Increasing Donor Retention on Non-profit Crowdfunding Websites

Recommendations and Considerations

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Abstract

With the emergence of the concept of crowdfunding, a new alternative has arisen for non-profit organizations to procure funding for their cause. But several of the issues plaguing non-profits still remain. Attracting people to give in the first place is one major challenge, but retaining the relationship and keeping the donors giving is an even bigger one. This thesis delves into the issue of getting donors to sustain their giving, more commonly known as donor retention. More specifically, this thesis aims to identify what factors are important when aiming to improve donor retention in both charity and crowdfunding contexts. Additionally, the thesis explores what is important in the general structure and content of a non-profit crowdfunding platform, and what possible measures can be taken in order to improve donor retention through the platform.

This was achieved by conducting a literature study in the field of donor retention in both a charity as well as crowdfunding context to find important factors as well as measures to be considered. In parallel, 15 interviews were conducted to gather insights on the attitudes, donation habits and motivations of people who had previous experience of giving to charity. In sequence with the interviews, 15 user tests on the crowdfunding platform of the non-profit organization Help to Help were performed. The user tests aimed to evaluate and collect donors’ opinions and conceptions of the contents and layout of an existing non-profit crowdfunding platform. From the literature study several factors found to improve donor retention were identified. These were: satisfaction, trust, commitment and involvement. The literature study, interviews and user tests resulted in finding a large number of possible actions to take when constructing a non-profit crowdfunding platform. The measures were summarized and condensed into a collection of recommendations and considerations to take when designing such a platform to increase donor retention. The thesis also identified that crowdfunding components can make a charity website appear more transparent and innovative. Additionally, the thesis found that many donors continue to donate based on their initial conviction. Where the ability to provide proof of where the donations end up and ability to appear transparent were the most cited reasons for deciding to support an organization.
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Chapter 1

Introduction

An integral part in making any business venture a reality is gathering enough financial resources to ensure its launch and success. Traditional efforts to procure funds for a project has been through loans from banks, foundations and investments from venture capitalists [1]. But in recent years the funding landscape has changed quite a bit, and a part of that change is the emergence and rising popularity of crowdfunding as a means to finance a business endeavor.

The definition of crowdfunding is derived from the broader concept of crowd-sourcing, which is to attain resources, ideas and feedback from a crowd in order to develop a business idea [2]. Crowdfunding on the other hand generally strives to collect funds by making use of online social networks instead of targeting smaller groups of investors [3]. Wash [4] describes crowdfunding as "the act of soliciting, via an open call, resources from a wide variety of contributors in order to realize a new idea". As such, crowdfunding allows for projects to be financed from larger audiences, where each donation usually is of a smaller amount [3]. The market for crowdfunding is gaining traction, and a total of 738.9 million U.S. dollars was raised through crowdfunding worldwide in 2016 [5]. However, without the platforms to support the interaction between the project starters and the potential donors, the crowdfunding movement would arguably not be as successful as it is today. Kickstarter\(^1\), IndieGoGo\(^2\) and GoFundMe\(^3\) are all examples of popular websites in the field today. Since its inception in 2009, Kickstarter alone has amassed pledges worth more than 3.5 billion U.S. dollars as of February 2018, with more than 14 million people having backed at least one project [6].

With the large amount of success crowdfunding platforms have seen it is no surprise that non-profit organizations (NPOs) have picked up on the trend as well

\(^1\)https://www.kickstarter.com/
\(^2\)https://www.indiegogo.com/
\(^3\)https://www.gofundme.com/
1.1. Problem Statement

and started utilizing the concept themselves. The idea of gathering resources from the public is a well ingrained practice of non-profit organizations and coincides well with the principles of crowdfunding. According to Read [7] the non-profit sector has to allocate a significant amount of their available resources to fundraising initiatives to maintain operations. Read claims that one of the greater hardships for non-profits remains reaching a larger audience and targeting the right crowd. With the help of crowdfunding non-profits can diversify their funding while connecting with a larger crowd of potential donors, thus improving their funding potential. Additionally, an empirical study conducted by Lambert and Schwienbacher [8] found that non-profit projects generally secure more funding than general for-profit projects. Thus, it makes sense for non-profit organizations to use crowdfunding as a means to connect with potential, and current donors.

1.1 Problem Statement

Even though crowdfunding is becoming an increasingly popular method of financing one’s project it is not perfect by any means, and simply utilizing a crowdfunding principle does not guarantee success. Several issues still remain that are not specific to just non-profits, but crowdfunding ventures as a whole, namely attracting people to give to your cause in the first place, and how to keep them interested and engaged so that they continue to donate. The issue of keeping donors that continue to make donations year after year is referred to as donor retention [9]. The area of donor retention is a fundamental issue for charities and non-profit organizations as well as for online crowdfunding platforms [10][11]. Despite its studied importance the main emphasis in academic research continues to lie on the acquisition of donors, rather than on donor retention [11]. Currently donor retention rates are at around 43% for non-profits, and for first time donors the rates are only at around 25%, meaning that only 25% of new donors make a repeat donation to the same organization in the following year [10].

Increasing retention rates even a small amount can have a massive impact on businesses, and according to Sargeant and Hartsook [11] an improvement of 10% in donor retention can result in up as much as a 200% increase in gathered donations. Additionally, studies have shown that it is more cost-effective to retain currently existing donors rather than acquiring new donors, and taking positive steps to reduce donor as well as gift losses is the least expensive strategy for increasing net fundraising gains [10]. Holloway [12] further bolsters the importance of donor retention as he claims that it can cost up to 10 times as much to recruit a new donor as it does to retain an existing one. Although the effects of improved donor retention have been clearly stated, there are still insights to be had on what factors play an important role in increasing donor retention, and more specifically how to actually craft your digital service around
1.2. Aim and Objective

Crowdfunding platforms for non-profit organizations make for an interesting cross-section due to the motivations that drives donors to continue donating, which may come from both the charity- as well as the crowdfunding perspective. The focus of this thesis is to gather these motivations that affect donor retention, and pinpoint what measures can be taken to improve upon them on a digital platform.

1.2 Aim and Objective

The goal of this thesis is to research and identify what drives people to come back and donate multiple times through a non-profit crowdfunding platform, and how one can compose a digital platform to further motivate them to continue donating.

This will be done by conducting a literature study in the field of donor retention in both charitable- as well as crowdfunding contexts. Additionally, qualitative interviews alongside user tests on the existing non-profit crowdfunding platform of Help to Help will be conducted to gather insights on what drives donors to donate multiple times, and what they prefer in the layout and content of such a platform. The objective is divided into three main research questions focused on donor retention and composition of non-profit crowdfunding-platforms;

• What factors are important for donor retention in crowdfunding and in charity?
• Based on the previous question, what measures can be taken to improve upon the factors in the context of a non-profit crowdfunding platform?
• What is important to consider in the general composition of a non-profit crowdfunding platform?

1.3 Scope of the Thesis

Although the ultimate goal of this thesis is to aid non-profit organizations in their cause, the scope of the research will be limited to only providing recommendations for constructing digital services such as websites and mobile applications due to time limitations. Additionally, the recommendations will be specifically targeted towards non-profit organizations that use crowdfunding as a tool to recruit donors and collect donations. The primary focus will be on how to actually maintain the relationship with currently existing donors, and how to make more donors return for another donation through the digital service, rather than how to improve the recruitment process of new donors.
Chapter 2

Background

This thesis was done in collaboration with Antrop and this chapter introduces them as well as their client Help to Help and their crowdfunding website. Additionally, charitable giving in Sweden along with earlier work on the field of donor retention in both crowdfunding and in charity are presented, as well as factors found to affect donor retention.

2.1 Antrop

This master thesis work was done in collaboration with Antrop\(^1\) as part of their Green Team project group, and the majority of the thesis paper was written on site at their offices located in Stockholm.

Antrop is a service and UX design agency based in Stockholm with approximately 40 employees (2018). The main focus of Antrop is helping companies to work closer to their customers. By analyzing real customers’ experiences they design services that match the expectations and needs of the end user. One of the main concepts at Antrop is working to create a better tomorrow, where sustainability and equality are core values in every project. Antrop’s vision is to create a better world for our children.

The Green Team is a biannually recurring project group that consists of interns as well as master thesis students at Antrop. Since sustainability is a core concept at Antrop, the Green Team is used as an opportunity to work with organizations who focus on social and ecological sustainability. Since all projects accepted by the Green Team are pro bono it allows Antrop to work with a broader range of clients, and help organizations that would not be eligible due to financial limitations.

\(^1\)https://www.antrop.se
2.2 Help to Help

One of the clients selected to work with the Green Team is Help to Help\(^2\). Help to Help is a non-profit organization whose goal is to provide financial aid for university students in east Africa through crowdfunding. The organization reached out to Antrop in need of a redesign of their current website in order to improve their donation and retention rates. The results from this master thesis aims to contribute to the goal of the client.

Help to Help was founded in 2010 by Malin Cronqvist as a counter movement toward the lack of transparency in traditional aid organizations. Cronqvist experienced lacking faith and trust as it was brought to light that on several occasions there had been occurrences of money swindling in aid organizations. The goal of Help to Help is to enable and ensure that students who would not be able to complete their studies actually get a chance to do so by providing financial aid to the students. Help to Help aims to provide a more sustainable and long-term solution by educating the population on site instead of sending care packages or flying out a doctor to the location. Thus, helping improve the infrastructure and foundation of the country. As of 2018 the efforts of Help to Help are limited to Tanzania and Uganda.

2.2.1 Crowdfunding Platform

To accomplish their goals Help to Help launched their crowdfunding website in 2014 in order for people to contribute more directly to their cause. Through their website donors get to choose from students currently accepted by the Help to Help program to donate to. The students are displayed on the page with an image of themselves along with their name. Additionally, the field of study they are currently enrolled in is also visible, as well as a bar highlighting how much of their tuition fees are currently paid for through crowdfunding efforts. Each student also has their own subpage on the website which allows for more detailed information regarding their background, dreams and goals. The website also contains a blog section where the students themselves can post images and text to give a glimpse into their daily life situation. Each post made by a student is visible on a general blog feed section on the website as well as on the students’ individual subpage.

2.3 Charitable Giving in Sweden

Attitudes and behaviors surrounding the concept of charity and charitable giving may vary quite a bit depending on what country you are in. Since this study was conducted in Sweden where the non-profit organization Help to Help is also

\(^2\)https://www.helptohelp.se/en
based, it is important to understand the charity giving climate in Sweden and the tradition of charitable giving in the country.

Sweden is generally regarded as a well developed country with high living standards, and as of 2015 the country is ranked at position 14 on the United Nations Human Development Index (HDI) list [13]. For a country ranked rather highly on the HDI list, Sweden places a lot further down in the 2017 CAF Global Giving Index rankings [14] coming in at a 34th place. In comparison, New Zealand who are ranked one position above Sweden in the HDI list at 13th place, are in the 2017 CAF Global Giving report ranked at position 4. A possible explanation as to why Sweden is rated poorly when compared to countries like New Zealand in charitable giving might be found in the political and ideological history of Sweden.

