

Agency Leaders See

Uncertainty Ahead



The 2025 Agency Core Research Report

Welcome to the Agency Core 2025 Research Report!

No gates. No gimmicks. Just the data agency leaders need, completely free.

Agency Core is a nonprofit founded by two agency owners¹, for agency owners. We exist to make high-quality research accessible to every small and mid-sized agency—without paywalls, lead capture forms, or hidden agendas. We serve as a platform for advice from agency experts and discussion between agency leaders.

Most researches exclude agencies. Most lists targeting agency leaders are outdated. Most “insights” come from vendors trying to sell you something. We wanted to change that.

Our first study, conducted in 2023 as the Agency Audit², revealed five distinct mindsets among agency leaders. It reflected an industry struggling to recover from the COVID pandemic and facing severe issues with staffing and rebuilding.

Conducted with the support of strategic partners who serve agencies³, our 2025 study reveals that **not all agency leaders share the same perspective about the value of various activities and investments, the goals their agencies should prioritize, or their ability to achieve them.**

This report shares the study’s key findings⁴. We hope you read it, love it, and share it with other agency leaders.

You don’t need to join anything to benefit from this report. But if you want to share your voice in future studies—or hear what other leaders are doing—head to AgencyCore.org. No fee. No registration. Ever.

¹Agency Core was founded in 2024 by Susan Baier of Audience Audit, Inc. & Brian Gerstner of White Label IQ.

²See the full results of our 2023 study at AgencyCore.org.

³For a list of our survey distribution partners, see the “Our Distribution Partners” section at the end of this report.

⁴You can explore the full results of the study in an interactive data visualization on AgencyCore.org.

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How This Study Was Conducted

778

Agency Leaders.

50+

Questions.

1 Clear Goal:

Better data for better decisions.

The Agency Core 2025 study was fielded between **November 13 and December 31, 2024**.

A total of **778 agency leaders** responded to our anonymous online survey. While not all respondents answered every question, the number of fully completed responses reflects a margin of error of **±3.4** percentage points at a **95%** confidence level.

Who Participated

The respondent pool included creative, digital, media, and full-service agencies.



75%
of respondents
were agency owners



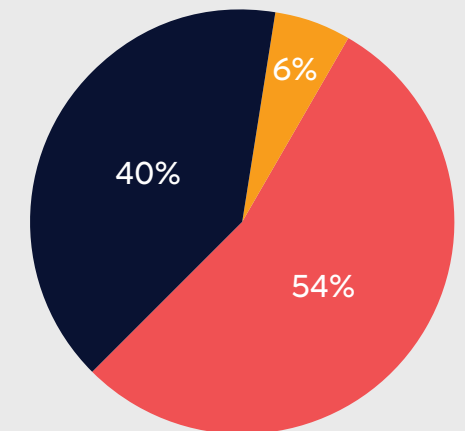
21%
held other senior
leadership roles



Agencies ranged
in size from
under 10 employees
to over 50

Work Environments

- 40% of agencies are fully remote
- Fewer than 10% are entirely on-site
- Most others follow hybrid models



Among those who completed the survey, 94% volunteered to participate in more research with us. We're excited to have so many enthusiastic agency leaders in our growing panel!⁵

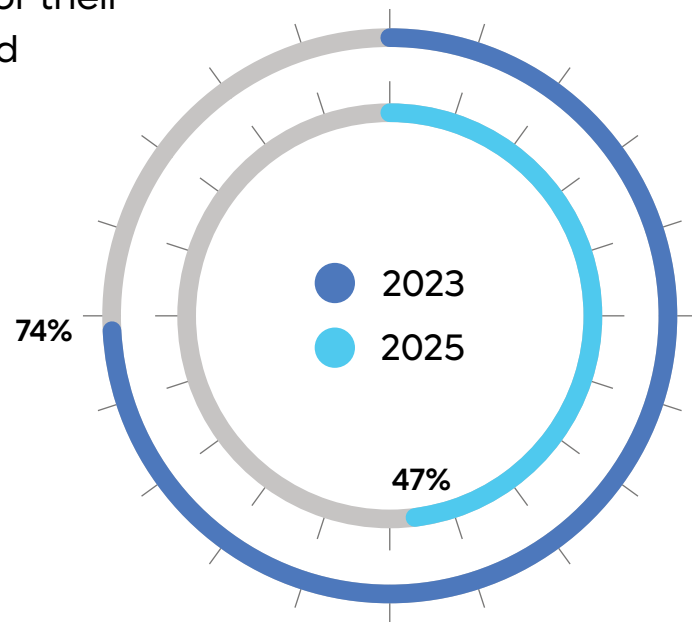
⁵Want to join our other volunteers and share your opinions in our research? Head over to AgencyCore.org and sign up! Our surveys are anonymous, participation is always optional, and no sales emails!

Key 2025 Findings

At a Glance (TL;DR)

Optimism among agency leaders has cratered in the last two years.

Only 47% of agency leaders are strongly optimistic about opportunities for their agencies in 2025, a dramatic and significant decline compared to the 74% who were strongly optimistic in 2023. The drop is evident across all agency segments, sizes, and types.



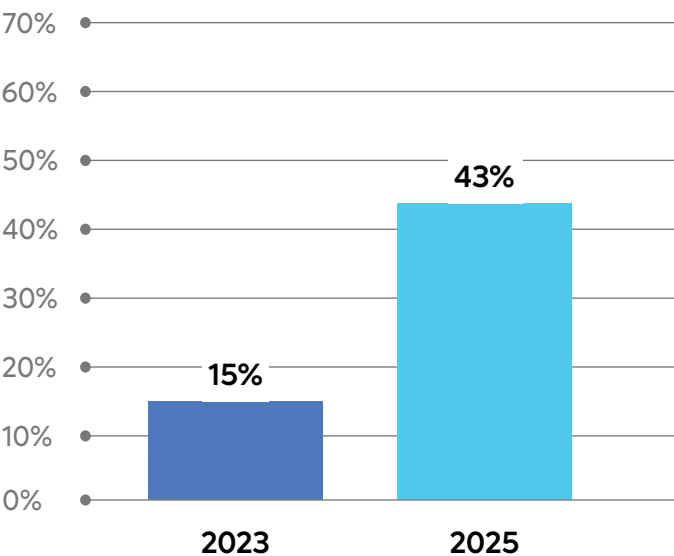
Significant Drop in Strong Optimism, 2025 vs. 2023
% strongly agreeing

Agency leaders recognize the need to step up in 2025.

73% of agency leaders say agencies must prove their value to clients in an environment of greater competition, emerging technologies, economic uncertainty, and the pervasive deterioration of buyer trust. 86% of agency leaders say they are making operational or process changes in response to market forces.

New business pipeline development and maintenance is the most severe challenge for agencies.

While only 15% of agency leaders in 2023 strongly agreed that finding new clients was harder than ever, 43% say it is in 2025—a nearly threefold increase. This issue outflanked all others for most respondents.

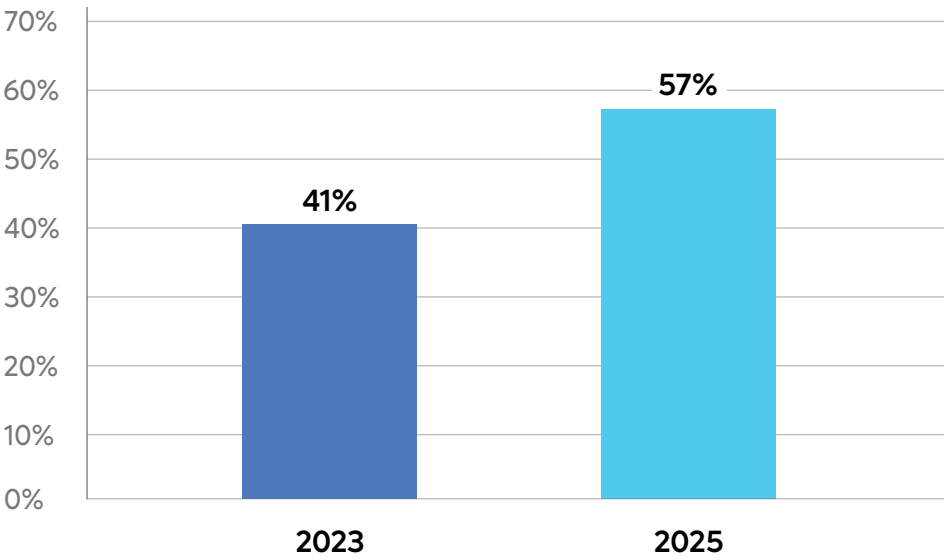


Dramatic Increase in Belief That Finding New Clients is Harder, 2025 vs. 2023
% strongly agreeing

AI is far from the top concern of most agency leaders—only 21% cite AI’s impact on their relevance as a major challenge.

Key 2025 Findings at a Glance (TL;DR)

Agency differentiation remains a significant struggle for many, along with prioritizing agency marketing and successfully commanding higher fees. However, having a reputation as a helpful expert has increased significantly since 2023, from 41% to 57% of respondents.



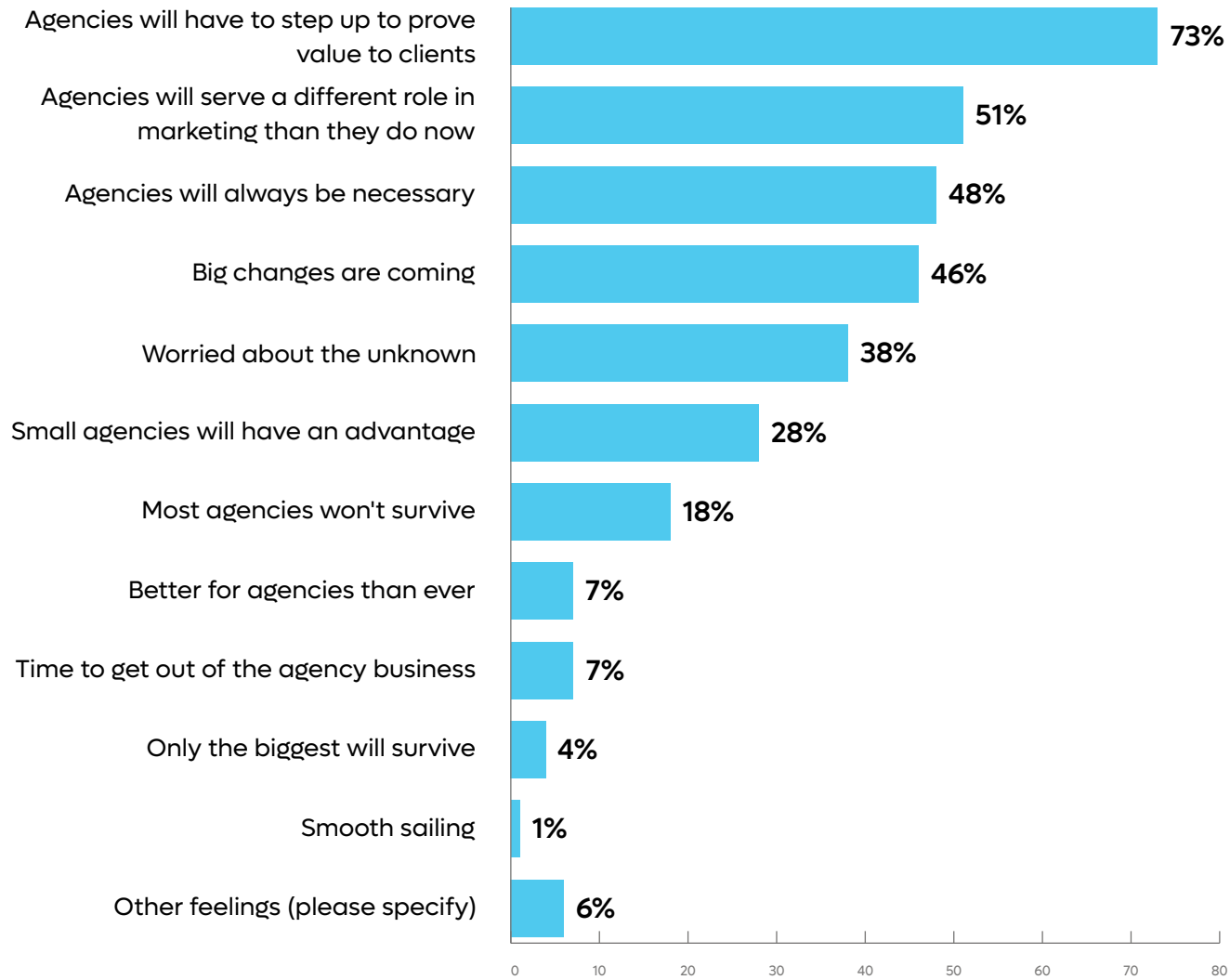
More Agencies Have Expert Reputations
% strongly agreeing

Talent shortages and losing employees are much less of an issue than in 2023, but difficulty finding qualified employees and high salary demands remain severe issues for some agencies.

Agencies excelling in 2025 are those with **strong differentiation, a reputation for expertise, and robust client and employee retention programs.**

Fewer than half believe agencies will always be necessary (48%), and 46% anticipate major industry changes ahead. 51% believe agencies will serve a different role in marketing in the future than they do now.

Agencies Anticipate Significant Change
"How would you describe your feelings about the prospects for agencies like yours in the next few years? Choose all that apply."



One Industry. Five Mindsets.

Not all agency leaders
see the same path forward.
Here's how they differ.

Every agency leader sees the world differently. Using attitudinal segmentation—an analytical method that reveals natural groupings based on shared perspectives—this study analyzed how 778 respondents think, feel, and operate.

The result?

Five distinct leadership mindsets—each defined by a connected set of shared attitudes. Leaders in each group may not realize they align, but the data reveals otherwise. These mindsets weren't assigned—they were revealed—uncovering patterns that help explain why some agencies accelerate while others stall, even in the same market.

Thought Leaders

Agencies with a clearly defined niche, a strong reputation for expertise, and growing confidence in their positioning. Least likely to face severe challenges.

"Our agency has found and exploited a recurring need for clients in our segment."

Staffing Strugglers

Leaders battling rising salaries and staff turnover. Still struggling to hire despite a market-wide decrease in talent concerns.

"Diamonds are harder than ever to find."

Change Seekers

Leaders overwhelmed by shifting client expectations and declining pipelines. Most pessimistic segment in the study.

"I wonder whether a small to mid-size agency is sustainable amid all the technological advances."

Cobblers' Kids

Agencies that neglect their own marketing. High client loyalty, but poor prospect generation and pipeline development.

"Even good client relationships end. If we don't market ourselves, growth stalls."

Loyalty Builders

Leaders focused on formal systems that improve client retention and expand client spend. Most likely to adapt well to change.

"We've built loyalty into every layer of our agency—from service to strategy."

