Busara

Nudges to improve digital fundraising activity

Kenya

Partner
Changa Labs
Bill & Melinda Gates Foundation

Sector
Charitable giving

Project Type
Field experiment

Sample Size
3,086 campaigns

Behavioral Themes
Active choice, defaults, anchoring, credibility, endorsements

How can behavioral science improve digital fundraising momentum?

M-Changa, founded in 2011, is a digital platform which enables users to conduct "Harambee" fundraising online. M-Changa aims to simplify the fundraising process for fundraisers who might seek to avoid the upfront investments of time and money required for a traditional Harambee and seeks to broaden the potential base of donors. While Harambees are still predominantly in-person events, there has been recent growth in using social media and crowdfunding platforms to raise funds. With Kenya's transition to a more digital economy, access to online fundraising platforms could help fundraisers reach a wider pool of potential donors and cut down on the logistical needs and costs associated with physical Harambees.

A Behavioral Science Approach

Research suggests that behavioral biases such as procrastination and avoidance may stand in the way of people making donations to fundraising campaigns, even if they have the desire to do so. This project aimed to use a behavioral science approach to nudge people to donate by reducing these barriers to giving.

Based on initial qualitative and quantitative work we conducted, we identified the following barriers that were preventing customers from getting the most out of M-Changa:

1 Sticky defaults
While M-Changa users indicated that they had a strong preference for digital fundraising channels, they were still more likely to use cash or send money by M-Pesa.

2 Inertia
There was some misunderstanding of the role of M-Changa. In particular, most fundraisers believe that it is M-Changa's responsibility to mobilize active contributors for them. Even when this was resolved, it often delayed the onset of the campaign throwing off the inertia of the digital tool.

3 Implicit norms
The majority of fundraisers felt that contributors "owed them" only one contribution. Similarly, contributors feel that they have done their part by giving their first contribution and they do not feel obligated to make repeat contributions.

4 Social signals
Campaign success seemed to be correlated with the number of influential individuals who could send social signals on the importance of using the digital platform.

Design

Busara was commissioned by Changa Labs to test ways in which fundraising could be made more efficient. Based on the insights generated from understanding the fundraisers, we designed four interventions to test on the M-Changa platform through a randomized control trial.

We tested this with 3,086 new campaigns between July and November 2018.
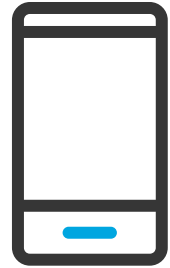
Incentives

Campaigns that had strong momentum in the first three days were more likely to achieve the fundraising goal. In this treatment, fundraisers that received at least 1,000 KES total from 5 donors in the first three days of registration were given a 100 KES bonus.

Patrons

Many fundraisers had implicit roles(treasurer, chairperson, etc.) and the individuals playing those roles often contributed more to the campaign. In this treatment, campaigns were able to nominate up to five "patrons" who were displayed as custodians of the fundraiser on the campaign page.

Top-up

Most donors only contributed once to a campaign, but often admitted to being able to donate further. In this intervention, M-Changa would re-contact all contributors of a specific campaign via SMS or web prompt, sending them an update on the campaign status and prompting for a second contribution equal to 50% of what they have previously donated.

Anchoring

Donors often respond to the anchors set in social venues by the first person to contribute to a campaign. To recreate this experience online, M-Changa suggested a default donation amount to donors, making it more salient than the alternatives. The anchoring amount selected was the average donation size of the contributions to date, plus 20%.

Results

Unfortunately, none of our interventions had a significant positive treatment effect.
We did find very high impacts for those who engaged with the treatments, however we
cannot infer that that is anything more than selection.

