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Research Article

# Corporate sponsorships may hurt nonprofits: Understanding their effects on charitable giving ☆

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## Abstract

While prior research suggests that corporate sponsorship can positively affect consumers' perceptions of sponsors, little research to date has investigated the impact of such sponsorships on an individual's willingness to support nonprofits. This paper investigates the psychological processes that underlie whether and how corporate sponsorship impacts an individual's willingness to support nonprofit organizations and suggests that unintended negative outcomes may emerge. Specifically, results from five studies suggest that exposure to sponsorship information can reduce prospective donors' willingness to support a nonprofit because people believe that their individual contributions will matter less. In addition, this research identifies a potential mechanism (i.e., donor-company identification) that can mitigate these negative effects.


*Keywords:* Nonprofit marketing; Sponsorship; Donation; Charitable giving; Social loafing

## Introduction

> "It's the classic 'win–win' situation. The corporation gets credit for being a good citizen, while [nonprofits] receive support to accomplish good things in the community."
> —Society for Nonprofit Organizations, 2011

The above quote summarizes the prevailing wisdom in the nonprofit sector: corporate sponsorship will not only benefit the sponsor, but will also benefit the nonprofit by enabling it to acquire the needed resources to do its work in the community. This paper examines whether an unintended outcome may emerge with other donor groups (i.e., individual donors). As nonprofit charitable organizations face a growing need for services, inter-charity competition, and reduced governmental funding (Bendapudi, Singh, & Bendapudi, 1996; Small & Verrochi, 2009), effective fundraising from all donor groups continues to be pivotal to their success. Moreover, with problems heightened by the recent recession, nonprofit organizations are increasingly incorporating corporate sponsorships into their fundraising and development initiatives. For example, of the 10 largest charities ranked by *Forbes* in terms of private donations, all charities provided sponsorship information in some format on their national or affiliates' websites (Barrett, 2008). Given that many nonprofits engage in the practice of publicizing their corporate sponsors, a question that emerges is whether and how such exposure impacts an individual's charitable giving.

Lay theory suggests that while corporate sponsors receive positive publicity for their goodwill, the nonprofit, in turn, not

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only receives financial or in-kind support from the corporation, but also receives increased public awareness and enhanced creditability, which is believed to increase public support in terms of monetary donations, volunteer hours and the like. Prior research also indicates that consumers favor companies and brands engaged in corporate social responsibility (cf., Yoon, Gürhan-Canli, & Schwarz, 2006), and the assumption has been that these preferences can potentially impact both the corporate sponsor and the nonprofit favorably (for a review, see Gürhan-Canli & Fries, 2010). However, while the positive effects of these corporate sponsorships on consumers' perceptions and purchases of the corporations' branded products are well documented, little research to date has investigated the impact of these sponsorships on nonprofits. Specifically, most research investigating the impact of sponsorship initiatives takes the perspective of the sponsoring company, either by focusing on the impact of corporate sponsorship on the performance of sponsoring companies (e.g., Barone, Miyazaki, & Taylor, 2000; Henderson & Arora, 2010; Sen & Bhattacharya, 2001) or by choosing a context where the company requests that their customers also support the nonprofit (e.g., Lichtenstein, Drumwright, & Braig, 2004). Thus, the impact of corporate sponsorship on prospective donors, specifically when the nonprofit is the entity communicating the existence of the sponsorship to the public and requesting support from individuals (e.g., donating money, volunteering, signing petitions, or participating in fundraising events) has been largely ignored in the literature.

The current research addresses this question, which is important from the perspective of consumer psychologists, nonprofit managers, as well as society at large. Its importance stems from the fact that individual donors as a group account for the largest single source of donations to nonprofit organizations: out of all estimated donations in 2011 ($298.42 billion), individual donations accounted for $217.79 billion or 73%. In contrast, corporate donations account for 4.9% (GivingUSA Foundation, 2010). Thus, given the critical role that individuals have in generating needed revenue for nonprofits, it is important to investigate whether and how corporate sponsors impact an individual's charitable behavior. Thus, our research aims to advance prior findings by providing new insights into how these sponsorships impact prospective donors' willingness to support nonprofits.

## Conceptual background

### *Charitable giving*

Prior research has investigated factors that impact charitable giving including prospective donors' empathic responses to victims (Hung & Wyer, 2009; Small & Simonsohn, 2008; Small & Verrochi, 2009), donor identity salience (Arnett, German, & Hunt, 2003), moral identity (Reed, Aquino, & Levy, 2007; Winterich, Mittal, & Ross, 2009), self-benefit versus other-benefit appeals (White & Peloza, 2009) and the public's images of nonprofits (Aaker, Vohs, & Mogilner, 2010). In addition, motivations for prosocial behavior that have been identified include reducing personal distress (e.g., guilt), obtaining rewards (e.g., social recognition), or alleviating others' needs (e.g., the belief that one has made a significant difference to others; see Clary & Snyder, 1991; Penner, Dovidio, Piliavin, & Schroeder, 2005 for a review).

When prospective donors become aware of the existence of corporate donors, the question arises as to whether such sponsorship information enhances or diminishes an individual's desire to support the organization, as well. On one hand, we might expect that when prospective donors receive information that other entities have already supported the organization, they will view this endorsement favorably and will also be inclined to donate. This expectation is consistent with lay beliefs held by nonprofit managers and is in line with the principle of social proof or informational social influence in the psychology literature, whereby an endorsement from a credible source (the corporation) serves as a catalyst for donors to support the organization. On the other hand, publicizing current donors may change an individual's perceptions of the impact their own participation will have, thereby negatively impacting prospective donors' willingness to support nonprofits. This negative response may be triggered by a perception that one's individual donation is not likely to make much of an impact to the nonprofit. This reasoning is in line with the theory of social loafing. Thus, two competing predictions emerge from the literature to explain the impact of publicizing corporate donors on individuals' willingness to support nonprofits. We next briefly review each of these streams of research.

