

iapi



CENSUS 2024

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About IAPI

The IAPI Mission

To be the representative body for commercial creativity and communications in Ireland.

The IAPI Vision

As the representative body for commercial creativity and communications in Ireland, IAPI currently represents 70+ agencies.

We work to foster excellence in strategic leadership, creativity, innovation, and equality for our membership. This is supported by diverse training and education programmes that promote diversity and inclusion as a strategic and economic imperative. We advocate for our membership reputationally at a corporate client level, at the national and international industry level, and to Government as recognised and respected engine of responsible growth for our members, our people, our clients and our planet.

The membership through the IAPI board have identified the three strategic pillars that will inform our work for the next 3 years as:

PEOPLE, PERFORMANCE & REPUTATION

Abi Moran, IAPI President

As President of IAPI, I'm excited to share the 2024 Census findings, which capture the state of play in Ireland's advertising industry. Workforce numbers are up 13% in the past year and 32% since 2019, demonstrating real momentum.

We're also seeing positive shifts in diversity, with international employees now comprising 18% of the workforce and disability representation doubling to 10%. While 2023 brought challenges, including a 10% drop in agency revenues, it's encouraging that 76% of agencies expect growth this year. Pitching costs are falling, and international business, now at 38%, is driving fresh opportunities. We are also adapting to challenges with a focus on innovation and sustainability as we look towards 2025.

Abi Moran
CEO, Folk VML



Strategic Pillars: 2025 – 2027

Member & Marketing Industry Audience

Industry, C Suite & Political Audience



PEOPLE

- Skills Training
- Flagship Events
- Female Futures Fund
- Cannes Young Lions
- Smash
- Futureheads
- STEPS Mentoring
- DEI Awareness
- 2nd & 3rd Level Student Liaison
- Post Grad Education – Apprenticeship



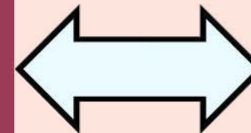
PERFORMANCE

- Research –Evaluation & Measurement**
 - Sentiment Surveys
 - Salary Surveys
 - Pitching Guidelines
 - Annual Census
 - Economic Research / White Paper
- Increased Engagement Goals**
 - International Awards
 - New Members
 - Effie Awards Ireland
 - Ad Net Zero



REPUTATION

- Public Affairs & Lobbying
- Thought Leadership
- Enterprise Ireland Mission
- Representation with other bodies & Stakeholder Management
- Funding / Grant Applications
 - EACA / Voxcomm
 - Effie Awards Ireland
 - Creative is Native



Promoting Business Practices that are Sustainable, Fair and Equal



Participating Agencies

This year we had 50 Agencies contributing to the IAPI census.

This number represents 72% of the IAPI membership and draws from all disciplines within the membership.



The 2024 Survey Headlines

The number of agency staff reported by IAPI members has grown exponentially over the last 5 years. Since 2019 the industry population has grown by 32%.

89% of agency leaders are optimistic for the performance of their agency in 2024.

95% of Agencies reported winning new business since January 1st 2024.

The number of international workers in member agencies has grown to 18.1% which equates to the national percentage of international workers in the overall Irish labour market as per the 2022 Irish census (18.5%).

The average hours spent on pitching fell by 14.6% YoY compared to 2022 while the average cost per pitch has also dropped YoY by 37.4%. This result potentially reflects the consultation IAPI undertook with the industry over the past few years, resulting in a reduction of the input required by agencies during Agency Selection processes.

The proportion of the membership workforce reporting living with a disability has more than doubled from 4% to 10% this year. This points to the new found acknowledgement of the neurodiversity that exists within the IAPI members' workforce.



Executive Summary: Talent

The total workforce employed by IAPI members is estimated at 2,681 (a 13% increase since 2023). The highest volume of staff are operating in Creative Services, Digital & Specialist Services and Client Services & Project Management departments.

Talent churn has seen little change year-on-year, sitting at 11% this year compared to 10% in 2023. New Business, PR and Marketing departments have the highest churn rate (25%) and Research & Insights was the department with the biggest difference in churn between 2024 and 2023 (15% increase YOY to 20% churn in 2024).

The increasingly common decision from employees to take time out or go travelling continues to affect the industry, with 32% of leavers reportedly departing for this reason. Only 4% of leavers are moving to tech companies, as transition to creative agencies accounts for a growing number of those leaving the industry (28% this year).

The majority of leavers continue to be those at more junior levels, as 74% of those leaving have less than 5 years' experience. Of these junior leavers, 36% are moving to a creative agency and 32% are taking time out.



3 out of 10 Junior leavers are taking time out



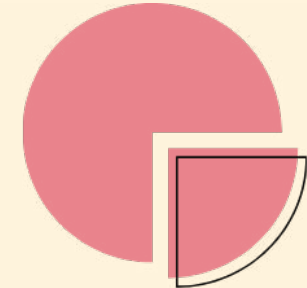
11% Talent Churn
+1% YOY

The majority of experienced staff members (6+ years' experience) leaving the industry are moving to creative agencies (33%) or to the client side (22%).

The majority of vacancies that agencies are actively seeking to fill are in Client Services & Project Management and Creative Services departments. The industry continues to actively recruit for creative and content creation skills, with over 50% of respondents looking for each of these specialists as a matter of urgency or within the next year.



Highest churn within New Business, PR and Marketing



3/4 Leavers are Juniors (<5 years)

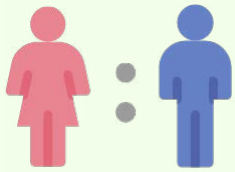
This is mirrored in the Leaders Sentiment Survey, with the highest percentage of respondents most concerned about creative thinking skills gaps. Business thinking is also an area where leaders feel their employees could use more expertise.

Executive Summary: Diversity, Equality & Inclusion

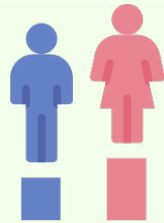
87% of all respondents have a diversity, equality and inclusion policy in place – they either created their own or adopted the IAPI Policy available to all members.

Agencies' main motivation for fostering diversity, equality and inclusion lies in its importance for agency culture and the need to reflect the full diversity of the Irish society to relate to it.

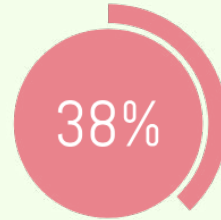
We continue to strive for gender parity at every level and the number of agency departments where females over-index males fell from 66% in 2023 to 55% this year. When seeking to attract new talent, the industry needs to look at the areas still showing gender disparity, including data analytics, HR, IT and others, to achieve equality.



1:1 Females vs Males in Exec Management



Females over - index in 55% of Depts



Females on the Board



10% have a Disability



18% are Internationals

The gender balance in the workforce is unchanged from 2023, with 12% more females than males in the industry. However, the proportion of females in senior roles, including C Suite or Board Director, Non-Executive Board and Executive Management level, has fallen below 40% again, according to this year's respondents. However, it is still 10% higher than 5 years ago.

Where maternity leave is paid, on average, 79% of salary is paid in Maternity inclusive of Social Welfare. Where paternity leave is paid, on average 80% of salary is paid in Paternity inclusive of Social Welfare and on average 10 days of paid paternity leave are provided, both showing declines from 2023.

The number of international employees in the workforce increased by 1.5% year-on-year to 18.1% in 2023. This is now on par with the 18.5% of international workers reported in the 2022 Irish Census and a great achievement for the industry.

Over two-thirds of employees, however, are still from the affluent middle class, reflecting the need for greater sociodemographic diversity.

The proportion of the workforce diagnosed as people with disabilities, including neurodiversity, has more than doubled, from 4% in 2023 to 10% this year. Although this is great progress, it is still lower than the 22% recorded within the Irish population.

Executive Summary: Commercial Performance

After a 21% increase in average revenue for IAPI members in 2022, revenues fell by 10% year-on-year for the year ending in 2023. Media Billings, however, only fell by 4% between 2022 and 2023.

The average revenue (or fee income) reported by respondents for 2023 was €5.8m across all agency types. Media agencies take in the largest profits in the industry.

Independent Creative and Networked Creative Agencies saw year-on-year revenue growth. All other agency types reported a fall in revenues.

When comparing the first six months of 2024 to those of 2023, revenues have fallen by 10% and media billings are actually up by 2%. Agencies are optimistic about the coming year and are predicting, on average, a 35% increase in revenue for 2024 compared to 2023.

With revenues slightly down for many agencies, it is not surprising that the average profit margin was only 8%. Agencies are predicting a 10% profit margin for 2024, which is slightly more conservative than last year's estimate of 13%. This reflects the difficult economic circumstances of the past 12 months.

95% of agencies won new business since the start of 2024, with 41% of new business gained in the past 12 months coming from pitch wins. PR, Media and Events agencies are the most likely to win new business without a pitch and as result, they rely most heavily on their networks for new business.

The cost of pitching fell YOY, with agencies now spending 302 hours and €21,480 per pitch, with agencies stating an average of €179,794 in fee income for new business pitch wins in 2023..

Agencies continue to pursue international business, with 38% of business coming from international clients and for domestic clients in international markets. This is reported as a key priority area for growth in the industry.



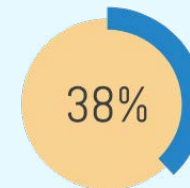
€5.8m average revenue for all agencies



2024 YTD avg revenues down 10%



8% Profit Margin in 2023



Global business at 38%



Pitching cost €11m in 2023

Executive Summary: Leaders' Sentiment

Despite a difficult trading year, IAPI agency Leaders continue to be optimistic, with 89% believing their agency will do as well, if not better than 2023 and 92% believing the industry as a whole will perform as well if not better. Notably, optimism about the industry as a whole is higher this year compared to the previous.

Leaders have expressed concern about tightening budgets and increased cost pressure from clients, as well as tighter deadlines and a move to more in-housing of advertising and creative services.



76% predict increased revenue for 2024



1 in 3 Clients build Sustainability into briefs

From a wider contextual lens, leaders are most concerned about rising salary and energy costs, as well as creating new business opportunities.

Input from IAPI members on wage inflation shows that, on average, wages remain on a par YOY although there is variance between roles and departments.

Over half of IAPI members (56%) are asking staff to be in the office at least 3 days per week, with the number of agencies adopting 2 days or less in-person policy (33%) falling year-on-year.

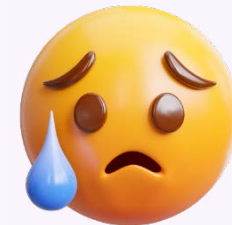
53% of respondents believe they are proficient or very proficient in Artificial Intelligence and the majority of leaders feel positively about the potential impact of AI.

Sustainability is still a priority for agencies, although it is rated as less important compared to 2023. This is likely due to the ongoing climate fatigue experienced across industries.

97% of respondents stated that the value they get from their IAPI membership, is as expected, good or excellent. Of particular benefit are events that showcase the industry, feature leaders and marketers.



89% Optimistic about agency for 2025



Increased cost pressure from clients



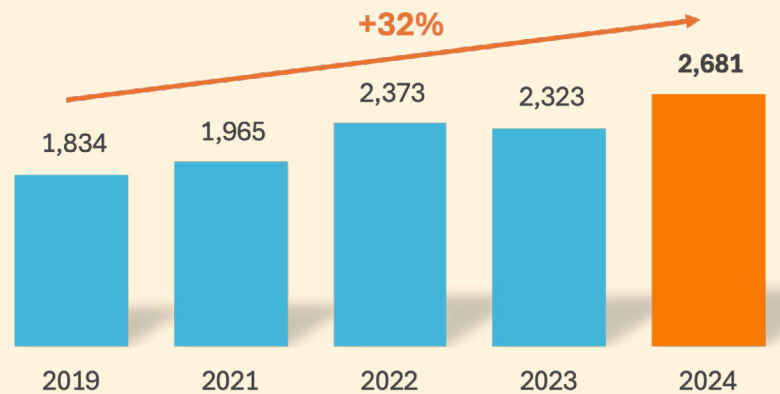
TALENT

Total Workforce

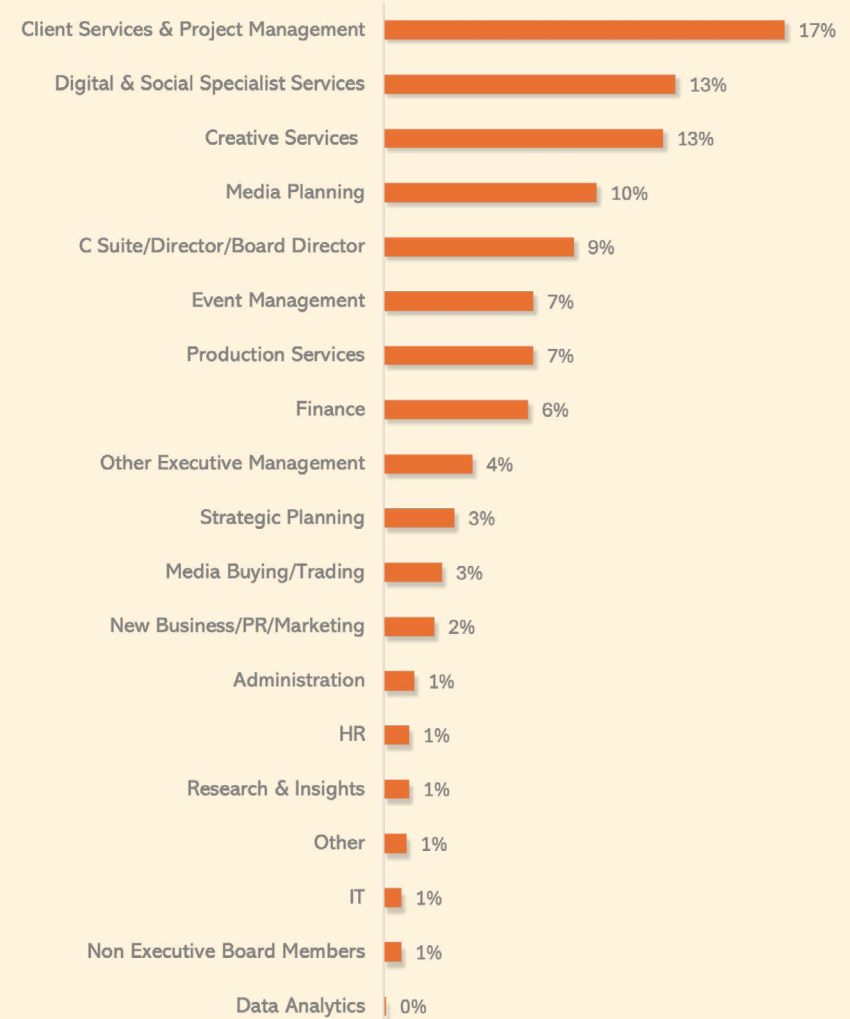
The total workforce employed by IAPI members increased by 13% year-on-year to 2,681 employees. Since 2019, the number of people employed by IAPI members has grown by 32%.