Agency Leaders See Significant Challenges Ahead

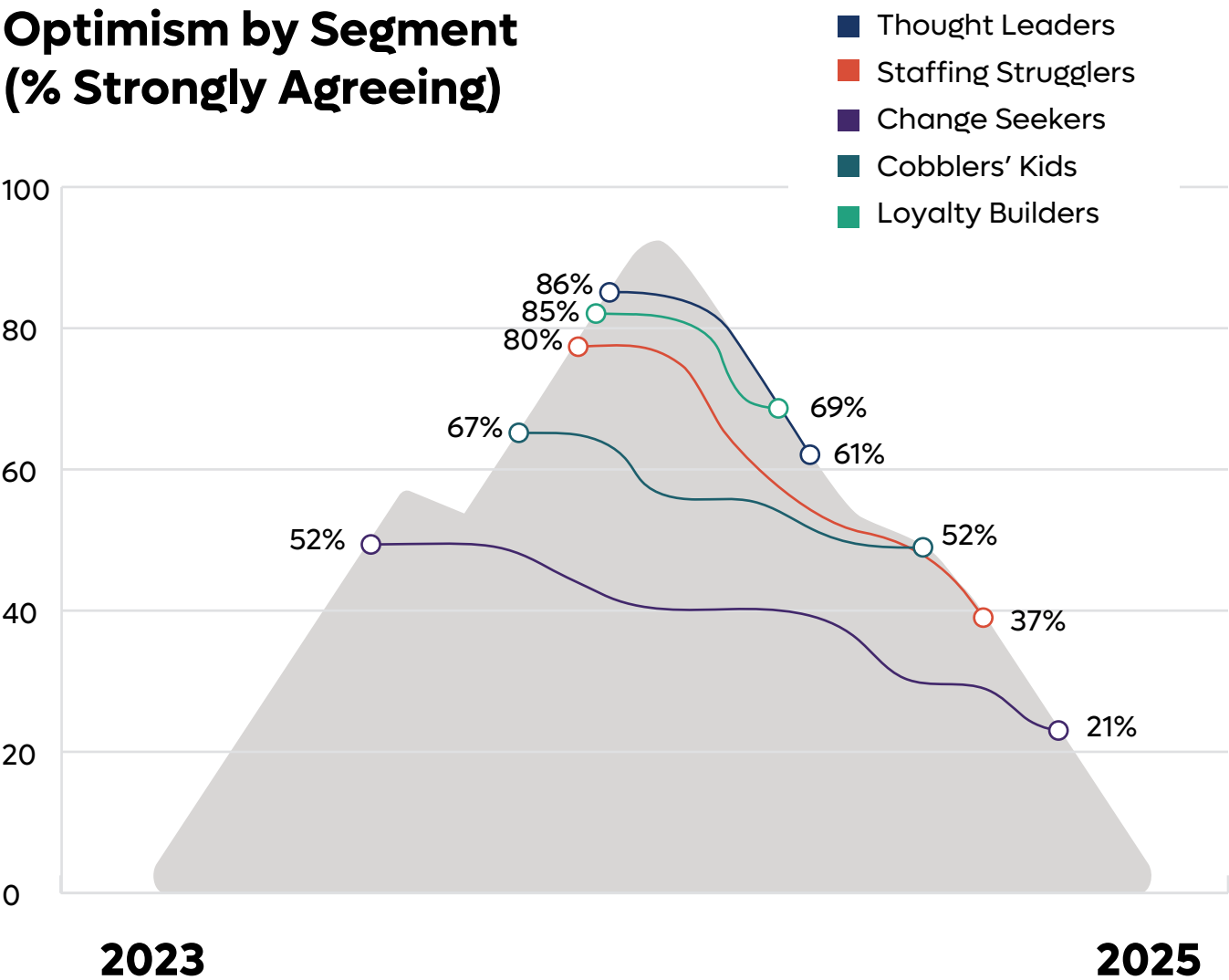
OPTIMISM HAS DROPPED SINCE 2023



Not all leaders see the same future.
But many are afraid of what's coming.

47% of 2025 respondents strongly agree that they feel optimistic about opportunities for their agency

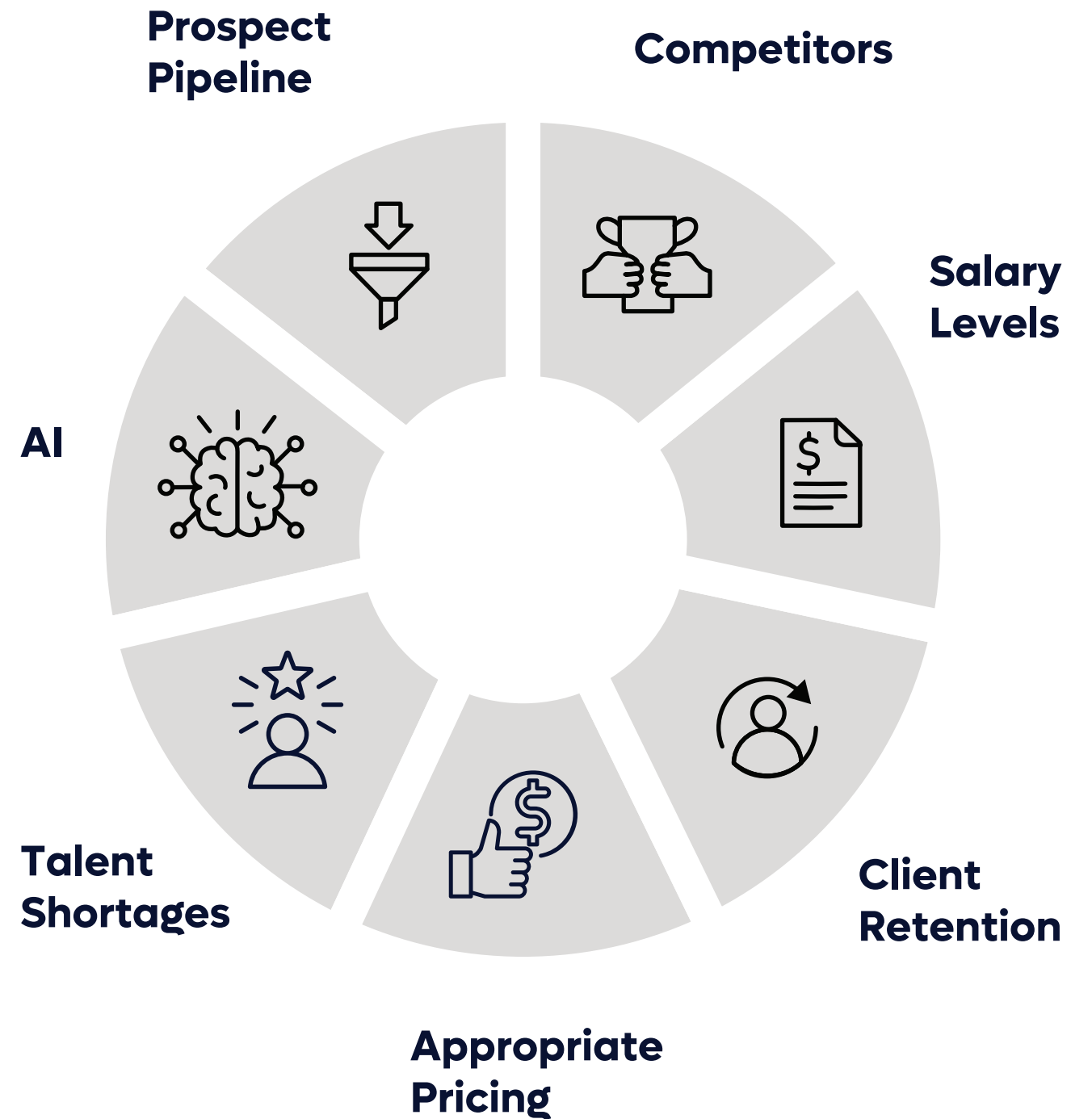
Optimism by Segment (% Strongly Agreeing)



The sharpest drop? **Changes Seekers.**
The most stable? **Loyalty Builders.**
But everyone's lower than before.

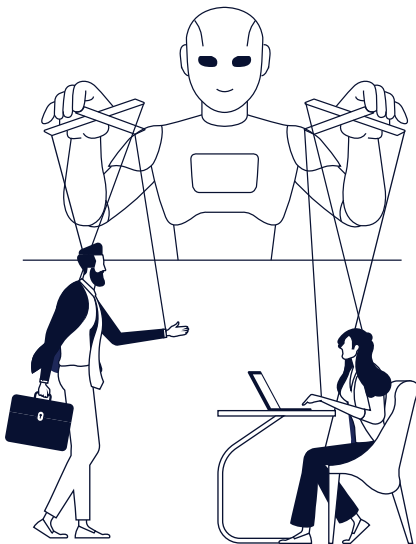
Confidence in the future
has taken a sharp, statistically significant fall.

The #1 THREAT Agencies Face?

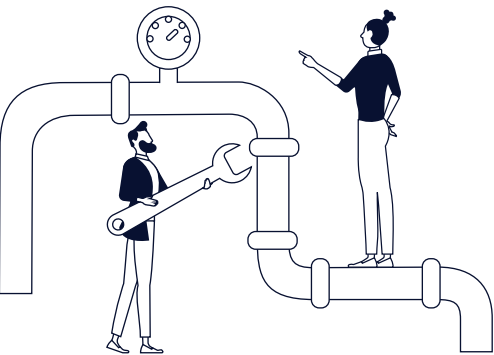


Despite the Hype, Agencies' Biggest Concern Isn't AI

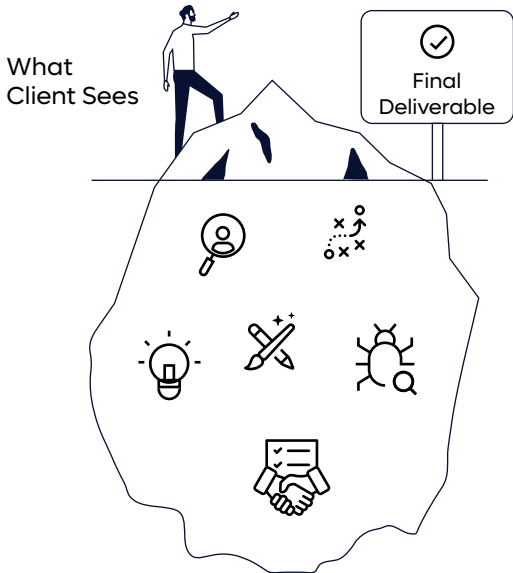
Based on our conversations with agency leaders and advisors over the last year, we added three new challenges to explore in the 2025 survey:



