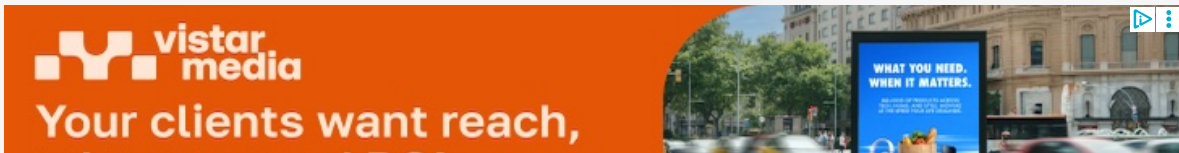


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TVN FOCUS ON NAB SHOW 2020

TVN Focus On NAB 2020 | Post-Cancellation, A 'Fog' For NAB, Vendors

📅 Mar 12, 2020 | Harry A. Jessell & Glen Dickson



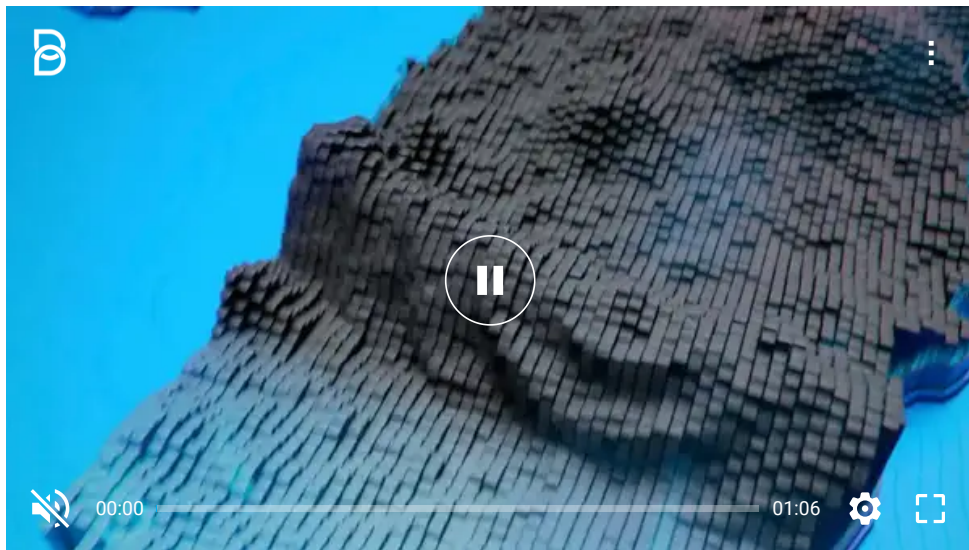
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News of the NAB Show's cancellation Wednesday left the show's organizers, vendors and broadcasters scrambling to calculate their losses and frame out alternatives to conduct crucial business usually handled there.

With the dangerous COVID-19 virus spreading rapidly throughout much of the world over the past weeks, it seemed increasingly inevitable that the international NAB Show in Las Vegas would join the growing list of conventions, conferences and sporting events to be canceled or postponed.



And it was.

Yesterday afternoon, NAB President Gordon Smith called off the massive trade exhibition and conference, saying that the association was not going ahead with the show on April 18-22 because of coronavirus concerns and was "exploring all possible alternatives."

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"[K]eeping the community safe and healthy is NAB's highest priority," Smith said in a statement. "Therefore, we are deferring to the developing consensus from public health authorities on the challenges posed by coronavirus."

The announcement came 21 days after the NAB issued a statement that it "stands firm in its commitment to hold the convention as planned."

A CTO Perspective

Sinclair SVP and CTO Del Parks was still planning to attend NAB as of Wednesday morning when the show was postponed, but he wasn't surprised by the move. He's interested to see what next steps vendors will take.

"The important thing is what the vendor community does," Parks said. "We're in the fog right now, until we get some clarity, and then I think everyone will act appropriately."

