

2021 CENSUS

Commercial Creativity & Communications Industry



iapi

iapi

About IAPI

IAPI'S Mission

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

IAPI'S Vision

To position and promote our industry as a recognised and respected engine of responsible growth for our members, our people, our clients and our planet.

**Our 3 priorities
for the years ahead are:**



We will:

Foster a culture of excellence in strategic leadership, creativity, innovation, and equality within our members.

Supported by our first-class training and education programmes.

Position Ireland as a global centre of excellence for commercial creativity and media planning, thus attracting world class talent and clients.

Encourage, inform and support our members in adopting responsible production and consumption practices.

Promote diversity and inclusion as a strategic and economic imperative.

Advocate for the interests of our members at Corporate Board, Government, and international levels.

Constantly work to empower our members to grow the value of their businesses.

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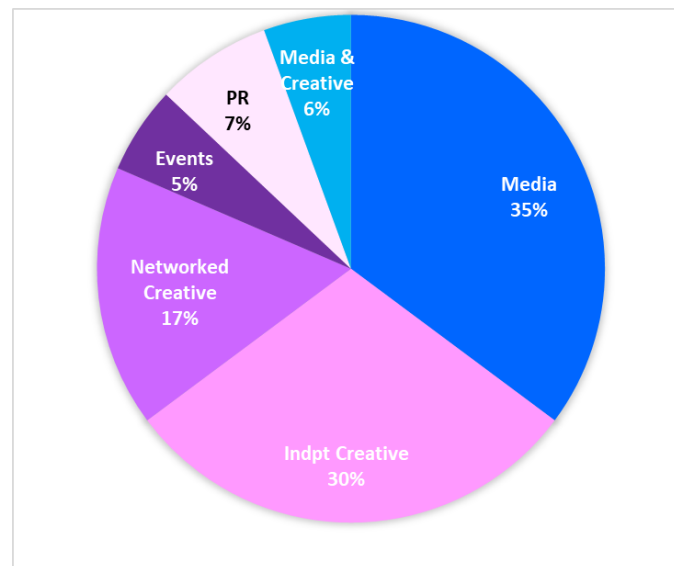
Participation

The IAPI Census 2021 was conducted via three separate surveys sent to the IAPI membership and completed by the heads of Finance, HR and Agency Leaders.

A total of 54 out of 61 (89%) IAPI members participated in the Census providing us with robust data to take stock of the Industry and how it has fared over the pandemic years of 2020 and 2021.

The last Census was undertaken in 2019, with no Census carried out in 2020 so much of the data compares 2019 to 2021, unless where indicated.

The majority of the Census analysis was undertaken by Independent Research Consultant, Ann Claire Nolan, who worked with the IAPI Executive to produce this report.



Executive Summary

TALENT

With 27% Churn on average in 2020, and similar figures predicted for 2021, this is the single biggest concern facing the industry.

Despite the Churn, the total staff numbers have increased by 7% since 2019.

The highest % of leavers that move to Tech companies are those with 9-12 yrs' experience (38%) – generally the industry's most valuable and experienced talent.

1 in 5 vacancies currently in the industry are for Client Services or Project Management roles.

This is closely followed by Digital and Creative vacancies at 17% each of all vacancies in the industry.

Creative agency leaders are most concerned about skills gaps in Creative Strategy and Planning, with Ecommerce and Digital skills coming 3rd.

Media agencies are most concerned about gaps in Ecommerce skills followed by general Digital skills.

DIVERSITY & INCLUSION

Females now have an equal say in Executive Management across the industry and hold 40% of the C Suite positions in agencies – a jump of 7% since 2019.

Across IAPI membership, there has been a large (24%) increase in the presence of a D&I policy in place.

87% of agencies have a policy in place, with 6% of those utilizing the IAPI D&I Policy provided in June 2021.

Overall, 20% of the workforce is non-Irish, which shows a **growth in diversity of nationality of 7%** since 2019.

However, from a socio-economic viewpoint, **we over index in talent from affluent, middle-class backgrounds** with two-thirds of our workforce from this group.

81% of employees believe that the entire workforce should take unconscious bias training.

Over half would like to see office banter that causes offence banned from the workplace.

COMMERCIALS

At an average per agency at €4.3m in 2020, there was the expected decline in revenue across the industry from €4.9m in 2019.

Media Billings declined by an average of 20% per agency in 2020 vs. 2019 despite a spending surge in Q4.

If the half year figures reflect the full year results for the industry, then we can also anticipate Media and PR agencies to be back at 2019 revenues by year end 2021.

Creative agencies show a half year revenue increase of 14% vs. 2020, however, they may still lag behind their 2019 results unless Q4 proves exceptional.

Jan-June 2021 Media Billings indicate that these will return to 2019 figures or, exceed them if Q4 delivers the anticipated boost.

Contributing 1/3 of fee income for the industry, retainer fees remain an increasingly important % of the revenue breakdown for all agencies.

There is an optimistic view of profitability for 2021 with average profit margins predicted at 14% - an increase of 4% on 2020.

With an estimated 427 pitches in total, IAPI estimates that pitching cost the industry €12m in 2020.

On average International clients now represent 17% of IAPI agencies client base which shows a marginal increase from 15% in 2019.

Executive Summary

THE FUTURE

87% of Agency Leaders are very optimistic that their agency will fully recover from the impact of the pandemic, and three-quarters believe that Industry Revenues will increase next year.

With nearly two-thirds of all agencies pursuing business from International Clients, this again reflects the confidence of Irish Agencies to compete on a global stage.

Other opportunities cited by Agency Leaders for the future include; extended services, new ways of working, growth through great creativity, Ecommerce consultancy.

However, the industry still faces a number of challenges as the pandemic continues to affect our working lives. Aside from Talent Churn, maintaining Agency Culture, as we continue to work from home, remains the key concern of Agency Leaders for the next 12 months.

Long-term Return to Office plans, as for all industries, are still on hold despite predictions made by Agency Leaders in September 2021.

The future of working has also changed for good, with most Agency Leaders predicting that 75% of the workforce will continue to work part-time from home. However, they believe that less than 10% will want to work full time from home.

Sustainability is very much on everyone's agenda. 38% of agencies have a sustainability charter in place. Three-quarters of leaders have put sustainability as a priority with 10% as a top priority..

Leaders believe that 72% of their clients have sustainability as a priority for their business but only 4% as a top priority.

When surveyed in Sept 2020, 3 in 4 agency employees stated that they wished to work for an agency that is committed to climate change.

91% of staff stated that the industry had an important role to play in sustainability action because of our ability to connect with consumers.

Some positive trends are emerging from clients including their focus on great creativity and their belief in its' effectiveness to achieve business results.

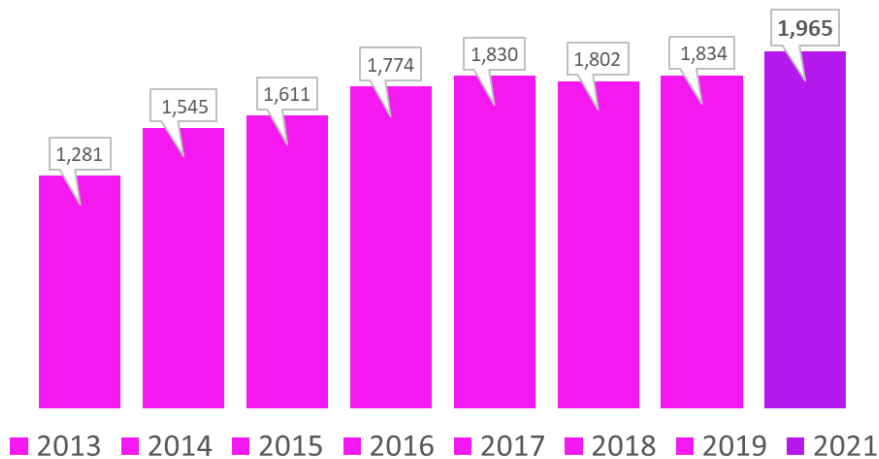
Section 2. Talent

27% Churn in 2020



Staff Numbers

TOTAL STAFF EMPLOYEED ACROSS AGENCIES



DEPARTMENT SIZES ACROSS AGENCIES

Digital & Social Specialist Services	1 st	BIGGEST ↑ ↓ SMALLEST
Creative Services	2 nd	
Media Planning	3 rd	
Client Service & Project Management	4 th	
C Suite / Director / Board Director	5 th	
Finance	6 th	
Production Services	7 th	
Media Buying & Trading	8 th	
Other Executive Management	9 th	
Strategic Planning	10 th	
Event Management	11 th	
HR	12 th	
IT	12 th	
Administration	13 th	
Non-Executive Board Members	14 th	
Research & Insights	15 th	
New Business / PR / Marketing	16 th	
Data Analytics	17 th	

Staff Churn

The industry experienced **27% Talent Churn in 2020** and, for the first half of 2021 it stood at 16%, indicating a similarly high churn rate for the second year running.

Staff Churn continues to be the single biggest challenge facing the commercial communications and media industry. In part, this is a global phenomenon well documented as the “Great Resignation”. However, this is also the result of an increasingly fragmented and complex industry that has been considerably disrupted over the past number of years.

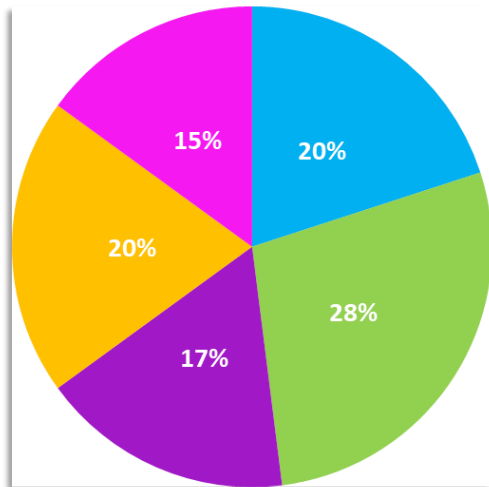
Despite this increase in churn, there is a 7% estimated increase in IAPI members’ workforce since 2019. This reflects in part, IAPI’s growing membership which has increased by 10% in 2021 with a number of new, smaller agencies keen to use the services offered by IAPI.

There is substantial % of churn to ‘other’ industries aside from big tech, other agencies, clients and media owners. This is noteworthy and may indicate the increasingly fragmented business landscape that is driven by tech and will also include staff who relocated during the pandemic.

The highest rate of churn is among employees with 3-5 years experience (28%) and the lowest among employees with 12+ years experience. However, incidences of churn clearly exist at every level of experience.

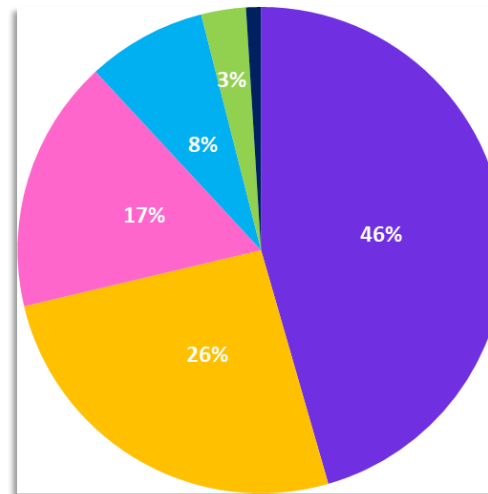
Who is leaving and where are they going?

CHURN BY YEARS OF EXPERIENCE



- 0-2 Years Experience
- 3-5 Years Experience
- 6-8 Years Experience
- 9-12 Years Experience
- 12+ Years Experience

WHERE DID THEY CHURN TO?



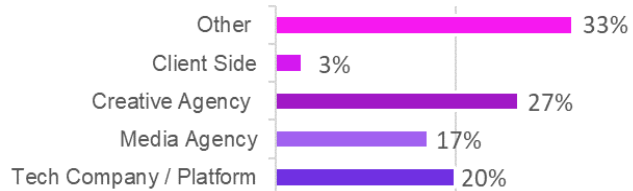
- Other
- Creative Agency
- Tech Co/Platform
- Media Agency
- Client Side

Churn into the tech industry is most prevalent among less experienced staff (0-5 years) and among more experienced personnel (9-12, 12+ years)

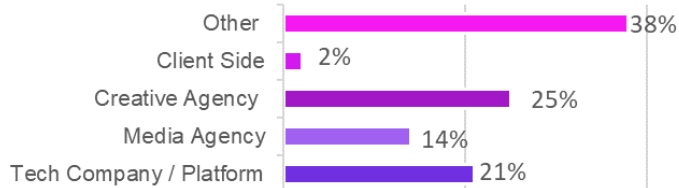
Increased churn is taking place across all levels of experience, not only at a junior level. Churn is increasingly moving talent out of the industry as only 34% churned to either another media or creative agency.

Where are they going, by Levels of Experience?

