

# The Financial Playbook for Media Agencies in 2025

Automation and AI Empower Media  
Agencies to Help Streamline Operations  
and Gain Competitive Advantage





In January 2025, AvidXchange surveyed more than 150 media and advertising agency leaders across the United States to understand the challenges and opportunities they face, focusing on macroeconomic impacts and the adoption of new technologies like artificial intelligence (AI). This report is informed by their responses.

## Introduction

The year ahead looks promising for advertising agencies. Thanks to advancements in technology and shifts in media buying, most agency leaders expect to see increases in their media spending and in their clients' budgets.

Despite these positive trends, macroeconomic and competitive pressures persist, and agencies expect requests for extended payment terms to continue to increase, which creates challenges for managing cash flow.

Media agency leaders recognize that AP automation technology can help combat market pressures and streamline work. Most have already eliminated at least some manual tasks in their payments and invoicing processes, and there's growing interest in automation.

AI also promises to play a powerful role in agencies' finance departments by automating repetitive tasks, enhancing operational efficiency, and reducing human error.





## Financial Health Impacts

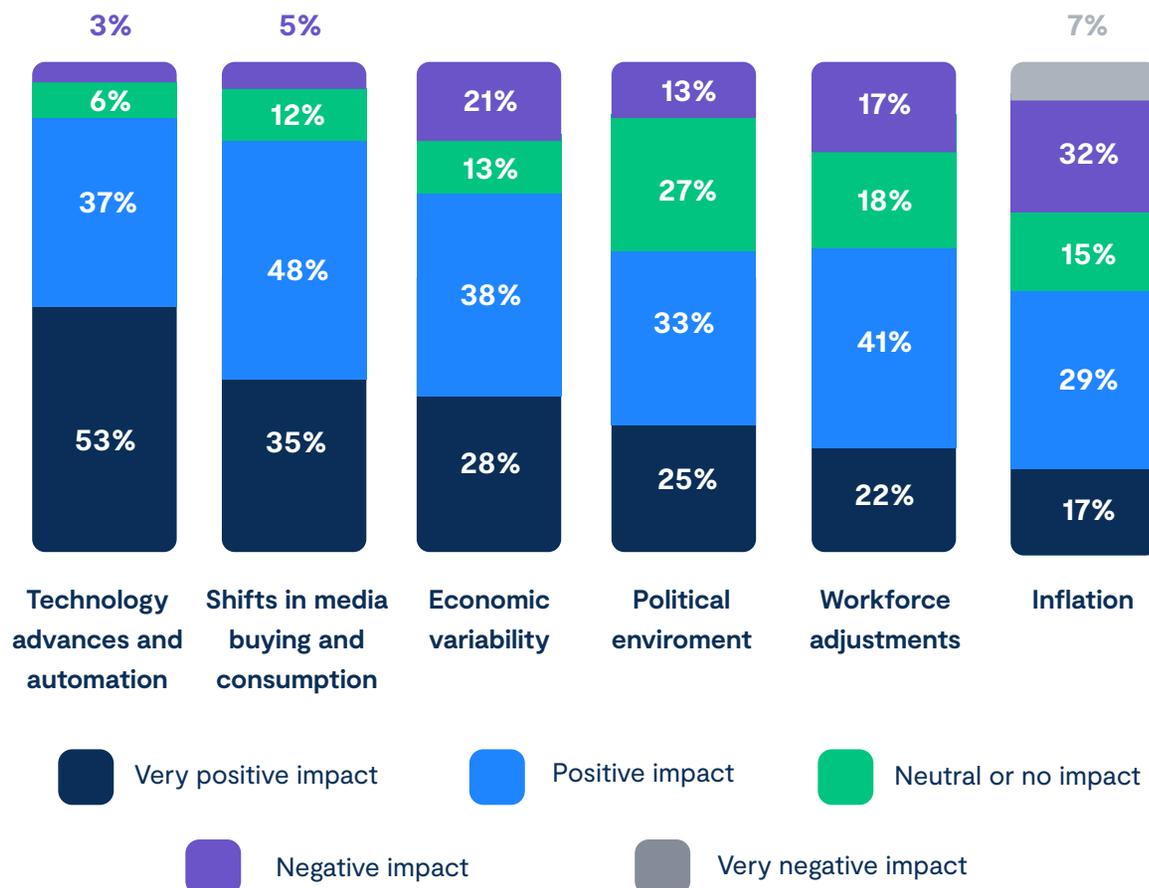
Tech tools, including automation and AI, remain the most financially significant macroeconomic trend for media agencies. As in the previous year, agency leaders surveyed rank them as having substantial potential for positive impact this year.

