GALAXY WEBLINKS'
Together
we ship

How do new agencies win when there are older **and bigger companies in the market?**

From the ground up:

Crafting a successful path in competitive waters dominated by established players

Index

Introduction

Google, Microsoft, Amazon vs. WebFX, Single Grain, Blue Fountain Media.Pretty sure 9/10 recognizes the first set of names. These industry giants dominate the market with their extensive resources, vast customer bases, and significant influence.

In contrast, the second set may not be as universally known but has carved out impressive niches by addressing unique needs and delivering innovative solutions. Does this mean there's no scope for these smaller agencies to thrive when there's bigger companies in the market? Absolutely not.

Consider the meteoric rise of companies like Toptal and Codementor. Just a few years ago, these names were relatively unknown, operating in the shadows of larger competitors.

Today, they stand as testament to the power of strategic focus, customer-centric innovation, and agile operations. These companies have demonstrated that even in a market crowded with titans, there is ample room for new entrants to make a significant impact.

This white paper explores the strategies and tactics that new digital agencies can employ to not only survive but thrive in a competitive landscape dominated by established companies. From leveraging emerging technologies and innovative marketing strategies to forming strategic partnerships and focusing on niche markets, we delve into how new agencies can effectively compete and succeed.

Comparison of the Positioning of New vs. Established Agencies

02

Aspect Strengths

Established Agencies

Vast Resources:

Capable of heavy investments and extensive R&D.

Extensive Client Base:

Steady revenue stream and industry clout.

Brand Recognition:

Established trust and credibility.

Comprehensive Service Portfolios:

Wide range of services appealing to diverse client needs.

Capacity for Large-Scale Projects:

Able to manage and execute big projects efficiently.

New Agencies

Flexibility and Agility:

Quick adoption of new technologies and faster response to market changes.

Personalized Client Relationships:

Tailored solutions and dedicated attention to each client.

Niche Targeting:

Specialization in specific sectors, offering deep expertise.

Innovative Approaches:

Embracing new strategies and tools to stand out.

Lower Overheads:

More competitive pricing and flexible service options.

Comparison of the Positioning of New vs. Established Agencies

Aspect Weakness

Established Agencies	New Agencies
Lack of Agility: Slower adaptation to new trends due to size and established processes.	**Limited Resources:** Constraints in scaling operations and investing in significant projects.
Bureaucratic Structures: Impeded decision-making and innovation.	**Building Brand Recognition:** Need considerable effort to establish a market presence.
Resistance to Change: Difficulty in altering established practices and adopting new technologies.	**Client Acquisition:** Challenges in forming high-value client relationships.
High Overheads: Increased operational costs affecting competitiveness in pricing.	**Operational Scalability:** Managing growth while maintaining quality and service standards.
	Market Penetration: Difficulties in breaking into markets dominated by established players.

How New Digital Agencies Can Capitalizing on Their Strengths to Compete with Industry Giants

Despite the apparent dominance of established agencies in the digital services market, new agencies are far from being out of the game. In fact, the strengths that new agencies possess can be strategically leveraged to create substantial opportunities for growth and success.

01

Leveraging Agility and Innovation:

One of the key advantages that new agencies have is their ability to move quickly and adopt new technologies. For instance, Thoughtbot, a relatively smaller agency, has become known for its rapid adaptation of the latest software development methodologies and technologies. Their agility has attracted clients looking for innovative and customized software solutions that larger firms often take longer to deliver.

Capitalizing on Personalized Services:

Unlike their larger counterparts, new agencies often provide more personalized attention to their clients. Ironpaper, a boutique agency, has built its reputation by focusing on specific client needs and delivering highly tailored digital marketing strategies. This personal approach has led to high client retention and satisfaction rates.

02

Targeting Niche Markets:

03

New agencies can find success by specializing in niche markets that may be underserved by larger players. Nerdery, for instance, focuses on providing digital solutions specifically for healthcare and technology companies. Their deep expertise in these areas allows them to offer specialized knowledge and services that are highly valued by these specific sectors.

Strategic Partnerships:

Forming strategic partnerships can be a game changer for new agencies. WebFX, a smaller but rapidly growing digital marketing agency, has partnered with various technology providers to enhance their service offerings. These partnerships have allowed them to provide a broader range of solutions, such as data-driven analytics and advanced SEO tools, which have differentiated them from their competitors.

04

By understanding and strategically planning based on these strengths, new agencies can not only compete but also establish themselves as formidable contenders in the digital services arena. This strategic focus allows them to use their size and agility to outmaneuver larger competitors, providing tailored services that meet the unique needs of their clients and fill gaps left by bigger companies.

Develop Unique Brand Propositions Through Micro-Niching

Instead of general specialization, new agencies can go a step further by micro-niching—focusing intensely on very specific client needs or industry segments. This hyper-focused strategy allows for highly customized service offerings that are unmatched by larger, more generalized competitors.

For example, an agency could specialize not just in social media marketing but in Instagram marketing for eco-friendly beauty brands. This deep dive into a micro-niche can help the agency become the go-to expert for a very specific client group.

