

RESEARCH ARTICLE

Donor recognition: A double-edged sword in charitable giving

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Abstract

Previous studies discover confounding results on how donor recognition affects individual charitable giving. To answer the questions of how different donor recognition schemes affect individual giving and what type is more effective as a marketing strategy to meet different fundraising goals, we conducted a field experiment in China with three donor recognition types: voluntary, involuntary, and mandatory donor recognition. We used social media to recognize donors and verified the field experiment results with naturally occurring data. We observed similar behavioral patterns in both samples. The results of this study explain the mixed results from previous studies, suggesting that there is no one-size-fits-all approach for recognizing donors. Decision makers of nonprofit organizations need to select the appropriate type of donor recognition based on their fundraising goals.

KEYWORDS

charitable giving, donor recognition, field experiment, nonprofit, social media

1 | INTRODUCTION

How to promote individual charitable giving is a quest in many disciplines, including business and social science (Sargeant & Woodliffe, 2007). People's prosocial behaviors, such as donating to charities, are driven by three primary motivations: (1) the intrinsic motivation, such as pure altruism or inequality aversion, as people care for others' well-being (Andreoni, 1989; Caviola et al., 2021; Milaniak et al., 2018; Polonsky et al., 2002; Rasiah et al., 2020); (2) the extrinsic motivation, which refers to the material rewards received, such as gifts and financial incentives (Atiq & Tripathi, 2016; Bagheri et al., 2019; Bowie et al., 2022; Chang & Chen, 2019; Sargeant et al., 2006); and (3) the reputation motivation, which implies that people care about their social images perceived by others and themselves (Aknin & Whillans, 2021; Glazer & Konrad, 1996; Graça & Zwick, 2021; Holländer, 1990; Paramita et al., 2022; Sargeant & Jay, 2004; Septianto et al., 2021). A large volume of research examines these three motivations of charitable giving, as reviewed in the following section. Table 1 presents a list of selected recent empirical studies.

Compared to enhancing donors' intrinsic and extrinsic motivations, increasing their reputation payoff is relatively easy and less costly. Donor recognition, defined as the "expression of appreciation

given by a group to individuals who undertake desired behaviors (Fisher & Ackerman, 1998)," is a common practice in fundraising to motivate donors by increasing their reputation payoffs. As reviewed subsequently, people engage in more prosocial behaviors when they are recognized.

It is tempting to believe that publicly recognizing donors always enhances charitable giving. However, donor recognition can discourage participation and lower donation amounts if misused. Evidence from previous empirical research on the effectiveness of public recognition has produced mixed results, suggesting that the impact of donor recognition on individual charitable giving may be more complicated than commonly thought.

This current study investigates how different types of donor recognition affect individual giving and what type is more effective as a marketing strategy to meet different fundraising goals. Donor recognition specifically refers to publicly announcing donors' names and donation amounts in our study. We conducted a field experiment in China using a between-subjects design. Participants were randomly assigned to one type of donor recognition in a fundraising event, including voluntary, involuntary, and mandatory recognition. We complemented our experimental data ($n = 170$) with naturally occurring data ($n = 4218$) and found the same behavioral patterns in both samples.

TABLE 1 Empirical studies on the three motivations of charitable giving

Motives	Article	Method	Key findings
Intrinsic motivation	Andreoni et al., 2017	Field experiment with empathy-stimulating treatments and comparison groups.	Efforts to stimulate altruism through empathy increase individual charitable giving.
	Aruga & Bolt, 2020	Online experiment evaluating subjects' altruism level and willingness to pay for food products where part of the price paid is donated.	Altruism is an important motivation for consumers to donate to regions affected by natural disasters.
	Gangadharan et al., 2018	Laboratory experiment distinguishing various motives of individual giving and the relationship with paternalism.	Altruism is one of the driving factors for donation, and altruistic donors are more paternalistic.
	Milaniak et al., 2018	Survey collecting attitudes toward organ transplantation, empathy, and altruism.	Empathy and altruism are positively associated with posthumous organ donation and willingness to become an organ donor.
Extrinsic motivation	Chang & Chen, 2019	Lab-in-the-field experiment with a 2 (donation type: donation-for-gift/charity sale) by 2 (product type: hedonic/utilitarian) design.	The donation-for-gift approach effectively raises funds and leads to a higher average donation.
	Goette & Stutzer, 2019	Large-scale field experiment examining the efficacy of lottery tickets on incentivizing blood donation versus other rewards.	Lottery tickets increase blood donation, especially among less motivated individuals.
	Sadler et al., 2018	Online experiment asking for hypothetical blood donation in exchange of monetary compensation, paid leave, and blood screening test, etc.	External incentives promote donation from the majority of the participants.
Reputation motivation	Denis et al., 2020	Online experiment with various forms of donor recognition, including public, private, imposed, and optional recognitions.	Public recognition improves charitable giving among people with a higher need for social approval.
	Graça & Zwick, 2021	Online survey examining the determinants of millennial donors' charitable giving.	Social recognition is the most important factor that positively affects millennial donors' perceived value of giving.
	Paramita et al., 2022	Experiment examining the interactive effect of organizational position and recognition.	Recognition, along with a binding moral foundation, increases donation.
	Septianto et al., 2021	Online experiment with a 2 (high/low intrinsic religiosity) by 2 (high/low extrinsic religiosity) by 2 (with/without recognition) design.	Recognition positively affects charitable giving among religious consumers with high extrinsic and low intrinsic religiosity.
	Simpson et al., 2018	Laboratory and field experiments examining how public recognition interacts with personal traits in charitable giving.	Public recognition decreases donations from independent self-construal individuals and increases donations from interdependent self-construal individuals.

