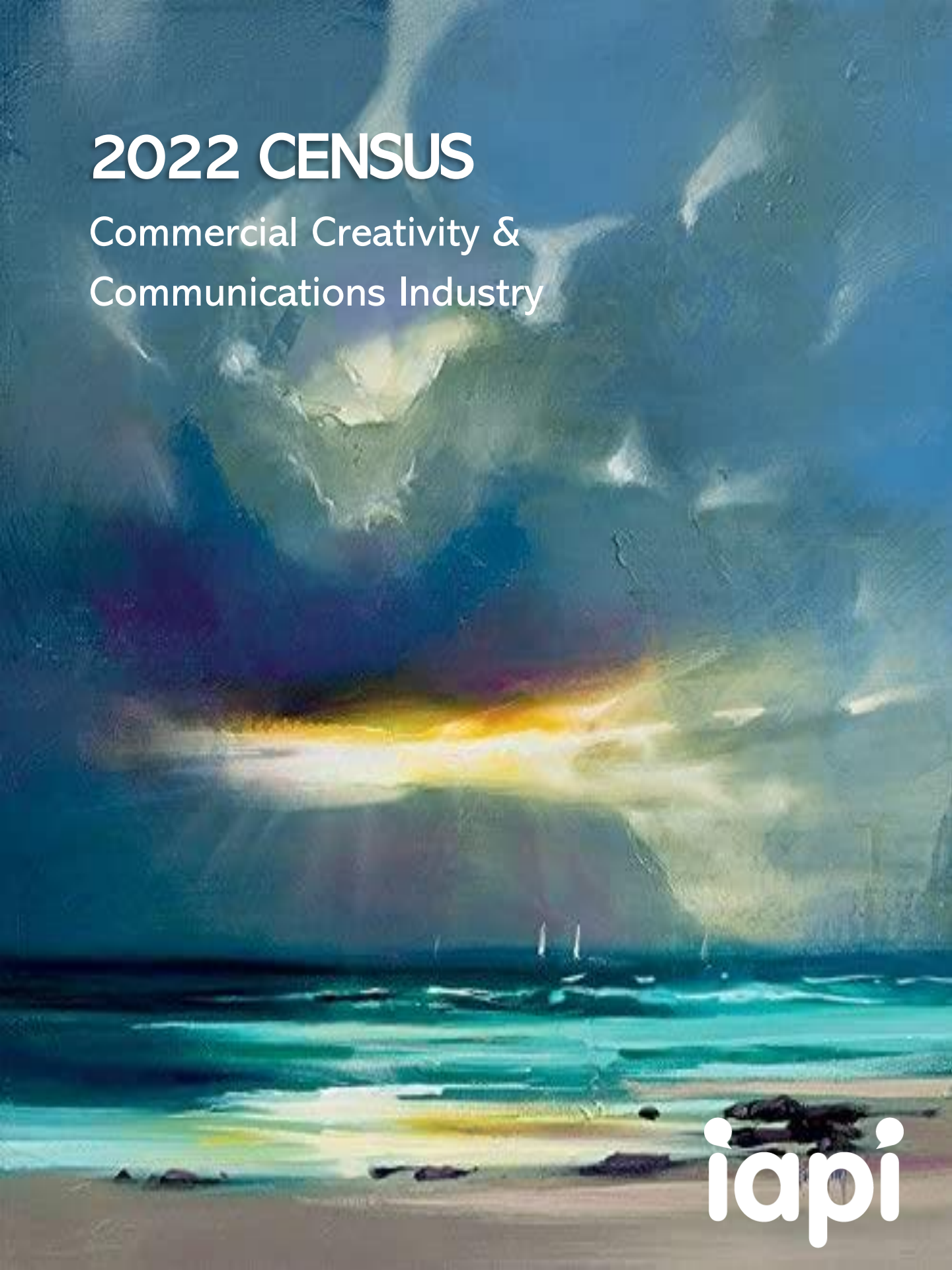


# 2022 CENSUS

Commercial Creativity &  
Communications Industry



iapi

IAPI is the representative body for commercial creativity and communications in Ireland and has 66 agency members.

We aim 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.

**We work to:**

- Foster a culture of excellence in strategic leadership, creativity, innovation, and equality within our members.
- Supported by our first-class training and education programmes.
- Promote diversity and inclusion as a strategic and economic imperative.
- Advocate for the interests of our members at Corporate Board, Government, and international levels
- Encourage, inform and support our members in adopting responsible production and consumption practices.
- Position Ireland as a global centre of excellence for commercial creativity and media planning, thus attracting world class talent and clients.
- Constantly work to empower our members to grow the value of their businesses.

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

**Talent**

- Attraction
- Retention
- DEI
- Wellbeing

**Growth**

- Effectiveness
- Influence
- Advocacy
- Globalisation

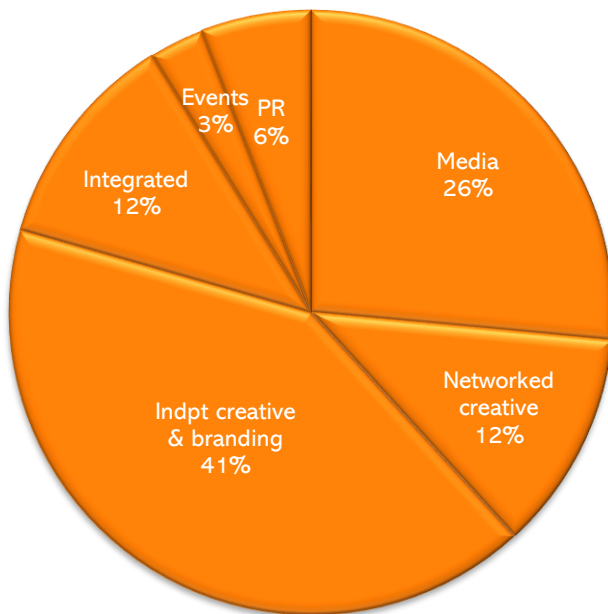
**Sustainability**

- Ad Net Zero
- Change the Brief

# Content & Participation

Participation & Executive Summary	Page 3
Talent	Page 8
Diversity & Inclusion	Page 14
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Leaders Sentiment	Page 27

## Participation



75% of IAPI member agencies participated in the 2022 Industry Census throughout September and October 2022.

A further Leaders Sentiment Survey was conducted in Nov 2022, the findings of which are at the end of this report.

Representative members from all agency disciplines took part providing comparison findings for each agency type where relevant.

# Executive Summary

## Talent

For the first time, the total workforce employed by IAPI members has exceeded 2,000 staff and is now estimated at **2,373**, (21% growth since 2021), with the highest volume of staff within **Client Services**. This reflects the **25% growth in IAPI membership** over the past two years, as well as growth across certain member agencies.

Despite this, it is widely acknowledged that churn continues to be a major challenge for the industry. Digital and Social specialist departments are still seeing the largest amount of **talent churn at 24%**.

Of note is the **reduction in talent moving to tech companies (17%)**, with respondents noting that one third are leaving for “other” reasons. Anecdotal reports suggest that a large portion of this cohort **has moved abroad to work or travel**, reflecting the lag in this natural movement due to the pandemic.

While over **two-thirds of leavers are at junior levels** (less than 5 years), half of these are moving to another agency with only **25% targeted by big tech**.

More worrying is that the industry is still a **target for the more experienced**, and highly valuable talent (6+ years), with over a third that are leaving taking a role in big tech.

The industry is still actively recruiting for **social media skills** with over half the respondents looking for these specialists as a matter of urgency or within the next year. **Strategic planning** comes a very close second with other digital roles such as E-commerce, digital production, UX/UI and content creation also in high demand.

This is mirrored in the Leaders Sentiment Survey, with the highest percentage of respondents most concerned about **specialist digital and planning roles**.

Est.  
workforce of  
**2,373** in  
IAPI

Growth of  
**21% YOY**

**24% Digital  
Talent Churn**

**2/3's leavers  
are Junior  
(>5 yrs. exp)**

**Gap in Social  
Media &  
Planning  
Skills**

# Executive Summary

## Diversity & Inclusion

**80% have  
DEI Policy**

**43%  
females on  
the Board  
(up by 3%)**

**Females  
over-index  
in 2/3's of  
Depts.**

**15% non-  
nationals &  
2% have  
disability**

**95% still  
from affluent  
classes**

**8 in 10** respondents either have their own DEI Policy in place or use the IAPI Policy available to all members, While it appears that clients are not actively seeking their agencies to have a fully inclusive and diverse workforce, agencies believe that it **very important for their agency culture, and will lead to better creativity.**

Females still dominate the workforce by **14%** overall which is on a par with 2021.

With more females in Executive Management (6:4 ratio), the goal to reach gender equality in the Boardroom looks highly feasible. With **43% of females at C Suite** or Board Director level, this is another 3% up from last year.

However, we need to seek parity at every level. **Females over-index in two-thirds of agency departments.** While Creative and Data Analytics roles are still heavily dominated by males. The industry needs to look at talent attraction in these areas to ensure this is balanced out over the next few years.

Respondents show a **marginal improvement in attracting non-Irish** to its' workforce, with **15% non nationals** now employed. This equals the overall percentage of non-Irish workers according to the 2016 Irish Census.

However, the vast majority are still from the **affluent middle class**, reflecting the need for greater social demographic diversity.

Of note too, is that only **2% of the workforce have a disability**, compared to 13.5% recorded to have a disability within the Irish population.

Where **maternity leave** is paid, on average, 81% of salary is paid in Maternity inclusive of Social Welfare

Where **paternity leave** is paid, on average 78% of salary is paid in Paternity inclusive of social welfare, and on average 12 days of paid paternity leave is provided.

# Executive Summary

## Commercial Performance

2021 showed healthy increases on average for IAPI members across both **Revenue (up by 25%)** and **Media Billings (up by 11%)**.

The average revenue (or fee income) reported by respondents for 2021 is **5.3m across all agency types**. Unsurprisingly, given how badly impacted they were by the pandemic, Event agency revenue is considerably **up by 130% vs 2020**, and PR agencies also reported a healthy increase of 34% vs. 2020 Revenues.

Comparing the first half of 2021 with the first half of 2022, this again shows an **average increase of 9%** on both Revenue and Media Billings. For Jan-Jun 2022, Event, PR, Independent Creative & Branding and Media agencies are all showing a healthy increase in Revenue. Only networked agencies are down vs. Jan-Jun in 2021.

All respondents predicted an increase in Revenue and Profit Margins for 2022 vs. 2021. **The average profit margin is predicted to be at 12% for 2022**, with PR agencies showing the highest percentage of profit margin.

On average **retainer fees now contribute over one third** of the total revenue for all agencies, including media agencies.

New business (over half in 2022) is still coming **predominantly from pitch wins**. Of note, is that Independent Creative agencies gain one third of their business with no pitch and 40% through their own business networks.

Almost **7 out of 10 pitches are run directly by clients** and are still the biggest drain on resources and funds for agencies. In 2021, it is estimated that IAPI agencies took part in **594 pitch processes**, costing the industry **€7m**.

**31% of business for respondents is now coming from international clients or for domestic clients in international markets**. It is apparent that the ability to work remotely has opened up the international market for Irish agencies and represents a significant growth area for the industry.

