



# State of the Advertising Industry 2023

A summary of the trends, demographics and economics of the greater Louisville ad industry.



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## INTRODUCTION

The advertising industry remains vibrant in 2023, poised for unprecedented growth, with ad spending expected to reach record highs by year-end. The industry is dynamic, always changing, with new capabilities and consumer touch points constantly emerging. Thus, the advertising industry is a place for an educated, adaptable and creative workforce.

The purpose of this report is to provide a summary of the state of the ad industry, overall and in the Louisville region. Data is drawn from multiple sources, but especially from LinkedIn. If not otherwise noted, data has been sourced from LinkedIn's Talent Insights.

## STATE OF ADVERTISING IN THE UNITED STATES

The United States is indisputably the largest advertising market in the world with a projected total growth of 2.6 percent in 2023. If this level of growth is achieved, it will represent a record high for the industry of \$352 billion, according to Statista.<sup>1</sup> Other projections, for example from research company Forrester, project lower total spending on advertising of \$325 billion, though still an impressive number.<sup>2</sup>

Forrester estimates that spending on digital media will account for nearly two-thirds of total ad spending in 2023. Statista's projections agree with this, estimating digital ad spend to be 63% of the total.

Of the digital ad spend, Forrester projects the share spent on search marketing will continue to grow, driven by e-commerce. Since the pandemic, e-commerce spending has grown to 22.6% of digital spending from a pre-pandemic figure of 17.4%.

Spending on digital video will also continue to grow, led by ad-supported streaming video, which is projected to increase at a faster rate than overall digital spending in 2023. Artificial intelligence (AI) is increasingly becoming a method of online search and is expected to capture an increasing portion of search spending.<sup>3</sup>

Ad spending for traditional media is forecasted to drop by 1.6%. Television, once the predominant medium for advertising, is now at 21% of total advertising spending and projected to continue to decline.<sup>4</sup>

Forrester projects social media ad spend to grow \$7.8 to \$58.5 billion, its lowest growth rate in many years.<sup>5</sup>

Among the **major trends** in the ad industry are the continued fragmentation of media, the focus on data-driven marketing and the pressure on agencies to produce measurable business outcomes.

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Additionally, San Francisco trend-spotting firm Exploding Topics identified these trends in the ad industry earlier this year:

1. Video ads will get shorter and shorter.
2. Video ads will be captioned in recognition that they are often viewed without sound. (79% of LinkedIn ads are viewed without sound.)
3. Ads within mobile games will increase as users say that viewing video ads is their preferred way to “pay” for gaming.

4. AI will continue to grow and become an increasing component of online search.
5. The demand for authenticity in social media will continue, with an increase in user-generated content.<sup>6</sup>

The ad industry and public relations workforce comprises 494,800 professionals in the United States as of January 2023, according to the U.S. Bureau of Labor Statistics.<sup>7</sup> The hiring demand for these individuals is high, and the average total compensation for the industry is also high. The ad industry features a very mobile job force, with job switching higher than average. According to LinkedIn, 9.2% of ad industry employees changed jobs in 2022.

Are all these employees working in an office or at home? Initially, the ad industry was fast to respond to the pandemic by embracing fully remote work. This approach eliminated geography as a factor in talent considerations, opening job changes as talent accepted new opportunities without needing to relocate. Now it appears the industry is shifting back to being in the office at least for a few days a week (even Zoom is requiring employees to return to the office), reintroducing geography as a factor in job considerations.<sup>8</sup>

The top locations for employees in the ad industry, based on the number of employees in each city are New York City, Los Angeles, San Francisco, Greater Chicago, San Francisco and Washington DC.

**Gender diversity** in the ad industry is balanced 50/50 between male and female.

Nationally, the **skills most in demand** in the ad industry are analytical ability; expertise in content marketing; all aspects of digital advertising, including social media marketing; and experience in operations management. Expertise with the Adobe suite of products is also highly sought after.

**Education** levels for professionals in this industry tend to be higher than average, with more than 71% of professionals holding a bachelor's degree and 13% holding a master's degree.

To attract top talent, advertising industry employers across the country offer better-than-average compensation and benefits, better-than-average work-life balance, an inspiring culture and flexible work arrangements.

## STATE OF ADVERTISING IN LOUISVILLE

Like the ad industry overall, the Louisville ad industry is vibrant and dynamic. Longstanding agencies are continuing to prosper while new firms are emerging and finding success. Louisville, long recognized as a creative community, continues to draw creative people to work in the industry.

The big news of 2023 was the high-profile changes in industry leadership that took place in the beginning of the year with four high-profile decision-makers taking the helm.

