The Campfire Circle

INDUSTRY REPORT:

HOW BRANDS
CHOOSE AGENCIES

Here at The Campfire Circle, an agency that grows agencies, we are always trying to keep a pulse on the state of agencies.

We've published a lot of information about how agency owners do business, and it's super insightful but we wanted to change things up.

We thought it would be interesting to get the brands' point of view on their experience vetting, choosing, and their overall experience with their current agency.

To get this point of view, we surveyed 300 brands who hired an agency within the last year. We asked them a bunch of questions and got a ton of insight.

Our hope is that this report helps your agency get a better grasp on what makes brands hire agencies so that you can adapt your strategy and experience exponential growth for your agency in the year ahead.
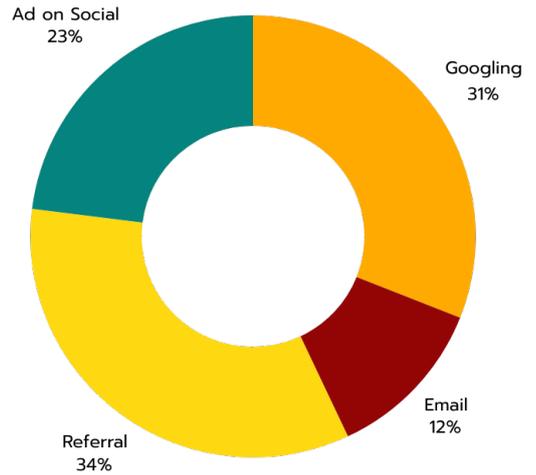
HOW BRANDS ARE DISCOVERING AGENCIES

How Brands Find Agencies

When asked how brands discovered the agency they with now, **36%** of the respondents said they found their agency via a referral and **31%** said they found their agency on a Google search.

Ad on Social 23%

Googling 31%

Email 12%

Referral 34%

KEY TAKEAWAY

With referrals being the number one way agencies are landing new business, it's time to put a referral program in place as your happy clients may need a little "nudge" so you can't just assume referrals will come in without your assistance.

Make a list of your happy clients and email them about your referral program. Make it enticing by offering a $50 gift card for every referral that books a call with your agency and a $250 gift card for every referral that turns into a client.

With Googling just behind referrals, it's essential to make sure your SEO strategy is thriving. It's worth the budget to get an initial SEO audit and then maintaining SEO health in house.

Localized Agencies

With so much business happening online from literally anywhere in the world, we wanted to see how important it is that an agency is local when a brand is vetting agencies. **71%** of brands say that it was important to them that their agency was local.

Yes
25.6%

No
74.4%
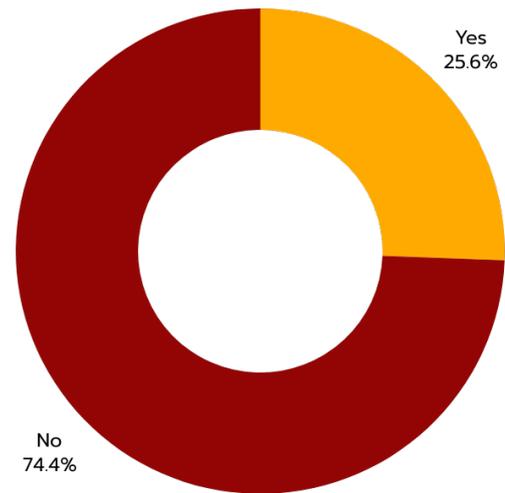
KEY TAKEAWAY

Embrace the fact that brands want their agency to be local. Use this to land new business opportunities by networking in your community and building a campaign around the city where you are based.
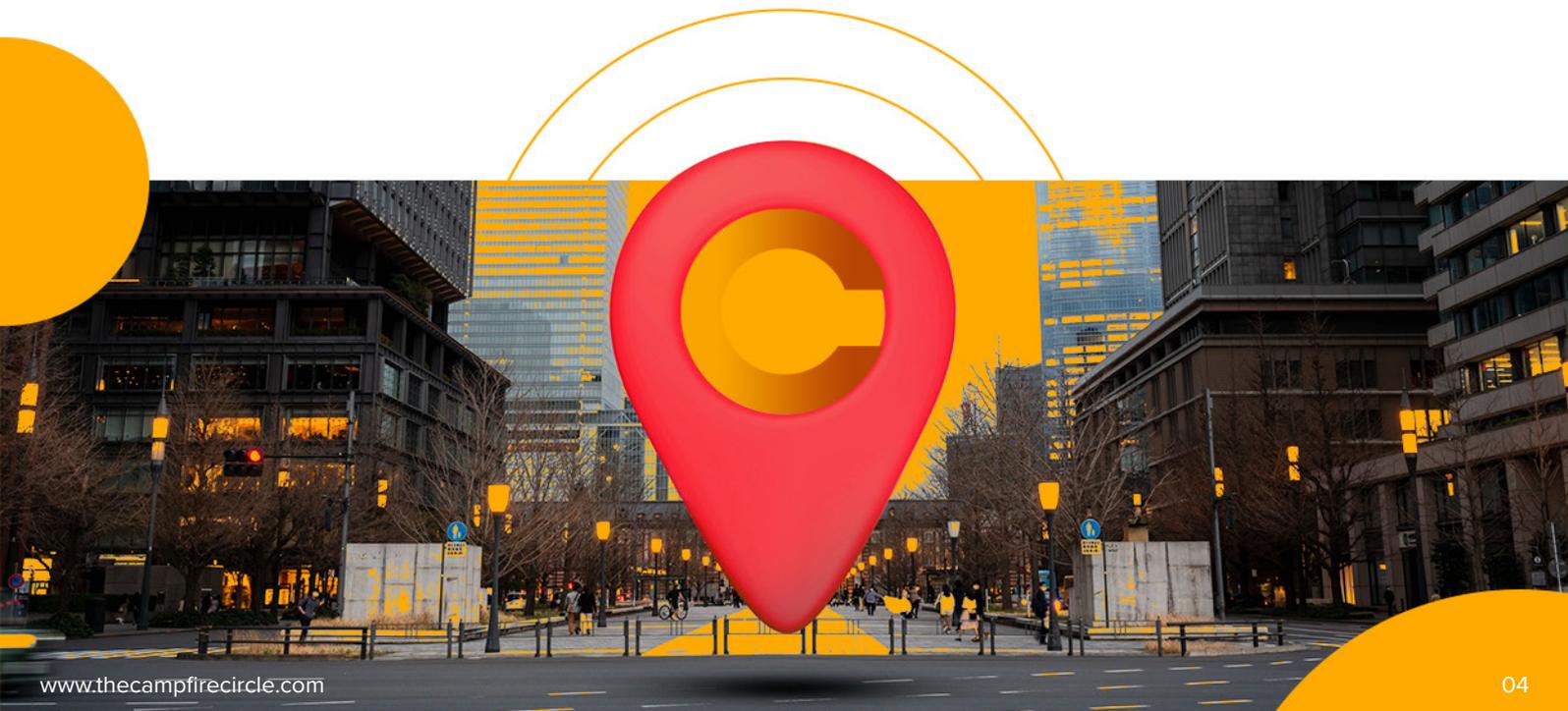
What Types of Agencies Brands Prefer

