

ORIGINAL CONTRIBUTION

## Contribution about Social Responsibility for Business Organizations: Implementing the Micro-donation

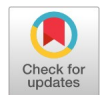
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**Abstract**— This paper aimed to answer the question regarding the distribution of micro-donations. It focuses on investigating that how rounding-up the invoice amount of purchases could change the donation market. In order to do so an intensive literature review on ethics, Corporate Social Responsibility (CSR) and donations with a special focus on micro-donations was conducted. The findings from the literature review show that micro-donations can be used as a low threshold for customers to do good and as a starting point for bigger donations. Those findings were discussed in the light of how micro-donations can be perceived by customers and by corporations. Implementation strategies for micro-donations at different point-of-sales were analyzed within the work. The results of this literature review were compared with those of an empirical study that was also conducted in the course of the PhD. A quantitative survey taking place in both Germany and Romania including 16 closed-ended questions regarding people's attitude towards micro-donations was used to deepen the understanding of the topic. Analysis of the gathered data showed that, as was partially predicted by the findings from the literature review, the option to donate via micro-donations seem relevant especially for the young and the poor. Those usually very hard to reach demographics can with this measure be nudged into donating small amounts. In general, the paper was able to show that people do have a very positive attitude towards microdonations. Still, special education on the topic is needed in order to achieve optimal results.

**Index Terms**— Micro-donations, CSR, Intention-behavior Gap, Donations, Technology Acceptance Model.

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### Introduction

The main focus of this paper is how micro donations provided by rounding up of the invoice amount, can influence the donation market.

*Micro-donations – From good intentions to behavior*

A concept of micro donations, that will be discussed in the course of this work can be described as donations of micro monetary amounts by rounding up the sum of the purchase by customers. Some programs, such as DEUTSCHLAND RUNDET AUF (Germany Rounds Up) offer an in-built micro donation options – a process when micro monetary amount are already included in the price of products. Combined together over the course of multiple purchases micro donations help in collection of substantial amounts.

Economics, that tries to understand and explain agent's decision process, is usually based on the assumption that decisions taken by individuals matter and have an impact, while agent's approach to a decision making is rational. This vision implies that decisions made over the course of decision-making process are usually aimed at benefiting individuals themselves (Kirchgassner, 1992). As a contrast to this rationalized decision-making approach, researchers describe low-cost-decisions, which can be

split in two basic types:

- i. Decisions where the individual decision is irrelevant for the individual himself/herself and for all other individuals, but the collective decision is relevant for all individuals (Low-Cost Decision Type I)
- ii. Decisions where the individual decision is irrelevant for the individual himself/herself, but is highly relevant for other individuals (Low-Cost Decisions Type II) (Kirchgassner, 1992)

Low-cost decisions do not follow a general logic of decision making proposed by economic theories due to the fact that they are considered by people not impactful enough in order to be approached in a classical self-beneficial way.

This logic of abandoned selfishness lies in the foundation of the micro donation phenomenon: amounts, that are usually do not exceed 50 cents per purchase, are considered irrelevant for individuals' status of financial well-being. Thus, it is fair to assume, that motivation for micro donations is based on other, different from economic, factors. Results of the research of Schreiber et al. (2006), aimed at finding out factors that motivate people to donate blood and concluding that convenience is one of the main predictors in people's beneficial behavior, seem to be applicable to a wider range of beneficial activities, including micro donations. Thus, it can be concluded that whether a beneficial decision will be put into action or not depends on how convenient the process of implementation is designed.

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Due to the fact that bridging the gap between an intention and actual behavior is important to only on an individual, but also on societal level, it has been addressed by scientists from various fields, such as public health, education, organizational change and energy conservation (Khomkaiy et al., 2017; Nabilla, 2019; Sheeran & Webb, 2016). By conducting a meta-analysis Sheeran (2002) managed, on the one hand, to establish a strong correlation between an intention and actual behavior; he, on the other hand, concluded that only around 25% of variance in behavior is predicted by intentions, raising, thus a question regarding other behavior-influencing factors. Some of these factors, that can be considered as predictors of a certain behavior are, according to Godin et al. (2005), moral norms. Thus, those behaviors that are in alignment with moral norms accepted within a certain society, will be much more likely to be put in actions, than those contradicting these norms.

#### Models explaining human behavior

Within social sciences have been developed several approaches to explaining human behavior, some of which will be considered below. An expectation value model, that was proposed by Fishbein and received a great recognition in an attitudinal research, is based on the idea that an individual access the features of an adjusted object (Towler & Shepherd, 1992).