As reported in *Louisville Business First* in late December 2022, the Power Agency and Scoppechio merged to create the third-largest Louisville ad firm, PowerScoppechio, with 47 FTEs. (See table with agency rankings below.)<sup>9</sup>

Soon after this merger, another Louisville agency, Bandy Carroll Hellige, was purchased by a group of employees. The company also changed to BCH Agency.

And not long after that, Doe-Anderson – Louisville's largest and oldest agency – announced a new CEO and change in corporate structure.

Also, in early 2023, PriceWeber – Louisville's fifth-largest agency – announced that five new shareholders had bought into the company.

Other big news of 2022/2023 was the passage and then repeal of a 6% tax on Marketing Services.

By increasing the cost of doing business with marketing firms in Kentucky, the Louisville ad community saw this 6% tax as a threat to competitiveness. The tax would have put Louisville agencies at a financial disadvantage when competing with out-of-state firms.

At the beginning of 2023, many marketing companies received letters from the Kentucky Department of Revenue advising them of the requirement to begin collecting the new taxes. Thankfully, because of efforts by the AAF, the law was amended, and these tax items were removed in March 2023 and made retroactive to 1/1/2023. This achievement was made possible by the sponsors, leadership and contributing members of AAF-Louisville. The AAF is very appreciative to the firms that financially contributed to the cause:

- RedTag
- Blue Meta
- Doe-Anderson
- PriceWeber
- Fieldtrip
- PaperBoy PR

According to LinkedIn, Louisville had over 8,300 professionals in the ad industry in 2022, which represented a small decline from 2021. And like the national average, gender **diversity** is equal (50% male/50% female).

Average **compensation** is over \$69,000 for Louisville ad professionals, which represents a 10.4% increase since 2020, according to LinkedIn. Of note, this compensation level is higher than the average per capita income in Louisville of \$59,425, according to the U.S. Bureau of Economic Analysis.<sup>10</sup>

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According to *Louisville Business First*, the **top employers** in the Louisville ad industry are as follows:<sup>11</sup>

	NAME	ADDRESS	LOCAL FTES*	NOTABLE CLIENTS	YEAR FOUNDED	TOP EXECUTIVE(S)
1	DOE-ANDERSON INC. doeanderson.com	680 S. 4th St. Louisville, KY 40202	113	Central Bank, Maker's Mark, Norton Healthcare Inc.	1915	Todd Spencer, John Birnsteel
2	LEAP GROUP leapgroupnetwork.com	2500 Technology Dr. Louisville, KY 40299	73	Lily, Atlas World Group, Progress	1999	Daniel Knapp
3	POWERSCOPECHIO** powerscoppechio.com	400 W. Market St. #1400 Louisville, KY 40202	47	GE Appliances, Brown-Forman Corp., Fifth Third Bank	2022	Tim Lucas
4	REDTAG redtag.digital	217 E. Main St. #109 Louisville, KY 40202	43	NA	2008	Amanda Turner, Russ Renbarger
5	PRICEWEBER priceweber.com	10701 Shelbyville Rd. Louisville, KY 40243	42	Brown- Forman Corp., BrightSpring Health Services, The Hershey Co.	1968	Fred Davis
6	BCH AGENCY bch.com	307 W. Muhammad Ali Blvd. Louisville, KY 40202	32	Kentucky Lottery Corp., Republic Bank, State of Kentucky	1989	Matt Kamer, Allison Pitman, Brian Garr
7	BISIG IMPACT GROUP bisigimpactgroup.com	640 S. 4th St. #300 Louisville, KY 40202	25	Toyota of North America, Brown-Forman Corp., Norton Healthcare Inc.	1991	Larry Bisig, Chip Dumstorf
8	VIMARC vimarc.com	1205 E. Washington St. #120, Louisville, KY 40206	25	Kentucky Derby Festival, Kentucky Department of Agriculture, Outlet Shoppes of the Bluegrass	1986	C. Richmond Simpson, Jason Lee
9	OTT COMMUNICATIONS ottcom.com	13100 Magisterial Dr. #202 Louisville, KY 40223	20	Circle K, General Electric, Tex Best Travel Center	1970	Christopher Ott
10	WINGSPAN INTEGRATED MARKETING wingspanreach.com	11418 Main St. Louisville, KY 40243	16	Blake Management Group, Navion Senior Solutions, Phoenix Senior Living	2009	Brad Caldwell, Angela Nerdig
11	MEDIAURA INC. mediaura.com	360 Spring St. Jeffersonville, IN 47130	15	BrightSpring Health Services, Acadia Healthcare, GE Appliances	2003	Andrew Aebersold
12	MIGHTILY mightily.com	111 W. Main St. #202 Louisville, KY 40202	15	Frost Brown Todd, MCM CPAs & Advisors LLP, Hosparus Health	2013	Lance Swan, Lesa Seibert
13	VIA STUDIO via.studio	900 E Main St. Louisville, KY 40206	15	Florida Farm Bureau Federation, Bernheim Arboretum & Forest, Louisville Parks Alliance	1996	Jason Clark

