

# You Did What with My Donation?! Betrayal of Moral Mandates Increases Negative Responses to Redirected Donations to Donor-to-Recipient Charities

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**ABSTRACT** While research identifies predictors of charitable giving, little is known about what happens after the donation takes place. Accordingly, the present work examines how consumers respond when they learn their donation to a donor-to-recipient (traditional) charity such as donorschoose.org (unitedway.org) has been used for a project that the donor did not select (prefer). Highlighting the dark side of charitable giving, the present work conceptualizes redirected donations as a service failure within a betrayal-based framework. Consistent with the proposed framework, three studies demonstrate that redirected donations increase perceived betrayal, which leads to lower future donation intentions and volunteering, and heightened negative word of mouth intentions and switching charities. Results also indicate that the sense of betrayal is magnified when the charity has a moral mandate to carry out the advertised project (i.e., the charity is a donor-to-recipient vs. a traditional charity, and the project is seen as morally imperative).

Charitable donations are not always used as donors intend. For example, charities may embezzle donations or use them for questionable activities (e.g., travel). In other cases, charities receiving too much support may “save money for a rainy day” (e.g., Red Cross after 9/11) or redirect money to a different project. It would not be surprising to learn that donors are outraged in cases of embezzlement or dishonest use of donors’ monies. Less intuitive is that donors respond negatively when their money is simply redirected to another good cause. The present article investigates the latter by examining how donors react when they learn their contributions to *donor-directed* charities are not used for the project they intended but are still used for good.

Donor-to-recipient (D2R) charities enable donors to contribute to a project of their choice by making a donation directly to the beneficiary. For example, a donor can loan money to Raul to build a bakery in Ecuador or donate to build a well in Tanzania. For the purposes of this research, D2R charities encompass all donor-directed types of charity structures—including crowdfunding and peer-to-peer structures—where

benefactors can directly donate to a specific beneficiary/project. D2R charities differ from traditional charities, where donors give money to a charity, which then has full latitude in targeting beneficiaries/projects of their choice. Notably, the popularity of the D2R charity is on the rise; for example, donations to D2R charities including Donors Choose and Kiva have increased over 700% in the past decade (other D2R charities and their recent growth are reviewed in the online appendix).

While D2R charities are appealing, the nature of D2R projects means that donations are sometimes redirected. For instance, a D2R charity may find it impossible to complete a project as intended (e.g., hitting bedrock while digging a well). In this case, a charity may use donations for a different project (e.g., library) or location (e.g., neighboring village). Optimistically, redirected donations should not bother donors, assuming their donation supports a good cause. On the other hand, redirected donations could upset donors because this outcome does not correspond to a donor’s initial preference. The present work assumes the latter. Building on the service

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failure literature, we develop a betrayal-based framework for understanding responses to redirected donations. Our mediation model posits that redirected donations lead donors to feel betrayed by the charity, which in turn energizes several negative reactions including reduced donations and volunteering, increased negative word of mouth (NWOM), and greater charity switching.

We further reason that responses to redirects will be moderated by the extent to which a charity has a moral mandate to carry out a specific project. We test this reasoning in two ways. First, we compare how consumers respond to “redirected” donations when dealing with D2R (vs. traditional) charities. As noted, when working with a D2R charity (e.g., Donors Choose), a donor picks a specific charitable project and expects that their donation will be used for that project. If money is used for a different purpose, it is (in fact) redirected. By contrast, with a traditional charity (e.g., United Way), a donor may prefer a particular project but donate understanding the charity has the latitude to allocate funds as it deems best. However, if money is used for a nonpreferred project, donors may perceive it has been “redirected” away from their preferences (although with a traditional charity, which offers no choice over projects, donations cannot in fact be redirected). Comparing D2R and traditional charities, we argue that redirected donations will be more likely to lead to perceived betrayal when dealing with D2R (vs. traditional) charities, as D2R charities have a stronger moral obligation to carry out the project a donor supports, and that a redirection constitutes a more pronounced norm violation (which is what betrayal entails).

Second, drawing again on the moral mandate perspective, we investigate how donors respond when their donation has been directed away from projects that are seen as more (vs. less) morally imperative. Specifically, we examine how donors respond when they learn that their donation is redirected from a water well (high in moral imperativeness) to a library improvement project (lower in moral imperativeness) and vice versa. We posit that redirected donations will be more likely to lead to perceived betrayal when money is directed away from projects viewed as more morally imperative. Our resulting moderated mediation model appears in figure 1.

Developing and testing this model offers four contributions to the charity and service failure literatures. First, the present work contributes to the charity literature, which typically explores factors that influence people to give (e.g., White and Peloza 2009; Lee, Winterich, and Ross 2014). While important, little research has explored what happens after peo-

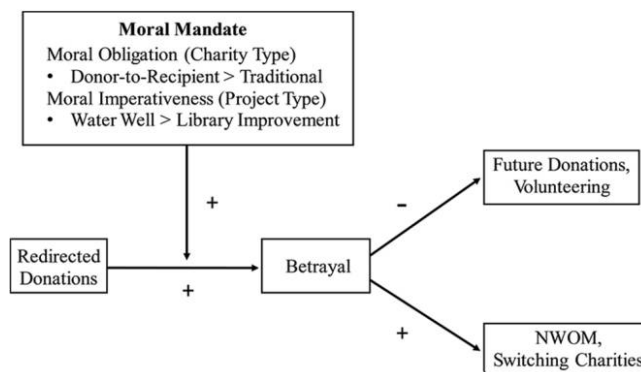


Figure 1. Conceptual model. Redirected donations increase donors’ perceived betrayal, which leads to lower future donation intentions and volunteering, and heightened negative word of mouth (NWOM) intentions and switching charities, with stronger indirect effects for donor-to-recipient charities and morally imperative projects.

