

UNIVERSITY OF TWENTE.

Bachelor thesis Psychology

Psychological processes and donation behaviour

Which demographics and psychological processes have an influence on the donation behaviour of the people visiting the charity Sjaki-Tari-Us and how can this be translated into a fundraising strategy?



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Abstract

Background. Mentally disabled children in Indonesia belong to one of the most subordinated and poorest groups, they are very vulnerable and therefore the charity Sjaki-Tari-Us, located on Bali, has been started. Though after 5 years the charity is now facing financial problems; they have difficulties with creating a stable cash flow.

Aim. To create a more stable financial situation better fundraising strategies need to be developed. In this study it was tested if demographics and psychological processes had an influence on the donation behaviour of the guests of Sjaki-Tari-Us.

Method. An field experiment was conducted at the restaurant of Sjaki-Tari-Us to test the influence of four variables on the donation behaviour of the guests. The demographics Age and Gender were collected by observation by the hostess in the restaurant. The socio-psychological mechanism “Cues of being watched” was tested with different conditions. In every condition an image of flowers or a pair of eyes was pasted on the donation box in the restaurant, the eyes activated the feeling of being “watched” and would therefore result in higher and more donations. The last variable was Transparency which in this study stands for the amount of information people get about the charity, the more information the higher the level of transparency and the more and higher people donate money.

Results. The results showed several significant differences between the conditions with eyes and the control and flower condition, though these indicated controversial results compared to previous studies. The influence of age and gender on donation behaviour appeared not to be significant. The relationship between transparency and the decision to donate was significant; the more information people got the higher the propensity to make a donation. These findings do indicate significant influence of certain factors on donation behaviour which is useful for the charity in developing new fundraising strategies.

Conclusion. These findings do indicate significant influence of especially transparency on the donation behaviour of the guests of Sjaki-Tari-Us, this can be used by the charity in future fundraising strategies.

Preface

This study aimed to help the charity Sjaki-Tari-Us. This charity helps the mentally disabled children living on Bali, Indonesia. After 5 years the charity is now facing financial problems; they have difficulties with creating a stable cash flow. To create a more stable financial situation better fundraising strategies need to be developed.

Doing research on this topic required inside information and experiences from the founders of such organizations. That is why I did a field experiment at Sjaki-Tari-Us, a charity set up by Dutch founders and located on Bali, Indonesia. An interview with one of the founders gave a lot of information on how the foundation started and developed through the years. And also the different kinds of fundraising strategies they tried in the past.

At first this study for my bachelor thesis was supposed to be combined with the assignment for my minor, Sustainable Development in Developing Countries. Unfortunately during the process this appeared not to be possible, therefore I had to split the research. Finally I performed a SWOT-analysis of Sjaki-Tari-Us, the organization itself, for the minor. My bachelor thesis, as said before, is focused on developing a well-functioning fundraising strategy with the help of psychological processes.

My time abroad was great, interesting and a challenge as well. I would like to thank the people from Sjaki-Tari-Us for their warm welcome and their involvement in my study, especially the founders Thijs and Karin. The combination of the thesis with the minor assignment, and later on the separation of the two, was instructive but tough as well. Sometimes I had a hard time focusing on my studies but with the help of Stans Drossaert, my supervisor for my Psychology bachelor thesis, Karen Buchanan, my first supervisor for the minor assignment, and Irna van der Molen, my new supervisor for the minor assignment, I finally managed to finish both the studies. So thank you all for that. Also I would like to thank Erik Taal for being my second supervisor on such a short notice. And last but not least I would like to thank my family and friends for supporting and helping me.

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Iris Boers

Table of contents

ABSTRACT	2
PREFACE	3
1. INTRODUCTION	5
1.1 The decision process	6
1.2 Demographic characteristics of people influencing their donation behaviour.....	7
1.3 Influence of psychological processes on donation behaviour.....	9
1.4 Social norms used in fundraising strategies.....	10
1.5 Transparency as a fundraising strategy	13
2. METHOD.....	15
3. RESULTS.....	18
4. DISCUSSION AND CONCLUSION	22
4.1 Social norms and donation behaviour	22
4.2 Demographics and donation behaviour	23
4.3 Transparency and donation behaviour	24
4.4 Limitations & further research.....	24
4.5 Conclusion.....	25
RESOURCE LIST	26
ANNEX.....	30
Annex 1: Information on the host organization.....	30
Annex 2: Images of the donation box in the restaurant.....	31
Annex 3: The hostess form.....	32
Annex 4: Images of the pictures on the donation box of the three conditions	33

1. Introduction

About 650 million people in the world live with some form of disability (World Health Organization and The World Bank, 2011), that is 10% of the world's population. Disabled people living in developing countries belong to one of the most subordinated and poorest groups (DCDD, 2010). In Indonesia about 8.9 million people have some kind of disability of which 1.3 million children (Bureau of Democracy, Human Rights, and Labor, 2011). Besides the poverty these people live in, they also have their disability to deal with. Especially the mentally disabled children, in this case, are the most vulnerable. Therefore the charity Sjaki-Tari-Us has been started on Bali, one of the islands of Indonesia, by a Dutch couple. The purpose of Sjaki-Tari-Us is to educate the mentally disabled children as well as their parents. Also they try to create more understanding from the environment; now Balinese people see disabled children as a punishment for something the parents or the child did wrong in a previous life. The reason Balinese people think this is because of their religion, Hinduism, and their belief in karma. After five years this charity has grown and started a second school on Bali and a restaurant next to their main location (for more information, see annex 1). The amount of students is growing but last year the charity started facing difficulties with creating a stable cash flow.

