

**Agency Leaders See the Path.**

**Now Walk It!**



**The Agency Core 2026 Research Report**

*Dear fellow agency leaders,*

This is our third year of this research. That's long enough to see patterns. Long enough to separate the things that panic the industry for a quarter from the things that quietly shape it for a decade.

2022 was rebuilding. 2025 was cratering. 2026 is something else—something most reports haven't figured out how to talk about.

The fog has lifted. Agency leaders can see the path forward more clearly than at any point in the last three years. We have the data to prove it.

We also have the data to prove most of you still aren't walking it.

That gap—between what agency leaders know works and what agency leaders actually do—is the story of this year's report. It's uncomfortable. It's universal. And it's the single most important thing we've found across three years of studying this industry.

This year, we also heard from the other side of the table. 400 clients told us what they actually want from agencies. You'll want to pay attention.

*Read it. Share it. Push back on it. Do something with it.*

Thank you for participating. Thank you for trusting us.  
Thank you for the work.



**Brian Gerstner,**  
Co-founder, Agency Core



**Susan Baier,**  
Co-founder, Agency Core

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# How This Study Was Conducted

Every number in this report comes from agency leaders telling us— anonymously, honestly—how they’re running their agencies in 2026. Here’s what the data covers, how it was gathered, and how to read the numbers you’re about to see.



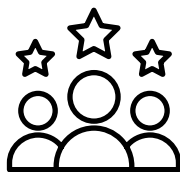
**579**

Agency Leaders



**50+**

Questions



**3**

Mindsets

Of 579 who entered the survey, 277 completed every question. 415 responses are used in the data visualization. Margin of error: ±5.9 percentage points at 95% confidence on complete responses.

# Who Participated

**66%**



of respondents were agency owners.

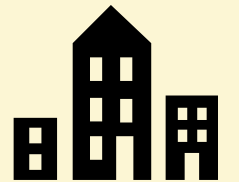
**22%**



held other senior leadership roles.

**Under 10 to 100+**

employees—agency sizes across the spectrum.



## THE COMPANION STUDY

This year we also heard from the people who buy agency services. 400 client-side decision-makers told us what they actually want, what they think agencies are getting wrong, and what would make them stay—or walk.

That study is called Agency Edge. Its findings flip the lens in Act 4, starting on page 42.

**In 2022**, agencies were rebuilding.  
**In 2025**, optimism cratered.  
**In 2026**, the path is clear.



**And Yet,**

The distance between **knowing** and **doing** is what separates the agencies pulling ahead from the ones falling behind.

# The Fog Lifted. The Inaction Didn't.

Something changed between 2025 and 2026.  
The problems are still the same, but their visibility is pronounced.

51% now strongly agree the market is changing dramatically—up from 35% just one year ago. 81% say they're still adapting their processes and operations to market forces, close to 86% in 2025.

Clarity has replaced panic.

That's the good news. The bad news is that clarity hasn't produced commitment. Agencies see the path. Most aren't walking it.

**This report is about why.**



## Year-over-year Sentiment

% strongly agreeing,  
2022 → 2025 → 2026



### Market Clarity Front

“The market is changing dramatically”  
45% → 35% → 51%

**+16%**



### Operational Adaptation Front

“Actively adapting processes”  
- → 86% → 81%

**-5%**



### The Big Changes Front

“My agency needs to make big changes”  
16% → 25% → 33%

**+8%**

*Seeing it. Not doing it.*

*The storm cloud hasn't moved in three years.*

# Fourteen Challenges. And the One That Won't Go Away.

We asked agency leaders to rank the severity of 14 challenges facing their business. Ranking for some of the pressing challenges is on the right. The story is what sits at the top.

For the third year in a row, **prospect pipeline is the #1 pressing challenge**—cited by 67% of agencies. It was #1 in 2022. It was #1 in 2025. It's #1 now.

Meanwhile, **AI anxiety more than doubled in one year**—from 20% calling it a severe threat to 46%. The newest challenge is surging. The oldest one won't die.

