to indicate the extent to which they found the company to be generous on a 0-10 scale, where 0=*not at all generous* and 10=*very generous*. Then, for exploratory purposes, I included two items that Newman and Cain (2014) used to measure "morality" (moral, ethical) and two items used to measure "manipulativeness" (selfish,

manipulative). Participants rated these attributes on 0-10 scales. These ratings did not differ by condition (see Appendix E). Next, I asked participants to recall the percent-of-proceeds and maximum donation values from the donation campaign(s) they had read about (open-ended questions). As before, the percent-of-proceeds and maximum donation attributes were about equally likely to be recalled accurately, in both the separate evaluation and joint evaluation conditions (ps > .45).

Results and Discussion

Figure 2 displays perceived generosity by condition. Consistent with previous studies, in the separate evaluation conditions, perceived generosity was significantly greater in the SE:Higher%/Lower$ condition than in the SE:Lower%/Higher$ condition (M = 5.99, SD = 2.82 vs. M = 5.21, SD = 2.59; $t(197) = 2.03$, $p = .044$, $d = .29$). However, in the joint evaluation condition, where participants could see both campaigns, the numerical attributes of the campaign did not significantly influence perceived generosity (Higher%/Lower$ M = 6.17, SD = 2.38 vs. Lower%/Higher$ M = 6.44, SD = 2.52, $t(97) = 1.02$, $p = .31$). Using the analysis outlined in Hsee (1996, footnote 2), I found that this was a significant Separate Evaluation/Joint Evaluation interaction ($t(296) = 2.29$, $p = .023$). Thus, as predicted, I found the percent-of-proceeds attribute was more influential only when a single cause marketing campaign was evaluated in isolation (which is likely how consumers encounter cause marketing campaigns in the real world – i.e., one at a time). The percent-of-proceeds attribute is less influential when consumers have salient comparison information that makes the maximum donation attribute more evaluable.

Study 6

Study 6 examines whether numerical attributes of cause marketing campaigns uniquely influence perceptions of brands' generosity or have broader implications. Specifically, I investigate whether these attributes also influence perceptions of the brand's competence, and whether generosity and competence perceptions influence willingness to buy (e.g., interest in buying, overall impressions, the most they would be willing to pay) for the brand's products. I did not expect generosity and competence perceptions to respond similarly to numerical attributes of cause marketing campaigns (cf. Aaker, Vohs, & Mogilner, 2010). However, I did anticipate that the brand's products would have a higher willingness to buy (WTB) when the brand was viewed as more generous. For example, Chernev and Blair (2015) found that a corporation's charitable donations enhanced the perceived performance of its products, as long as those donations were apparently driven by benevolent motives.

Procedure

I recruited 291 student and staff members (59% female, mean age: 26) of a paid participant pool at a large Midwestern university. I described a clothing retailer with annual profits of $10 million that recently conducted a donation campaign to raise money for local charities. I either described the retailer as donating 1% of its profits from each purchase, up to a maximum amount of $26,000 (Lower%/Higher$ condition) or donating 30% of its profits from

each purchase, up to a maximum amount of $25,000 (Higher%/Lower$ condition). I noted that the retailer "ultimately donated that maximum amount."

I asked participants to rate the extent to which the retailer was generous, warm, and kind on 0-10 scales (0=*not at all* and 10=*very*). I focused my analyses on the generous item, but if I average the three items to form a warmth index (α = .90; cf. Aaker, Vohs, & Mogilner, 2010), the results are substantively identical, as described below. I also asked participants to rate the extent to which the retailer was competent, effective, and efficient on 0-10 scales. I averaged these three items to form a competency index (α = .79; cf. Aaker, Vohs, & Mogilner, 2010). The six items were presented in random order.

Next, I displayed a picture of a unisex sweater ostensibly made by the clothing retailer (see Figure 3). I asked participants to indicate how interested they would be in buying the sweater on a 0-10 scale (where 0=*not at all* and 10=*very much*), to indicate their overall impression of the sweater on a 0-10 scale (where 0=*negative* and 10=*positive*), and to indicate the most they would be willing to pay for the sweater (an open-ended question where participants could indicate any amount). These items were adapted from Aaker, Vohs, & Mogilner (2010). I standardized these three measures and averaged them to form a product WTB index (α = .78).

Results and Discussion

Perceived generosity was significantly greater in the Higher%/Lower$ condition than in the Lower%/Higher$ condition (M = 6.10, SD = 2.51 vs. M = 5.01, SD = 2.52; $t(289) = 3.70$, $p <$

.01, d = .43). Perceived competence did not significantly differ between the two conditions (M = 6.83, SD = 1.62 vs. M = 6.59, SD = 1.66; t(289) = 1.24, p = .22).

I next ran a mediation model (model 4, Hayes, 2013), treating numerical campaign attributes (Lower%/Higher$ vs. Higher%/Lower$) as the independent variable, perceived generosity as the mediator, and WTB as the dependent variable. (Figure 4 summarizes the results).

There was no significant direct effect (-.023, SE: .099, p = .82, 95% confidence interval: -.217, .172). As predicted, I found a significant indirect effect of numerical campaign attributes on WTB, via perceived generosity (indirect effect: .051; SE: .026; 95% confidence interval: .013, .117). In other words, perceived generosity was especially likely to be generated by the campaign that pledged to donate a high percent-of-proceeds, and this perceived generosity in turn is positively associated with WTB for one of the brand's products.

I also explored perceived warmth. Perceived warmth was significantly greater in the Higher%/Lower$ condition than in the Lower%/Higher$ condition (M = 5.92, SD = 2.14 vs. M = 5.12, SD = 2.13; t(289) = 3.18, p < .01, d = .37).

I ran a mediation model (model 4, Hayes, 2013), treating numerical campaign attributes (Lower%/Higher$ vs. Higher%/Lower$) as the independent variable, perceived warmth as the mediator, and WTB as the dependent variable (Figure 5 summarizes the results).

There was no significant direct effect (-.024, SE: .098, p = .81, 95% confidence interval: -.217, .169). There was a significant indirect effect of numerical campaign attributes on WTB the product, via perceived warmth (indirect effect: .053; SE: .025; 95% confidence interval: .014, .115). These analyses suggest that numerical attributes of cause marketing campaigns not only

specifically influence perceived generosity, but also have a broader influence on perceived warmth.

Thus, considering the full set of results, Study 6 supports that hypothesis that perceived generosity was especially likely to be generated by the campaign that pledged a high percent-of-proceeds, and this perceived generosity in turn enhanced willingness to buy one of the brand's products. In addition, attributes of cause marketing campaigns not only specifically influence perceived generosity, but also have a broader influence on perceived warmth.

General Discussion

A recent report by Engage for Good (a popular cause marketing forum; Chansky, 2015) expressed concern that, in cause marketing campaigns, a "generous-sounding percentage" of proceeds can be "misleading" and "naturally, what matters, is the actual amount donated." My work suggests that this concern is well-placed. In six studies, I found that brands were viewed as more generous when donating a higher percent-of-proceeds and a lower maximum amount than when donating a lower percent-of-proceeds and a higher maximum amount (Studies 1-6). This occurred despite descriptions that made it clear that the brand would ultimately make its maximum donation. The effect is not driven by the order in which campaign attributes are presented or the memorability of the attributes (Study 2) and is not limited to cases in which the percent donated is obviously low (Study 3). When there is equal variation in the percent-of-proceeds and maximum donation attributes, variation in percent-of-proceeds marginally predicts generosity perceptions, whereas variation in maximum donation amounts does not predict generosity perceptions (Study 4). However, the presence of comparative context (provided here

by simultaneously exposing people to multiple cause marketing campaigns) especially helps people evaluate the maximum donation attribute and reduces the undue influence of the percent-of-proceeds attribute (Study 5). The perceived generosity generated by a campaign that donates a high percent-of-proceeds can spill over to influence willingness to buy the brand's products (Study 6).

One conceivable alternative account for my central finding could be that the description of the maximum donation was somehow incomprehensible. The inability to understand the description of the maximum donation amount could cause participants to discount this attribute and overweight the percent-of-proceeds attribute. This seems unlikely, but I ran a post-test on MTurk (N = 101) to verify that the cause marketing campaign descriptions were clear (see Appendix F). I described a retailer with annual profits of $10 million that was considering launching one of two possible cause marketing campaigns: donate 1% of profits from each purchase, up to a maximum amount of $26,000 or donate 25% of profits from each purchase, up to a maximum amount of $25,000 (two campaigns from Study 2). For each campaign, I noted that the retailer "is expected to reach this maximum amount." I then asked participants which campaign "would collect more money for the charity?" I (truthfully) told participants that "there is a mathematically correct answer to this question. If you select the mathematically correct answer, we will add a $1 bonus to your earnings." Most participants (82%; $p < .0001$, sign test) correctly indicated that the campaign with a maximum donation of $26,000 would raise more money for charity. Thus, it appears that my campaign descriptions were sufficiently comprehensible.

My work joins a growing body of research that examines when brands receive less or more credit for their charitable efforts than they deserve. For example, Newman and Cain (2014)

demonstrate that a brand is viewed less favorably when it is known to profit from its charitable efforts than when it engages in no charitable efforts at all, highlighting a situation in which a brand receives insufficient credit for its charitable efforts (cf. Chernev & Blair, 2015). By contrast, Olsen, Pracejus, and Brown (2003) demonstrate that brands get too much credit for their charitable efforts when they donate some percentage of profits rather than some percentage of sales. For example, a brand that donates 5% of its profits is viewed as positively as a brand that donates 5% of its sales, even though per-purchase donations must be larger when donating a percent of sales. Relatedly, I find that consumers are more responsive to the percent-of-proceeds donated than to maximum donation amounts, even when the latter attribute should be more influential. A potentially important and troubling implication of this finding is that cause marketing campaigns may allow brands to appear highly generous without actually being highly generous (by pledging a high percent-of-proceeds and a low maximum donation).

Future research could build on this work by examining alternative explanations and alternative charitable campaign formats. I elaborate on these possibilities below.

Investigating alternative explanations

One potential alternative account for greater sensitivity to variation in the percent-of-proceeds attribute is that consumers are primarily interested in how much they themselves (or other comparable consumers) can donate by making a purchase. In other words, brands that donate a high percent-of-proceeds per purchase might be viewed as particularly generous because they help consumers make a larger individual impact with their purchases. One way to distinguish between the two accounts could be to manipulate both the percent-of-proceeds

donated in a particular campaign and the perceived distribution of percent-of-proceeds donated across campaigns. For example, imagine that Brand A donates 50% of proceeds from each purchase when the modal donation across all campaigns is 25% of proceeds from each purchase, whereas Brand B donates 35% when the modal donation is 10%. From an attribute evaluability perspective, both brands should be viewed as about equally generous. However, if consumers are mainly focused on how much personal impact the brand helps them make, then Brand A should be viewed as more generous. In reality, both attribute evaluability and a focus on the potential for personal impact may influence how consumers respond to brands' charitable efforts. This may be one reason why the two charitable campaigns in Study 5 (donating 1% of proceeds, up to $40,000, and donating 20% of proceeds, up to $10,000) were viewed as similarly generous when compared side-by-side.

Relatedly, perhaps the greater sensitivity to variation in percent-of-proceeds attribute is due to a higher perceived risk that the brand takes on when they employ a higher percent-of-proceeds. In other words, the riskier the generosity is perceived to be, the more the brand would be perceived as generous. In Study 2, participants learned about campaigns that have already concluded. They were told that the retailer ultimately donated the maximum amount; this should reduce uncertainty as well as alleviate concern for adverse consequences of the brand employing a higher percent-of-proceeds.

Future research could also investigate the possible role of skepticism in consumers' reactions to cause marketing campaigns. The larger maximum donation amounts are, the more consumers may be skeptical that the brand will reach that maximum amount and/or actually follow through with donating the money (Studies 2 and 3 tried to assure participants that the

brands would make their maximum donations, but participants may have been skeptical of those claims.).

Investigating alternative charitable campaign formats

Although the type of campaign I investigated is common, there are other campaign formats that warrant investigation. Some brands donate a monetary amount per purchase, up to a maximum amount (e.g., in 2015, JCPenney donated $1 per purchase, up to $15,000). To the extent that consumers are more familiar with the distribution of the small amounts of money donated per purchase, I would expect participants to be more sensitive to the amount donated per purchase. In addition, some brands pledge donation minimums rather than maximums. For example, in 2017, Alex and Ani pledged to "donate 20% of the purchase price…with a minimum donation of $25,000." Such campaigns raise the question of whether donation minimums or donation maximums more effectively boost perceived generosity. A minimum donation may be a stronger signal of generosity because potential giving is limitless. However, a maximum donation will generally be a larger amount than a minimum donation, and consumers may not attend carefully to the maximum-versus-minimum distinction. Questions like these seem worthy of future research.

