

TOP TRENDS RESHAPING DIGITAL AGENCIES



What's changing?
What's winning?
What's next?

I'm Nick



Founded Promethean Research where we help digital shops build data-backed growth strategies.

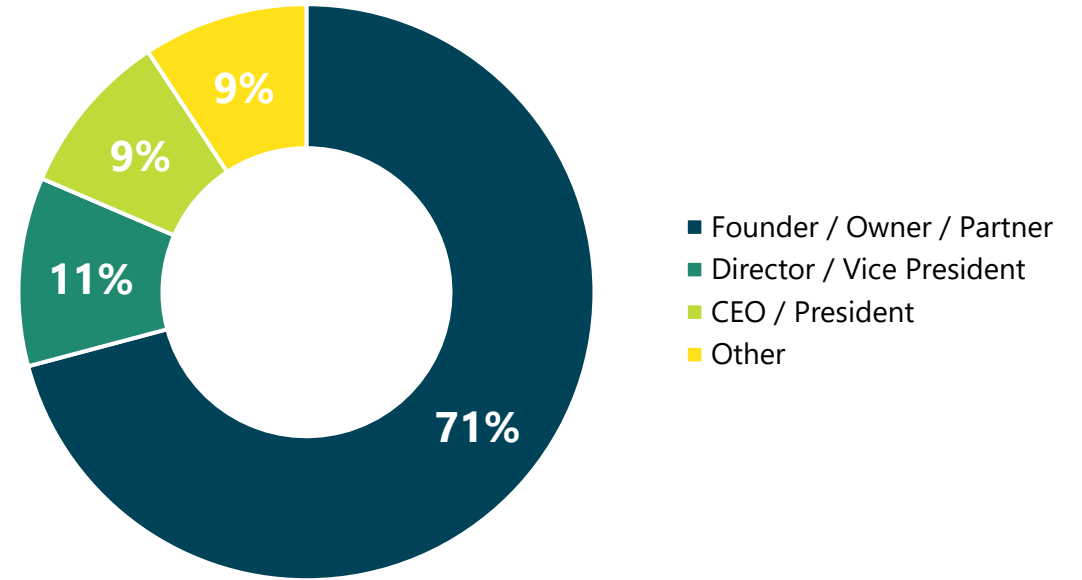
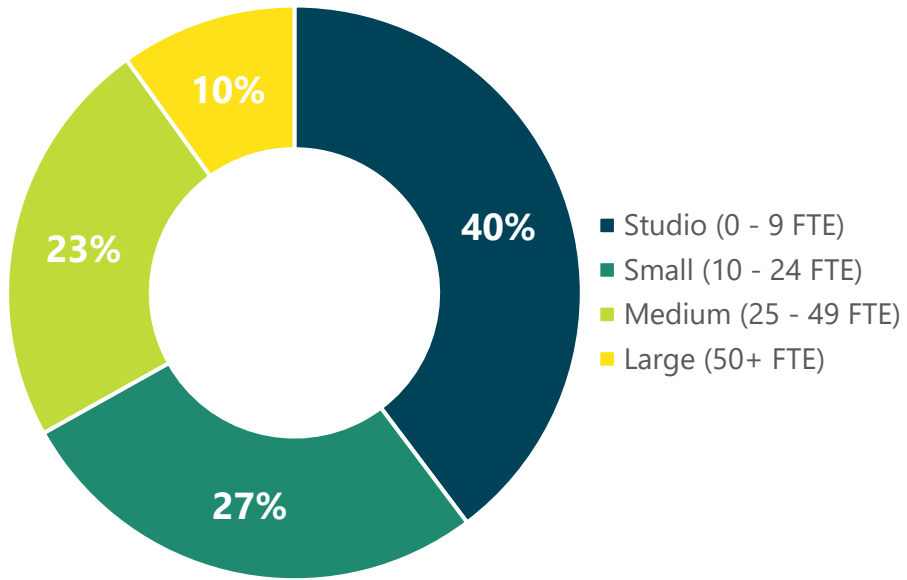
Where to find me

LinkedIn: [linkedin.com/in/nicholaspetroski/](https://www.linkedin.com/in/nicholaspetroski/)

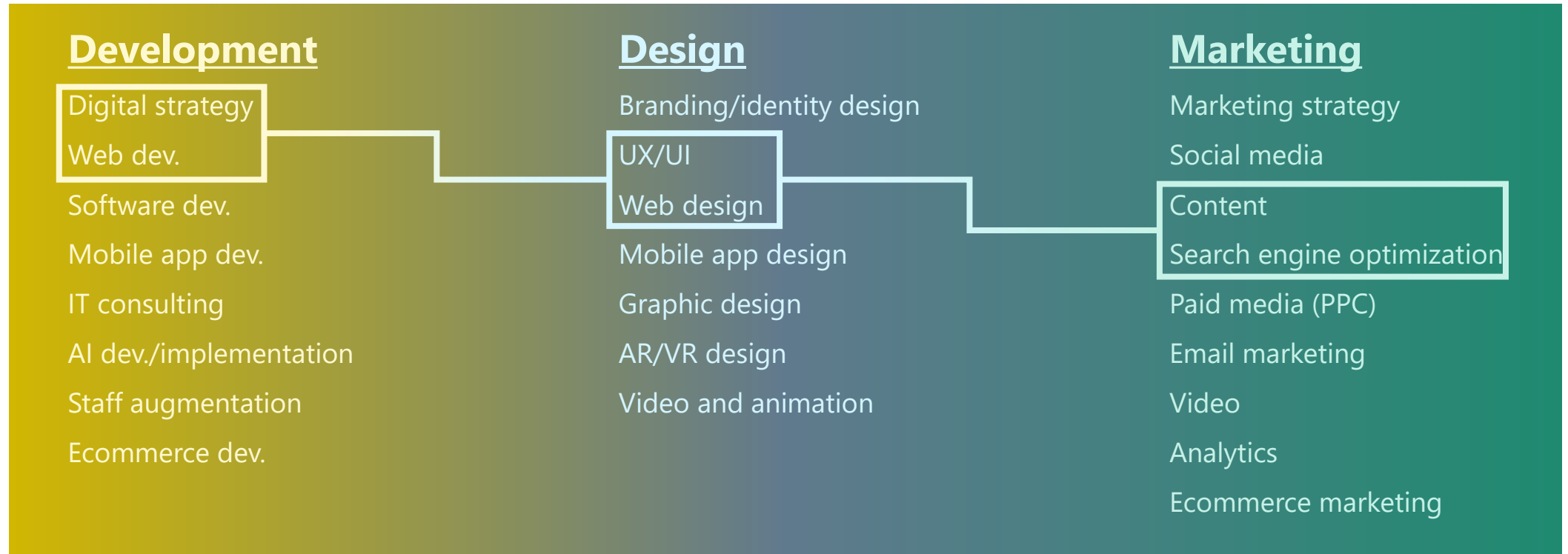
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Agency Research



Defining A Digital Agency



AGENDA

Why Agencies Exist

You Are Here

Trends Shaping The Future

Q&A

The 90s

Everyone needs a website!



