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Brian R. Kinard
University of North Carolina - Wilmington, kinardb@uncw.edu

Minerva Lacal Pardo
Puig USA, minervalacal@gmail.com

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Cause-Related Marketing: The Effect of Checkout Charity Requests on Consumer Donation Behavior†

Brian R. Kinard, University of North Carolina Wilmington
kinardb@uncw.edu*

Minerva Lacal Pardo, Puig
minervalacal@gmail.com

Abstract – The aim of this research was to understand better consumer reactions to donation requests when making point of purchase decisions. A between-subjects full factorial design manipulated product type (goods/services), consumption experience (frivolous/practical), and product/cause fit (strong/weak). In line with prior research (e.g., Chang, 2008; Savary et al, 2015; Strahilevitz & Myers, 1998), a scenario-based approach was employed to assess responses to the CRM manipulations. A total of 241 subjects participated in the study. Our results mirror extant research evidence on the positive effects of pairing frivolous products with donation requests. In that, positive donation behavior largely results as consumers compensate for increased feelings of guilt associated with the frivolous purchase by behaving altruistically toward a needy cause. Moreover, this research is the first to realize a three-way interaction effect based on product type, consumption experience, and product/cause fit. Specifically, we find that the fit between the product and linked cause is more important for practical services and frivolous products than for frivolous services and practical goods. Implications and areas for future research are discussed.

Keywords – Checkout Charity, Cause-Related Marketing, Donations

Relevance to Marketing Educators, Researchers and/or Practitioners – This paper aims to provide insight into the effectiveness of point of purchase checkout charity requests employed by service providers.

† Note: A previous version of this paper was published in the proceedings of the 2016 Atlantic Marketing Association Conference.
Introduction

Given today’s competitive business landscape, companies must continuously develop and implement marketing strategies that result in competitive advantages. One method of doing this is by enhancing the perceived commitment to the community in which the business operates. For instance, business managers may decide to partner with a non-profit organization to implement a cause-related marketing (CRM) campaign (Strahilevitz & Myers, 1998). CRM campaigns allow for contributions by a consumer when purchasing a product to be designated to a cause that is associated with the participating corporation (Varadarajan & Menon, 1988). Research confirms that, among other positive consequences, these techniques can enhance the perception that consumers have about the long-term image of the company (Berger et al., 1999; Bronn & Vrioni, 2001; Brown & Dacin, 1997; Gupta & Pirsch, 2006a; Ross et al, 1992) and boosts short-term sales (Strahilevitz, 1999, Strahilevitz & Myers, 1998; Varadarajan & Menon, 1988). Moreover, Strahilevitz (1999) found that consumers may be more likely to purchase a brand that supports a social cause over a brand offering an equivalent lower price when the price differential is relatively small. Indeed, recent survey evidence suggests that 55% of consumers are willing to purchase, as well as pay more for, products from companies that are socially and environmentally responsible (Nielsen Research Company, 2014).

While marketers use several methods when implementing CRM activities in their promotional strategy, an increasingly utilized tactic is to engage in CRM with the consumer at the point of purchase. Referred to as checkout charity, consumers are requested to make a donation to a charitable cause or non-profit organization upon checkout by either a sales associate or an automated pin pad. For example, cashiers at grocery retailers Whole Foods and Harris Teeter ask consumers to round up their purchase to the nearest dollar and the difference goes to a charitable organization. Others retailers, like Macy’s and Costco, simply ask for a flat donation amount at checkout. Such point of purchase tactics accounted for more than $390 million in charitable contributions in 2014 (Cause Marketing Forum, 2015).

