



THE FUTURE OF LIVE EVENTS & SPORTS

THE REEMERGENCE OF FANS POST COVID-19

Regular Updates #11
October 21, 2020

BACKGROUND

In KAGR's 11th update to the [“Future of Live Events & Sports: The Re-Emergence of Fans Post Covid-19”](#), we explore how our Fan Index correlates with attendance at sporting events. We are closely tracking how our framework¹ is impacted based on **market-specific 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**.

October 21 2020: Update Overview

With fans attending sporting events across college football, NFL, NASCAR and the World Series, we are seeing venues test larger capacities. With gate entry changes, improvements to cashless ordering, and a focus on safety, fans are increasingly gaining comfort to “live with COVID” and attend outdoor sporting events. With opportunities to attend live events growing, we remain focused on defining: **which fans are attending, what do they increasingly expect as they return, and how has their willingness to pay changed?**

In this update, we explore:

- Increasing consumer behavior and comfort while COVID-19 case numbers continue to rise
- Relationship between KAGR Fan Demand Index and attendance for early returning college football markets

¹ See Figure 4 on page 6, “KAGR Fan Demand Framework”

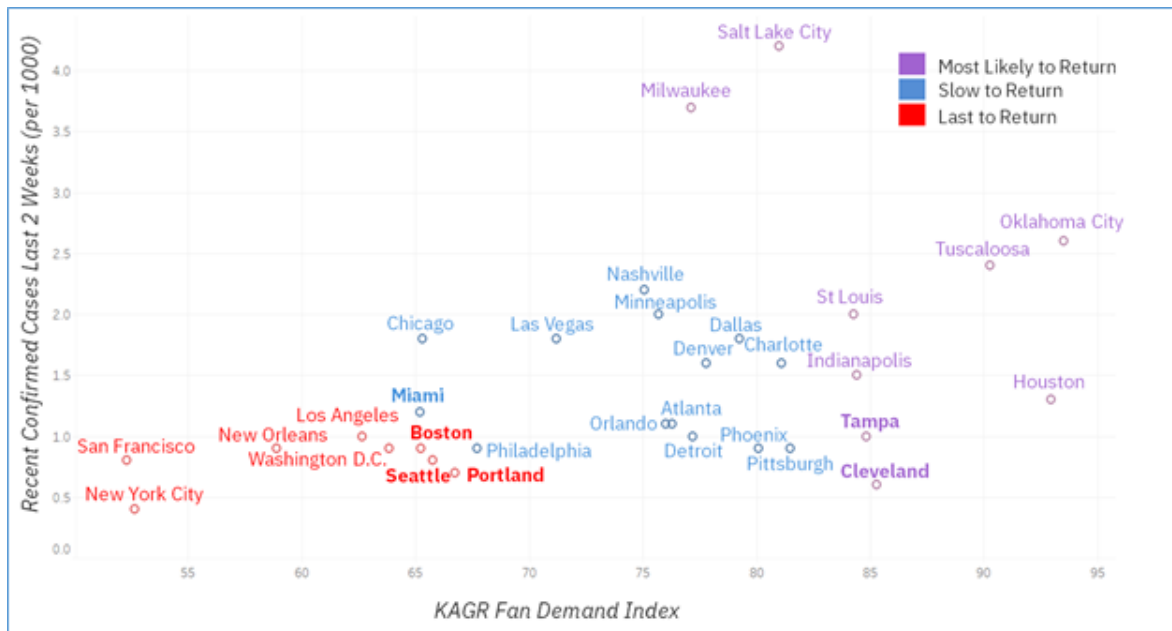


MARKET ANALYSIS

The **KAGR Fan Demand Index** continues a slight climb, **up 0.3%** on average (Figure 1). This week's macro trends include:

