

Ogilvy Digital Media's Impact on Development Strategy Research and Advertising Communication

Wenle Huang *

Department of Arts, Culture, and Media, University of Toronto Scarborough, Toronto, 1265 Military Trail, Scarborough, ON M1C 1A4, Canada

* Corresponding Author Email: wenle.huang@mail.utoronto.ca

Abstract. This study investigates Ogilvy, a leading organization in the United States, and its interest in utilizing social marketing strategies, artificial intelligence, and data mining technology to enhance the efficacy and efficiency of advertisement distribution on social media. The research draws on organizational information, secondary journals, and other secondary data sources to analyze the drawbacks of Ogilvy's current advertisement distribution and design strategies. The study identifies key risks faced by Ogilvy, including unintentional participation in greenwashing activities, rising audience concerns about data security, and the increased risk of incorporating inappropriate content in advertisements. These risks and uncertainties have the potential to damage Ogilvy's business reputation. To address these challenges, the article proposes three solutions based on current advertisement design and distribution strategies. These solutions aim to help Ogilvy mitigate potential risks and decrease uncertainties in future advertisement design and distribution for business clients. By implementing these strategies, Ogilvy can safeguard its reputation and maintain its leadership position in the advertising industry.

Keywords: Social Media; Digital Channel; Advertisement; Advertising; Data Mining.

1. Introduction

1.1. Research Background

Advertising is one of the important communication tools in a marketing campaign. The total expenditure on advertising increased to 733 billion US dollars. At the end of 2024, the expenditure on advertisement is expected to increase by 12.1% in the South Asia region and 7.6% in the US & Canada region [1]. With digitalization, the investment in advertisement shifts from traditional channels, such as TV programs, magazines, radio, and newspapers, to social media channels and the Internet. At the end of 2023, the revenue of internet advertising will rise to 484 billion US dollars in the global advertisement service market [2]. Thus, more than 50% of advertisement revenue shifted from the traditional channel to Internet advertising under the impact of digitalization. The data reflects the increase in demand for advertisements for product & service promotion in the current period and the change in the advertisement format in this era. In order to improve communication efficiency, encourage consumers to raise brand awareness, and motivate consumers to purchase products, the analysis of the advertisement design and advertisement strategy is an important research field for organizations and researchers to explore.

Ogilvy is the leading organization that emphasizes the "Soft Sell" in advertisement design and distribution. As an active organization in the US, Ogilvy formed the basic format of the advertisement, which is distributed in the US, and the culture of advertisement design in the US [3]. The research will majorly focus on the analysis of the Ogilvy digital media service and its impact on advertisement distribution in the market. The research on this topic will allow the organization to have a clear understanding of the impact of the digital media format and the acceptance of advertisements from the target audiences. The research result is expected to become a guide that can be used to assist organizations in achieving higher efficiency for advertisement distribution by strengthening their understanding of digital media.

1.2. Literature Review

Despite the change in the format of the advertisement, a set of advertisements is still designed based on the consumer purchase funnel. The design of the digital advertisement shall be based on the current consumer purchasing funnel stage. Consumers from the stages of awareness, information searching, evaluation, and post-purchasing have different needs in accepting advertisement information [4]. In addition, researchers from the organization also mentioned that the involvement of digital media allows the organization to distribute the advertisement to consumers based on specific consumer segmentation. The differences in the usage behavior led the organization to distribute the advertisement to consumers differently [5]. Also, with the involvement of digital media, advertisements started to diversify based on different platforms. Social media platforms, online blogs, and mobile applications are developing different types of advertisements to attract consumers [6]. Researchers' results reflect that digital media leads to changes in the content; the content of the advertisement was redesigned in order to decrease the time it takes for the target audiences to receive the important message from an advertisement. Lowering the time spent for audiences to understand the advertisement is becoming the key concept in the design of digital media-distributed advertisements [7]. However, researchers are concerned about the rise of ethical issues in digital media distribution since the shortened content makes it possible for advertisement information to mislead audiences. Audiences might purchase the product based on digital advertisements, which are having low satisfaction. Also, there is a rise of concern from consumers about digital platform data mining activities and the potential risk for audiences to be collected on the daily digital media watching history [8].

