



# THE FUTURE OF LIVE EVENTS & SPORTS

THE REEMERGENCE OF FANS POST COVID-19

Regular Updates #15  
December 17, 2020





# BACKGROUND

In KAGR's 15<sup>th</sup> update to the "Future of Live Events & Sports: The Re-Emergence of Fans Post Covid-19", we explore the impact of COVID-based market restrictions on KAGR Fan Demand. Of course, we continue to closely track how our framework<sup>1</sup> 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**. We continue adding new data sources and insights to track this rapidly changing situation.

## December 17, 2020: Update Overview

The NBA season kicks off next week with only a small number of teams expecting fans. MLB contemplates a delayed 2021 season start to allow for player vaccinations and prominent NCAA coaches question the safety of proceeding with the winter season. Meanwhile, in the U.K. the English Premier League has started to welcome back home team fans. As the vaccine rollout and timeline becomes clearer, we expect 2021 season decisions to take shape. As we look to 2021, we remain focused on defining: **which fans will attend, what do they expect when they return, and how has their willingness to pay changed?**

In this update, we explore:

- A sizable increase in Most Likely to Return markets as the KAGR Fan Demand Index dropped overall
- A deeper look at NFL fan engagement on social media
- Newly issued policies and protocols for group sales and fan safety

<sup>1</sup> See Figure 3 on page 7, "KAGR Fan Demand Framework"

