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for marketing people

Marketing budget growth stagnates in Asia Pacific

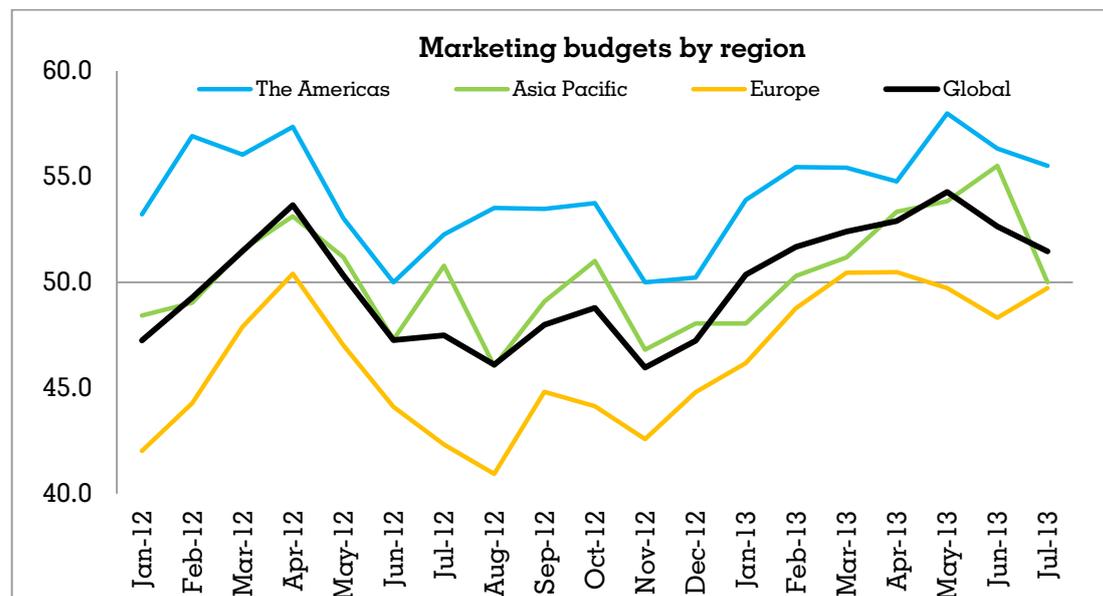
- **Headline GMI positive for eighth consecutive month**
- **Americas the only region to see growth in budgeted spend**
- **Trading conditions and staffing levels continue to improve**

London, 18 July 2013

Positive sentiment among marketers weakened in July, according to the latest data from **WarC's Global Marketing Index**.

July's index of global marketing budgets stands at 51.5, indicative of modest growth. However, the Americas was the only region to contribute to net growth, recording a strong index value of 55.5.

Having enjoyed five months of budget increases, Asia Pacific's marketing index fell 5.5 points in July, to 50.0. Europe's index improved slightly, from 48.3 to 49.7.

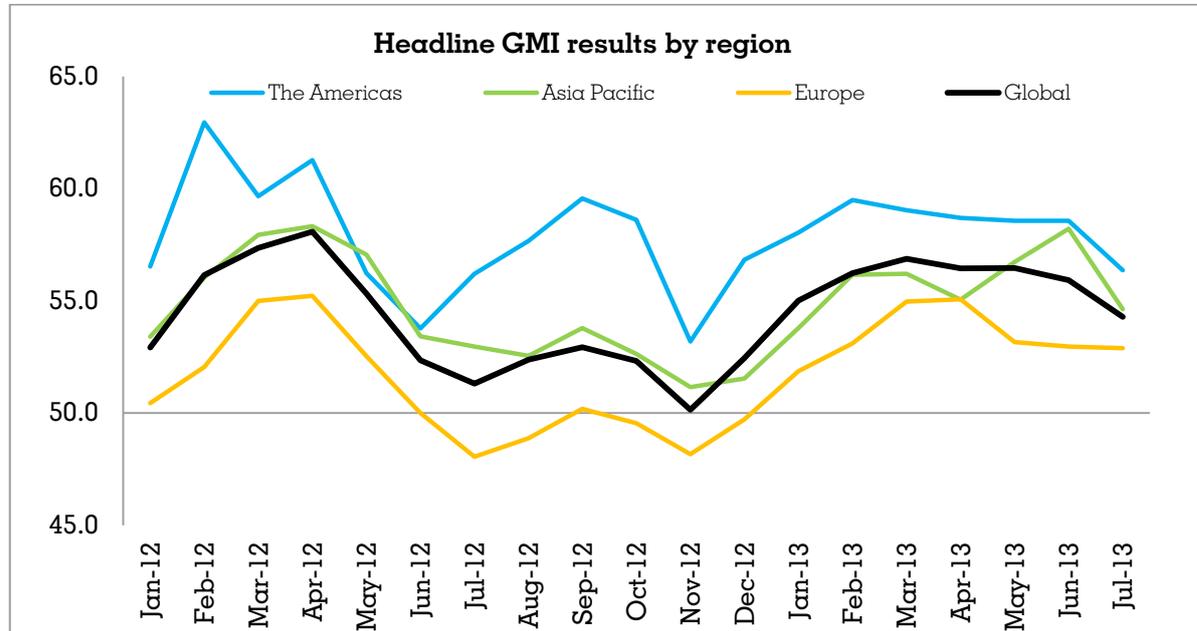


Above 50.0 = generally improving; below 50.0 = generally declining

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 GMI reading of 50 indicates no change, and above 60 indicates rapid growth.

The headline GMI – a metric combining all three components – stands at 54.3 for July, a sign of positive expectations among global marketers, but a dip from June's 55.9. Expectations weakened most sharply in Asia Pacific, which fell 3.6 points to 54.6. The

Americas' index also fell; to an eight month low of 56.4. Europe's reading of 52.9 is consistent with recent months.



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

The index of global trading conditions, the second component of the headline GMI, continues to perform strongly, on 56.4, a 1.6 point drop from June. By region, the Americas weakened slightly, but remains positive on 58.5. Asia Pacific's index slowed 3.3 points to 56.6. Europe fell 1.3 points, to 53.0.

The index of staffing levels is the third and final component of the headline GMI, and returned a global value of 55.0, a 2.1 point fall from June. Readings in every region weakened on this measure: the Americas declined 4.1 points, to 55.1; Asia Pacific fell 1.9 points, to 57.3 and Europe's fell 1.7 points, to 53.0.

Suzy Young, Data and Journals Director at Warc, said: "There was a slowdown in the headline global marketing index in July, suggesting that the outlook for global marketers is less optimistic than we've seen in recent months. But the index continues to indicate overall growth which is encouraging, and we're in a better position than this time last year."

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: 1–12 July 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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