THE EFFECTS OF SOCIAL INFORMATION, RECOMMENDED CONTRIBUTION LEVELS, GIFT IMPACT, AND NONPROFIT ORGANIZATIONS' TRANSPARENCY ON COLLEGE STUDENTS' ONLINE CHARITABLE-GIVING

By

XI LIU

A THESIS PRESENTED TO THE GRADUATE SCHOOL OF THE UNIVERSITY OF FLORIDA IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN MASS COMMUNICATION

UNIVERSITY OF FLORIDA

2013
To my family
ACKNOWLEDGMENTS

I would like to express my sincere appreciation from the bottom of my heart to many individuals; this study would not have been completed without their help. First, I would like to thank my chair, Dr. Moon J. Lee, who, while handling tremendous academic loads, put enormous effort into guiding me on the right track and inspiring me with her insightful advices. Further thanks go out to my committee members: Dr. Kathleen S. Kelly and Dr. Spiro K. Kiousis. Dr. Kiousis showed me the great depth and richness of the disciplines of persuasion and public relations. Dr. Kelly offered me a great knowledge of philanthropy, fundraising and public relations, which form the basis of my thesis.

Second, I would like to convey my appreciation to Dr. Ed Kellerman, Professor David E. Carlson, and Weiting Tao. I could not have collected sufficient data without their permission to conduct the experiment in their classes. In addition, I would like to express my appreciation to Professor Calson. He provided valuable advices on the webpage design which was used in my experiment. Last but not least, I would express appreciation to Angela Zhang. Angela helped me a lot with statistical analysis. My thanks also go to Dr. Churchill Roberts, Dr. Juan-Carlos Molleda, and Dr. Michael Leslie. They all made my experiences in this department unique and unforgettable.

Finally, I am grateful to my family. My husband, Bo Zhang, accompanies and grows with me. Not only did he take on all the responsibilities of a great husband but he also was a good critic of my academic work. My parents and parents-in-law gave us invaluable back-up, both financial and emotional. I thank them for their sacrifices.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>4</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>7</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>8</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>9</td>
</tr>
<tr>
<td>CHAPTER</td>
<td></td>
</tr>
<tr>
<td>1 INTRODUCTION</td>
<td>10</td>
</tr>
<tr>
<td>2 LITERATURE REVIEW</td>
<td>13</td>
</tr>
<tr>
<td>Situational Theory of Publics and Elaboration Likelihood Model</td>
<td>13</td>
</tr>
<tr>
<td>Social Norms and Charitable-Giving</td>
<td>15</td>
</tr>
<tr>
<td>Recommended Contributions and Charitable Giving</td>
<td>21</td>
</tr>
<tr>
<td>Outcome Efficacy and Charitable Giving</td>
<td>24</td>
</tr>
<tr>
<td>Nonprofit Organizations’ Accountability and Charitable Giving</td>
<td>26</td>
</tr>
<tr>
<td>3 METHODOLOGY</td>
<td>31</td>
</tr>
<tr>
<td>Study Design</td>
<td>31</td>
</tr>
<tr>
<td>Independent Variables</td>
<td>32</td>
</tr>
<tr>
<td>Dependent Variables</td>
<td>33</td>
</tr>
<tr>
<td>Donation intention</td>
<td>33</td>
</tr>
<tr>
<td>Perceived Social Norms</td>
<td>33</td>
</tr>
<tr>
<td>Outcome Efficacy</td>
<td>33</td>
</tr>
<tr>
<td>Trust in Nonprofit Organizations</td>
<td>34</td>
</tr>
<tr>
<td>Stimuli</td>
<td>34</td>
</tr>
<tr>
<td>Sample and Procedure</td>
<td>36</td>
</tr>
<tr>
<td>4 RESULTS</td>
<td>38</td>
</tr>
<tr>
<td>Analysis Summary</td>
<td>38</td>
</tr>
<tr>
<td>Profile of Participants</td>
<td>38</td>
</tr>
<tr>
<td>Manipulation and the Success of the Random-Assignment Checks</td>
<td>38</td>
</tr>
<tr>
<td>Hypothesis and Research-Questions Testing</td>
<td>40</td>
</tr>
<tr>
<td>5 DISCUSSION AND CONCLUSION</td>
<td>48</td>
</tr>
<tr>
<td>Theoretical and Practical Contributions</td>
<td>53</td>
</tr>
<tr>
<td>Implications</td>
<td>56</td>
</tr>
</tbody>
</table>
Limitations ........................................................................................................... 57
Conclusion ............................................................................................................ 58

APPENDIX

A  LAYOUT OF THE MOCK WEBPAGE ......................................................... 60
B  QUESTIONNAIRE FOR EXPERIMENT GROUPS ....................................... 67
LIST OF REFERENCES ....................................................................................... 72
BIOGRAPHICAL SKETCH ................................................................................ 79
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-1</td>
<td>Random assignment of participants in seven conditions</td>
<td>45</td>
</tr>
<tr>
<td>4-2</td>
<td>Valid samples in seven conditions</td>
<td>45</td>
</tr>
<tr>
<td>4-3</td>
<td>Results of hypotheses</td>
<td>46</td>
</tr>
<tr>
<td>4-4</td>
<td>Results of research question one</td>
<td>47</td>
</tr>
<tr>
<td>4-5</td>
<td>Results of Research Question Two</td>
<td>47</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1</td>
<td>Webpage with combined variables</td>
<td>60</td>
</tr>
<tr>
<td>A-2</td>
<td>Webpage with social information</td>
<td>61</td>
</tr>
<tr>
<td>A-3</td>
<td>Webpage with recommended contribution levels</td>
<td>62</td>
</tr>
<tr>
<td>A-4</td>
<td>Webpage with gift-impact information</td>
<td>63</td>
</tr>
<tr>
<td>A-5</td>
<td>Webpage with the nonprofit organization’s financial information</td>
<td>64</td>
</tr>
<tr>
<td>A-6</td>
<td>Webpage with the nonprofit organization’s mission</td>
<td>65</td>
</tr>
<tr>
<td>A-7</td>
<td>Webpage for the control group</td>
<td>66</td>
</tr>
<tr>
<td>B-1</td>
<td>Page one of questionnaire for experiment groups</td>
<td>67</td>
</tr>
<tr>
<td>B-2</td>
<td>Page two of questionnaire for experiment groups</td>
<td>67</td>
</tr>
<tr>
<td>B-3</td>
<td>Page three of questionnaire for experiment groups</td>
<td>68</td>
</tr>
<tr>
<td>B-4</td>
<td>Page four of questionnaire for experiment groups</td>
<td>68</td>
</tr>
<tr>
<td>B-5</td>
<td>Page five of questionnaire for experiment groups</td>
<td>69</td>
</tr>
<tr>
<td>B-6</td>
<td>Page of six of questionnaire for experiment groups</td>
<td>69</td>
</tr>
<tr>
<td>B-7</td>
<td>Page seven of questionnaire for experiment groups</td>
<td>70</td>
</tr>
<tr>
<td>B-8</td>
<td>Page eight of questionnaire for experiment groups</td>
<td>70</td>
</tr>
<tr>
<td>B-9</td>
<td>Page nine of questionnaire for experiment groups</td>
<td>71</td>
</tr>
<tr>
<td>B-10</td>
<td>Page ten of questionnaire for experiment groups</td>
<td>71</td>
</tr>
</tbody>
</table>
THE EFFECTS OF SOCIAL INFORMATION, RECOMMENDED CONTRIBUTION LEVELS, GIFT IMPACT, AND NONPROFIT ORGANIZATIONS’ TRANSPARENCY ON COLLEGE STUDENTS’ ONLINE CHARITABLE-GIVING

By

Xi Liu

August 2013

Chair: Moon J. Lee
Major: Mass Communication

This study was designed to examine the effect of social information, recommended contribution levels, gift impact, and nonprofit organizations’ transparency on latent public college students’ online charitable-giving. This study used an experiment that included six conditions and a control group. The resulting data indicated that gift-impact information and information about a nonprofit organization’s mission had significant effects on latent public college students’ online charitable-giving intention. Moreover, an analysis of the resulting data suggested that social information can increase latent public college students’ perceived descriptive social norms, and gift-impact information can increase latent public college students’ outcome efficacy and donation intention. Also, a combination of all variables showed significant effects on latent public college students’ donation intention, perceived descriptive social norms, outcome efficacy, and trust in the nonprofit organization.

In addition, this study identified that gift-impact information and information about a nonprofit organization’s mission, form effective peripheral cues for latent public college students in online fundraising context.
Charities and nonprofit organizations represent a substantial sector of the American economy. In 2011, total giving was $298.42 billion, representing approximately 2% of the gross domestic product, and this is an increase of 4% since 2010 (Hall, 2012). A new trend in donations is donating online. According to a report by Blackbaud (2012), a leading provider of software and services designed specifically for nonprofit organizations, online donations increased by 13% in 2011, compared to donations made in 2010. The data from 1,560 nonprofit organizations based in the United States, with a total of $5.1 billion in funds raised, indicate that in 2011, donations received online accounted for 6.3% of the total contributions received.

