

RSW/US

New Business Solutions for Marketing Agencies

2023 RSW/US New Year Outlook Report



RSW/US Agency New Business Virtual Conference

New Year Outlook: 2023

February 6th-10th, 2023

12pm-1:30pm EST each day

[More Info](#)

[Register](#)

New Year Outlook: 2023

We're excited to announce our 2023 Agency New Business Virtual Conference, from 2/6-2/10, 2023.

It will be another great event filled with Marketer, Agency, and RSW/US perspective on ways to help you win more in 2023!

This year we are excited to welcome Jason Parks, the Chief Growth Officer from Barkley, Kansas City as our keynote speaker. Jason's experiences helping build the independent agency to where it is today should be insightful and inspirational for all the small-to-mid-size firms attending the conference.

You can register and view each day's agenda, which includes multiple panels featuring senior level marketers, agency principals, and our own expert new business directors.

We hope to see you and your team there!

Table of Contents

2	Table of Contents
3	Introduction
5	Marketer/Agency Investment Gap Disappears!
7	Expected Marketing Spending-Caution Rules
9	In-House Agencies in Flux? Maybe not.
11	Decrease in Agency Partners, and Continued Importance of Specialization
12	Your Agency Site — How Important Is It?
13	Agencies: Trends & Tech — Ahead of the Curve?
14	Remote Work and Company Culture
16	How Do Prospects Discover Your Firm?
18	Why Do Marketers Review New Agencies?
20	The RFI/RPF Process=Still Effective. (Really?)
21	The Agency Take On 2023 Industry Trends
23	Economic Concerns?
24	Biggest Challenges Facing Agencies in 2023
26	Biggest Challenges Facing Marketers in 2023
28	Conclusion

Introduction

About Us

This study was commissioned by RSW/US. RSW/US is an outsourced lead generation/business development firm that works with marketing service firms (of all sizes and types) exclusively.

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 40 searches for marketers across a range of different categories, helping them find better agencies.

This exposure to the agency and marketer world has armed RSW/US with perspective unmatched in the industry.

This perspective is woven throughout this, and every survey report.

To learn more about RSW/US, visit www.rswus.com.

To learn more about RSW/AgencySearch, visit www.rswagencysearch.com.



About the Report

The 2023 RSW/US New Year Outlook survey was completed by senior level Marketers and Marketing Agency executives during November/December, 2022.

The purpose of the survey was to glean insights relative to marketer and agency perspective as they each headed into 2023.

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, how important an agency site really is in the eyes of marketers, in-house agencies in flux, the impact of remote work on culture, and how Marketers are finding new agencies today.

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 2023.

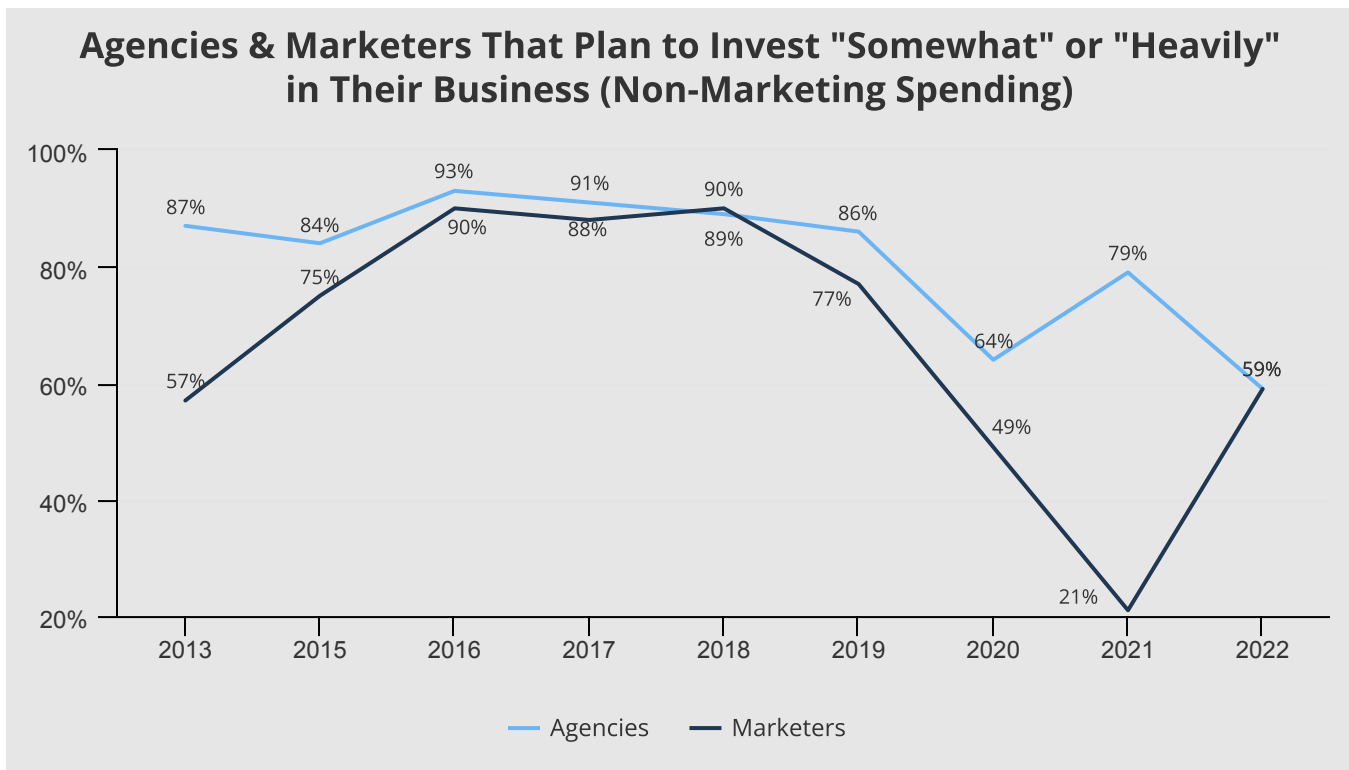
The agency sample came from the RSW/US database of over 5,000 marketing services, advertising and PR firms in the U.S. and Canada, ranging in size from under \$3M in capitalized billings to over \$75M.

The disciplines of each agency spanned full-service, digital, PR, and marketing consultancies, to name a few.

The marketer sample came from our RSW/AgencySearch database of 30,000 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 or lee@rswus.com.

Marketer/Agency Investment Gap Disappears!



In last year's report, we saw two disheartening situations:

1. Just when we thought marketer enthusiasm couldn't drop any lower (than we saw in 2020), in 2021 it went even lower, with only 21% of marketers saying they would "somewhat" or "significantly" increase spending on non-marketing activities as they roll into the new year.
2. We saw a stark contrast in the respective temperaments of marketers and agencies. In 2020 agency enthusiasm for spending took a dive, with only 64% of agencies indicating they would be spending at higher levels for non-marketing the following year, but last year was a different story, with 79% of agencies reporting they planned to "somewhat" or "heavily" invest in non-marketing activities.

Moving into 2023, however, we see a strange synergy that we haven't seen in this report since 2018:

59% of agencies and marketers said they would invest somewhat to heavily in their business (non-marketing spending).

So that's a **38-point increase** for marketers, which is positive given the strange economic climate we're in.

However, it's not all roses, as this constitutes a 20-point decrease in agency investment expectations from 2021.

What does it mean? Is this an opportunity for agencies?

Marketer/Agency Investment Gap Disappears! cont'd.

Implications:

Non-Marketing activities on both sides encompass investment in new hires, technology, R&D, and travel, for example.

After falling to basement levels over the past few years, this 38-point increase in investment on the marketer side would seem to be a course correction, for lack of a better word.

After several years of uncertainty, it simply wasn't a positive trend for business viability and healthy growth to continually decrease investment levels.

So, there's positive potential here for agencies in the form of stronger pipelines of new product and service launches for marketers, which would impact their agencies' ability to drive more organic growth.

Turning to agencies, with investment intention at an all-time high last year, it would seem they are also expecting a course correction. 59% is still a healthy number, but agencies need to be careful.