Those in finance roles, especially, also expect shifts in media buying and consumption to play a positive role in success. The economy, political environment, and workforce adjustment are also predicted to have a favorable influence, while inflation is tougher to predict.



# Technology advancements are predicted to have the biggest impact on financial health in 2025

### What financial impact do you anticipate these factors will have on your agency's operations in 2025?



Source: AvidXchange Agency Health Survey, January 2025



## Fighting to Retain Employees and Clients

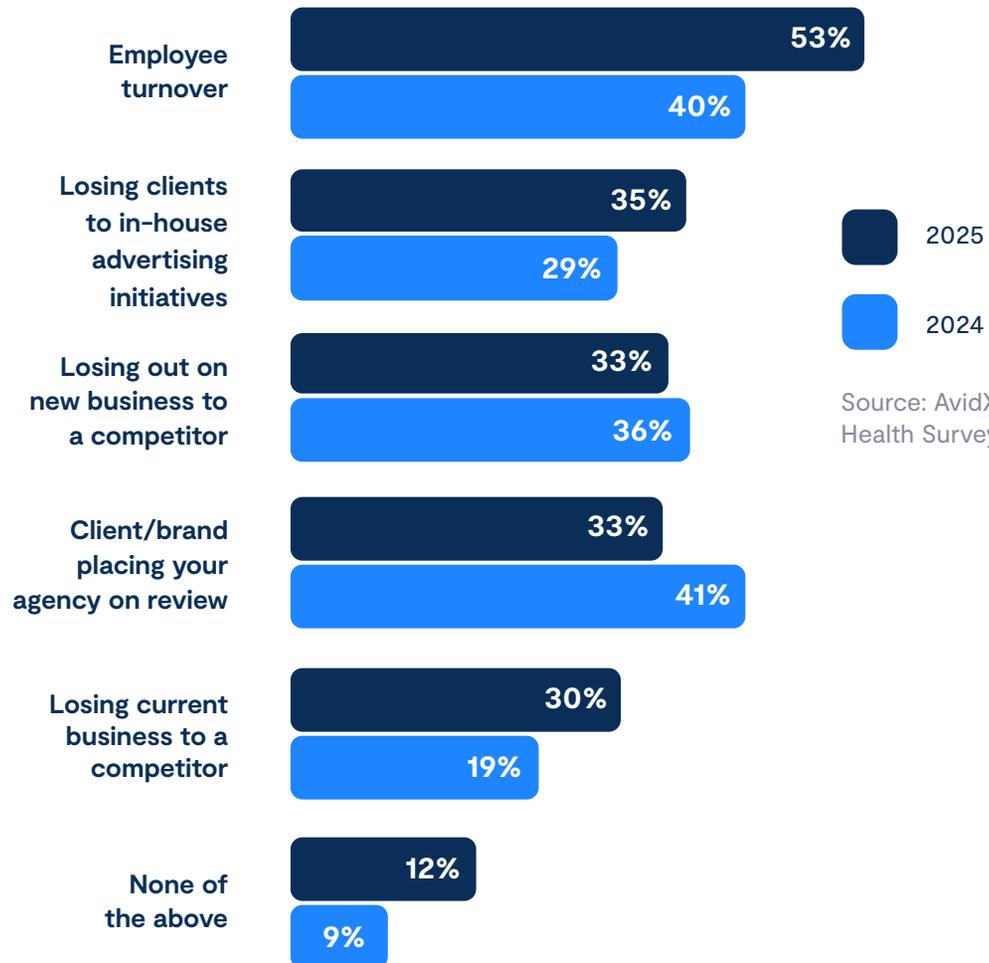
Last year, more than half (53%) of agencies surveyed experienced employee turnover, up from 40% the previous year, and 30% lost current business to a competitor, up from 19% in 2023.

