iapi

Pathfinder

Pulse Survey

MAY 2025

Background and Objectives

- Iapi is the business representative group for the communications, marketing and commercial creative industry.
- The quarterly Iapi Pathfinder Pulse Survey was launched in May 2025 and conducted by Amárach Research.
- The primary objective of the survey is to assess both current and anticipated business conditions from the perspective of CEO's of agencies providing professional services to Government, MNCs, SMEs, Non-Profits and the world's best-known brands.
- The insights gathered will over the long term be an important bellwether for business sentiment and commercial trends.

Methodology

Methodology

Online survey of CEOs from IAPI member agencies. Questionnaire designed in collaboration with IAPI.

Sample Definition

CEOs from IAPI member agencies.

Fieldwork dates

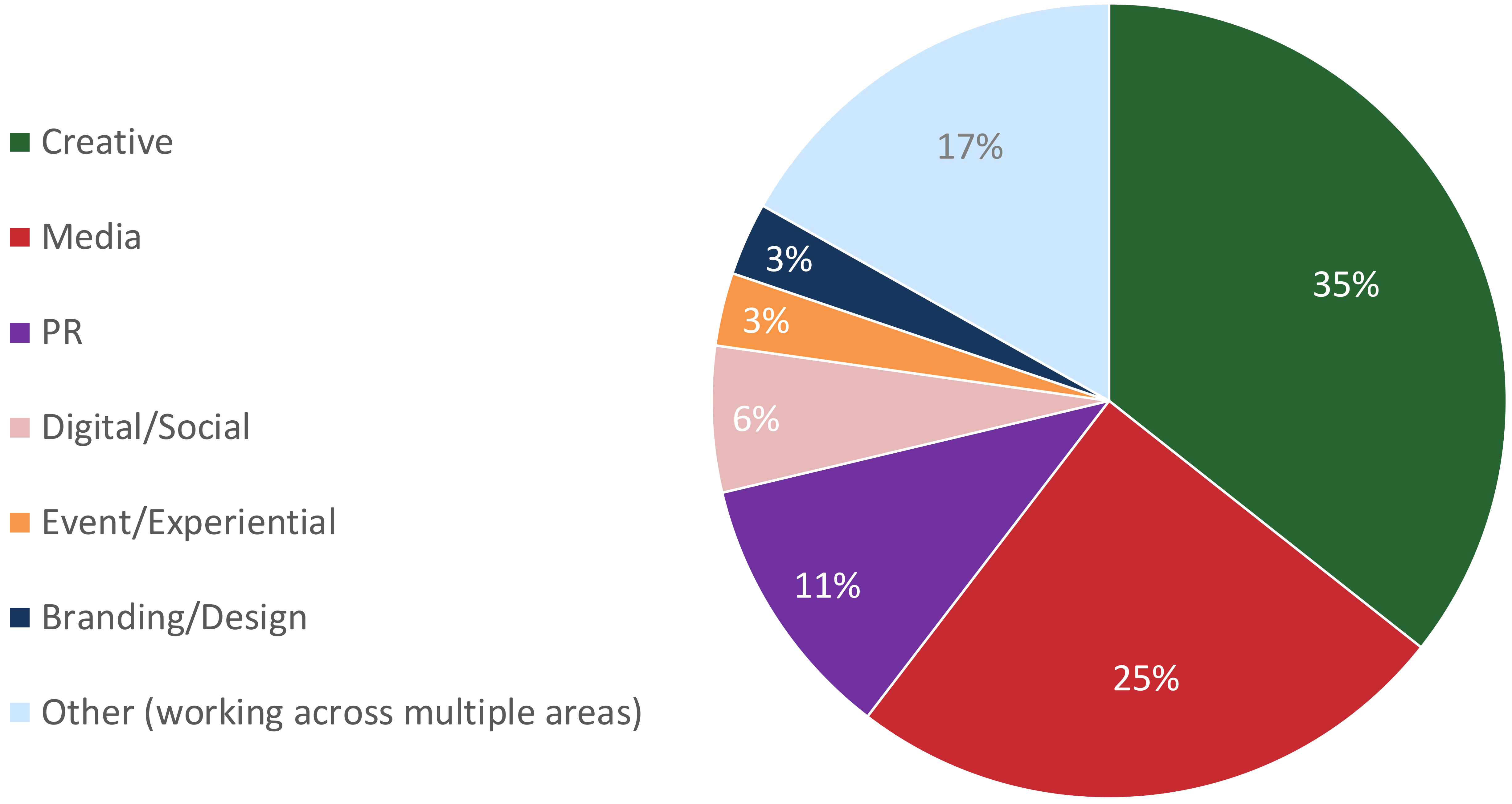
9/05/2025 – 20/05/2025.

