



# 2018 RSW/US

## NEW YEAR OUTLOOK REPORT

Agency and Marketer  
Perspective on the Business  
of Advertising & Marketing

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## INTRODUCTION

This study was commissioned by RSW/US. RSW/US is an outsourced lead generation/business development firm that exclusively services marketing service firms (of all sizes and types). RSW/US works with over 50 agencies across the U.S., operating as their outsourced sales and marketing team. RSW/US was founded in 2005.

In 2010, RSW started RSW/AgencySearch. To-date, RSW/AgencySearch has managed over 30 searches for marketers across a range of different categories, helping them find better agencies. The RSW/AgencySearch model is unique to the industry.

The exposure to the agency and the marketer world has armed RSW/US with perspective unmatched in the industry. This perspective is woven throughout this survey report.

To learn more about RSW/US, visit [www.rswus.com](http://www.rswus.com).

To learn more about RSW/AgencySearch, visit [www.rswagencysearch.com](http://www.rswagencysearch.com).

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## 2018 New Year Outlook Survey

The 2018 [RSW/US](#) New Year Outlook survey was completed by 145 senior level Marketers and 115 Marketing Agency executives during December, 2017.

The purpose of the survey was to glean insights relative to marketer and agency perspective as they each headed into 2018.

Topics explored included “biggest challenges facing marketing agencies” as seen through the eyes of marketers *and* agencies. Also probed were topics related to spending and investment expectations, the growth of specialty agencies, the importance of measuring ROI (which marketers and agencies don’t necessarily see eye-to-eye on), and the ever increasing importance of data and analytics.

Our hope is the key findings and implications from this study are of value as you kick your marketing and sales planning into gear for 2018.

The agency sample came from the RSW/AgencySearch database of over 5,000 marketing service companies in the U.S. and Canada ranging in size from under \$5M in capitalized billings to over \$100M. The disciplines of each Agency varied from full service advertising, to digital, to PR, to marketing consultancies.

The marketer sample came from our RSW/US database of 50,000 marketing decision maker contacts. Company size, location, and category varied.

If you would like to reproduce any of our findings in any format whatsoever, please give either Mark Sneider or Lee McKnight a call (513-559-3101/3111) or email us at [mark@rswus.com](mailto:mark@rswus.com) / [lee@rswus.com](mailto:lee@rswus.com).

## Biggest Challenges Facing

### Marketing Agencies

The marketing and advertising world continues to change at an unprecedented pace. The demands placed on marketers to prove out the value of their marketing plans...and the subsequent demands on agencies to deliver meaningful ROI, is growing.

Marketers suggest that effective measurement of ROI is one of the bigger issues/challenges likely to be facing agencies in 2018.

**Marketers** also cite “talent procurement”, “understanding their business”, and “differentiating from one another”, as being central challenges agencies will face as they roll into 2018

Demonstrating Technology Platforms Options Doing  
Channels Value Attribution ROI Able Agencies  
Media Clients Ideas Business Knowing  
Marketing Fully Differentiation Strategies Talent  
Integrated Trying

**Agencies** similarly feel that one of their biggest challenges in 2018 relates to finding good talent. In addition, agencies indicate that they are also concerned about the growing competitive nature of the marketing-agency landscape. They note there is a real concern about the growing shift of agency business moving in-house. And finally, one of the top concerns for agencies is their ability (or rather, inability) to keep up with technology, analytics, and effective ROI measurement.

Growth Qualitative Results Hiring Differentiation  
Demonstrating Finding Procurement Competition  
Able to Deliver Services Measurement Clients  
Margins Marketing Talent Agencies  
Opportunities Business Account Demand Driving  
Media Prospects Quality Tactical ROI

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## Biggest Challenges Facing Marketing Agencies

**Below are some of the comments MARKETERS offered when asked what they believe will prove to be the biggest challenge for marketing agencies in 2018.**

*All are written as posted by respondents.*

“Knowing your audience and providing measurable results to justify our investment”

“Retaining talent”

“Ability to demonstrate ROI from a multi-channel marketing effort”

“Clearly differentiating their message. Often there is nothing to indicate why their firm is different”

“Non-confidence in traditional marketing vehicles and over-confidence in digital marketing and social media”

“Keeping up with the fast pace of changing technology and the costs associated with it”

**Below are some of the comments AGENCIES offered when asked what they believe will prove to be the biggest challenge they will face in 2018.**

“Confusing positioning and marketplace crowding”

“The enormous surplus of digital agencies we’ve got to compete with”

“Finding quality talent across all departments”

“Tighter margins”

“Change of technology”

“Remaining relevant in an increasingly digital world”

“Measuring results”

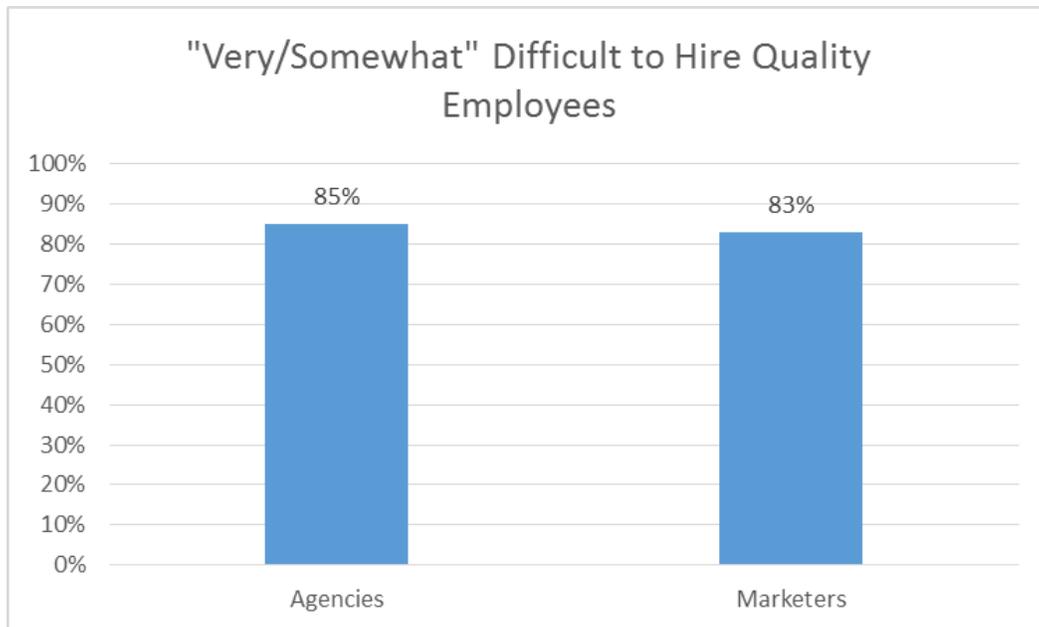
“Finding sales people”

*A full set of open-ended responses are presented in the Addendum to this report.*

## Biggest Challenges Facing Marketing Agencies

**Implications:** Agencies have the ability to address almost all of the concerns/challenges identified by marketers and by their own agency peers. The one challenge that is a bit tougher to control (for both agencies and marketers) is “finding good talent”.

