The Personal and Social Influences of Charity Donations

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The critical research question pondered in this paper is whether donation intentions can be predicted by general attitudes toward giving or helping. Using findings from the literature review and several focus groups, the authors propose a conceptual framework of charity donation intentions and test it with data from a sample of 313 survey respondents. Partial least squares regression was used to estimate the model and results indicated that while general attitudes towards helping others are influenced by altruism and collectivism, it does not predict donation intentions to a specific charity organization. The authors conclude that donation intentions to a specific organization is organization- or context-bound and that global predictors, such as personal and social characteristics, may not be as helpful in explaining donation behavior. The authors also call for more research in this area.

Introduction

Much has been written on charity donation behavior (e.g. Bendapudi et al. 1996; Burnett and Wood 1988; Guy and Patton 1989; Herzlinger 1996; Sargeant 1999; Sargeant and Woodliffe 2007; Schlegelmilch et al. 1992) but the body of knowledge in this area is too fragmented to construct a comprehensive model that can explain charitable behavior. Since the Global Financial Crisis, many charities have reported an increase in demand for their services; yet the amount of donations has fallen dramatically. For example, the National Kidney Foundation in Singapore received $8.1 million less in donations in the 11 months from July 2008 to May 2009 compared to the same period last year (Tan and Sim 2009). In the midst of economic recovery, it is opportune for research in marketing to pay more attention to gaps in the literature in this area.

The literature is scattered across a range of disciplines including sociology, psychology, economics and marketing. However, there are relatively few empirical studies that have combined factors from across these disciplines in a single study of the determinants of donation behavior. Admittedly, there are many conceptual studies proposed by marketing authors including the seminal work of Burnett and Wood (1988), Bendapudi et al. (1996), Guy and Patton (1989) and Sargeant (1999). These authors have explicated the role of brand, the charitable organization’s image, promotional material, message vehicle, and other marketing variables in shaping donation behavior. The emphasis of empirical studies in marketing has thus far been on demographic, socioeconomic and psychographic factors that influence charitable giving and differentiate donors from non-donors (e.g. Harvey 1990; Schlegelmilch 1988) leaving other pertinent factors unexplored. As noted by Webb et al. (2000) “little research exists on how individuals of different cultures perceive donating to charity as a means for the better of society in which they live.” This study aims to extend the empirical findings in this area to include some factors overlooked in the marketing discipline such as collectivism and social capital.
Another aim of this study is to determine whether donation intentions can be predicted by general attitudes toward giving or helping. Webb et al. (2000) defined this construct as “global and relatively enduring evaluations with regard to helping or assisting other people”. Such a construct would be useful to charitable organizations in identifying and targeting potential donors. Is it possible to predict an individual’s donation intentions from general personality traits measured by constructs such as personal norms, altruism and social capital? Is there such a notion of an individual who is simply philanthropic regardless of the cause, charity, or event? Or are donation intentions mitigated by context-specific factors such as the image of the charitable organization, the individual’s mood and attention at the time of the request as well as the media context of the charitable appeal (Bendapudi et al. 1996)? Marketing managers can expect to utilise some of these findings in the areas of market segmentation, promotion and positioning.

Literature Review and Conceptual Development

Helping behavior has been researched in several forms: giving money, time, blood, organs, etc. Previous studies have also looked at actual behaviors and behavioral intentions. The scope of this study covers behavioral intentions (willingness to donate and intended donation amount) of donating money to a specific organization. The authors have included donors and non-donors to study their intentions in the future.

The task of explaining buyer behavior for a good or service is quite formidable let alone an unsolicited good such as charitable donations. The authors sought guidance from the existing literature, not limited to marketing, to determine these factors. Most studies have focused on the motivation to donate based on individual characteristics: differences in demographic, socioeconomic and psychographic factors (for a review, see Schlegelmilch et al. 1992). Findings on individual and social factors are useful; nonetheless, the picture is still incomplete.

Several studies in marketing have contributed to our understanding of the role of the charitable organization’s image (e.g. Ranganathan and Henley 2008; Webb et al. 2000) and the efficacy of the appeal message (e.g. Basil et al. 2006; Bennett 1998; Bozinoff and Ghingold 1983) on donation intentions. The findings are piecemeal and a comprehensive study that completes the picture is yet forthcoming. Authors such as Burnett and Wood (1988), Bendapudi et al. (1996) and Sargeant (1999) propose their respective conceptual models, incorporating a more comprehensive list of dimensions that might influence both behaviors and behavioral intentions relating to charitable donations. Alas, the dearth of literature since the explication of their models might imply that there are more dimensions than practicable for empirical testing. The current study does not attempt to provide support for all of the suggested dimensions; nonetheless the scope of this empirical study is wider than most others in recent years. This study will be investigating how donor behavioral intentions are influenced by the following factors: altruism, collectivism, social capital, attitudes toward helping others, attitudes toward the charitable organization, and financial constraints.

