

## Influence of Gambling in Sales Promotion Strategies

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### Abstract

In this study researcher is trying to identify the influence of gambling in sales promotion strategies adopted by business houses in Kerala. People may not be aware about the influence of gambling in such products. Any event with the presence of consideration, chance and prize comes under the purview of gambling. In that sense some of the sales promotion strategies is having these three elements in it. Prize Contest, Sweepstakes, and Coupon based selling can be considered as gambling based sales promotion tools. Participation in these sales promotion tools can be considered as Involuntary Gambling. And participation in these activities may cause some changes in consumption pattern and saving habits of people. Here we are analyzing the influence of these tools on consumer buying behaviour.

**Keywords:** Gambling Based Sales Promotion; Stock Piling; Involuntary Gambling; Purchase Acceleration. Brand Switching.

### Introduction

There is a debate, whether the motivation to gamble is positive or negative. A common view is that gambling is negative. Some argues that the motivation is positive, because everybody is enjoying gambling because it is a funny recreation. They continue to gamble in spite of losing. Motivation of gambling usually starts with the natural comparison to life. Life is a gamble. Every day, people are faced with situations which involve risk and chance. Gambling activities are extensions of the risk and chance in life. The activity of gambling becomes play, it becomes a game. Gambling allows the person the choice of engaging in the activity, the amount of risk and, in many cases, the stake. The stakes are a necessary element for many people. It turns the bet into not just an opinion but a commitment. The fact that recreational gambling mimics life does not really help us determine why people gamble. If risk

and chance are integral parts of life, why do some people seek out gambling activities and why are others hate to do it?

Product positioning in the minds of customers plays an important role in the success of a product. Even a high quality product may be rejected if it is not properly announced among the customers. People are not ready to buy the product if they have never heard of it. Marketers must communicate the product and its features to the right target customers by formulating accurate messages. But in the present scenario of cutthroat competition simply communicating the product is not sufficient to survive. That's why marketers and business houses follows several sales promotional tools and techniques to differentiate them from others.

The terminal part of product promotion is sales promotion which is gaining ground in these days of keen competition. Sales promotion has been the fastest growing segment of promotion mix and has become a major factor in success of marketing in recent years representing short term incentives to encourage purchase or sale of a product or service. Sales promotional tools are communicating with the audience through a variety of non personal, non media vehicles such as free samples, discounts, gifts and coupons.

Gambling is involved in sales promotion tools adopted by business houses but majority of customers are unaware about these facts and involving in

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it involuntarily. There are several factors which attract one towards these sales promotional tools. The participation can be of two types, voluntary participation and involuntary participation. In voluntary participation, the people involved are aware that he is doing a gambling natured activity. But in involuntary participation, people are unaware about their involvement in gambling. In both cases they are not considering the changes in their savings and spending habit. Decisions regarding this type of activities are irrational in most cases business houses are exploiting this irrationality in the buying behaviour of public.

While analyzing this situation we can identify various factors attracting people towards those businesses having gambling nature. It may involve expectation towards monetary gain, advertisements; persuade selling, addiction, pride, leisure and recreation, excitement and challenges. We can see various demographic elements are also influencing their participation in businesses having gambling nature. However the factor may be different for all which make them indulge in gambling related businesses. But it may have serious impact on the saving culture of our society, hence this study is significant.

### Statement of Problem

In the present scenario people are unaware about the presence of Gambling element in sales promotion strategies. They only believe that those activities like betting, lottery business, casinos and betting in horse racing, bingo are the gambling activities. Of course they are gambling in those activities people are involved with their full knowledge and awareness as they are participating in gambling activities, this can be considered as voluntary gambling. But the presence of gambling elements in those items like sales promotion strategies may not be expected by the customers. These types of tools can attract those people who have a positive instinct towards gambling. This will cause changes in their consumption habit and saving culture. Unwanted purchases will increase and this may seriously affect their preferences for other productive investments. Here the researcher tries to analyse the level of influence of these gambling based sales promotion tools on the buying pattern of customers in FMCG sector.

