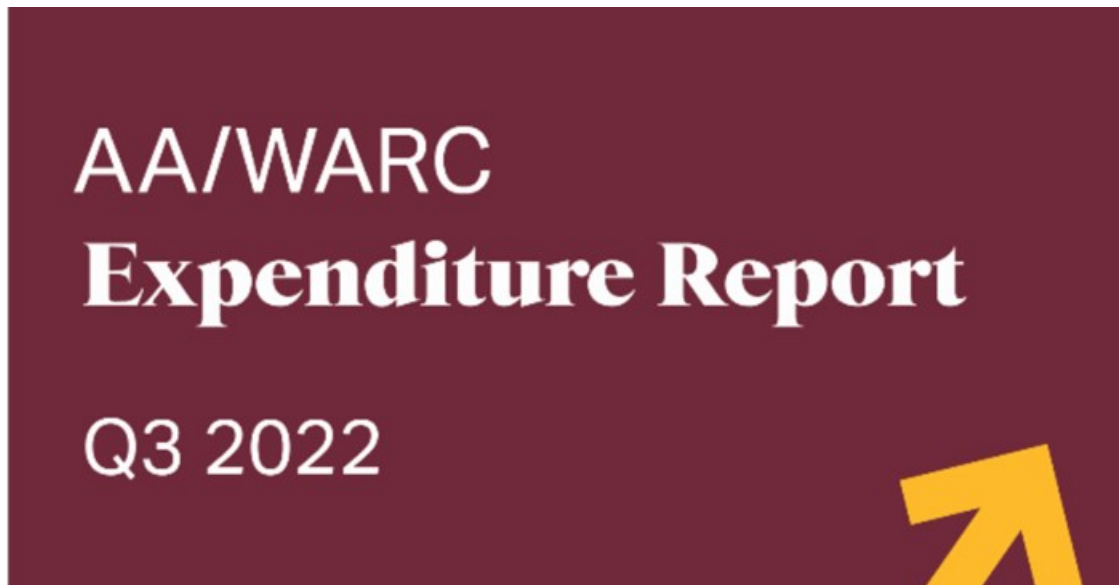


Warc releases Expenditure Report quarterly data for UK

Warc has revealed the latest quarterly data from the Advertising Association/Warc Expenditure Report.



The report showed that UK advertising spend rose by 4.3% to a total of £8.5bn between July and September 2022, the ninth consecutive quarter of growth and demonstrative of an ongoing, resilient recovery from the Covid-19 pandemic.

The UK's ad market is expected to grow by a further 3.8% this year, totalling £36.1bn and following on from an estimated 8.8% rise in 2022, based on the latest advertising revenue data collected directly from media owners.

The projection for 2023 is on par with the previous forecast (published in October 2022) but equates to a 3.0% real terms decline once inflation is accounted for. Forecasts for the coming year show reduced growth expectations for almost all sectors of advertising in line with pressures felt by all parts of the economy.

Q3 2022 results

Actual figures released by the Advertising Association/Warc for the first nine months of 2022 confirm that growth was up by 10.8%, with the total figure standing at £25.3bn. Out of Home (OOH) and cinema, specifically, continued their strong recovery during Q3, while search rose 7.7% – equating to almost 40% of total adspend during the quarter.

Social media, included within online display, continued growing (+4.4%), while broadcast video-on-demand (BVOD) spend rose by 4.3%.

Revised 2022 projections

The UK's ad market is now thought to have reached a total of £34.7bn in 2022, as preliminary estimates put growth at 8.8% last year – this represents a slight downgrade of -0.4pp from the October projections.

After accounting for inflation, real growth was thought to have been flat in 2022, at -0.1%. Crucially, a retained recovery is projected for the 'golden quarter' (Q4 2022). Spend during this time was estimated to have grown by 4.0%, to a total of £9.5bn, as the winter period hosted the two biggest events for adspend: Christmas and the FifaMen's World Cup.

This growth was still half a point behind previous forecasts but should nonetheless be considered a good performance given economic challenges.



Africa needs to do campaigns like *Lesso Lessons* again and again

Danette Breitenbach 23 Jan 2023



Stephen Woodford, chief executive of the Advertising Association said, "The UK advertising industry has held firm in its continued recovery from the Covid pandemic, with ad investment holding up in the face of significant headwinds. However, the economic pressures of 2022 including high inflation's impacts on the wider economy and on media costs means in real terms spend is likely to be flat. These pressures all contribute to slower growth projections for the year ahead."

James McDonald, director of data, intelligence and forecasting at Warc said, "With the economy enjoying modest growth in November, and inflation appearing to have reached its peak, it is likely that the UK narrowly avoided slipping into the recession at the end of last year that many had feared – but a downturn now seems unavoidable in 2023."

You can download a complimentary sample of the report [here](#).

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