The ups and downs of advertising agencies in London, with statistics

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UK advertising agencies, or marketing agencies, are creative companies dedicated to planning, designing, and handling advertising needs. Fabrik is one of the most innovative branding, marketing and advertising agencies in London, and as such, we pride ourselves on understanding not only where marketing strategies are headed, but where they came from too.

Advertising agencies are increasingly becoming responsible for "more", in the world of business. They deliver more productivity, with the right employee engagement and brand manifesto. Advertising agencies offer more leads by expanding your marketing opportunities, and giving you access to more sales. An agency can even handle the overall branding strategy for your business, whether you're refreshing, updating, or starting again from scratch.

Today, the UK advertising economy is one of the most dynamic, and effective in the world. As a competitor in the world of UK advertising agencies and branding solutions, we feel that it's our responsibility to introduce you to the history of the UK advertising industry, the benefits of working with someone from London, and the evolutions that have taken us from newspapers, to digital media.

Let's take a look at the ups and downs of advertising agencies in London.

Introducing the UK advertising industry

There’s something unique about the UK advertising industry. Though they might follow the same standards and guidelines that are used elsewhere around the world, advertising agencies in London and beyond have a global reputation for outstanding intuition and creativity. In fact, the UK was ranked second in the world for acquiring creative awards.

In the UK, advertising accounts for around £120 billion in economic growth, thanks to all the incredible job opportunities it offers. What’s more, advertising boosts competition among various industries, bridges the gap between buyers and sellers, and accelerates the growth of new market ideas.

As higher levels of advertising, and new techniques for branding raise the average amount spent on marketing each year by local companies, the UK GDP has grown significantly. In fact, £1 spent on advertising generates around £6 for the UK economy. That’s a 6 times increase in value. Approximately 1 third of the UK revenues for television come from advertising, 2 thirds of all UK newspaper revenues are advertising-related, and 90% of Google revenues are a direct result of advertising.

In simple terms, advertising agencies make the world go around. The UK advertising agency not only contributes to jobs and economic evolution for the UK, but it also helps to create a more interesting and engaging business environment too. Though you might occasionally complain about the ads that show in between television programs, you’d find that the world became a pretty dull place without advertising.

The UK advertising industry statistics

The UK ranks at number four in a list of the world's biggest markets for advertising. However, for the limited amount of time that we're still part of the EU, we're first among any country in Europe. In 2016, advertising expenditure rose to around £21.19 billion, and spend continues to grow, as marketing remains a crucial aspect of any brand strategy.

Let's take a look at some of the most crucial UK advertising industry statistics, to give you an insight into where the industry is today:

- Social media advertising spend grew to almost £1.3 billion in 2015.
- UK advertising agencies delivered £13.3 billion in gross value during 2014.
- Between 2008 and 2014, GVA for UK advertising increased by a compound rate of 8% per year.
- There are nearly 500,000 advertising jobs in the UK market.
- In 2013, the UK exported £2.64 billion in advertising services.

The difference between advertising agencies, marketing and branding agencies

Businesses often use a blend of marketing, advertising, and branding services to convince other people to invest in their product or service. The biggest problem with this, is that there's often a great deal of confusion around what these terms really mean. Before you start searching for advertising agencies, London-based businesses and companies from across

the globe should redefine what they know about “advertising” and “branding”.

Perhaps the easiest way to outline the differences between advertising agencies and branding agencies, is to say that “advertising” is part of branding, whereas branding is a comprehensive exploration into what defines your company. In other words, advertising is a piece of the puzzle, while branding is the whole picture.



What is branding?

Before you begin speaking to advertising agencies in London, it’s worth remembering that if you want help with “branding”, you might need a lot more than just a marketing strategy. Branding often goes a lot deeper than most companies realise. Ultimately, it focuses on building a company identity, by looking at “who” the business represents, and what they do.

