Initial Service Failure and the Size of the Gratuity: The Role of Mindset

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A gratuity or "tip" is a price a customer pays, over and above the posted price, for a product or service and is a means for the customer to aid management in determining service quality. The gratuity is often a substantial portion of the server's income. The size of the gratuity can vary from situation to situation and while there is a stream of research on why people tip, this paper proposes combining the aspects of service failure and the customer's lay theory, or "mindset" in reaction to service failure to determine the size of the gratuity.

Keywords: mindset, service failure, gratuity, hospitality

INTRODUCTION

As the United States moves more toward a service economy, the number of service providers has increased. This larger number of service providers necessarily intensifies competition for customers and places an emphasis on service quality. In response to the question of how to improve service quality, a significant stream of marketing research addresses service failure and recovery (e.g., Bitner, Booms, & Mohr, 1994; Maxham & Netemeyer, 2002; McCullough, 2009; Smith, Bolton & Wagner, 1999).

Where the customer is expected to "tip" the employee providing service (restaurants, valet parking attendants, hotel housekeeping personnel, etc.) service failure can harm not only the business but the individual service provider as well. The "tip" or gratuity is over and above the posted price of the service and is offered only in those situations where the service can be evaluated with some degree of certainty (e.g., a haircut) as opposed to credence goods where the purchaser of the service may be uncertain of the quality even after the purchase (e.g., life insurance). (Sun, Keh & Lee, 2012).

Tipping, common in parts of Europe from the sixteenth century, began in the United States in the mid to late nineteenth century as post-Civil War prosperity allowed many Americans to travel to Europe. Upon returning to the United States, these travelers showed their sophistication by giving a gratuity to servants such as footmen, valets, and gentlemen's servants (FoodWolf 2010)

Tipping has received interest from marketing academics (e.g., Azar 2010; Azar 2005; Bodvarsson, Luksetich, & McDermott 2003; Kwortnik, Lynn, & Ross 2009; Lynn & McCall 2000; Seiter & Weger, 2013) and practitioners alike (Elkins, 2015; Food Wolf, 2010; McConnel, 2016; Kravetz and Shortz 2017; Stone, 2015). This research has addressed the service-tipping relationship, psychological aspects of tipping, social norms and tipping, and valuation of service.

The purpose of this paper is to propose a model that demonstrates how lay theories affect the size of the gratuity after an initial service failure. Lay theory, as an antecedent to the size of a gratuity, is a social-cognitive approach and has not been widely addressed in the service and hospitality literature. The model employs a social-cognitive motivational framework that holds that people with different lay theories react differently to initial service failures and that these different reactions ultimately affect the percentage of gratuity in a restaurant setting.

A customer's lay theory is not under the control of a restaurant's wait staff or management. Thus, this paper focuses on practical steps wait staff and management can take to reduce any negative effect a customer's lay theory may have on the size of the gratuity.

The paper is organized as follows: first, there is a review of the service failure literature followed by a review of marketing articles on tipping; next, an explanation of the concept of lay theories will be presented; the relationship between lay theories and tipping in a restaurant setting will be discussed; finally, the implications for academics and practitioners will be explored.

REVIEW OF THE LITERATURE

Service Failure

The management literature is well-represented with studies concerning the factors that determine service quality as perceived by the consumer (e.g., Bitner, Booms and Tetreault, 1990; McCullough, 2009; Parasuraman, Zeithmal and Berry, 1988). This line of research is important because both academics and practitioners understand that good customer service leads to customer satisfaction and repeat business.

Service failure exists when there is a difference or a "gap" between the service a customer expects and the service actually provided (Zeithmal, et al., 1988).

The restaurant industry, which is the focus of this paper, exists in an environment of monopolistic competition offering a wide variety of options for consumers. With virtually no switching costs, customers who experience service failure in one restaurant can simply choose another restaurant the next time they eat out. Additionally, customers can spread negative word-of-mouth publicity about the restaurant with the perceived poor service It is logical to assume that lower gratuities are another method customers use to communicate their dissatisfaction.

