

2024

# Getting Hired in 2024

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New Insights to Help  
Agencies Get Found,  
Hired, and Retained

**The Agency Edge**  
RESEARCH SERIES

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# The Agency Edge 2024: New Insights to Help Agencies Get Found, Hired, and Retained

Over a decade into our Agency Edge Research Series, we've consistently provided small to mid-sized marketing and advertising agencies with critical insights into our industry. As agencies have faced a bevy of challenges in the last few years—the COVID-19 pandemic, economic headwinds, and rapidly fluctuating employment conditions—it has become more important than ever to find the key to unlocking lucrative client relationships.

In 2024, we decided to take stock of client mindsets after this period of great change, revisiting our attitudinal segmentation from our 2014 and 2019 agency client research with a focus on business development. Not only does this research show agencies how prospects are thinking today, but because we have asked some of these questions over the past decade, we can look at the evolution of business development, from the prospects' point of view.

What prompts an organization to decide to hire an agency or replace the one they have? How do they go about that search? Where/how do they find the agencies they put into the consideration set?

What factors influence their decision more than others? What, if anything, would speed up their process? What the heck is their process and how do they manage it?

In addition to reports from our previous studies, you can review the foundational research that informed this year's study for free through our website. In this report, we'll share what we've learned and what you need to know to reach your right-fit clients in 2024. As you read through this report, we'll answer questions like:

How have clients' attitudes changed since we first asked for their perspectives on working with agencies?

Are the dreaded RFPs/RFIs on their way out?

Will having a defined niche set you apart from other agencies when courting clients?

We fielded this year's study to 400 respondents who are at least 20 years old, involved in marketing/advertising decisions at their organizations, and work for organizations with annual revenues under \$500 million and annual marketing budgets under \$20 million. Three in four work for organizations selling to consumers, and two in three sell to businesses.

The number of respondents who participated in the study gives us a margin of error of +/- 4.9 percentage points at a 95% confidence level, which is a very high level of confidence.

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## What Did Clients Think About Agencies 10 Years Ago?

Let's quickly recap the segments revealed in our 2014 research.

### Looking for Love

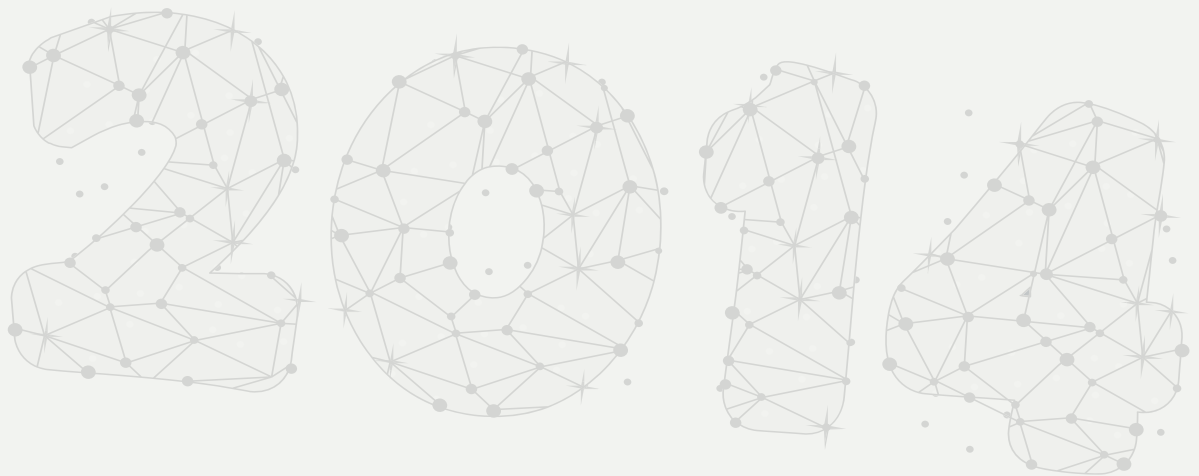
This segment saw agencies as critical partners for business success. They sought long-term relationships with agencies and involved them in many aspects of their business, not just marketing. Looking for Love clients saw agencies as the best resource for strategy, tactics, and innovation; they wanted agencies to be jacks of all trades, offering a menu of services.

### Playing the Field

These clients saw hiring agencies as a necessary evil. Despite being aware agencies could provide extensive support, they only planned to use them in a limited capacity. They favored small agencies and believed youth and enthusiasm outweighed the advantages of age and experience. Changing agencies frequently was their status quo.

### Single and Satisfied

These clients felt their strategy was under control and said their organizations had a clear marketing plan. They saw agencies as a good source of ideas they could execute independently.



## What Did Client Segments Think About Agencies 5 Years Ago?

The segments were so similar in 2019 that we kept the same names.

### Looking for Love

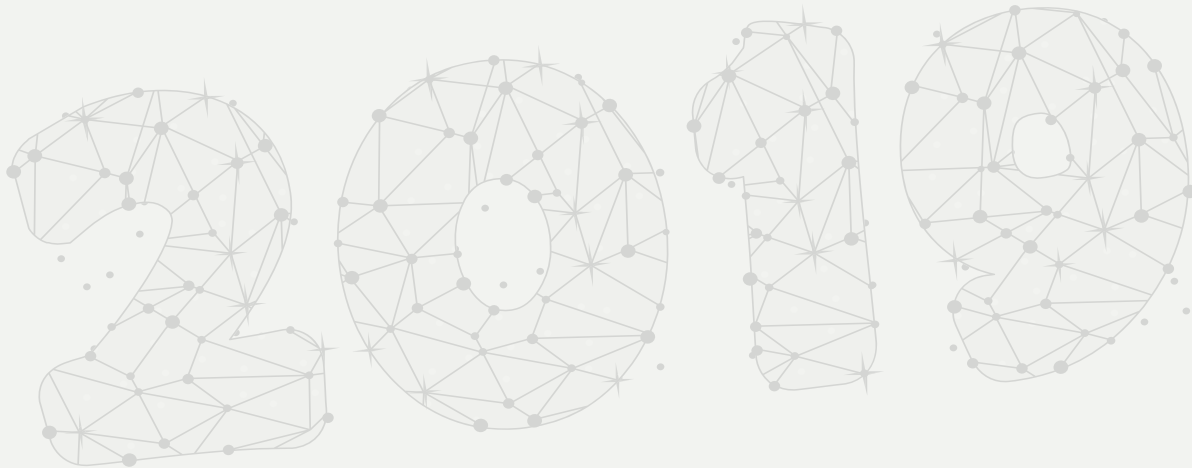
Notably, Looking for Love clients differed because they believed marketing requires a lot of technical expertise (a new attitude) and adopted the Playing the Field attitude that smaller agencies focused more on client needs.

### Playing the Field

Besides the original attitudes described above, Playing the Field clients showed a lack of confidence in their marketing abilities in 2019. They also said hiring marketing help was too expensive, and marketing wasn't a priority for their organization.

### Single and Satisfied

Single and Satisfied clients remained confident in their abilities in 2019. They were also the least likely to agree that marketing was changing too fast for their internal team to keep up without outside marketing help.



## Three \*NEW\* Client Segments

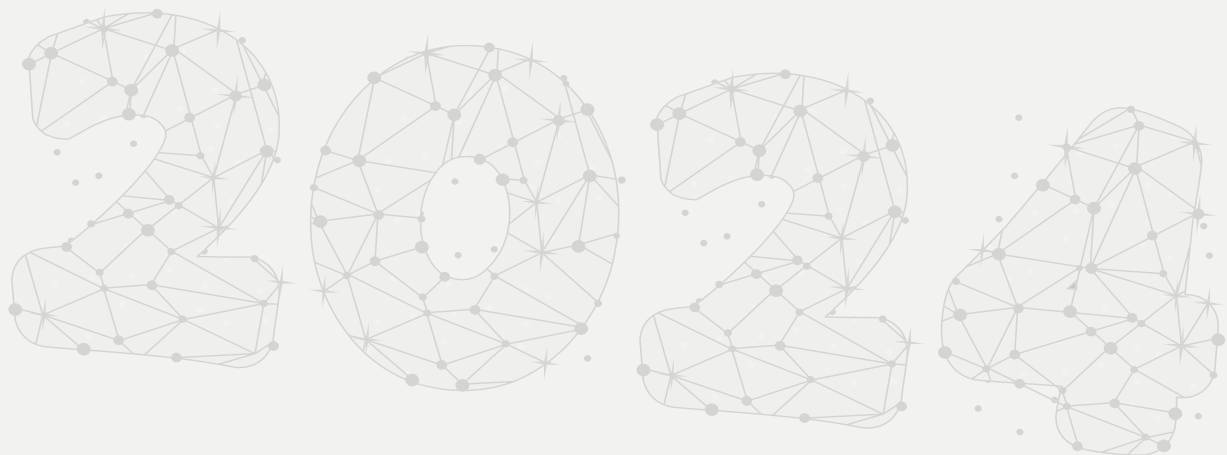
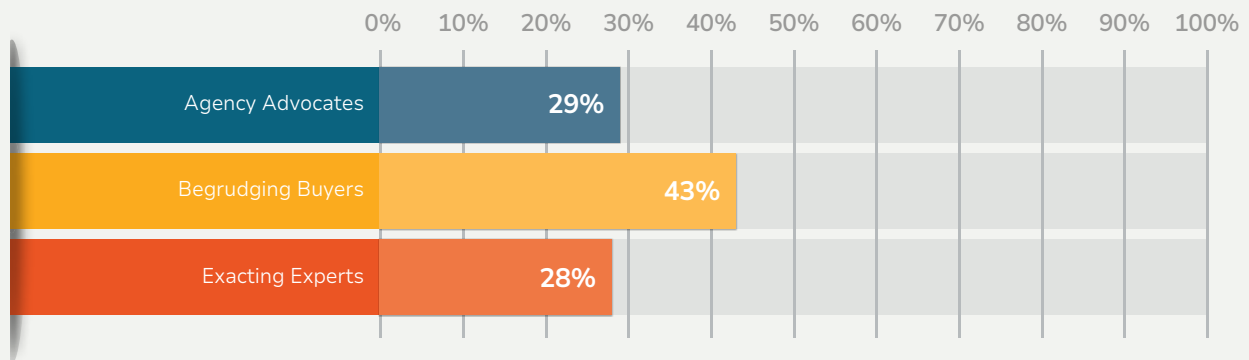
Perhaps not surprisingly, given the tumultuous last decade and the change in decision-makers, the 2024 study didn't show the same segments as we saw five and ten years ago.

Instead, in our 2024 study we meet three new groups of prospects and clients. While they bear some similarities to the previous segments, they are quite different in some very significant ways

And yet, there are things that unite clients and haven't changed from earlier studies. Continuing a trend we've seen in many of our recent client studies, agency clients expect a lot from their agencies. Despite their differences, all of this year's segments agree that agencies should:

- Know where to find the best answers
- Keep up to date on new marketing tactics and approaches
- Be able to handle any marketing tactic in-house
- Do the marketing activities the client doesn't have time to do

### 2024 Agency Client Segments



# 29%

# Agency Advocates

**Agency Advocates are all-in on long-term agency relationships.** More than any other segment, this group has been defined by many of the same attitudes since 2014. They see agencies as critical for business success and an essential resource for their organizations, keeping them informed on marketing trends, tactics, and strategies. They need outside marketing expertise to help them assess the effectiveness of their efforts. These clients see agencies as a source of new ideas and think agencies are better at generating innovative ideas than they are on their own. **Agency Advocates** believe agencies need expertise in various marketing approaches and that marketing requires specific technical expertise.

## How Else Do Agency Advocates Stand Out?

- They believe more strongly that agencies are their best resource for strategy and tactics.
- They are the least likely to have an in-house marketing team (two in three say they do).
- Many (44%) work with one agency, and 43% have 2-3, so they keep their agency relationships fairly exclusive.

# 29%

# Agency Advocates

## Who Should Work With Agency Advocates?



### Drew's Take

On the surface, this is the client every agency hopes for. They're open to being led, rely on their agency for big ideas, and invite their agency partner to the strategy table. Agencies that think of themselves as a "marketing department in a box," fractional CMO, or full-service, integrated marketing agency would align well with these clients.

Agencies that take a more narrow stance on their deliverables or focus on one or two deliverables (like a PPC agency) are going to find this a challenging type of client because they want a depth of relationship that transcends execution. They need an emotional support agency!

### Susan's Take



**Agency Advocates** can be great clients for agencies who want deep involvement in a client's business decisions as well as their marketing strategy, and who enjoy being a client's go-to for ideas, strategy, and execution. Agencies who work with these clients need to know they'll have few if any dedicated marketing resources in-house and will be expected to handle all or most of the tactical work the client pursues. While many of these clients may have smaller budgets, they'll keep working with your agency for years if they trust you.



# 43%

# Begrudging Buyers

**Begrudging Buyers** see agencies as a necessary evil. Their engagement with agencies comes from their self-described lack of in-house expertise and their low marketing prioritization overall. They have time to do marketing but admit they don't know what they're doing; they feel marketing is too complex to do independently. **Begrudging Buyers** believe agencies with many employees have the most expertise. They say it's important to change agencies frequently, even if their current agencies are doing well. Compared to the other segments, this one believes outside marketing support costs more than it should.

## How Else Do Begrudging Buyers Stand Out?

One in three respondents works with one agency, about half with 2-3, and one in four with more than three.

Most plan to work with more agencies in 2024.

Most (58%) have an annual marketing budget of over \$500K, significantly more than the other two segments.

They're least likely to trust agencies on any factors.

They're more likely to prefer working with generalists.

They're nearly twice as likely to have hired an unfamiliar agency that contacted them.

# 43%

# Begrudging Buyers

## Who Should Work With Begrudging Buyers?



### Drew's Take

If your agency is well-suited to stay focused on the work, demonstrate ROI, and not be thrown off by a more surface relationship with your client, the Begrudging Buyers might be your dream client. They're buying out of necessity, which means they recognize your value and are willing to pay for it, even if they believe it's too expensive.

They value technical marketing expertise and the ability to deliver against a set budget and timeline. They can be won over by efficiency and processes that make their job easier. Because they don't tend to invite their agency to the strategy table, you don't have to be a specialist. A generalist agency that delivers the goods requested will fit the bill for this group of buyers.

### Susan's Take



**Begrudging Buyers** may not be warm and fuzzy clients, but they have significantly larger budgets and value their expertise for what they see as necessary marketing work. They are fond of swapping out agencies more frequently than clients in other segments, so agencies working with them need to recognize that their relationship won't last forever, but this also means that prospects in this segment are always on the lookout for their next agency. Begrudging Buyers value a generalist perspective from agencies and are more likely to work with multiple agencies than other groups, so agencies targeting them should highlight their ability to work productively alongside other agencies.

# 28%

# Exacting Experts

**Exacting Experts** see themselves as capable marketing professionals. Their organization understands the marketing environment well and knows what tactics it needs. They have the expertise to market effectively but lack the time to do it. Enter marketing/advertising agencies. **Exacting Experts** see agencies as a good source of ideas that they can execute independently. These clients want agencies to approach them with new ideas and recommendations without them having to ask for them. They also want agencies to defer to their guidance. **Exacting Experts** believe smaller agencies focus more on client needs and seek agencies based on personality fit.

How Else Do **Exacting Experts** Stand Out?

About half work with one agency, and one in three work with 2-3.

Unsurprisingly, most (83%) have an in-house marketing team.

At the same time, **Agency Advocates** and **Begrudging Buyers** are significantly more likely than **Exacting Experts** to believe their organization would be lost without outside marketing help.

# 28%

# Exacting Experts

## Who Should Work With Exacting Experts?



### Drew's Take

This client group will demand a higher level of marketing prowess and strategic thinking. A junior AE will not survive this client. **Exacting Experts** want an agency partner who can be their thinking partner, bring them sophisticated ideas and strategies, and be willing to take the order after they've offered up their recommendations. That's going to require a bit of a tightrope walker on the strategy and account service side.

If you believe in "hire young and train them up," this is not your ideal client. They will demand a depth of expertise from all departments that matches their abilities as marketers. They'll also expect you to be open to learning from their internal department, which is not how agencies typically think about in-house teams.



### Susan's Take

More than any other segment, **Exacting Experts** prefer smaller, specialized agencies — and they consider themselves good at marketing. Niche agencies who are willing to regularly and proactively provide innovative ideas and work hand-in-hand with the client as well as their other agencies need only "click" with these clients to be successful.

## How Have Client Segments Evolved?



### Agency Advocates

**Agency Advocates** emerged from the 2014 Looking for Love Segment; 71% of their attitudes align with those defining that segment in both 2014 and 2019. Ten years ago, the Looking for Love segment was defined in part by its belief in the power of hiring an agency to elevate its marketing. This foundation has remained sturdy in the last decade.

By double-digit percentages, **Agency Advocates** have increased their belief in agencies for the following since 2019:

- Being outside experts
- Being experts in a variety of marketing disciplines
- Developing strategy
- Bringing new ideas
- Providing unbiased opinions

### Begrudging Buyers

75% of their attitudes align with those in the 2019's Playing the Field segment, and 25% align with that segment's attitudes in 2014.

Over the last decade, this segment has consistently believed hiring a marketing agency is a necessary evil. **Begrudging Buyers** have also remained committed to changing agencies frequently.

### Exacting Experts

2014 and 2019's Single and Satisfied segment from 2019 and 2014 has truly evaporated, in favor of a new segment focused on expertise, confidence, and discrimination in their choice of agencies.

**Exacting Experts'** undercurrent is confidence and competence, and their expertise has accelerated in the past decade. They've generally seen agencies as an extension of their internal team.

At the same time, the only defining attitude that aligned between 2019 and 2024 is that their organizations were fully aware of the best tactics for their needs. The only crossover from 2014 to 2024 is that marketing agencies can give them ideas they can then execute independently.

Since 2019, their confidence in their organization's marketing abilities has increased by double-digit percentages. Additionally, we've seen a double-digit increase in their belief that smaller agencies are more focused on client's needs and the value of a specialized agency.

## How Have Client Segments Evolved?



### Drew's Take

When you consider what the world has endured in the last ten years, it would have been startling for these segments NOT to shift. Everyone is professionally more on edge, and the runway for success has shortened. Sometimes, as agency leaders, we forget that when one of our clients hires the wrong agency or doesn't help the right agency be successful, it often means that a marketing professional is on the chopping block.

Add to that the sophistication of the work we do today versus ten years ago. We DO need more expertise. We DO need to provide a higher level of strategic support and thinking. We DO need to be bolder about bringing big ideas to the table. More than ever, that's how we demonstrate our value.

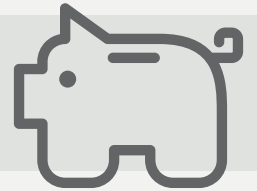
In many ways, most agencies have shifted (or our clients are asking us to shift) from the general practitioner who knows your kids' names and has cared for you for years to the brain surgeon who is hired for their expertise and to accomplish a very specific goal. That's a comfortable shift for some agency owners and leaders and a very disappointing ask for others.

### Susan's Take



As trust in almost everything has collapsed in recent years, I'm not surprised to see that the **Agency Advocates** reflect a stronger belief than ever in having a trusted partner in an agency. I'm also not surprised that a segment defined by their interest in smaller agencies with specific expertise has emerged. The segment least likely to trust agencies based on any characteristic, the **Begrudging Buyers**, move through agencies more quickly. Agencies that feel strongly about trusting and being trusted by their clients are more likely to feel like **Agency Advocates** and **Exacting Experts** are "right-fit" for them, but those with a thick skin and a robust new business development model may be interested in the **Begrudging Buyers** due to their larger budgets and availability as prospects since they're always on the hunt for new agencies.

## Organization Revenue and Marketing Budgets Vary



**There are no significant differences between the segments in terms of revenue.** One in four clients reports projected annual revenue under \$1 million, one in three say projected revenue is between \$1 and \$10 million, and many (42%) of these organizations have projected annual revenues over \$10 million.

One in three clients work for organizations with a projected annual marketing budget of \$250K or less. **Begrudging Buyers** are **significantly more likely** to say their organizations will spend more than \$500K on marketing this year.



### Drew's Take

Every agency should have a floor and a ceiling in terms of the size (budget, scope, etc.) of clients they can successfully service. Whatever your range, you will find sweet spot clients in each of the segments. Focusing on that is a little like saying you'll only date blue-eyed women. It's surface stuff and, based on our 2023 study, most clients actually have access to more budget than they share openly. Bring enough ROI-producing ideas and clients in all three segments will be enticed to find more money.

### Susan's Take

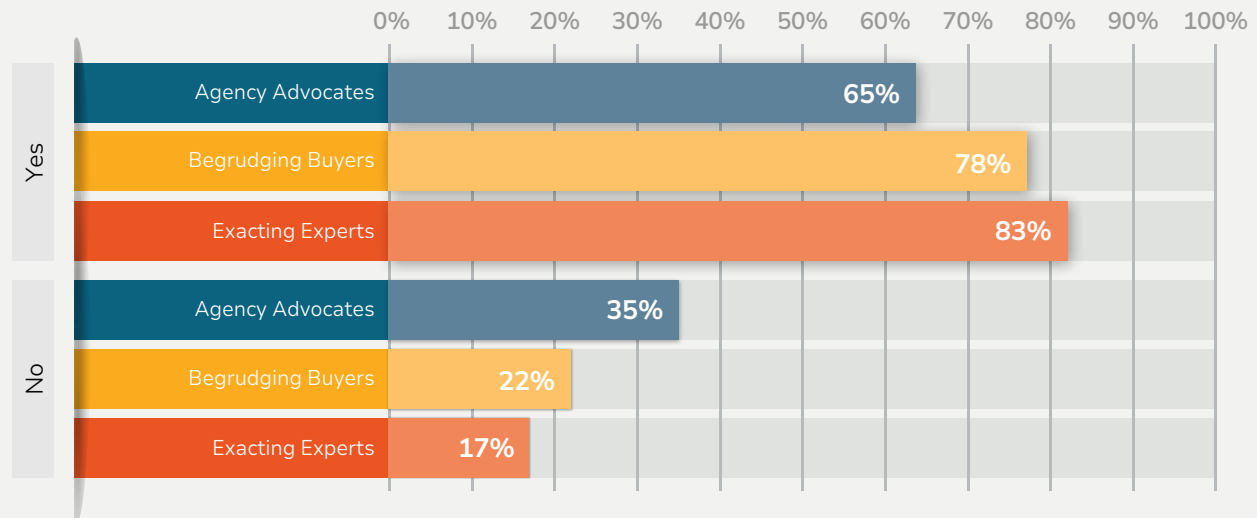


Clients large and small can be found in all segments, so don't look at revenue as a determining factor in approaching prospective clients. Instead, factors like the type of agencies they prefer can be more helpful.

## Clients' In-House Teams Trend Small

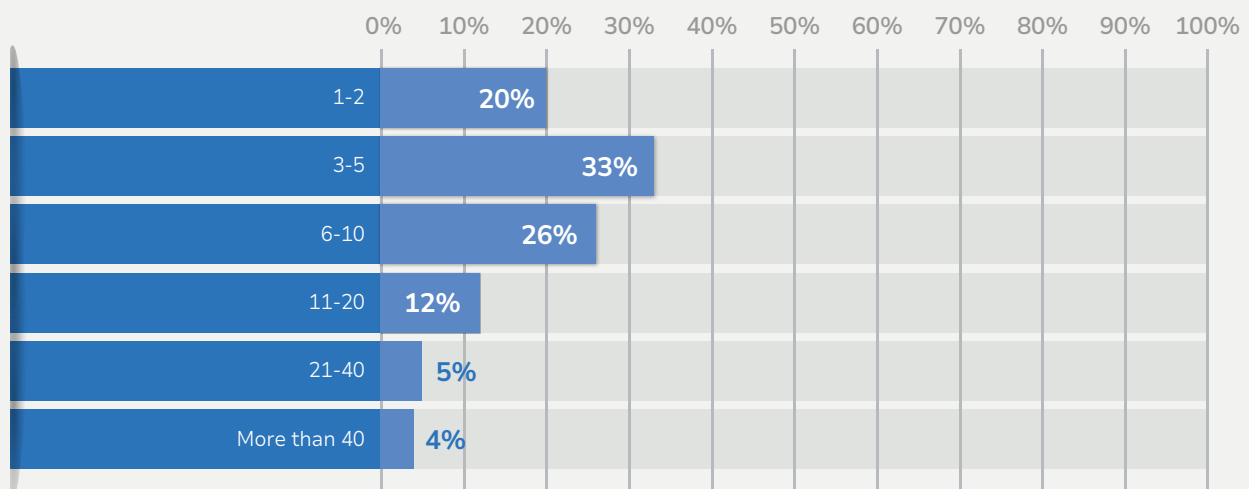


Three in four work for organizations with an in-house marketing team. **Agency Advocates** are significantly less likely to have in-house support, with 65% saying this is true for their organizations.



Generally, organizations have small in-house teams; One in five that have an in-house team say it's 1-2 people. One in three have teams of 3-5.

### In-House Marketing Team Size



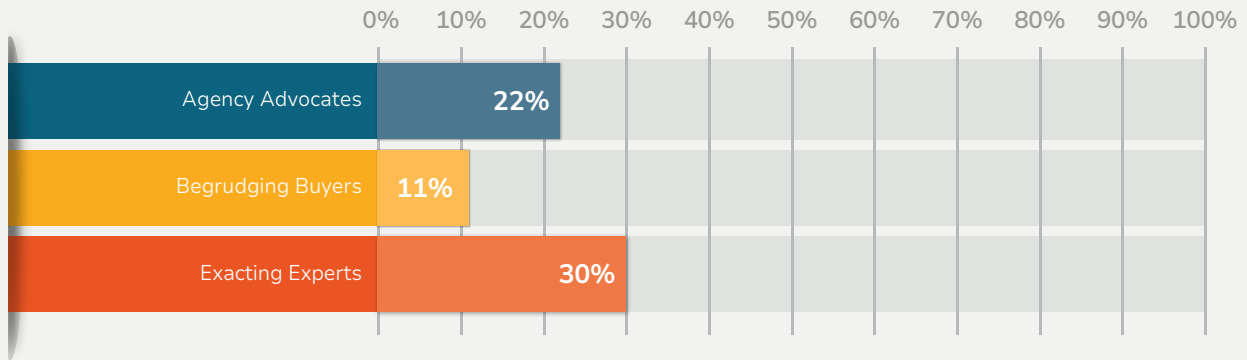


## In-House Marketing Team Size



**Exacting Experts** are significantly more likely than **Begrudging Buyers** to have smaller teams.

### Marketing Team size: 1 to 2



### Drew's Take

Keep in mind that “in-house staff” could be a single person and in 20% of the cases, it’s that or two people. An in-house team shouldn’t scare an agency. In fact, you should celebrate a client who values marketing enough to have a team member or two dedicated to the effort. A larger in-house department means you can often get paid a premium for the expertise they do not have in-house and push some of the commodity work in their direction.