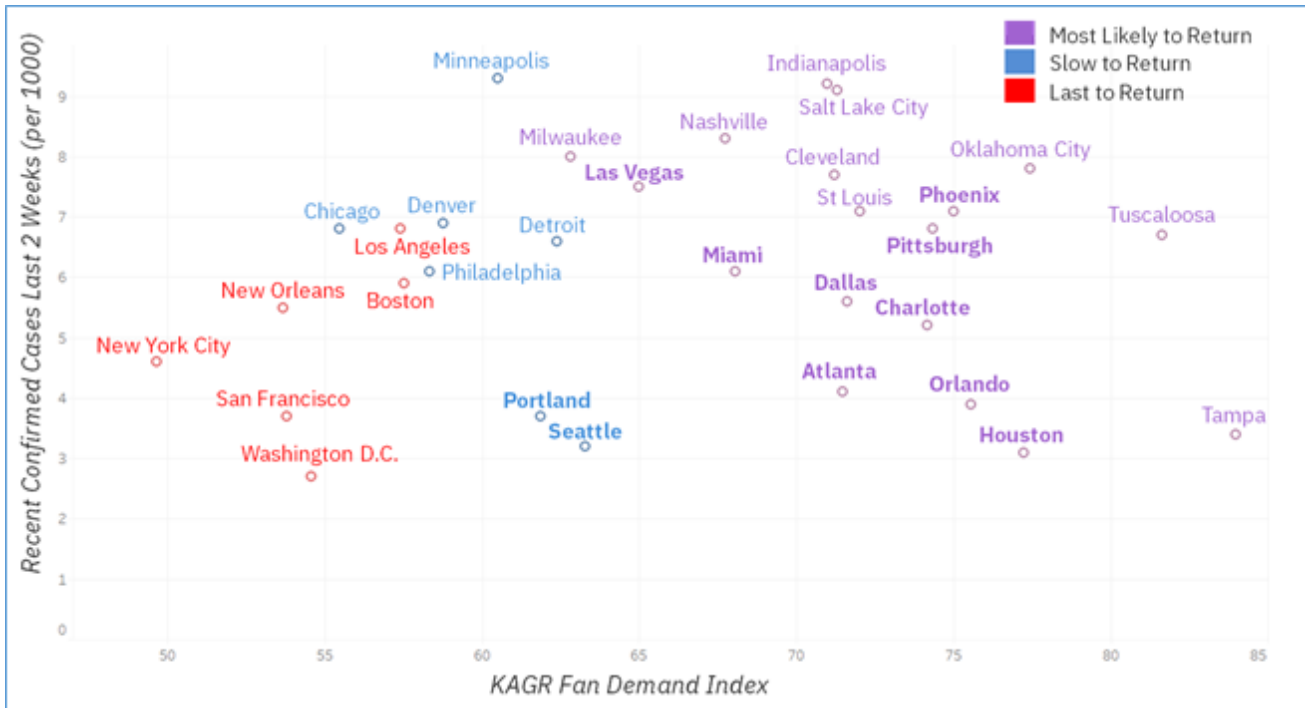


# MARKET ANALYSIS

The **KAGR Fan Demand Index** dropped 4% this week, down 8.5% since early October, with increased restrictions in several markets (for example, 10 markets are now closed for indoor dining). Las Vegas saw the greatest negative shift (-7.2%) along with Indianapolis (-7%), New Orleans (-7%), and Oklahoma City (-6.5%). No markets saw KAGR Fan Demand Index increases. This week's macro trends include:

- **COVID-19 Cases Increasing, but lower overall growth:** recent confirmed COVID-19 cases are up 30% (from 61% last report), led by Los Angeles (+100%), Boston (+90%), and San Francisco (+80%). 6 of 31 markets experienced a decrease in number of recent confirmed cases:
  - The overall number of recent confirmed COVID-19 cases (per 1,000) is now at 6.1 (from 5.2 two weeks ago); the highest we have seen since starting the Future of Live Events and Sports series in early May
  - 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, **only 1 of the 31 markets** currently meet this threshold (down 2 from last report). The average percent positive tests this week was 14.1% (up from 12.6% last report)
  - Washington D.C. remains the lowest Percent of Positive Tests at 2%. Tuscaloosa, Philadelphia, and Pittsburgh recorded the highest Percent of Positive Tests at 36%
- **Consumer Behavior Down on Average across Markets:**
  - Consumer Behavior indicators are down another 3%:
    - **Positive week-over-week changes** occurred in 4 markets (down from 10 last report) including Portland (+4%), Milwaukee (+3%), and Seattle (+3%)
    - **Negative week-over-week changes** occurred in 23 markets including Cleveland (-9%) and Boston, New Orleans, and Pittsburgh all at -7%
  - Counter to other indicators, economic mobility<sup>2</sup> did move up 1% on average, with outliers:
    - **Positive week-over-week changes** occurred in 20 markets including Milwaukee (+10%) and Tampa (+7%)
    - **Negative week-over-week changes** occurred in 8 markets including Las Vegas (-8%) and Seattle (-5%)

**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

<sup>2</sup> A measure of economic activity using consumer shopping behavior and visits to businesses

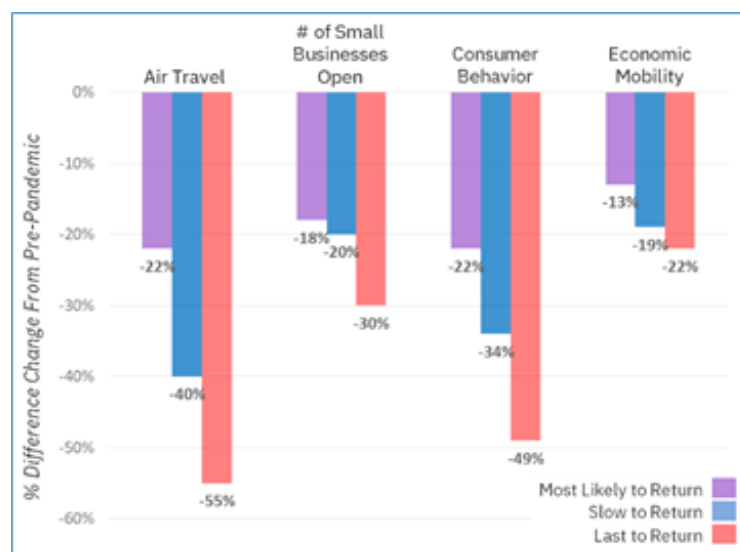


Eleven markets moved across groups this week; 9 markets from Slow to Return to Most Likely to Return and 2 markets from Last to Return to Slow to Return. To track prior market changes over time, see our [interactive Fan Demand Index visual](#).

