



iapi

Winter Sentiment
Survey 2020



IAPI members optimistic despite the impact of the pandemic

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IAPI Industry Surveys

Given that the annual IAPI Industry Census focuses on previous years' performance, members felt that reporting on 2019 figures would bear little relevance given this years' trading environment due to the pandemic.

Instead, IAPI have conducted a number of industry surveys that provide more relevant insights into the overall performance of the media and commercial creativity sector this year.

1. IAPI Leaders Survey

Two pulse surveys were completed by 75% of agency leaders in June and again in October this year. Their purpose was to understand agency leader's views of their own business performance and that of the industry as a whole.

The findings show an optimistic, yet realistic, view within the industry with positivity shifting upwards over the past few months. In October, 76% of leaders stated they were optimistic about the future of the industry with nearly all (98%) stating that their agency would fully recover from the crisis.

There appears to be little doubt amongst leaders that their own agency will recover, however the perceived timeline for that recovery has shifted in line with the prolonged impact of the pandemic.

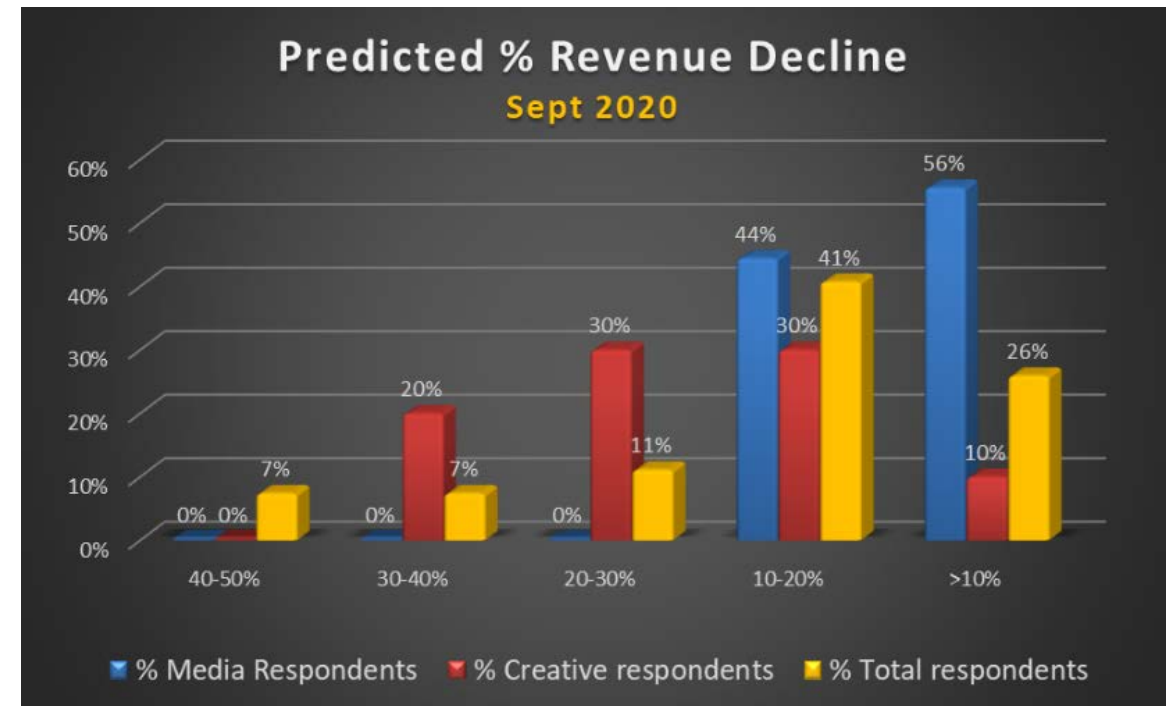
In June, 44% of leaders felt they would be back to 2019 revenue figures by at least the middle of 2021 compared to only 27% in October.

The 12% who believed that recovery would take until the end of 2022, has now increased to 33% of leaders seeing this as their recovery timeline.

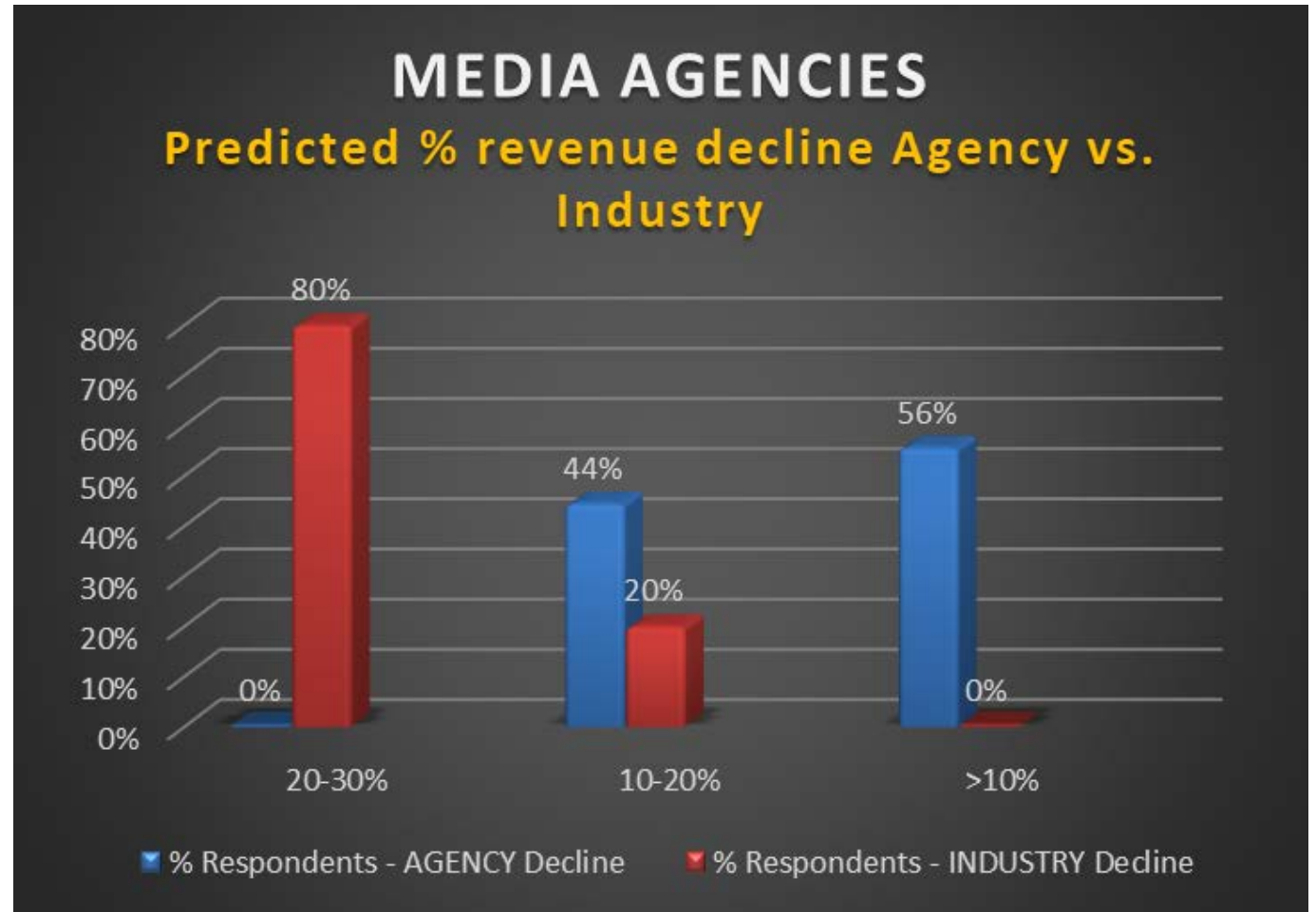
1.1 Revenue Predictions

It is promising to note that predictions in terms of revenue decline for this year have moved in the right direction over the past few months.

