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INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

Article DOI: 10.21474/IJAR01/19248

DOI URL: <http://dx.doi.org/10.21474/IJAR01/19248>



RESEARCH ARTICLE

WHEN DO CONSUMERS RESPOND TO INDIVIDUAL NARRATIVES VERSUS THE BANDWAGON EFFECT WHEN DONATING

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Manuscript Info

Manuscript History

Received: 05 June 2024

Final Accepted: 08 July 2024

Published: August 2024

Key words:-

Consumer Behaviour, Individual Narratives, the Bandwagon Effect, Social Proof, Charities

Abstract

Why does a consumer watching a fundraising campaign choose to donate to the charity? This study explores the science behind donor psychology and evaluates the effectiveness of two prominently used fundraising tactics: individual narratives and the bandwagon effect. The research paper uses a combination of fieldwork and scientific research to examine how these approaches influence behaviour in males and females differently and identify the interplay between empathy, social conformity and donor demographics. The paper addresses the common and optimal approach to utilise a strategic combination of the tactics to maximise impact and explores the potential of data-driven fundraising. This research offers valuable insights for emerging or established charities that seek to better support their activities with donations and cultivate a sustainable future for giving in the world.

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Introduction:-

Introduction To The Consumer Behaviour Of Donations:-

'Consumer Behaviour' refers to the decisions about consumption of an offering by decision-making units over time or the incentive on which consumers act upon. These actions can include a purchase, a donation, the giving up of time or even an opportunity for gaining functional, monetary, social or psychological value. In order to identify what a consumer values, it is imperative to understand the users of a product or service, the benefits they derive from it, and the occasions when they use it. In this scenario, we will understand the type of people who make donations, the benefits they derive from donating, and on what occasions they donate.

Identity Archetypes and The Choice Paradox

Charitable giving is no longer a landscape where one-size-fits-all; rather, donors today have a plethora of worthy causes which they can donate to with their limited resources. Thus, understanding the "why" behind each individual donation is paramount when the competition for that donation is so high. The realm of identity archetypes is an under-explored avenue even though it explains the fundamental psychological base that shape not only how one perceives themselves but also how they interact with the world. If fundraising appeals are tailored to resonate with these different core identities, a deeper level of engagement can be achieved between charities and consumers which can lead to greater and more meaningful contributions.

According to Carl Jung's theory of archetypes, he argues that universal patterns reside behind our collective unconscious which influences values, motivations and decision-making processes. In the context of charitable giving

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or donations, suitable archetypes include the “hero”, “nurturer” and “innovator” which all manifest distinct behaviours. The Hero is drawn to causes that promote social justice or environmental protection as they seek to make a world-altering impact through their donation as they derive psychological value from it. Thus, they would be more responsive and enthusiastic towards a campaign that significantly emphasizes the role that ‘the hero’ can play towards overcoming a challenge. On the other hand, we see for ‘the nurturer’ that as they are driven by empathy and a desire to care for others, they gravitate towards causes focused on child welfare or animal rescue as a tangible impact of their contribution on a specific beneficiary is made visible. This resonates with them providing them with psychological value as well. Lastly, ‘the innovator’ archetype seeks to push boundaries and break new ground. Unlike ‘the hero’ who is driven by grand societal change, ‘the innovator’ donates upon the thrill of the unknown and its potential to disrupt status quo for the better. Therefore, by presenting a forefront for progress and using solutions that aren’t only impactful but also ingenious, an ‘innovator’ personality archetype can be incentivized to donate.

This means that it is necessary for a charity to clearly identify the personality archetype that it is appealing to and target its fundraising campaigns specifically towards them. In her research in identity theory, Shelly Duval points out that individuals strive for consistency between their inner self-perception and outwards actions which is backed by marketing scholar Jung Kim’s research work highlighting the existence of “brand personality”. The exact terminology used by recent studies by Ayelet Gneezy and Aldo Rustichini to present the concept of different individuals deriving satisfaction from different ways of giving is called “warm glow” giving.

Bridging the Distance between Donor and Beneficiary



Figure 1:- Motivation, Ability, Opportunity (MAO), Adapted from Fogg (2007) by Wharton MKTG 0002.

A psychological phenomenon known as the “empathy gap” often becomes a barrier to the act of donation. Researcher Paul Slovic describes this gap as our tendency to underestimate the intensity and duration of emotions experienced by others, specifically those who are facing unfamiliar circumstances or suffering which is distant and an individual cannot relate to. This disconnect between what we perceive a problem to be and our emotional response to it can often hinder our motivation to donate, which according to the MAO index means that even if we have the opportunities to donate, we aren’t incentivized to do so as seen from the diagram above.