ple donate, especially when a charity makes changes to what donors anticipated when giving. Second, by framing redirected donations as a service failure, we address calls to test service failure frameworks in nontraditional settings (Zayer, Otnes, and Fischer 2015). Although transformative service research has gained traction recently (Anderson et al. 2013), of the roughly 300 articles containing ‘service failure’ in the title, none deal with charities. Our work thus highlights an unmined domain for service failure research. Third, our work addresses calls for research on betrayal, a construct that Reimann et al. (2018) note is in its “infancy.” Our focus on betrayal also offers a unique and counterintuitive approach to donor-charity interactions, which typically focuses on positive themes such as empathy and the warm glow of giving. Finally, our moral mandate approach emphasizes a key moderator linking redirected donations to perceived betrayal. While past research has examined how donations are affected by a giver’s moral identity (Reed, Aquino, and Levey 2007) and the moral positioning of the charity (Winterich, Zhang, and Mittal 2012), we are unaware of any research that has viewed service failures by charities through a moral lens. Next, we outline our model, advance three hypotheses following from the model, and report three studies testing these hypotheses.

## BACKGROUND AND MODEL DEVELOPMENT

In 2009, donors who used microfinancing service Kiva learned that their loans to specific individuals were not directed to the person as intended. Donors assumed that when they selected a beneficiary, the money was sent directly to the

advertised recipient (e.g., Raul in Ecuador). Only through news organizations and blogs did donors learn that, rather than loaning money to the advertised beneficiary, Kiva was backfilling existing loans (Strom 2009). This meant donations were, ultimately, helping the charity assist a beneficiary, just not the one the donor intended.

The present study focuses on this phenomenon by examining how donors respond when their donations are redirected away from the project they intended (or merely preferred). While it is possible that donors will be unfazed after learning their donation was redirected, assuming that their donation supports a good cause, there are reasons to question this logic. In the present work, we adopt the counterposition, namely, that redirected donations will be viewed as a service failure that leads to feelings of betrayal and, consequently, negative donor reactions.

### *Redirected Donations as a Service Failure Involving Betrayal*

Service failures occur when customers perceive that service performance falls below expectations (Smith, Bolton, and Wagner 1999). When this happens, consumers are likely to experience negative feelings such as dissatisfaction, anger, and in extreme cases, betrayal (Grégoire and Fisher 2008; Joireman et al. 2013; Reimann et al. 2018). Betrayal has been defined as “a consumer’s belief that a firm has intentionally violated what is normative in the context of their relationship” (Grégoire and Fisher 2008, 150). Compared to dissatisfaction, betrayal relies on a perceived extreme norm violation, rather than a milder disconfirmation of expectations. In turn, Grégoire and Fisher (2008) argue that betrayal is an emotional and cognitive driving force that leads customers to punish norm-violating firms. Typically, an act of betrayal is not perceived (by the victim) to occur by accident. Rather, victims usually believe the norm violator is aware of the actions resulting in betrayal. That being said, betrayal is not necessarily synonymous with malicious intent, as there are other negative motives that could lead to perceived betrayal (e.g., lack of transparency, carelessness, and self-interest).

Redirected donations appear to qualify as service failures that could lead to betrayal. To begin, when working with a D2R charity, donors expect the charity to support one’s chosen project. Indeed, the ability to consider and execute a particular choice with a beneficiary are distinguishing features of D2R charities. As such, when donations are redirected, donor expectations are clearly not met. Moreover, redirected donations also violate an important norm

that one should honor one’s promises, which should give rise to feelings of betrayal (as the charity broke its promise to use the donor’s money for a particular project).

Although perhaps not intuitive, the tendency to view redirected donations as a service failure involving betrayal is likely due to the moral mission of charities. Indeed, Koehler and Gershoff (2003) argue that consumers are more likely to feel betrayed when a transgression is made by an authority figure associated with higher moral standards (e.g., protection of others). For instance, a crime committed by a policeman should be associated with stronger feelings of betrayal compared to similar crimes committed by regular individuals. We believe such logic applies to charitable organizations in general. Given that most charities are driven by altruistic motives and concern for others, consumers should naturally infer that these organizations are “moral actors,” operating according to the highest level of integrity and honesty (Burt and Mansell 2017). Accordingly, we propose that in a charity context, where moral standards for action should be heightened, redirected donations should trigger a sense of betrayal. It should be noted that this argument is different from the logic suggested in prior work (Grégoire and Fisher 2008), which emphasizes that customers with a strong relationship are more likely to feel betrayed because they have developed higher expectations over time. In contrast with this relationship-based logic, we advance a morality-based argument for perceived betrayal.

Assuming donors feel betrayed when their donations are redirected, this is likely to result in several negative donor reactions. For example, service failures may cause consumers to avoid the organization (Zourrig, Chebat, and Toffoli 2009) and spread NWOM regarding their experience (Wetzer, Zeelenberg, and Pieters 2007). Such negative actions likely emerge from negative emotions and cognitions, including betrayal (Aquino, Tripp, and Bies 2006). Consistent with this view, betrayal has been used as a mediator in several service failure studies (e.g., Grégoire and Fisher 2008; Wan, Hui, and Wyer 2011).

Our mediation model (fig. 1) captures this proposed sequence. Specifically, we hypothesize that redirected donations will have a negative indirect effect on future donations (hypothesis 1a) and volunteering (hypothesis 1b) and a positive indirect effect on NWOM (hypothesis 1c) and switching charities (hypothesis 1d) through perceived betrayal. As we explain next, we further propose redirected donations will have a stronger effect on betrayal when the charity has a moral mandate to complete the project.

