Stockholm School of Economics
Department of Economics
Bachelor Thesis

The Opportunity of Being Observed by Stakeholders Can Increase Corporate Charity Donations without Hurting Weak Brand Charity Organizations

Evidence from an Empirical Survey Study

Abstract

Only 2.5 percent of Swedish charity donations come from companies. This is a remarkable low number compared to private donations in Sweden. Firstly, we study if it is possible to increase Swedish corporate donations by applying a theory of giving and observation, and find that corporate donations increase with observation by stakeholders. Secondly, we study if the strength of the charity organization brand matters for corporate donors with strategic motives behind charity donations, and find no evidence for strong brands being preferred over weak brands. Thirdly, we study if there is any particular type of company that tends to change donations when observation by stakeholders is added, and find that any type of company may have incentives to increase donations when observation is added. An empirical study with a quantitative approach is conducted, by electronic surveys answered by 62 Swedish companies.

Keywords: Corporate, Donations, Communication, Observation, Brand

Authors: Ida Almlöf, 21302
Jessica Ekberg Collin, 21620

Tutor: Yoichi Sugita
Examiner: Örjan Sjöberg
Date: May 23, 2010

1. INTRODUCTION 5
1.1. Background 5
1.2. Purpose and Research Questions 6
1.3. Delimitation 7
2. PREVIOUS RESEARCH 7
2.1. Giving and Observation in Dictator Games 7
2.2. Strategic Communication of Corporate Donations 8
2.3. Characteristics of Corporate Charity Donors 9
3. THEORETICAL FRAMEWORK 10
4. METHOD 12
4.1. Empirical study with a quantitative approach 12
4.2. Respondents 12
4.3. Survey Method 13
4.4. Performed tests 14
4.5. Explanation of variables 15
4.6. Method Criticism 16
5. RESULTS 16
5.1. Part One: Changes in the Donation 16
5.2. Part Two: Strength in the Charity Organization Brand 19
5.3. Part Three: Characteristics of Corporate Donors 21
6. DISCUSSION 23
6.1. Part One: Changes in the Donation 23
6.2. Part Two: Strength in the Charity Organization Brand 26
6.3. Part Three: Characteristics of Corporate Donors 29
7. CONCLUSION 31
7.1. Part One: Changes in the Donation 31
7.2. Part Two: Strength in the Charity Organization Brand 32
7.3. Part Three: Characteristics of Corporate Donors 32
8. IMPLICATIONS 32
8.1. Part One: Changes in the Donation 32
8.2. Part Two: Strength of the Charity Organization Brand 33
8.3. Part Three: Characteristics of Corporate Donors 33
9. PROBLEMATIZATION AND FUTURE RESEARCH 34
9.1. Part One: Changes in the Donation 34
9.2. Part Two: Strength in the Charity Organization Brand 34
9.3. Part Three: Characteristics of Corporate Donors 34
10. REFERENCES 36
11. APPENDIX I 39

12. APPENDIX II.....43
PART ONE: CHANGES IN THE DONATION 43
PART TWO: STRENGTH IN THE CHARITY ORGANIZATION BRAND..... 48
PART THREE: CHARACTERISTICS OF CORPORATE DONORS 49
13. APPENDIX III 61

Acknowledgements

We would especially like to thank our tutor, Yochi Sugita, for his guidance throughout the work on this thesis. We would also like to thank Fredrik Törn for consultancy when designing the survey and Erik Lindqvist for support regarding statistical methods. Finally, we would like to thank all companies that responded our survey.

1. Introduction

1.1. Background

Despite the increasing trend among Swedish companies to donate to charity, corporate donations are still trivial percentage-wise. Charity donations are not deductible in Sweden, which may be one reason why Swedish corporate donations are so small (Sveriges Radio 2010). According to the Swedish Collection Control, only 2.5 percent of Swedish charity donations come from companies (SFI 2008). This is a remarkable low number compared to private donations in Sweden.

We intend to study whether a theory of giving and observation can be of use to increase corporate charity donations. The theory is commonly tested in previous research using dictator games. Results from previous research support the theory that individuals have a larger propensity to give if they are observed by other individuals (Hoffman, McCabe and Smith 1996, p. 658). We will rather investigate if companies increase charity donations if charity organizations offer them the opportunity to be observed by stakeholders when donating.

Some charity organizations in Sweden offer corporate donors different kinds of communication packages in exchange for donations, but these are often only offered in exchange for very large donations (Unicef 2011). Several Swedish charity organizations do not have a specific system to increase the donations from corporate donors.

A second question that we intend to study is if a theory of advertising can be of use to examine if the strength of a charity organization brand matter for corporate donations. In this thesis, the theory of advertising is; given that companies donate to charity of strategic reasons, companies prefer to be seen together with a strong charity organization brand over a weak one.

The manager for corporate donations at Unicef expresses that many companies are eager to use Unicef's logo in their work (Unicef 2011). The charity organization Individuell Människohjälp states that they cannot prevent their donors from using their logo because the brand is too weak (Individuell Människohjälp 2011). Kooperation Utan Gränser, another charity organization, explains that it can be difficult to commercialize charity work. This is

because both employees and corporate donors may think that charity is something that no other part than the receiver shall benefit from (Kooperation Utan Gränser 2011). Others discuss if charity donations can even damage the credibility of a company, if it is perceived by stakeholders to be inconsistent with what the company does otherwise (Du, Bhattacharya and Sen 2010).

A third question that we intend to study is what types of companies that tend to increase, decrease or remain charity donations unchanged if they obtain the opportunity of being observed by stakeholders.

There is some previous research on why companies donate to charity. Studies also suggest what types of companies that tend to work on Corporate Social Responsibility (CSR) (Borglund 2009, p. 99). The European Commission's definition of CSR is "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission 2011). However, there are difficulties in finding what types of companies that tend to donate to charity, specifically.

In this thesis we carry out three main findings. Firstly, the opportunity of being observed can increase corporate charity donations. Secondly, the strength of a charity organization brand may not matter for corporate donations. Thirdly, any type of company may have incentives to increase charity donations, while only companies using inefficient marketing channels for communicating charity donations may have incentives to decrease or remain charity donations unchanged.

1.2. Purpose and Research Questions

The main purpose of this thesis is to examine if it is possible to increase corporate charity donations. This will be tested through a suggested collecting system, named the trophy system, which may benefit both charity organizations and corporate donors. Further, if the system seems to be valuable to implement, it is relevant to study if it is suitable for all charity organizations and also what types of companies that are most efficient for the charity organizations to target.

The purpose will be achieved through studying the following research questions:

Research Question 1: Given that the trophy system is implemented, can the total sum of Swedish monetary corporate donations increase?

- *Research Question 2: Given that companies donate of strategic reasons, does the strength of the charity organization brand affect corporate donations?*
- *Research Question 3: Given that the trophy system is implemented, what are the differences between companies that increase and decrease or remain charity donations unchanged?*

1.3. Delimitation

The thesis is limited to Swedish companies already involved in charity donations, since these companies should be especially familiar with the subject. Majority of previous research studied has been completed during the last decade as the importance of work on and communication of CSR has been significant during this period. Research related to CSR is of great use for the thesis. However, the analysis and conclusions are delimitated to charity donations only. Much of previous research is based on individuals' relation to charity donations, but our belief is that this research is valuable also for this thesis, where the analysis and conclusions treat companies' relation to charity donations only.

2. Previous Research

2.1. Giving and Observation in Dictator Games

Giving and observation is commonly tested in previous research using dictator games. In dictator games, a dictator receives a sum of money and can distribute the money between himself and a receiver in any proportions (Koch and Norrmann 2008, p. 223). The game can be used to test if giving increase with observation of the dictator by the experimenter. It is suggested using dictator games that about half of giving is internally motivated by things such as social norms and altruism. The other half is externally motivated and can for example be observation (Koch and Norrmann 2008, p. 229).

Forsythe et al. (1994, p.357) argue that 64 % of dictators in dictator games choose to give away some of the money to the receiver, on average 24 % of the sum. This finding indicates that the donor possess other characteristics than solely self-interest.

However, Hoffman, McCabe and Smith (1996, p.658) find that giving increase when observation is added. By implementing dictator games it is proved that positive offers and average donations increase with observation. The fact that some money is still donated can be due to "fairness as a pure preference phenomenon" (Hoffman et al. 1994, p.371).

2.2. Strategic Communication of Corporate Donations

Previous research on the theory of advertising is dual. Previous research on strategic reasons is extensive, but previous research on preferences of brand strength in collaborations is poor. Still, what strategic reasons companies may have and what problems that may arise with strategic reasons, may also partly explain why the charity organization brand may matters or not.

Previous research concludes that a public good contribution can be a self-presentation strategy where the act of aid sometimes is of secondary priority (Van Vught and Hardy 2010, p. 101-111). It is shown that people donate more money to charity when a product is given in exchange for their donation. In other words, people's willingness to contribute to charity is greater when the contribution is presented as an economic transaction instead of as an act of charity (Holmes, Miller and Lerner 2002, p. 144-151). It is also suggested that companies engage in CSR activities to avoid negative publicity rather than to make a social betterment (Arvidsson 2010, p. 339-354). It is shown that most companies are likely to donate to charity if their competitors do so (Bednall, Walker, Curl and LeRoy 2001, p.72).

Further studies suggest that companies donate to charity to communicate social responsibility (Koch 1981, p. 48-53) and that people partly donate to charity of signalling reasons in front of supporting the receiver or achieving satisfactions other than status (Glazer and Konrad 1996, p. 1019-1028). However, in a study examining the existence of CSR information on websites and annual reports in 600 companies and 15 countries, it is concluded that Swedish companies are ranked as number seven. Thus, Sweden is still not ranked among the best in Europe (Borglund 2009, p. 112-113).

It is experimentally find that consumers with knowledge about a company's CSR initiatives may result in higher and more positive valuation of the company's product (Brown and Dacin 1997, p. 68-84). However, several studies agree that there is a problem closely related to communication of corporate social responsibility. That is, stakeholders request corporations to communicate what social responsibility they take while they at the same time easily mistrust corporations that do communicate their social responsibility (Du, Bhattacharya and Sen 2010, p. 8-19). Only a small group of consumers is willing to evaluate what companies actually do. Self-interests such as price, quality and convenience, and the difficulty in finding information about the companies**,** are the main reasons for why the majority is not is willing to evaluate what companies actually do. Many respondents state that they would like to have continuous information about corporations' social responsibilities (Mohr, Webb and Harris 2001, p. 45-72). Effective communication of corporate social responsibility is due to a clear strategy where both opportunities and risks to the brand are considered and where tailored messages to different groups of stakeholders are formulated (Dawkins 2005, p. 108-119).

2.3. Characteristics of Corporate Charity Donors

The background to why we want to examine characteristics of companies that increase, decrease or remain donations unchanged, when they obtain the opportunity of being observed, is that previous research lack information within this area. We can therefore not present any previous research on what that characterizes companies that donate to charity.

In previous studies on individuals, it is concluded that religious people are more likely to donate to charity and that people with a low income donate a higher percent of their income than people with a high income (Stossel and Kendall 2006). Further, it is shown that the industry is of importance for if a company works on CSR, not charity donations specifically. Manufacturing companies that often are criticized by media tend to work hard on CSR (Borglund 2009, p. 99) However, it would be to highly generalize to conclude that these characteristics apply also for companies that donate to charity specifically.

3. Theoretical framework

A theory of giving and observation is applied to study *Research Question 1: Given that the trophy system is implemented, can the total sum of Swedish monetary corporate donations increase?* Previous research supports the theory that individuals have a larger propensity to give if they are observed by other individuals (Hoffman, McCabe and Smith 1996, p. 658). Our belief is that the theory is also applicable on companies. Fairness may not always be own preference, but a derivative of judgment by others (Hoffman 1994, p. 349). In this thesis these are foremost different kinds of stakeholders of the company. Observation is made through a trophy in the thesis, which can be used in the communication of the charity donation to stakeholders.

Giving and observation is commonly tested in previous research by applying dictator game experiments. In dictator game experiments, a dictator is given a sum of money and can distribute them between herself and a receiver in any proportions (Koch and Norrmann 2008, p. 223).

We apply the dictator game in a slightly different manner. Instead of interpret observation as a compulsion, our belief is that observation can also be demanded in connection to giving. We believe that companies may want to be observed, since work on CSR is highly demanded by stakeholders today (Brown and Dacin 1997, p. 68-84).

