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A New Look at Nonprofit Online Fundraising

Persuasion through the Means of Credibility and Psychological Consistency

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A study was conducted to examine how the persuasive elements of a message contribute to non-profit organizations’ potential to gain financial support. The purpose of the study was to apply theories of persuasion to advance an understanding of the underlying elements relevant to successful fundraising appeals. The two main constructs examined were credibility and psychological consistency. Applied to the context of non-profit fundraising, credibility refers to the judgments granting institutions and/or donors make about the believability of the non-profit organization or its individual representatives, and psychological consistency refers to donors’ internal drive to reduce inconsistencies between their behavior and their beliefs, values, or attitudes. The method of investigation involved a secondary research analysis of existing literature to illustrate how the level of credibility donors associate with an organization is likely to impact the effectiveness of fundraising messages, and to articulate the influence psychological consistency plays in the desire and motivation for donors to support non-profit fundraising efforts. Presented as a professional report, this study reviews the implications of the findings and offers specific ways in which non-profit organizations can improve the effectiveness of fundraising attempts via examples grantwriting and online fundraising campaigns.

Keywords: nonprofit; fundraising; persuasion; online

Of my favorite quotes by an unknown author is, “Dedication is not what others expect of you, it is what you can give to others” (“Quotations Page,” 2008). Charitable fund-raising and philanthropic giving within the world of the nonprofit sector has always been captivating and it has become something I am pursuing for personal goals as well as my professional goals. Nonprofits are about having powerful missions within organizations that benefit communities or the nation at large. United Ways’ mission is, “To improve lives by mobilizing the caring power of communities” (“United Way Mission,” 2008), while the American National Red Cross strives, “To provide relief to victims of disaster and help people prevent, prepare for, and respond to emergencies” (“American National Red Cross Mission,” 2008). With the completion of this
paper, the information obtained has allowed me to see aspects of the nonprofit sector in a
different light, one that looks at persuasion. Not only does this satisfy my personal desires to
understand how persuasion applies to my interests, but it has also enriched the technique I will
use when I seek charitable funds and philanthropic giving within communities as a future
profession. The realm of the nonprofit world is saturated with a diverse range of appeals to
persuasion, and without them, nonprofits would cease to exist.

Within this paper, I examine how credibility and psychological consistency play into the
dimensions and techniques used to gain funding for nonprofit organizations, such as grant
writing. I review advice from a woman who was the leader of a nonprofit. I discuss the real-life
example of a nonprofit that used branding with a corporation to help with their fundraising
efforts. In addition, a specific illustration in the form of a current proposal for a grant for an
AgStar Fund is included as an appendix to display the persuasive wording used in writing grant
proposals and the art of grantsmanship.

Two important aspects to investigate that are related to grantwriting and obtaining funds
are credibility and psychological consistency. Credibility is defined as the “judgments made by a
perceiver concerning the believability of a communicator” (Gass and Seiter, 2007, p. 75). The
concept of credibility involves both primary (e.g., expertise, trustworthiness, and goodwill) and
secondary (e.g. sociability) dimensions that relate to nonprofit fundraising (p. 77). I investigate
how these dimensions impact the effectiveness of charitable fundraising and philanthropic giving
by examining how a nonprofit organization establishes credibility by crafting persuasive
messages that reflect positively the primary and secondary dimensions of credibility. In addition,
I will am interested in the psychological consistency felt by those being asked to give donations.
Psychological consistency, specifically the Consistency Theory (Gass and Seiter, 2007, p. 56)
argues that when one does not act or behave consistently with their inner systems (such as their beliefs, attitudes and values), they feel discomfort and are driven to reduce the inconsistencies (p. 56). In this manner, credibility is examined via the persuasive message that nonprofits use to obtain funding, and psychological (in)consistency is examined to understand the affect these messages may have on potential donors who are exposed to the persuasive appeals (e.g., approving grants).

