STIMULATING GIVING WITH ONE SMALL ADDITION
Practical implications for the use of social information as a stimulant for donation behavior

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The following report is a summary of her dissertation and based on five years of scientific research. For more information, blogs and publications, see her personal site: https://crowdfundingpscvt.wordpress.com/

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# TABLE OF CONTENTS

About the author .................................................................................................................. 2

Word of thanks ...................................................................................................................... 4

Social information: ................................................................................................................. 5

Overview of the report: ........................................................................................................... 8

Chapter 1: Overview of the literature ....................................................................................... 11
  Motives to follow social information ..................................................................................... 13
  The three W’s of social information ....................................................................................... 14

Chapter 2: Donor characteristics ............................................................................................... 15
  Who is more affected by social information? ......................................................................... 16
  Not everyone reacts the same: ............................................................................................... 17
  Women are more affected by social information ................................................................... 17

Chapter 3: Social motives to follow ........................................................................................... 18
  Donors like to follow others .................................................................................................. 19
  Negative effects of social norms: ......................................................................................... 20
  Social information can also decrease giving ........................................................................ 20

Crowdfunding ......................................................................................................................... 21

Chapter 4: Project characteristics ............................................................................................. 22
  Social information in a public setting: ................................................................................. 23
  Social information effects at an actual online campaign: ...................................................... 24
  Project funding period: ........................................................................................................ 25
  The advantages of crowdfunding campaigns: ...................................................................... 26
  Pre-screening and project-based campaigns: ...................................................................... 26

Responsible use ...................................................................................................................... 27

Next step: joy of giving ......................................................................................................... 29

Reference list .......................................................................................................................... 30
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Social information:
FOLLOWING THE DONATION BEHAVIOR OF OTHER DONORS

Social information sums up the human tendency to adjust their own behavior according to the behavior of others. To explain the effect, consider the following scenario (A): “This morning you put on your winter jacket for the first time since winter. Just before you enter work, you discovered several coins (adding up to €5) in the pocket. At work, you enter the central meeting hall which is full of colleagues and you see a collection box. The box contains a small description of a specific charity you care about, with the question: will you donate?” How much would you donate, if you donate?

Now consider another scenario (B): “This morning you put on your winter jacket for the first time since winter. Just before you enter work, you discovered several coins (adding up to €5) in the pocket. At work, you enter the central meeting hall which is full of colleagues and you see a collection box. The box contains a small description of a specific charity you care about, with the notification that another colleague donated €2, will you donate”. How much would you donate, if you donate?

It is likely that your donation behavior was affected by the information about the donation behavior of your colleagues (that is the donation of €2). This behavior, following information about the donation amount of others, is described as the social information effect (van Teunenbroek, Bekkers & Beersma, 2018). According to the social information effect, you donated an amount that was close to the suggestion of €2. At least that is what the scientific literature suggests.
One simple addition:

DID YOU KNOW THAT A PREVIOUS DONOR DONATED €5?

In this report we discuss how and when social information can be used as a stimulant for charitable giving. Before we discuss the research findings and implementation, we specify what we mean with social information (and what is excluded). Also, we show how social information has been implemented in scientific research.

There are several types of social information: mentioning the number of donors, the percentage of a project’s funding goal assembled thus far, publishing donor names, and mentioning the donation amount of previous donors. In this report we specifically focus on one form of social information, namely the mention of the donation amount of previous donors: ‘a previous donor donated €5’.

Social information can be presented in different forms: individual donation amount, average donation amount or several donation amounts. An individual donation amount mentions the donation amount of one previous donor. The average donation amount provides a summary of all previous donation amounts in the form of an average. Several donation amounts refer to the presentation of two or more donation amounts. This way individuals could calculate the average donation amount themselves.

Social information can be presented in a visual manner (showing coins and bills), as a numeric value (at a computer screen) or by mentioned by the solicitor (face-to-face communication or through a telephone conversation). Figure 1 shows us an example of social information as presented in the research of Martin and Randal (2008).
The researchers added a transparent donation box at the entrance hall of an art gallery. The study included four different donation boxes: one filled with bills (left), one filled with bills and coins (middle), one with coins (right) and one empty donation box.