For stakeholders to be aware of that companies take social responsibility, companies have to improve communication of the work (Jenny Dawkins 2004, p.108). This may also be a reason why companies may demand observation in connection to charity donations.

From the traditional theory perspective, observation is a prescribed condition where the probability of observation is 1. In our twist of the theory, the probability of being observed is between 0 and 1; every stakeholder of the company will not observe the communication of the charity donations. We believe that incentives for companies to donate to charity increase with the probability of being observed when donating. This is because communication of CSR is believed to benefit the company (Brown and Dacin 1997, p. 68-84).

To further support the twist that we apply to the game, our belief is that the approach is also applicable on individuals. If the gain of being observed by others while giving is perceived

larger than the cost of giving, observation may be demanded. By being observed, individuals can for instance gain status and social esteem (Ellingsen and Johannesson 2010, p. 2).

Despite the twist of the dictator game, the key in the game is still that people tend to act differently when they are being observed by others compared to when they are anonymous (Hoffman, McCabe and Smith 1996, p.658). Giving is increasing with observation because of the willingness to comply with social norms and to avoid the shame of not doing so (Hoffman 1994, p.349). From our perspective, giving may also increase because of the belief that observation and communication of corporate charity donations may benefit the company profitability in the long run (Brown and Dacin 1997, p. 68-84).

To test our twist of the theory empirically, we design an alternative experiment to the dictator game. In this experiment, observation is demanded rather than seen a constraint. The experiment is implemented in the survey, where two parts are compared. In part one observation by stakeholders is not added to the questions concerning corporate donations. In part two the opportunity of being observed by stakeholders is added. Thus, it is possible to examine whether companies change behavior whit observation and if the theory holds.

A theory of advertising is applied to study *Research Question 2: Given that companies donate of strategic reasons, does the strength of the charity organization brand affect corporate donations?* In this thesis, the theory of advertising is; given that companies donate to charity of strategic reasons, companies prefer to be seen together with a strong charity organization brand over a weak charity organization brand. This is not an established theory applied in previous research, but rather a theory that the authors of this thesis have.

No theory is applied to study Research Question 3: *Given that the trophy system is implemented, what are the differences between companies that increase and decrease or remain charity donations unchanged?* There are difficulties in finding previous research and to theorize about types of companies that will increase, decrease or remain charity donations unchanged, if the opportunity of being observed by stakeholders is added. Therefore, the third research question is investigated with an open view.

4. Method

4.1. Empirical study with a quantitative approach

We complete a quantitative study in form of an Internet survey (Svenning 2000, p. 68), which is the primary source of information in the thesis. A second primary source of information used is peer reviewed scientific articles on the subject of corporate charity donations and donations related to observation and communication.

Secondary sources of information used in the thesis are literature and other publications. We further implement three shorter interviews with responsible managers for corporate donations at Unicef, Kooperation Utan Gränser and Individuell Människohjälp. The interviews with Unicef and Individuell Människohjälp are done over phone the 10th and the 17th of March and the meeting with Kooperation Utan Gränser the 21st of March.

4.2. Respondents

The respondents of the Internet survey that we implement are randomly chosen, which means that the conclusions in the thesis are based on a random sample. However, to be able to generalize the findings to the extent possible, we use a sample consisting of companies from different industries, with different sizes and ages. The companies in the sample are further all already involved in charity donations. Our belief is that it is most efficient to study the preferences of this group of companies regarding the trophy system, before studying non-donating companies. The responding companies in the thesis are all announced as donors at different charity organizations websites. These are Unicef, Röda Korset, Action Aid, Cancerfonden, Hungerprojektet, Hand in Hand, Min Stora Dag and Individuell Människohjälp. Both strong brand charity organizations and organizations with somewhat weaker brands are used to achieve a larger spread of corporate donor preferences regarding what organization to support. The sample consists of 93 companies, however only 62 of these complete the entire survey, why the sample underpinning the analysis and conclusions in the thesis consists of 62 companies in Sweden.

4.3. Survey Method

Based on literature on scientific methods, we believe that a survey approach is the best way to answer the research questions of this thesis.

The survey is created to enable a comparison between two parts of the survey as a variant of a dictator game. In part one the responding companies do not obtain the opportunity to be observed when donating to charity, whereas this is added in part two.

The first part of the survey is designed to obtain a picture of the responding company and its standpoint regarding CSR and specifically charity donations. Most of the information is extracted from statements on a seven point scale where 1 = Disagree and 7 = Agree. Some questions are multiple choice and some require that the respondent type its own answer. Part one also contains some questions regarding general facts about the companies, which enables a study of any significant differences between companies that increase, decrease or remain donations unchanged.

The second part of the survey consists of two cases, A and B, where observation now is added to charity donations. The two cases are divided on the strength of the charity organizations brand, which makes it possible to test the theory of advertising. The first case treats the charity organization Hoppets Stjärna and the second case treats the charity organization Rädda Barnen. Part A is a case with an initial donation sum of 45 TSEK and part B is a case with an initial donation sum of 25 TSEK. The respondent is asked to type the sum that the company would donate if the trophy system is implemented.

The trophy system allows donors that donate more than 20 TSEK to become a bronze donor, more than 50 TSEK a silver donor and more than 100 TSEK a gold donor. Companies are then allowed to use the charity organization's logo in their work, together with a bronze, silver or gold trophy. The sums of 45 TSEK and 25 TSEK are chosen to test if companies have incentives to increase, decrease or remain charity donations unchanged when the initial donation sum is close to a higher and lower trophy level.

Surveys are sent electronically to 500 companies. We belief that the length of the survey is good; it should take no more than seven to ten minutes to complete it. A reasonable explanation of the rather high loss may be that the survey does not reach the appropriate

respondent. We send no reminders as we believe it to be more efficient to send the survey to new companies.

4.4. Performed tests

Firstly, to examine if Swedish companies increase charity donations when the trophy system is implemented, frequencies and calculations are performed. The aim is to find changes in donations and also to find potential differences in the answers stemming from part one and two of the survey, respectively.

Secondly, to examine if the strength of the charity organization brand matters for corporate donations, frequencies and calculations are performed. The aim is to find potential differences between the donations in the cases treating Rädda Barnen and Hoppets Stjärna respectively.

Thirdly, to examine what variables that can explain why charity donations increase, decrease or remain unchanged, three linear regressions are performed. Initially, all variables in the survey are entered as independent variables. Thereafter, the most insignificant variable is removed until we receive three models consisting of significant variables. We also perform three logistic regressions in the same way, but as the linear regressions presents richer models, we use these ones in the remainder of the thesis. We all three regressions for autocorrelation, multicollinearity and heteroskedasticity.

Regression: Cases with initial sums of 45 TSEK and 25 TSEK added together

$$y = B_0 + B_1x_1 + B_2x_2 + B_3x_3 + B_4x_4 + B_5x_5 + B_6x_6 + B_7x_7 + B_8x_8 + B_9x_9 + B_{10}x_{10} + B_{11}x_{11} + B_{12}x_{12} + B_{13}x_{13} + B_{14}x_{14} + \varepsilon$$

Donation Sum All = B_0 + B_1*Vertical Organization Structure* + B_2*Retailers* +B_3*Shareholder* + B_4*Direct Mail* + B_5*TVand/or radio* + B_6*Internet* + B_7*Customers' Size* + B_8*Budget for donations in 2010* + B_9*How to communicate ext.* + B_{10}*If communicate int.* + B_{11}*How to communicate int.* + B_{12}*Year founded* + B_{13}*Turnover in 2010* + B_{14}*Dummy 4525*

Regression: Case with 45 TSEK as initial sum

$$y = B_0 + B_1x_1 + B_2x_2 + B_3x_3 + \varepsilon$$

Donation Sum 45 TSEK = B_0 + B_1*Retailers* + B_2*TVand/or radio* + B_3*Newspapers and/or trade press*

Regression: Case with 25 TSEK as initial sum

$y = B_0 + B_1x_1 + B_2x_2 + B_3x_3 + B_4x_4 + B_5x_5 + B_6x_6 + \varepsilon$

Donation Sum 25 TSEK = B_0 + B_1*Vertical Organization Structure* + B_2*Retailers* +B_3*Direct Mail* + B_4*Year Founded*+ B_5*Turnover in 2010* + B_6*Sum Donations in 2010*

To find if there are any significant differences in means between companies that increase and decrease or remain charity donations unchanged, we perform independent t-tests. We compare theses two groups on variables measured on a ratio scale with more than 30 observations.

4.5. Explanation of variables

All variables consist of information stemming from the answers in the survey.

As the survey contains two cases with two different parts, there are initially four dependent variables. In part one of the analysis, we merge the dependent variables stemming from the different charity organizations, both in the case of 45 TSEK and 25 TSEK as initial sum. Thereafter we also merge the cases with initial sums of 45 TSEK and 25 TSEK. These different mergers facilitate the analysis and test both differences in answers stemming from cases with different initial sums what the result of an implementation of the trophy system would mean in general.

In part two of the analysis, we merge the two different initial sums treating Rädda Barnen into one variable and do the same for Hoppets Stjärna. In this way we can test if there are any differences in answers between the different charity organizations.

This leads to statistical tests performed on a sample of either 124 or 248 observations.

To be able distinguish between companies that increase and decrease or remain charity donations unchanged, dummy variables are created. As a dummy variable can only take two values, we merge companies that decrease and remain charity donations unchanged. In the remainder of this thesis, we will label decreased and unchanged donations as decrease/stay.

Most variables used in the frequencies and independent t-tests are also used in the regressions. Therefore, only the variables that are not explained under regressions in the appendix will be explained under frequencies and independent t-tests. The explanations are to be found in Appendix I.

4.6. Method Criticism

Validity refers to that data reflect the truth and cover the research questions (Denscombe 2002, p. 122-125) and that the authors study what is supposed to be studied (Thurén 2007, p. 26). We let respondents be anonymous to achieve a higher validity and design the survey to be able to answer the research questions of the thesis. Further, we implement some background questions about responding companies to control for such things as industry affiliation, size and age. However, the sample of 62 Swedish companies represents a small fraction of the population of Swedish companies and this may cause noise in the sample. On the other hand, this is always a constraint with surveys.

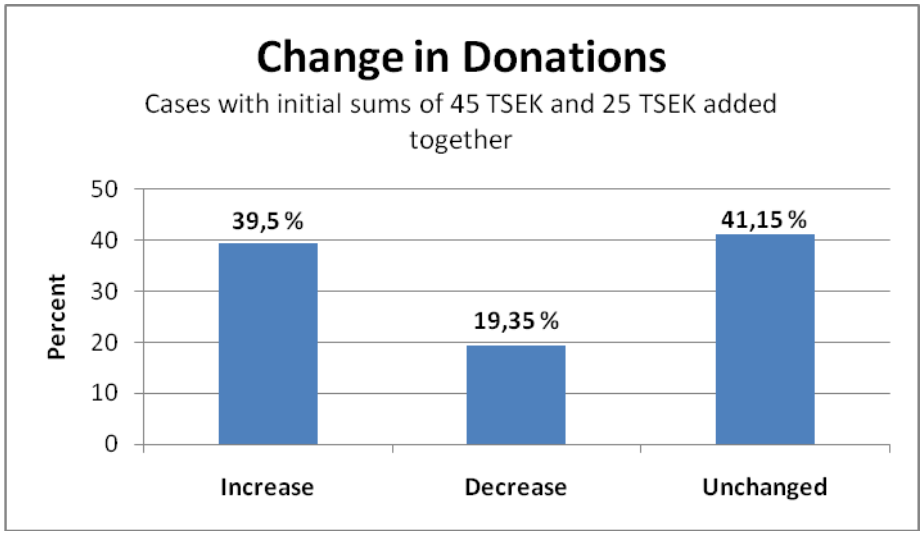
Reliability refers to correct measurements and a representative sample, so that coincidences do not affect the result. The sample used in the thesis is collected be able to answer the research questions. If we use a sample that truly reflects the population of Swedish companies, 99.4 % should be small companies (Ekonomifakta.se 2010), which would make it impossible to draw any conclusions about medium and large size companies. Therefore medium and large size companies represent a larger fraction in the sample than in the population, but still the ordering of shares between different company sizes is the same as in the population. We try to describe in much detail the methods and approach used in this thesis, if any other researcher wants to replicate the study. Also, we mention sources of information ongoing in the text to facilitate for the reader to compare with previous research and enable own interpretations.

