

2025

eventmarketer®
**AGENCY
FORUM**

**EVENT AGENCY
BUSINESS OUTLOOK**

INTRODUCTION

THE ONLY STUDY OF ITS KIND

Thank you for joining us at Event Marketer's third annual Agency Forum.

We are pleased to share the results of the 2025 Event Agency Business Outlook study, a first-of-its-kind research report designed exclusively to meet the unique data needs of the event agency leadership community.

The 2025 Event Agency Business Outlook study asked more than 200 event industry executives to weigh in on 20 questions spanning event operations costs, margins, compensation and, new for 2025, sustainability. The results present a unique snapshot of the experiential marketing industry with data gathered from those who specialize in strategic events. No other industry report gathers this kind of data.

The goal of the 2025 Event Agency Business Outlook report is to get a sense of where the agency business is today, where it's trending, where agencies are focusing and investing, and what the community is watching and expecting as it heads into 2025. Good data informs smart decisions, and we hope that what we shared with you at Agency Forum, and what you are about to read, will help you build stronger strategies for next year and beyond.

Here's to a big, bold 2025.



Jessica Heasley
Editor & Publisher, Event Marketer

TABLE OF CONTENTS

Operating Costs 4

People, Recruiting and Compensation 8

2025 Business Projections 10

Sustainability 13

Summary 14

About the Survey 15

OPERATING COSTS

Survey Question: Overall event operating hard costs increased by how much in 2024 versus 2023?

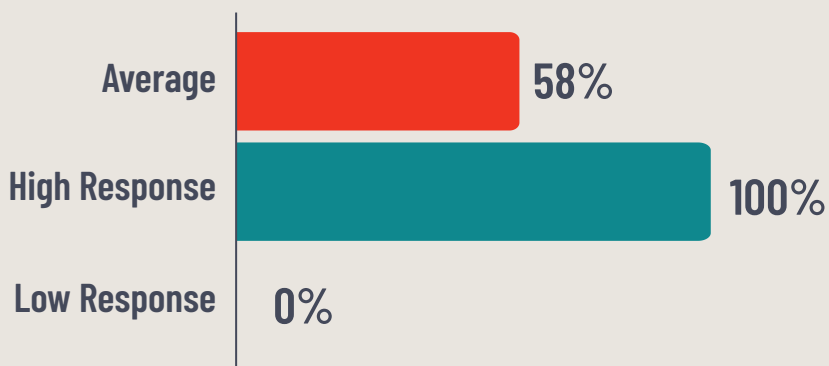
	2023	2024
0 to 3%	4%	5%
4 to 6%	7%	22%
7 to 10%	25%	35%
11 to 15%	32%	20%
16 to 20%	17%	14%
21 to 25%	11%	3%
More than 25%	5%	1%



HARD COSTS HAVE COME DOWN BUT MORE ARE REPORTING SMALLER INCREASES

Overall, hard costs are continuing to come down but a larger slice of the agency community is reporting small (up to 6%) increases than they did in 2022 and 2023. The majority of respondents (35%) report the average cost increase was 7-10% versus 11-15% last year. The number of agency leaders reporting big cost increases of 16-25+% has steadily come down over the last three years with only 1% reporting an increase of more than 25%. Interestingly, a higher percentage of agency leaders are reporting smaller increases than last year, with 22% reporting 4-6% increases, versus 7% reporting 4-6% increases last year.

Survey Question: What percent of hard cost event budget increases are you passing on to clients?



A POST-PANDEMIC TREND PERSISTS AS AGENCIES ABSORB COSTS

Based on data from 2022 and 2023, the majority of event agencies are still absorbing hard cost increases rather than passing them along to their clients. While the percentage has come down from an average of 65% in 2022 when the industry was getting back on its feet to 58% this year, it still persists as standard practice among more than half of agencies.

OPERATING COSTS

Survey Question: In which of the following expense areas are you seeing the largest cost increases/inflation?

