Marketer confidence rises as mobile spend is set to rocket

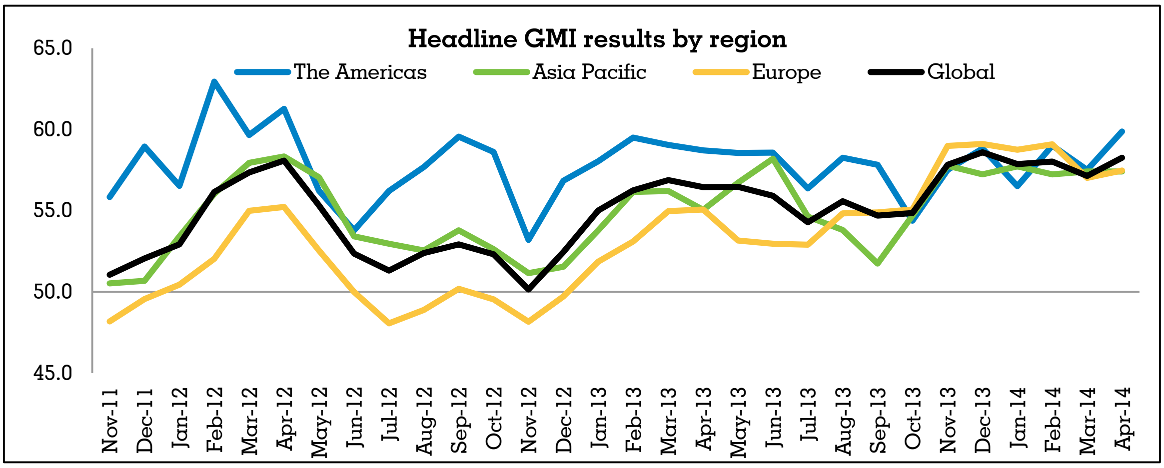
- **Headline GMI up 1.1 points against March and 1.8 points year-on-year to 58.3**
- **Planned mobile spend is set for strongest growth in over two years**
- **Trading conditions in the Americas return to highs of April 2012, while Europe remains steadfast amidst uncertainty in Ukraine**

London, 24 April 2014

Global marketing budgets continued to rise into the second quarter of 2014, underpinned by a strong increase in planned mobile and digital (excluding mobile) spend, according to the latest data from Warc's **Global Marketing Index**.

Across all regions, the headline GMI measure – which takes into account marketers' expectations for trading conditions and staffing levels as well as marketing budgets – recorded an index reading of 58.3 in April, a rise of 1.1 points from March.

Of the three regions featured, overall marketer confidence was highest in the Americas on 59.9 (up 2.4 points). Europe's headline index also rose, from 57.0 in March to 57.5 in April, while confidence in Asia Pacific remained high at 57.4. However, this represented flat growth month-on-month.

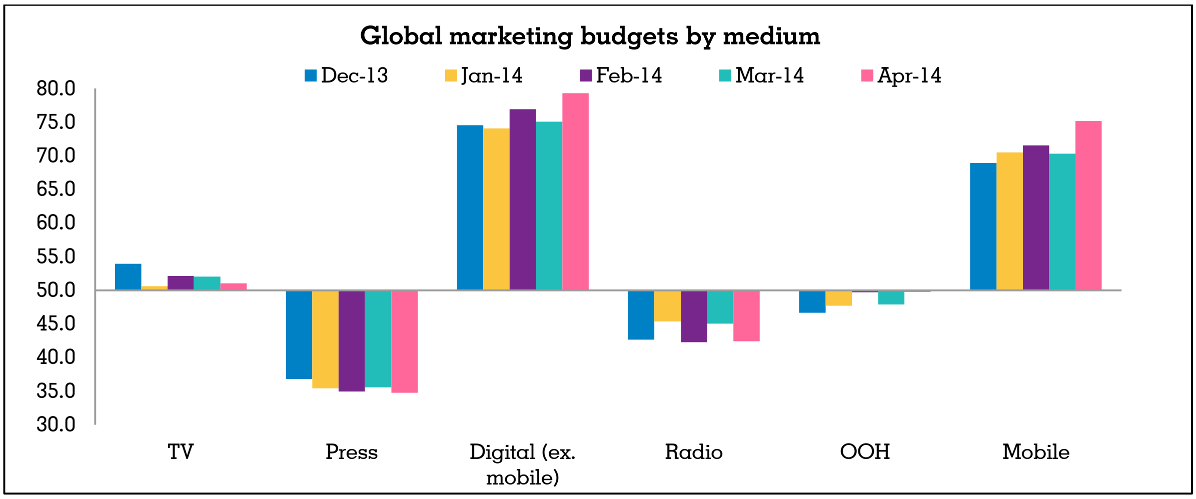


Above 50.0 = generally improving; below 50.0 = generally declining

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.

The uptick in the global headline index was partly driven by a rise in the index for global marketing budgets. The index continued to indicate a net monthly increase in planned expenditure, recording 55.6 in April, a month-on-month gain of 1.4 points.

Within this, mobile and digital (excluding mobile) looked set to maintain strong budget growth relative to other media, with index gains across all regions. Planned digital spend rose by 4.2 points to 79.3, while mobile advertising's index value of 75.2 marked a 4.9 point growth from March. The reading suggests marketers are willing to increase mobile budgets at a greater rate than at any other time over the last two years.



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Globally, the outlook for trading conditions, the second of the three components of the headline GMI, continues to indicate strong optimism at 61.1, although this is a 1.4 point fall from March. Trading conditions in Europe showed the greatest decline in index value, down 4.6 points to record 58.9 in April, possibly due to continued uncertainty in Ukraine. The same index for Asia Pacific also dipped 2.8 points to 60.4. Conversely, the index for trading conditions in the Americas rose 3.1 points this month to 63.5, equalling levels not seen since April 2012.

The third and final component of the headline GMI – the index of staffing levels – climbed by 3.3 points in April to reach 58.0. The highest growth in recruitment was seen in the Americas (60.5), followed by Europe (58.2) and Asia Pacific (56.3).

Suzy Young, Data and Journals Director at Warc, said: "This is another month of strong data, signalling that marketers are becoming increasingly optimistic within the broader economic improvement. The very sharp increase in planned mobile spend is especially striking this month, and signals that the general shift in marketing budgets towards digital could actually be accelerating in the months ahead."

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: 7–18 April 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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