

UK ADVERTISING REPORTS £10BN SPEND IN Q2 2024

Adspend reached £19.6bn in first half of 2024, ahead of expectations

London, October 31, 2024: UK advertising recorded £10bn spend during the second quarter of 2024, marking a 13.4% increase, according to the latest Advertising Association/WARC Expenditure Report. This was just over four percentage points (pp) ahead of forecast owing to stronger-than-expected digital growth and the relatively weak comparable results for 2023. The latest figures now provide a picture for the first half of the year, showing adspend increased 13.5% to £19.6bn in H1.

AA/WARC has upgraded its forecasts for 2024, as a whole, by 2.9pp and now expects spend to cross the £40bn barrier for the first time to reach £40.5bn. This is largely due to better digital results and marks a year-on-year increase of 10.6%, with real terms growth for 2024 expected to be 7.9%. The latest report notes that prospects for UK economic expansion have again been upgraded— from 0.6% to 1.1% this year – as inflation begins to ease on household budgets. UK advertising spend is currently expected to register annual growth ahead of key European markets, such as France (8.0%), Spain (5.7%), Italy (5.4%) and Germany (4.0%) in current prices.

The full picture in Q2

The latest figures for April to June this year show key online formats registered growth, including online display (21.6%) and search (12.7%), alongside out of home (17.0%). The Men's Euros broadcast saw TV benefit from growth of 9.0% for the quarter, representing the strongest quarter for TV in over two years and signalling its resilience. Regional newsbrands and magazines registered their first growth since the pandemic bounce back of Q2 2022 with increases in spend of 1.9% and 0.5% respectively.

The outlook for 2025

Looking ahead, AA/WARC expects the UK's ad market to reach £43.1bn spend next year, a rise of 6.5% and an uplift of 1.0pp from July's forecast. This is due to more favourable trading conditions and higher consumer spending.

Stephen Woodford, CEO, Advertising Association, said: "The advertising industry is once again driving UK growth, helping businesses to compete, promote innovation and support jobs. It is an essential engine of the economy and key to the Government's central ambition to achieve the highest sustained growth in the G7. Advertising has a vital role in funding culture, media and sport – and the results of Q2 show how advertising can play a

fundamental part in supporting the success of events such as the Men’s Euros, the Olympics and the Paralympics.”

James McDonald, Director of Data, Intelligence & Forecasting, WARC said: “Four in every five pounds spent on advertising so far this year has gone towards digital formats, money which has mostly been committed programmatically and which is increasingly leveraging AI tools for further efficiencies. The strong growth across the online sector in particular during the first half of 2024 has put the UK’s ad market on course for its best year since the millennium, if the post-pandemic recovery year of 2021 is discounted.”

Media	Q2 2024 year-on- year % change	H1 2024 year-on- year % change	FY 2024 forecast year- on-year % change	Percentage point (pp) change in forecast vs July	FY 2025 forecast year- on-year % change
Search	12.7%	13.4%	11.0%	+0.9pp	7.4%
Online display*	21.6%	22.9%	18.8%	+10.0pp	9.4%
TV	9.0%	5.0%	0.9%	-3.0pp	-0.2%
of which BVOD	14.2%	16.8%	12.1%	-1.6pp	10.3%
Out of home	17.0%	16.7%	12.0%	-0.5pp	7.2%
of which digital	20.7%	21.6%	15.0%	-1.2pp	8.2%
Direct mail	-2.1%	-2.3%	-2.9%	+0.4pp	-3.0%
Online classified*	-19.8%	-17.7%	-15.4%	-16.6pp	2.6%
National newsbrands	-3.5%	-4.2%	-4.0%	-1.2pp	-2.0%
of which online	5.0%	1.2%	1.3%	+0.7pp	0.2%
Radio	3.0%	5.0%	3.9%	-1.6pp	3.3%
of which online	14.8%	3.6%	6.3%	+2.3pp	5.9%
Magazine brands	0.5%	-1.8%	-3.7%	-0.2pp	-0.6%
of which online	6.0%	1.6%	0.3%	+1.5pp	1.6%
Regional newsbrands	1.9%	-1.2%	-2.0%	+1.3pp	1.1%
of which online	4.7%	2.0%	2.8%	+3.1pp	4.1%
Cinema	-21.2%	-9.2%	-2.1%	-6.5pp	2.4%
TOTAL UK ADSPEND	13.4%	13.5%	10.6%	+2.9pp	6.5%

Note: Broadcaster VOD (BVOD), digital revenues for newsbrands, magazine brands, and radio broadcasters are also included within online display and classified totals, so care should be taken to avoid double counting. Online radio includes targeted in-stream radio/audio advertising sold by UK commercial radio companies, together with online S&P inventory.

Source: AA/WARC Expenditure Report, October 2024

The quarterly [Advertising Association/WARC Expenditure Report](#) is the definitive guide to advertising expenditure in the UK, with data for all key advertising media and sub formats dating back to 1982 and forecasts spanning eight quarters ahead.

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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 ad spend data over the past 35 years shows that there is a link between annual changes in GDP and annual changes in ad spend (after allowing for inflation, and excluding recruitment ad spend). Over this period, GDP changes account for about two thirds of the change in ad spend. 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 ad spend. 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 and rights of responsible advertising - trusted, inclusive, and sustainable – and its value to people, society, businesses, and the economy. Responsible businesses understand that there is little point in an advertisement that people cannot trust. That's why, over 50 years ago, the Advertising

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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 – The global authority on marketing effectiveness

For over 35 years WARC has been powering the marketing segment by providing rigorous and unbiased evidence, expertise and guidance to make marketers more effective. Across four platforms - WARC Strategy, WARC Creative, WARC Media, WARC Digital Commerce – its services include 100,000+ case studies, best practice guides, research papers, special reports, advertising trend data, news & opinion articles, as well as awards, events and advisory services. WARC operates out of London, New York, Singapore and Shanghai, servicing a community of over 75,000 marketers in more than 1,300 companies across 100+ markets and collaborates with 50+ industry partners.

WARC is part of Ascential plc.