

KEY FACTS ABOUT THE UK ADVERTISING INDUSTRY

Background

- The advertising industry was worth over £19 billion in 2005.
- Advertising's share of gross domestic product in 2005 was 1.57%.
- The UK is the largest advertising market in Europe (source: Advertising Association's *Advertising Statistics Yearbook 2006*).

Adspend

- UK advertising expenditure (before inflation) has continued to grow and rose by 2.6% in 2005 following a revised increase of 6.5% in 2004 (source: Advertising Association's *Advertising Statistics Yearbook 2006*).
- The annual growth rate for 2005 was 0.6% in real terms (after adjusting for inflation) compared to 5.1% in 2004 (source: Advertising Association's *Advertising Statistics Yearbook 2006*).
- The press – newspapers, magazines and directories – accounted for the largest share of total advertising expenditure (45.3%, including production), with television the second largest medium (25.4%). These were followed by direct mail (12.5%), outdoor & transport (5.5%), internet (7.2% —compared to 4.5% in 2004), radio (3.1%), and cinema (1.0%).

International critical acclaim

- London is acknowledged alongside New York as one of the two world centres of creative advertising and two thirds of international agencies have their European HQ in London (source: *Creative Industries Mapping Document 2001*, DCMS).
- The UK is a major centre for creative advertising, and multinational companies often use UK-created advertising for marketing their products globally. UK television advertising has received many international awards (source: *UK 2005, The Official Yearbook of the United Kingdom of Great Britain and Northern Ireland* by the Office for National Statistics).
- 55 promotional campaigns (out of over 1,000) were nominated in July last year for the Promotional Marketing Council Awards 2005 as the best promotional campaigns in Europe. The highest number of nominations went to the UK (16). Winners were announced on 29 September in Brussels. The UK was awarded with 14 Gold and 1 Silver awards as well as the Grand Prix and the Marketing Journalist Award (source: *EACA – European Association of Communications Agencies*). Winners of the 2006 Awards will be announced on 26 September 2006.

Advertising Self-regulation

- The ASA system, set up 40 years ago by the advertising industry, is the longest-established, best-funded and most respected advertising self-regulatory system in Europe. Originally established to deal with complaints about advertising in non-broadcast print media, its remit was extended in November 2004, when Ofcom contracted out responsibility for broadcast advertising. The ASA now operates a one-stop shop for advertising in all media.
- The ASA considered a total of 22,429 complaints in 2006 (vs. 26,236 complaints in 2005) of which 13,448 were non-broadcast (721 more than in 2005) and 8,981 were broadcast (4,528 less than in 2005).

May 2007