Pathfinder

CEO Pulse Survey

Q4 2025

Background and Objectives

- Iapi is the business representative organisation for the advertising and communications industry in Ireland.

- The primary objective of the survey is to assess both current and anticipated business conditions affecting Iapi's member companies, from the perspective of their Chief Executive Officers (CEOs).

- The survey, carried out by Amárach, was conducted in November and is the second wave in 2025.

- The insights gathered will build a robust dataset that serves as a long-term indicator of trends and shifts over time. It enables Iapi engage and inform Government on key issues for the industry; Align with other industry sectors on issues in common; draw on international sectoral comparisons.

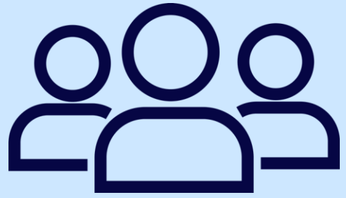
Methodology

Methodology

Online survey of CEOs from Iapi's membership. Questionnaire designed in collaboration with Iapi.

Sample Definition

CEOs from Iapi membership.



Fieldwork dates

30/10/2025 – 17/11/2025.

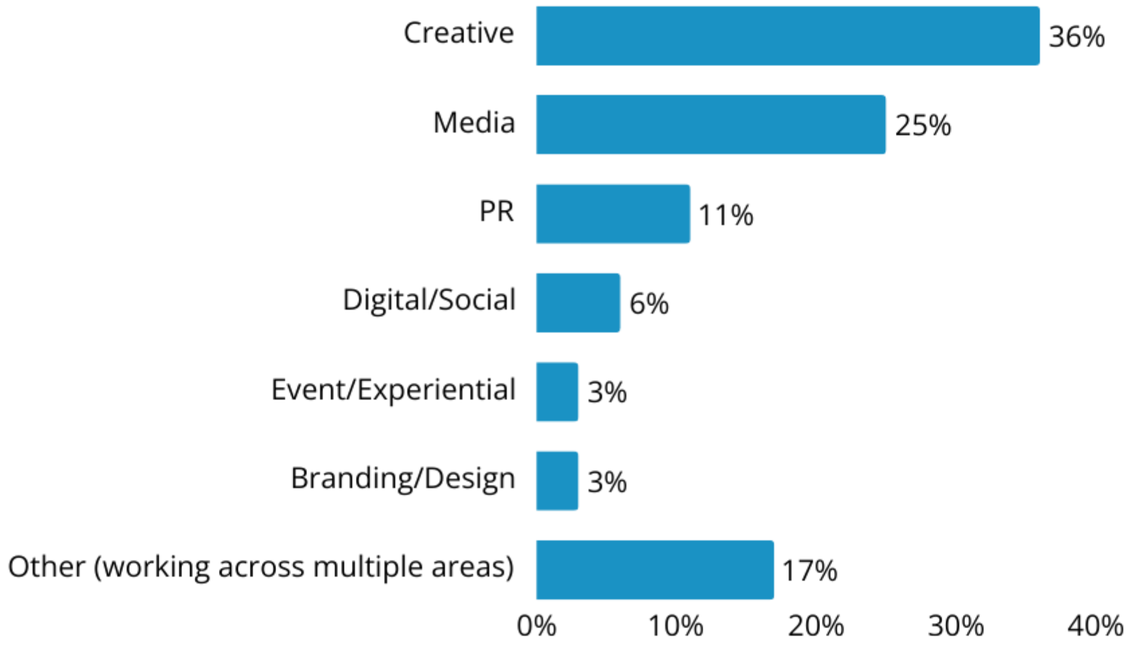
Sample Size

Over 50% of Iapi Member CEOs took part in the research from across the industry.

