

# Global Marketing Index, March 2012

## Monthly report for contributors

### Marketing budgets increase as global confidence improves

- Marketers in the Americas and Asia Pacific drive global growth
- European marketers continue to cut budgets
- Global trading conditions improve for a fourth consecutive month

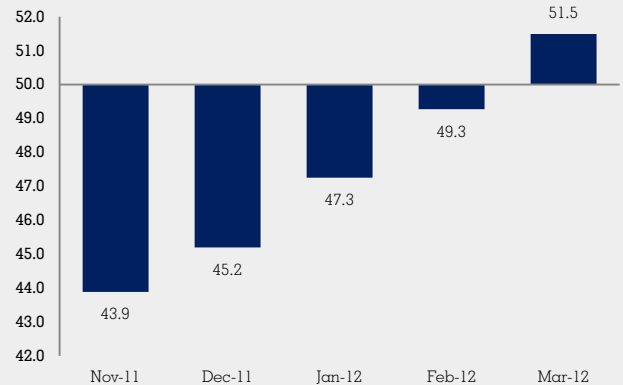
#### Executive summary

Global marketing budgets moved into positive territory (51.5) for the first time on record in March, according to Warc's **Global Marketing Index (GMI)**. The index has been showing signs of steady improvement since reaching a low point of 43.9 back in November last year. Marketers in both the Americas (56.1) and Asia Pacific (51.6) expected budgets to increase in March, but their counterparts in Europe are still cutting back (47.9). However, the European data show a consistently improving picture since December's low point of 40.8.

These results provide the earliest available measures of global business and marketing activity calculated from March data. The global headline GMI index (based on a combination of data for trading conditions, marketing budgets and staffing) currently stands on 57.4, up from February's 56.2. Region by region, the Americas continues to see the most rapid growth: its headline GMI index is 59.7, although this represents a drop from last month's 62.9. Compared with the strong February data, the component indices for the Americas have decreased but remain robust.

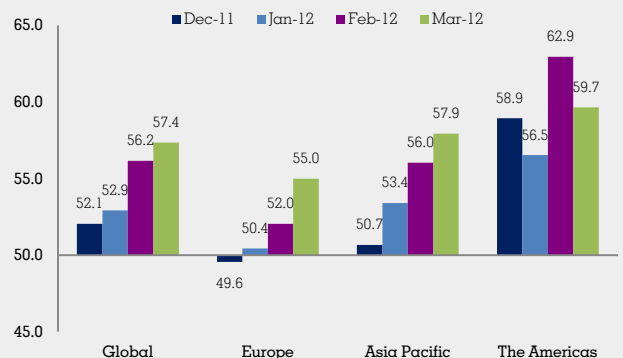
The headline GMI index for Asia Pacific is rising: up from 56.0 last month to 57.9. As a result, it is now above the global index. Trading conditions (61.8) and staffing levels (60.5) in Asia Pacific have improved compared with previous months, while marketing budgets have registered net growth (51.6) for the first time since the survey began six months' ago. The global macroeconomic outlook has improved in recent weeks, with the recession in Europe showing signs of being less severe than initially anticipated.

Global marketing budgets



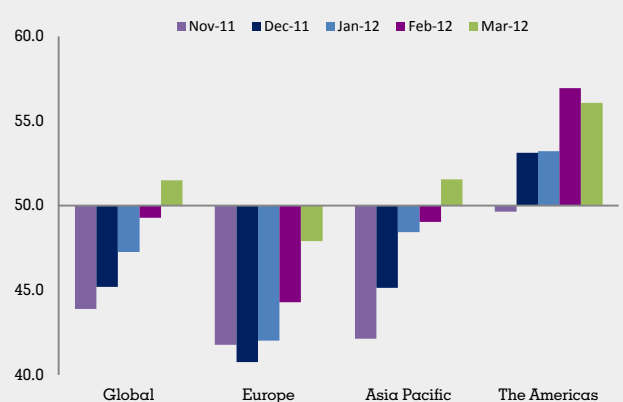
Above 50.0 = generally improving  
Below 50.0 = generally declining

Headline GMI results by region



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

Marketing budgets by region



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This brighter outlook is supported by further increases in the headline GMI index for Europe, which rose to 55.0 this month from 52.0 in February.

Global business conditions and marketing budgets may be on the rise, but this has not stemmed the flow of expenditure away from the traditional media. Digital (78.9) and mobile (71.2) marketing channels continue to attract marketing spend at the expense of other media. TV and out of home are still just below the no change level of 50.0, at 48.8 and 48.1 respectively, while press (36.1) and radio (42.3) continue to suffer more severe reductions in expenditure. It should be noted that press, radio and out of home did register small index increases in March, while digital, mobile and TV recorded slight dips.

