Nonprofits Are Seen as Warm and For-Profits as Competent: Firm Stereotypes Matter

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Consumers use warmth and competence, two fundamental dimensions that govern social judgments of people, to form perceptions of firms. Three experiments showed that consumers perceive nonprofits as being warmer than for-profits but as less competent. Further, consumers are less willing to buy a product made by a nonprofit than a for-profit because of their perception that the firm lacks competence. Consequently, when perceived competence of a nonprofit is boosted through subtle cues that connote credibility, discrepancies in willingness to buy disappear. In fact, when consumers perceive high levels of competence and warmth, they feel admiration for the firm—which translates to consumers' increased desire to buy. This work highlights the importance of consumer stereotypes about nonprofit and for-profit companies that, at baseline, come with opposing advantages and disadvantages but that can be altered.

In 2002, recent college graduate Charles Best started a philanthropic organization in the basement of his parents' home (Alter 2007). The organization consisted of a Web site (DonorsChoose.org) that allowed teachers to easily post requests for donations to fill specific pedagogical needs. Through DonorsChoose.org, requesters are not required to write in a heavy, formal grant-writing form (which is the norm when submitting aid requests); they can simply use plain language. For instance, a teacher in a high-poverty district of New York City wrote to ask for "$1266 to purchase five laptop computers to help build the students' math and literacy skills."

Initially, outsiders were skeptical that the idea would work. In fact, MBA graduates from a prominent business school investigated the organization and declared that DonorsChoose.org was unlikely to stay in business. They even went so far as to withdraw a large gift tagged for the organization because they believed the nonprofit's business plan was shabby. Seven years on, the organization is still afloat. DonorsChoose.org is, in fact, hugely successful, having won multiple awards and much acclaim.

We argue that the underlying story of DonorsChoose.org is a common one. The organization was perceived as caring and targeting a worthy cause, but as not possessing a high level of competency. This led to our inquiry into how people view nonprofit and for-profit organizations. We propose that people possess stereotypes of organizations merely based on the knowledge that a firm is a for-profit or not-for-profit.

People's judgments of others often fall along two primary dimensions, namely, how much they exude warmth and competence (Judd et al. 2005). These two dimensions emerge in contexts as varied as split-second evaluations (Ybarra, Chan, and Park 2001), liked and disliked groups (Cuddy, Fiske, and Glick 2007), employee hiring decisions (Casciaro and Lobo 2008), leadership qualifications (Chemers 2001), and romantic partner choices (Sinclair and Fehr 2005). The robustness of these two dimensions has led them to be deemed "fundamental" (Fiske, Cuddy, and Glick 2007). We examined whether warmth and competence color the way consumers view companies—in particular, nonprofits and for-profits—and whether those judgments influence marketplace decisions. We then tested whether consumers' stereotypes can be altered to enhance perceptions of nonprofits (since

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they lagged behind their for-profit counterparts on key metrics of marketplace appeal).

Across three experiments, we found that stereotypes do in fact exist for nonprofit and for-profit organizations and that they predict crucial marketplace behaviors, such as likelihood to visit a Web site and willingness to buy a product from the organization. In identifying these stereotypes, our findings underscore the importance of framing firms as nonprofits or for-profits (e.g., through the use of dot-org vs. dot-com Internet domain names). To our knowledge, this research is the first to investigate whether stereotypes are used to evaluate nonprofit and for-profit organizations, whether these stereotypes have downstream consequences on consumer behavior, and whether such stereotypes can be dispelled through marketing actions.

UNDERSTANDING WARMTH AND COMPETENCE

The literatures of social psychology and organizational behavior are replete with findings showing that people differentiate others on the basis of their apparent warmth and competence. Although definitions vary, warmth judgments typically include perceptions of generosity, kindness, honesty, sincerity, helpfulness, trustworthiness, and thoughtfulness, whereas competence judgments include confidence, effectiveness, intelligence, capability, skillfulness, and competitiveness (e.g., Aaker 1997; Grandey et al. 2005; Judd et al. 2005; Yzerbyt, Provost, and Corneille 2005). At a superordinate level, demonstrating warmth suggests a motivation to be other-focused and behave in line with moral codes, whereas competence suggests the effective capacity to bring about one's intent (Cuddy, Fiske, and Glick 2008).

The two dimensions are not only central to person perception, but they also account for a large share of the variance when targets are judged through the lens of a stereotype. The term *stereotype* means a shorthand, blanket judgment containing evaluative components. For example, groups such as rich people often are seen as high in competence but low in warmth, whereas housewives and the elderly often are seen as high in warmth but low in competence (Fiske et al. 2002).

Although the correlation between the two dimensions varies across stimuli, the two dimensions are often conceptualized as orthogonal. For example, in group or cultural judgments, perceivers tend to ascribe one or the other positive quality to a group, but not both. Competent leaders are perceived as less warm, nice, and likeable (Tiedens 2001). Working moms typically are reduced to one of two subtypes: warm but incompetent (e.g., homemakers) or competent but cold (e.g., professionals; Cuddy, Fiske, and Glick 2004). Yet, in judgments of individuals, the dimensions can be (but are not necessarily) positively related: an individual can be seen as high in warmth and competence or low in both dimensions (Judd et al. 2005; Rosenberg, Nelson, and Vivekananthan 1968). To wit, the well-known halo effect in which individuals who are seen positively on one trait are also seen positively on other traits (Kelly 1955). What remains unclear, though, is whether the same lens that colors perceptions of individuals (warmth and competence) applies to companies. If so, what is the nature of the relationship between the two dimensions? How easily can these stereotypes change?

SOCIAL JUDGMENTS OF FIRMS

Are companies viewed through the same lens that colors perceptions of individuals and groups? On the one hand, social judgments of warmth and competence in humans seem different from psychologically rendering an inanimate object animate. Further, the origins of competence and warmth perceptions relate to evolutionary pressures, which play little role in viewing firms. Many argue that cultural animals must determine (1) whether the entity is friend or foe, intending good or ill (i.e., is warm), and then (2) whether the entity has the ability to enact its intentions (i.e., is competent; Fiske et al. 2007). Thus, warmth and competence dimensions provide essential answers to competition and status concerns that promote reproduction and survival. From this perspective, then, it may be unlikely that such basic assessments play a role in perceptions of companies, for which evolutionary pressures are irrelevant to consumers' functioning.

On the other hand, marketers put forth and consumers adopt personified products (Aaker 1997; Aggarwal and McGill 2007; Fournier 1998), suggesting that consumers are open to the notion that marketplace entities can possess human-like traits. Further, companies often are viewed as having a reputation, which is a global evaluation of an organization accumulated over a period of time (Fombrun and Shanley 1990). In fact, research on firms' reputations alludes to both competence- and warmth-related judgments. For example, reputation is said to signal high-quality offerings, value creation, and a good investment opportunity (Devine and Halpern 2001), suggesting that a reputable firm is one that is high in competence. However, reputation also signals trust, such as when consumers believe that they can count on the firm to do what is best for them, to treat employees and consumers fairly, and to repair relationships if mistakes are made (Aaker, Fournier, and Brasel 2004)—judgments that fall under the warmth umbrella. Collectively, this research suggests that consumers can make judgments about whether a firm is warm or competent and, indeed, may be motivated to do so.

Differences in perceptions of nonprofits versus for-profits may arise from work practices within each type of firm that differentially foster behavioral patterns reflecting warmth versus competence. Research on promotion practices suggest that for-profit executives are often promoted because they have shown competence and managerial skill, whereas executives in nonprofits are promoted because they have shown commitment to the social good of the organization (Moret 2004). In other words, employees in for-profits are promoted because of their competencies, and employees in nonprofits are promoted because of their attachment to the organization's mission.