Altruism

Altruism describes the values and behaviors of an individual “motivated mainly out of a consideration for another’s needs rather than one’s own” (Piliavin and Charng 1990). According
to Smith (2006), there are four aspects of altruism: altruistic love, altruistic values, altruistic behaviors and empathy. This study is concerned with empathy because as Batson (1998) has noted “the most frequently proposed source of altruistic motivation has been an other-oriented emotional response congruent with the perceived welfare of another person – today usually called empathy.”

Empathy originated from the German term, *einfühlung*, and describes the situation where observers project themselves “into” the subject under observation, usually some physical object of beauty (Davis 1994). Although there are many definitions of empathy, this study will use Davis’ (1994) because it is the most comprehensive: empathy is broadly defined as a set of constructs having to do with the responses of one individual to the experiences of another. These constructs include the processes taking place within the observer and the affective and non-affective outcomes which results from those processes. Specifically this study is concerned with affective responses defined as emotional reactions experienced by an observer in response to the observed experiences of the object. Davis (1994) developed a seven-item scale that assesses the tendency to experience feelings of sympathy and compassion for unfortunate others (e.g. “I often have tender, concerned feelings for people less fortunate than me.”).

It is reasonable to predict that individuals who are empathic are more likely to help others or engage in behavior “acting with the goal of benefiting another” (Piliavin and Charng 1990). Smith (2006) used the Davis (1994) empathy scale in a study on the level, nature and associates of empathy in American society using a national sample of adult Americans. The scales were reliable, returning a Cronbach coefficient alpha of 0.75. Results showed empathy is only moderately, positively associated with altruistic behaviors including past donations to charity (i.e. actual behavior). Moreover, they are better predictors of helping behaviors involving those close to the helper rather than more "random acts of assistance" directed mostly towards those without ties to the helper. This study proposes that altruism, or more precisely, empathy, will have a positive effect on attitudes toward helping others.

*H1: Altruism/empathy is positively associated with attitudes toward helping others.*

**Collectivism**

Research on social capital might suggest that an individual’s norms on charitable giving may be influenced by his/her orientation towards a group or society. Okunade et al. (1994) noted that charitable contributions are viewed as payments in exchange for intangible personal rewards of self-esteem or group membership. Eckstein (2001) observed that in a community, it is groups rather than individuals that initiate, inspire, and oversee acts of generosity and those individuals participate in these acts because of their ties to the group. In most contexts, donations presume a sense of obligation and reciprocity, approval, interest, and a feeling of inclusion in society. The community culture of giving builds on commitment to family, kin and group. It is reasonable to surmise that someone who is collectivist or group-oriented may exhibit a greater inclination to give because of his/her perceived expectations of referent groups about helping other members (LaTour and Manrai 1989). Parboteeah et al. (2004) found that social collectivism is manifested in higher degrees of formal volunteering. Moorman and Blakely (1995) also provide additional
support for the relationship between collectivism and helping behavior. We propose in this study that:

\[ H2: \text{Collectivism is positively associated with attitudes toward helping others.} \]

**Social Capital**

Even though social capital is not a common construct in the marketing literature, authors in sociology have utilised it to represent the extent of ‘closeness’ of a community (e.g. Coleman 1988; Portes and Sensenbrenner 1993; Putnam 2000). Bourdieu (1983, p.248) defined social capital as the “aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition”. In other words, the level of social capital in a particular group or community varies with the level of interconnectedness between its member individuals.

Studies have documented the ability of social capital to generate benevolent and cooperative behaviors. In his study of Italian villages, Banfield (1958) noted that villagers who were more engaged and had spent more time with one another were also more likely to cooperate in community projects and participate in the political process. Other studies have provided empirical evidence of the association between social capital and charity donations (Brown and Ferris 2007; Paxton 1999; Wang and Graddy 2008). Recent research by Wang and Graddy (2008) found that people who trust others more and those who feel connected to the community give more to charitable causes.

In the present study, we employ Putnam’s (2000) conceptualization of social capital. It features two dimensions of social capital civic engagement and trust in the community, both of which are pertinent to understanding an individual’s charitable disposition. A donor entrusts the recipient to utilize the donation funds to improve their well-being; accordingly, Paxton (1999) and Wang and Graddy (2008) found that interpersonal trust is positively associated with donation amounts. Civic engagement also helps explain charitable behaviors. Putnam (2000) reasons that an individual who is more involved with voluntary associations has more chances of being asked to donate to a charity organization. Volunteering may also be indicant of a belonging or connectedness to the community, which in turn, increases a volunteer’s charitable feelings for the community. The evidence substantiating this claim includes volunteerism/involvement in secular organizations and religious congregations (Brown and Ferris 2007; Hoge and Yang 1994; Wang and Graddy 2008).

