Over $42 billion is given away in tips annually in the United States food industry, creating a significant impact on the economy, service organizations, and consumer experience. The current research investigates the role of gratitude, obligation, sympathy and generosity in predicting tipping behavior. Consumer behavior theory is used to build a predictive model of tipping behavior. An online survey was conducted to measure proposed antecedents of tipping (gratitude, obligation, sympathy, generosity) and tipping behavior in a restaurant setting. Contrary to previous studies, the results suggest that obligation alone is not the primary motivating factor in tipping, gratitude is also a factor, although neither sympathy nor generosity was found to significantly affect tipping behavior. The results suggest that service providers should not only reinforce tipping norms and feelings of obligation, but also attempt to instill feelings of gratitude to increase tips.

Key Words: tipping, gratitude, obligation, generosity, sympathy, reciprocity

Introduction

Though its origin is unknown, the practice of tipping has become commonplace in many service sectors. Hairdressers, cab drivers, ushers, and waitpersons are among the most commonly tipped service workers. It is estimated that in the United States food industry, over $42 billion is given away in tips each year (Azar, 2010). Such a large amount significantly impacts the economy, tax obligations, customer experiences, service operations, and the lives of service workers.

Tipping is an important part of the exchange process, yet little has been written about this subject in marketing literature (Koku, 2005). A number of tipping studies can be found in the psychology (Rind & Strohmets, 2001; Seiter, Brownlee, & Sanders, 2011; Shamir, 1983) and economics literature (Azar, 2010; Bodvarsson, Luketich, & McDermott, 2003; Conlin, Lynn, & O'Donoghue, 2003; Lynn & Grassman, 1990). Growth in the travel, hospitality, and tourism industries has attracted attention to the subject among hospitality researchers (Lin & Namasivayam, 2011; Lynn, Pugh, & Williams, 2012). Attempts at reforming employee wage reporting regulations by federal and state governments have attracted interest from tax, public policy, and human relations researchers (Duman & Pulliam, 2006; Even & Macpherson, 2014). The three main categories of tipping research are theories for its existence, investigations into tipping motives, and predictors of tipping behavior (Lynn, Zinkhan, & Harris, 1993). Predictive models have focused on economic theory (Azar, 2005; Bodvarsson & Gibson, 1997; Conlin et al., 2003), demographic characteristics—e.g., ethnicity, age, gender (Koku, 2005; Lynn et al., 2012), and dining party variables—e.g., size of bill, dining-party size, payment method (Guéguen & Jacob, 2014; Kinard & Kinard, 2013; Lynn et al., 1993; Rind & Strohmets, 2001). Few attempts have been made to assess tipping motivation in terms of consumer behavior theory.

The primary objective of this study is to create a foundation for a predictive tipping behavior model that future researchers and managers can use to identify motivating factors that determine tipping behavior.
As shown in Figure 1, the proposed model suggests that obligation, gratitude, and sympathy have direct effects on tipping behavior. Past theoretical studies suggest that the effects of gratitude and obligation are moderated by differences in such personal variables as generosity that deter or enhance social behavior motivated by reciprocity.

Figure 1: Tipping Behavior Model

**Literature Review**

*Reciprocity Theory*

According to Gouldner’s (1960) Norm of Reciprocity we should help those who help us and we should not hurt those who help us. Reciprocity theory suggests that this norm is motivated by obligation and gratitude toward benefactors. Though Gouldner made clear references to both constructs, reciprocity theory research has been dominated by models that describe obligation as an exclusive motivating factor (Goei, Lindsey, Boster, Skalski, & Bowman, 2003). Further, obligation and gratitude have often been conflated by behavioral scientists (Tesser, Gatewood, & Driver, 1968). Recent empirical research supports the contention that the two constructs are distinct (Goei & Boster, 2005; Watkins, Scheer, Ovnicek, & Kolts, 2006).

Considered a negative affective construct, obligation is often accompanied by feelings of indebtedness that create great discomfort (Goei & Boster, 2005). This is an undesirable state for a service provider to impose on a customer. It is a potential detriment to the overall service experience and a disincentive for repeat patronage (Hansen, Jensen, & Gustafsson, 2004). In contrast, gratitude, is an enjoyable state, with empirical data showing it to be a better predictor of future compliance than obligation (Goei & Boster, 2005; Watkins et al., 2006). Previous researchers have not incorporated gratitude into their tipping studies, even though reciprocity theory posits that a service provider’s ability to increase feelings of gratitude among customers will result in better service experiences and increased tips.

