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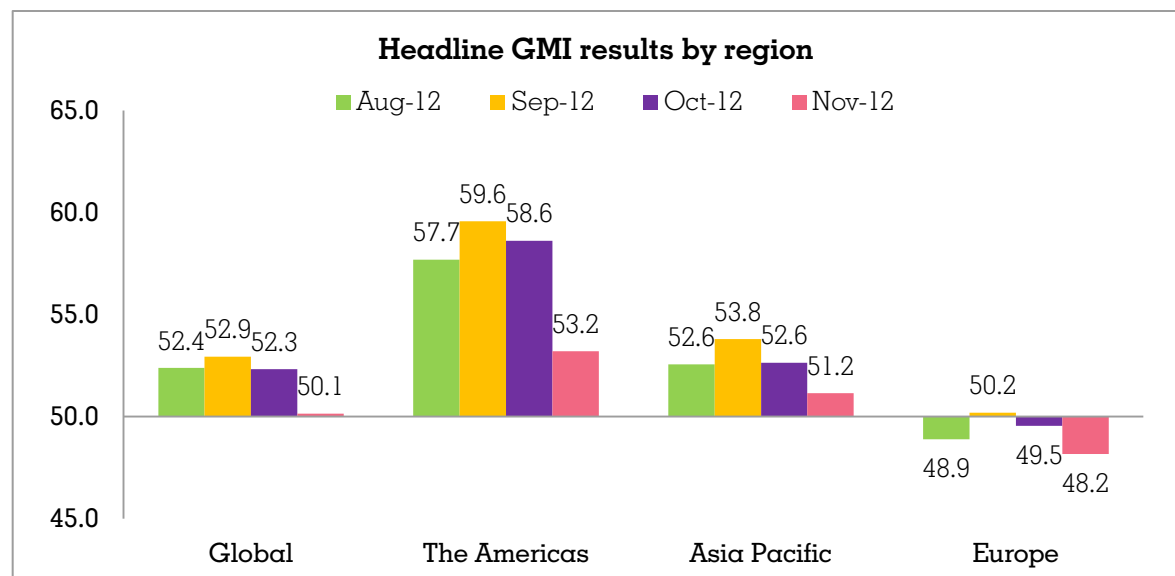
Marketers grow more pessimistic over budgets in November

- Marketing budgets are cut in Asia Pacific and Europe and remain static in the Americas
- Trading conditions improve worldwide
- Staffing levels rise everywhere but Europe
- The headline GMI reading shows improvement in the Americas and Asia Pacific but remains negative in Europe

London, 22 November 2012

WarC's headline **Global Marketing Index (GMI)** shows mixed conditions for marketers in November.

The headline GMI, a metric which combines monthly responses from a global panel of marketers regarding trends they have observed in marketing budgets, trading conditions and staffing levels, recorded a reading of 50.1 this month.



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

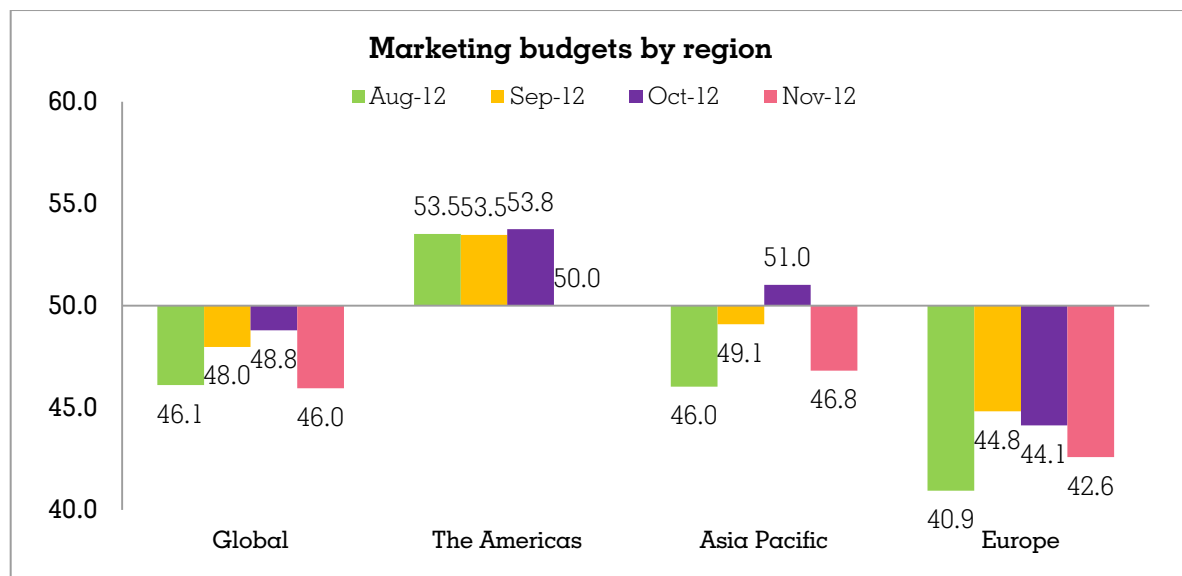
This is the lowest headline reading since the Index began in October 2011. By global region, the Americas continues to be the most positive (53.2), followed by Asia Pacific (51.2). Europe remains in negative territory (48.2).

The GMI, 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.

There were mixed signals from the three individual components that contribute towards the headline GMI metric.

The index for global trading conditions shows growth on 53.4, largely in line with October's reading (54.7). Within this, Asia Pacific registered significant growth (55.2), the Americas recorded 53.0 and Europe maintained the same reading as last month on 52.5.

Marketing budgets dropped to their lowest index value since November 2011. The index now stands at 46.0 globally, representing a sharp drop from October's 48.8. Marketers in the Americas failed to record improving budgets for the first time in 13 months, registering a neutral value of 50.0. Their counterparts in Asia Pacific cut budgets sharply in November (46.8), and Europe witnessed the steepest regional decline on 42.6.



Above 50.0 = generally improving; below 50.0 = generally declining

The global index of staffing levels – the third component of headline GMI – indicates that conditions are generally improving worldwide (51.1), but at a slower rate than previous months. For the first time, European marketers registered a drop in the number of employees compared with last month (49.4). Conditions remain positive in both the Americas (56.6) and Asia Pacific (51.4).

Suzy Young, Data Editor at Warc commented, "Following President Obama's re-election, attention has once again focused on the global economic situation. It is a tricky time for marketers worldwide and many have chosen to adopt a 'wait and see' approach when it comes to budget setting in the short term."

Warc is recruiting for the Global Marketing Index panel. Please refer colleagues and contacts to: <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 November 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, is the largest single source of intelligence for the marketing, advertising and media communities worldwide.

About World Economics

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