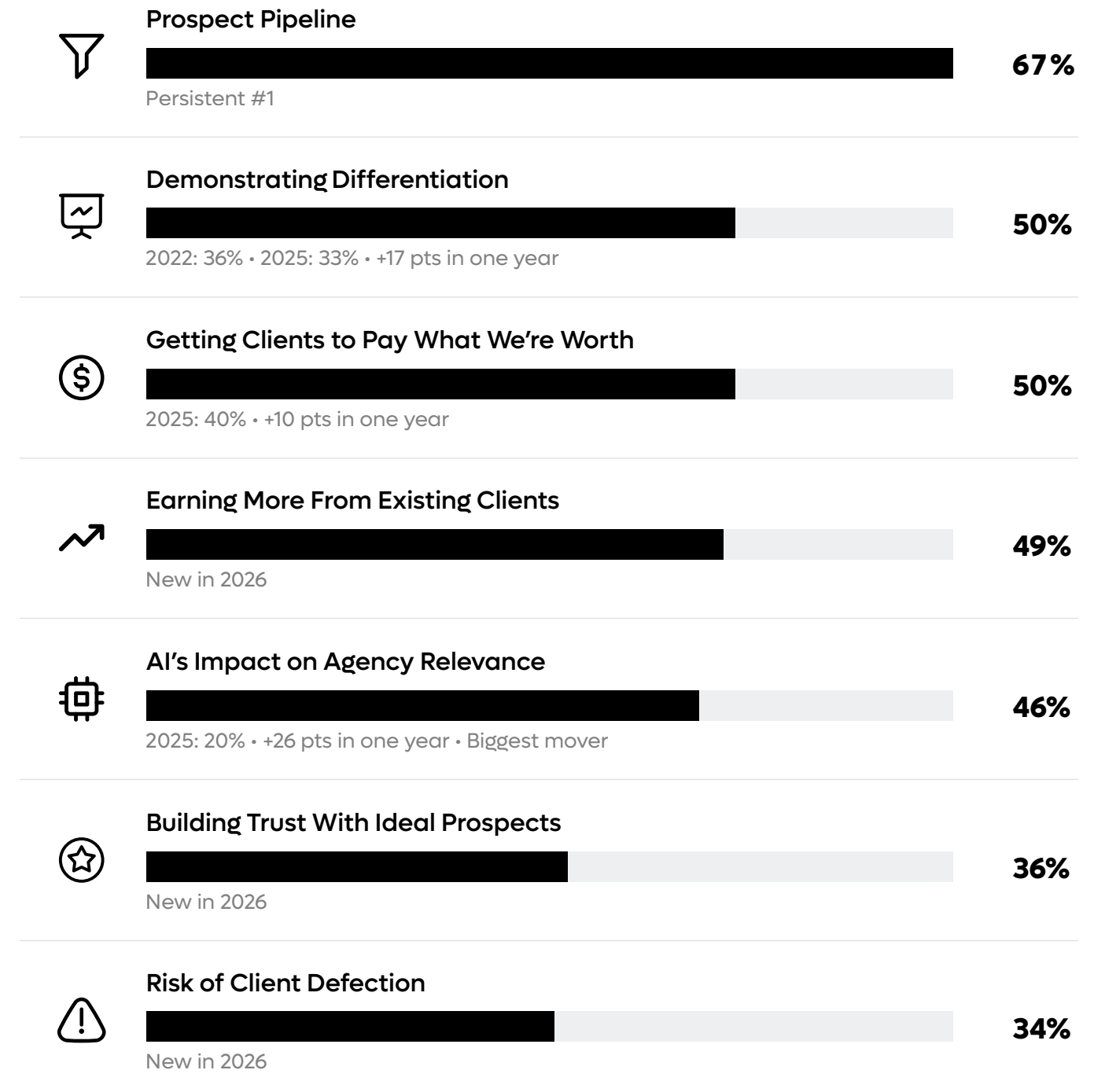
## What's surging—one-year change



The top of the list hasn't changed in three years. That should tell you something.

## % Citing as a Pressing Challenge

The seven challenges named by agency leaders in 2026, ranked by share citing. Source: Agency Core 2026 (n = 415).



# The Scaffolding Was Supposed To Be Temporary.

Crises get attention. Chronic conditions get normalized. That's the danger here.

In 2022, pipeline was the top pressing challenge.  
In 2025, the top challenge again.  
In 2026, same.

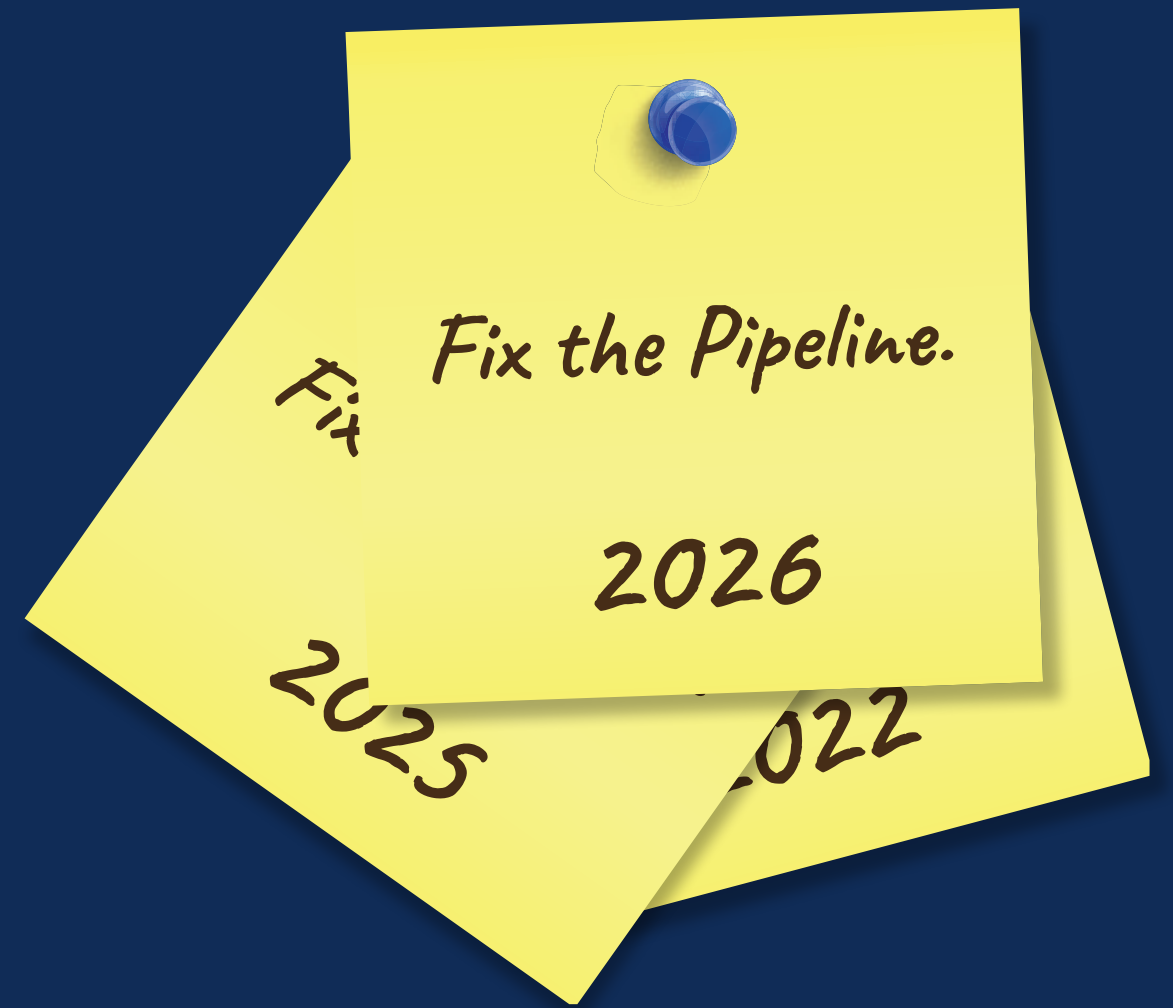
Three years.  
Same problem. Same ranking. Same percentage, give or take a point.

**Agencies aren't solving this. They're getting used to it.**

**67%** of agencies call prospect pipeline a pressing challenge in 2026.

**84%** among AI-Opportunity Embracers—the highest of any segment.

*The most dangerous problems are the ones you stop trying to solve.*





*Our greatest competitor is usually the decision to do nothing.*



## The AI Concern

2025 - 20%



## The fastest-moving challenge in the study.

2026 - 46%



No other challenge item moved this fast. Not even close. AI went from a boutique concern to a **top-five** industry threat in *twelve* months.

