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## What am I tipping you for? Customer response to tipping requests at limited-service restaurants

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## What am I tipping you for? Customer response to tipping requests at limited-service restaurants

### Abstract

**Purpose:** Tipping within the foodservice industry has traditionally been reserved for full-service restaurants. However, there is a growing trend of tip requests at limited-service restaurants, where tipping occurs prior to consuming the product. This research examines the effect of a point-of-sale tip request at limited-service restaurants on return intentions via customer irritation. It also analyzes the moderating effects of check amount and perceived deservingness.

**Design/Methodology/Approach:** Four online scenario-based experiments were conducted to test the hypotheses. Participants were recruited from MTurk for all experiments ( $N_{\text{Study 1}} = 152$ ;  $N_{\text{Study 2}} = 296$ ;  $N_{\text{Study 3}} = 206$ ;  $N_{\text{Study 4}} = 134$ ).

**Findings:** Studies 1 and 2 suggested a negative impact of presenting a tip request on return intentions, with customer irritation as the underlying mechanism. Study 3 found the indirect effect was significant only when the check amount was low. Study 4 found that perceived deservingness of a tip also moderated this effect; the indirect effect was significant only when customers felt the employee did not deserve a tip. The effect was attenuated when customers felt the employee deserved a tip.

**Originality/Value:** This paper contributes to the underexplored area of tipping behavior in the limited-service context. The findings contrast extant research on voluntary tipping at full-service restaurants, thus advancing theory by suggesting the consequences of tip requests are contextual and providing practical insights to limited-service establishments contemplating whether to begin requesting tips.

**Keywords:** tipping, customer perceptions, restaurants, limited-service, customer irritation, perceived deservingness

**Paper Type:** Research Paper

## 1. Introduction

Imagine placing an order at the counter of a limited-service restaurant (LSR) and, while completing your transaction, the payment terminal asks whether you would like to leave a tip. Will you leave a tip? More importantly, how do you respond to being asked to leave a tip before you even receive your food? Although tipping is considered a social norm within many service industries, LSRs contrast full-service restaurants (FSRs; e.g., TGI Fridays, Applebee's), in that they have traditionally not been establishments where customers are expected to tip employees (Lynn, 2016a, 2018). Nonetheless, a growing number of LSRs, such as Starbucks, Panera Bread, and Jersey Mike's Subs have implemented tip requests while customers are completing transactions. For instance, when completing a transaction at Jersey Mike's Subs, the point-of-sale system will prompt the customer to tip by asking "Would you like to add a tip? [No Thank You, 10%, 15%, 20%, Other]". This tip request occurs after the customer interacts with the LSR employee to place their order, but before the customer receives their order, has an opportunity to confirm it is correct, and consume their food or beverage. While the motivations and antecedents of tipping behavior have received significant attention across service industries (Azar, 2005; Bujisic *et al.*, 2014; Lynn, 2018, 2019; Whaley *et al.*, 2019), the customer response to tip requests at establishments where tipping is outside the social norm remains underexplored. The current work focuses on customer response to tip requests at LSRs where customers order at the counter, pay for their items before consuming the product, and receive minimal to no service.

In the restaurant industry, tipping is a norm at FSRs. According to the United States (U.S.) North American Industry Classification System [NAICS] (U.S. Census Bureau, 2017a), FSRs are "primarily engaged in providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating" (e.g., casual to fine dining restaurants, such as

Applebee's, Olive Garden, and Ruth's Chris Steakhouse). Thus, customers provide tips to employees for waiting on their table and assisting with their dining experience. In the U.S., approximately 7.9 million people are employed in the restaurant industry in a front-of-house capacity, and of this, almost 50% are employed in a position which is reliant on tips as compensation for their work (e.g., servers, bartenders). So much so that, in the majority of states, these employees are paid a base hourly wage by their employer that is less than the federal minimum wage because tips are considered their main source of income (U.S. Department of Labor, 2019). Thus, tips are critical for employers, employees, and customers. Most customers are aware of the importance of tipping and consider it a social norm (Azar, 2011). Even though tipping means customers spend more, customers are typically content with tipping at FSRs (c.f., Lynn and Withiam, 2008) and are more satisfied and more likely to visit an establishment when a voluntary tipping system is used over a non-tipping, service-inclusive pricing system (Azar, 2010; Lynn, 2017, 2018; Lynn and Wang, 2013).

Comparatively, at LSRs, "patrons generally order or select items and pay before eating" (U.S. Census Bureau, 2017b). In these establishments, for which Chipotle Mexican Grill, Panera Bread, and Jersey Mike's Subs are prime examples, employees often receive the order and then hand the food to customers. Thus, relative to FSRs, LSRs provide substantially less service. Employees at LSRs are also generally compensated at a rate of pay that is not "tip-reliant"; for example, the average hourly rate at Panera Bread is \$10.27 and at Chipotle Mexican Grill is \$11.12 (PayScale, 2020a, 2020b). Combined, these characteristics of LSRs make tipping more unusual. Yet, despite tipping at LSRs being outside the norm, thereby presenting a potential challenge in terms of justifying a tipping request, recent evidence shows that many LSRs have started

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3 prompting their customers to tip (Kim, 2018). This raises questions regarding the customer  
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5 response to tipping at LSRs.  
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8 Research has identified that a customer's likelihood to return to a restaurant is influenced  
9  
10 by other service environment factors such as Wi-Fi availability (Cobanoglu *et al.*, 2012),  
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12 cleanliness (Barber *et al.*, 2011), and server incivility (Karabas *et al.*, 2019), thus it is logical to  
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14 expect a service-related factor like a tip request could also influence likelihood to return. Yet, while  
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16 extant research sheds light on the customer response to tipping at FSRs, behavioral responses to  
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18 the newer phenomenon of tipping at LSRs has been minimally explored. This is the central  
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20 question underlying the current research. More specifically, the current research seeks to answer  
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22 the following questions: (1) what is the effect of a tip request on a customer's likelihood to return  
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24 to an LSR? and (2) what are the factors that may influence a customer's response to these tip  
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26 requests?  
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31 Building on findings from services literature and grounded in reactance and equity theories,  
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33 it is proposed that a tip request at an LSR is outside the social norm and therefore unanticipated,  
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35 which can induce customer irritation and reduce return likelihood. Across four studies, this work  
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37 aims to contribute to tipping research by examining customer response to tip requests at LSRs and  
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39 how customer irritation mediates this relationship. In addition, this research examines how the  
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41 check amount and the perceived deservingness of a tip alter the above indirect effect. Beyond  
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43 offering implications for tipping and service theory, the findings of this work provide insight for  
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45 LSR operators as to when a tip request is most appropriate so they can avoid a negative customer  
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47 response.  
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52 The paper is organized as follows: first, the relevant literature that formulated the  
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54 hypotheses is discussed. Then, the methods and results of the four studies which tested the  
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3 hypotheses are individually presented. Study 1 tests the effect of a tip request (vs. no request) on  
4 customer likelihood to return and the extent to which customer irritation mediates this effect. Study  
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2 extends Study 1 by exploring the potential differential effect of two additional tip request conditions: low-anchored and high-anchored tip percentages (vs. custom tip vs. no request). Study 3 tests the moderating effect of check amount (low vs. high). Study 4 investigates the degree to which perceived tip deservingness of LSR employees reduces the negative effect of a tip request. Finally, theoretical and practical implications of the results, along with future research directions, are provided.