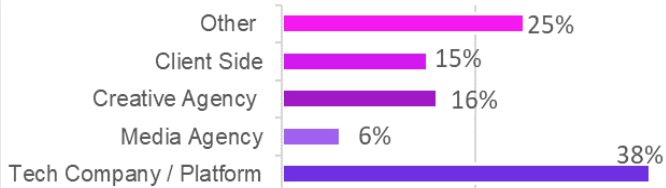
0-2 Years' Experience



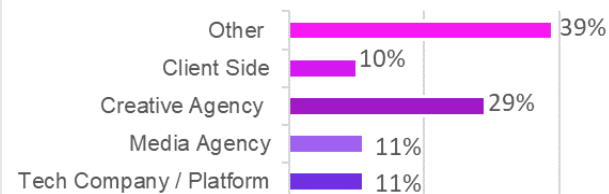
3-5 Years' Experience



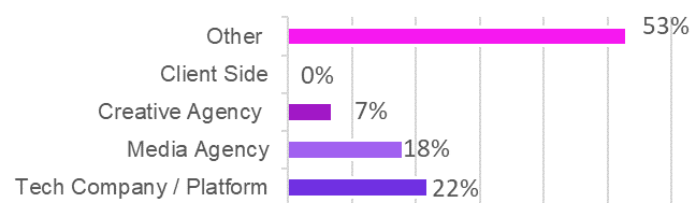
9-12 Years' Experience



6-8 Years' Experience



12+ Years' Experience



Creative agency talent predominantly move to other creative agencies except those with the most experience. The pandemic has resulted in ALL levels re-thinking their working life with most leavers moving to “other”. IAPI suggests from anecdotal evidence that “Other” includes: setting up as a consultancy; leaving the country or, taking time out from their career.

With **the highest % moving to Tech Companies within the 9-12 Years' Experience group**, this presents a major problem for agencies as these are highly valued and skilled colleagues.

Increase in Churn

On average, two-thirds of agency departments have net negative churn figures over the past two years which supports anecdotal evidence of an industry where resources have been severely stretched

Client service and project management have experienced a negative net reduction on department number for two years in a row.

Other departments with a negative rate of churn in both 2020 and 2021 include Digital and Social Specialist Services, Media Planning, Production Services, Creative Services, and Administration

The disruption of the pandemic was most likely driving high rates of churn within HR, Administration, Finance, and IT in 2020

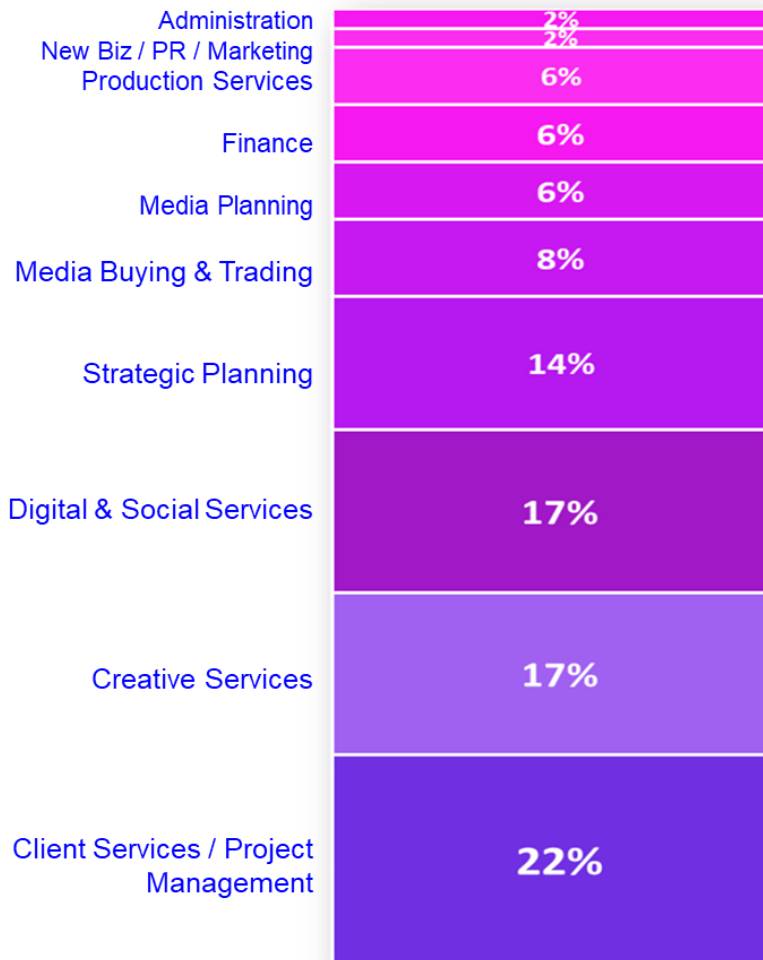
Only Research and Insights and Media Buying and Trading increased department sizes in both 2020 and 2021.

NET CHURN ACROSS DEPTS	2020	Q1+Q2 2021
Data Analytics	40%	/
New Business / PR / Marketing	8%	(8%)
Strategic Planning	8%	(5%)
Research & Insights	8%	15%
Media Buying & Trading	7%	5%
Non-Executive Board Members	7%	/
Other Executive Management	/	(2%)
Digital & Social Specialist Services	(1%)	(5%)
Media Planning	(3%)	(2%)
Event Management	(3%)	/
Production Services	(4%)	(2%)
Creative Services	(8%)	(3%)
Client Service & Project Management	(12%)	(3%)
C Suite / Director / Board Director	(16%)	4%
IT	(18%)	4%
Finance	(20%)	/
Administration	(21%)	(5%)
HR	(23%)	4%

Vacancies by Department

1 in 5 vacancies currently in the industry are for Client Services or Project Management roles.

This is closely followed by Digital and Creative vacancies at 17% each of all vacancies in the industry.



Skills required by the Industry

The skill sets required most urgently reflect the changing nature of the industry with Digital Production and Ecommerce skills at No.2 and No.4 respectively.

However, Creative Skills and Strategic Planning always remain at the top of the agenda as, despite the digital knowledge required, these are the skills that client marketers will continue to require from the industry.

MOST URGENTLY REQUIRED SKILLS

Creative Skills	1 st
Digital Production Skills	2 nd
Strategic Planning Skills	3 rd
Ecomm / Digital Skills Creative & Media	4 th

SKILLS REQUIRED IN THE NEXT 12 MONTHS

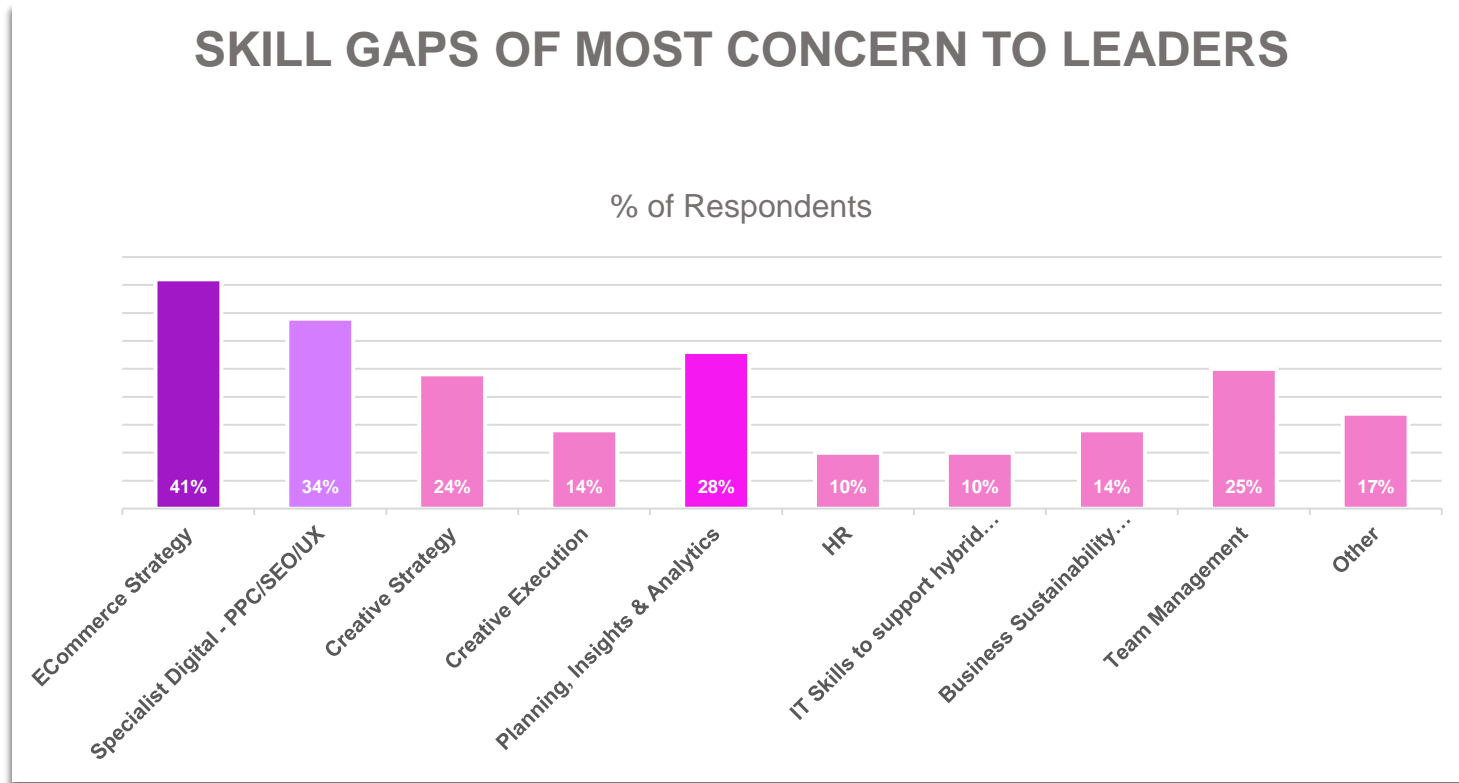
Strategic Planning Skills	1 st
Social Media Skills	2 nd
Creative Skills	3 rd
Insights & Analytics Skills	3 rd

THINKING ABOUT THESE SKILLS

Business Consultancy Skills	1 st
Ecomm / Digital Skills Creative	2 nd
Digital Production Skills	2 nd
Content Creation Skills	2 nd

*Selected top 3-4 skills only from a list of 15 options

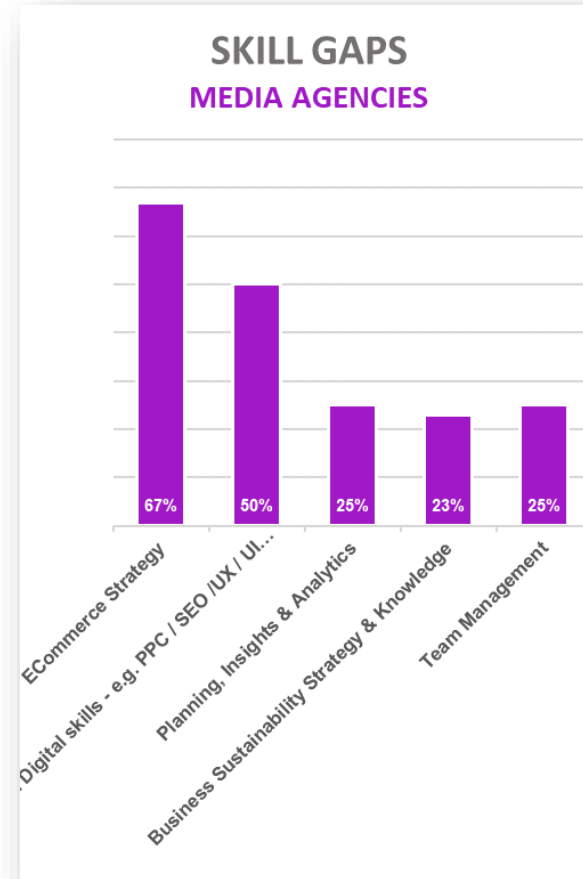
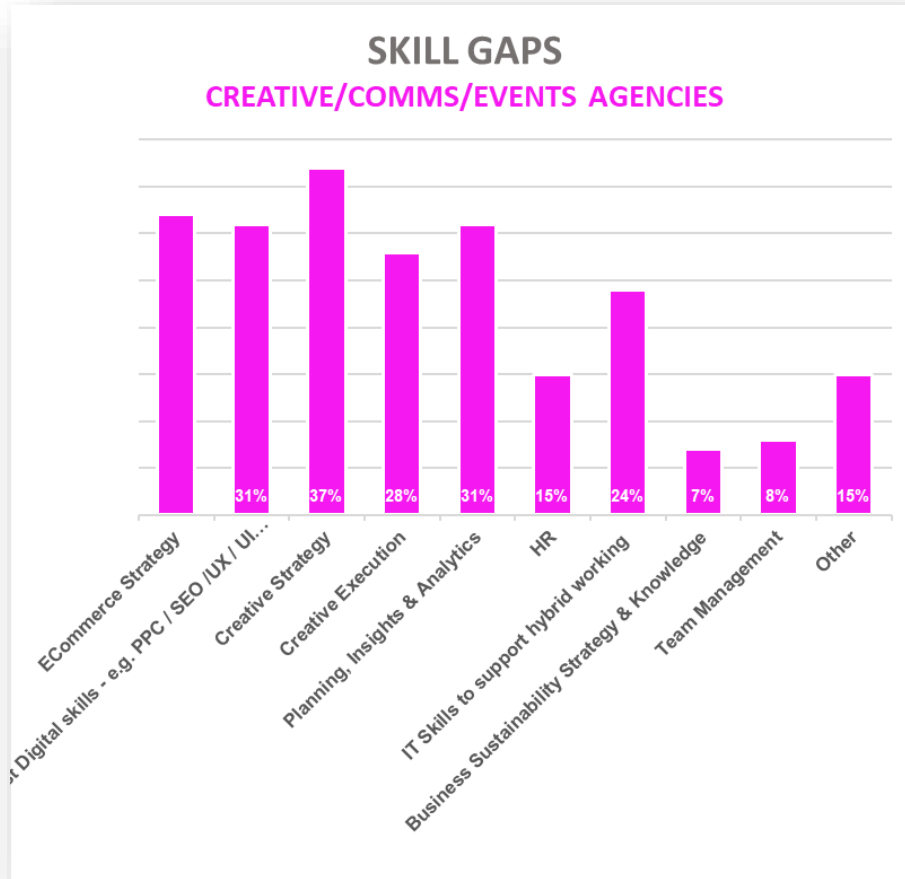
Skill gaps of most concern to Leaders