Image source: webdesignmuseum.org

2000-2010

Blogging

Social media

Video

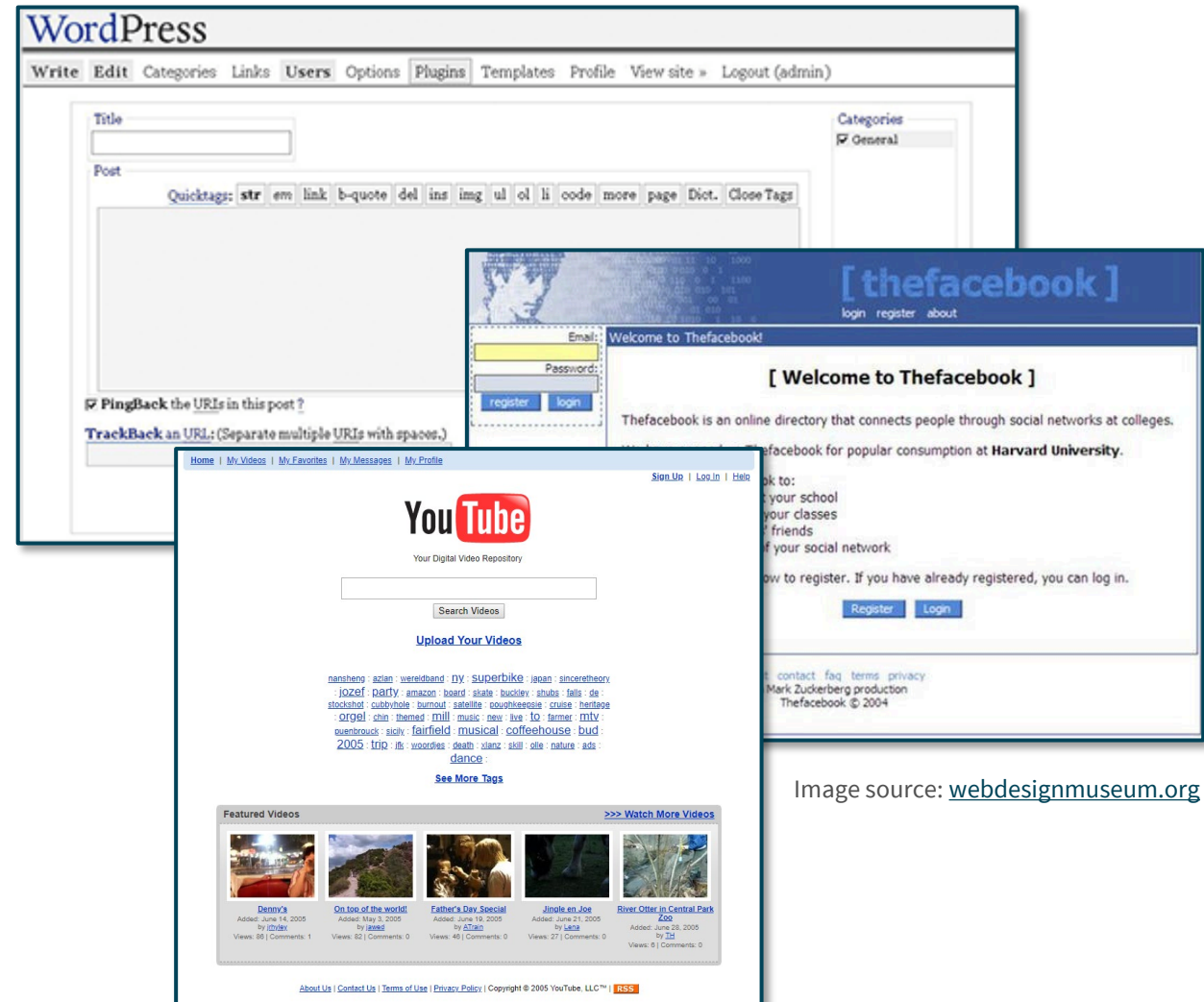


Image source: webdesignmuseum.org

2010-2020

Mobile-all-the-things!

Marketing automation

Programmatic advertising



Image: Apple

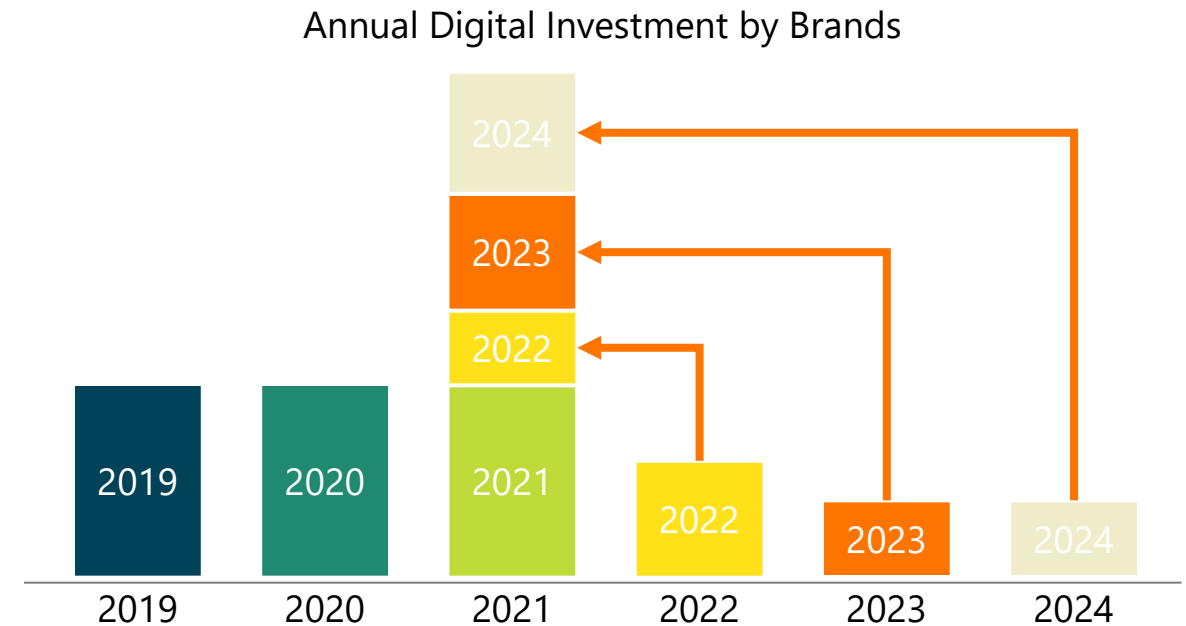
2020-2024

Pandemic crisis

Massive investment pull-forward

Inflation and interest rates

Generative AI



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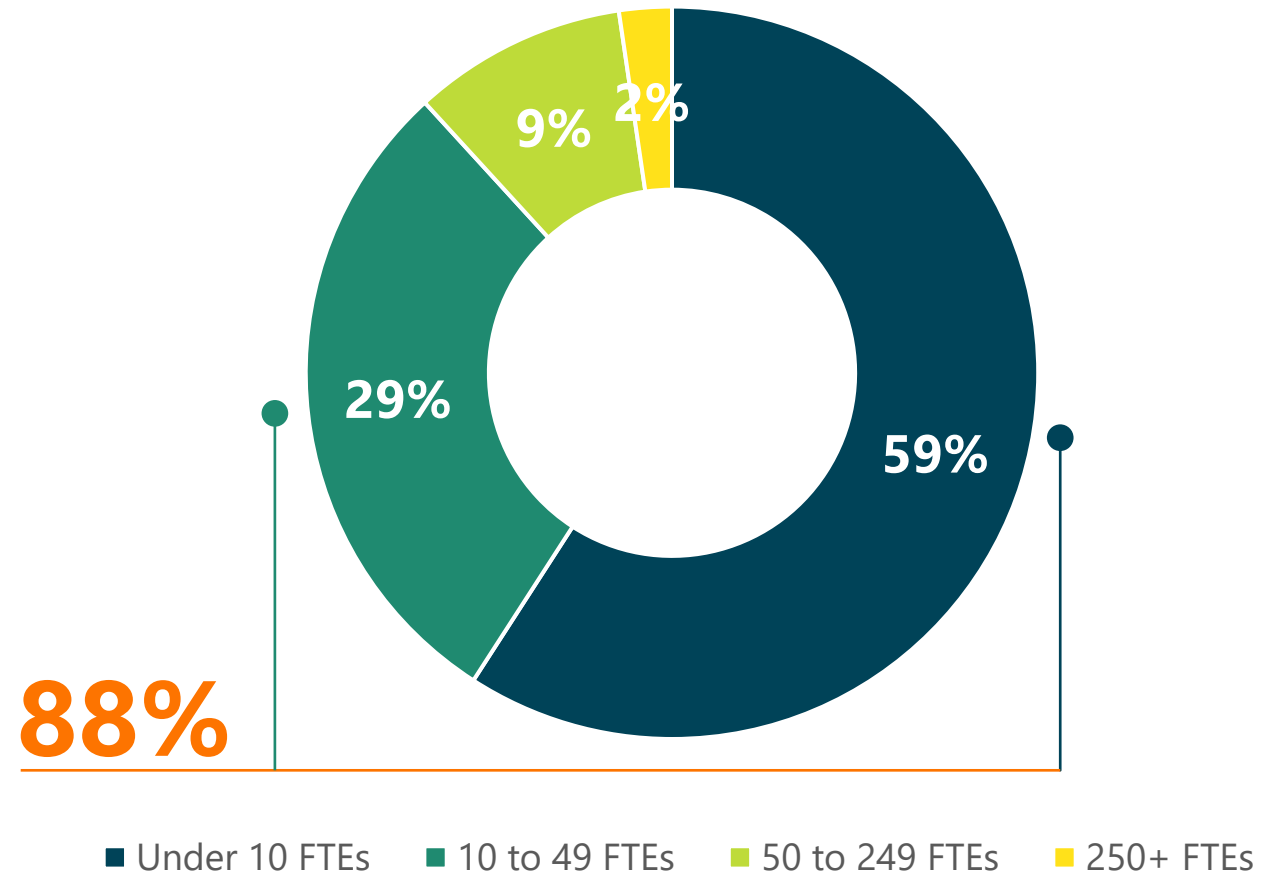
Why Agencies Exist

