

5 Reasons Why Advertising Agencies Need Market Research to Improve

A 2020 report from Statista.com says that companies around the world spent \$560 billion on advertising in 2019. That is a four percent growth compared to 2018. However, not all of those companies spent their money on hiring advertising agencies. Some of them, especially big-name brands, have in-house advertising teams. That said, your advertising agency needs to focus on market research. Other agencies are hustling and scrambling to [garner a steady clientele](#) and revenue through market research. Yours should do the same. So, here are five firm reasons why your ad agency needs market research to improve.

To Understand Target Clients' Needs Better

Meeting client outcomes is the ultimate goal of every project your agency handles. But, it won't be achievable if you won't study the clients' needs in the first place. By doing extensive market research, you'll be shedding light on multiple aspects of the clients' businesses. It enables you to see a clearer view of their preferences and predict the best strategy to promote their offers. Understanding your target clients is a critical element in [optimizing revenue](#) and profit potential in your agency.

Furthermore, market research allows you to gather data about [trends](#) and demands across different industries. In terms of producing quality service and output, those data will give your agency an upper hand over your competitors.

To Gather Credible Consumer Information

The target audience of the ad campaigns your agency creates is the target consumers of your clients. So, in a sense, your clients' consumers are also your agency's consumers. You must have this mindset of considering your clients' businesses as your own. After all, the success that your clients will reap through advertising contributes to your agency's reputation.

As mentioned earlier, market research grants you access to trends and demands data from many industries. A big part of that is consumer needs, preferences, buying patterns, and behaviors. Those things are essential guidelines in formulating advertising or [marketing strategies](#) for your clients. Because consumers tend to have constantly changing needs and wants, you should do market research regularly. In that way, you can make certain adjustments promptly without causing further delays or postponement in client deadlines.

In this matter, you must also analyze the products of your clients. With the findings of your market research, you can see the symbiotic relationship between the consumers and the products. After that, you'll need to formulate ad campaigns that connect your clients' products to their target consumers.

Speaking of "formulating ad campaigns," that brings us to the next reason.

To Formulate the Best Possible Ad Campaigns

Formulating advertising campaigns is the bread and butter of your ad agency—the good name, reputation, and persona of your agency rest on their quality and effectiveness. However, don't pressure yourself with that fact. By performing market research beforehand, you can produce top-tier ad campaigns for your clients.

Aside from client needs and consumer information, you can get other vital data from market research. One example is the strategies and movements of your competitors and the competitors of your clients. Those are also important equations. You see, doing market research can give you a detailed roadmap in structuring an ad campaign. You'll have a heads up of every market or industry element that can affect your clients' advertising materials. That helps you avoid circumstances that cause ad campaigns to ultimately fail and bring down your clients' businesses' profitability.

One of your agency's principles should be to produce the best possible ad campaigns. Doing so will likely ensure satisfaction among your clients. And it all starts by executing thorough market research.

To Measure Ad Campaign Success Accurately

Formulating an excellent ad campaign is possible, no doubt. However, formulating one that's completely perfect and flawless is near-impossible. You have to face the fact that every ad campaign is bound to have some slight shortcomings, even great ones. Despite that, ad campaigns with several flaws don't mean they won't bring success. It's just that there are some minor goals they won't achieve at first. In that case, you must measure the degree of their success and inform your clients about it.

In calculating an ad campaign's success accurately, you have to do market research way ahead. Market research can help you set an objectives checklist that details the desired outcomes of an ad campaign. With that, you can see if an ad campaign met the objectives, or at least most of it. Afterward, you can come up with strategies to improve it to [garner more success](#). Be flexible in integrating changes to optimize the quality of ad campaigns.

It's vital to let your clients know how successful their ads are. Market research enables you to provide an elaborate breakdown for that. It's one way of being transparent to your clients. And remember that transparency is necessary for client relationships nowadays.

To Win at Pitching Consistently

Sometimes, or probably most of the time, your agency must pitch a [proposal](#) to a prospective client directly. Clients that will line up to avail your services don't happen often. You need to make the first move at times. However, other agencies might also be after the same client you'll be pitching to. So, there's no assurance that you'll get that client due to competition.

But, if you can present a convincing proposal, a client might choose your agency, amongst many others. For that to happen, you need to do market research. By now, you probably know why you should. As we've said, market research can help you understand client needs, consumer behaviors, and other critical industry data. With those things combined, you can present the best solutions to prospective clients, solutions that benefit their business in many ways. No matter how expensive your service [quotation](#), they will be willing to schedule further meetings and negotiations.

By conducting market research often, your agency will certainly win more clients than your competitors.