Both agencies and marketers cite this as one of the top challenges likely to face agencies in 2018. Coincidentally, in a separate question, marketers also expressed similar concerns about their own business.



Finding good talent is no easy task, but one thing agencies and marketers can do to help themselves, is stay ahead of the need. By interviewing when you don't need talent, you can scope out the best of the best, put them through the proper rigors, and ultimately make a much more sound choice (versus a “rush to hire”). It may require you hiring a bit before the need is fully materialized, but at least you will know that you have some solid talent in-hand. And I'm guessing there's likely one or two in your company or your agency that might need to be replaced. So there you go...a replacement!

The other challenges noted by marketers that agencies are likely to face in 2018 can be satisfactorily addressed by agencies...it just requires a little work. Relative to measuring ROI, if you don't have the talents in-house, follow the lead of your marketing counterparts (as we'll see later), and find a specialty agency. Do it before they do and you're more likely to stay ahead of any of their concerns.

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## Biggest Challenges Facing Marketing Agencies

**Implications:** Agencies also have it within their power to take the time to get to know a marketer's business – both prior to an engagement and after the relationship begins. It is simply a matter of making the time to reach out with relevancy and continually study the market, the competition, and the client's business to make certain your agency knows as much about the client's business as they know themselves.

And relative to the issue of differentiation, again, well within the control of an agency. We work with 50 agencies across the U.S., operating as their outsourced lead generation/business development firm. Oftentimes when we walk into a relationship, agencies think they know what sets them apart – and oftentimes it's the same thing that many other agencies think is what sets them apart. Being strategic, smart, hard working are all good qualities, but they aren't the things that set firms apart.

Specific knowledge of and success within a sector, a unique talent specific to a platform, or unique sources for insights (as examples) can individually or collectively help set an agency apart.

The other important thing to remember is that the key for any positioning exercise (whether it's for your agency or for your client) is to stick with it. Too often agencies get bored with their positioning and decide they need to make a change. Or they get tired of waiting for a positioning to work, so they broaden their offering thinking they can catch more fish. Not true.

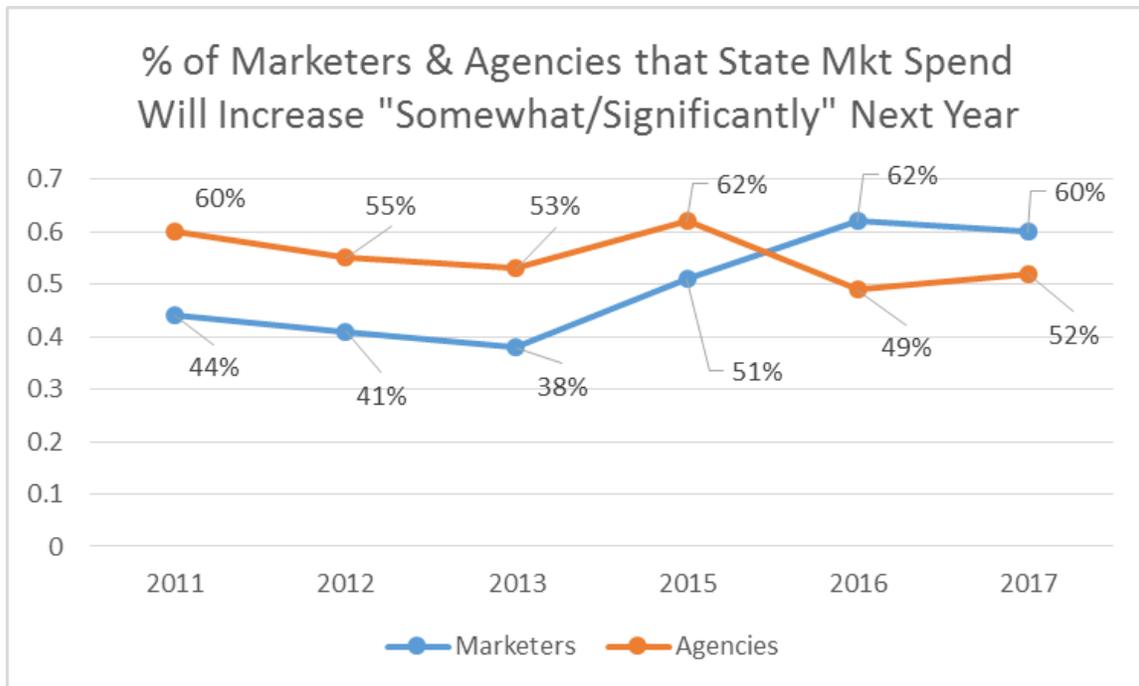
## Marketing Spending Trends and Business Investment

### Marketing Spending Expectations

For years, agencies have been much more enthusiastic about expectations for their clients' spending levels in the upcoming year than the enthusiasm expressed by their marketing clients.

As we dial back to 2011, and then move forward to 2015, marketing agencies were always much more positive than their marketing counterparts in terms of spending expectations for the coming year.

I suspect with 2008 and 2009 being incredibly challenging years for marketers and agencies, by the time 2011 rolled around, agencies started to feel more positive about the economy and the likelihood of their clients spending at higher levels the following year. Marketers, however, seemed to remain relatively tempered.



## Marketing Spending Trends and Business Investment

### Marketing Spending Expectations

I suspect what we started to see last year (in terms of agency enthusiasm waning) and what we're once again seeing this year is the effect of a few things:

- In-house agency shifts (67% of marketers in our last survey stated they do some of the work (once done by an agency) in-house).
- Shift to project work (56% of marketers state that 26%+ of the work they assign is project-based).
- Growing competitive nature of the agency world and difficulty in connecting with you, the marketer (69% of agencies state it's tougher to break through).

**Implications:** Agencies simply need to keep pushing it, but in a smarter, more strategic, and slightly different way. If more money is being spent in-house and fewer AOR opportunities exist, agencies need to re-calibrate their expectations and go about things differently.

Gone are the days of referrals and networking opportunities (we saw it in our [last survey](#)).

What do you need today?

