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Mid-sized agencies squeezed by 'barbell effect'

By Adam McCleery | 4 February 2026 0 Comments

Holding companies and independents are dominating new business in Australia, squeezing mid-sized agencies out of the market in a structural shift over the past 24 months.

Some holding company groups are winning more than 20% of all media tenders, while independents have surged across particular client categories to secure the majority share of market volume, according to TrinityP3's inaugural *New Business Report*.



Darren Woolley, Credit: TrinityP3

The report delivers top 10 rankings across categories with Atomic 212 topping the table for media agencies, Hero leading creative agencies and Apparent emerging as the most successful non-media agency.

TrinityP3 CEO Darren Woolley told *AdNews* there was a need to create a more comprehensive look at the market when it comes to business wins.



"We aimed to look at all new business, not just around pitching," he said.

"We have been doing our State of the Pitch research for a number of years, but there were always two questions we could not answer with precise certainty. How many pitches or tenders were there in the past year? And who exactly is winning and why?"

"The TrinityP3 New Business report seeks to answer that in a way which goes well beyond what others do."

TrinityP3 identified 440 pitches through trade magazine reporting, confidential communications with agencies, contract portals and other resources.

"We knew it was worthwhile because this has created the clearest picture yet of the market," Woolley said.

Holding companies have moved into a scale-driven dominance strategy, with some groups now winning more than 20% of all media tenders.

Independents have surged and across particular client categories are now securing the majority share of market volume based on the number of tenders awarded.

Kylie Ridler-Dutton, senior global consultant at TrinityP3 and co-author of the report, said the market is polarising.

"The agency landscape is turning into something of a barbell," Ridler-Dutton said.

"Holding companies on one side, independents on the other, often led by founders who've come out of those same holding groups. If your agency sits somewhere in the middle it's increasingly the one being squeezed."

Woolley said major agencies still retain or win big accounts but large brands are increasingly employing specialist agencies for particular skill sets such as PR and social.

"We still see big networks working a lot but indies routinely pick up work for certain aspects of media. Marketers are able to leverage this more and more," he said.



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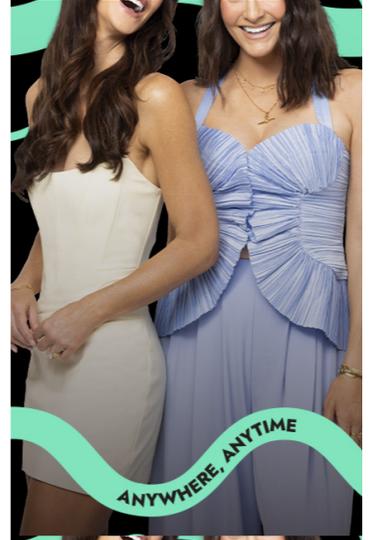
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"Social is significant, what we are seeing in the data is the 'barbell' effect. We see the growth of indies, especially those specialising in specific skills such as social, big clients are looking for specialist depth."

The report identifies a major shift in pitch requirements, with a marked rise in social-only pitches.

More than a dozen such pitches were run by brands in the past 12 months, signalling growing demand for specialist social and creator-led expertise.

"We are in the middle of a short-form video revolution," Ridler-Dutton said.

"At TrinityP3 we have been saying for some time now that we were seeing an increase in social-only pitches, particularly among the big brands we work with.

"Amid the continued rise of the creator economy, and platforms such as TikTok, Instagram and Snap, marketers are increasingly looking for deep domain expertise and partners that can execute at speed, capabilities many traditional agency models are not yet geared for."

Woolley also highlighted the pitch frequency for some agencies was significant.

"One independent completed 100 pitches in 2024, that's an average of two a week," he said.

"The agency was able to win only 10 to 12 of them. And 70 to 80 per cent of them were full project tenders."

The pitch frequency and full tender projects only drives up overheads for agencies.

Ridler-Dutton said the data reveals a shift in how agencies work.

"This report complements TrinityP3's State of the Pitch in that it draws out the growing amount of project work that agencies are not just doing but also having to pitch or compete for," she said.

Woolley said Atomic 212 remains a top performer in the year since Publicis bought the independent agency.

"Atomic 212 has always been a fierce new business competitor," he said.

"And they have played a huge role in continuing to grow the Publicis business."

The most active client sectors are also highlighted in the report, with food manufacturing leading the market followed by tourism and travel, then banking, healthcare and technology.

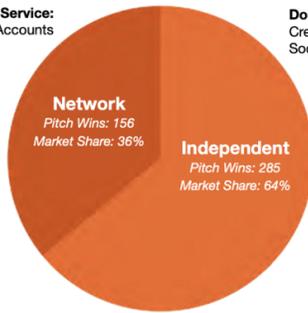
Woolley said the new methods around compiling business wins paints a more accurate view of the true dynamics of the market, creating greater value for key stakeholders.

For this reason, the report did not include media billings because it lacks the insight into true profitability for business outcomes.

"We are becoming more of a knowledge source than a service business," Woolley said.

"This report is a must-read for anyone working in new business, whether you're inside an agency or a marketer looking for a clear, end-to-end view of the capability shifts reshaping the Australian agency market as we head into 2026," Woolley said.

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