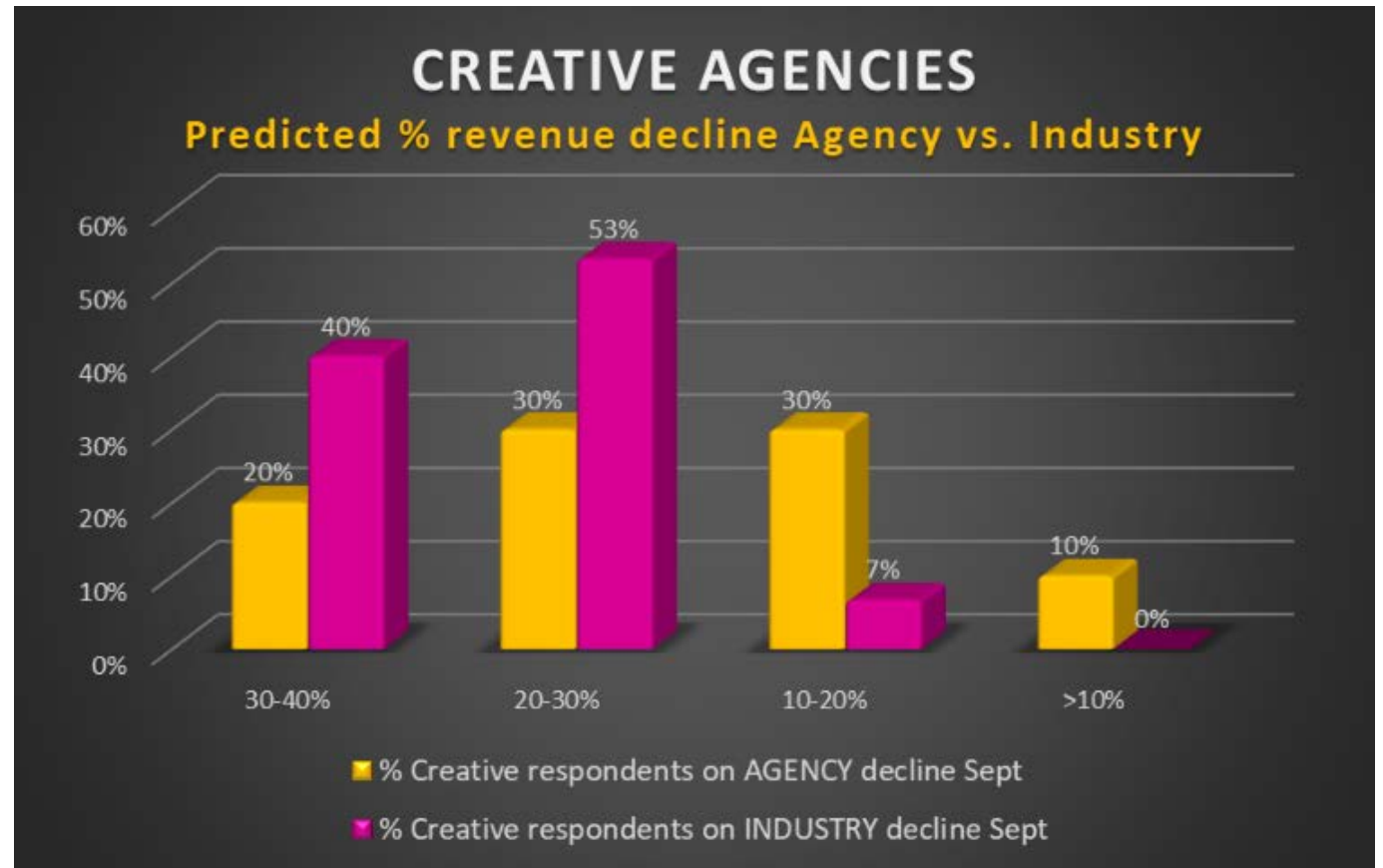
The current predictions place the average agency revenue decline at 15-18% compared to 25-30% in June.



Media agencies, having been the hardest hit in Q2, look set to recover well, with over half predicting a less than 10% decline in October's survey compared to two-thirds predicting 10-20% decline in June.



Creative agencies have also picked up since June when 83% predicted a decline in revenue of 20%+ for the year compared to October's survey when this prediction dropped to only 50% of creative agency respondents.



"I am in the privileged position of having oversight over the whole industry, so I take great comfort in the individual agency revenue predictions.

The commercial creativity and communications sector is very quick to self-criticise when in fact, they have been out-performing most other service industries during the pandemic.

Collating the individual agency predictions in this way will provide a confidence boost to our members and I would hope demonstrates the sustainability of our sector."

Charley Stoney, CEO, IAPI.

Understandably, the least optimistic agencies are those who provide Experiential and Event services who are predicting a fall in revenue of up to 60% this year.

Interestingly, the predications for the overall industry spend are less optimistic than the individual agency revenue predications which, particularly for media, reflects the move towards retainer fees, rather than the traditional commission structure.

While 80% of media agencies predict an industry spend decline of 20-30% this year, all media respondents state that their own agency revenues will decline by less than 20%.

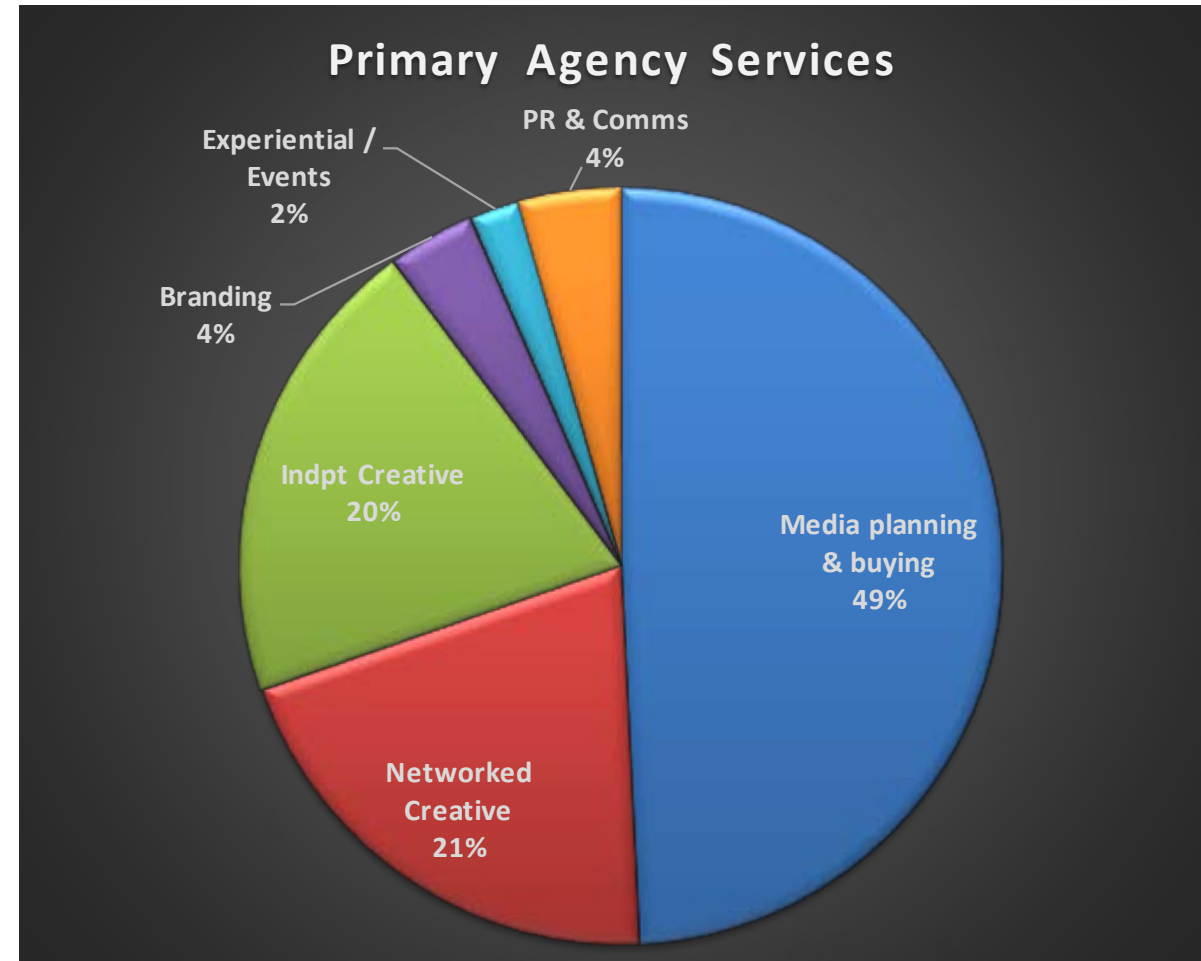
And nearly all (93%) of creative agencies predict an industry spend decline of 20-40%, but only half predict the same decline in their own agency.

