Decision Processes Colloquia

Monday, December 5, 2016

Where: 360 JMHH

When: 12:00 – 1:15 pm

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Delivering the Goods for Corporate Donations:The Effect of Donation Type and Donor Warmth on Charitable Credit

ABSTRACT: This research tests how the form of a corporate donation impacts the charitable credit that a company receives for giving. The majority of corporate donations are monetary, however, firms always have the option to donate tangible goods instead. We find that companies who donate tangible goods receive more credit for their charitable behavior than companies who make equivalent monetary donations. This preference for goods donations is driven by consumers' perceptions that corporate donations of goods are more communally oriented than corporate donations of money. Further, the effect hinges on consumers' judgments that corporations are low in warmth and thus unlikely to act with others' best interests in mind. Experiments 1A and 1B document the basic effect that corporations receive more credit for donating goods than for donating equivalent amounts of money. Experiments 2A and 2B show that an increase in judgments of communal intentions arising from goods (rather than money) donations explains this effect. Finally, experiments 3A, 3B, and 4 document that trait warmth is key. Most corporations are viewed as low in warmth, and thus are subject to skepticism regarding the true intentions behind their generous acts. For such low-warmth donors, goods donations signal communal rather than strategic intentions, and therefore increase charitable credit received. Companies (and people) high in trait warmth, however, are assumed to be naturally communal and therefore receive high levels of credit regardless of donation type.

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