Specific markets insights this week include:

- **Significant Most Likely to Return Market Grouping Moves:**
  - This week’s **Most Likely to Return** group has doubled in size (currently 18 markets). In contrast to **Last to Return** and **Slow to Return** markets, all **Most Likely to Return** markets have very few restrictions in place. While a number of these markets have mask mandates and guidance for smaller social gatherings, none with the exception of Pittsburgh (new statewide restrictions were placed on December 12th), are closed for indoor dining, bars, and entertainment.
  - Beyond restrictions, we explored market group trends across some of the key indicators incorporated into KAGR Fan Demand Index (Figure 2). Across the board, we see **Most Likely to Return** markets more “open” and experiencing less consumer and economic impact:

**FIGURE 2. DIFFERENCE IN KEY MARKET INDICATORS FROM PRE-PANDEMIC LEVELS**



- **Additional Positive Changes: Last to Return to Slow to Return**
  - Beyond the **Most Likely to Return** market changes, both **Portland** and **Seattle** moved up to the Slow to Return group this week. Both markets saw an increase in consumer behavior (+3%) and a decrease in most recent unemployment numbers (-13% in Portland and -33% in Seattle)

## KAGR FAN DEMAND INDEX CHANGES: WEEK-OVER-WEEK RANKINGS

The overall KAGR Fan Demand Index decreased for the fourth report (-4%); 24 of 31 markets experienced week-over-week changes. **Tampa** retained the highest KAGR Fan Demand Index while **Indianapolis** dropped significantly (-8). Notable market highlights include:

- **Positive Fan Demand Index** changes:
  - **Atlanta** jumped 4 spots this week; economic mobility<sup>3</sup> is up 3% while unemployment decreased by 15%
  - **St. Louis** climbed 3 spots; recent confirmed COVID-19 cases are down 15% and economic mobility<sup>4</sup> up 3%
  - **Dallas** is up 3 spots; unemployment is down 20% and flights are up 9%
  - **Minneapolis** is also up 3 spots, and one of the only markets to see a decrease in most recent confirmed COVID-19 cases (-7%). Unemployment is also down 32%
- **Negative Fan Demand Index** changes:
  - **Indianapolis** dropped 8 spots; recent confirmed COVID-19 cases are up 15% (9.2 cases per 1,000). Restaurant reservations are also down 25%
  - **New Orleans** also dropped 3 spots; consumer behavior is down 7%, restaurant reservations decreased by 44%, and economic mobility<sup>5</sup> is down 4%
  - **Cleveland** is down 3 spots; consumer behavior is down 9% (the largest drop this week)

**FIGURE 3. KAGR FAN DEMAND INDEX RANKINGS BY MARKET**

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

<sup>3, 4 & 5</sup> A measure of economic activity using consumer shopping behavior and visits to businesses





# FAN AVIDITY AT A GLANCE

In this week's report, we explore early trends on 2021 season ticket member renewals, check back in on sports viewership, and look specifically at NFL fan engagement on social media.

While ticketing and season ticket member renewal plans remain in flux across many leagues, the Miami Dolphins have seen a large increase in activity on their mobile and online sales platforms (+150% year-over-year increase). In addition to their on-field success, the Dolphins have also achieved their highest season ticket renewal rate in 15 years and sold the highest number of new plans and suites for the upcoming season.

