

2025

AGENCY EDGE REPORT

The Agency Edge
RESEARCH SERIES



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Full Circle
Research

Leading Through the AI Revolution:

The New
Competitive Edge
for Agencies



New research reveals how marketing agencies can thrive by becoming AI guides, not victims

For over a decade, The Agency Edge has had its finger on the pulse of the agency world. Created by Drew McLellan (Agency Management Institute) and Susan Baier (Audience Audit), this annual research series goes beyond surface-level trends to uncover the real drivers of agency-client relationships. What makes clients stay or leave? What sparks increased spending? And how do agencies truly inspire and get the most out of their teams?

The research always includes a unique attitudinal segmentation analysis that reveals client emotions and motivations, those ‘aha’ moments that change everything. From confident to anxious, from engaged to dismissive, client

mindsets reveal the “why” behind the decisions they make, the challenges they struggle with, and the goals they have for their agency relationships.

This year, we’re tackling the AI elephant in the room. Our 2025 study exposes how clients feel about how their agencies are using AI in their client work. This is the key that unlocks your agency’s ability to be found, trusted, hired, and valued by your ideal clients today.

Are you ready to learn what your clients are actually thinking in the age of AI? Keep reading!



TL;DR

AI is not the threat many agencies fear. In fact, it's a huge opportunity.

Across the board, clients are looking to agencies for expertise, insights, and guidance when it comes to using AI for their marketing and other functions in their organization.

Overwhelmingly, clients don't want to replace their agencies with AI or expect widespread discounts from their agencies. Instead, clients see agencies using AI as an opportunity to elevate strategy, differentiate from competitors, improve analysis, identify efficiencies, and build stronger collaborative relationships with their agencies.



"Most clients don't want to replace their agencies with AI. It's the opposite: They're reluctant to use AI without the collaboration of their agencies." - Susan

The opportunity for nimble agencies is tremendous. But it relies on agencies leaning into AI expertise, not running

away or trying to hide AI use from clients. Transparency is the ticket, and agencies that embrace the opportunity to invest in learning and build reputations as AI experts and guides will reap the rewards in their pipeline, client relationships, team growth, and their bottom line.



"If you want to be seen as a strategic partner as opposed to a vendor, you need to earn your way into those conversations and at the strategy table. AI expertise and the willingness to teach/lead is your ticket to that party." - Drew

Agencies that build a reputation for AI expertise, focus on AI's strategic benefits, and communicate and collaborate with their clients are far ahead of the pack.

Keep reading as we dive in deep! And we've got lots of interactive charts so you can explore the data based on where your curiosity takes you.



Recommendations for Agency Leaders



Embrace an AI leadership mindset:

Replace fear with opportunity – position your agency as a guide through the AI transformation.



Create a team of experts: Invest in AI training for all staff and create internal knowledge-sharing mechanisms.



Develop a comprehensive AI

strategy: Create a roadmap for how your agency will build AI expertise, offerings, and thought leadership.



Articulate your AI vision: Clearly communicate how AI fits into your agency's value proposition and future direction, both internally and to clients.



Build AI education into all client

relationships: Incorporate AI discussions into regular client meetings and planning sessions.





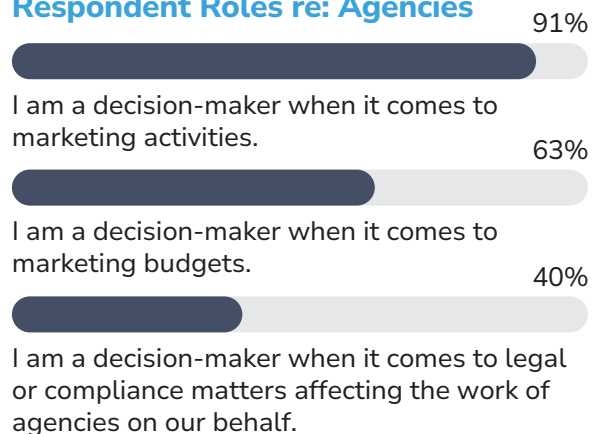
Respondents and Their Organizations

This isn't just a focus group.

We surveyed 401 agency client decision-makers responsible for marketing activities, budgets, and the legal and compliance factors affecting their agencies.

Most are decision-makers for marketing activities and budgets. 40% also determine legal or compliance matters that involve the organization's agencies.

Respondent Roles re: Agencies

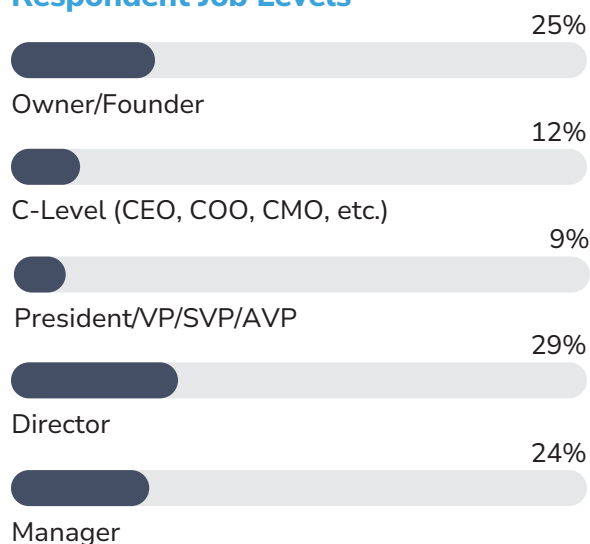


All respondents have marketing responsibilities, but many also have responsibilities in other areas. This is likely due to the senior level of respondents in their organizations.

Areas of Responsibility



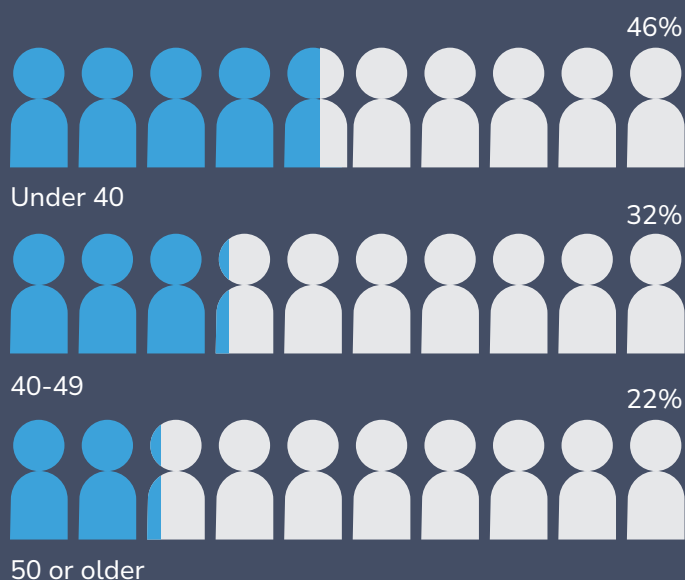
Respondent Job Levels





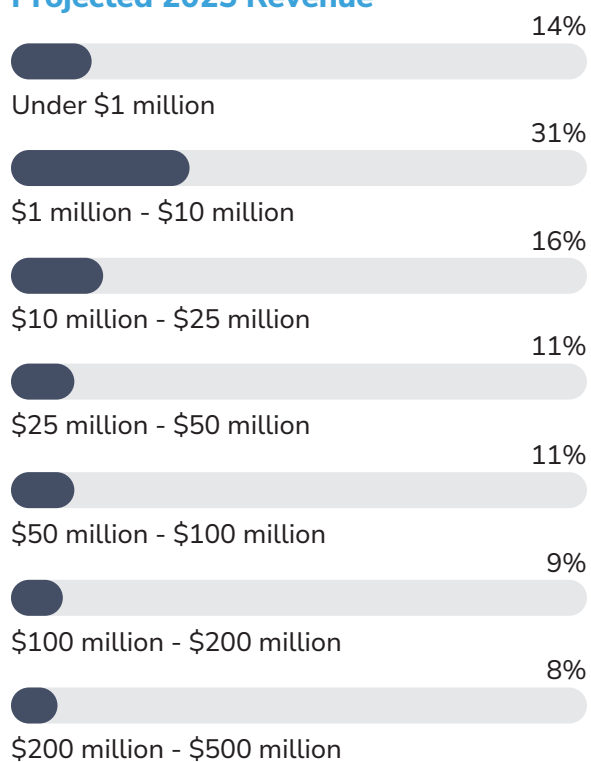
Respondent Ages

46% of respondents are under 40.

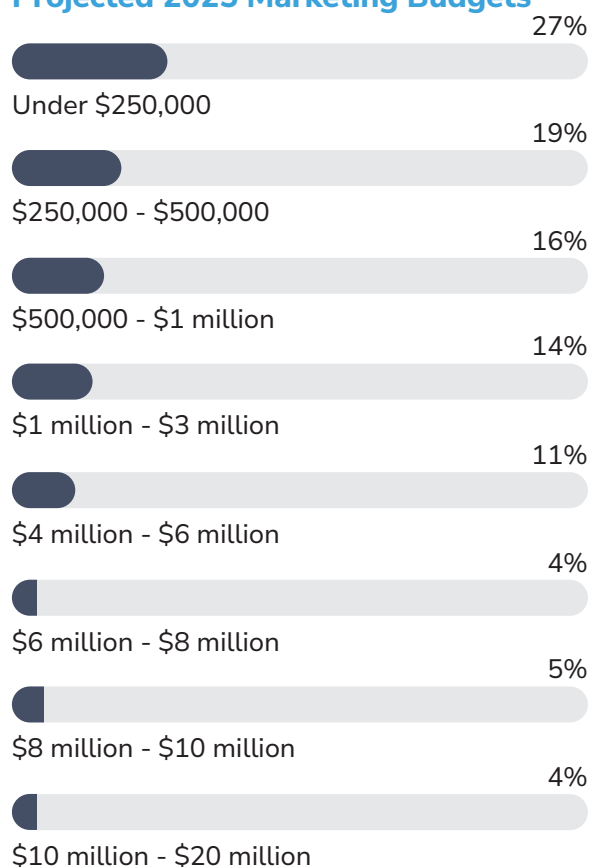


Respondents' organizations, projected 2025 revenue and marketing budgets vary widely.

Projected 2025 Revenue



Projected 2025 Marketing Budgets





Most are B2C and/or B2B, but some sell to nonprofits, B-Corporations, and government buyers.