Bitner, et al. (1990) noted three types of service failure:

(1) Service system failure: this is a failure in the core service. In the case of a restaurant it can mean slow service, food at the wrong temperature, and overall restaurant cleanliness.
(2) Failure of employees in responding to implicit or explicit customer requests: in a restaurant setting this could include food not cooked to order, misplaced reservations, and ignoring dietary requirements (e.g., vegan, Kosher, Halal)
(3) Unprompted and unsolicited employee actions: in a restaurant this includes employee rudeness, poor employee attitudes, misplaced orders, and incorrect billing.

Waitpersons develop relationships with their customers due to the repeated contacts and interaction that takes place during a restaurant visit. These interactions imply a certain level of rapport and contribute to an enjoyable dining experience. Following this line of reasoning, one study found that in fast casual restaurants, the quality of service is significantly more important than food quality (Bujisic and Parsa, 2014). Thus, management should put a great deal of emphasis on service from the moment the customer walks in the restaurant through the billing process.

Dutta, Venkatesh, and Parsa (2007) identified ten major types of service failures in restaurants. These service failures are shown in Table 1. This paper is concerned with the initial service failure; that is the type of service failure that is apparent very early in the dining experience: slow service, cleanliness, unfriendly/unhelpful staff, and untidy staff. While a missing reservation or a lack of expected ambience are experienced early, neither is under the control of the wait staff (Bujisic and Parsa, 2014).

TABLE 1
MAJOR SERVICE FAILURES IN RESTAURANTS

Slow service	Incorrect billing
Inefficient staff	Untidy staff
Food and beverage quality problems	Reservation missing
Cleanliness	Lack of physical ambiance
Unfriendly and unhelpful staff	Advertised promises not met

Tipping

In the early 16th century English aristocrats began to offer a gratuity to servants who went above and beyond what was required. The practice was known as giving "vails." As with many such practices, the gratuity for service "above and beyond" became expected for all service, regardless of quality (Stone 2015)

The practice moved to English pubs and restaurants where the vail was used "to insure promptness" and hence the term T.I.P. (FoodWolf 2010). As previously noted, the practice was brought to the United States by Americans who traveled to Europe and wanted to show off what they learned from English aristocrats.

Tipping, however, was not readily accepted in America because it was seen as opposed to the American ideal of a classless society. Indeed, William Scott, author of *The Itching Palm*, wrote that tipping was as un-American as slavery (Scott 2010/1916). Several states passed anti-tipping laws in the early 1900s, but all were repealed by the mid-1920s (McConnell 2016)

There is extensive research in the marketing and hospitality literature on tipping in general and in a restaurant setting in particular. One reason for this interest in tipping is that gratuities make up as much as half of a waitperson's annual revenue (Azar 2007). However, when a customer experiences service failure, she or he feels that the exchange relationship is out of balance (Sun, Keh, & Lee, 2012). One way to make the relationship more equitable is to reduce the size of the tip. This relationship between service failure and size of gratuity is of interest to both waitpersons and restaurant managers.

Tipping has been explained as a system of economic efficiency (Bodvarsson & Gibson, 1994; Jacob & Page, 1980). This theory proposes that customers tip in some situations because it aids management in controlling quality. For example, restaurant patrons are directly affected by the waitperson's quality of service, which is difficult to observe by management. Thus, patrons help management monitor the quality of service. Moreover, this quality monitoring takes place where it is easy to determine service quality and explains why tipping is not done for more complex services such as medicine and law.

Lynn and Witham (2008) noted four benefits of voluntary tipping to management. First, it lowers nominal prices charged to the restaurant patron. Second, it motivates the waitperson to upsell (e.g., dessert, appetizers, etc.). A third benefit to management is that tipping attracts more talented workers.

In fact, the benefits of tipping to restaurant owners is even more extensive. Current Federal minimum wage law requires employees be paid at least $7.25 per hour. Restaurant, however, operate under what is known as the "tipped minimum wage." In this case a restaurant is required to pay a minimum wage of only $2.13 if an employee earns at least $30 a month in tips. Any single day the employee's tips do not, with the $2.13 equal the minimum wage, the restaurant is required to make up the difference. This is a significant cost savings for restaurants where customers are expected to tip.