### *Moderating Role of Moral Mandates*

As noted earlier, D2R charities offer an alternative to the more traditional charity structure (in which donors allow the charity to decide how to use the donor's money, such as United Way). Implied within the D2R structure is the notion that a D2R charity will carry out the project the donor has chosen. In contrast, while donors working with a traditional charity may have a preference for certain projects, traditional charities make no promise to use donations to support donors' specific preferences. This suggests that redirected donations should lead to a stronger sense of betrayal when a D2R charity redirects money to a project the donor has not chosen than when a traditional charity (re)directs money to a project the donor does not prefer. Restated, the effect of a redirect on betrayal should be magnified when the charity is a D2R charity (vs. a traditional charity; hypothesis 2a).

A second moral mandate may be embedded within the project itself. Indeed, donors may believe that certain projects are more morally imperative than others. This suggests that redirected donations are likely to have a stronger effect on betrayal when donations are redirected away from projects viewed as more morally imperative. For example, because it addresses a fundamental need for survival, a well-water project should be viewed as more morally imperative than a library improvement project. This suggests that redirecting donations from a well-water project to a library project is likely to lead to greater feelings of betrayal than redirecting donations from a library project to a well-water project (hypothesis 2b).

Combining our mediation and moderation hypotheses, we test a moderated mediation model in which the hypothesized indirect effects of redirected donations (via betrayal) will be stronger when dealing with D2R (vs. traditional) charities (hypothesis 3a) and when the initial project is more morally imperative (water well vs. library; hypothesis 3b).

### *Overview of Studies*

To test our hypotheses, we conducted three studies. Study 1 offers a preliminary test of betrayal as a mediator between redirected donations and future donation intentions and NWOM. Study 2, a lab study with real donations, tests the indirect effect of redirected donations on volunteering and switching charities through betrayal. Study 3 tests our moderated mediation model and corresponding conditional indirect effects hypotheses. (Three additional foundational studies appear in the online appendix).

## STUDY 1

### *Participants, Design, and Procedures*

**Participants.** Participants were drawn from an introductory marketing course at Washington State University ( $N = 46$ , 54.3% female, 71% Caucasian, median age = 21) and a panel of US consumers ( $N = 79$ ; 50.6% female, 86% Caucasian, median age = 35), with the goal of recruiting at least 50 people per cell. Students received course credit while the panel earned money for completing the study.

**Redirect Scenarios.** Participants imagined donating to a well-water project in Nanveet village in central India. Participants then learned that, 3 months after donating, *cnn.com* reported that nearly half of all gifts to charities are redirected to other projects (an approach modeled after real world charity redirects such as Kiva, where donors learned of the redirected donations through the media). Participants were then assigned to one of two conditions. In the *as planned condition*, participants learned that their donation was used as intended. In the *redirect condition*, participants learned the charity redirected their donation—it was still used in India but in a different village and for a different project (the online appendix contains complete scenarios).

**Measures.** Participants rated the likelihood of future donations to the same charity and spreading NWOM on separate single-item scales (1 = strongly disagree to 7 = strongly agree) and completed an established three-item scale to assess betrayal (1 = strongly disagree to 7 = strongly agree; Grégoire, Tripp, and Legoux 2009): participants indicated the extent to which they felt betrayed, that the charity broke its promise, and that the charity let them down ( $\alpha = .96$ ).

### *Results*

One-way ANOVAs revealed that redirected donations led to significant increases in betrayal,  $F(1, 121) = 84.33, p < .001, \eta^2 = .411$ , NWOM intentions,  $F(1, 121) = 17.08, p < .001, \eta^2 = .124$ , and a significant reduction in future donation intentions,  $F(1, 121) = 26.25, p < .001, \eta^2 = .178$ , consistent with our model (fig. 2). Correlations between the outcome measures for all studies appear in the online appendix.

We used Hayes's PROCESS program (2013, model 4, 5,000 samples) to test two indirect effects. Supporting hypotheses 1a and 1c, both indirect effects were significant, as neither confidence interval included 0 (table 1). As shown

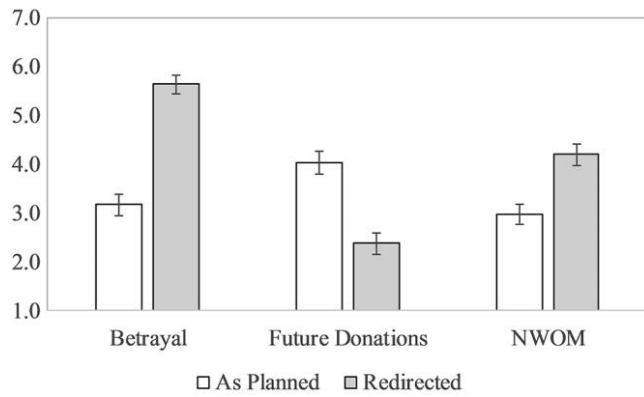


Figure 2. Study 1. Redirected donations resulted in significant increase in donors' perceived betrayal, negative word of mouth (NWOM) intentions, and a significant decrease in future donation intentions.

in the online appendix, structural equation modeling further indicated that the overall model fit the data well.

**Discussion**

Study 1 offers initial evidence that redirected donations reduce future donation intentions and increase NWOM intentions, through perceived betrayal, supporting our model. Nevertheless, it has three limitations. First, it rests on stated intentions in response to hypothetical scenarios. Second, donors were not given any details about the nature of the redirected project. Third, donors were explicitly told that their donation was used "as intended" or "redirected," which could raise concerns over demand artifacts. Study 2 addresses these issues by (a) using a lab-based method to enhance realism including real donations and, ostensibly, real-time communication with the charity; (b) providing donors with a detailed explanation of the two project options (library improvement, well-water); (c) never telling people their donations were used

"as planned" or "redirected"; and (d) eliciting behavioral outcomes, including willingness to help the charity and an opportunity to direct one's (doubled) donation to the original D2R charity or a different D2R charity.

