Project Dissertation Report on

IMPACT OF SOCIAL INFLUENCE ON CUSTOMER PREFERENCES FOR TIPPING DELIVERY AGENTS

Submitted By:

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CERTIFICATE

It is certified that the dissertation report titled **"Impact of Social Influence on Customer preferences for tipping behavior towards delivery agents"** is a bonafide and original work carried out by **Ms. Alpana Srivastava** of **EMBA 2020-22.** The same has been submitted to Delhi School of Management, Delhi Technological University, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide **Signature of Head (DSM)**

Seal of Head

Place:

Date:

DECLARATION

I, **Alpana Srivastava**, student of **EMBA 2020-22** of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi - 42, hereby declare that the Project report **"Impact of Social Influence on Customer preferences for Tipping Behaviour for Delivery Agents"** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This report is not being submitted to any other University, for award of any other Degree, Diploma or Fellowship.

Place: **Alpana Srivastava**

Date:

ACKNOWLEDGEMENT

I would like to express my sincere gratitude towards my Guide, Dr. Shikha N. Khera (Associate Professor, Delhi School of Management, DTU) for her support and valuable guidance throughout the duration of the project.

I also thank her for her patience for providing me with a goal oriented approach towards this project.

I also express my sincere gratitude to family and friends for their motivation. Above all, I thank the Great Almighty, a reservoir of wisdom and knowledge, for Her blessings

Alpana Srivastava
(2K20/EMBA/03)

ABSTRACT

Purpose

The primary research question of the term project is ascertaining the influence of social factors on tipping behavior exhibited by customers towards delivery agents. The impact of socially relevant aspects like relative opinions and comments of fellow customers were shown to the treatment group through a biased survey report, carrying results of responses to the same questions which they were to answer in the experimental setup. Visual and emotional triggers like glimpses of the agents' lives – snapshots of their kids, families, struggles, etc., were analyzed through **two-phase experimental research** in the proposed study.

The critical aspect of this study is assessing whether the subjects' response changes significantly, i.e., they begin to favor tipping the delivery providers following a **biased exposure to external factors** like social or psychological influences. However, the experimental flavor of this study came from a random selection of samples in two phases for data collection, with an experimental setup that would apply "between subject" comparison of responses to independent variables. The dependent variable is customer preference or attitude to tipping delivery agents in this humble attempt. In contrast, the independent variable was a social influence enforced through different tools

Design/methodology/approach

The data analysis methodology has entirely been quantitative in nature, relying on statistical tools and hypothesis testing. Analysis techniques for correlation and causal analysis has been deployed to check (alternate) hypothesis - Social Influence has an impact on customer preferences towards tipping delivery agents.

A survey questionnaire has been designed and administered to experimental group respondents in two phases. In the second phase, the respondents are stimulated by

different ways like providing a colored, multi-page brochure showcasing the real-life episodes of delivery agents, their quotes, etc. along with a fictitious, biased (pro-tipping) survey report of respondents.

Findings

The analysis of datasets obtained after score computation of survey respondents from two phases of this study has been used to ascertain the importance and relevance of the topic.

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1.0 INTRODUCTION

1.1 Background

In India twenty years ago, delivery to a typical family was rare. Generally, delivery meant letters or telegrams back then. However, today's delivery includes everything from letters to parcels to telegrams to everyday necessities such as hot meals and medicines, and the list goes on. The delivery boy is the most conspicuous face, with an unstrapped helmet in one hand, a phone in the other, and a hefty rucksack full of items, which increases during festival days. It's a rushed expression, too, as he pauses at a customer's doorstep to hand out a gift before rushing to the next location.

These delivery lads have a difficult existence. To meet their pressing domestic requirements, they have to labour in shifts. They put in a lot of effort, especially during festival seasons, to make those quick earning. Because 8-10% of clients are never at home, they have to make six to seven efforts to deliver their packages. Few consumers insist on opening the package and inspecting the contents before leaving, which is not required of them. This takes a long time, and they irritate another client who is waiting for their package.

https://economictimes.indiatimes.com/industry/services/retail/a-long-day-in-the-life-of-a-delivery-boy-during-the-festive-season/ articleshow/ 55132616.cms? utm_ source =contentofinterest &utm_medium=text&utm campaign=cppst

For the past two years, Rahul Kumar, 28, has worked as a delivery boy for Delhivery, an express logistics business. Diwali is his favourite time of the year. Because of the increase in shipment, Kumar, who earns Rs 10,000-12,000 a month, earns Rs 26,000 during the month of Diwali. Kumar, who resides in Delhi's Devli village, is responsible for a family of five, including his parents, wife, and five-year-old son, and the extra cash comes in handy. However, there is a cost: long work hours. Kumar typically delivers 55-60 shipments per day. During festival season, that number rises to 90. The delivery boy doesn't deal with parcels alone, he also deals with the recipient's expectations and reactions. And condescension. When some people behave irrationally, for instance, use foul language and mistreat them, it demoralizes them too.

If the packets are delivered ahead of schedule, customers are more likely to tip generously. As a result, delivery boys may wait for their favorite customer to place another order. Men (aged 18 to 28) dominate the field, working eight to nine hours every day and earning Rs 10,000 to Rs 15,000 per month. Depending on the organization that hires them, performance bonuses could add additional Rs 1,000 to Rs 2,000 to their salary.

The gig economy may offer a plethora of jobs and services at the push of a button. Those who rely on it for a living, however, are well aware of the job's precariousness and lack of stability. When questioned by a delivery boy, he stated that it was a good job for the time being, but not one he would want to perform for the rest of his life. Many of his pals

share his sentiments. He went on to say that riding the bike on poor roads all day affects his back, but he can't quit because his entire income is based on the amount of deliveries he makes. He expressed his desire to be able to work and save enough money.

"86 percent of consumers use off-premise [delivery] services at least monthly," according to research, demonstrating that delivery services are a staple of the current food market. Many specialized logistics organizations have sprung up as a result of the tremendous rise of e-commerce in the country. More than 100,000 delivery boys are employed in the industry, a 200-300 percent increase over last year's figures. To fulfil orders and collect money, Amazon mostly relies on its own delivery boys.

1.2 Problem Statement

In today's India, ordinary houses receive deliveries from a variety of sources virtually every day. Cooked meals or meal ingredients are the most often delivered products in Tier I and Tier II cities, followed by medicine. A guy or woman in a corporate outfit answers the doorbell, hands over the package, and departs for the next destination. Have we had time or opportunity to research their life in order to learn more about them, which is most likely negative? We frequently neglect to express our gratitude. The individual could be a single-income father, UPSC aspirant, or a wife who contributes to the family's necessities. On the other hand, we frequently tip them as a gesture of appreciation and support for their tireless work. This would be beneficial.

1.3 Objectives of Study

Our study focuses on customers' tipping behaviour toward delivery people in routine, situational, and provoked conditions. The goal of the study is to make a comparison between a person's natural tipping behaviour and the impact of the service provider. The habitual element is a nearly constant phenomena, whereas situational stimuli exist in scenarios such as cake delivery during a birthday party/ New year celebrations/ occasions or delivery by a person in heavy rain. In addition, the service provider platform

encourages tipping by poking fun at the delivery personnel's stories. The research study is developed around the problem statement and primary data gathered from the survey.

1.4 Scope of Study

The term project's main research topic was to determine the impact of social factors on customers' tipping behaviour toward delivery employees. The treatment group was shown the impact of socially relevant factors such as relative opinions and remarks from fellow customers via a skewed survey report containing outcomes of replies to the same questions they were to answer in the experimental scenario. In the proposed study, visual and emotional triggers such as pictures of the agents' lives – snapshots of their kids, families, challenges, and so on – were investigated using two-phase experimental research.

The study's main goal was to see if the subjects' responses changed considerably, i.e., if they began to favour tipping delivery providers after being subjected to biased external variables such as social or psychological pressures by the researchers.

2.0 LITERATURE SURVEY

I did some preliminary study before diving into the experiment, which is the focus of this paper's research. Several studies have been undertaken over the last three decades, some of which have been critically reviewed to understand the dominant sentiment in the research community about tipping delivery agents' preferences. Although there is a lot of literature about tipping preferences for restaurant waiters or service companies or taxi services in general, there aren't many studies specifically about online delivery platforms and the delivery agents that work for them. A handful of these crucial studies are listed here because they provided insights into our experimental study, but there were many others that were equally important and have been acknowledged in the references.

Michael Lynn, Robert J. Kwortnik Jr., and Michael C. Sturman wrote in their paper ***Voluntary tipping and the selective attraction and retention of service workers in the United States:*** an application of the ASA model (2011) that tipping is the most efficient way to provide service workers with performance-based rewards. It aids in the recruitment and retention of superior service professionals. They say that gratuities made by customers are commonly used to pay service industry workers. This may also lead to bad practices such as customer–employee collaboration against the firm's interests and delivery personnel discriminating against customers who are poor tippers.

Michael Lynn mentions tipping as an ubiquitous and practically essential economic behaviour in his work ***Tipping in Restaurants and Around the World: An Interdisciplinary Review.*** Even if they are infrequent clients of a service establishment and are unlikely to encounter the same service worker again, people leave tips at the individual level of analysis. Furthermore, a variety of factors unrelated to service standards have an impact on people's tipping decisions. As a result, explanations for this behaviour must go beyond the neoclassical notion that consumers give tips based on service quality in order to assure future good service. In order to adequately explain people's tipping decisions, a broader behavioural approach is required, one that extends the basic consumer utility function to incorporate preferences.

In their work ***Tipping and its Alternatives: Business Considerations and Directions for Research (2008)***, *Lynn, M., and Withiam, G.* (2008) explored the benefits and drawbacks of tipping, particularly with regard to business concerns such as tipping, service charges, and service-inclusive pricing. They've highlighted the advantages of voluntary tipping for service businesses, such as decreased nominal prices, improved profits, worker retention, cheaper tax payments, and so on. They identify a variety of issues, including discrimination in service delivery, the danger of income tax audits, and adverse effect lawsuits, among others.