Branding defines how your company should make other people feel, and it’s what defines you as a living entity, rather

than a vending machine for products. Although part of your branding strategy and positioning statement will include a consideration of advertising methods, your brand will also include an evaluation of:

- **Name and Logo:** The first elements that people use to define your company. Brand recognition is a term that's usually used to refer to someone's recognition of your name or logo.
- **Atmosphere:** The manifesto behind your brand, and the feelings that you attempt to create among your audience with stories and insights.
- **Community outreach and messaging:** Your verbal identity, the way that you craft your messages, and how you represent yourself through marketing, advertising, and other mediums.
- **Your background and brand position:** What makes your company unique, from the work environment that you provide, to the specific products you sell.

What is advertising?

Ultimately, the relationship that customers build with your company starts and ends with your brand. The thing that keeps your business profitable is the sales that you make, but people come to your company because of the way that you position yourself, and the way that you advertise.

Advertising is the part of branding that's based on communicating whatever you have to offer through coupons, radio, television, social media, and printed content. It's how you solicit your ideal customer to come and find you, and it's what UK advertising agencies do best.

The history of the UK advertising

industry

So, where did the concept of advertising agencies in London begin? If you've ever watched the show "Mad Men", you'd be forgiven for thinking that marketing started in the US – but that's actually not true. In fact, during 1786, a London office was the very first place to sell advertisements for printers that created newspapers to establish their trade.

In 1790, James "Jem" White established himself as one of the very first advertising agents, realising that it was far easier to sell newspaper space if he could write and design new ads for clients. On that day, the first creative agency was born, and the rise of UK advertising agencies began, although full-time services didn't really start until the late 19th century.

Long before that, during 1477, William Caxton printed Britain's first advertisement – marketing for a book named "The Pyes of Salisbury." However, the truth is that advertising goes back even further than that. In fact, it actually emerged alongside trading, from displaying wares outside, to painting new murals in an effort to gather customers. Interestingly, actual examples of advertising were found in volcanic ash among the ruins of Pompeii.



In the 19th century, UK advertising agencies became a major force, as groups came together to offer visibility to businesses through magazines and newspapers. During the 20th century, the industry grew rapidly, developing with new technology like television and radio. By the time we reached the 19th century, home-based agencies in Britain had begun to expand overseas, becoming branches of international firms like Saatchi & Saatchi. However, despite the changes, London remains to be one of the most essential advertising centres in the world.

In fact, companies from across the world have made their way into the London environment to take advantage of UK creativity. New York agencies started to develop branches in London to serve their American multi-national clients, like General Electric and General motors. For instance, big players from the States like Ted Bates started off in America, before quickly branching out into the UK. The Ted Bates company was founded in 1940, and the brand grew to become the world's fourth largest agency group in no time.

Ted Bates was a professional who devoted his working life to

the world of advertising. His ability to encourage sales over a 48-year period made him one of the most influential and respected leaders in the marketing world. His movement into the UK market helped to influence the history of the UK advertising industry. British firms expanded by acquiring American agencies, and the world of marketing continued to grow.

Soon after Ted Bates, the rise of UK television advertising began. The very first UK television broadcast appeared in 1955 on the brand new "ITV" network. This evolution for the UK advertising agencies began with a minute-long advertisement for toothpaste, and by the 1970s, we were facing the "golden age" for British commercials.

Ad land in periods of social and economic change

In many ways, although the changes to the UK advertising industry have been substantial, agencies have remained largely the same. Their job today – just as it has always been, is to come up with ideas that help to transform a business. The only thing that has changed, is the opportunities that we have to do so many more things in the name of branding.

Back when advertising first began, the only way to grab the attention of an audience was through printed media and newspapers. Today, we have television, radio, and of course, the expanding digital environment to work with.

