

## GROWTH ACCELERATES AGAIN

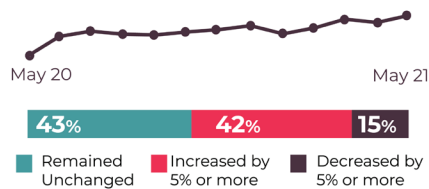
AVIXA®, the Audiovisual and Integrated Experience Association, has published the monthly Pro AV Business Index since September 2016, gauging sales and employment indicators for the pro AV industry. The index is calculated from a monthly survey that tracks trends. Two diffusion indexes are created using 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

MAY 2021

**63.7**

N-195

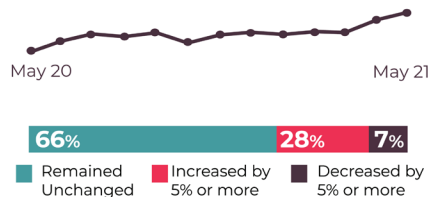


### EMPLOYMENT INDEX

MAY 2021

**60.4**

N-193



“Clients keep booking into Fall 2021 with virtual-only meetings and events. Very few Hybrids are even in the conversation for us at the moment. No hotel or convention center purely in-person events on the books through the remainder of 2021. Business is up overall over 2020.”

– LIVE EVENTS, NORTH AMERICA

## HIGHLIGHTS:

- AV sales growth accelerated to new pandemic-era highs in May as the AV sales index (AVI-S) reached 63.7. This is up 4.5 points from the already strong 59.2 mark observed in April. In fact, it’s the highest level since August 2019. Improvements in the pandemic situation are the primary driving force behind the AV spending surge, with greater international proliferation of vaccines combining with major declines in global case counts to add significant fuel to the economic engine. Part of this story is not simply the virus but how the virus affects business and consumer sentiment. The good news on the pandemic creates rising confidence, which fuels investments in construction, renovation, and tech upgrades. While overall positive, comments this month continued to show a mix of conditions. For example, some live events providers were optimistic about in-person events approaching full capacity while others found themselves continuing to operate solely on virtual events. The positive spin here is that continued limitations in consumer activity due to the pandemic mean that there are still a few brakes on growth that will release in the coming months.
- Supply chain issues have been a growing area of challenge in the economy in general and the AV world in particular. There are two main

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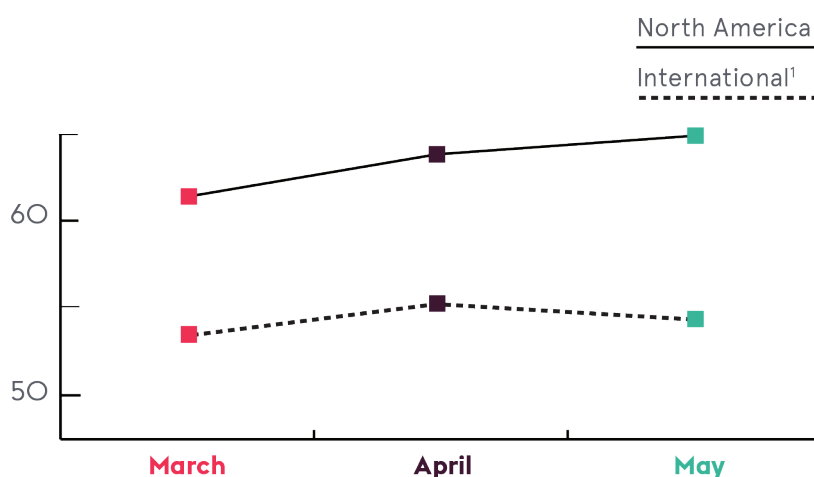
## HIGHLIGHTS: *(continued)*

causes for current supply chain issues: unpredictability and growth. Unpredictability has factored in as companies have underestimated certain types of demand such as for cars (and therefore microchips) or for lumber. Add in the rapid growth seen in recent months and you have a situation where supplies of many key products are below ideal levels. We're planning a deep dive into how this issue is impacting AV, but one finding we can highlight now is that most AV buyers report prices 5-10% higher than before the pandemic.

- In May, the AV employment index (AVI-E) saw a major acceleration for the second month in a row, leading the index to top 60 (60.4 specifically) for the first time since 2019. While the AVI-E has been above the no-net growth level of 50 for a total of 9 months since the onset of the pandemic, May's figure marks just the second month since the pandemic that AV payrolls have expanded substantially. This is a heartening result for our community since it means 1) that businesses are doing well enough to start significant hiring binges and 2) AV professionals who have been unemployed or underemployed are facing better career prospects. The strong AV growth was matched in the wider economy, with the U.S. employment numbers showing 559,000 jobs added and unemployment dipping from 6.1% to 5.8%.

## INTERNATIONAL OUTLOOK

The preliminary regional May AVI-S marks show that growth is shared but not equal around the world.<sup>2</sup> Thanks primarily to the reopening U.S. economy, the North America sales index reached 65.0, just 3.4 points off its record high. On the international side, growth was less impressive, measuring in at just 54.3. We expect large gaps to persist in the coming months since the U.S. is on average ahead of the rest of the world in the fight to beat back the pandemic and get back to normal. We also expect both regions to continue to accelerate their growth—especially International given where it is right now.



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

“In the short term, we're quite busy with delayed 2020 projects in addition to new 2021 projections that have begun. We're starting to see supply chain issues and cost increases associated with the chip shortage and global logistic challenges.”

– INTEGRATOR, 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. May 2021 index is preliminary, based on the average of April 2021 and May 2021 and will be final with June 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 May 27, 2021, and June 4, 2021. A total of 350 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.

“As a live theatre we’re seeing a return to full capacity June 12th, and given some more recent attendance numbers, we’re very hopeful that the increased capacity will lead to greater occupancy. This will, in turn, impact our revenue which will allow us to restore some previously ‘paused’ projects around our hardware and other things.”

– LIVE EVENTS, 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](https://avip.avixa.org).