In their study titled ***"The norm of restaurant tipping,"*** *Michael Conlin, Michael Lynn, and Ted O' Donoghue* discovered a number of factors that influence consumer tipping behaviour. They also conducted an empirical investigation into the effectiveness of tipping. They looked at a mathematical model that seeks to figure out how psychological and social factors, such as guilt for not tipping and fear of poor waiter service, influence tipping choices. Their data imply that a number of other factors influence tipping, including repetition, age, group size, frequency of restaurant visits, and cross-gender encounters. They discovered that tip sensitivity to service quality is affected by the amount of noise (weekday or weekend event) and the size of the group.

In their study "***Consumer Tipping: A Cross-Country Study***," *Michael Lynn, George M. Zinkhan, and Judy Harris* explain how tipping differs from other economic transactions in that consumers who tip are paying a non-obligatory amount for a service that has already been obtained. The causes of individuals' tipping decisions have been the subject of academic research on this distinctive yet prevalent consumer behavior. Macro concerns like cross-country disparities in tipping habits and conventions have received little attention. This article overcomes this shortcoming by presenting and evaluating the hypothesis that differences in tipping prevalence across countries reflect differences in values.

Raymond Lavoie, Kelley Main, Jo Andrea Hoegg, and Wenxia Guo took a slightly different approach in their study ***"Employee Reactions to Preservice Gratuities and Compliments,"*** in which they investigated whether tips inspire greater service from service firm employees. They compared suggestions incorporating a money incentive with compliments in a series of four studies. Their research found that both tipping mechanisms resulted in better service, although the relative effectiveness differed depending on the service setting. Financial incentives were found to be superior in continuous and relatively short interactions. Compliments, on the other hand, had a greater impact in an open service scenario including a longer period of time and more social interaction.

In their study ***"Do consumers use tipping to monitor service?"*** *Jeonggyu Lee, Anubhav Aggarwal, Hoori Rafieianc, and Daniel Korschund* investigated the purpose of tipping. Power and shame in the role of power. They discovered that tipping is used as a buyer monitoring tool. Consumers can help to improve service quality by rewarding good service with higher tips and penalizing bad service with smaller tips. However, it was pointed out in this paper that not all customers tip to evaluate service. They proved in three trials that consumers punish/reward service differently depending on their perceived level of power. They found that low-power users are less inclined to penalize poor service quality than high-power consumers. They discovered that leaving was beneficial.

Sarah Conlisk published a paper titled ***"Tipping in crises: Evidence from Chicago taxi passengers during COVID-19"*** about tipping behavior among taxi drivers in the United States during the COVID crisis. His research backs up the tipping model's viability in times of adversity. Despite the pandemic's tremendous economic and sociological disruption, the majority of passengers continued to tip, and many began to pay higher sums, resulting in an increase in the average tip given to drivers. Passengers adjusted their tipping rates in response to the pandemic's significant economic shocks, which included unemployment and savings overhangs. Second, clients internalized the increased risk of COVID-19 infection as an additional expense for taxi drivers and compensated by increasing their tips. Not only does this highlight the enduring popularity of giving tips to

service workers, but also underscores the benefits of tipping as a voluntary form of price discrimination: passengers can adjust their tips to the shocks of the pandemic and still afford the taxi service.

In their study ***"Service Failure, Tipping Behavior, and the Effect of Service Industry Experience,"*** *H. G. Parsa and Anil Bilgihan* showed that the link between tipping and the service provided is not necessarily linear. The quantity of tip is affected by factors such as the consumer's demographic profile, industry norms, and social norms. The current study's findings show that tipping varies depending on whether the service failure is due to server error or organizational failure. Consumers with previous professional experience in the restaurant industry can recognize the causes of failure and tip appropriately. Consumers who have previously worked in a professional restaurant tip much more than those who have never worked in a restaurant. When a service fails owing to an organization's failure, tip rates are higher than when a service fails due to a server's error, indicating that customers do not punish a server when the organization is to blame.

In their work ***"Tipping As a Consumer Behavior: a Qualitative Investigation,"*** *John A. McCarty, L. J. Shrum, Tracey E. Conrad-Katz, and Zacho Kanne* (1990) investigated how tipping was seen to be a consequence of individual consumer factors, quality of service offered, and situational factors. The key individual component that influenced tipping behaviour was assessed to be knowledge of the tipping custom. The actual service offered and the interaction with the clients that enhanced the dining experience were discussed in terms of quality of service. The size of the gathering and the perceived social pressure to tip well in front of others were both situational considerations.

We established our research hypothesis, design, and methods by reflecting on and carrying forward the lessons learned from these investigations, leading to the implementation of our practical experimental research.

3.0 RESEARCH METHODOLOGY/ DESIGN

The study is essentially a **multi-subject, two-phase experimental design**, with a randomly selected treatment group and a control group of 30 subjects each. The study in question was set to demonstrate the differences between qualitative and quantitative research methods. Human conduct is frequently observed to be influenced by social and cultural contexts. This phenomenology influenced the creation of the study's research design. Because it tries to analyze consumer responses to socio-cultural aspects using methods like survey questionnaires, the research design falls within the category of social sciences.

Some critical design parameters of this experiment are:

S. No	Design / Details	Discussion/ Details
1	Independent Variable	Social influence enforced through different tools, explained in subsequent sections of this paper
2	Dependent Variable	Customer preference or attitude to tipping delivery agents
3	Confounding Variables	Individual factors like mood swings, engagement level, events/episodes in one's own life, income at different points in time etc. Others -the behavior of the delivery person, on-time, undamaged delivery, appearance of the delivery guy, ratings given to the delivery man by other users, delivery conditions – location and time, the cost of the food etc.
4	Treatment Type	Social Influence -the subjects were administered a colored, multi-page brochure showcasing the real-life episodes of delivery agents, their quotes etc. along with a fictitious, biased (pro-tipping) survey report of 100 respondents in both online and offline modes

5	Duration of the phases	Two weeks per phase, overlapping
6	Measurement Scale Used	Preference for tipping, measured on a **Likert Scale** of 1 to 5 as 1= not at all 2= less likely. 3= may or may not give tip 4 = more likely 5= most likely
7	No of subjects, selection criteria	30 per phase, **random selection, different subjects in control and treatment groups**. It may be noted that we have chosen a sample size of 30 in this study
8	Null Hypothesis	Social Influences have no impact on customer preferences towards tipping delivery agents
9	Alternate Hypothesis	Social influence impacts customer preferences towards tipping delivery agents.
10	Data Collection Methodology	Phase 1 - Online survey through Google Form Phase 2 - Online survey through Google Form + Offline (questionnaire/ handout distribution) survey. It may be noted that in the second phase, treatment also was administered both offline as well as online.
11	Analysis Tools	**Descriptive and Analytical Statistical tools** The two datasets – scores from the first phase and those from the second phase can now be compared using statistical analysis techniques for correlation and causal analysis to check our hypothesis. We placed the level of statistical significance at a p value of 0.05 for a two-sample t test, implying that we shall reject the null hypothesis if the p-value is < 0.05.

The primal objective of our experiment here was to ascertain the influence of social factors as a stimulus on the tipping behavior displayed by customers towards the delivery boys. We wanted to delve deeper and understand how the tipping patterns change if the

customers know more about the hardships and socio-economic background of the delivery boys.

It was also imperative to look at matters such as the quality of the experience and the environment provided by the delivery boy/s – whether appropriate safety standards, driving skills, and the delivery boy/s's behavior creating an urban setting.

We approached this in two phases:

Phase 1

a. A group of 30 subjects was created through random sampling.
b. A questionnaire was administered to the group online, with 12 questions about individual tipping behavior and their belief systems. The questions were objective, employed single selection and utilized the Likert scale of 5 points for score calculation.
c. After a specified duration, all responses were subjected to score computation individually, using the aggregate of all the questions answered.

Phase 2

a. A group of 30 subjects was created again through random sampling.
b. The same questionnaire would be administered to the group in an online mode.
c. An intervention was provided to the subjects in this phase of the study: All subjects were provided with additional data like images and videos from the delivery boy's personal lives, followed by biased, contrived feedback, customer reviews, and opinions favoring the grant of tips to delivery agents.
d. As in the first phase, after the same duration as in phase 1 of the study, all responses would be subjected to score computation individually, using the aggregate of all the questions answered.

Some salient factors about the experiment were as follows:

In the first phase, the primary data gathered was from Delhi and NCR region. Tried to take random samples from Delhi/NCR to reduce subjectivity and bias. It was mostly done through observation and interactive **primary surveys**. As we had observed that not much data is available both at national and state-level regarding information on tipping behavior, we wanted to verify the qualitative information through quantitative analysis to derive meaningful insights and identify factors that contribute to framing people's behavior.

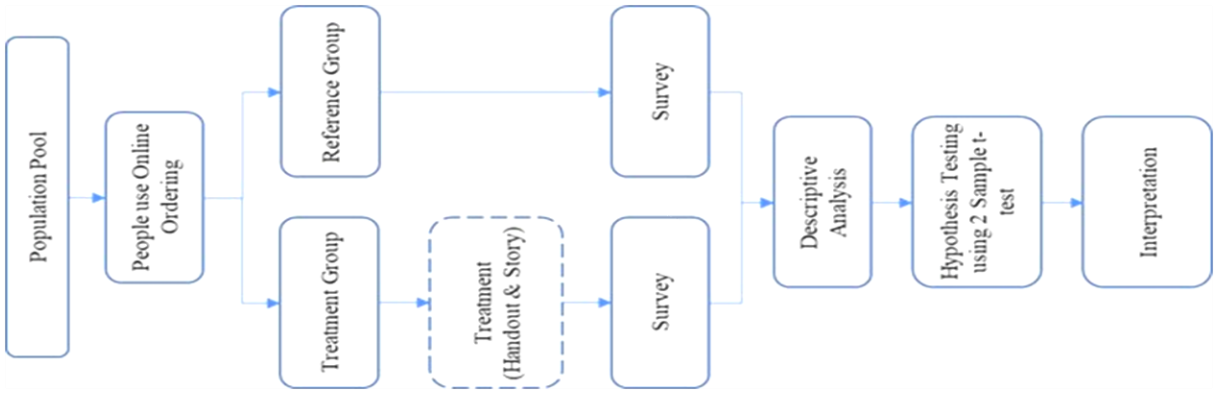
Secondly, **the second stage entailed data collection through online surveys, but with a treatment**. For further rigor and bias introduction, the study now encapsulated elements to ascertain human behavior in a social, economic, and cultural environment providing qualitative and quantitative aspects to research. Socially relevant aspects and their impact were showcased to respondents through ratings and reviews, glimpses of the agents' lives – snapshots of their kids, families, their struggles, etc., which were analyzed through their responses. With an aim of keeping our research richer with insights and to achieve the power analysis and rigor, we conducted discussions which would impel respondents to think about aspects like respondent's interaction with delivery boy/s, topics discussed, stories told would ascertain the emotional intervention part of the experiment.

