# Why do people give donations marketing essay

Abstract – When donors see their donations as an investment and a useful contribution to a cause it can lead to satisfaction and joy from making a donation. Experience and expectations of this will lead to involvement. The importance of predominance should be understood. Whenever a donor or follower has the choice to donate to a certain cause it becomes necessary that the cause stands out and capture the donor's or follower's imagination, otherwise due to the amount of causes presented by charities it will diminish the impact of any cause. Charities should understand the importance of the characteristics: " ability to give and means". A donor's or follower's ability to act and to give is an important characteristic of the size of a donation made. The past experience of a donor or follower is also an important factor. Satisfaction and joy derived from donations made in the past can generate an expectation of satisfaction on each new opportunity to donate and this expectation can influence people's reasoning to donate again. Charities should emotionally engage donors and followers. Research has indicated that appeals to donate that evoke negative emotions help enhance the empathy felt by the donor or follower which led to large donations. Therefore it is necessary that charities engage people to take actions and overcome negative emotions. However charities should understand that no one will donate an amount of money without being asked.

## Introduction

Insight in and an optimum level of fundraising cannot exist without the donations of people. People are the building blocks of charities. Even before the Internet became a main tool to use, it was already possible for people to donate through: " newspapers, sms, accept giro card, telephone". Because of

the fact that the Internet is a disruptive technology, a full understanding of why people donate should be accomplished. This way, modern tools can be used to its fullest potential without neglecting the people that actually donate.

## Donating characteristics

Panas (1984) discovered that the two most important considerations that can explain donating behaviour are related to belief in the cause (believe in the mission and certain interest) followed by memorial opportunity. Other motives are tax credit, recognition of the gift and competition (p. 4)[1]. According to Mount (1996, p. 7)[2]there are 13 motives that explain donating behaviour: Belief in a causeJoy of giving (which can refer to the psychological reward)Liking to be asked (which triggers a feeling that one might be important)Altruism (which refers to a general desire to help)Sympathy (a response to some perceived dispossession)Pride (which can refer to the ability to give)Obligation (which is rooted in social responsibility)Reciprocity (which refers to paying back for benefits received)Nostalgia (springing from thoughts of one's past )Commemoration (responding to a memorial opportunity)Appreciation (which can refer to gratitude of the recipient)Recognition (which can refer to public acknowledgement)Tax creditMount (1996, p. 6)[3]mentioned that two long time fundraisers were consulted about these characteristics and they agreed on it but also mentioned two more: Some people respond to pressureSome people are impelled by an urge to compete

## Donors motives

The behaviour variables on page 48 of this thesis aren't the sole motives why donors donate. According to Van Slyke and Brooks (2005, p. 202) [4]there are four areas which charities should have an understanding of:

## Age, Gender, Marital status, Race and Ethnicity

Clotfelter (1997, p. 202) mentioned that age is a variable more consistently related to giving[5]. Wolff (1999, p. 202) mentions that women are more altruistic than men[6]. (Andreoni et al., 2003, p. 202) mention that, the marriage status positively relates to giving[7]. Race and ethnicity have been measured by Hodgkinson and Weitzman (1996, p. 202) as statistically significant predictor to giving[8].

## Religiosity and Education

A couple of experts found relations between beliefs, attendance and practice towards a donating behaviour. (Jackson et al., 1995, p. 202) mention that when people participate in church groups it increases forms of helping[9]. Hoge (1995, p. 202) mentions that not only religious affiliation and frequency of participation affects donations to religious causes, but also the level of education and income directly influence this[10].

## Income, Wealth, and Taxes

Schervish and Havens (2001, p. 203) mention, that wealth and income are connected to each other. A higher or lower wealth affects the amount that is donated as proportion of income. A lower wealth means a smaller amount of income is donated and a higher wealth means a bigger amount of income is

donated[11]. Steinberg (1990, p. 203) found out that a nearly 10% tax rate increase leads to nearly 12% increase in donations[12].

## Voluntarism

Voluntarism is a substitute of giving. Jencks (1987, p. 203) and Duncan (1999, p. 203) found out that when donations made by donors are declining it increases contribution made in time[13].

## Donor's emotions

Past research by Batson (1981) on donors giving shows that helping behaviour can be explained to certain altruism (p. 757)[14]. Eisenberg and Miller (1987) discovered that if people feel empathetic, they are likely to selflessly help the person in need (p. 757)[15]. However (Cialdini et al., 1987) found that all motives for giving are not altruistic. He also mentions that people tend to help other people not because of selflessness but as a way to repair their negative mood states. Therefore if a person helps another it implies that it is to overcome the negative emotions that he/she might experience (p. 757)[16]. (Neuberg et al., 1997) mentions that in situations where there is no genuine cost to the helper, altruism leads to helping. But when there is a genuine cost to the helper, helping is driven by self-interest which includes overcoming negative emotions (p. 757)[17]. According to (Basil et al., 2008)[18]charities are emotionally engaging donors to make a donation (p. 757). Dillard and Peck (2000)[19]mention that appeal to frequently making a donation induce emotions among donors and influence a donor's giving behaviour (p. 757). Research by (Merchant et al., 2010) has indicated that appeals to donate that evoke negative emotions help enhance