A study conducted by Vamstad and von Essen [15] looked into how charitable giving is structured in a universal welfare state, more specifically in Sweden. According to Vamstad and von Essen, Sweden as a country has clearly been influenced by the social democratic welfare regime, and has for a majority of the century been regarded as a symbol of universal welfare services and redistribution of wealth. Vamstad and von Essen note that historically, charitable giving has had a rather ambivalent status in the welfare state of Sweden. Giving to the less fortunate has of course always been seen as a commendable act, but it clashes with the idea of collective giving through taxation. Vamstad and von Essen claim that it is something that the state actively tried to make redundant in the early years of the modern welfare in Sweden. This due to the notion that charitable giving implies an unequal balance of power between the donor and the beneficiary, which is something that collides with the idea of welfare as a social right [15]. A finding allied to the presumed attitudes of swedes on charitable giving from the study by Vamstad and von Essen [15] is that swedes have been more likely to give to international causes rather than to domestic ones, possibly due to the perception that the state should be responsible for dealing with the domestic welfare issues. Arguably, charity and charitable giving have had a rather peculiar spot in Swedish society during the last century, which possibly explains why the current state of charitable giving in Sweden is as it is. However, it is worth noting that charitable giving in Sweden is steadily increasing each year [16].

2.4 Donor Retention in Charity

Studies on both offline and online non-profit charities have cemented the value and importance of donor retention when aiming to reach fundraising goals [10][11][17]. And further research has aimed to map what variables influence donor retention. This section describes different variables that have been found
to affect donor retention in non-profit and charity work. The variables found to impact donor retention directly as well as indirectly are: *Satisfaction, Trust, Commitment* and *Involvement*.

### 2.4.1 Satisfaction

Customer satisfaction is by Johnson and Fornell [18] defined as a customer’s overall evaluation of the performance of an offering to date. And Naskrent et al. [19] describe satisfaction as something that arises when one gets what one expects, and further defines it as

"The affective reaction towards a (dis-)confirmation, which is based on a complex cognitive process of comparison between ex ante expectancies and subjective experiences"  

In the field of marketing customer satisfaction has long been seen as a factor of paramount importance in customer loyalty [20], with various studies cementing its relevance to customer loyalty and return behavior in both service and product contexts [21][22]. Other studies suggest that customer satisfaction can be linked with the quality of service received in charity as well [11].

The contexts for charity and non-profit organizations (NPOs) are slightly different than those of for-profit organizations. However, Sargeant and Hartsook [11] claim that for non-profits there is a possibility that donor service quality as well as the perceived quality of service delivered to the beneficiaries may be at issue, since one may argue that that donors are purchasing both.

In one of the earlier studies on satisfaction of donors by Sargeant [23], it was found that donor satisfaction had a positive correlation with donor loyalty, and that donors that felt “very satisfied” with the service were almost twice as likely to provide a secondary gift than those who claimed that they were “merely satisfied”. The correlation between satisfaction and donor loyalty and has since been further confirmed in further research, and been found to affect donor retention positively [23][24][19][11].

Although its stated importance, the study from Naskrent et al. [19] found that satisfaction did not have a direct effect on donor retention, but rather indirectly by having a positive effect on both trust as well commitment of donors which are also found to be important determinants of donor retention. According to Naskrent et al. satisfaction also makes for an important explaining variable for donor retention, and claims that without satisfaction, constitution and preservation of the relationship are hardly possible.
2.4.2 Trust

In literature many authors choose their own definition of trust, Naskrent et al. [19] makes one such definition in the context of charity, and divides it into two different dimensions, willingness and ability. Ability refers to the confidence one party shows in the capability of another party, which in this context would be the NPO. Willingness is described as the expectation the truster has regarding the trustee’s reliability. Naskrent et al. combine the two dimensions to define trust as

“a mental attitude, which is based on the ability and the willingness regarding the NPO that, despite the donor’s lack of control, it fulfills their future-related expectations”

Trust has been shown in multiple studies in the non-profit sector to be an influencer of loyalty and increased donor retention [19][11][25]. And a study from Sargeant and Lee [26] found that if a donor does not trust an NPO they would not financially support the organization at all, or at least not on a permanent basis. Furthermore, since there is an inherent divergence of the recipient of the donation and the donor in charity, research has labeled trust as a critical influencing variable in donor retention [25].

Although trust is seen as an important factor, some of the effects on donor retention caused by trust have been shown to be mediated by the commitment of the donor in multiple studies [26][19].

2.4.3 Commitment

In the marketing field, commitment has been valued highly as a factor of customer loyalty [22], and in a charity context its importance has also been stated in the pursuit of increased donor retention, where some even cite it as the most influential variable [19][11]. Which is due to the notion that commitment makes for the basis for the actual retention, and the donors’ willingness to continue the exchange relation with the NPO [19].

Moorman et al. [27] defines commitment as an enduring desire to maintain a valued relationship. Additionally, Moorman et al. claims that it reflects a positive valuation of the relationship as well, and that people are unlikely to be committed to something they do not value. In a charity context Naskrent et al. [19] defines commitment as

"the psychically caused attachment or obligation of the donor with regards to the supported NPO, which the donor demonstrates by the appreciation of the relation and a sustainable desire to engage in the continuity of the relation with the NPO”

In contrast to satisfaction, commitment is a forward looking construct, whereas satisfaction is a reference to a past experience[11]. In literature commitment has
been divided into several different dimensions, where affective and calculative commitment being two commonly reoccurring differentiations.

**Calculative Commitment**

Calculative commitment usually refers to a more reward-driven and emotionless approach, where the customer evaluates the potential costs and benefits of building and maintaining a relationship [19][11][22]. One might argue that the calculative commitment component might not be as relevant in the charity context due to the fact that there are rarely any returns of investment in form of monetary gain or products in charitable giving. On the other hand they may instead feel a sense of personal benefit from having placed a charitable donation and helping someone else [28].

**Affective Commitment**

Affective commitment is seen as a more emotionally driven type of commitment, where the donor feels sympathy for the NPO and is more personally invested in the organization [19][11]. The donor has a personal interest in the organization and its development, and feels connected to the activities of the NPO, as well as to the organization itself [19].

Sargeant and Woodliffe [24] instead replace the calculative dimension in favor of one they call passive commitment. Passive commitment refers to when a donor has no real passion for the work of the organization or their cause, and continue their donations simply because they feel that it is the right thing to do. In other studies an additional dimension of commitment is mentioned, normative commitment, where the donor feels a sense of obligation to keep donating to the NPO [19]. One such cause for normative commitment might be the fear that canceling the support of the organization might have an unfavorable impact on the work of the NPO, and may also affect the beneficiaries negatively.

**2.4.4 Involvement**

The influencing parameter of involvement has by Mittal and Lee [29] been summarized as the perceived value of a 'goal-object' that manifests as interest in that 'goal-object', whereas the 'goal-object' is described as a purchase decision or a product. In charity, donor involvement revolves around the NPO being able to reflect the intentions and central attributes of the donor, and it is strongly linked to the attitudes and personal values of the donor and can be likened with motivation due to a perceived personal relevancy of the donor [19][30]. Naskrent et al. [19] makes the following definition of Involvement in a charity and donor context:
2.5. Donor Retention in Charitable Crowdfunding

"The involvement of a donor is the permanent interest in the NPO and the donor’s perceived personal relevancy of the NPO, which expresses itself in the emotional activation and motivation of the donor."

Involvement has been found to be an influencing factor in increased donor retention, although mostly in an indirect fashion due to it improving other important variables of retention [19]. It has been described as a prerequisite for donor retention since it is said to precede commitment, whose importance for donor retention has been stated earlier [19]. Naskrent et al. [19] claims that involvement affects the willingness of a donor to enter into a state of commitment, and without involvement donors will not be willing to donate on a longterm basis.

2.5 Donor Retention in Charitable Crowdfunding

Although the field of crowdfunding has been studied quite frequently in recent years a lot of focus has been on the motivations as to why people choose to invest or donate in the first place [31][1]. Not a lot of attention has been given to the field of donor retention in a crowdfunding context in general, which might have a logical explanation. Crowdfunding platforms can operate in varying ways and have different goals. Klinowski et al. [32] describes some of the different types of models used on crowdfunding platforms. Some are rewards-based, like Kickstarter, where the funders expect a reward in return for their funding which usually is in the form of a tangible product. Others utilize an equity-based model where funders are treated as investors and may receive shares and stakes in the project. There is also a lending-based model where the backers make loans and look for an interest return. Last but not least, is the charitable crowdfunding model where the backers, or donors in this case, receive no tangible or material reward in return for their donations. Moreover, the common approach for crowdfunding platforms is having users post their own projects on the website, which leads to a situation where the success of the project partially relies on the ability of the project creator and not the platform itself. But the platform can provide the project creator with the means for creating a successful project. Additionally, in cases where the platform and organization itself creates the projects the terms project creator and crowdfunding platform become interchangeable. This means that there are a few different perspectives that are interesting when analyzing the factors of project success, namely the perspective of the project creator, the backers and finally, the crowdfunding platform.

Since projects on crowdfunding sites usually are finished once their funding goals are met, donor or funder retention in this study will refer to donors who return
2.5. Donor Retention in Charitable Crowdfunding

and make subsequent donations through the platform itself rather than to the same project. Additionally, the focus in this study is in a charitable context, as motivations for returning to the platform might vary based on what type of crowdfunding context or model is used. For example when donating through a rewards-based platform one might be motivated by the acquisition of more products, whereas for a charity-based one the motivation to donate again may stem from a wish to aid in the cause of the NPO. Not many studies address the issue of donor attrition on crowdfunding platforms, where the most notable work is a study conducted by Althoff and Leskovec [9] where they examine factors of donor retention on the the website DonorsChoose.org.

2.5.1 Factors Found in Charitable Crowdfunding

Some of the factors found by Althoff and Leskovec that are relevant outside of the DonorsChoose.org context are described in this section.

Participating in Successful Projects

Althoff and Leskovec [9] noted that the donors that took part in a successful project were more likely to return to the platform for subsequent donations. And similar findings have been made in a study conducted by Wash [4] which further bolsters the claims. It is hypothesized that the donor might feel more reluctant to make another donation if the project does not acquire the required funding as it marks inability of the site or project owner to complete their goal [9]. Donors might trust the site more if their gift actually reaches the beneficiary and is used. Additionally, by having participated in a successful project the donor might feel a greater sense of impact on the outcome.

Means With Which the Donor Visits the Site

Another finding made by Althoff and Leskovec is that the means of which a donor finds and visits the platform impacts the donor’s tendency to make subsequent donations. Althoff and Leskovec found that the donors could be divided into two subgroups, namely "site donors" and "teacher referred donors". Where the latter describes donors who reached the website through a referral made by a teacher, or project creator in a broader term, to make a donation. Site donors on the other hand are donors that found the website themselves without any teacher or project creator asking them specifically for aid. These site donors were found to have a greater propensity to return and make future donations which might be due to a greater sense of connection to the NPO and intrinsic motivation, whereas the the donors’ who where referred might have lost their main reason for donating once the project is finished.

2.5. Donor Retention in Charitable Crowdfunding

Disclosure of Personal Information

In the scope of the study Althoff and Leskovec measured disclosure of personal information as a donor uploading a picture of themselves and sharing their location for others to see if they wish. Donors who choose to share personal information on the platform are more likely to return to make more donations, and on DonorsChoose.org donor return rates increased by 20 percentage points and more [9]. Additionally, donors also made larger donations than average when personal information had been shared on the website. Althoff and Leskovec argues that by having disclosed more pieces of information about themselves donors display a certain amount of trust toward the NPO, and that the sharing of information correlates with a sense of heightened loyalty as well.

Positive Interaction with Receiver of Donation

The donors who have a positive experience with the beneficiary, or the receiver of the donation are more likely to donate again [9]. The interaction between donor and project creator can be facilitated by sending out thank you messages after donations are made and by mediating to the donor what impact their donation has made. Interactions between donors or funders and the beneficiaries have been found to be an important factor of participation in crowdfunding contexts, as people are motivated by the social aspects that crowdfunding platforms usually provide [31].
Chapter 3

Theory

This chapter aims to present and summarize different measures found in literature that may be taken to improve donor retention in both charitable as well as crowdfunding contexts.