**It's the loudest thing happening in the industry right now.**

And here's the paradox: the segment with the worst pipeline (84%) and the lowest execution rates on the fundamentals is also the most aggressive in embracing AI. Sprinting towards AI may not help them outrun their fundamental weaknesses.

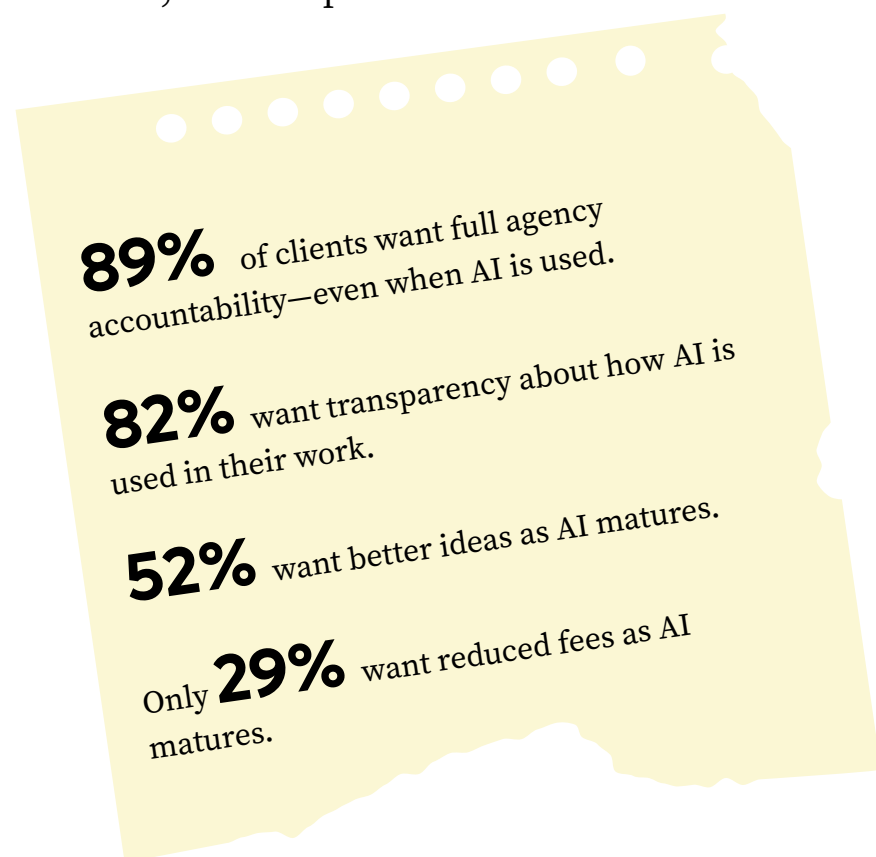
*"We're iterating on AI workflows while our discovery calls are at a three-year low. I'm starting to wonder which one is actually urgent."*



# They Don't Want Cheaper. They Want Better.

Agency Management Institute and Audience Audit asked 400 client-side decision-makers what they actually want from agencies using AI. The answers were remarkably consistent.

They want accountability. They want transparency. They don't want reduced fees. They don't want AI-generated outputs dressed up as strategy. They want the human thinking they were already paying for, and they want it to be better because AI exists, not cheaper.



// A lot of our development teams are artists themselves who value the human touch. When our agency leans into AI to cut corners, we notice. When they lean into AI to think more clearly, we notice that too. //

## WHAT CLIENTS WANT

Better ideas (**52%**)

Transparent AI use (**82%**)

Full accountability (**89%**)

Strategic thinking (**74%**)

## WHAT CLIENTS DON'T WANT

Reduced fees (**only 29% prioritize**)

AI-generated outputs as strategy

Efficiency-first relationships

Service-factory treatment

Clients aren't replacing agencies with AI. They're replacing the agencies that act like AI could.



**Agency leaders  
know exactly  
what works,  
but...**

**Knowing and doing are  
two different things.**



## WHY AGENCIES AREN'T EXECUTING

# We Asked, Why?

We asked agency leaders to tell us—in their own words—why they aren't executing the strategies they themselves identified as most important to their success.

The answers were remarkably consistent.

Different cities.  
Different sizes.  
Different segments.

## Same words.



Every quote on this page is from a different respondent. No names. No agency identifiers. Just the words of agency leaders telling us why the path they know is the path they haven't walked.

