

Researchers reveal 'peer effect' really counts when it comes to charitable giving

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(Phys.org) -- Online fundraising is a major source of income for many charities. A new study has looked at the extent to which people giving in this way are influenced by how much other people have given on the website before them.

The University of Bristol study found that donors were strongly influenced by how much other [people](#) had given. One donation of £100 typically shifts average donations from £20 to £30. The effects also appear to be fairly persistent, lasting at least up to 20 donations after. Similarly, a single small donation to a website lowers the amounts that are subsequently given by around £5.

The researchers studied online fundraising around the 2010 London

Marathon— the biggest single fundraising event in the world. Using data from the two largest online fundraising sites – Just Giving and Virgin Money Giving – the researchers analysed 300,000 [donations](#) given to more than 10,000 fundraising pages distributed to more than 1,000 [charities](#).

Professor Sarah Smith, author of the study from the University’s Centre for Market and Public Organisation, said: “I don’t think it will surprise many people to learn that donors are influenced by their peers. What is interesting is the sheer scale of the effect – and the fact that it can be negative as well as positive. This could be helpful to professional and individual fundraisers in thinking about how to maximise the amount of money they raise.

“Looking at online [fundraising](#) also gives us some insight into the psychology of giving. It isn’t as simple as donors competing to be the most generous – or avoiding being the meanest. Instead, it looks like they are trying to find what they think is the right level for them personally, compared to their peers.”

The research, carried out by the Centre for Market and Public Organisation (CMPO) at the University of Bristol, was funded by the Leverhulme Trust and the Economic and Social Research Council (ESRC).

Provided by University of Bristol

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