Chapter 1

Introduction
"You never really understand a person until you consider things from his point of view - until you climb into his skin and walk around in it."
- Atticus Finch

In Harper Lee's To Kill A Mockingbird.

Many of the serious problems faced by society today are due to choices people make such as high-fat diets, smoking, drinking and driving, and indulgence in lotteries. Indeed, as Hirschman (1991) notes, "Every year over 10 million American consumers suffer financial losses from their addiction to gambling.... There are currently 10 million alcoholics and 80 million cigarette smokers in the United States.... Every year 25,000 people die as a result of alcohol related traffic accidents.... All of these disturbing and disturbed behaviours result from consumption gone wrong."¹

Although these problems appear daunting, they are all problems that are solvable through altruistic marketing - an area that generates and applies basic principles from the disciplines of psychology and marketing.²

The government in its legislative, regulatory, and judicial roles often deals with issues involving consumers. Increasingly, theories and research related to consumer behaviour are being used as a foundation for making laws and regulations. However, the specification of explicit contingencies,

---

such as laws requiring the relevant social attitudes and behaviour, are effective to the extent that the behaviour is monitored and violations are consistently, frequently, and swiftly sanctioned. The use of such sanctions is limited, however, because their influence is typically specific, and their effects are restricted to the sanctioned behaviour. Furthermore, sanctions are most effective when surveillance is suspected. The effectiveness of intervention programmes is enhanced when explicit contingencies are supplemented by programmes designed to establish more general attitudes and social norms. In this context, behavioural scientists in psychology and marketing can contribute to the solution of disturbing and disturbed consumer behaviour through altruistic marketing.

'Altruistic marketing' involves: (1) conducting basic behavioural research to expand one's understanding of disturbing and disturbed consumer behaviour and the ways to correct it and/or (2) applying behavioural research to develop effective treatment interventions and new ways to implement more effectively what is already known (and what will be known) about the maladaptive consumer behaviour that contributes to social problems, morbidity, and mortality.

CONCEPTUAL FRAMEWORK

The study of consumer behaviour is concerned not only with what consumers buy, but with why they buy it, when, where, and how they buy it, and how often they buy it. Consumer behaviour research takes place at every phase of the consumption process: before the purchase, during the purchase,
and after the purchase. Consumer behaviour in respect of lotteries is no exception to this.

Lottery is a variant of gambling. Gambling is the betting or staking of something of value, with consciousness of risk and hope of gain, on the outcome of a game, a contest, or an uncertain event the result of which may be determined by chance or accident or have an unexpected result by reason of the bettor's miscalculation.¹ The outcomes of gambling games may be determined by chance alone, as in the purely random activity of a tossed pair of dice or of the ivory ball on a Roulette wheel, or by physical skill, training, or prowess in athletic contests or, again, by a combination of strategy and chance. Thus, knowledge of the game is useful to the Poker player or the horse-race gambler but is of very little use to the purchaser of a lottery ticket or to a slot-machine player.

A gambler may participate in the game itself while betting on its outcome (card games, craps), or he may be prevented from any active participation in an event in which he has a stake (professional athletics, lotteries). Some activities of very large scale (horse racing, lotteries) usually require commercial and professional organisation to present and maintain them efficiently.

The practice of gambling prevailed since time immemorial. The Rgveda, a collection of Vedic hymns, includes a poem, the "Gamester's  

Lament," one stanza of which quotes the God Savitr: "'Don't play with dice, but plow your furrow! Delight in your property, prize it highly! Look to your cattle and look to your wife, you gambler!' Thus noble Savitr tells me."¹ In the Mahabharata, the Hindu epic probably written in the 1st century BC, gambling with dice is frequently and prominently described; the world itself is conceived of as a gambling game.

Tacitus describes the gambling of property and people among the early Germans.² Tribal battles were occasionally concluded with a game of chance.

The practice of determining the distribution of property by lot is traceable to ancient times.³ Dozens of references can be found in the Bible to the practice. In one example from the Old Testament (Num. 26: 55-56), the Lord instructed Moses to take a census of the people of Israel and to divide the land among them by lot. Modern lotteries of a similar type include those used for military conscription, commercial promotions in which property is given away by a random procedure, and the selection of jury members from lists of registered voters.

Economists have considered gambling a bad thing. Part of the reason, perhaps the most important part, lies in the field of morals, ethics, and religion; upon these the economist as such is not qualified to pass final

². Ibid.
³. Ibid.
judgement. There is, however, a substantial economic case to be made against gambling.¹

First, it involves simply sterile transfers of money or goods between individuals, creating no new money or goods.² Actually, in all professional gambling arrangements, the participants lose out on balance. The leakage comes from the fact that the odds are always rigged in favour of the "house", so that even an "honest" house will win in the long run. Moderate gambling among friends may be considered a form of consumption or recreation activity whose cost to the group as a whole is zero. Oddly, some people who do not trust their ability to save do use steady purchase of lottery tickets as a way to cut down on current consumption and put themselves in the position of occasionally accumulating larger sums of money.³ In some past and present societies, the enhancement of inequality of income distribution by gambling may have made a roundabout contribution to social thrift and capital formation.

Although it creates no output, gambling does nevertheless absorb time and resources. When pursued beyond the limits of recreation, where the main purpose after all is to "kill" time, gambling subtracts from the national income.⁴

---

² Ibid.
³ Ibid.
⁴ Ibid.
The second economic disadvantage of gambling is the fact that it tends to promote inequality and instability of incomes. People who sit down to the gaming table with the same amount of money go away with widely different amounts. A gambler (and his family) must expect to be on the top of the world one day, and when luck changes - which is the only predictable thing about it - he may almost starve.¹

A lottery is a scheme or procedure for distributing something (usually money or prizes) among a group of people by lot or chance.² Lottery is a form of gambling in which a usually large number of people purchase chances, called lottery tickets, and the winning tickets are drawn from a pool composed of all tickets sold (sweepstakes) or offered for sale. The value of the prizes is the amount remaining after expenses - including the profits for the promoter, the costs of promotion, and the taxes or other revenues - are deducted from the pool. In most large-scale lotteries a very large prize is offered along with many smaller ones.

The basic elements of modern lotteries are usually quite simple. First, there must be some means of recording the identities of the bettors, the amounts staked by each, and the number or other symbol on which the money is bet. The bettor may write his name on a ticket that is deposited with the lottery organisation for subsequent shuffling and possible selection

in the drawing. Or the bettor may buy a numbered receipt, in the knowledge that this number will be entered into a pool of numbers, the bettor having the responsibility of determining later if his ticket was among the winners. Another procedure requires only that the bettor informs a representative of the lottery which number, usually up to three digits, he guesses will be drawn, and the representative is trusted to appear later with the prize, if any is won. This is the usual procedure in the 'Numbers Game', which has been popular for several decades in several large American cities, later declared illegal.

A second element of all lotteries is the draw, a procedure for determining winning numbers. This may take the form of a pool or collection of tickets or their counterfoils from which the winners are extracted. The tickets must first be thoroughly mixed by some mechanical means such as shaking or tossing. This is a randomising procedure designed to insure in an honest lottery that only chance determines the selection of winners.