A majority of online gifts are small gifts. The Blackbaud report states that in 2011, 46% of online gifts were less than $1,000 and 89% of online gifts were less than $5,000 (Blackbaud, 2012). For some organizations, the average donation received online is larger than the average donation generated by mail or telephone (Wallace, 2010). For example, in 2009, the average size of online contributions to the New York Public Library was $91, which was larger than the overall average donation-size of small contributions—$66 (Wallace, 2010). Organizations have begun shifting both money and employees to online fundraising (Barton & Wallace, 2010). For example, the University of Miami has moved $20,000 from the annual fund’s direct-mail budget to Internet fundraising (Barton & Wallace, 2010).

With the appearance of such new technologies as the Internet and social media, and as donations made through these platforms increase significantly, strategies for developing these platforms into effective fundraising tools need further investigation. As
these new technologies enable nonprofit organizations to reach broader publics than before, fundraising strategies could be discussed from two perspectives: (a) segmenting publics by new methods and (b) developing effective messages to increase the donation intention of each group.

According to the situational theory of publics (Grunig & Hunt, 1984), there are four types of publics: active public, aware public, latent public, and nonpublic. Usually, fundraisers focus on the active and the aware public. The latent public is a group that rarely is being discussed and yet represents a potentially abundant source of future customers and donors. As Aldoory and Sha (2007) state, since the situational theory of publics was first developed, there has been an increase in media outlets. Chey-Nemeth (2001) writes, “New technologies such as the Internet demonstrate a new form of information accessibility and dissemination that may well transform previously passive publics into active publics” (p. 128). Therefore, strategies to communicate with latent publics should be developed to fit the new features and functions of any new media environment.

According to a report released by Network for Good, the tool that powers donations to the charities rated by Charity Navigator, giving on social networks was significant, but donor loyalty was highest on charity websites that built strong connections with donors (The Online Giving Study, 2012). Another survey, about the charitable giving of American Millennials (ages 20 to 35) in 2011, 75% of 6,522 participants had made donations, and 70% of these participants gave online. The channel they preferred to use for giving was the organizations’ websites (Grossnicle & Associates, 2011). Among
the participants, 42% of them said “they would give to whatever inspires them at the moment” (p. 26).

Based on these data about online giving, when developing strategies for online fundraising campaigns, it is necessary to investigate the factors impacting online donor behavior. The purpose of this study was to investigate factors that can affect latent public American college students’ charitable giving in an online-fundraising setting.

Kelly (1998) proposed that fundraising is an element of public relations. This study, thus, is also meaningful to public relations research.
CHAPTER 2
LITERATURE REVIEW

Situational Theory of Publics and Elaboration Likelihood Model

As stated in Chapter 1, according to the situational theory of publics, individuals’ perception of a situation determines their willingness to act (Grunig & Hunt, 1984). The theory provides three predictor variables: level of involvement, problem recognition, and constraint recognition. Level of involvement refers to the extent to which individuals feel involved with a problem, issue or organization; problem recognition refers to the extent to which individuals feel the problem is important; and constraint recognition refers to the extent to which individuals feel their abilities to impact the problem are constrained by factors outside their control. Publics can be divided into four groups by these three variables: a) active public, which has high levels of involvement and problem recognition and a low level of constrain recognition; b) aware public, which has high levels of problem recognition, involvement, and constraint recognition; c) latent public, which has a low level of problem recognition and involvement, and has not thought about constraints; and d) nonpublic, which has neither involvement nor problem recognition (Grunig, 1997).

From a theoretical perspective, the latent public is a pool of aware and active publics. From a reality perspective, the latent public is a large group. Grunig and Hunt (1984) suggested that for a given topic, one third of the population is the latent public. As the latent public constitutes such a large group, scholars and practitioners should address strategies for communicating with the latent public. Though segmenting publics by their active engagement with an issue benefits message development and campaign design (Werder, 2005), according to Hallahan (2000), in the public relations literature,
there is no systematic model for segmenting publics or composing messages strategically for different publics. Much of the research has applied the situational theory of publics to practices focused on public health and education efforts (e.g., Cameron & Yang, 1991; Dorner & Coombs, 1994; Pavlik, 1988).

In the fundraising arena, though scholars have segmented donors into major and annual gift donors and have distinguished channels for communicating with them, there rarely is found any discussion about segmenting donors according to the situational theory of publics and developing communication strategies with the latent public for fundraising purposes. Traditionally, fundraisers spend most of their time and resources on seeking and cultivating major gift donors (Kelly, 1998). However, the aim of fundraising is also to develop strong relationships with all publics, who can be past, current, and potential donors (Ragsdale, 1995; Tobin, 1995). Further, members of the latent public need to be better understood because of their large number (Hallahan, 2000).

According to Perloff (2010), highly involved individuals prefer information that contains more arguments (termed central route processing communication, involving high-level mental activity by comparison with peripheral route processing communication, which involves low-level mental activity). In contrast with individuals who prefer central route processing communication, individuals with lower involvement follow a peripheral route processing to develop their attitudes, and as a result they pay more attention to peripheral cues, such as the source of the message or the situation in which they receive the message, rather than to the content of the message. The elaboration-likelihood model of persuasion (ELM) provides a theoretical guideline to
involve the latent public. ELM suggests that the more individuals are involved with an issue, the more they are willing to follow the central route to construct their attitudes toward the issue, which means when evaluating and analyzing new incoming information they elaborate on information they have previously received (Petty & Cacioppo, 1986). Perloff (2010) wrote that “processing route, in turn, determines the type of message appeal that is maximally effective in a particular context” (p. 152). Thus, if practitioners understand the factors impacting a group of individuals and how they think about a persuasive message, the practitioners have a good chance of tailoring a message that will target that group’s attitudes.

Based on the ELM, strategies for communicating with the latent public can be considered. Nonprofit organizations might attract the latent public with peripheral cues, as the latent public’s members have low involvement and problem recognition. This study states that five variables may serve as potential peripheral cues for the latent public in a fundraising setting. These five variables are social information (such as the number of individuals who donated), recommended contribution levels, gift impact, the nonprofit organization’s financial transparency, and the nonprofit organization’s performance transparency.

**Social Norms and Charitable-Giving**

When processing peripherally, individuals rely on heuristics, such as “if other people think this is good, then it probably is” (Perloff, 2010). People infer individuals’ popularity from the number of friends they have on Facebook or decide to purchase products based on online consumer ratings (Xu et al., 2012).

The influence of other people’s behavior can be discussed within a framework of social norms, particularly in the context of charitable-giving. The social-norms approach
states that people’s behavior can be influenced by perceptions of how other people in the same social group think and act (Perkins & Berkowitz, 1986; Berkowitz, 2004). Perkins and Berkowitz first suggested this approach in 1986, to study college students’ alcohol-use patterns. They found that college students usually overestimated their peers’ support of drinking behavior, and this overestimation could be used to predict how much alcohol an participant drinks (Perkins & Berkowitz, 1986).

Two types of social norms have been characterized by social psychologists: injunctive and descriptive social norms (Cialdini, Reno, & Kallgren, 1990). The former describes individuals’ perceptions of what others think they should do, while the latter describes individuals’ perceptions of what others actually do (Cialdini, Reno, & Kallgren, 1990). Studies have demonstrated that emphasizing descriptive social norms can increase the likelihood that a person’s behaviors will become consistent with these social norms. For example, emphasizing the pro-social descriptive norm that fewer people are now littering, reduced actual littering behavior (Cialdini, Reno, & Kallgren, 1990).

Discussing descriptive social norms in a fundraising setting refers to “the individual donor’s belief of what others are contributing” (Croson, Handy & Shang, 2009). The current study states that descriptive social norms can serve as a peripheral cue to increase both the participation rate of donation, and the amount of donation (Frey & Meier, 2004; Croson, Handy & Shang, 2009; Shang & Croson, 2009).

Frey and Meier (2004) conducted a field experiment to test the relationship between social information and the voluntary participation rate of donations. Each semester at the University of Zurich, when students pay tuition fees, they are solicited
for contributions to two charities, of CHF 7 (about $4) and CHF 5 (about $3). Students have the option of donating to one or both of these charities or not to donate at all. Twenty-five hundred students were divided into three groups. One group of 1,000 students was given the information that a high percentage (64%, which was an actual proportion in a recent semester) of the student population had contributed to the charities in the past, while another group of 1,000 students was provided the information that a low percentage (46%, which is the actual proportion over the last 10 years) of the student population had donated. They found the difference between the two groups was not significant. The resulting data indicated that 77% of the population in the group with high treatment (64%) information contributed to at least one charity, while 74.7% of the population in the group with low treatment (46%) information also contributed to at least one charity. Next, Frey and Meier included information about past contribution behavior. Now they found a significant difference between the two groups. The difference in the results indicated that the information provided by the researchers as to the percentage of the student population that had contributed to the charities in the past, did not influence two kinds of students: those who had never contributed to either of the two funds before and those who had always contributed to both of the funds. Thus, the authors concluded, “As the decision is censored, individuals who have strong (weak) pro-social preferences are not able to increase (decrease) further their contribution. Individuals who are more indifferent to contributing, react most strongly to the information about cooperation rates in the field experiment” (p. 1720).

According to the situational theory of publics, students who never donated before could fit the nonpublic category and students who have always donated possibly could
be included in the active public and, perhaps, in part of the aware public. Therefore, the majority of students who were influenced by social information were more likely to be the latent public.