Typically, CRM donations are driven by the motivation of consumers to invest in a specific non-profit organization. However, recent research suggests that checkout charity donations are likely driven by guilt that consumers feel when they are asked to donate at the point of purchase (Hibbert et al, 2007). Consequently, checkout charity donation effectiveness is likely a consequence of convenience and pressure rather than a well-informed motivation of a consumer to invest in a charity. Moreover, this pressure is shown to increase when consumers purchase non-necessary, frivolous products. Compared to a practical product (e.g., book, paper towels, washing machine, etc.), the acquisition of a frivolous product (e.g., ice cream/candy, game system, wine, etc.) is generally driven by the desire for sensual pleasure, fantasy and fun. While such non-necessary purchases can increase feelings of guilt, consumers may find the available option of donating to a charitable cause at the point of purchase as a way to diminish felt guilt through altruistic behavior toward those in need (Zemack-Rugar et al, 2016).

In addition, consumers’ willingness to donate is impacted by the perceived fit between the product they are acquiring and the charitable cause. Studies reveal that if there is a strong fit between the product and the cause, consumer responses are higher (Becker-Olsen et al, 2006; Rifon et al, 2004). Yet CRM research has almost exclusively focused on this
relationship with physical goods, with little attention directed toward this relationship with service providers. This is an important gap in the literature since the economy is becoming increasingly service-centric, which provides alternative opportunities for targeting consumers using checkout charity. For example, the California Pizza Company provides patrons with the opportunity to “round up” their meal purchases to the nearest dollar with the resulting price difference going to a charitable cause and Wells Fargo bank allows customers to make donations to the American Red Cross disaster relief program during ATM transactions. Therefore, this study will also fill the gap in the literature by examining checkout charity in the context of services. Specifically, a between subject’s experimental design utilizing a scenario-based approach will examine the effects of checkout charity on donation likelihood toward non-profit organizations given product type (goods/services), consumption experience (frivolous/practical), and product/cause fit (strong/weak).

Theoretical Background

Product Type

While extant research examining the effects of CRM generally focus on the use of physical goods, the global economy is becoming more service centric (Vargo & Lusch, 2008). Moreover, services are usually rendered directly to the individual (e.g., haircut, manicure, teeth cleaning) or the individual’s property (e.g., dry cleaning, oil change, lawn care). Since this implies that the experience will be more personal in nature, consumers may take more time to think about a purchase decision related to services as compared to durable goods. The amount of information and time needed to make a decision is usually reflected in the amount involvement incurred by the purchase. Consumer involvement reflects how important or interested a consumer is in a product and how much information one needs to make the decision (Cohen, 1983). Consumers make low-involvement decisions when they buy products that are relatively inexpensive or when there is relatively low risk to the buyers if they make a mistake with their decision. When consumers engage in low-involvement decisions, routine response behavior results in automatic purchase decisions requiring limited cognitive load. On the other hand, when consumers have to spend a lot of time thinking, comparing, and gathering data about the features of product prior to purchase, the decision is categorized as high involvement. These purchase decisions are more complex due to the possible negative consequences that can result from an incorrect or inappropriate decision. High involvement decisions typically involve products being purchased for the first time or new to the buyer, such that more time and information is required to make a reliable choice (Tanner & Raymond, 2012). It is expected that the more involved the decision process, the more time and thought will be given to every aspect of the purchase process. Consequently, the additional degree of involvement in the decision making process could place more emphasis on the charitable donation request and increase the likelihood of supporting the associated cause.

In addition, there are several distinguishing characteristics of services that could make them more receptive to CRM campaigns. Specifically, services are inseparable, heterogeneous, and perishable. Services are inherently inseparable from the provider of the service, such that they are produced and consumed simultaneously. This could lead to more
altruistic feelings and behavior to a charitable cause if interacting with a familiar and trusted person (e.g., hairdresser, dentist, doctor) compared to a stranger or an automated machine. This may also lead to a strong, loyal relationship between the service provider and the consumer, thereby reducing heterogeneity between service experiences that could result in positive implications on the procurement of a charitable donation. Services are also perishable, such that they cannot be saved and stored. This feature may be of particular importance to the purchase of a frivolous service (e.g., massage, cruise, etc.) since consumers are unable to save portions of it for later use (i.e., eat one bowl of ice cream instead of the entire carton). Instead, they are likely forced to experience the entire pleasure-oriented benefits of the service at one time. This could further increase feelings of guilt experienced by the consumer, in turn, enhancing charitable donation behavior. In sum, it is expected that the unique features associated with services make them a more ideal link for a CRM strategy compared to physical goods.

