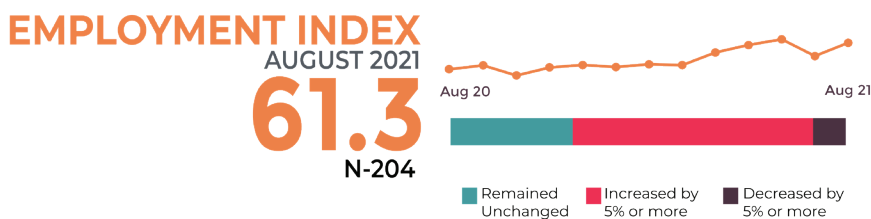
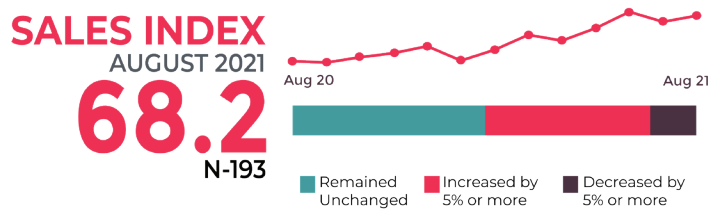


AS EXPECTED, A REBOUND

AVIXA®, the Audiovisual and Integrated Experience Association, has published the monthly Pro AV Business Index since September 2016, gauging sales and employment indicators for the pro AV industry. The index is calculated from a monthly survey that tracks trends. Two diffusion indexes are created using the data: the AV Sales Index (AVI-S) and AV Employment Index (AVI-E). The diffusion indexes are calculated based on the positive response frequency from those who indicated their business had a 5% or more increase in billings/sales from the prior month plus half of the neutral response. An index of 50 indicates firms saw no increase or decline in the business activity; an index of more than 50 indicates an increase, while an index less than 50 indicates a decline.



“Colleges are in a weird place when it comes to AV right now. Some want to go back to the old ways of in-person only with limited AV use, whereas others want to continue hybrid learning. The real trick will be to find a way to integrate the hybrid teams with the AV teams in order to have seamless work.”

- END USER, NORTH AMERICA

HIGHLIGHTS:

- Strong growth continued in August, as the pro AV sales index (AVI-S) registered 68.2. This month’s high pace of growth meant that the three-month average this summer was 67.9, the highest three-month average for any period in the history of our index. The 68.2 August mark was also an acceleration from July when the index registered a still rapid 66.0. Despite the positive growth, there were many negative comments, which primarily referenced either the Delta variant or supply difficulties. The silver lining to the negative comments is that the pinch from these two negatives is likely temporary, with COVID-19 case counts appearing to have just passed their peak (as of mid-September) and [recent AVIXA research](#) suggesting supply issues will show improvement in most areas by the start of 2022.
- A large piece of the current supply trouble is the rising cost of shipping. The [Friehtos Baltic Index](#) global freight index reached its highest weekly close in history on September 10, a level more than 5x higher than the same point in 2020 and almost 10x higher than the same point in 2019. In the report we referenced in the previous bullet, we highlighted that while microchips have been commonly cited as the primary cause of AV supply difficulties, the pandemic, uncertainty, and rebounding demand were all more significant causes. The freight prices are a direct product of these causes, as they largely reflect

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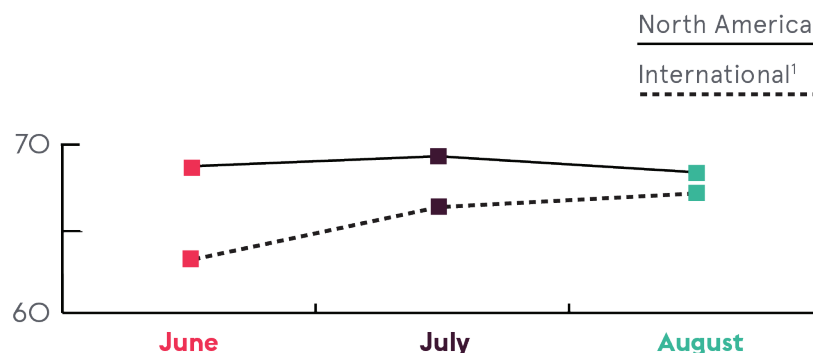
HIGHLIGHTS: *(continued)*

pandemic-caused port and border closures, with this summer’s demand rebound an exacerbating factor.