**STUDY 2**

**Participants, Design, and Procedures**

**Participants.** Students at Washington State University ( $N = 106$ ; 48.1% female, 59.4% Caucasian, median age = 21) earned \$1 for the study. Our goal was to recruit at least 50 people per cell (who passed comprehension checks). Participants, recruited outside of our research lab on campus, completed the study in a cubicle equipped with a computer and donation envelope.

**Initial Choice.** On the computer, participants read that we were working with the Peruvian Assistance Agency, a D2R charity allowing donors to support specific projects in Cañani Village, Peru. Participants were told that the charity was raising money to support a library improvement project and a well-water project. Participants read a brief description about each project. Descriptions were matched on length and style and included a relevant image (the online appendix contains complete stimuli). After receiving \$1 to donate, participants placed their donation in a small envelope, indicated their choice (library, well) on the front of the envelope, and completed the remaining tasks via an online survey.

**Perceptions of the Charity and Explanation of the Choice.**

After making their initial donation to the library or well-water project, participants indicated on the computer which project they had chosen and were informed the computer would send a quick note to the charity informing them of their choice. Next, participants explained why they chose the project they did and indicated whether the charity was a D2R

Table 1. Study 1: Mediation Analysis (PROCESS Model 4) with Redirect as the Primary Predictor, Betrayal as Mediator, and Future Donation Intentions and NWOM as Outcome Variables

Indirect Effect	Path <i>a</i>	Path <i>b</i>	LL	UL
RD → betrayal → future donations (H1a)	2.45***	-.66***	-2.23	-1.08
RD → betrayal → NWOM (H1c)	2.45***	.60***	.99	2.00

Note.—H1a = hypothesis 1a; H1c = hypothesis 1c; NWOM = negative word of mouth; LL (UL) = lower (upper) limit of confidence interval; RD = redirect (1 = as planned, 2 = redirect).

\*\*\*  $p < .001$ .

charity or a traditional charity. Subsequently, to verify the charity was perceived as intended, participants rated the extent to which (a) the charity offers donors a choice about how their donation is used, and (b) the charity has the right to decide how donations are used (1 = strongly disagree to 7 = strongly agree). Finally, participants wrote a message to the people of Cauñani Village about their donation.

**Simulated E-Mail from the Charity.** Next, participants saw (in their Qualtrics survey) a brief memo in e-mail format, ostensibly from the Peruvian Assistance Agency, thanking them for their donation and explaining how their donation was used (online appendix). The email executed the redirect manipulation. In the *as planned condition*, the charity allocated the money to the project chosen by the donor; in the *redirect condition*, the charity allocated the donation to the nonchosen project. Participants were not told the donation was “used as intended” or “redirected,” simply that their donation was allocated to the library project or the well-water project.

To enhance the memo’s realism, we included both English and Spanish in parts of the header (i.e., *From*: Peruvian Assistance Agency/Agencia de Asistencia Peruana; *Re*: Your Donation/Su Donación). We also embedded a donation number (0032019476CV) in both the header and the main body of the e-mail and piped in the current date and time so it appeared the email had been sent from the charity at that moment in time.

The memo thanked the donor for their contribution and informed them it had been allocated to the library improvement or well-water project. After indicating how the donation had been allocated, the e-mail said the charity would be on campus the following month and was looking for volunteers to spread the word about their charity and hoped the donor would join them in promoting the charity. The e-mail concluded with an (illegible) signature from the “Director of Operations.”

Once they read the memo, participants were asked to indicate “just so we know” to which project the charity allocated the participant’s donation. Participants then completed the three-item betrayal scale from study 1 ( $\alpha = .95$ ).

**Volunteering to Help the Charity.** Next, participants were told the charity would be on campus the following month and was looking for volunteers to insert promotional materials into mailing envelopes. Participants indicated how many envelopes that they would be willing to stuff (0–50 in increments of 5). Participants also read that the charity was seeking help handing out flyers in the student union building and

indicated how many hours they would be willing to volunteer (0–10).

**Switching Charities.** Finally, we informed participants that we were giving them an opportunity to double their donations in the study. Participants were asked where they would like to send their doubled donation (now \$2). Participants selected between the Peruvian Assistance Agency (“the same charity you worked with earlier”) and the Indian Assistance Agency (“another donor-to-recipient charity that does similar projects but in India”). Participants were told if they picked the Indian Assistance Agency, their initial donation (to the Peruvian Assistance Agency) would be rerouted to Indian Assistance Agency, and it would receive the entire \$2 donation.

**Debriefing and Actual (Real-World) Charity Choice.** After providing demographics and being debriefed, participants were informed we would in fact make a \$2 donation to one of two real-world charities of their choice, either (a) The Library Project, a charity that provides library spaces to schools in rural communities in Asia, or (b) water.org, a charity providing access to clean water. Participants received the website for each charity to verify its authenticity. Donations were sent to the respective charities in accordance with participants’ preferences.

## Results

**Comprehension Checks.** To ensure proper comprehension, we asked participants to indicate which type of charity they read about (D2R, traditional charity) and what their donation was used for (library, well-water). Of an initial 176 participants, 79% (139) correctly indicated the type of charity, 72.7% (128) correctly identified the type of project the charity allocated their donation toward, and 60.2% (106) answered both questions correctly, constituting our final sample.

**Manipulation Checks.** Moreover, participants believed the charity offered them choice over where the donation would be allocated ( $M = 5.62$ ,  $SD = 1.33$ ; significantly above the scale midpoint of 4,  $p < .001$ ), consistent with the D2R nature of the charity. However, unexpectedly, participants also slightly agreed that the (D2R) charity had a right to decide how to allocate the donor’s money ( $M = 4.56$ ,  $SD = 1.64$ ; significantly above the midpoint of 4,  $p < .001$ ). While we had anticipated the mean to be below the midpoint, this tendency actually works against our redirect manipulation, making a test of the redirect more conservative.