This study contributes to the literature by adding further evidence from the field to understand the mixed results of how public recognition affects individual giving. Moreover, this study also offers practical insights for fundraising professionals. Our research provides a more nuanced approach to the use of donor recognition as a tool to motivate individual charitable behavior.

2 | THEORETICAL FRAMEWORK

Becker (1974) introduced the Theory of Social Interaction and pointed out that besides the desire to improve the general well-being of a social group, individuals contribute to charities to receive social acclaim or to avoid scorn from others. He claimed that contributors derive utility directly from the amount contributed instead of the amount of public goods they receive. Andreoni (1989) developed a model of giving and explained voluntary contribution with motivations

of pure altruism (care for others) and warm glow (feeling good about oneself). Hölländer (1990) stated that individuals have a preference for social approval, and they cooperate voluntarily to increase their social status. Other research shows that people use donations to signal their wealth levels to improve social status (Glazer & Konrad, 1996; Harbaugh, 1998), and people tend to act more generously when observed, resulting from their desire for a better social image (Alpizar et al., 2008; Andreoni & Petrie, 2004; Ariely et al., 2009; Bekkers & Wiepking, 2010; Karlan & McConnell, 2014; Linardi & McConnell, 2011; Soetevent, 2005; Yoeli et al., 2013).

2.1 | Donor recognition as a positive impactor on charitable giving

Evidence from previous laboratory experiment studies shows that people seek for positive reputation and social approval. Publicly

recognizing donors is an essential common practice in fundraising that allows donors to exchange a donation for a better social image and positive reputation. Donor recognition promotes prosocial behaviors such as contributing to public goods and charitable organizations (Andreoni & Petrie, 2004; Cotterill et al., 2013; Gächter & Fehr, 1999; McConnell, 2011; Rege & Telle, 2004). Recent empirical research also suggests that donors increase their contributions when recognized to seek prestige or avoid social stigma (Paramita et al., 2022; Samek & Sheremeta, 2017; Septianto et al., 2021).

Moreover, results from many field experiments reveal that individuals act more generously when their actions are observed by others (Ariely et al., 2009; Denis et al., 2020; Graça & Zwick, 2021; Paramita et al., 2022; Soetevent, 2005; Soetevent, 2011). Public recognition also increases people's blood donation (Lacetera & Macis, 2010) and contributions to universities (Karlan & McConnell, 2014).

2.2 | Donor recognition as a negative impactor on charitable giving

Despite a large number of previous studies showing that public recognition is an effective strategy in encouraging individual donations, a growing volume of research reveals opposite outcomes. For example, Jones and Linardi (2014) found that individual giving tends to converge to the average group donation level when the donation amount is revealed. Other empirical studies also discovered that people prefer anonymity (Soetevent, 2011) and not to stand out (Alpizar et al., 2008; Linardi & McConnell, 2011). Results of Goette and Tripodi (2022) showed that donor recognition backfires and decreases blood donation.

2.3 | Possible explanations for the mixed results

One possible explanation for the mixed results of how public recognition influences individual giving roots in the experimental designs of previous laboratory and field studies. It is noteworthy that in those previous experiments where donor recognition positively impacts giving, participants either cannot avoid public recognition regardless of their contributions or the social distance is too close for them to hide their actions. For example, it is easy to tell how much each person contributed in a small group setting (e.g., Andreoni & Petrie, 2004). Therefore, donor recognition tends to be a positive impactor on individual giving in this case.