Reciprocity theory has additional explanatory value outside of the individual service exchange. Whatley et al. (1999, p. 252) suggest that expectations of favorable acts inducing favorable acts in return can “trigger a host of continuing exchanges benefiting each party.” McCullough et al. (2001) are
among researchers arguing that such an upward spiral of altruistic acts fueled by positive feelings can expand to include third parties not involved in the original exchange; this may (at least in part) explain the perpetuation of tipping as a social norm. In the most basic example, a waitress may provide exceptional service in hopes of receiving a good tip; when she receives one, it motivates her to continue providing exceptional service to future patrons, who perpetuate the upward spiral via tips and repeat visits.

Evidence suggests that receiving a favor elicits feelings of obligation and gratitude, and that both can be elicited during service exchanges. Regarding obligation, researchers have found that patrons tip in favorable and unfavorable circumstances, meaning that service quality is a poor predictor of tipping behavior (Bodvarsson et al., 2003; Lynn & Grassman, 1990). Reciprocity theory accounts for this by stating that patrons will tip out of gratitude when service is good and obligation when service is poor. The present study investigates the role of both obligation and gratitude as predictors of tipping behavior.

Gratitude

Though psychologists have long ignored gratitude as a construct, it is a common emotion, experienced and expressed in cultures throughout the world (Watkins, Woodward, Stone, & Kolts, 2003). Many cultures have developed linguistic and cultural devices for expressing gratitude (McCullough et al., 2001). As an affect, gratitude may be experienced in a given moment in response to a specific favor or benevolent act (McCullough et al., 2001; Watkins et al., 2003). Gratitude can also be an individual disposition (i.e., gratefulness) in which some individuals are more likely to experience affect and have a lower threshold for gratitude (Watkins et al., 2003). This study focuses on gratitude as an affective state, defined as “a positive emotional reaction to the receipt of a benefit that is perceived to have resulted from the good intentions of another” (Tsang, 2006, p. 139).

Gratitude serves three moral functions: as a moral gauge (a reliable response to another’s generosity); as a moral agent (a motivating factor for altruistic social behavior); and as a moral strengthesner (whereby benefactors perpetuate altruistic social behavior upon receiving positive responses from beneficiaries) (McCullough et al., 2001). People who experience gratitude are more likely to express positive behaviors toward third parties after receiving expressions of gratitude from those to whom they have previously extended benefits (McCullough et al., 2001; Tsang, 2006). In a similar manner, gratitude has also been associated with well-being. Watkins et al. (2003, p. 433) posited that “experiences and expressions of gratitude” should enhance an individual’s subjective well-being and increase overall personal happiness. Tipping is a means by which customers show gratitude and can therefore enhance an individual’s subjective well-being and increase overall personal happiness. Based on this background, the first research hypothesis is established as:

H1: Gratitude has a direct and positive influence on restaurant tipping behavior.

Obligation

Goei and Boster (2005) note that the role of obligation in the norm of reciprocity is so widely accepted that most researchers simply assume its direct effect on compliance and therefore fail to measure it. Another sign of this assumption is the lack of a specific definition for the term “obligation” in the literature. Therefore, the definition used for this research is taken from the American Heritage Dictionary (Pickett, 2004, p. 1212), which defines obligation as “A social, legal, or moral requirement, such as a duty, contract, or promise that compels one to follow or avoid a particular course of action.” This definition is consistent with obligation characteristics expressed by previous researchers. Namely, obligation is considered to be a social driver that is normally associated with the norm of reciprocity (Goei et al., 2003) and that guilt avoidance is the primary motive for individuals to meet obligations (Schwartz, 1977; Whatley et al., 1999). Further, individuals comply with requests and conform to norms in order to relieve or avoid discomfort associated with obligation (Goei & Boster, 2005), and they suffer a psychological disutility when social obligations are not met (Azar, 2003). Empirical results reported by Whatley et al. (1999) indicate that failure to repay a favor results in public shame or internalized feelings of guilt, and that such feelings are strongest when the favor is given in public (e.g., restaurant service rendered in anticipation of a tip). Gergen et al. (1975) suggest that obligation is an undesirable feeling that has a negative effect on social relationships.

Contrary to initial beliefs, obligation has a curvilinear relationship to prosocial relationships (Homans, 1961). That is, when little or no obligation is attached to a benefit, the beneficiary is likely to become suspicious of receiving “something for nothing.” Such altruistic acts violate the norms of reciprocity and deny the beneficiary the opportunity to repay any perceived debt. Homans (1961) refers to the unsatisfied need to return a benefit as a “tension of obligation.” At the other extreme, when the
obligation that accompanies a benefit is too large, the beneficiary is apt to respond negatively toward the benefactor’s unreasonable demands. Between these extremes, the norm of reciprocity operates and obligation serves as a motivating social force that aids in the maintenance of social order (Whatley et al., 1999).

