How we behave when asked for donations while buying concert tickets online

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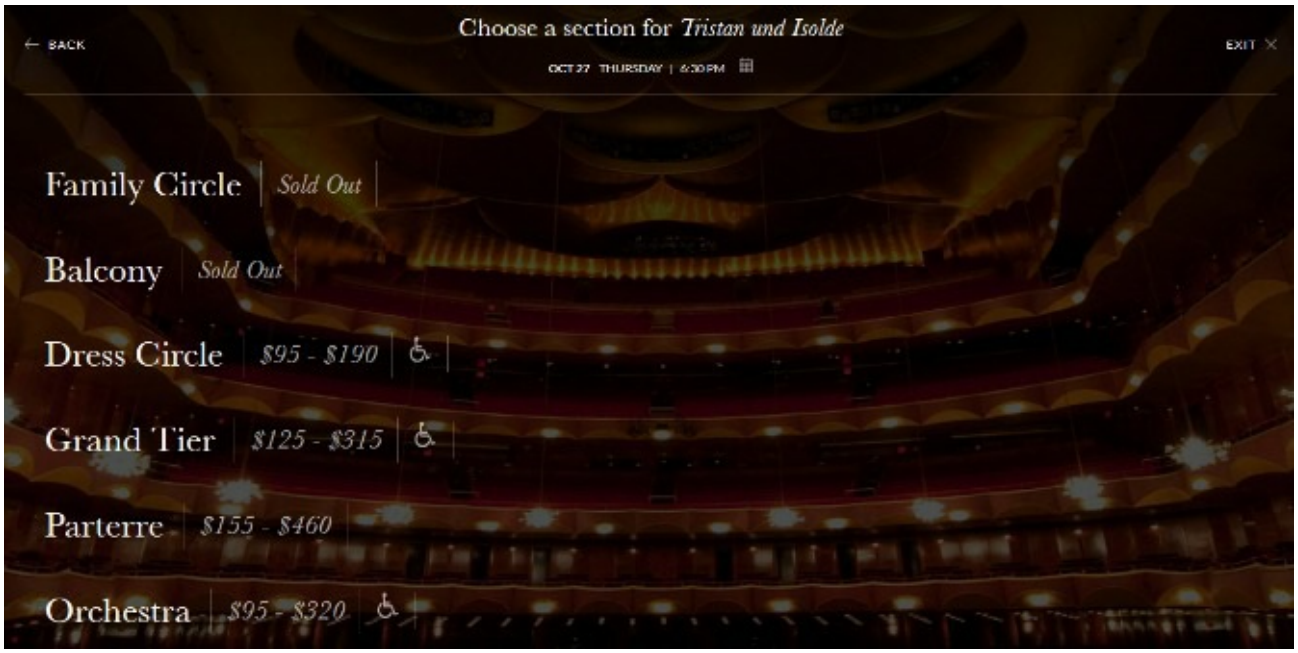

Screen shot from the New York Metropolitan Opera's website

People like to think about themselves in good terms. When asked for donations they have difficulty turning down the ask. Sometimes they engage in actions to avoid being asked in the first place. It reminds me of kids playing "If I Don't See You, You Don't See Me!" They pretend to have not seen the ask or, in the long-term, avoid the situation which they associate with fundraising. This behavior has consequences for fundraisers, as our new paper shows.

First, our study provided field evidence for the role of pure self-image, independent of social image, in charitable giving. We conducted our study in conjunction with an opera house. It was the first time that the company asked for online donations to support a social youth program enabling poor schoolchildren to visit the opera. Examining the online fundraising campaign run on their ticket booking platform with over 13,000 visits, we documented how individuals engage in self-deception to preserve their self-image.

Registered customers who had made their choice of opera tickets and proceeded to the payment stage were asked to donate additional money. We slightly manipulated the way people were solicited and traced their subsequent behavior.

In one treatment, opera customers asked to donate to a children's fund could click on the "proceed" button, ignoring the (implicit) decision not to give and hence engaging in self-deception. This was changed in another treatment which forced customers to check one of two boxes—"I have donated already" or "No, thank you"—if they wanted to proceed without a donation.

In the first treatment, clicking on "proceed" without ticking one of the two boxes allows for some potentially attractive self-deception. The "proceed" button might be perceived as an invitation simply to go on with the purchase. The fact that going straight to the check-out page implies the decision not to donate can potentially be conveniently overlooked. Non-donors are not forced to admit to themselves that they are non-donors. This treatment resulted in

meager response rates and donations. In the second treatment, this option was shut down, which had a huge positive effect on donations. The magnitude of the detected self-image motive in charitable giving in this study is quite meaningful – increasing the return from fundraising six- to sevenfold.

Second, we also document how customers "learn to avoid the ask." In the next opera season, we compared the ticket-purchasing behavior between two groups of customers: those who previously faced the online fundraising campaign and those who visited the platform before or after the campaign. Non-frequent customers who faced the online fundraising campaign return less often to the opera in the next season and spend on average €16–32 less on tickets than those who were not exposed to the fundraising campaign. This compares to donations of just €0.26 per person from the same group of customers raised during the campaign. We present evidence that this effect did not fade over time but became permanent.

Beyond that, we also analyzed grid setting in fundraising. In our context, the customers choose donation "tickets" that make up the total donation. Increasing "ticket" prices from €10, €20, €50, and €100 to €20, €50, €100, and €200 had dramatically negative effects: customers donated less often and the overall return from them was significantly lower.

This suggests that similar types of arts companies tied with charities might be better off by rethinking their fundraising strategies. Our findings imply that asking for less could be potentially better in two respects. On the one hand, it increases the return rate, while not necessarily lowering the donation values. At least it seems to be worthwhile to experiment a bit to find out the optimal ask value, or maybe even better, to custom it on an individual basis. On the other hand, turning many people into donors reduces the risk that non-donors, who feel guilty for not responding to the ask, avoid spending money at all on the organization. Finally, the charities should take into account the potential trade-off between losing a potential donor and being more persuasive in the short term, and a potential long-term effects on company's revenues from ticket sales.

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Notes:

- *This article is based on the author's paper Online fundraising, self-image, and the long-term impact of ask avoidance avoidance, co-authored with Steffen Huck, available as WZB Discussion Paper SP II 2016–306, 2016*
- *The post gives the views of its authors, not the position of LSE Business Review or the London School of Economics.*
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