Impact of AI on agency relevance



Maintaining a pipeline of right-fit prospects

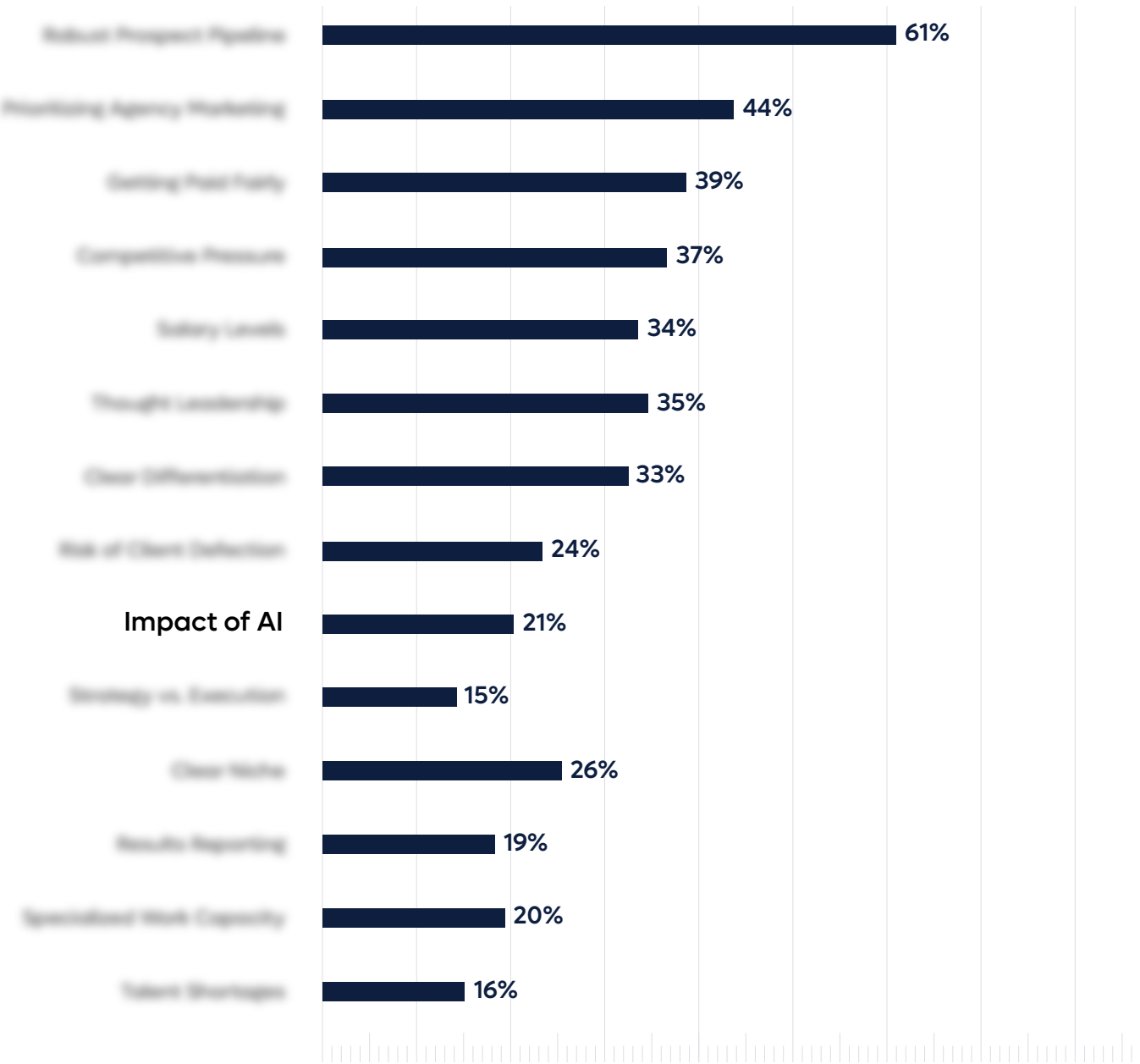


Getting clients to pay agencies what they're worth

And that's where things took a **turn...**

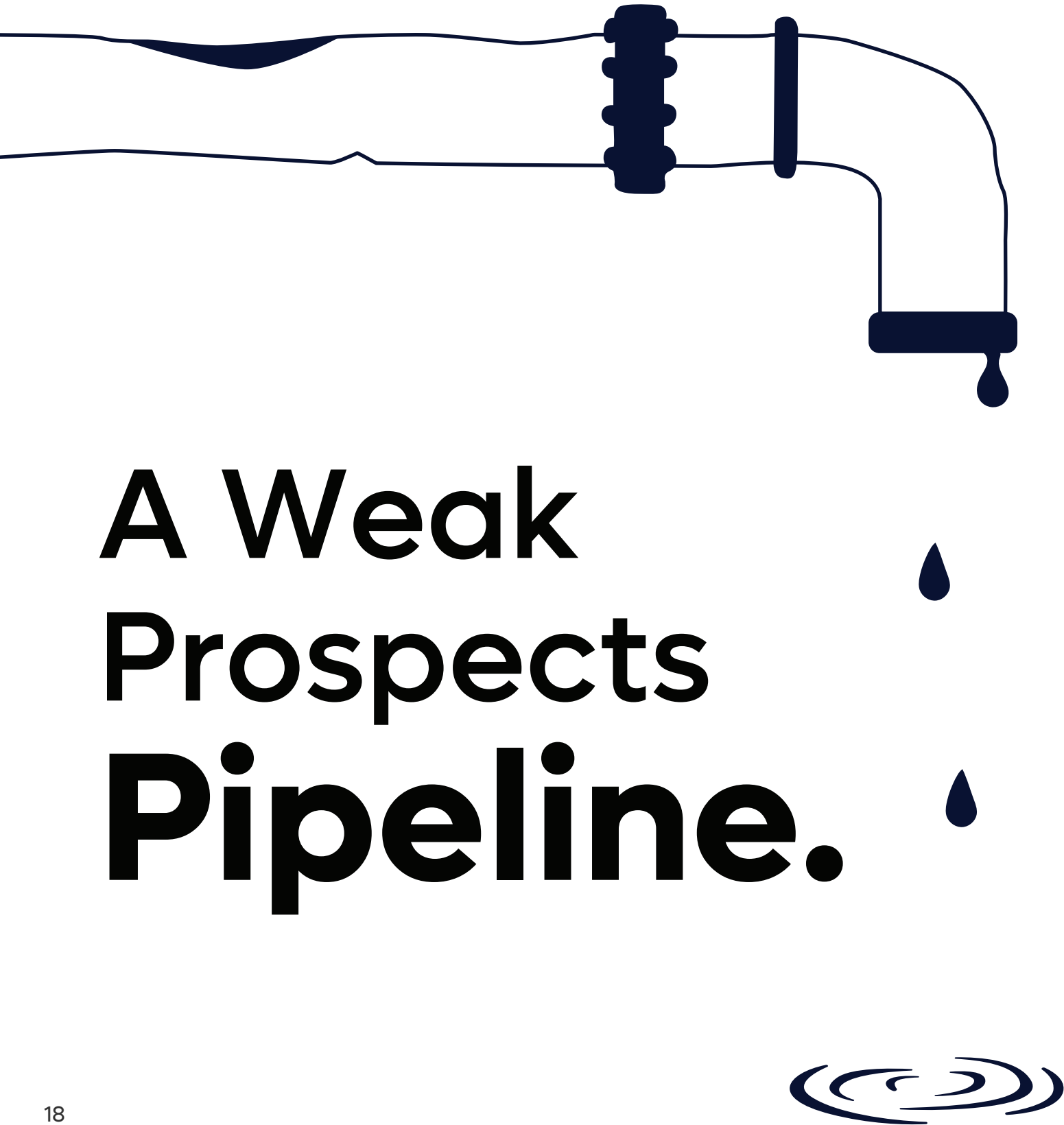
AI may dominate headlines, but when it comes to actual agency challenges, it barely cracks the top tier. Leaders aren't ignoring AI—but they're not panicking either.

% Identifying as a Severe Challenge



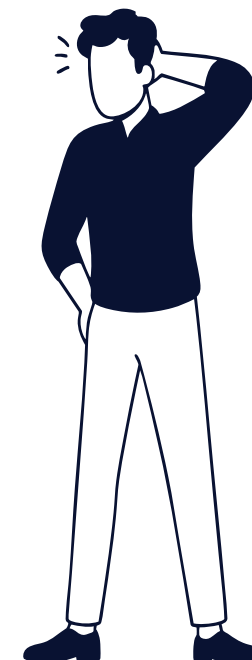
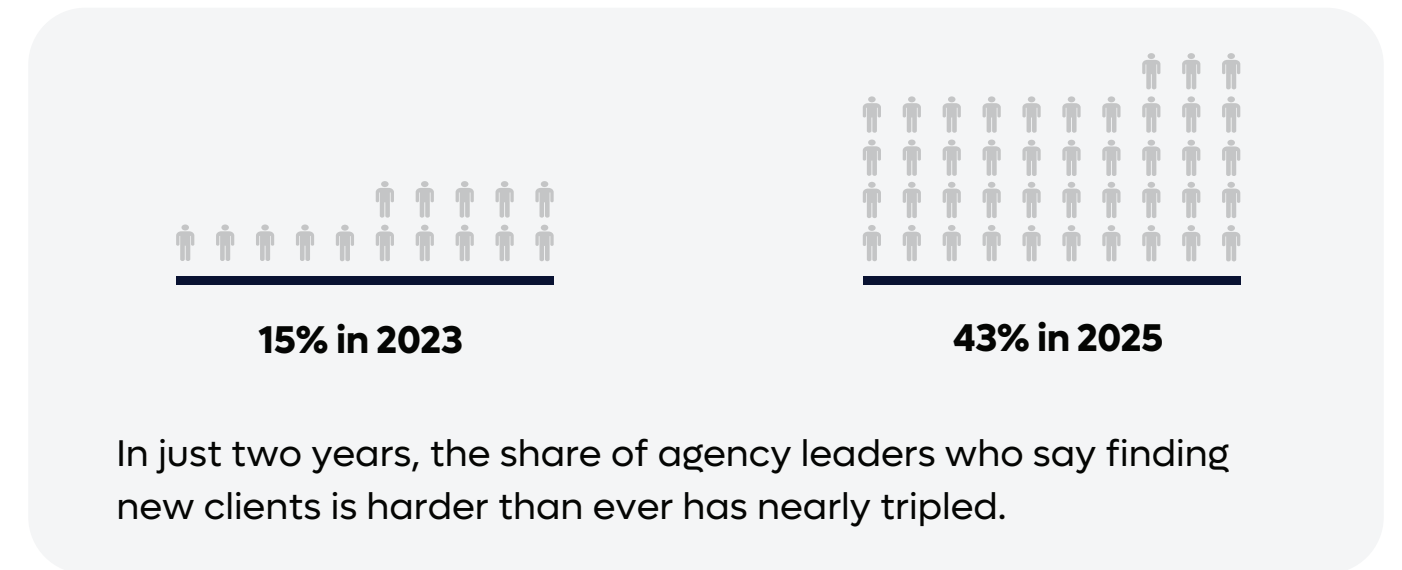
While both **'getting paid appropriately'** and **'the impact of AI on relevance'** were cited by some respondents as severe challenges (**39%** and **21%** respectively), there was an issue that resonated far more with agency leaders across the spectrum.

The #1 Threat Agencies Face?



A Weak Prospects Pipeline.

Finding right-fit clients is harder than ever—and rising fast as a top concern.



Pipeline pain now outranks all other challenges across segments, sizes, and specialties—making it the most widely shared struggle of 2025.

Most Say Agencies Must Step Up to Prove Their Value

In the face of declining optimism and new challenges, agency leaders in our study acknowledge that adaptation is essential to continued success.

Many are making changes already to adapt to their new reality:

51% believe agencies will **play a different role** in marketing in the years ahead.

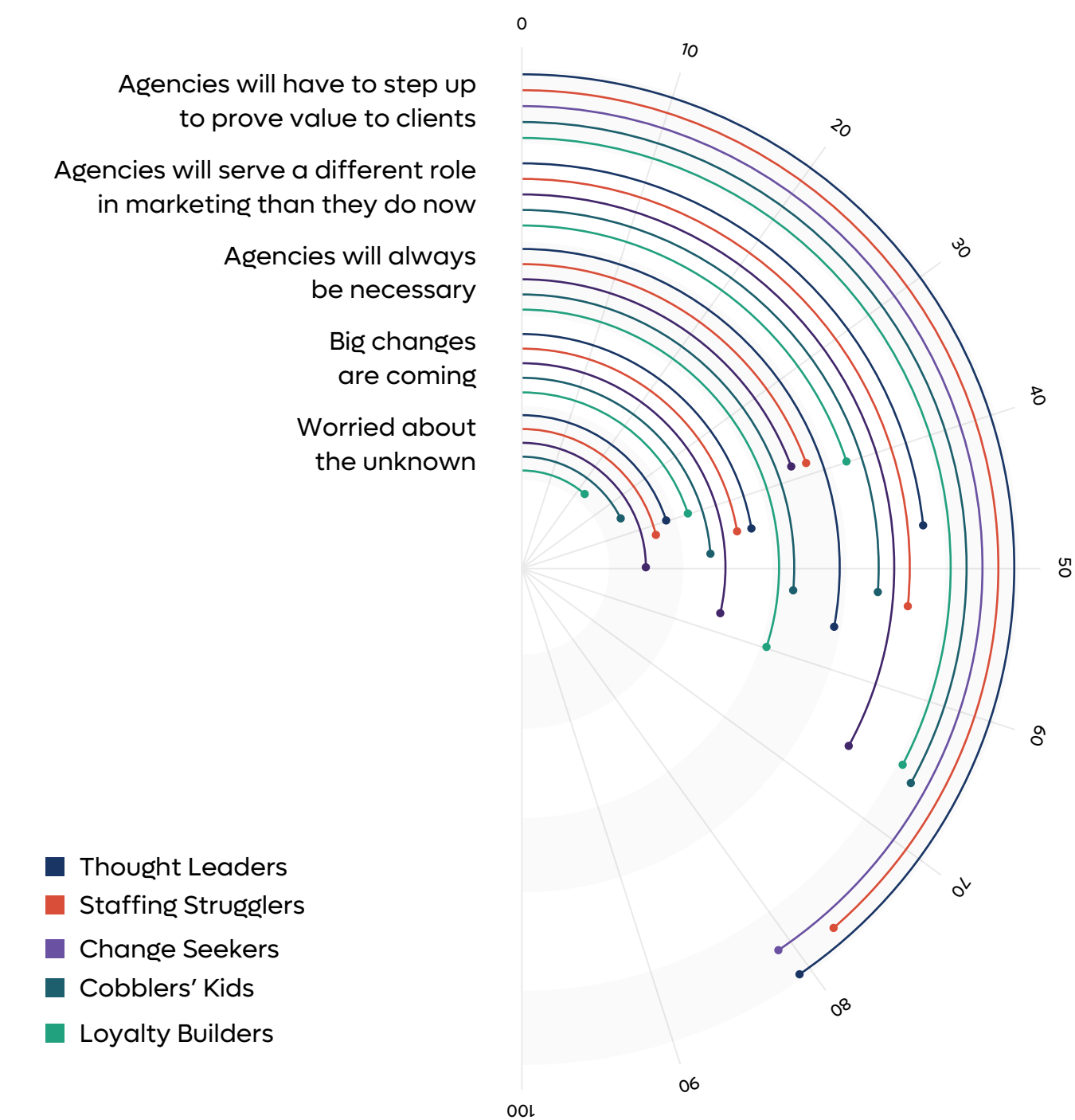
48% feel agencies **will always be necessary**, while 46% see **big changes ahead**.

38% are **worried about the unknown**, responding (and adding) to industry uncertainty.

86% of agencies are actively **changing their processes and operations** to better adapt to market forces.

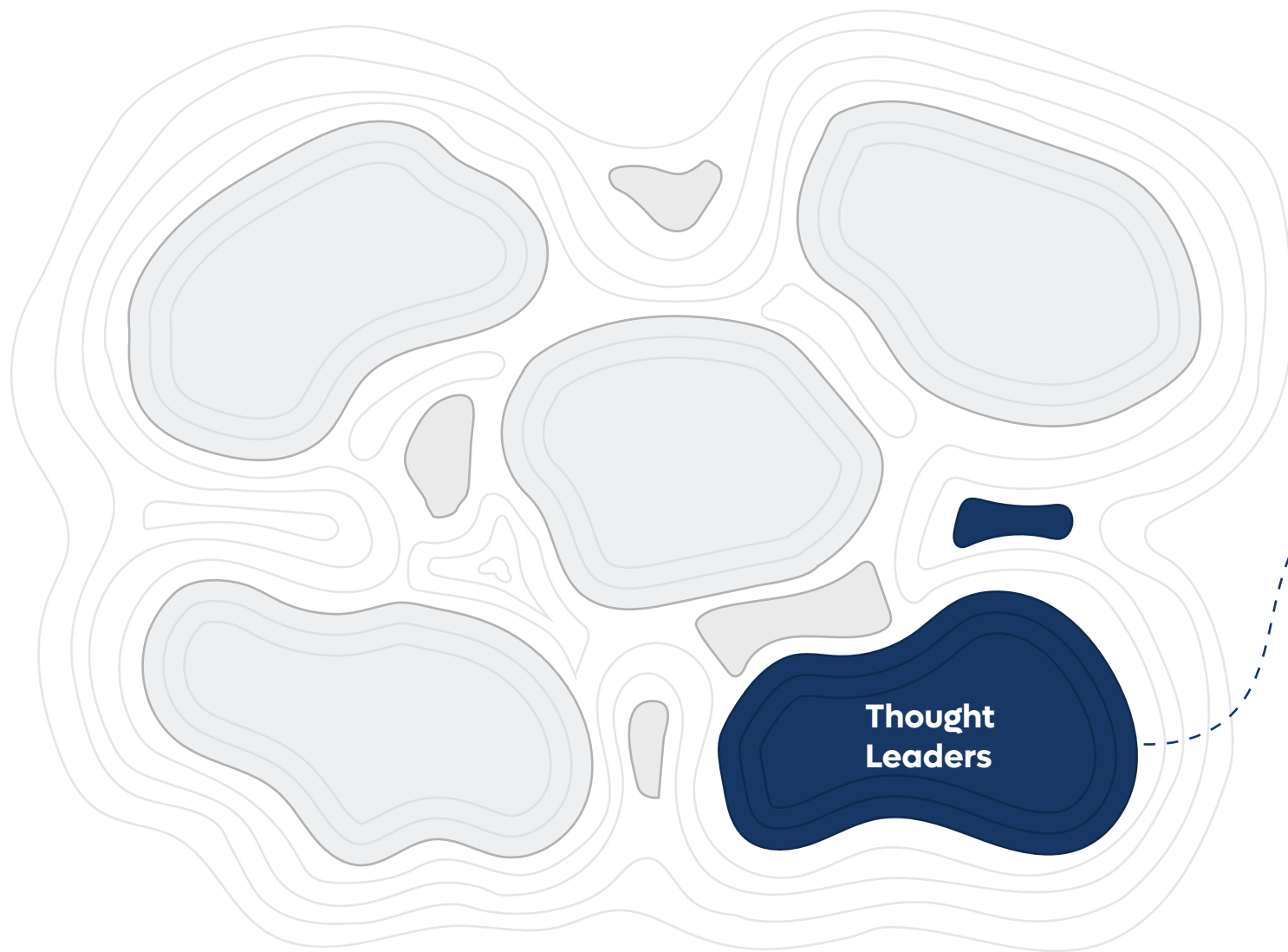
73% agree that agencies **must prove their value** in a time of heightened competition, economic uncertainty, and declining buyer trust.

Predictions for Agencies, by Segment



While many agency leaders expect continued uncertainty and major changes in the next few years, few say that most agencies won't survive (18%) or feel it's time to get out of the agency business (7%).

Which Leader Are You?



Five distinct mindsets.
Five very different realities.

“Our agency has found and exploited a recurring need for clients in our segment.”