Further, when employees working at nonprofits versus for-profit organizations were asked to report how they felt about working at their companies, one of the largest differences was the answer to the question "My supervisor, or someone at work, seems to care about me as a person." Nonprofit workers responded in the affirmative to a greater extent than did for-profit workers. Further, a greater focus on hard bottom-line metrics (e.g., operating efficiency and cost) was reported at for-profits than nonprofits (Blizzard 2002). Such differences hint that nonprofits' work practices may align themselves with the warm side of the dimensional space, whereas for-profits' work practices better align with the competent side.

An independent line of research also suggests that perceptions of warmth and competence might be particularly relevant as a lens for consumers. Nonprofits are often seen as more trustworthy than for-profits (Hansmann 1981), partly due to people's fiscal associations with the for-profit's motive. For example, in categories such as health care, nonprofits are trusted more than for-profits because the concept of making a profit contradicts the values inherent in the provision of quality medical service (Arrow 1963). For-profit firms can, however, improve consumer perceptions and influence purchase behavior by affiliating with a social cause or welfare initiative (Lichtenstein, Drumwright, and Braig 2004).

Building on these streams of research, we hypothesize that consumers distinguish between nonprofits and for-profits and do so on the basis of warmth and competence.

> **H1:** A nonprofit organization will be judged as higher on warmth-related traits (e.g., warm, kind, generous), than a for-profit organization.

> **H2:** A for-profit organization will be judged as higher on competence-related traits (e.g., competent, efficient, effective), than a nonprofit organization.

If judgments of nonprofits and for-profits are filtered through the lens of warmth and competence, what are the downstream consequences? In the stereotyping literature, being seen as competent is bidirectionally linked to being seen as high in status (Fiske et al. 2002). Given that producing a high-quality offering is generally the aim of companies, high levels of competence should signal to consumers that companies offer high-quality products (Goldsmith, Lafferty, and Newell 2000). Building on these findings, we posited that to the extent that companies are perceived as competent, there is likely to be a spillover effect onto willingness to buy a product from that organization. As a consequence, consumers should show greater willingness to buy products from for-profits than nonprofits.

Being judged as high in warmth, although positive, is not germane to whether a firm will deliver a high-quality offering. For example, work on service encounters suggests that warmth alone is not enough to boost desire to engage with a service organization. Being warm (or "authentic") only aided customer satisfaction when it was present in an already competent service encounter (Grandey et al. 2005), a finding that again underscores the importance of competence. Another study showed that expected satisfaction of a service encounter reliably related to the firm's warmth—but the effect of competence on expected satisfaction was seven times stronger. Moreover, when perceptions of a firm's competence are low, no amount of authenticity or warmth compensated in terms of customer satisfaction (Grandey et al. 2005). To be sure, there are likely exceptions (e.g., product categories, individual differences, situational variables) but we hypothesize that, generally, judgments that a firm is warm will not translate to positive behaviors toward its product offerings, whereas judgments of competency will. More formally,

> **H3:** Consumers will be more willing to buy a product made by a for-profit than a nonprofit firm.

> **H4:** Perceptions of the firm's competence will mediate the effect of labeling the seller as a nonprofit versus for-profit on consumers' willingness to buy.

Because we predict that willingness to buy from nonprofits will suffer because of relatively low perceptions of competence, boosting perceived competence of nonprofits should increase consumers' willingness to buy from that organization. Increasing perceived competence could be as easy as using a subtle prime. For example, wearing a formal lab coat, as done in the (in)famous Milgram obedience experiments, enhances credibility and respect (Burger 2009). Further, work in marketing shows that credibility cues serve as an effective tool to improve perceptions of competence (Moscarani 2007) and in so doing can increase purchase likelihood (Berger, Draganska, and Simonson 2007) and choice (Erdem and Swait 2004). Thus, we hypothesize that a credibility cue will increase perceptions of competence, which should benefit perceptions of nonprofit companies in particular (as they would otherwise be predicted to be viewed as low in competence). In so doing, competence cues should increase willingness to buy from a nonprofit.

> **H5:** Providing cues that increase perceptions of a nonprofit as competent will increase consumers' willingness to buy from the nonprofit firm.

Experiment 1 tested the basic premise that stereotypes of nonprofits and for-profits exist and served to differentiate the two types of companies. Experiments 2 and 3 determined whether cues that increase an organization's perceived competence can positively impact consumers' willingness to buy from a nonprofit. An equally important objective was to determine whether our basic effect impacts actual behavior and persists over time and whether these perceptions can be changed.

MOZILLA EXPERIMENT 1: STEREOTYPES OF NONPROFITS AND FOR-PROFITS

To test hypotheses 1 and 2, we relied on a two-level single factor design that manipulated the type of organization (for-profit vs. nonprofit). To reduce demand, we operationalized organization type using the simple and subtle manipulation of a dot-org versus dot-com Internet domain name. To increase external validity, we utilized a real product made by an organization with both a dot-com and dot-org arm: Mozilla, which is the open-source software organization that supports the Firefox Web browser.

Method

Participants ($N = 127$; 59% female; ages 18–42, $M = 21$) from Stanford University were paid $5 to take part in a "New Product Study." They were presented with a picture and attribute information about an actual messenger bag made by Mozilla. Participants read a description about the Ogio-designed messenger bag, described as a computer friendly carryall with features such as a padded laptop sleeve, an audio pocket, file organizer and center storage, four exterior pockets, and an airline ticket sleeve. The type of the organization was manipulated with the Mozilla URL at the top of the questionnaire: www.mozilla.com (for-profit condition) versus www.mozilla.org (nonprofit condition).

Participants were then asked a series of questions. Of central interest, participants were asked, "To what extent do you believe that Mozilla is ____?" on a set of 40 traits, which included 34 filler traits plus three traits to comprise the warmth index (warm, kind, generous; $\alpha = .83$) and three traits to comprise the competence index (competent, effective, efficient; $\alpha = .84$; Grandey et al. 2005; Judd et al. 2005). Trait assessments were reported on Likert scales anchored by 1 (not at all) and 7 (very much). At the end of the questionnaire, participants were asked to rate the degree to which they agreed with the following statements (1 = strongly disagree; 7 = strongly agree): "I believe Mozilla is a nonprofit organization," and "I believe Mozilla is a for-profit organization." Finally, demographic information was collected and participants were debriefed.

Results and Discussion

Two-level analyses of variance (ANOVAs) revealed main effects on the manipulation checks. As expected, participants held a stronger belief that Mozilla.com (vs. Mozilla.org) was a for-profit organization ($M_{.com} = 5.69$, SD = 1.45 vs. $M_{.org} = 4.95$, SD = 1.76; $F(1, 126) = 6.74$, $p = .01$). Also as expected, participants held a stronger belief that Mozilla.org (vs. Mozilla.com) was a nonprofit organization ($M_{.org} = 2.94$, SD = 1.78 vs. $M_{.com} = 2.29$, SD = 1.40; $F(1, 126) = 5.14$, $p = .03$).