2. Sentiment Survey findings

350 IAPI members from 42 agencies took part in an extensive Sentiment Survey between 12th – 22nd October 2020.

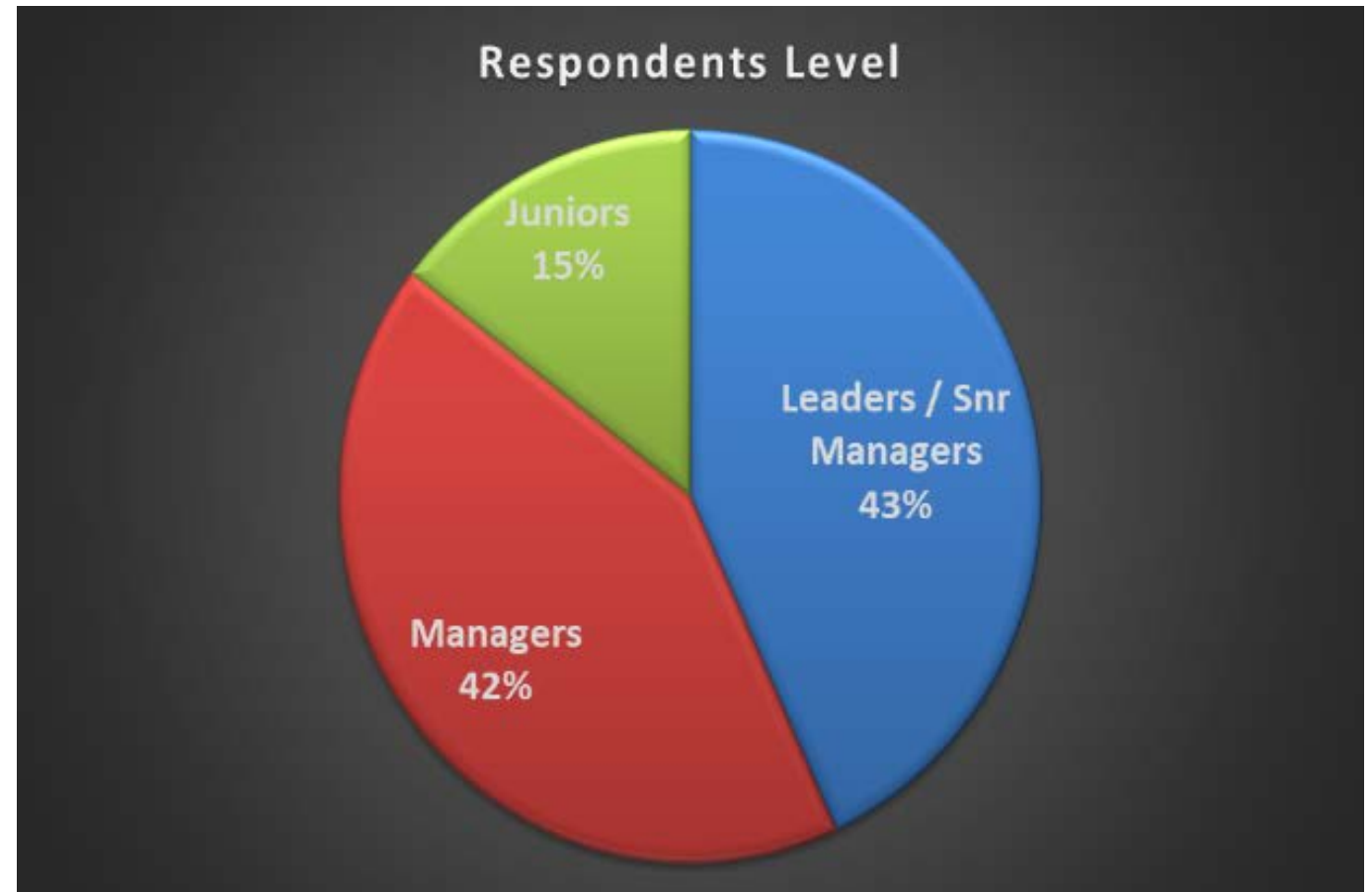
The profile of respondents proportionately reflected the different agency services that now form the IAPI membership.

This comprehensive survey aimed to determine how the overall agency personnel currently feel about the industry, the challenges of working remotely, the impact of the pandemic on their working life and their wellbeing.



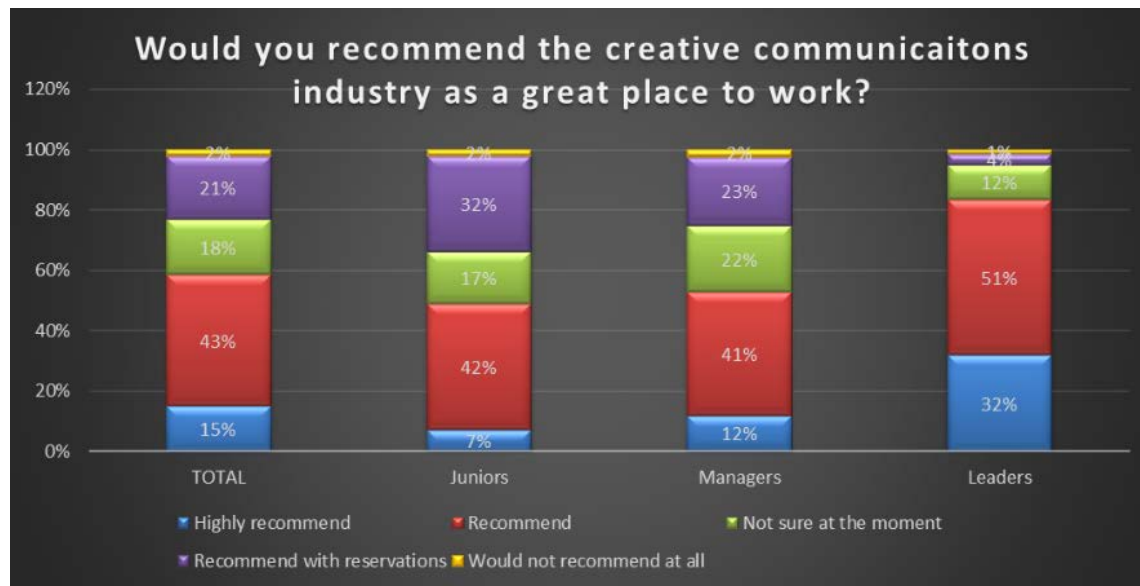
However, Juniors (starters and those with < two years' experience) were not as well represented as Managers (mid-to-senior level) and Leaders who, combined, made up 85% of respondents.

IAPi also took this opportunity to garner their views on diversity, climate change and the future.



