

## Research Findings Report

Industry: Home Theater Designers

2009

Geographic Region: United States

Goldline Research recently completed its evaluation of home theater designers in the United States. Our research study was conducted from late June through early September 2009. At the end of 2008, we estimate that there were approximately 20,000 home theater designers in the United States.

The home theater design industry has been ravaged by current economic downturn. Until the current recession began, home theater designers had enjoyed rapid growth based upon two

fundamental economic drivers: 1) low-cost (and even no-cost) financing that spurred home improvement projects, including the installation of home theaters, and 2) technological advances in home entertainment equipment that dramatically improved the home theater experience for consumers. Technological advancement continues apace. However, the liberal financing environment that helped spur growth in the home theater industry (and throughout the home improvement industry, in general) is not likely to return anytime soon. As a result, during our conversations with home theater designers throughout the country we received nearly universal reports of double-digit revenue declines and difficulty in attracting new clientele. Unfortunately, until the economy stabilizes and then returns to growth, many home theater design firms will likely find new business difficult to come by. Of note, though, most home theater design firms that we spoke with have recently begun to offer whole home automation services (including lighting and security) and even specialized IT services such as computer networking to augment their service offerings and to protect the client relationships that they already have in place.

During our research, we found that the typical home theater design firm has more than 15 years of industry experience, has been in business for more than 5 years, has a total staff of 5 and has 3 installers. We also found that the typical firm represents 30 product manufacturers and has approximately 400 clients. Equally important, we found that the typical firm has a client: staff ratio of about 67:1, which is a measure of staff productivity and client service. We also found that the typical firm has a client: installer ratio of 100:1, which is a measure of the number of clients that an individual installer supports. On the whole, nearly every home theater design firm that we spoke with had at least one installer with an industry certification, with the dominant certification being the basic CEDIA® EST® certification or product manufacturer's certifications.

For more information about Goldline Research or this research findings report, please visit our website at [www.goldlineresearch.com](http://www.goldlineresearch.com).

### Key Research Findings<sup>1</sup>

Median Years of Experience: **15.5 years**

Median Years in Business: **8.5 years**

Median # of Clients: **400**

Median # of Installers: **3**

Median # of Total Staff: **5**

Median # of Product Manufacturers Represented: **30**

Median Client: Staff Ratio: **67:1**

Median Client: Installer Ratio: **100:1**

<sup>1</sup>Source: Goldline Research