Empathy, Donation, and the Moderating Role of Psychological Distance

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Empathy has a beneficial effect on charitable donations. Since it entails putting oneself in the place of another, we predicted that the effects of dispositional empathy would be greater at closer but not farther psychological distance. We found the predicted interaction in four experiments, manipulating physical, temporal, and hypothetical distance.

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Raising the Bar: New Insights into the Development of an Optimal Donation Solicitation
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Paper #2: Empathy, Donation, and the Moderating Role of Psychological Distance.
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Paper #3: Splitting the Decision: Increasing Donations by Recognizing the Differential Impact of Internal and External Considerations
Tatiana M. Fajardo, University of Miami, USA
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Paper #4: For Charities not all Aesthetics are Created Equal: The Differential Effects of Aesthetics With and Without Cost Implications on Response to Donor Solicitations
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SESSION OVERVIEW
Charities service very diverse populations and provide for many vital services, such as health care, education, housing and disaster relief. However, they are continually confronted with growing competition for resources. Increased need for charitable support has necessitated that nonprofit organizations utilize the most effective means of communicating with the consumer (White and Peloza 2009). The objective of this session is to provide new insights into how nonprofit organizations can more effectively construct their donation solicitations. A major contribution of this session will be its implications for how non-profit organizations (or companies interested in pro-social activities) should manage their fundraising efforts.

Recognizing the importance of charitable contributions, researchers have worked rigorously to identify factors influencing donation behavior (Bendapudi, Singh and Bendapudi 1996; Reed, Aquino and Levy 2007). The projects in the session extend this work, examining factors which have generally been overlooked or understudied by previous research. Broadly speaking, influences on donation behavior can be categorized into (1) those integral to the donor (e.g. donor’s gender identity: Winterich, Mittal and Ross Jr. 2009) and (2) those external to the donor, contextual or situational factors (e.g. the presence of incentives: Bénabou 2005). Importantly, the projects in this session consider these two types of factors both separately and as they interact.

MacDonnell and White demonstrate how an internal factor, donor’s construal orientation, interacts with an external factor, type of donation solicited, to influence donation behavior. Similarly, Panicaluranga and He show how the interaction between an internal factor, donor’s sense of empathy, and an external factor, donor’s distance from the recipient, effects contributions. Fajardo and Townsend identify two parts to the donation decision and examine how they are differentially influenced by internal and external considerations. They build on this knowledge to develop a more effective donation solicitation with internal appeals addressing the decision to donate and external appeals addressing the quantity decision. Then, in contrast to these three papers and the majority of the work in this area, Oza and Townsend consider an entirely external consideration – aesthetics of a donation appeal – to offer additional insights on solicitation optimization above and beyond the informational persuasions used to motivate donation.

Individually, each project offers recommendations for how to optimize donation. Taken together, the papers in this session provide a blueprint for an effective donation appeal including when to present the appeal, how it should be designed, structured and specifically worded. Researchers interested the non-profit sector and/or pro-social behavior in general would be interested in the session. Given the diverse range of substantive topics to be covered, we also hope to draw attendees who are interested in research on advertising, persuasion techniques, public policy issues, construal level theory and aesthetics. By identifying and examining a diverse range of factors influencing donation behavior and making specific recommendations on how to optimize donation appeals, the session makes great contributions to the fields of persuasion and consumer behavior in general and pro-social marketing in particular.

All of the papers in this symposium are in a very advanced stage. They all have well-developed theoretical frameworks and have completed substantial empirical work. Notably, all these projects include at least one measure of real donation behavior. The working manuscripts for all of the papers in this session (as well as all of the cited references) will be available upon request.

Construcing Charity: Consumer Construal Level and Charitable Contributions of Time Versus Money

EXTENDED ABSTRACT
According to construal level theory (Trope and Liberman 2003), mental representations of events influence how individuals process information (Fujita et al. 2006), and these construals, in turn, guide choices, preferences, and behaviors (Trope, Liberman, and Wakslerk 2007). A low-level construal is characterized as being more concrete in terms of specific, subordinate, and contextualized features, whereas a high-level construal is one that is more abstract in that it represents events in terms of general, superordinate, and de-contextualized features (1989; Liberman and Trope 1998). The current research proposes that while money might be commonly viewed at a relatively concrete level, time might be construed as being more abstract. Further, it is posited that this has implications for marketers requesting charitable support on the part of consumers.