1. **An organized plan for outreach.** Even living by inbound alone isn't a recipe for success. And yeah, sure, marketers will Google search for agencies, but that isn't how they select agencies. You need to make yourself heard. You need to get on their radar. You need to tell them why you're different.
2. **Different expectations.** If you are constantly depressed every time you hear the words "small starter project" that will not help your cause. You have to go into project opportunities, looking at them through a different lens. Look at them as if they are long-term investments. Is the brand big enough? Are there other opportunities in the company? Is this a project that I can use to truly shine?
3. **And the last thing is tenacity to keep the relationship going.** We had a former client whom we had successfully opened many winning doors. He won projects, but failed to look beyond the present opportunity. Not because he couldn't, but because he just didn't have the energy to do it. No energy? No agency.

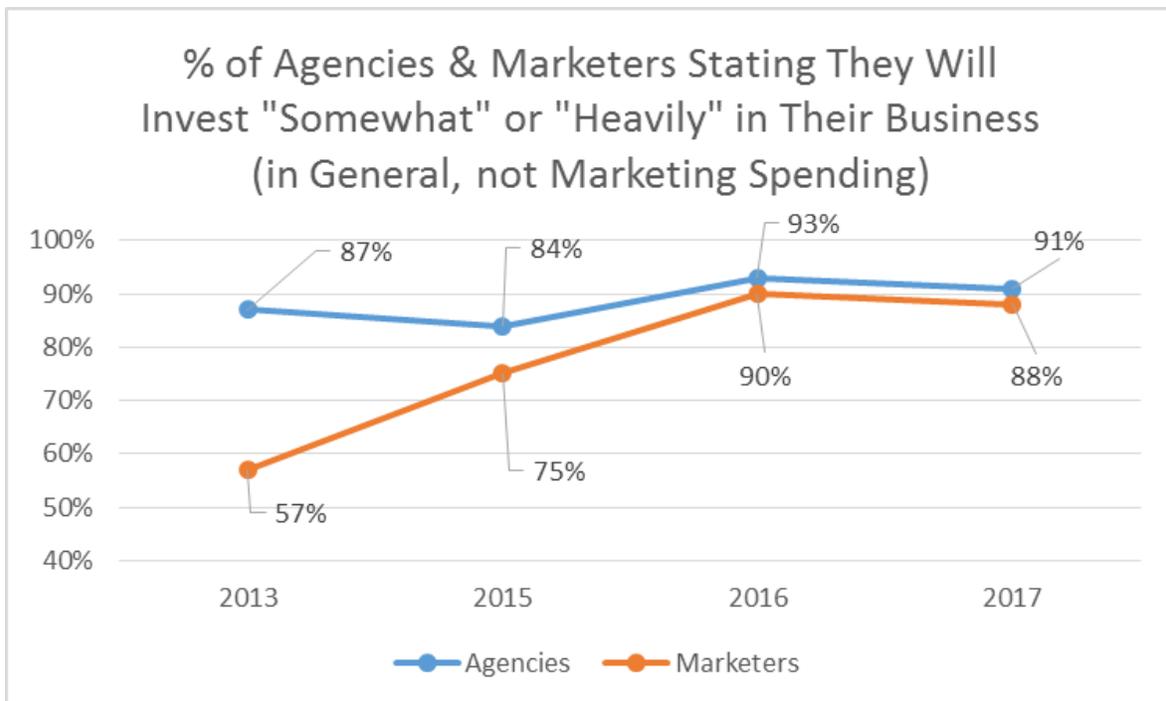
## Marketing Spending Trends and Business Investment

### Business Investment – Agencies and Marketers

Agencies and marketers are relatively bullish when it comes to their expectations for investment in their own businesses in 2018.

It's interesting how marketers and agencies have patterned over the years. In 2013 and 2014, far fewer marketers were as enthusiastic about investment as they are today. Likelihood was they were still a bit gun shy coming out of the recession and consequently their expectations for investment in their business and investment in marketing was somewhat suppressed.

Agencies, on the other hand started strong in 2013 (with 87% of agencies stating they will invest "Somewhat" or "Heavily" in their own business) and have never let up. One could surmise that it's a function of technology and talent survival. As the market got tighter for talent and more complicated with ever changing media and technology, agencies likely felt like they couldn't let up.



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## Marketing Spending Trends and Business Investment

### **Business Investment – Agencies and Marketers**

**Implications:** As ever, agencies will have to continue to invest to survive...but there is a way to minimize that investment: as we noted earlier...find the strategic partner, versus building all the talent in-house. I believe there's no reason that you, as the agency, can't be the keeper of the keys in finding the "best-in-class" firm that can dial up your expertise in areas important to marketers, like ROI and data/analytics.

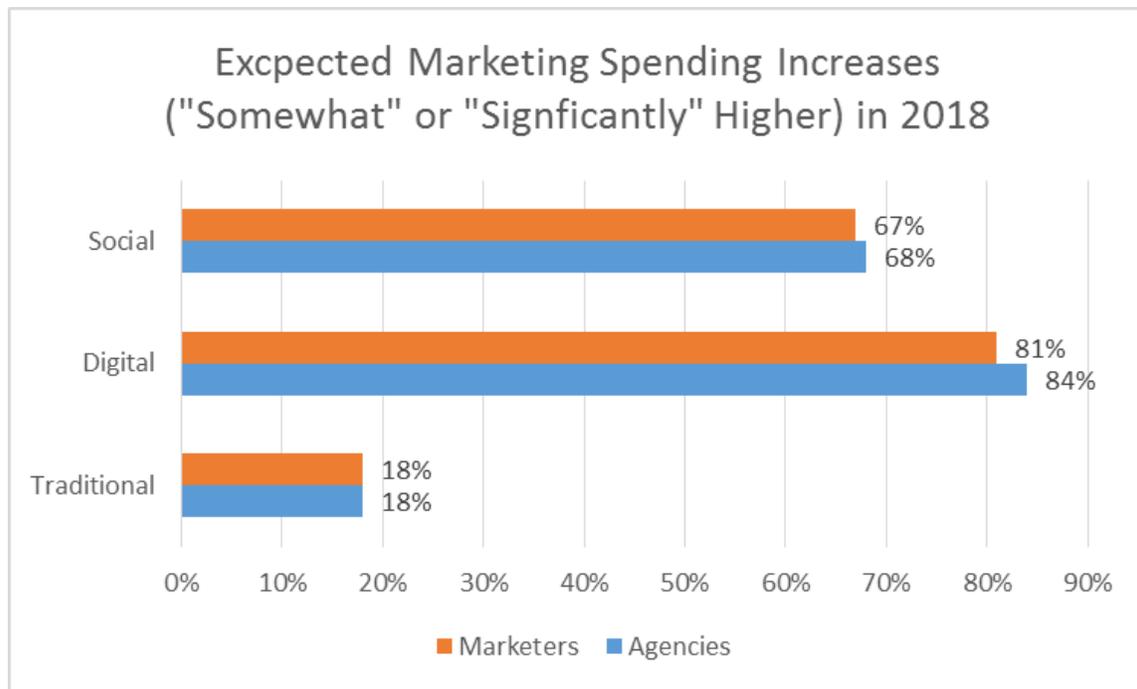
## Marketing Spending Expectations by Type of Media

2017 is the first year where marketers and agencies appear to be fairly well aligned in terms of spending expectations in 2018 by type of media.

