Seven Ways to Increase Your Servers' Tips

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Attracting and retaining a good waitstaff is a key element in attracting and retaining customers. Attentive and courteous servers can enhance customers' dining experiences, can lead to positive word of mouth, and can increase repeat patronage. On the other hand, uncaring or inept servers can ruin customers' dining experiences, can lead to negative word of mouth, and can decrease repeat patronage. Consequently, staffing wait-positions is among the most important tasks performed by restaurant managers.

Unfortunately, high rates of turnover and shortages of potential workers complicate the recruitment and retention of restaurant servers. Numerous articles have addressed these industry-wide problems[1]. The solutions recommended in these articles include:

- recruiting new employees through referrals from current employees,
- hiring older and more experienced applicants,
- using valid and reliable selection tests that identify those applicants most likely to be competent, long-term employees,
- communicating the company's culture, goals, policies and expectations through the interview process, employee orientation programs, etc...,
- empowering employees and giving them a voice in structuring the workplace,
- developing career paths for hourly employees,
- providing day care for employees' children, and
- developing stock, scholarship and other incentive programs that reward longevity of employment.

These recommendations are all sound. However, there is an additional approach to dealing with recruiting and retention problems that has not been discussed in the existing literature.

A NEW APPROACH

The primary motive for working is to make money, and dissatisfaction with income is one cause of turnover.[2] This suggests that restaurant managers can attract and keep better servers by promising and delivering higher incomes. Raising wages by significant amounts is often prohibitively costly. However, the largest part of servers' incomes come from tips, not wages, and knowledgeable managers can help their servers earn significantly higher tips. Managers who know what factors cause consumers to leave larger tips can use that knowledge to encourage server activities that will increase the servers' tip incomes.

Psychologists, including myself, have conducted a number of studies on the determinants of tipping that restaurant managers should know about.[3] Some of this research confirms widespread industry beliefs and supports existing restaurant practices. For example, people have been found to leave smaller percentage tips the larger their dining parties, which supports many managers' policies of adding automatic gratuities to the bills of larger tables.[4] Even these "obvious" research results are valuable, because cultural wisdom is often wrong and these results confirm what we only thought we knew before the research was conducted. However, not all of the psychological research on tipping is this obvious. Much of it goes beyond conventional industry wisdom and suggests non-obvious, concrete ways to increase servers' tip incomes. Seven of these more interesting research findings are reviewed in the sections that follow.

SERVER INTRODUCTION

Servers sometimes introduce themselves by name when greeting their customers. These server introductions are likely to make the server seem friendly and polite and are likely to make the customer feel more empathy for the server. Both of these effects should increase the tips servers receive. Kimberly Garrity and Douglas Degelman tested this expectation in an experiment conducted at a Charlie Brown's restaurant in southern California.[5]

Two-person parties coming to the restaurant for Sunday brunch were included in the study and were randomly assigned to one of two conditions. In the name condition, a waitress approached her tables, smiled, and said "*Good morning. My name is Kim, and I will be serving you this morning. Have you ever been to Charlie Brown's for brunch before*?". In the no-name condition, the same approach, smile and greeting were used except that the waitress omitted her name. This manipulation had a large and statistically significant effect on tips. The waitress received an average tip of $3.49 (15%) when she did not give her name and received an average tip of $5.44 (23%) when she did give her name. This waitress earned almost $2.00 more from each table when she introduced herself by name!

The results of this study suggest that managers should encourage servers to introduce themselves to their tables. Of course, these self-introductions need to be made with a genuine and professional attitude. Surly or insincere introductions are likely to backfire. The words "Hi, I'm ___ and I will be serving you this evening" can be irritating if said in an uncaring or automatic way. However, servers who introduce themselves in a sincere and professional way will find themselves amply rewarded for doing so.