Ecommerce Strategy is the No.1 skills gap concern for all leaders for the first time reflecting the global shift towards online shopping in the pandemic.

Skill gaps of most concern to Leaders

by Agency Type



With two-thirds of Media Agencies and a third of Creative Agencies **most concerned about the skills gap in Ecommerce** it demonstrates their shift in direction over the past two years as more brands build their online shopping experience. Similarly the gap in Digital skills are of concern for both. As you would expect, Creative Agencies will also focus on Creative and Planning skills as these are so critical to their success.

Section 3 – Diversity & Inclusion

Females now have an equal say in Executive Management across the Industry



Diversity & Inclusion

Across IAPI membership, there has been a large (24%) increase in the presence of a D&I policy in place.

87% of agencies have a policy in place, with 6% of those utilising the IAPI D&I Policy provided in June 2021. Networked Agencies, Media Groups and Events agencies ALL have a DD&O policy in place. Two-thirds of Independent Creative and PR agencies have a D&I policy in place.

Equally encouraging is that the industry recognise having a Diverse and Inclusive workforce is good for agency culture. 41% of respondents stated that this was the most important reason for implementing a D&I policy.

GENDER BALANCE

There has been a slight increase in Female to Male ratio across the workforce over the past two years. 58% vs. 54%.

And women continue to dominate the majority of agency roles with the exception of the C Suite, Data Analytics, Creative Services and IT.

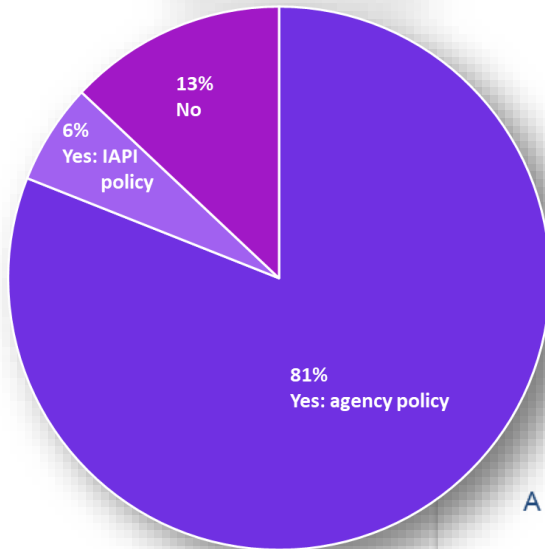
However, **females now have an equal say across Executive Management** and take up 40% of the C Suite positions in agencies – a jump of 7% since 2019.

Also of note is that 57% of non-exec Board roles are now occupied by women.

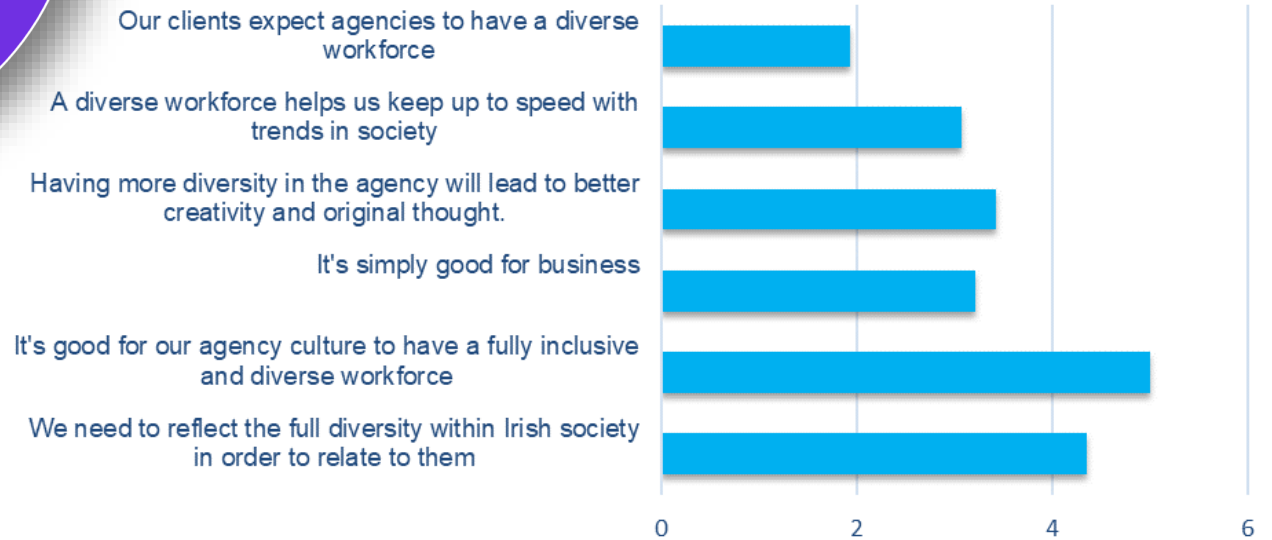


Why is Diversity Important?

D&I Policy in Place

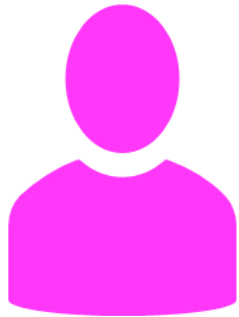


IN WHAT WAYS IS DIVERSITY IMPORTANT TO YOUR AGENCY?



Gender Balance

GENDER SPLIT ACROSS ALL EMPLOYEES



58% Female 2021

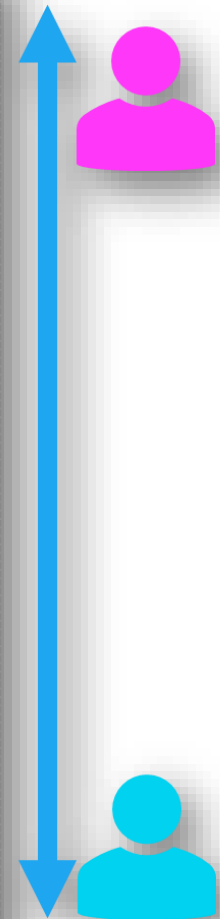
54% Female 2018



42% Male 2021

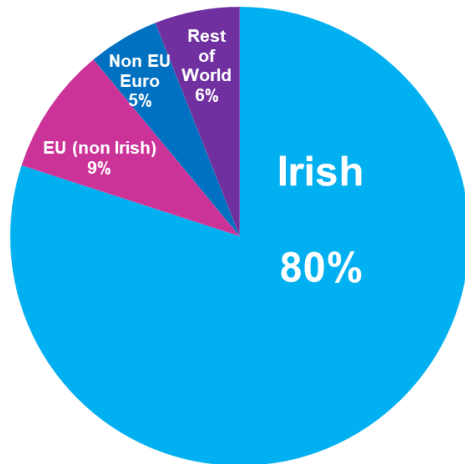
46% Male 2018

New Business / PR / Marketing	75%
Administration	74%
Client Service & Project Management	72%
Strategic Planning	69%
Research & Insights	69%
Finance	67%
Digital & Social Specialist Services	65%
HR	64%
Media Planning	61%
Media Buying & Trading	61%
Event Management	58%
Non-Executive Board Members	57%
Production Services	55%
Other Executive Management	50%
C Suite / Director / Board Director	60%
Data Analytics	60%
Creative Services	61%
IT	65%



Beyond Gender, how Diverse is the Industry?

NATIONALITY OF WORKFORCE



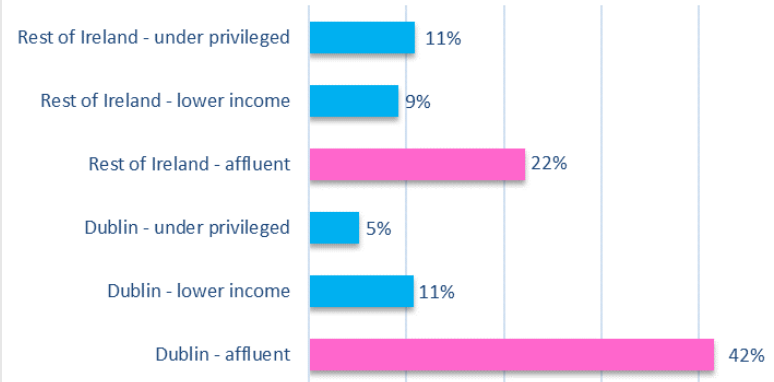
Currently talent in Irish agencies comes from; Europe, UK, US, Canada, South America, Asia, Africa, The Middle East, Australia and New Zealand.

Overall, 20% of the workforce is non-Irish, which shows a **growth in diversity of nationality of 7%** since 2019.

For the first time, the IAPI Census asked respondents to provide % data for their workforce by Socio/Geo Demographic backgrounds.

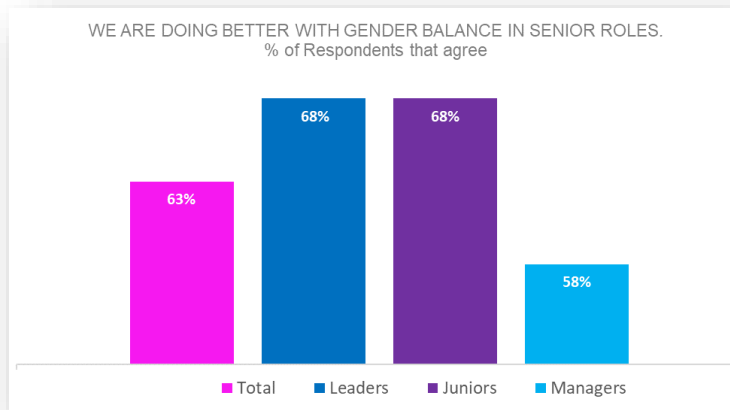
- Just over half of the Industry's Irish talent come from the Dublin area vs. Rest of Ireland.
- However, from a socio-economic viewpoint, **we over index in talent from affluent, middle-class backgrounds** with two-thirds of our workforce from this group.
- 16% come from under-privileged socio-economic group

SOCIO ECONOMIC DIVERSITY OF IRISH EMPLOYEES



Employees view of D&I in the Industry

(extract from IAPI Winter Sentiment Survey 2020)

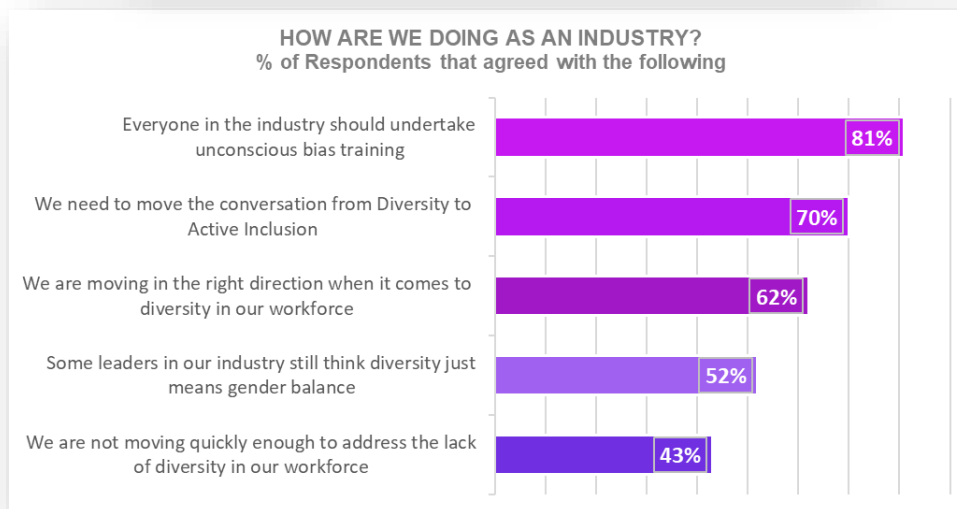


These charts, from the IAPI Winter Sentiment Survey in 2020, have been included to provide the viewpoint of employees within the Industry on how we are doing to progress real diversity.

