

Do Digital-Only Agencies Need To Evolve?

Contributed by eMarketer
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Few marketers use digital-only shops, and many feel full-service agencies will win more digital work

As digital becomes more integrated into the larger picture of marketing, marketers are not optimistic about the future of digital-only agencies, with just a third saying these shops can survive in their current form.

RSW/US, a business development firm that works with agencies on lead generation, surveyed marketing decision-makers in March 2011 for *“A Client’s Look Ahead at Agencies”* and found that 67% of respondents felt digital agencies need to evolve and offer more traditional services to maintain relevancy.

Overall, only 25% of respondents use an agency that is exclusively digital, social or SEO-focused. This is down from 28% in RSW/US’s 2009–2010 survey.

The RSW/US study also found that 50% of respondents think full-service firms will win more digital assignments in the next three to five years, while only 28% think digital firms will win more full-service work and 22% expect the ratio to stay the same.

Such thinking presents challenges to digital agencies, which must evolve to include more traditional offerings. However, traditional agencies also have to become more sophisticated in their digital offerings and find the same deep insights that have set apart their digital-only counterparts.

When looking for an agency partner, marketers look at several qualities. Agency or specialty type was the top factor, with 43% reporting that it influenced their decisions. Other important factors were a timely approach by an agency (41%) and advice or recommendations from other marketers (38%) or colleagues (36%).

Marketers are paying attention to how agencies will evolve or work together in the future. They see continued need for full-service agencies as marketing increasingly becomes integrated, and agencies should be prepared and ahead of that trend.

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