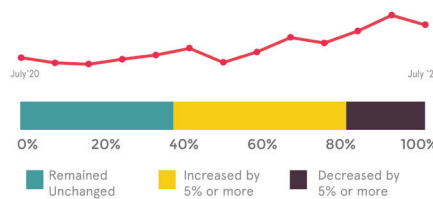


## GROWTH REMAINS STRONG DESPITE RISING DELTA WAVE

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.

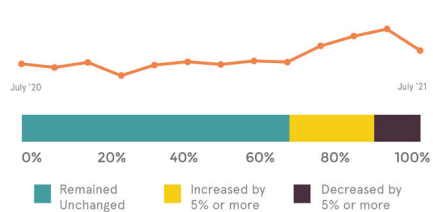
### SALES INDEX JULY 2021

**66.0**  
N-174



### EMPLOYMENT INDEX JULY 2021

**55.7**  
N-178



“At least for now, the volume of work seems to be leveling out to be about like it was in 2019 and before. Backorder and shipping delays are still causing issues, but it seems like this is easily understood by customers because the supply chain issues are not specific to our industry, and are being felt in consumer products as well..”

- LIVE EVENTS, NORTH AMERICA

## HIGHLIGHTS:

- July marked another good month for our industry, as the AV Sales Index (AVI-S) scored its second-highest figure since the start of the pandemic. At 66.0, the reading was a modest deceleration from the June mark of 69.6, but it was still comfortably ahead of any other mark set since the pandemic. In fact, this was the second-fastest growth month since 2018. Growth may have been slower than in June, but it was still very rapid! There were two clear business challenges in July: the rise of the delta variant and supply difficulties. With the delta variant, commenters pointed to its delaying effects on the return of live events and return to office. Supply was more of a “good” problem in that it was a challenge for companies that were experiencing high demand. Still, it is a barrier to growth work proceeds more slowly and companies are sometimes forced to turn down work.
- Second-quarter GDP in the U.S. was a mixed bag. At 6.5% annualized growth from the first quarter, the growth was strong and lifted the GDP level above its pre-pandemic high. But this figure was below expectations, which hovered close to 8.5%. We note that, due to its concentration in in-person industries, pro AV spending remains below pre-pandemic highs; for more detail, check out our latest edition of the [Industry Outlook and Trends Analysis \(IOTA\)](#) report series.
- Other major economic areas are at different points in their recoveries. In the EU, second-quarter GDP grew at a similar rate to the U.S. (6.1% annualized growth from the

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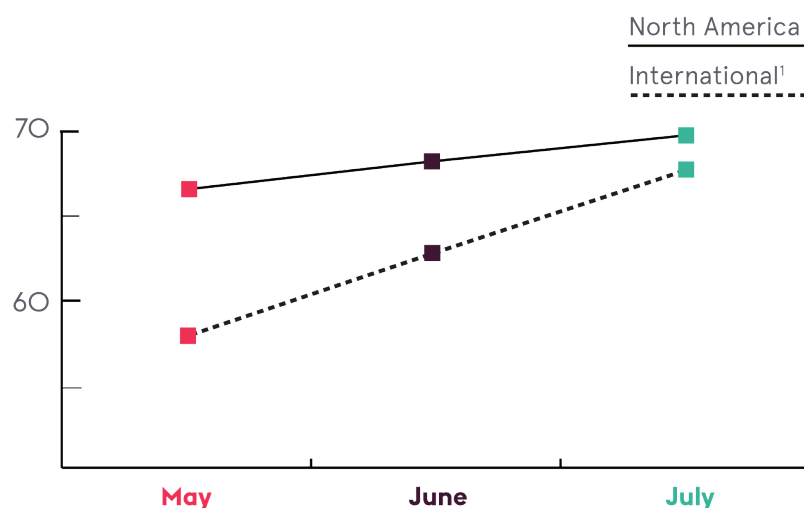
## HIGHLIGHTS: *(continued)*

first quarter), but its level remains below its pre-pandemic highs. China grew at the lowest rate (5.3%) but it stands out in that its GDP is already far beyond its pre-pandemic highs. When compared to the U.S. and the EU, the growth China is seeing is reflective of long-term trends rather than short-term recovery. In other words, though the growth was slower, it is also closer to expectations of long-term growth rates. For pro AV companies, China remains an excellent area to capitalize on economic growth.

- The AV employment index (AVI-E) was the disappointing note in this report. While payrolls continued to expand in July, they did so at a rate lower than in June, as the AVI-E subsided 62.8 to 55.7. This comes as something of a surprise since sales growth remained so strong and changes in employment trends tend to lag behind trends in sales. With that in mind, we predict that the July result was something of an outlier and that despite the newly rising case counts, the AVI-E in August will be similar or better than July. Another reason for our confidence that the comparatively low AVI-E was noise rather than signal is the overall U.S. employment, which recorded a gangbusters 943,000 new jobs and the unemployment rate drop from 5.9% to 5.4%. Added to this was a 0.4% increase in average hourly earnings, which computes to an annual rate of 4.9%. Altogether it's a remarkably strong report, and there's no reason for pro AV to be an exception. With that in mind, we're confident the slower July growth is a blip rather than a trend.

## INTERNATIONAL OUTLOOK

Our point of interest over the last few months has been the lead in growth that North America has had over the rest of the world. In the spring, we were confident it would persist for a least a few more months, but last month we started to wonder if the gap would finally close. Indeed it finally has, as the growth lead for North America dipped to just 1.8 points in the preliminary July reading.<sup>2</sup> North American growth measured 69.3 while international measured 67.5. We expect the gap to continue to close next months, with even a chance of international growth surpassing North American growth.



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

••••• **“**Return to the office initiatives have resulted in more new business. However, we are concerned about more delays now with the Delta variant. Already seeing it among large companies delaying.”  
 ••••• **– AV CONSULTANT, NORTH AMERICA**

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

<sup>2</sup> Due to the small sample, the North American and International indexes are based on a 3-month moving average. July 2021 index is preliminary, based on the average of June 2021 and July 2021 and will be final with August 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 July 29, 2021, and August 5, 2021. A total of 316 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.

“We are continuing to hold steady with our staffing, and have plenty of new orders. Getting equipment is the problem, though - manufacturers who could usually ship on demand are now quoting 16-20 week waits.”

– INTEGRATOR, 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](http://avip.avixa.org).