

Consumer Choices around Corporate Giving: Should Companies Prioritise Aid to the Most *Effective* Causes?

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Key findings

Consumers typically prefer companies which **distribute aid** across different social causes over those that give priority to a single cause.

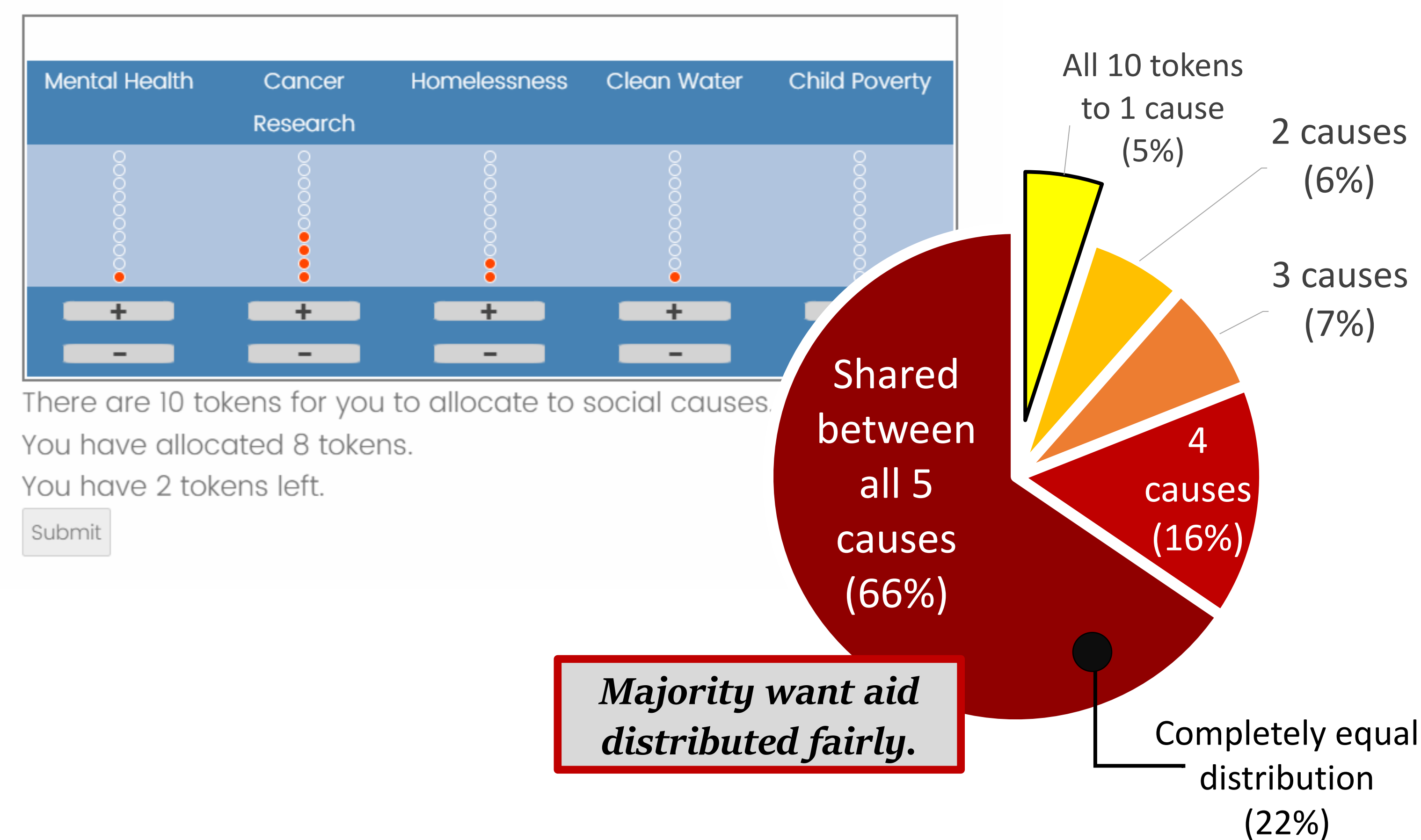
Why? They are perceived as having a greater positive impact on society, even if less support is given to each cause.

When priority is given to the **'most effective'** cause, the preference for a distributive approach is **minimised** – but still existent.