	2023	2024
External labor (staffing, non-union)	69%	71%
Fabrication/Builds	58%	63%
Transportation/Shipping	70%	61%
Venue fees	47%	54%
External labor (union)	38%	38%
Food & Beverage	40%	37%
Gas/Fuel	41%	35%
Internal labor	39%	33%
Insurance	20%	21%
A/V	21%	19%
Technology (non-a/v)	15%	13%
Security	7%	4%
Graphics	8%	3%



VENUES COSTS SURGE AGAIN BUT TRANSPORTATION AND LABOR COSTS TREND DOWN

Most industry cost increases remained steady compared to last year with the exception of venue fees, which were reported to be a top expense category by 54% of agency leaders, up 7% over last year and 21% over 2022. Rising costs are likely contributing to an industry-wide shake-up as brands are reevaluating, and in some notable cases, relocating their legacy events. Large increases in transportation and shipping expenses, gas/fuel and internal labor costs have been reported by fewer agency executives this year.

OPERATING COSTS

Survey Question: In general, by what percentage have costs increased in the following expense areas over the last year?

	Increased 50% or more	Increased 40%	Increased 30%	Increased 20%	Increased 10%	Increased 5%	Flat/Same as 2022	Decreased
Internal labor	5%	1%	5%	15%	38%	27%	10%	0%
External labor (union)	3%	2%	11%	17%	38%	20%	9%	0%
External labor (staffing, non-union)	3%	3%	7%	21%	39%	20%	7%	0%
Venue fees	2%	0%	11%	15%	44%	17%	11%	0%
Insurance	2%	5%	11%	11%	28%	25%	19%	0%
Transportation/Shipping	1%	6%	13%	20%	34%	20%	6%	0%
A/V	1%	2%	3%	17%	29%	21%	26%	0%
Fabrication/Builds	0%	4%	14%	22%	38%	18%	5%	0%
Food & Beverage	0%	4%	6%	21%	30%	25%	14%	0%
Security	0%	2%	2%	12%	28%	29%	27%	0%
Gas/Fuel	0%	2%	12%	17%	33%	22%	13%	1%
Technology (non-a/v)	0%	2%	2%	15%	30%	32%	20%	0%
Graphics	0%	1%	2%	7%	31%	33%	26%	0%
Other	0%	0%	3%	11%	26%	14%	46%	0%

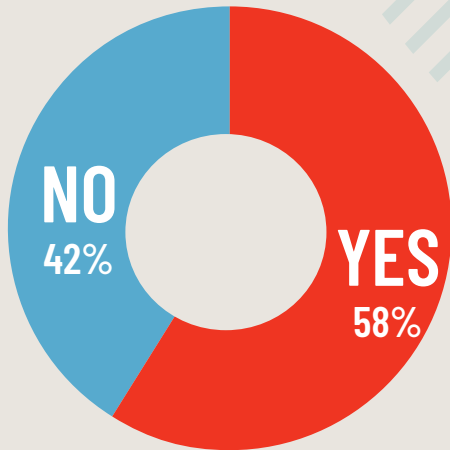
MOST COST INCREASES ARE STEADY YEAR OVER YEAR

Not surprisingly, more agency leaders (7% versus 2% last year) are reporting gas costs are up by 40% or more. Those reporting at least a 10% increase in venue fees doubled this year over last. And the majority of agencies (60%) are reporting that external labor (staffing) is still experiencing 20-30% increases. However, most other cost centers remained steady with little change year over year, including A/V, F&B (mostly flat), union labor (steady), security, graphics, and technology. Internal labor costs decreased from last year as post-pandemic hiring and salaries flattened. Insurance came down to between 5-10% versus the majority of agencies reporting 10-20% last year. Fabrication and transportation costs are also down with a majority of agency leaders reporting 10% increases versus 20% last year.



OPERATING COSTS

Survey Question: Will you increase your rate card in the year ahead based on rising costs?



RATE INCREASES REMAIN STEADY

In 2023, 59% of agencies reported they would increase their rates.

