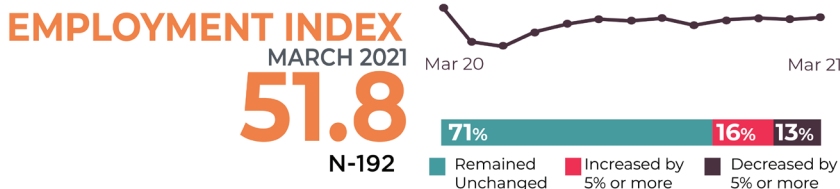
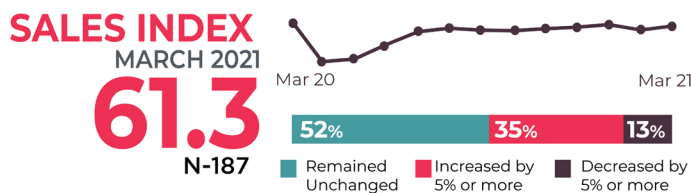


## FASTEST AV SALES GROWTH SINCE 2019

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.



“Business seems to be returning at a modest rate – the education sector is very strong and corporate re-appearing.”

– DISTRIBUTOR, EUROPE

## HIGHLIGHTS:

- Growth is strengthening. At 61.3, the March AV Sales Index (AVI-S) is at its highest level since 2019. This is great news for our industry! Much acceleration and growth are needed to see AV return to its pre-pandemic levels, but this month is a significant movement in the right direction. In further good news, a close reading of the data shows room for further acceleration. Though commenters highlighted developments such as approaching returns to in-office activity and increased in-person education rates, the bulk of the comments continued to negatively assess current conditions. While this may seem like a pessimistic finding, we see it as motivation for optimism. If a 15-month high is possible while so many respondents still feel substantially held back by COVID-19, much higher growth rates must still be achievable. That said, it will take time for such acceleration to take place. Do not be surprised if next month’s growth is modestly slower than this month’s.
- In another sign of the turning tides, uncertainty is declining. Our preferred metric, VIX (Chicago Board Option Exchange’s Volatility Index) spiked to record highs at the start of the pandemic, then stayed at or above 20 for month after month. The year spent at such a high level was made especially remarkable by the rarity of readings above 20 before the

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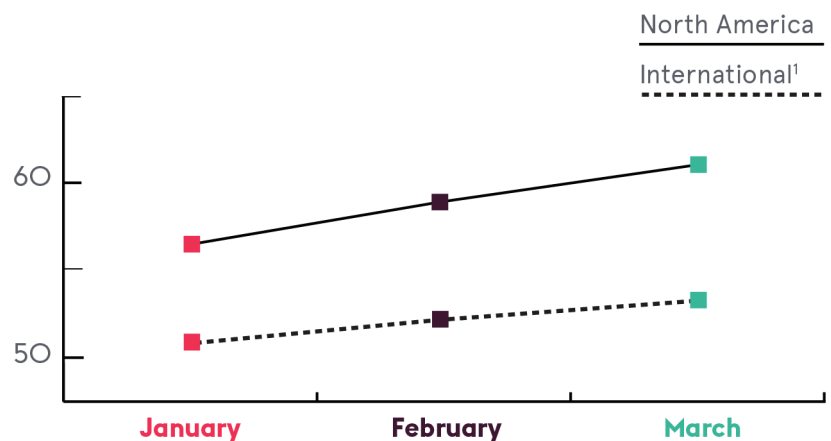
## HIGHLIGHTS: *(continued)*

pandemic. For example, the index did not touch 20 for the entire year of 2017. Fortunately, in March, VIX finally tumbled below 20. At close on Thursday, April 1, VIX was at 17.33. While still high relative to normal economic times, the movement below 20 is another sign that times are turning. Businesses are starting to make longer-term plans and longer-term investments. For pro AV companies, now is the time to position yourself to serve these growing needs.

- Slightly less bright than the AVI-S number was the AV employment index (AVI-E). At 51.8, the March AVI-E now shows slightly slower growth than February, which itself was only modest growth. This so-so result is not to be ignored, since the slow and deliberate nature of employment decisions gives them greater weight than more volatile sales numbers. That said, slow and deliberate also makes them a lagging indicator, meaning the AVI-E doesn't yet reflect the latest accelerations in the vaccine rollout. As with the AVI-S, we are optimistic for future acceleration, optimism that is reinforced by the highly positive U.S. jobs report for March. That report revealed that the economy added 916,000 jobs, the strongest performance since August 2020. Our economy remains over 10 million jobs below where it would have been without the pandemic, but the March number is the kind of growth needed to see us avoid a prolonged and painful recovery.

## INTERNATIONAL OUTLOOK

After a disappointing reading in an otherwise strong February report, the March international outlook is much stronger. Last month, our initial reading for February suggested the international segment may have dipped into the negatives for the AVI-S. With the March data added into the moving average, all months are now above 50, with February at 52.3 and March at 53.5.<sup>2</sup> These numbers are comfortably below North America, which is at 61.2 in the initial March reading. Business leaders can anticipate this gap persisting in the coming months as the faster vaccine rollout in the U.S. facilitates greater economic normalcy.



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

“Vaccines are rolling out in our province which is leading to upgrade orders for conference rooms, as companies look forwards towards a partial return to office space use.”

– 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. March 2021 index is preliminary, based on the average of February 2021 and March 2021 and will be final with April 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 March 29, 2021, and April 6, 2021. A total of 343 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.

“I think there is a sense of normalcy returning to the university environment, thus departments, etc. are becoming more willing to resume getting technology updated/installed as they were doing pre-COVID.”

– END USER, 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).