1.3. Research Gap

In previous research, researchers have analyzed the relationship between digital media and advertisement distribution from different perspectives. In general, researchers analyze digital media advertisement distribution based on the audience's perspective, organizational perspective, and ethical perspective. However, with the analysis of those perspectives, researchers only focus on the analysis of a large sum of advertisements that are distributed in the digital media channels. Researchers are barely analyzing the impact of specific digital media organizations and their impact on advertisement distribution. Ogilvy is one of the leading digital media industry organizations in the US, and its digital media communication strategy led to a significant impact on advertisement distribution. This research will focus on the organization's impact on advertisement distribution in digital media.

1.4. Research Framework

First, the research will analyze the operational performance information of Ogilvy digital media. Based on the analyzed information, the research will identify the potential impact of Ogilvy digital media on advertisement distribution from three perspectives: audience perspective, organizational perspective, and ethical perspective. In addition, by examining the impact of the Ogilvy digital media advertisement distribution action, the research will be based on the three perspectives' impact to evaluate the negative impact and the potential concerns that exist in the current advertisement distribution strategy. Furthermore, through reviewing the scholarly journals and the business report, at the end of the research, the solutions and strategical directions for Ogilvy will be developed in order to refine the advertisement distribution strategy and decrease the potential concerns that have been found in this research.

2. Case Description

Ogilvy is one of the organizations in the US. The headquarters of the organization is located in New York. One of the major services from Ogilvy is to provide digital marketing services for business consumers in order to assist organizations in acquiring consumers through internet channels. Ogilvy

is not seeking an increase in the number of advertisements that they distribute to the internet platforms. In contrast, Ogilvy emphasizes the diversification strategy in the advertisement distribution process, which allows organizations to directly connect with potential consumers from social media platforms, search engines, and websites [9]. The advanced data mining strategy assists Ogilvy in analyzing business clients' target consumers' purchasing behavior, social media usage behavior, and also personal lifestyle. The data analysis allows Ogilvy to maintain strong control over the particular channel for advertisement distribution. It allows Ogilvy to develop a fast routine for sharing advertisements between consumers on the internet platforms. Based on the change in consumer behavior in different time periods, Ogilvy will adjust the advertisement distribution strategy and also the format of the advertisement, which will allow the advertisement to be distributed effectively [10].

Targeting specific consumers is only the basic feature of Ogilvy's digital advertising service. Compared to other advertising service providers, Ogilvy emphasizes the utilization of social marketing to motivate consumers to purchase products and services. Compared to traditional digital marketing and advertising, Ogilvy focuses on the development of connections with non-profit groups and local communities. Business clients' products or services can be converted into valuable items and involve more social interaction value or the function of self-actualization. The development of a strong social marketing strategy from Ogilvy assists the organization in maintaining effective consumer engagement after the advertisement is distributed. The advertisement no longer serves as a material to call for action. Moreover, it also serves as a type of subculture on the Internet [11].

The distribution of the advertisement is not the only process. It has been using it for the current period. Compared to other organizations, Ogilvy focuses on the development of the consumer engagement project after the distribution of an advertisement. Based on the development of the CX (Consumer Experience) evaluation system allows Ogilvy to evaluate the overall performance of the advertisement after the distribution of the advertisement. The analysis of the procedures allows Ogilvy to improve the quality of advertisements, which directly ensures the advertisement maintains an effective distribution in the target consumer group in the future for the promotion of similar products [12].

Furthermore, the increase in creativity is another key part that Ogilvy has emphasized in the current period. In recent years, artificial intelligence has been involved in picture editing and film editing. Ogilvy combined traditional advertisement design with AI technology. With the involvement of AI technology, Ogilvy will be able to spend less time creating advertisement content, which is generally accepted by the target consumers from the internet platforms.

3. Analysis of the Problem: Influence Identified in the Ogilvy Case

3.1. Increase of Risk for Greenwashing or Ethnic Washing Issue

The utilization of the social marketing strategy is a risky decision for Ogilvy. Social marketing is a type of marketing strategy that aims to change the personal understanding of particular concepts and motivate an individual to engage with a particular living behavior. In this case, Ogilvy focuses on the collaboration between third-party non-profit groups and transforms those groups into social media and other internet platforms for advertisement distribution. It can be recognized as a common strategy for practicing social marketing activities. With the involvement of specific living behavior, the consumer will have the needs of a particular product [13]. In other words, compared to the other advertisement distribution activities, Ogilvy's distribution strategy is not only focused on the development of an effective strategy to promote specific products, in contrast but the strategy is also designed to promote specific values and lifestyles to consumers in order to assist the business clients in promoting the product and services which are related with it. This change in advertisement distribution causes an increase in the risk for Ogilvy to engage in greenwashing or ethnic washing issues, which can also make advertisement distribution through digital media transform into a channel for the organization to improve the brand image and reputation by exaggerating or misleading information. In the social marketing process, the organization might not provide accurate information.

