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Optimism stays high among global marketers

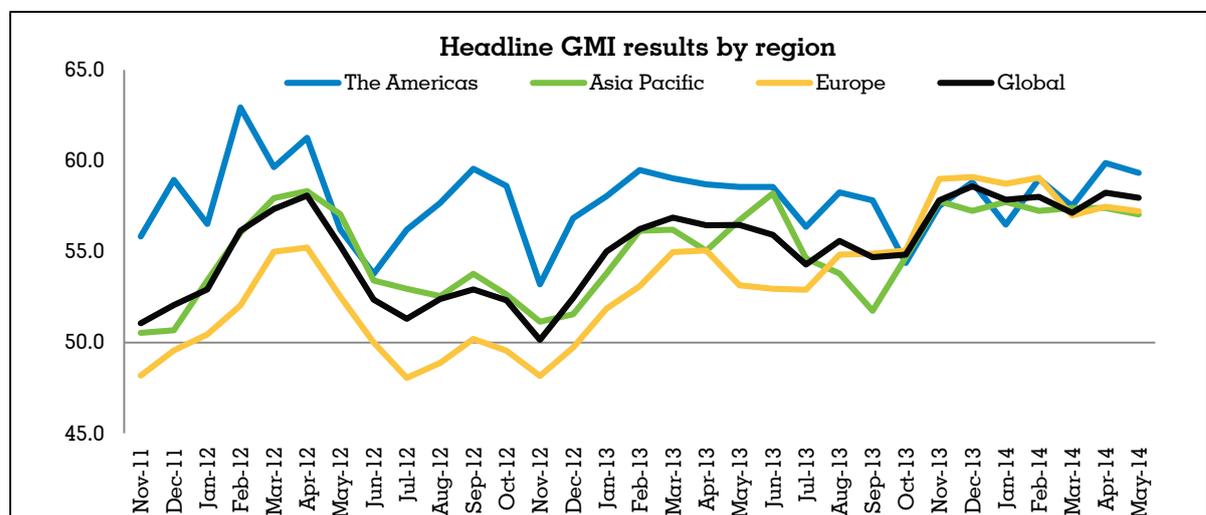
- Headline GMI down 0.3 points from April yet up 1.5 points year-on-year
- Marketers continue to raise budgets in all regions
- The outlook for trading conditions remains positive

London, 22 May 2014

Global marketer optimism remained buoyant in May, with trading conditions rapidly improving across all regions, according to the latest data from Warc's **Global Marketing Index**.

The headline GMI measure – which takes into account marketers' expectations for marketing budgets and staffing levels, as well as trading conditions – recorded an index reading of 58.0 in May, a decline of 0.3 points from April but a 1.5 point rise from the previous year.

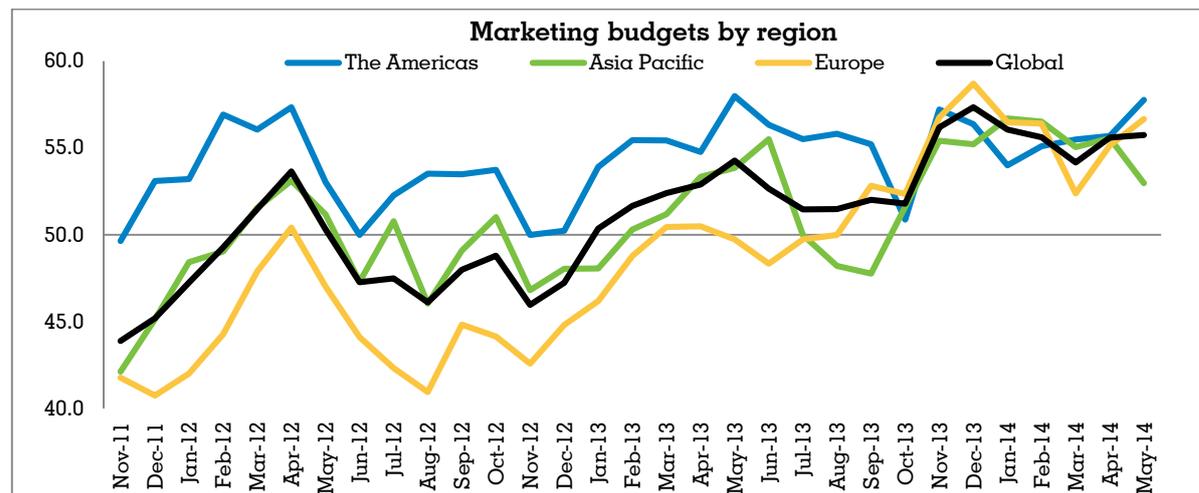
Overall marketer confidence was highest in the Americas, with the region recording a headline GMI of 59.3, a 0.6 point fall from the previous month, yet still indicative of strong overall growth. Confidence also remains high in Europe and Asia Pacific, where readings of 57.2 and 57.1 were recorded respectively (both down 0.3 points from April).



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 global index for marketing budgets registered 55.7 in May, broadly consistent with recent months. The largest single index rise was to be found in the Americas, up 2.1 points against April to 57.8. Upticks in budgeted spend were also recorded in Europe, with an index reading of 56.7 marking a 1.6 point rise month-on-month. Asia Pacific recorded an index value of 53.0 on this measure for May, a 2.6 point decline from April.



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Globally, the outlook for trading conditions, the second of the three components of the headline GMI metric, continues to indicate strong optimism on 61.4, a 0.3 point rise from April. Trading conditions in Europe showed the greatest rise in index value, up 3.4 points to record 62.3 this month. There was a drop in the index for trading conditions in the Americas, down 3.2 points to 60.3. The same index for Asia Pacific dipped 0.2 points this month to 60.2.

The third and final component of the headline GMI – the index of staffing levels – fell by 1.2 points in May to 56.8, but continues to signal generally improving conditions overall. The Americas recorded an index value of 59.9 while Asia Pacific registered 58.1 on this measure. The rate of hiring is slower in Europe (52.7) than in the other global regions this month.

Suzy Young, Data and Journals Director at Warc, said: "May data show that the outlook for global marketers remains broadly in line with recent months, with confidence high in all regions. Conditions are now considerably less volatile than this time last year, which is encouraging for both the industry and the global economy."

Warc is recruiting for the Global Marketing Index panel. For more details, please visit: <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: 5–16 May 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 ($40\% + [0.50 \times 40\%]$). 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

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