A third element is the existence of a mechanism for collecting and pooling all the money placed as stakes. This is usually accomplished by a hierarchy of sales agents who pass money paid for the tickets up through the organisation until it is "banked".

A fourth requirement is a set of rules determining the frequencies and size of the prizes. Costs of organising and promoting the lotteries must be deducted from the pool, and a percentage normally goes as revenues and
profits to the state or sponsor. Of the remainder available for the winners, a decision must be made on whether to pay a few large prizes or many smaller ones. Potential bettors seem to be attracted to lotteries that offer very large prizes, but in some cultures they also demand a chance to win smaller ones.\footnote{1} Authorities on lotteries disagree about which of these choices is better for the welfare of the people and the economic success of the lottery.\footnote{2}

Although religious traditions may have delayed the establishment of lotteries in many countries, it is clear they no longer suppress them entirely. Communist countries attempted for a few decades to reject public gambling institutions as decadent and anti-Marxist, but now only privately organised gambling appears to be in disfavour.\footnote{3}

State-licensed or State-operated lotteries are widely spread about most of the world. Much of the stigma attached to gambling has resulted from the dishonesty of its promoters, and a large proportion of modern gambling legislation is written to control cheating. Many religious groups, social activists, and public policy makers have realised that lotteries would encourage overindulgence and addiction among people belonging to lower socio-economic class, and thus described lotteries as "swindling and demoralising agencies." Hence, lotteries have a very wide appeal as a means

2. Ibid. 
3. Ibid.}
Negligent Consumer Behaviour

Many consumers (particularly those who overindulge in lotteries), in some manner or another, exhibit what might be termed negligent behaviour. "Negligent behaviour" is composed of those actions and inactions that negatively affect the long-term quality of life of individuals and/or society.\footnote{Kinnear C. Thomas and Cynthia J. Frey (1978), "Demarketing of Potentially Hazardous Products: General Framework and Case Studies," \textit{Journal of Contemporary Business}, 7, 57-68.}

Consumer behaviour research and theory provide insight into how both marketers and public policy makers can influence consumers to behave in a safer, socially relevant manner.

Lottery: An Instrument of Gambling

Many consumer products satisfy rather well-defined utilitarian needs through a manageable number of relevant product attributes.\footnote{Green, Paul E. and Yoram Wind (1975), "New Way to Measure Consumers' Judgements," \textit{Harvard Business Review}, (July/August), 107-117.} Some products, such as cultural offerings, satisfy consumer wants in the hedonic or aesthetic realm.\footnote{Holbrook, Morris B. and Elizabeth C. Hirschman (1982), "The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun," \textit{Journal of Consumer Research}, 9 (September), 132-140.} For example, music, movies, television, and other forms of entertainment primarily serve consumer desires for stimuli that result in appealing to visual and auditory experiences. Moreover, for many primarily functional products such as automobiles, clothing, and furniture, marketers
have gained a competitive advantage by creating designs to satisfy aesthetic as well as utilitarian needs. Unlike all these products, lottery tickets, an instrument of gambling, symbolise the hope of winning and also the chances of losing money. The gambling experience is the sum total of initial pleasure and concomitant pains of overindulgence and addiction. As such, lotteries try to satisfy the 'gambling instinct' relying upon the 'greed' of the people, and not the needs of the consumer.

Risks in Buying Lottery Tickets

Consumers, particularly the purchasers of lottery tickets, are constantly faced with decisions that involve some uncertainty about an outcome. They perceive different types of risk (e.g. odds against winning) associated with gambling activities. 'Perceived risk' is a consumer's perception of the overall negativity of a course of action based upon an assessment of the possible negative outcomes and of the likelihood that those outcomes will occur.1 In general, consumers are risk averse in their actions. However, exceptions to the rule do exist. Some consumers appear to seek risk in order to raise their activation levels.

People indulging in lotteries may perceive five types of risk associated with gambling such as: financial, performance, psychological, social, and opportunity loss.

---

'Financial risk' implies that the outcome will harm the consumer financially in terms of repeatedly losing money in buying lotteries, and getting impoverished. 'Performance risk' is that the product will not perform as expected. This indicates the inability of the tickets bought to win prize money for the purchaser. 'Psychological risk' involved in gambling is the product will lower consumer's self-image. This is the risk of experiencing a sense of guilt, depression, or addiction before, during and after the purchase of lottery tickets. 'Social risk' is the risk that friends or acquaintances will deride the purchase of lotteries in the form of social disapproval. Finally, 'opportunity loss' is that risk whereby taking one action (diverting money for buying lottery tickets) the consumer will miss out on doing something else (children's education, medical treatment) he/she would really prefer doing.

For each of the five types of risk, one can identify the two components of risk - the likelihood of loss and the amount of loss.¹

The goal of the study of consumer behaviour is to properly describe, explain, and ultimately predict human actions in the market place.² The

consumer rarely acts solely as an individual but rather behaves in the "actual, imagined, or implied presence of others."¹

**Applied Behaviour Analysis**

Applied behaviour analysis has been shown in numerous cases to be an effective means of altering the behaviour of people. It is a process in which environmental variables are manipulated in order to alter behaviour.² Major steps involved in using applied behaviour analysis are³: identification of specific behaviour to be changed; determination of how to measure how frequently the behaviour occurs; identification of the environmental reinforcers and punishers that shape behaviour, developing procedure to utilise the reinforcers/punishers to shape behaviour; testing the behaviour modification strategy; and evaluating the costs and benefits of the strategy.

---

3. Ibid.
REVIEW OF LITERATURE
Pleasure and Pain of Gambling

The idea that pleasure and pain often go together in gambling (game of chance) has been noted for many centuries. One such example is a quote from Plato found in the work *Phaedo*.\(^1\)

"How strange would appear to be this thing that men call pleasure! And how curiously it is related to what is thought to be its opposite, pain! The two will never be found together in a man, and yet if you seek the one and obtain it, you are almost bound always to get the other as well, just as though they were both attached to one the same head.... Whenever, the one if found, the other follows up behind."

The logic behind the fact that some people indulge in gambling activities is partly answered by 'opponent-process theory of acquired motivation'. The basic idea behind "opponent-process theory of acquired motivation"\(^2\) is that when a consumer receives a stimulus that elicits an immediate positive or negative emotional reaction, two things occur. First,

---

the immediate positive or negative emotional reaction is felt. Next, a second emotional reaction occurs, which has a feeling opposite to that initially experienced. The combination of the two emotional reactions results in the overall feeling experienced by the consumer. Because the second emotional reaction is delayed, the overall experience consists of the consumer first experiencing the initial positive or negative feeling. After some time, however, this feeling gradually declines and the opposite feeling begins to be felt.

A researcher made an interesting observation about the emotional reactions of parachutists. During the first free-fall, before the parachute opens, they may experience terror. They yell, their eyes bulge, their bodies go stiff, and they breathe irregularly. Upon landing safely, they at first walk around stunned with stony faced expressions. Then they begin smiling, talking, gesticulating, and show every indication of being elated. Thus, the parachutists first feel extreme fear, but after landing the fear turns to its opposite emotion - elation.

