

Divya George “Gambling and decision making: A study on selected games.” Thesis. Research Department of Commerce, St Thomas’ College (Autonomous) Thrissur, University of Calicut, 2020.

Chapter 1

INTRODUCTION

1.1 Introduction to Gambling and Decision Making

Starting from epics people are familiar with gambling activities. An activity performed in form of a game of chance, for monetary benefits or any stakes can be treated as gambling in the general sense. This can also be defined as an activity of endangering something important for winning a chance. The results of gambling should be purely out of luck or random activity. The general attitude of society towards gambling is as a negative phenomenon, because the outcome of gambling is unpredictable and the player may end up with nothing or sometimes with a huge loss. In contrast some people view gambling as a positive function because people get enjoyment from gambling and it is a form of entertainment. Gambling helps in the healthy rotation of the economy. It helps as a source of entertainment. It is hope in many crises and, also works as a mental relaxation to some extent. Vongsinsirikul V (2010). Gambling can be defined as “*an event with an uncertain outcome with the primary intent of winning money or material goods. Gambling thus requires three elements to be present; consideration, chance and prize*” (Public Gambling Act 1867).

While assessing gambling on a global level we can identify that respective countries have their own, Gaming Control Boards. They are accountable for imposing the rules and guidelines regarding gambling in the respective country. In Singapore, Netherlands, Portugal, and France, a separate body of the Gaming Control Board, performs this enactment of gambling laws. Boards have the authority to receive and resolve civil cases coming under their consideration and these boards are considered as Quasi-judicial bodies. Federal Law ratify gambling in the United States, but restrictions were imposed on the interstate and online gambling. In Canada gambling is regulated by the province and a sub-division of the National Trade Association of Canada and the Canadian Gaming Association (CGA). In the Gambling Act 2005 gambling is defined as betting, gaming or participating in a lottery (Gambling Commission UK). This act differentiates between events that require to be certified or licensed and other events which do not require a license. Australia is considered as the universal leader in gambling. According to the Australian Gaming survey in 2018, Australians spent

around 24 billion dollars on gambling. This is reported as 40 percent more, per capita than any other country. Because of the heavy gambling addiction, several nations banned gambling. The Cambodian Government banned gambling in 1996. UAE, North Korea, Lebanon, are some of the nations which abolished gambling in their countries.

In India each State is permitted to frame their gambling laws under the guidelines of Public Gambling Act 1867. Here the people are taking risks to get some desired or expected results. Life is a wager. In our day to day life, we are facing risky circumstances. The capability to bear risk may vary from individual to individual. Some people are interested in taking such risks. Stakes are the unavoidable condition of a gambling activity, which turns the bet into a promise Griffiths M D (2015). Even if taking chances are an integral part of life some people enjoy chances, while others do not like to indulge in such activities. India is a country where there is a restriction for gambling activities except some categories, which includes lotteries, horse racing, casinos etc. Critically one can claim that gambling paves the way for criminal offenses, money laundering and corruptions. Followers of gambling may argue that it is a big source of revenue for each state. Casino gambling is legalized in Goa. They have contributed Rs. 269 crores to the state revenue in 2018, Times of India May (2018).

Gambling can take different forms, including lotteries, scratch cards, card games like Poker, Black jack, betting, Dice games, Casino games, Gambling machines or Bingo. Gambling is not bad but involves high level of risks. So, what we need is to create an awareness that helps people to take rational decisions. The results of western studies proved that 60 percent to 80 percent of adults participating in gambling were found to be non-problematic gamblers but 3 percent of the gambling community includes problem gamblers, Stucki S, Rihs M.(2007).

1.2 Lottery

Lottery is a process of giving something, money or prizes to people by taking lots or by chance. Lottery is considered as gambling, in which the participants purchase their chances in form of lottery tickets. Winner is identified by making a blindfold draw from a pool of tickets consisting of all tickets sold or offered for sale. The prize amount is commonly what is remaining after expenses including promoter's share of profit, promotion expenses and taxes, prize value is prefixed and promoter's profit depends

upon the sales turnover of tickets. As in every business, in lottery business also there will be large prized and small prized lottery tickets. These gambling tools are enjoying good appeal for raising money because of variety reasons as it is easy to organize, play and very much popular among public. Raffles, Thambolas and Sweepstakes are different types of gambling tools available under the head, lotteries. While running a lottery the grounds behind that must be a respectable one. It should not be for marketing or for private gain. "Lottery" is an arrangement, for dispersal of prizes by lot or luck to anyone who participated in the probability of winning a prize by buying lottery tickets. "Bumper lottery" is a special draw of lottery organized during any festival or on a special occasion where the prize money promised is usually greater than ordinary lotteries [Lotteries Regulation Act 1998 (India)]. In UK, Bulk society lotteries and lotteries endorsed by resident authorities require an authorization from the Gambling Commission. Minor society lotteries can function with the permission of the local authority. For other lotteries precise authorization is not required but must track the policies regarding the promotions and fundraising. Lottery is considered as a different form of gambling, so the age restrictions with regard to participation in lottery is 16 and in all other gambling activities it should be 18. (Gambling Commission, UK).

In 2018 in the United States, lottery activities generated (total amounts staked minus the prize amount returned to the winners) \$191.27 billion. The American Gaming Association reported that the gambling industry revenue as \$ 240 billion in 2019. In 40 states of the US, Gambling industry generated an employment opportunity for 1.7 million. In India also Lottery is an industry with paramount impact on our economy. As per the report published by the All India Federation of Lottery Trade (2019), the Central Government exchequer was filled by Rs 4000 crores, in the form of tax revenue, in March 2018. The major contribution of Rs. 2150 crores were from West Bengal. Around 19 lakhs of people were employed in Indian Lottery industry.

