

# 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.

## Background

Supporting a broader variety of causes means:

- Wider consumer appeal (Seo, Luo and Kaul, 2021).
- Perceptions of a 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 are the most effective (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.

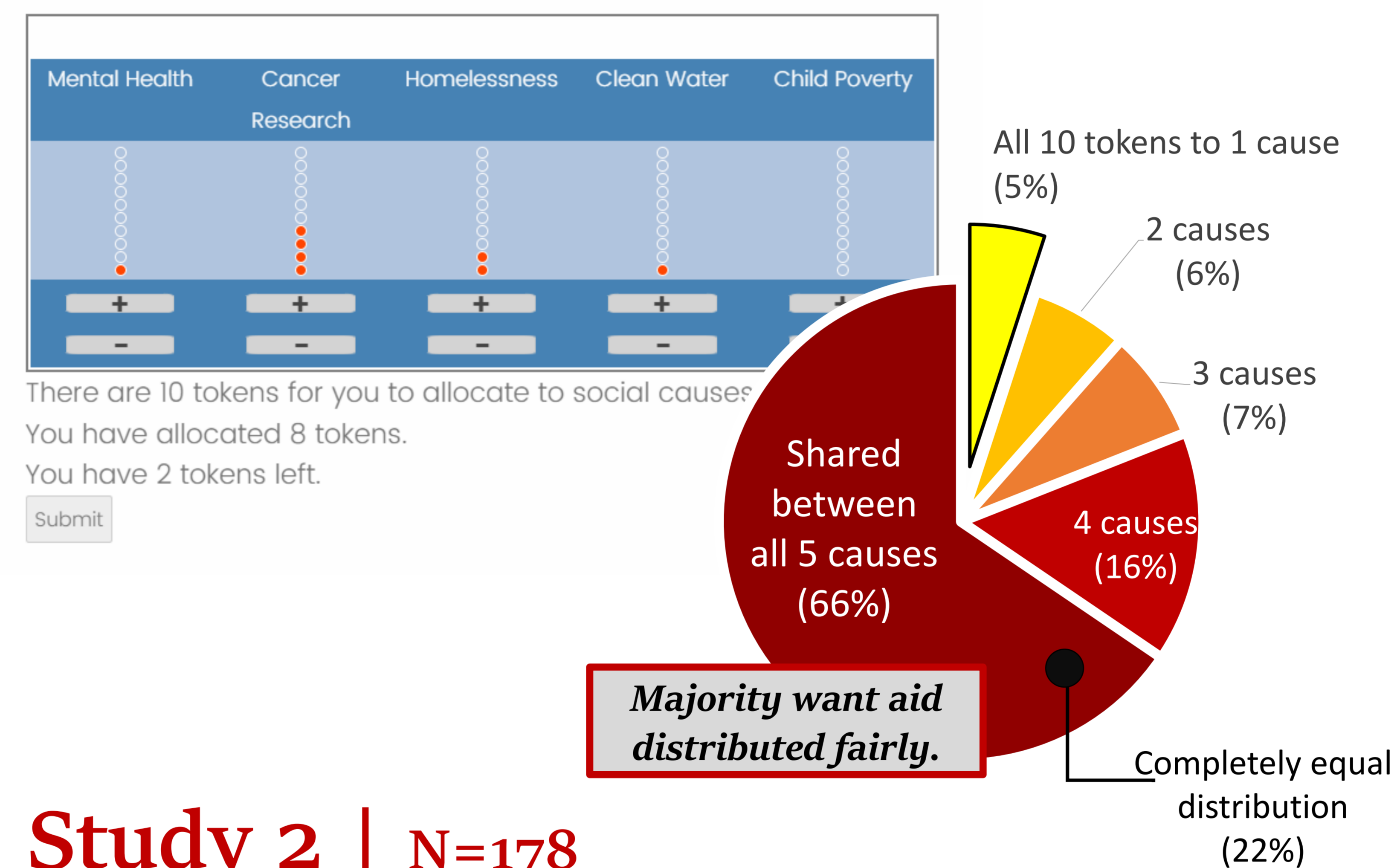