Azar (2005) found, however, that it is not economic efficiency that determines tipping, but rather empathy and compassion. That is, people tip when the worker's income is lower and when the customer's income is higher. In short, people who tip feel empathy for lower paid people and reciprocate for good service with a tip.

Other studies show that the reasons for tipping are not clear. Kwortnik, Lynn, & Ross, (2009) argue that wait staff in restaurants perceive that better service will lead to better tips and, this motivates the wait staff to perform their duties well. Thus, buyer monitoring motivates employees. On the other hand, Azar (2010) argues that people tip strategically. That is, people tip to ensure good service in the future. This

argument attaches tipping and service to patronage frequency. In contrast, Bovdarsson, et al. (2003) find tips are related to good service and that server expectation of good tips also leads to good service. Lynn and McCall (2000) also found a relationship between service and the size of the tip but noted that the relationship is weak.

Also, it has been noted by a number of researchers (e.g., Azar & Tobo, 2008; Bodvarsson, et al. 2003; and Azar 2005) that people tip because it is a social norm. In other words, it is expected in certain situations, such as restaurants, valet parking attendants, and hotel bellmen.

Additionally, there is research directed at the size of the gratuity. Kinard and Kinard (2013) found that restaurant wait staff who added a personal message to the customer's receipt actually received lower tip percentages that those who didn't. Interestingly, the personalized message reduced the tip even further if the perceived quality of the service failed to exceed expectations. However, Seiter, Brownlee and Sanders (2011) examined the effect of suggested gratuities of the customer's receipt and the actual size of the tip. Restaurant guests who were presented with gratuity examples left significantly higher tips than those who did not receive examples.

Seiter and Weger (2013) looked at the effect of immediate and informal forms of address between waitpersons and restaurant patrons. When the waitperson returned the credit card receipt to the customer, they addressed the customer either by first name or a more formal Mr./Mrs. Customers addressed by their first names left larger tips that those who were addressed in more formal terms. This difference decreased significantly, however, as the age of the customer increased. Older restaurant patrons appear to prefer more formal forms of address.

It is clear from this brief review of the literature that customer motivation to tip is complicated and not easily understood. This paper proposes that one element in customer motivation to tip is linked to the social-cognitive concept of lay theory. That is, people with a certain lay theory will tip differently after an initial service failure, even if the service improves as the dining experience continues. Below we lay out the concept of lay theory and develop a model depicting the relationships among service failure, lay theory, and size of gratuity along with proposals for research.

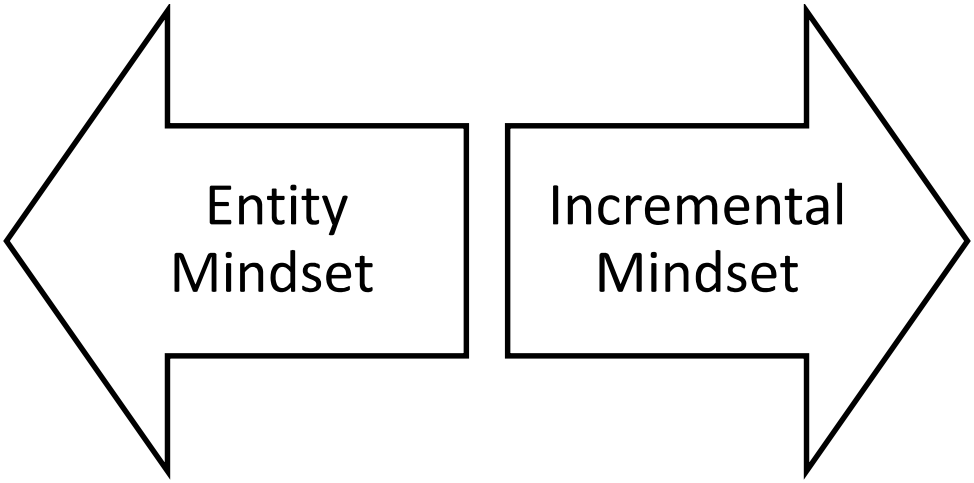
Lay Theory

A lay theory is a personality construct that organizes how a person views the world (Dweck & Leggett, 1988). Lay theories are a dispositional characteristic of people that affect people's "influence, judgments, and reactions, particularly in the face of negative events" (Dweck, Chiu, & Hong, 1995, p. 267). Lay theories are held by everyone, but are not easily articulated or understood by the people who hold them. In short, a lay theory provides people with a way to perceive the actions of themselves and others (Molden & Dweck, 2006).

