“The Development of Effective Advertising

for the Armenian Betting Industry”

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**Abstract**

This applied research proposes an advertising campaign for the Armenian betting industry. The purpose of the campaign is to introduce the new product that Vivarobet an Armenian based online betting company offers – horse race betting online. The process of campaign development used industrial research that resulted in a campaign strategy using online advertising and a face to face event. The development of the proposed campaign included campaign research with consumer surveys, a focus group and interviews conducted with a representative customer and the head of marketing department of Vivarobet. Other stages of development of the proposed campaign included audience identification, message construction and a tactical plan for media placement and planning the event. The launch event of “Your Horsepower” campaign is planned to launch during the month of October in 2020.

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# **Introduction**

This applied project proposes an advertising campaign for Armenian betting industry. Furthermore, it uses Vivarobet – an online betting company as a representative example of the betting industry in Armenia as the proposed client of the campaign. According to “Advertising: Principles and Practice” by Wells B. Moriarty, “advertising is a powerful tool to market products and services, increase brand recognition and consumption of products and services” (Moriarty, 2002). Based on the professional practice suggested by Wells B. Moriarty, the advertising campaign designed for Vivarobet aims to promote the new product and increase its consumption.

According to Armenian sport journalist Armen Nikoghosian “the betting industry is growing fast in Armenia due to a demand for consumption gambling and involving more and more customers” (Nikoghosian, 2016). Based on the recent report by the journalist, in 2015 four operating betting companies in Armenia registered revenues of 38.1 billion Armenian drams and received profits of 27.7 billion drams (Nikoghosian, 2016). One of the leading causes of recent growth may be connected with using well-structured advertising campaigns, that are believed “to have substantial impact on customers on, as advertising may be the key to success for companies involved in this industry” (Moriarty 2002).

Vivarobet is known to be the oldest betting company that involves services such as sports betting, live casino, slots, etc. Vivarobet started its business activity in 2003, and has almost 190 bookmaker points all over Armenia. The official website of Vivarobet is available in three languages; Armenian, Russian and English. The primary market for bookmakers is Armenia, so you can bet on the site only in Armenian drams. (Bookmaker-ratings.am, 2017). Vivarobet advertises its products and services via TV, billboards and outdoor posters.

The aim of this project is to investigate how a leading betting company Vivarobet might better use the process of advertising for its business success and communication goals. This applied project aims to answer the question, “How should an advertising campaign with its ads and ad messages in the betting industry be created and constructed to target and influence the Armenian customer effectively for increasing company earnings?”.

Throughout years Vivarobet has cooperated with many international companies, and became one of the leading betting companies in Armenia; offering wide range of services including live casino, poker, sport betting. On 2020 Vivarobet signed a contract with famous French betting company Pari Mutuel Urbain (PMU) and became the official representor of the horse racing. PMU is one of the most famous betting companies that offers betting on horse racing. As Vivarobet became the first betting company in Armenia to have a betting opportunity on online horse racing, there is a need to raise awareness about the new service. Though horse racing industry is underdeveloped compared to other countries, in recent years many Equestrian centers were opened in Armenia, and raised the cultural value of horse racing (Volkodav, Victor, Gina & Inna, 2019).

According to W. Reinartz and P. Saffert choosing a creative name for the campaign is vital stage of campaign development and can directly affect the advertising. W. Reinartz and P. Saffert mentioned “One key consideration when choosing a name is the idea to which it conveys descriptive or persuasive information”, (Reinartz & Saffert, 2013). In this case the name for the advertising campaign was based on the client’s description and idea to illustrate horse race online betting from another perspective. To illustrate the creativity, and include descriptive information, the name of the campaign was chosen to be “Your Horsepower”. The word “horsepower” is used mainly to describe power of car’s engine, and using the phrase “Your Horsepower” is connecting the idea of measuring horsepower by online betting on horse racing.

“Your Horsepower” Campaign, will concentrate on the introduction of the new service offered by Vivarobet. This is an applied research resulting in a campaign proposal.

As a preparation and orientation for developing the campaign and doing the applied work the researcher consulted with the head of marketing of Vivarobet Rafael Davtyan. During the client meeting Mr. Davtyan answered several questions regarding the environment of betting in Armenia and the role of advertising. Mr. Davtyan mentioned that compared to other countries, overall environment in Armenia is expedient for the growth of betting industry.

On the question if the Armenian Constitution laws have influence on betting in Armenia, Mr. Davtyan pointed out that starting from January 1, 2020 outdoor advertising for betting companies was limited. Based on the new law the size of outdoor advertising; posters or billboards should be 5 square meters, and can only include the logo of the company. However, there is no limit for outdoor ads of events that are sponsored by Vivarobet.

Mr. Davtyan mentioned that all of the advertising types affect Vivarobet’s sucess, one of the most effectives is placing digital banners in the media. “Digital Banners should be designed very carefully, and must include both logo and a warning sign. The warning sign should illustrate the age limit “21+” and state playing particular game may cause material damage.”, mentioned Mr. Davtyan.

Overall, the meeting with the head of marketing department Rafael Davtyan helped to realize how the campaigns should be developed and implemented with taking into consideration the law limitations and regulations.

See the Informed consent form in the Appendix A

**Literature Review**

Generally speaking, the term “Advertising” may be defined as “a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future” (Richards & Curran, 2002), which in other words is the idea of persuading the consumer and having substantial impact on his/her mindset. In the article “The Effect of Advertising on Attitude Accessibility, Attitude Confidence, and the Attitude-Behavior Relationship” the authors Andrew A. Mitchell and Ida E. Berger discussed the psychological impact of advertising on consumer’s mind and behavior. In terms of research, the authors also considered whether advertising can influence brand choice behavior and brand recognition, but do not affect brand evaluation. The authors analyzed the results of the research. They concluded that advertising is impacting brand awareness and recognition positively; however, it mainly has very little or no effect on consumer’s evaluative behavior (Berger & Mitchell, 1989). Additionally, the authors concluded that specific components of advertising campaigns, such as color or word choice, can make a consumer not only be interested in the particular ad but in the whole industry.