2.1 Industry Sentiment

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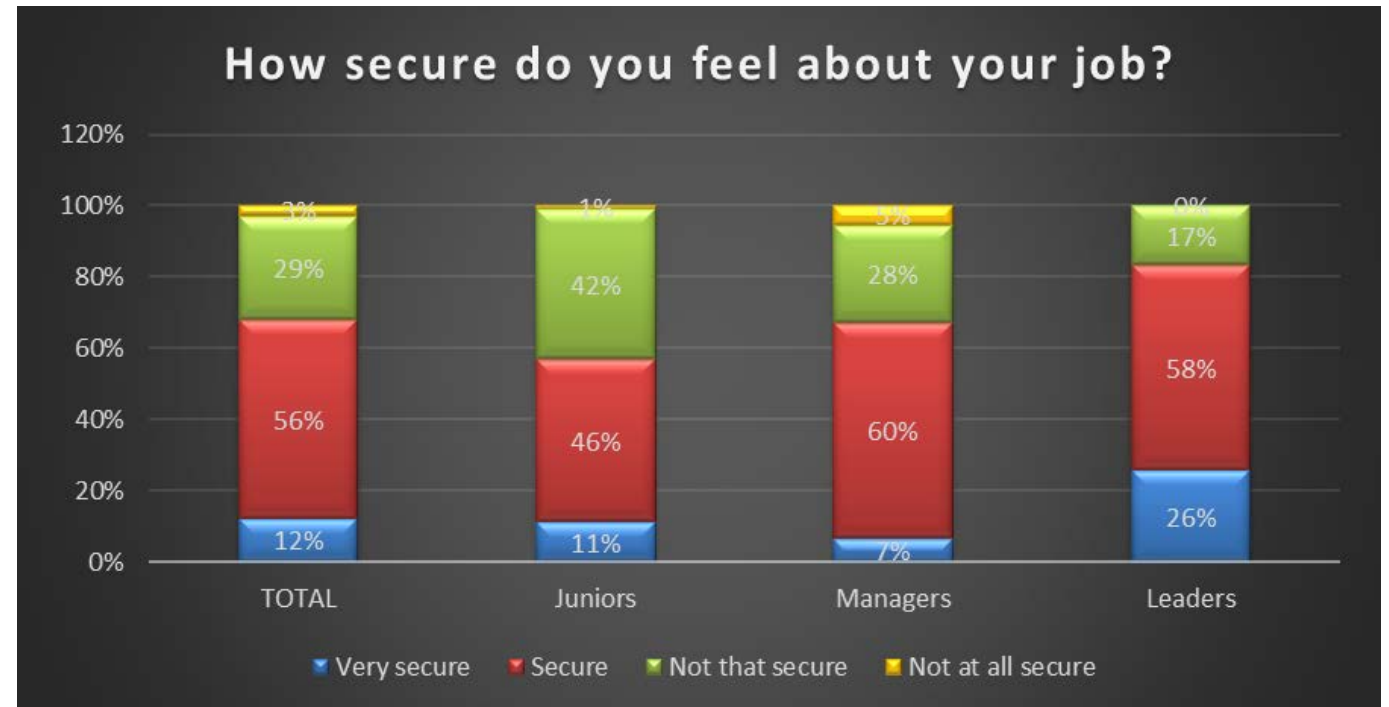


Over two-thirds of respondents are either proud or very proud to be working in the industry with juniors the least proud at 54% and leaders the most proud at 91%.

This positive view is also reflected by over half the respondents stating that they would recommend the industry as a great place to work.

Again however, a third of juniors stated they would recommend with reservations while 83% of leaders would recommend or highly recommend the industry.

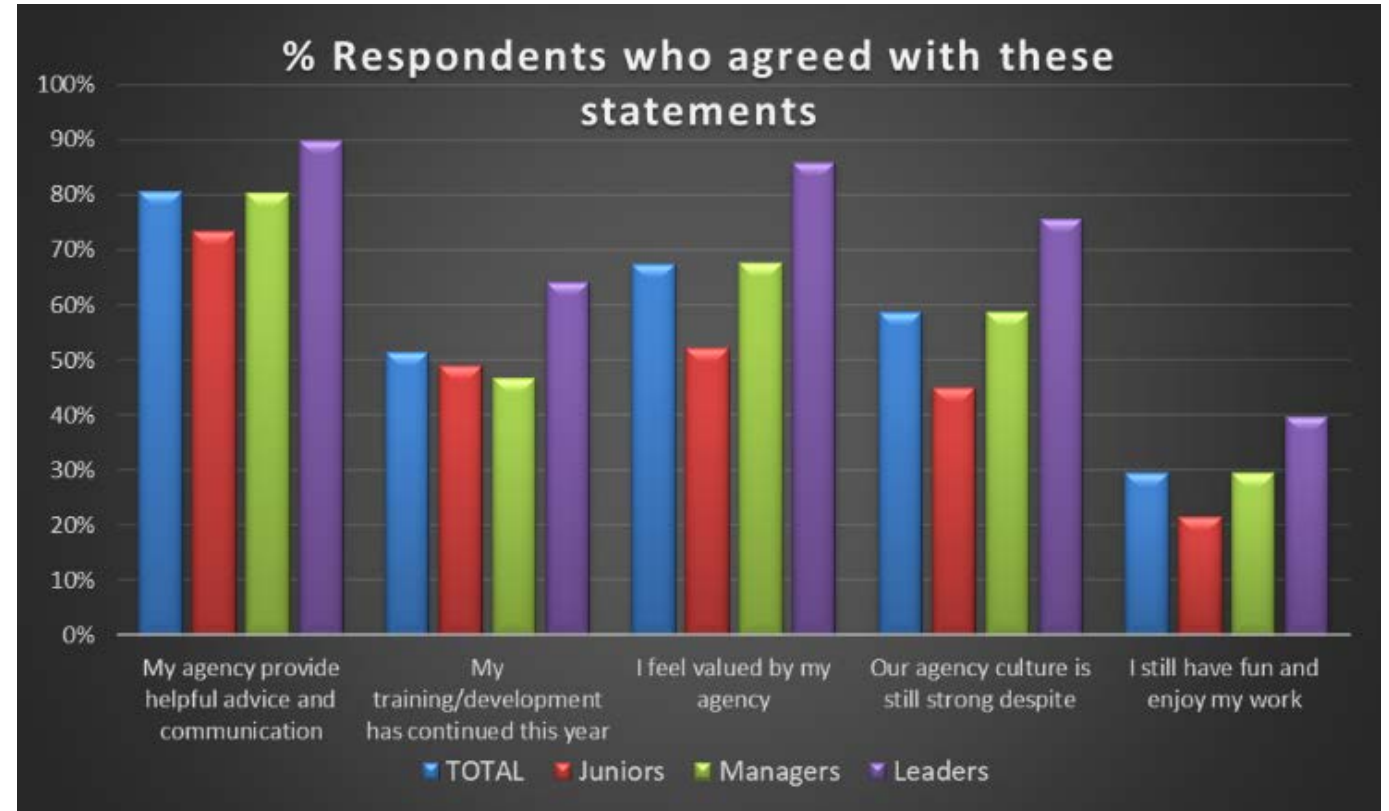
Job security is not as much of an issue as might be thought with 57% of juniors, 67% of managers and 84% of leaders feeling secure or very secure in their role.



There is general consensus from ALL respondents about the helpfulness of their agency's advice and communications and it is apparent that the industry has gone to huge efforts to keep their teams connected in innovative and creative ways.

As you would expect however, there is a difference of opinion between seniority levels regarding the strength of their agency culture now (45% of juniors agreeing that agency culture is still strong vs. 76% of leaders).

Again, 52% of juniors and 68% managers feel valued by their agency compared with 86% of leaders.



2.2

The personal and business impact of working remotely

With the vast majority (92%) working from home, one third of total respondents feel their experience of working has got worse; another one third feel the experience is better; and the remaining third feel it is the same as before.

Looking at the different levels though, nearly half of juniors feel it has got worse which is accounted for in the personal challenges of working remotely stated by juniors where 4 in 10, are concerned about their home environment not being suitable for work purposes.

In general, the personal challenges of working remotely are similar at all levels. Leaders (81%) are most concerned about being able to motivate teams remotely, whereas juniors (75%) are the most concerned about maintaining relationships with their work colleagues.

Again, the business challenges of working remotely are similar across levels although creating new business opportunities is of most concern for leaders.