the empathy felt by the donor. Some of the negative emotions that are studied in the context of appeals for charity are: " sadness, anger, fear and guilt" (p. 757). Bagozzi and Moore (1994) found that public service announcements, which evoked strong negative emotions like sadness, could produce empathetic reactions which could lead to a decision to help (p. 757) [20]. Vitaglione and Barnett (2003) found that appeals for help, which evoked anger, generated empathy for the victimized person (p. 757)[21]. Schaller and Cialdini (1988) mentioned that donations made would become means for overcoming negative emotions and allowing positive emotions to materialize (p. 757)[22]. Therefore it is necessary that charities engage donors to take actions and overcome negative emotions. This is confirmed by research executed by (Manucia et al., 1984) where they mention that sad people are more likely to make a donation if they believe that the act of giving would make them feel better (p. 757)[23]. In an interview with Angelique van Oversteeg who is responsible for the fundraising and marketing of the charity Simavi, it was mentioned that the emotions of donors aren't complete. Angelique has 15 years of experience in fundraising and she mentioned that donors can feel a lot of emotions but won't act unless a charity gives them a sense of urgency. Sense of urgency is important because it tells donors, that they have to act and donate immediately. If you are trying to raise money for a certain cause it's not logic that donors will donate in 1 month[24]. As a charity you want donors to donate immediately.

## Donating behaviour

According to Mount (1996) there are five variables to predict the donating behaviour of donors and the size of the donations (p. 9-11)[25].

## Involvement

Physical rewards from giving can inspire donations with no trace of self-preservation which is the driving force in (Rosenblatt et al., 1986) notion of involvement. The satisfaction derived from being able to support causes can explain why people give to causes where risk to self-preservation plays no part. Involvement springs from expected satisfaction. It can also be that the belief of someone's gift can make a difference (joy of giving)[26].

## Predominance

According to Joan Mount the definition of predominance defined by (Rosenblatt et al., 1986) should be reinterpreted as a subjective measure to which a cause stands out to a donor's point of view.

## Self interest

Some donors make donations because of self-interest such as the tax incentive.

## Means

A donor's ability to act is an important characteristic of the size of a donation. In a study mentioned in the paper of Mount (1996), results revealed that donors who made a donation bigger than $50 were likely to be older of age and have higher household incomes than those who give less[27].

## Past behaviour

The study of Mount (1996) showed that donors who gave to a certain cause are likely donors to other causes. Satisfaction and joy derived from donations made in the past can generate an expectation of satisfaction on each new opportunity to donate and this expectation can influence a donors reasoning to donate again. Some principals can be borrowed from the behaviour of donors who donates blood. In a medical paper by (Lemmens et al., 2010) it is mentioned that the relationship between donation intention and subjective, descriptive and moral norms indicates, that social influence processes are important in donor recruitment. Donors can act as role models by talking about their donations to its social network, while also modelling how one should take personal responsibility for donation. Donors could act as blood bank ambassador's recruiters[28]. This statement is also relevant for the donors towards charities. If donors are making a donation towards a cause that they strongly believe in, then by talking to other people who aren't donors it becomes possible that these people can be influenced in such a way that they also become a donor. The characteristics involvement and past behaviour defined by Joan Mount can be found here.

## Engagement

Abstract – Engagement of donors to a cause is an important factor for charities. Engagement with donors can lead to a stronger relationship. It's this relationship that leads to engagement. Donors or followers who belief in a cause and get engaged are emotionally attached. This can lead to extra valuable effort of a donor in the form of a gift like volunteering for a certain cause. By understanding the seven characteristics of engagement charities

will get a solid understanding of what drives engagement. Charities should influence the four stages of engagement in order to attain and retain donors and followers. Charities can use different social media tools to engage with donors and followers. Social media has given charities new possibilities to connect with them by allowing them to receive real-time feedback about organizational announcements and engage in conversations. Charities should listen to the feedback of donors and followers because they want to be heard and want to play an active role in helping. Donors and followers want to see what is happening with their donations. By listening to them and acting on it charities can increase the engagement with their donors and followers.

## Introduction

According to O'Brien and Toms (2008) engagement applies to people experiences with technology. Their study on creating a conceptual framework of engagement shows that engagement has attributes from 4 main theories namely: " Flow theory, Play theory, Information interaction and Aesthetic theory". This model shows how the different theories impact user engagement (p. 939-940)[29]. O'Brien and Toms validated their framework model in the areas of: " Video games, Educational area, browsing on the Web, Online shopping" (P. 940)[30]. It is interesting to observe this because the result of the areas researched can be used for other purposes such as donations made to charities. The demo app that will be created has a mix of information on the web and making it possible to donate money, which is crossing the areas of browsing on the Web and online shopping researched by O'Brien and Toms.

## User engagement

According to (Attfield et al., 2011) user engagement is the emotional, cognitive and/or behavioural connection that exists, at any point in time and over time, between a user and a technological resource (p. 2)[31]. Prior research (Kappelman, 1995 & Said, 2004, p. 939)[32]have indicated that engagement consist of users activities, attitudes, goals and mental models and motor skills and that it manifests itself in the form of attention, intrinsic interest, curiosity and motivation (Chapman, 1997, p. 939)[33]. Chapman has related engagement to the flow theory.