1.3 History of Gambling (Lottery)

It is in the 15th century in Europe, lotteries came in to existence in its modern sense. Flanders and Burgundy are the towns that experimented lottery as an attempt to raise money to support defence and for helping poor. Francis I of France permitted public and private sectors to start lotteries between 1520 and 1539. Genoa lottery is the first lottery that served as a model in this field. This faced several resistances from Roman

Catholic Church, even though it spread to other Italian cities. In 1863 the first national lottery was created for all United Italian Nation. They performed weekly drawings and this was mainly considered as an income for the state. Lotto, the Italian National Lottery served as the basis for all modern gambling games. Willmann G (1999).

1.4 History of Gambling in India

India is moderately conventional in gambling compared to other nations in the world. Due to the introduction of online gambling, India became a hot spot destination for gambling. The Indian government considers gambling as a negative phenomenon so it does not encourage gambling activities by imposing rigid policies and rules in this industry. But the online gambling segment explored the loopholes in gambling laws in India, that is all types of gambling are not unlawful in India. According to the Supreme Court of India if a person can raise his probabilities of winning in a game by utilising his ability and information, then the game cannot be considered illegal. This grey area in the gambling legislation in India is exploited by various modernized types of gambling. The gambling activities in India are governed by the Public Gambling Act, 1867. Lottery is legalized only in 13 states in India, which are, West Bengal Nagaland, Sikkim, Meghalaya, Mizoram, Punjab, Assam, Manipur, Arunachal Pradesh, Madhya Pradesh, Maharashtra, Goa, and Kerala. Indian government believes that children should not participate in gambling activities so, some of the states-imposed age restrictions in participating in the lottery. The following table shows the legislative history of the Public Gambling Act 1867: -

Table1.1: The Legislative History of Public Gambling Act 1867: -

Repealing/Amendment	Number
Repealing Act 1874	(16 of 1874)
Amending Act 1891	(12 of 1891)
Amending Act 1897	(5 of 1897)
Amending Act 1903	(1of 1903)
Second Repealing and Amending Act 1914	(17 of 1914)
Government of India (Adaptation of Indian Laws, order) 1937	
Indian Independence (Adaptation of Central Acts and Ordinances) order 1948.	

Source: Bare Acts, Central Acts and Rules

The main purpose of the Public Gambling Act is to provide the common guidelines for the gaming houses, and also to provide punishment for the violation of the Public Gambling Act 1867 (within the provinces of India)

Indian Lotteries Regulation Act 1998, was also providing guidelines to the State Governments with regard to the organization of lottery business in respective States. As per the Lotteries Regulation Act 1998, the state government can organize, lottery business, only by following certain conditions, prescribed under:

1. Prizes are not supposed to offer for a single digit pre announced number.
2. The printing style of lottery should ensure the authenticity of the state lottery.
3. The State Government can sell the tickets either by itself or through registered distributors, retailers or selling agents;
4. The revenue generated from the lottery tickets should be credited to the Public Account of the state.
5. The draws of the lotteries have to be organized and conducted by the state governments themselves.
6. The unclaimed prize money within the prescribed time limit will become the property of that State Government.
7. The lottery draw must be arranged within the respective state.
8. Any lottery can be draw only once in a week.
9. All the lottery draws shall be performed between such period of the day as instructed by the State Government;
10. A State can arrange a maximum of 6 bumper lotteries in a year.
11. Shall follow other conditions prescribed by the Central Government.

1.5 History of Gambling in Kerala

In Kerala Department of State Lottery was established in the year 1967. The main idea behind this initiation is a good source on non-tax revenue for the State Government as well as a source of income for the deprived section by giving employment opportunities.

The initial ticket value was Re.1 and the prize money were Rs. 50,000. Following Kerala many other states started this initiative. Kerala State Lottery Department performed with greater transparency. Kerala State Lottery started its journey with a single lottery now running seven weekly lotteries and six bumper lotteries. Initially the state lottery was under the control of the Department of Finance and latter it shifted to Taxes Department. The only attractive gambling play in Kerala is Kerala State Lottery. Unless otherwise mentioned the laws governing gambling in India (Public Gambling Act 1867) applies to Kerala State. (Directorate of Kerala State Lottery Department)

The Public Gambling Act, 1867, is the major law that controls gambling in India. This Act differentiate gambling activities of pure chance and gambling activities with the combination of chance and skill. The Central government empowers the State Government to make amendments to the Public Gambling Act 1867 to fit to the state regulations. The provisions of Indian Lotteries Regulation Act 1998 were also extended to frame provisions of Kerala State Lottery.