Maintaining Agency Culture

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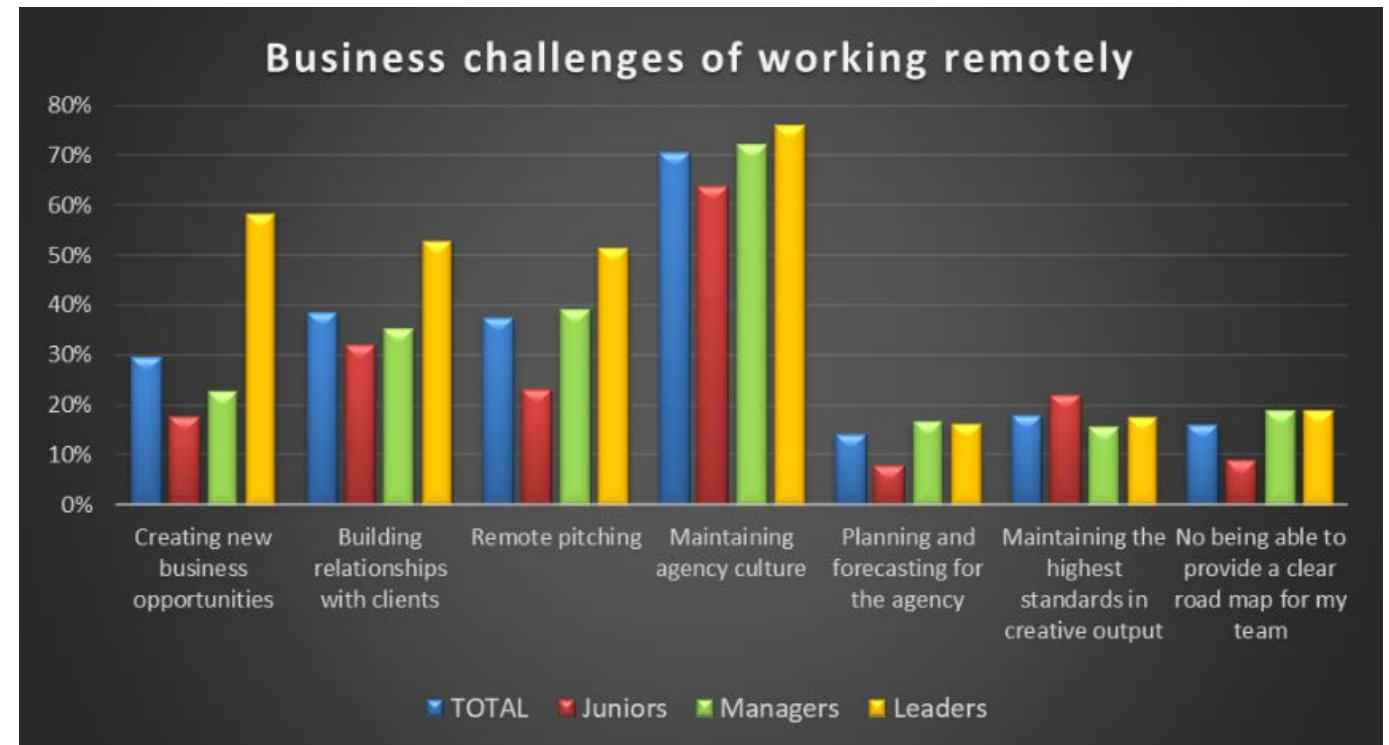
Maintaining agency culture is the most serious concern for everyone.

One of the key advantages the industry had, to date, over corporate or big tech organisations is the informal, creative and fun working environment which in attracting and retaining talent has proved invaluable.

IAPF members are very focused on this issue and during the latest round of IAPF leaders' conversations, best practice for innovative initiatives and communications were openly shared to help everyone maintain this advantage.

Most positive is the low level of respondents (18%) who see maintaining the highest standards in creative output as a business challenge. Meaning 82% of respondents believe we can be just as creative working from home.

This is borne out by the quality of creative work produced by the industry over the past few months to the extent that Irish creative campaigns produced during the pandemic have been receiving global acknowledgment and acclaim.



2.3 The impact of working remotely on attitude and outputs

When asked to assess improvements or otherwise compared to pre-Covid working, all respondents had similar views.

The intensity of work is slightly more pronounced with juniors with 60% agreeing with this statement and over half working longer hours. The tiring nature of video conferencing affects leaders the most with 75% of them agreeing with this statement vs. the average of 57%.

Comparisons to pre-pandemic working life

% who agree with these statements

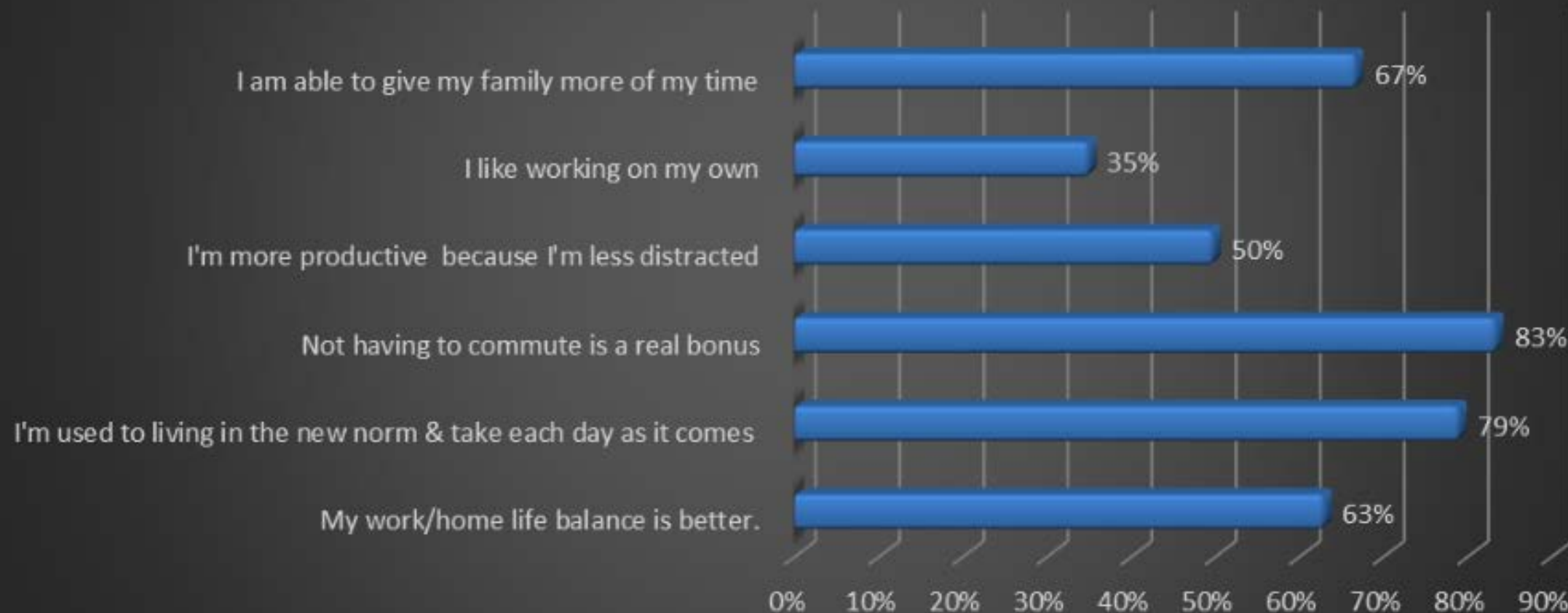


When it comes to comparing work/life balance, it seems to have improved marginally, particularly now that agency staff no longer have to commute. Managers and Leaders do fare better than juniors when it comes to overall work/life balance with less than half of juniors saying it has improved compared with 70% of both managers and leaders.

And again, when it comes to giving family more time, those in more senior roles (73%) who live with their immediate family agree with this statement vs. half of those in more junior roles who are perhaps more separated from family members.

Comparison to pre-pandemic work/life balance

% who agree with these statements



2.4 Wellbeing and Mental Health

There is some level of positivity around wellbeing, however, positivity levels decline at the more junior level with less than 1 in 5 agreeing that they still have fun and enjoy their work.

The importance of the IAPI/TABS smash EAP initiative is perceived as more valuable by managers (52%) and leaders (57%) than juniors (40%). The mental health challenges of young people working remotely have been well documented over the past few months so it is clear that the industry needs to do more work on the promotion of this easily accessible, confidential and free service for everyone in the industry.

