

UK AD SPEND HITS £6BN IN Q1 2019

Growth of 4.2% powered by strength of online advertising performance

London, 30th July 2019: UK adspend rose 4.2% year-on-year to reach £6.0bn in Q1 2019, marking the 23rd consecutive quarter of market growth and covering the three-month period leading up to the original scheduled Brexit date of March 29, 2019. The figures highlight growth coming from areas including search, online display, TV VOD, online radio, out-of-home and cinema, and are contained in today's Advertising Association/WARC Expenditure Report, which is unique in its collection of advertising spend data from across the entire media landscape.

The report forecasts growth to £24.6bn for 2019, equivalent to a 4.6% increase, with the UK's ad market expected to grow a further 5.3% in 2020.

Online advertising expenditure performed notably across a number of formats, with online radio seeing standout year-on-year growth of 26.5% in the first quarter. TV VOD achieved an increase of 17.5% in the same period, while total online display saw an increase of 16.6%. Digital out of home also experienced a good Q1 with growth of 10.9%.

These figures reflect the recent [Advertising Pays 7 report](#) from UK advertising's think tank, Credos, which demonstrated how Britain is the largest online advertising marketplace in Europe and that the UK has the highest per capita online spend in the G20, boosting businesses up and down the country.

Across traditional formats, cinema saw respectable growth of 12.3% in Q1 2019 versus Q1 2018. Growth is forecast for 2019 across the majority of formats, with the greatest increases predicted in online radio and TV VOD.

Stephen Woodford, Chief Executive at the Advertising Association commented:

"These figures are testament to the resilience of UK advertising during an uncertain period for business, leading up to the original Brexit date. We see online advertising in all its forms continuing to perform strongly, demonstrating again how the UK is Europe's leading online advertising marketplace.

"We hope that the new administration can deliver a business-friendly outcome to our relationship with the EU, ensuring the UK's domestic advertising market remains robust and our advertising exports, which are world-class, keep growing.

Full-year forecast summary 2018-2020	Adspend 2018 (£m)	2018 v 2017 (% change)	Forecast 2019 (% change)	Forecast 2020 (% change)
Search	6,656	14.3%	9.5%	9.9%

Online display*	5,332	21.4%	12.8%	10.1%
TV	5,111	0.1%	0.9%	3.0%
of which VOD	391	29.4%	18.1%	16.9%
Direct mail	1,552	-8.7%	-10.0%	-8.2%
Online classified*	1,451	-1.3%	3.5%	4.7%
Out of home	1,209	5.7%	3.9%	2.9%
of which digital	603	14.7%	10.3%	10.8%
National newsbrands	969	-7.1%	-5.7%	-3.0%
of which online	274	-2.6%	1.1%	6.7%
Regional newsbrands	804	-9.3%	-8.2%	-5.0%
of which online	228	7.6%	2.8%	5.8%
Magazine brands	718	-7.5%	-7.5%	-5.0%
of which online	270	-0.3%	-0.3%	0.0%
Radio	714	5.1%	2.9%	4.7%
of which online	45	30.6%	22.0%	20.0%
Cinema	254	-2.1%	7.1%	5.6%
TOTAL UK ADSPEND	23,561	6.2%	4.6%	5.3%

* 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, July 2019

At-a-glance media summary	Q1 2019 v Q1 2018	Actual versus forecast
	% change	Percentage points (pp)
Search	10.6%	-2.4pp
Online display*	16.6%	+1.5pp
TV	-2.5%	-2.5pp
of which VOD	17.5%	-8.3pp
Direct mail	-12.3%	-4.3pp
Online classified*	0.4%	+11.1pp
Out of home	6.8%	+1.8pp
of which digital	10.9%	-4.5pp
National newsbrands	-9.1%	-2.2pp
of which online	-10.0%	-15.2pp
Regional newsbrands	-11.0%	-4.6pp
of which online	-0.2%	-5.1pp
Magazine brands	-10.8%	-5.0pp
of which online	0.0%	-1.6pp
Radio	-1.7%	-4.0pp
of which online	26.5%	-6.8pp
Cinema	12.3%	+6.7pp
TOTAL UK ADSPEND	4.2%	-0.5pp

* 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, July 2019

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Advertising Association

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About the Advertising Association/WARC Expenditure Report

The Advertising Association/WARC quarterly Expenditure Report is the definitive guide to advertising expenditure in the UK. Impartial and independent of any media channel or agency affiliation, it is the only source of historical quarterly adspend data and forecasts for the different media for the coming eight quarters. With data from 1982, this comprehensive and detailed review of advertising spend includes the AA/WARC's own quarterly survey of all national newspapers, regional newspaper data collated in conjunction with Local Media Works and magazine statistics from WARC's own panels. Data for other media channels are compiled in conjunction with UK industry trade bodies and organisations, notably the Internet Advertising Bureau, Outsmart, Radiocentre and the Royal Mail.

All data are net of discounts and include agency commission, but exclude production costs. The survey was launched in 1981 and has produced data on a quarterly basis ever since.

Methodology for WARC's quarterly forecasts

Analysis of annual adspend data over the past 35 years shows that there is a link between annual changes in GDP and annual changes in adspend (after allowing for inflation, and excluding recruitment adspend). Over this period, GDP changes account for about two thirds of the change in adspend. WARC has developed its own forecasting model to generate forecasts for two years based on assumptions about future economic growth. The model provides an indication of likely overall spend levels – adjusted to allow for short-term factors (Olympics, World Cup etc).

The Expenditure Report (www.warc.com/expenditurereport) launched online in February 2010 and combines data from the discontinued print publications the Quarterly Survey of Advertising Expenditure and the Advertising Forecast. It is relied upon daily by the world's largest brands, ad agencies, media owners, investment banks and academic institutions. Alongside over 200 readymade tables, subscribers can create their own customised tables for analysis of different media and time periods, as well as track the different media's share of adspend. All reports can be exported from the online interface. An annual subscription is priced at £760 for AA members and £1,175 for nonmembers.

About the Advertising Association

The Advertising Association promotes the role, rights and responsibilities of advertising and its impact on individuals, the economy and society. Responsible businesses understand that there is little point in an advertisement that people cannot trust. That's why, over 50 years ago, the Advertising Association led UK advertising towards a system of independent self-regulation which has since been adopted around the world. There are nearly thirty UK trade associations representing advertising, media and marketing. Through the Advertising Association they come together with a single-voice when speaking to policy-makers and influencers.

About WARC

WARC provides the latest evidence, expertise and guidance to make marketers more effective. WARC's mission is to save the world from ineffective marketing.

WARC's clients include the world's largest brands, advertising and media agencies, media owners, research companies and universities. They rely on WARC for rigorous, unbiased information and advice on almost any advertising and marketing issue, which WARC delivers via best practice guides, case studies, research papers, special reports and advertising trend data, as well as via webinars, awards, events and advisory services.

WARC collaborates with more than 50 respected industry organisations globally including: The Advertising Research Foundation, Cannes Lions, Effie Worldwide, Association of National Advertisers, ESOMAR, 4A's, IPA and DMA.

WARC was founded in 1985, and has offices in the UK, US and Singapore. In July 2018, WARC became part of Ascential plc, the global specialist information company.