

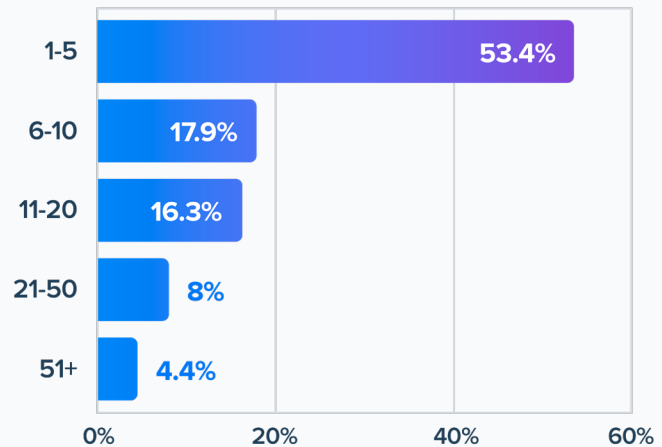
2024

Marketing Agency Benchmarks Report

Based on the responses of 251 marketing agencies

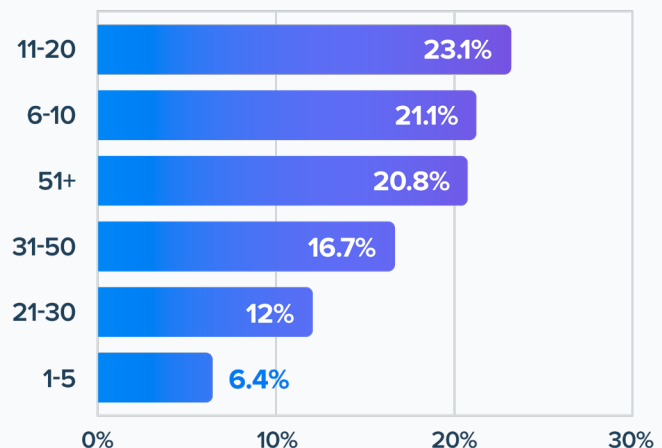
1. Most Marketing Agencies Are in the Growth Stage

Most agencies have 1 to 5 full-time employees, which corresponds to the growth and establishment phase of the digital agency life cycle.



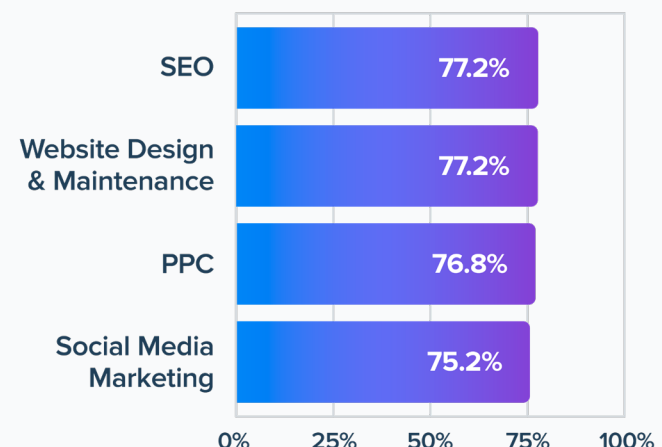
2. Average Number of Marketing Agency Clients: 11 to 20

Corresponding to the growth and establishment phase, the majority of agencies surveyed maintain a roster of 11 to 20 clients.



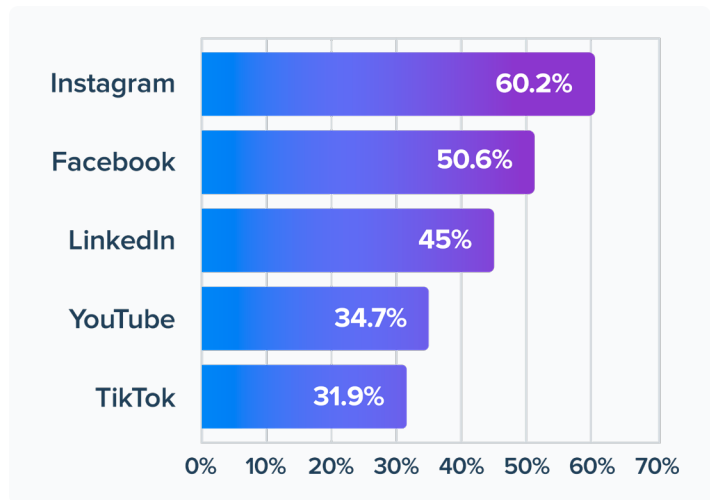
3. Top Provided Marketing Agency Services: SEO and Website Maintenance

Agencies identified SEO and Website Design & Maintenance services as their top-provided offerings, with both tying for first place (77%).