While Frey and Meier (2004) demonstrated that information about social norms affects the participation rate of charitable giving, other scholars demonstrated that information about social norms influences the amount of the contribution. Shang and Croson (2009) conducted a field experiment to test the relationship between one’s own giving and others’ giving. They found that higher social information significantly increased individual contributions. The researchers collaborated with a local public radio station. During the station’s on-air fund drive, researchers randomly provided responders who called the station to make their pledge, information about how much another donor had contributed. For the social information levels, they used $75 (the 50th percentile of two previous fund-drive contributions), $180 (the 85th percentile) and $300 (the 90th percentile). The resulting data indicated that the $300 social information condition yielded a significantly higher contribution for the control group, while the $180 treatment and the $75 treatment did not significantly affect the control group. The authors explained that the result of the $180 treatment was comparatively, only sporadically significant, because of “the modesty of the contribution level” (Shang & Coron, 2009, p.1435). The authors wrote that from a psychological perspective, behavioral goals need to be both achievable and inspiring to effectively change behavior (Locke & Latham, 1990), and though the $180 is an achievable goal it is not as inspiring as $300 (Shang & Coron, 2009).
Data from another study demonstrated that information about other persons’ contributions influences donors’ perceptions of descriptive social norms, which in turn influences their giving behavior (Croson, Handy & Shang, 2009). The authors first conducted a survey among existing donors to a public radio station about their giving behavior. Participants who believed that others contributed high amounts reported their own contributions as high and reported that they would contribute a higher amount in their future donations. The records of these donors’ contributions in the years before and after the survey supported the information these participants reported. In addition, a field experiment was conducted to test the causal relationship between perceived descriptive social norms and charitable giving. High and low social information (which included the amount of others’ contributions, some of which were higher than the amount pledged, some lower) was presented to two groups of participants respectively, who were then asked how much they would contribute. An analysis of the data suggested that individuals who were exposed to high-level social information (others contributed higher than the amount pledged) contributed more than individuals who were exposed to low-level social information. The researchers concluded that perceived descriptive social norms are a mediating variable between social information and the amount of future giving.

While perceived descriptive social norms appear to increase the participation rate of donations and the amount of donations, all three studies discussed also mentioned that perceived social norms are much more effective on new donors than on previous donors. In Frey and Meier’s (2004) study, when the authors took donors’ donation histories into account, the relationship between social norms and giving behavior
became significant. Shang and Croson (2009) also mentioned that “the social information effect of $300 is robust for new members but is never significant for renewing members” (p. 1432). In addition, they found that “new donors who were provided social information were around twice as likely to contribute again one year later” and that they gave more (Shang & Croson, 2009, p. 1435).

According to psychological research about social influence, individuals are more likely to be affected by descriptive social norms when two conditions are met. First, there is an ambiguous perception about what should be done (Crutchfield, 1955), and second, the given descriptive social norms are perceived as relevant and appropriate (Cialdini, 1998). Fundraising campaigns for the latent public could satisfy these two conditions. Based on the psychological research and on the findings of field experiments by Croson et al. (2009), the current study states that when the members of the latent public, who have a low level of problem-recognition and problem-involvement, are exposed to online solicitations, social information about the number of individuals who have already donated could serve as a peripheral cue to reduce their uncertainty and help them make a decision.

Therefore, based on the discussion, the following hypotheses are proposed:

Hypothesis 1a (H1a): In online-fundraising contexts, social information about the number of individuals who have donated will increase the latent public college students’ perceived descriptive social norms.

Hypothesis 1b (H1b): In online-fundraising contexts, the likelihood of latent public college students making a gift to an organization will be increased by presenting social information about the number of individuals who have made contributions.
Recommended Contributions and Charitable Giving

According to the ELM, individuals with low involvement have little motivation to focus on message arguments (Petty & Cacioppo, 1986). Such individuals can be "cognitive misers," who look for mental shortcuts to help them decide whether to accept the communicator’s position (Taylor, 1981). Recommended contributions could be a mental shortcut for the members of the latent public, who have a low level of involvement.

Field studies from the marketing and psychology literature have investigated the impact of recommended contributions on charitable appeals. Weyant and Smith (1987) in door-to-door solicitations, found that making a request for a “generous contribution" did not increase the likelihood that a gift would be made, while a request for a smaller and specific amount in door-to-door solicitations increased the likelihood that a gift would be made. Fraser et al. (1988) found that recommending a $20 donation for the Capital Area Humane Society yielded a significantly higher amount donated, but no difference in the probability of donation, when compared to making no recommendation. Brockner et al. (1984) also found differences between charitable contributions with and without recommended contributions of either $1 or $5. They found that a specific-amount recommendation increased the likelihood that a gift was made but made no difference in the probability of donations. When contributors equally value the public good, valuations are said to be homogeneous, whereas when contributors differently value the public good valuations are said to be heterogeneous (Croson & Marks, 2001). Croson and Marks (2001) found that the type of valuations present significantly affected contributions. They found that when contributors equally valued the public good (homogeneous valuations), higher specific-amount recommendations were followed.
When contributors did not equally value the public good (heterogeneous valuations) the effect of recommendations was less significant. They suggested this was perhaps because heterogeneous valuations were more realistic in a fundraising context. Thus, a recommended contribution positively could impact giving behavior under some conditions.

One factor that could influence the effect of a recommended contribution could be financial perception. Wiepking and Breeze (2012) conducted a study to investigate the effect of an individual’s perceptions of his financial position on his charitable giving, which took the individual’s actual financial resources into account. Individuals who worried about their financial situation preferred not to give money to charities. The scholars found that that, in general, the perception that individuals had of their financial resources, was a more important factor and influenced the amount of charitable giving more, than did the actual state of their financial resources. Individuals who perceived their financial situation as more positive made more generous contributions (Havens et al., 2007). Bennett and Kottasz (2000) found that individuals who perceived that their financial condition was better than that of others, made higher contributions to relief appeals. Schlegemilch et al. (1997) found a positive relationship between individuals’ perception of their financial position and the likelihood of sponsoring and attending charitable events and donating in shops.

Another factor that could influence the impact of recommended contributions is the cost of a donation. There are two types of costs of a donation: the perceived cost and the absolute cost (Wiepking & Breeze, 2012). Perceived cost refers to the “psychological price of giving” (p. 13). When the amount requested was increased,
donors might decline the request if the amount was perceived as excessive (Doob & McLaughlin, 1989). When the perceived cost of a donation decreased, the amount given increased (Eckel & Grossman, 2004; Karlan & List, 2006).

Individuals who are at a similar financial level may have differing views on the amount they can afford to contribute (Lloyd, 2004). Individuals who perceived fewer obstacles to give were found to be more likely to contribute (Smith & McSweeney, 2007). Kelly (1979) suggested that economic constraint could be an important predictor of the behavior of nondonors. In a study of alumni’s annual giving, Kelly found that nondonors perceived that they had more economic constraints than did donors. In a survey that focused on the characteristics of donors, only 21% of household incomes of $50 million or more felt “extremely financially secure” while 11% of them felt “somewhat insecure” (Rooney & Frederick, 2007, para 112007:11). Brooks (2006) reported similar findings in upper-income-class Americans, who described themselves as “not being able to afford to give” because of mortgages and kids’ college fees (p. 8). A difference between actual wealth amount and perceived wealth amount also exists in the U.K., where 25% of 76 participants whose net worth was at least £1 million said that they had low financial security while the remaining 75% of them said that if they had more money, they would increase their giving (Lloyd, 2004).

In summary, a survey of the literature suggests that when fundraisers recommend contribution amounts, they should consider the potential donors’ perceptions of money and of the costs of the donations. As different individuals have differing perceptions about money and about the cost of donations, a campaign should provide options for recommended contributions for donors, so they may choose an
option with which they feel most comfortable. For the members of the latent public who have low involvement levels, options for recommended contributions would provide a suitable mental shortcut.

Therefore, the following hypothesis is proposed:

Hypothesis 2 (H2): In online fundraising contexts, the likelihood of latent public college students making a gift to an organization will be increased by providing a choice of recommended contributions.

**Outcome Efficacy and Charitable Giving**

According to the situational theory of publics, constraint recognition influences individuals’ behavior (Grunig & Repper, 1992). Constraint recognition refers to the extent to which individuals feel their abilities can impact the problem (Grunig & Hunt, 1984). According to one study, on the effects of a drunk-driving campaign, constraint recognition was the most difficult factor to influence (Grunig & Ipes, 1983). Grunig and Hunt (1984) wrote that to increase an individual’s intention to contribute, public relations campaigns should decrease that potential donor’s constraint recognition. Grunig and Ipes (1983) wrote further, that, “For a campaign to move people to develop organized cognitions and perhaps to change their behavior, it must show people how they can remove constraints to their personally doing anything about the problem” (p. 51). In a fundraising context, Kelly (1998) suggested that while the impact of a donor’s gift is a constraint that needs to be cleared, fundraisers can do little regarding what individuals feel are their financial constraint.