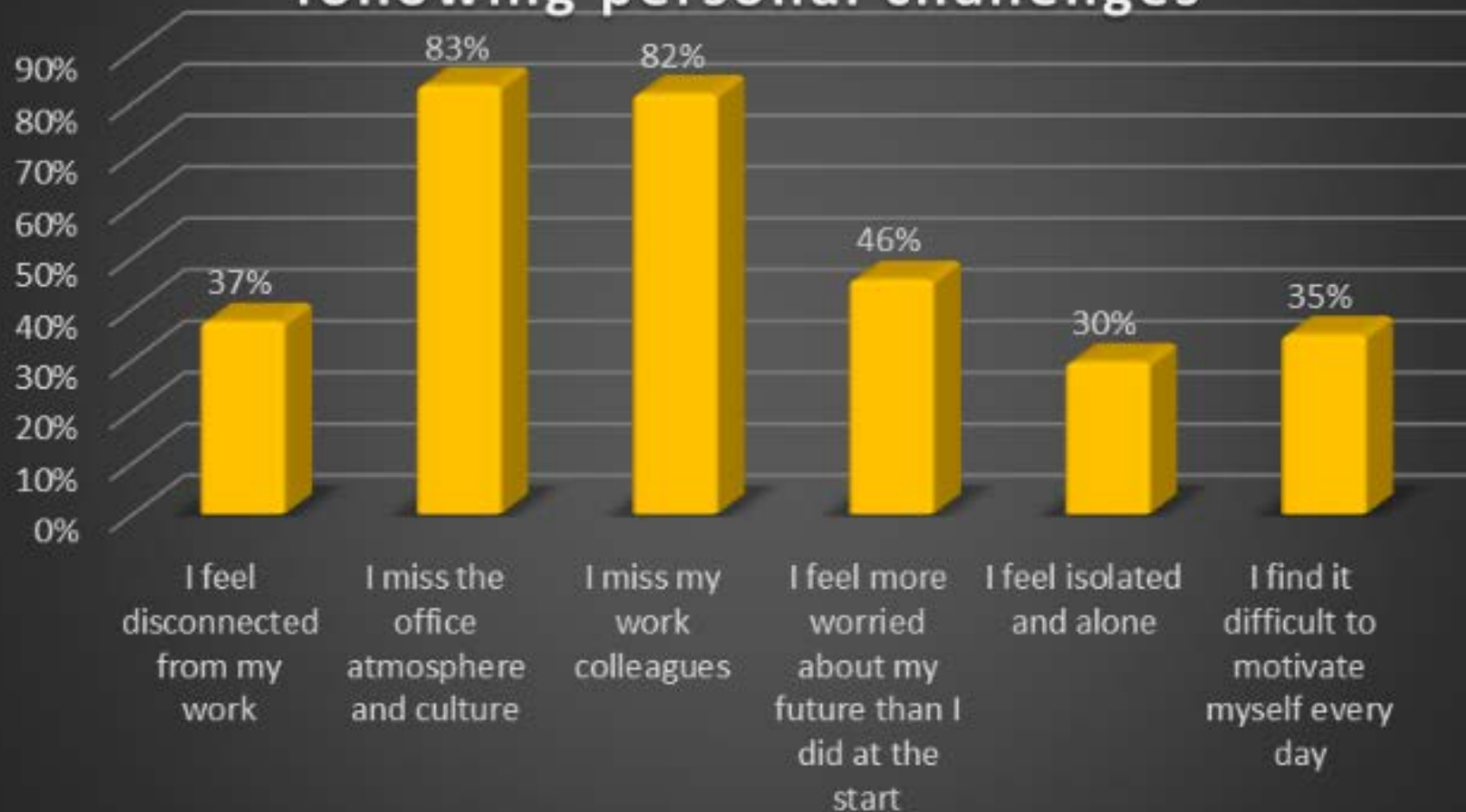
% of respondents who agree with positive statements about their wellbeing



It is evident that the majority miss their work colleagues and the office atmosphere and culture with over 80% of all levels agreeing with these statements.

Younger, junior members of the workforce feel the most disconnected (44%), feel the most isolated (45%) and are the most inclined to struggle with self-motivation (51%).