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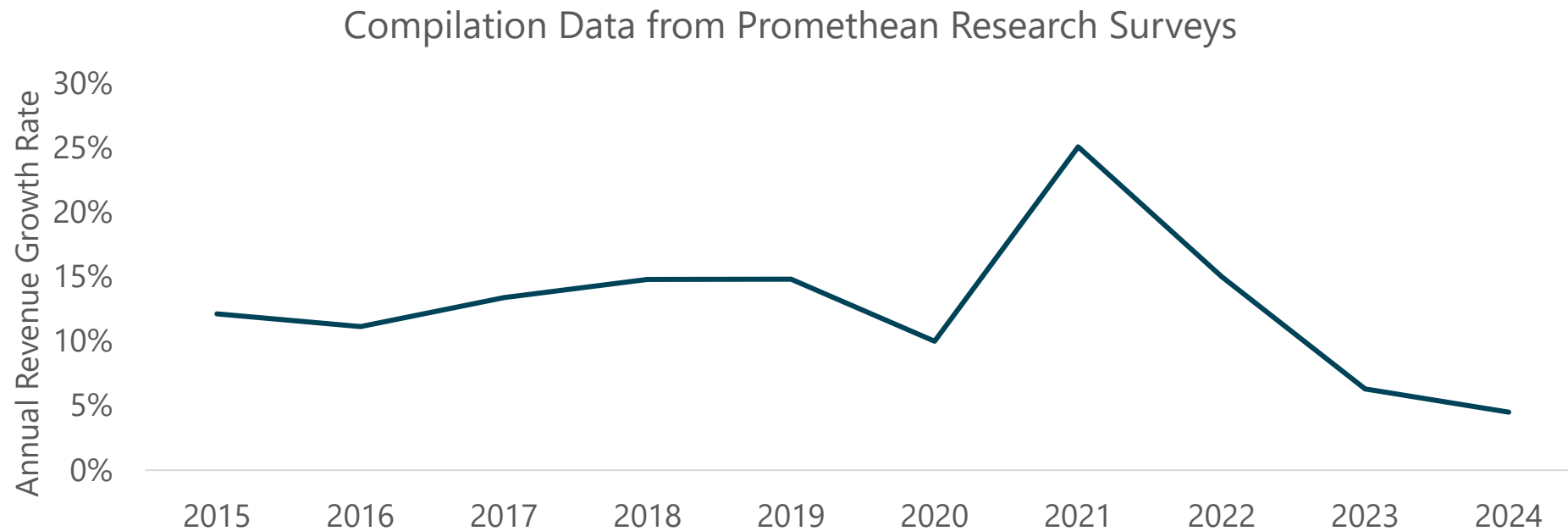
Trends Shaping The Future

Q&A

179k+



Growth Rates



More agency data in our full Digital Agency Industry Report:



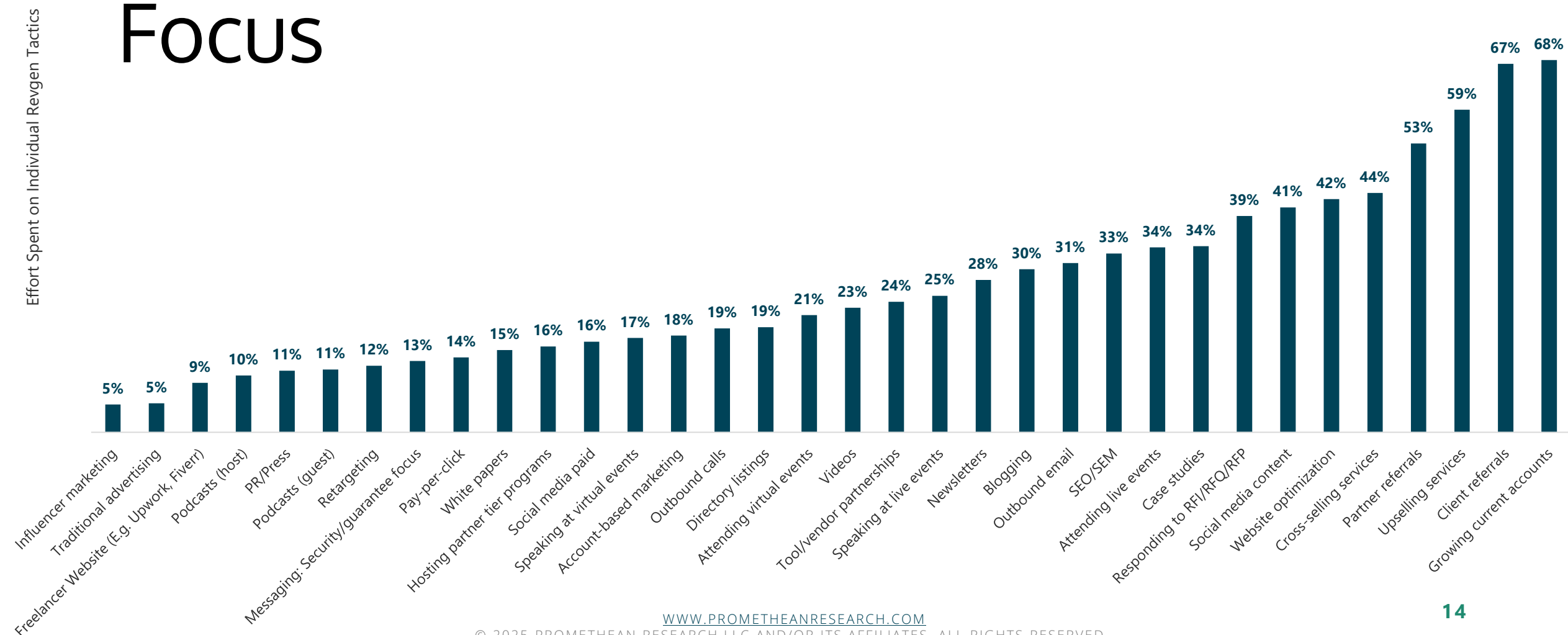
Revgen Investment

7.1%

The percent of revenue the average digital agency spends on sales and marketing activities.