This year, that number dropped one percentage point. The average increase in 2024 was 4-6% among the majority (39%) of agencies. In 2025, most (39%) agencies plan to increase rates by 4-6% again, but a higher percentage (37% versus 24% last year) report small increases from 1-3%. One percent of respondents reported that they will increase rates significantly, 25% or more.

Survey Question: If you do plan to raise rates, by how much?

	2024	2025
0 to 3%	24%	37%
4 to 6%	39%	39%
7 to 10%	28%	20%
11 to 15%	6%	3%
16 to 20%	2%	0%
21 to 25%	1%	0%
More than 25%	0%	1%

PEOPLE

Survey Question: What are your most important agency investments in the year ahead? (List in order)

Top Investments Last Year	Top Investments This Year
Business Development	Business Development
Hiring People	Hiring People
Marketing	Marketing
Launching New Services	Launching New Services
Diversity/CSM	Salary/Comp Increases
Salary/Comp Increases	Diversity/CSM
Buying New Equipment	Opening New Offices
Opening New Offices	Buying New Equipment



MAJOR INVESTMENTS REMAIN LARGELY THE SAME AS LAST YEAR

The top four biggest investments being made by agencies this year are the same as they were in 2023: Business Development, Hiring People, Marketing, and Launching New Services. Salaries bumped up a rung, taking over the fifth most important investment from Diversity/CSM initiatives. Opening New Offices shot up two places this year, which may be more reflective of many agencies expanding into new markets, versus investing in new office spaces for shrinking full-time work forces.

Survey Question: Which three areas are you adding headcount in?

2024	2025
Creative	Creative
Account Services/Management	Account Services/Management
Production	Production
Business Development	Business Development
On-Site Execution	Strategy
Strategy	On-Site Execution
Marketing	Technology/Data/Measurement
Technology/Data/Measurement	Marketing
Admin/Office	Admin/Office

CREATIVE AND ACCOUNT ROLES HOLD ON TO TOP HEADCOUNT GROWTH AREAS

The three-year trend continues, as Creative and Account Services roles take over the top spots from Execution and Production, which had been the top growth areas coming out of the pandemic. Strategy roles gained traction this year and went up one rung in priority order. Marketing fell down one rung. And Technology/Data/Measurement roles bumped up one spot as agencies continue fortifying their measurement and AI capabilities.



PEOPLE

Survey Question: In the year ahead, your employee policy will require:

	2024	2025
Employees required in office weekly	47%	54%
Employees can choose where they wish to work	28%	21%
Employees can work remotely 100%	23%	19%
Employees required in office monthly	13%	6%

Survey Question: Which employee comp changes are you embracing in the year ahead?

	2024	2025
Salary Increases	64%	72%
Promotions	48%	57%
Hybrid/Work-from-Home Policy	44%	43%
New Bonus Structure	28%	40%
Additional Vacation Days	24%	25%
Other	13%	13%



BACK-TO-OFFICE AND COMP PLANS GAIN STEAM

Fifty-four percent of agency leaders report that employees must be in the office weekly, up 7% from last year. And fewer (19% versus 23% last year) agencies are allowing teams to work remotely 100% of the time. Flexibility remains a key benefit for the road warriors producing events, but there's more momentum for in-market, in-office teams to collaborate in person than last year. Salary and promotions gained momentum as perks among more agency leaders than last year.

2025 BUSINESS PROJECTIONS

Survey Question: How much will client budgets increase in 2025?



Survey Question: In 2025, you expect client budgets to:

	2025
Increase	48%
Decrease	17%
Stay the same	35%



CLIENT SPENDING FORECASTED UP, AND GROWING, IN 2025

Event Marketer measured event spending among brands at three intervals in 2024 and the forecast increased each time, from 3% in late Q1, to 7% in Q2, and now 10% as the industry ends the year. This agency data aligns with Event Marketer's EventTrack study, released in late October, that also reports 10%+ budget increases among brands, by the brands themselves. Adding to the optimism, EventTrack reported that 76% of brand marketers say that events have become more essential to meeting their business goals. This mix of budget and sentiment data sets the industry up for a strong start to 2025.