## 2. Theoretical foundation and hypotheses development

### 2.1. *Tipping in the foodservice industry*

Research has found numerous motivations for customers to tip, including: the desire to build an honest character, receive social approval or avoid disapproval (c.f., Lynn, 2006 for a review), show gratitude (Azar, 2005; Kim and Baker, 2019), receive better service in the future (Azar, 2007; Bodvarsson and Gibson, 1997), reward/punish service employees (Karabas *et al.*, 2019; Kworntnik *et al.*, 2009; Voorhees *et al.*, 2006), follow social norms (Lynn *et al.*, 1993), display status (Lee *et al.*, 2018), and avoid guilt (Azar, 2004). In return, tipping leads to higher employee retention rates (Lynn *et al.*, 2011), increases customer service quality through heightened employee motivation (Kworntnik *et al.*, 2009), and appears as a less expensive option relative to service-inclusive pricing at FSRs (Lynn and Wang, 2013).

However, the majority of tipping literature focuses on tipping at FSRs, perhaps due to the fact that tipping at LSRs is a relatively new trend. Overall, customers are content with voluntary tipping at FSRs and accept it as a norm (Lynn and Withiam, 2008). Critically, though, research has shown that when customers are presented with an “out of norm” policy, such as service-

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3 inclusive pricing at FSRs, they respond negatively. Relative to voluntary tipping, service-inclusive  
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5 pricing leads to perceived unfairness of the policy (Lynn and Wang, 2013), lower perceived service  
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7 quality (Kwortnik *et al.*, 2009), lower customer satisfaction (Lynn and Kwortnik, 2015), and lower  
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9 purchase intentions (Lynn and Wang, 2013). Similar to the unexpected nature of service-inclusive  
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11 pricing at FSRs, the current work asserts that customers may not expect a tip request at LSRs and  
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13 therefore respond negatively.  
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17 Tips are payments for the service provided to a customer (Lynn and Latane, 1984) and  
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19 therefore the presence of service and the service effort should be considered a prerequisite for  
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21 customer tipping (Kwortnik *et al.*, 2009). Yet, LSRs rely on customers to make their payment  
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23 before their food is even made. Additionally, at LSRs customers are often expected to pick up their  
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25 own food when it is ready and clean up their own table before leaving. Therefore, at restaurants  
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27 where service is minimal or nearly nonexistent (i.e., LSRs), customers may not expect a request to  
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29 tip employees. In fact, research has shown that intention to tip fast-food employees is relatively  
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31 low (Lynn, 2016b;  $M = 2.05$ , 1 = very unlikely, 5 = very likely), and it is often prohibited for  
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33 employees at fast-food restaurants to accept tips (Bodvarsson and Gibson, 1997). In a survey by  
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35 Kim (2018), 52% of the participants indicated that they would not leave a tip at service  
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37 establishments where tipping takes place before the service is received. As a result, a tip request  
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39 in the context of LSRs is likely to be perceived as an unwanted or unwarranted suggestion.  
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45 According to reactance theory, individuals are motivated to act against options that are  
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47 perceived as undesirable. In fact, when offered unsought advice, customers are likely to become  
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49 frustrated (Clee and Wicklund, 1980), unsatisfied, and less likely to return to an establishment  
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51 (Fitzsimons, 2000). In LSRs, although tips are optional, the request to leave a tip is outside the  
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53 norm and likely to result in a negative customer response.  
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Equity theory also provides a foundation for the current research, as it posits that individuals compare their level of input (e.g., effort, money, time) to the other party's level of input. If individuals perceive the transaction between themselves and the other party as uneven, they experience negative emotions and avoid the relationship or respond negatively (Adams, 1965; Ashworth and McShane, 2012; Lastner *et al.*, 2019). In the LSR environment, tip requests may create an unbalanced transaction between the customer and the firm, given that minimal service has been provided at the time of the request. Therefore, customers may perceive tip requests at LSRs as unreasonable and a distortion to the balance of the transaction, leading to a negative customer response.

## 2.2. *Customer irritation*

Services literature suggests that customers' behavioral responses are often a result of the emotions they feel following a service encounter (Bravo *et al.*, 2019; Chebat and Slusarczyk, 2005; Kim and Baker, 2019; McColl-Kennedy *et al.*, 2009). It is not uncommon for customers to experience irritation, anger, or annoyance following an undesirable service transaction (Joireman *et al.*, 2013; Mattila and Ro, 2008; McColl-Kennedy *et al.*, 2009; Sánchez-García and Currás-Pérez, 2011). Further, negative customer emotions can lead to unwanted customer responses such as desire for revenge (Grégoire *et al.*, 2010), dissatisfaction (McColl-Kennedy and Sparks, 2003), switching behavior (McColl-Kennedy *et al.*, 2009), negative word of mouth and decreased intention to recommend (Xu *et al.*, 2019), and lower return intentions (Grace and O'Cass, 2005; Tombs and McColl-Kennedy, 2013).

Taken together, when customers feel their transaction is not proceeding as they expected, they may avoid that transaction, or "choose their a priori preferred option and become irritated with the retailer" (Fitzsimons and Lehmann, 2004, p. 93). Further, when customers become



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3 irritated, they are less likely to return to the establishment (Grace and O’Cass, 2005). In the current  
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5 research, it is proposed that asking customers to tip at an LSR will lead to customer irritation, as  
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7 compared to customers who are not asked to leave a tip, which in turn will lead to lower return  
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9 intentions. In line with this reasoning, the following hypothesis is presented:

12 H1: A tip request (vs. no tip request) will (a) lead to customer irritation, which in turn will  
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14 (b) have a negative effect on customer likelihood to return.

