# Improving trading conditions boost marketer optimism

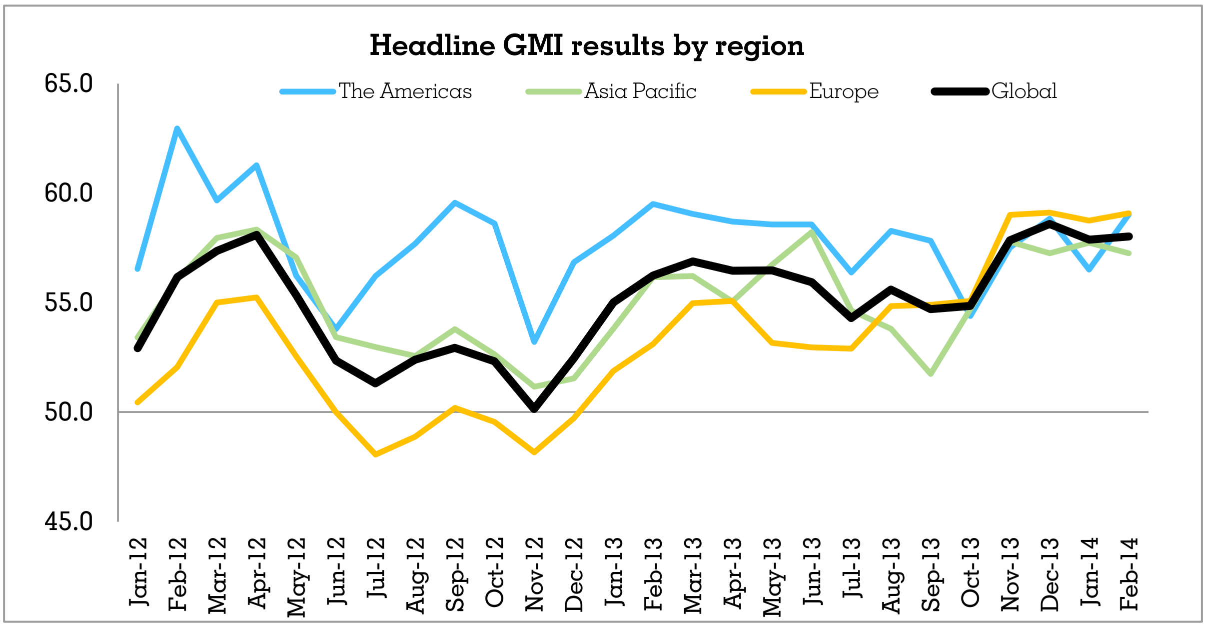
- **Headline GMI increases in February, backed by improvement in business conditions in the Americas**
- **Marketing budget growth slows, but planned spend continues to rise**
- **Staffing levels continue to increase in all regions**

London, 20 February 2014

Marketers' optimism was underpinned by rapidly improving trading conditions in February, according to data from Warc's **Global Marketing Index**.

The headline GMI measure – which takes into account marketers' expectations for marketing budgets and staffing levels as well as trading conditions – recorded a reading of 58.0 in February, a rise of 0.1 points from January.

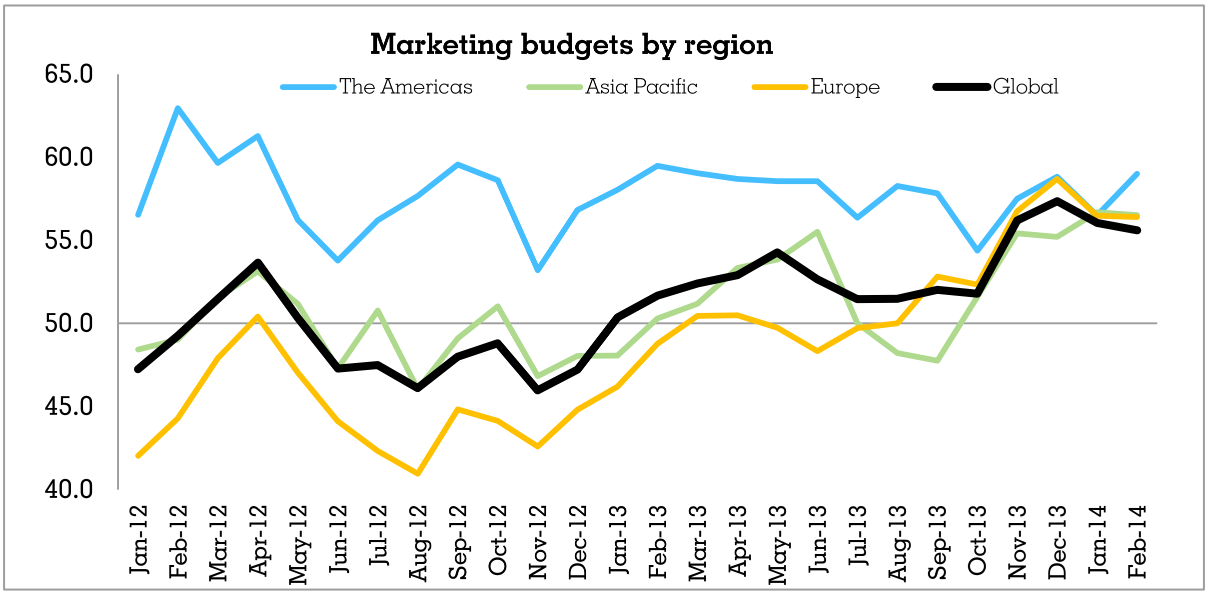
This modest rise in the global headline figure was due mostly to increased optimism in the Americas: the headline GMI for the region recorded 59.0, up 2.5 points from January. Europe's headline index also rose: from 58.7 in January to 59.1 this month, while confidence in Asia Pacific dipped slightly from January to 57.2.




*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.

Globally, the outlook for trading conditions, one of the components of the headline GMI, continues to indicate strong optimism at 61.6, a 0.7 point rise month-on-month. The index has now recorded a global value in excess of 60.0 for the fourth consecutive month. Confidence is highest in Europe, which reported a 62.8 point index value for February, followed by Asia Pacific on 61.3 and the Americas on 61.2.




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

The reading for the index of marketing budgets, the second component of the headline GMI, declined globally in February, but still indicated a net monthly increase in expenditure. The global reading on this metric stood at 55.6 – down half a point from 56.1 in January.

February's results suggest marketers in Asia Pacific are still looking to increase spend, recording a value of 56.5, in line with January's 56.7. The index of marketing budgets in Europe also remained consistent with last month on 56.4, and the index for the Americas grew 1.1 points to 55.1.

Lastly, the global index of staffing levels continued to indicate increased hiring on 56.9. The highest levels of recruitment were seen in the Americas (60.7), followed by Europe (58.0) and Asia Pacific (53.9).

Suzy Young, Data and Journals Director at Warc, said: "The outlook for global marketers remains very positive in February, as overall business conditions start to show consistency across all regions for the first time."

Warc is recruiting for the Global Marketing Index panel. For more details, please visit: http://www.warc.com/gmi

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**For enquiries:**
Suzy Young, Warc
suzy.young@warc.com, +44 (0)20 7467 8140
**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: 3–14 February 2014. 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.

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