



# Face-to-Face and Door-to-Door Fundraising Is Associated with Lower First Year Donations And Higher Cancelation Rates

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Fundraising via interpersonal interactions such as face-to-face and door-to-door (sometimes labeled "chugging" or "charity mugging"), where fundraisers interact with potential donors in person, has been criticised both within the sector and by supporters. But is this criticism justified?

Thousands of real-life donations, from various charities, were analysed to examine the relationships between fundraising methods, recruitment success and loyalty.

The study found that mass market fundraising methods that involve interpersonal interactions (face-to-face, door-to-door) were associated with lower donations values and higher cancelation rates.

### #InterpersonalInteractions #MassMarketFundraising #Face-To-Face #Door-To-Door #Chugging

Criticism of certain types of fundraising method, such as face-to-face or door-to-door, has grown over the years as they are viewed by some as high-pressure ways of getting people to support a charity through regular giving. However, many charities and fundraisers believe that these types of interpersonal mass market fundraising techniques are effective at producing high volumes of new donors and recurring gifts.

# Background

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Context



- Charitable Triad Theory suggests that interactions between fundraisers and donors are instrumental in creating charitable behaviour. Relationship marketing also highlights the importance of interaction in consumption contexts. This suggests that interpersonal fundraising techniques could have the potential to create respectful, two-way communications by providing opportunities for donors to ask questions and learn more about the cause. They could also give fundraisers the chance to try out various altruistic motivation cues in real time, which could lead to higher levels of commitment and donations over time.
- However, these interpersonal fundraising techniques could also generate social pressure to give, making people feel less likely or unable to say no. This could bypass donors' intrinsic motivations, and lead to donations being made from extrinsic motivations. This could lead to reduced generosity and commitment over time (Self-Determination Theory).
- Recruitment via interpersonal methods has been shown to have higher recruitment costs, higher cancellation rates, and result in donors being more critical of the charity they end up supporting.







# **ERNOP Research Note**

#### Academic articles on philanthropy through a practitioner lens

 Transactional data from 213.404 Australian donors who signed up to make a regular donation to one of 45 charities during 2014 were analysed. As the donors experienced different conditions this study was classed as a natural experiment.

## Take aways & Learnings



- 14 different methods of fundraising were identified for analysis Radio, TV, press adverts, press inserts, direct mail, email, unaddressed, online (sources were unknown), unsolicited (offline donations where sources were unknown), phone (cold called), lead conversion (follow up of a previous one-off donation), face-to-face, door-to-door.
- Results showed that almost all charities experienced lower donations values among donors recruited using mass marketing interpersonal methods. On average, they gave \$61.83 less in the subsequent year – a 59% reduction in donation value compared to people recruited by other methods.
- Donors recruited via interpersonal methods were over three times more likely to cancel within their first year. But those that did not cancel in the first year gave at similar rates in the second year to those recruited via other methods.
- Based on the findings, the authors suggest possible interpretations and takeaways for the sector:
  - 1. Interpersonal fundraising methods may create **social pressure on donors,** which could explain the reduced long-term commitment. This is consistent with theories of human motivation, which suggest that **autonomously chosen behaviours are more likely to be sustained** than those that are externally regulated.
  - 2. A second explanation could be that donors recruited through interpersonal methods might have **higher expectations for interaction in their ongoing relationship** with the organisation. If these **expectations are not met**, it could lead to a **discontinuation of their donations**.
  - 3. A final interpretation is that interpersonal methods may attract more reluctant or less passionate donors. This means that those who are initially hesitant might respond positively to interactions with fundraisers, though they might still have a lower long-term commitment.
- Strength and weaknesses of the study: The study effectively analyses real giving behaviour from a large donor sample but relies on nearly decade-old data and lacks random assignment of fundraising methods.

ERNOP Research Notes provide easy-to-read, practice-oriented summaries of academic articles on philanthropy and are written by practitioner experts. This ERNOP Research Note 2024/27 is published in September 2024 and has been written by Sam Warden Thomas from Verdantly. More information can be found at <u>www.ernop.eu</u>.