### 17 2.3. *Check amount*

19 The main premise of the current work is that customers will respond negatively to being  
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21 asked to tip at LSRs due to the minimal level of service provided by the employee and the  
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23 perception that the tip request is unwarranted. However, the level of service may not be directly  
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25 witnessed; for example, while the transaction occurs face-to-face, the food preparation occurs out  
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27 of customer’s sight. Thus, alternative cues are likely to influence customer perceptions of the  
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29 amount of service required to produce their order. Based on the heuristic-systematic model  
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31 (Chaiken, 1980), attribute-based inferences are used to make decisions when information about a  
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33 product is unknown. Extrinsic cues, such as price and packaging, have been shown to act as sources  
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35 of information for customers (Piqueras-Fiszman and Spence, 2015). For instance, price and taste  
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37 have been found as the most important heuristic cues used in making food-related choices (Mai  
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39 and Hoffmann, 2012). Prior research has also examined the price-quality heuristic, where price is  
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41 used as an indicator of product quality (Gneezy *et al.*, 2014; Völckner and Hofmann, 2007).  
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43 Research has found consumers have an a priori trade-off between price and service in terms of  
44  
45 expectations (Tse, 2001). As a result, customers are likely to use price as an alternative source of  
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47 information to infer the amount of service provided. The current research focuses on the total check  
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49 amount as a price cue for customers at LSRs. If customers use the check amount to infer the level  
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of service provided, a larger check amount will imply a higher level of service. As previously presented, research has found the perceived level of service directly influences customer tipping (Lynn and Grassman, 1990; Lynn and Graves, 1996; Mok and Hansen, 1999). Thus, it is proposed that when the check amount is high, the effect of a tip request at an LSR on likelihood to return will be attenuated. Since a higher check amount will lead customers to perceive a greater amount of service provided, they are less likely to become irritated as a result of a tip being requested, and in turn their likelihood to return will be unaffected. Formally stated:

H2: Check amount will moderate the effect of a tip request on customer likelihood to return through irritation. Specifically, when the check amount is low, a tip request will lead to customer irritation, whereas a higher check amount will attenuate the effect of a tip request on customer irritation.

#### 2.4. *Perceived deservingness*

Rewarding service and following social norms may be the most common reasons for a customer to tip a restaurant employee; however, alternative motivations for tipping have also been documented such as the customer's desire to help the server, to make up for low wages, and to make the server happy (Lynn, 2016b). In the context of LSRs, when alternative motivations for tipping exist, a customer is more likely to perceive the employee is deserving of a tip despite the lack of service provided. Deservingness is defined as "judgments that relate to outcomes that are earned or achieved as products of a person's actions" (Feather, 2008, p. 1231). Though still confronted with an unsolicited appeal, customers who believe the LSR employee is deserving of a tip are less likely to have a negative response to the presence of a tip request. Thus, it is proposed that the positive effect of a tip request on customer irritation will be attenuated when a customer

perceives the LSR employee deserves a tip (vs. does not deserve a tip); as a result, likelihood to return will be greater when the employee is perceived as deserving a tip.

Formally stated:

H3: Perceived deservingness will moderate the effect of a tip request on customer likelihood to return through irritation. Specifically, when perceived deservingness is low, a tip request will lead to customer irritation and when perceived deservingness is high, the effect will be attenuated.

Figure 1 provides a visual representation of Hypotheses 1, 2, and 3.

>>> PLEASE PLACE FIGURE 1 HERE <<<

### 3. Study 1 – The mediating effect of customer irritation

#### 3.1. Research design

To examine the effect of tip request presentation on customer likelihood to return through irritation, a single factor between-subjects experiment with two conditions (tip request: present vs. absent) was conducted.

#### 3.2. Data collection

One hundred and fifty-two participants were recruited from Amazon Mechanical Turk (MTurk) in exchange for financial compensation. The sample consisted of 61% males, with an average age of 38 years (range: 20 to 78), and were 69% Caucasian, 12% African American/Black, 7% Hispanic, 9% Asian, and 3% indicated other as their ethnicity.

#### 3.3. Procedure

Participants were asked to “Imagine that you are going to get some lunch and decide on a quick service food establishment where you order and pay at the counter and your food is brought out to you.” They were told they ordered a sandwich with chips and a drink, the total was \$9.87,

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3 and that they inserted their debit or credit card to pay. Then, they were asked to “Please follow the  
4 prompts below to complete your transaction.” In the tip request-absent condition, participants were  
5 presented with the total and automatically advanced to a “transaction complete” page. In the tip  
6 request-present condition, participants were presented with the total and the option to select  
7 “custom tip” or “no tip” before completing the transaction and advancing to the “transaction  
8 complete” page. Following the scenario, participants were asked to indicate their likelihood to  
9 return to the establishment (“I would return to this establishment in the future”; 1 = Strongly  
10 Disagree, 7 = Strongly Agree) (adapted from Boulding *et al.*, 1993; Karabas *et al.*, 2019). Then,  
11 participants were asked to “think about the service transaction in the scenario you just read, to  
12 what extent would you feel,” and asked to respond to six emotions related to perceived irritation:  
13 uncomfortable, awkward, frustrated, disturbed, annoyed, and irritated (adapted from Karabas,  
14 2018; Strizhakova *et al.*, 2012). The items were measured on a seven-point Likert-type scale (1 =  
15 Not at all, 7 = Strongly) and returned a Cronbach’s alpha coefficient of 0.97. The study concluded  
16 with demographic questions.

### 3.4. Results

37 PROCESS Model 4 with 5,000 bootstrap samples (Hayes, 2017) was used to examine the  
38 effect of a tip request on likelihood to return through customer irritation. The main effect of tip  
39 request on customer irritation (0 = tip request-absent, 1 = tip request-present) was significant ( $a =$   
40 0.715,  $p = .005$ ). Customer irritation was negatively related to likelihood to return to the  
41 establishment ( $b = -0.210$ ,  $p < .005$ ). Furthermore, while the indirect effect of a tip request on  
42 likelihood to return was significant (effect = -0.150, 95% C.I.: -0.298 to -0.026), the direct effect  
43 became non-significant (effect = -0.125,  $p = .561$ ). These results provide support for Hypotheses  
44 1a and 1b (Table I and Figure 2).

>>> PLEASE PLACE FIGURE 2 HERE <<<

#### 4. Study 2 – Replicating the mediating effect of customer irritation

##### 4.1. *Research design*

The purpose of Study 2 was to replicate the results of Study 1 across multiple forms of presentation for the tip request. The study was a single factor design with four between-subjects experimental conditions (tip request: absent vs. present – custom vs. present – low tip percentage vs present – high tip percentage).

##### 4.2. *Data collection*

Two hundred and ninety-six participants completed the study through MTurk. The sample consisted of 54% males, with an average age of 38 years (range: 20 to 78), and was 74% Caucasian, 13% African American/Black, 5% Hispanic, 3% Asian, and 4% indicated other as their ethnicity. Participants were randomly assigned to one of the four conditions.

