

How do donors conform?: Evidence from charitable contributions through the Internet

Shusaku SASAKI¹

Graduate School of Economics, Osaka University
Research Fellow of Japan Society for the Promotion of Science, DC1

ABSTRACT

This paper investigates conformity in charitable contributions from the perspective of when, where and how donor behavior is influenced by the information about the others' contributions. We use the dataset of online fundraising campaigns launched on the website of JustGiving.jp. The campaign page shows the information about all the previous donations, which includes the name of the donor, the date of the donation and the amount. The information enables potential donors to know the distribution of the previously donated amounts before they determine their own contribution. Our estimated results show that donors are more likely to conform to the mode value in the previously donated amounts when the distribution is smaller and thus the mode value in them is more salient and noticeable. It indicates the possibility that the conformity among the previous donations could encourage the later donors' attitude of conformity.

Keywords: Conformity, Social preference, Charitable contributions, Online dataset, Natural experiment

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¹ Email: ssasaki@cbi.osaka-u.ac.jp