

Australians are tiny tippers (and proud of it)

With all the increasing financial pressures affecting Australians today, it is little wonder that we are a nation of penny pinchers. In this release social researcher Mark McCrindle examines Australia's attitudes towards the notion of tipping.

Take the money and run

Over half of the population (56%) stated that they tip very rarely or not at all. When we do tip though, 92% of Australians are only willing to part with a maximum of \$10. This suggests that tipping in this country is predominantly limited to handing over spare change, spare notes, or rounding the bill up to the nearest zero. Additional survey results reflect this with 1 in 3 respondents (36%) equating tipping with "keeping the change".

"While tipping has got some traction across a few customer segments it has not become an expected practise in the minds of most Australians. Indeed as this research shows many Australians are actively against tipping becoming mainstream here" writes Mark McCrindle.

Hey big spender

Only 1 in 6 claim to tip on a frequent or regular basis with just 8% of all tippers departing with amounts between \$10 and \$50. For this survey 100 Australians were asked "What was the biggest tip you have ever given?". For 46 the biggest tip given was \$5 or less, while 38 more responded with amounts between \$10 and \$20. Only 15 had ever given tips larger than \$25. Needless to say, when it comes to the biggest tips Australians have ever given, we have not been a nation of big spenders.

"Aussies are poor tippers even when the economy is going well but in this current financial downturn the news for hospitality staff is not good" said Mark McCrindle. "Australians are cutting back spending although not to the point where it will dramatically cut lifestyle. So while entertainment and dining out is continuing, many are turning to lower cost options and discretionary spend like tipping is definitely being curtailed."

Gen Y top the tippers

Surprisingly, Generation Y is the most likely demographic cohort to give tips on a frequent or regular basis—almost twice as much as that of the Baby Boomers! Additionally, Gen Y-ers are the most thoughtful tippers in that they consider a wider range of factors related to the service they receive before handing over their cash. This partly reflects the international influences on this mobile, connected and global generation. However, Gen Y prefer to keep it "cheap and cheerful" as they are the least likely generation to tip above \$10.

Worth waiting for

When tipping, Australians are more likely to tip wait staff at cafés and restaurants (66%) than anyone else. We are three times more likely to tip

staff when dining than we are to tip the bar staff who pour the drinks (21%). In Australia concierge staff (17%) and door staff (9%) are little likely to receive a tip.

Super service

The main motivators that influence the amount Australians tip relate to the quality of and the manner in which service was provided (60%). While 37% were concerned about the message they wanted to send to the person they were tipping—whether it was for good or bad service—only 6% were concerned about what other people might think of them. This is in line with the “keep the change” mentality, with approximately 4 in 10 Australians being influenced by how much money they have left.

“While a number of Australians surveyed did not tip under any circumstances the majority were prepared to but only for exceptional service” stated Mark McCrindle. “Therefore Australia remains one of the few countries where tipping retains its meaning- not as a defacto service tax or wage top-up, but as a genuine reward for outstanding customer service.”

Money for nothing, tips for free

Over 2 in 6 Australians (37%) argue that tipping helps fuel the expectation of people wanting “something for nothing”. More significantly though, 5 in 6 (83%) believe that tipping is unnecessary in this country, with many citing the practice as a distinctly American phenomenon. The most common responses here stated that they do not believe in tipping, that costs for staff and services are already built into the prices we pay, and that inflation and the increased costs of living make tipping an unviable custom.

Some survey responses:

“Everything is so expensive. Going out is a treat that would not be possible if I always tip.”

“Why should people get extra money if they’re already paid for what they do?”

“It’s an obnoxious Americanism which should only be used to signify gratitude for very good service.”

“In other countries tipping is essential to a good night’s pay, here it’s really icing on an already well-covered cake.”

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Particularly with the increasing costs of living, and economic instability, the willingness to pay for environmental sustainability has been reduced:

"It is difficult to make any change which incurs extra cost when interest rates are already biting into families at present."

(Survey respondent, September 2008)

"We have consistently found in research over the last two years that when it comes to spending more for environmental reasons 1 in 5 Australians will resist paying anything extra and 1 in 5 will bear a significant cost. It is the other 3 in 5 that waver and need a compelling case if they are to be convinced" stated Mark McCrindle. "To win the hearts, minds, and wallets of this group will take more carrot than stick. The challenge is to offer structures without burning off the enormous environmental good-will that has been generated across the community."

Women and Ys leading community change

80% of men and 98% are convinced climate change is real. 2 in 5 men are prepared to pay more for environmental reasons compared to nearly 4 in 5 women, and one-third of men and half of women are prepared to "make lifestyle changes" for the planet.

More Gen Y females than Gen Y males are prepared to "do all they can" to save our planet – 63%, compared to 58% of Gen Y males. Almost 100% are prepared to pay "a bit more", compared to 75% of Gen Y males.

"Older Australians are a little harder to convince when it comes to climate change as they have lived through other perceived crises which never fully eventuated- from the cold war to the Y2K "bug" to bird flu" writes Mark McCrindle. "They have a broader life-context within which to place the current discussion compared to younger Australians who see this as the issue of their time, defining their generation and impacting their future".

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