However, recent technological advancements may serve as a promising platform to bridge this gap in the future. The use of virtual reality (VR) has allowed users to step into the shoes of those in need and create a powerful sense of presence by fostering deep emotional connections bridging the ‘empathy gap’. The immersive experience of VR has the ability to evoke empathy and compassion in a way in which traditional narratives have never been able to

achieve, and this is emphasized on by research by Kathryn D. McKee and colleagues. Moreover, Canadian psychologist E.L. Langer describes our tendency to become emotionally desensitized to repeated suffering exposure which can lead to a key element of the empathy gap called ‘psychic numbing’. VR, by creating a personalized and interactive experience, can bypass this desensitization and ensure that there is an emotional impact of a cause. This can lead to a new level of donor engagement as well as generosity.

Altruistic Echo Chambers

Often, the traditional model of donations portrays the donor as a solitary figure and their only contribution as an isolated singular act of generosity. However, recently the rise of social media and online communities have facilitated the creation of altruistic echo chambers where like-minded donors can connect to share their experiences with a cause and cultivate a sense of collective impact and inspire sustained giving. Not only does seeing yourself as an inspiration for others to donate provide you with immense psychological value but there is also social value derived from participating in such communities. These incentivize donations from a consumer. Research into social identity theory by Tajfel & Turner in 1979 highlights how individuals are more likely to engage in prosocial behaviors when they observe others doing the same as they feel a greater sense of belonging to a larger movement for positive change. This theory also explains how a sense of shared responsibility motivates individuals to maintain their commitment to their cause. Additionally, when trying to convince a consumer to donate to a cause that is new to them or that they do not currently want to donate to, altruistic echo chambers serve as a way to use the principle of cognitive consistency and change the perception of the action of donating for the consumer. This eradicates the dissonance and incentivizes donations.

Moreover, these communities also provide valuable opportunities for peer-peer learning while also enabling ‘relational giving’. Scholar Donato Greco highlights the importance of ‘relational giving’ which is the idea that building relationships with other donors enhances one’s incentive to donate by fostering a sense of camaraderie. Thus, such online spaces can also empower donors to become more effective at making change and contribute to long-term sustainability for gaining donations towards a cause.

Introduction To The Use Of Individual Narratives

Individual narratives are an advertising function and often serve as powerful engines for instilling empathy in a consumer by connecting the consumer and brand past simply the donation itself. They can include a flashback into the life of a person, a depiction of a person’s actions as well as their future aspirations. This fosters a deep connection between the consumer and the character and thus, the charity as well.

Social Proof and Mirror Neurons

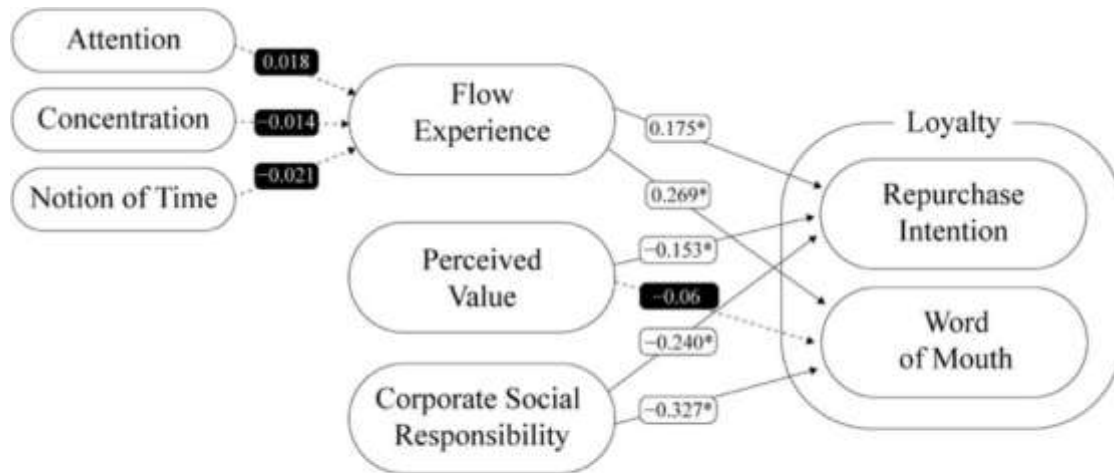
Neuroscientist Giacomo Rizzolatti researched mirror neurons which are a class of brain cells that not only ignite when we perform an action but also when we observe another person performing that same action. This suggests that while witnessing emotions and experiences of a character in an advertisement, a consumer can experience a similar emotion response. By showing a relatable character journey, this mirror effect can be tapped into which helps the viewer also feel the same satisfaction as the individual in the advertisement. For instance, a campaign of someone else donating to a fundraising campaign can make the consumer more inclined to donate to derive the satisfaction derived by the character.

