

Do you need to tip your Uber driver?

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When it comes to tipping, some Uber drivers have started to take matters into their own hands.

The ride-sharing giant, which pairs <u>drivers</u> in their own vehicles with passengers via a smartphone app, spells out its official policy on its website: "You don't need cash when you ride with Uber. Once you arrive at your destination, your fare is automatically charged to your <u>credit card</u> on file - there's no need to tip."

A spokesman added that the "Uber experience" is meant to be seamless. "We communicate that to both riders and drivers, and we never want riders to feel obligated to pay extra at the end of Uber trips."

Uber takes 20 percent of each fare, and what drivers earn can vary based on time of day and length of trip. Some time periods, such as weekend evenings, have higher rates than others. The minimum fare is \$5.

If a passenger insists on <u>tipping</u>, Uber drivers are free to accept it, the spokesman added.

For Lyft, Uber's closest rival in the ride-sharing arena, a tipping option is built into the app's payment screen. It also takes 20 percent of every fare.

"Lyft has always had tipping as an option because we believe it's important for passengers to have the opportunity to give extra to drivers who go above and beyond to create a welcoming, enjoyable ride," said



spokeswoman Mary Caroline Pruitt. Last year, Lyft modified the tipping feature further, to allow riders to choose specific dollar amounts (or no tip at all).

Pruitt said the tips that Lyft drivers receive can be a significant boost to their incomes. Between January and September 2014, Lyft drivers earned a total of more than \$6 million in tips, she said.

For Jim Woods of suburban Pittsburgh, tipping Uber drivers is a nobrainer. He uses the service when he travels for business in Detroit, Phoenix and Washington.

"I'm not in the majority, I know, but see it as a reward for positive service," Woods said. He said he's never had a driver refuse his offer of a cash tip.

Some Uber drivers have started to look for creative solutions to the tipping dilemma. One Washington-based driver started a petition asking Uber CEO Travis Kalanick to reconsider the company's stance. "There's no reason to deny drivers and passengers this option," the petition states.

Others have tried in-ride advertising apps like Viewswagen, which allows drivers to collect ad revenue from digital ads displayed to passengers on a tablet in the vehicle. Uber frowns on this practice as well.

One Pittsburgh-based driver, who spoke anonymously for fear of reprisal from Uber, has a tip jar in the back seat. It's an Uber mug the driver purchased on eBay, stuffed with a few starter dollar bills.

"It definitely makes people uncomfortable to start the conversation about tipping," the driver said. "But there is this urban myth that tips are included."



When Uber dropped its fares in the Pittsburgh area by 15 percent earlier this summer, this driver noticed an immediate impact on earnings. "It seems like they are always trying to take from drivers without sharing any of the expenses."

As far as this driver is concerned, passengers who don't tip receive a one-star rating, the lowest possible. "Yes, it affects their overall rating. But giving one star is the only recourse I have," the driver said. "That ensures they'll never get in my car again."

What about those who are expecting a cashless transaction and aren't carrying enough cash to provide a tip? "I have a Square," a <u>credit card reader</u> that can be attached to a smartphone, "and people can tip through that."

For his part, Woods said he thinks Uber presents a "conflicting message" about tipping.

"It should be a lot clearer," he said. "It shouldn't be up to drivers to explain it."

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