SQUATTING NEXT TO THE TABLE

Most servers stand throughout the service encounter. However, some servers squat down next to the table when interacting with their customers. Squatting down next to a table does several positive things -- it increases the congruence between the server's and customers' postures, brings the server's eye level down to the customers' eye levels (which facilitates eye contact), and brings the server's face closer to the customers' faces. Research on non-verbal communication has found that postural congruence, more eye contact, and greater proximity are associated with greater rapport and liking.[6] Since consumers report that they tip friendly servers more than they do less friendly servers, squatting down next to the table should increase a server's tip income. Kirby Mynier and I tested this expectation at two restaurants in Houston, Texas.[7]

A Caucasian waiter at a Mexican restaurant and an Asian waitress at a Chinese restaurant flipped coins to randomly determine whether they would squat down or stand during their initial visits to tables. Otherwise, the servers tried to treat all their tables identically. As expected, squatting down significantly increased the tips of both servers. The waiter received an average tip of $5.18 (15%) when he remained standing throughout the service encounter and received an average tip of $6.40 (18%) when he squatted down during his first visit to the table. The corresponding numbers for the waitress were $2.56 (12%) and $3.28 (15%).

Overall, the servers received approximately $1.00 more from each table that they squatted next to. This is a substantial payoff for a simple, low cost behavior. Squatting down next to a table is too informal to do in fine dining restaurants, but the managers of casual dining establishments may want to encourage their servers to squat down next to their tables. There is some evidence that the management of Outback Steakhouses is already doing this. Outback servers frequently squat next to their tables and sometimes even pull-out a chair to sit at the table. Of course, servers

need to exercise some judgment about whether or not a given table will welcome such informality. However, the research described above suggests that these actions are generally welcome and will result in higher incomes for those servers willing to engage in them.

SMILING AT CUSTOMERS

Smiling is a well known tactic of ingratiation and social influence. It is a rare person who hasn't heard the phrase "Smile and the whole world smiles with you". Research has confirmed the cultural wisdom on smiling and has found that smiling people are perceived as more attractive, sincere, sociable and competent than are unsmiling people.[8] These interpersonal effects of smiling suggest that servers may be able to increase their tip earnings by smiling at their customers. Kathi Tidd and Joan Lockard tested this possibility at a cocktail lounge in Seattle, Washington.[9]

Customers sitting alone in the lounge were used as subjects. The waitress who waited on these customers randomly assigned half of them to receive a large, opened-mouth smile and the other half to receive a small, closed-mouth smile. Those customers receiving a small smile left an average tip of 20 cents, while those customers receiving a large smile left an average tip of 48 cents. This represents an increase of 140 percent! It is difficult to tell from these results precisely how much smiling would increase the tips of restaurant servers, because the average bill and tip sizes in restaurants are typically much larger than in cocktail lounges like the one in this study. However, these results do suggest that servers can increase their tip incomes by smiling at their customers. Thus, restaurant managers should encourage servers to work with large smiles on their faces.

TOUCHING CUSTOMERS

Touching is a powerful form of interpersonal behavior that can communicate affection, appreciation, aggression, dominance, social support, or other meanings depending on the context in which it occurs. In commercial settings, casually touching customers has been shown to increase the time they spend shopping in a store, the amounts that they purchase, and the favorability of their store evaluations.[10] These positive effects suggest that being touched may also increase the tips that customers leave their servers. April Crusco and Christopher Wetzel tested this possibility at two restaurants in Oxford, Mississippi.[11]

Three waitresses at two restaurants randomly assigned their customers to one of three touch conditions. Customers either were not touched, were casually touched on the shoulder once for about one and a half seconds, or were casually touched on the palm of the hand twice for about half a second each time. All touches occurred as the waitresses returned change to their customers at the end of the meal. Eye contact was avoided during this process.

The effects of the touch manipulation were significant. Customers left an average tip of 12% when they were not touched as compared to 14% when they were touched once on the shoulder and 17% when they were touched twice on the palm of the hand. Subsequent research conducted by different investigators has demonstrated that casually touching customers increases the tips of both male and female servers and that the effect is strongest when servers touch the female members of dining parties.[12]

The results of these studies suggest that managers should encourage servers to briefly and casually touch their customers. Many managers will feel uncomfortable with this recommendation -- fearing that many customers would object to being touched. However, researchers have found that subjects whose behavior has been influenced by touches are often unaware that they have been touched.[13] Thus, servers' touches need not be obtrusive to be effective. Moreover, the benefits of touching accrue to more than

just the server. Customers who are touched by servers also evaluate the restaurant more favorably than do customers who are not touched.[14] This being the case, managers may find that the benefits of touching customers more than outweigh the slight risks involved.