Organization Customers

87%



Consumers

74%



Businesses

19%



Nonprofit Organizations

14%



B-Corporations

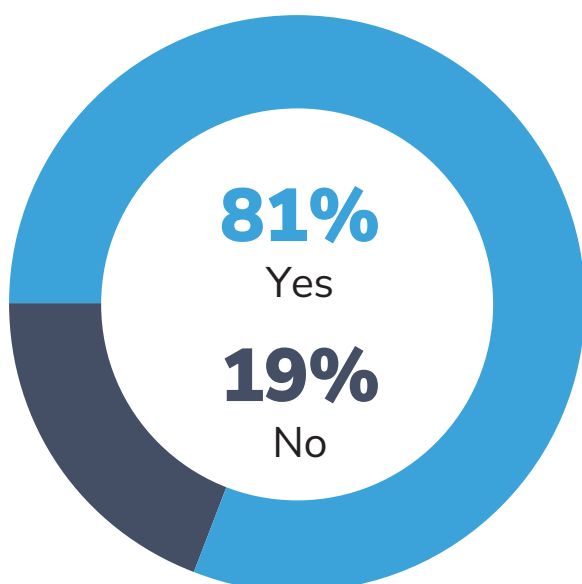
12%



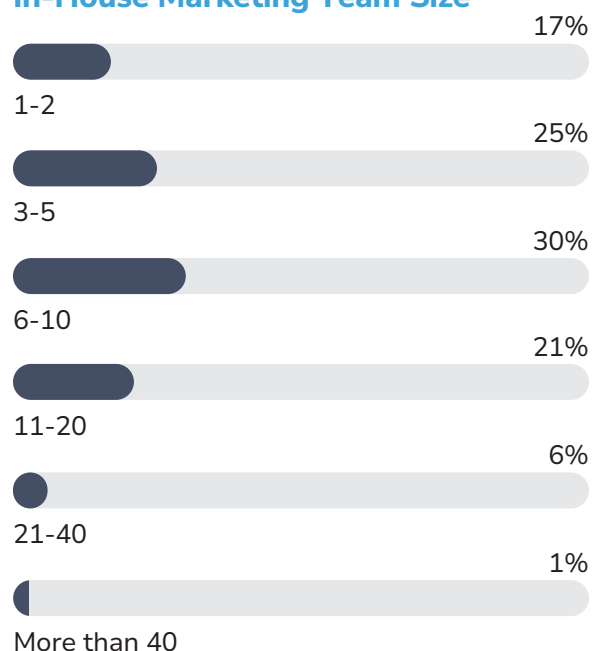
Government

81% have an in-house marketing team. 72% of teams have fewer than 10 full-time employees.

In-House Marketing Team



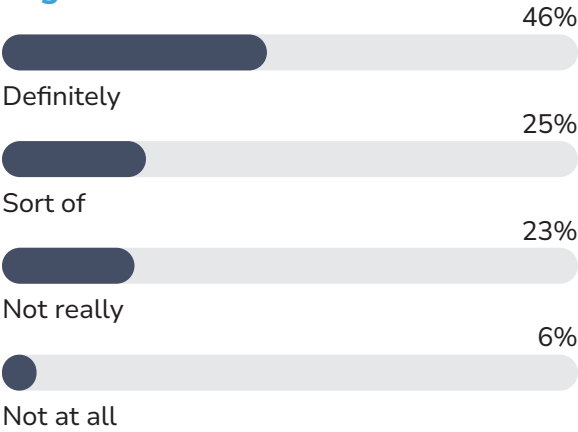
In-House Marketing Team Size





Nearly half of respondents say their organization “definitely” has a niche. Niche categories vary widely, with many very specialized.

Organization Has Niche



Organization Niche Category





Their Agency Relationships

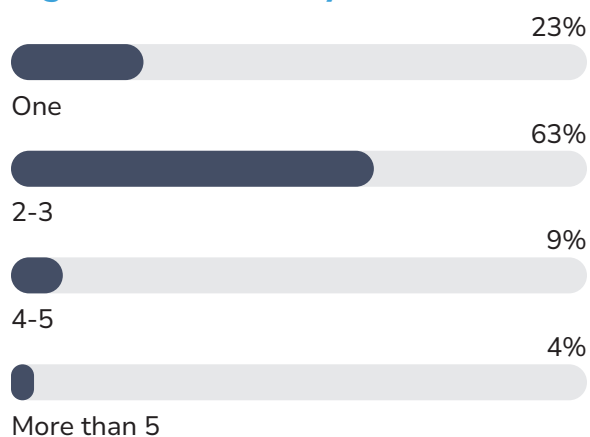
Respondents' organizations typically work with multiple agencies, and in various ways.

63% of respondents' organizations have two or three agencies; 23% have only one.

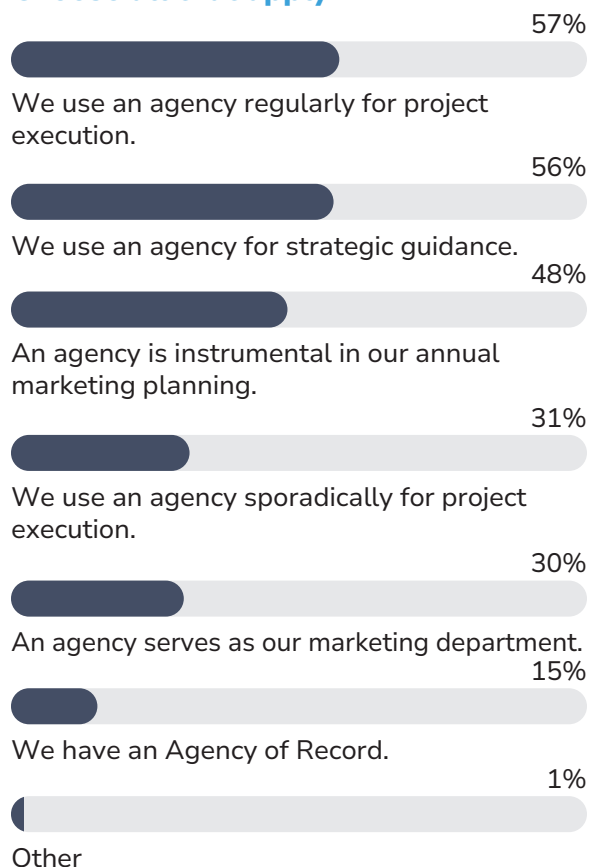
A majority use agencies regularly for project execution and strategic guidance, and 48% say an agency is instrumental in their annual planning.

Only 30% say an agency serves as their marketing department, and only 15% have an Agency of Record.

How many advertising or marketing agencies does your organization currently work with?



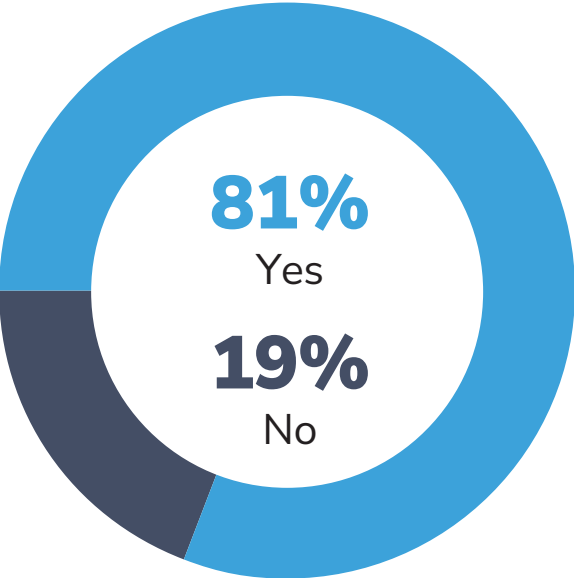
Which best describes your organization's relationship with its marketing agency or agencies? Choose all that apply.



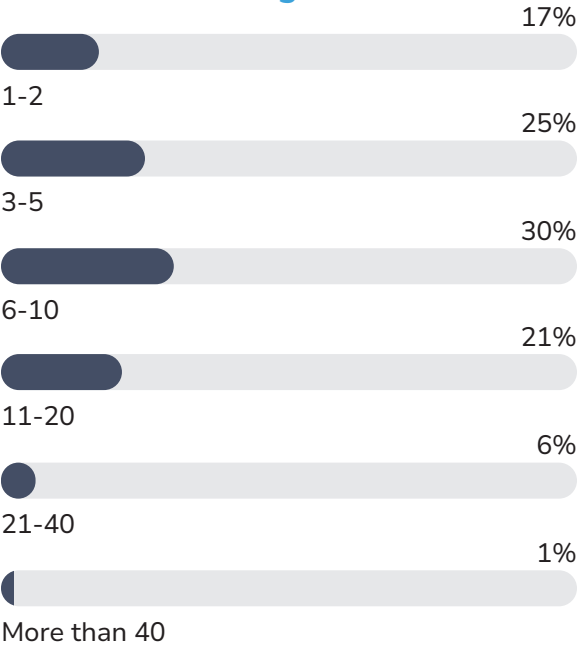


Most clients also have an in-house marketing team, even if it's small. While nearly all organizations with at least two agencies have an in-house team, only 68% of those with one agency do.

In-House Marketing Team



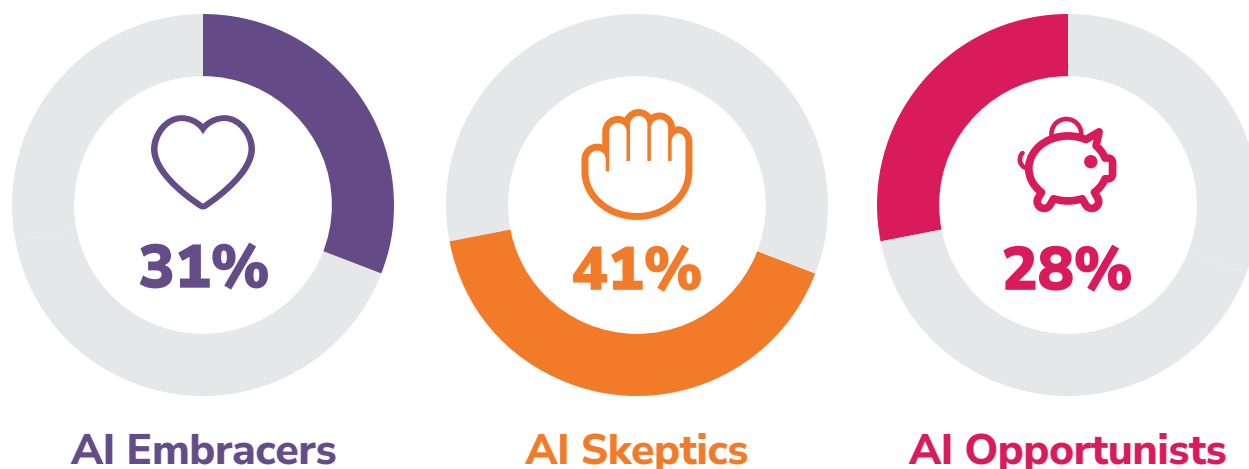
In-House Marketing Team Size





The AI Mindsets

Attitudinal segmentation reveals important differences in client perceptions about marketing, agencies, and AI.