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Tables

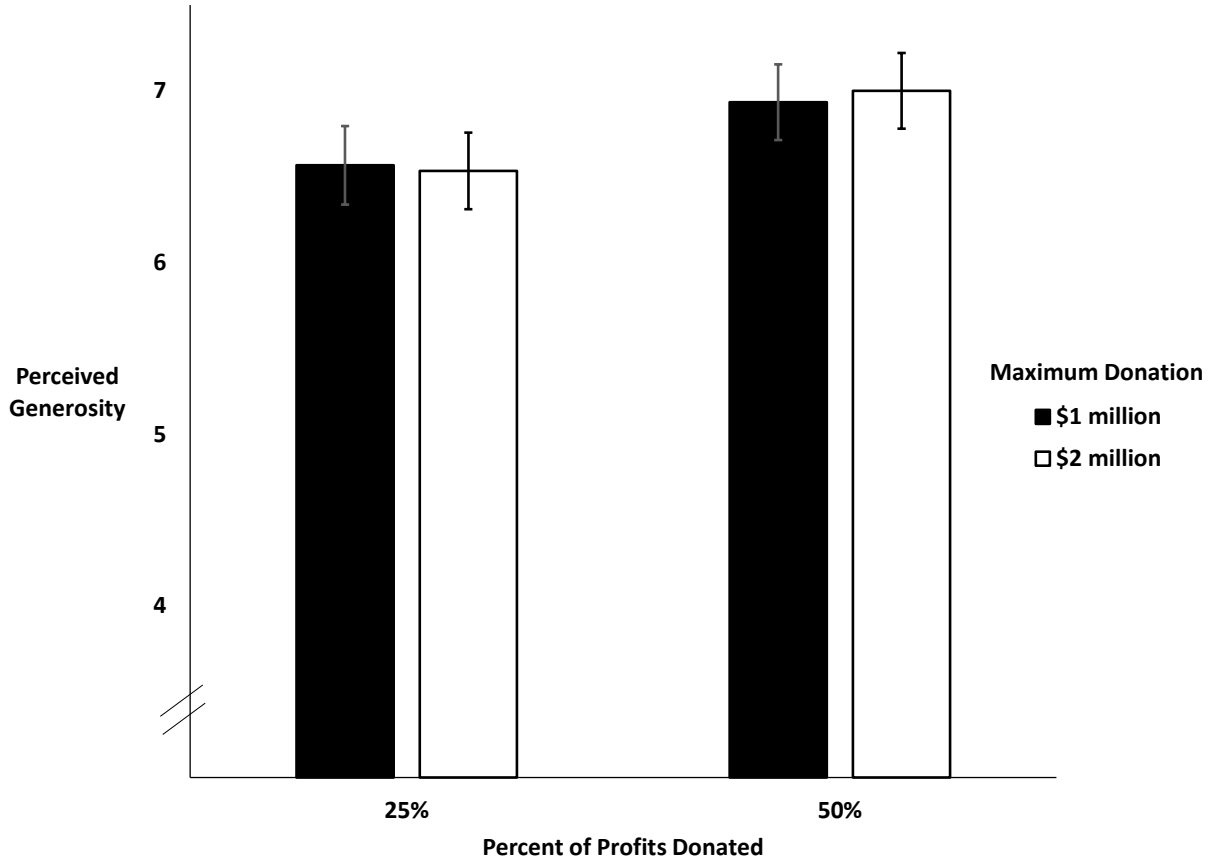
Table 1: Examples of recent cause marketing campaigns that donate a percent of proceeds, up to a maximum amount

Company	Percentage donated	Percentage is multiplied by this quantity	Maximum donation	Campaign year	Donation recipient
Tiffany & Co.	100%	profits	$1,000,000	2018	Elephant Crisis Fund
Chipotle	50%	proceeds	$35,000	2015	Como Park Zoo & Conservatory
Soma Intimates	50%	proceeds	$20,000	2013	Children's Miracle Network Hospitals
Lululemon	50%	profits	$200,000	2017	Downtown Boxing Gym
Boston Proper	25%	net proceeds	$10,000	2015	CMN Hospitals
Cracker Barrel	20%	sales	$75,000	2017	Operation Homefront
Alex and Ani	15%	sales	$50,000	2016	Children's Miracle Network Hospitals
Avon	15%	sales	$750,000	2018	American Cancer Society
Ann Taylor	10%	sales	$75,000	2017	Breast Cancer Research Foundation
Glassybaby	10%	sales	$25,000	2016	Conservation International's 'Protect an Acre' campaign
Saks Fifth Avenue	5%	sales	$25,000	2015	St. Jude Children's Research Hospital
Home Shopping Network	5%	sales	$50,000	2015	Habitat for Humanity
Brooks	5%	wholesale cost	$50,000	2017	National Park Foundation
Banana Republic	5%	sales	$500,000	2014	Community organizations
Meijer	3%	sales	$400,000	2017	Children’s gift-giving programs throughout the Midwest
Kate Spade	2%	sales	$120,000	2016	Rwandan health clinic
Nature's Way	1%	sales	$100,000	2016	Rainforest Alliance
Gymboree	1%	sales	$50,000	2015	KaBOOM!
Nike	1%	sales	$300,000	2017	Marathon Kids
Subway	1%	sales	$10,000	2017	Regional Food Bank of Oklahoma

Note: Some of these campaigns only applied to certain locations or product lines (e.g., the Chipotle promotion was based on proceeds from Chipotle locations in Minnesota; the Nike promotion was based on sales of Nike Gift Cards).

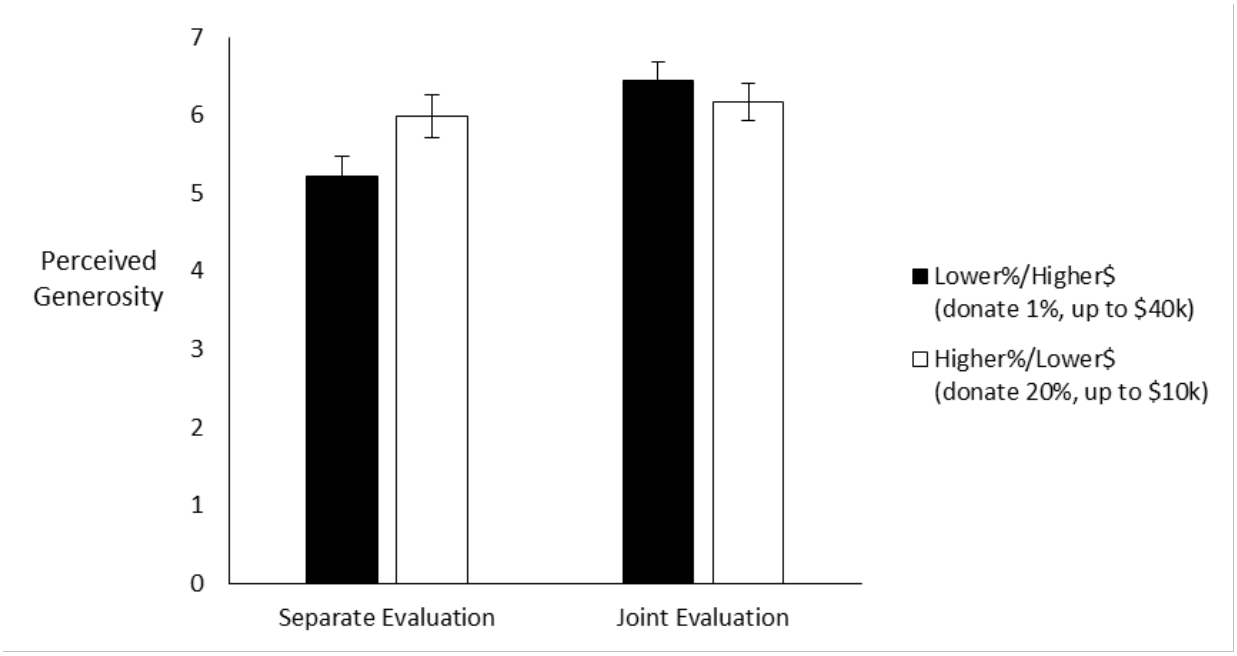
Figures

Figure 1: Mean perceived generosity by condition (Study 4)



Note: Error bars represent ±1 standard error from the mean.

Figure 2: Mean perceived generosity by condition (Study 5)



Note: Error bars represent ±1 standard error from the mean.

Figure 3: Product description (Study 6)

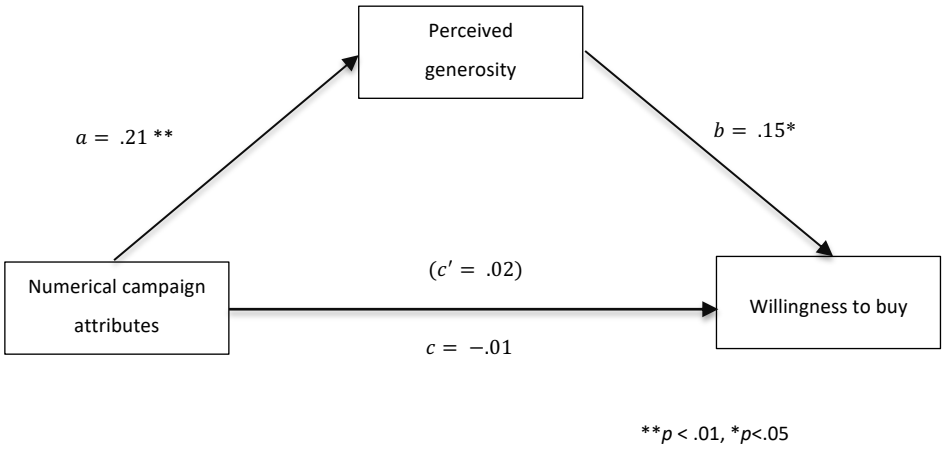
Below is a sweater from Smith Co.

Smith Co. MIDDLE GAUGE CABLE CREWNECK SWEATER



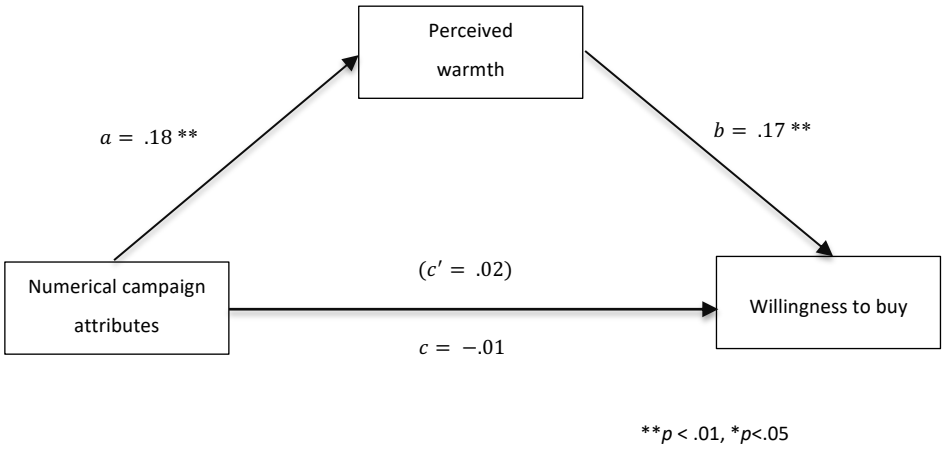
・Knit cable pattern in authentic aran sweater style
・Made with a soft, lightweight acrylic wool blend
・Features improved resistance to pilling

Figure 4: Mediation model (model 4, Hayes, 2013), treating numerical campaign attributes as the independent variable, perceived generosity as the mediator, and willingness to buy as the dependent variable.
(Study 6)



Note: Regression weights are standardized. Numerical campaign attributes = 1 for the Higher%/Lower$ condition and 0 for the Lower%/Higher$ condition.

Figure 5: Mediation model (model 4, Hayes, 2013), treating numerical campaign attributes as the independent variable, perceived warmth as the mediator, and willingness to buy as the dependent variable.
(Study 6)



Note: Regression weights are standardized. Numerical campaign attributes = 1 for the Higher%/Lower$ condition and 0 for the Lower%/Higher$ condition.