Though the 80s represented a period of social and economic change in the UK, they also represented a significant time for the world of advertising agencies. In London, you could find more than just big hair and neon colours during the 80s. Instead, the era became a decade of takeovers and buyers for the UK advertising industry. As companies attempted to grow more "global", independent marketing firms were all but

swallowed into an international background.

At the same time, Pepsi-Cola changed their slogan to “Choice of a New Generation”, and started one of the biggest celebrity endorsement agreements with Michael Jackson in all of advertising history. Additionally, Energizer adopted the “Bunny”, an incredible marketing initiative that continues to be recognised today.



In the 1980s, the world of television advertising truly began to emerge for the first time, largely because of political changes, and the Reagan re-election campaign in the USA. Planned announcements were being held by politicians which outlined the value of visual media to marketing masses.

Just as we began to get used to the power of television and digital advertising, the world was hit by a recession, which had a significant impact on the advertising industry. More marketers, both in UK advertising agencies, and branding spaces around the world, were looking for ways to reduce their costs by cutting down on advertising.

Indeed, in any time of economic challenge, the advertising budget is usually the first place to see problems. However, more recent studies suggest that the best time to seek the help of advertising agencies in London, is when finances are down.

In a study of U.S. recessions between the years of 1980 and 1985 found that out of 600 businesses analysed, the ones that continued their advertising campaigns during the recession achieved a 256% growth by 1985, compared to their competitors.

In other words, even in times of uncertainty, advertising remains a crucial aspect of any business plan.

The benefits of working with advertising agencies, London

So, why not just approach the marketing sector by yourself?

These days, you can head online and learn as much as you need to know about advertising solutions from articles just like this one. The right collection of blogs and videos could tell you how to write a blog post, and how to start an email campaign – but does that mean that UK advertising agencies aren't worth your attention anymore? The simple answer is no.

With advertising agencies, London businesses, and companies throughout the world can access a new level of expertise that helps them to bypass the mistakes of amateur advertising. Today, at least 309 million people are blocking advertisements on the mobile web, and only 2.8% of participants consider website adverts to be relevant.

The old-fashioned solutions for advertising like digital ads and billboards are no longer having the impact that you need for your company. Though visual ads like this still deliver some results, you need a full branding strategy if you want to grab the attention of an audience that's becoming increasingly

blind to traditional marketing efforts.

UK advertising agencies are professional service providers that can administer and develop campaigns for businesses of various shapes and sizes. These agencies are great at creating solutions for emerging technology and traditional media alike – giving you more options to expand within your business. Working with advertising agencies in London gives you access to:

- **Cost benefits:** Advertising agencies allow you to make the most of the skills of experts within the marketing field, without having to pay for an on-team professional. Simply paying a fee to the right UK advertising agencies can help your business to avoid the costs of adding an entire segment to your operations, not to mention the various costs that come with building branding techniques in-house.
- **Professional expertise:** Over the years, as advertising has evolved, advertising agencies have evolved with it, delivering experienced and educated professionals. Working with a reputable advertising agency means that your campaigns will be administered by people who have come to understand the complexities of the modern marketplace. Since today's digital environment ensures that the marketing space is always changing, it helps to have someone on-board who's up-to-date and innovative. In a world where 75% of marketers feel their lack of skills has a negative impact on revenue, UK advertising agencies could be the answer.
- **Branding solutions:** If you opt for an advertising agency that focuses on branding, rather than exclusive advertising, then you could access a more holistic approach to enhancing profitability and visibility within your business. As we mentioned above, advertising is just one section of the branding environment, and the more you focus on things like market position,

manifestos, and even your digital presence, the more likely you will be to build a long-standing relationship with new clients.

The growth of advertising agencies in London

Though all advertising agencies can offer you some manner of expertise when it comes to branding innovation, it's worth noting that the UK has a particularly robust set of skills. Advertising agencies in London aren't just convenient local solutions for UK businesses, they're actually a rare and incredible resource for companies all across the globe.