- **Rising COVID-19 Cases:** recent confirmed COVID-19 cases are up 25%, led by Pittsburgh (80%) and New York City (60%)
 - The overall number of recent confirmed COVID-19 cases (per 1,000) falls back to 1.1 (from 1.3 two weeks ago); the lowest recent confirmed COVID-19 case numbers were early September (0.8 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 (consistent from last report); New York City, Boston, and Washington D.C. are the lowest at 1%. Milwaukee remains the highest at 23% (up from 22%) with Las Vegas and Indianapolis close behind at 17%
- **Consumer Behavior Back in line with early September: of note**, while not universal across markets, overall consumer behavior has improved, notable changes include:
 - Consumer Behaviors are up 3%:
 - **Positive week-over-week changes** include New York City (+35%), Miami (+14%), and Washington D.C. (+12%)
 - **Negative week-over-week changes** include Tuscaloosa (-9%) and Detroit (-7%)
 - Economic mobility² is up 2%:
 - **Houston and Miami** had largest the increase in mobility (+9%); both markets have welcomes back NFL fans in venue (Houston most recently on October 4th)
 - In a recent study, consumer comfort level to participate in activities outside the house is also at an all-time since the beginning of April; 41% of adults (2,200 study participants) are comfortable dining out with over 45% of those between 22 and 38 years old saying the same

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

² A measure of economic activity using consumer shopping behavior and visits to businesses

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

Specific markets insights this week include:

- **Positive Changes: Slow to Return to Most Likely to Return**
 - **Tampa** moved to **Most Likely to Return** this week, with flights up 20%, consumer behavior up 5%, and restaurant reservations up 2%; recent confirmed COVID-19 cases were up just 5%
 - **Cleveland** has one of the highest scores for consumer behavior, only 20% below their pre-COVID consumer activity (average across markets is more than 22% below pre-COVID activity); Cleveland has seen a slight increase in recent confirmed COVID-19 cases (0.6 per 1,000; up from 0.4) but still well below many markets
- **Positive Changes: Last to Return to Slow to Return**
 - **Miami** jumped up to **Slow to Return** this week; consumer behavior and restaurant reservations were up 14% and 13% respectively. Recent confirmed COVID-19 cases did increase slightly (1.2 per 1,000; up from 1.1)
- **Negative Changes: Slow to Return to Last to Return**
 - **Boston, Seattle, and Portland** all fell back to **Last Return** after movement to **Slow to Return** last report; all three saw an increase recent confirmed COVID-19 cases, up 29%, 40%, and 33% respectively
- **Outlier: Milwaukee and Salt Lake City** remain in **Most Likely to Return** despite high recent confirmed COVID-19 cases (3.7 and 4.2 cases per 1,000 respectively); both markets have strong consumer behavior and economic mobility³ (within the top 10 markets in economic mobility)

³ A measure of economic activity using consumer shopping behavior and visits to businesses

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

The overall KAGR Fan Demand Index increased slightly (+0.3); however relative rankings for 19 of the 31 markets changed. **Salt Lake City** and **Minneapolis** had the largest week-over-week movements, both dropping 4 spots. Notable market highlights include:

- **Positive Fan Demand Index** changes:
 - **Cleveland** jumped 3 spots based on high overall consumer behavior with an additional increase of 4% this week; flights are also up 13%
 - **Indianapolis** climbed 3 spots (after dropping 5 spots last report); restaurant reservations are up 15% with 9% more restaurants open
- **Negative Fan Demand Index** changes:
 - **Salt Lake City** dropped 4 spots; recent confirmed COVID-19 cases are up 45% while both consumer behavior and restaurant reservations are down 5% and 8%, respectively
 - **Minneapolis** also dropped 4 spots; recent confirmed COVID-19 cases are up 33% while both consumer behavior and restaurant reservations are down 3% and 7%, respectively
 - **Milwaukee** dropped another 3 spots (after 4 last report); recent confirmed COVID-19 cases are up 32%
 - **Phoenix** dropped 3 spots after jumping up last report; recent confirmed COVID-19 cases are up 50% and restaurant reservations saw the largest decrease (-25%)