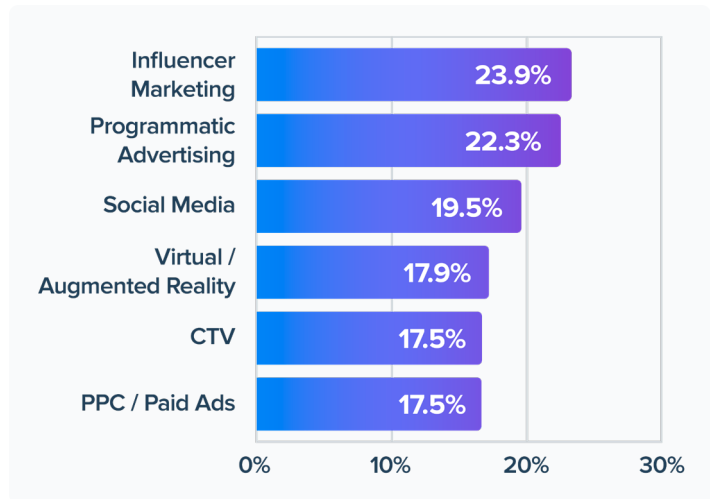
4. According to Most Agency Leaders, Instagram Campaigns Will Receive Increased Traction in 2024

According to 60% of agency leaders, Instagram is the marketing platform with the most promise for 2024.



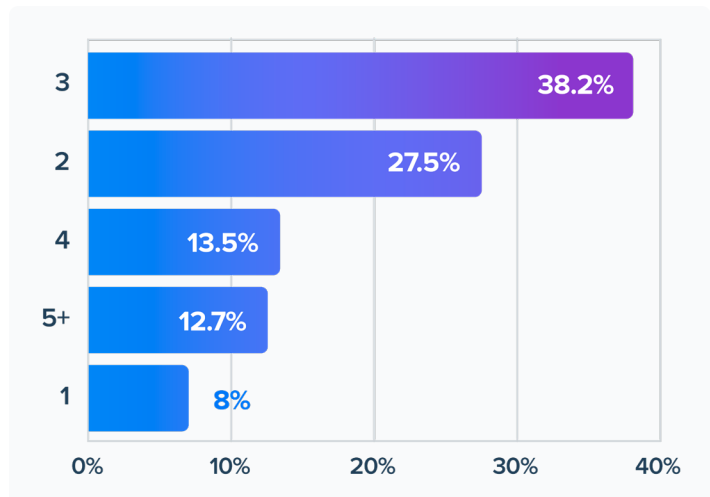
5. Influencer Marketing May Take a Backseat, Contrary To Last Year's Findings

24% of agencies plan to invest less in influencer marketing. Last year, it was projected to be the most promising campaign type.



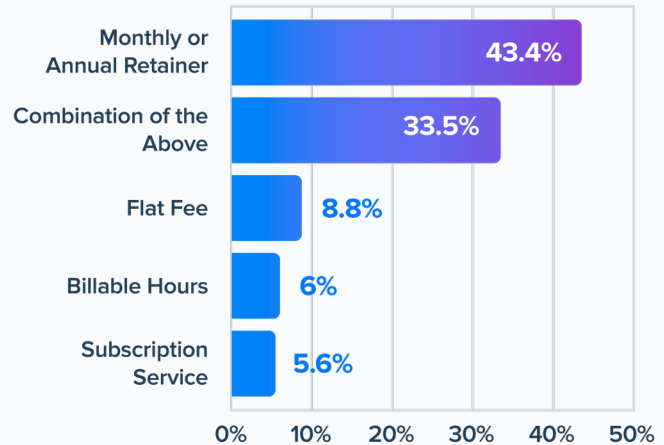
6. Over Half of Marketing Agency Clients Sign Up for 3+ Services

Juggling multiple service providers is time-consuming. That's likely why more than half of marketing agency clients opt for 3+ services.



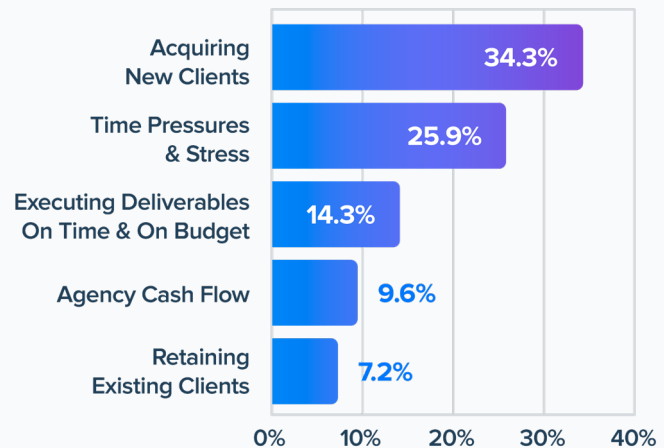
7. A Long-Term Retainer Is the Preferred Pricing Model for Most Marketing Agency Clients

43% of agencies report retainers are the most popular package type. This may be because this pricing model provides clients with predictable expenses.