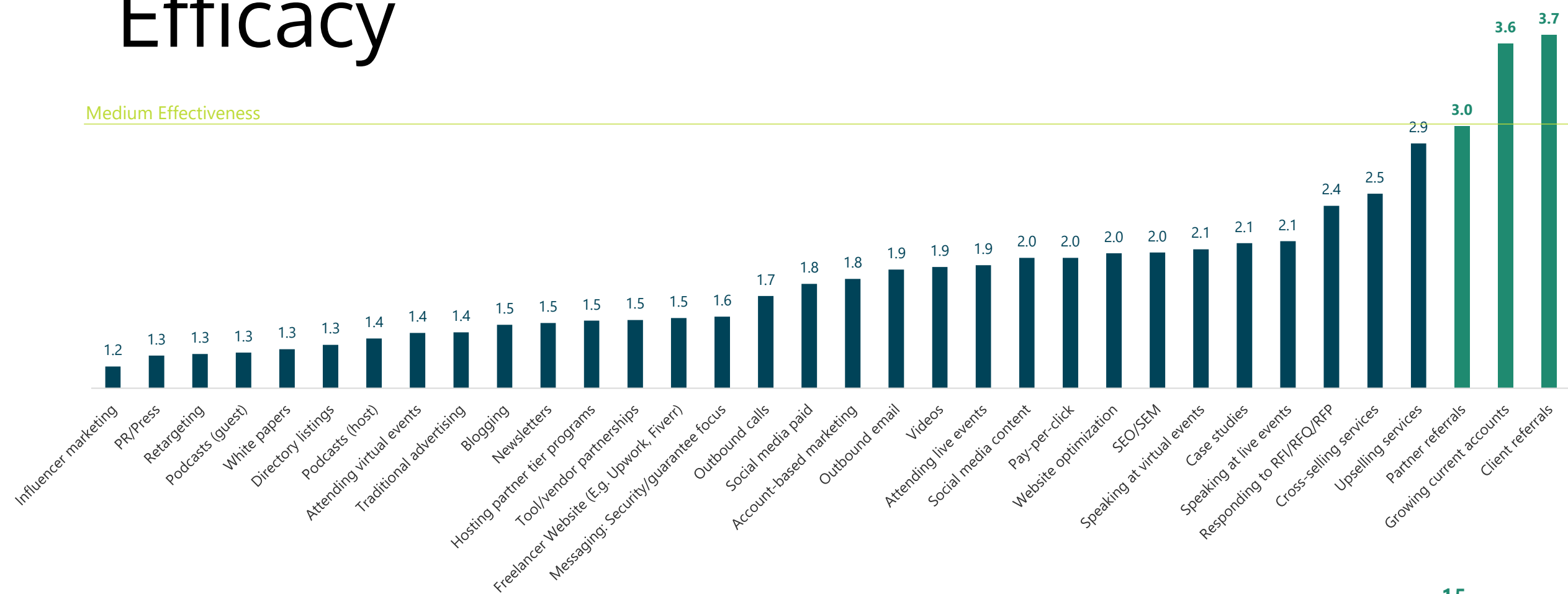
Revgen Focus

Effort Spent on Individual Revgen Tactics

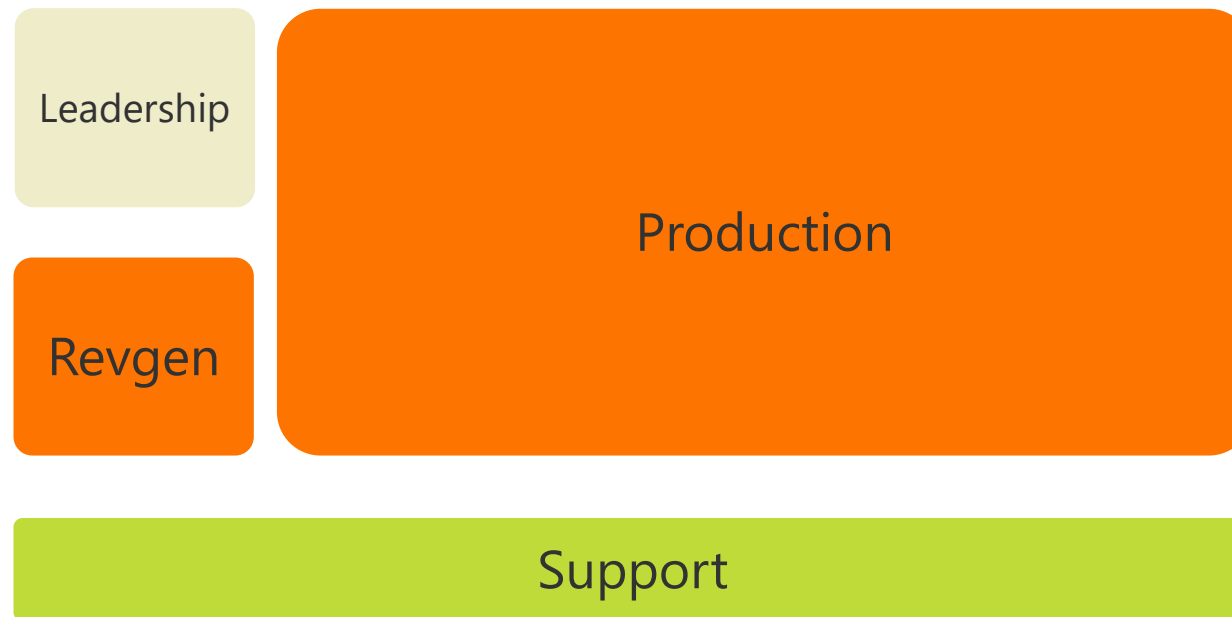


Revgen Efficacy

Medium Effectiveness



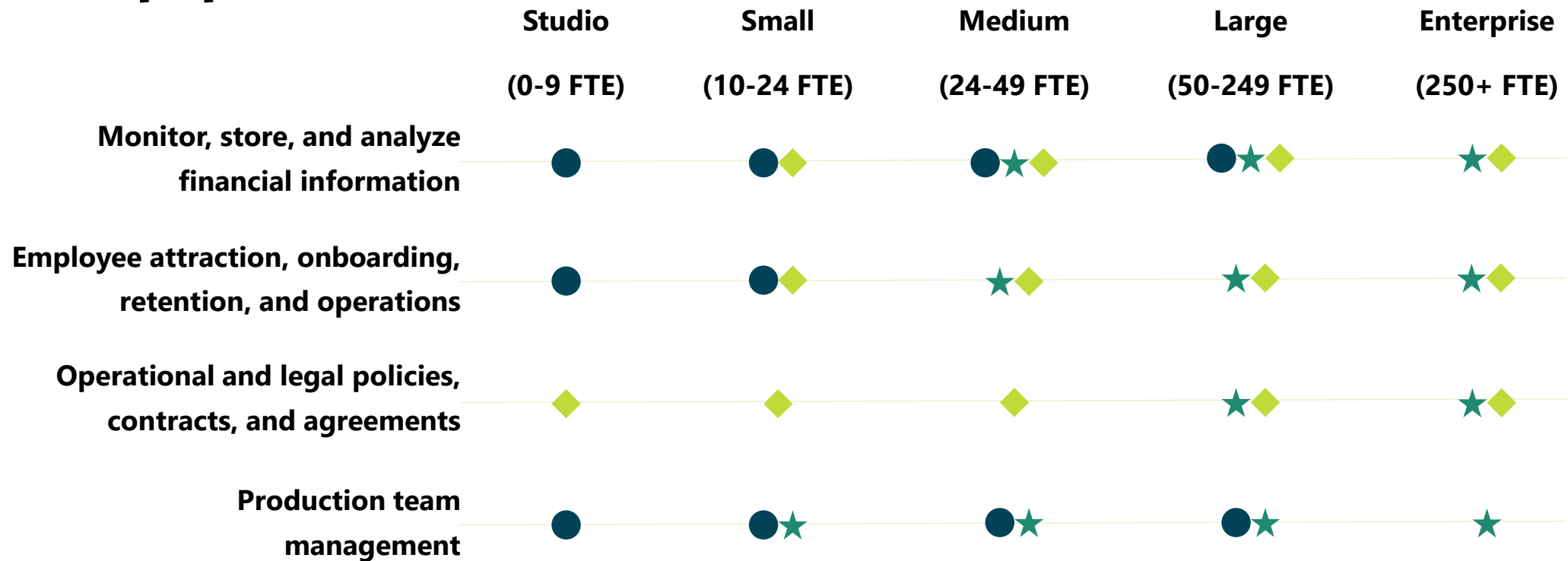
Current Agency Structure



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Support

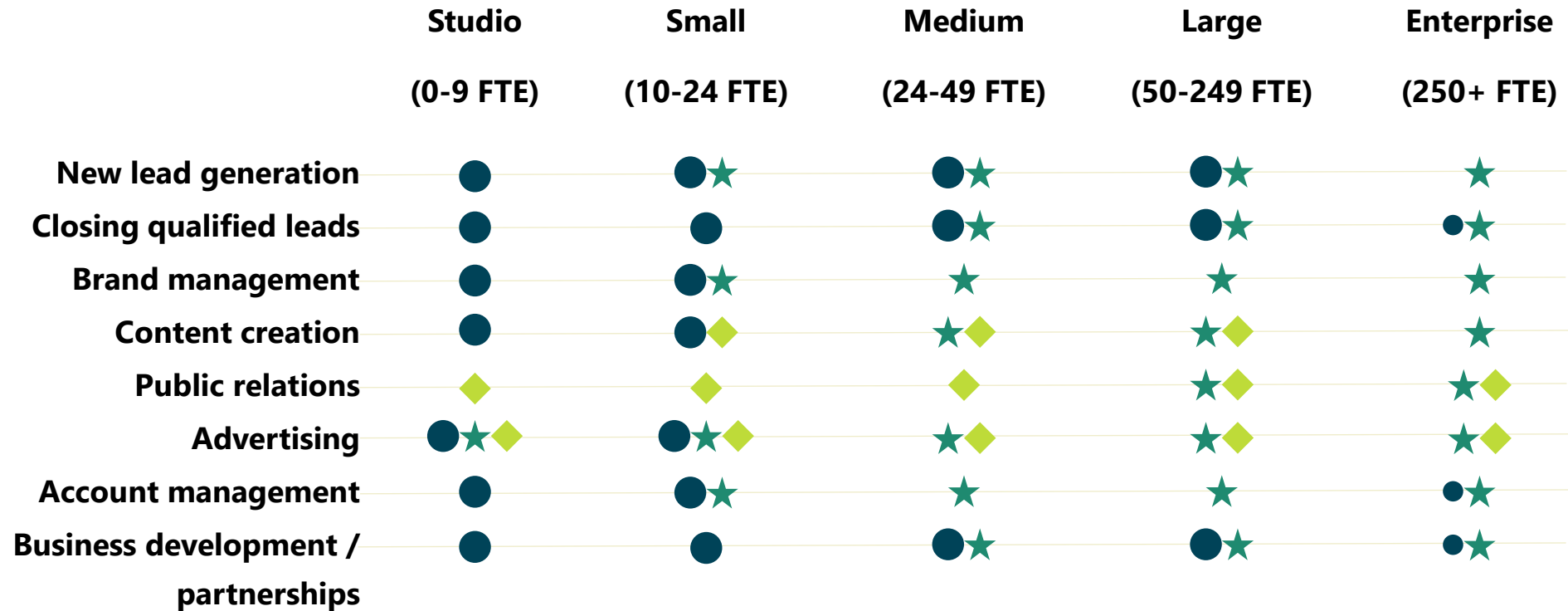
- Done by a partner
- ★ Done by an employee
- ◆ Outsourced