##### 4.3. *Procedure*

The overall procedure and scenario were the same as Study 1; however, in Study 2, two additional tip request conditions were added: a low percentage request presentation and a high percentage request presentation. When asked to complete the transaction, participants in the low percentage condition were shown the following options to replicate tip request presentations currently pre-programmed on many point-of-sale systems: 10%, 15%, 18%, 20%, Custom Tip Amount, and No Tip. In the high percentage condition, the percentage amounts were 20%, 22%, 25%, and 30% (see Appendix). Following the manipulation, participants completed the same likelihood to return item and irritation measure ( $\alpha = 0.97$ ) used in Study 1. Demographic questions concluded the study.

##### 4.4. *Results*

To assess the effect of tip request presentation on likelihood to return through customer irritation, PROCESS Model 4 with 5,000 bootstrap samples was used (Hayes, 2017). Full results are provided in Table I. The effect of tip request presentation on customer irritation was found to be significant for each of the tip request presentation conditions, where the inclusion of a tip request increased customer irritation in comparison to the tip request-absent condition. Customer irritation was found to have a negative effect on likelihood to return. The indirect effect of a tip request on likelihood to return was significant for each of the tip request presentation forms, while the direct effect was non-significant. The results provide further support for Hypotheses 1a and 1b and demonstrate that the indirect effect holds across a variety of tip request presentations.

>>> PLEASE PLACE TABLE I HERE <<<

## 5. Study 3 – The moderating effect of check amount

### 5.1. *Research design*

The purpose of Study 3 was to examine whether the total amount spent (i.e., the check amount) influenced participants' likelihood to return to an LSR when a tip request was presented. A 2 (tip request: absent vs. present) x 2 (check amount: low vs. high) between-subjects experiment was conducted.

### 5.2. *Data collection*

Two hundred and six participants completed the study through MTurk. The sample consisted of 49% males, with an average age of 36 years (range: 18 to 70), and was 71% Caucasian, 7% African American/Black, 8% Hispanic, 9% Asian, and 5% indicated other as their ethnicity. Participants were randomly assigned to one of the four conditions.

### 5.3. *Procedure*

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3 Similar to Studies 1 and 2, participants were provided with a limited-service ordering  
4 scenario:  
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7 “Imagine that you stop to get some lunch at a local limited-service restaurant where  
8 you order at the counter and pay before receiving and consuming your order. You  
9 enter the restaurant and see there are two people working and a couple of people in  
10 line ahead of you. You review the menu board while you wait in the short line to  
11 order at the counter. When it’s your turn, the order taker says hello and asks what  
12 you would like to order. You order a sandwich with chips and a drink. The order  
13 taker confirms your order and tells you the total is [\$9.87/\$19.74]. You insert your  
14 card and are presented with the screen below.”  
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26 In the tip request-absent condition, participants were auto-advanced to the “transaction complete”  
27 page, while in the tip request-present condition, participants were shown the tip request screen  
28 from the low tip percentage presentation used in Study 2.  
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33 After completing the transaction, participants responded to the same measures of likelihood  
34 to return and irritation ( $\alpha = 0.95$ ) used in Studies 1 and 2. A quality item was also included to  
35 ensure the results were not driven by quality perceptions of the food establishment due to the  
36 difference in check amount: “How would you rate the quality of this food establishment?” (1 =  
37 Low Quality, 7 = High Quality) (adapted from McCall and Lynn, 2008). Demographic questions  
38 concluded the study.  
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#### 46 5.4. Results

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49 5.4.1. *Likelihood to return.* To assess the conditional indirect effect model examining the  
50 influence of tip request on likelihood to return through customer irritation when the check amount  
51 was low versus high, PROCESS Model 7 with 5,000 bootstrap samples was used (Hayes, 2017).  
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Full results are provided in Table II. Results support a conditional indirect effect relationship (index of moderated mediation = 0.275, 95% C.I.: 0.016 to 0.606), where the interaction of tip request and check amount on customer irritation was significant ( $a_3 = -0.978$ ,  $p = .035$ ). Specifically, when the check amount was low, the presence of a tip request had a positive effect on customer irritation (effect = 0.849,  $p = .007$ ). However, when the check amount was high, the effect was attenuated (effect = -0.128,  $p = .705$ ). In turn, customer irritation had a negative effect on likelihood to return ( $b = -0.281$ ,  $p < .001$ ). Furthermore, in support of Hypothesis 2, the indirect effect of tip request on likelihood to return through customer irritation was found to be significant only when the check amount was low (effect = -0.239, 95% C.I.: -0.472 to -0.065), while the direct effect was non-significant (Figure 3).

*5.4.2. Ruling out an alternative explanation.* Since the check amount increased across conditions for the same eating occasion (i.e., lunch), it could be suggested that the check amount altered perceptions of restaurant quality, which in turn influenced likelihood to return. To investigate this alternative explanation, a 2 (tip request) x 2 (check amount) ANOVA was conducted with restaurant quality as the focal dependent variable. Results found the effect of tip request, check amount, and their interaction on quality perceptions to be non-significant ( $p$ 's > .05). These results demonstrate that perceived restaurant quality does not explain the effect of check amount on customer irritation and likelihood to return.

>>> PLEASE PLACE TABLE II HERE <<<

>>> PLEASE PLACE FIGURE 3 HERE <<<

## 6. Study 4 – The moderating effect of tip deservingness

### 6.1. Research design

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3 Study 4 examined how customer perceptions of employee tip deservingness alters the  
4 effect of a tip request at an LSR on return likelihood. The design consisted of two tip request  
5 conditions (tip request: absent vs. present). The tip request-present condition was the same as  
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10 Study 2.

### 11 12 6.2. *Data collection*

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14 One hundred and thirty-four participants completed the study through MTurk. The sample  
15 consisted of 55% males, with an average age of 35 years (range: 20 to 62), and was 71% Caucasian,  
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17 15% African American/Black, 4% Hispanic, 5% Asian and 5% indicated other as their ethnicity.  
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Participants were randomly assigned to one of the two tip request conditions; perceived tip  
deservingness was measured.

### 6.3. *Procedure*

To increase generalizability, the eating occasion in the scenario was altered from lunch to  
breakfast. The transaction cost was then set to \$4.93 to better reflect the cost of breakfast at LSRs.  
Other than these revisions, the scenario remained the same as the previous studies. After  
completing the transaction, participants completed the return likelihood item and irritation measure  
( $\alpha = 0.97$ ) used in the previous studies, followed by a four-item measure of tip deservingness (i.e.,  
“Based on the scenario, please respond to the following statements: the employee deserved to get  
a tip, the employee’s efforts were worthy of a tip, the employee earned the right to ask for a tip,  
the employee asking for a tip was justified”; 1 = Strongly Disagree, 7 = Strongly Agree;  $\alpha = .96$ )  
(adapted from Feather, 2008 and Lastner *et al.*, 2019). Demographic questions completed the  
study.