H1: Consumers are more willing to make donations to a charity when it is linked to a service compared to a physical good.

Consumption Experience

The appeal of making a contribution to a charity when buying a product may also be influenced situationally by the consumer’s emotional state at the time of purchase. In addition, not all products evoke the same feeling and emotions for individuals during consumption (Ahtola, 1985; Babin et al, 1994; Hirschman & Holbrook, 1982; Holbrook & Hirschman, 1982; Lofman, 1991). In fact, products can be designated as being either frivolous and practical. Frivolous or hedonic products are pleasure-oriented and their consumption is mainly driven by the desire for sensual pleasure, fantasy and fun. On the other hand, practical or utilitarian products are consumed to fulfill a basic need or to complete a functional task. Frivolous product purchase decisions are generally more emotional in nature and have been shown to evoke guilt in consumer purchase and consumption processes (Giner-Sorolla, 2001). However, when a consumer purchases a frivolous product linked to a charitable organization, feelings of guilt can be diminished as a result of altruistic behavior tied to the support of social or environmental cause (Chatterjee, Mishra, and Mishra, 2010; Hibbert et al, 2007). On the contrary, purchase decisions regarding practical products are usually more rational in nature (Dhar & Wertenbroch, 2000). In other words, consumers are more likely to base purchase decisions on product features, functions, and added benefits. Therefore, it is less likely guilt will result from the purchase of a practical good, in turn, reducing the need to make a donation to a charity to diminish feelings of remorse and regret. Thus, it is expected that the purchase of a frivolous product (compared to a practical product) will increase the willingness of a consumer to make a charitable donation in an effort to abate feelings of guilt.

H2: Consumers are more willing to make donations to a charity when they buy frivolous products than when they purchase practical products.

Product/Cause Fit

CRM fit can be described as the degree to which consumers perceive products of an organization to be linked to the cause that they support. In essence, how compatible are the mission and values of the charitable organization with the products being sold (Chéron et
al, 2012). Gwinner (1997) differentiates two forms of product/cause fit relationships: functional-based and image-based. Functional-based fit is determined by the degree to which the functional characteristics of the company’s product are related to the cause sponsored (i.e., Harris Teeter grocery store and a hunger cause), whereas image-based fit defends that some aspects of the company’s image, such as its corporate history, match with the image of the sponsored cause (i.e., Microsoft and global health relief) (Trimble & Rifen, 2006). Compared to image-based fit, consumer donation behavior is generally higher for functional-based CRM campaigns because the product/cause association is perceived as more natural and related to the mission and direct operations of the company (Rifon et al, 2004; Becker-Olsen et al, 2006).

Although fit between the product and cause should inevitably impact the success of CRM campaigns, there is no empirical consensus on the positive influence of fit on CRM effectiveness. One stream of research suggests that there is a direct and positive relationship between cause-brand fit on consumer responses to CRM, such as brand image (Gwinner & Eaton, 1999), altruistic attributions (Ellen et al, 2006; Rifon et al, 2004), brand credibility, and product purchase intention (Becker-Olsen et al, 2006; Gupta & Pirsch, 2006b). On the other hand, research exists that refute the positive relationship between brand-fit and brand image (Menon & Kahn, 2003), attitude towards CRM (Lafferty et al, 2004), attitude towards brand and product (Nan & Heo, 2007) and product purchase intention (Barone et al, 2007; Lafferty, 2007). A third stream of research suggests that a moderate level of fit generates the best response. (Drumwright, 1996; Barone et al, 2000). This effect is explained by consumer’s belief that with relationship is credible by avoiding the perception that an organization is exploiting a cause in an effort to generate sales rather than an altruistic intention of contributing to society. Thus, it is expected that a certain degree of fit between the product and cause will increase consumer willingness to donate to the charity.

