

Consumer Tipping: A Study of the Car Guarding Industry

*Stephen G. Saunders, Monash University, Email: stephen.saunders@buseco.monash.edu**

Danie J. Petzer, University of Johannesburg, Email: dpetzer@uj.ac.za

Abstract

The act of guarding a car at a public parking space is a common service offered by “car guards” in Southern Africa. The car guard normally relies solely on tips in return for the service given. The objective of this research study is to better understand the predictors of consumer tipping decisions. More specifically this study examines, from a consumer decision making perspective, the role that service quality, personal norms and social norms play in determining a consumers’ decision to tip car guards. The results showed that service quality and personal norms were significant predictors of tip size, while social norms are not significant predictors of tip size. The study discusses the theoretical and practical implications of these findings.

Keywords: Tipping, service quality, social marketing, car guards

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Introduction

While it is recently acknowledged that tipping is an important phenomenon and that it has received much attention in the literature, almost all of the empirical evidence on tipping motives has come from data collected in restaurants (in the USA) or other closely related foodservices industries (Azar, 2003; Azar, 2007). While the foodservices industry is an important component of the service economy, there are also other important services where tipping takes place. Some of these important services display very different characteristics to the restaurant industry and so could provide some interesting additional findings to the restaurant tipping literature.

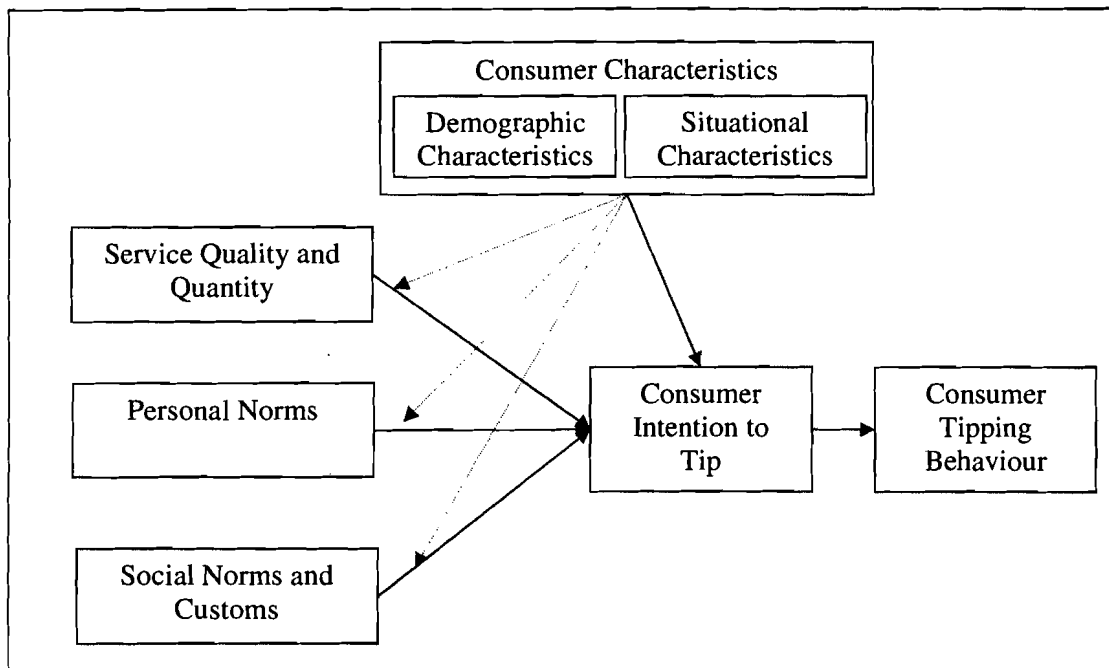
One service industry in Southern Africa (in particular South Africa) that relies on tipping is car guarding. Car guarding is the act of watching (or "guarding") a car at a public parking space in the driver's absence, so potentially acting as a deterrent to would-be car thieves (Bernstein, 2003; Blaauw and Bothma, 2003; McEwen and Leiman, 2008). While the core service is to guard the car, the car guard often provides augmented services such as pointing the way to empty parking spaces, directing parking manoeuvres, loading packages, and returning trolleys.