Appendices

Appendix A

Table 2: Pre-Test: Percentage of participants selecting each multiple choice option for percent-of-proceeds
(*indicates the correct answer)

Which of the following percentages do you think was most common in this sample of 20 charitable campaigns?

Multiple choice option	Percent of participants selecting that option
5%*	34.5%
10%	31.0%
25%	18.5%
50%	9.5%
75%	5.5%
100%	1.0%

Table 3: Pre-Test: Percentage of participants selecting each multiple choice option for maximum donation amounts
(*indicates the correct answer)

Which of the following maximum donation amounts do you think was most common in this sample of 20 charitable campaigns?

Multiple choice option	Percent of participants selecting that option
$5,000	20.0%
$10,000	20.0%
$25,000	25.0%
$50,000*	20.0%
$75,000	5.0%
$100,000	10.0%

Appendix B

Study 2: Complete stimuli

Imagine that Smith Co. launched a donation campaign to help raise money for local charities. Smith Co. is a clothing retailer with annual profits of $10 million.

Lower%/Higher$, Percent-of-proceeds first condition:

During this past fiscal year, Smith pledged to donate 1% of its profits from each purchase, up to a maximum amount of $26,000. Smith ultimately donated that maximum amount.

Higher%/Lower$, Percent-of-proceeds first condition:

During this past fiscal year, Smith pledged to donate 30% of its profits from each purchase, up to a maximum amount of $25,000. Smith ultimately donated that maximum amount.

Lower%/Higher$, Maximum donation first condition:

During this past fiscal year, Smith pledged to donate up to a maximum amount of $26,000, based on 1% of its profits from each purchase. Smith ultimately donated that maximum amount.

Higher%/Lower$, Maximum donation first condition:

During this past fiscal year, Smith pledged to donate up to a maximum amount of $25,000, based on 30% of its profits from each purchase. Smith ultimately donated that maximum amount.

Appendix C

Study 2: Perceived warmth analyses

I conducted a factorial ANOVA treating warmth index ratings as the dependent variable and the campaign attributes and attribute presentation order as the independent variables. I found a significant main effect of numerical campaign attributes ($F(1,596) = 14.75$, $p < .001$). Specifically, perceived warmth was significantly greater when the company donated a higher percentage of profits and lower maximum amount than when the company donated a lower percentage of profits and higher maximum amount ($M = 6.85$, $SD = 2.11$ vs. $M = 6.16$, $SD = 2.29$; $t(598) = 3.84$, $p < .001$, $d = .31$). I found no main effect of attribute presentation order ($F(1,596) = .09$, $p = .77$), and no interaction ($F(1,596) = 1.49$, $p = .22$). Thus, much like specific ratings of generosity, more general ratings of warmth also appear to be more sensitive to the percent-of-proceeds attribute.

Appendix D

Study 5: Complete stimuli

Separate evaluation conditions:

Imagine that Smith Co. is launching a donation campaign to help raise money for local charities. Smith Co. is a clothing retailer with annual profits of $10 million.

SE:Higher%/Lower$ condition:

As part of the campaign, the company will donate 20% of its profits from each purchase, up to $10,000 in total donations. All donations will be made at the end of the fiscal year.

SE:Lower%/Higher$ condition:

As part of the campaign, the company will donate 1% of its profits from each purchase, up to $40,000 in total donations. All donations will be made at the end of the fiscal year.

Joint evaluation condition:

Imagine that Smith Co. and Williams Inc. are launching donation campaigns to help raise money for local charities. Smith Co. is a clothing retailer with annual profits of $10 million. Williams Inc. is also a clothing retailer with annual profits of $10 million.

As part of its campaign, Smith Co. will donate 20% of its profits from each purchase, up to $10,000 in total donations. All donations will be made at the end of the fiscal year.

As part of its campaign, Williams Inc. will donate 1% of its profits from each purchase, up to $40,000 in total donations. All donations will be made at the end of the fiscal year.

Appendix E

Study 5: Exploratory items and recall measures

After measuring our central DV (perceived generosity), I included two items Newman and Cain (2014) used to measure "morality" (moral, ethical) and two items used to measure "manipulativeness" (selfish, manipulative). Participants rated these attributes on 0-10 scales. None of these exploratory items differed significantly between the Higher%/Lower$ and Lower%/Higher$ conditions, in either separate evaluation or joint evaluation:

Table 4: Means (and standard deviations) in separate evaluation conditions

	SE:Lower%/Higher$	*SE:Higher%/Lower$*	*t*-test
moral	6.62 (2.01)	6.51 (2.44)	$t(197) = .33$, $p = .74$
ethical	6.59 (1.95)	6.58 (2.52)	$t(197) = .02$, $p = .99$
selfish	5.87 (2.47)	5.86 (3.08)	$t(197) = .02$, $p = .98$
manipulative	4.00 (2.60)	4.21 (2.95)	$t(197) = .53$, $p = .60$

Table 5: Means (and standard deviations) in joint evaluation condition

	JE:Lower%/Higher$	*JE:Higher%/Lower$*	*t*-test
moral	6.17 (2.21)	6.55 (2.14)	$t(97) = 1.85$, $p = .07$
ethical	6.33 (2.16)	6.51 (2.18)	$t(97) = 1.00$, $p = .32$
selfish	4.08 (2.75)	3.79 (2.64)	$t(97) = 1.07$, $p = .29$
manipulative	4.16 (2.84)	4.21 (2.63)	$t(97) = .18$, $p = .86$

Finally, I asked participants to recall the percent-of-proceeds and maximum donation values from the donation campaign(s) they had read about (open-ended questions). As in Study 2, the percent-of-proceeds and maximum donation attributes were about equally likely to be recalled accurately, in both the separate evaluation and joint evaluation conditions ($ps > .45$).

Appendix F

Comprehension test (described in General Discussion): Complete stimuli

Imagine that Smith Co. is launching a donation campaign to help raise money for local charities. Smith Co. is a clothing retailer with annual profits of $10 million.

Smith Co. is considering one of the following two campaigns:

Campaign 1: As part of the campaign, the company will donate 1% of its profits from each purchase, up to a maximum amount of $26,000. Smith is expected to reach this maximum amount. All donations will be made at the end of the fiscal year.

Campaign 2: As part of the campaign, the company will donate 25% of its profits from each purchase, up to a maximum amount of $25,000. Smith is expected to reach this maximum amount. All donations will be made at the end of the fiscal year.

Which of the following two campaigns would collect **more money for the charity**?

Please note that there is a mathematically correct answer to this question. **If you select the mathematically correct answer, we will add a $1 bonus to your earnings.**

[Participants could click a radio button next to Campaign 1 or Campaign 2]

Campaign 1: As part of the campaign, the company will donate 1% of its profits from each purchase, up to a maximum amount of $26,000. Smith is expected to reach this maximum amount. All donations will be made at the end of the fiscal year.

Campaign 2: As part of the campaign, the company will donate 25% of its profits from each purchase, up to a maximum amount of $25,000. Smith is expected to reach this maximum amount. All donations will be made at the end of the fiscal year.

CHAPTER III

Coping with Opportunities for Minimal Generosity

Whether shopping in stores or online, consumers are often inundated with requests (by cashiers or checkout prompts) to donate to charitable causes. For example, retailers such as *Whole Foods*, *Ulta Beauty*, *Macy's*, *Petco*, and *Abercrombie & Fitch* run "roundup" donation campaigns, where they ask customers at checkout whether they would like to round up their purchase to the next whole dollar and donate the difference to charity. This translates to potential donations of one cent to one dollar. In other words, if a customer makes a $199.99 purchase, that customer would have the opportunity to donate one penny to charity (for sample transaction receipts, see Figure 6). I investigate how consumers perceive their own generosity after encountering an unavoidable request for a "minimal donation" (defined here as a monetary donation of one dollar or less).

Minimal donation campaigns, such as the roundup donation campaigns, are increasing in popularity among retailers because these campaigns are perceived to be scalable and effective (Wallen, 2017). The campaign engages customers to donate spare change – a few pennies might seem negligible when customers have just spent a relatively larger amount. Despite its perceived effectiveness, requests for minimal donations limit customers' donation opportunities to small change – an arguably negligible amount. Indeed, research on the temporal reframing of transaction from an

aggregate expense to a series of small daily expenses has documented the effectiveness of framing charitable donation appeals as costing "pennies a day" (PAD) precisely because it categorizes the transaction as small ongoing expenses (e.g., coffee and lottery tickets). These small expenses are typically thought of as trivial and affordable, and can subsequently influence transaction (i.e., donation) compliance (Gourville, 1998).

In addition to being minimal, the request is also unavoidable. The request is usually administered after the cashier has scanned and tallied all of items that the customer would like to purchase. Under circumstances that might allow customers to evade the request altogether (see Andreoni, Rao, & Trachtman, 2011; Lin, Schaumberg, & Reich, 2016), they would have an opportunity to avoid a situation in which their moral character would be tested (i.e., donating a trivial amount or keeping the money). However, at the checkout counter, avoiding the request is not an option. With this in mind, I propose that when customers encounter an unavoidable minimal donation request, an unintended consequence of refusal or compliance is diminished evaluations of customers' own generosity.

Research on prosocial requests (Cain, Dana, & Newman, 2014, DellaVigna, List, & Malmendier, 2012; Lin, Schaumberg, & Reich, 2016; Pancer, McMullen, Kabatoff, Johnson, & Pond, 1979) suggests that people generally find these requests to be aversive. However, people do not like to feel selfish (Berman & Small, 2012), and they are motivated to maintain a perception that they are good and moral (Aquino & Reed, 2002). As such, people often go to great lengths to avoid prosocial requests (Cain, Dana, & Newman, 2014). Circumventing such requests allows people to avoid feeling obligated to help others. This avoidance behavior is motivated by the fear of feelings of self-

condemnation for failing to act in accordance with personally accepted moral standards (Lin et al. 2016) or the fear of public censure (Andreoni, Rao, & Trachtman, 2016; Dana, Cain, & Dawes, 2006; DellaVignna, List, & Malmendier, 2012). For example, Andreoni, Rao, and Trachtman (2016) placed Salvation Army bell ringers in front of a busy urban grocery store with two main doors. Their analysis of traffic patterns in and out of the store suggests that people systematically adjust their routes away from the bell ringers who engage verbally or make eye contact with passersby. Thus, people seem to take extra efforts in order to avoid being asked to make a donation.

People's inclination to avoid prosocial requests seems to be present even in private, anonymous contexts (Lin et al. 2016). This is presumably because even in private contexts, refusing to comply with a charity request produces psychological costs of feeling selfish. Refusal, therefore, threatens people's self-perceived generosity as it makes salient that one has failed to take advantage of an opportunity to behave in a generous manner.

What happens when an appeal is for a minimal amount? Previous work on small requests or token acts of generosity has examined the effect of the size of a requested donation amount on the average donation contribution and on the rate of compliance with a subsequent, larger request. For example, legitimizing small requests by adding "even a penny will help" to the request (rather than directly asking for minimal donations) can increase the frequency of compliance with the request (Cialdini & Schroeder, 1976; Fraser, Hite, & Sauer, 1988), but larger requests or anchors can increase total contributions (Doob & McLaughlin, 1989; Fraser, Hite, & Sauer, 1988). Further, research on small requests shows that people can derive value from minimal donations. For

example, the opportunity for public token displays of support for a cause (e.g., signing a petition and liking a social media post) can provide people with moral credentials (i.e., establishes one's virtue) and license selfish and morally questionable behavior (Khan & Dhar, 2006; Kristofferson, White, & Peloza, 2014). However, the public nature (i.e., high social observability) of the gesture makes salient impression management concerns (i.e., desire to present oneself in a positive light to others; Leary & Kowalski, 1990), rather than self-perception concerns that are of central interest to this research.

Additionally, the opportunity for private token displays of support for a cause can serve as a self-signal that people's values are in line with the cause's values (Kristofferson et al. 2014). However, the private nature (i.e., low social observability) of the gesture makes salient self-consistency concerns (i.e., motivation to maintain consistency between past and future behaviors; Aronson 1968; Festinger, 1957) and might motivate people to subsequently engage in behavior that is congruent with the initial token gesture. Despite this potential increase in future altruistic behavior, it remains unclear whether people's self-evaluative judgments have changed as a result of the token gesture.