## THREE-YEAR TRAJECTORY - ALL RESPONDENTS

# More Worried. Equally Uncommitted.

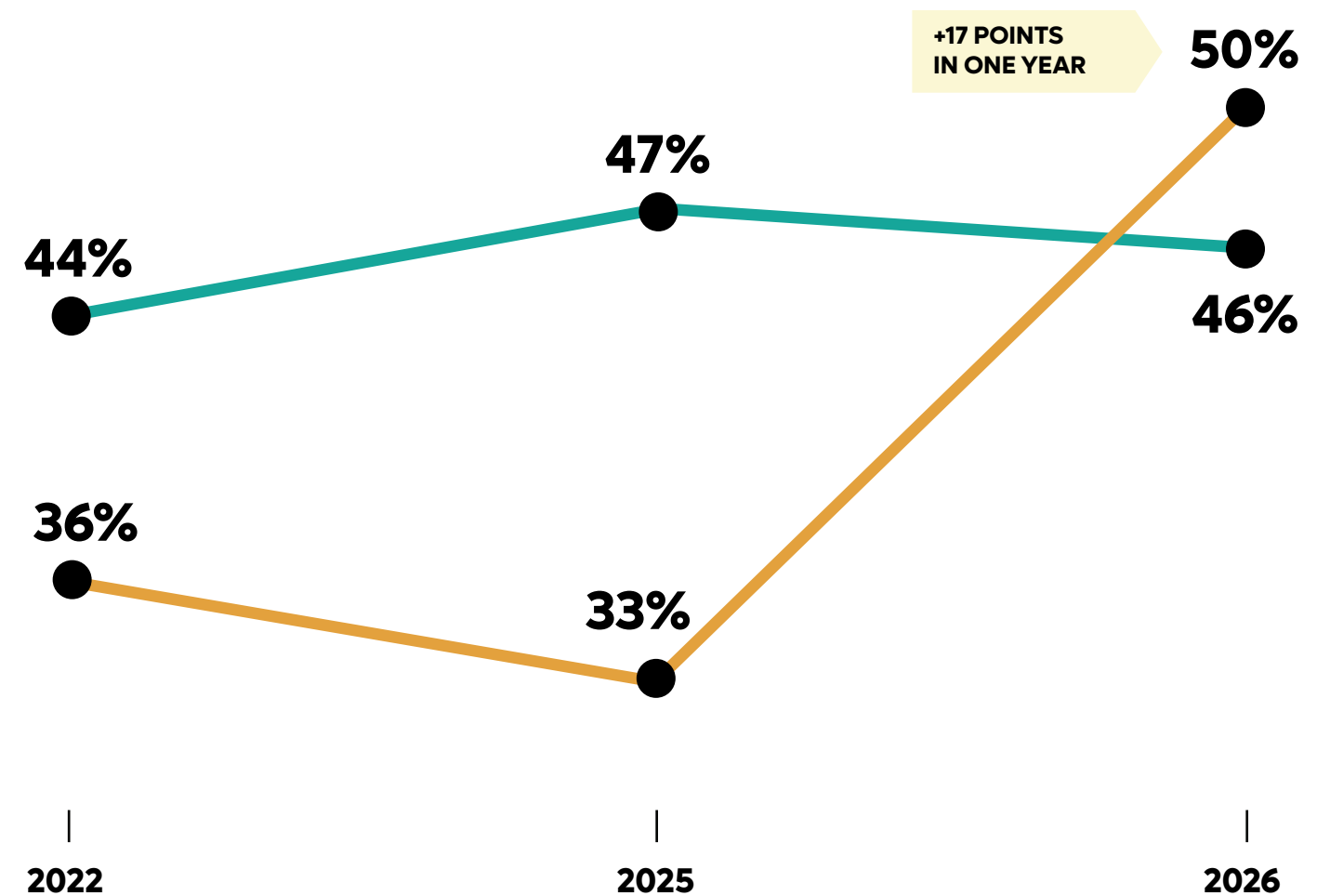
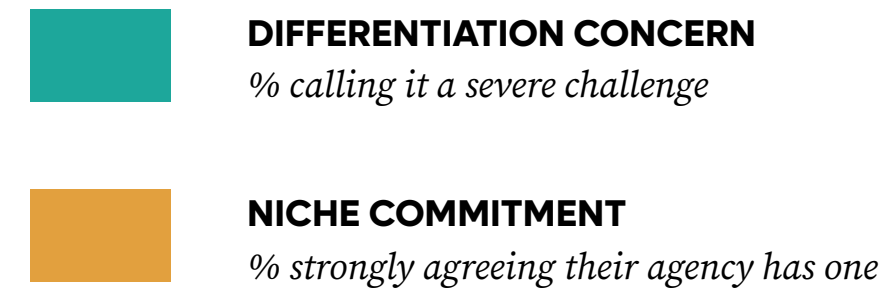
Three years of data. Two lines. One of them climbs—fast, and sharply in the last year. The other doesn't move.

The line that's climbing is the number of agencies who say differentiation is a challenge. **36%** in 2022. **33%** in 2025. **50%** in 2026. A sixteen-point jump in twelve months. Worry is trending up.

The line that isn't moving is the number of agencies strongly committed to a niche position in their marketing efforts. **44%** in 2022. **47%** in 2025. **46%** in 2026. Three years. A full percentage point of movement, in either direction, depending on how you measure it.