On the other hand, donor recognition does not always lead to a higher contribution level when the experimental design allows for anonymity and optional donor recognition (e.g., Jones & Linardi, 2014; Soetevent, 2011). In this case, people tend to shy away from being recognized, even for those who intended to give. Since people may be reputation-averse and prefer to stay anonymous over being recognized, they will opt out of a donation and avoid any positive or negative reputation when possible, which leads to a decrease in the total amount contributed.

Another possible explanation for these mixed empirical results is that donor recognition interacts with personal characteristics and

beliefs and influences various types of individuals in opposite ways. Winterich et al. (2013) found that public recognition is effective for people characterized by high moral identity symbolization, to whom moral traits are reflected in their actions. However, public recognition is ineffective for those with low moral identity internalization, to whom the moral traits are central to the self. Simpson et al. (2018) also found that public recognition reduces the donation amount from independent self-structural individuals motivated by self-interest and self-goals. For these people, external influences and persuasions, such as public recognition, lower the motivation to give, and thus, reduce their total amount contributed.

Based on the studies cited above, we raise the following behavioral hypotheses:

Hypothesis 1. *Donor recognition promotes individual giving when it is mandatory.*

Hypothesis 2. *Donor recognition decreases individual giving when it is optional.*

Hypothesis 3. *Not all donors prefer public recognition. Donors reveal their preference for public recognition when the opportunity of being recognized is provided after donation.*

3 | EXPERIMENT DESIGN

We conducted our field experiment at Zhejiang University, China. We randomly recruited students to participate in this experiment. They completed a paid survey first and then had an opportunity to donate to a charity. The survey questionnaire asked for student career plans and personal characteristics, including age, gender, monthly expenses, if they have a sibling(s), and their communist party and student cadre status.¹ We avoided questions related to charitable giving so as not to influence their donation decisions later. Participants spent approximately 20 min on the survey and earned 30 yuan in cash immediately upon completing the questionnaire.

In the next step, we randomly assigned participants to one of the recognition treatments (see Table 2) and informed them of an opportunity to donate to a charity. We partnered with the China Foundation for Poverty Alleviation (CFPA)² to raise funds for the School Dormitory

TABLE 2 Three treatments of donor recognition

Treatment	Public recognition (PR)	When the opportunity of PR is offered
Voluntary PR	Can opt in after donation	After donation
Involuntary PR	Required, excluding non-contributors	Before donation
Mandatory PR	Required, including non-contributors	Before donation

Project, a program designated to help construct and renovate school dormitories in impoverished communities in rural China.

Participants made their donations in private. We used a non-transparent donation box and gave participants an envelope to put in their cash donations. These envelopes were marked inside with a matching number to the questionnaires participants completed in the previous stage, which enables us to link participants' donation decisions to their personal characteristics. Participants did not know they were part of a research study. This research study is approved by the Zhejiang University Ethical Review Board.

We randomly assigned participants to three different donor recognition schemes, including voluntary, involuntary, and mandatory recognitions. In the Voluntary Public Recognition treatment (Voluntary PR), participants make donations without knowing the opportunity to be recognized later. After they donated, they were offered a chance to be recognized. Those who chose to be recognized provided their name and donation amount, and those who chose not to be recognized stayed anonymous.

In the Involuntary Public Recognition treatment (Involuntary PR), participants were informed that their name and donation amount would be released to the public by default unless they chose not to give. In other words, all donors in this treatment are recognized except those non-contributors. The Mandatory Public Recognition treatment (Mandatory PR) was similar to the Involuntary PR treatment, except that all participants' names and contribution amounts were released to the public, including those who contributed 0. Participants in these two treatments were aware of the recognition opportunity before donating. Table 2 summarizes these three treatments.

We design these three recognition schemes to mimic the donation environment in the real world. The Voluntary PR treatment represents the setting where donors have the most freedom to choose whether they want to give and be recognized, which is a common practice for large fundraising campaigns. The Involuntary PR treatment mimics the setting where only donors' behavior is observed, and those non-contributors remain anonymous, such as in a medium-sized event where all donors are under the spotlight. In this case, those who prefer to stay anonymous may choose not to give. The Mandatory PR treatment best describes a small circle where everyone is being observed, including non-contributors.