Additionally, the allocation of marketing budgets does vary by global region. The Americas, where growth in marketing budgets is strongest, has TV in positive territory (52.6), ahead of the global index. But radio in the Americas registered 40.4, slightly below the global index.

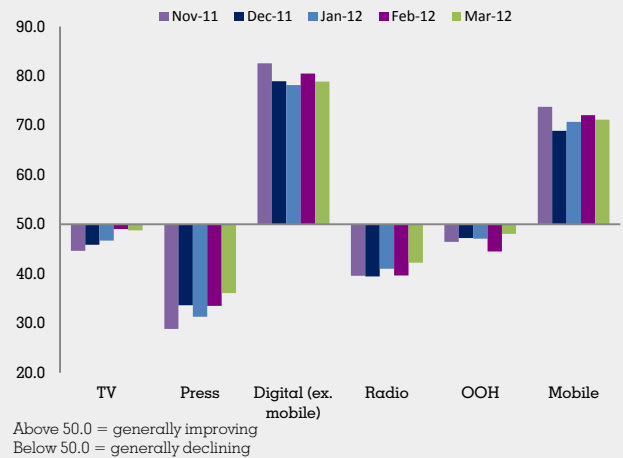
The global trading conditions GMI component index rose marginally from 59.7 in February to 60.8 in March. Both Europe and Asia Pacific have witnessed further improvement, rising to 59.2 and 61.8 respectively. The index for trading conditions in the Americas has fallen from February, and currently stands slightly below Asia Pacific on 59.9. While the Americas has been consistently more positive than other regions in previous months, the general outlook for all regions is now more balanced, between 59.2 and 61.8.

Similar trends were observed in the GMI worldwide staffing component index. The global figure remains largely unchanged on 59.8 (compared with 59.5 in February), but the indexes across the global regions are smoothing out. Recruitment rates among marketers remain strong: Europe (57.9) and the Asia Pacific (60.5) recorded their strongest index scores to date in March. The Americas remains the most optimistic region, despite dropping back from 65.8 last month to a score of 63.1 this month.

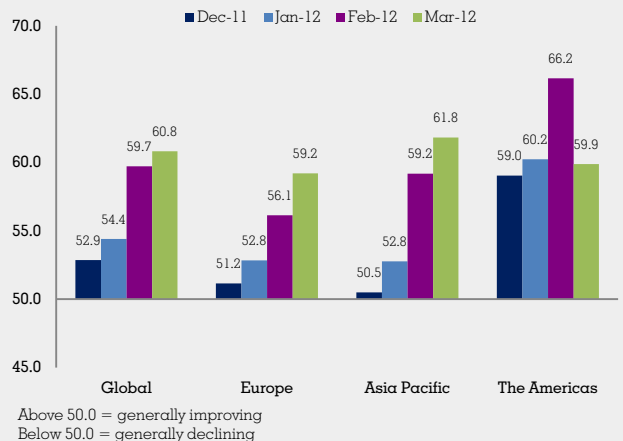
Warc is recruiting for the Global Marketing Index panel. Please refer colleagues and contacts to:

<http://www.warc.com/gmi>

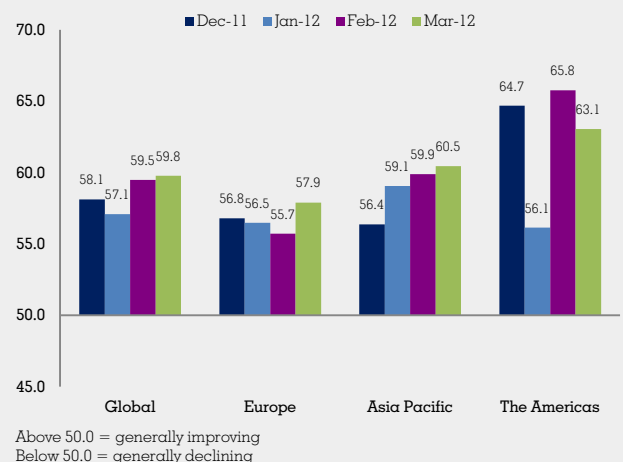
Global marketing budgets by medium



Trading conditions by region



Staffing levels by region



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### 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 (1,295 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 March 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.

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**For more information about the Global Marketing Index:**  
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Please visit the **Global Marketing Index** for further information or to register for the panel  
[www.warc.com/gmi](http://www.warc.com/gmi)

### 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. With subscribers in over 100 countries, [warc.com](http://warc.com) is a unique resource relied upon by major creative and media agency networks, market research companies, media owners, multinational advertisers and business schools, to help tackle any marketing challenge. In addition to the online service, Warc publishes five magazines, provides industry data and runs events.

To find out more about Warc, take a free trial at [www.warc.com/trial](http://www.warc.com/trial)



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