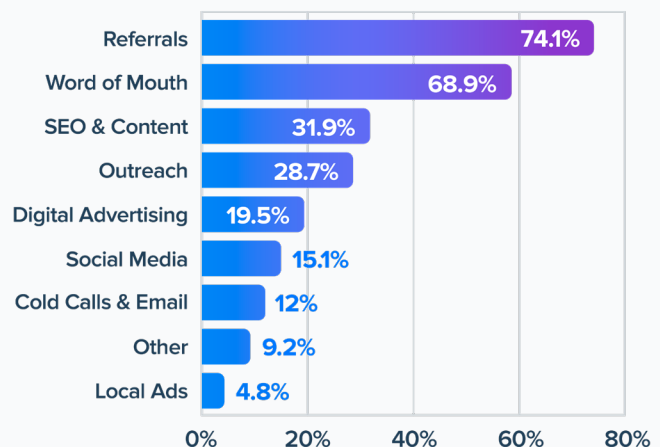
8. Client Acquisition Continues To Be the Top Marketing Agency Challenge

Acquiring new clients continues to be the most significant challenge for marketing agencies. These teams also grapple with time pressure and stress.



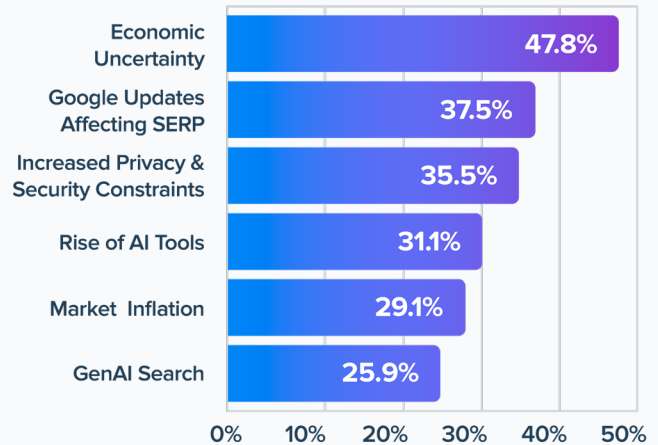
9. Agency Leaders Credit Referrals as Their Most Promising Source for New Business

Referrals remain the top source for acquiring new business. It's another pattern since our last benchmark report and shows the power of relationship-building.



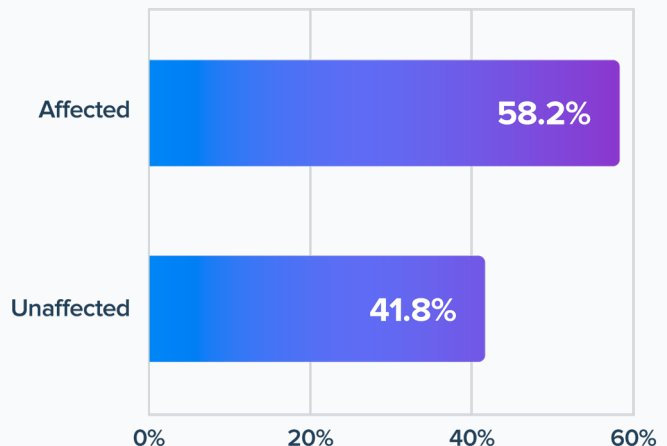
10. Economic Uncertainty Is a Major Concern—Even More Than the Rise of AI Tools

Economic uncertainty was cited as the top concern. This is no surprise, as 2023 had the lowest yearly growth rate (7.8%) for digital advertising initiatives since 2009.



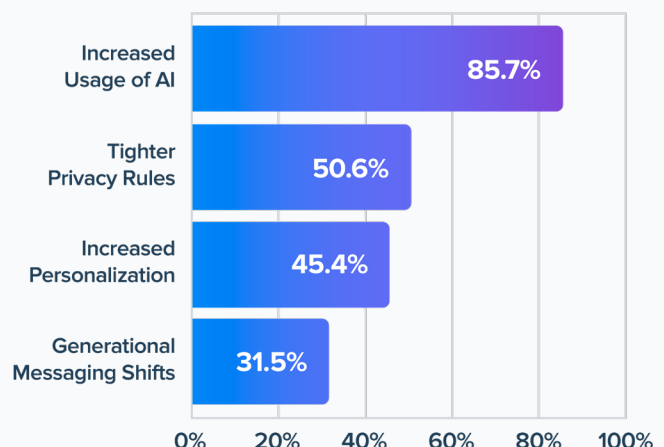
11. 36% of Marketing Agencies Increased Prices Due to Rising Inflation

Just over half of marketing agency leaders reported that they've experienced notable challenges due to inflation and rising costs.