The perception is that the industry has improved gender equality within senior roles and there is also a belief among many staff that greater balance is being achieved

Overcoming unconscious bias is believed to be key to addressing diversity and inclusion challenges

Respondents were split between the belief that we are moving in the right direction as an industry and concerns about seeing the full picture when it comes to diversity challenges and moving quickly enough to address these challenges.

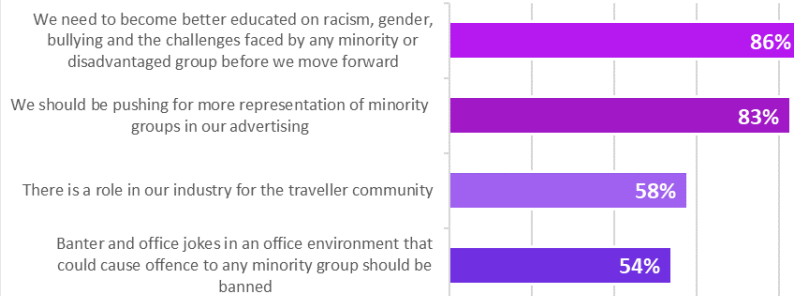


Source: IAPI Winter Sentiment Survey completed by 350 agency personnel in Oct 2020.

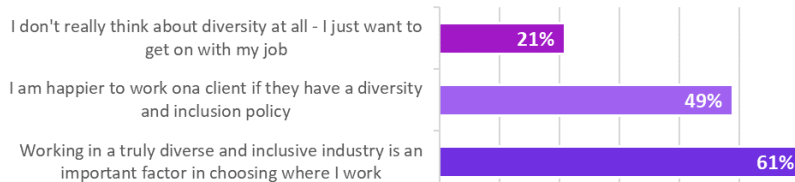
Employees view of D&I in the Industry

(extract from IAPI Winter Sentiment Survey 2020)

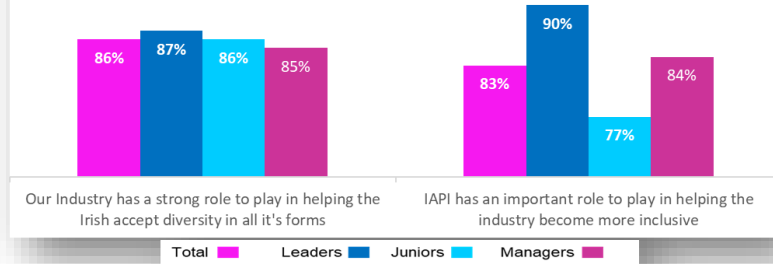
HOW CAN WE CHANGE? % of Respondents that agreed



HOW MUCH DOES DIVERSITY MATTER TO YOU? ANY AGREE



IAPI AND INDUSTRY ROLE ANY AGREE



A strong desire for education, across a wide variety of interrelated topics is believed to be a critical step to moving forward.

Representation of the diversity of the Irish population via advertising is key. Many members would like to see opportunities for the travelling community within the industry.

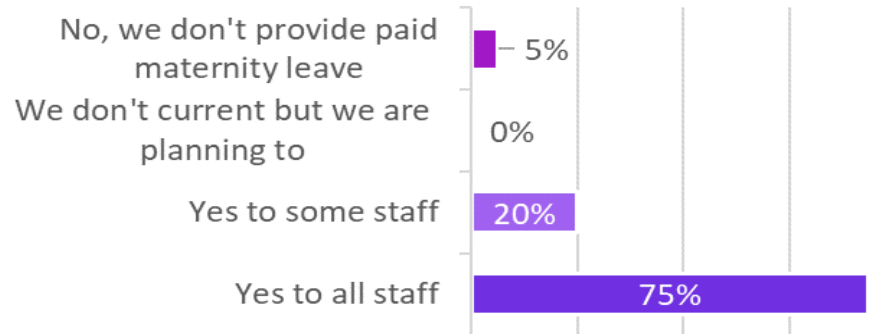
Interestingly, 54% of employees surveyed believe that office banter that causes offence should be banned

Commitment to Diversity and Inclusion is increasingly mandatory for employers to attract the best talent. A clear understanding of D&I via a policy is important to almost 50% of members but also 61% actively consider diversity as a factor when selecting where to work

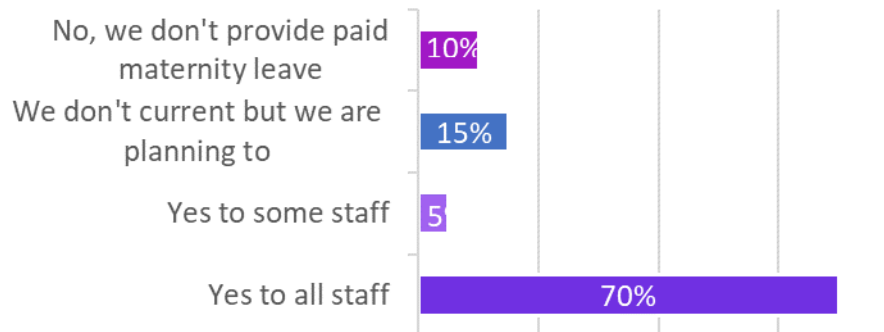
Source: IAPI Winter Sentiment Survey completed by 350 agency personnel in Oct 2020.

Maternity & Paternity Leave

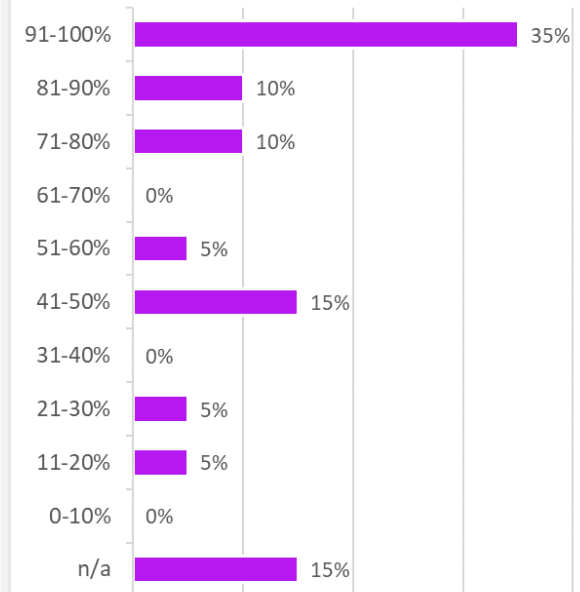
PAID MATERNITY LEAVE



PAID PATERNITY LEAVE



MATERNITY PAY % OF SALARY AFTER SOCIAL WELFARE



With 95% of agencies providing paid Maternity Pay, this has increased by 10% since 2019.

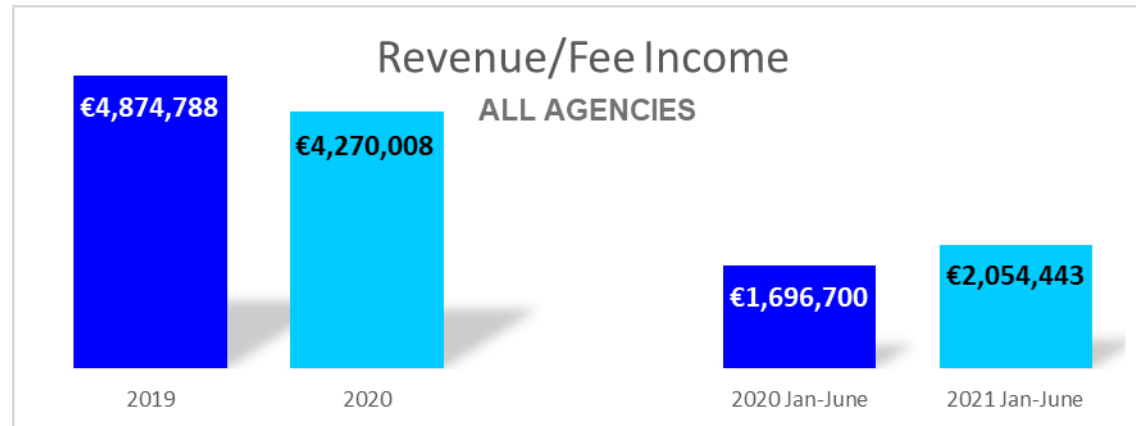
Those paying all or some staff Paternity Pay (75%) has not increased over the past two years.

Section 4 – Commercial Performance

Average profits declined by only 0.4% in 2020 despite the pandemic



Average Revenue



At an average per agency at €4.3m in 2020, there was the expected decline in revenue across the industry from €4.9m in 2019.

With Media, Creative and PR agency revenues declining at 10% this result is considered a better outcome than was forecast by the Industry this time last year.

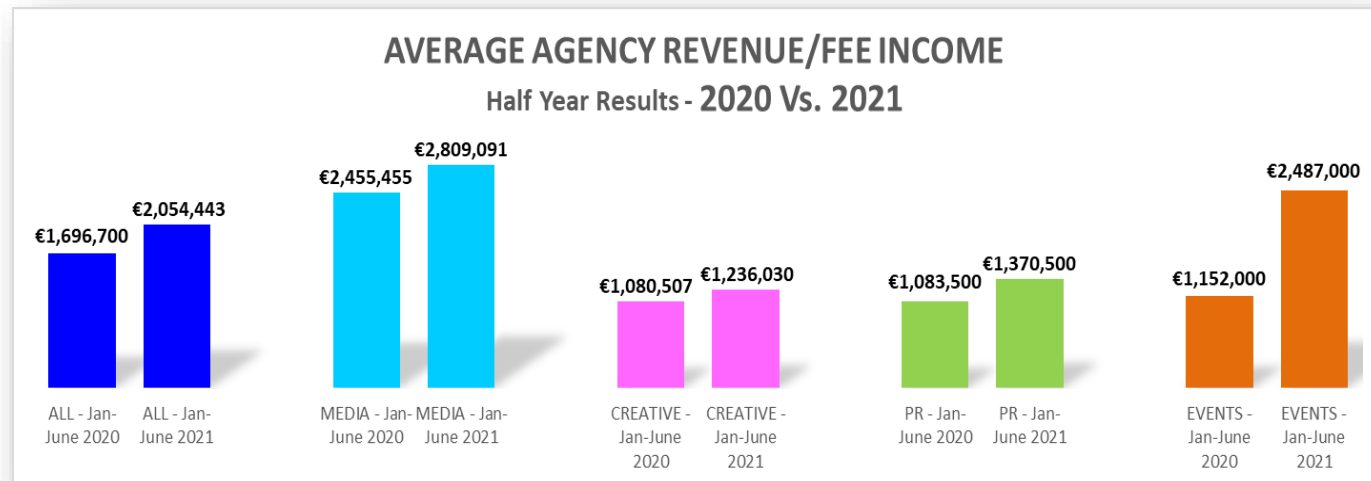
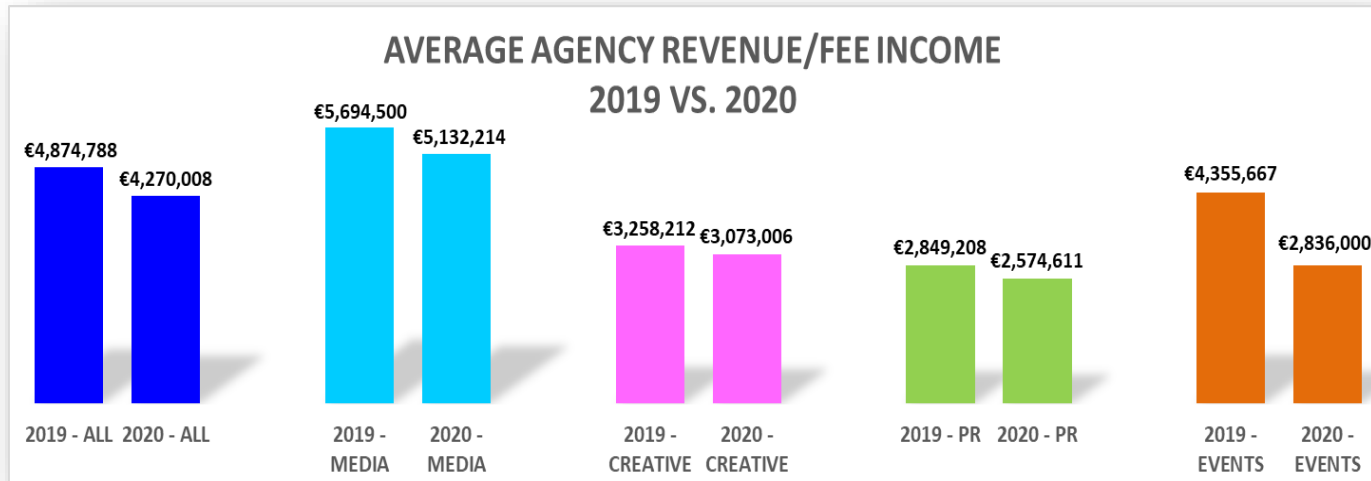
The significant (-35%) YOY decline in revenues for Events & Experiential Agencies was also anticipated and was undoubtedly the worst hit sector in our industry.

