

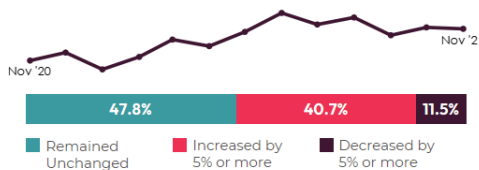
GROWTH REMAINS RAPID IN NOVEMBER

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; more than 50 indicates an increase, while less than 50 indicates a decline.

SALES INDEX

NOVEMBER 2021

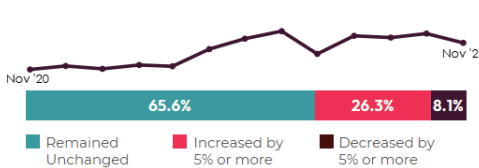
64.6



EMPLOYMENT INDEX

NOVEMBER 2021

59.1



“Relaxation of cross-border travel within Australia has enabled a greater volume of installations to take place. Chip shortages and global shipping delays are still having an impact on availability of some stock, though.”

– PROVIDER, ASIA PACIFIC

HIGHLIGHTS:

- The positivity of rapid growth observed in October continued in November, as the AV sales index (AVI-S) maintained its high level. At 64.6, the November AVI-S was just 0.5 points below the 65.1 observed in October. The bottom line for both of these months is rapid growth that’s comfortably above historical norms. For historical comparison, in November 2020, the AVI-S was 9.9 lower at 54.7 (which was then the highest level since the start of the pandemic). In November 2019, the AVI-S was 2.8 points lower at 61.8, and it was 3.1 points lower at 61.5 in November 2018. The two most commonly sighted challenges were—as usual in the second half of 2021—COVID-19 and supply chains. In a welcome signal of normalcy, many commenters also pointed out typical seasonal factors, such as an end-of-year spending push or a quiet season due to the approaching holidays or winter.
- Omicron is the top concern on most minds now as uncertainty about the new variant’s severity and ability to evade existing immunity spurs fear. Equity market data suggests that the concern for business overall is not too significant. As of Tuesday, Dec. 7, the S&P 500 was less than 0.5% below its level prior to the announcement of the omicron variant. International markets were weaker, but even those were less than 2% below their level immediately prior to the omicron announcement.

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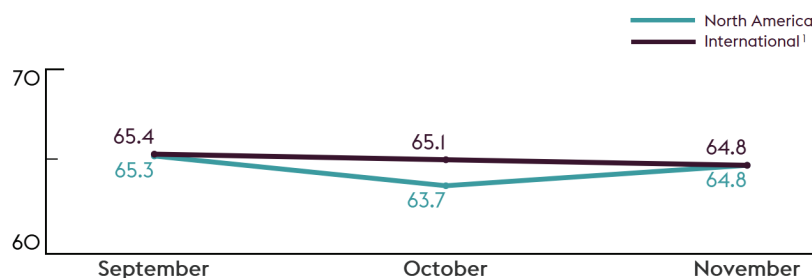
HIGHLIGHTS: *(continued)*

This doesn't rule out concern, but it is real-time data that directly contradicts fears that omicron will have a substantial adverse effect on business overall.

- AV employment continued to grow in November, though at a modestly slower pace than in October as the AV employment index (AVI-E) eased from 62.0 to 59.1. A common thread in comments has been about workers leaving the AV industry. Currently, AV recovery lags behind overall GDP recovery due to our industry's reliance on in-person activity, so it is to be expected that workers would seek their fortunes elsewhere. Such shifts have been seen within the AV industry, as shown in our labor market research in our second quarter [Macroeconomic Trends Analysis \(META\) report](#). That research, entitled "Schrödinger's Labor Market," showed that our industry had diverged into haves—generally, those facilitating remote connectivity—and have nots—those in in-person centric industries such as live events and hospitality. The omicron variant adds further uncertainty to when the full in-person return will happen. Still, when it does, you can expect to see tough competition for workers as recovering sectors seek to pull workers back from other areas of the AV industry and from other industries entirely.

INTERNATIONAL OUTLOOK

In line with our prediction in October, November saw North American growth accelerate while International growth stayed steady. The end result is rapid growth at an exactly even pace in our initial November numbers, with 64.8 for both regions.² Technically, International growth has slowed down three consecutive months, but given that its decline has only been from 66.7 to 64.8, the overall story here is one of continued, rapid growth. In the future, observers should expect such growth to continue in both regions, though with another month of slight deceleration likely for the International region.



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

“Business is steady with a healthy pipeline of projects. Current struggles are being able to perform projects due to backorder product procurement issues.”
– 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. November 2021 index is preliminary, based on the average of October 2021 and November 2021 and will be final with December 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 November 29, 2021, and December 6, 2021. A total of 325 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 indicates a decrease in activity.

“We are approaching the end of seasons for several of our sports-based clients, along with the traditional holiday slowdown for our corporate clients. This break in deployment has led to several employees taking the opportunity to find work elsewhere (finally had time to interview) and has put us right back in the hiring market. Next year brings a new and loosely-defined scope with a few of our larger clients, an uncomfortable position to face when trying to identify ideal job candidates.”

– 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.