With different fundraising strategies focused on tourists Sjaki-Tari-Us tries to collect and earn money. Tourism on Bali is the main source of income for the Balinese people. The amount of tourists is growing every year with an average of 13,5%, from 34,147 tourists in 1971 to 1,306,316 in 1997 (Murdoch University, 2000). And in the first three months of 2010 tourism increased with 18,5%, it was expected that in 2010 a total of 2.6 million tourists came to Bali (indonesiepagina.nl, 2010). Not only the amount of tourists is rising, but also the amount of money a tourist spends during its visit on Bali, with 198 million US dollars in 1985 and 406 million US dollars in 1990. For a charity like Sjaki-Tari-Us it is logical and essential to collect money from these tourists, especially because it appeared that individuals are donating more money than in previous years. The founders of Sjaki-Tari-Us have already used different fundraising strategies; the first one was organizing fundraising events and getting donations from mostly family and friends. These strategies are focused on sources that are not inexhaustible and were set up by the founders of Sjaki-Tari-Us whom do not have specific education to organize fundraising events. In the past the charity did receive some money from the Dutch government but nowadays they do not get anything, from the Indonesian government they do not get any support as well. Monetary donations made by

people living in the Netherlands and by tourists who visited the organization are their primary source of income. With the start of the restaurant they created another source of income. This restaurant has different purposes for example to educate the mentally disabled children and to learn them how to work in a restaurant, but the main goal was to earn money for the organization to keep it running. In practice however the restaurant did not earn enough money for Sjaki-Tari-Us. Somehow the fundraising strategies of Sjaki-Tari-Us do not work as they should. One of the solutions following Guy and Patton (1989) is that non-profit organizations should try to understand why people give to charity. Non-profit organizations can use this information to develop a well-functioning fundraising strategy for their organization. This will also encourage long-term commitment of donors to the charity (Guy and Patton, 1989). Martin (2002) stated that different kinds of psychological processes take place when thinking about making a donation or not. When exploring the donation behaviour of people, psychology helps to discover how this is being processed in the human mind. Psychology helps to explore all the aspects of donation behaviour. Processes taking place when people are asked to donate money to charity (Martin, 2002) have been studied in the past in order to find ways to increase donations. Organizations have not obtained enough knowledge about why their donors behave as they do and what can be done to influence those behaviours, this is suggested by Peltier, Schibrowky, and Schultz (2002). Influences of different psychological processes and demographics of people on donation behaviour need to be studied as well as the process people go through when deciding to donate money. With this knowledge Sjaki-Tari-Us could adjust their strategies for fundraising and make them successful. Therefore the following research question will be answered in this study; “which demographics and psychological processes have an influence on the donation behaviour of the people visiting the charity Sjaki-Tari-Us and how can this be translated into a fundraising strategy?”

In the next paragraph the process people go through when thinking about to make a donation or not will be discussed. Then, having this decision process clear, the influence of different demographics and the psychological processes on donation behaviour will be explored.

1.1 The decision process

Guy and Patton (1989) stated that individuals go through a kind of decision process before they actually donate money. They say that a person first needs to be aware that another person needs help. The situation will be interpreted in terms of intensity and urgency. When the

person is convinced that help is needed two other steps should be in order: the individual should see helping people in need as his or her own responsibility and should feeling able and competent to help as well. When all these steps are completed they can engage in a kind of helping behaviour like donating money or volunteering. The first three steps from being aware of the problem until being convinced help is needed is pretty clear for people visiting Sjaki-Tari-Us. There is a donation box in the restaurant, different pictures of the children hanging on the walls and leaflets lying on the tables. In short, the need for help in the form of monetary donations is clear. Then the last two steps; the individual should see helping people in need as his or her own responsibility and feeling able and competent to help. For this study focused on monetary donations these two steps will be defined as;

1. The decision to make a donation or not
2. The decision on the height of the donation

As said before, different factors influence donation behaviour, the following paragraph concerns the influence of demographic characteristics of people.

1.2 Demographic characteristics of people influencing their donation behaviour

Numerous studies are done on the influence of characteristics of people on their donation behaviour (Jackson, Bachmeier, Wood & Craft, 1995; Wolff, 1999; Foster & Meinhard, 2006; Lee & Chang, 2007). Each individual is different from the other and these differences could have an influence on this donation behaviour.

Wolff (1999) studied if gender could influence the donation process and he concluded that women tend to be more altruistic than men, and therefore are more likely to donate than men. Lee and Chang (2007) found similar results. Lee and Chang (2007) studied the donation behaviour in Taiwan, an Asian country, and compared this with the findings of studies done in Western countries, conclusion from this study; females tend to donate more than men do. For a charity it could be interesting to find out if there is indeed an influence of gender on the donation behaviour of their potential donors. Therefore the following hypotheses are formulated:

- *Hypothesis 1a: More women than men donate money to charity.*
- *Hypothesis 1b: Women make higher donations to charity than men do.*

Another finding in the study of Lee and Chang (2007) was that older people were more likely to donate than younger people. Studies done in Western countries about this effect showed opposite results (Foster and Meinhard, 2006), younger people tend to donate more than older

people. Lee and Chang (2007) gave the short history of NGOs in Asian countries, opposed to the longer history of such organizations in Western countries, as a possible reason. Not only age and gender appear to be influencing donation behaviour in a study of Jackson, Bachmeier, Wood and Craft (1995). It was found that people who already belong to associations who engage in voluntary work have an increase in both volunteering and giving. Working as a volunteer makes people volunteer even more. The participation in church groups also increases helping, as well as donating money and donating time. It is important for Sjaki-Tari-Us to know what characteristics their target group has, to find out where differences in donations come from. Sjaki-Tari-Us gets the most attention from tourists; therefore we will take a closer look at this specific target group. As stated earlier, it is very important to know who your donors are and how they behave. In this way more efficient and effective strategies can be developed.

