

Tipping at Fast Food Restaurants: An Anomaly During the Pandemic?

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Abstract

During the COVID-19 pandemic many restaurants were closed for indoor dining. They had to survive by providing limited outdoor dining, takeout, delivery services, or drive thru window service. Fast food restaurants already had counter take out service and drive thru services as their main distribution method for delivering their meals to consumers. Drive thru dining is generally associated with fast food restaurants which can prepare food within just minutes. The pandemic pushed diners to utilize drive thru restaurants which suddenly caused longer lines with unfamiliar waiting times and causing more mistakes. Many fast food restaurants modified their menus to accommodate the increased drive thru traffic and needed efficiency. The tipping study looked at the consumers who tipped prior to the pandemic and during. The study showed a significant increase in tipping of fast food restaurant workers both at the pickup counters and drive thru windows.

Keywords: fast food, drive thru, tipping, COVID-19, pandemic.

1. Introduction

Service industries are known to use gratuities to help pay employee wages. In many states the minimum cash wage payment for food servers is as low as \$2.13 (U.S. Department of Labor, 2021) with the expectation that tips will bring the wage up to or above standard minimum wage. There are many factors associated with tipping such as the perceived value of the overall experience of the service quality, food quality, and restaurant design. The guest assesses all the service experiences, cues, and interactions that drives their tipping behavior (Whaley, 2019). Race differences does influence tipping behavior (Lynn M. , 2007) but was not significant in this study. This study focuses on tipping behavior within the fast food industry. The fast food industry is defined as both counter service and drive thru service. The study also looked at the participants attitude toward tipping. Prior to the pandemic 68% of participants stated that tips should not be a required part of income to survive compared to during the pandemic in which 79% did not feel tipping should be part of planned income. Fast food restaurants have paid their employees without the expectation or solicitation of tips or service charges. Tipping has become a social norm, a requirement within the restaurant industry but not within the fast food industry. Required tipping is just like another tax on the meal with a receipt showing meal cost plus state tax plus a gratuity/service tax (Newman & Estes, 2018).

During the pandemic sit down restaurant dining was banned which increased demand for fast food restaurants. Fast food restaurants experienced heavier traffic with lines of automobiles in parking lots and alongside the roads waiting to get through the line. The increased traffic was over longer periods of time, like a lunch hour rush that does not slow down. For example, a Popeyes drive thru restaurant consistently had 10 plus cars waiting in the drive thru line at all hours with the line spreading through the mall parking lot during normal rush hours. After Popeyes introduced their new chicken sandwich the line continued into the neighboring parking lot and alongside the entry road. With the long drive thru lines and long waiting times for food, the fast-food workers became essential for many diners.

Gratuities have become less voluntary and have become a planned part of service industry. Restaurant patrons tipping behavior does coincide with the reliability of the restaurant service (Simon, 2021) and by the type of service that was received (Lynn M. M., 2000)(Lynn M. S., 2010)except in the fast food industry. Tips are for when someone goes above and beyond their job. The increase in fast food tipping is a pleasant surprise of the pandemic.

2. Tips

Tips and Gratuities are synonymous as a gift of money that is above the payment due for a service such as tipping a server for a meal (Dictionary.com, 2021). **The tip is** given voluntarily without obligation usually for some service (Merriam-Webster, 2021). Tips are considered voluntary payments for a service that has already been provided. During the sixteenth century coffee houses in London provided a brass box at the door. Customers dropped a coin in the box if they wanted “To Insure Promptitude” which 2 centuries later switched to notes stating “To Insure Promptitude” with coins attached (Segrave, 1998).

After slavery was abolished in the United States the railroads hired African Americans to work baggage and food services just for tips, no salary was provided. Many within the service industry do not appreciate the tips being an expected part of their income with 72% of restaurant patrons feeling pressured to tip. The fast food industry does not pressure or expect tipping. McDonalds does provide an opportunity to donate your change to the Ronald McDonald House, but it is seen as a donation not a tip and is not expected. The tips received by fast food workers during the pandemic are extra income showing appreciation.

3. Pandemic Restrictions

The pandemic provided restrictions and guidelines for social gatherings (Center for Disease Control and Prevention, 2020). The rules varied by state, but the majority followed the same rules. Restaurants were closed for inside dining only allowing takeout and delivery. As time progressed reopening was in stages with limited outdoor dining, then 25% indoor capacity, and finally progressing toward full operations.

4. Research Study

The study consisted of 253 participants from a small satellite university campus located in a desert community with hospitality being a top industry. The first data collection of 133 participants was collected in December prior to the pandemic and the second data collection of 120 participants from the following December while experiencing the pandemic.

The participants were all seniors in business administration and ranged in age from 21- 54 years old with 92% of them between the ages of 18-34 years old. The gender distribution is 54% males and 46% female. Only 25.5% of participants have worked in a job where tips were part of the expected income. Customers with prior restaurant experience have been found to tip significantly more than customers without prior hospitality experience (Bujisic, 2014). When asked if tipping should be part of planned income 79% of participants stated it should not be compared to 68% prior to the pandemic.

