



# THE FUTURE OF LIVE EVENTS & SPORTS

THE REEMERGENCE OF FANS POST COVID-19

REGULAR UPDATES #17  
JANUARY 27 2021



# BACKGROUND

In KAGR's 17<sup>th</sup> update to the [“Future of Live Events & Sports: The Re-Emergence of Fans Post Covid-19”](#), we explore regional trends of the KAGR Fan Demand Index and analyze two recent surveys to better understand fans' and industry experts' expectations of the post-pandemic venue experience. 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.

## JANUARY 27 2021 OVERVIEW

The Super Bowl matchup is set and ticket demand is high, given the limited capacity in Tampa. Additional leagues are in progress or are set to start in the coming weeks including the National Women's Hockey League (NWHL) and NBA's G League; each will play without fans and in a bubble. Meanwhile, several teams across the NBA and NHL are hosting fans with minimal indication of changing plans. As the large-scale vaccination rollout comes into view, 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:

- How the KAGR Fan Demand Index varies by region and what the continued decline indicates for 2021
- The demand for Super Bowl tickets and the expansion of sports betting across professional leagues
- The *Fan Experience in a Post-COVID World* study conducted by Sportico, surveying both fans and industry experts

<sup>1</sup> See Figure 8 on page 8, “KAGR Fan Demand Framework”

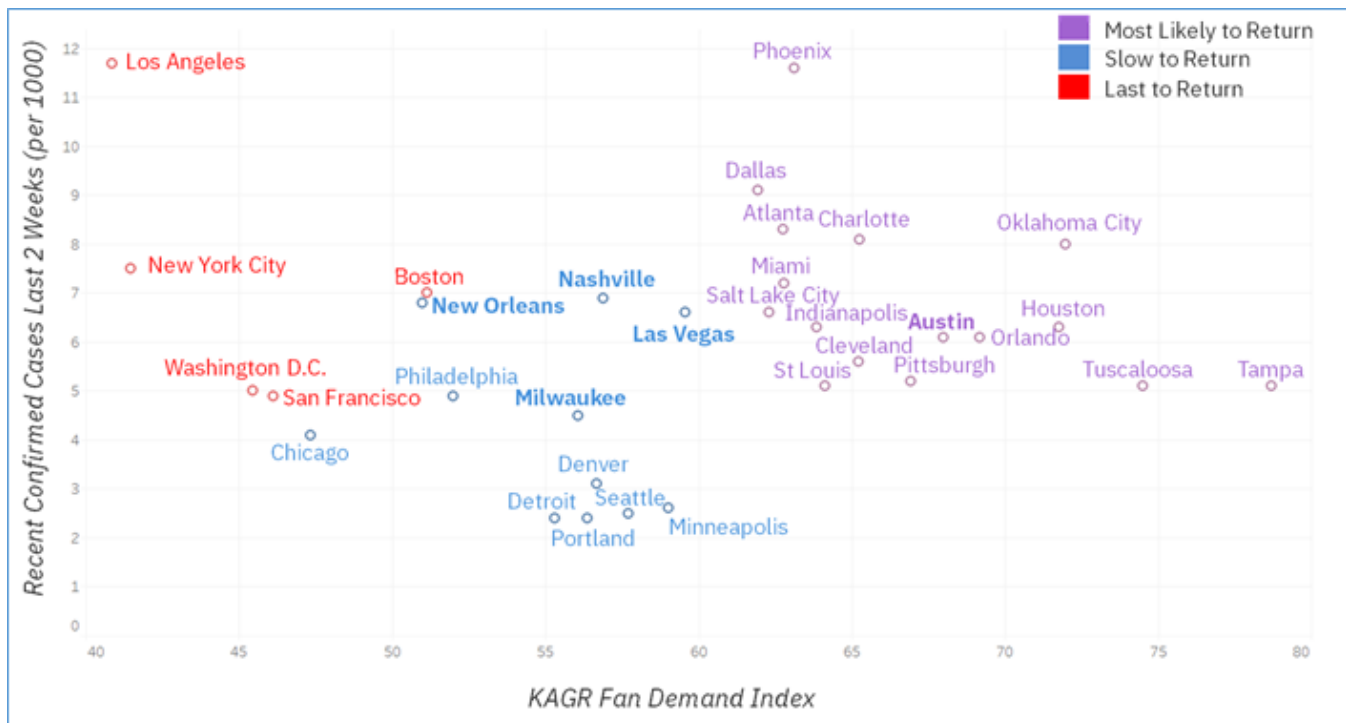


# MARKET ANALYSIS

The **KAGR Fan Demand Index decreased another 6%**, and 17% from October. Los Angeles and Washington D.C. saw the greatest week-over-week dip (-13%) along with New York City (-12%). Only three markets saw KAGR Fan Demand Index increases led by Minneapolis (+15%). This week's macro trends include:

- **COVID-19 Cases rise on average, with outliers:** recent confirmed COVID-19 cases are up 5%
  - Significant increases in recent confirmed COVID-19 cases were seen in Houston (+47%), New York City (+32%), and Atlanta (+28%). Markets with decreases include Tuscaloosa (-38%), Nashville (-26%), and Pittsburgh (-19%)
  - The overall number of recent confirmed COVID-19 cases (per 1,000) is now at 6.0 (down from 5.8 on December 16th). The lowest per capita markets include Detroit (2.4), Portland (2.4), and Seattle (2.5); highest is Los Angeles (11.7)
  - Tracking Percent of Positive Tests across markets: **4 out of 32 markets** (Washington D.C., Portland, Denver, and Minneapolis) have percent of positive COVID-19 tests below the 5% threshold (up 3 from last report). The average percent positive tests this week was 12% (down from 17.1% last report)
  - Washington D.C. remains the lowest Percent of Positive Tests at 2%. Tuscaloosa (30.7%, down from 47%), Philadelphia and Pittsburgh (both 30.2%, down from 44%) recorded the highest Percent of Positive Tests
- **Shifts in behaviors across all Markets:**
  - Over the last two weeks, each region has meaningfully altered their behaviors. In particular, economic mobility<sup>2</sup> dropped 13% on average, with all markets recording decreases:
    - **Negative week-over-week changes include:** Chicago (-17%), New York City (-17%), and Denver (-16%). Specifically in Chicago, local authorities have kept the city in the most strict level of re-opening to combat a potential post-holiday surge; on January 18th Chicago moved into the next phase and we expect to see an upturn as a result

**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

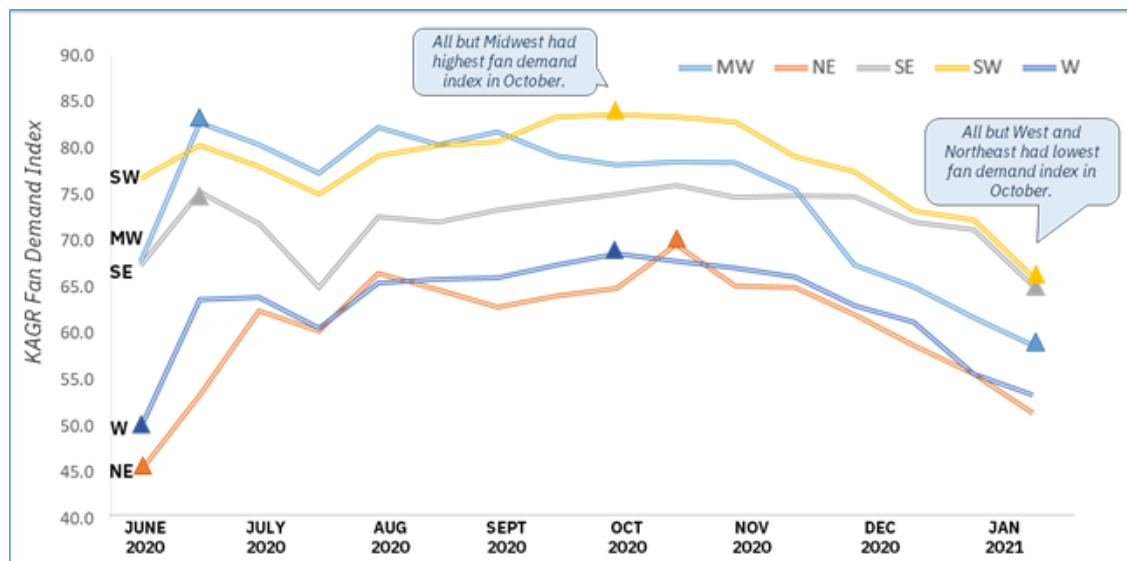
<sup>2</sup> A measure of economic activity using consumer shopping behavior and visits to businesses



