Title : Thai Consumption Behavior of State Lottery – Underground Lottery

Researcher : Asst. Prof. Sauwanee Thairungroj (Ph.D) **School of :** Economics
Preeda Potong The University of the Thai Chamber
Watit Ruktham of Commerce

Year of Accomplishment : 2006 **No. of Pages :** 78

Key words : lottery consumption behavior, state lottery, underground lottery, addiction

Abstract*

This paper aims to study Thai Consumption Behavior of State Lottery – Underground Lottery. It explores 3 key questions: first, whether the state lottery can substitute for the underground lottery. Second, weather the Thai consumers are addicted to lottery and third, weather the addiction is rational or myopic. This study used time-series data of the total sales of the state lottery in each drawing from the Government Lottery Office. Cross-section data used is primary data collected from 1,660 samples nationwide from 3rd week of December 2006 to 4th week of March 2007.

The model used in this study is Becker & Murphy's "Theory of Rational Addiction". The results are that state lottery can substitute for the underground lottery. For addiction issues, it is found that consumers are addicted to both state lottery and underground lottery and the addiction is more rational than myopic.

* The research is financially supported by the University of the Thai Chamber of Commerce