Sample Size

A total of 36 surveys were completed with CEOs in this first wave. Over 50% of IAPI Member CEOs took part in the research, representing two-thirds of member agencies.

Sample Profile

(Base: All respondents – 36)



Agency Breakdown

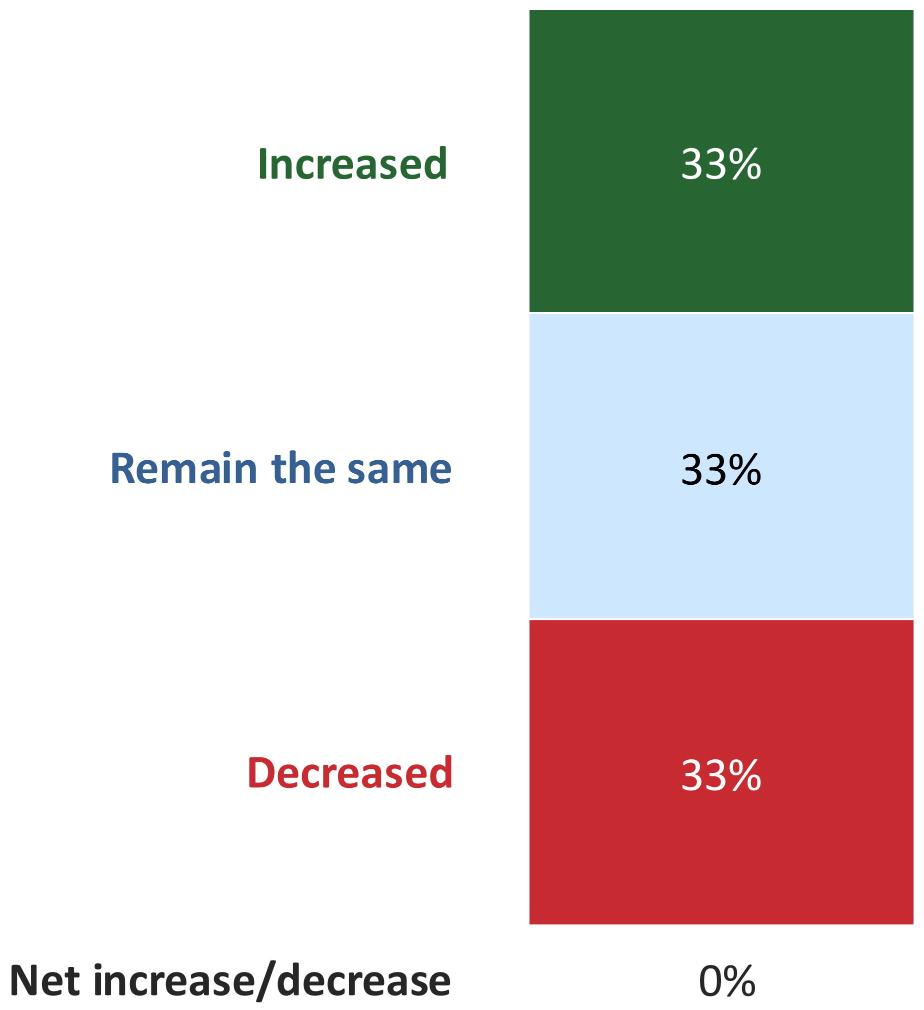
Executive summary

- **CEO's are cautiously optimistic about their own performance**, with strong expectations for new business and turnover growth, despite stable current spending and a more pessimistic view of the overall sector and 2025 outlook.
- **There is a clear confidence gap** between individual agency outlooks and broader industry sentiment—agencies expect their own growth (Spending Index: 61) but view the sector's trajectory more negatively (net sector outlook: –28%).
- **Respondents are most optimistic about new business acquisition (+33%) and turnover growth (+31%)**
- **The strongest concerns of the sector are underpinned by rising costs**—particularly the **cost of doing business (–61%), regulatory compliance (–50%),** and **salary expenses (–47%).**
- **Key growth opportunities** include expanding services (53%), adopting technology and innovation (31%), and winning new business (28%).
- **Priorities for Government action:** Alleviation of employer cost pressure (53%), reduction burdensome regulation, investment in skills, talent and innovation.
- **Top challenges for the industry remain external and structural,** including economic uncertainty (36%), client budget pressures (28%), and talent retention (22%).