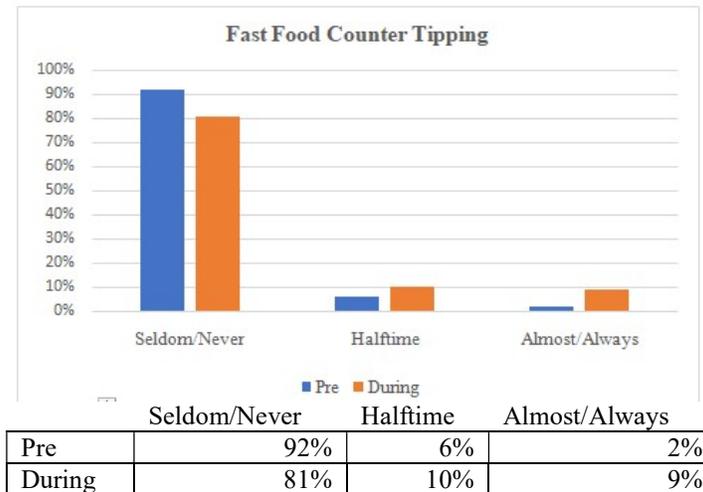
The study utilized a 5-point Likert scale with the scale words of “Never Tip”, “Seldom Tip”, “Halftime Tip”, “Almost Always Tip”, “Always Tip” on a variety of services. For the results seldom/never tip data was combined as was almost/always tip data. Fast food restaurant tipping was significant for both the fast food restaurant counter and fast food restaurant drive thru.

5. Results

Fast Food Restaurant Counter

Tipping at a fast food restaurant counter is statistically significant with a Chi Square probability score of .0120. There was a 11% decrease going from 92% before the pandemic to 81% during the pandemic for Seldom/Never tip at a fast food restaurant counter. There was a 4% increase in those tipping half the time which increased from 6% to 10% since the pandemic. There was a 7% increase in those who almost always/always tip which increased from 2% to 9%. The survey results percentages showed the following table and graph.

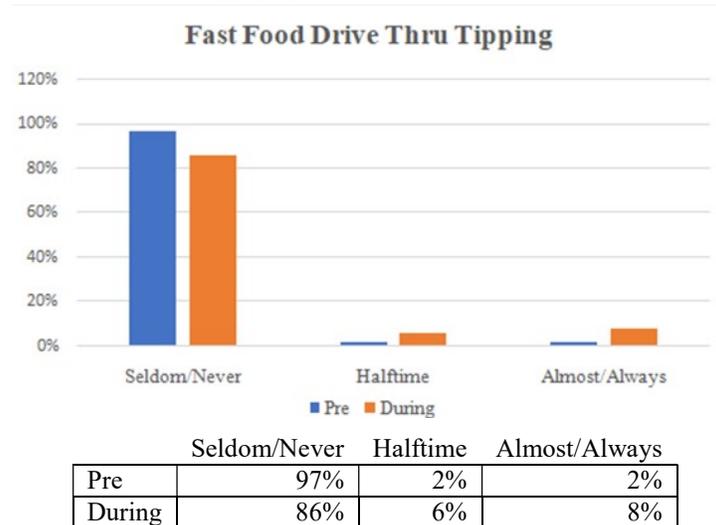
Table 1: Fast Food Restaurant Counter



Fast Food Restaurant Drive thru

Tipping at a Fast Food Restaurant Drive Thru is statistically significant with a Chi Square probability score of .0109. There was a 11% decrease going from 97% before the pandemic to 86% during that Seldom/Never tip at a fast food counter. There was a 4% increase in those tipping half the time which increased from 2% to 6% since the pandemic. There was a 6% increase in those who almost always to always tip with an increase from 2% to 8%. The survey results percentages showed the following table and graph.

Table 2: Fast Food Drive Thru



6. Conclusion

With the pandemic, restaurants had to depend on take out which was hard on employee income because 60% of patrons seldom to never tip. The change in service is difficult for employees that depend on tips as part of their income for the services they provide. The increase of Fast Food Restaurant tipping during the pandemic is a positive. It was a reward for going above and beyond during difficult times, not because the tips were expected or depended upon as income.

During the pandemic, many service businesses had to change the way they operated. Restaurants have had a hard time with tipping income without the ability to provide the normal service interactions. Tipping has changed during the pandemic era with a FAST COMPANY’s Harris Poll showing that 21% report tipping more often than they used to while 40% saying their tipping habits have not changed at all.(Meyer, 2020)

The increase in fast food restaurant tipping could be just a lack of tipping opportunities, so they are tipping in the fast food industry because other services are closed. There are still those customers that tip 20% at every

restaurant they visit because they want the business to succeed (Jiang, 2020). With the pandemic customer food choices were limited with fast food restaurants and employees pushed to capacity limits with long drive thru lines and hours. Some customers may have felt sorry for the fast food employees working under pandemic conditions and emotionally tipped (Kim, 2019). During the pandemic many media outlets reported on the restaurant hardships with the lack of available supplies due to supply chain issues (Brathwaite, 2021).

The media also pushed to tip as much as you can with new tipping guidelines recommending at Fast-casual dining counter service you should tip a \$1 per order plus \$2-\$5 if they deliver food to your table or bus your table (Macias, 2020). But generally, tipping it is for sit down restaurants. Fast food restaurant workers may benefit in the future as they become aligned with takeout and counter pickup. The current recommended tip for takeout, curbside, or counter pick up is 15-20% of the bills pre-taxed total (Snider, 2020)(Bond, 2020)(Markowitz, 2020)(Macias, 2020)

During the pandemic, the fast food restaurants have continued to stay open with long lines and demanding hours. The employees did not have the typical slow down periods throughout the day. The unexpected tips were a bonus for the fast food employees during the pandemic and could be a motivating factor to continue in the restaurant field where tipping is expected.

7. Future Research

Future research on fast food tipping could focus on tipping motivation by looking at the motivational factors involved in the tipping decision. Why did they tip, and will they tip in the future? What type of fast food restaurants are more likely to receive tips. Are current fast food tippers just avid tippers with no place to tip? If tipping continues at fast food restaurants will their tipping policies need to be revised.

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