# UK advertising market growth outlook revised down amid economic uncertainty



The growth outlook for the UK advertising market in 2025 has been revised down from 6.9% to 6.3%, according to the latest figures from the Advertising Association/Warc Expenditure Report. This adjustment reflects concerns over the potential disruptive impact of US trade tariffs on the global economy, coupled with a tougher economic environment contributing to uncertainty within the advertising sector.

The total UK ad spend is projected to reach £45.2 billion in 2025 and further increase to £47.8 billion in 2026.

In 2024, the UK advertising market expanded by 10.4% to a total of £42.6 billion, representing a real terms increase of 7.6% after accounting for inflation. This growth outpaced the UK's GDP growth, which was 1.1% during the same period. Online display advertising, which includes social media, video-on-demand (VOD), and digital revenue streams tied to newsbrands, magazine brands, and radio, experienced the most substantial year-on-year increase at 15.1%. Social media alone made up 53% of overall online display spending.

The television advertising sector, now encompassing subscription video-on-demand services like Disney+, Netflix, and Prime Video, as well as advertising-based video-on-demand and free ad-supported streaming TV alongside broadcaster video-on-demand, grew by 3.8%. Search advertising, including retail media platforms, saw a 12.8% rise and currently accounts for about 40% of total UK advertising expenditure.

Other sectors also recorded growth, with out-of-home advertising up by 7.7%, radio increasing by 3.2%, and direct mail by 0.8%. Conversely, some areas experienced declines, such as national newsbrands (down 4.3%), magazine brands (down 7.2%), regional newsbrands (down 3.5%), and cinema advertising (down 3.4%).

Looking ahead to 2025, online display advertising is expected to continue leading growth with a projected increase of 9.1%, followed by search advertising at 8.2%. Cinema advertising is forecasted to rebound with growth of 7.1%, while out-of-home advertising is anticipated to grow by 2.7%, radio by 1.9%, and television by 0.9%. However, national newsbrands, magazine brands, and regional newsbrands are forecast to contract by 3.4%, 5.2%, and 3.4% respectively.

By 2026, the UK advertising market is forecast to be worth £47.8 billion, with video-on-demand accounting for nearly a third (32%) of all TV advertising spend. The combined share of search and online display advertising is expected to comprise over 80% of the total UK ad market.

Stephen Woodford, chief executive of the Advertising Association, commented on the findings: “While the UK advertising industry growth is well ahead of UK growth, it’s worth noting business confidence may weaken due to geopolitical headwinds and regulatory uncertainty, which could impact on the way businesses commit to spend on advertising. However, it’s important to remember, once again, that advertising supports competition and promotes innovation, and helps to create jobs across the UK, so a healthy advertising sector is integral to a healthy economy. The UK advertising market is constantly dynamic, with these latest figures recording the rise of retail media and the growth of advertising opportunities from video on demand, reducing cost of access to TV content for people.”

James McDonald, director of data, intelligence forecasting at Warc, also reflected on the market outlook, stating: “Although we expect investment to grow in the coming years, we are also cognisant that confidence in the UK’s advertising market remains fragile, burdened by sustained economic stagnation and recently introduced business taxes outlined in the Autumn Statement. The introduction of new trade tariffs by the Trump administration adds further complexity, particularly for sectors with high exposure to international supply chains. At worst, such disruption stands to erode margins, with any increase in operational costs for businesses potentially translating to higher prices at the till. The temptation to cut ad budgets in such a climate will be elevated, therefore, but Warc research clearly demonstrates that short-termism poses an inordinate risk to enduring brand equity.”

These latest projections and insights underline the mixed dynamics facing the UK advertising industry as it navigates economic challenges and shifting market trends.

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

## Bibliography

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3. <https://worldscreen.com/u-k-adspend-projected-for-5-8-percent-increase/> - This article discusses the projected growth of the UK advertising market, with expectations of a 5.8% increase in 2024 and a further 4.5% increase in 2025, reaching above £40 billion.
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7. <https://www.campaignlive.co.uk/article/uk-adspend-forecast-downgraded-amid-trump-tariffs-uncertainty/1915970> - Please view link - unable to able to access data