Another option is to present social information as a numeric value. For instance, by mentioning the average donation amount at a crowdfunding platform (van Teunenbroek & Bekkers, 2018). The researchers added the following sentence: “Did you know that the average donation amount at [platform name] is €82”.

A third option is to mention the donation amount of one previous donor. For instance, Shang & Croson (2009) informed donors of a radio campaign about the donation amount of a previous donor.

What do we want to achieve/change by adding social information? By including the donation amount of previous donors (that is social information) we intend to affect the donation amount of donors. We aim to increase the individual donation amount, meaning that donors donate higher amounts. Also, we want to increase the participation rate, meaning that more donors donate.

Another important clarification is that social information is not the same as a suggesting: ‘a donation of €5 can help the artist produce an album’. This is a mere suggestion and it does not qualify as social information. A suggestion does not imply a social norm, as social information does. We will discuss this more elaborately in chapter 3.

Social information has been used in different ways both by researchers and practitioners. We can summarize it as follows:

1. **Different types:** in this document we focus solely on social information in the form of mentioning the donation amount of previous donors.
2. **Different forms:** mentioning the average or one individual donation amount. Or several donation amounts. We include all three forms.
3. **Different presentations:** in this document we include all presentation forms of social information. Like, visual presentation, numeric value and spoken form.

We want to research the influence of social information on giving behavior:

1. Individual donation amount
2. Number of donors

We excluded papers focused on mere ‘suggestions’.
Overview of the report:

HOW CAN ONE SIMPLE ADDITION STIMULATE GIVING?

We propose that one simple addition can stimulate giving and help charities assemble more money. This small addition is a cost-effective stimulant that can be easily added to most charitable campaigns. The small addition we are referring to is ‘social information’.

On a daily basis humans are confronted with the behavior of others. In addition, humans are often affected by the behavior of others, either consciously or unconsciously. For instance, if we see someone staring up onto the sky, we cannot suppress the desire to do the same. A similar effect can be found in a charitable context: practitioners often use social information to influence giving behavior (van Teunenbroek, Bekkers & Beersma, 2019).

Most of the scientific literature reports a positive effect of social information (van Teunenbroek, Beersma & Bekkers, 2018). This means that the addition of social information stimulates giving. However, the effect of social information is not so simple after all. Especially if we dive into the literature. For instance, the direction of the effect is not uniform across studies. This means that sometimes social information has a small effect (10%) to medium effects (20%), with an average of 14%.

It should be apparent that social information is not always a stimulant for giving. This does not mean that it should be disregarded, we simply need more insights into the working of this potential stimulant. In this paper we do just that: we will review and explain the effect. This results in a roadmap for practitioners which can be used to determine whether the use of social information is a useful stimulant for a specific charitable campaign.

We summarize the findings of researchers focused on social information effects. We present four chapters:

1. Overview of the current scientific literature and debate
2. Donor characteristics
3. Donor motives
4. Project characteristics

The results are based on extensive scientific research.
Overview literature

In this chapter we will review the current literature focused on social information effects. The main goal of this chapter is understanding why social information has an effect (and why sometimes it does not).

The presented information can help charities understand why some donors are affected by social information and others are not.

For instance, a donor who values group behavior is more likely to follow social information. This means that this individual donates a similar amount as the previous donors.

This chapter is based on an extensive literature review conducted among 35 papers. The papers are reviewed and summarized for the readers convenience. The result is an overarching framework of the current insights.

Donor characteristics

Not all donors are affected by social information. In addition, donors who are affected by social information do not all behave in the same way. Sometimes social information decreases donations. Often it increases donations, but not always in the same manner: the strength of the effect differs.

This chapter is based on an experiment amongst students at the Vrije Universiteit Amsterdam. The researcher asked the participants several questions to measure their personality traits. These personality traits related to the giving behavior. The result is a donor profile of those affected by social information.

Donor characteristics cannot be influenced by social information. For instance, a donor will not become older because of social information. However, when we know which type of donors are affected by social information, we can screen for these participants amongst our campaign. Based on this we can decide if social information is a sensible stimulant.
Social norms

Why is social information an effective stimulant? Most of the scientific research points towards social norms and describe that social information provides donors with a social norm.

We discuss how social information provides donors with a social norm and what this means. We also discuss why sometimes social information has a negative effect.

Also, we discuss restrictions of social information as a social norm.