## THIS WEEK'S VIEWERSHIP UPDATES

In a sign of the changing viewership patterns across TV and digital channels, Nielsen recently announced an overhaul of its rating systems. The new system will integrate across platforms, tracking TV, mobile, and computers. Certainly a huge and much needed step in defining a more comprehensive set of metrics for the industry. In the meantime, 2020 viewership and ratings continue to wane with a few bright spots. Soccer viewership is up – both in the U.S. and abroad:

- **UEFA Champions League** match of Barcelona-Juventus averaged 1.07 million viewers, the highest for Champions League stage match
- **MLS semifinal matchup** between Sporting KC and Minnesota United saw the **second largest MLS playoff audience**, since MLS Cup in 1998
- However, men's college basketball experienced significant declines including the early season ACC / Big Ten Challenge (the doubleheader between North Carolina-Iowa and Illinois-Duke was **down 29% and 44%**)

## FAN ENGAGEMENT UPDATES

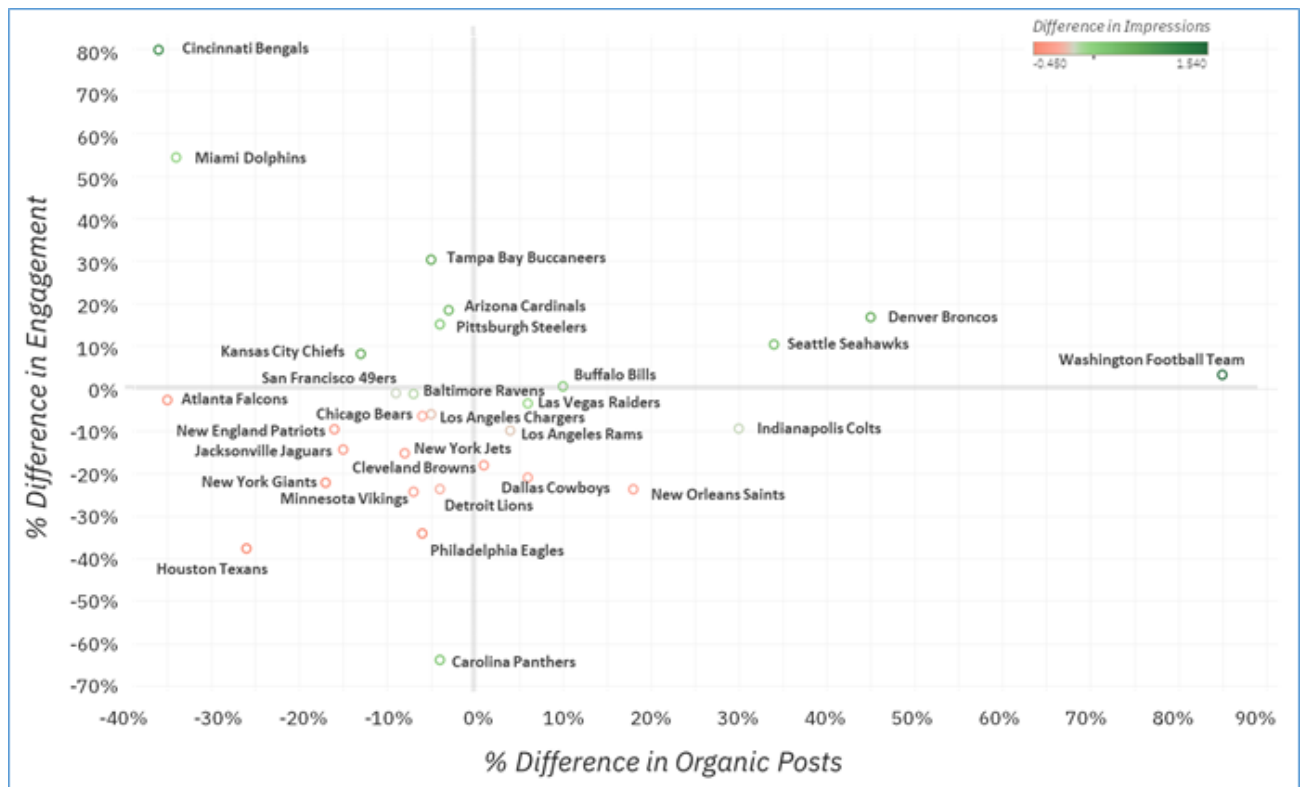
In a recent survey by cashless provider tappit, sports fans were asked how they are engaging with their favorite teams during the pandemic. **71.8% of fans engaged on social media** and **61% of fans feel valued by their team when they connect with them on social media**. The survey also indicated that fans are looking for more personalized engagement.