### *Social proof*

The principle of social proof, also known as informational social influence, suggests that individuals sometimes look to the behavior of others as a source for how to determine the appropriate course of action (Goldstein, Cialdini, & Griskevicius, 2008; Schultz, Nolan, Cialdini, Goldstein, & Griskevicius, 2007). Specifically, this principle suggests that "[w]e view a behavior as correct in a given situation to the degree that we see others performing it" (Cialdini, 1993, p. 100). Prior research has shown that the principle of social proof has been influential in a number of contexts, including returning lost property (Hornstein, Fisch, & Holmes, 1967), engaging in promiscuous sexual activity (Buunk & Baker, 1995; Winslow, Franzini, & Hwang, 1992) and suicidal decisions (Garland & Zigler, 1993; Phillips & Carstensen, 1988). The extant research in a fundraising context suggests that publicizing donor information can have a positive effect on an individual's willingness to donate, as well. In a study conducted by Reingen (1982), participants were solicited for a donation in support of a heart association, either after being exposed to a list of eight donors who had already donated to the organization, or without receiving any donor information. The results indicated that participants were more likely to donate when a donor list was provided, compared to when no donor information was provided. A similar pattern of results was obtained in a follow-up study in the context of a blood drive campaign where participants were asked to donate blood. Participants were more likely to agree to donate blood after seeing a list of eight people who had already donated versus participants who had not received donor information. Conditions under which people are more likely to be impacted by informational social influence include ambiguous or uncertain situations (Allen, 1965; Baron, Vandello, & Brunsman, 1996; Cialdini, 1993; Tesser, Campbell, & Mickler, 1983), when the source is similar (Cialdini, 1993) or when the source is an expert (Allison, 1992; Bickman, 1974; Cialdini & Trost, 1998). The goal of social proof is knowledge, and this knowledge will be more readily accepted from an expert or a very knowledgeable entity (Burnkrant & Cousineau, 1975; Kelman, 1961; McGuire, 1969). Therefore, in line with this theorizing, we might expect corporate sponsors to have a positive impact on prospective donors' willingness to support the nonprofit because the corporate entity is perceived as a credible source of information about whether or not the nonprofit is worthy of a donation. In sum, we would expect that publicizing corporate donors will have a positive effect on prospective donors' willingness to donate to nonprofits such that when prospective donors receive information that expert others (i.e., corporations) have already donated to a given charity, they will view this endorsement favorably and will be inclined to donate as well, boosting much needed resources for the nonprofit. We next review the theory of social loafing, which offers a competing prediction.

### *Social loafing*

Social loafing refers to the well-documented finding that individuals contribute less to an effort when working collectively toward a goal than when working individually toward it (Latané, Williams, & Harkins, 1979). For example, the earliest study by Max Ringelmann (1913) found that when students were asked to pull as hard as they could on a rope, they exerted less effort when working in groups than when working alone. Subsequent research suggests that this reduced effort can occur when working in either the real or imagined presence of others, and this phenomenon has been observed across a wide variety of contexts (for a meta-analytic review, see Karau & Williams, 1993). This stream of research suggests that in a corporate sponsorship context, individuals may be less willing to donate to a nonprofit when they perceive a fundraising drive as a collective effort shared by all donor groups (e.g., individuals, corporations). This negative effect is likely to be further heightened in our context since, compared to individuals, corporations are consistently believed to be very wealthy. In turn, people may assume that the magnitude of the corporate donations is relatively large, given the relative wealth of large companies, even though the donations could potentially be in-kind donations of the companies' products or services and not monetary donations at all. In at least one noteworthy real-world case in 2007, Albertson College of Idaho changed its name back to the College of Idaho in the hopes of luring back alumni donors who were not contributing to the college because of the presence of the Albertson Foundation (Strout, 2007). Furthermore, in support of this reduced effort prediction, it has been noted that when people perceive that their inputs are not essential in reaching a group goal (i.e., their own contributions will not make much of a difference), they are more likely to reduce their efforts (Karau & Williams, 1993). For instance, when a number of corporate donors are highlighted in a donor solicitation (compared to when such information is not shown), prospective donors may perceive their own individual contributions as, at best, a very small part of the collective effort. The list of corporate sponsors donating to the same common cause may reduce individuals' perceptions of the marginal impact of their donation (i.e., that they will "make a difference") and may heighten their perceptions that their individual contributions will have less of an impact on the nonprofit. Therefore, unless prospective donors feel sufficiently attached to corporate donors (so as to create similarity or identification with the donor, which can instill the belief that helping is the norm), publicizing corporate sponsors can have a negative effect, resulting in decreased willingness to support a nonprofit among prospective individual donors.

Given that social proof and social loafing theories offer competing predictions about the impact of corporate sponsorship on an individual's willingness to support a nonprofit (that is, consistent with the perspective of social proof, corporate sponsorship will have a positive effect on individual donations, whereas consistent with the perspective of social loafing, corporate sponsorship will have a negative effect on individual donations), we launched an empirical investigation to determine which perspective prevails. In the studies that follow, we first test these two contrasting hypotheses and then unpack the processes underlying the effect of corporate sponsorship on individual donor behavior.

### *Overview of studies*

Our research consists of five studies that examine the impact of corporate sponsorship on individuals' charitable behavior. Studies 1 through 3 tested whether publicizing corporate sponsors enhances or diminishes prospective donors' willingness to support nonprofits. Specifically, the results of Studies 1 and 2 suggested that publicizing corporate sponsors *lowers* donors' willingness to support nonprofits. Study 3 further identified when the presence of other donors can enhance or diminish individuals' donation behavior, in line with social loafing and social proof theories. Study 4 heightened the validity of this research, in that actual donation behavior, as well as intentions to donate, was measured. Study 4 also tested the process explanation while ruling out alternative accounts. Finally, Study 5 addressed a limiting condition of when the negative impact of corporate sponsorship can be reversed by instilling a sense of identification with sponsoring companies. Taken together, we found that publicizing corporate sponsors can reduce individuals' willingness to support nonprofits by reducing the perception that their donations matter; in addition, we identified a salve that can ameliorate the unintended negative effects of corporate sponsorship.

## Study 1

The primary purpose of the present study is to examine whether corporate sponsorship can have a positive or negative impact on consumers' willingness to support a nonprofit. We aim to first empirically test the effect of corporate sponsorship on individuals' willingness to support a nonprofit organization. For this purpose, we developed two versions of an appeal for donations, one of which included corporate sponsorship information, and one that did not.

*Participants and procedures*

Fifty-four undergraduates participated in this study in exchange for a small snack (e.g., a can of Pringles), and they were randomly assigned to one of the two sponsorship conditions (sponsorship versus control: no sponsorship information). The participants were first asked to examine an appeal from an actual, but relatively unfamiliar, local nonprofit organization serving homeless teens and young adults. The appeal included general information about the rate of teen homelessness in the county, as well as a description of the nonprofit's five core programs. In the sponsorship condition, the logos of five well-known corporations (Target, General Mills, 3M, Starbucks and US Bank) were listed at the bottom of the appeal with a note indicating, "We thank our sponsors for their support!" These five corporations were selected because they were well-known to the subject population. We also considered prior research on the congruency of corporate sponsorships and nonprofits (Sen & Bhattacharya, 2001), since congruity has been found in some prior research to increase evaluations of both entities (brands) in the pairing. In particular, we sought to include only corporate sponsors perceived to have a moderately good fit for the profit–nonprofit sponsorship pairings. A pretest ($n = 35$) conducted on the sample similar to the participants of the main study confirmed that all corporations were considered to be neither a low nor high match with the selected nonprofit. In the control condition, no company logos were shown.