2025 BUSINESS PROJECTIONS

Survey Question: What is your projected agency margin?

2022	2023	2024	2025
23.1%	23.4%	25.8%	25.3%

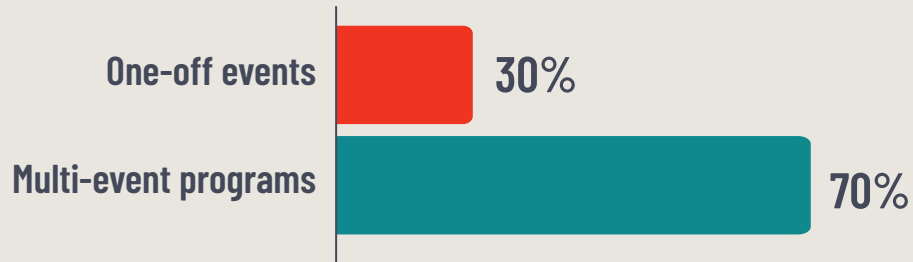


MARGINS WILL REMAIN STEADY IN THE NEW YEAR

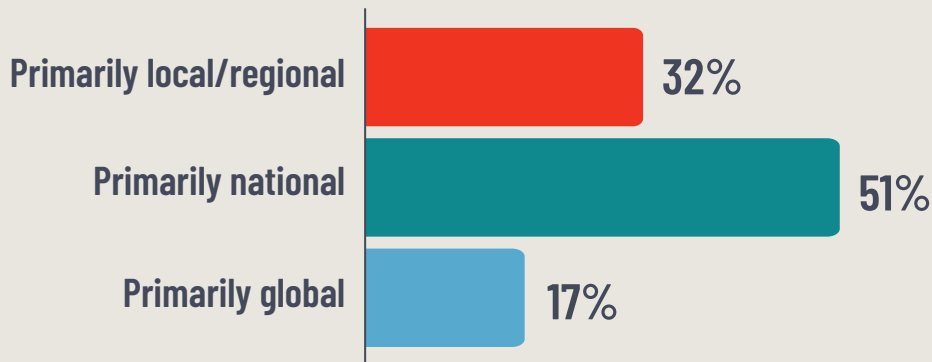
Agency margins are forecasted to remain around 25% in the coming year, on par with the past two years, and up about 2% over 2022. Despite rising costs, economic volatility and the fact that agencies still absorb more than 50% of cost increases for their clients, a steady margin is an encouraging sign for the agency community.

2025 BUSINESS PROJECTIONS

Survey Question: In 2025, clients will primarily hire agencies for (pick one):



Survey Question: In 2025, event programs will be (pick one):