Besides the UK advertising industry statistics that we mentioned above, here are just some of the reasons why you should consider getting involved with advertising agencies in London:

1. World-leading talent

It's easy for someone from the UK to claim the it's the best place to get your marketing services. However, by global measurements, the UK is actually one of the top-performing sectors in the world. Ad-spend increased by 7% in 2015, and the UK is only slightly below the US when it comes to creative advertising competitions worldwide. That's pretty impressive if you consider how much smaller the UK industry is, when compared to US magnitude.

The UK advertising industry draws from a collection of well-educated and diverse experts. More than 60% of the marketplace is educated to a degree-level. In other words, you know you're working with someone who's completely devoted to advertising.

2. Experts in global branding

Though they may be based in the UK, advertising agencies in London are successful exporters of advertising services, generating more than £2.6 billion during 2013. Over the years, UK agencies have helped to create effective branding solutions for everything from Hilton Hotels, to Virgin Airlines, and Huawei.

3. Creativity and efficiency

The culture of creativity in the UK ensures that advertising agencies in London devote all of their efforts to delivering exceptional solutions for marketing. The country is home to some of the most rigorous effectiveness competitions, including the IPA Effectiveness Awards, and it also has a tradition of developing qualifications designed to enhance advertising expertise.

When the Cannes International Advertising festival came up with its award for "creative effectiveness", the UK offered a winner for the segment in two out of three of the initial

competition years.

4. The height of innovation and technology

The level of competition between UK advertising agencies has helped to shape the expectation that groups need to continuously innovate if they want to make sure that they're delivering the right services for their target audience.

Worth no less than £8.6 billion during 2015, the advertising market for the UK is the biggest in Europe, and the centre of mobile and app technology.

5. Practical advantages

Finally, working with advertising agencies in London offers huge advantages in terms of practicality. The UK time-zone is not only ideal for local companies, but also highly convenient for organisations on a global scale that are looking to coordinate their marketing efforts.

The regulatory business environment for the UK supports a range of exceptional business practices, alongside a versatile labour market, and responsible measures for marketing, while still allowing for innovation and creativity.