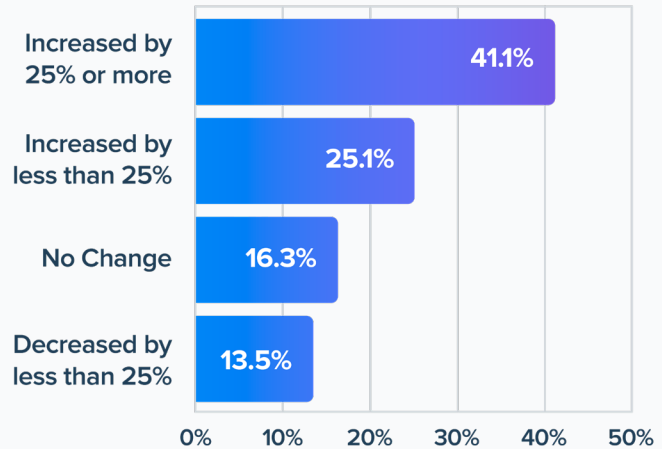
12. Marketing Agency Leaders Predict a Surge in AI Usage Over the Next 5 Years

A whopping 86% of marketing agency leaders agree that AI usage will continue to grow with no signs of slowing down.



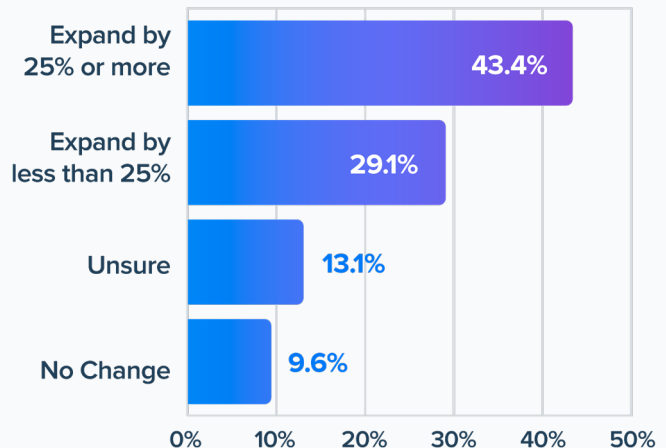
13. Most Agencies Have Generated More Revenue Over the Past Year

Despite lingering reservations about the economy, 66% of agencies reported a rise in revenue. Most agencies also experienced an earnings increase of 25% or more.



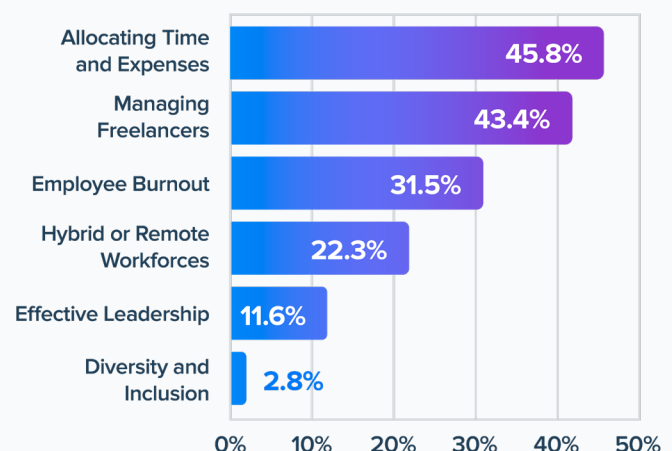
14. Most Marketing Agency Leaders Expect Revenue To Expand by 25% or More

43% of marketing agency leaders expect revenue to increase by 25% or more. It shows persistence, even amidst evolving market and industry conditions.



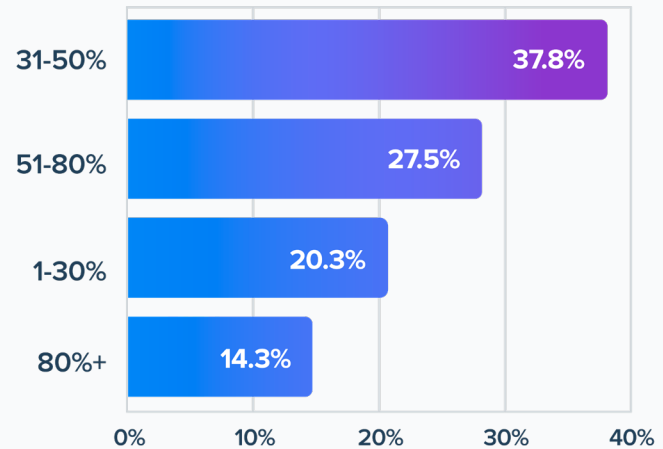
15. Tracking Billable Time Is the Most Common Marketing Agency Management Pain Point

Close to half of agencies agree that allocating billable time is a sore spot. While it may seem like extra work to monitor the clock, failing to do so could result in lost revenue.