This shows promising growth in the industry albeit a portion of this increase in workforce can be attributed to the volume of new member agencies that have joined IAPI in that time.

Total number of staff employed by IAPI members



% of staff by department

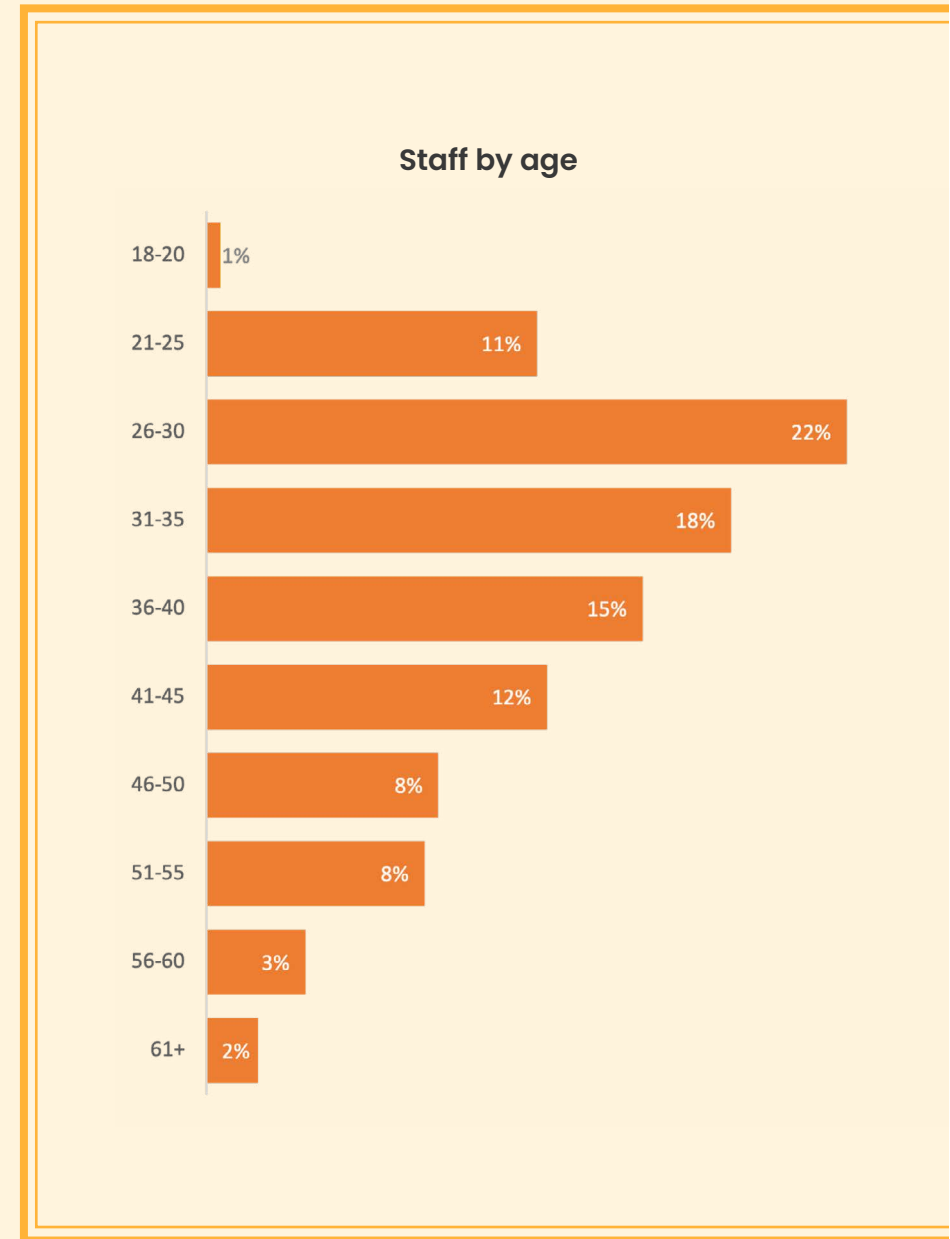
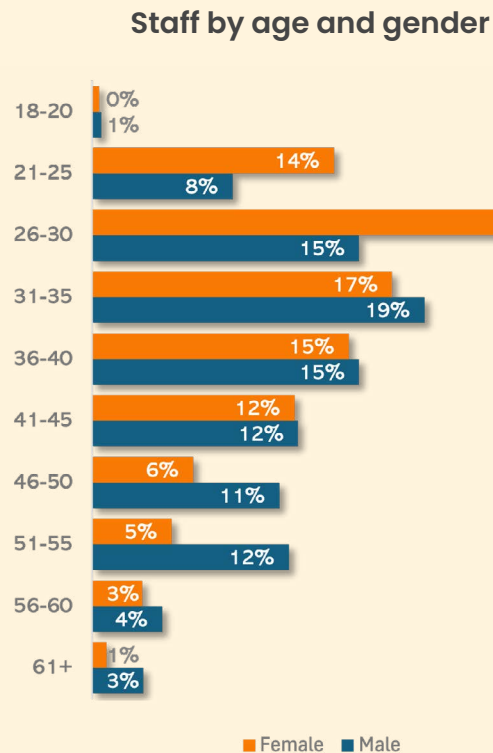


Total Workforce

Similar to 2023, 40% of all employees are aged 26 to 35 years old and less than 1% of employees are under the age of 20 years.

It is interesting to note that females dominate the workforce in the under 30s age group by almost 2:1. While we need a better gender balance still at the leadership level, we also need to ensure that we attract equal numbers of males and females at the starter and junior level.

Currently the industry employs double the number of men over the age of 45 years versus women.



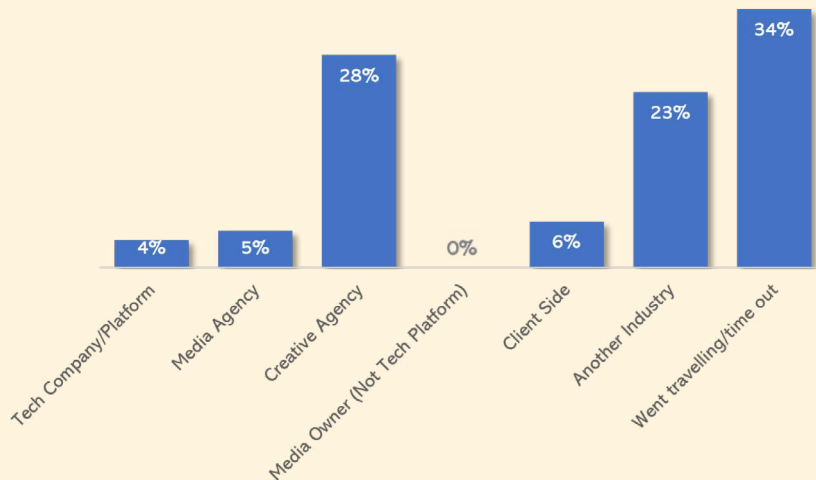
Staff Churn

While churn continues to be a challenge for organisations in the industry, the rate of churn is largely unchanged from 2023 (11% this year compared to 10% last year).

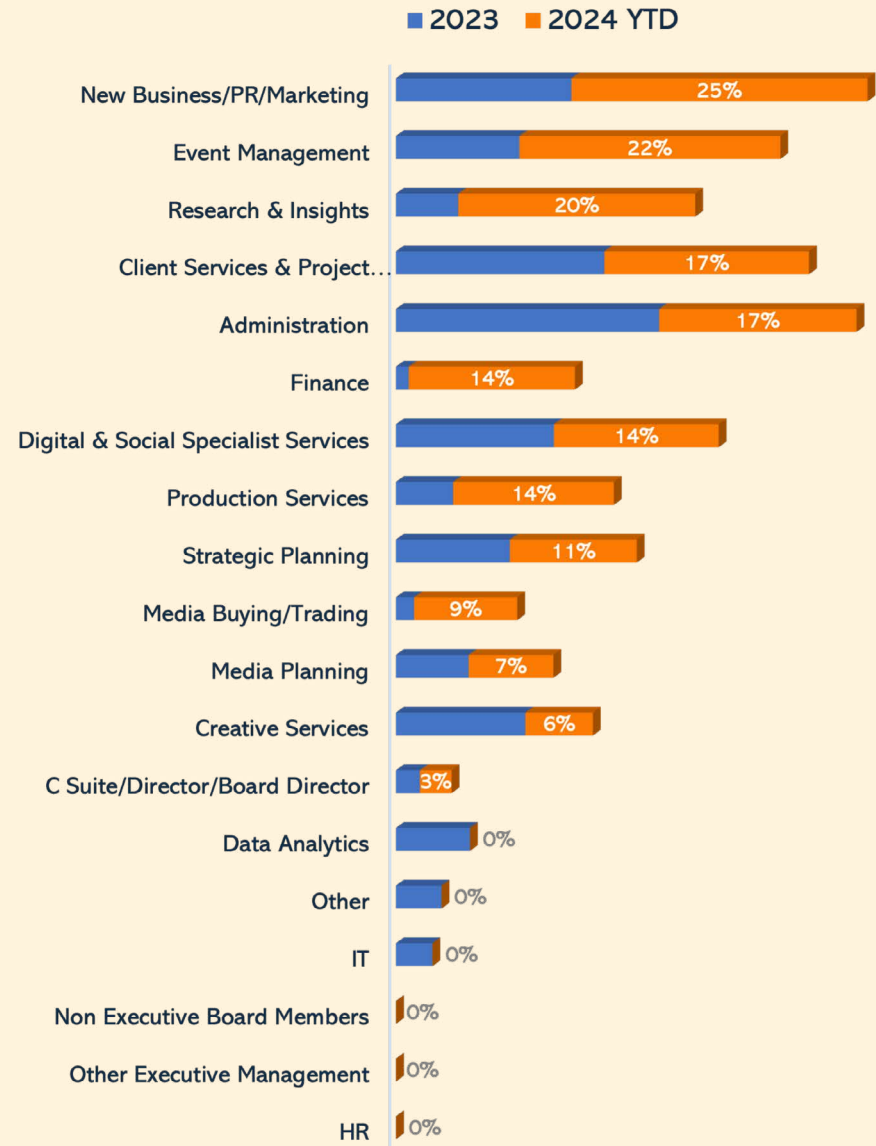
There continue to be differences in the rate of churn by department, with New Business/PR/ Marketing departments most affected by churn this year. There were also significant increases in churn amongst Research and Insights, Finance and Event Management departments.

Over one third of talent leaving the industry cite travel or taking time out as their reason for departure. There was an increase this year amongst those leaving the industry altogether, with moves to technology companies and/or media companies not as frequently reported. That being said, in IAPI's Agency Sentiment Survey published in Spring 2024, staying power in the industry was high, with 62% of respondents stating an intention to remain in the industry for five years or more.

Where is our Talent going?



Churn by Department over the past 2 years

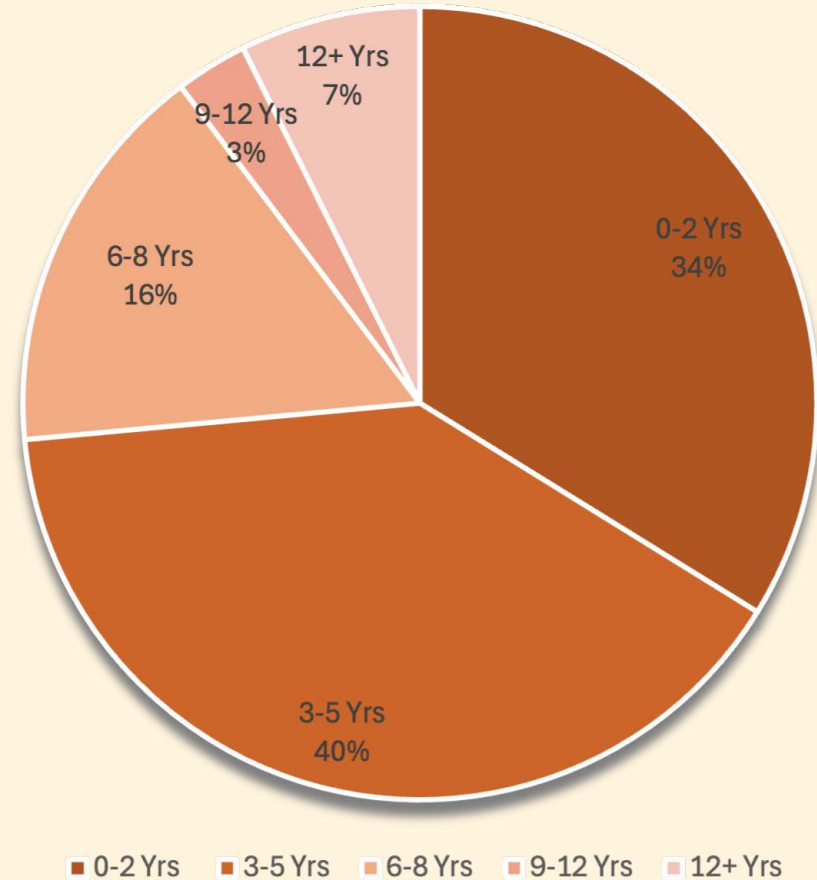


Who is leaving and where are they going?

Unchanged from 2023, almost three quarters of leavers are junior talent (less than 5 years of experience). Of these more junior employees leaving their agency, a third of these (36%) are moving to a creative agency and a similar number (32%) are going travelling or taking time out.

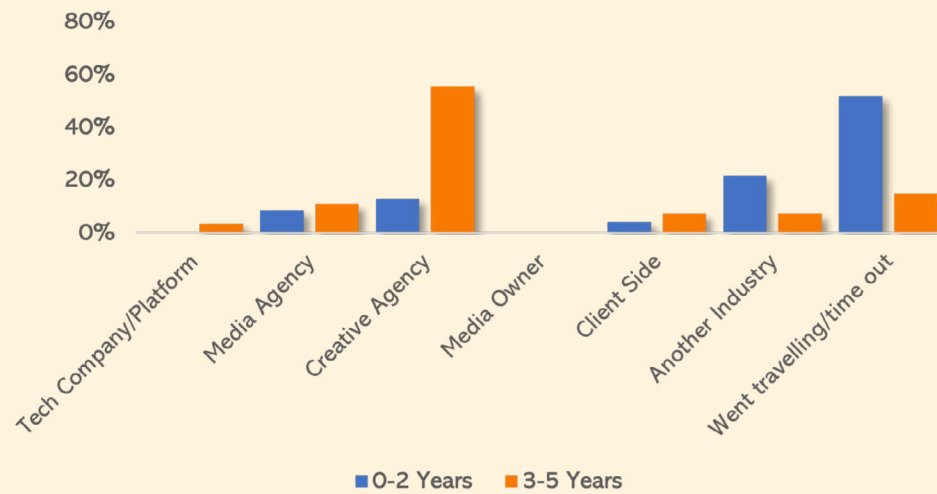
More experienced talent (6+ years) are less likely to move agency compared to younger talent. Of those who are leaving, 33% are moving to another industry and 22% are transitioning to the client side.

