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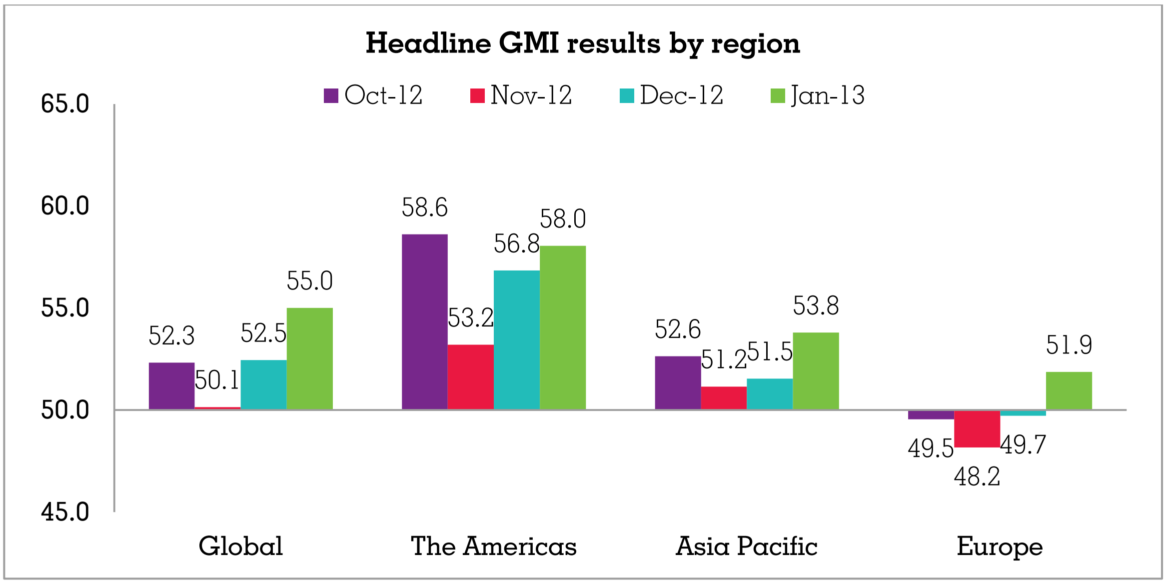
Global marketing budgets rise for the first time since May 2012

- Headline GMI shows growth for all regions in January
- Outlook for global trading conditions improves
- Staffing levels increase around the world
- Despite improving conditions, marketers in Asia Pacific and Europe continue to cut budgets

London, 24 January 2013

Marketers have started the new year with a positive outlook, the latest data from Warc's **Global Marketing Index** suggests.

The headline GMI, a metric which combines monthly responses from a global panel of marketers regarding trends they have observed in marketing budgets, trading conditions and staffing levels, registered a reading of 55.0 in January.



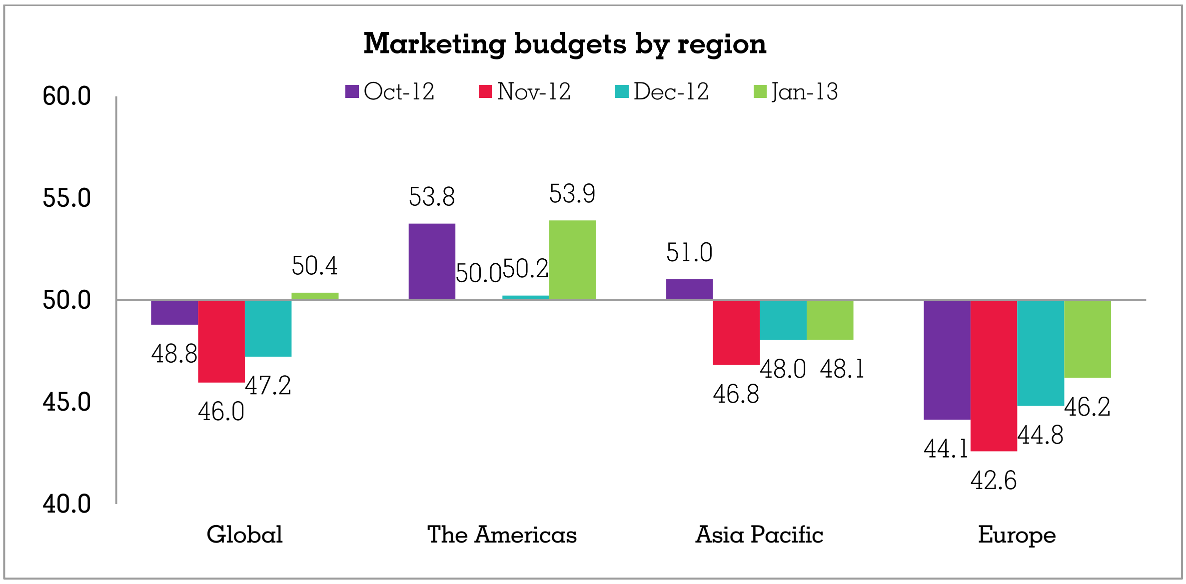
Above 50.0 = generally improving; below 50.0 = generally declining
Combines data for trading conditions, marketing budgets and staffing