H3: Consumers are more likely to make donations to a charity when the level of functional fit between the product and the cause is stronger.

Research Method

A 2 X 2 X 2 between-subjects full factorial design manipulated product type (goods/services), consumption experience (frivolous/practical), and product/cause fit (strong/weak). In line with prior research (e.g., Chang, 2008; Savary et al, 2015; Strahilevitz & Myers, 1998), a scenario-based approach was employed to assess responses to the CRM manipulations. Since the data was collected using a scenario approach rather than field testing, a pre-test was preformed to examine the impact of donation magnitude on the likelihood of donating to the charity. Initial results revealed no significant difference in willingness to donate to the organization based on donation amount (i.e., 1% vs 5%). These results might be an artifact of the method employed, in that real products and money were not exchanged. Further, donation amounts framed as a percentage can lead to confusion and overestimation of the amount being donated (Olsen et al, 2003; Pracejus et al, 2003). Consumers are shown to report more favorable attitudes and purchase intentions toward a company when the donation is framed in absolute terms rather than as a percentage of profit or price (Grau & Garretson, 2007; Grau et al, 2007). Thus, the design kept the donation magnitude and frame (i.e., $3) constant across conditions.
Procedure

Data were collected from subjects recruited via an online consumer panel. All subjects were provided monetary compensation in exchange for their participation in the study. Subjects were randomly assigned to one of eight scenarios. Cell sizes across experimental conditions ranged from 27 to 34. In each scenario, participants were shown an image of a product/service under purchase consideration priced at $29.99 and upon checkout asked to make a $3 (approximately 10%) donation to a specific charitable cause. After reading each scenario, participants were asked to rate the likelihood of donating to the stated charitable organization and attitudes and future behavioral intentions towards the product provider. Next participants were asked questions assessing altruism, organizational affinity, guilt, consumption experience, and product/cause fit. Finally, participants reported basic demographic information. All responses were measured on a five-point scale ranging from “strongly disagree” to “strongly agree”.

Stimuli

Consumption experience was manipulated for each product type. For goods, the frivolous item selected was a box of select gourmet dark chocolate candies and the practical item selected was a laptop backpack. For services, the frivolous item selected was a day pass to a local water park and the practical item selected was a full service oil change for a vehicle. In an effort to manipulate product/cause fit, three fictitious non-profit organizations were used: National Environmental Awareness Foundation, a non-profit organization which helps to ensure a healthy environment for current and future generations; Fight for Hunger Foundation, a non-profit organization dedicated to the fight against hunger by feeding people in need; and the National Association for Education Development, a non-profit organization committed to provide basic education to the underprivileged.

Manipulation Checks

To assess the manipulation of consumption experience, subjects were asked to respond to items assessing both utilitarian and hedonic benefits. Utilitarian benefits associated with practical products ($\alpha = .826$) was assessed using the following four item, five-point scale: “The product is practical”, “The product is functional”, “The product is useful”, and “The product is necessary”. Hedonic benefits associated with frivolous products ($\alpha = .911$) was assessed using the following three item, five-point scale: “The product is enjoyable”, “The product is fun”, and “The product is delightful” (Dhar & Wertenbroch, 2000; Okada, 2005). Results for goods reveal that the laptop backpack ($M= 4.18$) was perceived to be significantly more practical than the box of chocolate candies ($M= 2.75$; $F(1, 121) = 118.61, p < .001$), whereas the box of chocolate candies ($M= 4.14$) was perceived to be significantly more frivolous than a laptop backpack ($M= 3.18$; $F(1, 121) = 72.64, p < .001$). For services, the oil change ($M= 4.13$) was perceived to be a more practical service than a day pass to a water park ($M= 3.14$; $F(1,116) = 67.680, p < .001$), while the day pass to the water park ($M=3.83$) was perceived as more frivolous than an oil change ($M=2.47$; $F(1,116) = 73.875, p < .001$). Thus, consumption experience was successfully manipulated.