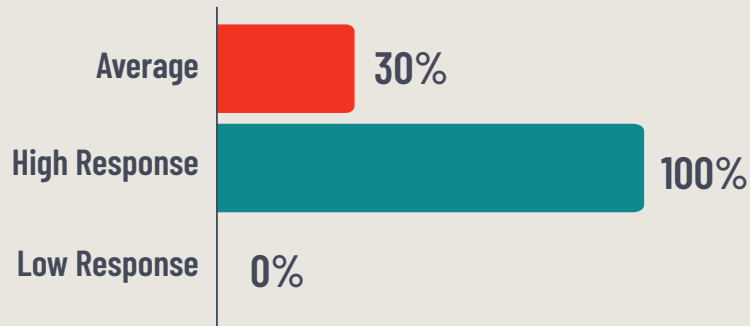


MULTI-EVENT PROGRAMS STAY STEADY AS GLOBAL EVENTS GAIN TRACTION

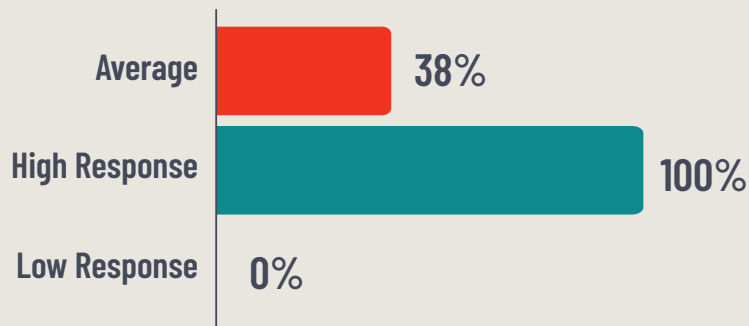
Clients largely hire event agencies for multi-event programs, which shows a steady return to normalcy after a post-pandemic era fueled by more opportunistic, one-off events and less long-range event strategy. Also an encouraging sign: a small boost (+5%) of events are forecasted to be global programs in the coming year, which also reflects a return to global event portfolios unencumbered by travel restrictions and other economic concerns.

SUSTAINABILITY

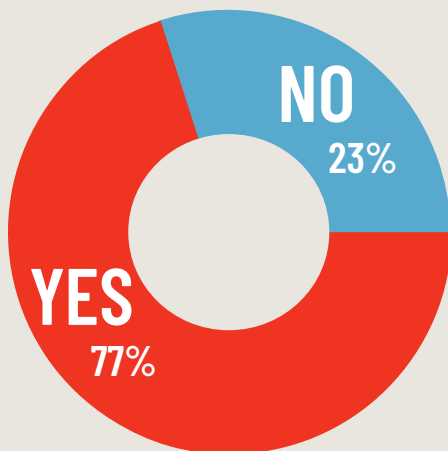
Survey Question: What percent of RFPs ask about sustainability? (please estimate if necessary.)



Survey Question: What % of RFPs require sustainable ideas and solutions in their responses?



Survey Question: Do you have a sustainability policy?



ONE-THIRD OF RFPs REQUIRE SUSTAINABILITY SOLUTIONS

Agency leaders report that an average of 30% of RFPs ask for sustainable solutions in their responses and 38% *require* sustainable solutions and ideas in their responses. Many agency leaders say that there is a disconnect between the “good intentions” of brands asking for environmentally sound ideas, and brands actually paying for them. We predict this number will go up as more environmental requirements and mandates trickle down through companies into every level of the supply chain, as it has already done in some sectors.

SUMMARY

Agency executives started off 2024 challenged with persistent inflation (3.1%) and global unrest that impacted travel budgets and hard event costs. But the industry was buoyed by a sustained interest among event audiences to attend live events in strong numbers and that pushed the industry forward through the volatility.

Three industry temperature checks in Q1, Q2 and Q3 revealed steady growth in client event budget forecasts, up from 3% to 7%, and finally ending the year at 10%. Client investments in multi-event, global programs were forecasted up over the previous year as well, another sign of overall industry health and growth.

Most industry cost increases remained steady compared to last year with the exception of venue fees, which were reported to be a top expense category by 54% of agency leaders. The majority of event agencies report they are still absorbing hard cost increases rather than passing them along to their clients. But the majority of agencies report they will raise rates 4-6% to account for cost increases. Margins and profits are forecasted to be steady at 25%, on par with last year and up 2% over the previous two years.

On the talent side of the business, Business Development, Hiring People, Marketing, and Launching New Services remain top priorities for agency executives. Creative and Account Services roles top the charts as the most in-demand roles at leading agencies. And new offices made a comeback this year, with 7% more executives requiring employees work in the office weekly and more office growth forecasted for 2025.

New to the report this year, sustainability is becoming an essential component to 30% or more of all RFPs with more than a one-third of all RFPs requiring sustainable solutions in their responses. Agency executives should expect an increase in sustainable event services and solutions in 2025.

ABOUT THE SURVEY

Earlier this year, Event Marketer surveyed more than 200 event agency executives for the 2025 Event Agency Business Outlook Report.

More than 99% of respondents reported that their agency is full service. One percent reported their agency type is “execution/production only.”

Seventy-two percent of agencies that participated in the study are independent, 7% are owned by a public holding company, 7% are owned by private equity and 14% by a private holding company.

We thank all of the agency leaders who participated in the study.