The influence of the impact of contributions on giving behavior can be discussed through the framework of self-efficacy theory. According to self-efficacy theory, an individual’s expectations of personal mastery and success are the underlying
mechanism of all forms of psychotherapy and behavioral change (Bandura, 1997, 1982). There are two types of expectancies that influence behavior: (a) self-efficacy expectancy, the belief that the behavior at issue is within one’s ability to change; and (b) outcome expectancy, the expectancy that certain behaviors could result in certain outcomes (Maddux, Sherer, & Rogers, 1982).

Cheung and Chen (2000) suggested that outcome efficacy for donating to an international relief organization had a significant direct effect on intention to donate to an international relief organization. Sargeant et al. (2001) also found that “the strongest indicator of donor value is the extent to which an individual believes that their gift made a difference” (p. 422). Gálvez Rodríguez, Caba Pérez & López Godoy (2012) found that more people gave food products when the statement, “Even a single package of pastas will help,” appeared on fundraisers’ T-shirts.

Symmetrical communication with donors describes a type of communication where ideally, the donor is involved and fully informed about the use of the gift. While the communication between major-gift donors, and fundraisers and nonprofit organizations, tends to be symmetrical communication, by comparison, annual-giving donors, particularly new donors of annual gifts, usually have little knowledge about how their contributions can impact the organization’s mission. “Donors won’t contribute to a fundraising campaign if they don’t think their donation will make much difference” (Grunig & Hunt, 1984, p. 358). Thus, to increase the outcome efficacy of potential donors, it is necessary to provide information about how every gift can make a difference, especially when potential donors are young adults. According to a survey about the charitable giving of American Millennials (ages 20 to 35), the issue they cared
about most was information about how their gifts would make a difference (Grossnickle & Associates, 2011). This survey of American Millennials, involving 6,522 participants, found that 75% of them had made donations in 2011. Of these donations, 70% were conducted online. As to motivation, 42% of the participants stated they donated to whatever inspired them in the moment. Based on this survey and on discussion about outcome efficacy, this study states that information about the impact of gifts could serve as a peripheral cue for the latent public to make a donation decision.

Therefore, the following hypotheses are proposed:

Hypothesis 3a (H3a): In online fundraising contexts, information about how their gifts can make a difference will increase outcome efficacy of latent public college students.

Hypothesis 3b (H3b): In online fundraising contexts, the likelihood of latent public college students making a gift to an organization will be increased by presenting information about how their gifts can make a difference.

Nonprofit Organizations’ Accountability and Charitable Giving

The ELM suggests that individuals accept recommendations to donate from communicators they judge to be credible. Communicators are found to be credible when the communicators’ values or attitudes are congruent with the proposed donor’s values or attitudes. (Perloff, 2010). Whalen (1996) wrote that credibility is “the single biggest variable under the speaker’s control during the presentation” (p. 97).

Credibility is defined as “the attitude toward a source of communication held at a given time by a receiver” (McCroskey, 1997, p. 87). It is an audience’s perception of the communicator’s qualities (Perloff, 2010). Hart, Friedrich, and Brummett (1983) wrote that “[Credibility] is a perception of us that lies inside of the people to whom we talk” (p.
One of the most important characteristics of credibility is trustworthiness, which refers to the communicator’s perceived honesty, character, and safety (Perloff, 2010).

To be perceived as trustworthy, nonprofit organizations could build their credibility by voluntarily demonstrating their accountability to the public. Edwards and Hulme (1996) defined accountability as “the means by which individuals and organizations report to a recognized authority (or authorities) and are held responsible for their actions” (p. 967). Similarly, Fox and Brown (1998) described accountability as “the process of holding actors responsible for actions” (p. 12). According to Kelly (1998), for nonprofit organizations to demonstrate accountability requires these organizations to “explain themselves, demonstrate their service is worth the cost, and defend their essential character” (p. 227) to both society as a whole and to the different stakeholders.

Nonprofit organizations’ accountability is a factor affecting donors’ behavior. Sloan (2009) looked at New York charities and measured the relationship between the amount of the contributions they received and their ratings by the Better Business Bureau’s Wise Giving Alliance. Sloan found that from a statistical perspective, a “pass” rating had a significant effect on the contributions received.

Accountability can affect donors’ decisions because it can enhance stakeholders’ and the general public’s trust in nonprofit organizations. In turn, the trust can enhance public support, including individuals’ willingness to give time and money to causes they care about. Dutch scholar Bekkers (2003) found that individuals who trust nonprofit organizations contribute more. Data from outside academia indicate the same result. According to Independent Sector (2002), there was a 50% difference in the amount of
annual contributions to charity between donors who had high levels of trust in charities and donors with low levels of such trust.

Trust relationships are built on a high degree of transparency and openness. Transparency refers to actions creating credible governance systems, providing visible performance measurement systems, and providing information about the pricing of services and charity care (Summers & Nowicki, 2006). Transparency refers not only to access to nonprofit organizations’ information, intentions, and behaviors, but also to the voluntary disclosure of the same (Turilli & Floridi, 2009). The voluntary disclosure of information is considered a response to the requirements of regulators and watchdog groups (Meyer & Rowan, 1977). Greater transparency would “enable the public to decide whether their support for and trust in a particular organization is justified” (NCVO, 2004, p. 9).

Research has shown that trust has three benefits for private organizations: increased public funding, organizational stability, and ongoing independence (Mazzola et al., 2006). Cordery and Basherville (2011) wrote that these benefits are also applicable to nonprofit organizations.

As trustworthiness can be gained through transparency and openness, a good way for nonprofit organizations to show their accountability is to communicate with publics voluntarily and transparently. The demonstration should be done by the nonprofit organizations themselves. One survey, conducted by Princeton Survey Research Associates (2001), found that the nonprofit organization itself is the first preferred resource from which donors want to obtain information about that nonprofit organization’s accountability.
In the nonprofit-organizations sector, the Internet is regarded as a tool to enhance information transparency (Gálvez Rodríguez, Caba Pérez & López Godoy, 2012). Saxton and Guo (2011) proposed that there are two dimensions to nonprofit organizations’ online accountability practices: disclosure and dialogue. In turn, each of these contains two elements. Disclosure refers to the disclosure of financial and performance information; dialogue refers to solicitation of stakeholder input and interactive engagement. The present study focuses on a nonprofit organization's financial and performance disclosures, and states that these two factors could serve as peripheral cues for the latent public, who could be engaged by credible communicators. Therefore, the following hypotheses are proposed:

Hypothesis 4a (H4a): In online fundraising contexts, a nonprofit organization's financial transparency will increase the trust of latent public college students.

Hypothesis 4b (H4b): In online fundraising contexts, the likelihood of latent public college students making a gift to an organization will be increased by making available the organization's financial disclosure information.

Hypothesis 5a (H5a): In online fundraising contexts, a nonprofit organization's performance transparency will increase the trust of latent public college students.

Hypothesis 5b (H5b): In online fundraising contexts, the likelihood of latent public college students making a gift to an organization will be increased by presenting the organization's performance-disclosure information.

After a review of the literature (a) about ELM; (b) of the situational theory of publics; and (c) of the relationships between social norms, recommended contributions, and nonprofit organizations’ accountability and charitable-giving, this study states that
social information about (a) the number of individuals who have donated; (b) options for recommended contributions; (c) information about the impact of gifts; (d) the presence of a nonprofit organization’s financial transparency; and (e) a nonprofit organization's performance transparency; could serve as peripheral cues to engage the latent public.

Two research questions are proposed here:

Research Question 1 (RQ1): Does the condition consisting of the combined variables generate a higher donation intention than the conditions consisting of one of these variables?

Research Question 2 (RQ2): Does the condition consisting of the combined variables generate more influence on each dependent variable than does the control group?

In a survey of the charitable giving of American Millennials (ages 20 to 35), 75% of young adults who donated in 2011 did so online (Grossnickle & Associates, 2011). As online fundraising seems to be a trend for small-gift fundraising in the future (Blackbaud, 2012; Wallace, 2010), this study focuses on online fundraising targeting American college students.
CHAPTER 3
METHODOLOGY

Study Design

This experiment included six conditions and a control group:

The manipulated independent variables were (a) social information about the number of individuals who have donated; (b) options for recommended amounts of contributions; (c) information about the impact of gifts; (d) the financial transparency of the nonprofit organization; and (e) the performance transparency of the nonprofit organization.

The six conditions were:

(a) A nonprofit organization web-donation page that included (i) a high number of individuals who have made contributions; (ii) options for recommended contributions; (iii) information about the impact of gifts; and (iv) the organization’s financial and performance information.

(b) A nonprofit organization web-donation page that included only the information that a high number of people have made contributions.

(c) A nonprofit organization web-donation page that provided only options for recommended contributions.

(d) A nonprofit organization web-donation page that contained only information about gift impact.

(e) A nonprofit organization web-donation page that contained only the organization’s financial information.

(f) A nonprofit organization web-donation page that contained only the organization’s performance information.
Each participant saw only one appeal. A control group was also included.