THOUGHT LEADERS
Confident. Niche-focused. Positioned to Grow.

Niche is Not a Limitation. It's a Foundation.

Thought Leaders:

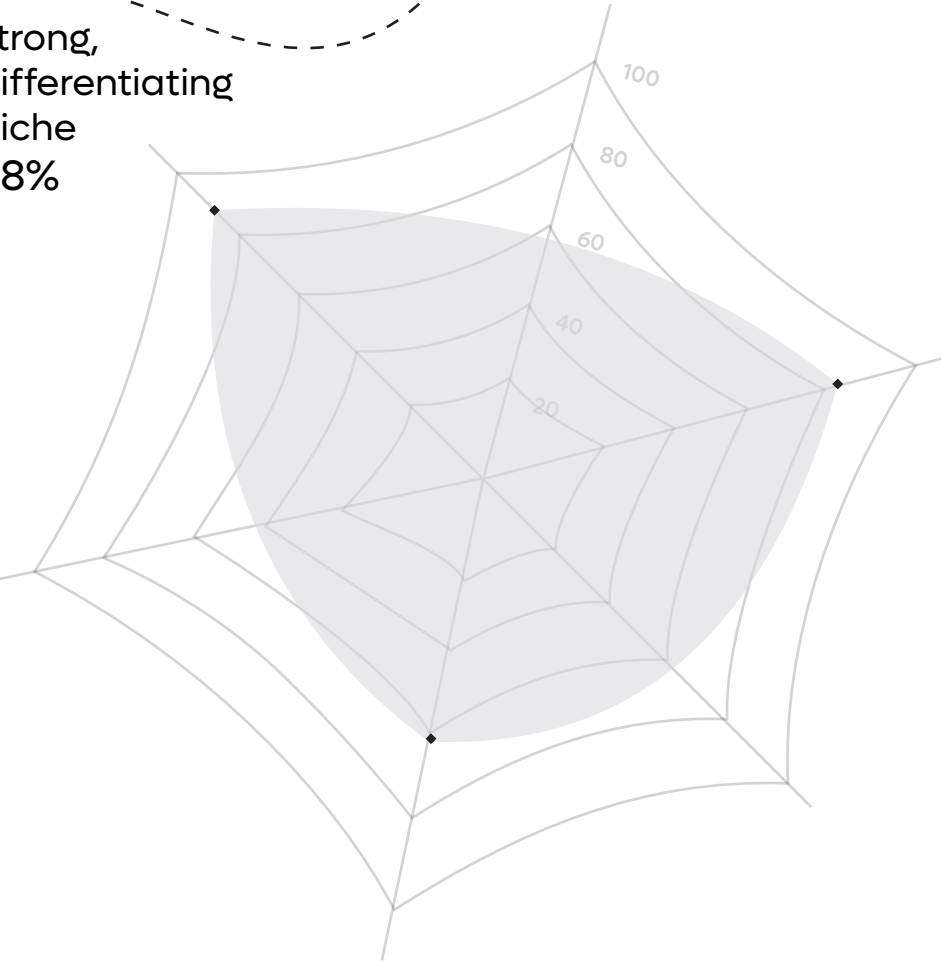
- They don't market to everyone.
- They aren't everything to everyone.
- They're the go-to for the thing they do best.



What Sets Thought Leaders Apart % Strongly Agreeing Their Agency Has These Characteristics

88% say their agency
has a distinct niche.

Strong,
Differentiating
Niche
88%

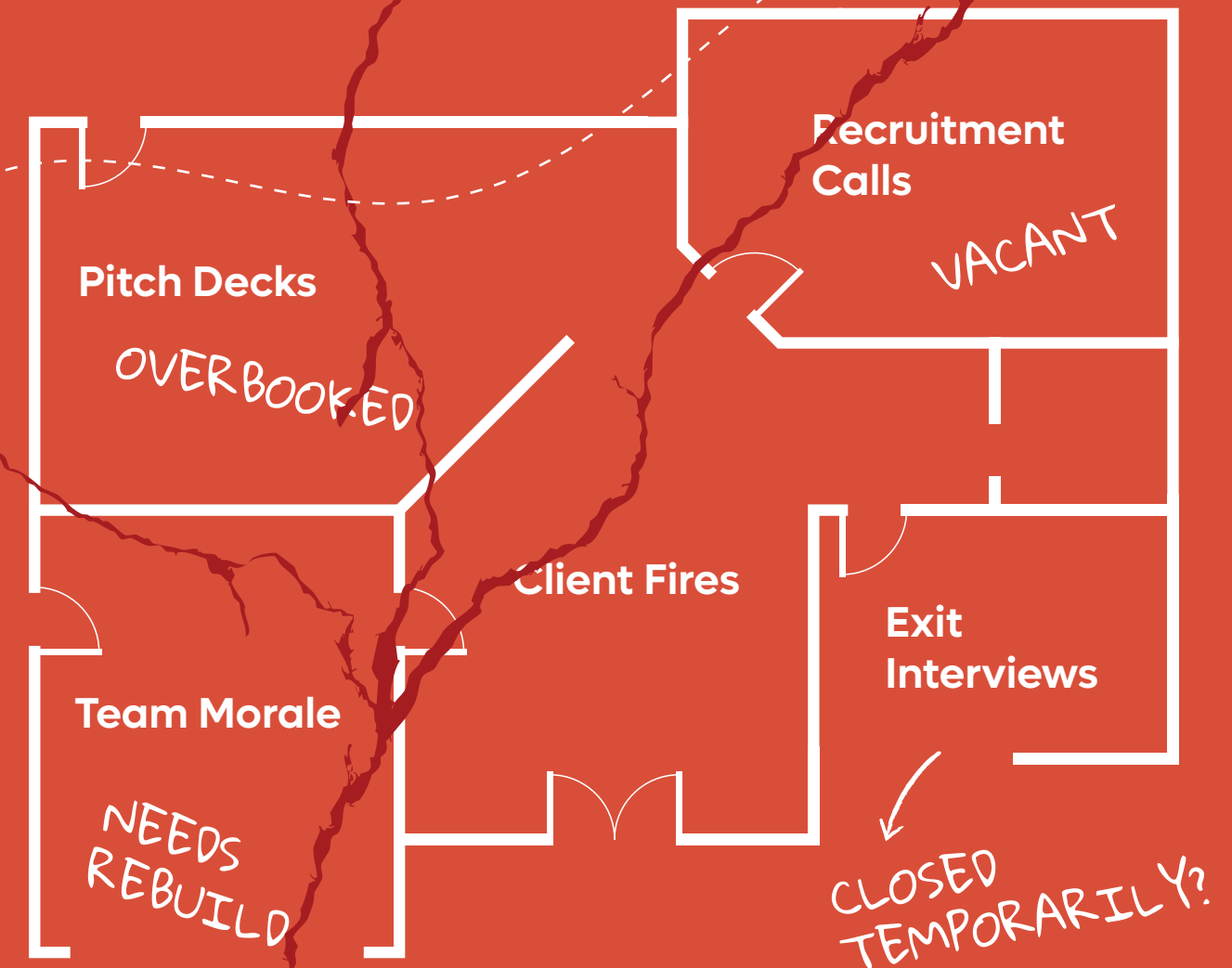
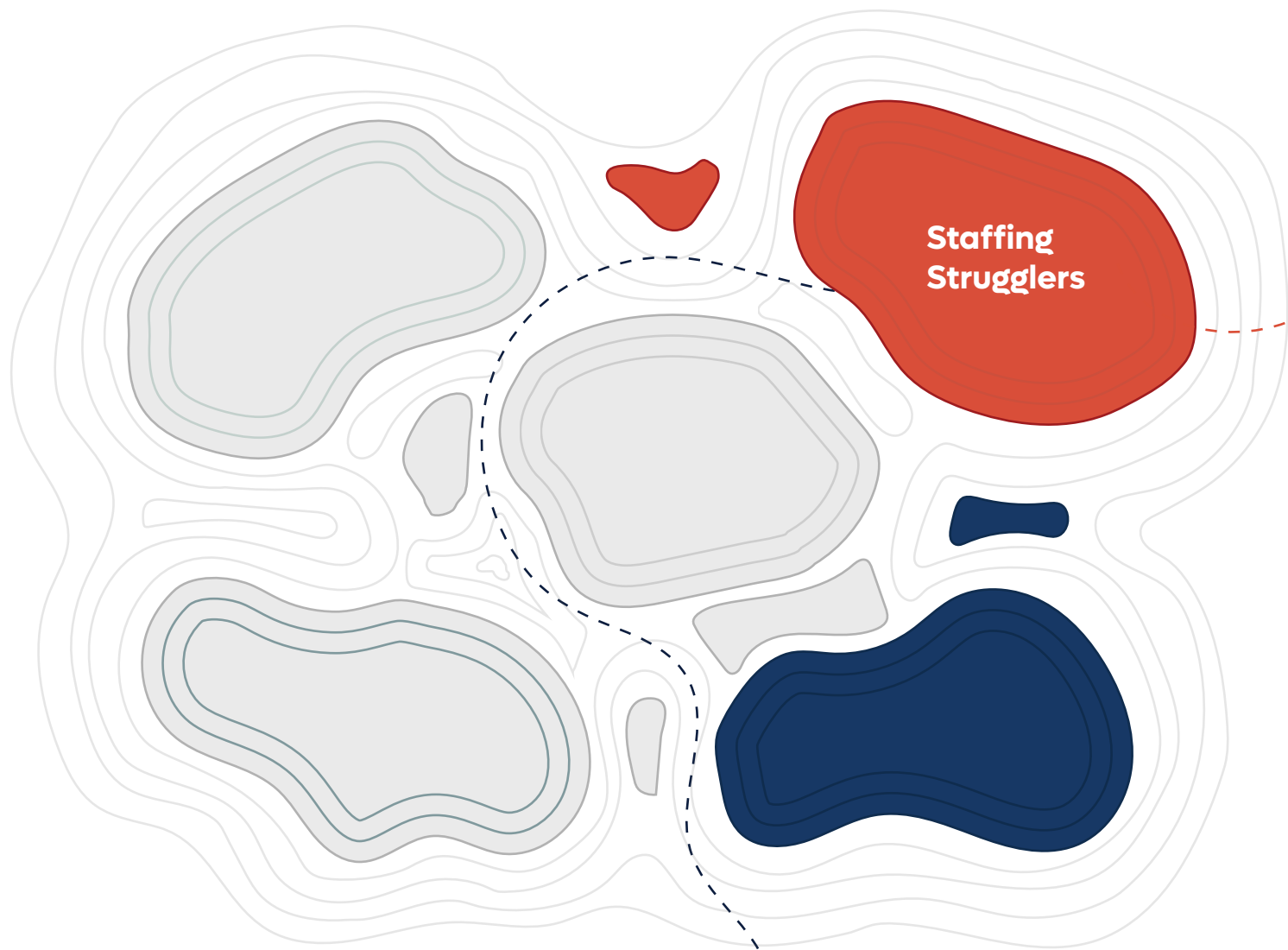


Market
Their Niche
Position
84%

Reputation
as Expert in
Their Niche
61%

Thought Leaders make less noise—
because clients already know where to find them.

Too Many Roles. Too Few People. Too Little Fuel.



Burnout isn't just happening.
It's baked into the business model.

STAFFING STRUGGLERS

The hustle hurts harder when you're short-staffed.

In most agencies, hiring has cooled.
In this segment? It's **boiling**.

Staffing Strugglers have moved from panic hiring to pressure hiring—facing candidates they **can't afford**, competitors with **bigger offers**, and teams that are already **stretched thin**.

- Salary Levels - #1 concern for 63%
→ Significantly higher than any other segment
- Talent shortages are cited less than in 2023, but salary pressure has replaced them
- Only 37% are strongly optimistic in 2025
→ Down from 80% in 2023
- Many report losing employees to higher-paying competitors

"We finally hired someone—and they got poached in three months."

"I'm paying more for less experience."

"The team's burned out. So am I."

"Every hire feels like a gamble."



High Turnover



Low Morale



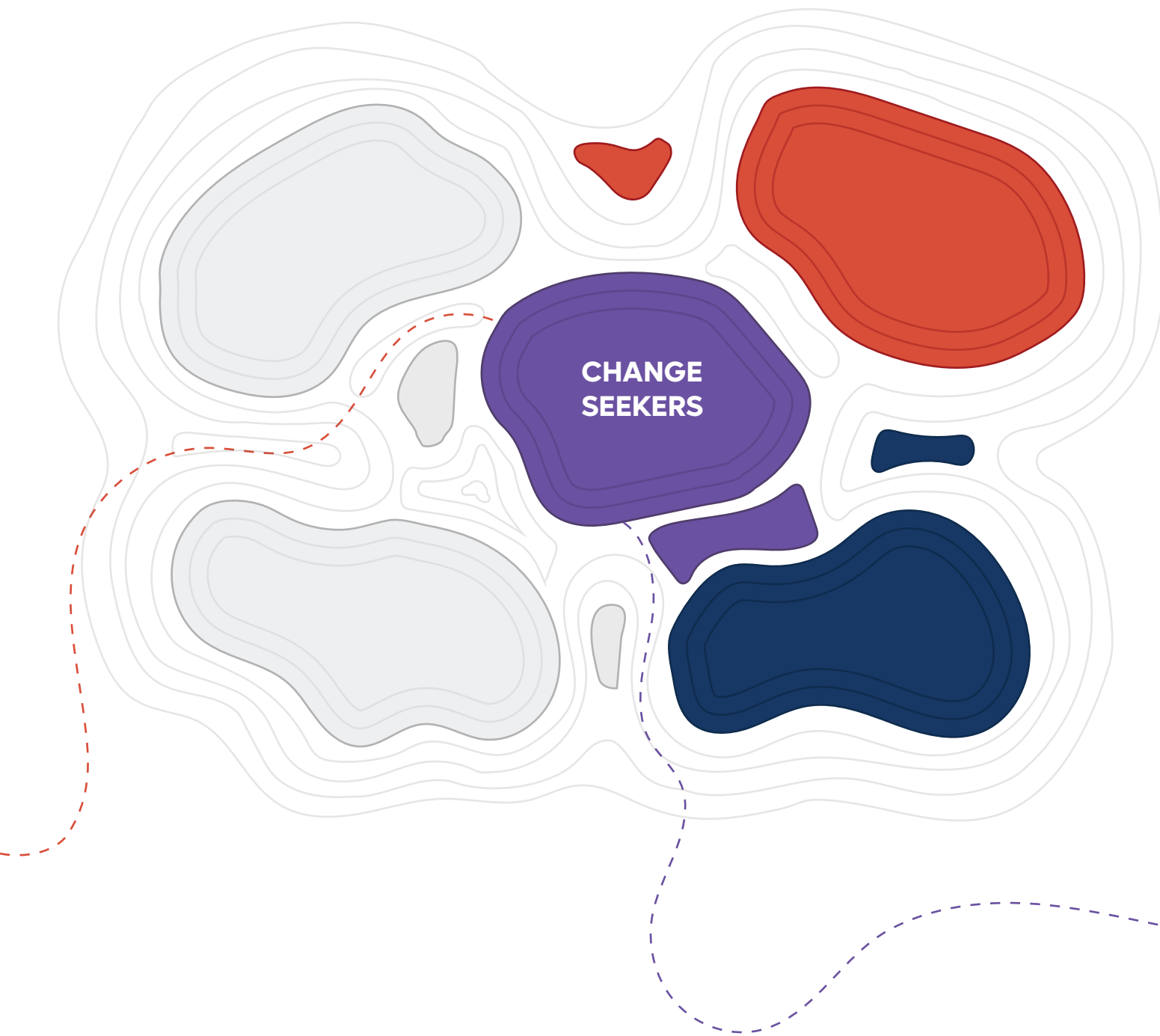
Shrinking Loyalty

The Work Didn't Go Away,

But The People Did.

