

# The Psychology of Online Giving

What motivates people when they donate to causes online?

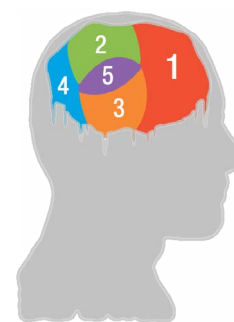
Online fundraising continues to grow year-on-year, both in terms of the number of people donating online and the amount they are donating. Blackbaud's 2013 State of the Not-for-Profit Industry (SONI) report revealed that 86 per cent of responding organisations in the UK and Ireland now accept online donations, up from 70 per cent in the 2012 SONI report.

Even amongst not-for-profits with an annual income of less than £250,000, two-thirds are now accepting online donations. On average, not-for-profits in the UK and Ireland reported seeing 15 per cent of all individual donations come via online channels.

So Blackbaud decided to explore online giving in more detail. The Psychology of Online Giving report surveyed more than 2,000 UK consumers, looking at what motivates people to donate online, whether they take note of the cause when they sponsor friends and what follow-up they expect after the donation.

The findings make interesting reading for all in the sector. Perhaps unsurprisingly, the main reason given for people to donate online was to support a friend or family member. The second most cited reason though, was in response to a campaign for a particular cause, showing the value fundraising campaigns can bring and the importance of hitting the right audience with the right message at the right time.

People were mostly altruistic in their motivations for donating online, although one in ten respondents admitted to doing so to boost their own sense of self-worth! Many not-for-profits seek to gain the support of a celebrity or public figure in their campaigning. This can have an impact in a number of areas but it didn't appear to be much of a factor when motivating people to donate online - just one per cent of respondents had donated online because they liked a celebrity that was associated with a particular cause.



## Top 5 Reasons Why People Donate Online

**1 - To support a friend/family member in doing something good - 27%**

**2 - In response to a campaign for a particular cause - 23%**

**3 - A personal connection to a particular cause - 19%**

**4 - For own sense of self-worth - 10%**

**5 - Being a recipient of kindness and felt they should pass the act of kindness on (i.e. 'paying it forward') - 6%**

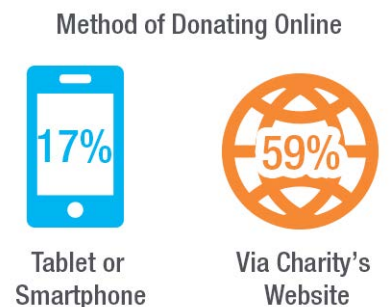
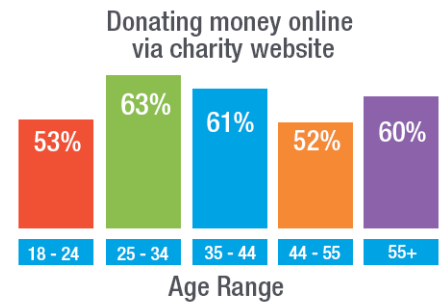
People are donating online in ever-increasing numbers. 40 per cent of UK consumers said that online giving either is, or will one day be their main way of donating to a cause. This figure rises even higher amongst the younger generation. More than half (53 per cent) of 18-24 year olds and around two-thirds (63 per cent) of 25-34 year olds said the same, highlighting the growing importance of online as a donation channel for future supporters of a cause.

Those that had donated online were generally happy to do so directly via a not-for-profit's own website, with 59 per cent of respondents claiming to have done so. Social media is starting to play a major role in online giving too. 15 per cent of those surveyed said they had shared the fact they had made a donation with their social networks, rising to almost a quarter for those aged between 25 and 44. This not only encourages others to donate but also spreads the word about a cause to hundreds and thousands of potential supporters within seconds. Given that people said responding to a particular campaign was a main motivation in donating online, not-for-profits would be well-advised to make sure easy social sharing is a feature of whichever online giving platform they use.

When choosing that online giving platform, not-for-profits should also bear in mind that sometimes the platform brand can over shadow their cause. Around one in five (17 per cent) people that have donated online admitted that they do not register which cause they are supporting when they sponsor friends or family members; potentially a major loss of opportunity to raise awareness of a cause and acquire new donors.

Online fundraising will only continue to grow as supporters get more comfortable with engaging online and donating online. But despite widespread smartphone penetration amongst UK consumers, the study suggested that not many are using their smartphone or tablet to donate online. Just 17 per cent of respondents said they had done so, although the figure was significantly higher with younger generations. Also, 45 per cent of respondents admitted they had not yet donated online, meaning not-for-profits need to adopt a multi-channel approach to fundraising, both in terms of how they engage with supporters and in accepting donations.

This was borne out further by previous Blackbaud research. The Next Generation of UK Giving report revealed a tremendous variety in the ways donors are giving, including shop donations, tributes, SMS donations, direct debit, cheque and many more. Operating in multiple channels and providing many options to give is the key to reaching donors, but online is one channel that simply cannot be ignored.



## Top Tips For Online Giving

Based on the insight generated from 'The Psychology of Giving', here are our top five tips for not-for-profits wanting to increase the levels of online donations they receive.

Position your 'donate now' buttons clearly and cleanly on your website – the research showed that 59 per cent of people have donated directly via a charity's own website.

Optimise your website for mobile. Whilst people aren't yet donating in enormous numbers via mobile devices yet, they certainly use them to view content. People will one day use mobile devices to donate online, so ensure they can read your website easily.

Personalise your content when contacting people about your cause. The study showed that people donate online because of a personal connection to a cause and to support friends and family, so tapping into that motivation will yield a bigger return in online donations than finding a celebrity face to support the cause.

Provide easy access to information about your cause – 49 per cent of people stated they wanted this after sponsoring someone, so there is a golden opportunity to begin a long-term relationship with that supporter.

Ensure your branding is front of mind, NOT that of the online giving platform you use – nearly one in five don't register the actual cause they are supporting.

## About Blackbaud

Serving the not-for-profit and education sectors for 30 years, Blackbaud (NASDAQ: BLKB) combines technology and expertise to help organisations achieve their missions. Blackbaud works with more than 27,000 customers in more than 60 countries that support higher education, healthcare, human services, arts and culture, faith, the environment, independent education, animal welfare and other charitable causes. We offer a full spectrum of cloud-based and on-premise software solutions and related services for organisations of all sizes including: fundraising, eMarketing, social media, advocacy, constituent relationship management (CRM), analytics and vertical-specific solutions.

For more information, visit [www.blackbaud.co.uk](http://www.blackbaud.co.uk)

## Survey Methodology

This survey was conducted using an online interview administered to members of the YouGov Plc UK panel of 350,000+ individuals who have agreed to take part in surveys.

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2088 adults, of which 1218 have never donated money to charity online. Fieldwork was undertaken between 8th - 11th November 2013. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).