In past years, one could always expect differences. As an example:

- In 2011, 85% of agencies believed their marketing counterparts would “Somewhat” or “Significantly” increase their Social Media spending in 2012. Only 65% of marketers felt this way.
- In 2016 34% of marketers expected to see increases in Traditional Media spending. Only 19% of agencies felt this to be the case in 2017.

In 2017, all appears to be in a kumbaya state between marketers and agencies. Expected increases are significantly greater for Digital Media spending than Social Media. And Social Media spending expectations are significantly higher than Traditional Media.



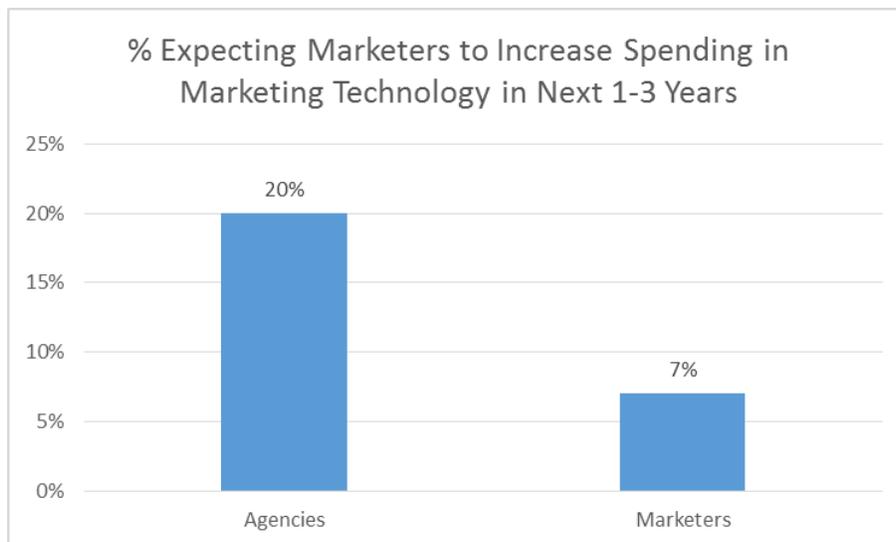
## Marketing Spending Expectations by Type of Media

**Implications:** No real implications of note here...other than some advice. Digital remains hot, but don't get too enamored by the shiny objects that lie within and around it (a complaint agencies have also voiced about their marketing counterparts).

In [last year's New Year Outlook](#) report, marketers expressed strong concern about what they perceive as Agencies downplaying the importance of traditional media, and moving too far into newer media channels.

In our last survey ([Agency-Client Business Report](#)) we found that fewer marketers identified things like Virtual Reality to be a "revolutionary technology" than in 2016 (38% in 2017 versus 43% in 2016).

And in this year's survey, the same holds true in terms of expected investments in "marketing technology". 20% of agencies expect their marketing clients to "Significantly" increase their investment. Only 7% of marketers feel the same way. In a separate question, 80% of marketers told us they do not expect to move monies out of their marketing budgets into things like VR, AI, and AR.



So if you're going to put something in front of your client that's shiny and new, make sure there's a good business reason to do it. There have been enough new things brought to the table that have fallen flat, giving marketers and agencies pause, and thereby making them less apt to "get on board" when something shiny and new comes along.

## Generalist or Specialist?

It's been a few years since we asked the specialization question.

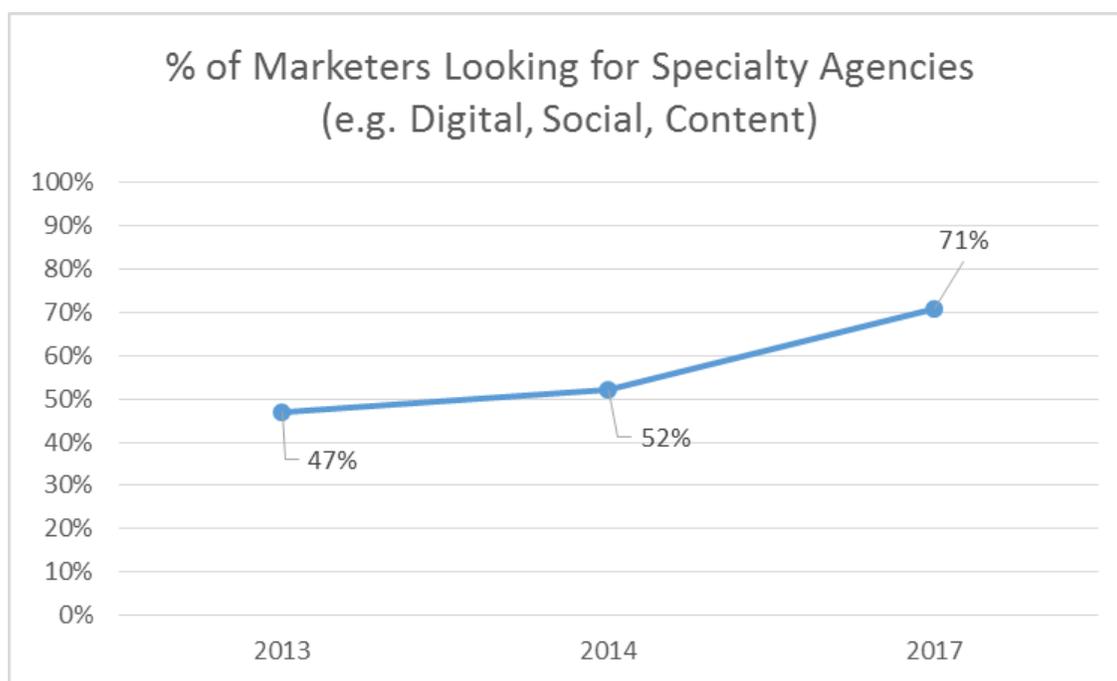
In the not-too-distant past, when digital agencies started making headway, we explored the issue, given it seemed back in '09 that digital agencies would take over the world. Adweek asked the very question following one of our surveys (["Traditional Shops' Digital Skills Deemed Unimpressive"](#)).

About a year after what appeared to be inevitable digital dominance, we needed to ask again, and we posed the question, "Can Digital Agencies Survive" without fully integrating. In 2011, Adweek again asked a similar question based on the results of our survey (["Marketers to Digital Agencies: Diversify or Die"](#)).

After 2011, it seemed that marketers were still trying to figure out what this digital thing was all about – how to best maximize its potential – and agencies were simply trying to stay ahead of their clients. Full service shops were trying to re-define themselves. Digital agencies were trying to stay relevant as stand-alone entities.