After examining the nonprofit's appeal, participants were asked to respond to the dependent measures concerning their willingness to support the nonprofit and their attitudes toward the corporate sponsors. The five willingness-to-support measures used for our main dependent variable were as follows: 1) "To what extent would you be willing to donate money to this organization?"; 2) "To what extent would you be willing to solicit your friends and family members to donate money to this organization?"; 3) "To what extent would you be willing to give your time to support this organization's programs?"; 4) "To what extent would you be willing to volunteer for this organization?"; and 5) "To what extent would you be willing to ask your friends and family members to volunteer for this organization?" anchored on scales from 1 ("not at all willing") to 7 ("very willing"). These five scales were found to be strongly intercorrelated; thus, they were combined into a single "willingness to help" index ($\alpha = .89$).

Participants' attitudes toward each company were also measured. The single-item scale measure ranged from 1 ("negative") to 7 ("positive"). This attitude measure was included to verify and replicate prior research that consumers' attitudes toward the companies were not more negative in the sponsorship condition, which would verify that negative affect associated with the companies was not a significant contributing factor toward reductions in willingness to donate. Finally, participants completed items assessing whether they would purchase nonprofit-branded items as part of a separate fundraising initiative. All items were measured on seven-point scales ranging from 1 ("not at all willing") to 7 ("very willing"). These items were included as secondary forms of donation behavior to determine whether the negative effects of corporate sponsorships transfer to these more peripheral types of helping behaviors. After completing the questionnaire, the participants were thanked and debriefed.

*Results*

For our primary inquiry as to whether publicizing corporate sponsors would enhance or lower individuals' donations, we first compared participants assigned to the sponsorship condition with those assigned to the control condition. The results indicated that those in the sponsorship condition were less willing to support the nonprofit ($M = 3.69$, $SD = 1.41$), relative to those in control condition ($M = 4.41$, $SD = .78$; $F(1, 52) = 7.03$, $p < .05$, $\eta^2 = .10$). This result reveals that corporate sponsorship had a negative impact on individual donors' willingness to support a nonprofit, suggesting that the theory of social loafing has explanatory power in the context of corporate sponsorship, compared to the theory of social proof.

Corporate sponsorship appeared to have an impact on other types of support, as well. Specifically, participants in the sponsorship condition indicated that they were less likely to support the nonprofit by purchasing nonprofit-branded t-shirts ($12) or coffee mugs ($7) as part of a separate fundraising initiative ($M_{\text{sponsorship}} = 3.02$, $SD = 1.61$ vs. $M_{\text{control}} = 3.77$, $SD = 1.47$; $F(1, 52) = 3.18$, $p < .08$, $\eta^2 = .06$), albeit marginally.

In contrast to the aforementioned results and consistent with prior research (Sen & Bhattacharya, 2001), compared to participants in the control condition, participants in the sponsorship condition held more favorable attitudes toward the sponsoring companies ($M_{\text{sponsorship}} = 5.90$, $SD = .41$ vs. $M_{\text{control}} = 5.33$, $SD = .80$; $F(1, 52) = 10.48$, $p < .01$, $\eta^2 = .17$). Taken together, these results suggest that while corporate sponsorship seems to have a positive impact on the sponsoring corporations in terms of their being perceived positively by prospective donors, corporate sponsorship tends to yield an unintended negative effect in terms of prospective donors' willingness to support the nonprofit.

*Discussion*

The results of Study 1 show that individuals were less willing to support the nonprofit organization when they had explicit information that the organization was being sponsored by corporations. This finding suggests that corporate sponsorship information can diminish individual donors' desire to support nonprofit organizations. As a result, corporate sponsorship may not always be beneficial for nonprofit organizations seeking individual donors. In addition, individuals exposed to corporate sponsorship information appear to be less willing to purchase products as a part of a separate fundraising initiative. However, people tend to view corporate sponsors paired with the nonprofit in a favorable light, which is consistent with earlier findings in the CSR literature (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). Combined, these findings imply that the presumed "win–win" dictum for both sponsoring companies and nonprofit organizations needs to be heeded with an important caveat: an important donor group, individual donors, may be negatively impacted. Specifically, unlike the conventional wisdom suggesting that partnering with corporations enhances the general public's perceptions of the nonprofit, such partnerships may actually lower the public's helping behaviors toward the nonprofit. Therefore, the current study stands in sharp contrast to current fundraising assumptions, suggesting the possibility that nonprofits may not be awarded entirely positive benefits from the corporation–nonprofit link.

## Study 2

In the current study, we intended to provide convergent support for the negative influences on people's willingness to support a nonprofit when it reveals that corporate sponsors are helping the organization. Specifically, to bestow robustness on the effects obtained in Study 1, we made two changes: First, rather than relying on homogeneous student participants, we used an online panel to reach respondents throughout the country. Second, we sought to determine whether the effect generalizes further to other dependent variables and types of appeals. Specifically, we measured people's intentions to sign a petition for a nonprofit as our primary dependent variable. In the nonprofit sector, petitions are commonly used to qualify nonprofits for further support from local or federal governments and to promote a change in the course of action or legislation related to the cause to which a nonprofit dedicates its focus. Since accumulating a supportive force from citizens and communities can operate as a critical prerequisite to the ultimate goals of nonprofit organizations, understanding how corporate sponsorship influences people's willingness to sign a petition is of considerable importance.

### *Participants and procedures*

A total of 102 adults were recruited and participated in this online experiment in exchange for a chance to win a $50 gift certificate. These participants live in 32 states, and 81% were not students. Also, the mean age was 38.14, and a skew toward women was observed. Our research is concerned with the impact of sponsorship on intentions to support a nonprofit organization by signing a petition. Therefore, this skew should have little impact, except for the possibility that women are actually less likely to engage in social loafing (Karau & Williams, 1993). Thus, a deviation of the sample from the population is not expected, but it can create a basis for stronger hypothesis testing.

The procedures and stimuli were similar to those used in the previous study. However, to accommodate the national context, a nonprofit was described as targeting homeless teens throughout the United States and as being located in Washington, D.C., to make this nonprofit perceived equally from participants of different states. In addition, we chose a different dependent variable: whether or not participants would be willing to sign a petition requesting additional funds from the government to support the nonprofit. This dependent variable was used for two reasons. First, given the current economic climate, we wanted a measure to assess whether or not participants would be willing to support the nonprofit organization without directly diminishing participants' current resources (even hypothetically). Second, we wanted to reduce the possibility of observing floor effects such that participants across conditions would report extremely low willingness to donate since the nonprofit was not located in respective hometowns. Thus, following exposure to the appeal, respondents indicated their willingness to sign a petition for the organization as a focal dependent measure. The description read as the following: "Suppose YouthLink asks you to endorse their petition for an increase in the funding allocated to this organization. Each year YouthLink receives a grant from the federal government. However, to effectively run their programs, they are in the process of preparing a petition for more financial support from the government. To what extent are you willing to sign their petition?"