Fishbein's and Ajzen's Theory of Reasoned Action is considered to be one of the most effective models for predicting consumer behavior, even in spite of the fact that like many other similar models it is aimed at predicting not an actual behavior, but rather associated attitudes (Sheppard et al., 1988). The model also possesses a strong predictive validity and can provide accurate predictions even outside the framework defined by Fishbein and Ajzen. Model can be applied for prediction of various customers' behaviors and intentions, such as a car purchase, coffee selection

or a choice of a movie to watch, which proves generalizability of research results (Direkwuttanakunchai & Yousapronpaiboon, 2017; Sheppard et al., 1988; Thanyasunthornsakun et al., 2016).

Ajzen (1985) expanded the Theory of Reasoned Action and basing on this developed the Theory of Planned Behavior. The initial theory was extended by the factor of behavioral control. Ajzen (1985) argued, that this behavioral control should be responsible for bridging the gap between attitude and behavior. This extension, Madden et al. (1992) concluded in their study on the validity of the two models, actually contributes to increasing the predictive power of the model. The authors analyzed a variety of different decision scenarios. Behavioral control is measured in this model by different questions assessing how difficult it would be to actually translate attitudes into action and how much control people think they have over their own actions and behaviors (Madden et al., 1992).

According to Rosenberg's model for predicting attitudes towards an object or concept, the prediction depends on two main aspects: (i) the perceived usefulness of an object/ concept for achieving goals of an individual; (ii) the importance of these goals (Rosenberg, 1956). Rosenberg (1956) assumes that this likelihood of usefulness is assessed by humans. Thus, not the actual utility is of interest in the model, but the one perceived by the individual.

In spite of the fact that Rosenberg model was initially concerned with political, social and cultural matters, it also became a basis for other models, whose primary concern is about an attitude and acceptance of products and technologies. Thus, Technology Acceptance Model (TAM) proposed by Davis (1985) describes the interplay of perceived utility, intended use, and social-cognitive processes. TAM builds up on earlier proposed models accessing individuals decision-making process, such as Theory of Reasoned Action (Fishbein & Ajzen, 1975) and Theory of Planned Behavior (Ajzen, 1985)–both of which are explaining a phenomenon of game of thrones from sociological perspective (Luce & Raiffa, 1989).

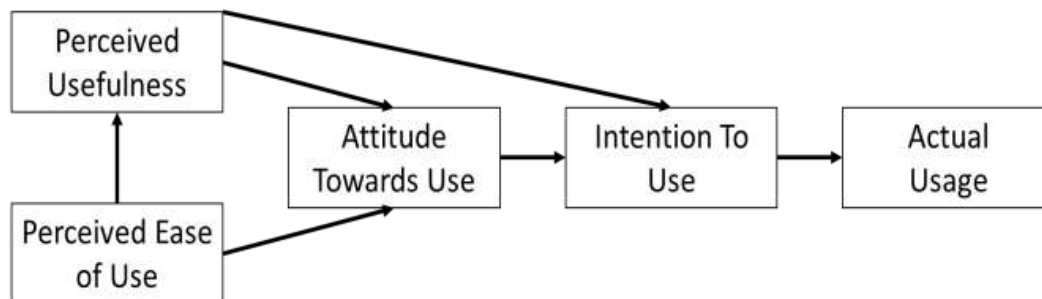


Fig. 1. TAM (own illustration, inspired by Konigstorfer (2008))

The aim of TAM, as it is shown in Fig. 1, is to predict user's and consumer's behavior basing on perceived usefulness and ease of use of the product or service (Konigstorfer, 2008). The model perceives the attitude, the intention to use and the actual usage behavior as separate stages. According to Venkatesh & Davis (2000) TAM can explain about 40% of the variance in terms of behavioral intentions in the field of mobile commerce. This high predictive validity of TAM makes the model to be considered as one of the most viable models of acceptance research in both science and practice.

#### Using the TAM to explain micro-donations and their implementation

While micro-donations on the one hand fulfill mostly a societal goal, they, on the other hand represent both challenge and opportunity from a technological point of view.

Since micro donations are becoming more and more popular in Europe, especially in the big retail stores like Kaufland, H&M, and Rossmann. Nonetheless, approach to integration of micro donations in the purchase process varies in different countries.



Fig. 2. Kauffland Poland (own illustration)

Thus, in Poland micro donations are collected in the cash register area in the form of coins. This process has both its advantages and disadvantages. Thus, the process of touching the coins creates a haptic experience for the customer, while an ability to see one's own contribution through the transparent box creates a positive feeling of achievement. On the other hand, the whole process of taking coins from a wallet and placing them to the box is often time-consuming, while a necessity to count micro-donations implies additional workforce and, thus, spending.