CREDIT CARD INSIGNIA ON TIP TRAYS

Restaurants often post signs informing customers that credit cards are accepted. These signs, and other displays of credit card insignia, can be seen on restaurant doors, windows, counters, menus, table tents, tip trays and cash registers. Research has found that simply seeing these insignia increases consumers' willingness to spend money.[15] This effect may be due to the fact that credit card insignia are so often present when consumers buy things that they have become conditioned stimuli that elicit spending. Alternatively, credit card insignia may remind consumers of the availability of credit and thereby increase consumers' perception of their own spending power (even when they intend to pay with cash). Regardless of its explanation, the effect suggests that servers may receive larger tips when credit card insignia are present at the table than when these insignia are not present. Michael McCall and Heather Belmont tested this hypothesis at two establishments -- a family restaurant and a cafe -- in upstate New York.[16]

The presence versus absence of credit card insignia was manipulated in these establishments via tip trays, some of which had credit card emblems on them and some of which did not. These tip trays were randomly mixed and servers were instructed to take trays as needed from the top of the stack. At both establishments, customers tipped significantly more when the bill was presented on a tip tray containing a credit card emblem. Tips increased from 16% to 20% of pre-tax bills at the restaurant and increased from 18% to 22% of pre-tax bills at the cafe. This effect was not due to an

increased use of credit cards to pay the bill. In fact, all of the cafe's customers paid cash. Simply seeing the credit card insignia on the tip trays caused customers to tip an additional 4% of their pre-tax bill amounts! In light of these results, managers may want to replace plain tip trays with trays that contain credit card emblems. These tip trays can be obtained at little or no cost from credit card companies and they will increase the incomes of servers who use them.

WRITING "THANK YOU" ON CHECKS

Servers sometimes write "Thank you" and sign their names on the backs of checks before they deliver the checks to their customers. These expressions of gratitude may increase the perceived friendliness of the server, which would increase tips because consumers tip friendly servers more than they do unfriendly ones. Expressions of server gratitude may also make customers feel obligated to earn that gratitude by leaving larger tips. Whatever the mechanism involved, expressions of gratitude seem likely to increase the tips servers receive. Bruce Rind and Prashant Bordia tested this expectation at an upscale restaurant in Philadelphia, Pennsylvania.[17]

A waitress conducted this study by randomly assigning her lunch customers to one of three conditions. She either wrote nothing on the back of the check, wrote "Thank you" on the back of the check, or wrote "Thank you" and signed her name on the back of the check. As expected, this manipulation significantly affected the size of the waitress' tips. She received an average tip of 16% when nothing was written on the back of the check and she received an average tip of 18% when she wrote "Thank you" on the back of the check. Adding her signature to the thanks produced the same level of

tips as the thanks alone. Since there is little downside to these expressions of gratitude, managers should encourage (and perhaps even require) servers to write “Thank you”, or some comparable message, on the backs of their checks. Doing so will increase the servers’ tip incomes.

DRAWING A “HAPPY FACE” ON THE CHECK

Occasionally, waitresses will draw a “happy face” on the backs of checks. These drawings are likely to have several effects on consumers. First, they may personalize the server to customers and, thereby, increase customers’ empathy for the server. Second, drawings of “happy faces” may communicate to customers that the server is happy to have served them, which would ingratiate the server to the customer. Finally, seeing “happy faces” drawn on checks may simply make customers smile themselves and, thereby, improve their moods. All of these potential effects suggest that drawing a “happy face” on the backs of checks will increase tips. Bruce Rind and Prashant Bordia tested this possibility in a study conducted at the same upscale, Philadelphia restaurant that was the setting for their “Thank you” research.[18]

A waiter and a waitress at the restaurant conducted this study on their lunch customers. Half of these customers received a check on which the server had drawn a “happy face” and half received a check without the drawing. The assignment of a table to conditions was made at the end of the customer’s meal, when the majority of the service had already been rendered, and the server was ready to deliver the check. At that time, the server randomly determined the condition the table was assigned to and either drew a “happy face” on the check or did not.