Every nonprofit organization relies heavily on fundraising and giving through grants to continue to serve the population that exists within their missions. Grant writing is a core tactic used by nonprofit organizations to raise money. Within grants, one is able to inject a persuasive need for the donation and is able through words to establish a compelling case for their cause. However, there is more behind this process than writing heart-jerking stories in hopes it will make grant holders feel an emotional obligation to approve a grant. Beyond the writing are relationships that are developed and maintained to project public face of an organization, through which organizations credibility is established.

**Credibility**

The notion of credibility encompasses aspects of expertise, trustworthiness, goodwill, and sociability. However, relationships can be made; the leader of the organization needs to be seen as credible to have an easier time forging these connections. Leaders such as Program Directors or Executive Directors in these roles need to possess certain qualities that make them effective to lead. Dobbs and Nanus (1999), authors of *Leaders who make a difference*, suggest that for a leader to be effective in the tasks he/she is responsible for performing they must be honest, a forward thinker, inspiring, competent, caring and loyal (p. 22). Most of these traits are examples
of both the primary and secondary dimensions of credibility, just presented in a different manner (Gass and Seiter, 2007, p. 77). For a leader to be honest this would be representative of possessing trustworthiness and sociability. Inspiring and competent would be reflective of having expertise, while caring and loyalty would be displaying goodwill. An example given by Dobbs and Nanus (1999) about how a women gained her credibility was by keeping promises and valuing her commitments, her following-through showed she was trustworthy and dependable (p. 55). Once a leader has earned a credible reputation, he/she can use that positive attribute to enhance the organization’s credibility to begin forging relationship with donors and to create partnerships with funders.

From my personal experience working with a small nonprofit organization, once you establish to your donors and sponsors that you are credible and represent a worthy cause in need of support, it becomes easier to foster supportive partnerships and access to other community connections. Dobbs and Nanus (1999) explain the essentials to building and sustaining relationships by basing them off of, “trust, integrity, and credibility, including staff, donors, volunteers, the client community, the board of directors, and the general public” (p. 50). Aside from specifically stating that credibility plays a large role in this process, it also mentions trustworthiness, and the inclusion of all the groups involved as an example of both goodwill and sociability. Overall, building relations is the core of where persuasion techniques take place to gain funding for nonprofit organizations.

**Psychological Consistency as it Pertains to Credibility**

In the situation of receiving funding from a donor or sponsor, it is important to understand their motives so your persuasive appeal matches their priorities. Dobbs and Nanus
(1999) discuss that for individual donors, religious beliefs and/or family practices will reflect beliefs and attitudes that underlie motivations to donate. These details can be used in an ethical persuasive manner to create “tighter bonds, stronger interest, and incentives for sustained and even increased giving…this knowledge gives the leader leverage and an inside track when appealing for support” (p. 204-206). Another suggestion that Dobbs and Nanus (1999) offer relates to psychological consistency by incorporating sequential persuasion and credibility in the persuasion process. An aspect of sequential persuasion (the order in which you make requests to achieve the most effective persuasive impact) is pregiving. Pregiving is the act of offering gifts or favors prior to a persuasive appeal so the donor/sponsor is more likely to comply (Gass and Seiter, 2007, p. 209). Applied to the nonprofit realm, Dobbs and Nanus (1999) suggest reinforcing relationships with donors by featuring a story on them, publicly recognizing them at an event, naming something in their honor, or giving them an award (p. 206). This is not quite pregiving (rather postgiving), and is still a form of giving that it reinforces a stronger reason and motivation for the donor to give to your organization or charity in the future by establishing stronger links between a donor’s belief, attitude, and behavior that support the nonprofit cause. This strategy links to credibility in that the organization is demonstrating goodwill by showing they appreciate and care about their donors’ interests, while simultaneously building support for and recognition of their cause.

**Using Credibility to Build Relationships**

Having relationships with your grantors and donors are vital but quite often nonprofit organizations are required to be competitive when applying for grants or funding for projects. La Piana’s (2005) book *Play to win: The nonprofit guide to competitive strategy* lays out that
competition (a means of persuasion) is a mechanism that is essential to keep nonprofits advancing powerful missions (p. 1). The presence of competition requires nonprofits to communicate the best persuasive appeal one can make for their organization’s cause. This would be done by deciphering which persuasive tactics would be most effective for specific situations. A large part of being a competitive nonprofit is being seen as the most credible organization. Credibility, in a large part, is perceived as the ability to deliver as promised in the exchange relationship – to accomplish what was promised in return for the funds” (La Piana, 2005, p. 154).

