



# CHARITABLE GIVING: LESSONS FROM MARKETING AND CONSUMER BEHAVIOUR

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# KEY QUESTIONS TO ABOUT GIVING

Who gives?



Why do people give?



How do people make  
donation decisions?



How can fundraisers influence  
donation decisions?

# CHARITY CONTROLLED FACTORS

Source of the message:

- ◉ Charity brand image

Content of the message:

- ◉ The need for help
- ◉ Beneficiary portrayal
- ◉ Beneficiary/donor similarity
- ◉ Labelling
- ◉ Social influence

Nature of the request for support

- ◉ Options for donors
- ◉ Size of the request
- ◉ Method of giving

# SOURCE OF THE MESSAGE:

## CHARITY BRAND IMAGE

- ◉ Brand identity provides strategic direction; charities with a strong brand orientation report better organisational performance (Napoli, 2006),
- ◉ A charity brand should indicate that it is an effective intermediary for helping, which fits with donors' helping orientation (e.g. Big Issue - "a hand up not a hand out"),
- ◉ Distinctive brand identity links to abstract dimensions of brands - heritage, values, personality (e.g. innovative vs. traditional vs. outspoken and challenging vs. fun) (Sargeant et al., 2008),
- ◉ Personal values influence the appeal of charity brand image: e.g people who value achievement favour charities with "exciting", "adventurous", "competitive" or "entrepreneurial" brand identities (Bennett, 2003),
- ◉ Donor segmentation is vital for effective branding.
- ◉ What are the barriers for charities in adopting a brand orientation? How can they be overcome?

# CONTENT OF THE MESSAGE

## ○ The need for help

What is a 'worthy' cause depends on perceptions of:

- The benefits for the beneficiary & donor,
- The intensity and urgency of the need,
- That the need is beyond the beneficiaries' control (Piliavin et al, 1975; Campbell et al., 2001).

Individual influences are:

- Personal experience, esp. knowing someone who may benefit (Wiepking, 2006; Small and Simonsohn, 2008),
- Donor's values (Bennett, 2003).
- What key factors influence perceptions of needs (e.g. beliefs about state funding) & how can they be influenced? esp. for causes with less popular appeal.

# CONTENT OF THE MESSAGE

## ○ Beneficiary portrayal

- 'In need' vs. 'success story' appeals (47%, 53% ads in Guardian)
- Mixed findings on whether positive or negative appeals are more effective in soliciting donations (Alder et al., 1991; Fisher et al., 2008),
- 'Guilt' appeals maintain their effectiveness over repeat requests for both intensity of emotional arousal and giving compared to 'elevation' appeals (Hibbert et al., 2010)
  
- NB. Portrayal of women and attractive people as beneficiaries leads to more giving.
  
- Need for research on positive moral emotional appeals and the processes by which they provoke giving.

# CONTENT OF THE MESSAGE

## ◉ Beneficiary/donor similarity

- Giving is increased when there are similarities (physical features, culture, ethnic background, etc.). The effect is less for donors with strong egalitarian values (Mitchell and Byrne, 1973).
- What is the influence of 'similarity' on giving for ethnic groups and in multicultural environments?

## ◉ Labelling

- People behave in ways that are consistent with labels (Miller, 1975),
- Positive labelling - "generous" - increases motivation and encourages a more positive attitude towards the organisation requesting help (Moore et al., 1985),
- Labelling has greater impact on people for whom giving is not central to their self-identity, whose motivation is dependent on external stimuli,
- What labels are meaningful and motivating for contemporary (non)donors? Can labelling tap into self identity to stem the decline in giving?

# CONTENT OF THE MESSAGE

## ◉ Social influence

- Social influence processes are: **normative** (rewards/sanctions & value expressive) and **informational** (others act as information sources, others behaviour allows inference about the giving),
- People well integrated in social institutions are more prone to give (Radley and Kennedy, 1995),
- When giving is perceived to be normative people are more likely to give and to give more (Martin and Randal, 2005) e.g. announcement of number of donations and amount raised on telethons,
- People are more likely to give when the rewards (thanks, praise, recognition) come through a social group of which the donor is a member (Fisher and Ackerman, 1998),
- Effects of normative influences are magnified by providing information on the consequences of helping, which make counter-arguing more difficult (LaTour and Manrai, 1989).
- Refine understanding of effective methods of exerting social influence for donor segments.
- How can social networks be harnessed to leverage social influence processes (normative and informational)?



# NATURE OF THE REQUEST FOR SUPPORT

- ◉ Options for donors
  - Support is more forthcoming if people are given options on the type, amount and timing of their gift.
- ◉ Size of the request
  - Requests for large donations are less likely to be successful (Andreoni and Miller, 2002; Bekkers, 2004),
  - Tax efficient giving schemes lead to greater amounts of giving (Peloza and Steel, 2005).
- ◉ Method of giving
  - Personal solicitations are more effective than impersonal ones (Hoffman et al. 1996; Thornton et al., 1991), especially when made by those who are familiar/have social ties with the donor,
  - Approaches that create a sense of a relationship encourage compliance (Aunel and Basil, 1994).
- ◉ Feedback and loyalty
  - Past donations and feedback (thanks, recognition, information on impact) and trust leads to repeat giving (Sargeant and Lee, 2004).
  - How does helping via consumption (e.g. Fair Trade, CRM, ethical investment) compete with or compliment charitable giving?
  - How can charity relationships with donors be established and nurtured? How can new technologies be harnessed to this end?

# CONCLUSIONS

- ◉ Existing research can be used to inform the targeting and design of charities' 'ask' for donations,
- ◉ BUT research is patchy and some is outdated, such that many questions about fundraising in the contemporary environment remain unanswered.
  
- ◉ Dissemination of existing knowledge, training and infrastructure (e.g. [Localgiving.com](http://Localgiving.com)) can help to improve the quality and effectiveness of charities' 'ask' ,
- ◉ Investment in new research is needed to extend and update the evidence base.