

Easy Calculation or Easy Result: The Paradoxical Effects of Decimal Numbers

Yi Li
Macquarie University

Cite as:

Li Yi (2022), Easy Calculation or Easy Result: The Paradoxical Effects of Decimal Numbers. *Proceedings of the European Marketing Academy*, 51st, (106887)

Paper from the 51st Annual EMAC Conference, Budapest, May 24-27, 2022



Easy Calculation or Easy Result: The Paradoxical Effects of Decimal Numbers

Abstract

Decimal numbers are ubiquitous in the marketplace in the form of retail prices and tips. Consumers often perform simple arithmetic calculations involving decimal numbers when calculating their spending total after adding more products or adding a tip. Existing research shows that consumers prefer round numbers, numbers with more ending zeroes and fewer decimal digits, due to its signal of completion and its ease-of-processing. Thus, in calculations involving one decimal number, will consumers prefer to add/subtract a rounder number to ease the calculation process, or will they prefer to add/subtract a decimal number to reach an easier and rounder result? To solve this paradox, we predict that when the calculation result is salient, it will activate the goal of reaching a rounder number result, which encourages consumers to engage in a more effortful calculation involving decimal numbers. By pursuing this goal, consumers experience a positive roundup/round-down pleasure, which explains and moderates the effect of preference for rounder results. We demonstrate this effect in the contexts of product choices, tipping decisions, and promotion evaluations.

Keywords: *Round number; Mental calculation; Price*

Track: Consumer Behaviour