When asked if the brands chose a boutique agency or a large agency with a track record, **54%** of brands said they went with a boutique agency.

Large Agency
46%
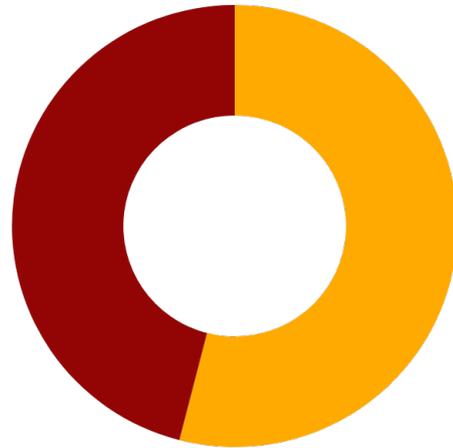
Boutique Agency
54%

KEY TAKEAWAY

With a slight preference for boutique agencies, it's clear that brands want a more personalized approach to how they promote their brands. Emphasize that you're a boutique agency and that you don't take on too many brands to make the brand feel like they're part of something exclusive.
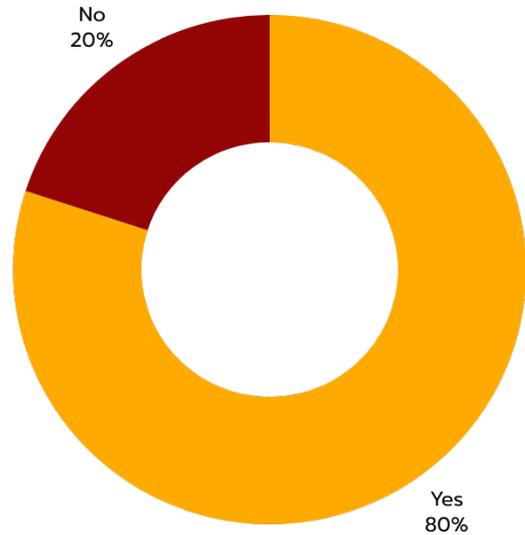
WHAT BRANDS ARE DOING IN THE RESEARCH PHASE

Brands and How Many Agencies They Consult Before Hiring

When asked if brands do most of their research online or consult with more than one agency before choosing one, **80%** of brands report that they did consultations with at least 2 other agencies.

No
20%

Yes
80%

KEY TAKEAWAY

Competition is fierce, especially in the courting phase. Keep in mind that multiple agencies are going after the same brands as you are. It's essential that your initial call and proposal stands out. There are simple things you can do such as making a deck for your initial meetings and revisiting how you do proposals.

How Brands Feel About an Agency's Social Presence

When asked if they peruse an agency's social media channels when looking for the right agency, **73%** of brands said they do check an agency's social channels and that they impact their decision making process.