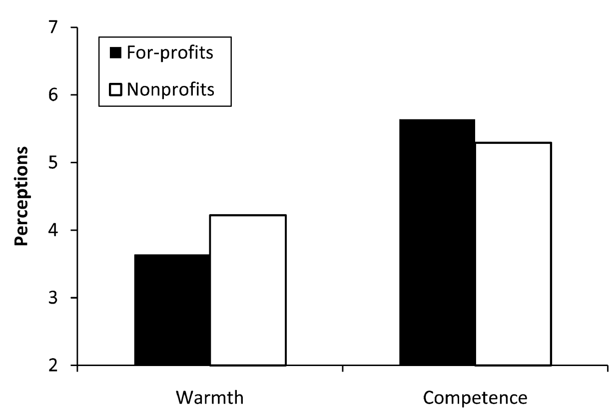
In support of hypothesis 1, participants perceived Mozilla.org to be warmer than Mozilla.com ($M_{.org} = 4.22$, SD = 1.04 vs. $M_{.com} = 3.64$, SD = .98; $F(1, 126) = 10.55$, $p = .001$). In support of hypothesis 2, participants perceived Mozilla.com to be more competent than Mozilla.org ($M_{.com} = 5.64$, SD = .83 vs. $M_{.org} = 5.29$, SD = 1.06; $F(1, 126) = 4.40$, $p = .04$). Importantly, perceptions of the firm on the filler traits yielded no differences (p's $> .10$). There were only two exceptions. Embedded in the set of 34 filler traits were two traits reflective of the negative associations with competence and warmth: "greedy" and "needy." As intuited, Mozilla.com was perceived as greedier than Mozilla.org ($M_{.com} = 3.51$, SD = 1.23 vs. $M_{.org} = 2.95$, SD = 1.42; $F(1, 126) = 5.45$, $p = .02$), and Mozilla.org was perceived as needier than Mozilla.com ($M_{.org} = 3.06$, SD = 1.49 vs. $M_{.com} = 2.56$, SD = 1.32; $F(1, 126) = 4.01$, $p = .05$).

In experiment 1, we offered a first glimpse into consumers' perceptions of companies framed as dot-orgs and dot-coms (see fig. 1). The results suggest that by using domain names to represent the firm as a for-profit or nonprofit, we swayed participants' view of the firm on judgments of warmth and competence. Note that we did not see movement on other traits as a function of dot-com versus dot-org framing, indicating that these effects are specific to the dimensions of warmth and competence. For-profits, as hypothesized, were viewed as more competent than nonprofits, which in turn were viewed as warmer than for-profits.

To gain greater confidence in the generalizability of these results, we conducted an ancillary study where we replicated experiment 1 with a more direct manipulation of organization type. Participants ($N = 123$; ages 18–70, $M = 35$; 61% female) were presented with an advertisement for the Firefox messenger bag, described as either being created by "the nonprofit organization, Mozilla" or by "the for-profit organization, Mozilla." As predicted, organization type influenced perceptions of the organization, whereby the for-profit (vs. nonprofit) label led participants to perceive the firm as more competent ($M_{fp} = 5.63$, SD = .95 vs. $M_{np} = 5.27$, SD = 1.08; $F(1, 122) = 3.84$, $p = .05$), and the nonprofit (vs. for-profit) label led participants to perceive the firm as warmer ($M_{np} = 4.75$, SD = .95 vs. $M_{fp} = 4.31$,

FIGURE 1

EXPERIMENT 1: PERCEIVED WARMTH AND COMPETENCE ASSOCIATED WITH ORGANIZATION TYPE



SD = 1.35; $F(1, 122) = 3.89$, $p = .05$). No differences in ratings of filler traits were found. This conceptual replication suggests that the effect is not particular to Web site domain names. Rather it reflects general perceptions of nonprofit versus for-profit organizations, which can be elicited by something as subtle as three letters at the end of a Web address.

Together, the results suggest that stereotypes of organizations indeed exist and that warmth and competence are organizing dimensions that help consumers categorize companies. However, do these perceptions of organizations color the way in which their products are evaluated, thereby impacting consumers' willingness to buy? Further, are there conditions under which competence judgments of nonprofits could shift such that consumers would be more willing to buy from a nonprofit? If so, what mechanisms mediate such effects? Experiments 2 and 3 were designed to address these questions.

WORLD OF GOOD EXPERIMENT 2: PURCHASING BEHAVIOR AND CHANGING PERCEPTIONS OF NONPROFITS

Experiment 2 tested perceptions of a firm's warmth and competence on consumers' willingness to purchase a product from the firm. Furthermore, we sought to illuminate the dynamics of boosting a nonprofit's perceived competence through an endorsement by a highly credible source to determine whether that could impact consumers' willingness to buy in the short run and long run.

Therefore, experiment 2 was created with four goals in mind. First, we wanted to test the marketplace consequences of being a nonprofit or for-profit organization. We hypothesized that consumers would be more willing to buy a product made by a for-profit than a nonprofit (hypothesis 3). Second, we wanted to explore whether elevated levels of perceived competence indeed drive the preference for products made by for-profits versus nonprofits (hypothesis 4). Third, we asked whether the basic effect could be moderated by a cue that increases perceptions of a nonprofit as competent to determine whether consumers' willingness to buy from a credible nonprofit can be heightened (hypothesis 5). Fourth, for robustness and external validity, we measured self-reported behavior over time to determine whether the effect would influence participants' likelihood to visit a for-profit (vs. a nonprofit) firm's Web site. Thus, we used a 2 (organization type: for-profit vs. nonprofit) × 2 (endorsement credibility: high vs. low) between-subject design and a 1-month lagged dependent measure to examine Web site behavior.

Pretest

First, to identify a manipulation of source credibility, we conducted a pretest among people from the same population as that sampled in the main experiment. Extant research shows that sources vary on credibility, which has a significant impact on persuasion (e.g., Berger et al. 2007; Sternthal, Dholakia, and Leavitt 1978). Thus, we manipulated source credibility through a media endorsement. Specifically, participants ($N = 55$; ages 18–49, $M = 21$; 54% female) reported their impressions of various print media including the two key sources, *Wall Street Journal* and *Detroit Free Press* (counterbalanced). For each source, participants rated the extent to which they agreed with the statements, "I believe the *Wall Street Journal* [*Detroit Free Press*] is a highly credible organization," and "I feel that the *Wall Street Journal* [*Detroit Free Press*] is an expert source" (1 = strongly disagree; 7 = strongly agree), averaged for each source to create a credibility index ($\alpha_{WSJ} = .61$; $\alpha_{DFP} = .74$). The results of a t-test revealed that participants perceived the *Wall Street Journal* to be more credible than *Detroit Free Press* ($M_{WSJ} = 5.83$, SD = .90 vs. $M_{DFP} = 3.80$, SD = 1.08; $t(1, 54) = 12.04$, $p < .001$).

Method

Participants ($N = 125$; ages 18–66, $M = 22$; 59% female) at Stanford were randomly assigned to one of the four conditions comprising the 2 (organization type: for-profit vs. nonprofit) × 2 (endorsement credibility: high vs. low) between-subject design. Participants were first presented with three ecofriendly laptop bags sold by World of Good. The organization billed itself as "the world's first online marketplace to convene thousands of People-Positive and Eco-Positive sellers and products all in one place, empowering you to shop in ways that align with your personal values." The status of World of Good as a for-profit or a nonprofit was manipulated by domain name (WorldofGood.com vs. WorldofGood.org). Next, participants read an external endorsement of World of Good, provided by either a highly credible source (*Wall Street Journal*) or a low credibility source (*Detroit Free Press*). The endorsement read: "WorldofGood.com[.org] gives shoppers who care about making a difference access to great products that help people and the planet. Socially responsible shopping just got bigger and better!"