There is hardly any literature about the donation behaviour of tourists specifically, but there is some information on the behaviour, in general, of tourists. This is because it is very useful for the people working in the tourism industry to know more about the behaviour of their target group. Choibamroong (2006) stated that “tourism can be defined in behavioural terms as persons who travel away from their normal residential region for a temporary period of at least one night”. This is a really short and broad description of tourism. He also refers to Leiper (1997) as that describing the consumer behaviour of tourists will provide knowledge which can be used for good marketing strategies and for planning. And that this information is not specifically of academic interest. There are different views about this phenomenon but it can be stated that it is important to know what your target group is to create and use the right strategies, just as in fund-raising. Because there is not much knowledge about the kind of tourists visiting Sjaki-Tari-Us it is necessary to perform an analysis on the tourists visiting the organization. This information can be used by the charity to specify the behaviour and needs of their guests. Take for example the age of the tourists; maybe certain months of the year attract younger people than other months. It is possible that parents with children visit the foundation mostly during high season because of the holidays and younger and elderly people visit in low season. This is useful information and can be implemented in a fundraising strategy. Because the visitors of Sjaki-Tari-Us are mostly Western people, tourists, it will be assumed that younger people will donate more than older people. The next hypotheses are formulated:

- *Hypothesis 2a: More tourists in the age of 18-35 years will donate money to charity than people older than 35 years.*
- *Hypothesis 2b: Tourists in the age of 18-35 will donate more money to charity than people older than 35 years do.*

The influence of characteristics of the donors on their donation behaviour is evident but for a charity to influence this to increase the amount of donations is hard, because these characteristics are fixed. A charity cannot change the characteristics of their potential donors, but they can try to work with this information as in the example mentioned about the age of people which is more of a passive approach. As discussed before Martin (2002) stated that different kinds of psychological processes take place when people are thinking about making a donation or not. Psychological processes can be influenced by psychological strategies; these will be discussed in paragraph 1.4. First, in the next paragraph, the influence of different sorts of psychological processes on donation behaviour will be addressed.

1.3 Influence of psychological processes on donation behaviour

One of the psychological processes which can have an influence on donation behaviour is ‘the bystander effect’. In a study of Simmons, Klein and Simmons (1977) it was found that the likelihood that an individual in need of a kidney receives one from a sibling decreased from 51% when there was only one suitable sibling until 0% when there were 10 or 11 siblings. This is also called the ‘diffusion of responsibility’ or ‘the bystander effect; a psychological process that appears when individuals do not offer their help during an emergency to the victim when other people are present (Darley and Latané, 1968). Darley and Latané (1968) stated that the greater the number of bystanders the less likely someone is going to help. Another comparable psychological process is the social comparison effect. In a research done by Frey and Meijer (2004) about the social comparison effect, they discovered an increase in donations to charity when students were informed about their fellow students donating money to that charity. Verhaert and van den Poel (2011) found another process, empathy, having a positive effect on the decision to donate.

Another psychological process is studied by Kraut (1973) and several others (Cameron, 1964; Lemert, 1951; Robin, 1963; Schur, 1971), it has to do with labelling people deviant and the influence it has on their behaviour. To the extent the deviant label is a positive social reinforcement the person comes to think of himself as deviant and in appropriate circumstances he or she behaves deviant. Though when this social reinforcement is not

positive but negative the opposite appears, it makes that specific person more sensitive to negative sanctions and as a result reduces his deviant behaviour. Influencing the actor's self-concept and his perception on the consequences of his behaviour by labelling certain behaviours as deviant is studied by Kraut (1973). The subjects got a visit of a woman who asked them to donate to a charity, if they made a donation they received randomly a health leaflet. With this leaflet the subject was told that they were very generous and a card with further positive feedback or they just got a health leaflet with no personal feedback. If the subject did not make a donation they also randomly received a health leaflet. With this leaflet they could receive negative feedback and a card attached to it with further negative feedback or just a health leaflet with no personal feedback at all. The effect of the positive feedback on contributions was stronger than the effect of the negative feedback; this could be because subjects defensively rejected the 'negative' labelling.

As Sjaki-Tari-Us needs to stabilize their cash flow their fundraising strategies need to be adjusted or new ones need to be developed. These strategies should contain the influence of social norms on donation behaviour; this psychological process appears to have a significant influence on donation behaviour. Therefore the following paragraph will focus on social norms used in different sorts of fundraising strategies.

1.4 Social norms used in fundraising strategies

Shang, Croson and Reed (2006) stated that identity and social information have been shown to influence behaviour in different marketing environments. They performed an experiment to find out if telling potential donors an amount of money donated by a previous donor would influence the height of the donation these potential donors were going to make. With the help of a radio station they exposed listeners who want to make a donation to the amount of money donated before by another donor. Results showed that when the listeners who wanted to make a donation were told a certain amount of money they would donate 12% to 46% more. A year later it was found that the donors who received the social information donated about 20 dollars more than donors who were in the control condition. This means that social information possibly can have a lasting influence on donation behaviour. Croson and Shang (2008) studied this influence of social information on donation behaviour again. They conducted an experiment similar to the one of Shang, Croson and Reed (2006) with a radio channel which has collected money from their listeners before. An amount of money donated by a previous donor was told through the radio to the listeners and the amount of money the

listeners donated was compared with what they had donated before. Results showed that the listeners increased their donation when they heard that a previous donor donated more money than the listener had done in the past. For listeners who heard that a previous donor donated less money than the listener had done in the past. Croson and Shang (2008) concluded that the desire to conform to the norm to do good, caused by the social information, is more or less three times as strong as the desire to give less money to satisfy self-interest. This means that the external information has much more influence on donation behaviour than the internal process. And it also marks the importance of social information and the resulting norms in the decision to contribute to charity.

