



AgencyCoreTM

AGENCY CORE 2025

RESEARCH RESULTS WEBINAR

THE 2025 STUDY

Online survey fielded in November and December 2024 and published in 2025.

Originally fielded in November and December 2021 and published in 2022.

Survey invitations were distributed by 16 agency-serving distribution partners.

Respondents are anonymous.

778 agency respondents participated.

Minimum margin of error is +/- 3.4 percentage points at a 95% confidence level.

Insight
#1

**AGENCY LEADER SEGMENTS BASED ON
ATTITUDES, NOT CHARACTERISTICS.**

MINDSETS FOUND IN 2022 PERSIST



April

TWO SEGMENTS ARE DOING WELL



SEGMENT 1: THOUGHT LEADERS

Benefiting from a reputation based on expertise and differentiation in a defined niche.

- Prioritize agency marketing and thought leadership
- Don't just say they're experts — others say they are
- Confident in their positioning

More have a reputation as experts than in the 2022 results.

They have fewer challenges than all other segments.

SEGMENT 5: LOYALTY BUILDERS

Using strategic, formalized initiatives to retain clients and grow profitability

- Have a deep understanding of what puts clients at risk of defection
- Consistently demonstrate ROI to clients
- Have a reputation for excellence in their niche
- Build intentional processes to increase client spending YoY
- Are adept at adapting to change

They have fewer challenges than anyone besides Thought Leaders. They are the only segment to have significantly increased in size since 2022.

THREE SEGMENTS ARE STRUGGLING



April



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SEGMENT 2: STAFFING STRUGGLERS

Struggling with hiring and retaining talent.

- Can't get the qualified employees they need
- Losing employees to agencies that pay more
- Salary levels are their greatest challenge

SEGMENT 3: CHANGE SEEKERS

Feeling pressure from market shifts, new technologies, and client demands.

- Say big changes are needed for their agency
- Finding and keeping clients is harder than ever
- Feel clients don't want to prioritize or pay for strategy work

Struggle far more than other agencies to maintain a robust pipeline of right-fit prospects and to retain existing clients.

SEGMENT 4: COBBLERS' KIDS

Neglecting their own marketing, despite understanding its importance.

- Fail to prioritize agency marketing efforts like those of a client
- Say their marketing efforts are haphazard

They report high levels of client loyalty but struggle to attract engaged prospects who are ready to convert.

MINDSETS: IMPLICATIONS

Success factors in agencies doing well:

- A defined niche highlighted in their marketing
- Consistent efforts to share thought leadership for their niche
- A reputation for expertise in their niche
- Proactive efforts to understand and build loyalty with clients

Issues in agencies struggling:

- Not prioritizing agency marketing
- Lack of reputation attracting qualified employees and ideal clients
- Not earning strategic work with clients
- Not commanding fees sufficient to fund operations

Insight
#2

AGENCY OPTIMISM HAS CRATERED.

ALL AGENCY SEGMENTS, TYPES, AND SIZES ARE AFFECTED

Strongly Optimistic

2022

Strongly Optimistic

2025

2023



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PESSIMISM: IMPLICATIONS

Many agency leaders feel discouraged and lack optimism

- How can they find optimism based on real opportunities?
- How can successful owners share success factors?
- How can agency providers offer advice and support?

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#3

AGENCIES SEE BIG CHANGE COMING.

LEADERS SEE CHANGE AS ESSENTIAL



LEADERS AREN'T WAITING TO RESPOND

- While many say agencies will always be essential, most believe agencies will play a different role in the years ahead.
- Many are worried about the unknown, responding (and adding) to a widespread industry feeling of uncertainty.
- 87% are actively changing processes and operations to adapt.