**Independent Variables**

This study had one independent variable, which was the provision of peripheral cues for latent public college students in online fundraising contexts. The independent variable included five types of peripheral cues: (a) social information about the number of individuals who have donated; (b) recommended contribution levels; (c) gift impact; (d) a nonprofit organization’s financial transparency; and (e) a nonprofit organization’s performance transparency. These five peripheral cues were manipulated through verbiage in a mock charity appeal for a fictitious charity. The number given, of individuals who have contributed to the charity, was varied for the social-norms manipulation. Information about the impact of the gifts was varied for outcome-efficacy manipulations. According to Saxton and Guo (2011), in the online environment, financial disclosure content includes information on administrative costs for fundraising; fund investment, management, and spending policies; investment philosophies; investment performance and asset growth; audited and unaudited financial reports; Internal Revenue Service (IRS) 990 forms; overhead costs; annual reports; codes of ethics and conflict-of-interest policies; and adherence to best-practice standards. For this study, the financial disclosure content was presented through a nonprofit organization's expense-located charts, which presented a cost-benefit ratio, detailing the relationship between fundraising costs and the amount received by the organization's beneficiaries. Regarding the performance-disclosure content, Saxton and Guo (2011) suggested that it should include two types of information. First, it should include what the organization is trying to achieve. Second, it should include what the organization already has achieved, in terms of outputs, outcomes, and broader community impacts. For this
study, the performance-disclosure content included the outcomes and impact of the campaign.

In addition, background characteristics, including income, gender, race, and past donation behavior, may have significant effects on the intention to donate. Past studies have shown these factors contribute to donations and guide behavior (Lammers, 1991; Midlarsky & Hannah, 1989; Yavas et al., 1993).

**Dependent Variables**

**Donation intention**

To measure donation intention, two items were adapted from the study of Basil et al. (2008) on guilt and giving: 1) I would like to make a donation to this organization; and 2) After seeing this web page, I want to make a donation. A seven-point numeric bipolar scale ranging from strongly disagree (1) to strongly agree (7) was attached to each statement. The reliability of items was 0.84 (α = 0.84).

**Perceived Social Norms**

To measure the perceived descriptive social norms, four items were developed based on the study by Croson et al. (2009) about the relationship of perceived descriptive social norms and charitable giving: 1) Majority of people who viewed the page support the cause, 2) More people will support the cause in the near future, 3) Majority of people who viewed the page contributed to the cause, and 4) More people will contribute to the cause in the near future.

**Outcome Efficacy**

Five items were adapted from a study investigating self-efficacy towards service and business students’ civic participation (Weber, et al., 2004) to measure outcome efficacy: 1) My contribution can have a positive impact on the cause, 2) My contribution
can help children in this situation, 3) I am confident that my contribution can help these children, 4) My contribution can make a difference in the cause, and 5) Each of these contributions can make a difference in the cause. The reliability of this set of items was 0.80 ($\alpha = 0.80$). A seven-point numeric bipolar scale ranging from strongly disagree (1) to strongly agree (7) was attached to each statement.

**Trust in Nonprofit Organizations**

The nonprofit organization was abbreviated as NPO. Four items were adapted from a study by Sargeant et al. (2006) on perceptual determinants of nonprofit giving behavior: 1) I would trust this NPO to act in the best interest of the cause, 2) I would trust this NPO to conduct its operations ethically, 3) I would trust this NPO to use donated funds appropriately, and 4) I would trust this NPO not to exploit its donors. The reliability of this set of items was 0.94 ($\alpha = 0.94$). A seven-point numeric bipolar scale ranging from strongly disagree (1) to strongly agree (7) was attached to each statement.

**Stimuli**

Two rounds of pretests were conducted to select a cause for which most American college students are the latent public. In the first-round pretest, 12 items were adapted from Grunig (1997) to test participants’ problem recognition, level of involvement, and constraint recognition. A 7-point scale was employed. Twenty-three undergraduate students, including six males and 17 females, completed questionnaires. The widely used $t$ test is a statistical hypothesis that is used to assess whether or not the results of two groups, such as a control group compared to one or more other groups, are statistically different from each other. In this procedure, the test subjects are randomly assigned to two groups so that differences in responses are due to the conditions of the test and not to other factors. The $t$ test is useful even in evaluating a
In the present study, an independent-samples t test was conducted to examine gender differences. None of 10 issues was found to demonstrate any significant gender differences. Among 10 issues, issue 3 (Provide free specialty eye-care hospital for the rural poor in India) generated a relatively low level of problem recognition (M = 3.55, the lowest one), a low level of involvement (M = 5.20, the lowest one), and an almost neutral level of constraint recognition (M = 4.31). The topic generated a neutral level of donation intention (M = 4.13).

In the second-round pretest, five issues including issue 3 of the first-round pretest and four issues similar to it were t tested. Twenty-one undergraduate students, including nine males and 12 females, completed questionnaires. To shorten survey time, six more-easily answered items were adapted from Gunig (1997). For each item, participants were asked to choose from a “Yes” or “No” choice. A frequencies test was conducted to identify the distribution of the latent public of each issue. Based on the data, issue 2 (Implement a fruit-tree-planting program in the Tansa Valley in India) was chosen to be the fundraising cause in the experiment. A low level of involvement in the issue was found in 85.7% of the participants; a low level of problem recognition of the issue was found in 76.2% of the participants; and a low level of constraint recognition of the issue was found in 95.2% of the participants. An independent-samples t test conducted to examine gender differences of issue 2, found no significant gender differences.

To confirm that the participants of the experiment were the latent public of the cause, six items used in the second-round of pretest were adapted to test participants’ interests in the cause. The results, based on a 7-point scale, indicated that participants
had a low involvement level (M = 3.07, SD = 1.29), a low level of constraint recognition (M = 3.85, SD = .95), and a medium level of problem recognition (M = 4.15, SD = 1.27). The score of problem recognition was higher than 4 on the 7-point scale in the experiment, perhaps due to the experiment’s environment. So this study still considered the participants as the latent public of the cause.

Participants were invited to view the mock charity web-donation page of a fictitious charity. The information was constant across all experimental conditions. In addition, the web-donation page included a combination of verbiage for the independent variables or verbiage for one of the independent variables. The participants were randomly assigned to one of the conditions. The mock web-donation pages varied across conditions only in terms of the manipulated independent variables, to ensure that differences were due to the independent-variable manipulations.

**Sample and Procedure**

This study recruited 278 college students. All participants participated voluntarily in this experiment. Students who participated in this study obtained extra credit as compensation. For data collection, the online survey platform, Qualtrics, was used. A link to the experiment generated by the Qualtrics software was sent to the students. The Qualtrics software randomly assigned them to one of six experiment conditions and a control group. The first question of the questionnaire was the informed consent. Participants who chose “No” were directed to the end of the questionnaire and did not see any of the content of the experiment.

After being exposed to a web-donation page, participants were asked to answer a series of manipulation-check questions, to ensure that they received the intended
experiment. Participants were asked to answer the entire questionnaire. Basic demographic questions were asked.

To obtain extra credits, before the participants submitted questionnaires, they were asked to provide their UFID and their first initial and last name. The data were used only for grading purposes and the students' identities remained anonymous.
CHAPTER 4
RESULTS

Analysis Summary

Only 250 participants of the 278-participant responses collected from Qualtrics, were found to have successfully completed the questionnaire. To analyze the data, the IBM® SPSS® Statistics 20 system was employed. To test hypotheses and research questions, the independent-sample t test procedure was used.

Profile of Participants

A total of 250 questionnaires were collected at the University of Florida in 2013. Of the participants, over 200 were from a freshmen-level online course in the College of Liberal Arts and Sciences while others were from undergraduate-level courses in the College of Journalism and Communications. Participants were comprised of 28% (n = 70) males and 72% (n = 180) females, ages from 16 to 23 years old (M = 20).

The 250 participants were randomly assigned to six condition groups and one control group (Table 4-1). In terms of the group allocation, 43 participants were in the condition with combined variables, 31 participants were in the condition with social information, 34 participants were in the condition with recommended contribution levels, 38 participants were in the condition with gift-impact information, 31 participants were in the condition with the mission information of the nonprofit organization, and 41 participants were in the condition with the financial information of the nonprofit organization. Finally, the control group was comprised of 32 participants.

Manipulation and the Success of the Random-Assignment Checks

Five questions were asked for the manipulation check and one or two questions were asked for each condition, as follows.
1. For the condition containing social information, one participant did not correctly answer the question, “How many people have donated to the fruit-tree-planting program in the Tansa Valley in India, according to this webpage?”

2. To check whether participants saw the manipulation information, the question asked was, “Is there any recommended gift amount options from which you can choose on the web page?” Three participants did not answer the question correctly.

3. For the condition with gift-impact information, all but five participants correctly answered the two manipulation check questions, “Does PRASAD provide the information about the impact of gifts?” and “How many dollars can PRASAD train 8 farmers to plant trees effectively, according to the information on this web page?”

4. For the condition with the nonprofit organization’s financial information, the question asked was “How many percentage of the total fund does PRASAD spend on program activities, according to the chart on this web page?” Nine participants did not answer the question correctly.

5. In the condition containing combined variables, all but eight participants answered all five questions correctly.

Therefore, 26 sets of data were eliminated, leaving a valid sample totalling 224 participants.

Among the valid samples, 35 participants were in the condition with combined variables, 30 were in the condition with social information, 31 were in the condition with recommended contribution levels, 33 were in the condition with gift-impact information, 31 were in the condition with the nonprofit organization’s mission information, 32 were in
the condition with the nonprofit organization’s financial information and 32 were in the control group (Table 4-2).