Focus Areas of Research

Table 1: Timeline of research project

TIMELINE —>	***Week 1***	***Week 2***	***Week 3***	***Week 4***	***Week 5***	***Week 6***	***Week 7***	***Week 8***
ELEMENTS								
Inception & Conceptualization								
Creation of Research Proposal								
Primary Data Collection - Phase 1								
First Draft of the Report								
Primary Data Collection - Phase 2								
Data Analysis, Interpretation								
Final Version of the Report								

4.0 DATA ANALYSIS



The goal of this study is to find out how social influence affects customer preferences for tipping delivery employees. Let μ1 is the mean value of a certain dependent behavior toward tipping for group without treatment, and μ2 is the mean value of a certain dependent behavior toward tipping for group with treatment. The null hypothesis states that there is no discernible difference in behavior between the reference and treated groups. The alternative theory is that social influence has a favorable effect on tipping behavior.

Null Hypothesis **H0: μ1 – μ2 ≥ 0**

Alternate Hypothesis **H_a: μ1 – μ2 < 0**

The two-sample t-test is used to determine if two population means are equal i.e., to determine if the treatment influences topping behaviour in a positive manner or not. Since we are not aware of the population variances, we assumed that the samples are of unequal variances. Paired T test has been used for analysis. The key formulas of this test are as follows:

Test Statistics and Degree of freedom

$$T = \frac{x_1 - x_2}{\sqrt{\frac{v_1}{N_1} + \frac{v_2}{N_2}}} \qquad Df = \frac{\left(\frac{v_1}{N_1} + \frac{v_2}{N_2}\right)^2}{\frac{\left(\frac{v_1}{N_1}\right)^2}{N_1 - 1} + \frac{\left(\frac{v_2}{N_2}\right)^2}{N_2 - 1}}$$

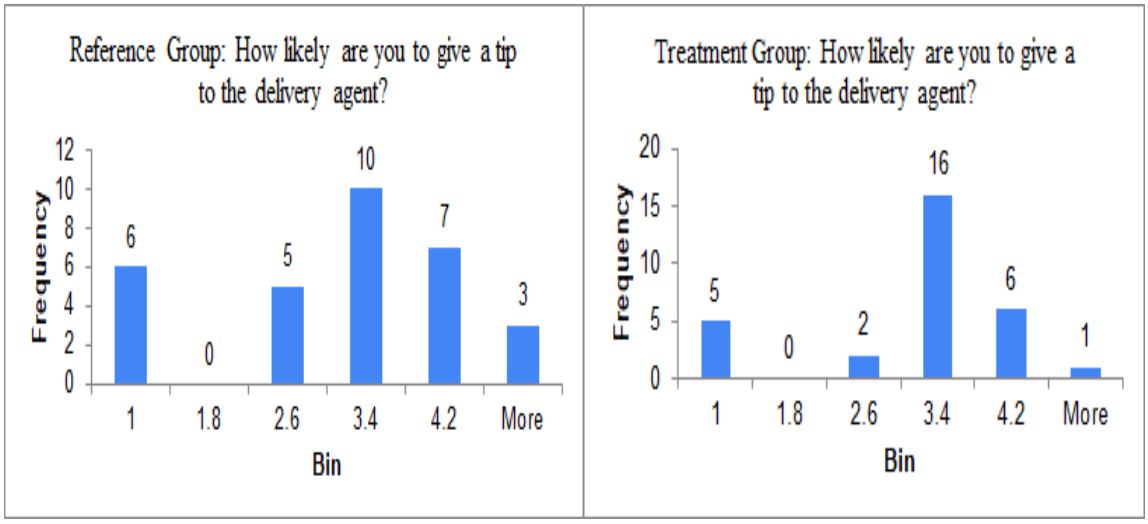
Where N1 and N2 are the sample sizes, x1 and x2 are the sample means and v1 and v2 are the sample variances. Level of significance is 5%.

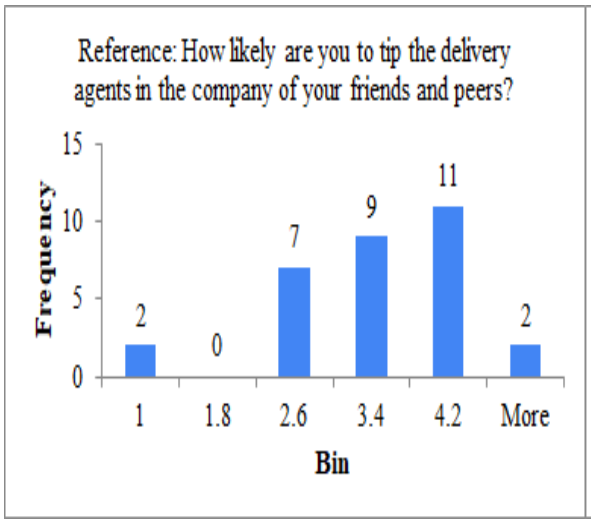
Table 1: Paired T test result analysis

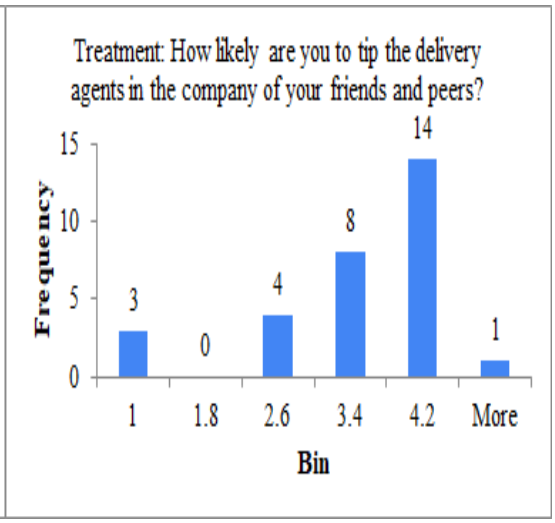
S. N.	Question	Key factor	Sample Mean μ1	Sample Mean μ2	Sample Size N1	Sample Size N2	Sample Variance-1	Sample Variance-2	Test Statistics	DF	T-value	Decision
1	How likely are you to give a tip to the delivery agent when you are alone?	Individual	2.871	2.8667	30	30	1.5828	1.0852	0.0146	57.6	2.12	Fail to reject
2	How likely are you to tip the delivery agents in the company of your friends and peers?	Group Effect	3.129	3.200	30	30	1.1161	1.131	0.2614	58.9	2.12	Fail to reject
3	Do you feel that your tip will motivate the delivery agent to provide better service next time	Tips will result in better service	3.452	3.7667	30	30	1.2559	1.4954	1.0481	58.2	2.12	Fail to reject
4	Do you feel that tips are a way to show your gratitude to the delivery agents?	Tip as a way to show gratitude	3.645	3.5333	30	30	1.3032	1.5678	0.3642	58.1	2.12	Fail to reject
5	Do you feel that your tip helps the delivery agents by augmenting their low wages?	Wage augmentation	3.419	3.000	30	30	1.1183	1.5862	1.4061	56.6	2.12	Fail to reject
6	Will you prefer giving an additional service charge to the delivery platform or restaurant rather than paying a tip to the delivery agent?	Additional service charge instead of tips	2.032	2.000	30	30	1.2989	1.7241	0.1023	57.3	2.12	Fail to reject
7	Are you afraid that if you don't tip, the delivery agent will not provide proper service next time? (Reverse scale)	No tips means poor service	1.936	1.6000	30	30	1.329	1.2138	1.1622	59	2.12	Fail to reject
8	Will you prefer to give a higher tip to the delivery agent as an appreciation, if you like the service provided as against a constant amount (lowest option possible)?	Tips as appreciation	2.968	3.4333	30	30	1.4323	1.6333	1.4676	58.4	2.12	Fail to reject
9	Do you feel guilty for not tipping, when presented with a tipping option on the delivery app?	Not giving tips causes guilt	1.807	2.2000	30	30	0.8281	1.7517	1.3491	51.2	2.12	Fail to reject
10	Will you increase the tipping amount paid to a delivery agent in case of heavy rain or traffic – or you think that it is a part of their job? Rate your behaviour from least likely to most likely.	Tips for rider efforts	3.613	4.2667	30	30	0.8452	0.4782	3.1453	55.7	2.12	**Reject Null hypothesis**
11	Are you more likely to tip delivery agents when you see them compared to when the item is delivered in your absence, say to the building guard etc?	Physical Rider presence	3.032	3.0667	30	30	1.2989	1.6506	0.1105	57.7	2.12	Fail to reject
12	Are you likely to tip delivery agents more during festivals/ New year celebrations/ occasions etc??	Tipping behaviour on occasions	3.651	4.1245	30	30	1.2543	1.7843	1.2542	55.2	2.12	Fail to reject

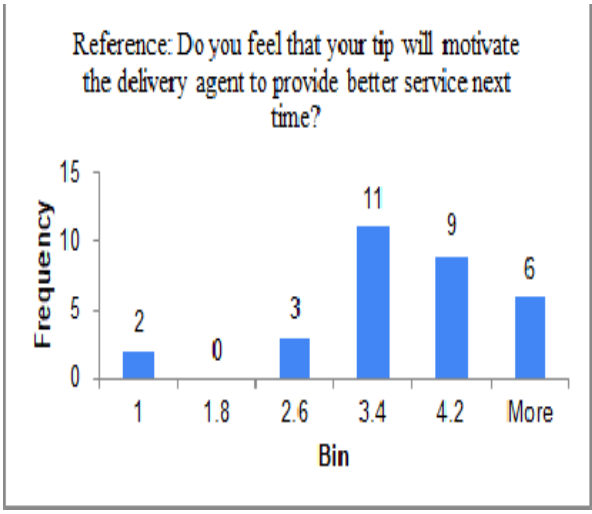
Decision making criterion is if the absolute value of the test statistic (T) is greater than the critical T-value, we reject the null hypothesis and conclude that there is a positive impact of social influence on tipping behaviour.