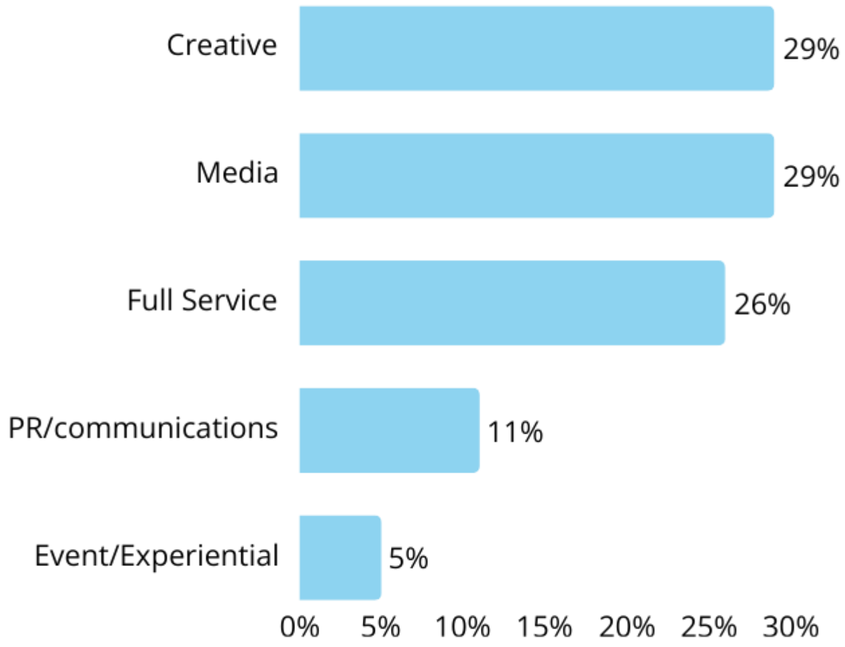
Respondent Profile

(Base: All respondents)

May 2025
Pathfinder Pulse Survey
N=36



November 2025
Pathfinder Pulse Survey
N=38



Q8. Is your agency mainly?

Executive Summary

- **Spending Trends in the Advertising and Communications Industry:** Overall client spend remains polarised, with gains and losses balancing to a slight decline (-3%). Members in the media category report net positive growth, Creative members report a decline and Full Service members remain the same.

- **Outlook for Next Year:** CEOs are broadly optimistic about 2026, with three times more expecting increases than decreases in client spend. Members in the media category lead optimism (+46%), while Creative (+28%) and Full Service (+30%) predicting strong, if slightly more conservative growth.

- **Forecast for 2026:** Net client spend is projected to rise by +19%, driven by Media (+36%), while Creative remains level. The market sentiment index stands at 68, signaling confidence in spending trends.

- **Key Growth Opportunities:** Strongest positive outlooks are for new business acquisition (+39%) and profitability (+26%). Concerns remain around cost of doing business (-58%) and regulatory compliance (-37%).

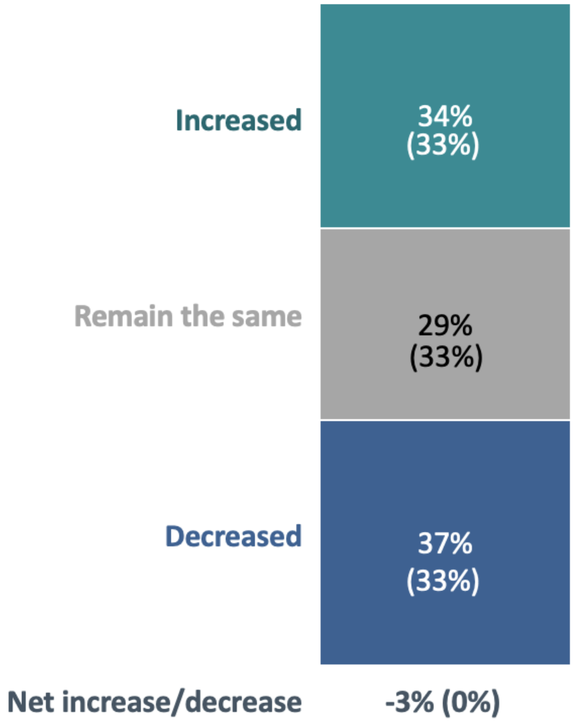
- **Confidence Gap:** Members continue to show higher confidence in their own businesses versus the broader advertising and communications industry (Spending Index vs. sector outlook: -16%).

- **Government Regulation:** Two-thirds (66%) of members see no significant impact from government policies. However, negative sentiment (32%) outweighs positive (3%), indicating notable dissatisfaction among a minority.

MAIN FINDINGS

Client spending remains polarised, with gains and losses balancing out to a -3% change. Media agencies saw a net positive change in client spend, whereas creative experienced a decline.