Although the betting industry is growing very fast, very little research has been done to examine if a well-designed advertising campaign can affect consumer’s attitudes and behavior (Hing, Vitartas, Lamont 2017). In the article “Understanding persuasive attributes of sports betting advertisements: A conjoint analysis of selected elements,” the authors have analyzed several attributes of advertising and examined which aspects of advertising campaigns have the most impact on consumer’s attention, interest, and desire. Based on the research in terms of a survey of 611 Australian adults, the authors were able to conclude that specific word and color choices can affect consumers and increase gambling habits. The authors also found that it’s extremely important to analyze the aspects of advertising campaigns and examine their effectiveness.

The authors N. Hing, L. Cherney, A. Blaszczynski, S. Gainsbury and D.I Lubman in the article “Do advertising and promotions for online gambling increase gambling consumption? An exploratory study” discuss the connection between advertising and the increase in consumption of gambling. The authors argue whether good advertising can affect the rise in demand for gambling and develop gambling habits. The research concluded that “promotional activities in betting industry increase overall consumption and develop gambling habits” (Hing, Cherney, Blaszczynski, Gainsbury, & Lubman, 2014), which in other words mean that well-designed advertising campaigns can affect consumer’s attitude and behavior. The authors also analyzed the results of the research and concluded that consumers, especially men, switched from physical to online gambling, based on the influence of advertising in the betting industry (Thomas, Lewis, McLeod, et al. 2012).

In the article “Public perceptions of gambling advertising in the UK: Qualitative research,” by Research Works Limited, uses qualitative research method to examine the situation in the United Kingdom and discuss whether betting advertising has an impact on developing gambling habits. Based on the research, the article concluded several key components of developing an effective advertising campaign, as well as designing advertising campaigns and targeting the audience. The article concluded that younger single women and more middle-class family-stage women are more likely not to notice gambling advertising, while more adolescent and adult men are a great target audience in the UK. At the same time, the article stated that to create a well-designed advertising campaign, there is a need to analyze the situation in that particular country.

Nowadays, sports betting may be known as “the only gambling, which can show an increase in participation rated throughout the last decade,” according to recent research (Gainsbury 2014). In the article “Sports Betting and Advertising,” the author discusses the perspective of creating advertising campaigns, managing events, and broadcast, in the betting industry. The author connects the recent growth of the betting industry with well-designed advertising campaigns. There are a lot of varieties of mediums used in past years, such as sports events, media relations, broadcast, and of course, traditional forms; billboards, TV channels, etc. (Hing 2014). The author also concluded that to have a great advertising campaign; there is a need for identifying the right target. Commonly, the target audience is men. According to recent research, the creation of advertising campaigns to reach the right target audience, some strategies include using attractive females or successful young men (Milner, Hing, Vitartas, & Lamont, 2013).

The article “Demographic, Behavioral, and Normative Risk Factors for Gambling Problems Amongst Sports Bettors” discuss what risk factors should be considered when creating an advertising campaign. Based on the research, Hing, Russel, Vitrtas and Lamont analyzed the results and concluded that a possible risk factor might be, being an adult male, in terms of developing gambling habits (Hing, Russell, Vitartas, Lamont, 2016). The research was done by using a quantitative research method, an online survey of 639 Australians. The authors conclude that commonly, the target audience in the betting industry include “young, educated and employed male or a full-time student” (Hing, Russell, Vitartas, Lamont, 2016), which is extremely important when creating an advertising campaign. Based on the results, the authors argued that identifying a target audience and understanding risk factors are the main component of a successful advertising campaign, as the creative aspects are designed to increase gambling habits and demand for gambling.

Creative advertising campaign needs to reach the right target audience, as well as raise brand recognition. In the article “The Creative Concept and its role in Advertising Design,” the author discusses how to create an effective advertising plan. The author argues that the impact that a well-structured advertising campaign can leave on the consumer is not only a persuasion to buy the particular product or use a service but also adds an emotional connection with the brand.

According to a recent study, “advertisements are common to appear during sporting events, on billboards, and in the media via newspapers, TV, radio and the Internet” (Clemens, Hanewinkel, Morgenstern, 2017), which is understandable as those mediums are the most effective in advertising. In the study “Exposure to Gambling Advertisements and Gambling Behavior in Young People,” the authors examine the impact of advertising on developing gambling habits of the identified target audience of young people. The study used a quantitative research method, survey, done among 4617 adults from different schools from two states of Germany, to argue the connection between betting advertising and demand for gambling. Ten gambling advertising was used to understand whether they increase the desire, catch attention, and have an impact on consumers’ behavior. Based on the research, the authors concluded that advertising has a substantial impact on young people in terms of two components; developing gambling habits and, more importantly, recalling the brands in the betting industry.

One of the strategic elements of a campaign may be an event that is used for promotion. In the article “Bet Anywhere, Anytime: The “Analysis of Internet Sports Bettors: Responses to Gambling Promotions During Sports Broadcasts by Problem Gambling Severity,” discuss how broadcasting is being used to place advertising for betting industry. The authors argue that the advertising placed during sports events broadcast is being seen by millions of people, who include the right target audience. The research was based on a qualitative research method, an online survey of 455 participants. The authors concluded that most commonly successful advertising campaigns are combining the right marketing tactics and the direct messages that the customers want to see.

