

# UK advertising spend estimated to rise to £35bn this year

The Advertising Association/Warc Expenditure Report has estimated that the value of the UK's advertising market will grow by 9.2% in 2022, to a total of £34.9bn, though this does reflect a downgrade of 1.7 percentage points from the previous forecast in July.



Source: [www.unsplash.com](http://www.unsplash.com)

This revision is attributed to high levels of inflation and squeezed margins as UK plc deals with supply chain inflation and subsequent rise in the cost-of-living. The media sector is also bearing the brunt of these pressures, with advertisers facing higher media costs.

The report, which is the only one to collect advertising revenue data directly from media owners across the entire landscape, shows UK adspend rose by 8.8% in Q2 2022, to a total of £8.6bn, while adspend during the first half of the year was up 14.4% at £16.7bn.

The UK's ad market is forecast to grow by a further 3.9% in 2023, to a total of £36.2bn. This projection represents a downgrade of 0.5 percentage points when compared to the July forecast. Meanwhile, online advertising's share of total adspend is set to grow to a total of 74.0% for 2022 and is expected to cross the three-quarters threshold (75.2%) in 2023.

## The full picture in Q2 2022

The latest data show the continuation of strong recoveries for the out-of-home (OOH) (+46.4%) and cinema (+2,208.2%) sectors. Further, new IAB figures show online classified advertising – representing recruitment advertising and property listings, among others – was up by almost a third. TV was the only medium to witness a decline in investment during this quarter (-0.6%) though broadcaster video-on-demand continued to grow (+9.3%) as audiences turned to catch-up and streaming platforms.

Positive second-quarter results were also recorded across the publishing sector, including national news brands (+9.1%), magazine brands (+3.3%), and regional news brands (+0.6%).

## Christmas adspend at a record high despite muted lift from World Cup

Adspend for the final quarter of 2022 is set to increase by 4.5% from last year's record high to a total of £9.5bn, setting a

new record level of investment during Christmas. Search advertising – including eCommerce – is forecast to be one of the quickest-growing media over the quarter, rising by 7.3% to a total of £3.4bn. At £1.7bn, TV advertising spend is expected to remain flat during the quarter, but video-on-demand is set to rise ahead of the wider market with expected growth of 4.2%.



## UK advertising spend to exceed £29bn this year

3 Nov 2021



Stephen Woodford, chief executive of the Advertising Association, commented: “It is encouraging to see strong figures in Q2, with media channels continuing their recovery from the Covid-19 pandemic. Looking forwards, political and economic stability is much-needed, given the inflationary and recessionary forces impacting all businesses. As companies navigate these pressures, we see them continuing to prioritise advertising investment to protect their brands in exceptionally challenging market conditions.”

James McDonald, director of data, intelligence and forecasting, Warc, commented on the figures: “With the economic picture worsening amid ongoing political uncertainty, the likelihood of a recession is now higher than when we last assessed market prospects in the summer. Indeed, we have downgraded UK ad market growth expectations for this year and next, in large part to reflect the waning climate.

“Higher costs are carving into advertisers’ margins and household budgets alike, and trading conditions are at their worst since the Covid outbreak, leading to muted expectations for the Christmas quarter. Against this deteriorating economic backdrop, a 9.2% rise in advertising investment this year would be impressive given that it is near double the average rate of expansion recorded before the pandemic.”

## Increasing the public’s trust in advertising

The AA/WARC figures for Q2 2022 are released in the same week as a new advertising campaign launches for the Advertising Standards Authority, designed to build the public’s awareness, confidence, and trust in advertising and its self-regulatory system. Businesses including Tesco, Marmite, Lloyds, and Churchill feature in the campaign which will run on TV, print, online, cinema, and OOH channels over the next three months.

The campaign is backed with advertising inventory from media owners including ITV, News UK, Sky, Mail Metro Media, The Guardian, Daily Telegraph, Evening Standard, Channel 4 and Reach plc. In digital media, it will be featured on YouTube, Yahoo, Snapchat, and Meta’s channels. Outdoors, the campaign is backed with inventory from Clear Channel, Global, JCDecaux, and Ocean Outdoor, and will also see support from DCM and Pearl & Dean in cinemas.

Planned by MediaCom with creative work by Leith Agency, the biggest-ever awareness campaign for the regulator aims to remind the public and businesses alike that UK ads across media are regulated and that there’s a body to maintain

standards and step in when needed.

For more, visit: <https://www.bizcommunity.com>