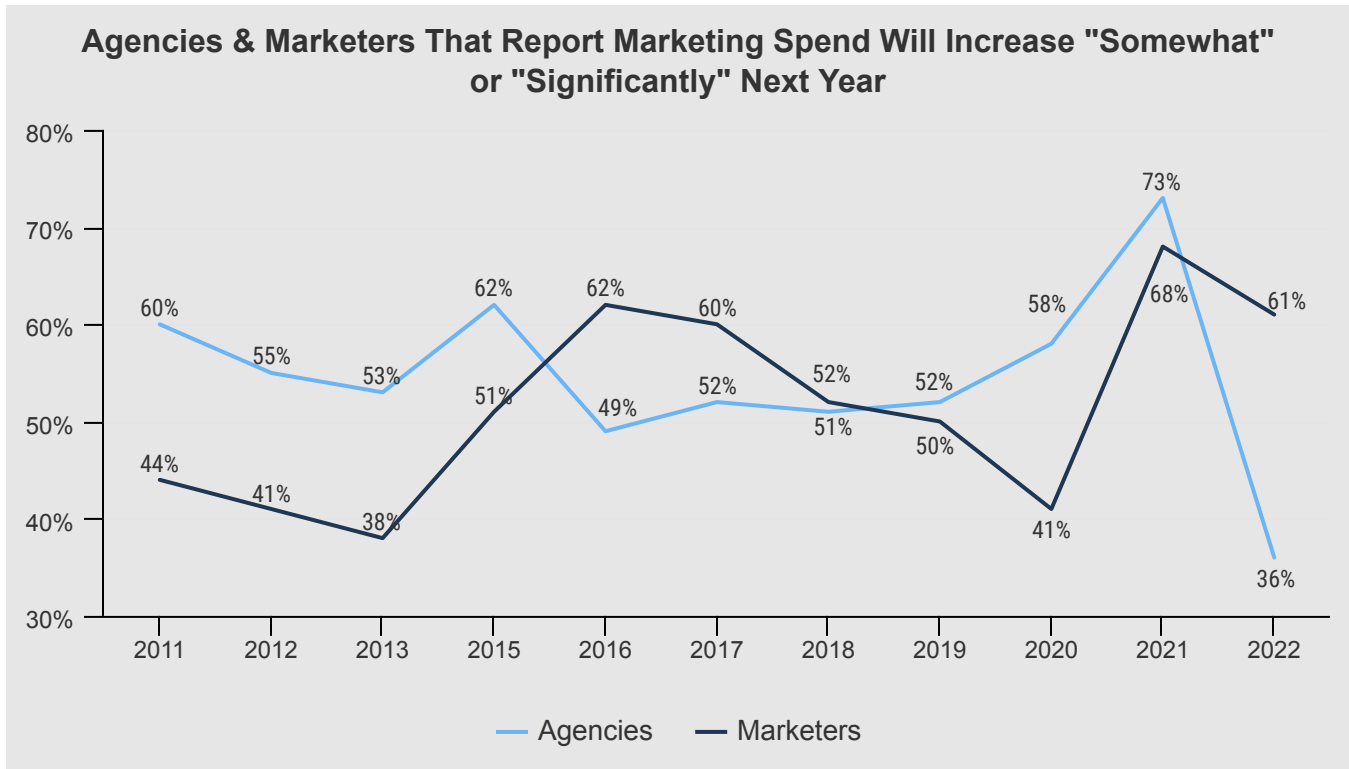
As we'll see in several new stats this year, in-house trends are favorable to agencies, as is the perception that agencies are on top of trends. We'll also see the top reasons why marketers start new reviews, playing into the need for continued investment in non-marketing spending.

Of course there's a bottom-line that can never be ignored, but agencies need to be careful not to pull back too much on this type of investment. As part of client growth and retention strategy, agencies must specifically convey investments they're making in the business, to both their clients, and in their prospecting, to show they're ahead of the curve.

The number of marketers planning to invest in their business jumped 38%.



Expected Marketing Spending-Cautious Rules



In last year's report, 68% of marketers said they expected marketing spend to increase somewhat to significantly in 2022. A 27 -point increase over 2021.

Looking to agencies, 73% thought their clients would increase marketing spending somewhat to significantly in 2022. (Versus 58% the previous year.)

Fast forward to late November, 2022 (per Marketing Dive): "Ad spending continued its decline for the fifth consecutive month, down 3% year-over-year for the month of October, according to Standard Media Index's October 2022 Core Data report."

Although, "suggesting some general economic strength, four category groups — pharma, restaurants, apparel & accessories and travel — experienced their best October for ad spending since 2017."

And with the relative uncertainty of 2023, this year's survey numbers reflect that.

61% of marketers said they expect marketing spend to increase somewhat to significantly in 2023, only a 7-point drop from last year's report.

Agencies, on the other hand, have a much different view: only 36% of agencies believe their clients will increase marketing spending somewhat to significantly, a 37-point drop from last year.

Expected Marketing Spending-Caution Rules cont'd.

Implications

Bless them, but agencies can often be a pessimistic group. Or perhaps “realist” is a better term.

With an expected drop in spending expectations, agencies are obviously skittish for 2023, and the state of the economy, understandably, plays a big part in that.

As we'll see later in the survey, a sizeable percentage of agencies are taking steps in anticipation of a potential recession.

But agencies should very much take heart in the 61% of marketers expecting marketing spend to increase this year.

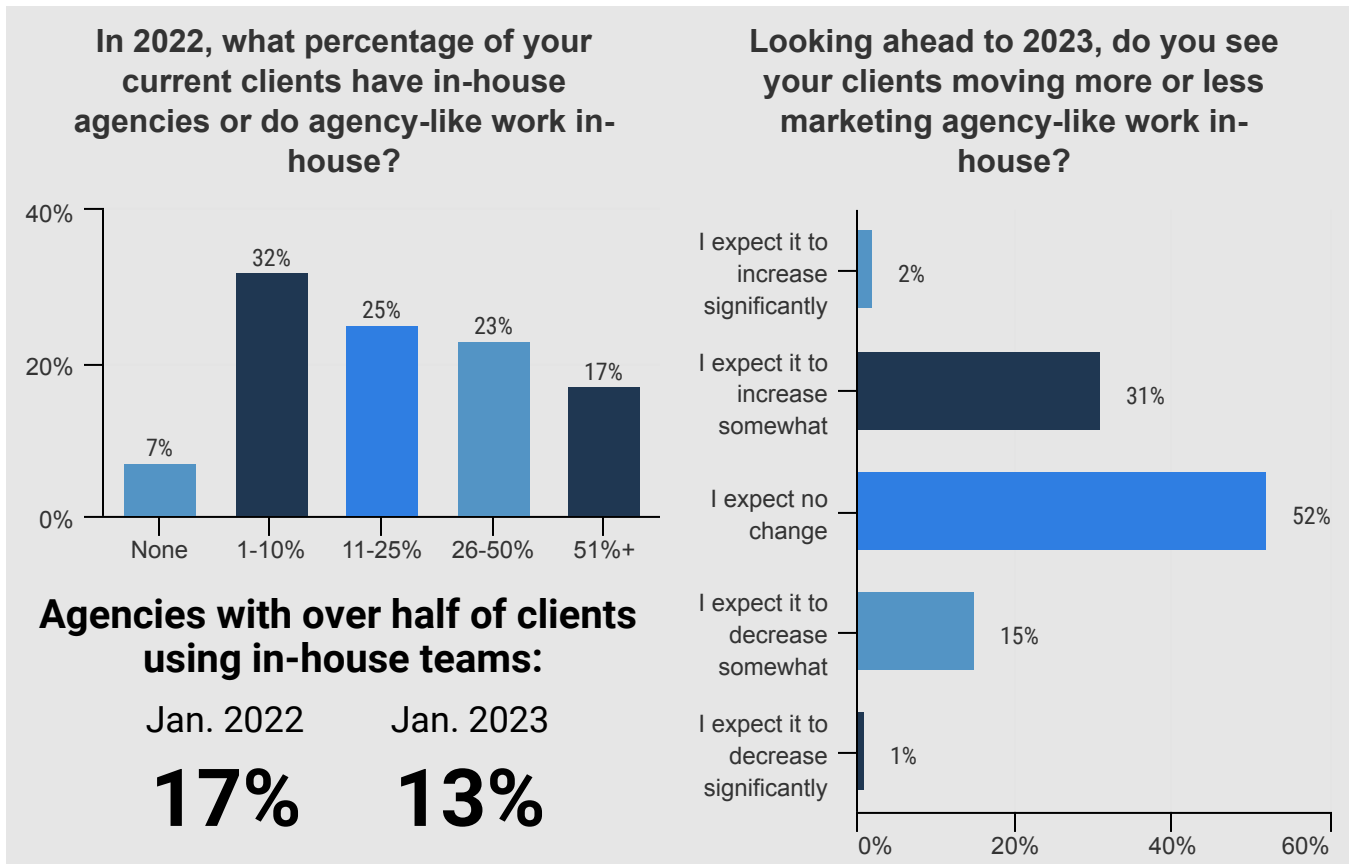
As ever, these are predictions and intentions, and a certain level of caution on the agency side is warranted, but along with taking precautionary steps based on the economy, agencies can't ignore the need for an ongoing new business, organic growth, and client retention plan.

One thing we saw affecting small and mid-sized agencies in the back half of 2022 was an overall slowdown in ongoing client-work, it took a lot longer to get projects going, or started.

You need to have a new business plan in place to combat that.



In-House Agencies in Flux? Maybe not.



Similar to last year’s report findings, overall, signs point towards marketers’ reliance on in-house teams waning — at least, according to agencies. We initially asked agencies “what percent of YOUR current clients have in-house agencies/do agency-like work in-house?”

To provide some perspective, in 2021, 14% of agencies indicated that 51%+ of their clients brought agency work in-house, which rose slightly to 17% last year, and now in ‘23 drops to 13%. (Interestingly, 1-10% of agencies actually reported a rise compared to last year, from 16% to 32% this year).