Automation and AI promise relief and competitive advantage by empowering agencies to keep their employees and their clients happy without the need for additional headcount.



# Competition is among the most pressing challenge for media agencies

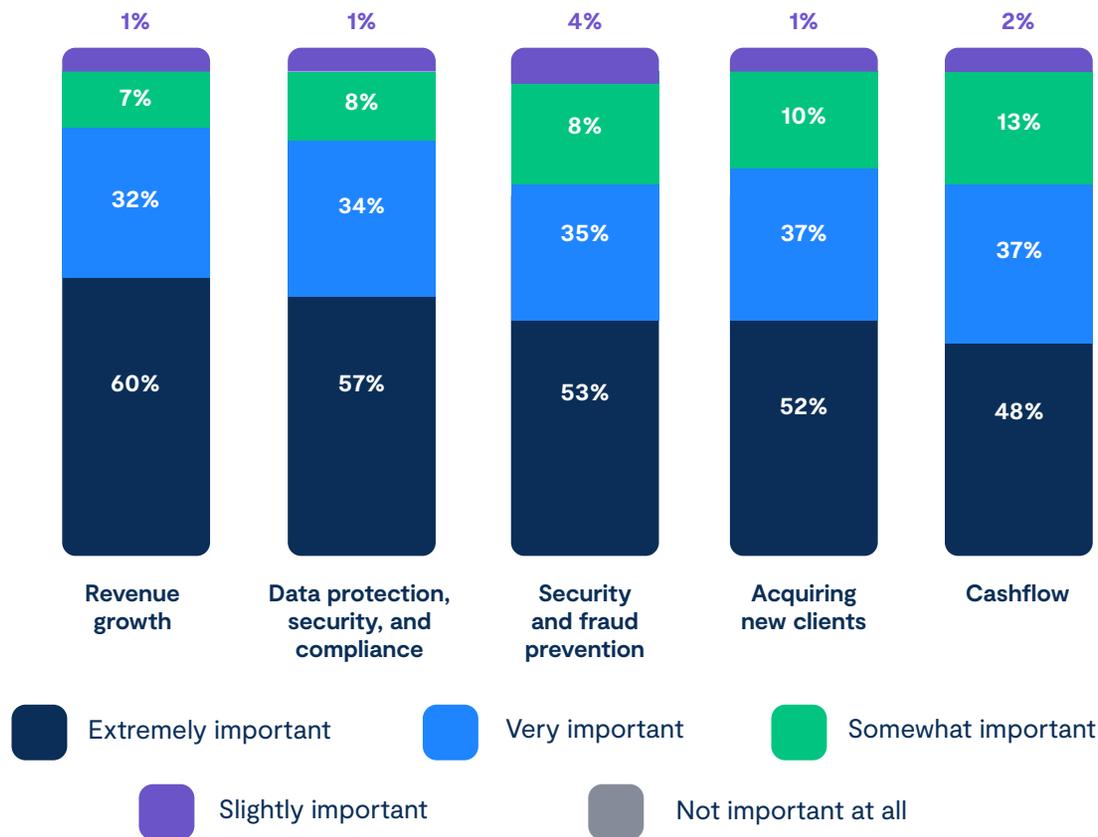
## What challenges did your agency face last year?



Source: AvidXchange Agency Health Survey, January 2025

# Top priorities for 2025: Revenue growth, data protection, fraud prevention, and client acquisition

How important are the following to improving your agency's financial health this year?



Source: AvidXchange Agency Health Survey, January 2025



## Technology Tops the Priorities List

It's no wonder that technology is projected to have the most powerful impact on media agencies in 2025. Tech advancements can help them address their top priorities, for instance, providing efficiency, data protection, better experiences for clients, and new revenue opportunities.