No
27%

Yes
73%
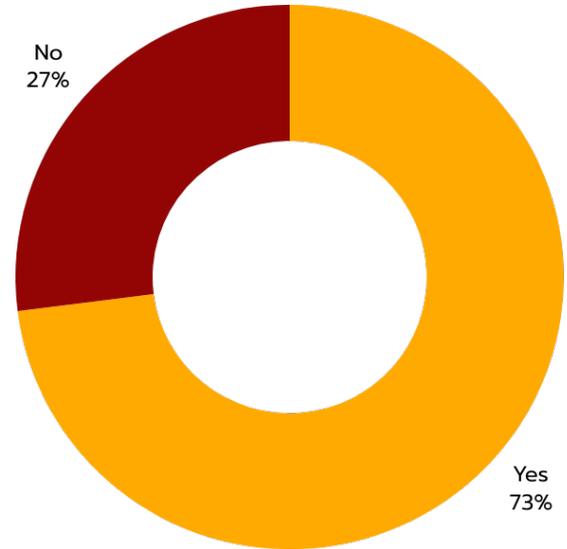
KEY TAKEAWAY

Clearly, brands will be perusing your social media channels when they're vetting agencies. You don't need a million followers, you just need to show off how social you are!
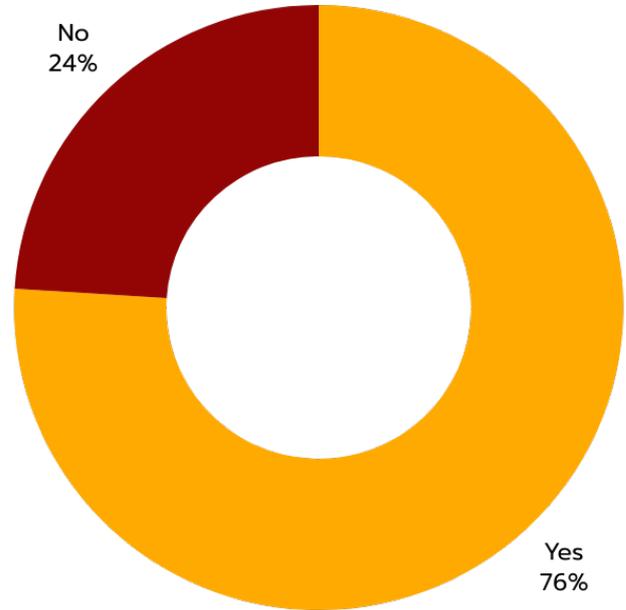
REASONS WHY BRANDS CHOOSE AGENCIES

Agencies Need to Leverage Social Proof

When brands were asked if they looked for social proof in the form of testimonials, case studies, and reviews, **76%** of brands reported that they look for these third party endorsements when choosing an agency.

No
24%

Yes
76%

KEY TAKEAWAY

Put a plan in place to earn social proof. Ask happy clients, incentivize them, and implement social listening. However, it's not enough to earn social proof, you need to leverage it. Since it's so important when brands are choosing an agency, you want your social proof to be easy to find. Use it on your website, on social media, in your email marketing campaigns, and your marketing materials.

What Attracted Brands to the Agencies They Chose

When asked what the most important factor that went into choosing an agency, **41%** of brands said that the most important thing was examples of their previous work. Only **20%** of brands report that cost is the most important factor.

Cost
20%

Creativity
24%

Niche
15%
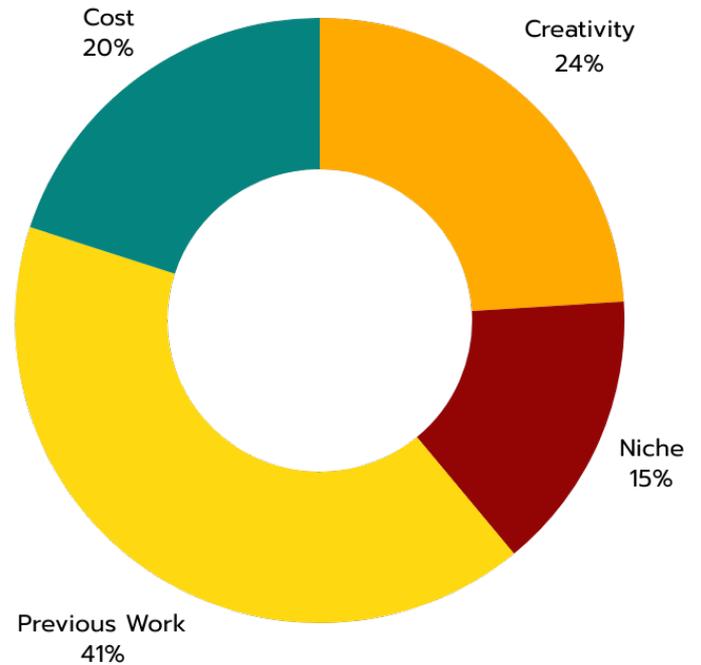
Previous Work
41%

KEY TAKEAWAY

Many agencies focus on keeping costs competitive but clearly, examples of your work are what will land new business. Incorporate previous clients and campaigns in your deck for your initial call and share the results of your efforts.

Brands Desire For Expertise

When asked if they were willing to pay extra for an agency with expertise in their industry, **79%** of brands reported that they would pay more for expertise.