Putnam (2000) and Uslander (2002) suggest that social capital promotes a sense of empathy, which in turn, promotes charitable attitudes and behaviors. Hence, we propose that a high level of social capital would give rise to a more favorable attitude towards helping others:

\[ H3: \text{Social capital is positively associated with attitudes towards helping others.} \]
Attitudes toward Helping Others (AHO)

The concept of social norms has been used to explain altruistic or helping behavior but Schwartz and Howard (1981) argue there are several problems with this. For example, in a given situation:

1. Different and even conflicting social norms may be relevant simultaneously
2. Individuals differ in which social norms they believe are relevant
3. Even if individuals agree which social norms are relevant, they will disagree which are more important than others

Essentially, social norm theories cannot account for specific situations because social norms are conceptualized in general terms. In other words, when faced with the decision to donate or not donate, the donor requires so much information about the cause, etc that the decision to help maybe based on situational influences rather than by social norms.

To overcome these problems, Schwartz and Howard (1981) proposed a normative decision making model of helping behavior that includes the concept of personal norms. Personal norms are “situated, self-based standards for specific behavior generated from internalized values during the process of behavioral decision making” (Schwartz and Howard 1981). Internalized values are social values that have become personal values. There are various theories which explain how social values become internalized but they share two common elements:

1. People will have different internal values as a result of different socialization experiences e.g. one person may donate blood because of peer pressure, another is motivated by internalized values while a third donates in response to perceived social norms but returns from a sense of internalized obligation.
2. Once internalized, a value is used as a standard to evaluate one’s own behavior as a basis for punishing or rewarding oneself i.e. self-reinforcement.

When an individual is faced with the choice to donate or not donate, they assess the consequences of their actions by applying the relevant set of internalized values. This process results in the generation of personal norms, feelings of moral responsibility to donate or not donate. Personal norms include a cognitive component of self-based expectations (social expectations that have become self-expectations) directing behavior and an emotional component of anticipated self-satisfaction or dissatisfaction. Thus personal norms are the link between general internalized values and specific self-expectations in concrete situations. Schwartz (1970) found that those with strong personal norms regarding bone marrow donation and high scores on attribution of responsibility to self were significantly more likely to volunteer to join a marrow donor pool.

Webb et al. (2000) conceptualized personal norms as attitudes toward helping others (AHO) and defined it as “global and relatively enduring evaluations with regard to helping or assisting other people”. They found individuals with positive AHO were likely to make donations to charities representing different causes (e.g. health, education, human services, etc.)
but AHO did not have an effect of the level of donations. The conceptualization of AHO suggests it is a construct describing individuals’ general attitudes toward helping others, rather than a specific attitude towards a specific target or object. In turn, AHO is hypothesized to have a positive effect on donation intentions. We examine donation intentions rather than actual behavior because it is difficult to obtain data from charities and previous studies have examined intentions (e.g. Hibbert et al. 2007; Ranganathan and Henley 2008). The present study will examine a specific organization, the Red Cross. Therefore, the following hypothesis is proposed:

**H4: Attitudes toward helping others is positively associated with donation intentions.**

**Attitudes toward the Charitable Organization (ACO)**

Normative models of helping behavior proposed by Burnett and Wood (1988), Bendapudi et al. (1996), Sargeant (1999) and Sargeant and Woodliffe (2007) highlight the influence of the charitable organization’s image on an individual’s donation decision process. A charity’s image is important because charities are intermediaries promising to act on behalf of donors by reliably delivering help to the needy (Bendapudi et al. 1996). In agency theory, donors are principals who rely on charities to act as their agent in disbursing help. Some agents may end up “detracting from the plight of the recipient and negating donation possibilities” while others “may prove to be an excellent facilitator who is able to effectively market the recipient’s cause” but in either case, “the role of the agent may prove far more important than the recipient” (Burnett and Wood 1988). Schlegelmilch (1988) examined differences between donors and non-donors for the Scottish Council for Spastics. He found that donors had a more positive image of the organization than non-donors. In Singapore, donations to The Ren Ci Hospital plunged when it was revealed that authorities were investigating Ren Ci for financial irregularities. Donations fell from $9.8 million during the 2007 financial year to just $2 million in its last financial year (Anonymous 2009).