% of respondents who agree with the following personal challenges



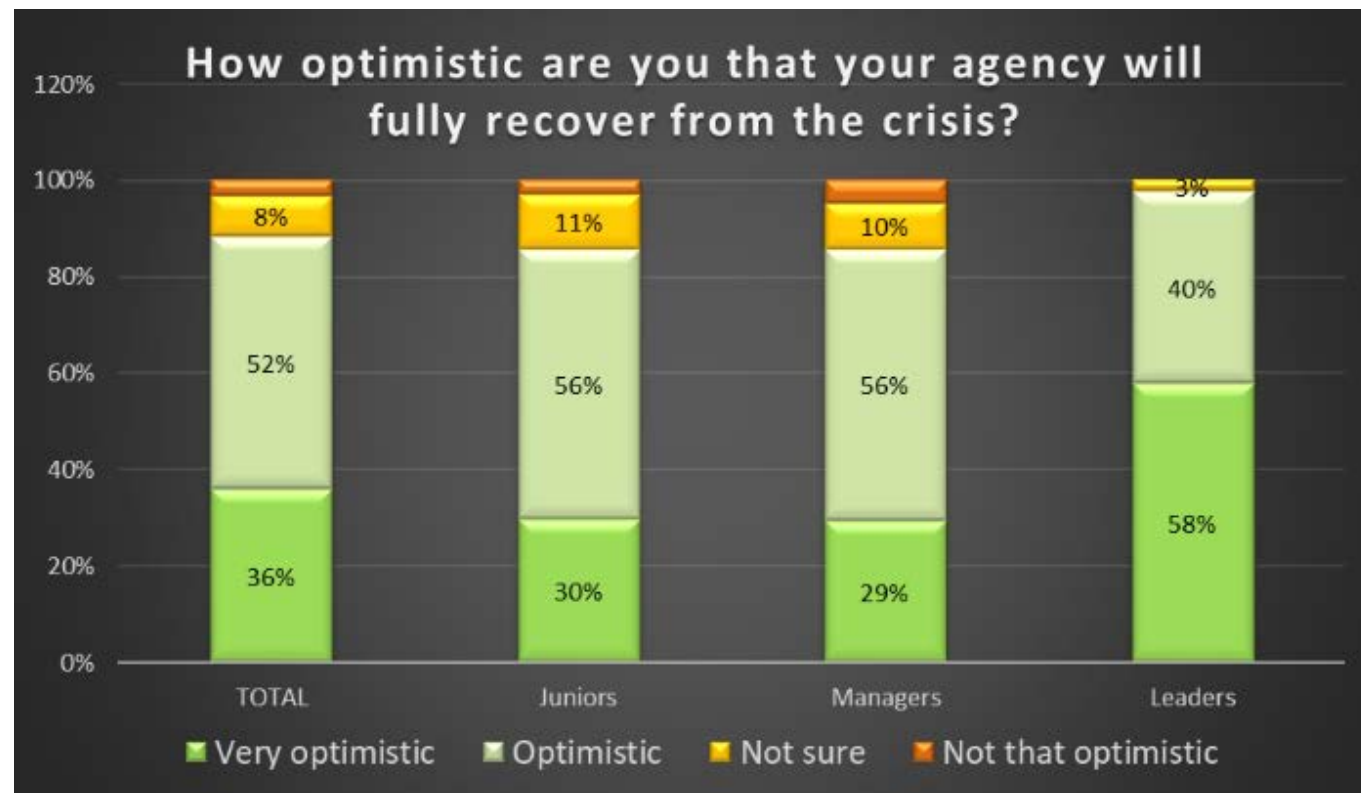
2.5 Future Optimism

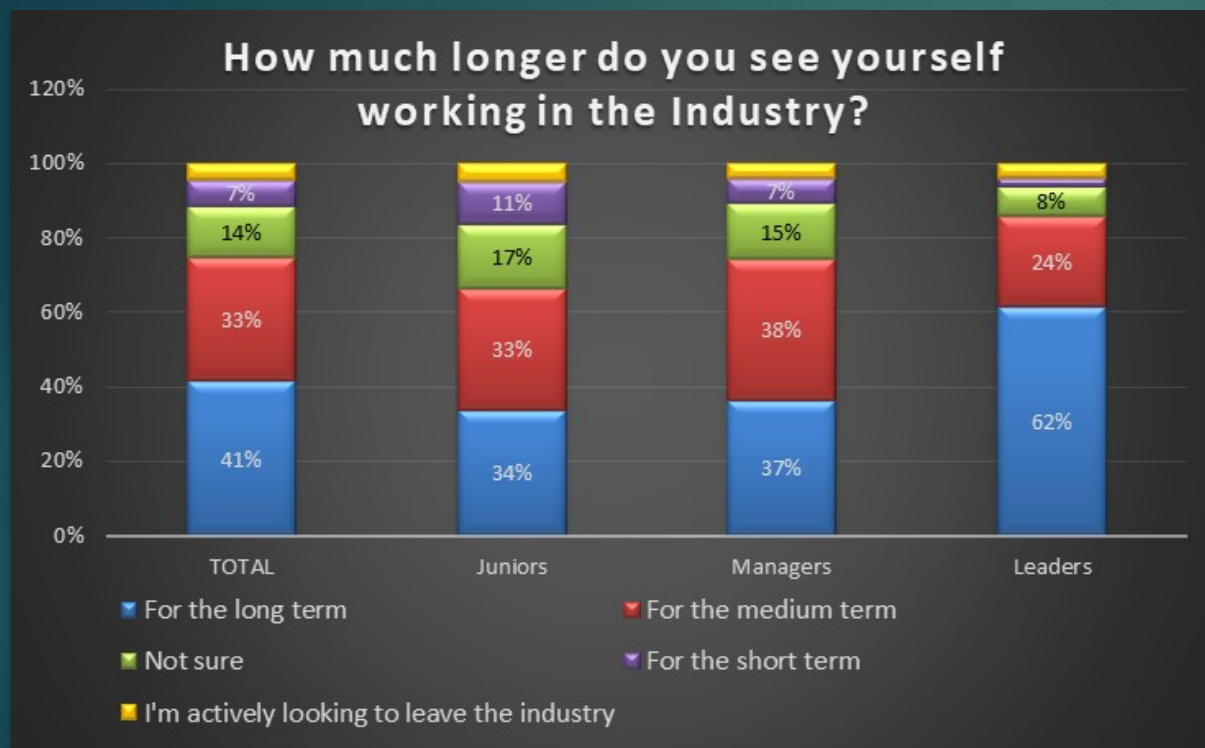
The respondents are positive about the future of the industry with nearly two-thirds feeling optimistic or very optimistic about the future of the advertising and commercial creativity sector.

Leaders are most optimistic about the future of the industry (76%) which is encouraging when it comes from the key decision makers.

When it comes to predictions for their own agencies, again, there is much more confidence reflecting the Leaders Survey findings in October.

Over half the leaders feel very optimistic about the future of their agency with 86% of juniors and managers feeling optimistic or very optimistic.





It is also encouraging that three-quarters of respondents (two-thirds of juniors) see themselves staying in the industry for the medium to long term, with only 4% actively looking elsewhere.

And finally, it is no surprise that 84% would prefer a mix of working from the home and the office in the future. Only 11% would prefer to work full-time from home.

2.6 Industry views on Diversity & Inclusion

IAPi have prioritised D&I over the past number of years increasing awareness of racism in Ireland, launching Female Futures Fund supported by Diageo and fielding a cross-agency initiative that includes over 20+ IAPi member agencies to support BeLonG To, the LGBTQ+ youth organisation.

The D&I element of the sentiment survey will be used as a benchmark to measure our success on planned initiatives over the next few years.

The overall view from respondents about various aspects of bias in Ireland shows that 1 in 5 believe the Irish are still negatively biased towards the LGBTQ+ community; one-third believe that the Irish are inherently racist and that the Irish still perceive employing people with disabilities as an inconvenience.

83% of respondents believe that IAPI has an important role to play in helping the industry become more inclusive and 86% believe that the commercial creativity sector has a role to play in helping the Irish accept diversity in all its forms.

There is a relatively positive view of the current D&I initiatives across the industry with 62% agreeing that we are moving in the right direction, but, 43% still believe we're not moving quickly enough and 70% stating that we need to move the conversation from diversity to active inclusion.

How much does D&I matter to you?

% of respondents who agreed with these statements



Working in a truly inclusive environment matters to the industry with 61% stating that this is an important factor in choosing where they work. This is more pronounced with the junior cohort at 67% of respondents.

Also significant is the desire to work with clients who are inclusive, with half of respondents happier to work with organisations that have a D&I policy in place.

Having worked hard, within the IAPI membership, at adjusting the gender balance over the past number of years, it is gratifying to note that 63% of respondents believe we are doing better on gender balance at a senior level. This is also borne out from the 2019 Industry Census which showed an increase from 37% to 43% of females in Executive Management roles.

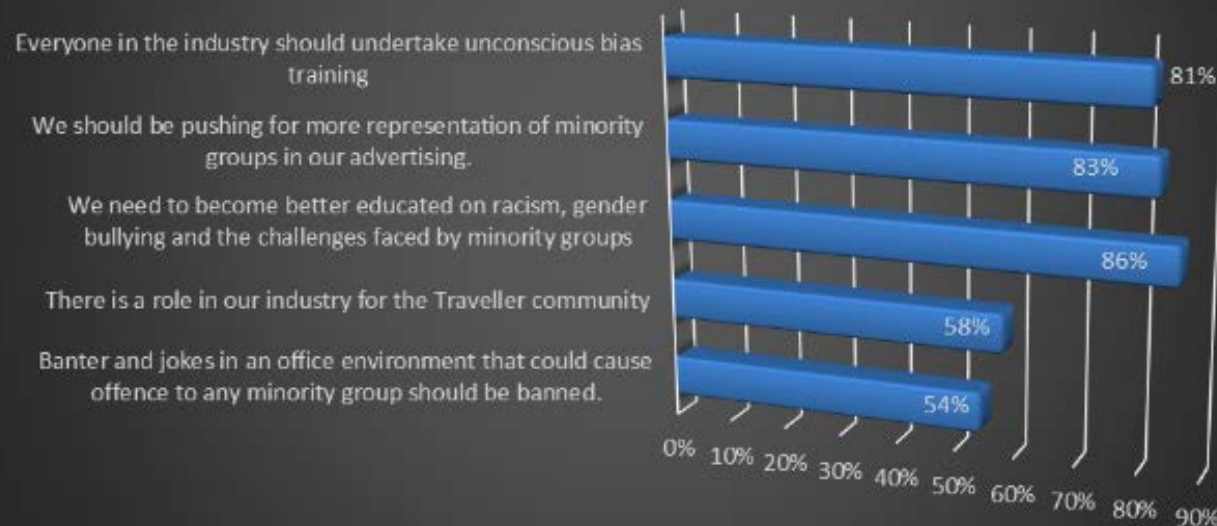
However, it is interesting that at Management level, (presumably those who are trying to break through into senior roles), are the least convinced with only 58% agreeing with this statement.



With an eye on how we can move things forward, there is general consensus on everyone undertaking unconscious bias training (81%); pushing for more representation of minority groups in advertising (83%); and becoming better educated on the challenges faced by all minority groups (86%).

Over half believe that banter in the office that causes offence should be banned. And finally, 58% believe that there is a role in our industry for members of the Traveller community.

