

## Lottery Mania Teaching Notes

### *What Are the Relevant Facts?*

1. Jane believes in Anystate Lottery even though her father was a compulsive gambler.
2. Jim has been ordered to increase the sales of the new game, Lottery Mania, by 10 percent. He has decided to do this by targeting frequent lottery players, which include a large proportion of minority players.
3. Minority frequent players often use their grocery money to buy lottery tickets.
4. Jane is a minority and is concerned about targeting minority groups when they can't afford to play the lottery.
5. Public education receives 50 percent of lottery sales, and this money directly benefits minority students.
6. Jane's area of responsibility, event marketing, has proved to be very effective in marketing products to minority consumer segments.

### *What Are the Ethical Issues?*

1. How can Jane design an effective event marketing campaign without hurting the families of minority frequent players?
2. Does Anystate have responsibility for protecting some members of the population from spending too much on lottery games?
3. In spite of Jim's order, what will Jane do if Sal receives negative publicity after the media scrutinize her efforts to promote lottery sales to individuals who can least afford to play Lottery Mania?
4. How can Jane face justifying her job and event promotions to her family?
5. Should states be in the lottery business?

### *Who Are the Primary Stakeholders?*

- Jane
- Jim
- Sal
- Jane's family
- Anystate's education system, including students
- Population of Anystate, especially minority students

### *What Are the Possible Alternatives?*

1. Talk to Jim about the possibility of targeting the events toward all frequent players.
2. Meet with Sal and Jim to explain the potential negative publicity that may develop from targeting minority frequent players.
3. Design an effective event marketing plan, and hope that the costs to some minority families will be more than offset by the benefits received from a better supported education system.
4. Reconsider her original career choice, and pursue other offers of employment.

### *What Are the Ethics of the Alternatives?*

- Questions based on the "utilitarian" perspective:
  1. Which alternative would provide the greatest benefit for the greatest number?
  2. How can a better education system in Anystate be measured? How much weight should be placed on dollars going to education? How much weight should be placed on the economic development of all students, once they have passed through the education system?
  3. What are the costs associated with state-sponsored gambling? How can these costs be quantified?
- Questions based on the "rights" perspective:
  1. What are the rights of each stakeholder?
  2. Which alternative would you not want imposed on you if you were Jane? Jim? Sal? Jane's family? The education system in Anystate? Minority segments of the population of Anystate? The population of Anystate?
  3. Should the rights of the individual stakeholders ever outweigh the rights of the population of Anystate?
- Questions based on the "justice" perspective:
  1. Which alternative distributes the costs and benefits most fairly among the stakeholders?
  2. Which stakeholder(s) carry the greatest cost if Jane decides to design an effective event marketing plan?

3. Does the cost burden change to a different stakeholder if Jane decides to resign?

*What Are the Practical Constraints?*

1. Effective marketing requires the targeting of segments that have the greatest market potential. Frequent players would be a viable market segment regardless of the players' other demographic characteristics. Therefore, if Jane resigns, the next Director of Event Marketing would likely target minority frequent players.
2. Negative publicity is always a possibility when state-sponsored gambling is involved.
3. Lottery sales must be increased if the education system is to benefit.

4. The probability of winning a lottery game must remain low to generate any amount of money for education.
5. The lottery is a legal form of gambling. Little can be done to prevent certain segments of the population from playing the lottery.

*What Actions Should Be Taken?*

1. What should Jane do?
2. Why should she take this course of action?
3. What is the impact of this action on all of the stakeholders?
4. Which of the ethical theories (utilitarian, rights, justice) make the most sense to you as they relate to solving Jane's dilemma?