3.1 Measures for Increasing Donor Retention in Charity

In the following section different measures for increased donor retention in a charity context found in literature are presented. The measures are largely based on, and aim to develop the variables found in section 2.4. Furthermore, the measures selected and described in this section focuses on solutions that are applicable in the scope a digital service, such as a website.

3.1.1 Display of Impact and Success

Important factors when aiming to increase donor retention is displaying and communicating the success of the organization to the donors themselves, as well as displaying the impact and importance of the donors’ gifts to the NPO and their continued success [11][19].

Donors are driven by the need to help out others in a less fortunate state, and are further motivated by evidence that their donations actually make a difference [19][33][34]. The donors appreciate proof of how, and if the organization reached their goal [11].

Presenting the prior successes that the NPO has had clearly states to the donor what the value of a donation to their cause contributes to, and in turn convinces
them to continue their financial aid to the organization [19]. The increased transparency that display of success infers also leads to increased credibility and a sense of reliability in the organization, and thus improves upon the trust of the donor [19][11]. Trust can also be further built upon by exhibiting how the NPO has worked in their dealings with the beneficiaries themselves in marketing campaigns, and by ensuring that all the promises made to the donors are adhered to [11][33]. This can be further strengthened by providing information on legitimacy by showing that the organization adheres to professional codes of conduct, for example the AFP’s Donor Bill of Rights [11]. Additionally, by highlighting success of the NPO the perceived risk of making a future donation also decreases, which encourages donors to make repeat gifts [35][24].

By communicating to the donor the impact of their donation through success stories one can help foster commitment, since the donors are informed why their specific donations matter [19][11]. This helps build a sense of identification with the NPO, and in turn results in affective commitment [19]. Furthermore, the sense of gratification of having helped someone in need may counteract the material cost a donor has, and may therefore build calculative commitment as well [19]. The donor will also be more aware of the negative consequences of canceling their financial aid to the NPO, which has been found to foster both normative commitment [11] and a sense of involvement of the donor [19].

According to Sargeant and Hartsook [11] one should strive to continuously provide information about the current state and performance of the organization, rather than solely providing annual accounts as this will improve the donors perception of the NPO.

### 3.1.2 Showing Appreciation

Just as showing the impact of the organization’s work and the donor’s gift is important, one should also to take measures to appreciate the contributions made by the donors and thanking them appropriately as it has been found to be valuable when aiming to retain donors [11][19][36][37].

Naskrent et al. [19] claim that by giving credible recognition of the donor’s gift one can initially increase the satisfaction of the donor, as well as relieve feelings of doubt and insecurity after a donation has been made. Naskrent et al. continues that the act of recognizing the donor may also bolster the sense of commitment in the context of affective as well as calculative commitment. Since the display of recognition informs the donors that the organization see them as a kind of partner, not just a source of income, affective commitment is built along with involvement as well. Calculative commitment on the other hand, is improved upon in the sense that recognition provides an immaterial and a material benefit for the donor after a successful donation.

Similarly to when communicating the impact of a donor’s gift, show of gratitude and relating the success to the donor contribution may also serve to improve
upon the trust of the donor [11]. Furthermore, a timely conveyed display of recognition also aids in improving trust since the NPO appears to act reliably and competently [19].

Traditional ways of providing recognition of donor contributions in an offline context have included calling the donors by phone, sending thank you letters, giving branded gifts and listing the donors names in local papers [12][36]. With the increased possibilities that the Internet provides, it has become more commonplace for NPO’s to instead utilize e-mails and social media networks to show their gratitude to the donors [36]. Through social media platforms donors may also be enabled to share their contributions to the general public, and thus receive acknowledgement from another source than the NPO as well [36]. However, these methods of acknowledgement are outside of the limits of interactions able on the website where the donation was made and serve as good external methods, and possibly, they could be used in combination with website-limited measures.

Evidently, the manner in which one acknowledges the contributions of the donor’s may vary quite a bit, just as the donor’s need for recognition may differentiate.

3.1.3 Supporting Different Donor Types

Chell [36] states that some donors prefer more discrete and personal acknowledgements whereas some are driven by their donations being shown to the public instead. Since no one person is exactly the same, one must always keep in mind that each donor expects different things. As such, one should strive to cater to the needs of different types of donors. Sargeant and Hartsook [11] urge NPOs to consider the entire process and journey that each donor experiences during a certain period. Where an example would be looking at ‘a year in the life’ of different types of donors, while keeping in mind the type and amount of information the donor receives during the time period. Sargeant and Hartsook [11] continue that there are also possibilities in trying to find ways to educate and reach out to each group of donor specifically and see to their specific needs, since it builds donor commitment. A newly acquired donor should be exposed to a different amount of information and care as opposed to more seasoned donors.

Arguably, there are great gains to be made by keeping in mind the needs of donors in different stages of their donating relationship, but one may also take further steps in understanding the different donor types on a more individual level by crafting ‘personas’ of the intended donors. Bagnall [38] describes a persona as a fictional character which represents an archetypal user, or donor in this case. Personas are best constructed through interviews and field research, and they provide guidance when designing a product as they may aid both marketing and engineering teams in the communication of that design. As
such, personas might be a valuable tool when trying to understand one’s users better.

### 3.1.4 Supporting Interaction

By supporting interaction between the donor and the NPO, several of the variables of improved donor retention can be enhanced. Sargeant and Hartsook [11] claim that by designing and implementing a complaints feature where donors who take issue with anything ranging from the approach of the organization to the quality of the fundraising of the NPO can help build trust in the organization.

Somewhat allied to the implementation of a complaints procedure is the usage of an evaluative form where donors are asked about their perceptions of the quality of service provided by the organization. According to Sargeant and Hartsook [11] service quality is the most important driver of loyalty in a charity context, and increased perceived quality of service has also been found to correlate with a higher degree of commitment of the donor [24]. Sargeant and Hartsook [11] provide an example that a scale can be utilized to measure the donor’s perceived quality of the service based on their satisfaction of several parameters.

Additionally, Sargeant and Hartsook [11] state that the loyalty and commitment of the donor may also be raised by including ways for them to interact with the NPO. There are various examples of how to facilitate these interactions, supporters may participate in quizzes, ask the organization for expert advice, be asked to sign up for various types of communications, be asked to take part in research, and campaign on the behalf of the NPO.

Providing the donors with opportunities to make choices is also a valuable method to increase the motivation and sense of empowerment of the donor, where an example might be asking the donors what type of communication they want and how often [33]. Although it might seem like an obvious solution, the importance of providing the donor’s with an option to donate on a regular basis should not be neglected. In an online environment it is especially useful, and it can reduce the donor lapsing rate massively [11]. An example might be simply allowing for donors to sign up and become monthly donors.

### 3.2 Measures for Increasing Donor Retention in Crowdfunding

This section presents different measures found to increase donor retention in a crowdfunding context, based on the factors identified in section 2.4.
3.2. Measures for Increasing Donor Retention in Crowdfunding

3.2.1 Create Attainable Goals

Wash [4] is adamant about the value of giving the project a goal and the possibility of it reaching a completed state. As stated by Althoff and Leskovec [9] as well as Wash, participating in a successful project which has completed its funding increases the propensity of donors to return for additional donations. One important factor when aiming to create a successful project is setting the bar at an appropriate level, and creating attainable goals for the project. Studies have found that projects that ask for smaller amounts of funding have a higher chance of reaching their goal [9][39]. This might be linked to the finding that people have an affinity for closing and finishing up donations when they are close to their goal. Klinowski et al. [32] call it "the Completion Effect", and the behavior has been noted in other studies as well [9][40][4]. Additionally, donations made by donors when the project is close to completion are larger than the average amount donated as well [32][4]. As such, by creating projects with more easily attainable goals there might be a higher probability for people to participate and close out the project, and return for more donations.

To even reach the stage where a donor might consider to close out and complete a project there has to exist prior donations to give the project its initial funding. According to Solomon et al. [40] it is more beneficial to the donors to make donations in earlier stages of the project life cycle since it can mean the difference if the project succeeds or not. Solomon et al. continue that one should take initiative to develop designs and incentives for people to make immediate donations.

3.2.2 Allowing for Interaction and Forming of Connections

Donors on crowdfunding platforms are in part motivated by the social components that the platform usually provides, and the likelihood that they will return for subsequent donations is increased if the donors have a positive interaction with the receiver of the donation [31][9]. As such, allowing for interaction between donors and beneficiaries it is arguably an important measure to have in consideration when designing a crowdfunding platform. Long term interactions can lead to more engagement from the supporters of the cause, and in more creative endeavors exchange of ideas might be facilitated through the platform if it allows for it through communication [31]. From a project creator standpoint it is valuable to continuously provide the funders with information about the progress and success of the project [39]. Thus, a reasonable approach would be to incorporate methods on the platform to enable project creators to regularly provide updates on the project’s progress.

Measures described by Althoff and Leskovec [9] include sending out messages to the donors thanking them and providing them with impact letter showing how
3.2. Measures for Increasing Donor Retention in Crowdfunding

their contribution had an impact on the project and what it resulted in. Just like in a charitable context it is important to thank the funders for their contribution [9]. Gerber and Hui [31] found that supporters wished to be displayed as a contributor on the website to give evidence of them being part of a select group. Which is something many crowdfunding sites enable by having a supporter page or section where the funders can see their names, and in some cases even photos of themselves [31]. Moreover, Gerber and Hui talk about the value of supporting the ability of resource exchange between the project owners and the supporters on the platform, and gives an example of using open forums as a means for interaction between the different parties. Additionally, measures should be taken to support the community during the entire crowdfunding process, and even before and after the project is completed as resources are often needed to continue the interaction [31].

3.2.3 Allowing Funders to Disclose Personal Information

Allied to the finding by Althoff and Leskovec [9] that donors that choose to disclose additional personal information on the platform are more likely to continue their support and donate again, the measure of actually providing them with this option may come as no great surprise. One example of this is how in the study by Althoff and Leskovec [9] it was noted that users who uploaded pictures of themselves were more prone to return. Allowing the funders to display photos of themselves on the platform is just one way one might allow for disclosure and transparency of the funder, other choices might be sharing location, age and sex. However, it should be made clear to the funders how their information is being used to ensure that the privacy needs of the user are met. Users trust the website more and are more comfortable if they are shown a privacy statement regarding how their personal information is used and gathered [41].
Chapter 4

Method

In this chapter the chosen methodology and work-flow of the thesis is presented. The thesis was divided into four different parts, which are described in the following sections; Literature Study, Interviews, User Tests and Data Analysis.

4.1 Literature Study

In order to gain insight in the field of donor retention in both charity and crowdfunding contexts a literature study was conducted. The study aimed at mapping what variables and factors are found to influence donor retention in charity as well as on charitable crowdfunding platforms. Additionally, possible measures to improve upon donor retention based on the important variables was collected from previous research. The evaluated literature mainly consisted of articles and research papers collected with the help of Google Scholar\(^1\), the online databases of Umeå University\(^2\) and Mendeley\(^3\), as well as through secondary references found in other literature. The main keywords and phrases used when searching for relevant studies included "donor retention in charity" "donor retention in crowdfunding".

4.2 User Interviews

In parallel with the literature study a qualitative study consisting of a series of in-depth interviews was conducted, all with people whom had previously do-

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\(^1\)https://scholar.google.se/
\(^2\)https://www.ub.umu.se/
\(^3\)https://www.mendeley.com
nated to a charitable organization where some of them had donated through Help to Help’s platform specifically. The main purpose of the interviews was to investigate the donation behaviors of donors to charity to find out why they donated, what motivates them to continue their support, and how to they go through with their donation. The goal was to gain further insight in the donors donation experience and their opinions on crowdfunding, hence conducting semi-structured interviews was the method of choice. According to Rowley [42] interviews are useful when aiming to understand the behaviors, opinions, attitudes, values and experiences of the subjects.