Bendapudi et al. (1996) argue that a charity’s image may be the most important element of its promotional strategy “because it may determine whether the first step of the helping decision process – perception of need – is initiated.” For perception of need to result, potential donors must first believe the charity’s appeal. Donors are more likely to believe the charity’s appeal when the organization is perceived to be familiar than when they are not. A charity’s image is also a function of its efficiency and effectiveness (Bendapudi et al. 1996). Efficiency is measured by the proportion of donations that goes to the recipient compared with the amount spent on activities such as administration and fundraising. Effectiveness is measured by the charity’s perceived success in achieving its mission.

Several empirical studies lend support to one or more of these three dimensions of a charitable organization’s image (i.e. familiarity, efficiency and effectiveness) used by donors. In the USA, Harvey and McCrohan (1988) demonstrate increases in the level of donations as the donor’s belief in the level of efficiency increases. Furthermore, the threshold level was 60%, that is, once respondents thought 60 cents in every dollar went to the beneficiary there were significant increases in the amount donated. Later, Harvey (1990) found messages from charities perceived to be familiar, efficient and effective resulted in greater perceptions of need and greater helping behavior. In a UK study, Sargeant et al. (2000) found non donors had a
negative image of charitable organizations compared to donors. Specifically, non donors were
significantly more likely to agree that charities were wasteful or dishonest and were also less
likely to agree that charities performed a useful function or were successful in helping the needy.
Webb et al. (2000) developed and tested scales for validity and reliability that measured attitudes
toward charitable organizations (ACO) defined as “global and relatively enduring evaluations
with regard to the not for profit organizations that help individuals.” These scales were
comprised of items that measured familiarity, efficiency and effectiveness and tests showed the
scales provided reliable and valid measures for use in future practice and research. Respondents
were asked whether or not they had donated to charities during the past year and the dollar
amount donated. Results demonstrated individuals with positive perceived familiarity, efficiency
and effectiveness were likely to make donations to charities and determined how much was
actually donated. In 2004, Sargeant and his colleagues reported donors’ perceptions of the
effectiveness of the charity sector influenced the level of donations and the lifetime of the donor-
charity relationship (Sargeant et al. 2004). Hibbert et al. (2007) found an individual’s perception
of a charity’s efficiency and effectiveness had a positive effect on guilt aroused in response to
guilty charity appeals and thus intention to donate. Ranganathan and Henley (2008) used ACO
scales developed by Webb et al. (2000) and found ACO was positively correlated with
behavioral intentions for a fictitious charity. In summary, these studies demonstrate a positive
image of the charitable organization has a positive effect on intention to donate and in some
cases, the level of donations. Therefore, this study proposes that a positive image of the
charitable organization, in this case the Red Cross, will have a positive effect on willingness to
donate.

H5: Attitudes toward the charitable organization is positively associated with donation
intentions.

Budget Constraints

While individuals may have favorable attitudes toward helping others, there are many
situational factors that impede individuals’ attempts to actually donate. Some of these situational
factors include the person’s abilities and this includes physical, financial or psychological
resources (Bendapudi et al. 1996). This study focuses on budget constraints which Burnett and
Wood (1988) refer to as an individual’s economic situation – past, current or predicted. They
explain that “a person being hounded by creditors is unlikely to donate money to charities, while
an individual needing a tax write-off or expecting a large tax return would likely donate (Burnett
and Wood 1988).

Many studies have looked at the relationship between the level of income and the amount
donated. Schlegelmilch et al. (1992) reviewed determinants of charity giving from the
sociology, psychology, economics and marketing literature. When it comes to income, studies
from both the marketing and economics literature show increased income increases donations.
Furthermore, the proportion of income donated decreased when income increased. However, no
one has yet looked at budget constraints – why is it that as income increases, the percentage
donated to charity decreases – is it because of budget constraints? We propose that when an
individual is faced with a donation request that budget constraints would be a pertinent
consideration at that time. Therefore, the following hypothesis is proposed:
H6: Budget constraints is negatively associated with donation intentions.

The conceptual model is illustrated in Figure 1 below:

![Figure 1. Conceptual Model](image)

**Methodology**

From the literature review, the authors identified several variables and accompanying measurement scales that will be used to test the conceptual model among donors and non-donors in Singapore. Since most of the variables in the model related to values and attitudes, a survey was selected as the most appropriate research method and the questionnaires were administered using trained interviewers to increase response rates and limit missing values. While most of the measurement scales used in the research instrument were of a general nature, items for attitudes toward the charitable organization and donation intentions were adapted to refer to the Singapore Red Cross, which is a highly recognizable non-denominational organization in Singapore.