We used the Zhejiang University Bulletin Board System to recognize our donors. This online forum is the most popular social media connecting the students, alums, faculty, and staff of the University. All participants know this forum, and most of them are registered members. We posted donors' names and amounts contributed on this forum and donated all the funds raised to the CFPA's School Dormitory Project on behalf of the donors at the end of this experiment.

4 | RESULTS

4.1 | Summary statistics

We collected 170 observations from our field experiment. We excluded two outliers with a 50-yuan donation, which exceeded the

initial endowment (30 yuan). We use the following measurements to describe and compare the results of our experiment: (1) *Participants* include all participating subjects with those who donated zero; (2) *Donors* only include those participants who contributed a positive amount; (3) the *average donation* is defined as the total amount of donation divided by the number of participants; (4) the *average conditional donation* is defined as the total amount of donation divided by the number of donors; and (5) the *participation rate* is the number of donors as a percentage of the total number of participants. The average donation and conditional donation are measured in Chinese yuan.

Table 3 presents the summary statistics. Our participants were traditional college students with an average age of 19.91–20.62 years old across three treatments. Male students counted as about half of our participants in each treatment (48.05%–53.49%). The majority of our participants were the only child of the family and had a monthly expense of between 1000–2000 yuan. 14.58%–16.28% of the participants were members of the Communist Party, and 42.85%–53.49% of them were student cadres. We did not find any statistical difference in the subject characteristics in any of the treatments, except for a slight difference between the average age of the participants of Voluntary PR and Mandatory PR (about a 0.7-year difference) at the 10% significance level.

The Mandatory PR treatment has the highest average donation and conditional donation, which are 17.35 yuan and 18.65 yuan, respectively. These numbers translate to 57.83% and 62.17% of the participant's initial endowment. The Mandatory PR treatment also has the highest participation rate, 93.02%. The Involuntary PR treatment has the lowest participation rate, 64.58%. The Voluntary PR treatment has the lowest average donation and average conditional donation, which are 10.38 yuan and 12.29 yuan, respectively. These numbers translate to 34.60% and 40.97% of a participant's initial endowment. All these between-treatment differences are statistically significant at the 1% or 5% level, except for the average donation between the Voluntary PR and the Involuntary PR treatments and the average conditional donation between the Involuntary PR and the Mandatory PR treatments.

Figure 1 presents the distribution of participant's donations in each treatment. In the Voluntary PR treatment, the majority of participants donated less than 15 yuan, which is half of their initial endowment. In the Mandatory PR treatment, the donation distribution is skewed to the left, indicating that a higher percentage gives more than 15 yuan in this treatment. The two most frequent donations in the Involuntary PR treatment are 0 and 30 yuan. This implies that participants choose to either increase their contributions and get recognized or shy away from donating to stay anonymous and avoid public shame.