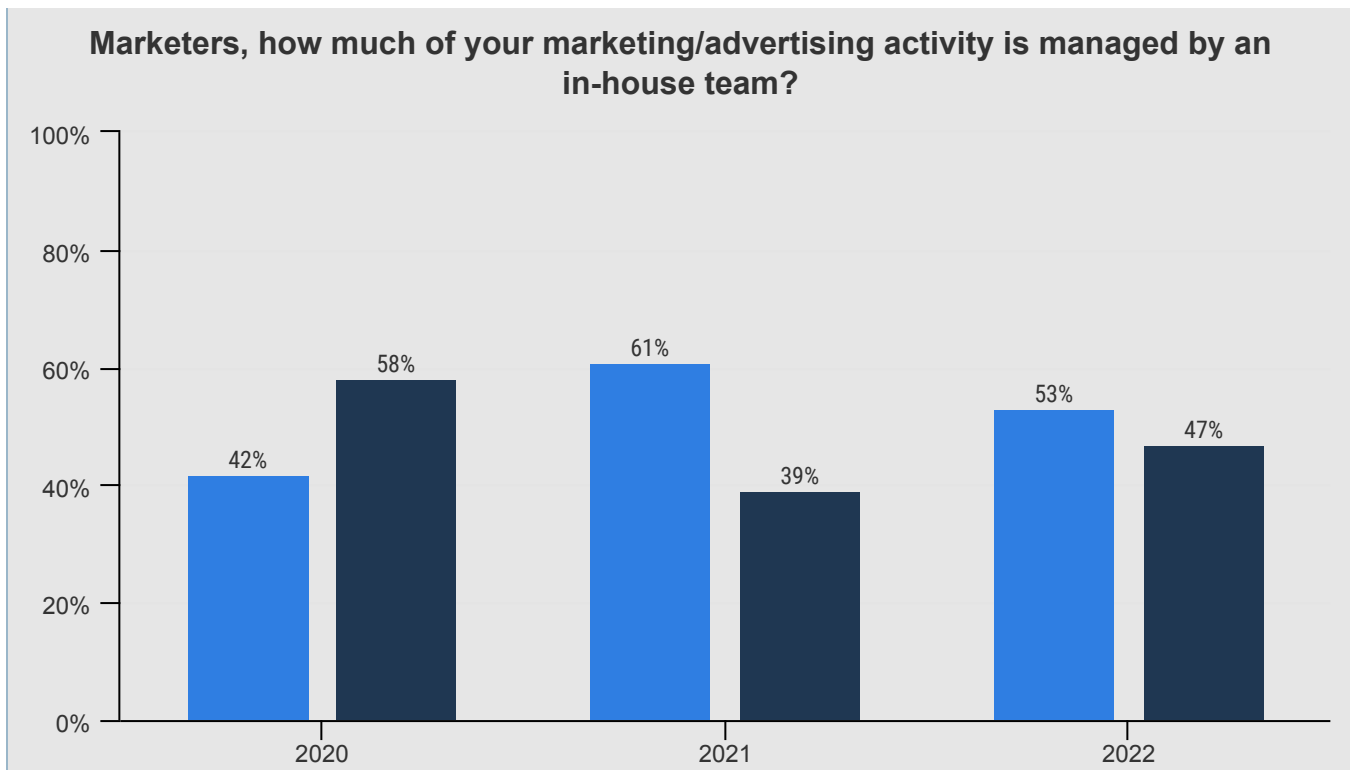
But otherwise, agencies overall saw less reliance on in-house teams in 2022.

However, in our follow-up question we saw something interesting. When we asked agencies, “Looking ahead to 2023, do you see your clients moving more or less marketing agency-like work in-house?”

66% of agencies expect either no change or a reduction in the amount of work being managed by their clients in-house. Last year’s report saw that number at 77%.

And 31% of agencies expect in-house movement to increase somewhat, versus 20% last year.

In-House Agencies in Flux? Maybe not. cont'd.



Implications

We once again see agency caution rear its head, and in this case, it looks to be warranted. In a corresponding question, we asked marketers, “what percentage of your marketing/advertising activity is managed by an in-house marketing/advertising team?”

Last year, 39% of marketers indicated that 51%+ of their marketing/advertising activity occurs in-house.

In 2022, it rose to 47%.

So we see agencies and marketers at odds here, with 13% of agencies reporting clients doing work in-house, but 47% of marketers reporting the same thing in 2022.

As we noted, agencies are right to be cautious here. The need to co-exist and work with in-house groups continues to be important, but more than ever in 2023, being proactive with your clients, having an organic growth plan, and making them aware of all the things you can do for them are key.

Your agency mindset in 2023 should be to treat those existing clients like ongoing prospects, in terms of the value and thinking you can bring, along with your work.

Decrease in Agency Partners, and Continued Importance of Specialization

We asked marketers how many marketing agencies (not including independent contractors/individuals) supported their business in 2022. We've asked marketers this question since 2015, and since 2017, saw a steady increase in the percentage using 2 or fewer marketing services firms, resulting in a peak 74% of marketers in 2020. **However, that number has now decreased 2 years in a row, with 69% using 2 or fewer in 2021, and**

64% of marketers using 2 or fewer marketing services firms, in 2022.

It does seem the continuing trend of marketers using fewer agencies has generally made sense for marketers in the past several years, in terms of more cohesive integration, minimizing complexity, and a consistent and unified brand treatment.

Implications

As a companion question, we next asked marketers and agencies how important industry expertise will be in 2023 in considering a new agency to partner with.

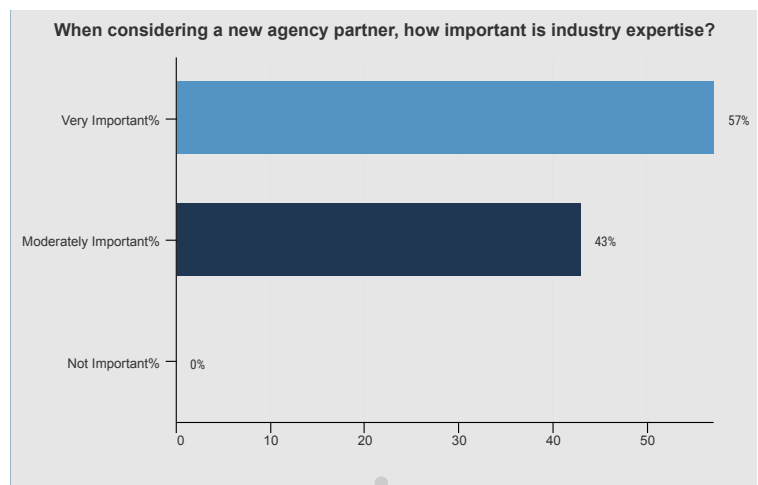
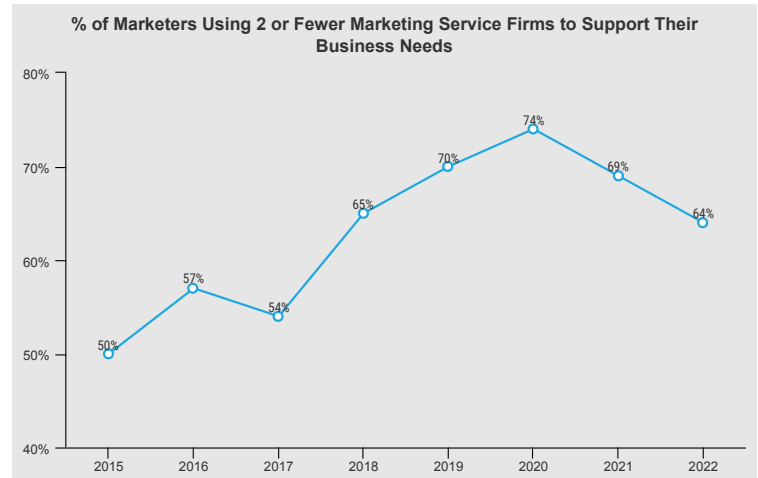
62% of agencies said expertise will be very important, (and a must) to marketers when considering new agencies, followed by 30% replying "Moderately—it helps, but not a must."

On the marketer side, we see 57% replying "very important", and a somewhat surprisingly large percentage at 43% saying expertise is only moderately important.

So, with the percentage of marketers using 2 or fewer firms dropping, meaning marketers potentially using more firms, specialization becomes more important.

As we've said in the past though, specialization doesn't mean your firm only focuses on one vertical, but marketers tend to hire those firms who establish their expertise in a specialized way.

Your firm needs focus in 2023.



Your Agency Site – How Important Is It?

In one of our new questions in this year's survey, we asked marketers, "How important is an agency's website in helping you determine whether you'll entertain a conversation with an agency?"

The agency site is typically the first thing a prospect sees, right? But how important to your prospects is it really?

Turns out, important.

From a scale of 1 to 10, 1 being not at all important and 10 being very important, 72% of marketers chose 8-10.

Implications

This is probably not a great shock to agencies, but it should be something of a wake-up call, or at the very least a reminder.

