

UK adspend for 2018 soars to £23.6bn

UK advertising spend rose 6.3% year-on-year to reach £23.6bn in 2018, marking the ninth consecutive year of market growth and highest annual total since monitoring began in 1982. This is according to the Advertising Association/Warc Expenditure Report, which collects advertising spend data from across the entire media landscape.



Stephen Woodford, chief executive at the Advertising Association.

The final quarter of 2018 recorded expenditure growth of 5.7% over Q4 2017, with adspend reaching £6.5bn. This includes adspend during the crucial Christmas period and marked the 22nd consecutive quarter of market growth.

Advertising spend is forecast to grow 4.8% this year, with a further rise of 5.5% projected for 2020. This would push investment to over £26bn, completing more than a decade of continuous expansion for the UK advertising industry.

These figures follow a report released by the Advertising Association last month showing export of UK advertising services had hit a record high of £6.9bn in the latest annual figures for 2017.

The potential for growth was celebrated in the first-ever Export Month with trade missions in partnership with the Department for International Trade to China, Japan and the USA.

Resilience amid uncertainty

Stephen Woodford, chief executive at the Advertising Association commented: "These figures demonstrate, once again, the strength and resilience of the UK advertising industry during a time of political and economic uncertainty in the UK. They are a testament to the world-class capabilities of the third of a million people working in advertising and marketing services across the UK. With every pound spent on advertising generating six pounds of GDP, a strong advertising industry is a key pillar of a strong economy.

"With further growth predicted for both 2019 and 2020, UK advertising looks set to deliver over a decade of continuous growth. Like all UK industries, we hope to see a positive resolution of the Brexit situation, with business-friendly data, immigration and trade outcomes that could further boost this forecast growth".

Overall market growth is being driven by increasing spend on search (up 14.3%) and online display advertising (up 21.4%), with further, but milder, growth predicted for 2019 and 2020.



UK adspend hits record £22.2bn in 2017

26 Apr 2018



Investment in paid search and online display formats

The positive story for online ad formats was reflected across a number of media. Notably, high growth was recorded for online radio ad formats, with a year-on-year rise in 2018 of 30.6%. Ad investment in broadcaster video-on-demand (VoD) rose 29.4% to reach £391m, while regional online newsbrands recorded growth of 7.6%.

James McDonald, managing editor at WARC commented, "Despite most traditional media being stagnant or in decline, the UK's ad market expanded at its strongest rate since 2015 last year, and the growth is primarily being driven by rapidly rising investment in paid search and online display formats, particularly social media and online video.



Warc predicts that Google and Facebook will make \$176bn from advertising this year

22 Mar 2019



"These online components account for just over half of UK advertising spend today, and both are almost entirely data-driven, enabling advertisers to pair their messaging with internet users based on their digital footprint. These tools are also accessible, enabling a long-tail of SMEs to invest, and this has transformed the DNA of advertising in recent years."

Full-year forecast summary 2018-2020	Adspend 2018 (£m)	2018 v 2017 (% change)	Forecast 2019 (% change)	Forecast 2020 (% change)
Search	6,656.0	14.3%	11.3%	9.9%
Online display	5,331.7	21.4%	12.5%	10.2%
TV	5,111.4	0.1%	2.2%	3.4%
of which VOD	391.0	29.4%	26.3%	20.2%
Direct mail	1,555.4	-8.5%	-8.2%	-7.3%
Online classified	1,451.3	-1.3%	-5.0%	4.3%
Out of home	1,209.1	5.7%	3.7%	4.2%
of which digital	603.0	14.7%	13.6%	13.0%
National newsbrands	970.6	-6.3%	-3.3%	-2.3%
of which online	274.1	-0.2%	9.4%	7.2%
Regional newsbrands	804.3	-9.3%	-6.9%	-4.7%
of which online	227.5	7.6%	4.3%	7.7%
Magazine brands	717.7	-7.5%	-6.1%	-4.3%
of which online	270.3	-0.3%	0.3%	1.2%
Radio	713.3	5.0%	4.1%	5.7%
of which online	45.4	30.6%	23.6%	21.0%
Cinema	253.6	-2.1%	5.6%	6.9%
TOTAL UK ADSPEND	23,566.1	6.3%	4.8%	5.5%

* Broadcaster VoD, digital revenues for newsbrands, magazine brands, and radio station websites are also included within online display and classified totals, so care should be taken to avoid double counting.

Source: AA/WARC Expenditure Report, April 2019

The headline findings for the full year 2018 results are presented in a slightly altered form to provide a more detailed breakdown of what was previously termed internet advertising. The purpose is to provide greater clarity and understanding of the UK's current advertising expenditure by media type. This update is the result of an in-depth consultation and review undertaken with a wide range of AA/WARC Expenditure Report subscribers and industry experts.

The key bullet points from the report show:

- UK adspend rose 6.3% year-on-year to reach £23.6bn in 2018 - the ninth consecutive year of market growth
- UK adspend rose 5.7% year-on-year to reach £6.5bn in Q4 2018 - the 22nd consecutive quarter of market growth
- Both the 2018 annual and fourth quarter totals were the highest on record
- Over H2 2018, UK adspend rose 5.6% year-on-year to reach £12.1bn - a new high
- The forecast for 2019 has been upgraded to £24.7bn, equivalent to 4.8% growth
- The UK's ad market is expected to grow a further 5.5% in 2020