Leavers by Years of Experience

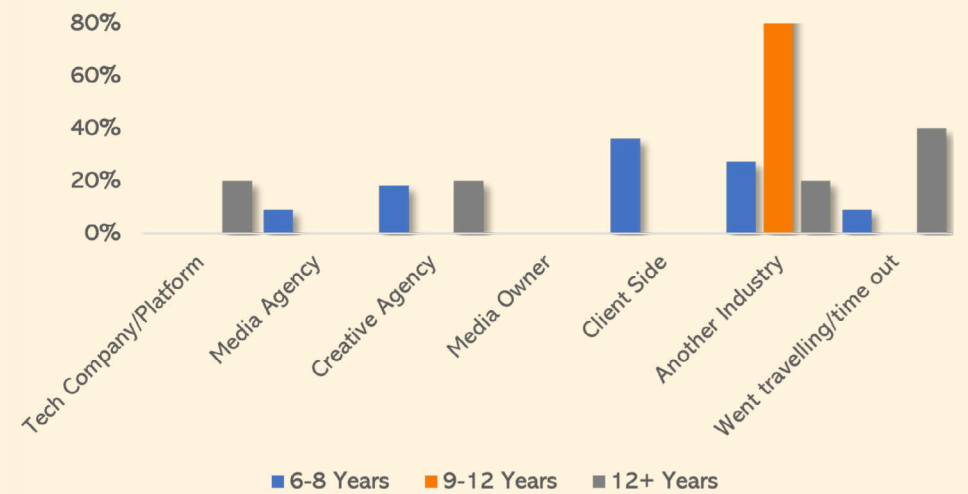


Who is leaving and where are they going?

Where is Young Talent going?

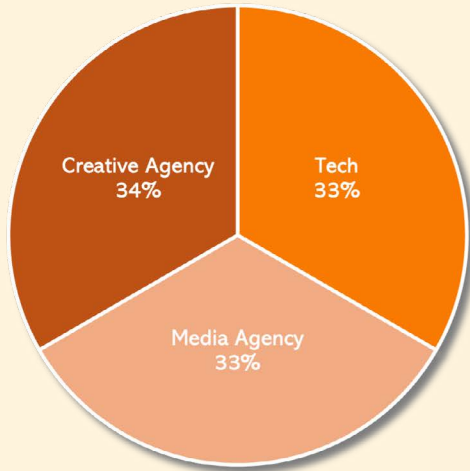


Where is Experienced Talent going?

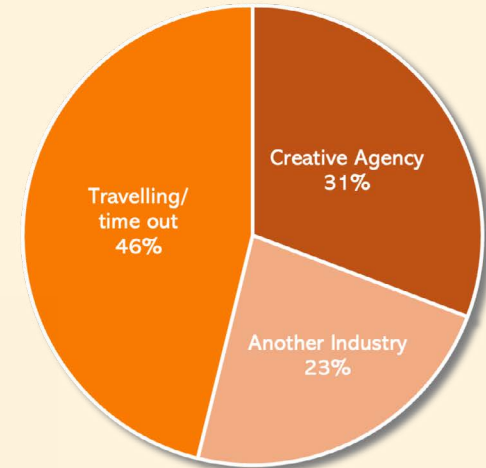


Where are specific skills going?

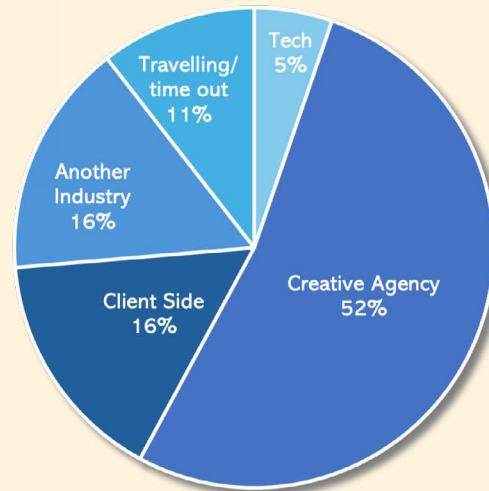
Where are C Suite / Directors going?



Where are Event Management going?

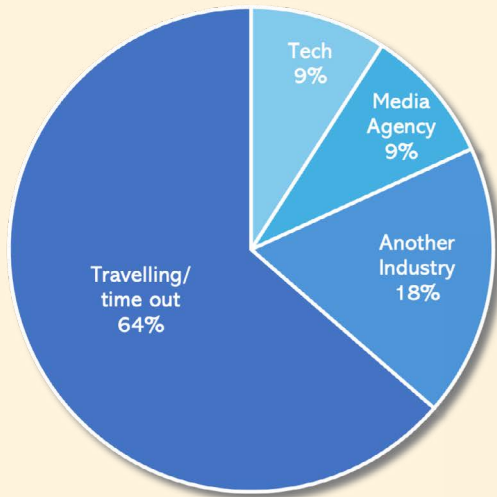


Where are Client Services & Project Management going?

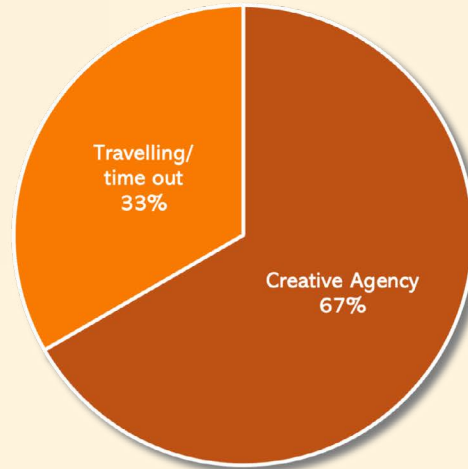


Where are specific skills going?

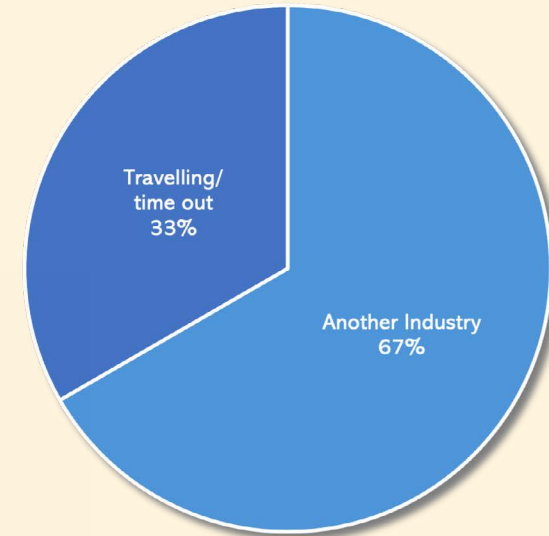
Where are Digital & Social Specialist Services going?



Where are Creative Services going?



Where are Media Planning going?



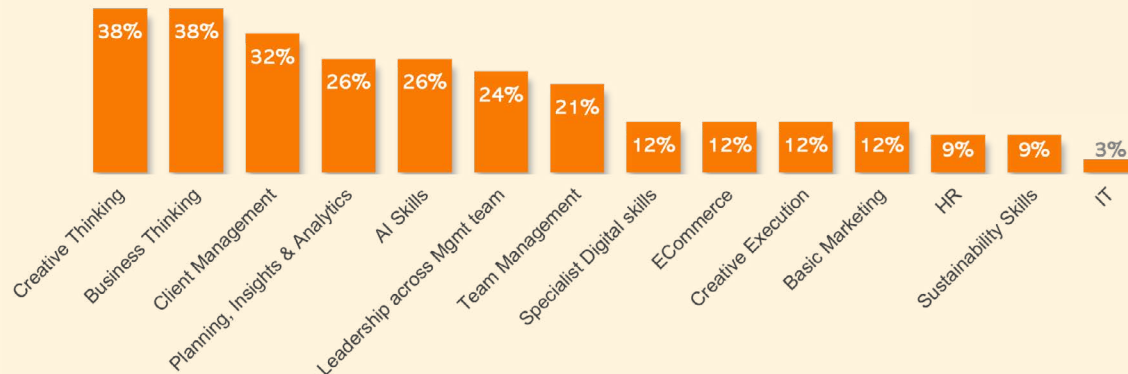
Skills Gap

The top three skills being actively sought by the industry remain the same as last year, with demand for creative skills growing by 7% year-on-year. Digital production skills are much more sought after this year, with an increase of 16% in those who believe this skill will be required in the next 12 months.

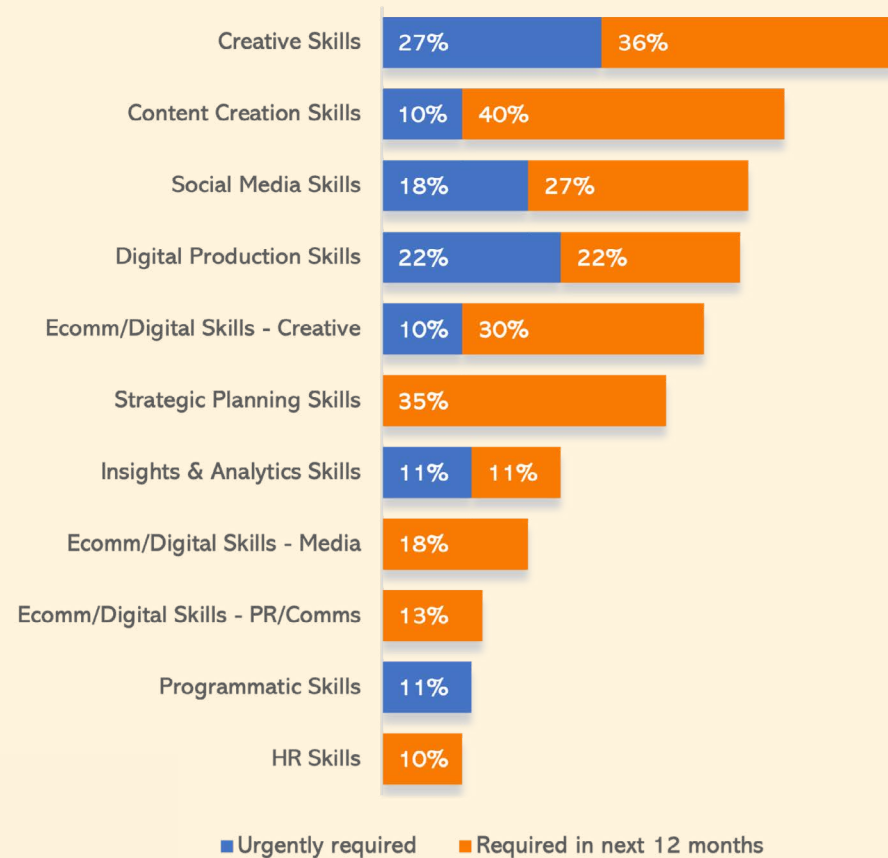
Other areas that were listed as a priority last year, including strategic planning skills, remain in high demand this year, whereas business consulting skills are not currently seen as essential.

In the Leaders Sentiment Survey, leaders report the highest level of concern about a skills gap in creative thinking for the second year running. Leaders have also identified key skills gaps in business/commercial thinking, client management and planning, insights and analytics as areas of concern in 2024.

Skills gap of most concern to Agency Leaders



Skills being actively sought by the industry

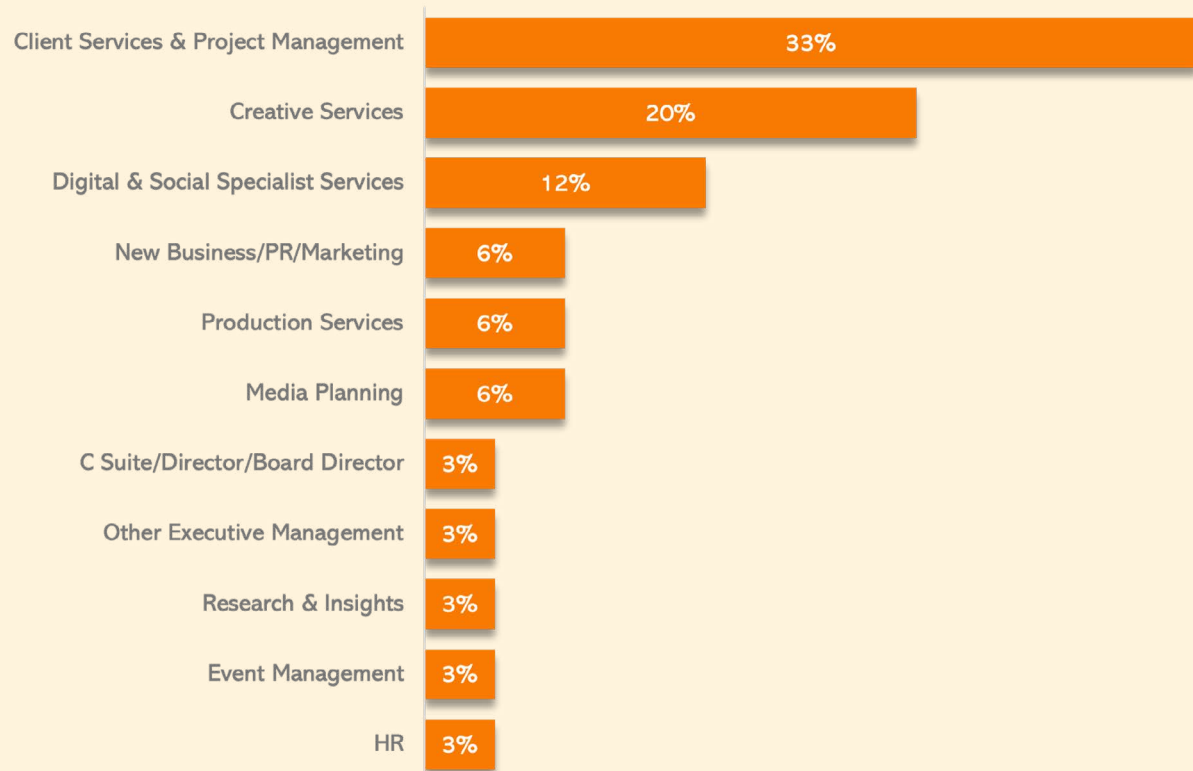


Which vacancies are businesses currently looking to fill?

