

## Confidence returns to Irish advertising, but creative agency income down 12%

Confidence in the Irish advertising industry is back, according to trade body IAPI. Four-fifths of its member agencies expect their turnover will increase over the next year and, of those, the average forecasted growth is 13 per cent. And they're hiring.

The mood has noticeably improved since 2013, the first year that IAPI ran its Industry Census study in its current form.

Back then, most agencies, bruised from the recession, saw further falls in turnover in their immediate future.

"We are light years from where we were when we started this. It's a positive picture," says IAPI chief executive Tania Banotti.

But there is "a fly in the ointment", she adds. While billings at member media-buying agencies are on the rise, income at creative agencies is going in the wrong direction, shrinking 12 per cent.

"Anecdotally, it would appear to be a combination of factors," says Banotti. International brand accounts, that were once run locally, are now being run out of London. Some glob-

al companies are simply repurposing international advertising in Ireland, while other clients are at the point of the creative cycle where they are re-using existing work, maxing out its life span.

Some 45 of IAPI's 54-strong membership contributed to the Industry Census, which was conducted by Amárach Research. Of these, the media-buying agencies have billings of almost €34 million, up 6 per cent, reflecting the upturn in the market. (Media billings are the total sum of client investment put through an agency for the purpose of purchasing advertising and marketing.)

The average gross income at creative agencies – the total amount of fees and commissions for work produced – has dropped to €2.9 million, while the total amount of creative income earned by the agencies arrives at €58.7 million.

### Employment prospects

Overall, however, employment prospects have brightened, with full-time staff numbers of 1,611 among the 45 member agencies – up 4.1 per cent since last year.

Some 70 per cent of agencies expect growth in staff numbers in the year ahead, and no agencies foresee cutbacks.

Advertising is youthful. Almost 39 per cent of people working in Irish adland have yet to celebrate their 30th birthday and some 77 per cent of employees under the age of 40. The average age is 36 at creative agencies and 33 in media agencies.

"It is definitely a young person's business," says Banotti. Quite what happens as people get older, Banotti is not sure: it's possible that those who left the business during the recession tended to be the older, more expensive executives.

Agencies now report retention issues. While 357 people were "hired" since the previous study, 162 of these were movers within the industry.

At the top, advertising in Ireland still tends to be male. The percentage of chief executive, managing director and manag-



■ Tania Banotti: says advertising "is definitely a young person's business" with 77% of employees under 40. PHOTOGRAPH: BRENDA FITZSIMONS

ing partner positions held by women is 18 per cent. Gender balance has improved in the past two years, however; back in the 2013 study, women accounted for only 13 per cent of senior positions.

The industry as a whole has a 50:50 gender split, but there are "gendered areas" within it. While account management is 71 per cent female and 29 per

cent male, creative roles are 70 per cent male and 30 per cent female.

### Benefits

More member agencies appear to be offering employee benefits such as paid maternity leave and a "significant number" also offer paid paternity leave. But with clients seeking the cheapest possible hourly

rates, salaries remain constrained.

Procurement "remains a thorny issue", according to IAPI. About four in 10 agency clients use a procurement department, a process that IAPI believes has a negative knock-on impact on the industry, squeezing agency margins and pressurising agency-client relationships.

# 13%

Forecast growth in turnover in majority of advertising agencies surveyed

# 6%

Rise in billings in media buying agencies in the past year - to €34m

# 18%

Percentage of CEO, MD and managing partner positions held by women