This manipulation significantly affected the waitress’ tips, but not those of the waiter. The waitress received an average tip of 28% when nothing was drawn on the check and received an average tip of 33% when she drew a “happy face” on the back of

the check. Drawing a “happy face” increased the waitress’ tips by 5% of the pre-tax bill size! However, no comparable effect was observed for the waiter. He recieved an average tip of 21% when nothing was drawn on the check and received an average tip of only 18% when he drew a happy face on the back of the check. This decrease in tip size was not statistically significant, but it suggests that drawing a “happy face” may actually backfire for waiters. Perhaps “happy faces” are too emotional and feminine to seem normal coming from waiters.

The results of this study suggest that restaurant managers can improve their waitress’ tips by encouraging them to draw “happy faces” on their checks. Drawing these faces may be too feminine for waiters to do and may be too informal for anyone to do in fine dining establishments. However, servers could draw more masculine or formal pictures on their checks. For example, servers at an upscale seafood restaurant could make a simple line drawing of a lobster claw on the backs of checks. These other drawings should serve as well as happy faces to personalize servers and, therefore, may also increase tips.

CONCLUSIONS

Psychological research on tipping has found that servers earn larger tips when they a) introduce themselves by name, b) squat down next to the table, c) flash large smiles, d) touch their customers, e) use tip trays containing credit card insignia, f) write “Thank you” on the backs of checks, and g) draw a “happy face” on the backs of checks. Most of these simple, concrete actions increased tips by 20% or more(see Table 1). Thus, restaurant managers can substantially improve their servers’ incomes by recommending and encouraging these actions. Moreover, managers can use the research results reviewed here to convince servers of the benefits of these actions, which should increase server compliance with the recommendations.

To get a clear picture of the income gains possible from these actions, assume that a server waits on an average of 20 people per shift who each spend an average of $15.00 and leave an average tip of $2.25 (or 15%). Under these circumstances, the server can expect to earn $45.00 in tips per shift, or $225.00 in tips per 5-shift, work week. If the same server squats down next to all of her tables and increases her tips by 20%, then he or she can expect to earn $54.00 in tips per shift, or $270.00 in tips per 5-shift, work week. The server would bring home an extra $225.00 per month simply by squatting down next to tables! Similar, or even larger, gains would be expected if the server introduced herself by name, touched customers, or did any of the other simple actions discussed above.

The psychological research briefly reviewed above demonstrates that servers can substantially increase their incomes by performing any one of several specific, concrete actions. However, the effects of these actions may not be additive. More research is needed to be certain, but it seems likely that as tip size goes up, so does resistance to further increases. If so, then combining actions that separately increase tips will probably not produce an even larger effect. For example, smiling at customers and touching customers will each increase tips, but combining smiling and touching probably will not increase tips substantailly above the level produced by either action alone. This means that managers can maximize their servers incomes without encouraging their servers to <u>all</u> of the things discussed in this paper. Instead, managers can pick those actions that they feel are most appropriate for their restaurants and can encourage their servers to perform one or two acts from among that shorter list of approved tip enhancing actions. This is an important point, because not all of these tip enhancing actions are appropriate for every restaurant or server. However, most of the actions are innocuous enough that every manager should find several things to

recommend to his or her waitstaff, and the actions are varied enough that every server should find something he or she would be comfortable doing.

ENDNOTES

[1] For example: James S. Boles, Lawrence E. Ross and Julie T. Johnson, " Reducing Employee Turnover Through the Use of Pre-employment Application demographics: An Exploratory Study," Hospitality Research Journal, 19, No. 2 (1995), pp. 19-30; Mark A. Bonn and Louis R. Forbringer, "Reducing Turnover in the Hospitality Industry: An Overview of Recruitment, Selection and Retention," International Journal of Hospitality Management, 11, No. 1 (1992), pp. 47-63; John Hogan, "Turnover and What to Do About It," The Cornell Hotel and Restaurant Administration Quarterly, 22, No. 4 (February 1992), pp. 40-45; Robert H. Woods and James F. Macaulay, "RX for Turnover: Retention Programs that Work," The Cornell Hotel and Restaurant Administration Quarterly, 29, No. 5 (May 1989), pp. 79-90.