To understand how specific teams are engaging fans, we partnered again with Zoomph<sup>6</sup> to review fan engagement on social media percent for NFL teams between September 2019 and September 2020 (Figure 4, page 6). We see a mix of results across teams, both on the number of organic posts and the engagement of the fan base.

<sup>6</sup> *Measuring Social Engagement: Zoomph is a leading platform for digital intelligence at the intersection of sports and sponsorship analysis. Engagement is tracked across multiple social sites – the source for our analysis includes all owned and earned mentions of the official league and team handles on Facebook, Twitter, and Instagram. Engagement rate is measured per impression.*



**FIGURE 4. SOCIAL MEDIA ENGAGEMENT BY NFL TEAM  
(SEPTEMBER 2019 VS SEPTEMBER 2020)**



- Outliers:** Cincinnati experienced the highest percent engagement increase (80%) despite a 35% decrease in number of posts. The Washington Football Team had the largest increase in posts in 2020 (+85%), saw a significant uptick in impressions (+154%), and was able to remain neutral in engagement.

Team performance certainly plays a factor in overall engagement, but there are clear opportunities for teams to connect and engage with fans. Fan data and insights will be increasingly important to develop and deliver the curated and personalized content fans desire.





# PRODUCT/VENUE AT A GLANCE

While few teams are welcoming fans indoors this winter, a handful of MLB and MLS clubs have released new information on forward looking policies and protocols.

## FUTURE OF GROUP SALES

Group sales has been in question given social distance guidelines and limitations on social gatherings, but as vaccinations begin to rollout, policies are starting to take shape. Key updates include flexible seating commitments and additional refund assurances:

- The [Boston Red Sox](#) are offering **flexible seating assignments, credits applied to future games, and refunds if restricted capacity or cancelled games affect their group outing**. In addition, they have provided early pricing incentives for group leaders to lock in their dates
- The [Pittsburgh Pirates](#) are enacting similar guidelines including seat flexibility and credits or refund in the event of restricted capacity or a reduced number of regular season home games

## DIGITAL INNOVATION FOR FAN SAFETY AND IN-VENUE EXPERIENCE

The Los Angeles Football Club (LAFC) has been driving innovation for the future fan experience both with safety and entertainment at the forefront:

- With the goal to provide confidence to fans at the stadium, the [Los Angeles Football Club](#) has worked with CLEAR to leverage their [Health Pass app](#) as part of their reopening plan for the 2021 MLS season. The app will indicate that each fan has met the requirements through a barcode before entering the stadium. While compliance, communication, and rollout are unclear, this serves as an interesting baseline of fan expectations, especially in more cautious, **Last to Return**, markets like Los Angeles
- To drive a more robust match-day experience, LAFC also partnered with [Mixhalo](#), a wireless networking technology that delivers high-quality audio in real-time to event attendees. Mixhalo will be accessed through LAFC's free smartphone app, **allowing fans to tune into audio for home and away play-by-play and Spanish-language radio**. Beyond the fan impact, this technology also creates a new way for teams to collect important and valuable fan data

The success and fan interest in technology like Mixhalo presents opportunities beyond play-by-play audio including mic'd players, coaches, and more. We will continue to track digital innovation and concepts as leagues and teams move closer to the return of fans to live events.



# 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](mailto:FutureSportsandEvents@kagr.com).

FIGURE 5. KAGR FAN DEMAND FRAMEWORK