To assess the manipulation of product/cause fit, subjects were asked to respond to the following three item, five-point scale ($\alpha = .826$): “There is a great fit between the product and
cause”, “I feel that the product and cause are related”, and “I think the relationship between the product and cause makes sense” (Lafferty et al, 2004; Simmons & Becker-Olsen, 2006). Results indicate that the laptop backpack (M= 3.44) was considered to have significantly better fit with the educational organization than the box of chocolate candies (M= 2.30; F (1, 121) = 43.412, p < .001), whereas the day pass to the water park (M= 3.05) was perceived to have a better fit with the environmental organization than the oil change center (M= 2.39; F (1,116) = 13.381, p < .001). Thus, product/cause fit was successfully manipulated. Given the reported means, results suggest the fit was moderate in nature.

Sample

A total of 241 subjects participated in the study. Ranging between 20 to 76, the average age of the sample was 38.7 years. The majority of the sample self-classified as female (59%) and Caucasian (79.3%). Nearly half (48.5%) of subjects had a 2 or 4-year college degree and 54.4% of respondents made less than $40,000 a year.

Control Variables

Organizational affinity and altruism have also been shown to influence donation behavior related to CRM campaigns (Barone et al, 2007; Green & Webb, 1997; Webb et al, 2000). Thus, both were assessed and included as control variables in subsequent analyses. Organizational affinity (α = .854), or the desired interest and concern for an organization, was assessed using the following six item, five-point scale: “The organization important to me”, “I would like to volunteer with this organization”, “I am more willing to buy a product if it is tied to cause”, “I have positive feelings toward the organization involved”, “I care more about a company when it is involved with cause related marketing campaigns” and “I am more willing to donate after reading the scenario”. Altruism (α = .752), or the selfless concern for the well-being of others, was assessed using the following two item, five-point scale: “I think people should help community” and “I always help others”.

Dependent Variables

Willingness to donate was assessed using a single item, five-point measure: “I am willing to make a donation to the charity”. Future behavioral intentions toward the provider were also assessed using the following items: “I would be willing to tell others to shop at this store/use this service provider”, “I would be willing to shop at this store/use this service provider in the future”, “I would be willing to share feelings related to this store/service provider experience on social media”, and “I would be willing to buy more cause-related products from this store/service provider in the future”. Validity and reliability (α= .778) analyses resulted in the creation of a single, composite measure for this variable.

Results

A preliminary MANOVA test was performed to determine whether there were any significant differences between sample demographics for both dependent variables. Results reveal that lower income earners are more likely to donate to a charitable organization (F (1,239) = 11.00, p < 0.05) and more likely to take future action toward the provider associated
with the donation request compared to higher income earners (F(1, 239) = 6.33, p < 0.05). In addition, females were more likely to donate to a charitable cause compared to their male counterparts (F(1, 239) = 5.64, p < 0.05). There were no significant differences based upon age, education, or ethnicity.

For the main effect tests, a three-way MANCOVA test was performed for product type, consumption experience, and product/cause fit across both dependent variables. In the analysis, organizational affinity, altruism, income, and gender were included as controls. Summary means and standard deviations (SD) for each condition are provided in Table 1.