As we say in the introduction to our eBook, [A Guide To Help Agencies Drive New Business Through Better Websites](#),

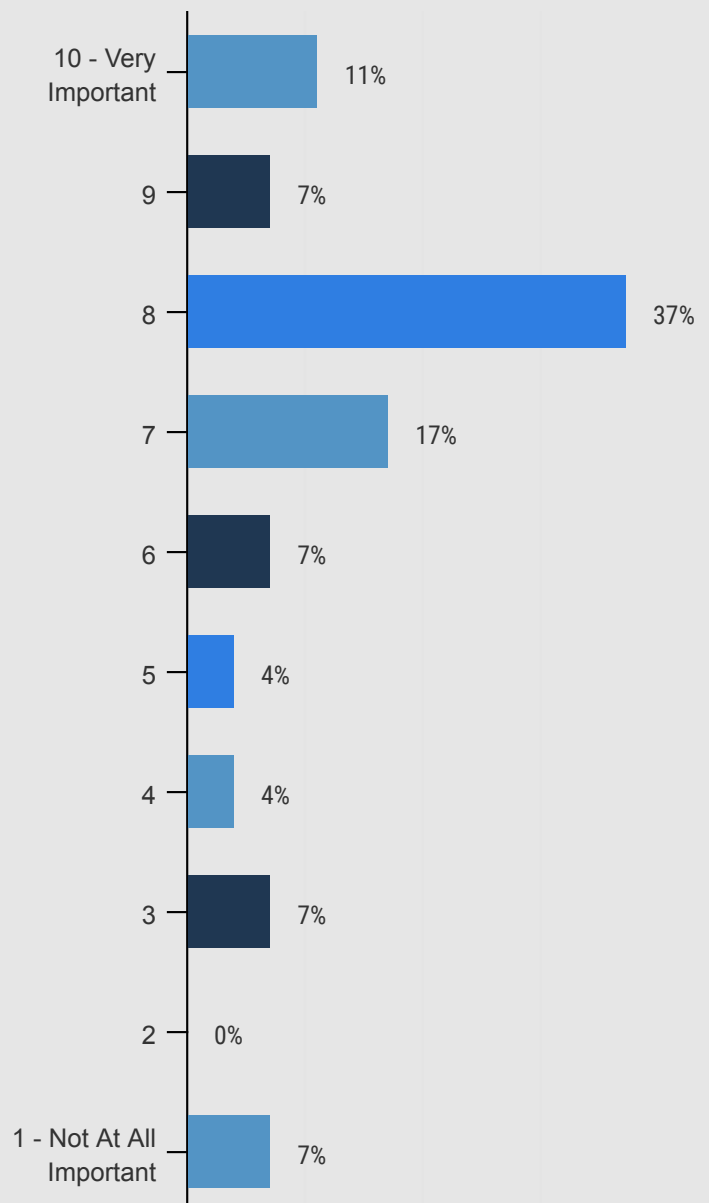
Your agency's site is a visual elevator pitch, yet many agencies don't consider this when creating or updating their sites.

Your site is typically the last thing you get to because it takes time to update it, or heaven forbid, to launch a new site for your firm.

It is without a doubt, a difficult and time-sucking process, but here's further proof you must attend to it.

Even if that means updates over time, to help drive more new business for your firm, look at it as soon as you can and make a plan for updates.

How important is an agency's website in helping you determine whether you'll entertain a conversation with an agency?



Agencies: Trends & Tech — Ahead of the Curve?

In another new question, we asked agencies, “In terms of new trends and tech, would you say your agency is ahead of the curve as you enter 2023?”, and asked marketers the same question about their current agency/agencies.

Interestingly, 74% of agencies, on a scale of 1-10, rated their firm between a 6 and 10. And phrased in the form of a yes or no question, 70% of marketers answered yes, our agency is ahead of the curve entering 2023.

Implications

Kudos to you, agencies!

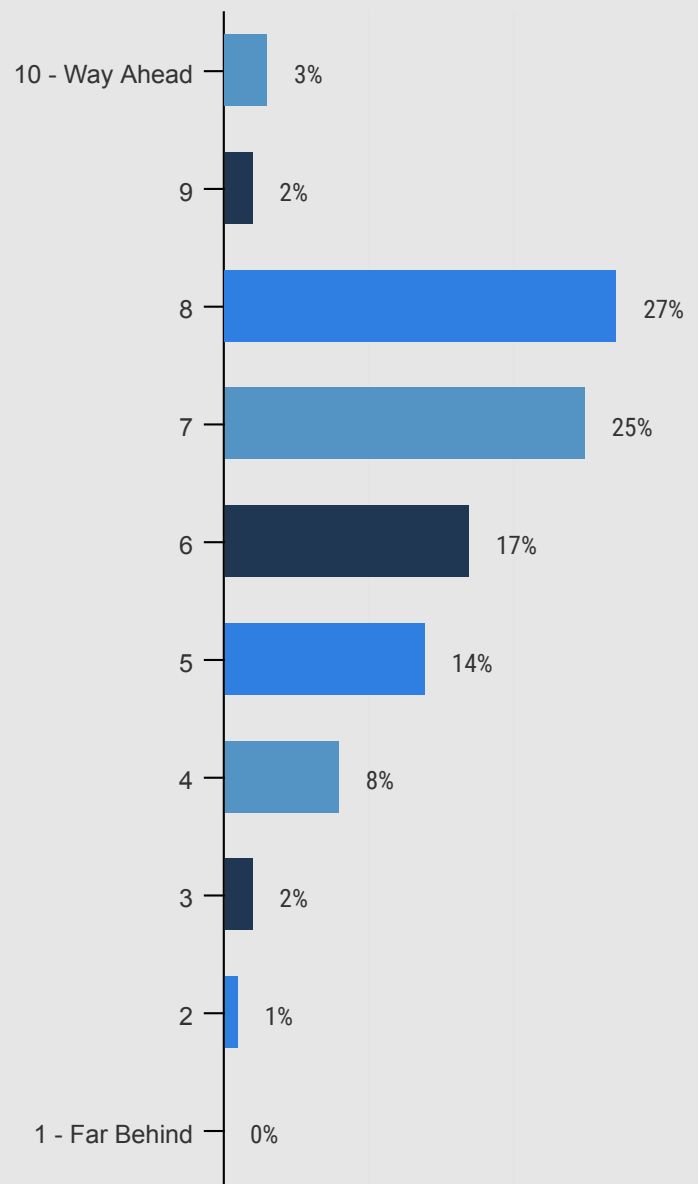
The cynical part of me wanted to initially say, “easy patting yourselves on the back agencies”, but indeed you should do some of that.

As we’ve already mentioned, staying on top of trends and tech is hard, but critically important, not just in making your client work better, but in retaining those clients.

However, as we’ve also mentioned in this report, staying on top of trends and tech is one thing, but unless your clients are aware of them, those efforts won’t be known.

Make it known through your ongoing client conversations, or better yet, through priority announcements to your clients.

In terms of new trends and tech, would you say your agency is ahead of the curve as you enter 2023?



Remote Work and Company Culture

We next asked agencies, “How has remote work affected your company culture?”.

Good to see only 26% reporting a negative effect. Although on its face, seems a bit odd that 40% of agencies said it has no effect at all. Or is it?

Let’s look at it.

Implications

This was a new question for our survey — we wanted to take the agency temperature on remote work and what the overall sentiment was.

While the 40% stating remote work had no effect might seem a high number (there was no effect at all?), given the indelible changes the pandemic has imprinted on business, in the case of agencies, it’s actually not odd.

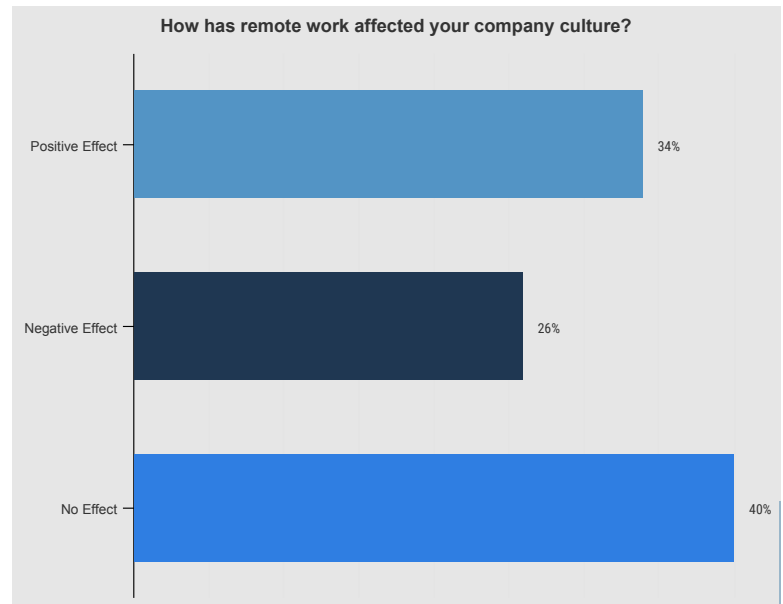
Agencies, more than many other types of businesses, were well ahead of the curve on working remotely before the pandemic hit — thankfully.