### Susan's Take



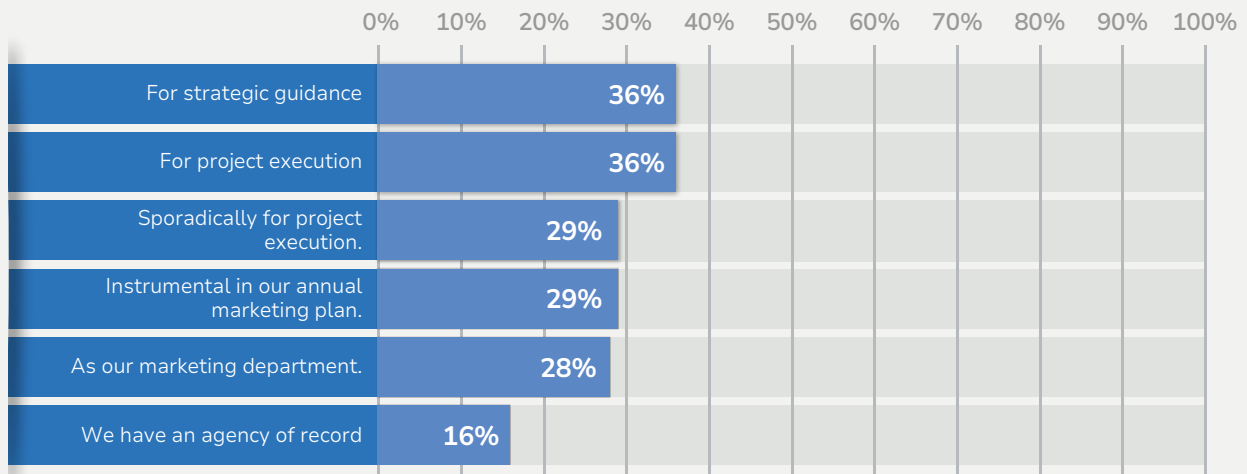
Having an in-house staff is significantly more common today than in our 2014 survey. Ten years ago, 51% said their organization had a dedicated marketing staff (compared to 76% today), and only 34% of the Looking for Love segment had a staff (compared to 65% for the comparable **Agency Advocates** segment today). In addition, very small in-house teams (1-2 employees) have become more prevalent, from 9% of clients in our 2014 study to 20% in 2024.

## Clients Rely on Agencies for Strategy



Over one in three use agencies for strategic guidance or regular project execution. It's also common to hire agencies for sporadic project execution, annual marketing planning, and serving as a marketing department for their organization. Only 16% have an agency of record.

### What Organizations Use Agencies For

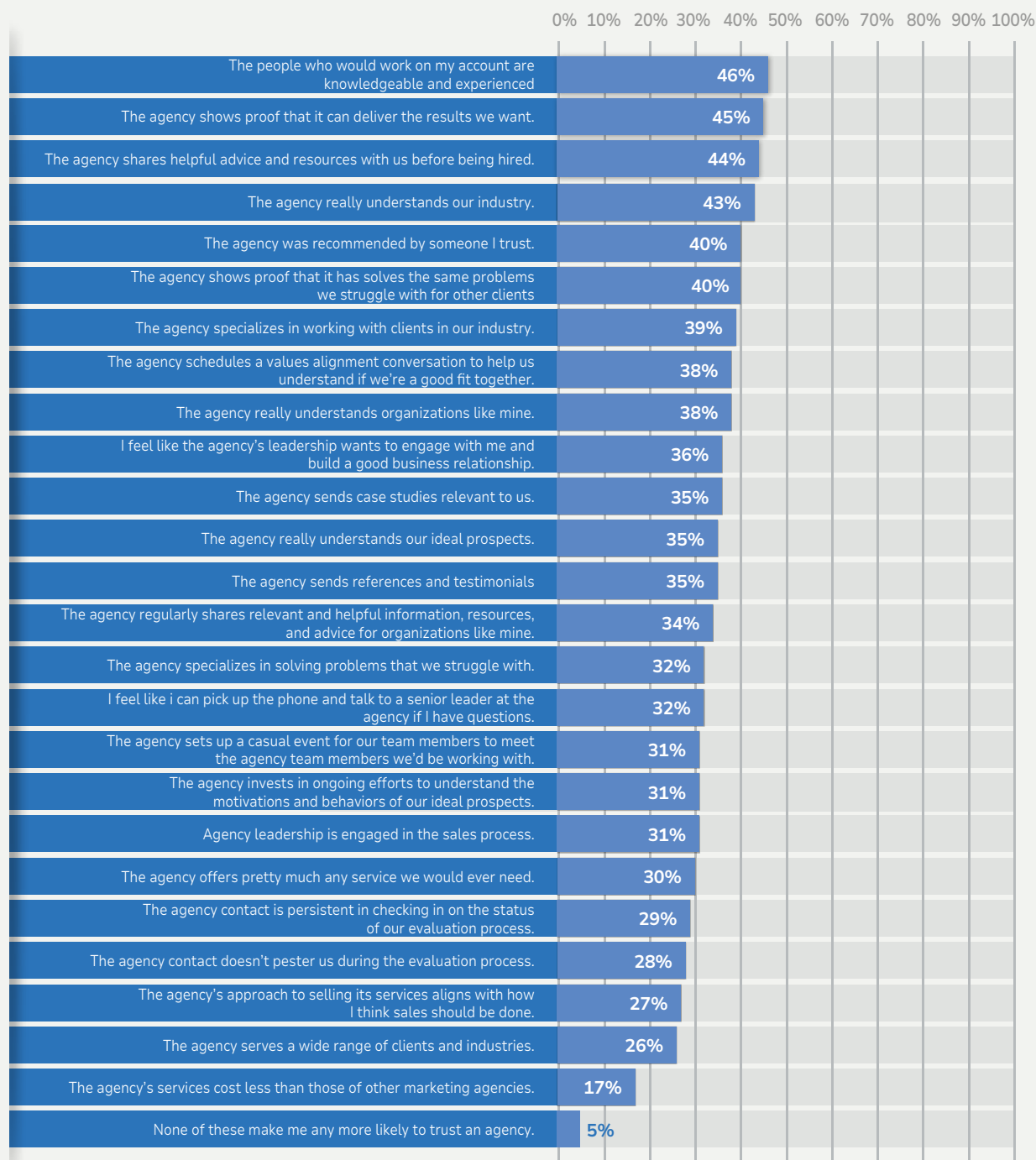


## Building Client Trust Is About More Than Money



Clients are more likely to trust agencies that have knowledgeable people working on the account (46%), show proof they can deliver results (45%), and share helpful advice and resources before working together (44%). Only 17% of clients cite low cost.

### What Makes Decision-Makers More Likely to Trust an Agency





### Drew's Take

This is fantastic news for agencies! So much of our work has been commoditized by freelancers or technology that we've had to compromise on price to get the work. But, by shifting more of our efforts to delivering strategic thinking, we can charge a premium for that deliverable. And as a bonus – that's pure AGI. More and more agencies are evolving from a making agency to more of a thinking agency, with the making as an optional offering. Could that be you?

### Susan's Take



The best way to show prospective clients that you are experienced, expert, and helpful is to make those traits visible to prospects without having to contact or meet with you. Clients research agencies long before they make themselves known, and your helpful thought leadership content can win them over before any other agency gets the chance.

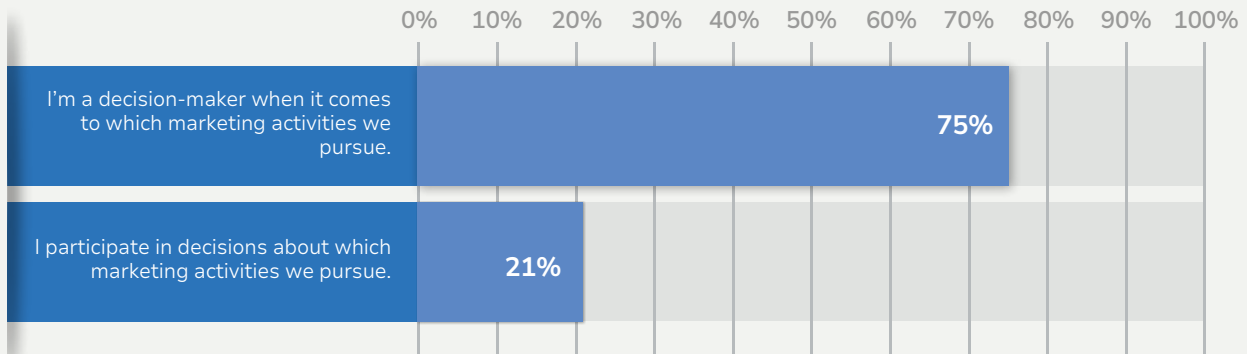


# Hiring an Agency Hinges on the Owner/Founder

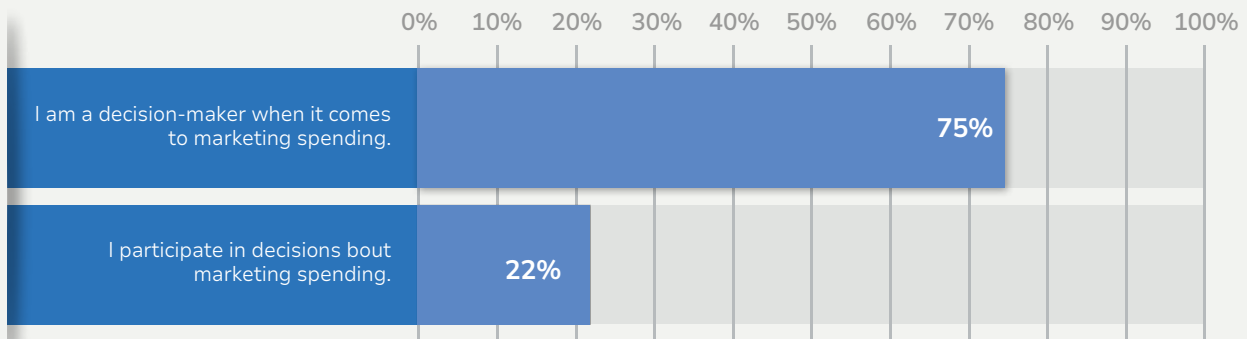


Three in four clients are instrumental in determining which marketing activities their organizations pursue and how their organizations spend their marketing budget. Additionally, most (87%) have participated in decisions to hire marketing/advertising agencies.

## Decision-Making Responsibilities for Marketing Activities



## Decision-Making Responsibilities for Marketing Spend

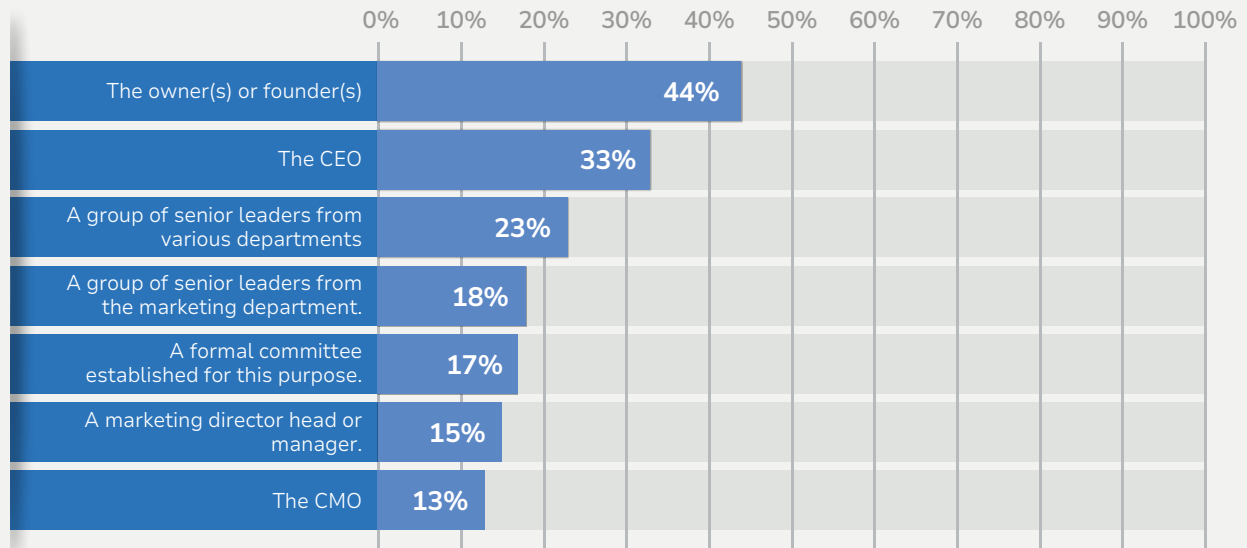


# Hiring an Agency Hinges on the Owner/Founder



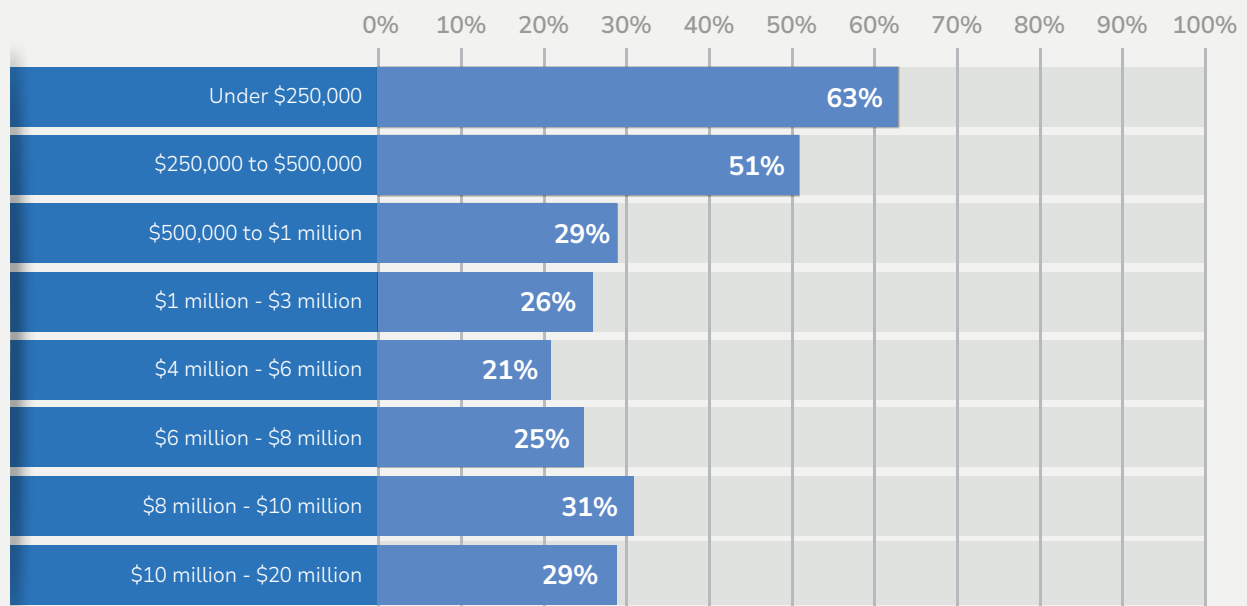
For many organizations (44%), the owner or founder chooses to hire the agency.

## Decision-Maker for Hiring Agencies



Clients with projected annual marketing budgets of under \$500K are significantly more likely to say the owner or founder makes this decision.

## Who chooses agencies: The owner(s) or founder(s)

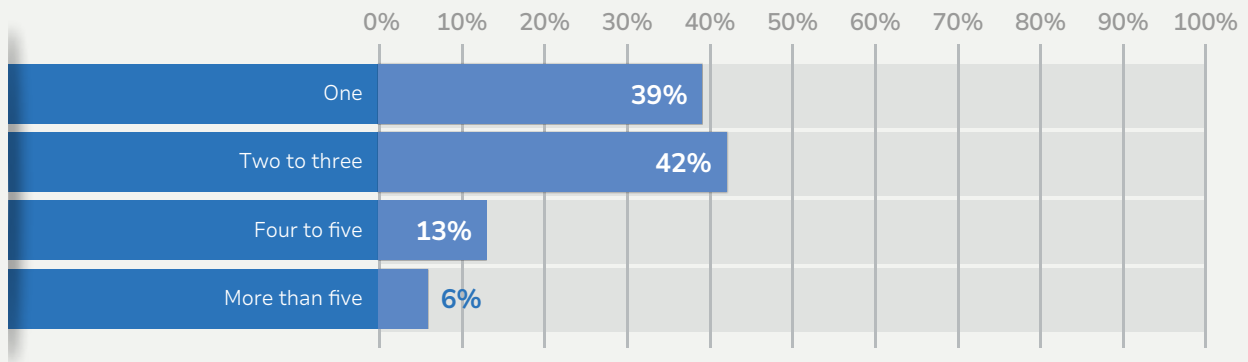


# A Shift Towards Working With Fewer Agencies



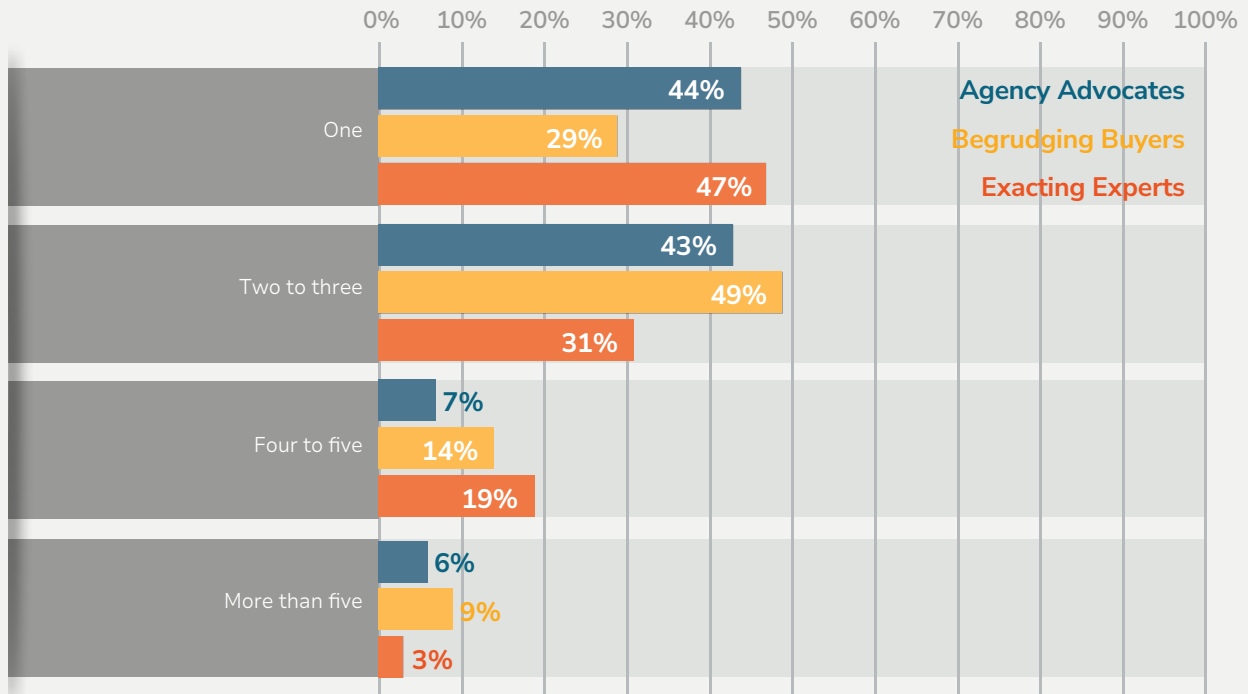
Most (81%) clients' organizations work with three or fewer agencies.

## Number of Agencies Organizations Work With



Proponents of the more the merrier, **Begrudging Buyers** are significantly more likely to work with more than one agency.

## Number of Agencies Organizations Work With

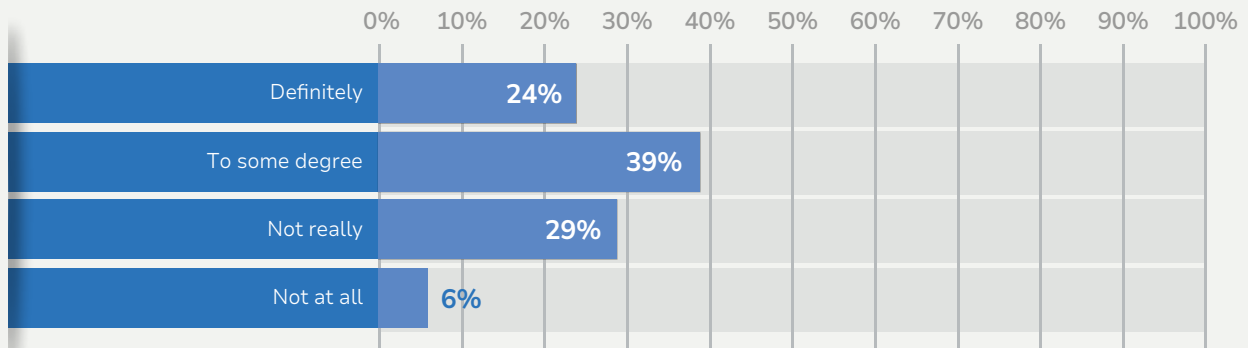


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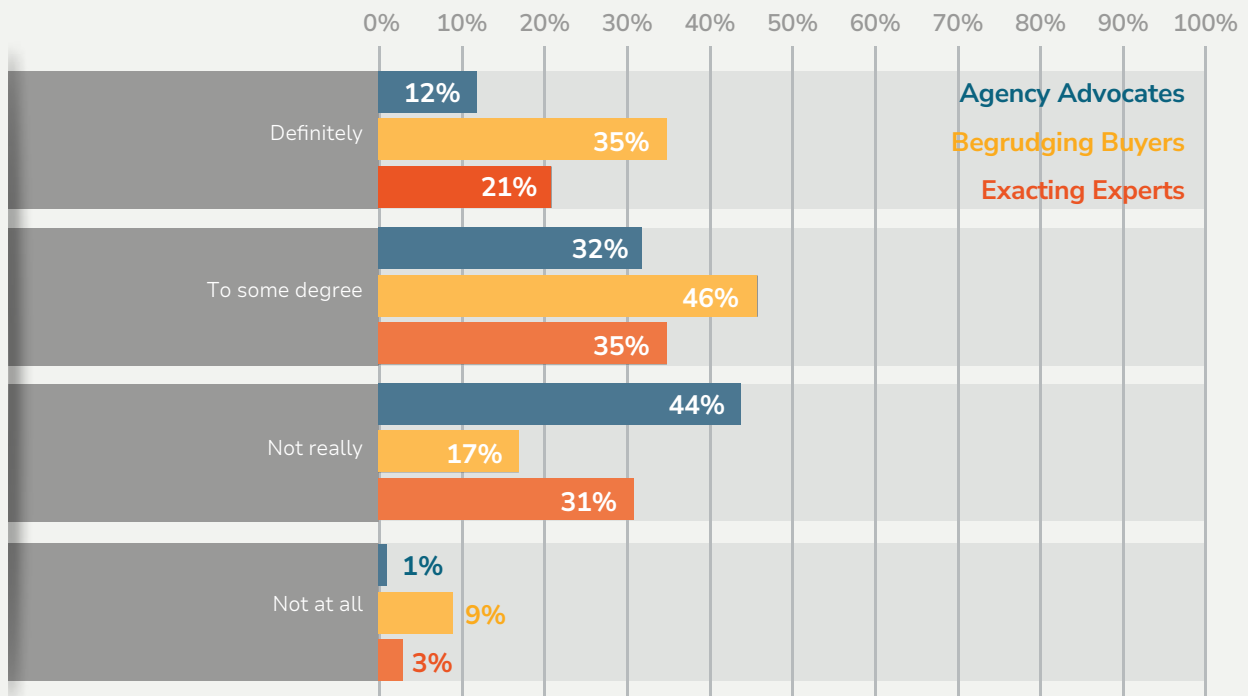
About one in four clients say their thinking on the ideal number of agencies has definitely changed in the last few years, and more than one in three say it's changed to some degree.

## Change in Thinking on Optimal Number of Agencies



**Begrudging Buyers** and clients working with more than one agency are significantly more likely to say their thinking has changed recently.