### Objectives of the study

1. To analyse various Gambling Based Sales Promotional Strategies.

2. To analyse the Immediate, Intermediate and Long term effects of gambling related sales promotion tools.
3. To identify the influence of Gambling Based Sales Promotion tools on the buying behavior of customers.

### Review of Literature

Some of the factors attracting people towards Gambling Related Sales Promotion tools are Expectation towards money, Ego, Advertisements, Persuade selling, Addiction, Pride/status, Recreation, Challenges, Demographic elements. Demographic elements like age, gender, occupational status, education, income and marital status have wide influence on the buying behavior of customers. In this context our customers deserves more shielding from the impacts of Gambling Related Sales Promotion Tools (GRSP tools). The involuntary participation in such gambling activities may lead to an affinity towards voluntary gambling activities (Mark D Griffiths 2005). We lack empirical evidences that gambling advertisements influences participation in gambling. Three dimensions of the impacts of advertisements were identified; involvement, knowledge and awareness are measured and identified that strongest impact is for knowledge dimension. For all the 3 dimensions, the impact increased with level of advertising exposure. Hanss D et al. (2015).

Involvement of problem gamblers in gambling advertising is more as compared to the recreational gamblers. Younger gamblers shows involvement and knowledge but it is old gamblers are identified with more awareness in gambling advertisements. It was also reported that male customers are more likely to involve in gambling advertising than female customers. Hyoun S Kim et al. (2017) shows the transition of social casino gamblers to online gamblers. Its youngsters who reported that after involving in social gaming within a short period they are migrating to online gambling and the influence of advertisement in this regard is high. It was concluded that social gaming and advisements are acting as a gateway to online gambling. Hannah Pitt et al. (2017). (1) the alignment of gambling with culturally valued activities; (2) their perceived knowledge about sport; (3) the marketing and advertising of gambling products and (4) the influence of friends and family was reported as the four key factors that are influencing the participation of children in gambling related activities and consumption intentions.

### Research Methodology

#### Data Collection

Primary and secondary data were collected and analysed for this study. Questionnaires were distributed among the customers of Fast Moving Consumer Goods in Ernakulam and Thrissur Districts. Study was conducted during the period, 2017-18. Primary data were collected from 100 customers of FMCG sector. First part of the questionnaire seeks the demographic information and second part tries to measure their attitude towards gambling based sales promotion tools. The literature on sales promotion and consumer behaviour constitute the secondary data. Inventories supporting this study are *Gamblers' Beliefs Questionnaire* developed by Timothy A Steenbergh, Andrew W Meyers, Ryan K May, and James P Whelan. (it is copy righted by American Psychological Association (APA), *Spending and saving attitudes and behaviors questionnaire*, from Psyc Tests, a database of American Psychological Association.

#### Sample Selection

Respondents were selected from Thrissur and Ernakulam districts of Kerala. Convenience sampling method is used in present study to select the 100 respondents. Sample is built up of 50 male and 50 female respondents. Respondents are selected on the basis of two criteria; they should possess minimum educational qualification to understand the questionnaire as well as they all are the customers of FMCG Sector. Respondents are selected from urban areas. business/professionals, homemakers, youngsters/college students are involved in the respondent group. Prize offers, Coupon Based selling and sweepstakes are the sales promotion strategies possessing gambling nature are selected for this study.

#### Data analysis

The following statistical tools were used to analyse and interpret the primary data collected from the field.

1. Socio economic status of the respondents and variables are analysed using percentage analysis, Cross tabs, frequencies and mean using SPSS, Mean proportion.
2. Paired Comparison Scaling.
3. T test for single mean.

4. Independent Sample t test for two means.
5. Five point Likert scale were used to measure the variables through questionnaire. (Strongly agree-5, Agree-4, Moderately Agree-3, Disagree-2, and Strongly Agree-1).