MAIN FINDINGS

The overall market appears stable, with little change in brand spending year-on-year. Media and 'Other' (mixed) agencies saw a net positive change in brand spending, whereas PR agencies experienced a notable decline with no increases reported.

(Base: All respondents – 36)

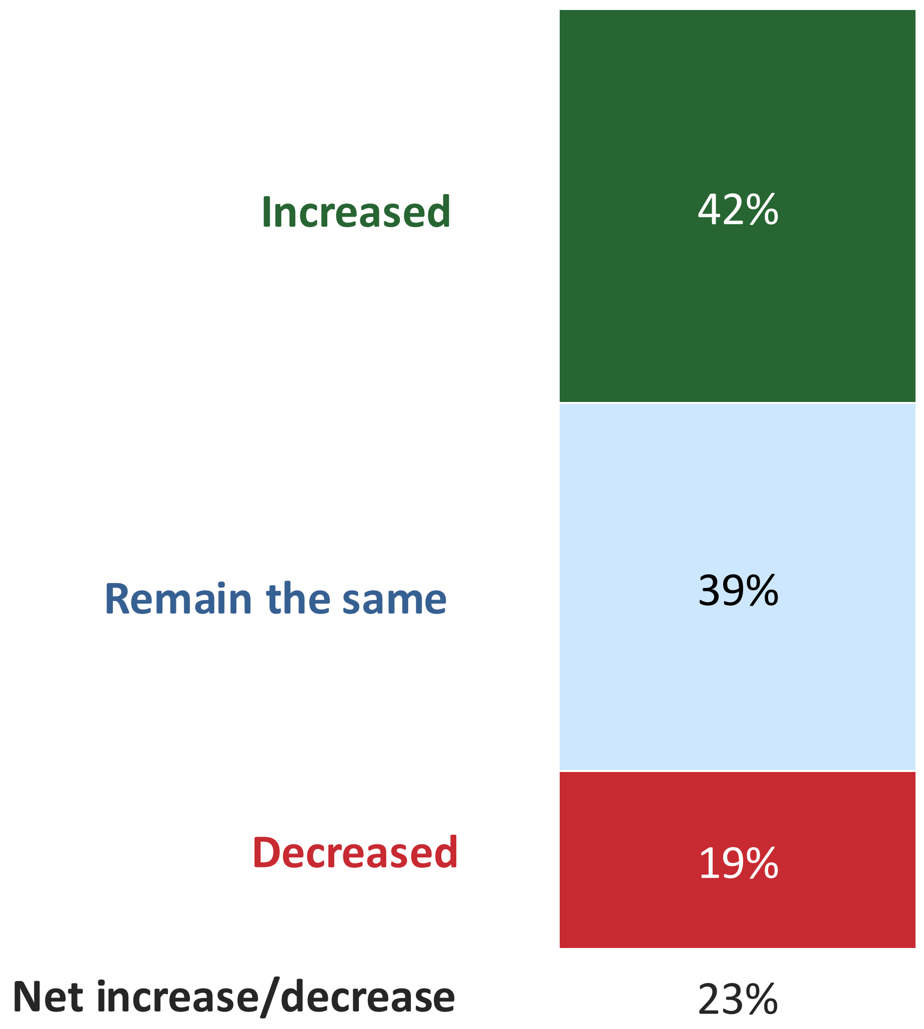


	AGENCY MAINLY			
	Creative	Media	PR	Other
N=	13	9	4	6
Increased	23%	44%	0	50%
Remain the same	46%	22%	50%	17%
Decreased	31%	33%	50%	33%
Summary				
Net Increase/Decrease	-8%	11%	-50%	17%

Q1. Since the start of this year, has client spending with your agency increased, decreased or remained the same compared to the same period last year?

However, agencies overall are optimistic about the rest of the year, with more than twice as many expecting increases than decreases. PR agencies show the highest net optimism (+25%), whereas Creative agencies are the most conservative, with the highest percentage expecting no change (54%).