There are two concepts of lay theory – *entity* and *incremental*. A person with an entity lay theory believes that human attributes (e.g., intelligence, athletic ability, work ethic) are fixed and are not subject to personal development. In contrast, a person with an incremental lay theory believes people, through effort, can develop and change their attributes (Molden & Dweck, 2006). For example, a student with an entity lay theory, who also scores poorly on a math test, will believe that he or she is just not good at math and additional effort is just wasted time. On the other hand, a student with an incremental lay theory will see the poor math grade as feedback about his or her current math ability and will devote more effort to the study of math in order to improve ability (Butler, 2000).

Two aspects of lay theory should be noted in any research on the subject. One is that entity and incremental lay theories are not orthogonal but exist on a continuum. Second, while a person holds a particular lay theory in any given situation, a person rarely has the same lay theory across all situations (Dweck, Chiu, and Hong, 1995). For example, a person may hold an entity theory about math intelligence (it can't be changed) and an incremental theory about golf ability (practicing will improve one's game). Thus, research employing lay theory needs to be specific and not global.

FIGURE 1
MINDSET



In terms of construct validity, lay theory is not correlated with demographic, attitudinal, or other dispositional factors. For example, lay theory was found to be independent of people's age, sex, religious, or political affiliation. Lay theory can be discriminated from measures of cognitive ability, confidence in intellectual ability, self-esteem, optimism, and confidence other people and the world. Further, a person's mindset is not correlated with his or her social-political attitudes such as authoritarianism and political conservatism/liberalism (Dweck, Chiu, and Hong, 1995). See Table 2 for the empirical results of these findings.

TABLE 2
CONSTRUCT VALIDITY OF THE LAY THEORY MEASURE

Variable	Correlation
Age	r = .12, not significant
Sex	r = .13, not significant
Self-Presentation Concerns	
Self-Monitoring Scales (Snyder 1974)	r = .13, not significant
Social Desirability Scale (Paulhus 1984)	r = .15, not significant
Cognitive Abilities	
SAT Scores (Quantitative and Verbal)	r = .12, not significant
Confidence and Optimism	
Confidence in Intellectual Ability (Chiu, Hong and Dweck 1997)	r = .02, not significant
Self-Esteem Inventory (Coppersmith 1967)	r = .01, not significant
Confidence in Other People's Morality (Chiu, Hong and Dweck 1997)	r = .07, not significant
Confidence in the World (Chiu, Hong and Dweck 1997)	r = .18, not significant
Political Attitudes	
Right-Wing Authoritarianism (Altemeyer 1981)	r = .16, not significant
Political Conservatism	
Social Attitude Scale (Kerlinger 1984)	r = .01, not significant
Referent Scale (Kerlinger 1984)	r = .02, not significant
Political Liberalism	
Social Attitude Scale (Kerlinger 1984)	r = .15, not significant
Referent Scale (Kerlinger 1984)	r = .16, not significant

The theoretical basis for lay theories (a/k/a implicit personality theory) is attribution theory (Heider, 1958; Kelly, 1955). In attribution theory a person's behavior is caused by either (1) internal or dispositional causes that reflect aspects of the person, or (2) external or situational causes that relate to the person's environment (Heider 1958; Kelly 1955). Often someone observing the behavior of another person will make stronger dispositional attributions than the evidence justifies. This is known as the fundamental attribution error (Ross and Berkowit 1977). However, as Silvera, Moe, and Iverson (2000) point out, some people, because of their lay theory, are less likely to commit the fundamental attribution error than are people with a different lay theory.

