

ABSTRACT

Public (e.g., public display of a name) and private (e.g., personal thank you) recognition are often used to stimulate collective funding behavior such as charitable giving or crowdfunding. While public recognition is generally more effective, private recognition is more popular. This research thus investigates ways to increase the appeal of public recognition in situations where people are faced with a choice.

HOW CAN MANAGERS OF INITIATIVES THAT RELY ON COLLECTIVE FUNDING BEHAVIOR NUDGE PEOPLE TOWARDS PUBLIC RECOGNITION IN ORDER TO MAXIMIZE CONTRIBUTIONS?

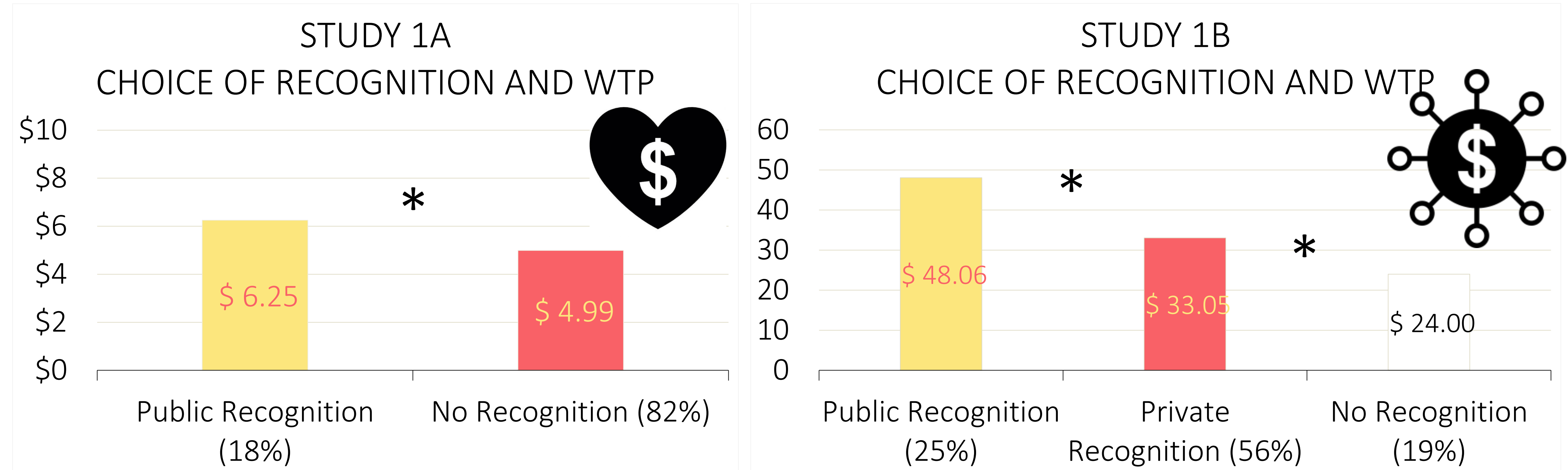
BACKGROUND

- Public and private recognition can stimulate collective funding behavior such as charitable giving (Winterich et al. 2013) or crowdfunding (Thürriidl & Kamleitner 2016)
- While public recognition generates higher contributions, private recognition is more popular (Thürriidl & Kamleitner 2015)
- We propose that scarcity cues, i.e., limiting the supply of public recognition, may heighten its appeal because of its resemblance to conspicuous consumption goods known to particularly benefit from limited supply (Gierl & Huettl 2010)

STUDIES 1A & 1B – PREFERENCES FOR RECOGNITION & WTP

1A n = 211 (58% female, M_{age} = 28 years) | 1B n = 85 (59% female, M_{age} = 26 years)

