Can Buying a Product With a Cause Make Us Better People? Licensing Effect After Purchasing a Product With a Cause

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Cause-Related Marketing (CRM) is one fast growing marketing strategy. Previous research focused on consumer behavior of CRM, but ignored the subsequent behaviors after CRM purchase. Our studies suggest that exposure to CRM may contribute to a sense of moral self but license socially undesirable behaviors in a variety of domains.

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EXTENDED ABSTRACT

As companies experience increasing competition, social causes take on a more prominent role in the profit-seeking efforts of the corporate domain. Partnership between product and cause is referred to as cause-related marketing (CRM) (Varadarajan and Menon 1988). Donating money to a charity each time a consumer makes a purchase has become a major corporate philanthropic trend. To consumers, they have opportunities to demonstrate their moral views through consumption decisions. Researchers make the general conclusion that CRM is linked with altruism or warm glow (Gupta and Pirsch 2006; Nowak and Clarke 2003; Webb and Molur 1998). However, we are going to show that this altruistic influence of CRM is not always true based on recent advancements in research on the licensing effect. If people feel as if they have been taken more ethical decisions (e.g., installing tankless water heaters and caring about global warming) or taken healthier options (e.g., drinking diet Coke and going to gym), they may compensate by behaving less ethical or healthy in a subsequent context. Research suggests the licensing effect on sequential behaviors in a variety of contexts including consumer purchases (Khan and Dhar 2006), charitable giving (Krishna 2011), energy policy and home energy use (Davis 2008), ethical behaviors (Mazar and Zhong 2010), job hiring (Kuo 2006), racial attitudes (Effron, Cameron, and Monin 2009), and health-related decision-making (Chiou, Yang, and Wan 2011; Wilcox et al. 2009).

This article contributes to this evolving stream of research by proposing that purchasing a product with a cause may license indulgence in self-interested behaviors later. Furthermore, we are going to show that consumers are not aware of how their prior CRM decisions impact their subsequent choices. In support of our theory, we will show that a prior purchase of CRM boost moral regulation and satisfaction in empathetic altruism, which will mediate the preference for a self-indulgent option. Furthermore, we explore how the licensing effect differs after hedonic and utilitarian product purchase. Product type (hedonic vs. utilitarian) has been identified as an important factor in CRM research (Chang 2008, 2011, 2012; Strahilevitz 1999; Strahilevitz and Myers 1998; Subrahmmanyam 2004). Strahilevitz and Myers (1998) proposed the concept of affect-based complementarity in that the feelings generated by hedonic products appear to work in concert with the feelings generated after making a contribution to a charity to give the consumer a positive experience. Consumers may also use the donation to a cause to rationalize their purchase of hedonic products and thus overcome cognitive dissonance (Polonsky and Wood 2001). If consumers appear to feel that “they have fulfilled their philanthropic obligations,” this may decrease their further efforts for altruism. Krishna (2011) found that people appear to realize their motives for participating in CRM are more selfish than for charitable giving, and then reduce their subsequent happiness. CRM is found more effective with products perceived as hedonic than with those perceived as utilitarian (Chang 2008; Dickinson and Holmes 2008; Drumwright and Murphy 2001). If the emphatic altruism is more likely to be satisfied when purchasing hedonic products than utilitarian products with a cause, the licensing effect is expected to be enhanced after purchasing hedonic products with a cause than such utilitarian ones.

We design four experiments to investigate the licensing effect after purchasing a cause-related product. A pilot study first examines that people attach higher social and ethical values to a product with a cause than to a product without a cause. In Experiment 1, a 2 (store: conventional vs. CRM) x 2 (task: priming vs. purchase) between-subjects design is conducted and a one-shot anonymous dictator game is used to test the predictions that a priming task of CRM and actual purchase will trigger opposing effects on money-sharing behavior. Experiment 2 employs a 2 (store: conventional vs. CRM) x 2 (task: priming vs. purchase) between-subjects design. Participants’ choice between virtue and vice food served as the dependent measure. Same as Experiment 1, a 2 (store: conventional vs. CRM) x 2 (task: priming vs. purchase) between-subjects design is designed for Experiment 3, and uses an E-drawing task as an unconscious way to measure degree of perspective-taking. Experiment 4 extends the licensing effect of purchasing a product with a cause in a field setting and explores the moderating role of product type in the licensing effect. A 2 (store: CRM vs. discount) x 2 (product type: utilitarian vs. hedonic) full-factorial design is conducted. There was no overlap of participants across the pilot study and experiments.

Our studies suggest that exposure to CRM may contribute to a sense of moral self but license socially undesirable behaviors in a variety of domains. To be specific, the results from four experiments showed that CRM purchase causes a licensing effect: consumers become less willing to share (money), become more self-centered (drawing an E on one’s forehead), and prefer something vice (choose vice food over virtue food). This confirms that buying a product with a cause affirms individuals’ values of moral beliefs and ethical consciousness but the purchase can license subsequent asocial and more self-indulgence behaviors. Compared with utilitarian consumption, hedonic consumption strengthens the licensing effect. Both moral regulation and empathetic altruism serve as mediators behind the licensing effect. In a nutshell, consumers may become more selfish and self-oriented after purchasing a product with a cause, suggesting that CRM does not always show the glory side.

Several avenues present opportunities for future research. Future research may explore when the licensing effect could be dampened. For example, some people buy less preferred items because they are with a cause. If the purchase decision is not made totally voluntarily, the purchase may ease the licensing effect. Furthermore, will the type of cause (i.e., giving to a cause more related to the purchaser or not) or donation magnitude matter? The licensing effect may disappear when the cause is more egoistic or when the donation magnitude is high. More future research should identify boundary conditions associated with the roles of product, cause, and consumer individual differences in the licensing effect.
REFERENCES