Some of the operational information and business project information might not be certified by the third-party organization. In contrast, the information might be highly exaggerated by the organization in order to achieve the expected promotional effect in the social marketing campaign [14]. In other words, the focus on the utilization of social marketing and distributing advertisements that are related to specific values causes the organization to maintain a higher possibility of getting involved in greenwashing activities.

Ogilvy is an organization that focuses on the utilization of digital media, which also increases the risk of serious greenwashing issues in the advertisement distribution process. The Internet or social media marketing process for advertisement distribution is an emotional appeal media communication process. The consumers do not view the information based on rational logic. In contrast, they are easily affected by the emotional information from the distributed information [15]. Therefore, with the increase of the utilization of the social market as the strategy for the advertisement distribution, Ogilvy's action can lead to the increase of the possibility for the advertisement distribution to serve for the greenwashing activities, which can raise the social issue and sabotage the trust relationship between the organization and the target consumers.

3.2. Increase in Data Security Issue

The current advertisement distribution strategy involves serious data security issues. Those data security issues can lead to an increase in the going concern for Ogilvy in the future. Ogilvy led the advertisement distribution to become a long-term activity. The advertisement is distributed to the target consumers, and then Ogilvy staff will be responsible for the collection of the information consumer experience in order to adjust the advertisement contents. In general, the strategy that Ogilvy took for advertisement distribution led the advertisement distribution to transform from an instructive communication model into a transformational communication model. Consumers will be able to respond to the advertisement. However, each advertisement distribution process can lead to data-collecting activities.

At first, the data security issue can lead to an increase in the vulnerability of target consumers. The consumers' data will be collected by Ogilvy, which can lead to an increase in the risk of consumer data leaks from Ogilvy's server. This circumstance will cause an increase in the risk of the organization damaging its business reputation, which can lead to a decrease in the profitability of the organization.

Despite the serious concern of the consumers collecting personal data in the advertisement distribution process, the abuse of data mining and other data collecting strategies can cause a change in consumers. The increase in the distribution of behavioral advertisements to consumers can increase the negative attitude of consumers toward the brand and products [16]. The feeling of being offended by advertisement-targeted audiences can lead audiences to maintain a negative attitude toward the advertisement [17]. For example, with the increase in banner advertisements and pop-up advertisements, target consumers started to block the advertisement or close the official webpage without reading or watching the advertisement. It directly causes a decrease in the popularity of the advertisement [18]. In other words, with the involvement of the advertisement distribution strategy with a high level of data security issue, the organization might lead the online advertisement distribution to become an ineffective advertisement distribution strategy in the future since the audiences will have a strong negative attitude toward the advertisement in the future. The organization will need to solve the data security issue. Otherwise, the advertisement distribution will be devalued by the organization, which will damage Ogilvy's profitability.

3.3. AI and Advertisement Distribution

The involvement of AI technology in advertisement design and distribution is an important project for Ogilvy to practice in the current period. In general, the involvement of AI is an effective strategy to assist the organization in distributing specific emotional advertisements to target consumers for business clients of Ogilvy because AI can analyze the reaction of the audiences of the advertisement

and then create a suitable advertisement that can raise specific emotion [19]. However, the involvement of AI can also raise a critical issue in Ogilvy's media communication field when the organization practices advertisement distribution and design.

AI is not a system that maintains a neutral attitude when involving information in advertisement pictures or advertisement texts. In some circumstances, AI can involve content that is related to racial discrimination, gender discrimination, and social stereotypes [20]. The involvement of this information can lead to an increase in Ogilvy's public relationship issues. Ogilvy focuses on the utilization of the online communication channel to distribute the advertisement to target consumers. The fast transmission of information through social media communication channels can lead to an increase in the risk for netizens against the organization's inappropriate content. In general, the audience of the advertisement might engage in connective activity against specific inappropriate content from the Internet. In this circumstance, it will be likely for the organization to face the public relationship crisis. In other words, once Ogilvy changes the advertisement distribution and design through the involvement of AI, the new strategy for the advertisement distribution and design can become a potential factor in the backlash of public relationship issues. Ogilvy will need to solve the issue of the involvement of AI content in the advertisement distribution process; otherwise, it will damage the brand's reputation in the future.