How were these segments created?

Survey respondents rated 43 statements on a scale from “Disagree completely (1)” to “Agree completely (6)”. Each statement was written specifically for this study.

Those ratings, and only those ratings, were analyzed in a statistical platform by a statistician to identify groups of respondents whose agreement ratings for a subset of these statements are connected. The survey’s entire group of respondents essentially created the segments themselves (without being aware they were doing so).

Each represents a group of respondents who share a set of attitudes — a mindset.

Each segment is strongly differentiated from a statistical standpoint from the others. They are not based on how strongly respondents agree with individual statements, but on the fact that their level of agreement on each statement is statistically connected to their level of agreement on each of the others.

Neither the number of segments nor their defining attitudes were predetermined. No “exemplar” or “seed” respondent was used to establish the profile for a segment and to identify other members. No AI was used in the segmentation analysis.

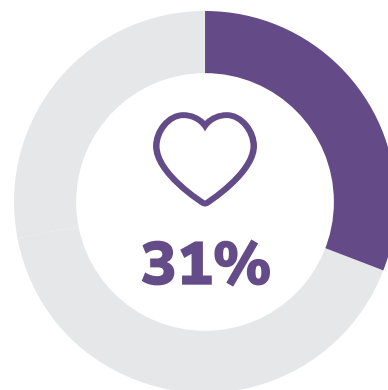


AI Embracers

AI Embracers value and trust their agencies, believe they are critical partners for business success, and trust them to be their guides when it comes to AI marketing.

They understand marketing, but they also believe marketing today requires a lot of technical expertise, and want marketing that powerfully differentiates them from their competitors.

They expect their agencies to be AI marketing experts, and they will trust their guidance.



Defining Attitudes

- It's important to develop a long-term relationship with an agency.
- My organization is comfortable with agencies using AI in their work for us as long as they're transparent about how it's being used.
- My organization needs marketing that strongly differentiates us from our competitors.
- Our agencies are worth the money we spend with them.
- My organization has strong relationships with our agency partners.
- I trust our agencies to understand evolving regulations around the use of AI in our industry.
- My organization keeps up to date on new marketing tactics and approaches.
- Marketing agencies should consistently approach us with new ideas and recommendations without us having to ask for them.
- I trust our agencies to tell us when and how the use of AI is right for us.
- Marketing today requires a lot of specific technical expertise.
- A marketing agency is a critical partner for our business success.
- My organization will follow the guidance of our agencies about using AI in our marketing.
- My organization understands the best marketing tactics for our needs.
- Agencies need to be AI experts.
- My organization will always need the expertise of agencies to achieve the most effective marketing efforts.
- Reliance on AI-generated marketing by our competitors will make it easier for my organization's marketing to stand out.



"These respondents have very tight relationships with their agencies, and they want their agencies to lead when it comes to AI."

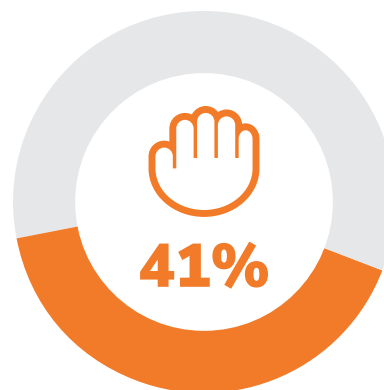
- Drew



AI Skeptics

AI Skeptics, the largest segment, have a host of concerns about how their agencies' use of AI could impact their organizations and their agency relationships.

While some of their concerns about AI focus on risks to their organization's reputations or leaving them vulnerable to competitors, many focus on how the use of AI will impact the agencies and agency teams they rely on.



Defining Attitudes

- My organization needs highly tailored marketing approaches that AI can't deliver.
- AI-generated marketing will never be as effective as marketing created by humans.
- Marketing is too complex for organizations like mine to do without professional help.
- I often wonder if the deliverables from our agencies are AI-generated.
- I worry that the use of AI may cause agencies to eliminate the people we rely on for expertise and support.
- I worry that deliverables from agencies may be generated by AI instead of humans.
- I worry that our agency may start prioritizing information from AI tools over our perspective or input.
- I worry that the use of AI may weaken the relationships and collaboration with our agencies.
- I worry that our agencies may not be adopting AI quickly enough, leaving us at a disadvantage vs. competitors.
- I suspect our agencies our agencies are using AI in ways they're not telling us.
- I worry that our agencies may be adopting AI too quickly, without understanding its limitations or training their teams properly.
- I worry that AI-generated content could harm my organization's reputation.



"This group is much less comfortable with AI personally, and really anxious about its implications on their agency relationships and their organization."

- Susan



"We need to tell these clients what we're doing with AI and how it will benefit them. Our focus on educating them will start to ease their discomfort."

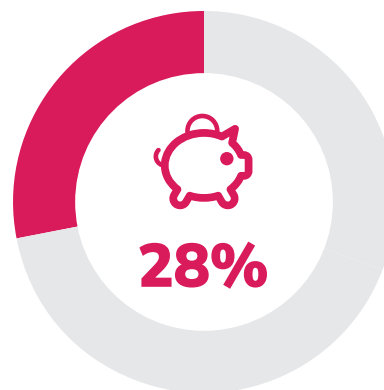
- Drew



AI Opportunists

AI Opportunists hope that AI will allow them to rely less on their agencies, and possibly to eliminate their need for agencies altogether.

But their unrealistic expectations of AI and their focus on cost savings even if it requires sacrificing quality suggest that their primary goal isn't effective marketing, but reducing their marketing spend.



Defining Attitudes

- Beginner-friendly AI-supported tools can help companies achieve professional-level marketing results on their own.
- My organization is considering moving more of our marketing in-house with the help of AI-supported tools.
- Even if AI-generated marketing isn't as good as that developed by agencies, it's worth pursuing considering the cost savings.
- More than ever, my organization can perform marketing tasks ourselves that we would otherwise pay agencies to do for us.
- Outside marketing help costs more than it should.
- I expect my organization to significantly reduce our reliance on agencies in favor of AI-supported marketing tools we can use ourselves.
- AI may eliminate the need for marketing agencies completely.
- My organization knows more about using AI to support our marketing than our agencies do.



"Whether due to inexperience or ego, these respondents have a misguided assumptions about what AI can really do for them — and are willing to prioritize cost savings over marketing effectiveness anyway. Trying to please these clients will be a race to the bottom for agencies unless we can help them see the light." - Susan



"This is our 'wait until they get it' group. We may just have to wait for them to realize their generic AI-generated marketing isn't working like they expect. The good news is, if they're one of our current clients, they're probably not out looking for new agencies and we can try to help them understand that AI works best in the hands of their agency marketing experts." - Drew



Non-Defining Attitudes

Some attitudes aren't defining for individual segments, but still reflect an overall belief that humans will always be more creative than AI and that agency relationships have value.



Strongly Disagree
(1/2)



Mildly Disagree
(3)



Mildly Agree (4)



Strongly Agree
(5-6)

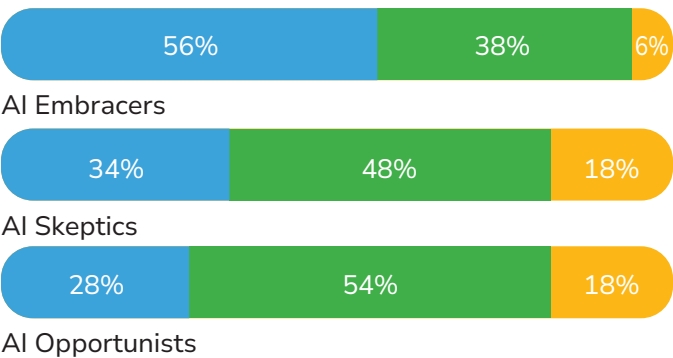
Humans will always deliver more creative work than AI-supported tools.	12%	20%	24%	44%
My organization has the expertise to do our own marketing, but not the time.	21%	24%	26%	28%
My organization has the time to do our own marketing, but not the expertise.	19%	28%	28%	25%
Hiring a marketing agency is a necessary evil.	29%	24%	21%	26%
I suspect our agencies are saving money by using AI but not passing the savings on to us.	33%	22%	20%	25%
I suspect our agencies may be downplaying how much AI could do for our marketing efforts.	35%	22%	20%	24%
It's important to change agencies periodically, even if they are doing a good job.	56%	18%	19%	14%



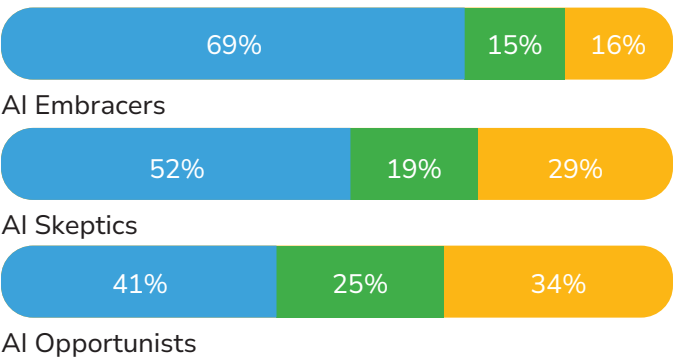
Demographic Differences Between Mindsets

While most profile information about respondents and their organizations don't differ significantly between segments, larger revenues and marketing budgets are significantly more prevalent among **AI Embracers**.