Parks had been planning to meet with chief engineers from various Sinclair stations at NAB, but says those meetings already happen often virtually and will continue to do so.

"This seems to be a gigantic logistics nightmare," Parks said. "I feel for the vendors. These guys plan on being at NAB. But if the right people weren't going to be there, I guess you have to drop back 10 and punt."

"We're just going to continue with what we're doing, and the meetings we had set up for NAB we'll just have to reschedule someplace else," Parks said. "What NAB offers is a very convenient event to meet with the vendors all in one place. But we'll work around that."

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A number of major broadcast groups have pledged to launch NextGen TV/ATSC 3.0 broadcasts this year, and NAB was expected to be the place where coalitions like Pearl and Spectrum Co. provided greater details about those plans such as identifying individual stations and market launch timelines. But Parks says that Sinclair and other major 3.0 proponents will simply keep marching forward.

"We're going to keep going with our plans," he says. "Whether we have that platform in April or September or November, we'll adjust accordingly. You have no choice, do you?"

Alternatives And Losses

According to NAB spokesman Dennis Wharton, the "possible alternatives" for the show include keeping it in Las Vegas, but moving it to July or August or expand the relatively small NAB Show New York on Oct. 21-22 at the Javits Center to accommodate more vendors, bigger booths and more attendees.

Last year, the Law Vegas show drew just over 90,000 people, while the New York show attracted 15,000.

A cancellation of the show would not be unprecedented. According to Wharton, it was also canceled in 1945 during World War II.

NAB's decision was not made lightly. The NAB Show is a huge moneymaker for the association. According to the NAB's tax return for the fiscal year ending March 31, 2019 (the latest available), the 2018 show garnered \$46.7 million in revenue and a "profit" of at least \$26 million.

Over the years, the earnings from the show, along with \$14.9 million in dues from members, has fueled the high-flying association and swelled its net assets to around \$100 million.

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And it is not just the loss of revenue that NAB has to consider. It has contracted for the use of the Las Vegas Convention Centers, other venues, hotel rooms and many other goods and services.

Wharton declined to comment on how much NAB has at risk or whether NAB has some kind of cancellation insurance to cover lost revenue or costs.

According to Ann Marie Cumming, NAB SVP communications, attendees have several options:

- They can wait and do nothing while NAB determines the next steps for this year's show.
- NAB is offering refunds for those needing to cancel.
- NAB is also giving credit toward next year's show.

Vendors pay for their exhibition booth space in advance and, according to prominent vendors contacted by *TVNewsCheck* since the announcement, NAB has yet to say whether they will be issuing refunds.

The vendors also say that they are skeptical that the show will be resurrected in the summer and that the best move will be to make the most of the New York show in the fall.

Doing The Right Thing

Money aside, the consensus among NAB vendors and attendees was that NAB did the right thing and perhaps the only thing it could do in the face of the pandemic.

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"I talked to NAB earlier today, and they were talking about how things started to move very fast, even starting last weekend," says Joe Zaller, of Devoncroft Partners, a research firm that keeps close watch on the media tech business and has had to cancel its own annual conference held in conjunction with the NAB Show. "Gordon [Smith] at NAB absolutely made the right call, though it was probably a very difficult decision for them to make financially.

"I got the sense they haven't even thought about the money yet," he said. "They're trying to do the right thing."

Jeff Rosica, CEO of Avid, which canceled its extensive NAB plans a day ahead of Smith's announcement, said it would be "really difficult" to reschedule the show given its scale.

First off, no one knows when the COVID-19 situation is going to improve significantly, he said. Doing something in the summer wouldn't work because it would conflict with family vacations, and the fall already has IBC, a rival conference set for Sept. 11-15 in Amsterdam.

"I hope this thing calms down and we hold IBC," he said. "It's too soon to have any view of that."

Rosica added that expanding NAB Show New York is a viable option. "You're limited in what you can do there, as the space there has limitation," he said. "But that may be a good idea for NAB to consider, and lot of us would support it."