There are certainly reasons to anticipate that any response to minimal donation requests could negatively affect consumers' self-perceived generosity. Extant research has documented evidence suggesting that refusing a prosocial request can increase people's feelings of guilt and shame (Lin and Reich, 2017; Xu, Bègue, & Bushman, 2012). Moreover, there are indications that on some level, people anticipate feeling bad when they are given the opportunity to donate a small amount to a cause. For example, in pay-what-you-want (PWYW) pricing schemes, consumers are more likely to forgo the

opportunity to buy a product when 50% of their payment will go to charity than when nothing goes to charity. Consumers opt-out of buying the product or service for fear that they would send a negative self-signal by donating too little. Those few who did make a purchase paid, on average, five times more when 50% of the payment went to charity than when no amount went to charity (Gneezy, Gneezy, Riener, & Nelson, 2012). In essence, consumers had a desire to avoid making a minimal donation in anticipation of feeling bad about donating a small amount. Accordingly, I propose that when confronted with an unavoidable prosocial request (i.e., at checkout) for a minimal donation, customers who comply with the request (and certainly those who refuse the request) may perceive that donating a minimal amount is lacking – that their actions may not have meaningfully help others – and, subsequently, reduce self-perceived generosity.

Self-perceived generosity should be based on a lifetime of data, and any response (e.g., refusal or compliance) to a request for a minimal donation should not substantially influence this self-perception. Despite this, there are certainly reasons to anticipate that a response to appeals of minimal amounts would adversely affect customers' self-perceived generosity. Prosocial requests for a minimal donation provide customers with two options. The first option is to refuse the request; by doing so, customers might incur psychological costs, such as appearing selfish to others and/or to themselves. The second option is to comply with the request; doing so might not result in substantial financial costs but might lead customers to experience psychological costs. The rationale is that a minimal donation could be interpreted as trivial and lacking; through a self-perception process in which customers infer their own generosity from observing their donation behavior (Bem, 1972), and by potentially ignoring situational constraints imposed by the

minimal donation request, customers could overestimate the role of dispositional factors when making judgments about their own generosity (i.e., fundamental attribution error; Gilbert & Jones, 1986; Ross, 1977).

For example, a refusal could signal to customers that they are the type of person who failed to donate such a negligible amount to charity, and compliance could signal to customers that they are the type of person who would donate such a measly amount to charity. Despite that only a minimal amount would be requested, and so customers only have the opportunity to donate a minimal amount, customers who comply with (or refuse) the request could make inferences about their self-perceived generosity based on the minimal amount that they had donated (or refused to donate) and arrive at the conclusion that they are stingy or ungenerous.

In addition, I also explore perceived impact as a potential mechanism of the proposed effect. Specifically, I hypothesize that participants' assessments of the impact of the donation amount will mediate the effect of minimal donation requests on self-perceived generosity. I make this predication by drawing on prior work on perceived efficacy (Sharma & Morwitz, 2016). Sharma and Morwitz (2016) categorized perceived efficacy into two categories: perceived self-efficacy (e.g., the belief that one can take steps to achieve an objective) and perceived response efficacy (e.g., the belief that the steps can be effective). In other words, self-efficacy has to do with the belief in one's ability and response efficacy has to do with the belief about outcome expectations. They found that boosting self-efficacy positively boosts response efficacy and influences people's belief that their charitable actions can make an impact.

In the context of this research, the donation is limited to a minimal amount; a

single customer's action (i.e., donation) might not be perceived to be as effective as a retailer's action to help a charity achieve its objectives. In other words, my assumption is that a customer's self-efficacy perception is lower than that of a retailer's. After all, one customer could only do so much, but a retailer can do so much more. Therefore, a minimal donation from a customer could be perceived as having a lower impact than a minimal donation from a retailer. Taken together, I hypothesize that participants' assessments of the impact of the donation amount will mediate the effect of minimal donation requests on self-perceived generosity.

I next present three studies testing my central hypothesis and investigating the underlying process. Study 1 sought to establish the basic effect (that an unavoidable prosocial request for a minimal donation (vs. no request) reduces self-perceived generosity) in the field. Study 2 investigated the basic effect in a controlled lab setting and explored whether the perceived impact of the donation amount underlies the relationship between donation request and self-perceived generosity. Study 3 sought to test whether reduced self-perceived generosity specifically pertains to responding to (e.g., compliance or refusal) minimal donation requests or whether it pertains to responding to larger donation amounts as well.

Study 1

Study 1 aimed to document initial evidence that minimal prosocial requests lead to lower self-perceived generosity. I set out to examine roundup donation requests in a field setting. I received permission from a national beauty retailer to conduct an

observational field study at one of their stores located in the Midwest. This retailer originally had planned to run a roundup donation campaign; however, they unexpectedly switched to $1 donation requests. Due to this change, I had the opportunity to examine $1 donation requests in a field setting. Because $1 is the upper limit of roundup donation campaigns, this serves as a conservative test of my hypothesis. During a two-week period, the retailer ran a Breast Cancer Research donation campaign in which they asked customers at checkout if they would like to donate $1 to support the charity. In other words, after ringing up customers' purchases, cashiers administered a donation request to customers by asking if they would like to "donate $1 to help support breast cancer research."

During the data collection period, not all customers were asked to make a donation. Cashiers might not have administered the donation request to customers for several reasons. First, cashiers sometimes forgot to administer the request. Second, cashiers sometimes did not have time to administer the request (e.g., customers engaged in a long conversation while others were waiting in line). Third, customers sometimes wanted to make an exchange or a refund. Given that some customers were asked and others were not, this created two natural conditions: Request vs. No Request. While this study provided a natural setting in which to observe customers, the allocation of customers to the Request and No Request conditions was not random. Although this will limit the interpretation of any results obtained, the outcomes could offer important suggestive evidence.

Procedure

Researchers approached 148 customers (mean age = 38) after they exited the store. we waited until customers had fully completed their shopping experience and left the establishment. This was done to assure customers that we were not affiliated with the retailer and to ensure that our presence would not be interpreted as part of customers' shopping experience. If customers left the store with a shopping bag from the retailer, then we approached the customers and asked them if they would like to participate in a brief consumer research study.

Participants signed a consent form and were subsequently provided a clipboard containing the short survey. Participants indicated on a 0-10 scale (where 0=*Not at all* and 10=*Very*) "How generous to others have you been in the last month?" The "last month" portion was added to disguise my true interest in their donation activities in the store as well as to provide participants with a large range of time with which to recall instances where they have been generous. In addition to the generosity measure, participants indicated the extent to which they have been relaxed and social in the last month. These measures were added to disguise the purpose of the study.

Participants then indicated whether they were asked by the cashier to make a donation. If participants indicated "yes", then they were asked to indicate how much they donated, if anything. Finally, participants provided some demographic information. Once participants completed the paper-and-pencil survey, we took a picture of the participants' receipts. Total purchase amount, number of items purchased, donation amount (if any), and transaction type (purchase, exchange, and refund) were extracted from the receipts.

Results and Discussion

Table 6 displays descriptive statistics of participants and the average purchase total for each condition (Request vs. No Request). Among the 148 participants, 46% (N=68) of participants did not receive a donation request and, therefore, were categorized as being in the No Request condition. The remainder 54% (N=80) of participants received a donation request, and therefore, were categorized as being in the Request condition. Of those who received a request, 49% (N=39) complied (i.e., they donated $1) and 51% (N=41) refused (i.e., they did not donate).

There was no significant difference in average purchase amount for those in the Request (M = 47.91, SD = 42.76) and No Request (M = 45.52, SD = 35.82) conditions; $t(146) = 0.65$, p =.52. This provided some confidence that donation requests were not systematically administered based on the total amount that the customer spent at the retailer. There was also no significant difference in average purchase amount for those who received a request and complied (M = 56.67, SD = 43.52) and those who were received the request and refused (M = 42.57, SD = 41.77); $t(146) = 1.45$, p =.15. Thus, it seems that on average, those who spent more on themselves (compared to those who spent less on themselves) were not more likely to comply with the donation request.

Next, I compared generosity ratings in the Request and No Request conditions. There was a marginally significant difference in generosity ratings between the Request (M = 7.07, SD = 1.78) and No Request (M = 7.56, SD = 1.69) conditions; $t(146) = 1.71$, p =.09, d = .28. In other words, generosity ratings were marginally lower when participants were asked to make a donation compared to those who were not asked to make a

donation. This result holds even after controlling for total purchase amount, number of items purchased, and transaction type (purchase, exchange, or refund).

Among those in the Request condition, there was no significant difference in self-perceived generosity for those who complied (M = 7.31, SD = 1.75) with the request and those who refused the request (M = 6.84, SD = 1.77); $t(78) = 1.19$, p =.24. This result holds even after controlling for total purchase amount, number of items purchased, and transaction type (purchase, exchange, or refund). Those who made a donation of $1 felt slightly, although non-significantly, more generous than those who refused the request.

Self-perceived generosity was significantly lower for those who received a Request but refused (M = 6.84, SD = 1.77) than those who received No Request (M = 7.56, SD = 1.69); $t(108) = 2.11$, $p < .05$; d = .27. Interestingly, there was no significant difference between those who received a Request and complied (M = 7.31, SD = 1.75) and those who received No Request (M = 7.56, SD = 1.69); $t(146) = .72$, p =.47. In other words, those who complied with the request felt no more generous than those who did not make a donation because they were not asked to make one. While only those who refused the request significantly experienced a reduction in self-perceived generosity, at a minimum, it is encouraging that complying with the request did not increase self-perceived generosity and this level was not significantly different from request refusal or not encountering the request at all. Recall that the generosity measure asked participants how generous to others they have been in the last month. Here, participants had a larger range of time in which to recall other instances where they have been generous. It seems that simply rejecting a minimal donation request could significantly reduce participants' self-perceived generosity, compared to not encountering the request at all. Although

correlational in nature, these results are encouraging and suggest that complying with a request and donating to charity does not necessarily make one feel more generous than someone who was not asked to make a donation.

Study 1 provides preliminary support for the hypothesis that minimal prosocial requests could lead to lower self-perceived generosity. Compared to customers who did not receive a request for a donation, those who received the request and refused indicated a lower self-perceived generosity, and those who received the request and complied indicated a slightly lower, although non-significant, rating of self-perceived generosity.

Study 2

In addition to testing the mechanism of the proposed effect of minimal donation request on self-perceived generosity, Study 2 is designed to address three limitations of Study 1. First, Study 1 was an observational field study. Study 2, therefore, examines the proposed effect in a controlled lab study with a randomized design. Second, purchase and donation amounts are held constant across conditions in Study 2. Third, I move from a flat whole-dollar donation request to a "roundup" donation request format.

In a standard "roundup" donation request that consumers might encounter outside the lab they (1) encounter a donation request and (2) learn that a charity might receive a small donation. Taking these aspects into consideration, I designed three conditions (Request vs. Behalf vs. Control) that would allow for me to examine the basic effect while teasing out these elements. In the Request condition, participants will encounter both the donation request and learn that a charity might receive a small donation. In the

Behalf condition, participants will not encounter a donation request, but they will learn that a charity might receive a small donation. In the control condition, participants will not encounter a donation request, nor will they learn about the charity. Therefore, I created the Behalf condition to be a variant of the Control condition.

Study 2 further explores the mechanism of the proposed effect. Specifically, I hypothesize that participants' assessments of the impact of the donation amount will mediate the effect of minimal donation requests on self-perceived generosity. I expect that a minimal donation from a customer will be perceived as having a lower impact than a minimal donation from a retailer (because a single customer's action might not be perceived as effective as a retailer's action to help the charity achieve its objectives).

In the Control condition, the source of the donation is not made apparent, therefore, this condition serves as a benchmark. Even though the source of the donor in the Behalf condition is known, I do not expect a significant difference in perceived impact between the Behalf and the Control conditions for two reasons. First, the Behalf condition was designed as a second control condition. Second, I expect there to be a ceiling on perceived impact of a 5-cent donation and I expect the Behalf condition to reach this ceiling of perceived impact.

Therefore, I expect perceived impact will be lower in the Request condition compared to the Behalf condition and Control condition. Taken together, I hypothesize that participants' assessments of the impact of the donation amount will mediate the effect of minimal donation requests on self-perceived generosity.

Procedure

I recruited 316 participants (41% female, mean age: 21) from a large Midwestern university in exchange for course credit. Participants were given a $5 budget to engage in a shopping task. Participants had the opportunity to purchase products from various categories, including school supplies, health and personal care products, and snacks.