La Piana’s book revolves around the idea of being the best that your abilities will allow you to be. It stresses having the most and strongest relationships with funding resources, understanding the most about the customers the organization is trying to serve, being the most accountable, and being the most credible. La Piana also suggests that having volunteers as the backbone of the organization can help demonstrate that your organization is the most efficient with its resources (p. 172). Having adequately trained volunteers’ means work is done without expending anything from the budget. This contributes to the credibility of the organization because many times the volunteers are retired persons that have expertise (a primary dimension of credibility) in the field and are willing and able to give back the community (p. 172).

### Psychological Consistency

Moving away from credibility and into the concept of psychological consistency and Consistency Theory (Gass and Seiter, 2007, p. 56), nonprofits rely heavily on this theory. Research shows (Martin and Raymond, 2007) there has been a significant amount of study on which groups, ages, and genders are more likely to change their behavior when it is inconsistent with their beliefs, attitudes, or values. For example, Martin and Raymond (2007) wrote a book
titled, *Mapping the new world of American philanthropy*. In this book, Martin and Raymond review information on the influence of women philanthropists. Martin and Raymond’s research suggests that women are more influenced by psychological consistency and more specifically the Consistency Theory (p. 109). The difference between psychological consistency and the Consistency Theory is that the first is the concept of behavioral (in)consistencies with beliefs or attitudes, while the latter is a theory to explain the phenomena. The authors suggest nonprofits should capitalize on women as prime donors to charities and cultivate women’s willing to participate in fundraisers because, “women feel more responsible to give and want to make a difference” (p. 110). This suggests that women in general hold beliefs and attitudes that value making a difference and thus will likely be motivated to insure their behaviors are consistent with their beliefs and attitudes. The authors stress that this does not mean we should throw men out of the ring as not being affected by the consistency theory. Men, as well, give to charities and participate in fundraising (p. 110). Very little research has been done on the motivations for males to donate, yet one article written by Olson in *The New York Times* titled, *As women’s incomes rise, so do their donations*, mentioned males motivation to donate in a 10,000 participant survey that was conducted. The survey concluded that most males donate to areas where the government or institutions will not nor cannot (p. A4). The article also references to men being more motivated by tax deduction and/or building business partnerships and women more motivated by a passion for a cause (p. A4). Yet, this is still valuable information because, when you know which groups, ages, or genders are most affected by different motivations it can mean more effective fundraising. It is important to understand and apply this knowledge since our nation’s population is becoming more diverse and equal in power distribution. As an example, “women control more wealth than ever before…in 2000 women held 60 percent of the
wealth in the United States and is continuing to increase” (p. 111). This shows that our population is changing and to be the most effective with fundraising efforts nonprofit organizations need to be aware of these changes and understand the various motivations that exist within the many groups.

New Applications:

Synthesizing Credibility and Psychological Consistency

An additional connection I would like to make that has not yet been researched involves combining the consistency theory and the application of using branding with fundraising. Martin and Raymond (2007) list examples of branding that have already occurred with larger nonprofit organizations. Branding is used by corporations to sponsor a nonprofit organization and help promote charitable giving. The nonprofit organization Mothers Against Drunk Driving successfully used Coca-Cola and Wal-Mart in 1997 to help increase donations (p. 220). If corporations can have this effect on increasing donations to a nonprofit organization then celebrities and individuals of high status should too. This means, it is not that a corporation can increase fundraising, it is the branded image (and all of its associated characteristics that prompt identification with beliefs and attitudes, characteristics that are related to credibility and psychological consistency). Minimal research exists on having celebrities attend fundraising events or even having them be the representative for the organization. Yet, this could relate to the phenomena of sparking consistent attitudes and beliefs, the consistency theory, for those that donate. If the consistency theory resides on the idea that people make behavioral decisions to be consistent with what they believe and value, then imagine a scenario where a possible donor values having a high level of status and being recognized (this is not that uncommon). If a person
of status or a celebrity was promoting a nonprofit and they themselves were giving to the organization would the possible donor who values status not feel some inconsistency if they did not donate as well? By extension, donating would mean that you are somewhat similar to the celebrity who donated, meaning you could also be seen as being of higher status. I believe there is a link between the two that most certainly involves persuasion.