(Base: All respondents – 38)



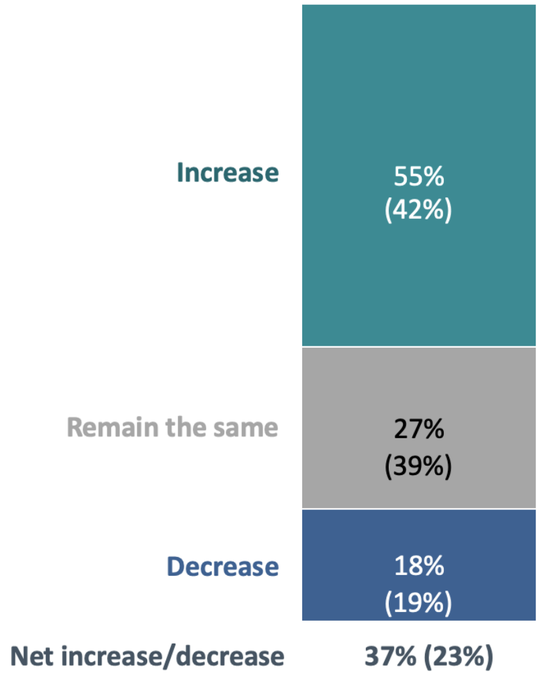
	AGENCY MAINLY		
	Creative	Media	Full Service
N=	*11*	*11*	*10*
Increased	18%	45%	40%
Remain the same	45%	36%	20%
Decreased	36%	18%	40%
Summary			
Net Increase/Decrease	-18%	27%	0%

() = Wave 1 May 2025

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?

Overall, the industry is optimistic about next year, with three times as many expecting an increase in client spending. Respondents in the media business show the highest net optimism (+46%), with Creative (+28%) and Full Service (+30%) business still indicating positive growth.

(Base: All respondents – 38)

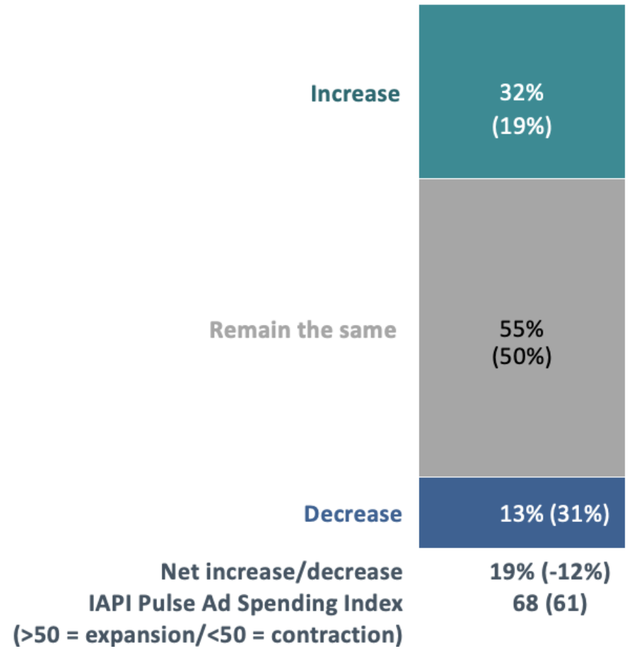


	AGENCY MAINLY		
	Creative	Media	Full Service
N=	*11*	*11*	*10*
Increased	55%	64%	50%
Remain the same	18%	18%	30%
Decreased	27%	18%	20%
Summary			
Net Increase/Decrease	28%	46%	30%

() = Wave 1 May 2025. Note change in question wording
Nov '25: Q2. Thinking about next year, do you expect clients' spending (current plus new) with your agency to increase, decrease or remain the same compared to this year?
May '25: 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?

Compared to 2025, the overall outlook for 2026 is positive. Net spending is expected to rise by +19%, led by Media (+36%). Overall market sentiment is positive and growing since May, (index of 68) signaling an optimistic outlook on client spending.

(Base: All respondents – 38)



	AGENCY MAINLY		
	Creative	Media	Full Service
N=	*11*	*11*	*10*
Increased	18%	45%	40%
Remain the same	64%	45%	40%
Decreased	18%	9%	20%
Summary			
Net Increase/Decrease	0%	36%	20%

() = Wave 1 May 2025. Note change in question wording
Nov '25: Q3. Looking ahead to next year, 2026, do you expect your clients' total spending on marketing (whether with you or other agencies) to increase, decrease or remain the same compared to this year?
May '25: 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 will clients spend more in 2026?

