

# Means and Ends in Cross Border Marketing : Ethical Dimensions of Promotional Activities of The Online Casino

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## Abstract

The case discussed the marketing activities of The Online Casino, which is using publicity to promote its brand while bypassing the restrictions that have been placed on advertising of gambling in many countries. The publicity events and acts are debatable from an ethical point of view in addition to the services offered being ethically debatable itself. That the gambling opportunity is being offered online raises issues of ethics and breaches legal provisions in countries where gambling is illegal. To the extent that laws reflect the culture of country / region, the case examined ethical issues arising from cross cultural marketing.

**Keywords :** gaining attention, brand building, surrogate advertising, ethics in marketing, CSR & marketing, barriers to marketing

**JEL Classification :** A23, D18, D19, D22

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***"They say 'means are after all means.' I would say 'means are after all everything.' As the means so the end... there is no wall of separation between means and end. Indeed, the Creator has given us control (and that too very limited) over means, none over the end. Realization of the goal is in exact proportion to that of the means. This is a proposition that admits of no exception."***

***- Mahatma Gandhi***

The Online Casino is operating from an island country in South Europe, which can be accessed from any country. The company on its website claims to have licenses from the local Gaming Authority and UK Gambling Commission. Unlike the country it is based in, gambling is not legal in many other countries like Bangladesh, Lebanon, Singapore, India (except for Goa and Sikkim) because gambling is not considered healthy and is rather seen to be addictive in nature. It may lead to mental illness (the gambler may start having feelings of anxiety, depression, and even suicidal tendencies), financial means may start to dwindle, and the family life is at high risk as gambling is said to have an association with domestic violence, leaving a negative impact on children's minds. In this scenario where gambling is considered as potentially harmful, existence of online gambling on the contrary allows casinos to bypass the legal frame of the countries like Pakistan, Canada,

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Qatar, India etc. that outlaw or restrict gambling activities, as in case of India by The Public Gambling Act of 1867 ; Payment and Settlement Act, 2007 ; and Information Technology Act, 2000 (Rana SS & Co, 2017).

Global reach of online casinos helps the residents of such countries to successfully place the bet on games and gamble at the outlandish websites that is legal in the country where it is based, despite gambling being an offence in the country where the gambler (person placing the bets) is based. This can be done by using proxy servers if access to a gambling website is banned by a country. Few countries in their wisdom have also proscribed the advertisements that promote gambling or other such activities like that of online casinos. Under such circumstances, the online casinos, which are in stiff competition with one another, find it difficult to mark their presence in the minds of their potential customers as many countries restrict advertising of gambling. Even the UK is known to have banned advertising by about 1000 gambling websites in 2007 (BBC, 2007).

One of these casinos, The Online Casino has found a surrogate way to communicate with people to create awareness about itself among the potential customers. The casino started a series of actions called “The Collection of Firsts” that spoke for and of The Online Casino by garnering media attention.

MS is an actor, singer, author, director, spokesman, producer, and comedian of repute. A famous personality and a cultural icon is primarily known for his television work and films. One day while filming on the set for a TV show, he suffered a severe backache and was immediately rushed to the hospital. The 74 years old multi talented person was operated for a stone in his kidney. Post surgery, he decided to auction his kidney stone on eBay just to see, how much an organ of him, could fetch. Soon he agreed to sell the stone to The Online Casino which initially offered MS \$15,000, but the actor evaluated the stone by stating that the stone may be akin to a diamond! Finally, the diamond valued kidney stone was sold to the Online Casino for \$28,000 and the sum was offered to a charity by MS.

In the year 2005, The Online Casino garnered attention because of Jenny Logan, the lady who sold her identity, legally replacing her name with that of The Online Casino. While driving home, Jenny Logan told her husband that nobody would have ever thought of selling their name and the idea came across. She auctioned her name on eBay so that she could meet the expense of sending one of her children to an elite sport school and soon after, The Online Casino bought her identity, which was valued \$15,199. “The Online Casino (the lady renamed)” explained that she did not bother much about the name as for her kids, she would always be mom.

Bonny Tims, was another one, who not only grabbed the attention of media, but also the gaze of every person on the street she would move on. “It’s a small sacrifice to build a better future for my son,” was what she had to say after tattooing her forehead permanently with The Online Casino’s web address for an amount of \$15,000. According to the spokesman of The Online Casino, such unique deals are “Collection of Firsts”.

Melanie Smith, a 52 year old woman from Hollywood, while having her breakfast one morning was privileged to witness the Holy Mother of God. After taking a bite of a Grilled Cheese Sandwich, Melanie noticed that the bread bore an impression of a lady (grilling effect) who was staring back at her. Soon she realized that the lady emblazoned on the bread was an image of Virgin Mary, Mother of God, who she had just seen. Melanie encased the sandwich immediately in a plastic box with cotton balls, kept it on her night stand and preserved it for 10 long years. Virgin Mary Grilled Cheese Sandwich was brought to people’s notice after Melanie auctioned it on eBay saying, “I do believe that this is Virgin Mary, Mother of God. This is my solemn belief.” The divine sandwich which was believed to provide Melanie the religious guidance and good luck got millions of hits, but executives of The Online Casino made sure that they got it anyway and placed the winning bid of \$28,000. The news read – ‘The Online Casino did it again’. Not just that, the casino also took the blessed food for the world tour and displayed it in important places, like the Hard Rock Café in Las Vegas, to sustain the news flow. ‘The Online Casino World Grilled Cheese Eating Championship’ was held at every stop of the world tour offering the total winning amount of \$10,000 to the first seven winners. T-shirts and bags are still being sold which have the image of grilled cheese sandwich with the name of the casino on it and a subtitle.