### *Results*

A one-way ANOVA was run on intentions to sign the petition, with sponsorship as a factor, which generated a significant main effect of sponsorship. Specifically, respondents who viewed a message with sponsors listed were less likely to sign the petition for the nonprofit, compared to those who viewed the message without any sponsors listed ($M_{\text{sponsorship}} = 5.04$, $SD = 1.95$ vs. $M_{\text{control}} = 5.76$, $SD = 1.66$; $F(1, 99) = 4.06$, $p < .05$, $\eta^2 = .04$).

### *Discussion*

In this study, we replicated our previous findings in a new context, indicating that publicizing corporate sponsors may negatively impact an individual's willingness to support a nonprofit.

## Study 3

As discussed earlier, when prospective donors receive information about a nonprofit that already has donors on board, two outcomes can emerge: either prospective donors will lend a hand and donate as well, or they will close their purse strings and be less willing to donate. The findings from the first two studies indicate that the influence of corporate donors follows a path consistent with the predictions of social loafing theory: donors are less likely to give when working as part of a group effort involving corporate and individual donors. A question that then emerges is whether this effect is unique to the corporate sponsorship context. That is, will prospective donors increase their participation in the cause when similar, less wealthy donors are already in action, as the social proof theory posits? The current study intended to examine this issue by further distinguishing the influence of corporate donors from other types of donors.

### Participants and procedures

Eighty-three undergraduates participated in this study in exchange for extra course credit. They were asked to view one of the three different types of appeals: one with corporate sponsors, another with no sponsorship information, and a third with a list of names of students and staff members of the same university as the respondents. Specifically, in the last condition, the statement, "[A] lot of [school name] students and staff members have agreed to be part of our programs, with their money and time" was inserted at the bottom of the appeal,[3] and approximately 70 individuals' names (instead of corporate sponsor logos) were listed below. Similar to the previous study, upon exposure to the appeal, all respondents generated intentions to support the nonprofit using the same five measures used in Study 1. Additionally, they indicated their willingness to purchase an item offered as part of the organization's fundraising campaign. After completing the questionnaire, the participants were thanked and debriefed.

### Results

An ANOVA run on willingness to support the nonprofit ($\alpha = .83$) generated a significant main effect of sponsorship ($F(1, 80) = 10.44$, $p < .01$, $\eta^2 = .21$), revealing patterns predicted by both social proof and social loafing theories, depending on the type of existing donors. Specifically, respondents who viewed a message with corporate sponsors listed were less likely to support the organization, compared to those who viewed the message without any sponsors listed ($M_{\text{company}} = 3.38$ vs. $M_{\text{control}} = 3.93$; $p < .07$), a pattern consistent with the social loafing theory and results from Studies 1 and 2. In contrast, respondents who viewed a message with a list of other individual donors were more likely to support the organization, compared to those who viewed the message without any sponsors listed ($M_{\text{individuals}} = 4.62$ vs. $M_{\text{control}} = 3.93$; $p < .05$), a pattern consistent with the social proof theory. A similar pattern emerged in terms of their willingness to buy a nonprofit-branded product ($M_{\text{company}} = 2.67$ vs. $M_{\text{control}} = 3.30$ vs. $M_{\text{individuals}} = 4.31$; ($F(1, 80) = 5.94$, $p < .05$, $\eta^2 = .13$).

### Discussion

The current study suggests that both theories (i.e., social proof and social loafing theories) have merits in predicting the influence of sponsors on prospective donors, but the type of sponsor seems to determine which theory exerts relatively more influence on individuals' donation decisions. Although corporations can be viewed as possessing a certain level of expertise in this context, presumably corporate sponsors are perceived as quite dissimilar from individual donors, particularly in terms of wealth, and their donations are generally expected to be more influential than those from average individuals. Thus, participants tend to report lower willingness to donate when corporate sponsors are shown on an appeal versus when no corporate sponsors are shown, which is consistent with social loafing. However, in line with the theory of social proof, willingness to donate is greater when other individuals have already donated. These findings altogether appear to indicate the complexity of individuals' donation decision making processes.

Our next goal is to investigate by what process social loafing occurs in the context of corporate sponsorship. Given the results obtained in this study, we presumed that corporate sponsorship cues (i.e., the perceived wealth of corporations) would instigate beliefs that individuals' personal donations would be less likely to make a difference to a nonprofit, thereby making individuals less likely to help a nonprofit with corporate sponsors. That is, people may believe that their own individual efforts will matter less and will make less of an impact when other, wealthier donor groups such as corporations are involved. Therefore, publicizing corporate sponsors can result in decreased willingness to support a nonprofit among prospective individual donors via such an impact perception. To assess this claim, and to marshal initial evidence in support of our conceptualization, we performed a follow-up study in which participants were first asked to review two nonprofit organizations under the assumption that they would donate some of their money to the nonprofit organizations. They were asked, subsequently, to choose one of these two charities. The two nonprofit organizations were comparable to each other in terms of mission, main programs, and degree of government support. The only exception between the two was funding composition: one charity had the majority of its funding source from corporate sponsors, while the other was portrayed as heavily relying on individual donors. We also counterbalanced the description so that each charity was presented as having corporate sponsors to half of the respondents. After perusing the table depicting these two charities, the participants rated their preference for a charity as a recipient of their personal donations and beliefs regarding how their personal donations would be valued by nonprofits without (versus with) corporate sponsors, on seven-point scales.

A one-sample $t$-test using the midpoint as the test value indicated that participants preferred to help the nonprofit without any corporate sponsors rather than the nonprofit with corporate sponsors ($M = 4.81$, $SD = 2.10$; $t = 3.91$, $p < .01$). In addition, participants' preference for the nonprofit without corporate sponsors was highly correlated with their beliefs that

[3] We should note that there could have been a confounding issue, since the number of corporate sponsors and existing individual donors were not identical. Since listing a few individual names (unless prominent or famous) is not common, while a small number of corporate sponsors are often shown in nonprofits' appeals, we used a different number for the people-donor condition. Future research investing this issue and any additional difference between corporate sponsors and general people can further extend the effect of existing donors on prospective ones.

their donations would be more valued by the nonprofit without corporate sponsors, compared to the nonprofit with corporate sponsors ($r=.49$. $p<.01$). These data support the notion that seeing corporate sponsor cues triggers perceptions that individuals' personal donations will not make an impact when nonprofits already have corporate sponsors, a hypothesis we formally tested in the next study.