What is encouraging is how much the Events Industry bounced back in the first half of 2021. With Ireland's events agencies leading the way globally in virtual broadcasting they are set to improve on their 2019 performance.

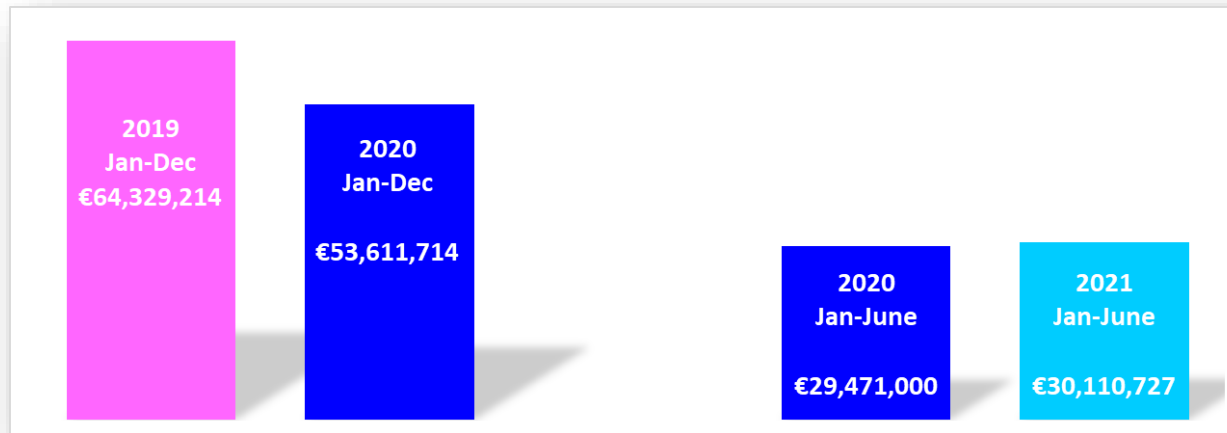
If the half year figures reflect the full year results for the industry, then we can also anticipate **Media** and **PR** agencies to be back at 2019 revenues by year end 2021.

Creative agencies are performing marginally stronger again with an increase in half year figures of 14% vs. 2020, however, it appears that they may still lag behind their 2019 results unless Q4 proves exceptional.

Revenue by Agency type



Average Media Billings



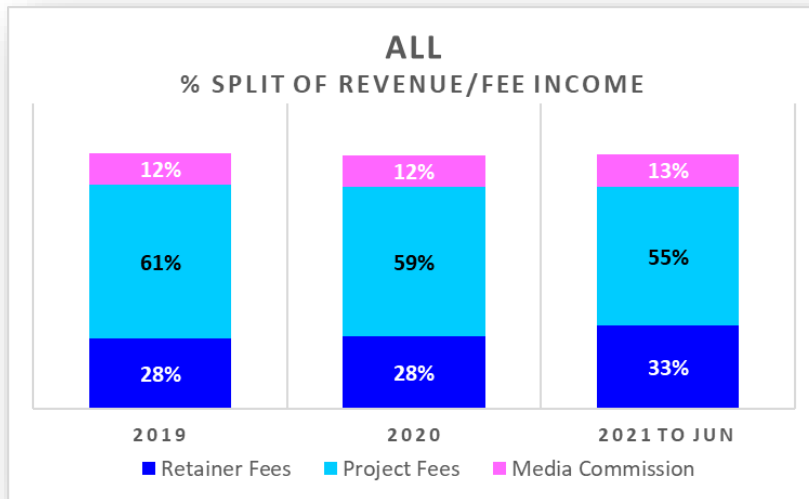
Media Billings declined by an average of 20% per agency in 2020 vs. 2019 despite a spending surge in Q4.

Half year figures (Jan-June 2021) indicate a marginal increase on 2020 and again, the anticipated boost in media spend for Q4 indicates that Billings will return to 2019 figures, or, in some cases exceed them for the industry.

This reflects strong media performance reported across digital, TV, Radio and OOH throughout the year. Print has also held its' own pausing the downward trend that had begun pre-Covid.

Those less fortunate were, of course, cinema and OOH in key leisure venues but anecdotal evidence is pointing towards a strong second half for them.

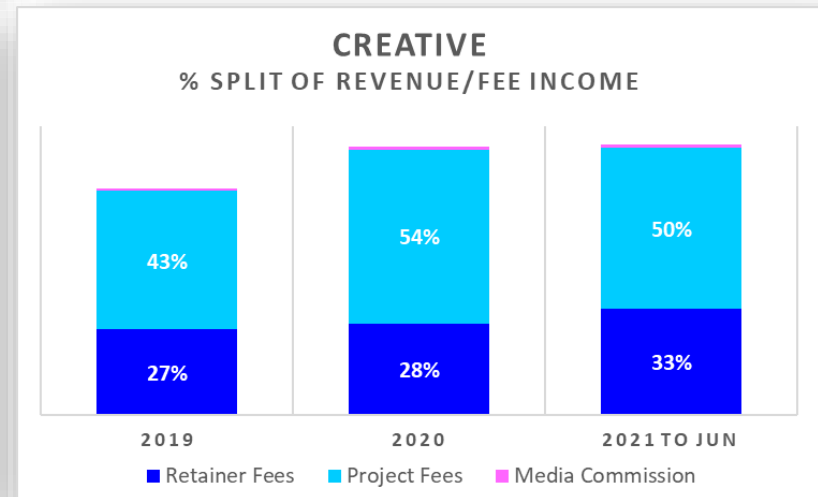
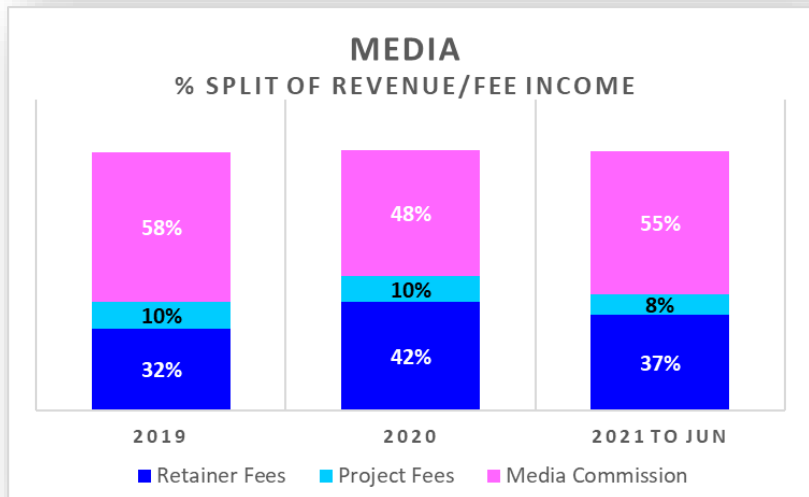
Revenue/Fee Income breakdown



Contributing 1/3 of fee income for the industry, retainer fees remain an increasingly important % of the revenue breakdown for all agencies.

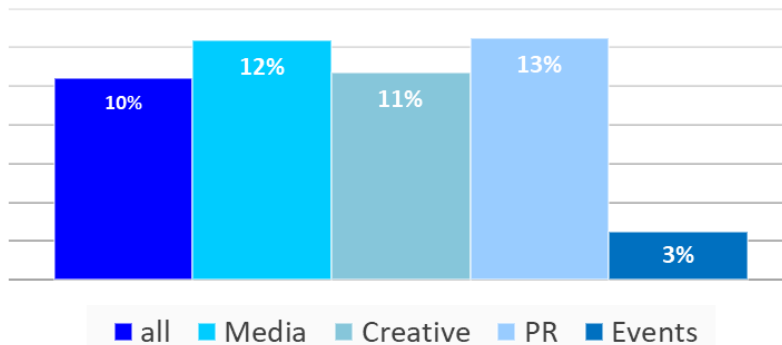
In 2020, with media billings declining and workloads increasing, retainer fees became a vital part of **media agency** fee income and based on half year figures, it appears that trend continues in 2021.

Creative agencies have also increased their retainer fee as a % of their overall revenue by 6% over the last two years.



Profit Margins

**2020 AVERAGE PROFIT MARGIN
BY AGENCY TYPE**

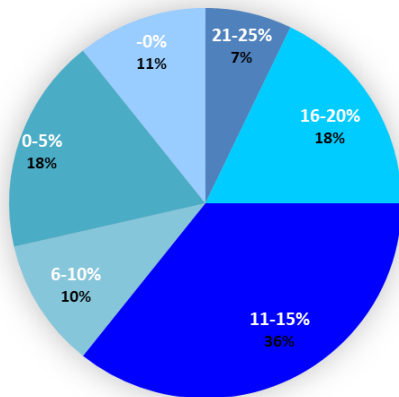


Operating profit held in 2020, despite the pandemic, largely due to PUP payments.

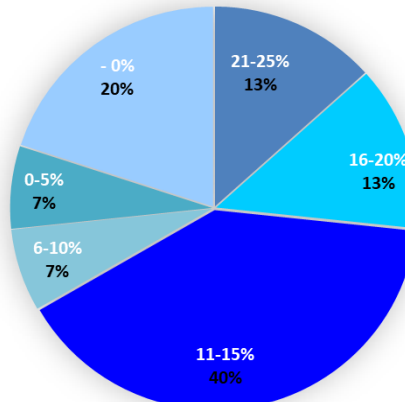
The average of 10.4% in 2018 has only decreased since then by 0.4%.

However, if you remove the anomaly of the Events agency business, then profit margins for Creative, Media and PR agencies show an increase of 2-3% on 2018 figures which was the last recorded profit data captured.

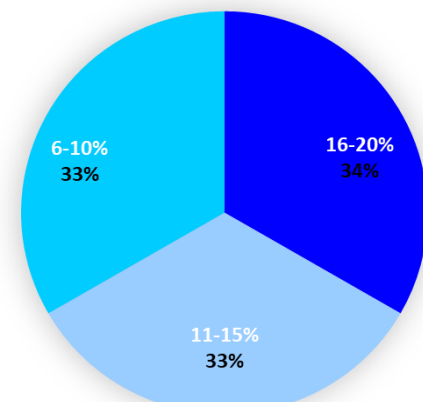
**2020 PROFIT MARGIN
ALL AGENCIES**



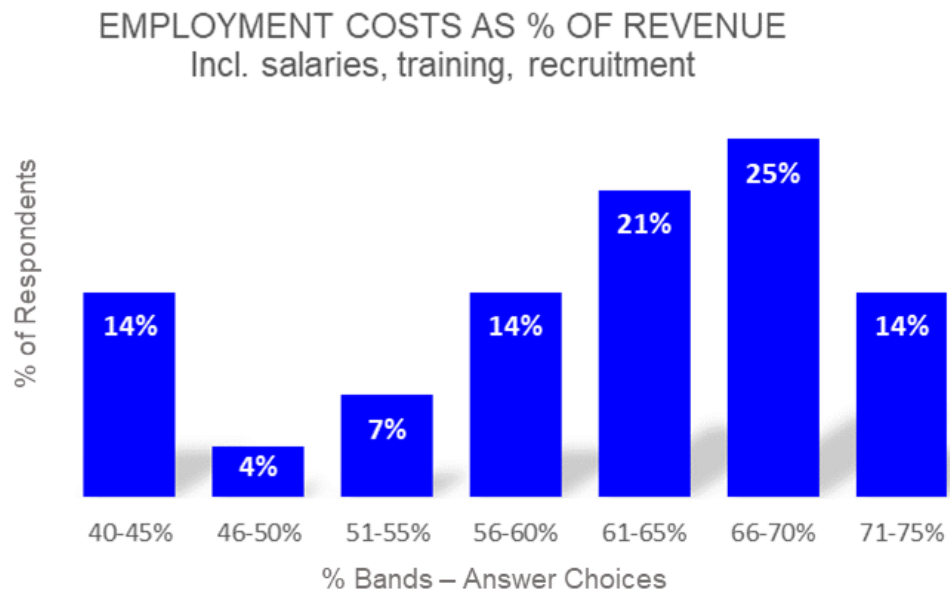
**CREATIVE
2020 PROFIT MARGIN**



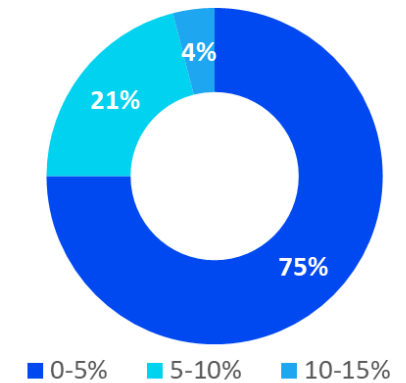
**MEDIA
2020 PROFIT MARGIN**



Employment & Training Costs



TRAINING AS % OF STAFF COSTS



Employment costs, including salaries, training and recruitment take up 60% of agency revenue across the sector and does not differ by agency type.