To measure willingness to buy, participants were asked: "How interested are you in buying a laptop bag from World of Good?" (1 = not at all, 7 = very much); "How likely are you to shop at World of Good?" (1 = not at all, 7 = very much); and "What are your impressions of the laptop bags from World of Good?" (1 = negative, bad, 7 = positive, good); $\alpha = .78$. Next, on 7-point scales, participants rated their perceptions of the organization's competence (competent, effective, and efficient; $\alpha = .73$) and warmth (warm, kind, and generous; $\alpha = .80$). Finally, at the end of the questionnaire, participants were asked to rate on 7-point scales the extent to which they believed World of Good to be a for-profit organization and the extent to which they believed it to be a nonprofit organization (as a check of the efficacy of the organization type manipulation). Participants were thanked and paid.

Finally, to gain insight into actual behavior and the duration of the effects, participants were e-mailed a follow-up survey one month after the study asking them to complete some follow-up questions to the "World of Good Study" that they had participated in the prior month. Approximately 50% of the participants responded (response rate did not vary by condition, $p > .10$) to the same items as measured in the initial survey. In addition, as a behavioral measure, we asked participants whether they had visited World of Good's Web site since learning about it in the original survey.

Results and Discussion

First, a 2 (organization type: for-profit vs. nonprofit) × 2 (endorsement credibility: *Wall Street Journal* vs. *Detroit Free Press*) ANOVA was conducted on the nonprofit manipulation check scale. As expected, participants in the WorldofGood.com (vs. WorldofGood.org) condition held a stronger belief that World of Good was a for-profit organization ($M_{.com} = 5.41$, SD = 1.49 vs. $M_{.org} = 4.38$, SD = 1.91; $F(1, 121) = 10.46$, $p = .002$). Also as expected, participants held a stronger belief that WorldofGood.org (vs. WorldofGood.com) was a nonprofit organization ($M_{.org} = 3.89$, SD = 2.01 vs. $M_{.com} = 2.64$, SD = 1.83; $F(1, 121) = 12.36$, $p = .001$).

Second, to test hypothesis 1, the 2 (organization type) × 2 (endorsement) ANOVA was run on perceptions of warmth. The results reveal only a main effect of organization type such that irrespective of endorsement, WorldofGood.org was perceived as warmer than WorldofGood.com ($M_{.org} = 4.88$, SD = .92 vs. $M_{.com} = 4.31$, SD = 1.25; $F(1, 121) = 8.48$, $p = .004$). To test hypothesis 2, the same 2 (organization type) × 2 (endorsement) ANOVA was run on perceptions of the organization's competence, revealing an interaction ($F(1, 121) = 10.51$, $p = .002$). Contrasts showed that when World of Good was endorsed by the *Detroit Free Press*, the dot-com was seen as more competent than the dot-org ($M_{.com} = 5.29$, SD = 1.07 vs. $M_{.org} = 4.44$, SD = .94; $F(1, 121) = 10.35$, $p = .002$), conceptually replicating experiment 1. However, when World of Good was endorsed by the *Wall Street Journal*, perceived competence of the dot-org rose to the level of the dot-com ($M_{.com} = 4.69$, SD = .92 vs. $M_{.org} = 5.04$, SD = 1.14; $F(1, 121) = 1.82$, $p > .10$). Further, a regression of willingness to buy on both warmth and competence indices revealed that perceived warmth did not have a significant effect ($\beta = .08$, $t = .91$, $p > .10$) but that perceived competence positively influenced consumers' willingness to purchase from the organization ($\beta = .40$, $t = 4.48$, $p < .001$).

Third, to test hypotheses 3 and 5, the 2 (organization type) × 2 (endorsement) ANOVA was conducted on willingness to buy. The results of this test showed a significant interaction on the three-item index ($F(1, 121) = 19.37$, $p < .001$). (These results replicate when the single item, willingness to buy measure, was used.) Follow-up contrasts showed that when World of Good was endorsed by the *Detroit Free Press*, willingness to buy was higher for the dot-com than the dot-org ($M_{fp} = 4.96$, SD = 1.04 vs. $M_{np} = 4.08$, SD = 1.05; $F(1, 121) = 10.29$, $p = .002$), supporting hypothesis 3. However, when the World of Good was endorsed by the *Wall Street Journal*, this effect was reversed: participants were more likely to buy from the dot-org than the dot-com ($M_{np} = 4.75$, SD = 1.18 vs. $M_{fp} = 3.92$, SD = 1.03; $F(1, 121) = 9.09$, $p = .003$), supporting hypothesis 5.

In support of hypotheses 4 and 5, a moderated mediation analysis revealed that perceptions of the organization's competence were responsible for these results (see table 1 for details). To understand the role of perceived competence on participants' willingness to buy, a separate mediation analysis was conducted just among participants considering an organization endorsed by the *Detroit Free Press*. First, willingness to buy was regressed on organization type ($\beta = -.40$, $t = -3.31$, $p = .002$). Next, perceived competence was regressed on organization type ($\beta = -.39$, $t = -3.29$, $p = .002$). Then, willingness to buy was regressed on perceived competence ($\beta = .44$, $t = 3.76$, $p < .001$). Finally, when willingness to buy was regressed on both organization type and perceived competence, the effect of organization type reduced in significance ($\beta = -.26$, $t = -2.13$, $p = .04$), whereas the effect of perceived competence remained highly significant ($\beta = .34$, $t = 2.72$, $p = .009$; Sobel $z = -2.48$, $p = .01$), supportive of mediation. Among participants considering an organization endorsed by the *Wall Street Journal*, organization type did not have a differential effect on perceived competence ($\beta = .165$, $t = 1.32$, $p > .10$), rendering the full mediation analysis unnecessary. Together, these results suggest that consumers perceiving an organization as competent are critical for their willingness to buy a product from the organization, and these perceptions can be influenced by the endorsement from a highly credible source (see fig. 2).

TABLE 1

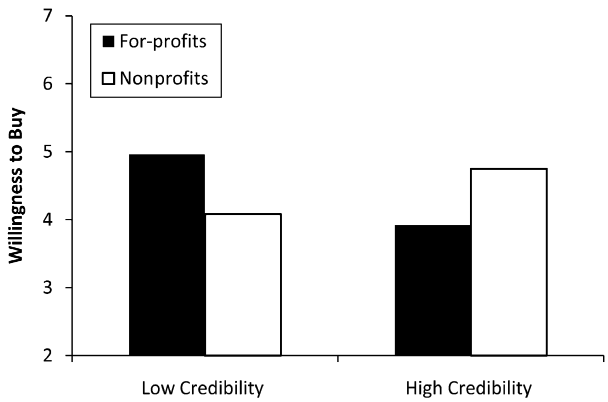
MODERATED MEDIATION RESULTS IN EXPERIMENTS 2–3: THE MEDIATING ROLE OF PERCEIVED COMPETENCE

Path	Beta	*t*-stat	*p*-value
Experiment 2:			
Organization type × prime → WtB	.37	4.39	$p < .001$
Organization type × prime → competence	.28	3.21	$p = .002$
Competence→WtB	.44	5.36	$p < .001$
Organization type × prime →WtB	.27	3.30	$p = .001$
Competence → WtB	.36	4.43	$p < .001$
Experiment 3:			
Organization type × prime → WtB	−.27	3.40	$p = .001$
Organization type × prime → competence	−.29	3.76	$p < .001$
Competence→WtB	.71	12.29	$p < .001$
Organization type × prime →WtB	−.08	1.30	$p > .10$
Competence → WtB	−.69	11.42	$p < .001$

NOTE.—WtB = willingness to buy. A difference between means *t*-test was conducted to examine the decrease in beta coefficients in the tests of mediation, all *p*'s < .05. Sobel tests confirmed the significant drop in the influence of the interaction on willingness to buy: E2 perceived competence ($z = 3.58$, $p < .001$), E3 perceived competence ($z = 2.77$, $p = .006$).