This chapter is based on multiple papers, combining data from laboratory and field studies.

Project characteristics

Philanthropic campaigns are diverse, ranging from small projects initiated by one individual to overarching international projects initiated by multiple organizations. Social information will not be an effective stimulant for all campaigns and projects.

In this chapter we will review several project characteristics that increase the effectiveness of social information. For instance, are projects where donors make a public donation more effective when we add social information?

We also focus on a new funding method, namely crowdfunding. In general, crowdfunding projects are unsuccessful at assembling funding. For instance, Kickstarter has a success rate of ~30%. How can social information help crowdfunding assemble more funding?

This chapter is based on multiple papers, combining data from laboratory and field studies. The information can be used to adapt campaigns and charities to support the social information effect.
Why does social information increase charitable giving?

Humans are often influenced by the behavior of others, the social information effect. Social information is often used by practitioners to increase charitable giving. However, it is unclear why social information stimulates giving. We conducted a literature review of 35 studies reporting on social information effects in a charitable context. We show that several studies report no or even negative effects and that scientists have insufficiently explained these findings. We used social psychological and behavioral economic theories to explain social information effects. This results in a framework that can be used to explain and interpret social information effects. It can be used by practitioners who want to use social information to stimulate giving.

From the current literature on social information effects we cannot conclude to what extent social information affects donation amounts. This means that we cannot advice practitioners about the use. Therefore, this chapter focused on the question of “When and why does social information increase charitable giving?”.

We reviewed 35 papers that focused on social information effects. Based on these studies alone we could not develop a complete theoretical model, since earlier research hardly used theories to explain their (lacking) findings. Therefore, we combined it with insights from social psychology and behavior economics.

Individuals have different reasons for giving (see Konrath & Handy, 2018; Bekkers & Wiepking, 2011). Individuals have different reasons for (not) following social information:

1. Social norms
2. Awareness
3. Quality
4. Impact (negative)

First, some donors donate because they want to behave in a socially acceptable way (Bekkers & Wiepking, 2011). Social information creates social norms (e.g. Croson, Handy & Shang, 2009; Sasaki, 2019; Smith, Windmeijer, & Wright, 2015): because other people are donating, it is apparently common to do so. Second, a related motive to give is to behave altruistically; to help others (Bekkers & Wiepking, 2011). Social information increases an awareness of need: because other people are donating, there is apparently a real need for help. Third, some donors care about the trustworthiness and efficacy of a charity and search for information about the quality signals to determine if their donation will be used properly (Bekkers & Wiepking, 2011). Social information increases the perceived quality of a charity (Vesterlund, 2003): if other people are donating, they must perceive this charity of a good quality.

Next to the different motives to follow social information, the effect of social information likely depends on several donor and context characteristics. The authors summarized these in the three W’s:

1. Who
2. What
3. Where

The three W’s explain when there is a stronger effect. The effect depends on: 1. who provides the information (e.g., is it a source with whom we identify or not); 2. what is the content of the information (e.g., is the donation amount high or low), and 3. where is the donation made (e.g., in public or anonymously).

On the following page, we will discuss the motives and three W’s in debt.
## MOTIVES TO FOLLOW SOCIAL INFORMATION

### 1. SOCIAL NORMS

Daily, our decisions are largely influenced by social norms, since these norms (i.e. unwritten rules) provide cues about how to behave in a given situation. Humans often mimic the behavior of others, we call this conforming (Cialdini, Reno, & Kallgren, 1990).

By showing social information, we try to influence the decisions of potential donors by hinting at an answer to the fundamental question: what does a person like me do in this situation? Donors who desire to blend in use social information as a reference for the acceptable donation amount.

### 2. AWARENESS

An individual must be aware that there is a need for help, we call this awareness of need (Bekkers & Wiepking, 2011). The awareness of need can be stimulated if beneficiaries communicate this need to potential donors.

Social information could increase the awareness of need by communicating this need to other donors: “If people are willing to donate large amounts of money, there must really be a need for help and I should donate a higher amount.”.

### 3. QUALITY

Some donors care about gaining a (indirect) benefit from their donation. To gain a benefit, the project must be of a proper quality. Donors find it hard to judge the quality of philanthropic projects (Handy, 1995). If other donors contribute, donors may perceive the donation as a signal that the charity is of a good quality, which enhances the perceived trustworthiness and efficacy of that charity. Social information could signal that a non-profit is associated with a positive organizational legitimacy. A quality signal is important for establishing enough trust to donate (Bekkers, 2003).