4.2.1 Interview Technique

The semi-structured interview is one the most commonly used interviewing techniques where the interviewer has based the interview schedule around a set of well defined questions which are delivered in a mostly predetermined order, but there is room for flexibility in the order and what questions are actually asked [42]. To complement the main questions a set of sub-questions, or follow-up questions, are often added to ensure that the main question gets explored sufficiently.

The general structure of the interviews were based on a structure proposal made by Hall [43] where the interviews are split into three different acts:

**Introduction** It serves as a warm-up before getting into the real questions of the interview. The topic and purpose of the interview should be presented along with a short introduction of oneself. Clearly state how information will be shared, what it will be used for, and make sure to ask for consent.

**Body** The body makes up the brunt of the interview and is where open-ended questions are asked along with more probing follow-up questions along the lines of ”Tell me more about that”.

**Conclusion** To wrap up the interview after the desired information is gathered, it is good practice to ask the interviewee if they have anything to add before thanking them for their participation and ending the interview.

The interviews were held at the Norrsken House Incubator as well as at Antrop’s offices located in central Stockholm and took place during Spring in 2018. Many participants claimed they had very limited time, to accommodate this the participants were given an option to choose which of the two locations they wanted the interview to take place to possibly save time.

Additionally, The interviews were all conducted in Swedish since all the participants were native Swedish speakers. All interviews were carried out in pairs of two, where one acted as the moderator and lead the interview, whereas the other was responsible for taking notes during the course of the interview.


4.3. User Testing

4.2.2 Participants

In total 15 participants took part in the interviews conducted for the study. The ages of the interviewees ranged from 24-55 years, and the gender distribution was seven male and eight female subjects. The participants were recruited through different social media platforms such as Facebook\(^4\) and LinkedIn\(^5\) with the help of the official accounts of both Antrop and Help to Help, as well as through acquaintances.

All of the recruited people had previously donated to a charitable organization, where six of them had made a donation to Help to Help specifically.

4.2.3 Interview Topics

The interview was structured around four main topics: Introduction, Donation Habits, Feedback and Crowdfunding.

The topic of donation habits aimed to find motivations to why people donate to charity and why they continue to give. For the six of the participants that had previously donated to Help to Help, an extra topic was added to investigate the motivations for donating to the organization and how they get involved. This was done to collect information on how they perceived the experience of donating to an organization which utilizes crowdfunding as a means to collect donations. The feedback topic aimed to map the users’ need for feedback and their attitudes toward it. The final topic delved more into crowdfunding and the users’ knowledge and prior experiences with the concept. The topics and questions can be found in Appendix A.

4.3 User Testing

In addition to the interviews, user tests on Help to Help’s crowdfunding platform were conducted after the interviews were completed. The goal of the tests were to identify how people experienced the charity-based crowdfunding platform, and how they interpreted the design and structure of the website as well as what they liked, and what misconceptions of the interface they might have. This was done in order to find what components and general design solutions people prefer, and if it could possibly motivate them to make a donation and possibly, a subsequent one.

To enable this, the chosen method for the user tests was the Thinking aloud (THA) method, which is described by Holzinger and Andreas [44] as “possibly

\(^4\)https: www.facebook.com
\(^5\)https: www.linkedin.com
the most valuable usability engineering method”. THA revolves around having an end user test the system in question while simultaneously thinking out loud by verbalizing their thoughts [44]. Holzinger and Andreas further explain that the THA method allows for easier identification of the test subject’s views on the system and what misconceptions they may have as well as how they actually use the system.

Since the user tests and interviews were conducted in sequence, the user tests included the same 15 participants as in the interviews. Nielsen [45] found that by including more participants in a THA test the amount of usability problems that are found are increased significantly but with progressively diminishing returns. Nielsen found in his study that after five test subjects 77-85% of the problems had already been found.

4.3.1 Test Structure

Two people participating in Antrop’s Green Team were assigned to facilitate the tests. One acted as the moderator and instructed the participant on the purpose and procedure of the test, while the other documented the test and took notes. All tests were done on a laptop provided by the test moderator, where the participants were seated next to the moderator in front of the computer and the annotator being seated behind them. The test was comprised of two different predetermined scenarios in which the subject was to think aloud while completing the tasks.

During the execution of the scenarios the participants were asked to further explain any opinions and remarks made on the layout and feel of the website. Additionally, the subjects were prompted with further questions by the moderator to allow for more specific answers on their perceptions of the site. The two test scenarios are described in the sections below.

Scenario 1

In the first scenario the subjects were to browse and scroll down the start-page of the website while sharing their thoughts on the design and structure of the website. Furthermore, the participants were instructed to not click on any links or navigate away from the start-page. Examples of questions that could be asked during the first scenario include:

- What are your general perceptions of the website?
- What organization is behind the website, and what is their goal?
- What options for making a donation are available on this website?
- Are you motivated to make a donation through the website?
4.3. User Testing

Figure 4.1: The donors were to navigate the start page of the Help to Help website and voice their opinions

Scenario 2

On the Help to Help website the students which are eligible to receive donations are displayed as part of the start-page feed. In the second scenario the test subjects were tasked with picking out one student from the start-page to make a donation to, and subsequently complete the donation to the selected student. Questions asked during the second scenario aimed to discover the reasoning behind the donor’s choices and what they liked and disliked with the selection and checkout experience. Questions that could be asked include:

- What made you donate to that specific student?
- What is important for you when making a donation?
- How would you describe your donation experience?
Figure 4.2: In the second scenario the donors were asked to select a student to make a donation to through the crowdfunding platform.
Chapter 5

Results

In this chapter all of the results of the chosen and performed methods are presented. The chapter consists of two main sections: Interviews and User Tests.

5.1 Interviews

This section summarizes the 15 interviews conducted into four different main topics: Donation Habits, Feedback, Crowdfunding and Help to Help. The main insights, frequently mentioned topics and opinions shared by many are summarized and presented for each of the topics respectively.

5.1.1 Donation Habits

Commonly recurring opinions, issues and behaviors related to the participants donation habits are presented in this section.

Donation Method and Frequency

Most of the participants stated that they give to multiple organizations on a monthly basis, usually through automatic transactions after having signed up as monthly donors. A majority of the donors stated that they had also made one or more one-time donations to charitable organizations. Where the most common course of action was purchasing gift cards for birthdays, or making a gift in conjunction with a fund-raiser campaign or a natural catastrophe.
Initial Motivation and Choice of Organizations

How the donors started giving initially to a certain charity organization varied quite a bit. There was mainly two different approaches that the donors took to start giving to an NPO; through actively making a seeking out the NPO on their own, or by recruitment through an external party. Several participants could not remember when or why they started donating to certain organizations.

Several of the donors stated that they were recruited via direct contact with an employee or volunteer of the organization on the streets or by being called up by phone. The donors' opinions on being recruited in this fashion varied quite a bit. Some participants claimed that it felt intrusive, and that it was hard to say no and turn the recruiter down even though they did not want to make a donation. Furthermore, several donors expressed that the approach felt very outdated and that they would have preferred to make the choice themselves on who to donate to. However, a few donors also claimed that the contact with the recruiter instead made the experience feel more personal and that they were able to better understand and gain empathy for the cause.

The other common approach involved the donors actively searching for organizations to back. Most of the donors claimed that they conducted some research on their own by browsing the Internet for information on the organization to serve as a basis for their decision if they would support the organization or not. Many also stated that they were convinced to make a donation after they heard about the organization from acquaintances or through social media platforms.

One of the most commonly cited reasons and motivations for choosing a specific NPO to donate to was the donors' perceived sense of trust toward the organization to actually deliver the funds to the stated cause. Donors claimed that it was highly important to see proof of where the money goes, and many stated a lack of faith in many traditional organizations due to money swindling scandals in recent memory. A majority claimed that they wanted concrete evidence that the NPO has delivered, and that they be clear with their methods, intentions and goals of the fundraising. The money should be spent on the right things, not on administration and middleman costs. One donor stated that:

"An organization that spends money on the wrong things, like a really expensive office party. It makes my lose all me faith in that organization immediately"

Another frequently quoted reason for deciding on a certain organization was a personal sense of connection to the cause of the NPO. The connection could stem from various things, such the cause being related to the profession of the donor, or a personal experience such as having seen something related to the cause in person.

Many donors cited their current economical situation as a reason for providing financial aid. As many of the participants had a stable job and a continuous
income they felt that it was the right thing to do, where one donor even claimed that it was their moral obligation to give their support.

For one-time donations the motivation to make a gift was often allied to the sense of urgency that for example a natural catastrophe can induce. Others that made donations through gift cards saw it as a nice alternative to regular gifts and a chance to make a difference in the same go.

Other mentioned motivations for making a charitable gift include being able to make a donation fast and frictionless, and exposure to new, creative and innovative ways of giving.

**Why Donors Continue to Give**

Most of the donors motivations as to why the continued to give to organizations was closely aligned with their initial motivation to make a gift to the organization. Where most of the donors signed up as monthly donors straight away, and one donor claimed that the initial conviction was enough for them to keep on donating.

Another factor mentioned by many of the donors was that by subscribing to a monthly giving plan it became really easy and convenient to continue their giving, and they did not have to put in that much time and continued effort to stay involved. However, some of the donors expressed uncertainty as to which organizations they were actually still giving to today due to the subscription simply continuing without them checking up on it. Additionally, some even claimed that they were unhappy with an NPO and wanted to either stop their support or switch to another organization, but could not be bothered to or did not have the guts to do it.

Some donors also mentioned receiving updates and continued communication as a motivation to continue their giving. They claimed that they wanted proof of how their gift made a difference, and that the organization is actually living up to their goals and ambitions.

**Why People Stop or Do Not Continue Giving**

Motivations as to why people stop or do not continue giving to organizations were quite varied. A few of the donors claimed that they were not appealed by signing up for monthly giving as they preferred the freedom of choice and liked making sporadic decisions, when to give, and to whom. One donor even stated that they were more motivated by giving one-time donations instead as they felt more engaged, and said:

"I 'feel it' a lot more when giving one-off amounts than when it’s an automatic payment. It’s an ego-thing, it’s important even though people don’t talk about it."
Others stated lack of trust and mismanagement in the organization as a deterrent for continued giving, a few stated that lack of economic stability did not allow them to give on a regular basis. One donor even claimed that they discontinued their support due to overabundance of mail from the NPO.

5.1.2 Feedback

This section addresses the participants' opinions on feedback in charity.

The Importance of Feedback

A vast majority of the donors claimed that feedback and additional information after a completed donation was highly important. Donors stated that by providing feedback, the NPO may show to the donor that they are appreciated and that their gift matters. Additionally it may help build a relationship between the donor and the organization itself. Many of the donors meant that if you do not receive any feedback or follow-up information there is no way of knowing how well the NPO is doing, and how your gift made a difference. One donor addressed the issue and said:

"If they don’t even invest a little time into saying how it went, I will believe that they don’t even know it themselves. If I don’t hear anything I'll just assume it didn’t go that well.”

Some of the donors were however a bit more skeptical to the importance of feedback and subsequent information. One donor claimed that they were already convinced after having signed up in the first place, and another said that they felt that the NPO should spend all their efforts on actually helping those in need instead. One of the donors expressed his mixed feelings toward feedback by saying:

"If you don’t receive enough you’ll start questioning where the money actually goes. And if you get too much feedback you’ll start thinking: What the hell? Is that the only thing that they’re doing?".