This last point, that lay theory affects the likelihood of the fundamental attribution error is an extension of the social perception literature (Gilbert, 1995). Social perception concerns how people interpret and respond to the actions of others. As pointed out above, people's interpretations of the actions of others and themselves, in terms of attribution theory are primarily attributed either to dispositional or situational factors of the actor. Lay theory affects this social perception/attributional process in the following manner: people with an entity theory will be more likely to attribute actions to dispositional factors (the fundamental attribution error) while people with an incremental theory will be more likely to attribute the actions of others and themselves to situational factors (Molden & Dweck, 2006; Silvera, et al., 2000). Further, when presented with new information that contradicts their initial attribution, people with an entity theory either ignore or discount the new information while people with an incremental theory welcome the information and adjust their attributions accordingly (Levy, Stroessner, & Dweck, 1998; Molden & Dweck, 2006); Placks, Stoessner, Dweck & Sherman, 2001).

Lay theory has a rich history in the cognitive and social psychology literature (e.g., Dweck & Leggett, 1988; Levy, et al., 1998; Molden & Dweck, 2006). Further the concept of lay theory has been researched in a variety of areas: intelligence and motivation (Dweck & Leggett, 1988); morality (Chiu, et al., 1997); social judgment (Levy & Dweck, 1998); stereotype formation (Levy, et al., 1998); math ability in middle school students (Butler, 2000); the perceived ability of older workers (Wren & Maurer, 2004); shyness (Beer 2002); and employee performance appraisals (Heslin, VandeWalle, and Latham 2005). A summary of this research is presented in Table 3.

TABLE 3
SUMMARY OF RESEARCH

Article	Findings
Dweck & Leggett (1988): A Social-Cognitive Approach to Motivation and Personality	Mindset affected students' motivation to learn and choice of goal orientation
Chiu, Dweck, Tong & Fu (1997): Implicit Theories and Conceptions of Morality	Mindset affected the perceived morality of others even when subjects had little information about others' actions.
Levy, Stroessner & Dweck (1998): Stereotype Formation and Endorsement: The Role of Implicit Theories	Mindset predicted the degree to which people attributed stereotyped traits to inborn qualities versus environmental forces.
Wren and Maurer (2004): Beliefs About Older Workers' Learning and Development Behavior in Relation to Beliefs About Malleability of Skills, Age-Related Decline, and Control	Mindset in older workers predicted their ideas about age-related decline and the ability to control age-related decline.
Butler (2000): Making Judgments About Ability: The Role of Implicit Theories of Ability in Moderating Inference from Temporal and Social Comparison Information	Students with an entity mindset perceived initial outcome on a math test as more diagnostic and inferred higher ability than students with an incremental mindset who perceived the last outcome on a math test as more diagnostic and inferred higher ability in an ascending condition.

Beer (2002): Implicit Self-Theories of Shyness	Mindset predicted how shy people approached and viewed social situations.
Heslin, Latham, and VandeWalle (2005): The Effect of Implicit Person Theory on Performance Appraisals	Mindset predicted managers' acknowledgement of changes in employee behavior.

While lay theory is often measured with a simple three-item scale, there is potential to question its reliability and construct validity. A number of studies demonstrate the reliability and construct validity and are illustrated in table 4.