Investment in staff training remains relatively low with the majority investing less than 5% of their overall employment costs training.

2021 Year End Predictions

93% of all agencies predict their Fee Income/Revenue will stay the same or increase (75%) YOY by the end of 2021.

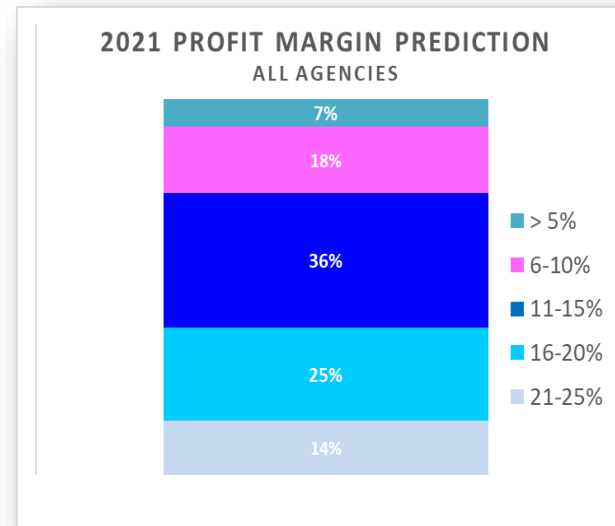
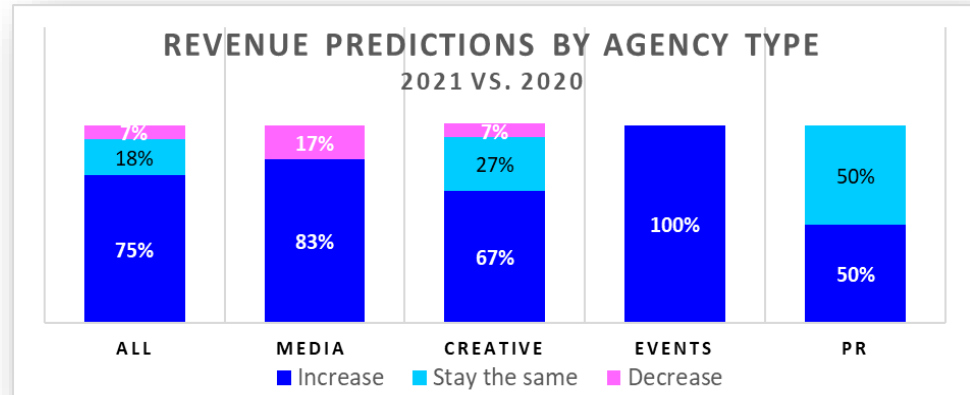
ALL events agencies predict a 20%+ increase in revenue in 2021, with two-thirds forecasting a 40%+ increase. Half the PR agencies see an increase of 20%+, while half believe revenue will stay the same for 2021.

83% of Media agencies are optimistic of an increase in revenue in 2021, with one third predicting a 20%+ increase.

Creative agencies are less optimistic with 60% predicting an increase and the remainder expecting the same as 2020 or less.

Not surprisingly, 83% of Media agencies predict an increase in **media billings** YOY by end 2021. Half predict this will be an increase of 20%+ while a third forecast a smaller increase of less than 10%.

There is an optimistic view of profitability for 2021 with average profit margins predicted at 14% - an increase of 4% on 2020.



Pitching

427

EST total
pitches in
2020

7

Avg. No.
pitches per
agency
2020

404

Avg. No.
staff hrs per
pitch 2020

€30k

Cost to
agency per
pitch 2020

**IAPI estimates that
pitching cost the
industry €12m in 2020.**

In 2020, the industry recorded an average of 7 pitches per agency, from which we estimate a total number of **427 pitches**. This is a significant number given the virtual pitching process which took place through most of 2020.

The average staff hours per pitch increased from 370 in 2018 to **404 in 2020**.

The average staff costs came in @ €24,520 per pitch and 3rd party costs on average @ €5,183 = **€29,703 in total per pitch**.

Pitching in 2021

Almost all agencies (98%) took part in pitch processes and 93% have won new business since Jan 2021.

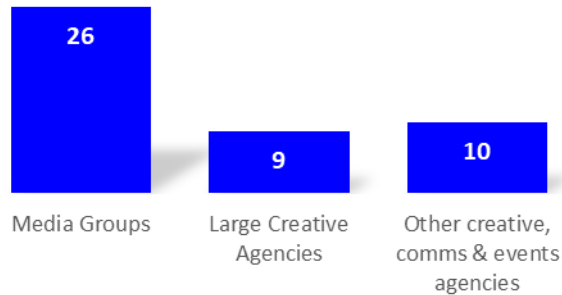
Of note is that half of these business wins required no competitive pitch or came into the agency through their network.

HOW DID YOUR NEW BUSINESS WINS COME INTO YOUR AGENCY?

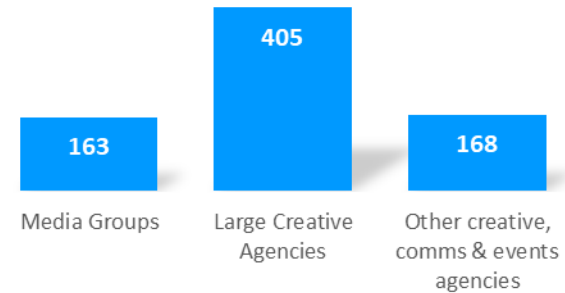
Pitch win	No pitch required	Came through network	Other
50%	32%	15%	3%

Pitching by Agency Type

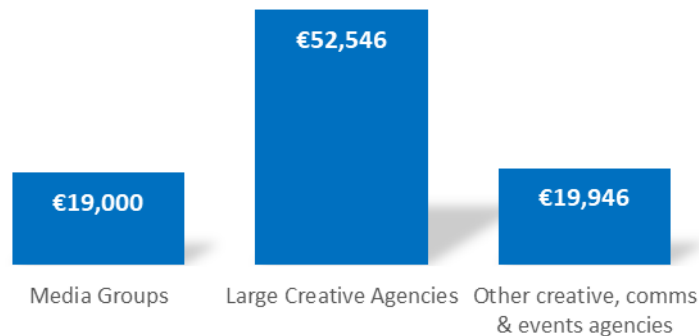
**AVER NO. PITCHES BY
AGENCY TYPE IN 2020**



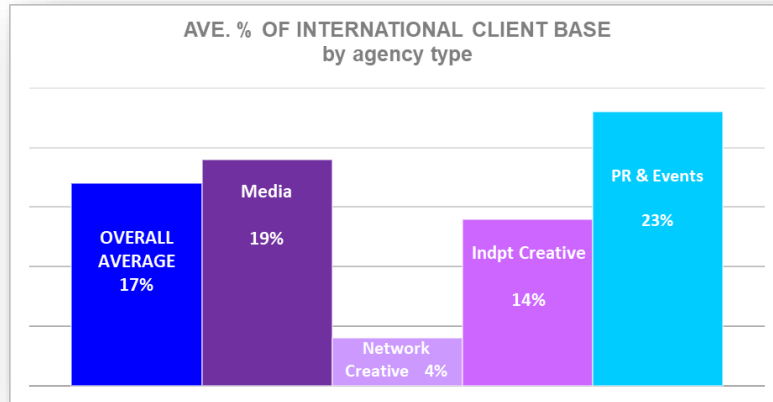
**AVER NO. STAFF HOURS PER
PITCH BY AGENCY TYPE IN 2020**



**AVER PITCH COSTS BY AGENCY
TYPE IN 2020**



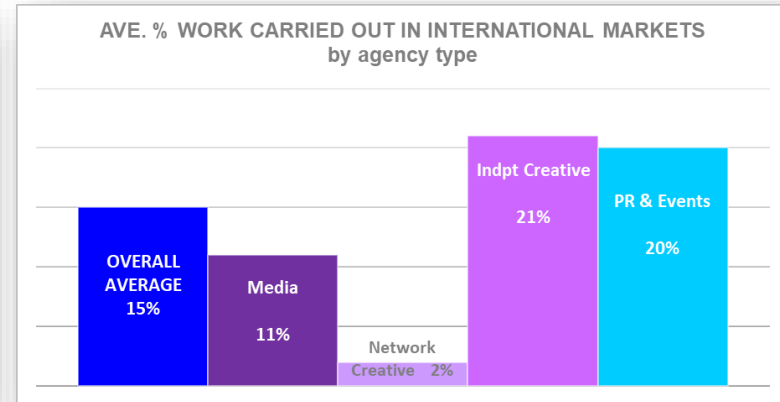
International Reach



On average **International clients represent 17% of IAPI members agency's client base** which shows a marginal increase from 15% in 2019.

PR & Events international client base account for nearly a quarter of all their clients. This must, in part, be due to the number of virtual events being managed out of Ireland currently.

Creative agencies in general have the least number of international clients however, this does differ considerably between Networked (4%) & Independent creative agencies (14%). Network agencies by their nature tend to work in their domestic markets.



When comparing the % of work carried out or executed by agencies within International markets, the overall average is at bit lower at 15%.

In this scenario, it appears that Independent Creative Agencies are leading the way in getting their work executed abroad. Potentially, this is down to the number of strong, global Irish brands generating their creative work in Ireland.

It is also feasible that IAPI agencies have grown in confidence over the past number of years and are more willing to take on international markets.

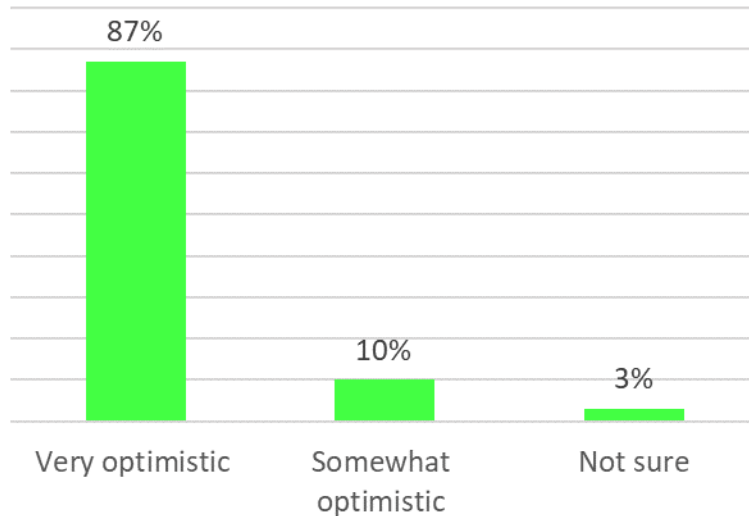
Section 5: Looking to the future

A continued sense of Optimism

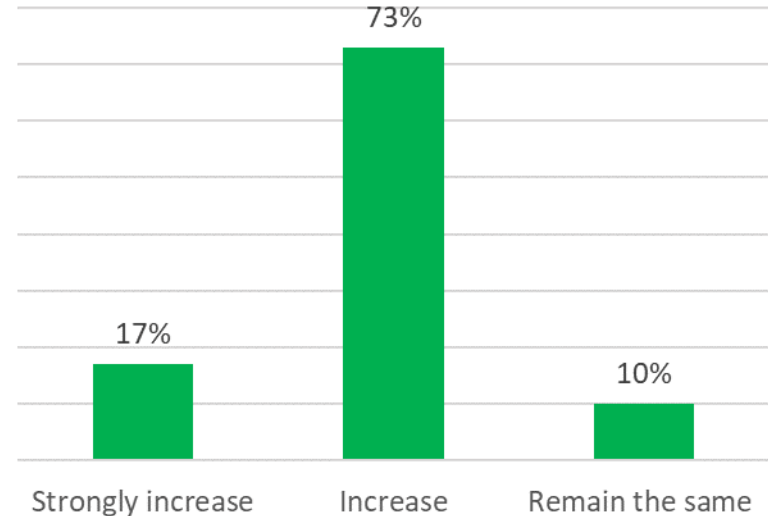


Recovery Predictions

OPTIMISTIC THAT AGENCY WILL RECOVER POST COVID



ESTIMATED REVENUE CHANGES IN INDUSTRY

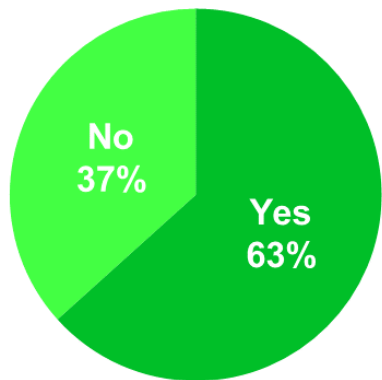


Agency Leaders are very optimistic about future business performance for both their own agency and the future of the industry.