**2021  
Revenues up  
by 25%**

**5.3m  
average  
revenue for  
all agencies**

**Predict 12%  
profit for  
2022**

**Approx.  
pitching cost  
of €7m in  
2021**

**International  
business  
now at 31%**



# Executive Summary

## Leaders Sentiment

**90%**  
optimistic  
about  
agency

Leaders are again, more optimistic about their own agency's future than the industry as a whole. While, almost **9 out of 10 respondents state that their agency will do as well, if not better, in 2023**, only 62% feel the same way about the industry.

Even with the uncertainty of the current economic backdrop, on average **71% see their revenue increasing next year** and only 3% see it decreasing.

**71%** predict  
increased  
revenue in  
2023

Of most concern is the **increased focus on cost by clients**, and their **reluctance to plan for growth** as Ireland faces into the uncertainty of 2023. On the positive side respondents also note a **current increase of scope and increased demand for industry expertise**.

**Clients  
focused on  
cost vs.  
growth**

Reflecting rising inflation across the country, Leaders are **most concerned about rising salary and energy costs**. IAPI's recent salary survey, conducted in October 2022, showed a **considerably high wage inflation of 7%**.

**Wage  
inflation at  
7% - a key  
concern.**

The majority of IAPI members (**71%**) are working a **hybrid model of 1-3 mandatory days** in the office, with the remaining days working from home and this looks set to continue.

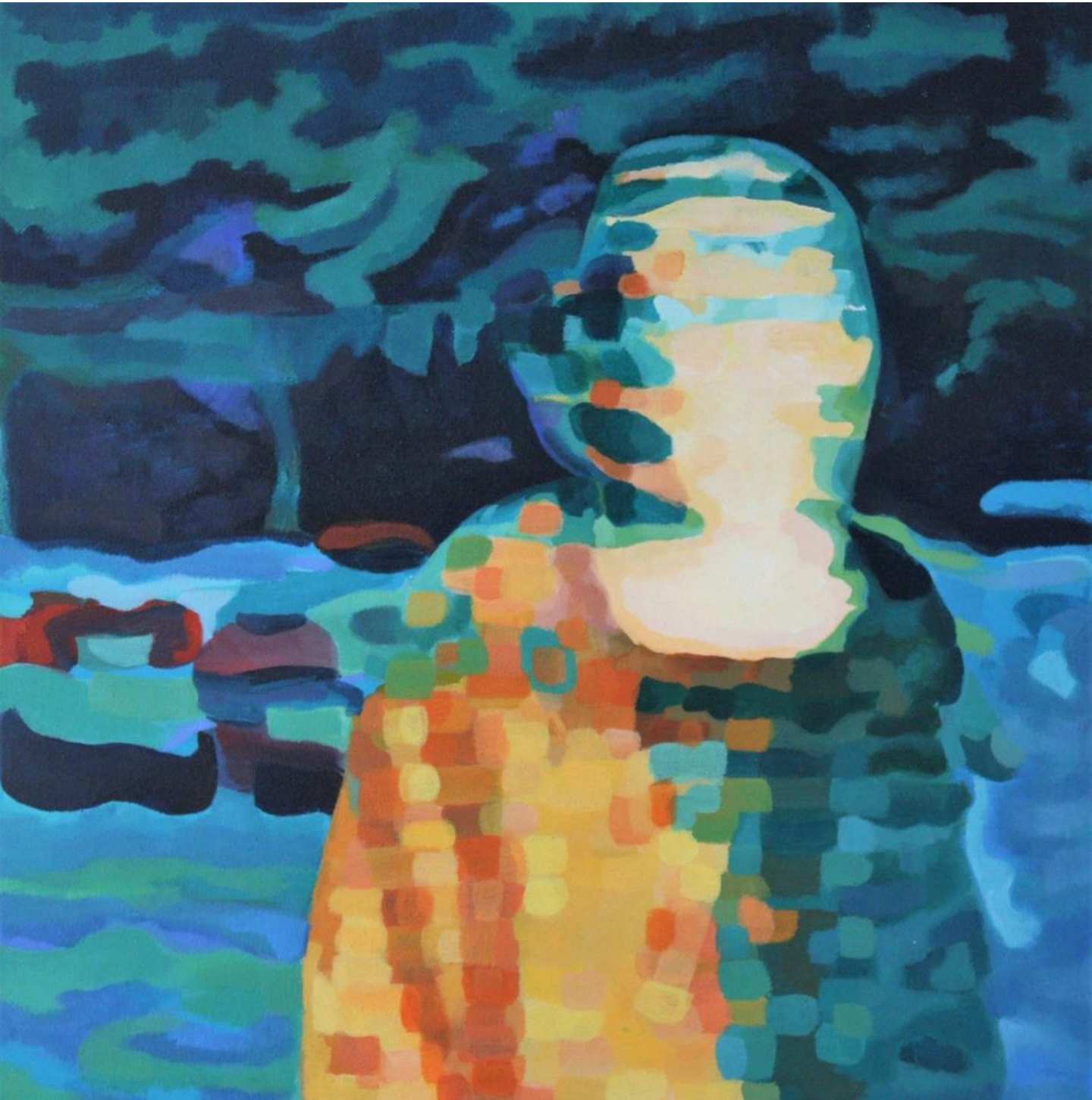
**97% of respondents are already or are about to become an Ad Net Zero Supporter**, with a quarter of respondents, stating that Sustainability is a top priority for their agency. They reported that **1 in 4 client briefs now have sustainability built into the brief** and **87% stated their belief that Sustainability is now a priority for clients**.

**97%**  
support Ad  
Net Zero

**90% of respondents perceive IAPI membership as excellent or good value**, and of note is that 100% of the newer members from Branding, Events & PR stated that they get good value from their membership.

**Skills Training and promoting the Value of the Industry appear of highest benefit to respondents**, and all IAPI initiatives planned for 2023, were perceived as beneficial by at least 8 out of 10 members.

# Section 2. Talent

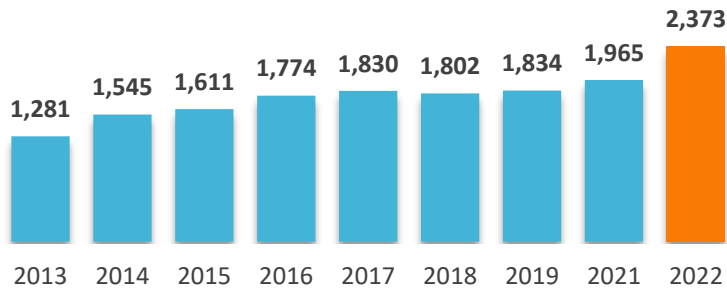




# Section 2. Talent

## Total Workforce

Total staff employed by IAPI members



The total workforce employed by IAPI members has grown by 21% over the year, reflecting both the recruitment drive in the industry and the fact that IAPI membership itself has grown by 25% over the past 3 years.

% of staff by department



The highest numbers of staff are employed in client services and project management, reflecting clients' needs for frequent communication and quality service from their agencies.

# Section 2. Talent

## Churn

Churn by Department over the past 2 years

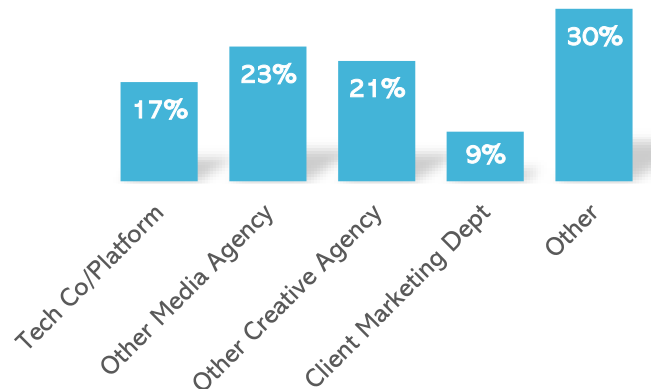


It is widely acknowledged that churn continues to be a major challenge for the industry.

There are slight variances over the past two years, however Digital and Social specialist departments are still seeing the largest amount of talent churn.

Of note is the reduction in talent moving to Tech, with respondents noting a higher percentage going for "other" reasons. A large portion of this talent has moved abroad to work or travel, reflecting the fact that this natural movement has been hampered since 2019 due to the pandemic.

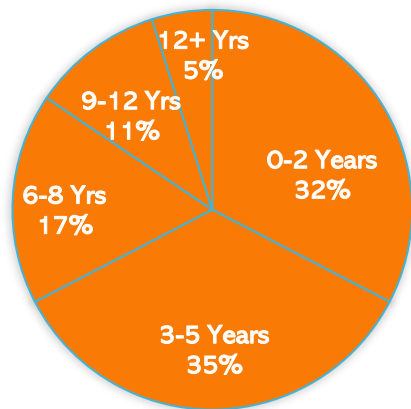
Where is our Talent going?



## Section 2. Talent

### Who is leaving and where are they going?

Leavers by Years of Experience

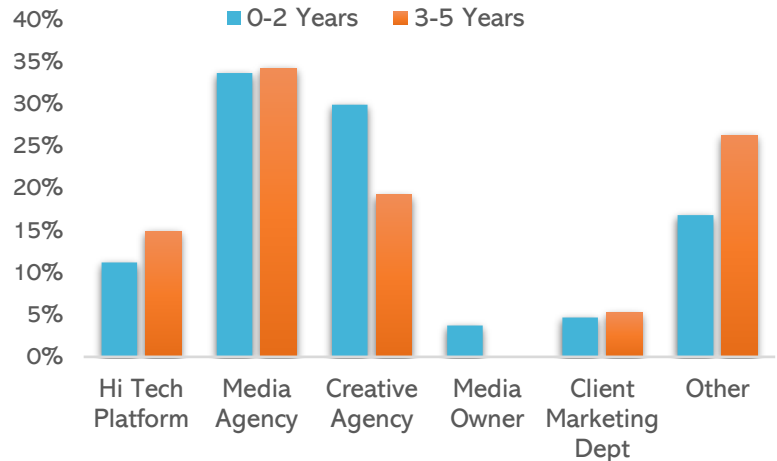


It is clear that while over two-thirds of leavers are junior talent (less than 5 years), half of these are moving to another agency with only a quarter targeted by big tech.

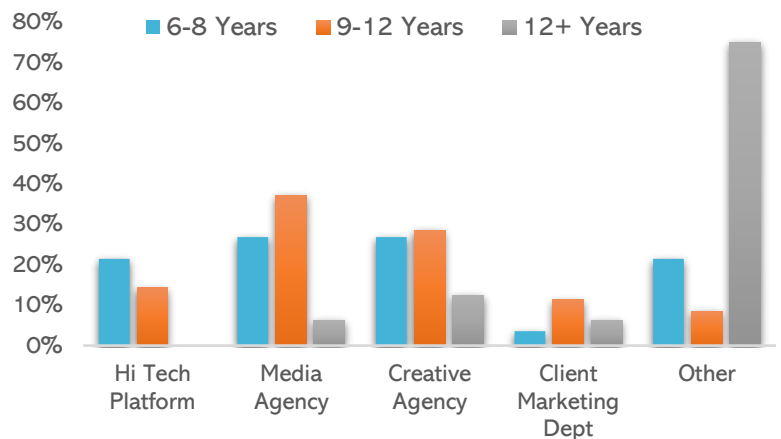
Over a third of the more experienced talent (6+ years) are taking a role in big tech.

A small percentage of the most senior agency staff have left the industry in the last couple of years, predominantly to work in other industries.