## Change in Thinking on Optimal Number of Agencies: Segment Comparison

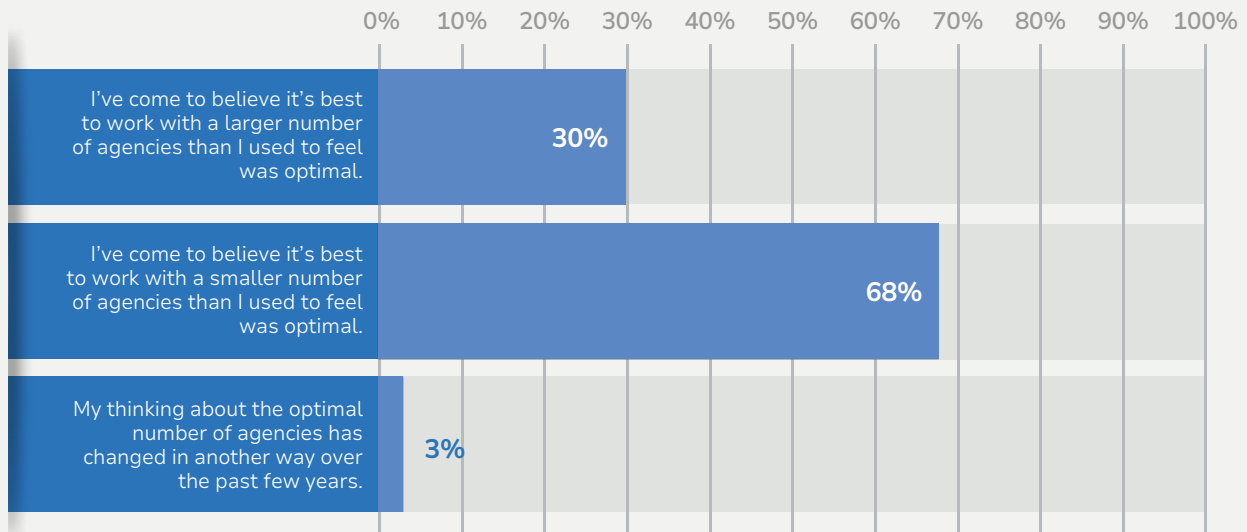




# A Shift Towards Working With Fewer Agencies

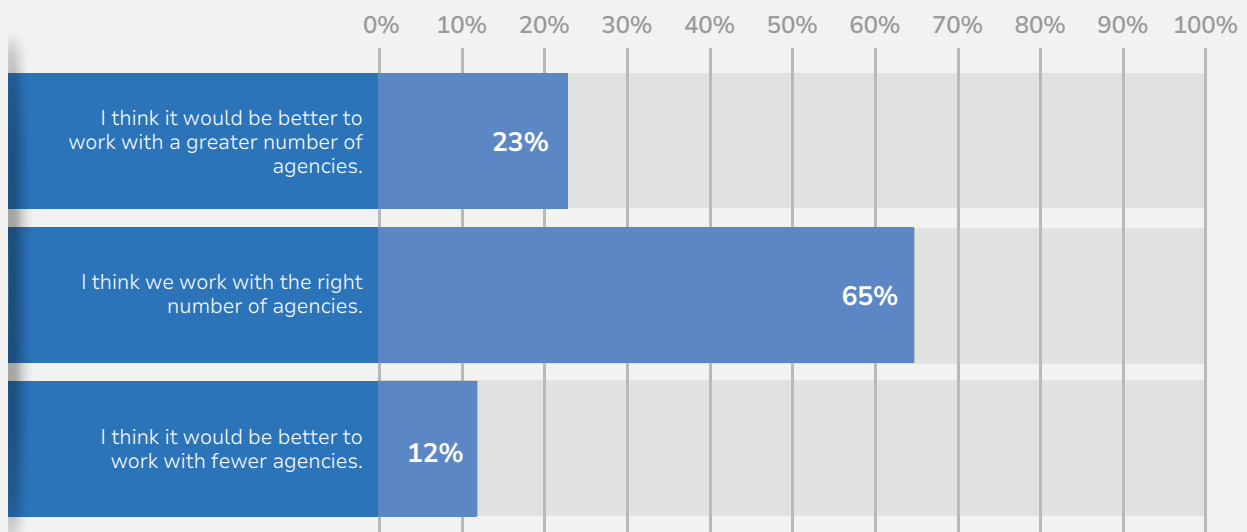


## Two in three say it's best to work with fewer agencies overall.



Most (65%) believe their organizations are working with the right number of agencies. About one in four think more agencies would be better, and 12% want to decrease the number of agencies they work with.

## Feelings About Current Number of Agencies vs. Ideal Number of Agencies

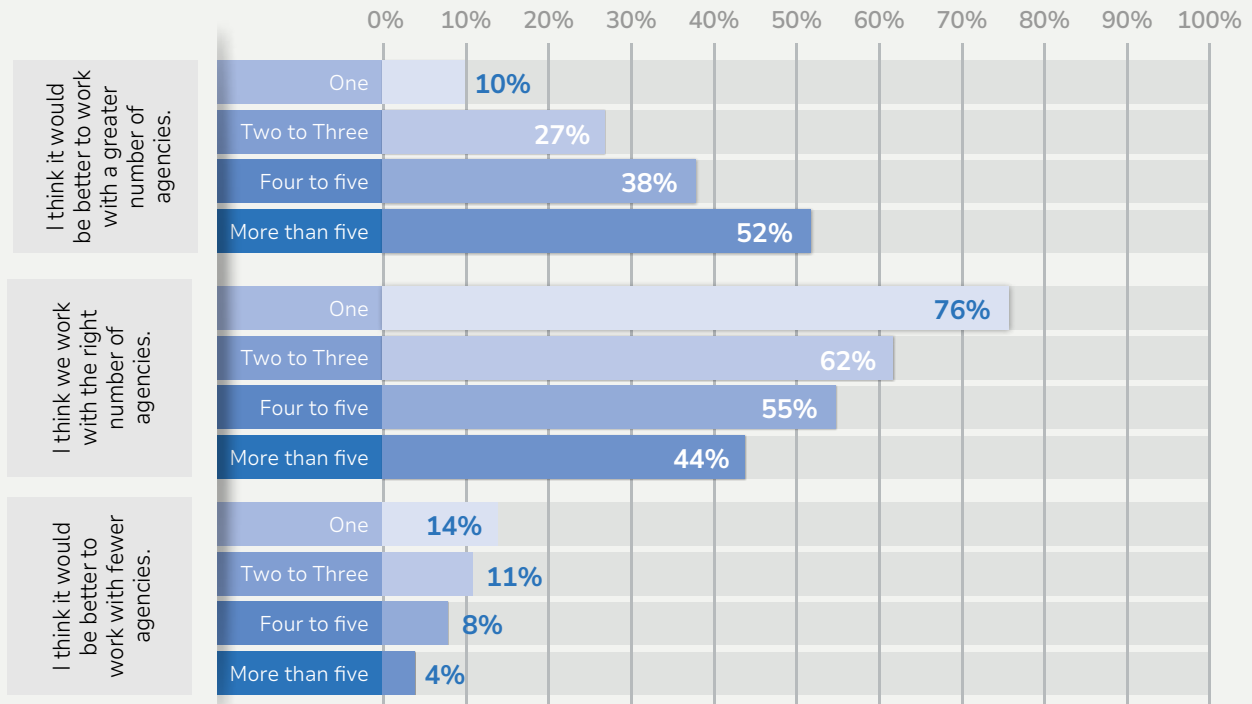


# A Shift Towards Working With Fewer Agencies



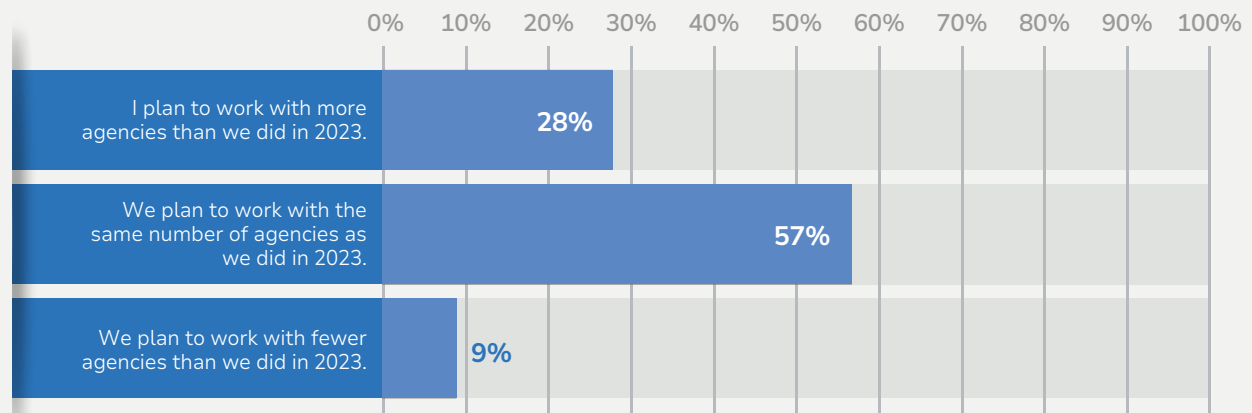
Three in four of those working with one agency say it's the right number; 52% of those working with more than five agencies say they should be working with more.

## Feelings About Current Number of Agencies vs. Ideal Number of Agencies: Number of Agencies Comparison



Similarly, 57% of clients plan to work with the same number of agencies this year, and 28% plan to work with more.

## Number of Agencies Intending to Work Within 2024

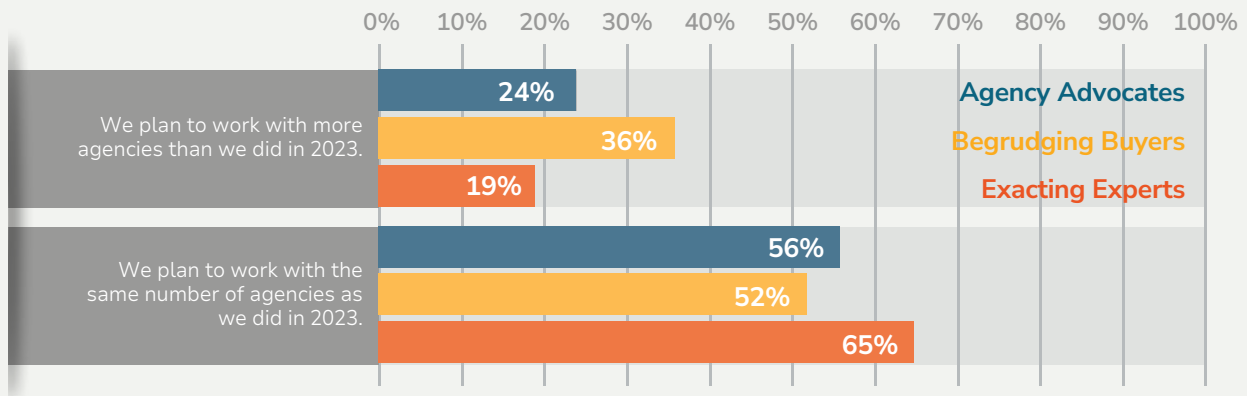


# A Shift Towards Working With Fewer Agencies



**Begrudging Buyers** are significantly more likely to say their organizations plan to work with more agencies in 2024.

## Number of Agencies Intending to Work Within 2024: Segment Comparison



### Drew's Take

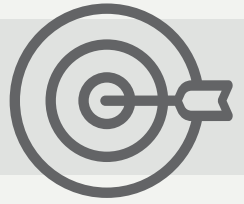
For most agencies, this has been your reality for a while. If you don't quarterback the effort by driving the strategy, then odds are you're working with more agencies in the mix than you'd prefer. It does suggest that a smart strategy might be to create alliances with other agencies that you trust who offer a different set of deliverables so you can create a dream team of agencies to offer up clients and prospects. If you have to collaborate, it's far better to do it with people you like and trust.

### Susan's Take



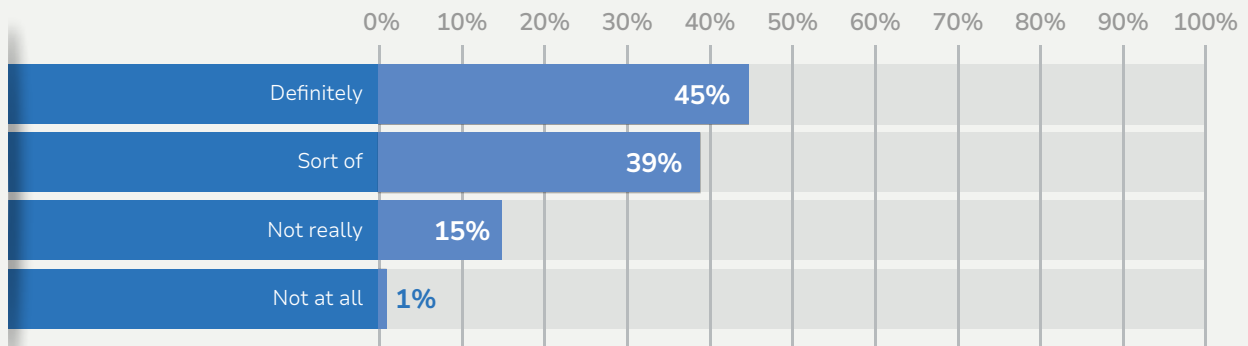
As we've seen in the Agency Edge research results for years, most clients work with more than one agency. Highlighting your ability to work productively with other agencies is a key element clients are looking for. Thought leadership content highlighting your collaboration with other agencies and even showcasing work done together can give prospective clients ease of mind on this front.

## A Niche Gives Agencies an Advantage During Hiring

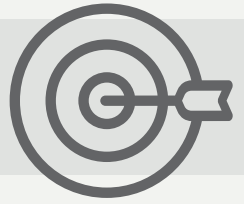


Many (45%) say their organizations definitely have a niche, and over one in three say their organization sort of has a niche.

### Organization Niche or Specialty

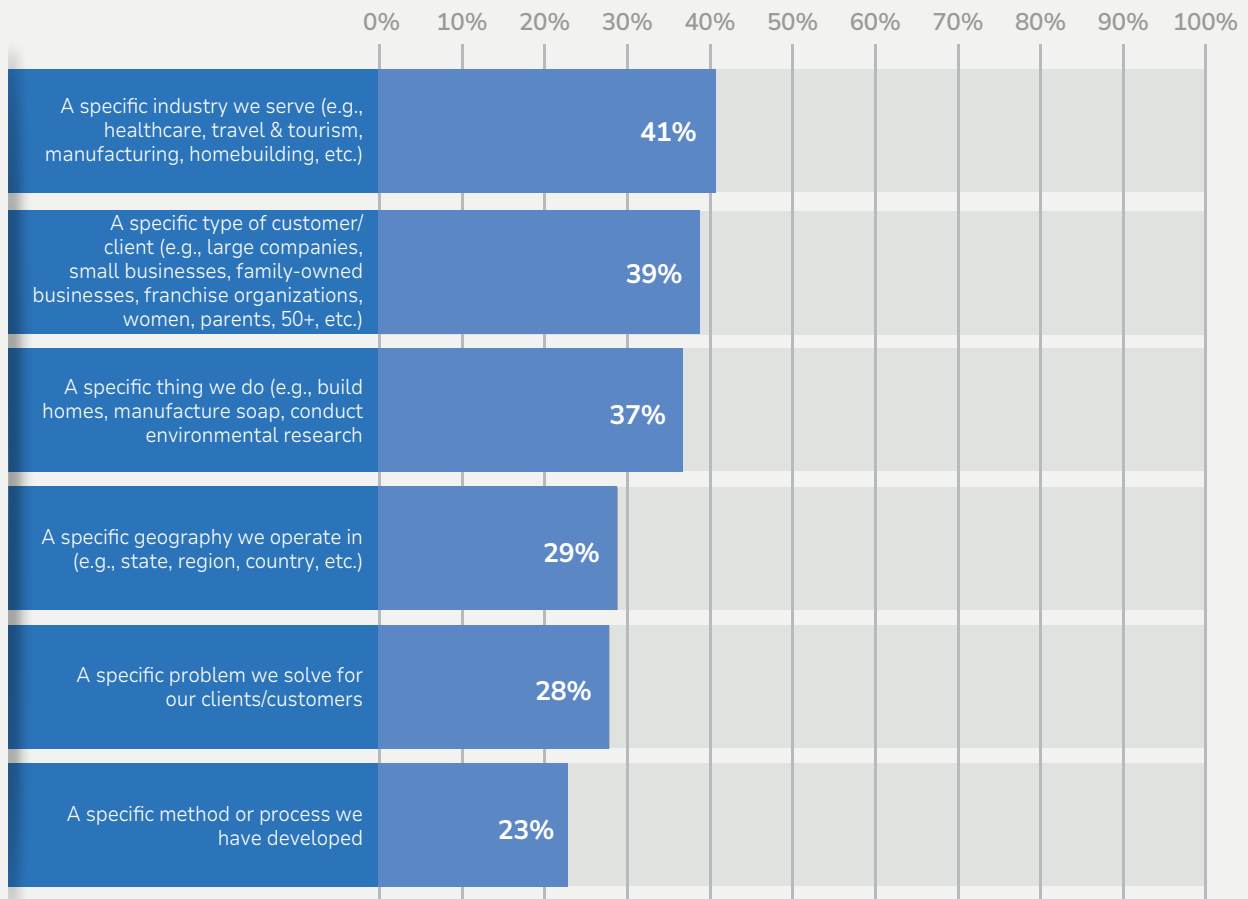


## A Niche Gives Agencies an Advantage During Hiring

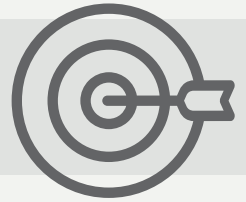


For those clients with a niche, it's typically based on a specific industry they serve (41%), a specific type of customer/client (39%), or a specific thing they do (37%).

### Organization Niche Type

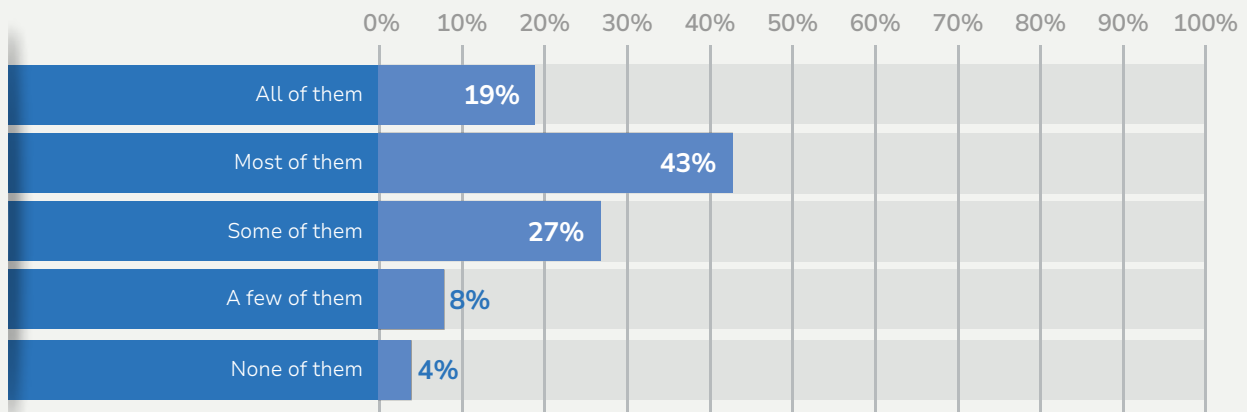


## A Niche Gives Agencies an Advantage During Hiring



About one in five clients say all of their agencies have a niche or specialization. Under half (43%) of clients say most of their agency partners have a niche or specialization.

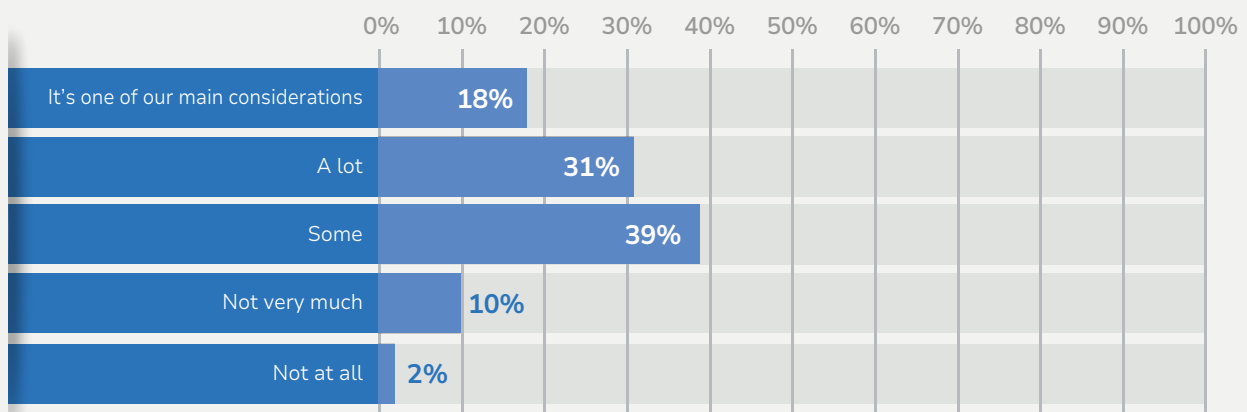
### Organization's Agencies Have a Niche



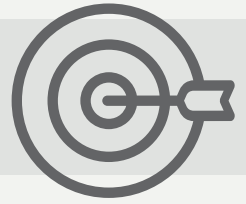
Clients who definitely have a niche are significantly more likely to work with agencies that do, too.

An agency's niche or reputation for having a niche is a main consideration for one in five clients. These factors matter a lot to about one in three clients.

### How Much Agency's Niche Matters

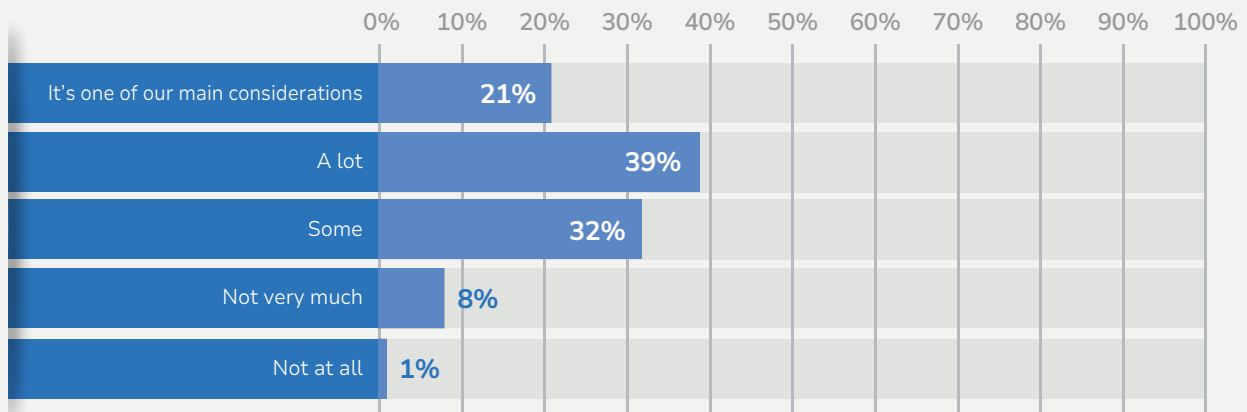


## A Niche Gives Agencies an Advantage During Hiring



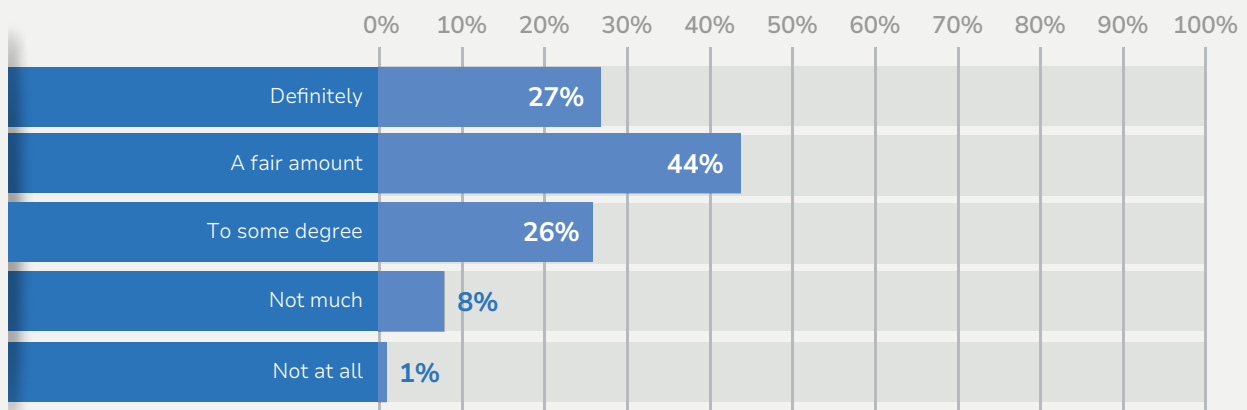
Interestingly, agency clients say that having a well-known reputation for its niche is significantly more important than simply having a niche.

### How Much a Well-Known Reputation for Niche Matters

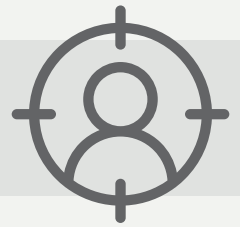


Most clients (71%) give agencies with a niche advantage over those without during the hiring process.