## Increased Spending Fuels Growth

An impressive 81% of agencies surveyed expect at least a modest increase in their media spending this year. Clients are also spending more, according to three out of four agencies, who report higher client budgets this year compared to 2024.

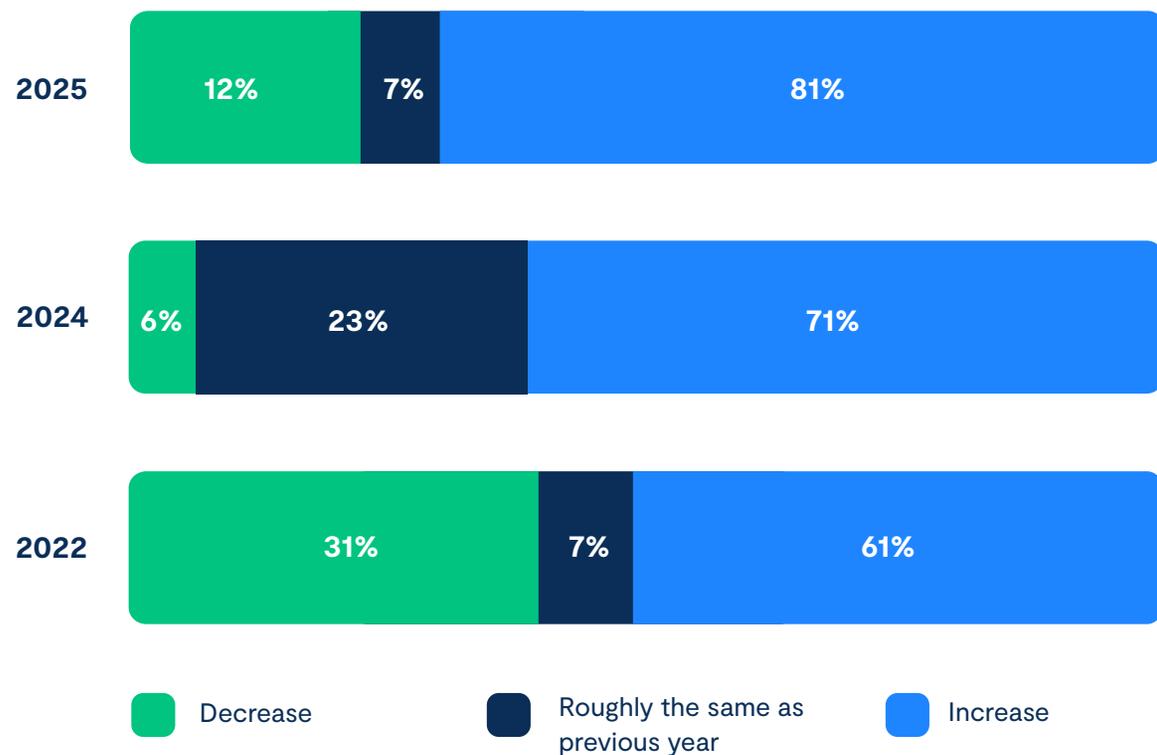
### What's driving the increases?

Eighty-four percent of those surveyed cite a desire for competitive advantage while around half cite economic variability as a driver. Interestingly, economic concerns were also a chief deciding factor for those who chose not to spend more.