## References

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## Study 1 | N=200

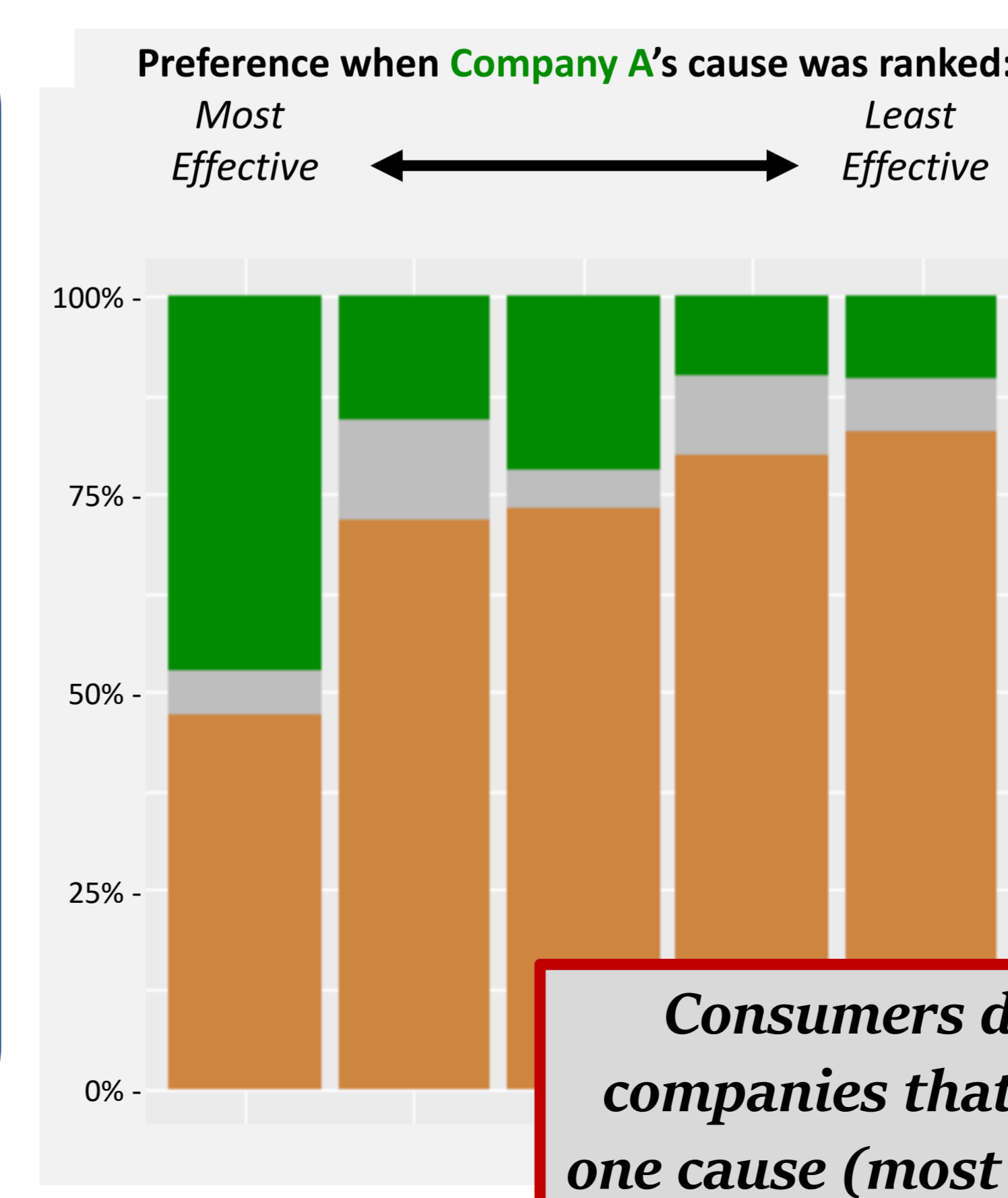
Imagine that your local grocery store is deciding which social causes to support – which causes should they donate to?

Each token reflects 1 tenth of their budget.



## Study 2 | N=178

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.