Projected 2025 Revenue



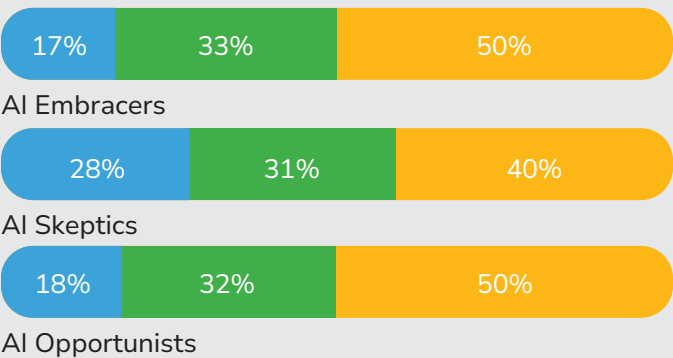
Projected 2025 Marketing Budgets



Under \$1 million \$1 million - \$25 million More than \$25 million

More than half of respondents 40 or older are **AI Skeptics**, significantly more than we see in younger respondent groups.

Projected 2025 Revenue



Under 40 40-49 50 or older



Recommendations to Integrate AI Mindsets into Agency Strategy



Segment your clients: Share the mindsets with your clients, and discuss which they feel best describes them and their organization. Tailor your AI approach with each client accordingly.



For AI Embracers: Position your agency as their strategic AI partner. Create formalized AI strategy sessions and regular updates on AI advancements relevant to their business, and not just their marketing



For AI Skeptics: Develop an educational approach with transparent explanations of how, when, and why you're using AI. Share case studies showing the human-AI collaboration that produced successful outcomes. Focus on the value add of AI, be it time, depth, quality, efficiency, etc. You need to them to come to value the additive possibilities.



For AI Opportunists: Document the differentiation between generic AI outputs and your agency's strategic approach. Be prepared to demonstrate value when they return after experiencing limitations of DIY AI marketing.



Internal action: Create profiles that identify which segment each client and prospect belongs to and develop specific communication strategies for each.



How They Use AI

Overall, most clients appear quite comfortable using AI, and use it often. **Skeptics** lag behind others in comfort with the technology.

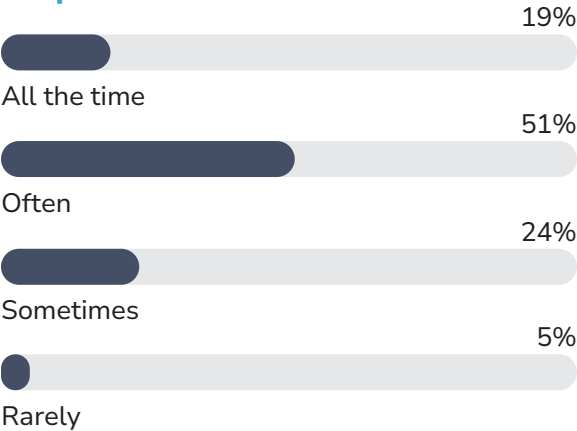


“Whether it’s a willing appetite for AI, or not, clients know AI isn’t going anywhere. Our goal must be to be their sherpa — to show them what’s possible and how it will actually help them build stronger relationships with clients, broaden their reach, and be of more value to the people they serve.” - Drew

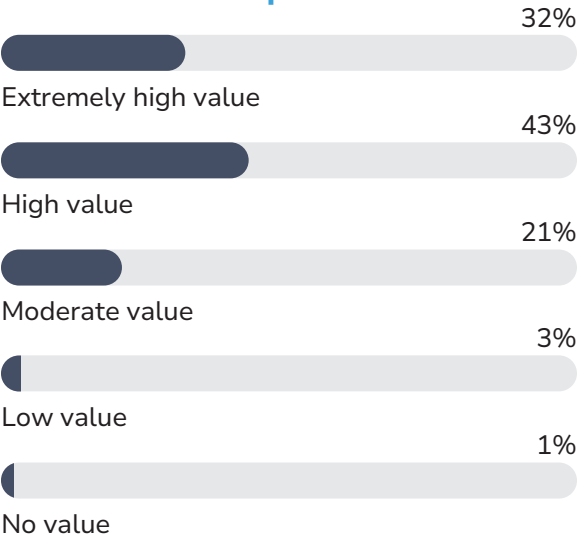
Personal Comfort Using AI Tools



Respondent’s Use of AI in Work



Value of AI in Respondents’ Work





AI Skeptics differ dramatically in how they view AI for their personal use and in their work.

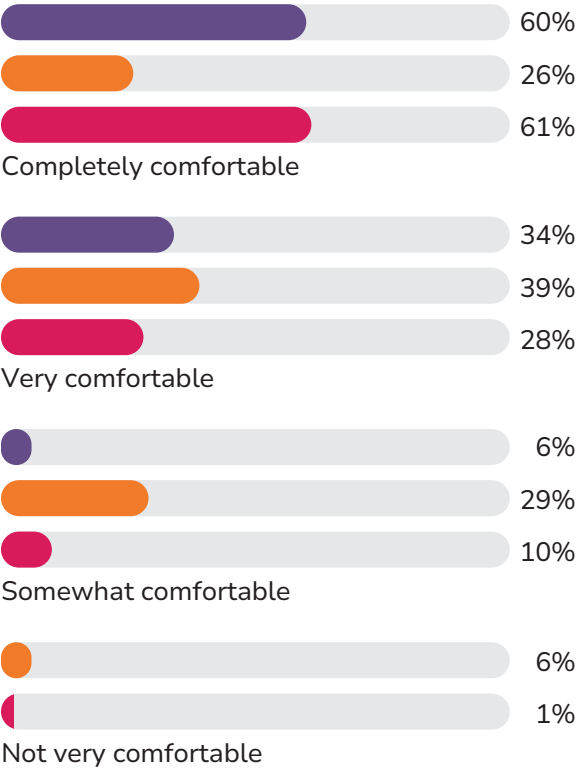
They are far less likely than **Embracers** and **Opportunists** to feel completely comfortable using AI, and they don't use it as often.



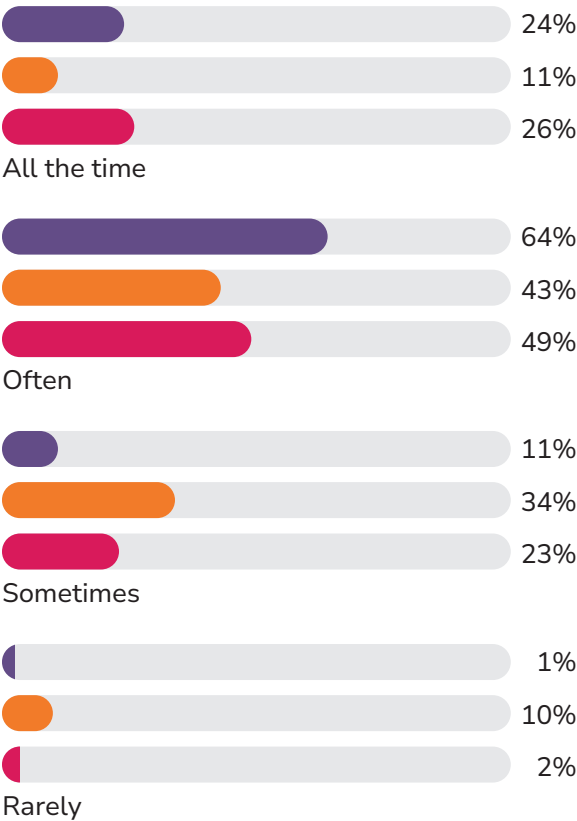
"I really feel for the AI Skeptics. They're using AI, even though they don't feel comfortable using it and have serious concerns about its risks. I think they'd love having an agency partner they can trust to help them use AI productively, and confidently." - Susan

● AI Embracers ● AI Skeptics ● AI Opportunists

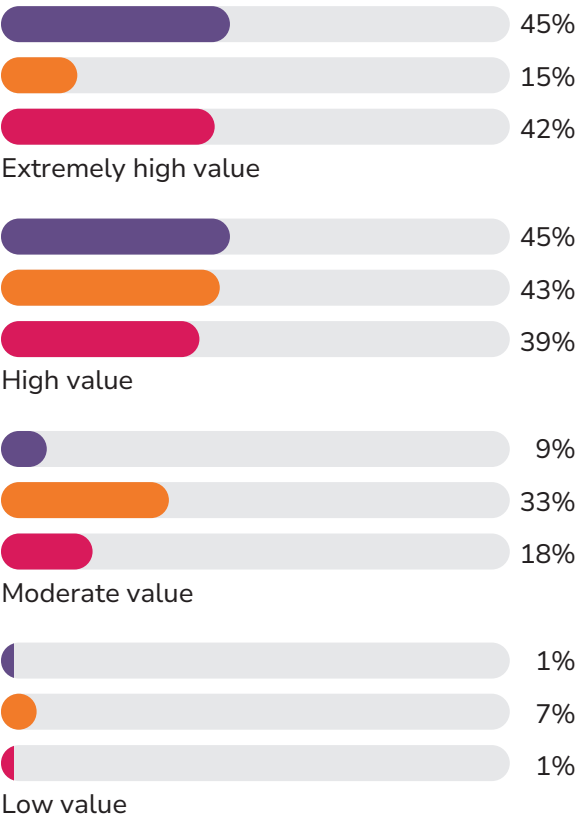
Personal Comfort Using AI Tools



Respondent's Use of AI in Work



Value of AI in Respondents' Work



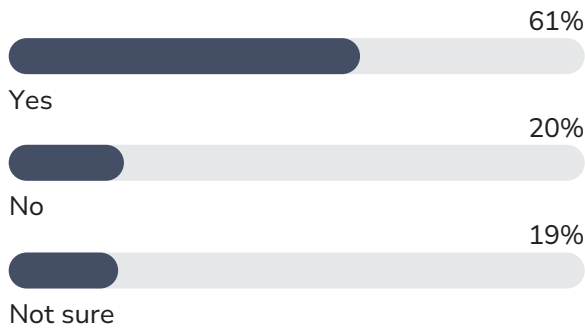


How Organizations Use AI

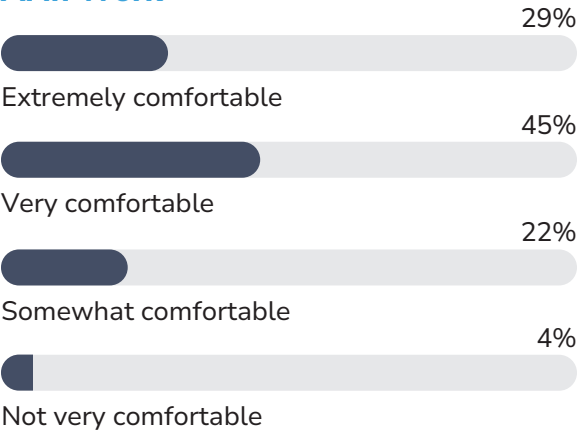
Overall, clients say their organizations are very comfortable with AI as well, but **AI Skeptics** are a stark exception.