So not that everything was calm after 2011, but the face of technology and the advances in ROI measurement, and the importance of data/analytics only recently started to exponentially take hold of our daily conversation.

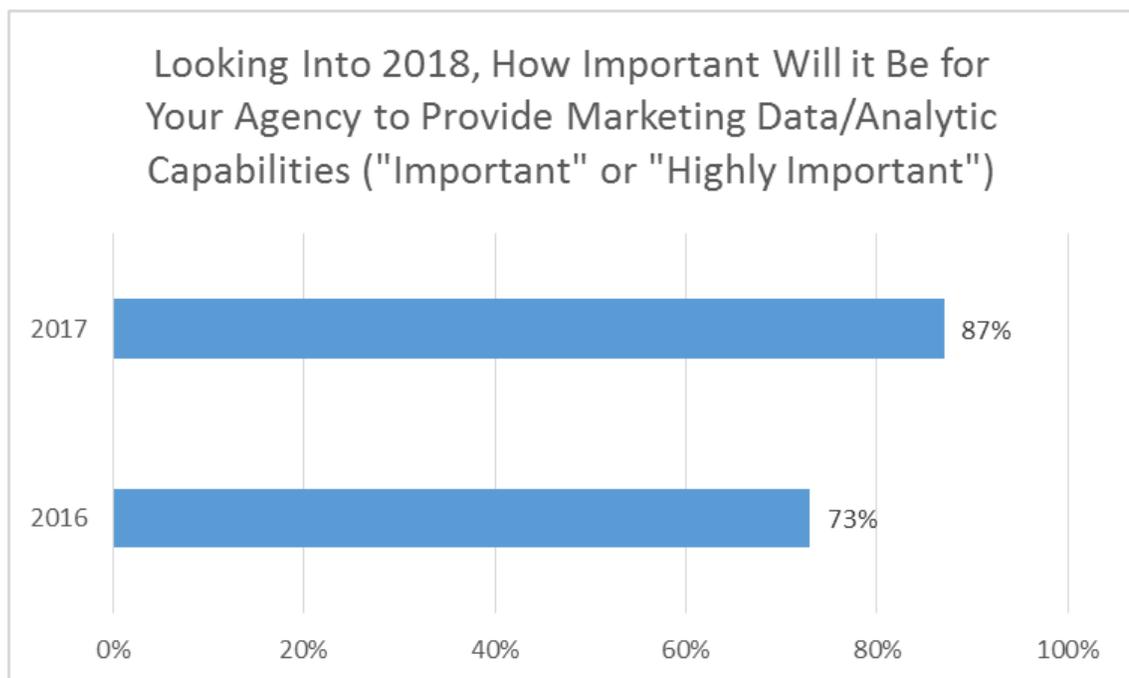
Today, being digital alone isn't specialized enough. Marketers are looking to fill voids left by their roster shops and more and more appear to be turning to specialty agencies to fill that gap.



## Generalist or Specialist?

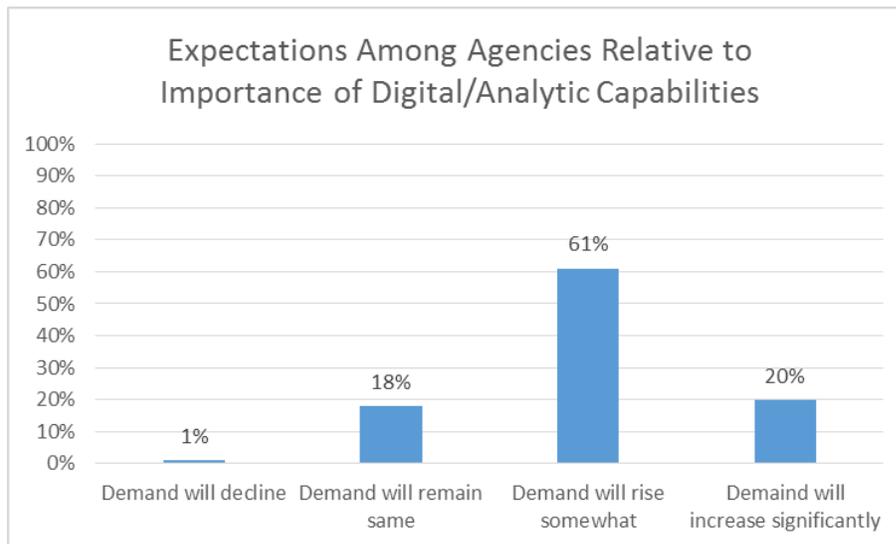
I think the trend that we're seeing, where more marketers are looking for specialty agencies, is driven by three factors:

1. The fact that the media/marketing landscape is so fragmented and getting more complex, there's simply a greater need for smart, specialized agencies to complement existing relationships.
2. The growing importance of data and analytics. This year 87% of marketers stated this was important when looking for a new agency. Last year, only 73% of marketers felt that way, so the growing need to find agencies that are solid in this area, drives marketers to more specialized firms.

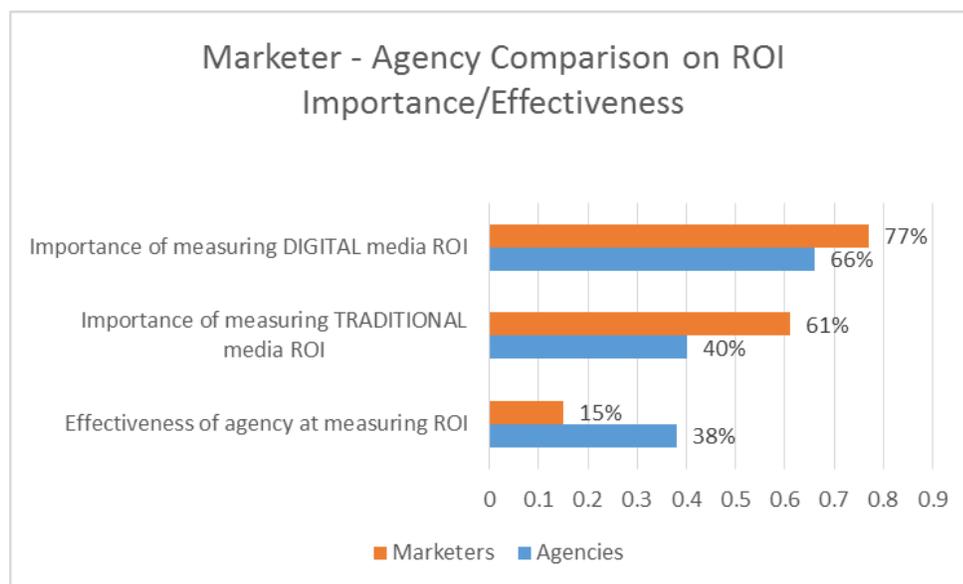


## Generalist or Specialist?

Of note, agencies also recognize the growing need for data/analytics.