### Extent to Which Niche Gives Agency Advantage in Organization Hiring Decisions

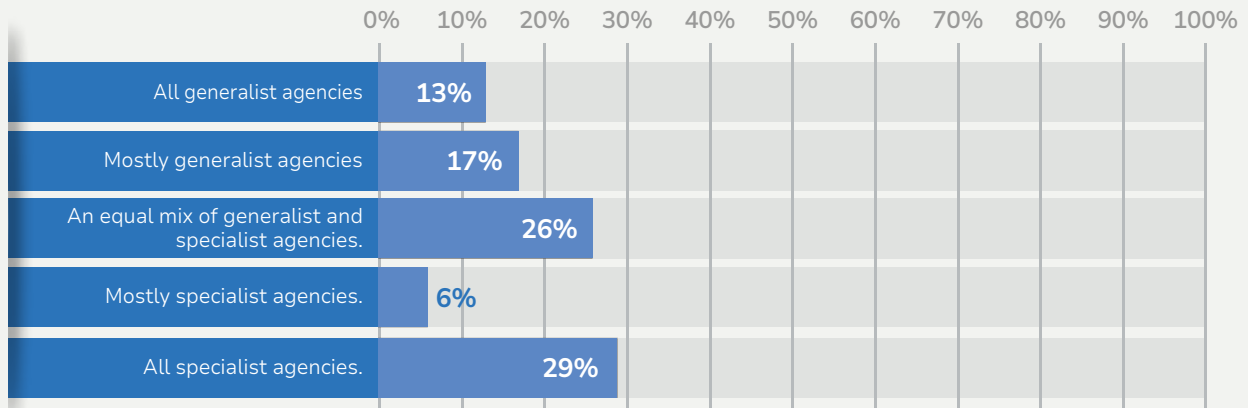


# To Specialize or Not to Specialize: It Depends on Your Ideal Clients



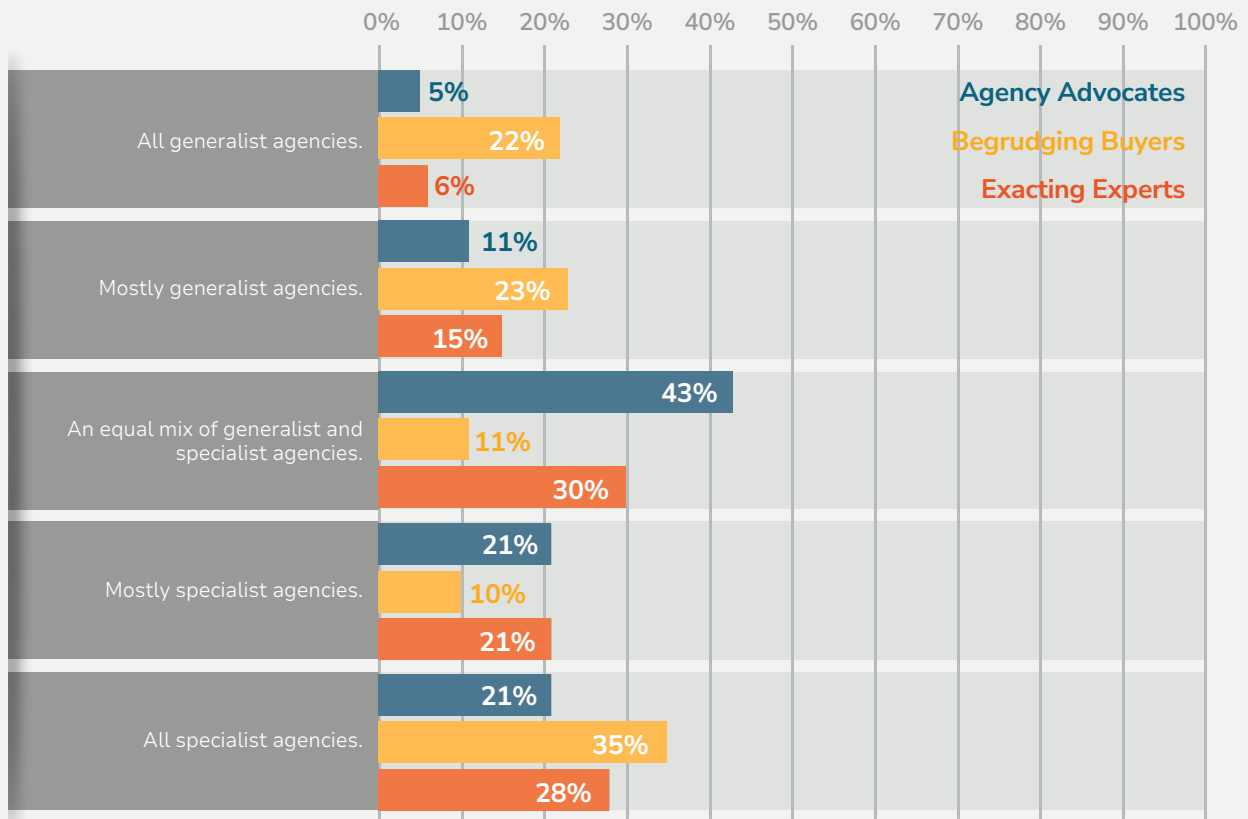
Agency clients have different perspectives on the value of generalist vs. specialist agencies, but only 13% believe the right mix is all generalist agencies and only 30% say it's mostly or always generalists.

## Right Mix of General vs. Specialist Agencies



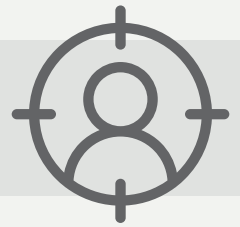
**Begrudging Buyers** are more than twice as likely as other segments to prefer working with all or mostly generalist agencies.

## Right Mix of General vs. Specialist Agencies: Segment Comparison





## To Specialize or Not to Specialize: It Depends on Your Ideal Clients



### Drew's Take

Given the complexity of our work today, it's almost impossible not to niche in some way. We can't have a depth of knowledge about everything, be it the industries we serve, the strategies we deploy, or the tactics and technology we sell. Most agencies have the nucleus of a niche in their DNA. They just haven't embraced it by shouting it to the world. That's like carrying the weight but not enjoying the perks. It comes from a scarcity mindset that is crushing generalist agencies today. No one believes us when we say we can do and know it all. Their translation of that promise is that we have spread ourselves a mile wide, but we're only an inch deep.

### Susan's Take



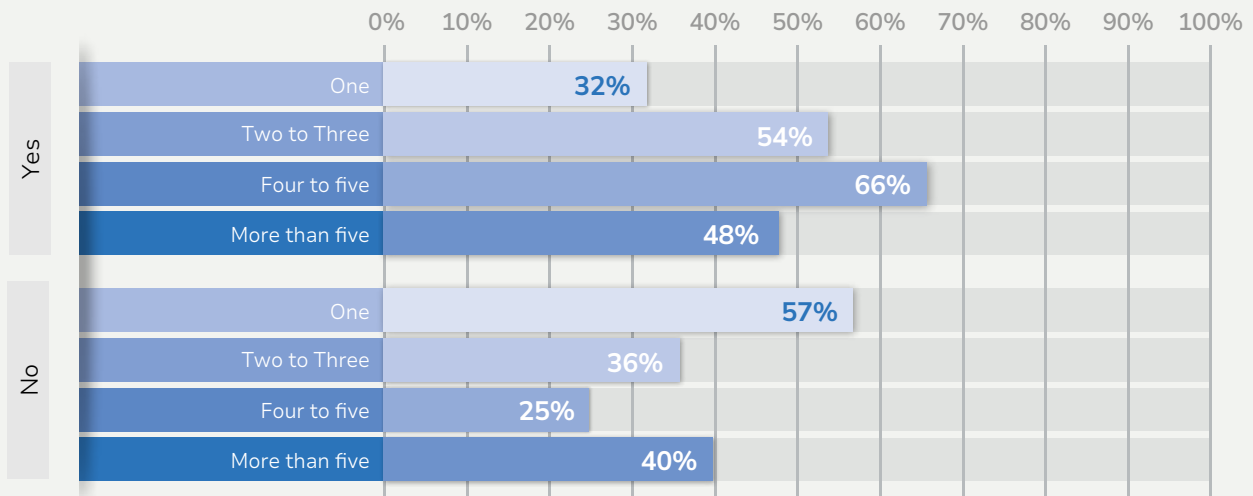
While not every agency chooses to niche, it's clear from this study and others that clients prefer specialists to generalists overall. It doesn't mean that you can't offer a wide range of services, or serve different types of clients, but positioning yourself in a niche — based on the problems you solve, the services you offer, the geography you serve, or other factors (and preferably a combination of these), and being outspoken about that niche, puts you in a strong competitive position for most prospective clients.

## RFPs/RFIs Are Here to Stay



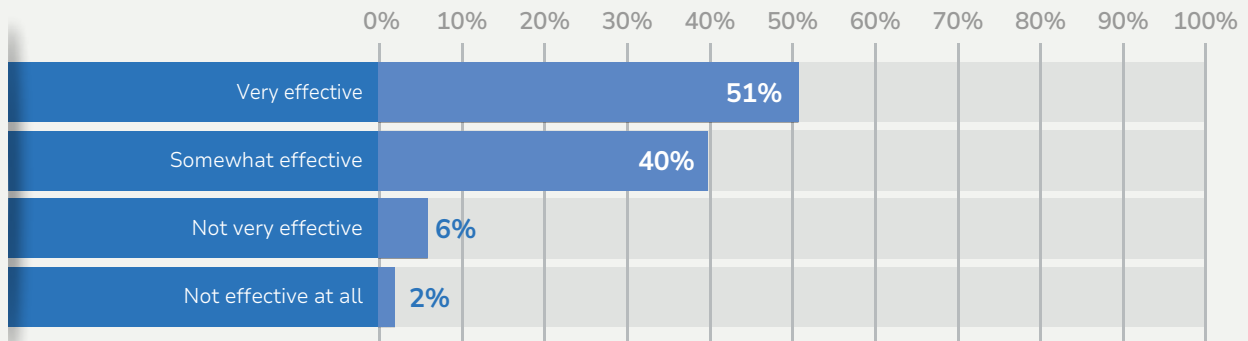
One in two clients has issued an RFP or RFI to search for agencies in the past. Clients with one agency are significantly less likely to have done so.

### Issued an RFP/RFI for Agency Search in the Past: Number of Agencies Comparison



Most (91%) say this approach has been at least somewhat effective in identifying agencies.

### Effectiveness of RFPs/RFIs for Agency Search

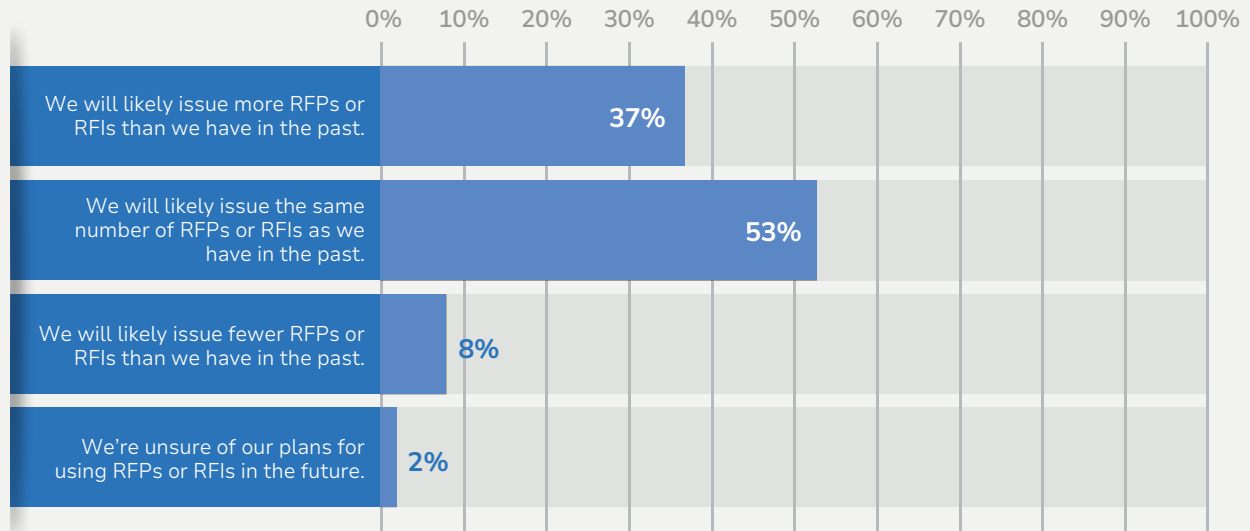


## RFPs/RFIs Are Here to Stay



About half of those who have leaned on RFPs/RFIs say they'll issue the same number as in the past, and one in three plan to issue more.

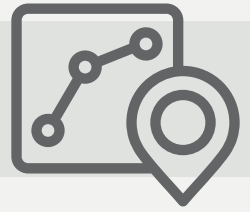
### Plan to Use RFPs/RFIs for Agency Search in the Future



### Drew's Take

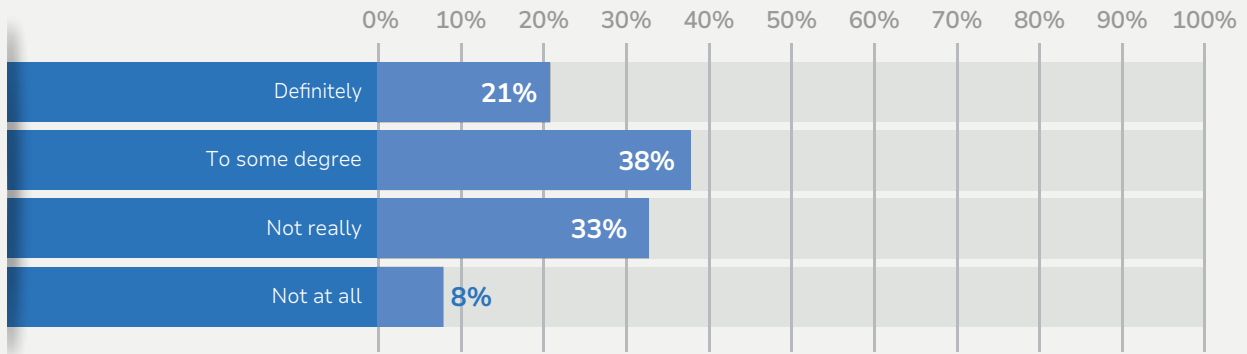
The secret to RFPs is two-fold: Don't respond to as many, and go all in on the ones you do. Get smarter about why you were invited to participate or your odds of winning. Are you known for what they're seeking? Do you have category experience and killer case studies? Do you know any of the decision-makers? How many agencies are in the hunt? If you wouldn't give yourself at least 50/50 odds, walk away. But if you believe you are the agency (or in the top two) to beat – then you have to give 110%. That means taking the time not only to create a strategic point of view but also to meticulously articulate it. It means doing spec creative and media plans. If you can't commit to that level of competitive excellence, don't play.

# The Agency Hiring Journey Is Changing



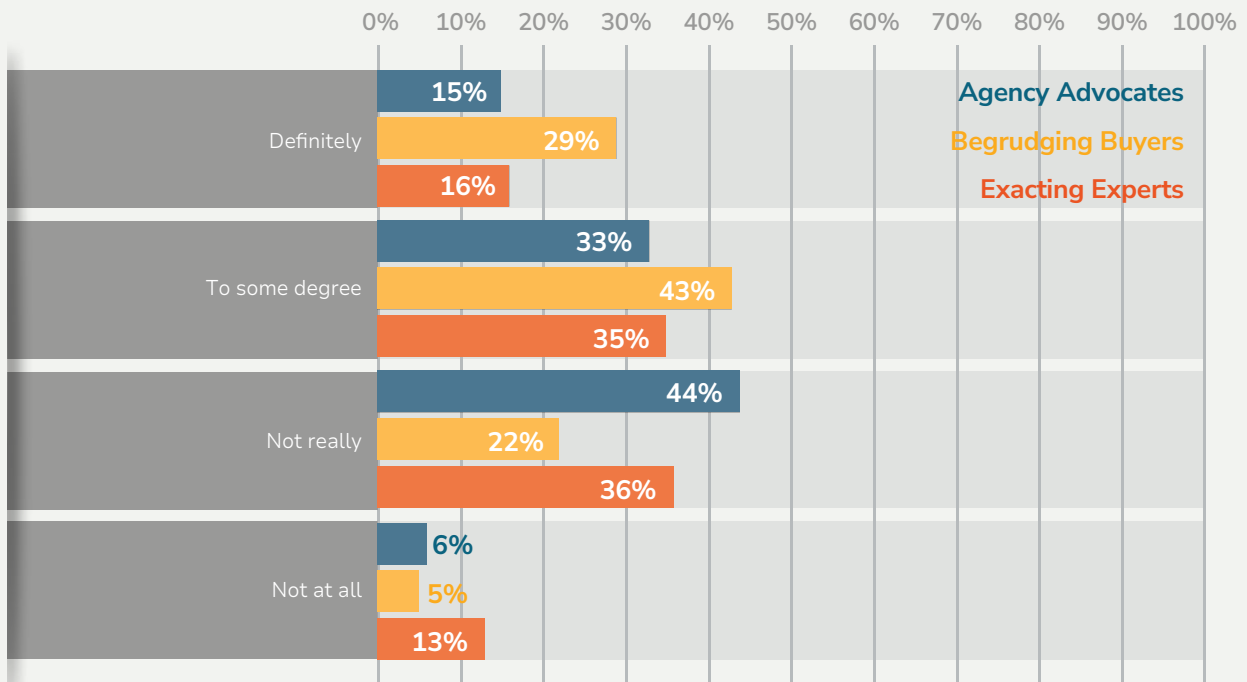
Most (59%) clients say their approach to hiring agencies has changed at least to some degree in the last few years.

## Change in the Organization's Approach to Finding Agencies



**Begrudging Buyers** are significantly more likely to say it has changed.

## Change in Organization's Approach to Finding Agencies: Segment Comparison



# How has your organization's approach to finding and evaluating prospective marketing agencies changed in the last few years?

## Agency Advocates

- “We give more importance now to referrals from colleagues.”
- “We have learned more about marketing and now know better what to ask and look for.”
- “We are leaning into reviews more so we can learn about others' experiences with the agency.”
- “We are more open to hearing from unfamiliar agencies because they are offering us deals that are too good to pass up.”

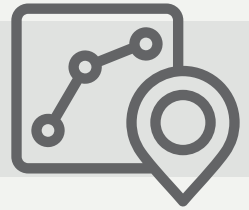
## Begrudging Buyers

- “We are looking for bigger agencies that can handle more volume.”
- “We have started to meet with agencies we have never heard of before.”
- “We're letting our junior executives learn the hiring process so we're giving them a lot more freedom in researching prospective agencies.”

## Exacting Experts

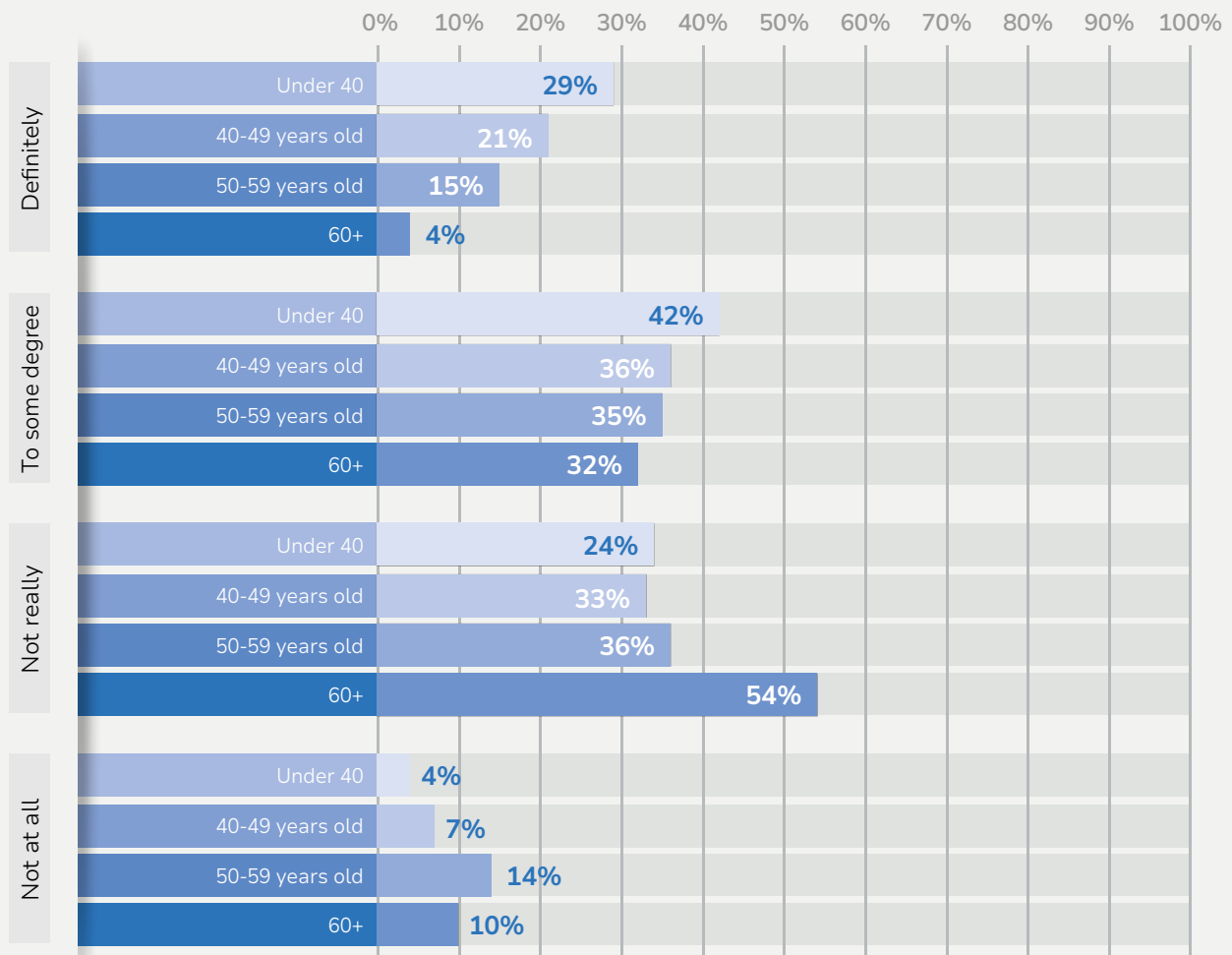
- “Trends change. Agencies that change with the times are always ahead.”
- “We approach more agencies and are more open.” - Exacting Expert
- “We narrow the field down to 3-4 agencies and then do a deep dive with each.”
- “We've taken a more specific approach. We know what we're after and it saves time.”

# The Agency Hiring Journey is Changing



Respondents under 40 are significantly more likely than those 60+ to say their approach to finding agencies has changed in the last few years..

## Change in Organization's Approach to Finding Agencies: Age Range Comparison

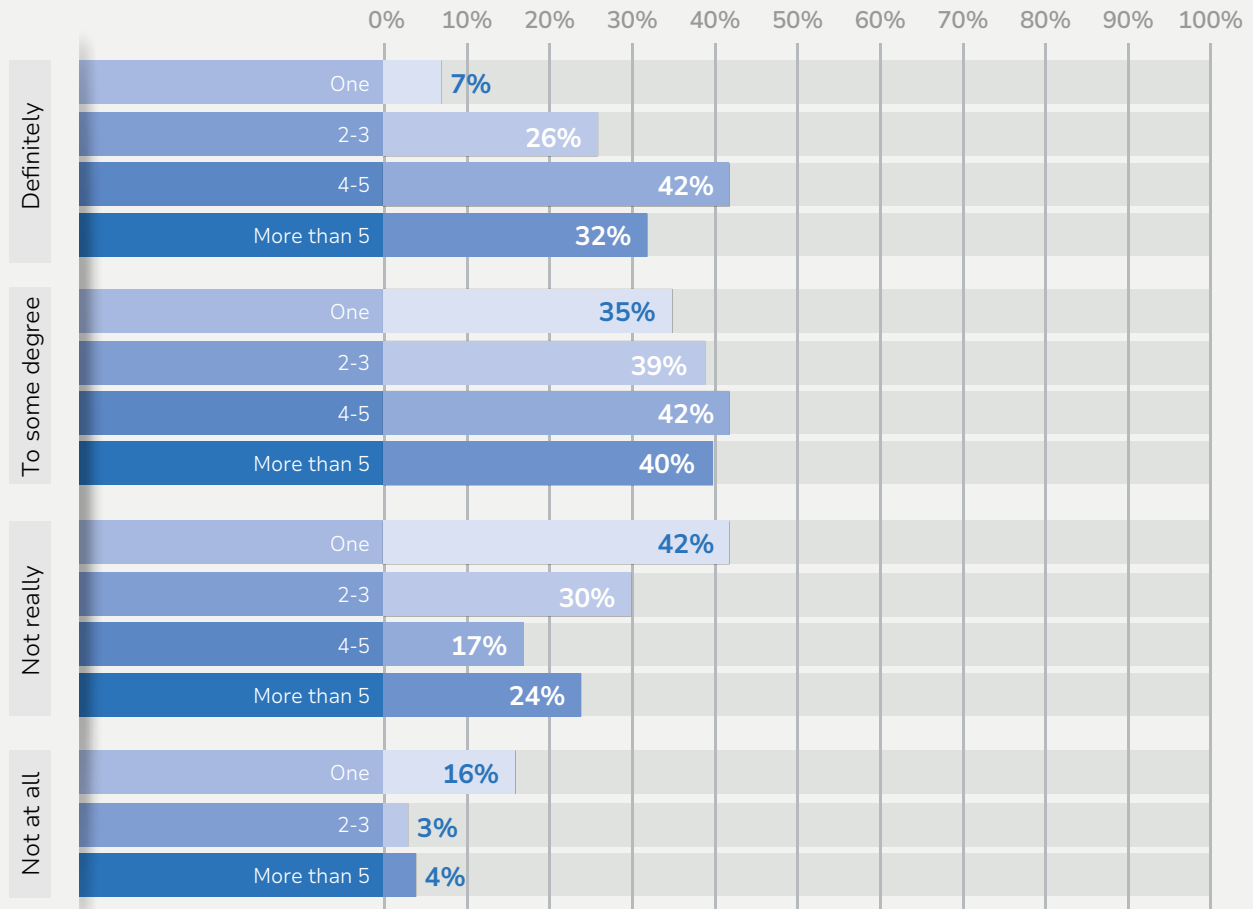


# The Agency Hiring Journey is Changing



Clients with one agency are significantly less likely than others to say their approach to finding agencies has changed in the last few years.