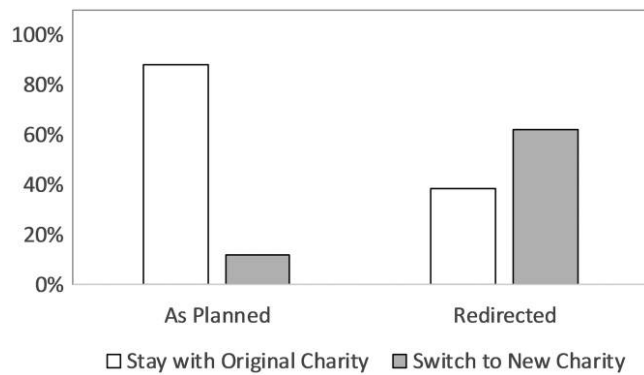


Figure 3. Study 2. Only a small number of donors (12.2%) in the as-planned condition switched their donation to the new charity, whereas over half of the donors (61.8%) in the redirect condition switched to the new charity.

**Primary Analyses.** Donors whose money was redirected offered to assemble fewer promotional packets ( $M_{as\ planned} = 19.37, SD = 17.30; M_{redirected} = 7.77, SD = 13.75$ ),  $F(1, 102) = 14.51, p < .001, \eta^2 = .125$ ) and volunteered fewer hours to hand out flyers in the student union building ( $M_{as\ planned} = 1.71, SD = 2.32; M_{redirected} = .61, SD = 1.16$ ),  $F(1, 103) = 9.96, p < .001, \eta^2 = .088$ ). Participants were also given an opportunity to double their donation and direct that donation to the original D2R charity (Peruvian Assistance Agency) or a different D2R charity (Indian Assistance Agency). As shown in figure 3, a very small number in the as planned condition switched charities (6/49 = 12.2%). In contrast, over half of the donors in the redirect condition switched to the new charity (34/55 = 61.8%),  $\chi^2(1) = 26.91, p < .001, \phi = .51$ .

Results also revealed that redirected donations led to significantly higher perceived betrayal ( $M_{as\ planned} = 2.43, SD =$

1.04;  $M_{redirected} = 4.82, SD = 1.62$ ),  $F(1, 104) = 78.72, p < .001, \eta^2 = .431$ ). And, in line with hypotheses 1b and 1d, Hayes’s (2013) PROCESS modeling (model 4, 5,000 samples) revealed a significant indirect effect of redirected donations on volunteering to assemble promotional packets and switching charities (table 2). However, there was no significant indirect effect on hours volunteered to hand out flyers.

**Discussion**

Study 2 offered additional support for our mediation model, using a more realistic setting and outcomes. As predicted, redirected donations led donors to feel betrayed, which reduced willingness to assemble promotional packets and increased propensity to switch charities.

In study 3, we test the moderation portion of our model, which assumes that felt betrayal resulting from redirected donations should be stronger when the charity has a moral mandate to carry out the chosen project. To test this reasoning, we manipulated the type of charity (D2R vs. traditional) and the initial project that the donor preferred (a well-water project vs. a library improvement project). To recall, hypothesis 2a proposes that the effect of a redirect on betrayal should be magnified when the charity is a D2R charity (vs. a traditional charity), while hypothesis 2b posits that redirected donations are likely to have a stronger effect on betrayal when donations are redirected from projects viewed as more (vs. less) morally imperative. Relatedly, in study 3, we tested our moderated mediation (and conditional indirect effects) hypotheses, namely, that the indirect effects of redirected donations (via betrayal) would be stronger when dealing with D2R (vs. traditional) charities and when the initial project is more morally imperative (water well vs. library; hypotheses 3a and 3b).

Table 2. Study 2: Mediation Analysis (PROCESS Model 4) with Redirect as the Primary Predictor, Betrayal as Mediator, and Volunteering to Assemble Packets, Volunteering to Hand out Flyers, and Switching Charities as Outcome Variables.

Indirect Effect	Path <i>a</i>	Path <i>b</i>	LL	UL
RD → betrayal → assemble packets (H1b)	2.47***	-.42*	-2.20	-.22
RD → betrayal → hand out flyers (H1b)	2.41***	-.10	-.77	.18
RD → betrayal → switch charities (H1d)	2.37***	.50**	.34	2.57

Note.—H1b = hypothesis 1b; H1d = hypothesis 1d; LL (UL) = lower (upper) limit of confidence interval; RD = redirect (1 = as planned, 2 = redirect).

\*  $p = .06$ .  
 \*\*  $p < .01$ .  
 \*\*\*  $p < .001$ .

## STUDY 3

*Participants, Design, and Procedures*

**Participants.** Participants were US residents recruited on Amazon Mechanical Turk ( $N = 286$ ; 168 males, 117 females, 1 gender invariant/nonconforming, 75.2% Caucasian, median age = 34.5) who earned a small incentive for completing the study. Our goal for the sample size was 40/cell, short of the 50/cell in the other studies but large enough to detect effects (within our budget).

**Charity Type and Project Type Manipulations.** Participants imagined they had been interested in donating money to charity and, after searching the web, found the Peruvian Assistance Agency, doing projects in Cauñani Village, Peru. In the *D2R charity condition*, participants were told that the charity allows donors to directly support specific projects. In the *traditional charity condition*, participants were told the charity uses donations to support a variety of different projects. All participants were told that the charity listed two projects on their website, including a library improvement project and a well-water project. Participants were asked to imagine they chose (*D2R condition*) or liked (*traditional condition*) the library project or the well-water project. In the *D2R condition*, participants were told they made a sizeable donation to support their chosen project. In the *traditional charity condition*, participants were told they made a sizeable donation and hoped their money would support their preferred project, but that they also understood the charity would make the final decision on how to use their donation.