One-third of the vacancies companies are currently trying to fill are in Client Services and Project Management roles, which was also the priority area in 2023. Creative Services roles are the second largest area of focus this year.

Businesses are not currently hiring to fill Non-Executive Board roles, as well Strategic Planning, Data Analytics, Media Buying/Trading, Finance, IT and Administration roles.

Vacancies currently looking to be filled



DIVERSITY, EQUALITY & INCLUSION

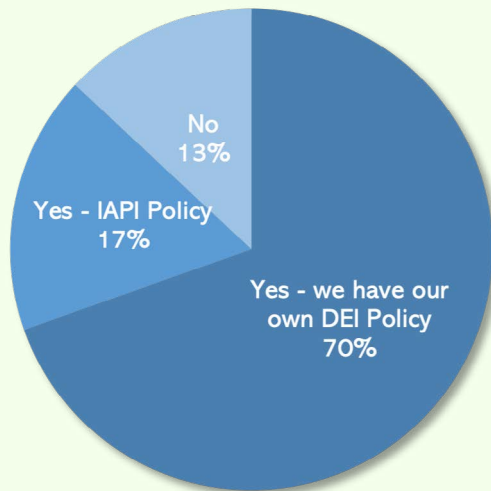


Priorities

70% of respondents have their own DEI Policy in place and an additional 17% use the IAPI Policy available to all members. In the IAPI Sentiment Survey published in Spring 2024, 65% of respondents believed the industry is moving in the right direction when it comes to DEI, demonstrating the positive impact of agencies' DEI policies.

Clients do not generally expect agencies to have a diverse workforce, however agencies feel that diversity in the workplace is important, as it positively impacts agency culture, allows companies to reflect the diversity within Irish society and leads to better creativity and original thought.

Do you have a Diversity & Inclusion Policy in place?



Please rank the following statements in order of priority

1 = Most important; 6 = Least Important



Gender Balance

Unchanged from 2023, females dominate the workforce by 12% overall.

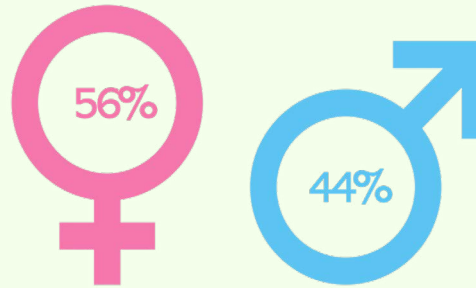
It is promising to see an increasing number of departments achieving a closer level of gender parity compared to last year.

The number of females at C Suite or Board Director level, however, does continue to decline – down one percentage point from last year and three from 2022. Two-thirds of IAPI member agencies' CEOs/MDs are males and one-third of these position are held by females.

The industry continues to lack parity in departments such as HR, where no males were reported to work, and IT, where the same was said for females.

Although some of the disparity depicted in the chart is due to a small sample size, it is crucial that the industry keep these figures in mind when attracting talent.

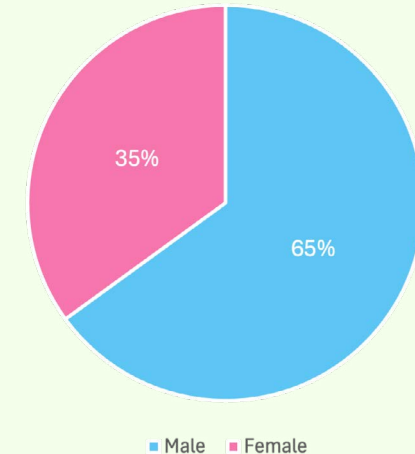
Gender Split across the industry



Gender Split across departments



Gender Split of CEO's / MD's across the Industry



Beyond gender, how diverse is the industry?

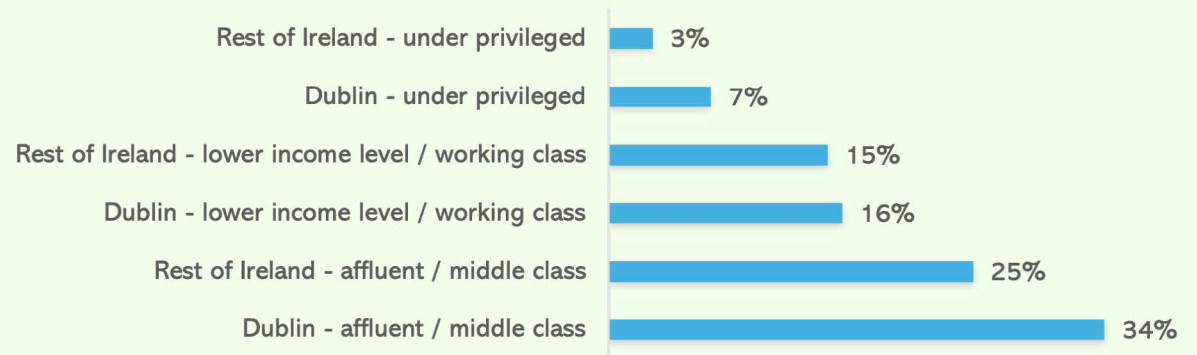
The industry continues to have a growing proportion of international employees in its workforce, with 18.1% of industry employees now being foreign nationals. This brings the sector on a par with the overall percentage of international workers in the Irish labour market according to the 2022 Irish Census (18.5%). The majority of these individuals are from EU countries and nations in Asia.

Over half of all Irish nationals employed are from Dublin and fall into the affluent/middle class socioeconomic group. This demonstrates the need for greater social demographic diversity in the industry, particularly from under privileged backgrounds.

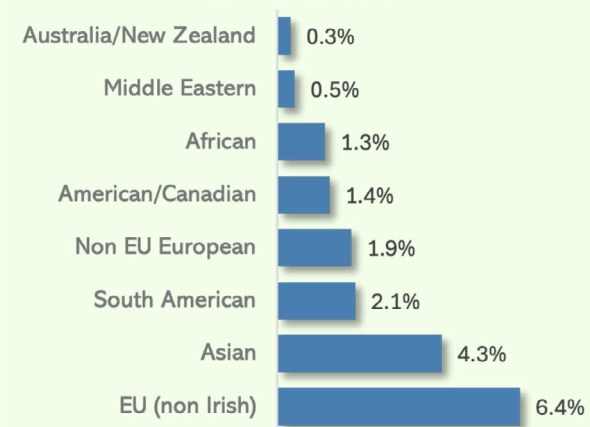
IAPI initiatives such as the transition year programme for NEIC students are designed to increase the intake from under-privileged areas of Dublin into the industry and so improve socioeconomic diversity.

The proportion of the workforce diagnosed as people with disabilities, including neurodiversity, has more than doubled, from 4% in 2023 to 10% this year. This reflects the acknowledgement of our industry of the value brought by a more diverse talent pool and its varying skillsets.

Geo/Socio Demographics of our Workforce



% of international employees in the workforce



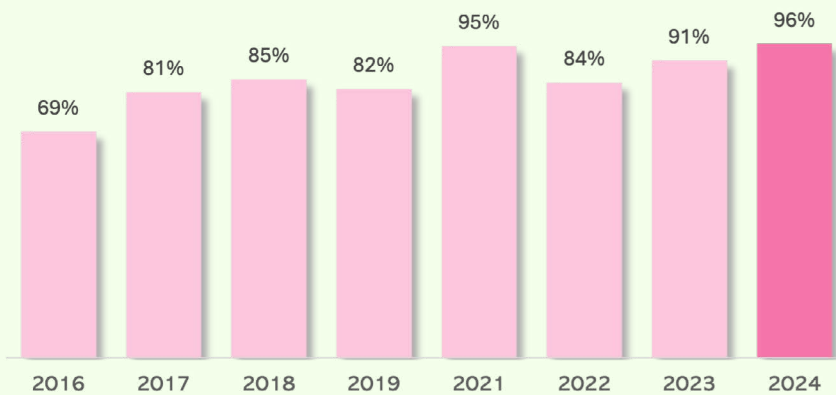
Maternity and Paternity Pay

The percentage of IAPI agencies providing paid maternity leave increased year-on-year, with 83% of agencies providing paid maternity leave to all staff, up from 72% last year.

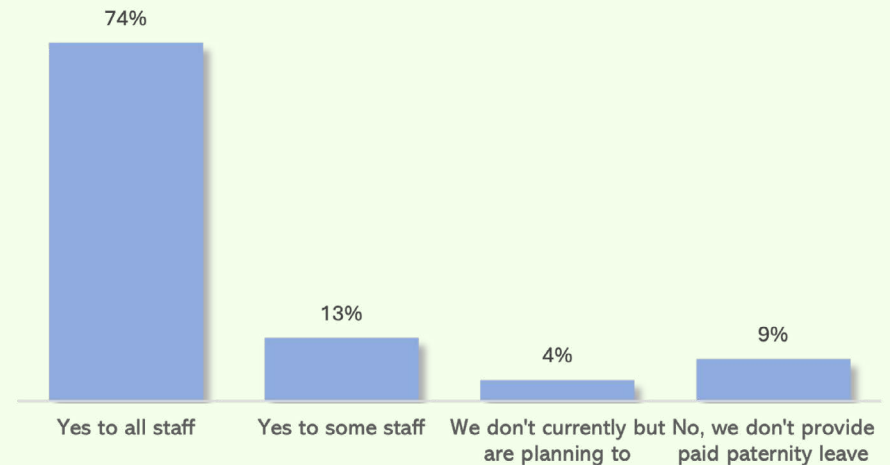
Where maternity leave is paid, on average, 79% of salary is paid in Maternity inclusive of social welfare, unchanged from 2023.

In terms of paternity leave, both the amount of salary paid inclusive of social welfare (80%) and the average number of days of paid paternity leave provided (10 days) show a decline from 2023's figures.

% provided paid maternity leave



% provided paid paternity leave



MENTAL HEALTH & WELLBEING



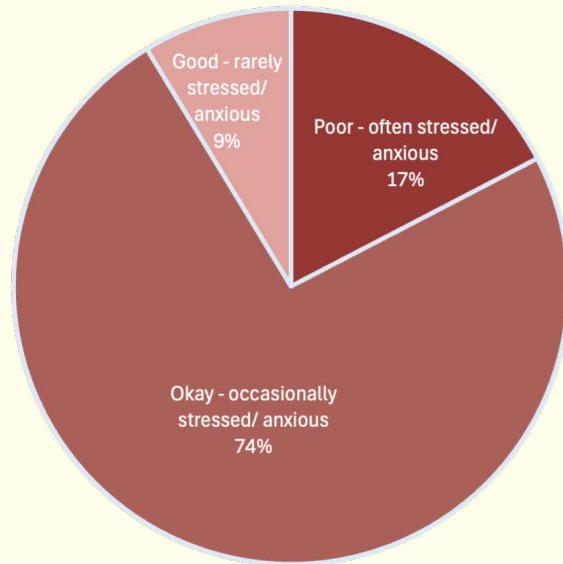
Stress Levels in the Industry

As mentioned previously, managing team's mental health and stress levels is an area of concern for 41% of leaders. When asked about the overall stress levels in their agencies, the majority felt their team members were often or occasionally stressed or anxious, demonstrating that work needs to be done to better support employees' mental health. This supports data from the Agency Sentiment Survey, where one-third of employees reported always feeling stressed at work.

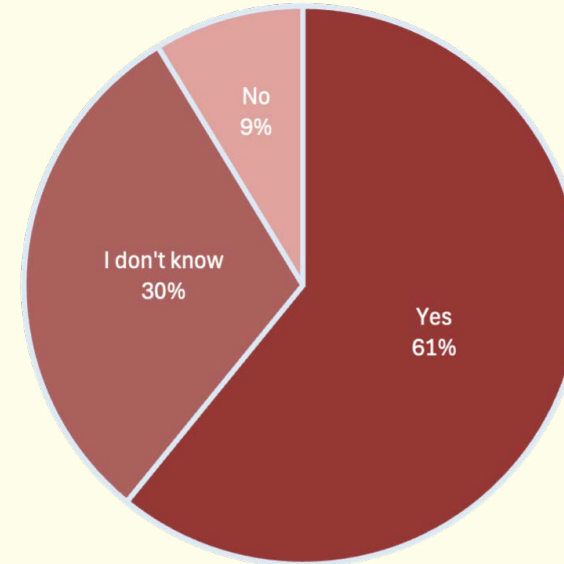
Leaders reported that only 2% of staff members took sick leave for stress related or mental health reasons in the last 12 months, with those in the 31–40-year age group most likely to have taken sick leave for stress or mental health reasons.

61% of leaders believe they are doing enough to support the mental wellbeing of their staff. For those who want to do more, Employee Assistance Programmes such as IAPI's smash can provide vital services to employee mental health.

How are stress levels in your team?



Is enough being done to support the mental wellbeing of your staff?



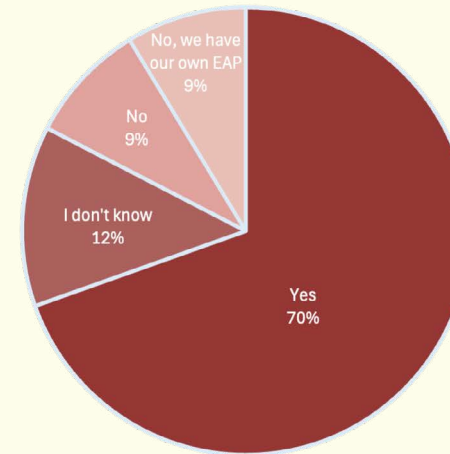
smash and The Future

smash is the Employee Assistance Programme, funded by TABS (The Advertising Benevolent Society), and is provided by IAPI to all its members.