## Change in Organization's Approach to Finding Agencies: Number of Agencies Comparison

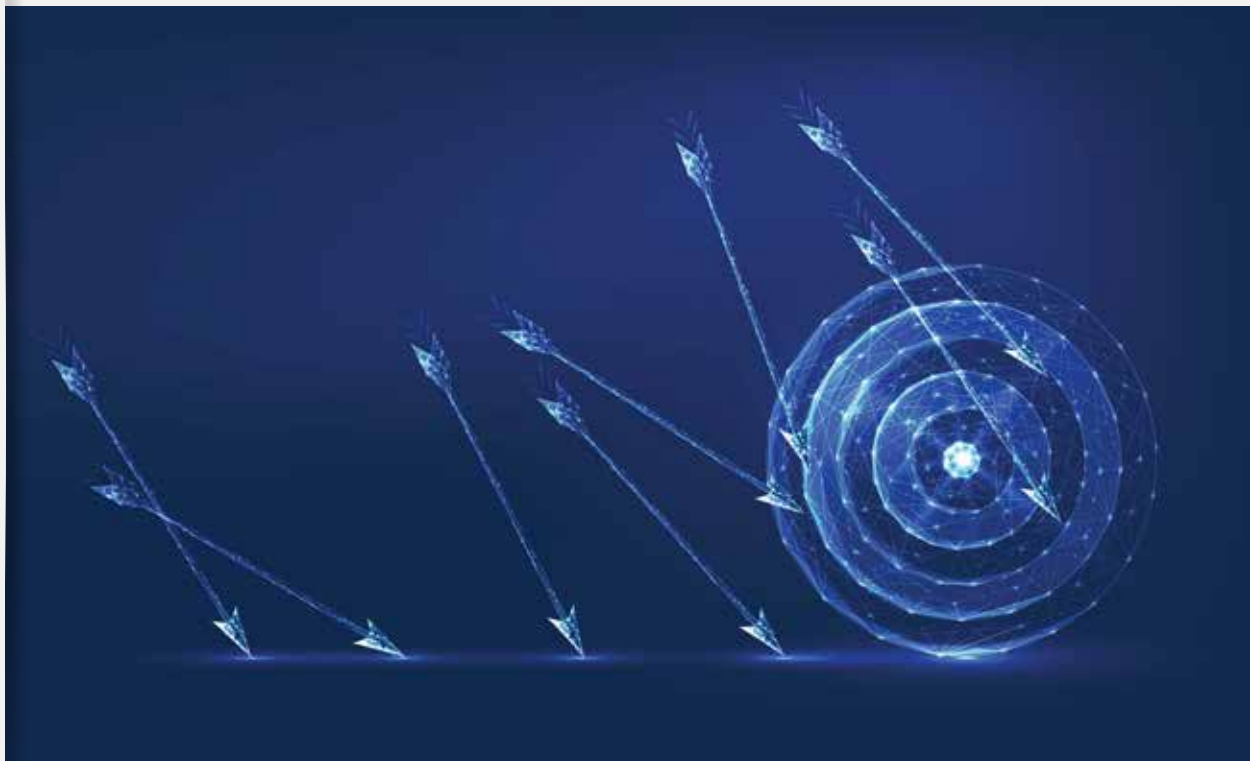
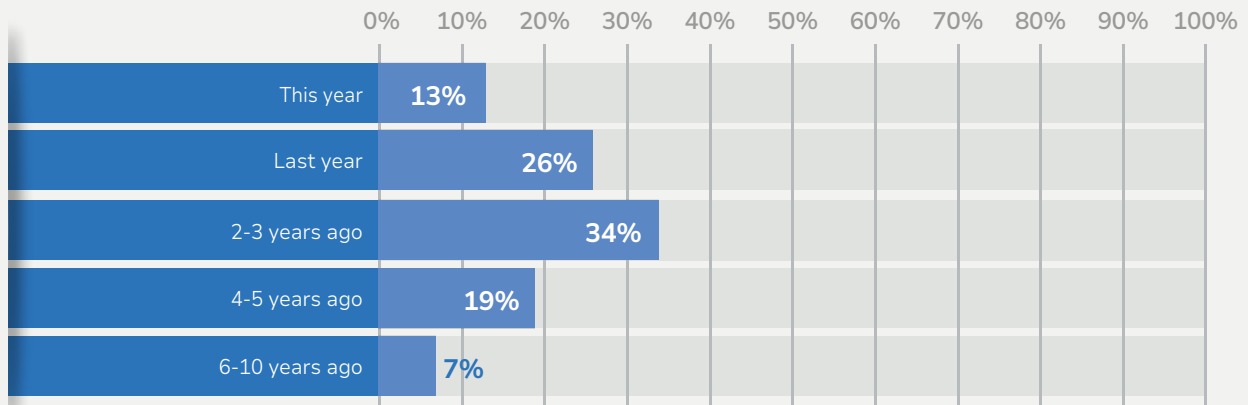


## The Agency Hiring Journey is Changing



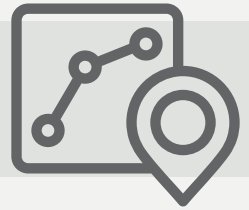
Most agency clients have hired a new agency sometime in the last few years. Few organizations (13%) last hired an agency in quarter one of this year. One in four hired an agency last year, and one in three hired one two to three years ago.

### When Organization Hired Most Recent Agency



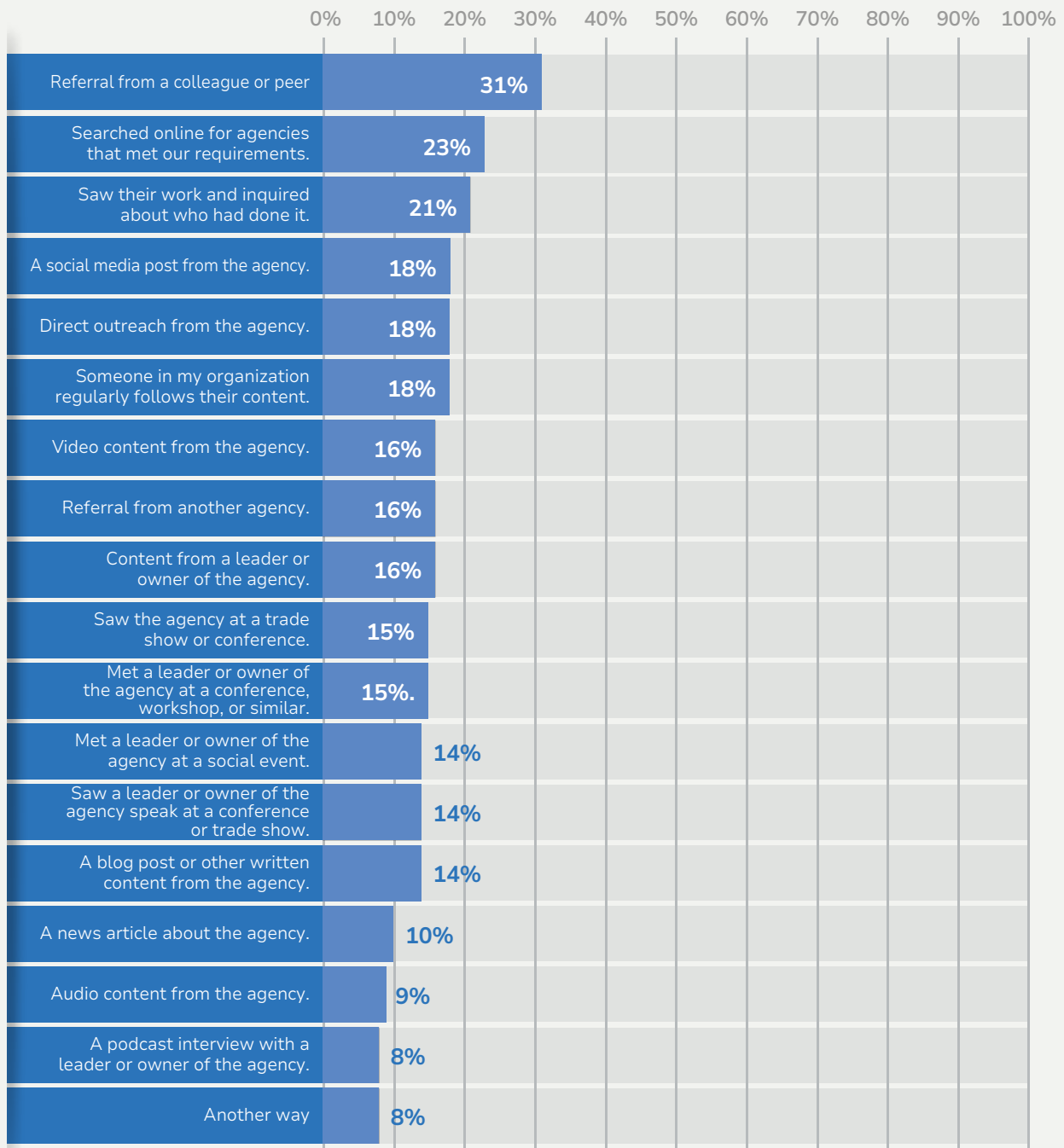


## The Agency Hiring Journey is Changing



Agency clients heard of the last agency they hired from a colleague or friend (31%), online search (23%), or through seeing the agency's work and inquiring who had done it (21%). Smaller percentages (18% or less) heard of the agency through outreach, agency research, or a referral from another agency.

### How Clients Heard of Most Recently Hired Agency

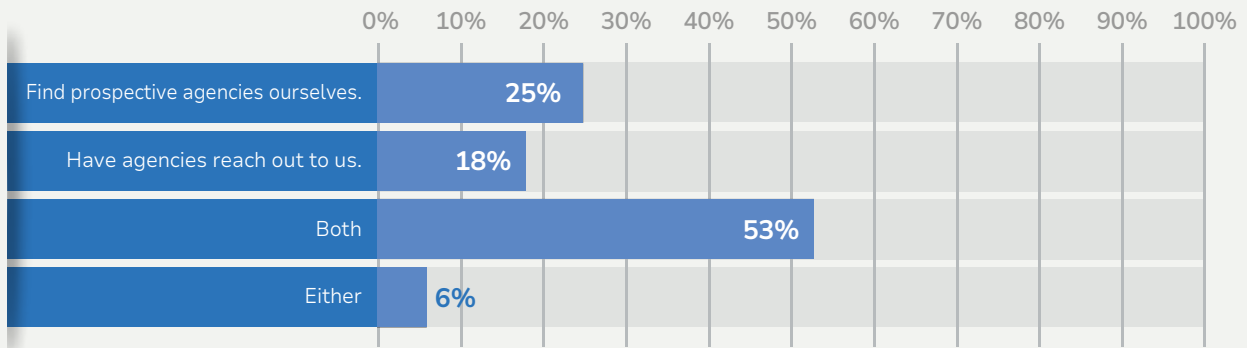


# The Agency Hiring Journey is Changing



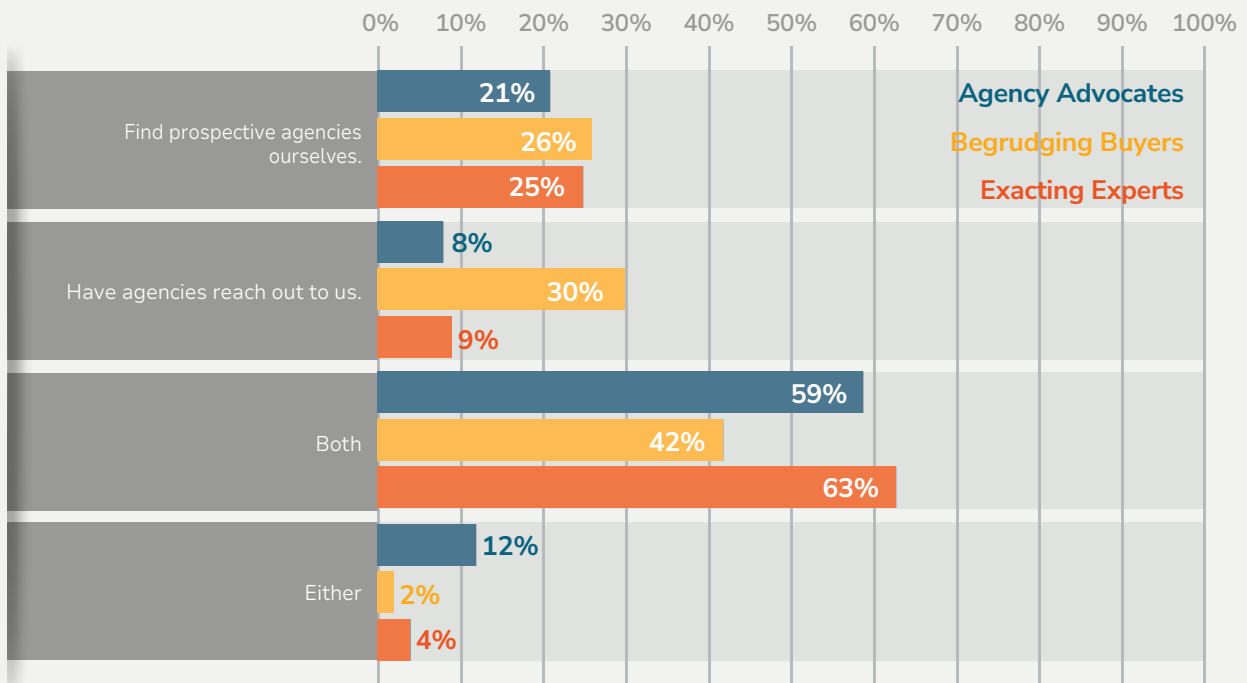
One in four clients prefers to identify agencies of interest, and 18% prefer agencies to reach out. However, most (59%) prefer a combination of both approaches.

## Preference for Finding Agencies or Agencies Reaching Out

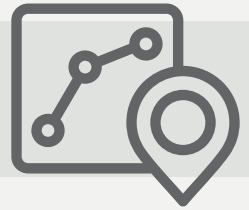


**Begrudging Buyers** are significantly more likely to prefer agencies to contact them.

## Preference for Finding Agencies or Agencies Reaching Out: Segment Comparison

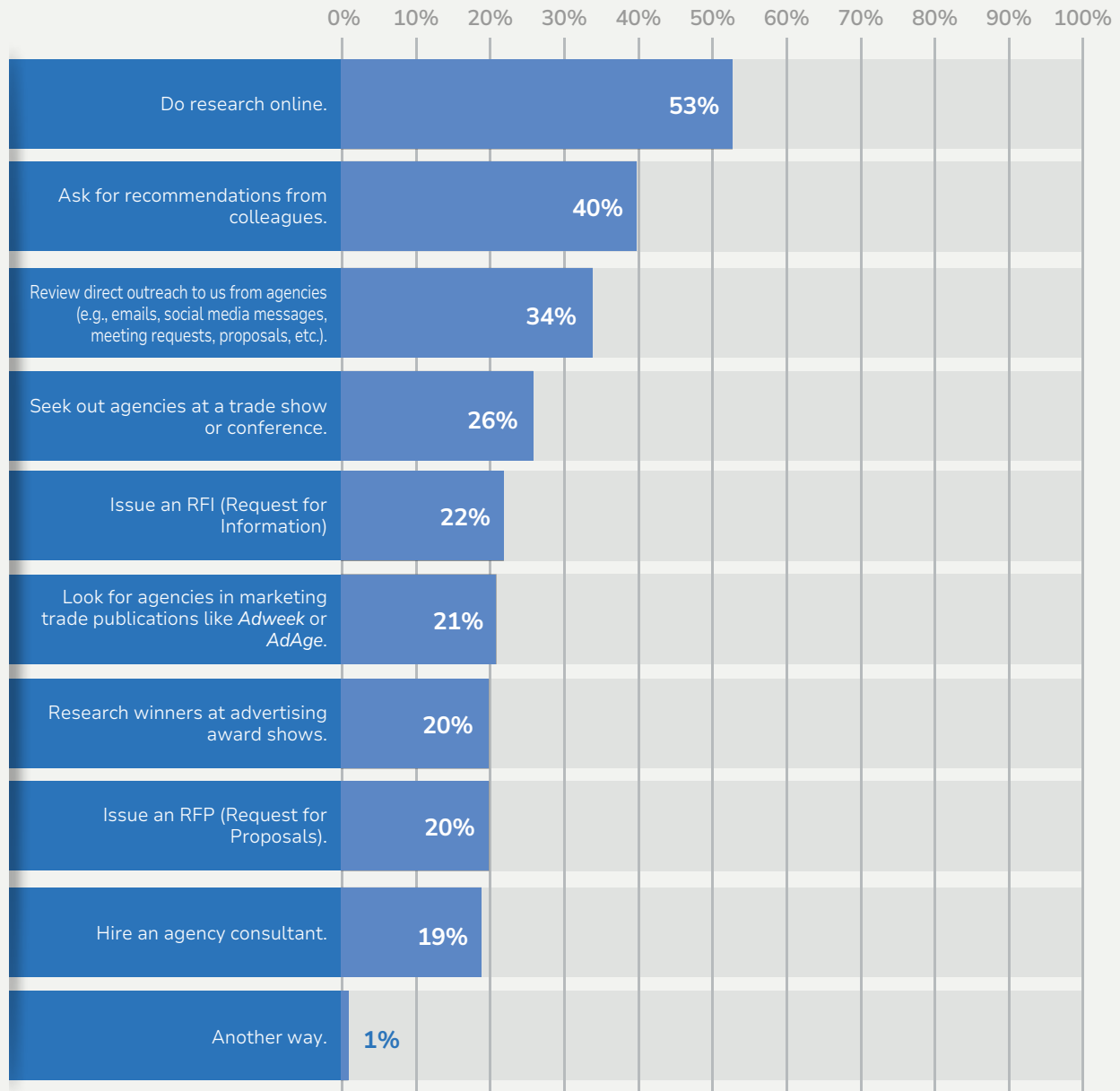


## The Agency Hiring Journey is Changing



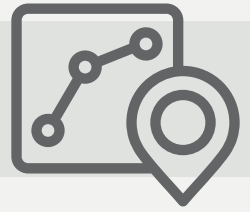
Over one in two clients identify agencies they want to work with through online searches. Many (40%) ask for recommendations from colleagues, and one in three reviews direct outreach from agencies. Events/conferences serve as channels for one in four clients. About one in five issues RFPs or RFIs.

### How Clients Identify Prospective Agencies



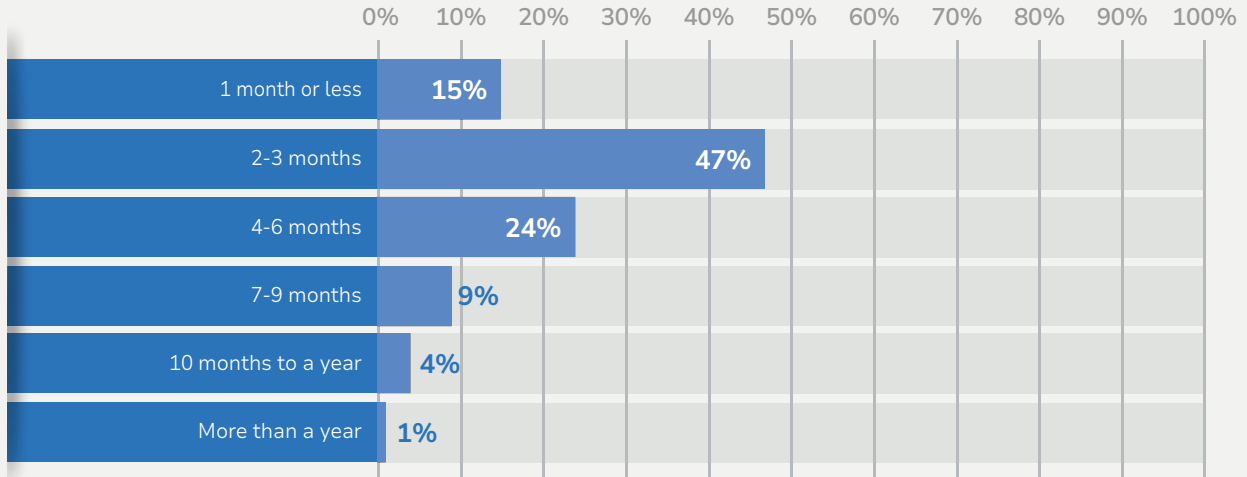
**Begrudging Buyers** are significantly less likely to search online or ask for recommendations.

# The Agency Hiring Journey is Changing



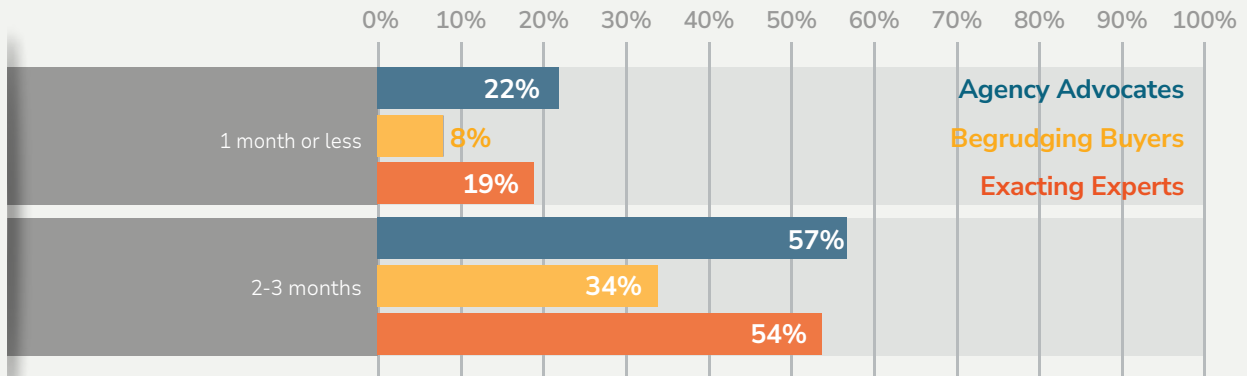
About two in three clients expect a search for a new agency to take three months or fewer.

## How Long Clients Expect Agency Search to Take



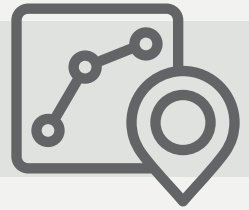
**Begrudging Buyers** are significantly less likely to anticipate this process will take three months or fewer (42% compared to over 70% for the other two segments).

## How Long Clients Expect Agency Search to Take: Segment Comparison



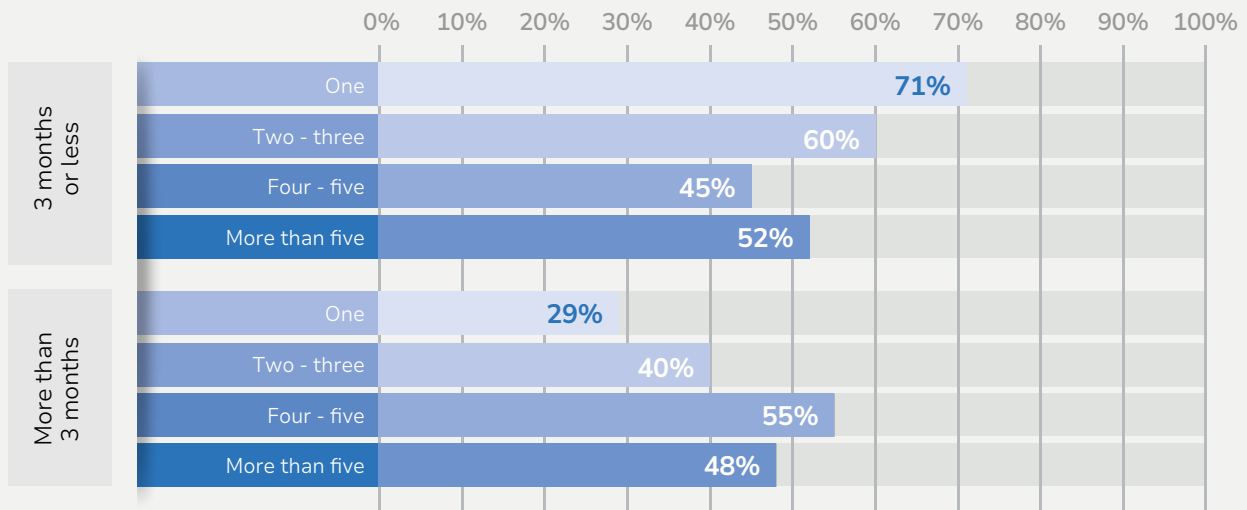
Respondents under 40 are significantly less likely than those 60+ to expect it to take three months or fewer.

## The Agency Hiring Journey is Changing



Those with 4-5 agencies are significantly more likely than those with one to expect it will take more than three months.

### How Long Clients Expect Agency Search to Take: Number of Agencies Comparison



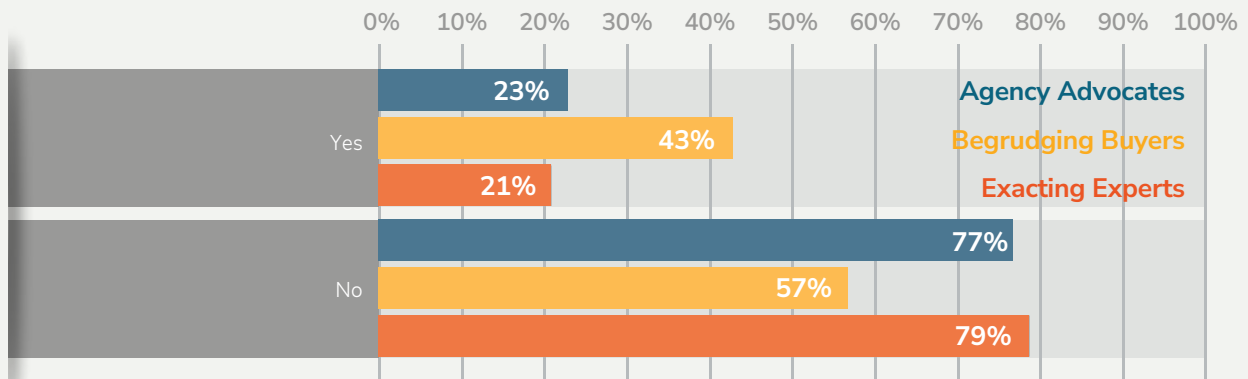
## Agency Outreach Works!



If you've hesitated to reach out to potential clients regularly via phone calls, emails, event invitations, etc., think again.

