FEEL MANIPULATED WHEN RESTAURANTS SUGGEST TIPS? YOU'RE NOT ALONE

Suggested percentages can increase tips, but they can also make consumers feel manipulated and dissatisfied. The right balance keeps customers and service staff happy through better app and web design.

Go to any restaurant or use a food delivery app and you're likely to encounter tip suggestions as part of your order. Suggestions range from 15%, 20% to 25% or more when ordering from services like Uber Eats, DoorDash or in restaurants and coffee shops.

But how do these suggestions make the customer feel? That's what Dr. Alei Fan of Purdue University's White Lodging-J.W. Marriott, Jr. School of Hospitality and Tourism Management and her colleagues examined in a three-part study. They asked 134 people to imagine ordering a pizza costing about US $29.00 via an app with a payment page similar to existing apps. Half viewed a "tipping optional" page with an empty box to enter tips if desired. Others saw specific tip suggestions, 15%, 20% and 25%, with default 20% and a "custom" fill in option.

When rating feelings, those offered suggestions gave higher tips but simultaneously felt manipulated and dissatisfied. Intriguingly, two additional studies examined payment page layouts on a smartphone and a computer, comparing cluttered versus spaced design. Here too, suggestions meant higher tips, though good design resulted in less dissatisfaction. In a survey held with the study, people spoke more positively about digital applications and businesses if their digital payment experience was a good one.

This study is important as more consumers encounter tip suggestions. To avoid that manipulated feeling, uncluttered designs should be the goal. Dr. Fan believes increasing tips leads to higher income for workers, especially important in a time of tight labor conditions for service-oriented companies.

MAJOR TAKEAWAYS:

- Tip suggestion is effective in increasing tipping size for service employees but can make consumers feel manipulated;
- The detrimental effect on consumers is impacted by the design of the digital payment page;
- Done wll, tip suggestion and payment page design of can increase both employee income and consumer satisfaction.

WHO NEEDS TO KNOW:

- Restaurant Management
- Service Personnel
- App designers
- Restaurant & Food Delivery Patrons
- Service App & Web Developers
- Delivery Services
- Food Delivery Personnel

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