## Study 4

The purpose of this study was twofold. First, we intended to further examine the underlying mechanism by investigating the mediating role of "making a difference" perceptions, a proposed mediator construct. In addition, we tested other alternative process variables. In particular, we note that perceptions of the nonprofit's need can also potentially have a negative effect on individuals' willingness to support a corporate-sponsored nonprofit, rivaling the social loafing explanation. That is, the reason for observing any negative effects in individual donor behavior in a corporate sponsorship context can be due to perceptions that the nonprofit is no longer in need of funding. Prior research suggests that perceptions of a nonprofit's need is an important factor in donor decisions (Fisher & Ackerman, 1998). In light of this, we also test whether perceptions of the nonprofit's need is a contributing factor in the relationship between corporate sponsorship and individual donor behavior. Second, unlike previous studies that measured only intentions to donate, the present study aimed to measure the actual donation behavior, so as to enhance the validity of this research.

### *Participants and procedure*

Eighty-two undergraduates enrolled in marketing courses participated in the study. The participants were randomly assigned to either the control or sponsorship conditions. The overall procedures used in this study are similar to those used in previous studies, except for the following changes. First, at the beginning of the sessions, the participants were informed that they would participate in several unrelated studies grouped together and that they would be given three dollars for their participation. An envelope that contained twelve quarters ($3.00) was placed in each seat before the start of the session. Participants first worked on a short survey about their personality and their social media use. They were then introduced to a second study where they were asked to view an appeal from a genuine nonprofit working for a local children's hospital. The content concerning the nonprofit's mission and how to make donations, as well as images used in the appeal, were obtained from its website in order to maintain the true nature of the organization. Also, for the sponsorship condition, there was an additional section highlighting corporate donors, where some of the names of the most recent actual corporate sponsors shown on the organization's website and in the newsletters were displayed. In the control condition, no such information was provided.

Following the exposure to the appeal, participants were asked to respond to dependent measures concerning their willingness to donate their money to this nonprofit and their perceptions as to whether they believed their donations would make an impact. The two items for willingness to donate were the following: "To what extent would you be willing to donate money to this organization?" and, "How likely would you donate money to this organization?" (1 = "not at all willing/unlikely," 7 = "very willing/likely"; $\alpha=.86$). The average score on the items formed an index of willingness to donate. Participants then rated the perceived impact of their donations by responding to these two items: "To what extent do you perceive that your personal donation to this organization would make a difference?" and, "To what extent do you believe that giving your money to support this organization would increase the nonprofit's likelihood of reaching its goals?" anchored on scales from 1 = "not at all" to 7 = "very much." Later, these two items were averaged to form an impact perception index ($\alpha=.83$). Participants also responded to other alternative process measures, such as feelings of guilt ("I would feel guilty if I did not donate my money or time to this organization," and "I would feel uncomfortable if I did not donate my money or time to this organization," $\alpha=.86$); perceptions that the nonprofit would need funds ("This organization is currently well-funded"); and perceived integrity of the organization ("This organization appears to have a good deal of integrity"), all of which we intended to rule out.

Next, participants were reminded that they had been given a separate envelope where they could find 12 quarters (i.e., $3) as a compensation for their participation in this study and were then asked if they wanted to make a donation to the charity. For those who wished to do so, they were asked to insert the number of quarters they wanted to give to the charity back into the envelope. To minimize social pressure, the envelope amounts were disguised to other participants (e.g., all individuals submitted an envelope whether they gave or not) and the experimenter in the room was unobtrusive. Finally, participants were thanked and debriefed.

### *Results*

#### *Intentions to donate*

A one-way ANOVA run on intentions to donate revealed a significant effect of sponsorship, replicating the results of previous studies. Specifically, respondents who received an appeal including corporate sponsorship information were less likely to donate, relative to those who viewed an appeal that did not include such information ($M_{sponsorship}=4.38$, $SD=1.51$ vs. $M_{control}=5.11$, $SD=1.33$; $F(1, 80)=5.43$, $p<.05$, $\eta^2=.06$).

#### *Actual donations*

We next tested whether revealing corporate sponsorship to prospective donors had a negative impact on the actual amount of dollars that prospective donors gave to the nonprofit. The same analysis on the number of quarters donated revealed a similar pattern, in that respondents who received an appeal with corporate sponsorship information donated fewer quarters compared to those in the control condition ($M_{sponsorship}=8.24$, $SD=4.86$ vs. $M_{control}=11.00$, $SD=2.85$; $F(1, 80)=9.81$, $p<.05$,

$\eta^2 = .11$).[4] Thus, this result indicates a negative effect of revealing corporate sponsors on actual donor behavior.

*Impact perceptions*

We next performed a similar analysis with perceptions as to whether individuals' personal donations can make an impact, averaged on two items, as a dependent variable. Overall, the pattern is very similar to the one obtained above, with both intentions to donate and actual donations. Specifically, respondents who viewed the message with sponsorship information perceived their contribution as less meaningful and impactful than those in the control condition ($M_{\text{sponsorship}} = 3.96$, $SD = 1.51$ vs. $M_{\text{control}} = 4.68$, $SD = 1.22$; $F(1, 80) = 5.62$, $p < .05$, $\eta^2 = .07$).

Moreover, a bootstrapping analysis revealed, with 95% confidence, that the indirect effect of perception in making an impact on both intentions to donate and actual donations was significant, with a point estimate of −.42 and a 95% BCa (bias-corrected and accelerated) bootstrap confidence interval from −.8109 to −.0927 for intentions to donate, and with a point estimate of −.88 and a 95% BCa (bias-corrected and accelerated) bootstrap confidence interval from −1.8568 to −.2048 for the actual donations, respectively.

We also tested several alternative explanations. First, we found that people's feelings of guilt varied as a function of sponsorship, such that participants in the sponsorship condition were less likely to feel guilty for not helping the nonprofit than participants in the control condition ($M_{\text{sponsorship}} = 3.29$, $SD = 1.60$ vs. $M_{\text{control}} = 4.01$, $SD = 1.64$; $F(1, 80) = 4.03$, $p < .05$). However, feelings of guilt were not found to operate as an underlying process of the negative influence of sponsorship on people's donation behavior, in that a 95% BCa (bias-corrected and accelerated) bootstrap confidence interval was [−.5781, .3575]. In addition, neither were people's perceptions about the affluence of the organization nor their perceived integrity of the organization affected by sponsorship cues ($p > .57$ and $p > .46$, respectively). Given this pattern of results, our premise seems to be the most viable explanation for the process, compared to the other candidate explanations.[5]

*Discussion*

In this study, we replicated our basic findings on people's actual donations, beyond mere measured intentions. Similar to previous studies, this study confirms that revealing corporate sponsors may negatively impact prospective donors' willingness to support a nonprofit organization.[6] Further, the findings indicate an underlying cause of such a negative impact of sponsorship, such that people's donation decisions are mediated by their perceptions of whether their personal donations will have an impact on the nonprofit. To be more specific, revealing corporate sponsorship leads people to believe that their personal donations will not benefit the nonprofit to a great degree, and this belief, in turn, lowers people's motivation to support the nonprofit financially. With respect to this process explanation, we also ruled out alternative processes that could account for such a negative influence of sponsorship. Altogether, this study further corroborates our line of reasoning as to the mechanism by showing how people's actual donations are influenced by sponsorship information.