Further analysis is carried out to ascertain the response distribution by comparing the responses distribution for the pretreatment group (reference group) and post treatment (group received treatment) group. The histogram for the distribution of responses from the reference group and treatment groups are plotted to see if there is any significant change in the distribution of responses post treatment. The histograms are shown below:








Reference: Do you feel that your tip will motivate the delivery agent to provide better service next time?
Frequency
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6
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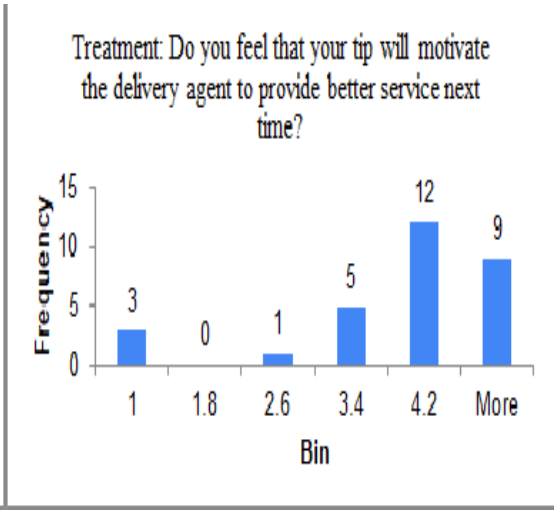
Treatment: Do you feel that your tip will motivate the delivery agent to provide better service next time?
Frequency
15
10
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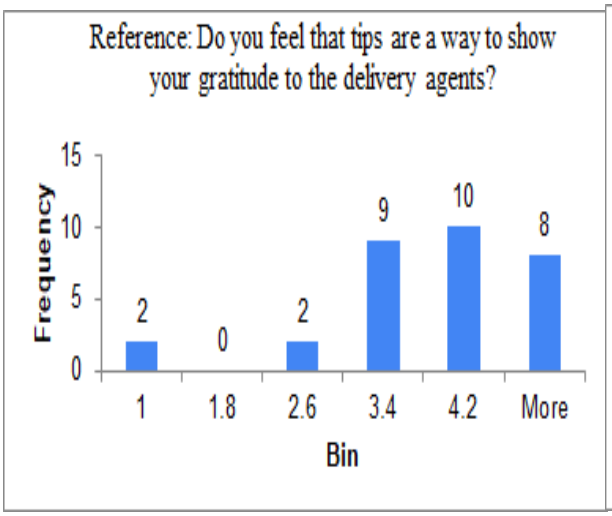
Reference: Do you feel that tips are a way to show your gratitude to the delivery agents?
Frequency
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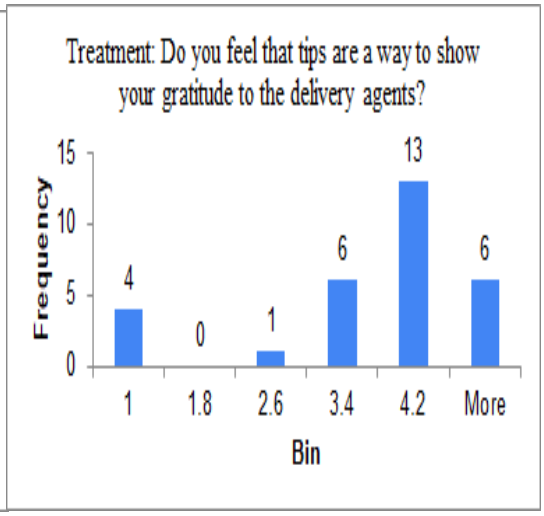
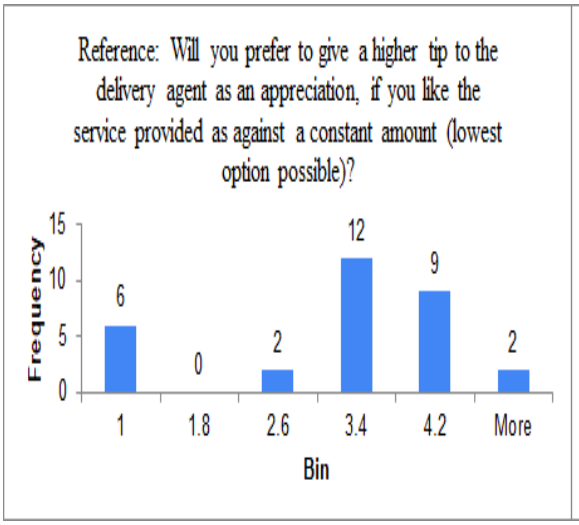
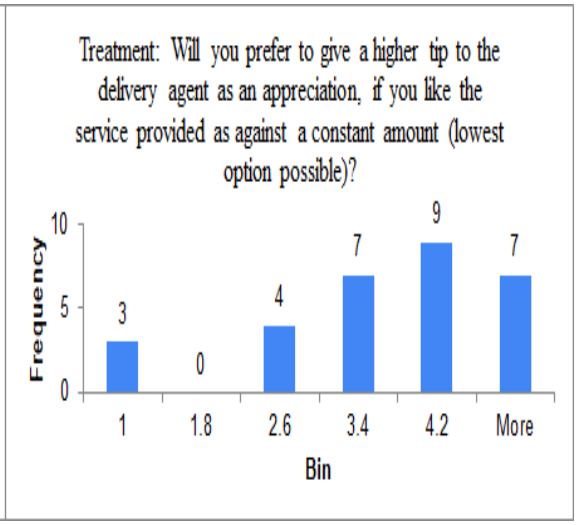
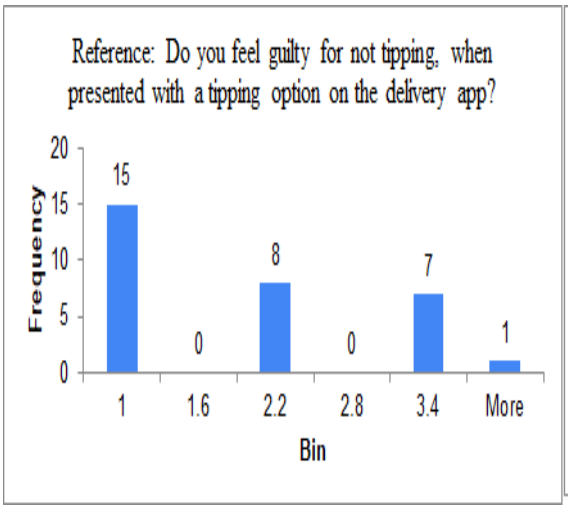
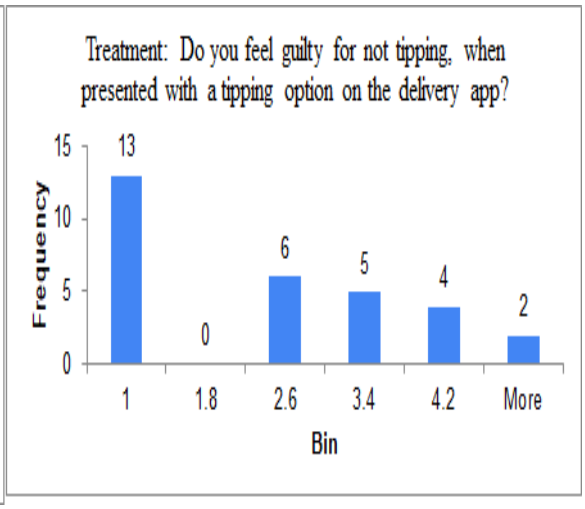
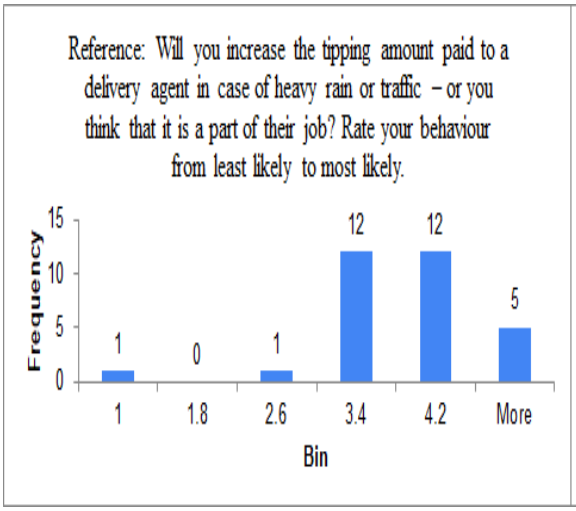

Treatment: Do you feel that tips are a way to show your gratitude to the delivery agents?
Frequency
15
10
5
0
4
0
1
6
13
6
1
1.8
2.6
3.4
4.2
More
Bin

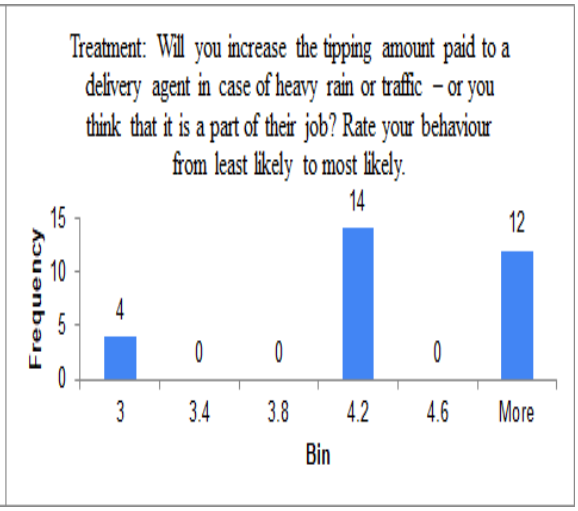

Reference: Will you prefer to give a higher tip to the delivery agent as an appreciation, if you like the service provided as against a constant amount (lowest option possible)?
Frequency
15
10
5
0
6
0
2
12
9
2
1
1.8
2.6
3.4
4.2
More
Bin