The casino enacted numerous other attention - seeking exercises. Jimmy Shoe, a professional streaker, was given an undisclosed sum to streak naked - with the casino's web address on his back - across the field in the final match of a football game. He had already caught the sight of the public and became a laughing stock by the time he was made to leave the football field. Another reason for The Online Casino to be in the headlines was \$5,001 that was spent to acquire an international celebrity's used pregnancy test found in the trash of one of the rooms in the hotel she had stayed with her husband.

The Online Casino presently is at a stage where it is well known, thanks to the news created by recurring events it has been orchestrating and participating in. Other than creating news through surrogate advertising by sponsoring professional boxers, The Online Casino has constantly been indulging in these activities in a way which gets them a positive image by associating with a social cause. The sum offered to people for being added to the casino's "Collection of Firsts" was intended for a good cause of helping their families to overcome financial challenges. The money that was raised by promoting Virgin Mary Grilled Cheese Sandwich (t-shirts, bags etc.) also went for a charitable cause. This points to the active involvement of the casino in philanthropic activities, which are directed at betterment of the society and improving the quality of life, which indeed is an irony given the nature of services The Online Casino offers, that are inherently harmful to the extent of being illegal in many jurisdictions, and the means it uses are debatable ethically and legally. Some may think both the ends and means of The Online Casino are debatable, to say the least.

## Epilogue

The Online Casino was soon being called as the home of the Virgin Mary Grilled Cheese Sandwich. The casino continues to indulge in such acts of publicity which bring them fame and above all, an existence and sustainable value – *doing well by doing good*. The issue is, were they really doing good?

## Findings

The main findings from the case study are:

- (1) Staging of news and events seems to facilitate chunking and cognitive learning, which is leading the audience to look for the casino website later on as the name of the casino is being learned and remembered. This in case the people exposed to the news or events are not carrying a smartphone to look up the casino immediately when exposed to the news or events.
- (2) Events and people e.g. celebrities the brand is seeking to associate itself with are similar, which helps the brand to project a consistent image.
- (3) Prima-facie it appears that the news coverage gained is similar to the advertising space the company may have bought using the amounts spent on the publicity events. That the company has continued to use this tactic repeatedly also points to its efficacy.
- (4) It is possible that the brand is transgressing the law when its services are being used in a jurisdiction that does not allow gambling. Though this may change from one legal jurisdiction to another e.g. some states in India are more flexible. Challenges in implementing laws in the new frontier of the online world may be allowing for businesses to operate in a grey zone both legally and ethically.
- (5) Ethically, it may be preying on the psychological vulnerability with its services when the services are leading to addiction. The promotional means also appear to be bordering on unethical as they are preying on the

vulnerabilities of the economically weaker sections as they need the money being offered by The Online Casino desperately, though The Online Casino is making its marketing moves to appear like altruistic and ostensible acts of social responsibility. The website has content like 'self-limitation' and 'responsible gambling,' which can be evaluated from the ethical standpoint.

## Managerial Implications

Consumer social responsibility must be realized by the business firms by adopting authentic CSR practices. It may not attract a huge mass, as is probable by staging publicity stunts, but is a responsible behaviour which could benefit the business in the long term by building a good reputation. Any business that is promoted on the grounds of its benefits to people and society as a whole is a valid approach. Authentic CSR campaigns can be a support for such level of promotion. Authentic CSR campaigns which are relevant are UBL's Red Card Campaign for responsible drinking ; Bacardi introduced a Foundation for Advance Alcohol Responsibility which aims to eliminate underage drinking and drunk driving.

## Questions

- (1) In your opinion, are the means of promotion used by The Online Casino as effective as advertising gambling services, which are proscribed ?
- (2) What legal and ethical issues arise when marketers bypass marketing barriers as illustrated in the case?
- (3) How else can The Online Casino promote its services and brand within the ethical and legal norms?
- (4) Prima-facie, The Online Casino appears to be fulfilling CSR roles with its promotional activities. Is it correct?
- (5) Using the contingency framework for understanding ethical decisions in marketing, examine what may have caused The Online Casino to adopt means of promotion that are ethically debatable.

## Teaching Notes

**(1) Teaching Objectives :** The objectives of the case are:

- (i) Illustration of means of promotion when an organization is faced with barriers to advertise a product.
- (ii) Analyse ethical and CSR issues that arise when marketers use means of promotion as illustrated in the case.
- (iii) Explore ways in which marketers can promote their products and brands more responsibly and ethically when faced with barriers to promotion.