As an alternative to a collection of physical coins, an approach that is called rounding up and that has already been used in Germany for several years, excludes any physical interaction with real money. Thus, during a purchase process a customer can just round up the amount of his pur-

chase to the next full ten cents. Like this, micro donation becomes a part of the whole bill. Round up approach to micro donations helps merchants to avoid costs for handling the collected cash, while customers avoid the necessity to look up for coins in the wallet – instead all collected micro donations are processed by the inventory management system and then sent to the recipient in bigger sums on a monthly basis.

While rounding up approach significantly simplifies the process of handling and processing micro donations, it also increases the chances that customer might simply forget about a donation. Customers can be informed about round up micro donations by means of advertising materials and campaigns or simply being verbally informed about existing opportunity by a cashier at the moment of payment. Nonetheless, as there might appear questions regarding the purpose of donation, it might initiate some time consuming and thus undesirable discussions at the cash register desk.

According to TAM individuals' attitude towards technologies is explained by the two factors: their usefulness and the ease in their use. While perceived usefulness of micro donations is assessed by a customer basing on the purpose of the donations, an easiness with which a donation can be made is assigned to a technological advancement of the process. Beside being technically easy for a customer, a micro donation process should be also easy for a vendor to process and not to take time from the main business.

### Methodology

One of the core questions raised throughout the research was, in which way the population would appreciate the idea and whether these small amounts given by micro-donations would be accepted by the general population. In order to answer these questions and thereby foster understanding of the topic survey in oral form was conducted with 300 citizens in Germany and Romania.

Participants were presented a laminated copy containing the possible answers to the questions. Thereby appropriate answers to the questions could easily be identified and the procedure resembled the one of a standardized survey in written form. This was particularly helpful in questions of age, income and donation behavior to guarantee the authenticity of questions as well as to protect the participants from the public pressure.

A total of 16 close-ended questions (4 of them being of sociodemographic nature and 12 about the donation behavior and attitude) were presented to the participants (see Table 1).

Table 1  
Questions posed to participants

Gender
Age group
Income level (self-assessment)
Origin
Have you ever donated money to do something good for a non-profit organization?
If yes, how often?
If not, why not?
From what amount is an amount you give a "donation" for you?
On the street are laying 1 Cent/Ban. Would you bend down to pick up the money?
Would you (only) give 5 Cents/Bani to a beggar/homeless on the street?
From what amount would you stoop on the street for a coin/bill?
Do you think that you can do something good with a 5 Cents/Bani donation?
Imagine that you and 1 million other citizens would each donate 5 Cents/Bani for a good cause. Would you donate 5 Cents/Bani?
Can you imagine that you would feel good after this small donation?
After doing this once, can you imagine donating a small amount again?
Can you imagine, when shopping, to donate the "rest Cents" directly to charitable projects?

**Results**

One of the main results from this survey is, that a majority of people never donated before – 74% of the participants stated that so far, they did not donate – a number that was higher for men (79.3%) than for women (68.7%). The main reason named by the participants for not donating in the past was a general lack of money: 69.8% of participants stated that they either do not have enough money or were not willing to spend their money on donations. The remaining participants answered that they either did not know where to donate or that they have other reasons not to do it. The lack of fund furthermore seemed especially relevant for the younger generation (80% of the participants under 24 years of age stated this as the reason) and for those with a lower socioeconomic background.

As a contrast to assess whether small amounts of money seemed relevant to the participants, they were asked, whether they would stop on the street to pick up a cent with the value of the equivalent of 1 Euro-Cent. Nearly three out of four participants (71.3% in Romania and 73.3% in Germany) negated this question and stated that they would not stop to pick up a coin with this value. On average, participants stated, that they would stop to pick up a coin with the value of 1 EUR or the equivalent in it.

In a similar vein, most participants were of the assumption, that a donation of less than a Euro (or a few cents) would be meaningless and not do any good. Only 18% were of the believe, that even such a small donation could make a meaningful impact. This clearly proves that a single small donation doesn't possess any significance in people's minds. This attitude however shifts as soon as many more people participate in the same action. 87,3% of German respondents would like to donate 5 Cents alongside other people. This number is in Romania at 78% for those who would participate in a collective donation.

To assess whether the possibility of micro-donation into the daily routine of people exists, it must be identified whether the respondents could imagine making a donation during the shopping trips or donate their change at the register after paying the bill. 56,7% of all participants could imagine doing so and are also willing to partake. The number of supporters is slightly higher in Romania with 59.3% compared to 54% in Germany who answered following question with a "yes": "Can you imagine, when shopping, to donate the "rest Cents/Bani" directly to charitable projects?".

In general, participants agreed, that small amounts given by big numbers of people can make a meaningful difference and thus, they also described themselves as more willing to donate, if enough others do so as well. 63% of participants stated, that they never donated before but would be willing to do so, if a million other people did as well. Another 19.3% stated, that they did so before and would go on doing so, if enough others do as well. Only a total of 17.4% of participants stated, that even of a big number of others would donate, they would not do so themselves.