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Revenue Generation

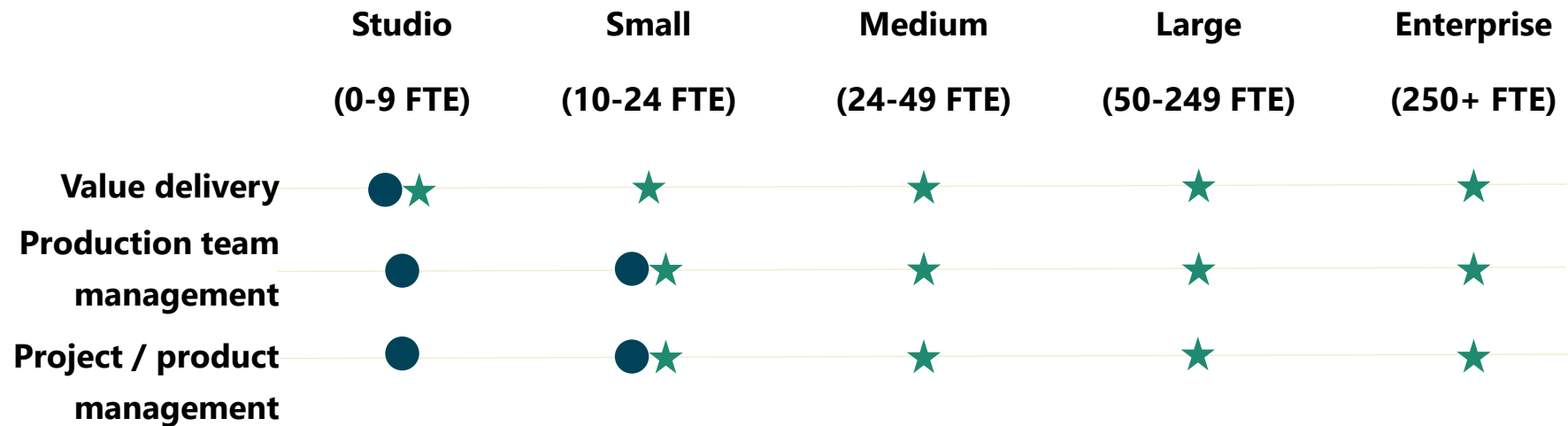
- Done by a partner
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- Done by a partner
- ★ Done by an employee
- ◆ Outsourced

Production



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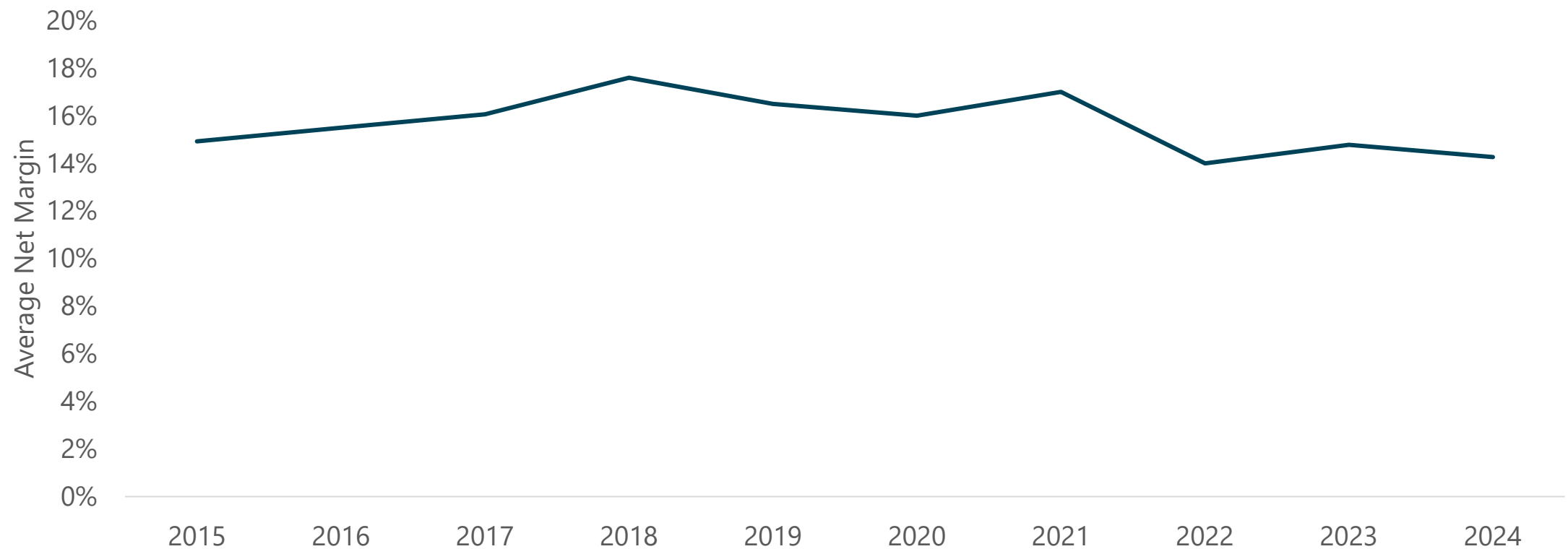
- Done by a partner
- ★ Done by an employee
- ◆ Outsourced

Leadership

	Studio (0-9 FTE)	Small (10-24 FTE)	Medium (24-49 FTE)	Large (50-249 FTE)	Enterprise (250+ FTE)
Mission, vision, and goals	●	●	●	●★	●★
Strategy creation	●	●	●★	●★	●★
Roadmap design and implementation	●	●	●★	●★	★

Margins

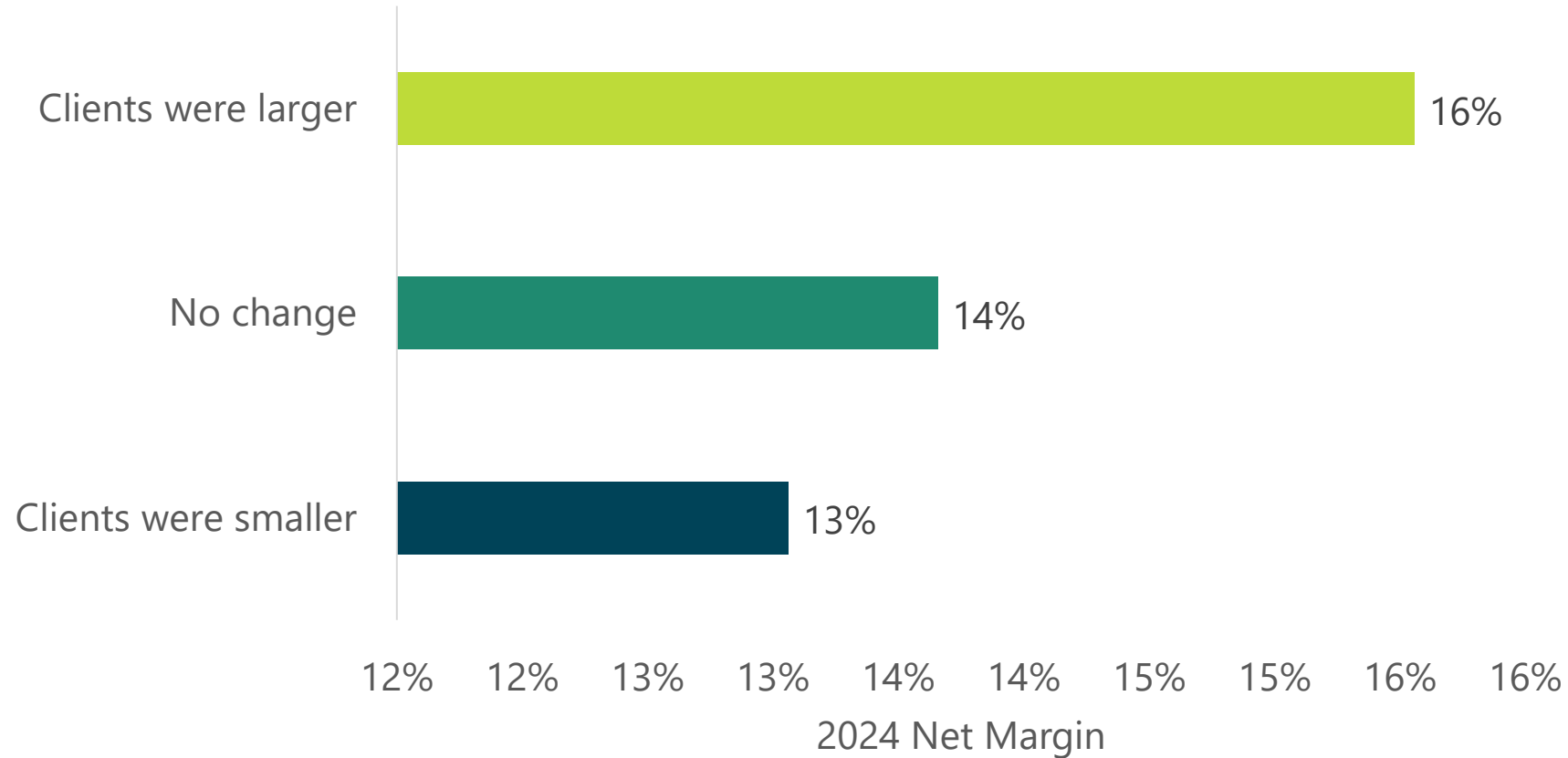
Compilation Data from Promethean Surveys



