

Summary

- We collaborated with a nonprofit serving 35M educators and students to test how a **pay-what-you-want** (PWYW) or **donate-what-you-want** (DWYW) message influences monetary contributions.
- Two large-scale field experiments (N = 819,308) suggest that framing the contribution as a payment substantially increases contribution rate, but we found no difference in average contribution between the two treatments.
- Contradicting previous findings, these results highlight the impact of framing on participation, but not on contribution levels.

Introduction

- People are sensitive to norms when making voluntary payments to goods and services (Gneezy et al., 2010; 2012).
- Cues in the framing of voluntary payments can influence the likelihood of purchase and payment amount (Jung et al., 2014; Saccardo et al., 2021).
- Consumers are less inclined to make a purchase when there is an element of charitable giving in pricing (Gneezy et al., 2012; Jung et al., 2017).
- Previous work shows that a donation frame increases purchase likelihood and amount (Saccardo et al., 2021).

Methods

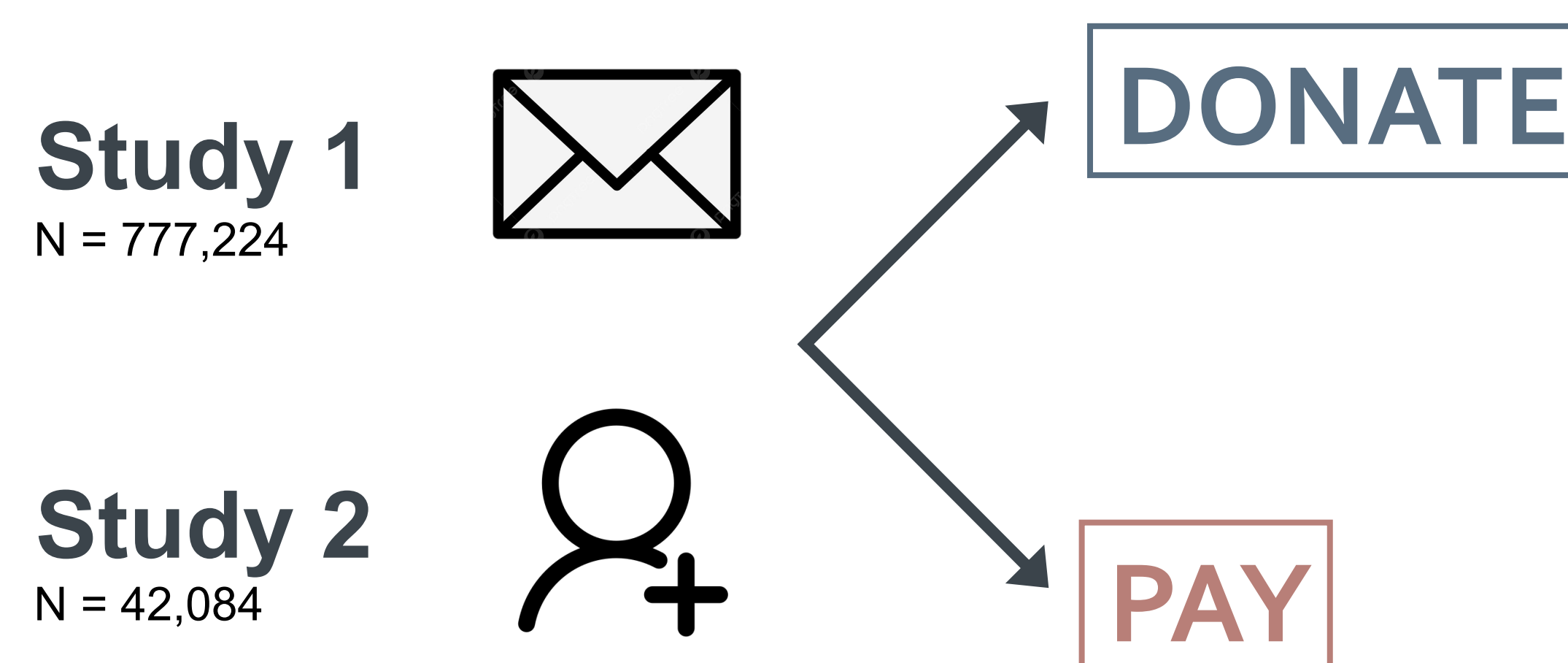


Fig. 1. We partnered with a nonprofit that offers free reading resources to over 35M educators and students in the K-12 sector to deliver to participants one of two financially identical elicitations: DWYW (**DONATE**) and PWYW (**PAY**). In Study 1, the nonprofit sent out emails with the PWYW and DWYW message to their mailing list. In Study 2, the nonprofit launched a 3-week campaign in which every new user saw a pop-up upon sign-up with the treatment message.