The Art of Grantsmanship

As a nonprofit organization, when trying to secure funding for a program or a special project many organizations will turn to proposal writing. Grantsmanship is a mastered technique that involves persuasion to be effective at receiving the necessary funding. Both credibility and psychological consistency play an active role in writing the proposals. The concept is simple; proposal writing resembles a competition. There is clearly a large portion of the proposal that is based off how well structured your goals and budgets are, but this can be boiled down to displaying that your organization is trustworthy (primary dimension of credibility). If your budget and goals are specific and nothing is missing or intentionally left out it shows that your organization is to be trusted. This portion of the proposal is typically not seen as the most persuasive; however, it does hold significant weight in the overall success of the proposal.

The section that is most obvious in its persuasive tactics is the section of the proposal that inquires about the problem/need, the population that will benefit from the program, and the programs overall mission. In regards to psychological consistency, this section has the ability to create a consistency struggle if a grant review were to strongly believes in the mission of the program who then has to rate the proposal. Persuasion, “involved one or more persons who are engaged in the activity of creating, reinforcing, modifying or extinguishing beliefs, attitudes,
intentions, motivations, and/or behaviors within the constraints of the given communication context” (Gass and Seiter, 2007, p. 34). There has been much criticism that an ethical concern is at stake. The concern is that proposal writing, more specifically the problem statement, can be seen as unethical if the grant writer is manipulating the grant reviewers by presenting exaggerated problems and or needs. However, Coley and Scheinberg (2008) in their book Proposal writing: Effective grantsmanship state that the specific purpose of a problem statement is that it, “provides a convincing case regarding the extent and magnitude of the need or problem in the community, and it is written within the context of those who experience the problem directly or indirectly” (p. 39). In my experience, if you are not actively creating, reinforcing, etc… the attitudes, intentions or motivations of a funder your proposal and your nonprofit organization will not be seen as possessing a need that warrants the funding. Coley and Scheinberg (2008) argue as long as the need is presented in an appropriate and genuine manner the nonprofit organization is not crossing the ethical line. As the proposal for an AgStar Fund is provided in the appendix, it will illustrate a more specific example of how persuasive language can be applied appropriately and ethically within a grant proposal.

Establishing Credibility and Fostering Psychological consistency Online

Beyond typical modes of building relationships, nonprofit organizations are able to fundraise on the internet, a venue that is most likely to only increase as the years progress. Just briefly touching on this topic of what the nonprofit future will hold, the main concern about online fundraising is creating online trust, which is a primary dimension of credibility. I have discussed and presented credibility in this paper as something that is acquired face-to-face, however, this can also be established online. Nonprofits often meet with their donors face-to-face...
to build relationships of trust, and it seems through mostly visual perception that one is able to judge if the organization has composure, is sensitive and understanding, and competent and genuine. Hart and Johnson (2002) wrote a section on building online trust in a book titled, *Fundraising on the internet*. The authors remind us that if trust can be built in direct mail, it can be built online. Prior to beginning the fundraising, the authors stress the importance of first impressions. When you are in person, rarely can you get away with an unfavorable first impression, and online this is next to impossible (p. 4). The following are six suggested ways to build credibility and trust online: (1) ensure online security with seals of approval, (2) match website content to the organization’s mission, (3) provide for easy site navigation, (4) maintain stewardship, (5) appreciate the needs and expectations of donors first, and (6) provide effective technology (p. 5-8). In general, these suggestions are ones that relate to trustworthiness, expertise, and goodwill, important dimensions of credibility. Displaying security is allowing the donors to trust their personal information and donation is safe. Ease of navigating a website shows a nonprofit organization to be intelligent and to have the skills to manage the technology. By appreciating the needs of donors, a nonprofit website can display that you and your organization care about their interests and needs.

