



THE FUTURE OF LIVE EVENTS & SPORTS

THE REEMERGENCE OF FANS POST COVID-19

Regular Updates #10
October 07, 2020



BACKGROUND

With fans approved to attend NFL games in 12 markets and some questionable college football enforcement, KAGR's "Future of Live Events & Sports: The Re-Emergence of Fans Post Covid-19" is closely tracking the impact of fans attending across 31 US markets. In our 10th update, our goal remains to identify the fan safety precautions which are positively driving a **higher likelihood of fan interest in attending games and live events** and to help the industry come back as quickly and safely as possible. As winter nears, our Fan Demand Index and visualization tool identifies the trends and learnings as we collectively seek to understand this quickly evolving situation.

The KAGR Fan Demand Index is rooted in our framework¹ to track the impact on fan demand based on **market factors, venue initiatives, and fan avidity**. We have sifted through all the noisy data to bring you insights on how live events and sports will be **different as a result of the COVID-19 pandemic**. We continue adding new data sources and insights to track this rapidly changing situation.

October 07 2020: Update Overview

Twelve NFL teams have hosted fans through week 4 with many actively increasing capacity up to 25% in the weeks ahead. The MLB playoffs have kicked off and expect fans for the National League Championship and World Series in Arlington, TX. Meanwhile, the last of the league bubbles is days away from completion, with the NBA and WNBA wrapping this week. As teams return home and leagues prepare for slightly altered 2021 season start dates, the core questions remain: **which fans will attend, what will they expect when they return, and how has their willingness to pay changed?**

In this update, we explore:

- Stabilization of KAGR Fan Demand ranking with less than 50% of markets showing week-over-week changes despite the increase of recent confirmed COVID-19 cases
- NFL attendance for top ranked KAGR Fan Demand markets, viewership insights, and the significant rise of sports betting

¹ See Figure 3 on page 6, "KAGR Fan Demand Framework"

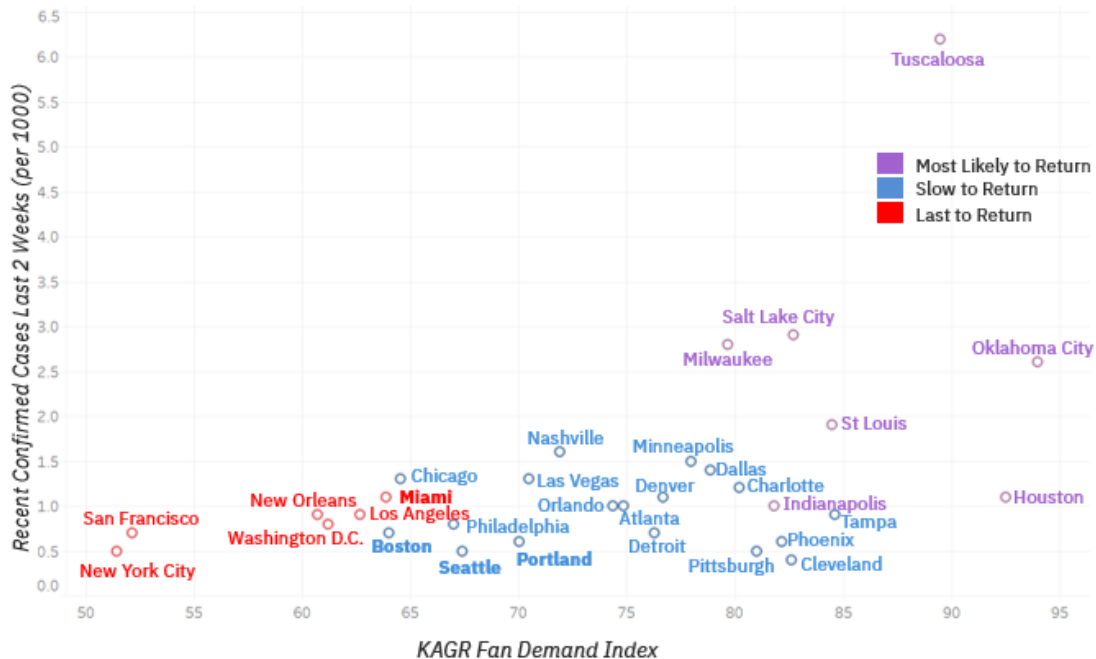


MARKET ANALYSIS

The **KAGR Fan Demand Index** remained constant the past two weeks, **up 0.3%** on average (Figure 1). This week's macro trends include:

- Increasing COVID-19 Cases:** recent confirmed COVID-19 cases are up 18%, led by Milwaukee (106%), Tuscaloosa (99%), and Salt Lake City (90%)
 - The overall number of recent confirmed COVID-19 cases (per 1,000) continues a gradual increase to 1.3 (from 1.1 two weeks ago); the recent confirmed COVID-19 case numbers well below the peak in July (3.1 per 1,000)
 - Tracking Percent of Positive Tests across markets: The World Health Organization (WHO) states that the percent of positive COVID-19 tests should be below 5% if adequate testing is in place. Today, **12 of the 31 markets** current meet this threshold (down 1 market from last report); New York City and Boston is the lowest at 1% with Milwaukee now the highest at 22% (up from 14.9%) and St. Louis close behind at 17%
- Declining Consumer Behavior:** of note, while not universal across markets, overall consumer behavior shows a slight decline, notable changes include:
 - Consumer Behaviors are down 6%; however individual markets fluctuated:
 - Positive week-over-week changes** include Portland (+6%), San Francisco (+5%), and Seattle (+4%)
 - Negative week-over-week changes** include New York City (-33%) and New Orleans (-20%)
 - Restaurant reservations are up 3%, with a few positive changes among markets moving from **Last to Return** to **Slow to Return**:
 - Positive week-over-week changes** include Portland (+84%), Seattle (+34%), and Tuscaloosa (+34%)
 - Negative week-over-week changes** include New Orleans (-17%), Milwaukee (-15%), and Chicago (-12%)

FIGURE 1. KAGR FAN DEMAND INDEX* BY RECENT CONFIRMED CASES



* KAGR Fan Demand index uses a variety of market data including COVID-19 factors, economic indicators, and other consumer behavior information.

In this week's report, only four markets moved groupings – 3 positive and 1 negative. To follow overall market changes over time, see our [interactive Fan Demand Index visual](#).

Specific markets insights this week include:

- **Positive Changes: Last to Return to Slow to Return**

- **Boston** continues to fluctuate, experiencing a slight uptick this report as unemployment decreased by 29%; however, recent confirmed COVID-19 cases are on the rise, up 46%, while consumer behavior saw a slight decrease (-9%)
- **Seattle** also moved to Slow to Return this week, with restaurant reservations up 34% and consumer behavior up 4% (after a previous decline of 31)
- **Portland** saw the highest change in restaurant reservations, up 84% (after a previous decrease of 43%), with 20% more restaurants open; Portland also saw a 6% increase in overall consumer behavior

- **Negative Changes: Slow to Return to Last to Return**

- **Miami** fell back to Last Return, after movement to Slow to Return last report; this market experienced a 14% decrease in consumer behavior despite a 6% decline in recent confirmed COVID-19 cases

KAGR FAN DEMAND INDEX CHANGES: WEEK-OVER-WEEK RANKING

The KAGR Fan Demand Index Rankings had a few sizable drops in the rankings including Indianapolis (-5) and Milwaukee (-4). Notable market highlights include:

- **Positive Fan Demand Index changes:**
 - **Salt Lake City** jumped 3 spots as recent confirmed COVID-19 cases decreased by 90%, unemployment dropped by 11%, and 7% more restaurants opened over the past two weeks
 - **Phoenix** climbed 3 spots based on a 43% decrease in unemployment, 6% decrease in recent confirmed COVID-19 cases, and 27% more restaurants opened
 - **Charlotte** also jumped 3 spots with unemployment down 22%, recent confirmed COVID-19 cases down 2%, and a 32% increase in restaurant reservations
- **Negative Fan Demand Index changes:**
 - **Indianapolis** is down 5 spots; overall market indicators did not see a large swing (consumer behavior down 3%), but the small changes were impactful compared to other highly ranked markets
 - **Milwaukee** dropped another 4 spots (after 5 last report); recent confirmed COVID-19 cases are up 106% (2.8 per 1,000); restaurant reservations are down 15% (after previously dropping 43%). As a result, the Green Bay Packers announced this week an indefinite hold on hosting fans for games at Lambeau Field this season