In addition to its NAB exhibit, Avid canceled its two-day Avid Connect conference at the Wynn hotel. It was part of the company's larger decision to avoid all face-to-face conferencing for at least the next 60 days.

"If we're going to avoid coronavirus from getting too significant then everybody needs to do their part," Rosica said. "So, let's avoid mass events with lots of people in a room together."

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While Avid will be able to "pivot" and repurpose a lot of the content it created for Connect, the company is still going to take a financial hit by having to cancel its plans just five and a half weeks ahead of the dates.

While no equipment or booth materials were in route directly to Las Vegas yet, said Rosica, "a lot of stuff is in route logistically" to various Avid facilities as the company pre-builds everything before the show.

Avid had already committed significant dollars to securing event space and hotel rooms at the Wynn, in addition to its booth space on the NAB floor. While he says it is still unclear how much of that money he'll get back, he isn't optimistic.

"The amount of money that we'll basically throw away is significant," he says. "It is what it is. It's the right thing to do as an organization."

David Cohen, VP of marketing communications for Grass Valley, said that the NAB's decision, coming when it did, will allow the company to save some money on the building of the NAB exhibit and on T&E.

"But there is quite a bit of materials and booth structure that is already in the U.S. We use a U.K.-based trade show company, and a lot of our booth has already been built and shipped to us. Unfortunately, this announcement comes too late to do anything about that."

Grass Valley has secured large blocks of rooms at two different hotels, he said. "We may be liable for the full payment," Cohen says. "I'm not sure the cancellation of the show will be sufficient for the hotels to refund the monies that have been paid already and anything we still owe. That's a question mark for us right now."

Like other vendors, Cohen is awaiting word on the booth fees. NAB has "not made any commitment one way or another," said Cohen, other than that "they're committed to look at the business end of things immediately."

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"No doubt, with the quickness of how it moved they didn't have time to create a full contingency plan," said Zaller. "But to the credit of NAB, they're canceling five or six weeks out from the show."

"Other exhibitions in the world are being canceled five days before the show, or even a day before," he said. "For our own conference, the worst thing that could have happened to us is you do all of the work, you go there, you're ready, you've spent all the money preparing, and then it gets canceled the week before."

NAB's Critical Sales Role

The NAB Show is the major annual event on the calendar not only of broadcasters, but of many others involved in the production of TV in all its forms. It is primarily a technology exhibition, although related conferences cover everything from broadcast management and post-production to cybersecurity and streaming.

The show is at the heart of the tech vendors' annual marketing plans. It's where they introduce and demonstrate products for customers, potential customers and the trade press. It's where they sell.

Many vendors count on the show to generate a big part of their annual sales, says Ed Grebow, a consultant to media tech companies who once ran Sony Broadcast and Chyron. They'll worry, he says. "If I'm not able to pitch my wares, are people still going to want to buy them?"

Assuming that the show will not be rescheduled, companies are creating their own alternative marketing plans — webinars, video conferences and smaller, in-person meetings.

According to Rosica, Avid plans to launch its new products in live online presentations next month and promises to hold several regional Connect events throughout the world later this year.

Rosica said he suspects that Avid will not be alone in pursuing a two-pronged strategy of virtual presentations followed by face-to-face time later this year. "All of us probably now have to get on the road this year and take it on tour."

Knock-On Effects

The NAB's decision also disrupts the plans of groups that piggyback on the show.

The Broadcasters Foundation of America "suspended" its two NAB events — the Philip J. Lombardo Charity Golf Tournament, a major fundraiser, and its annual awards breakfast.

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The National Academy of Television Arts and Sciences had planned to hand out its Technology and Engineering Awards at the show.

BMI will not reschedule its annual by-invitation-only dinner for the broadcasting elite.

The Broadcast Education Association canceled its 65th annual conference, saying it was looking to develop "back-up programming options" and promising full refunds of registration fees to those who request it.

The affiliate boards of the Big Four networks, which have met at the show for the past 12 years, will have to reschedule as will The CW, which has been holding its annual meeting for all of its affiliates at the show.