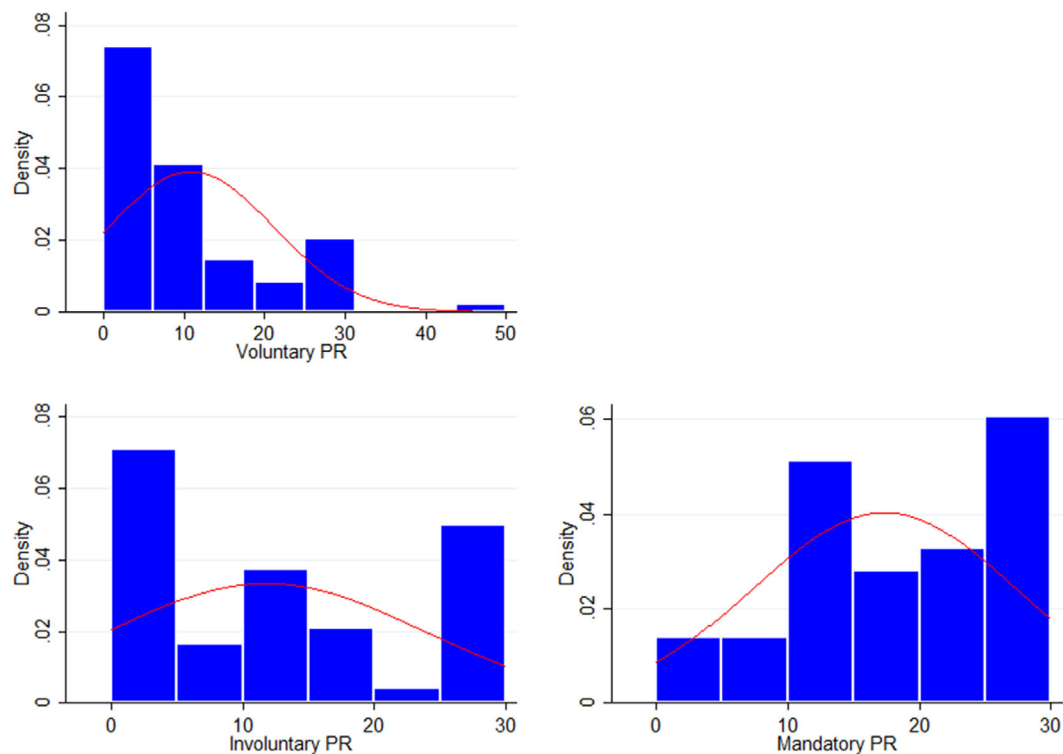
4.2 | Regression analysis

We construct the following logistic regression model, Equation (1), to examine the treatment effects of various public recognition schemes on participation rates.

TABLE 3 Summary statistics

	Voluntary PR	Involuntary PR	Mandatory PR
<i>Participant characteristics</i>			
Age	20.62 (2.18)	19.98 (1.45)	19.91 (1.59)
Male	48.05%	52.08%	53.49%
Have sibling(s)	42.85%	29.17%	44.18%
<i>Monthly expenses</i>			
<1000 yuan	25.97%	35.42%	37.21%
1000–2000 yuan	67.53%	62.50%	53.49%
2000–5000 yuan	6.49%	2.08%	9.03%
Member of the Communist Party	15.58%	14.58%	16.28%
Student cadre	42.85%	45.83%	53.49%
<i>Donation decisions</i>			
# of participants	77	48	43
# of donors	65	31	40
Participation rate	84.41%	64.58%	93.02%
Avg. donation	10.38 (9.22)	11.77 (11.92)	17.35 (9.91)
Avg. conditional donation	12.29 (8.78)	18.22 (10.05)	18.65 (8.99)
# of donors recognized	12	31	40

Note: Standard deviations in parenthesis. Donations are in Chinese yuan.
Abbreviation: PR, public recognition.

**FIGURE 1** Donation amounts by treatment

$$\text{Logit}(P) = \beta_0 + \beta_1 * PR + \beta_2 * \text{MandatoryPR} + X + \epsilon \quad (1)$$

The dependent variable P is the subject's choice of participation. P is a binary variable, with 0 indicating non-participation (donation = 0) and

1 otherwise (donation > 0). We use Voluntary PR as the comparison group. The coefficient β_1 captures the treatment effect of donor recognition in the Involuntary PR treatment, and β_2 captures the treatment effect between mandatory public recognition and involuntary

TABLE 4 Logistic regression results: Participation choice (marginal effect)

Independent variable	(1)	(2)
PR	−0.1549*** (0.0586)	−0.1667*** (0.0585)
Mandatory PR	0.2830*** (0.0910)	0.2692*** (0.0879)
Age	-	−0.0334* (0.0177)
Have sibling(s)	-	0.120* (0.0667)
Other personal characteristics	No	Yes
Constant	1.690*** (0.314)	7.293** (2.893)
N	168	168

Note: Standard errors in parentheses.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Abbreviation: PR, public recognition.

public recognition. $\beta_1 + \beta_2$ is the treatment effect of Mandatory PR compared to the baseline group. X is the vector of personal characteristics. $\mathcal{E}$ is the error term.

Table 4 presents the regression results of different model specifications with and without participants' personal characteristics. Results show that subjects are about 15.49%–16.67% less likely to donate in the Involuntary PR treatment than the Voluntary PR treatment. These results are significant at the 1% level in both model specifications without and with personal characteristics, respectively. On the other hand, people are 28.30%–26.92% more likely to participate in Mandatory PR treatment than Involuntary PR treatment. These coefficients are significant at the 1% level in both model specifications with and without personal characteristics. Students who have a sibling(s) are 12% more likely to contribute compared with those who are the only child of the family. This coefficient is statistically significant at the 10% level. Older students are less likely to give. We do not observe any other personal characteristics, such as gender, monthly expenses, communist party status, or student cadre status, significantly affect participants' choice of donation.