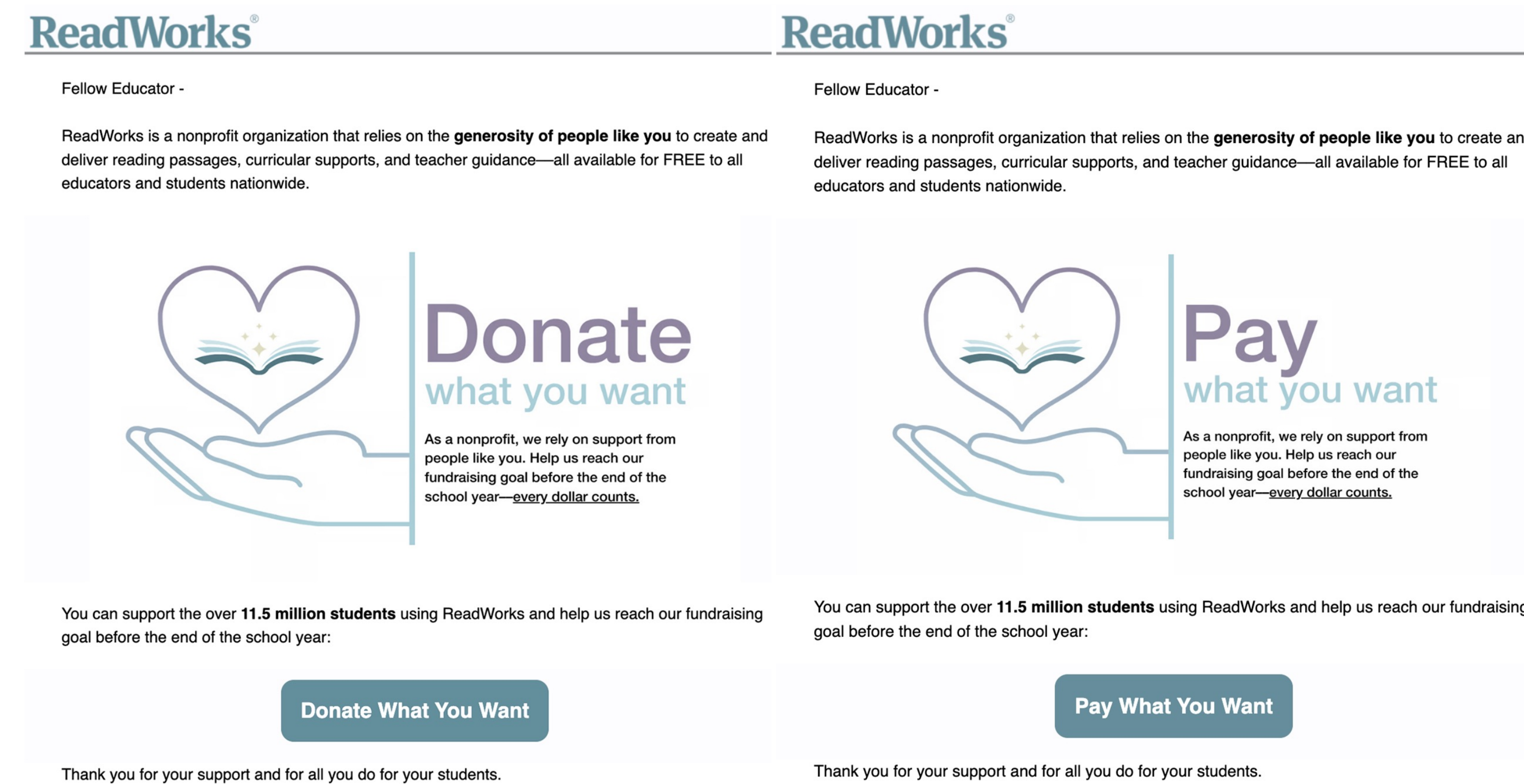


Fig 2. Body of the emails sent to the mailing list in Study 1 containing the key manipulation.

