

Social media not always 'tweet' deal for charitable fundraising

April 4 2016, by Elaine Smith



Associate professor Nicola Lacetera. Credit: University of Toronto Mississauga

Not-for-profit organizations throughout North America that were awed by the viral success of the ALS Society's ice bucket fundraising challenge should think twice before using social media as a significant fundraising tool, says Nicola Lacetera, a University of Toronto Mississauga management professor. A campaign may attract attention worldwide without prompting a commensurate spike in fundraising or

any significant action to further the cause.

"It is true that once you rely on [social media](#), your message can easily reach people by the millions," says Lacetera, who also holds appointments at U of T's Rotman School of Management and Department of Economics. "But then the question becomes 'What do people do with these messages?'"

Lacetera and two colleagues from Johns Hopkins University in Baltimore, Maryland, reviewed longitudinal data about and conducted research into the success of Twitter and Facebook fundraising campaigns to determine whether they effectively lead to donations. Their results were published in the March 2016 edition of *Sociological Science*.

Reviewing the Data

The researchers first examined the success of an application created by Help Attack! to allow Facebook and Twitter users to donate to charities each time they posted or tweeted, with an upper limit for the total donation specified in advance. Potential donors had the option to broadcast their initial pledges and subsequent donations to their networks. About 16 per cent of the pledges were deleted before payment was actually required.

"Donations make you feel good and look good, but do you actually need to donate to get those effects?" Lacetera asks rhetorically. "You can do that just with the click of a mouse or the swipe of a finger by simply 'liking' a campaign. The ability to broadcast doesn't have a big effect on action and real money."

About five per cent of the original pledges led to additional pledges from contacts, but the researchers were unable to trace the motivation

specifically to the influence of online connections.

"If you and a friend donated, was it causal, or was it because you are similar in interests and preferences?" he asks.

Digging Deeper

Next, Lacetera and his colleagues used a series of Facebook ads and sponsored stories to encourage users to instal an application and donate to a charity, Heifer International. One group of recipients had the ability to automatically broadcast their donations; the broadcast feature was disabled for the control group. The campaign reached about 6.4 million Facebook users and had a click-through rate comparable to that of most non-profit campaigns. However, although the campaign received many "likes" and "shares," it resulted in only 30 donations.

"Although there is plenty of visibility on social media, these platforms also provide cheap, alternative ways to express support," Lacetera says. "However, clicking the 'like' icon doesn't save lives.

"Social contagion tends to work when the activity you want people to do is free of charge, such as voting for their favourite movies. As soon as you add a cost, fewer people participate."

Finally, the researchers surveyed 1,605 people, asking them to agree or disagree with various hypothetical statements, including "If you were to receive \$10, you would make a \$5 charitable donation." In a third of the surveys, respondents were told to assume that the donation would go to the charity; in a third, the statement also noted that a percentage of the donation would go toward processing fees; the final third were told that a third party that would process the donation.

The survey led to a potential donation rate of 35 per cent, although the

processing fee decreased the interest and the intermediary decreased it even further.

"A social media giving campaign doesn't necessarily lead to a donation as the next step," Lacetera says. "In addition, the campaigns take a lot of work and cost money to run.

"The jury is still out as to how to get people financially involved. It's an important and exciting challenge to figure out how to leverage the great power of these platforms for social causes."

Provided by University of Toronto

Citation: Social media not always 'tweet' deal for charitable fundraising (2016, April 4) retrieved 20 July 2024 from <https://phys.org/news/2016-04-social-media-tweet-charitable-fundraising.html>

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