There is a common issue that advertising for gambling products should have regulations as “advertisements have historically been restricted due to their potential to increase gambling habits” Gainsbury, Delfabbro, King, Hing. 2016). However, nowadays, with the development of technologies and the use of the Internet, regulations on betting advertising are limited. In “An exploratory study of gambling operators,” the authors discuss how social media is being used to promote gambling and what mediums are involved. The authors stated that commonly advertising that appears on social media use direct messages to appeal to customers, and sometimes contain hidden words. According to a recent study, “Facebook and Twitter are the most effective mediums when promoting gambling” (Gainsbury, Delfabbro, King, Hing. 2016). The authors examined the results and concluded that advertising that appears on social media encourages customers to gamble, as advertising “emphasize the winning aspect of advertising” (Gainsbury, Delfabbro, King, Hing. 2016). Overall, the study concluded that both traditional ways of advertising, in terms of outdoor print and digital advertising, have a substantial impact on consumer’s attitudes and behavior.

The Internet has not only given a broad platform to promote the betting industry but also upgraded the role of marketing and advertising in the betting industry. In the article “Marketing and Advertising Online Sports Betting: A Problem Gambling Perspective,” by Gonzalez, Estévez and Griffiths analyzed how the advertising campaigns are being designed to promote gambling using social media. According to the research, three crucial steps should be done to develop a successful advertising campaign. Firstly, the methods of identifying what exactly have an impact on consumer’s behavior and attitude should be analyzed. Then, the marketing techniques should be designed, and finally, the characteristics of gambling addiction should be determined (Gonzalez, Estévez, & Griffiths 2017). The research concluded that using direct messages increases the demand for online betting and has a substantial impact on consumer’s behavior.

There is an issue that gambling advertising is misleading and deceptive. The author Per Bine discussed the idea of how advertising campaigns are designed to mislead the consumers; in the book, “You Could Become a Millionaire: Truth, Deception, And Imagination In Gambling Advertising.” Per Bine examined the psychological impact on advertising on consumers and the possibility of advertising to mislead them. The author explained the importance of analyzing previously done advertising campaigns and understanding the situation. The author argues that the development of gambling habits can not only be connected to well-structured direct messages but also other factors and the responsibility not to mislead the consumers rely on both betting company and advertising agency.

From a review of the literature there appears be that advertising plays a huge role in positioning the product or service. The scholars concluded that well-structured advertising campaigns, including billboards, posters or social media advertising have significant impact on the consumer’s behavior and attitude toward the brand. The main argument of this applied project is that more effective campaign can be created for Armenian betting industry and Vivarobet. As the inquiry of this research is how to develop an advertising campaign. The applied investigation will consist of established advertising industry stages of professional practice.

# **Project Approach**

This project’s approach is the development of a professional campaign using industrial research methods and professional practice discussed in “Advertising: Principles and Practice” by Wells B. Moriarty as a guide. The stages of development of the proposed campaign are research with consumer surveys and a focus group, message construction, tactical plan for media placement and planning of the event. Another key stage was evaluation using an evaluation tool, survey.

The first part of the applied project is the industrial research stage that includes a review of the past experience of an advertising campaign. The development of the advertising campaign started with the audience feedback on a billboard design, that was created by Vivarobet last year. The aim of the test review was to analyze the impact of word choice, colors and design based on Vivarobet’s practice.

See the test review billboard in the Appendix B

# **Campaign Development and Implementation**

According to the “Advertising: principles and practice” by Wells Brunett Moriarty the adverting campaigns are designed to “satisfy customer’s objectives by engaging them and delivering a relevant message, at the same time achieve the advertiser’s objectives” (Moriarty, 2002). Based on what author mentioned, the “Your Horsepower” aims to deliver the message, raise awareness about the new product, and increase the sales to achieve the company’s objectives. The campaign is scheduled to start on August 2020 and end on October 2020. The development of “Your Horsepower” campaign included several stages; starting from consumer data with online surveys and a focus group, to identifying the target audience, creating a budget plan, message and ad construction, and planning the event.

# **Campaign Research**

The first stage of the campaign development included a campaign research. The campaign research was divided into two parts; situation analysis to identify the strengths and weaknesses of the company and PEST analysis to understand the political, economic, social and technological impact.

## **Situation Analysis**

In order to understand the marketing environment for a possible campaign a situation analysis (SWOT) was conducted. Based on the analysis, it can be concluded that Vivarobet has competitive strengths. First, and the most important is the brand recognition, that makes the job of advertising easier. Vivarobet is offering wide range of products and services, and has a strong advertising. From the perspective of weakness, fast raising competitors are the main challenge that Vivarobet faces. Also, as mentioned above law restrictions by the government affect the growth of Vivarobet. As betting industry is growing extremely fast, there are a lot of opportunities for Vivarobet. Some of them may include launching a new products and services. Vivarobet has a strong reputation and partnerships with many international companies, so cooperation with other IT companies may be beneficial. Some of the threats that Vivarobet may face are government regulations, and the consequences of current situation with COVID-19 outbreak. Economy is collapsing, which directly affecting Vivarobet’s success. Based on the analysis the main problems besides the government regulations are positioning the new products and raising awareness. Overall the analysis helps to identify the current environment of Vivarobet, and gave background of the problems that “Your Horsepower” campaign should address.

For the SWOT analysis chart see the Appendix C.