## Flow theory

Flow is the condition in which people are so involved in an activity that nothing else seems to matter. The experience itself is so enjoyable that people will do it even at great cost for the sheer shake of doing it (Csikszentmihalyi, 1990, p. 939)[34]. The Flow theory has been used to research the situational and personality variables associated with computer-based tasks (Woszczynski et al., 2002, p. 939)[35]to predict and design for flow experience (Finneran & Zhang, 2003, p. 939)[36]and to understand users reaction to and motivations for using applications (Ghani & Deshpande, 1994 and Konradt & Sulz, 2001, p. 939)[37]. O'Brien and Toms mentioned that even though engagement has been deemed as a subset of flow there are differences. Flow requires sustained, long-term focus and loss of awareness of the outside world. Engagement should still occur in today's multitasking and dynamic computer environments (O'Brien and Toms, 2008).

## Aesthetic theory

Jennings (2000, p. 939) suggested that aesthetic experiences are intrinsically motivating, require focused attention, stimulate curiosity, and are interesting and pleasurable. Some of these attributes, including interest, as well as aesthetics itself, have been associated with engagement (Chapman, 1997). Aesthetics is the visual appearance of the interface as it conforms to design principles (symmetry, balance, emphasis, harmony, proportion, rhythm, and unity (Beardsley, 1982, p. 939)[38].

## Play

Play is the physical activity that encourages learning and creativity, develops and satisfies psychological and social needs and involves aspects of competition and collaboration (Rieber, 1996, p. 939). Play has been associated with increased frequency and satisfaction of system use (Atkinson & Kydd, 1997, p. 939) and has been attributed to increased motivation, challenge, and affect (Woszczynski et al., 2002, p. 939). Play is also associated with having an experience such as news reading (Stephenson, 1967, p. 939) and browsing (Toms, 1998; 2000, p. 939). Play has recently been examined in the context of educational technologies (Rieber, 1996; Said, 2004, p. 939), video games (Pausch, Gold, Skelly, & Thiel, 1994, p. 939), and decision making on the Web (Atkinson & Kydd, 1997, p. 939)[39].

## Interaction

Information interaction is the process that people use in interacting with the content of a system (Toms, 2002, p. 939)[40]. Information interaction provides the connectivity for engagement. The computer system may be

aesthetically appealing with design elements that promote play. The user may be susceptible to the state of flow. However, it is the interaction between users and systems operating within a specific context that facilitates an engaging experience. O'Brien and Toms created a conceptual framework that consists of the theories and attributes that are associated with engagement. The named theories have a lot of other characteristics however they mention that it is unlikely that these will be present in engagement. They also mention that with these theories an engaging experience is encouraged by the sensory appeal of the system and the level of feedback and challenge the user receives from the system. Engaged users are affectively involved, motivated and perceive themselves in control over the interaction (p. 939-940)[41]. Figure 7 shows the characteristics associated with engagement. Figure 7[42]

## Characteristics of user engagement (Focused)Attention

To be engaged involves attention to a certain thing. The more a person is engaged the more likely they underestimate the passage of time. Together with concentration, absorption and loss of self-consciousness, distortions in the subjective perception of time have led to parallels being drawn between engagement and the idea of flow as an optimal experience, where flow refers to a mental state in which a person is fully immersed in what they are doing (p. 2)[43].

## Affective Appeal/Sensory appeal

People who are engaged are affectively involved. Affect relates to the emotions experienced during interaction. In the paper of O'Brian & Toms it is mentioned that participants experienced that a lack of fun can act as a barrier to shopping online[44]. In the same paper Jennings (2000) mentioned that affective experiences are intrinsically motivating and that, in relation to engagement on the web, an initial affective hook can induce a desire for exploration or active discovery (p. 946)[45].

## Aesthetics

Aesthetics concerns the sensory, visual appeal of an interface and is an important factor for engagement. In the paper of O'Brian & Toms, they relate aesthetics to factors such as screen layout, graphics and the use of design principles such as symmetry, balance, emphasis, harmony, proportion, rhythm, and unity (p. 2)[46].

## Endurability

This characteristic refers to remembering an experience and the willingness to repeat it and recommend it to other people. People remember experiences that they like therefore they want to repeat them if possible. Endurability also relates to whether or not an experience was successful or worthwhile (p. 2)[47].

## Novelty

Novelty appeals to our sense of curiosity, encourages inquisitive behaviour and promotes repeated engagement. Interactive experiences can be engaging because they present users with novel, unfamiliar or unexpected

experiences. In the area of presentations it has been shown that people will experience higher levels of engagement when there is a variety in the presentation (p. 2)[48].

## Perceived control/Richness and control

Control is the extent in which people are able to achieve the growth potential of an activity by assessing the effort in the selection and attainment of certain goals like: " freedom and ease" (p. 3)[49]. An example is the study executed by Rozendaal (2009)[50]. Participants in an experiment were given a voicemail digital system and varied in voicemail content, interface and features. The experiment showed that all the participants had different settings adjusted to their liking. Therefore the ability to control is an important characteristic of engagement.

## Feedback and challenge

In the paper of O'Brian & Toms an experiment was done with children playing a game. The experiment showed that some children took on the role of characters, some manipulated the characters' world, and others watched the game unfold without being able to intervene. Results indicated that immediate feedback from the system, well defined goals, prior experience, and increasing challenge in proportion to game playing skills were essential attributes of engagement (p. 940)[51]. Figure 8[52]shows the characteristics of engagement assessed in different areas.

## 4 stages of engagement

The results of the study executed by O'Brien and Toms indicated that engagement has 4 stages: " Point of engagement, period of sustained engagement, disengagement and reengagement" (p. 943)[53].

## Point of engagement

This is the point where engagement starts. In the area of online shopping the engagement started when a consumer wanted to find a certain item.