(BASE : Expect clients' total spending on marketing to increase/decrease in 2026)

Clients' spending will increase (n=12)

'Strong interest from clients in AI research tools and anticipate an increase in expenditure on innovation.'

'Spend on advertising and communications professional services, however great value is being sought. Increased exploration of new areas of advertising and looking at markets such as UK, Europe as well as USA.'

Increases we will see will be on Influencer content creators; tactical promotions; digital audio; sponsorship; performance.'

'Main increase in spend will be on sport activations and fan experiences.'

Q4a. Where will clients spend more in 2026 than this year (say, by media category, or non-advertising activities if relevant)?

Where will clients spend less in 2026?

(BASE : Expect clients' total spending on marketing to increase/decrease in 2026)

Clients' spending will decrease (n=5)

'I envisage less spend on agency fees for creation and development of new work. Less spend on agency fees for strategic work.'

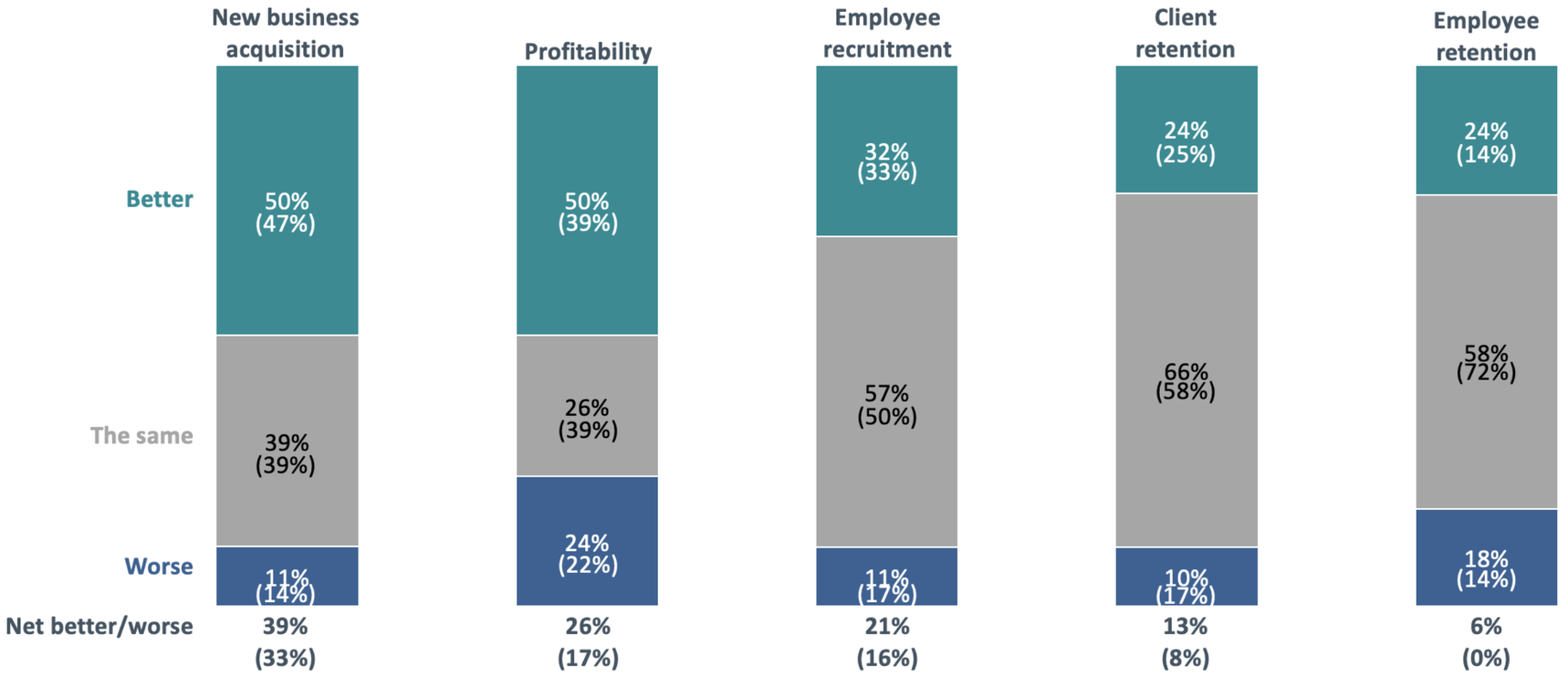
'Clients in-housing some activities such as resizing and dispatch of Out of Home formats.'