4. Suggestion

4.1. Improvement of Consumer Analysis

In order to avoid the greenwashing issue for Ogilvy in the future, Ogilvy will need to maintain a strong focus on investigating the business client needs and improving business client communication. Ogilvy will need to investigate the needs of the business clients, the practical performance of the business clients in the field of corporate social responsibility, and the business client culture. The analysis of the business client culture and the business client's history of corporate social responsibility practice allows Ogilvy to verify the credibility of information provided by business clients for marketing. The implementation of the investigation process will ensure that the marketing campaign materials state the credible facts of the organization regarding social responsibility practices. In this process, it will allow Ogilvy to avoid the risk of including exaggerated business information in the marketing campaign. Ogilvy will only have a low possibility to face the business reputation damage in the advertisement distribution process. Besides, it will also allow Ogilvy to have a more accurate understanding of the client organization's business culture to improve the overall design quality of the marketing campaign material for social marketing in the digital platform.

4.2. Involvement of Multi-Layer Data Security System

In addition, with the increase in the utilization of big data and data mining technology, Ogilvy currently serves as the social media advertisement distributor, which can target the needed consumer segments for advertisement distribution. The collection of data from consumers can raise concerns from consumers on the data security issue. In this circumstance, Ogilvy will need to develop a multi-layer data security system. In this system, the firewall will be constructed to protect against malicious software that organization employees unconsciously download. In addition, fog computing systems will be utilized to store data from different local servers to protect the collected consumer data for business clients. Furthermore, employees will be separated into the authority to access the mined data from Ogilvy. For example, the advertisement designing department employees will only access data, such as social media users' social media usage behavior and use period, to design the advertisement. The development of this data security system will decrease the possibility of Ogilvy facing a data breach in the future. In addition, it will decrease the possibility of Ogilvy facing business fraud in the internal management process.

4.3. Organizational Diversity Awareness Improvement

AI is not a system that can identify the cultural offending content or the discriminative content in the picture or video production process. In other words, the implementation of the AI system is likely to cause an increase in the risk for the organization to produce discriminative content, which can cause the rise of the public relationship crisis for Ogilvy.

It is highly recommended that Ogilvy provide diversity awareness and cultural quotient improvement training for employees. Cultural sensitivity is the major factor which needs to be improved in the training course. The development of cultural awareness and cultural sensitivity aims to assist employees from Ogilvy in improving their skills in identifying discriminative content from AI-generated advertisement content. In the training, employees will have the opportunity to learn the general cultural and diversity knowledge related to specific cultural groups. Through the participation of this training in the advertisement design and distribution process, the advertisement design and distribution team will be able to govern the AI contents that are involved in the advertisement. In addition, the development of the training program will also allow Ogilvy to improve its digital advertisement distribution technique and strategy design. With a better understanding of the cultural communication behavior differences between ethnic groups, Ogilvy will be more likely to select appropriate channels for communication.

5. Conclusion

5.1. Key Findings

In conclusion, Ogilvy is the leading marketing service provider in the US. Currently, Ogilvy emphasizes the utilization of social marketing strategy, data mining technology, and AI to improve the effectiveness of the advertisement distribution process on digital channels. However, the involvement of the social marketing strategy maintains the potential risk of including exaggerated organizational information, which can lead to the unconscious practice of greenwashing. In addition, the utilization of data mining technology can increase the concern of the targeted advertisement audiences on data security. Furthermore, the involvement of AI can lead to the inclusion of discriminative content. In order to avoid those risks in advertisement distribution and design, Ogilvy will need to strengthen the analysis of the business client background and previous business operational behavior. In addition, Ogilvy will also need to create a multiple-layer data security system to lower the audience's data security concerns. Furthermore, the development of a cultural awareness training program is also necessary.

5.2. Research Significance

The research can be recognized as a report that diagnoses Ogilvy's current advertisement design and distribution service. However, it provides guidance for other organizations that are in the same business field to check on similar issues in the working process. The research paper can serve as an important source for marketing service providers to notify of the potential risk of distributing advertisements through digital channels. Also, it can be an academic report that future researchers in the advertisement design and distribution field can follow the direction of risk in data mining or the direction of risk in AI utilization to conduct in-depth research.