FIGURE 2. KAGR FAN DEMAND INDEX RANKINGS BY MARKET

Market	Rank by Week			Change in Rank	Market	Rank by Week			Change in Rank
	9/9	9/23	10/7			9/9	9/23	10/7	
Oklahoma City	2	2	1	1	Atlanta	19	18	17	1
Houston	1	1	2	-1	Orlando	18	17	18	-1
Tuscaloosa	5	3	3	0	Nashville	17	19	19	0
Tampa	7	6	4	2	Las Vegas	20	20	20	0
St. Louis	6	5	5	0	Portland	22	23	21	2
Salt Lake City	9	9	6	3	Seattle	23	22	22	0
Cleveland	8	7	7	0	Philadelphia	24	21	23	-2
Phoenix	16	11	8	3	Chicago	21	24	24	0
Indianapolis	4	4	9	-5	Boston	25	25	25	0
Pittsburgh	11	10	10	0	Miami	27	26	26	0
Charlotte	13	14	11	3	Los Angeles	28	27	27	0
Milwaukee	3	8	12	-4	Washington D.C.	26	28	28	0
Dallas	15	13	13	0	New Orleans	29	29	29	0
Minneapolis	10	12	14	-2	San Francisco	30	30	30	0
Denver	14	16	15	1	New York City	31	31	31	0
Detroit	12	15	16	-1					



FAN AVIDITY AT A GLANCE

Several NFL teams and scheduled games were impacted by COVID-19, injecting more uncertainty to whether additional teams will host fans, how the league will control and mitigate further cases, and ultimately how this impacts who will show up for live events.

WEEK 3 AND 4 NFL ATTENDANCE

Twelve NFL teams have hosted fans in stands over the first four weeks of the season, six of which have hosted twice (Dallas, Jacksonville, Kansas City, Miami, Cleveland, and Indianapolis). Capacities have ranged from 25% (Dallas) to 1% (New Orleans) as teams comply with local guidance and prepare for larger crowds as the season rolls forward. Attendance shows signs of strengthening as teams and fans continue to adapt:

- The Dallas Cowboys hosted for the second time in week 4 with 25,021 fans in attendance (up 15% from their first home game in week 2)
- Houston, a consistently strong Most Likely to Return market and 2nd in the KAGR Fan Demand ranking, hosted NFL fans in stadium this weekend against the Minnesota Vikings; 91% (12,102) of the approved 20% capacity were in the stands
- Tampa Bay, ranked 4th in the KAGR Fan Demand, also hosted in week 4; the Buccaneers approved for a soft opening (less than 10,000 fans), welcomed 6,383 fans. Tampa Bay anticipates up to 25% capacity on October 18th

THIS WEEKS VIEWERSHIP & FAN ENGAGEMENT UPDATES

Viewership trends continue to vary across leagues, and competition of events is not the only cause. Analysis indicates an overall decline in television viewership in certain time segments and fans opting for regional sports networks and local home team coverage.

- Game 1 of the NBA Finals took a sizable negative hit; down 45% from last year and was the least watched NBA Finals game on record (since 1988); 9.1 million fewer viewers overall were watching television compared to last season's game 1 night
- Viewership for MLB's 60-game regular season was up 4.2%, thanks to the regional sports networks and 14 of the 25 markets measured saw increases averaging 36%
- WNBA saw a 68% increase in viewership, with 87 nationally televised games from the "wubble;" paving the way for increased fan engagement strategies in the offseason

In previous Future of Live Events and Sports updates, we have explored sport betting as a rapidly expanding market. September results are a strong indicator. The new Barstool sportsbook app registered 21,000 downloads per day in its opening weekend last month and both DraftKings sportsbook and FanDuel set their own single-day records in the 2020 season. DraftKings sportsbook had 15,000 downloads on NFL's season opener (September 10th) while FanDuel saw 19,000 on September 13th.

How will the increase in sports betting activity impact the way fans consume live events and sports? Will sports betting interest continue when fans are back in full stadiums?

LOOKING FOR MORE?

What fan demand questions are you looking to answer? We would love to hear from you.

We welcome your feedback and questions. Please share with us at FutureSportsandEvents@kagr.com.

FIGURE 3. KAGR FAN DEMAND FRAMEWORK