'Less in traditional media and slightly more in digital media. Overall, less spend.'

Q4b. Where will clients spend less in 2026 than this year (say, by media category, or non-advertising activities if relevant)?

IAPI member expectations for 2026 show the strongest net positive sentiment around new business acquisition (+39%) and profitability (+26%). The most negative sentiment is directed toward the cost of doing business (-58%) and the regulatory compliance burden (-37%).

(Base: All respondents – 38)



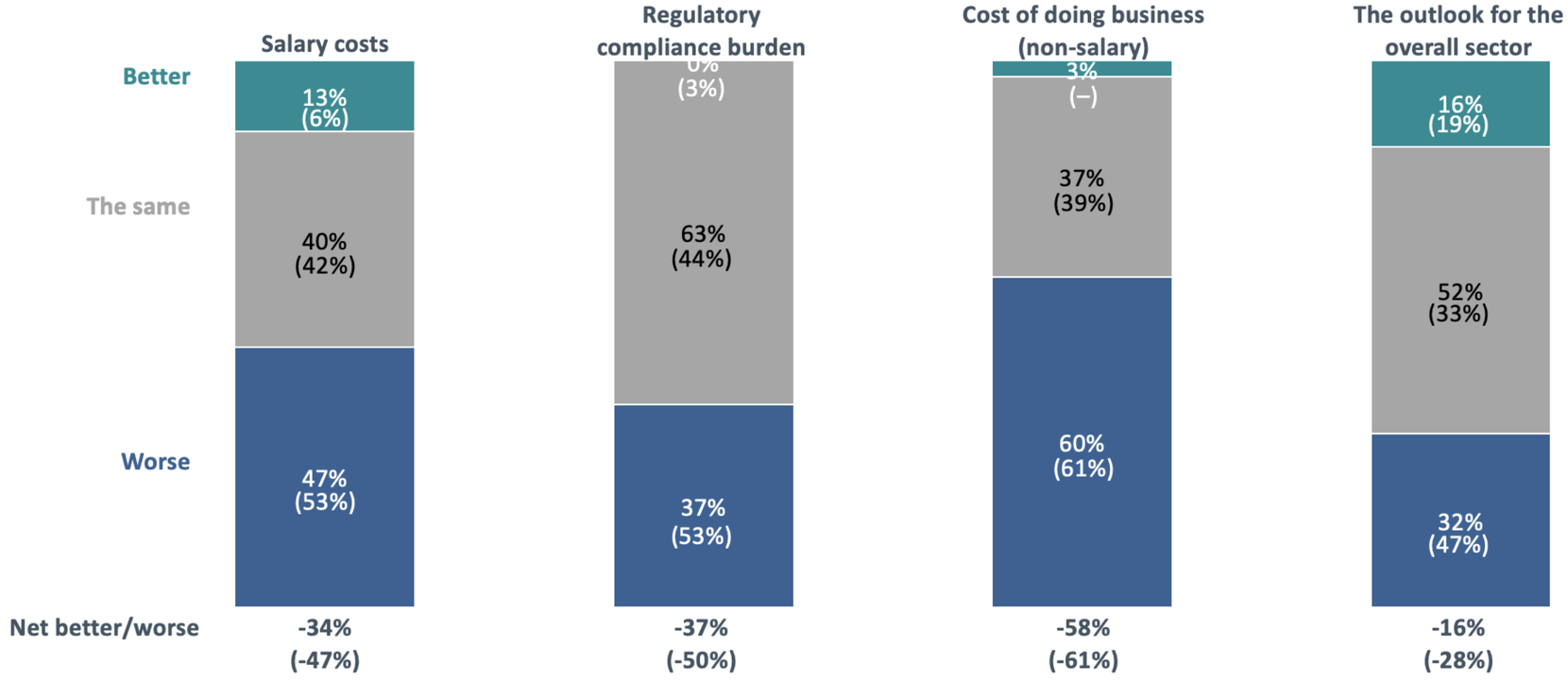
() = Wave 1 May 2025. Note change in question wording

Nov '25: Q3. Looking ahead to next year, 2026, do you expect your clients' total spending on marketing (whether with you or other agencies) to increase, decrease or remain the same compared to this year?

