


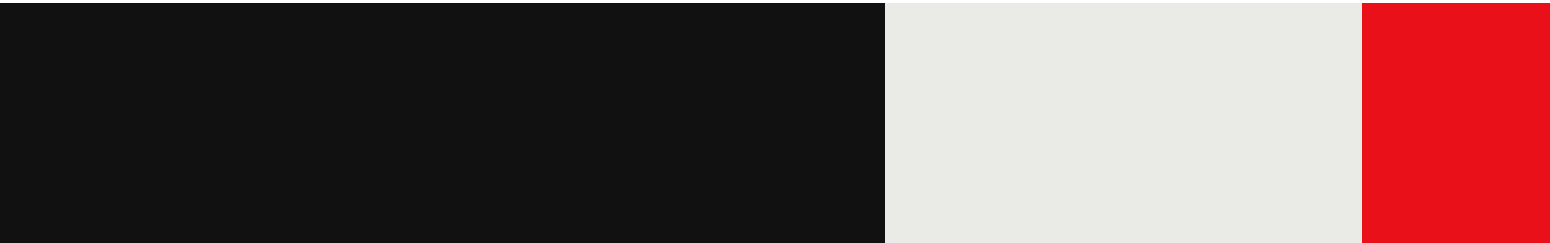
Big swings in UK digital ad spending by industry, but retail pulls ahead

Article



The UK's digital advertising industry weathered the pandemic remarkably well. Among the industry sectors we track, digital ad spending will rise across the board (which was not universal last year), but these growth patterns will fluctuate wildly across categories.

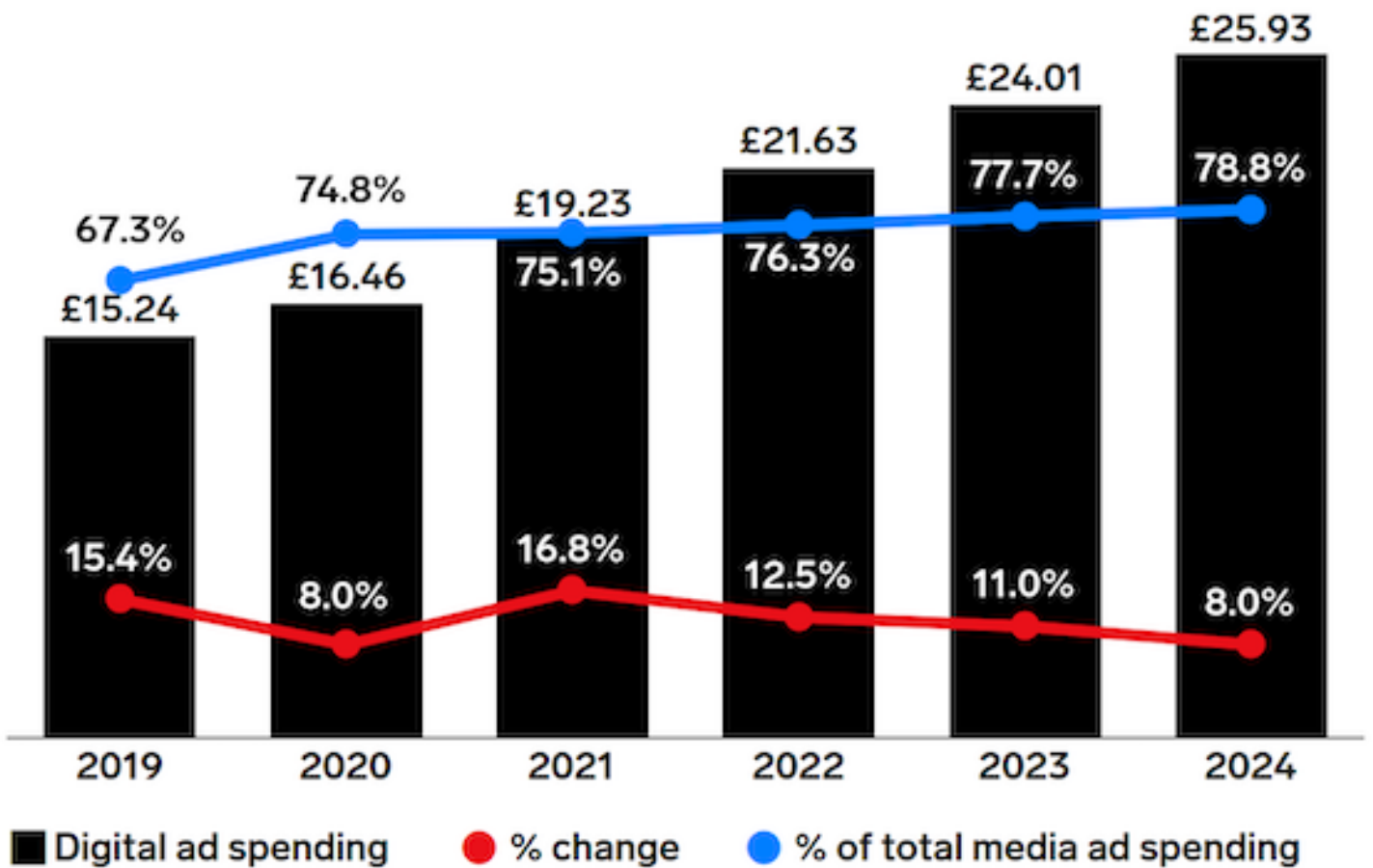
In 2020, digital spending increased 8.0% and will rise another 16.8% this year to £19.23 billion (\$24.66 billion), cementing the UK's position as the largest market for digital ad spending in