(Base: All respondents – 36)

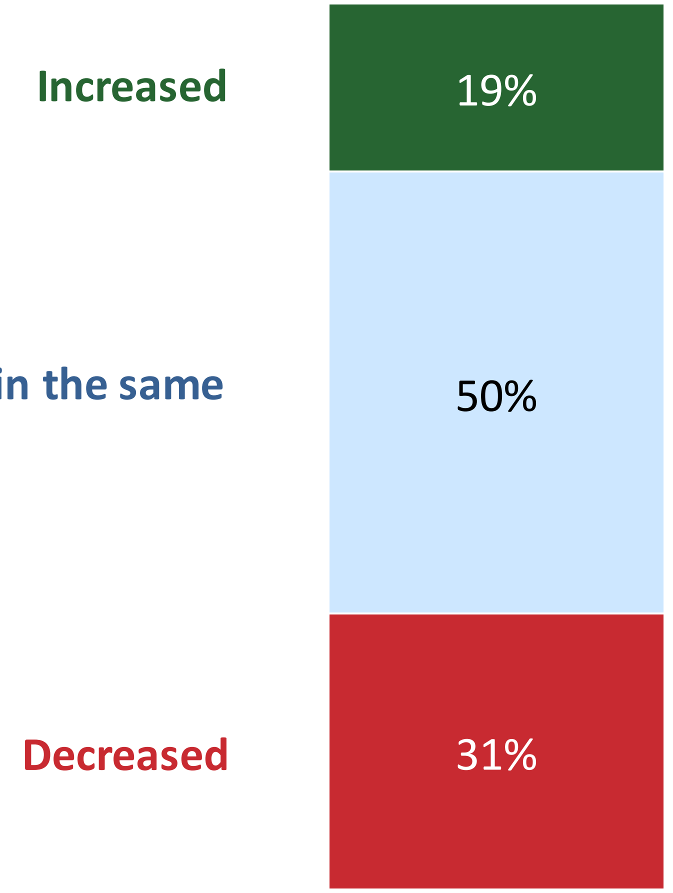


	AGENCY MAINLY			
	Creative	Media	PR	Other
N=	13	9	4	6
Increased	31%	44%	50%	50%
Remain the same	54%	33%	25%	17%
Decreased	15%	22%	25%	33%
Summary				
Net Increase/Decrease	16%	22%	25%	17%

Q2. Thinking about the rest of the year, do you expect client spending with your agency to increase, decrease or remain the same compared to the year so far?

When compared to 2024, the overall outlook for 2025 is cautious to negative, with fewer expecting growth and a net decline of –12%. However, the overall market sentiment is positive (index of 61), signaling a generally optimistic view of brand spending trends.

(Base: All respondents – 36)



Net increase/decrease	-12%
IAPI Pulse Ad Spending Index (>50 = expansion/<50 = contraction)	61

	AGENCY MAINLY			
	Creative	**Media**	**PR**	**Other**
N=	13	9	4	6
Increased	15%	0	25%	50%
Remain the same	54%	67%	25%	33%
Decreased	31%	33%	50%	17%
Summary				
Net Increase/Decrease	-16%	-33%	-25%	33%
IAPI Pulse Ad Spending Index	42	50	0	117

Q3. For 2025, do you expect your clients' total spending on marketing (whether with you or other agencies) to increase, decrease or remain the same compared to 2024?

Where are clients spending more/less?

(Base: Expect clients' total spending on marketing to increase/decrease)

Clients Spending More (n=7)

'Content-production for social. Social Media - community management. TV production.'

'Consultancy and digital ad spend.'

'Greater emphasis on digital video and audio.'

Where are clients spending more than last year?

Clients Spending Less (n=11)

'Creating new campaigns – re-running existing. If international assets available, clients now more interested in running them to solve budget challenges.'

'Clients like all businesses are under financial pressure- they are pulling back all marketing investment (media, creative etc.) to help manage rising business costs.'

'More on demand driving, POS and activation - less on brand building for the medium/long term.'

Where are clients spending less than last year?

Agency expectations for the rest of the year show the strongest net positive sentiment around new business acquisition (+33%) and turnover (+31%), while the most negative sentiment is directed toward the cost of doing business (-61%), regulatory compliance burden (-50%) and salary costs (-47%).