## **PEST Analysis**

Before conducting a campaign, there is a need to analyze the external environment of betting industry in Armenia and what factors may affect the organization’s work. This stage is the PEST (Political, Economic, Social, Technological) analysis includes both positive and negative factors that may be political, economic, social and technological. Using the PEST analysis, from political point of view, change of government may have effect on the Vivarobet, as there can be need to build new contacts and understand the new policy agenda. For instance, some of the laws in the constitution of Armenia, after the Velvet Revolution. The changes affect majority of spheres, one of which was betting. One of the laws banned the outdoor advertising for betting companies, which directly affected the advertising of Vivarobet. This las have impact on the “Your Horsepower” campaign as it can’t put billboards or posters to advertise the new product. Taking into consideration this example, the political situation in Armenia have direct relationship and impact on the success of betting companies.

From the economic point of view, Vivarobet now faces a lot of challenges. For instance, according to CAN the world economy is collapsing, because of the COVID-19 outbreak, and the GDP will shrink by 3%. The consequences will apply to all countries, including Armenia (Wolf, 2020). The economic crisis in Armenia will have a huge impact on Vivarobet and may create challenges. For instance, “Your Horsepower” campaign includes a launch event, that is postponed due to the situation. However, the economic crisis may lead to cancellation of the event, or affect the advertising of the new product.

Some of social factors may be negative and positive, as the social impact is mainly based on the opinion of society. One of the positive factors for the successful work of Vivarobet are technological factors. Nowadays, technology is developing extremely fast, which creates an environment for betting industry to grow. Overall, the PEST analysis gives background analysis of current situation in Armenia and the factors that may be affect the work and the growth of the Vivarobet. Based on the PEST analysis, the campaign is developed taking into consideration the factors that may have affect its’ success.

The PEST analysis helped to realize the environment for the growth of betting industry in Armenia, and what factors may affect it. Overall, the analysis concluded that the environment is safe and creates many opportunities for betting industry to grow.

However, there are three key factors that the betting companies should take into consideration. As current situation with COVID-19 outbreak shows, the economic crisis directly affects the development of betting industry. Moreover, government regulations play vital role too. However, one of the positive factors due to the current situation may be that people stay at home and may spend more time on online betting.

## **Consumer Data**

Next stage of the campaign development was collecting consumer data based on the consumer surveys and a focus group. The collected data gave basic information to identify the target audience of the campaign, as well as the goal and its strategies.

***Focus Group***

To identify the advertising strategies of the campaign, a focus group with eight participants typical of target segmentation was conducted. The focus group lasted 1.5 hours and during which participants shared their opinion on brand, its products and services. The questions of the focus group were designed to understand the percentage of brand recognition and the impact of ads on consumer’s mind.

According to results, 7 of 8 participants were familiar with Vivarobet, while only 5 have ever tried to gamble online. However, all of eight participants had a friend or relative who is using the online gambling service offered by Vivarobet. Though, none of the participants knew that Vivarobet started partnership with PMU (Pari Mutuel Urbain) and became the official representor of horse race betting in Armenia, most of them were eager to learn more about the product and the launch event. The results of the first part of the focus group, showed that “Your Horsepower” campaign may achieve its goal to raise awareness about the new service and also may be most distinctive in the market.

Participants were shown a billboard that was part one of the most successful campaigns done by Vivarobet; a lottery with a prize of five jaguars. After looking at a billboard 5 of 8 participants showed interest in the offer. Especially, the main component that caught their eye was the word “խաղարկություն/lottery/”, which was placed in the middle of the billboard. Another component, that participants pointed out during the meeting was the usage of pictures or graphs. Five cars were pictured on the billboard, that most of the participants paid attention. One of the participants mentioned that “seeing the actual prize - cars on the advertising billboard inspires confidence”. The second part of the results, helped to identify details that attract customers, what color, font or object to use.

Overall, the results of focus group helped to identify what attributes have the most impact on customers. The results showed that using strong word choice, appealing colors and objects may have huge impact on customer and raise the possibility to attract customers. Also, the results of focus group showed that “Your Horsepower” campaign may be interesting for the customers, which will raise the possibility to sell the new service.

***Online survey***

To better understand the company's marketing and advertising problems, both online and face-to-face surveys were conducted. The online survey was conducted with a total of 212 participants, among whom the 55% were aged from 17 to 24 and 43.9% -24-40. For the paper based surveys, we interview people aged mainly from 35 to 50.   
According to online survey, most of the participants (66.9%) were men, either a student or employer. The results showed that 55% percent of participants have ever gambled in their life. The online survey was designed for both participants who have ever gamble, and people who may not, and was divided into sections.

First section, included questions for people who have ever gambled. Based on the results 87.7% of participants are using services offered by Vivarobet. For participants, the main component of advertising that makes them interested in the offer/service are media channels, especially social and news media (81.5%), while other famous options also included sport events (9.9%) and billboards (4%). The results of this section helped to identify what media platforms are the most effective and identify what media mix to use for the “Your Horsepower” campaign.

The second section, that was designed for participants who have never tried to gamble include questions to understand the brand recognition percentage, and the effectiveness of the advertising campaigns. Though, participants have never gamble in their life, most of them were familiar with famous Armenian online betting companies – Vivarobet (86.2%), Toto Gaming (74.1%), Adjarabet (72.4%). On the other hand, the results showed that though all of the three main betting companies advertise their products and services, the most seen is Vivarobet (41%), Adjarabet (37.9%), Toto Gaming (21.2%). The results of section two matched with the section one, as most of the participants evaluated the usage of advertising channels as following; Social and news media (44.8%), billboards (26%), and sport events (7%).