Europe. For the first time, digital will account for more than three-quarters of total UK media spend this year.

Digital Ad Spending in the UK, 2019-2024

billions of £, % change, and % of total media ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms

Source: eMarketer, March 2021

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Despite some deceleration through to the end of our forecast, gains will still be significant each year, with digital's share approaching four-fifths of all spend in 2024 at £25.93 billion (\$33.26 billion).

Looking at the breakouts of spend across industries, though, the pandemic heralded something of a rollercoaster ride. Ad spending growth was relatively even across the board in 2019, but we saw massive declines in 2020 for some segments like travel (-51.0%) and huge growth for others like computing products and consumer electronics (38.8%).

UK Digital Ad Spending Growth, by Industry, 2019-2023

% change

	2019	2020	2021	2022	2023
Travel	15.2%	-51.0%	33.0%	33.0%	22.6%
Retail	21.6%	10.9%	22.6%	14.1%	12.7%
Computing products and consumer electronics	14.2%	38.8%	17.7%	12.6%	11.3%
Consumer packaged goods (CPG)	13.5%	25.4%	13.6%	13.1%	11.5%
Financial services	15.4%	9.1%	13.5%	9.5%	9.1%
Automotive	10.2%	-2.1%	7.8%	9.2%	8.3%
Other	15.1%	16.5%	12.2%	9.0%	7.9%
Total	15.4%	8.0%	16.8%	12.5%	11.0%

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms
Source: eMarketer, June 2021

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And a few notable big swings are expected this year, too:

- Travel ad spending will rise 33.0% this year—a massive 84-percentage-point swing.
- Retail's growth rate is expected to double.
- On the flip side, consumer electronics will shed more than half its growth rate.

All industries we track will increase their spending, with travel leading the way. Automotive will prop up the list with modest growth of just 7.8%.

Travel's sizable gains this year, though, will do little to help it regain much ground in its share of total digital ad spending. Pre-pandemic, travel spending accounted for 10.8% of the digital total. Last year, that proportion plummeted to just 4.9%, and despite strong growth in spend in 2021, it will "recover" to just 5.6%.

UK Digital Ad Spending Share, by Industry, 2019-2023

% of total digital ad spending

	2019	2020	2021	2022	2023
Retail	19.2%	19.7%	20.7%	21.0%	21.3%
Consumer packaged goods (CPG)	12.1%	14.0%	14.5%	14.6%	14.7%
Financial services	11.9%	12.0%	11.7%	11.4%	11.2%
Automotive	12.8%	11.6%	10.7%	10.4%	10.1%
Travel	10.8%	4.9%	5.6%	6.6%	7.3%
Computing products and consumer electronics	9.3%	12.0%	12.0%	12.1%	12.1%
Other	23.9%	25.8%	24.8%	24.0%	23.3%

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; numbers may not add up to 100% due to rounding

Source: eMarketer, June 2021

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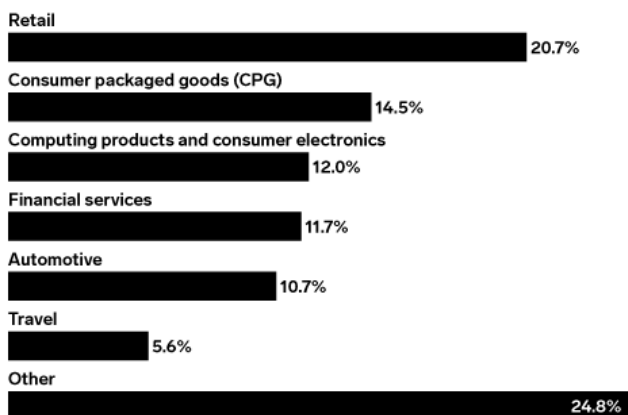
Retail will continue leading the pack and account for more than a fifth of total spend in 2021. Consumer packaged goods (CPG) will follow with a 14.5% share, while computing products and consumer electronics' share will level out at 12.0%. Financial services and automotive, meanwhile, will steadily decline in share throughout the rest of the forecast.