May '25: 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?

There is a disconnect between members' expectations for their own businesses (Spending Index) and their outlook on the broader sector (-16%). Self-confidence among members tends to be higher than confidence in the industry overall.

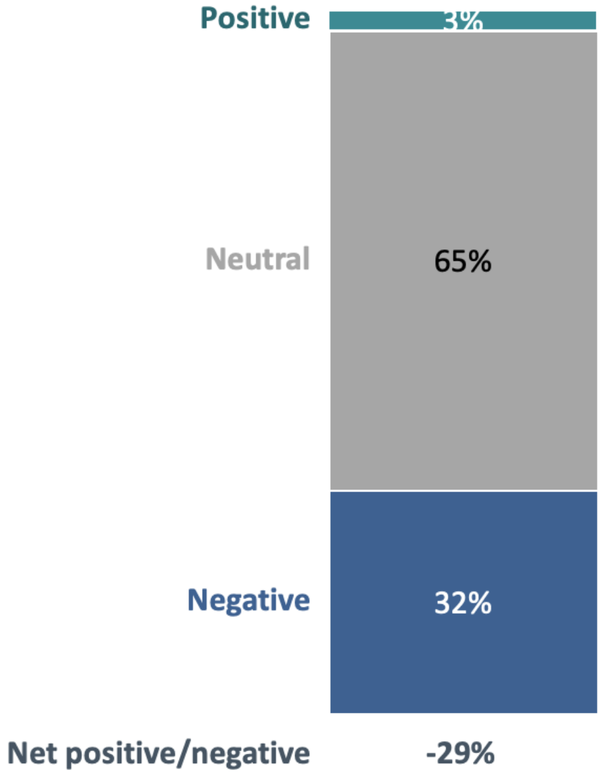
(Base: All respondents – 38)



() = Wave 1 May 2025. Note change in question wording
Nov '25: Q5. Looking ahead to 2026, do you think each of the following will be better, the same or worse than this year?
May '25: 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?

Two-thirds (66%) of members say government policies have no significant impact on their business. However, negative sentiment (32%) is higher than positive (3%), indicating dissatisfaction among a substantial minority.

(Base: All respondents – 38)



	AGENCY MAINLY		
	Creative	Media	Full Service
N=	*11*	*11*	*10*
Positive	-	9%	-
Neutral	73%	55%	60%
Negative	27%	36%	40%
Summary			
Net positive/negative	-27%	-27%	-40%

Q6a. On balance, are current government policies having a positive, negative or neutral impact on your business?

Why government policy is impacting negatively on business.

(BASE : Current government policies having a negative impact on business - 12)

'GenAI has made copyright law redundant hundreds of years of copyright law. The Irish Government and EU have been asleep to this impact and are attempting regulation when it is too late.'

'Film and VFX industries receive a 40% boost in tax breaks while the other commercial creative industries are excluded should be addressed.'

'Pension auto enrolment is going to be a big burden on small businesses that are already challenge by layering of employer costs.'

'Public sector tendering process is one-dimensional and does not allow for progressive commercial arrangements.'

'Visa restrictions have changed salary qualification levels, creating problems for entry-level positions and reducing diversity.'