CHANGE: IMPLICATIONS

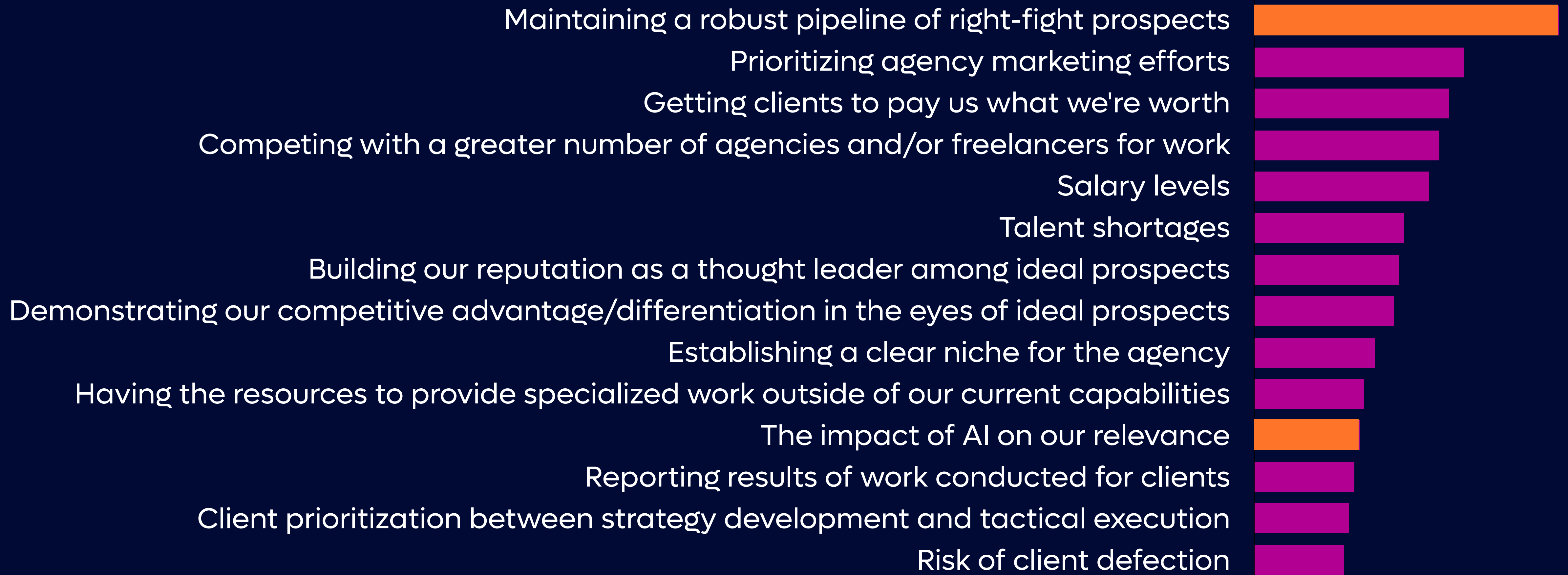
Agency leaders know change is required, and are actively working to prepare.

- How can they successfully navigate change with their teams, clients, and new business efforts?
- How can successful agencies share positive, practical examples of effective change?
- How can agency providers offer support?

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#4

PIPELINE IS THE PROBLEM. NOT AI.

% RATING AS A SEVERE CHALLENGE



"FINDING NEW CLIENTS IS HARDER THAN EVER."



2023



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THE TRUST-PIPELINE CONNECTION

- Agencies need to build trust with prospects to build their pipeline.
- Buyers are typically 70% through their decision process before engaging.
- Agencies have to build trust earlier.
- Building trust with prospects depends on consistently providing helpful content, demonstrating expertise, and being cited by other trusted resources.

PIPELINE: IMPLICATIONS

Agencies need to build resilient prospect pipelines

- Consistent agency marketing efforts around niche and expertise
- Thought leadership to build visibility and trust with prospects
- Intentional engagement efforts with other trusted experts for their niche

Insight
#5

**AI PRESENTS A DIFFERENTIATION
OPPORTUNITY FOR SMART AGENCIES.**

THE AI OPPORTUNITY

- The 2025 Agency Edge research with agency clients reveals that few want to replace their agencies with AI.
- Instead, most clients want their agencies to be AI experts and guides.
- A reputation for AI expertise is a valuable differentiator.
- Transparency with clients about the use of AI is key to building trust in agencies.

AI: IMPLICATIONS

- Embrace AI and communicate transparently with clients
- Aggressively pursue reputation as AI marketing expert
- Develop resources (free and paid) to help clients learn and navigate responsible AI use
- Build AI case studies

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