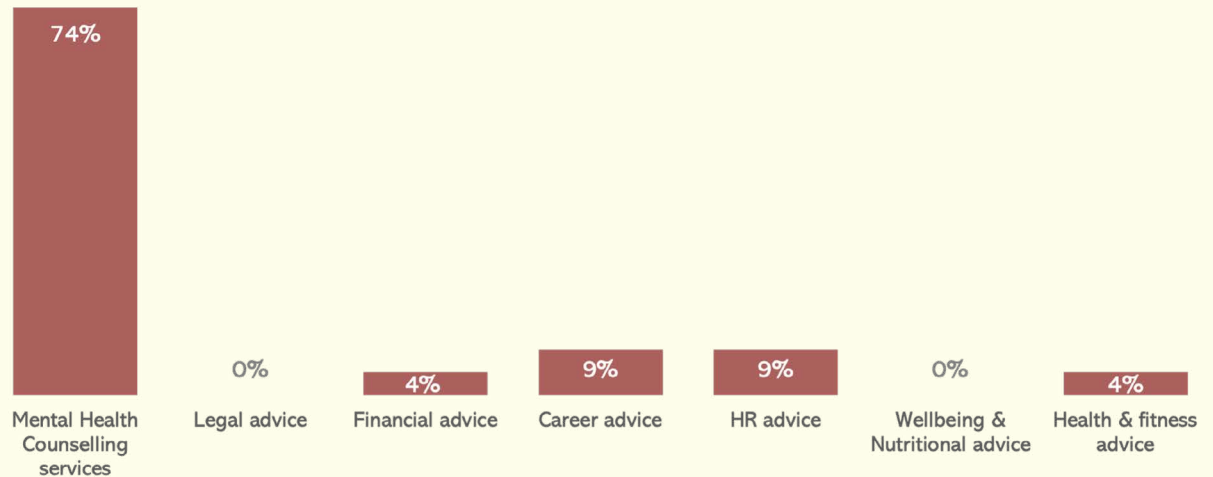
91% of leaders have heard of smash and 70% encourage their employees to engage with its services. Of those not encouraging staff to interact with smash, 9% report having their own employee assistance programme. This is an interesting comparison to the Agency Sentiment Survey, earlier this year where only 54% of the workforce said they were aware of smash, showing that more work needs to be done by IAPI and agency leaders to raise awareness of the programme at all levels.

The majority of leaders know **smash** best for the mental health and counselling services it provides IAPI members and their families. Awareness around some of the other services smash provides is more limited, however.

Are you encouraging staff to engage with *smash*?



Which of the following services do you know *smash* best for?



How Else Can IAPI Help?

When we asked leaders what they think IAPI could do more of or start doing to help with Staff Wellbeing across the industry, most of the responses focused on education, awareness and training.

Training for Managers to utilise the smash EAP:

Webinars and Expert Talks *"These were appreciated during COVID and could be expanded upon".*

Basic Skills for Career and Life *"Provide guidance on time management, career development, difficult conversations, and personal organisation, which could be beneficial for everyday wellbeing."*

Encouraging Agency-Led Wellbeing Efforts *"IAPI can only do so much. Agencies should take greater responsibility for directing staff toward available wellbeing resources"*

Addressing Broader Industry Issues *"Consider how industry practices like pitching might contribute to stress, and advocate for healthier practices including addressing ageism."*

Encouraging Participation *"Clear communication on the benefits of wellbeing programs may help to drive greater involvement from agency staff."*



We Encourage You...

To take a more proactive role in the smash / TABS ambassador Programme -

We are seeking a single agency representative who can take up the position of your agency **TABS / smash Ambassador**. We hope that by creating a single point of contact in each agency we can streamline the way we communicate with you specifically in terms of the services that are available to you and your staff. We can also start to put plans in place based on direct feedback from the ambassadors to begin to address the points raised in the feedback. If you are interested, please contact keith@iapi.com



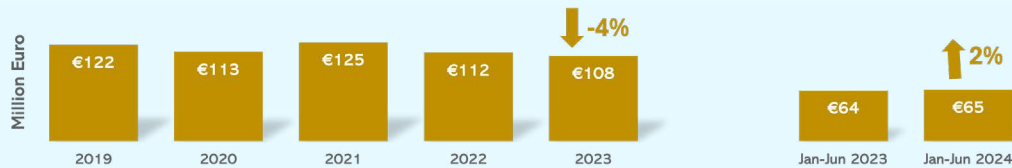
COMMERCIAL PERFORMANCE

Average Revenue and Media Billings

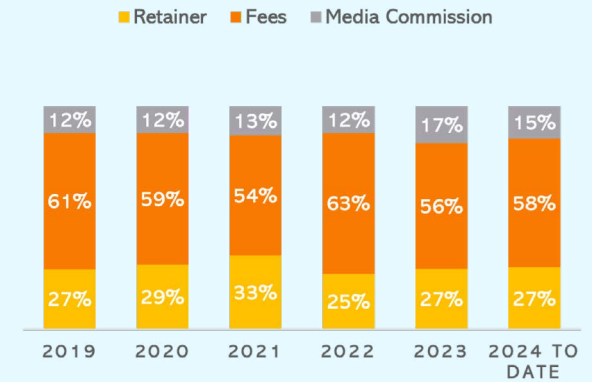
Agencies' revenues fell by 10% between 2022 and 2023. However, this should be viewed in the context, of a 19% YOY increase in revenue across the industry over the five-year period beginning in 2019, showing overall growth in the sector.

Comparing the first 6 months of 2023 to the first 6 months of 2024, revenue is also down by 10%.

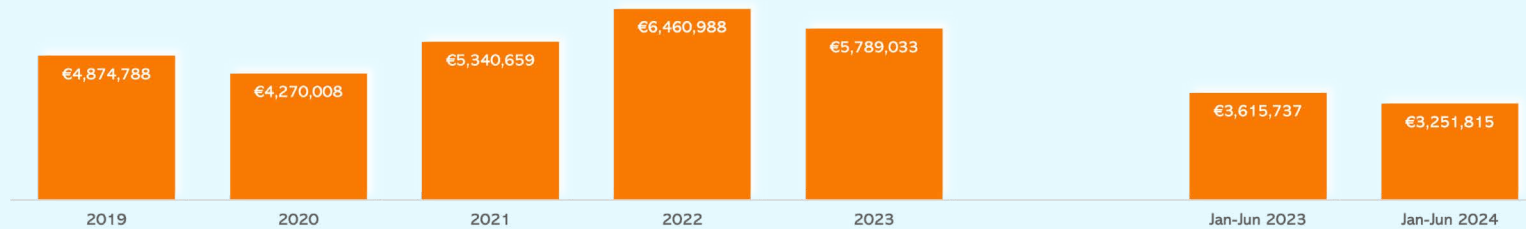
MEDIA GROUPS Average Billings



All Respondent's Revenue % Split



ALL AGENCIES Average Revenue/Fee Income

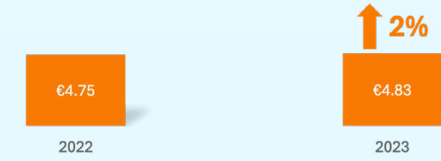


Average Revenue by Agency

Independent Creative/Branding (millions)



Networked Creative (millions)



Media (millions)



PR (millions)

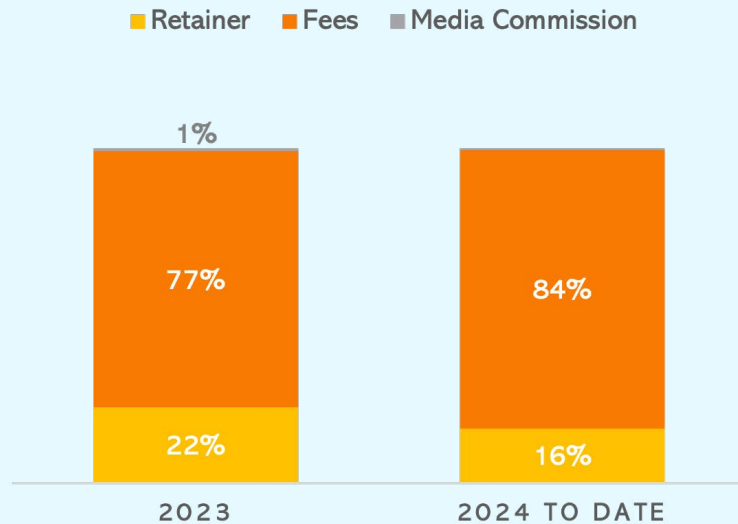


Revenue Breakdown

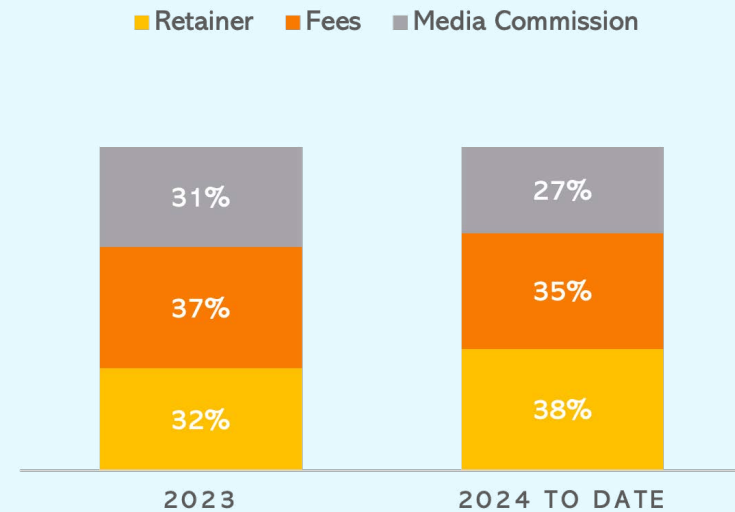
The contribution of media commissions to agencies' revenue increased by 5% between 2022 and 2023. Retainer fees are continuing to grow year on year following a decline in 2022, however they are still below 2020 levels.

Creative agencies get a significantly greater portion of their revenue from project fees compared to all other agency types. The revenue contribution for all other agency types is much more evenly distributed between all three income streams.

Creative Agencies Revenue % Split



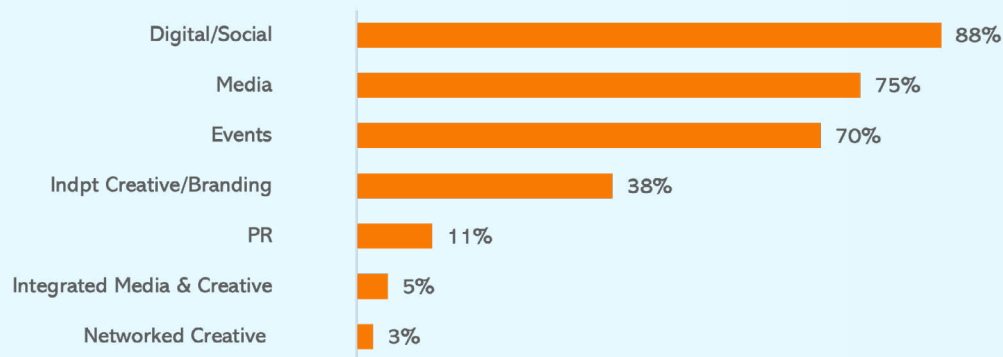
All Other Agencies Revenue % Split



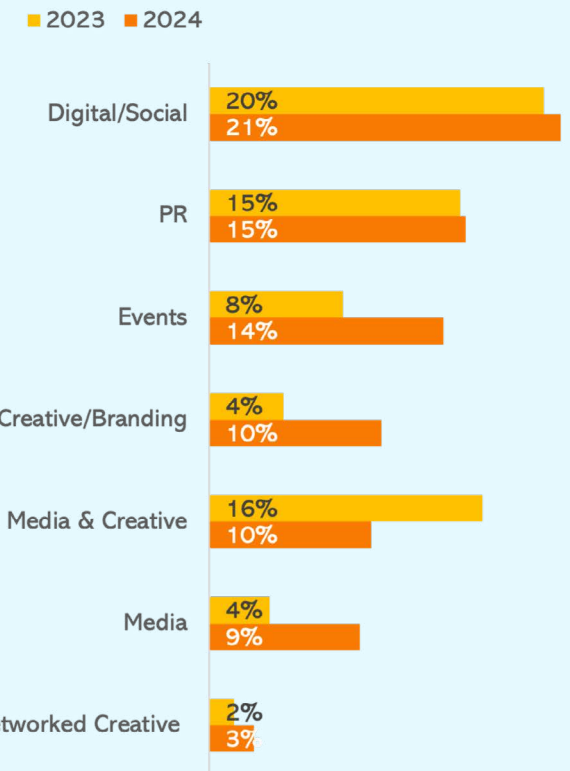
Profits, Predictions & Challenges

76% predict their revenue for 2024 will increase year-on-year. 21% respondents expect a decrease and the remaining 3% predict static revenue growth. The average projection for all agencies is an increase of 35% between 2023 and 2024.

Predicted YOY Increase in Revenue



2024 Profit Margin Predictions vs. 2023 Actual

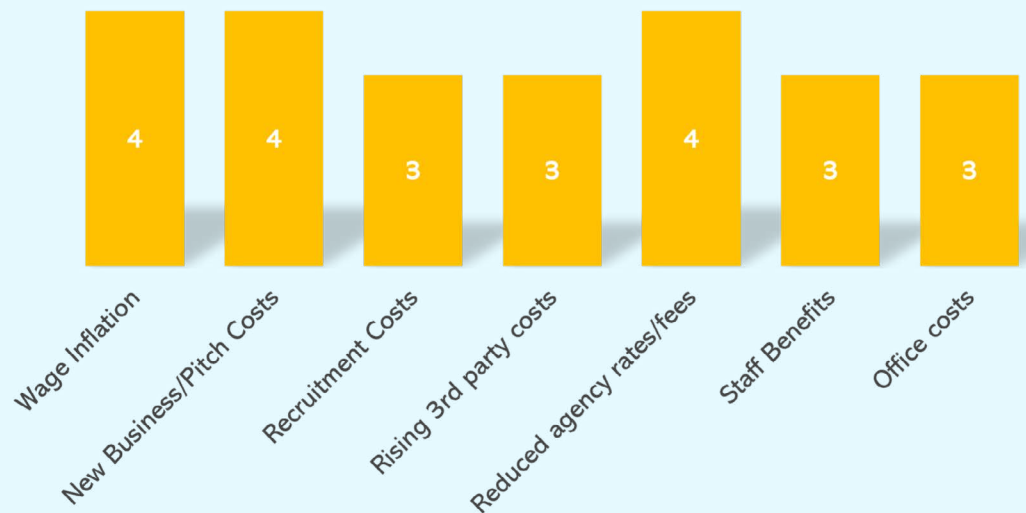


Profits, Predictions & Challenges

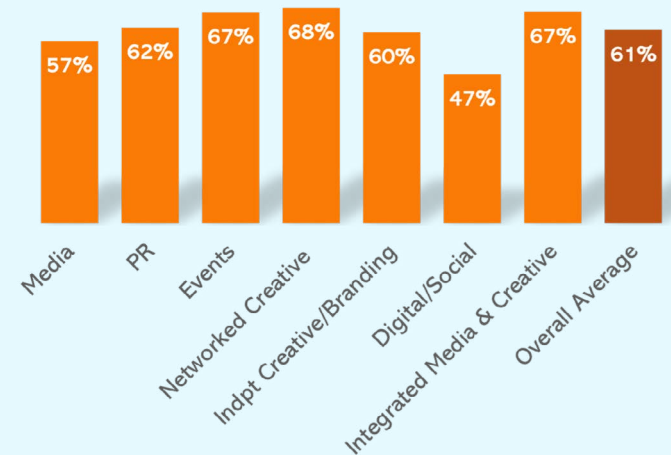
Difficult economic conditions continue to have an impact on the industry, with wage inflation, new business/pitch costs and reduced agency fees being the most pressing commercial challenges reported by agencies.