Adopt and Innovate with Emerging Tech Beyond Mainstream Solutions

While adopting new technologies is crucial, innovating with them to create proprietary solutions can set an agency apart. This involves not just using the latest tools but also developing new applications or custom modifications that address unique market needs.

For example, an agency might use VR technology not just for gaming experiences but to create virtual store walkthroughs for e-commerce clients, enhancing the online shopping experience in a novel way.

Foster Co-creation and Community Building with Clients and Partners

Beyond networking and partnerships, engaging in co-creation projects with clients and other stakeholders can build deeper relationships and foster community. This approach involves clients in the creation process, making them active participants in developing solutions that serve their needs better.

For example: Organizing workshops where clients collaborate directly with designers and developers to brainstorm and prototype new digital products. This collaborative approach can lead to more tailored services and stronger client loyalty.

BONUS TIP- Leverage Offshore Partnerships for Enhanced Capability and Cost Efficiency

Partnering with offshore vendors like TogetherWeShip can dramatically increase your agency's operational capacity and cost-efficiency. Here are some benefits:

Cost Savings:

Access services at a lower cost due to differences in economic conditions, making it possible to offer more competitive pricing.

Scalability:

Easily scale operations up or down without significant investment in local resources, providing flexibility in managing project volumes.

Access to Diverse Talent:

Tap into a global pool of skilled professionals who can bring new ideas and expertise that are not readily available locally.

Extended Productivity:

Utilize time zone differences to ensure that your agency can operate beyond the standard working hours, potentially speeding up project delivery and enhancing client satisfaction.

For example,

A small agency specializing in web development can partner with TogetherWeShip, gaining access to a team of skilled developers at a lower cost. This partnership can not only reduce their project costs by 40% but also enable them to take on additional clients and larger projects without compromising quality.

The extended work hours provided by the offshore team will ensure that client updates were made almost around the clock, significantly improving project turnaround times.

Conduct Thorough Market Research:

- Regularly analyze the market to identify emerging trends and underserved niches.
- Use insights to tailor services that meet specific needs not currently addressed by larger agencies.

Invest in Technology and Training:

- Allocate budget for the latest tools and technologies that can enhance service offerings and operational efficiency.
- Provide continuous training for staff to keep them abreast of new technologies and industry practices.

Develop a Strong Value Proposition:

- Clearly define what sets your agency apart from the competition, focusing on your agility, personalized service, or niche expertise.
- Communicate this value proposition clearly in all marketing and client interactions.

Emphasize Personalized Client Relationships:

- Offer personalized attention to each client, which larger firms may not be able to provide.
- Regularly check in with clients to assess their satisfaction and adapt services as their needs evolve.

Foster a Culture of Innovation:

- Encourage a workplace environment that welcomes new ideas and allows for experimentation.
- Host regular brainstorming sessions and incentivize innovative ideas that could lead to new services or improvements.

Leverage Agile Project Management Techniques:

- Implement agile methodologies to enhance team productivity and improve the responsiveness of service delivery.
- Use these methodologies to provide clients with more transparent and adaptable project management.

Build Strategic Partnerships:

- Form alliances with technology providers, freelancers, and other agencies to extend your capabilities and access new markets.
- Collaborate on projects that complement your strengths and help mitigate weaknesses.

Utilize Content Marketing and Thought Leadership:

- Produce high-quality content that highlights your expertise and insights into the industry.
- Use platforms like blogs, webinars, and professional social networks to establish your agency as a thought leader.

Actionable Steps for New Digital Agencies to Compete with Big Agencies

Optimize Online Presence:

- Ensure your website is optimized for search engines to attract more organic traffic.
- Maintain an active and engaging presence on social media to build your brand and connect with potential clients.

Implement Feedback Loops:

- Set up systems to gather and analyze client feedback regularly.
- Use this feedback to continuously improve your services and client interactions.

Plan for Scalability:

- Prepare your agency for growth by setting scalable processes and infrastructure.
- This includes cloud-based solutions, modular service offerings, and flexible staffing strategies.

By following these actionable steps, new digital agencies can not only survive but thrive in a competitive landscape dominated by larger players. Each step is designed to leverage the unique strengths of smaller agencies, such as agility and the ability to quickly adapt to changing market conditions.

Despite the dominance of giants like Google, smaller digital agencies like WebFX can still thrive by carving out specialized niches.

Agency Positioning:

- **Established Agencies:**
  Rich in resources but slow to adapt.

- **New Agencies:**
  Agile, personalized, and able to quickly capitalize on niche markets.

Winning Strategies:

Success comes from agility, personalized services, niche focus, and strategic partnerships.

Expanded Strategic Approaches:

- **Micro-Niching:**
  Focus on highly specific client needs.

- **Emerging Tech:**
  Use cutting-edge tech for innovative solutions.

- **Co-Creation:**
  Engage clients directly in the development process.

BONUS TIP

Utilize offshore partnerships to reduce costs, scale operations, and access diverse talent effectively.

Actionable Steps:

- Research the market,
- Leverage technology,
- Develop clear value propositions,
- And foster partnerships.

Schedule a call with us
togetherweship.com/contact-us