This may explain Azar’s (2005) suggestion that restaurant patrons often feel pressured to tip well even when service is poor. However, study results regarding the effects of service quality on tipping behavior is inconclusive. From the perspective of economic theory, patrons tip in anticipation of future service. In practice, travelers and tourists tip (and often tip well) even though they have no intention of future interaction with the service provider. Such findings indicate that social norms play a significant role in the development of obligatory feelings and that patrons tip from obligatory compliance with social norms. The second hypothesis is therefore expressed as:

H2: Obligation has a direct and positive influence on restaurant tipping behavior.

Sympathy

Sympathy, which refers to a person’s awareness of the feelings of others or the capacity to respond to the concerns of others (Escalas & Stern, 2003; Gerdes, 2011), is characterized by the acknowledgement of suffering or sorrow and a desire to alleviate those feelings (Wispe, 1986). Whether the sympathizer succeeds in alleviating the negative feelings of the individual is irrelevant. It is their felt compassion and desire to help that is important (Wispe, 1986). Wispe adds that success in alleviating the suffering of the individual is irrelevant compared to expressions of compassion and a desire to help, and notes that sympathy and empathy constructs differ in that the first represents a way of relating to another individual and the second a way of understanding another’s perspective. Psychology, consumer, and other behavioral researchers tend to confuse the two concepts (Escalas & Stern, 2003; Gladstein, 1983; Gruen & Mendelsohn, 1986; Wispe, 1986).

The debate over the use of these two terms and their distinction is beyond the scope of this paper. Escalas and Stern (2003) and Wispe (1986) provide an appropriate review of these constructs. However, several important differences are worth noting here: (a) unlike empathy, sympathy can serve as a motivating factor (Escalas & Stern, 2003); (b) it lets individuals maintain their own perspectives while acknowledging the condition or feelings of others (Wispe, 1986); (c) sympathy is manifested in negative emotions (Gruen & Mendelsohn, 1986); and (d) sympathy is an independent affective response (Gladstein, 1983). Furthermore, it does not involve the reproduction of emotions perceived in others; instead, it is a response of compassion or concern evoked by the plight of another (Gladstein, 1983). Accordingly, patrons who have worked in service jobs or observed the hardships of wait staff personnel may be sympathetic. For example, a patron may witness a waitress working under strenuous circumstances and intense pressure to cover tables during a mealtime rush and feel sympathy for her. The third hypothesis is therefore stated as:

H3: Sympathy has a direct and positive influence on restaurant tipping behavior.

Generosity

Expressions of gratitude are moderated by individual differences that deter or enhance positive social behavior (McCullough et al., 2001). For example, individuals who are said to have personalities described as “agreeable” are more likely to show gratitude than individuals who do not. Reciprocity theory states that this is also likely to be true of obligation, since it can be experienced at different levels of intensity (Goei & Boster, 2005) and influenced by individual personality traits (Goei et al., 2003). Prior research concerning cooperative exchanges and reciprocity suggests that generosity influences social behavior. Specifically, Azar (2007) argues that generosity affects compliance with tipping norms.

The American Psychological Association (APA) defines generosity as “the quality of freely giving one’s support or resources to others in need” (American Psychological Association, 2006). It is not unreasonable to suggest that ability and willingness to give are related—that is, to “freely” give (willingness), an individual must have the resources available to them. General economic theory suggests that individuals with fewer resources (i.e., money) should be less willing to voluntarily give it away, as in the case of leaving a tip (Azar, 2004). Those who possess greater means have lower marginal utility than those with lesser means (Parrett, 2006). An individual may indeed feel genuinely grateful but lack the resources to tip at a corresponding level of gratitude. Conversely, individuals who lack a generous disposition may tip less regardless of their available resources and ability to pay a voluntary tip. The final hypothesis is therefore expressed as:

H4: Generosity moderates across gratitude and obligation where higher levels of generosity lead to higher levels of restaurant tipping.
Research Methodology

Students in an undergraduate “Principles of Marketing” course taught at a large southeast American university were invited to participate in a 45-item online survey ostensibly designed to measure consumer service experiences, specifically regarding casual dining. Students were offered extra credit toward their final grade in return for their participation.