Staff costs continue to increase and now account for over 60% of agencies' revenue. Notably they are considerably lower for digital/social agencies than for other agency types. Of the staff costs, only 5% on average are allocated to training.

Commercial Challenges that impact on profit margins
1 = least impact / 5 = most impact



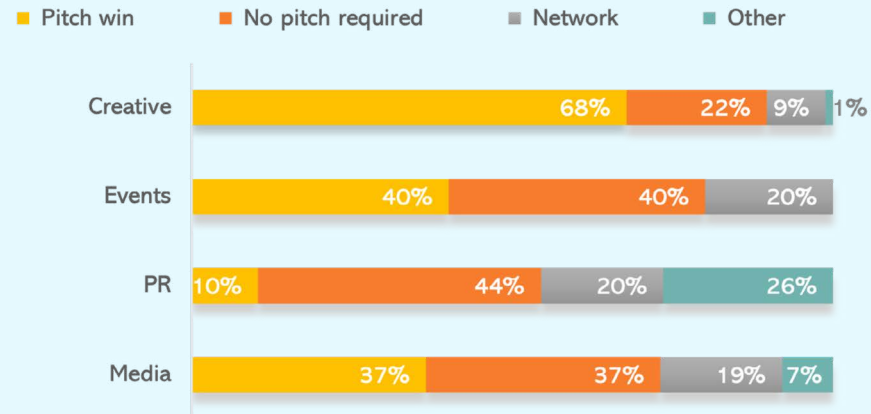
Staff costs as a % of Revenue
Includes ALL employment costs, training & recruitment



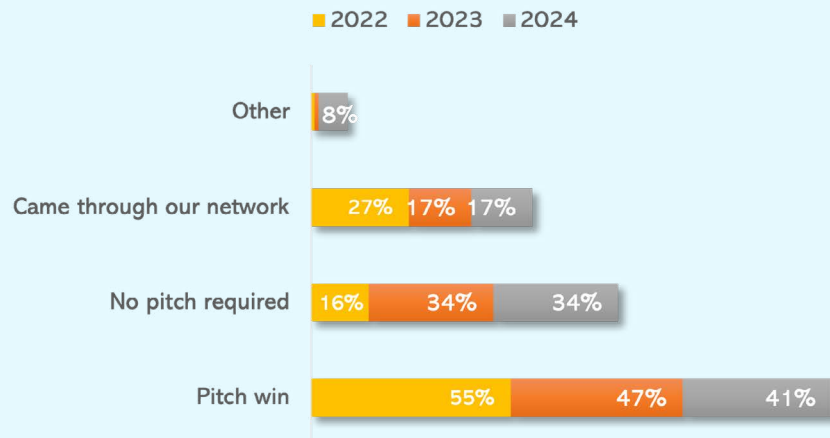
Where is new business coming from?

Pitching continues to increase across the industry, with every agency surveyed reportedly taking part in at least one pitch process this year. An average of 20 pitches were made per agency in 2023 and, promisingly, 94% of agencies reportedly won new business since January 1st 2024.

Origin of New Business by agency type



Where is New Business coming from



The majority of new business still comes from pitch wins, although the proportion of new business coming from pitching is declining year-on-year.

PR, Media and Events agencies are the most likely to win new business without a pitch. These same three types of agencies rely most heavily on their networks for new business generation.

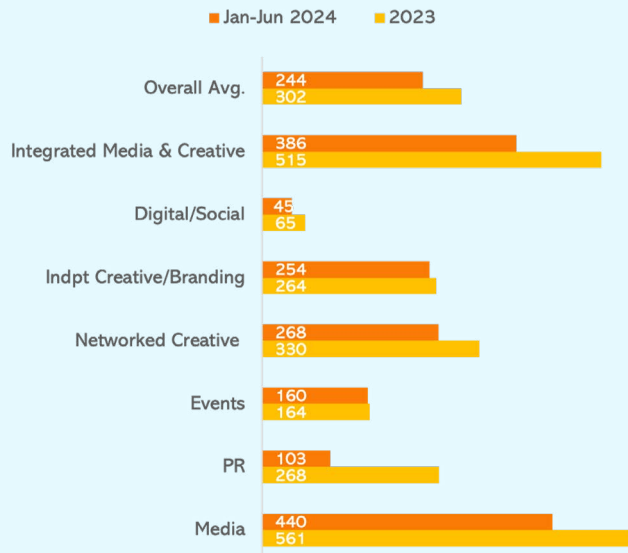


The cost and time spent Pitching

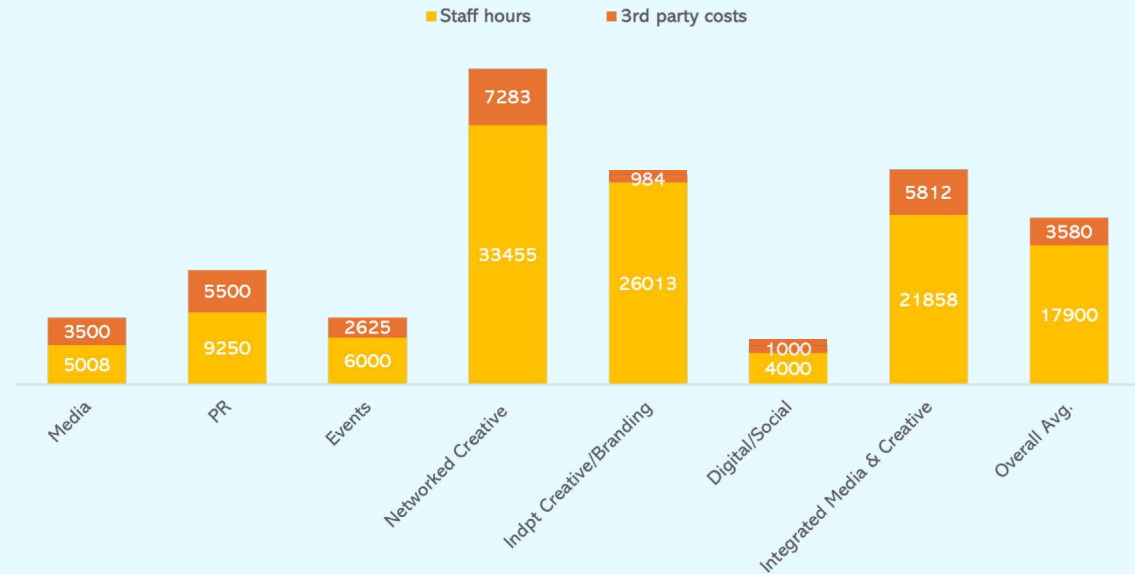
The average number of hours spent on pitches fell by 14.6% from 2022 to 2023, sitting at 302 hours per pitch on average in 2023. This amounts the equivalent of 7.5 FTEs or working weeks.

The average cost per pitch also fell considerably from €34,291 in 2022 to €21,480 in 2023 – a drop of 37.4%. Unchanged from last year, Networked Creative agencies spend the most per pitch, with Independent Creative and Branding agencies reporting the next highest costs per pitch. PR agencies were the only agency type to report an increase in pitching costs in 2023 compared to 2022.

Average hours spent on pitches per agency type



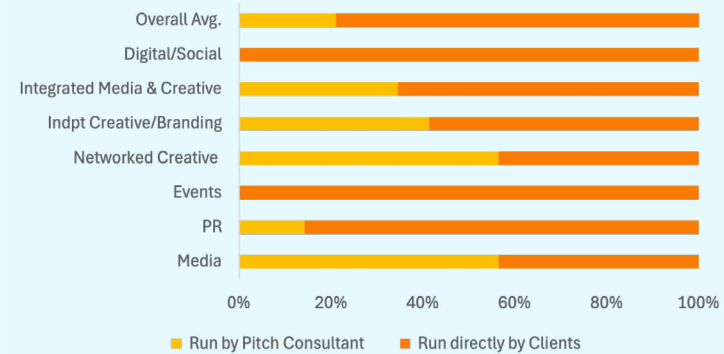
Average cost per pitch by agency type



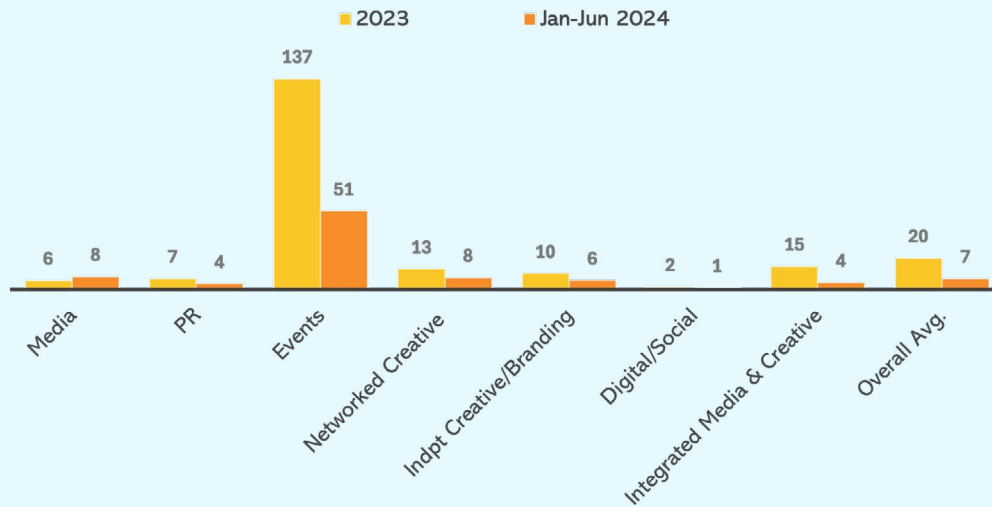
The cost and time spent Pitching

Agencies pitched an average of 20 times in 2023 and 7 times from January to June 2024. Event agencies took part in significantly more pitch processes than all other agency types. All Creative agency types took part in more pitch processes than PR, Media and Digital/Social agencies, on average.

Pitch management by agency type



Average number of pitches per agency type



A declining number of agencies are using pitch consultants for pitch management - just 21% of all 2023 pitches were run by pitch consultants. Interestingly, considering the high volume of pitches undertaken by event agencies, 100% of 2023 pitches by events agencies were run directly by the client.



The outcomes of Pitching

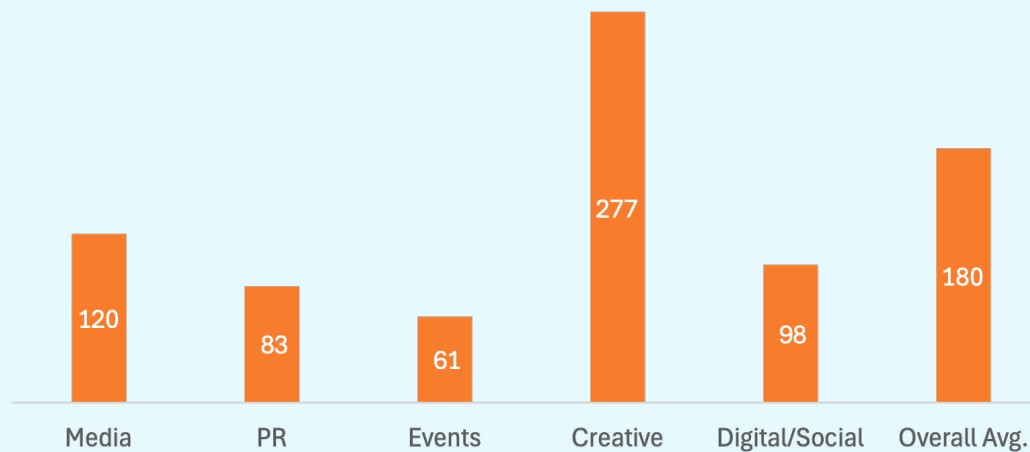
Agencies made an average of €179,794 in annual fee revenue from the pitches undertaken in 2023. Networked Creative agencies and Independent Creative/Branding agencies report the highest average annual fee revenue.

The payback period for pitch wins (i.e. the amount of time it took for agencies to breakeven on new business wins deriving from pitch activity) was reported to extend to 7 months before the agency recouped the costs of pitching for the business.

Where agencies lost pitches, a total of 5 public sector pitches were reported to have been lost to agencies based outside of the Republic of Ireland, with the combined value of these pitches sitting at €950,045, or an average of €190,009 per pitch. Positively, however, no Irish PLC pitches were reportedly lost to agencies based outside the Republic of Ireland so far this year.

In IAPI's Agency Sentiment Survey from Spring 2024, over 50% of leaders in the industry cited pitching as a key contributor of work stress.

Average value of business won from pitching in 2023 (thousands)

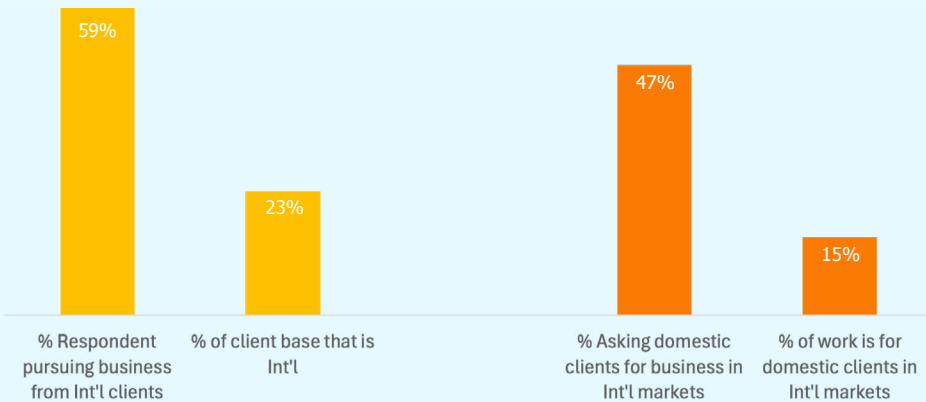


International Reach

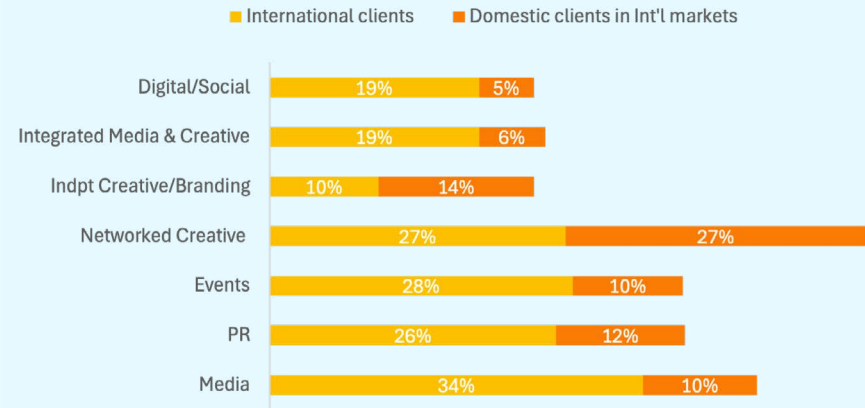
On average, 38% of respondents' business is either from international clients or from domestic clients in international markets, on average. This shows a year-on-year increase of 6%.