TVNewsCheck plans to present its own annual Women in Technology Awards at its NewsTECHForum event in New York in December.

The NAB Show is also where all types of non-tech business gets done in countless small meetings, dinners and receptions. Media broker Dick Foreman, who has been attending NAB for a half a century, said the show has always been a good place for station trading.

"There is nothing more valuable than a face-to-face meeting," he said.

In a sense, the NAB's decision was made for it as major exhibitors began backing out of the show over the past few weeks as the virus news worsened. In addition to Avid, Nikon, Bitcentral, Adobe, Ross Video, Zaxcom, TVU Networks and Imagine Products were among those that told the NAB they were bailing out.

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Compounding a Downward Trend

The likely cancellation comes at a bad time for the NAB Show, which had already begun showing signs of weakening.

The show's attendance, which once regularly topped 100,000, dropped from 103,000 in 2017, to 92,912 in 2018 and to 91,921 last year.

The number of exhibitors has also fallen — from 1,806 in 2017, to 1,718 in 2018 and to 1,632 last year. Total exhibit space dipped below one million square feet last year, after averaging more than a million between 2015 and 2018.

Last year, NAB attributed much of drop in attendance to a reduction in international attendees, particularly from China, which has been battling the U.S. over trade policy and experiencing a general slowdown in its economy. International attendees account for about a quarter of the attendees.

To stem the erosion in attendance, NAB announced just before last year's show (<https://tvnewscheck.com/article/234811/nab-show-rebooting-for-the-future/>) that it was changing the traditional Monday-to-Thursday exhibit hall schedule for this year, moving up the opening to Sunday and eliminating Thursday altogether.

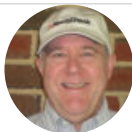
Based on its research, the NAB felt a weekend opening would appeal to the nearby Hollywood production community as well as relative newcomers in TV and video like gaming and e-sports companies.

"There are a lot of new players in the mix and they're making a lot of content," said Chris Brown, the NAB executive who runs the show. "And what we were finding is that people were struggling a bit more and more to get out to the show and spend the average two-and-a-half days there."

There was some thought that cancellation could cause long-term damage to the show. "What's going to be interesting to see what happens if companies miss a year and get out of the habit," Grebow said. "They may ask themselves whether they really need it."

Although trade shows have disappeared over the years in the face of competition, Zaller can't remember a time in the broadcasting industry when such a big show as NAB simply didn't happen.

"There hasn't been an environment when the show doesn't happen, so we're in uncharted territory from that perspective."



About Mark K. Miller

Mark K. Miller began covering the television industry in 1975 when he joined Broadcasting magazine as an editorial assistant, becoming a staff writer. He moved to editing, becoming managing editor of the renamed Broadcasting & Cable in 1991. Mark left B&C at the end of 1998, but continued his association with the company as managing editor of B&C's new monthly tabloid magazine, Digital Television, until it ceased publication in December 1999. Mark worked with Harry Jessell to launch TVNewsCheck in 2006 (as TVNewsday) and has been its managing editor since then. He can be reached at mark@newscheckmedia.com.

