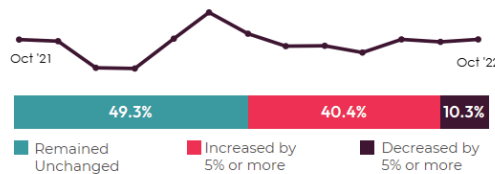


## PRO AV INDEX ON PACE FOR RECORD YEAR

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 survey: 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 business activity; more than 50 indicates an increase, while less than 50 indicates a decrease.

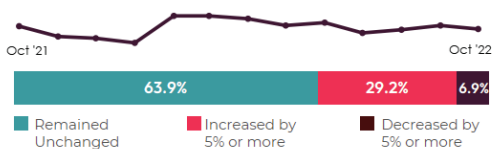
### SALES INDEX OCTOBER 2022

65.1



### EMPLOYMENT INDEX OCTOBER 2022

61.2



“Supply chain issues continue to plague us, but we’ve found some secondary suppliers who have really stepped up to the plate and are doing great.”

– INTEGRATOR, NORTH AMERICA

## HIGHLIGHTS:

- From March to July, the AV Sales Index (AVI-S) appeared on a steady trend of moderation, with growth slowing from a record score of 72.7 to a strong but historically normal 61.4. When the index popped back up to 65.1 in August, the preceding months made us think blip rather than trend. But that August level—high growth above what was common pre-pandemic—has proven entirely true. In September, the AVI-S was a very similar 64.4, and in October it popped right back to 65.1. These consistently high scores have the AVI-S on pace for its highest average year of all time. The latest number comes against a backdrop of negative comments. Supply remains the lead concern, though it has plenty of company from hiring issues, COVID-19, recession concerns, and political worries.
- Supply remains at the top of the issue list for the AV industry. The ongoing troubles are causing a discussion of moving from “just in time” to “just in case.” There is genuine wisdom in this shift, but it’s important to consider the associated warehousing costs. Our research shows consumers are increasingly price sensitive, so caution is wise for investing in just in case. Looking ahead to next year, having significant supply on hand

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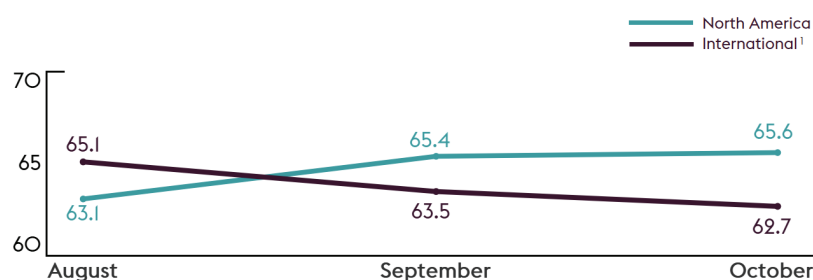
## HIGHLIGHTS: *(continued)*

risks burning companies. If the likely recession materializes, and especially if it turns out worse than expected, excess inventory could put you in a vulnerable position. Just in case may be the correct strategy but think carefully about what products are both critical and potentially at risk—ones with no easy substitute, ones where you have limited visibility into the sourcing, etc.—and consider limiting warehousing to these selected goods.

- October marked another strong month for hiring in pro AV. At 61.2, the AV Employment Index (AVI-E) was very similar to the 62.2 observed in September and the 61.0 observed in August. Just as for the AVI-S, the AVI-E is on pace for a record year of expansion. The strength in hiring markets is an economy-wide phenomenon too. In the US, the latest employment numbers reveal an addition of 261,000 jobs, a strong rate that signals a still robust labor market despite economic concerns. The unemployment rate ticked up from 3.5 to 3.7 percent, as an influx into the labor market outpaced the job gains. Overall, this is a strong report. Job gains are welcome, and so is the return of people to the workforce. While the labor market is only one component of inflation, seeing supply and demand come into closer equilibrium could help cool prices.

## INTERNATIONAL OUTLOOK

Polarities continue to shift in the international outlook. Over the summer, the international numbers were higher than the North America ones. That switched in September, as North America had a growth advantage of 0.3 in the initial reading. Now, in the initial reading for October, North America has a growth advantage of 2.9, 65.6 to 62.7.<sup>2</sup> Signs point to this growth advantage continuing and perhaps even growing in November, though all regions face economic threats that could quickly affect pro AV.



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

“We are experiencing a rebound in the area of projects and a small improvement in the economy, but we continue to have serious problems with inflation, the supply chain and in the political arena, our country is facing a serious situation due to an authoritarian government, endangering democracy [...] and therefore the economic and social stability of the country.”

– INTEGRATOR, LATIN 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. October 2022 index is preliminary, based on the average of September 2022 and October 2022 and will be final with November 2022 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 October 27, 2022, and November 3, 2022. A total of 261 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. The monthly score is 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. In contrast, a score lower than 50 is a decrease in activity.

“We are nearing the end of an exceptionally hectic late summer and fall, nearing our traditional slow season. We have been so operationally focused over the last three months [that] I fear our pipeline isn’t as robust as it needs to be. The optimist in me says we’ll have time to regroup, retool and get ready for 2023, the pessimist in me says we’ll see a mad rush to burn PTO and we’ll go into ‘23 playing a bit of catch-up.”

- 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).