Furthermore, individual narratives can cater to a wider range of emotions to truly connect with the consumer at an emotional and deep level when compared to simply traditional advertising approaches such as celebrity endorsements which lack depth and nuance. Thus, by evoking a broader spectrum of emotions (from joy to hope to empathy and understanding), consumers can connect better to the brand which makes the message and cause more memorable and impactful, incentivizing them to donate.

Social Proof and Word-of-Mouth Marketing

Moreover, consumers are increasingly seeking authenticity and real-world examples from charities which is where user-generated narratives, featuring individual stories from real people, come into picture. As these narratives mirror the impact of word-of-mouth marketing which is a trusted source of information for most consumers, it powerfully functions as a form of social proof. As people are more likely to believe recommendations than traditional advertising messages, user-generated narratives can be leveraged to gain this inherent trust in “real people’s” experiences.

For instance, if we consider a social media campaign where short videos of everyday people benefitted by the charity is showcased in unique and creative ways, this would be far more relatable to an individual who wants to know about someone's genuine experiences rather than a polished inauthentic commercial with actors. By creating a sense of trust and believability that traditional advertisements often struggle to achieve, such forms of marketing can often times successfully appeal to consumers. Additionally, by featuring a variety of individuals from different backgrounds and with diverse experiences, charities can broaden their appeal which will eventually enable them to connect with wider audiences through their campaigns. This is because a consumer is more likely to identify with someone who shares similar experiences of values which can make donating more relevant to their own lives as they would want to help people in similar situations to themselves. This sense of personal connection can also create the equivalent of "brand loyalty" with charities which can create long-term sustainability through these donations.



(* indicates significant at $p < 0.001$)

Figure 2:- Results from Cristobal's multigroup analysis.

A study from Cristobal Guerra-Tamez on flow experience and word-of-mouth marketing emphasizes on a key advantage of using individual narrative – consumer loyalty and retention. The above figure depicts the results of their study and brings light to a few key relationships. By studying the impact of the flow experience and the development of consumer loyalty, they validated the following relationships in both Mexico and Netherlands. Word-of-mouth generates social value through increasing the perceived value of donating to a charity. Additionally, while firms use Corporate Social Responsibility to gain more consumer confidence, a charity is advantaged by their primary goal being a social objective. Thus, the relationship between the perception of value to loyalty through word-of-mouth marketing don't differ significantly across countries and is established as a statistically significant relationship.

Such narratives also offer a level of transparency that the donation is actually impacting people in real life, which is significant as consumers are increasingly wary of inauthentic marketing tactics. By demonstrating a commitment to transparency and building trust with the audience, a more credible and reliable perspective motivates consumers to donate more.

Social Proof and Self-Disclosure and Vulnerability

While vulnerability would normally not be considered a great technique to showcase a charity to a consumer, it has surprisingly become a marketing asset in the age of carefully curated online personas. Some individual narratives which showcase vulnerability can cultivate brand loyalty and create a deeper connection. Communication scholars Irwin Altman and Dalmas Taylor researched into self-disclosure and highlighted the importance of vulnerability in building trust and connection. For instance, through sharing personal stories that expose weaknesses and challenges, a charity can play to our human side leading to heightened emotional intimacy with a consumer.

For instance, a successful charity like Organ India which facilitates organ donations has often employed examples of when they were unable to save someone and past failures, which connects on a deeper level with the viewer of the advertisement. This honesty and authenticity is appreciated by consumers and their recognition that even such successful charities can face challenges fosters empathy and trust making the charity seem more approachable. This also plays on central arguments of the Elaboration-Likelihood Model and prevention-oriented marketing by displaying specifically what a donation can prevent from occurring. A common ground is created with the audience as they can see themselves changing the story; this plays to the “hero” and “nurturer” archetype. The exploration into how individual narratives can appeal to different universal archetypes and effective use of social proof can motivate a consumer to donate.