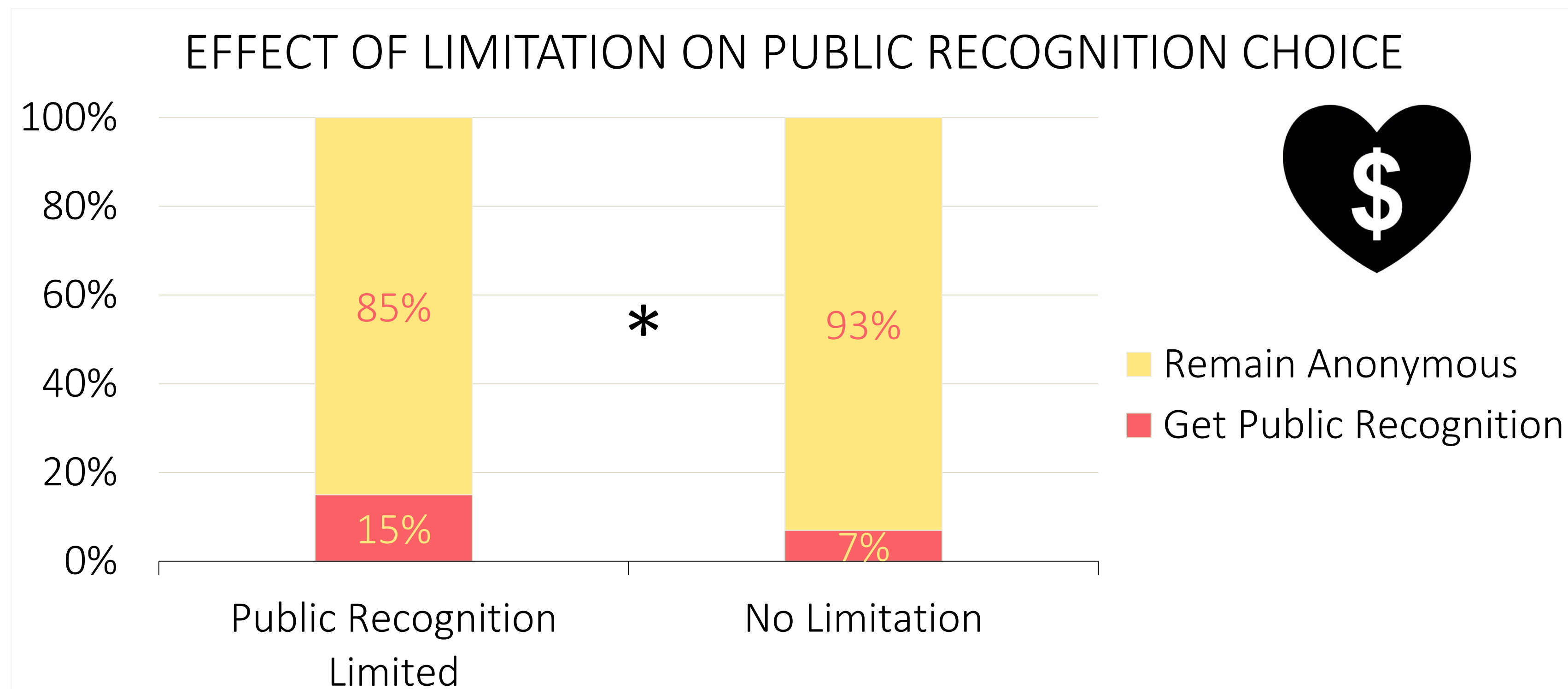
Participants were asked to donate in the name of (1A) or crowdfund (1B) a new local café and given the choice between public and no (1A) or public, private and no recognition (1B) in exchange.



STUDY 2 – PUBLIC RECOGNITION SCARCITY

n = 254 (68% female, M_{age} = 26 years)

