

UK Digital Advertising Stays Afloat Thanks to Digital Video Ad Spending

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Digital won't be able to make up for the shortfall in ad spend in traditional channels, but it will register a small increase this year. Underpinning this increase is digital video spend, which will post 15.0% growth.

We expect digital ad spend to increase by 0.3%, accounting for an increasing proportion of total spend, at 71.7%. That's an upward revision from our earlier forecast of 68.8%.

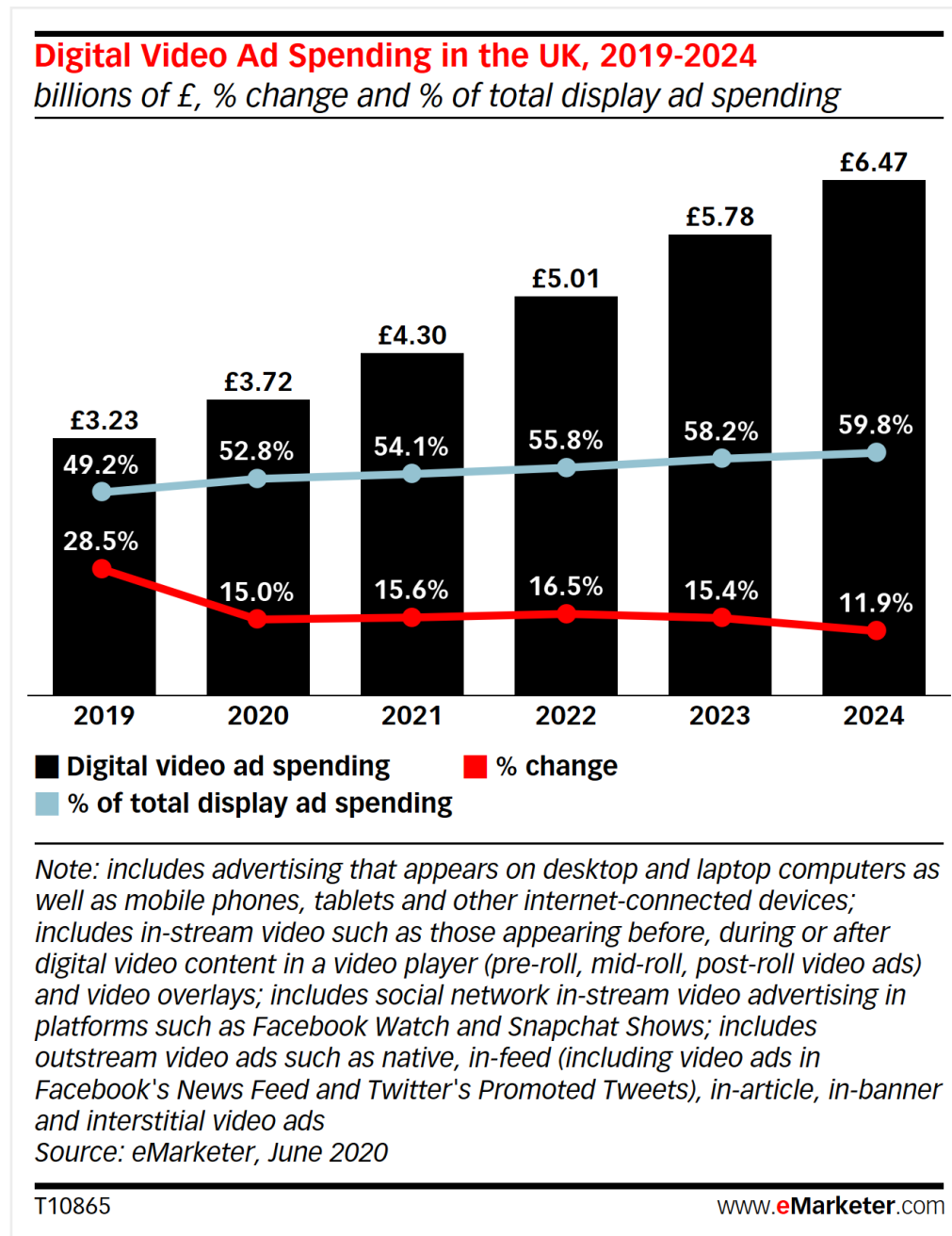
As things rebalance slightly in 2021, digital's share will similarly level out. However, normal service will be resumed in 2022, and by the end of our forecast, digital ad spending will breach the three-quarters threshold—accounting for 75.6% of total media outlays in 2024.

Digital Video Is the Fastest-Growing Format

The marginal growth that we're predicting for digital ad spending overall wouldn't venture into positive territory were it not for digital video.

In 2020, we expect to see digital video ad spend grow 15.0%, accounting for £3.72 billion (\$4.75 billion) and more than half of display for the first time—52.8% in fact. Even as things reset slightly in

2021, digital video will account for an increasing proportion of display spending. Double-digit growth will then continue through 2024 when video will account for almost 60% of total display spend. Video's rise will essentially be predicated on the strong performance of YouTube and broadcaster video-on-demand (BVOD) platforms.



Last year, Enders Analysis predicted that BVOD revenues in the UK would reach £443 million (\$552.7 million), up from £391 million in

2018 (\$499.1 million). The lockdown will have likely exacerbated this upward trend. We predict that TV and digital video viewing (combined) will see a spike of 24 minutes per day this year, with digital video accounting for 14 minutes.

YouTube viewing will make up a sizable proportion of this digital video total time spent. This is reflected by its strong performance in Google's stable of advertising performers — whereas we expect Google's search business to decline 7.4%; its display revenues (buoyed by YouTube) will grow 3.8% in 2020.

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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