Introduction To The Use Of The Bandwagon Effect Herd Mentality and Fear of Missing Out (FOMO)

The bandwagon effect is a phenomenon where individuals are more likely to perform certain behaviours due to its perceived popularity. This plays a great role in donor psychology and we can examine two key concepts under the bandwagon effect: FOMO and herd mentality. Nobel Laureate economist Douglass North emphasizes the importance of institutions and social norms in shaping behaviour in the context of charitable giving as the bandwagon effect creates a powerful social norm where donating becomes the accepted behaviour. This can be closely compared to tipping culture in the United States of America. If the consumer chooses not to participate, they may experience FOMO. Behavioural economists Mitchel Laver and Sendhil Mullainathan have also researched into how perceived benefits of belonging to a particular group can outweigh the actual value of an action itself. Thus, a donor who is driven by FOMO might prioritise joining a trending movement involving donations over evaluating the cause’s effectiveness. This can again be traced back to the elaboration-likelihood model where such peripheral routes can often create motivation amongst consumers.

Additionally, the herd mentality, examined by social psychologist Solomon Asch, demonstrates the power of group pressure in influencing individual behaviour. Hence, a surge in donations from others can trigger herd mentality and individuals might feel pressured to conform to the perceived majority behaviour even if they initially never intended to donate. As humans are social creatures, this pressure is rooted in a desire to avoid social disapproval, maintain a sense of belonging and gain social value (explained in detail in III (D)). Thus, by highlighting the increasing volume of contributions and portraying donations as an increasing trend to a consumer, new donors will be encouraged to join such movements.

Social Proof Through Leveraging Visibility

Renowned social psychologist Robert Cialdini highlighted in ‘Influence: The Psychology of Persuasion’ that the effectiveness of the bandwagon effect hinges on the power of social proof where individuals rely on the actions of others to guide their own behaviour. Similar to the use of social proof with individual narratives, the bandwagon effect is able to employ this phenomenon to a far larger extent. Thus, when a consumer is faced with uncertainty, a large number of contributors or high donation volumes serve as social proof. The perception of widespread support as a positive signal by donors indicates to them that the cause is worthy and deserving of their own contribution as well. This plays on the economic idea of bounded rationality explored by Nobel laureate Herbert Simon. He argues that individuals often make decisions based on limited information and rely on mental shortcuts (heuristics) in order to get themselves out of difficult situations. Amplifying the number of donors provides a readily available heuristic to consumers, which simplifies the decision-making process for them.

Moreover, further research on the previously discussed “warm glow” by Ayelet Gneezy and Aldo Rustichini explains the psychological appeal of numbers to one’s logos. The total amount raised or number of beneficiaries impacted amplify this warm glow by providing donors with a tangible sense of the impact that their contribution can make. Charities leverage both social proof and a desire for a warm glow to inspire generosity from potential consumers/donors by strategically portraying large numbers.

False Consensus Effect

The false consensus effect is a cognitive bias describing our tendency to overestimate how prevalent our own beliefs and opinions may be. This was explored by social psychologists Lee Ross, Mark Greene and Pamela House to find out that in the context of fundraising, charities can leverage this bias by strategically highlighting positive media coverage, testimonials from prominent figures and celebrity endorsements. This directly contrasts the previously discussed idea of vulnerability; however, it has its benefits. By showcasing widespread support for the cause,

charities can create an illusion of a strong consensus and suggest that not contributing would be a less popular choice. Other social psychologists such as Drew Westen has also discussed the role of conformity in shaping our moral judgements as witnessing a perceived majority can influence individuals to conform to take the morally correct and socially acceptable decision.

Additionally, the effects of the false consensus effect can be amplified with other tactics to create a sense of urgency in the consumer as well. Economists such as Ernst Fehr emphasize the role of scarcity in decision-making; thus, by implementing limited-time campaigns or emphasizing on a finite pool of matching funds, charities can create a perception of scarcity. This perception coupled with the false consensus effect can trigger a sense of urgency in potential donors making them pressured to act quickly to contribute to a time-sensitive cause. An example of when this can work is an environment-based emerging charity that doesn't have too much support yet and has a time-sensitive environmental cause. This combination of tactics can effectively leverage both cognitive bias as well as basic economic principles to encourage impulsive donations and capitalise on the bandwagon effect.

