

# ADVERTISING ASSOCIATION

Dr Andrea Coscelli  
Chief Executive of the Competition and Markets Authority  
Victoria House  
Southampton Row  
London WC1B 4AD

30 July 2019

Dear Dr Coscelli,

## **Online Platform and Digital Advertising Market Study**

The Advertising Association promotes the role, rights and responsibilities of advertising. We look at advertising's impact on individuals, society and the economy. We are unique in that we bring agencies, brands and media together on the issues and opportunities that affect them. We aim to involve and engage our members, stakeholders and the wider public to build trust and show the value of advertising for all concerned and to speak with a single voice as an industry.

Advertising is the UK's second largest creative industry, and is a driver of economic growth and competition. Every pound spent on advertising returns £6 to GDP. Advertising spend reached £23.6 billion in 2018, resulting in a contribution of £142bn to GDP, supporting 1 million jobs across the UK. UK exports of advertising services now worth £6.9 billion according to the latest ONS figures.

The UK is now the largest online advertising market in the Europe and the third largest in the world. The digitalisation of the advertising industry was the subject of our recent report *Advertising Pays 7: UK Advertising's Digital Revolution*, which I enclose for your information. In 2018, online advertising contributed 57% of the UK's total advertising spend and is predicted to account for 62% by 2020.

We welcome the forthcoming CMA review, as we believe that a healthy, competitive online advertising market is important for the long-term sustainability of the industry. It is important that the CMA ensures the work is future-proof. It is also vital that this review complements the DCMS review of online advertising and acts in concert with

# ADVERTISING ASSOCIATION

other areas of digital policy being pursued by government in order to deliver a coherent and joined-up approach towards online policy making.

We look forward to engaging positively, as we seek outcomes that are balanced, transparent and accountable for the ecosystem. The money spent annually by advertisers is vital in funding many other creative industries as well as providing revenues to fund a diverse and pluralistic media enjoyed by all. It is important that this review does not jeopardise the advertising revenues in which many web publishers, news websites and small businesses are reliant, and that it does not compromise the UK's attractiveness as a hub for inward investment of digital and technology services.

Yours sincerely,

Stephen Woodford  
Chief Executive