

UK: Sharp Declines Across Traditional Media Will Drag Total Ad Spend Down by 7.5% in 2020

Digital continues to steal share at a rapid rate

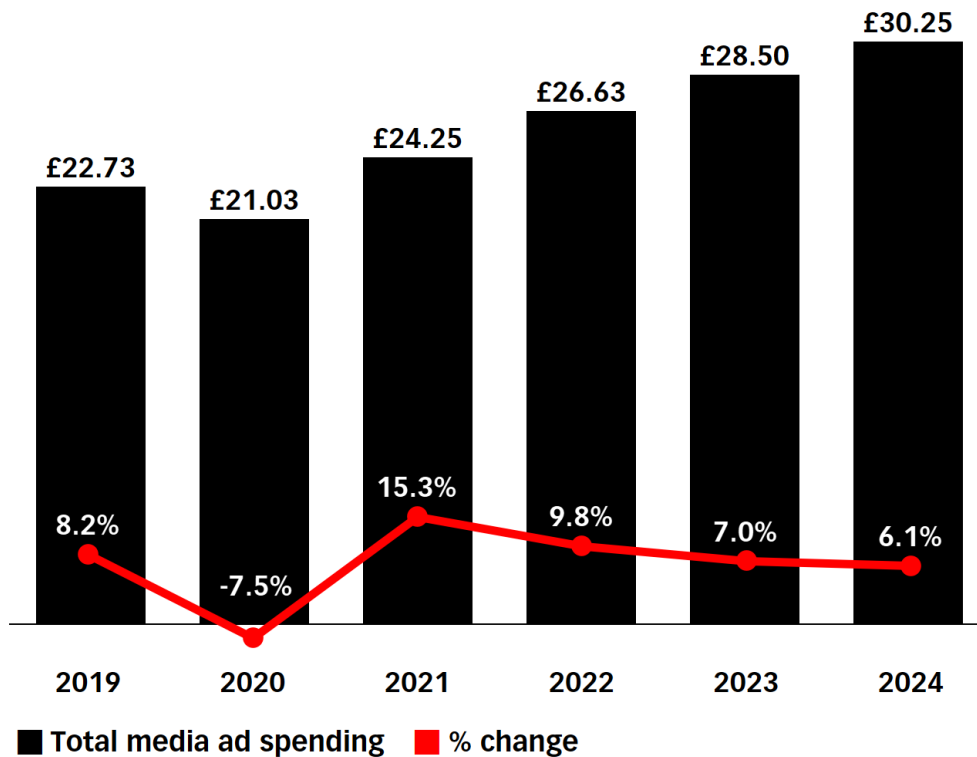
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eMarketer Editors

The depth and lasting impact of the global recession, along with the sharp economic downturn in the UK, signal a long and challenging road to recovery. This year in the UK, total media ad spending will be £21.03 billion (\$26.84 billion), down 7.5% from 2019. This steep decline in expenditures can be attributed to the lack of spending on traditional media.

Total Media Ad Spending in the UK, 2019-2024

billions of £ and % change



Note: includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV
Source: eMarketer, June 2020

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“Traditional advertising has suffered hugely during the pandemic, due to stay-at-home orders and the cancellation of large sporting events,” said Bill Fisher, eMarketer senior analyst at Insider Intelligence. “Digital, meanwhile, has offered the biggest captive audience and an easy and cost-effective route to consumers. Spend on traditional media will rebound once some semblance of normalcy returns next year, but it’s unlikely to reach pre-pandemic levels.”

After making very significant downward revisions across traditional media channels due to the effects of COVID-19, we expect traditional media ad spending to fall 22.6% in 2020. This estimate is based upon the assumption that the UK will not experience a significant second wave of infections.

As a result of the coronavirus, out-of-home (OOH) advertising was the most negatively affected medium, with growth revised down from our previous forecast by 26.3 percentage points. That was followed closely by radio, revised down by 22.0 percentage points.

Total Media Ad Spending Share in the UK, by Media, 2019-2024						
<i>% of total</i>						
	2019	2020	2021	2022	2023	2024
Digital	66.1%	71.7%	71.5%	72.9%	74.3%	75.6%
—Mobile	47.6%	53.3%	54.6%	57.2%	59.6%	61.4%
TV*	18.3%	15.6%	15.8%	14.9%	14.1%	13.3%
Print	7.3%	5.8%	5.5%	4.9%	4.5%	4.2%
—Newspapers**	5.2%	4.1%	3.9%	3.5%	3.2%	3.0%
—Magazines**	2.2%	1.6%	1.6%	1.4%	1.3%	1.2%
Out-of-home	5.7%	4.8%	5.1%	5.3%	5.3%	5.3%
Radio***	2.5%	2.0%	2.1%	2.0%	1.8%	1.7%

*Note: numbers may not add up to 100% due to rounding; *excludes digital; **print only; ***excludes off-air radio and digital*
Source: eMarketer, June 2020

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Digital ad spending will remain relatively flat this year, growing 0.3% to reach £15.08 billion (\$19.25 billion). However, it is the only major medium that will see growth in advertiser spending in 2020, accelerating its share of the total UK ad market. Although digital will gain 5.6 percentage points in market share this year, that trend will pause next year as traditional media bounces back. Digital will account for 71.7% of total ad spend in 2020, and that proportion will reach 75.6% by 2024.

Within digital, video ad spending will be the fastest-growing format this year, at 15.0%. Video will also account for more than half of all digital display ad spending for the first time. While display outlays will rise 7.2%, search spending will decrease by 3.2%. (Nonvideo display will decrease as well.) This year, and the subsequent recovery period,

will be tough on sectors that spend heavily on search, such as travel and hospitality.

To learn more about how the coronavirus has heavily impacted the UK ad market, eMarketer PRO subscribers can read our recent report:

Report by Bill Fisher Jun 30, 2020

UK Digital Ad Spending Update Q2 2020

UK DIGITAL AD SPENDING UPDATE Q2 2020

Digital Video Remains Resilient
amid Steep Spending Declines

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