[2] Tony Simons and Cathy A. Enz, "Motivating Hotel Employees: Beyond the Carrot and the Stick," The Cornell Hotel and Restaurant Administration Quarterly, 25, No. 4 (February 1995), pp. 20-27; Boles, Ross and Johnson, pp. 19-30.

[3] For a review and an extensive bibliography see: Michael Lynn, George Zinkhan and Judy Harris, " Consumer Tipping: A Cross-Country Study," Journal of Consumer Research, 20, No. 3 (December 1993), pp. 478-488.

[4] Stephen Freeman, Markus R. Walker, Richard Borden and Bibb Latane, "Diffusion of Responsibility and Restaurant Tipping: Cheaper by the Bunch," Personality and Social Psychology Bulletin, 1, No. 3 (1975), pp. 594-597.

[5] Kimberly Garrity and Douglas Degelman, "Effect of Server Introduction on Restaurant Tipping," Journal of Applied Social Psychology, 20, No. 2 (1990), pp. 168-172.

[6] Michael Argyle, Bodily Communication, (New York: Methuen and Co. 1988).

[7] Michael Lynn and Kirby Mynier, "Effect of Server Posture on Restaurant Tipping," Journal of Applied Social Psychology, 23, No. 8, pp. 678-685.

[8] Harry T. Reis, et al, "What is Smiling is Beautiful and Good," European Journal of Social Psychology, 20 (1990), pp. 259-267.

[9] Kathi L. Tidd and Joan S. Lockard, "Monetary Significance of the Affiliative Smile: A Case for Reciprocal Altruism," Bulletin of the Psychonomic Society, 11, No. 6 (1978), pp. 344-346.

[10] Jacob Hornik, "Tactile Stimulation and Consumer Response," Journal of Consumer Research, 19 (December 1992), pp. 449-458.

[11] April H. Crusco and Christopher G. Wetzel, "The Midas Touch: The Effects of Interpersonal Touch on Restaurant Tipping," Personality and Social Psychology Bulletin, 10, No. 4 (December 1984), pp. 512-517.

[12] Hornik, pp. 449-458; Renee Stephen and Richard L. Zweigenhaft, "The Effect on Tipping of a Waitress Touching Male and Female Customers," The Journal of Social Psychology, 126, No. 1 (1986), pp. 141-142.

[13] Jeffrey D. Fisher, Marvin Rytting and Richard Heslin, " Hands Touching Hands: Affective and Evaluative Effects of Interpersonal Touch," Sociometry, 39, No. 3 (1976), pp. 416-421.

[14] Hornik, pp. 449-458; also see Fisher, pp. 416-421.

[15] Richard A. Feinberg, "Credit Cards as Spending Facilitating Stimuli: A Conditioning Interpretation," Journal of Consumer Research, 13 (1986), pp. 348-356.

[16] Michael McCall and Heather J. Belmont, "Credit Card Insignia and Tipping: Evidence for an Associative Link," unpublished manuscript, Ithaca College, Ithaca, NY.

[17] Bruce Rind and Prashant Bordia, "Effect of Server's 'Thank You' and Personalization on Restaurant Tipping," Journal of Applied Social Psychology, 25, No. 9 (1995), pp.745-757.

[18] Bruce Rind and Prashant Bordia, "Effect on Restaurant Tipping of Male and Female Servers Drawing a Happy, Smiling Face on the Backs of Customers' Checks," Journal of Applied Social Psychology, in press.

TABLE 1. Summary of psychological studies on restaurant tipping.

Tip Enhancing Action	Average Tip in the Control Treatment	Average Tip in the Experimental Treatment	Percentage Increase in Tip
Introducing Self by Name	15%	23%	53%
Squatting Down Next to Table			
Waiter	15%	18%	20%
Waitress	12%	15%	25%
Smiling	20 cents	48 cents	140%
Touching Customer	12%	17%	42%
Using Tip Trays w/ Credit Card Insignia			
Restaurant	16%	20%	25%
Cafe	18%	22%	22%
Writing “Thank You” on Check	16%	18%	13%
Drawing a “Happy Face” on Check			
Waiter	21%	18%	----
Waitress	28%	33%	18%

APPENDIX

(To Be in a Box)

CONDUCT YOUR OWN TESTS

Existing research has clearly demonstrated that servers can increase their tip incomes by performing one or more of several specific, concrete actions such as squatting down next to tables or writing "Thank you" on checks. However, the studies demonstrating these effects typically involved only one or two restaurants and managers may wonder whether they can expect similar results at their own establishments. Although I believe the results will generalize to most restaurants, I encourage and challenge managers to test the efficacy of these server actions at their own places. Managers may also want to identify other actions that they expect to increase tips (e.g., calling customers by their names or giving customers after-dinner mints) and test the effectiveness of these actions as well. For those managers interested in conducting such tests, a brief description of how to do so is presented below.