Currently Received Feedback

All of the donors claimed that they received additional information and feedback after a donation had been completed, but the manner and frequency in which they received it could vary. Most donors received it on either a monthly or annual basis, and in very rare cases, in conjunction with something related to the specific donation that had been made by the donor. Around a third of the donors even stated that they did not know if, or how they got feedback from at least one NPO.
The most common ways of receiving follow-up information are described below.

**Email Newsletters** The most common way of receiving feedback and continued information among the participants was through monthly or annual newsletters sent by email. Where nearly all participants stated that they had received feedback through email newsletters from at least one organization.

**Traditional Mail** The second most cited way of getting feedback was through mail sent to their homes. Similarly to the email newsletters, it was sent out annually or monthly to the donors.

**Social Media Platforms** Another frequently occurring way of getting feedback was through social media platforms such as Facebook and Instagram where the donors had followed or liked the page of the NPO themselves. Where the information was published as posts by the organization’s accounts.

In common for all types of feedback received by donors was that the content was often general information on the works and success of the organization, and rarely related to the specific gift made by the donor.

A large majority of the donors claimed that they do not read the newsletter they receive since they claim that the newsletters felt generic and not very personal. This was an issue for donors that received the feedback both as an email as well as a regular mail. Additionally, for donors that received it as email they claimed that the emails either got lost in the crowd or they thought it was spam. The same issue was apparent for donors that received traditional mail as well, where one donor stated that they threw the letter straight in the trash without even opening it.

A few donors were however more positive to feedback through traditional mail and described it as more personal as opposed to their digital counterparts. On the other hand a few other donors mentioned that they preferred emails since due to how easy it was to sign up and receive.

Almost everyone who received additional information and feedback through social media platforms claimed that it was a positive experience. However, they wanted the information to be ‘easy to digest’ and contain lots of imagery and visuals.

**How They Would Want Feedback**

There was no clear consensus in how and what format the donors would prefer to receive their feedback. Many did however state that they disliked getting emails, where a select few instead preferred it due to it’s simplicity and accessibility. A
few mentioned social media as a good platform for additional information, where visuals were described as an important factor.

As for the content, visuals and imagery in form of photos and videos was something that several donors mentioned that they would like to see more of in their feedback. Where one donor claimed that a picture can tell a bigger story and say more than a few sentences ever can.

Most donors believed that it was highly important that the feedback and information given after a donation contained proof of what progress is being made, and that the beneficiaries actually receive the help they are supposed to get.

A recurring opinion of many donors was that they felt the feedback should contain more personal stories, and focus more on storytelling. Where they wanted to see more of the people who are receiving aid and hear their personal stories of how they have been helped and the difference they can make.

Other alternative methods suggested to provide feedback to donors included creating events for donors and organizations to meet up, creating an app where feedback and information could be sent through push notifications.

Very few donors had any opinions on how often they would like to receive feedback. One donor believed that once every month was too frequent, and proposed that it might be reasonable with 1-2 times a year. However, quite a few donors claimed that they wanted feedback when something has happened in connection to the donation made by the donor. One donor mentioned donating blood as an example, where they had received an email once their blood had been used.

### 5.1.3 Crowdfunding

All of the participants interviewed had previously heard of crowdfunding or were at least familiar with the concept. One of the donors initially claimed that she was unfamiliar with it, but after having the concept described to her she changed her mind and said that she was indeed familiar with the general idea of it.

**Associations with Crowdfunding**

The donors mostly had the similar general idea and opinion on what the concept of crowdfunding is. A majority described it as a movement where a large group of people come together and raise funds for a specific project, where one can choose support whichever project is closest to their heart. Some of the donors saw crowdfunding as a way to build a community around a common cause or idea, and as a way to gather people. One donor described crowdfunding as:
"It’s a method for financing your idea. A way to present your idea to others so that they can exchange information and contribute economically."

Many mentioned that they associated crowdfunding with platforms for people to present and find funding for crazy and more creative ideas, and as a way to enable entrepreneurship. A large amount of the donors also claimed that websites like Kickstarter came to mind, where you pay to receive a specific product.

A vast majority of the donors said that they had positive associations with crowdfunding, and one donor described it as something beautiful, and that it creates a sense of solidarity.

A few donors claimed that they were a bit skeptical to the concept of crowdfunding, where one donor thought it was simply a trendy word. Another donor explained their skepticism by saying:

"I feel like it’s both, either it works or it doesn’t. It’s a new concept and therefore it feels less credible."

Previous Experiences

Almost all of the donors had previously engaged in a crowdfunding endeavor through a crowdfunding platform. Where a majority had participated by making a donation or gift, whereas a few had also started their own initiatives and projects. Additionally, most donors had participated and donated to more than one project.

Kickstarter was the most cited platform that the donors had been in contact with when participating in crowdfunding. The most cited reasons for participating in crowdfunding initiatives was the possibility of receiving a gift in return for a donation or pledge, as well as finding fun and new products or technology. One donor claimed that it instead was a more emotional decision that drove him to donate as opposed to the possibility of acquiring a gift, and said:

"I give if it’s something that’s close to the heart and if I have time to read up on it. Something that’s different and related to my line of work. It is very much an emotional decision."

The donors mostly claimed that they were happy with their crowdfunding experiences, and only one donor had any negative remarks. The donor in question had experienced payment issues on the crowdfunding platform and had aborted his donation as a result.
5.1.4 Help to Help

Most of the participants had come in contact with Help to Help through direct or indirect contact with the founder and spokesperson of the organization. Where only one donor claimed that they heard of Help to Help through a common acquaintance on Facebook.

Initial Motivation to Donate

All of the donors claimed that they were motivated to donate to Help to Help due to the perception that the organization feels transparent and trustworthy. The donors described the concept of Help to Help as concrete and tangible where you could actually see where the money ends up, as opposed to how they claimed it feels when donating to many of the larger charity organizations. Additionally, many donors were motivated by the sense that the cause and concept felt easy to grasp and was straight to the point. One donor summarized their impression of Help to Help and said:

"Simplicity. I get how it works straight away. It is transparent and clear what the goals of the organization are and how it works. I can follow the students, the website feels transparent."

Many of the donors also claimed they were appealed by the longterm goals of Help to Help. The donors liked the idea of investing in the people on site instead of sending someone over for a limited amount of time.

A few of the donors mentioned that they were motivated by the sense of innovation and modernity that they associated with the organization, as opposed to traditional aid which they felt was outdated. The donors attributed the sense of innovation to the use of concepts such as crowdfunding.

Most donors knew the founder personally or had met her on at least one occasion. The donors demonstrated faith in her and claimed they trusted in her ability. Thus, the donors felt a very large amount of trust toward the organization as well.

Donation Frequency and Why They Continue

A majority of the donors were currently monthly donors, where some of them had made one-time donations as well. The most common method of completing a one-time donation was by buying a gift card as either a birthday or a holiday present.

Most donors stated that they continued to give largely based on their initial motivations for giving to the organization. Most of them wanted to give to an organization that they believed they could trust to use their funds correctly. A few mentioned the founder of the organization as a source of motivation for
continued giving as their trust in her made them feel safe in their decision to support the organization. Additionally, One donor mentioned the possibility to follow the students after making a donation as a motivating factor to continue their support.

The Donation Process

A commonly recurring issue for several of the donors that made a one-time donation was that they perceived the act of making a choice and actively selecting a specific student to give to as rather grueling and hard. Donors claimed they had a hard time deciding over one student over the other, and feared that if they chose one, the other would not receive sufficient funding. And as such, a few donors mentioned that they much more preferred to make a monthly donation as it was a more general donation to the organization and relieved them of having to make an active choice. One donor did however express that making a monthly donation felt rather strange in the context, claiming that it was not as clear where the money actually went when compared to making a donation straight to a student through the crowdfunding component.

The donors did not have any clear opinions on the perceived ease of completing a donation or signing up to become a monthly donor. One donor described it as a smooth and easy process whereas another donor claimed that they had experienced technical issues and several hang-ups. Which the donor claimed affected the credibility of the organization negatively. To purchase a gift card the donors had to contact Help to Help personally and one donor cited that they would have preferred a digital solution instead.

Additional Involvement

Only a few of the donors got involved with Help to Help beyond the act of making a donation. Where some of the donors cited social media activity such as liking and sharing posts of Help to Help as their main way of staying involved and engaged. A few other donors stated that they got more involved through partnerships and collaborations through their work.

5.2 User Tests

In this section the 15 user tests conducted in sequence with the user interviews at Antrop and Norrsken House are presented and summarized. The most commonly recurring issues and opinions of the donors have been gathered and highlighted in different sections. The topics of the sections are Visual Design, Texts & Phrasing, The Purpose of the Organization, Donation Methods, The Purpose of the Organization, Deciding Who to Give to and Checkout & Purchase.
5.2. User Tests

Figure 5.1: Several donors thought the text in the header section of the website was hard to read due to bad contrast between the background and the text.

5.2.1 Visual Design

The donors’ opinions regarding the general visual presentation and structure of the website were rather mixed. A few disliked the general feel of the website and cited font-choice, lacking contrast between imagery and text, poor button design in colors, size and positioning. One donor described the website as ‘a typical modern website’ which the donor claimed can be easily constructed by anyone.

However, many of the donors expressed positive opinions on the visual delivery of the website and said that they appreciated the clear and distinct design. Most donors highlighted that the visualizations of the students, and the use of progress bars to show how much of the tuition fees of the students had been paid off, as something they appreciated with the design of the website. Many of the donors claimed that seeing the faces of the beneficiaries helped make the purpose of the organization more clear and concrete as donors could see exactly who benefits from the donations. And more specifically, the use of progress bars was something that many displayed a positive attitude toward. Donors said it helped bring even further clarity to how the funding works, and that it served as a good way to make the goals more apparent as well as invoke a sense of curiosity.

A few of the donors connected the usage of progress bars with crowdfunding and crowdfunding platforms. This, they claimed, made the website feel more transparent since donors stated that transparency is something that they closely linked with the concept of crowdfunding.
5.2. User Tests

Figure 5.2: The donors were positive toward the progress bars used to visualize how much of the required funds students had achieved

Imagery and Choice of Images

One of the most commonly recurring topics was connected to the selection of images and general imagery of the website. Similarly to the donors’ opinions regarding the visual design of the website, the choice of images on the website resulted in a divide of opinions among the donors. Where some of the donors cited the selected images as something they liked and enjoyed quite a lot. The images were described as genuine, and many donors claimed that they appreciated the positive spirit of the images.

However, some of the donors critiqued the image choices and positivity that they exuded. Where some donors questioned why the people in the images were so happy if they were in need of help. One donor had issues with the images of the students specifically and claimed they felt unprofessional. Additionally, another donor thought the images failed to convey what the purpose of the organization was and said that he had trouble linking them to the cause, in this case education.

Video

The video block on the start page was a component that a majority of the donors scrolled past when navigating the website. However, a few of the donors claimed that it was something that they would return to and watch if they needed a final push and to reassure themselves before making a decision whether to donate or not.

Upon watching the video a vast majority of the donors expressed positive at-
attitudes toward the content and claimed it aided in explaining the issue more clearly. Issues regarding the video were related to the length where one donor claimed that 2 minutes was above their tolerance and they would not watch it, and others were taken aback when upon clicking the video they were transported to an external website to watch it, and claimed they would close the window immediately.

5.2.2 Texts and Phrasing

The amount of text and choice of words of the website was a commonly cited issue among many of the donors.

A majority of the donors expressed negative opinions on the length of the paragraphs on the website. Donors claimed that they did not bother to read the larger chunks of texts and scrolled past them. Instead they wished for shorter and more concise paragraphs to motivate them to read the content.