# The media spending wave continues to rise

## Do you expect your media spending to change this year?



Source: AvidXchange Agency Health Survey, January 2025

## Payment Terms Trend Flips

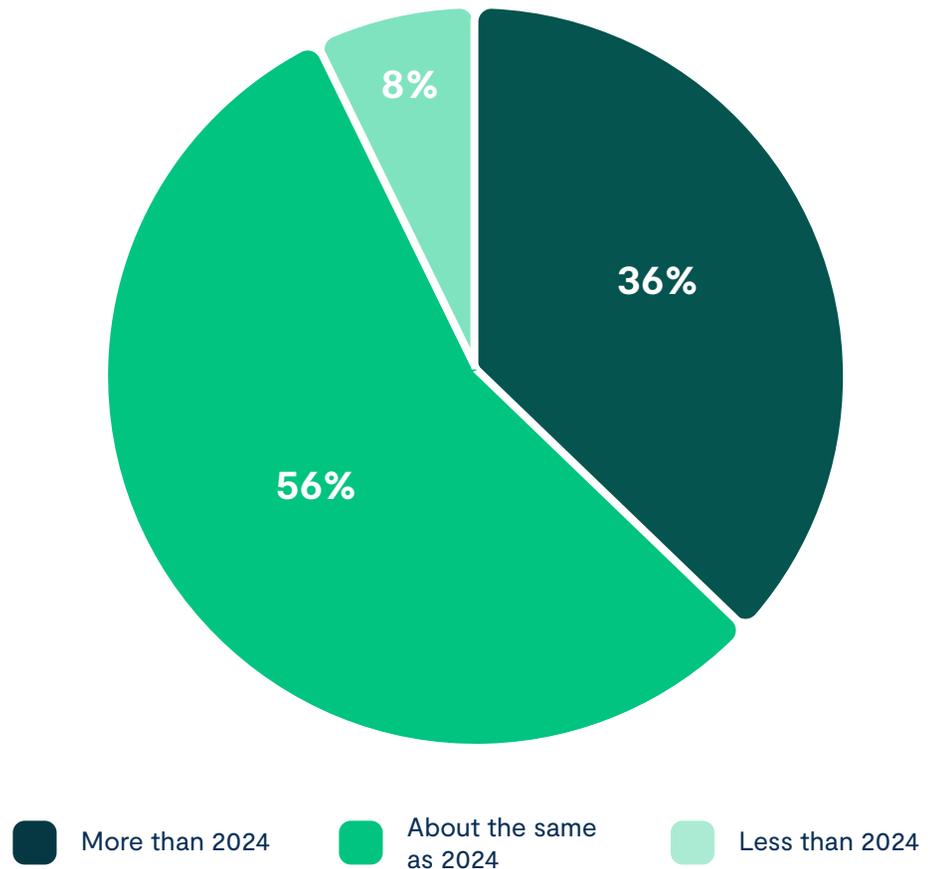
When it comes to payments, requests from clients for extended payments have nearly doubled since last year, reversing the downward trend seen the year prior. While most of those extensions are modest, one in four (27%) of those surveyed experienced clients extending payment terms by 16 days or more.

Because clients are extending payment terms, it puts agencies in a tough position when it comes to cash flow with many agencies having to extend payment terms with their own vendors. From our survey last year, 43% of agencies extended their payment terms, with 21% extending 16 days or more.



# Concerning Trend: Many agencies expect their clients' requests for extended payment terms to increase

How do you expect the frequency of your clients' requests for extended payment terms in 2025 to compare to 2024?



Source: AvidXchange Agency Health Survey, January 2025



## Eyes on AI

Over half (58%) of agencies surveyed, including those who are not currently using AI, see “a great deal” of value from integrating it.

Here are some of the ways those surveyed expect AI to influence their finance workflows:

- Automate mundane tasks and provide efficiency
- Make time for strategic focus
- Deliver enhanced forecasting and enable decision making
- Reduce costs
- Enhance customer experience
- Ensure compliance and provide fraud detection