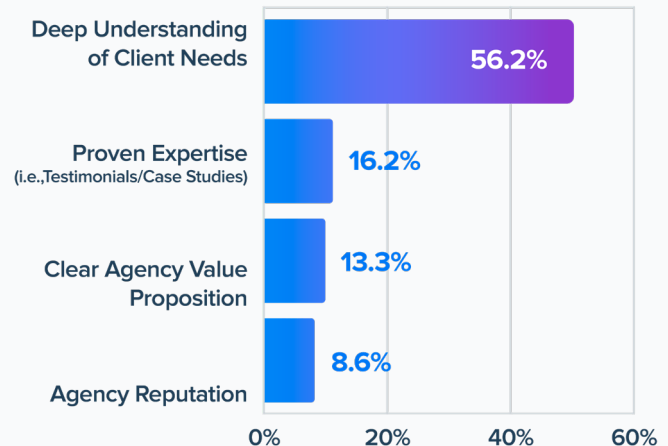
16. Marketing Agencies Win a Significant Percentage of Their Sales Pitches

Most agencies won 31% to 50% of their sales pitches in the past year. More than likely, they've invested time in practice and perfecting their skills.



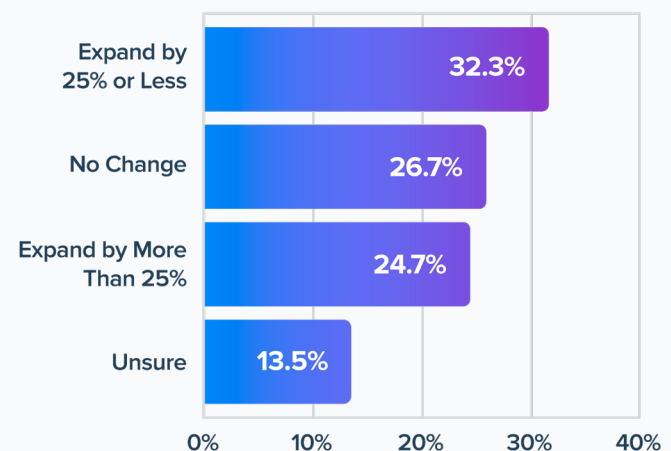
17. Understanding Client Needs Is the Key To Winning Marketing Agency Sales Pitches

To truly win clients over, it's about understanding their needs early on. In fact, 56% of agency leaders credit this approach with converting prospects into customers.



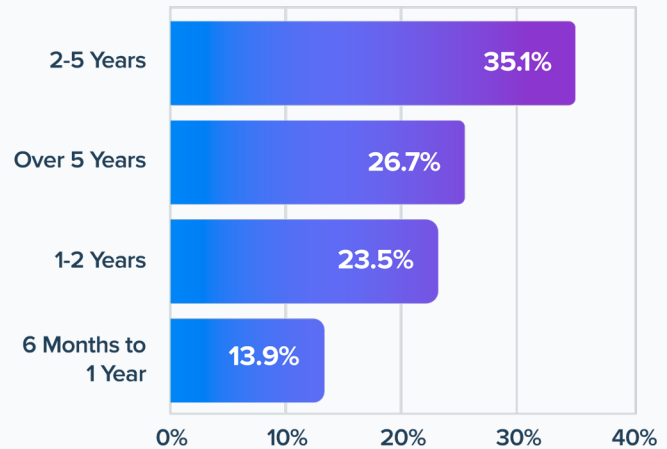
18. Team Expansion Is on the Horizon for More Than Half of Agencies

57% of agency leaders foresee team expansion in the upcoming year to meet growing demands. This is an understandable solution for managing more deliverables.



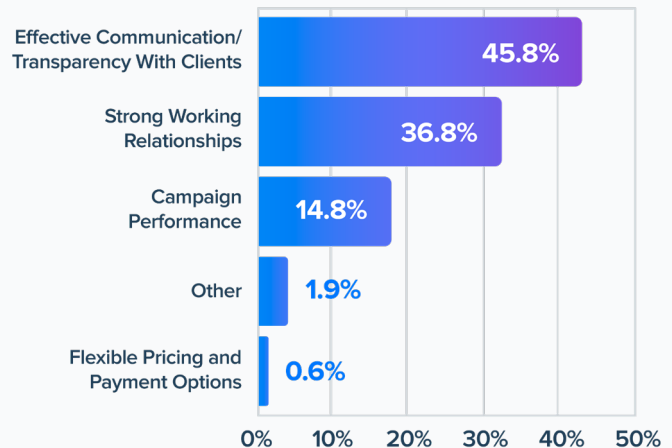
19. On Average, Agencies Retain Clients for 2 to 5 Years

Similar to last year's findings, agencies continue to retain clients between 2 and 5 years. It shows that many clients are interested in long-term partnerships.