Where is Young Talent going?



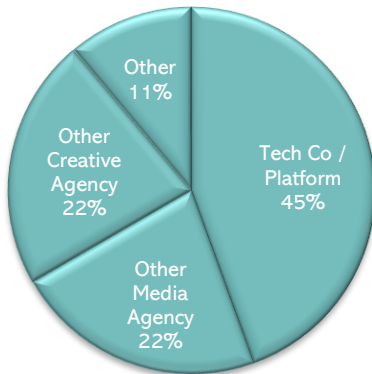
Where is Experienced Talent going?



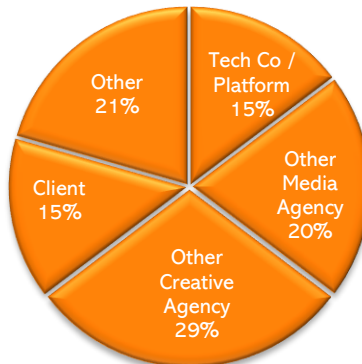
# Section 2. Talent

Where are specific skills going?

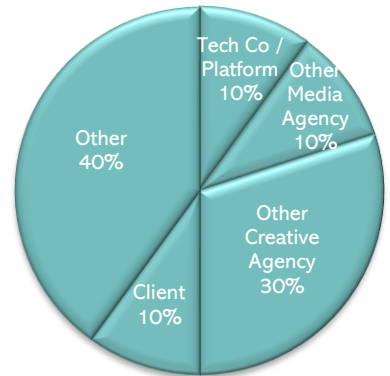
Where are Executive Management going?



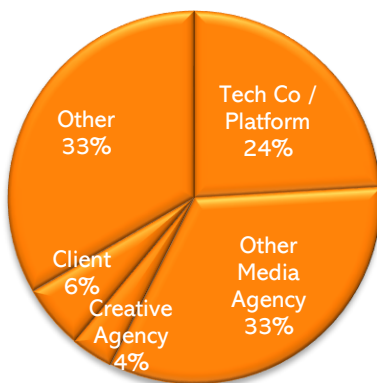
Where are Client Services going?



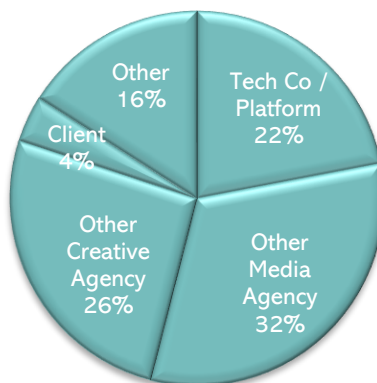
Where are Strategic Planners going?



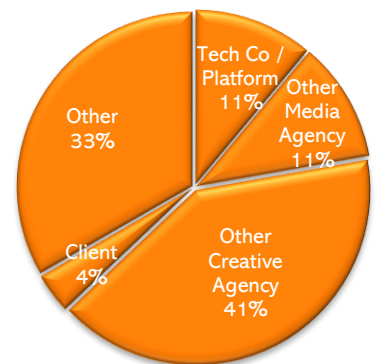
Where are Media Buyers & Planners going?



Where are Digital & Social going?



Where are Creatives going?



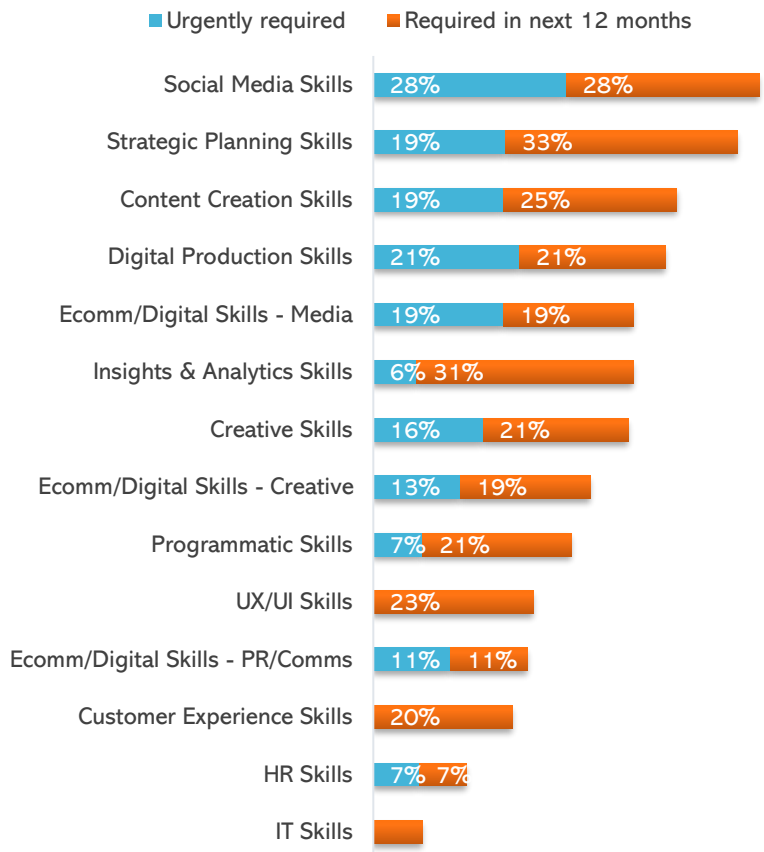
## Section 2. Talent Skills Gap

The industry is still actively recruiting for social media skills, with strategic planning coming a close second.

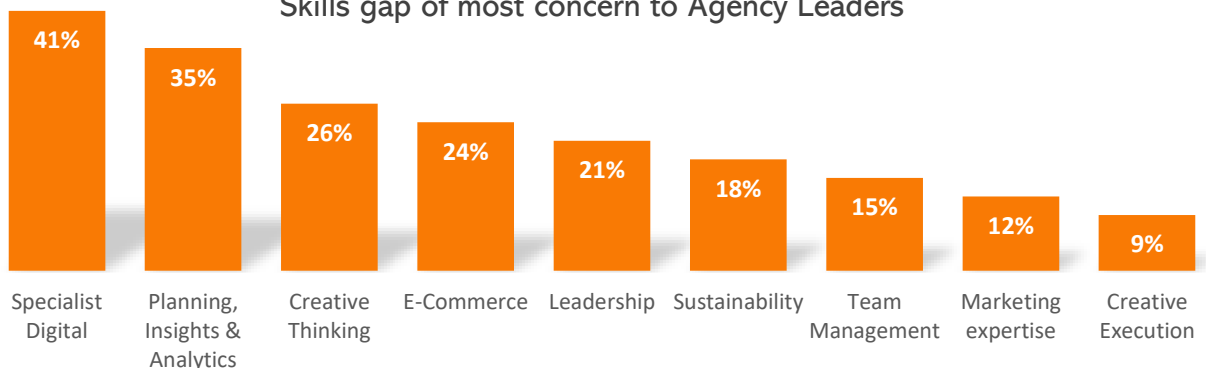
Other digital roles such as E-commerce, digital production, UX/UI and content creation are also in high demand.

This is mirrored in the Leaders Sentiment Survey, with the highest percentage of respondents most concerned about specialist digital and planning roles.

### Skills being actively sought by the industry



### Skills gap of most concern to Agency Leaders



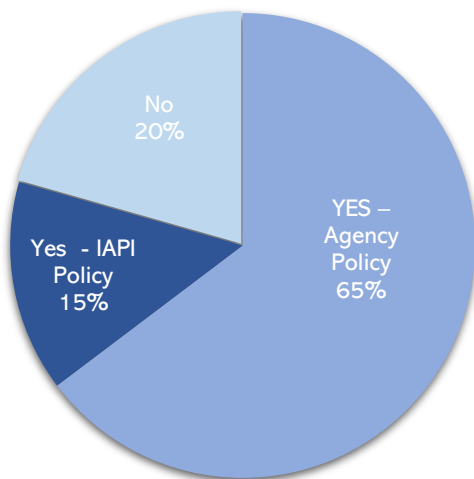


## Section 3. Diversity, Equity & Inclusion

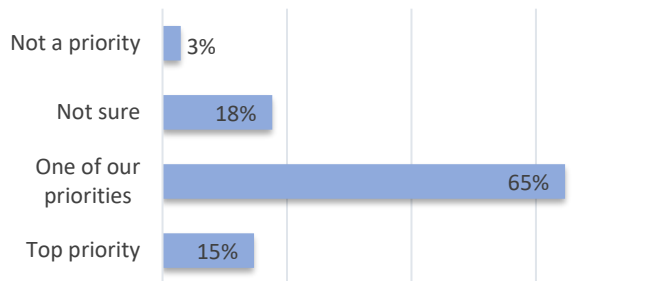


# Section 3. Diversity, Equity & Inclusion Priorities

Do you have a Diversity & Inclusion Policy in place?



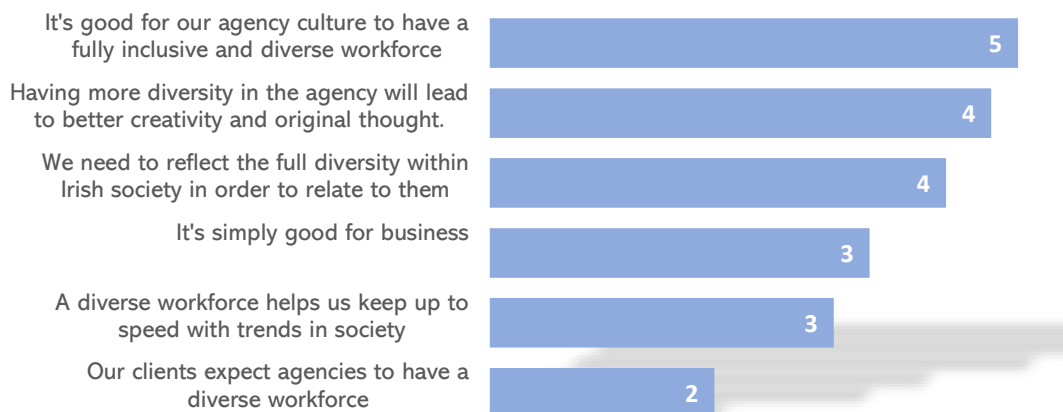
How much of a priority is Socio-Economic Diversity for your agency?



80% of respondents either have their own DEI Policy in place or use the IAPI Policy available to all members, and the same number see DEI as a priority for their agency.

While it appears that clients are not actively seeking their agencies to have a fully inclusive and diverse workforce, agencies believe that it very important for their agency culture, and will lead to better creativity.