Effect of treatment
on average single
donation (calculated
at campaign level)
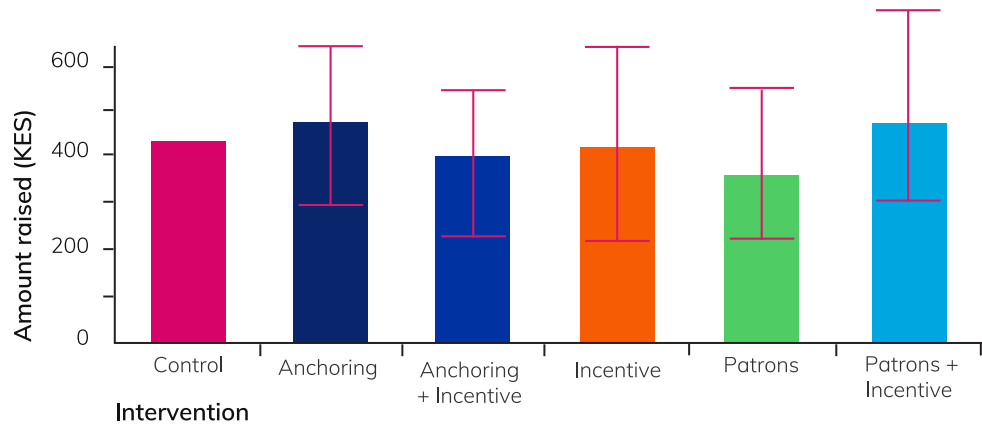
Unfortunately for many of the campaigns initiated during our testing period, the treatments were
not actively received due to limited engagement with the web platform. During this period,
roughly ~20% of M-Changa users engaged with the platform in a meaningful way after creating
a campaign of which only a subset of those would be "treated" by engaging with their treatment.
This restricted our sample size and made it harder to detect any meaningful effects.

Effect of anchoring on
individual contributions (KES)
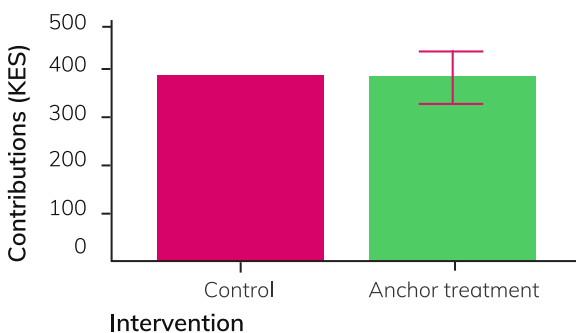
Effect of anchoring on individual
contributions conditional on seeing
the anchoring amount (KES)
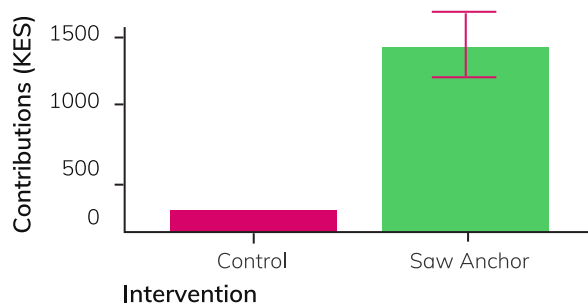
The treatment effects on the "effectively treated" campaigns indicated a significant increase in
donation levels, though we cannot attribute any impact to the treatment given the selection bias.

Discussion

Fundraisers are about far more than raising funds

Traditional Harambees are much more than just fundraising. They are events where the whole community comes together to help those in need. It is therefore difficult to recreate the cultural and social aspects of donating through an online platform. This lack of social and human contact may explain why most of our treatments had very low uptake.

Digital as a complement not a substitute

Online campaigns are a complement, not a substitute, for traditional fundraising, so further research may be needed to understand the interaction between the two ways of raising money.

While our treatments were aimed at making the M-Changa platform more effective and efficient and had been proven to work in other contexts, the real problem was changing the underlying behavior of fundraisers themselves.

Understanding multiple motivations for campaigns

The low-uptake of treatments which aimed to increase campaign effectiveness, is a finding as well. This suggests that the very approach of "effectiveness" is contradictory to the nature of Harambees, where donors and fundraisers alike may be just as motivated by activating their network and feeling socially connected as they are to raise significant sums of money.