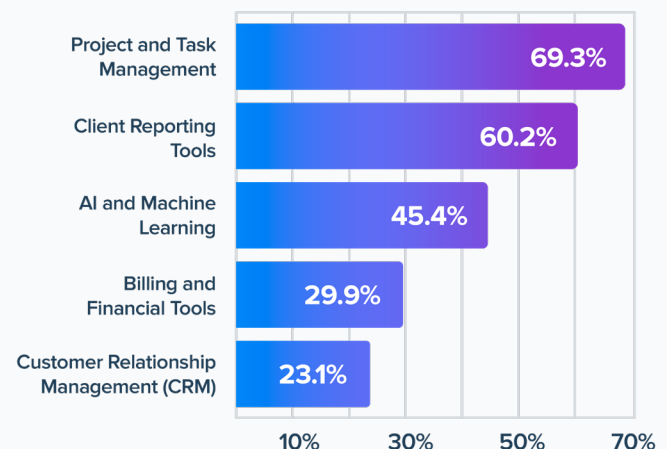
20. Communication and Transparency Are Must-Haves for Strong Client Retention

According to 46% of agency leaders, communication and transparency were the top strategies for retaining clients. It shows the importance of touching base and sharing results.



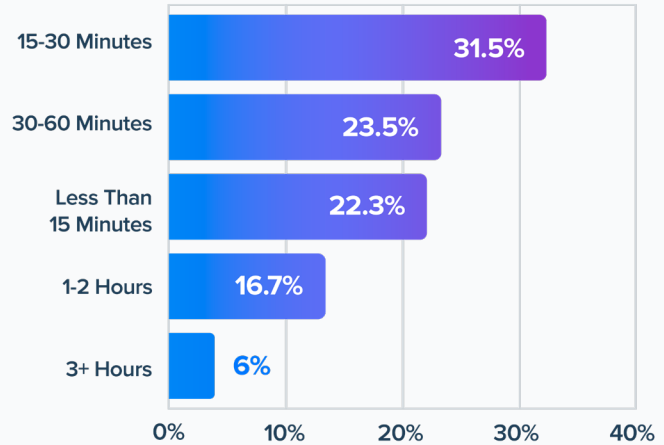
21. Project Management and Client Reporting Tools Are the Key To Agency Success

69% of agency leaders agree on the importance of project and task management. They've also acknowledged the power of comprehensive client reporting.



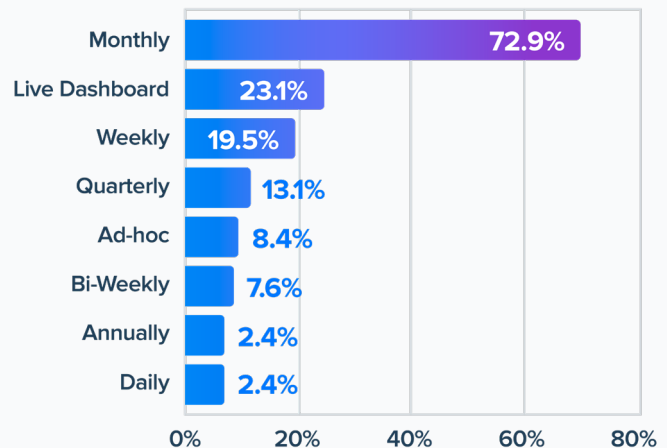
22. Majority of AgencyAnalytics Customers Spend Less Than 30 Minutes Creating a Report

Most agencies spend 15 to 30 minutes creating a client report in AgencyAnalytics, with 22% taking less than 15 minutes. This frees up more time for high-level activities.



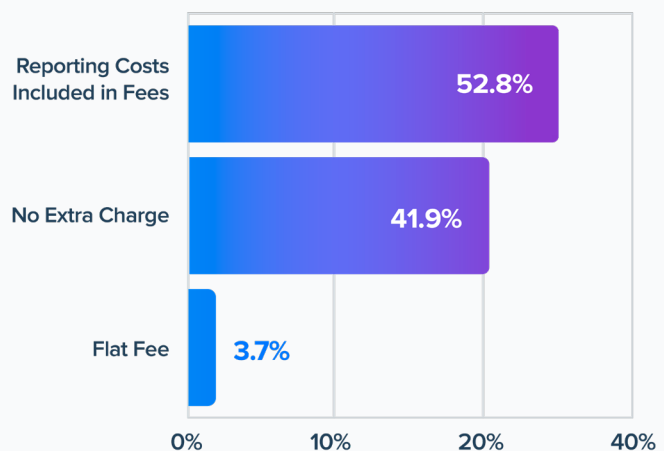
23. Monthly Reporting Cadence Is the Preferred Frequency for a Second Consecutive Year

Most agencies share results with clients monthly, which mirrors last year's findings. It makes sense—with a month's worth of data, there's more information to analyze.



