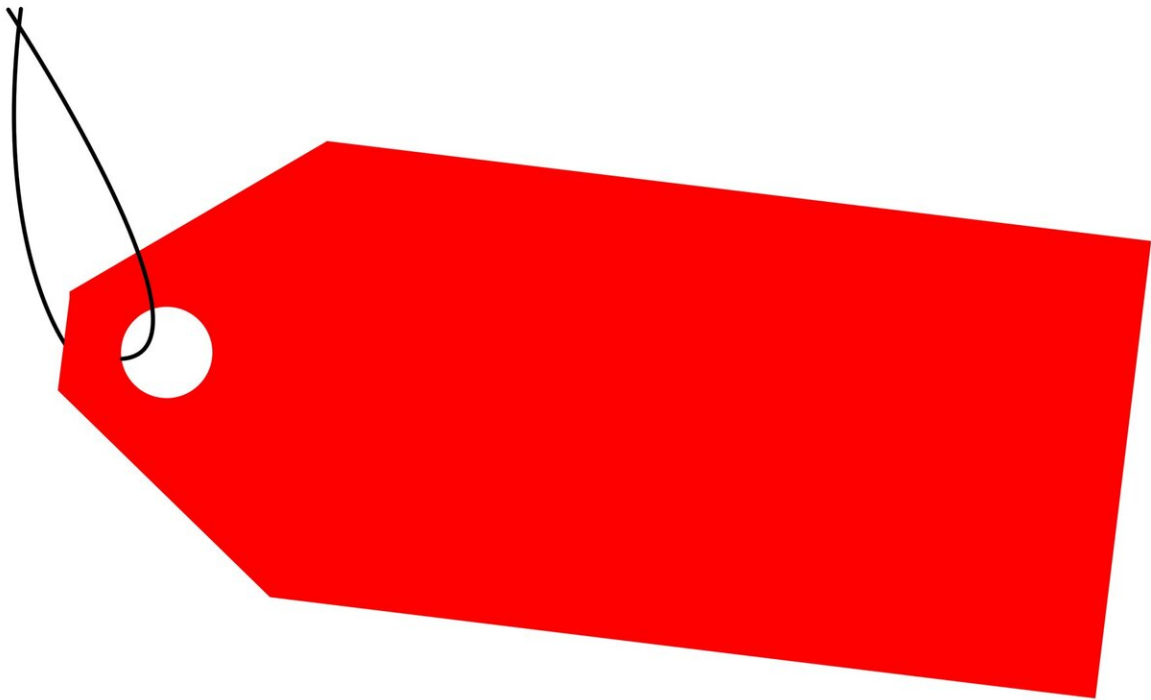


Do promotions make consumers more generous?

January 22 2021, by Matt Weingarden



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Researchers from Nanyang Technological University (Singapore), Shanghai Jiao Tong University, and University of Hong Kong published a new paper in the *Journal of Marketing* that examines why and how charitable organizations can increase donations by soliciting consumers after retailers' price promotions.

The study, forthcoming in the *Journal of Marketing*, is titled "Do Promotions Make Consumers More Generous? The Impact of Price Promotions on Consumers' Donation Behavior" and is authored by Kuangjie Zhang, Fengyan Cai, and Zhengyu Shi.

Giving Tuesday, a global generosity movement, takes place each year on the Tuesday after US Thanksgiving (immediately after Black Friday and Cyber Monday sales). Charitable donations generally see a big boost on Giving Tuesday. This year, American consumers donated a total of US\$2.47 billion on Giving Tuesday to various charitable causes, including \$808 million in donations made online.

Giving Tuesday was initiated by the 92nd Street Y and United Nations Foundation in the post-Thanksgiving season as a response to growing concerns about the consumerism and materialism associated with Black Friday and Cyber Monday sales. Given the large sales volume achieved in these [promotion](#) events, the media has portrayed Black Friday as America's greediest holiday.

An important question thus arises: Can price promotions lead to potential positive social consequences and contribute to a better world? Zhang explains that, "Price promotions can have a positive effect on consumers' donation behavior because the monetary savings from price promotions increase consumers' perceived resources. We also show that the positive effect of price promotions on consumers' donation behavior is stronger when consumers focus on the amount of money saved, when the purchase falls within their budget, and when the monetary savings can be realized immediately." Furthermore, charitable organizations can benefit the most when they solicit donations immediately after price promotions. These findings not only help explain the success of Giving Tuesday, but also provide insights to other organizations about the best timing for their charitable campaigns.

Specifically, these findings help charitable organizations make three important decisions: 1) who to target (consumers who have participated in price promotions); 2) when to solicit donations (immediately after consumers make purchases); and 3) how to increase effectiveness (charitable organizations should pair their donation appeals with promotions for necessities (vs. indulgences) that offer immediate discounts (vs. future rebates)). Further, the donation appeals should direct consumers' focus toward the money they saved (vs. spent) in the promotion. Charitable organizations can take advantage of these insights to better optimize their donation appeals.

"Our research also suggests that firms can use price promotions as great opportunities to collaborate with charitable organizations," adds Cai. For example, the outdoor brand Patagonia has committed since 2016 to donate 100% of its profits from Black Friday to charities. Unfortunately, in traditional cause-related marketing practices, consumers might doubt a firm's prosocial motivation because the benefits for the charity are contingent on consumers' purchases from the firm. But by soliciting donations after [consumers](#) complete their purchases, firms can cultivate a purer image of corporate social responsibility. This strategy was exemplified recently by Ralph Lauren, which partnered with the World Health Organization to fight against the COVID-19 pandemic by soliciting [donations](#) from customers immediately after they submitted their orders on the store's official online shop. This collaborative strategy between firms and nonprofit organizations can create a win-win situation that benefits stakeholders and contributes to a better world.

More information: Kuangjie Zhang et al, EXPRESS: Do Promotions Make Consumers More Generous? The Impact of Price Promotions on Consumers' Donation Behavior, *Journal of Marketing* (2021). [DOI: 10.1177/0022242920988253](https://doi.org/10.1177/0022242920988253)

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