Results

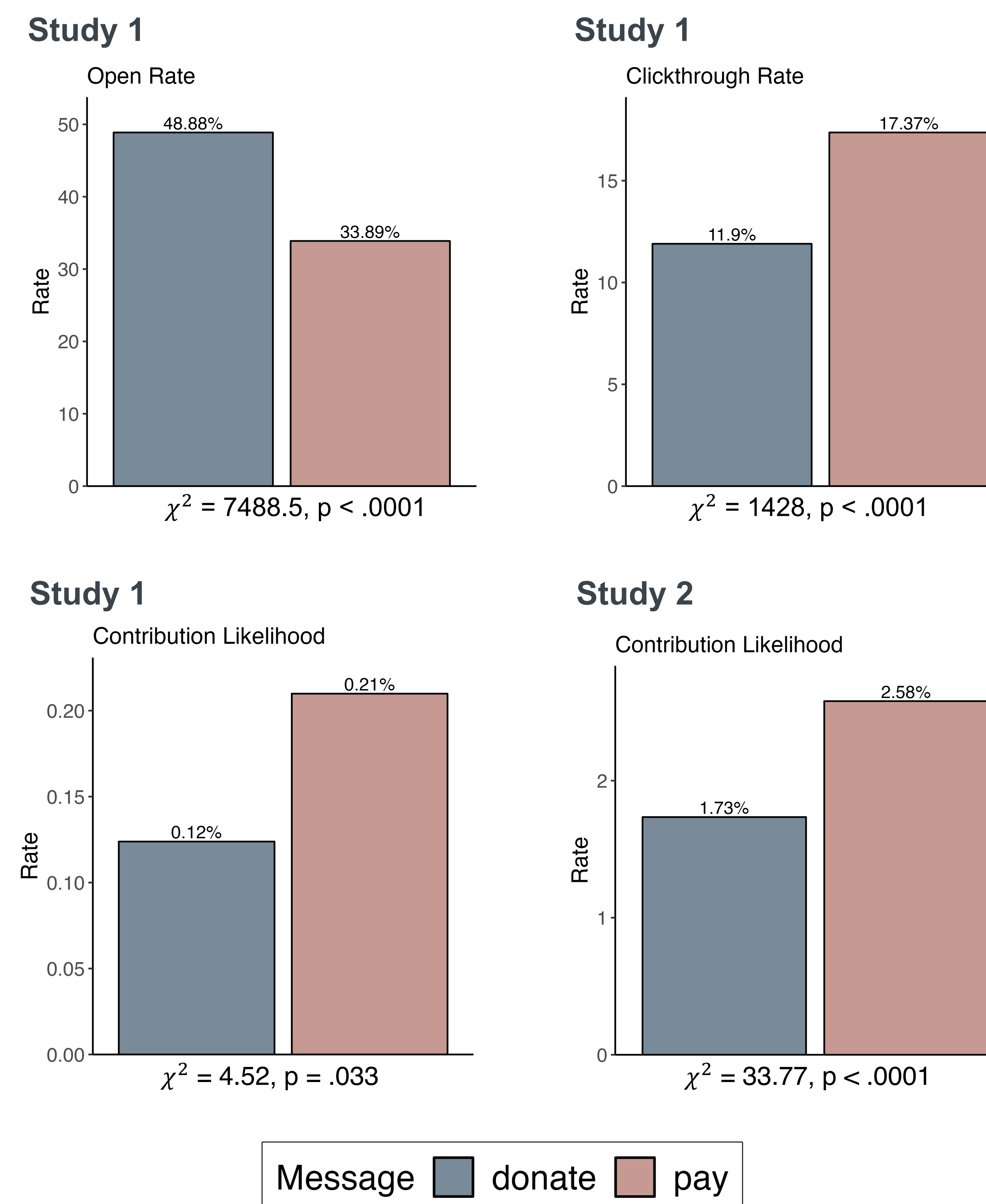


Fig 3. Email open rate, clickthrough rate and contribution likelihood in Study 1 by treatment message; contribution likelihood in Study 2 by treatment message. Contribution likelihood was significantly higher under PWYW treatment.