5. Results

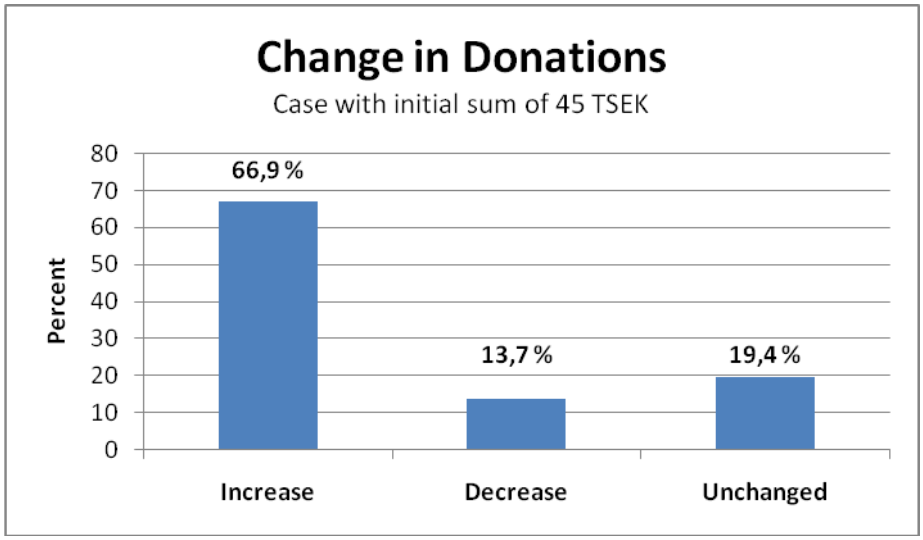
5.1. Part One: Changes in the Donation

Given that the trophy system is implemented, can the total sum of Swedish monetary corporate donations increase?

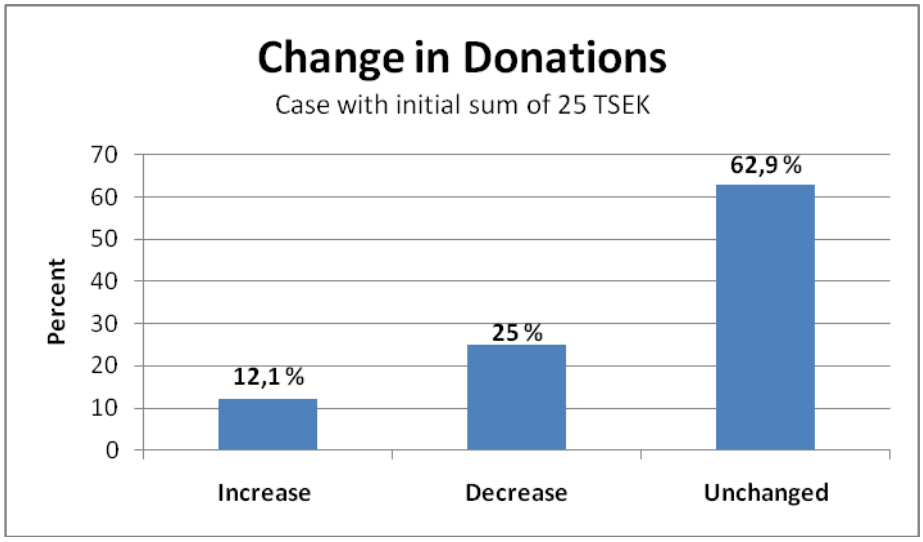
The results are divided between the answers stemming from the case with initial donation sums of 45 TSEK and 25 TSEK respectively. However, we add together the answers stemming from the two different charity organizations to make the analysis clearer.



When the cases with initial sums of 45 TSEK and 25 TSEK respectively, are added together, 38.7 % of the 248 respondents increase the donation and 61.3 % decrease/stay the donation. There are no missing values. Overall, this generates an increase of 414 TSEK (4.8 %) in total donations, which corresponds to a mean value of donations increasing from 35 000 SEK to 36 669 SEK. However, of the responding companies, 7.3 % donate zero, which means that they choose to leave the charity organization as donor. An increase in the donation to 50 TSEK, the silver trophy level, is made by 34.3 % of the companies. A decrease in the donation to 20 TSEK, the bronze trophy level, is made by 10.5 % of the companies. An increase in the donation to 100 TSEK, the gold trophy level, is made by 4.4 % of the companies. (See Appendix II, Table A1).



In the case with 45 TSEK as initial sum, 66.9 % of the 124 respondents increase the donation and 33.1 % decrease/stay the donation. There are no missing values. Overall, this generates an increase of 172 TSEK (3.1 %) in total donations, which corresponds to a mean value of donations increasing from 45 000 SEK to 46 387 SEK. However, of the responding companies, 6.5% donate zero, which means that they choose to leave the charity organization as donor. An increase in the donation to 50 TSEK, the silver trophy level, is made by 61.1% of the companies. An increase in the donation to 100 TSEK, the gold trophy level, is made by 4.8 % of the companies. A decrease in the donation to 20 TSEK, the bronze trophy level, is made by 4.0 % of the companies. (See Appendix II, Table A2).



In the case with 25 TSEK as initial sum, 10.5 % of the 124 respondents increase the donation and 89.5 % decrease/stay the donation. There are no missing values. Overall, this generates an increase of 242 TSEK (7.8 %) in total donations, which corresponds to a mean value of donations increasing from 25 000 TSEK to 26 952 SEK. However, of the responding companies, 8.1 % donate zero, which means that they choose to leave the charity organization as donor. A decrease in the donation to 20 TSEK, the bronze trophy level, is made by 16.9 % of the companies. An increase in the donation to 50 TSEK, the silver trophy level, is made by 6.5 % of the companies. An increase in the donation to 100 TSEK, the gold trophy level, is made by 4.0 % of the companies. (See Appendix II, Table A3).

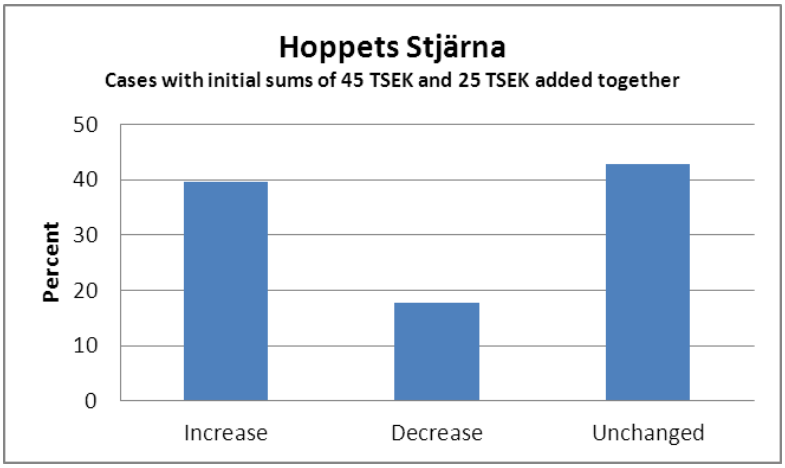
Statements in the Survey	Mean	Yes	No
The company would like to contribute more to charity	4,3	62,5	37,5
The company is planning to contribute more to charity	3,9	52,2	47,8
The company prefers to use the charity organization`s logo in their own work, rather than being exposed with the company logo in the charity organization´s work	3,3	40	60
The company prefer to donate to charity organizations´ that give the possibility of using the organization´s logo	2,8	25,9	74,1
To exhibit CSR work can lead to increased sales	3,6	63,8	36,2
To exhibit CSR work can lead to increased willing to pay	3	40,4	59,6

The statements are from part one of the survey and are measured on a 7 point scale, where 1 corresponds to "Fully disagree" and 7 to "Fully agree". The first column in the table presents the means of the different statements. The 7-point scale is then split into a 2-point scale, where companies that respond with a number lower than 4 is categorized as "Disagree" (No) and companies that respond with a number higher than 4 is categorized as "Agree" (Yes). The numbers presented under "Yes" and "No" are expressed in percent and shows the valid number of respondents in a total sample of 62 companies. This further breakdown is made to facilitate the analysis. The results from part one of the survey is in the analysis compared to the results in part two of the survey. (See Appendix II, Table A4).

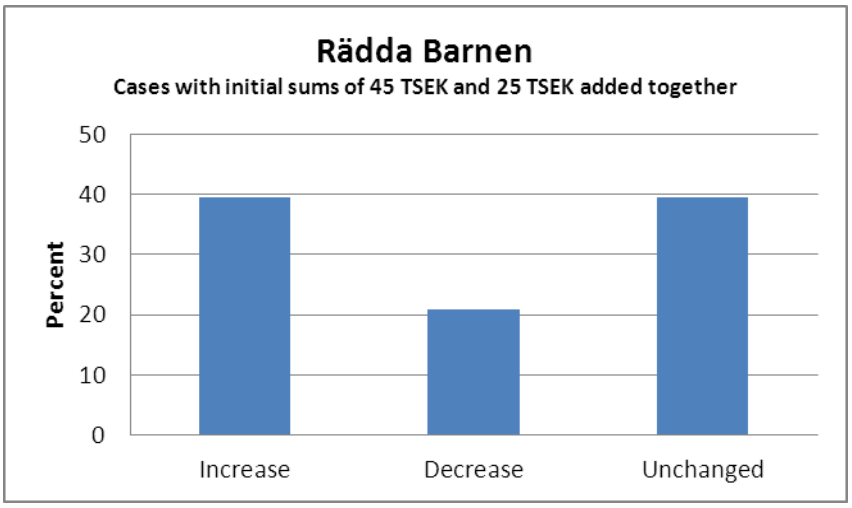
5.2. Part Two: Strength in the Charity Organization Brand

Given that companies donate of strategic reasons, does the strength of the charity organization brand affect corporate donations?

The results are divided between the answers stemming from Hoppets Stjärna and Rädda Barnen. We add together results from the different initial sums to make the analysis clearer.



In the cases of Hoppets Stjärna, 39.5 % of the 124 respondents increase the donation, 60.5 % decrease/stay the donation sum. Overall, this generates an increase of 327 TSEK (7.5 %) in total donations, which corresponds to a mean value of donations increasing from 35 000 SEK to 37 637 TSEK. However, of the responding companies, 4.8 % donate zero, which means that they choose to leave the charity organization as donor. An increase in the donation to 50 TSEK, the silver trophy level, is made by 33.9 % of the companies. A decrease in the donation to 20 TSEK, the bronze trophy level, is made by 10.5 % of the companies. An increase in the donation to 100 TSEK, the gold trophy level, is made by 4.8 % of the companies. (See Appendix II, Table B1).



In the cases of Rädda Barnen, 39.5 % of the 124 respondents increase the donation, 60.5 % decrease/stay the donation. Overall, this generates an increase of 112 TSEK (2.6 %) in total donations, which corresponds to a mean value of donations increasing from 35 000 SEK to 35 903 TSEK. However, of the responding companies, 8.9 % donate zero, which means that they choose to leave the charity organization as donor. An increase in the donation to 50 TSEK, the silver trophy level, is made by 34.7 % of the companies. A decrease in the donation to 20 TSEK, the bronze trophy level, is made by 10.5 % of the companies. An increase in the donation to 100 TSEK, the gold trophy level, is made by 4.0 % of the companies. (See Appendix II, Table B2).

5.3. Part Three: Characteristics of Corporate Donors

Given that the trophy system is implemented, what are the differences between companies that increase and decrease or remain charity donations unchanged?

In a regression on Donation Sum All (248 observations), fourteen independent variables significantly explain the dependent variable. In this regression model the adjusted R square is §0.444, Durbin-Watson 1.638 and all condition indexes <30. The model contains no heteroskedasticity.

The variables are ordered so that the variable that explains the highest change in the donation is presented first. If the case is the one where 25 000 SEK is the initial sum, the donation decreases by 19 754 SEK (sign. 0.000). If a company has retailers, the donation increases by 19 816 SEK (B = 19.816, sign. 0.000). Further, if a company use TV and/or radio as marketing channels, the donation decreases by 16 774 SEK (B = 16.774, sign. 0.000). Conversely, if a company use direct mail, the donation increases by 15 526 SEK (B = 15.526, sign. 0.000). If a company has wholesalers and if a company budgeted for charity donations 2010, the donation decreases by 13 059 SEK (B = -13.059, sign. 0.000) and 8 432 SEK (B = -8.432, sign. 0.000) respectively. Further, if a company use Internet as marketing channel, the donation increases by 6 018 SEK (B = 6.018, sign. 0.013). If the year when a company is founded increases by one unit the donation increases by 4 776 SEK (B = 4.776, sign. 0.001). Also, if a company communicate internally that they donate, the donation increases by 4 508 SEK (B = 4.508, sign. 0.035). Conversely, if the turnover a company had in 2010 increases by one unit, the donation decreases by 4 133 SEK (B = -4.133, sign. 0.001). If vertical organization structure increases by one unit, the donation increases by 3 137 SEK (B = 3.137, sign. 0.000). If a company's size of customers increases by one unit, the donation increases by

1 892 SEK (B = 1.892, sign. 0.002). Also the independent variables, how it is communicated internally and externally, significantly explain a change in the donation. How it is communicated can however not be interpreted as an increase of one unit means a step to another way of communicating. (See Appendix II, Table C1).