#### Demographic Tables

Gender	Frequency	Percentage
Male	50	50%
Female	50	50%
Total	100	100%
Age	Frequency	Percentage
Above 50	20	20%
41-50	20	20%
31-40	20	20%
21-30	20	20%
10-20	20	20%
Total	100	100%
Income	Frequency	Percent
60000 above	13	13.0
40000-60000	11	11.0
20000-40000	25	25.0
0-20000	51	51.0
Total	100	100
Status	Frequency	Percent
Youngster/ Students	26	26.0
Home Makers	18	18.0
Business/ Professionals	56	56.0
Total	100	100.0

In order to test whether the opinion regarding "Contest/Sweepstakes/Prize promotion" are above average level? For inferential analysis, here the researcher is applying t-test for single mean.

H1 :Opinion regarding "Contest/Sweepstakes/ Prize promotion" are not equal to average level.

H1#3 ie, Opinion on "Contest/Sweepstakes/ Prize promotion" are not equal to average level.

$$t = \frac{\bar{Y} - \mu}{S/\sqrt{n}} \sim t(n-1)$$

Table 1: t- test for single mean.

Mean	Standard Deviation	t value	p value
3.81	.951	10.885	.000 **

Source: Primary data.

Since p value is less than 0.01, the null hypothesis is rejected at 1% level of significance

hence concluded that the opinion regarding the Contest/Sweepstakes/Prize promotion is not equal average level.\*\* denotes significance at1% level. Mean value is 3.81 so the opinion regarding "Contest/Sweepstakes/Prize promotion" are above the average level. To test the significant difference between genders with regard to interest on Gambling Based Sales Promotion tools (GBSP) like Contest/Sweepstakes/Prize promotion." Independent Sample t test is applied to test the difference of two means. (Table 1).

**H1 : There is significant difference between male and female with regard to interest on Contest/Sweepstakes/Prize promotion.**

**Table2:** Independent Sample t test for two means.

Gender	Mean	Std Deviation	t value	p value
Male	19.62	3.323		
Female	17.68	2923	3.629	0.001

Source: Primary data.

Since p value is less than 0.01 the alternate hypothesis is accepted at 1% level of significance, hence concluded that there is significant difference between male and female with respect to their interest on Contest/Sweepstakes/Prize promotion.

Based on mean score male customers (19.62) is better than (higher than) female customers with regard to interest on Gambling based sales promotion tools (Table 2).

**Table 3:** Most relevant sales promotional strategies attracts customers \* Gender Crosstabulation.

Sales promotional factors attracts customers	Male	Female	Total Percentage
Cash Back Offers	6.0%	8.0%	7.0%
Samples	6.0%	6.0%	6.0%
Buy One Get One	26.0%	40.0%	33.0%
Loyalty Cards	12.0%	4.0%	8.0%
Discounts	14.0%	24.0%	19.0%
Prize Offers, Coupons, Scratch Card	36.0%	18.0%	27.0%
Total	100.0%	100.0%	100.0%

Source: Primary data.

By analyzing the Table 3 we can understand that female respondents are attracted mainly by Buy One Get One offers at the same time male respondents are attracted towards those strategies which possess gambling nature. Both group agrees that gambling based sales promotion tools have severe impact on their buying behaviour.

**Table 4:** Paired comparison table for each sales promotion tool.

	Cash back offer	Sample	Buy one get one	Loyalty cards	Discounts	GRSP (Contest/coupon/scratch card/sweepstakes)
Cash back offer	----	35	55	56	80	55
Sample	65	----	78	48	65	35
Buy one Get One	45	22	----	10	38	46
Loyalty Cards	44	52	90	----	65	70
Discounts	20	35	62	35	----	75
GRSP (Contest/coupon/scratch card/sweepstakes)	45	65	54	30	25	----
Total	219	209	339	179	273	281

Source: Primary data.