We are also interested in understanding how various public recognition schemes affect the amount of donation and conditional donation. We employ an OLS regression model, Equation (2), to answer this question. The dependent variable Y represents the average donation and conditional donation, respectively. The independent variables are the same as specified in Equation (1).

$$Y = \beta_0 + \beta_1 * PR + \beta_2 * \text{MandatoryPR} + X + \epsilon \quad (2)$$

Table 5 presents the OLS regression results. Mandating recognition significantly increases the donation amount. This result confirms the prior finding from the non-parametric analysis that Mandatory PR has the highest average donation compared to the other two treatments. Participants in the Mandatory PR treatment donate 5.78–5.24 yuan more, equivalent to 19.27%–17.47% of their initial endowment, compared with their counterparts in the baseline treatment with voluntary public recognition. These coefficients are significant at the 5% level in various model specifications without and with personal

characteristics. Having a sibling(s) or other personal characteristics does not significantly influence the average donation amount.

Furthermore, donor recognition significantly promotes the average conditional donation. Compared to the baseline Voluntary PR treatment, where the opportunity of being recognized is offered after donating, participants give 5.93–5.94 yuan more when they anticipate recognition before donating. Both of these coefficients are significant at the 1% level. We do not find mandatory donor recognition significantly impacts the amount of conditional donation. None of the personal characteristics has any significant influence on the average conditional donation.

Based on the above findings, we draw the following conclusions:

Result 1. Mandatory public recognition increases the participation rate as well as donation amount.

Result 2. Involuntary public recognition, where only donors are recognized, increases conditional contribution but decreases the participation rate. Therefore, it may or may not promote the total amount of donation.

4.3 | Results from naturally occurring data

Only 18.5% (12 out of 65) of our participants who donated in the Voluntary PR treatment opt in for public recognition. The rest 81.5% (53 out of 65) chose to remain anonymous. The majority of those who shy away from public recognition contributed a relatively small amount. The average amount donated by those who opt in for public recognition, 15.92 yuan, is significantly higher than that of those who chose to remain anonymous, 12.18 yuan, at the 1% level ($t = 3.5864$, p -value < 0.01). We hypothesize that donors' preference for public recognition is positively related to their donation amount. Involuntary public recognition may deter potential donors who intend to give a small gift.

Due to our limited sample size in the Voluntary PR treatment, we use accompanying naturally occurring data to investigate the relationship between donors' amount contributed and their preference for public recognition. The CFPA School Dormitory Project fundraising programs took place nationwide in China in the same year of our experiment, and part of the funds was raised online via social media such as Sina Weibo.³ All Sina Weibo users were able to contribute online through Sina Weibo's official website with the option of posting their donations via their personal homepage after they donate. This setting is similar to the Voluntary PR treatment in our experiment.

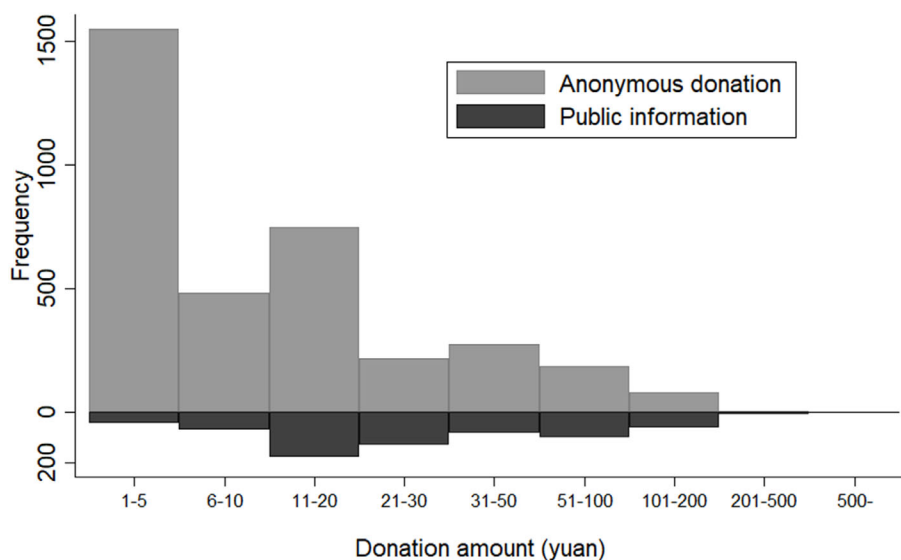
We collected this naturally occurring data from Sina Weibo and obtained 4218 individual donations. We also collected the donors' personal information, including their gender, the number of followers, and the number of people they followed, to measure their account popularity. We observe the same behavior patterns in this naturally occurring data as in our experimental data. We find that among all the Sina Weibo donors, 84% (3544 out of 4218) of them chose to remain anonymous, while only 16% (614 out of 4218) chose to publicize their donations online. Moreover, the average conditional donation of