Study 1 | N=200

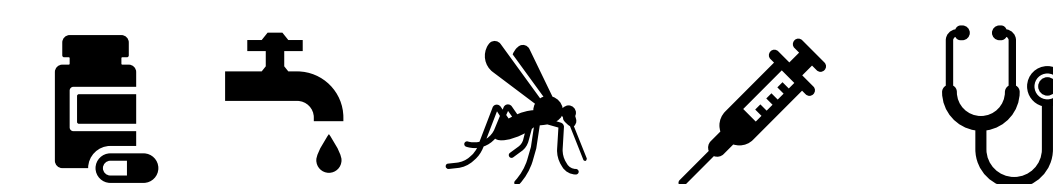
Imagine that your local grocery store is deciding which social causes to support – which causes do **you** think should they donate to?

Each token reflects 1 tenth of the company's budget.

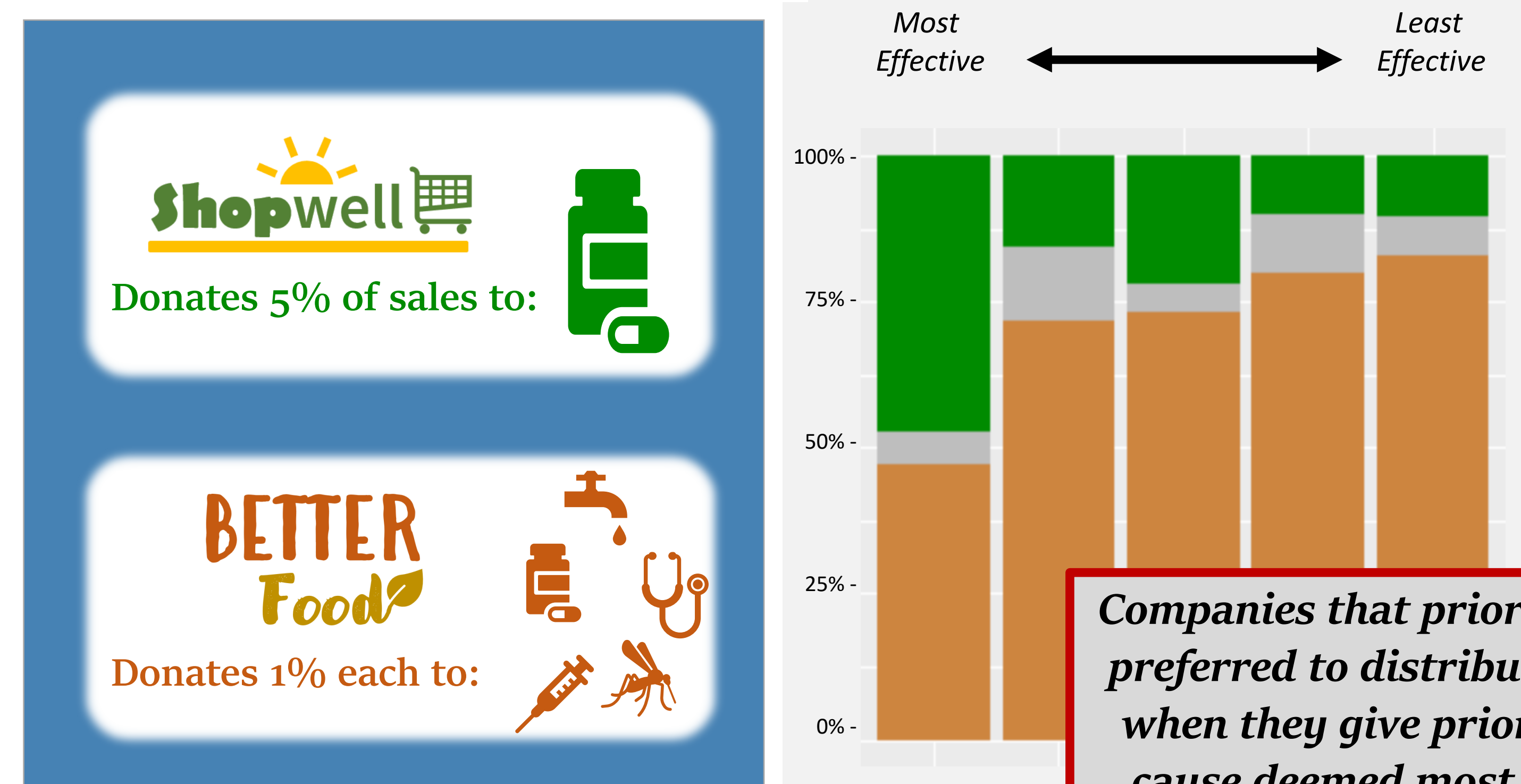


Study 2 | N=178

1 If \$1 million was donated to each social cause, which do you think would save the most lives? Rank from most effective to least effective.