59% are also actively pursuing new business from international clients for the future growth of their agencies. Almost half (47%) are pushing their current clients to use their services in the international market.

Where international business is coming from



Average % of international business by agency type



Networked Creative agencies have the largest proportion of international business this year, 17% greater than events agencies who were leading in this area last year.

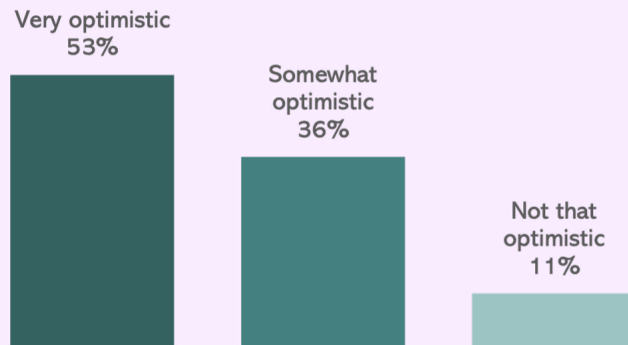
LEADERS SENTIMENT



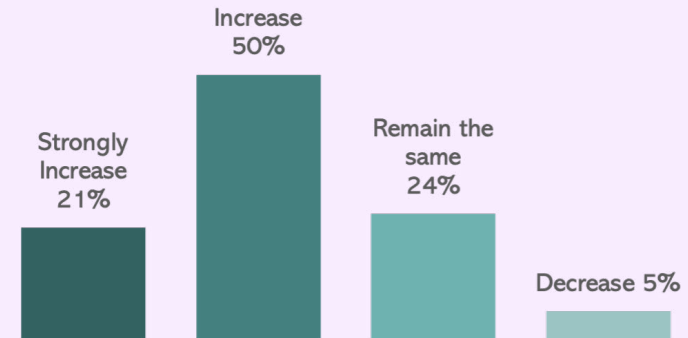
Agency Optimism and Revenue Predictions

Over half of all leaders are very optimistic that their agency will have a good year this year, compared to the 29% that feel that way towards the industry as a whole. That being said, the proportion of those who are not optimistic about the future of their agency this year increased by 9% year-on-year.

Optimism for your AGENCY this year
i.e. Do as well as 2023 or better from a revenue/media spend perspective



Estimated Revenue Results for your AGENCY this year



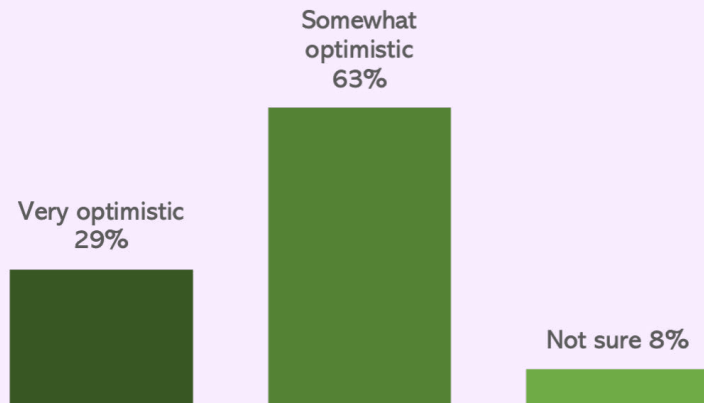
89% of respondents believe their agency will do as well, if not better than 2023 and 92% believe the industry as a whole will perform as well if not better. The high level of optimism reported is in spite of a stated drop in profit margins. Leaders' levels of optimism about both agencies and the industry are higher than those reported across levels in IAPI's Agency Sentiment Survey published in Spring 2024.



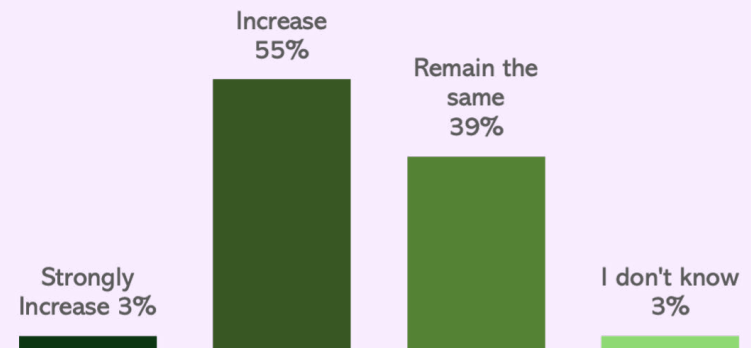
Industry Optimism and Revenue Predictions

Almost three-quarters of agencies believe their revenue will increase this year and 58% believe revenues across the industry will grow. No respondents believe industry revenues will decline this year, however 5% expect their own agency revenues to fall. This is similar to the proportion of leaders who expected worse performance in 2024 relative to 2023 in IAPI's Agency Sentiment Survey published earlier this year.

Optimism for the INDUSTRY this year
i.e. Do as well as 2023 or better from a revenue/media spend perspective



Estimated Revenue Changes for the INDUSTRY this year



The optimism regarding this year's economic performance could be linked to the ongoing ability of the industry to navigate the challenging economic circumstances of the past 12 months.



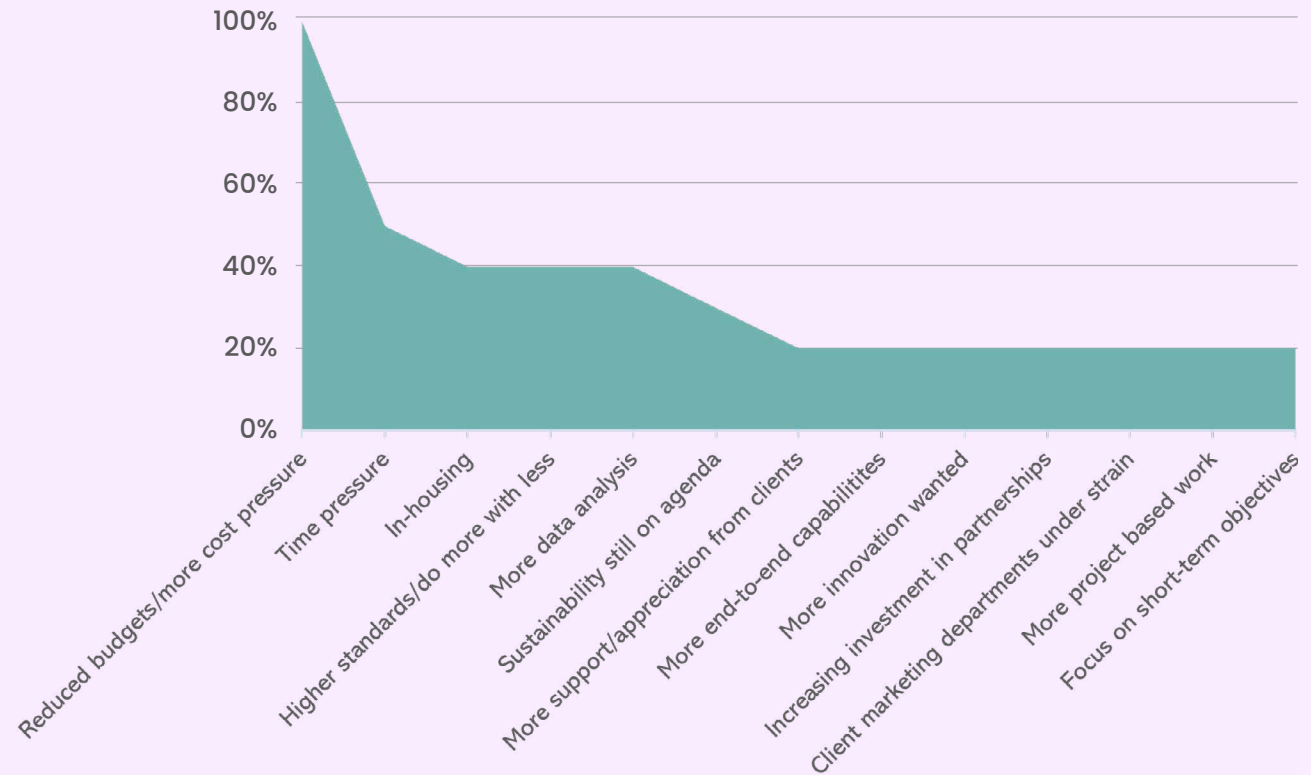
Client Trends and Opportunities

The most prevalent emerging trend being reported by agency leaders is that of declining client budgets and increasing pressure regarding costs. Time pressure and in-housing are also common themes, which link to the increasing cost pressure.

Notably, this year saw a decrease in agencies citing clients' conservatism and caution regarding commercial content. This hopefully will lead to an increase in innovation and freedom for agencies.

Other emerging trends are the raising of standards and an increasing focus on data analysis. Positively, several agency leaders report greater appreciation from clients.

Emerging trends seen in client behaviour



Agency Trends and Opportunities

In terms of opportunities for the next 12 months, the focus for agencies is overwhelmingly on growth. This will be achieved through international business, new clients and a focus on organic growth. This supports agencies' optimism for growth in the upcoming year.

Agencies are also looking to diversify and/or expand their service offering and are looking to Artificial Intelligence (AI) and other technological advancements to support this. For more information on how agencies are understanding and using AI, please refer to page 44.

Opportunities for the next 12 months



Industry Challenges

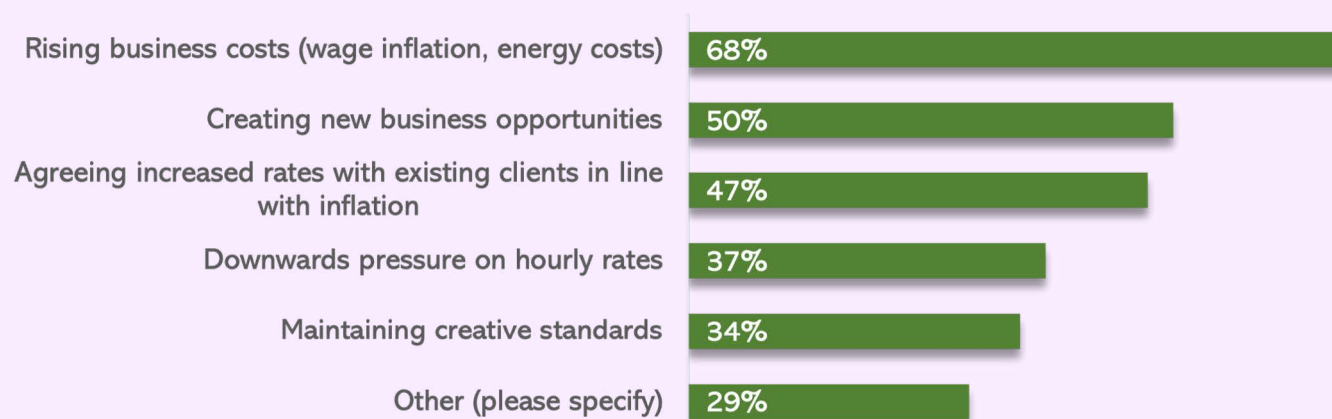
As difficult economic circumstances prevail, leaders are most concerned about rising business costs. Interestingly, agreeing increased rates with clients in line with inflation has fallen from the second most important challenge last year to the third this year, again perhaps reflecting a greater understanding among clients as to the value of their agency partners.

IAPI's recent salary survey, conducted in October 2023, showed an industry-wide wage inflation rate of 0.03%, depicting very little change year-on-year.

Wage Inflation by department (year-on-year, 2022-2023)

Department	Wage Inflation
Leadership & Executive Management	-0.2%
Client Services	-1.1%
Strategic Planning and Insights	+4.5%
Digital	+0.7%
Creative & Production	-1.1%
Media	-2.0%
Internal Agency Operations	+1.8%

Business challenges for the next 12 months



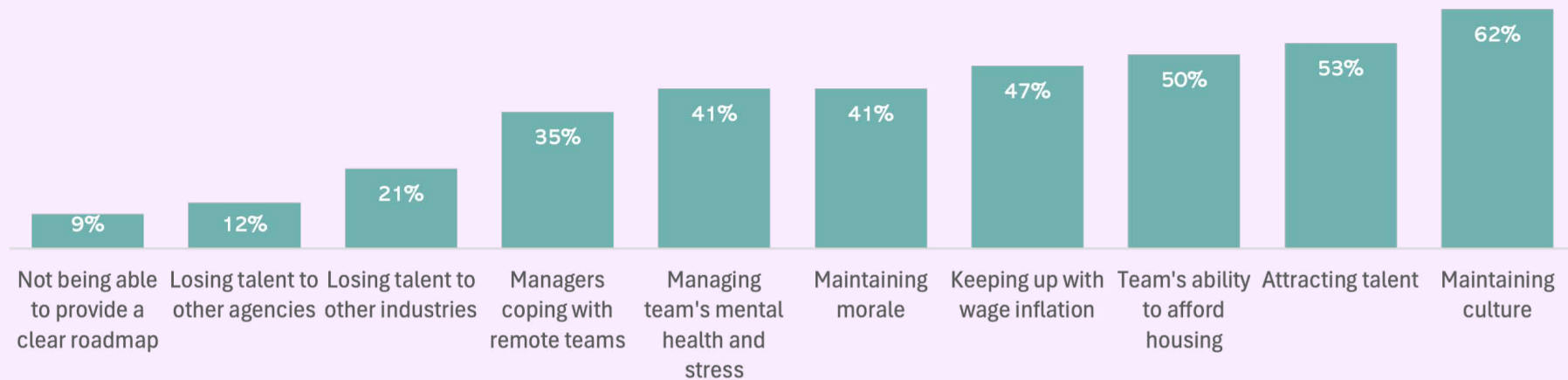
Agency Challenges

Maintaining culture continues to be the biggest area of concern for leaders. This aligns to data from IAPI's Agency Sentiment Survey published earlier this year which found agency culture to be a challenge for two-thirds of respondents.