To test the success of the random distribution, a one-way ANOVA test was employed. ANOVA, or “analysis of variance,” is a group of statistical models that are used to analyze experimental data. Here, the one-way ANOVA test results indicated a successful random assignment, as follows: for problem recognition, p = .57; for level of involvement, p = .76; for constraint recognition, p = .21. Results of the ANOVA test of all of the dependent variables were not significant, demonstrating that the participants were randomly distributed into each cell.

**Hypothesis and Research-Questions Testing**

Hypothesis 1a (H1a) predicted that in online fundraising contexts, social information about the number of individuals who have donated will increase the perceived descriptive social norms of latent public college students. An independent-samples t test was employed to examine differences of perceived descriptive social norms of latent public college students between the condition that contained social information and the control group. A significant difference was found \( t (60) = 2.61, p < .05 \). The participants exposed to the condition with social information revealed a higher level of perceived descriptive social norms \( (M = 4.29, SD = .92) \) than the control group \( (M = 3.64, SD = 1.04) \). Therefore, H1a was supported.

Hypothesis 1b (H1b) predicted that in online fundraising contexts, the likelihood of the latent public college students making a gift to an organization, will be increased, by presenting social information about the number of individuals who have made contributions. An independent-samples t test was conducted but no significance was found \( t (60) = .87, p = .20 \). Therefore H1b was not supported.
Hypothesis 2b (H2b) predicted that in online fundraising contexts, the likelihood of the latent public college students making a gift to an organization, will be increased, by providing options for recommended contributions. The result of an independent-samples t test was insignificant (t (61) = -.01, p = .50). Therefore, H2 was not supported.

Hypothesis 3a (H3a) predicted that in online fundraising contexts, information about how their gifts can make a difference, will increase, the outcome efficacy of the latent public college students. An independent-samples t test was conducted and the result was significant (t (63) = 1.98, p < .05). The latent public college students who were exposed to information about gift impact demonstrated a higher level of outcome efficacy (M = 5.02, SD = 1.08) than did those in the control group (M = 4.44, SD = 1.26). Therefore, H3a was supported.

Hypothesis 3b (H3b) predicted that in online fundraising contexts, the likelihood of the latent public college students making a gift to an organization, will be increased, by presenting information about how their gifts can make a difference. An independent-samples t test was employed to examine the difference of donation intention between the condition containing gift-impact information and the control group. A significant difference was found (t (63) = 1.82, p < .05). Participants who were exposed to gift-impact information demonstrated a higher level of donation intention (M = 2.97, SD = 1.18) than did participants in the control group (M = 2.46, SD = 1.07). Therefore, H3b was supported.

Hypothesis 4a (H4a) predicted that in online fundraising contexts, information demonstrating a nonprofit organization’s financial transparency, will increase, the trust of latent public college students. An independent-samples t test was conducted but no
significant difference was found \((t (62) = .96, p = .17)\). Therefore H4a was not supported.

Hypothesis 4b (H4b) predicted that in online fundraising contexts, the likelihood of latent public college students making a gift to an organization, will be increased, by presenting the organization’s financial disclosure information. An independent-samples \(t\) test was conducted, but no significant result was found \((t (62) = .62, p = .27)\). Therefore, H4b was not supported.

Hypothesis 5a (H5a) predicted that in online fundraising contexts, information demonstrating a nonprofit organization’s performance transparency, will increase, the trust of latent public college students. An independent-samples \(t\) test was employed to compare the level of trust in an organization between participants who were exposed to information about the organization’s performance and participants who were in the control group. There was no significant difference found between the two groups \((t (61) = -.03, p = .49)\). Therefore, H5a was not supported.

Hypothesis 5b (H5b) predicted that in online fundraising contexts, the likelihood of the latent public college students making a gift to an organization, will be increased, by presenting the organization’s performance-disclosure information. An independent-samples \(t\) test was conducted and a significant result was found \((t (61) = 1.67, p < .05)\). Participants’ donation intention in the condition with the organization’s performance disclosure \((M = 2.95, SD = 1.30)\) was higher than that of participants in the control group \((M = 2.46, SD = 1.07)\). Therefore, H5b was supported.

Research Question 1 (RQ1) asked whether the condition made up of the combined variables generated a higher donation intention, than the condition consisting
of only one variable. Independent-samples t tests were conducted to compare the
donation intention of participants in the condition consisting of combined variables, with
the donation intention of participants in the condition consisting of one variable, and only
one significant difference was found. This significant difference was found in the
condition containing the organization’s financial disclosure information (t (65) = 1.89, p <
.05). In addition, one nearly significant difference was found: the condition with
recommended contribution levels (t (64) = 1.43, p = .08). Participants in the condition
with combined variables demonstrated higher donation intention (M = 2.94, SD = 1.06)
than did participants in the condition containing the nonprofit organization’s financial
information (M = 2.30, SD = 1.12). There was no significant difference when comparing
conditions that were combined with other one-variable conditions (compared to the
condition containing social information: t (63) = .92, p = .18; compared to the condition
containing gift-impact information: t (66) = .64, p = .27; and compared to the condition
containing the nonprofit organization’s performance-disclosure information: t (64) = .63,
p = .27).

Research Question 2 (RQ2) asked whether the condition of the combined
variables generated more influence on each dependent variable than did the control
group. An independent-samples t test was conducted and significant results were found
donation intention: t (65) = 2.62, p < .05; perceived descriptive social norms: t (65) =
3.61, p < .05; outcome efficacy: t (65) = 2.10, p < .05; and trust in nonprofit
organizations: t (65) = 3.44, p < .05). The condition of the combined variables was
more influential on each dependent variable than was the control group.
Table 4-1. Random assignment of participants in seven conditions

<table>
<thead>
<tr>
<th>Conditions</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined variables</td>
<td>43</td>
</tr>
<tr>
<td>Social norms</td>
<td>31</td>
</tr>
<tr>
<td>Recommended contribution levels</td>
<td>34</td>
</tr>
<tr>
<td>Gift impact</td>
<td>38</td>
</tr>
<tr>
<td>Mission</td>
<td>31</td>
</tr>
<tr>
<td>Financial information</td>
<td>41</td>
</tr>
<tr>
<td>Control group</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>250</td>
</tr>
</tbody>
</table>

Table 4-2. Valid samples in seven conditions

<table>
<thead>
<tr>
<th>Conditions</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined variables</td>
<td>35</td>
</tr>
<tr>
<td>Social norms</td>
<td>30</td>
</tr>
<tr>
<td>Recommended contribution levels</td>
<td>31</td>
</tr>
<tr>
<td>Gift impact</td>
<td>33</td>
</tr>
<tr>
<td>Mission</td>
<td>31</td>
</tr>
<tr>
<td>Financial information</td>
<td>32</td>
</tr>
<tr>
<td>Control group</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>224</td>
</tr>
</tbody>
</table>
Table 4-3. Results of hypotheses

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Condition</th>
<th>M</th>
<th>SD</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived descriptive social norms</td>
<td>Social information Control group</td>
<td>4.29</td>
<td>.92</td>
<td>&lt;.05</td>
</tr>
<tr>
<td>Donation intention</td>
<td>Social information Control group</td>
<td>2.69</td>
<td>1.02</td>
<td>.20</td>
</tr>
<tr>
<td>Donation intention</td>
<td>Recommended contribution levels Control group</td>
<td>2.46</td>
<td>1.07</td>
<td>.50</td>
</tr>
<tr>
<td>Outcome efficacy</td>
<td>Gift impact Control group</td>
<td>5.02</td>
<td>1.08</td>
<td>&lt;.05</td>
</tr>
<tr>
<td>Donation intention</td>
<td>Gift impact Control group</td>
<td>2.97</td>
<td>1.18</td>
<td>&lt;.05</td>
</tr>
<tr>
<td>Trust in the nonprofit organization</td>
<td>Financial transparency Control group</td>
<td>3.94</td>
<td>1.07</td>
<td>.17</td>
</tr>
<tr>
<td>Donation intention</td>
<td>Financial transparency Control group</td>
<td>2.63</td>
<td>1.16</td>
<td>.27</td>
</tr>
<tr>
<td>Trust in the nonprofit organization</td>
<td>Performance transparency Control group</td>
<td>3.64</td>
<td>1.49</td>
<td>.49</td>
</tr>
<tr>
<td>Donation intention</td>
<td>Performance transparency Control group</td>
<td>2.96</td>
<td>1.30</td>
<td>&lt;.05</td>
</tr>
</tbody>
</table>
Table 4-4. Results of research question one

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Condition</th>
<th>M</th>
<th>SD</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donation intention</td>
<td>Combined</td>
<td>2.94</td>
<td>1.06</td>
<td>&lt;.05</td>
</tr>
<tr>
<td></td>
<td>Control</td>
<td>2.46</td>
<td>1.07</td>
<td></td>
</tr>
<tr>
<td>Perceived descriptive social norms</td>
<td>Combined</td>
<td>4.58</td>
<td>.67</td>
<td>&lt;.05</td>
</tr>
<tr>
<td></td>
<td>Control</td>
<td>3.64</td>
<td>1.04</td>
<td></td>
</tr>
<tr>
<td>Outcome efficacy</td>
<td>Combined</td>
<td>5.16</td>
<td>.98</td>
<td>&lt;.05</td>
</tr>
<tr>
<td></td>
<td>Control</td>
<td>4.44</td>
<td>1.26</td>
<td></td>
</tr>
<tr>
<td>Trust in the nonprofit organization</td>
<td>Combined</td>
<td>4.88</td>
<td>1.37</td>
<td>&lt;.05</td>
</tr>
<tr>
<td></td>
<td>Control</td>
<td>3.65</td>
<td>1.33</td>
<td></td>
</tr>
</tbody>
</table>

