

THE EXTRA POINT

BY JERRY ROBERTS



1518 America's Tipping Problem – Part 1

Leaving a tip for someone who provides you a service used to be simple. It's not simple these days, and today we'll begin to explore why that is. I'm Jerry Roberts, and that's next, on The Extra Point.

In Western culture, it is customary to give a tip for a service provided. It's done in restaurants, hotels, airports, taxis and ride shares like Uber. You'll also likely leave something for your hair stylist, masseuse, and tattoo artist. Tipping is done throughout our society, and many people rely upon that income to carve out a living.

It used to be pretty simple. We'll use restaurants as an example. The standard was 15% for good service, and 20% if it was exceptional or you were a regular customer for a certain waiter or waitress.

I've explained before that I am the son of a waitress, and we made rent and ate off the tips my mom earned. So I'm sensitive to the tipping issue, and I've always been what you might call a "good tipper."

I know what top notch service looks like, what average service looks like, and what poor and uninspired service looks like — and I reward it accordingly.

Tipping in Guam is complicated by the practice of adding a 10% surcharge to the meal price. Restaurant folks have always maintained that this came as a result of Japanese tourists not tipping, as it is not part of the Japanese culture.

Okay, if you charge me 10% for service, that means I'll make up the difference, adding 5-10%, almost always in cash to the server, so I know it gets into their pockets. If I add the tip to the credit card, I don't know if the server gets it all or has to share it with others. Every place has its own rules on that. I usually ask the server how it goes with their company.

So far, it's all pretty normal. Then came Covid, and tipping changed. It increased. There are

now more places that request a tip, and there is a growing trend to prompt customers to tip — and tip more than normal.

In fact, this increase has a name...tipflation. Not only have restaurant prices skyrocketed, but so have tips, to the tune of about 20% more in the past few years. In the U.S. mainland, the average in a sit-down restaurant is now over 21%, and 16% in quick service outlets.

We still see tip jars in Guam, but many have been replaced by electronic pads with multiple options for tips. These are everywhere on the mainland, and most aren't suggesting 15% and maybe 20%. What I saw on my recent trip was startling. In many cases, the pads started at 18%, and then went higher. You could also choose your own number, or leave no tip at all.

Well, this is good, right? I mean, they've taken the guesswork out of tipping for us. If only it was that simple. In reality, it's not. It's strategic, meant to squeeze extra money from the customer — and it works.

In a sit-down restaurant, the server brings you the bill, you fill out the charge slip, add the tip, hand it to server or leave it on the table, and walk away. That's changing. Now, the trend is for the server to bring the credit card unit to your table and ring you up there, flipping on the tip prompter with their suggested tip amounts, and you make your selection with the server's smiling face in your face.

Some customers have reported feeling pressure to give more than they normally do, and the majority of people don't feel good about that.

CNBC did a story on this about a year ago, and you can watch it on YouTube. There are almost 27,000 comments from mostly irate customers who are upset with where the whole tipping practice has gone.

Besides tipflation, another word has come along to describe how people feel...tip fatigue. (Con't.)

People are tired of being hit up for tips. They know that service workers need that money and most customers want to give it to them. However, the changes imposed upon them by companies have been too much and too fast for many.

Tomorrow, I'll continue with a couple of tipping stories from my recently completed trip, one of which has changed my view on the subject and how I will tip in the future.

That's the Extra Point. Be responsible and make something good happen today. For 93.3FM, the Ray Gibson Show, and First Hawaiian Bank, I'm Jerry Roberts.

###

For information on training and consulting services with Jerry Roberts, please click this link: guamtraining.com