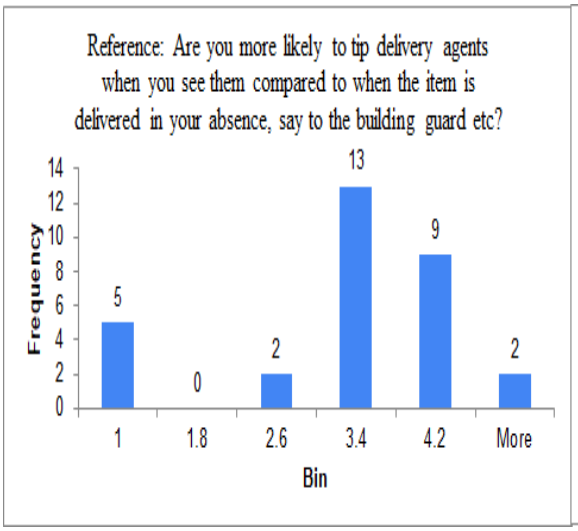

Treatment: Will you prefer to give a higher tip to the delivery agent as an appreciation, if you like the service provided as against a constant amount (lowest option possible)?
Frequency
10
5
0
3
0
4
7
9
7
1
1.8
2.6
3.4
4.2
More
Bin

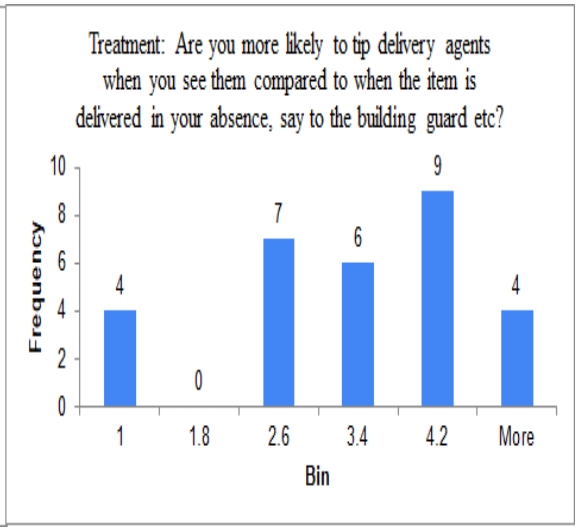

Reference: Do you feel guilty for not tipping, when presented with a tipping option on the delivery app?
Frequency
Bin
1
1.6
2.2
2.8
3.4
More
15
0
8
0
7
1


Treatment: Do you feel guilty for not tipping, when presented with a tipping option on the delivery app?
Frequency
Bin
1
1.8
2.6
3.4
4.2
More
13
0
6
5
4
2


Reference: Will you increase the tipping amount paid to a delivery agent in case of heavy rain or traffic – or you think that it is a part of their job? Rate your behaviour from least likely to most likely.
Frequency
Bin
1
1.8
2.6
3.4
4.2
More
1
0
1
12
12
5


Treatment: Will you increase the tipping amount paid to a delivery agent in case of heavy rain or traffic – or you think that it is a part of their job? Rate your behaviour from least likely to most likely.
Frequency
Bin
3
3.4
3.8
4.2
4.6
More
4
0
0
14
0
12


Reference: Are you more likely to tip delivery agents when you see them compared to when the item is delivered in your absence, say to the building guard etc?
Frequency
Bin
1
1.8
2.6
3.4
4.2
More
5
0
2
13
9
2


Treatment: Are you more likely to tip delivery agents when you see them compared to when the item is delivered in your absence, say to the building guard etc?
Frequency
Bin
1
1.8
2.6
3.4
4.2
More
4
0
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6
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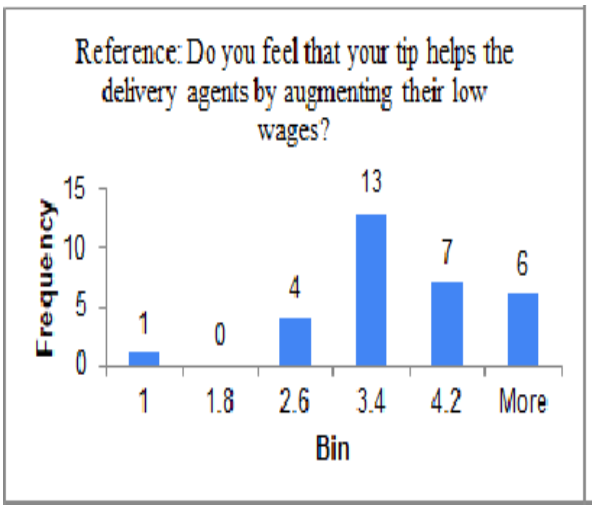
4


Reference: Do you feel that your tip helps the delivery agents by augmenting their low wages?
Frequency
15
10
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6
1
1.8
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More
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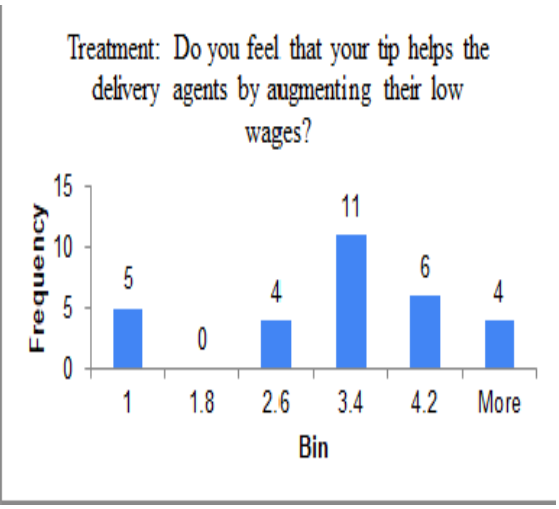
Treatment: Do you feel that your tip helps the delivery agents by augmenting their low wages?
Frequency
15
10
5
0
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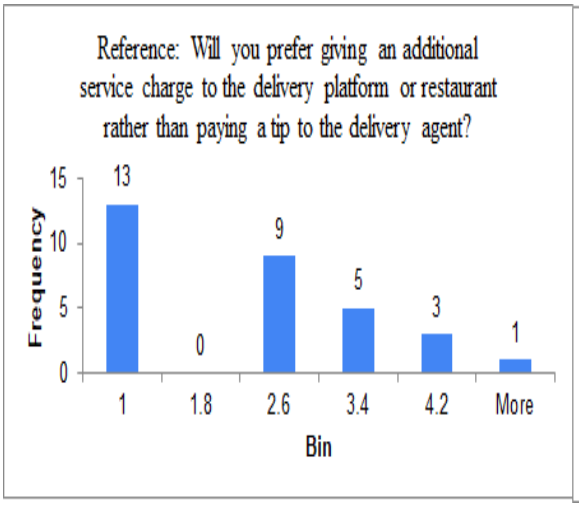
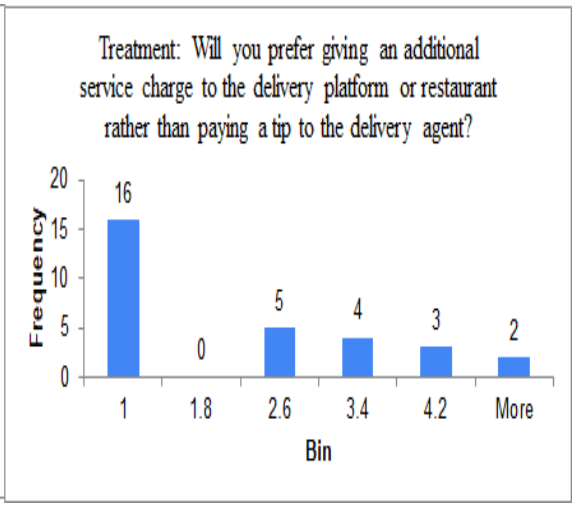
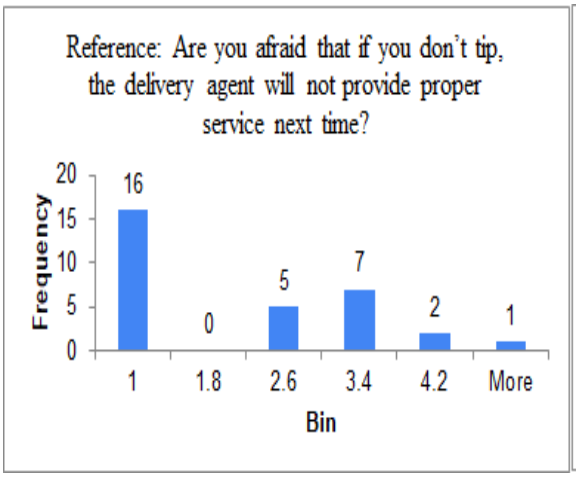
4
11
6
4
1
1.8
2.6
3.4
4.2
More
Bin


Reference: Will you prefer giving an additional service charge to the delivery platform or restaurant rather than paying a tip to the delivery agent?
Frequency
15
10
5
0
13
0
9
5
3
1
1
1.8
2.6
3.4
4.2
More
Bin


Treatment: Will you prefer giving an additional service charge to the delivery platform or restaurant rather than paying a tip to the delivery agent?
Frequency
20
15
10
5
0
16
0
5
4
3
2
1
1.8
2.6
3.4
4.2
More
Bin