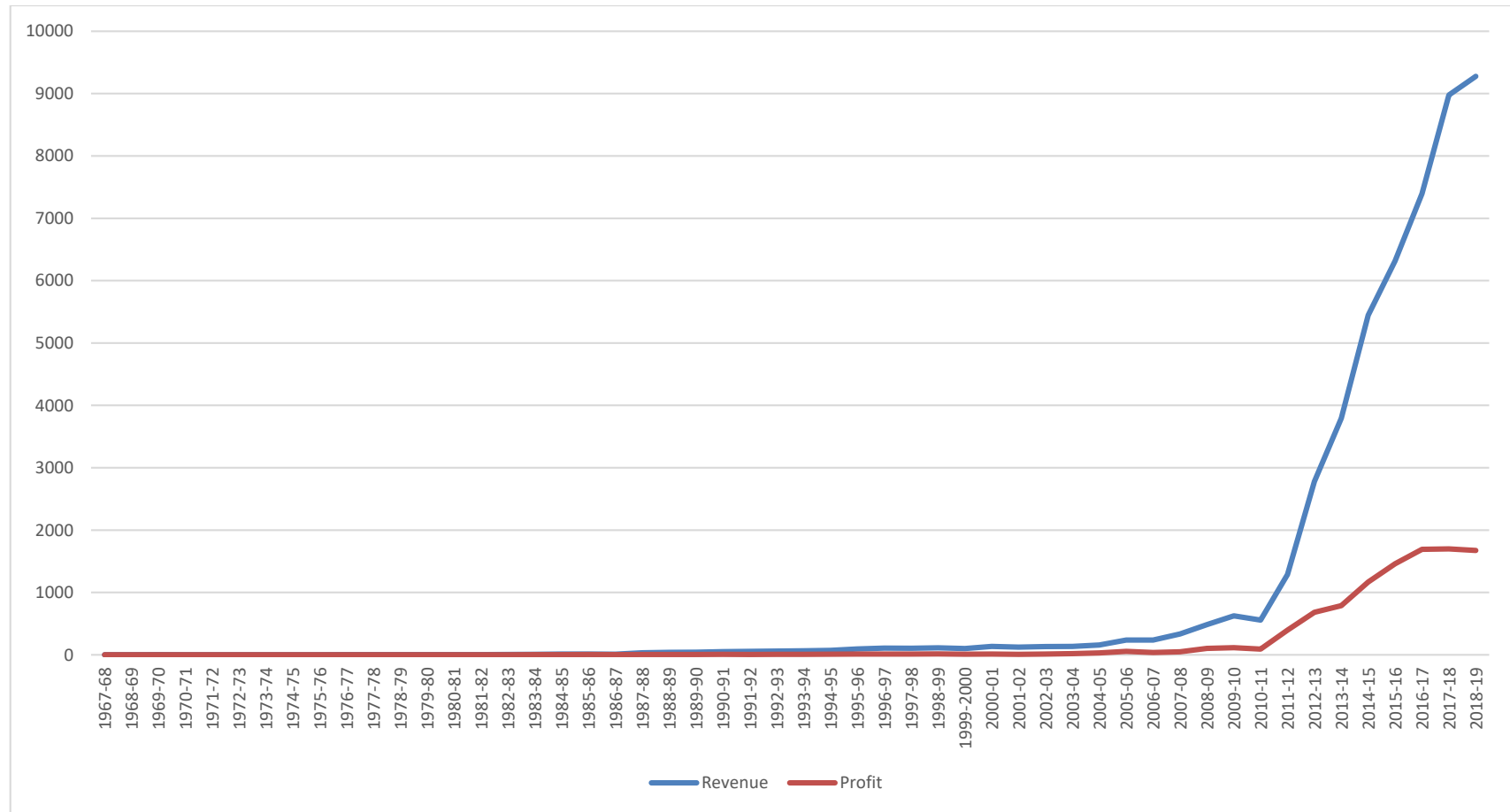
The Kerala Gaming Act 1960, amended in 2005, brought the scope of online lotteries and electronic gambling. Another Act which governed Kerala State Lotteries was Kerala Paper Lotteries Regulation Act 2005, amended in 2008 and 2009, and repealed in 2019 by the Kerala High Court. Distinct State Governments have the freedom to make lotteries lawful or unlawful within their states. In Kerala all types of lotteries are organized by the State Government.

According to the statistics released by the Directorate of Kerala State Lotteries, it had not made a loss since its inception in 1967. The lottery sales revenue and profit during the inception year were 20 lakhs and 14 lakhs respectively, from there to the present period the performance of lottery shows a hooting hike to 9276.23 crores of revenue and 1673.15 crores of profit in 2018-19 (Directorate of Kerala State Lottery Department). This hike from lottery income is a good source of revenue for the Kerala government and it is also considered as one best solutions for unemployment issues. Even though most of the people consider gambling as a relaxation activity for some, it may create problems at various levels. This problem may interrupt personal life, family life as well as leisure quest similar to alcohol or drugs, Lesieur, H R (1991).

Table: 1.2 Revenue and Profit of Kerala State Government Lottery

Year	Revenue	Profit	Year	Revenue	Profit
1967-68	0.2	0.14	1993-94	65.01	8.51
1968-69	1.84	1.5	1994-95	71.22	10.71
1969-70	2.43	1.5	1995-96	93.27	11.83
1970-71	2.04	0.87	1996-97	106.74	13.41
1971-72	1.52	0.51	1997-98	105.32	12.25
1972-73	1.42	0.53	1998-99	112.01	15.53
1973-74	1.41	0.59	1999-2000	101.38	10.2
1974-75	1.63	0.58	2000-01	134.16	13.44
1975-76	1.54	0.59	2001-02	122.69	8.15
1976-77	2.16	0.92	2002-03	131.69	13.4
1977-78	2.75	1.3	2003-04	134.98	19.87
1978-79	2.99	1.49	2004-05	156.6	30.02
1979-80	2.54	1.06	2005-06	237.19	55.65
1980-81	3.01	1.24	2006-07	236.26	36.36
1981-82	4.3	1.32	2007-08	333.91	48.28
1982-83	5.93	1.91	2008-09	484.76	104.2
1983-84	8.88	3.18	2009-10	625.74	114.7
1984-85	11.72	3.94	2010-11	557.69	92.02
1985-86	12.57	4.45	2011-12	1287.08	394.87
1986-87	10.2	2.87	2012-13	2778.8	681.76
1987-88	33.38	5.38	2013-14	3793.72	788.42
1988-89	39.12	5.38	2014-15	5445.43	1168.26
1989-90	41.62	6.54	2015-16	6317.73	1461.16
1990-91	51.88	7.64	2016-17	7394.91	1691.05
1991-92	54.48	6.39	2017-18	8977.24	1698.23
1992-93	59.26	7.34	2018-19	9276.23	1673.15