## Period of engagement

This is the point where people find themselves when moving from the point of engagement. In the study of O'Brien and Toms the period of sustained engagement was marked by participant's attention and interest being maintained in the interaction. This was accomplished by feedback and novel information and features on the interface. The interviewees were more likely to stay in the engagement stage when they perceived that they were in charge of the interaction and appropriately challenged.

## Disengagement

This is the period when people stop being engaged. The study executed by O'Brien and Toms showed that disengagement occurred when people decided to stop their current activity or when certain factors in the participants external environment caused them to cease being engaged.

## Reengagement

This is the period when people start to engage again. This does not necessarily mean that people were disengaged because they don't like the

activity their doing, it means that they paused their activity for a certain time and continue it again. Image a gamer that plays a game but suddenly gets a phone call. The gamer stops the current activity (disengagement) by pausing the game and talk on the phone. When the conversation ends the gamer continues the game (reengagement).

## Costumer engagement

According to Chaffey (2007) customer engagement is: " the repeated interactions between a customer (can be a donor) and brand (can be a charity) that strengthen the emotional, psychological or physical investment a customer has in that brand" (p. 257)[54]. Social media can lead to stronger relationships with consumers thereby satisfying their needs and build customer engagement. That is why the app will have social media tools like Facebook and Twitter to engage donors and followers. Sashi (2012) mentioned that customer engagement focuses on satisfying customers by giving them superior value than competitors in order to build trust and commitment in long-term relationships (p. 260)[55]. The author of this thesis agrees with Sashi because Dutch charities are constantly seeking new opportunities and technologies to differentiate themselves from other charities. A good example is the Serious Request on 3FM[56]strategy of the Red Cross. Serious Request is a yearly campaign of radio station 3FM, where donations are collected for the Red Cross. It took 10 days in 2011 to approach nearly 10. 5 million people on TV, radio and social media. Nearly 3. 5 million euros[57]was collected by 3FM. A couple thousand euros were collected through Twitter. The Red Cross was the first ever to collect money this way. Engaged costumers work closely together with vendors in the value

adding process in order to better satisfy needs as well as the needs of other costumers. Social media is very helpful in this process because of the fact that social media is very interactive it facilitates the process of creating intimate relationships with trust and commitment between customers and vendors. The engagement cycle of Shashi shows the engagement process and the different stages the consumer goes through in order to get engaged. This model will be explained in the point of view of a Dutch charity and its donors and followers. Figure 9[58]

## Connection

In order for a Dutch charity to create a relationship with donors and followers they both need to connect with each other. Connections can be made online and offline. Offline connections can be made through traditional methods. Dutch charity can send out flyers or direct marketing to connect with donors. Online connections can be made through the use of social media. Social media enables people and charities to connect with each other (p. 260)[59].

## Interaction

Once the connection has been made a donor or follower can interact with a charity. Social media makes it easier to interact. Interactions between a charity and donors and followers can improve the understanding of their needs and thereby enabling a charity to customize its " projects" to satisfy these needs (p. 261)[60]. A good example is implementing feedback by the test panel for the app. During a short analysis of feedback provided by the test panel different needs were mentioned. An example is implementing pushback messages so that people can react on new projects posted in the

app. By asking people what they want to see, feedback is gathered which leads to an understanding of what people want, which leads to an improvement in the app.

## Satisfaction

When the interaction between a charity and donors result in satisfaction, donors will stay connected and continue to interact with charities and progress towards engagement. However satisfaction is not enough. Satisfaction with interaction during the donation process may lead to dissatisfaction at any stage. Satisfaction may not lead to a donation made and thereby a long-term relationship between a donor and charity may not ensue. According to Oliver (1993) a high level of satisfaction is achieved when costumer expectations are exceeded (p. 262)[61].

## Retention

Customer retention means in the case of charities that donors or followers aren't dissatisfied and are still connected to a charity. Customer retention results from satisfaction or positive emotions. Satisfaction over time emerges as a result of donations made and implies a long-term relationship between a charity and donor but not necessarily highly positive emotions from each other. On the other side, a donor or follower's highly positive emotion for a charity does not imply that this donor or follower has a long-term relationship with a charity. This means that retention may be the result of enduring relationships without the emotional bond or emotional bonds without a long-term relationship (p. 262)[62].

## Commitment

Commitment in a relationship has two dimensions namely affective and calculative commitment. Calculative commitment is rational and results from a lack of choice and leads to higher levels of customer loyalty and enduring relationships with vendors. For example a donor or follower who likes certain causes of a charity may support this charity because of a lack in alternatives and regularly contribute to this charity. Affective commitment is emotional and results from the trust and reciprocity in a relationship and leads to higher levels of trust and emotional bonds in relationships with vendors. In the example of the donor or follower, a charity can remember the preferences in causes that a donor or follower likes and thereby display only the causes that match their preference (p. 263)[63].

## Advocacy

Donors or followers who are delighted may keep their delight to themselves or share it with others through for example social media and spread the word about their positive experience with a charity (p. 263)[64]. The past donating behaviour of a donor (donating behaviour page 51 of this thesis) is a good example of this. The study of Mount (1996) showed that donors who gave to a certain cause are likely donors to other causes. Satisfaction and joy derived from donations made in the past can generate an expectation of satisfaction on each new opportunity to donate and this expectation can influence a donors reasoning to donate again. In the case of the app it is the ultimate goal if donors and followers will become advocates for the app and thereby promote it in their existing network.

