

COMDEX Cancelation Marks the End of an IT Era

David Mitchell Smith, Tom Austin, Martin Reynolds

The cancelation of COMDEX points to fundamental changes in the technology market. IT vendors and buyers now need industry events that deliver real business value.

NEWS ANALYSIS

Event

On 23 June 2004, MediaLive International announced that it has canceled COMDEX Las Vegas 2004. MediaLive stated that it plans to "reshape" COMDEX — formerly the leading computer-industry trade show — and reintroduce it in 2005.

Analysis

The cancelation of COMDEX points to a fundamental shift in the IT industry. COMDEX was always an excellent place to see innovative technologies, but now, in an intensely competitive tech economy, vendors and buyers need trade events that also address the real-world needs of enterprises.

To some extent, COMDEX was the victim of its own success. Two decades of frenzied activity in the personal computer market drove exhibitors' costs sky-high. When the tech crash came in 2001, many exhibitors disappeared or could no longer afford to show at COMDEX. But a fundamental change in promotion and distribution models actually killed the show. The Internet proved a far more effective showcase for new technologies than any trade show, and efficient Internet systems made products easier to find and distribute, eliminating the key value proposition of the show. Buyers no longer needed to go to COMDEX to find new products and suppliers, or to make purchasing decisions. By 2003, attendance had fallen to just 40,000 — from a onetime high of 200,000 — and even deep-pocketed vendors refused to pay premium prices for a show that drew so few paying customers.

Recently, COMDEX has attempted to focus on enterprises' IT needs, a specialized area that does not welcome new entrants. Gartner believes that — even if COMDEX does reinvent itself — it likely will not regain its past importance. The industry focus now is on the annual Consumer Electronics Show, which showcases the "digital home" products that represent the new frontier for IT vendors.

Recommendations for vendors and IT buyers: Focus your energies — and your budgets — on trade events that deliver business value.

Analytical Sources: David Smith, Tom Austin and Martin Reynolds, Gartner Research

Recommended Reading and Related Research

- "Hype Cycle for PC Technologies, 2004" — The cost of succumbing to PC hype is constant churn in the installed base, with higher system image and support costs. **By Leslie Fiering and others**
- "Where to Invest and What to Avoid in Software and Services" — Investors should consider the major trends shaping the fast-changing software and IT services markets. **By David McCoy and others**

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REGIONAL HEADQUARTERS

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters
Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters
Level 7, 40 Miller Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Latin America Headquarters
Av. das Nações Unidas 12.551
9 andar—WTC
04578-903 São Paulo SP
BRAZIL
+55 11 3443 1509