



P R E S S R E L E A S E

ADVERTISING SPEND GROWS 0.8% IN THIRD QUARTER

16 January 2013: Total advertising expenditure increased 0.8% year-on-year in the third quarter of 2012, to a total of £4bn, according to AA/Warc figures.* The forecast shows adspend rose an estimated 1.8% in 2012, and is predicted to increase by 3.1% in 2013.

In total, advertising spend is expected to reach £16.8bn in 2012, and £17.2bn in 2013.

The AA/Warc Expenditure Report is the most comprehensive measure of UK advertising activity and includes an overview of advertising spend by individual media.

Out of home revenues enjoyed 25.4% growth to nearly £270m in Q3, its largest year-on-year increase since 2000. This 'Olympic Effect' is behind a growth forecast of 8.7% in that category for 2012 as a whole – well ahead of previous estimates.

Broadcast of the Olympics on the BBC may have encouraged advertisers to move spend away from commercial TV channels, impacting TV ad revenue in the third quarter. TV, radio and press saw drops of -7.2%, -4% and -9.6% respectively in this period.

Internet advertising's rapid growth has continued, with an estimated increase of 10.9% in Q3. Overall spend for the medium is expected to have reached £5.3bn in 2012.

Cinema advertising also grew in Q3 2012 by 1.7%, with anticipated total spend of £187 million in 2012.

Tim Lefroy, Chief Executive at the Advertising Association, said:

“Despite the shaky economic outlook, 2013 will see overall adspend return to levels last seen before the recession. That's good news for both UK advertising and UK plc.

“On 31 January, the Advertising Association will publish new research which, for the first time, shows the value of such advertising activity to the wider UK economy.”

Suzy Young, Data Editor at Warc, added:

“The mood amongst marketers is one of caution. Though expectations have been scaled back in line with the deteriorating economic outlook, we still predict growth of over 3% in 2013.”

-ENDS-

Notes to Editors

	Yr-on-yr % change	
	Q3 2012 (actuals)	2013 (forecast)
TV	-7.2	2.1
Radio	-4.0	3.0
Out of home	25.4	-2.8
Press	-9.6	-3.5
Cinema	1.7	-3.5
Internet	10.9	9.7
Total	0.8	3.1

Direct Mail: The methodology for collecting direct mail data changed from Q1 2012 onwards. Because of the different methodologies, we are unable to compare figures for direct mail between years.

*** When making % comparisons of different periods, direct mail is not included. When expressing the overall £ value of advertising spend, direct mail is included**

Further information:

Glen Christie
glen.christie@adassoc.org.uk

020 7340 1100

Suzy Young, Warc Data Editor
suzy.young@warc.com

020 7467 8140

About the Advertising Association/Warc Expenditure Report

The Advertising Association/Warc Expenditure Report is a comprehensive, quarterly review of advertising spend on all major UK media. All data is net of discounts and includes agency commission, but excludes production costs. The survey was launched in 1982, and has produced data on a quarterly basis since.

The Expenditure Report (www.warc.com/expenditurereport) launched in February 2010 and is available exclusively online only; subscribers will be able to access over 150 standard tables, build their own tables for different media and time periods, download bespoke analysis and track different media sectors' share of adspend via a new tool. An annual subscription to the AA/Warc Expenditure Report costs £1,025. Members and affiliates of the Advertising Association pay a discounted price of £660.

Methodology

The press data is derived from information provided directly by publishers of national newspapers, regional newspapers and business and consumer magazines. Television data is based on figures provided by various industry sources including Ofcom. Radio, Outdoor and Cinema data comes from the Radio Advertising Bureau (RAB), Outdoor Media Centre (OMC) and the Nielsen Company respectively. The Royal Mail provides direct mail expenditure. Internet data is based on the Internet Advertising Bureau (IAB) survey carried out biannually by PricewaterhouseCoopers, and a survey of online recruitment specialists carried out by Warc. Sponsorship and promotions expenditure data has been excluded from the totals for both TV and radio for consistency purposes, as quarterly figures are not yet available for TV.

About the Advertising Association

The Advertising Association is the only body representing all sides of the advertising and promotional marketing industries. Its membership represents advertisers, agencies, media and support services in the UK. Further information about the organisation is available at: <http://www.adassoc.org.uk/>

About Warc

At the heart of Warc is [Warc.com](http://www.warc.com), a unique resource relied upon by major creative and media agency networks, market research companies, media owners, multinational advertisers and business schools to help tackle any marketing challenge. It provides online access to thousands of case studies, Best Practice guides that explain the 'how' and the 'why' of marketing challenges and brand profiles. Warc also provides adspend data, runs events and publishes leading journals including Admap, Market Leader and the Journal of Advertising Research.