Source: Directorate of Kerala State Government Lottery



Source: Directorate of Kerala State Government Lottery

Fig: 1.1 Revenue and Profit Graph of Kerala State Government Lottery

The revenue from the Department of Kerala state Lottery is showing a tremendous hike. This is considered as the main evidence that people in Kerala are investing heavily in Kerala State Government Lottery. This decision was taken by the Keralites, whether to buy lottery or not, depends upon various factors. These factors can act as a motivation for the Kerala population to participate in gambling. The decision taken by the people may be rational or irrational. The hike in lottery revenue can be considered as a symptom of irrational buying decisions by the Keralites.

1.6 Decision Making

Decision making is ultimately a selection process by the decision- maker. Even though it is the responsibility of the decision maker there may be several environmental factors which affect these decisions. It is a psychological phenomenon of human mind to search for some justification supporting our decisions. Before making any purchase decision the customers must go through a scientific buying process. That is the decision maker or customer has to recognize his need first, based on his priorities he must rank them. Develop the alternative solutions to address this need, and the cost benefit analysis of these alternatives needs to be performed and finally the alternative which matches mostly to his need, wants to be his selection or decision. But these logical and rational steps in decision making are hard to expect from a common man. They are influenced by several emotional and irrational factors which in turn will affect the buying decisions of the customer. This irrationality in buying behavior may end up in consumer impairment and also restrict their productive investments. This may cause undue influence on the saving habit of the customers and also results in an unfavourable spending culture of the society. The involvement of Keralites in gambling and related activities is increasing day by day, while indulging in these activities they are not thinking about the winning probabilities. Perceptively or innocently they are involving in these businesses. By exploiting this ignorance, some others are making huge profits. This may create an imbalance in our economy. Several methods were adopted by the researchers to develop a prediction model of gambler's moves. It was not an easy task because their decision making cannot be predicted or intercepted. These types of complexities were more in online gambling.

1.7 Voluntary Gambling

An estimate of the total volume of money lawfully gambled yearly in the world is about \$10 trillion (unlawful gambling may exceed this figure). In terms of universal statistics lotteries are the foremost form of gambling in case of total revenue. Lotteries permitted and operating through State was expanded swiftly during the late 20th century and are broadly dispersed all over the world, Ariyabuddhiphongs (2010). Lottery can be considered as a voluntary gambling activity because people are indulging themselves in lottery with their pure knowledge that they are involving themselves in gambling activity. The aim of participating in the lottery is none other than challenging their godsend. This is how the lottery became a voluntary gambling activity.

1.8 Non-voluntary Gambling

Involvement of people in gambling related activities, without their knowledge can be considered as non-voluntary Gambling . This is more dangerous than voluntary gambling activities, because this may attract people who have gambling inclination and can act as a catalyst to lead them to pure gambling activities. Here the researcher mentioned about the Gambling Related Sales Promotions strategies applied by the business houses as part of their marketing mix. For the study Sweepstakes were taken as the non-voluntary gambling tool. Sweepstakes began as a type of lottery that was knotted to products traded Kalra, A & Shi, M (2002).

1.9 Sales Promotion

This is one of the important marketing mixes which attracts people towards products. Sales promotion may be of two types customer based or seller based. Here we are concentrating the customer sales promotion. The main aim of business houses are to retain the existing loyal customers, attract new customers and the regular customers of the competitors. This can act as a stimulus to create market demand for the product. There are several models of sales promotions- Contests, Point of Purchase (PoP), Sweepstakes, Premiums, Giveaways Product Samples, Rebates are some of the sales promotion strategies which were popular nowadays, Xu, Y; Huang, J S (2014).

1.10 Gambling Related Sales Promotion

Starting from epics we are aware of gambling activities. This is a new concept, that is linking gambling nature to the sales promotion activities, which most of the customers were unaware of. By using this type of sales promotional tool business houses can exploit the affinity of people towards gambling. Those who are inclined to gambling activities may get attracted at promotion mix which is having gambling nature. A sales promotion scheme may not be lawful if it has functioned through distant collaborative gambling (e.g. done through the Internet, by mobile), the exception is a lottery run as a sales promotion, Nakarmi, A. (2018). Several sales promotion tools like, Sweepstakes, Raffle, Thambola, Bingo, Lucky draw are possessing gambling nature.

1.11 Sweepstakes

Sweepstakes began as a form of lottery that were tied to products sold. Sweepstakes are used as marketing promotion tool to reward existing consumers and to attract new customers from competitors. Sweepstakes usually possess two features of lottery; they are chance and prize. Consideration is the only factor missing in sweepstakes with respect to the lottery. Sweepstakes also arranged as a random drawing for prizes. Winners of products are ascertained by the element of luck, not by skill. Business houses are offering mega bumper prizes to attract more customers, regardless of the probability of winning. Sweepstakes are regulated in many countries because of the exploitation by the business houses. In the US, Canada, Australia they have implemented laws governing sweepstakes. Special rules of sweepstakes were applied to the contestants where they reside. Many countries fixed entrance restrictions to sweepstakes. In India, we have no such rigid regulations to control this, Selby, E.B. (1981). The influence of sales promotion tools on the consumer is proved, to have only for a short-period. Sweepstakes are also not an exception. Characteristics of sweepstakes showed that compared to other promotion tools this is not provided with an immediate gain but acts as a catalyst to initiate the purchase. So, this sales promotion tool can act as a strong purchase initiation factor, Nasir, S., & Bal, E. (2019). The Acts which govern the sweepstakes policies in India are the Consumer Protection Act 1986. Section 2(1)(r) in the Consumer Protection Act, 1986 is dealing with the unfair activities and its penalties related to sales promotion tools adopted by the business houses in

Kerala. Prize Competitions Act 1955 and Competition Act 2002 has also some provisions to control and monitor unfair trade practices from business houses. A regulation that also exists is the Consumer Protection Regulation 2005.

