Guilt Appeals in Cause-Related Advertising: When Does a Guilt Appeal Backfire?

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Cause-related marketing (CRM) has become a major corporate philanthropic trend to donate money to a charity each time a consumer makes a purchase. This research extends the research of CRM by incorporating potential influences of product type and donation magnitude on CRM effectiveness and tests the idea that responses to guilt appeals in CRM advertising could be influenced by aforementioned factors. In addition to practical and hedonic products, a product containing both practical utilities and hedonic rewards is incorporated. Experimental results indicate that a guilt appeal is more effective than a non-guilt appeal. Guilt appeals backfire when the product is perceived as hedonic or the donation magnitude is high. When promoting hedonic products, the boomerang effects of guilt appeal become less influential as the donation magnitude increases. The implications of the findings are discussed as well as limitations and directions for future research.

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EXTENDED ABSTRACT

Corporate social responsibility (CSR) has been prompted by companies because a good business should be perceived as socially responsible. Sharing the business ethics and value of “paying back to society”, CSR has become popularly recognized by industries or companies. One way to fulfill CSR is to partner a product with a cause, referred to strategically as cause-related marketing (CRM), where money is donated to a charity each time a consumer makes a purchase. Recent studies have begun to examine potential factors that might affect CRM effectiveness and how consumers respond to CRM initiatives (e.g., Strahilevitz, 1999; Strahilevitz and Myers, 1998; Subrahmanyan, 2004; Webb and Mohr, 1998). One influential variable that has been identified to determine the success of CRM is its advertising (Chang, 2008). A variety of advertising techniques are adopted to persuade consumers to buy products and services. Emotional appeals are widely used to “cut through the clutter” and arouse persuasive communication. Among them, guilt appeals are identified as popular, especially in contexts related to charitable donation (Hibbert et al., 2007).

Complementing previous research on the effects of guilt appeals in charitable giving contexts (Basil et al., 2006 and 2008; Bennett, 1998; Hibbert, Smith, and Ireland, 2007), this research shows how the guilt appeal can be relevant to CRM. This article contributes to this evolving stream of research by applying guilt appeals in CRM campaigns to demonstrate that guilt appeals might not be equally persuasive in all conditions, and could be moderated by product type and donation magnitude. This research also incorporates a product type combining both practical functions and hedonic rewards to examine how consumers perceive different product types and how these perceptions interact with CRM effects in a systematic way. The moderating roles of product type and donation magnitude on guilt appeals in CRM advertising effectiveness were explored in a 2 (guilt appeals: guilt vs. non-guilt) X 3 (product type: hedonic vs. practical vs. both) X 2 (donation magnitude: low vs. high) factorial design. In order to eliminate the effects of product-selection bias, two products were chosen for each product type based on a pre-test. Therefore, 24 experimental versions were produced. The experiment was conducted through the Internet. Participants were randomly assigned to one of the 24 conditions above. After successful manipulation checks, a series of analysis of variance controlling gender were conducted to examine proposed hypotheses.

The results support the general proposal that CRM effectiveness depends on complicated interrelationships among guilt appeal, product type, and donation magnitude. After the applying of guilt appeals in the CRM promotion business, the results show that a guilt appeal leads to higher persuasiveness than a non-guilt appeal. This confirms that guilt appeals can be an effective tool for influencing consumer behavior, notably in product purchase behaviors. From a practical point of view, the findings here should be considered encouraging companies who wish to employ guilt appeals in initiating CRM ads. The other goal of the present study was to extended earlier work on guilt appeals by identifying boundary conditions associated with the role of guilt appeals in consumer evaluations of CRM ads. In doing so, the study is capable of providing insight into the important, but previously unanswered question of “When does a guilt appeal backfire?” The results indicate that focusing on a comparison between guilt and non-guilt appeals may be overly simplistic. Indeed, the findings presented here establish that the influence of guilt appeals on consumer response is relatively complex and contingent on product type and donation magnitude. Four observations are noteworthy.

First, in terms of the relative effects of different product types, this study shows systematic effects on consumer responses by comparing hedonic products, practical products, and those containing both values. When a non-guilt appeal is used to frame CRM promotion, the main effect of product type is observed. The advantage of perceived product hedonism resides in its ability to elicit more favorable consumer attitudes toward the company and toward the sponsoring firm. Products linked to the cause are most likely to be preferred when they are hedonic, followed by those products containing both hedonic and practical value. The results demonstrate the previously observed effects of product type on CRM by comparing practical and hedonic products (Chang, 2008; Strahilevitz, 1999; Strahilevitz and Myers, 1998). The current investigation provides guidance for practitioners to frame the nature of the product in CRM campaigns. Perceived product hedonism is an important element in CRM. Transforming a product with perceived practical value into one with clear hedonic value can be an important re-positioning strategy for a company using CRM to successfully promote the product.

Second, a boomerang effect of perceived product hedonism is found when the CRM message is framed with a guilt appeal. To be specific, when a guilt appeal is employed, a practical product or a product containing both practical and hedonic value is more effective than a hedonic product for promoting CRM. Experiencing guilt from hedonic product purchases can affect an individual’s willingness to contribute to charity. When consumers face a hedonic product with a guilt appeal, the guilt-appeal ad appears to be a deliberate attempt to seduce consumers into buying and makes consumers feel manipulated. The differences in participants’ maladaptive responses from the experimental results validate this argument. This study here echoes the idea that guilt can generate negative responses and disrupt the advertiser’s intended objectives as well (Cotte et al., 2005). Therefore, when consumers face a hedonic product, the CRM message in the guilt appeal reduces advertising effectiveness. These findings should be helpful to those seeking to use guilt appeals.

Third, a high donation magnitude presented in an ad would eliminate the CRM effectiveness of the guilt appeal. High donation magnitude could mean a large sacrifice for consumers since it involves a higher cost passed on to them. Consumers tend to become skeptical toward the CRM promotion and the company’s inferred motives. These unfavorable evaluations have been identified in previous research (Barone et al., 2007; Berglind and Nakata, 2005; Gupta and Pirsch, 2006; Smith and Stodgill, 1994; Webb and Mohr, 1998). The current study empirically indicates that, with the guilt appeal, the participants who viewed the CRM message with a high donation magnitude generated more maladaptive responses than those who viewed one with a low donation magnitude. On the contrary, when a donation magnitude is perceived as low, the guilt appeal can become an effective peripheral cue in CRM advertising allowing consumers to process favorably the promotion message.

Fourth, the interaction between guilt appeal and donation magnitude is significant when promoting hedonic products with CRM. When the donation magnitude is low, a non-guilt appeal is
more influential than a guilt appeal due to the boomerang effects of a product’s hedonic nature. The results of the experiment indicated that when participants faced a guilt-appeal ad, they were likely to generate more maladaptive responses. Marketers need to use caution when employing a guilt appeal due to the negative effects of the donation magnitude on consumer responses, especially when promoting hedonic products.

Findings from this investigation are informative both theoretically and pragmatically. This study contributes to the academic literature and industry by increasing our understanding of guilt appeals in a CRM context by proposing product type and donation magnitude as factors that moderate the relationships between guilt appeals and consumer responses toward the promoted product and the sponsored company. Furthermore, maladaptive responses as the process measure are incorporated into the current study to provide evidence about potential drives behind how consumers process CRM messages. The findings underscore the importance for marketers to learn more about whether guilt appeals work, and in turn describe how practitioners can avoid negatively toward guilt appeals. The present research should serve a starting point for entry into this under-researched area.

REFERENCES