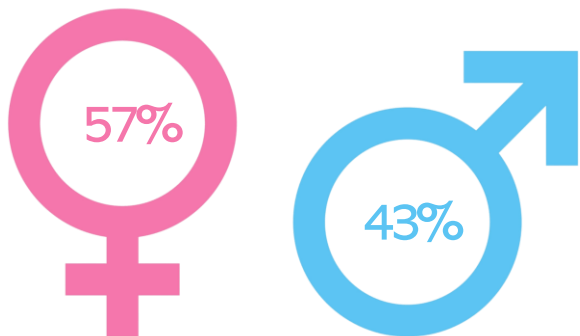
Please rank the following statements  
in order of priority  
1=Most Important; 6=Least Important



# Section 3. Diversity, Equity & Inclusion

## Gender Balance

Gender split across the industry



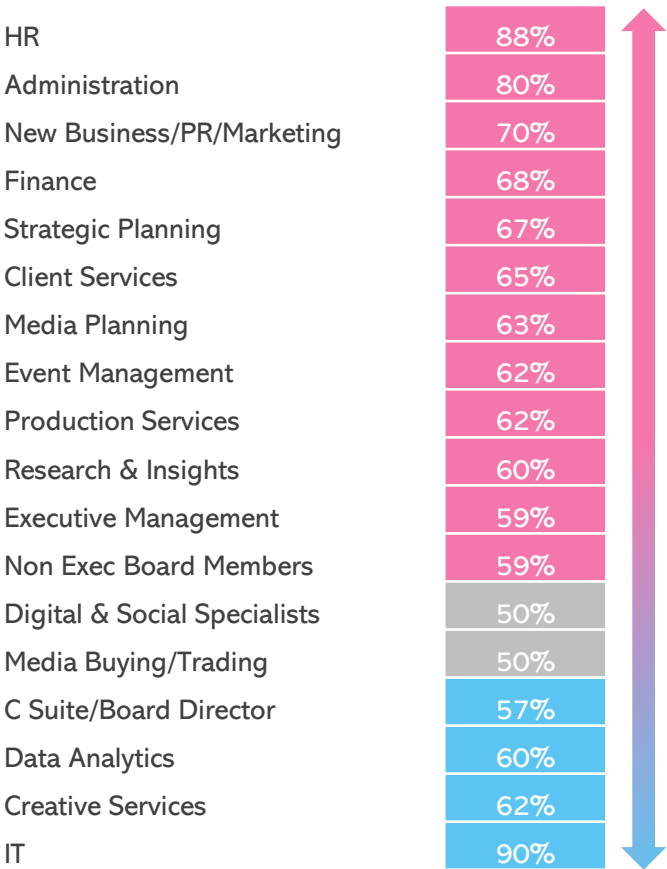
Females still dominate the workforce by 14% overall.

With more females in Executive Management (6:4 ratio), the goal to reach gender equality in the Boardroom looks highly feasible. With 43% of females at C Suite or Board Director level, this is another percentage point up from last year.

However, we need to seek parity at every level. Females over-index in two-thirds of agency departments. While Creative and Data Analytics roles are still heavily dominated by males.

The industry needs to look at their talent attraction to ensure this is balanced out over the next few years.

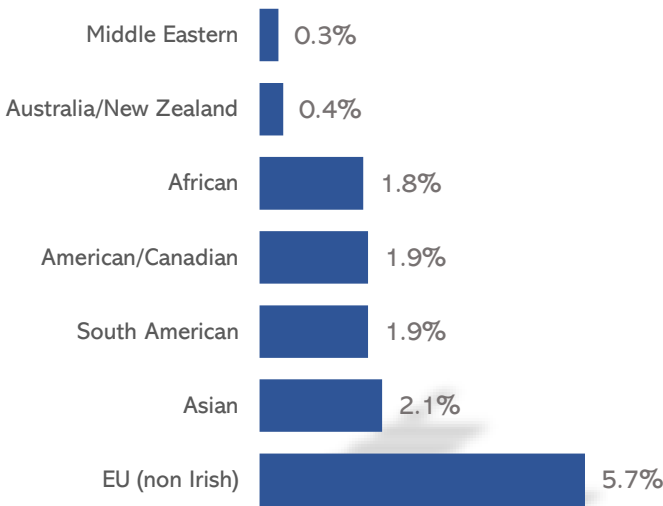
Gender split by Department



# Section 3. Diversity, Equity & Inclusion

Beyond gender, how diverse is the industry?

% of non-Irish Nationals  
in the Workforce

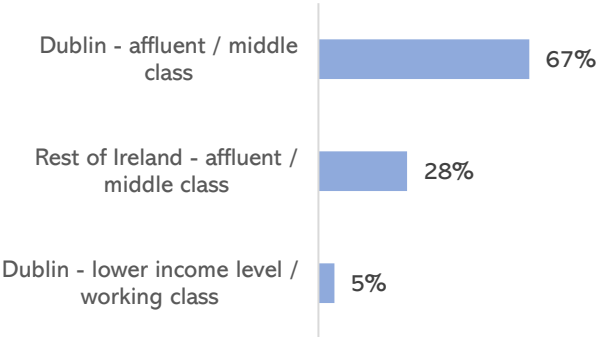


The industry shows a marginal improvement in attracting non-Irish to its' workforce, with 15% non nationals now employed. This equals the overall percentage of non-Irish workers according to the 2016 Irish Census.

However, the vast majority are still from the affluent middle class, reflecting the need for greater social demographic diversity.

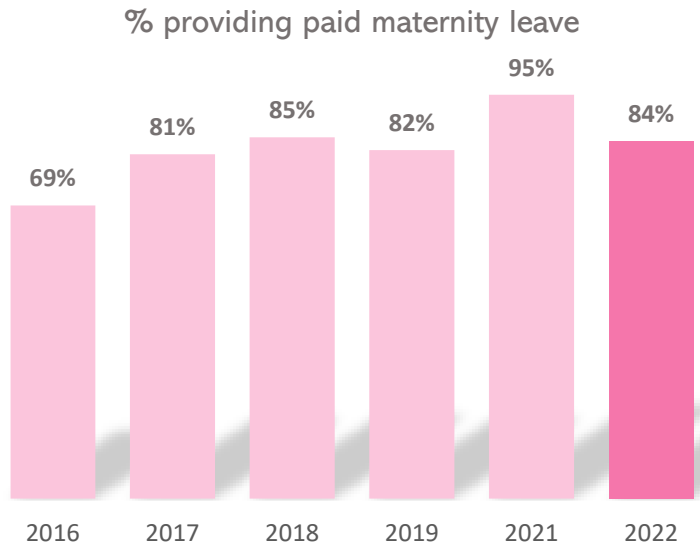
Of note too, is that only 2% of the workforce have a disability, compared to 13.5% recorded to have a disability within the Irish population.

Geo/Socio Demographics of our  
Workforce



# Section 3. Diversity, Equity & Inclusion

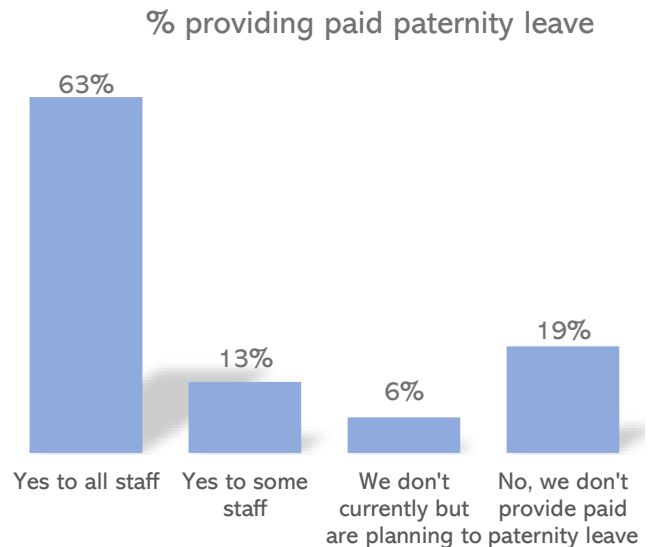
## Maternity & Paternity Pay



The 2022 figures estimate a drop in the percentage of IAPI agencies providing paid maternity leave.

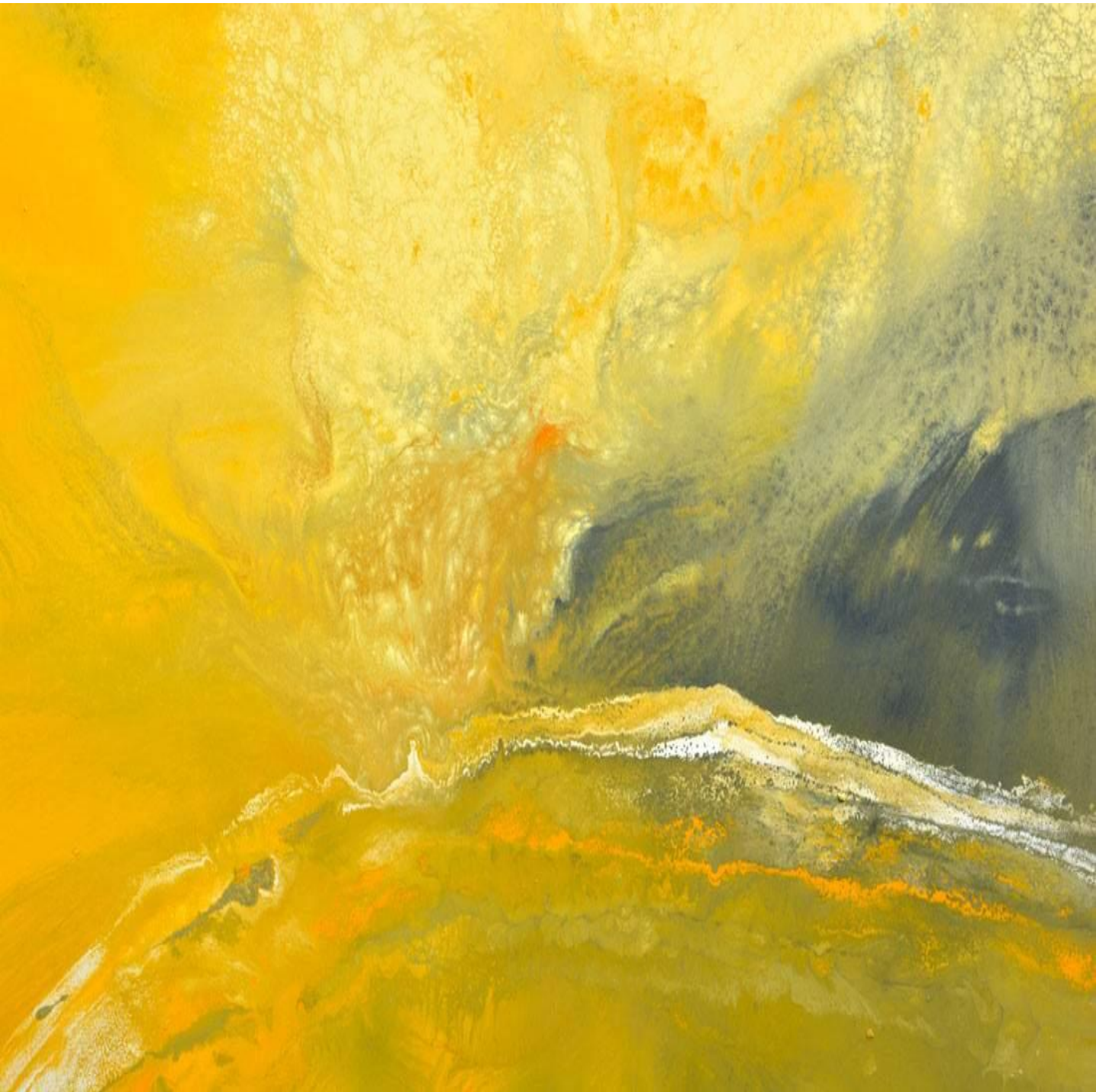
Where maternity leave is paid, on average, 81% of salary is paid in Maternity inclusive of social welfare.

Where paternity leave is paid, on average 78% of salary is paid in Paternity inclusive of social welfare, and on average 12 days of paid paternity leave is provided.