### 6.4. *Results*

To assess the effect of tip request on likelihood to return at levels of perceived tip deservingness, PROCESS Model 7 with 5,000 bootstrap samples was used (Hayes, 2017). Results revealed a significant interaction of tip request and perceived deservingness of a tip ( $a_3 = -0.523$ ,  $p = .001$ ). A Johnson-Neyman floodlight analysis was performed to examine regions of significance of the moderator (perceived tip deservingness), and the critical values at which the effect becomes significant were identified. When participants did not agree that the LSR employee was deserving of a tip (tip deservingness  $< 2.351$ ) a tip request significantly increased customer irritation (effect<sub>@2.351</sub> = 0.630,  $p = .050$ ). In contrast, when participants believed the LSR employee was deserving of a tip (tip deservingness  $> 4.786$ ) a tip request significantly reduced customer irritation (effect<sub>@4.786</sub> = -0.642,  $p = .050$ ). The effects of tip request ( $a_1 = 1.858$ ,  $p = .002$ ) and tip deservingness ( $a_2 = 0.530$ ,  $p < .001$ ) on customer irritation were also significant. In turn, customer irritation had a significant negative effect on likelihood to return ( $b = -0.216$ ,  $p < .001$ ). In support of mediation, the indirect effect was significant at the low (16<sup>th</sup> percentile: effect = -0.212, 95% C.I.: -0.487 to -0.043) and high (84<sup>th</sup> percentile: effect = 0.205, 95% C.I.: 0.003 to 0.485) values of perceived tip deservingness. The mediation model was non-significant at the midpoint (50<sup>th</sup> percentile: effect = -0.004, 95% C.I.: -0.155 to 0.113). These results lend support for Hypothesis 3, as they suggest that when a customer perceives an LSR employee does not deserve a tip, the presentation of a tip request increases customer irritation and in turn decreases their likelihood to return. However, when a customer does perceive an LSR employee deserves a tip, a tip request attenuates the effect on customer irritation, mitigating the impact on likelihood to return. Full results are provided in Table III and Figure 4.

>>> PLEASE PLACE TABLE III HERE <<<

>>> PLEASE PLACE FIGURE 4 HERE <<<

## 7. Discussion and conclusions

### 7.1. Conclusion

Tipping at LSRs represents an important change for both customers who patronize this restaurant segment and the individuals who are employed in it. The current research sought to answer two questions about tipping at LSRs: (1) what is the effect of a tip request on the likelihood to return? and (2) what factors might influence customers' response to the tip request? The findings of four studies suggest that simply asking customers if they want to leave a tip prior to receiving their order leads to increased irritation, which in turn reduces likelihood to return. Further, and more critically, the findings also reveal that check amount and perceived deservingness are two factors which influence customers' response to the tip request; specifically, the negative effect was attenuated when the check amount was high and when customers believed that the employee deserved a tip. Collectively, these results contribute to the underexplored area of tipping behavior at LSRs and offer relevant theoretical and practical implications, as well as extensions for continued research.

### 7.2. Theoretical implications

First, by focusing on the customer response to tipping at LSRs, the results contribute to services literature on tipping and advances the relevance of both reactance and equity theories to tipping behavior. Scholarly work has focused extensively on the role of tipping at FSRs, in which voluntary tipping is a norm and thus the customer response is generally positive (Lynn, 2018; Lynn and Wang, 2013). However, at LSRs, where tipping is not a norm and therefore unexpected, the results of Study 1 and Study 2 suggest customers have the opposite response. Notably, even though "No Tip" was an option included with each tip request across all four studies, customers reacted negatively when presented with the request. Given the comparatively minimal service provided to

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3 customers in LSRs, the option to leave a tip may have been considered an unwarranted suggestion  
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5 by the restaurant, contributing to the negative response from a reactive theory perspective.  
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7 Moreover, from an equity theory perspective, a balanced transaction at an LSR likely involves the  
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9 restaurant's contribution in the form of the requested menu item and customer's contribution in  
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11 the form of paying for that menu item. Being confronted with the additional tip-request option at  
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13 the time of the transaction thus irritates the customer, since the restaurant's contribution to the  
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15 transaction in response to the tip is not immediately obvious.  
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19 This theorizing leads to the second major contribution of this paper, which are two factors,  
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21 or boundary conditions, found for the tip request → increased irritation → decreased likelihood to  
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23 return relationship: check amount and perceived tip deservingness. Without manipulating the  
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25 quality of the establishment, Study 3 found that customers in the "high check" condition were less  
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27 irritated with the presence of a tip request than those in the "low check" condition. This result  
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29 contrasts with the results of prior FSR tipping studies, which have consistently found that when  
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31 the check amount increases, percentage-based tips decrease (Lynn, 2006; Lynn and McCall, 2016).  
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33 It is possible that in the LSR context, a higher check amount leads the customer to conclude that  
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35 the employee will need to do more work to complete the order, which may translate to the  
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37 perception of more service, thus providing a stronger justification for the tipping option.  
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39 Additionally, Study 4 considered perceived deservingness as a moderator to examine the  
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41 boundaries of customer reactance and concerns for inequity, and found that customers who  
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43 strongly believed that the LSR employees deserved to be tipped were less likely to be irritated by  
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45 the presence of a tip request. This result aligns with the general body of tipping research, which  
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47 has documented altruistic motivations for tipping service employees (Lynn, 2016b; Lynn and  
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49 McCall, 2016).  
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3 Finally, by conducting a series of four experimental studies which implemented slight  
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5 modifications to the tip request manipulation, the findings of this research offer consistent  
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7 evidence of the effect of tip requests at LSRs. While different formats of the tip-present condition  
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9 were used, the inclusion of a tip request at the point-of-sale led to increased customer irritation  
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11 across all four studies. FSR tipping research suggests that subtle environmental cues related to how  
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13 the check is presented, such as the shape of the check presenter/dish (Guéguen, 2013), whether the  
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15 tray is stamped with a credit card insignia (McCall and Belmont, 1996), or the addition of a positive  
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17 note/image (Lynn, 2006), can influence tipping behavior. However, while the present research  
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19 varied the tip options offered to the customer in the tip-present condition for each study, the design  
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21 was held constant; thus, it is unlikely that the varied manipulations of the tip presentation  
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23 contributed to customers' increased irritation levels.  
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### 28 7.3. *Practical implications*