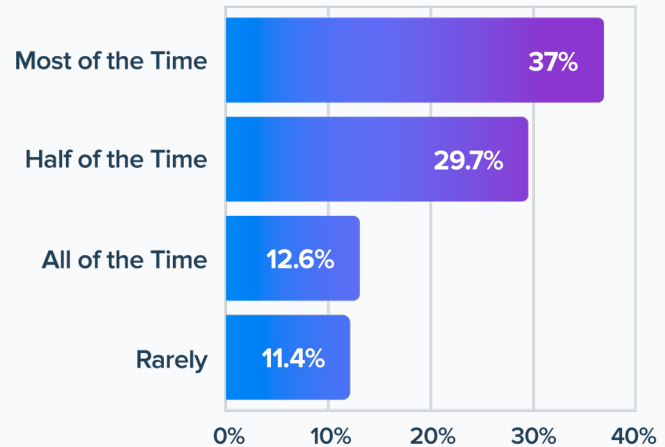
24. Most Marketing Agencies Do Not Charge Separately for Client Reports

53% of agencies already include reporting costs in their overall fee. This way, they bill for their time while presenting clients with a single, upfront payment.



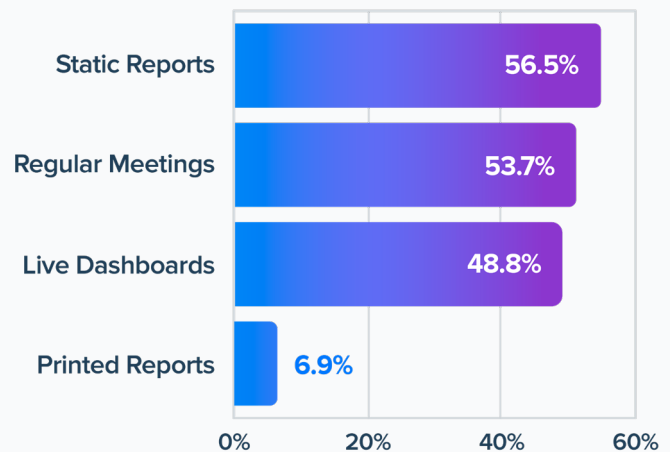
25. Most Clients Are Diligent About Reviewing Their Reports

According to 37% of agency leaders, the majority of clients consistently read their reports. The regularity of report review may be a result of reports being easy to understand.



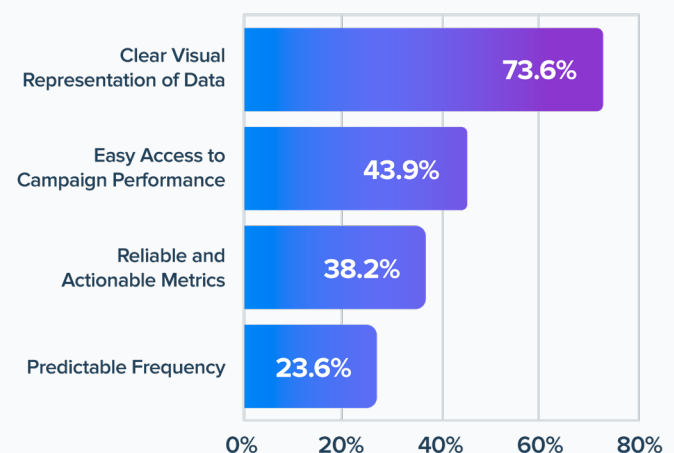
26. Marketing Agency Clients Prefer a Static Report Format and Regularly Scheduled Meetings

Most clients (57%) prefer a static report format and regularly scheduled meetings, suggesting that this is an ideal combination. 49% also like having live dashboard access.



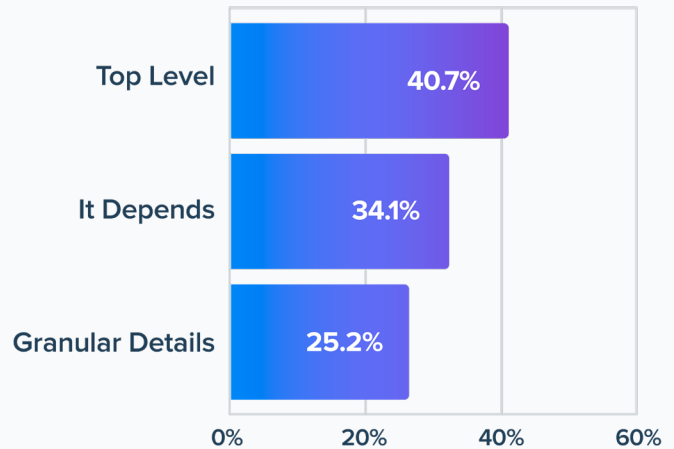
27. Data Visualizations Are Top Priorities for Both Agencies and Clients

74% of agency leaders confirmed that clients most value clear data visualization in their reports.