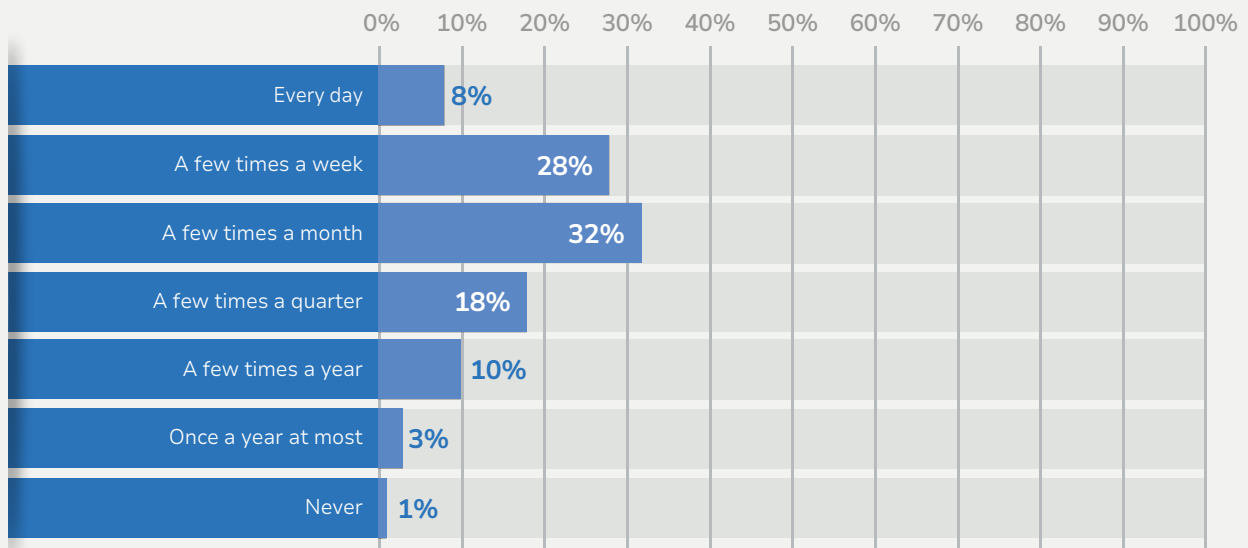
One in three clients has hired an unfamiliar agency that contacted their organization. As a reminder, **Begrudging Buyers** are almost twice as likely as the other two segments to be open to unfamiliar agencies.

### Ever Hired An Unfamiliar Agency That Reached Out



Over two in three clients note agencies reach out to their organizations at least a few times per month, with one in three receiving outreach a few times weekly.

### How Often Organizations Receive Outreach From New Agencies

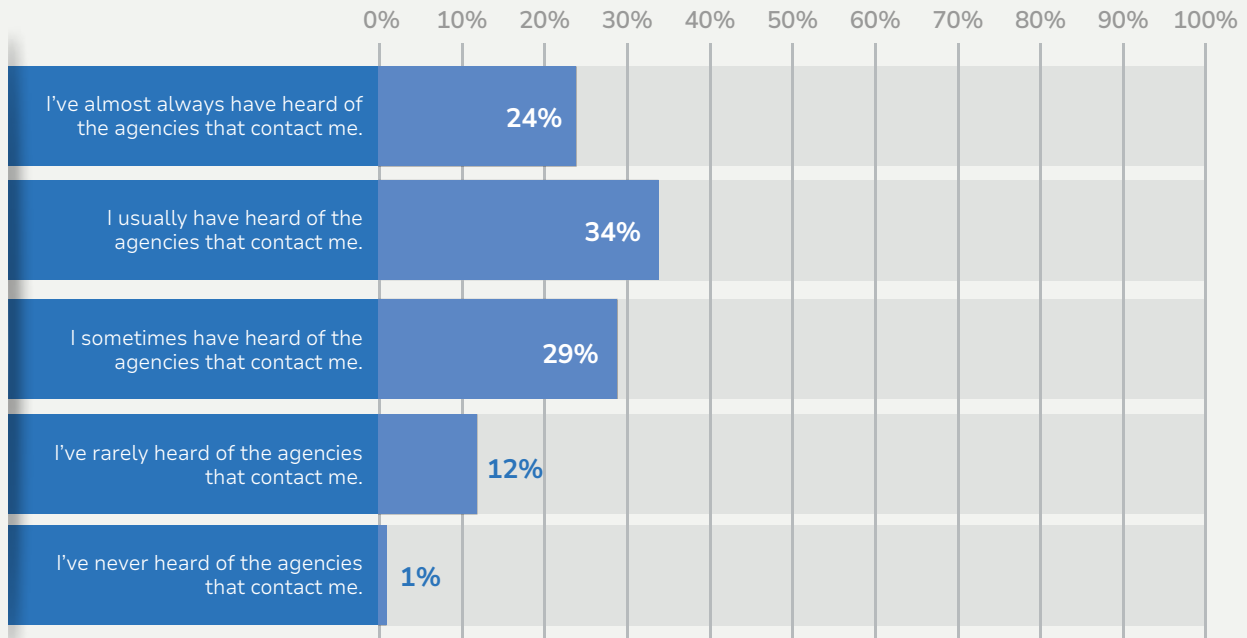


## Agency Outreach Works!



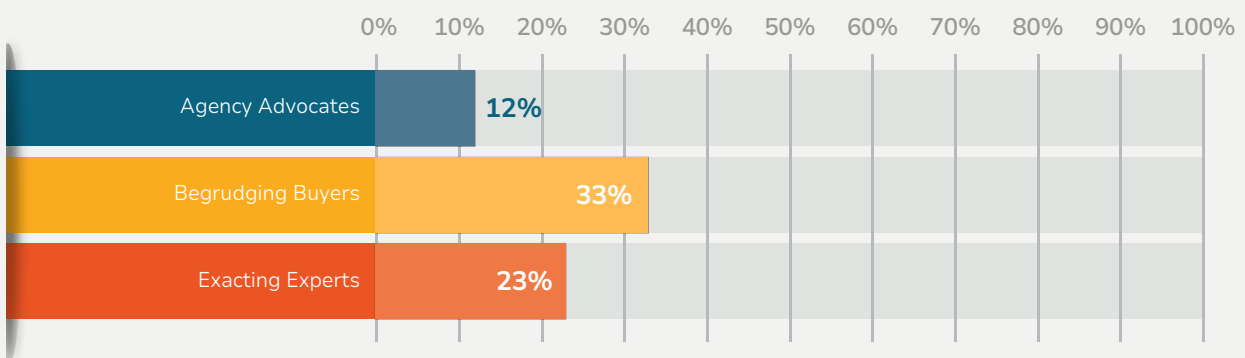
It's important to note that what clients consider “unfamiliar” agency outreach is rarely completely cold outreach. 87% of respondents say they've at least sometimes heard of the agencies that contact them, and 58% say they usually or always have heard of them.

### How Often Organizations Have Heard of Agency Reaching Out



Begrudging Buyers are significantly more likely than Agency Advocates to have heard of the agency almost always, which tracks with their agency-hopping behavior.

### How Often Organizations Have Heard of Agency Reaching Out

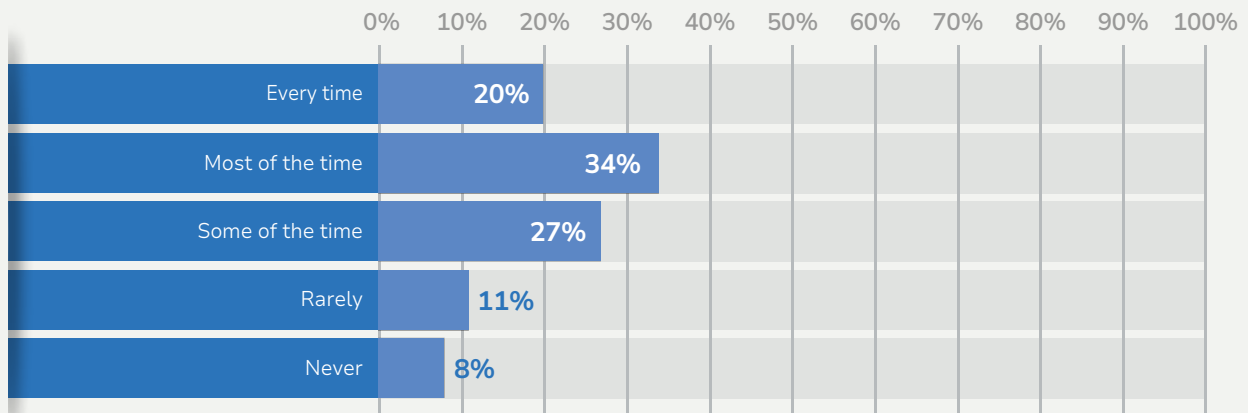


# Agency Outreach Works!



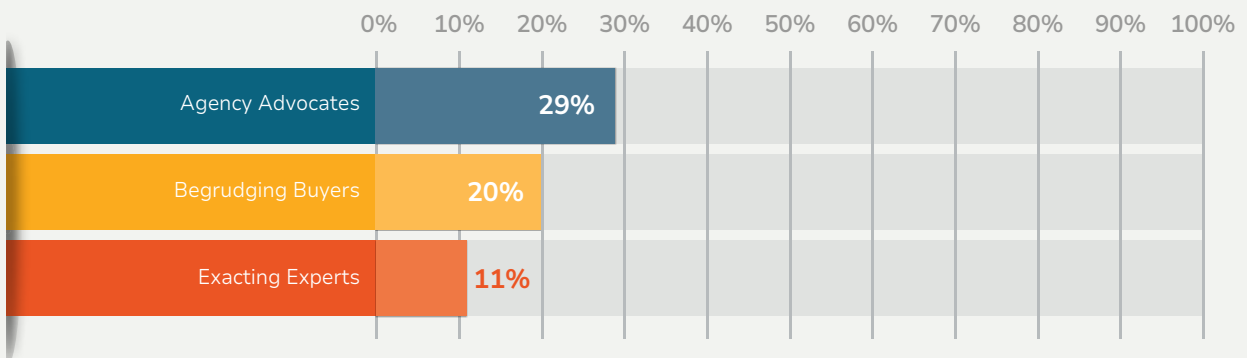
When an agency they're not working with reaches out to them, one in five clients says their organizations always review the outreach—one in three reviews it most of the time.

## How Often Organizations Review Agency Outreach



Agency Advocates are significantly more likely than Exacting Experts to review every time.

## How Often Organizations Review Agency Outreach





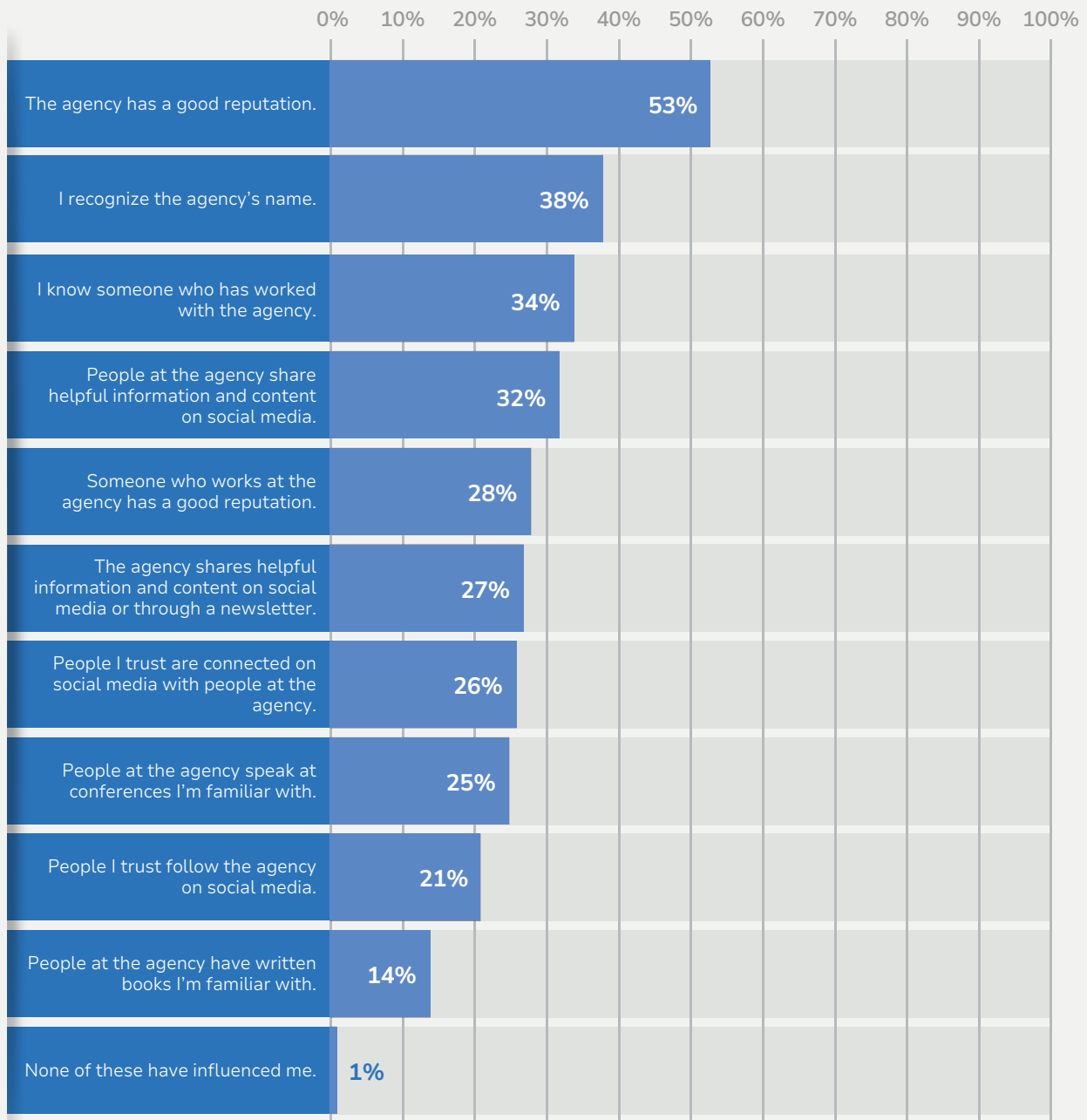
## Agency Outreach Works!



So reach out! You have a good chance of capturing organizations' attention, especially if they have positive associations with your agency.

Reputation matters! Over one in two clients says an agency's reputation drives their organization's outreach review. Additionally, one in three engages if they recognize the agency's name.

### What Influences Whether Organizations Review Agency Outreach

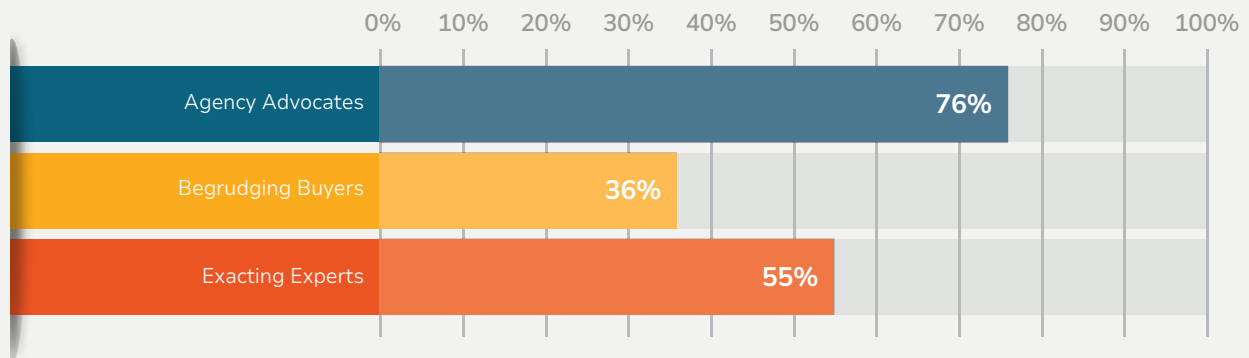


## Agency Outreach Works!



Though every segment is more likely to engage if your agency has a good reputation, Agency Advocates are significantly more likely than Begrudging Buyers to do so.

### What Influences Whether Organizations Review Agency Outreach



# What has made you review an agency's direct outreach instead of ignoring it?

## Agency Advocates

- "If the agency seems like a good fit for us, we'll definitely take it seriously."
- "I've heard things about the agency that made it worth checking out."
- "To be honest, the writeup was too captivating to resist."

## Begrudging Buyers

- "Their mission statement aligned with our values."
- "To see what they have to offer as well as to see if it might be cheaper."
- "I was intrigued by their promise."

## Exacting Experts

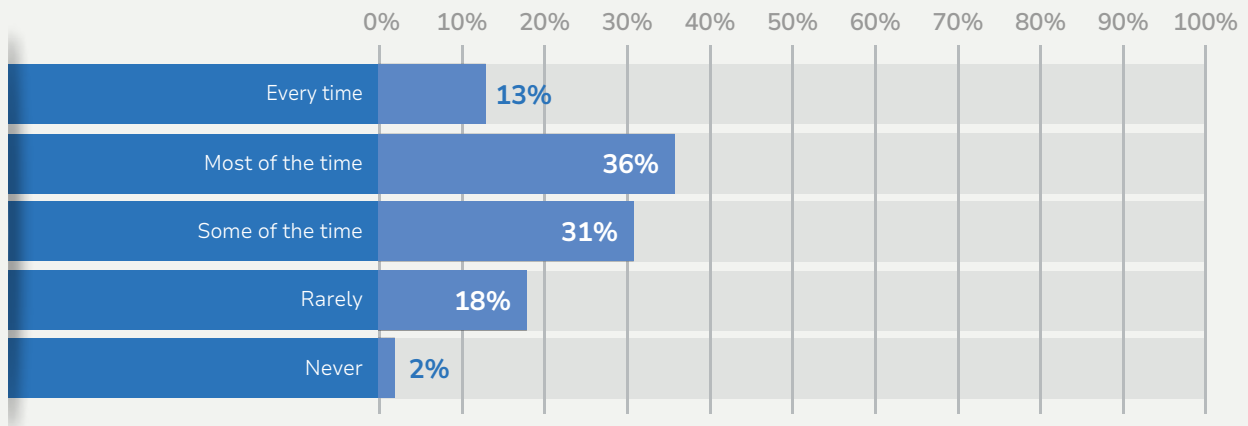
- "They came highly recommended."
- "Their correspondence was filled with pertinent data points regarding our online and social media campaigns."
- "They were able to state their specialization without difficulty or complexity."

# Agency Outreach Works!



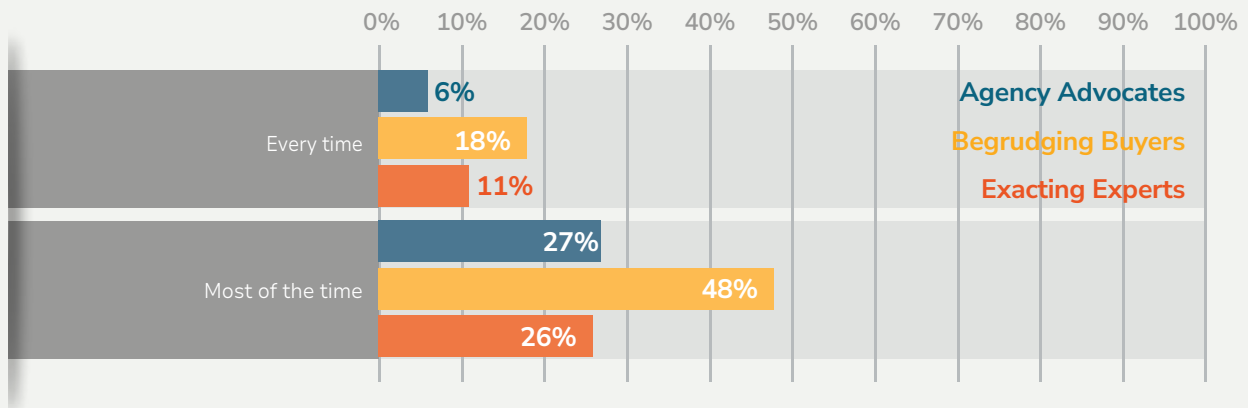
Most organizations (80%) will go on to talk with an agency that reached out to them at least some of the time.

## How Often Organizations Have a Conversation With Agency Reaching Out



Begrudging Buyers (66%) are significantly more likely to have conversations with agencies that reach out at least most of the time.

## How Often Organizations Have a Conversation With Agency Reaching Out



# What do agencies do in their direct outreach that makes you decide right away that they're not a good fit for your organization?

## Agency Advocates

- “Exaggerating their results.”
- “Being too pushy.”
- “Showing a clear lack of understanding of our goals.”
- “Not interested in knowing our needs.”

## Begrudging Buyers

- “Their online presence doesn't support their claims.”
- “They are vague about services they can offer and don't show any details about cost.”
- “They set appointments with me without asking me first.”

## Exacting Experts

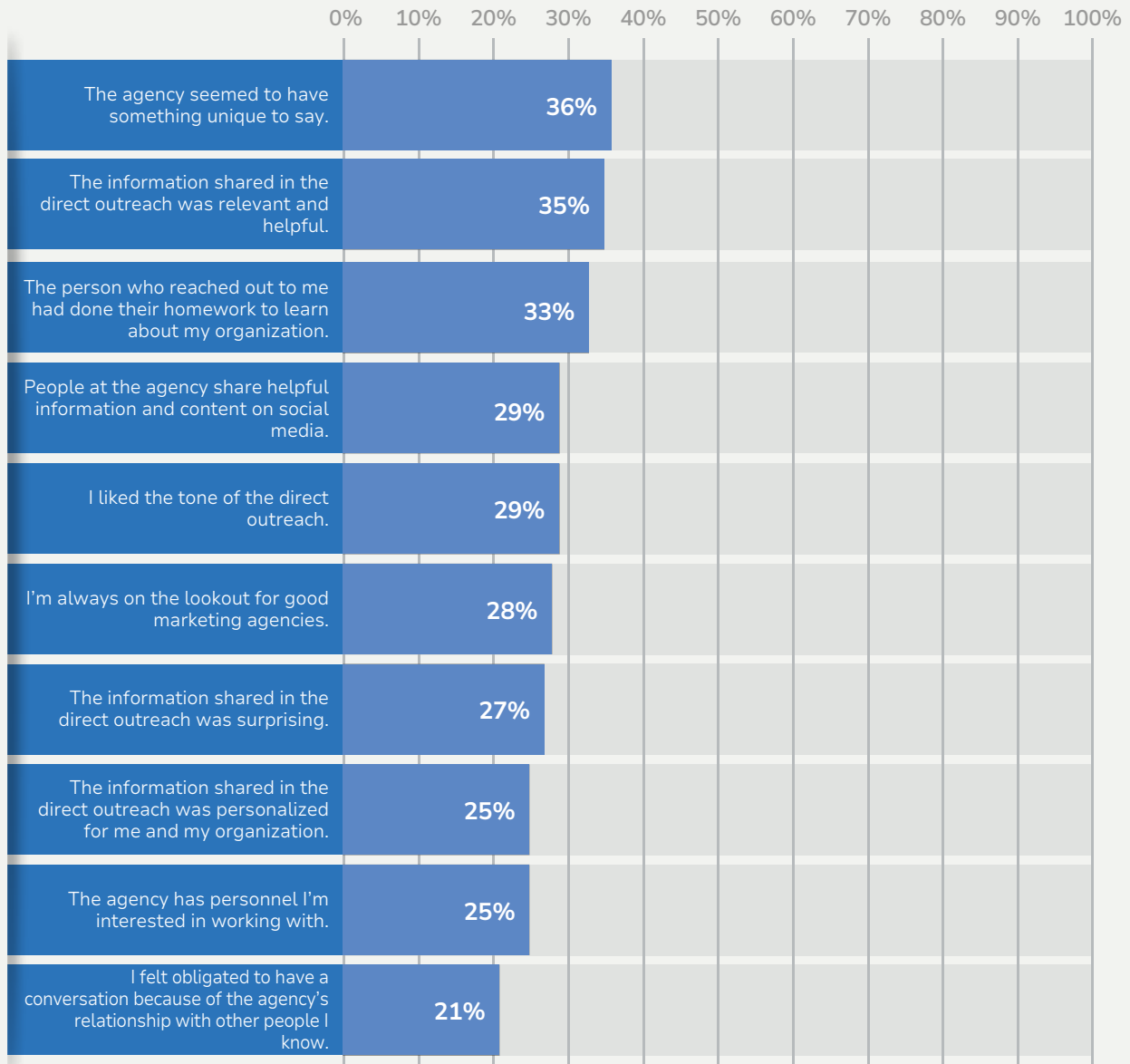
- “Generic and thoughtless outreach.”
- “If an agency hasn't done their homework into my company, it's a huge ick.”
- “If they have no background or prior experience working in our industry.”

## Agency Outreach Works!



The top reasons organizations decide to talk to agencies include the agency having something unique to say (36%), the information they shared being relevant and helpful (35%), and the person who reached out having done homework to understand their organization (33%).