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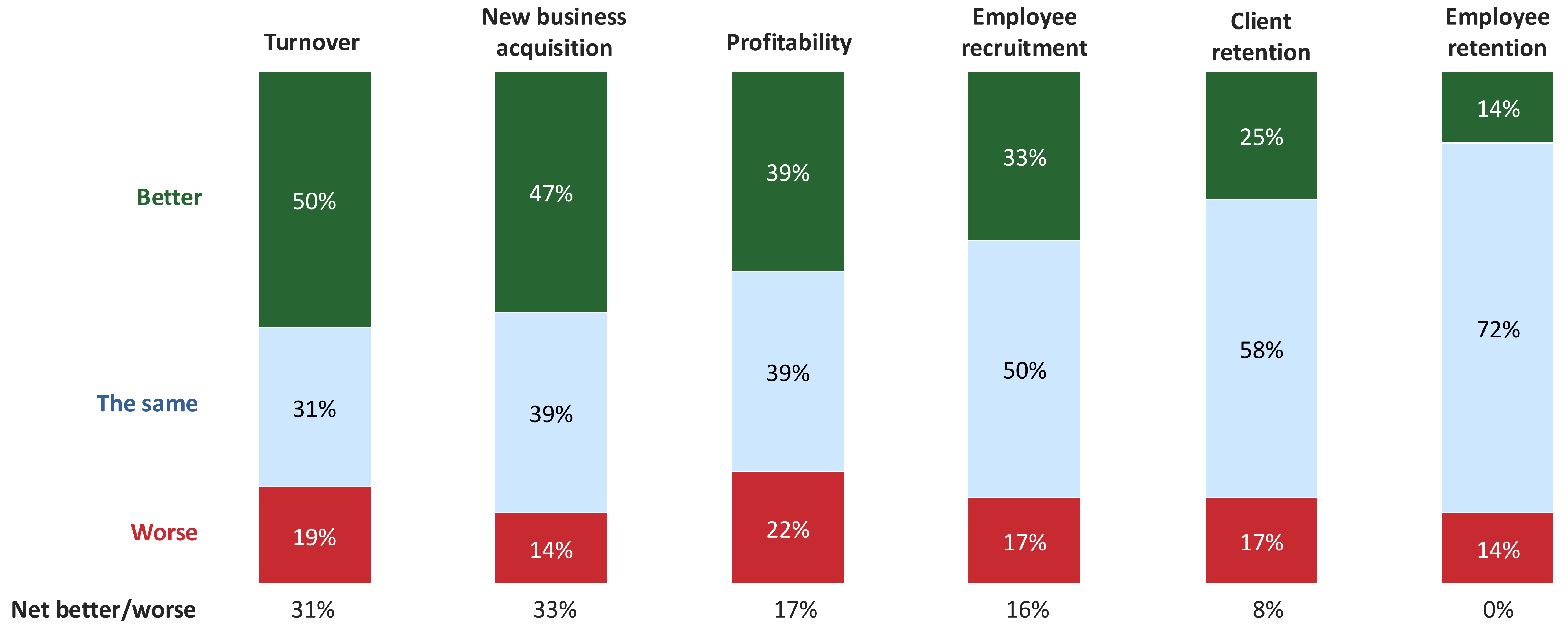