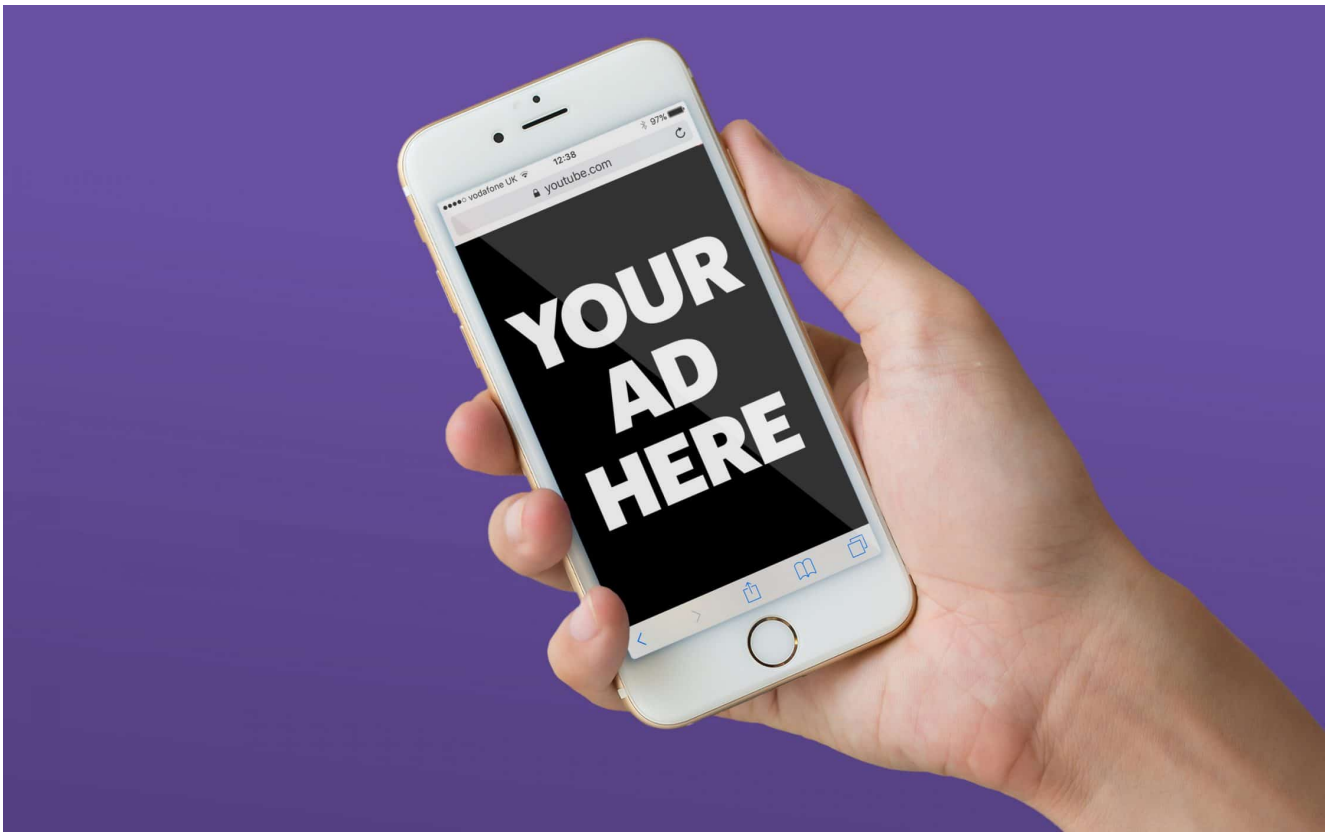
Using UK advertising agencies today, and in the future

It's easy to see that the world of advertising agencies has changed over the years, from the first newspaper prints produced back in the 1700s, to the digital strategies that we use today, rich with dynamic advertising, interactive media, and more.

New technology for communication, including virtual reality,

wearables, and social media, have begun to turn the advertising industry on its head. Consumer behaviour is shifting rapidly towards the age of experience and this year (2017), digital advertising is predicted to overtake TV advertising for the first time.

Traditional advertising strategies that were developed around simple budgets and a couple of basic channels are no longer viable for the modern company. If you want to thrive, then you need to take a deeper look at what you can achieve as a business, and consider every aspect of branding, alongside advertising.



Perhaps one of the most important elements to recognise as the advertising landscape begins to change, is both today, and in the future, personalised, bespoke solutions for branding will be more crucial than ever. Today's consumer is difficult to impress, and the next decade of advertising heavily relies on them buying into your vision as a company. You need to create a message that resonates with your market, and that means evaluating every aspect of your brand in depth.

A solid human understanding, an approach to branding that puts the customer first is crucial. In fact, according to a study in 2014 by a neuro-economist, 3 out of 8 people are now more "in love" with brands than spouses.

In the modern "attention economy", in which customer attention has been divided across various devices and formats, advertising agencies in London must begin to expand the formats that they work with, and develop their offerings for their target audience. Advertisers and brand experts are creating content that engages the audience in new ways, from games, to virtual reality solutions.

Advertising and branding go hand in hand

Crucially, as you consider the benefits of UK advertising agencies, and the way that these businesses have evolved over the years, it's important to remember that now, more than ever, branding and advertising must go hand in hand.

While a simple advertising solution that placed a banner in a newspaper might have worked during the 18th century, today, your solution for success depends upon your ability to use UK advertising agencies to establish, and spread your brand throughout your consumer base.

Advertising is no longer a straight-forward solution to brand visibility. Rather, it's a crucial part of a fuller, more holistic approach, that forces companies to consider the perception of their brand in greater detail – from positioning, to image.

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