An independent t-test with the significant variables from the regression as test variables and *Dummy Increase/Decrease All* as grouping variable is performed. Companies that increase the donation use in average significantly lesser TV and/or radio as marketing channels than companies that make a decrease/stay the donation (mean differences -0.08991, sign. 0.020). (See Appendix II, Table C2).

In a regression on Donation Sum 45 TSEK (124 observations), three independent variables significantly explain the dependent variable. In this regression model the adjusted R square is 0.094, Durbin-Watson 1.276 and all condition indexes around two. The model contains heteroskedasticity which we tried to correct for by doing a hygiene and motivation factor analysis. However, the heteroskedasticity remained significant. Therefore the linear regression is kept as OLS still provides consistent estimators. (See Appendix II, Table C3).

If a company use TV and/or radio as marketing channels, the donation decreases by 14 905 SEK (B = -14.905, sign. 0.013). Conversely, if a company use newspaper and/or trade press as marketing channels, the donation increases by 9 281 SEK (B = 9.281, sign. 0.013). If a company has retailers the donations increases by 8 780 SEK (B = 8.780, sign. 0.023).

An independent t-test with the significant variables from the regression as test variables and *Dummy Increase/Decrease 45 TSEK* as grouping variable is performed. Companies that increase the donation use in average significantly lesser TV and/or radio as marketing channels than companies that decrease/stay the donation (mean differences -0.14693, sign. 0.009). (See Appendix II, Table C4).

In a regression on Donation Sum 25 TSEK (124 observations), six independent variables significantly explain the dependent variable. In this regression model the adjusted R square is 0.1874, Durbin-Watson 2.149 and all condition indexes <30. The model contains no heteroskedasticity.

If a company has retailers, the donation increases by 12 180 SEK (B = 12.180, sign. 0.002). Also, if a company use direct mail as marketing channel, the donation increases by 8 787 SEK (B = 8.787, sign. 0.022). If the year when a company was founded increases by one unit, the

donation increases by 5 382 SEK (B = 5.382, sign. 0.012). However, if the turnover a company had in 2010 increases by one unit, the donation decreases by 4 987 SEK (B = -4.987, sign. 0.000). If the sum a company donated in 2010 increases by one unit, the donation increases 2 739 SEK (B = 2.739, sign. 0.014). Also, if vertical organization structure increases by one unit, the donation increases 1 984 SEK (B = 1.984, sign. 0.023). (See Appendix II, Table C5).

An independent t-test with the significant variables from the regression as test variables and *Dummy Increase/Decrease 25 TSEK* as grouping variable is performed. Companies that increase the donation have in average significantly more often retailers than companies that decrease/stay the donation (mean differences 0.31324, sign. 0.014). Companies that increase the donation are in average significantly founded later than companies that decrease/stay the donation (mean differences 0.83714, sign. 0.000). Companies that decrease the donation had in average a significantly higher turnover in 2010 than companies that decrease/stay the donation (mean differences 0.97523, sign. 0.006). (See Appendix II, Table C6)

6. Discussion

6.1. Part One: Changes in the Donation

Given that the trophy system is implemented, can the total sum of Swedish monetary corporate donations increase?

When the cases with initial sums of 45 TSEK and 25 TSEK are added together, a significant number of companies increase donations when the trophy system is implemented. The result supports the theory of giving and observation. It is also found in previous research that giving increase with observation (Hoffman, McCabe and Smith 1996, p. 658). Therefore, companies seem to donate also because of strategic reasons. Charity organizations can exploit this in how they collect corporate donations and the trophy system may be one way of doing that.

Our finding is supported by previous research, which finds that approximately half of giving is externally motivated, whereas half is internally motivated (Koch and Norrmann 2008, p. 229). This may be transferrable to corporate charity donations. Some companies donate without obtaining the opportunity of being observed and communicate the donation to their

stakeholders. However, these companies may increase donations if they obtain the opportunity of being observed. Data in this thesis support this and it may be an opening for charity organizations to extract the part of charity donations that are externally motivated.

Previous research suggests that companies are better at giving than to communicate it (Borglund 2009, p. 112-113). This may also be something that charity organizations can exploit by implementing a system similar to the trophy system. Since the trophy system enables companies to communicate their charity donations, whereas the charity organization can increase the total sum of corporate donations, the system may provide a win-win situation.

Further, it is made known that consumers demand information about what social responsibility companies take today, but they are not willing to really evaluate companies. Evaluation is time consuming and it can be difficult for consumers to find the information needed to do that (Mohr, Webb and Harris 2001, p. 45-72). The trophy system is one way to present information to consumers in an easy and distinct way.

Different types of stakeholders may prefer to receive information about work on CSR in different ways (Dawkins 2005, p. 108-119). The trophy system may be an efficient way to communicate with some of the stakeholders. Many companies do not meet their customers otherwise than through their products and services. In this case, the trophy system can be an efficient communication tool for corporate charity donations.

In the case with 45 TSEK as initial donation sum, the majority of companies increase the donation to become a silver donor. This complies with the theory of giving and observation. Some companies may therefore believe that it is an advantage to be observed and to be able to communicate charity donations with a trophy. A few companies show a really strong compliance with the theory and increase the donation to become a gold donor. Thus, some companies have strong beliefs in the trophy system and that communication of corporate donations can be profitable.

However, some companies decrease the donation or stay. These companies may not perceive an increase of the donation as valuable. A decrease of the donation may also depend on that companies do not have enough resources to increase the donation to reach the silver level. Majority of companies that decrease the donation, decrease to 20 TSEK. It may be perceived as inefficient to donate 45 TSEK when the minimum requirement of becoming a bronze donor

is 20 TSEK and therefore the donation is decreased to 20 TSEK. Further, previous research finds that some companies donate to charity because of internal motives rather than external. This may be due to "fairness as a pure preference phenomenon" (Hoffman et al. 1994, p. 371) and indicates that donors may possess other characteristics that solely self-interest (Forsythe et al. 1994 p. 357). This may explain that some companies remain the donation unchanged.

Companies that leave the organizations as a donor when the trophy system is implemented may be altruists. Altruists may not support a system that is beneficial for some other part than the receiver of the donation. Companies may also leave as a donor because they perceive that communication of work on CSR can be problematic (Du, Bhattacharya and Sen 2010, p. 8-19). This can be the case if companies suspect that their stakeholders easily mistrust companies' communicated message.

In the case with 25 TSEK as initial donation sum, the majority of companies stay at 25 TSEK. These companies may not perceive an increase of the donation to reach the silver level as valuable. That requires an increase of donations with 100 %.

Companies may stay of other reasons in this case compared to the case with 45 TSEK as initial donation sum. The reason why companies stay may not be that the company has internal motives for charity donations. The reason may rather be that the initial sum of 25 TSEK is near the 20 TSEK bronze level and companies may not perceive any large inefficiency in donating 5 TSEK more than the minimum sum to become a bronze donor. The extra 5 TSEK may appear by the company as a smaller concern than the risk of being known as greedy, especially in front of a charity organization. However, a few companies do decrease the donation to 20 TSEK, which may be because of the inefficiency reason.

The reasons why companies leave the charity organizations when the trophy system is implemented are probably similar to the reasons discussed in the case with an initial sum of 45 TSEK.

Still, a few companies increase the donation to the silver and gold levels and thus comply with the theory. The reason why this number is significantly lower in this case than in the case with 45 TSEK as initial sum, is probably because a much larger increase is required to reach the silver level in this case. Companies that increase the donation to become a silver or gold donor in this case may have the strongest belief in the trophy system. Since reaching the silver

and gold levels requires an increase of the donation with 100 % and 300 % respectively, companies should expect the return on the trophy as communication tool to be large.

Our belief in beforehand was that companies donating a sum just above a trophy level would decrease their donation to that level. Thereby, these companies would contribute to a decrease of total donations. However, data do not support this theory. Because of the companies that increase the donation to reach the silver and gold levels, the total increase of donations is even larger in this case than in the case with 45 TSEK as initial donation sum. This is because the increases are so large and compensate for the companies that decrease or stay.

This implies that charity organizations do not need to be too concerned that companies donating just above a trophy level today will contribute to a decrease in total donations, if a similar system to the trophy system is implemented.

We test the theory of observation and giving on our data in a second way aslo, where part one and two of the survey are compared. The comparison is done as a variant of a dictator game, where a change in behavior between part one and two of the survey can affirm the theory of giving and observation. Companies do change behavior in part two, when they obtain the opportunity to be observed and communicate their charity donation. The interest among companies to increase donations is rather cool in part one. However, donations increase in part two where companies are offered a trophy for their donation.

This finding suggests that Swedish companies may change behavior regarding charity donations and increase donations if a similar system to the trophy system is implemented. Thus, the trophy system can be one way to increase Swedish corporate charity donations, which are very small today.

6.2. Part Two: Strength in the Charity Organization Brand

Given that companies donate of strategic reasons, does the strength of the charity organization brand affect corporate donations?

Previous research finds that some companies donate to charity of advertising reasons and to avoid negative publicity, rather than to contribute to good causes (Glazer and Konrad 1996, p. 1019-1028). It is made known that today's stakeholders prefer companies that are socially responsible over companies that are not (Brown and Dacin 1997, p.68-84). The trophy in the trophy system is one way to signal social responsibility in advertising. Further, previous

research suggests that adding exchange to charity donations increase donations (Holmes, Miller and Lerner 2002, p. 144-151). Swedish companies that donate the largest sums to charity, do in most cases demand something in exchange (Unicef 2011). This indicates that some companies have strategic motives of charity donations and can for instance want to exhibit their donations in advertising to attract stakeholders.

It may seem obvious that companies prefer to be seen together with a strong brand over a weak brand. One charity organization with a strong brand is Unicef and they receive a lot of requests from companies that want to use Unicef's logo in their own work (Unicef 2011). A charity organization with a weak brand is Individuell Människohjälp (IM) and they cannot prevent that their donors to use the IM logo because the brand is too weak (Individuell Människohjälp 2011).

Since the trophy in the trophy system has the logo of the charity organization on it, weak brands may be thought of as deselected. This is because companies may prefer to exhibit a strong brand of charity organization in their advertisement rather than a weak brand. This reasoning should lead to a competition between brands where the strongest brand of charity organizations will receive the largest donations.

However, this analysis is not supported by our data. More companies leave the charity organization with a strong brand (Rädda Barnen), than the organization with a weak brand (Hoppets Stjärna), when the trophy system is implemented. Since twice as many companies leave Rädda Barnen compared to Hoppets Stjärna, this lead to a large difference in total change of donations between the two organizations. Hoppets Stjärna increases their total donations almost three times as much as Rädda Barnen. Data therefore suggest that the trophy system may be more beneficial for weak brand organizations than for strong brand organizations. Thus, the trophy system does not seem to hurt weak brand charity organizations.

We can discuss various possible reasons why significantly more companies leave Rädda Barnen compared to Hoppets Stjärna, if the trophy system is implemented, and we present a few here.

Why more companies leave the strong brand is difficult to answer based on theory and previous research. We cannot find any evidence that weak brands would be preferred over strong brands. One explanation may be that the companies that leave Rädda Barnen are

altruistic and believe that it is irresponsible of a large and influential charity organization to implement the trophy system. If a company is altruistic, it may not want to support the spread of a system that benefit others than the receiver of the donation. In the trophy system, companies and charity organizations can also benefit from the system besides the receiver. It does not matter for an altruist that the total sum of donations may increase by implementing the system. The charity organization Kooperativ Utan Gränser has some partners that exhibit this behavior and do not like the idea of commercializing charity (Kooperation Utan Gränser 2011). The weak brand organization Hoppets Stjärna may not be thought of as sufficiently influential to spread the system. This may be why fewer companies leave Hoppets Stjärna. In the case of Hoppets Stjärna, the altruistic companies may choose to stay at the initial sum of donation instead of leave. In this way, they do also express altruism and that charity donations are not done to benefit themselves.