**Concern is rising. Action is flat.**

*The two lines on the right aren't a chart.  
They're a diagnosis.*



Source: Agency Audit 2022, Agency Core 2025 & 2026 Studies · All Respondents

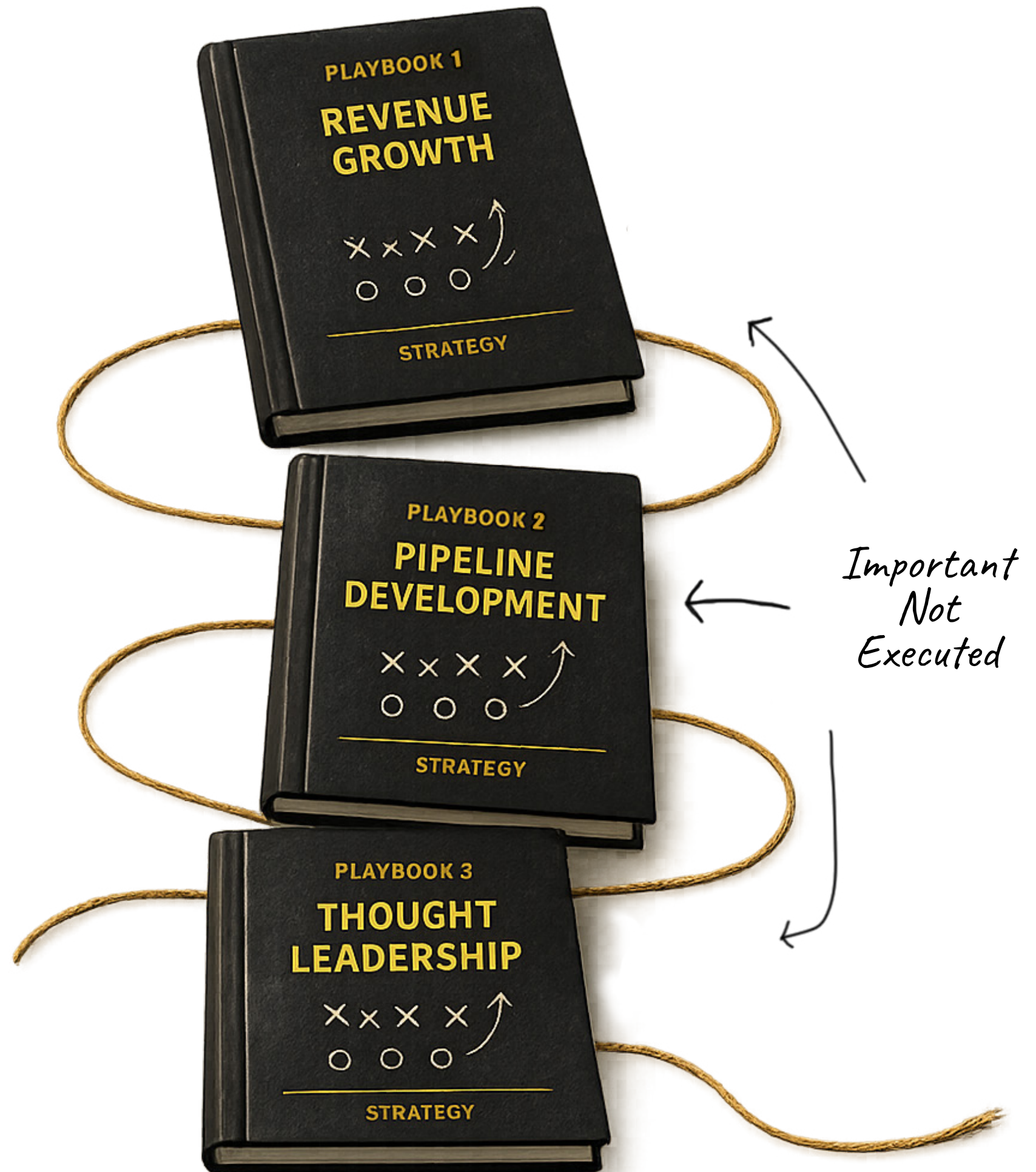
# ONE IN SEVEN

fully executing their own strategy across the three areas they call most important.

% of agencies say they execute completely.

Revenue Growth	Pipeline Development	Thought Leadership
14%	16%	15%

*“We know them. It’s a lack of personnel, resources, and organizational will to implement them.”*



# Three Mindsets. Three Realities. One Industry.

Not all agencies are experiencing 2026 the same way. The data revealed three distinct mindsets—each with its own relationship to the gap, its own diagnosis of the problem, its own sense of what comes next.

These aren't agency sizes. These aren't specialties. These aren't geographies. They're how agency leaders think about the world right now.

You're probably one of them. Let's meet all three.



## CONFIDENT DIFFERENTIATORS

35%

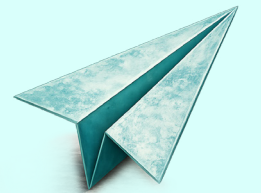
**Committed. Niche-focused. Executing.**  
70% have committed to a niche.  
The rest are still trying to be everything.



## AI-OPPORTUNITY EMBRACERS

33%

**Struggling. Future-focused. Running fast.**  
80% say their clients expect them to lead on AI. 11% have built the trust to do it.



## PRESSURED & UNCERTAIN

32%

**Aware. Overwhelmed. Paralyzed.**  
I see the need for sweeping changes. I just can't figure out where to start.



CONFIDENT DIFFERENTIATORS - 35% OF RESPONDENTS

# Committed. Niche-focused. Executing.

These are the agencies pulling ahead. Not because they're smarter.  
**Because they're committed.**



We stopped  
trying to be  
everything.  
That's when  
everything  
changed.

# They Don't Just Differentiate. THEY COMMIT.

Confident Differentiators aren't the biggest agencies. They aren't the oldest. They aren't in the best cities. They have one thing most of the industry doesn't: **a decision they've committed to.**

They picked a niche. They've strongly committed to marketing about it. They market through busy seasons and slow seasons. They build trust with prospects months before any pitch happens. They incorporate strategy into every engagement—even the tactical ones.



## NICHE

Clearly defined who they serve and why they're different.

**70%** strongly agree their niche is locked in.



## TRUST

Build trust with prospects **BEFORE** first contact.

**48%** say they do this consistently—4-6 times the percentage of other segments.



## CONSISTENCY

Market through busy seasons. Don't stop when client work picks up.

Thought leadership is a habit, not a project.

## Where Confident Differentiators Pull Ahead

% strongly agreeing — 2026, by segment

■ Confident Differentiators
 ■ AI-Opportunity Embracers
 ■ Pressured & Uncertain



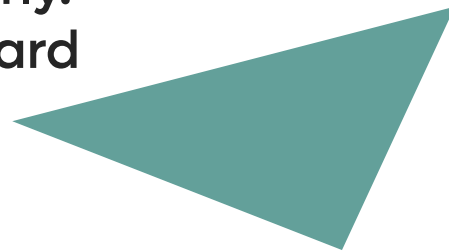
**48%**

of Confident Differentiators build trust before first contact—vs. 8% of Pressured & Uncertain & 11% of AI-Opportunity Embracers. The gap that defines the industry.

# All Signal. No Structure.



They're struggling, but not giving up.  
They see the future clearly.  
They're moving fast toward an AI future.



The fact that we're still on the billable hour?

Margin expansion on productized outcomes is the only way to prevent agencies from circling the drain.

# They Saw the Wave. They Forgot to Build the Boat.

AI-Opportunity Embracers are the segment most enthusiastic about AI adoption. **80%** say their clients expect them to lead on AI—twice the rate of any other segment.

They're experimenting.  
They're building prompt libraries.  
They're restructuring their service menus around AI-enabled deliverables.