5.3. Limitation

The research was developed based on the searched secondary scholarly journals and data. In this circumstance, the lack of investigation on the advertisement audience attitude, the observation of the business operation in Ogilvy, and the interview of the experts or former managers from Ogilvy on the advertisement distribution can cause the inaccuracy of the data analysis result. Thus, the result of the analysis can only present the potential risk that Ogilvy will face based on the current evaluation

of the business model. The research result cannot prove any hypothesis on the Ogilvy operation process or the social impact of advertisement and its distribution strategy.

References

- [1] Statista. Advertising worldwide – statistics & facts. [Online]. 2024 [cited 2024 Jul 4. Available from: <https://www.statista.com/topics/990/global-advertising-market/#statisticChapter>.
- [2] Statista Research Department. Global internet advertising revenue from 2017 to 2027. [Online]. 2024 [cited 2024 Jul 2. Available from: <https://www.statista.com/statistics/237800/global-internet-advertising-revenue/#:~:text=In%202022%2C%20global%20internet%20advertising,to%20663%20billion%20by%202027>.
- [3] Haygood DM. Hard sell or soft sell? The advertising philosophies and professional relationship of Rosser Reeves and David Ogilvy. *American Journalism*. 2016, 33(2): 169-188.
- [4] Todri, Vilma, Anindya Ghose, and Param Vir Singh. Trade-offs in online advertising: Advertising effectiveness and annoyance dynamics across the purchase funnel. *Information Systems Research*, 2020, 31 (1): 102-125.
- [5] Ahmadi, Iman, Nadia Abou Nabout, Bernd Skiera, Elham Maleki, and Johannes Fladenhofer. Overwhelming targeting options: Selecting audience segments for online advertising. *International Journal of Research in Marketing*, 2024; 41(1): 24-40.
- [6] Jena, Sarat Kumar, and TC Edwin Cheng. Price and online advertising efforts competition between platforms in a supply chain under uncertain market demand. *IEEE Transactions on Engineering Management*, 2024: 1-17.
- [7] Linardi, Evelyn Krisnada, Hui-Fei Lin, and Benjamin Yeo. Effective digital advertising: the influence of customised ads, self-esteem and product attributes. *Journal of Creative Communications*. 2024, 19(2): 197-216.
- [8] Strycharz, Joanna, and Claire M. Segijn. Ethical side-effect of dataveillance in advertising: Impact of data collection, trust, privacy concerns and regulatory differences on chilling effects. *Journal of business research*. 2024, 173: 114490.
- [9] Evans, Dave, Susan Bratton, and Jake McKee. *Social media marketing*. AG Printing & Publishing, 2021.
- [10] Ogilvy, David. *Ogilvy on advertising*. Hachette UK, 2023.
- [11] Amin, Ahmad Arif. Exploring elegance: the story of 'Your Phone' 2015.
- [12] Li, Spencer. How Does Digital Transformation Improve Customer Experience? *The Palgrave Handbook of FinTech and Blockchain* (2021): 473-502.
- [13] Smith, William A. Social marketing: an overview of approach and effects. *Injury prevention*. 2006, 12(1): 38-43.
- [14] Anbuselvan, Samuel, and Deepthi Nivasini Kumar. A Study on Customer's Perception towards Green Washing with Special Reference to Cosmetic Products in Madurai. 2020: 7994-8000.
- [15] Gräuler, Matthias, and Frank Teuteberg. Greenwashing in Online Marketing-Investigating Trust-Building Factors Influencing Greenwashing Detection. In *MKWI*, 2014: 1359-1366.
- [16] Ziakis, Christos, and Dimitrios Kydros. Using machine learning models to investigate consumer attitudes toward online behavioral advertising. *Intellectual Economics*. 2022, 16(2): 7-15.
- [17] Jang, Haeng-Jin, et al. Deep sentiment analysis: Mining the causality between personality-value-attitude for analyzing business ads in social media. *Expert Systems with applications*. 2013; 40(18): 7492-7503.
- [18] Tudoran, Ana Alina. Why do internet consumers block ads? New evidence from consumer opinion mining and sentiment analysis. *Internet Research*, 2019, 29(1): 144-166.
- [19] Mogaji, Emmanuel, Sunday Olaleye, and Dandison Ukpabi. Using AI to personalise emotionally appealing advertisement. *Digital and social media marketing: Emerging applications and theoretical development*. 2020: 137-150.
- [20] Varona, Daniel, and Juan Luis Suárez. Discrimination, bias, fairness, and trustworthy AI. 2022, 12(12): 5826-5835.