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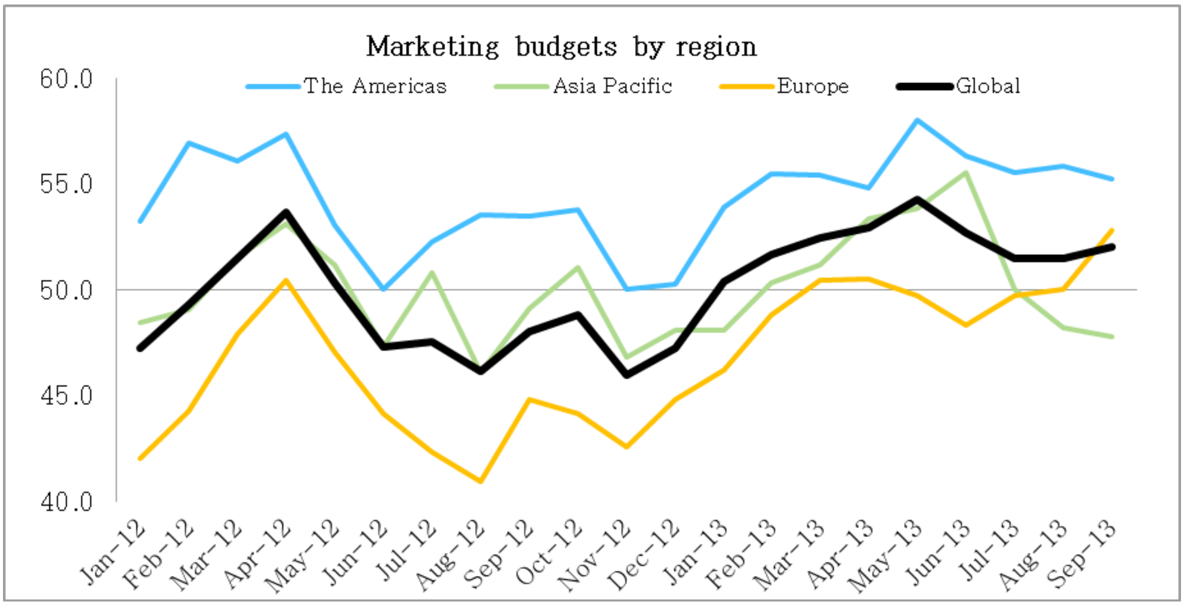
European marketing budget outlook improves

- **Global marketing budgets rise, led by Europe and Americas but dampened by three month decline in Asia Pacific, according to latest Global Marketing Index**
- **Headline GMI dips 0.9 points but remains positive globally**
- **Trading conditions and staffing levels continue to improve**

London, 19 September 2013

In September the business outlook for marketers around the world held positive, according to **Warc's Global Marketing Index.** Improved conditions in Europe and steady optimism in the Americas offset a decline in every reading for Asia Pacific.

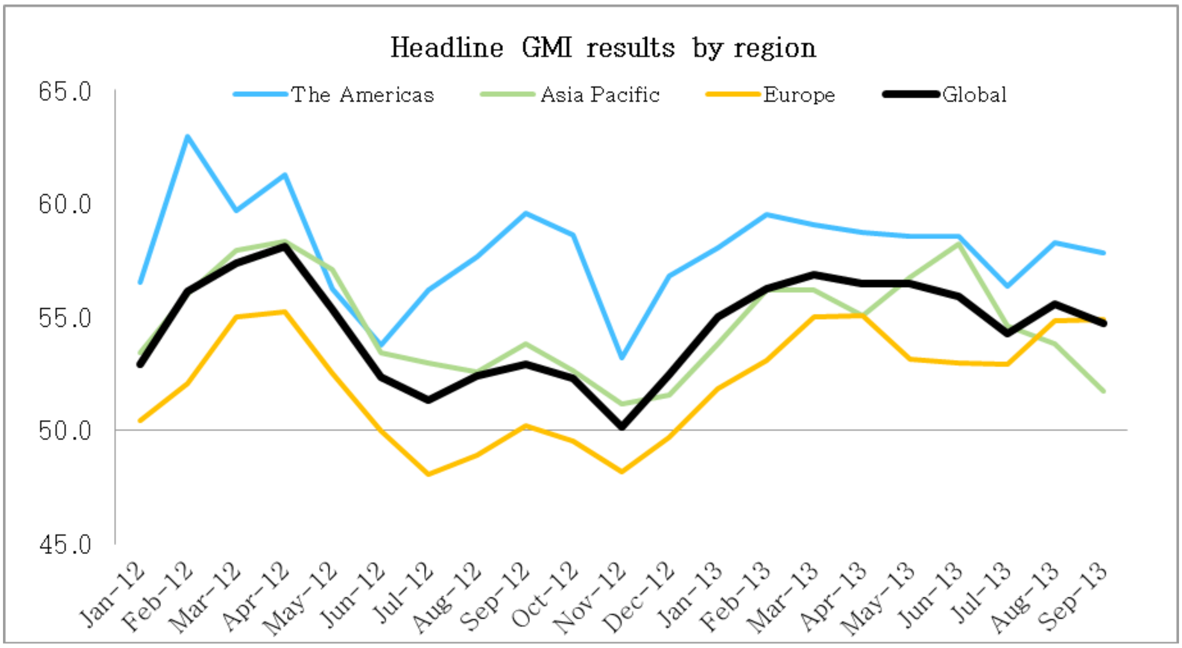
The global index for marketing budgets rose 0.5 points to 52.0, suggesting an increase in spending overall. In Europe, the index for budgets rose 2.8 points to 52.8: the region's highest reading since the Index began in October 2011. Asia Pacific, on the other hand, saw a third month of declining spending, falling 0.4 points, to 47.8. The Americas reading once again suggested strong growth for expected budgets, on 55.2, though this was a 0.6 point decline from August.



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 global headline GMI – a metric combining all three components: budgets, trading conditions and staffing levels – remained positive, despite falling back slightly to 54.7 in September. The sharpest monthly drop came in Asia Pacific, which fell 2.1 points to 51.7. Europe and the Americas saw very little change, rising 0.1 point to 54.9 and falling 0.5 points to 57.8, respectively.



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

The global index of trading conditions, the second component of the headline GMI, was positive this month, on 55.6, a fall of 1.5 points from August. Asia Pacific's index fell to its lowest recorded level, 52.2, down 2.8 points. Conditions in Europe improved, with the index rising by 0.4 points to 55.6, while the index for the Americas fell by 0.8 points to 60.4.

Lastly, the global index of staffing levels continued to indicate increased hiring in every region, despite falling 1.7 points to 56.5. The index stayed stable in the Americas, on 57.8, fell 3.0 points in Asia Pacific, to 55.2 and also fell in Europe, by 3.1 points, to 56.2.

Tom Bristow, Assistant Data Editor at Warc, said: "Europe's sudden jump in its marketing budget index is a good sign for the region's marketing industry, if it is sustained in future months. Asia Pacific, on the other hand, has now seen three months of stagnant or falling marketing budget expectations."

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: 2–13 September 2013. 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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