The theory of achievement motivation is one class of theories which attributes the strength of a motivation (i.e., the active impulse to engage in some activity) to the cognitive expectations that the activity will produce a particular consequence and also to the attractiveness or value of that consequence to the individual. The theory deals only with an important but

limited type of behaviour - achievement - oriented activity. Presumably, any situation which affords a challenge to achieve must also pose the threat of failure. Therefore, achievement-oriented activity is always affected by the conflict between the tendency to achieve success (winning lottery) and the tendency to avoid failure (losing money). The theory of achievement motivation focuses mainly upon the resolution of these two opposing tendencies, both of which are inherent in any gambling situation.

A growing body of research evidence indicates that people have a strong motivation to maintain an 'optimum level of stimulation.' An optimum stimulation level is a person's preferred amount of physiological activation or arousal. Activation may vary from very low levels to very high levels. Factors internal and external to the person may influence his/her level of stimulation at any given point in time. Internal factors include the individual's age, learning history, and personality characteristics. In order to maintain the high levels of stimulation required, sensation seekers are more apt to engage in such activities as parachute jumping, mountain climbing, gambling etc.

While opponent process theory is quite simple, it has broad explanatory power. It can be used to account for a variety of consumer behaviours, such as drug addiction, cigarette smoking, jogging and

2. Ibid.
marathoning, sauna bathing, video game playing and indulging in lotteries. For instance, the question - why would seemingly some individuals go through the pain of continuously losing money in gambling? - is partly answered by this theory.

Another concept closely related to opponent process theory is that of "priming". Priming occurs when a small amount of exposure to a stimulus (playing cards, purchasing lottery tickets) leads to an increased drive to be in the presence of the stimulus. After buying lottery ticket once, it is extremely hard to stop and not buy more. The taste of gambling (initial gambling pleasure) activates the consumer so that the drive to buy additional number of lottery tickets is greater than the drive prior to buying the first one, and thus he succumbs to the pressure of addiction.

Priming may be understood from an opponent process theory perspective. When the reinforcing stimulus is just beginning to be consumed, the opposite motivation has not had a chance to start building up. The experience then may be intensely pleasurable, resulting in a strong drive to continue.

**Rationale for Gambling**

At the outset, it can be presumed that organised gambling (including lotteries) would be run on the basic economic premise that the price of the

---

'product' would be greater than the "expected money value" of the gamble. Given such a 'hopeless' investment for the consumer, it would appear irrational to find people who are otherwise risk-averse (i.e. apart from compulsive gamblers), still preferring to gamble. The explanation to such a situation has been usually given in terms of one or more of the following factors: (a) the pleasure/recreation that may be associated with the mere act of gambling (Stocker, 1967);1 (b) the high premium attached to a chance for improving one's standard of living (Friedman and Savage 1948);2 (c) the 'availability' or the ease with which it is possible to visualise the prospect of winning (Tversky and Kahneman 1974)3 especially when advertising could exploit this factor; and (d) the tendency of an 'illusion of control' among gamblers which makes them feel that choosing winning numbers is partly a matter of skill even in purely chance games (Langer 1978).4 Each of the above factors has the potential to raise the expected value of the gamble to make it worthwhile for the 'consumer' to play. It is the acknowledgement of this basic aspect that may prevent the demand for gambling from being termed irrational, from an economic point of view.

Lottery-specific Studies

Johnson (1976) suggested a few measures for improving lottery sales and revenues which may be of some use in designing a specific policy-

frame for State lotteries. These suggestions include: 1 (a) increasing the frequency of draws to retain public interest and to encourage rechannelling of winnings; (b) offering a larger number of lotteries with different prize structures; (c) reducing the price of tickets and making them more convenient to buy; and (d) devising a prize structure with a few very large prizes in order to capture the imagination of purchasers along with a large number of small prizes to ensure that most individuals would "know" someone who has won. The additional revenue thus mobilised could be earmarked for specific developmental programmes for the lower-income classes (instead of forming part of a general fund) which could partly redress the regressivity of the lottery tax.

James Walsh (1996) studied as to why people play the lottery, and the findings emphasised expected value and risk-taking behaviour of lottery players; their forecasts, comparisons, and calculations in respect of odds against winning. 2

Thimmaiah (1969) 3 made an attempt to evaluate the economics of State lottery schemes both in Karnataka State and other States in India. He strongly advocated a need to curb gambling through a Central Act.

Mompilly (1969)\textsuperscript{1} analysed the normative relationship between means and ends of running State lotteries.

Chatterjee (1995) made an economic assessment of the functioning of State government lotteries in India in terms of the following: 1. State lotteries as a source of public revenues; 2. operating costs of state lotteries; 3. the implicit lottery tax rate; 4. incidence of the implicit tax; and 5. implications of State withdrawal from lottery activity. The study concluded that State lotteries in India are a relatively high-cost instrument of resource mobilisation, and raised the primary concern as to whether the prohibition of lotteries or the withdrawal of the State from lottery activity would be effective in curbing people's tendency to gamble and lead to a proliferation of other illegal/criminal forms of activities.\textsuperscript{2}

Review of lottery-specific studies suggests that lottery, as an instrument of gambling, has been viewed as economically wasteful, socially dangerous, politically unwanted, and morally indefensible.

It is increasingly acknowledged that the principles and strategies of commercial marketing can be effectively and efficiently employed to promote a social cause, e.g., eradicating lottery menace, by bringing about socially desirable attitudes and behaviour among people.

\textsuperscript{1} Mompilly Paul (1969), "Least Irritating Means of Revenue," \textit{The Economic Times}, (July 9), 5.

Planned Social Change

Andreasen (1981) acknowledged the greatly accelerated growth of American institutions that choose to-or are mandated to-bring about socially desirable attitudes and behaviours.1 These social marketers include such organisations and/or groups as Health Maintenance Organisations, Alcoholics Anonymous, the Office of Cancer Communications, and the United Way.2

Fox and Kotler (1980) indicate that many of these organisations have recently discovered marketing as a potentially useful tool to help them achieve their objectives, which often deal with planned social change.3

According to the U.S. Public Health Service (1991), of the ten leading causes of death in the United States, at least seven could be reduced substantially if people at risk would change just five behaviours:4 Compliance (e.g., use of antihypertensive medication), diet, smoking, lack of exercise, and alcohol and drug abuse. Each of these behaviours is inextricably linked with marketing efforts and the reactions of consumers to marketing campaigns. Thus, the link between 'consumer choices' and 'social problems' is clear.

