

How Thinking about Donation Decreases Sellers' Subsequent Willingness-to-Accept Price

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Abstract

Does considering donating a possession to charity change owners' willingness-to-accept (WTA) price if they later decide to sell the same possession? Four studies demonstrate that owners are willing to accept a lower price when they are first asked to consider donating the same object. This occurs because considering donation decreases the feeling of guilt owners can experience when parting with their possessions, which subsequently reduces the part of the owners' WTA price that was originally inflated by this feeling of guilt. Furthermore, considering donation is more effective at decreasing the WTA of owners that are highly attached to their possessions than of those who are relatively less attached. This research contributes to the literature on product disposal and the endowment effect. It also provides guidance for second-hand sellers, nonprofit organizations, and consumers that may benefit from a reduction in the WTP-WTA gap between buyers and sellers.

Keywords: *Willingness-to-accept; Disposal; Guilt*

Track: Consumer Behaviour