A final consideration of how credibility and psychological consistency can be fostered online is that relationships made online are in some ways more efficient and effective. Online, the nonprofit organizations have the ability to be fast in service and gear interactions towards individuals more effectively (p. 210). This contributes credibility because service can be personalized, which displays goodwill and makes stronger relationships that are more connected to the donor. In addition, donors will receive nearly immediate feedback or notes of appreciation. As the authors Hart and Johnson put it, online relationships will shift from one-by-one to one-on-
one (p. 210). Keep in mind, as this online nonprofit realm grows that the faster the service can be provided the more on top of things the organizations need to be. When customers or donors know it does not take long to respond, the longer a response takes can result in distrust.

Once an organization creates relationships and fosters partnerships, establishes a credible face for the public, understands what is needed by the customers as well as the motives of the donors, and grasps the use of consistency the organization can then write the grant, plan the fundraiser, or seek donations. Many aspects of persuasion have been addressed in this paper within the nonprofit sector, and it is important to understand and be aware of all the persuasive dimensions that exist to truly be effective in charitable fund-raising and/or philanthropic giving. Even understanding the simple skills of building trusting relationships or understanding the motives of different groups to donate is valuable. If there is one thing I understand in a much greater capacity it is that the nonprofit world is saturated with persuasion from the first step to the last and beyond in fostering lasting partnerships and relationships.
References


Appendix

Application for AgStar Fund for Rural America
Submitted by: Kaytlin LeMier

Organization Information

Name of Group: Mapleton Town & Country Days
Contact Person: Sara Isebrand
Title: Land Use Specialist at Blue Earth County
Fax Number: N/A
Street Address: 410 S. 5th St P.O. Box 3566 Mankato, MN 56002
State: Minnesota
Website: www.mapletontownandcountrydays.com
Email Address: sara.isebrand@co.blue-earth.mn.us
Phone Number: 507-304-4339
County: Blue Earth
City: Mapleton
Zip Code: 56065

Organization Structure: 501 C(3) Not-for-profit

Overview and history of the organization:
The city celebration has been occurring since 1979. From 1997 to 2004, the City of Mapleton sponsored the celebration, and from 2004 to the present, a committee known as the Mapleton town and Country Days committee has been handling all the financing, insurance and organization each year. The organization’s board of directors consists of a President, a Vice President, a secretary, a treasurer and two other board members. Currently, the historical artifacts are being stored, but not in an environmental controlled area. The artifacts are being continuously received from residents who have donated them to help preserve what they cherish the most. It is now up to the organization to provide the city with historical displays and walking tours so they can continue to appreciate their history.

Mission and goals of the organization:
The purpose of Mapleton Town and Country Days is to provide a framework exclusively for preservation, educational, and presentation purposes through which local people can participate in preserving the oral and physical history along with memorabilia planning and implementing of social, community, and physical development to improve the quality of life for all area residents.

Community your organization serves (population, geographic area, demographic, etc.):
Mapleton Town & Country Days serves the community of Mapleton, MN and it is available for populations that reside outside the Mapleton area. As for Mapleton, the population as of 2007 was 1,662 persons. In the larger Blue Earth County, the population served was 59,802 persons. Overall, the larger population served within Blue Earth County in South Central Minnesota spans 752 square miles.

How did you hear about this program:
AgStar Fund for Rural America was heard through word-of-mouth and friends who have worked with AgStar because of its remarkable reputation for being a credible fund that is committed to agriculture communities and to improving the quality of life. When searching for grant opportunities, this program matched perfectly with the agriculturally centered city of Mapleton, and our organizations commitment to preserving history for its residents.

Program/Project Information
Category: Education
Program/Project Timeline:
Start Date: March 2008
End Date: June 2009
*This is a one-time event
Descriptive title of the Applicant’s Project:
Preserving the history of Mapleton through assembling, preserving, and storing historical artifacts.