The survey included established Likert-type scales for measuring gratitude (GRAT) (Kolyesnikova, 2006), obligation (OBLIG) and sympathy (SYMPH) (Escalas & Stern, 2003). A semantic differential scale was developed by the author to measure generosity (GEN). This scale asked respondents to self-report which of the following among each pair best describes them: generous/stingy, kindhearted/tightfisted, unselfish/selfish, appreciative/unappreciative, and giving/frugal. Tipping behavior (TIPBHVR), the primary dependent variable, was measured by asking respondents to indicate how much they would tip given a $30 food bill at a casual dining restaurant. Selected questions for the gratitude scale include “I tip as a way to say ‘thank you’ to service personnel” and “I tip in return for service provided to me by service personnel.” Obligation items include statements such as “I feel an ethical obligation to tip” and “I feel that tipping is the socially proper thing to do.” Sample sympathy items were “I have had a lot of interaction with restaurant waiters/waitresses” and “I feel very knowledgeable about the duties and responsibilities of a restaurant waiter/waitress” (see appendix 1 for full survey instrument).

A pretest was conducted with a convenience sample of 23 participants. The final online survey was viewed 371 times. 352 participants started the survey and 326 surveys were completed. Surveys from 16 participants were removed due to responses to an acquiescence control question (“Please do not answer this question if you are reading this”). The final sample consisted of 310 surveys.

Results

Of the 310 surveys, 160 were completed by female students (51.6%). The large majority of respondents described themselves as White/Caucasian (74.8%); others described themselves as Black/African American (9.4%), Hispanic/Latino (9%), Asian (3.5%), American Indian (.3%), or “other” (2.9%). Participant ages ranged from 18 to 49, with a mean and mode of 20.

The mean tip amount in response to the tipping scenario was $5.44, or 18.13% of the $30 food bill. Among the various ethnic groups, White/Caucasians had the highest tipping rate (18.5%) and Black/African Americans the lowest (16.3%). T-test of the means show no significant difference between male and female respondents (p=.799). A summary of responses by ethnicity and gender is provided in Table 1.

Table 1: Summary of Responses

<table>
<thead>
<tr>
<th>Responses by Ethnicity</th>
<th>Responses by Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tip Amount</td>
<td>Tip Amount</td>
</tr>
<tr>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>Asian</td>
<td>11</td>
</tr>
<tr>
<td>Black/African Am.</td>
<td>29</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>28</td>
</tr>
<tr>
<td>White/Caucasian</td>
<td>232</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
</tr>
<tr>
<td>Overall</td>
<td>310</td>
</tr>
</tbody>
</table>

A one-way ANOVA was used to compare mean tipping amounts among the ethnic groups. Only the difference between the White/Caucasian and Black/African American groups was found to be significant (p=.049). A t-test of the means shows no significant difference between male and female respondents (p=.799)

The psychometric properties of five variables with a total of 13 items were tested simultaneously in one model consistent with Anderson and Gerbing’s (1988) two-step approach for structural equation modeling (SEM). The data were analyzed using confirmatory factor analysis (CFA) and tested for reliability and validity. Chi-square is reported as a measure of fit; however, given the sensitivity of chi-square to sample size (Fornell & Larcker, 1981; Hu & Bentler, 1999), additional fit indices are reported as outlined by Hu & Bentler (1999). SRMR,
Discriminant validity was supported using Fornell and Larcker’s (1981) requirement that the average extracted variance exceed the shared variance (r²) between the construct and all other variables in the model. Overall, the results indicate that the constructs demonstrate sufficient levels of internal consistency and validity. Results of the confirmatory factor analysis are presented in Table 2.

Table 2: Measurement Model Results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Construct Reliability</th>
<th>Parameter Estimates</th>
<th>Variables</th>
<th>Construct Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gratitude (GRAT)</td>
<td>0.769</td>
<td>0.609-0.817</td>
<td>GRAT</td>
<td>0.530</td>
</tr>
<tr>
<td>Obligation (OBLIG)</td>
<td>0.862</td>
<td>0.846-0.895</td>
<td>OBLIG</td>
<td>0.138</td>
</tr>
<tr>
<td>Sympathy (SYMPTH)</td>
<td>0.845</td>
<td>0.739-0.868</td>
<td>SYMPTH</td>
<td>0.132</td>
</tr>
<tr>
<td>Generosity (GEN)</td>
<td>0.827</td>
<td>0.699-0.765</td>
<td>GEN</td>
<td>0.137</td>
</tr>
<tr>
<td>Tip Behavior (TIP)*</td>
<td>--</td>
<td>--</td>
<td></td>
<td>0.283</td>
</tr>
</tbody>
</table>

Confirmatory Factor Analysis Results: n=310, χ²=71.9 / 56 degrees of freedom, SRMR=.0362, RMSEA=.030, TLI=.998. The correlation matrix is presented with standard correlations below the diagonal, AVE on the diagonal, and shared variances (r²) above the diagonal. A total of 6 measurement items which failed to meet the .70 threshold for factor loadings were pruned from the original measurement model.

