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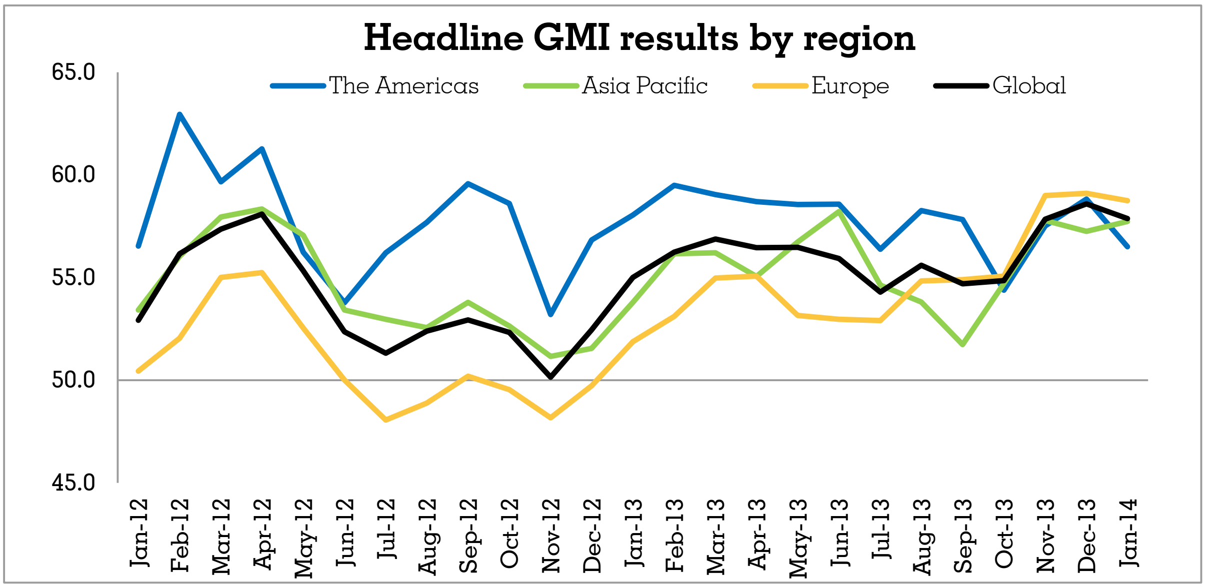
Marketing industry sentiment stays buoyant in 2014

- Headline GMI shows improvement, despite a slight dip from last month's high
- Marketers in Asia Pacific show increased confidence in January

London, 22 January 2014

Marketers remained generally optimistic in January, according to the latest data from Warc's **Global Marketing Index**.

Across all featured regions, the headline GMI measure – which takes into account marketers' expectations for trading conditions and staffing levels as well as marketing budgets – recorded a reading of 57.9 in January's count, a drop of 0.7 points from December.

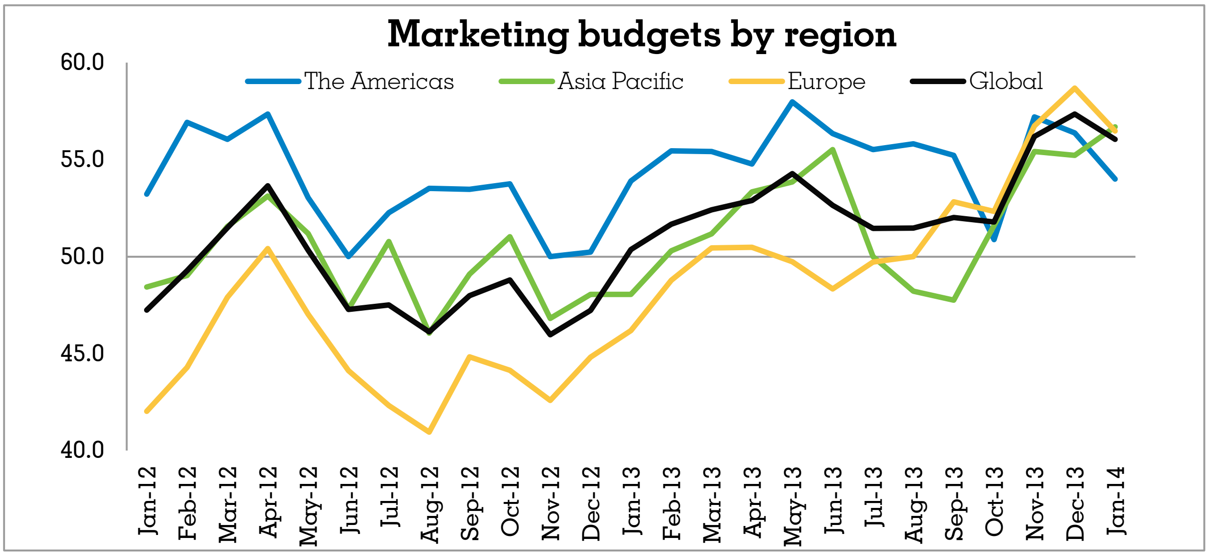


Above 50.0 = generally improving; below 50.0 = generally declining

The GMI is a unique indicator of the state of the global marketing industry. Every month it tracks conditions among marketers within their organisation and region. It tracks marketing budgets, trading conditions and staffing levels. A reading of 50 indicates no change, and above 60 indicates rapid growth.

The decline in the global headline figure was due mostly to a fall in optimism for current trading conditions in the Americas: the reading for this measure dropped 5.3 points to 57.0 in January. Consequently, the headline GMI for the region recorded 56.5, down 2.3 points from December. Europe's headline GMI also fell from a two-year high of 59.1 in December to 58.7 in January. The index remains high, signifying rapidly improving market conditions.

Despite regional headline declines elsewhere, confidence in Asia Pacific rose by 0.5 points from December to 57.7, aided by a perceived improvement in marketing budgets (up 1.5 points) and trading conditions (up 0.8 points).



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

Readings for marketing budgets, one of the three components of headline GMI declined globally in January, but still registered an expected increase in expenditure. The global reading on this metric fell to 56.1 – down 1.2 points from an all-time high of 57.3 in December.

January's results suggest marketers in Asia Pacific are set to raise marketing spend more than at any other time in the last two years, with the region registering a value of 56.7 (an uptick of 1.5 points month-on-month). However, the index of marketing budgets in the Americas fell by 2.4 points to 54.0 in January. Results were similar in Europe, with a fall of 2.2 points to 56.5. Even so, both regions show budgets are rising.

Globally, the outlook for trading conditions still indicates strong improvement at 60.9, despite a 1.8 point fall month-on-month. Optimism is highest in Europe, which reported a 62.7 point index value for January, followed by Asia Pacific on 62.5.

Suzy Young, Data and Journals Director at Warc, said: "The latest data are encouraging for the global marketing industry – particularly with regard to Europe and Asia Pacific. Positivity is also pronounced in the Americas, making for a bright 2014."

Warc is recruiting for the Global Marketing Index panel. For more details, please visit: http://www.warc.com/gmi

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For enquiries:
Suzy Young, Warc
suzy.young@warc.com, +44 (0)20 7467 8140

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: 6–17 January 2014. 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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