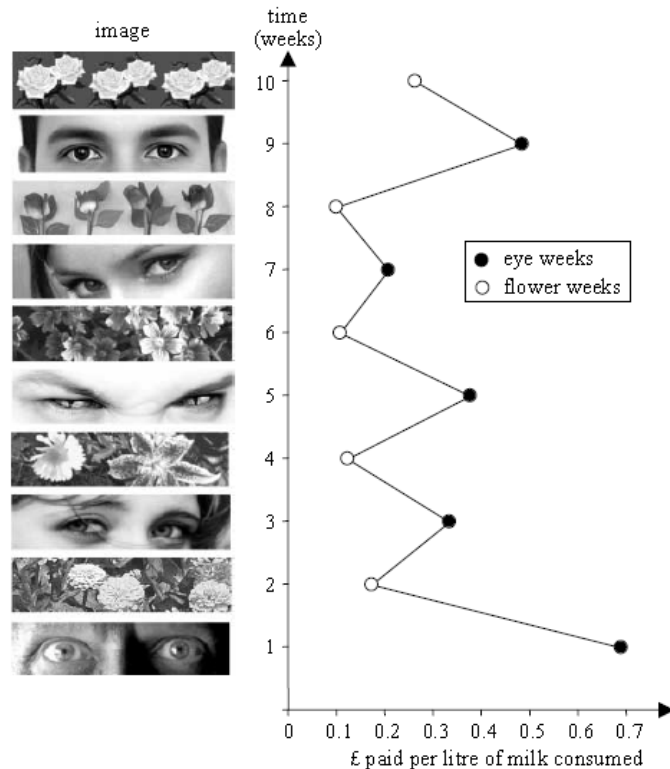
Sjaki-Tari-U's does not use the radio or does not go from door to door to collect money. The charity does have a donation box in the middle of the restaurant which is used to collect money from the tourists visiting the restaurant of Sjaki-Tari-U's. Therefore a few studies will be discussed where social norms influence the donation behaviour of people. A study done by Loftin (2007) concerned visitors of a park. He searched for the effect of social norms, with the help of the social norm theory. The research was about donation boxes in a national state park. Donation boxes are a common way for people to get in touch with giving to charity. He investigated if social norms play a role in the donation behaviour of visitors at state parks. He did this by using the real-life situation, a park. And in this park he used a label placed on the donation box to test if social norms play indeed a role in donation behaviour. Two sorts of labels were tested: 1) Donation Box; and 2) WE APPRECIATE YOUR DONATION! *All revenue will be used for park improvement.* No significant effect was found. Loftin stated that this has something to do with environmental cues, so that something other than the labels on the donation box influenced the donation behaviour of the guests in the park. Perhaps this result has something to do with the second condition, which includes more information than just appreciation. More information is given which could counteract the influence of the appreciation, the activation of the social norm.

Another interesting study was done by Martin and Randal (2009) studied the influence of social norms on donation behaviour. They conducted a field experiment in a gallery where visitors could make a donation in a see through donation box. Effects of the amount of money in the donation box, the total value of 50 dollars or 200 dollars, and of a sign with thank you on it or with the information that donations will be matched by the gallery. The relation between the average donation per donor and the 200 dollar treatment appeared to be significant; donors in this treatment donated more money than donors in the 50 dollar treatment. Though the propensity to donate decreased and as a result the average donation per

visitor was not significantly higher in the 200 dollar treatment. This was a remarkable result; Martin and Randal (2009) stated that a social norm model would imply that the 200 dollar treatment would increase the propensity to donate because in the donation box it looked like more people donated money than in the 50 dollar treatment.

Another study on social norms and donation behaviour was done by Bateson, Nettle and Roberts (2006). This research is not focused on the donation behaviour of people but on their honesty. They found an effect of a sort of mechanism, they called “cues of being watched”, on contributions to an honesty box in the university coffee room. This box was used by the students to pay for their coffee, milk or tea. And it appeared that using an image of a pair of eyes on the box, makes people pay almost three times as

Figure 1: “Cues of being watched” (Bateson, Nettle and Roberts, 2006)



much for their drinks than when using an image of flowers (see figure 1). Bateson et al. (2006) stated that this effect motivates cooperative behaviour, because they make people feel like being watched and therefore activate social norms. Therefore it would be interesting to find if this experiment works the same for the influence of social norms on donation behaviour. In the experiment of Bateson, Nettle and Roberts (2006), different sorts of eyes were used compared to the neutral image of flowers. The nice eyes (number 3 and 7) or, the opposite, angry eyes (number 5), did not result in the best increase of contributions. The neutral eyes (number 9) worked better, and the serious eyes (number 1) worked the best.

The study of Bateson showed that social norms could be manipulated, by the use of images of eyes, and in this way encourages honesty. Although it is not clear if this eye-manipulation could encourage donation behaviour as well. Martin and Randal (2009) did find significant results of social norms influencing donation behaviour, but they used other external incentives to encourage donation behaviour. In this study the two experiments mentioned above are combined.. A big difference between these two studies is that in the

study of Bateson et al. (2006) the influence of social norm on contributions was measured; the students actually had to pay for something they got in return, the milk. Martin and Randal (2009) measured the influence of the social norm on the actual donation behaviour. In the article of Bateson, Nettle and Roberts (2006) the students were not observed and therefore the influence of the social norm on the propensity to contribute money could not be analysed, but maybe this influence did appear. Martin and Randal (2009) did measure the influence of the social norm on the propensity to donate money, but no significant results appeared. Therefore the combination of these two studies could maybe indicate an influence of the social norm on the propensity to donate money. Therefore the following hypotheses are formulated:

- *Hypothesis 3a: An image of a pair of eyes on a donation box will result in more donations than a neutral image.*
- *Hypothesis 3b: An image of a pair of eyes on a donation box will result in higher donations than a neutral image.*

1.5 Transparency as a fundraising strategy

Another interesting fundraising strategy is focused on transparency, which in this context means the amount of information people get about a charity. With more information about a charity people get more insight in that organization and therefore it is more transparent. An example of a research where this is discovered is done by Briers, Pandela and Warlop (2007). They intentionally searched for the effect of receiving an almost worthless product in exchange of a donation. They found that priced donations work even better than the offer of an exchange. They stated that the transparency of the donation deal plays an important role in the donation behaviour of people. Schwarzwald, Bizman and Raz (1983) found similar results. During an experiment it appeared that donation size can be increased by asking to donate specified amounts. Schwarzwald, Bizman and Raz (1983) did not only find some results on transparency having an influence on donation behaviour. They carried out an experiment where respondents were either exposed once or twice to a charity. The first time they were asked to sign a petition, and the second time they were asked to donate. It appeared that when people were exposed twice they were more generous than people who were only asked to donate. With the literature from above taken into account, it is concluded that showing transparency in the donation deal will result in an increase in donations compared to a situation where there is less transparency. Showing people where donated money is spend on shows more transparency as well, possible donors could tend to donate more money when

they had, for example, a talk with someone of the charity or got a tour through the building of the charity. Therefore the following hypotheses are formulated:

- *Hypothesis 4a: The more information people get about the charity, and therefore more transparency, the higher the donations people make.*
- *Hypothesis 4b: The more information people get about the charity, and therefore more transparency, the higher the propensity to make a donation.*

The following three chapters will explain the methods used in this study, the results found with the collected data and the discussion and conclusions about this study. In chapter 3, where the results are shown, answers will be given to the four hypotheses. And in the last chapter limitations and implications of the study will be discussed as well as advice for future research, and finally a conclusion will be given.