Table: 1.3 The Legislative History of Consumer Protection Act 1986

Amendment	Number
Consumer Protection (Amendment) Act, 1991	(34 of 1991)
Consumer Protection (Amendment) Act, 1993	(50 of 1993)
Consumer Protection (Amendment) Act, 2002	(62 of 2002)
Consumer Protection (Amendment) Act, 2019	(34 of 2019)

Source: Bare Acts, Central Acts and Rules

1.12 Saving Habits

Capital formation and economic development are closely linked with saving habits of people in a country. The development of a nation can ensure through the investment of saved funds. Saving, habit and awareness of financial security are positively correlated Pulka B (2015). Problems in gambling and financial crisis are positively related. That means if people are inclined towards gambling it will result in deterioration of their savings habit. Nonpayment of debts and recovery by financial institutions are the consequences of gambling in savings culture. A gambling addict or one who has an attraction towards gambling has to face the mount up of unpaid bills, credit card dues, a buildup of debts, all these are evidence that the interest towards gambling is seriously affecting the saving habits of people adversely. Those who are attracted to gambling showed a tendency to continue gambling to get back what they have lost through gambling, this causes a negative impact on savings of the people. Gupta R (2019)

1.13 Spending Culture

Impulse buy may result in an undesirable emotion such as consumer dissonance. Instinct buy may cause an ill feeling or regret in the mind of the consumers. The people who showed a willingness to gamble may end up in a situation of negative feelings,

which may be guilt or shame. The one who is feeling guilt in his spending may take steps to reduce their impulsive spending in the future and the one who feels shame in his spending will surely take an avoidance strategy that is to avoid such spending in the future. While comparing people's spending habits with their happiness it was found that those who are spending more are money-oriented and not thrifty. They incline to have debts, use all their cash to buy things and least pleased. Those who are not interested to spend more are thrifty and not money-oriented. They save everything they have. But it was proved that those who are not money oriented and non -thrifty are found to be the happiest. Tatzel M (2008). Spending of disposable income pattern is changing among people. Many are sacrificing their essential needs and diverting their spending for leisurely entertainments.

1.14 Consumer Buying Behaviour

Rationality in buying behaviour, is not common among the customers. The situation where customer's expectations in value, surpassed actual purchase price, were infrequent, Matheson (2001). Researchers have not expected rationality specially in the buying behaviour of customers who are inclined to gambling. These types of customers had their justification on their purchase whether it is a gambling product or not. Studies showed that those who have confidence in number games and mathematics made more mistakes in their perception, Pelletier and Ladouceur (2007). Those who have gambling inclination tended to hide their rationality at the time of buying gambling related products and again showed it while they are not exposed to any form of gambling products, Sevigny and Ladoucer (2003). Different forms of changes can be observed in the buying behaviour of customers which may be rational or irrational due to the influence of Gambling Related Sales Promotion tools (Sweepstakes), as the frequency of shopping, dimensions of spending, vulnerability towards promotion, movement of stock/inventory, changing shops/brands, accelerating or delaying the purchase, recurring purchases, shift in buying initialization and buying decision.

As a customer, every Keralite must be aware of a fact that nothing comes in life for free. This realisation will help a mature person to make decisions in life. This principle is applicable to gambling products also. Even though people realized this fact, human mind dreams of generating easy money, they hope the government as well as business houses are existing for their benefit. If a person spends his time and money in an

uncontrolled manner that can be considered as an addiction. Addiction to a particular thing surely results in a financial loss. Normally the scarcity of resources made human beings to fight against this by developing his own strategies to overcome. These can also be considered as a factor leading to gambling addiction.

Gambling is in existence from the known period of human history. It is worth noting that the only animal on the earth who could participate in gambling is human beings. We can observe the threat of gambling and warning against it, in all the religious books. In present scenario every people are participating in gambling voluntarily or non-voluntarily. When government itself depends on gambling revenue, it is sure that society will be influenced by this concept. This is a concept that brings a thought process for human beings as it may be positive or negative, everyone has some impression regarding gambling as per their justification.

1.15 Statement of the Problem

Voluntary participation in gambling is a common activity. The natural tendency towards comfort and relaxation leads people to think of luck. To achieve luck, individuals are ready to take risk and gamble. There may be variety of motivational factors that attract people towards gambling. At present due to the intensive marketing strategies business houses are adopting various Gambling Related Sales Promotion tools (Sweepstakes), in which customers are participating and this results in non-voluntary participation in gambling without actual awareness of participants, as in voluntary gambling. The question is whether this non-voluntary gambling also results in an influence on savings and spending culture of people in Kerala. The trend of Gambling Related Sales Promotion tools (Sweepstakes) is increasing in the present scenario. Is that the cause of any stimulus on the buying behaviour of Kerala consumers?