**Research instrument**

The empathy measure is sourced from the seven-item scale developed by Davis (1994) and administered by Smith (2006) on random halves of the 2002 and 2004 General Social Surveys (GSSs). The collectivism measure is taken from Hui (1988) who developed and validated several facets of collectivism through six studies. The social capital dimensions –
interpersonal trust and civic engagement – were measured by Wang and Graddy (2008) using questions sourced from the 2000 Social Capital Community Benchmark Survey (SCCB). The conceptualization of interpersonal trust in this study is similar to the variable social trust used by Wang and Graddy (2008). The authors used a single-item measure – “Generally speaking, most people can be trusted” – to measure interpersonal trust. Civic engagement is measured by the total number of organization types the respondent is involved with, which is based on a list of formal organization types presented in the SCCB questionnaire. To measure attitudes toward helping others and attitudes toward the charitable organization, we utilise Webb et al’s (2000) AHO and ACO scales, respectively. We use Urbany et al.’s (1996) scale to measure budget constraint. Finally, to measure donation intentions, we use two single-item questions: the first is the likelihood of donating to the Singapore Red Cross, and the second is the dollar amount that the respondent is likely to donate to the Singapore Red Cross. All items are measured on a 5-point Likert scale and negatively-worded items are later reverse-scored. The measurement items are listed in Table 1 below.

**Sampling**

The questionnaire was pilot-tested to improve on clarity and questionnaire length. A convenience sample was obtained from Singapore using trained fieldworkers conducting personal interviews. The time of completion varied between 10-15 minutes and data collection took over a month. Since personal interviews were used, missing values were minimized and a total of 313 completed and usable questionnaires were obtained. Data entry errors were corrected and missing values, which comprised less than 5% of total responses, were replaced with the mean for corresponding variables.

**Data Analysis**

Exploratory data analysis was conducted to assess normality; subsequently, descriptive statistics, histograms and P-P plots revealed that these assumptions were not seriously violated (Hartwig and Dearing 1979; Tabachnik and Fidell 1996; Tukey 1969). Partial Least Squares (PLS) estimation procedure is used to evaluate the nature of the relationships in the proposed model (Fornell and Cha 1994; Lohmoeller 1989; Wold 1981). This technique is used to ‘circumvent’ the necessity of large sample sizes and ‘hard’ assumptions of normality required by the global maximization methods such as LISREL. A PLS model is formally specified by two sets of linear relationships: the measurement model (relationships between measurement and latent variables) and the structural model (relationships between latent variables). SmartPLS, as developed by Ringle et al. (2005), was used to estimate the parameters of the measurement and structural models using PLS path modelling with a path weighting scheme for the inside approximation. The psychometric properties of the latent variables were assessed with the construct reliability and average variance extracted calculations (Chin 1998; Fornell and Larcker 1981). The non-parametric bootstrapping procedure was also performed as described by Chin (1998) and Tenenhaus et al. (2005) to obtain standard errors of the estimates. 500 replications were specified for the bootstrapping procedure. Results pertaining to the measurement model are listed in Table 1 below.
<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Indicator</th>
<th>Loading</th>
<th>t-statistic&lt;sup&gt;1&lt;/sup&gt;</th>
<th>CR&lt;sup&gt;2&lt;/sup&gt;</th>
<th>AVE&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altruism</td>
<td>I often have tender, concerned feelings for people less fortunate than me</td>
<td>0.35</td>
<td>2.20</td>
<td>0.77</td>
<td>0.34</td>
</tr>
<tr>
<td></td>
<td>Sometimes I don’t feel very sorry for other people when they are having problems (R)</td>
<td>0.56</td>
<td>2.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>When I see someone being taken advantage of, I feel kind of protective towards them</td>
<td>0.56</td>
<td>3.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other people’s misfortunes do not usually disturb me a great deal (R)</td>
<td>0.55</td>
<td>2.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>When I see someone treated unfairly, I sometimes don’t feel very much pity for them (R)</td>
<td>0.57</td>
<td>2.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am often quite touched by things that I see happen</td>
<td>0.68</td>
<td>5.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would describe myself as a pretty soft-hearted person</td>
<td>0.72</td>
<td>5.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social capital</td>
<td>Many of the people who are important to me expect me to donate money to charities or community service organizations</td>
<td>0.65</td>
<td>1.91</td>
<td>0.69</td>
<td>0.42</td>
</tr>
<tr>
<td></td>
<td>The number of charities and community service organizations respondent has been involved with in the past 12 months</td>
<td>0.71</td>
<td>1.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Generally speaking, most people can be trusted</td>
<td>0.58</td>
<td>4.53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitudes toward the Red Cross (ACO)</td>
<td>The money given to this charity goes to a good cause</td>
<td>0.79</td>
<td>12.51</td>
<td>0.87</td>
<td>0.60</td>
</tr>
<tr>
<td></td>
<td>Much of the money donated to this charity is wasted (R)</td>
<td>0.26</td>
<td>1.56</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>My image of this charity is positive</td>
<td>0.87</td>
<td>21.56</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>This charity has been quite successful in helping the needy</td>
<td>0.87</td>
<td>21.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>This charity performs a useful function for society</td>
<td>0.88</td>
<td>23.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitudes toward helping others (AHO)</td>
<td>People should be willing to help others who are less fortunate</td>
<td>0.72</td>
<td>7.96</td>
<td>0.86</td>
<td>0.61</td>
</tr>
<tr>
<td></td>
<td>Helping troubled people with their problems is very important to me</td>
<td>0.82</td>
<td>15.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>People should be more charitable towards others in society</td>
<td>0.84</td>
<td>22.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>People in need should receive support from others</td>
<td>0.74</td>
<td>11.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collectivism</td>
<td>It is reasonable for a son to continue his father’s business</td>
<td>0.37</td>
<td>1.78</td>
<td>0.64</td>
<td>0.26</td>
</tr>
<tr>
<td></td>
<td>I would not share my ideas and newly acquired knowledge with my parents (R)</td>
<td>0.45</td>
<td>2.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I practice the religion of my parents</td>
<td>0.60</td>
<td>3.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would help, within my means, if a relative told me that he/she is in financial difficulty</td>
<td>0.76</td>
<td>6.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Each family has its own problems. It does not help to tell relatives about one’s problems (R)</td>
<td>0.09</td>
<td>0.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I can count on my relatives for help if I find myself in any kind of trouble</td>
<td>0.54</td>
<td>3.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget constraint</td>
<td>I frequently have problems making ends meet</td>
<td>0.89</td>
<td>2.53</td>
<td>0.89</td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td>My budgeting is always tight</td>
<td>0.82</td>
<td>2.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I often have to spend more money than I have available</td>
<td>0.85</td>
<td>2.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donation intentions</td>
<td>Amount of money likely donated to the Red Cross when the opportunity arises</td>
<td>0.53</td>
<td>5.46</td>
<td>0.73</td>
<td>0.59</td>
</tr>
<tr>
<td></td>
<td>I am likely to make a donation to the Red Cross in the future when the opportunity arises</td>
<td>0.95</td>
<td>32.42</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(R) indicates item is reverse-scored
<sup>1</sup>bootstrapping critical t-ratio
<sup>2</sup>construct reliability
<sup>3</sup>Average Variance Extracted
Results