TABLE 5 OLS regression results: Donation and conditional donation

	Average donation (<i>n</i> = 168)		Average conditional donation (<i>n</i> = 136)	
	(1)	(2)	(3)	(4)
PR	1.3942 (1.8808)	1.1874 (1.9267)	5.9335*** (1.9949)	5.9376*** (2.1043)
Mandatory PR	5.780** (2.1475)	5.240** (2.1726)	0.424 (2.1870)	0.405 (2.238)
Personal characteristics	No	Yes	No	Yes
Constant	10.377*** (1.166)	26.633** (10.558)	12.292*** (1.137)	15.354 (10.963)
R-squared	0.0742	0.1045	0.1045	0.1194

Note: Standard errors in parentheses. ****p* < 0.01, ***p* < 0.05, **p* < 0.1.

Abbreviation: PR, public recognition.

FIGURE 2 Donations from the naturally occurring data

those donors who chose to post their contribution is 49 yuan, significantly higher than that of 17 yuan of those who chose to remain anonymous at the 1% significance level. Figure 2 presents the distributions of the donation amounts of those who chose to remain anonymous and those who opt in for public recognition.

We divide the donors into two groups, Large Donation and Small Donation, using the median donation value, 10 yuan, as the threshold. The Large Donation group includes those who gave at least 10 yuan, and the Small Donation group consists of those who gave less than 10 yuan. We use a probit regression model, Equation (3), to analyze the donors' preference for public recognition in these two groups. The dependent variable is a binary variable indicating the donor's choice of public recognition. The independent variables include the donor's amount contributed, number of followers of their Sina Weibo account, number of people followed, and gender. ε is the error term.

$$\text{Probit}(P) = \beta_0 + \beta_1 * \text{Donation} + \beta_2 * \text{Followers} + \beta_3 * \text{Followed} + \beta_4 * \text{Male} + \varepsilon \quad (3)$$

Table 6 presents the regression results. We find small but highly significant coefficients for all independent variables except gender.

The donation amount impacts the donors' preference for public recognition in both groups. Donors in both the Large Donation and Small Donation groups tend to prefer public recognition over anonymity as their donation amount increases. However, the level of publicity, which is measured by the number of followers and the number of people followed, affects the donors' choices in opposite ways in these groups. Donors in the Large Donation group are more likely to opt in for public recognition as their numbers of followers and the number of people followed increase. In contrast, donors in the Small Donation group tend to remain anonymous as the number of followers increases. Gender does not significantly affect the donor's choice of public recognition.

It is worth mentioning that not all donors who contributed less than 10 yuan chose to stay anonymous; neither did all donors who contributed equal to or more than 10 yuan choose to publicize their donation. We argue that because individuals have idiosyncratic beliefs about the socially acceptable level of contribution, they hold different perceptions of what level of contribution induces a reputation gain or loss. Therefore, people demonstrate diverse preferences for public recognition. Nevertheless, since the expected reputation payoff is monotonically increasing as one's relative contribution increases, donors who have contributed a larger amount are more likely to opt in for public recognition. This finding helps us better understand

TABLE 6 Probit regression results: Choice of public recognition (marginal effect)

	Large donation (<i>n</i> = 2362)		Small donation (<i>n</i> = 1865)	
	(1)	(2)	(3)	(4)
Donation	0.002*** (0.0002)	0.002*** (0.0002)	0.004** (0.0015)	0.003** (0.0015)
Followers	-	0.00006*** (0.0000)	-	-0.0001*** (0.00004)
Followed	-	0.00008*** (0.0000)	-	0.0000*** (0.0000)
Male	-	0.0247 (0.01776)	-	0.0083 (0.0071)
Constant	-0.8640*** (0.0395)	-1.0469*** (0.0595)	-2.2327*** (0.1296)	-1.8530*** (0.1764)
Pseudo <i>R</i> ²	0.0317	0.0406	0.0134	0.0781
Log likelihood	-1326.4458	-1314.3207	-205.33471	-191.87225
Constant	-0.8640*** (0.0395)	-1.0469*** (0.0595)	-2.2327*** (0.1296)	-1.8530*** (0.1764)

Note: Standard errors in parentheses. ****p* < 0.01, ***p* < 0.05, **p* < 0.1.

through what mechanism involuntary public recognition decreases the total amount of contribution.

Based on these findings, we draw our third conclusion:

Result 3. Not all donors prefer public recognition. People tend to opt in for public recognition as their donation amount increases. Involuntary public recognition decreases participation by excluding potential donors who would have contributed a relatively small amount.