The "Other" category accounts for a large proportion of spend and contains industries that are sizable but not sizable enough to be broken out individually (health and pharma, real estate, business, and industrial and education, for example).

The only change in the ranking this year will be computing products inching ahead of financial services into third place.

UK Digital Ad Spending Share, by Industry, 2021

% of total



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms

Source: eMarketer, June 2021

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In pure monetary terms, digital ad spending in the retail industry leads by a wide margin. This year, total spend will come in at £3.98 billion (\$5.10 billion), ahead of second place CPG, at £2.79 billion (\$3.58 billion). Computing products and customer electronics, financial services, and automotive follow retail but with just £260 million separating them in the rankings.

UK Digital Ad Spending, by Industry, 2019-2023

billions of £

	2019	2020	2021	2022	2023
Retail	£2.93	£3.25	£3.98	£4.54	£5.12
Consumer packaged goods (CPG)	£1.84	£2.31	£2.79	£3.16	£3.52
Computing products and consumer electronics	£1.42	£1.97	£2.32	£2.61	£2.90
Financial services	£1.81	£1.98	£2.25	£2.46	£2.68
Automotive	£1.95	£1.91	£2.06	£2.25	£2.44
Travel	£1.65	£0.81	£1.07	£1.43	£1.75
Other	£3.64	£4.24	£4.76	£5.19	£5.60
Total	£15.24	£16.46	£19.23	£21.63	£24.01

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; numbers may not add up to total due to rounding
Source: eMarketer, June 2021

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When it comes to device trends, the pandemic did little to change the narrative. Though people in the UK have certainly been less physically mobile in the past year and a half, their reliance on mobile devices hasn't altered.

In terms of digital advertising, mobile's strength has been furthered as it accounts for between 72.7% (for computing products) and 83.0% (for CPG) of all digital spending in each industry.

UK Mobile Ad Spending, by Industry, 2021

billions of £, % change, % of digital ad spending, and % of total

	Mobile ad spending	% change	% of digital ad spending	% of total
Retail	£3.15	26.1%	79.2%	21.5%
Consumer packaged goods (CPG)	£2.32	21.4%	83.0%	15.8%
Computing products and consumer electronics	£1.68	21.0%	72.7%	11.5%
Financial services	£1.67	16.6%	74.2%	11.4%
Automotive	£1.51	9.6%	73.2%	10.3%
Travel	£0.83	33.5%	77.2%	5.7%
Other	£3.50	14.8%	73.4%	23.9%
Total	£14.65	19.4%	76.2%	100.0%

Note: includes advertising that appears on mobile phones, tablets, and internet-connected feature phones, and includes all the various formats of advertising on those platforms; numbers may not add up to total due to rounding
Source: eMarketer, June 2021

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Mobile spending may well have forged ahead during the pandemic, but desktop/laptop spending hasn't exactly stood still. After last year's 2.7% decline, desktop/laptop spending will grow 9.2%. Note that we include connected TV (CTV) advertising spend in our desktop/laptop total, which is likely responsible for the increase, as the opportunity in CTV for marketers in the UK continues to expand.

UK Desktop Ad Spending, by Industry, 2021

billions of £, % change, % of digital ad spending, and % of total

	Desktop ad spending	% change	% of digital ad spending	% of total
Retail	£0.83	10.9%	20.8%	18.1%
Computing products	£0.63	9.7%	27.3%	13.8%
Automotive	£0.55	3.2%	26.8%	12.1%
Financial services	£0.58	5.4%	25.8%	12.7%
Consumer packaged goods (CPG)	£0.48	18.5%	17.0%	10.4%
Travel	£0.25	31.3%	22.8%	5.4%
Other	£1.27	5.7%	26.6%	27.7%
Total	£4.58	9.2%	23.8%	100.0%

Note: includes advertising that appears on desktop and laptop computers on all formats mentioned; also includes advertising that appears on connected TV (CTV) devices; includes display ads that appear on home screens and in-stream video ads that appear on CTVs from platforms like Hulu, Roku, and YouTube; excludes network-sold inventory from traditional linear TV and addressable TV advertising; numbers may not add up to total due to rounding
Source: eMarketer, June 2021

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For more on this, read our report on UK Digital Ad Spending by Industry 2021.

Report by Bill Fisher Sep 23, 2021

UK Digital Ad Spending by Industry 2021