So, for a good percentage, the pandemic did not disrupt work flows ongoing.

A few open-ended responses from agencies along these lines:

- About a third of our workforce was remote even before the pandemic, so the switch to full remote was pretty easy for us.
- It’s also a trend and won’t continue.
- We have always had a blended and flexible culture. Covid hit and we were able to work without any interruption - we already had processes and tech in place.
- We’re 100% in office. Creative collaboration works best that way.
- We’re a small firm of 8. We allow remote work for a set amount of days per year. It’s a perk, not a ‘right’.

But there’s that 26% who saw coming into the office as an important team-building and work-enhancing proposition. For those agencies, it’s been a hard transition.



Remote Work and Company Culture cont'd.

A few open-ended responses from agencies along these lines:

- Billable time is down with those working from home. Too easy to slack off.
- We shifted to 100% remote in 2020 and remain there. Setting aside the financial issue of maintaining multiple offices that are not occupied, the lack of “community” that is achieved through face-to-face engagement has changed the culture. But in fairness, we are not sure if the change is good, bad or neither.
- While the team enjoys it, you can clearly see a disconnect, Things do fall through the cracks..
- Those working from home do not have the same fire in the belly as in-house staff.
- Remote work is not as efficient - amidst clients seeking continually more cost effective solutions. Bottom line: increasingly more difficult to complete projects efficiently while dealing with ever lower industry rates / fees - brought on by side hustlers with no overhead.

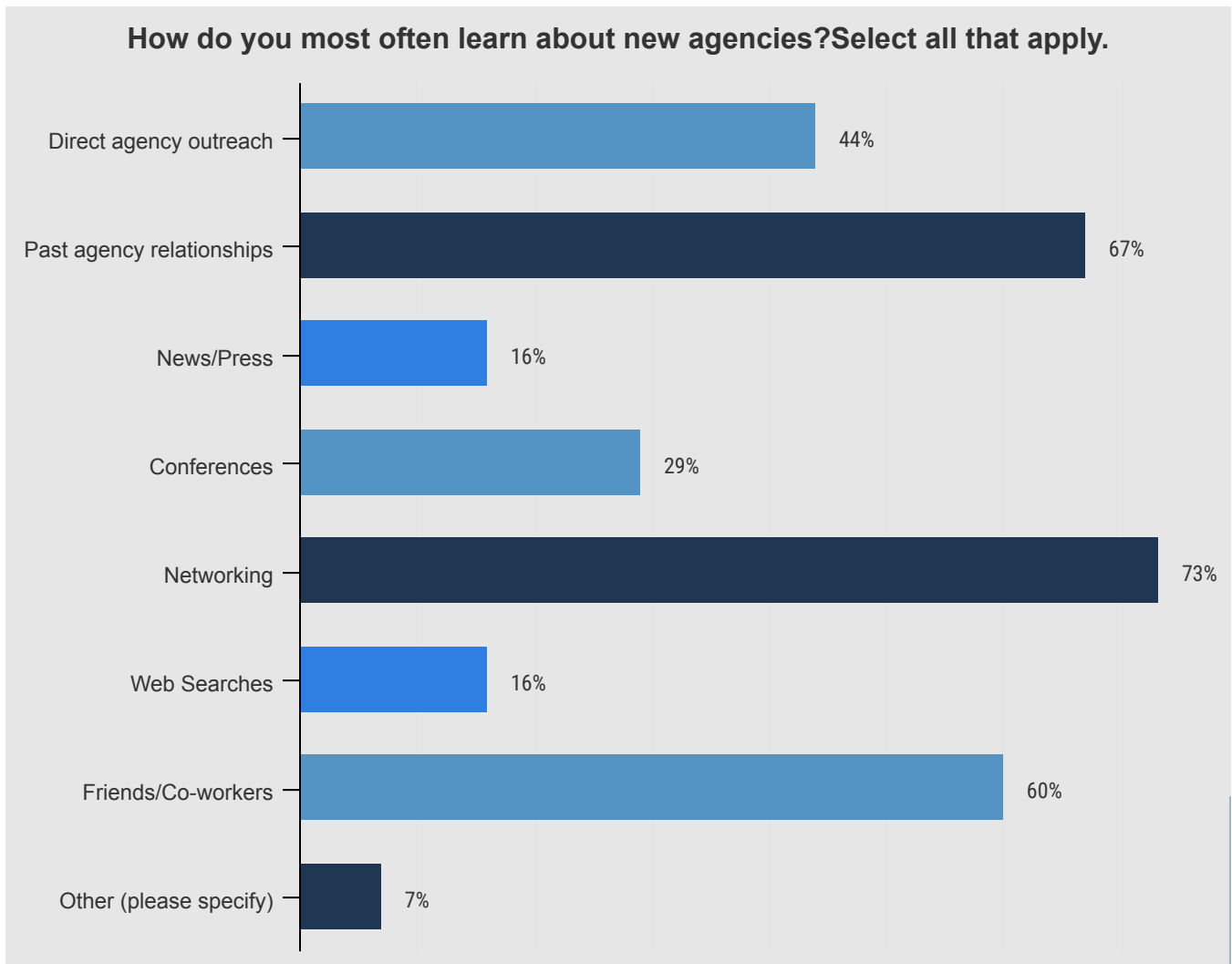
And then there's the 34% who said remote work has had a positive effect, which is also understandable. The one silver lining in the pandemic was the increased freedom employees now have in maintaining work and life schedules.

A few open-ended responses from agencies along these lines:

- We can attract top talent from all over the US by being 100% remote.
- We were born as an agency 10/2020, so remote is how we operated from the start. Although we got an office within 12 months, use of it is truly optional and non-significant. We have thrived with this remote / freedom to choose policy.
- Best thing that ever happened to us. Productivity through the roof and staff very happy with our decision 3 years ago to go virtual. Its a digital world for the good or the bad and Millennials and Get-X have very different world view. You can adapt or die but even better is get on the cutting edge of how they want to wrk and the quality shoots way up. the ball is in the workers court and those agencies who lead the change, not just adapt will win. yes, probably miss some good ideas by not being in an office, but we are way farther ahead. As a digital and tech agency we always stayed ahead of the curve and will try to continue that. Really does not matter because you can never go back.
- Giving people flexibility to remove their commute or just focus on transport of their kids to and from school has resulted in a less stressed and more relaxed team. This is giving rise to new creativity and ideas.

One takeaway for your agency in this: with hybrid, or all-remote staff, make sure you're taking the temperature of your employees — there are still some who want that personal interaction, and work better because of it. While it may be difficult, you need to find ways to make that happen.

How Do Prospects Discover Your Firm?



We brought a question back we haven't asked in a few years: How do you most often learn about new agencies?

Unsurprisingly, networking (73%), past agency relationships (67%), and friends/co-workers (60%) constituted the top 3.

However, a significant number of marketers (44%) stated that they learn about agencies via direct agency outreach. When we asked this question many years ago, the percent of marketers stating that they learned about agencies this way was in the low teens (13%).

How Do Prospects Discover Your Firm? cont'd.

Implications

A few takeaways for agencies here.

If you aren't organizing outreach to marketers, you need to do it now. There once was a day when "web searches" was among the top ways in which marketers found out about agencies. This year, it rates near the bottom, at 16%.

And while you can't necessarily influence a marketer's personal network, unless you literally know someone in that network, these results are a reminder to focus on your own network. As always, it's important to your new business strategy, whether through other firms, associates, or friends. You must cultivate your personal network, and not be afraid or nervous about doing so.

