

# Pro-AV Business Index

Released December 2018

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) slipped downward 4 points from October to November. The score, 61.5, continues to indicate positive year-to-year growth. In addition, this mark was about two points higher than November 2017. Some respondents noted a push to complete jobs by the end of the year, while others suggested the holiday season makes this a quiet time for business investment. It is too early to confirm or deny a seasonal trend, but for each of the past two years, the AVI-S has declined from October into November and again into December.
- After their October slide, equity markets were volatile in November, beginning the month with a multi-percent climb, followed by a 6 percent slide, which was then proceeded by 4 percent climb to close the month. Such volatility may make businesses hesitant to invest, meaning equity markets still bear close watching.
- Responding to indications of market frailty, Chairman Jerome Powell signaled that the Federal Reserve Board would slow the pace of planned rate increases. This helped prop up markets and will help keep interest rates more favorable to investment.
- November's jobs report was a small disappointment, as the economy added 155,000 jobs, under a projection of 198,000. Wage growth was slightly lower than predicted as well, but the unemployment rate stayed flat at 3.7 percent. AVIXA's AV Employment Index (AVI-E) showed continued though slightly slower growth at 61.0. This was down about three points from last month, and up about two points from last year.

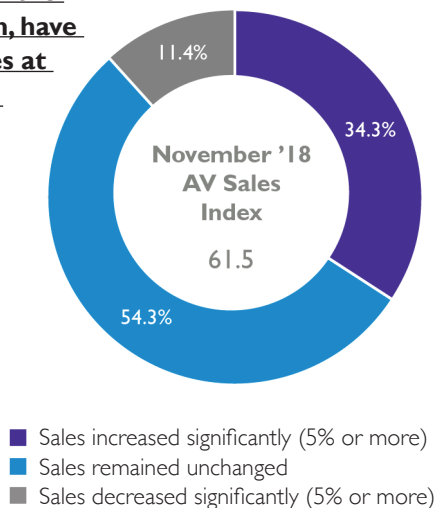
*"We are in the home stretch of the year, trying to close out as many jobs as possible."*  
— AV Integrator, North America

*"Typically, at this time of year with Christmas and New Year's holidays approaching, it tends to be a quiet time, as clients don't start or complete new projects."*  
— AV Integrator, APAC

*"Tariffs are starting to make an impact on equipment costs. This will possibly jeopardize projects with fixed budgets. Economic uncertainty and the holiday season are impacting new project launches."*  
— AV Service Provider, North America

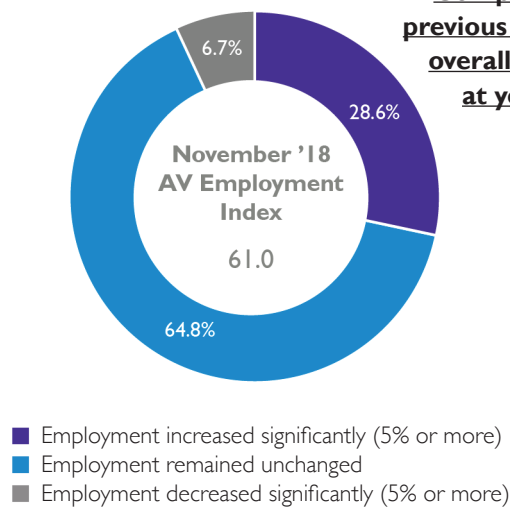
**Compared with the previous month, have the billings/sales at your location...**

N-105



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

N-105

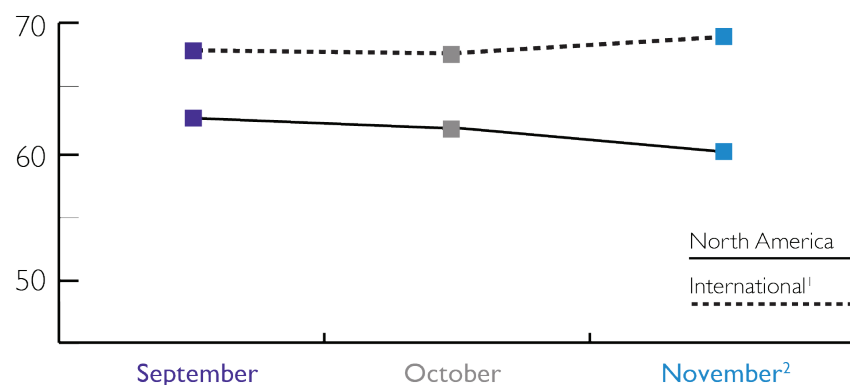


- Sales increased significantly (5% or more)
- Sales remained unchanged
- Sales decreased significantly (5% or more)

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

## International Outlook

The November regional preliminary<sup>2</sup> Pro-AV Sales Index indicates that growth continued around the world. The gap between International and North American billings grew as the International mark edged up and the North America mark slid down.



<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. November 2018 index is preliminary, based on the average of October 2018 and November 2018 and will be final with December 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 675 members of the AVIXA AV Intelligence Panel (AVIP), November 27 – December 5, 2018. A total of 176 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).