

Don't Tell Me How Much to Tip: The Influence of Gratuity Guidelines on Consumers' Favorability of the Brand

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Abstract

This research investigates the potential downstream consequences that occur due to a brand including gratuity guidelines (i.e., tip suggestions) on its receipts. In four studies, this research documents several major findings. First, we show that gratuity guidelines negatively influence consumers' favorability of the brand. Second, we demonstrate that the negative effect of gratuity guidelines on brand favorability is mediated by threat to freedom. Third, we document multiple boundary conditions to these findings, such that the negative effect of gratuity guidelines on consumers' brand favorability manifests for lower (vs. higher) income consumers. In addition, we find that including an explanatory message regarding the intended benefits (e.g., greater convenience) that gratuity guidelines can provide to the consumer eliminates the negative effect of gratuity guidelines on consumers' favorability of the brand. Finally, we show that gratuity guidelines largely do not influence consumers' tipping intentions. The theoretical and practical implications of this work are also discussed.

Keywords: *gratuity guidelines; consumer tipping; psychological reactance*

Track: Consumer Behaviour