

Lottery Mania

Topic: Marketing Management (Event Marketing)

Characters: Jane, Recently appointed Director of Event Marketing for the Anystate Lottery
Jim, Marketing Director for the Anystate Lottery
Sal, Commissioner of the Anystate Lottery

Jane was recently hired out of college as the Director of Event Marketing for the Anystate Lottery. Although Jane's father was a compulsive gambler and she received several better-paying job offers, she decided to take the lottery job because she is a strong supporter of education and 50 percent of lottery sales go to supporting public education. Her family was against her accepting the job.

The Anystate Lottery started five years ago after it was approved by 80 percent of the electorate. Two years ago, sales began to decline. This has led Jim, Marketing Director for the Anystate Lottery, to consider segmenting the population of Anystate into frequent, occasional, and nonparticipating players. Jim decided to target frequent players for the new lottery game, "Lottery Mania." The probability of winning Lottery Mania was estimated to be one in 24 million.

Frequent players of the lottery spend, on the average, \$20 per week. Members of various minority groups constitute a large proportion of frequent players. Research conducted by the Anystate Lottery found that many minority frequent players use part of their limited grocery money to play lottery games. In some cases, people have gone hungry in order to play the lottery in hopes of winning the big prize.

As Commissioner of the lottery, Sal is concerned about any negative publicity that may surround the operation of the lottery. However, he has directed Jim to increase sales of lottery tickets by 10 percent during the new game of Lottery Mania. Jim called Jane and ordered her to develop several promotional events to be targeted toward minority lottery players. These events will be used to launch Lottery Mania scheduled to start four weeks from now. Event marketing has been used very successfully for targeting minority consumers for a variety of products.

Jane is upset about the task of specifically targeting minority segments over all other segments in the population of Anystate. Jane is a member of a minority group. Jane knows that additional money for education will help all students in Anystate, especially minority students. Yet she can't help but think about all the families that will play the lottery even though they can't afford it.

Author: Craig A. Kelley, Professor of Marketing, California State University, Sacramento.