Another frequently mentioned issue was that donors had a hard time interpreting some of the phrases and the wording used on the website and did not know what they meant in the context. Donors claimed that they were confused by some of the phrases, and had a hard time differentiating some of the expressions used. Words such as "invest" and "donate" were hard to distinguish from one another according to some of the donors. The donors claimed it was not clear if it was the same or not. Some even claimed that the use of the word "donate" made them draw associations to organ donations instead. Furthermore, a few donors had a hard time connecting the main heading and introductory text with the purpose of the organization. The use of the word "crowdfunding" also caused confusion among a few of the donors as they did not understand its connection to the cause initially.

An issue mentioned by a few donors was that they described some of the texts as generic. One donor said that they thought the student descriptions felt a bit cliché.

Several donors mentioned inconsistent and missing translations as a source of annoyance on the website. They felt it was confusing when texts alternated between, as well as mixed English and Swedish.

5.2.3 The Purpose and Need for the Organization

A vast majority of the donors thought the website succeeded in conveying the general purpose of the organization, which was giving to enable education.

Although the general purpose of the website was clear according to the donors, several of the donors had a hard time understanding the need of the organization and why that specific cause was important. These donors claimed that they did
not know why the chosen students needed help nor why and how they were
selected to receive the aid of the organization. One donor claimed that there
was a need for a more clear connection between the students and the problem
that the organization is trying to solve.

5.2.4 Donation Methods

Many of the donors had opinions regarding the ways in which one can donate to
the organization as well as on their decision process when actually completing
a gift.

In general, most donors had a hard time finding a connection between the
crowdfunding aspect of the website and the monthly donor plan available, where
they did not think it was clear where the monthly donations went.

However, most of the donors were positive to the crowdfunding alternative and
they claimed it provided the website with a feeling of transparency. Most donors
liked the option to give a single student, but many donors preferred to give a
more general donation to the organization as a whole instead.

5.2.5 Deciding on Who To Give To

A large majority of the donors thought that deciding on which student to make
a gift to was a hard decision to make. Several of the donors claimed that they
were afraid that if they chose one student over the other, it would result in
one of them possibly not making it. And having to take such a decision was
not something that they wanted to do. One donor addressed the issue and
said that they disliked the feeling that the students were competing with each
other.

Many donors claimed they would have preferred to make a general donation
to organization instead, or even let the organization decide on which student
receives the funds.

When deciding on which student to give to the donors had a few different
approaches and factors they based their decisions on.

**Similarity in Education** The most common method when deciding on which
student to give to was by selecting a student that belonged to the same or
similar field of studies as the donors themselves. For example an engineer
giving to a student in the field of engineering.

**Background** A few donors instead based their decisions on the background
of the students, and read the descriptions of the students closely before
making a final decision.
5.2. User Tests

Amount of Funds Received Some of the donors based their decision on the amount funds that the students had received. Some preferred to give to students that were close to reaching their goal whereas some instead wanted to give to students that had barely received any funding at all.

Sorting

A few of the donors expressed a wish for greater sorting options when displaying the students on the website to aid in their decision process. The donors claimed they wanted more parameters to narrow down their choices more. More specifically donors desired for students that had already been funded to be removed in favor of non-funded students.

5.2.6 Checkout and Purchase

Regarding the checkout and the act of completing a donation a majority of the donors had issues with the process. The most common concern among the donors was connected to how the checkout was designed. Many of the donors said that they drew parallels with e-commerce websites and claimed it made them feel like they were buying a product and not making a donation. This, the donors claimed resonated poorly with the principles of the organization and one donor said that it felt inhumane, it was as if they were buying a human.

Another commonly cited issue with the checkout was that donors disliked that the required administration fee was made apparent in a later stage of the checkout. Donors claimed that they would have preferred being notified that there was going to be an administrative charge in addition to the donation fee in an earlier stage. Moreover a few donors stated that they did not understand what exactly the administration fee implied and what the money went to.
Chapter 6

Discussion

In this chapter the results and the chosen methodology of the thesis is analyzed and discussed. The chapter consists of three main sections: Results From the Interviews, Results From the User Tests and Recommendations and Considerations.

6.1 Results From the Interviews

The interviews conducted resulted in a range insights on the donors’ attitudes on charity and crowdfunding as well as their behaviors, preferences and issues. These insights are compiled and discussed in this section.

6.1.1 Donation Habits

Most of the donors interviewed currently gave to multiple charity organizations, where the most common way of giving was through automatic monthly donations. One-time donations were mostly made in conjunction with fund-raising campaigns, natural catastrophes or as birthday gifts through purchase of gift cards. Most donors displayed a preference for signing up as monthly donors, where the most common motivations was that it was easy and convenient since they were being automatically charged every month, and they did not have to get engaged and put time into making a donation. Notable however, is that some donors claimed that they did not remember if they were currently giving to certain organizations or even when and why they started giving initially. This is a potential backside of relying on automated transactions since there is a possibility that it does not engage the donor in the same way as a one-time donation may. Since the monthly transactions can go on unnoticed if the donor does not receive any feedback from the organization or actively looks up their
transaction history. This is a finding which might be also be connected to the variable of passive commitment mentioned by Sargeant and Woodliffe [24]. Passive commitment is when donors have no real passion for their giving and simply continue to do so simply because they feel it is the right thing to do. As such automatic donations might result in the donor losing a sense of dedication and commitment toward the NPO, and simply lets the donations progress because of its convenience.

Not all donors preferred making monthly donations and instead liked making one-time donations over automated ones. Where the most frequent motivations were that they enjoyed the freedom of choice of making a donation whenever and to whomever they saw fit. One donor even described the act of making one-time donations as an ego boost. Donors making one-time donations often receive gratification and appreciation in conjunction with completing a donation. This is an area where one-time donations seem to excel currently when compared to automatic monthly donations. As the automatic donations do not seem to provide the donors with the same direct contact and ability to engage the donors as one-time donations currently do. This seems to be a potentially big area of improvement for NPOs in general, as monthly subscription plans could be tailored for more individual contact with the donors to avoid them forgetting about their giving and feel more involved.

An interesting finding from the interviews was that several of the donors’ motivations as to why they continue their support to the organization was closely aligned with their initial motivation to give. Since most donors signed up as monthly donors straight away after they deemed the organization to live up to the donors’ standards and expectations. Additionally, one donor specifically claimed that the initial push was convincing enough to continue giving. The finding implies that the first impression and contact with the donors is incredibly important when aiming to keep donors giving.

There was a few different main motivations as to why donors gave to the organizations they currently were giving to. These common motivations can also be linked to the variables of increased donor retention found in the literature study of the thesis. The most frequently addressed reasons for giving was the NPO’s perceived ability to make a difference and to provide proof that the donations actually reach the beneficiaries. A finding which can be allied to the variable of trust as a motivator for giving, where the donors have to trust in the ability and reliability of the NPO to actually deliver. Additionally, a sense of identification with the cause was a commonly cited reason for initial giving, as well as economic stability. The identification and connection a donor might feel to the specific cause can be linked to the variable of involvement where the NPO is able to reflect the personal values, attitudes and central attributes of the donor. As such, the relevance and importance of the variables found in the literature study can be further strengthened.

The donors were either recruited by people from the organization or found and decided to give to the organization themselves. Some donors were however
critical to the first approach, as they claimed it felt intrusive and made them feel forced into donating. Additionally, donors claimed it felt old fashioned and outdated, and they would have preferred to make the decision themselves. Not all of the donors were negative towards the recruitment tactics, as some donors claimed they liked the personal connection and increased sense of empathy that the meeting enabled. As such it might be interesting to finding new ways to engage the donors with representatives of the organization without forcing it upon the donors against their will.

Implications

It would seem that the first contact is highly important in the continued support from the donors. Since many donors make continuous donations by signing up as monthly after their initial conviction. As such, an organization should take measures to enable the donors to sign up for a regular donation plan such as a monthly one. Additionally, the NPO should strive to take into consideration the frequently mentioned motivations as to why donors choose to start their giving. Thus, it is important that the organization is transparent and provides proof of their success as well as where all of the funding actually goes. Furthermore, it is valuable to appeal to the donors’ sense of self identification and try to highlight factors in the cause that the donor can relate to. And as donors stated their financial situation as a both a motivation for giving as well as not giving, it could be useful to have in mind different donor types and allow for varying donation sizes and donation plans.

6.1.2 Feedback

Feedback and additional information after a completed donation was something that a majority of the donors found to be incredibly important. The donors claimed that it was essential since there is no way of knowing how well the organization is doing if they do not receive any feedback. Additionally, by providing feedback and appreciation the organization can let the donor know the value of their gift and build a relationship.

Interestingly enough, not many donors actually read the feedback that they were currently receiving, and several donors did not even know if they were getting any at all from certain organizations. This makes for a rather paradoxical situation as the donors claim want feedback, but they do in some cases not seem to care if they get it or not. Many were unhappy with the current methods, where the most common approach was sending out monthly or annual newsletters as emails or through traditional mail. Many donors said that they did not even open the mails, or simply regarded them as junk mail. Which might explain why some donors did not know if they were receiving any feedback. However, the donors struggled to come up with a common solution they preferred connected to the format of the feedback. The donors did not all share opinions as
6.1. Results From the Interviews

some were content with receiving emails whereas a majority disliked it. This leads to a situation where there is no apparent best solution for the format of the feedback.

On the other hand, the donors had more clear opinions regarding the content of the feedback. Most donors felt that it was of utmost importance that the feedback contained information and proof of the success and progress of the NPO. Which can be linked to the statements that many donors distrust charity organizations today, and require evidence that the money actually reaches the right people. A common issue among the donors regarding the currently received content was that it was too general and generic. This is a possible area of improvement for many organizations, as feedback could be tailored more to each individual and resonate more with the gift that they made. Which is something that a few donors asked for specifically. But one must consider that in the case of more general donations such as automatic monthly gifts it might be hard to find a specific connection between the donation and a beneficiary for example.

Other areas of improvement regarding the content was that several donors requested more visual information in the shape of photos and videos in the received feedback. Which is a possible explanation as to why some donors mentioned social media platforms as a positive format for feedback. Somewhat allied to the request for more visuals, donors also suggested that organizations work more with storytelling and highlight the beneficiaries that receive the aid to make it feel more engaging and personal. A possible application of this would be to include and retell the journey that a certain beneficiary has made since the reception of aid from the organization.

As for frequency and how often feedback is received the donors did not have any clear suggestions. but a few donors claimed that they wished to receive feedback as soon as something had occurred connected to their specific donation. Where an example was a donor receiving a message once their blood donation had been used.

Implications

Feedback is regarded as a crucial component of the charitable giving process among the donors. Most donors claim that they want it, but they are mostly unhappy with the currently received feedback. Unfortunately, they do not have an optimal preferred solution of the format of the feedback. However, As an organization one should consider taking steps to make the feedback more connected to the individuals’ donation, and provide feedback whenever something has happened related to a specific donation. On top of that, it can be beneficial to provide visual information and make use of imagery to make the feedback more enjoyable to the donors. Additionally, working with storytelling and presenting stories related to the beneficiaries and their situation can be used to
6.1. Results From the Interviews

Further motivate donors when sending additional information.

### 6.1.3 Crowdfunding

All of the donors had heard of crowdfunding previously or at least had basic knowledge of the concept. Most donors associated it with people coming together to support a common cause as well as sharing and community building. Some also related crowdfunding to a way to support entrepreneurship and crazy ideas. This might be allied to the fact that most donors’ previous experiences with crowdfunding were through websites such as Kickstarter[^1] which is a website which many mainly associate with the concept. On sites like Kickstarter, the goal is often to donate or pledge in order to get a gift or product in return, which was also the reason why most donors stated that they had participated in crowdfunding endeavors previously. Notable is that not many donors had experience with crowdfunding in a charity context.