### 4. IMPACT

Donors enjoy personally increasing the output of a public good (Duncan, 2004), possibly to appear important. Impact refers to a donor’s feeling of how much their donation contributed to successfully assembling enough money to produce the public good. As a result, the attractiveness of giving decreases with each donation as it decreases the donation impact. Providing social information, therefore, could be costly for practitioners.
In general, the donation context influences donation amounts. For instance, individuals are more generous in a public setting where they are observed (Van Vugt & Hardy, 2010). Social information is more effective in a public setting, where the donation behavior of donors can be observed and judged. Another context factor that can increase the effect of social information is uncertainty. Social information is more effective if a donor perceives the context as uncertain. In an uncertain context, information is an important input for decision making (Frank, 2015).

### 1. WHO

When individuals receive information, it matters who provided the information. We prefer information from people who are like us, like friends and family (i.e. similar others) (Festinger, 1954). If social information is provided by someone who the donor identifies with, the effect is stronger. For instance, Croson & Shang. (2008) found that if social information was connected to the same gender as that of the participant, the information had a stronger effect on donations than in the mismatched condition (e.g., showing a female the donation amount of a male).

### 2. WHAT

The height of the amount mentioned matters. If the amount is too high, donors might perceive it as unfair, unbelievable or excessive, (Hysenbelli et al., 2013). A suggested donation amount that is perceived as too high is probably less effective in influencing giving. Apart from using amounts that are too high, mentioning an amount that is too low can decrease the individual donation amount (Croson et al., 2008; Meyer & Yang, 2016). Unfortunately, it is unclear why exactly donors do not respond to information about very high donation.

### 3. WHERE

In general, the donation context influences donation amounts. For instance, individuals are more generous in a public setting where they are observed (Van Vugt & Hardy, 2010). Social information is more effective in a public setting, where the donation behavior of donors can be observed and judged. Another context factor that can increase the effect of social information is uncertainty. Social information is more effective if a donor perceives the context as uncertain. In an uncertain context, information is an important input for decision making (Frank, 2015).
Donor characteristics

Not all donors are motivated and driven by the same motives to give. In turn, not all donors react to social information: some donors are unaffected by social information. In this chapter we describe which type of donors are especially prone to social information. The chapter is based on an experiment amongst 103 students. Next to measuring how students reacted to the information about the donation amount of other students, we measured several donor characteristics. This study shows who is affected by social information. Practitioners can use this information to determine whether adding social information is sensible, based on their donor pool.

A donor profile: 
WHO IS MORE AFFECTED BY SOCIAL INFORMATION?

Not all donors are motivated and driven by the same motives to give. Some donors are more likely and able to donate. Social information will not change this, since these are constant donor characteristics. However, we can examine which type of donor is more likely to be affected by social information. This way we can beforehand determine whether social information is a sensible stimulant for a specific donation campaign.

The researcher proposed that the strength of the social information effects depends on four donor characteristics (van Teunenbroek, 2016):

1. Uncertainty
2. Need to belong
3. Concern for their reputation
4. Social identity

The only donor characteristic that influenced the effect of social information was reputation. There was a positive effect: donors who care about their reputation are more likely to follow social information.

While we cannot change a donors’ focus on their reputation (it is a relatively stable personality trait), we can design a project in such a way that it supports the donors desire to make their reputation more visible. For instance, by creating a public giving environment.

Another option is to clearly state the group behind the campaign. Or you can assign an ambassador with an outspoken identity. In general, these are famous individuals known to the public. This can inspire individuals who want to be like that person to follow the information. For instance, by stating that celebrity X has donated 100 euros, it could inspire other individuals who admire celebrity X to donate similar amounts.

A more practical option is to describe in depth who the other donor was that donated the mentioned amount: reveal the source. Individuals are more likely to donate if the source of the social information is a similar other. For instance, Italian students are more affected by social information if it comes from another Italian student, than from a German study (Hysenbelli et al., 2013).