Cheaper
21%

Pay More
79%
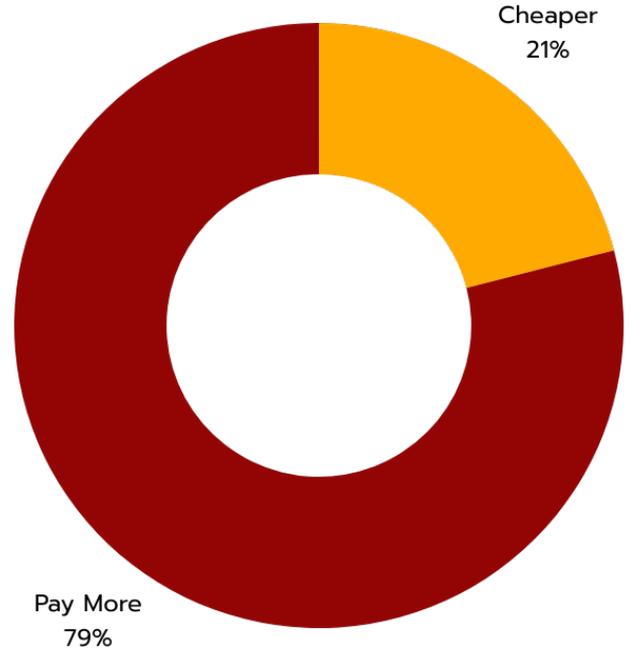
KEY TAKEAWAY

Since brands crave expertise it's your agency's job to convey expertise. Publish your own industry data, be active on social, earn social proof, being an overall thought leader in your niche will get you far.
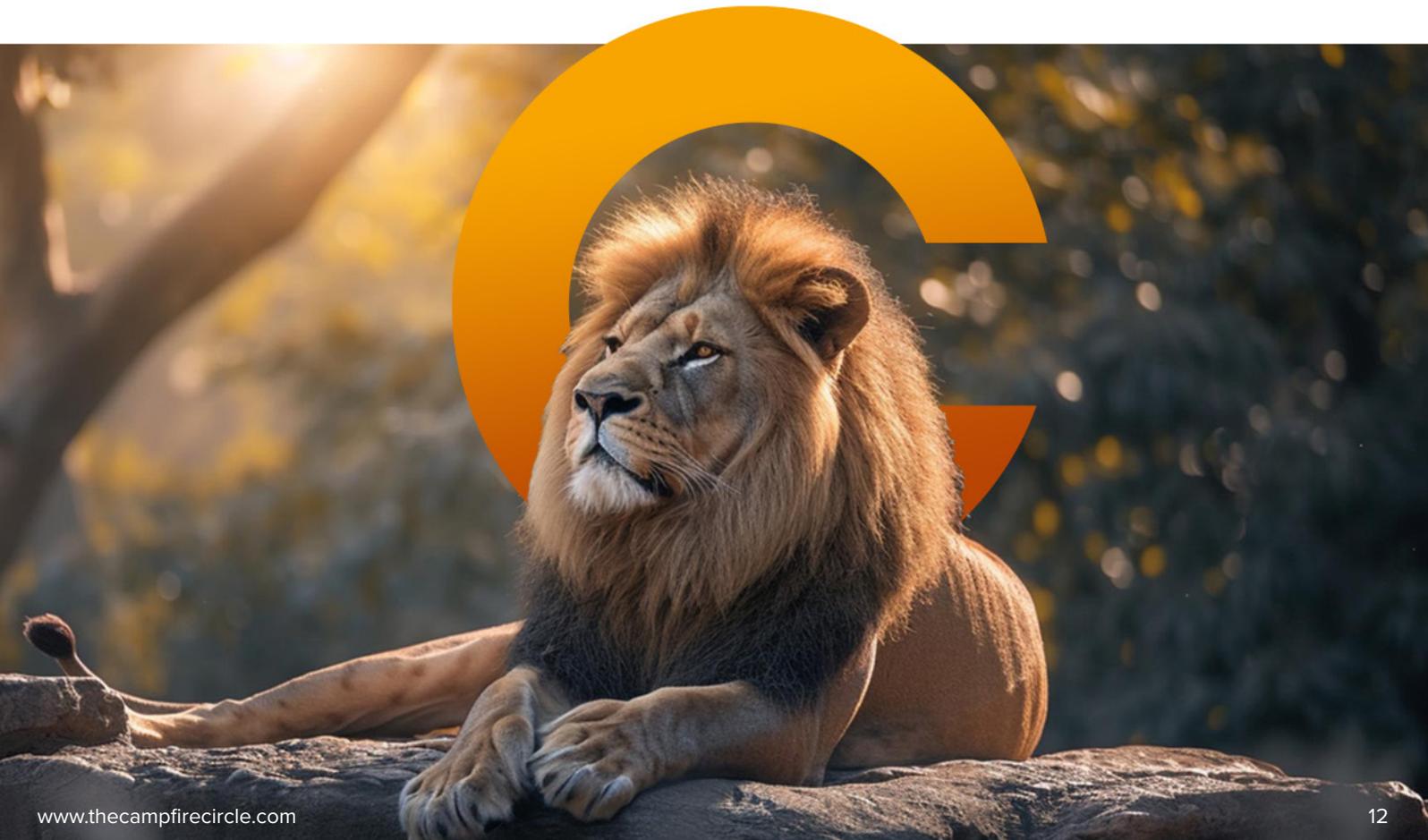
The Value of Email Marketing

When asked if an agency's emails they send out played a part in the decision-making process, **75%** of brands reported that email did play a part when they were choosing an agency.

No
25%

Yes
75%
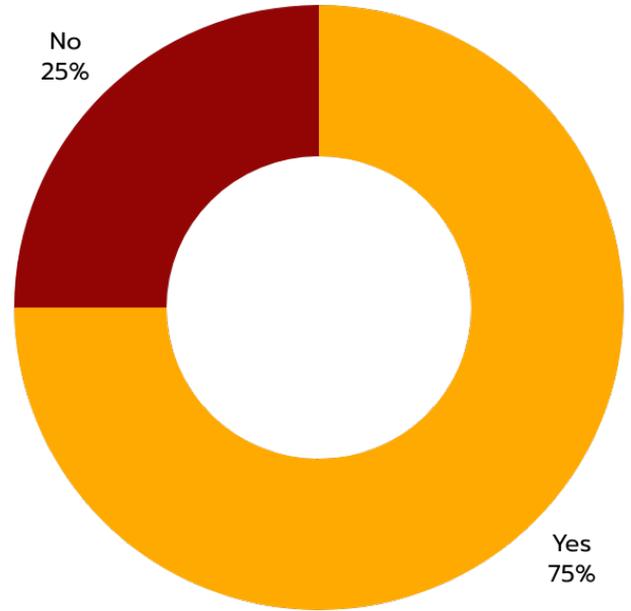
KEY TAKEAWAY

Create lead magnets with lead capture forms so that brands supply their email addresses in order to access your lead magnet. Then, nurture all of your contacts through thought leadership emails.

