

AD-VERSITY

After years of impressive growth, projections for UK advertising have been dramatically scaled back for 2020 as the coronavirus pandemic continues to ravage consumer spending patterns and disrupt marketing strategies the world over. While expectations are for a sharp rebound in 2021, how this year will play out remains to be seen, as different industries – and whole countries – emerge from lockdown at different rates and ad executives begin to spend again.

-16.7%

estimated change in UK ad expenditure in 2020, compared with the 5.2 per cent growth projection made before the COVID-19 outbreak

£21.1bn

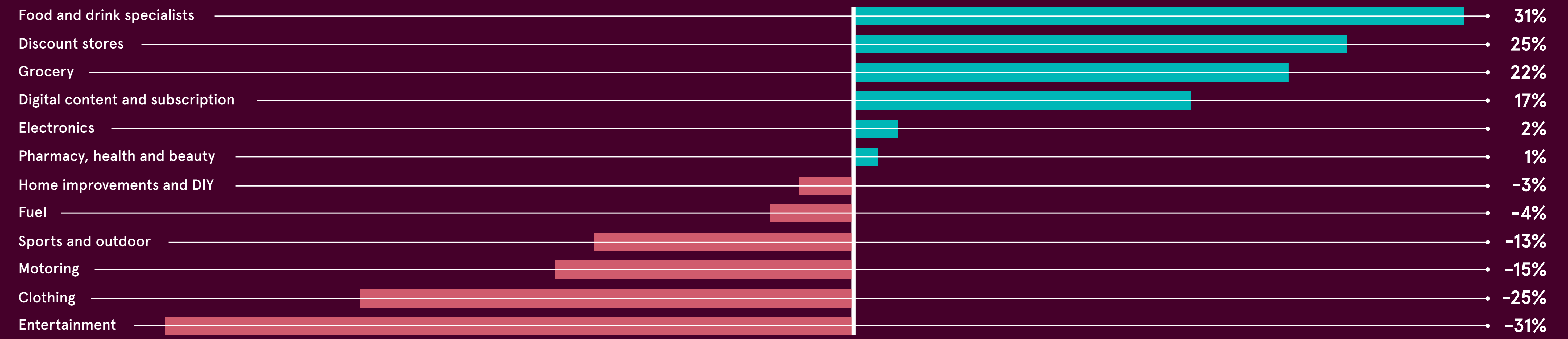
total ad expenditure now forecast for 2020, reflecting a reduction of £4.2bn from 2019

Advertising Association/WARC 2020

CONSUMER SPENDING IN MARCH

Barclaycard 2020

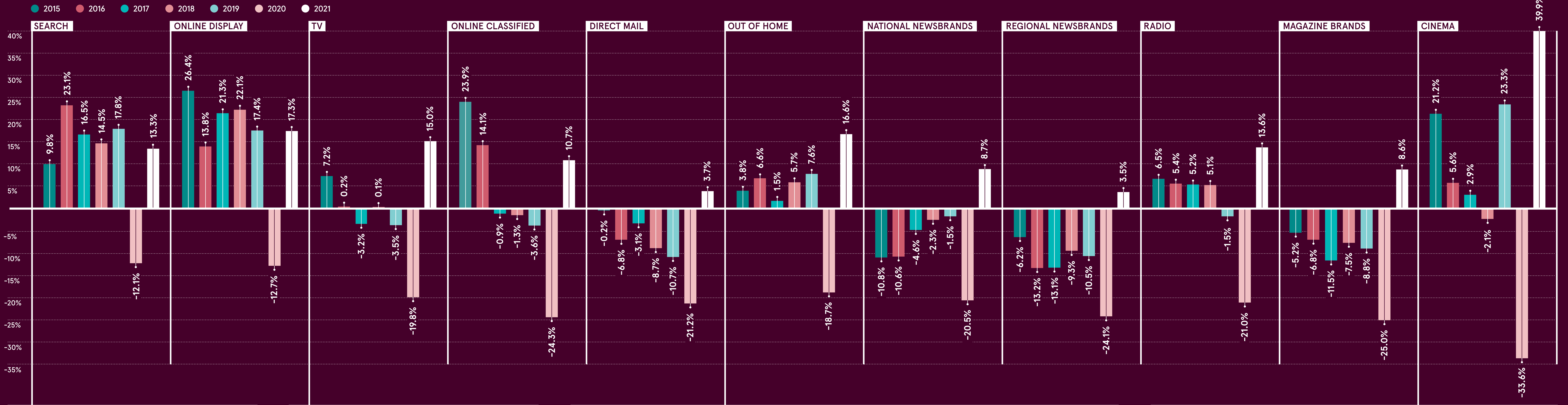
Year-on-year change in UK consumer spending in selected sectors as measures to tackle coronavirus were introduced



YEARLY CHANGE IN UK AD EXPENDITURE BY MEDIUM

Advertising Association/WARC 2020

Annual percentage change in spending and forecasted growth for 2020-21; sectors are in order of highest to lowest spend



SEARCH – Ad spend in 2019: £8.0bn

Online mediums are expected to fare a little better than traditional advertising this year, though search and social media ad spending is still forecast to record their first ever annual declines in expenditure.