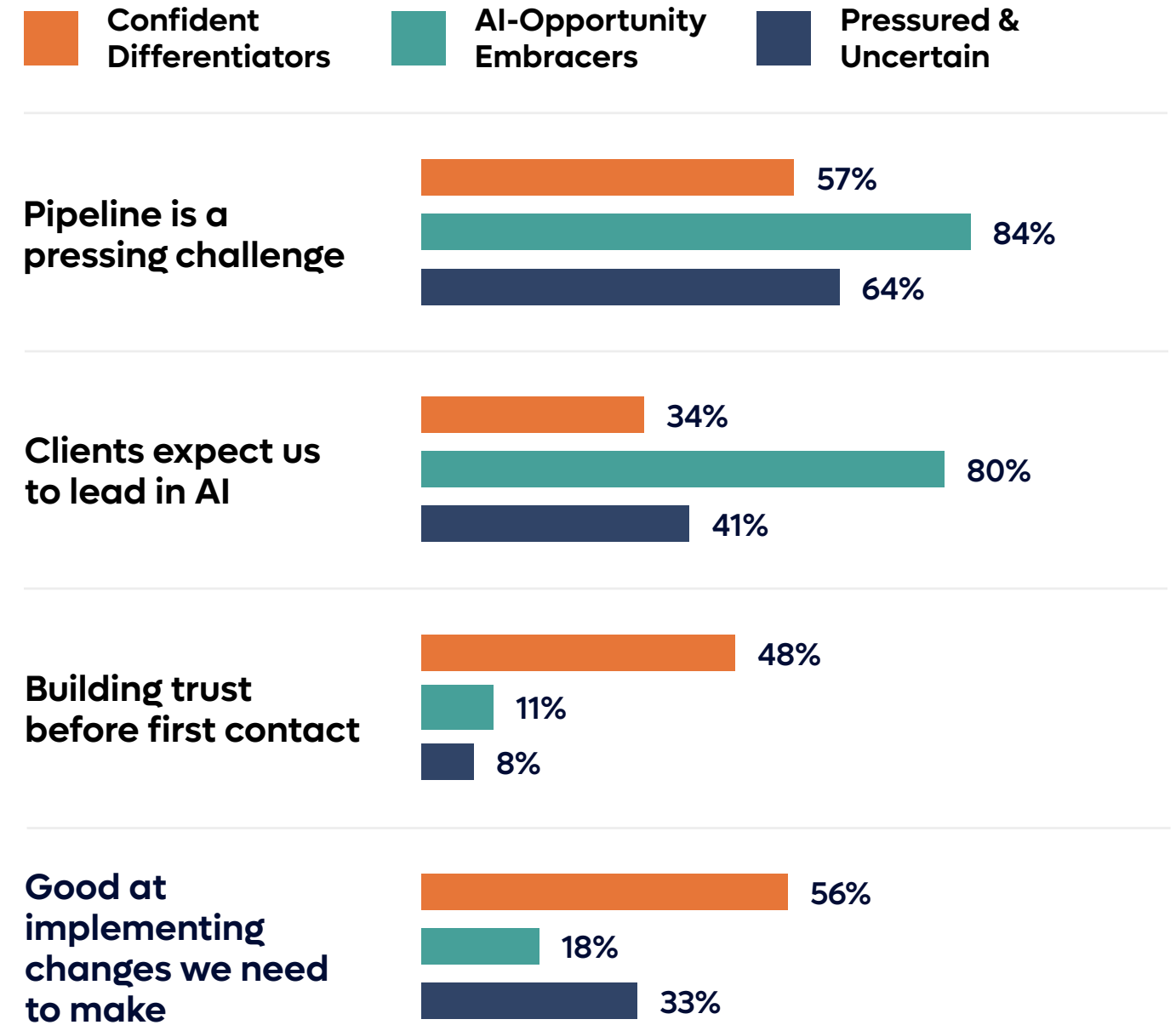
They're also the segment with the *worst* pipeline.

**84%** cite prospect pipeline as a pressing challenge—the highest rate of any segment in the study. They have the lowest rates of trust-building before first contact. They're second-lowest on consistent marketing.

*The paradox lives here.*  
**The segment most energized about the future has the most neglected present.**

## The AI-Opportunity Embracers Paradox

% strongly agreeing — 2026, by segment



**84%** of AI-Opportunity Embracers cite pipeline as a pressing challenge—the highest rate in the study.

THE PRESSURED & UNCERTAIN - 32% OF RESPONDENTS

# Seeing Everything. Starting Nothing.

They see the market shifting. They see the AI wave. They see what their competitors are doing. They see exactly what they should be doing.



**And they can't move.**



I see the need for **sweeping changes,** which is **overwhelming.**

I need help identifying the handful of small, achievable changes I can make quickly.

# Overwhelm Doesn't Need a Bigger Plan.

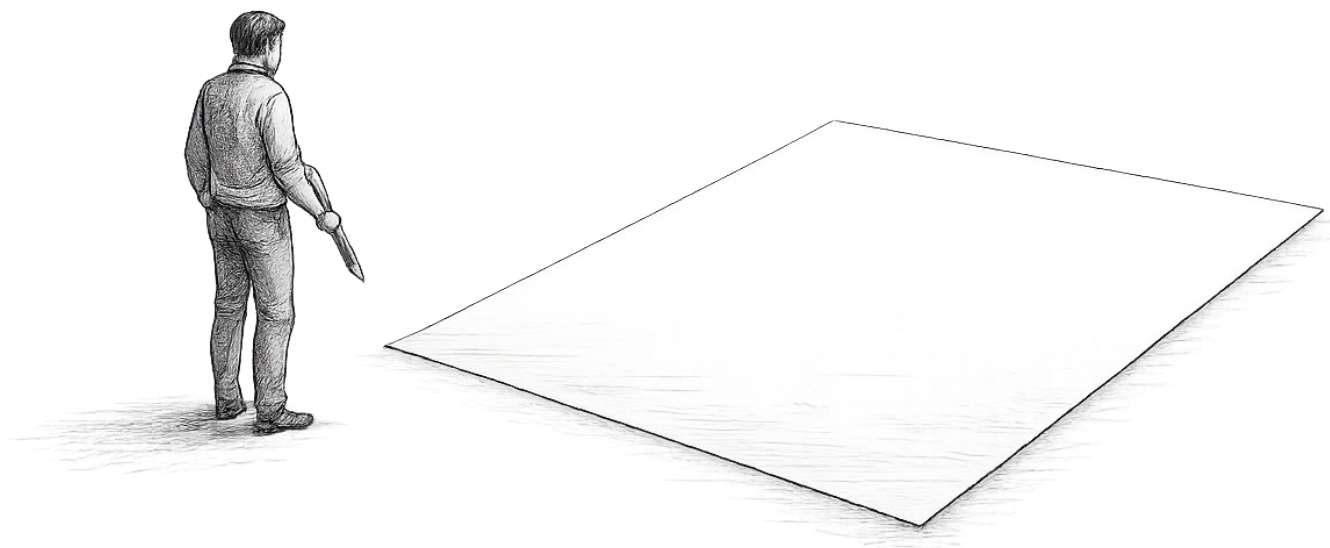
Pressured & Uncertain agencies are the most likely to say the market is changing dramatically. They're the most worried about AI's impact on their relevance. They're the most pessimistic about what comes next.

**They're also the least likely to have done anything about it.**

Only 8% build trust with prospects before first contact. Only 1 in 4 execute even partially on any single strategy area. Some are even considering exiting the industry.

