

MARKETING COLLOQUIA

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SELF-SIGNALING AND PRO-SOCIAL BEHAVIOR: A CAUSE MARKETING MOBILE FIELD EXPERIMENT

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ABSTRACT: We test a self-signaling theory using two large-scale, randomized controlled field experiments. Mobile phone users are randomly sampled to receive promotional offers for movie tickets via SMS technology. Test groups are exposed to different pre-determined levels of price discounts and charitable donations tied to the ticket purchase. The main effects of price discounts and charitable donations increase ticket demand. However, the combination of both discounts and donations can decrease ticket demand. In a post-purchase survey, the same subjects self-report lower ratings of “feeling good about themselves” as the motivation for buying a ticket when discounts and donations are both large. These findings are consistent with a self-signaling theory, whereby the discount crowds out the consumer's “warm-glow” feeling from the charitable donation. Alternative behavioral explanations are ruled out. A structural model of demand with self-signaling is fit to the data using a constrained optimization algorithm to handle the potential multiplicity of equilibria. The estimated preferences reveal that consumers do not derive consumption utility from donations bundled with the ticket. However, they derive significant diagnostic utility: the warm-glow feeling of the self-perception of valuing charitable donations.