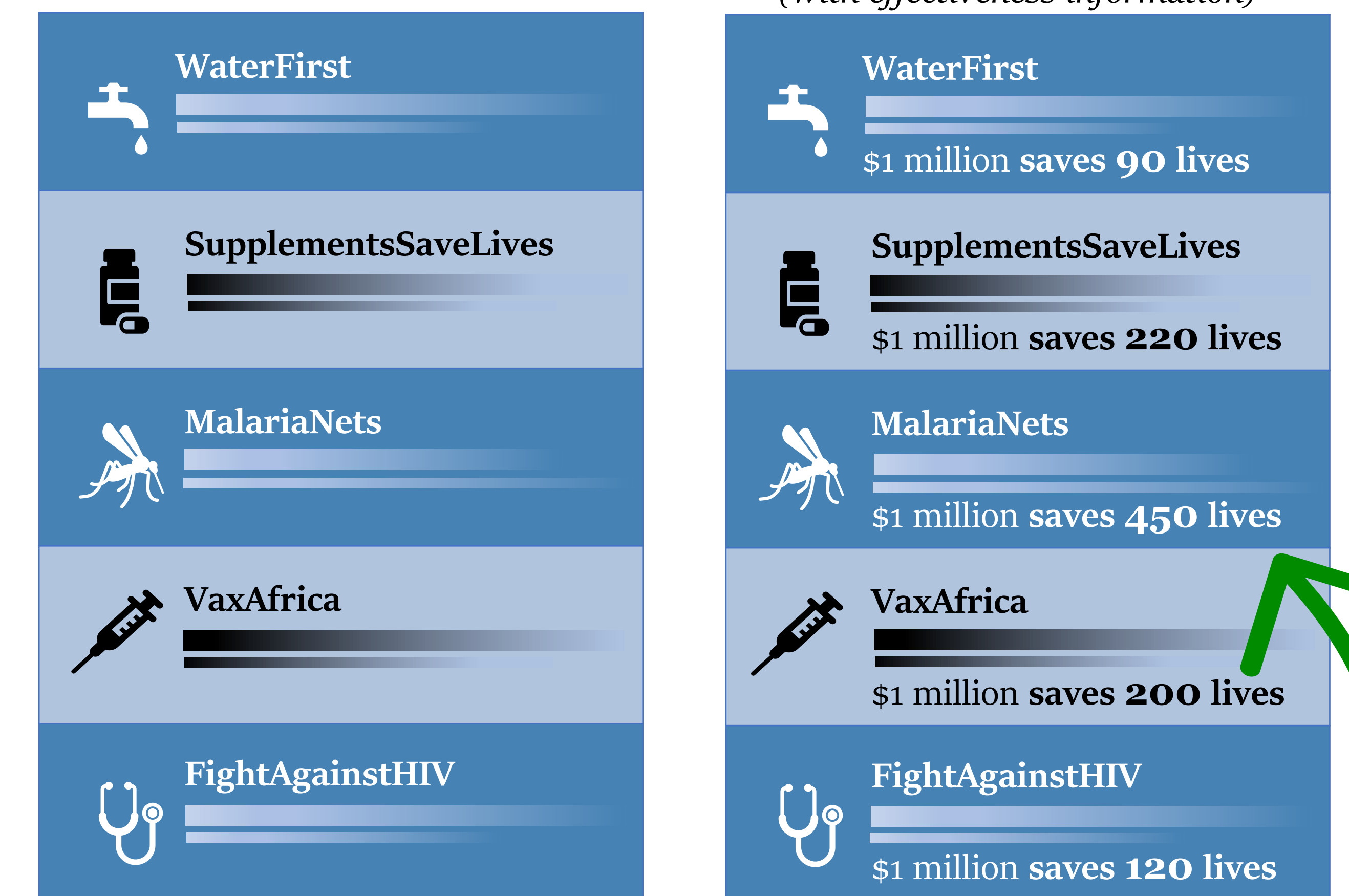


2 Where would you prefer to shop?

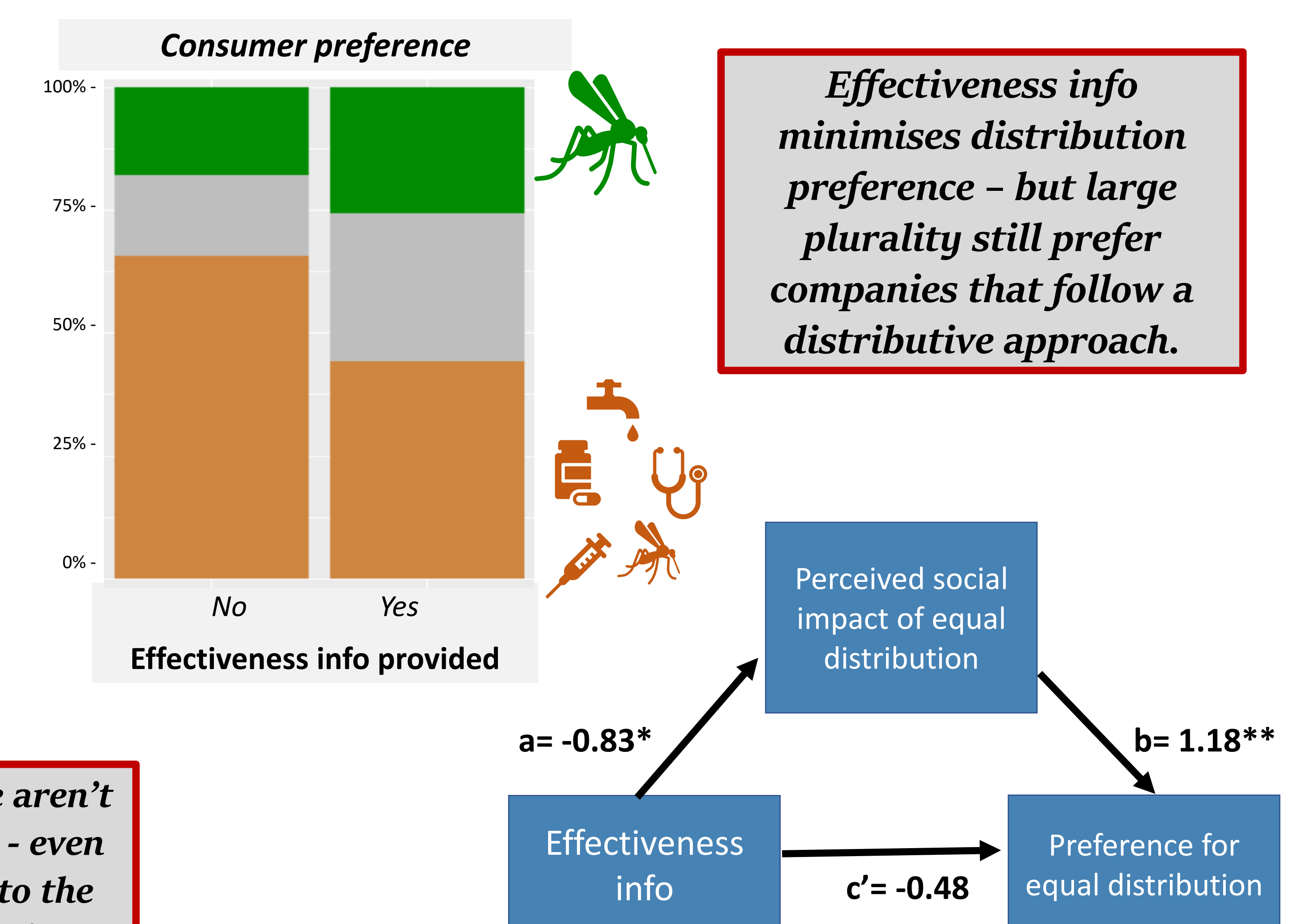


Study 3 | N=362

1 Here are 5 charities: (with effectiveness information)



2 Company A gives 5% of sales to 'MalariaNets'. Company B gives 1% to each of the 5 charities. ...Where would you prefer to shop?



Background

Supporting a broader variety of causes means:

- Wider consumer appeal (Seo, Luo and Kaul, 2021).
- Perceptions of greater positive impact (Eilert and Robinson, 2020).

But **Effective altruism** encourages prioritising donations to the social causes which, per dollar, can do the most 'good' (MacAskill, 2019).

The problem:

- People don't know which they are (Caviola et al., 2020), or if they do, they opt for less effective options (Berman et al., 2018).
- Cognitive biases (Baron and Szymanska, 2011) and fairness (Sharps and Schroeder, 2019) deter people from prioritising aid.
- Prioritising aid based on outcome measures may come across as cold, calculated and pragmatic, even if more people are helped overall.

References

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