## Study 5

Study 5 investigates conditions under which the negative effects of sponsorship are mitigated. As noted in Karau and Williams (1993), people are less likely to engage in social loafing when group identification is high. Increasing group identity can enhance self-evaluation by increasing people's feelings of group spirit and belonging. As the social identity theory (e.g., Abrams & Hogg, 1990; Tajfel & Turner, 1986) suggests, when people can relate to others in a group, they are more likely to align their goals and motivations with those of other members. In a cohesive group, people tend to show motivational gains and tend to be more willing to follow the lead of others (Murray, Johnson, Luepker, & Mittelmark, 1984; Witte, 1989).

While a common scenario for group identification by a nonprofit might be to encourage prospective donors to identify with the cause and/or empathize with its victims (e.g., Aaker & Akutsu, 2009; Winterich & Barone, 2011), a scenario in which prospective donors identify with for-profit brands (i.e., sponsoring companies) may yield a different response to the nonprofit. Thus, the question as to whether publicizing corporate sponsors will lower individuals' willingness to donate may depend on the degree to which individuals identify with the sponsoring companies via the group identification's role of reversing

[4] From this study, a total of $197.25 was collected. This amount was donated to the local Children's Hospital Foundation.

[5] The bootstrap test based on Preacher and Hayes' (2008) macro accommodates multiple mediators. When we put all potential variables (i.e., impact perceptions, feelings of guilt, perceived nonprofit's need for funds, and integrity of the nonprofit) as proposed mediators for the model, we obtained a similar set of results. Specifically, only the impact perceptions were a significant mediator for the effect of corporate sponsorship on donations, in that a 95% BCa bootstrap confidence interval was [−1.7931, −.1378], whereas corresponding confidence intervals of the others all included a zero ([−.6241, .3512] for feelings of guilt, [−.2799, .3587] for integrity of the nonprofit, and [−.2007, .8975] for perceived need of funds, respectively). Therefore, we could confidently rule out these alternative explanations for the effect obtained in this research.

[6] One caveat of this study is on the structure and order of this study. That is, the measurement of intentions that preceded the actual donation could have affected people's actual behavior, per the mere measurement effect (Morwitz & Fitzsimons, 2004). To address this "pollution" possibility, we conducted another study (n = 42) where only actual donations were measured. As in the follow-up study of Study 3, participants were asked to review two nonprofit organizations that were comparable to each other, except for the funding composition. They were then asked to choose one of these two charities as the recipient of their personal donations and to make donations of up to $3, in quarters. Consistent with our predictions, two pieces of findings emerged: 1) a one-sample binomial test confirmed that people were more likely to select the nonprofit that did not have corporate sponsors, relative to the nonprofit that had several corporate sponsors ($p < .01$); and 2) the nonprofit not having corporate sponsors tended to generate a higher amount of personal donations than the nonprofit having corporate sponsors ($M = 10.27$, $SD = 3.32$ vs. $M = 8.83$, $SD = 4.22$, $F(1, 38) = 5.05$, $p < .05$, $\eta^2 = .12$). Thus, the obtained effect in Study 4 seems to be maintained, even without the stage of forming intentions prior to actual donation behavior.

reduced "make a difference" perceptions. In other words, prospective donors' identification with the sponsors, and subsequent increased group spirit, may overturn the reduced willingness to support that we have observed in Studies 1 through 4. Further, when prospective donors identify with a collective effort, they are more likely to want to participate in group outcomes, and group identification with corporate sponsors should provide an impetus to behave as the sponsors behave, and will not necessarily trivialize the impact they can have on nonprofits by comparing it to that of corporate sponsors. As a result, the present study aims to examine whether a donor's identification with sponsors can moderate the influence of corporate sponsors on an individual's willingness to donate, a boundary condition that may shed light on how nonprofit organizations can diminish the social loafing effect and heighten donations while maintaining the benefits of a partnership with corporate sponsors.

### *Participants and procedure*

A total of 90 undergraduates participated in exchange for extra course credit. This study used a 2 (sponsorship: sponsorship vs. control) × 2 (identification: high vs. low) design.

Participants were given a set of questionnaires and were told that each questionnaire was a separate study. For the identification manipulation, half of the participants were introduced to a purportedly separate "imagination study," whose supposed purpose was to investigate how well people can envision themselves in a particular setting. They were then asked to write a paragraph describing themselves as an employee of a major corporation who has some high-level responsibilities and a small staff that reports to them. People in the control condition proceeded to the main task, without performing this task.

To assess the efficacy of this manipulation to vary the degree of identification with large corporations, we performed a test on a separate pretest sample of 48 undergraduates. Participants were asked to indicate how closely they identified with corporations using a self-other overlapping circle measure (Levinger & Snoek, 1972; Lichtenstein et al., 2004; Schubert & Otten, 2002). For comparison, participants also completed the same measure regarding their identification with the government. People in the identification (vs. control) condition showed a higher degree of identification with corporations ($M_{\text{identification}}$ = 4.17, $SD$ = 1.34 vs. $M_{\text{control}}$ = 2.92, $SD$ = .86; $F(1, 48) = 15.11$, $p < .01$). However, in a similar item asking how closely they identified with the government, there was no difference ($M_{\text{identification}}$ = 2.71, $SD$ = 1.52 vs. $M_{\text{control}}$ = 2.92, $SD$ = 1.53; $F < 1$), suggesting that our manipulation affected the degree to which people identify themselves with large corporations, but not with all entities (e.g., the government).

Next, all participants saw an appeal from a nonprofit organization helping at-risk and homeless teenagers; this organization either had corporate sponsors or did not, depending on the condition. Then, they rated their willingness to donate and their perceptions that their personal donations would make an impact for this nonprofit, in the same way as in Study 3. Finally, the participants were thanked and debriefed.