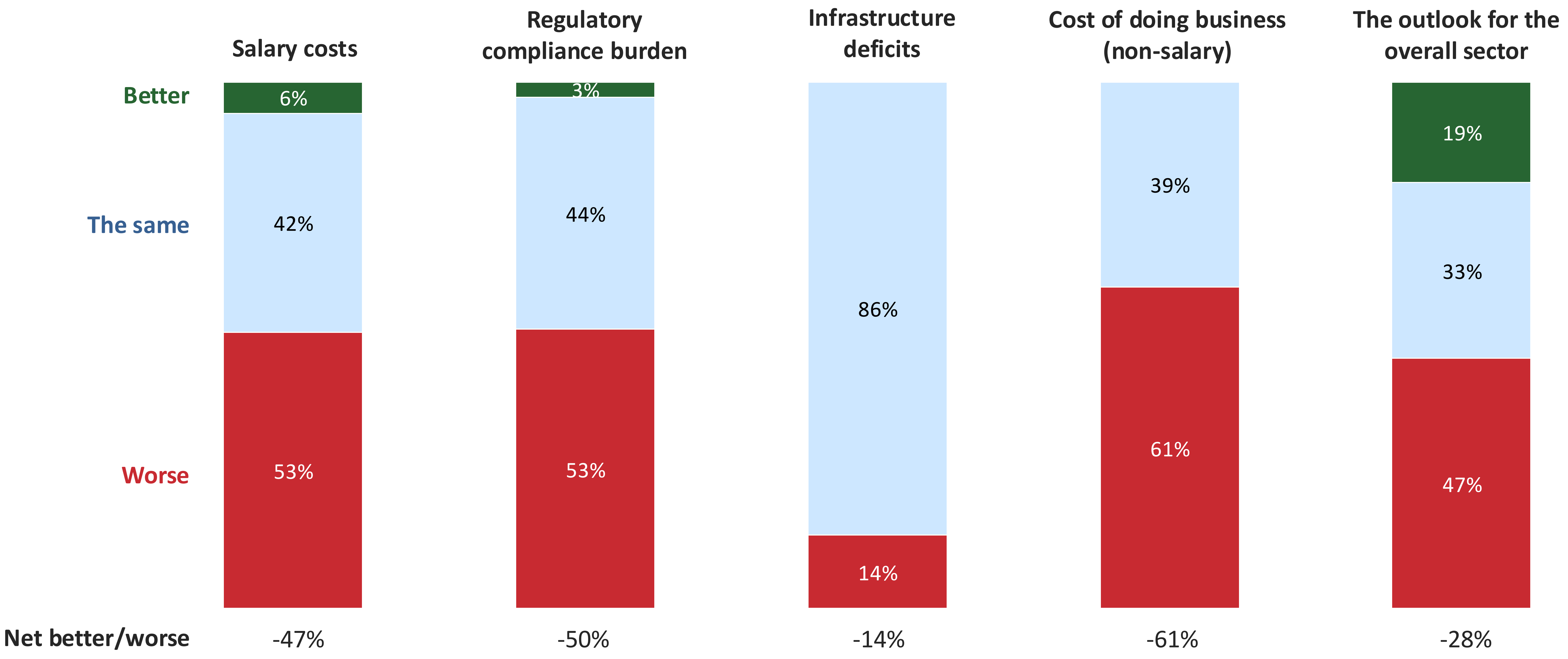
(Base: All respondents – 36)