2. Method

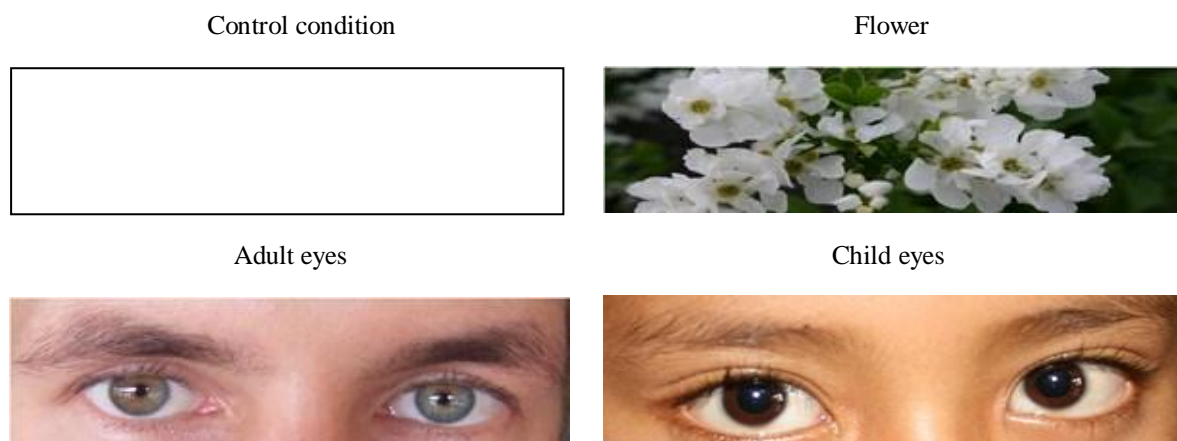
In order to find answers on the four main hypotheses, which each contain out of two sub-hypotheses, a field experiment was conducted. With four different conditions the influence of the so called “*Cues of being watched*” on donation behaviour was tested. This was done by pasting an image of eyes or flowers on the donation box. Furthermore the demographics, age and gender, were observed and the amount of information the guests got was noted as well to test the influence of transparency.

Manipulations. The donation box was placed in the restaurant near the cashier and was clearly visible for the guests (see figure 2 and annex 2). This donation box was transparent and depending on the condition it was in, an image of eyes or flowers was pasted on it. The rest of the environment stayed the same. Keeping the results of the research of Bateson et al. (2006) in mind, the calm and severe eyes were used. Four conditions were created; the first was the control condition with no image on the donation box, the second was the flower condition, the third was the first eyes condition, the fourth was the second eyes condition (see figure 3). Neutral flowers were chosen instead of colourful flowers to exclude the influence of colour. Two different images of eyes were used, eyes of an adult and of a child, to ensure the effect of eyes and not the effect of maybe the person as appeared in the study of Bateson et al. (2006).

Figure 2: The donation box in condition 2; with eyes 1



Figure 3: The four conditions used in the field experiment



Participants. The target group of this study contains all the guests visiting the restaurant in a period of 6 weeks from the 12th of August until the 26th of October 2011. These guests came alone or in groups, from now on these groups or persons will be called parties. During six weeks a total of 318 parties were observed, of which 1 party was excluded from the study because of missing data, which brought the total *N* on 317. The parties were randomly assigned to one of the four conditions. Every week there was another condition, but because of a decrease in visitors in the third and fourth week the conditions of those two weeks had not enough parties to compare it with the other conditions. Therefore the fifth and sixth week were used to complete the data.

Measurements. The dependent variable was the donation behaviour; registered was (1) if the parties put something in the donation box (yes/no) and (2) how much was donated (in Rupiah, the nation's currency). The demographic independent variables were age and gender. Age was coded as 18-35, 35-50, 50-100 or mixed if the parties consisted of persons of several age groups. Gender was coded as only male, only female or mixed. Another independent variable was transparency which was registered by (1) if the parties read the leaflet about the charity on their table (yes/no/been before/language barrier), (2) if the parties had a talk from the hostess about the charity (yes/no/been before/language barrier) and (3) if the parties had a tour through the building of the charity (yes/no/been before/language barrier). The parties that were registered as been before or language barrier were excluded from the analysis on the influence of transparency on donation behaviour. It appeared that when it was observed that parties had a yes on the third item they also yes on the second and first item. If parties had a yes on the second item they had a yes on the first item as well. Therefore during the experiment these three items were changed into one variable; transparency which was scored as "no information", "only leaflet", "leaflet and talk", "leaflet, talk and tour", "language barrier" or "been before".

Procedure. To collect all the data a form was used by the hostess to write everything down (see annex 3). When a party entered the restaurant, the hostess of that day noted the gender of the persons and estimated their age. It was captured if the guests read a leaflet which lay on the table, if they had talked to the hostess or not and if they got a tour through the building. When the guests left, the hostess looked at if they donated money and also how much money they donated. Often it was hard for the hostess to look into the donation box after a party donated money, especially when there were a lot of other guests in the restaurant. Therefore, when the amount of donated money was not clear, at the end of the day the total of donated money in the donation box was counted. From this total the known amounts of

donations, that day, were deducted and what was left was divided by the amount of unknown amounts of donations. In short, missing amounts of donations were solved by calculating the average amount of money donated by the parties.