## Section 4. Commercial Performance

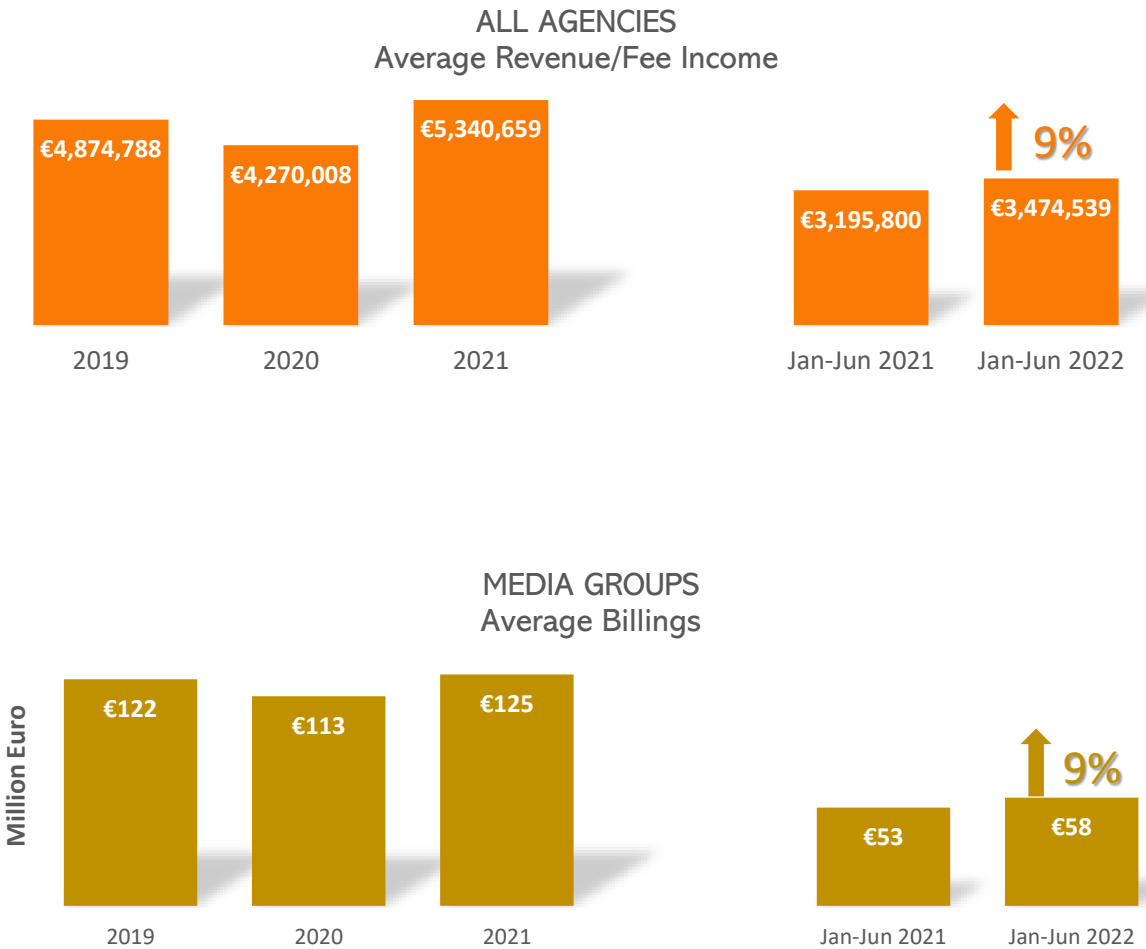


# Section 4. Commercial Performance

## Average Revenue and Media Billings

2021 showed healthy increases on average for IAPI members across both Revenue (up by 25%) and Media Billings (up by 11%).

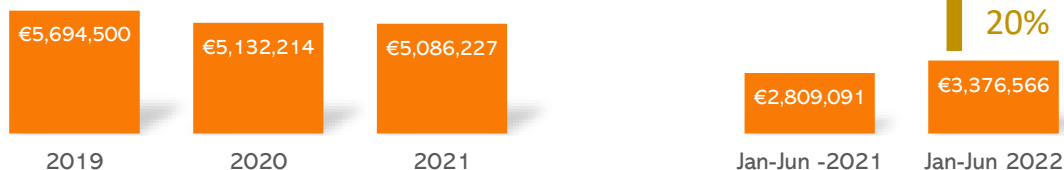
Comparing Jan-Jun 2021 vs. Jan-Jun 2022, is again showing an average increase of 9% on both Revenue and Media Billings.



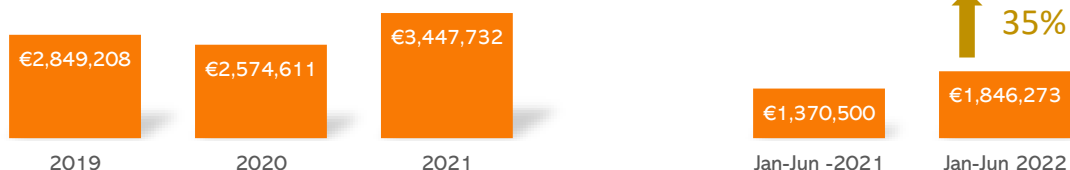
# Section 4. Commercial Performance

## Average Revenue by Agency Type

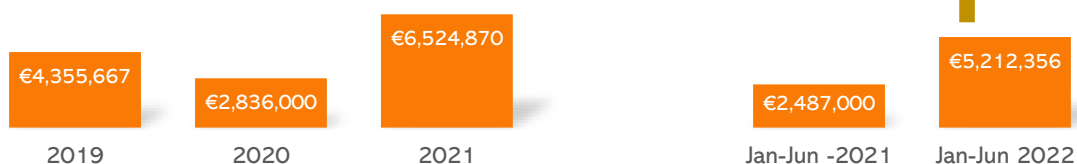
### Media – Average revenue/fee income



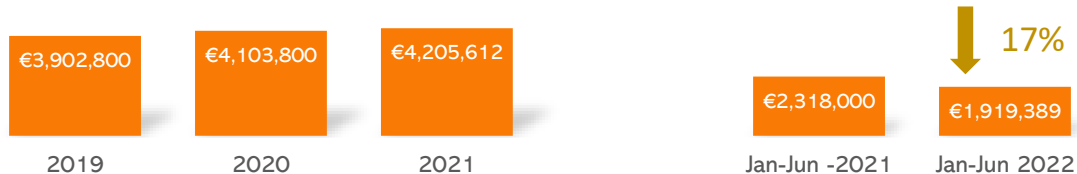
### PR – Average revenue/fee income



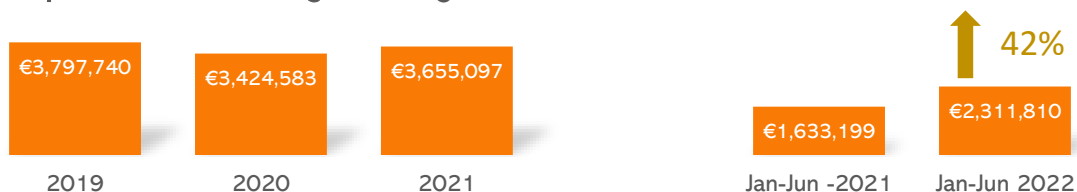
### Events – Average revenue/fee income



### Networked Creative – Average revenue/fee income



### Indpt Creative/Branding – Average revenue/fee income



# Section 4. Commercial Performance

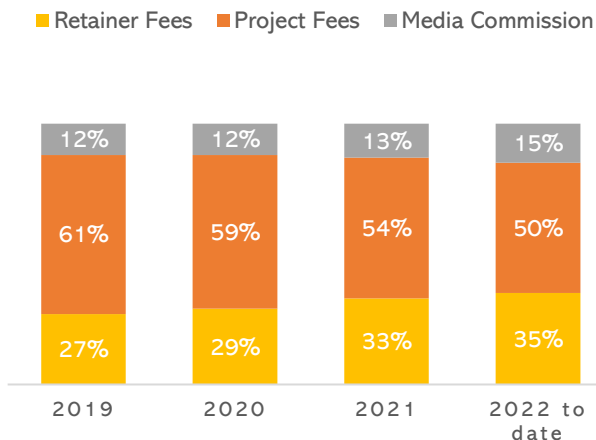
## Revenue Breakdown

On average respondents are reporting that retainer fees have increased as a portion of agency's overall fee income. They now contribute over one third of the total revenue or fee income for IAPI agencies.

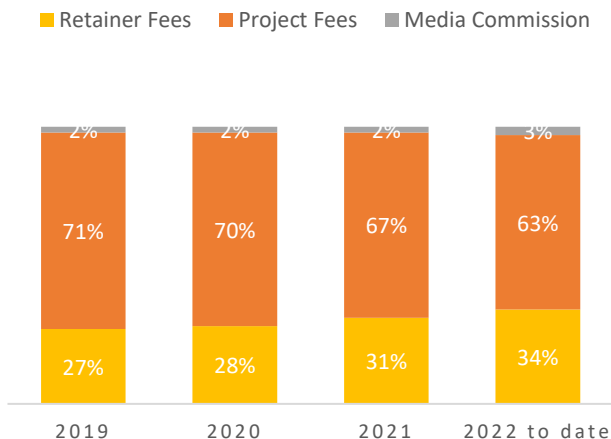
For media agencies, the trend continues with retainer and project fees almost on a par with media commission as a percentage of their revenue.

Creative agencies also continue to slowly increase their retainer fees as a percentage of overall revenue.

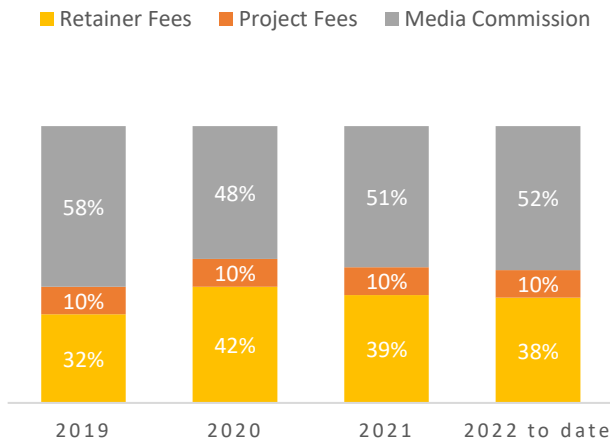
### All Respondents Revenue % Split



### Creative & Branding Agencies Revenue % Split



### Media Agencies Revenue % Split



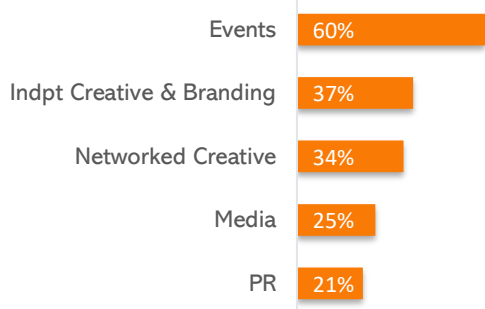
# Section 4. Commercial Performance

## Profits, Predictions & Challenges

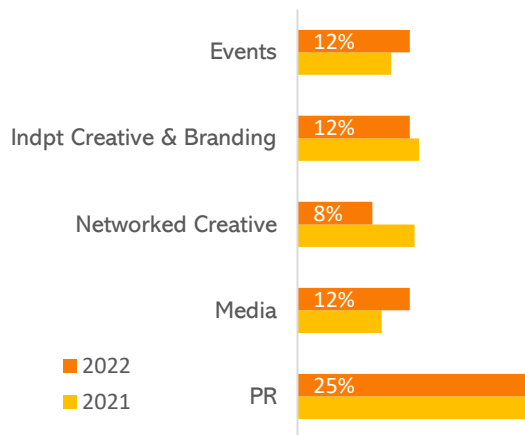
The vast majority of respondents predict an increase in revenue for 2022 vs 2021 with only 5 respondents predicting a decline in revenue YOY.