**Redirect Manipulation.** Next, participants were asked to imagine that, three months after their donation, they contacted the charity. In the *as planned* condition, participants learned their donation was used for the project they had chosen/preferred (i.e., for library project if they chose/preferred the library project or the well-water project if they chose/preferred the well-water project). In the *redirect condition*, participants learned their donation was used for the library improvement project (if they had initially chosen/preferred the well-water project) and the well-water project (if they had initially chosen/preferred the library improvement project). Notably, we said nothing about reading an article on *cnn.com* about redirected donations, and we did not tell people their donation was redirected/used as intended. Rather, we merely used the match/mismatch between the initial project they had chosen/preferred and the project the charity had supported to operationalize the *as-planned vs. redirected donations* manipulation.

**Comprehension and Manipulation Checks.** Participants indicated if they donated money to a D2R charity (allowing donors to directly support specific projects) or traditional charity (using donations to support a variety of projects) and rated the extent to which (a) the charity offers donors a choice about how their donation is used, and (b) the charity has the right to decide how donations are used (1 = strongly disagree to 7 = strongly agree). In addition, participants indicated if the charity used their donation for the well-water project or library improvement project. Finally, participants rated a charity's moral obligation to build a water well in a village that does not have clean water, and a charity's moral obligation to improve a library in a village that does not have a well-functioning library (1 = strongly disagree to 7 = strongly agree).

**Outcome Measures.** Participants rated the likelihood of future donations to the same charity and spreading NWOM on separate single-item scales (1 = strongly disagree to 7 = strongly agree) and completed the three-item betrayal scale described in study 1 ( $\alpha = .96$ ).

*Results*

**Comprehension Checks.** Of an initial 342 participants, 88% (301) correctly indicated the type of charity they read about, 94% (321) correctly identified the project their donation supported, and 83.6% (286) answered both questions correctly, constituting our final sample.

**Manipulation Checks.** Supporting our charity type manipulation, participants were more likely to believe the charity gave them a choice over how their donation would be used in the D2R charity condition ( $M = 6.15$ ,  $SD = 1.16$ ) than in the traditional charity condition ( $M = 3.53$ ,  $SD = 2.36$ ),  $F(1, 278) = 139.42$ ,  $p < .001$ ,  $\eta^2 = .33$ , with both means significantly different than the scale midpoint of 4 (D2R,  $p < .001$ ; Traditional,  $p < .05$ ). Moreover, as shown in figure 4, supporting our charity type manipulation, participants were less likely to believe that charities had the right to decide how donations are used in the D2R condition ( $M = 3.33$ ,  $SD = 2.00$ ) than in the traditional condition ( $M = 6.30$ ,  $SD = 1.16$ ),  $F(1, 277) = 223.97$ ,  $p < .001$ ,  $\eta^2 = .33$ , with both means significantly different than the scale midpoint of 4 (all  $p < .001$ ). Finally, supporting our project type manipulation, participants were more likely to believe charities had a moral obligation to build a water well ( $M = 5.52$ ,  $SD = 1.36$ ) than to improve a library ( $M = 3.95$ ,  $SD = 1.45$ ),  $F(1, 284) = 241.18$ ,  $p < .001$ ,  $\eta^2 = .459$ , with the



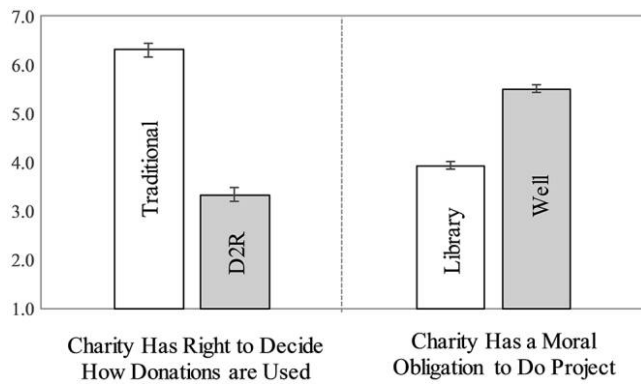


Figure 4. Study 3. Donors were less likely to believe charities had the right to decide how donations are used in the D2R condition than in traditional condition. In addition, donors were more likely to believe that charities had a moral obligation to build a water well than to improve a library.

former significantly above the scale midpoint ( $p < .001$ ) and the latter not different than the midpoint ( $p = .60$ ), as shown in figure 4.

**Primary Analyses.** The preceding manipulation checks are in line with our moral mandate argument that the effect of redirected contributions on betrayal is likely to be larger when dealing with D2R (vs. traditional) charities and when the initial project involves building a water well (vs. improving a library). To test hypotheses 2a and 2b, we conducted a 2 (Redirect: as planned vs. redirected)  $\times$  2 (Charity type: D2R vs. Traditional)  $\times$  2 (Initial project type: library vs. well) ANOVA on betrayal. Supporting hypothesis 2a, results revealed a significant Redirect  $\times$  Charity Type interaction,  $F(1, 278) = 27.14, p < .001, \eta^2 = .089$ , with redirect donations having a stronger effect on betrayal in the D2R condition (left half, fig. 5). Supporting hypothesis 2b, results revealed a significant Redirect  $\times$  Project Type interaction,  $F(1, 278) = 9.30, p < .01, \eta^2 = .032$ , with redirected donations having a stronger effect on betrayal when the initial project was a water well (right half, fig. 5). The three-way interaction was not, however, significant ( $p = .91$ ).<sup>1</sup> Additional simple effects tests indicated that redirect had a signif-

1. A similar (marginally significant) Redirect  $\times$  Charity Type interaction emerged on future donations,  $F(1, 278) = 2.91, p = .09, \eta^2 = .01$ , and NWOM,  $F(1, 278) = 3.54, p = .06, \eta^2 = .013$ , with larger effects in the D2R condition. Moreover, a similar significant Redirect  $\times$  Project Type interaction emerged on future donations,  $F(1, 278) = 4.86, p < .05, \eta^2 = .017$ , but did not emerge for NWOM,  $F(1, 278) = .31, p = .58, \eta^2 = .001$ . Graphs are shown in the online appendix.

icant effect in both the D2R and traditional charity types, as well as the library and well-water project types (all  $p < .001$ ).

