

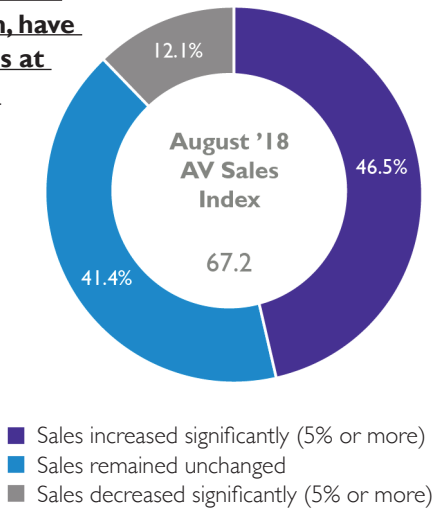
AVIXA™, the Audiovisual and Integrated Experience Association, has published the monthly Pro-AV Business Index since September 2016, gauging sales and employment indicators for the pro-AV industry. The Index is calculated from a monthly survey tracking trends. Two diffusion indexes are created using this data, the AV Sales Index (AVI-S) and AV Employment Index (AVI-E). The diffusion index is calculated based on the positive response frequency from those who indicated their business had 5 percent or more increases 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 over 50 indicates an increase, while an index under 50 indicates a decline.

## Highlights:

- The AV Sales Index (AVI-S) showed strong continued growth as it ticked up 2.6 points to 67.2 this August. Notably, the index is up 8.9 points from last year. Some panel members mentioned year-end spending as a reason for continued growth through the end of 2018, others talked about new technology and their clients wanting to give the “wow” factor.  
*“Federal year-end spending has increased quick-turn project spending. Budgeting for the new year appears to include some significant spending on AV refresh and new construction.”*  
– Systems Integrator, North America  
  
*“This summer has been our busiest yet. Lots of companies are spending money right now.”*  
– Systems Integrator, North America
- The July audiovisual manufacturing numbers (released Sept. 5) showed strengthening demand, as monthly shipments increased 4 percent to \$234 million. This is an encouraging sign of health after shipments had dropped from April to May and then stayed flat from May to June.  
  
*“Our summer interns finished this month, so we have fewer employees. But business is booming!”*  
– AV consumer, North America
- The revised estimate of U.S. second quarter GDP clocked in at 4.2 percent, reaffirming initial reports of strong growth. Economists currently anticipate continued growth in the third quarter at a more modest—but still robust—3.1 percent.
- In line with expectations, the U.S. economy added 201,000 jobs and the unemployment rate remained at 3.9 percent in August. Employment increased in professional and business services, health care, wholesale trade, transportation and warehousing, and mining. Though down 1.3 points from July, AVIXA’s AV Employment Index (AVI-E) reveals continued AV job growth with a score of 62.8. As in almost all industries, the strong labor market means AV companies are struggling to find qualified (and certified) candidates for open positions. Several panel members have mentioned downsizing staff, such as summer interns but continue to see revenue growth.

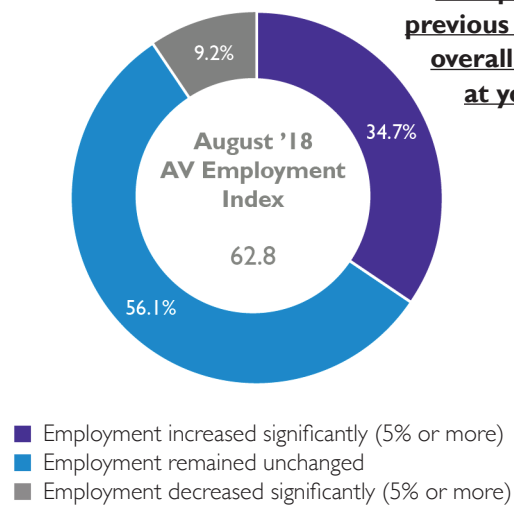
**Compared with the previous month, have the billings/sales at your location...**

N-99



**Compared with the previous month, is the overall employment at your location...**

N-98

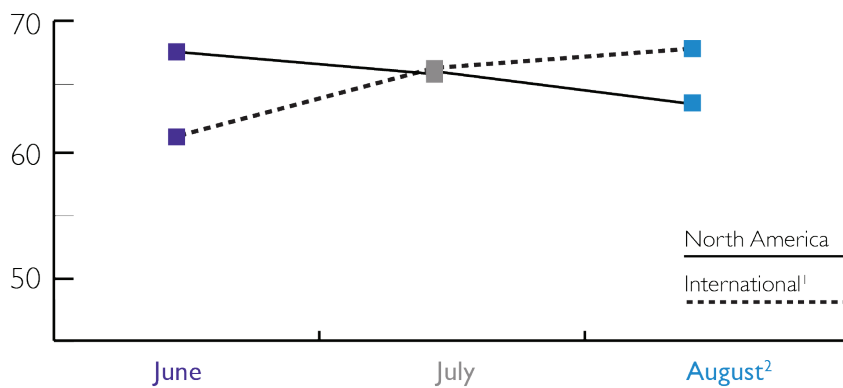


- Sales increased significantly (5% or more)
- Sales remained unchanged
- Sales decreased significantly (5% or more)

- Employment increased significantly (5% or more)
- Employment remained unchanged
- Employment decreased significantly (5% or more)

## International Outlook

The August North American preliminary<sup>2</sup> Pro-AV Sales Index continues in a steady growth period at 64.2 for the month of August, while the international index continued its climb to 68.6



<sup>1</sup> Global 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. August 2018 index is preliminary, based on the average of July 2018 and August 2018 and will be final with September 2018 data in the next report.

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

## Methodology

The survey behind the AVIXA Pro-AV Business Index was fielded to 677 members of the AVIXA AV Intelligence Panel (AVIP), August 30 – September 7, 2018. A total of 160 AVIP members completed the survey. Only respondents who are service providers and said they were “moderately” to “extremely” familiar with their companies’ business conditions were factored in Index calculations. The AV Sales and AV Employment Indexes are computed as a diffusion index, 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 above 50 indicates that firms in aggregate are reporting an increase in activity that month compared to the previous month, while a score below 50 indicates a decrease in activity. Any score above 50 indicates an increase in sales/billings.

## About the AVIXA AV Intelligence Panel

The AVIXA AV Intelligence Panel (AVIP) is a research community of industry volunteers willing to share their insights on a regular basis to create actionable information. Members of the panel are asked to participate in a short, two-to-three-minute monthly survey designed to gauge business sentiment and trends in the AV industry. Surveys may be taken via your phone or computer.

In return for their time and effort, AVIXA AV Intelligence Panel members will be eligible to:

- Earn points toward Amazon online gift cards
- Include select questions of their own in panel surveys

The AVIXA AV Intelligence Panel is designed to be a global community, 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 panel, enjoy benefits, and share your insights with the AV industry, please apply at [avixa.org/insight/marketintel/AVIP](https://avixa.org/insight/marketintel/AVIP).