Social Value

Moreover, while a singular focus on numbers with the bandwagon effect can have some limitations, Wharton's marketing scholar Jonah Berger highlighted in 'Contagious: Why Things Catch On,' that stories and an emotional connection are driving influences in creative context and prevents a transactional and impersonal experience. The bandwagon effect can thus also take place through cultivating a sense of community amongst donors. This would make consumers more invested in the long-term success of the organisation and also more likely to become repeat contributors to the charity. Moreover, well-being economists John Helliwell and Richard Layard researched the importance of social connection and belonging for overall happiness; they learnt that a sense of community can enable charities to tap into a fundamental human need creating a more sustainable relationship with their consumers. This is essential to motivate donations.

Not only can this community be achieved through online forums but also through volunteer opportunities where consumers can actively participate in the cause and regular updates which showcase the impact of their contributions. Such initiatives personalize the giving experience and transform donors from passive contributors to active hands-on members of the movement; thereby, cultivating a loyal base of long-term supporters which eventually helps the charities achieve their social objectives.

Comparisons From Field Data Collection

In Newport, New Jersey; a group of 50 – evenly divided between men and women – were all shown 2 donation campaigns from both the New York Blood Center (Good Karma by the Pint) as well as from the Vitalant (Donating Blood can be Simple) and asked to choose the advert that they were more likely to donate to. The New York Blood Center donation video contained the employment of the bandwagon effect; whereas, the Vitalant video contained emphasis on individual narratives. The table below represents the responses collected from the subjects:

Table 1:- Study 1 Data Collection.

Demographic/Video	New York Blood Center	Vitalant
Males	122	78
Females	80	120

In order to better compare the above data, it has been converted to a visual representation below.

From the above graph, it is evident that males fall more easily for the bandwagon effect compared to females who prefer individual narratives. This can be attributed to several reasons. Primarily, previously mentioned studies by Tania Singer and colleagues on mirror neurons also shed light on how females demonstrate greater activation in empathy-associated brain regions when observing others' emotions. Thus, by showcasing struggles and triumphs of characters, this empathetic response is triggered to a greater extent in the mirror neurons of women. Moreover, according to evolutionary psychology, the bandwagon effect resonates more with men as they are more influenced by social comparison and conformity pressures stemming from a historical emphasis on group coercion and following actions from dominant male figures. Thus, males perceive the higher donation numbers as a social cue indicating that it is the correct behaviour. This is backed by research by Matthew Lieberman on social cognition which suggests that men are more susceptible to external pressures when making decisions.

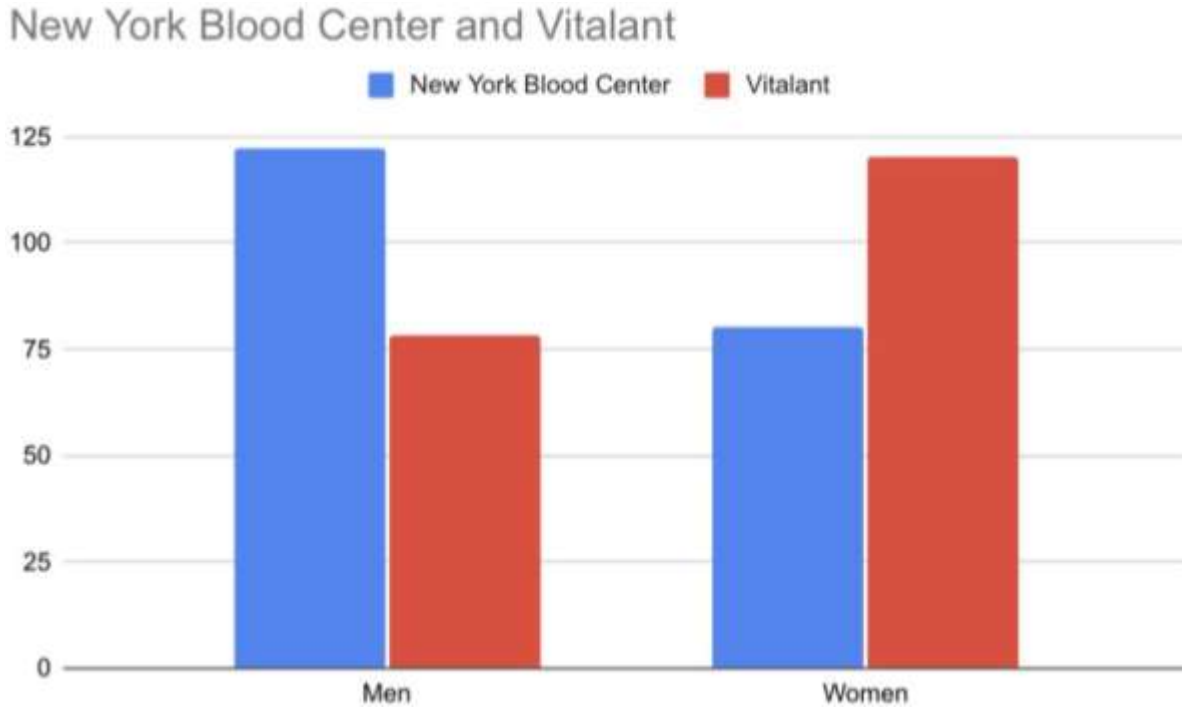


Figure 3:- Study 1 Bar Graph Comparing Males and Females’ preferences towards NYBC and Vitalant.