- The third reason there is a growing need among marketers to want specialty agencies is that, while a significant number of marketers feel it is “Extremely Important” to measure ROI for digital and traditional media (77% and 61%, respectively), only 15% of them feel *their* agency is “Very Effective” at supporting their needs in this area. While agencies perceive their talents in the ROI measurement arena to be significantly better than perceived by their marketing counterparts, they too, aren’t overly enthusiastic about their own skills in this area.



## Generalist or Specialist?

Marketers and agencies are not completely aligned when it comes to the significance of measuring ROI – for both digital and traditional media. Marketers expect and want to be able to justify all of their spending.

77% of marketers said it was “extremely important” their agency measure ROI for digital media. Only 66% of agencies believed their marketing clients would feel it is important.

The differences were more pronounced when it came to traditional media. 61% of marketers felt it was important their agency could prove out the ROI of traditional media spends. Only 40% of agencies believed their clients felt that same way.

And as noted above, there is also some disagreement between agencies and marketers relative to agencies’ effectiveness at measuring ROI. 38% of agencies stated they are “very effective” at measuring ROI. Only 15% of marketers felt this same way about their agencies.

**Implications:** These findings in no way suggest that you need to drop everything you’ve been doing all these years and suddenly become the quintessential agency expert in digital or social or SEO.

But what it does mean (as mentioned before) is you need to stay steps ahead of your clients and bring them the best-in-class talent to the table.

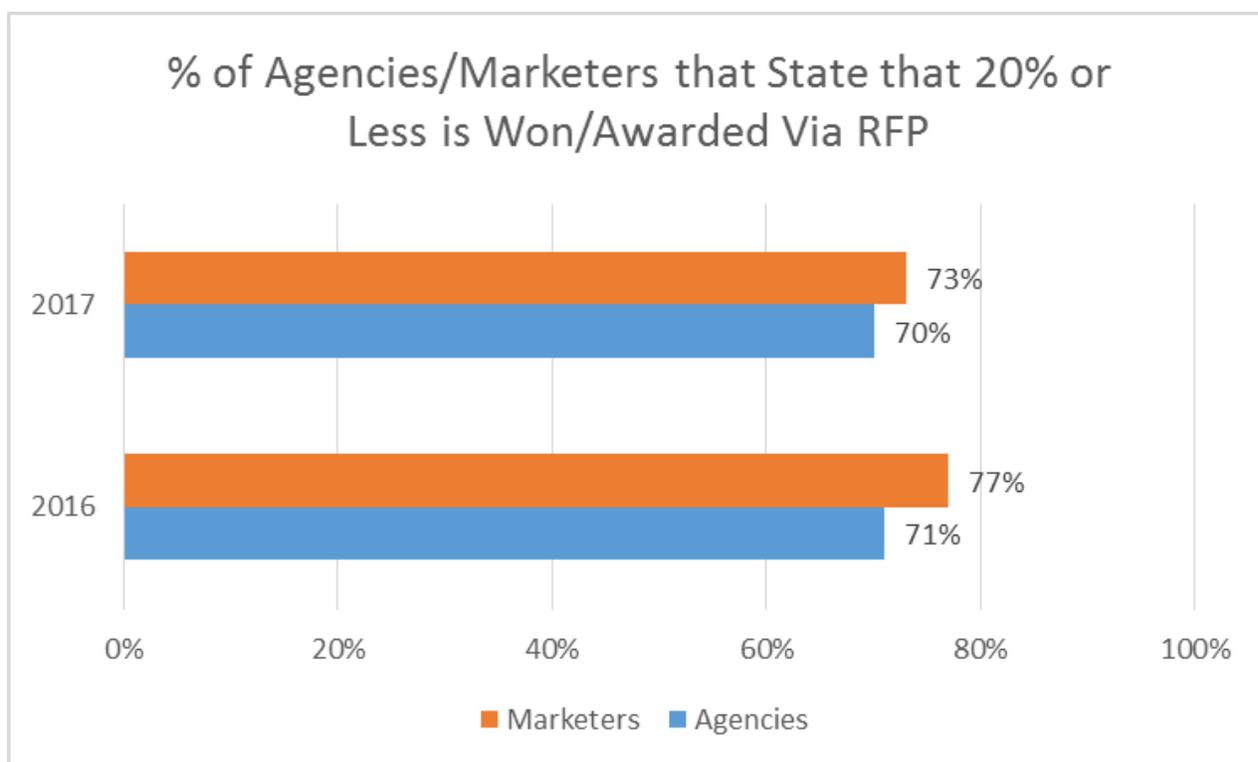
In 2015, we created an infographic and video series centered on the [8 Animal Traits You Need to Survive](#) as an agency, long-term. One of those animals, the ant, was used to represent the need for an agency to be a curator and contractor of “best-in-class” services or other specialty agencies. We called it out then, and we’re calling it out now. Marketers have told us in past surveys they are “A-OK” with you (the agency) forming solid strategic partnerships to better their business. So get out there and find that specialty agency to complement your services before the market does it to you.

*Of note: “Specialized” can also mean sector specialty as well. Owning a space and selling your extensive knowledge of the space and value you can bring to a marketer in that space can be extremely valuable. But that alone will not sustain long-term. Only resting on those laurels isn’t sustainable. Time will pass, then time will pass you.*

## RFPs a Thing of the Past?

RFPs aren't a thing of the past, but they definitely aren't a big player in generating a lot of business for agencies. 70% of agencies state that less than 20% of their business comes from RFP submissions. 73% of marketers indicate that up to 20% of their work will be awarded via RFP.

These numbers are consistent with 2016 reporting.



In our most recent [survey on Agency-Marketer Business](#), we asked the question about the importance of project work. 37% of marketers assign over half of their work as projects. 59% state that 26%+ is project based.

I expect the trend to continue as more agencies compete for fewer pieces of business – thus giving marketers more of a chance to “sample” marketing agencies before they buy. So in lieu of RFP process, if a marketer isn't in a big hurry, they can take 6 months or a year and test agencies to see which they like best.

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## RFPs a Thing of the Past?

**Implications:** My counsel to our agency clients on the outsourced agency new business side of the world is to critically evaluate an RFP before you jump in. Ask the marketer how many agencies are involved, if the incumbent is involved, and whether or not spec creative is a requirement.

If you feel you're a good fit, work hard to get in front of (or on the phone with) the person that is leading that RFP. The last thing you want to do is be "another piece of paper" submission among a sea of sameness in agencies.