Past research demonstrates that the level at which the consumer construes a particular action can indeed influence various consumer outcomes including brand extension evaluations (Kim and Roedder John, 2008), product attitudes (Lee et al. 2010), and recycling behaviors (White, MacDonnell and Dahl 2011). For example, White et al. (2011) find that a “match” of construal-level with message frame (e.g., abstract messages with gain frames; concrete messages with loss frames) leads to the most positive consumer recycling behaviors and intentions.

Research does suggest that the manner in which consumers perceive time and money do indeed differ (Leclerc et al. 2005; Okada and Hoch 2003). Here, we forward the novel hypothesis that money (time) might be viewed more concretely (abstractly). This is because money is often considered in a concrete, lower-level manner as it serves as a “common currency” that many goods, services, and experiences must be broken down to in order to evaluate. Time, on the other hand, is a more experiential, general, and abstract concept. Given this, we propose that utilizing congruent messaging (concrete...
with donation request (paired with money vs. time, respectively) will lead to the most positive charitable support. These predictions were examined across two pretests and three studies. In two pretests, we show that thinking about money (time) leads to more concrete (abstract) thoughts when considering product usage (i.e., an iPod) and recalling a consumption experience (i.e., a date). Next, we turn to the prediction that a match of message (concrete vs. abstract) to the type of charitable support requested (money vs. time) will lead to the most positive charitable responses.

The first study utilized a 2(message: concrete vs. abstract) x 2(donation type: money vs. time) mixed-model design, with donation type as the within-subjects factor. Participants (N=86) read one of two charitable appeals asking for contributions to a hunger-related cause (both with the same branding elements). The first appeal pretested as being more concrete in nature (“contribute to serving breakfasts to children”), and the second pretested as being more abstract (“contribute to addressing hunger for children”). Participants then reported how many dollars and hours (in counterbalanced order) they were willing to contribute to the charitable cause. These measures were standardized for comparison. A mixed-model ANOVA revealed a significant message x donation interaction (F(1,83)=4.28, p<.05). When presented with a more concrete appeal, consumers were more apt to give money (M=.442) than time (M=.081; t=2.94, p<.05). When provided with an abstract appeal, consumers intended to give more time (M=.296) than money (M=.133; t=2.41, p<.05).

To provide converging evidence for our construal level account, study 2 examined individual differences on construal level. Participants (N=60) were then asked to indicate how many dollars and hours they were willing to contribute to the cause communicated in a marketing message. Each measure was converted to a z-score for analysis. Construal preferences were assessed using Vallacher and Wegner’s (1989) 25-item “action identification” scale and these scores were averaged such that lower (higher) scores represented a more concrete (abstract) construal preference. For analysis, a difference score between time and money donations was calculated, with higher numbers indicating greater time donations. Linear regression revealed that the continuous mean-centered action identification scale significantly predicted charitable contributions of time versus money (β = .30; t(58)=2.16, p<.05). Thus, those disposed to more abstract construals were more likely to donate time (vs. money).

In the third study, we examined real consumer behaviors. The construal level of the message was varied to be more concrete or abstract (as in study 1). Participants (N=72) were run individually and were asked to contribute either time or money and their actual behavioral contributions were observed. The z scores of actual dollar and hour contributions were used as the dependent measure. In addition, participants completed measures of positive moods. The appeal (concrete vs. abstract) by donation type (money vs. time) by between-subjects interaction on actual contributions was significant (F(1,68)=8.65, p<.01). When the cause was presented as being concrete consumers were more likely to donate money (M=.39) versus time (M=.21; t=2.15, p<.05), whereas when the cause was presented in more abstract terms consumers were more likely to donate time (M=.13) versus money (M=.49; t=2.24, p<.05). Bootstrapping analysis revealed that the effects were mediated by positive mood states (confidence interval .0020 to .1598; p < .03). The pattern of results showed that the most positive moods emerged when there was a match of construal-level of the message with the donation type.

Taken together, the results have implications for both theory and practice. Theoretically, the findings that money is viewed more concretely, while time is viewed more abstractly build upon past work both examining consumer construal-level and consumer differences in perceptions of time vs. money. Practically, the results suggest that charitable organizations wishing to generate monetary support might profitably make more concrete appeals to consumers. For example, appeals that highlight how the money would be used, along with the specific programs that will be supported might be particularly successful. Conversely, when the goal is to recruit individuals to donate their time, broader appeals that discuss the general cause might be more successful.

