

The agency-client relationship? It's complicated

Article



Relations between agencies and clients are supposed to be symbiotic—and often are. But they can also be contentious.

For most brand marketers, the decision of whether to use an ad agency comes down to a question of how, not if. The core competencies that agencies bring to the table—creative

ideation, media planning, messaging, PR, social media marketing, AI, and so much more—are too important to leave to inexperienced players or ad hoc teams.

That means marketers need to carefully map out their creative, media planning, messaging, social media, PR, technology, and other needs, then find the agency or agencies that meet them.

Still, even clients who are committed to working with agencies often ponder whether they can in-house some of that work. That leaves agencies constantly scrambling to prove their worth.

Over the past two years, the rapid rise of generative AI (genAI) has added a layer of complexity to the already fraught relationship between agencies and clients. However, recent signs point to a spirit of collaboration around harnessing this technology for ad creative and targeting.

AI

Agencies are responding by partnering with AI solutions providers and building capabilities in-house to stay on the cutting edge of new technology and to try to make themselves essential to clients. Many holding companies announced AI investments or partnerships this year, in some cases building on earlier efforts.

Even as concerns around AI data integrity, data ownership, job losses, and other issues persist in the ad industry, trust in AI seems to be increasing. In a survey of advertisers and agencies published in August 2024, Advertiser Perceptions found that 57% of respondents were willing to advertise within AI-generated content if accuracy and brand suitability could be verified. In 2023, only 33% of survey participants felt that way.

A Forrester Research study published in June 2024 noted that more than 60% of US agencies were using genAI, and another 31% were considering its use. Among large agencies, use of genAI was at 78%.

Read the full report, [The Ad Agency Ecosystem 2024](#).

Report by Paul Verna Oct 24, 2024

The Ad Agency Ecosystem 2024

