THE IMPACT OF COVID-19 ON DIGITAL AGENCIES: A SURVEY REPORT

Based on the Insights of 130+ Digital Agencies Across the Globe
A NEW DAWN

The global pandemic COVID-19 shocked us all. In the midst of uncertainty, we have rapidly moved into an era of e-learning, remote working, digital experiences and altogether, a new world of business.

Over the past few months, our team has had countless discussions with our network of 500+ agency partners and clients, sharing our experiences about how the pandemic has impacted businesses and the approach moving forward.

So we decided to take this a step further and begin studying how the impact of the pandemic has affected agencies across the globe and how the industry is adapting to the abrupt changes. We reached out to our clients, partners and Agencies in general to get first hand accounts of their experiences and I'd like to thank all our contributors for taking the time to fill out this survey.

Our goal for this report is to help agencies better understand the situation at large, to make them feel less alone in this battle and to provide some key findings we uncovered on how other agencies have combatted the situation.

I'd like to thank you for downloading this report and I hope you get some value out of it.

Jaymin Bhuptani
CEO, Uplers

An entrepreneurial visionary with a passion for scaling businesses and uplifting others with a strong belief in the essence of a 'Focused-approach'. An avid traveler, a father of two & a constant learner about business & technology.

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Thank you to all the digital agencies who took the time to contribute to this report.

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The Impact

The impact of COVID-19 was felt by agencies, both large and small, across the globe, and the results of our survey showed some interesting differences in the ways agencies were affected.
The results of our survey showed that most agencies believed COVID-19's impact would last between 6 - 12 months. Only time will tell how long the impact lasts but one thing is for certain, there is an established new norm and all businesses need to adapt.
The outlook on the future after COVID-19 was different amongst various regions, with Australia and New Zealand being the most positive about it.

43% Most **Australian** agencies expect the impact of COVID-19 to last **3 to 6 months**.

40% Most agencies in the **USA** expect the impact of COVID-19 to last **6 to 12 months**.

“Never give up, stay strong, innovate and think out of the box.”

**Julian Garcia Torres**, Relevant Traffic

“A financial downturn can affect agencies in waves, so if you are not impacted in this first wave, it may come later down the track - especially if this impacts the economy for 6+ months. So stay focused on what you're doing, continue to watch costs, and adapt as the market requires.”

**Janelle Strickland**, Little Bird Online Marketing

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Impact on Revenue

66% of agencies experienced a decrease in overall revenue. 16% saw an increase in overall revenue.

How significantly was revenue impacted by COVID-19?

<table>
<thead>
<tr>
<th>Impact Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significantly Impacted (revenue reduced below 50%)</td>
<td>9%</td>
</tr>
<tr>
<td>Slightly Impacted (revenue reduced 30 - 50%)</td>
<td>25%</td>
</tr>
<tr>
<td>Impacted (revenue reduced up to 30%)</td>
<td>32%</td>
</tr>
<tr>
<td>No Impact</td>
<td>19%</td>
</tr>
<tr>
<td>Slight Growth (revenue increased up to 30%)</td>
<td>11%</td>
</tr>
<tr>
<td>Significant Growth (revenue increased above 30%)</td>
<td>5%</td>
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</tbody>
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Over two-thirds of the agencies experienced a decrease in revenue, with agencies below 25 employees in size being the most heavily impacted.
WHICH INDUSTRIES GREW DURING COVID-19?

- Technology: 16%
- Ecommerce: 15%
- Healthcare: 14%
- Retail/Consumer Durable/Utilities: 11%
- Banking, Insurance & Financial Services: 7%
- Food & Beverages: 7%
- Online Content/Games/Education: 7%
- Consulting & Legal Services: 6%
- Manufacturing: 5%

The technology industry was the clear winner when we asked agencies their opinion for the top 3 growing industries. We have all experienced an acceleration in technology since COVID-19 which aligns with our survey responses.

“Things seem relatively stable from an e-commerce standpoint. Some industries have taken a hit while others have expanded.”
- Aaron Kantrowitz, AKANTRO, Inc.

“Our focus on digital marketing within the healthcare industry has seen an increase during covid.”
- Anonymous Contributor

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Not only were agencies’ current portfolio of clients negatively impacted by COVID-19 but more than half of the agencies said they experienced a decrease in new lead enquiries, making it even more challenging to compensate for the downturn with new business.
During a time where many businesses were pulling their marketing, it was interesting to find out that the agencies who saw increase in leads were still spending on digital marketing, taking advantage of reduced competition in the market.

90% of the agencies who saw an increase in leads, were **actively spending on marketing**, on multiple channels.

29% of agencies who saw a drop in leads were **smaller in size**.

“Focusing on Crisis Management / PR has driven significant digital success for clients. Getting by-lines, stories and producing content to be picked up by other sources allows brands to get closer to their consumers. I highly recommend adding PR to any marketing strategy going on now.”

*Anonymous Contributor*

“I think this is an opportunity for businesses to embrace down time to update design and marketing initiatives.”

*Allison Duine, Intersection Online, Inc.*

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The Approach

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EXPANDING SERVICES

29% of agencies said they would **explore new services** for their current clients.

29% will explore **new channels** for new business.

WHAT DID AGENCIES DO TO COMBAT THE SITUATION?

One of the key initiatives that many agencies are undertaking to combat the COVID-19 situation is by expanding their offerings, adding new digital services to their agency’s skill set in order to secure new business.