Media Agencies predict an overall 14% increase in media billings for 2022 vs. 2021.

### Predicted YOY Increase in Revenue

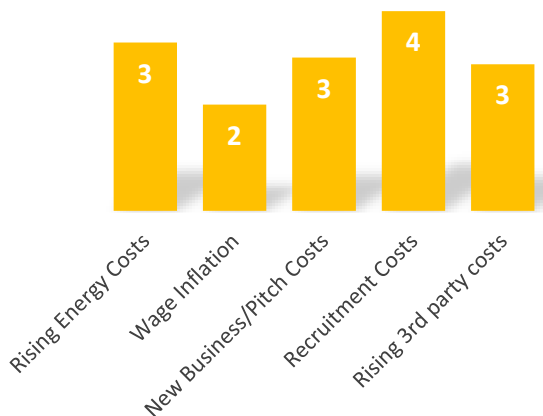


### 2022 Profit Margin Predictions vs. 2021 Actual



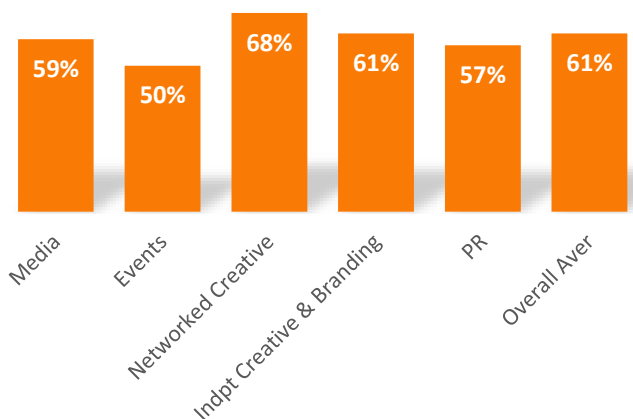
All but one respondent predict a profitable year for 2022. On average 2021 profitability was at 13% across all respondents with a predicted profitability of 12% for 2022.

### Commercial Challenges That impact on profit margins. 1=least impact / 5=most impact



It is clear to see the toll that Talent Churn has had on the industry with Recruitment Costs being stated as the biggest impact on profit margins.

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



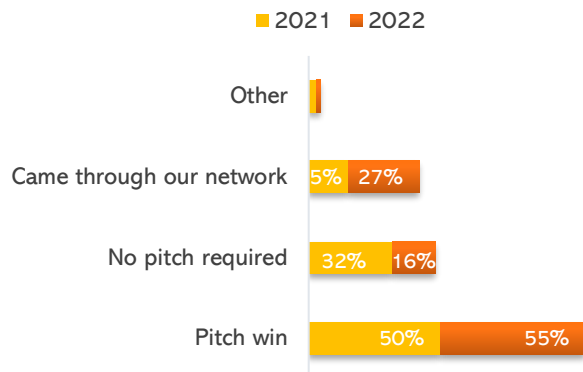
And staff costs as a % of Revenue remain extremely high at an average of 61% across all agency types.



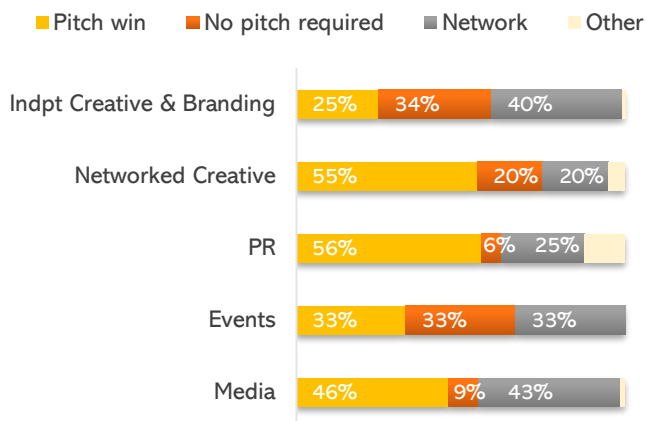
# Section 4. Commercial Performance

## Where is New Business coming from?

Where is New Business coming from?



Origin of New Business in 2022?  
by agency type

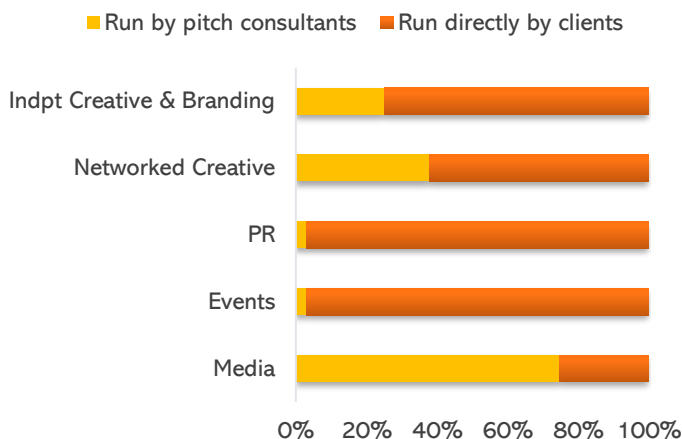


There has been an increase in pitching across the industry in 2022 as well as an overall increase in new business gained through Networks.

Interestingly, Independent creative agencies are gaining 40% of new business from their networks. These are attributed to global independent agency networks or client networks, as opposed to holding company networks.

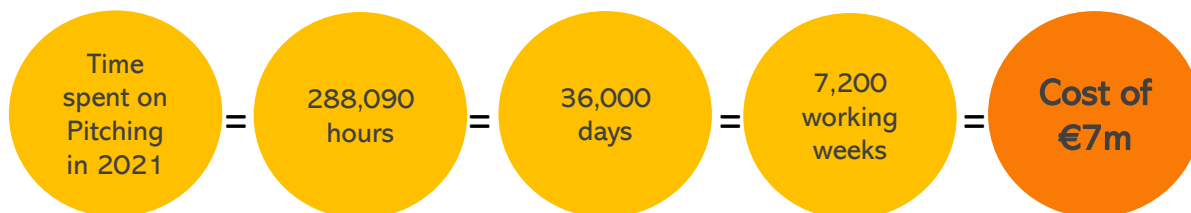
In terms of pitch management, just under one third of all pitches for 2022 were run by pitch consultants with the remaining 68% run directly by clients.

How are Pitches Managed?  
by agency type



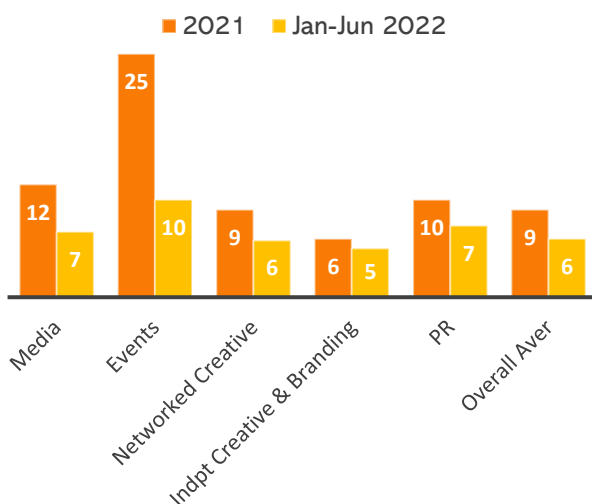
# Section 4. Commercial Performance

## The cost and time spent on Pitching



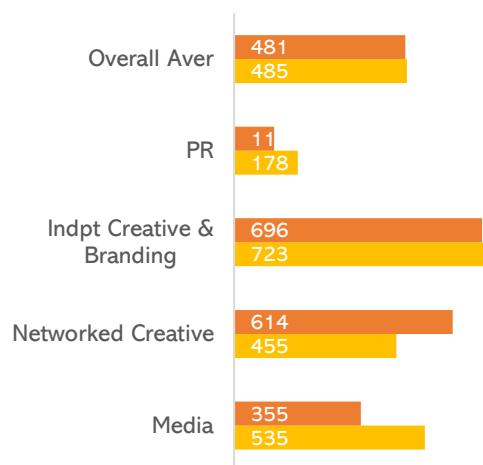
Based on the average number of pitches per agency cited by respondents, it is estimated that 594 pitch processes were undertaken by IAPI members in 2021, and 396 up to end June 2022.

Average number of pitches per agency type



Average hours spent on pitches per agency type

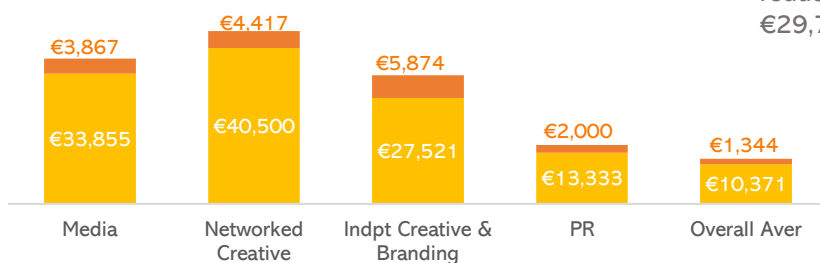
2021 Jan-Jun 2022



At an average of 485 hours per pitch, this amounts to a staggering volume of speculative work from agencies – the equivalent of 32 FTEs or working years.

Average cost per pitch by agency type

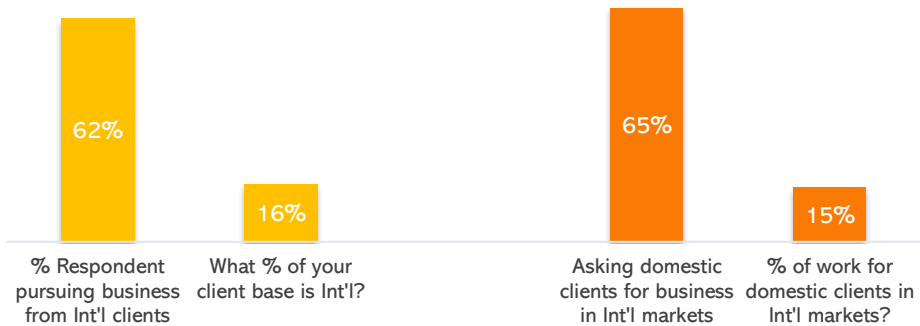
Staff Costs 3rd party costs



The cost of pitching to the industry is also considerable and estimated at just under €7m in 2021. However, at an average cost of €11,715 per pitch, this is a considerable reduction on 2020, which recorded a cost of €29,703 per pitch.