Table 1
Summary Statistics for Dependent Variables

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Consumption Experience</th>
<th>Functional Fit</th>
<th>Donation Likelihood</th>
<th>Provider Behavioral Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mean</td>
<td>SD</td>
</tr>
<tr>
<td>Practical</td>
<td>Strong</td>
<td></td>
<td>3.24</td>
<td>.708</td>
</tr>
<tr>
<td></td>
<td>Weak</td>
<td></td>
<td>1.57</td>
<td>.634</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>2.48</td>
<td>1.07</td>
</tr>
<tr>
<td>Services</td>
<td>Frivolous</td>
<td>Strong</td>
<td>1.89</td>
<td>.832</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak</td>
<td>3.59</td>
<td>.825</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>2.75</td>
<td>1.18</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Strong</td>
<td>2.62</td>
<td>1.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak</td>
<td>2.60</td>
<td>1.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>2.61</td>
<td>1.13</td>
</tr>
<tr>
<td>Practical</td>
<td></td>
<td>Strong</td>
<td>1.68</td>
<td>.599</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak</td>
<td>3.19</td>
<td>.786</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>2.38</td>
<td>1.02</td>
</tr>
<tr>
<td>Goods</td>
<td>Frivolous</td>
<td>Strong</td>
<td>3.48</td>
<td>.962</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak</td>
<td>2.18</td>
<td>.936</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>2.80</td>
<td>1.15</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Strong</td>
<td>2.58</td>
<td>1.21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak</td>
<td>2.62</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>2.60</td>
<td>1.11</td>
</tr>
<tr>
<td>Practical</td>
<td></td>
<td>Strong</td>
<td>2.48</td>
<td>1.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak</td>
<td>2.36</td>
<td>1.08</td>
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<tr>
<td></td>
<td></td>
<td>Total</td>
<td>2.43</td>
<td>1.05</td>
</tr>
<tr>
<td>Total</td>
<td>Frivolous</td>
<td>Strong</td>
<td>2.73</td>
<td>1.20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak</td>
<td>2.83</td>
<td>1.13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>2.78</td>
<td>1.16</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Strong</td>
<td>2.60</td>
<td>1.11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak</td>
<td>2.61</td>
<td>1.13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>2.61</td>
<td>1.12</td>
</tr>
</tbody>
</table>
H1 predicts that consumers are more likely to donate to a charitable cause when it is linked to a service compared to a physical good. Results show that there is no significant difference between products and services for donation likelihood. Thus no support is found for H1. Post-hoc analysis also reveals no significant difference for future behavioral intentions toward the provider. H2 states that consumers are more likely to donate to a charitable cause when they buy frivolous products compared to a practical product. Results indicate a significant effect for donation likelihood. \( F(1,229) = 9.52, p < 0.01 \). Specifically, consumers are more likely to donate to a charitable cause linked with a frivolous product compared to a practical product. Thus, H2 is supported. However, post hoc analysis reveals no significant difference in regard to future behavioral intentions toward the provider based upon consumption experience. Finally, H3 suggests that consumers are more likely to donate at the point of purchase when there is a strong functional fit between the product and the associated cause. Results reveal no significant difference for donation likelihood or future behavioral intentions toward the provider based on product/cause fit. Thus, we fail to find support for H3. Moreover, each of the two-way interaction effects between the main effect variables is also shown to be insignificant.

Figure 1
Illustrative Interaction Effects for Dependent Variables
Yet, there is a very significant three-way interaction effect for donation likelihood (F(1,229) = 180.02, p < .001) and future behavioral intentions toward the provider (F(1,229) = 9.03, p < .01). Specifically, consumers are more likely to donate and respond favorably toward the provider when practical services and frivolous goods are paired with causes perceived to have a strong functional fit. Conversely, consumers are more likely to donate and respond favorably toward the provider when frivolous services and practical goods are paired with causes perceived to have a weak functional fit. An illustration of these interaction effects is provided in Figure 1.

Discussion

The aim of this research was to understand how consumers react to donation requests when making point of purchase decisions. Specifically, we focused our analysis on three main independent variables: product type (product/service), consumption experience (frivolous/practical) and product/cause fit (strong/weak). Our results mirror extant research evidence on the positive effects of pairing frivolous products with donation requests. In that, positive donation behavior largely results as consumers compensate for increased feelings of guilt associated with the frivolous purchase by behaving altruistically toward a needy cause.