Participants received verbal as well as written instructions. Participants learned that they would be engaging in a real shopping experience in which they were required to use their $5 budget to buy some products. Participants could keep any part of their budget that they did not spend. In addition, participants learned that at the end of the study session, one person from the lab session would be randomly selected to receive all the products that s/he had purchased, and any money left over from his/her $5 budget. This procedure was commonly used in past work because it is incentive compatible and avoids the time and cost of having to enact transactions with every single participant.

In the shopping task, each participant was presented with three sets of items (see Figure 7 for the items contained in each set), and s/he must purchase one item from each set. The order in which the products were presented to participants were counterbalanced. The first set of items consisted of school supplies (index cards, sharpie markers, and removable mounting putty) all priced at $1.75 each. The second set of items consisted of health and personal care products (hand sanitizer for $1.25, antibacterial hand soap for $1.85, and nail clipper for $1.55). The third set of items consisted of snacks (Kit Kat, Twizzlers, and Reese's Peanut Butter Cups). The prices for these snacks were programmed to take into account the purchase total of the first two selections. In other

words, the prices were programmed so that regardless of the combination of purchases participants made, all participants ended up with the same purchase total of $4.95. For example, if a participant's first two selections totaled $3.30 ($1.75 + $1.55), then all products in the third selection were priced at $1.65 each; thus, the participant's shopping basket totaled $4.95. This left every participant with a leftover amount of 5 cents.

After the shopping task, participants were randomly assigned to one of three conditions: Request vs. Behalf vs. Control. In the Request condition, participants read that the behavioral lab was asking everyone if they would like to donate their leftover spending budget to the Cancer Research Institute (CRI). They then read some information about the charity (see Appendix H for descriptions of stimuli) and then were asked "Would you like to contribute the **$0.05** left in your spending budget to the Cancer Research Institute?" (a Yes or No choice). If participants decided to donate their change, then they next saw a GIF (see Figure 8) illustrating the transaction (i.e., the leftover budget first goes into the participant's pocket, and then the money leaves the participant's pocket to travel to the CRI logo). In the Behalf condition, participants read that as part of a special funding arrangement, the behavioral lab would donate the same amount of money that is left in the participant's shopping budget to the CRI. Participants saw the same information about the CRI as the Request condition, then they next saw a GIF (see Figure 9) illustrating the transaction (i.e., leftover budget goes into the participant's pocket and money goes from the behavioral lab's cash box to the CRI logo). In the Control condition, participants were told to simply "Please click NEXT to proceed on with the study." In other words, participants neither read about the charity nor were given any donation information.

All participants subsequently answered two items on 0-10 scales (where 0=*not at all* and 10=*very much*) about their anticipatory enjoyment of the products that they had just purchased. These were decoy measures meant to obscure the purpose of the study. Participants subsequently indicated on 0-10 scales (where 0=*not at all* and 10=*very*) the extent to which they have been generous to others in the last week and how altruistic they have been in the last week. I averaged these two items to form a generosity index ($r(315) = .47$, $p < .001$).

Next, I asked participants "To what extent do you think a donation of $0.05 would make an impact?" on a 0-10 scale (1=*not at all* and 10=*very much so*). This impact measure was adapted from Sharma & Morwitz (2016)'s response efficacy measure.

All participants subsequently read that the behavioral lab has a partnership with CAN (Community Action Network) Washtenaw and that the lab is currently collecting donated goods for the charitable organization. Participants read some information about the charity and then encountered a second donation request (e.g., "If your choices are selected to count for real, would you be willing to donate all of your chosen products to this charity?"). This question was added to measure whether participants who experienced a donation request and experienced a reduction in self-perceived generosity (vs. those who did not experienced a reduction in self-perceived generosity) would be more likely to subsequently engage in a charitable act. However, because 100% of participants complied with the request, I was not able to discern whether there is a difference in a second, subsequent donation among those who complied and those who refused the request. Finally, participants answered some demographic questions.

Results and Discussion

Among those who were requested to make a donation (Request condition), 100% (N=104) of participants complied with the request. As such, no analysis could be conducted to examine refusal responses on self-perceived generosity. While 100% of the participants in the Request condition complied with the charitable request, this result is not at odds with lay belief that roundup donation campaigns are effective and scalable (Wallen, 2017). In addition, research has found that roundup donation requests are extremely effective in generating donations because such appeals reduce consumers' perceived pain of paying (Kelting, Robinson, and Lutz, 2018).

Figure 10 displays self-perceived generosity by condition. A one-way ANOVA with self-perceived generosity as the dependent variable and solicitation method as the independent variable reveal a non-significant difference in self-perceived generosity among the conditions ($F(2, 313) = 1.66$, $p = .19$. However, planned contrasts showed a marginal significant difference of self-perceived generosity between the Request condition and the Behalf condition ($M = 4.77$, $SD = 2.02$ vs. $M = 5.21$, $SD = 1.87$; $F(1, 313) = 2.88$, $p = .09$; $d = .23$. In other words, those who received a request to make a donation experienced a reduction in self-perceived generosity, compared to those who learned that the behavioral lab would make a donation, and this difference was marginally significant. There was a directional, but non-significant, difference between the Request condition and Control condition ($M = 4.77$, $SD = 2.02$ vs. $M = 5.14$, $SD = 1.78$; $F(1, 208) = 2.04$, $p = .16$. Finally, there was no significant difference between the Behalf condition and the Control condition ($M = 5.21$, $SD = 1.87$ vs. $M = 5.14$, $SD =$

1.78; F (1, 313) = 0.07, p = .79. Taken together, the results suggest that those who encountered a donation request and received a request to make a donation of 5 cents felt marginally less generous that those who learned about the charity but were not requested to make a charitable donation.

As demonstrated by their perceived impact ratings, participants believed the 5-cent donation was most impactful in the Control condition (M = 2.71, SD = 2.60), Behalf condition (M = 2.03, SD = 2.04), and Request condition (M = 1.45, SD = 1.83), respectively. Recall that 100% of participants complied with the donation requests; therefore, I interpreted the results of the Request condition as those who received the request and complied. Participants believed that a 5-cent donation was significantly less impactful when they received a Request and complied with the donation (M = 1.45, SD = 1.83) compared to the Control condition in which no information was provided (M = 2.71, SD = 2.60; t(208) = 4.17, $p < 0.001$; d = .32). Moreover, perceived impact was significantly lower for the Request condition (M = 1.45, SD = 1.83) compared to the Behalf condition (M = 2.03, SD = 2.03; t(208) = 2.16, $p < 0.05$; d = .30). Finally, although contrary to my predictions, the donation was perceived to be significantly less impactful when the donation was made on participants' Behalf (M = 2.03, SD = 2.04) compared to the Control condition (M = 2.71, SD = 2.60; t(210) = 2.26, $p < 0.05$; d = .29). In the Control condition, participants did not receive any information about the charitable organization nor were they provided any context with which to interpret the impact question. When the source of the donation was a customer (Request condition), the donated amount had to transfer from the customer to the retailer before it reached the charity. Similarly, when the donation was made by the retailer (Request condition), the

donated amount had to transfer from the retailer to the charity. Because the money had to change hands in both the Request and Behalf conditions, perhaps participants felt that not all of the initial donation would make its way to the intended beneficiary. In the Control condition, participants might not have spontaneously considered any potential transaction or overhead costs associated with the donation. Alternatively, participants in the Control would not have judge the donation amount in reference to the magnitude of need of the CRI (because they were not given information about any charity) and would not have had the opportunity devalued the impact of the donation. These two accounts could explain why the impact rating was highest in the Control condition, followed by the Behalf condition, and Request condition.

I next ran a mediation model (model 4; Hayes, 2013), treating the conditions (Request vs. Behalf vs. Control) as the independent variable, perceived impact as the mediator, and self-perceived generosity as the dependent variable (Figure 11 summarizes the results).

There was no significant direct effect (.083; SE: .132, p = .53, 95% confidence interval: -.177, .342). As predicted, I found a significant indirect effect of solicitation method on self-perceived generosity, via perceived impact (indirect effect: .103; SE: .039; 95% confidence interval: .038, .189). In other words, perceived impact was especially likely to be reduced when participants encountered a donation request, and this lower perceived impact in turn reduced self-perceived generosity.

One potential interpretation of the results so far is that it could be plausible that there exists an indirect effect of solicitation method on perceived impact via self-perceived generosity – that perhaps the greater dissatisfaction in receiving the request is

spilling over to dampen perceived impact. To rule out this possibility, I ran a mediation model (model 4; Hayes, 2013), treating the conditions (Request vs. Behalf vs. Control) as the independent variable, self-perceived generosity as the mediator, and perceived impact as the dependent variable (Figure 12 summarizes the results).

There was a significant direct effect (.588; SE: .132, $p < .001$, 95% confidence interval: .296, .880). In addition, the solicitation method did not exert a significant indirect effect on perceived impact, via self-perceived generosity (indirect effect: .040; SE: .032; 95% confidence interval: -.015, .110). In other words, self-perceived generosity did not mediate the effect of donation request on perceived impact.

Study 2 provides support for the hypothesis that a minimal donation request reduces self-perceived generosity. In addition, participants' assessments of the impact of the donation mediated the effect of minimal donation requests on self-perceived generosity such that perceived impact was especially likely to be reduced when participants encountered a donation request (compared to not receiving the request), and this lower perceived impact in turn reduced self-perceived generosity.

Study 3

Study 3 examined whether reduced self-perceived generosity is a result of a minimal donation request or whether it is a result of encountering any donation request, regardless of the magnitude of the amount requested. Study 3, therefore, investigated donation requests of both a minimal amount and a non-trivial amount. $0.25 and $5.25

were used for the low and high donation amounts, respectively. These values were chosen to keep consistency with the roundedness of the roundup structure. That is, the cost of the purchase plus the donation invariably results in a round number for the total amount. For example, rounding up to the next whole dollar would bring the $34.75 purchase amount to a total of $35.00 and rounding up to the next whole ten dollars would bring the total to $40.00. In addition, $5.25 has been used in past charitable campaigns (e.g., *802Cars.com's Central Vermont Relay for Life* campaign, *Mario Marathon's Child's Play Charity* campaign, *East Baton Rouge Council on Aging's Support our Senior Citizens* campaign, and *The Midnight Mission's International Coffee Day* campaign).

Procedure

I recruited 400 adults (48% female, mean age: 36) via MTurk. I told participants that I was interested in understanding more about shopping and charitable donations based on limited information. Participants were asked to read a vignette about a shopping trip at a retail store that involved a donation request and to imagine themselves as the consumer. Participants were randomly assigned to read one of four vignettes in a 2 (Donation Source: Self vs. Store) x 2 (Donation Amount: Low vs. High) between-subjects design.

Participants in the Self conditions were told that their shopping total was $34.75 and were asked if they would like to donate $0.25 (Low)[$5.25 (High)] to Feeding America (e.g., "*Ok, your total is $34.75. Today, we are requesting charitable donations on behalf of Feeding America. Would you like to donate $0.25[$5.25] to Feeding*

America?"). Participants in the Store conditions were told that their shopping total was $34.75 and as part of the customer's patronage, the store would donate $0.25 (Low)[$5.25 (High)] from their funds to Feeding America (e.g., "*Ok, your total is $34.75. Today, we are donating to Feeding America. As part of your patronage, our store will donate $0.25[$5.25] from our funds to Feeding America.*").

Next, participants in the Self conditions responded to the donation request in an open-ended format (e.g., "How would you respond to this question? Please use the box below to type the exact words that you would say to the cashier. Please be as honest as possible when providing your response. Only type the words you would actually say."). Participants' open-ended responses tended to be brief (e.g., "Sure" and "No thanks"). I coded these responses as "Donated" or "Did not Donate" (see the Appendix I for additional details of the study's stimuli).

All participants subsequently indicated on 0-10 scales (where 0=*not at all* and 10=*very*) the extent to which they felt generous and charitable. I averaged these two items to form a generosity index ($r(399) = .88$, $p < .001$).

Next, I asked participants to indicate the extent they thought a donation of $0.25[$5.25] would make an impact (0-10 scale; 1=*not at all* and 10=*very much so*), ''To what extent do you think a $0.25[$5.25] donation would make a positive difference'' and ''How strongly do you believe that it is valuable to make a $0.25[$5.25] donation to the charity in this study?''. These impact items were adapted from Cryder, Loewenstein, & Scheines (2013). I averaged these two items to form a perceived impact index ($r(399) = .87$, $p < .001$). Participants also answered a question about their familiarity with the

charity, ‘‘Before today, how familiar were you with the charity Feeding America?’’ on a 0-10 scale (where 0=*not at all familiar* and 10=*very familiar*).

