Would You Like to Round Up and Donate the Difference? Roundup Requests Reduce the Perceived Pain of Donating

Abstract
Recently, some companies have begun to ask their customers to “round up” transactions to the next highest dollar and donate the difference to charity. However, little is known about how consumers respond to such an appeal. Across a series of lab experiments and one large field study, we find that consumers respond more favorably to a roundup than to a flat donation request, even when the requested amount is identical. We find evidence that the effect arises because a roundup request reduces consumers’ perceived pain of donating. Three alternative explanations are examined (i.e., objective financial cost, inattention to donation cost, and perceived novelty of the request) but not supported. This research has important implications for both companies and nonprofits seeking to increase charitable donations from consumers.

Short Bio
Richard Lutz is the Chair of the Marketing Department and the J.C. Penney Professor of Marketing at the University of Florida, where he has taught since 1982. He specializes in the areas of consumer behavior and marketing communications. He received his B.S., M.S. and Ph.D. in Marketing, all from the University of Illinois, Urbana-Champaign. He is a past president of the Association for Consumer Research and a former Vice President of Publications of the American Marketing Association. He is a past editor of the Journal of Consumer Research and has authored over 90 articles and books. Lutz has taught introductory marketing at the undergraduate level to over 90,000 students and has won the Warrington College of Business Teacher of the Year Award on six occasions. In 2006, he was selected by Business Week as one of the top undergraduate business professors in the nation. Lutz was the UF Alumni Association Distinguished Alumni Professor in 2007-2009, and he was named the 2010 AMA Irwin/McGraw-Hill Distinguished Marketing Educator, the highest honor conferred by the AMA for distinguished service and outstanding contributions in marketing education. In 2015 he was named an inaugural AMA Fellow, and in 2016 he received the Lifetime Achievement Award from the AMA Consumer Behavior Special Interest Group. In 2018, he was named a Fellow of the Association for Consumer Research. He is married, with two grown sons, both of whom are UF alumni and local entrepreneurs, and two beautiful grandchildren.