## Engagement

Donors or followers are in this final stage when they share their delight or loyalty in interactions with others in their social network and become advocates for a charity. In this case donors and followers can become advocates for the app and promote it. It is important to realize that customer engagement needs affective commitment and calculative commitment as well as commitment between the vendor and customer or in this case the donor or follower and charity. Engaged donors or followers develop new connections and can become advocates for the app or charity in interactions with other people (p. 264)[65].

## Why user and costumer engagement?

User engagement is an important theory because the app needs to comply with certain user requirements in order to give the user a good experience and thereby engage them. A good example is the aesthetics requirement. If the app is not appealing then people won't use it to make donations. Due to the fact that the demo app that will be created needs to engage people in order to let them donate through the app and at the same time recommend it to its social network, user engagement as a theory is not enough. Customer engagement is also important because by satisfying consumer's needs it can lead to profits for companies. Customer engagement in this thesis is used as a theory in the point of view of charities and donors and the app. The needs in customer engagements can be seen as the characteristics of donating and the motives of donors (page 49 of this thesis). When for example the need of a donor (can be altruism) is fulfilled it can lead to more donations. Although charities don't sell products to customers they do " sell"

a belief in a cause (the idea of a good feeling when you can help another person). In order to maintain this, charities need donations. Donors or followers who have a positive experience with the app and aren't dissatisfied can become advocates and thereby promote the app. This is good for the recognition of the app and fundraising level of a charity. That's why some of the aspects of consumer engagement are also important.

## Why not other types of engagement?

There are a lot of different theories and practices about engagement. Therefore the author of this thesis made a distinction between the engagement theories available and engagement theories applicable to the app and researched only the engagement theories applicable to the app. The goal of this thesis is to make charities aware of the fact that social media and an app can increase engagement with people and thereby increase its fundraising level. Therefore the author of this thesis selected the engagement theories that are relevant to the app. The choice of relevant engagement theories were made based on the options in the app and how it would be used. A category of important factors were made and thereby making it easier to select the appropriate engagement theories. Some of the relevant categories to the app are:

## Appealing

The app that will be created needs to be appealing. If the people don't want to use the app than it's not appealing enough and won't be used.

## Feedback

Charities need to respond to messages of people. Feedback from them is very valuable that's why the app will need to enable the charity´s to quickly respond to messages.

## Pleasure

The app that will be created needs to be user-friendly. If the layout and navigation in the app is difficult it will lead to people not liking the app and thereby stop using it.

## Interaction

The app needs to be user-friendly and interactions between the app and people using it need to be smooth. Information that the user wants needs to displayed correctly. If a person wants to donate 10 euros it needs to display 10 and not 100. With this category in mind it makes sense that for example employee engagement isn't a relevant theory for the app. Although employee engagement can lead to employees being happy and engaged employees will lead to extra effort and therefore will lead to benefits such as: ProfitsIncreased shareholders valueIncreased salesHowever it has nothing to do with the app. Charities are non-profit organizations that don't make any profit. Although charities need engaged employees to attract people, the author of this thesis assumes that charities have engaged employees otherwise charities wouldn't exist. With the categories of the app and the researched engagement theories in mind the following theories are not used for the app: Brand engagementStakeholder engagementEmployee engagementThis does not mean that these types of engagement in general

aren't important for Dutch charities. These types of engagements make it clear for charities on how to brand themselves towards their donors and followers and how to respond on negative reactions from them. 6. Smartphones and appsAbstract – Charities are constantly looking for new ways to reach and engage donors and followers. Traditional methods to reach and engage people aren't successful anymore that's why new methods should be researched. In the interviews with Dutch charities it was mentioned that although old people like being reached through traditional methods younger people don't like this. Also, the generation that didn't grow up with the Internet is declining. Therefore new ways to engage people should be researched. Since some big charities already have a standard website, embraced social media and are slowly moving to a mobile version, it isn't enough for small Dutch charities to do the same. The author of this thesis agrees that charities should have a mobile website for donating and viewing purposes because the usage of smartphones in the Netherlands is growing fast, but charities should also embrace apps as a new way of reaching and engaging people. Because of the fact that none of the 50 charities in the Netherlands have a donation app it is therefore an interesting opportunity for charities to create one for fundraising purposes. 6. 1Why go mobile? Smartphones nowadays are more popular than PC's. Smartphones have become small and mobile computers with Internet capabilities. Smartphone are outselling PC´s and thereby killing PC's worldwide. Figure 10Figure 10 shows that more smartphones were sold in the fourth quarter then PC's.

A lot of people use their smartphone to browse on the Internet. Even in the area of browsing on the Internet, a smartphone does better than a PC. According to the CBS nearly 44% of people use a smartphone in the Netherlands to browse on the Internet. This equals nearly 6 million people in the age of 12-75Figure 11Smartphones are also popular to use for online shopping. According to a study from Thuiswinkel. org nearly 1, 5 million people used their smartphone to make small purchases online . According to a study from Mobile360 the Netherlands caught up in the usage of smartphones and tablets compared to the rest of the world. Figure 12 shows the percentage of smartphone usage. In Europe 30% of people is using a smartphone. The global smartphone usage is 28% and in the Netherlands nearly 44% are using a smartphone. Because of the high percentage in the Netherlands it is a valid reason and interesting market to create an app. Figure 126. 2Why use an appDuring some of the interviews with Dutch charities like the Astmafonds and Simavi, it was mentioned that traditional methods for fundraising purposes isn't effective anymore. These charities have embraced social media in their marketing campaign. However they aren't very successful in increasing their volume of donors and followers. The reason for that is because some of these charities aren't interactive on social media. They only use social media to send out messages. With an app you can target a new demographic group inside an existing market. There are nearly 50 Dutch charities in the Netherlands. Some of these charities have embraced the Internet and made their presence visible by using marketing and social media. Figure 13Figure 13 shows the presence of Dutch charities in the Netherlands. It also shows that many charities (nearly 66%) don't use