$N = n(n-1)/2$ , N= Number of Judgements, n= Number of objects to be judged,

$N = 6(6-1)/2 = 15$ ,

$Mp = C + .5(N)/nN$

Mp= the mean proportion of the column, C = the total number of choices for a given promotion tool

n= number of proposals, N= number of items in the sample  $Mp = 219 + .5(100)/6*100 = .4833$

**Table 5** Mean proportion of the column.

	Cash back offer	Sample	Buy one get one	Loyalty cards	Discounts	GRSP (Contest/coupon/scratch card/sweepstakes)
Mp	.4483	.4316	.6483	.3817	.5383	.5517
Rank Order	4	5	1	6	3	2

While analyzing the mean proportion table 5 we can identify the preferential order of respondents towards various sales promotional strategies. Buy One Get One offer ranked first followed by Gambling Related Sales Promotion tools, Discount offers, Cash Back Offers, Samples and Loyalty cards (Table 5).

**Table 6:** Gambling Related Sales Promotion results in stock piling \* Gender Crosstabulation.

GRSP results in stock piling	Male	Female	Total	Cumulative Percent
Strongly agree	18.0%	26.0%	22.0%	22.0
Agree	40.0%	34.0%	37.0%	59.0
Moderately agree	24.0%	22.0%	23.0%	82.0
Disagree	14.0%	12.0%	13.0%	95.0
Strongly Disagree	4.0%	6.0%	5.0%	100.0
Total	100.0%	100.0%	100.0%	

Source: Primary data.

Table 6 examines the influence of Gambling Related Sales Promotion Tool in Stock Piling. It was also evident from the responses of customers that majority (82%) of the respondents are agreeing with the fact that this type of strategies are ends up in unwanted stock piling. Mainly youngsters and students are agreeing with this opinion that stock piling is one of the important changes they are observing because of the gambling nature in sales promotion.

**Table 7:** Gambling Related sales promotion influence Repeated Purchase behaviour \* Gender Cross tabulation.

Repeated Purchase Behaviour	male	female	Total	Cumulative Percent
Strongly agree	24.0%	18.0%	21.0%	21.0
Agree	48.0%	44.0%	46.0%	67.0
Moderately agree	22.0%	22.0%	22.0%	89.0
Disagree	4.0%	12.0%	8.0%	97.0
Strongly Disagree	2.0%	4.0%	3.0%	100.0
Total	100.0%	100.0%	100.0%	

Source: Primary data

From Table 7 it is clear that majority of the respondents (89%) includes 94% of males and 84% of female respondents agreed to the fact that they are willing to repeat their purchase in order to enjoy the gambling related sales promotion tools. The respondents who agrees to these statement mainly belongs to home makers and professional/business group.

**Table 8:** Gambling Related sales promotion insists to switch brand or shop \* Gender Cross tabulation.

GRSP insists to switch brand or shop	male	female	Total	Cumulative Percent
Strongly agree	32.0%	18.0%	25.0%	25.0
Agree	24.0%	32.0%	28.0%	53.0
Moderately agree	24.0%	28.0%	26.0%	79.0
Disagree	16.0%	14.0%	15.0%	94.0
Strongly Disagree	4.0%	8.0%	6.0%	100.0
Total	100.0%	100.0%	100.0%	

Source: Primary data.

Table 8, shows that 79% of the respondents are of the opinion that those sales promotional tools, which possess gambling nature, has an impact on them, to switch their brands or shops. 80% of males and 79% female respondents are ready to change their regular brand or shops for enjoying these types of Gambling Related Sales Promotion tools. This tools even have the capacity to change the buying behaviour of brand loyal customers. Respondents belongs to youngsters group are showing more affinity towards these type of strategies which results in brand switching.

**Table 9:** Influence of Gambling Related Sales Promotion on Purchase Timing.

GRSP influence to change purchase timings	Male	Female	Total	Cumulative Percent
Strongly agree	32.0%	38.0%	35.0%	35.0
Agree	26.0%	34.0%	30.0%	65.0
Moderately agree	20.0%	18.0%	19.0%	84.0
Disagree	14.0%	6.0%	10.0%	94.0
Strongly Disagree	8.0%	4.0%	6.0%	100.0
Total	100.0%	100.0%	100.0%	

Source: Primary data.