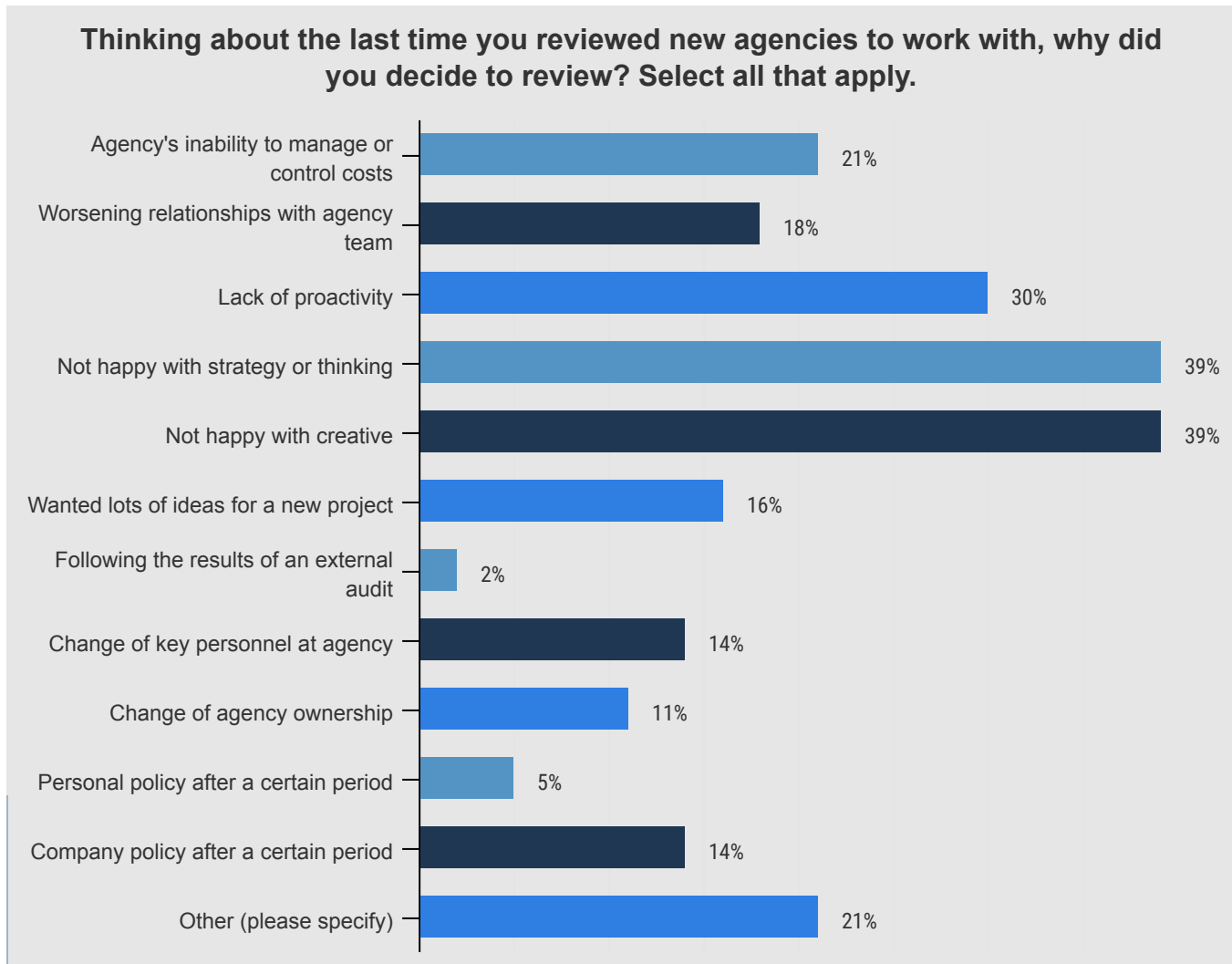
Marketers named "past agency relationships" as the second most-often way they discover agencies. Often, when marketers move to another company, they reach out to you, which is fantastic. But it doesn't always happen that way. Take the time in the beginning of 2023 to look through your past clients. Odds are, there are individuals who have moved on to new companies, which is an opportunity for you to reconnect.

But to reiterate: Do not ignore number four on this list (Direct Agency Outreach) just because it's number four! Of the top three on the list above, only number two is the one you have any control over. So that leaves you with the most important, and one you can most directly influence: direct agency outreach.

Make it a priority in 2023.



Why Do Marketers Review New Agencies?



We asked Marketers, "Thinking about the last time you reviewed new agencies to work with, why did you decide to review? Select all that apply."

Tied for first at 39%, the top two answers were "Not happy with strategy or thinking" and "Not happy with creative".

And rounding out the next two were "Lack of proactivity" (30%) and "Agency's inability to manage or control costs" (20%).

Why Do Marketers Review New Agencies? cont'd.

Implications

Many factors within these four total responses are not always in your agency's control of course.

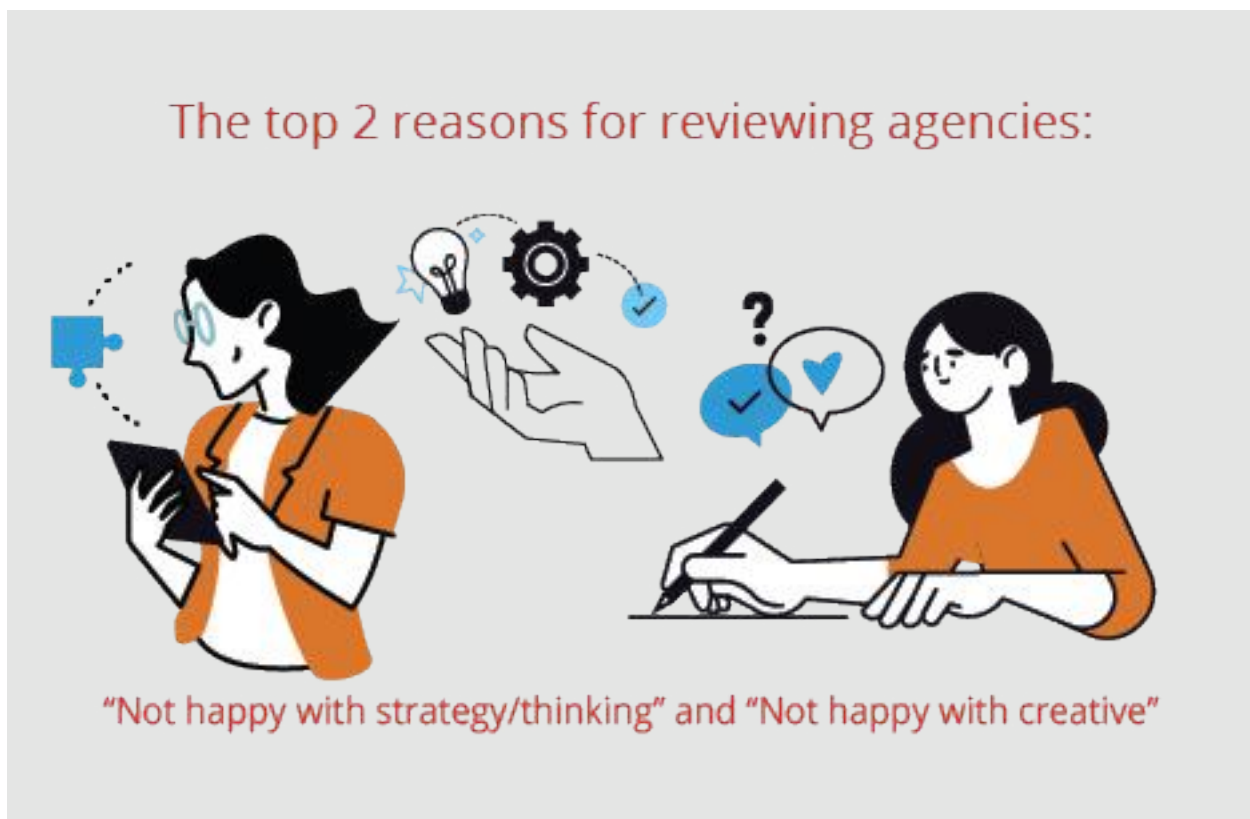
A myriad of things can go wrong personally and professionally, on both the agency and marketer side.

What we want agencies to focus on here is proactivity and strategy, those that are more within your control.

You must bring both to the table ongoing, and if you are, and your client is still not satisfied, it may be time to take a step back and reconsider that client relationship.

You need to be realistic — maybe there is an employee that is simply not getting it done, but it very well could be a client that just isn't worth everything they're putting you and the team through.

Both are tough situations, but you must nip them in the bud as soon as you can.



The RFI/RFP Process=Still Effective. (Really?)

In the same vein as our previous questions, we next asked marketers “Do you find the RFI/RFP process still effective?”

In a potentially unwelcome and groan-inducing result for agencies, an overwhelming 82% of marketers said yes.

Implications

What can we say here — the process is evidently not going away.

Which makes it even more groan-inducing with headlines like this:

[Keurig Dr Pepper Demands 360-Day Payment Terms in PR Agency RFP](#)

We’ve talked to agency principals that still, selectively, find the right RFP’s to be worth it, and more power to them.

