

Cause marketing lowers charitable donations

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(PhysOrg.com) -- Cause marketing -- when firms share proceeds from the sale of products with a social cause -- reduces charitable giving by consumers, says a researcher at the University of Michigan's Ross School of Business.

A new study forthcoming in the July issue of the *Journal of Consumer Psychology* shows that consumers who buy such products end up giving less [money](#) to a social cause or charity. Not only can cause marketing result in fewer donations, it can decrease consumer [happiness](#), as well.

"Consumers appear to realize that participating in cause marketing is inherently more selfish than direct charitable donation, reducing their subsequent happiness (versus a direct donation)," said Aradhna Krishna, the Dwight F. Benton Professor of Marketing. "Unfortunately, this doesn't prevent them from substituting it for charitable giving, which reduces the overall charitable donation."

Krishna conducted various studies involving 300 college students to see whether consumers who bought products linked to a social cause would reduce subsequent donations to that cause.

She found that charitable giving is lower if consumers buy a cause-related product—even if the consumer planned to buy it, anyway, regardless of its link to a cause.

"Consumers may think of the firm's donation as theirs since it is facilitated by their act—in fact, this type of thinking is 'rational' since it

allows consumers to spend less to meet their donation goals," Krishna said. "This suggests that even if cause-marketing purchases are costless, consumers think of their purchase as a charitable act and decrease subsequent acts. The higher the cause-marketing expenditure, the lower was the individual charitable giving."

Krishna says that cause marketing also has the potential to decrease consumer happiness (versus direct donations). Research has shown that pro-social behavior, such as cause marketing or charitable giving, can have components of both empathetic (selfless) altruism and egoistic (selfish) altruism.

Specifically, empathetic altruism's ultimate goal is to help others, with self-benefit being an unintended consequence. Conversely, egoistic altruism's ultimate goal is self-benefit, with helping being an instrumental goal.

"Purchasing cause marketing products, since the consumer acquires a product in the process, has larger connotations of egoistic as opposed to empathetic altruism than charitable giving where the consumer gets no tangible benefit in return," Krishna said.

"Overall, the results raise concerns about the practice of cause marketing and suggest that [consumers](#) and policy-making bodies should be more vigilant about what cause marketing can do to individuals' direct donations, to total [donations](#) and to consumer happiness."

Provided by University of Michigan

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