apps. Some charities did create apps for the iPhone and Android phones however these apps were researched by the author of this thesis and the author can conclude that none of these apps have anything to do with fundraising purposes. However these charities that use these apps still get valuable information about what works in this mobile channel. Some charities like the Dutch Red Cross have started to create a mobile website and soon many other charities will follow. Fundraising information in the form of text from standard websites doesn't have to be changed on a mobile website and can be copied. Because of the fact that many other charities will do the same it will eventually become difficult to stay unique. Although there is a discussion on the Internet that a mobile website is better for fundraising purposes than an app, an app has some advantages over a mobile website. 6. 2. 1Reason 1: ConnectivityAn advantage that an app has over a mobile website is that a user doesn't need to be connected to the Internet to use it. Mobile websites do need connectivity to work. People who don't have access to the Internet can't access information on a (mobile) website . 6. 2. 2Reason 2: Appearance/AppealA mentioned on page 52 by Jennings aesthetics is very important since it concerns the visual appeal of an interface and therefore is an important factor for engagement. Apps are more appealing than websites. Companies spent a lot of money in order to make an app appealing to the audience . A good example is the app Angry Birds. Although Angry Birds is a game it's so appealing that it was downloaded nearly 300 million times . 6. 2. 3Reason 3: Content vs. functionalityMobile websites are more useful for providing content. Ecommerce website are more successful than apps. However apps contain more feature-rich functionality and more

engaging design layout that makes navigating content easier for the user. Mobile websites can ask a user to click trough several pages before the necessary information is provided . 6. 2. 4Reason 4: Apps are fasterApps don't use layout designs like CSS or JavaScript scripts. They use native user interface elements so that exactly that data that the user wants will be retrieved and displayed . 6. 2. 5Reason 5: Apps make better use of the screen on handheld devicesBecause designers have to fit information on a mobile/handheld screen which in reality is compact the information displayed will be relevant and important. This way any unnecessary information like advertisements won't be displayed . 6. 2. 6Reason 6: Apps can kill websitesBecause of the fact that apps are more appealing then websites it can kill (mobile) websites. A good example is the old website of eBay. eBay recently changed their layout but it is still too difficult to navigate on. The eBay app is available in the app store of Apple. When the website and app are compared it becomes clear why apps can kill (mobile) websites.

eBay website: Figure 14

eBay app: Figure 15The eBay app is more appealing and simpler, faster and easier to use. A usability study executed by Jacob Nielsen shows that a mobile website can have advantages but an app is even better. In the study a success rate of 76% was measured of people using mobile apps against 64% of people using mobile websites.

6. 2. 7Reason 8: (Mobile) websites vs. appsIn the study of Mobile360 it is mentioned that people spend more time on apps then on mobile websites. 95% of time spent is on nearly 3000 apps against 5% on nearly 12000 mobile websites. Although the amount of mobile websites seems a lot this

number indicates the variety in websites. There are a lot more websites on the Internet compared to apps however Apple indicated that at the moment there are officially 700. 000 apps available in the app store and 90% of apps are downloaded every month . Mobile360 mentioned that in total 80% of time spent online is via mobile on nearly 50 appsFigure 16

6. 2. 8Reason 9Figure 17 shows that 81% uses their smartphone to connect to a social network. Figure 17This is interesting because many Dutch charities use social media to connect to potential donors. Since nearly 81% connect to a social network this is an interesting market for the Dutch charities to create an app to connect to these social networks in order to engage people in to making a donation. 6. 2. 9Reason 10Charities can gain first mover advantage in getting donations by using an app and thereby increasing engagement with their followers since none of the 50 charities in the Netherlands use an app for fundraising purposes. 6. 3Self-interests of donorsIt is important for the Dutch charities to understand donors and followers. People won't download the app unless they get something back in return. This has to do with self-interest and selfishness. Selfishness lies in the core of human behaviour. An example of selfishness lies in the prisoner's dilemma . The game represents a choice between selfishness and altruism. An example of prisoner's dilemma : two suspects are arrested. The police think that they were trying to rob a bank. However the police can only prove that the suspects were trespassing. So, the police need one of the two suspects to rat out the other. The deal̄:If no one confesses the police can only charge the suspects for trespassing. Punishment is one moth in jail̄.If one suspect confesses and the other doesn't the police will be softer on the