The final section was designed for both participants who have ever gamble and the ones who have not. In this section, participants were shown a billboard that represented one of the most effective advertising campaigns done by Vivarobet, and asked to analyze it. The main two components of the billboard that caught participant’s attention were the phrase “խաղարկություն/lottery” placed in the middle (53.2%) and the pictures of the cars (39.6%). The main colors that caught viewers’ attention were red (60.4%), pink to purple background (36%) and blue (2.9%). Though, the design, color and word choice have huge impact on the participant, the main goal of the advertising billboard to sell the product. Results showed that 51.1% of participants was interested in the brand or the service offered. On the other hand, 35.3% were not interested and only 13.7% said “maybe”.

Overall, the results of the online survey helped to identify what to include when creating a design for “Your Horsepower” campaign. The results of the online survey identified the importance of strong word choice, and using beautiful thematic objects. Based on the results “Your Horsepower” campaign will improve the issues that were identified and conduct a strong design introducing the new product – horse race betting.

See the diagrams in the Appendix D

***Paper based survey***

Paper based survey included 45 participants, who were asked several questions about betting industry and the effectiveness of advertising. Most of the participants (38 people) were familiar with Vivarobet, however only 20 of them have ever gamble in their life. The most famous answers on the question “have you ever gamble in your life?” included “No, I don’t do such things”, or “No, but my friends (relatives) do”. Almost every participant 43 of 45 knows someone, a friend or a relative who uses services of Vivarobet, and gambles online.

The participants of the paper based survey were representatives of Armenian population from different perspectives. The participants were found in the streets of Yerevan. None of the participants knew that Vivaorbet is the official representor of horse racing in Armenia, however showed interest to learn more about the product. Most of the participants 40 of 45 were interested in attending the possible launch event. The participants were asked to identify where the ads of betting catch their attention most, and the answers included “social media”, “billboards” and “TV”.

Overall, the online and paper-based survey results showed which advertising components and media channels are the most effective. From the data collected from paper-based surveys, the following was identified; to use strong word choice, appealing colors and thematic objects in developing message and construction.

***In depth interview with a representative customer***

A customer selected for an in-depth interview was a 28-year-old single man, that constantly (every day) uses the online betting services of Vivarobet. The representative customer was chosen with the help of social media.

A one hour interview with a loyal customer of Vivarobet helped to understand what is the most important for customers. According to the loyal customer, the main advantages of using the online platform of Vivarobet, are good design and wide range of products. “Vivarobet always offers a lot of products and services, includes bonuses and does lotteries with huge prizes. They know how to treat their customers”, mentioned the customer.

The customer stated that the advertising of the Vivarobet is strong, as the digital banners are placed all over media. “When reading news or looking at something on social media I always see the ads of Vivarobet, which have very beautiful design and always attract me to see their offer.” The customer also pointed out the strong policies that Vivarobet has. “Though, the fact that gambling is legal in Armenia, and there is safe and free environment, Vivarobet doesn’t encourage to play, and always mentions the possible consequences that customers may have”. The customer was familiar with the billboard that was shown to survey and focus group participants. He pointed out that the word choice and the picture of the cars made him interested in the offer.

Overall, the interview with the loyal customer helped to identify how the advertising and overall the work of Vivarobet seen in the eyes of the customers. Some of the strengths that were identified were attracting design and effective advertising. The results of the interview helped “Your Horsepower” campaign to identify what may affect its success, in this case a good advertising and well-design digital banners.

To conclude, the consumer data results helped to understand the connection between the advertising of the betting products and consumer behavior. Both online and paper-based surveys gave background information of what the “Your Horsepower” must include to position the online betting on horse racing effectively. The in-depth interview with a representative customer helped to realize what factors of advertising and the brand affect the customers of Vivarobet.

The campaign research gave information about the environment of betting in Armenia. The consumer data including the results of focus group, surveys and interviews helped to identify how the campaign should be developed. According to “Advertising Campaigns: Start to Finish v.1.0” before conducting the goal of the campaign, besides the analysis of campaign research the main objectives of advertising may be identified. “The communication goal of the advertising is to inform, persuade, and remind” (Solomon, 2012), was stated by the author Michael R. Solomon.

# **Campaign Goal**

To identify the goal of the “Your Horsepower” campaign, the DAGMAR model, created by researcher Russel Colley was used. The main goal of the “Your Horsepower” campaign was based on the both campaign research and the conceptual work. The main principle of the DAGMAR model is to define advertising goal measured by advertising results. (Kopp, 2019). The desired result of the “Your Horsepower” campaign is to introduce the new product and increase sales of it. Using the DAGMAR model, and taking into consideration the main communication objectives of advertising, the goal of the “Your Horsepower” campaign is to raise awareness about the company, by introducing the new product, and persuade to buy, which leads to increase of sales.

# **Target Audience**

After the identification of the goal of the campaign, the next stage of this applied project was the determination of the target market. According “Advertising: principles and practice” by Wells Brunett Moriarty target market helps organizations and companies to identify their strategies, which can lead to achieving the goal that was set. “Market segmentation is the main market approach, that must be used to divide the market into segments and then choose the right segment for the campaign” (Moriarty, 2002). By using the segmentation approach, the overall market can be divided into four segment features; demographic, psychographic, behavioral and geographic. Based on the analysis of consumer data, the demographic features of the target audience of “Your Horsepower” campaign are being a male aged 21-49, mostly single or divorced, with a low or middle income. As the “Your Horsepower” campaign focuses on the Armenian population, the geographic segment is Armenia. The target customers of “Your Horsepower” campaign have strong loyalty status, and are mostly affected by service or product range and quality, which is the behavioral segment features. The psychographic features include having ambitious or compulsive personality. Overall, the target audience was determined using the market segmentation approach, and was based on the consumer data. The consumer data helped to understand who is more interested in the industry and may be a representative customer. The market segmentation chart helped to identify the target market based on the four segments.

