

Nearly two-thirds of Uber riders never tip, study finds

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Credit: AI-generated image ([disclaimer](#))

The ridesharing company Uber added tipping more than two years ago, but how often do people actually use the feature? Less than a fifth of the time, it turns out.

According to a new working paper co-authored by renowned University

of Chicago economist John List, Uber customers tip on roughly 16 percent of rides. Those who do tip add an average of \$3.11, about 26 percent of their fare.

However, the paper also found that nearly 60 percent of ride-share customers never tip, while only about 1 percent always tip.

A pioneer in the use of [field experiments](#), List and his fellow researchers helped design and implement in-app tipping for Uber. That gave them a chance to generate data during the rollout of the feature in 2017, collecting information from more than 40 million trips. Previously the chief economist at Uber, List now serves in the same role at Lyft.

Other findings from the paper, published this week by the Becker Friedman Institute for Economics at the University of Chicago, include:

- Riders with 5-star ratings tip more than twice as often as those with 4.75-star ratings—and tip nearly 14 percent more.
- A rider who matches with the same driver twice tips 27 percent more on the second ride.
- Tips tend to be highest from 3:00 to 5:00 a.m., and are also high Fridays and Saturdays around 6:00 p.m.
- Men tip on 17 percent of trips, while women tip on 14.3 percent of trips.
- Female drivers are tipped 10-12 percent more than male drivers, regardless of rider gender. The gap shrinks with the age of the drivers, disappearing by 65 years old.

"Field experiments provide an empirical look at [consumer behavior](#) that wouldn't be possible otherwise," said List, the Kenneth C. Griffin Distinguished Service Professor of Economics at UChicago. "In this case, we found clear differences in tipping behavior informed by environmental and demographic factors, such as gender, age and race.

"In addition, we were able to go beyond simple measurement and answer the 'whys' behind tipping. In so doing, we can provide a unique glimpse of social preferences in the field and provide insights into how norms and defaults work in tandem to change behaviors."

The paper examined UberX trips from Aug. 18, 2017 to Sept. 14, 2017. Analysis was restricted to six cities: Chicago, Boston, San Francisco as three [large cities](#) in different regions; Salt Lake City and Asheville, North Carolina as moderately sized cities; and Bloomington, Indiana as a college town.

More information: Bharat Chandar & Uri Gneezy & John List & Ian Muir, 2019. "The Drivers of Social Preferences: Evidence from a Nationwide Tipping Field Experiment," Natural Field Experiments 00680, The Field Experiments Website.
ideas.repec.org/p/feb/natura/00680.html

Provided by University of Chicago

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