Data-analysis. With the use of the statistical computer program SPSS 18 the data was analyzed. To test the data for normality the Shapiro-Wilk test was used and almost all the data appeared to be not normal except for the mixed gender groups. As mixed groups are not the focus of this study therefore, non-parametric tests will be used. But first the distribution of the demographic variables age and gender were checked with the chi-squared test, because of their categorical character, to see if there were no a priori differences between the conditions. With the results it can be stated that the differences between the conditions were not caused by an unequal distribution of parties by age and/or gender. To analyze if there were significant differences in the decision to donate between the four conditions a chi-squared test was conducted. To see if there were significant differences in the decision on how much to donate between the four conditions the Kruskal-Wallis test was conducted. The same two tests were used to find significant differences in donation behaviour between gender and between the different age groups. And last to see if there were significant differences in donation behaviour between levels of transparency a chi-squared test was used with the decision to donate and the Kruskal-Wallis test was used with the decision on how much to donate.

3. Results

Spread over 46 days all the guests that visited the restaurant were observed and randomly exposed to one of the four conditions. The total N in this study came to 315. Of the 315 parties; 41 consisted out of only men, 75 out of only women and 199 parties consisted out of both men and women. 190 of the parties consisted out of people in the age group of 18-35, 73 of the parties in the age group of 35-50 and 40 in the age group of 50-100, the remain 12 parties consisted out of persons of different age groups. The demographic characteristics of the involved parties can be found in table 1. There were no significant a priori differences between the groups on demographic characteristics.

Table 1
Demographic characteristics of the parties involved in the study

		Condition					χ^2	df	p
		Control ($N=89$)	Flower 1 ($N=75$)	Eyes 1 ($N=77$)	Eyes 2 ($N=76$)	Total ($N=317$)			
Gender	Men	10.1%	13.3%	9.1%	19.7%	12.9%	6.880	6	.332
	Women	27.0%	21.3%	20.8%	26.3%	24.0%			
	Mixed	62.9%	65.3%	70.1%	53.9%	63.1%			
Age	18-35	52.8%	54.1%	76.6%	57.9%	60.1%	15.344	9	.082
	35-50	30.3%	27.0%	10.4%	23.7%	23.1%			
	50-100	11.2%	16.2%	10.4%	14.5%	13.0%			
	Mixed	5.6%	2.7%	2.6%	3.9%	3.8%			

Conditions and donation behaviour. The characteristics of the donations made per condition can be found in table 2. Between condition and the decision to donate, ‘amount of parties that donated’, no significant relationship appeared ($p=.078$).

Table 2
Demographic characteristics of the donations made per condition (the donations are displayed in the nation's currency, Rupiah)

Condition	N	Max.	Mean ¹	sd	Parties that donated	$\chi^2(df=3)^2$	Mean rank ¹	Average donation of donating parties	$H(df=3)^3$
Control	89	100000	5442	13818	34.8%	6.819 ($p=.078$)	52.89	15624 ($N=31$)	24.767 ($p=.000$)
Flower	74	350000	12648	41981	36.0%		67.11	23023 ($N=27$)	
Eyes 1	77	50000	2288	6470	36.4%		29.29	6293 ($N=28$)	
Eyes 2	75	300000	9814	39406	19.7%		58.63	31850 ($N=15$)	
Total	317	3500000	7429	29324	31.9%			23317 ($N=101$)	

¹Note: 'Mean' is the average donation of all the parties, parties that did not made a donation were coded 0 the 'Mean rank' was over the donations made by the donating parties

²Note: This chi-squared test shows the influence of the condition on the decision to donate

³Note: This Kruskal-Wallis test shows the influence of the condition on the decision on how much to donate

This means that hypothesis 3a is rejected, the image of eyes on the donation box did not influence the decision to make a donation or not. Between condition and the height of the donation a significant relationship did appear ($p=.000$). With the Mann Whitney U test the exact significant influence of certain conditions on the decision on how much to donate was measured. This way of testing is less reliable and therefore a more stricter significance was chosen, $p<.010$. People in the flower condition donated higher amounts of money compared to people in the adult eyes condition ($p=.000$). The last significant difference in the decision on how much to donate was between the adult eyes and the child eyes ($p=.000$). These results implicate an opposite effect of what was stated in hypothesis 3b as people in the flower condition donated higher amounts of money than in both the eyes conditions, therefore hypothesis 3b is rejected.

Demographics and donation behaviour. The characteristics of the demographics in relation to donation behaviour can be found in table 3. Between gender in the decision to donate no significant relationship appeared ($p=.155$), this was the same for age ($p=.114$).

Table 3
Demographic characteristics of the donations made per condition (the donations are displayed in the nation's currency, Rupiah)

		<i>N</i>	Max. (x1000)	Mean ¹	s.d.	Amount of parties that donated	χ^2 ²	<i>p</i>	Mean rank ¹	Average donation of donating parties	H^3	<i>p</i>
Gender	Men	41	100	7785	21928	39,00%	3730 (df=2)	.155	47.91	19949 (<i>N</i> =16)	1.453 (df=2)	.484
	Women	76	350	9701	41822	38,20%			46.67	25422 (<i>N</i> =29)		
	Mixed	200	300	6493	24632	28,00%			54.13	23190 (<i>N</i> =56)		
Age	18-35	190	100	4111	12816	27.9%	5.953 (df=3)	.114	46.25	14739 (<i>N</i> =53)	5.888 (df=3)	.117
	35-50	73	56	4577	10293	31.5%			48.50	14527 (<i>N</i> =23)		
	50-100	41	100	18516	51450	43.9%			58.44	42176 (<i>N</i> =18)		
	Mixed	12	50	10883	13306	50.0%			71.92	21766 (<i>N</i> =6)		

¹Note: 'Mean' is the average donation of all the parties, parties that did not made a donation were coded 0 the 'Mean rank' was over the donations made by the donating parties

²Note: This chi-squared test shows the influence of the condition on the decision to donate

³Note: This Kruskal-Wallis test shows the influence of the condition on the decision on how much to donate

Therefore hypotheses 1a and 2a are rejected. The relationship between gender and the decision on how much to donate was not significant as well ($p=.484$), this was the same for age ($p=.117$). According to the results hypotheses 1b and 2b are rejected.

Transparency and donation behaviour. The characteristics of the relation between transparency and donation behaviour can be found in table 4. A chi-squared test was conducted on this data to ensure there are no significant differences in gender and age

between the different transparency levels. It appeared that differences of gender and age within transparency were not significant (resp. $p=.142$ and $p=.895$).

