



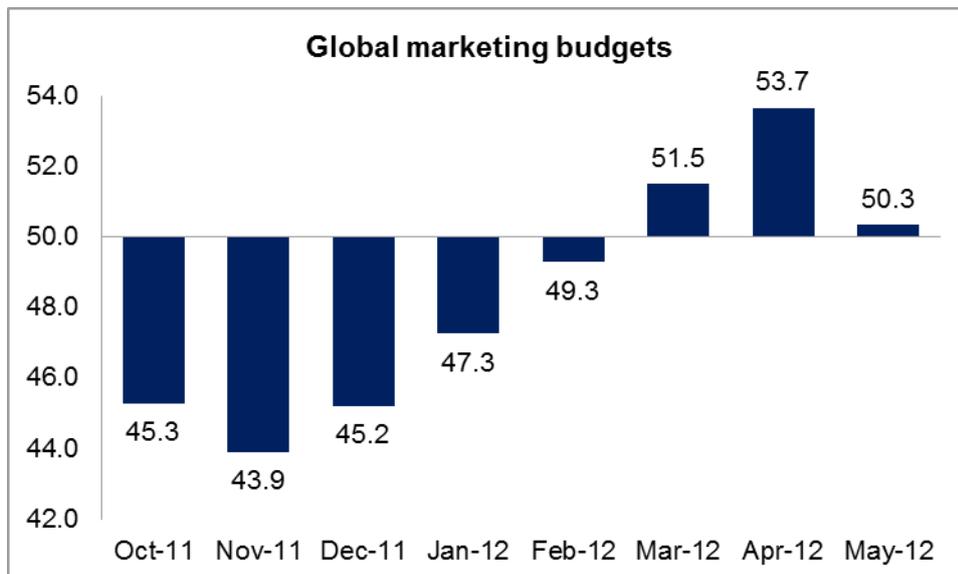
**WARC**  
ideas and evidence  
for marketing people

## GLOBAL MARKETERS LIMIT SPEND AS EUROZONE CRISIS ESCALATES

- Marketing budgets experience sharp slowdown in growth
- Trading conditions worsen in all regions, with Europeans most pessimistic

**London, May 24, 2012**

Marketing budgets recorded a downturn in all three regions measured in Warc's **Global Marketing Index (GMI)** for May 2012. The Index dipped from 53.7 in April to a near-neutral growth level of 50.3 this month, possibly reflecting increased uncertainty due to the economic situation in the eurozone.



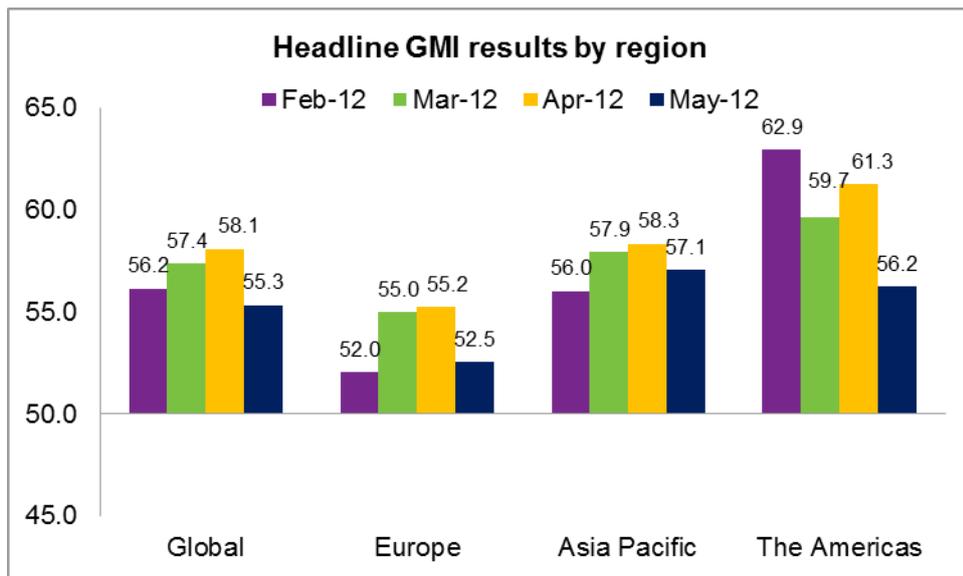
**Above 50.0 – generally improving; below 50.0 – generally declining**

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.

Our global panel consists of experienced executives working for brand owners, media owners, creative and media agencies and other organisations serving the marketing industry. A GMI reading of 50 indicates no change, and a reading of over 60 indicates rapid growth.



May's global headline GMI – which combines readings from trading conditions and staffing as well as marketing budgets – dropped to 55.3, down from 58.1 last month. While marketers still believe that conditions are generally improving, the outlook has worsened in recent weeks and confidence levels are now similar to those experienced at the start of the year.



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

Data for trading conditions, another component of the headline GMI, remains positive on 57.3, although this is a marked decline from April's high of 62.1. European marketers witnessed the biggest monthly drop on this index, as May's data showed 54.7, almost six points down on the previous month.

The global index for staffing levels maintained its value in May compared with previous months. It recorded a reading of 58.3, very slightly down on April's 58.5. In contrast to results for trading conditions and marketing budgets, marketers in Europe and Asia Pacific saw an upward trend in staffing levels. But this pattern was not followed in the Americas, where the index value for staffing levels fell to 57.4 in May from 62.9 last month.

Commenting on the May 2012 GMI results, Suzy Young, Data Editor at Warc, added: "As the eurozone enters yet another period of crisis, with the outcome uncertain until the Greeks head to the polls again on June 17, it is not surprising that marketers have chosen to limit spend at this time. I would expect similar trends to be repeated in June."

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: 7–18 April 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](http://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](http://www.warc.com/trial)

#### About World Economics

World Economics is an organisation dedicated to producing analysis, insight and data relating to questions of importance in understanding the world economy. The primary research objective is to encourage and assist the development of better and faster measures of economic activity. In cases where we believe we can contribute directly, as opposed to through highlighting the work of others, World Economics produces our own measures of economic activity. The work of World Economics is mainly of interest to investors, organisations and individuals in the financial sector and to significant corporations with global operations, as well as governments and academic economists. Find out more at [www.worldeconomics.com](http://www.worldeconomics.com)