### *Results*

#### *Willingness to help*

A 2 (sponsorship: sponsorship vs. control) × 2 (identification: high vs. low) ANOVA on willingness to donate ($\alpha = .92$) revealed the predicted interaction effect ($F(1, 86) = 4.57$, $p < .05$, $\eta^2 = .05$). Neither the main effect of sponsorship nor that of identification was significant ($F$s < 1). Replicating previous findings, planned contrasts confirmed that participants in the no-identification condition reported lower willingness to donate when corporate sponsors were listed on the appeal versus when no corporate sponsors were present ($M_{\text{sponsorship}}$ = 3.06, $SD$ = .95 vs. $M_{\text{control}}$ = 3.60, $SD$ = 1.40; $F(1, 86) = 2.91$, $p < .10$). However, when people were made to identify themselves with major corporations, willingness to donate did not vary as a function of sponsorship condition ($M_{\text{sponsorship}}$ = 3.93, $SD$ = 1.27 vs. $M_{\text{control}}$ = 3.29, $SD$ = 1.42; $F(1, 86) = 1.79$, $p > .18$). This finding suggests that the negative influence of corporate sponsorship only occurs among people who do not identify well with sponsoring companies.

#### *Impact perceptions*

We next examined whether respondents' "make a difference" perceptions ($\alpha = .89$) mediated the interaction of sponsorship and identification. First, a 2 (sponsorship) × 2 (identification) ANOVA run on this process measure revealed a significant two-way interaction ($F(1, 86) = 5.53$, $p < .05$, $\eta^2 = .06$). Specifically, planned contrasts confirmed that participants in the no-identification condition perceived their personal donations as more impactful when no corporate sponsors were listed on the appeal versus when corporate sponsors were present ($M_{\text{sponsorship}}$ = 4.00, $SD$ = 1.06 vs. $M_{\text{control}}$ = 4.51, $SD$ = 1.37; $F(1, 86) = 4.65$, $p < .05$). However, there was no difference for impact perceptions in the identification condition ($M_{\text{sponsorship}}$ = 4.71, $SD$ = .94 vs. $M_{\text{control}}$ = 3.89, $SD$ = 1.70; $F(1, 86) = 1.79$, $p > .22$).

Further, a bootstrapping analysis revealed, with 95% confidence, that the indirect effect of perception in making an impact on willingness to donate was significant, with a point estimate of −.78 and a 95% BCa (bias-corrected and accelerated) bootstrap confidence interval from −1.4826 to −.1647. Thus, once again, respondents' perceptions as to whether their donations can make an impact seem to operate as the underlying mechanism.

### *Discussion*

In this study, we show that the negative impact of corporate sponsorship (which occurs via perceptions that individuals' personal donations would not make a difference) can be reduced by enhancing the donor-sponsoring company's identification. People who momentarily identified themselves with major corporations were not vulnerable to the negative influence of corporate sponsorship. This finding echoes the notion that individuals do not necessarily loaf when they identify with others in the group, which suggests one possible solution for nonprofits who wish to keep both major corporations and people in general on board as their sponsors.

## General discussion

Sponsorship is the fastest growing segment of nonprofit fundraising, due to the lay theory that it is a "win–win" strategy for sponsors and nonprofit organizations. By examining corporate sponsorship in a context whereby the nonprofit reveals the existence of the sponsorship, and subsequently requests support from the general public, we show that there are some caveats to the "win–win" dictum. The results of the current research indicate that individuals are sometimes less willing to support nonprofit organizations, be it monetary donations, volunteer work, purchasing fundraising items, or signing a petition. When corporate sponsorship does have this negative impact, it occurs due to heightened perceptions that individuals' personal donations would not make a difference. Given that the public has become aware of the funding support from corporate donors through public acknowledgement activities, the relevance of this research seems to be high. Furthermore, this research suggests that the negative effect of sponsorship on prospective donors can be mitigated or eliminated by heightening identification between prospective donors and the sponsoring companies.

### *Theoretical contributions*

Several insights emerge from the results of this study. First, this research examines the impact that publicizing corporate sponsorships in promotional materials has on individual donors. While the literature on corporate social responsibility and sustainability suggests (and our findings concur) that positive outcomes emerge for the corporate sponsor, the studies reported herein also demonstrate that unintended negative outcomes may emerge in terms of the likelihood that individual donors will support the nonprofit, as well. Specifically, we show that individuals are less willing to support a nonprofit organization after receiving information that the nonprofit has corporate sponsors. In this regard, the current research has identified conditions under which people's participation in helping behavior is lowered, while most extant literature shows motivating factors or mechanisms (e.g., Huang, Zhang, & Broniarczyk, 2012; Winterich et al., 2009).

Also, in terms of the lowered donating behavior among individuals while corporate sponsors are present, two contrasting hypotheses were tested based on theories whose predictions are opposite in nature. Although the social proof theory is a viable and potential theoretical account for the phenomenon that individuals are positively affected by others' prosocial behaviors, its range seems to fall within other individuals who are perceived to be quite similar to the prospective donors (as Study 3 confirmed). However, in the context of corporate sponsorship, the pattern predicted by the social loafing theory appears to be of a more direct influence on prospective donors. While, to our knowledge, the social loafing theory has not been examined in a fundraising context, the efforts expended by individuals in a group context appear to include not only exertions to achieve physical and cognitive goals (Karau & Williams, 1993), but also efforts to achieve financial goals. As such, we extend the social loafing theory to a new context. Furthermore, our research confirms the boundary conditions of these two theories and suggests the importance of context under which one theory dominates the other.

Second, this research identified and found support for the mediating role of prospective donors' perceptions of making an impact. Specifically, when corporate sponsors were publicized, individuals were less likely to believe that their donation would make a difference to the nonprofit organization, which reduced their willingness to donate to it. However, we also found a strategy to reduce the negative impact corporate sponsors have on individual giving: instilling individuals with a perceived identification with the sponsoring companies. By identifying with corporate sponsors, individual donors became immune to the negative impact of corporate sponsorship, which, in turn, made them more motivated to support nonprofit organizations with corporate sponsors already on board. This finding suggests that individuals are less likely to free-ride on others' efforts when they believe that their own efforts or contributions are instrumental in achieving valued outcomes.

Other alternative explanations for the negative effects of corporate sponsorship on willingness to donate were ruled out in our empirical testing. First, the findings could not be attributed to negative affect generated about the companies listed in the appeal. In fact, the results of Study 1 showed that corporations can still benefit from the partnership in terms of enhanced attitudes toward the sponsoring companies, a finding consistent with prior research (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). Second, while other research has indicated that people use donations to manage mood states and reduce negative feelings of guilt (Strahilevitz & Myers, 1998), our research suggests that reducing guilt feelings was not a mediating factor in willingness to donate. Third, we also tested whether the presence of corporate sponsors lowered the perceived nonprofits' need of additional funding. Given that perceptions regarding how well-funded the nonprofit was did not vary by the sponsorship cue, the concern for this alternative process is lessened. Further, in a follow-up study (n = 34), we explicitly revealed the degree of need of the nonprofit organization for additional funding in the appeal (by listing both the intended goal of the fundraising campaign ($100,000) and the level of the currently obtained funds ($50,000), in the format of a thermometer) and measured people's intentions to help the nonprofit. In this study, we observed the pattern of lowered donations when corporate sponsors were present ($M_{\text{sponsorship}} = 3.31$, $SD = 1.16$ vs. $M_{\text{control}} = 4.20$, $SD = 1.20$; $F(1, 32) = 4.84$, $p < .05$, $\eta^2 = .13$). Altogether, the way corporate sponsors hurt nonprofits that want to invite individual donors does not seem to occur due to the perceived need for money.