FIGURE 2

EXPERIMENT 2: WILLINGNESS TO BUY FROM ORGANIZATION, ENDORSED BY HIGH VS. LOW CREDIBLITY SOURCE



Together, these results suggest that in general (i.e., with a weak or no endorsement), consumers want to buy from for-profits more than nonprofits due to greater perceived competence of the firm. However, with a strong endorsement, nonprofits (vs. for-profits) benefit because consumers show a greater willingness to buy from them due to their combination of perceived warmth and competence.

A Longitudinal Analysis. The design of experiment 2 afforded the opportunity to examine the temporal persistence of the effect and looked at actual behavior. We contacted the participants one month after they completed the questionnaire. We asked again about their willingness to buy questions and also asked whether they had visited the World of Good Web site in the last month. When the organization had been described as a nonprofit, participants were more likely to have visited the Web site when it had been endorsed by the *Wall Street Journal* (27%) than when it had been endorsed by the *Detroit Free Press* (0%; $\chi^2 = 3.76$, $p = .05$). However, when the organization had been described as a for-profit, the credibility of the endorsement did not impact participants' likelihood to have visited the Web site (25% vs. 18%; $\chi^2 = .13$, $p > .10$).

Additionally, the basic effect on willingness to buy persisted. The 2 × 2 ANOVA conducted on the willingness to buy index ($\alpha = .85$) revealed a significant interaction ($F(1, 38) = 15.38$, $p < .001$). Follow-up contrasts showed that when the World of Good had been endorsed by the *Detroit Free Press*, participants still reported to be more likely to buy from World of Good when it was framed as a dot-com versus a dot-org ($M_{.com} = 4.22$, α vs. $M_{.org} = 3.08$, SD = .92; $F(1, 38) = 7.97$, $p = .008$). However, a reversal occurred when World of Good had been endorsed by the *Wall Street Journal*, such that participants reported to be more likely to buy from World of Good when it had been framed as a dot-org versus a dot-com ($M_{.org} = 4.73$, SD = 1.04 vs. $M_{.com} = 3.70$, SD = .71; $F(1, 38) = 7.41$, $p = .01$). The results revealed that the aforementioned effects persist over time and extend to actual behavior.

The behavioral effects found in experiment 2 are important, particularly in light of extant research which suggests that assessing changes in behavior is a valuable complement to behavioral intentions (Baumeister, Vohs, and Funder 2007). Thus, the fact that we observed our basic effect both behaviorally and longitudinally garners confidence in the results found in experiment 1.

However, one concern in the design of experiment 2 involves the manipulation of source credibility and its influence on perceived competence. That is, a manipulation that provides information that a particular nonprofit is competent (e.g., recommendation from a credible source like the *Wall Street Journal*) may legitimately change what can reasonably be expected from the organization. Would a manipulation that does not provide direct information that the given nonprofit is in fact competent have conceptually similar effects? Since we sought to understand consumers' perceptions of organizations as well as the broader ways in which one can dispel a stereotype about nonprofits, it was important to illustrate that hypotheses 4 and 5 hold without information that might suggest direct information about a nonprofit's level of competence. Thus, experiment 3 relied on a subtle prime (without information about the organization) to increase perceptions of a nonprofit as competent and in turn increase consumers' willingness to buy from the nonprofit.

GDITTY EXPERIMENT 3: CHANGING PERCEPTIONS OF NONPROFITS THROUGH PRIMING

Experiments 1 and 2 found that manipulating the firm's Internet domain name was sufficient to increase perceptions of the firm as warm (in the case of dot-org) or competent (in the case of dot-com). Therefore, consumers can and do appear to differentiate between these two type of firms along the same two dimensions that govern social judgments. Building on these findings, experiment 3 was created with three goals in mind. First, we sought to replicate evidence for consumers' greater willingness to buy from a for-profit than a nonprofit (hypothesis 3) and for the driving role of perceived competence in this effect (hypothesis 4).

Second, and perhaps most interesting, we examined whether differences in willingness to buy could be moderated by boosting the perceived competence of nonprofits through a cue as innocuous as a subtle prime. Recent research has shown that reminders of money concepts are closely related to the idea of competency. For example, when people are reminded of money, they are willing to take on more work than necessary and work longer at challenging tasks—even when given the opportunity to ask for help (Vohs, Mead, and Goode 2006). Moreover, when people are reminded of money (vs. not), they are more likely to feel "strong" (Zhou, Vohs, and Baumeister 2009). Notably, these effects occur when an individual handles cash, when monopoly money is merely in the same room, when the individual is exposed to money-related words, and when dollar bills float across on a computer screen saver. Hence, being reminded of money, regardless of whether the individual is in possession of actual money, influences perceived competence (Vohs et al. 2006).

Hence, we primed half of our participants with the concept of money through an incidental exposure to an unrelated advertisement mentioning money (Mogilner and Aaker 2009) with the intent of lending (not necessarily legitimate) competence to the target organization. The other half of participants was not exposed to the ad and thus no money reminders. In the current setting, we predicted that the competence boost via a money prime would particularly affect judgments of nonprofits because these organizations tend to suffer from relatively low perceived competence. In the case of for-profits (which are already associated with high levels of competence), we did not predict the money prime to have a significant effect.

Third, we sought to assess the generalizability of the effects identified in experiments 1 and 2 through their replication using a new firm and stimuli. We also moved away from a student sample to establish the robustness of these effects among a more representative U.S. sample. Thus, the experiment was a 2 (organization type: for-profit vs. nonprofit) × 2 (prime: money vs. control) between-subject design.

Method

A national sample of individuals ($N = 154$; ages 18–66, $M = 36$; 66% female) were recruited and participated via the Internet. Participants, each paid \$5, were told that they would be taking part in two studies. In the first, participants were told that researchers were interested in how easy it is to guess the topic of a newspaper article from its topic sentence. Accordingly, they were presented with the beginning of a *New York Times* article, in which an advertisement for a magazine subscription organization was embedded. Half of the participants were exposed to an ad displaying the magazines *Fortune*, *Smart Money*, and *Money*, which activated the construct of money; the other half were not exposed to the ad and therefore not primed (see Mogilner and Aaker 2009).

Next, participants turned to the second, purportedly unrelated, study. They read about a new product, gDitty—a social technology device that tracks physical activity throughout the day and rewards its users for their physical activity. As in experiment 1, the independent variable of organization type was manipulated by simply altering the domain name in the organization's URL. To indicate a nonprofit organization, the Web site ended with dot-org (gDitty .org); to indicate a for-profit organization, the Web site ended in dot-com (gDitty.com).

Participants perused the actual Web site pages of gDitty. Then they were asked a set of questions, including how interested they were in buying a gDitty (1 = not at all, 7 = very) and their attitudes towards gDitty on two 7-point scales (1 = negative, bad; 7 = positive, good). Participants' responses on the three items were averaged to create a willingness-to-buy index ($\alpha = .93$). Finally, participants were also asked to rate the firm on a set of 40 traits, including those that comprised the warmth index (warmth, generosity, and kindness; $\alpha = .90$) and the competence index (competence, effectiveness, and efficiency; $\alpha = .93$). All participants were thanked, debriefed, and paid.

Results and Discussion

To retest hypothesis 1, a 2 (for-profit vs. nonprofit) × 2 (money prime vs. no prime) ANOVA was conducted on perceptions of the organization's warmth. Only the main effect of organization type was significant. As predicted, gDitty.org was perceived to be warmer than gDitty.com ($M_{.org} = 4.68$, SD = 1.29 vs. $M_{.com} = 4.24$, SD = 1.23; $F(1, 150) = 4.37$, $p = .04$), irrespective of the prime.