Growth isn't the goal right now.
Stability is. And it's slipping.

We Can't Keep Up. And We Know It.



Most agency leaders feel uncertainty.
These leaders feel swallowed by it.

No Solid Ground

They know change is needed.
But they're unsure how to keep up—let alone get ahead.

They aren't steering change. **They're being swept by it.**
What they knew is eroding. **What's ahead is unclear.**

Change Seekers are agency leaders feeling squeezed on all sides. They're losing clients, struggling to keep a pipeline alive, and watching the ground shift under their feet.

Key Concerns

Finding new clients is harder than ever (89%)

Clients underestimate the amount of work we do for them (73%)

The market for agency services is changing dramatically (69%)

My agency needs to make big changes to succeed (53%)

Pipeline Development
92%

Value Perception
65%

Fear of Competition
58%

Client Defection
56%

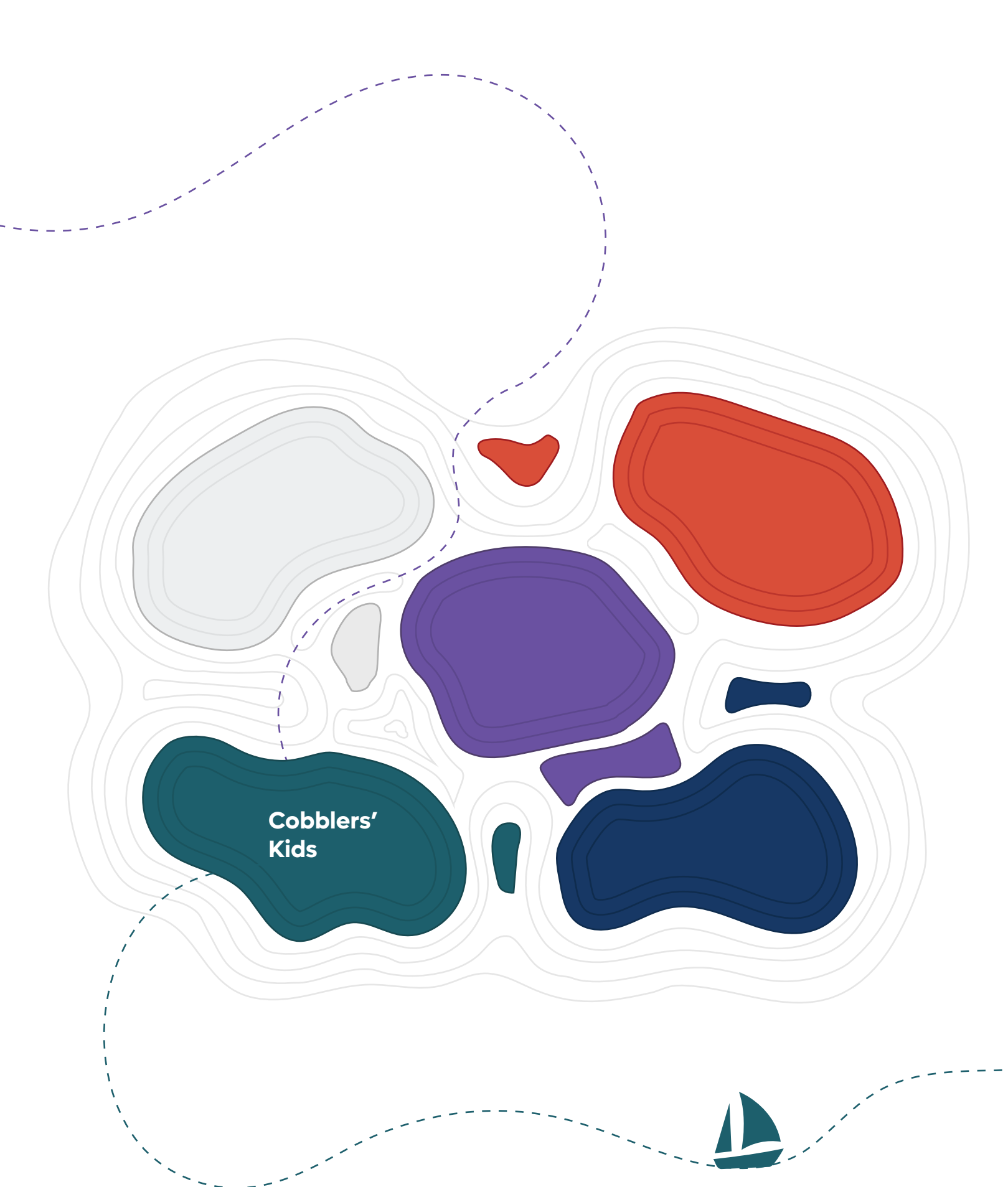
Thought Leadership
52%

THE HIGHEST OF ANY GROUP.

Too much weight in the wrong places.
Not enough clarity to re-balance.

Top 2 Challenges for Change Seekers

Instability isn't always loud.
Sometimes, it's a quiet shift beneath your feet.



They Make Magic for Clients.
But Leave Themselves Barefoot.

We need
to finish
our case
studies

WEBSITE REDO
~~REVIVE BLOG~~
SOCIAL

~~THOUGHT LEADERSHIP?~~

WE'LL DO IT AFTER
THIS PITCH.

...RIGHT?

Did anyone
schedule
the
newsletter?

COBBLERS' KIDS

Brilliant for clients. Invisible to prospects.

The Marketing Black Hole

They pitch it. They build it. They deliver it.
Just not for themselves.

- Often reliant on word-of-mouth or referrals
- Inconsistent pipeline health
- Least likely to have a formal agency marketing strategy
- Struggle to allocate internal time for outbound initiatives

Only 8% consider thought leadership activities as high or top priority!

Cobblers' Kids
High Retention, **Low Inbound**

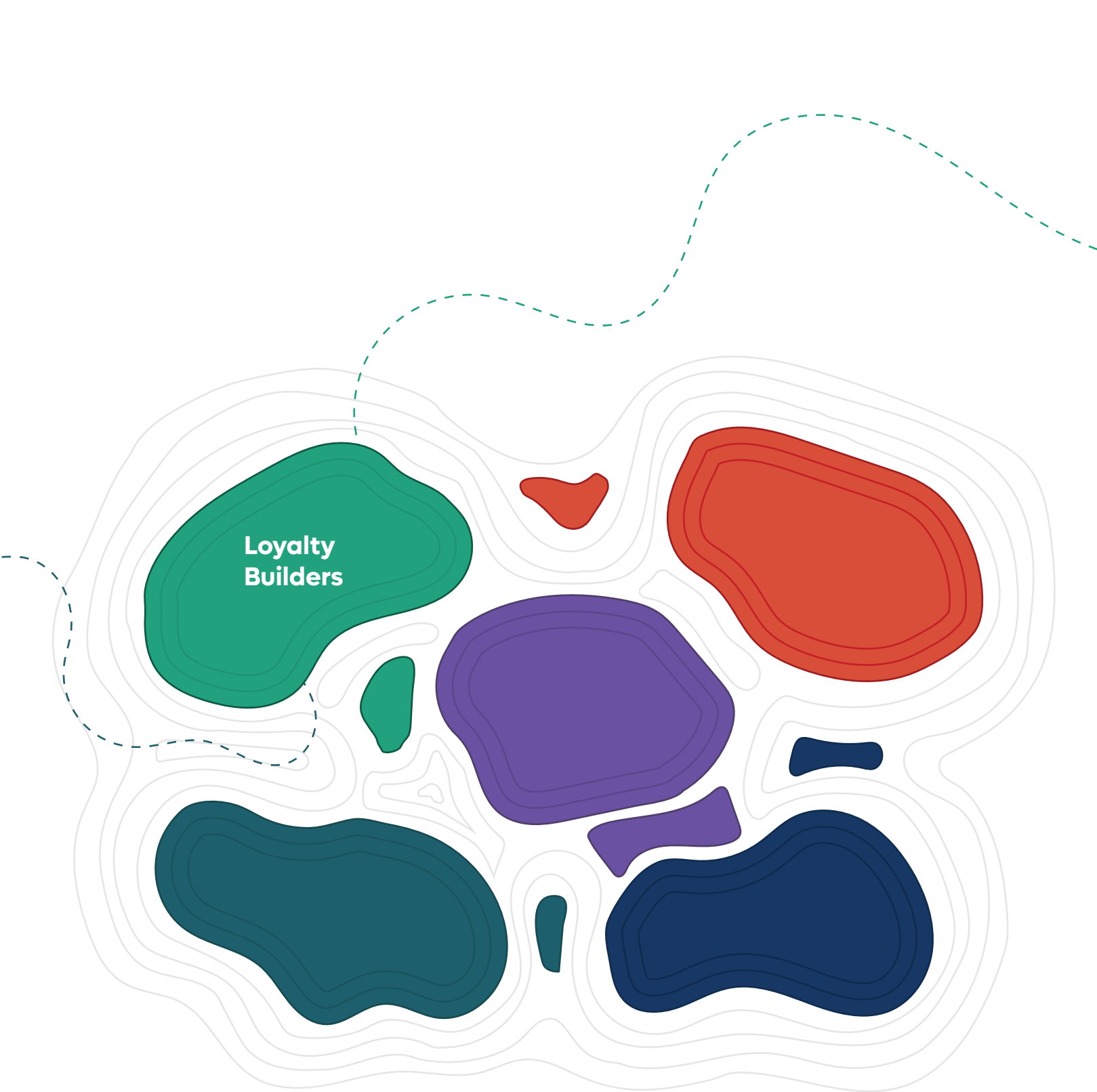


64% strongly agree that efforts to market their agency are haphazard. **SIGNIFICANTLY** higher than every other segment.

Ask them about inbound strategies, thought leadership, or brand positioning—and they'll nod in agreement. Then quietly admit their website hasn't been updated since 2021, and their newsletter went out once... in May.

It's not a lack of knowledge.
It's a lack of time, process, and priority.

These agencies know what to do.
They just haven't done it—**YET.**



Loyalty
Builders

"We've built loyalty into every layer of our agency—from service to strategy."

Agency Owner, Loyalty Builder.

Growth doesn't always come from what's new.
Sometimes, it comes from what's been there all along.

LOYALTY BUILDERS

They stayed. They grew. And they're still growing.

Growth Isn't Always a Sprint. Sometimes, It's a System.

Loyalty Builders focus on what most agencies overlook: formally building client loyalty. They've created systems to reduce churn, increase client lifetime value, and turn relationships into growth.

This is the only segment that has significantly increased in size since 2023.

*"Loyalty isn't luck.
It's architecture."*

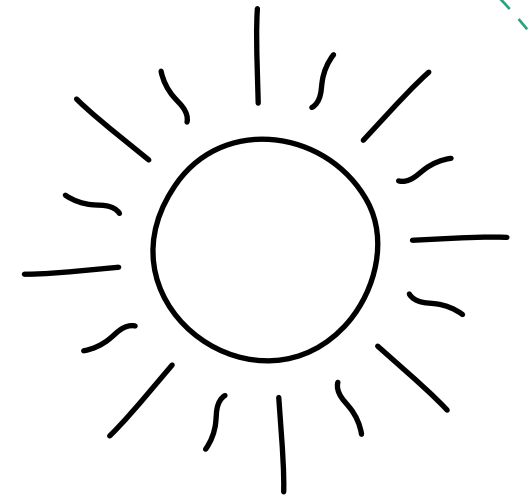
Their Focus?

- Reporting both, work done and results.
- Building strong relationships with clients.
- Processes to increase client spend year over year.

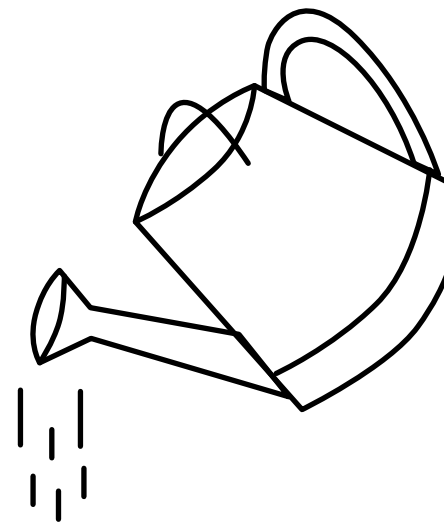
While others chase what's next,
they've mastered **what lasts**.



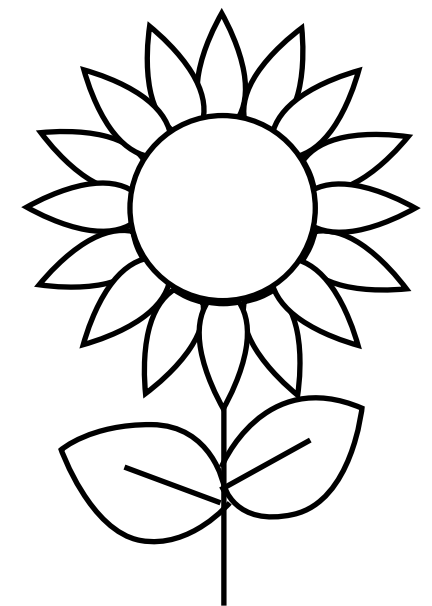
A first project is
just the seed



A report is just
sunlight



A check-in is
water



And loyalty?
That's the bloom

WHILE SOME
AGENCIES STRUGGLE,

OTHERS
SHOW THE WAY.