TABLE 4
SUMMARY STATISTICS AND RELIABILITY OF THE LAY THEORY MEASURES

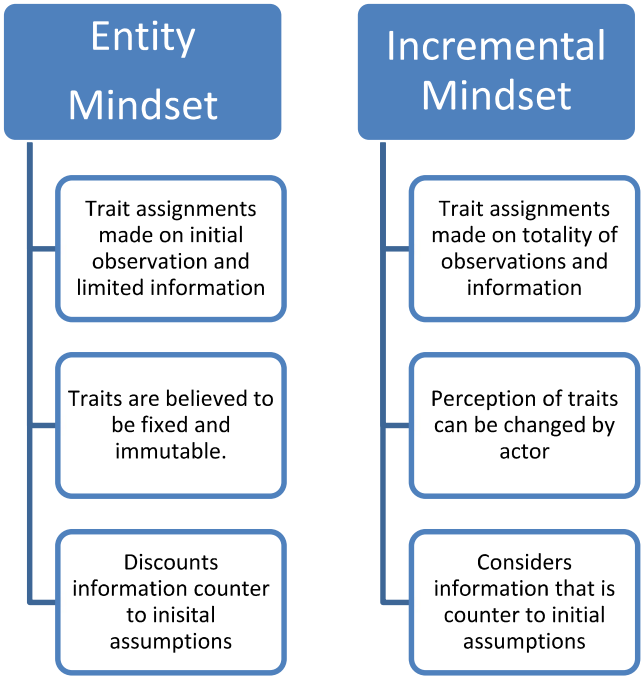
Study	Sample Size	Mean	Standard Deviation	Coefficient Alpha
Study 1	N = 69			
Social		3.81	1.28	.94
Intelligence		3.96	1.34	.96
Study 1 Retest	N=62			
Social				
(2-week test-retest, r = .92)		3.66	1.26	.94
Intelligence				
(2-week test-retest, r = .80)		3.71	1.39	.98
Study 2	N = 184			
Social		3.31	1.04	.90
Intelligence		3.80	1.32	.94
Study 3	N=139			
Intelligence		3.65	1.13	.93
Study 4	N= 121			
Intelligence		3.51	0.95	.89
Study 5	N=93			
Social		3.59	1.24	.92
Intelligence		3.73	1.40	.96
Study 6	N=32			
Social		3.11	1.37	.96
Intelligence		3.57	1.49	.97
Study 7	N = 231			
Social		2.88	.98	.88

A major application of mindset in a business environment was conducted by Heslin, VandeWalle and Latham (2005) In this research, managers' mindset was studied in relation to evaluating employee performance. The study found that managers with an entity mindset failed to recognize an employee's good performance if they had background information of previous poor performance by that employee. On the other hand, managers with an incremental mindset were less likely to take background information into account when judging employee performance. This study, along with others cited, point to a consistent practice of people with an entity mindset making trait assignments to others based on limited information while those with an incremental mindset are much less likely to do so.

In summary, people with an entity lay theory tend to make trait assignments to others based on initial observations. These traits are believed to be fixed and immutable and the entity theorist will discount information that violates the initial assumptions. In contrast, people with an incremental lay theory make

trait assignments based on the totality of observation and information about other people and are willing to consider information that is counter to initial assumptions. These aspects of lay theory are illustrated in Figure 2.

FIGURE 2
ENTITY AND INCREMENTAL MINDSETS



This paper extends this broad research agenda with a proposal to apply the concept of lay theory to initial service failure in a restaurant setting and how that service failure affects the waitperson's gratuity or tip.

Lay Theory and Tipping

Placks, et al. (2001) conducted a series of studies where subjects were divided into those with an entity theory and those with an incremental lay theory based on the Implicit Person Theory Measure (Levy, et al., 1998). Consistent with previous research, subjects with an entity lay theory tended to assign traits to individuals based on limited information while those with an incremental lay theory were more process-focused when judging the actions of others. That is, they were less likely to judge a person's character based on initial information.

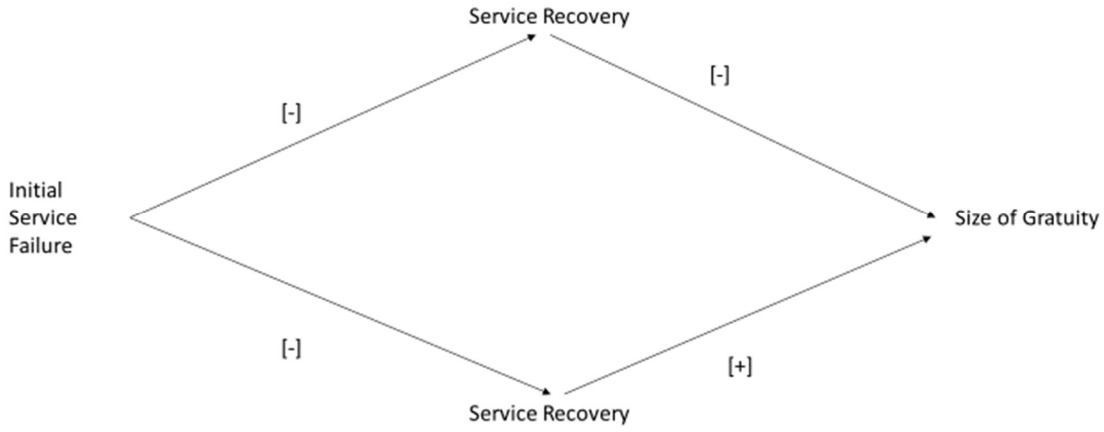
For example, if Bob (with an entity lay theory) believes work ethic is a fixed trait and his waitperson appears to be talking with co-workers instead of taking his food order, he will likely label the waitperson as lazy and/or unconcerned. In contrast, if Mary (with an incremental lay theory) observes the same behavior, she is more likely to judge the waitperson's work ethic over the entire dining experience. Possibly the waitperson was helping a new staff member.