Q5. Over the rest of the year, do you think each of the following will be better, the same or worse than the year so far?

There is a notable disconnect between agencies' expectations for their own businesses (Spending Index) and their views on the broader sector (-28%). Agency self-confidence is often higher than confidence in the industry overall.

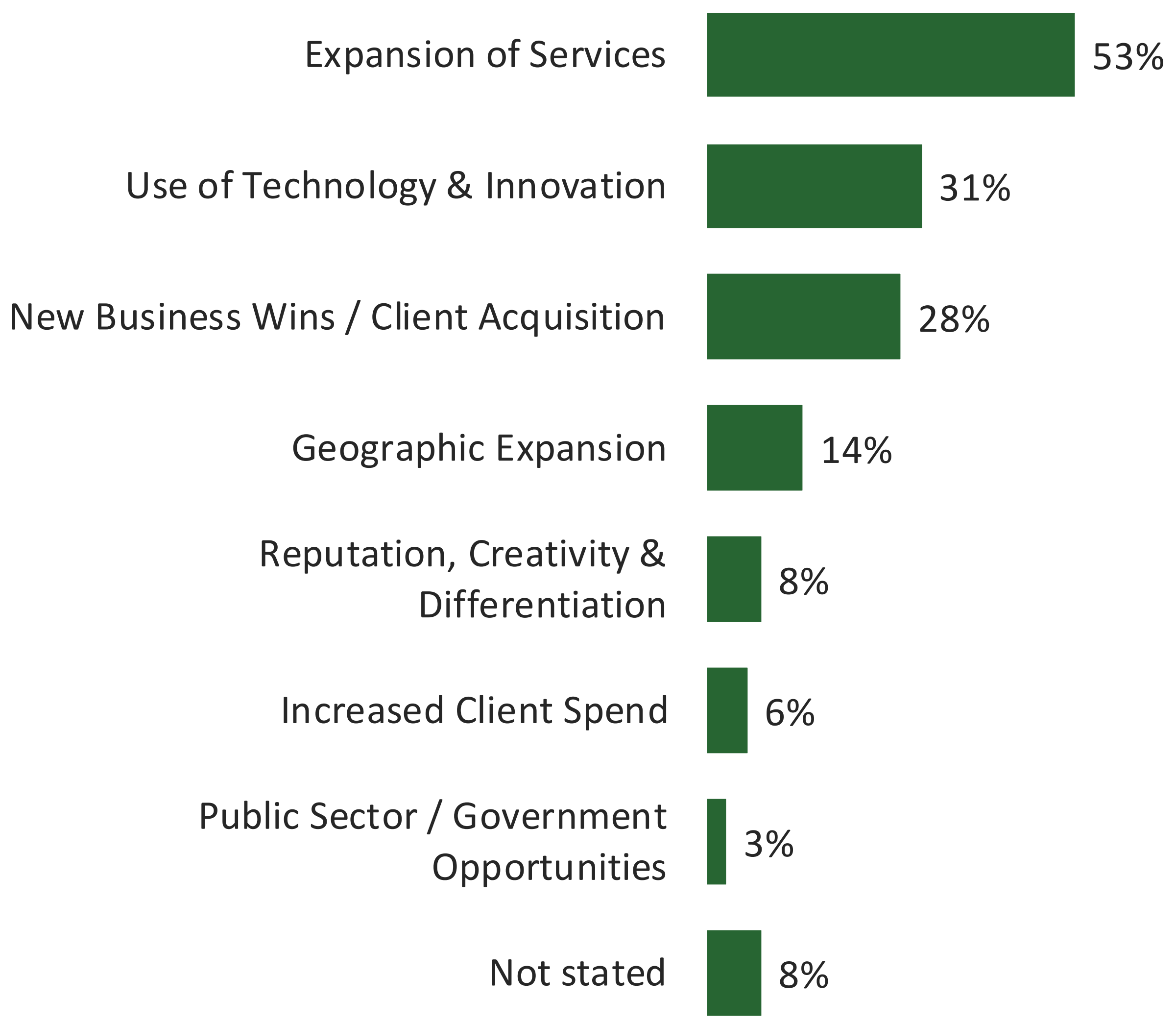
(Base: All respondents – 36)



Q5. Over the rest of the year, do you think each of the following will be better, the same or worse than the year so far?

Expanding services is the most widespread growth opportunity across agency types (53%). Technology & innovation (AI) is also important (31%), as are new business wins (28%).

(Base: All respondents – 36)