Several factors are attracting people to gambling/lottery, and this resulted in tremendous increase in the lottery revenue of Kerala. But the intensity and significance of these factors may be different. Lottery is a gambling tool, which is a double-faced coin, which possesses both positives and negatives. In this scenario it is worth to analyse the level of influence of these factors on Keralites, to identify whether, these factors have any negative influence on the Kerala population. The harshness of gambling starts

from societal or non-problem gambling, then shifts to problem gambling and finally reaches at compulsive or pathological gambling also known as gambling disorders or gambling addiction, Orford J.(2001). The results of Asian studies reported an average of 3 percent problem gambling and 2 percent of the gambling disorder/ addiction. Gambling addictions frequently results in large debts and even insolvency, and some end up in criminal activities to fund their gambling activities. Aguocho & George, (2017) Whether this cause an influence or change on the savings and spending habits of Keralites? In this context it is highly relevant that we have to understand the social and behavioural impacts of both voluntary and non-voluntary gambling.

1.16 Significance of the Study

In India, State Governments have the power to make lotteries lawful or unlawful. All lotteries in Kerala are conducted by the State Government. The impacts of an illegal gambling in Kerala gives a very grim picture. Due to the easy access to mobile phones and internet, we can expect more participation in gambling related activities both legal and illegal. A study conducted among 5043 students aged between 15 to 19 selected from 73 schools of District of Ernakulam 27.5 percent responded that they have gambled. 7.1 percent are identified as problem gamblers. Out of those who have gambled 25.2 percent are having issues related to gambling. Sports gambling was the widespread form of gambling in Kerala followed by Kerala, State Government Lotteries. The problem gamblers identified among these adolescent group probably belongs to the male category with poor academic back- grounds have higher rates of liquor and tobacco use, mental anguish, suicidality, history of erotic abuse and higher ADHD scores, Jaisoorya TS *et.al* (2016). The non-voluntary gambling tools like Gambling Related Sales Promotion Tools (GRSP) have a magnetic power to attract people towards the serious gambling. From the results of the various studies it is evident that the new market strategic sales promotion tools have long, medium and short-term impacts on consumer behaviour. These influences are up to a limit, one of the reasons for the attraction of people towards gambling activities. So, the participation in non-voluntary gambling activities may lead a person who has an inclination towards gambling to serious gambling activities and end up in problem gambling or pathological gambling.

This study is helpful to predict the results of the inclination of the public, towards the gambling activities, at the same time we can assess the factors attracting people towards gambling. The study helps the externals to analyse the savings and spending trends of Keralites which helps them to make wise investment decisions and also to be rational while making purchase decisions.

1.17 Objectives of the Study

“Gambling and Decision making: A Study on Selected Games” is conducted with the following objectives.

1. To analyse the factors attracting people towards the gambling business, in Kerala.
2. To examine the influence of Kerala State Lottery and Gambling Related Sales Promotion (GRSP) tools (Sweepstakes) on the saving habits of Keralites.
3. To analyse the spending pattern of disposable income of Keralites, in Kerala State Lottery and Gambling Related Sales Promotion (GRSP) tools (Sweepstakes).
4. To analyse the influence of Gambling Related Sales Promotion (GRSP), tools (Sweepstakes), on the Consumer Buying Behaviour of Keralites.

1.18 Scope of the Study

In this analytical study the thesis focuses on the gambling Industry in Kerala. For the purpose of study, gambling activities are divided into two categories; Voluntary Gambling and Non-voluntary Gambling. Regarding voluntary gambling, the type of gambling selected for study is Kerala State Lottery and concerning to non-voluntary gambling the game selected for the study is Gambling Related Sales Promotion tools (Sweepstakes). From various studies it is clear that this phenomenon of gambling is having both supporting and opposing legalization. So here researcher examined various factors attracting the Kerala population towards gambling. This study also analyse the influence of both voluntary and non-voluntary games selected for the study, that is Kerala State Lottery and Gambling Related Sales Promotion (GRSP) (Sweepstakes) tools on the saving habits of Keralites. The spending habit of Keralites on these selected

games are also subjected to evaluation. The research also focused on the changes in consumer buying behaviour because of the existence of Gambling Related Sales Promotion tools in the marketing environment. Sales promotion has only a provisional consequence on consumer buying behavior. Many investigators conflict with the fact that sales promotion does not have an extended effect on consumer buying behavior and these tools are also increasing costs, Clow and Baack (2016). Researcher concentrated on this short-term influence on the buying behaviour of consumers.

Decision making is applicable in both games (Voluntary and Non-Voluntary) selected for the study. In Lottery people have to decide whether to participate in it by sacrificing their savings or by foregoing their spending on other essentials. In Gambling Related Sales Promotion tools (Sweepstakes), the people need to decide whether to buy or not a product attached with sweepstakes. Sales promotion tools like sweepstakes play an important role in making the customers decide whether to buy or not. So, decision making in this regard is highly significant. It is also noteworthy to think about the element of rationality applied by the customers while making buying decisions.

1.19 Hypotheses of the Study

- H1: There is no significant influence of demographic variables on factors attracting people towards gambling.
- H2: There is no significant influence of demographic variables on saving habits of people in Kerala because of their participation in Kerala State Government lottery and Gambling Related Sales Promotion tools (Sweepstakes).
- H3: There is no significant influence of demographic variables on spending pattern of disposable income of Keralites because of their involvement in Kerala State Government Lottery and Gambling Related Sales Promotion tools (Sweepstakes).
- H4: There is no significant influence of demographic variables on Consumer Buying Behaviour because of the influence of Gambling Related Sales Promotion tool (Sweepstakes).