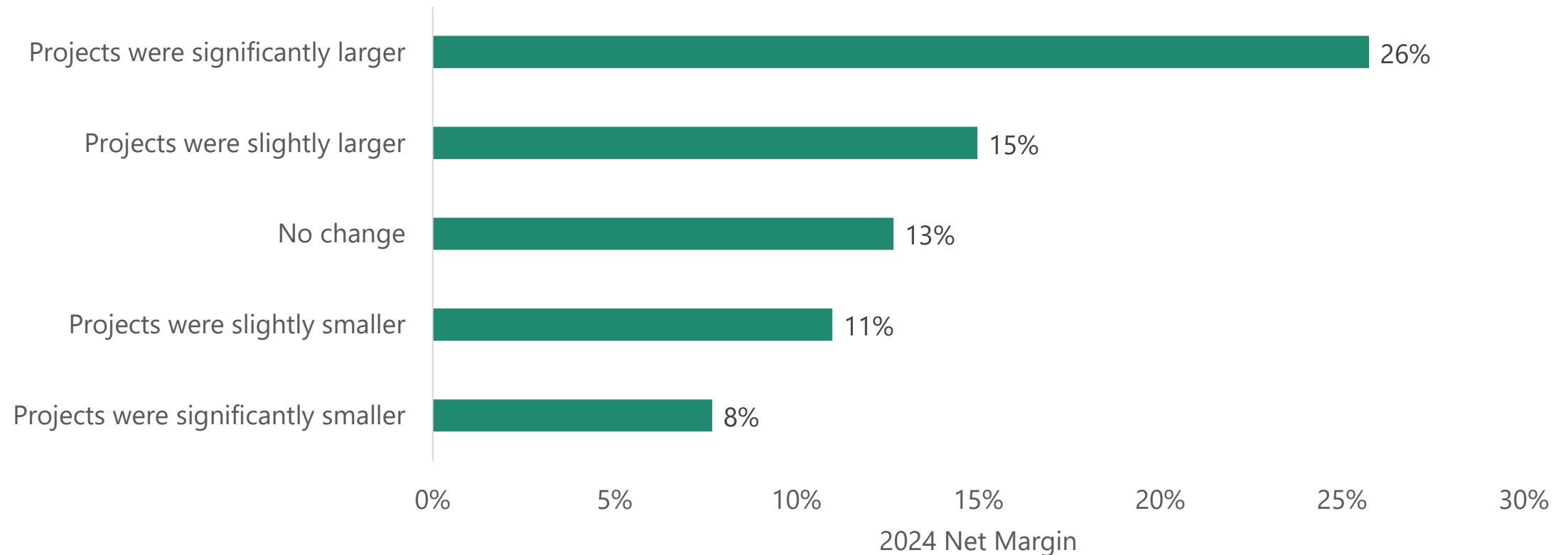
Specialization

2024 Net Margin			
	Industry Generalist	Industry Specialist	Average
Service Generalist	14%	13%	14%
Service Specialist	11%	16%	14%
Average	12%	15%	14%