AGENCY FIRST IMPRESSIONS

The Initial Brand-Agency Meeting

When the **300** brands were asked which factor impressed them the most during their initial call with their agency, the most popular factor was industry knowledge followed closely by having a general plan to grow the brand right from the get-go.

Creativity
9.3%

They had a Plan
26.7%

Industry Knowlege
29.8%

Research
20.6%

Creativity
13.6%
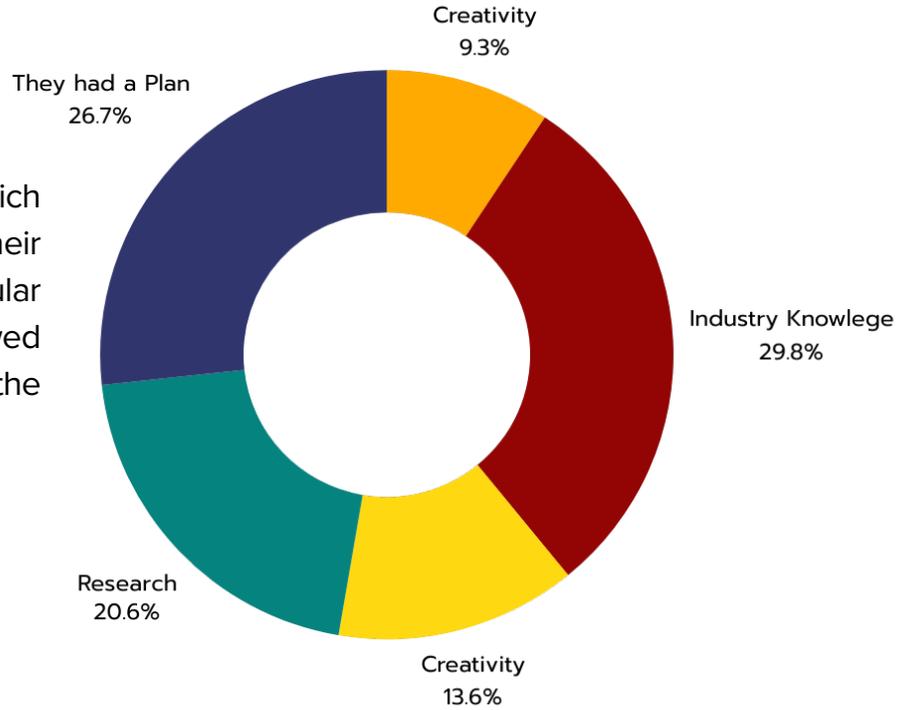
KEY TAKEAWAY

The initial call with a potential client holds a lot of weight. There is no pressure, but to beat the fierce competition, you really need to demonstrate industry knowledge during your initial call with a brand. Doing research and coming to the table with actionable ideas is super important as well.

Brands and Agency Blogs

When asked if an agency having an active blog would impact the decision making process, the response was evenly split.