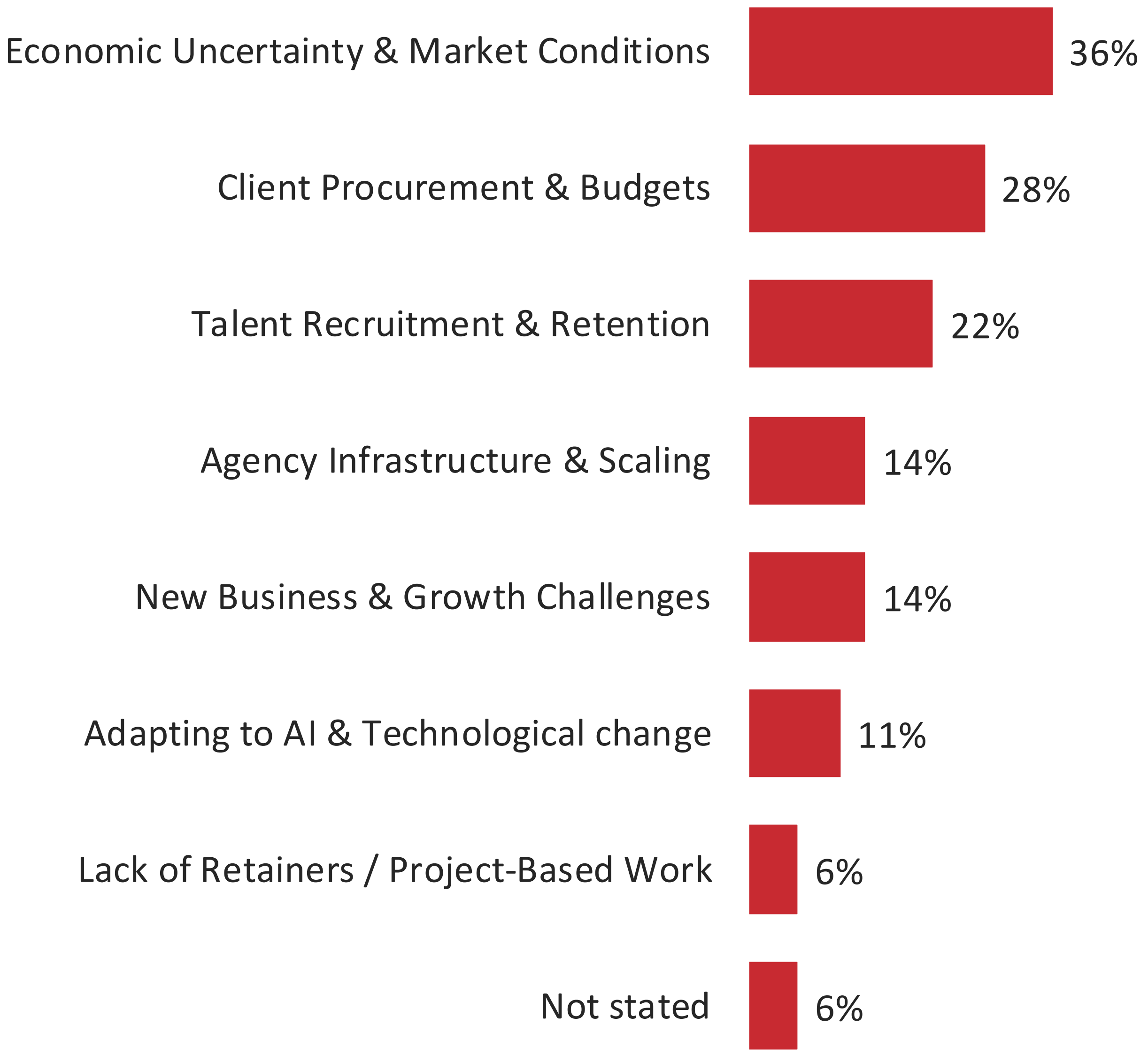


	AGENCY MAINLY			
	Creative	Media	PR	Other
N=	13	9	4	6
Expansion of Services	54%	44%	50%	67%
Use of Technology & Innovation	31%	22%	25%	50%
New Business Wins / Client Acquisition	31%	22%	75%	17%
Geographic Expansion	8%	0	25%	17%
Reputation, Creativity & Differentiation	23%	0	0	0
Increased Client Spend	0	11%	0	0
Public Sector / Government Opportunities	0	0	0	0
Not stated	8%	11%	0	0

Q6. What are the top 2-3 opportunities for your agency right now, especially those that make you optimistic about the future of your business?

Economic uncertainty is the most widely cited challenge (36%), followed by budget constraints and client procurement (28%) and talent acquisition and retention (22%).

(Base: All respondents – 36)



	AGENCY MAINLY			
	Creative	Media	PR	Other
N=	13	9	4	6
Economic Uncertainty & Market Conditions	23%	67%	50%	17%
Client Procurement & Budgets	46%	11%	0	17%
Talent Recruitment & Retention	31%	22%	0	17%
Agency Infrastructure & Scaling	23%	11%	0	17%
New Business & Growth Challenges	0	0	50%	50%
Adapting to AI & Technological change	15%	0	25%	17%
Lack of Retainers / Project-Based Work	15%	0	0	0
Not stated	0	11%	0	0

Q7. In your own words, what is the biggest challenge facing your agency right now?

Conclusions

- Despite inflationary pressures, rising operational costs, and an ineffective regulatory environment results demonstrate a commercial resilience in the sector.
- The agency business model is highly exposed to shifts in economic and business trends and is a strong early indicator of economic outlook.
- The sector is not positive about the environment for business improving and is pessimistic about change in regulation and employer costs in the near term.
- Pathfinder will be issued quarterly and providing a longer-term trend indicator for business and government stakeholders.

IAPI is the largest business representative organisation for the commercial creative and communications industry in Ireland. Our members deliver professional services which drive growth and improve strategic outcome to business, government, agencies and not for profits.

Iapi lobbies and influences government and key stakeholders to create the conditions for our industry to thrive. We also deliver a programme of initiatives, events and research to engage and support our members.

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