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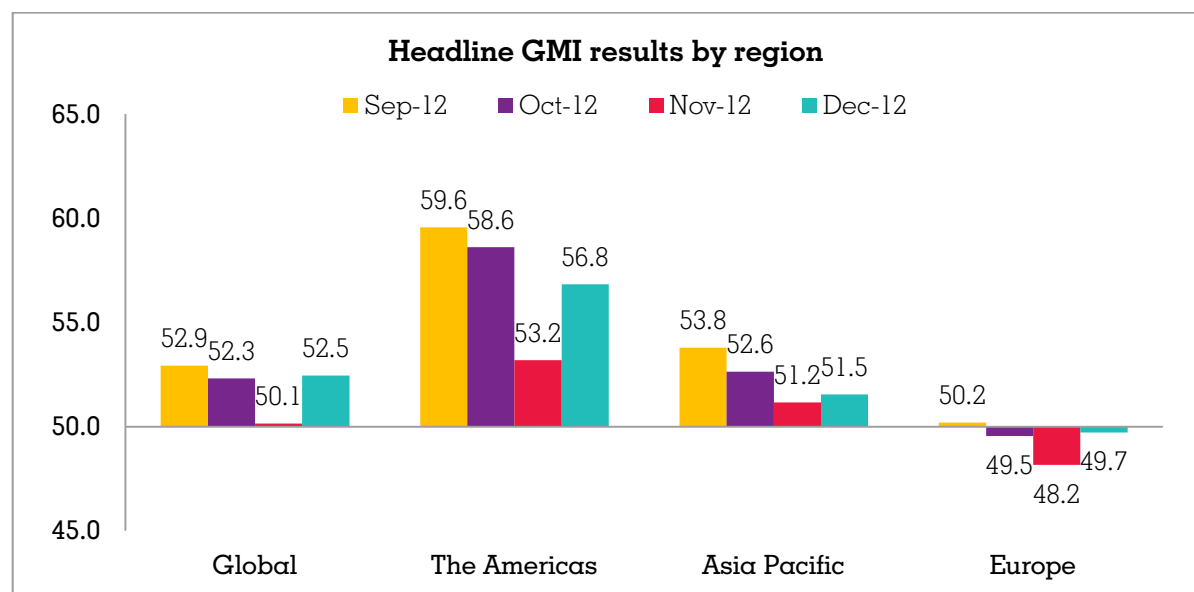
## Headline GMI boosted by improved trading conditions

- Outlook for global trading conditions rises to highest level since May 2012
- Marketing budgets continue to be cut in both Asia Pacific and Europe
- Marketers in the Americas keep budgets unchanged
- Staffing levels show growth in all regions

London, 20 December 2012

Marketers reported a generally improving outlook in December, according to Warc's **Global Marketing Index**.

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 52.5 this month.



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

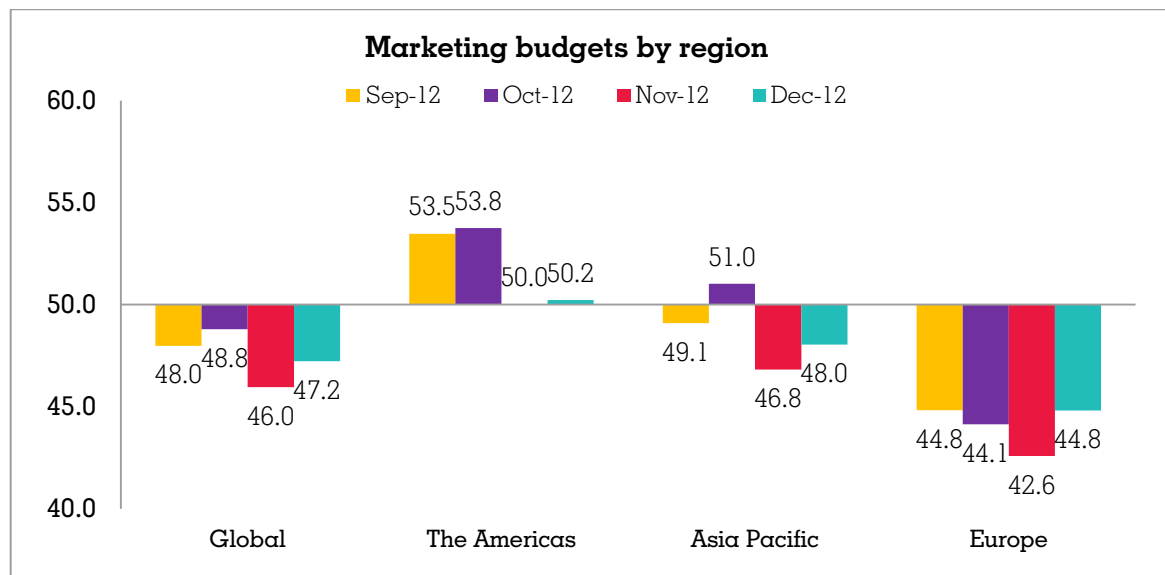
This represents an improvement compared with November and is in line with findings from the August–October period. By region, the index for the Americas showed the strongest expansion on 56.8 and conditions in Asia Pacific also improved (51.5). European marketers remain the least positive with an index value of 49.7.

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.

In December, there was improvement across all of the three individual components that contribute towards the headline GMI metric.

The index for global trading conditions showed significant improvement on 57.1, up from 53.4 in November. This represents the highest reading recorded since May 2012. The index for the Americas increased to 61.1, followed by Asia Pacific on 55.6 and Europe on 54.1.

Marketing budgets continued to show a decline globally in December. The index recorded a value of 47.2, an improvement on last month and in line with conditions experienced during June–July. European marketers remain the most pessimistic and expect budgets to continue to fall (44.8). In Asia Pacific budget expectations improved slightly but still recorded a net decline (48.0), while marketers in the Americas registered a near-neutral value of 50.2.



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

The global index of staffing levels – the third component of headline GMI – showed a modest improvement in December on 53.0. By region, the index for the Americas indicated rapidly rising levels of employment with a reading of 59.2, with Asia Pacific on 51.0 and Europe on 50.2.

Suzy Young, Data Editor at Warc, commented, "The outlook for global trading conditions is positive according to the December data, but this confidence has not carried over to budget setting. There remain a number of risks to future global economic growth and marketing strategies are, consequently, defensive."

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: 3–14 December 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.

**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)