2. Ibid.
Beliefs, Attitudes, and Behaviour

Marketing theorists have been concerned with the effects of numerous behavioural and demographic variables on consumer brand purchase behaviour. Extensive literature reviews by theorists developing consumer behaviour models suggest, among others, such explanatory variables as attitude, motives, group influences, culture, social class, intention, income, education, family size, race, and religion.¹

The term "attitude" has been defined in numerous ways by different authors over the years. Thurstone, who was one of the originators of modern attitude measurement theory, viewed 'attitudes' as "the amount of affect or feeling for or against a stimulus."²

The idea that attitudes refer to affect or a general evaluative reaction has been expressed by many researchers, and the trend in recent years has been to link the concept to feelings rather than beliefs. Examples of some definitions of attitudes include the following:

Attitudes are likes and dislikes.\textsuperscript{1} The major characteristics that distinguish attitude from other concepts are its evaluative or affective nature.\textsuperscript{2} Attitudes are the core of our likes and dislikes for certain people, groups, situations, objects, and intangible ideas.\textsuperscript{3} It should be noted that some researchers have defined attitudes in terms of three separate components - cognitions (beliefs), affect (feelings), and conation (behavioural intentions).\textsuperscript{4} However, such a conceptualisation fails to distinguish these concepts such that each has its own set of determinants.\textsuperscript{5} Indeed, some evidence indicates that beliefs and feelings reside in completely different physiological systems.\textsuperscript{6} Thus, beliefs may reside in the autonomic nervous system, which is affected more by classical conditioning principles. As a result, it is more appropriate to separate the definitions of beliefs and attitudes. 'Beliefs' refer to the cognitive knowledge that consumers have linking attributes, benefits, and objects. In contrast, 'attitudes' refer to the feelings or affective responses that people have about attributes, benefits, and objects. If a researcher asks consumers how much they like something or how they feel about something, consumers express their attitudes towards

\textsuperscript{1} Bern J. Darrel (1970), \textit{Beliefs, Attitudes, and Human Affairs}, Belmont, Calif.: Brooks/Cole.
\textsuperscript{2} Fishbein M. and I. Ajzen (1975), \textit{Belief, Attitude, Intention, and Behaviour: An Introduction to Theory and Research}, Reading Mass.: Addison-Wesley.
the object. Indeed, once attitudes are formed, they can be viewed as being stored in long-term memory. When appropriate occasions arise, the attitude can be retrieved from memory to help the person deal with the issue or problem. In this manner attitudes have a function. They have a reason for existing, because they help people to interact more effectively with the environment. Thus, when one speaks of the functions of attitudes, the goal is to identify the use to which the attitude is put.\footnote{Kiesler Charles, Barry Collins, and Norman Miller (1969), \textit{Attitude Change: A Critical Analysis of Theoretical Approaches}, New York: John Wiley and Sons, Inc.}

While a number of functional theories of attitudes have been developed, the one receiving the most attention was developed by Daniel Katz. Katz identified four functions of attitudes: the utilitarian, the ego-defensive, the knowledge, and the value-expressive functions.\footnote{Katz Daniel (1960), "The Functional Approach to Attitudes," \textit{Public Opinion Quarterly}, 24, 163-204.}

The utilitarian function of attitudes refers to the concept that people express feelings in order to obtain certain outcomes and avoid others. Attitudes may also be held in order to protect people from basic truths about themselves or from the harsh realities of the external world. In this context, the attitude acts as a kind of defense mechanism. For example, people may hold positive attitudes towards lotteries in order to defend themselves against the reality of overindulgence, addiction and concomitant evils. As a knowledge function, attitudes may also serve as standards that help people to
understand their universe. The value-expressive function acts to express a person's central values and self-concept to himself and to others. In consumer settings the value-expressive function can be seen in instances in which people express positive views about various products, brands, and services. The behavioural expression of such values can be seen in the purchase of products that express a consumer's self-concept.

'Behavioural intentions' are the intentions of consumers to behave in a particular way with regard to the acquisition, disposal, and use of products and services. Thus, a consumer may form the intention to search for information, to tell someone else about an experience with a product, to buy a product or service, or to dispose of a product in a certain way.¹

In short, attitude is the predisposition of the individual to evaluate some symbol or object or aspect of his or her world in a favourable or unfavourable manner. 'Opinion' is the verbal expression of an attitude, but attitudes can also be expressed in non-verbal behaviour.² Attitudes include both the affective, or feeling core of liking or disliking, and the cognitive, or belief, elements which describe the object of the attitude, its characteristics, and its relations to other objects. All attitudes thus include beliefs, but not all beliefs are attitudes. When specific attitudes are organised into a hierarchical structure, they comprise "value systems."³

Beliefs, attitudes, and behaviours may be formed in two distinct ways.\(^1\) The first is through *direct influence*, in which a belief, attitude, or behaviour is created without either of the other concepts occurring first. Thus, as the 'behavioural influence perspective' on consumer behaviour suggests, a behaviour could be induced to occur without the consumer having formed strong attitudes or beliefs about the object to which the behaviour is directed. Similarly, as the 'experiential perspective' suggests, an attitude (i.e., a feeling) may be created without the consumers having specific beliefs about the attitudinal object, such as a product or service, and without the consumer ever having bought the product.

After a belief, attitude, or behaviour is induced, a tendency exists for the concepts to build upon each other to form hierarchies. Thus, the consumer may first form beliefs about a product, then develop attitudes towards it, and finally purchase it. In a similar manner, the consumer may first buy a product and then form beliefs and attitudes. At this juncture, it is necessary to understand the processes through which attitudes, beliefs, and behaviours are directly influenced and through which these concepts are formed into 'hierarchies of effects'.

Disparate processes cause the direct formation of beliefs, attitudes, and behaviours. These processes are directly linked to the three research

---

perspectives on consumer behaviour. Belief formation corresponds to the 'decision-making perspective'. Beliefs are viewed as being formed primarily through information-processing and cognitive learning principles. In contrast, the direct formation of attitudes is linked to the 'experiential perspective', such that attitudes result from sources that directly elicit emotional responses (e.g., mere exposure and classical conditioning). Finally, the direct creation of behaviour corresponds to the 'behavioural influence perspective.' Behaviour may result from people engaging in behaviours because of environmental or situational factors.

The relative importance of attitudes and behaviours influencing each other has stirred up a great deal of controversy among consumer behaviour researchers.²

The multiattribute model or the "Theory of Reasoned Action," known as Fishbein model, in honour of its creator assumes that attitudes (A) towards purchase are the attitudes of interest. These attitudes come from the combination of all beliefs (B) about a product multiplied times the evaluation (E) of those beliefs: A=B(E).³ The beliefs are viewed by the person as facts, and the evaluations are measured like attitudes. For example, an individual believes that festival draw offers a huge bumper prize money; and

he may also believe that his chances of winning this prize money are very high. The combination of these two beliefs plus any others, each multiplied by its evaluation, will lead to the attitude towards purchasing this lottery ticket.

A parallel concept to attitude is subjective norm (S). It results from multiplying normative beliefs (N) times motives to comply (M): S=N(M).

A normative belief is what other important people (relevant others) think, such as friends and family. A motive to comply is whether other important people matter in this context. For example, if the parents of an individual hate buying lottery tickets but he does not care, what his parents think will not matter in this case. But if his friends like lotteries and he cares what his friends think, that will influence his subjective norm.

