



Why Tip&Go?

For the past year, I've been writing one article a week on the hotel industry (for a total of 96 articles, in both English and French!). Those articles gravitated around housekeepers and how labour shortage is affecting the industry. Today, let's look at some basic stats that explain the existence of Tip&Go.

Do hotel guests still carry cash with them?

- A study from Travis Credit Union found that only 10% of people carry cash for tipping¹.

¹<https://www.traviscu.org/my-life/blogs/financial-wellness/september-2020/using-cash-during-covid-19-cashless-future/>

- More than 70% of hotel guests who did not tip hotel staff at their recent stay would have left a tip if digital tipping was offered².

What proportion of hotel guests do not leave tips?

- While 60% of hotel guests reported leaving a tip at their most recent hotel stay, hotel workers said that only 30% of guests tip staff members³.

What proportion of hotel workers quit the hotel industry because of low pay?

- A third of hotel workers said they won't be returning to the industry because they want higher pay⁴.

How much more could an employee earn because of digital tipping?

- Providing customers with a mobile payment option increases tips by up to 30%.
- Employees can earn up to \$5.00 more an hour.
- Cashless tipping can put as much as \$2,700 in tips in the pockets of each employee annually. That extra \$50 per week will go a long way in making up for high living costs due to inflation.⁵

²Canary – 2023 State of tipping in hotels

³Idem

⁴<https://www.businessinsider.com/labor-shortage-hospitality-workers-restaurant-hotels-pay-wages-joblist-survey-2021-7>

⁵<https://tipyo.net/one-easy-step-to-combat-your-hotel-employees-shrinking-purchasing-power/>

Would client tip more if they knew where their tip is going?

- 43% of consumers say that knowing their tip goes directly to employees would prompt them to leave one⁶.

What proportion of employees would stay with their current employers if their tips were increased?

- Nearly 80% of current hotel workers say they would be more likely to stay with their current employer if their tips were increased.
- Additionally, 70% of hotel workers felt that hotel management teams have a duty to encourage tips to staff members. Hotel workers reported low pay as the most common reason for leaving the industry⁷.

What proportion of hotels are experiencing staff shortages?

- According to a new survey conducted by the American Hotel & Lodging Association (AHLA), 67% of respondents are experiencing a staffing shortage, and 12% said they are “severely understaffed,” meaning the shortage is affecting their ability to operate. The most critical staffing need is housekeeping, with 48% ranking it as their top hiring need⁸.

What is the turnover rate in the hotel industry?

- The US hospitality industry has the highest turnover rate of any sector (at 73.8%)⁹.

⁶: <https://www.wearetipjar.com/unternehmen/tipping-data/> also <https://www.wearetipjar.com/wp-content/uploads/Tipping-In-Hospitality-Report.pdf>

⁷Canary – 2023 State of tipping in hotels

⁸<https://www.ahla.com/news/67-surveyed-hotels-report-staffing-shortages>

⁹<https://www.linkedin.com/pulse/navigating-employee-retention-2023-insights-trends-pedagog>

How much does it cost to hire an employee?

- It costs employers an average of \$4,129 and takes an average of 42 days to fill an open position.
- As noted by the 2018 Training Industry Report, employee training costs decreased to an average of \$986 per learner, down from \$1,075 in 2017. Larger organizations spent \$1,046 per employee, compared to midsized companies at \$868 and small companies at \$1,096¹⁰

What motivates workers?

- 86% of staff say the tips they receive are important to their overall work satisfaction and 88% of staff say that the tip process/fairness influences where they work and how long they stay in a role for¹¹.

All those stats clearly show that Tip&Go is not only a 'nice to have' for the hotel industry but a 'must'. Tip&Go, the face behind your comfort!

Francis Léonard, CEO

TIP&GO®

Clip: <https://www.youtube.com/watch?v=ZZ75L0Xplb0>

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<https://www.linkedin.com/build-relation/newsletter-follow?entityUrn=7157523727176359936>

¹⁰Calculating the True Cost to Hire Employees <https://www.adp.ca/en/resources/articles-and-insights/articles/c/calculating-the-true-cost-to-hire-employees.aspx>

¹¹<https://www.wearetipjar.com/unternehmen/tipping-data/> also <https://www.wearetipjar.com/wp-content/uploads/Tipping-In-Hospitality-Report.pdf>

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