Table 4-5. Results of Research Question Two

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Condition</th>
<th>M</th>
<th>SD</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donation intention</td>
<td>Combined</td>
<td>2.94</td>
<td>1.06</td>
<td>.18</td>
</tr>
<tr>
<td>Social information</td>
<td>Combined</td>
<td>2.69</td>
<td>1.02</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social information</td>
<td>Combined</td>
<td>2.94</td>
<td>1.06</td>
</tr>
<tr>
<td>Recommended contribution levels</td>
<td>Combined</td>
<td>2.54</td>
<td>1.06</td>
<td></td>
</tr>
<tr>
<td>Gift impact</td>
<td>Combined</td>
<td>2.99</td>
<td>1.20</td>
<td>.27</td>
</tr>
<tr>
<td>Financial transparency</td>
<td>Combined</td>
<td>2.94</td>
<td>1.06</td>
<td>&lt;.05</td>
</tr>
<tr>
<td>Performance transparency</td>
<td>Combined</td>
<td>2.96</td>
<td>1.30</td>
<td>.27</td>
</tr>
</tbody>
</table>
CHAPTER 5
DISCUSSION AND CONCLUSION

The principal aim of this study was to examine whether peripheral cues – social information about the number of individuals who have donated, recommended contribution levels, impact of gift and organization’s transparency – would affect latent public college students’ online charitable-giving intentions. This study found that by comparison to the control group, two variables had a statistically significant effect on donation intention: gift-impact information and information on the organization’s mission.

The finding that gift-impact information had a significant effect on latent public college students’ online charitable-giving intention is consistent with a survey about the charitable-giving of American Millennials (ages 20 to 35), which found that gift-impact information was the most important factor to donors who are from ages 20 to 35 (Grossnicle & Associates, 2011). The present study narrowed down that target group to the latent public college students exposed to an online fundraising campaign topic, and demonstrated that gift-impact information could be a peripheral cue to influence their online donation intention.

This study found that in an online context, information about a nonprofit organization’s mission had a significant impact on the latent public college students’ donation intention. This finding reflects the findings of previous research about American Millennials’ charitable inclinations (Grossnicle & Associates, 2012). The American Millennials study conducted focus groups and an online survey and found that Millennials prefer to learn about a nonprofit organization through its website. Participants of the focus groups indicated that they “wanted to be able to understand exactly what the organization did in a second” (p. 7). That survey indicated that 9 out of
10 of the participants would go first to the page that describes the mission of the organization. Among all the features found on a nonprofit organization's website, the only information that rated a greater-than-50% favorability was information on the organization's mission. Although the organization's mission was not mentioned in the giving part of the survey about Milliennials' charitable giving, the present study demonstrated that providing mission information is a factor that can increase latent public college students' donation intention. Therefore, in an online fundraising context, information about a nonprofit organization's mission can serve as a peripheral cue to increase the latent public college students' donation intention.

In the present study, four relationships were examined.

1. The first relationship examined was whether social information about the number of individuals who have donated would increase the latent public college students' perceived descriptive social norms. Studies have found that social information about others' donation behavior can influence individuals' donation intention and donation amount (Frey & Meier, 2004; Croson, Handy & Shang, 2009; Shang & Croson, 2009). Croson, Handy and Shang (2009) found that information about other persons' contributions influences donors' perceived descriptive social norms, which serves as a mediating variable between social information and future-giving amount. The present study found that in an online giving context, while this social information had a significant effect on the latent public college students' perceived descriptive social norms, it did not increase their donation intention.

2. The second relationship examined was whether demonstrating the impact of the gift in advance would increase outcome efficacy. This mechanism, the
demonstrating of the impact of a future act, is also one of the underlying mechanisms of all forms of psychotherapy and behavioral change (Bandura, 1997, 1982). Grunig and Hunt (1984) wrote that to increase an individual's intent to contribute, public relations campaigns should decrease constraint recognition by showing publics that their behavior can change a situation. The present study confirmed these scholars’ view. This study's data demonstrated that in an online fundraising context, gift-impact information increases the donation intention of latent public college students and thus significantly can increase the outcome efficacy.

3. The third relationship examined in this study was whether demonstrating a nonprofit organization's transparency would increase individuals’ trust in the organization which in turn would increase individuals’ donation intention. Some studies have found a positive relationship between these (Sloan, 2009; Bekkers, 2003). The present study tested donation intention to nonprofit organizations from two perspectives of the nonprofit organization: (a) transparency, and (b) disclosures—providing information on performance and financial disclosure. No correlation was found between participants’ trust in the nonprofit organizations and these two kinds of disclosures. As to a nonprofit organization’s online accountability practices, Saxton and Guo (2011) proposed that such practices have two dimensions. These are (a) dialogue and (b) disclosure. As to disclosure, this study focused on providing a nonprofit organization’s financial disclosure and on providing information on a nonprofit organization’s performance. Information on the organization’s mission was provided only as part of the performance disclosure. The organization’s financial disclosures were presented through the use of expense pie charts. The correlation was negative. The reason for the
negative correlation results here could be that the variables of this study were not sufficiently comprehensive to cover a nonprofit organization’s transparency.

4. The fourth and final relationship examined in this study was whether a condition consisting of combined variables would affect the latent public college students’ donation intention, perceived social norms, outcome efficacy, and trust in a nonprofit organization.

   (a) Condition of combined variables: This study found that the condition consisting of combined variables had a significant effect on all dependent variables.

   (b) The latent public college students’ online donation intention: This study found that the latent public college students’ online donation intention was significantly affected only by gift-impact information and by providing also, the organization’s mission. This positive result could be due to a combination of these two variables.

   (c) Combined variables compared to control group: When the control group was compared with the condition consisting of combined variables, this study found that except for one condition, all conditions containing only one independent variable had a significant impact on perceived descriptive social norms. The one exception was for the condition containing recommended contribution levels. This unexpected finding was that recommended contribution levels did not significantly influence any dependent variable. This finding could be explained by results of the study about American Millennials’ charitable giving (Grossnicle & Associates, 2012). In the latter, the scholars reported that young donors did not like nonprofit organizations to tell them how much to give. Further investigation will be needed to see whether recommended contribution levels could affect other groups’ donation intention.
(d) The latent public college students’ perceived descriptive social norms: The results of the present study are that the following increase the latent public college students’ perceived descriptive social norms: these are the combination of (i) social information consisting of the number of individuals who have contributed; (ii) gift-impact information; (iii) information on the organization’s mission; and (iv) financial disclosure by the organization.

(e) Outcome efficacy: Only gift-impact information had a significant effect on outcome efficacy. The influence on outcome efficacy by the combined variables may have come from only one of those variables, the one providing gift-impact information.

(f) The latent public college students’ trust in the nonprofit organization: Not previously discussed, but based on the data, the latent public college students’ trust in the nonprofit organization was not generated by transparency but by gift-impact information. Therefore, the significant effect of the condition of the combined variables on the latent public college students’ trust in nonprofit organization came from information regarding gift impact.

(g) Combined variables impacting significantly on all dependent variables: The finding that the combined variables impacted significantly on all dependent variables could be explained by a study on the charitable giving of American Millennials (Grossnicle & Associates, 2012). The study reported that American Millennials “judge the character of the organization with its presence on the web” (p. 7). The authors wrote, “During that split-second judgment, the overall look of the site also plays a role in determining if your website is worthy of [my] time” (p. 7). The condition containing
combined variables might have impressed the participants with its professional and informative look.

This study also investigated the relationships between latent public college students’ online donation intention and their donation history, family income, and race. No significant result was found between latent public college students’ online donation intention and their donation history and race. As no significant differences in participants’ family incomes were found, no significant result was found between their donation intention and their family income.

**Theoretical and Practical Contributions**

From a theoretical perspective, the first contribution of this study is the application of the situational theory of publics to a new area: online fundraising. Werder (2005) wrote that message development and campaign design could benefit if the members of the publics could be segmented on the basis of their active engagement with an issue. The situational theory of publics could be applied to segment the publics in the public relations area. Previous studies have applied the situational theory of publics to practices focused on public health and education efforts (Cameron & Yang, 1991; Dorner & Coombs, 1994; Pavlik, 1988). The present study applied the theory in an online fundraising context, to identify certain characteristics affecting latent public college students in relation to a tree-planting program in India.

A second theoretical contribution of this study is in the identification of two factors that can serve as peripheral cues for latent public college students in online fundraising campaigns. Previous studies about the ELM have usually focused on the advertising and political arenas. This study introduced the ELM into the fundraising area. Based on
the ELM, this study proposed five factors that could be potential peripheral cues for latent public college students and demonstrated by experiments that gift-impact and organization-mission information are effective peripheral cues for this group.