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30 Broadly speaking, the overarching implication is that operators must carefully consider the  
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32 balance between employees and customers when contemplating the inclusion of a tip request at  
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34 the point of sale. While adding the option to leave a tip may motivate employees to provide a  
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36 higher level of customer service (Kwortnik *et al.*, 2009) and increase retention (Lynn *et al.*, 2011),  
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38 these benefits could be offset by negative customer reactions to the tip request and subsequent  
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40 diminished return intentions. Furthermore, based on the results of Study 2, the format of the tip  
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42 request (low-percentage vs. high-percentage anchoring vs. custom amount) does not attenuate the  
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44 effect of the tip request on customer irritation, and therefore does not mitigate a decrease in return  
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46 likelihood prompted by feelings of irritation.  
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51 The findings of Study 3 indicate the negative response to a tip request is limited to relatively  
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53 low check amounts. This has important implications for specific sub-categories of LSRs, such as  
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3 quick-service establishments featuring “\$1” or “Value” menus, which are more likely to  
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5 experience high volume but low check amounts on a per-customer basis. The results of the current  
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7 research suggest a tip request at the point-of-sale should be avoided among this sub-category of  
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9 LSRs. While their owners/operators may see the tip request as beneficial to their employees, the  
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11 long-term effect could be counterproductive to their bottom line through the loss of repeat  
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13 patronage.  
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17 For LSR owners/operators who choose to move forward with the tip request, and for those  
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19 who have already implemented this practice, the findings from Study 4 suggest one avenue for  
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21 mitigating customer irritation; namely, influencing perceptions that employees are deserving of a  
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23 tip. Since the customer-employee interaction in the LSR environment is brief, operators cannot  
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25 rely on this interaction alone. Instead, they can influence perceived tip deservingness while  
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27 customers are waiting to order by ensuring the work their employees do is as visible as possible,  
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29 thus showing customers that an employee’s efforts are worthy of a tip prior to the customer  
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31 beginning their transaction. For example, LSR operators can make use of their physical space and  
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33 maximize visibility through open-concept kitchens and transparent barriers between customers and  
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35 front-line employees.  
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#### 38 39 40 7.4. *Limitations and future research*

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42 One opportunity for future work is to replicate the current findings in a live environment.  
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44 Conducting field studies in an LSR would address the primary limitation of the present work;  
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46 specifically, the use of online scenarios. Although four separate studies with four separate samples  
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48 were conducted, thereby enhancing the internal validity of the current research, external validity  
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50 would be enhanced through a field study due to the greater generalizability offered by a more  
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3 naturalistic setting (Trochim and Donnelly, 2008). Field studies would also add to the robustness  
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5 of both the theoretical and practical implications.  
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8 Future research in a live environment would also allow for the investigation of other  
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10 controllable factors that may serve as boundary conditions. If tipping in LSRs is becoming the “the  
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12 new normal”, both academics and practitioners would benefit from applying the extant findings  
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14 on external cues and their influence on tipping behavior to LSR point-of-sale screen design at the  
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16 stage in which the tip request occurs. For example, future research could determine whether any  
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18 of the cues which positively affect FSR tipping behavior, such as including a “Thank You”  
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20 message or symbols like smiley-faces (Guéguen and Legohérel, 2000; Rind and Strohmetz, 1999),  
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22 would also be applicable at LSRs. Color has been found to influence emotion and mood states  
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24 (Labrecque *et al.*, 2013) and therefore could also be explored as a method to avoid customer  
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26 irritation. Within an LSR point-of-sale system, background and/or font colors used for the tip-  
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28 request screen could be manipulated with relative ease to test whether different colors mitigate  
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30 irritation.  
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36 Finally, this research focused on individual ordering scenarios. Previous research has found  
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38 FSR tipping is influenced by the dining-party size (Lynn and McCall, 2016; Lynn *et al.*, 1993).  
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40 Future research should examine if, in the LSR context, customers respond differently when they  
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42 are alone or with others during the ordering and tip request experience. This would have relevant  
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44 implications for consumer behavior. Relatedly, future research should explore how the presence  
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46 and/or attention of LSR employees impacts the customer’s response to the tip request, as this may  
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48 have implications for staff training. The results of these suggested areas for future study have the  
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50 potential to produce findings that are beneficial to LSR owners/operators, employees, and  
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52 researchers.  
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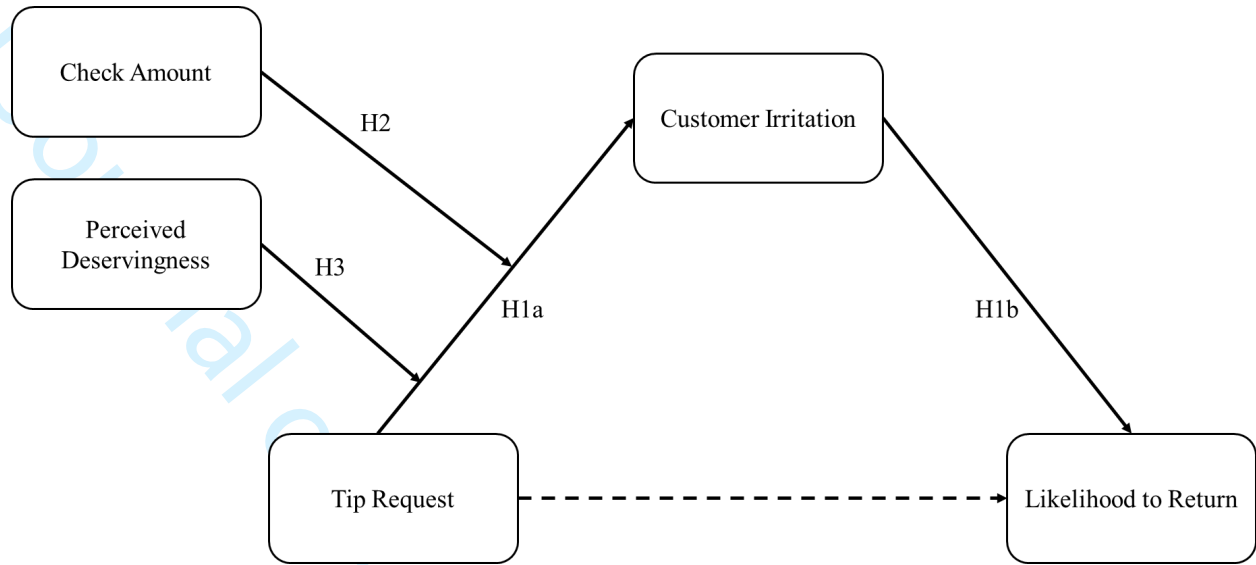
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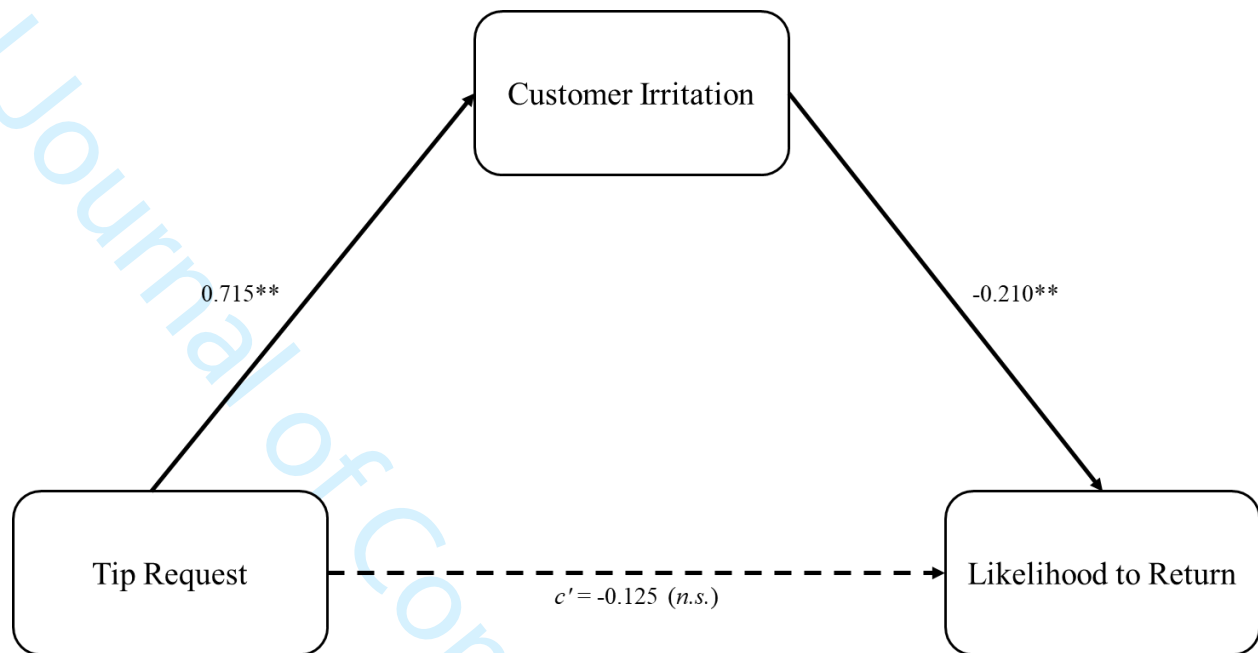