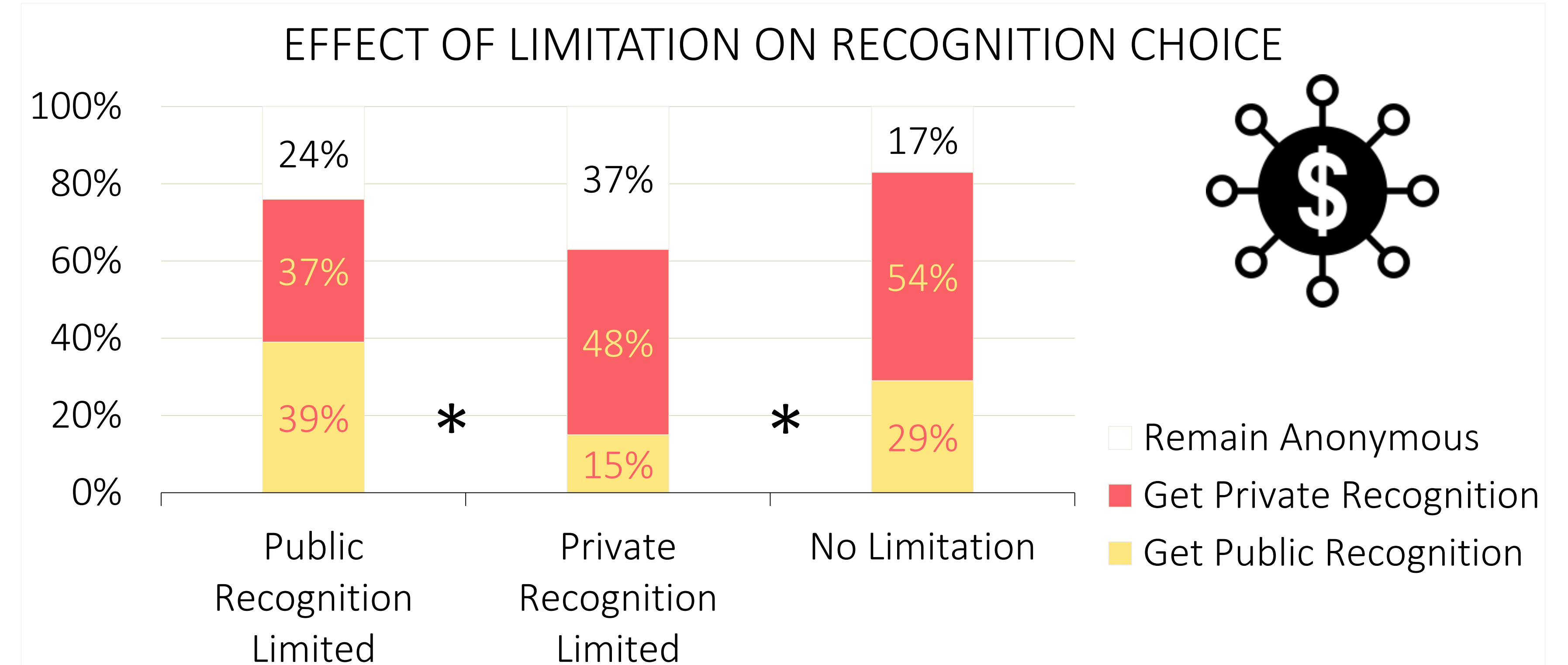
Participants were asked to donate in the name of the same café as in Study 1A. Public recognition choice was limited (50 first donors) or unlimited.



STUDY 3 – PUBLIC & PRIVATE RECOGNITION SCARCITY

n = 311 (63% female, M_{age} = 22 years)

Participants were asked to crowdfund the same café as in Study 1B. Either public (25/100) or private (25/100) recognition was limited.



DISCUSSION

- Limiting public recognition increases its appeal.
- This is likely due to greater anticipated status benefits associated with the sudden exclusivity of the public contribution (Gierl & Huettl 2010).
- For initiatives that rely on collective funding, promising public recognition only a selected few may thus be a simple cost-effective strategy that pays.
- Future research is needed to address causality as well as the underlying process.

REFERENCES

- Gierl, H., & Huettl, V. (2010). Are scarce products always more attractive? The interaction of different types of scarcity signals with products' suitability for conspicuous consumption. *International Journal of Research in Marketing*, 27, 225-235.
- Thürriidl, C., & Kamleitner, B. (2015). Your 15 Minutes of Fame: How Public Recognition Boosts Psychological Ownership in Reward-Based Crowdfunding. *NA-Advances in Consumer Research*, 43, 715-716.
- Winterich, K. P., Mittal, V., & Aquino, K. (2013). When Does Recognition Increase Charitable Behavior? Toward a Moral Identity-Based Model. *Journal of Marketing*, 77, 121-134.