

UK advertising spend in Q1 2018 rose 5.9% to reach £5.7bn

According to the Advertising Association/Warc Expenditure Report data, UK advertising spend in Q1 2018 rose 5.9% year-on-year to reach £5.7bn - the 19th consecutive quarter of market growth. The figure is 1.3 percentage points (pp) ahead of forecast.



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Further key findings from the report indicate:

- Q1 2018 was the strongest first quarter in three years
- Print display ad revenue for national news brands rose for the first time in seven years
- Radio (+12.5%) recorded its strongest growth in four years, while the internet (+10.8%), out of home (+5.3%) and TV (+5.0%) were all positive during the quarter

A decade of continuous growth

Adspend growth forecasts for this year and next have been upgraded, by 0.6pp to 4.8% and 0.7pp to 4.5% respectively. If proved correct, this would conclude a decade of continuous growth, and result in an investment of over £24bn in 2019.

Search now accounts for almost three in ten pounds spent on advertising in the UK, a share which has risen 1.8pp over the last year. Spend on search advertising has grown consistently since monitoring began in 2001.

Display formats, which account for just under two-thirds of all adspend in the UK, recorded a rise in investment of 4.7% in Q1 2018 - on a par with the rate recorded in the final quarter of 2017. Excluding direct mail, spend on display formats rose 6.0%. This was the strongest sector growth since the final quarter of 2015.

Resilience of the wider UK economy

Stephen Woodford, chief executive at the Advertising Association said:

“ *Our latest advertising expenditure figures reflect the resilience of the wider UK economy, where consumer confidence is improved and the jobs market remains very strong. UK advertising continues to show steady growth with*

more businesses investing more spend in advertising. This investment boosts company profits and overall GDP, creates more jobs and helps our media sector to continue to invest in the creative content and technology that the public values. If the government can secure a good outcome from the Brexit negotiations and introduce a business-friendly immigration policy, we should continue to see sustained UK market growth and continued export success for advertising." ”

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James McDonald, data editor at Warc commented:

projection for 2018 growth has been upgraded by two percentage points since the start of the year on the back of sterling results across the media landscape. Online ad formats - particularly search and social media - continue to overperform, but traditional media are also proving their worth to advertisers. Notable among these are radio, TV, OOH and national news brands, with the latter carrying on from a good final quarter in 2017 to reverse a seven-year downturn in display revenue." ”

The Advertising Association/Warc Expenditure Report is the definitive measure of advertising activity in the UK. It is the only source that uses advertising expenditure gathered from across the entire media landscape, rather than relying on estimated or modelled data.

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