Purchase intentions (I) result from the weighted combination of attitudes towards purchase and subjective norms. The weight (W) is based on how important each element is in a particular decision: I=(W)A+W(S). Behaviour results from purchase intentions, but many other factors can interfere with the actual purchase of a product. From this model one can see that attitude and behaviour are related, with attitude generally leading to behaviour; however, subjective norms, the importance of attitudes and subjective norms, purchase intention, and intervening factors all have an influence on purchase behaviour, too. Thus, the relationship between attitudes and behaviours includes several factors and is somewhat complex.
Attitude-Behaviour Consistency/Discrepancy

A significant body of literature on the attitude-behaviour relationship supports the general assumption that attitudes and behaviour are, on the whole, positively related.\textsuperscript{1} People often manifest behaviours towards which they have positive attitudes (contributions to charity) and avoid those behaviours towards which they have negative attitudes (deviant behaviour). As such, attitude-behaviour consistency generally holds in an aggregate analysis.

However, in a case by case analysis, attitude-behaviour discrepancy also certainly exists.\textsuperscript{2} This construct implies that there are situations in which people's attitudes and behaviour are at odds with each other. For example, many people possess positive attitude towards wearing seat belts but they do not use them; conversely, some people may have negative attitudes towards going to church but still attend.\textsuperscript{3}

Except in a very homogenous society, it is not likely that everyone will manifest the same degree or direction of attitude-behaviour consistency/discrepancy, especially towards socially relevant behaviours. For example,


\textsuperscript{2} Sheth, Jagdish N. and John Wong (1981), "Impact of Unexpected events on Intention-Behaviour Consistency: An Experimental Study," faculty working paper, Bureau of Economic and Business Research, University of Illinois.

some couples practise birth control and have a positive attitude towards birth control, others avoid it because they have negative attitudes, still others practise birth control but more out of necessity, and finally some believe in birth control but do not practise it.¹

'Before-During-After' Purchase Evaluations

Throughout the consumption cycle, from pre-purchase consideration of alternatives to choice to possession and consumption, consumers evaluate products. Yet considerably more academic theory development has concentrated on consumers' pre-purchase product evaluations (Batra and Stayman 1990; Dick, Chakravarti, and Bichal 1990; Lynch, Marmorstein, and Weigold 1988; Maheswaran and Sternthal 1990) than on those made after purchase.² Recently, business managers have been encouraged to pay more attention to consumers' post-purchase evaluations (knowing how consumers use and evaluate products after purchase).³

¹ Of course this situation can be considerably more complex if a husband and wife within one family unit lack congruence or agreement in their attitudes and behaviour concerning birth control.


A body of research has begun to emerge which, at least implicitly, views post-purchase product evaluation as unique from prepurchase. However, one might contend that the basic phenomenon, product evaluation, is the same for both pre- and post-purchase. Evaluation experiences broadly include (1) positive and negative judgements about a product before, during, or after its use, and (2) processes that lead to making such judgements.

Comparing a product's performance (either anticipated or actual) to any of several standards may occur as consumers attempt to evaluate products throughout the consumption cycle. The disconfirmation paradigm suggests that a consumer's post-purchase satisfaction with a product results from that product's ability to meet a set of performance expectations. Product performance may be compared against a variety of standards that have been noted primarily in the post-purchase evaluation literature: expected or predicted performance (Oliver 1980); experience-based norms (Woodruff, Cadotte, and Jenkins 1983); equity (Oliver and Swan 1989).

2. Ibid.
values (Westbrook and Reilly 1983);
desires (Olshavsky and Spreng 1989); ideals; or minimum tolerable, deserved (Miller 1976), or multiple standards (Cadotte, Woodruff, and Jenkins 1987).

Consumer Ambivalence

Consumer ambivalence is the simultaneous or sequential experience of multiple emotional states, as a result of the interaction between internal factors and external objects, people, institutions, and/or cultural phenomena in market oriented contexts, that can have direct and/or indirect ramifications on pre-purchase, purchase or post-purchase attitudes and behaviour.¹

Many studies have examined the effect of one specific emotion or valence in consumer contexts. Recent studies clearly illustrate that consumers' mixed emotions, or ambivalence, are also salient in the market place.²

A few studies have discussed ambivalence as an emotional outcome of consumer behaviour. For example, Celsi et al (1993, p. 15) report skydivers' experience of the "affective contrast of thrill and risk, of pleasure and fear."³

---

However, what is missing from the consumer behaviour literature is an explication of the processes by which ambivalent emotions may be generated in the market place.1

Perceived Risk and Involvement

The concept of "risk" became popular in the field of economics in the 1920s.2 Since then, it has been successfully used in theories of decision making in economics, finance, and the decision sciences. Bauer (1960) introduced the concept of "perceived risk" to the marketing literature,3 and then the psychologists Kogan and Wallach (1964) wrote their major work on risk taking.4 Early work in marketing included a book on risk taking and information handling in consumer behaviour (Cox 1967),5 followed by several conceptual models of consumer risk perception and handling (Markin 1974; Stem, Lamb, and McLachlan 1977; Taylor 1974).6 More recently, perceived

---

risk has been used as an explanatory variable in empirical research on consumer behaviour (Rao and Farley 1987; Srinivasan and Ratchford 1991).1

Reviews of perceived risk illustrate a variety of conceptualizations of the perceived risk construct (Dowling 1986; Gemunden 1985; Ingene and Hughes 1985; Ross 1975).2 The concept of perceived risk most often used by consumer researchers defines risk in terms of the consumer's perceptions of the uncertainty and adverse consequences of buying a product (or service). In this way, consumer researchers implicitly assume that both the probability and the outcome of each purchase event are uncertain.

The consumer's involvement with the purchase decision influences the person's perception of risk. Three types of involvement are frequently cited in consumer research such as: ego involvement (Sherif and Cantril 1947),3

purchase involvement, and product involvement (Bloch, Sherrell, and Ridgway 1986). Ego involvement focuses on the relationship of a product to a person's self-concept, while product and purchase involvement focus on a product category and a specific purchase occasion.

Consumers evaluate the attributes of the specific product being considered, the relevant factors associated with the usage situation relative to their purchase goals and what they know about products of this type (Dowling 1986).

Bettman (1973) identified two components of the overall level of perceived risk - "inherent risk" and "handled risk". The first reflects the person's perception of risk inherent in purchasing any particular product in a specific product category (product-category risk). The second component of the overall level of perceived risk is associated with the particular product being considered in the product class (product-specific risk).

A growing body of research in psychology, marketing and management seeks to explain the relationship between risk perception and the acceptance of risk (Kahneman, Slovic and Tversky 1982; MacCrimmon and Wehrung

Acceptable risk can be of two types, namely the point above which the product category is perceived as too risky to indulge in (e.g., skydiving, motor racing) and the point above which a specific product has an unacceptable level of perceived risk to purchase.