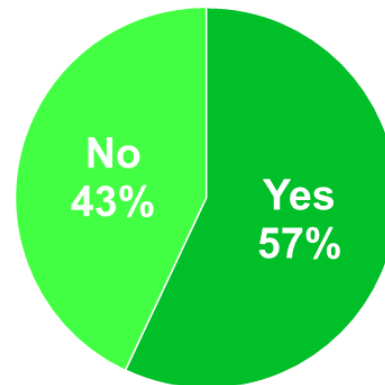
This is supported by their performance in the first half of 2021. (see Commercial Performance).

International Opportunity

**PURSUING NEW BUSINESS FROM
INTERATIONAL CLIENTS**

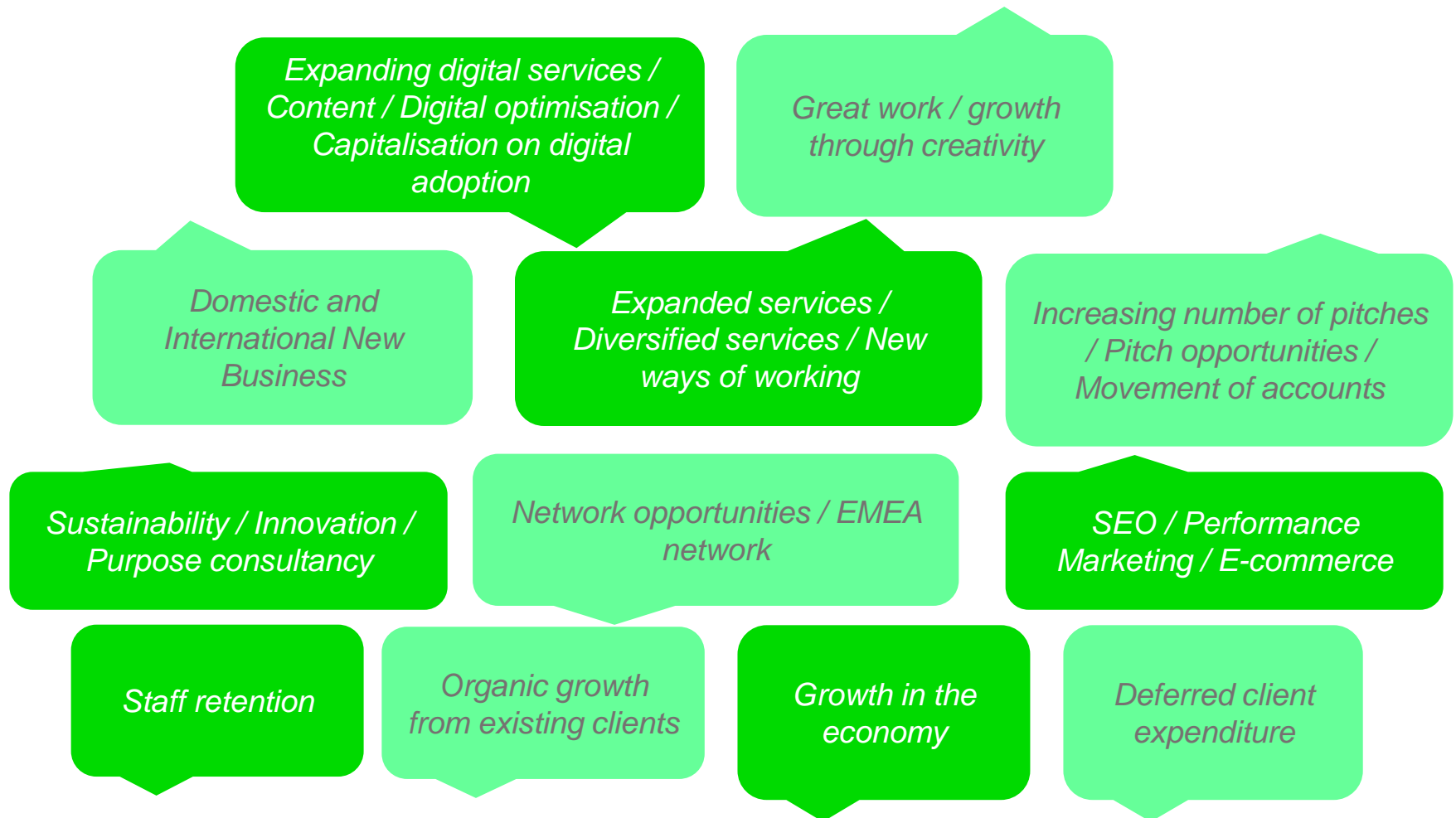


**ASKING CURRENT CLIENTS TO
USE SERVICES INTERNATIONALLY**



With nearly two-thirds of all agencies pursuing business from International Clients, this again reflects the confidence of Irish Agencies to compete on a global stage.

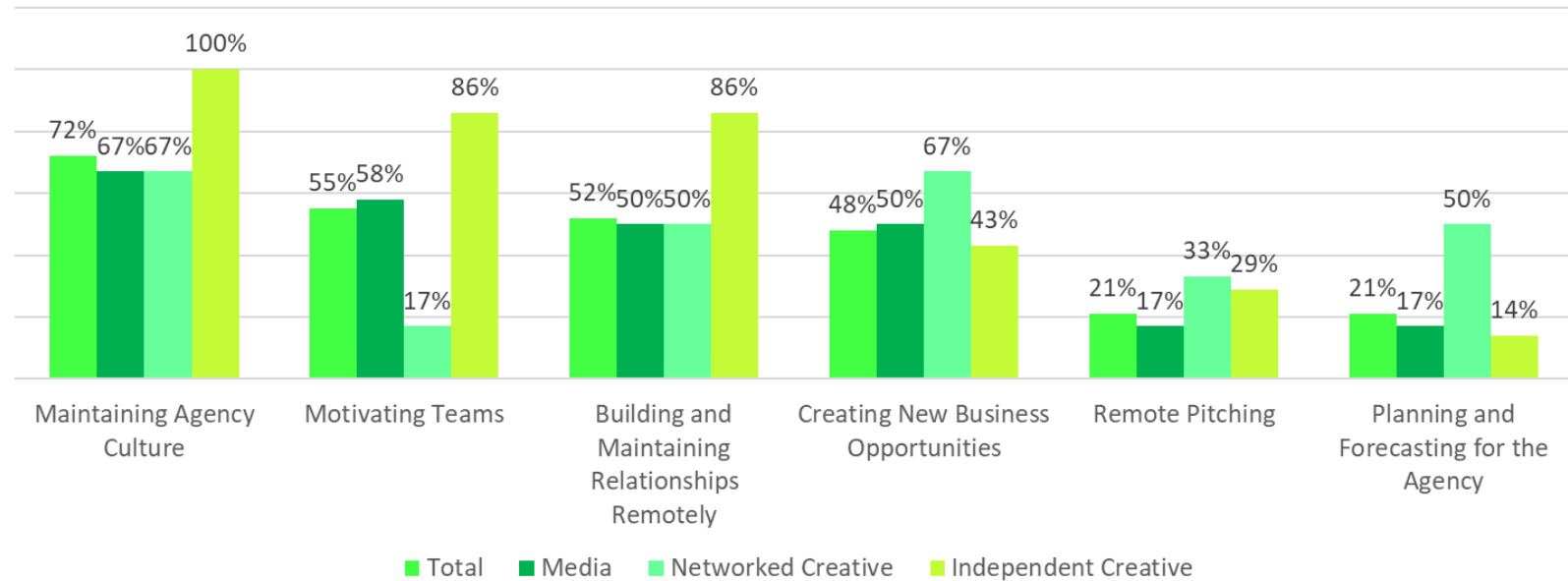
Opportunities in next 12 months



This represents a summary of opportunities stated by Agency Leaders in Sept 2021.

Challenges Ahead

CONTINUED CHALLENGES NEXT 12 MONTHS



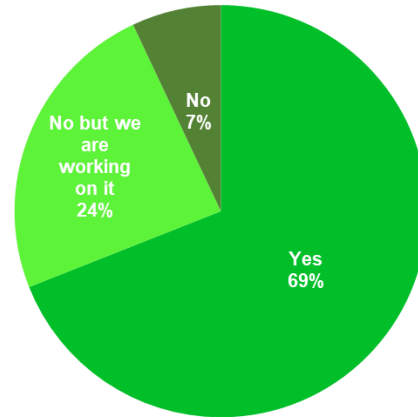
Aside from Staff Churn, maintaining agency culture, as we continue to work from home, remains the key concern of Agency Leaders for the next 12 months.

ALL Independent Creative Agency Leaders site this as their No.1 concern as they compete for Talent with larger agencies with deeper pockets for retaining and attracting staff.

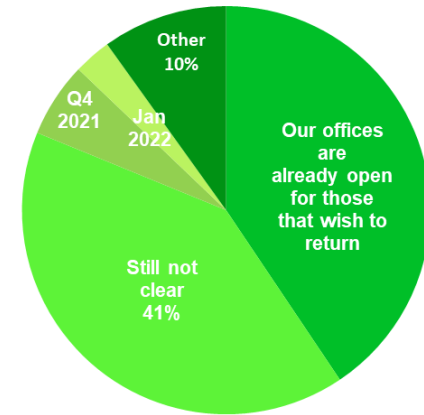
Impact of the Pandemic on Returning to Office

Since these responses were collated in September 2021, we can assume that the timing for returning to the office has been affected once again by the latest Government advice on health and safety.

RETURN TO OFFICE PLANS FINALISED

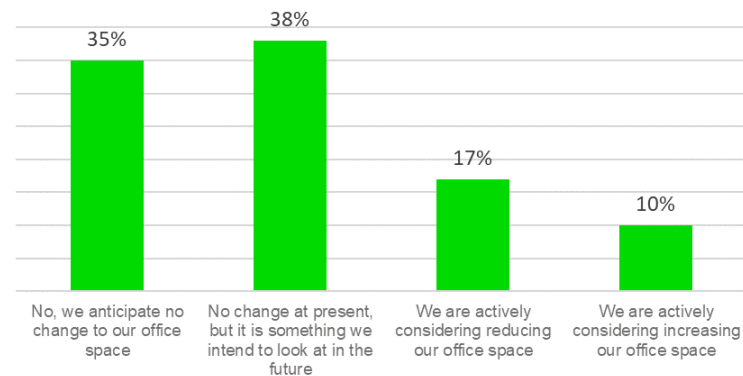


WHEN OPENING UP OFFICE



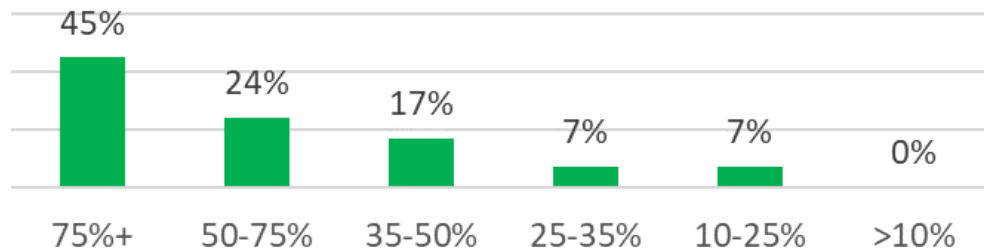
Agency Leaders anticipation of changes to their office space range considerably reflecting the overall uncertainty of what the industry's future working patterns will be.