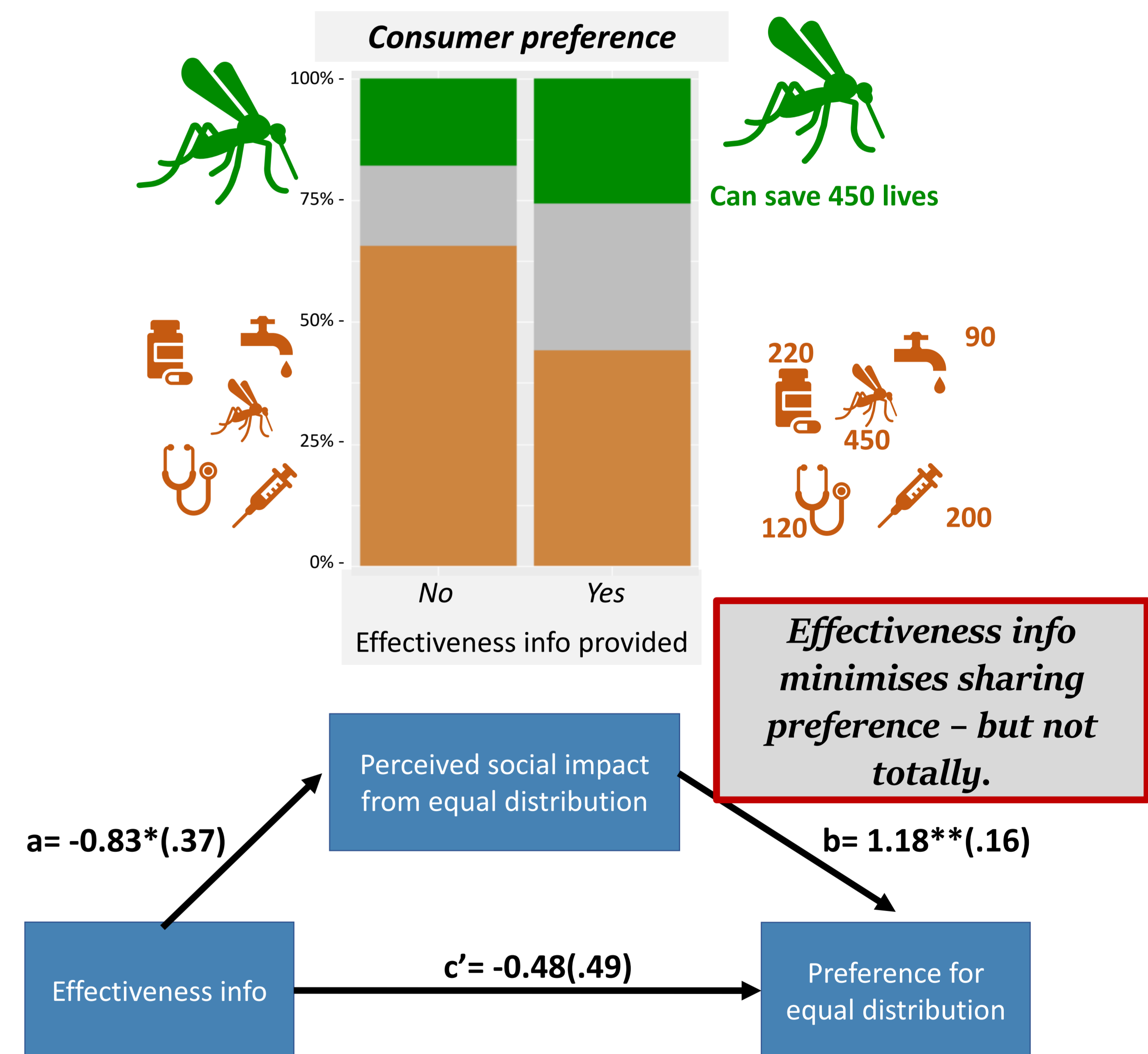


## Study 3 | N=362

Previous design – but some were informed how many lives each charity could save with \$1 million (malariaNET.org being the most effective); others were not.

Where would you prefer to shop?

Company A gives 5% to 'malariaNET.org'.  
Company B gives 1% to each of the 5 charities.



## What's next?

- Why is distribution still preferred in a corporate giving context, even when more lives can be saved from prioritising. Because of warm glow? Negative judgements of utilitarian choices?
- Does the minimising effect only occur in a scenario where comparison between 2 companies is possible?
- Possible moderators: Product type? Company reputation?