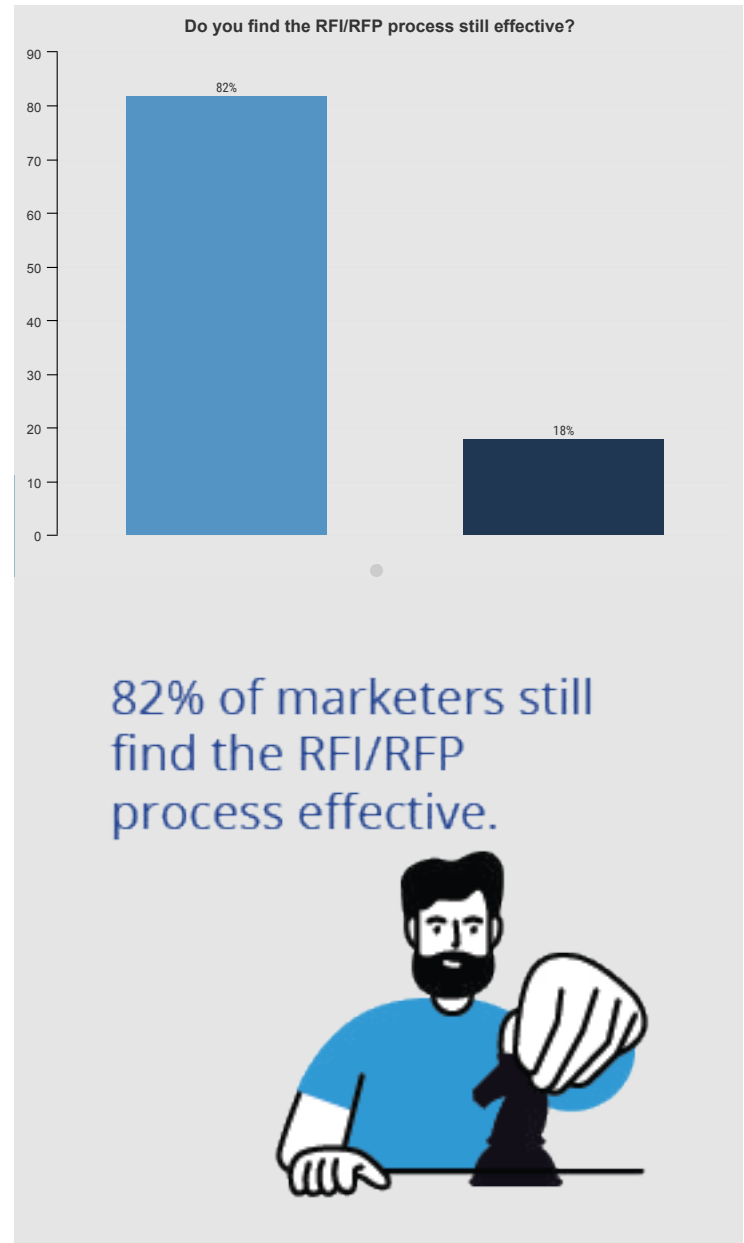
And there are those verticals where it’s a mandatory stipulation to engage in the RFP process.

But by all accounts, chasing RFPs should not be your business development strategy.

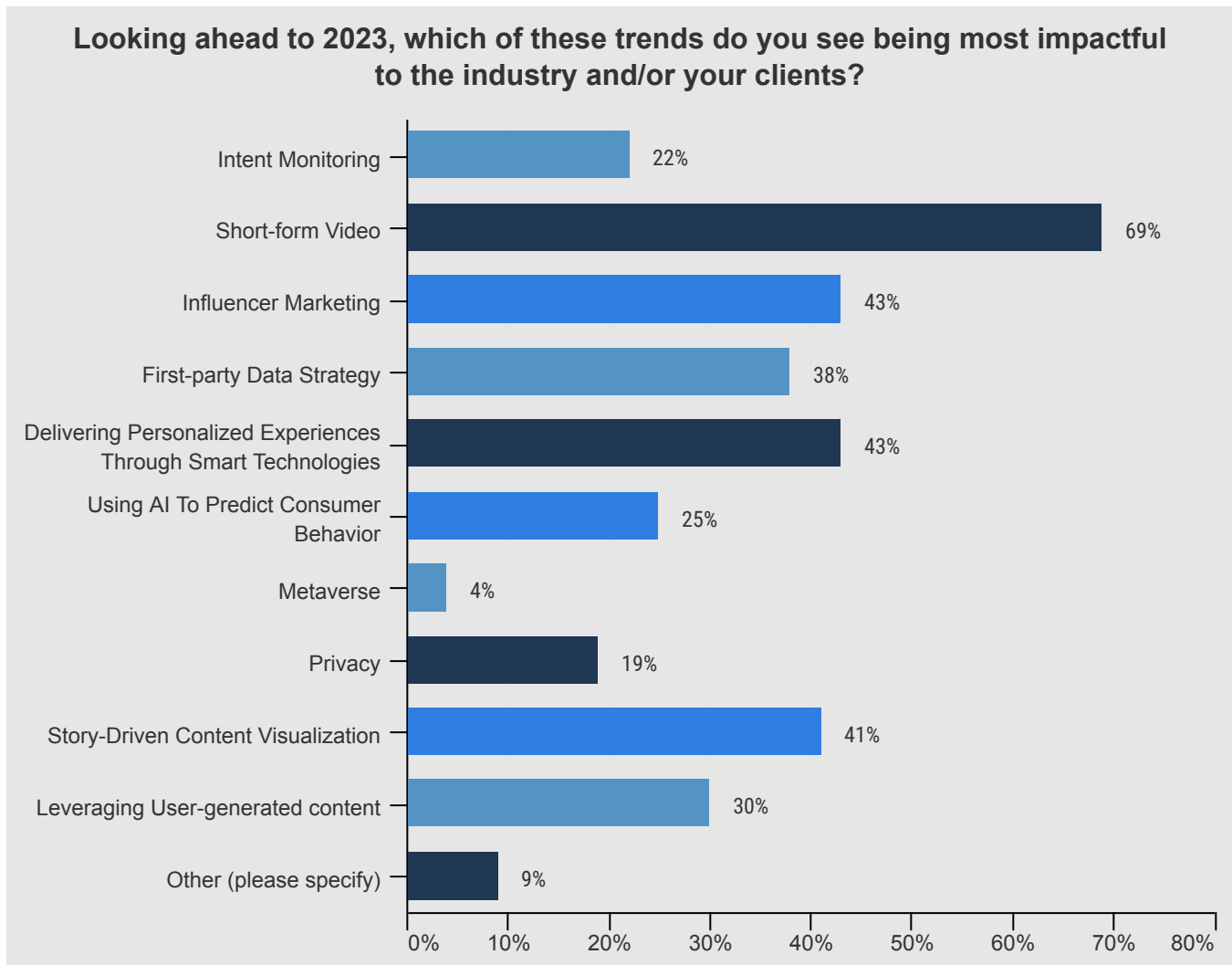
Three reasons why from this piece to sum it up, [Why It’s High Time for RFPs to Die](#):

1. RFPs Establish Tasks, Not Goals
2. RFPs Are Inherently Non-Collaborative
3. RFPs Are Reactive, Not Proactive

Preach it.



The Agency Take On 2023 Industry Trends



We asked agencies, “Looking ahead to 2023, which of these trends do you see being most impactful to the industry and/or your clients?” Per the breakout, agencies consider short-form video, for the second year in a row, to be the most impactful at 69% (interestingly, also the same percentage as last year), followed by influencer marketing at 44%, and delivering personalized experiences to consumers through smart technologies at 43%, followed closely by first-party data strategy at 38%.

As a follow-up, we were curious to see the result of asking agencies, “How likely do you see the metaverse being a viable marketing tool in 2023?”

Well, with a resounding thud 55% said “very unlikely”, and 37% said “neither likely nor unlikely”.

The Agency Take On 2023 Industry Trends cont'd.

Implications

Short-form video continues to reign in our survey, and clients are using it and pursuing agencies who can deliver on its promise.

Influencer marketing actually jumped a spot to number two in this year's survey, showing that this trend also isn't going anywhere for the foreseeable future.

As is the case with any trend, it's worth watching and informing yourself, although it doesn't mean you're investing a lot of time and money into each one. Case in point: the Metaverse. With only early adopters enthusiastic about this new channel, agencies are understandably not staking much on becoming experts. However, with brands from Nike to Coca-Cola already testing the waters, it behooves agencies to at least keep this topic on their radar because the zeitgeist can seemingly change overnight.