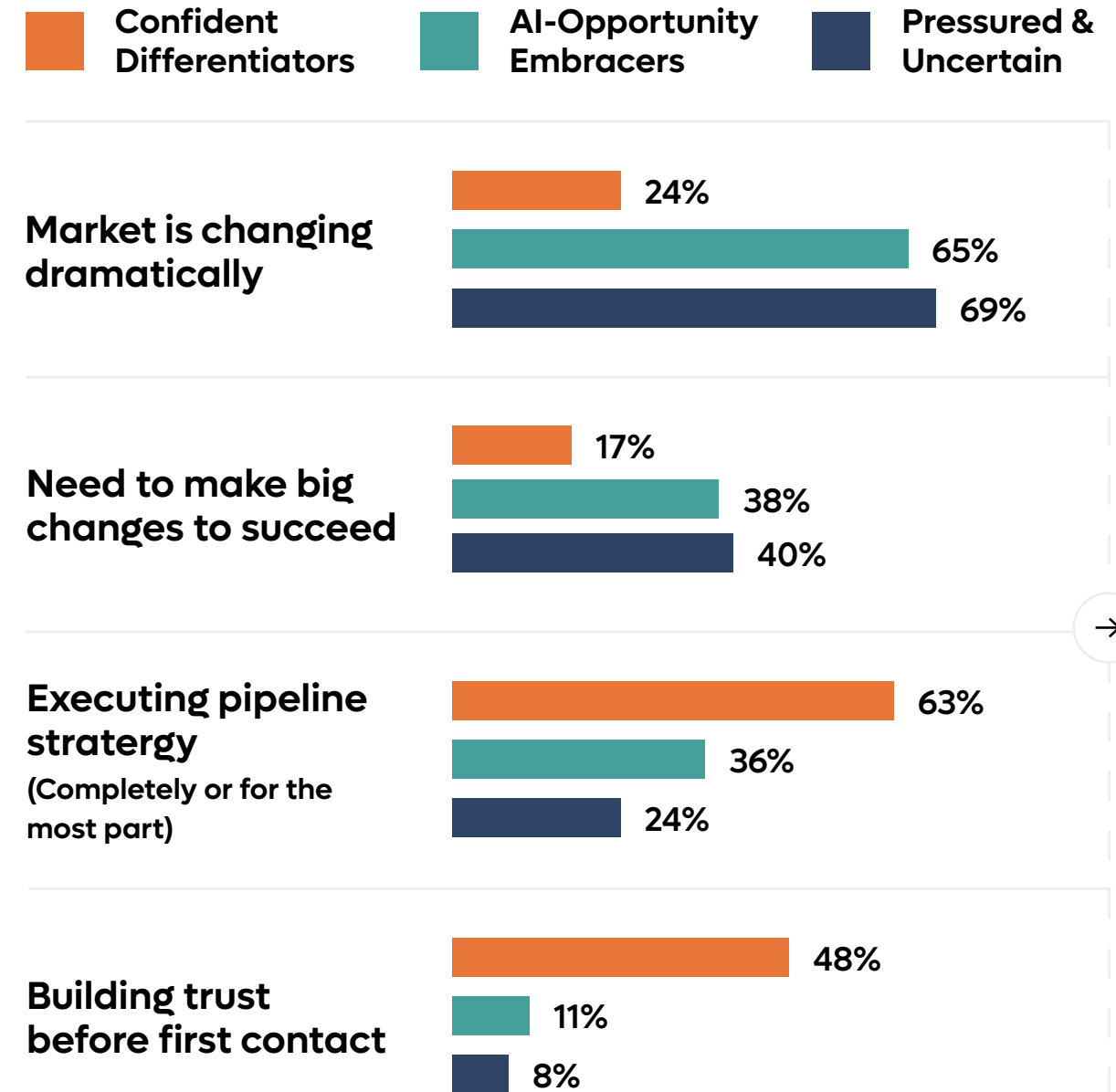
The pattern here isn't laziness. It's overwhelm. And overwhelm responds to the wrong intervention. It doesn't need a bigger plan.

**It needs a smaller first step.**



## The Gap is Everywhere

% strongly agreeing or executing — 2026, by segment. Pressured & Uncertain values highlighted.



The data isn't a verdict. It's a starting line.

