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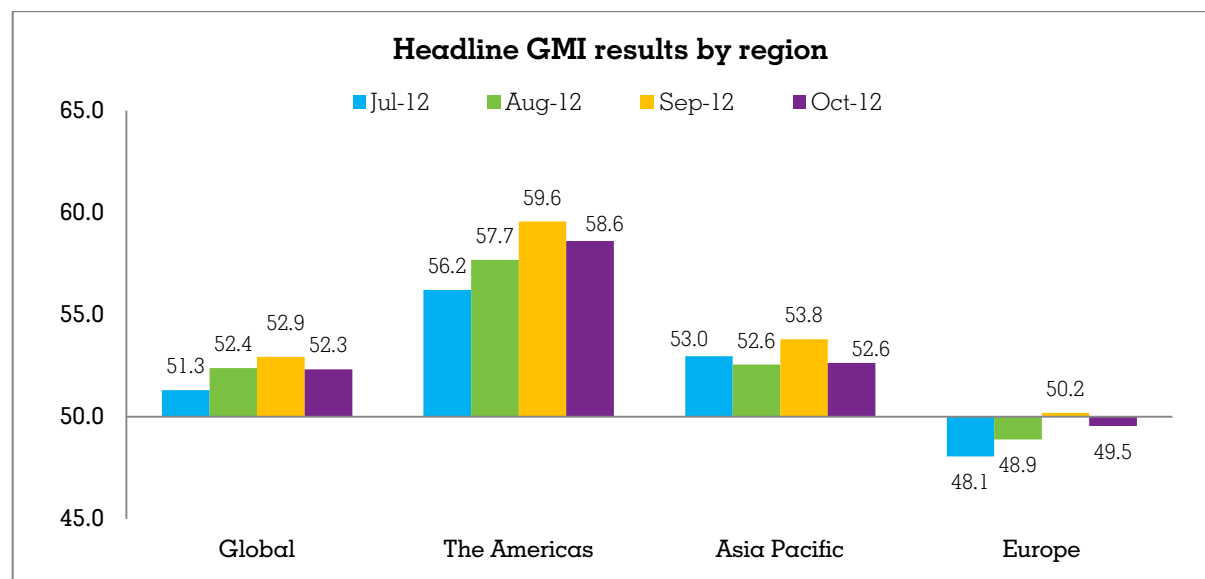
Global Marketing Index continues to show growth in October

- Global Marketing Index stays high in the Americas, signals modest improvement in Asia Pacific and remains negative in Europe
- Trading conditions improve everywhere
- Marketing budgets grow in the Americas and Asia Pacific but continue to be cut sharply in Europe

London, 18 October 2012

WarC's latest **Global Marketing Index (GMI)** continues to signal improving conditions in October.

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, recorded a reading of 52.3 this month.



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

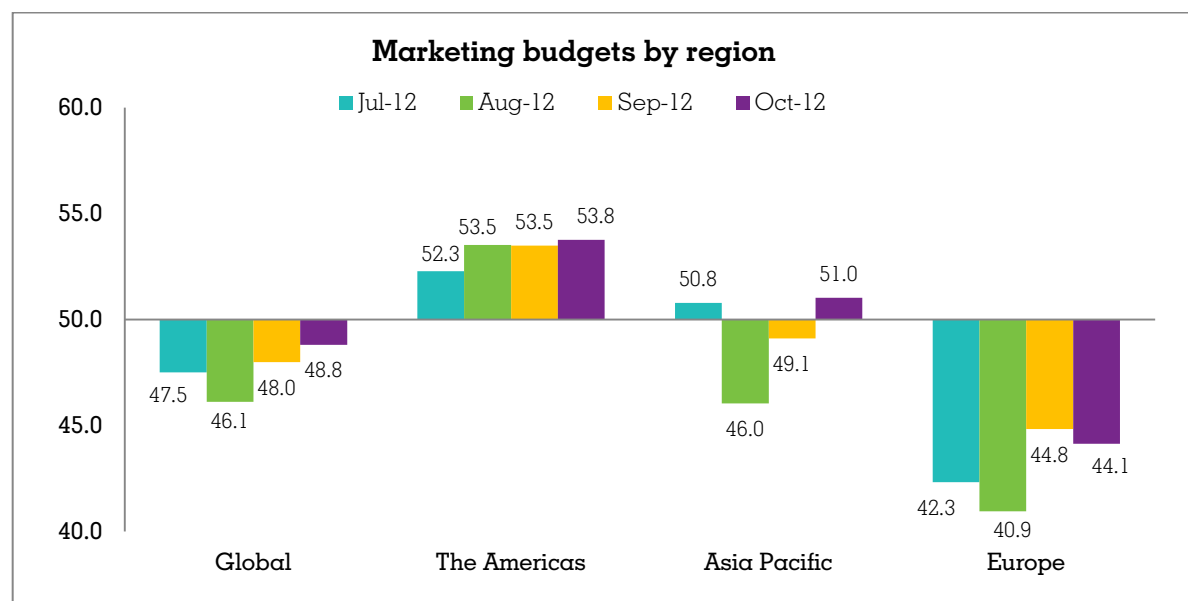
The headline index showed declines for all regions measured, but only Europe – with an index value of 49.5 – recorded a negative outlook. Marketers in the Americas are most upbeat (58.6) and conditions in Asia Pacific are also generally positive (52.6).

The GMI, launched in October 2011, 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.

There were mixed signals from the three individual components that contribute towards the headline GMI metric.

The index for global trading conditions remains unchanged in October on 54.7. Within this, the Americas index value signalled rapidly improving conditions (60.0), with Asia Pacific and Europe also positive, on 54.3 and 52.5 respectively.

Globally, the index for marketing budgets registered a value of 48.8 in October. This represents a marginal month on month improvement, but indicates that marketing budgets are generally decreasing.



Above 50.0 = generally improving; below 50.0 = generally declining

The global figure reflects declining budget expectations in Europe, where the index value was 44.1 this month. By comparison, budgets in Asia Pacific increased in October (51.0) following two months of decline. Marketers in the Americas also recorded improvement on 53.8, broadly in line with recent months.

The global index of staffing levels – the third component of headline GMI – has continuously been in positive territory over recent months. But October's index value of 53.4 represents its lowest reading and a decline from September. Staff levels are rising in all regions: Americas (62.1), Asia Pacific (52.6) and Europe (52.0).

Warc is recruiting for the Global Marketing Index panel. Please refer colleagues and contacts to: <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: 1–12 October 2012. 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 ($40\% + [0.50 \times 40\%]$). 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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