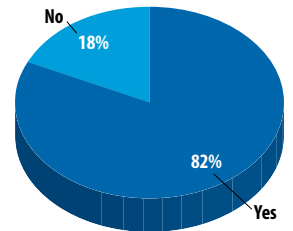


Contractors' Appetite For VDV Remains Healthy

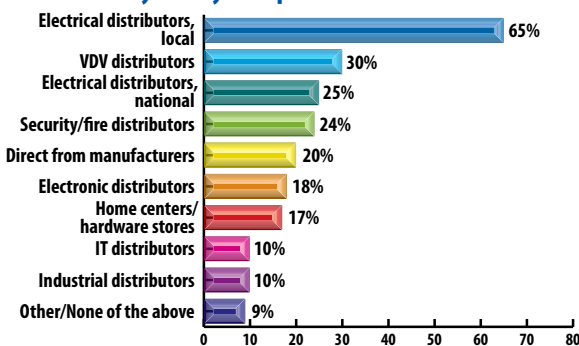
Does your company currently perform VDV work?



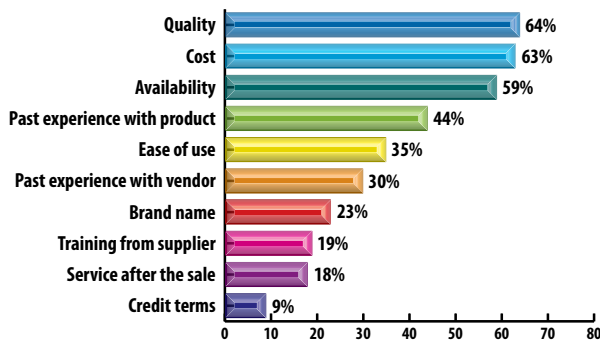
Electrical contractors see increasing opportunities in Voice-Data-Video work, though the economy is a worry.

By John Dyslin, editor

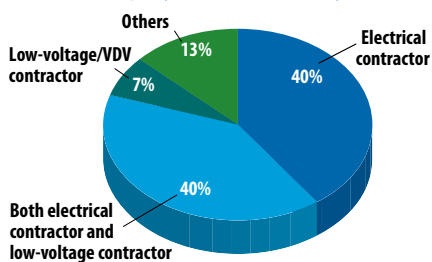
Where do you buy VDV products and materials?



What factors influence your VDV product and material purchasing decisions?



Which category best describes your firm?



Electrical contractors still see more business opportunities and growth ahead in the Voice-Data-Video field, though most do not believe it will be as robust as in previous years. Whereas in the 2007 VDV survey, predictions of VDV growth were evenly split with 34 percent of contractors predicting sales gains in the 1 to 5 percent range and 33 percent expecting growth in the 6 to 10 percent range, this year's survey shows 44 percent believe VDV growth in the 1 to 5 percent range and 23 percent predict growth in the 6 to 10 percent range. The culprit? As you may expect, it's the economy.

But there also is a statistical basis for 44 percent of contractors expecting VDV growth of 5 percent or less in 2008 as 44 percent of those surveyed said growth last year was in the 1 to 5 percent range. Only 15 percent of respondents said their VDV sales grew 6 to 10 percent in 2007.

On the flip side of it, in last year's survey, only 9 percent of respondents expected their VDV sales to fall by 1 percent or more. In the 2008 survey, 33 percent of respondents said their VDV sales fell in the past year. About 24 percent of the 2008 survey respondents predict their VDV sales will fall this year.

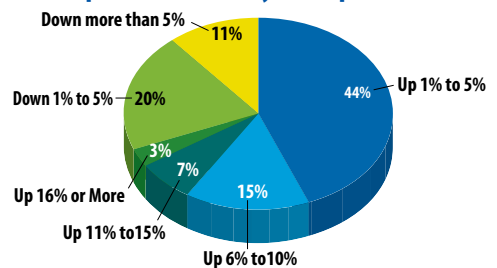
In the 2007 survey, 83 percent of the electrical contractors said VDV was a part of their service offerings. This year, slightly less than 82 percent said they conduct VDV work, which is basically a statistical tie in the political polling sense.

There was a tie between those contractors who consider themselves electrical contractors and those who listed both electrical contracting and low-voltage contracting, with 40 percent each. Only 7 percent of readers who took the survey said they are just a low-voltage/VDV contractor.

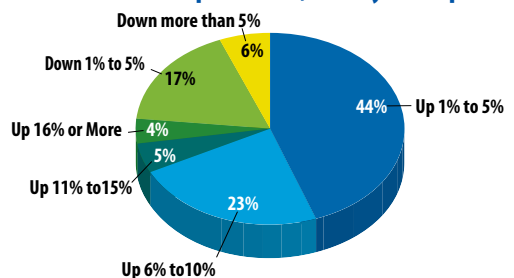
Business trends

Respondents were asked what factors may contribute

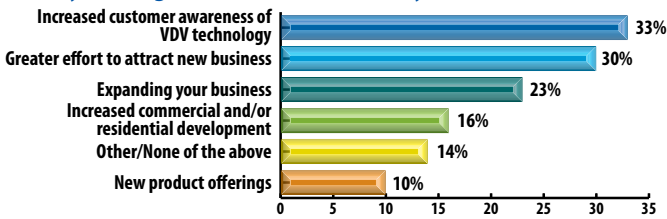
In the past year, were your company's VDV sales up or down, and by what percent?