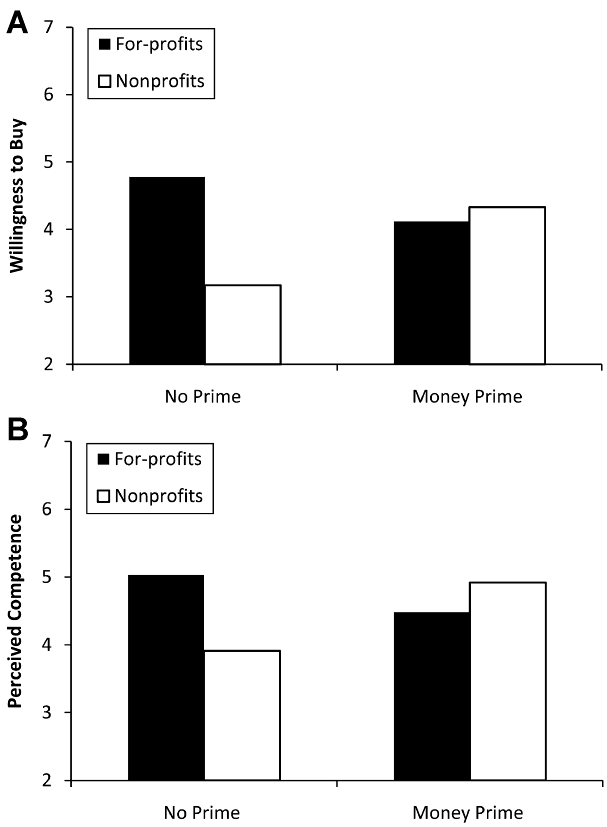
To retest hypothesis 2, the same 2 (for-profit vs. nonprofit) × 2 (money prime vs. no prime) ANOVA was conducted on perceptions of the organization's competence. Because we had included an additional factor to alter perceptions of competency, we predicted and found an interaction effect ($F(1, 150) = 13.11$, $p < .001$). Contrasts showed that among participants who were not primed with money, gDitty.com was perceived to be more competent than gDitty.org ($M_{.com} = 5.03$, SD = 1.21 vs. $M_{.org} = 3.91$, SD = 1.41; $F(1, 150) = 15.06$, $p < .001$). However, among participants who had been primed with money, gDitty.org increased in perceived competence to be on par with gDitty.com ($M_{.com} = 4.48$, SD = 1.49 vs. $M_{.org} = 4.92$, SD = 1.19; $F(1, 150) = 1.90$, $p > .10$). An additional set of contrasts confirmed that exposure to the money prime (vs. no prime) made gDitty.org appear more competent ($F(1, 150) = 10.65$, $p = .001$).

To test hypothesis 3, the 2 (for-profit vs. nonprofit) × 2 (money prime vs. no prime) ANOVA was conducted on the willingness to buy index. The results revealed a main effect of organization type. In support of hypothesis 3, participants were more willing to buy from gDitty.com than gDitty.org ($M_{.com} = 4.49$, SD = 1.72 vs. $M_{.org} = 3.16$, SD = 1.60; $F(1, 150) = 6.04$, $p = .02$). Moreover, an interaction effect ($F(1, 150) = 10.23$, $p = .002$) revealed the main effect to be moderated by the presence of a money prime. Follow-up contrasts showed that participants not primed with money were more willing to buy from gDitty.com than gDitty.org, again supporting hypothesis 3 ($M_{.com} = 4.78$, SD = 1.77 vs. $M_{.org} = 3.17$, SD = 1.60; $F(1, 150) = 17.84$, $p < .001$). However, this difference was eliminated for participants who had been primed with money ($M_{.com} = 4.12$, SD = 1.59 vs. $M_{.org} = 4.33$, SD = 2.09; $F(1, 150) = .25$, $p > .10$). An additional set of contrasts showed that when the gDitty was framed as a dot-org, priming money increased willingness to buy ($F(1, 150) = 8.13$, $p = .005$), whereas when gDitty was framed as a dot-com, priming money did not change willingness to buy ($F(1, 150) = 2.74$, $p > .10$; see fig. 3).

To test for the causal role of perceived competence on participants' willingness to buy from the organization, a successful moderated mediation analysis was first conducted (details in table 1). To more clearly illuminate the underlying

FIGURE 3

EXPERIMENT 3: WILLINGNESS TO BUY AND PERCEIVED COMPETENCE ASSOCIATED WITH ORGANIZATION TYPE, PRIMED WITH MONEY OR NO PRIME



process, two additional sets of mediation analyses were conducted. The first set was conducted just among those in the no-prime conditions. First, willingness to buy was regressed on organization type ($\beta = -.44$, $t = 4.41$, $p < .001$). Next, perceived competence was regressed on organization type ($\beta = -.40$, $t = 3.93$, $p < .001$). Then, willingness to buy was regressed on perceived competence ($\beta = .71$, $t = 10.05$, $p < .001$). Finally, when willingness to buy was regressed on organization type and perceived competence, the effect of organization type became less significant ($\beta = -.17$, $t = 2.14$, $p = .04$), whereas the effect of perceived competence remained highly significant ($\beta = .67$, $t = 8.57$, $p < .001$; Sobel $z = -3.66$, $p < .001$), supportive of mediation and hypothesis 4.

To examine the effect of the money prime, a second mediation analysis was conducted, focused only on the nonprofit conditions. First, willingness to buy was regressed on prime ($\beta = -.31$, $t = 2.74$, $p = .008$). Next, perceived competence was regressed on prime ($\beta = -.36$, $t = 3.30$, $p = .002$). Then, willingness to buy was regressed on perceived competence ($\beta = .70$, $t = 8.23$, $p < .001$). Finally, when willingness to buy was regressed on both prime and perceived competence, the effect of prime was rendered nonsignificant ($\beta = -.09$, $t = .95$, $p > .10$), but perceived competence remained significant ($\beta = .67$, $t = 7.33$, $p < .001$; Sobel $z = 3.06$, $p = .002$), supportive of mediation. Together, these results suggest that perceiving an organization to be low in competence dulls enthusiasm to buy a product from a nonprofit (relative to a for-profit), but priming money can boost perceptions of competence, thereby increasing willingness to buy.

The findings in experiment 3 highlight several points. First, consumers assume differences between firms based on three letters at the end of their domain name (.com vs. .org). Second, stereotypes associated with these organizations appear to exist: nonprofits are seen as warm and for-profits are seen as competent (hypotheses 1 and 2). Third, for-profit and nonprofit framing influences consumers' willingness to buy a product from the organization, whereby for-profits dominate nonprofits (hypothesis 3). Fourth, perceived competence accounts for consumers' varying desire to purchase from the organization, again with for-profits outperforming nonprofits (hypothesis 4). Fifth, and perhaps most striking, we were able to alter the perception of nonprofits by exposing participants to a reminder of money via an incidental exposure to an ad. This small visual prime was enough to boost perceived competence to the level of competence associated with for-profits. As a result, consumers' willingness to buy from a nonprofit when they were primed with money rose to an equivalent willingness to buy from for-profits (hypothesis 5).