See the market segmentation chart in Appendix E

As a result of the applied work, the target of “Your Horsepower” campaign was identified as male, aged 21-40, who are a student, employed or retired and have low or middle income.

# **Campaign Strategy**

Once the goal and the target market were identified, the next stage of the applied project is choosing the strategy. Before identifying the strategy, the results analyzed above were taken into consideration. Firstly, as was mentioned by the head of marketing department Mr. Davtyan, starting from January 1, 2020, using outdoor advertising has been banned for betting companies. For this particular reason, the strategies of “Your Horsepower” campaign will focus on placing digital banners in media and implementing a launch event. Secondly, the SWOT analysis showed the problems that the campaign must meet; positioning new products affectively and raise awareness. Overall, all of the results combined together identify the main strategy of the campaign.

The strategy for the “Your Horsepower” campaign is aligned with to the business strategy of Vivarobet. Vivarobet as a company aims to sell their products, and attract more customers. To define the strategy of “Your Horsepower” campaign, the Hierarchy-of-Effects model was used. The Hierarchy-of-Effects model is the relative impact of various objectives on overall strategy. The higher advertisers go on the hierarchy the more difficult to reach desired response. (Moriarty, 2002) The strategy of the “Your Horsepower” campaign includes address all three stages of Hierarchy-of-Effects model, the awareness and knowledge, the liking and preference, the conviction and purchase. Using the model, the strategy of “Your Horsepower” campaign is placing digital banners in the news channels, and launching an event to introduce the new product.

## **Tactics**

A tactical plan was produced that consists of the following, placing digital banners in the media and implementing a launch event.

***Digital Banners***

With the development of technologies and social media the advertising using digital banners became much easier. “Your Horsepower” Campaign will include placing digital banners introducing the product; horse racing. The digital banner will include the slogan, thematic objects and. The digital banners will be placed in a common type of mass media – news media, especially the websites that are most desirable for the target audience.

***Launch Event***

“Your Horsepower” Campaign will implement an event launching the new product – horse racing. The event will take place in famous hippodrome located in Yerevan. During the launch event, guests may ride horses themselves. The event will be advertised separately on the social media, especially Facebook and Instagram. The event will be sponsored by Vivarobet, during which participants may ride horses and get known with the new product-horse racing.

# **Message**

The slogan of the “Your Horsepower” campaign is “Measure Your Horsepower/ Չափիր քո Ձիաուժը”. According to findings/results analysis, strong word choice has an influence on customers. For that particular reason, the slogan is designed to attract customers. The theme of the campaign is a story with a message which convey one meaning which is measuring the horsepower by betting on horse racing.

# **Ad design and construction**

The digital banners are designed using two languages; both Armenian and English. Instead of a picture, a background of digital banners includes a horse in the hippodrome. At the same time, nature is used to indicate the free spirit. Using a walking horse in the background connects the overall theme with the slogan of the campaign. In the middle of the banner is placed the slogan of the campaign “Measure Your Horsepower/ Չափիր քո Ձիաուժը”. Based on the points that the head of marketing department Rafael Davtyan mentioned, the design of the digital banners include both the logo of Vivarobet, and the warning sign. The logo is placed in the left side of the banner. The warning sign placed in the right upper side of the banner indicates that playing the game or betting may cause material damage. The colors of the digital banners are the main colors of Vivarobet’s logo; pink and white. As the background is a short video, the main colors are white, green and the brown. Overall, the digital banners are designed to attract customers, and introduce the new product – horse racing, from another perspective.

# **Media Strategy, Plan and Placement**

After the identification of the ad design and message, the next stage of the campaign development was the advancement of a media strategy, with identifying the main media mix for the campaign and conducting a media placement plan.

## **Media Mix**

According to the authors of “Advertising Campaigns: Start to Finish v.1.0” “choosing the right media mix means understanding the primary advantages and disadvantages of each media format” (Solomon, 2012). The media in this cases selected for message placement for “Your Horsepower” campaign’s message a to consumers will be online news channels, social media and billboards. As the “Your Horsepower” campaign is divided into two parts, which are placing digital banners and launching the event, several aspects of media mix will be used. The media mix will include billboards and social media to advertise the launch event, and news channels platform to introduce the new product. As mentioned above, media mix was chosen based on the history of Vivarobet, and the primary advantages that the channels will provide for the campaign.

## **Media Placement**

After the determination of the media mix the next stage of the development of the campaign is the media placement process. According to “Advertising: Principles and Practice” by Wells Burnett Moriarty although the media planning is being examined before the creative planning they are parallel processes that constantly influence one another. The author stated “the ultimate goal of the media placement is to reach the target audience in the best possible way, and contribute to sales and profitability” (Moriarty, 2002). The media placement plan for the “Your Horsepower” campaign includes placing digital banners in the single form of a communication – medium. Based on the campaign research the most effective medium for placing digital banners is the online media. The main objective of placing digital banners in the online news channels is to raise awareness about the new product offered by Vivarobet. Media buying is divided into four parts for two media channels:

* One of the biggest online news platform in Armenia – Tert.am
* One of the biggest online sport news platform in Armenia - Armsport.am

The media placement operator is the “Digisales”.

According to “Advertising: Principles and Practices” by Wells B. Moriarty “The effectiveness of a media plan also involves determining the size or length of a particular message” (Moriarty 2002). In this case, the length of the digital banner created in terms of “Your Horsepower” campaign is 5 seconds. The digital banner will appear within every click to read an article by the consumer. Every click will lead the consumer to the Vivarobet’s official page, while the amount will be calculated for the rating information.

