Chapter VIII

Summary And Conclusion
Lottery business originated in Italy, France, Germany, Spain, England, Australia, and North American colonies in the latter part of the eighteenth century mainly for the purpose of mobilising revenue for the State to finance various developmental activities. Lotteries fell into disrepute during the early nineteenth century mainly because of irregularities in their operation and as a result, they were prohibited by some governments.

In recent years, State-sponsored lotteries seem to have been popular in some States in the USA which were operating different kinds of lotteries having 'quicker pay-offs, bigger prizes, and greater intrinsic play value'. Accordingly, conventional lotteries were replaced by instant games, daily numbers, and the 'lotto'.

In India, lotteries were introduced by a few State governments during the late sixties with the main objective of mobilising resources for the State governments apart from providing employment for the sale of lottery tickets and replacing of other forms of gambling by State-sponsored mechanisms.

Lotteries have a very wide appeal as a means of raising money; they are simple to organise, easy to play, and in general, popular. But they are controversial. Voices of opposition to State-sponsored lotteries began to dominate on several grounds. It has been increasingly felt that lottery as a means of gambling erodes the moral foundation of the people, encourages attitude that are not conducive to thrift and hard work, generates large social cost external to the gambler, and also has a danger of leading to over-
indulgence. However, it has been recognised that the tendency for over-indulgence depends upon specific factors such as the frequency of opportunity to gamble, the odds against winning, the extent to which the gambler thinks that he is exercising his skill in choosing the winning numbers, the element of entertainment or connection with some sporting event etc., which may not characterise all systems of lotteries.

Due to a high likelihood of malpractices in privately organised gambling and the alleged nexus between some of these forms and various criminal activities, it is often contended 'State-sponsored lotteries' are able to offer a 'safer avenue' to gamblers. Further, it is also claimed that the nationalisation of the lottery system is necessary to keep it honest and ensure that the consumer gets what he wants.

Lotteries which, to begin with, were a 'harmless pleasure' have gradually degenerated into a 'social evil'. The single-digit and instant lotteries, with daily prizes, have wrecked havoc in millions of lives. The government knows that more than the rich and the middle-class, it is the poor who succumb to the lure of lottery and throng the lottery shops to invest their hard-earned daily wages in them with the fond hope of getting rich overnight, and in the process impoverish themselves. In fact, on October 2, 1997, the President of India, promulgated an ordinance banning single-digit/instant lotteries and regulating other types of lotteries. Realising the evil effects of the lottery most of the States (14 States) in India began legislating anti-lottery laws.
The Karnataka State lottery scheme was introduced during 1969-70. Having successfully completed 28 years, it has attained the distinction of being the 'most trusted and credible lottery' in the country. The printing of lottery tickets, holding of draws, and distribution of prizes are done by the Director of Small Savings and Lottery in Karnataka State. The Mysore Sales International Limited (MSIL) a State-owned enterprise has been appointed the sole distributing agent of the lottery tickets. MSIL has been authorised by the government to appoint any number of sub-agents for the sale of tickets within and outside the State. Ever since its inception the lottery business has been earning profits in Karnataka State. Out of the total lottery sales proceeds, the prize amount accounts for 43 per cent, printing and government revenue 20 per cent, and the remaining 37 per cent belongs to the MSIL. The MSIL will have to meet the expenses in connection with the advertisement (6%), administrative and distribution expenses (5%), dealer discount (22%), and bonus/incentives (2%). The remaining 2 per cent of the sales proceeds represents the net revenue of MSIL.

The central theme of this empirical investigation is to project the attitudes and behaviour of State lottery ticket purchasers and to suggest a conceptually sound and operationally feasible intervention model to bring about planned social change in respect of lotteries. The results, discussions, implications and conclusions of this study were based on a sample survey of households, observation of in-store behaviour of lottery ticket purchasers and survey of lottery ticket vendors.
Out of 800 respondents (one each from every household) (rural and urban) in Dakshina Kannada district, purchasers of lottery tickets (59%) outnumbered the non-purchasers (41%). Moreover, relatively speaking, lottery purchasing trend is more prominently found among urban people than their rural counterparts. Regardless of their rural and urban background most of the purchasers of the lottery tickets were male members, belonging to Hindu religion, middle-aged, with a lower educational, occupational and income status.

