

# US ad agencies approach 2024 with a mix of optimism and economic caution

Article

**The news:** Digiday's late-fourth quarter survey reveals a cautiously optimistic outlook for the advertising industry in 2024, with agency professionals anticipating an upswing in business.

- The survey indicates that **61% of agency professionals expect an increase in ad spending** this year, marking a positive shift from last year's split opinions. Despite a tough 2023, nearly half of the agencies reported revenue growth compared with 2022, albeit at a lower rate than previous years.

**Zoom out:** More than 6 in 10 marketers hold an optimistic outlook for 2024, according to other research. They're also displaying cautious optimism regarding AI and its ability to improve personalization, creativity, and consumer insights.

**Behind the numbers:** 87% of agencies expressed at the end of 2023 that they expect their 2024 revenues to be higher, reflecting a strong sense of optimism about future growth.

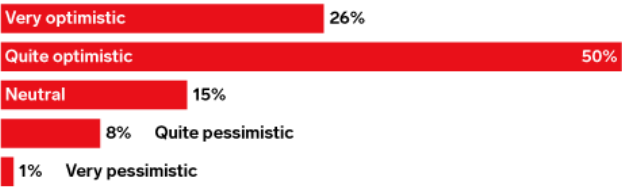
- Nearly three-quarters of agency pros (74%) expressed optimism about their companies' prospects for 2024—but that's a decrease from the 82% who were upbeat about 2023 and 93% who felt this way about 2022.
- More than half of agency pros (52%) agreed that economic trends will hurt their companies' performance this year, slightly down from the 56% who felt the same last year.
- Over two-thirds of agency pros (68%) reported that the number of services their agencies offered increased in 2023, indicating a strategic response to a tough year and possibly a continued trend into 2024.
- Agencies are more hopeful about their individual prospects than the industry as a whole, with 74% expressing optimism for their companies, compared to only 52% for the agency business model.

**Why it matters:** This projected rebound reflects a broader trend of resilience and adaptability within the advertising sector. However, the industry's confidence is tempered by the lingering impact of economic challenges. Concerns about the economy continue to loom large, with most of the professionals fearing economic trends will negatively affect outcomes this year.

**Our take:** The survey paints a picture of an industry at a crossroads, navigating the aftermath of a challenging year while looking forward to potential growth.

- Agencies show guarded optimism amid economic challenges, navigating a complex landscape with resilience and adaptability.
- The industry's focus for 2024 will likely be on harnessing new opportunities, diversifying services, and strategically navigating economic trends to foster sustainable growth.

How Optimistic Are Marketing Professionals  
Worldwide About the Future of Marketing?  
% of respondents, July 2023



Note: n=690  
Source: Econsultancy, "Future of Marketing 2023," Sep 14, 2023  
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