FIGURE 2. KAGR FAN DEMAND INDEX RANKINGS BY MARKET

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



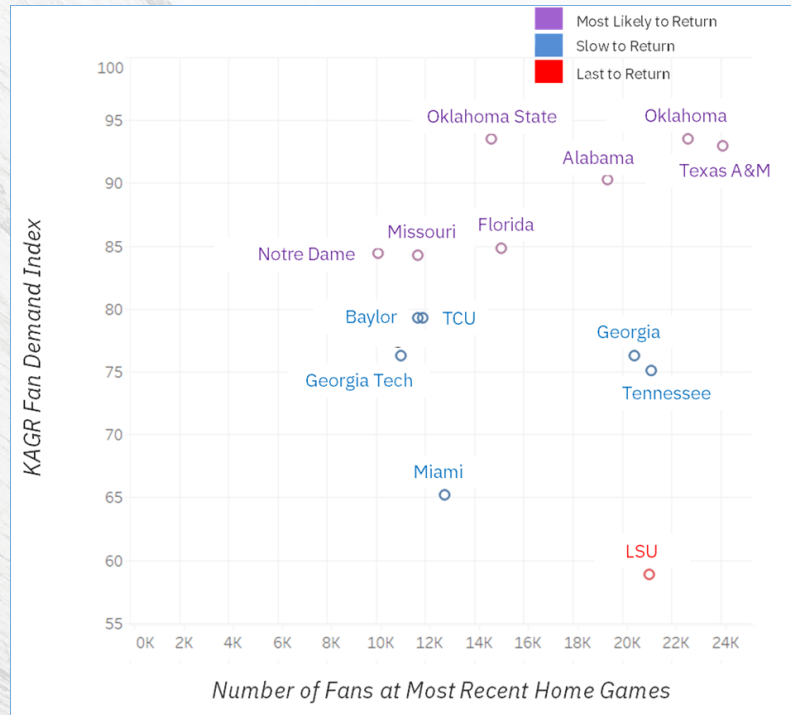
FAN AVIDITY AT A GLANCE

In this report, we focus on football and early attendance in collegiate markets. We also continue to track how fans are engaging with sports and live events content. While viewership numbers fluctuate (the [MLB post-season has struggled](#) for consistent viewers based on time slots and competition), sports betting concepts are on the rise with an increasing number of states becoming licensed.

COLLEGE FOOTBALL ATTENDANCE

In Figure 3, we explored the KAGR Fan Demand Index of college football specific markets in our analysis against the number of fans in stands. Markets which are Most Likely to Return allowed and saw greater attendance, driving insights around how market-based restrictions (for venue capacity and in general) for these markets vary.

FIGURE 3. KAGR FAN DEMAND INDEX BY COLLEGE FOOTBALL ATTENDANCE (OCT. 17TH)



- **Oklahoma, Alabama, and Texas A&M** all are located close to three of our **Most Likely to Return** markets and are seeing amongst the highest number of fans this past week; **Notre Dame** has the lowest attendance of the **Most Likely to Return**, but capacity numbers have been climbing as the season progresses (similar to what we are seeing with the Indianapolis Colts)
- **LSU** is an outlier; New Orleans remains one of our **Last to Return** markets, but restrictions in nearby Baton Rouge provides for up to 33% of fans in venue. In fact, the New Orleans Saints were in initial discussions with the university about potentially hosting a home game before the Saints received [approval for a phased pilot approach](#) early this week

SPORTS BETTING UPDATES

In previous [Future of Live Events and Sports updates](#), we have highlighted the expansion of the sports betting industry including dramatic increases in August activity and the launch of new sportsbook apps (Barstool). This week we explored how a league and team is directly integrating sports betting into the overall fan experience.

- The PGA Tour recently incorporated BetMGM live betting odds into the telecast this past weekend at the CJ Cup @ Shadow Creek this past weekend. The PGA Tour integrated live odds into the Tour's digital platforms in August; all activities focused on engaging fans in new and creative ways
- The [Chicago Cubs and DraftKings](#) announced a partnership to build a sportsbook at or around Wrigley Field. The project will be one of the first to develop a retail sportsbook into a professional sports venue, further integrating sports betting into the game experience

As the type and volume of live events evolves, we will seek to track fan engagement concepts that push beyond the pre-pandemic norm. Innovation continues to be applied to traditional engagement channels, with a goal to drive a differentiated and lasting fan experience.

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 4. KAGR FAN DEMAND FRAMEWORK