The other piece of advice I'd offer up when filling out an RFP is to push the boundaries. Doesn't mean you don't follow the directions, just means you can push it a bit. Add some cool examples of your work throughout, add addendums if there are things you think are important, but you've been instructed to follow the flow of the requirements.

If all you do is do as you're told, you'll look like everyone else and your chances of survival will drop precipitously.

## “You Got Mail!”

Marketers like to be in control.

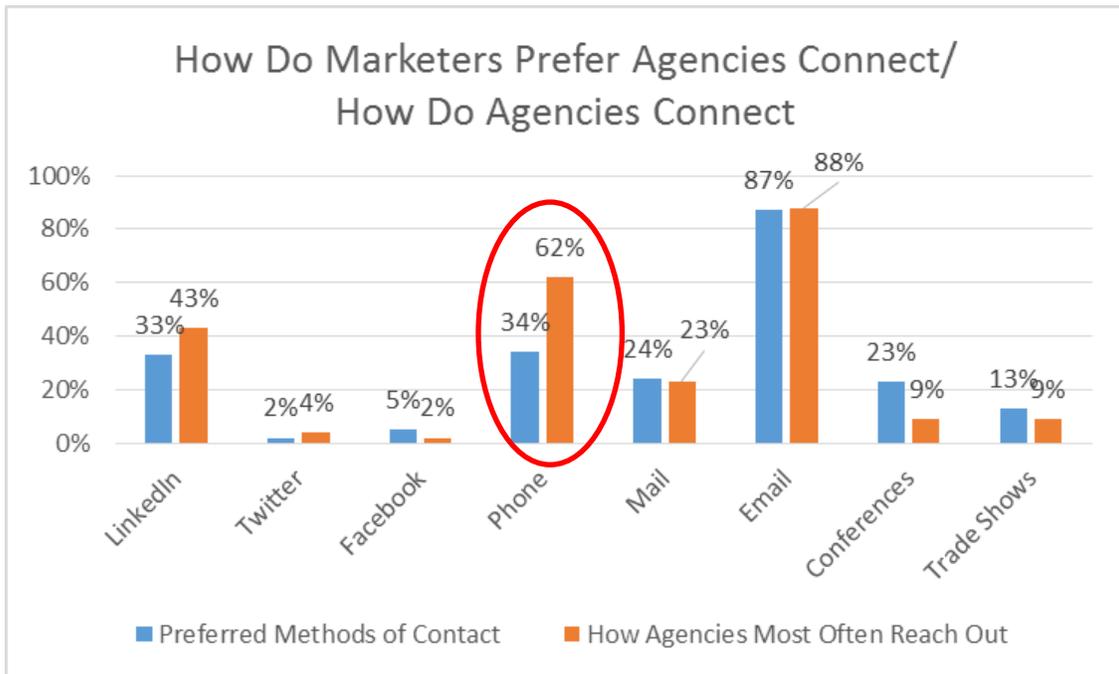
That’s why they prefer that agencies use email to connect with them. They like it because when they get an email, they can delete an email – especially if it’s of little relevance to them (thus the importance of reaching out with empathy and understanding for the marketer’s world).

LinkedIn and phone are both ranked significantly lower (as preferred methods of contact) than email, at 33% and 34%, respectively.

The phone thing, I understand. I get you on the phone and unless you want to be completely rude, more than likely you’ll talk with me. And if the guy or the woman that’s selling for your agency is worth their weight (like our RSW/US New Business Directors are), they will engage in a meaningful enough way to make that prospective client want to meet with you.

But as noted below, phone outreach is not the marketer’s preferred method of contact.

Sometimes what you want, isn’t what you get.



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## “You Got Mail!”

**Implications:** Stay on the phone. As old-school as it may seem, we know that in our world, the New Business Directors that get the most meetings are those that spend the most time on the phone and the most time researching marketers to make the connects relevant and meaningful.

In our world, phone is just as important as email, and just as important as social, and just as important as physical mail. Different prospects prefer different methods of contact. Unless you know for certain what someone likes to use to consume information about agencies, your best bet is to pursue it all.

## Addendum – Open-Ended Responses

*(Printed as written)*

### What Do **Marketers** Think the Single Biggest Challenge Agencies Will Face in 2018?

Differentiating from other agencies. Showing expertise in an organization's industry.
Standing out.
More in-house talent.
Gaining new clients
How to best provide what clients need, not crushing the clients with overhead and still trying to make money for themselves.
The younger workforce which feel more entitled.
Ability to provide clear measurable ROI against strategy
knowing the market
knowing our audience and provide measurable results to justify our investment.
clients wanting more content at lower prices
Quality integrated agency
Impact
Being able to meet needs of a brand across channels while reaching varied demographics.
Retaining talent
Differentiation
fully embracing the digital channel
Showing ROI in the healthcare arena.
Increasing expenses
Ability to demonstrate ROI from multi-channel marketing efforts.
keeping up with changes, effectiveness and analytics of paid and earned media
Trying to be great at everything
Differentiation
Companies doing more in house
Reporting on all metrics and data across multiple platforms, agencies, and services.
Clearly differentiating message. I receive new solicitations DAILY. Asking for a short (15 minute) call is ineffective--especially if there is nothing to indicate why your firm is different.
Not really sure as I'm on the client side and only use a media buying agency. I think it would be a challenge for different agencies supporting the same client to collaborate.
Breaking through the clutter. I am contacted by multiple agencies everyday and simply cannot talk to them or read what I am sent. Referrals from analogous peers would be more effective.

## What Do **Marketers** Think the Single Biggest Challenge Agencies Will Face in 2018?

Millenials
Establishing the value of our work.
Clients are moving from AOR to project-based projects.
Inconsistent follow up. One offs.
Attribution
Timid clients
Holistic approaches to the business.
Providing proactive ideas
Differentiation and actually really understanding client needs
Determining the best avenues for maximizing a campaign and being able to show the results
doing more with less budget
Too many platforms.
Too layered and slow
limited budgets with endless places to be spending- and even within search adding new options like AMS and FB
Differentiation. What makes you different from so many Charlatans out there. So many "agencies" with limited marketing experience buy into HubSpot and think they came from the greats of Madison Avenue with years of experience. They know little about marketing - only software. Makes marketers very skeptical of most agencies.
In terms of providing services to clients - it's that many agencies claim to be experts in all marketing areas instead of focusing in particular areas of expertise. In terms of the strategies themselves - it is understand the clients' business well enough to deliver upon the promised made on the upfront especially in terms of ROI.
Demonstration positive ROI
Non-confidence in traditional marketing vehicles and an over-confidence in digital marketing and social media. The push will move more money digitally, take away from traditional, with unrealistic expectations of overall return. Measurable is great, but if everyone moves to digital, returns aren't going to be what they have been historically
Hiring good people
Proving their importance in cash-stapped businesses.
Getting great talent
having the ability to concisely articulate their value proposition
Keeping up with the fast pace of changing technology and the costs associated with it.
Ideas
Budget allocations due to adding new digital channels.
Fully demonstrating ROI and added value

