Power and Donation: Does Perceived Power Decrease Or Increase Charitable Contribution?

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In the current paper we examine the effect of perceived power on charitable donations. We hypothesize that high power people are more self-centered, paying less attention to others, and focusing more on what pleases themselves. As a consequence, comparing to low power people, 1) they show less sympathy to suffering people, and thus donate less to them; 2) they allocate more donations to attractive rather than unattractive people. Across three studies, our hypotheses were supported. These results enrich our knowledge on the role of perceived power in helping behavior in particular and in decision making in general.

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all the quiz questions correctly. Then they completed a practice task related to toothpaste. On the first experimental task, participants reviewed information about an Innovative MP3 Player. They selected emotional or factual information on six dimensions for a new MP3 device. Consistent with our predictions, these young people obtained more and spent more time on factual information than on emotional information (Factual Acquisitions 4.62 vs. Emotional Acquisitions 3.12, Time 7.39 seconds). Additionally they acquired and spent more time on promotion information than prevention information, although these differences were not significant.

Study 2 has a 2 (age group: young vs. old) x 2 (culture: American vs. Chinese) x 2 (information content: factual vs. emotional) x 2 (information orientation: promotion vs. prevention) mixed factorial design. In this study, we recruit 150 American consumers and 150 Chinese consumers, half of each group are elderly consumers (average age>60). We match the groups from the two countries by several demographic variables such as age and gender. Participants select information for different products (a practice task, a new type of multifunction cell-phone, mp3 player and a new form of mutual fund). For each product, they can select factual or emotional information on prevention and promotion dimensions. The dependent variables are the content and orientation of information selected, the time spent reviewing each type of information and participants’ attitude toward the innovative products. Covariates include participants’ age, cultural orientation, chronic regulatory focus and product familiarity. At the conference, we will present preliminary results of this study.

Theoretically, we will learn to what extent age and culture affect consumers’ preference and search for information about really new products. Managerially, the older market is an important new segment as a significant proportion of population is entering this segment. Finding ways to position new products to this segment is important to the success of many companies. In addition, our research helps companies adjust the positioning of their innovative products across cultures. Note that existing research does not suggest how consumers respond to emotional promotion and factual prevention information. Culture plays a key role here because we predict that consumers’ chronic orientations will dominate information content when consumers process information on new products. Without our cross-cultural results, implications on these two types of information are unclear.

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The psychology of power has long been of interest for psychologists and economists (e.g., Bierstedt, 1950; Kipnis, 1976; Winter, 1973; Browne, 2006). Recently, researchers started to systematically study the role of power in decision making. For example, having power increases the tendency to approach and decreases the tendency to inhibit, i.e. people with power are more likely to notice rewards and less likely to perceive threats (Anderson/Berdahl, 2002). High power people are also more inclined to take risks (Anderson/Galinsky, in press). In addition, research focuses on the negative effects power evokes in people, namely that the powerful only focus on their own interests and desires and are not interested in others (Fiske, 1993; Kipnis, 1972). It has also been found that the powerful are less capable of experiencing empathy, i.e. they are not able to correctly adjust to others’ perspectives. Apparently, the powerful do not fully comprehend how other people see, think and feel (Galinsky et al., 2006). Galinsky et al. state in their paper that perspective taking has been associated with altruism and helping behavior whereas power is typically related to malfeasant social behaviors.

In the current paper, our question is whether perceived power leads to increased or decreased charitable contribution. The answer is not ready from the existing literature. On the one hand, the sense of power may lead people to believe that they themselves can help more. This might be driven by the perceived resources they have at their disposal (Keltner et al., 2003). That is, perceived power leads to believe that they themselves have more resources available to help others, thus donate more to others. On the other hand, research has shown that power leads to less empathy and perspective taking (Galinsky et al., 2006), which presumably would lead to decreased charitable contribution. In the current paper, we hypothesize that the sense of power leads to higher self focus, which includes two aspects. First, consistent with literature, the sense of power leads to less empathy and perspective taking, and thus leads to less sympathy toward a suffering victim. Second, it also makes people focus more on external stimuli which potentially can bring positive return (e.g., make
them happy) to them. Based on the above mentioned reasoning, we predict that 1) high power people donate less to suffering subjects (rather than less suffering subjects) than low power people do; 2) high power people donate more to attractive subjects (rather than unattractive subjects) than low power people do. We tested these predictions in three studies.

In study 1, subjects were first shown pictures of attractive and unattractive children from Third World countries. We presented them with pictures of 4 children and asked them to freely split a sum of 30 ? to them. These 4 children varied in attractiveness (two attractive ones, two neutral ones), but were held constant in the suffering dimension. After the allocation task, the subjects were asked to rate themselves on a power scale (Smith et al., 2006). As we hypothesized, the correlation analysis showed that high power people tended to give more to attractive subjects (rather than unattractive subjects) than low power people did.

Study 2 adopted exactly the same procedure as in study 1, but this time they were asked to allocate their donation to children varying only in the suffering dimension, whereas the attractiveness dimension was held constant. Again, our hypothesis was confirmed. That is, high power people donated less to suffering subjects (rather than less suffering subjects) than low power people did.

To establish the causal link, in study 3, we manipulated power by priming subjects with either high or low power. After the priming procedure, they were asked to allocate donations either among a set of children varying only in the attractiveness dimension, or among a set of children varying only in the suffering dimension. Consistent with our hypotheses, comparing to low power people, high power people donated less to suffering children (rather than non suffering children); whereas they donated more to attractive children, rather than unattractive ones.

Overall, these results suggest that whether the perceived power leads to increased or decreased charitable contribution depends on the nature of the subjects they face. Specifically, as we have shown in the studies, high perceived power leads to more donation to attractive subjects but less donation to suffering subjects. These results resolve important controversial predictions based on power elicited resource abundance and power induced (less) perspective taking. The findings also have important implications for marketing practice of fundraising organization. For example, they should segment their potential contributors and provide different types of ads (e.g., attractive versus suffering) to maximize their charitable contributions.

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Do All-or-Nothing Reference Points Support Regular Savings?
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Do implementation intentions support regular savings? A growing number of studies have demonstrated how the formation of implementation intentions positively influences goal progress (Gollwitzer 1999; Schweiger Gallo and Gollwitzer 2007). Little has been written on the limitations of this method (e.g., Powers, Koestner, and Topicu 2005). In this working paper, we examine another case in which implementation intentions appear to moderate goal progress. We find that committed savers who use implementation intentions to attain a specified savings goal perform significantly worse than do those who did not use an implementation plan. This suggests that implementation plans may have the effect of demotivating committed individuals who seek to implement narrowly specified plans, ultimately resulting in a deterioration of performance toward the goal.

The consumer behavior literature yields a number of explanations as to why implementation intentions may moderate progress toward a savings goal. First, forming all-or-nothing types of implementation intentions set a target that must be met for the effort to be considered a success. Otherwise, it is considered a failure and may discourage subsequent goal progress. Second, people’s spending behaviors may have created counterintentional habits that are stronger than implementation intentions. Implementation intentions may not be able to interrupt this negative influence on reaching a savings goal. Third, forming an implementation plan may increase peoples’ attention toward their savings behavior. The implementation plan, specifying the target behavior, may heighten a person’s self-focused attention. This allows for self-criticism which, in turn, interferes with goal progress. Fourth, people’s self-control to act on an implementation plan may be depleted if they set too many goals or they set goals that conflict with their savings goal.

In this working paper, we study participants of a community-based savings campaign. Because the campaign encourages regular, at least monthly savings deposits, we can infer that achievement of the savings goal is considered difficult to implement by the participants.