The purpose of this research is to examine the issues surrounding the recent trend to establish a no-tipping policy in American full-service restaurants. Most businesses experimenting with alternative tipping policies are in metropolitan areas, so this research attempts to examine a micropolitan city’s perspective on tip and no-tip policies in full-service restaurants in the area.

Three questions are answered by manager and customer surveys collected in this research:

**Question 1:** What are the views of management on tipping and establishing a no-tip policy in the rural area of Texas?

**Question 2:** How do customers in the rural Texas area view tipping and no-tipping policies?

**Question 3:** Would it be feasible for a restaurant in this rural Texas area to implement a no-tipping policy?

**METHOD**

- This study utilized quantitative survey research design.
- Online questionnaire was delivered via Qualtrics.
- After IRB approval, the manager survey was administered to 32 restaurant managers with a 16% response rate.
- The customer survey, administered online via Qualtrics had a 30% response rate.
- Data analysis was done using SPSS. Cross-tabulation percentages was the statistical analysis used for questions 1-3.

**RESULTS**

- **Figure 1: Management Perception on No-Tip Policy**
- 20% of managers moderately negative on the no-tip policy.
- 80% of managers mostly negative on the no-tip policy.

- **Figure 2: Customers Perception on Tipping Policy**
- 40% of customers believe it is a fair transaction.
- 47% of customers believe it is an unfair transaction.

- **Figure 3: Feasibility to Establish a No-Tipping Policy**
- 40% of customers believe it would be feasible for the business.
- 47% of customers believe it would not be feasible for the business.

**REFERENCES**