McEwen and Leiman (2008) suggest that car guard tipping is driven by an intrinsic desire to be kind, tolerant and compassionate and that tipping is not driven by rational economic choice but by charitable goodwill. If this is the case, tipping could be viewed as a special type of gift giving. As Belk (1996:13) states, "gift-giving does not accord well with assumptions of self-interested rationality. It is known to be a highly symbolic, highly emotional, interpersonal medium that helps us say things that we find difficult or impossible to say in words". As tipping in the car guard industry is quite different to the restaurant and other service related industries, an empirical analysis of car guard customers can potentially provide valuable new insight into the tipping phenomenon and build on the existing research that suggests that tipping is largely norm-driven behaviour.

Research Hypotheses

Basing our model on the underlying logic of the theory of reasoned action (Ajzen and Fishbein, 1980; Fishbein and Ajzen, 1975), our model in Figure 1 suggests that customer tipping behaviour is driven by the intention to tip, which in turn is driven by attitudes and subjective norms: service quality and quantity (i.e. the rational consumer choice perspective), personal norms (i.e. the psychological perspective) and social norms and customs (i.e. the social norms perspective). Customers aggregate their evaluations of these dimensions to form an intention to tip. The intention to tip is then a predictor of actual customer tipping behaviour. In other words, customers ultimately combine the three primary predictors to arrive at an overall intention to tip which then drives actual behaviour.

Figure 1: Predictors of Customer Tipping in the Car Guard Industry



On the basis of this underlying logic, a number of hypotheses are proposed.

Service quality in the tipping literature is defined in two ways: (1) the amount of work performed by the service personnel; and (2) the quality of service provided (Bodvarsson, Luksetich and McDermott, 2003; Conlin, Lynn and O'Donoghue, 2003). By making more effort and giving better service (i.e. "providing a service"), the service personnel is rewarded with a tip. This rational consumer choice perspective suggests the following hypotheses:

- H₁: Customer's perception of service quality (SQ) being performed by the car guard has a significant positive impact on customer's tipping behaviour.

Tipping is often viewed as a special type of gift or charitable donation (Conlin, Lynn and O'Donoghue, 2003). Schwartz and Howard (1984) hold that a customer's attitude about helping others (i.e. providing charitable donations) is affected by their personal norms. Personal norms being "situated, self-based standards for specific behaviour generated from internalizing values during the process of behavioural decision making" (Schwartz and Howard, 1984:234). Similarly, Ajzen (1991:199) views personal norms as a "moral obligation or responsibility to perform". In this context tipping could be driven by an altruistic psychological desire to be kind, compassionate and charitable or by a self-interest desire to display power and status (Sherry, 1983). This psychological perspective suggests the following hypothesis:

- H₂: Personal norms (PN) have a significant positive impact on customer's tipping behaviour.

In countries where tipping service personnel is the norm or customary behaviour, the amount tipped is determined through social norms or customs (Conlin, Lynn and O'Donoghue, 2003). In these countries tipping is socially approved and tipping is seen as an attempt to "buy peace-of-mind" (Lynn and Grassman, 1990). This social norms perspective suggests the following hypotheses:

- H₃: Social norms (SN) have a significant positive impact on customer's tipping behaviour.

Both demographic characteristics (i.e. race and income) and situational characteristics (i.e. time of day, patronage frequency, and availability of change/cash) have shown to be significant predictors of tipping behaviour. For demographic characteristics, Lynn (2004) and Lynn et al. (2008) found that in the USA both White and Black customers discriminated against Black service personnel while Pearl (1985) found that socioeconomic status was positively related to tip size. For situational characteristics, variables positively related to tipping included: patronage frequency (Lynn and Grassman, 1990; Bodvarsson and Gibson, 1994), payment method (Lynn, Zinkhan and Harris, 1993), time of day (Bodvarsson et al., 2003), likelihood of future visits (Bodvarsson et al., 2003) and group size (Bodvarsson et al., 2003).