Tania Singer’s Study

Tania Singer is a renowned neuroscientist who explored the neural connotations of our understanding of empathy. Her study employed a multi-method approach using brain imaging from functional and structural magnetic resonance imaging and even electroencephalography, alongside hormonal measures, behavioural studies and autonomic nervous system measurements such as heart rate variability. These psychological assessments encapsulated in her ‘ReSource Project’ projected changes in these behaviours over time when presented with different conditions. She found that regions in the anterior cingulate cortex and prefrontal cortex are activated with empathy and also explored the role of mirror neurons amongst various demographics. While it may be a simplification, it was noticed that women tended to display a higher responsiveness and activation to seeing empathy in their mirror neurons compared to men. By linking her studies to social and evolutionary behaviour, she explains how understanding emotions can help invoke compassion amongst others. An attribute that can be utilised in marketing campaigns to increase donations.

Anonymous Donations - Study 2

Table 2:- Study 2 Data Collection.

Demographic/Willingness	Anonymous Donation	Non-Anonymous Donation
Men	69	131
Women	115	85

According to the Study 2, it is seen that women are more likely to donate anonymously than men, Research from Blais Elke U. et al suggests that men have a generally lower risk aversion, and are thus more comfortable with the uncertainty associated with anonymous giving compared to women who may not donate anonymously due to the higher perceived risk – lack of public recognition. However, the previously mentioned studies from Tania Singer also explain how women’s higher empathy levels can lead to an increased emotional responsiveness and incline them towards anonymous giving. Thus, by prioritizing the needs of the charity over self-recognition or social approval, women have seen to be more likely to engage in anonymous donations highlighting altruism. Furthermore, aligning with societal expectations in public displays of generosity, men are less inclined towards anonymous donations. Therefore, the previously explored desire for social recognition and status proves consistent with the concept of self-presentation. Overall, as individual narratives also tend to draw on an empathetic response to a campaign, it is consistent with this conclusion of more women partaking in anonymous donations than men. This justifies our conclusion.

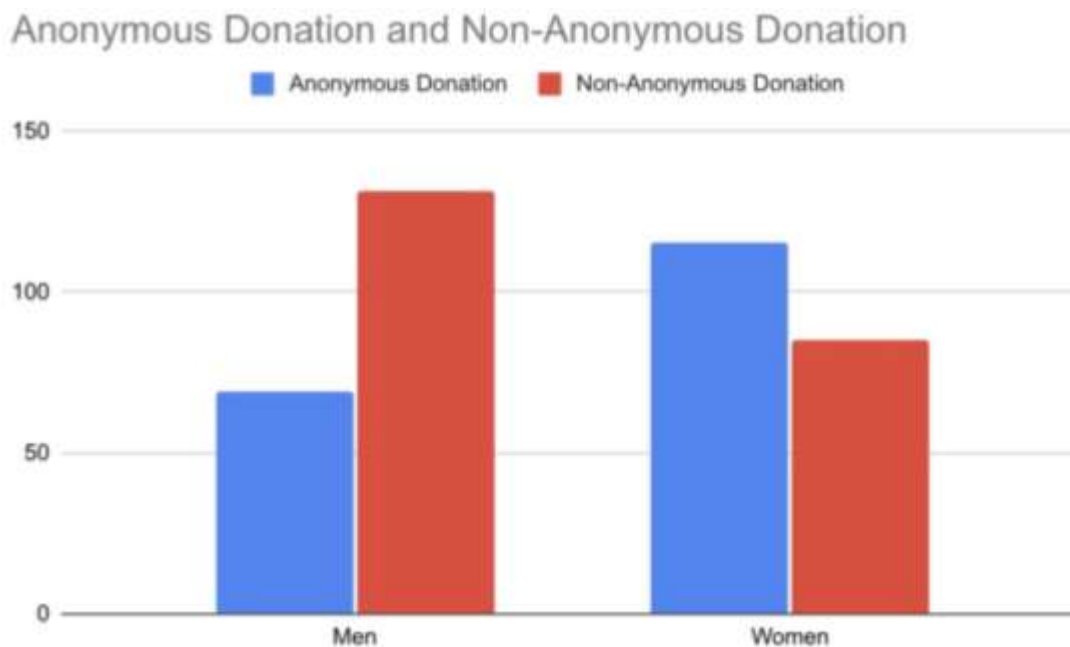


Figure 4:- Study 2 Bar Graph Comparing Males and Females' Willingness to Donate Anonymously.