Shifts in Client Size

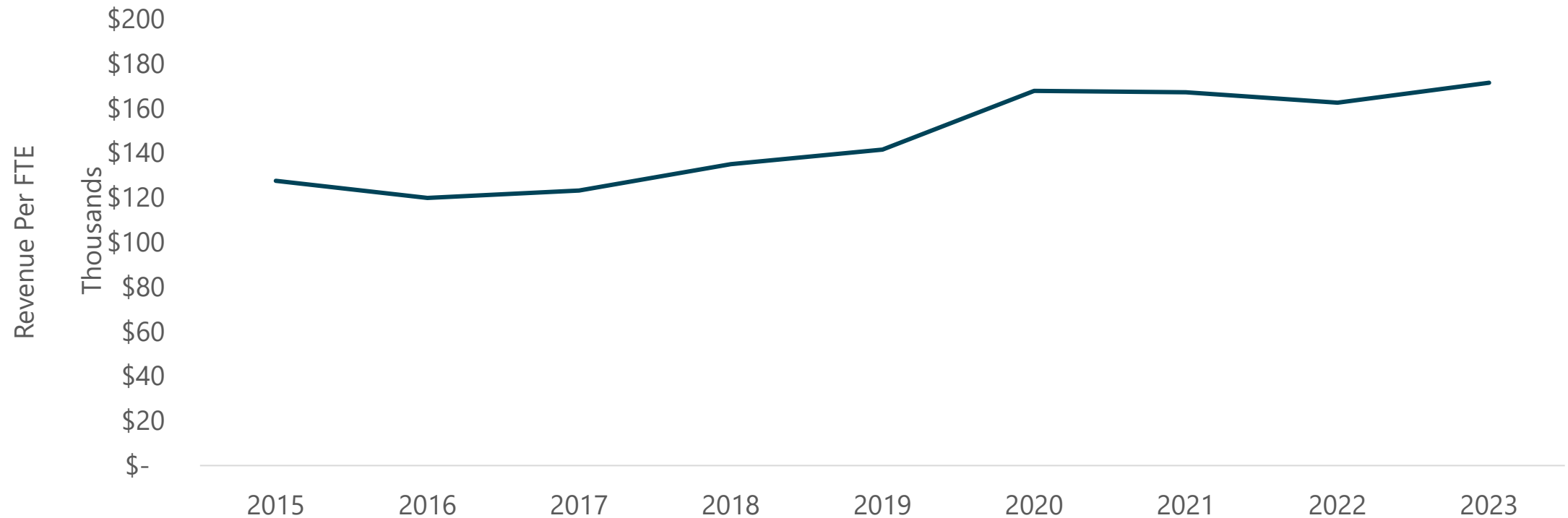


Project Dynamics

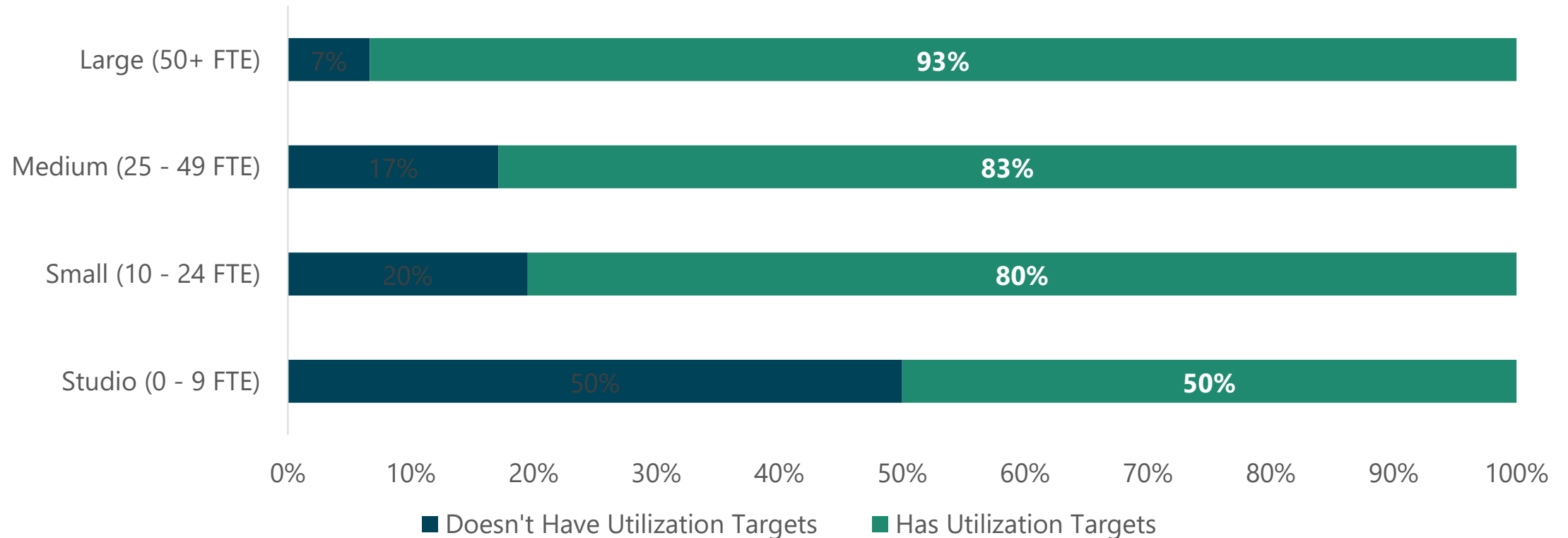


Efficiency

Compilation Data from Promethean Surveys



Utilization



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Why Agencies Exist

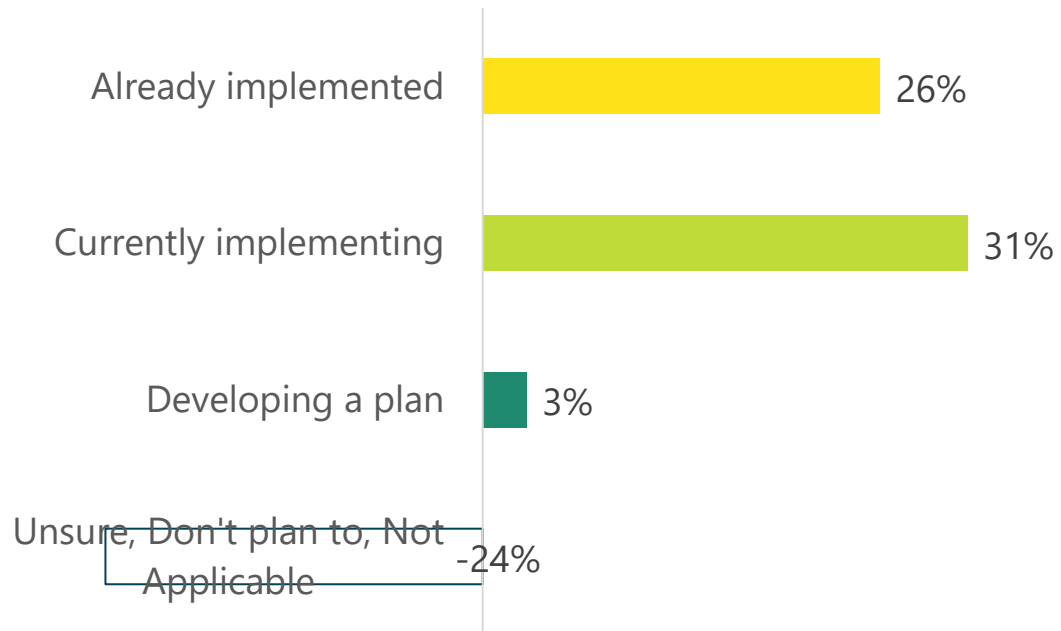
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Trends Shaping The Future