## Is your organization currently using AI technology in your finance department?



**71%** Yes

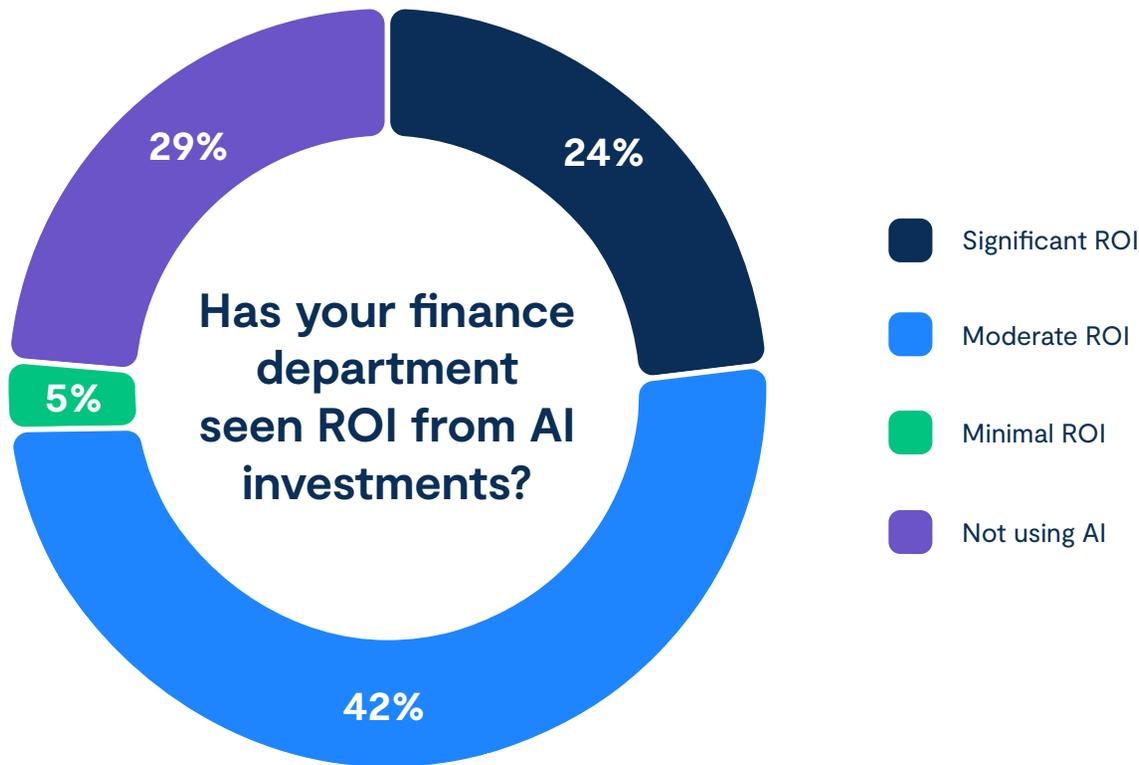
**25%** No, but we plan to in 2025

**4%** No, but we are interested in doing so

Source: AvidXchange Agency Health Survey, January 2025

Seven in ten respondents (**71%**) are currently using AI and an additional **25%** plan to do so in the coming year. The other **4%**? They're interested, too.

# Nearly all media agencies surveyed recognize at least a moderate return on their AI investment



Source: AvidXchange Agency Health Survey, January 2025



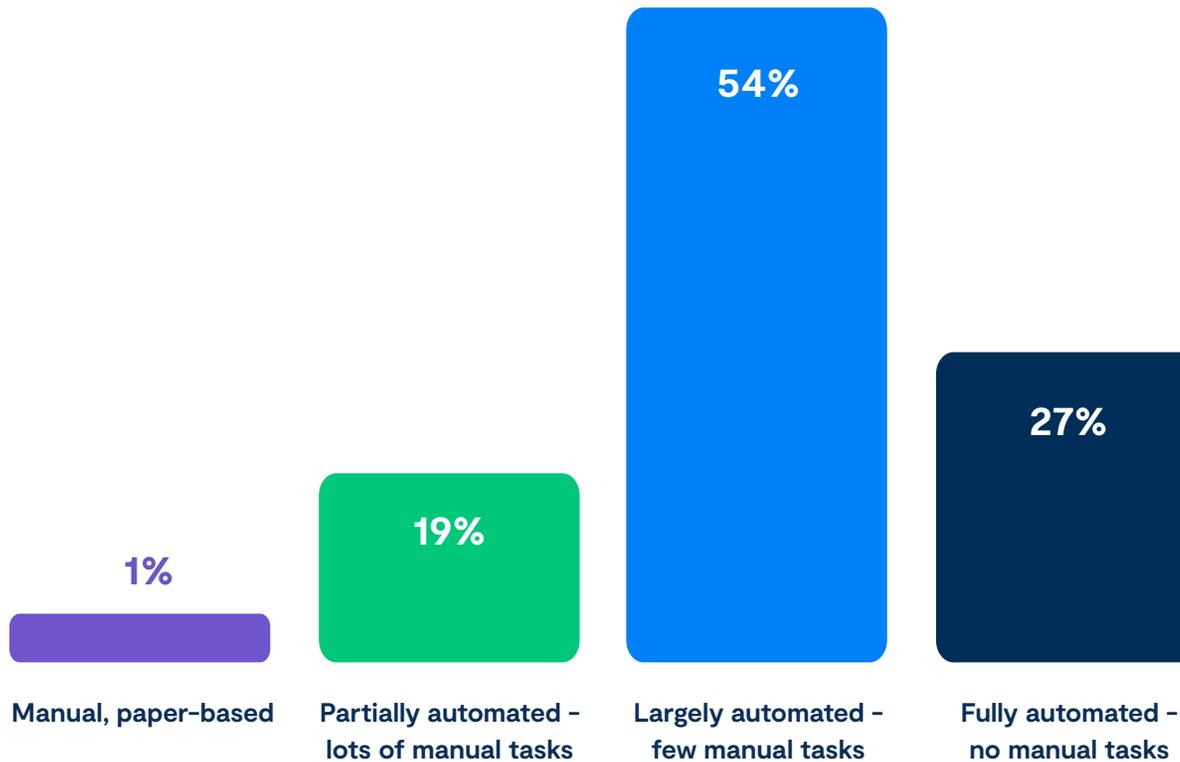
## Evaluating AI's Return on Investment (ROI)