While we found no significant difference in donation behavior based on product type or product/cause fit, this research is the first to realize a three-way interaction effect based on product type, consumption experience, and product/cause fit. Specifically, we find that the fit between the product and linked cause is more important for practical services and frivolous products than for frivolous services and practical goods. This relationship may have a fairly simple explanation: product tangibility. For instance, the necessity associated with a practical good (e.g., toilet paper, water, laundry detergent) or service (e.g., haircut, taxi ride, oil change) suggests there is little guilt involved with the purchase decision. Thus, such a routine and guilt free purchase may require a stronger association with a specific cause (i.e., functional fit) to precipitate a desire to make a donation. However, practical good decisions are much more certain and known to the consumer due to the ability to evaluate their tangible assets. Conversely, intangible services are much more difficult to evaluate prior to purchase and the decision process may be extended due to the level of uncertainty that the consumer faces during the search and purchase process. As a result of this uncertainty, consumers may take more time to think about a purchase decision and reflect more upon the direct relationship between the service and associated cause. Therefore, functional fit may be of much more significance to donation behavior for practical services compared to practical goods.

Alternatively, frivolous goods (i.e., ice cream, candy, designer shoes) and services (i.e., cruise, massage, concerts) are guilt laden such that any associated link to a needy cause may enhance feelings of regret and remorse associated with their purchase. Thus, regardless of product/cause fit, consumers should be more agreeable to donation requests made at the point of purchase for frivolous products. By their nature, frivolous services tend to be infrequently purchased, intangible luxury items associated with a high degree of purchase involvement which may further accentuate the feelings of guilt. Therefore, the degree of fit is of less importance to the consumer compared to the strong desire to abate feelings of guilt.
Frivolous, tangible goods purchased more regularly require less involved decision making processes, thus a functionally associated cause may further strengthen the feelings of guilt and lead to positive donation behavior. Noting these differences could be of significant importance to the success of any new CRM campaign under development by an organization.

Limitations and Future Research

There are a number of factors specific to the method and sample characteristics that could have impacted the strength, as well as the direction, of the results reported in this study. For example, participants in this study could have acted differently than they would in a natural setting. Thus, future research examining donation behavior in a field setting is warranted. In addition, this study used a single frivolous and practical item between product types. Future research should focus on other product categories, especially those that vary on levels of involvement or brand engagement. Specifically, examining the impact of charitable donations between very personalized services (e.g., hairdresser) compared to less personalized services (e.g., dry cleaning) is an avenue for future research. In regards to framing effects, the donation amount remained constant in this study. Therefore, the effects reported may have differed if the donation was framed as a percentage of the sale rather than a fixed amount. Future research could look at boundary conditions for the amount or percent donated.

While research shows that women are more altruistic in nature than men, little evidence exists specific to differences based on product type. Thus, extending charitable donation research to the examination of gender differences in a service context is advised. This study was also exclusive to U.S. respondents. Generally, charitable giving is a socially defined, normative behavior such that the philanthropic philosophy of people may vary depending on the specific culture of the population. While CRM managers in the U.S. may benefit from the findings of this study, the results should not be generalized outside the U.S. Finally, the increase of e-commerce and mobile shopping has become increasingly pervasive within our society. Thus, future research might compare CRM activities in an online/mobile context to off-line purchasing decisions.

References


**Author Information:**

Brian R. Kinard earned his Ph.D. in Marketing from Mississippi State University and is currently an Associate Professor of Marketing at the University of North Carolina Wilmington. He has made numerous contributions to scholarly publications, including the International Journal of Research in Marketing, Journal of Advertising, Cornell Hospitality Quarterly, Journal of Consumer Affairs, and Journal of Services Marketing.

Minerva Lacal Pardo is a Marketing Assistant for Prada, Valentino Penhaligon’s and Comme des Garçons perfumes at Puig based in Barcelona, Spain. This research represents a portion of her thesis work in the area of consumer donation behavior.