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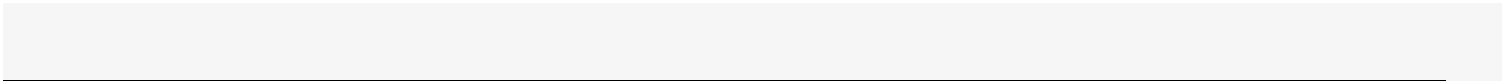
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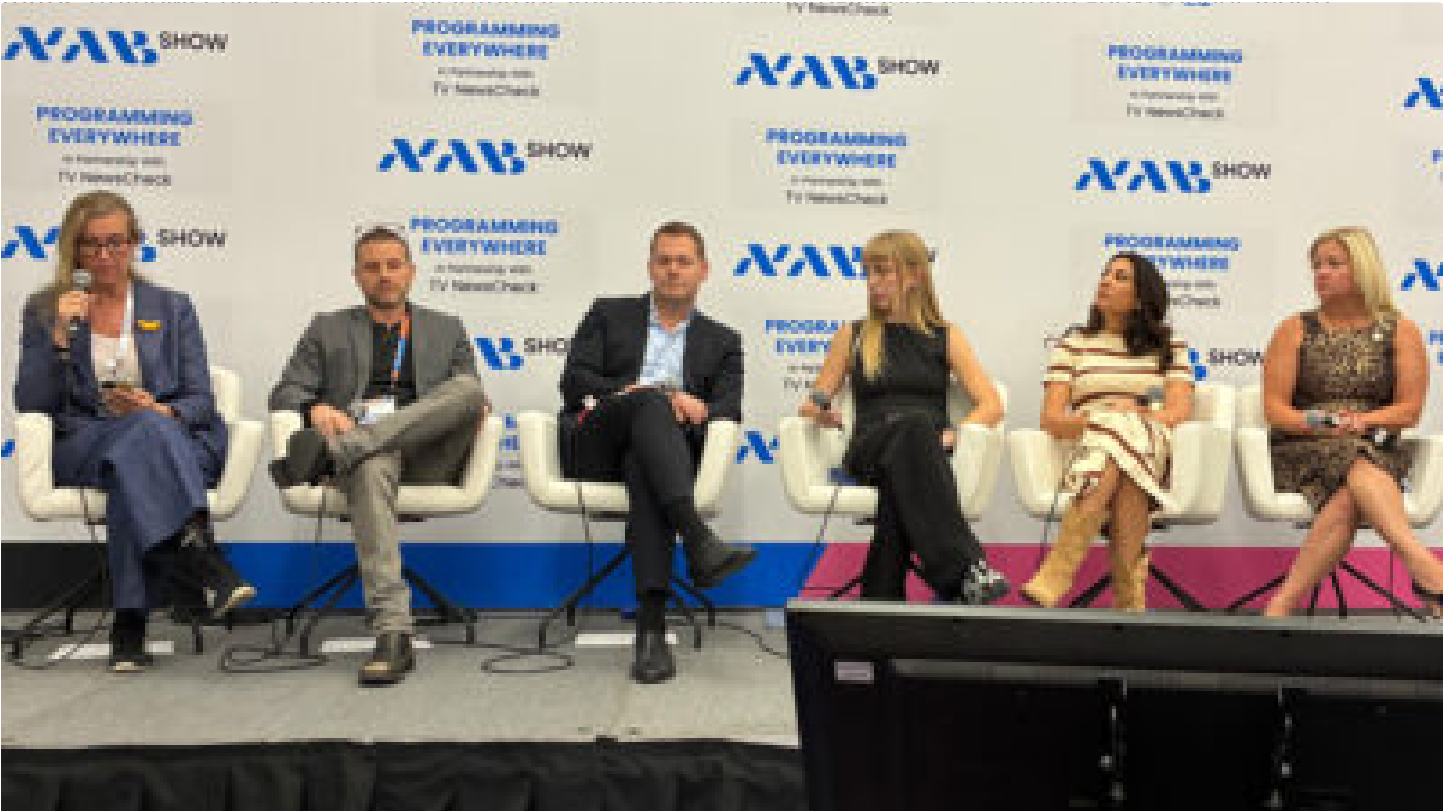
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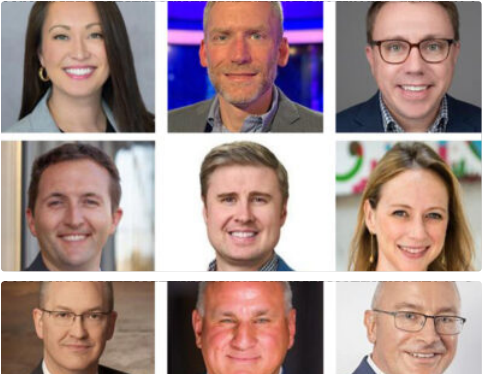


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