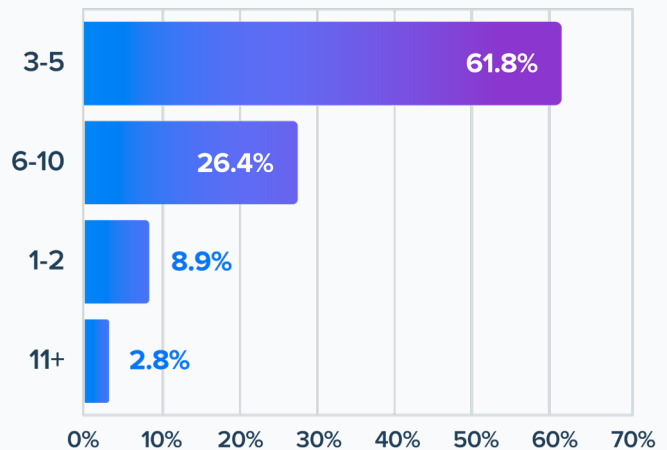
28. Agencies Focus on High-Level Summaries and Key Data Sources

41% of agencies include high-level overviews to maximize client time. As a best practice, include a snapshot of campaign performance and any recommendations.



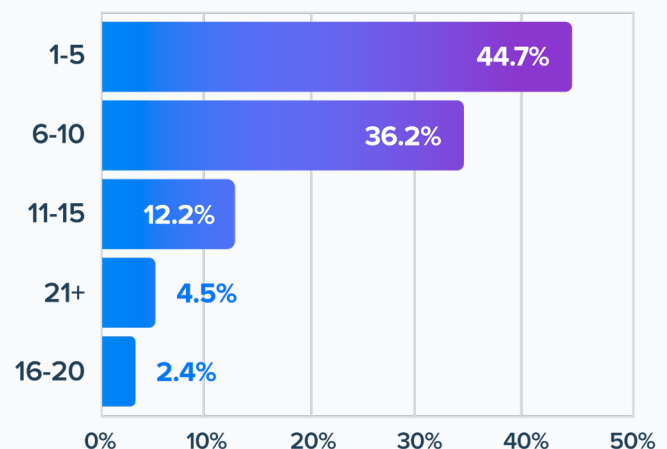
29. Most Marketing Agencies Monitor 3 to 5 Data Sources

Consider that most agencies (62%) monitor three to five data sources per client. This translates to a report length of roughly eight to ten pages.



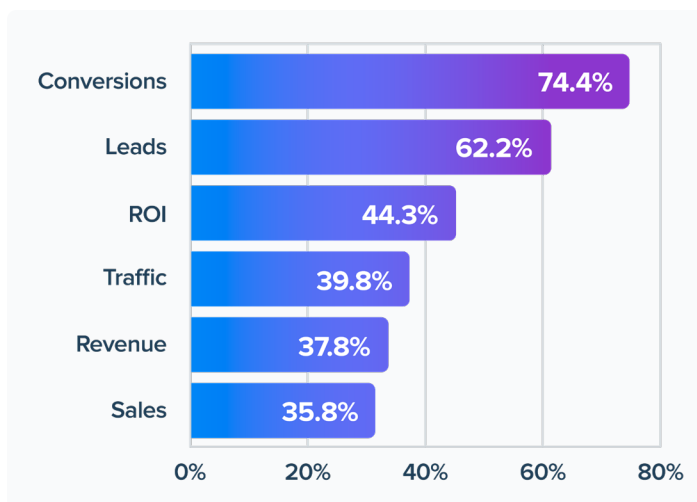
30. Marketing Agency Clients Often Prioritize 1 to 5 KPIs

On a granular level, most clients are interested in 1 to 5 KPIs (as cited by 45% of agency leaders). Additionally, 36% of clients monitor 6 to 10 KPIs.



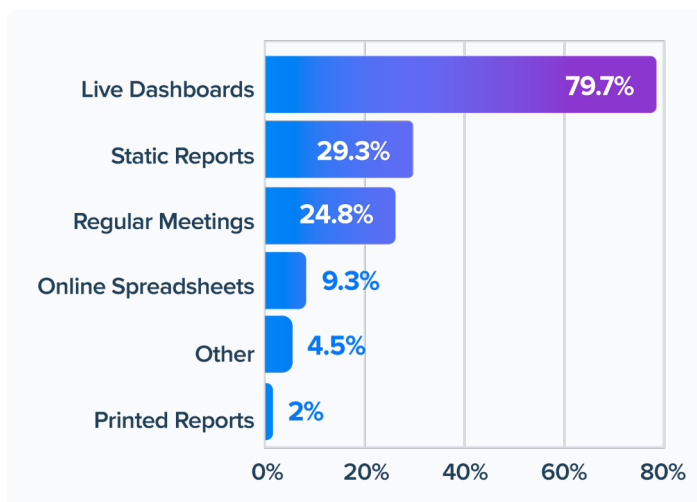
31. Conversion-Driven Campaigns Are the Most Popular Among Marketing Agency Clients

75% of clients are running conversion-driven campaigns. That means they're likely most interested in metrics like online sales or app downloads.



32. Agency Teams Utilize Real-Time Internal Dashboards for Campaign Tracking

80% of agency teams use internal dashboards to monitor real-time insights and identify trends. They're also useful for quickly rectifying campaign issues.



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