To rigorously test the effect of some server action on tips, it is necessary to have servers randomly assign their customers (i.e., tables) to receive different treatments (e.g., no smile vs big smile). With large samples, random assignment insures that the groups receiving different treatments are comparable on all other relevant dimensions. This means that any non-chance difference in the tipping behaviors of the different groups must be due to the treatments.

Random assignment can be accomplished in several ways. If only two treatments are being studied, the simplest way to randomly assign tables to treatments is to flip a coin. For a given table, flip the coin and assign the table to one treatment if heads comes up and assign the table to the second treatment if tails comes up. Another way to accomplish this is to: (1) obtain a deck of index cards containing one card for each table you intend to study, (2) write one treatment name on half the index cards and

the second treatment name on the other half of the cards, (3) shuffle the index cards several times so the different treatment cards are thoroughly mixed, and (4) pull a card from the shuffled deck of index cards to determine what treatment a table should receive (do not replace that card in the deck). Although slightly more complicated that flipping a coin, this later procedure has two advantages that recommend it. First, it ensures that there are equal numbers of tables in each treatment group when the deck of index cards is depleted. This maximizes the statistical power of the test. Second, the procedure can be easily modified to randomly assign tables to three or more treatments by simply writing the names of each treatment on an equal number of index cards before shuffling them.

Another issue that experimentally minded managers may want to concern themselves with is that of server expectancy effects. Knowing what treatment their customers are assigned to receive might subtly influence servers' behaviors toward the customers. For example, a waiter who believes that a particular treatment will increase tips may be more attentive and friendly to those customers assigned to that treatment because he expects bigger tips from those customers. This could bias the results of a test. It would not be clear whether any increase in tips was due to the experimental treatment alone or to other expectancy-based differences in the server's behavior. In some respects, this does not matter because the treatment would have resulted in larger tips in either case. However, managers who want to be sure that the treatment alone is responsible for an effect need to take steps to minimize expectancy effects.

Server expectancy effects can be minimized by limiting server interactions with their customers after the customers have been assigned to treatments. One way to do this is to conduct the test during periods of buffet service as Garrity and Degelman did in their study of server introduction effects. Another way to limit these biasing interactions is to make the assignment of customers to treatments at the end of the dining occasion

just before delivering the check or change. This is what Crusco and Wetzel, McCall and Bellmont, and Rind and Bordia did in their studies. Of course, server expectancy effects can be avoided altogether if the servers conducting a study do not expect the treatments to affect tips. Thus, managers may want to identify and recruit for their tests servers who do not think the experimental treatment will work. This is what Lynn and Mynier did in their study of server posture effects.

In collecting the data, participating servers need to include in the study all of those tables meeting predetermined qualifications and need to record each tables' treatment, bill size and tip amount. Tables with separate checks should be treated as one-check tables or dropped from the study. As a general rule, at least 50 tables should be included in each treatment. Once the data has been collected, managers can calculate and compare the average percent and/or dollar tip amounts from each treatment. Ideally, a t-test or F-test would be used to see if any observed differences between the treatments are within a range attributable to chance. Increasingly, these statistical tests can be performed with spreadsheet programs like Excel. If not available on in-house soft-ware, managers can find out how to conduct these tests by hand from any standard statistics textbook. There is no good substitute for conducting these statistical tests, but for managers who do not have the resources to do so, a general rule of thumb is the larger the differences between treatment means and the larger the size of the sample, the less likely it is that the results are due to chance. If there is any question about whether or not an effect and a sample size are large enough to rule out chance, managers can always repeat the test to see if its results are reliable. -- **ML**