Method

Data was collected through an anonymous self-administrated structured questionnaire that relied on pre-existing validated measurement scales. All total of 29 trained fieldworkers were requested to conveniently select 20 respondents in their local community. The sample therefore consisted of 580 respondents. The questionnaire was pre-tested on a sample of respondents considered representative of the study population. Respondents were requested to answer questions relating to their most recent service encounter with a car guard, and other relevant demographic and situational characteristics. As service encounters with car guards are almost a day occurrence, difficulty in recalling the service encounter was not deemed to be a real concern.

Results

The sample of customers that had recently had an offer from a car guard to watch their car was all 575 respondents who completed the questionnaire. Only five blank questionnaires were returned. When cleaning the data it was found that 44 questionnaires were unusable as the respondents were inconsistent in the responses or they were unable to recall the details of their interaction with the car guard. The final sample was therefore 531 responses.

Of the 531 respondents, 54.8% were male and 45.2% were female. The respondents ranged in age from 18 to over 70 years old. Of the respondents, 49.0% were 18-29 years, 38.1% were 30-49 years, and 12.9% were over the age of 49 years. In terms of income most respondents classified themselves as middle income or above. The income distribution is largely representative for car ownership in South Africa (Mokonyama and Venter, 2005). In terms of racial group, 25.3% were Black, 50.7% were White, 17.0% were Coloured (Statistics South Africa classifies a person of mixed race as "coloured"), and 7.0 were Indian. Once again, the racial group distribution is largely representative for car ownership in South Africa (Mokonyama and Venter, 2005). Shopping centre parking lots is where most of the service encounters with car guards took place (66.3%), followed by street parking (23.2%), work parking (6.6%), and other parking lots (4.0%). The day of the week when the encounter took place was split between weekdays (55.7%) and weekends (44.3%); with most of the encounters taking place in the day (83.0%) rather than at night (17.0%). The frequency of parking in the particular parking lot was fairly evenly distributed between "not often"

(25.6%), “often” (39.0%) and “very often” (32.2%). Very few respondents (3.3%) reported that they had “never” parked in the parking lot before.

When self-reporting on the Rand value of the tip given to car guards, 69.6% reported that they paid a tip while 29.4% reported that they did not tip. The tips ranged from R0.00 to R20.00. The average tip amount was R2.77 (SD = 3.19) while the median tip amount was R2.00. At the time of writing R2.00 was equivalent to \$0.21. This means that car guards would earn on a daily basis under the \$2 a day poverty line.

Table 1 presents the descriptive statistics for the three constructs. All three constructs approximated normality. The mean score for the overall cumulative SQ scale (mean = 3.44; SD = 0.78), together with the four individual service quality components were slightly above the midpoint of the scale (3). The results suggest that customers were somewhat satisfied with the service quality received from car guards, with the highest rating being friendliness (mean = 3.68; SD = 0.92) and the lowest rating being neatness (mean = 3.28; SD = 1.03).

Table 1: Construct Summary Statistics

Construct (scale 1-5)	Mean	S.D.	Cronbach
Service Quality (SQ)	3.44	0.78	0.81
Neat	3.28	1.03	-
Friendly	3.68	0.92	-
Attentive	3.35	0.98	-
Prompt	3.45	0.98	-
Personal Norms (PN)	3.68	0.61	0.85
ACG	3.35	0.74	-
AHO	4.01	0.70	-
Social Norms (SN)	3.57	0.80	0.78
Family	3.66	1.15	-
Friends	3.52	1.06	-
Colleagues	3.50	0.99	-
Leaders	3.59	0.92	-

The mean score for the overall PN scale (mean = 3.68; SD = 0.61) together with the two individual components were above the midpoint of the scale (3). The mean score of the AHO (mean = 4.01; SD = 0.70) shows a strong positive personal attitude toward helping others, while the mean score of the ACG (mean = 3.35; 0.74) shows a weaker but still positive attitude towards helping car guards.