1.20 Research Methodology

1.20.1 Frame

This study is based on a descriptive and analytical research design. This study mainly focuses on the Gambling Industry and gambling practices in Kerala. Its emphasis is chiefly on the investigation of the 11 factors identified from literature reviews (Greediness Factor, Reference Group, Selling Style, Government Policies, Perception/Attitude change, Addiction, Insecurity factor, Entertainment factor, Escapism, Advertisement and Prize amount) attracting people towards gambling. Several literatures were discussed concerning the various motivational factors behind the gambling instinct. This study also attempts to know the level of influence of selected voluntary gambling activity that is, Kerala State Lottery and level of influence of selected non-voluntary gambling activity that is, Gambling Related Sales Promotion (GRSP) tools (Sweepstakes) on the saving habits of people in Kerala. This is done by identifying 4 variables related to savings and they are changes in Lifestyle, Social attitude, Financial attitude and Comfortability inclination. Researcher evaluated the spending pattern of disposable income of the Kerala population in voluntary and non-voluntary games, Kerala State Lottery and Gambling Related Sales Promotion (GRSP) tools (Sweepstakes) selected for study based on 3 variables recognized, change in spending style, attitude towards Kerala State Lottery and Gambling Related Sales Promotion tools (Sweepstakes) and changes in culture and beliefs. It is obvious from the past literature that sales promotion resulted in an increased volume of sales but its impacts last only for short period, Clow and Baack (2016). Finally, the study concentrates on the behavioral changes of consumers in connection with Sweepstakes which was considered as the sales promotion tool which possesses the characteristics of gambling products. Five major behavioural changes analysed in this area of research are, stock piling, repeated purchase behaviour, change in purchase timing (Purchase acceleration/delay), Brand/Shop switching and shift in purchase initialization. Efforts are taken keenly not to violate the research discussion out of the frame.

1.20.2 Data

The study is descriptive in nature. Both primary and secondary data were used for the progress of research work. Data were collected from the Kerala population who attained the age of 18 years [they are assumed to have purchasing power and attained the legal age for decision making so they can be the customers of Kerala State Lottery and Gambling Related Sales Promotion (Sweepstakes)]. Primary data establishes the foundation for the estimations made in this research work. Thoughts of various market analysts, behavioural economists and psychiatrists acted as a basis for evaluating the concepts of gambling and consumer behaviour. Different models and theories of gambling, consumer behaviour, savings and spending relationships were analysed. Secondary data related to the sales revenue and profit of Kerala State lottery since its inception, policies governing the gambling activities in Kerala were also explored from the official website of Department of Kerala State Lottery.

1.20.3 Sampling

- This Study is administered in Kerala State. The two games selected for the study were the Kerala State Lottery (Voluntary Gambling) and Gambling Related Sales Promotion (Sweepstakes) (Nonvoluntary Gambling). While selecting the respondents to administer the questionnaire, Multi stage Random Sampling Method is adopted. In the first three levels simple random sampling method and in the fourth level systematic sampling method is adopted. 14 districts of Kerala are divided into North Zone, Central Zone and South Zone. From each zone a district is selected randomly and from the selected district one division and two wards were selected. One division from Corporation, one ward from Municipality and one ward from Gramapanchayath. Since Corporation and Municipality are more populated than Gramapanchayath, 70 respondents were selected using Systematic Random sampling method from both the Corporation division and Municipality ward and 60 respondents were selected systematically from the Gramapanchayath ward. A total of 200 respondents from a district were selected for the study, 100 males and 100 females were included from each district. North Kerala includes (5 districts) Kazargode, Kannur, Wayanad, Kozhikode, Malappuram. Central Kerala is constituted with (4 districts) Palakkad, Thrissur,

Ernakulam, Idukki. South Kerala consists of (5 districts) Kottayam, Alapuzha, Pathanamthitta, Kollam, Trivandrum.

- From North Kerala, Kozhikode district was selected for study, this district consists of 1 corporation which consists of 75 wards from which 2nd ward Chettikulam was randomly selected. Out of the 7 Municipalities, Ramanttukara Municipality was selected, out of the 31 wards in the municipality, 19th ward Ramanattukara East was randomly selected. Out of the 70 Gramapanchayaths in Kozhikodu district, Azhiyur Gramapanchayath was selected which consists of 18 wards and from there, 5th ward Chungam North was randomly selected.
- From Central Kerala , Thrissur district was selected for study, this district consists of 1 corporation which consists of 55 wards from which the 18th ward Kizhakkumpattukara was randomly selected. Out of the 7 Municipalities, Irinjalakuda Municipality was selected, out of the 41 wards in the municipality, 18th ward Chalampadam was randomly selected. Out of the 86 Grama Panchayaths in Thrissur district, Adat, Grama panchayath was selected which consists of 18 wards and from there 2nd ward Chittilappilly Padinjattemuri was randomly selected.
- From South Kerala , Trivandrum district was selected for study, this district consists of 1 corporation which consists of 100 wards from which 70th ward Aattukal were randomly selected. Out of the 4 Municipalities, – Neyyatinkara Municipality were selected, out of the 44 wards in the municipality, 17th ward Vazhuthur were randomly selected. Out of the 73 Grama Panchayaths in Trivandrum district, Anju Thengu, Grama panchayath were selected which consists of 14 wards and from there 2nd ward Nedunganda was randomly selected.