	NAME	ADDRESS	LOCAL FTES*	NOTABLE CLIENTS	YEAR FOUNDED	TOP EXECUTIVE(S)
14	STEWART designthatthinks.com	737 S. 3rd St. #100 Louisville, KY 40202	14	Merck Animal Health, Ritchie Industries, Equibrand	1972	Daniel Stewart, Kathryn Stewart
15	INGRID DESIGN LLC ingriddesign.com	1048 Bardstown Rd. Louisville, KY 40204	13	Little Brownie Bakers, UofL Health, American Printing House for the Blind	2002	Glenn Goodman
16	CURRENT360 INC. Current360.com	137 W. Muhammad Ali Blvd. Louisville, KY 40202	12	Trilogy Health Services, YMCA of Greater Louisville, U.S. Department of the Navy	1984	Nick Ising
17	RED7E red7e.com	637 W. Main St. Louisville, KY 40202	12	Kentucky Farm Bureau Insurance, Kentucky Transportation Cabinet, Kentucky Education & Workforce Development Cabinet	1974	Dan Barbercheck
18	FIELDTRIP LLC wearefieldtrip.com	642 S. 4th St. #400 Louisville, KY 40202	12	Fayette County Public Schools, RiverLink, Housing Partnership Inc.	2006	Jane Pfeiffer
19	NIMBUS hellonimbus.com	438 S. 3rd St. Louisville, KY 40202	10	NA	2002	Stacey Wade, Dawn Wade
20	AN AGENCY INC. anagency.com	900 E. Jefferson St. Louisville, KY 40206	9	Dant Clayton, First Breckinridge Bancshares, Weyland Ventures	2022	Michael Littman, Pip Pullen
21	QUANTUM COMMUNICATIONS INC. qttheagency.com	1201 Story Ave. #123 Louisville, KY 40206	6	Highland Cleaners, Bourbon Barrel Foods, Door Store and Windows, AGIA, AMA	1994	Linda Schuster, James Miller, Patricia Marguet
22	NERDBRAND nerdbrandagency.com	734 W. Main Street, #106-B5 Louisville, KY 40202	5	Blaze Pizza, The Comfy Cow, Dave & Buster's	2019	Jason Davis, Jonathan Payne
23	DESIGN WEB LOUISVILLE INC. designweblouisville.com	6506 W. Hwy 22 Crestwood, KY 40014	1	Trilogy Health Services, Louisville Downtown Partnership, Boy Scouts	2011	Sean Harrington
24	GUNDERSON MARKETING gundersonmarketing.com	135 Chenoweth Ave. #1 Louisville, KY 40207	1	Carpet Mart, DFH Heating & Cooling, Kentucky ElderLaw	2007	Eric Gunderson

\* Number is the full-time and/or full-time equivalent (FTE) employees in local operations. Two 20-hour employees equal one FTE. Figure may be rounded.

\*\* The Power Agency and Scoppechio combined and are operating as PowerScoppechio. The deal closed on Dec. 31, 2022.

According to LinkedIn, the **most common job titles** for employees in the Louisville ad industry are Account Executive, Account Manager, Salesperson, Marketing Specialist, Creative Director and Graphic Designer. The fastest-growing titles in the industry include Content Specialist (which saw a 36% increase in the last 12 months), Account Coordinator, Production Manager and Sales Director.

The **skills most in demand** in the Louisville ad industry are for agency operations functions, followed by a desire for analytical skills and data analysis, human resources expertise and financial management. Other skills indicated in the LinkedIn data are expertise with Adobe Premier Pro and video editing.

**Education levels** in the Louisville ad industry are high, with 70% of all professionals holding a bachelor's degree, 12% holding a master's degree and 8% holding MBAs.

The schools that Louisville ad agencies get their talent from are primarily local colleges, with

two-thirds coming from local schools. Of these, 45% are from the University of Louisville, 20% are from the University of Kentucky, 14% are from Indiana University Southeast, 13% are from Western Kentucky University and 8% are from Bellarmine University. Other schools also on the list are Indiana University Bloomington, Murray State University and Eastern Kentucky University.