We used Hayes' PROCESS program (2013, model 8) to test hypothesis 3, which predicted two conditional indirect effects. To test hypothesis 3a, we treated redirect condition as the primary predictor, type of charity as the (path *a*) moderator, betrayal as the mediator, and future donation intentions and NWOM as the respective outcome variables. As shown in table 3, the moderated mediation index was significant for future donation intentions and NWOM. Also in line with hypothesis 3a, the conditional indirect effect of redirected donations through betrayal was stronger in the D2R condition than in the traditional charity condition (though both indirect effects were significant).

Next, we tested hypothesis 3b, with redirect as the primary predictor, type of project as the (path *a*) moderator, betrayal as the mediator, and future donation intentions and NWOM as the outcome variables. As shown in table 3, the moderated mediation index was significant in both cases. Moreover, in line with hypothesis 3b, the conditional indirect effect of redirected donations through betrayal was stronger when the initial project was a water well than when it was a library improvement project (although both indirect effects were significant).

**Discussion**

Study 3 complemented and extended our earlier studies by clarifying two important boundary conditions related to a charity's moral mandate to carry out an advertised project. First, redirected donations are more likely to lead to

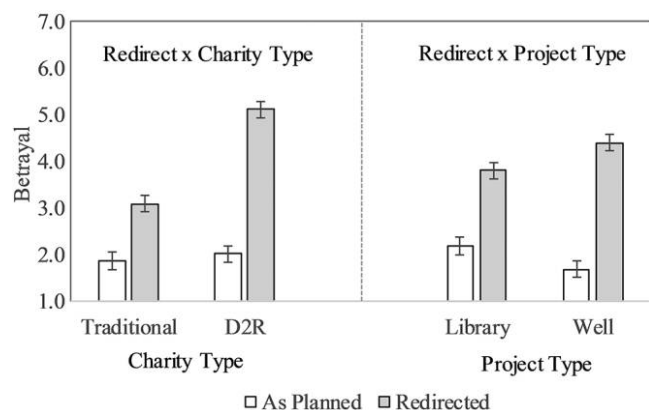


Figure 5. Study 3. Redirecting donations had a stronger effect on donors' perceived betrayal in the D2R condition than in the traditional condition and when the initial project was a water well than a library improvement project.

Table 3. Study 3: Moderated Mediation Analysis (PROCESS Model 8) with Redirect as the Primary Predictor, Charity and Project Type as Moderators, Betrayal as Mediator, and Future Donation Intentions and NWOM as Outcome Variables.

	Path <i>a</i>	Path <i>b</i>	LL	UL
RD × charity type → BT → FD (H3a)			−1.96	−.91
RD → BT → FD (traditional)	1.22***	−.71***	−1.33	−.48
RD → BT → FD (D2R)	3.15***	−.77***	−2.78	−1.89
RD × charity type → BT → NWOM (H3a)			.77	1.80
RD → BT → NWOM (traditional)	1.22***	.69***	.43	1.19
RD → BT → NWOM (D2R)	3.15***	.61***	1.60	2.54
RD × project type → BT → FD (H3b)			−1.22	−.16
RD → BT → FD (library)	1.76***	−.68***	−1.63	−.78
RD → BT → FD (water well)	2.76***	−.70***	−2.32	−1.48
RD × project type → BT → NWOM (H3b)			.14	1.10
RD → BT → NWOM (library)	1.76***	.52***	.68	1.48
RD → BT → NWOM (water well)	2.76***	.72***	1.26	2.10

Note.—BT = betrayal; D2R = donor-to-recipient; FD = future donation intentions; NWOM = negative word of mouth; RD = redirect (1 = as planned, 2 = redirected). Charity type (1 = traditional, 2 = D2R). Project type (1 = library, 2 = well). Index of moderated mediation and conditional indirect effects based on Hayes (2013, model 8). LL (UL) = lower (upper) limit of confidence interval.

\*\*\*  $p < .001$ .

perceived betrayal if the charity is a D2R (vs. a traditional) charity, because D2R charities have a moral obligation to carry out the chosen project. With that said, even donors dealing with a traditional charity felt some sense of betrayal when the charity did not use their donation for the project they desired. This suggests that donors to traditional charities may still believe, at some level, that their preferences should be taken into account, and consequently feel “let down” when their money is not used for the type of project they prefer. This interesting and somewhat surprising finding suggests that even traditional charities should be concerned with donors’ preferences and recognize the potential for felt betrayal if donations are not used in accord with the preferences of donors (even though, technically, a traditional charity makes no promise to use donations for a particular project). At the same time, it should be reiterated that while the redirect effect was significant in both charity conditions, the effect was much larger in the D2R charity condition (compared to the traditional charity condition), as predicted.

Second, redirected donations were more strongly related to perceived betrayal when donors believe that the project they chose is morally imperative, as hypothesized. This suggests that projects vary in the extent to which charities may (or may not) have freedom to use donations for different projects. In short, when a project is viewed as more morally

imperative, the current results suggest that charities have fewer degrees of freedom to repurpose donations.