Reference: Are you afraid that if you don't tip, the delivery agent will not provide proper service next time?
Frequency
20
15
10
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16
0
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1
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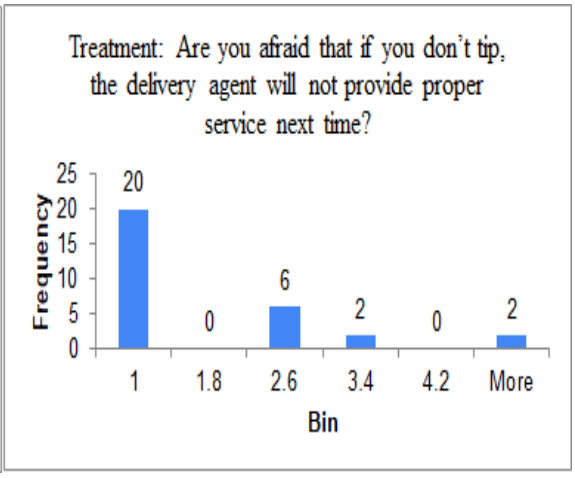
1.8
2.6
3.4
4.2
More
Bin


Treatment: Are you afraid that if you don't tip, the delivery agent will not provide proper service next time?
Frequency
25
20
15
10
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0
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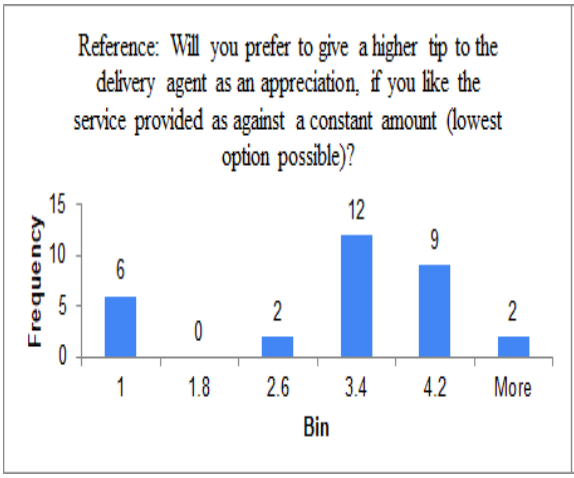
2
0
2
1
1.8
2.6
3.4
4.2
More
Bin


Reference: Will you prefer to give a higher tip to the delivery agent as an appreciation, if you like the service provided as against a constant amount (lowest option possible)?
Frequency
15
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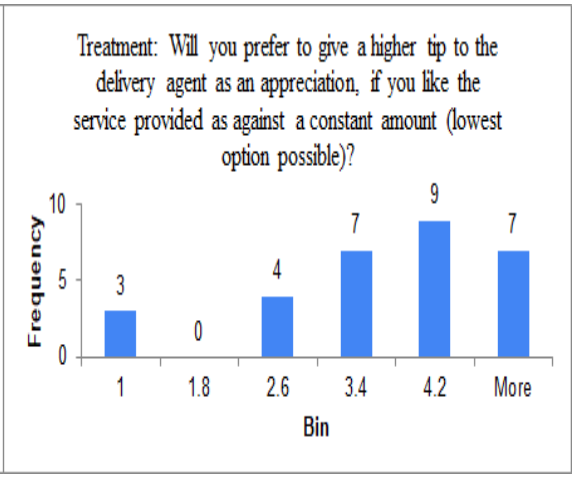
2
1
1.8
2.6
3.4
4.2
More
Bin


Treatment: Will you prefer to give a higher tip to the delivery agent as an appreciation, if you like the service provided as against a constant amount (lowest option possible)?
Frequency
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Bin

5.0 RESULT AND INTERPRETATION

The purpose of the study is to discuss the key factors of social influence on tipping behavior. **We found that there is lack of evidence to show that social influence can be a key motivator in influencing tipping behavior in the Indian environment.**

We tested for multiple factors to check what motivates the tipping behavior. The t-test results show that social influence such as knowing about the riders, understanding their issues, and showing empathy is created only when the riders themselves are showing efforts to work and deliver orders beyond ordinary, such as delivering in bad weather, and high traffic. Riders'efforts are rewarded by consumers in general, but when the consumers are more aware about the rider's conditions, this behavior significantly increases.

Various studies also argued that it is the rider's efforts both in the service delivery and effort in improving the personal and service delivery presentation that helps to increase the chances of getting tipped.

The results also indicate that there can be an effect of confounding variables. For example, discussion with some of the respondents revealed that the food items ordered online are pricier than those at the restaurants. This premium pricing in online delivery creates an impression that riders' tips and service charges are already taken care of.

Another key factor behind the lack of social influence on tipping behavior is the transactional nature of service delivery in online food ordering platforms. Unlike in restaurants, where customers can show preference for a preferred server, in online delivery the server assignment remains random in nature, thus there is no guarantee that tipping will result in better service, because the server may not come in the next delivery. Thus, the purpose of tipping as a tool to increase service quality is no longer valid in online delivery.

Further, we found that most of the online delivery platforms already offer service guarantee and service time promise, and thus there is no motivation to offer tops to augment the service delivery. This also means, if there are no tips given it will not affect the service delivery or service quality due to high degree of standardization.

6.0 LIMITATIONS

One of the most serious limitations of this project was the paucity of time, because of which data collection had to be severely restricted, and despite being planned in the project proposal, the target of 50 subjects in the pre-treatment and post-treatment phases could not be met.

The survey could have been made more exhaustive and the study could also have been repeated at multiple periods of time, across various locations for better accuracy of results. As discussed earlier, time, budget and location were major constraints in the study which reduced the scale of the experiment.

The individual factors like mood swings, engagement level, events/episodes in one's own life, income at different points in time could have acted as confounding variables because they might have impacted the impact on the dependent variables by the independent variables in spurious or distorted ways but, for all practical purposes, the researchers ignored them in this study because the measurements in this experiment were conducted within a very short span of time (matter of days) and the impact of these parameters was assumed to be fairly constant during this small time interval.

The subjects chosen in this study were exposed to a socio-emotional treatment through relevant content exposure by the researchers in two modes - online as well as offline. However, as opposed to the offline mode where the researcher was physically present, **in the online mode there was a possibility of less efficacy of the treatment** i.e., the subjects might not have felt the impact as greatly as the human would have personally convinced them offline.

7.0 CONCLUSION

This two-phase experiment was a humble attempt to understand the impact of social influences on the preferences of Indian customers towards tipping the delivery agents, especially in the context of online home delivery platforms. Though the study was small in scale, scope, and resources, it provided good insights into consumer thinking and practical facets related to tipping. In future, other extensive studies can be designed along similar lines to test the impact of other factors on tipping, with repetition in time and space.

The treatment for this study was unique – involving qualitative as well as quantitative inputs. The results from both the phases were compared using the two sample T-test., and studied in- depth as well, through descriptive analytics.

The results from this study are interesting, because they indicate that although Indian customers are sensitive to the plight of the delivery agents – their tipping propensity showing a marginal increase in adverse conditions of delivery, especially when they see the delivery agents. However, the analysis of data reveals that the **tipping tendencies are usually unchanged by word of mouth, information of other's pro-tipping behavior or other emotional tactics.** Most of them do not feel guilty about not tipping the delivery agents – which was revealed by the data received in the survey forms as well as personal interviews by the researchers.

8.0 THE WAY FORWARD….

Albeit a small step, the potential of this research is immense. Similar experiments can be designed to study the impact of other variables on tipping preferences of people. A combination of two or more independent variables may be employed, for example:

- The behavior of the delivery agent (Courteousness)
- On-time, undamaged delivery (Service criterion)
- Appearance of the delivery agent (Professionalism)
- Delivery conditions – location and time. For example, during heavy rain, traffic, or at midnight, people may be inclined to tip the delivery agents more
- Impact of individual factors: Mood swings, engagement level, events/episodes in one's own life, income (assuming effects of age, culture, upbringing, morality, education, and gender remain constant for an individual), etc.
- Other factors - additional information about the delivery person from the app, personal contact, or other sources etc.
- This study can also be designed to be more rigorous and precise by conducting the same experiment at multiple locations. Also, repetition of the experiment at different points of time should be able to provide a better measure of the accuracy of results.
- The ambit of the research may be broadened or diversified to include some other categories of one-time service providers akin to delivery agents, who may be given tips based on their services – e.g., home hairdressers and beauticians, cleaners, pest controllers, car mechanics etc.
- **App Enhancement**: Subsequently one can reach out to Zomato/Swiggy and the likes and run test experiments wherein we upload the story (Video about their life) of several delivery agents in the apps related to the tipping interface.
- In a nutshell, the future holds the keys to unlock scientific curiosity, unleashing a plethora of research studies analogous to the subject of this paper.

"The best way to predict the future is to invent it." -Theodore Hook

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10. LIST OF ENCLOSURES

The following Annexures are enclosed:

Annexure-I: Questionnaire used in both the phases

Annexure II: The brochure / handout employed as a part of the treatment

Annexure III: The biased (pro-tipping), fictitious report employed as a part of treatment

Annexure IV: A snapshot of the printouts of the offline survey forms

ANNEXURE-I

(Questionnaire used in both the phases)

Scale used for score computation:

1= Not at All

2= Unlikely

3= Maybe

4= Likely

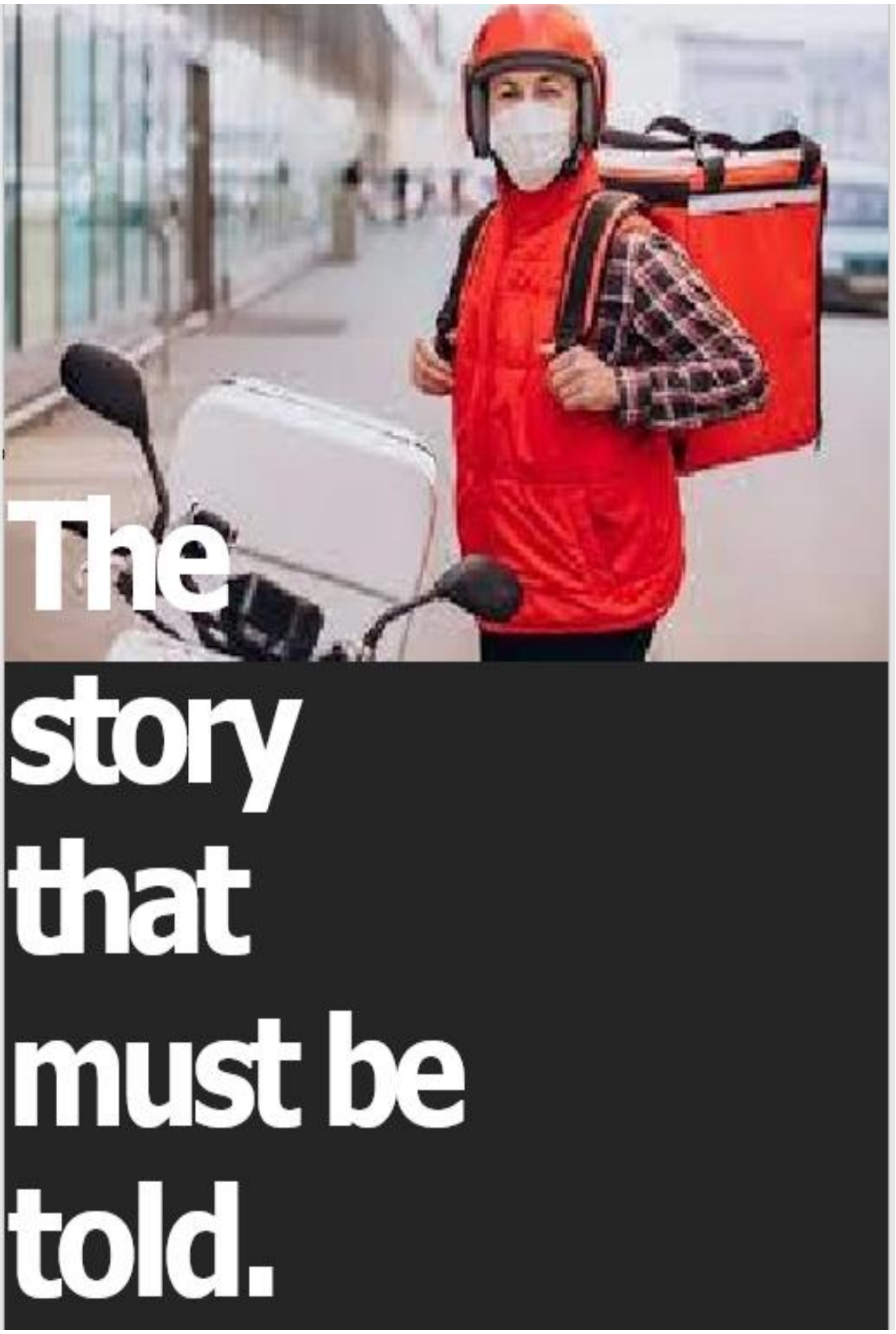
5= Very Likely

Pl answer all the questions, only one option (from 1-5 mentioned above) per answer:

1. How likely are you to give a tip to the delivery agent when you are alone?
2. How likely are you to tip the delivery agents in the company of your friends and peers?
3. Do you feel that your tip will motivate the delivery agent to provide better service next time?
4. Do you feel that tips are a way to show your gratitude to the delivery agents?
5. Do you feel that your tip helps the delivery agents by augmenting their low wages?
6. Will you prefer giving an additional service charge to the delivery platform or restaurant rather than paying a tip to the delivery agent?
7. Are you afraid that if you don't tip, the delivery agent will not provide proper service next time? (Reverse scale)
8. Will you prefer to give a higher tip to the delivery agent as an appreciation, if you like the service provided as against a constant amount (lowest option possible)?
9. Do you feel guilty for not tipping, when presented with a tipping option on the delivery app?
10. Will you increase the tipping amount paid to a delivery agent in case of heavy rain or traffic – or you think that it is a part of their job? Rate your behaviour from least likely to most likely.
11. Are you more likely to tip delivery agents when you see them compared to when the item is delivered in your absence, say to the building guard etc?
12. Are you likely to tip delivery agents more during festivals/ New year celebrations/ occasions etc??

ANNEXURE-II

(The brochure / handout employed as a part of the treatment)


The
story
that
must be
told.

'THE DELIVERY BOY'

A phone in one hand, an unstrapped helmet on the other and a heavy backpack full of food/goods — is the most visible face of an urban landscape these days.


IT'S ABOUT TIME
WE SHARE THE
STORIES OF THESE
UNSUNG HEROES

MEET RAMAN

He is a loving father.

He aspires to send his kids to a good college.

A sole bread earner in the family – He is responsible for 6 other members in his family

He spends about 12-14 hours on the road. Riding about 200-300kms everyday to make ends meet.

He also wants to go on a south India tour with his parents and wife.

MEET ASEEM

Feeding a family of 4.

Aseem is a state level cricket player but due to circumstances he is currently working in shifts as a part time delivery boy.

Between shifts and at night, he is preparing for UPSC, SSC and other state level exams.

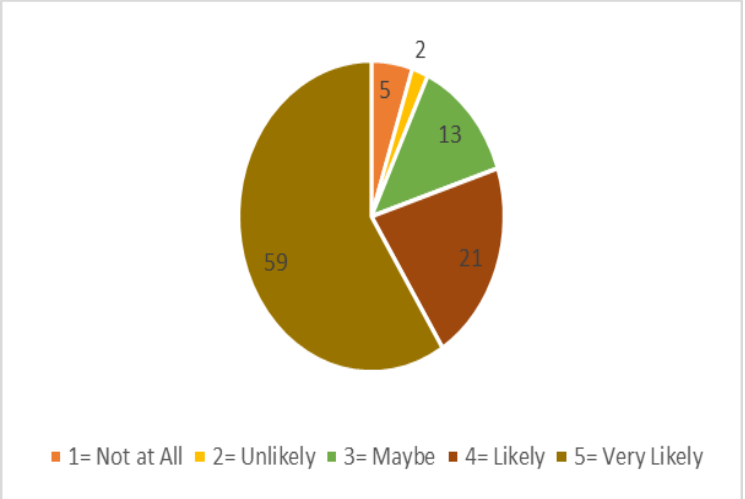
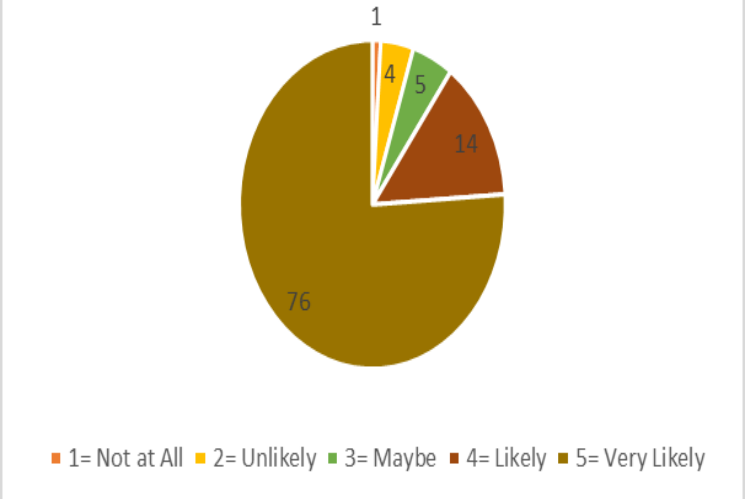
He aspires to serve the nation one day.

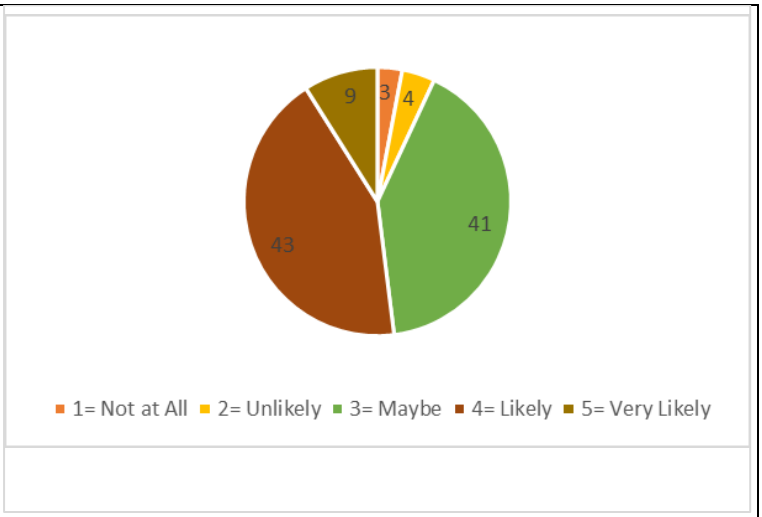
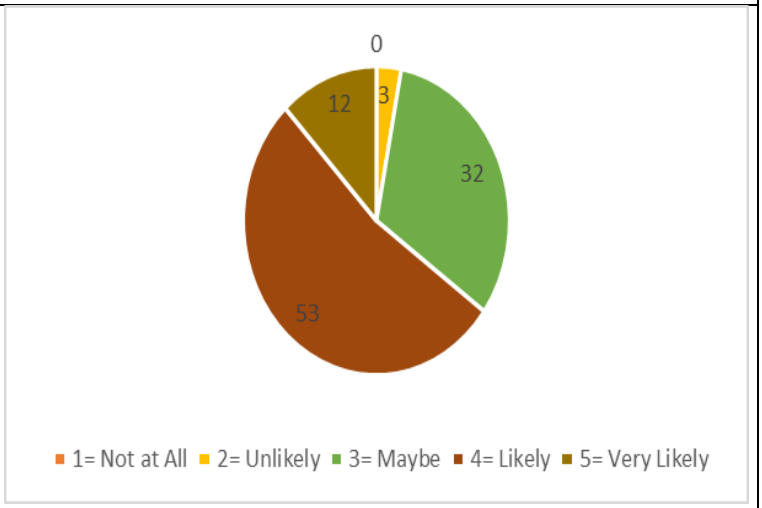
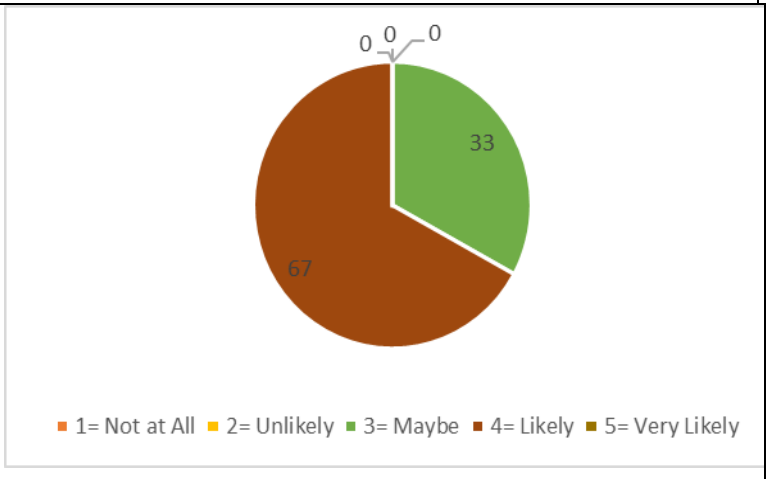
Next time you see them, just try and see beyond this harried face as he stands at your doorstep to hand over a parcel before he zips to the next address.