Involvement has also generated a good deal of interest in recent years. At one time, for the most part only high-involvement models were considered. But consumers generally are just not that involved in the decision for certain products. When involvement is low, information processing is turned off more quickly. Superficial aspects of marketing communication, such as music and attractiveness of a celebrity endorser, may play a greater role in consumer influence and consumer decision making than product facts. In the case of low-involvement products, initial purchases usually are not based on very much information, and repeat purchases will usually only use


information based on prior personal experience. People generally trust their own experiences with a product as much as any other source of information; hence, positive experiences will fuel satisfaction, repeat purchase, and brand loyalty, whereas negative experiences will lead to dissatisfaction, brand switching, and negative word-of-mouth communication.

Consumers differ not only in level of involvement, but also in type of involvement. Many authors reviewed this field of consumer research and theory (Arora 1982; Assael 1981; De Bruicker 1979; Engel and Blackwell 1982; Ray 1973; Robertson 1976). Depending on their level of involvement, consumers will differ greatly in the extensiveness of their purchase decision process or in their processing of communications (Krugman 1965, 1967).

Review of current research and practices indicates the following antecedents, or facets of involvement.1

1. The perceived importance of the product (its personal meaning).
2. The perceived risk associated with the product purchase, which in turn has two facets (Baur 1967)2:
   - the perceived importance of negative consequences in case of poor choice and
   - the perceived probability of making such a mistake.
3. The symbolic or sign value attributed by the consumer to the product, its purchase, or its consumption. This differentiates functional risk from psychosocial risk (Baur 1967).
4. The hedonic value of the product, its emotional appeal, its ability to provide pleasure and affect.

Information-search Activities

Although historically consumer researchers have viewed consumers as rational, computer-like information-processing machines, in recent years the trend has been to realise that emotions also influence consumption (Tull and Kahle....).3

There exists a belief that consumers engage in risk-reducing (i.e., information search) activities in order to reduce their perceived risk level

(and, therefore, their feelings of being uncomfortable).\textsuperscript{1} Two different generic strategies are frequently cited for accomplishing this risk reduction. First, people routinely conduct information search (or shopping activity) in order to acquire general product class information ("normal" risk-reduction activities). The second strategy is to reduce the specific perceived risk of the particular product being considered to an acceptable level. This might be achieved by collecting new information about the brand being considered or other available brands or by modifying the selection of products in the choice set. For example, probability of loss could be reduced by obtaining information from a friend who had used the product, limiting the set of alternatives to well-known brands, or trying the product prior to purchase. Alternatively, the magnitude of the adverse consequences could be reduced by altering purchase goals, and/or by insuring against any adverse consequences. When the level of specific risk is less than the acceptable risk level, only normal risk-reduction activities will be pursued. In such a situation, the person "accepts" the specific risk and does not engage in any additional or "extra" risk-reduction activity over and above that which the individual would normally engage in when shopping for a product in this category. However, if the consumer perceives product-specific risk to be unacceptable, he/she will undertake extra risk-reduction activities in order to reduce this risk. In this way, there exists a relationship between three perceived-risk constructs—product-category risk, specific risk, and acceptable risk — and the person's risk-reduction activities.

\textsuperscript{1} Folkman, Susan and Richard S. Lazarus (1988), "Coping as a Mediator of Emotions," \textit{Journal of Personality and Social Psychology}, 54 (March), 466-475.
Impulse Buying

Research dating back over 45 years reports impulse purchasing to be widespread among the consumer population and across numerous product categories. Despite all of this, there has been little consensus about what impulse buying actually is.

Buying impulsiveness is a consumer's tendency to buy spontaneously, unreflectively, immediately, and kinetically. Impulsive behaviour has a long history of being associated with immaturity, primitivism, foolishness, "defects of the will," lower intelligence, and even social deviance and criminality.

To date almost no published research has examined the behavioural content of individuals' impulse buying episodes. Earlier conceptualizations of impulse buying correctly identified the absence of forethought as a distinguishing feature.


Rook (1987) identified the subjective experiences that distinguish the onset of the buying impulse, how consumers cope with their impulsive urges to buy, and the types of negative consequences they incur as a result of their impulsive buying.¹

The sudden urge to buy is likely to be triggered by a visual confrontation with a product or by some promotional stimulus, but the buying impulse does not always depend on direct visual stimulation. The research findings of Rook (1987) revealed that some respondents described sitting at home and suddenly experiencing the urge to go out and buy something, with no apparent external visual encouragement.

Goldenson (1984) opined that the psychological impulses stimulate a desire to act immediately, and the inclination may be urgent and intense.² Hence, buying impulses are likely to occupy centre stage quickly and become intensely preoccupying. In Rook's study, some confessed to feeling compelled, obsessed and desperate. These descriptions reflect contemporary folk conceptions about products' impulsive allures.³ Many more described the impulse to buy as being very stimulating depicting the sudden urge to buy something as "exciting," "thrilling," or "wild".¹ Thus, the variety and high levels of excitement that are attributed to impulse buying distinguish it from more calm and rational consumer decision making.

4. Ibid.
The buying impulse is often accompanied by intense feeling states. Consumers' hedonic experiences have not been extensively researched,¹ and impulse buying provides a rich opportunity to observe both the everyday pleasures and pains of buying behaviour. In describing the kinds of feelings that accompanied most recent buying impulse, Rook's (1987) study² reported that the impulse to buy made the respondents feel "good", "happy", "satisfied", "light," "wonderful," or "high". In contrast to these generally pleasurable features, other respondents described themselves as becoming "restless", "nervous", "distressed", "out-of-control", or "helpless". These extremes of pleasure and pain suggest that impulse buying is hedonically quite complex. The impulse to buy arouses both pleasure and guilt. To buy or not to buy is often a nagging question and involves the everyday struggle between relative good and evil. Further, an impulse's urge towards immediate action discourages consideration of the behaviour's potential consequences. A powerful urge to buy may prove irresistible and consumers may impulsively buy something succumbing to their buying impulses despite an awareness of potentially negative consequences such as experiencing

financial hardships as a result of impulse buying, suffering a disappointment with an impulsively purchased product, and becoming the target of someone else's disapproval.

Recently, both popular journalism and clinical studies have brought considerable attention to impulse control disorders.¹

Perceived Crowding and Shopper's Behaviour

A theoretical discussion of buyer behaviour under conditions of crowding, advanced by Harrell and Hutt (1976a, b), was based on a literature study and a series of exploratory group depth interviews with shoppers.² An emerging interdisciplinary field, environmental psychology, has provided evidence about environmental influences on human behaviour. Several diverse empirical studies of nonmarketing activities have suggested that individuals engage in systematic psychological outlooks and behavioural responses to perceived crowding.³

¹ Polivy, Janet and C. Peter Herman (1985), "Dieting and Binging," American Psychologist, 40 (February), 193-201.
³ Ibid.
Crowding can be viewed as both a physical state of high density (number of persons in a given space) and as a psychological (perceived experiential) state of the individual.¹

Horrell, Hutt and Anderson (1980) in their field study by use of path analysis on data from 600 shoppers explored the sequential relationships among several variables pertinent to retail crowding. Results furnished evidence that perceived crowding systematically affects shopping behaviour and consumers' feelings about retail outlets and shopping trips.² Several specific adaptation strategies invoked by shoppers when they found themselves in a crowded shopping environment included³: adjustments in shopping time, deviations in any shopping plans, fewer initiated conversations, use of informational and stimulus surrogates (such as standard brands) for buying decisions, more conformity to traffic patterns, and less exploratory behaviour.