5 | DISCUSSION

5.1 | Implications for practice

This study provides practical implications for fundraising professionals and nonprofit organizations. Donor recognition is a cost-benefit efficient strategy to promote charitable giving, but a one-size-fits-all approach is unlikely to be successful. Decision makers in charitable organizations need to select the appropriate type of donor recognition tailored to their fundraising goals.

In reality, nonprofit organizations usually recognize their donors while letting non-contributors remain anonymous by default. This practice, similar to the Involuntary Public Recognition treatment, may cause a decrease in the total amount given depending on the magnitude of the tradeoffs between increased conditional donation and decreased participation rate. The results from our study show that the decreased participation rate offsets the rising conditional donation. Therefore, recognizing all donors does not necessarily help raise the average donation or the total amount contributed. This finding also explains why recent studies show that public recognition is negatively associated with individual giving.

We recommend using voluntary donor recognition and offering the opportunity of public recognition after donation if the fundraising goal is to increase awareness and donor participation. If meeting the goal of the fundraising campaign is the priority, we recommend creating an environment with a close social circle and high visibility, mimicking the mandatory public recognition treatment to increase the total donation amount.

Fundraisers can foster an environment to influence individual donation by assigning people to a group (e.g., colleagues from the same department, alums from the same class) and providing them with a focal point (such as announcing the highest contribution of the group). Also, compared with strangers, people care more about those who observe their actions and are close enough to express their social sanctions. Hence, assigning donors with whom they have already had a connection is an effective grouping strategy. In addition, considering people's idiosyncratic beliefs about the average donation level, fundraising practitioners can influence prospects holding the same intrinsic motivation and reputation concern in distinct ways by offering donor recognition without providing a suggested donation amount or revealing how much others give.

5.2 | Limitations and suggestions for further research

Our study has its limitations. Participants in this study are college students in China, which implies that compared to older donors, there is relatively little variation in their age and life experience, which may influence their donation decisions. Also, the cultural difference may lead to a different preference for public recognition, as the oriental culture is usually perceived as more reserved compared to the western culture, which most of the previous literature is based on. Nevertheless, the between-subject experiment design still validates the significant treatment effects found in this study. More empirical evidence from diverse samples is needed to strengthen the external validity of the findings discovered in this current study.

Besides, our study focuses on a limited number of donor recognition schemes. Other forms of donor recognition, such as acknowledgment letters and thank-you notes, newsletters, and plaques, are out of this study's scope. These approaches usually recognize donors by publicizing their names without the amount contributed. Further studies are required to answer how these approaches influence individual charitable donations.

6 | CONCLUSIONS

We conducted a field experiment to examine how various types of donor recognition affect individual charitable giving. Our study results show that mandatory public recognition promotes the participation rate and donation amount. When individuals cannot hide their identities by not contributing, they will comply with the social norm by increasing their donations to avoid reputation loss. This finding explains why visibility improves the average donation amount and participation rate in previous experimental studies where individuals cannot remain anonymous even if they do not donate.

On the other hand, involuntary public recognition, where all donors are recognized regardless of their contributions, is likely to exclude potential donors who would have contributed a small amount. Although this type of donor recognition tends to encourage big-dollar donations (Rotemberg, 2014), yet, if people anticipate a high donation amount to be the social norm, they will shy away from recognition and contribute zero in order to avoid loss in social image and total utility (Eriksson et al., 2017). Depending on how many donors hold such perceptions, involuntary public recognition may promote or impair the total donation amount.

This research provides practical insights for fundraising professionals. Different public recognition schemes should be carefully chosen to fulfill various purposes of a fundraising campaign. Involuntary public recognition, where all donors are recognized, is a great way to solicit significant contributions; however, it will be improper if the fundraising campaign's goal is to raise awareness and encourage participation. When a fundraising event is held in an environment with close social distance, mandatory public recognition may be the most efficient way to promote the total amount of contribution.

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CONFLICT OF INTEREST

The authors declare no conflict of interest.

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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ENDNOTES

- ¹ Student cadres are similar to student leaders. Student cadres are often selected by teachers based on the students' academic performance and leadership ability. Student cadres usually work as peer mentors and report to their teachers.
- ² Founded in March 1989, the China Foundation for Poverty Alleviation, CFPA, is the largest and most influential nonprofit organization in China

specializing in poverty alleviation. More information about this organization can be found at <http://www.cfpa.org.cn>

- ³ Sina Weibo is China's largest microblogging and social networking platform.

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