CHANGE TO OFFICE SPACE

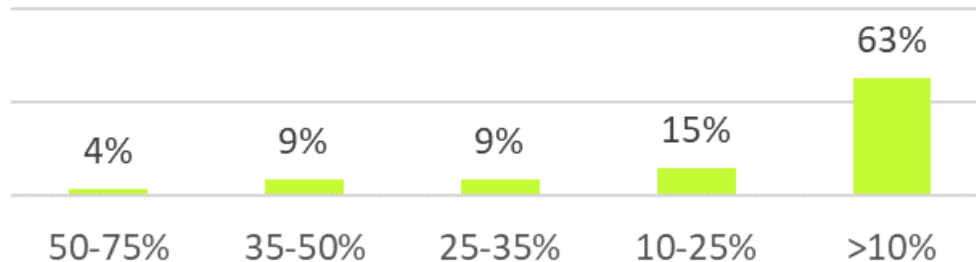


Predictions on Future Working Habits

% STAFF PREDICT WILL WORK PART TIME FROM HOME



% STAFF PREDICT WILL WORK FULL TIME FROM HOME

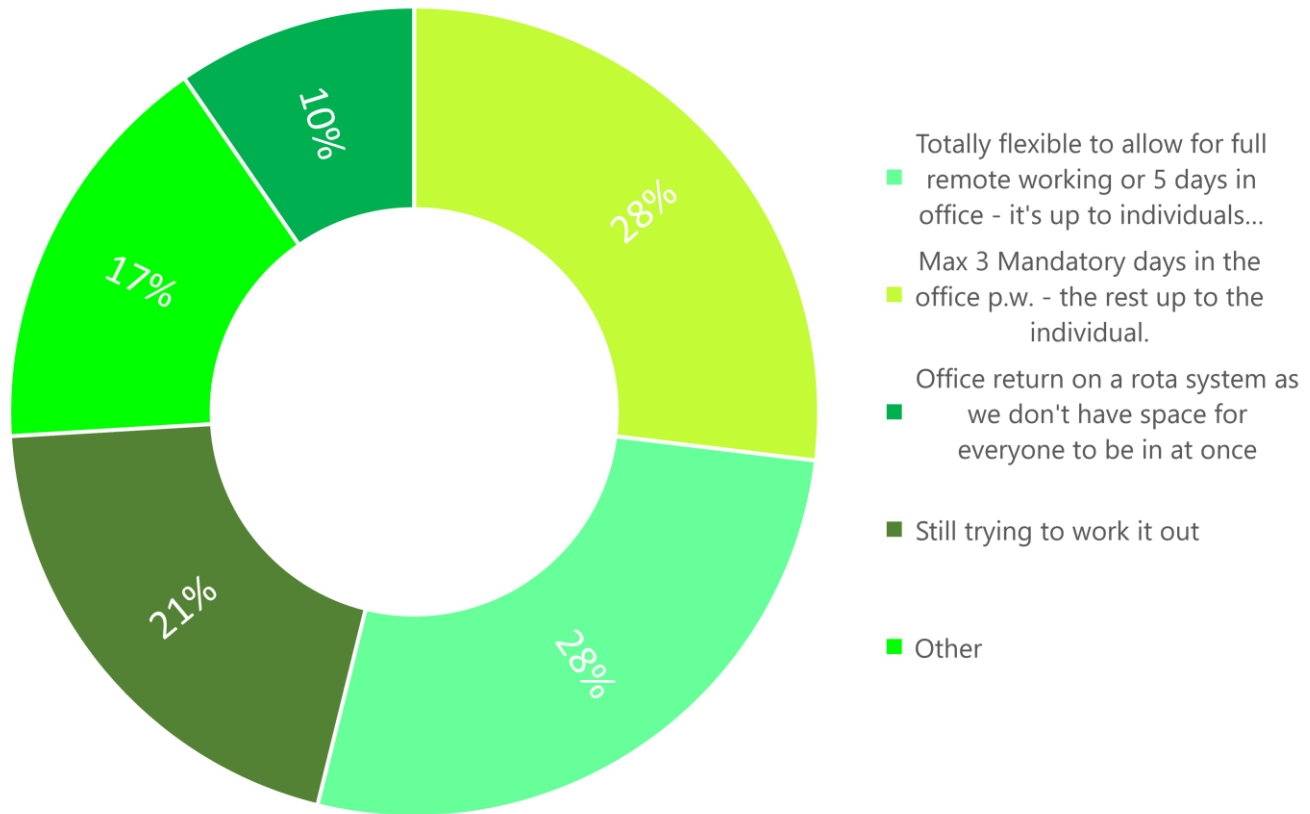


There continues to be doubt that the majority of staff will wish to continue working full-time from home. 2 out of 3 leaders believe that less than 10% of their workforce will wish to work full-time from home.

Nearly half of IAPI Agency Leaders predict that **75% of their workforce will work part-time from home**.

70% of leaders believe that over half their staff will continue working part-time from home.

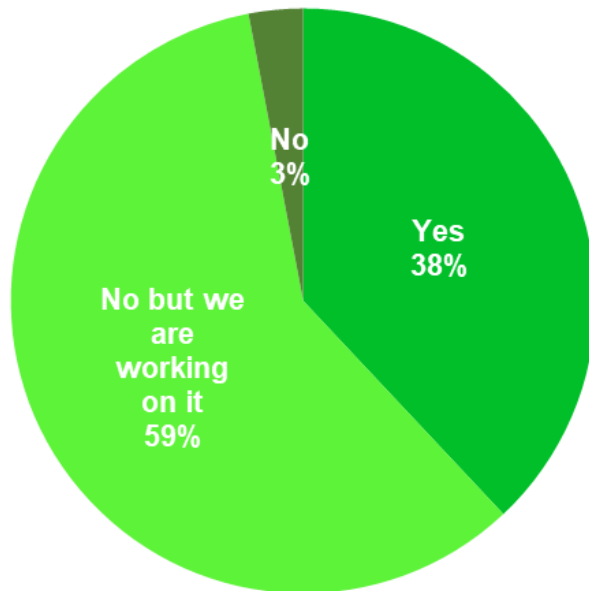
Agency Leaders were asked what the future of working (2022 onwards) will look like for their agency?



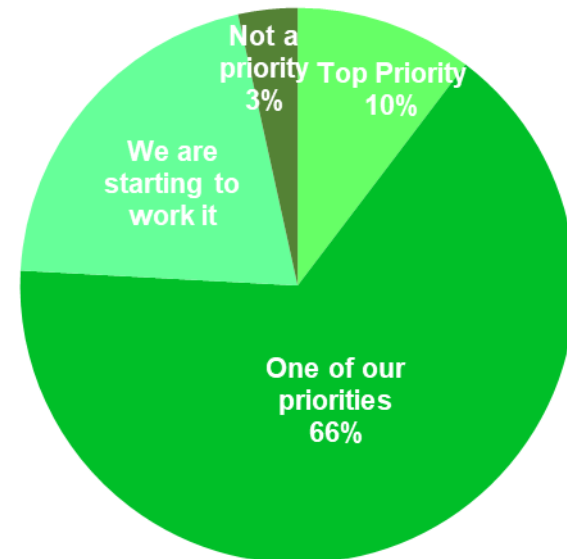
Sustainability

Despite three-quarters of agency leaders citing Sustainability as one of their top priorities, only 38% have a Sustainability Charter in place. However, this more reflects the complex nature of how to put sustainability into practice than apathy in the industry.

SUSTAINABILITY CHARTER IN PLACE

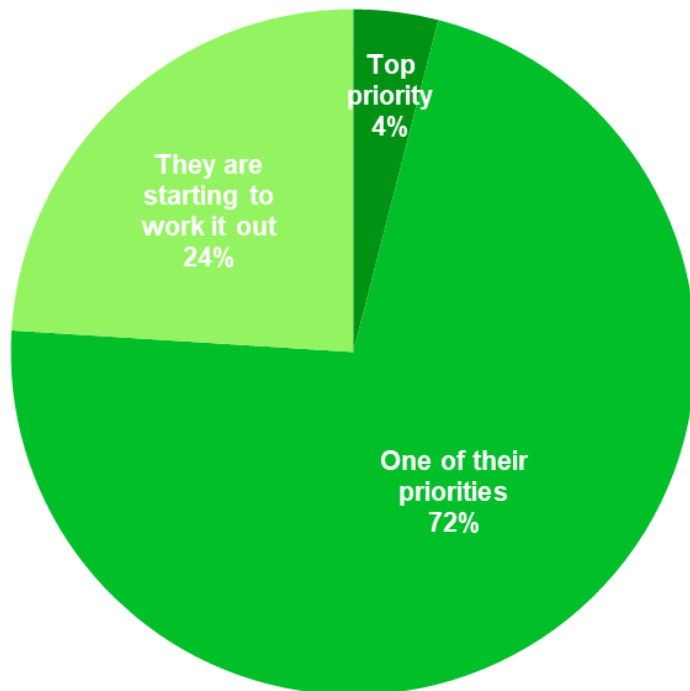


PRIORITISATION OF SUSTAINABILITY IN YOUR AGENCY



Clients Prioritising Sustainability

CLIENTS PRIORITISING SUSTAINABILITY



Leaders emphasized the following trends for Clients regarding Sustainability

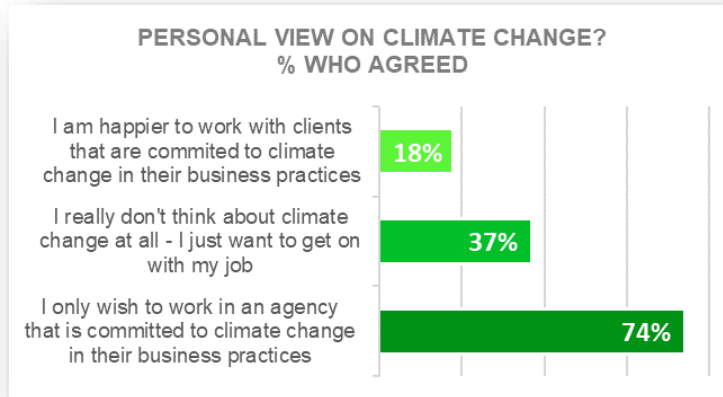
"Clients looking to prioritise sustainability and how this fits into their growth plans."

"Agencies are offering enhanced sustainability consultancy"

"Greater emphasis, attention and investment for sustainability-led initiatives."

Employees View on Climate Change

(extract from IAPI Winter Sentiment Survey 2020)



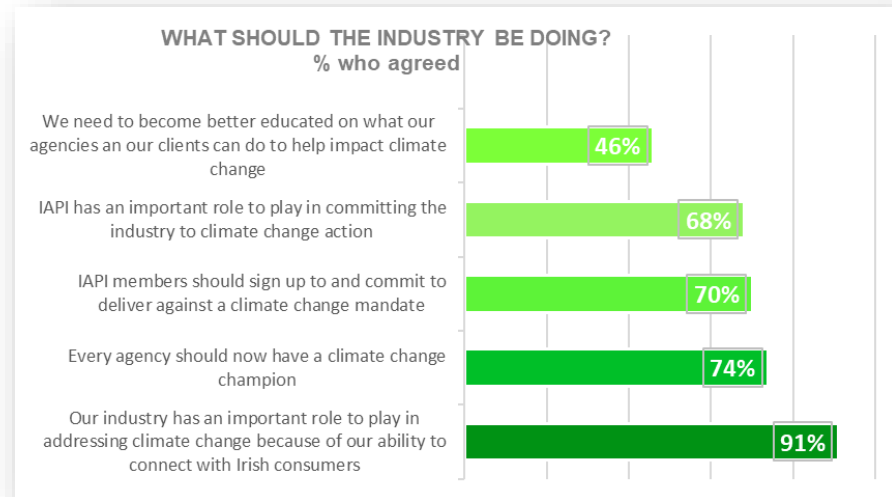
The day job is not enough for many employees with **three-quarters stating that they wish to work for an employer who is committed to climate change**. However, 37% across all levels of seniority, expressed a desire to simply 'get on with their job' and not have to think about it.

IAPI members are impatient around action addressing climate change and want to do more collectively

There is some uncertainty around commitments and industry initiative, and 46% of member employees still perceive a lack of commitment to climate change from agencies

The desire for increased education, while still important to 46% of members surveyed, is lower than the perceived need for action within Diversity and Inclusion for example. Again, signifying the desire to move forward with enhanced activity

The perceived importance of our industry in tackling climate change is significant and our unique opportunities to connect with the Irish public is something that **91% of employees** believe we can capitalise on in order to make a real difference and address the challenges of climate change



Client Trends

Opportunities for the Industry

*Tighter timelines /
Turnarounds*

*Price pressures on
hourly rate / shopping
around for
competitiveness*

*Greater focus on
digital / e-commerce*

*Increased focus on
brand story-telling /
cohesive story online*

*Little new thinking post
covid / Covid will be a
game changer, but trends
have not fully emerged*

*Clients wanting to take more
in-house / Collaborations
between studio & in-house*

*Growth in social /
Ambition to do
social work*

*Increasing trust
and partnerships*

Smaller budgets

*Less long-term
thinking*

*Greater
requirements for
data / Confusion
surrounding data*

*More informal / Agile
ways of working
together*

*The acceleration of
digital trends*

*Refocus on creativity /
Growing confidence in
the power of creativity*

This represents a summary of client trends observed by Agency Leaders over the past two years.