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WHAT CHANNELS DID AGENCIES RECOMMEND?

Although it is one of the oldest channels available, Email Marketing was the most popular response when it came to which channels agencies recommended to their clients. In a time where businesses need to reduce costs and also keep customers up to date, email serves as a relatively inexpensive but extremely powerful channel.

“The world will change after COVID-19 so business will have to change too. There is a new norm upon us all and those who have pedigree in business with digital at the core will not only survive but will thrive.”

Anonymous Contributor
EDUCATING CLIENTS

35% of agencies recommended their clients to pivot to new marketing messages.

WHAT APPROACH DID AGENCIES RECOMMEND THEIR CLIENTS?

One of the major challenges for agencies during this time has been; what should we be recommending to our clients? Over one third of agencies recommended their clients to pivot to new marketing messages to take advantage of the decrease in competition.
One of the most common recommendations was to update core messages going out to audiences. COVID-19 saw a lot of volatility in the market and keeping your customers up to date with what was going on with orders, meetings, or any part of the business was time well invested.

“Those taking the time to sort out their fundamental digital assets - eg their Google My Business page, LinkedIn page, company Facebook Page - are likely to see a significant organic traffic uplift.”

Patrick Jackson, KPS

34% of agencies recommended their clients to increase their investment in digital marketing. Tweet
INCREASING FLEXIBILITY

58% of agencies offered flexibility in their contract terms.

28% of agencies reduced their fees.

HOW FLEXIBLE WERE AGENCIES IN THEIR CLIENT RELATIONSHIPS?

![Bar chart showing price reductions and flexibility in terms for agencies.]

One of the most positive and uplifting findings of our survey is how accommodating agencies and businesses are to each other. Amazingly, 6 out of 10 agencies said they were being more flexible in their contracts.

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Different regions had varying approaches to how they dealt with their client relationships and we found out that agencies in the UK were the most flexible with their fees, followed by 30% and 22% in AU & USA respectively.

“During unprecedented times, new ways to approach business are required.”
Anonymous Contributor
COVID-19 has rapidly changed the landscape of business, in the way we work and how businesses are structured. The results of our survey showed that 80% of agencies have positive attitude towards outsourcing since the crisis first hit.
One of the main advantages of outsourcing is the ability to be agile, scaling teams up and down as per demand. This gives agencies flexibility to manage their cash flow and management of risk, which is critically important for a business surviving during crisis like COVID-19.

WHAT FLEXIBILITY OUTSOURCING ALLOWED DURING THE CRISIS?

Client retention
One of the top most priorities has been to retain the clients during COVID-19 crisis. Outsourcing allows agencies to have increased profit margins in-comparison to agencies who do not outsource. Hence, in such situations, reducing the agency price for clients simply reduces the profit margins and does not incur a loss.

Reduced work-load management
One of the challenges that agencies face during difficult times is to manage the reduced work-load. Outsourcing teams allows pause or cancellation of regular commitments with minimum obligation and easy re-engagement methods.

Preparedness
The challenges are not only with reduced work-load, but even when it's increased. With every crisis comes opportunity and early adapters gain the most from any situation. Outsourcing partnerships allows us to build an additional team overnight, small or big within a couple of days.

An established business's USP is their disciplined operations.

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SCHEDULE A CALL TO UNDERSTAND HOW OUTSOURCING CAN HELP YOU.

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SUMMARY

The responses from our survey clearly show that all agencies have been affected by COVID-19 in some way and the crisis will have ongoing impact. The key broader level findings and conclusions of the report are:

Don’t wait to adapt, the new normal is here.

Expand your services and skills.

Consider outsourcing for flexibility and risk management.

If anyone is looking for specific information about the report, please get in touch at hello@uplers.com
Uplers is one of the largest, globally recognized outsourcing agencies in the industry, empowering businesses across the globe to build a better digital ecosystem.

Our global team of technology and marketing experts provide a one-stop-shop for agencies who require reliable, cost-effective, and scalable outsourcing solutions across a range of digital marketing disciplines.

We have offices spread across the United States, Australia, Netherlands, and India. As a team of marketing specialists, our goal is to grow companies and help them to thrive in their respective market.

With over 7 years of experience, a team of over 500 marketers and developers, and 7000+ global clients, we have helped various companies achieve their goals, scale their operations, and provide their business with an edge over the others in the market.

**OUR SERVICES INCLUDE:**

**Web Development**
- Front-end
- WordPress
- HubSpot
- Shopify

**Digital Marketing**
- SEO
- SEM
- Email Marketing

**Marketing Automation**
- Salesforce
- Marketo
- Braze & more

**Design**
- Websites
- Landing Pages
- Email Templates

Check our case studies, testimonials, clientele, blogs and to know more about Uplers, visit [www.uplers.com](http://www.uplers.com)
APPENDIX: SURVEY PARTICIPATION BREAKDOWN

LOCATION

11.5% United Kingdom
36.2% Australia/New Zealand
44.6% United States/Canada
7.7% Other
100+ employees
25-100 employees
1-5 employees
10+ employees

AGENCY SIZE

38.6% 5-25 employees
35.4% 1-5 employees
19.7% 25-100 employees
6.3% 100+ employees
7.7% Other
100+ employees
25-100 employees
1-5 employees
10+ employees

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We hope the valuable insights in this report were helpful.

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