The audience and rating information of the digital banners will be based on the gross rating points. As Wells B. Moriarty mentioned “the gross rating points is the best way to gain rating information, as it is being calculated by dividing the total number of impressions by the size of the audience and multiplying by 100”. The gross rating points are provided by the media placement operator “Digisales”.

# **Budget**

The budget for the “Your Horsepower” campaign is divided into two parts; the placement of digital banners and the launch event.

**Digital Banners**

Digital banners will be placed in two media channels; the online news and sport news platforms. The budget for placing digital banners will be divided into two parts. Overall the budget for placing two digital banners in the two news channels is 750,000 AMD.

**Launch Event**

For the launch event the budget will be divided into the implementation of the event and the advertising for it. The event venue is Hippodrome Armenia. The event will include catering service, models for greeting guests, and banners for welcome zone. The event also will need some volunteers. The advertising of the launch event will be held in both social media platforms and billboards. The billboards will be placed for one month in three chosen locations; Sayat Nova-Aleq Manukyan, Kievyan Str. and Baghramyan 58. Overall, the budget for “Your Horsepower” campaign will be

See the budget chart in the Appendix F

# **Campaign Schedule**

Due to the COVID-19 Outbreak the launch event will be postponed to autumn 2020. There is a complicated situation in the world connected with the pandemic, and the campaign was responsive to changing environment. The media placement will also be postponed to August 2020, when the process of the campaign implementation will begin. The following schedule is designed may be changed due to the situation in the country. The process of the implementation of the launch event will start at August 2020, and the event will take place in October 2020.

See the tactical plan schedule in Appendix G

## **Resources and Responsibility**

The “Your Horsepower” campaign will have main advertiser and sponsor – Vivarobet. Some of the resources that will be used include;

* Event Venue – Hippodrome Armenia
* Catering Service – “7Qar Restaurant”
* Decorators – “Jasmin Rose”
* Model Service - “Top Model Group Armenia”
* Design and Printing - “AsVarAs design”
* Technical support - “Techno Zone Armenia”

The main responsibility of the event will be on the event planner, who proposed the campaign. The event will need 20 volunteers (calculated for 100 people) to participate in the organization process and during the event itself. The volunteers will be chosen with the help of “volunteer league” of American University of Armenia.

# **Evaluation Tools**

According to “Advertising: principles and practice” every campaign includes an evaluation component that compares actual performance with the planned performance (Moriarty, 2002). As the launch event is postponed to autumn 2020, the evaluation process only included digital banners. An online survey was conducted with 201 participants to evaluate and understand if the digital banners can be labeled as successful. The 86.1% of the participants were male, and 63.2% aged 25-40. Other participants typical of the target market are aged 21-24 (27.4%). Most of the participants were employed (62.7%), and students (27.4%). Other options also included retired (7%), and military (3%). Two questions were asked to participants to analyze the effectiveness of the digital banners. On the first question “What caught your attention first”, most of the participants (75.6%) answered the slogan “measure your horsepower” which was placed in the middle of the banner. Other attributes that caught the attention of participants included the pink to purple logo (10.9%) placed in the left corner of the banner, and the background (12.9%). Most of the participants (63.7%) were interested in the offer when looking at the digital banner. Other options included “no” (16.9%) and “maybe” (19.4%).

See the evaluation diagrams in the Appendix H

Overall, the analysis of the evaluation survey for “Your Horsepower campaign” helped to realize the strengths and weaknesses of the digital banners. Firstly, the analysis of the survey results showed that the target audience was chosen properly. Secondly, according to the results the digital banners were designed effectively and affect the mind of the customers. Most of the participants typical of the target audience were interested in the offer when looking at the banner. That was the goal that banners were supposed to achieve.

As the launch event is postponed to autumn 2020, the evaluation process was only focused on the digital banners. However, the event will be evaluated too after its implementation.

# **Conclusion**

This applied project aimed to answer the question “How should an advertising campaign with its ads and ad messages in the betting industry be created and constructed to target and influence the Armenian customer effectively for increasing company earnings?”. Based on the research and professional practice discussed by the scholars this applied project concludes that advertising plays huge role and can directly affect customer’s mind and behavior. The industrial and environment research showed that the companies should take into consideration all factors, such as government regulations and economic situation in Armenia, before implementing an advertising campaign. The consumer data helped to realize that some factors, such as word or color choice, and usage of thematic objects can increase the chance to sell the product. Overall, the consumer data helped to realize what to include in the advertising campaign before its implementation.

This applied project proposed an advertising campaign for the betting industry in Armenia. The aim of the campaign is to raise awareness about the new product offered by Vivarobet. The development stages of the campaign included conducting campaign research, identifying the campaign goal and strategy, constructing ad design and message. The applied campaign includes a launch event, which was postponed due to the pandemic caused by the COVID-19 outbreak. The applied project included an evaluation of the “Your Horsepower” campaign which was based on the first part of the campaign - a test review of the design of digital banners.

The applied project helped to realize that a full advertising campaign can be generated in a limited time, successfully completing development stages, including conducting a research, identifying the target audience, goal and strategy, and constructing the ad design. The campaign development used a professional practice discussed in the campaign research, as a guide, such as the standards set out by Wells B. Moriarty in his “Advertising: Principles and Practice” book and used the set objectives to construct an ad design. The project can’t conclude if the campaign was effective or not, as that the implementation of the campaign is postponed, due to the COVID-19 outbreak. However, the short evaluation of the ad designed showed that the ad design and construction met the set goals, in terms of attracting customers and raising awareness about the new product.

Overall, the applied project concludes that the usage of advertising campaigns, that are developed taking into consideration the factors and the attributes discussed in the research, such as word or color choice of the ad design, creates an opportunity for betting companies to increase their sales.