Results in Table 1 indicate that the adequacy of the measurement model is mixed. Several items had a factor loading lower than the typically recommended benchmark of 0.7 (e.g. Chin 1998; Churchill 1979; Nunnally and Bernstein 1994). Three items were of particular concern because its standardized loadings were lower than 0.4 and may warrant exclusion in the trimmed model or future research (Churchill 1979). These items were “Much of the money donated to this charity is wasted (Attitudes toward the Red Cross), “It is reasonable for a son to continue his father’s business” (Collectivism) and “Each family has its own problems. It does not help to tell relatives above one’s problems” (Collectivism). Only four latent variables - “Attitude towards the Red Cross”, “Attitude toward helping others”, “Financial constraint”, and “Donation intentions” – proved to be internally consistent with a composite reliability score of greater than 0.7 (Nunnally and Bernstein 1994). Only these four latent variables also possessed convergent validity with an average variance extracted of at least 0.5 (Fornell and Larcker 1981); nonetheless, discriminant validity between the latent variables was demonstrated using the Fornell-Larcker criterion. The inspection of the cross-loadings, which are small compared to the loadings, provides additional support for discriminant validity (Fornell and Bookstein 1982). The reliability and validity indicators of the other latent variables, namely “Altruism”, “Social capital”, and “Collectivism”, suggest that the construct may not be unidimensional and/or particular measurement items are problematic.

Table 2. Partial Least Squares Results for the Structural Model

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Predictor Variable</th>
<th>Predicted Variable</th>
<th>Path</th>
<th>t-statistic</th>
<th>( R^2 )</th>
<th>Hypothesis Testing</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Altruism</td>
<td>Attitudes toward helping others (AHO)</td>
<td>0.30</td>
<td>3.08</td>
<td>0.30</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Collectivism</td>
<td>Attitudes toward helping others (AHO)</td>
<td>0.32</td>
<td>3.17</td>
<td></td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Social capital</td>
<td>Attitudes toward helping others (AHO)</td>
<td>0.12</td>
<td>1.28</td>
<td></td>
<td>Not Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Attitudes toward helping others (AHO)</td>
<td>Donation intentions</td>
<td>0.14</td>
<td>1.53</td>
<td>0.47</td>
<td>Not supported</td>
</tr>
<tr>
<td>H5</td>
<td>Attitudes toward the Red Cross (ACO)</td>
<td>Donation intentions</td>
<td>0.63</td>
<td>8.21</td>
<td></td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>Budget constraint</td>
<td>Donation intentions</td>
<td>0.01</td>
<td>0.08</td>
<td></td>
<td>Not supported</td>
</tr>
</tbody>
</table>