Detailed Description of your request:
Our organization is requesting funding to help preserve historical artifacts from the Mapleton area. The first half of this preservation includes cataloguing, storing, and displaying the artifacts that are already in the organization’s possession. The second half includes having a suitable physical structure to house the artifacts. The location has already been found (the basement of The Carnegie Library in Mapleton) but the organization needs funding to renovate the environment to make it an adequate environment to preserve and display the artifacts. This entails ensuring the building is accessible (ADA compliant) to everyone and the climate is adequate to preserve the artifacts.

Purpose of your request (describe project goals and objectives):
A community cannot move forward and look to the future without being aware of and appreciating its history. The ultimate desired goal is to preserve the history and culture that resides within for its residents of Mapleton, and the surrounding population. The objectives will be to renovate and establish an adequate environment for the artifacts by February 1, 2009. The second objective will be to catalogue, store, and curate displays for the artifacts already in possession by May 1, 2009. Finally, the last objective will be to have the display open to the public by June 1, 2009 with the entire collection of historical artifacts from Mapleton, MN.

The specific need(s) this request will meet and who will benefit from your request:
As our rural cities dwindle and our urban cities expand the problem lies with what is lost. Mapleton, MN is an old rural city that has a very distinct culture of its own. If something is not
done to reconnect the residents to this unique culture and restore the connection to its history, it will be in danger of being lost. The residents of Mapleton and Blue Earth County will benefit from this attempt to preserve its history by giving them the opportunity to appreciate where they came from and to learn about their cultures’ history, that has shaped them in some way.

Areas affected by Project (cities, counties, states, etc):

The anticipated affected area will be Mapleton, MN. The less immediate areas affected will be Blue Earth County and Faribault County as we are willing to work in collaboration with their historical societies. The least affected area will be South Central Minnesota as the Mapleton historical site will be available to the public and may interest this region to visit the display.

Describe the measured outcomes, impact on the community and results anticipated:

The initial outcome that is anticipated is for 50% of the Mapleton community residents will experience an increase in their knowledge about the Mapleton history by September 1, 2009. The longer-term outcome will be that 80% of population served will have visited the historical site by January 1, 2010 and 100% of the surrounding area schools will have made at least one school-visit to the historical site within one full year of opening.

Describe the responsibilities and staff needed specific to this request:

The staff needed for this project will be a contractor that will be responsible for the accessibility of the building and renovating of the rooms that will house the historical artifacts. A Program Director will be responsible for overseeing the start-up operations as well as the program operations once the exhibit opens up. There will be two historical curators who will be responsible for cataloguing, storing and displaying the historical artifacts. Finally, there will be general staff to run bookkeeping and volunteers to supervise the exhibit and give tours.

How does this project/program fit with AgStar Fund priorities as outlines?

AgStar Fund priorities are to educate, maintain or improve the environment, support the advancement of technology, and improve the quality of lives that center on farming and agriculture. Our project fits these priorities outlined, most specifically within education. By creating a permanent location for residents to and surrounding populations to learn more about Mapleton’s history it will inevitably reflect very positively on the farming community. Farming and agriculture, as a whole, is a very large part of the Mapleton’s culture and history. This will be reflected by the historical artifacts that both children and adults will be able to learn about and learn to appreciate it or be given the opportunity to remember. It is anticipated to improve the lives of those working in farming and the residents of our rural community to bring respect to the profession and understand how it has shaped their community and their connection to it and each other.

Request for Funding

Describe current funding status of this request:

Currently we are receiving funding from profits for annual celebrations, through fundraising, and through private donations.

Funding Request
Amount Requested from the AgStar Fund for Rural America: $5,000.00
Total Program/Project Budget: $10,000.00
Total Annual Organization Budget: $5,000.00

Funds are being requested for:
- General Operating Support
- Project/Program Support
- Start-up Cost

List of other funders who are supporting this program/project:
- Anonymous Private Donations (committed)
- Fundraising done by organization (committed)
- Anonymous Profit Businesses (committed)
*All support from the above funders totals $5000.00
*All citizens that want to fund the project will do so once we have a building.

Additional comments or information to support your request:
Our organization is very invested in this request and the project and we wish to inform you that we are willing to collaborate with either Blue Earth County or the Faribault County Historical Societies. We would graciously accept technical support from either society to ensure the funding would be most effectively used.