Q&A

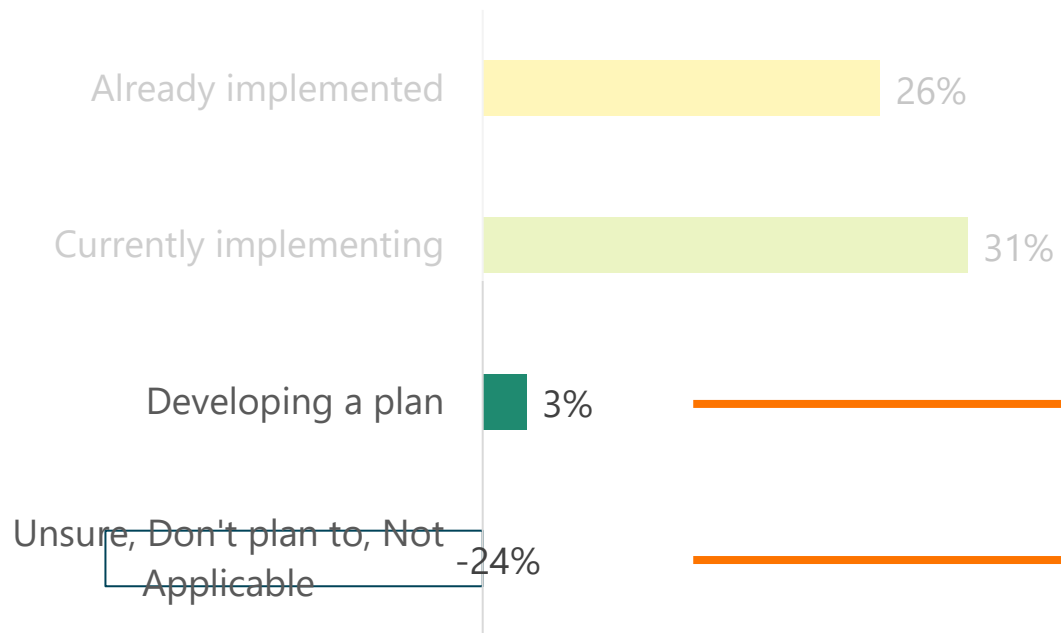
AI Maturity

2024 Change in AI Implementation Level

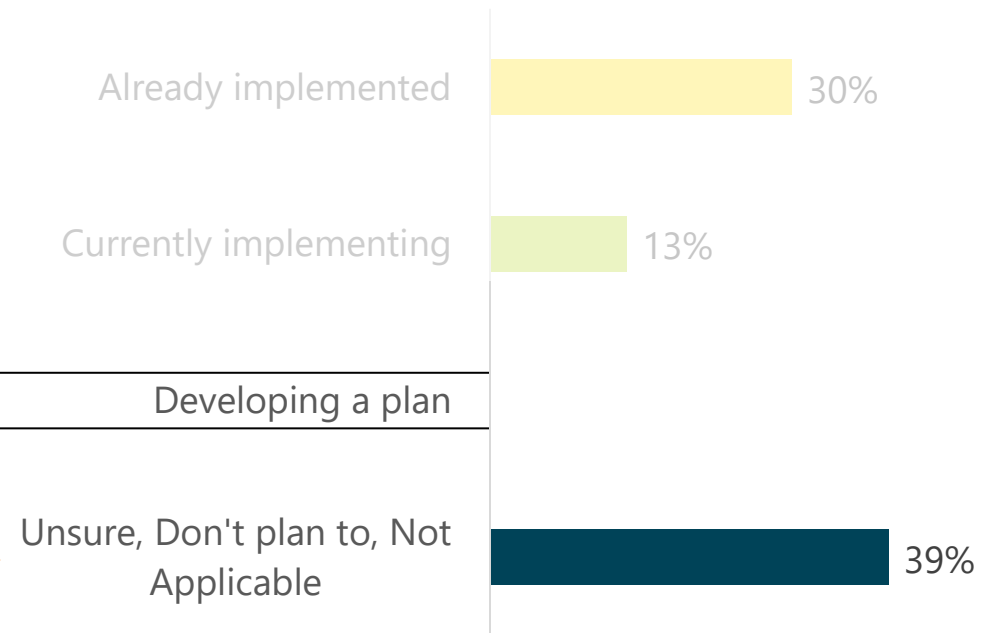


AI Maturity

2024 Change in AI Implementation Level

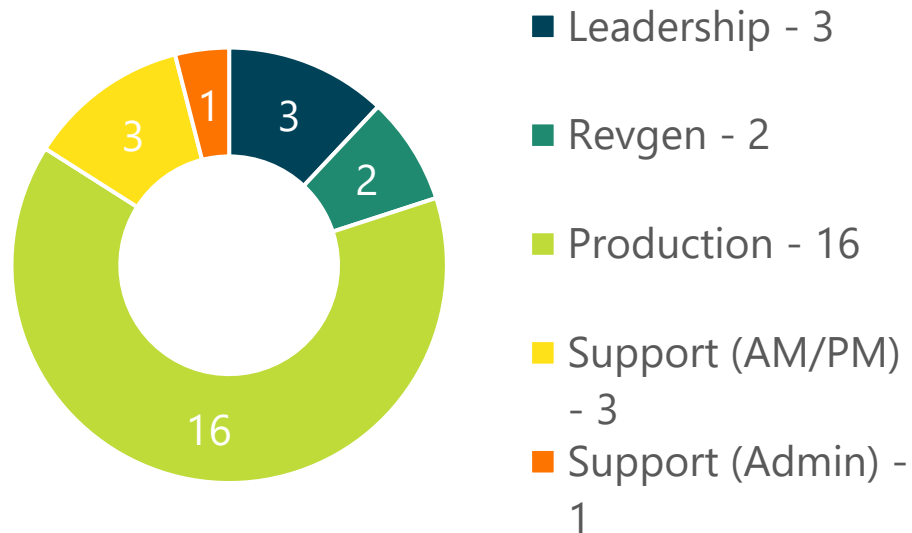


2025 Change in AI Implementation Level



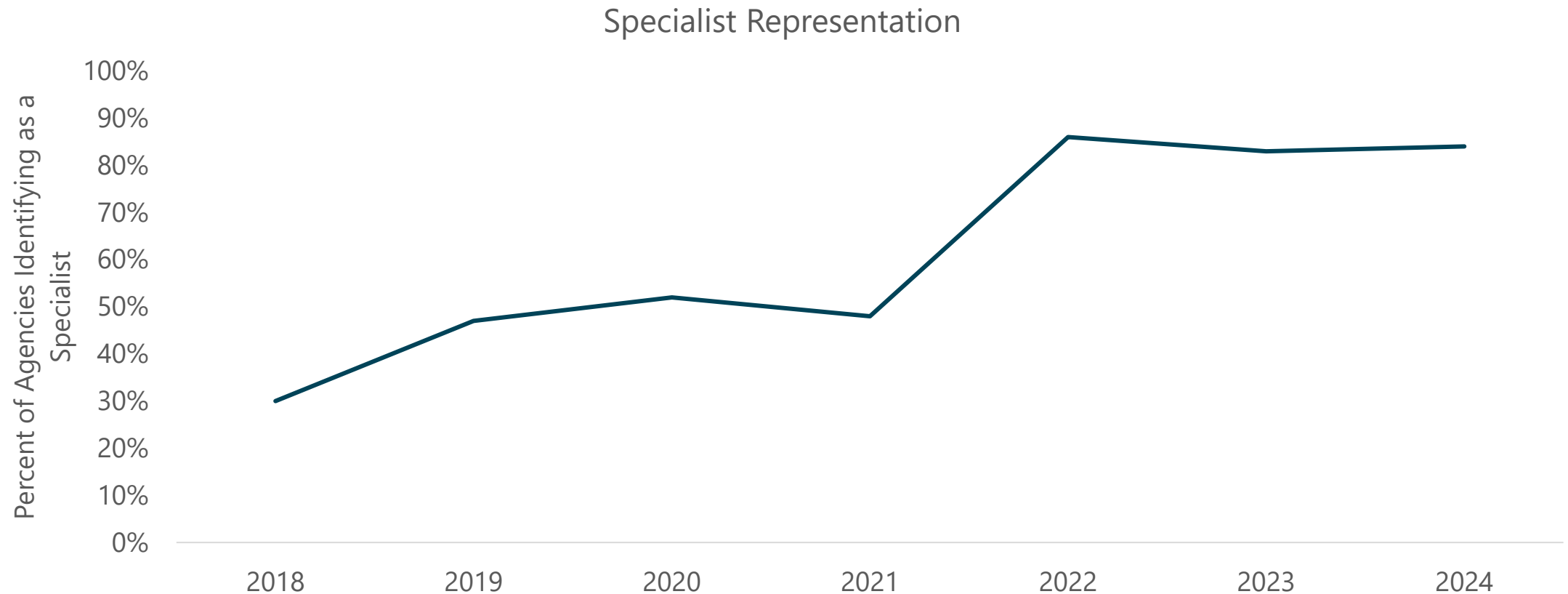
AI Impact

Standard 25FTE Agency Roles



<u>Functional Area</u>	<u>Already Implemented</u>
Coding	30%
Design	19%
Copywriting	48%
Video creation	7%
Marketing	23%
Internal operations	23%
Project management	14%
Sales	12%

Agency Specialization

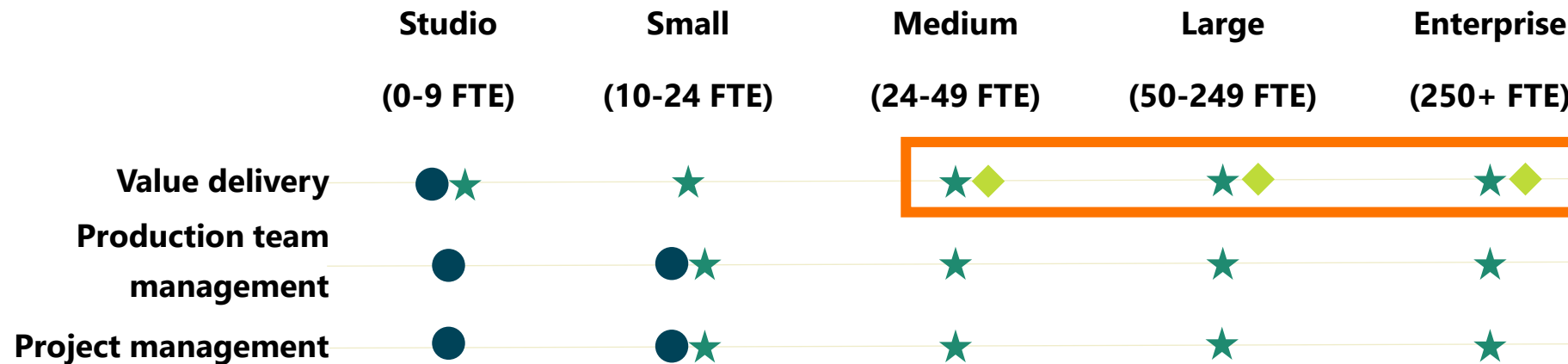


Agency Specialization

2023 Revenue Growth				2024 Revenue Growth			
	Industry Generalist	Industry Specialist	Average		Industry Generalist	Industry Specialist	Average
Service Generalist	2.8%	3.3%	2.9%	Service Generalist	-2.0%	0.7%	-1.2%
Service Specialist	4.2%	5.4%	4.9%	Service Specialist	5.9%	6.5%	6.3%
Average	3.7%	5.2%	4.5%	Average	3.0%	5.8%	4.6%

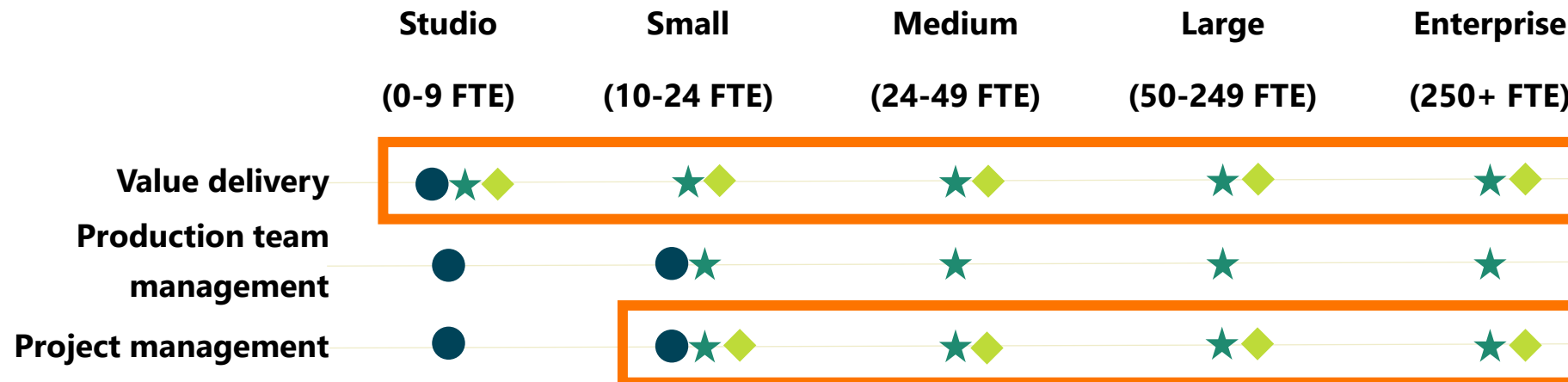
Production

- Done by a partner
- ★ Done by an employee
- ◆ Contracted



Production 2.0

- Done by a partner
- ★ Done by an employee
- ◆ Contracted



Shaping The Future

AI: Room to run for AI

Specialization: Agencies are becoming more specialized

Structure: Full-time employees ↓ and contractors ↑

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Q&A

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