Average variance accounted for 0.39

Nonetheless, the latent variables with its original measurement items were used to estimate the structural model. The results are displayed in Table 2 above. The mean proportion of variance explained for the endogenous variables is 0.39 and the individual R2 are greater than the recommended 0.10 for all the predicted variables (Falk and Miller 1992); therefore, it is appropriate and informative to examine the significance of the paths associated with these
variables. The bootstrap critical ratios were generated from 500 replications and only two paths were found to be significant at the 5% level. The first significant path coefficient is for the positive relationship between collectivism and attitude towards helping others (0.45, $R^2=0.20$); thus, supporting Hypothesis 1. The results also provided support for Hypothesis 4: attitude towards the Red Cross is positively associated with donation intentions. The data did not support the hypothesized relationship between attitude toward helping others and donation intentions (H2). The results also showed that altruism (H3), social capital (H5), and financial constraint (H6) were all not significantly related to donation intentions. The $R^2$ for donation intentions is 0.48 and given that five exogenous variables (four of which are not significant predictors) are used to explain this endogenous variable, the structural model is arguably moderate at best (Chin 1998). What is evident is that only attitude towards the Red Cross can be used as a predictor of donation intentions.

**Table 3. Inter-correlations of the Latent Variables**

<table>
<thead>
<tr>
<th></th>
<th>Altruism</th>
<th>Attitudes toward the Red Cross (ACO)</th>
<th>Social capital</th>
<th>Attitudes toward helping others (AHO)</th>
<th>Collectivism</th>
<th>Financial constraint</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altruism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitudes toward the Red Cross (ACO)</td>
<td>0.28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social capital</td>
<td>0.18</td>
<td></td>
<td>0.24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitudes toward helping others (AHO)</td>
<td>0.43</td>
<td>0.31</td>
<td>0.25</td>
<td>0.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collectivism</td>
<td>0.33</td>
<td>0.24</td>
<td>0.25</td>
<td>0.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial constraint</td>
<td>-0.08</td>
<td>-0.10</td>
<td>0.03</td>
<td>-0.03</td>
<td>-0.06</td>
<td></td>
</tr>
<tr>
<td>Donation intentions</td>
<td>0.30</td>
<td>0.67</td>
<td>0.24</td>
<td>0.33</td>
<td>0.23</td>
<td>-0.10</td>
</tr>
</tbody>
</table>

The inter-correlation of the latent variables is displayed in Table 3 above. These results, coupled with information about the psychometric properties of the measurement model, provide some guidance for the estimation of a trimmed model. A trimmed measurement model was estimated by dropping the three problematic items that had an original factor loading of less than 0.4. The structural model was revised by removing non-significant paths and specifying a positive relationship between altruism and collectivism, as well as, a positive association between attitudes toward helping others and attitude towards the Red Cross. The trimmed measurement model showed minor improvements in the reliability and validity of the altruism, social capital, and collectivism constructs, but not enough to exceed the well-established benchmarks (Fornell and Larcker 1981; Nunnally and Bernstein 1994). The paths for altruism-collectivism and attitudes toward helping others-attitude towards the Red Cross were not significant. The model was trimmed further to exclude attitudes toward helping others, and a comparison of differences in $R^2$ indicated that we were no worse in predicting donation intentions. The small effect size ($f^2$ is less than 0.20) for the model without attitudes toward helping others would suggest that it is not helpful in predicting donation intentions.

**Discussion**

Given the challenging economic times and increase in demand for the services of charitable organizations, there are relatively few empirical studies investigating the determinants
of donation intentions. The emphasis of empirical studies in marketing has thus far been on demographic, socioeconomic and psychographic factors that influence charitable giving and differentiate donors from non-donors, leaving other pertinent factors such as collectivism and social capital unexplored. This study will extend the empirical findings in this area to include these factors previously overlooked in the marketing discipline. This study also aims to determine whether it is possible to predict an individual’s donation intentions from general personality traits measured by constructs such as personal norms, altruism and social capital or are donation intentions mitigated by context-specific factors such as the image of the charitable organization and the individual’s mood and distractions at the time of the request as well as the media context of the charitable appeal (Bendapudi et al. 1996).