Only 7% of **AI Skeptics** say their organizations are extremely comfortable with the use of AI in work, and 40% say they're only somewhat comfortable — almost a perfect flip from the comfort levels of **AI Embracers** and **Opportunists**.

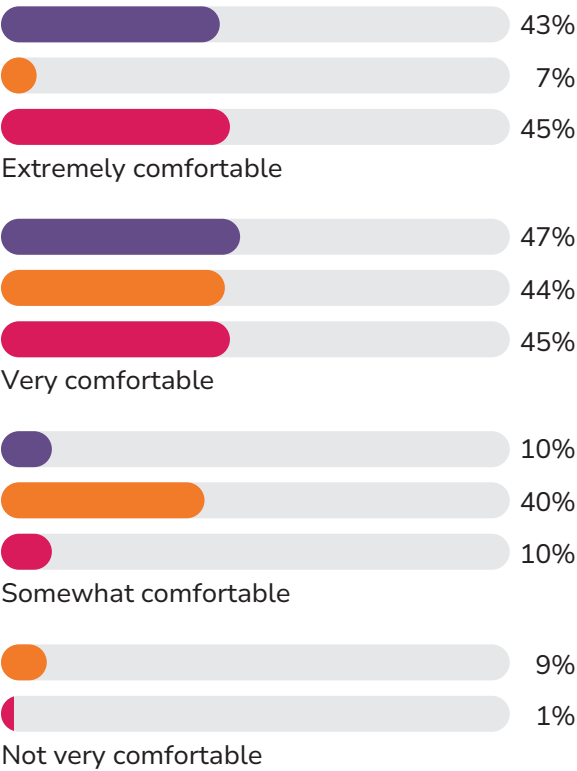
Uncomfortable Organizations Making Efforts to Improve AI Comfort Level



Organization Comfort with Use of AI in Work



Organization Comfort with Use of AI in Work



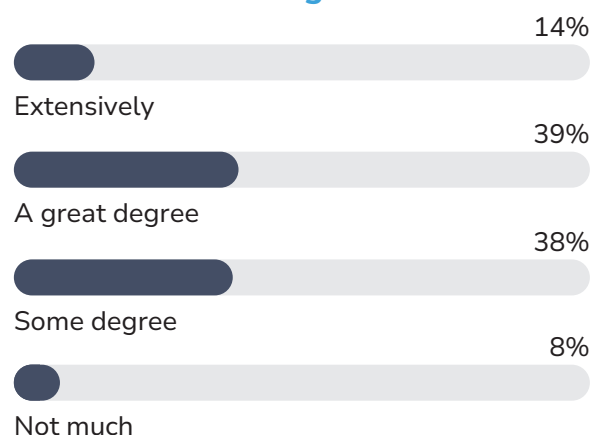
● AI Embracers ● AI Skeptics ● AI Opportunists



Skeptics are also much less likely than other respondents to say AI tools are used extensively in their organizations.

Most respondents whose organizations have some level of discomfort around AI say efforts are being made to improve the comfort level.

AI Tools Used in Organizations

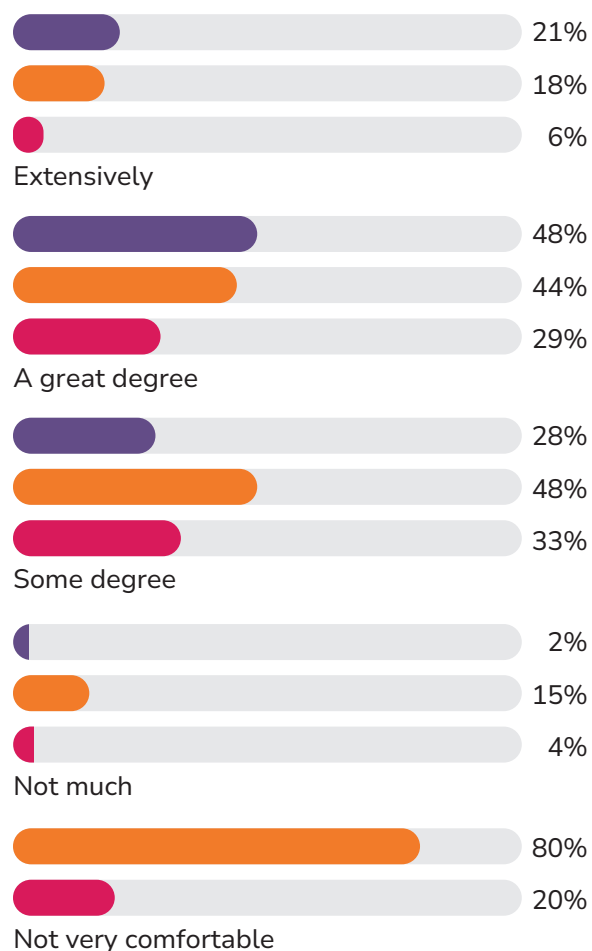


Most respondents say their organizations sanction the use of AI by employees for various uses. Most of those who allow the use of AI impose some restrictions on employees.

Organizations Sanction Use of AI Tools by Employees

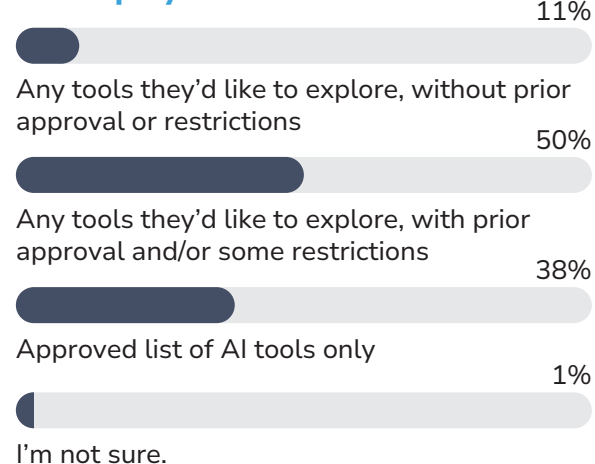


AI Tools Used in Organizations



AI Embracers AI Skeptics AI Opportunists

Organizations' Approved AI Tools for Employees

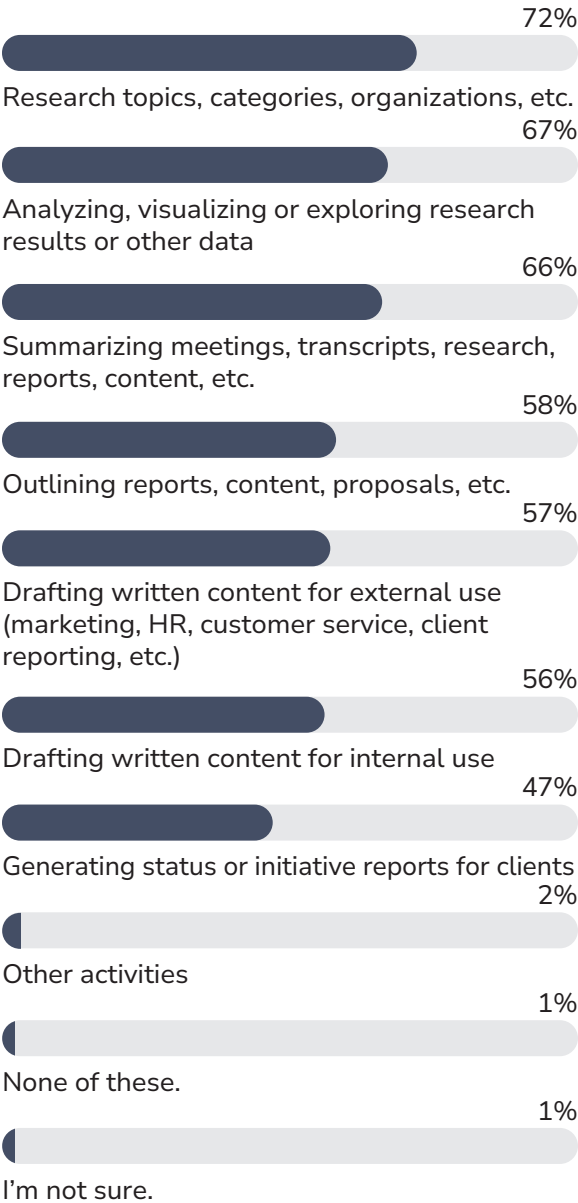




Most client organizations sanction the use of AI for researching topics, analyzing or visualizing data, and summarizing meetings.

AI Skeptics are less likely to say their organizations sanction any uses of AI, even for summarizing meetings.

Sanctioned AI Uses by Organizations



AI Embracers AI Skeptics AI Opportunists

AI Tools Used in Organizations





ChatGPT and Gemini are by far the most commonly approved/subscribed AI tools in respondents' organizations, suggesting a fairly superficial experience with AI's abilities.

Virtually all respondents say their organizations encourage employees to explore AI tools for work, although fewer than half say that encouragement is provided to all employees. Nearly half believe that employees are also using unsanctioned AI tools for their work.