Another reason why companies leave Rädda Barnen may also stem from the fact that these companies are afraid of a spread of the system, but of a different reason than the altruists. A spread of the system may infer that some companies feel pressured to increase donations to obtain a trophy. Especially if competitors do so, since previous research suggest that companies can be influenced of what competitors do (Bednall, Walker, Curl and LeRoy 2001, p. 172). If the competitor is similar in size and resources, stakeholders may expect that companies take as much responsibility and donate similar sums to charity.

It can also be the case that a company leaves Rädda Barnen because of difficulties to reach any of the levels to obtain a trophy. If competitors obtain trophies, it can be a disadvantage not to obtain a trophy. Then, a company's charity donation may be perceived as nonexistent by stakeholders if competitors communicate their donations with the trophy and the company does not. This is a disadvantage because it is made known in previous research that stakeholders prefer companies that take social responsibility over companies that do not (Brown and Dacin 1997, p. 68-84).

Among the companies that stay as donors when the trophy system is implemented, a very similar behavior is exhibited irrespective of charity organization. As many companies increase donations at both organizations. This finding is neither supported by the reasoning regarding preference to be seen together with a strong brand over a weak brand.

However, both organizations increase total sum of donations when the trophy system is implemented, which prove that some companies will increase donations to obtain the trophy

in both cases. However, it does not matter much what charity organization logo the trophy comes together with. Thus, the trophy system will not hurt weak brand charity organizations and both strong and weak brands may benefit from the trophy system. Still, since the number of companies that leave Rädda Barnen when the trophy system is implemented, is significantly larger than in the case of Hoppets Stjärna, the trophy system may benefit weak brand organizations even more than strong brand organizations.

6.3. Part Three: Characteristics of Corporate Donors

Given that the trophy system is implemented, what are the differences between companies that increase and decrease or remain charity donations unchanged?

When the cases with initial sums of 45 TSEK and 25 TSEK are added together, there is no specific type of company that tends to increase charity donations. This indicates that any company has incentives to increase charity donations. Further, it points out that any company may perceive the return of being a trophy donor worth an increase in the donation. This infers that any company may expect stakeholders to act positively towards trophy donors. Previous research reinforces this by concluding that consumers with knowledge about a company's CSR initiatives may valuate the company's products higher (Brown and Dacin 1997, p. 68-84).

The average use of TV and/or radio as marketing channels is higher among companies that decrease/stay donations compared to companies that increase the donation. This indicates that TV and/or radio are inefficient marketing channels for communicating charity donations. It may be perceived inefficient to communicate several messages in a short and expensive TV commercial. In radio, the announcement of being a trophy donor may steal time and attention from the real message of the commercial. A verbal announcement may further be perceived by donors as less affective than a visual exposure of the trophy to customers and other stakeholders.

According to previous research, effective communication of CSR is due to a clear strategy where both opportunities and risks to the brand are considered (Dawkins 2005, p. 108-119). In TV and/or radio commercials, there is also a time constraint for receivers to understand the communicated messages. To add charity donations to the commercial may steal attention from the real message, and thereby cause a risk to the product or service of the brand. Or conversely, the communication of charity donations may land in the dark of the real message.

In the case with 45 TSEK as initial donation sum, the exact same conclusions can be drawn as in the case whit the two cases added together. No specific type of company tend to increase charity donations and companies that use TV and/or radio as marketing channels tend to decrease/stay their donations.

In the case with 25 TSEK as initial donation sum, the average use of retailers as sales channel is higher among companies that increase the donation compared to companies that decrease/stay. In addition to being a sales channel, retailers are customers to some of the companies that have answered our survey. Thus, as companies that have retailers tend to increase donations, this indicates that retailers may have high requirements of their suppliers taking social responsibility. This is supported by previous studies that states that consumers increasingly expect companies to take social responsibility and that they will prioritize companies that do so (Brown and Dacin 1997, p. 68-84).

Also, the average year when a company is founded is later among companies that increase the donation compared to companies that decrease/stay. The reason why younger companies tend to increase donations may be because they were founded when work on and communication of CSR was accepted important. Younger companies born into this business climate may better understand the return of the opportunity of being observed when donating to charity than older companies do. Additionally, younger companies may also be more accepting to the fact that companies today donate also of strategic reasons (Van Vught and Hardy 2010, p. 101-111).

The average turnover in 2010 is higher among companies that decrease/stay the donation compared to companies that increase. This indicates that larger companies tend to decrease/stay donations. If a large company seizes the opportunity to be observed as a gold donor and it is made known that charity donations are inconsistent with the rest of their work, that can truly hurt their reputation and brand. This is because large companies are highly audited by media. It is found in previous studies that stakeholders easily mistrust companies that do communicate their social responsibility (Du, Bhattacharya and Sen 2010, p. 8-19).

In a comparison between the case with initial sum 45 TSEK and the case with initial sum 25 TSEK, we can conclude that different types of companies increase and decrease/stay donations depending on if they are close to a higher or lower trophy level. Any company has incentives to increase donations when the initial sum is close to a higher trophy level. Conversely, only younger companies and companies with demanding retailers have incentives

to increase donations when the initial sum is close to a lower trophy level and far from a higher one. Both when the initial sum is close to a higher and lower level, companies have incentives to decrease/stay donations because of the reason that an increase is not perceived efficient. When the initial sum is close to a higher level, an increase is not efficient when companies use marketing channels that may be inefficient for communicating charity donations. When the initial sum is close to a lower level, an increase is not efficient as larger companies may be highly audited by media.

7. Conclusion

The conclusions are based on the sample of Swedish companies used in this thesis and the questions asked in the survey distributed to them.

The conclusions provide charity organizations with information about whether the trophy system can be valuable to implement or not, what types of charity organizations that the system may be most beneficial for and what companies that might be most efficient to target if the trophy system is implemented.

7.1. Part One: Changes in the Donation

Our first conclusion is that with an implementation of the trophy system, charity organizations can increase the total sum of corporate donations and thus gain from an implementation of the trophy system.

This conclusion is supported by our variant of the dictator game; that companies donate more when they obtain the opportunity to be observed. Results from part one in the survey show that companies have a rather cool interest in increasing and communicating charity donations. However, in the second part of the survey companies obtain the opportunity of being observed and to communicate the donation with a trophy. Under this condition, behaviour among the companies change and a majority of the companies increase the donation. We therefore conclude that companies may change behaviour and increase donations with an implementation of the trophy system.

7.2. Part Two: Strength in the Charity Organization Brand

Our second conclusion is that strength of the charity organization brand does not matter for corporate donors. This implies that the trophy system will not hurt weak brand charity organizations. In our study, even more companies leave the strong brand organization than the weak brand organization when the trophy system is implemented. Among the companies that stay as donors when the trophy system is implemented, a very similar behavior is exhibited, irrespective of charity organization. As many companies increase donations at both organizations.

7.3. Part Three: Characteristics of Corporate Donors

Our third conclusion is that in generally, when adding the cases with different initial sums together, any type of company has incentives to increase the donation with an implementation of the trophy system. Companies using marketing channels that may be perceived as inefficient for communicating charity donations, have incentives to decrease/stay the donation. Thus, any company may perceive the return on being a trophy donor worth an increase in donations. Still, companies using what can be thought of as inefficient marketing channels for communicating donations may not believe that the return of being a trophy donor is worth an increase in donations.

8. Implications

8.1. Part One: Changes in the Donation

The main theoretical implication in this part is that the dictator game can be extended. This is in the way that observation can also be demanded and may not always be seen as a compulsion. This idea is supported in our findings, since companies increase donations when they obtain the opportunity to be observed and communicate charity donations to stakeholders.

The main practical implication in this part is that it can be valuable for charity organizations to discuss an implementation of a collecting system similar to the trophy system. Our findings show that it is possible to increase the total sum of corporate donations with an implementation of the trophy system. What the most efficient levels of gold- silver- and

bronze levels are can of course depend on the charity organization that implements the system.

8.2. Part Two: Strength of the Charity Organization Brand

The main theoretical implication in this part is that the theory of companies preferring to be seen together with a strong brand over a weak brand because of strategic reasons is not supported in our data. Both previous research and information from charity organizations support the theory, but our results suggest that the charity organization brand may not matter for corporate donations. There are even more companies leaving the charity organization with a strong brand compared to the one with a weak brand.

The main practical implication in this part is that the trophy system can also be suitable for charity organizations with a weaker brand. One concern with the trophy system could have been prevailing competition between charity organizations, if the brand strength of the charity organization mattered for corporate donors. This could have led to that charity organizations with the strongest brands will receive all of the corporate donations, leaving the weak charity organizations with nothing. However, in this thesis we do not find evidence for this reasoning and thus, charity organizations with a weak brand may not be hurt by the trophy system.

8.3. Part Three: Characteristics of Corporate Donors

Since no theory is applied in this part, there are no theoretical implications. The main practical implication is that it may be most efficient for charity organizations to strategically target corporate donors if an implementation of a similar system to the trophy system is done. We conclude that companies using TV and/or radio as marketing channels tend to decrease donations. Charity organizations may therefore want to research what companies that use TV and/or radio as marketing channels and subsequently put less effort in these companies.

9. Problematization and Future Research

9.1. Part One: Changes in the Donation

In this thesis the first research question; *Given that the trophy system is implemented, can the total sum of Swedish monetary corporate donations increase**?***, is partly tested through a comparison between the first and the second part of the survey. In future research this can be tested for in an alternative way, using two samples instead of one. One sample group of companies can receive a case where the opportunity to be observed is offered and one group a case where this is not offered. Thereby more significant conclusions can be drawn about the impact of the opportunity of being observed. The reason why we do not do that in this thesis is because of the time aspect, it will take too much time to receive a sample large enough.

Another possible future research can be to examine what non-donating companies think of the trophy system. After concluding that companies already involved on charity donations may increase donations when the trophy system is implemented, it can be of interest to examine if the trophy system can even attract non-donating companies too.

9.2. Part Two: Strength in the Charity Organization Brand

The main finding in this part, that the charity organization brand does not matter for corporate donations, is a rather surprising and very interesting finding. However, a possible concern may be that the sample of 62 companies is a very small share of the total number of companies in Sweden. Neither do the 62 companies reflect the true shares of the total population regarding company size, but they follow the same tendency. Yet, the Swedish industry consists of 99.4 % small companies (Ekonomifakta.se 2010). This means that a very large sample is required to be able to draw conclusions about how large companies act if the trophy system is implemented. This is the reason why we choose a sample of companies with a wider distribution in size than what the reality reflects. In future research it can be of interest to collect a sample large enough to do so, to be able to draw more general conclusions about companies preferences.

9.3. Part Three: Characteristics of Corporate Donors

In our survey, companies answer questions that we believe may have an impact on charity donations. Data shows that some of the questions have an impact, while some of them do not.

Of course there are more factors affecting charity donations, but it is necessary to delimit the survey and focus on the questions we perceive as most important. In future research other questions can be asked to conclude what other factors that may have an impact on corporate charity donations.