Almost all of the donors had made a gift through a crowdfunding platform at least one occasion, where most of the donors had participated in even more than one project as well. Meaning that most of the donors in these interviews were rather experienced with crowdfunding. The donors barely had any negative remarks regarding crowdfunding, where only a few were somewhat skeptical of the idea where one donor described as a trendy concept. The general opinion and most remarks regarding previous experiences with crowdfunding were resoundingly positive.

**Implications**

The donors interviewed were all rather experienced with crowdfunding and a majority had positive associations with the concept. The donors described it as a nice way to come together for a common cause, as well as an opportunity to promote entrepreneurship and new ideas. Most donors were familiar with crowdfunding platforms were they would receive a product in return for their pledge or donation.

### 6.1.4 Help to Help

All of the donors cited the perceived transparency and trustworthiness of the organization Help to Help as one of the main reasons as to why they gave their financial support. Which, as found earlier, was something that the donors frequently stated as a motivation for giving to charity organizations in general. Additionally, the donors appreciated the concept of Help to Help and described

[^1]: https://www.kickstarter.com
it as clear and concrete. This since they claimed they could more easily see where the money went with the visualizations of the students.

The donors welcomed the sense of modernity that the crowdfunding component bestowed the website, and said it was a nice contrast to more traditional charity methods which they claimed felt outdated. The donors also applauded the more long term goals of the organization. Where they liked the idea of investing in the population on-site and improving the infrastructure of the country. It was described as a more appealing option as opposed to sending over someone for a limited amount of time.

A majority of the donors were currently monthly donors, where a few had made one-time donations as well. Similarly as to why the donors continued to give to other organizations their decision to continue giving was largely based on their initial motivation as they signed up as monthly donors straight away. They were content with giving to Help to Help as long as they felt that they could still trust the organization to use the resources correctly. This finding is similar to the general behaviors when giving to other non-profit organizations as well.

Some of the donors mentioned their trust in the founder of Help to Help as a reason as to why they continue to give as well. And they claimed it made them trust the organization in extension. It is worth noting that most of the donors had previously encountered the founder in person, and some even knew the founder personally. This is something that might skew the opinions of the donors regarding the organization quite significantly. Furthermore, most donors interviewed also first came in contact with Help to Help through direct or indirect contact with the founder. The fact that most people had increased faith in the organization through their personal connection to the founder makes for an interesting discussion. In this case, it might have resulted in the donors experiencing unreasonably high amounts of trust toward the organization. In more general cases the founder of the organization will most likely not have the possibility to personally meet all of the donors. However, it would seem that there are potential gains to be made in highlighting the people behind the organization as well. As in this case, the donors experienced increased trust in the organization due to their faith in the ability and intentions of the founder. If donors can form a connection similar to that of the donors of Help to Help and the founder, it might be a worthwhile investment to take action to present the people behind the organization as well.

Implications

Once again transparency, trustworthiness and possibility to see where the funds go are cited as important factors when donors are deciding to support an NPO. Additionally, most of the donors chose to give through automatic subscription plans and their decision to do so was mostly based on their initial conviction. Some of the donors took a liking to modern and innovative methods of gathering
funds and the crowdfunding aspect was positively received. The crowdfunding component aided in making it feel more tangible and clear how the organization works according to the donors. The combination of crowdfunding and charity is thus seemingly an effective and competent one. Additionally, it might be worthwhile to consider highlighting the people behind the organization as well. This could serve as a way for donors to connect with the organization on a more personal level, and possibly trust the NPO more if they can identify with the people who are making the organization run.

6.2 Results From the User Tests

From the user tests insight was gained on how the donors perceived the general layout and design of the existing non-profit crowdfunding website of Help to Help. The results from the user tests with the gathered opinions of the donors are discussed and summarized in this section.

6.2.1 Visuals

Regarding the visual design of the website most people had rather mixed opinions, as some described it as enjoyable whereas some did not. There were some notable and interesting findings regarding the visual design of the website which might be useful to consider in a more general context. Most of the donors enjoyed being able to see the faces of the beneficiaries, and liked the fact that they were able to see exactly who their funds were going to. Additionally, a majority of the donors appreciated the use of progress bars to visualize how much of the tuition fee that had currently been paid off. The use of progress bars, according to the donors, made the goal and purpose of the organization feel more clear. Furthermore, they also claimed it made the website feel more transparent, which in part was due to some donors associating the usage of progress bars with crowdfunding. Crowdfunding was something that they felt ensured transparency, as it was described as a requirement for such a platform. This finding implies that visual components commonly found on and associated with crowdfunding platforms may be useful tools to include on websites for charity.

The images of the website was something that the donors had varied opinions on. Many of the donors liked the positive spirit of the images since people were happy and smiling in a majority of the photos. This was also something that others critiqued, as it made them question the sense of urgency and why the students needed help. Other negative remarks regarding the imagery was based on the quality of the images, as one donor stated that they felt unprofessional and they did not like them at all.

An interesting finding from the tests was that most donors simply scrolled past
the video that was placed on the start-page. However, some donors claimed they would go back to it and watch it if they needed a final push to make a decision whether to donate or not. As such, it can act as a nice complement to the rest of the website. But it is important to take measures to ensure that it is embedded in the layout of the website, as donors claimed they would instantly shut it down if it was to navigate them away from the website.

**Implications**

The use of progress bars was appreciated by many, and is a useful tool to describe and clarify to the donors how close the organizations are to their goals, and how the donors can help them reach it. The associations of the progress bars to crowdfunding made the donors perceive the organization as more trustworthy and transparent. An additional finding which implies that the combination of crowdfunding and charity are indeed a good match as it can infer a sense of trust of the organization. Additionally, the donors appreciated being able to see the faces of the beneficiaries to which they could donate to. If possible one should take steps to visualize the beneficiaries that are actually going to receive the funds from the donors. Additionally, making use of positive imagery with people smiling and laughing was something that most donors appreciated. But one must make sure to provide background as to why these people actually are in need of help if such positive imagery is to be used. As donors might question the actual urgency of aid if everyone is depicted as happy in the chosen images.

Adding a video component could be a useful option to consider when designing the website. Some donors in the case of the Help to Help website claimed that they would watch the video before making a decision to donate in order to reassure themselves. However, as most donors simply navigated past the video on the Help to Help website it is important to consider the cost versus the reward for creating such content.

**6.2.2 Texts and Phrasing**

The donors had several issues with the phrasing and texts on the website. The donors claimed that some sections of texts were too long and they could not be bothered reading them. Further complaints were connected the phrases used on the website. The donors had a hard time separating certain phrases from one another and in some cases it was hard to know the meaning of them in certain contexts. Another mentioned concern was that the website alternated between to languages, and in some situations translations were simply missing. This caused irritation and confusion among a few of the donors.
6.2. Results From the User Tests

Implications

Make efforts to keep paragraphs and text blocks short and concise on your website. Users will not bother to read the content if the texts are too long and hard to scan. Be sure to be consistent with the phrases and expressions that are used on the website. Avoid using any expressions that might be hard for users to understand in the context of the website and confuse them. If supporting different languages, ensure that the translations are consistent and take measures to avoid mixing different languages.

6.2.3 The Purpose and Need for the Organization

Almost every donor claimed they understood the purpose of the organization, but they instead struggled to grasp the sense of urgency and need for the organization, and why this cause in particular was important. The donors felt that the website failed to convey why or how the particular students had been selected to participate in the program. In addition to that and allied to the statements regarding chosen images on the website, some donors questioned the need for help as most students were smiling in the images. One donor stated that they needed a greater connection between the cause of the organization and the beneficiaries.

Implications

Conveying the purpose of the organization is arguably important, but one should not neglect the importance of informing the donors why they should support the specific cause. What is the need for this specific organization and why is this cause particularly important? What are the benefits of making a donation to this organization and why do they, and the beneficiaries need help? An NPO should not take for granted that the donors understand the need for the cause, and should try to be as clear as possible when communicating this. As an organization it is thus arguably necessary to provide a solid foundation and background as to why the donors should support the cause.

6.2.4 Donation Methods

A frequently recurring issue regarding the available donation methods of the website was that donors claimed it was hard to find a connection between the crowdfunding component and the monthly donor option. The donors were confused as to where the monthly donations actually went, as opposed to the one-time donations that were made directly to a specific student.
The crowdfunding component was something that most donors displayed positive attitudes toward and claimed it provided the website with a sense of transparency. Donors liked the option to give to a single student, but many donors stated that they would rather give to the organization as a whole instead.

**Implications**

Strive to make clear distinctions between different donation alternatives on the website and describe the differences in how they function. Common options are monthly donations and one-time donations, and it is beneficial to describe the difference in how the funds are handled when making a donation through the different alternatives. As in the case of Help to Help, one-time donations differ in the fact that the donations are aimed at specific students whereas monthly donations are more general funds to the entire organization and their cause. To avoid confusion ensure that the user knows how the funds are actually used for each donation option.

**6.2.5 Deciding on Who to Give to**

Most of the donors had trouble deciding which student to give to. This was largely based on the feeling that if they gave to one student another student would risk not getting enough money to fund their education. Donors disliked the gravity of having to make such a decision. This lead to many donors claiming that they would have preferred to give a more general donation to the organization instead, or having the organization decide for the donor.

When actually making a decision on which student to give to, the donors generally had three different approaches. The most common approach was to find a student that studied in the same field as the donors themselves. This behavior could be explained by the donors trying to find something to identify themselves with to make the decision easier. Other methods of selecting a student was through reading up on the student’s background or by looking at how much funding the student had currently received. Some donors claimed they wanted to donate during the later stages and complete the funding goal. Whereas some donors wanted to give to students with low accumulated funds as they felt the would need the aid more.

**Implications**

If the website provides the donor with a lot of choices when making a donation, it is of paramount importance that measures be taken to aid the donor in their decision process. A donor should not end up in a situation where they have to make tough decisions such as selecting one person to aid over the another. In those situations it is important provide a more general donation solution where
the donor may give to the organization and they can distribute the funds as they see fit. Another valuable option to ease the decision process is to add sorting and filtering options that can aid the donor in finding a suitable donation based on variables that they themselves can identify with, or value highly when making a donation.

### 6.2.6 Checkout and Purchase

The checkout and purchase section of the website was something that a majority of the donors were rather concerned with. The biggest issue that several donors had was in the design of the checkout, which they claimed felt too much like they were buying a product instead of making a charitable donation. Some donors thought it felt like they were buying a human which they highly disapproved of. As such it makes sense to try and tailor the design of the checkout to be more in line with the product or service that you as an organization provide. Additionally, to align the design with the values of your organization. In this case it would have probably been advantageous to consider removing phrases associated with e-commerce and with buying more tangible products. Where an example in the case of Help to Help was the use of the word "quantity", which was attached to each student selected for funding in the checkout process.

Moreover, many donors made negative remarks on the inclusion of an administration fee that was added to the total cost. Which was only visible until the later steps of the checkout process. The donors claimed that they instead would have wanted it to be shown at an earlier stage, and that it be more apparent exactly what the administration fee entailed.

