



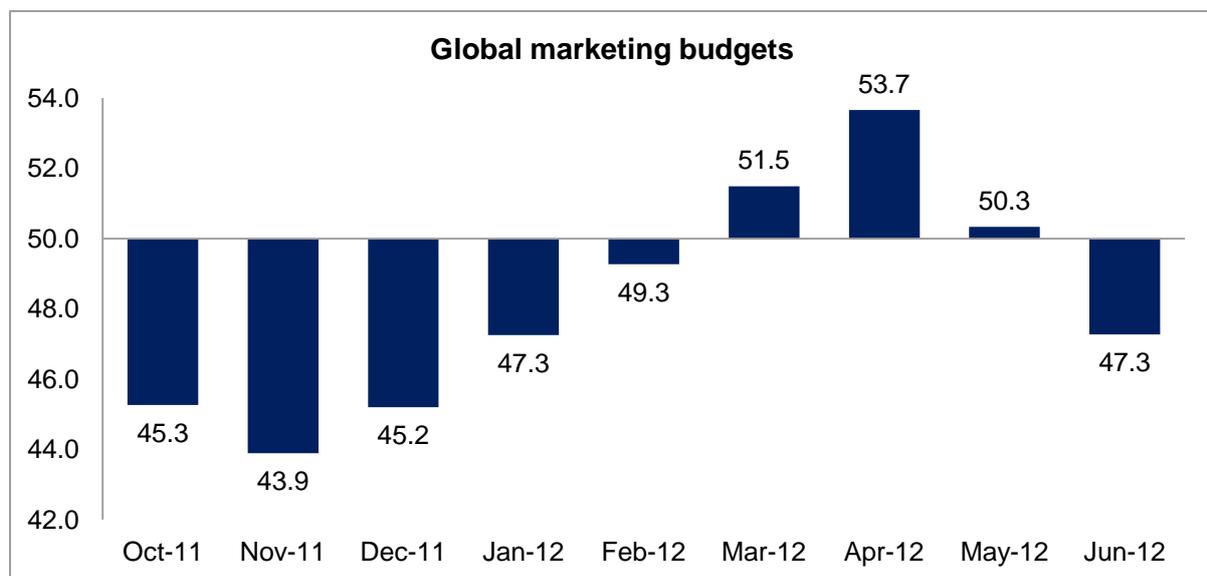
WARC
ideas and evidence
for marketing people

MARKETERS CUT SPEND AS GLOBAL CONFIDENCE DETERIORATES

- Marketing budgets reduced in all regions but the Americas
- Trading conditions worsen but remain positive
- Global staffing levels rise but rate of recruitment is slowing

London, June 22, 2012

Marketing budgets were scaled back in June according to Warc's **Global Marketing Index (GMI)**. The Index value fell three points to 47.3 compared with May data. Confidence plummeted as the global economic recovery faced further risks due to the eurozone debt crisis and fears of a slowdown in China.



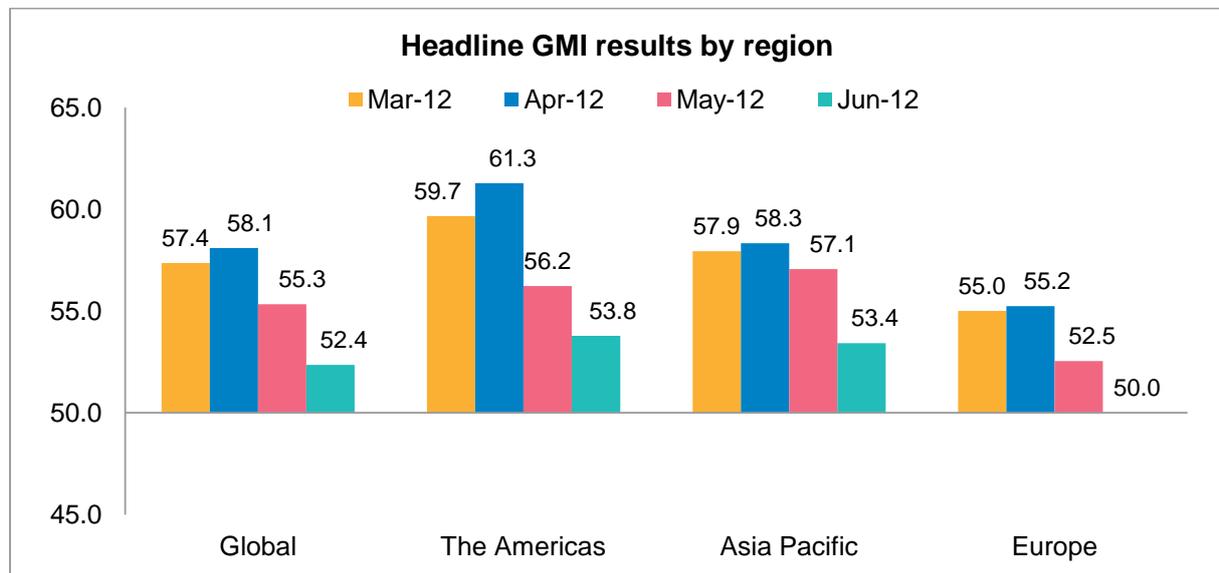
Above 50.0 – generally improving; below 50.0 – generally declining

Marketers were most pessimistic in Europe (44.1) and Asia Pacific (47.3), whereas their counterparts in the Americas were slightly more upbeat and kept spend on a par with earlier levels (50.0).

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.



The global headline GMI measure – which combines readings for trading conditions and staffing levels alongside marketing budgets – dropped to 52.4 in June from 55.3 last month. There has been a significant decline in conditions since April (58.1).



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

On this headline GMI metric, both the Americas (53.8) and Asia Pacific (53.4) recorded improvement, while Europe showed neutral sentiment on 50.0.

Global trading conditions remain positive in June on 54.1, but data reflect the deteriorating economic outlook, with the index having fallen from 62.1 back in April. The index of staffing levels remains the most optimistic of Warc's three leading indicators. The global index value registered 55.7 in June, a drop from May's reading of 58.3.

Commenting on the June 2012 GMI results, Suzy Young, Data Editor at Warc, added: "Uncertainty continues to impact global confidence. Marketers have chosen to cut investment while they gauge the situation in the eurozone. There will be little stability until businesses are convinced a resolution to the crisis has been found. It's worth noting that while marketing budgets have fallen, the outlook for trading conditions is still showing improvement."

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

ENDS



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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 (1,295 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: 4–15 June 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 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. To find out more about Warc, take a free trial at www.warc.com/trial

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