10. References

Arvidsson, S. (2010), "Communication of Corporate Social Responsibility: A Study of the Views of Management Teams in Large Companies", *Journal of Business Ethics*, Vol. 96, No. 3, p. 339-354

Bednall, Walker, Curl and LeRoy (2001), "Business support approaches for charities and other nonprofits", *International Journal of Nonprofit & Voluntary Sector Marketing*, Vol. 6, No. 2, p. 172

Borglund, T. (2009), *Värdeskapande CSR*. Falun: Nordstedts Akademiska Förlag, p. 99, 112-113

Brown. T.J., and Dacin, P.A (1997), "The Company and the Product: Corporate Associations and Consumer Product Responses", *Journal of Marketings* , Vol. 61, No. 1, p. 68-84

Dawkins, J. (2005), "Corporate responsibility: The communication challenge", *Journal of Communication Management*, Vol. 9, No. 2, p. 108-119

Denscombe, M. (2002), Forskningens Grundregler, Lund: Studentlitteratur, p. 122-125

Du, S., Bhattacharya, C. B. and Sen, S. (2010), "Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication", *International Journal of Management Reviews*, Vol. 12, No. 1, p. 8-19

Ellingsen, T. and Johannesson, M. (2010), *Conspicuous Generosity*, Stockholm School of Economics, p. 2

Ekonomifakta.se (2010), Företagens Storlek. Stockholm: Ekonomifakta. Available [online]: http://www.ekonomifakta.se/sv/Fakta/Foretagande/Naringslivet/Naringslivets-struktur/ [2010-04-15]

European Commission (2011), *Sustainable and responsible business, Corporate Social Responsibility (CSR)*. Brussels: European Commission. Available [online]:

http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm

Forsythe, R., Horowitz, J.L, Savin, N.E. and Sefton, M (1994), "Fairness in simple bargaining experiments", *Games and Economic Behavior,* Vol. 6, No. 3, p. 347-69¨

Glazer, A. and Konrad, K.A. (1996), "A Signaling Explanation for Charity", *American Economic Review*, Vol. 86, No. 4, p. 1019-1028

Haley, K.J., and Fessier, T (2005), "Nobody's watching? Subtle cues affect generosity in an anonymous economic game", *Evolution and Human Behavior,* Vol. 26, p. 245-256
Hoffman, E., McCabe, K. and Smith, V.L. (1996), "Social distance and otherregarding behavior in dictator games", *American Economic Review, Vol.* 86, p. 653-660

Holmes, J.G., Miller, D.T. and Lerner, M.J (2001), "Committing Altruism under the Cloak of Self-Interest: The Exchange Fiction", *Journal of Experimental Social Psychology*, Vol. 38, No. 2, p. 144-151

Individuell Människohjälp (2011). Manager of Corporate Donations, Lund, 2011-03-17

Koch, A.K and Normannt, H.T (2008), "Giving in Dictator Games: Regard *for* Others or Regard *by* Others?", *Soulhern Economic Journal* 2008, Vol. 75, No. 1, 223-231

Koch, F. (1981), "A Primer on Corporate Philanthropy", A Primer on Corporate Philanthropy, *Business & Society Review*, No. 38, p. 48-53

Kooperation Utan Gränser (2011). Manager of Corporate Donations, Stockholm, 2011-03-21

Mohr, L.A., Webb, D.J. and Harris, K.E. (2001), "Do Consumers Expect Companies to be Socially Responsible? The Impact of Corporate Social Responsibility on Buying Behavior", *Journal of Consumer Affairs*, Vol. 35, No. 1, p. 45-72

SFI (2008), *Rapport från svensk insamlingskontroll. Stockholm*: Svensk Insamlingkontroll. Available [online]:http://213.131.156.10/xpo/bilagor/20091207153915.000000.pdf

Stossel, J. and Kendall, K. (2006), *Who Gives and Who Doesn't?*. New York: ABC News. Available [online]: http://abcnews.go.com/2020/story?id=2682730&page=1 [2010-04-11]

Svenning, C. (2000), *Metodboken*, Eslöv: Lorentz Förlag, p. 68

Sveriges Radio (2010), *Svenska företagare dåliga på välgörenhet*. Stockholm: Sveriges Radio. Available [online]: http://sverigesradio.se/sida/artikel.aspx?programid=83&artikel=3817556 [2011-04-25]

Thurén, T. (2007), Vetenskapsteori för nybörjare, Malmö: Liber AB, p. 26

Unicef (2011). Manager of Corporate Donations, Stockholm, 2011-03-10

Van Vugt, M. and Hardy, C. (2010), "Cooperation for reputation: Wasteful contributions as costly signals in public goods", *Group Processes & Intergroup Relations*, Vol. 13, No. 1, p. 101-111

11. APPENDIX I

Explanations of Variables

Frequencies

Donation Sum Hoppets Stjärna

In the survey there are two cases, one with the initial amount 45 000 SEK and one with the initial amount 25 000 SEK, where the given charity organization is Hoppets Stjärna. The respondent is asked to type the amount the company would donate if the trophy system was implemented. The answers of those two cases are added together into a new variable called Donation Sum Hoppets Stjärna. The answers are in thousands SEK and the number of observations equals 124.

Donation Sum Rädda Barnen

In the survey there are two cases, one with the initial amount 45 000 SEK and one with the initial amount 25 000 SEK, where the given charity organization is Rädda Barnen. The respondent is asked to type the amount the company would donate if the trophy system was implemented. The answers of those two cases are added together into a new variable called Donation Sum Hoppets Stjärna. The answers are in thousands SEK and the number of observations equals 124.

Regressions

The Dependent Variables

Donation Sum 45 TSEK

In the survey there are two cases, one case for Hoppets Stjärna and one for Rädda Barnen, where the initial amount is 45 TSEK. The respondent is asked to type the amount the company would donate if the trophy system was implemented. The answers of those two cases are added together into a new variable called Donation Sum 45 TSEK. The answers are in thousands SEK and the number of observations equals 124.

Donation Sum 25 TSEK

In the survey there are two cases, one case for Hoppets Stjärna and one for Rädda Barnen, where the initial amount is 25 TSEK. The respondent is asked to write the amount the company would donate if the trophy system was implemented. The answers of those two

cases are added together into a new variable called Donation Sum 25 TSEK. The answers are in thousands SEK and the number of observations equals 124.

Donation Sum All

The variables Donation Sum 45 TSEK and Donation Sum 25 TSEK are added together into a new variable called Donation Sum All. The answers are in thousands SEK and the number of observations equals 248.

Control Variable

Dummy 4525

This dummy takes the value 1 when it represents the case with the initial sum of 45 TSEK and the value 2 when it represents the case with the initial sum of 25 TSEK. It controls for whether an increase or decrease/stay in the variable Donation Sum All, refers to the initial sum of 45 TSEK or the initial sum of 25 TSEK

The Independent Variables

Year founded

The respondent is asked to type in the year when the company is founded. The variable is recoded into an ordinal scale where 1 = <1900, 2 = 1900-1949, 3 = 1950-1999 and 4 = >1999.

Turnover in 2010

The respondent is asked to type in the turnover the company had in 2010. The variable is recoded into an ordinal scale where 1 = <20 000 TSEK, 2 = 20 000-99 999 TSEK, 3 = 100 000-499 999 TSEK and 4 = >499 999 TSEK.

Direct mail

The respondent is asked what marketing channels the company uses. This is a dummy variable where 1 = Yes and 0 = No.

TV and/or Radio

The respondent is asked what marketing channels the company uses. This is a dummy variable where 1 = Yes and 0 = No.

Newspapers and/or Trade Press

The respondent is asked what marketing channels the company uses. This is a dummy variable where 1 = Yes and 0 = No.

Internet

The respondent is asked what marketing channels the company uses. This is a dummy variable where 1 = Yes and 0 = No.

Retailers

The respondent is asked what sales channels the company uses. This is a dummy variable where 1 = Yes and 0 = No.

Shareholders

The respondent is asked what marketing channels the company uses. This is a dummy variable where 1 = Yes and 0 = No.

Vertical Organization Structure

The respondent is asked to decide on a seven-point scale how much the company agrees or disagrees that the company has a vertical organization structure. This is an interval scale where 1 = Fully disagree and 7 = Fully agree.

Customers' size

The respondent is asked to decide on a seven-point scale how much the size of the company's customers. This is an interval scale where 1 = Small customers and 7 = Large customer.

Sum donations in 2010

The respondent is asked to type in the sum the company donated in 2010. The variable is recoded into an ordinal scale where 1 = <20 TSEK, 2 = 20-49 TSEK, 3 = 50-99 TSEK, 4 = 100-499 TSEK, 5 = 500-999 TSEK and 6 = >999 TSEK

Budget for donations in 2010

The respondent is asked if the company budgeted for donations in 2010. This is a dummy variable where 1 = Yes and 2 = No.

How to communicate externally

The respondent is asked to type in how the company communicates externally that the company donates to charity. The variable is recoded into a nominal scale where 1 = Website/Digitally, 2 = Annual/Sustainability reports, 3 = Christmas greeting, 4 = Printed matter and 5 = Word-of-mouth.

If communicate internally

The respondent is asked if the company communicate internally that the company donates to charity. This is a nominal scale where 1 = Yes, 2 = No and 3 = The company does not donate to charity.

How to communicate internally

The respondent is asked to type in how the company communicates internally that the company donates to charity. The variable is recoded into a nominal scale where 1 = Intranet/Email, 2 = General engagement/Verbally and 3 = Meetings

Independent T-test

Dummy Increase/Decrease All

This dummy variable takes the value 1 when it represents an increase in the donation and the value 2 when it represents a decrease/stay in the donation, when the cases with initial sums of 45 TSEK and 25 TSEK respectively, are added together.

Dummy Increase/Decrease 45 TSEK

This dummy variable takes the value 1 when it represents an increase in the donation and the value 2 when it represents a decrease/stay in the donation, in the cases with the initial sum of 45 TSEK.

Dummy Increase/Decrease 25 TSEK

This dummy variable takes the value 1 when it represents an increase in the donation and the value 2 when it represents a decrease/stay in the donation, in the case with the initial sum of 25 TSEK

12. APPENDIX II

Frequencies, Regressions and Independent t-tests

Part One: Changes in the Donation

(A1)

Statistics

Donation Sum All

N	Valid	248
	Missing	0
	Mean	36,6694
	Sum	9094,00

Donations Sum All

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	,00	18	7,3	7,3	7,3
	20,00	26	10,5	10,5	17,7
	25,00	80	32,3	32,3	50,0
	36,00	4	1,6	1,6	51,6
	45,00	24	9,7	9,7	61,3
	50,00	85	34,3	34,3	95,6
	100,00	11	4,4	4,4	100,0
	Total	248	100,0	100,0	

Dummy Increase/Decrease All

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increase	96	38,7	38,7	38,7
	Decrease/Stay	152	61,3	61,3	100,0
	Total	248	100,0	100,0	

(A2)

Statistics

Donation Sum 45 TSEK

N	Valid	124
	Missing	0
	Mean	46,3871
	Sum	5752,00

Donation Sum 45 TSEK

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	,00	8	6,5	6,5	6,5
	20,00	5	4,0	4,0	10,5
	25,00	2	1,6	1,6	12,1
	36,00	2	1,6	1,6	13,7
	45,00	24	19,4	19,4	33,1
	50,00	77	62,1	62,1	95,2
	100,00	6	4,8	4,8	100,0
	Total	124	100,0	100,0	

Dummy Increase/Decrease 45 TSEK

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increase	83	66,9	66,9	66,9
	Decrease/Stay	41	33,1	33,1	100,0
	Total	124	100,0	100,0	

(A3)

Statistics

Donation Sum 25 TSEK

N	Valid	124
	Missing	0
	Mean	26,9516
	Sum	3342,00

Donation Sum 25 TSEK

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	,00	10	8,1	8,1	8,1
	20,00	21	16,9	16,9	25,0
	25,00	78	62,9	62,9	87,9
	36,00	2	1,6	1,6	89,5
	50,00	8	6,5	6,5	96,0
	100,00	5	4,0	4,0	100,0
	Total	124	100,0	100,0	

Dummy Increase/Decrease 25 TSEK

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increase	13	10,5	10,5	10,5
	Decrease/Stay	111	89,5	89,5	100,0
	Total	124	100,0	100,0	

(A4)

Statistics

Want to donate more

N	Valid	124
	Missing	0
	Mean	4,2742
	Sum	530,00

Want to donate more

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	18	29,0	37,5	37,5
	Yes	30	48,4	62,5	100,0
	Total	48	77,4	100,0	
Missing	System	14	22,6		
	Total	62	100,0		

Statistics

Plan to donate more

N	Valid	124
	Missing	0
	Mean	3,9032
	Sum	484,00

Plan to donate more

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	22	35,5	47,8	47,8
	Yes	24	38,7	52,2	100,0
	Total	46	74,2	100,0	
Missing	System	16	25,8		
	Total	62	100,0		

Statistics

Prefer to use organizations' logos in own work

N	Valid	123
	Missing	1
	Mean	3,2846
	Sum	404,00

Prefer to use organizations' logos in own work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	30	48,4	60,0	60,0
	Yes	20	32,3	40,0	100,0
	Total	50	80,6	100,0	
Missing	System	12	19,4		
	Total	62	100,0		

Statistics

Prefer to donate to charity organizations that let companies use their logo

N	Valid	123
	Missing	1
	Mean	2,7642
	Sum	340,00

Prefer to donate to organizations that let companies use their logo

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,00	40	64,5	74,1	74,1
	2,00	14	22,6	25,9	100,0
	Total	54	87,1	100,0	
Missing	System	8	12,9		
	Total	62	100,0		

Statistics

CSR can lead to increased sales

N	Valid	122
	Missing	2
	Mean	3,6393
	Sum	444,00

CSR can lead to increased sales

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	28	45,2	59,6	59,6
	Yes	19	30,6	40,4	100,0
	Total	47	75,8	100,0	
Missing	System	15	24,2		
	Total	62	100,0		