**(2) Potential Audience :** The case is apt for graduate level classes in conjunction with the topics of Promotion Mix, Social Responsibility, and Ethics in Marketing. It is best handled in groups of 15-25 students/ trainees.

**(3) Number of Teaching Sessions Required :** One session of 1 hour 30 minutes would allow for an in-depth analysis and discussion of the case. The students are to come prepared after going through the assigned reading and case study, which need to be provided to the students at least a week before the scheduled date of the session.

#### **(4) Our Analysis of Questions :**

**Q1. In your opinion, are the means of promotion used by The Online Casino as effective as advertising gambling services, which are proscribed ?**

**Ans 1.** The amounts incurred by The Online Casino in promotional activities are substantial. The disadvantage of the promotional means as compared to online advertising is that no hyperlink is being presented to the audience to leverage the audience impulse to click the link. This limitation needs to be overcome by embedding the brand in the long term memory of the audience so that people may search the website later on if they don't have a mobile device. The brand appears to be doing well in this regard as it appears to be using chunking and cognitive learning. The brand is being associated with events and people who are similar ; thereby, the endeavour is to associate the brand with a consistent image. Prima-facie it appears that the news coverage gained is similar to the advertising space the company may have bought using the amounts spent on the publicity events. That the company has continued to use this tactic repeatedly also points to its efficacy.

**Q2. What legal and ethical issues arise when marketers bypass marketing barriers as illustrated in the case?**

**Ans 2.** It is possible that the brand is transgressing the law when its services are being used in a jurisdiction that does not allow gambling. Ethically, it may be preying on the psychological vulnerability with its services when the services are leading to addiction. The promotional means also appear to be bordering on unethical as they are preying on the vulnerabilities of the economically weaker sections as they need the money being offered by The Online Casino desperately, though The Online Casino is making its marketing moves appear like altruistic and possible acts of social responsibility. The website has content like 'self-limitation' and 'responsible gambling,' which can be evaluated from the ethical standpoint.

**Q3. How else can The Online Casino promote its services and brand within the ethical and legal norms?**

**Ans 3.** Authentic CSR and philanthropy may be an option, but it may not gain as much media attention and traction. Dramatic moves that are authentic may be better. Authenticity of the moves being made presently is suspect. Examples of authentic CSR campaigns which are relevant are UBL's Red Card Campaign for responsible drinking; Bacardi introduced a Foundation for Advance Alcohol Responsibility, which aims to eliminate underage drinking and drunk driving. Since gambling is prone to addiction, the casino should run de-addiction campaigns. The access to the website should be limited, that is, a time limit that could bar people after a continued use, so that the prolonged involvement does not lead to addiction. Other than this, the cautionary notes regarding the harmful effects of gambling and its addiction should be more prominent on the website.

**Q4. Prima-facie, The Online Casino appears to be fulfilling CSR roles with its promotional activities. Is it correct ?**

**Ans 4.** The pyramid of corporate social responsibility (Carroll, 1991) could be applied to the case for answering the question. The casino has been able to fulfil its prime economic responsibility of being profitable by highlighting the philanthropic responsibilities while contributing to improve quality of life, which it is doing by bypassing the legal responsibilities through allowing access to gambling by the countries that outlaw the practices and advertisements promoting gambling and by ignoring the ethical responsibility by promoting the unhealthy practices of gambling. 'Means are as important as the end' explains the ethical issue that arises in the case due to surrogate advertising. Surrogate advertising thus is making a way to walk out of the legal framework and indirectly advertise what has been banned. The idea of proscribing advertising of a product or a service is to



protect people from activities that cause harm to an individual's health and life. These means of surrogate advertising are undoubtedly intended to meet commercial objectives at the cost of larger societal good.

**Q5. Using the contingency framework for understanding ethical decisions in marketing, examine what may have caused The Online Casino to adopt means of promotion that are ethically debatable.**

**Ans 5.** To begin with, the acts of The Online Casino may not be seen unethical in some jurisdictions, e.g. those where gambling is legal. This inference is based on the idea that legal framework of a place reflects its culture and hence the debate on ethicality of the acts of The Online Casino is dependent on the value system of the viewer. The first reason for the acts arises from the opportunity in terms of the 'legal constraints' faced and the 'boundary spanning' role of marketing. The challenges of enforcing laws on the Internet and in the privacy of one's home reduce the chances of punitive action both for The Online Casino and the punter, which is making the opportunity to operate on the ethical/ legal fringe possible.

Significant others in the study would be peers of the marketing leaders of the organization. It appears that the entrepreneurial trait of 'achievement orientation' is playing heavily on both the protagonists in The Online Casino and the people comprising their role set and peer groups. In an effort to achieve the desired business results, the means being adopted are not been examined, much less questioned by the protagonist, their role set, and peers.

## Suggestions for Further Readings

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## Disclaimer

This case study was prepared by the authors for the sole purpose of aiding classroom discussion. Cases are not intended to serve as endorsements, or sources of data, or illustration of effective or ineffective management. Certain names and information have been disguised to maintain confidentiality.

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