1.20.4 Data Sources

Both primary and secondary data were tapped for the study. The primary source was exploited through personal interviews and administering a standardized questionnaire consists of 125 questions divided into 5 sections. Gamblers' Beliefs Questionnaire developed by Timothy A Steenbergh, Andrew W Meyers, Ryan K May, and James P Whelan (2002) (the American Psychological Association), Spending and Saving Attitudes and Behaviors Questionnaire,

Furnham A (1999) from Psyc Tests, a database of American Psychological Association served as the supporting inventory to design the final questionnaire. The questionnaire was designed in such a way that the first part seeks the demographic characteristics of the respondents. The second part collects the data relating to the factors attracting people towards gambling, 55 questions were included under the 11 factors identified. The third section of the questionnaire deals with the influence of the Kerala State Lottery and Sweepstakes on the saving habit of Keralites. 4 variables were identified and 20 questions were administered in this section. The Fourth section of the questionnaire deals with the analysis of spending culture of Keralites on Kerala State Lottery and Sweepstakes (GRSP) and this section also consists of 20 questions coming under the 3 identified variables. The last section of the questionnaire deals with the change in the consumer buying behaviour due to the influence of Gambling Related Sales Promotion Tools (Sweepstakes). Under the observed 5 variables 30 questions were administered.

Table 1:4 : Variables Selected Under the Four Dimensions

Variables selected for the study		
Objective	Variables	Number of Statements
Profile of the Respondents	1. Gender	7
	2. Age	
	3. Education	
	4. Income	
	5. Occupation Status	
	6. Marital status	
	7. Religion	
Factor Attracting to Gambling (GF)	1. Greediness Factor	4
	2. Reference Group	7
	3. Selling Style	8
	4. Government Policies	6
	5. Perception/Attitude Change	4
	6. Addiction	12
	7. Insecurity Factor	2
	8. Entertainment Factor	4
	9. Escapism	3

	10. Advertisement	3
	11. Prize Amount	2
	TOTAL	55
Saving Habit (SH)	1. Lifestyle	3
	2. Financial attitude	8
	3. Social attitude	6
	4. Comfortability Inclination	3
	Total	20
Spending Culture (SC)	1. Spending style	4
	2. Spending attitude	4
	3. Beliefs and culture	12
	TOTAL	20
Consumer Buying Behaviour (CBB)	1. Stock piling	5
	2. Repeated purchase	3
	3. Purchase timing	4
	4. Switch brand/Shop	5
	5. Purchase initiation	13
	TOTAL	30

1.20.5 Tools

Socio economic status of the respondents and variables are analysed using descriptive analysis using, percentage analysis, Cross tabs, Frequencies, Mean. The normality of the data was verified using the One-Sample Kolmogorov-Smirnov Test for Normality. Reliability of the questionnaire was analysed using the Cronbach Alpha Reliability test. Exploratory Factor Analysis (EFA), was administered to categorise the factors attracting people to gambling. Since the data is not normal, researcher adopted non-parametric tests to prove the hypothesis. Mann-Whitney U test was applied for two variable test and Kruskal Wallis H Test was administered for those hypotheses with more than two variables. The Chi-square test was also applied to test the significant difference between independent and dependent variables. Ordinal Logistic Regression Model (OLRM) was applied to analyse the significance of variables. A Five-point Likert type scale were used to measure the variables through questionnaires (Strongly agree-5, Agree-4, Neutral-3, Disagree-2, and Strongly Disagree-1).

1.21 Period

The period of the study was from 2014 to 2019. Data collection using the questionnaire started in 2017 and extended for a period of two years. Data collection was completed by January 2019. The sales turnover (including the revenue and profit) data of Kerala State Government Lottery since its inception from 1967 was taken for the study.

1.22 Limitations of the Study

Researcher have opted a comparative study of voluntary and non-voluntary gambling. In India we have a culture and belief that gambling is not a good phenomenon but Kerala State Lottery is contributing a lion share to the state exchequer. Majority of the literatures available was measuring the financial impacts of Kerala State Lottery, so it was very difficult to find out the reviews from the Indian context. In Kerala there are several products which possess voluntary and non-voluntary Gambling nature, but for this study researcher selected only two games, they are Kerala State Government Lottery and sweepstakes. Other gambling related business and sales promotions (Chitty, Raffles, Thambolas) were not considered for the study. Because of some social or moral aspects, people may not interested to disclose their actual gambling behaviour.

Views and attitudes of individuals to gambling concept may be different, so it was not easy to create a common awareness about the questionnaire in the mind of the customers. Since this type of study was novel in Indian context, the length of the questionnaire may confuse the respondents. This novelty behind the survey made the explanation of the questionnaire to the respondents as a herculean task.

1.23 The Scheme of the Report

The study begins with a brief introduction of the gambling industry and the history of gambling at the global level, Indian context and finally in Kerala. Later the definition and description of major terminologies related to the study were listed. The methodological description explains the framework of the study.

Chapter 2 concentrates on the major literature reviews focused on main two sections of the research, that is social and economic influence of gambling and influence of various gambling related sales promotion tools on the buying behaviour of customers. This

chapter also focus on the various significant theories related to the gambling demand as well as the theories related to the consumer buying behaviour

Chapter 3 explores the factors attracting people towards gambling, and analysis of these factors helps to identify the real motivation behind the gambling instinct and the significant difference with regards to demographic factors were also measured.

Chapter 4 identifies the level of influence of Kerala Government Lottery as well as Sweepstakes on the saving habits of the people. Socio-demographic factors were analysed to identify the significant difference in saving culture.

Chapter 5 observed and investigated the spending habit and willingness of Keralites to spend their disposable income on Kerala State Government Lottery and Gambling Related Sales Promotion (Sweepstakes).

Chapter 6 elucidates the shift in the buying behaviour of customers due to the existence of Gambling Related Sales Promotion (GRSP), (Sweepstakes) in the market.

Chapter 7 illustrated and summarised the major findings and suggestions of the study and also gave an elaborated conclusion along with the future prospects of the research.

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