Most of the lottery ticket purchasers started buying lottery tickets for the first time when they were in the age-group of 20-40 years. More number of purchasers belonging to lower income-groups normally spend greater proportions of their monthly income in purchasing lottery tickets. The major reasons compelling most of the purchasers to buy lottery tickets were: a means to tackle poverty, desire to lead luxurious life, easy accessibility to lottery tickets, to satisfy gambling instinct, and also tempted by others winning lotteries. 22 per cent of the rural purchasers and 37.5 per cent of the urban purchasers of lottery tickets buy other State lotteries in addition to or instead of Karnataka State lottery as they were lured by the attractive amount of prizes and frequency of draws.

The non-purchasers of lottery tickets stated certain inhibiting factors which prevented them from buying lottery tickets such as disinterest in gambling, social-stigma attached to lotteries, fear of losing money, and the fear of addiction to lotteries and other forms of gambling.
Friends and colleagues were responsible for introducing some of the lottery ticket buyers for the first time. Majority of the rural and urban purchasers consult expert sources before buying lottery tickets such as skilled guessers specialised in guessing probable \( \text{Fit} \) winning numbers, and their close friends with rich experience in buying lottery tickets. Majority of the lottery ticket purchasers have been seeking pre-purchase information in respect of the most probable winning numbers, and special (bumper) lottery draws of various States. Sometimes they would be guided by their intuition, hunches or individual judgement, and the systematic analysis of the previous winning numbers. The rural purchasers normally buy lottery tickets from the 'lottery ticket selling van', where as urban purchasers with a high degree of 'shop loyalty' prefer to buy from a specific vendor.

Regular purchasers of lottery tickets do not have a particular occasion to buy lottery tickets. However, infrequent purchasers normally tend to buy lottery tickets at the time of visiting the places of worship, birthday/wedding anniversary, important festivals, salary day, severe financial crisis, and perception of their favourable luck for winning lotteries as revealed by astrological predictions.

Majority of the lottery ticket purchasers experience certain feelings just before buying lottery tickets in the shop such as: fear of losing money again, day-dreaming of winning and leading a luxurious life, and sense of guilt for indulging in gambling activity. As compared to rural purchasers most of the urban purchasers normally get negative feelings like fear, guilt,
and reduced confidence just before buying lottery tickets. Some of the lottery ticket purchasers have the habit of visiting the places of worship, praying God at home, and seeking the blessings of their elders in the family before they go for buying lottery tickets.

Immediately after buying lottery tickets some of them engage in day-dreaming till the date of draw while others develop a feeling of anxiety, tension and nervousness until the results of the draw are declared.

Most of the lottery ticket purchasers rarely won prizes in the past. In the event of winning a prize they remembered to have got a feeling of 'thrill and delight', idea of spending lavishly for the next couple of days on comforts and luxuries, and a feeling of buying more tickets in future. On the other hand, in the event of losing money in lotteries most of them recalled their feelings of 'still believing in their future luck', getting 'frustrated and depressed', and a feeling of sharing disappointment with other losers. Hence, there exists a tendency among the lottery ticket purchasers to continue to buy lottery tickets whether they win or lose lotteries in the past. This tendency is largely due to their perception of 'strong hope of winning in the future', strong faith in the State lotteries as the safest avenue for gambling, an urge for recovering the past losses, sheer temptation to enjoy the pleasure of gambling, and inability to come out of the addiction to lotteries.

Majority of the lottery ticket purchasers both in rural and urban areas demonstrated attitude-behaviour consistency, whereas most of the rural and
urban non-purchasers possessed attitude-behaviour discrepancy towards State lotteries. The results of this study also revealed that the status of a person as 'purchaser or non-purchaser' would largely determine attitude-behaviour consistency/discrepancy rather than that person's rural or urban background.