# Section 4. Commercial Performance

## International Reach



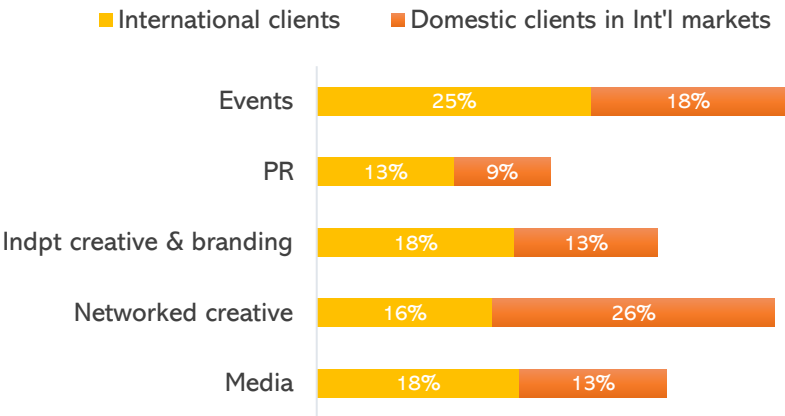
On average 31% of business for respondents is either from International clients or from domestic clients in international markets.

The ability to remotely work for international clients post Covid has clearly opened up the international market for Irish agencies and represents a significant growth area.

This is especially true for Event agencies, where on average 43% of their business is International, with a quarter for Internationally based clients.

Networked Creative agencies are also seeing growth in this area with 42% of international work, although their growth is more for domestic clients reaching into international markets.

### Average % of International Business by Agency Type



## Section 5. Leaders Sentiment

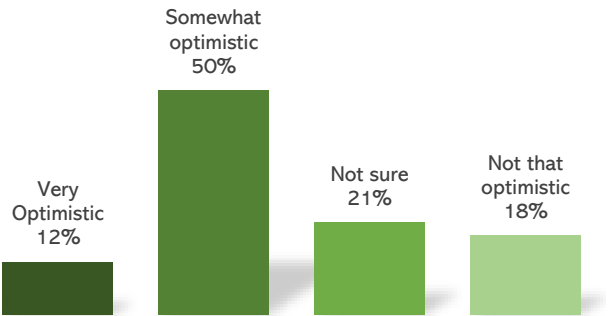


# Section 5. Leaders Sentiment

## Optimism and Revenue Predictions

### Optimism for the INDUSTRY in 2023

i.e. Do as well as 2022 or better  
from a revenue perspective

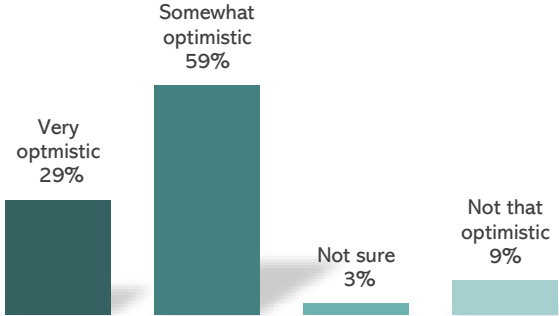


As we have noted before, Leaders tend to be more optimistic about their own agency's future than the industry as a whole.

88% of respondents state that their agency will do as well, if not better in 2023.

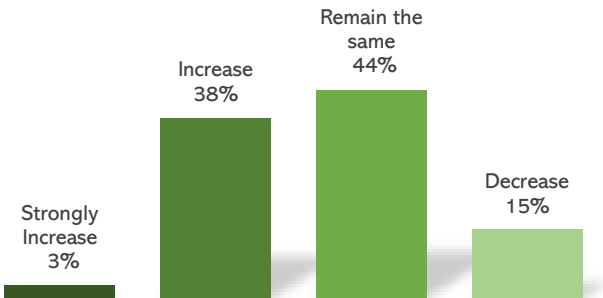
### Optimism for your AGENCY in 2023

i.e. Do as well as 2022 or better  
from a revenue perspective

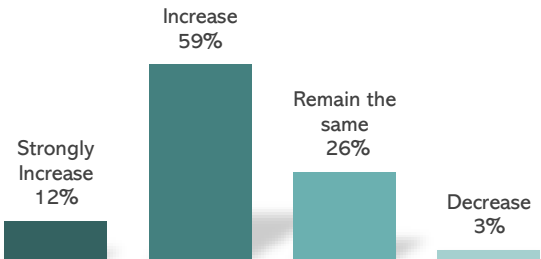


It is encouraging that, even with the uncertainty of the current economic backdrop, on average 71% see their revenue increasing next year and only 3% see it decreasing.

### Estimated Revenue Changes for the INDUSTRY in 2023



### Estimated Revenue Changes for your AGENCY in 2023



# Section 5. Leaders Sentiment

## Trends and opportunities

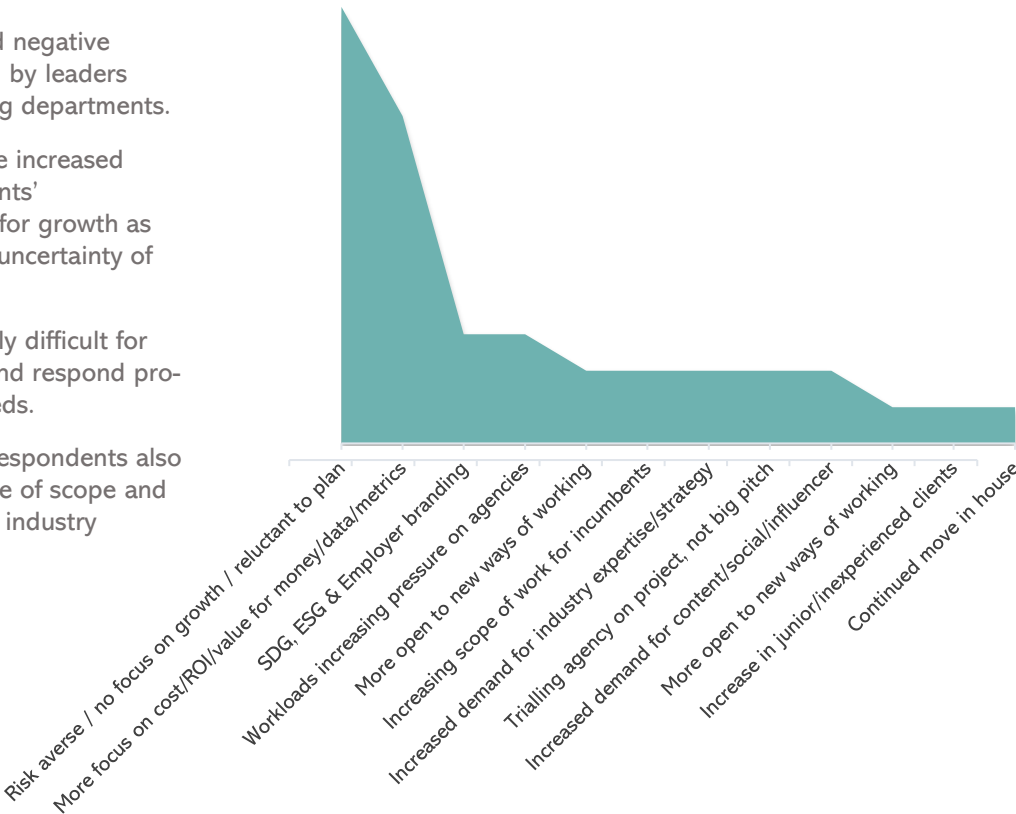
### Emerging trends seen in client marketing departments

There are positive and negative trends being reported by leaders across client marketing departments.

Of most concern is the increased focus on cost and clients' unwillingness to plan for growth as Ireland faces into the uncertainty of 2023.

This makes it extremely difficult for the industry to plan and respond pro-actively to clients' needs.

On the positive side respondents also note a current increase of scope and increased demand for industry expertise.



### Opportunities for 2023



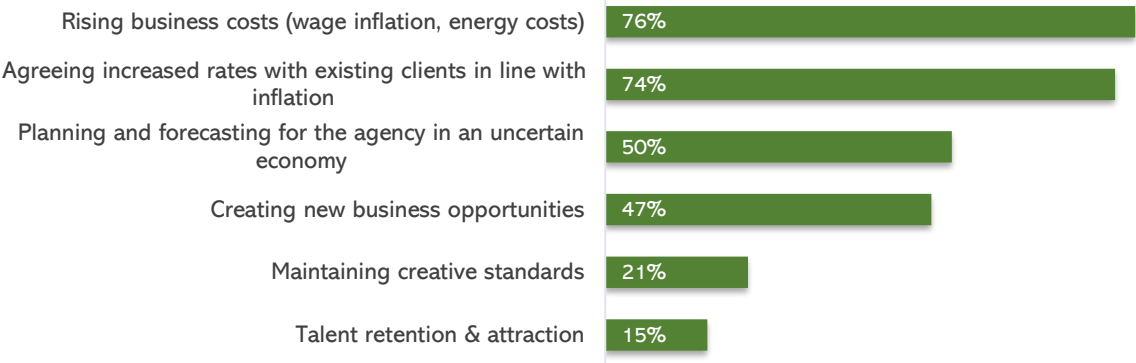
Reflecting clients' demands for more industry expertise Leaders believe their biggest opportunity will come from increasing their scope of work with existing clients as well as expanding their services.



# Section 5. Leaders Sentiment

## Challenges Ahead

Business challenges for 2023



Reflecting rising inflation across the country, Leaders are most concerned about rising salary and energy costs.

IAPI's recent salary survey, conducted in October 2022, showed an industry-wide wage inflation rate of 7%, 3 percentage points about the national average.

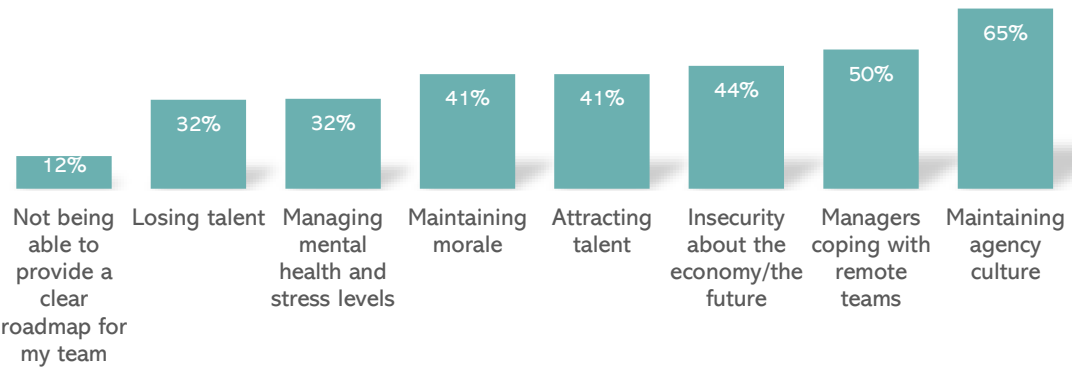
The uncertain economic climate is having its' impact on the ability to accurately forecast and create new business opportunities.

While talent churn is still an issue for the industry, IAPI Leaders no longer view this as their biggest concern for 2023.

As far as concerns for their team in 2023, Leaders are still primarily concerned with Maintaining Agency culture, although this has decreased compared to the 2021 Census when 100% of respondents stated this as a concern.

Leaders also understand that their teams will be feeling insecure about the economy and the future.

