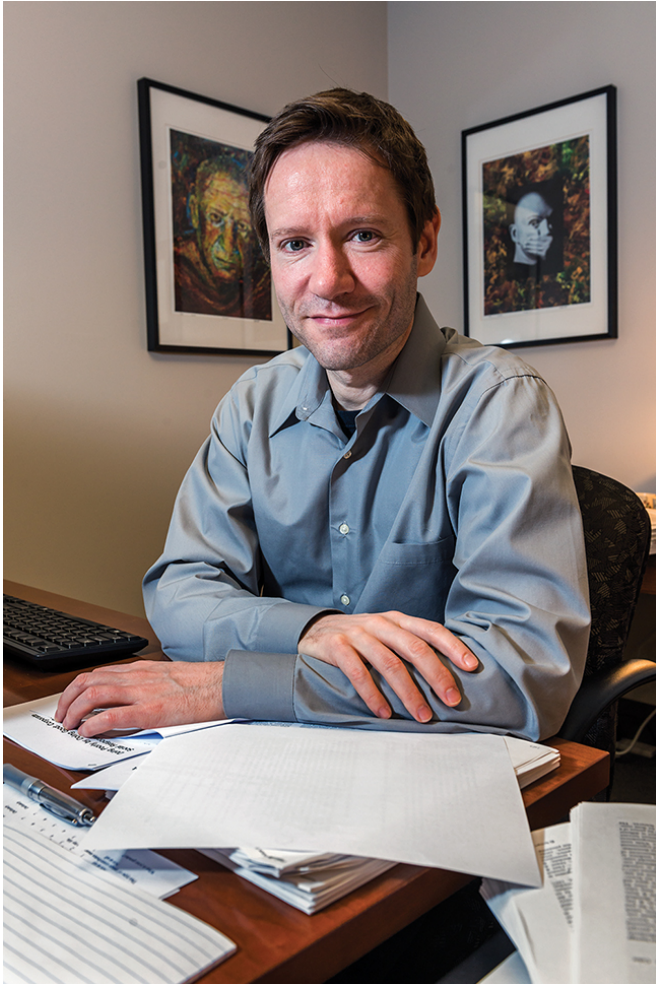


Luxury-charity partnerships can help promote retail sales this holiday season

14 December 2015



Hagtvedt is co-researcher in study finding a luxury brand's collaboration with charity allows consumers the "license to indulge" in a purchase because some of the money being spent is going to a good cause. Credit: Gary Gilbert, Boston College

Luxury items and the high prices they command may make consumers think twice this holiday season about whether the cost is justified. But if that luxury item is linked to "doing good," does that make it an easier purchase decision? Yes, according to new research forthcoming in the

Journal of Retailing, which finds consumers are more likely to buy luxury brands when these brands highlight partnerships with charity organizations at the point of sale.

"A lot of people like to buy [luxury](#) but feel a little guilty about it," says co-author Henrik Hagtvedt, Associate Professor of Marketing with the Carroll School of Business at Boston College. "So what we found is that if there's a way to remove that guilt, people will be more likely to go ahead and make the purchase. One way to do that is to collaborate with a [charity](#)."

Like every [holiday season](#), luxury marketers will spend millions of dollars this year on retail décor to help convert consumer desire into purchases. Since these retail spaces are designed to dazzle [consumers](#) with the luster of luxury, they aren't perceived as a good place to promote partnerships with charity. But Hagtvedt and Marketing Professor Vanessa Patrick of the C.T. Bauer College of Business at the University of Houston challenge this notion with evidence that the cash register may in fact be the best place for a luxury brand to partner with charity.

"At this pre-purchase stage of the decision cycle, consumers are often looking for a reason to buy or not to buy," says Dr. Hagtvedt. "Charity partnerships may not fit perfectly with a dazzling retail display, but they can help justify a desirable purchase."

Titled Gilt and Guilt: Should Luxury and Charity Partner at the Point of Sale? the study points out that 47% of consumers feel guilty about luxury consumption and "often seek out opportunities to justify the indulgence - a license to consume."

The authors conducted three experiments with 342 college students and adults to support their insights.

In one study, participants could purchase either a luxury brand (Godiva) or a value brand (M&M's). Without any mention of charity, 47% chose to purchase the luxury brand. However, when participants were told that the Godiva chocolates were made and sold in association with the World Wildlife Fund, the choice of Godiva jumped to 78%. Follow-up experiments demonstrated that the willingness to purchase luxury products increased because the association with charity diminished the participants' feelings of guilt for purchasing a luxury product. The same pattern emerged whether the luxury products were chocolates, high-end jeans, or Rolex watches.

The collaboration with charity allows consumers "the license to indulge" in the [luxury brand](#) they want to purchase.

"The consumer sees that some of this money is going to a good cause, and that diminishes the guilt," says Dr. Hagtvedt. "In other words, it makes the consumer feel better and removes an impediment to purchase."

The current research indicates that even negative emotions generated at the point of sale can be strategically managed to result in a win-win scenario for luxury brands, charities, and consumers alike. Luxury brands increase sales, charities increase contributions, and consumers can enjoy guilt-free consumption.

Provided by Boston College

APA citation: Luxury-charity partnerships can help promote retail sales this holiday season (2015, December 14) retrieved 14 April 2021 from <https://phys.org/news/2015-12-luxury-charity-partnerships-retail-sales-holiday.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.