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Verticality: The Past, Present, and Future of Trade Shows

by Steve Multer | Business Insights

The first time I heard about the "death of the trade show" was in fall 2001. The tragedy of 9/11 struck fear in the hearts of personal and professional travelers alike, grounding a significant portion of the populace and spawning conversations around if, when, and how we'd ever travel again in the face of such considerable risk. But air travel resumed within days, and by 2004 the industry was back to pre 9/11 levels.

The next time I heard about "the death of the trade show" was in 2008 during the fallout of the sub-prime mortgage crisis and ensuing Great Recession. Shaken corporations instantly contracted, consolidated, and conserved, wondering if fiscally at-risk or ruined consumers or business workers could or would ever afford to attend conferences again. Executive leaderships and event owners forced to justify the huge cost of corporate gatherings cancelled in waves. But even this global catastrophe only reduced trade events by 8.9%. In mid-2009 the economy began to grow, and by 2012 the industry was almost entirely back at full force.

The last time I heard about "the death of the trade show" was in summer 2020 as the world shuttered in the face of a mysterious and untraceable pandemic. Long before COVID-19 became politicized and divisive, sales meetings and conventions went from record-breaking to collapsing in days. The longer our hibernation ran, the more technologies were enhanced or created to assure we'd never have to step back in the room together again. Yet here we are, traveling more in 2023 than at any time in human history. Seems it takes more than a bit of bad news to keep us apart.

Bye Bye COMDEX

Humans are evolutionary creatures who prefer community over isolation. Terrorism, finance, or disease can't alter in 2-3 years what's been fundamental to our species for 400,000 years. Business has always worked best face-to-face, which means the trade show will never die. But it has evolved, and will continue to do so. The biggest evolution of the past 30 years has been verticality; the narrowing, specializing, and tailoring of the in-person conference.

The poster child for verticality was a massive event called COMDEX which ran from 1979-2003. The Computer Dealers' Exhibition was one of the largest and most unwieldy corporate trade shows that ever existed. Dubbed "Geek Week", COMDEX evolved into a sprawling and disjointed technical convention known for major product announcements and releases. COMDEX peaked at 211,000-220,000 attendees in 2000, at the height of the dot-com bubble. Three years later attendance was down 80% to 40,000, and in 2004 the event was cancelled, leaving behind a valuable lesson in corporate communications strategy for the world and the trade fair industry.

First blame went to the dot-com bust, but that bust didn't kill other powerhouse tech events like CES, Networld+Interop, or Oracle OpenWorld. The next finger pointed at major players like IBM, Apple, and Compaq (now merged with Hewlett-Packard) who pulled out of COMDEX to allocate resources on their own corporate events or direct-to-consumer selling like Best Buy and Apple Stores. Change was in the air, driven by a preference for smaller, more targeted and affordable vertical programming with narrower draws and focused programming.

Simply put, COMDEX tried to be too many things to too many people. It was crushed by the fading popularity of horizontal marketing.

The Turbulent 2000s

The first years of the 21st Century saw turbulence in corporate events as the industry fought back against perception, a frightened planet, and concern over the future of the technology innovation that had built up then threatened to bankrupt its practitioners. Show owners tried scaling back, pushing their events to lesser, cheaper locales in response to nervous executives who became skeptical of the true value in trade fairs. But those fairs persisted.

Boards of directors suddenly saw overpriced junkets and salaried employees playing rather than working in popular cities like Orlando, New York, San Francisco, Cabo San Lucas, and Las Vegas.

"No more!" they cried. Trade shows declined in previous popular destinations and picked up in Detroit, St. Louis, Dallas, Atlanta, and Charlotte. But the problem was never the city, the problem was the value of the conference itself.

Trends like virtual trade shows, open houses, and seminar-style replacements were created and launched, but people still preferred to gather in person. The event industry morphed and evolved, absorbing and dividing amongst itself to become more targeted, effective, and justifiable. Attendance retracted around anomaly crises, but always rebounded.

Conferences got tighter and more numerous. Where a single event once drew 50,000, ten smaller events now hosted 5,000 each. By the mid-2010s an employee knew exactly why to attend a specific conference, what they were there to learn, who they'd learn it from, and how to make more informed buying decisions at that particular show. Which made arguments to company leadership for financing their attendance easier and more compelling. The market had finally gone vertical.

Verticality for Today and Tomorrow

Large events that have repeatedly survived "the death of the trade show" do so by adjusting to modern verticality. Düsseldorf's quadrennial print and graphics expo, drupa, was once 16 days but is now down to 11 days. The Consumer Electronics Show (CES) still attracts 115,000 visitors, but is no longer open to consumers; it's now a trade-only event for the consumer technology industry.

Online marketing has grown highly competitive and ubiquitous, but are limited to smaller sales and consumer goods. While an individual may buy a $60,000 vehicle online, they only do so after first seeing and test driving that vehicle in person. A corporation seeking a multi-million dollar cloud solutions partner will ink that deal surrounded by their team, not over the internet. Live events and online stores are partners as well as adversaries; they support and bolster one another, but don't supplant the preference for in-person conversation.

Generic events are no longer given enough oxygen to survive. The future is likely to only become more vertical as consumers demand clear, compelling stories that lead to measurable success. All industries and sectors have learned this lesson over the last 20 years, and conferences have grown stronger for that knowledge. This trend will continue, making events even more resilient.

Bottom Line

Horizontal markets are great for personal shopping and daily needs. Target, Carrefour, Costco, Alibaba, and Amazon excel through convenience, one-stop efficiency, and cost competition. Verticality are best for corporate messaging and partnership success because they choose a lane then maximize speed and dominance inside that lane.

COMDEX is long gone, but the lessons of its rise and demise remain valuable and instructive. Long live the vertical event.

Learn more at www.SteveMulter.com and www.CorporateStorytelling.com

Steve Multer. Corporate Storytelling.
Chicago USA