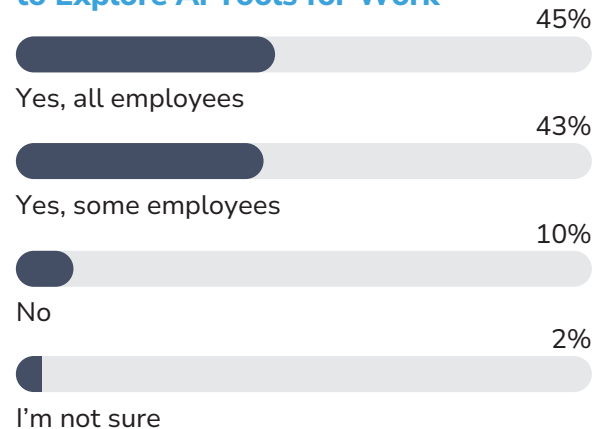


"There are so many tools out there that can be very helpful for specific things clients want to improve. Agencies should grab the opportunity to position themselves as ready advisors for choosing the right ones." - Susan

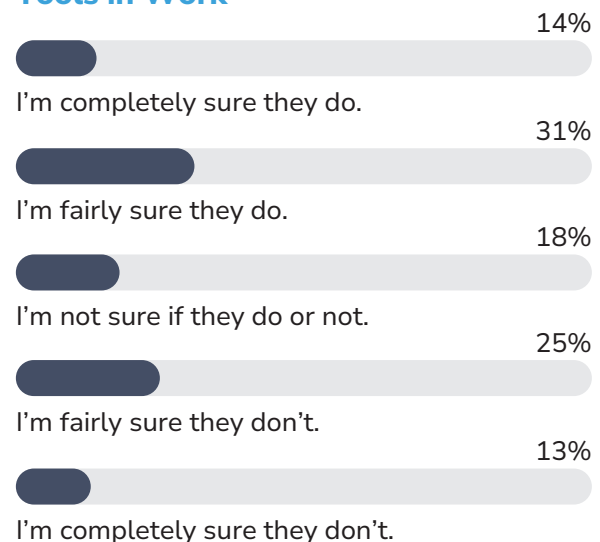


"For agencies, this isn't about knowing what all the tools are. This is about knowing, both internally and on behalf of our clients, what can be either eliminated or enhanced with AI and finding the best tools for that purpose." - Drew

Organizations Encouraging Employees to Explore AI Tools for Work

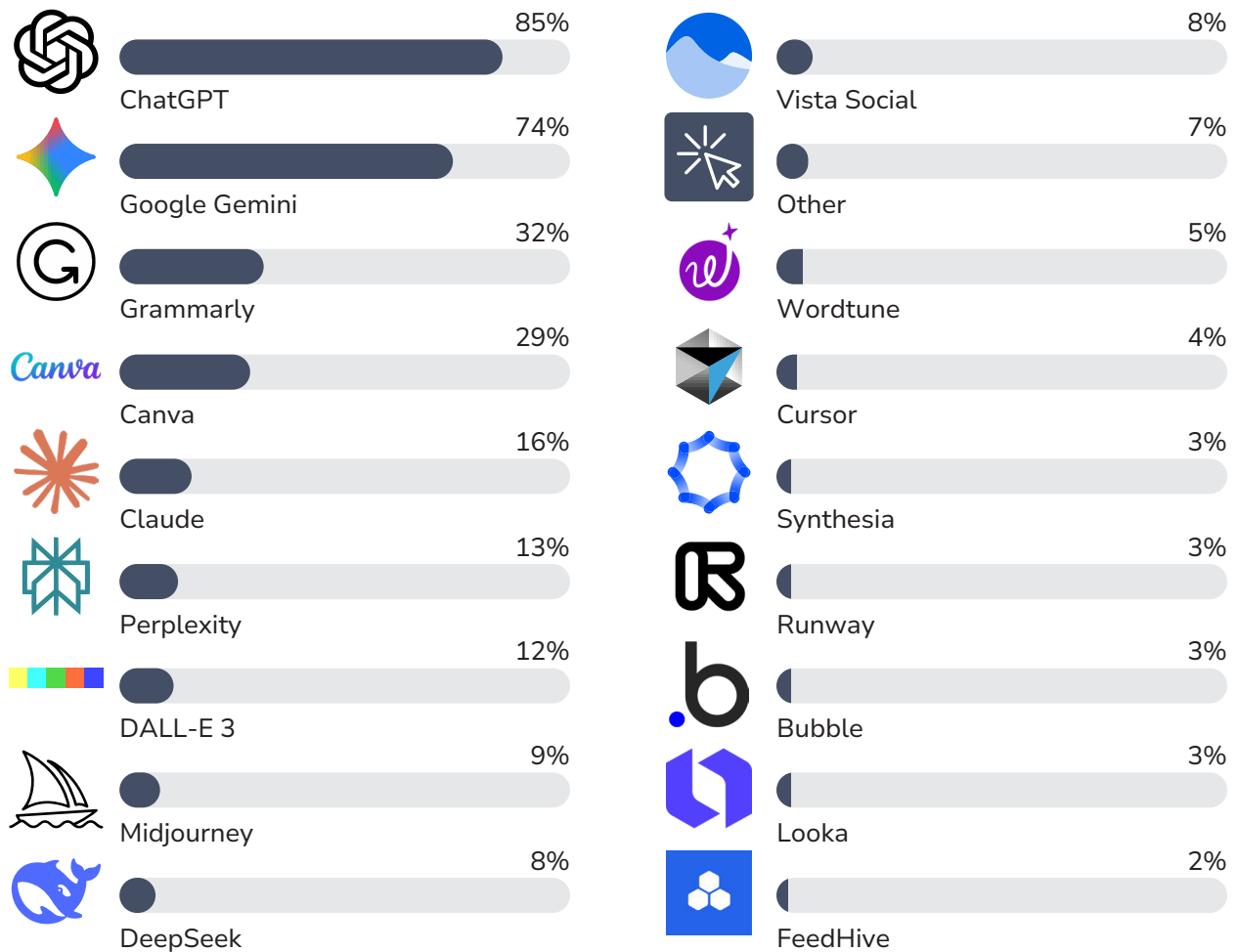


Employees Use Unsanctioned AI Tools in Work





Organizations Sanction Use of AI Tools by Employees





Recommendations to Monetize AI Tool Expertise



Create an AI tool directory:

Develop a curated list of AI tools beyond the most common ones, organized by marketing function and use case.



Develop AI workflows: Create standardized workflows showing how different AI tools can work together for specific marketing outcomes.



Showcase specialty tools: Identify niche-specific AI tools that provide unique value to clients in your agency's specialty areas.



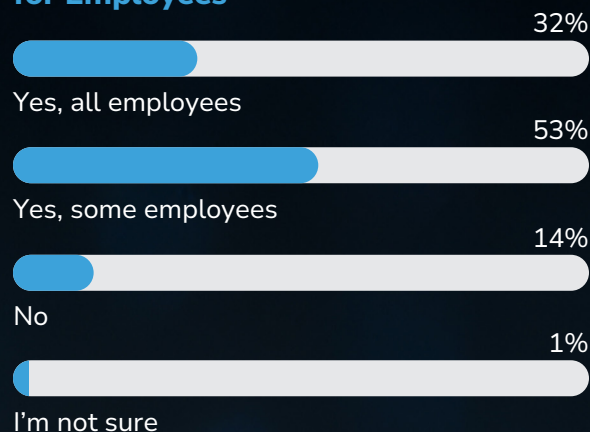
Internal action: Implement regular "AI tool discovery" sessions where team members share new tools and use cases they've found effective.



Build client-specific AI tech stacks: For key clients, develop recommended AI tool combinations tailored to their specific needs and objectives.

While most client organizations provide AI training, only 32% of respondents say it's provided to all employees.

Organizations Providing AI Training for Employees



"Siloing the understanding of AI, and the kinds of things it can be helpful with, in some teams and not others won't turn out well. Given the opportunity, agencies can really step in to help clients understand the capabilities and benefits of AI across many functions." - Drew



Recommendations to Build Client AI Education

Have your own perspective/opinion about AI and be bold about stating it: Many agencies are still unsure of how/where they want to fall on AI. The one thing we can't do in 2025 and beyond is waffle on this. Take a stand and then let your actions and outcomes document why you believe what you do and why you have/haven't incorporated AI into your work practices. Everyone expects us to be a leader in this space.



Create an AI education ladder:

Develop resources for clients at different stages of AI adoption – from AI basics to advanced implementation strategies.



Fill the training gap: Develop training modules on effective AI usage that you can offer clients as a value-add or additional service.



Internal action: Ensure all client-facing staff understand varying comfort levels with AI and can adjust their communication appropriately.



Document client usage: Track which clients are using which AI tools to better align your agency's approaches with their existing practices.



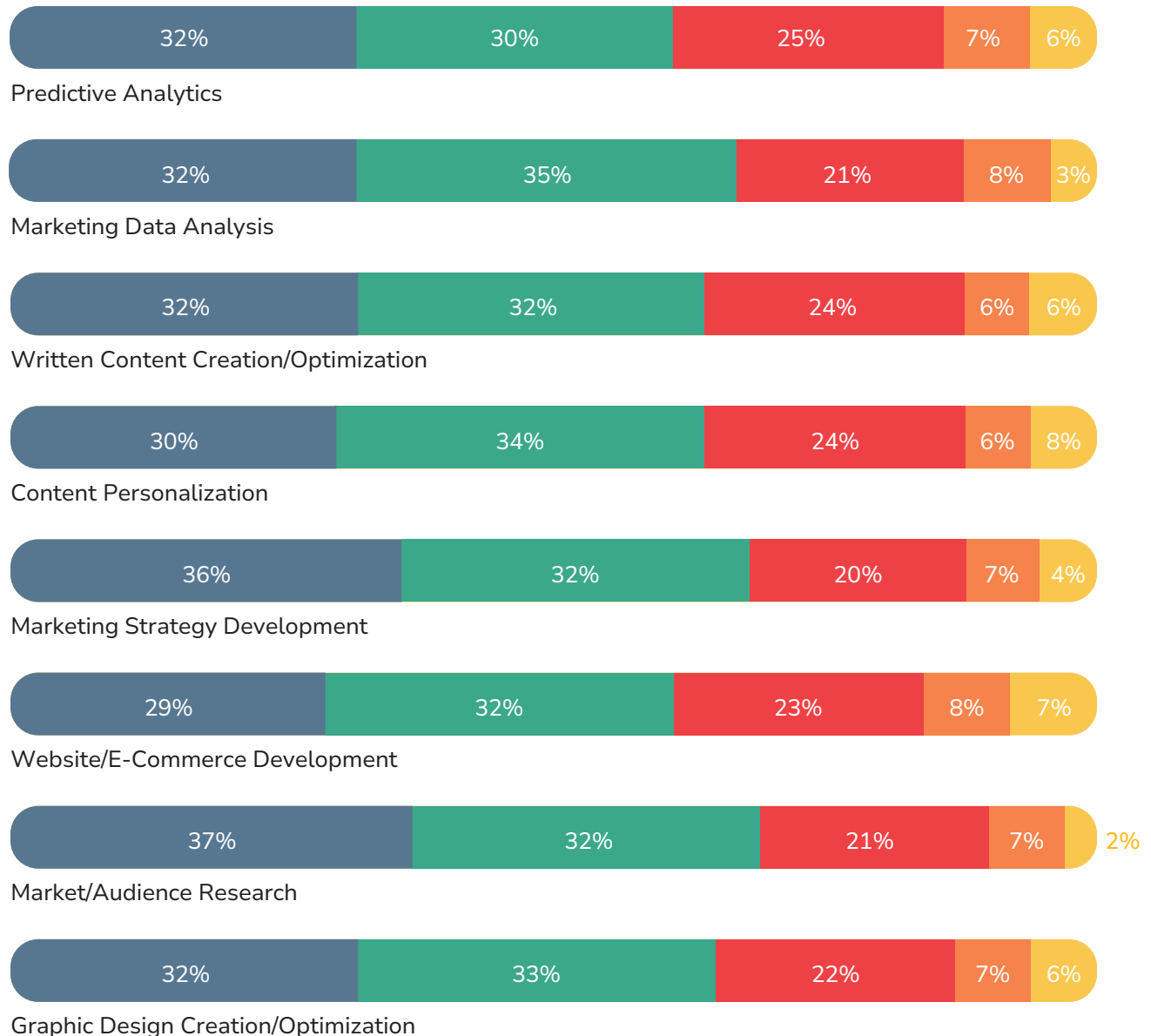
Cover AI usage legally: In both your internal and external documents, make sure you are protected legally. You can't "do AI" in the dark.