### *Managerial implications*

Our findings provide important implications for nonprofit managers and development directors. Corporations have been instrumental in boosting the coffers of nonprofits and providing much-needed resources during economically strapped times. In some cases, asking for donations from selected corporations is more cost-effective than reaching out to the public for assistance. Nevertheless, contributions by individuals are critical for the survival of nonprofits. This research is the first to document the potential harmful effect of the public acknowledgement of corporate sponsorship on individuals' willingness to support the same nonprofits. Conventional wisdom suggests that public acknowledgement of corporate sponsors helps the nonprofit, via validating their programs and increasing awareness of the organization. Most nonprofit managers we interviewed while conducting this research expressed this sentiment. One nonprofit manager we interviewed said, "It is a good way to validate the organization. If you have a major corporation's seal of approval then others are more likely to get involved." However, as reported in this research, public acknowledgement of corporate sponsorship is not always advised, which calls for nonprofit organizations to exercise caution. Some nonprofit managers we interviewed seemed to be aware of certain risks in being associated with corporate partners, such as mismatched or questionable sponsors (e.g., nonprofits working for cancer and tobacco companies or foundations for children's hospitals and fast-food restaurant chains, respectively) or the perception of an association with a profit motive. For example, one manager mentioned that when corporate logos are used in connection with a nonprofit, people may not like "seeing what they feel are commercials." Nevertheless, the nonprofits we interviewed seemed largely unaware of the issues addressed in this research concerning the potential effect of corporate donors on prospective individual donors' contributions.

To combat the belief that an individual's personal donation will have little impact, nonprofits may want to reassure prospective donors that their individual contributions will make a difference for the nonprofit and the cause. In this research, identifying with the corporate sponsor was found to heighten individuals' perceptions that their donations would make an impact. Since perceptions of "making an impact" were found to mediate effects on willingness to donate, it stands to reason that strategies increasing this perception should counter corporate sponsor effects. Tactics, such as revealing more detailed information about the types and magnitudes of corporate sponsorships, and highlighting the importance of even a small donation may work, given its relation to the perceived impacts of personal donations. For example, while a nonprofit may indicate that a company is a sponsor, they may also want to indicate: 1) whether the donation was "in kind" such that services or expertise were donated to the organization and not money; or 2) the amount donated in relation to the total revenue needed to sustain the organization's programs or specific expenditures of those donations, which may indicate only a part of the needed budget. Our results suggest that managers should be well recognizant of a full range of the possible effects of sponsorship and should not uniformly publicize information about their corporate sponsors. More research is needed to understand which tactics might best increase the beneficial effects of corporate sponsorship and reduce its harmful effects on individual donation behavior.

### *Limitations and directions for future research*

The present research investigated the influence of corporate sponsorship on individuals' willingness to help a nonprofit when the nonprofit publicizes the presence of corporate sponsors, which itself is an advance in that some unexpected or unintended effects of corporate sponsorship occur and people's donation decision processes are corroborated as complex and dynamic ones. However, there are also limitations and unanswered questions that await scholarship for future research.

First, a further tightened distinction between the social proof and social loafing theories is desirable. Although our studies generally indicate patterns consistent with social loafing tendencies, situations may exist where the informational values of corporate sponsors can further motivate individual donors to participate. For instance, for a cause that is not well-known or lacks credibility (such as charities fighting against recently found diseases or epidemics in less familiar areas only or charities whose credibility is questioned), the presence of corporate sponsors who can clear up ambiguity as to the target can actually benefit the nonprofits. Thus, for the donation decision process, if prospective donors need to first consider, "What kind of charity is it?" before considering, "Should I give to this charity?" the route suggested by social proof might be more likely than that suggested by social loafing.

Second, our take on the underlying mechanism is based on people's motivation to assign more meaning to their action. In other words, given that a nonprofit has corporate sponsors and one does not, people are assumed to prefer to give to a charity where their personal donations are more valued, assuming that the way people interpret the degree of corporate contributions is fixed. However, recent research by Huang et al. (2012) suggests that people may exaggerate or downplay achieved progress in order to stay motivated in a goal pursuit process. Thus, in a corporate sponsorship context, people may differently interpret the degree of support from corporations, depending on their personal interests or preferences. For instance, when people place a high value on the programs of a nonprofit organization (or when they are attached or committed to the cause), they may downplay the contributions of corporations, whereby social loafing is ceased or reversed. In contrast, for a nonprofit organization whose programs or mission is not highly valued, they may exaggerate the role of corporations. Thus, how prospective donors interpret the presence of corporate sponsors can be a fruitful area of exploration.

Third, the current research looked at a flow of resources from individuals to nonprofits, ignoring the feedback loop, which may include feelings individual donors can experience after having made personal donations, or changes in personal identities that they may go through afterward. For instance, Dunn, Aknin, and Norton (2008) found that higher prosocial spending is associated with greater happiness, and Mogilner, Chance, and Norton (2012) showed that spending time on others increases one's feeling of time affluence and future engagement, as well. Future research could examine how or whether corporate sponsorship moderates the influence of personal donations on any subsequent psychological, emotional or behavioral outcomes.

## Conclusion

To summarize, we show that communicating about corporate sponsors may not be beneficial to nonprofit organizations seeking individual donors, inasmuch as publicizing sponsors can negatively affect a nonprofit's effort to garner financial support from the general public. In addition, we find that such a negative impact of sponsorship occurs as a result of people's perceptions that their personal donations will not benefit the nonprofit to a great degree. Moreover, counteracting the negative effects of corporate sponsorship appears to occur in contexts in which people can perceive a bond with sponsoring companies. Overall, the insights from the consideration of "make a difference" beliefs advance our understanding of why people give, and why they are less likely to give. Specifically, this research adds to the literature streams on both social loafing and sponsorships by identifying the underlying mechanisms of motivation gain/loss in the context of charitable behaviors, and by proposing the boundary conditions under which social loafing tendencies are eliminated or reversed. We believe that our findings in an emerging area should generate broad interest among researchers and should help nonprofits maximize the benefits of a partnership with prominent sponsors.

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