This study contributed to fundraising research by providing a new method to segment the publics in online fundraising contexts and applied the ELM to develop strategies to engage latent public college students. Traditionally, in the fundraising arena, researchers and practitioners segmented donors into major and annual gift donors, distinguished channels, and developed strategies for communicating with donors. Although scholars mention the situational theory of publics in fundraising studies (Kelly, 1998), there are few discussions concerning segmenting donors according to the theory (e.g., Kelly, 1979, applied the situational theory of publics to segment alumni donors). With the appearance of such new technologies as the Internet and social media, fundraisers can reach and communicate with a broader public. In such an environment, publics can be segmented more thoroughly than before so that effective strategies may be developed to better communicate with each group. This study explored this area and focused on the latent public of a campaign topic, a group rarely discussed previously and deserving of better understanding because of its large number (Hallahan, 2000). Focusing on the low-level-involvement characteristic of the latent public, this study applied the ELM as a theoretical guideline to develop strategies to engage latent public college students, a group attracted by peripheral cues. Perloff (2010) described two routes that process a message: (a) central route processing, involving high mental activity; and (b) peripheral route processing, involving low mental activity. Perloff (2010) wrote that the “processing route, in turn, determines the type of
message appeal that is maximally effective in a particular context” (p. 152). According to the ELM, persons in the latent public group tend to follow peripheral route processing when facing a fundraising campaign message. This study proposed five potential peripheral cues and found two of them to be effective in increasing latent public college students’ donation intention in an online fundraising context.

For practitioners, the present study provided two factors impacting latent public college students, and provided data on how they react to being presented with recommended contribution levels and with a nonprofit organization’s financial information, factors traditionally used in persuasive messages in fundraising campaigns. Based on these findings, practitioners have a better chance of tailoring a message that will target the latent public college students in an online context. When designing an online fundraising campaign targeting latent public college students, two kinds of information should be included: gift-impact information and information about the nonprofit organization’s mission. If a donation webpage could include only one kind of information studied in this research, the information should be gift impact but not recommended contribution levels, because gift-impact information had a significant effect on donation intention, perceived social norms, outcome efficacy, and trust in the nonprofit organizations, while including recommended contribution levels had no significant effect on any of these variables. Also, if an online donation webpage targeting latent public college students could combine: gift-impact information, the nonprofit organization’s mission, and social information about the number of individuals who have donated, the effect on their donation intention would be better than a webpage including only one of these. Further research will have to be conducted to find
out whether solicitations including one or all three of these kinds of information could affect the latent public’s donation intention in other media such as in social media, in a way similar to that in which they affected it here, in the online fundraising context.

**Implications**

For future study, the first implication of this study is that researchers could extend the group of participants from college students to the general public, to see whether age and education levels could be variables influencing the donation intention of the latent public in relation to a specific fundraising appeal. Second, future study could investigate whether gift-impact information is perceived by the latent public as a part of nonprofit organizations’ transparency, because gift-impact information significantly increased participants’ trust in the nonprofit organization. Third, further research could test these variables in other contexts, such as in social media. For example, regarding social information about social norms, in a social media context, researchers could use the individuals’ Facebook ID photos as social information about social norms and examine whether this kind of message more significantly could affect the latent public’s donation intention. Fourth for future study, a comparison study could be used to examine whether these variables play the same roles in different cultural environments. As websites can be accessed globally, whether these variables have the same impact on the latent public of a campaign topic in other cultures and countries could be investigated. For example, the question of “whether the effects of social norm information would be different in cultures that value individualism, compared to that in cultures that value collectivism” may merit future research (Lapinski & Rimal, 2005; Ostrom, 2000).

In addition, this study has some implications for the benefit of future online public relations campaigns. First, future study could examine whether the situational theory of
publics, used here in the context of online fundraising, is an effective way to segment publics in other types of online public relations campaigns. As previously discussed, such new media as Facebook, Twitter, and YouTube enable organizations and companies to reach a greater number of individuals than ever before. Therefore, to more effectively communicate with all publics, new theories and methods of segmenting publics should be discussed. Second, future research could investigate the latent public of topics other than fundraising, such as the latent public of public health and environmental campaigns. Third, future research could apply the ELM to the latent public of other public relation campaigns and find effective peripheral cues for the group.

**Limitations**

This study had several limitations. First, the sample population consisted of college students from one Southern United States’ university. Second, in the condition involving the mission of the nonprofit organization, the questionnaire missed manipulation-check questions. This limitation probably left some data that could have biased the results of this condition, related to participants who did not notice the manipulation. The third limitation was that the experimental environment could influence participants’ level of attention. Regarding the situational theory of publics, the consequence of studying the theory in an experimental setting is a fundamental methodological concern. The theory asks, to what extent will individuals focus their attention on a message they encounter in the course of their daily lives? By comparison, in an experimental setting, participants are asked to read or view a message and forced to answer manipulation-checking questions. Thus participants probably gave more
attention to the message in this experimental setting than would be given in the “real world,” although the amount and type of attention participants give to a message is likely to vary. In this experimental-setting study, the reception processes of participants were not identical to the passive reception of information that would exist were the information encountered in the real world. The attention they directed to the webpages that could be easily studied in an experimental setting likely could be somewhat different than that addressed in the situational theory of publics. The same issue applies to the ELM in an experimental setting. Under the ELM, when individuals process messages through a peripheral route, they are, by chance, engaged by a peripheral cue. By comparison, in this experimental setting, participants were asked to carefully review all content on the mock donation webpage, which could have led them to direct more attention to those manipulated peripheral cues, than they would have directed, had these cues been presented in a real-world situation.

An unexpected limitation of this study is that the researcher might narrowly have defined the nonprofit organization’s mission statement as performance disclosure. According to the literature previously reviewed, a nonprofit organization’s performance disclosure in this study could have been presented by outcome and impact of the nonprofit organization’s campaign. However, the researcher here presented only the variable related to the nonprofit organization’s mission.

**Conclusion**

This study explored online fundraising campaigns targeting latent public college students, and found factors that effectively increased the latent public college students’ donation intention. Theoretically, the significant contribution of this study is that the
study focused on the latent public of an online fundraising campaign, a group rarely
discussed previously, and introduced the situational theory of publics and the ELM in
online fundraising setting, a main trend for future fundraising, to investigate factors that
could serve as peripheral cues that practitioners could apply to develop messages to
attract the latent public and to effectively increase their donation intention. Practically,
the findings in this study will be helpful in assisting fundraisers to more effectively
communicate with the latent public of an online fundraising campaign. When designing
an online fundraising webpage, the page should include information about a nonprofit
organization’s mission as well as about the impact of gifts, and should avoid
recommending how much a donor should contribute. Additionally, a fundraising
webpage that is produced professionally is more attractive to the members of the latent
public.

The results of this study will help practitioners preparing online public relations
campaigns to communicate effectively with the latent public of their topics. Future
research can apply the situational theory of publics and the ELM to segregate the
publics and develop online communication strategies.
Figure A-1. Webpage with combined variables
Figure A-2. Webpage with social information
Figure A-3. Webpage with recommended contribution levels
Figure A-4. Webpage with gift-impact information
Figure A-5. Webpage with the nonprofit organization's financial information
Figure A-6. Webpage with the nonprofit organization’s mission
Figure A-7. Webpage for the control group
APPENDIX B
QUESTIONNAIRE FOR EXPERIMENT GROUPS

Figure B-1. Page one of questionnaire for experiment groups

Figure B-2. Page two of questionnaire for experiment groups
Figure B-3. Page three of questionnaire for experiment groups

Figure B-4. Page four of questionnaire for experiment groups
Figure B-5. Page five of questionnaire for experiment groups

Figure B-6. Page of six of questionnaire for experiment groups
Figure B-7. Page seven of questionnaire for experiment groups

Figure B-8. Page eight of questionnaire for experiment groups
Figure B-9. Page nine of questionnaire for experiment groups

Figure B-10. Page ten of questionnaire for experiment groups
LIST OF REFERENCES


Chronicle of Philanthropy. (April 18, 2010). *Top social media tools used by charities for online fund raising*. Retrieved from http://philanthropy.com/article/Top-Social-Media-Tools-Usedby/65151/?otd=Y2xpY2t0aHJ1Ojo6c293aWRnZXQ6OjpjaGFubmVsOm1vc mUtc3VydV5cyxhcnRpY2xlOm9ubGIuZS1naXZpbmc5Z3Jvd3MyNV0LWF0LW Etc2xvd2VyLXBhY2U6OjpjaGFubmVsOmd3MsYXYJ0aWNsZTdpb3Atc29jaWFS LW1lZGlhLXRvb2xzLVZcZWQtYnktY2hhcm0aWVzLWZvci1vbmxpUmUtZnVuZ C1yYWlzaW5n


BIOGRAPHICAL SKETCH

Xi Liu was born and raised in Wuhan, China. She received her Bachelor of Chinese literature and linguistics and Master of Chinese linguistics degrees from Huazhong University of Science and Technology. After graduation, she started to work as a magazine editor at the Legend Publishing Company. She joined the graduate program in the University of Florida, College of Journalism and Communications in January 2011, and majored in international/intercultural communication. Her graduate studies focus on social media effects and fundraising. She will receive her Master of Arts in mass communication degree in August 2013.