snitch and severely punish the suspect who didn't say anything. The punishment is zero months for the snitch and 12 months for the quit one.If both suspects confess the police will punish both of them. Punishment is 8 months for both suspects in jail. This is the dilemma outlined in a matrix. Figure 18Choice Suspect 1Figure 19If suspect 1 keeps quit than suspect 1 will get one month in jail. If suspect 1 confesses then suspect 1 will get zero months in jail. In this case confessing is better than keeping quite since zero is greater than -1Choice Suspect 2Figure 20If suspect 2 confess than suspect 2 gets zero months in jail and suspect 1 gets 12 months in jail. However if both suspects confess then either will get eight months in jail. The fairest choice would be for both suspects to confess. However who does a suspect know that the other suspect will confess or keep quit? The dilemma lies in the fact that people tend to choose the best option for themselves which leads to the worst scenario in the prisoner's dilemma. Selfishness can also be found in the motives of donors when they donate (page 48-50 of this thesis). (Cialdini et al., 1987) found that all motives for giving are not altruistic. They that people tend to help other people not because of selflessness but as a way to repair their own negative mood states. Therefore if a person helps another it implies that it is to overcome the negative emotions that he/she might experience . Another example is donating because of tax purposes. One of the most influential philosophers in the history of Western philosophy named Immanuel Kant mentioned that: " the sole feature that gives an action moral worth is not the outcome that is achieved by the action, but the motive that is behind the action. And the only motive that can endow an act with moral value, he argues, is one that arises from universal principles

discovered by reason" . 6. 4How to motivate donors to download the appBased on the selfishness of people the author of this thesis assumes that people won't download the app unless they get something in return. Information about causes and donations made is not enough to engage people to use the app. Therefore charities should think about an approach that uses premium content or game content to engage them through the app. Marketing and promotion of the app is also an important factor to realize. If the app is launched and nobody knows about it then it won't be downloaded. A solution for this could be to promote the app on the website of the charity. Since charities are different and have different causes the author of this thesis can't mention all the solutions that will engage people to download the app. However the author of this thesis will provide some solutions to three different charities so that it becomes clear how charities should approach this problem and try to come up with an appropriate solution. The donation app has two sides:Informative (information about causes)Option to donateThese options can be changed and extended by the charities in order to engage more people in to downloading the app.

6. 4. 1Example SchouwburgIf the Koninklijke Schouwburg chooses to use the app, they can inform people by giving them the latest information about up and coming musicals, events etc. However the Koninklijke Schouwburg can also use the app to offer premium content. Premium content can be in the form of:Music on old LP's/ that is hard to find or not even on the Internet. Perhaps collector's items/limited edition. An example could be the first recording of the Beatles.Opera's (Hamlet/Shakespeare) that only the Koninklijke Schouwburg possesses. People who are interested in certain

music fragments or opera can use the app and when a premium price is paid could be able to listen to the music or download it. This way the Koninklijke Schouwburg can create profiles of these persons and become able to push preferred content towards them with the option to let them decide if they want to buy it. The Koninklijke Schouwburg need to have the rights of the author of the music to share them. Game contentThe Koninklijke Schouwburg could make content available in the form of a demo game in the app. People could listen to fragments of opera and guess from which author it is. Or they could play against friends. The Koninklijke Schouwburg can provide the music fragments and offer them the full game against a premium price. As an extra incentive The Koninklijke Schouwburg could say that for every correct answer in the game a donation is made to a certain cause. A good example of a game is the free flower game where every correct answer leads to a spoon of flower so that in the end bread can be baked and donated to cure hunger. Figure 21Figure 22In the end players can actually donate money so that the collected spoons of flowers can cure world hunger. 6. 4. 2Protestante kerkThe Protestante kerk can also offer premium content by using the app. Premium content can be in the form of:̃Explanation of verses in the bible by audio fragment̃sDaily spoken versẽsPopular verse of the weẽkVideo of explanation of verses by a pries̃tSearch the Internet for images that correspond to the verses. (Images that show where JEZUS was born etc.)Game contentThe Protestante kerk could offer content in the form of a game (trivia test) to engage people to make a donation. The game could let players guess some verses from the bible in order to make them learn the bible. 6. 4. 3 RijksmuseumThe Rijksmuseum is a museum that features a

selection of Dutch paintings like Vermeer or Rembrandt. The Rijksmuseum could use the app to give people extra information during a visit at the museum. When people are looking at a painting for example the Nights watch they could use their smartphone to get extra information in the form of:AudioVideoTextInformation can consist of a biography of the painter. The Rijksmuseum can also create a jig-saw puzzle of its paintings in a game so that people can put it back together. When the puzzle is completed the Rijksmuseum can ask for a donation. 7. Target groupAccording to the CBS there are nearly 16, 655, 799 million people in the Netherlands in the year of 2011. Unfortunately CBS hasn't updated these numbers till 2012. The author of this thesis assumes that there are more people. Figure 23The author and Virtual Affairs chose to focus on the younger generation between the ages of 18-30. In the Netherlands there are nearly 2, 672, 413 million (this is the sum of men and women between the ages of 18-30 years) people who fit this age profile. Figure 247. 1Why this target groupThe author and Virtual Affairs chose the younger generation as target group because many charities don't approach this generation as much as the elderly (people who are older than 30 years) for donations. This is also confirmed in the interviews with five Dutch charities. 7. 1. 1Reason 2The younger generation is an early adopter of new technology like smartphones and tablets, that's why they are an interesting target group to focus on. According to marketingfacts nearly 78% of the younger generation has a smartphone. This is important because the app needs to ensure charities that the younger generation will be engaged through it and donate more. However creating an app is only useful if a lot of people have smartphones. 7. 1. 2Reason 3The elderly between the ages of