Table 3
Demographic characteristics of the donations made per condition (the donations are displayed in the nation's currency, Rupiah)

		N	Max. (x1000)	Mean ¹	s.d.	Amount of parties that donated	χ^2 ²	p	Mean rank	Average donation of donating parties	H^3	p
Gender	Men	41	100	7785	21928	39,00%	3730 (df=2)	.155	47.91	19949 (N=16)	1.453 (df=2)	.484
	Women	76	350	9701	41822	38,20%			46.67	25422 (N=29)		
	Mixed	200	300	6493	24632	28,00%			54.13	23190 (N=56)		
Age	18-35	190	100	4111	12816	27.9%	5.953 (df=3)	.114	46.25	14739 (N=53)	5.888 (df=3)	.117
	35-50	73	56	4577	10293	31.5%			48.50	14527 (N=23)		
	50-100	41	100	18516	51450	43.9%			58.44	42176 (N=18)		
	Mixed	12	50	10883	13306	50.0%			71.92	21766 (N=6)		

¹Note: 'Mean' is the average donation of all the parties, parties that did not made a donation were coded 0 the 'Mean rank' was over the donations made by the donating parties

²Note: This chi-squared test shows the influence of the condition on the decision to donate

³Note: This Kruskal-Wallis test shows the influence of the condition on the decision on how much to donate

With this information a Kruskal-Wallis test could be conducted to see if there were significant differences in donation behaviour in levels of transparency (table 4). Within transparency and the decision to make a donation or not a significant relationship appeared ($p=.000$).

Figure 4: the percentages of people in the decision to donate or not between levels of transparency

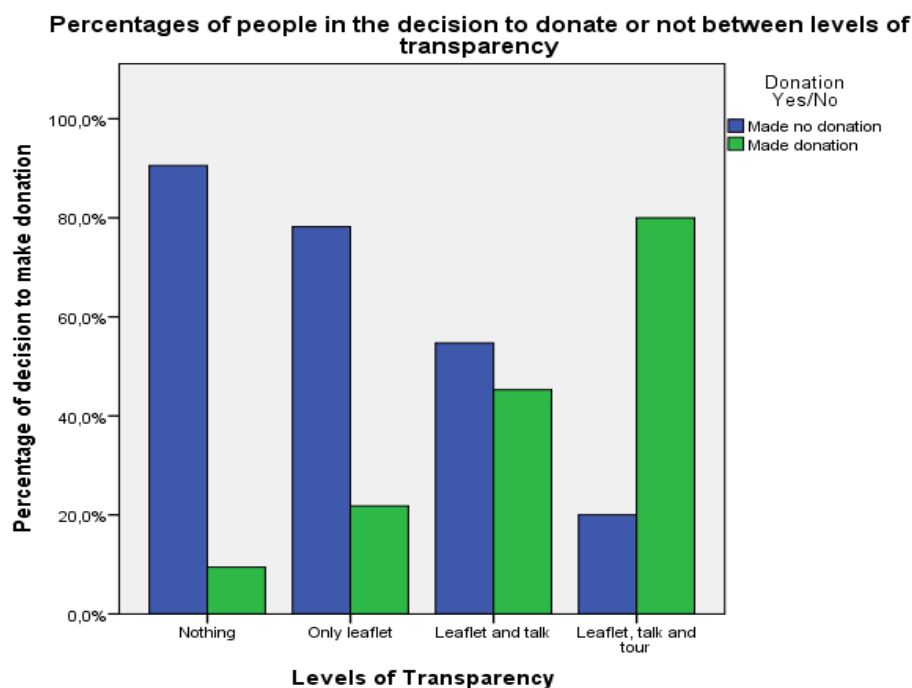


Figure 4 shows the direction of this significant relationship; the more information people got about the charity the higher the propensity to make a donation. Therefore with these results hypothesis 4a was confirmed. The relationship between transparency and the choice on how much to donate was not significant ($p=.075$); hypothesis 4b is rejected.

All of these and previous results from this chapter are discussed in chapter four, also recommendations for the charity are given as well as notes for future research.

4. Discussion and conclusion

The fundraising strategies used until now, by Sjaki-Tari-U's, appeared not be that successful, probably because in general organizations have not obtained enough knowledge about why their donors behave as they do and what can be done to influence those behaviours (Peltier, Schibrowky and Schult, 2002). Martin (2002) stated that during thinking about making a donation or not, different kinds of psychological processes take place. In this study the influence of different kinds of demographics and social processes on donation behaviour was tested.

4.1 Social norms and donation behaviour

Psychological processes and donation behaviour have been studied extensively (Darley and Latané, 1968; Krauw, 1973; Cameron, 1964; Schur, 1971; Croson and Shang, 2008; Rutowski, Gruder and Romer, 1983) and especially social processes appear to have a big influence (Verhaert and van den Poel, 2011; Shang and Croson, 2006; Loftin, 2007) Bateson, Nettle and Roberts (2006) studied the influence of social processes on honesty with the help of “cues of being watched”; which activated the social norm within people. Though this study was not focused on donation behaviour it was partly replicated to find if this activation of the social norm, by using eyes on the donation box, would have influences on donation behaviour as well.

Results showed significance in the decision on how much to donate between the conditions. Parties in the flower condition donated more money than parties in the adult eyes condition which is controversial with what was expected. The activation of the social norm could have had a negative influence, people could have experienced it as negative and therefore felt negative about making a high donation. This also appeared in the study of Kraut (1973); when people got negative feedback, when they did not made a donation, the propensity to donate decreased. A more plausible explanation is the way the experiment was set up; no pre-test was done with the pictures to found out if the social norm would indeed be activated, as was expected. Perhaps in this experiment the social norm was not activated because of ‘bad’ pictures.

Another remarkable significant result in donation behaviour between the conditions was between the adult eyes and the child eyes condition. Parties in the adult eyes condition appeared to donate less money than parties in the child eyes condition. An explanation could be the fact that the goal of Sjaki-Tari-U's is to educate children and therefore people feel more

need to donate more money. This is probably not activated by social norm but by feelings of empathy.