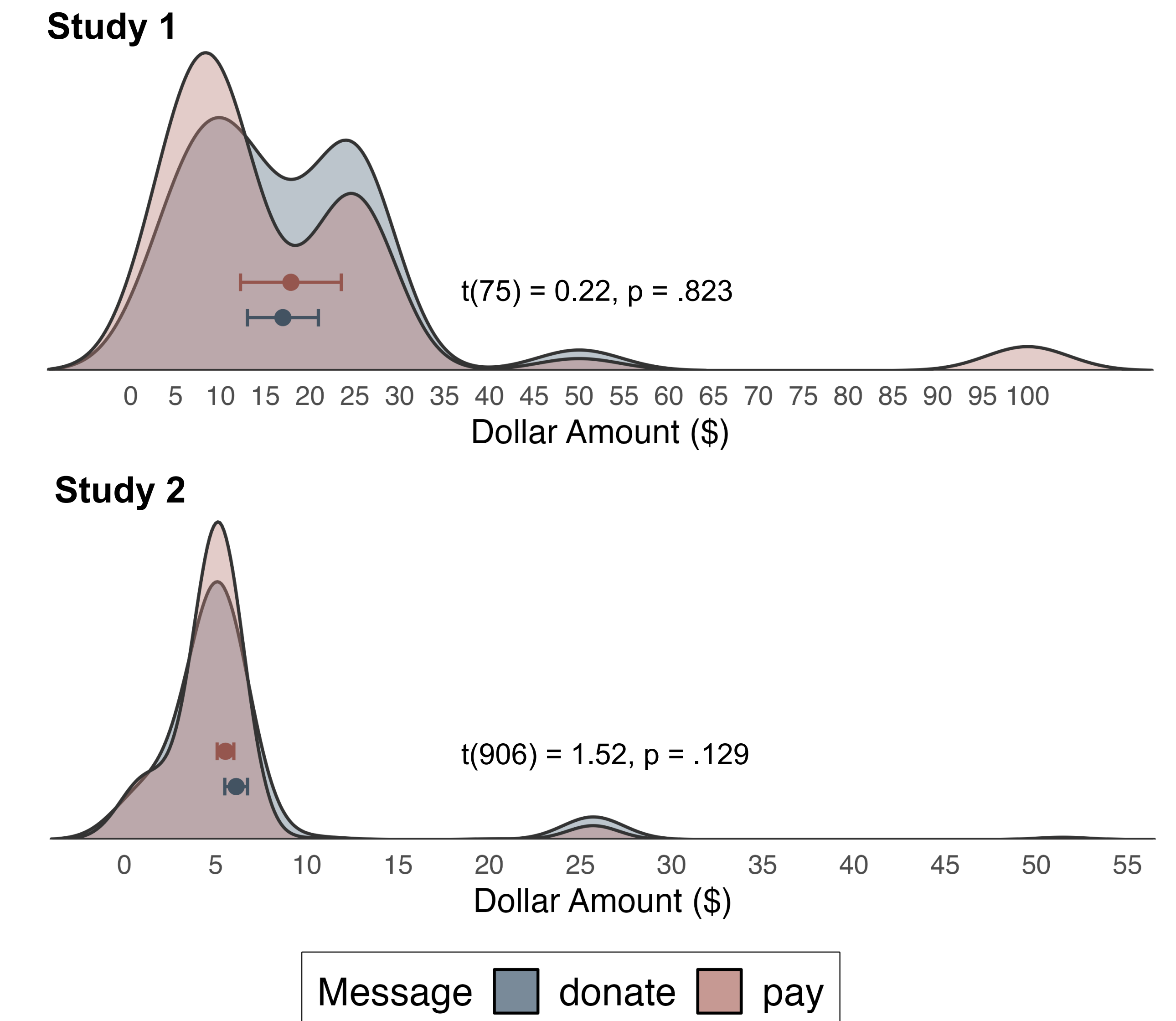


Fig 4. Contribution amount in Study 1 and Study 2 by treatment message. Error bars represent CI around the mean. Contribution amount conditional on contributing did not differ between the two treatment messages. Study 2 included a default amount (\$5).

Discussion

- Framing a voluntary monetary contribution as a payment substantially increased contribution likelihood; however, we failed to find a difference in average contribution between the two treatments.
- Inconsistent results with previous work may stem from contextual differences.
- Framing a voluntary monetary contribution as a payment had an impact on fundraising efforts, increasing contribution rates by at least 49%.
- Our results have direct implications for for-profit and nonprofit policy.

References

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