No
50%

Yes
50%
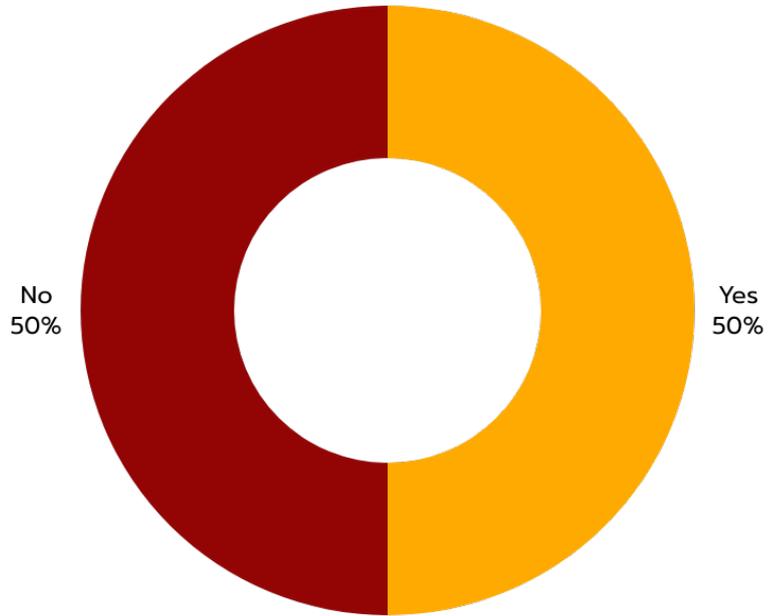
KEY TAKEAWAY

If half of brands care about a blog, it's definitely worth the investment. Get your team involved or hire a freelance writer to run your blog. One post per week is ideal. Not to mention, blogs help with SEO.
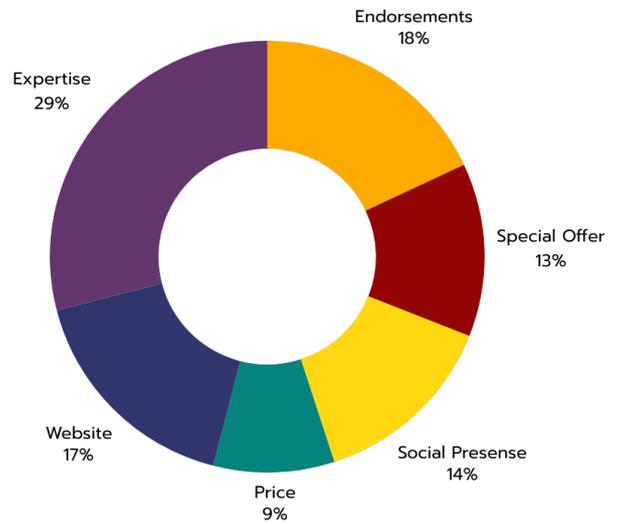
HOW AGENCIES CAN REMAIN COMPETITIVE

What Brands Say Agencies Can Do to Stand Out

When we asked brands what about the agency they chose stood out, the highest amount of respondents at **29%** reported that they chose their agency because it had expertise in their industry. The least popular reason was cost.

KEY TAKEAWAY

With the biggest chunk of brands reporting that an agency's expertise is what made them stand out, thought leadership is crucial. If your agency hasn't embraced a niche, it's hard to get traction by just being a full-service agency for any brand. Brands want their agencies to be an expert in their industry so casting a smaller but more strategic net will most likely land you more credibility and thus new business.

Endorsements 18%

Expertise 29%

Special Offer 13%

Social Presense 14%

Price 9%

Website 17%

THOUGHT LEADERSHIP AT AGENCIES

The Importance of Thought Leadership

When asked if they could rate on a scale of **1-10** how impactful thought leadership was when deciding on an agency, half of brands rated thought leadership at least an **8 out of 10.**

Pie chart:
- 10: 15.2%
- 1: 17.1%
- 2: 1.9%
- 4: 1.9%
- 5: 2.9%
- 6: 7.6%
- 7: 6.7%
- 8: 28.6%
- 9: 16.2%
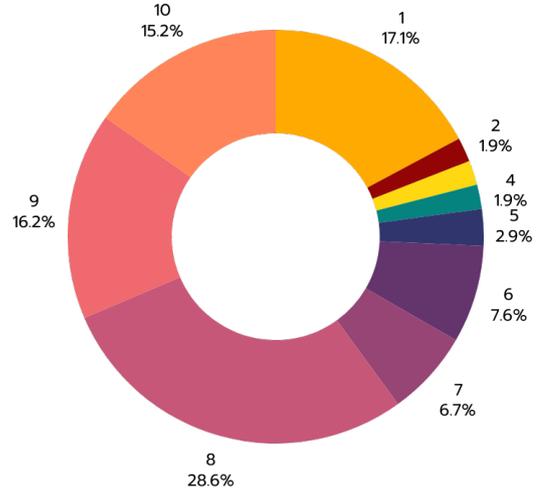
KEY TAKEAWAY

Thought leadership is crucial. Whether you like it or not, as an agency owner, you need to put your presence out there and humanize your agency. There are a ton of ways to provide thought leadership such as guest posting, being active on social, publishing industry reports, and networking.

HOW BRANDS FEEL ABOUT THEIR CURRENT AGENCY PARTNERS

Why Brands Decided They Needed an Agency

When our 300 brands were asked why they decided to hire an agency in the first place, **54%** said that they wanted to grow their business followed by **20%** of brands saying they didn't have the manpower to dedicate to marketing and PR.

For a Campain
16%

Not Enough Man Power
20%

Lack of Expertise
10%
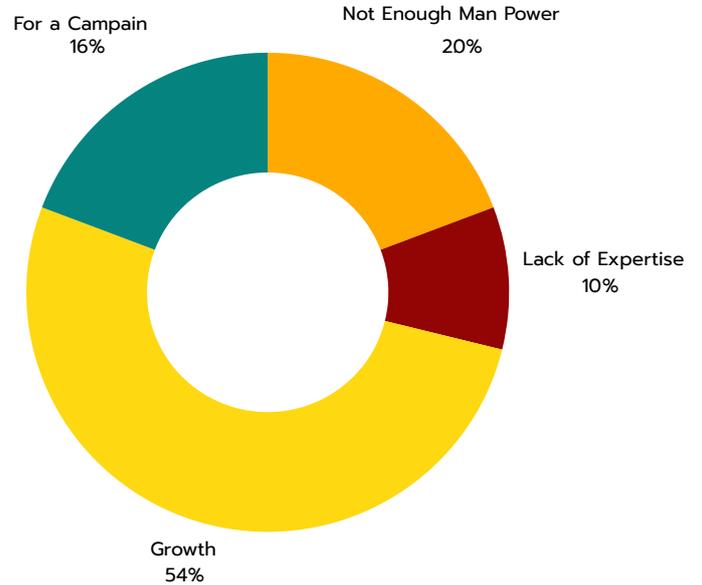
Growth
54%

KEY TAKEAWAY

Since the majority of brands hire agencies for the purpose of growth, it's crucial that you present a growth plan during your first meeting with a potential client. You should also be able to share strategies and results when it comes to other brands your agency has grown.

Satisfaction With Their Decision to Hire an Agency

We wanted to find out if brands are happy with their decision to hire an agency and got good results. **83%** of brands are happy with their decision.