Can gender-based appeals be initiated?

According to Cialdini's principle of reciprocity in persuasion, consumers are obligated to repay what they receive; we see men feel the need to reciprocate to social approval and women to reciprocate to the psychological value from empathetic actions. Thus, the question becomes whether advertisements can invoke other feelings coupled with both the bandwagon effect and individual narratives that can complement these reciprocations.

With the bandwagon effect, feelings such as pride can increase one's feeling of belonging. Simultaneously, even elements of donation challenges or leaderboards mentioned in the advertisement can simulate a sense of urgency and encourage more donations to outdo others, driven by the need for social visibility and approval. Moreover, even excitement that can be invoked earlier in the advertisements including celebrity endorsements can complement the bandwagon effect in incentivizing reciprocation from men. With individual narratives, feelings of guilt invoked in an individual help motivate them to alleviate their guilt. This is seen with the Vitalant example as the ease of donating blood is portrayed, making one reflect on why they haven't donated yet. Moreover, a sense of hope for positive change and gratitude of stakeholders for the donations reflected in the advertisement can foster a connection and increase reciprocity. By viewing this impact through individual narratives, a loyal donor base can also be built.

Is it a general phenomenon?

Additionally, while individual narratives may appeal more to women, it is important to understand whether the bandwagon effect has an exclusive appeal to males or whether it is a general phenomenon. For instance, psychologist Susan Fiske explained how women also have evolutionarily had to prioritize social connections and relationships, thus the bandwagon effect can create a shared purpose for women as well. Moreover, Leon Festinger's Social Comparison Theory explains how a positive self-image is also an important consideration for women and seeing a large number of people supporting a cause they want to support plays to this theory (opinions of others compared to their own). Hence, while empathy is often associated with individual-focused giving, it can still be achieved through the bandwagon effect, just portrayed as a collective action. While the desire for social conformity and affiliation is visible with both genders, women tend to prioritize relationships and personal connections over conformity; therefore, focus on numbers of popularity may not resonate as strongly with women as personal engagement.

While the differences weren't extremely significant, we are thus able to understand that both individual narratives and the bandwagon effect are both incredibly effective ways to promote a donation campaign to a consumer. Thus, due to this difference in preference between men and women, it is common practice for an organisation to advertise through both individual narratives as well as the use of the bandwagon effect. This is evident in numerous blood

donation campaigns by the World Health Organisation; specifically, this is visible in ‘Blood donation: an act of solidarity’. However, despite the common norm to use both marketing techniques, it is important to identify the situations in which one would be more feasible or effective.

Comparison Between Effectiveness Of Individual Narratives And The Bandwagon Effect In Different Situations

While the above research has helped us find out why individual narratives and the bandwagon effect are both effective methods of marketing that can be used by charities, it is important to distinguish between when one should use them. While both forms of marketing work in most scenarios, below are situations in which a certain form of marketing would be better than the other while trying to motivate a consumer to donate.

A Deep Emotional Connection Versus Short-Term Buzz

As an individual narrative primarily focuses on creating a profound emotional connection with consumers unlike the social pressure and allure of popularity of the bandwagon effect, they tap into the spring of human empathy and compassion. Thus, by showcasing the journey, struggles and eventual triumph of a character by supporting a cause, a viewer would step into their shoes and experience those emotions firsthand. Further research into mirror neurons by Tania Singer and Wilfried Decenty showcase how individual narratives activate them and allow characters to experience joy, sorrow, and a sense of hope or accomplishment depending on the campaign.

For instance, a commercial features a young girl named Divya battling a chronic illness closely following her struggles with treatment, the impact on third-party members like her family and the overall emotional toll it takes. Yet, regardless of the challenges, support is provided by a charity through financial assistance, access to specialised care or creating a community of understanding and empathetic individuals. Viewers would see the tangible impact of donations on Divya’s life and feel a greater desire to be a part of the solution.