## What Do **Marketers** Think the Single Biggest Challenge Agencies Will Face in 2018?

Cheap clients
providing value added service and enhanced intellectual consultation
Consistent KPIs and reporting along with reliable attribution
Developing and demonstrating integrated and comprehensive capabilities.
Understanding the clients business and challenges
Selecting clients with the "right fit."
Fully demonstrating ROI and added value
Getting their foot in the door with new clients
Truly understanding their client's business before reaching out.
Trying to keep up with all the changes and options available online today.
The ability to identify and react to changes in markets and corporate strategies
Doing more with less
keeping clients satisfied; employee turnover.
Demonstrating value. As a public company, we expect quick returns on our investments. We're likely to move on to the next opportunity if our current bet isn't paying off.
Sorting through the clutter and confusion of Marketing Technology available today. Deciding what is most appropriate for our organization and culture.
Understanding client businesses. It's about using all available tool, innovation, creativity, data to create growth in the businesses served.
Competition
integration of the various consumer engagement platforms affordably priced.

## What Do **Agencies** Think the Single Biggest Challenge Agencies Will Face in 2018?

I feel the biggest challenge has not changed from our perspective going into 2018.
Younger, less experienced client contacts.
Building in house teams.
Building and maintaining the capabilities for all aspects of an integrated marketing program (e.g., digital capability, analytics, traditional media, content creation, AI for marketing, video, etc.)
Rising competition and need to evolve
Keeping business once you get it.
Showing value and ROI
Budgets dropping while expectations are rising. Margins are getting tough for agencies to maintain, while being able to deliver the expertise/specialization they demand. Also, clients often don't really have real answers for their own strategy, so they end up playing safe and doing what's been done -- but then they expect better results.
Confusing positioning and marketplace crowding
Employee talent with digital skills.
In house capability growth
Procurement
Measurement - ROI
in house agencies
Finding good employees at decent pay.
The enormous surplus of "digital agencies" we've got to compete with. This has myriad of negative effects including the perception of becoming viewed as a commodity, price gauging, poor quality of work, failed engagements, wasted time and money on both sides, etc.
prominence of digital has come about faster than the workforce has aged out, and some of the older chaps don't want to learn the new stuff, so they become dinosaurs and an albatross around the agency, particularly with a soft-hearted agency CEO who makes decision son what types of clients to go after and bring in based on current staff versus industry evolution.
Finding quality talent across all departments but especially great account management staff.
The changes to net neutrality and the uncertainty in creates.
consolidation of services within brands. niche agencies. project work.
Differentiating from other agencies
A lot of competition. Differentiation. Profitability
Tighter margins
Clients thinking that they can do it themselves.
Supply is greater than demand

# What Do **Agencies** Think the Single Biggest Challenge Agencies Will Face in 2018?

Change of technology
Remaining relevant in an increasingly digital world - technology has created more (accessible) tools (DSLR, Canva, Facebook ads manager, etc.) than ever for the client to do more in house and with smaller providers.
Turnover
Staying out of procurement
Declining volume of opportunities
Hiring
Commodity of open source driving down revenue for once profitable tactical work.
educating clients
Doing quantitative and qualitative research on the best markets and prospects
New business
competing against in-house solutions
Defense against CLIENT-SIDE marketing team growth as more work is taken in-house.
Integration of services and attribution
Communicating the value of our services.
Misperceptions and doubt of effectiveness
Driving home the fact that the value of messaging exceeds the value of media
Sustain growth.
Keeping up with demand
Talent
digital adaption
Being able to deliver well and effectively on diversity and volume of content needs as market price commodifies content execution
standing out
finding time for our own marketing and lead gen
Measuring results.
Differentiating when digital is being viewed as more of a commodity.
With shift from traditional to digital, the media outlets (newspaper) are now selling as full service marketers: digital, social media, traditional, etc.
Declining number of opportunities
attribution and data clarity
Recruiting strategic account people

# What Do **Agencies** Think the Single Biggest Challenge Agencies Will Face in 2018?

Competition.
Inventory at the correct rate
More project-based work
Securing AOR accounts with planned spending/revenue.
Building sales. Dealing with the movement of budgets from traditional broadcast to digital (that is digital, not social, because social is done internally by clients today). Getting clients to understand our new technology tools like cross media attribution, Pandora, Hulu, and advanced programmatic media buying.
Little planning by clients/no planning which means adhoc / tactical approach in their marketing and continuous hustle from agency to sort out - More project work.
Heavy Competition; move to more project based work has made all agencies hungrier for business
Qualitative differentiation effective service offer
Keeping up with changes in digital marketing
Commodization of the services we provide.
new small boutique agencies / freelancers
Keeping the message and campaign fresh enough
Finding new clients. So much clutter being sent to prospects. They sit in meetings all day. How do you get their attention? You have to wait until they have a reason to buy from a new agency which could mean more money in the budget, new decision maker or past agency didn't perform? Like most, we get most of our new clients from referrals and our web site. Not many RFP's in past 2 years. Business is up 14%.
Investment in measurement tools, while Facebook and Google not allowing access by third parties to measure their impact.
Retaining quality employees
Rise of internal marketing teams with capabilities similar to an agency's.
Finding SALES people
Keeping up with digital technologies and demonstrating value
Keeping up with the shift to ROI driven demand gen programs vs. traditional marketing.
Keeping up with changes in the media landscape
Supply is greater than demand.
Clients building or growing in-house teams
Hacks in the industry that promise results that are unobtainable. It makes us all look bad. For example, solicitors that claim sites don't rank well when they have no idea of the strategic goals of the sites and are only using scare tactics to win business.
Budgets

## What Do **Agencies** Think the Single Biggest Challenge Agencies Will Face in 2018?

Overcoming clients taking marketing/media in-house
Three challenges:
1) Effective and informative measurement
2) Ability to leverage data and analytics to drive decision making
3) Ability to support integration and activation of marketing automation for clients
Marketers cutting budgets and taking work In-house
Commoditization of traditional and digital marketing services.
Maintaining margins
Client education: lack of understanding on the part of clients when it comes to the affect ALL marketing strategies and tools have on the bottom line and the desired outcome of the program.
Lack of appreciation for value of agency services, especially creative
Increased competition from other marketing service agencies
Having the right mix of billable to non billable people
Explaining the complex issues surrounding all new communications options available to marketers today. And then, explaining why a specific path should be followed.
Demonstrating Results
Maintaining quality of service while growing which equals hiring the right people.
Clients bring more capabilities in house.
Instability in government
Management consulting firms
Time.
Many
Getting in the door