76%

rise in the number of daily accumulated likes on #ad posts on Instagram during the middle two weeks in March, according to an analysis of 7.5m Instagram posts

Obviously 2020

TV – Ad spend in 2019: £4.9bn

16m

increase in the number of paying users subscribed to Netflix in the first three months of 2020

Netflix 2020

Despite all non-essential workers being ordered to stay in their homes for the past couple of months, TV ad expenditure is still expected to drop by a fifth this year, as the surge of online streaming continues to gather momentum. However, ad spending for TV broadcaster's video-on-demand platforms is estimated to drop only marginally.

OUT OF HOME – Ad spend in 2019: £1.3bn

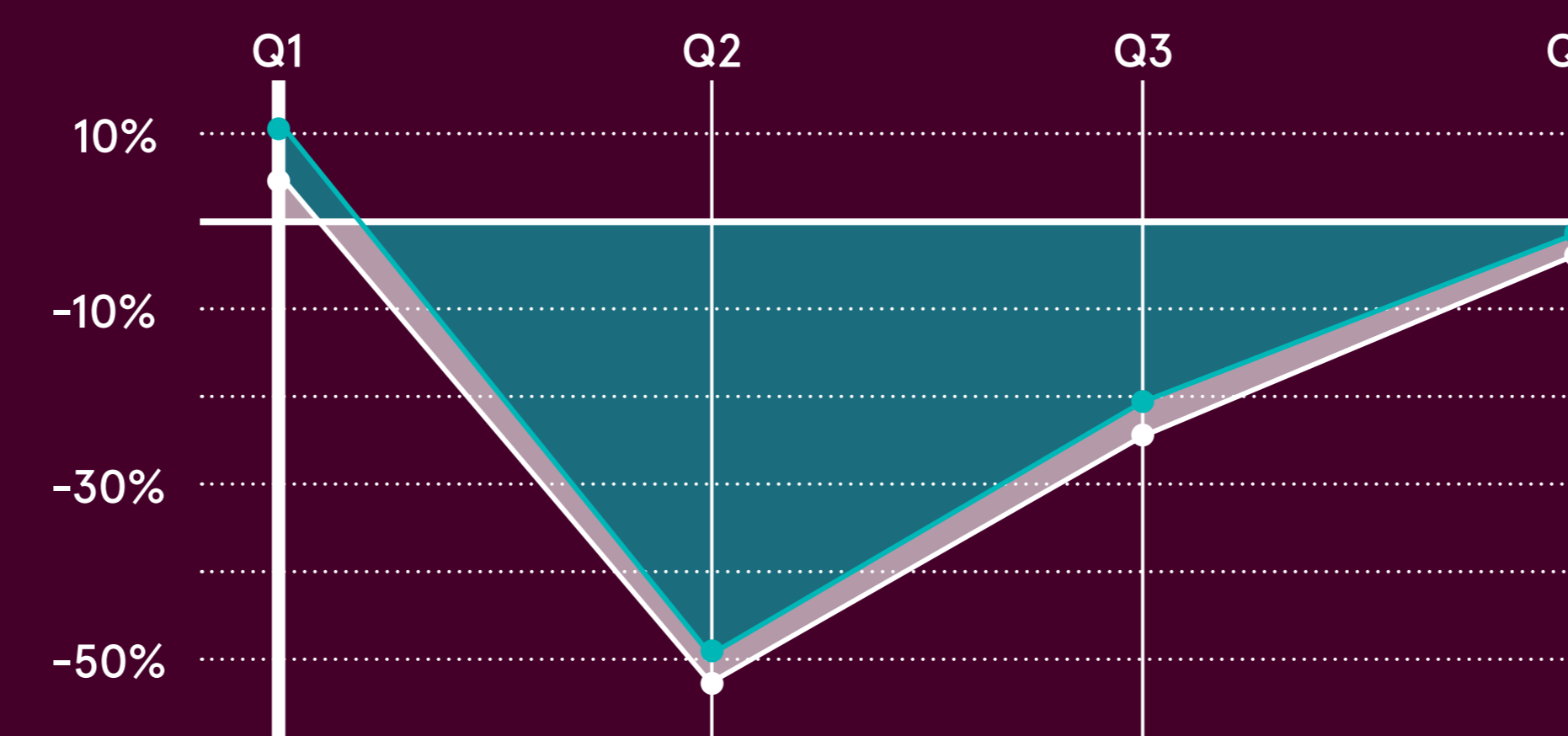
Quarterly projections for OOH ad expenditure show steep losses in the second quarter of 2020, though digital OOH specifically is one of just two sectors that are expected to offset this year's struggles with growth in 2021. Digital OOH accounted for 53 per cent of total OOH ad budgets in 2019.

UK OOH AD SPENDING IN 2020 AND 2021

Advertising Association/WARC 2020

Estimated year-on-year change in quarterly ad spending

● OOH ● Digital OOH



OOH overall 2020 decline **18.7%**

OOH predicted 2021 growth **16.6%**

Digital OOH overall 2020 decline **14.7%**

Digital OOH predicted 2021 growth **21.4%**

CINEMA – Ad spend in 2019: £0.3bn

Advertising Association/WARC 2020

It won't come as a surprise to see cinema taking the biggest hit in 2020, with spending grinding to a halt completely in the second quarter as theatres closed their doors to the general public. Budgets are predicted to recover quickly, however, and rebound significantly in 2021.

UK CINEMA AD SPENDING IN 2020

Estimated year-on-year change in quarterly ad spending