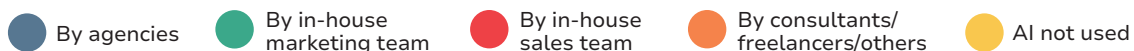
Specific AI Marketing Usage by Team and Segment

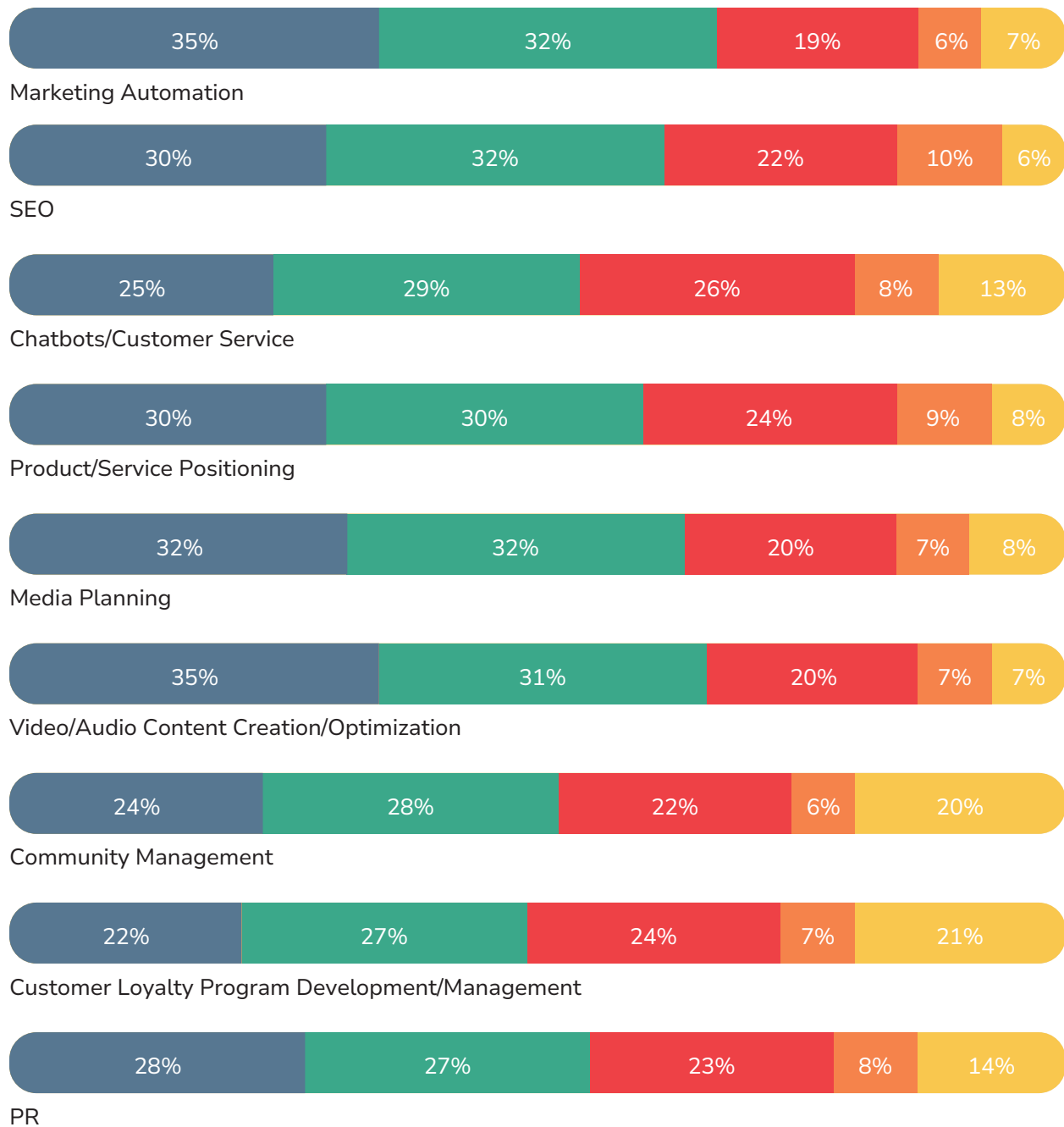
Clients are already using AI for a range of marketing activities, often with agencies taking the lead.

AI used for marketing activities



(continued)





● By agencies ● By in-house marketing team ● By in-house sales team ● By consultants/freelancers/others ● AI not used



The most common use of AI by clients is for marketing strategy development, and it's most often being conducted by agencies. Agencies are also taking the lead on using AI for marketing automation, predictive analytics, content development, media planning, and product positioning.

A significant percentage of clients say their in-house sales team is using AI for many of these purposes as well.

In-house marketing teams are more likely than their agencies to be using AI for marketing data analysis, content personalization, graphic design, website and e-commerce development, customer service and loyalty, chatbots, and community management.



Recommendations to Make the Most of Working with In-House Teams



Claim the high ground: Client relationships are longer, stronger, and more profitable when clients view agencies as strategic partners instead of tactical executors.

Step up as a strategic marketing leader, and help client teams understand how to use AI safely and effectively in execution to build collaboration and trust.



Regularly document and share AI wins: Showing clients how your agency uses AI effectively builds client confidence in giving you more responsibilities. Celebrating client-team wins builds trust, loyalty, and collaboration.



Their Agencies' Use of AI

Few clients say their agencies are AI experts, and many cite a range of serious concerns about its use for their marketing.

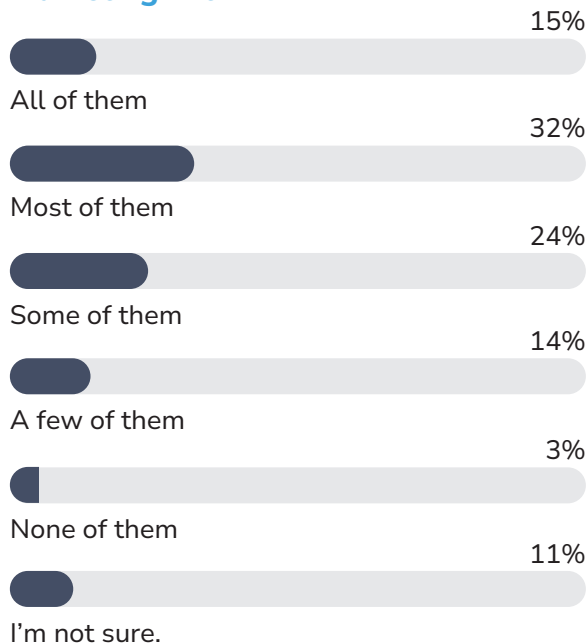


"Talk about blue ocean! We know clients really want their agencies to be AI experts and guides, and this data shows that few are stepping up to the plate." - Susan

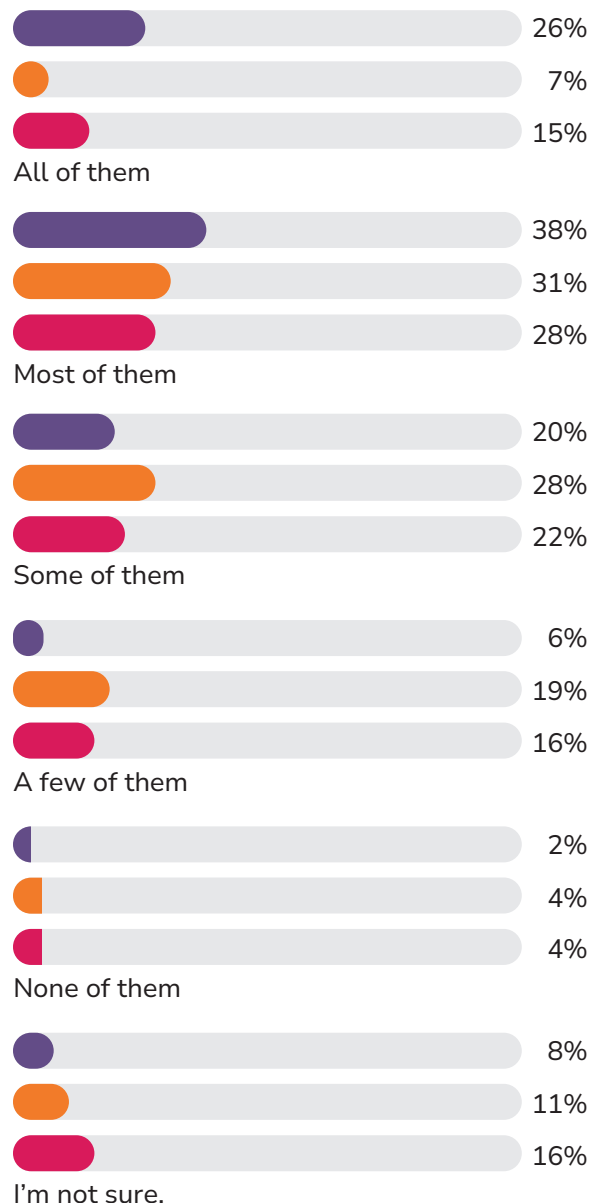


"Big opportunity for agencies here. Our competitors' uncertainty about showing their cards to clients when it comes to AI can be our advantage if we step up and take it." - Drew

Organizations' Agencies are Experts in Marketing with AI



Organizations' Agencies are Experts in Marketing with AI



AI Embracers AI Skeptics AI Opportunists



For clients, serious concerns about using AI in marketing reflect a wide range of potential challenges for agencies, and opportunities for their agencies.



“There is a long list of client concerns, but it’s also a great list of opportunities for agencies to step in and provide support.” - Susan

AI Skeptics are often more likely to have concerns than respondents in other segments.

