

Agencies are on the right track for 2021

We recently surveyed leaders of 167 digital marketing agencies. Although some were initially derailed at the outset of the global pandemic, most are now back on track. After reassessing and reevaluating their businesses, some are even poised for profitability. Here's what else we learned.



↓ 29%

Beginning of pandemic agency call volume

↑ 79%

November 2020 agency call volume

88% of agencies say they're financially healthy

The agencies we spoke with acknowledged that the onset of COVID-19 was destabilizing and revenues declined. But it also had a silver lining — it forced them to take stock of their business and make changes that have been, in the long run, profitable.

Are you satisfied with your agency's financial health?

52%

Satisfied

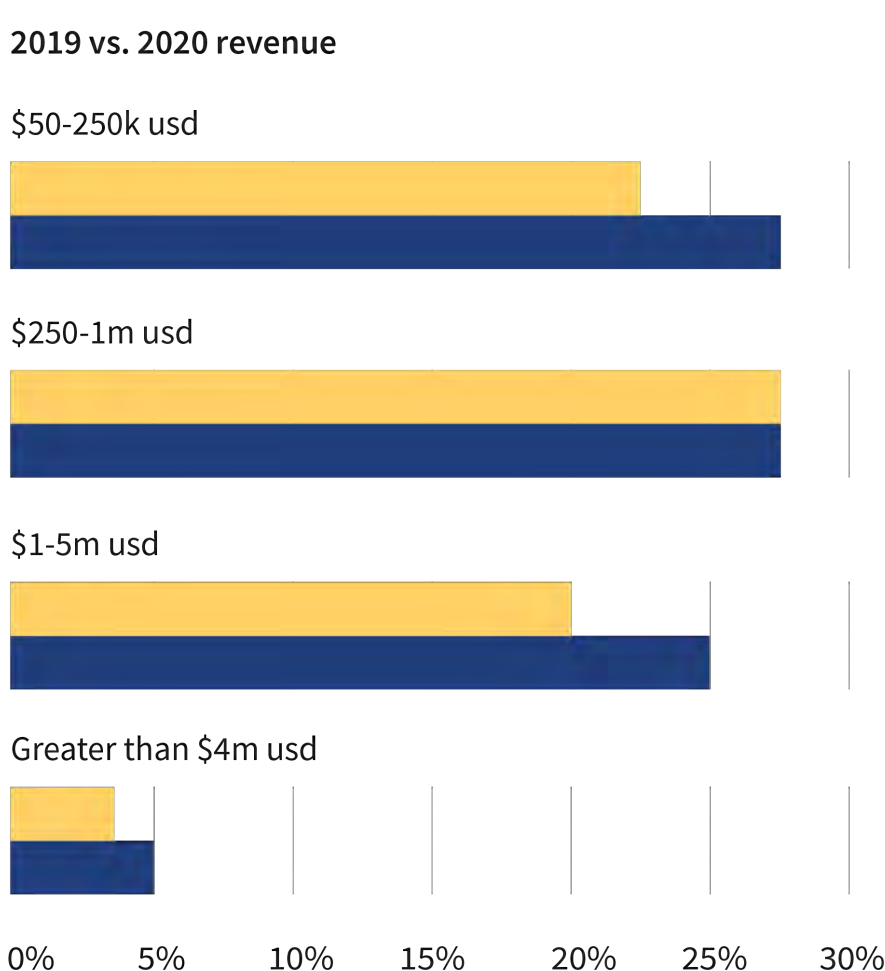
36%

Neither satisfied or dissatisfied

10%

Dissatisfied

2019 vs. 2020 revenue



“We became more profitable because our overhead shrunk so much. But, we would have never gotten rid of our offices or our subscriptions; we would have let them linger, without COVID.”

Molly Randolph, VP and Director of Client Services
The Barbauld Agency



Clients are sticking with agencies (as long as they show results)

Overall, agencies are going into 2021 with a lot of confidence in their value to clients. Only 13% of agencies said hitting client goals and expectations was a challenge. As a result, clients are sticking around for the long haul. Many still struggle to find new clients and increase revenue, but demonstrating results makes a difference.

What is your average customer lifespan, in months?

48%

>36 months

25%

12-24 months

21%

24-36 months

4%

0-12 months

What are your agency's overall biggest pain points?

48%

Finding new clients

42%

Increasing revenue per acct.

33%

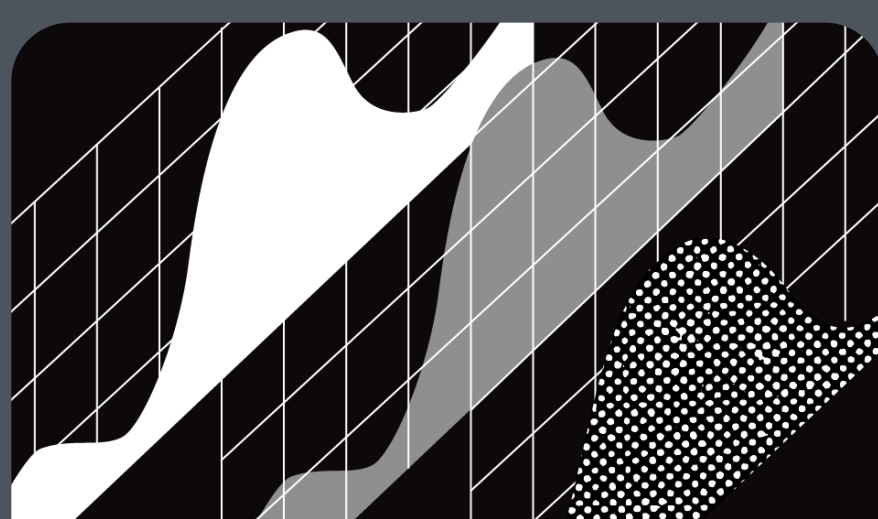
Finding employees with the “right fit”

31%

No time to focus on administrative tasks

22%

Moving on from bad fit clients



“We earn our new business by providing results. We do a lot of competitive research and look for ways to break the molds.”

Dale Powell, Managing Director
Atomic Marketing



Call tracking and analytics help reveal agency value

Marketing agencies continue to invest heavily in technologies that help streamline day-to-day tasks — and demonstrate their value to clients.

What types of software do you use to better run your agency?

79%

Project management software

77%

Reporting and analytics software

76%

Billing software

58%

Email service providers

55%

CRM system

What online advertising platforms are you currently managing for clients?

92%

Google Ads

87%

Facebook

73%

Instagram

62%

YouTube

59%

LinkedIn

Which marketing analytics tools are important to your agency?

95%

Call Tracking

95%

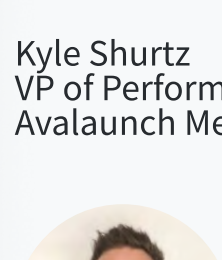
Form Tracking

84%

Call Recording

“Call Tracking and call analysis... show we're not an expense, but an investment. Call Tracking shows who's called and what keyword came from where.”

Kyle Shurtz
VP of Performance Marketing
Avalaunch Media



Staying on track

Despite the roller coaster ride of 2020, most agencies remain cautiously optimistic about 2021. Many assume they'll continue to struggle to find new clients and grow existing ones, but they feel the changes they made this year have prepared them for what's next.

Want more insights from our survey?
Download our full 45-page report, *Back on track: 2021 Digital marketing agency outlook*.

[Read the report →](#)

