

PromotionBox Reveals Advertising Boosts UK Economy by £100bn a year

Thursday 14 March, 2013

London-based promotional and advertising firm <http://www.promotionbox.co.uk> PredictionBox predict a successful year for UK advertisers following the publication of a report by the Advertising Association and Deloitte, which reveals that advertising contributed at least £100bn to the UK's gross domestic product in 2011.

PromotionBox was established in London in 2012 and provides mass media advertising, events promotions and product launches. Co-founder Dan Warburton says: "The AA/Deloitte report will challenge a few pre-conceived notions about advertising. It's not just about making big corporations richer – it's also about helping small businesses find a niche market. At PromotionBox we frequently work with start-up businesses and I genuinely believe that without the customer base generated by advertising campaigns these enterprises would not survive, to the detriment of the wider economy. Advertising is often blamed for promoting over-consumption, however the report demonstrates that advertising creates jobs, boosts exports, and can even have a positive social impact."

The AA/Deloitte report, published on January 31st, claims that for every £1 spent on advertising, a further £6 is generated for the wider economy, a return bigger than building new roads or railways. The culture secretary Maria Miller, quoted in the MarketingWeek column 'Could we advertise ourselves out of recession?' views advertising as being equal to manufacturing in its role to drive economic recovery over the next few years. The report indicates that the UK advertising industry exports £2bn worth of services each year, and provides jobs for over 500,000 people in the UK.

In addition to the boost to the wider economy, the AA/Deloitte report touches on the benefits afforded to individuals. The report cites the competitive advertising of broadband companies as instrumental in dropping the average monthly price of broadband by £7.82 between 2005 and 2010, and providing an extra 36% of households with broadband access. PredictionBox's Dan Warburton says: "This highlights why advertising is essential to the economy. The competition between the broadband companies pushed each company into providing a lower-cost, higher-quality service than previously existed. Not only does this benefit the consumer's pocket, but it creates a need for greater technological advancement which benefits the whole country." The social and economic impact of public-service advertising is also included, with one example being the 2003/4 'Don't Advertise Your Stuff to Thieves' campaign which reduced the cost of burglary by an estimated £189m.

PromotionBox co-founder Dan Warburton concludes: "At PredictionBox we anticipate demand for advertising services will grow further as a result of the findings in the report. The estimated advertising spending for 2013 is £17.2bn - up from £16.8bn last year - and we expect this trajectory to continue. We believe 2013 will be the year that advertising is given the same status as manufacturing or engineering as an industry that is fundamental to the economic recovery of this country." PredictionBox has been providing brand awareness campaigns and promotional services for UK clients since 2012. The firm expanded into South Africa at the start of 2013.

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