HOW CAN WE CHANGE? % of respondents who agreed with these statements

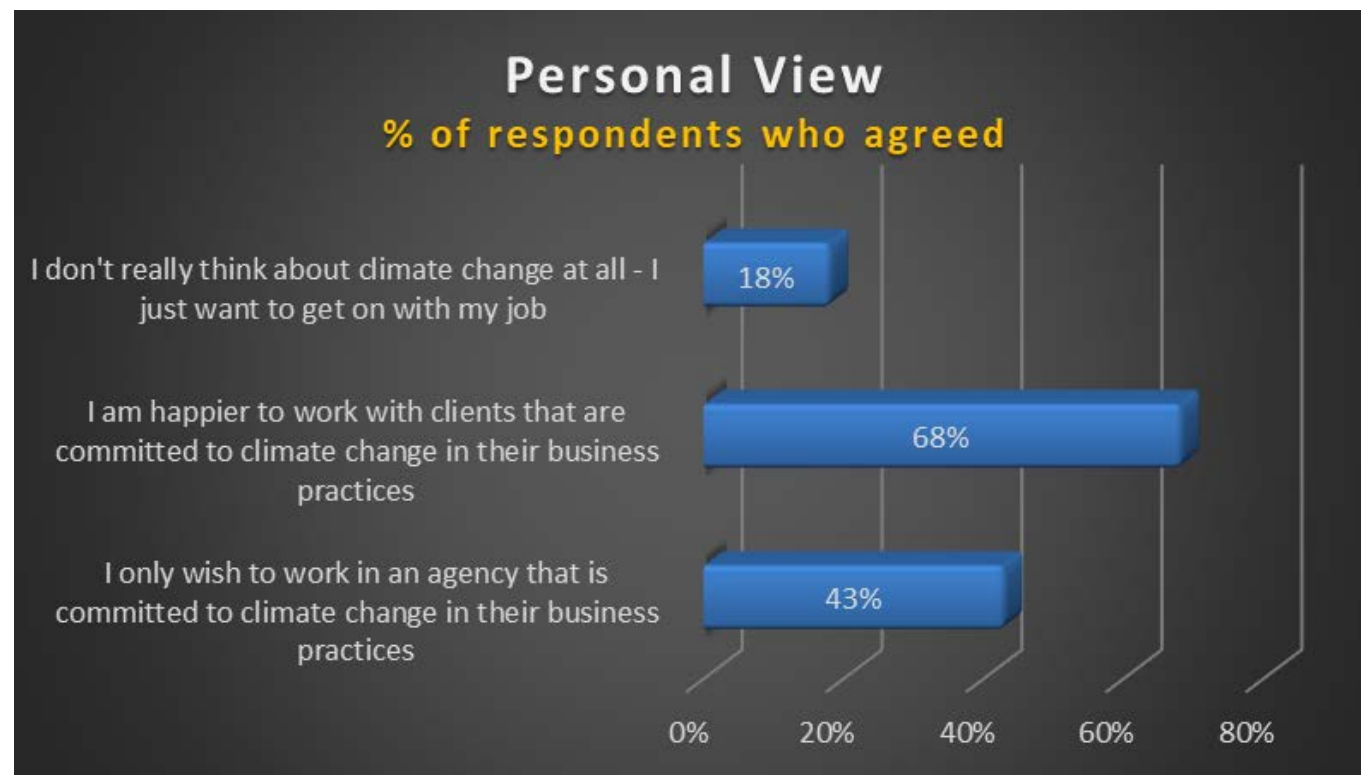


2.7 Views on Climate Change

IAPF members, like most sectors, are looking to address climate change and make changes to their business models that are more sustainable and environmentally friendly.

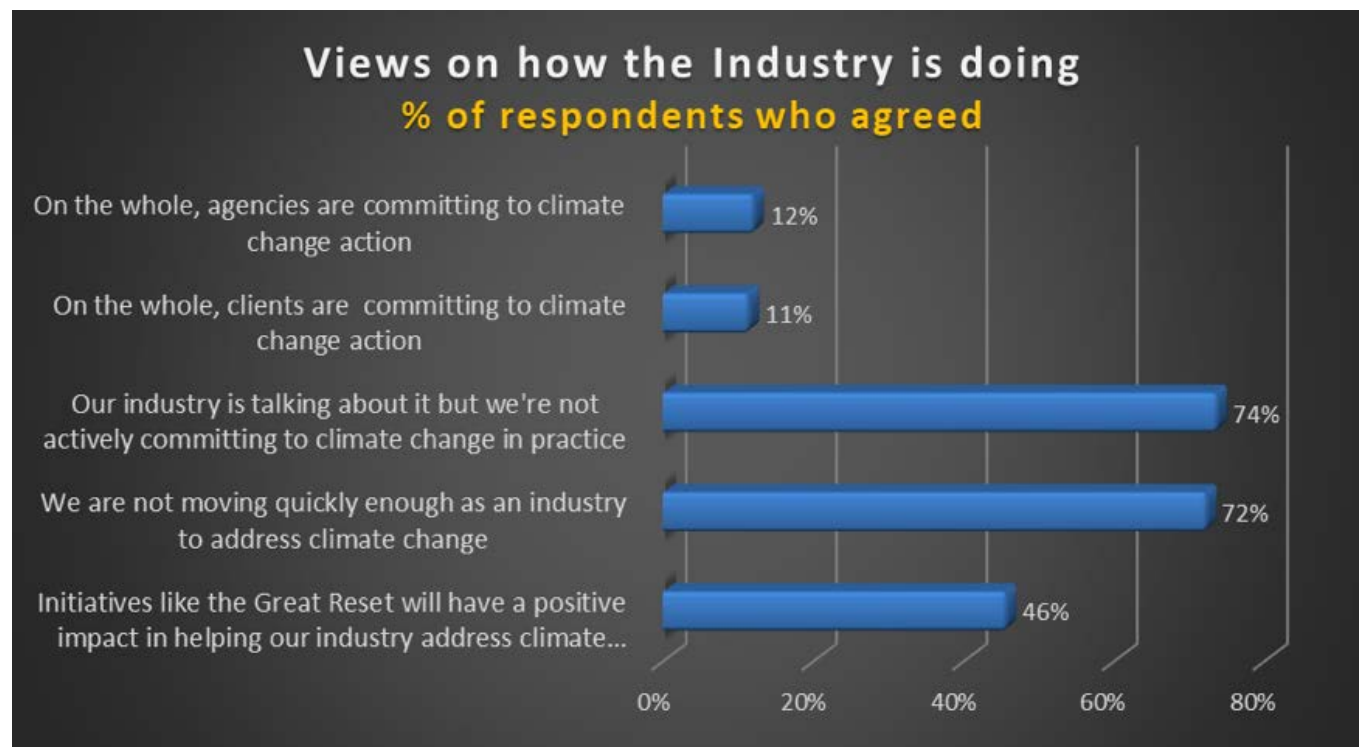
With 43% of the workforce only wishing to work in an agency that is committed to climate change in their business practices this has become an imperative. And this figure reflects the views of all levels of respondents, not just the younger agency members.

Over two-thirds stated that they are happier when working with client organisations that are committed to climate change.



The majority of respondents (72%) agreed that the industry is not moving quickly enough to address climate change and only 1 in 10 feel that agencies are committing to climate change action, with the same view of client organisations.

Nearly half agree that initiatives like the Great Reset, (a collective of climate change activists and collaborators across the industry), will have a positive impact in helping our own industry address this vital issue.



What the Industry should be doing

% of respondents who agreed



Watch this space...!

In terms of addressing the issue, there was consensus across all levels in terms of how the industry can play a part.

Most interesting is the agreement from 79% of respondents to create and commit to a Climate Change mandate or charter for every IAPI member agency.

"The findings from this survey demonstrate an active and resilient industry, with a continued focus on the future and our role in society. IAPI are busy forming plans for 2021 which we predict may continue to provide challenges to agencies and their clients.

The focus will be on continuing to provide advice, support and inspiration for members during an inevitably tough year. However, we will also introduce new initiatives that continue our work on diversity and inclusion and help to provide professional, accredited education for members.

Our ambition to create a centre of excellence for advertising and commercial creativity here in Ireland is now more important than ever and we will continue to update and promote our national portfolio through www.creativeisnative.com, launched on 5th November this year.

I'm looking forward to another busy and purposeful year with the IAPI Board and our members in 2021.

Charley Stoney, CEO, IAPI.