CSR can lead to increased willing to pay

N	Valid	122
	Missing	2
	Mean	2,9672
	Sum	362,00

CSR can lead to increased willingness to pay

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	36	58,1	76,6	76,6
	Yes	11	17,7	23,4	100,0
	Total	47	75,8	100,0	
Missing	System	15	24,2		
	Total	62	100,0		

Part Two: Strength in the Charity Organization Brand

(B1)

HoppetsStjärna

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	6	4,8	4,8	4,8
	20	13	10,5	10,5	15,3
	25	42	33,9	33,9	49,2
	36	2	1,6	1,6	50,8
	45	13	10,5	10,5	61,3
	50	42	33,9	33,9	95,2
	100	6	4,8	4,8	100,0
	Total	124	100,0	100,0	

(B2)

Rädda Barnen

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	11	8,9	8,9	8,9
	20	13	10,5	10,5	19,4
	25	39	31,5	31,5	50,8
	36	2	1,6	1,6	52,4
	45	11	8,9	8,9	61,3
	50	43	34,7	34,7	96,0
	100	5	4,0	4,0	100,0
	Total	124	100,0	100,0	

Part Three: Characteristics of Corporate Donors

(C1) Linear Regression: Initial sums of 45 TSEK and 25 TSEK added together

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,693[a]	,480	,448	15,25427	1,657

a. Predictors: (Constant), Dummy 4525, Turnover in 2010, How communicate int., Direct Mail, How communicate ext., Shareholders, Year Founded, Internet, Customers' Size, Budget for donations in 2010, Retailers, Vertical Org Structure, TV and/or radio, If communicate int.

b. Dependent Variable: Donation Sum All

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49203,736	14	3514,553	15,104	,000[a]
	Residual	53286,674	229	232,693		
	Total	102490,410	243			

a. Predictors: (Constant), Dummy 4525, Turnover in 2010, How communicate int., Direct Mail, How communicate ext., Shareholders, Year Founded, Internet, Customers' Size, Budget for donations in 2010, Retailers, Vertical Org Structure, TV and/or radio, If communicate int.

b. Dependent Variable: Donation Sum All

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	37,872	8,495		4,458	,000		
	Vertical Org Structure	3,137	,608	,324	5,156	,000	,575	1,738
	Retailers	19,816	2,696	,425	7,349	,000	,678	1,475
	Shareholders	-13,059	3,322	-,215	-3,931	,000	,758	1,319
	Direct Mail	15,526	2,800	,319	5,544	,000	,688	1,454
	TV and/or Radio	-16,774	4,276	-,244	-3,922	,000	,588	1,701
	Internet	6,018	2,390	,141	2,517	,013	,724	1,382
	Customers' Size	1,892	,605	,172	3,129	,002	,753	1,329
	Budget for donations in 2010	-8,432	2,357	-,206	-3,577	,000	,687	1,456
	How communicate ext.	-2,387	,708	-,174	-3,372	,001	,855	1,170
	If communicate int.	4,508	2,123	,141	2,123	,035	,515	1,943
	How communicate int.	3,802	1,401	,172	2,715	,007	,564	1,773
	Year Founded	4,766	1,413	,180	3,373	,001	,796	1,256
	Turnover in 2010	-4,133	1,194	-,236	-3,461	,001	,488	2,051
	Dummy 4525	-19,754	1,953	-,482	-10,114	,000	1,000	1,000

a. Dependent Variable: Donation Sum All

Collinearity Diagnostics[a]

		Model														
		1														
		Dimension														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Eigenvalue		9,554	1,397	,878	,673	,570	,509	,469	,296	,205	,142	,100	,089	,056	,050	,011
Condition Index		1,000	2,615	3,299	3,769	4,094	4,334	4,514	5,680	6,822	8,216	9,781	10,33 5	13,07 2	13,75 9	29,09 4
Variance Proportions	(Constant)	,00	,00	,00	,00	,00	,00	,00	,00	,00	,00	,00	,00	,00	,00	,99
	Vertical Org Structure	,00	,00	,00	,01	,00	,01	,00	,09	,14	,27	,02	,16	,06	,16	,08
	Retailers	,00	,05	,12	,00	,00	,48	,05	,05	,04	,04	,00	,05	,09	,02	,00
	Shareholder	,00	,14	,00	,05	,50	,19	,01	,06	,00	,01	,00	,01	,00	,00	,01
	Direct Mail	,00	,01	,36	,06	,02	,21	,01	,03	,00	,06	,00	,01	,12	,11	,01
	TVand/orRadio	,00	,14	,03	,09	,21	,04	,04	,00	,36	,01	,00	,01	,06	,02	,00
	Internet	,00	,00	,01	,03	,04	,05	,08	,05	,40	,21	,00	,00	,07	,00	,05
	CustomersSize	,00	,00	,00	,00	,00	,00	,01	,04	,06	,37	,01	,24	,08	,09	,09
	Budgetin2010	,00	,00	,00	,00	,00	,00	,00	,00	,01	,02	,05	,10	,05	,73	,04
	How CommExt.	,00	,02	,00	,10	,14	,00	,50	,06	,04	,00	,00	,11	,00	,01	,01
	If Comm Int.	,00	,00	,01	,02	,01	,00	,00	,00	,07	,05	,06	,20	,37	,05	,17
	How CommInt.	,00	,00	,01	,12	,01	,00	,07	,24	,01	,00	,08	,02	,24	,03	,17
	Dummy4525	,00	,00	,00	,00	,00	,00	,00	,00	,00	,01	,81	,00	,03	,02	,11
	YearFounded	,00	,00	,00	,00	,00	,00	,00	,01	,00	,00	,00	,00	,41	,21	,36
	Turnover 2010	,00	,00	,00	,00	,00	,00	,02	,07	,02	,04	,00	,47	,15	,18	,04

a. Dependent Variable: Donation Sum All

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	5,4273	78,4543	36,4508	14,22971	244
Residual	-47,43278	53,16491	,00000	14,80833	244
Std. Predicted Value	-2,180	2,952	,000	1,000	244
Std. Residual	-3,109	3,485	,000	,971	244

a. Dependent Variable: Donation Sum All

(C2) Independent t-test: Initials sums of 45 TSEK and 25 TSEK added together

Group Statistics

	Dummy Increase/Decrease All	N	Mean	Std. Deviation	Std. Error Mean
Vertical Org Structure	Increase	96	3,2500	2,00526	,20466
	Decrease/Stay	152	3,6842	2,19095	,17771
Retailers	Increase	96	,3021	,46157	,04711
	Decrease/Stay	152	,2303	,42239	,03426
Shareholders	Increase	96	,08	,278	,028
	Decrease/Stay	152	,16	,366	,030
Direct Mail	Increase	96	,2292	,42250	,04312
	Decrease/Stay	152	,2237	,41809	,03391
TV and/or Radio	Increase	96	,0417	,20088	,02050
	Decrease/Stay	152	,1316	,33915	,02751
Internet	Increase	96	,6875	,46595	,04756
	Decrease/Stay	152	,6184	,48738	,03953
Customers' Size	Increase	96	4,2500	1,68585	,17206
	Decrease/Stay	152	3,9474	1,97263	,16000
Budget for Donations 2010	Increase	96	1,5313	,50164	,05120
	Decrease/Stay	152	1,4539	,49952	,04052
How Communicate Ext.	Increase	96	1,2292	1,43988	,14696
	Decrease/Stay	152	1,4079	1,51091	,12255
If Communicate Int.	Increase	96	1,3646	,60035	,06127
	Decrease/Stay	152	1,2961	,66947	,05430
How Communicate Ext.	Increase	96	1,0208	,98386	,10041
	Decrease/Stay	152	1,0921	,90147	,07312
Year Founded	Increase	96	3,2083	,89345	,09119
	Decrease/Stay	152	3,0263	,69002	,05597
Turnover in 2010	Increase	92	2,0326	1,16214	,12116
	Decrease/Stay	152	2,2171	1,17883	,09562

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Vertikal Org Structure	Equal variances assumed	,813	,368	-1,570	246	,118	-,43421	,27653	-,97888	,11046
	Equal variances not assumed			-1,602	215,269	,111	-,43421	,27105	-,96846	,10004
Retailers	Equal variances assumed	5,931	,016	1,258	246	,210	,07182	,05709	-,04063	,18427
	Equal variances not assumed			1,233	188,834	,219	,07182	,05825	-,04308	,18672
Shareholder	Equal variances assumed	12,733	,000	-1,709	246	,089	-,075	,044	-,160	,011
	Equal variances not assumed			-1,817	237,674	,071	-,075	,041	-,155	,006
Direct Mail	Equal variances assumed	,040	,842	,100	246	,920	,00548	,05473	-,10231	,11328
	Equal variances not assumed			,100	200,577	,920	,00548	,05486	-,10269	,11366
TV and/or radio	Equal variances assumed	25,289	,000	-2,349	246	,020	-,08991	,03827	-,16530	-,01453
	Equal variances not assumed			-2,621	245,125	,009	-,08991	,03431	-,15749	-,02234
Internet	Equal variances assumed	5,264	,023	1,106	246	,270	,06908	,06247	-,05397	,19213
	Equal variances not assumed			1,117	208,900	,265	,06908	,06184	-,05283	,19099
Customers' Size	Equal variances assumed	3,148	,077	1,243	246	,215	,30263	,24341	-,17680	,78206
	Equal variances not assumed			1,288	224,650	,199	,30263	,23496	-,16037	,76564
Budget for Donations in 2010	Equal variances assumed	,184	,669	1,185	246	,237	,07730	,06523	-,05117	,20578
	Equal variances not assumed			1,184	201,521	,238	,07730	,06529	-,05144	,20604
How Communicate Ext.	Equal variances assumed	3,434	,065	-,924	246	,356	-,17873	,19345	-,55976	,20230
	Equal variances not assumed			-,934	209,371	,351	-,17873	,19135	-,55595	,19849
If Communicate Int.	Equal variances assumed	,000	,992	,817	246	,415	,06853	,08391	-,09675	,23381
	Equal variances not assumed			,837	218,162	,403	,06853	,08187	-,09283	,22989
How Communicate Int.	Equal variances assumed	1,527	,218	-,585	246	,559	-,07127	,12178	-,31114	,16860

	Equal variances not assumed			-,574	189,019	,567	-,07127	,12422	-,31630	,17376
Year Founded	Equal variances assumed	17,376	,000	1,802	246	,073	,18202	,10103	-,01697	,38100
	Equal variances not assumed			1,701	165,299	,091	,18202	,10699	-,02923	,39327
Turnover in 2010	Equal variances assumed	,374	,541	-1,191	242	,235	-,18450	,15489	-,48960	,12061
	Equal variances not assumed			-1,195	194,238	,233	-,18450	,15435	-,48890	,11991

(C3) Linear Regression: The initial sum of 45 TSEK

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,341[a]	,116	,094	17,18926	1,276

a. Predictors: (Constant), Newspapers and/or Trade Press, Retailers, TV and/or radio

b. Dependent Variable: Donation Sum 45 TSEK

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4666,946	3	1555,649	5,265	,002[a]
	Residual	35456,473	120	295,471		
	Total	40123,419	123			

a. Predictors: (Constant), Newspapers and/or Trade Press, Retailers, TV and/or radio

b. Dependent Variable: Donation Sum 45 TSEK

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	42,270	2,005		21,083	,000		
	Retailers	8,780	3,809	,214	2,305	,023	,858	1,166
	TV and/or Radio	-14,905	5,924	-,245	-2,516	,013	,777	1,287
	Newspaper and/or Trade Press	9,281	3,696	,247	2,511	,013	,762	1,312

a. Dependent Variable: Donation Sum 45 TSEK

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Retailers	TV and/or Radio	Newspapers and/or Trade Press
1	1	2,450	1,000	,06	,07	,06	,06
	2	,702	1,868	,26	,03	,66	,00
	3	,504	2,206	,18	,90	,01	,12
	4	,345	2,665	,50	,00	,27	,82

a. Dependent Variable: Donation Sum 45 TSEK

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	36,6465	60,3314	46,3871	6,15976	124
Residual	-42,27046	48,94926	,00000	16,97834	124
Std. Predicted Value	-1,581	2,264	,000	1,000	124
Std. Residual	-2,459	2,848	,000	,988	124

a. Dependent Variable: Donation Sum 45 TSEK

(C4) Independent t-test: Initial sum of 45 TSEK

Group Statistics

	Dummy Increase/Decrease 45	N	Mean	Std. Deviation	Std. Error Mean
Retailers	Increase	83	,2651	,44405	,04874
	Decrease/Stay	41	,2439	,43477	,06790
TV and/or radio	Increase	83	,0482	,21548	,02365
	Decrease/Stay	41	,1951	,40122	,06266
Newspapers and/or Trade press	Increase	83	,3855	,48968	,05375
	Decrease/Stay	41	,2927	,46065	,07194