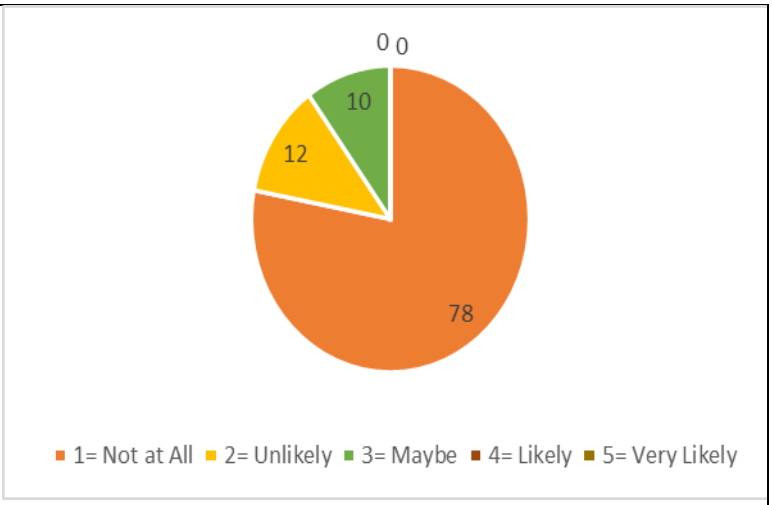
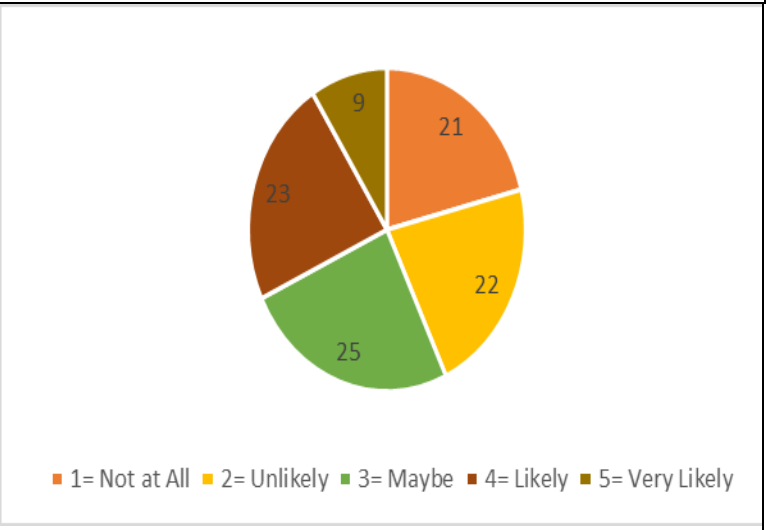
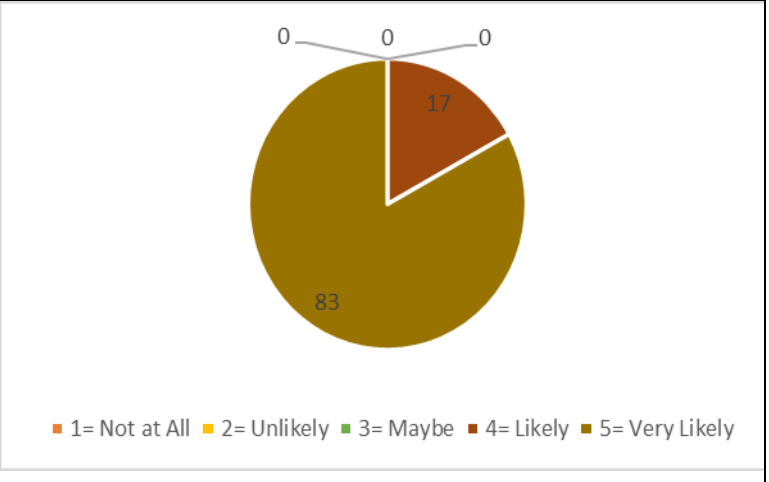
ANNEXURE-III

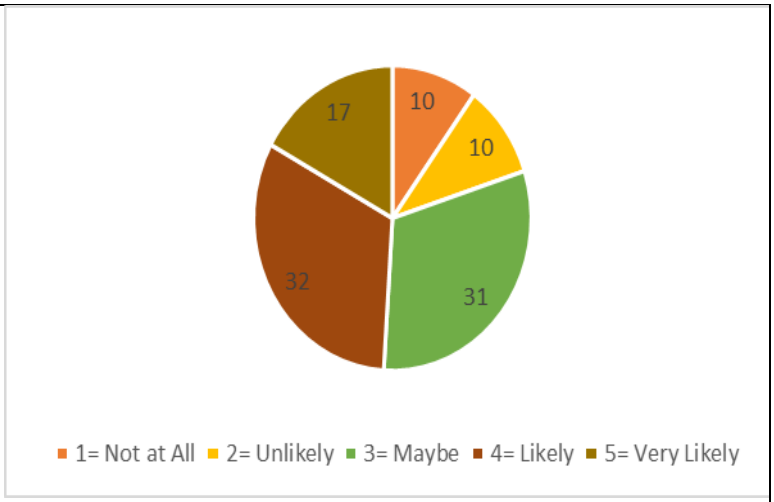
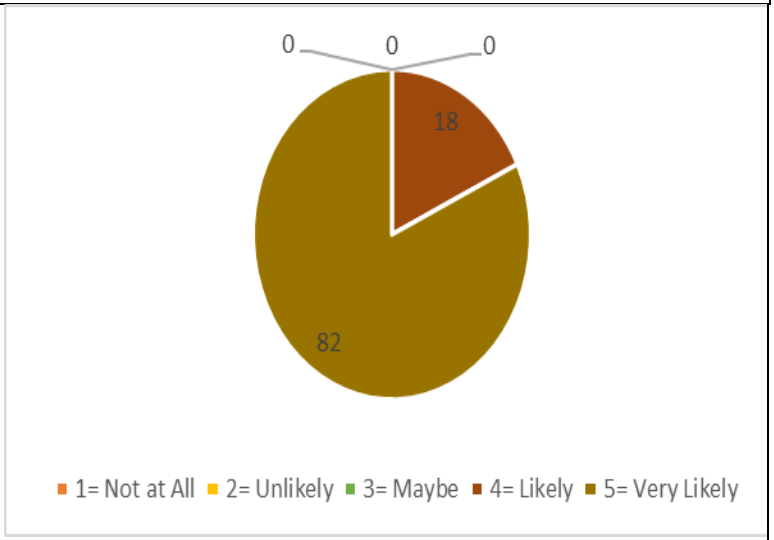
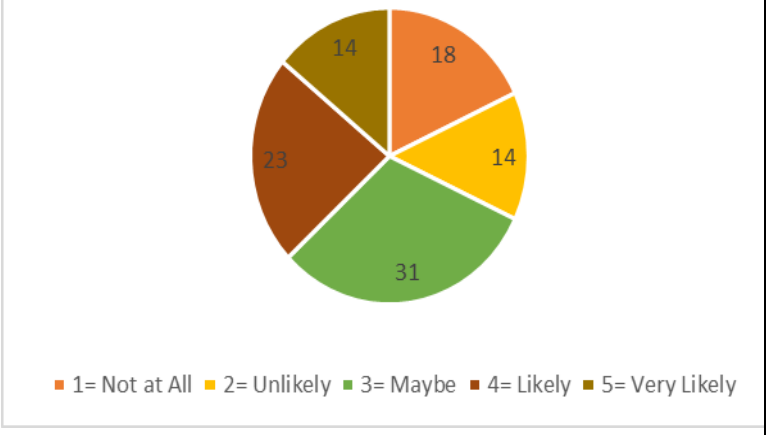
The biased (pro-tipping), fictitious report employed as a part of treatment

No of participants surveyed: 100
Location: Delhi/NCR
Gender: 30 females, 70 males
Survey Period: February 1, 2022 – February 20, 2022

S. No.	Survey Question	Survey Results
1	How likely are you to give a tip to the delivery agent when you are alone?	
2	How likely are you to tip the delivery agents in the company of your friends and peers?	

3	Do you feel that your tip will motivate the delivery agent to provide better service next time?	
4	Do you feel that tips are a way to show your gratitude to the delivery agents?	
5	Do you feel that your tip helps the delivery agents by augmenting their low wages?	

6	Will you prefer giving an additional service charge to the delivery platform or restaurant rather than paying a tip to the delivery agent?	
7	Are you afraid that if you don't tip, the delivery agent will not provide proper service next time?	
8	Will you prefer to give a higher tip to the delivery agent as an appreciation, if you like the service provided as against a constant amount (lowest option possible)?	

9	Do you feel guilty for not tipping, when presented with a tipping option on the delivery app?	
10	Will you increase the tipping amount paid to a delivery agent in case of heavy rain or traffic – or you think that it is a part of their job? Rate your behaviour from least likely to most likely.	
11	Are you more likely to tip delivery agents when you see them compared to when the item is delivered in your absence, say to the building guard etc?	

12	Are you more likely to tip delivery agents during festivals, New year celebrations, occasions?