### Implications

When designing a checkout flow for your website take precautions to ensure that it aligns with the values of your organization as well as with the product or service that you are providing. A checkout designed like an e-commerce web shop for clothes might not be the optimal solution for a website aimed at making charitable donations to people in need. In the case of Help to Help a donor claimed it made them feel as if they were buying a human being, and described it as inhumane. If charging an additional fee for administration expenses make sure to be up front with the additional cost in an early stage of the checkout process. Furthermore, describe to the donors what the administration fee will be used for and where the funds go.
6.3 Conclusion and Implications of Findings

One of the main objectives of this study was to identify what measures a non-profit organization should take to increase donor retention on their crowdfunding platform. The combined findings from the literature study alongside the insights gained from both the interviews as well as the user tests resulted in a wide array of interesting discoveries. Due to the sheer amount of factors to take into consideration when aiming to increase donor retention there was a need to condense and summarize the main findings and measures to make it more accessible. To accommodate this, the combined findings from the literature study, interviews and user tests were synthesized into a collection of recommendations and considerations. The collection is found its entirety in Chapter 7.
Chapter 7

Recommendations and Considerations

In this chapter a collection of recommendations and considerations to take when constructing a non-profit crowdfunding platform to increase donor retention rates is presented. The recommendations and considerations are based on the literature study conducted alongside the insights gathered from the interviews and user tests conducted on the non-profit crowdfunding platform of Help to Help.

The main purpose of the collection is to aid NPOs that utilize a crowdfunding component as part of their concept and website to increase their donor retention rates. However, the collection may be useful in more general situations when designing a website for charity. Many of the measures described are also applicable for charity websites that do not have crowdfunding as a part of their concept. The recommendations and considerations may be of interest for anyone working closely with an NPO, and especially for designers responsible for creating the website or platform.

However, it is worth noting that all of the recommendations and considerations might not be effective in every situation and for every website. Success cannot be guaranteed in all cases since users on different websites have different needs. The collection is to be used as a foundation of things to keep in mind when creating a non-profit crowdfunding platform, and is not to be seen as a be-all and end-all solution. Ultimately, it is up to the designers to ensure what actions are suitable in the scope of their work and in the construction of their website.
7.1 Collection of Recommendations and Considerations

In this section the collection of recommendations and considerations to take when crafting a non-profit crowdfunding platform is presented in its entirety.

Convey the Purpose and Need of the Organization

- Clearly highlight what the main objective and goal of the organization is
- State why this specific cause is important and why the donors’ help is needed

Display the Impact and Success of the Organization

- Show the donors what the funding has resulted in and what it has accomplished
- Display how many beneficiaries have been helped and how they have been helped
- Show how many donors that have helped contribute to the cause
- Let the donors know who the beneficiaries that have been aided are. Who has been helped previously?

Display the Transparency and Credibility of the Organization

- Be clear with how the funds are handled and let the donors know where the money goes. Provide details of how funds are allocated within the organization and toward the beneficiaries
- Present proof that the beneficiaries have received aid
- Demonstrate how the funds reach the beneficiaries
- Provide background to the purpose and beginnings of the organization
- Let the donors know who the people behind the organization are. Who are the employees that make the organization run?
- Include and present third party references and awards to support the legitimacy of the organization
- Update content on the website on a regular basis

Provide Feedback and Thank the Donor

- Display the donors’ impact and importance and how they have helped the organization
7.1. Collection of Recommendations and Considerations

- Give the donor feedback and show appreciation after a donation has been made
- Try to connect the feedback to the individual’s donations to make it more personal
- Strive to provide additional information and further feedback whenever something has happened in connection to the donor’s individual donation
- Consider focusing on the use of visuals and graphics to make the feedback more appealing to the donors
- Work with storytelling and highlight the beneficiaries and the journeys that they have made

**Support Different Donor Types**

- Consider that donors in different stages of their relationship with the organization might want different information than newly recruited ones
- Try to support different ways of entering the website. Donors finding the website on their own and donors who find the website through a referral might have different needs

**Support Interaction With the Organization**

- Take measures to allow for the donors to get in contact with the organization
- Allow the donors to provide feedback on the organization
- Support donors who wish to get involved with the organization

**Support the Possibility of Making Choices When Donating**

- Provide the donors with different options when making a donation
- Allow for the donors to decide the donation amount
- Support one-time giving and continuous giving plans such as signing up as a monthly donor
- Include the possibility to purchase gift-cards and make donations in someone else’s honor

**Aid the Donors in Making Decisions When Donating**

- Clarify what different donation alternatives mean and how they work (one-time, monthly subscription)
- Consider adding sorting and filtering to narrow down and ease the decision making process
• Provide a general donation option where the organization is responsible for allocating the funds
• Try to provide the donors with alternatives that they can find a personal connection to and identify themselves with

Create Attainable Goals
• Take measures to not set unrealistic goals and strive to create smaller goals that are more easily obtained.
• Update the goals after they have been met

Support Interaction and Community Building
• Allow for donors to interact with each other and with crowdfunding project creators

Consider Allowing Additional Disclosure of Personal Information
• If the website supports the possibility to create a user, consider allowing users to disclose and show personal information to others on the website at their discretion
• Ensure that you can protect the donors’ personal information
• Clearly state how their information will be used and protected
• Specify how the personal information will be shown on the website

Consider Utilizing Visual Information
• Consider taking measures to make visualizations and imagery a central part of the website to make it more appealing to the donors
• Visualize the beneficiaries that are receiving the aid
• Tools such as progress bars can be a useful alternative to visualize the goals of the organization

Adjust Texts and Phrasing
• Write condensed texts and paragraphs
• Be consistent with phrasing and avoid using many different expressions when referring to the same topic
• Ensure that the expressions used are understandable in their context
• Avoid mixing languages and ensure that all translations are in place

Adjust Checkout and Purchase Process
• Design the layout of the checkout process to align with the values and the service that you are providing
• Try avoid using phrases associated with e-commerce in relation to donations to beneficiaries
• State early in purchase process if there are any additional costs such as administration fees, and convey what the funds will be used for
Chapter 8

Conclusion

The goal of this thesis was divided into three different main objectives. The first objective was to identify different factors that affect donor retention in both charity and crowdfunding contexts. Whereas the second objective was to find what measures a non-profit organization can take to improve upon donor retention on their crowdfunding platform. The final, and third objective was to investigate what is important in the general composition of such a website.

To enable this a literature study was conducted to find both which factors are important in charity and crowdfunding contexts for donor retention, as well as active measures to take to improve upon them on a non-profit crowdfunding website. Alongside the literature study interviews with donors who had previously made a charitable donation were made. The goal of the interviews was to gain insight on the donors donation habits as well as their previous experiences and motivations for giving. In sequence with the interviews user tests on the existing crowdfunding website of non-profit organization Help to Help were performed. Which was done to map what users thought of the concept and to gather their opinions on the composition of the website.

From the literature study it was found that the most apparent factors for improved donor retention could be found in a charity context. Little research had been done in the field of donor retention in connection to crowdfunding. The most prominent factors and variables that impact donor retention found in a charity context were; Satisfaction, Trust, Commitment and Involvement.

From the literature study, interviews and user tests it became apparent that there exists a myriad of possible actions and precautions to take in order to improve upon donor retention on a non-profit crowdfunding platform. To make the findings more accessible, the measures were summarized into a collection of recommendations and considerations to take when constructing a non-profit crowdfunding website.
8.1. Limitations and Drawbacks

The interviews and the user tests also resulted in several additional findings relevant to the study and the goal of the thesis. From the interviews it became clear that the combination of crowdfunding and charity has great potential. Crowdfunding components such as progress bars can help a charity website more clearly state their goals and the progress that is being made. Additionally, the donors’ positive associations with crowdfunding help increase the sense of transparency and innovation of a charity website.

Another interesting finding in the study was that many donors sign up as monthly donors, and do so mostly based on their initial conviction. Where ability to appear transparent and provide proof of where the funds go are the most frequently cited reasons for deciding to start supporting an organization. Which follows that it is of paramount importance that NPOs take measures to ensure the transparency and credibility of the organization.

8.1 Limitations and Drawbacks

The study suffers from a few imperfections and has a number of limitations, which are mostly due to the time restrictions of the thesis project. The most significant drawbacks are related to the interviews and the subsequent user tests. A cause for concern was the fact that many of the donors participating that had previously donated to Help to Help personally knew or had met the founder of the organization. This may have produced biased responses and attitudes in questions and topics related to the organization. Additionally, the interviews could have been extended with more questions regarding the donors’ motivations for continuing their donation as it was the most central theme of the thesis.

The user tests conducted on the Help to Help crowdfunding platform could also have included more sections of the website and considered more of the general content and layout. This alongside additional probing questions could be used to gain further knowledge in what type of information and content the donors actually want from a non-profit crowdfunding platform. The user tests in this study mainly provided insights related to visual elements and content on this specific website. Some of the found issues and opinions of the donors were related to rather narrow and specific components of the website which might not be relevant in more a more general context outside of this website.

Although a total of 15 interviews and user tests were conducted it could be beneficial to include more participants to further bolster findings and map the donors’ opinions even better. It is not possible to draw any exact conclusions as to what donors want, but the results give some indication of what many donors prefer. As such the study merely resulted in recommendations and considerations as they may not always be applicable or the optimal solution. Additionally, it is important to take into consideration that the interviews and user tests were conducted with a certain demographic. The results and opinions of donors might
be completely different with other demographics and in other contexts, such as other countries.

Another possible cause for concern regarding the content of the thesis is the potential for bias in the presentation of the results from the author. Since the interviews and user tests in some cases produced rather nuanced answers it was up to the author to interpret them and to provide a general representation of what the donors said. As such it is possible that individual biases from the author could have skewed how certain answers were presented. This also applies to the quotes from the donors that were selected and presented. The purpose of the quotes was to provide a more detailed representation of the donors’ reasonings and opinions. In the thesis, precautions have been taken to avoid including quotes that might produce biased results, but it is not completely possible to rule out that an element of personal bias from the author is present in the selection of quotes in the thesis.

8.2 Future Work

The combination of crowdfunding and charity is an interesting one, and further work aimed at exploring the possibilities of the union could be highly valuable. Although it is included in the study, the crowdfunding perspective is not explored as much as the charity one. This is mostly due to there being little prior research done on the field, and especially aimed at donor retention on charity crowdfunding. As such, donor retention factors related to crowdfunding is a field that could possibly be given more attention in future research.

To get a more general grasp of what content, components and design elements that donors expect and wish for on non-profit crowdfunding websites it could be useful to evaluate several different websites. The evaluation could be compromised of both user tests and a best practice evaluations of successful website. Additionally, the opinions on general content and structure of the websites could be inspected more closely by looking at more sections and sub-pages.

Furthermore it would be interesting to gather the opinions of other demographics. A particularly interesting group to investigate is the people who are not currently making donations. Arguably it would be of great gain to understand their motivations and how one could possible persuade them to making gifts on a regular basis.
Chapter 9

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Appendix A

Interview Topics and Questions

Introduction

- How old are you?
- What is your current occupation?
- What is your highest education level?
- Can you describe your family status?

Donation Habits

- What organizations do you donate to currently?
- What made you choose those specific organizations?
- How did you find those organizations?
- Do you still to give to those organization? If so, why?
- How do you donate? One-time or monthly? Why?
- What is important for you when deciding on an organization to give to?

Feedback

- What type of feedback do you receive from the organizations that you are currently giving to?
- Is it good/bad?
• How would you prefer that you receive feedback?
• How important is it for you that you receive more information after you have made a donation?
• How would you like to receive that information?
• How often would you like to receive that information?

Crowdfunding
• What does “Crowdfunding” mean to you? What are your associations with the term?
• Have you participated in any form of crowdfunding before?
• Why?
• How did you get involved?
• Did you make a donation or did you start your own initiative?
• How would you describe your experience?

Help to Help
• Why did you choose to donate to Help to Help?
• What feelings do you associate with Help to Help?
• Do you understand the purpose of Help to Help?
• Do you feel that you can make a difference through a donation to Help to Help?
• How did you find Help to Help?
• How do you donate? One-time? Monthly? Why?
• Do you get involved in any other way? Volunteering etc?