Donors who care more about their reputation are more likely to follow social information and adjust accordingly.
Not everyone reacts the same:

**WOMEN ARE MORE AFFECTED BY SOCIAL INFORMATION**

The gender of a potential donor matters: women are more affected by social information than men (Klinowski, 2015). An explanation behind this finding is that women are more concerned with their reputation than men (Klinowski, 2015). Since giving and following is important for a positive reputation, women are more likely to follow social information. This is an important finding since women contribute less than men (Sell & Wilson, 1991) and are more likely to avoid solicitation (DellaVigna, List, Malmendier, & Rao, 2012). The implementation of social information could stimulate women to give.

The effect can be strengthened by a female solicitant. Shang, Croson and Handy (2009) demonstrate that the influence of social information is larger when the identity between the donor and the source of social information is more congruent. When the gender is alike, it results in a higher donation amount (Shang et al., 2012). The influence of social information on donation behavior appears to be sensitive to the similarity between the gender of the source of social information and the potential donor.

The *gender and attractiveness affect the strength of social information effects.*

It is also important to discuss the role of attractiveness and gender in relation to donation amounts, since the gender of the donor and solicitor is a partial determinant of the donation amount (Raihani & Smith, 2015). A study analyzing online donations showed that male donors donate more when solicited by attractive females, compared to less attractive females.

**MATCHING**

Social information can be made more effective by matching. We can apply two methods to match:

1. **Matching donor and solicitant**: creating a similar identity (like gender) between the donor and the solicitant. For instance, approaching female donors with a female solicitant.
2. **Matching donor and source**: creating a similar identity between the donor and the source of social information. For instance, for an art-oriented project, we could use: ‘an earlier art lover donated €5’, instead of the neutral version: ‘a previous donor donated €5’.
Social motives to follow

Humans have a natural tendency to follow others, to behave accordingly. Social information provides donors with a norm: an unwritten rule about how to behave. By presenting social information, donors are faced with the decision of following the information and donating similar amount. On the other hand, donors can ignore the information. In this chapter we consider whether and how donors follow social information. We explain why donors want to follow the information. This chapter can be used to understand why social information has an effect on giving behavior.

The following chapter is based on:

Donors like to follow others:

SOCIAL INFORMATION MAKES FOLLOWING EASIER

Earlier we discussed that one of the motives to follow social information stems from a desire to follow, to blend in and belong. Social psychologists describe this as a desire to conform: adjusting your behavior according to the behavior of others. Social information could provide donors with a norm about how to behave: if others are giving 5 euros, that is apparently the correct amount to give and I should do the same.

Social norms convey information about how an individual should behave in a certain situation. Donors may use social information as a social norm, such that donors think that the donation behavior of other donors provides them with standard for the appropriate donation amount.

Based on this we would expect that donors donate amounts that closely resemble the amount mentioned by social information. Indeed, van Teunenbroek (2016) found that students donate the exact same amount as previous donors or an amount close to it.

However, for social information to work as a social norm it is important to use a typical amount. For instance, Teunenbroek & Bekkers (2018) found that an atypical amount such as 82 euros did increase giving, but donors did not mirror the amount.

Donors may interpret social information as a social norm, such that donors think that previous donations provide a standard for what is appropriate.
Reluctant giving & negative effects of social norms:
SOCIAL INFORMATION CAN DECREASE GIVING

Social information does not always increase giving. Sometimes it has no effect on the individual donation amount (Catt & Benson, 1977; Kubo, Shoji, Tsuge, & Kuriyama, 2018; Murphy, Batmunkh, Nilsson, & Ray, 2015; Shang & Croson, 2009). Other times it has a negative effect on donation amounts (Croson & Shang, 2008; Meyer & Yang, 2016): donors donate lower amounts.

While only 9% of the studies found a negative effect, these should not be disregarded. The negative effect is stronger than the positive effect, so called downward social information. This means that if social information decreases giving, it does so more strongly than it increases giving. More precisely, the negative effect is twice as strong as the positive effect (Croson & Shang, 2008).