Placks, et al. (2001) not only confirmed that the tendency of those with an entity lay theory to infer traits based on limited information, but also found that people with an entity lay theory were likely to hold to their beliefs even when presented with inconsistent information. In the above example, Bob is likely to hold to his view of lazy and/or unconcerned even if the waitperson provides excellent service for the rest of the meal. Thus, in the minds of entity lay theory restaurant patrons, it is the initial service failure or success that determines their beliefs about service quality.

In this paper we argue that whether a person is an entity or incremental theorist in terms of waitperson ability and motivation will affect the size of the tip, particularly in those situations where there is an initial service failure. That is, the entity theorist will, it is proposed, assume that the initial service failure is indicative of either the service provider's ability and/or motivation to perform required tasks. Thus, the decision will be made early on in the relationship to reduce the amount of the tip even if service improves during the encounter.

In contrast, incremental theorist will judge the entirety of the service relationship and tip accordingly. For example, if there is an initial service failure, but the server recovers and provides otherwise excellent service, the person with an incremental lay theory will tip based on the good service. If the entirety of the service is poor (even if the service was excellent at the beginning), the incremental theory will tip based on a lack of service quality. In short, the incremental mindset is not influenced by one incident but by the whole experience. A model of this relationship is depicted below.

FIGURE 3
RELATIONSHIP OF INITIAL SERVICE FAILURE, SERVICE RECOVERY, AND SIZE OF GRATUITY



BEST PRACTICES FOR SERVERS AND RESTAURANT MANAGERS

As noted earlier, ten major types of service failures have been identified in restaurants (see Table 1). Restaurant managers and wait staff can address those that are initial service failures in order to reduce the negative impact of entity theorists and conduct successful service recovery to enhance the positive impact of an incremental theorist.

Slow service negatively influences both the entity and the incremental theorist although a service recovery will likely positively influence the incremental theorist. Since the wait person cannot know the lay theory of the customer, the goal is to satisfy both. One possible solution to create a better first impression is for the hostess or the waitperson to stop by a table as soon as the guests are seated and let them know that service may be a little slow but that they are important and the server will do his or her best. The entity theorist may make negative assumptions about management but is less likely to hold the wait person responsible. This tactic may also work with staff that is perceived to be unfriendly/unhelpful but is actually overworked.

A similar tactic will work with inefficient staff. The hostess, server, or a manager can tell guests when someone is new and service may not be what is expected. If there are food and beverage quality problems that can be attributed to inexperienced employees, that information may be shared with the guests. Again, the entity theorist will make trait assignments to management and possibly the kitchen staff, but not to the server.

Servers need to make sure the bill is correct. An incorrect bill may negatively influence an incremental theorist who has, to that point, had a favorable view of the server's performance. The same is true for if advertised promises are not met.

Management is responsible for tidiness, store cleanliness, physical ambience, as well as efficient management of reservations. These areas are important for wait staff as any service failure may have a spillover effect on the size of the gratuity. Management can invest in training so that inefficiencies are reduced and food and beverage quality is consistent. The appropriate application of readily available software can alleviate slow service due to staffing problems.

SUMMARY AND IMPLICATIONS

The purpose of this paper is to propose a model and research agenda to measure the effect of lay theories or mindset on the size of the gratuity after an initial service failure. While the model is simple, there are academic and managerial implications. In terms of research, there is a great deal left to do in the application of social-cognitive models to applied business situations. This research proposal will add to that body of literature and provide guidance for clearer determinations of customer behavior.