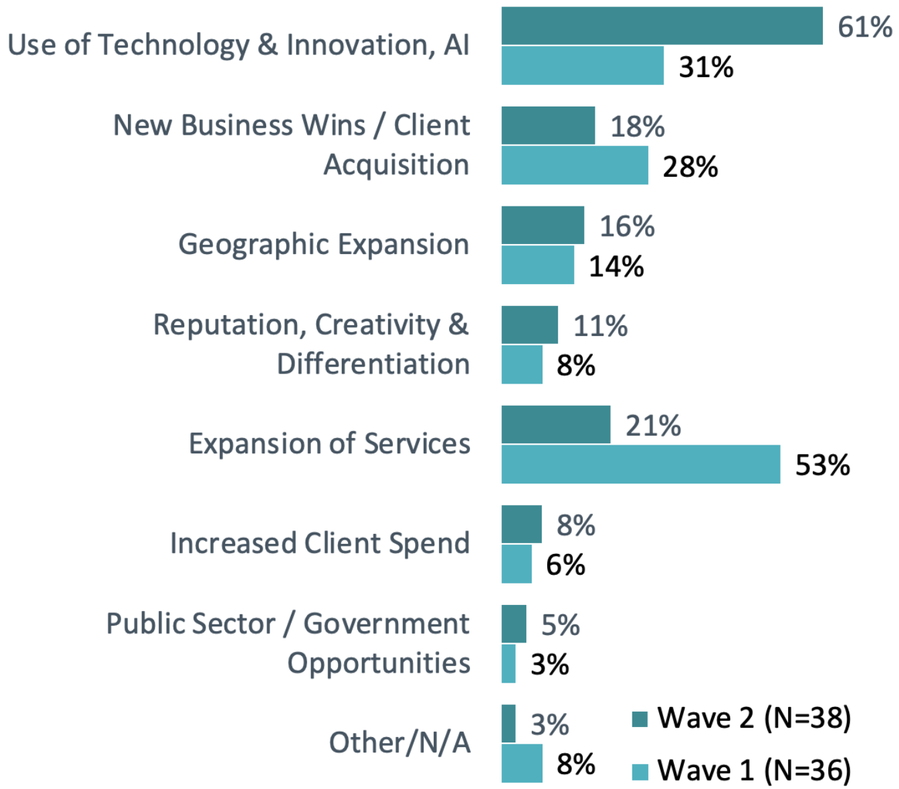
'Heavy regulation of certain consumer brands including alcohol make it harder for brands.'

'The Official Languages Act has been a huge cost to clients now impacting budgets. There was no consultation with the industry on this not was there a phasing in of the legislation.'

Q6b/Q6c.

Industry Opportunities

Technology & Innovation (AI) is the leading opportunity in sentiment (61%), up sharply from 31% in May 2025. This suggests the industry increasingly view tech adoption as the primary driver of growth and differentiation.



	AGENCY MAINLY		
	Creative	Media	Full Service
N=	*11*	*11*	*10*
Use of Technology & Innovation, AI	55%	64%	80%
New Business Wins / Client Acquisition	27%	27%	10%
Geographic Expansion	9%	0	20%
Reputation, Creativity & Differentiation	9%	9%	10%
Expansion of Services	18%	18%	30%
Increased Client Spend	0	9%	20%
Public Sector / Government Opportunities	0	0	10%
Other	9%	0	0

Q7. (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?

Top 2-3 Opportunities for the advertising and communications industry

(BASE : All respondents – 38)

'The rapid development and deployment of AI solutions, on client and industry side, to improve productivity and the quality and effectiveness of creative and performance product.'

'The competitive advantage human creativity can deliver for brands… AI will take away the admin burden and give the industry time to create brilliant work that is really effective.'

'Cross-selling of digital skill sets, expansion into new markets, maximising current skillsets and creating new revenue streams..'

'More upstream strategic work and the ability to offer more services to clients.'

'Global work led from Dublin.'

'Efficiencies and possibilities of AI.'

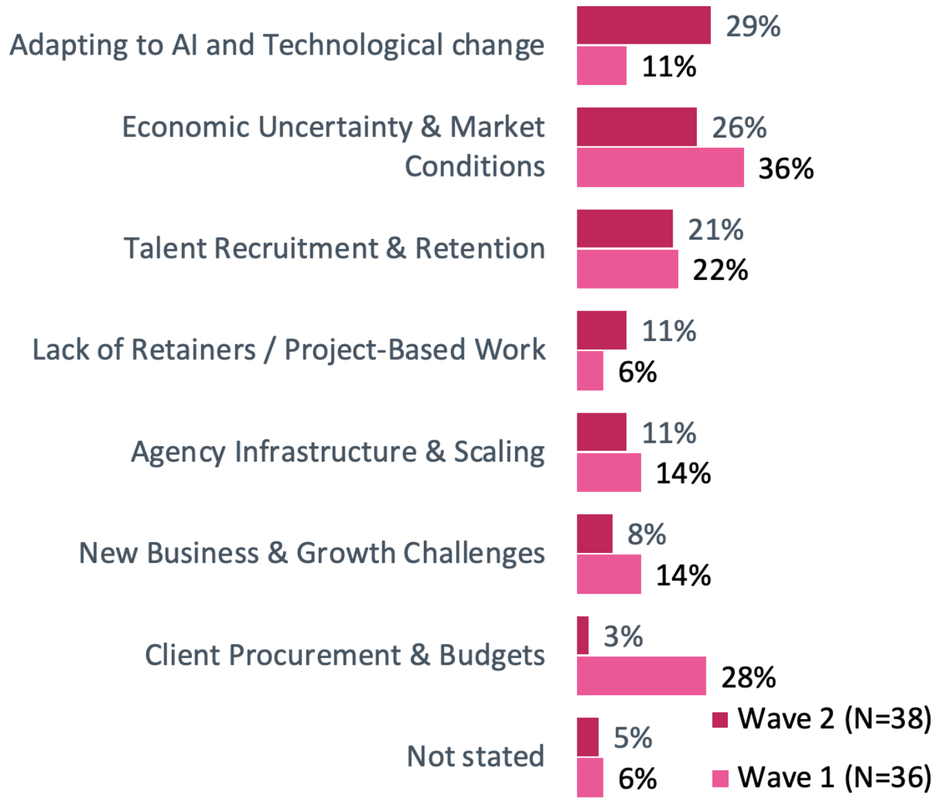
'Invest in people, tech and data to improve margins.'