Why is the negative effect of social information stronger than the positive effect? A large percentage of donors donate while they prefer not to, we call this reluctant giving (DellaVigna, List & Malmendier, 2012). Donors are conflicted between (1) saving money and (2) acting pro socially. Saving money is in the self-interest of the donor, while action pro socially is according to the social norm to give. By providing social information, donors are reminded that it is expected to act prosaically: the norm states one should give. If social information provides a low amount, donors can follow this norm and save money. In other words, if social information provides a low amount, following the norm does not undermine the self-interest of donating the lowest amount possible. However, if the amount is high, donors can only follow this by giving more and decreasing their self-interest. In other words, social information providing a low amount is more appealing for donors to follow, than a high amount: donors lower their donation amount, serve their self interest and follow the norm.

A low amount decreases giving more than a high amount increases giving.
An online donation method: CROWDFUNDING

Crowdfunding is an online funding method where a donor can donate to a specific project. Crowdfunding projects provide donors with an elaborate description of the donation goal. Crowdfunding projects run for a predetermined number of days. Donors can see the target amount. If the target amount (or percentage of) is not assembled in time, the crowdfunding initiator does not receive the donations. Therefore, it is essential for the crowdfunding initiator that the target amount is assembled in time.

We argue that social information can be especially useful for crowdfunding campaigns, since crowdfunding campaigns are project based: donors do not give to a general cause but a specific goal. To examine whether social information is a sensible stimulant for a project, the first step consists out of reviewing the expected donor pool for the project: what is the target group? Next, we consider the characteristics of the donor group. If these are a match with the donors sensible to social information, social information can be added to the campaign.

The implications of this report are important for practitioners since there is a need to understand possible stimulants for donating to crowdfunding projects (Zvilichovsky, Danziger, S., & Steinhart, 2018), as many crowdfunding projects fail to assemble enough funding. For instance, the percentage of successfully funded projects between 2014 and 2018 on one of the most popular and successful crowdfunding platforms, Kickstarter, is 33.4% (The Crowdfunding Center, 2018). This low percentage of success is rather concerning since there is a growing use of crowdfunding campaigns (Zvilichovsky, Danziger, S., & Steinhart, 2018).

The 10 basics of crowdfunding

Van Teunenbroek (2018) describes that crowdfunding can be summarized by 10 key features:

1. Online
2. Project oriented
3. Specific
4. Transparent
5. Democratic
6. Updates
7. Active community
8. Visual impact
9. Rewards
10. No financial intermediaries.
Project characteristics

There exists a large abundancy of charitable campaigns, running from small projects hosted by one solicitant to large and international projects hosted by multiple charities. Social information might not be a good option for all projects. In the following chapter we review which type of projects are more suitable for social information. We focus especially on one funding method: crowdfunding. Crowdfunding is a relatively new and upcoming funding method that needs a charitable stimulant, since few projects assemble enough money to be realized. Also, we examine at exactly when, at which time, social information is most effective: at the beginning, middle of end of a campaign.

This chapter summarizes two articles:

Social information in a public setting:

STUDENTS DONATED 25% HIGHER AMOUNTS

Social information is more effective in a public donation context: if the donation behavior of a donor can be observed, they are more likely to follow social information. For instance, a study amongst tourists at a national park showed that social information increased donations with 25% (Alpizar et al., 2008a, 2008b). This is higher than the effects found by studies in a private setting (around 14%).

Similar effects were found by van Teunenbroek (2016). The researchers asked a new group of students how much they would donate to a real crowdfunding project\(^1\) (van Teunenbroek, 2016). The researchers provided half of the participants with social information (social information group). These students were informed that other students donated €15. The other half of the group received no social information (control group), before being asked to donate.

The researchers found a positive effect of social information on the donation amount: an increase of 25%. Another interesting finding is that the students mimicked the amount mentioned as social information: students donated a similar amount or amounts close to the mentioned €15. Also, social information had a positive effect on the participation rate: more students donated if they read that others had done so as well.

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\(^1\) The crowdfunding project was running during the experiment, and the students were informed that 10% of the hypothetical donations would be donated to the crowdfunding project. This made the setting more realistic.
Social information effects at an actual online campaign:
HIGHER DONATION AMOUNTS (16%), BUT NOT MORE DONORS

Social information is frequently used in online campaigns, more than in regular campaigns. This is especially the case with crowdfunding. Crowdfunding campaigns provide donors with multiple forms of social information. Next to the individual donation amount, individuals can see the number of donors and the percentage assembled thus far. All these factors might undermine the effect of the social information form we are interested in: donation amount of previous donors. Is a simple piece of information enough to influence the donation behavior?