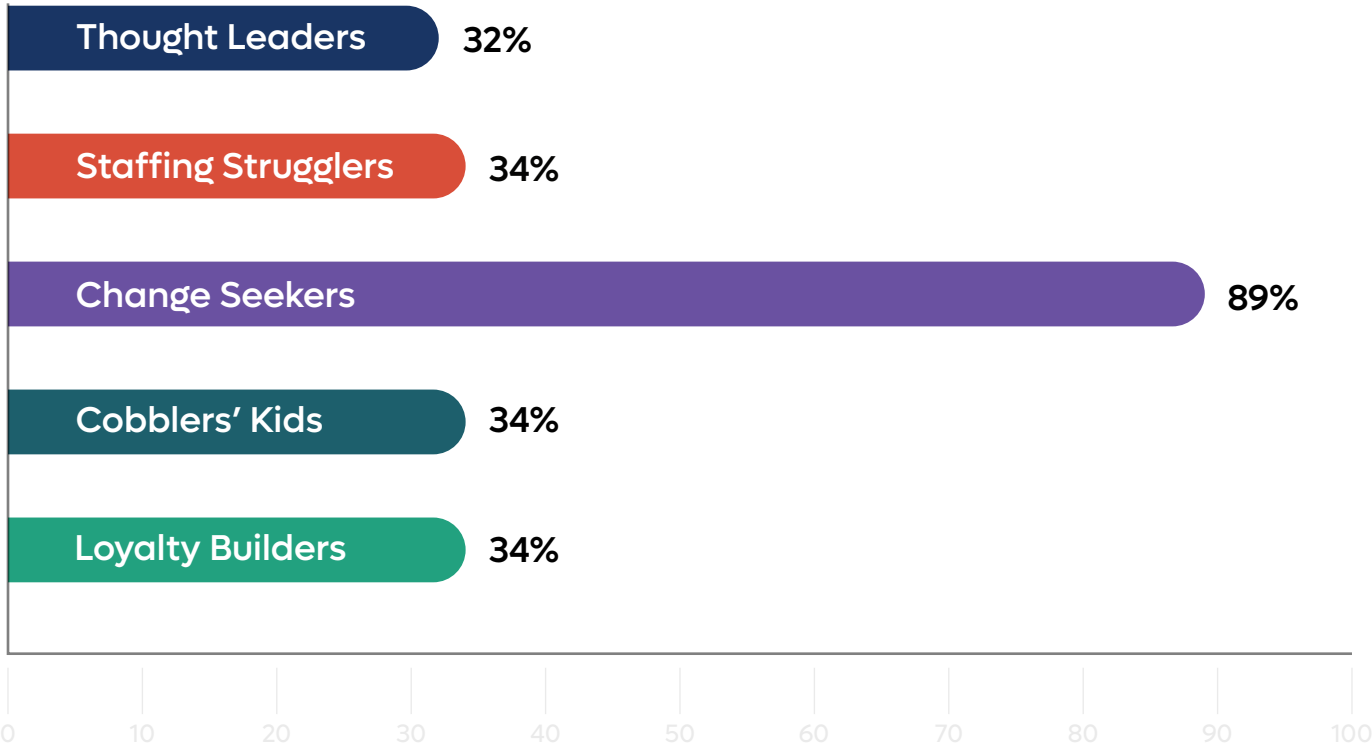


New Business Development

Is Reaching a Breaking Point

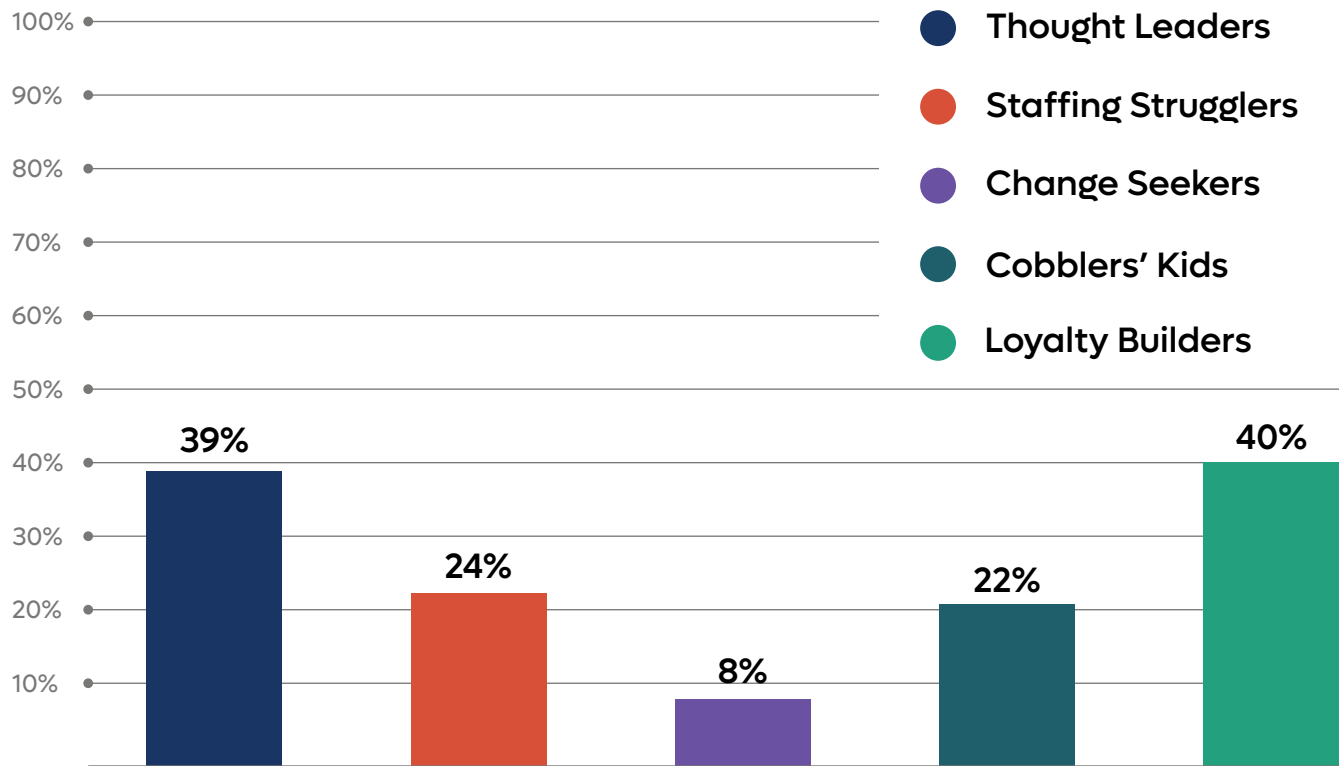
43% of respondents strongly agree that finding new clients is harder than ever in 2025, compared to **15% in 2023**, a striking increase.

Finding New Clients is Harder Than Ever, by Segment
% strongly agreeing



Only 25% say they are very satisfied with the mix of **strategic vs. tactical** work that came into their agency in **2024**.

% Very Satisfied With Mix of Strategic vs. Tactical Work Gained Last Year, by Segment



Agencies struggling least:

- Thought Leaders, Staffing Strugglers, Loyalty Builders

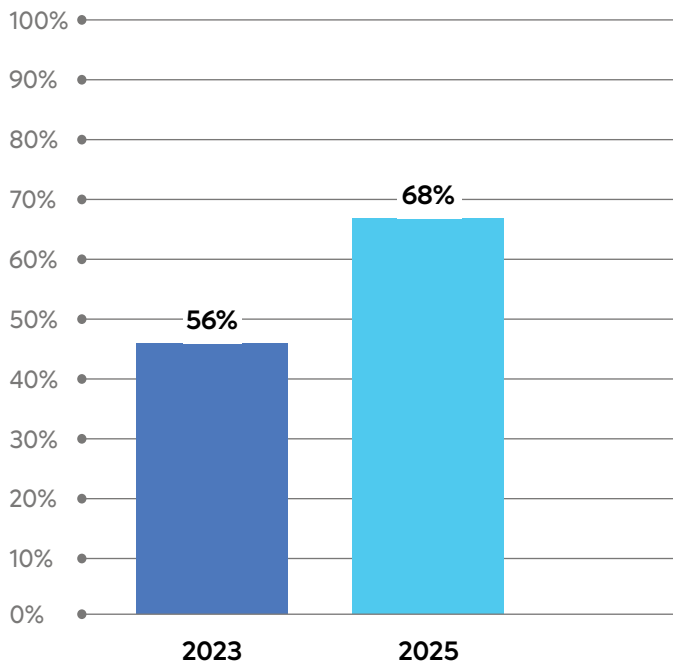
Why?

- Building a reputation as an expert in a niche
- Prioritizing new business development
- Incorporating strategy into every engagement

Agencies struggling most:

- Change Seekers

Many Agencies Lost Clients in 2024



68% of agencies lost clients in the last year, a significant increase from 2023.

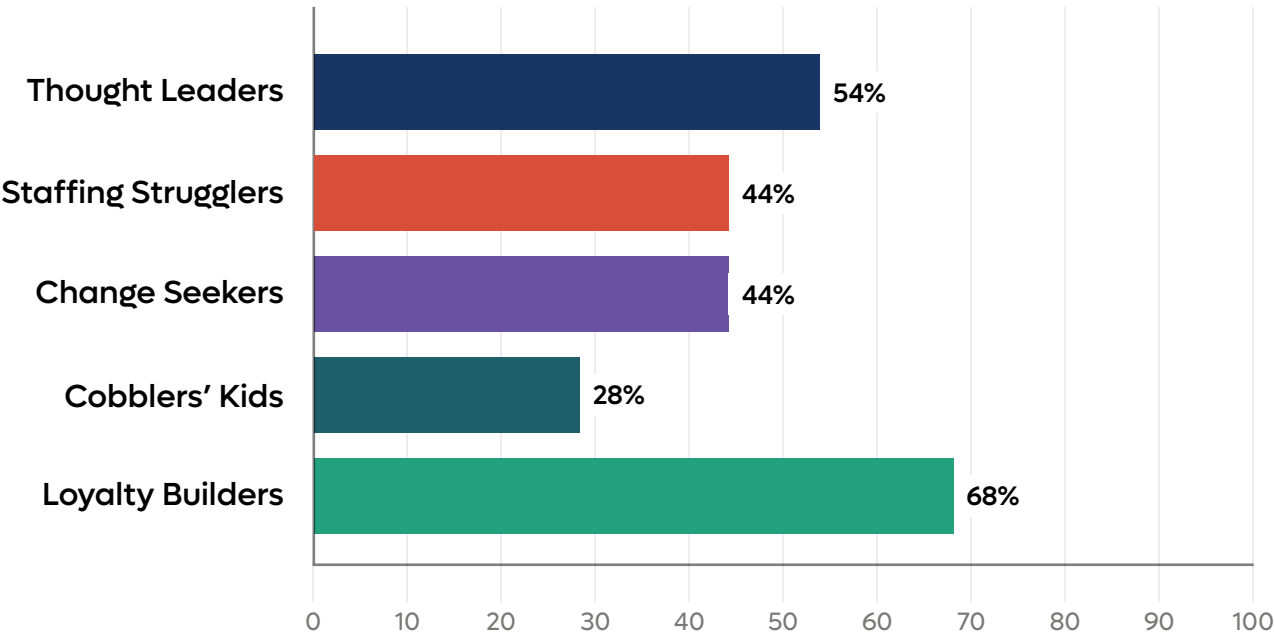
Client Retention is Getting Harder

24% of respondents cite the risk of client defection as a severe challenge in 2025, vs. 11% in 2023

Client relationships are more fragile than ever. Agencies that don't take proactive steps are seeing loyalty erode—often without warning.

Still, fewer than half have formal programs to stop the churn.

% With Specific Programs to Minimize Client Defection, by Segment



Agencies struggling least:

- Loyalty Builders, Thought Leaders, Cobblers' Kids

Why?

- Building a reputation as an expert in a niche
- Building specific programs to enhance client loyalty
- Reporting on work done in addition to results achieved
- Building relationships between agency and client leaders, and between agency and client teams
- Schedule regular client check-ins with agency leadership

Agencies struggling most:

- Change Seekers

You're only serving one dish

When They're Hungry for More.



Most Agencies
Struggle to Grow
Existing Accounts

Keeping clients is hard. Getting them to spend more is **even harder**.

Only 7% of leaders say their agencies are extremely effective at getting existing clients to increase their spending year over year.

Even among the most successful, Loyalty Builders, only 15% say they are very effective.

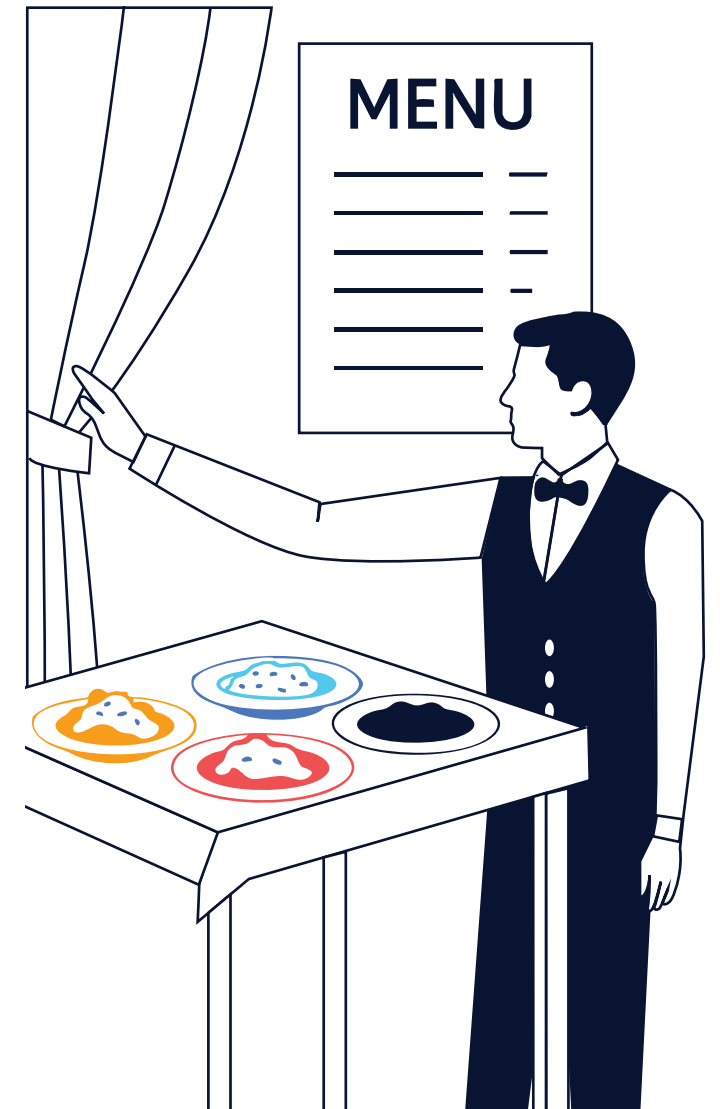
For many, the lack of structured upsell, cross-sell, or growth processes is holding them back.

The "menu" was just never shown...

Agencies struggling least:
Loyalty Builders

By:

- Implementing specific processes to regularly generate and share new ideas with clients
- Listening to clients and consistently exploring and adding new services
- Incorporating strategy into every engagement



Agencies struggling most:

- Change Seekers
- Staffing Strugglers
- Cobblers' Kids

Most Agencies

Still Struggle to Stand Out

Without a strong niche, relevance is fragile—and growth is reactive.