Majority of the rural purchasers opined that the existing system of State lotteries should continue and people should be educated about the evil effects of over-indulging in lotteries. Most of the urban purchasers believed lottery business as a 'get-rich-quick-game of chance', and they were neutral about totally banning lottery business all over India. However, the non-purchasers of lottery tickets were not in favour of continuing the existing system of lotteries. They also believed that lottery business is a State-sponsored gambling, and people should be educated about the evil-effects of lotteries instead of imposing a 'total ban' all over India. Lottery ticket purchasers, by and large, have a tendency to discuss matters connected with lotteries in their work places, and also in public places like public parks, eating places, bus-stand, shopping centers, vegetable and fish markets, and in and around the point-of-purchase.

Most of the lottery ticket purchasers have experienced the evil effects of lotteries on their work and family relationships. More than 70 per cent of the rural purchasers and nearly 80 per cent of the urban purchasers did not seem to give up buying lottery tickets even if the lottery business were to be
totally banned all over the country by the government of India. Because it is ultimately the 'gambling instinct' which pushes or pulls people into lotteries, and as such makes them unable to get out of lottery addiction. In-store behaviour of lottery ticket purchasers revealed the following findings: most of them were individuals, either young or adult males, ordinarily or shabbily dressed. Most of them appeared to belong to poor or middle-class socio-economic background. The main concern of these customers appeared to be the purchase of lottery tickets with disturbed facial expressions and gestures. Majority of the customers came to the shops with a 'pre-set mind' and appeared to be very familiar with the shop atmosphere (location, layout, and point-of-purchase display). Some of the customers were inquiring with the vendors about the specific beginning or ending number in the lottery ticket, draw dates of different types of lotteries, and the procedure for encashing the prizes in the event of winning lotteries. It was also observed that once the customer entered the shop he was more likely to leave the shop only after buying lottery tickets. Customers purchased more than one type of lottery tickets, and also more than one number of lottery tickets in each type at a time. Most of the purchasers did not bother to look into the informational contents printed on the lottery tickets except the date of draw and the ticket number. Majority of the lottery ticket purchasers took less than 10 minutes of shopping time and did not seek any suggestions/opinions of the vendors, nor did they discuss/consult with other fellow-purchasers while finalising their decisions to buy lottery tickets. Hence, the overall in-store behaviour
suggested a "habitual buying process of lottery ticket purchasers coupled with their reduced involvement".

Lottery ticket vendors were mainly driven by the reason of 'assured market for lottery business' to carry on lottery business. Most of the vendors did not seem to worry about creating the market for lotteries since they perceived the 'pre-existence' of such markets for selling lotteries both in rural and urban areas. Majority of the vendors admitted that banning of single/instant lotteries did not adversely affect their overall lottery business due to the 'switch-over effects' to the conventional State lotteries. They also shared their experience of witnessing high degree of shop and brand loyalty among the 'committed customers' of lottery tickets both in rural and urban areas. They adopt sales promotional measures such as attractive shelf display of lottery tickets, POP display of banners, and wide publicity for the prizes got in the ticket sold by them. They are the members of an 'association of lottery ticket vendors', formed for the purpose of protecting and safeguarding the members' business interests and also for voicing their collective opinions in respect of lottery business and other related matters.

With regard to their 'market behaviour' this study identified seven types of behavioural patterns such as: questionable behaviour, illegal behaviour, defensive behaviour, adaptive behaviour, opportunistic behaviour, regulated behaviour, and supportive behaviour. The findings of the vendor survey would certainly benefit the public policy maker to know what causes
lottery ticket sellers to act in a particular manner, and also to fine-tune the intervention strategies to bring about a planned social change.

Implications

State lotteries cannot be morally and socially justifiable way of mobilising revenue for the government in view of its evil effects. The attitude and behaviour of a lottery ticket purchaser are mainly governed by that individual's 'greed instinct'. Gradually, he/she will fall prey to addiction. Consciously, a gambler nurtures the hope of winning, while subconsciously being prepared for continuously losing money. Even though lotteries tend to satisfy the gambling urge of people in the short run, its over-indulgence would prove to be detrimental to the long term interests of the lottery ticket purchaser and his/her family, and also societal well-being. From the point of social and ethical considerations of purchase and sale of lotteries, lottery business is considered as an evil. This menace cannot be effectively handled only through one universal strategy, such as banning the purchase and sale of lotteries with the help of anti-lottery laws. A meaningful and long lasting mental transformation will have to be brought about in the minds of people who over-indulge in gambling in general and buying lottery tickets in particular. This study suggests various appropriate processes and strategies to bring about socially acceptable attitudes and behaviour in respect of eradicating lottery menace.