Measures of altruism, collectivism, and social capital did not meet acceptable standards of scale reliability and validity. One of the causes is the low factor loading among negatively-worded items, which has been proven to be problematic for construct unidimensionality (Herche and Engelland 1996). Herche and Engelland (1996) suggested six different theoretical explanations and six variables for this phenomenon based on whether it is respondent-related or item-related. Other low-loading items such as the collectivism item “It is reasonable for a son to continue a father’s business” also appear to lack relevance in the contemporary context. These issues, among others, will need to be addressed in future studies because the operationalization and measurement of these constructs have not been consistent in past studies. While the results of the present study show significant paths between altruism and attitudes toward helping others, as well as, collectivism and attitudes toward helping others, measurement issues may weigh upon the findings. Hence, we are circumspect in drawing any conclusions about the nature of these relationships.

Nonetheless, other constructs were adequately measured. ACO and AHO items taken from Webb et al. (2000) displayed internal consistency, as well as, convergent and discriminant validity; thus, being consistent with their results. The measures for budget constraint and donation intentions were also acceptable. It could be rationalised that the non-significant association between budget constraint and donation intentions was due to the use of intended behavior as a dependent variable, rather than actual behavior. It is likely that a budget constraint would only be effectual either upon their decision to donate and/or actual donation amounts. We would still recommend the inclusion of budgetary constraints as a pertinent construct in future studies of charitable behaviors.

The positive relationship between ACO and donation intentions was confirmed and consistent with previous studies (e.g. Ranganathan and Henley 2008; Webb et al. 2000) that have found individuals who have a positive image of the charitable organization are more willing to donate. Therefore individuals are more likely to donate when they are familiar with the charitable organization, when they believe the charity is efficient in the use of donated funds as well as effective in achieving its mission (Bendapudi et al. 1996).

Unlike Webb et al. (2000) the present study did not find a positive relationship between AHO and donation intentions. This could be due to the different levels of analysis between the two studies. Webb et al. (2000) examined whether respondents had donated to six different types of charities whereas the present study specified the Red Cross as the charitable
organization. AHO is a construct describing general attitudes whereas ACO is a construct describing attitudes toward a specific target or object, in this case, the Red Cross. Although the budget constraint scale items displayed reliability and validity, the lack of evidence supporting a positive relationship between budget constraints and donation intentions is a concern.

Only ACO can predict donation intentions which raises the issue of whether we can predict an individuals’ willingness to donate using general personality traits such as altruism and social capital. According to Bendapudi et al. (1996), there are factors that moderate the effect of charity appeals on donor behavior such as the donor’s mood state (e.g. whether the donor is in a good mood), attention (e.g. whether distractions in the environment prevent attending to the appeal) and media context (the message and the vehicle). In the future, it would be worth retesting these general characteristics of individuals and their influence on donation intentions.

**Implications and Conclusion**

Our findings support the notion that individuals high in collectivism are likely to have a positive AHO and those with positive ACO are likely to make monetary donations to charities. Furthermore, monetary donations to charities need to be investigated in the context of a specific charitable organization. The authors hope this will motivate further research aimed at understanding donation behavior and their implications for non-profit marketing managers in their efforts to attract and retain donors.

Charities should target cultures high in collectivism because someone who is collectivist or group-oriented may exhibit a greater inclination to give because of his/her perceived expectations of referent groups about helping other members. Simultaneously, governments should encourage the establishment of groups (i.e. not-for-profit organisations) that assist the needy by offering greater tax incentives and other concessions.

Our finding that a charitable organisation’s image can influence donation intentions has important implications for charities and society. Marketing managers should be aware that a charitable organisation’s image is a function of familiarity, efficiency and effectiveness. Charities need to perform activities that improve awareness of the organisation, its perceived efficiency as an agent in delivering funds to the needy and its perceived effectiveness in achieving its mission. This could improve a charity’s performance and therefore allow them to have a greater positive impact on society. Charities need to analyse their operations to determine where administration costs can be minimised and therefore direct more donated funds to their intended target market. Also, charities need to demonstrate they are making a difference to the needy by reporting their performance against measurable objectives.

Context specific factors such as the individual’s mood state, media context (e.g. message and media vehicle) and level of attention should be investigated as this study found general personality traits cannot predict donation intentions. However, the authors acknowledge the difficulty of asking respondents to recall their mood and attention level at the time of the request which may explain why there is a dearth of empirical studies into a comprehensive set of factors that determine helping behavior. Nonetheless, a comprehensive model of determinants of
donation behavior incorporating collectivism and ACO as well as context-specific variables is needed to better predict donation intentions.

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