'Growth overseas.'

Q7. What are the top 2-3 opportunities for your agency right now, especially those that make you optimistic about the future of your business?

Industry Challenges

Adaption of AI and technological change has risen to 29% since May 2025 (up from 11%), making it the top challenge for members. Economic uncertainty & market conditions remain a concern, though down since the results in May 2025.



	AGENCY MAINLY		
	Creative	Media	Full Service
N=	*11*	*11*	*10*
Adapting to AI and Technological change	27%	27%	50%
Economic Uncertainty & Market Conditions	27%	9%	30%
Talent Recruitment & Retention	36%	18%	10%
Lack of Retainers / Project-Based Work	0	9%	10%
Agency Infrastructure & Scaling	0	18%	20%
New Business & Growth Challenges	18%	9%	0
Client Procurement & Budgets	0	9%	0
Not stated	9%	9%	0

Q8. (Q7) In your own words, what is the biggest challenge facing your agency right now?

Top 2-3 challenges for members right now.

(BASE : All respondents – 38)

'The lack of certainty from clients about spend next year, no sight of new pitches coming down the line, coupled with auto-enrolment pension scheme is really causing a lot of worry.'

'Staff motivation in a difficult environment. The agency model is changing, and we need to keep staff excited and engaged.'

'Budgets are tightening, cost pressures are rising, and tech transformation is accelerating. All blurring the value of what agencies truly bring.'

'AI is both the biggest opportunity and threat, streamlining creative and media processes where clients can opt to do parts of our valuable work cycle themselves.'

'The pitching model is outdated and anti-competitive—it transfers intellectual capital from agencies to clients uncompensated and drives down value.'

'Talent—the cost of and finding talent locally in Ireland. Our work is over 60% international, but we like to employ as many people as possible in our Irish office.'

Q8. In your own words, what is the biggest challenge facing your agency right now?

Conclusion

- **IAPI members are optimistic about 2026,** with strong expectations for increased client spending, new business acquisition, and profitability, despite a slight decline in current client spend (-3%).
- **A confidence gap persists:** CEOs remain more confident about their own agency's performance than the broader sector (Spending Index: 68 vs. sector outlook: -16%).
- **Key positive expectations:** New business acquisition (+39%) and profitability (+26%)
- **Key concerns:** Cost of doing business (-58%) and regulatory compliance burden (-37%)
- **Government policy impact:** Two-thirds (66%) of members report no significant effect, but negative sentiment (32%) outweighs positive (3%). Examples of negative impact cited by CEOs include extra costs (auto-enrolment, increases in minimum wage, Official Language Act), the tendering process and legislative burdens.
- **Market sentiment is improving:** Overall sentiment index at 68, indicating optimism for 2026 compared to 2025.

About us

Iapi is the business representative organisation for the advertising and communications industry in Ireland.

Our members create value by growing businesses and changing behaviours for better outcomes. Representing 90% of the Irish market and employing 80% of the sectors workforce, Iapi members range from small indigenous to large multinational businesses delivering professional strategic services to both the public and private sector.

Iapi provides a range of direct services to members; a stellar awards and events programme, training and development initiatives to empower industry leadership in addition to engaging with Government on key priorities.

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