Van Teunenbroek & Bekkers (2018) conducted an elaborate field study amongst 24,070 viewers at a Dutch crowdfunding platform. The researchers added the following simple addition: “Did you know that on average donors of platform X donate 82 euros?”

The donors who were provided with this information, donated 16% higher amounts than donors who received no information about the donation amount of previous donors.

While the donation amount increased, the participation rate remained unaffected: social information did not stimulate more donors to give. This is in line with previous research, few studies found a positive effect on both the individual donation amount and the number of donors (van Teunenbroek, Bekkers & Beersma, 2018). It appears that social information is mostly effective in increasing donation amounts, and in lesser extent in attracting donors.

*It appears that social information is mostly effective in increasing online donation amounts, and in lesser extent in attracting donors.*
Project funding period:

SOCIAL INFORMATION IS ESPECIALLY EFFECTIVE AT THE BEGINNING AND END OF A CAMPAIGN

Social information is often applied throughout the campaign: from the beginning to the end. Since social information can also lower donations, it is important to know whether social information is a positive stimulant throughout a campaign. To review this the researchers analyzed data from 119 Dutch crowdfunding campaigns.

The researchers found that while social information did not have a negative effect at any moment, social information did not increase giving in the middle of campaigns. The largest positive effect was in the beginning of the campaigns. At this moment, social information increased the donations with 20%.

Next to the positive effect in the beginning of the campaigns, social information had a positive effect at the end of the campaigns. At this moment, social information increased donations with 13%.

The researchers explain their findings by stating that donors who feel uncertain about how to behave are more likely to follow social information. We also know that in the beginning stage crowdfunding projects are mainly funded by family and friends (Borst, Moser & Ferguson, 2018). It is possible, that the family and friends of crowdfunding solicitors are not regular givers to crowdfunding campaigns. As a result, these donors feel more uncertain about their donation behavior and depend stronger on social information, since social information gives them norm about how to behave. More research is needed to test this assumption. For now, we can only conclude that social information in this study was especially effective in the beginning of the campaigns.
The advantages of crowdfunding campaigns: PRE-SCREENING AND PROJECT-BASED CAMPAIGNS

We argue that social information can be especially useful for crowdfunding campaigns, since crowdfunding campaigns are project based: donors do not give to a general cause but a specific goal. This project-based orientation allows for pre-screening: reviewing the expected donor pool for the project. What is the target group? Or in crowdfunding terms: who is your crowd? Next, we consider the characteristics of this donor group. If the expected donor group is a match with the donors sensible to social information, social information can be added to the campaign.

While social information has hardly been studied in a crowdfunding context (van Teunenbroek, 2016; van Teunenbroek & Bekkers, 2018), social information has been studied by several researchers in an online setting (Bøg et al., 2012; Kawamura et al., 2018; Raihani et al., 2015; Sasaki, 2019; Smith et al., 2015). In general, the studies find positive results. This shows that visually showing the donation amount of previous donor(s) affects online giving behavior.

Social information can help crowdfunding projects reach their target. The unique project-based orientation of crowdfunding makes it a suitable candidate for pre-screening.

- specify the funding goal
- specify the target amount
- what problem will the project solve?
- who is interested in this goal?
- who gains from solving the problem?
- what are the donor characteristics and demographics?
- consider whether the characteristics and demographics align with social information
A word of caution:
RESPONSIBLE USE

While the effects of social information range from small (10%) to medium (25%) we should still use them with care. It is important to base the amount mentioned by social information on the actual donation average or on an actual donation amount of a previous donor. A donation amount that is too high ceases to have an effect. More importantly, it is unethical to provide donors with inaccurate information. Trust is an important factor for donors to donate. Charities should not blemish this to increase donation amounts.

Before a charity applies social information, the charity will have to conduct market research. For instance, van Teunenbroek & Bekkers (2018) analyzed the donation amounts of the previous six months. This gave the researchers insight into the average donation amount, which was 82 euros.
It should not be used as a trick:

TRUST BETWEEN DONORS AND CHARITIES IS ESSENTIAL

A definite advantage of social information is that it is one simple addition: it is quick, easy and cheap. The danger is that it can be a bit dirty. We already discussed that it is essential to base the amount on actual donor information, instead of making it up. Donors should not be lied to, they should not be tricked. Social information can be used as a nudge: a gentle push in the back to stimulate them to behave prosocial.