Attracting talent is now the second most area of concern, reflecting the high level of attrition in the industry and the increasing number of talent moving abroad.

Half of agency leaders are also concerned about their teams' ability to afford housing and keeping up with wage inflation. This highlights some of the financial concerns affecting the industry, with 43% of respondents in the Agency Sentiment Survey reportedly struggling to make ends meet.

What are leaders most concerned about for their teams?

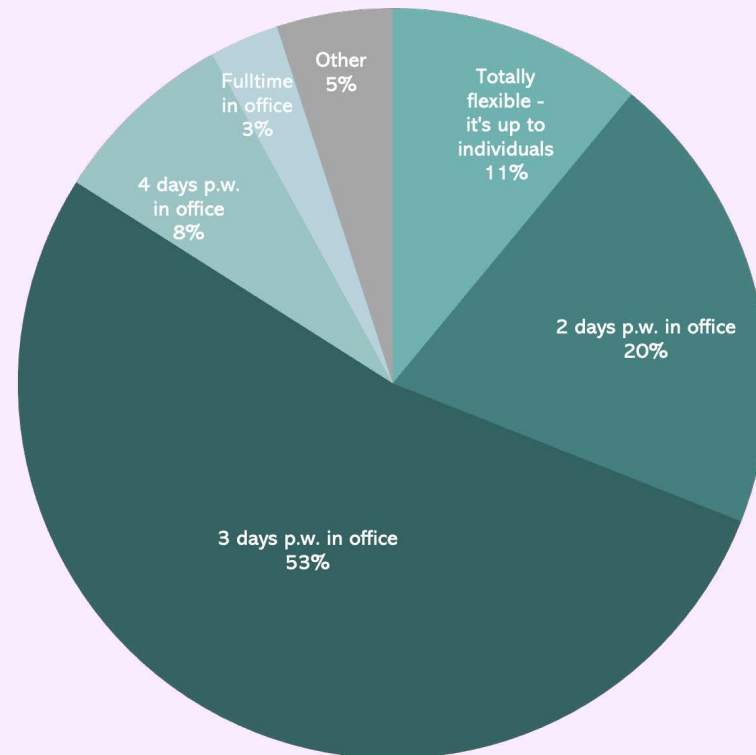


Predictions for Working Patterns

An increasing number of agencies are asking staff to return to the office more often. Over two-thirds (68%) of agencies have adopted a model of at least three days per week in the office, an increase of 10% from last year.

Two or three days in the office remains the most popular working model adopted by IAPI members (77%). The proportion of agencies adopting a fully flexible working model declined by 2% year-on-year.

In your opinion, what will the working pattern look like for your staff next year?



Views on Sustainability

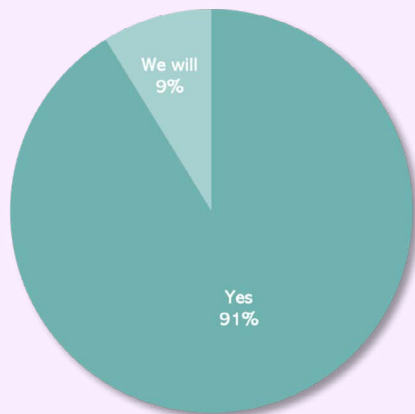
Ad Net Zero in Ireland is a full collaboration across the advertising and marketing community in Ireland, supported by IAPI, AAI, MII, IAB Ireland and CPI. Ad Net Zero is the global initiative that is the advertising response to the climate crisis.

91% of respondents are already signed up as Ad Net Zero Supporters and the remaining 9% are planning to commit to Ad Net Zero.

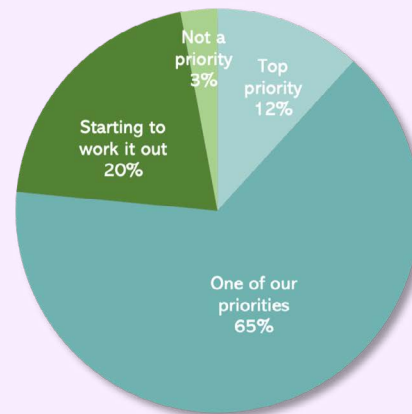
The number of respondents who list Sustainability as a priority for their agency has declined since 2023 from 81% to 77%. This perhaps follows the trend of scaling back on sustainability targets, as demonstrated by many high-profile global corporations in the past 12 months. It also depicts increasing levels of climate fatigue despite the worsening climate crisis.

That being said, sustainability is a higher priority for clients this year compared to last year. Also, 29% of clients build sustainability into their briefs.

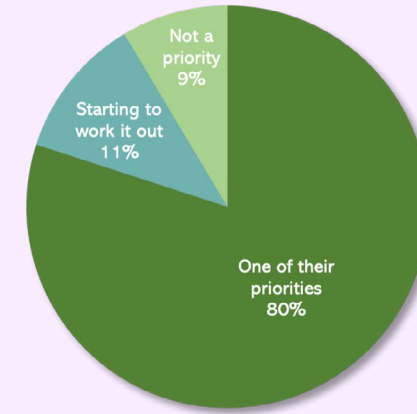
Have you signed up as a Supporter of Ad Net Zero?



How much of a priority is Sustainability for your agency? (lowering your carbon footprint)



How much of a priority is Sustainability for your clients? (lowering their carbon footprint)



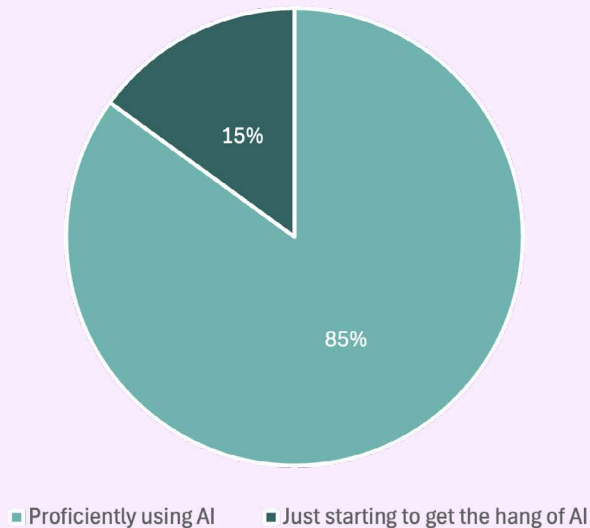
Artificial Intelligence

This year we asked leaders about their views, understanding and use of Artificial Intelligence. All leaders report understanding and using AI tools to some extent.

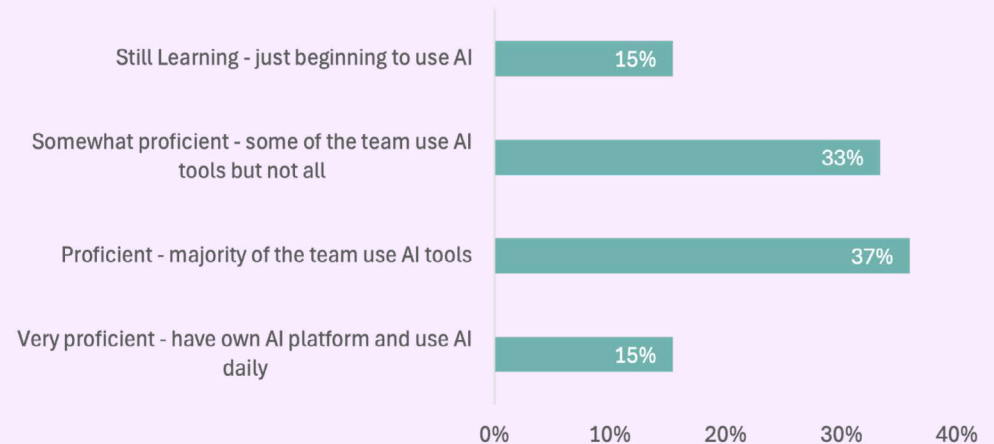
When asked about how AI will change agencies' business model and the nature of their work for clients, most leaders are positive about the potential impact of AI.

Leaders believe that AI tools will help to create and improve efficiencies and processes, thereby allowing for better resource allocation. Generally, leaders do not believe AI will negatively impact revenue. Several respondents believe AI will allow agencies to focus on higher value strategic and creative services.

Agencies Using AI



Where are agencies in terms of understanding and using AI tools?



Leaders agree that AI will be increasingly relied on for more menial tasks, such as writing and research, and may be used by clients for idea generation, according to leaders.

There is a belief that clients see AI as a cost saving opportunity, however agency leaders see AI as enhancing the agency-client relationship instead of hindering it. Currently, the standard of AI tools and the challenges some of them pose have also lowered client expectations surrounding the role of AI in the advertising industry.

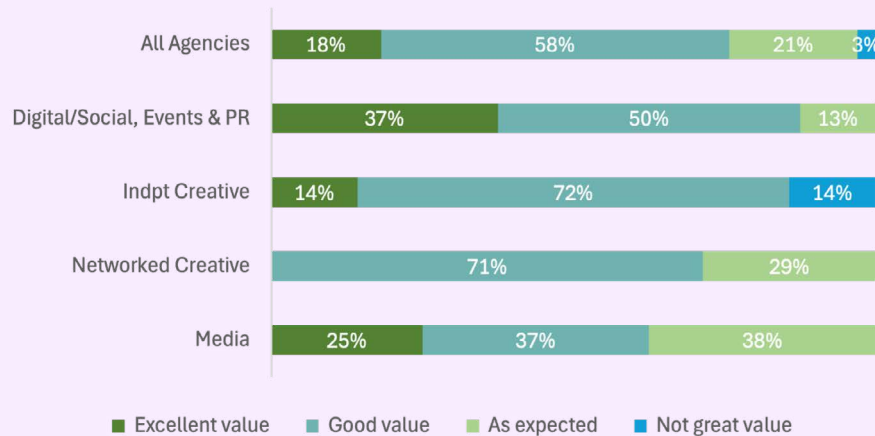


The Value of IAPI membership

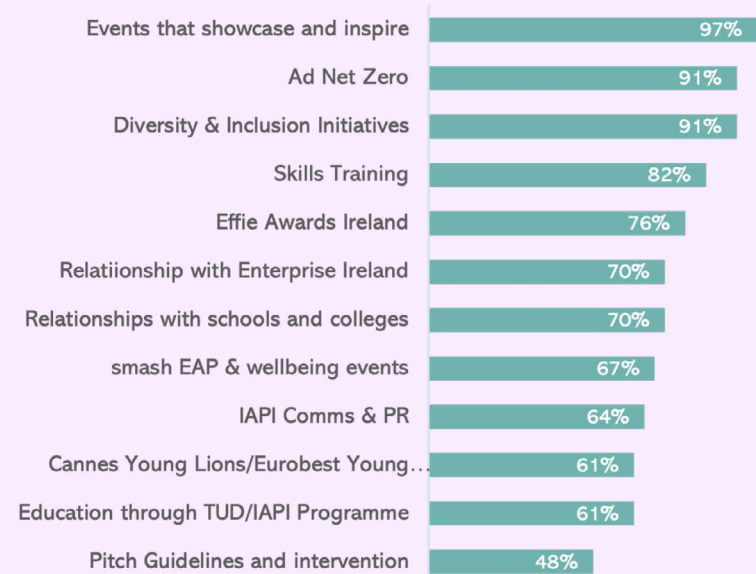
97% of respondents believe that IAPI membership is either As Expected, Good or Excellent value. Although this a positive number, we want to ensure our membership is valued by all members and will accept and encourage feedback from those who would like better value for their membership when seeking to improve our services.

Out of all the services IAPI offers, members reportedly find our events with industry leaders and marketers that showcase the industry and inspire us the most beneficial, alongside Ad Net Zero and our diversity and inclusion initiatives.

How do you rate the value of IAPI membership?



% of Respondents that find the following highly beneficial or beneficial for their agency

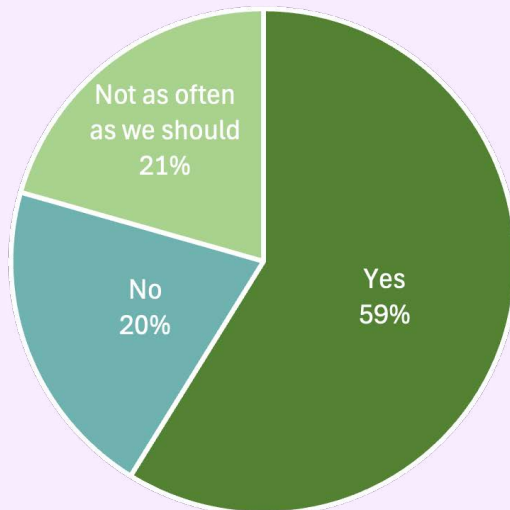


IAPI Resources

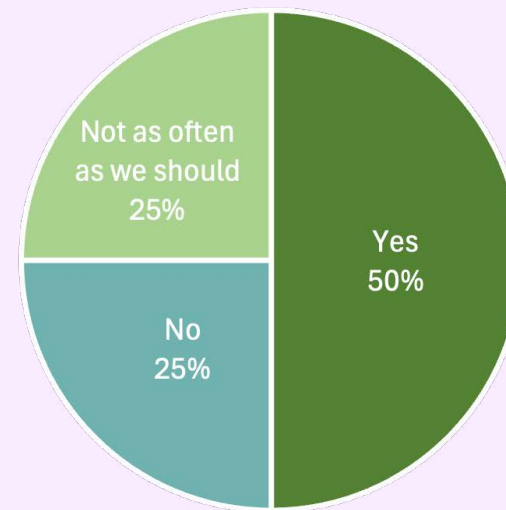
Over half of IAPI members use and promote the IAPI Pitch Guidelines for Media, Creative and Agile Pitching and 50% of creative agency members use and promote the advice within the latest IAPI Charter for Selecting a Creative Agency, published earlier this year. Although this shows the value agencies gain from IAPI resources, we strive to ensure all our members have similar high-quality experiences.

Also, in the last 12 months since IAPI collaborated with Enterprise Ireland, 32% of agencies have engaged with Enterprise Ireland. A similar number (35%) believe Enterprise Ireland is valuable for helping agencies expand their international business, a key priority area for the upcoming year.

Do you use and promote the IAPI Pitch Guidelines?



Do you use and promote the IAPI Charter for Selecting a Creative Agency?



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CENSUS 2024