33%

say differentiation
is a severe challenge

24%

strongly agree their
agency has a strong niche

Among agencies that do have a niche:

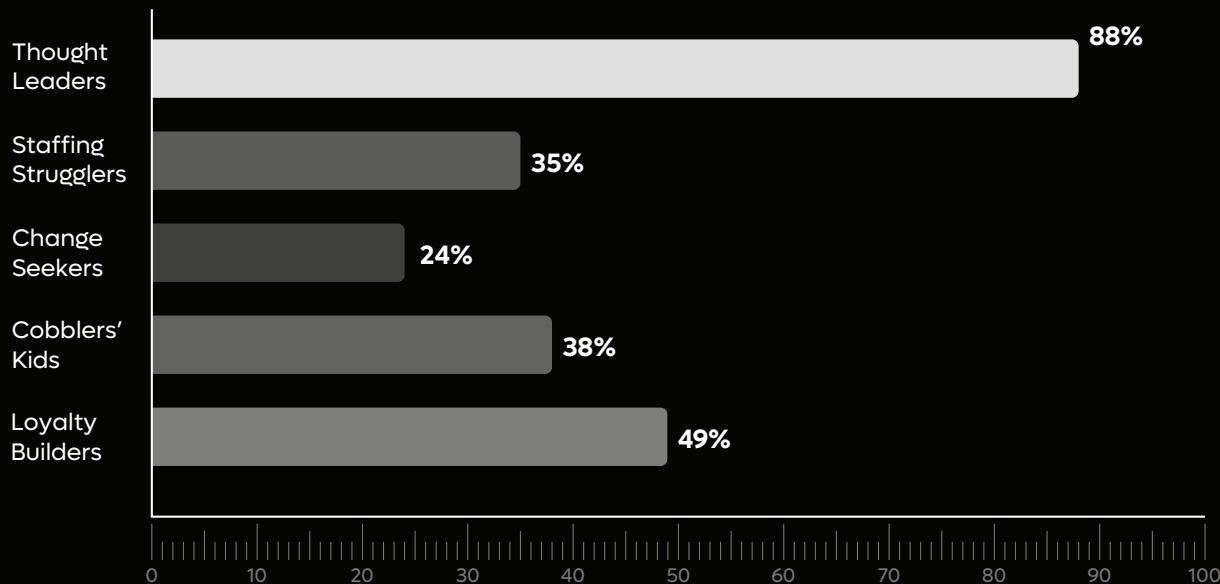
55%

highlight it in their
marketing

33%

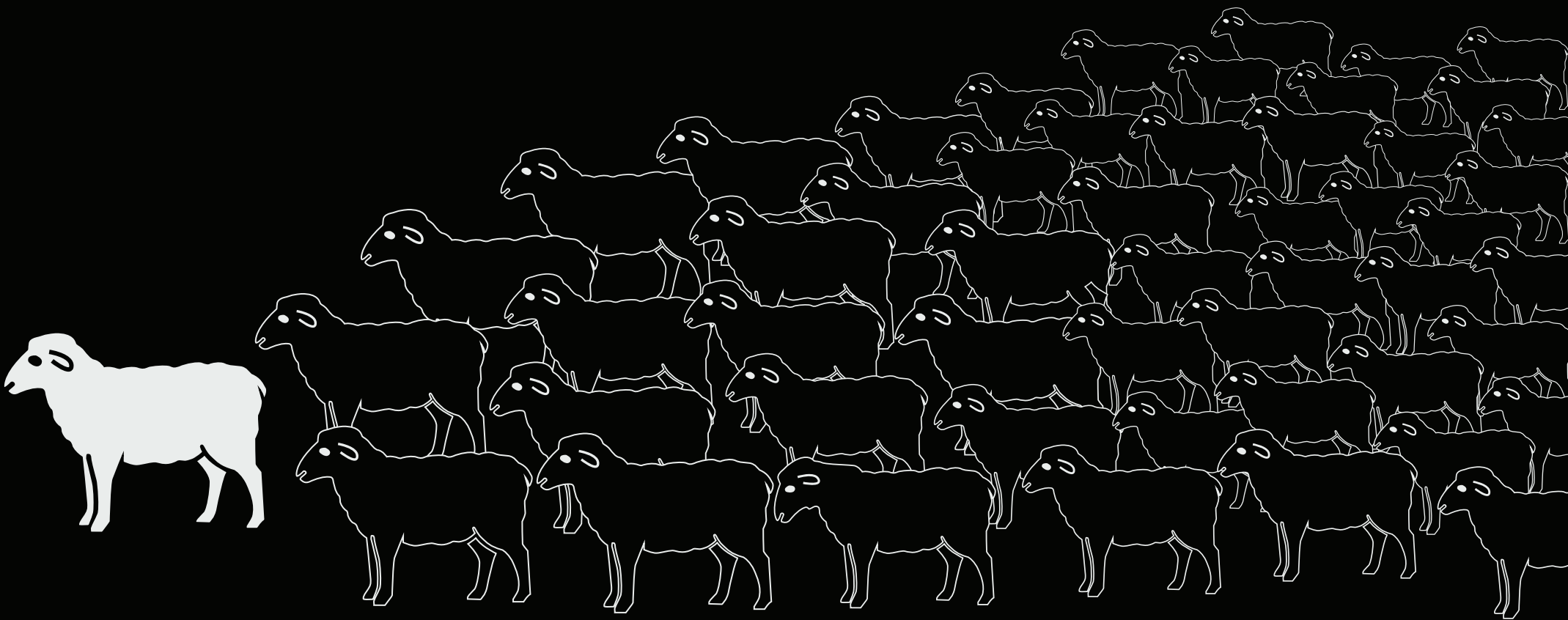
say their prospects
understand it

Agency Has a Unique Positioning or Niche That Sets Them Apart
% strongly agreeing



88% of thought leaders strongly agree their niche is clear.

While Thought Leaders excel in this area, many others try to serve too broadly—leading to weak messaging, unclear targeting, and missed opportunities.



Agencies struggling most:

- Change Seekers and Cobblers' Kids

Why Many Agencies Struggle

- Niche doesn't align with existing client base
- Fear that narrowing focus limits new business
 - 38% worry that having a niche limits their new business opportunities.
- Messaging lacks clarity or consistency

Building a Thought Leadership Reputation

35% of agency leaders say building their agency's reputation as a thought leader is a severe challenge.

Only 10% say their agency's thought leadership activities are its top priority.



**BE THE
SIGNAL.
NOT
THE
NOISE.**

Agencies struggling least:

Loyalty Builders and Thought Leaders

By:

- Building trust with prospects before the sale through helpful resources and advice without selling
- Prioritizing agency thought leadership efforts
- Building a reputation with agency influencers to increase word of mouth

Agencies struggling most:

Cobblers' Kids

Fewer agencies are struggling to find talent.

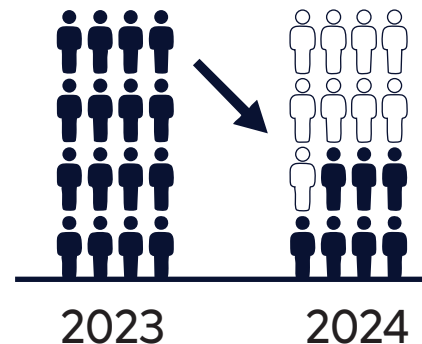
More Are Struggling to Afford It.

Staffing was one of the top concerns in 2023. In 2025, the data shows clear improvement—but with a caveat.

While fewer leaders report difficulty hiring, salary inflation and retention have replaced scarcity as the primary staffing concerns. For many, it's no longer about finding candidates—it's about keeping them, and paying them sustainably.



47% of agency leaders say they lost staff in the last year.



23% say they had difficulty hiring in the last year, a dramatic decline from **55%** in the 2023 study.

Agencies struggling most:

- Staffing Strugglers and Change Seekers

Finding qualified candidates and high salary demands remain major issues for many agencies.

AUCTION

\$120K



\$75K

Agencies struggling least:

Thought Leaders and Loyalty Builders

By:

- Developing a reputation as an expert in their niche or specialty
- Senior leadership check-ins with team members
- Flexibility in remote/hybrid work setups
- Proactive compensation planning, not reactive offers

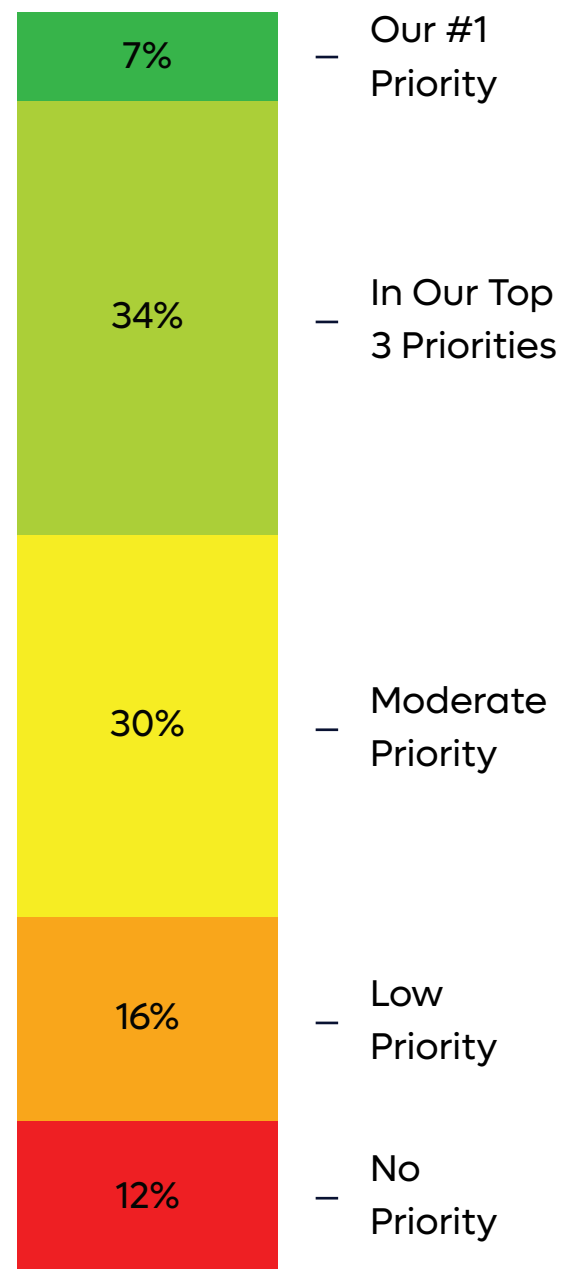
\$90K

\$105K

First-party Data

Isn't a Priority—Yet

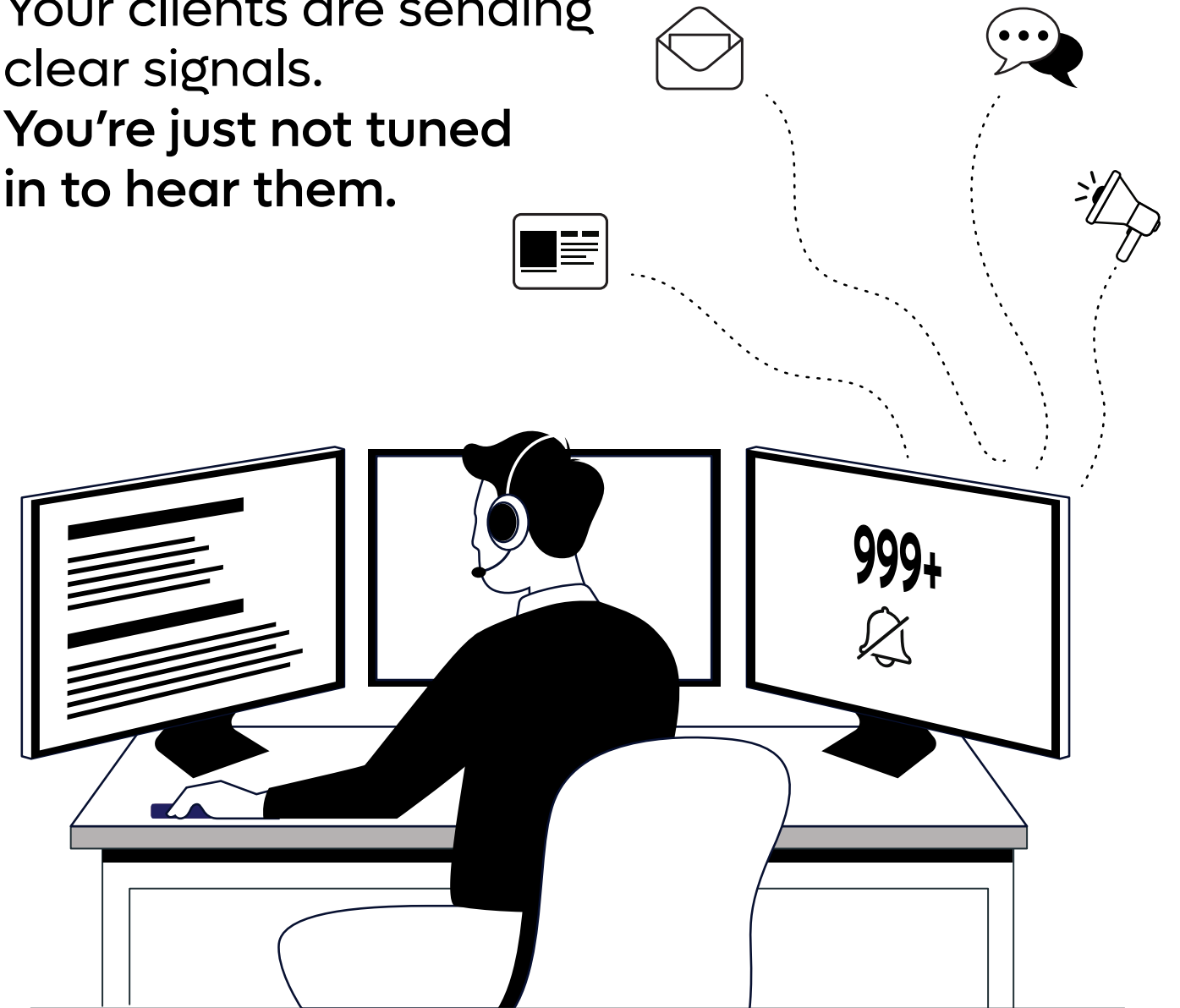
Agency priority on gathering first-party data from clients and prospects.



“The more we know about prospects, the less we have to guess—and the easier it is to grow.”

Agencies know it matters. Most haven't made it a *habit*.

Your clients are sending clear signals.
You're just not tuned in to hear them.



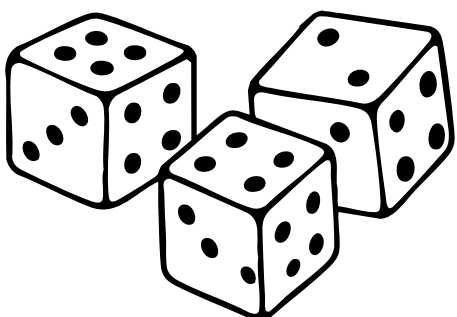
Agencies offering digital services such as online advertising, digital media buying, social media marketing, email marketing, and website development are struggling the least.

How?

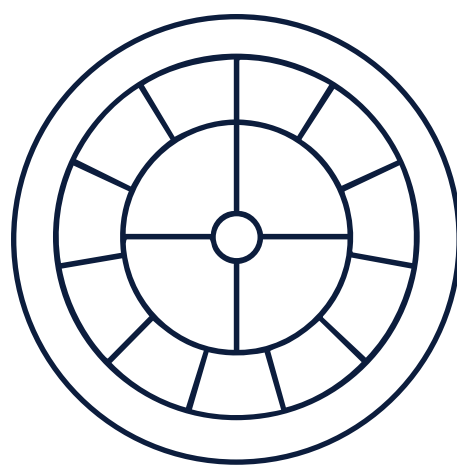
- By prioritizing the gathering of first-party data as an ongoing initiative
- By using online marketing platforms to gather relevant contact data
- By using proprietary research, assessments, and other tools to gather voluntary data from participants

Top-performing
Agencies Aren't Lucky.

