



M&A in Media, Marketing and Technology

# Ciesco Perspective & Guest Commentary

Q2-2026

## AI and the Agency Model: Efficiency, Differentiation and the Shift in Value Creation



Craig Lynch

Associate Director at CIL, Media



**Craig Lynch**  
 Associate Director, Media



# AI and the Agency Model: Efficiency, Differentiation and the Shift in Value Creation

## Introduction

AI will be the leitmotif for 2026; the focus of brands, agencies and investors. Use of AI tools and workflows that increase efficiency will become essential. However, AI generated or augmented content is likely to be less universal with the biggest impact being on high volume, templated or derivative content which AI can replicate effectively at low marginal cost.

Through its work with investors and agency groups, CIL has identified three key trends that will impact which industry players are likely to win and lose in this new world.

## The impact of AI on marketing agencies

First, adopting AI tools and workflows that optimise processes will be essential for all marketing businesses. Smaller agencies may be disadvantaged if they don't have the in-house capabilities or know-how to enable AI optimisation. This could increase the competitiveness of larger groups with economies of scale particularly if they can layer AI capabilities onto unique in-house IP to drive differentiation.

Second, AI is starting to reshape lower-tier content production. AI is well-suited to templated assets, where creative variation and versioning can be automated at scale. In contrast, high-end and brand-defining content is expected to remain largely human-led, albeit with those humans benefitting from efficiency gains. CMOs will expect cost savings from AI-generated content but are likely to reallocate spend rather than outright budget cuts. This positions premium and full-service agencies well to deal with this technological shift.

Third, as the volume of content proliferates with AI, standing out from the crowd will become a priority for brands, driving investment in brand strategy and identity.

These services rely heavily on human judgement, contextual understanding and senior brand counsel, reducing the risk of disintermediation by open-sourced AI models

that lack originality. There will be a flight to quality. Clients will value nuanced advice and partnership, particularly during important, brand-defining decisions.

## Winning strategies

Against this backdrop, three attractive strategies are emerging:

- First, agencies that position themselves as strategic advisors and brand guardians are better insulated from automation. High-end creative and brand strategy are unlikely to be fully automated, and these agencies define the parameters within which AI-enabled production operates.
- Second, leading players are shifting to output-based pricing. This allows agencies to realise the benefits of automation while mitigating the risk of like-for-like price erosion.
- Third, successful agencies are building out full-service capabilities, often through targeted M&A. Efficiency savings from AI-enabled services are typically reinvested into adjacent services rather than removed from budgets altogether, creating clear cross-sell opportunities for integrated platforms.

CIL is uniquely placed to support investors and business owners as they navigate these shifts, combining sector insight with deep experience across strategy, operating models and M&A execution.

# Ciesco Perspective

At our recent Global M&A Leadership Summit, a consistent theme emerged: AI is not only reshaping how marketing services are delivered, but also how value is created and captured across the ecosystem - from infrastructure to brand strategy. For founders, management teams and investors, the implications are immediate and uneven.

From Ciesco's perspective, many of the themes outlined by Craig are already playing through in M&A dynamics across the sector.

**8-12x**

EBITDA multiple range for premium AI-embedded agencies with strategic buyer interest

**~40%**

of jobs globally assessed as having meaningful AI exposure - rising to ~60% in advanced economies; content creation is among the highest-impact marketing functions.

**~64%**

of business leaders plan for M&A in the next 12 months to strengthen their AI capabilities - a fundamental shift in deal rationale: acquirers buying AI capability rather than building.

We are seeing a clear bifurcation in investor appetite. Businesses that have embedded AI into their delivery model - improving scalability, margin profile and speed to market - are attracting strong interest, particularly where this is underpinned by proprietary workflows or data. In contrast, businesses positioned primarily around commoditised production are facing increasing pressure on both pricing and differentiation.

Proprietary methodologies and data assets are increasingly material in M&A conversations - but only when clearly articulated.

At the same time, AI is reinforcing the strategic value of higher-order capabilities.

The most powerful valuation narrative in current mandates is the **strategic counsel positioning**: businesses that set the creative and strategic brief that AI-enabled production executes against - and clients cannot replace that relationship with a model.

Platform buyers are explicitly acquiring for this capability with buyers placing increasing emphasis on quality of revenue, client stickiness and the ability to capture a greater share of client budgets through expanded service offerings.

This is also translating into transaction strategy. We are seeing platforms use M&A to accelerate capability build-out - particularly in data, technology and AI-enabled services - as well as to consolidate fragmented service lines into more integrated propositions.

As Craig highlights, the shift toward output-based and value-based pricing is becoming a key lever in protecting margin and aligning commercial models with AI-driven delivery.

Looking ahead, we expect these dynamics to continue to shape both competitive positioning and valuation outcomes across the marketing services landscape.

## The Hybrid Future

The market is heading toward a hybrid model - human strategy and creative counsel upstream, AI workflows downstream. Winners will restructure pricing before pressure forces their hand.

For independent agencies, proprietary methodology, audience insight or sector data is increasingly a prerequisite for strategic acquisition interest. The valuation gap between AI-embedded and commoditised providers is widening. The window to position is the next 12-24 months.

# Ciesco Perspective & Guest Commentary

Q2-2026

## AI and the Agency Model: Efficiency, Differentiation and the Shift in Value Creation

### About CIL

CIL is a leading strategy consultancy focused on commercial due diligence and growth strategy, with deep experience supporting investors and business owners across media, technology and marketing services.

### About Ciesco

Ciesco is a London-based M&A advisory firm specialising in the Technology, Media & Marketing sectors, with coverage of Europe, Asia and North America. Combining senior industry leaders with sector-focused bankers, Ciesco offers deep sector insight, strong C-suite networks, and proven M&A execution expertise, making it a trusted advisor in complex, high-growth markets.

**Chris Sahota**  
Founder & CEO  
[chris.sahota@ciesco.com](mailto:chris.sahota@ciesco.com)

**Ateesh Srivastava**  
Managing Director  
[ateesh.srivastava@ciesco.com](mailto:ateesh.srivastava@ciesco.com)

**Aika Kussimova**  
Director  
[aika.kussimova@ciesco.com](mailto:aika.kussimova@ciesco.com)

**Jack Andrews**  
Director  
[jack.andrews@ciesco.com](mailto:jack.andrews@ciesco.com)

While this publication has been carefully prepared, it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact Ciesco to discuss these matters in the context of your particular circumstances. In no event shall Ciesco, its partners, employees and agents be liable for any special, incidental, or consequential damages or for any loss arising out of the use of the data.

Ciesco Limited is registered in England and Wales under no. 07243195. Our registered office is based at 156-158 Buckingham Palace Road, London SW1W 9TR, United Kingdom.



**Proud sponsors of Stow-on-the-Wold RFC Gloucestershire**