³ Ibid.
NEED FOR THE PRESENT STUDY

Understanding consumer behaviour and "knowing customers" are never simple. Customers may state their needs and wants but act otherwise. They may not be in touch with their deeper motivations. They may respond to influences that change their mind at the last minute. Nevertheless, possessing an understanding of consumers and the consumption process provides consumer researchers with a theoretical base from which to analyse consumers, helps legislators and regulators (public policy makers) create laws and regulations, and assist the average consumer in making better purchase decisions.

Reviews of the literature suggest that relatively little attention has been given to the study of the attitudinal and behavioural aspects of gambling in general, and buying lottery tickets in particular. Earlier conceptual and empirical studies have focussed on an evaluation of lottery business as a means of mobilising resources by the State for financing developmental activities; potential for creating employment opportunities; ability to substitute other (riskier) forms of gambling/games of chance; State lotteries and their overall functioning as providing safer avenues for satisfying the gambling urges of people. However, the subject of lotteries as a means for mobilising resources by the States can never be examined in isolation from the social and emotional issues with which it is inextricably interwoven.

Some State governments have banned the purchase and sale of lottery tickets on the ground of protecting the lower and middle classes which generally yield to the temptation and might, therefore, get impoverished. In fact, experience all over the world shows that law will only facilitate the intended process but it alone cannot create and sustain relevant social attitudes and behaviours among people. Hence, any attempt to ban lotteries by enacting and enforcing anti-lottery laws without a proper study of the social and psychological forces influencing the people in buying lottery tickets would be not only non-productive but also counter-productive.

It is evident that considerable work remains in investigating the personal, social, economic and psychological factors motivating the people to indulge in lotteries, and in developing processes and strategies to eradicate lottery menace in a phased manner by curbing the gambling instinct among the people. Thus, there exists a strong need to offer conceptually sound, operationally feasible, and socially and morally justifiable intervention strategies and processes to bring about a 'planned social change' by empirically studying the attitude and behaviour of lottery ticket purchasers. Therefore, the central purpose of the study titled, "Attitude and Behaviour of Lottery Ticket Purchases - A Study with Reference to Dakshina Kannada District" is to understand and describe purchasers and non-purchasers of lottery tickets and their characteristics; why, where, when, and how they buy lottery tickets; frequency and volume of purchase; their in-store behaviour; and finally to suggest a strategy-mix choice model to bring about a planned social change in this field.
OBJECTIVES

It was with a view to making an indepth study of the attitude and behaviour of lottery ticket purchasers in Dakshina Kannada district of Karnataka State that this study was undertaken. Among other things, the main objectives of the study are:

1. to provide an overview of the dynamics of State lotteries;

2. to describe the socio-economic, demographic and psychographic characteristics of the purchasers and non-purchasers of lottery tickets;

3. to project and analyse the beliefs, attitudes and behaviours of rural and urban people in respect of buying lottery tickets;

4. to describe in-store behaviour of lottery ticket purchasers;

5. to understand and explain the views and perceptions of lottery ticket vendors and their market behaviours; and

6. to develop a strategy mix choice model to bring about a planned social change in the light of the results, discussions, and conclusions of this study.
HYPOTHESES

The following research hypotheses have been formulated for further investigation:

1. Lottery purchasing status tends to vary between rural and urban people.

2. Lottery purchasing behaviour does not remain the same among Hindus, Muslims, and Christians in both rural and urban areas.

3. Lottery purchasing behaviour does not remain the same among nuclear, extended and joint family structures in both rural and urban areas.

4. Lottery purchasing behaviour does not remain the same across different sizes of the families in both rural and urban areas.

5. Lottery purchasing behaviour does not remain the same among those belonging to single earner, dual earner, and multiple earner households in both rural and urban areas.

6. Lottery purchasing behaviour does not remain the same between male and female members in both rural and urban areas.

7. Lottery purchasing behaviour does not remain the same between rural and urban people irrespective of their marital status.

8. Lottery purchasing behaviour does not remain the same among people belonging to different age-groups in both rural and urban areas.
9. Lottery purchasing behaviour does not remain the same among people having different educational status in both rural and urban areas.

10. Lottery purchasing behaviour does not remain the same among people belonging to different occupational groups in both rural and urban areas.

11. Lottery purchasing behaviour does not remain the same among people belonging to different income groups in both rural and urban areas.

12. Number of lottery tickets purchased at a time does not remain the same between rural and urban purchasers.

13. Frequency of winning prizes in lotteries does not remain the same between rural and urban people.

14. Attitude-behaviour consistency towards lotteries does not exist among purchasers and non-purchasers in both rural and urban areas.

15. Frequency of pondering over the evil effects of purchasing lottery tickets does not remain the same between rural and urban people.

16. Attitude-behaviour consistency in respect of eradicating lottery menace (planned social change) does not exist among all people.
RESEARCH METHODOLOGY

The nature of this thesis is partly descriptive and partly diagnostic. This thesis is co-ordinated mostly by using the primary data collected by the research scholar under the guidance of the research guide. No secondary data related to the subject of study in the area covered are available. Hence, practically the research scholar relied upon primary data collected through survey and observation methods. However, certain books and periodicals were consulted for the understanding of relevant concepts and aspects of consumer attitudes and behaviour in general and particularly in respect of buying lottery tickets. The specific references and general references are detailed in the bibliography.

An exploratory focus-group interview was conducted by the research scholar before framing the questionnaire for the household sample survey. A small sample of 8 regular purchasers of lottery tickets was chosen in consultation with the two prominent lottery ticket vendors in Mangalore city of Dakshina Kannada district. After obtaining the respondents' permission, the interviews were recorded on tapes. Respondents were told that the purpose was to learn more about their "experiences and personal reactions" to gambling in general and buying of lottery tickets in particular, that there were no right or wrong views and perceptions, and that all of their thoughts were important. After a warm-up task (i.e., talking about their favourite leisure-time activity), the participants were led through a free and frank
interaction session by the researcher. Respondents were then thanked for their participation, and any questions they had were answered. This focus-group interview was very helpful for framing a comprehensive questionnaire to study the beliefs, attitudes, and behaviour of people in respect of lotteries since respondents shook-off their initial inhibitions and actively participated in the discussion without any reservations.

A comprehensive structured, and non-disguised questionnaire was personally administered by the research scholar in Kannada language (official language of Karnataka State) to 400 rural and 400 urban respondents in Dakshina Kannada district of Karnataka State. The researcher felt that the respondents should be taken into confidence and clearly told in their mother tongue (mostly Tulu) why the survey was being undertaken, so that they would realise its relevance and give the desired information accurately. Furthermore, the questionnaire was pre-tested with a small sample of 25 rural households and 25 urban households, and as a result, some modifications have been made in the phraseology of questions and their sequence.