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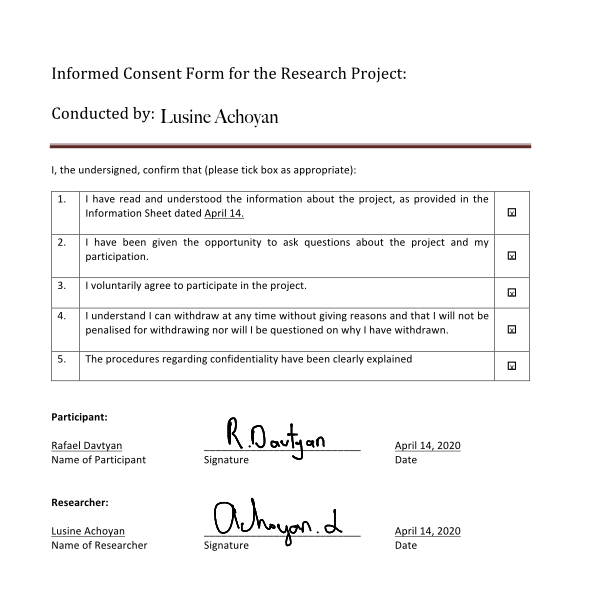
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# **Appendices**

Appendix A

Informed Consent Form



Appendix B

Test Review Billboard



Appendix C

SWOT Analysis

|  |  |
| --- | --- |
| Strengths   1. Strong cash income that creates opportunities and provides resources to expand into new projects and products. 2. Product Innovations 3. Offering one of a kind products and services in the market (horse race, virtual sport betting) 4. High brand recognition and customer satisfaction 5. Strong advertising | Weaknesses   1. Fast raising competitors 2. Law restrictions 3. Economic instability in the country |
| Opportunities   1. Launching new products and services 2. New environmental policies 3. Cooperation with new international IT companies | Threats   1. Government regulations including tax laws 2. Revenues are directly affected by economy 3. COVID-19 outbreak consequences |

Appendix D

Findings/Results diagrams

Appendix E

Market Segmentation

|  |  |  |  |
| --- | --- | --- | --- |
| Demographic | Behavioral | Geographic | Psychographic |
| * Age: 21-49 * Gender: Male * Family size: Single; Unmarried, Divorced * Income level: low and middle * Occupation: Student, employed, retired | * Usage rate: medium user, heavy user * Loyalty status: strong * Marketing factor sensitivity: quality, price, service, sales promotion, advertising | * Countries: Armenia, | * Societal divisions:   Upper-crust, social security successful, movers and shakers   * Personality: leaders, ambitious, compulsive |

Appendix F

Budget

|  |  |
| --- | --- |
| Event Venue | “Hippodrome Armenia 500,000 AMD |
| Catering Service | “7Qar Restaurant” 1,500,000 AMD including wine and desserts. (calculated for 100 participants) |
| Greeting Banner | “AsVarAs design” 50,000 AMD |
| Welcome Zone models | “Top Model Group Armenia” 100,000 AMD for five models |
| Technical Support | “Techno Zone Armenia” 300,000 AMD for projector and screen for the launch presentation |
| Decorations of hippodrome | “Jasmin Rose”  300,000 AMD |
| Billboards | *Operator-Nushikyan Association*  Komitas 27 - (near KFC) - 118.000 AMD per month  Northern Avenue 3 LED 125.000 AMD per month  Abovyan – Sayat-Nova – LED 140.000 AMD per month  *Estimated one month budget: 383,000 AMD* |
| Social Media advertising  (Facebook and Instagram) | Instagram – 20 cents to $2 per click (around $5 per 1000 visitors)  Facebook - $0.97 per click  *Estimated monthly budget: $620 = 300,000 AMD* |
| Media Placement | *Operator - Digisales*  Tert.am – 400,000 AMD  ArmSport.am – 350,000 AMD  Overall media placement budget – 750,000 AMD |
| Overall | 4,000,000 AMD |

Appendix G

Tactical Plan Schedule

|  |  |
| --- | --- |
| August 15 | Contacting Vivarobet for the campaign implementation |
| August 16 | Contacting media channels; T*ert.am, News.am, Armsport.am Armfootball.am* to place digital banners |
| August 18 | Confirming the media placement, and placing the digital banners |
| August 20 | Discussing the sponsorship and the implementation of the launch event |
| August 22 | Contacting “Hippodrome Armenia” and choosing proper date. |
| August 24 | Contacting the designers of Vivarobet and starting the design of the billboards |
| August 30 | Contacting the operators to place the billboards. |
| September 5 | Starting the advertising of the event and placing the billboards |
| September 7 | Creating the social media page for the event –Facebook and Instagram |
| September 9 | Starting the social media advertising on Facebook and Instagram |
| September 11 | Contacting the designers of Vivarobet and starting the design of the welcome zone banners |
| September 15 | Contacting the catering service operator and discussing the details |
| September 17 | Contacting the decoration operator and discussing the details |
| September 18 | Contacting the model agency and choosing models for the welcome zone |
| September 20 | Printing the welcome zone banners |
| September 24 | Contacting the “Volunteer League” at American University of Armenia and choosing volunteers |
| September 25 | Contacting the technology support operators and getting the equipments |
| September 26 | Sending the invitations |
| September 28 | Contacting the journalists and inviting to the event |
| September 30 | Going to the event venue with the catering service and decoration operators and discussing the details |
| October 3 | Getting ready for the event, with putting the equipments |
| October 4 | Decorating the event venue and putting the catering service equipments |
| October 5 | The event day |

Appendix H

Evaluation Diagrams