As it is already discussed in this study, it is the poor, less educated who indulge in lotteries on a large scale. There can be no two opinions about
the ruinous impact of lottery addiction. The point that any government committed to social well-being should endeavour to at least regulate the lottery menace if not eradicate, cannot be disputed. In fact, legislation designed only to prohibit or restrict participation in particular forms of gambling is likely to fail because it is difficult to enforce; it frequently becomes out-of-date; and it also fails to anticipate and counter the ingenuity of those who would profit from promoting newer forms of gambling. Further, restrictions which are extremely severe and lacking adequate public support, may temporarily succeed in reducing indulgence in lotteries, but are unsustainable and counter productive in the long run. Hence, this study recommends a 'planned social change' focusing on attitudinal restructuring and behaviour modification of the people. In this context, the change agent (public policy maker) is interested in reducing the per capita purchase (volume and frequency) of lottery tickets as well as encouraging people to quit purchasing lottery tickets. A conceptually sound and operationally feasible model of 'strategy-mix choice' is presented in this thesis for eradicating lottery menace in a phased manner.

Based on attitude-behaviour consistency/discrepancy matrix in respect of socially acceptable attitudes and behaviour, the model suggests nine processes of planned social change such as reinforcement, attitude enhancement, radical rationalisation, behavioural enhancement, moderate rationalisation, moderate confrontation, moderate inducement, radical inducement, and radical confrontation process. The appropriate strategies applicable for each process of planned social change include: information and
education; persuasion and propaganda; social controls; economic disincentives; support system such as 'gamblers anonymous and mandatory rules, clinical counseling, and behaviour modification. The most basic implication of the model is that the change agent must use different types of 'influence strategies' and/or change the orientation (tactics) of specific strategies across the different attitude-behaviour consistency/discrepancy groups to bring about a planned social change in respect of lotteries.

**Direction For Future Research**

In India, already 14 States have banned the sale of lotteries, either partially or totally. In this context, the primary concern of the future research should be 'to examine 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 in leading to a proliferation of other illegal/criminal forms of activity'.

Further, numerous models and theories have been developed to describe, explain, predict, and control consumer behaviour, but an equivalent amount of effort has not been devoted to constructing models or theories of 'marketer behaviour' by the researchers. It appears that the public policy maker could benefit greatly from having answers to the following questions about marketer behaviour in each of the following categories: (1) what is the exact nature of this type of behaviour? (2) how widespread is this type of behaviour and how frequently does it occur? (3) what are the positive and negative economic, political, and social consequences of this type of
behaviour? (4) what causes marketers to behave in this way? (5) can the occurrence of this type of behaviour be predicted? and (6) how can this type of behaviour be effectively controlled? A comprehensive theory of marketer behaviour could be used by marketers to obtain a better understanding of the behaviour of their competitors, suppliers, and distributors; such a theory would also help consumers, investors, and public policy makers.

CONCLUSION

This empirical study examined the dynamics of lottery business, assessed the positive and negative impacts of State lotteries, projected the attitudes and behaviour of lottery ticket purchasers, and concluded lotteries as a 'menace'. It also suggested a model for bringing about socially acceptable attitudes and behaviour among people. Voluntary agencies and Non-Governmental Organisations (NGOs) are in a relatively better position than the Government to bring about planned social change in respect of eradicating lottery menace. The geographical area confined to this study was Dakshina Kannada District of Karnataka State, India. The results, discussions and conclusions of this micro study, perhaps, can not be generalised in the global context due to cross-cultural differences in buying and consumption behaviour. Hence, similar study can be replicated in other parts of the country and abroad as well. As Wittgenstein stated "I should not like my writing to spare other people the trouble of thinking. But, if possible, to stimulate someone to thoughts of his/her own."1