Empathy, Donation, and the Moderating Role of Psychological Distance

EXTENDED ABSTRACT

It is well-established that empathy has a positive effect on charity, both in psychology (Eisenberg and Miller, 1987) and marketing (Bagozzi and Moore, 1994). We show that the effect of empathy on donation is contingent on psychological distance between donor and recipient.

Empathy is defined as “Einfühlung” the original German word roughly translated as “to feel one’s way into.” In other words, “being cognitively aware of another person’s internal states and/ or putting oneself in the place of another and experiencing his or her feelings” (Bagozzi and Moore, 1994, p.58) or “one’s ability to experience and understand another person’s affective or psychological state” (Argo, Zhu, and Dahl, 2008, p. 615). Bagozzi and Moore (1994) found a partial mediation of empathy on a decision to help while Eisenberg and Miller (1987) used a meta-analytic approach to reveal significant positive effects of empathy on prosocial behavior. We argue that the effect of empathy on donation is moderated by psychological distance (Liberman, Trope and Stephan, 2007), with the role of dispositional empathy magnified by closer psychological distance between donor and recipient. Dispositional empathy is a stable trait and its effect depends on how easy it is to envision another’s situation. Decreased distance between donor and recipient would facilitate such a process and therefore enhance the effect of dispositional empathy on donations.

Hypothesis: Psychological distance will moderate the effect of dispositional empathy on donations. The beneficial effect of greater empathy will be exacerbated when the donor and recipient are separated by lesser distance (physical, temporal, and hypothetical) and attenuated when there is greater distance.

The above hypothesis was tested in four experiments, with psychological distance manipulated between subjects and dispositional empathy measured. The first three experiments studied the donation of time in the form of extra credit points. Participants were students of an introductory marketing course and could participate in research to earn ten additional course credit points (in a 1000-point class). They read that another student could not participate due to illness or work. Participants were asked how many of their points would they donate to this unfortunate student. Barring the manipulation of psychological distance, no other information about the needy student was provided. It must be emphasized that when completing the questionnaire, participants committed to making an actual donation and they were debriefed following submission of the questionnaire. Within the questionnaire, participants completed a measure of dispositional empathy (Davis, 1980), for which Cronbach’s α was found to be acceptable. Manipulation checks indicated the success of the distance manipulation in each experiment.

In the first experiment, we studied the moderating role of physical distance. Seventy undergraduate students were assigned to one of the two levels of physical distance. All participants were
enrolled in the introductory marketing section on the main campus of the university. There was a similar section at a satellite campus about one hundred miles away. Half the participants considered a recipient enrolled in the satellite campus (farther physical distance) and the rest considered a recipient enrolled in the main campus (closer physical distance). The results revealed a significant interaction between dispositional empathy and physical distance in participants’ donation of their extra credit points \(F(1, 66) = 6.44, p < .05\). Planned comparisons indicated that dispositional empathy was significant in predicting donation only at closer physical distance but not at farther physical distance.

The second experiment documented the moderating effects of temporal distance. Sixty-eight participants were assigned to one of two levels of temporal distance. The experiment was conducted in the first half of the semester. The scenario indicated that the unfortunate student would either receive the donation within a week (closer temporal distance) or at the end of the semester (farther temporal distance). There was a marginally significant interaction between temporal distance and dispositional empathy on the likelihood of donating extra credit points \(F(1, 65) = 3.16, p < .10\). Planned comparisons indicated that dispositional empathy was a significant predictor of likelihood of donation only in the condition of closer temporal distance but not at farther temporal distance.

Hypothetical distance was manipulated in the third experiment. Sixty-nine participants considered a scenario portraying one of two levels of hypothetical distance. Participants read that a student had been chosen to receive their donation (closer hypothetical distance) or read that a student would be chosen (farther hypothetical distance), a manipulation used previously (Small and Loewenstein, 2003). We found a significant interaction between dispositional empathy and hypothetical distance in determining actual donation of extra credit points \(F(1, 65) = 4.91, p < .05\). This interaction arose from the significant effect of dispositional empathy at closer hypothetical distance but not at farther hypothetical distance.