I Want a Different Agency
7.9%

The Agency Wasn't Worth it
9.9%

Pleased With My Agency
82.2%
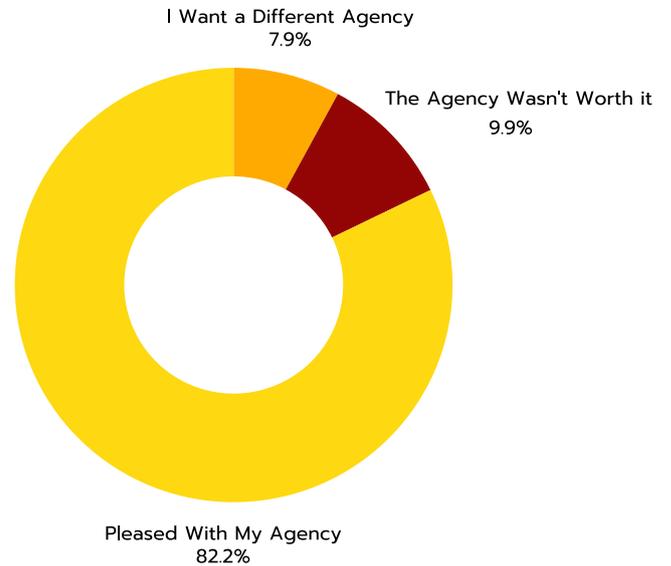
KEY TAKEAWAY

While being pleased with an agency is a happy thing, it also shows that the majority of brands that already have an agency want to keep their agency. Assuming that 82% of your clients don't want a new agency, put in place a strategy for current client retention.

How Brands Are Working With Agencies

We wanted to get a pulse on the most popular ways that brands prefer to work with their agencies. So we asked which model they are currently using for their agency partnership and almost half of brands are working with agencies on a per-project basis.

Retainer
18%

Per Project
49%

All of my Marketing
33%
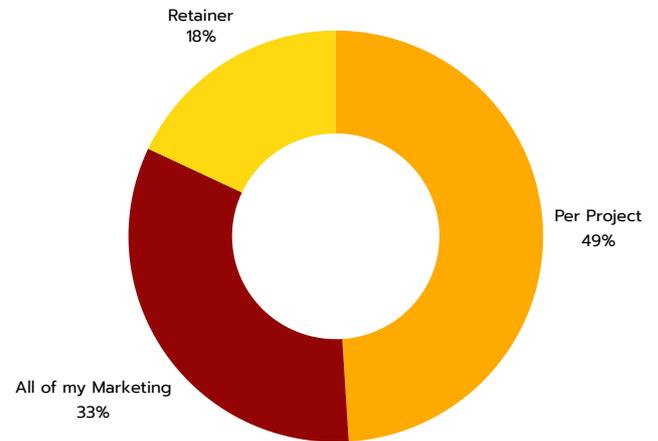
KEY TAKEAWAY

The results when it comes to relationship models are kind of all over the board. So it's important to keep in mind that different brands will work in different ways. Be prepared to quote a price for all of a brand's marketing, a price per project, and what a retainer will look like. It's important to cover all your bases.
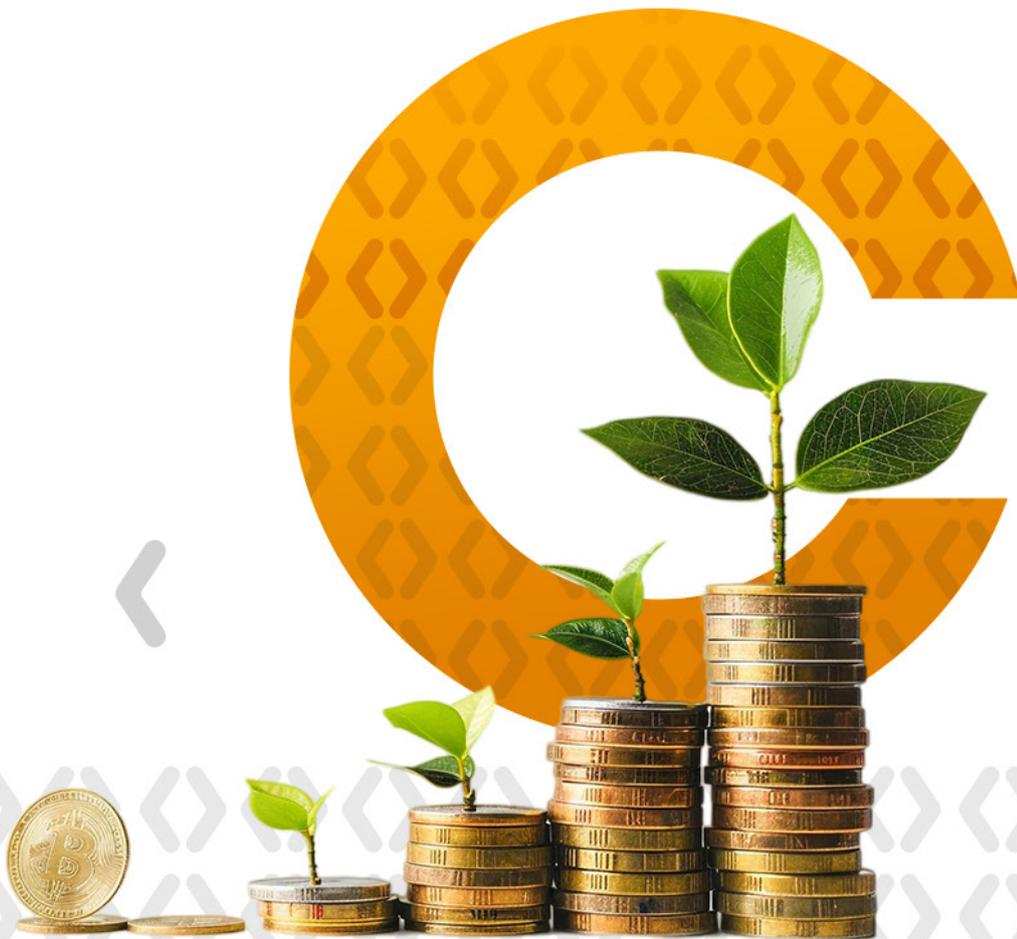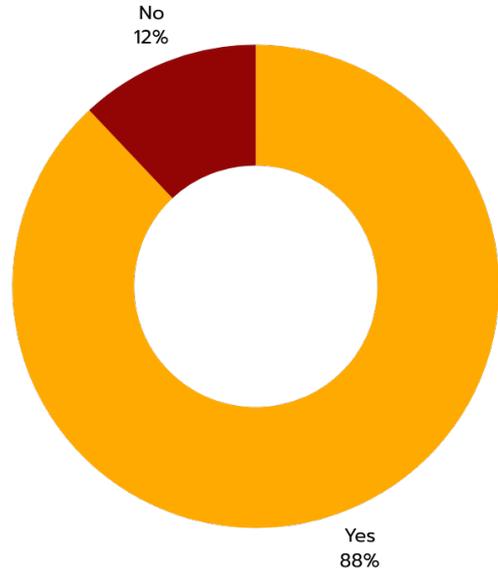
AGENCIES VERSUS
IN-HOUSE PROFESSIONALS