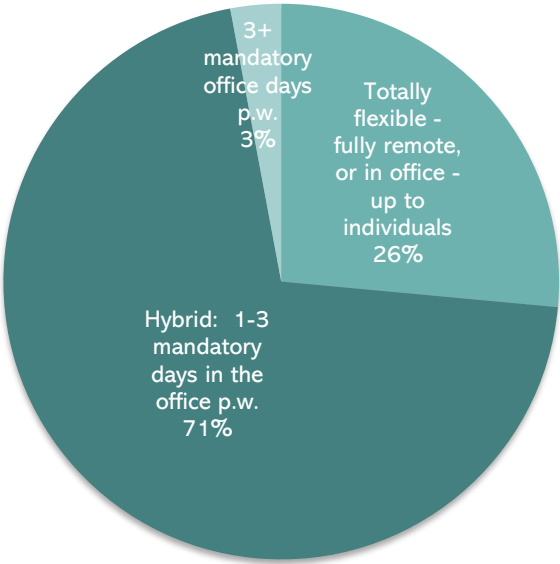
What are leaders most concerned about for their team in 2023



# Section 5. Leaders Sentiment

## Predictions for Working Patterns & Office Space

In your opinion, what will the working pattern look like for your agency in 2023?



The Industry has adapted well to hybrid working across all agency types.

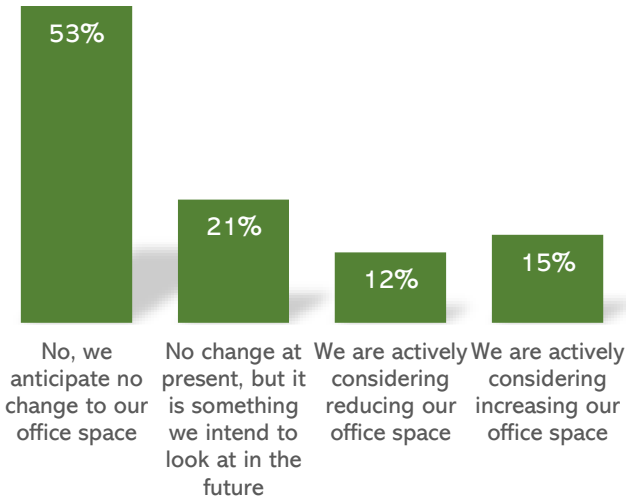
The majority of IAPI members (71%) are working a hybrid model of 1-3 mandatory days in the office, with the remaining days working from home.

Very few have introduced more than 3 mandatory office days per week.

Despite the majority of IAPI members, not having full offices on any one day, only 12% of agencies are actively considering reducing their space.

However, with 1 In 5 respondents suggesting they intend to look at this issue, it may become a future trend.

Do you anticipate your physical office size will change in the near future?



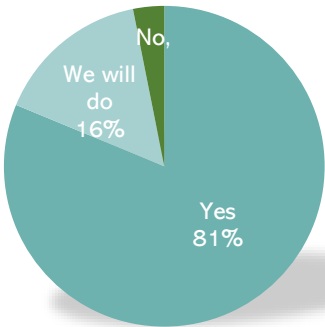
# Section 5. Leaders Sentiment

## 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.

97% of Respondents are already or are about to become an Ad Net Zero Supporter. Ad Net Zero is the global initiative that is the advertising response to the climate crisis.

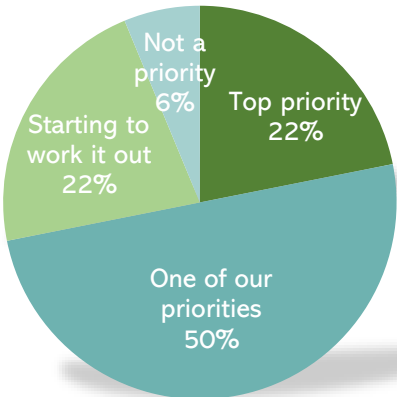
Have you signed up as a Supporter of Ad Net Zero?



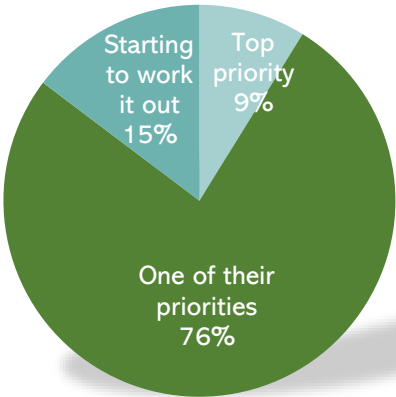
Nearly a quarter of respondents, state that Sustainability is a top priority for their agency. However, there are still a minority who do not see it as a priority for their agency.

According to respondents, 1 in 4 client briefs now have sustainability built into the brief and 87% stated their belief that Sustainability is now a priority for clients.

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



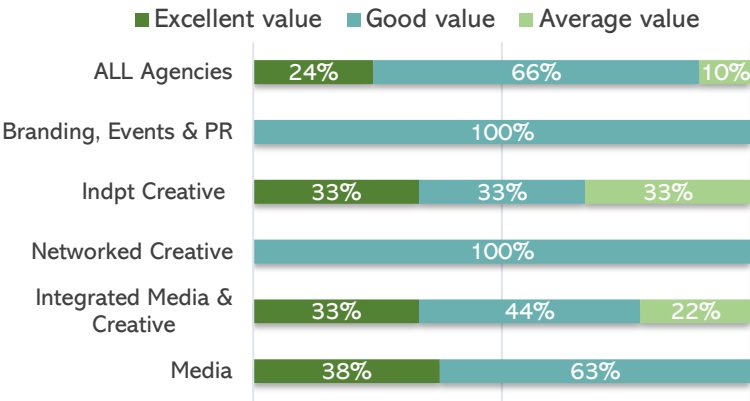
How much of a priority is Sustainability for your clients? (lowering their carbon footprint)



# Section 5. Leaders Sentiment

## The Value of IAPI membership

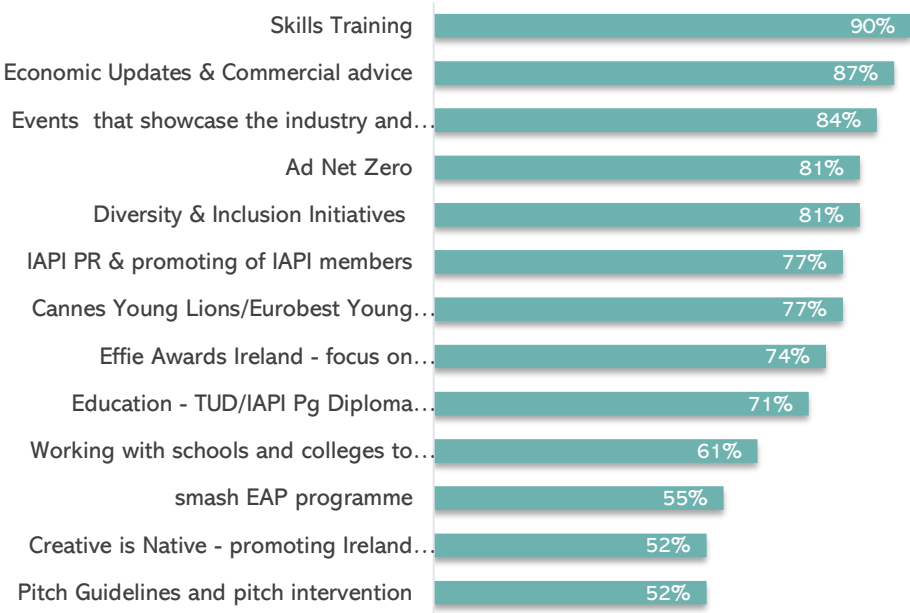
How do you rate the value of IAPI membership?



9 out of 10 respondents perceive IAPI membership as Excellent or Good value, there is still room for improvement with Independent Creative and Integrated agencies.

Of note is that the newer members from Branding, Events & PR all state that they get good value from their membership.

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



Skills training continues to be the No.1 ask from IAPI members, reflecting the need for IAPI to provide training that would otherwise be timely and cost prohibitive for individual members.

While some initiatives are deemed more beneficial than others, all IAPI initiatives were deemed beneficial by at least half of respondents.

# Section 5. Leaders Sentiment

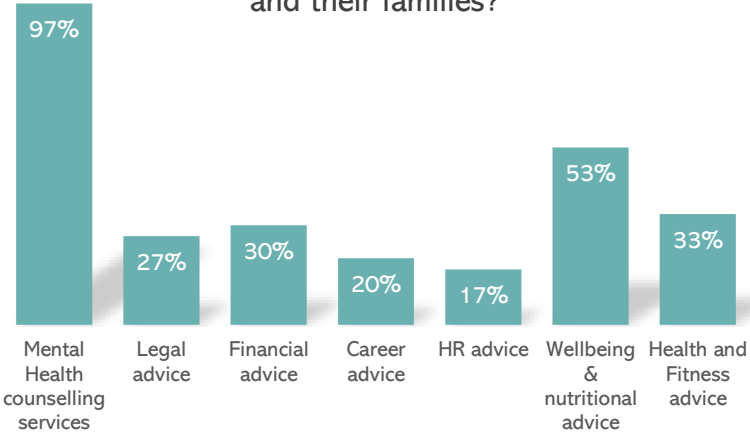
## smash and The Future

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

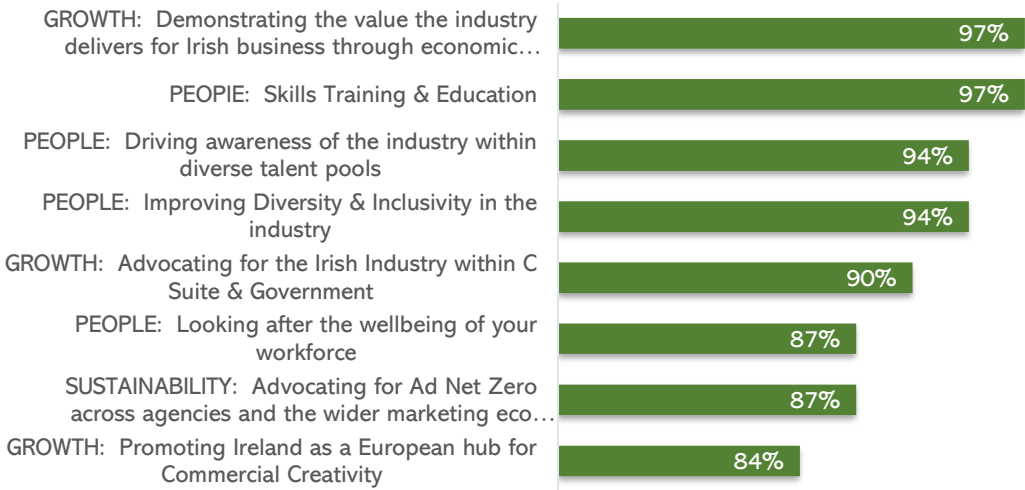
88% of leaders have heard of smash with three-quarters encouraging employees to take up its' services.

While the majority understand that it looks after the mental wellbeing of IAPI members and their families, there is more limited understanding of the additional support services on offer through the programme.

Which of the following services do you believe *smash* provides to IAPI members and their families?



For 2023, which of the following IAPI workstreams will be of most benefit to your agency?



It is clear that members need support from IAPI in demonstrating the value of the industry. This will always be the case but is even more so now as we move into an uncertain economy.

Having listened to members' needs throughout 2022, the IAPI Board have now organised themselves into the above workstreams, all of which are deemed of benefit by at least 8 out of 10 respondents.