In experiment four, we studied the donation of money and endowed sixty participants with five one-dollar notes in an envelope. Our dependant variable was the number of notes they transferred to an envelope meant for a student at lesser or greater hypothetical distance, manipulated in the same fashion as in experiment three. We found a marginally significant interaction between dispositional empathy and hypothetical distance on donations of actual dollars \(F(1, 56) = 2.69, p = .1)\). As shown previously, this interaction arose from the significance of dispositional empathy in predicting dollar donations at closer hypothetical distance but not at greater hypothetical distance. In this experiment we also ruled out a possible confound of Inclusion of Others in Self using a previously validated measure (Winterich, Mittal and Ross, 2009) which yielded no significant difference. We discount the possibility of our distance measure (Winterich, Mittal and Ross, 2009) which yielded no significant difference. We discount the possibility of our distance measure (Winterich, Mittal and Ross, 2009) which yielded no significant difference. We discount the possibility of our distance measure (Winterich, Mittal and Ross, 2009) which yielded no significant difference. We discount the possibility of our distance measure (Winterich, Mittal and Ross, 2009) which yielded no significant difference.

To sum up, the role of dispositional empathy in charitable donation depends on psychological distance between the donor and the recipient. Consistent results are observed using different manipulations of psychological distance and different measures of donation. Our findings contribute to a better understanding of charitable behavior, particularly with respect to the interactive effects of empathy and psychological distance. Not-for-profit organizations may better plan fundraising efforts by taking into account the various forms of psychological distance existing between the donor and the recipient.

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**Splitting the Decision: Increasing Donations by Recognizing the Differential Impact of Internal and External Considerations**

**EXTENDED ABSTRACT**

When considering a charitable donation, the decision-maker decides whether to make a donation (choice) and then how much to donate (quantity). Building off the idea of two-stage valuation models (Kleindorfer and Kunreuther 1988; Slovic and Lichtenstein 1968; Winter and Fried 2001) researchers interested in pro-social behavior have suggested that these decisions are driven by different factors (e.g. Smith, Kehoe, and Cremer 1995; Smith and Berger 1996; Dickert, Sagara, and Slovic 2011). Considering such findings in aggregate we hypothesized and found that donation choice is determined primarily by considerations internal to the decision-maker (e.g. self-identity, self-relevance) while donation quantity is determined primarily by external factors (e.g. neediness of victims, effectiveness of organization).

Additionally, we extended our findings by applying them to a different context and testing a new optimal structure for solicitations. Prior work has demonstrated that providing excessive information may cause anxiety and poor decision-making (Reuters 1996; Shenk 1997). Thus, we hypothesized that an optimal solicitation structure would be one that explicitly separates the two decisions and enables different persuasive arguments to be offered for the choice and quantity decisions. Indeed we find that this solicitation structure maximizes both number and amount of donations.

In study 1a we manipulated moral-identity, an internal factor, and hypothesized that our manipulation would influence donation choice but not donation quantity. Participants first completed a brief questionnaire and received false feedback identifying them as having either a high or low moral-identity. They were then shown a hypothetical donation appeal for a fictitious non-profit organization, Foster Support, described as providing clothing and toys to foster children. As expected, a larger percentage of participants in the high moral-identity condition selected to make a donation than in the low moral-identity condition (High moral identity = 91.7%, Low Moral Identity = 50%, \(X^2 = 6.84, p < .01\)). Donation quantity, however, remained unaffected by moral-identity; participants in the high moral-identity condition did not estimate a higher donation amount than participants in the low moral-identity condition (\(M\text{high} = \$35.51\) vs. \(M\text{low} = \$26.91\), \(F(1, 58) = 1.02, p = .32\)). In study 1b we manipulated self-relevance of the charitable cause, another factor internal to the decision-maker, by describing Foster Support as operating either within the participant’s state-of-residence or across the nation. Results replicated study 1a; self-relevance affected donation choice (High Self-Relevance = 81%, Low Self-Relevance = 52%, \(X^2 = 4.22, p < .05\) but not donation quantity (\(M\text{high} = \$24.93\) vs. \(M\text{low} = \$23.24\), \(F < 1\)).