### Why Organizations Have a Conversation With Agency Reaching Out

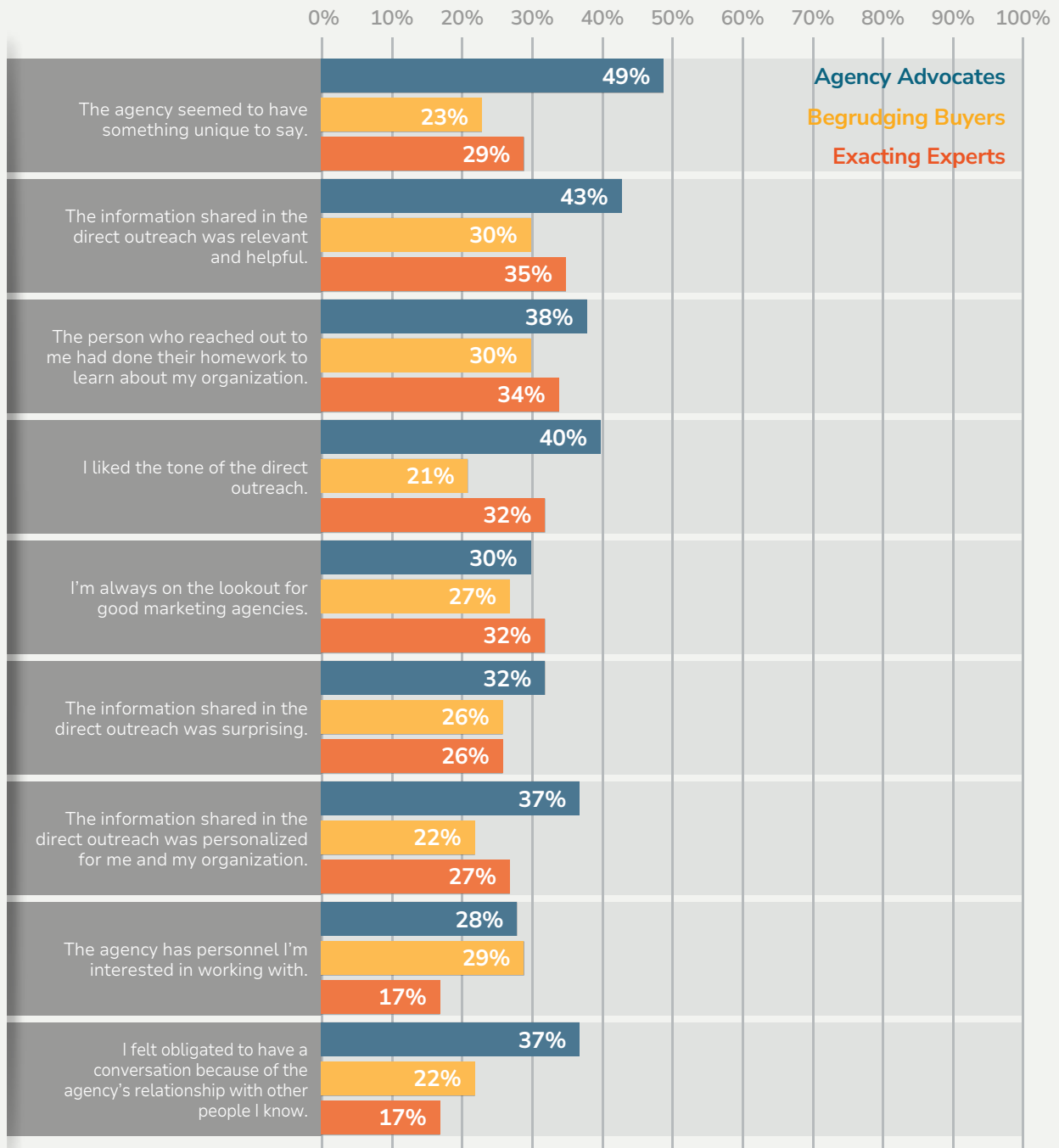


# Agency Outreach Works!



Agency Advocates are more likely to cite many of the reasons we listed; they're motivated to talk because they value agency relationships.

## Why Organizations Have a Conversation With Agency Reaching Out

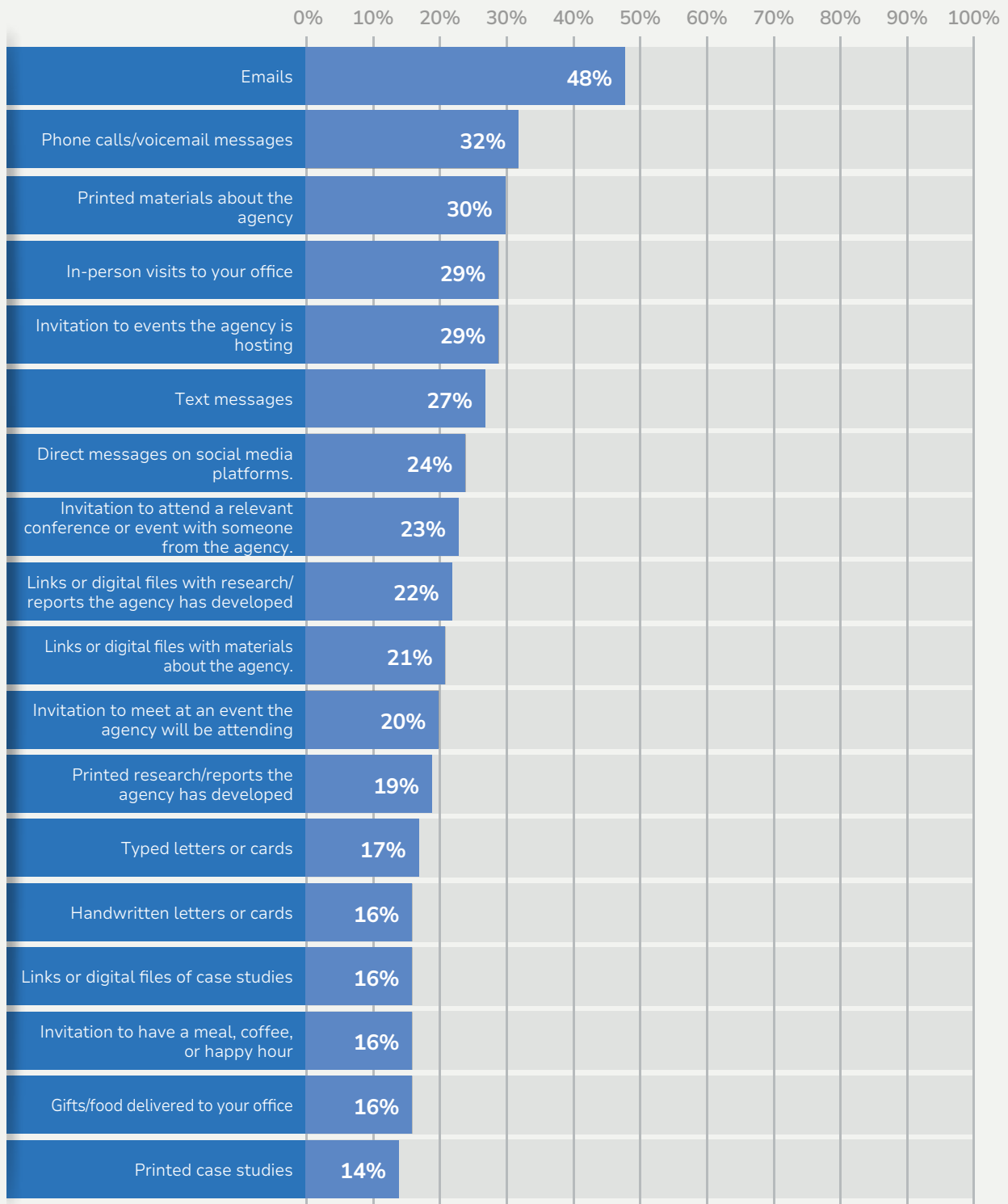


# Agency Outreach Works!



One in two clients reports email as the most common form of outreach they receive. In-person visits come in second.

## Typical Agency Outreach







### Drew's Take

Be careful not to miss the headline in this data. Most of the people who said they responded to a cold outreach did so because the agency had a good reputation or they recognized the name. You still have to warm up the list before you reach out or, based on this data, you're going to be ignored. Creating content that is actually useful to your prospects and being known as a subject matter expert they can count on to consistently help them be better at their job is the foundation you need to lay first.

Most prospects haven't heard of most agencies unless you're providing relevant content they can benefit from consuming on a regular basis – then they begin to pay attention. Once they're paying attention, they're much more likely to open that out-of-the-blue email or take your call. And even then – you have 10 seconds to garner their interest so do your homework and don't spray and pray. This is a laser-focused effort.

### Susan's Take



Clients say they want agencies to research their organizations before reaching out, and to approach them with a message specifically relevant to them — not generic. They want agencies to provide helpful, relevant information before they decide whether to schedule a discussion, and they want agencies to have something unique to say. The research shows that agencies need to do their homework, be prepared, and be on their radar before they start the sales process.

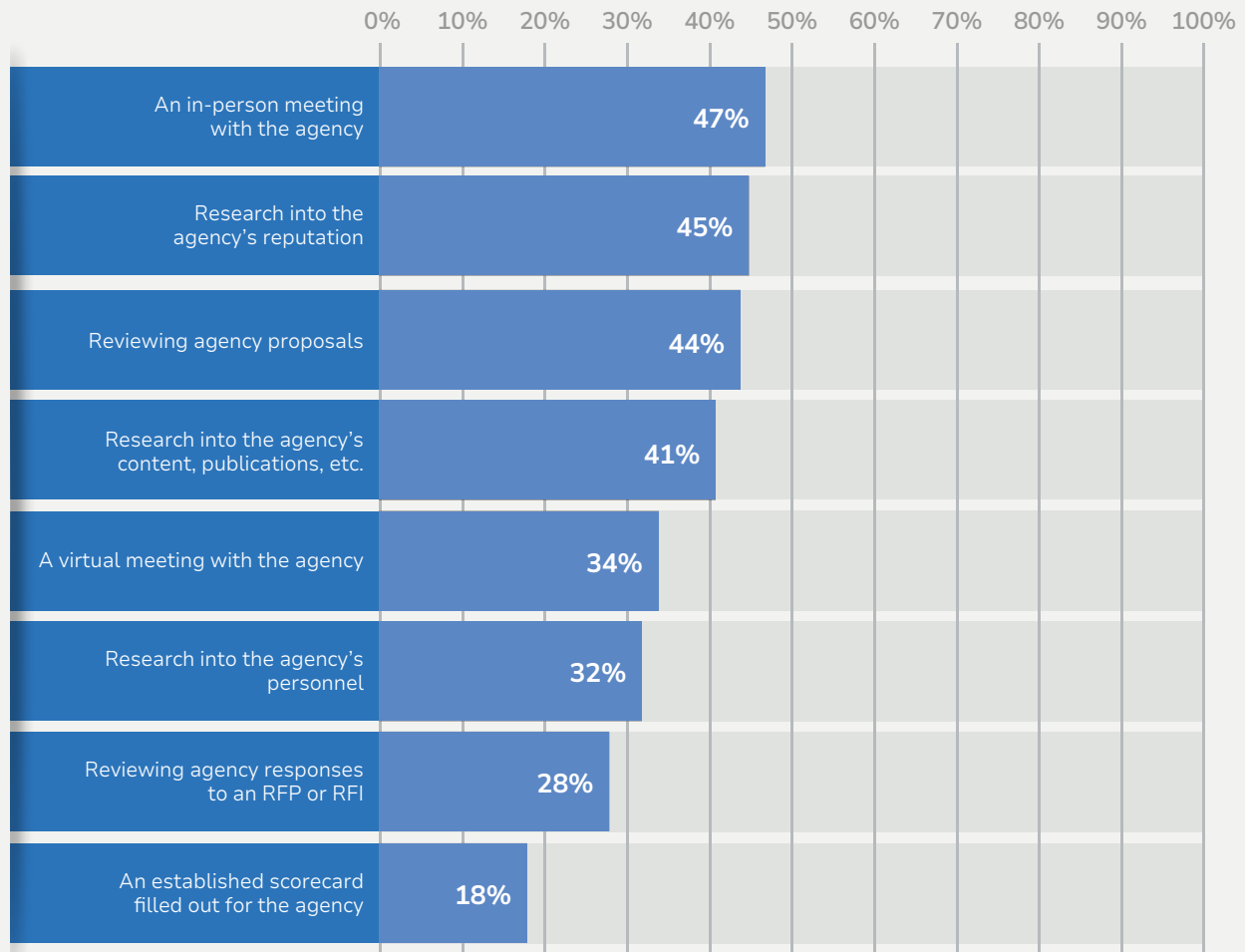
# Clients Assess Agencies Based on In-Person Meetings and Reputation



A few themes recur throughout our study, two of which are the importance of face-to-face meetings and having a positive agency reputation.

The top ways clients assess agencies they're considering are an in-person meeting with the agency (47%), research into the agency's reputation (45%), and reviewing agency proposals (44%).

## How Clients Assess Prospective Agencies

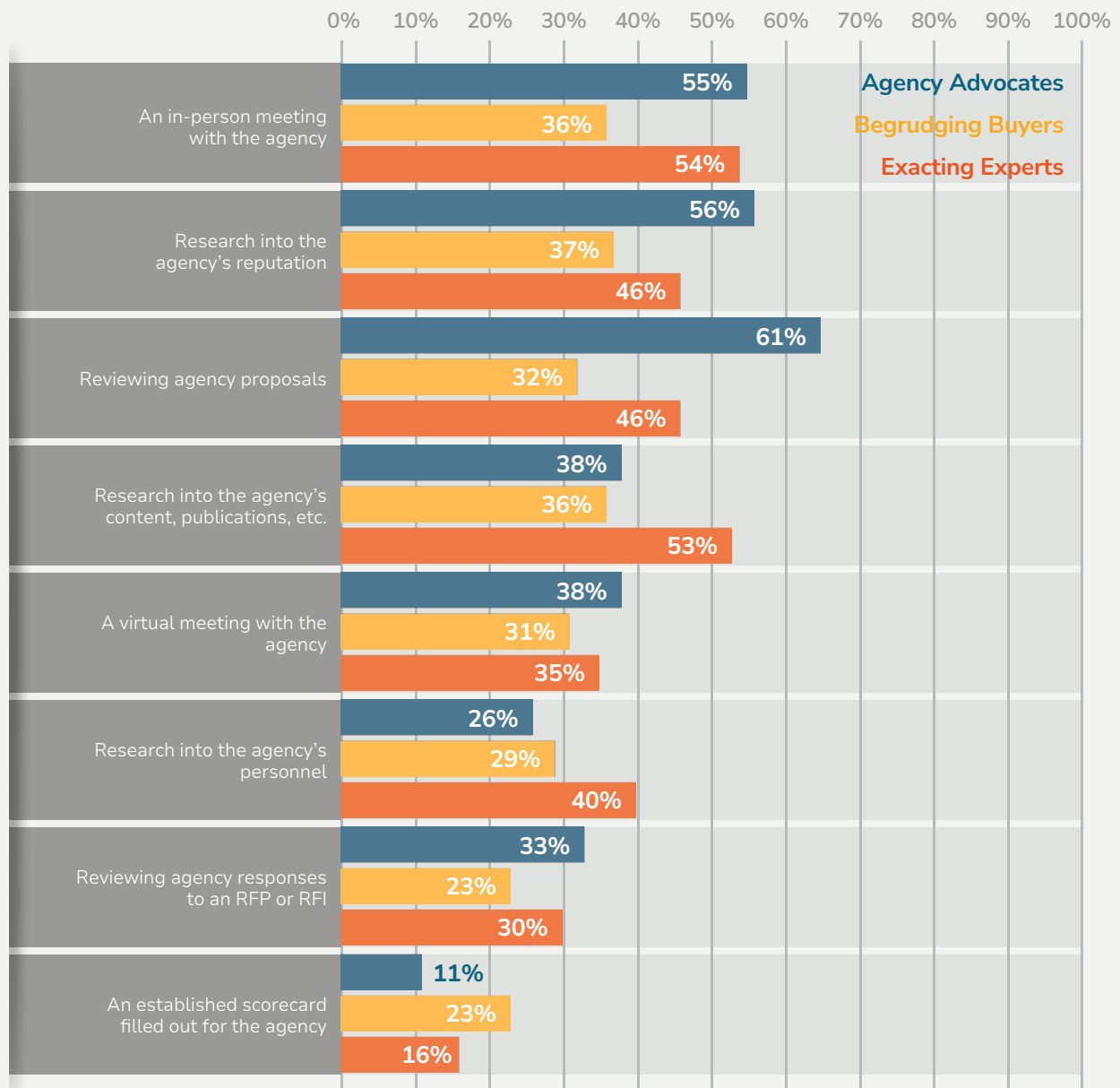


# Clients Assess Agencies Based on In-Person Meetings and Reputation



**Agency Advocates** are more likely to research an agency’s reputation and review proposals. **Exacting Experts** are more likely to research an agency’s content and personnel. **Begrudging Buyers** are less likely to do meetings, research, or proposal reviews.

## How Clients Assess Prospective Agencies: Segment Comparison



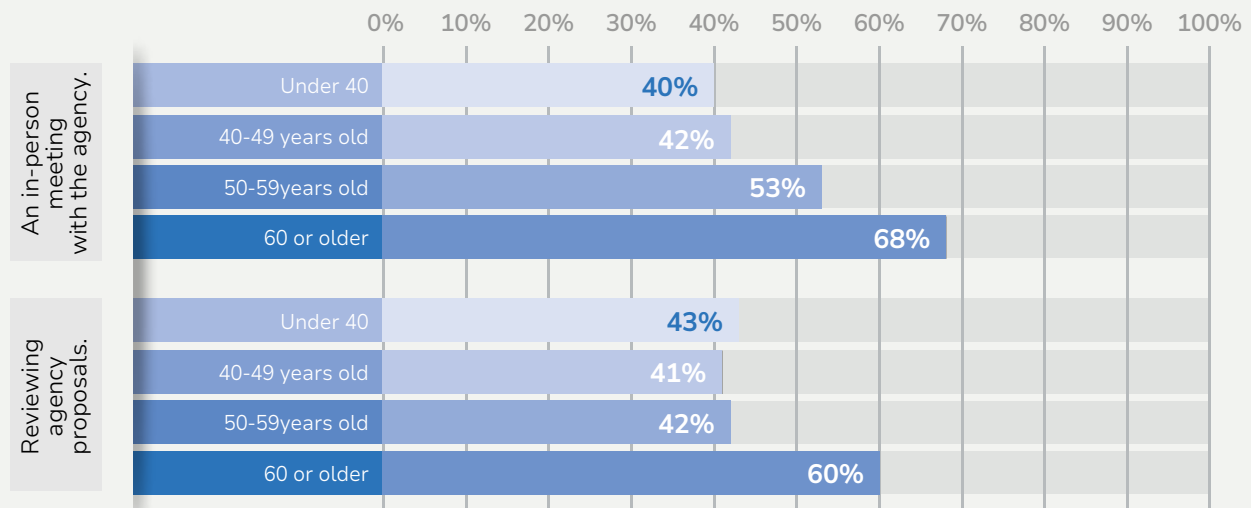
## Clients Assess Agencies Based on In-Person Meetings and Reputation



Respondents under 40 are significantly less likely than those 60+ to use in-person meetings.

Those under 30 are also significantly less likely than those 60+ to review agency proposals.

### How Clients Assess Prospective Agencies: Age Range Comparison



Either way, for many clients, your agency's public presence matters immensely in establishing your reputation and giving clients a sense of your expertise. Don't skimp on the content; you must walk the walk to attract clients.



### Drew's Take

At the outset, the only thing a prospect cares about is if you can help them solve their marketing challenges, hit their KPIs and earn them a raise, bonus, or promotion. That's the table stakes for them. Once your content or initial conversation proves to them that you truly understand their unique issues, they'll start to care about other factors like how you work with your clients, chemistry, and the logistics of hiring you.

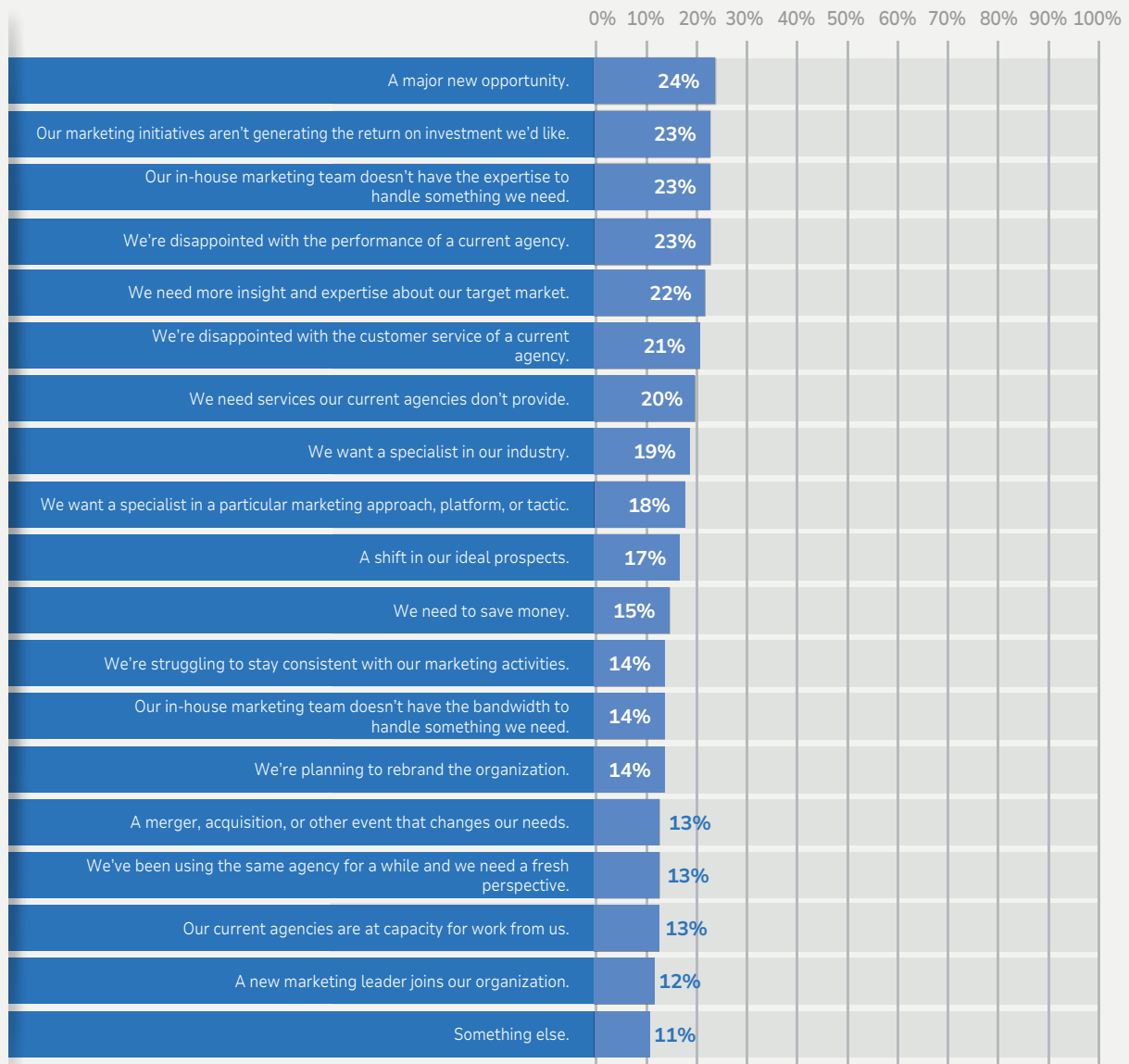
Some of the clues they'll look for are the longevity of clients, the longevity of staff, how aligned your content is with their needs, reviews from past and current clients, referral reassurances, and awards and other social proof.

# There Are Many Reasons Clients Decide to Hire an Agency



Organizations know it's time to hire an agency when there's a major new opportunity (24%), marketing initiatives aren't generating a return on investment (23%), and their in-house team doesn't have the expertise to handle something they need (23%). However, we see meaningful percentages of clients across many options we provided. It comes down to understanding your prospects.

## Catalysts for Hiring a New Agency

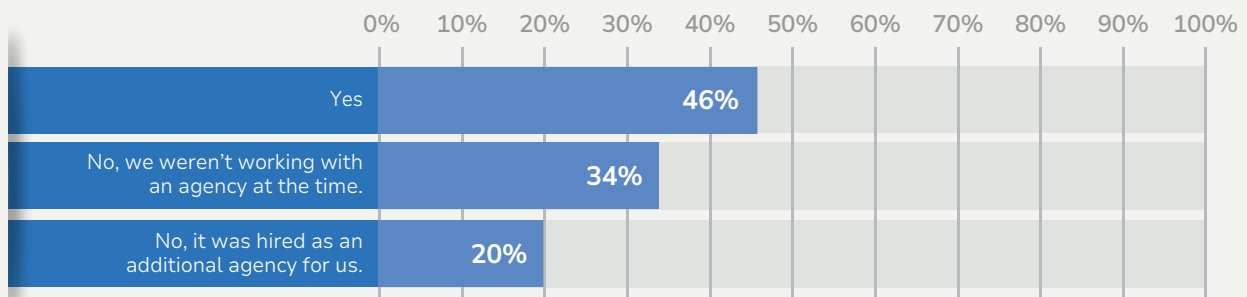


## There Are Many Reasons Clients Decide to Hire an Agency



Nearly half (46%) of agency clients hired their most recent agency to replace another agency, and one in five added an additional agency to their current roster.

### Ever Hired an Agency to Replace Another Agency



### Drew's Take

A client's tolerance for mediocre performance, the inability to hit KPIs or prove ROI, or an agency that can't deliver quality work quickly is getting shorter and shorter. We're hearing from clients that the span of time between first thinking that it might be time to change agencies and actually firing that agency is less than one month. That's bad news for agencies in terms client longevity but it's fantastic news when you're trying to win a client who is working with another agency.

But another way to look at this data, which is more about them than us, is that they may just be poor-fit clients. They may have very unrealistic expectations, be poor communicators, lack any definition of clear success metrics, fail to provide their agency with the resources and data they need, or have a host of other issues.