- Before August, the July AV employment index (AVI-E) was a disappointment, coming in substantially lower than June and showing only modest payroll growth. In our write-up about the results, we predicted a rebound for August. Happily, we can now report that a rebound is exactly what happen, as the AVI-E accelerated from 55.7 in July to 61.3 in August. In the wider economy, the news was less positive. The U.S. employment market added only 235,000 jobs in August, well under the 720,000 that economists had been predicting. The leisure and hospitality sector was one of the harder hit sectors in August, while education and professional and business services added significant numbers of jobs. Integrators and AV suppliers can expect to see some of this pattern reflected on their project pipeline in the short term.

INTERNATIONAL OUTLOOK

In line with expectations, the gap between sales growth in North America and the rest of the world continued to shrink in August. In the initial reading for August, North American growth decelerated slightly from 69.3 to 68.3, while the rest of world growth accelerated a half-point from 66.7 to 67.2.² This now marks seven consecutive months of accelerating sales growth for the rest of world category, while the slight deceleration in North America snapped a seven-month acceleration streak for the region. Going forward, we expect to see further acceleration in both regions, though it may not happen next month; supply issues and the pandemic are both significant headwinds, and growth is already at a remarkably high pace.



Global regional indexes are three-month moving averages (based on prior, forward and current months) due to relative small ample size.

“With [the Delta variant] running around now, a lot of clients are again dialing back their wants and needs. Business was picking up as things were getting back to normal, now however they have dropped a little.”

– INTEGRATOR, NORTH AMERICA

¹ International regions include Europe, Latin America, Middle East/Africa, Asia-Pacific

² Due to the small sample, the North American and International indexes are based on a 3-month moving average. August 2021 index is preliminary, based on the average of July 2021 and August 2021 and will be final with September 2021 data in the next report.

METHODOLOGY

The survey behind the AVIXA Pro AV Business Index was fielded to 2,000 members of the AVIXA Insights Community between August 30, 2021, and September 7, 2021. A total of 351 Insights Community members completed the survey. Only respondents who are service providers and said they were “moderately” to “extremely” familiar with their company’s business conditions were factored in index calculations. The AV Sales and AV Employment Indexes are computed as diffusion indexes, with the monthly score calculated as the percentage of firms reporting a significant increase plus half the percentage of firms reporting no change. Comparisons are always made to the previous month. Diffusion indexes, typically centered at a score of 50, are used frequently to measure change in economic activity. If an equal share of firms reports an increase as reports a decrease, the score for that month will be 50. A score higher than 50 indicates that firms in aggregate are reporting an increase in activity that month compared to the previous month, while a score lower than 50 indicates a decrease in activity. Any score higher than 50 indicates an increase in activity.

“It’s still quite bumpy, with the continued uncertainty. We continue to book our 2 studios that we spun up during the spring last year, but that comes out to roughly half of the volume and revenue that we enjoyed pre-pandemic.”

– RENTAL AND STAGIING, NORTH AMERICA

ABOUT THE AVIXA INSIGHTS COMMUNITY

The AVIXA AV Intelligence Panel (AVIP) is now part of AVIXA’s Insights Community, a research group of industry volunteers willing to share their insights on a regular basis to create actionable information. Members of the community are asked to participate in a short, two-to-three-minute monthly survey designed to gauge business sentiment and trends in the AV industry. Community members will also have the opportunity to participate in discussions, polls and surveys.

Community members will be eligible to:

- Earn points toward online gift cards
- Receive free copies of selected market research
- Engage directly with AVIXA’s market intelligence team to help guide research
- Ask and answer other industry professionals’ questions

The Insights Community is designed to be a global group, representative of the entire commercial AV value chain. AVIXA invites AV integrators, consultants, manufacturers, distributors, resellers, live events professionals, and AV technology managers to get involved. If you would like to join the community, enjoy benefits, and share your insights with the AV industry, please apply at avip.avixa.org.