## GENERAL DISCUSSION

While research has devoted attention to predictors of charitable giving and responses to service failures, these research streams have largely developed along separate lines, perhaps because the former focuses on positive/prosocial behaviors while the latter deals with negative/revenge-oriented behaviors. The present article merged work on charities and service failures by examining how donors respond upon learning their support for an intended project was redirected. The present studies indicate that redirected donations lead to perceived betrayal, which results in reduced willingness to donate to and volunteer for the charity, and heightened inclination to spread NWOM and switch charities.<sup>2</sup> Notably, in line with a moral mandate perspective, redirected donations

2. Across our studies, redirected donations also increased willingness to donate to other charities, suggesting that consumers’ negative responses to a redirect do not reflect a general reduction in prosocial motivation. Moreover, redirected donations reduced trust (which was inversely related to betrayal) and positive word of mouth (which was inversely related to NWOM). The online appendix summarizes analyses on these additional outcome measures.

were more likely to lead to feelings of betrayal when the charity had a stronger moral obligation to complete the project chosen by the donor (D2R > traditional charity), and when the initial project was viewed as more morally imperative (water well > library). The practical implications of these findings appear clear: once a donor commits funds to a given project in a specific location, the charity should honor its promise to carry out that project. Charities should carefully avoid redirecting funds away from projects deemed morally imperative (i.e., meeting basic physiological needs, such as the need for clean water).

### *Theoretical Implications*

Beyond its practical implications, the present work offers four key theoretical contributions. First, by linking charities and service failures, we offer a novel perspective to the study of prosocial consumer behavior. While encouraging donations is crucial, it is equally important to understand what happens postdonation. As a service relationship, charities can fail to deliver on their value proposition, raising the risk of a service failure. Indeed, the present results support this dark side of prosocial consumer behavior by revealing that donors respond to redirected donations as if a service failure has occurred. Thus, our first contribution is to highlight the value of a service failure framework for understanding donors' responses to charities, post donation.

Second, the present work addresses calls to apply service failure frameworks in novel domains. To date, most service failure research has focused on traditional service settings, such as restaurants, airlines, and hospitality firms. Because charities are viewed as moral actors aiming to do good works, it may seem surprising to consider donor-charity interactions as a service failure context. However, as the current studies illustrate, insights from the service failure literature can facilitate understanding donor responses to redirected donations. Future research might examine additional contexts in which service failure theory and research can aid in understanding how consumers interact with charities and non-profit agencies.

Third, the present work highlights the mediating role of perceived betrayal. Reimann et al. (2018) suggest that work on betrayal is in its "infancy" and have encouraged researchers to examine the construct in different domains. Addressing that call, the present work utilized a betrayal-based framework to understand negative responses to redirected donations. This is significant for two reasons. First, charities are not typically thought of as entities that can betray their donors, yet our work clearly indicates betrayal plays a key me-

diating role when a charity fails to deliver. Second, our work illustrates the value in viewing the donor-charity exchange as a relationship that can potentially go awry. These implications suggest future research directions regarding the dark side of donating to charity. Such research could explore the betrayal process resulting from negative donor-charity exchanges and uncover new directions in work on service failures, charities, and betrayal. Further, research could explore how, when dealing with D2R charities, the enhanced connection between the donor and the recipient affects responses to redirected donations. While our theoretical emphasis has been on how redirected donations undermine donors' choice over the funded project, it is also possible that redirected donations reduce donors' feeling of connection with the eventual beneficiaries.

Finally, drawing on the foundation of a moral mandate, we highlight two key factors that magnify reactions to redirected donations. First, donors feel more betrayed when (a) a D2R charity redirects their donations compared to a traditional charity that uses donations for a nonpreferred project, and (b) money is directed away from projects viewed as morally imperative (e.g., water well). Our focus on moral mandates extends prior charity research, which has highlighted the importance of morality, for example, by priming a donor's moral identity (Reed et al. 2007) and demonstrated how a charity's moral foundations interact with donors' political orientation (Winterich et al. 2012) but has not shown how perceived morality influences postdonation responses to charities. Future work on perceptions of a charity's moral (vs. immoral) actions can offer insight to charities attempting to directly connect donors and beneficiaries.

### *Limitations and Future Directions*

While the present work advances research on charities and service failures, several limitations should be noted. First, we focused on a limited number of charitable projects (e.g., water wells and library improvement projects), involving either hypothetical or relatively small donations. Accordingly, future research should explore the extent to which the present results generalize to alternative types of charitable projects and if larger donations magnify the effects.

Second, attention checks yielded many participants who were not paying close attention to the stimuli, eliminating them from the sample. While our final sample sizes were reasonably large, a replication of our results with larger and more generalizable samples would be useful.

Third, we did not directly examine attributions for the redirected donations. In study 1 (and the foundational studies

in the online appendix), redirected donations were clearly identified as such, suggesting that they may have been intentional. However, in studies 2 and 3, participants were not explicitly informed that the charity had redirected the donations. Thus, it is possible that participants in these studies viewed the redirect as less intentional or even accidental. However, the strong and reliably negative effects across the studies suggest that donors viewed the redirect in equally negative terms, regardless of whether the redirect was made explicit (or more ambiguous). Nevertheless, future research more closely examining the attributions for the redirect would offer additional insight into why donors respond so negatively to redirected donations.

Fourth, as an initial test, the present studies aimed to understand responses to redirected donations. Given the large negative effects we observed, another important question is whether charities can intervene to buffer these negative donor reactions. Drawing on the service failure literature, future research might examine whether explanations, apologies, and/or compensation can promote more positive responses (e.g., Joireman et al. 2013). It could also be helpful to see whether donors with a strong prior relationship with the charity feel more or less betrayed after a service failure and to understand under which condition we can expect a buffering versus an amplification effect of a prior relationship (e.g., Grégoire and Fisher 2008).

Finally, we used a service failure in which a project was funded with some changes (a different project, a different location, or both). Unfortunately, charities may at times commit more severe service failures (e.g., fraud). Future research should explore whether, in more severe cases, a donor may not only exit from the charity but also from charitable giving entirely.

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