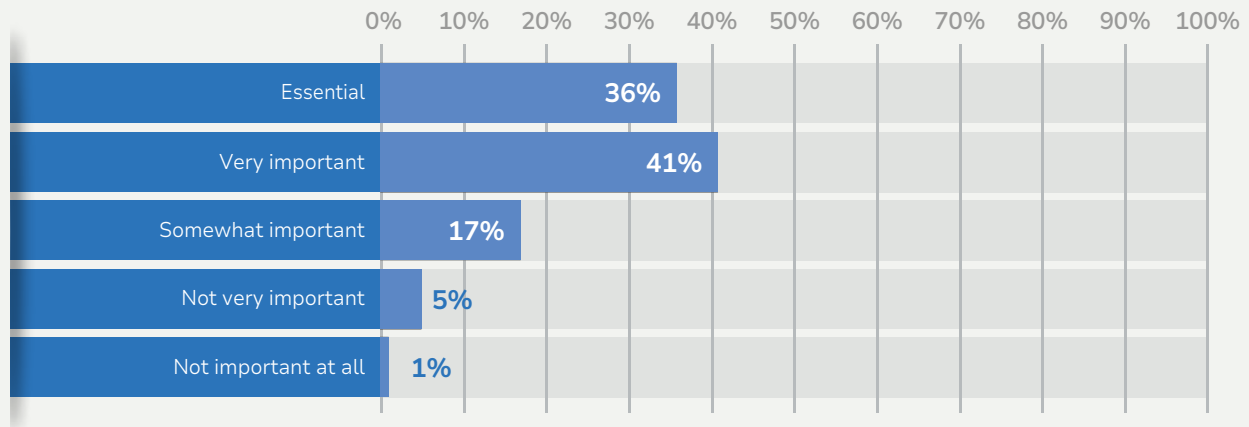
Finally, it's pretty rare to find clients today who have never hired an agency. So the fact that most of the respondents are leaving one agency to hire another is probably the most common scenario simply because most clients are not first-timers.

# Clients Want Face-to-Face Meetings When Deciding to Hire an Agency



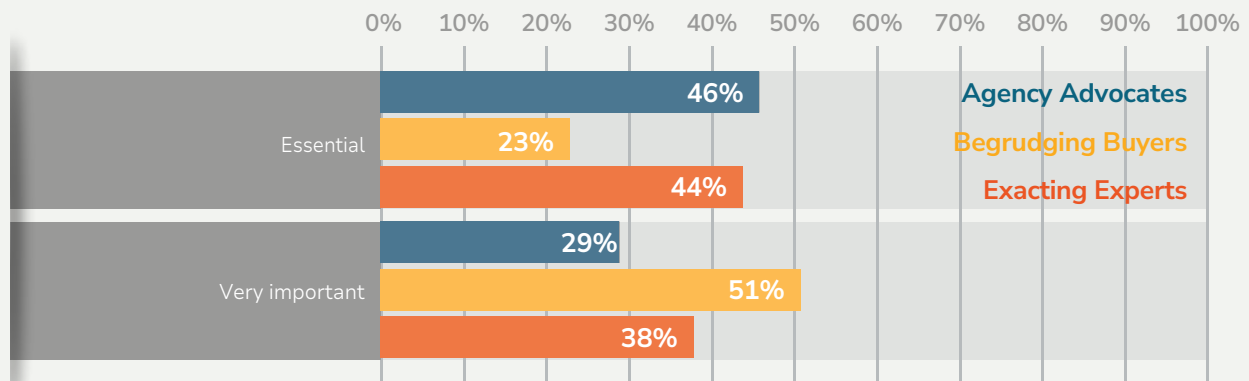
One in three say it's essential to have face-to-face meetings with the agency during the decision-making process. Many (41%) say it's very important — over three-quarters of organizations prioritize this.

## The Importance of Face-to-Face Meetings During Agency Hiring Decisions



**Begrudging Buyers** are significantly less likely to say face-to-face meetings are essential (25% compared to over 40% of the other two segments), though three in four still say it's very important.

## The Importance of Face-to-Face Meetings During Agency Hiring Decisions: Segment Comparison

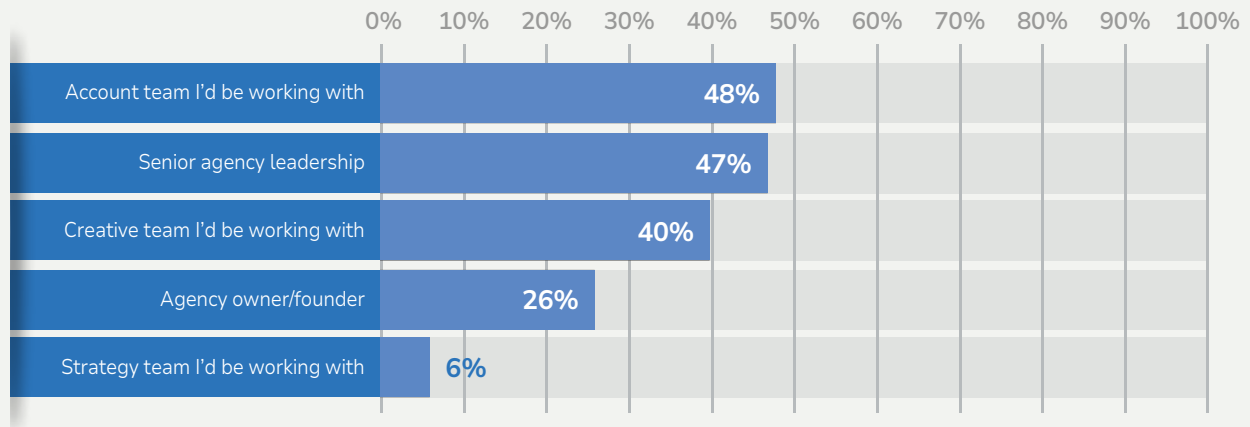


# Clients Want Face-to-Face Meetings When Deciding to Hire an Agency



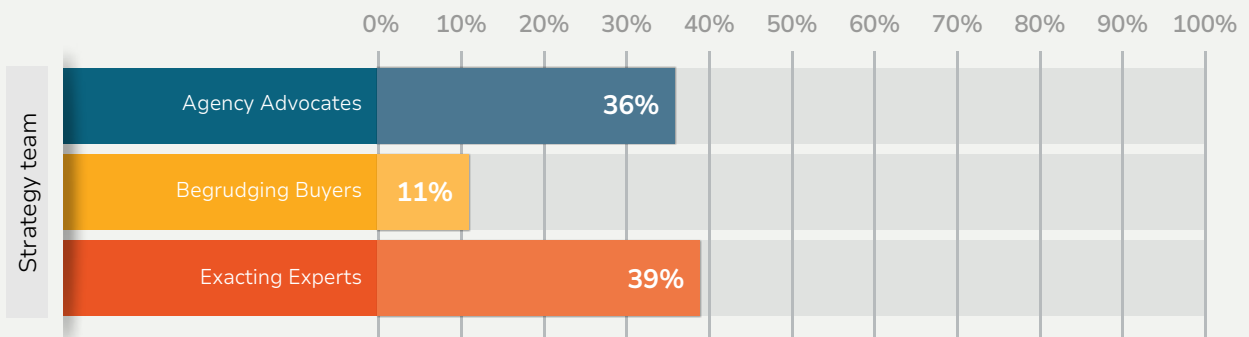
About half expect to meet face-to-face with the accounts team or senior leadership team.

## Who Clients Expect to Meet Face-to-Face During the Hiring Process



**Begrudging Buyers** are significantly less likely to want to meet the strategy team they'd be working with face-to-face (11% compared to over 30% of the other two segments).

## Who Clients Expect to Meet Face-to-Face During the Hiring Process: Segment Comparison



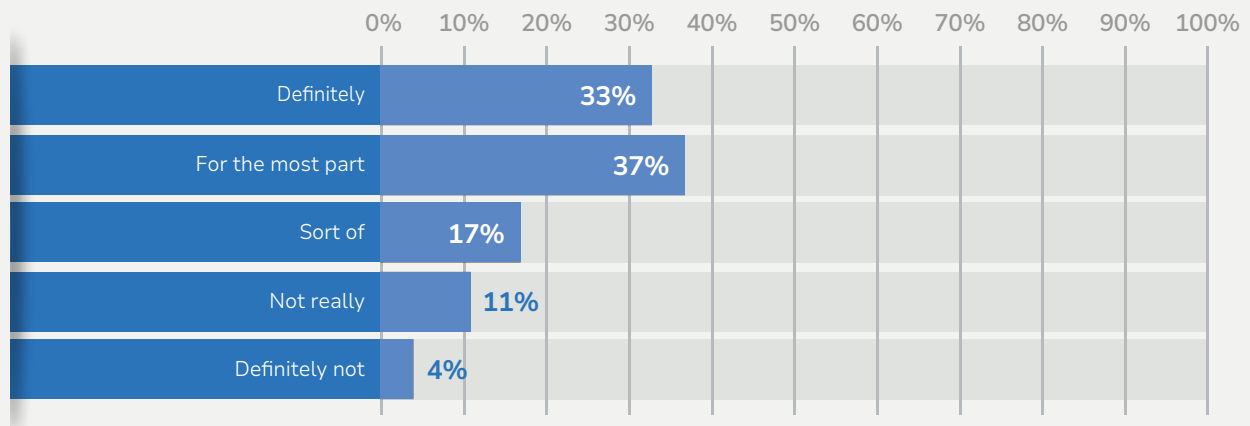


# Clients Want Face-to-Face Meetings When Deciding to Hire an Agency



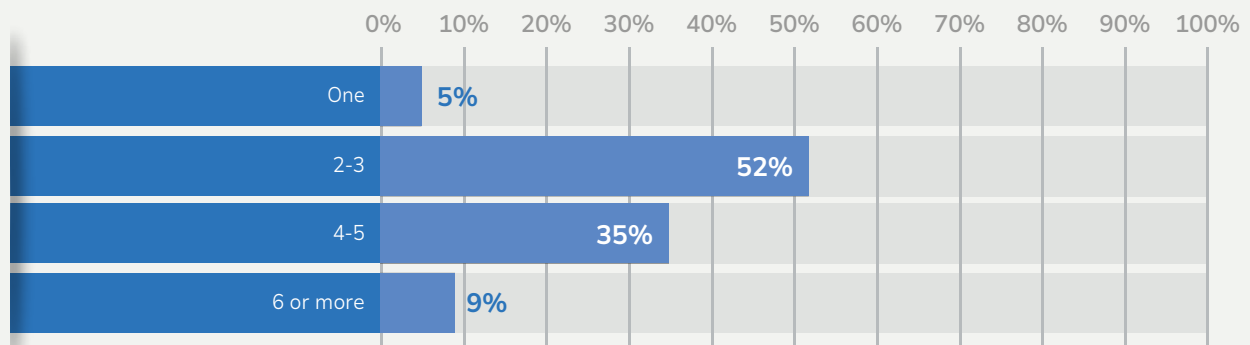
One in three say a video conference is definitely an acceptable alternative to a face-to-face meeting. Over one in three say it's, for the most part, acceptable.

## Acceptability of Video Meetings as an Alternative to Face-to-Face Meetings



One in two typically have 2-3 calls/meetings before hiring a new agency. Another one in three have 4-5.

## Typical Number of Calls/Meetings During Agency Hiring Decision Process



## Clients Want Face-to-Face Meetings When Deciding to Hire an Agency



### Drew's Take

Agencies need to be more willing to make face-to-face meetings happen, even if it means buying plane tickets or finding another way to be together physically. There is no substitute for face time. Pragmatically, you might set a threshold and determine that any prospect with an annual budget that would be 5% or more of your annual AGI is worth \$1,000 in airfare. If they're not worth that to you, why are you pursuing them?

It's your job to make their decision-making process go smoothly. That means understanding their process, providing everything they need, anticipating needs they hadn't considered, and finding ways to weave some surprise and delight into the process to communicate how important their business is to your agency and that you have a service and relationship mindset.



## Surprising Differences in Attitudes About Agency Size

Two attitudinal statements reveal additional insights for agencies:

**“Small agencies are more focused on clients’ needs.”**

And

**“Agencies with many employees have the best talent.”**

Functionally, these attitudes reflect perceptions of small and large agencies. Comparing who strongly agrees with each of these statements or both to the non-attitudinal data clarifies our understanding of agency clients.

### **Clients who strongly agree that small agencies are more focused on client’s needs are:**

- Significantly more likely to work with one agency.
- Significantly more likely to anticipate less than \$1 million in annual revenue and have marketing budgets under \$250K.
- Significantly more likely to say knowing that the account team is knowledgeable and experienced makes them trust agencies more.
- Significantly more likely to hire a new agency because of a lack of ROI from their existing marketing efforts.
- Significantly more likely than those who strongly agreed with both statements to say that nothing would make them hire an agency more quickly.

### **Clients who strongly agree that agencies with many employees have the best talent are:**

- Significantly more likely to use an agency regularly for project execution.
- Significantly more likely to say that if waiting will result in the agency booking up with other projects, it would make them hire the agency more quickly.

## Surprising Differences in Attitudes About Agency Size

### Clients who strongly agree with both statements are:

- Significantly more likely to say an agency serves as their marketing department.
- Significantly more likely to review agency outreach all or most of the time.
- Significantly more likely to have a conversation with an agency reaching out all or most of the time.
- Significantly more likely than any other group to say they'd prefer to work with more agencies than they do now.
- Significantly more likely than other groups to prefer all generalist agencies.
- Significantly more likely to have issued RFPs/RFIs in the past.
- Significantly more likely to say they'll likely issue more RFPs/RFIs in the future.



### Drew's Take

This is a bit of a slippery slope. Agencies always worry about how their size will be perceived. You are what you are. Boldly be authentic. Identify the benefits of working with you, including the perks of your size. There are positives to any and every size agency. Emphasize those, anticipate what the concerns will be, and address them before you get asked.

### Susan's Take



While a zebra can't change its stripes, understanding client perceptions about how agency size impacts their preference allows agencies to be prepared for the objections they're likely to encounter — or choose to target clients without those preconceived notions in the first place.

## About the Agency Edge Research Series

### About The Agency Edge

The Agency Edge is an annual research series from AMI that began in 2014. Conducted in partnership with Audience Audit, it explores the attitudes, challenges, and preferences of marketing agency clients and, occasionally, agency employees. The results are unveiled at the Build a Better Agency Summit and afterwards shared publicly to help agency leaders and their teams.

See all the Agency Edge studies here: <https://agencymanagementinstitute.com/agency-tools/agency-edge-research-series/>



### About Agency Management Institute

[Agency Management Institute](#) (AMI) was founded in 1999 and serves small to mid-sized privately-held agencies. AMI focuses on helping agency owners run their businesses more profitably so that they are more stable, sustainable, and, ultimately, more sellable. We focus on five areas of excellence -- leadership, the agency team, business development, getting the work done (systems and processes), and financials.

AMI produces a weekly podcast, Build A Better Agency, and offers public workshops, remote and on-site consulting, and membership-based agency owner peer networks. AMI has conducted the annual Agency Edge research study in partnership with Audience Audit since 2014.

### About Audience Audit



[Audience Audit](#) is a research agency that helps agencies build their reputation and ROI with custom attitudinal segmentation audience research and thought leadership strategy. We are an AMI peer group member, an AMI Preferred Partner, and sponsor of AMI's Build a Better Agency Summit. Since 2009, we have conducted agency thought leadership and client research studies for hundreds of agencies.

### About Dynata



[Dynata](#) is one of the world's leading providers of first-party data contributed by consumers and business professionals. With a reach that encompasses 60+ million people globally and an extensive library of individual profile attributes collected through surveys, Dynata is the cornerstone for precise, trustworthy quality data. The company has built innovative data services and solutions around its core first-party data offering to bring the voice of the customer to the entire marketing spectrum, from market research to marketing and advertising. Dynata serves nearly 6,000 market research agencies, media and advertising agencies, consulting and investment firms, and healthcare and corporate customers in North America, South America, Europe, and Asia-Pacific.

**For AMI  
Members  
Only**



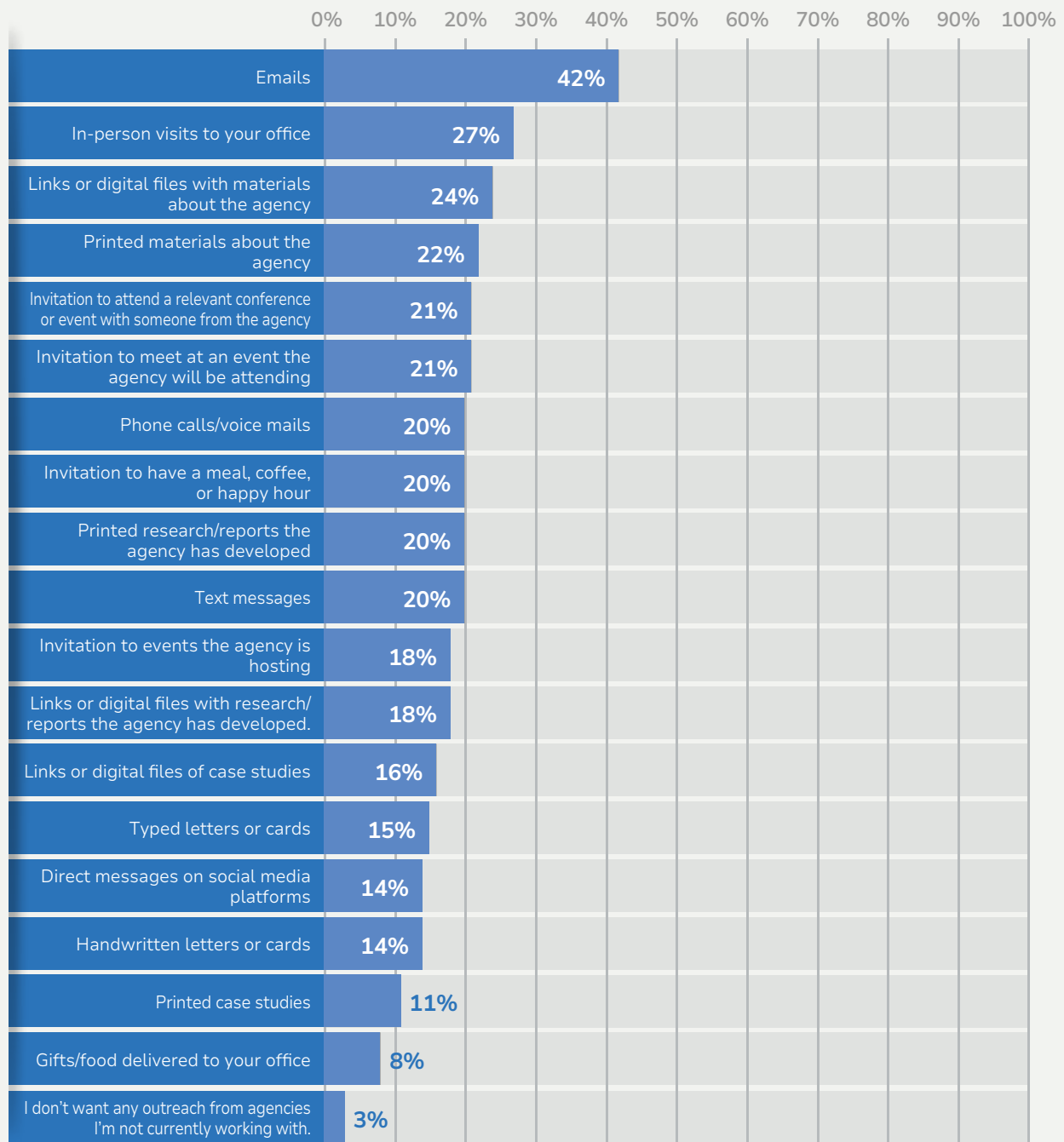
# The Most Overrated and Underrated Forms of Outreach



The most underrated (more preferred than experienced) forms of outreach are an invitation to a meal, coffee, or a happy hour; links or digital files with materials about the agency; and an invitation to meet at an event the agency will be attending.

The most overrated (more experienced than preferred) forms of outreach are phone calls, invitations to events the agency is hosting, DMs on social platforms, printed materials about the agency, text messages, and gifts/food delivered to the office.

## Preferred Agency Outreach



## The Most Overrated and Underrated Forms of Outreach



Outreach that is **underutilized** by agencies — meaning more prospective clients want it than get it:

- Invitation to have a meal, coffee, or happy hour
- Links or digital files with materials about the agency
- Invitation to meet at an event the agency will be attending

Outreach that is **overutilized** by agencies — meaning more get it than want it:

- Phone calls/voicemail messages
- Invitations to events the agency is hosting
- Direct messages on social media platforms
- Printed materials about the agency
- Gifts/food delivered to the office
- Text messages
- Emails



### Drew's Take

This is all about human interaction. No one needs another blind email or voicemail message. Look for ways to create an actual connection. Have things to talk about that they're actually interested in hearing. Go where they gather and be informative and interesting. Use all the resources you have to be helpful and demonstrate that you understand their world, their issues, and their opportunities.

Be interesting until they indicate that they are interested.

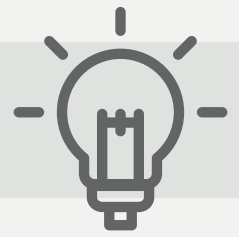
### Susan's Take



Agencies need to consider better ways to connect with prospective clients. Enjoying a coffee or happy hour to better learn about the client (not sell to them) or inviting them to accompany you to an industry event (not the agency's event) can work wonders in building relationships before the pitch. And providing robust resources and information about the agency, through links and digital files made available prior to the meeting, can give prospects an opportunity to assess whether you're a good fit.

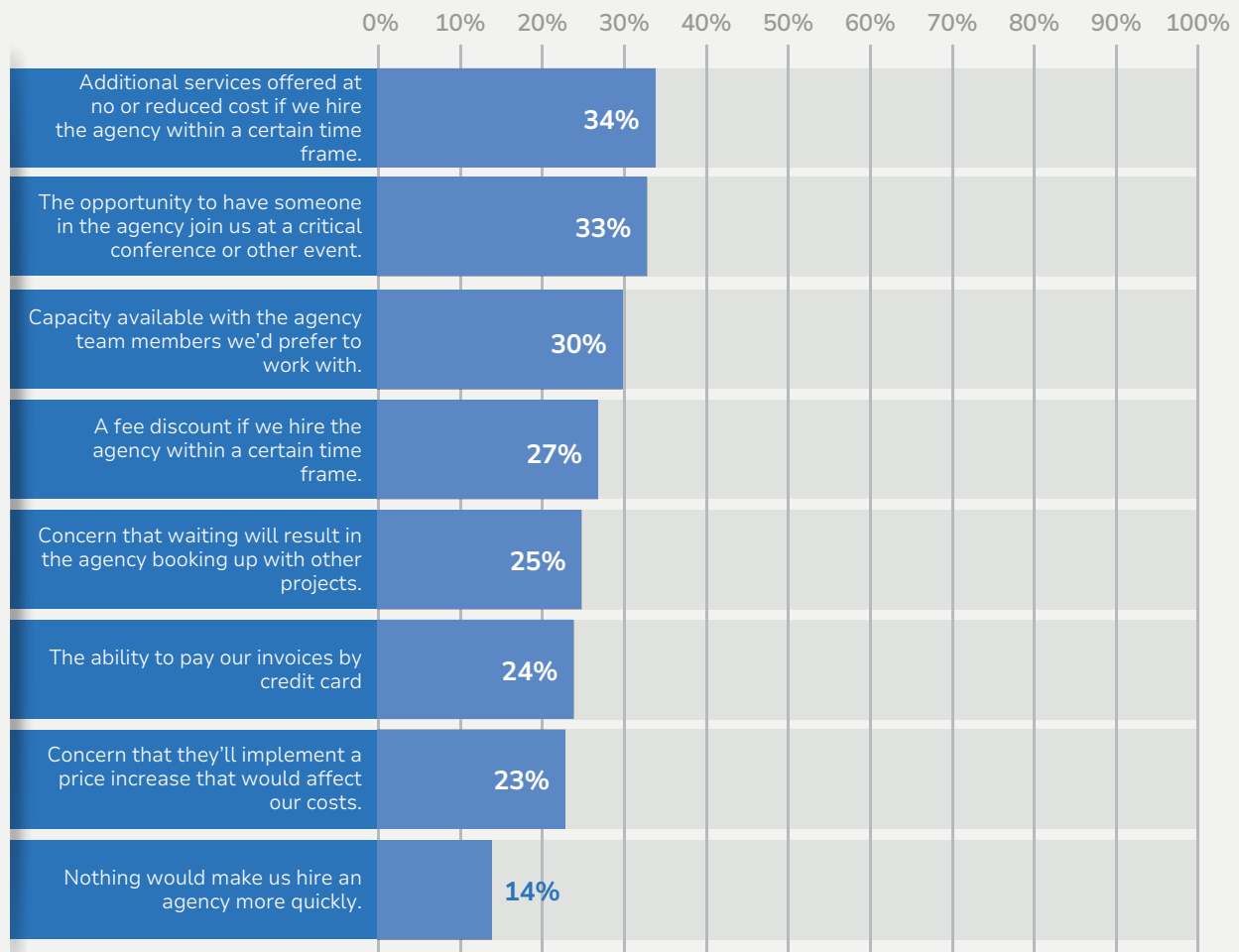


## Discounting Isn't Your Only Option for Getting Hired Quickly

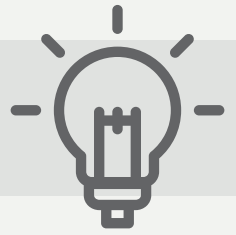


The top reasons clients would hire an agency more quickly than usual are that the agency offers them additional services at no or reduced cost if they are hired in a specific time frame (34%), an opportunity to have someone in the agency join them at a critical conference or event (33%), or capacity available to work with specific team members (30%). Of note, 14% say nothing would make them rush the hiring process.

### What Would Make Them Hire an Agency More Quickly



## Discounting Isn't Your Only Option for Getting Hired Quickly



### Drew's Take

Be very wary of starting a new relationship based on discounting or freebies. Unless you're very hardnosed about it, they will expect you to honor that discount moving forward and you just gave away your profit.

That doesn't mean you can't offer value-added benefits. For example, the idea of going to a conference with them benefits both them and your agency. Yes, you're picking up the tab and eating the billable time. But, especially if you're niched, you can connect with current clients, meet other prospects, get smarter about the niche, and spend time with this prospect/new client.



### Susan's Take

86% of clients say there's something would make them hire agencies more quickly. Be creative with you how can add value with your expertise!