Having shown that two different internal factors influence the decision of whether to donate but not donation amount, in study 2 we considered two external factors and predicted that the opposite would be true, that donation quantity would be affected but not donation choice. First, in study 2a we manipulated seriousness of the cause. All participants saw a donation appeal for Project No Isiolo, a fictitious organization providing mosquito nets to individuals at risk of contracting Isiolo Fever. We manipulated seriousness of the cause between subjects by describing Isiolo Fever as resulting in either short-term discomfort (low seriousness) or death (high seriousness). In accordance with our predictions donation choice was not affected by the seriousness of the cause (High Seriousness = 74%, Low Seriousness = 63%, \(X^2 = 1.19, p > .10\)). In contrast, the decision of how
much to donate was significantly influenced; participants reading the high seriousness appeal offered a higher donation amount than participants reading the low seriousness appeal ($M_{High \, Seriousness} = \$28.58$ vs. $M_{Low \, Seriousness} = \$16.64$, $F(1, 139) = 8.46, p < .01$). In study 2b we manipulated the efficiency of the charitable organization by including information about Project No Isiolo's overhead expenditure. As in study 2a, donation choice was not influenced by our manipulation (High Efficiency = 73.7%, Low Efficiency = 61.1%, $X^2 = 0.67, p > .10$), while donation quantity was ($M_{High} = \$44.45$ vs. $M_{Low} = \$28.48$, $F(1, 56) = 5.52, p < .05$).

Having separately examined the influence of internal and external factors on donation behavior, in study 3 we combine the two by offering both types of persuasions and varying which type is paired with which donation decision, choice or quantity. Participants considered one of two versions of a donation solicitation for a non-profit, Community-in-Schools (CIS). The two versions of the appeal letter varied in terms of the order of information presented while holding actual information content constant. In one version of the appeal, internal factors -- self-relevance and donors' self-view -- were emphasized as participants considered whether to make a donation. The decision of how much to donate was then accompanied by information on external factors. In the other version of the appeal the order in which the information was presented was reversed; external factors were emphasized prior to donation choice and factors internal to the donor were emphasized prior to the quantity decision. In accordance with our predictions the former version of the appeal led to both a higher rate of donations (54% vs. 37%, $X^2 = 4.32, p < .05$) and a higher average donation amount ($M = \$12.43$ vs. $M = \$9.37$, $F(1, 65) = 4.27, p < .05$). Study 4 was a field replication of study 3 where we varied the actual solicitation letter sent by CIS to potential donors. Indeed, in the context of real dollar donations, the effects both on donation choice and donation quantity replicated prior studies.

Having established the discreet and differential effects of internal and external factors on the decisions whether and how much to donate, in study 5 we extended our findings by testing the impact of explicitly splitting the decisions. Additionally, we applied our theory to a new context, willingness to participate in an online educational program. We found that compared to the traditional solicitation structure which offers all information upfront, splitting the two decisions and aligning the arguments with the decision they most influence maximized both adoption rate (choice) and predicted amount of effort (quantity). Thus, this research offers an optimal set-up for a broad range of persuasive solicitations.

**For Charities not all Aesthetics are Created Equal: The Differential Effects of Aesthetics With and Without Cost Implications on Response to Donor Solicitations**

**EXTENDED ABSTRACT**

Many of the findings in judgment and decision-making have been tested or applied in the context of charitable direct marketing (e.g. donation solicitations or requests for volunteer work). Prior work has considered concepts such as providing an anchor (Fraser, Hite, and Sauer 1988), framing in positive or negative valence (Stone 1992), or utilizing the availability heuristic (Smith and Berger 1996) in an effort to optimize the language used by non-profit organizations to gain support. An area where less research has occurred is in consideration of the overall look of the solicitation. Holding the text and information constant, can a solicitation be made more effective? In line with prior work, an initial hypothesis might suggest that, what applies in advertising or other persuasive techniques will apply in this context as well. As such one might predict that the better looking or aesthetically pleasing something is, the more effective and persuasive it will be (e.g. DeBono and Harnish 1988).