Next, participants in the Self conditions self-coded their open-ended response (1 = donate, 0 = not donate) to the donation request they had encountered earlier in the study. These coded responses from the participants matched my coding of the participants' open-ended responses. Finally, participants answered some demographic questions.

Results and Discussion

I first conducted a factorial ANOVA treating self-perceived generosity ratings as the dependent variable and donation source (Self vs. Store) and donation amount (Low vs. High) as independent variables. I found a significant main effect of donation source ($F(1,396) = 16.40$, $p < .001$). As predicted, self-perceived generosity was significantly lower when participants were asked if they would like to make a donation than when the store made a donation ($M = 3.69$, $SD = 3.37$ vs. $M = 4.97$, $SD = 2.96$; $t(398) = 4.04$, $p < .01$, $d = .40$).

There was no main effect of donation amount ($F(1,396) = 1.48$, $p = .23$) on self-perceived generosity. There was no effect of the low donation ($0.05) conditions and the high donation ($5.25) conditions ($M = 4.53$, $SD = 3.27$ vs. $M = 4.16$, $SD = 3.20$; $t(398) = 1.14$, $p = .25$) on self-perceived generosity. This suggests that self-perceived generosity was not affected by donation amounts. However, not all conditions consisted of a donation. For example, whether a donation was made in the Self conditions was contingent on the donation decisions of the participants (see Table 7 for descriptive

statistics of compliance and refusal results). Examining the Self conditions, among those who complied with the request, self-perceived generosity was lower for the Low donation than High donation (M = 5.95, SD = 2.96 vs. M = 7.58, SD = 1.75; $t(82) = 2.28$, $p < .05$; d = .67) and for those who refused the request, there was no difference in self-perceived generosity for Low donation and High donation (M = 1.32, SD = 2.47 vs. M = 1.86, SD = 1.16; $t(110) = 2.28$, $p = .25$). Refusing a minimal request reduced self-perceived generosity as much as refusing a more substantial request; but, complying with the request to donate a minimal amount felt significantly less generous than donating a larger amount (see Table 7 for descriptive statistics of compliance and refusal results). There was a significant interaction between donation source and donation amount ($F(1,396) = 13.20$, $p < .001$). These results hold even after controlling for participants' reported familiarity with Feeding America.

As demonstrated by their perceived impact ratings, participants perceived a donation to be less impactful when the participant was asked to donate (M = 5.09, SD = 3.01) compared to when the retailer donated (M = 6.04, SD = 2.79; $t(398) = 3.26$, $p < 0.001$; d = .33), when the donation was for a low amount (M = 4.81, SD = 3.04) compared to a high amount (M = 6.32, SD = 2.63; $t(398) = 5.32$, $p < 0.001$; d = .53), and when participants refused the request (M = 4.18, SD = 2.87) compared to when they complied with the request (M = 6.30, SD = 2.78; $t(194) = 5.19$, $p < 0.001$; d = .75)

I next ran a mediation model (model 4; Hayes, 2013), treating donation source (Customer vs. Store) as the independent variable, perceived impact as the mediator, and self-perceived generosity as the dependent variable (Figure 13 summarizes the results).

There was a significant direct effect (.677; SE: .261, $p < .01$, 95% confidence interval: .163, 1.191). As predicted, I found a significant indirect effect of donation source on self-perceived generosity, via perceived impact (indirect effect: .602; SE: .186; 95% confidence interval: .229, .956). In other words, perceived impact was especially likely to be reduced when participants were asked to make a donation, and this lower perceived impact in turn reduced self-perceived generosity.

I next ran a mediation model (model 4; Hayes, 2013), treating donation amount (Low vs. High) as the independent variable, perceived impact as the mediator, and self-perceived generosity as the dependent variable (Figure 14 summarizes the results).

There was a significant direct effect (-1.456; SE: .259, $p < .001$, 95% confidence interval: -1.966, -.947). As predicted, I found a significant indirect effect of donation amount on self-perceived generosity, via perceived impact (indirect effect: 1.087; SE: .212; 95% confidence interval: .672, 1.499). In other words, perceived impact was especially likely to be reduced when the donation amount was low, and this lower perceived impact in turn reduced self-perceived generosity.

Study 3 provides evidence that suggests that consumers' self-perceived generosity is reduced when they are confronted with a donation request for a minimal donation. Complying and refusing a minimal request reduced self-perceived generosity relative to not receiving a request. In addition, I found that refusing a relatively larger donation request also reduced self-perceived generosity. Perceived impact of donation mediated the effect of donation amount and donation source on self-perceived generosity.

General Discussion

Three studies tested the central hypothesis that encountering an unavoidable prosocial request for a minimal donation reduces self-perceived generosity (compared to not encountering a prosocial request). I found preliminary support for this account in an observational field study (Study 1). In a more controlled lab setting, I found evidence corroborating the results of the field study. In addition, I found that perceived impact of donation amount mediates the relationship between donation request and self-perceived generosity (Study 2). Finally, the effect is limited to donations of a minimal amount and only generalizable to a refusal of a larger donation amount (Study 3).

Taken together, these three studies provide new insights into how charitable requests can be aversive, regardless of whether people refuse or comply with the request. By studying the effects of minimal charitable requests, this essay offers theoretical insight into the potential psychological costs of putting people into an unavoidable prosocial request while limiting their donation opportunity to a minimal amount. Therefore, this essay advances our understanding about the ways in which consumers make inferences about donors based on their charitable efforts (Chernev & Blair, 2015; Lin-Healy & Small, 2013, Newman & Cain 2014). The finding that individuals may not be particularly satisfied with themselves when donating a minimal amount at the checkout counter, provides hope that perhaps this dissatisfaction with one's generosity might spur future prosocial activities. The increasing popularity of these roundup charitable campaigns might mean that these types of paltry donation campaigns might not be discontinued anytime in the near future. However, in order to enact substantial change on a societal

level, more than paltry donations would be needed. This research provides some reassurance in knowing that we are not creating a society in which individuals are satisfied with a token display of generosity.

Future research could build on this work by examining whether reduced self-perceived generosity is a result of customers complying or refusing a small donation in the context of an indulgence for the self. That is, the customer is complying or refusing a minimal donation after s/he has spent much more on him/herself. One way to potentially test this account is to tease out whether it's the small donation itself that is distressing, or whether it's the small donation in the context of an indulgence for the self that is distressing. People are not only sensitive to absolute amounts, but also to gains and losses relative to a reference point (Kahneman & Tversky, 1979; Tversky & Kahneman, 1991). As such, the total purchase amount at checkout could function as a reference point in which to evaluate whether a donation amount is considered minimal. For example, Dunn, Aknin, and Norton (2008) found that spending more of one's income on prosocial activities (versus on oneself) lead to greater happiness. So, on some level, it seems that people are making the connection between how much they spend on themselves and how much they spend on others. In the donation context in this essay, a larger purchase total (compared to a smaller purchase total) could make the donation amount seem very small relative to the larger amount that people are purchasing for themselves. Accordingly, the purchase total could moderate the effect of minimal donation request on self-perceived generosity.

While some attempts at using a variety of donation values (e.g., $0.05, $0.25, $1.00, $5.25) were made in this research, it could be argued that there is something

particular about donating a nickel or multiples of nickels and/or quarters that affects self-perceived generosity. Therefore, it might be worthwhile for future work to examine a wider array of donation amounts.

Research on token displays of generosity has documented that an initial act of token support might not lead to subsequent meaningful contributions to the cause if the token support is high in social observability (Kristofferson et al., 2014). In this research, the context is public and could arguably be high in social observability. However, my research presents evidence suggesting that compliance with a minimal prosocial request at the checkout counter seems to reduce people's self-perceived generosity. Given that people do not like to feel selfish (Berman & Small, 2012), and they are motivated to maintain a perception that they are good and moral (Aquino & Reed, 2002), I would predict that this initial minimal donation would lead to subsequent prosocial acts that is considered to be meaningful and that would help customers maintain the perception that they are good and moral. Future research could examine whether minimal generosity influences willingness to perform other generous acts and under which conditions. For example, this project provides support for the assertion that minimal donation requests influence self-perceived generosity. Specifically, that any response to a minimal donation request (e.g., compliance or refusal) would lead to a reduction in self-perceived generosity (compared to no request). Might this reduced self-perception increase customers' willingness to perform subsequent generous acts, if given the opportunity to do so? A related future step would be to examine how enduring the reduction in self-perceived generosity is. While the current research did not include any longitudinal measures, it would be worthwhile to examine whether this effect is temporary. These

questions are worthy of future exploration.

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Tables

Table 6: Descriptive statistics by condition (Study 1)

Means (and standard deviations) in Request/No Request conditions

	Request n = 80	*No Request* n = 68	*t*-test
Average Purchase Amount ($)	47.91 (42.76)	45.04 (35.82)	$t(147) = 0.65$, $p = .52$
Average Number of Items Purchased	3.25 (2.34)	2.75 (1.76)	$t(147) = 1.45$, $p = .15$
Minimum Purchase Amount ($)	0.53	-19.06	
Maximum Purchase Amount ($)	191.33	153.45	

Means (and standard deviations) in Request condition

	Complied (Donated $1) n = 39	*Refused (Did not donate)* n = 41	*t*-test
Average Purchase Amount ($)	56.67 (43.52)	42.57 (41.77)	$t(79) = 1.15$, $p = .15$
Average Number of Items Purchased	3.65 (2.76)	2.88 (1.81)	$t(79) = 1.46$, $p = .15$
Minimum Purchase Amount ($)	4.17	0.53	
Maximum Purchase Amount ($)	171.57	191.33	

Notes. Standard deviations are in parentheses.

Table 7: Descriptive statistics of self-perceived generosity (Study 3)

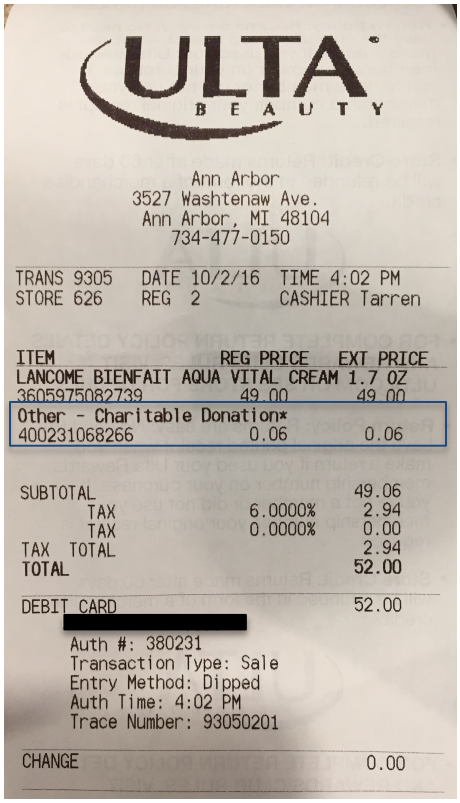
Means (and standard deviations) in Low/High conditions

	Low: $0.25	*High: $5.25*	*t*-test
Complied	5.95 (2.96)	7.58 (1.75)	$t(82) = 2.28$, $p < .05$
	n = 65	n = 19	
Refused	1.32 (2.47)	1.86 (2.09)	$t(110) = 1.16$, $p = .25$
	n = 31	n = 81	

Notes. Standard deviations are in parentheses.

Figures

Figure 6: Receipt examples from roundup donation campaigns



ULTA BEAUTY

Ann Arbor
3527 Washtenaw Ave.
Ann Arbor, MI 48104
734-477-0150

TRANS 9305 DATE 10/2/16 TIME 4:02 PM
STORE 626 REG 2 CASHIER Tarren

ITEM	REG PRICE	EXT PRICE
LANCOME BIENFAIT AQUA VITAL CREAM 1.7 OZ		
3605975082739	49.00	49.00
Other - Charitable Donation*		
400231068266	0.06	0.06
SUBTOTAL		49.06
TAX	6.0000%	2.94
TAX	0.0000%	0.00
TAX TOTAL		2.94
TOTAL		52.00
DEBIT CARD		52.00

[redacted]
Auth #: 380231
Transaction Type: Sale
Entry Method: Dipped
Auth Time: 4:02 PM
Trace Number: 93050201

CHANGE 0.00



Macy's
Ann Arbor
700 Briarwood Circle
Ann Arbor, MI 48104
734-998-5000

R80623050073529171 25

305-0073-5291
71566931 0073 5:42 PM 3/03/2018

PURCHASE

MEN DR PANTS	34.99
017459998468 504/87	
Orig 85.00	
Special	
CRL XXXXXXXXX4805	
MEN DR PANTS	34.99
622362982130 504/81	
Orig 95.00	
Special	
CRL XXXXXXXXX4806	
Subtotal	69.98
6.000% MI RGLR Tax	4.20
Go Red For Women	0.82
Total	75.00
American Express	75.00

AMERICAN EXPRE[redacted]
880333 XXXX [redacted]
TC - 45E996B43EF92060 TSI: F800
EMV Contact(Z) - No CVM

Figure 7: Product descriptions
(Study 2)

Shopping Choice 1:

Please take a moment to browse through the available products below. These items can be purchased for the equivalent price online or at retail locations around [city].