Agencies As Cost Effective Solutions

When asked if hiring an agency opposed to an in-house marketer was cost effective, **88%** of brands said yes.

No
12%

Yes
88%

KEY TAKEAWAY

Demonstrate to your potential clients that your agency can bring a lot of value to their brand. Expand on your expertise and create a whole campaign for the industry that you specialize in with the theme of agencies being more cost effective than an in-house marketer.

Effectiveness of Your Agency

We know it's always a tough decision for brands to decide if they want to hire for an in-house marketing and PR pro or to use an agency. So we asked the **300** brands if they think using an agency or having someone in-house is more effective. **75%** of brands report that the work their agency does is more effective than having someone in-house doing the work.

In-House
25%
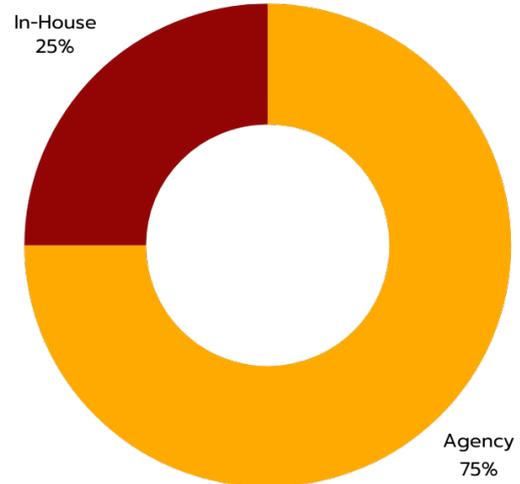
Agency
75%

KEY TAKEAWAY

Here is a crazy idea, in your marketing efforts to grow your agency, reference this report and that 75% of brands who work with an agency say it's more profitable than having some one in-house.

An Outside Perspective

We asked the **300** brands if having an outside perspective via an agency partner is beneficial when it comes to evaluating their current and future marketing strategies. Apparently brands really appreciate an outside perspective because **92%** of brands believe that an agency's outside perspective into their business is beneficial.

It's Harmful
8%

It's Helpful
92%
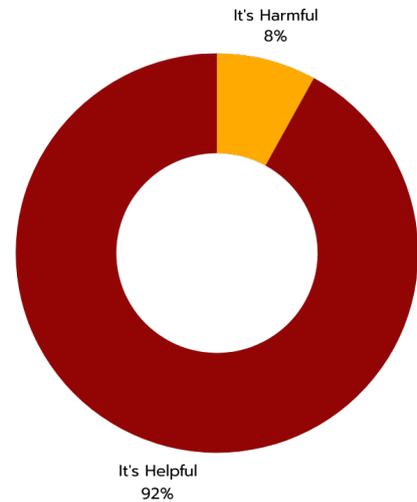
KEY TAKEAWAY

When marketing your agency, emphasize your industry expertise and own the fact that your agency looks at things differently than employees engrossed in a business. Establish credibility and emphasize the value of your agency having an outside perspective.

About The Campfire Circle

After over a decade of growing agencies, CEO Kristen DeGroot decided to harness all of her experience and turn it into an agency for agencies.

Working exclusively with agencies, The Campfire Circle takes an organic approach to lead gen. Our most successful approach has been lead magnets in the form of industry reports. Obviously we "drink our own medicine" because, spoiler alert, this report you are reading is a lead magnet.

The Campfire Circle doesn't just do lead gen, we also help agencies implement new services, optimize their business process, help with proposals, run the day-to-day operations, and even white label our services if you're behind on client work.

If you want to discuss how your agency can grow, email **kristen@thecampfirecircle.com** as we would love to work with you.