**Figure 1.**

Hypotheses 1, 2 and 3

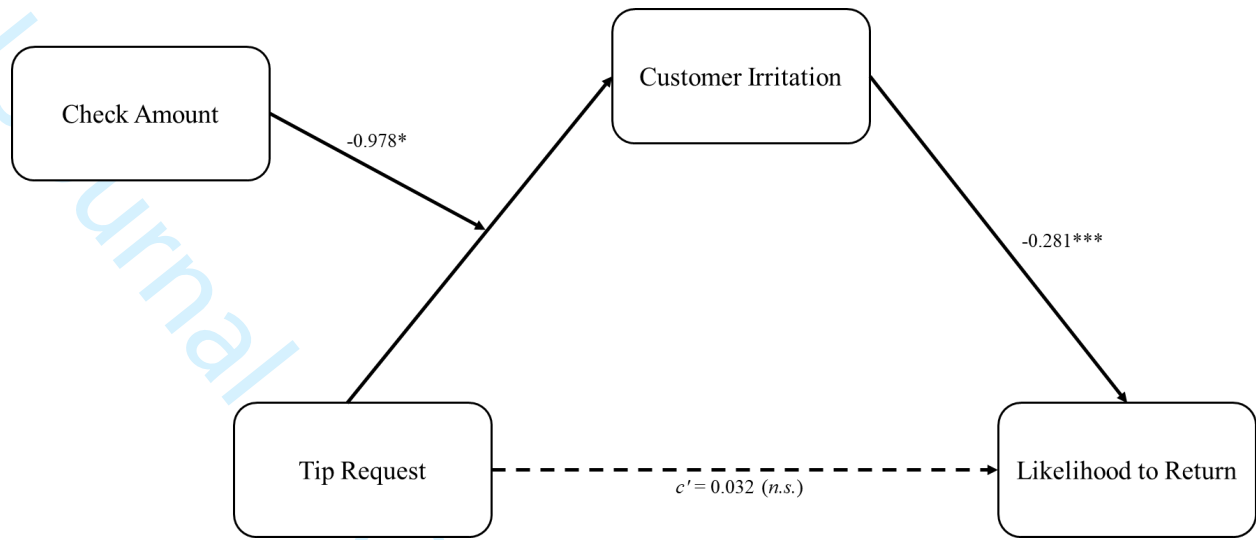
**Notes:** Hypotheses 1a and 1b tested via Studies 1 and 2; Hypothesis 2 tested via Study 3; Hypothesis 3 tested via Study 4



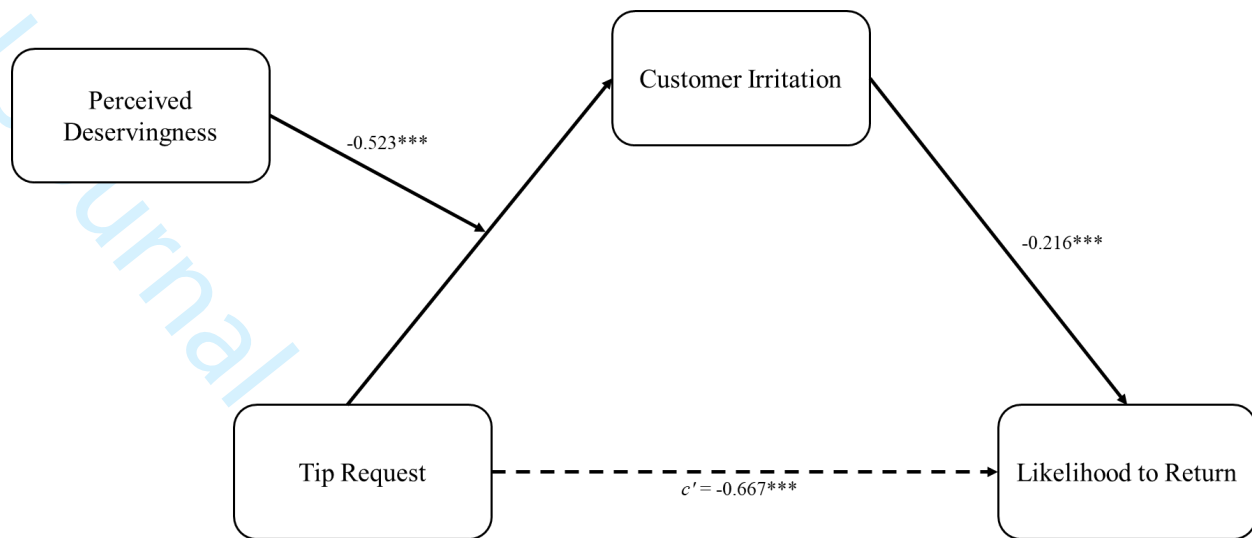
**Figure 2.**

Study 1: Results of customer irritation mediation model (H1a and H1b)

\* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$



**Figure 3.**  
Study 3: Results of check amount moderated mediation model (H2)  
\*p < .05; \*\*p < .01; \*\*\*p < .001



**Figure 4.**

Study 3: Results of perceived deservingness moderated mediation model (H3)

\* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$

**Table I.**

Results of Study 1 and Study 2

<b>Results of Study 1</b>						
	<b>Effect</b>	<b>SE</b>	<b>t</b>	<b>p-value</b>	<b>LLCI</b>	<b>ULCI</b>
<b>Irritation</b>						
Constant	1.859	0.173	10.732	<.001	1.517	2.201
Tip request	0.715	0.248	2.881	0.005	0.225	1.206
<b>Return</b>						
Irritation	-0.210	0.069	-3.062	0.003	-0.346	-0.075
<b>Direct Effect</b>						
Tip request	-0.125	0.214	-0.583	0.561	-0.548	0.298
<b>Indirect Effect</b>						
Custom tip	-0.150	0.070	-0.298		-0.026	Yes
<b>Results of Study 2</b>						
	<b>Effect</b>	<b>SE</b>	<b>t</b>	<b>p-value</b>	<b>LLCI</b>	<b>ULCI</b>
<b>Irritation</b>						
Constant	1.609	0.198	8.108	<.001	1.218	1.999
Custom tip	0.718	0.279	2.575	.011	0.169	1.266
Low tip %	0.893	0.278	3.216	.001	0.347	1.440
High tip %	1.669	0.278	6.008	<.001	1.122	2.216
<b>Return</b>						
Constant	5.844	0.176	33.174	<.001	5.497	6.191
Custom tip	-0.003	0.226	-0.011	.991	-0.448	0.442
Low tip %	-0.151	0.227	-0.665	.506	-0.597	0.295
High tip %	-0.405	0.236	-1.715	.088	-0.870	0.060
Irritation	-0.240	0.047	-5.107	<.001	-0.332	-0.147
<b>Direct Effect</b>						
Custom Tip	-0.003	0.226	-0.011	.991	-0.448	0.442
Low tip %	-0.151	0.236	-0.665	.506	-0.597	0.295
High tip %	-0.405	0.236	-1.715	.088	-0.870	0.060
<b>Indirect Effect</b>						
Custom tip	-0.172	0.068	-0.318		-0.056	Yes
Low tip %	-0.214	0.073	-0.345		-0.086	Yes
High tip %	-0.400	0.110	-0.635		-0.205	Yes

**Notes:** PROCESS Model 4, 5000 bootstrapped samples, Reference group is "No tip request"

**Table II.**  
Results of Study 3

	Effect	SE	t	p-value	LLCI	ULCI
<b>Irritation</b>						
Constant	1.642	0.227	7.234	<.001	1.194	2.089
Tip Request (TR)	0.850	0.314	2.707	.007	0.231	1.469
Check Amount (CA)	1.173	0.337	3.481	<.001	0.509	1.837
TR*CA	-0.978	0.462	-2.120	.035	-1.888	-0.068
<b>Conditional Effects of Tip Request on Irritation at Levels of Check Amount</b>						
@Low CA	0.849	0.314	2.707	.007	0.231	1.469
@High CA	-0.128	0.338	-0.380	.705	-0.796	0.539
<b>Return</b>						
Constant	5.704	0.209	27.272	<.001	5.292	6.117
Tip Request	0.032	0.217	0.146	.884	-0.396	0.459
Irritation	-0.281	0.064	-4.418	<.001	-0.407	-0.156
<b>Direct Effect</b>						
Tip Request	0.032	0.217	0.146	.884	-0.396	0.459
<b>Conditional Indirect Effects at Levels of Check Amount</b>						
<b>Indirect Effect</b>	<b>Effect</b>	<b>Boot SE</b>	<b>Boot LLCI</b>	<b>Boot ULCI</b>	<b>Significant?</b>	
@Low CA	-0.239	0.106	-0.472	-0.065	Yes	
@High CA	0.036	0.108	-0.179	0.255	No	
<b>Index of Moderated Mediation</b>						
	<b>Effect</b>	<b>Boot SE</b>	<b>Boot LLCI</b>	<b>Boot ULCI</b>	<b>Significant?</b>	
Check Amount	0.275	0.151	0.016	0.606	Yes	

Notes: PROCESS Model 7, 5000 bootstrapped samples

**Table III.**  
Results of Study 4

	Effect	SE	t	p-value	LLCI	ULCI
<b>Irritation</b>						
Constant	0.559	0.390	1.433	0.154	-0.213	1.331
Tip Request (TR)	1.858	0.581	3.202	0.002	0.710	3.007
Deservingness (D)	0.530	0.102	5.200	<.001	0.328	0.732
TR*D	-0.523	0.146	-3.582	0.001	-0.811	-0.234
<b>Johnson-Neyman Significance Regions of the Moderator</b>						
@2.351	0.630	0.319	1.978	0.050	0.000	1.260
@4.786	-0.642	0.325	-1.978	0.050	-1.285	0.000
<b>Return</b>						
Constant	6.342	0.199	31.950	0.000	5.949	6.735
Tip Request %	-0.667	0.201	-3.324	0.001	-1.064	-0.270
Irritation	-0.216	0.060	-3.625	<.001	-0.334	-0.098
<b>Direct Effect</b>						
Tip Request %	-0.667	0.201	-3.324	0.001	-1.064	-0.270
<b>Indirect Effect</b>						
	Effect	Boot SE	Boot LLCI	Boot ULCI	Significant?	
<b>Deservingness</b>						
	16 <sup>th</sup> percentile (@1.681)	-0.212	0.117	-0.487	-0.043	Yes
	50 <sup>th</sup> percentile (@3.526)	-0.004	0.065	-0.155	0.113	No
	84 <sup>th</sup> percentile (@5.371)	0.205	0.125	0.003	0.485	Yes
<b>Index of Moderated Mediation</b>						
	Effect	Boot SE	Boot LLCI	Boot ULCI	Significant?	
	Deservingness	0.113	0.055	0.026	0.240	Yes

Notes: PROCESS Model 7, 5000 bootstrapped samples



## Appendix

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Total: \$9.87  
Add a tip

10% 15% 18% 20%

Custom Tip Amount

No Tip

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**Figure A1.**  
Study 2 low percentage tip request presentation

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Total: \$9.87

20% 22% 25% 30%

Custom Tip Amount

No Tip

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**Figure A2.**  
Study 2 high percentage tip request presentation