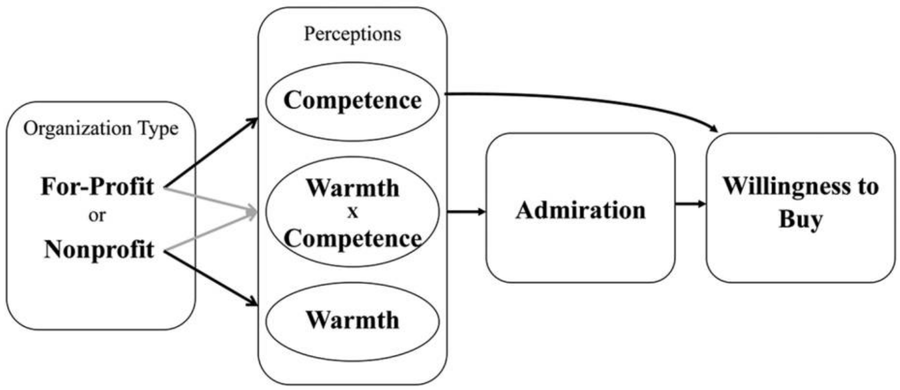
GENERAL DISCUSSION

This work demonstrated that judgments of warmth and competence play key roles in consumers' perceptions of companies. Three experiments showed that consumers naturally draw on these dimensions to distinguish between nonprofits and for-profits. Thus, nonprofits and for-profits are associated with distinct reputations that fundamentally color consumers' views and reactions. The results of experiment 1 show that while nonprofits are perceived as more warm, for-profits are perceived as more competent. The results of experiments 2 and 3 suggested that these perceptions influence consumers' willingness to buy from these organizations: consumers are more willing to buy a product when they view it as being made by a for-profit than a nonprofit. Further, this effect seems to be driven by perceptions of the firm's competence. Consequently, when the perceived competence of a nonprofit is boosted by a credible endorsement (experiment 2) or subtle alignment with money (experiment 3), discrepancies in willingness to buy disappear. In fact, when nonprofit firms are perceived as both warm and competent, consumers become more willing to buy a product from that firm.

This research makes advances by detailing the specific boons and banes that accompany being a nonprofit or for-profit organization. First, it is striking that judgments of firms are governed by the same dimensions along which judgments of other people are known to occur. This finding

FIGURE 4

GENERAL DISCUSSION: CONCEPTUAL MODEL OF WARMTH, COMPETENCE, AND ADMIRATION ON WILLINGNESS TO BUY



is particularly intriguing given that firms do not carry the same friend/foe ramifications that apply to and likely underlie the two-dimensional structure of person and group perceptions (Fiske et al. 2007).

Second, our results demonstrate a major difference from findings regarding the warmth and competence perceptions of people. It is well established that perceptions of people are better predicted by perceptions of warmth than by perceptions of competence (for reviews, see Fiske et al. 2007; Wojciszke 2005). However, in our studies of firms, perceived competence predicted global endpoints (e.g., willingness to buy) better than perceived warmth. In this regard, our work represents an intriguing departure from work on perceptions of humans.

Across all studies, we found robust evidence that consumers hold distinct views of nonprofits and for-profits. Nonetheless, we are agnostic as to whether the stereotypes are valid. Many stereotypes are somewhat accurate (Jussim 2005). In addition, industry insiders (Moret 2004) say that the qualities that lead to promotions for nonprofit employees are quite different than the qualities that lead to promotions for for-profit employees. Promotions within for-profit companies appear to be a function of abilities, whereas promotions within nonprofits appear to be more a function of loyalty to the organization's mission. However, these observations should be interpreted tentatively in that they are not large-scale empirical studies of a diverse set of firms. We suggest that one important avenue for future research is to empirically measure the validity of these stereotypes. Consumers clearly hold them, but it is still an open question as to whether they are wholly inaccurate, accurate, or somewhere in between.

Admiration for Firms: The Coexistence of Warmth and Competence

Can warmth and competence coexist within a company? If so, what psychological reactions result? Although we focused on establishing whether these stereotypes exist in the context of companies and the implications on marketplace behaviors, our experimental design allows us to test the combinatory effect of warmth and competence. In experiment 2, participants were provided with semidirect information that the given nonprofit was in fact competent (through a high credibility source such as the *Wall Street Journal*). Thus, we might be able to create a "golden quadrant" where warmth and competence may coexist in the minds of the consumer by boosting consumer perceptions of nonprofits' competence to levels of for-profits.

To more deeply explore the psychological reactions to a nonprofit that is endorsed by a high credibility source, we included ancillary variables in experiment 2 focusing on the notion of consumers' admiration for the organization. Admiration is the emotional state that perceivers feel when groups are perceived to be high in both warmth and competence (Fiske et al. 2002). In the marketing realm, for example, when consumers perceive that the underlying motive of an organization is more than simply selling goods and that it incorporates socially responsible motives as well, admiration for the organization often follows (Fogg et al. 2003). Hence, increasing a nonprofit's perceived competence to be on par with its already high level of perceived warmth might place the nonprofit in the golden quadrant, which would translate to admiration for the organization. We hypothesized that when a nonprofit (vs. for-profit) organization is deemed credible, consumers will report greater admiration for the firm. This feeling of admiration, we suspected, would also translate into great willingness to buy (fig. 4), either as an independent or additive mechanism to perceived competence.

Thus, experiment 2's participants reported their admiration for the organization toward the end of the survey on four items ("I admire organizations such as World of Good"; "I feel inspired by organizations such as World of Good"; "I respect organizations such as World of Good"; "I like organizations such as World of Good," $\alpha = .94$). We conducted a 2 (organization type) $\times$ 2 (endorsement) ANOVA on the admiration index and found, as expected, a significant interaction ($F(1, 121) = 5.85, p = .02$). When endorsed by the *Detroit Free Press*, WorldofGood.org and WorldofGood.com did not differ in how much they were admired ($M_{np} = 4.78$, SD = 1.24 vs. $M_{fp} = 4.84$, SD = 1.39; $F(1, 121) = .03, p > .10$). However, when endorsed by the *Wall Street Journal*, WorldofGood.org evoked greater admiration than WorldofGood.com ($M_{np} = 5.51$, SD = 1.16 vs. $M_{fp} = 4.42$, SD = 1.51; $F(1, 121) = 10.74, p = .001$).

Furthermore, feelings of admiration mediated the effect of organization type on willingness to buy among participants who were in the *Wall Street Journal* condition. First, among *Wall Street Journal* participants, willingness to buy was regressed on organization type ($\beta = .35$, $t = 2.93$, $p = .005$). Next, the admiration index was regressed on organization type ($\beta = .38$, $t = 3.26$, $p = .002$). Then, willingness to buy was regressed on admiration ($\beta = .58$, $t = 5.59$, $p < .001$). Finally, when willingness to buy was regressed on both organization type and admiration, the effect of organization type became nonsignificant ($\beta = .15$, $t = 1.34$, $p > .10$), whereas the effect of admiration remained highly significant ($\beta = .52, t = 4.69, p < .001$; Sobel $z = 2.82$, $p = .005$), in support of mediation. Among participants considering an organization endorsed by the *Detroit Free Press*, organization type did not significantly influence admiration ($\beta = -.02$, $t = -.18$, $p > .10$), rendering mediation analysis unnecessary.

Together, these results suggest that with a weak outside endorsement, for-profits benefit more than do nonprofits because consumers see them as possessing greater competence and therefore want to buy from them. However, with a strong outside endorsement, nonprofits benefit more than do for-profits because consumers see them as having greater warmth and competence, thereby evoking consumer admiration, which led to enhanced willingness to buy. These findings offer tips for the types of stereotypes that do a disservice to both for-profits (which are devoid of warmth) and nonprofits (which are devoid of competence). On the outcome side of the equation, it is important to note that admiration for the firm acted as a distinct driver of buying intent (separate from perceived competence); hence there are multiple routes by which consumer behavior can be influenced in this domain.