Please use your spending budget to buy any one of the products below. Once you have made your selection, please click NEXT.



Shopping Choice 2:

Please take a moment to browse through the available products below. These items can be purchased for the equivalent price online or at retail locations around [city].

Please use your spending budget to buy any one of the products below. Once you have made your selection, please click NEXT.



Shopping Choice 3:

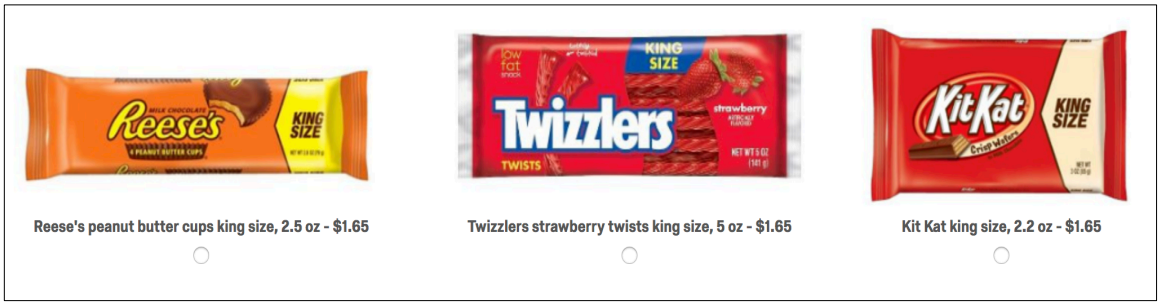
Please take a moment to browse through the available products below. These items can be purchased for the equivalent price online or at retail locations around [city].

Please use your spending budget to buy any one of the products below. Once you have made your selection, please click NEXT.

Shopping Choice 3 ($1.35):



Shopping Choice 3 ($1.65):



Shopping Choice 3 ($1.95):

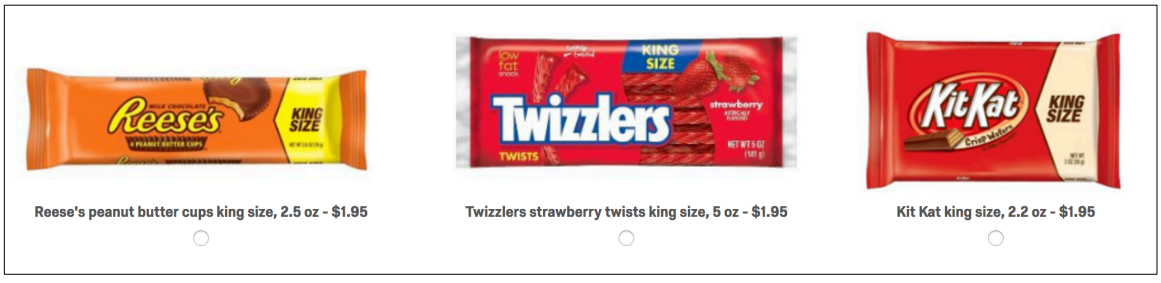


Figure 8: Illustration of Request
(Study 2)

Request GIF: If participants chose "Yes"

Your transaction, illustrated below, is complete.

Thank you for your donation of $0.05.

[Illustration of GIF:]



Figure 9: Illustration of Behalf GIF
(Study 2)

Behalf GIF:

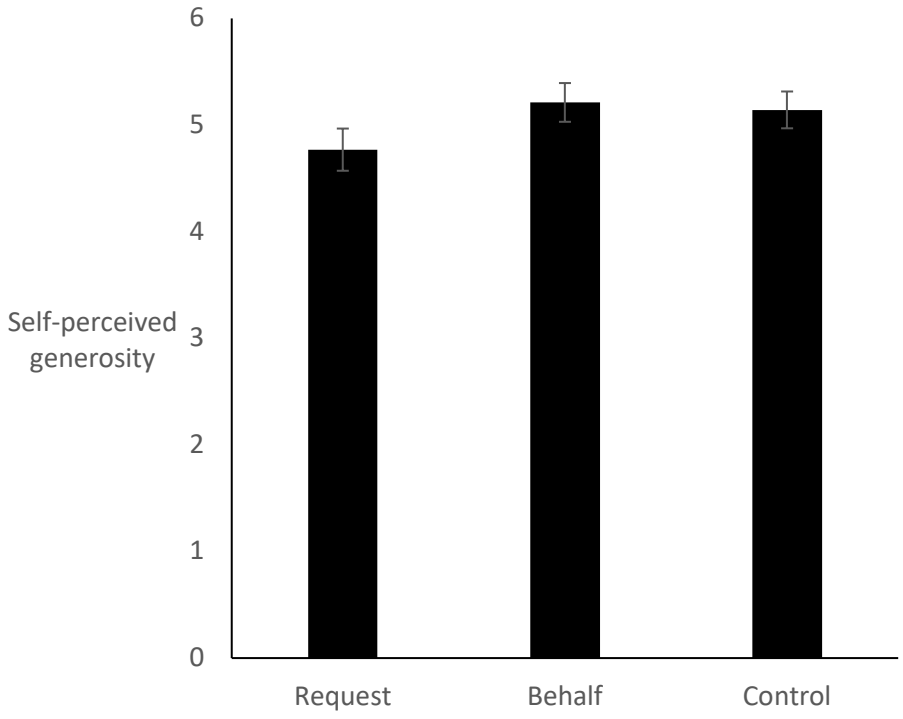
The two transactions, illustrated below, are complete.

We have donated $0.05 on your behalf.

[Illustration of GIF:]

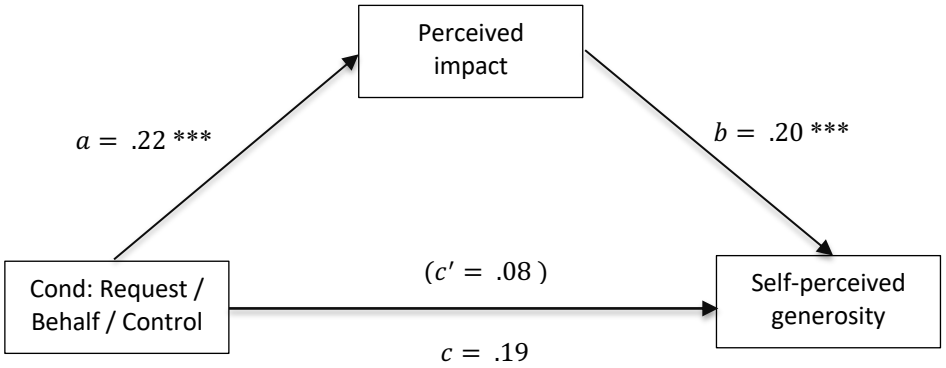


Figure 10: Mean self-perceived generosity by condition (Study 2)



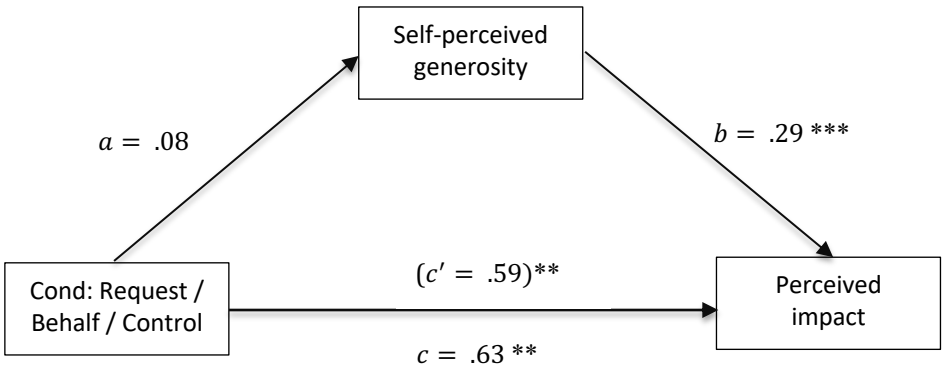
Note: Error bars represent ±1 standard error from the mean.

Figure 11: Mediation model (model 4, Hayes, 2013), treating conditions as the independent variable, perceived impact as the mediator, and self-perceived generosity as the dependent variable.
(Study 2)



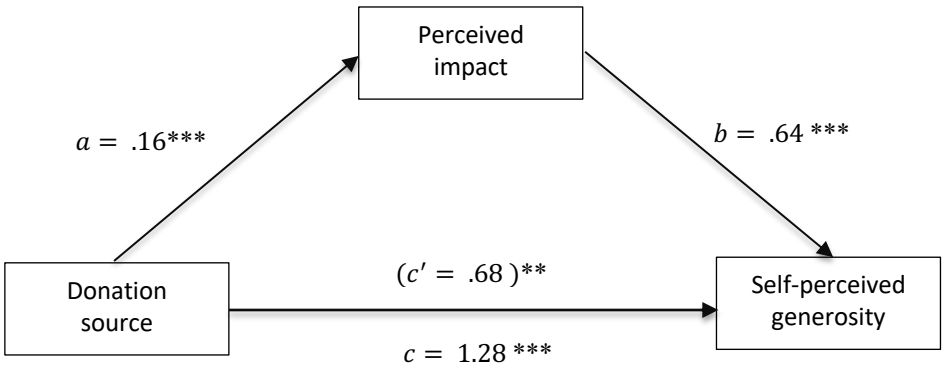
***$p < .001$, **$p < .01$, *$p < .05$

Figure 12: Mediation model (model 4, Hayes, 2013), treating conditions as the independent variable, self-perceived generosity as the mediator, and perceived impact as the dependent variable.
(Study 2)



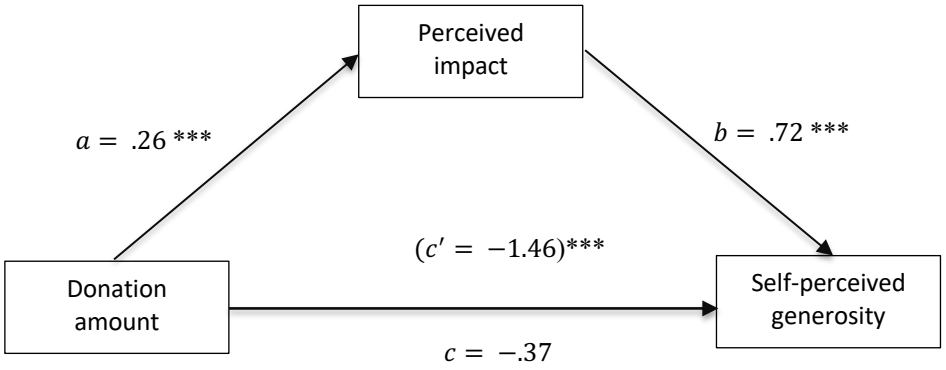
***$p < .001$, **$p < .01$, *$p<.05$

Figure 13: Mediation model (model 4, Hayes, 2013), treating donation source as the independent variable, perceived impact as the mediator, and self-perceived generosity as the dependent variable.
(Study 3)



*** $p < .001$, ** $p < .01$, * $p < .05$

Figure 14: Mediation model (model 4, Hayes, 2013), treating donation amount as the independent variable, perceived impact as the mediator, and self-perceived generosity as the dependent variable.
(Study 3)



***$p < .001$, **$p < .01$, *$p < .05$

Appendices

Appendix G

Study 1: stimuli

Sample script:

"Hello, I am a research assistant at [University]. I am conducting academic research with consumers and I was wondering if you might have time to participate in a very short survey and permit me to take a picture of your [Store] receipt. The survey would take approximately **3 minutes**, and we will **pay you $2** for your time. We will not record your name or any other identifying information."