However, better aesthetics likely come at a price, literally, that is, there are some aspects of making a solicitation more attractive that likely cost more. And when the context is non-profit organizations cost perceptions come into play. Non-profits are judged by their efficiency and frugality with sites such as charitywatch.org and charitynavigator.org set up to do exactly this. Charitable organizations must justify extra expenses (Marchand and Lavoie 1998). Indeed, prior work suggests that in contrast to for-profit organizations, for non-profits a higher price tag can actually turn off rather than entice patrons (Griffiths 2005). Spending too much may make patrons feel their money is being used improperly and result in negative evaluations of the organization’s competence. In fact research by Aaker et al. (2010) reveals that, at a baseline, non profits are considered less competent than for-profit organizations and they must use subtle cues connoting credibility to garner the same willingness to pay for products as would be offered to for-profit organizations.

As such we hypothesize that not all aesthetics cues are equally beneficial in increasing response to a charitable direct marketing solicitation. Specifically we separate aspects of aesthetics that imply something about the cost of the solicitation from those that do not. We predict that these two classes of aesthetic will have differential and interacting effects on solicitation response such that, donation amounts are higher when the solicitation mailers are aesthetically pleasing and perceived to have lower costs associated with them as compared to when the solicitation mailers are aesthetically pleasing and perceived to have higher costs associated with them. We examine this in two lab studies and one field study.

Study 1 was a 2 (“Aesthetics”- aesthetics separate from cost: high, low) by 2 (“Perceived Cost” - aesthetics related to cost: high, low) design lab study where undergraduate students were shown a solicitation from a hypothetical non-profit and asked whether and how much they would be willing to donate. Aesthetics separate from cost was manipulated by varying the alignment of the text and border, type of border, fonts, and color of the cardstock. Perceived cost was manipulated by varying the thickness of the cardstock, whether the mailer was a postcard or letter and envelope, and whether it included a pre-paid return envelope. Pretests confirm our manipulations. Examining amount donated we find a significant main effect of Aesthetics ($M_{Low \, Aesthetics} = \$11.28, M_{High \, Aesthetics} = \$21.83; F(1, 236) = 3.65, p = .05$) and no effect of Perceived Cost ($M_{Low \, Cost} = \$19.88, M_{High \, Cost} = \$13.23; F(1, 236) = 1.375, p = .24$). Importantly, there is a significant interaction of the two ($F(1, 236) = 3.67, p = .05$). Among the Low Aesthetics conditions there is no difference between the two Perceived Cost conditions ($M_{Low \, Cost} = \$9.35, M_{High \, Cost} = \$13.21; F(1,230) = .26, p = .60$). However among the High Aesthetics conditions there is a significant benefit of the low Perceived cost ($M_{Low \, Cost} = \$3.40, M_{High \, Cost} = \$3.25; F(1,230) = 4.32, p = .039$).

Next, we tested our predictions in a real world context using a field study. We partnered with a non-profit organization and created four versions of the invitation to be sent to their mailing list for their annual benefit gala. The invitations varied in appearance in line with the design of study 1. Examining the amount spent on tickets we find no main effect of Aesthetics ($M_{Low \, Aesthetics} = \$44.14, M_{High \, Aesthetics} = \$53.69; F(1, 288) = .15, p = .70$) nor of Perceived Cost ($M_{Low \, Cost} = \$58.83, M_{High \, Cost} = \$38.99; F(1, 288) = .65, p = .42$). However, there is a significant interaction of the two ($F(1, 288) = 4.01, p = .04$). Among the Low Aesthetics conditions there is no difference between the two Perceived Cost conditions ($M_{Low \, Cost} = \$29.51, M_{High \, Cost} = \$58.77; F(1,148) = .37, p = .54$), though directionally in line with study 1. However among the High Aesthetics conditions there is a...
marginal benefit of the low Perceived cost (\(M_{\text{Low Cost}} = 88.16, M_{\text{High Cost}} = 19.21, F(1,139) = 3.71, p = .056\)).

The results of the first two studies demonstrated the differential effects of aesthetics with and without cost implications and support our hypothesis. In the last study we examined a boundary condition for this effect. We posited that perceptions of cost associated with aesthetics cues could act as a proxy for organization’s competence and as such influence the donation amounts. As such in study 3, in addition to varying aesthetics and cost as in study 1, we also varied competence of the organization by providing information about the organization’s overhead expenditure. The results indicated that competence moderates the effect of aesthetics and perceived cost on donation amounts. Taken together the results of these studies have a potential to help non-profit organizations optimize their donation solicitation mailers and avoid unnecessary expenses.