They're Intentional.

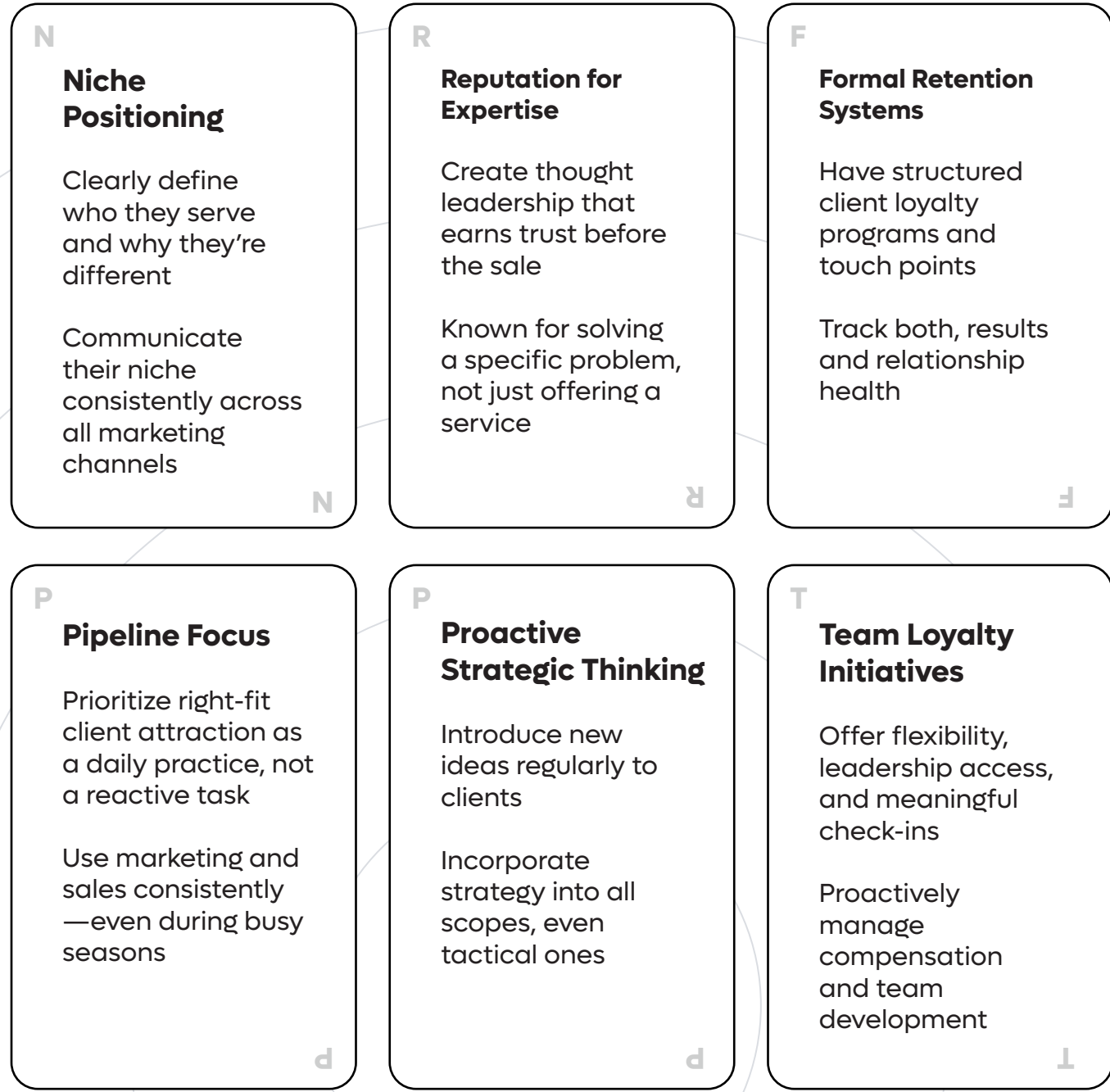


Across every challenge,
the same behaviors
show up in the
agencies doing best.



No matter the segment, size, or specialty, the highest-performing agencies in this study share key patterns. They're not immune to market pressures—but they act early, build deliberately, and invest where it counts.

Key Traits of High-performing Agencies



This page distills what they do—and where struggling agencies can start catching up.

This is Just the Beginning

The data is here.

What you do with it is what matters now.

This report was never meant to sit on a shelf. It was built to move agency leaders—to provoke discussion, inform decisions, and inspire action.

The challenges ahead are real. So are the opportunities. Whether your agency is thriving or struggling, the message from this research is clear: clarity wins, consistency scales, and connection matters more than ever.

We invite you to keep this conversation going—with your team, your peers, and your clients.

And we'll keep doing our part: collecting, publishing, and freely sharing the data agency leaders need.

Where to Go From Here

- Access the Full Dataset
 - Explore the full visual dashboards for 2023 and 2025
 - AgencyCore.org
- Hear from Industry Experts
 - Partners will publish insights based on this data throughout the year
 - No forms. No fees. Just follow and read.
- Join the Next Study
 - 94% of respondents volunteered to participate again
 - Add your voice to the next wave of research

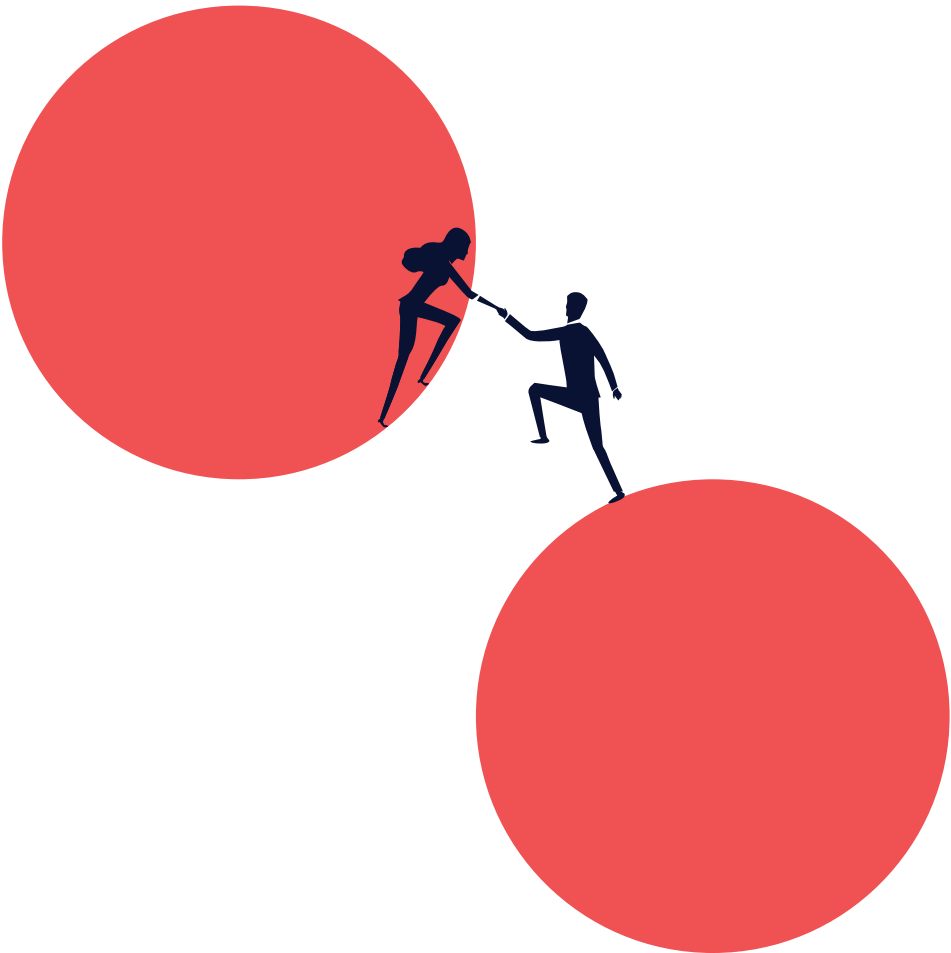
“

We can't control the uncertainty. But we can make better decisions inside it.

”

Thank you to the 778 agency leaders who contributed to this report. Your candor, vulnerability, and vision are what make this research possible.

Agency Core is powered by collaboration—
and made possible by community.

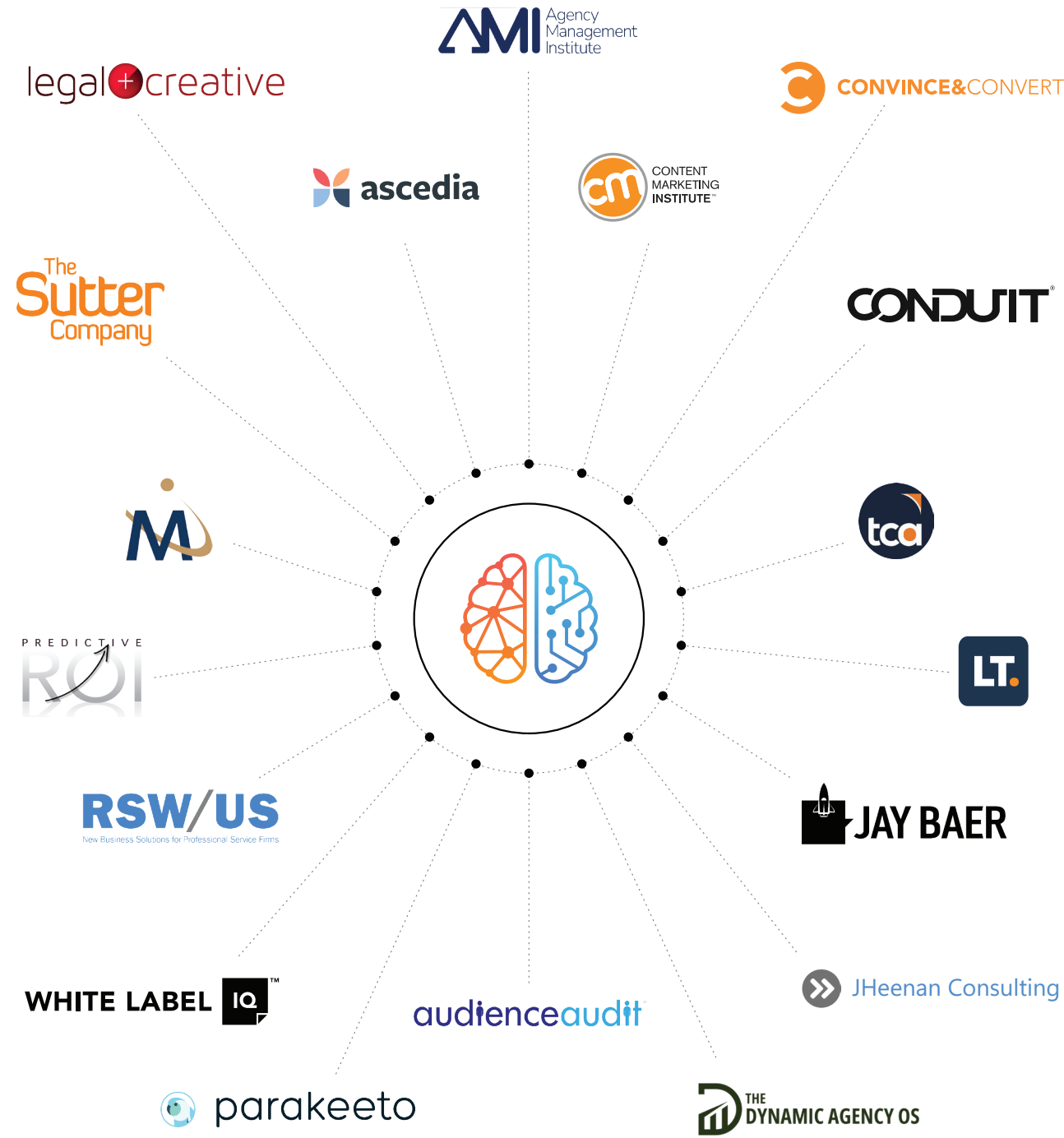


This research wouldn't exist without the organizations and experts who helped distribute the survey, share the mission, and bring thoughtful, committed agency leaders into the fold.

Whether you're a consultancy, platform, peer group, or educator—you helped make this the largest, most honest agency data set of its kind.

We are deeply grateful.

Our Distribution Partners



If you're interested in helping shape future studies—or sharing this data with your community—connect with us at AgencyCore.org.

No selling. No strings. Just research that helps agencies rise, together.

From Your Friends at

WHITE LABEL IQ & AUDIENCE AUDIT

We know what it's like to carry the weight of an agency—decisions, deadlines, clients, your team's well-being—while still trying to move forward.

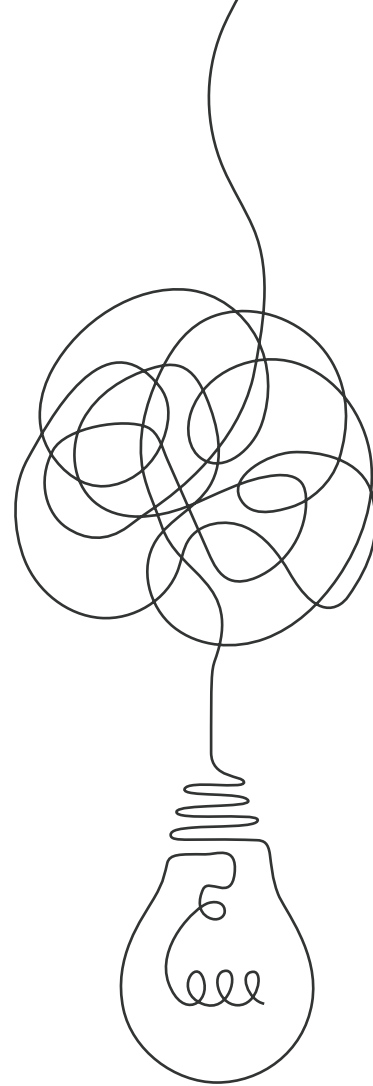
We've been in the agency trenches for years—serving clients, building teams, and facing your challenges. But one thing we always wished we had more of? Real data. Insight from agencies like ours.

That's why we co-founded Agency Core, alongside our friends at Audience Audit.

Because the research that most agencies get?
It doesn't reflect *your* world. **This does.**

We printed this Executive Summary so you could have something real to read, use, and share with your team. You don't need to believe what we believe. But if it helps you lead a little better, it's done its job.

Thanks for doing the work.
You're doing better than you think :)



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778 Agencies. 5 Mindsets. 1 Shared Reality.

Behind every trend is a tough decision.
Behind every challenge is a leader
trying to rise above it.

This report doesn't sell solutions.
It shares what agency leaders are
seeing, feeling, and doing in 2025—
with honesty, vulnerability, and clarity.

Whether you're finding your niche,
fighting for talent, or just trying to keep up,
the data is *here*.



AgencyCore

Free, ungated research by and for agency leaders.
Read it. Share it. Be a part of it.
AgencyCore.org