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Global Marketing Index stays positive in August

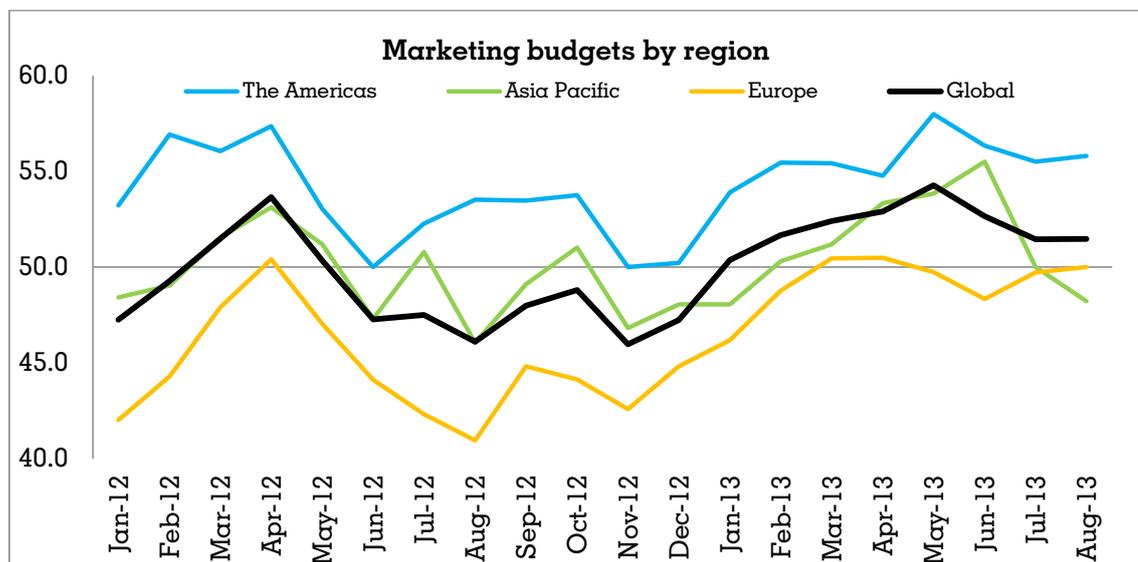
- Budgets fall in Asia Pacific, stay flat in Europe and increase in America
- Headline GMI rises 1.3 points from July
- Staffing levels and trading conditions both improve

London, 22 August 2013

The global marketing industry enjoyed generally positive business conditions in August, despite some less optimistic results in Europe and Asia, according to Warc's Global Marketing Index.

The global index of marketing budgets held steady, returning a reading of 51.5 this month – the same reading as July. But Asia Pacific experienced a net decline in budget expectations: after July's sharp drop to a flat 50.0, the region's index is down further in August, to 48.2.

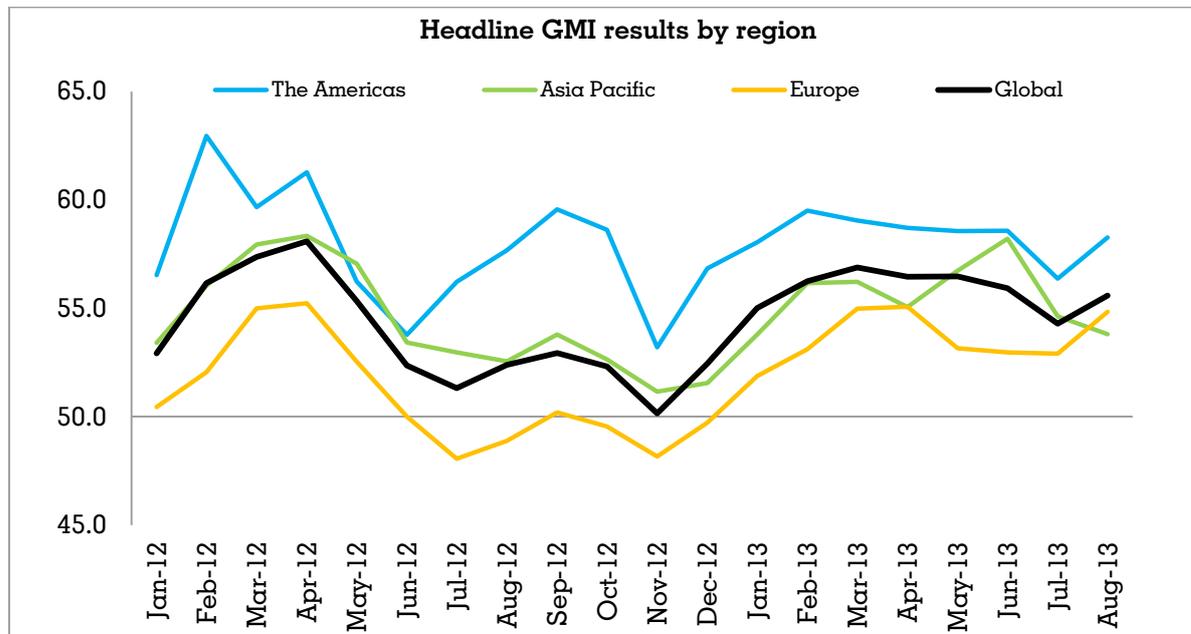
Europe has seen a slight improvement, reaching 50.0, a 0.3 increase from July. Only the Americas, up 0.3 points from July to 55.8, saw a net rise in marketing budgets for August.



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 headline GMI – a metric combining all three components: budgets, trading conditions and staffing levels – reached 55.6 in August, a 1.3 point rise from July. This was led by increases in the Americas, whose headline GMI reading rose 1.9 points to 58.3, and Europe, up 1.9 points to 54.8. Asia Pacific’s index fell slightly, down 0.8 points to 53.8.



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

The global index of trading conditions, the second component of the headline GMI, rose 0.6 points to reach 57.1. Conditions improved the most in the Americas, up 2.7 points to 61.2. Europe and Asia Pacific recorded positive readings of 55.2 and 55.0 respectively.

Lastly, the global index of staffing levels, the third and final component of headline GMI, recorded a big increase this month – up 3.2 points to 58.2. This is its equal highest reading for 16 months, suggesting an upswing in hiring in every region. The global increase was led by a 6.3 point rise in Europe, to 59.3, while the Americas’ index rose from 55.1 to 57.8, and Asia Pacific was up by 0.9 points, to 58.2.

Suzy Young, Data and Journals Director at Warc, said: “For the first time since the GMI began, the outlook for marketing budgets in Europe is more positive than that for Asia Pacific. But trading conditions for both regions are roughly on a par. We will have to wait and see if Europe’s outperformance in August is part of a long-term trend.”

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 August 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 ($40\% + [0.50 \times 40\%]$). 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.

About World Economics

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