45-60+ still have problems using computers and the Internet. This means that they also will face problems using a smartphone which will create an extra barrier for them not using the app. Many of the elderly doesn't even have a smartphone because they don't know how to use it. Many of the Dutch charities mentioned in the interviews that the generation of the elderly who didn't grew up with the Internet is slowly dying and therefore they need to focus on people who did grow up with the Internet. It is therefore not interesting to focus the app on the elderly. 7. 1. 3Reason 4The younger age is more social active. They frequently use high engagement social media like Facebook and Twitter. Figure 17 on page 71 shows that nearly 81% is active on social networks. Since the app will have social media tools like Facebook it is important that the target group is also active and know how to use it. It is also an advantage because the networks of the younger generation can be approached by the charities in order to ask them for more donations. 7. 1. 4Reason 5In the younger generation there are a lot of student who have more money to spend in general than the elderly. In a study of NIBUD (National institute for Budget education) among 1100 students in ages of 18-30 it was mentioned that students have a disposable income of nearly 770 euros per month. Figure 25 shows the categories on which students spend their money on. This is important to realize because it shows that students have a lot of money to spend. If these students are engaged with Dutch charity´s they could spent more on donations then on one of the categories mentioned in figure 25. Figure 25The reason why this important to understand is because of the fact that in the target group between the ages of 18-30 there not only people who work but also a lot of

students. Unfortunately CBS doesn't have specific data on the younger generation that mentions the disposable income and categories where money is spent on like NIBUD. That's why it isn't discussed in this thesis. 8. App with engagementA couple of engagement characteristics from O'Brien and Toms together with the engagement cycle model will be used to create the best app that will improve engagement. In order to test if the app will lead to more donations a demo will be created and tested through a survey by a panel. The survey will also have opinion boxes so that people can mention what they would like to see from the app. This way valuable feedback will be received which will lead to the final app. The characteristics suitable for the demo app are:EndurabilityFeedbackInteractivityNoveltySensory appealAestheticsInvolvementIntimacy8. 1In app tools to be usedThe demo app will have a Twitter function. According to Smitko (2012) Twitter is a useful social media tool. It can be used to strengthen relationships with donors (p. 3). It's the strong relationships that lead to donor engagement . Twitter will be used by charities for posting information about causes and therefor will engage donors to act. Twitter offers some useful tools: Posting on Twitter using TweetsTweets are short messages on Twitter. Organizations can communicate on Twitter through the use of the "@" symbol. Posting a tweet with the "@" symbol before the username of a Twitter user directs the message to that user. RetweetThis is a function that allows a user to repost a tweet from another user while giving acknowledgement of the user by adding " RT@[username]" to the beginning of the message. Retweets can be used to highlight involvement with another organization or to share

information that the organization finds appropriate. Retweets can also be used to answer messages. HashtagsThe use of hashtags (#) makes it easier to find information. The use of hashtags makes it noticeable that a message is relevant to a certain topic. If a user wants to find information about healthcare, a search for the term health care would give results but by using the #healthcare tag it will be ensured that all relevant information to this topic are displayed. HyperlinksHyperlinks are used to share information by third parties on Twitter. Media can easily be shared using hyperlinks. Sharing informative hyperlinks can get followers interested in the cause of a charity with their tweets in the same way that newspapers use headlines. A benefit of using hyperlinks is that the long URLs used to navigate on websites can now be shortened. The website of http://www. youtube. com/watch? v= Qjg1kMhVvKU which has 42 characters can be shortened into http://bit. ly/3xuuku which has 20 characters. Following on TwitterIf a charity is posting information about a cause on Twitter and the information is considered interesting to read by other people then it can happen that the charity will get followers. Followers are people who read information and agree to receive Tweets. Twitter will not be the only tool used in the app. A lot of people are using different types of social media tools. Facebook, Google+, Hyves and YouTube are the biggest and most effective social media tool measured (p23 in this thesis). This is the icon that will be used: FacebookFacebook will be used as a hyperlink icon within the app to direct donors to a special Facebook page made by the charity. It will also be used to direct the donors to the special Facebook Causes page where donors can read more about the causes of charities. This is the icon that will be used:

Google+Google+ will be also be used as a hyperlink icon within the app to direct donors to a Google+ page made by the charity. Many donors also have a Google+ page to interact with their social network. This is the icon that will be used:

LinkedInLinkedIn will be used as a hyperlink icon within the app to direct donors to a LinkedIn page made by the charity. Most people also have a LinkedIn page to interact with their social network. This is the icon that will be used: YouTubeYouTube will be used by the charity to publish videos about certain causes and projects that might be interesting. This is the icon that will be used: iDealiDeal will be used to make it possible to make an online donation to a charity using the Internet. The transaction and security will be done by iDeal. This is the icon that will be used: 8. 2App designThe app was designed in the program Axure . Axure is a mock-up tool which can be used to create interactive iPhone apps. The author of this thesis followed an Axure training to successfully use the program in order to create the prototype app. Axure has a programming section which was used to create the payment section in the app. Certain Axure iPhone libraries were found on the Internet to create an identical iPhone app and feeling. The pictures that were used were found at google. com using the images tab. The design of the app and testing of the app took nearly 1 month. This demo app will be used to test whether people will make more donations compared to the traditional methods like the accept giro card. The author has chosen to design the app like this, because it has the essential engagement characteristic that is researched in many other academia literatures such as the O'Brien and Toms papers and should lead to more donations. The app will be presented

in a demo and used in a survey to get feedback from potential donors. With this feedback the author and Virtual Affairs will create a final design that will have both the engagement characteristics and feedback from the survey. The final design will be created by Virtual Affairs and will be sold to Dutch charities.