

Rate or tip first? This corporate decision can decrease or boost worker tips

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Researchers from City University of Hong Kong, University of Minnesota, and University of Illinois Urbana-Champaign published a new paper in the *Journal of Marketing* that finds that requesting customers rate service professionals first can lead to smaller tips, whereas asking customers to tip first does not influence subsequent

rating scores.

The study is authored by Jinjie Chen, Alison Jing Xu, Maria A. Rodas, and Xuefeng Liu.

Imagine you are on vacation and have just taken an Uber from the airport to your hotel. When you arrive, the app asks you to rate the driver. The trip was great, so you give the driver a five-star rating, as you usually do. Then, the app asks you to decide on how much to tip the driver. How would having rated the driver affect how much you tip? What if the app asked you to tip first and then rate?

Many apps such as Uber and Lyft ask customers to both rate and tip the service professionals. Interestingly, although Uber and Lyft apps allow riders to both tip and rate the drivers on the platform, the design of each app is different. While Lyft asks riders to tip before they rate the drivers, Uber prompts riders to rate the drivers before tipping. How does the order of these two decisions affect each other?

This research team investigated whether, how, why, and when the order of rating and tipping affects both consumer behaviors. A survey in the study finds that consumers and service professionals intuitively believe that soliciting ratings first should lead to larger tipping amounts. However, counter to these intuitions, seven studies provide evidence showing that rating first actually decreases subsequent tips.

In one field study, a driver provided shared ride services by alternating between the two ridesharing platforms. The same driver then recorded the amounts of the ride fare and the tip received from each ride. Based on 92 trips, we found that, after controlling for the base fare, Uber riders, who rated the driver first, tipped smaller amounts than Lyft riders, who tipped the driver first. Additional studies also find that tipping a service professional first does not seem to influence the ratings

consumers would provide.

Results from another [field study](#) conducted in a restaurant indicate that rating a service professional first before making the tip decision decreases the tip amount by 13 percent, a significant portion of income for service professionals in the restaurant industry.

With the advent of new technology and the app-based economy, more and more services are now asking consumers to rate and tip service professionals. This new research finds that asking for ratings before tipping can lead to customers giving smaller tips. However, customers and service professionals are not aware of this.

"Our findings also have important implications for firms and managers. How much people tip is not only important for service professionals financially, but can also impact their morale and retention rates, which are also important for firms. Therefore, when designing service platform interfaces, managers should consider asking customers for their tipping decisions before [rating](#) decisions," says the research team.

More information: Jinjie Chen et al, EXPRESS: Order Matters: Rating Service Professionals Reduces Tipping Amount, *Journal of Marketing* (2022). [DOI: 10.1177/00222429221098698](https://doi.org/10.1177/00222429221098698)

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