The managerial implications are important in any service industry where the customer, through gratuities, aids management in evaluating employee performance. This is especially true in the hospitality industry. For example, waiting tables in a high-end restaurant can be a monetarily rewarding career. Wright (2006) reports that waiters can make as much as $150,000. Thus, maximizing gratuities, particularly after a service failure, is important to managers and waitpersons alike.

Beyond managerial implications is the overall impact of initial service failure and mindset on the profitability of entrepreneurial small-to-medium sized enterprises (SMEs). According to the National Restaurant Association's 2017 State of the Industry Report, there are over one million restaurant locations in the United States. Of those restaurants, nine in ten have fewer than fifty employees and seven in ten are single-unit operations. Therefore, the 14.7 million restaurant industry employees play a major role in the survival of these smaller firms. Less than one-half of small start-ups survive for more than five years. This underscores the entrepreneurs need to determine the importance of mindset and its impact on service failure recovery and customer loyalty. Furthermore, this could empower the SME associates to find solutions for service failure scenarios and develop frameworks that strengthen customer loyalty.

There is also evidence in the mindset literature (Heslin, Lathan & VandeWalle, 2006; Plaks, Grant, & Dweck, 2005) that mindset can be manipulated. That is, people can be primed *before* the service encounter to adopt an incremental theory. For example, in an especially busy situation the waitperson can stop by the table, give the customers water and tell them he or she is very busy, assure them that they are important, and that he or she will get to them as soon as possible.

Despite the extensive research on tipping, there is no definitive explanation about what specific factors affect the size of the tip. Thus, this stream of research offers opportunities for academics and practitioners alike.

Other aspects of the waitperson/customer relationship could be added once the basic model is established. For example, an additional variable that could be added is tipping as a social norm (Azar, 2009). That is, does the customer tip, even in the face of service failure, because it is expected in our culture? Or, does the restaurant patron feel social pressure to tip? If so, does tipping change from a voluntary activity that rewards service to just proper etiquette? (Lin & Namasivayam, 2011). As a cultural variable it would need to be determined if the norm moderated or mediated the decision to tip (Baron & Kenny, 1986). In other words, how strong is the cultural norm of tipping?

Other research has found a variety of factors that affect the size of the gratuity. For example, the quality of service recovery may influence the model proposed in this paper (Dutta, Venkatesh, & Parsa, 2007). Another variable that can influence the current model is the customer's mood. Bujistic & Parsa (2014) found that consumer mood affected customer behavior and that customer's moods changed according to the day of the week.

Demographic factors also appear to affect the size of the gratuity. A recent article in National Restaurant News found that men, Northeasterners, Republicans, and credit/debit card users tipped more on average (20%) than women, Southerners, Democrats, and those paying with cash (15%). (Ruggless 2017). Further, Brewster and Mallisnon (2009) found a variation in the size of the gratuity left by African-Americans and whites. The differences may be more to the waitperson's belief that African-Americans are poor tippers and therefore provide inferior service to them.

As noted in the literature review, the size of the gratuity also appears to be affected by factors not associated with service. For example, Kinard and Kinard (2013) found that adding a personalized message to the bill actually lowered the percentage of the tip; Seiter, et al. (2011) found suggested tip percentages increased the tip; and Seitier and Weger (2013) found that addressing customers by their first names increased the tip percentage except for older patrons. In fact, Azar (2009) reported there is no relation between service quality and tips, although this is not generally thought to be the case by other researchers.

One other variable that could affect the model proposed in this paper is the perceived fairness of the tipping process. For example, would the customer be more inclined to tip if he or she knew tips were pooled and/or shared with the back-of-the-house employees?

Interest in tipping will likely continue for researchers, practitioners, and customers. Several restaurants attempted to implement a "no tipping" policy in the past few years. One of the most notable is Danny Meyer, the CEO of the restaurant management company that manages Gramercy Tavern and Union Square Café in Manhattan (Hamilton 2017). The experiment is still underway and the final decision of customers and wait staff is yet to be determined.

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