Integrating AI transforms the finance department, empowering it to run smoother and more efficiently. Two-thirds of agency leaders surveyed recognize a significant or moderate return on their AI investment. Very few see minimal return, and no one reports that they haven't seen any ROI from AI.

One such survey respondent wrote, "I think AI drives efficiency and advancement within the company by assisting in the identification of cost-saving opportunities."

# Media agencies' finance departments are largely automated, but there's room for growth

## How automated is your finance department?



Source: AvidXchange Agency Health Survey, January 2025



## Automating the Finance Department

Media agencies are well on their way to modernization—81% of leaders surveyed have eliminated all but a few manual finance tasks. But, there's plenty of room for innovation. Only around one in four have fully automated their processes, and it's about the same when it comes to invoice automation, although 81% have at least some automation in their invoicing processes.

Those that are partially automated are still dependent on lots of manual tasks that take a toll on their time, accuracy, and efficiency.





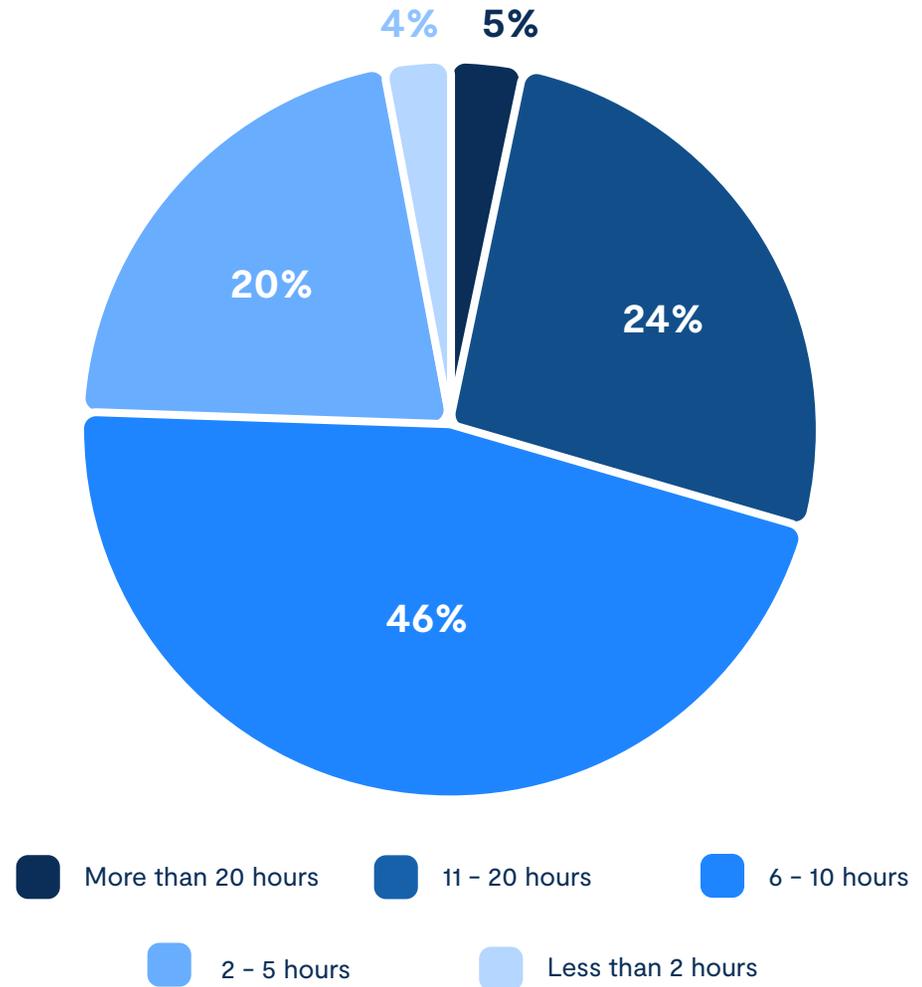
# Agencies typically spend 6-10 hours on invoice reconciliation per week

