

European marketing & advertising agencies market

December 8, 2025

Interviewees

Isabella Calderon Hoyos, Partner Transaction Advisory & Strategy, OMMAX

Dr. Felix Marcinowski, Vice President Digital Marketing, OMMAX



Looking at the European marketing and advertising agencies market overall, what is the expected year-over-year growth over the next five years?

From a broad standpoint, growth in the European marketing and advertising agencies market is expected to be moderate, at approximately 4–5% per annum over the coming five years. This reflects a market undergoing structural change rather than cyclical expansion. While demand for marketing services remains strong, value creation is shifting away from execution-heavy services toward strategic, data-, tech-, and AI-enabled offerings. As a result, growth will be highly uneven across agency types, with clear outperformers and underperformers.

Why is it difficult to define a single growth rate for the agency market?

The market is highly fragmented and currently experiencing disruption from multiple directions. AI and LLM adoption are accelerating, traditional implementation services are being commoditised, and client needs are evolving rapidly. Some agency segments are growing strongly, while others are shrinking.

Which agency models are most likely to outperform?

Agencies with strong strategic advisory capabilities combined with deep expertise in data, technology, and AI are best positioned to outperform. These players help clients navigate complexity rather than merely execute campaigns.

What is driving the decline of pure implementation agencies?

Major advertising platforms such as Google and Meta are automating campaign execution, shifting budgets from agency fees toward media spend. Implementation is increasingly standardised and easier to run in-house.

Does this disruption affect only digital agencies, or also offline marketing players?

The disruption affects both digital and offline marketing. AI tools are simplifying creative production across all formats, and offline marketing is increasingly expected to integrate seamlessly with digital channels.

How is offline marketing evolving within the broader marketing mix?

Offline marketing is shifting from a standalone discipline to a fully integrated component of omni-channel strategies, including digital out-of-home, connected TV, QR codes, and experiential campaigns.

Are clients changing how they select and manage agencies?

Yes. Clients increasingly prefer end-to-end providers that can deliver strategy, execution, data, and technology under one roof.

Why is the market shifting toward end-to-end providers?

Clients want strategic orchestration, improved LLM visibility across channels, and future-readiness for trends such as agentic commerce and AI-native checkout.

How do LLMs change digital visibility requirements?

Brands must now demonstrate relevance across multiple digital touchpoints rather than relying on dominance in a single channel.

How advanced is the shift from traditional search to LLMs?

In the US, around 30% of traditional search queries have shifted to LLMs. In Europe, the share is closer to 10% but growing rapidly.

Why are many companies underestimating the impact of LLMs?

Because LLM-driven exposure often influences users without direct clicks, creating attribution blind spots.

What capabilities are hardest for agencies to build?

Data (attribution), technology (machine readability), and AI (content quality at scale).

Why are traditional agencies struggling?

They were not historically built around integrated data, tech, and AI frameworks.

What does this mean for consolidation and M&A?

Consolidation will accelerate, driven mainly by strategic buyers rather than financial investors.

How are valuation multiples evolving?

Multiples are under pressure overall, except for highly differentiated, AI- and data-driven agencies.

What is the outlook for customer loyalty services?

Loyalty is becoming more important as acquisition costs rise, but implementation-only services are being commoditised.

How is AI disrupting loyalty services?

Execution is automated by platforms like Salesforce and HubSpot, shifting value toward strategy and data.

What drives long-term client retention?

Integrated expertise, strong data and tech capabilities, and measurable business impact.

Why are integrated strategy-and-execution models more sustainable?

They control more of the value chain, leading to higher stickiness and recurring revenues.

What is the outlook for offline loyalty programs?

They can still work if well-targeted and data-driven, but are costly without measurement.

How important is measurement in offline marketing?

Critical, especially for SMEs, as offline is typically more expensive than digital.

What are the key trends in marketing consultancy?

A shift toward integrated advisory-execution models with real implementation experience.

Why are traditional consultancy models under pressure?

Framework-only approaches lack credibility in fast-moving AI-driven environments.

How are consultancy models adapting?

By building proprietary IP, integrating execution, and acquiring agencies.

Do specialist consultancies have an advantage?

Yes, particularly in AI-driven marketing due to hands-on expertise.

How should the future of the industry be summarised?

The industry is transforming and consolidating. Growth will be moderate but uneven, with winners defined by integration, data, technology, and AI.