In terms of **worker motivation**, Louisville ad industry employees are motivated by much of the same value propositions as employees of the industry in the nation at large. The top drivers of motivations to be a part of the industry include compensation and benefits (68%), good work-life balance (64%), a culture that inspires employees to do the best (46%), open and effective management (43%), flexible work arrangements (42%), role that meaningfully impacts the company's success (33%), job security (29%), challenging work (26%), a company with a purposeful mission (25%), employees having influence over their tasks and priorities (25%), convenient commute to work (21%) and inclusive workplace for people of diverse backgrounds (21%).



## REGIONAL COMPARISON

How does the Louisville ad industry compare to the industry in other cities in the region? The table below sums up the differences between similar cities in the Midwest.

	Louisville	Nashville	Cincinnati	Indianapolis
Size of ad industry workforce	8,364	17,791	15,210	14,628
Gender diversity	50% male/50% female	48% male/52% female	48% male/52% female	51% male/49% female
Avg. compensation	\$69,188	\$84,556	\$77,007	\$79,756
Cost-of-living index <sup>2</sup>	68.9	80.4	64.0	71.9
Largest employers	Doe-Anderson, Leap, PowerScoppechio*	Affinion Group, Google, Buntin	PL Marketing, LPK, SGS	SIGI, TrendyMinds, Young & Laramore
Top skills being sought	digital marketing, social media marketing, marketing communications	social media marketing, digital marketing, email marketing	social media marketing, digital marketing, graphic design	social media marketing, digital marketing, email marketing
What schools are producing this talent?	University of Louisville, University of Kentucky, Indiana University Southeast	MTSU, University of TN, Knoxville, Belmont University	University of Cincinnati, Miami University, Northern KY University	Indiana University Bloomington, Ball State University, Purdue University

\* Source: Louisville Business First, 8/8/23

Per the chart, Louisville's advertising industry is smaller than the workforces in other cities in the region, however, these numbers must be viewed with an awareness that LinkedIn identifies merchandising, outsourced sales and talent agencies to be part of the "advertising and marketing services" industry, and Nashville and Indianapolis have large businesses in those sectors.

Gender diversity is even in all markets, and the top skills being sought are very similar. Compensation for those working in the advertising industry is lower in Louisville, but this is balanced by a lower cost of living.

It is perhaps no surprise that the universities that are most proximate to these cities are the ones providing most of the talent for local industry.

And according to LinkedIn's Talent Insights, the outflow of employees from advertising is most commonly to tech jobs or higher education.

## SUMMARY

The advertising industry has recovered from the lows of the pandemic period and is now displaying growth that may mark 2023 as the highest year in ad spending ever. And though the industry is dynamic, requiring new skills and sometimes demanding job change, the industry continues to offer excellent benefits and better-than-average compensation, drawing educated, talented people.

Like the industry in the nation overall, the Louisville ad industry is strong with many appealing attributes to attract employees. The Louisville ad industry compares similarly to other markets in the region, though is perhaps a bit smaller.

The Louisville agency landscape has experienced noteworthy changes and mergers, yet competitiveness has been put aside and the ad community has come together for causes when necessary. That cause in 2023 was to address the potentially destructive new tax on advertising. With the leadership of the American Ad Federation Louisville, agencies put aside their competitiveness and worked together to change a law that might have otherwise been a detriment to the industry.



## NOTES

Unless otherwise noted, data comes from LinkedIn's Talent Insights, pulled in September 2023. Other sources are identified below:

<sup>1</sup> Statista, 8/3/23.

<sup>2</sup> "Ad Spending Will Slow Down Next Year But Will Continue To Grow," Forbes, 12/8/22.

<sup>3</sup> "Advertising to Speed Up After a Slower Start," The Wall Street Journal, 6/12/23.

<sup>4</sup> "Ad Spending Will Slow Down Next Year But Will Continue To Grow," Forbes, 12/8/22.

<sup>5</sup> (see footnote 4)

<sup>6</sup> "Advertising Trends to Watch," Exploding Topics, 5/17/23.

<sup>7</sup> Source: Bureau of Labor Statistics. Seasonally adjusted.

<sup>8</sup> "Even Zoom Is Making People Return to the Office," The New York Times, 8/7/23.

<sup>9</sup> "It's a Brand New Day," Louisville Business Journal, 8/11/23.

<sup>10</sup> Source: Bureau of Labor Statistics. Seasonally adjusted.

<sup>11</sup> Source: Louisville Business First, 8/8/23.

<sup>12</sup> Source: U.S. Bureau of Economic Analysis, Per Capita Personal Income in Louisville/Jefferson County, KY-IN (MSA) 11/1/23.