The mean score for the overall SN scale (mean = 3.57; SD = 0.80) was also above the midpoint of the scale (3) indicating that the social norm is “to maybe” tip car guards. The most influential SN was family (mean = 3.66; SD = 1.15) however it also the most variable, as demonstrated by the standard deviation.

Table 2: Regression Model

Independent Variable	Dependent Variable: Tip Size			Hypothesis
	Std. Beta	t	Sig.	
(constant)		-7.96	.000	
Service Quality (SQ)	.163	3.17	.002***	Accept H ₁

Personal Norms (PN)	.186	3.38	.001***	Accept H ₂
Social Norms (SN)	.059	1.23	.221	Reject H ₃
CASH	.248	5.80	.000***	
RACE	.024	0.56	.573	
INCOME	.104	2.424	.016**	
FREQ	.072	1.700	.090*	
TIME	.028	.653	.514	
WEEK	.111	2.603	.010***	
Model		F=15.48	.000***	
R²	.240			
Adjusted R²	.229			

Notes: * Significant at 10%, ** Significant at 5%, *** Significant at 1%

Table 2 shows the results of the simultaneous multiple regression equation. The combination of variables was a statistically significant predictor of tip size ($F [9, 432] = 15.48$, sig. = .000, adjusted $R^2 = .244$). However, as indicated by the R^2 , only 23% of the variance in tip size can be explained by the independent variables.

Of the three constructs, service quality (SQ) was a significant predictor of tip size ($b = 0.163$, $t = 3.17$, $p = .02$). This supports the hypothesis that customer's perception of service quality being performed by the car guard has a significant positive impact on customer's tipping behaviour. Personal norms (PN) were also a significant predictor of tip size ($b = 0.186$, $t = 3.38$, $p = .01$). This supports the hypothesis that personal norms have a significant positive impact on customer's tipping behaviour. Social norms (SN) was not a significant predictor of tip size ($b = 0.059$, $t = 1.23$, $p = .221$). This then rejects the hypothesis that social norms have a significant positive impact on customer's tipping behaviour. Of the moderating variables, all were significant except for RACE and TIME. The standardised beta weights, presented in Table 2, suggest that availability of cash (CASH, $b = 0.248$, $t = 5.80$, $p = .000$) contributes most to predicting tip size, and that positive attitudes towards helping car guards and others (PN), positive perceptions of service quality (SQ), weekends (WEEK), higher income status (INCOME) and higher frequency of visiting a particular parking lot (FREQ) also contributes to this prediction.

Discussion and Conclusion

First, the results of the study showed that the single best predictor of tip size is the availability of cash/change. In a modern world where consumers are increasingly moving to electronic payment methods, it is probable that consumers would carry less cash/change. For shopping centres whose service strategy relies on car guards to provide a car guarding services, it would be important to consider any easily available options to ensure that consumers have cash/change when returning to their car. Some suggestions could include clear signage reminding consumers to carry cash/change in their wallets when returning to their car, in order to be in a position to choose if to pay a voluntary tip. Another option would be to have change machines at the entrance of the shopping centre or some other mechanism for providing change to consumers. For large multi-national retailers it would be important to

better understand the service interaction that is happening outside the retail outlet and employ strategies to better manage this service interaction.

Second, the results of the study tested three constructs that have been shown in the literature to be significant predictors of tipping size. Of these three constructs, only two, namely service quality and personal norms, were significant predictors of tip size. The third construct, social norms, was not a significant predictor of tip size. This finding dispels the notion that tipping car guards is purely a "charitable donation" or "goodwill gesture" but rather a combination of a personal (altruistic or non-altruistic) desire to help others and a payment for a "quality" service that has been provided by the car guard.

This study should be seen as a first step in better understanding tipping behaviour in a service industry that is growing into a key service sector in Southern Africa. The study has highlighted that the car guard industry behaves quite differently to other service tipping contexts and so can provide some valuable insights to the tipping literature. However, while the car guard industry behaves quite differently to other service industries, the underlying view expressed by Lynn and McCall (2000) and Azar (2003) that tipping is a broad complex set of economic, sociological and psychological motives is also clearly evident in the car guard industry.

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