*Tip Behavior (TIP) is a single-item observable measure. Construct reliability, AVE and parameter estimates were not calculated.

The results of the structural test partially support the proposed model. Paths GRAT→TIPBHVR (γ = 0.103) and OBLIG→TIPBHVR (γ = 0.281) are significant at p<0.001. However, path SYMPTH→TIPBHVR is slightly negative (γ = -0.04) and insignificant (p<.531). These results support H1 (gratitude has a direct and positive influence on tipping behavior) and H2 (obligation has a direct and positive influence on tipping behavior) but not H3 (sympathy has a direct and positive influence on tipping behavior).

The moderating effects of generosity (GEN) were not supported, that is, no difference was found between highly generous individuals, and those who are not. Theory suggests that generosity is an individual differentiating variable and may moderate the effects of gratitude and sympathy on tipping behavior. Using multi-group structural equation modeling analysis, moderating effects were assessed by dividing the full sample into two sub-samples using a median split of generosity. The baseline model was then assessed in which equality constraints were imposed on all gamma parameters across the low- and high- generosity groups. The paths of interest were allowed to vary freely across the groups and a second model was estimated. The resulting chi-squares for these two models were used to calculate the difference in chi-square. The baseline model yielded χ² = 62.8 with 47 degrees of freedom, and the freed path model for gratitude and sympathy resulted in χ² = 59.9 and 61.2, all with 46 degrees of freedom. The presence of moderation was not supported (Δχ² = 2.9 and 1.6, Δdf = 1).

**Discussion**

Reciprocity theory has been widely used to explain the tipping phenomenon, with significant attention given to obligation as a motivating factor at the expense of research on gratitude. The results of this study suggest that consumers are motivated to tip by both gratitude and obligation, thereby providing additional support for applying the norm of reciprocity to explain this unique phenomenon in which consumers voluntarily pay extra for services rendered. Prior studies have shown little correlation between tipping behavior and service quality. Further research may find a definitive correlation between obligation and poor service quality, and gratitude and good service quality. As an expression of gratitude, tipping allows patrons to reward service providers for their efforts while at the same time presenting...
opportunities for altruistic behavior. The reciprocal nature of altruistic acts between patrons and service providers may explain (at least in part) the perpetuation of tipping as a social norm.

A closer look at the demographic data indicates no statistically significant difference in tipping rates between men and women. However, unlike previous studies, the data also show no statistically significant difference between White and Black tippers. The overall mean tip rate of 18.10% is consistent with current 15-20% tipping norms reported in the United States.

Many previous studies seek to identify external characteristics of patrons that will predict tipping behavior. These characteristics, such as ethnicity of the patron, size of dining party, or time of meal, provide managers with little insight into the motivations of tipping behavior. Short of catering exclusively to groups clearly identified as “big tippers,” practitioners have few opportunities to manage tipping behavior. By understanding the elements of reciprocity, practitioners are better prepared to manage customer attitudes and perceptions toward tipping and have a positive effect on tipping behavior.

The results suggest that service providers should reinforce tipping norms and obligatory feelings to increase tips. This could be accomplished by educating customers of tipping norms or reminding them to tip (e.g. printing suggested tip percentage rates on the menu or bill). However, it must be emphasized that obligation is a negative affective emotion and service providers risk compromising the customer experience if this is emphasized too strongly. On the other hand, gratitude—a positive affective emotion, has been shown to have a direct effect on tipping behavior. Service personnel should provide service in a manner that promotes feelings of gratitude among patrons. Unexpected gifts such as mints or candy presented at the end of the meal have been shown to induce feelings of gratitude and thus should positively affect tips provided by the customer.

**Limitations**

This study focused on tipping behavior in casual dining restaurants, but tips are also commonly given to delivery drivers, baggage handlers, barbers, coffee servers, and many other service workers. The results of this study cannot be generalized to other scenarios. The model is also limited by the use of a single-item measure for the dependent variable and one marginally loaded item for gratitude ($\lambda = .609$, below the recommended threshold of .70) (Chin, 1998).

**Future research**

Considerable research regarding tipping remains to be undertaken. Future studies that test the model across various industries will help to ascertain the robustness of the model. Research regarding the effects of obligatory feelings on the service experience may provide additional insight into customer sentiment. Such research would have implications not only on tipping behavior, but also on the broader concept of customer satisfaction. Significant differences in the tipping behavior among ethnic groups suggest a need for greater understanding.

**References**