Serious Organization Concerns with Using AI in Marketing



“We have to approach this like agencies approached adding the computer to their daily lives back in the day. Everything is up for grabs, and we need to identify the ways this completely changes the game. We’ve always been the industry that broke new ground so we need to embrace that position and see this for the opportunity it provides to evolve our work, and our worth.” - Drew



Recommendations to Address Client Concerns

Most client concerns could be addressed with robust, transparent communication with clients. Being prepared with advice and resources should dramatically reduce client fears.



Develop AI governance

frameworks: Create templated AI policies and governance structures that you can customize for clients.



Create an AI regulatory

monitoring service: Position your agency as keeping clients compliant with evolving AI regulations.



Build strategic AI roadmaps:

Help clients identify where AI can genuinely add value versus where it might be a distraction.



Align with industry experts who are leading the way:

Leverage AML's AI group. Learn from Marketing AI Institute. Surround yourself with peers who are willing to share what they learn/know.



Internal action: Designate an AI compliance officer or team within your agency to stay current on regulations and best practices.



Develop workshops: Create workshop formats addressing each major concern that you can deliver to clients as a new service offering.



What They Expect From Their Agencies + AI

Clients overwhelmingly expect agencies to deliver better strategy with AI, not reduce their fees.

The majority of respondents cite a host of expectations for what their agencies should be doing for them with the help of AI — generating more, new, and better ideas, improving analysis of what's working and what isn't, making their marketing strategy and tactics more effective, and better optimizing their marketing spending.

Many also expect benefits to the expertise and collaboration they can expect from their agency partners. 40% expect their agencies to teach them how to use AI effectively, and many expect fewer errors and more originality in the deliverables their agencies provide, and better differentiation for their clients as a result.

At the bottom of the list are agency fee cuts and reductions in the number of experienced creative, strategic, and administrative personnel.



"I love this chart so much! So many agencies fear that reducing fees is the main thing clients are looking for as a result of AI. This shows just the opposite." - Susan

Generate new ideas for our marketing

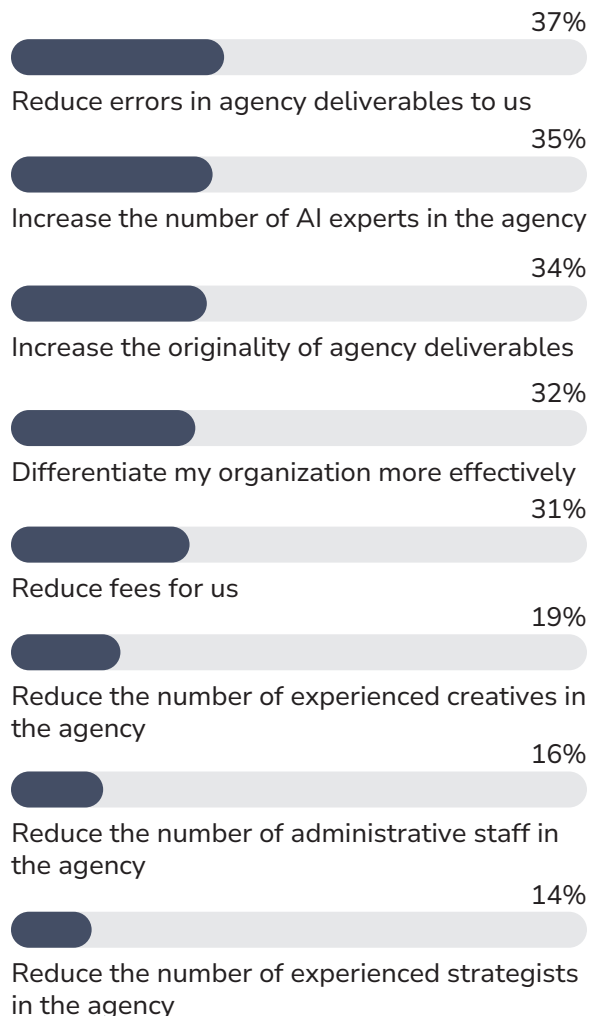


(continued)



“The underlying message here is that AI can actually help agencies charge a premium for their thinking. This continues the trend of agencies being commoditized for doing “grunt work” but elevated for being strategic partners. If we can truly bring better quality, efficiency, and results to our clients, agencies will be rewarded for that.” - Drew

While there are differences between segments in terms of the prevalence of their expectations, the story is the same — strategic benefits lead where cost savings and staff reductions lag.



Recommendations to Focus AI Value Conversations on AI's Strategic Value



Realign your AI narrative: Stop solely focusing on efficiency/cost reduction and emphasize how AI enhances strategic thinking and creative ideation and eliminates repetitive tasks that must be done but don't deliver high value on their own



Document strategic AI wins:

Create case studies showing how AI helped generate breakthrough ideas or strategies, not just made work faster.



Develop an AI value framework:

Create a structure for showing clients how AI is improving outcomes, not just reducing time spent.



Internal action: Train account managers to discuss AI in terms of value enhancement rather than cost reduction.



Revise service offerings: Consider packaging and pricing that emphasizes the strategic value AI brings rather than positioning it as a cost-saving measure.





How, Why, and When: The Communication Gap

We Have A Communication Problem.

Clients want transparency from agencies about their use of AI. Few agencies are providing it.

Half of agencies rate understanding how their agencies are using AI as a top priority. One quarter cite understanding why and when their agencies are using AI as top priorities.

Unfortunately, only half of clients say their agencies have discussed each of these topics with them fully — and the most important, how AI is being used by the agency, has been least often fully discussed with clients.



“The truth is, we are not shouting to the hills about our AI usage because many agencies still feel behind the curve or unclear about where they stand. We can’t afford to stay in that spot. Our clients value us not just for our knowledge, but also for our insights and wisdom. This is our chance to truly step into that teacher/advisor role. And that will make us invaluable.” - Drew



“No wonder clients have so many concerns! Agencies have a lot of work to do here. We need to not only tell clients how we’re using AI, and when, and why, but encourage them to talk to us about their concerns and priorities and help them achieve their goals.” - Susan

Priority of knowing their agencies are using AI



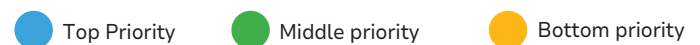
HOW their agencies are using AI



WHY their agencies are using AI



WHEN their agencies are using AI



Agencies have discussed



WHY they use AI



WHY they use AI



WHY they use AI





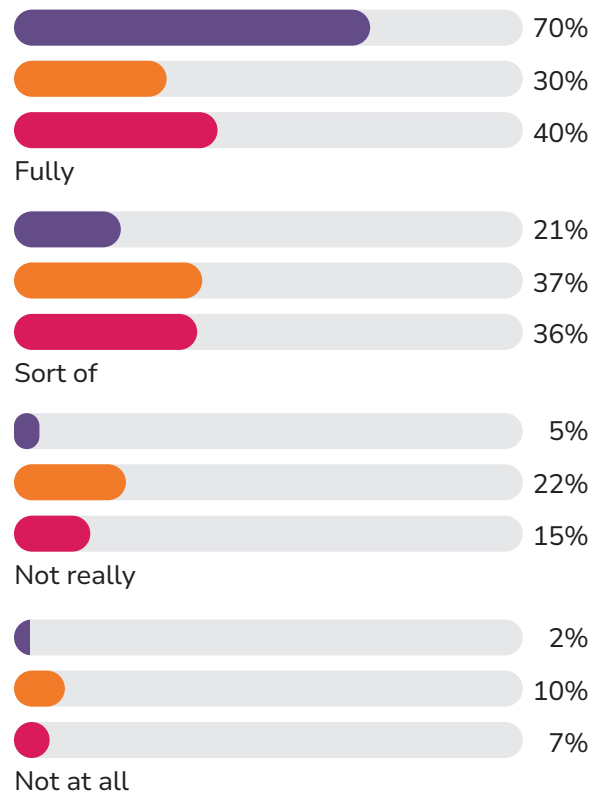
Clients aren't any better at discussing their AI priorities, perspectives, and rules around the use of AI with their agencies.

AI Embracers are significantly more likely to say they have fully discussed this with their agencies.

Organization Has Discussed Organization AI Perspective, Rules, or Processes



Organization Has Discussed Organization AI Perspective, Rules, or Processes



● AI Embracers ● AI Skeptics ● AI Opportunists



Recommendations to Improve Communication About AI



Create an AI disclosure protocol:

Develop a standardized approach for transparently sharing how your agency uses AI in client work.



Initiate AI conversations

proactively: Don't wait for clients to ask – schedule specific meetings to discuss AI usage and strategy.



Develop educational content:

Create client-facing resources explaining AI concepts, use cases, and best practices in plain language.



Internal action: Train all client-facing staff on how to effectively explain AI usage in non-technical terms.



Formalize AI usage

documentation: Create templates that account teams can use to document and share AI usage for each client project.



Research Methodology

This research was conducted by Agency Management Institute in partnership with Audience Audit, Inc. It is part of a 12-year annual series of research conducted and shared to support leaders of small to mid-sized agency leaders.

The custom survey was developed through conversations between Drew McLellan of AMI and Susan Baier of Audience Audit, based on discussions with agencies in the prior year. The 15-minute online survey was fielded to a group of 401 agency clients generously provided by our panel sponsor Full Circle Research.

Respondent data was analyzed for quality and cleaned by both Full Circle and Audience Audit. Data was analyzed by Audience Audit using proprietary methodology and visualized using the AddMaple platform.

Respondent Screening

Respondents were screened to ensure respondents met the following criteria:

- Responsible for decisions about marketing strategy and/or activities;
- In organizations working with at least one agency;
- Projecting less than \$500M in revenue and with a marketing budget of less than \$20M for 2025.

Respondents are anonymous.

Statistical Confidence in the Results

The survey has an overall margin of error of +/- 4.8 percentage points at a 95% confidence level.



AI Disclosure

Survey development

- AI was not used in the development of the survey.

Data cleaning and analysis

- AI was not used in the analysis of the data, although it was used to support data cleaning.

Data visualization and report development

- AddMaple uses proprietary AI technology to visualize the results and provide summaries of individual charts, as well as to guide data exploration by highlighting correlations between questions and to report on the results of statistical tests.
- AI was used to contribute ideas to recommendations in this report.

Questions about the AMI Agency Edge Research Series can be directed to drew@agencymanagementinstitute.com

Questions about the methodology behind this research can be directed to susan@audienceaudit.com

Questions about panel respondents can be directed to tobinb@ilovefullcircle.com