Specific markets insights include:

- **Positive Changes: Last to Return to Slow to Return**
  - **New Orleans** jumped from **Last to Return** to **Slow to Return** this week due to an increase in consumer behavior compared to the rest of the Last to Return markets; local restrictions are expected to loosen later this week
- **Negative Changes: Most Likely to Return to Slow to Return**
  - **Las Vegas, Nashville, and Milwaukee** fell back to **Slow to Return**. In **Las Vegas**, consumer behavior is down 2% and economic mobility<sup>3</sup> dropped 15%. **Nashville** saw a sharp decline in travel (-17%) with a similar drop in consumer behavior (-18%). **Milwaukee** experienced a rise in recent confirmed COVID-19 cases (+5%) and a significant drop in economic mobility<sup>3</sup> (-16%)
- **Exploring Regional KAGR Fan Demand Index Trends:**
  - To better understand the continued drop in KAGR Fan Demand Index, we explore regional trends (Figure 2). Across all regions, KAGR Fan Demand Index has been on a downward trajectory since October
    - The **Southwest** Region has consistently driven the highest KAGR Fan Demand Index since September 2020
    - With the exception of a sharp decline in July, the **Southeast** remained reasonably flat until January
    - The **Northeast** and **West** continue to drive the lowest KAGR Fan Demand Index

**FIGURE 2. KAGR FAN DEMAND INDEX TRENDS \* OVER TIME**



\* Regional breakdowns include:

- **Midwest (MW):** Chicago, Cleveland, Detroit, Indianapolis, Milwaukee, Minneapolis, St Louis
- **Northeast (NE):** Boston, New York City, Philadelphia, Pittsburgh, Washington DC
- **Southeast (SE):** Atlanta, Charlotte, Miami, Nashville, New Orleans, Orlando, Tampa, Tuscaloosa
- **Southwest (SW):** Austin, Dallas, Houston, Oklahoma City, Phoenix, Las Vegas
- **West (W):** Denver, Los Angeles, Portland, Salt Lake City, San Francisco, Seattle

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

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

The overall KAGR Fan Demand Index decreased for the fifth report (-6%); 20 of 31 markets experienced week-over-week changes. **Tampa** retained the highest KAGR Fan Demand Index while **Dallas, Milwaukee, and Boston** had the largest drops (-5 spots). Notable market highlights include:

- **Positive Fan Demand Index** changes:
  - **Minneapolis** jumped 9 spots this week; recent confirmed COVID-19 cases have started to decline (-10%) with Percent Positive Tests now under 5%. Local market restrictions have also been lifted and dining and entertainment activity has increased by 20%
  - **Pittsburgh** climbed 8 spots; recent confirmed COVID-19 cases have also started to fall (-19%). Dining and entertainment activity increased by 14%
  - **Denver** climbed 4 spots; recent confirmed COVID-19 cases are down (-16%). Dining and entertainment activity increased by 70%
  
- **Negative Fan Demand Index** changes:
  - **Milwaukee** dropped 5 spots; recent confirmed COVID-19 cases are up 5%. Dining and entertainment activity is significantly down (-26%)
  - **Boston** also fell back 5 spots; dining and entertainment is down 19% and economic mobility<sup>4</sup> also dropped 15%
  - **Dallas** is also down 5 spots; recent confirmed COVID-19 cases is up 26%

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

Market	Rank by Week			Change in Rank
	12/16	1/13	1/27	
Tampa	1	1	1	0
Tuscaloosa	2	2	2	0
Oklahoma City	3	3	3	0
Houston	4	4	4	0
Orlando	5	5	5	0
Austin	-	-	6	-
Pittsburgh	7	15	7	8
Charlotte	8	6	8	-2
Cleveland	13	7	9	-2
St. Louis	9	12	10	2
Indianapolis	14	8	11	-3
Phoenix	6	9	12	-3
Miami	15	13	13	0
Atlanta	11	10	14	-4
Salt Lake City	12	17	15	2
Dallas	10	11	16	-5