For the purpose of this household survey 400 rural and 400 urban households (total of 800) were randomly chosen without presuming any lottery ticket buyers in those households. In each chosen household, one respondent (purchaser or non-purchaser) was personally interviewed by the
research scholar with the help of a questionnaire developed as discussed earlier. A specimen of this questionnaire is given in appendix II. This process provided a total sample of 800 respondents (400 rural and 400 urban). Out of 400 rural respondents, purchasers of lottery tickets were 214, while non-purchasers were 186. Similarly, among 400 urban respondents the purchasers of lottery tickets accounted for 258 and non-purchasers were 142. Sufficient care was taken by the researcher to ensure a representative cross-section of the sample, better interviewer-respondent interface, higher response rate and more accurate responses. This household sample survey was conducted during January-June 1997.

Besides the household survey described above two more surveys - vendor survey, and observation survey of customers at the retail outlets selling lottery tickets - were also conducted by the research scholar. Out of 254 lottery ticket vendors selling lottery tickets in Dakshina Kannada district of Karnataka State, 70 vendors (35 rural and 35 urban) were randomly chosen and personal interviews were conducted by the researcher with the help of a questionnaire (specimen given in appendix III). The researcher also employed certain "probes" in the interview such as: "can you elaborate a little more on that ?"; "can you tell me more about that ?"; "can you go into that in a little more detail ?"; "what was that like ?"; "when you say -, what does that mean ?"; "what were you aware of ?"; and "what was your reaction ?".
For the purpose of in-store observation survey, the researcher personally made a structured, disguised, direct observation of 700 random customers (shoppers) in 70 chosen retail outlets selling lottery tickets. These retail outlets consisted of 35 rural and 35 urban shops (drawn from the same sample used for vendor survey mentioned earlier). In each chosen shop 10 customers were observed manually with the help of an observation schedule (specimen given in appendix III), and the observer's (researcher) identity was not revealed to any one except the vendor concerned, and the customers mistook the observer for any purchaser of lottery tickets. Hence, this observation survey of customers in these stores was undertaken under realistic conditions. It should be noted that the researcher has not employed any mechanical observational devices (eye-cameras, audimeters). Although, the mechanical recordings of in-store behaviour are normally free from subjective bias, such observations may be less valid than human observations (Beri 1996). This is because the observer's power of integration can lead to a more valid evaluation of the observation.

Appropriate statistical tools used for analysing and interpreting the research findings include: chi-square, correlation, weighted average and median.

---

SCOPE AND LIMITATIONS

The projections and observations made in this thesis are, as noted above, based on the primary data and information generated from three sample surveys (household, vendor and observation survey) conducted in one district, that is, Dakshina Kannada district of Karnataka State, India. To that extent, this study is a 'micro' study.

As in virtually any study of consumer behaviour, the findings, inferences, and conclusions reported here should be tempered by certain important limitations and caveats. Thus, this study, though it projects the state of affairs in respect of the attitude and behaviour of lottery ticket purchasers in Dakshina Kannada district, it may not be a fair representation of the facts in other areas. As usual in such research, these results cannot automatically be generalised. Different results might be obtained with different gambling instruments, different kinds of attitude measure, respondents from different socio-economic strata, or members of a different culture. Nevertheless, a general trend in respect of the attitude and behaviour of rural and urban people towards lotteries can be noted from this study. What Professor Paul A. Samuelson stated with reference to economic events can be stated with reference to human behavioural pattern also: "...(human behaviour patterns) and statistical data observed are, alas, not so well behaved and orderly as the paths of heavenly satellites. Divergent causes are working at the same time, confounding over recognition of the true pattern of cause and effect despite our use of the most sophisticated statistical methods. Fortunately, our answers need not be accurate to several decimal places; on the contrary, if the right general direction of cause and effect can be determined, we shall have made a tremendous step forward."1

CHAPTER CLASSIFICATION

This thesis is co-ordinated in eight chapters as given below.

Chapter-I : "INTRODUCTION" presents the nature and subject matter of the study, conceptual framework, review of literature, need for the present study, objectives, research methodology, and scope and limitations of this study. Finally, it shows the lay-out of the thesis in the form of chapter-classification.

Chapter-II : "STATE GOVERNMENT LOTTERIES: AN OVERVIEW" is intended to provide a bird's-eye-view of State lotteries in India and abroad. A brief description of the genesis of lotteries, recent developments abroad, Indian experience in lottery business and the operation of Karnataka State lottery is presented here. This would provide as a background to the thesis developed in the subsequent chapters.

Chapter-III : "SOCIO-ECONOMIC AND DEMOGRAPHIC PROFILE OF LOTTERY TICKET PURCHASERS" gives a description of the socio-economic, demographic and psychographic characteristics of the rural and urban purchasers and non-purchasers of lottery tickets. The important variables considered for this purpose include:
religion, family structure, family size, family earning status, sex, marital status, age, education, occupation, monthly income, leisure-time activities, and personal habits and addictions of the respondents.

Chapter-IV: "BELIEFS, ATTITUDES, AND BEHAVIOUR OF LOTTERY TICKET PURCHASERS" is devoted to project the beliefs, attitudes, and behaviour of purchasers and non-purchasers of lottery tickets in both rural and urban areas of Dakshina Kannada district. The important issues discussed in this chapter include: average monthly earnings spent on lotteries; reasons for buying or not buying lottery tickets; influencing sources; pre-purchase information gathering; frequency and outlets of purchase; beliefs and feelings 'before-during-after purchase'; attitude-behaviour consistency/discrepancy; evil effects of lotteries on work, social, and family relationships; and possible reactions of people in the event of partial or complete ban of lotteries.

Chapter-V: "IN-STORE BEHAVIOUR OF LOTTERY TICKET PURCHASERS" presents the results and discussions of in-store behaviour of lottery ticket purchasers. In-store observation of customers was made in respect of the composition of customers; estimated age and sex; observed physical appearance, and probable socio-economic status; mode of reaching the shop; observed mood of the customers; immediate reactions after
entering the shop; information sought from the vendor; number of customers ultimately buying or not buying lottery tickets; and the total shopping time taken by the customers.

Chapter VI: "LOTTERY TICKET SELLERS: VENDOR BEHAVIOUR" projects the views and perceptions of lottery ticket vendors in respect of lottery business in general, and selling lottery tickets in particular. This chapter also describes the pattern of 'market behaviour' demonstrated by the vendors of lottery tickets.

Chapter VII: "LOTTERY MENACE AND PLANNED SOCIAL CHANGE" presents a discussion on dilemmas of lottery business, processes and strategies of dealing with lottery menace and a model of strategy-mix choice to bring about a planned social change in respect of lotteries.

Chapter VIII: "SUMMARY AND CONCLUSION" gives a capsule summary of the results and discussions presented in the earlier chapters. A definite set of conclusions, public policy implications of handling the controversial issue of State lotteries, and directions for future research in this field are also provided in this chapter.