In Table 9 shows that 84% of the respondents (78% of males and 90% of females) are of the opinion that, gambling related sales promotion tools are influencing them to change their purchase timings. They are ready to accelerate or delay their purchase timings for getting the benefits of gambling related sales promotion tools. The people belongs to earning category (Business/Professionals) are expressing these opinion in general.

**Table 10:** Mean Rank Score of behavioural changes among Male and Female Respondents.

Variables	Mean of Male respondents	Rank	Mean of Female respondents	Rank	Combined Mean	Rank
Repeated Purchase Behaviour	3.88	1	3.6	3	3.74	2
Switch Brand/Shop	3.64	2	3.38	4	3.51	4
Purchase timings (Acceleration/Delay)	3.6	3	3.96	1	3.78	1
Stock piling		3.54	4	3.62	2	3.58

Source: Primary data.

From the above table 10 it is observed that due to the presence of Gambling Related Sales Promotion tools, the purchase timings were effected considerably followed by that consumer shows a repeated purchase behavior, stock piling and brand switching. For male respondents the preferred behavioural change is repeated purchase behavior and female respondents mostly willing to change their purchase timings for GRSP.

**Table 11:** How long Gambling Related Sales Promotion influences your purchases \* Gender Crosstabulation.

How long GRSP influences your purchases	Male	Female	Total	Cumulative Percent
Long Period	24.0%	14.0%	19.0%	19.0
Medium Period	24.0%	24.0%	24.0%	24.0
Short Period	52.0%	62.0%	57.0%	57.0
Total	100.0%	100.0%	100.0%	100.0

Source: Primary data.

Table 11 analyse the longevity of the influence of gambling related sales promotion tools on respondents. It is very much clear that these types of tools impact on customers last only for a short period. 57% of the respondents are agreeing with this fact. Only 19% are of the opinion that these types of tools have an impact for long period. Actually the influence last for a short period and in order to gain its benefits, business houses are continuously offering these types of sales promotional strategies to remain in the minds of customers.

### Major findings of the study

In this study, researcher tries to correlate the buying behaviour of customers with that of sales promotional strategies, which have gambling nature. On the basis of various demographic factors it is clear that majority of the respondents are attracted towards these types of tools. Mainly male customers are attracted towards these tools. This shows their affinity and instinct towards gambling. They may not identify this because they are not involving themselves in voluntary gambling activities like

betting, buying lotteries, casinos. So they neglect their attraction towards gambling related sales promotion tools, but actually they are not realizing the gambling nature of these sales promotion strategies. While ranking the preferential order of six sales promotion strategies selected for the study it was identified that Gambling Related Sales Promotion Tools are preferred in second position by the respondents. This also shows the relevance and influence of such tools on buying behaviour. Respondents are also showing difference in buying pattern due to the influence of GDRS tools. Mainly identified changes in the buying behaviour are stock piling, purchase acceleration/ purchase delay, brand/ shop switching, repeated purchase behaviour. it was also identified that the longevity of impact of these GRSP tools are comparatively for a short period.

### Recommendations

Gambling Related Sales Promotion tools have influence on the buying pattern of customers. This may results in an irrational buying behaviour or irrational decision making among customers. So the first think is to create awareness among the customers to make rational buying and not to involve themselves in these strategies possessing gambling nature. Government should implement some strategies to control these tools adopted by the business houses. Customers should be aware about the winning chances they have before making purchases. Rational decision making may

lead to a saving culture which will help the people to make productive investments. So the business houses and government should join hands to help people to take rational decisions.

### Conclusion

The Contest/Prize promotion has the three basic elements of State Lotteries. Prize, Chance and Consideration are the three basic requirements for a lottery business. Gambling laws actually prohibit any private parties or business from conducting lottery business. In this context, in order to legalize a prize promotion strategy the business houses should avoid any of the three requirements of lottery business. Matthew V. Wilson (2014). The most important thing in the administration of these contest promotions are publishing the official terms and conditions this validates the contract between the business houses and customers. Eligibility criteria, winner selection methods, details of prize and several related matters must covered under the terms and conditions. All the above facts and figures will help the customers to take rational decisions, thereby ensure a safe and stable saving culture among people.

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