Market	Rank by Week			Change in Rank
	12/16	1/13	1/27	
Las Vegas	17	14	17	-3
Minneapolis	22	27	18	9
Seattle	18	19	19	0
Nashville	16	16	20	-4
Denver	23	25	21	4
Portland	21	20	22	-2
Milwaukee	19	18	23	-5
Detroit	20	24	24	0
Philadelphia	24	22	25	-3
Boston	25	21	26	-5
New Orleans	30	23	27	-4
Chicago	27	28	28	0
San Francisco	28	29	29	0
Washington D.C.	29	26	30	-4
New York City	31	31	31	0
Los Angeles	26	30	32	-2

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





# FAN AVIDITY AT A GLANCE

With the Super Bowl less than two weeks away, demand for tickets for the marquee showdown in Tampa has skyrocketed. Capacity at the Raymond James Stadium will be capped at 25% (22,000) and with the final pairing now determined, ticket prices have risen above an average of \$11K, a 139% increase over the \$4.6K average seen over the past five years.

While the sports world waits for more ticketed events to return, we check in on new trends in the sports betting world and a virtual ticketed experience to identify new fans and drive engagement.

## 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 betting activity, launch of new sportsbook apps, and in venue sportsbook locations. In a recent survey conducted by Sportico, 44% of industry experts see sport betting as the largest revenue opportunity for teams and leagues, second only to the digitization of the fan experience (47%). This week we explored the expansion of sports betting within the NFL:

- The Washington Football Team became the first NFL team to receive a sports betting permit on January 20th. The team launched a mobile sportsbook (access in Virginia) in partnership with FanDuel shortly after
- Ten NFL teams have signed partnerships with sports betting providers, including DraftKings, FOX Bet, FanDuel, BetMGM, Betfred USA, and PointsBet. The Denver Broncos were the first to sign a sports betting partnership in May 2020

A big question for many teams and leagues is how to effectively identify and reach new fans with limited ability to host ticketed events in venue. In the UK, one soccer club leveraged a unique raffle to capture tens of thousands of names:

- Marine AFC, a 5th tier soccer club in England, hosted Tottenham Hotspur for a third round FA Cup match a few weeks ago. The club sold 30,000 virtual tickets for the match held at their stadium, which typically only holds 3,185 fans. Each virtual ticket holder was submitted into a raffle to manage the club for a preseason friendly match

With the pandemic causing geographic and regional shifts, and people leaving major cities for secondary cities and locations, concepts that combine virtual and eventual in-venue experiences could be increasingly important to retain and grow loyal fan bases.

