# UK advertising spend soars to £10.6 billion in Q3 2024



According to a recent report by the Advertising Association and WARC, UK advertising spend has experienced substantial growth, increasing by 9.7% year-on-year to reach £10.6 billion in the third quarter of 2024. This notable rise comes despite ongoing economic challenges, indicating a resilience within the sector amidst a general stagnation in UK economic growth.

Key contributors to this increase include a significant surge in online display advertising, which grew by 15.2%, alongside search advertising, which also saw a robust increase of 12.6%. Notably, this marked the first time that UK ad spend surpassed the £10 billion mark in Q3. Direct mail emerged as a surprising area of growth, recording a 12.9% increase, while traditional media outlets such as cinema, national newsbrands, and television faced declines of 26.1%, 5.7%, and 2.6% respectively.

Speaking on the report, Stephen Woodford, CEO of the Advertising Association, commented, “While there is much work to do to kickstart growth in the UK economy, we know investment in advertising produces a fantastic return.” He further highlighted the influence of policy decisions on advertising campaigns, particularly pointing to the delayed resolution of the Less Healthy Foods regulation as an example of how businesses require stability and certainty for optimal growth.

Forecasts for the future of ad spend also appear positive, with an anticipated overall growth of 11.2% across 2024, a revision up from earlier predictions of 10.6%. This would bring the total yearly ad spend to £40.7 billion. Furthermore, projections for 2025 have also been adjusted upwards; the advertising market is now expected to reach a value of £43.5 billion, primarily driven by substantial growth in broadcaster video-on-demand and online display formats.

James McDonald, WARC's director of data, intelligence and forecasting, stated, “Online ad formats, benefitting from the widespread adoption of new AI tools, have propelled the UK ad market to exceptionally strong growth so far in 2024 and will continue to drive expansion into 2025.” He alerted to the potential economic uncertainties that could disrupt this growth, with attention on the incoming US presidency and its global ramifications along with the UK government's growth strategy.

In parallel developments, a separate report by Square, a payment gateway giant, suggests that businesses in the UK are becoming increasingly inclined to incorporate AI into their operations. The ‘Future of Commerce’ report indicates a strong desire among restaurant and beauty industry leaders, with 85% of restaurants planning to invest in AI and automation to enhance efficiency across various business areas. These sectors are seeking improvements in staff marketing, inventory management, payment systems, and menu optimisation.

Samina Hussain-Letch, Executive Director of Square UK, remarked, “As businesses continue to face economic pressures, we’re seeing them invest in growth and experimentation as they find new, streamlined ways to work and deliver exceptional customer service.” The report also suggests that a significant number of businesses are intending to bolster loyalty and reward schemes, with 71% of leaders aiming to enhance customer connection through these initiatives.

Further findings reveal that both restaurant and beauty sectors are keen on leveraging AI for marketing and inventory management, with around 84% of beauty professionals indicating similar intentions. Furthermore, the Buy Now, Pay Later (BNPL) market is projected to experience a substantial increase, anticipated to rise from £30 billion to £47 billion by 2029.

Overall, the trends highlighted across these reports underscore a dynamic evolution in advertising and business operations in the UK, driven by advances in AI technology and changing consumer behaviours. The implications of these developments are set to shape the landscape of UK businesses significantly moving forward.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.ukaop.org/hub/uk-advertising-reports-108bn-spend-in-q2-2024> - This URL supports the claim of increased advertising spend in the UK, highlighting a 13.4% increase in Q2 2024 and forecasts for the year.
* <https://adassoc.org.uk/our-work/uk-advertising-reports-10bn-spend-in-q2-2024> - Corroborates the growth in UK advertising spend, specifically mentioning the £10 billion spend in Q2 2024 and the overall positive outlook for 2024.
* <https://www.warc.com/> - WARC is a key source for advertising data and trends, supporting the claims about UK advertising growth and forecasts.
* <https://www.squareup.com/en-gb> - Square's involvement in the 'Future of Commerce' report highlights the adoption of AI in UK businesses, particularly in the restaurant and beauty sectors.
* <https://www.noahwire.com> - The source article is hosted here, providing context for the trends in UK advertising and business operations.
* <https://www.advertising.org.uk/> - Provides general information on the UK advertising industry, which supports the broader context of advertising trends and growth.
* <https://www.statista.com/topics/4116/advertising-in-the-united-kingdom/> - Statista offers comprehensive data on UK advertising, supporting claims about sector growth and trends.
* <https://www.ofcom.org.uk/> - Ofcom provides insights into media and communications in the UK, which can support discussions on advertising trends and media consumption.
* <https://www.gov.uk/government/organisations/department-for-digital-culture-media-and-sport> - The Department for Digital, Culture, Media and Sport offers information on UK media and advertising policies, relevant to the regulatory environment.
* <https://www.bbc.co.uk/news/business> - BBC News provides coverage of business and economic trends in the UK, including insights into advertising and consumer behavior.