

Small But Mighty Agency Podcast

Episode 119: Trust Equity: Why Less Experience is Winning at Higher Prices

Speakers: Audrey Joy Kwan

Audrey Joy Kwan:

Did you know that 70% of the decision about your agency is made before you even showcase your results?

In this episode, we unpack why great work alone isn't winning business anymore, and what's really driving agency selection in today's market.

Whether you're losing opportunities to less experienced agencies who are charging premium rates, or you're the newer agency looking to establish your position, you'll discover why trust equity matters more than your track record and years in business.

This is a must-listen for any agency navigating today's shifted landscape, tune in.

Audrey Joy Kwan:

Welcome to the Small But Mighty Agency Podcast. If you want to grow an agency to seven figures and beyond without working more hours in your business, you're in the right place. I'm your host, Audrey Joy Kwan. I know what it takes to build an agency, including supporting an agency owner in selling and exiting. I also have a Master's degree in communications specializing in organizational development. My team and I have worked behind the scenes of multiple seven figure agencies and have coached and consulted with over 150 agency owners. All this to say when you join us on the Small But Mighty Agency Podcast. You get real world experience and practical tips to help you work less, earn more, and lead with integrity. So let's go.

Audrey Joy Kwan:

Hey friends, welcome back. You know, I've been having some really interesting conversations that are pointing to a major shift in our industry. It's something we're going to be exploring a lot more of this year, and it centers around what I call 'trust equity' in agencies.

Let me share a story from just last week that illustrates what I'm seeing.

Last week, I was talking with an agency owner - for privacy, let's call her Meredith. Her agency had just lost a pitch to a competitor who was charging 20% more. The kicker? This other agency had less experience and a smaller track record

When I asked Meredith what happened, her response was telling: "They somehow seemed like the safer choice."

That word - safer - it's telling, isn't it? Because it points to something fundamental that's changing in how agencies win or lose in today's market.

And what I'm noticing is this isn't just happening to Meredith. It's a pattern that's affecting agencies of every size.

Let me share what I mean by trust equity. It's the accumulated trust and authority an agency builds in their market before a prospect ever reaches out.

Think of it like a trust bank account - you're either building it up or drawing it down with every interaction, every experience you create, and your market presence.

What makes trust equity so powerful is that it's working for you even when you're not in the room. It's why some agencies can command premium rates with less experience, while others struggle to justify their value despite years of proven results.

Here's what's happening: The way clients choose agencies has fundamentally changed. And this shift is causing a challenge that nobody's really talking about - being great at what you do isn't winning business anymore.

Let me be clear: I'm not saying quality doesn't matter. Of course it does. But something bigger is happening in our industry, and if you're not aware of it, you're likely feeling its effects without understanding why.

Let me ask you something: How many of these situations sound familiar?

- You lose opportunities to agencies with less experience but higher prices
- Your impressive portfolio gets met with "that's great, but..."
- Prospects love your work but still choose someone else
- You're constantly having to justify your rates despite proven results
- Your team delivers outstanding work, but it's not translating into the growth you deserve

If you're experiencing any of these, you're not alone. And more importantly, it's not your fault.

The reality is, the market has shifted dramatically. According to Forrester, B2B buyers are 57% to 70% through their buying research before they ever contact an agency. Think about that - up to 70% of the decision about your agency is made before you even get a chance to show your work.

This is why you might be hearing things like: "We went with someone else, but your work is fantastic." "Your capabilities are impressive, but we felt more confident with them." "It was a tough decision, but they seemed like the safer choice."

But here's what makes this particularly challenging - it's not just about lost opportunities. The real cost is much deeper:

It's in the constant pressure to prove your value in every conversation. It's in the endless cycle of starting from zero with each new prospect. It's in the frustration of watching less experienced agencies become the go-to choices in your space.

And let's talk about what this does to your team. When exceptional work stops winning business, it affects morale. Your best people start questioning if excellence matters. And sales is frustrating because it's always an uphill battle.

What's particularly interesting is how this is playing out across different types of agencies. I was recently talking with a creative agency owner who had won multiple awards for their work. Know what they told me? "Awards used to mean something. Now they barely come up in sales conversations."

Another agency owner shared how they had reduced their prices thinking that was the issue - only to lose to a competitor charging premium rates. The common thread? It wasn't about the work or the price - it was about something else entirely.

Let me ask you to reflect on something: When was the last time a prospect chose your agency without needing to be convinced? When was the last time someone came to you already certain you were the right choice?

If you're finding these questions uncomfortable, you're not alone. And this discomfort is actually valuable - it's telling you something important about where our industry is heading.

Here's why this matters right now: The gap between agencies that have figured this out and those that haven't is widening. Every month that passes, it becomes harder to bridge this gap. The agencies that recognize and adapt to this shift are pulling further ahead, while others keep pushing the boulder of "great work" up an increasingly steep hill.

So, what's the answer? Well, that's a bigger conversation for another episode, or you can check out my guide on LinkedIn, "Build Your Go-To Agency: 4 High-Trust Systems for

Market Leadership." It explores how leading agencies are adapting to these changes and building sustainable trust in their markets. You can find the link in our show notes.

But for now, I want you to know that if you're experiencing this challenge, it's not because your work isn't good enough. It's because the rules of the game have changed.

The first step is recognizing that this shift is real and understanding how it's affecting your agency. Because once you see it clearly, you can start taking steps to address it.

I'd love to hear your thoughts on this. Has your agency experienced this shift? Connect with me on LinkedIn or reach out to me directly.

That's it for this short episode that packs a punch. Thanks for being here and I'll see you on the next one.

Audrey Joy Kwan:

Hey, thanks for hanging out with me at the Small but Mighty Agency Podcast. If you enjoyed this episode, it would mean the world to me if you hit the follow or subscribe button in your podcast app and share it with a friend. I'll see you on the next one.