The key distinction from a trick, is that social information should not damage donor’s trust, self-image or confidence. A donor can feel tricked, if the mentioned amount is perceived as inaccurate (for instance too high). As a result, a donor will feel reluctance and refrain from giving altogether. This means that providing social information can backfire.

We should avoid the false bottom of the magician’s hat.

Final note, even if there is a high demand for donations. Charities should fight the urge to up the amount and instead focus on an accurate amount and responsible stimulant. Not just to ensure that donors are positively affected by social information, but also to behave ethically.

Trust

In the Netherlands, trust between donors and charities is still decreasing (Bekkers, Schuyt & Gouwenberg, 2017). This despite the efforts of the philanthropic sector to establish trust by displaying their strategies and goals more clearly (i.e. transparency).

Most of the Dutch households perceive charities as important for the society. None the less, Dutch households are less prosocial and give less (often).

Resistance

Suggested amounts are a symbolic infringement on the donor’s freedom to choose a donation amount. When the suggested amount is much higher than the amount that a donor is willing to give, she ultimately refrains from giving.
Giving behavior is about more than just money:

SOCIAL INFORMATION COULD DECREASE THE JOY OF GIVING

Up until now we have only considered the effect of social information on donation behavior. However, we should not disregard that donation behavior is about more than just the monetary outcome, since giving yields social and psychological benefits which in turn affect giving. Unfortunately, the studies dedicated to social information effects solely focus on influencing the individual donation amount of later donors. This is unfortunate, since positive moods motivate giving. Therefore, it is important to know how the use of social information affects not just the donation behavior, but also the joy of giving.

As far as we know, no study has ever considered the possibility that social information could decrease the joy of giving. Joy of giving refers to the positive feeling donors experience when donating (Steinberg, 1987), which occurs when donors feel like they had a choice to give (Dunn, Aknin & Norton, 2014). By presenting social information donors are confronted with the behavior of others and donors must decide if they want to follow or ignore the information. We argue that deciding while being confronted with social information decreases the donors feeling of autonomy, which in turn decreases the joy of giving.

Van Teunenbroek, Bekkers & Beersma (2019) are currently conducting an online lab study to examine how social information affects moods. The researchers expect a negative effect of social information on the joy of giving, since donors feel forced to follow social information. As a result, their happiness decreases because they must donate a higher amount.

MEASURING MOODS

It is relatively easy to measure individual donation amounts and the number of participants. Measuring donor’s moods is more work, since charities will have to implement a survey to ask donors about their current moods directly after they donated.

Still, it can be easily done with one question. For instance, by asking: “How are you feeling at this moment?” The response options range from 1 (‘Very bad’) to 10 (‘Very good’). This item is based on the PANAS scale of Watson, Clark & Tellegen, 1988).
REFERENCE LIST


33. and happiness. New Haven, CT: Yale University Press.

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• **Social information & donations**
Practitioners often mention the donation amount of other donors, in an attempt to increase donation amounts. The use of the donation amount of others, is called social information. While most of the scientific literature advises the use of social information, it can also have a negative effect. Meaning that social information could decrease donation amounts, rather than increase them. Thus, social information could be harmful. This report advises practitioners on the use of social information as a charitable stimulant.

• **Unique research report**
The report is based on extensive research of the last five years. In the report the author summarizes findings from several data sources. All data has been collected and analyzed by the author, unless noted otherwise. The findings are supported by earlier research, which are summarized for your convenience.

• **About the author**
Claire van Teunenbroek works as a PhD candidate for the Center of Philanthropic studies at the Vrije Universiteit Amsterdam. For the past five years she has researched online donation methods, stimulating giving using social incentives and prosocial behavior in general. Next to this, she works as a data manager for Geven in Nederland. The report provides a practical summary of her dissertation.

This report is important for:

• **Everyone interested in increasing the effectiveness of their philanthropic campaigns**
• **Everyone who works in the philanthropic sector**
• **Everyone with a (scientific) interest in philanthropy**
• **Policymakers, staff and directors of institutions for culture, education, animal welfare, care and welfare and other institutions that (partially) depend on fundraising**

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