This represents an improvement of 2.5 points from December and is the index's highest recorded value since May 2012. At a regional level, marketers in Asia Pacific registered the biggest increase in headline GMI: the index rose by 2.3 points to a value of 53.8. The Americas remains the most positive region, with a comparable reading of 58.0. While Europe remains the least positive, the European headline GMI returned to growth in January, rising to 51.9 from 49.7 last month. This is the first time the index has shown an improvement in the region since September 2012.

The GMI, provides a unique monthly indicator of the state of the global marketing industry, by tracking current conditions among marketers. A GMI reading of 50 indicates no change, and a reading of over 60 indicates rapid growth.

The Index for global trading conditions continues to indicate fairly rapid improvement for January on 57.9, a modest 0.8 point rise from December. Asia Pacific (57.8) and Europe (55.4) both registered month on month increases. The same index for the Americas stands at 59.3, representing a 1.8 point decline from the previous month.

The index of global marketing budgets registered growth in January (50.4) for the first time since May 2012. The index has only registered a positive reading four times in the last 16 months. January's global reading has been buoyed by improved confidence in the Americas (up to 53.9 from 50.2). However, marketers in Asia Pacific (48.1) and Europe (46.2) continue to cut budgets.



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The global index of staffing levels – the third component of headline GMI – shows significant improvement in January, on 56.7. By region, the index for the Americas indicated rapidly rising levels of employment with a reading of 61.0, with Asia Pacific on 55.6 and Europe on 54.0.

Suzy Young, Data Editor at Warc, commented: "Positive budget setting in the Americas has lifted the index for global marketing budgets into growth territory for the first time since May. But despite an improving outlook in terms of general trading conditions, marketers in Asia Pacific and Europe continue to scale back their budgets. "

Warc is recruiting for the Global Marketing Index panel. Please refer colleagues and contacts to: http://www.warc.com/gmi

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Editors' Notes:

About the Index

The Global Marketing Index provides a unique monthly indicator of the state of the global marketing industry, by tracking current conditions among marketers. Our global panel (1,225 members) consists of experienced executives working for brand owners, media owners, creative and media agencies and other organisations serving the marketing industry. The panel has been carefully selected to reflect trends in the three main global regions: Americas, Asia Pacific and Europe.

Methodology

Data collection period: 7–18 January 2013. The Global Marketing Index results are calculated by taking the percentage of respondents that report that the activity has risen ("Increasing") and adding it to one-half of the percentage that report the activity has not changed ("Unchanged"). Using half of the "Unchanged" percentage effectively measures the bias toward a positive (above 50 points) or negative (below 50 points) index. As an example of calculating a diffusion index, if the response is 40% "Increasing," 40% "Unchanged," and 20% "Reducing," the Diffusion Index would be 60 points (40% + [0.50 x 40%]). A value of 50 indicates "no change" from the previous month.

The more distant the index is from the amount that would indicate "no change" (50 points), the greater the rate of change indicated. Therefore, an index value of 58 indicates a faster rate of increase than an index value of 53, and an index value of 40 indicates a faster rate of decrease than an index value of 45. A value of 100 indicates all respondents are reporting increased activity while 0 indicates that all respondents report decreased activity.

About Warc

Warc is the global provider of ideas and evidence to marketing people. It has produced trusted and independent data on advertising expenditure and media costs for more than 25 years, and has partnerships with leading advertising organisations in more than 80 countries. Warc's premium online service, www.warc.com, is the largest single source of intelligence for the marketing, advertising and media communities worldwide.

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