In the coming year, do you predict your company's VDV sales will be up or down, and by what percent?



If you see growth, what factors do you attribute it to?

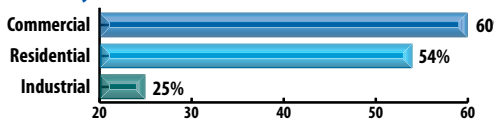


to any decline in their VDV business and 43 percent cited the economy. A slowdown or possible slowdown in residential and/or commercial development in a contractor's geographic area came in second with 21 percent.

For those who see VDV growth, 33 percent attributed it to increased customer awareness of VDV technology. Meanwhile, 30 percent of respondents believe their VDV sales will grow because of greater efforts on their part to attract such business and 23 percent cited expansion of their business offerings.

Whereas in 2007, 47 percent said their VDV business was commercial and 37 percent residential, 2008 survey respondents cited commercial work

Are your VDV sales in



at 60 percent, residential at 54 percent and industrial at 25 percent. The differences can be attributed to a different tabulating

technique used in the survey, with 2008 results being a more accurate technique. Obviously, many contractors offer a combination consisting of commercial, residential and industrial services.

As far which VDV services they provide, telephone/telephony lead with way with 59 percent. Data/networking was close behind with 58 percent. Fire/life safety came in third at 40 percent, security was fourth at 36 percent, and home/building automation and home entertainment followed with 33 percent and 32 percent respectively.

As far as which type of VDV work done most, there was a slight role reversal as data/networking lead the way with 33 percent, with telephone/telephony close behind at 31 percent. Fire/life safety and security followed, with 24 percent and 21 percent respectively.

From previous years, this indicates a significant jump for security work conducted by electrical contractors. In the 2007 survey, security was cited only 5 percent of the time regarding which work contractors conducted the most in VDV.

In regard to which VDV work, electrical contractors plan on adding within the year, there was a tie between security and home entertainment with 18 percent. This makes sense since security work is growing for electrical contractors and as home entertainment systems become more popular. Both segments are popular in the workplace and at home.

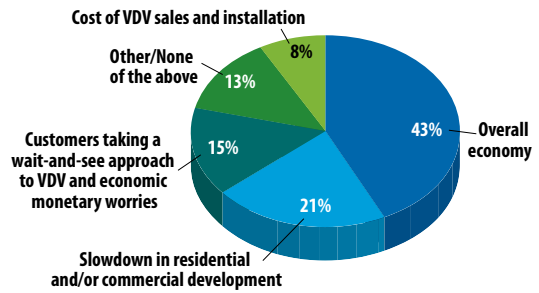
Data/networking and telephone/telephony were cited as new business initiatives, with 17 percent and 15 percent respectively.

Where and why one buys

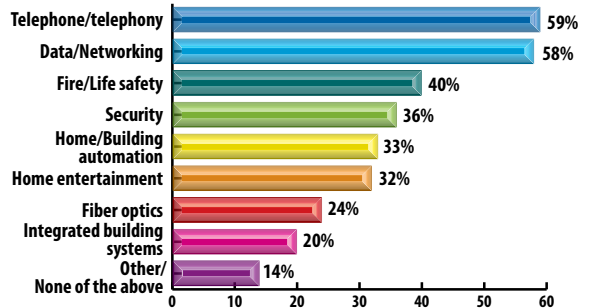
Finally, 65 percent of survey respondents say they buy VDV products and materials at local electrical distributors, with 30 percent citing VDV distributors. Twenty-five percent said they buy at national electrical distributor outlets, with 24 percent citing security/fire distributors. Twenty percent say they buy directly from manufacturers.

As far as which factors contribute where and why contractors make a purchase, quality eked out a win over cost, with 64 percent of respondents citing quality of product and 63 percent citing cost. Product availability was close behind at 59 percent. Past experience with a product followed as 44 percent of respondents chose that choice. ▸

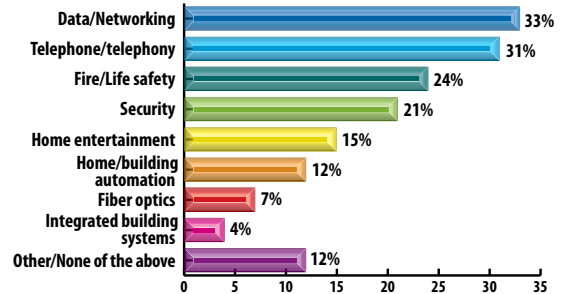
If you see a decline in sales, what factors do you attribute it to?



Which type of VDV work does your company perform?



Which type of VDV work does your company perform most?



Which type of VDV work does your company plan on adding in the next year?