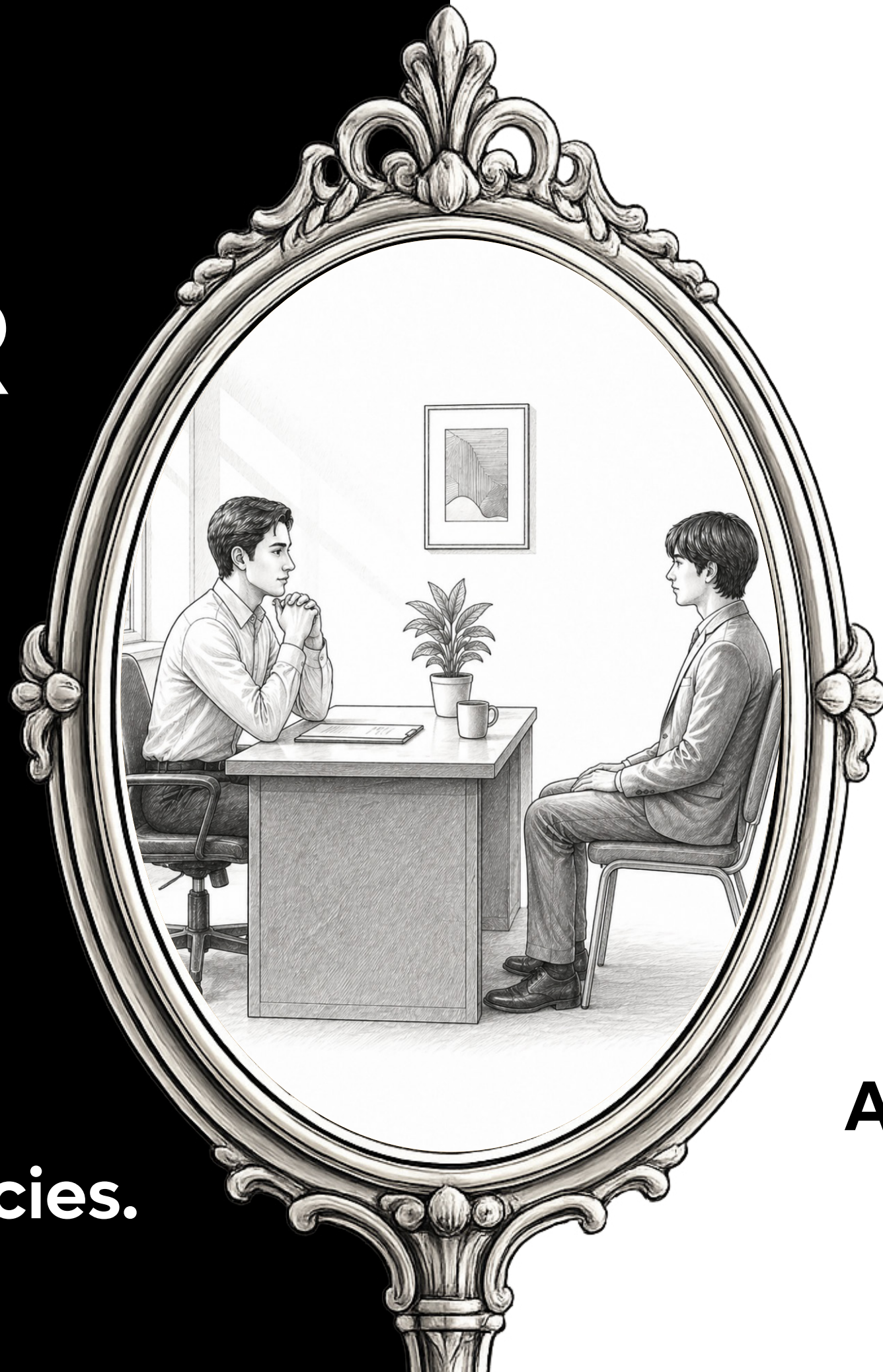
**8%**

of Pressured & Uncertain agencies build trust before first contact. The ceiling of the chasm.

# THE MIRROR

Agency Edge 2026 Research  
Companion Study to Agency Core

by  
Agency Management Institute &  
Audience Audit



**We've been  
looking at agencies.**

**And Agency Edge  
at their clients.**



# 92%

**of clients say agencies increase their likelihood of success.**

---

## 75%

say they expect their agencies to help evolve their brand story for an AI-driven world.

## 62%

say agencies need to be AI experts.

---

The market hasn't given up on agencies.  
It's raised the bar.



*The conversation they were having.*









*I feel like agencies understand perfectly, however they tend to do what suits them best.*

SAME RESTAURANT

AGENCY & CO.

# WHAT CLIENTS ORDER

	Strategic advisor mindset .....	<b>74%</b>
	Transparency about AI use .....	<b>82%</b>
	Niche gives agencies an advantage .....	<b>67%</b>
	Marketing that strongly differentiates them .....	<b>82%</b>
	Effective AI use .....	<b>70%</b>
	Conference speaking to demonstrate true agency expertise .....	<b>61%</b>






“We feel like agencies understand perfectly.”

DIFFERENT MEALS

AGENCY & CO.

# WHAT AGENCIES COOK

*~ now serving ~*

	Always incorporate strategic services .....	<b>43%</b>
	Are completely transparent about AI use .....	<b>25%</b>
	Have strongly committed to a niche in their marketing .....	<b>46%</b>
	Say their own marketing strongly differentiates their agency .....	<b>35%</b>
	Believe AI strategy is a deciding factor in agency selection .....	<b>43%</b>
	Believe conference speaking is a trust signal for clients .....	<b>23%</b>

“They just tend to do what suits them best.”



# Remove This Piece. The Whole Thing Falls.

We asked you a simple question: can the specialized expertise your agency provides be replicated by an internal team?

**73% said no.** Not 'mostly not.' Not 'it would be hard.' No.

Specialization isn't a nice-to-have positioning choice. It's the thing clients can't replicate. It's the reason the relationship exists. Take it away, and the agency becomes a vendor. Vendors get replaced. Specialists get kept.

**73%** of agencies say specialized expertise cannot be easily replicated internally by clients.



# Four Lines. That's It! The **Whole Playbook.**

---

Commit to a **niche.**

---

Build **trust** before first contact.

---

Invest in **thought leadership.**

---

Execute **consistently.**

This is what Confident Differentiators do.  
Not complicated. Just committed.

The answer was never a secret.  
The question was always whether you'd commit to it.

THE CLOSE

# You Already Know.



This report didn't reveal a mystery.  
It confirmed what you already felt.

The path is visible. The data supports it. The agencies walking  
it are pulling ahead. The ones waiting are falling behind.  
The market is more open than it has been in three years, and  
less patient.

You know the strategy areas that matter. You know what  
commitment looks like. You know what the agencies pulling  
ahead are doing differently.

*You probably even know which of the three mindsets you belong to.*

**The only remaining question is yours.**

# What are YOU waiting for?

# The data is here. The path is clear.

# Now Walk It.

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**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](https://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.

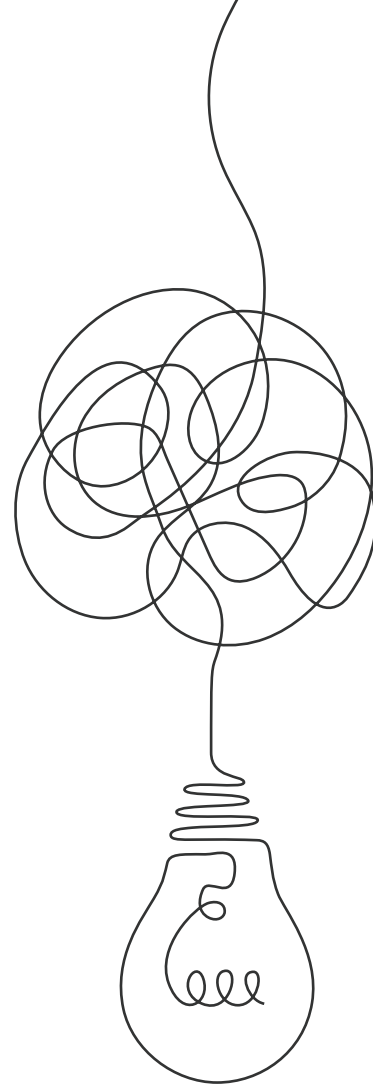
We've been in the agency trenches for years—serving clients, building teams, and facing your challenges. But one thing we always wished we had more of? Real data. Insight from agencies like ours.

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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# 579 Agencies. 3 Mindsets. One Gap That Explains Everything.

In 2022, agencies were rebuilding.

In 2025, optimism cratered.

In 2026, the distance between knowing and doing is what separates the agencies pulling ahead from the ones falling behind.

This report doesn't offer shortcuts.

It shares what agency leaders are seeing, believing, and choosing in 2026 — with honesty, clarity, and a challenge.

Hardly two in ten are running the strategy they already believe in.

The rest are waiting.

The path is clear. The data is *here*. **Now walk it.**



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