

WHITE PAPER

# The Bottom Line:

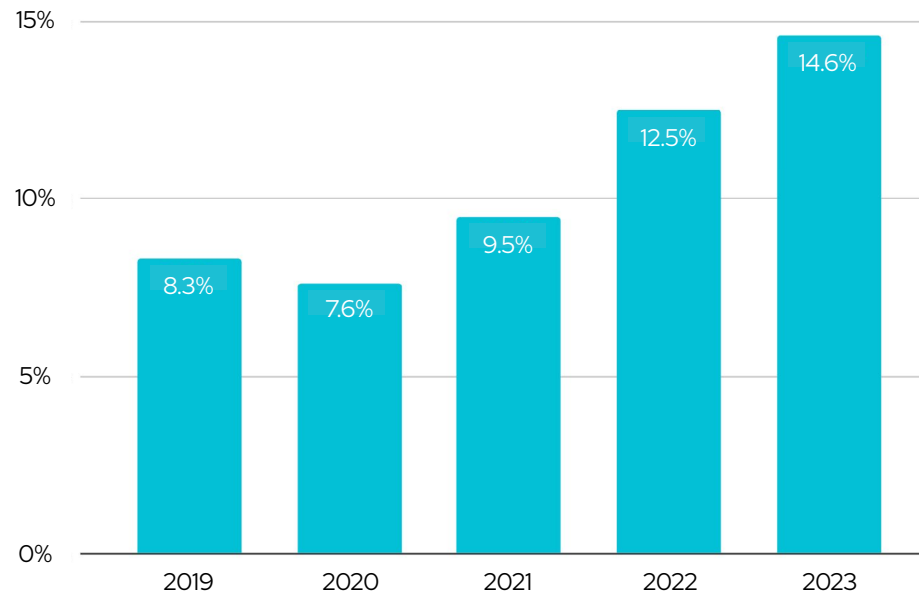
Will You Profit More  
from an Agency or  
Going In-House?

Accept No Limits.

## Introduction.

While many digital marketing budgets were cut in response to the COVID-19 pandemic, recent research conducted by 3Q Digital shows that brands will be spending more dollars to create more sophisticated digital programs in the near future. Based on responses from the 400 marketing leaders we surveyed, the average percentage of their company's total revenue that is specifically allocated to digital marketing will jump from 7.6% in 2020 all the way up to 14.6% in 2023. This spending spike is backed by another [recent study conducted by eMarketer](#) that shows digital ad budgets increasing from \$191 billion in 2021 to \$250 billion in 2023.

Percentage of Total Revenue Allocated to Digital Marketing Budget



As more and more businesses compete for consumers' attention and try to engage with them in a digital-first world, this growth in spending came as no real surprise to us. But it's not as simple as just spending money. As brands begin to increase their digital marketing efforts, they face a dilemma: should they hire an in-house team that is fully embedded in their business, or partner with an agency that specializes in their key marketing channels? For medium-sized businesses, the numbers are tricky. Can a small in-house team handle a modest budget spread over the complex marketing landscape, and is it worth the cost of the team itself?

The question may seem clearer for budget managers at larger organizations, who might look at their large monthly agency bill and consider hiring their own in-house teams for less. They may believe an in-house team will be cheaper, more effective, more responsive, and more innovative.



But that mindset vastly underestimates the opportunity – and challenges – that exist within such a complex digital industry, and many brands are blind to some important financial considerations when weighing the agency vs. in-house decision. In this whitepaper, we'll walk through the following **four key areas** and how they relate to using an agency or hiring a team internally:



**1**  
Channel and  
Specialty  
Dominance



**2**  
Creative Informed  
by Deep Customer  
Understanding



**3**  
Data Landscape  
and Analytics



**4**  
Financial  
Considerations and  
Ramifications

After we walk through these topics, you'll feel much more confident and informed heading into the decision of whether to build an in-house team or hire an agency, and understand how your choice might affect the future success and growth of your brand.

**Let's get started!**