Future research is needed to advance several aspects of these novel findings. One, how sticky are feelings of admiration toward firms? Two, when do for-profit companies (which already are imbued with competence) cultivate perceptions of warmth and trustworthiness (Aaker et al. 2004)? For example, do for-profits that align their social mission and business strategy cultivate trust (McElhaney 2009)? Three, what are alternative mechanisms by which a nonprofit can strengthen perceptions of competence while not weakening perceptions of warmth? One exemplary case is that of HopeLab, which combines rigorous research and data-driven approaches with the social cause of fighting cancer (Knutson 2009; Liu and Aaker 2008). Germane to the current work is whether these types of nonprofits are protected from the general perception that nonprofits are destitute and “needy” (experiment 1).

Zero-Acquaintance Perceptions of Companies

Stepping back, this package of results raises the general question: how do consumers judge an organization if they have not heard of it, as in the case of a start-up? In the search for information, consumers may perceive organizational frame, that is, nonprofit versus for-profit, as a filter through which they may interpret information about a product or firm. The implications of these findings are of both theoretical and practical import. First, to what degree is the distinction between for-profits and nonprofits even discernable for consumers? The existence of dot-com and dot-org domain name endings offer consumers an immediately knowable guide as to whether an organization is for-profit or nonprofit. Thirty years ago, consumers did not have such a cue to use (Permut 1981). With the Internet, they now do.

Second, does the distinction between for- and nonprofits affect purchase behavior? At first glance it would appear that it does, as products made by for-profits (vs. nonprofits) enjoyed more favorable willingness to buy in our experiments. Yet organization type was only a proxy for the more influential variable of perceived competence; we observed that perceptions of the for-profit organization’s competence influenced willingness to buy more than the organizational frame (for-profit vs. nonprofit) did per se. With cues that boosted the perceived competence of nonprofits, nonprofits outperformed for-profits, and organizational type (and not perceived competence) dropped in importance. Thus, better understanding the tools that most effectively convey competence (e.g. subbranding, endorsements, sponsored events) is of significant importance for nonprofits—particularly in light of the fact that when companies are admired, consumers often become more loyal (Aaker 2004, 268–69).

Caveats and Calls for Future Research

This research was inspired in part by calls for research to explore social good, broadly defined (e.g., Cuddy, Norton, and Fiske 2005; Grandey et al. 2005). Our aim was to create a strong theoretical distinction (warm and competent) that would allow for a relatively clean examination of a problem that is commonly witnessed in marketing: the impact of for-profit or nonprofit stereotypes on consumer judgments. The distinction between nonprofits and for-profits is increasingly important. A growing number of nonprofits are operating in industries that were traditionally run by for-profits (e.g., hospitals, athletic centers, summer camps). For-profit firms too are getting into the nonprofit realm: Mozilla operates an online store (http://store.mozilla.org/), and Google operates both a dot-com and dot-org arm. Thus, our work speaks to both the advantages and disadvantages of stereotypes held about such firms.

However, these studies come with limitations that afford opportunities for future research. First, are there conditions when perceived warmth might drive willingness to buy? We proffer that, in categories in which trust relationships between companies and customers are critical (e.g. business-to-business, hospitals), perceived warmth may determine willingness to buy to a greater degree, perhaps more so than competence. In light of the fact that consumers believe nonprofit hospitals and health plans to be more trustworthy, humane, and fair than for-profits (Schlesinger, Mitchell, and Gray 2004), product category may well determine when perceived warmth would predict behavioral intent. Also, there may be cultural effects that moderate the basic effects found here. For instance, given that East Asian cultures tend to value communal qualities, whereas North American cultures tend to value agentic qualities (Fiske et al. 1998), perceived warmth (and trust) may well play a greater role in purchase behavior in East Asian than North American cultures.

Second, experiment 2 explored the possibility that nonprofits could be seen as both competent and warm and, in so doing, revealed that consumers can come to admire companies, which in turn impacts willingness to buy and online behavior. Left unaddressed is the question, Upon producing a perception of high warmth and competence, would a for-profit enjoy heightened levels of consumer admiration, and would such admiration also fuel increased willingness to buy? Research examining this question might delve into the meaning of admiration and unpack the reasons why consumers admire companies. To illustrate, research suggests there are two types of trust: sensing that another has one's best interests in mind (emotional or warm trust) and believing that another can enact the behaviors to accomplish the given task (rational or cognitive trust; McAllister 1995). Similar dichotomies may underlie the meaning of consumer admiration, suggesting that although both nonprofits and for-profits can be seen as highly competent and warm, consumer admiration for each may differ.

Third, additional research is needed to examine the stability or sensitivity of the 2 × 2 matrix of organizational stereotypes. Cuddy et al. (2005) argued that the conceptual categorization suggests that people make upward assimilative social comparisons toward others who are perceived as warm and competent (eliciting admiration and pride) but that people make downward contrastive comparisons toward others who are perceived as incompetent and cold (eliciting contempt and disgust; Fiske et al. 2002; see also classic work by Bakan 1966; Leary 1957). To what degree do historical and cultural events such as the U.S. banking crisis alter the way consumers view products made by those organizations (e.g., Citibank, Smith Barney)? Speaking directly to the two dimensions, would companies more effectively rebuild their reputations by cultivating perceptions of competence or perceptions of warmth?

Fourth, although this research suggests that organizations may indeed be able to foster competence and warmth, it is mute on which reputation to foster first. Is it better to cultivate respect first (which comes through competence) and then add the warmth, or the converse? Some data in experiment 2 hint that establishing competence before warmth (vs. the converse) may be more effective for long-run success. When the organization was endorsed by the *Detroit Free Press*, participants were more willing to buy from a for-profit than from a nonprofit ($M_{.com}$ = 4.96, SD = 1.04 vs. $M_{.org}$ = 4.08, SD = 1.05; $F(1, 121) = 10.29$, $p = .002$). However, this effect was reversed when the organization was endorsed by the *Wall Street Journal;* participants were more willing to buy from a nonprofit than from a for-profit ($M_{.org}$ = 4.74, SD = 1.16 vs. $M_{.com}$ = 3.92, SD = 1.03; $F(1, 121) = 9.09$, $p = .003$). To the degree that gaining endorsement from sources like the *Wall Street Journal* is challenging, organizational competence may be the perception to establish first. However, future work is needed to explore this premise with experimental paradigms that allow for dynamic changes in consumer perceptions over time. Research addressing these questions might also hone in on the reputation enjoyed by social enterprises, oft heralded as a blend between nonprofits and for-profits due to their focus on science in concert with mission.

Finally, do the links from warmth and competence to behavior in social interactions apply in the context of companies? Warmth stereotypes elicit certain types of behaviors in social interactions. For example, a target seen as warm is more likely to be helped, whereas competent targets are less likely to be ignored (Cuddy et al. 2007). Are consumers more likely to work, volunteer, or spread positive word-of-mouth for companies they perceive as warm (vs. competent)? Are they less likely cheat or steal from such companies (Mazar and Ariely 2006)? These are intriguing questions for further inquiry.

CONCLUSION

People judge companies along similar dimensions as they do other people. Companies billed as nonprofits are in general considered to be high in warmth, whereas those billed as for-profits are viewed as high in competence. Competence perceptions drive willingness to buy, which means that consumers are more eager to buy a product from a for-profit than a nonprofit. With suggestions of credibility, however, one can move perceptions of nonprofits such that they too are viewed as competent and their products desirable to purchase. Furthermore, one can create a perception of nonprofits as highly warm and competent engendering feelings of admiration, which lead to enhanced willingness to buy. These effects persist and play out in actual behavior. The studies here intermixed concepts grounded in basic perception with perceptions of firms' goals for profitability to reveal the impact on consumer beliefs, emotions, and marketplace actions.

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