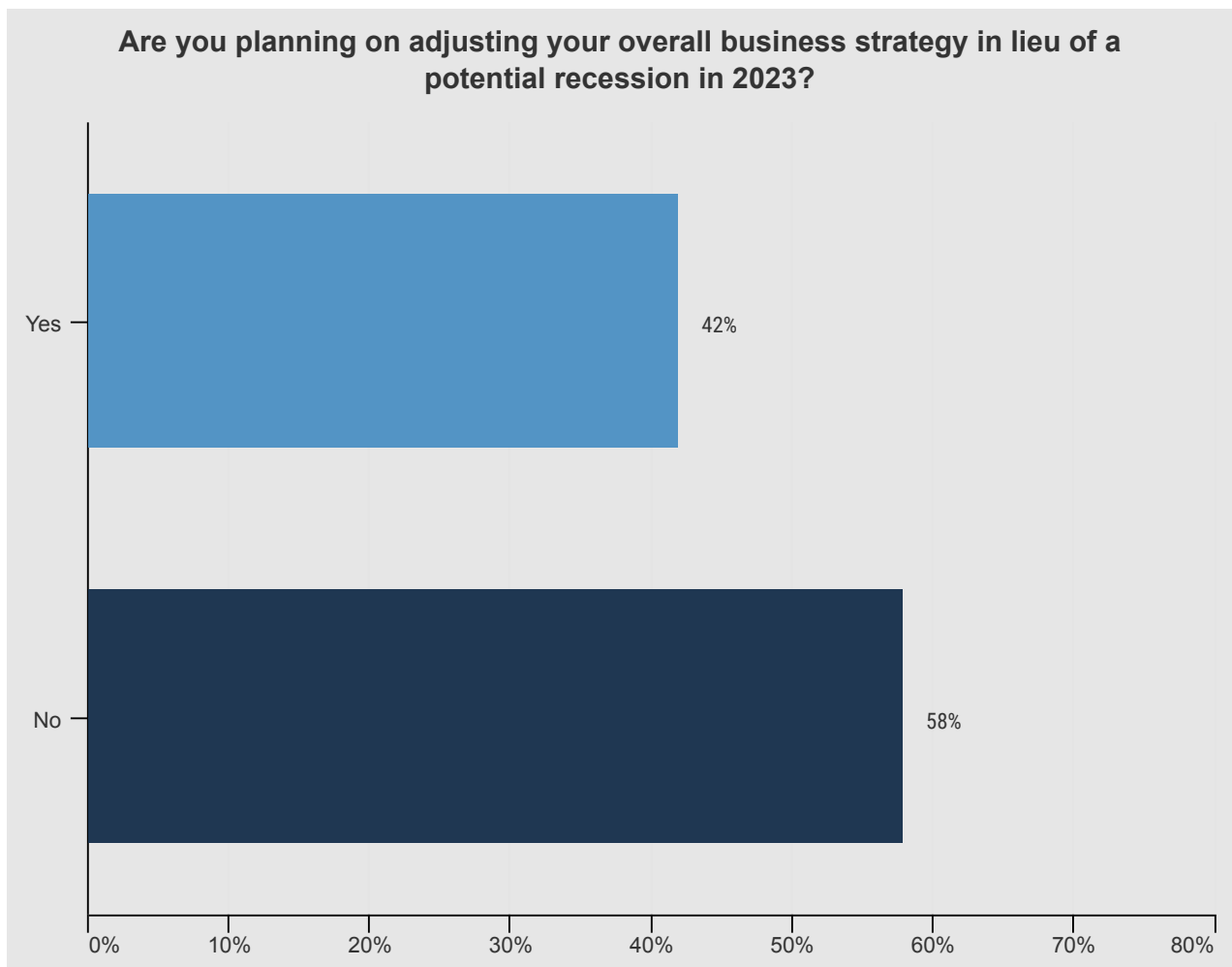
Per previous questions In this report, you need to let your clients know your thoughts on trends, and that you are actually informed.

If your clients come to depend on you as a resource in this way, you become that much more valuable.



Economic Concerns?

Given the uncertainties involved looking to 2023, we asked agencies. “Are you planning on adjusting your overall business strategy in lieu of a potential recession in 2023?” The majority, 58% said no, although a still significant number (42%) said yes.



Biggest Challenges Facing Agencies in 2023

Let's start with responses from marketers on the challenges they believe agencies will face in 2023:

- Staying on top of industry trends.
- Not taking time to understand the product and company culture.
- Personnel: Employees not fully engaged with achieving goals and strategies.
- Still willing to put in the effort every day to keep my business that they put in to win a pitch. Second is maintaining solid interpersonal relationships with those responsible for the work, not just the person signing the checks.
- Staying relevant and providing ROI against marketing spend
- Potential recession - so potential less money. Right now, we are operating with our normal spend but wondering what 2023 will bring.
- Getting visibility for their clients in a flooded marketplace
- Acquiring and holding talent
- The ability to determine what communication channels actually work -- measurable data on traditional channels such as broadcast TV, radio, outdoor, when digital is being touted as the answer to everything measurable.
- Demonstrating measurable value and ROI
- Being nimble and flexible. Being able to show ROI and pivot based on performance.

And here are selected responses from agencies on the biggest challenges they believe they'll face in 2023:

- Responding to accelerating change.
- Talent retention & acquisition
- Agency fees being reduced but expectation work stays same or increases.
- Recession
- Creative culture of agencies due to high demand and remuneration options for remote work. The creative work becomes very task oriented versus creative thinking and approach.
- Differentiation
- Some clients think that tech allows them to DIY instead of using an agency. That hurts us. However, with workforce being such a challenge, we also have something great to offer clients with limited bandwidth.
- Consistent pipeline development for new sales.
- Keeping clients happy and focused on our contribution instead of chasing shiny objects.
- in my space, there are a lot of posers coming in who will give good meeting, and underperform. It will sour client prospects on investing in marketing at scale.
- New business generation ... clients at big brands are still steeped in old metrics and generating awareness. its about lead generation and many clients are in the dark ages and still don't

Biggest Challenges Facing Agencies in 2023 cont'd.

understand how to leverage digital 25 years later. Makes it harder for agencies who0 actually understand how media works today. Clients say they want something different ... most don't. the definition of insanity is trying the same things over and over and expecting different results.

- Being paid fairly and treated like a partner, not a commodity

Implications For Agencies

Many of the marketer responses will be familiar to agencies, although it doesn't mean they're not important.

Some are factors out of your control like staffing changes, the cultural impact of remote work, and a potential recession – though, how you respond to these factors makes a huge difference.

And then there are those areas very much in your control and agencies are generally doing a good job keeping up with those.

There are rarely good excuses for not doing the homework and understanding a client or providing value beyond the task.

Driving new business is another piece that, while challenging in many respects, is something well within any agency's power to affect.

Maintaining solid relationships with your clients can give you some leeway on many challenges you'll face in 2023, so that, as always, is something you have to continually nurture.

Continuing to nurture relationships
with clients can give you a
headstart on many of
2023's challenges.



Biggest Challenges Facing Marketers in 2023

Let's start with responses from agencies on the challenges they believe marketers will face in 2023:

- Spend and headcount reduction
- Staying aggressive in a down economy
- Recession
- The willingness to stop chasing shiny objects
- Automation moving to the forefront. Google and Facebook will look to poach agency fees with their automation tools.
- Overdependence on Facebook and Google advertising
- Navigating all the marketing channels and opportunities out there today. Making sense of the chaos and taking advantage
- As it always is: focus on strategy vs. tactics. The tactics are sexy, easy and fun. Strategy is hard work.
- -hey're expected to be unicorns, ie: know every marketing function in one person.
- Staying up to speed on leveraging technology
- Making messages more relevant & personalized
- Trusting agencies
- Sorting the posers from firms that have real expertise.
- Strategically understand the world is moving to a younger mindset that is very very different Millennials and Gen-X far less brand loyal and not afraid to go their own way. Marketers need to understand the crap they have been through as they have grown up ... far different and less stable than previous generations. Not scare to go for it and snub the world. That translates to very different skill sets and product development. We will see how it all evolves. Secondly they waste billions overusing search and social as clients are clueless how much money their PPC agencies waste

And here are selected responses from marketers on the biggest challenges they believe they'll face in 2023:

- Too many channels competing for attention
- Being able to pare down the number of vendors required to meet needs.
- Understanding burgeoning trends.
- Fighting for the attention of the user. We are constantly being bombarded with messaging in all aspects of our life. How do you get YOUR message to stand out in the sea of messaging?
- Pressure to scale growth in the face of inflation and changes in customer spending

Biggest Challenges Facing Marketers in 2023 cont'd.

- Keeping up with digital advertising and social media technology and opportunities, which can literally change daily
- Looming recession, or at least perceived issues with finances for customer base.
- Lack of talent!
- Driving customer retention and acquisition while proving out ROI
- Data -- we are drowning in it.. and struggle to pull out real insights that truly build business
- It's difficult to effectively and efficiently manage flat to incrementally increasing budgets when Marketing is expected to support strategy with an increasing number of marketing communications tactics.
- Integration of technology infrastructure and its increasing importance in our strategies. We rely on experts to help us navigate.

Implications For Marketers

As in every year, marketers, like agencies, will be under immense pressure to deliver in 2023.

Looking at the challenges marketers describe themselves having, the good news is, agencies can mine multiple areas of opportunity in 2023: helping clients understand trends, helping drive customer retention, and the integration of tech infrastructure to name just a few.

As the last marketer said, "We rely on experts to help us navigate."

Whenever you can, be that expert for your clients.

Many marketers will look to agency experts to help navigate 2023's challenges.



Conclusion

Moving into 2023, there are many reasons for agencies to be optimistic: spending expectations, in-house agency decreases, and the general consensus from marketers that agencies are staying on top of trends.

But economic caution and uncertainty are ever-present, and as we said previously, the possibility shouldn't be ignored.

But even here's there's a positive: you've been through this before. Your firm survived the pandemic and you can prepare for economic uncertainty again.

2023 will be a real proving ground in terms of remote work, agency culture, and establishing protocols and strategies that ensure solid productivity, as well as a healthy, challenging and satisfying work environment.

And the good news, in terms of areas for improvement in 2023? It's spelled out for you in this report.

Focus on the key topics here to drive new business and retain current clients: how prospects discover your firm, why marketers review new agencies, and what your perceived challenges are in 2023, for example.

Use these as a road map for you and your team, and you'll be better prepared for what comes this year.

If your firm struggles with the pursuit of new business, RSW/US may be the dedicated new business development solution that's right for your firm.

Or if your goal is to handle new business internally, we have a wealth of resources on our site, including reports like these, blog posts, video, and eBooks, all designed to help aid your new business efforts.

For more agency new business
development resources,
check out our blog:

rswus.com/blog/