On the other hand, the bandwagon effect is incredibly effective in creating short-term buzz but fails to foster that deep emotional connection. The employment of logos and the social pressure resulting from that would lead to a surge in donations; however, these consumers would often lack the emotional depth to inspire sustained engagement in the future. This is because they just feel compelled to be a part of a popular movement, blinding their actual understanding of the cause and its impacts.

Cultivate Long Term Relationships Versus Quickly Raise A Large Sum of Money

Long-term relationships are essential to have with donors. This is because the social objective of most charities aren’t a one-time initiative; rather, comprise of consistent efforts to solve a deep-rooted societal or environmental problem. Individual narratives nurture a sense of purpose that inspires ongoing support from the consumer/donor. By explicitly showcasing the lasting impacts of donations on individuals and communities, such narratives create a feeling of investment with the cause’s long-term accomplishments. Adrian Darms researched in donor psychology that one seeks for “moral identity” in order to derive a sense of self-worth. Charities can tap into this moral identity through individual narratives and lock an ongoing, continuous and supportive relationship with a donor by cementing their place in a donor’s personal values.

In contrast, following from part (A), the bandwagon effect’s lack of an emotional connection can lead to a drop-off in donations once the initial wave of popularity subsides, which is visible through initiatives such as #TeamTrees or #TeamSeas. The bandwagon effect often focuses on immediate impact, thus they will be able to raise large sums of money in short periods of time. This is seen with #TeamSeas where they raised over \$20 million dollars in just a few months. Yet over time, without cementing personal investment from the consumer, it isn’t likely that their contributions will persist.

Established Charities Versus Emerging Charities

A distinct advantage held by established charities are the ability to use their rich well of stories from their long history to draw individual narratives from. These narratives can serve as powerful testaments for the charity’s effectiveness, and with a proven track record from these established charities, consumers are more likely to donate. Philanthropic researcher James Grundlack highlighted the concept of priority being given to reputations for transparency and accountability when a consumer chooses to donate. Individual narratives help achieve this.

On the other hand, as emerging charities lack a long history of work, they would find it challenging to effectively leverage individual narratives. Without established stories, running on speculative narratives can create a sense of uncertainty and look risky to donors. Thus, due to their lack of experience, it is a better choice to utilise the bandwagon effect to get past their initial hurdle by raising quick funds. These quick funds can then later be reinvested in the charity and create a well of stories to draw individual narratives out of.

Conclusion:-

In summation, this paper explored the effectiveness of two distinct fundraising approaches through a scientific lens and field-based data collection. The study examined how individual narratives and the bandwagon effect influences giving behaviours in consumers and that an optimal approach hinges largely on a nuanced understanding of the market landscape: cause, target audience, desired outcomes and donor psychology.

Empathy Versus Conformity

Tailoring messages according to demographics and target audience is helpful. Scientifically, women are naturally more empathetic and respond better to individual stories. However, men are socially more responsive to the bandwagon effect as they are influenced by social comparison. Thus, tailoring messages accordingly can serve significant benefits. While the role played by genders is marginal, there are other benefits to either cause as individual narratives helps build long-term donor-charity relationships; whereas, the bandwagon effect is capable of quickly raising large sums of money.

Importance of Context Over Only Demographic

Additionally, established charities can appeal to social proof by using individual narratives; however, emerging charities would benefit from the bandwagon effect for initial awareness by leveraging FOMO, the false consensus effect, and social value.

Combination of Strategies

The most effective campaigns tend to be the ones which combine both approaches in order to personalise the cause as well as amplify the message. By creating a compelling narrative and appealing to a broader target audience, consumers are incentivized to donate due to the message's strong resonance. The formation of communities of donors also provides social value to add to the psychological value gained by the action of donating, which encourages donations.

A Data-Driven Approach

By analysing donor demographic and responses, charities can better tailor their fundraising strategies more precisely. This study uses data from previous Mexican and Dutch studies while also collecting its own data from fieldwork in New Jersey, USA. Thus, there is an exciting possibility to forge a new reality with a better understanding of donor psychology's evolution.

Globally, most charities are dependent on donations to fund their activities, without which the social benefit they are providing the world with wouldn't exist. By better appealing to a consumer's psychology and employing a combination of individual narratives and the bandwagon effect, fights against climate change and social injustice can be made a collective, global fight with an everlasting impact. The better employment of such strategies can eventually lead to a better functioning charity system which can contribute to a more equal, just, and clean world.

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