Compared to the experiment of Bateson, Nettle and Roberts (2006), the experiment used in this study was focused on donation behavior instead of contributions. Bateson et al (2006) were studying the influence of the activation of the social norm on the honesty of students. Perhaps the social norm does not work the same way with donation behavior as it did with honesty in the experiment of Bateson. Bateson et al (2006) used more pictures of eyes and flowers and found different results between the eyes and flowers but also within these two kinds of images. In the replicated experiment used in this study much less conditions were created.

For Sjaki-Tari-Us these results show that activating the social norm decreases the height of the donations. Therefore the place of the donation box, right next to the cashier, should maybe be different. When people pay for their food and/or drink in the restaurant and also want to make a donation, than they have to do this when the cashier is watching.

4.2 Demographics and donation behaviour

Both demographic variables gender and age appeared to have no significant relationship with donation behaviour; not on the decision to donate and not on the decision on how much to donate. Literature showed that gender should have an influence on donation behaviour; women tend to donate more than men do (Wolff, 1999; Lee & Chang, 2007). This did not appear in this study. An explanation could be the way this field experiment is conducted. An field experiment measures the behaviour of people in a natural setting, though validity can sometimes be questionable because of possible hidden environmental influences. Age appeared to have no significant relationship with donation behaviour as well. Previous studies, for example the one of Foster and Meinhard (2006), showed that younger people donated more money than older people. Lee and Chang (2007) on the other hand found controversial results in the past when studying the influence of age on donation behaviour; elderly people donated more money than the younger people. The study of Lee and Chang (2007) was focused on Asian people and they compared it to the results of similar studies done with Western people, they blame the differences between Western and Asian people on the short history of NGO's in the Asian countries. This is strange as it is not clear what the short history of NGO's has to do with differences in donation behaviour between age groups.

Perhaps being in an Asian country influenced the donation behaviour of the Western visitors of the charity in general, and therefore no significant relationship appeared.

As no significant results appeared Sjaki-Tari-U's should not focus on the demographics in their fundraising strategies. Further research should be done first on the differences in donation behaviour between Western people on a holiday and not on a holiday. From there on further research can be done on the influence of gender and age on donation behaviour.

4.3 Transparency and donation behaviour

In this study transparency was operationalized as the amount of information parties got about Sjaki-Tari-U's. It appeared that the propensity to donate by parties significantly increased when people got more information; the more information the higher the propensity to make a donation. This result was expected as previous literature concluded the same findings (Briers, Pandela and Warlop, 2007; Schwarzwald, Bizman and Raz, 1983). However the way of gathering this data should be addressed here; perhaps the hostess talked to persons who were already open for more information and had already a high propensity to make a donation. It can be concluded that there is some correlation between transparency, giving people more insight in the charity, and the decision to make a donation or not.

For Sjaki-Tari-U's this is very useful information, they really should focus more on making their charity transparent. Suggestions to improve transparency is hiring a hostess for every day and perhaps update people who made a donation on where the money was spend on.

4.4 Limitations & further research

Different explanations of the results and limitations of the study are given in this chapter. One of the most important limitations is the way the experiment was set up. It is unsure if the picture did activate a social norm, the controversial results confirm this uncertainty. Future research should definitely conduct a manipulation check on the images to assure that only the social norm is activated. Another important limitation is the measurement of transparency. The parties were not randomly assigned to one of the conditions of transparency; presumably the hostess talked to the guests who were already interested in donating money and therefore more open for conversations. A future experiment on the influence of transparency on donation behaviour should randomly assign their participants to one of the conditions to be sure of the influence of the amount of information on donation behaviour. This study showed

controversial results with previous studies done on this subject, further research is necessary to find more reliable and valid results. Especially on the differences in donation behaviour between tourists and non-tourists not much is known.

4.5 Conclusion

In this study it is not confirmed that activation of the social norm has an influence on the donation behaviour of tourists. However different other interesting relations between different variables and donation behaviour were found. For Sjami-Tari-Us this study showed that transparency is an important characteristic of the charity to focus on in the future. However more research is needed on this matter to draw conclusions about the influence of the social norm and other variables on the donation behavior of tourists.

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Annex

Annex 1: Information on the host organization

Author: Iris Boers, February 19th, 2012

Sjaki-Tari-Us is a foundation for mentally disabled children living on Bali. It is a school where children with a mental disability or sometimes also a physical disability, learn basic knowledge. Besides that they learn how to do day to day tasks like brushing your teeth or cleaning rooms. There are two locations where the foundation is set up. Attached to the main location there is a restaurant which provides the foundation of money and it is used to let people, especially tourists, to get to know the foundation.

This great initiative started with two people who have met on Bali. One is Thijs, he is half Dutch and Indonesian and the other is Karin, she is Dutch. They got married and wanted to do something to help Bali. The idea of this foundation was formed when they got their second daughter, Tari, she has Down syndrome. Thijs and Karin started to look together with some friends on Bali for mentally disabled children and the facilities for them. They found a lot of children but did not found schools and other facilities for these children. That is how this idea started. When the twin brother of Thijs died, they inherited money. With this money the foundation was set up, and named Sjaki-Tari-Us, Sjaki is the name of the brother of Thijs and Tari the name of their daughter with Down syndrome. This foundation was started in his memory and is nowadays a successfully running school for many mentally disabled children.

The idea is to get this foundation running on its own by the Balinese people, so they are financially independent of the people in the Netherlands. Most of the funding is still coming from the Netherlands, but this will be different in a few years. To accomplish this independence they started the restaurant a few years ago and also brought out a magazine, "LoveForBali", with the help of another company. In this way people from other countries learn about this foundation and hopefully start to support it. More important is that the foundation will earn money by itself by running the restaurant and the magazine, and do not have to depend on donations from the Netherlands.

Annex 2: Images of the donation box in the restaurant

The top image is the donation box in the control condition, the one below is an example of the donation box in one of the experimental conditions.



Annex 4: Images of the pictures on the donation box of the three conditions

Flower



Adult eyes



Child eyes