**Discussion**

The present study shows from different points of view, how micro-donations can be used to foster donation behavior. The findings from literature review on ethical behavior stand in alignment with those on technology acceptance in these regards: To foster benevolent behavior such as micro-donations, it has to be easily accessible and easy to use. While not everybody would be willing to donate anyway due to their attitude or beliefs, those who in general would be willing to donate via micro-donations by rounding up, have to be given simple opportunities to do so. TAM argues [Davis \(1985\)](#) that ease of use is one of the core criteria to predict, whether a technical solution (as which the round-up-initiative can be viewed) will be accepted.

This is especially true, as [Kirchgassner \(1992\)](#) argues, for small donations. The researcher explains that for such small decisions the economic aspect becomes less relevant, as the impact can barely be assessed. Rather matters of convenience become important to people, the easier it is to do good, the more likely people are, to actually do so. This point goes in alignment with findings in regards of the intention-behavior gap ([Sheeran, 2002](#); [Sheeran & Webb, 2016](#)). It is argued that while many people are generally inclined to exhibit positive behavior and thereby have an intention to actually do so, this intention does not necessarily translate to behavior. But, [Sheeran \(2002\)](#) argues, the easier it is to turn the intention into actual behavior, the more likely people will be to do so. This point was proven during this research in the course of the empirical examination of the topic.

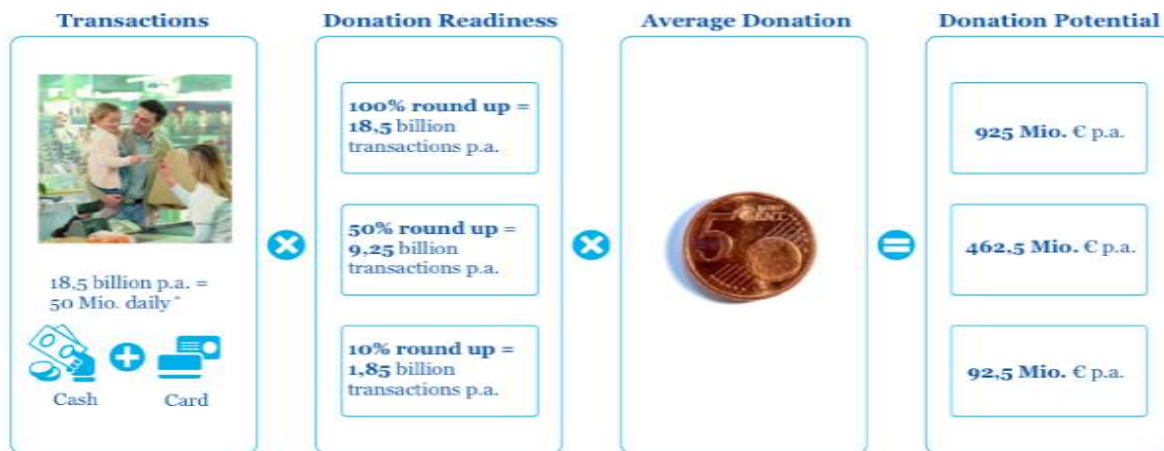


Fig. 3. Donation potential (own illustration)

The financial potential of micro-donations is conclusively shown in Fig. 3: Even with an average donation of only five cents and a donation readiness of 10%, the yearly donation potential sits at 92.5 million Euro. Taken together with the findings from the literature review (as long as it does not cause inconvenience, people are willing to donate minimal amounts and to do good) and from the empirical survey (people would donate if it does not harm their finances) it can be concluded that the potential only needs to be monetized by means of comfortable, convenient implementations of micro-donation systems at as many points-of-sale as possible.

### Limitations and Future Research Directions

The current study has some limitations, which might be addressed in future. First of all, this study relied on a cross-sectional design and survey was conducted from a total of 300 citizens only. A larger sample size with responses from more citizens would provide reliable results. Also, since the questions were asked in oral form, it could have risen social desirability bias in respondents and tarnished their response. In future, researchers are encouraged to access a larger sample size with more reliable methodological approach to get fine grained results.

### Conclusion

The present study shows from different points of view, how micro-donations can be used to foster donation behavior. It could be shown that people in fact would be willing to donate to a positive cause, if the personal financial loss for themselves is low enough and if they perceive enough others to do so as well. While a majority of people never donated before, they would be willing to do so under the right circumstances. This, results of the survey shows, is especially true for the younger generation and those in lower socio-economic background, who on average tend to not donate due to financial reasons. Micro-donations, however, are small enough to be impact-less even for the less financially-stable parts of the population and would therefore be an appropriate measure, to gather donations. Especially these groups are usually very hard to target when it comes to donations-thereby micro-donations might open up.

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