## Invoice Reconciliation Drains Precious Time

Regardless of the amount of time agencies are spending on repetitive tasks involved in manual invoice processing, nearly all are open to new ways of working. Automation creates a faster, more efficient process that saves time, reduces errors, and frees people for more enjoyable work.



How much time does invoice reconciliation take?



Source: AvidXchange Agency Health Survey, January 2025

# 95% of agencies rely on payment providers to automate media vendor payments or plan to do so in 2025

## How open is your finance department to adopting new technology to automate media payments?



- 72%** Very open - actively looking for solutions
- 25%** Somewhat open - interested but not actively searching
- 2%** Neutral - not a priority but willing to consider
- 1%** Not open - satisfied with current processes

Source: AvidXchange Agency Health Survey, January 2025



## What's Important When Adopting New Payment Technology

Looking to make their lives easier, three in four agency leaders surveyed, many of them sole decision makers in their organization, are actively looking for payment solutions. Nearly all—97%—are open to the possibility.

When it comes to implementing a new payment solution, most respondents would prefer not to abandon their existing systems. Independent agencies surveyed also rank faster processing critically important, and cost savings are key for those in finance roles. Also highly ranked are reducing manual tasks and flexibility in payment methods.



## Conclusion

Advertising and media agencies have a positive outlook on the year ahead. They have bigger budgets and more to spend on media placements.

Most have already begun to modernize their finance departments and are counting on advancements in automation and AI to further automate their invoice and payment processes. Innovation promises to boost agency business by streamlining work and helping to address persistent challenges, including employee and client retention and economic variability.

Automated invoice and payment processing solutions can also help agency leaders combat increasing requests for extended payment terms, helping manage cash flow and strengthen relationships with clients, vendors, and suppliers. Investments in AI-enhanced software can take it to the next level, enabling leaders to fine-tune and future-proof business by advancing financial forecasting and empowering them to make more informed, forward-thinking decisions.

Learn more about AvidXchange's [AP automation solutions](#) tailored specifically for media agencies.

# About AvidXchange®

AvidXchange (Nasdaq: AVDX) is a leading provider in accounts payable (AP) automation, offering intelligent AP software and payment solutions specifically designed for mid-market businesses and their suppliers. With 25 years of industry experience, AvidXchange modernizes the way businesses manage their expenses and payments by offering AI-enhanced software coupled with support from experts. Empowering over 8,500 growth-driven businesses, AvidXchange increases efficiency, control, and visibility in financial operations and has securely processed payments to more than 1.3 million suppliers through its proprietary payment network over the past five years. For more information, visit [AvidXchange.com](https://www.avidxchange.com).

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