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Retailers	Equal variances assumed	,260	,611	,251	122	,802	,02116	,08419	-,14550	,18781
	Equal variances not assumed			,253	81,312	,801	,02116	,08358	-,14514	,18745
TV and/or radio	Equal variances assumed	30,084	,000	-2,656	122	,009	-,14693	,05532	-,25644	-,03742
	Equal variances not assumed			-2,194	51,698	,033	-,14693	,06697	-,28134	-,01252
Newspapers and/or Trade Press	Equal variances assumed	4,803	,030	1,013	122	,313	,09286	,09169	-,08866	,27438
	Equal variances not assumed			1,034	84,306	,304	,09286	,08980	-,08571	,27143

(C5) Linear Regression: Initial sum of 25 TSEK

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,482[a]	,232	,187	15,74367	2,149

a. Predictors: (Constant), Sum Donations in 2010, Direct Mail, Retailers, Vertical Organization Structure, Year Founded, Turnover in 2010

b. Dependent Variable: Donation Sum 25 TSEK

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7647,531	6	1274,588	5,142	,000[a]
	Residual	25282,047	102	247,863		
	Total	32929,578	108			

a. Predictors: (Constant), Sum Donations in 2010, Direct Mail, Retailers, Vertical Organization Structure, Year Founded, Turnover in 2010

b. Dependent Variable: Donation Sum 25 TSEK

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,611	9,051		,288	,774		
	VerticalOrgStructure	1,984	,859	,240	2,311	,023	,697	1,434
	Retailers	12,180	3,758	,299	3,241	,002	,886	1,128
	Direct Mail	8,787	3,781	,206	2,324	,022	,955	1,047
	Year Founded	5,382	2,114	,249	2,546	,012	,790	1,266
	Turnover in 2010	-4,987	1,647	-,337	-3,027	,003	,606	1,649
	Sum Donations 2010	2,739	1,094	,237	2,503	,014	,836	1,196

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions						
				(Constant)	VerticalOrg Structure	Retailers	Direct Mail	Year Founded	Turnover in 2010	Sum Donations 2010
1	1	4,892	1,000	,00	,01	,01	,01	,00	,01	,01
	2	,859	2,387	,00	,00	,24	,59	,00	,00	,00
	3	,613	2,826	,00	,01	,66	,32	,00	,00	,02
	4	,282	4,162	,01	,00	,01	,01	,07	,04	,40
	5	,228	4,633	,00	,34	,04	,02	,02	,07	,39
	6	,109	6,709	,00	,53	,04	,05	,00	,82	,10
	7	,018	16,402	,98	,11	,01	,01	,91	,07	,08

a. Dependent Variable: Donation Sum TSEK 25

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	6,9390	49,4711	26,6239	8,41490	109
Residual	-29,35384	61,85958	,00000	15,30010	109
Std. Predicted Value	-2,339	2,715	,000	1,000	109
Std. Residual	-1,864	3,929	,000	,972	109

a. Dependent Variable: Donation Sum TSEK

(C6) Independent t-test: The initial sum of 25 TSEK

Group Statistics

	DummyUppNer25	N	Mean	Std. Deviation	Std. Error Mean
Retailers	Increase	13	,5385	,51887	,14391
	Decrease/Stay	111	,2252	,41963	,03983
Vertical Org Structure	Increase	13	2,7692	1,92154	,53294
	Decrease/Stay	108	3,7037	2,08806	,20092
Direct Mail	Increase	13	,3077	,48038	,13323
	Decrease/Stay	111	,2162	,41353	,03925
Year Founded	Increase	13	3,8462	,37553	,10415
	Decrease/Stay	111	3,0090	,76865	,07296
Employees	Increase	13	1,4615	,51887	,14391
	Decrease/Stay	111	2,0631	1,11420	,10576
Turnover in 2010	Increase	12	1,2500	,86603	,25000
	Decrease/Stay	111	2,2252	1,18079	,11208

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Retailers	Equal variances assumed	5,302	,023	2,483	122	,014	,31324	,12617	,06347	,56300
	Equal variances not assumed			2,098	13,900	,055	,31324	,14932	-,00724	,63371
Vertical Org Structure	Equal variances assumed	,012	,913	-1,536	119	,127	-,93447	,60824	-2,13884	,26990
	Equal variances not assumed			-1,641	15,618	,121	-,93447	,56956	-2,14428	,27533
Direct Mail	Equal variances assumed	1,665	,199	,742	122	,460	,09148	,12329	-,15259	,33554
	Equal variances not assumed			,659	14,162	,521	,09148	,13890	-,20611	,38906
Year Founded	Equal variances assumed	1,125	,291	3,863	122	,000	,83714	,21672	,40812	1,26617
	Equal variances not assumed			6,583	25,982	,000	,83714	,12716	,57575	1,09854
Employees	Equal variances assumed	6,692	,011	-1,917	122	,058	-,60152	,31379	-1,22270	,01965
	Equal variances not assumed			-3,368	27,583	,002	-,60152	,17859	-,96760	-,23545
Turnover 2010	Equal variances assumed	6,366	,013	-2,777	121	,006	-,97523	,35120	-1,67052	-,27993
	Equal variances not assumed			-3,560	15,802	,003	-,97523	,27397	-1,55661	-,39384

13. APPENDIX III

Survey

ABOUT THE COMPANY

What year was the company founded?

How many employees does the company have?

What revenue did the company have in 2010?

What industry does the company belong to?

Where is the company positioned compared to competitors?

	Fully disagree 1	2	3	4	5	6	Fully agree 7
The company is well known	○	○	○	○	○	○	○
The company is successful	○	○	○	○	○	○	○
The company is innovative	○	○	○	○	○	○	○
The company has a good reputation	○	○	○	○	○	○	○
The company is reliable	○	○	○	○	○	○	○
The company has a vertical organization structure	○	○	○	○	○	○	○

SALES- AND MARKETING CHANNELS

What sales channels does the company use?

- ☐ Direct to consumers
- ☐ Direct to companies
- ☐ Retailers
- ☐ Wholesalers
- ☐ Authorities
- ☐ Export
- ☐ Other

What marketing channels does the company use?

- ☐ Direct mail
- ☐ Internet
- ☐ Fairs and exhibitions
- ☐ TV and/or Radio
- ☐ Newspaper and/or Trade Press
- ☐ Sales Staff
- ☐ Other

CUSTOMERS

The company´s number of customers

Few customers	2	3	4	5	6	Many customers
1						7
○	○	○	○	○	○	○

Size on the company´s customers

Small customers	2	3	4	5	6	Large customers
1						7
○	○	○	○	○	○	○

CHARITY DONATIONS

Does the company work on CSR (Corporate Social Responsibility)?

- ○ Yes
- ○ No

If Yes; Charity donations are a large part of the company´s work on CSR.

Instämmer inte alls	2	3	4	5	6	Instämmer till fullo
1						7
○	○	○	○	○	○	○

The company works on CSR to a large extent.

Fully disagree 1	2	3	4	5	6	Fully agree 7
○	○	○	○	○	○	○

Does the company donate to some kind of charity today?

- ○ Yes
- ○ No

If Yes, What kind of charity and why?

The company believes that charity is import.

Fully disagree 1	2	3	4	5	6	Fully agree 7
○	○	○	○	○	○	○

Did the company budget for charity donations in 2010?

- ○ Yes
- ○ No

Approximately how much did the company donate to charity in 2010?

Approximately how much of the profit did the company donate to charity in 2010 ?

Do the company communicate externally that the company donate to charity?

- ○ Yes
- ○ No
- ○ The company does not donate to charity

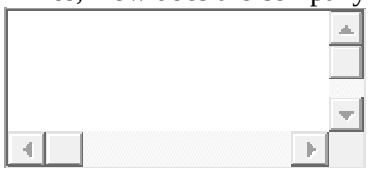
If Yes, How does the company communicate this?



Does the company communicate internally that the company donates to charity?

- Yes
- No
- The company does not donate to charity

If Yes, How does the company communicate this?



	Fully disagree 1	2	3	4	5	6	Fully agree 7
The company believes that charity donations have become more important the last decade.							
The company´s stakeholders believe that charity donations have become more important the last decade.							
How much the company donates to charity is affected by how much competitors donate to charity.							
The company would like to donate more to charity.							
The company plans to donate more to charity.							

ILLUMINATION OF THE COMPANY´S CHARITY DONATIONS

	Fully disagree 1	2	3	4	5	6	Fully agree 7
To illuminate charity donations externally is important for the company.	○	○	○	○	○	○	○
To illuminate charity donations internally is important for the company.	○	○	○	○	○	○	○
To illuminate charity donations on the company website is important for the company.	○	○	○	○	○	○	○
To illuminate charity donations in other channels than on the company website is important.	○	○	○	○	○	○	○
The company prefers to use the logo of the charity organization in the company´s own work rather than to be seen with the company logo at the charity organization.							
The company prefers to donate to charity organizations that offer the companies to use the logo of the charity organization.	○	○	○	○	○	○	○

TO EXHIBIT WORK ON CSR

	Fully disagree 1	2	3	4	5	6	Fully agree 7
To exhibit work on CSR can increase customer loyalty.	○	○	○	○	○	○	○
To exhibit work on CSR can increase sales.	○	○	○	○	○	○	○
To exhibit work on CSR can increase custumers´willingness to pay.	○	○	○	○	○	○	○
To exhibit work on CSR can increase brand legitimacy.	○	○	○	○	○	○	○

CASE 1

Whether the company is engaged in charity donations today or not, imagine how the company would act in the two cases A and B. The content in the cases is hypothetical. However, the charity organization Hoppets Stjärna is a true charity organization.

Hoppets Stjärna

- Founded year 1970

- Objective: A sustainable future for children in developing countries

- Turnover in 2009: 71 500 TSEK

You are company X with 50 employees, a yearly turnover of 100 000 TSEK and a profit margin of 15 % (15 000 TSEK).

The company X donates to the charity organization Hoppets Stjärna. Hoppets Stjärna implements a system that enables the company to exhibit that the company is a gold-, silver- or bronze. The company then obtain the opportunity to use the logo of Hoppets Stjärna together with a gold, silver- or bronze trophy in the company´s own work. To date, Hoppets Stjärna had individual agreements with its corporate donors, but in the new system same rules apply for all companies. This entails that for donations ≥ 20 TSEK per year the company become a bronze donor, ≥ 50 TSEK a silver donor and ≥ 100 TSEK a gold donor. If donations are < 20 TSEK per year, the company does not obtain access to the logo of Hoppets Stjärna.

Case A

Today, the company donates 45 TSEK per year to the charity organization Hoppets Stjärna.

What sum do you believe that the company would donate if the system described above was implemented?

Case B

Today, the company donates 25 TSEK per year to the charity organization Hoppets Stjärna.

What sum do you believe that the company would donate if the system described above was implemented?

CASE 2

Whether the company is engaged in charity donations today or not, imagine how the company would act in the two cases A and B. The content in the cases is hypothetical. However, the charity organization Hoppets Stjärna is a true charity organization.

Rädda Barnen

- Founded year 1919

- Objective: All childrens´ rights are met

- Turnover in 2009: 737 956 TSEK

You are company X with 50 employees, a yearly turnover of 100 000 TSEK and a profit margin of 15 % (15 000 TSEK).

The company X donates to the charity organization Rädda Barnen. Rädda Barnen implements a system that enables the company to exhibit that the company is a gold-, silver- or bronze. The company then obtain the opportunity to use the logo of Rädda Barnen together with a gold, silver- or bronze trophy in the company´s own work. To date, Rädda Barnen had individual agreements with its corporate donors, but in the new system same rules apply for all companies. This entails that for donations ≥ 20 TSEK per year the company become a bronze donor, ≥ 50 TSEK a silver donor and ≥ 100 TSEK a gold donor. If donations are < 20 TSEK per year, the company does not obtain access to the logo of Rädda Barnen.

Case A

Today, the company donates 45 TSEK per year to the charity organization Rädda Barnen.

What sum do you believe that the company would donate if the system described above was implemented?

Case B

Today, the company donates 25 TSEK per year to the charity organization Rädda Barnen.

What sum do you believe that the company would donate if the system described above was implemented?

>> ®