Donation request:

Please think about your shopping experience at [Retailer] today.
Were you asked to make a donation today by an [Retailer] cashier?

- Yes
- No

If you made a donation today, how much did you donate? (Indicate "0" if you did not make a donation.)

- [Open-ended]

Appendix H

Study 2: stimuli

Shopping task instructions:

In today's study, you will take part in a real shopping experience. We will provide you with a spending budget of $5 for the shopping experience.

In today's shopping experience, we will provide you with a few different products. We will require that you use your $5 budget to buy some products, but you may keep any part of your budget you do not spend on products.

For example, if you purchase three items totalling $4.50, you will receive these three items and $0.50 in cash. If you purchase three items totalling $5.00, you will receive these three items and no cash.

One person in today's lab session will be randomly selected to have all of your choices count for real. In other words, one of you will be randomly selected to receive all the products you purchased and any money left over from your $5 budget.

Checkout:

You have **$0.05** left in your spending budget. If your choices are randomly selected to count for real, you will get this money and your selected products at the end of today's study.

Condition 1: Request

In this study, we're asking everyone if they would like to donate their leftover spending budget to the Cancer Research Institute, if your choices are randomly selected to count for real.

The Cancer Research Institute is a US nonprofit organization dedicated to extending the lives of cancer patients and reducing cancer-related deaths.

Would you like to contribute the **$0.05** left in your spending budget to the Cancer Research Institute?

- Yes, I'd like to donate the **$0.05** to the Cancer Research Institute
- No, thanks

Condition 2: Behalf

As part of a special funding arrangement, we will donate the same amount of money that's left in your spending budget to the Cancer Research Institute, if your choices are randomly selected to count for real.

The Cancer Research Institute is a US nonprofit organization dedicated to extending the lives of cancer patients and reducing cancer-related deaths.

In other words, if your choices are randomly selected to count for real, you'll receive your chosen products along with your **$0.05** leftover budget, and we'll donate **$0.05** from our funds to the Cancer Research Institute.

Appendix I

Study 3: stimuli

Introduction:

In today's study, we will present you with a shopping scenario. Please read the shopping scenario and try to imagine yourself as the customer. Really try to put yourself in the shoe of the customer and respond just as you would if you were actually shopping at the store.

There are no right or wrong answers. We are interested in better understanding your experience. So, please try your best to imagine yourself in the following scenario.

Condition 1: Participant receives $0.25 donation request

As you are most likely aware, many retailers run charitable campaigns to support charitable organizations. Sometimes, these retailers ask their customers if they would like to participate by donating at the checkout counter.

Imagine that you are at the checkout counter at a local retail store.

You hand the items that you want to purchase to the cashier. The cashier begins to scan and bag the items. After scanning and bagging all of the items, the cashier says to you:

Ok, your total is $34.75. Today, we are requesting charitable donations on behalf of Feeding America. Would you like to donate $0.25 to Feeding America?

Condition 2: Participant receives $5.25 donation request

As you are most likely aware, many retailers run charitable campaigns to support charitable organizations. Sometimes, these retailers ask their customers if they would like to participate by donating at the checkout counter.

Imagine that you are at the checkout counter at a local retail store.

You hand the items that you want to purchase to the cashier. The cashier begins to scan and bag the items. After scanning and bagging all of the items, the cashier says to you:

Ok, your total is $34.75. Today, we are requesting charitable donations on behalf of Feeding America. Would you like to donate $5.25 to Feeding America?

Condition 3: Store donates $0.25

As you are most likely aware, many retailers run charitable campaigns to support charitable organizations.

Imagine that you are at the checkout counter at a local retail store.

You hand the items that you want to purchase to the cashier. The cashier begins to scan and bag the items. After scanning and bagging all of the items, the cashier says to you:

Ok, your total is $34.75. Today, we are donating to Feeding America. As part of your patronage, our store will donate $0.25 from our funds to Feeding America.

Condition 4: Store donates $5.25

As you are most likely aware, many retailers run charitable campaigns to support charitable organizations.

Imagine that you are at the checkout counter at a local retail store.

You hand the items that you want to purchase to the cashier. The cashier begins to scan and bag the items. After scanning and bagging all of the items, the cashier says to you:

Ok, your total is $34.75. Today, we are donating to Feeding America. As part of your patronage, our store will donate $5.25 from our funds to Feeding America.

Request response:

How would you respond to this question? Please use the box below to type the exact words that you would say to the cashier. Please be as honest as possible when providing your response. Only type the words you would actually say.

Generosity measures:

As the customer in the shopping scenario, how did you <u>feel</u>?

(0-10 point scale; 0=Not at all, 10=Very)

- To what extent did you feel generous?
- To what extent did you feel charitable?

Request response coding:

In the very beginning of this study, you read a shopping scenario involving a donation request from a cashier. Your response to the cashier's donation request was the following:

(participant's response)

Please categorize this response for us by completing the following sentence:

My response indicates that I would have _____ as the consumer in the shopping scenario.

- Donated
- Not donated

CHAPTER IV

Conclusion

In *A Treatise of Human Nature* (1740), David Hume wrote "No quality of human nature is more remarkable, both in itself and in its consequences, than that propensity we have to sympathize with others." This sympathetic reaction is a truly admirable trait of human nature; responses to sympathy manifests in many different ways. In this dissertation, I examined the evaluation of two sympathetic responses (i.e., charitable donations in consumption settings). Specifically, I investigated the evaluative judgments of donors of charitable causes. In two essays, I demonstrated that people's evaluation of charitable acts is more nuanced than what normative perspectives might predict. Evaluative judgments of generous acts can fail to take into account the amount of money that corporations ultimately donate to charity (Essay 1) and the situational constraints that might have prevented customers from making a greater contribution to charity (Essay 2).

Essay 1 (Chapter II) examined consumers' tendency to overweight the percent-of-proceeds attribute (compared to the maximum donation attribute) of cause marketing campaigns when evaluating the generosity of corporations, creating an opportunity for corporations to appear more generous than they objectively are. Essay 2 (Chapter III) investigated consumers' reduced self-perceived generosity after they have complied or refused a minimal donation request.

My doctoral research offers important contributions to the area of prosocial behavior and has substantive implications for promoting generosity. Each essay included empirical investigations to support the proposed theoretical framework, and discussions of theoretical contributions and future directions. A common theme that emerged from these essays is the idea that our capacity to evaluate generosity can be inadequate. We seemed to rely on easier-to-evaluate attributes and discount harder-to-evaluate attributes when evaluating cause marketing campaigns, and we seemed to discount situational constraints and harshly evaluate our own generosity when we are confronted with an unavoidable request for a minimal donation.

Essay 1 (Chapter II) examined how consumers evaluate a brands' generosity based on the numerical attributes of its cause marketing campaign. Cause marketing campaigns often highlight two attributes: the percent-of-proceeds from each purchase to be donated, and the maximum amount of money the company will donate. For example, Nike pledged to donate 1% of sales, up to $300,000 to support Marathon Kids. The key question of this essay is how consumers process this information when forming perceptions of the brand's generosity and overall favorability.

Normatively, to the extent that brands actually reach their maximum donations, those maximum donation amounts should be more relevant to generosity perceptions than percent-of-proceeds donated. Ultimately, this maximum donation amount is what the corporation will give to the charity. However, what I found was that consumers are more sensitive to variation in the percent-of-proceeds donated than to variation in maximum donation amounts. I theorized that consumers are more familiar with the distribution of the percent-of-proceeds compared to the distribution of the maximum donation and so

have a better understanding of the approximate mode of the percent-of-proceeds distribution than the mode of the maximum donation distribution. This is because there is generally less variation in the percent-of-proceeds donated (e.g., most percentages are clustered in the 1-10% range) compared to the maximum donations (e.g., there is more dispersion among maximum donation amounts). As a result, consumers will form a stronger, more well-defined reference point with which to judge campaigns' percent-of-proceeds donated than to judge campaigns' maximum donation amounts.

Given the finding that brands were viewed as more generous when donating a higher percent-of-proceeds and a lower maximum amount than when donating a lower percent-of-proceeds and a higher maximum amount (Studies 1-6), there is potential for brands to not receive the appropriate level of credit for its charitable efforts. Based on these findings, it appears that companies, such as Nature's Way, who donated a small percent-of-proceeds (e.g., 1%) but a relatively large maximum donation amount (e.g., $100,000), might not be sufficiently rewarded the favorable credit that they deserve. On the other hand, companies, such as Soma Intimates, who donated a large percent-of-proceeds (e.g., 50%) but a relatively small maximum donation amount (e.g., $20,000), might be rewarded more credit than they deserve. The latter campaign scenario presents a potentially troubling implication in which cause marketing campaigns may allow brands to appear highly generous without actually being highly generous by pledging a high percent-of-proceeds and a low maximum donation. This could have tremendous monetary implications because the perceived generosity generated by a campaign that donates a high percent-of-proceeds can spill over to influence willingness to buy the brand's products (Study 6).

The silver lining to this finding is that the undue influence of the percent-of-proceeds could be attenuated by providing consumers with comparative context. I found that by simultaneously exposing participants to multiple cause marketing campaigns especially helped them evaluate the maximum donation attribute and reduced the undue influence of the percent-of-proceeds (Study 5).

Essay 2 (Chapter III) examined a second type of charitable campaign in which retailers ask customers at checkout whether they would like to round up their purchases to the next whole dollar and donate the change to charity. These "roundup" donation campaigns provide customers an opportunity to donate between one cent to one dollar. Here, the donation amount is minimal (i.e., the monetary donation is one dollar or less) and the request is unavoidable (i.e., a request is administered at checkout after the cashier has scanned all of the items the customer would like to purchase). I investigated how consumers evaluated their own generosity after encountering an unavoidable request for a minimal donation.

Complying or refusing such requests should convey minimal or no information about one's generosity. Self-perceived generosity should be based on a lifetime of data. However, I proposed that when customers refuse the request, they incur psychological costs, such as appearing selfish to others or to themselves. When customers comply with the request, they also, perversely, incur psychological costs. I theorized that through a self-perception process in which customers infer their own generosity from observing their minimal donation (Bem, 1972), and ignoring the situational constraints of only given the opportunity to donate a minimal amount (Ross, 1977), that consumers' self-perceived generosity would be reduced.

In addition to this, I explored and found perceived impact of donation amount to be a mechanism for explaining the relationship between donation request and self-perceived generosity. Specifically, that a minimal donation from a customer was perceived as having a lower impact than a minimal donation from a retailer. A single customer could only do so much with a minimal amount, but a retailer could do so much more with the same amount. Thus, this reduction in perceived impact when a customer donated a minimal amount, in turn, reduced self-perceived generosity.

Taken together, it appears that people may not be satisfied with themselves (i.e., they experienced a reduction in self-perceived generosity) when they encounter these types of minimal donation campaigns. On the one hand, people's evaluative judgments of their own generosity might not be as well tuned as one would expect. After all, self-perceived generosity should be based on a lifetime of examples; however, one encounter (that also happens to limit their generosity to a minimal amount), seemed to have significant impact on this self-perception. On the other hand, it is reassuring to know that these minimal campaigns are not creating a society in which individuals are satisfied with themselves by engaging in a token display of generosity. This is reassuring because perhaps this dissatisfaction could stimulate future actions of generosity. This research, therefore, opens up avenues for future research that could examine the (positive or negative) downstream consequences of reduced self-perceive generosity (for a thorough discussion of future research directions, please refer to the General Discussions section of the essay).

In two essays, I presented two different charitable donation contexts in which people deviated from how they should reward charitable credit. The first essay examined

how people perceive a brands' generosity based on its cause marketing campaigns and the second essay examined how people perceive their own generosity after they have encountered an unavoidable request for a minimal donation. These essays highlighted that an increasingly popular, and potentially encouraging approach to help facility charitable giving is where corporations and consumers engage in shared social responsibility.

As a field, we have made great strides to uncovering the antecedence of charitable behavior; however, we have only begun to scratch the surface of uncovering how people evaluate these charitable efforts. My work contributes to our understanding of how people evaluate donors' charitable efforts. The evaluative stage can potentially have important consequences for future giving behavior. I hope that my work will inspire future explorations of consumer altruism and will offer guidance to consumers as they navigate the numerous cause marketing campaigns in the retail landscape.

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Sharma, E., & Morwitz, V. G. (2016). Saving the masses: The impact of perceived efficacy on charitable giving to single vs. multiple beneficiaries. *Organizational Behavior and Human Decision Processes*, *135*, 45-54.