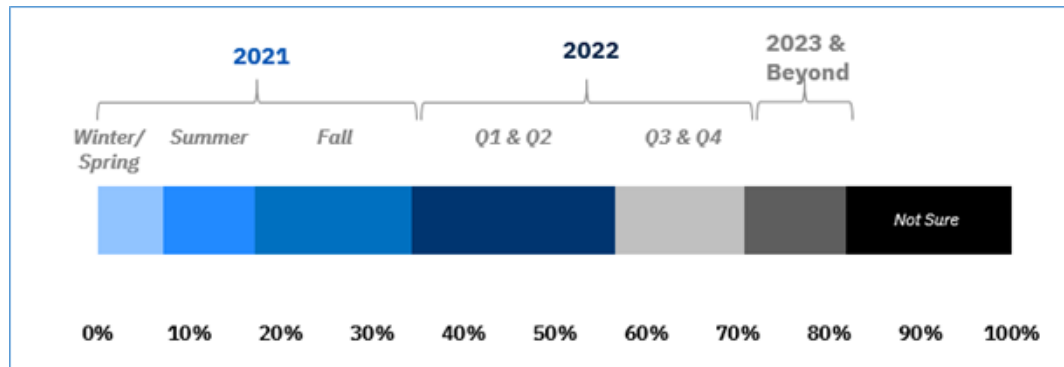




# PRODUCT VENUE AT A GLANCE

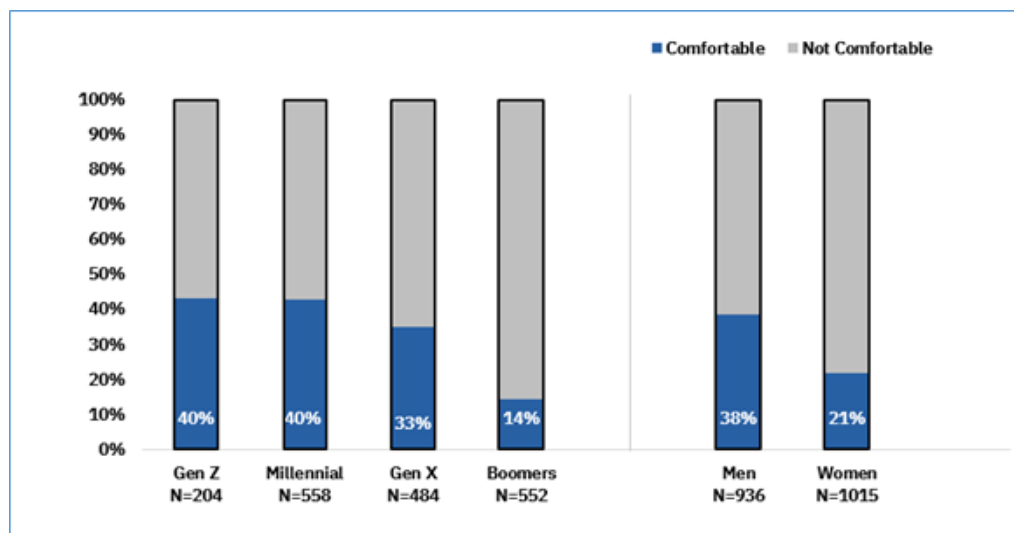
KAGR partnered with Sportico to analyze the results of their recent *Fan Experience in a Post-COVID World* surveys conducted with two audiences, Industry Experts and Fans. The surveys were aimed at understanding comfort returning to venues, importance of specific innovations, and business opportunities for leagues and teams as a result of the pandemic.

**FIGURE 4. EXPECTED RETURN TO FULL-CAPACITY**



- **34%** of fans expect venues to return to full capacity by the end of 2021
- **Male** respondents appear **more optimistic** than females with 45% of men expecting live events to return this year
- **Gen X** respondents were **least optimistic**, 17% responding they don't expect fans to return at full capacity until 2023 or later (compared to ~8% for both Gen Z & Millennials and 10% of Baby Boomers)

**FIGURE 5. COMFORT IN ATTENDING EVENT IN FULL-CAPACITY CROWD INDOORS**



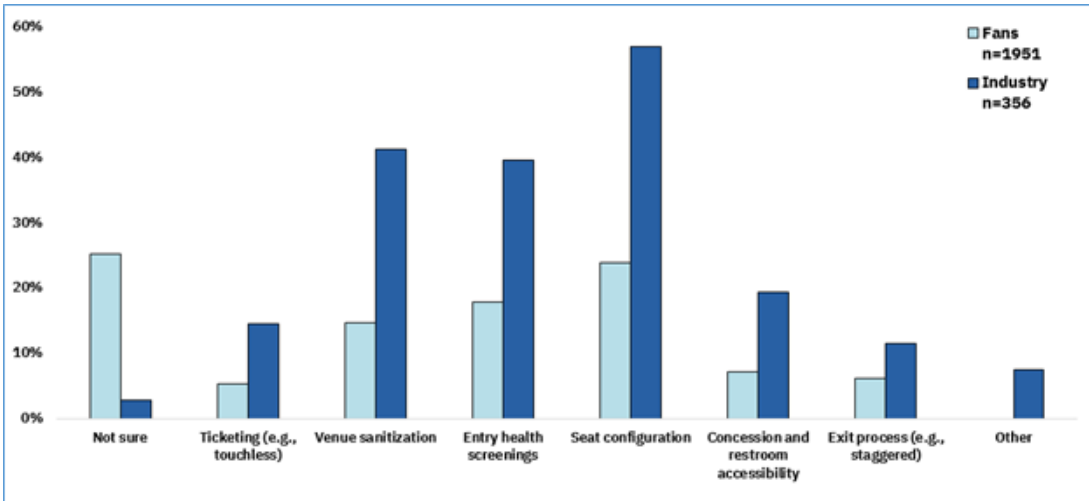
- Gen Z (under 24 years old) and Millennials (25-40 years old) are the most comfortable (40%) in returning to full-capacity events; Boomers (57-75 years old) are the least comfortable (~14%)
- Men are 17% more comfortable than women

Interestingly, there are **no major difference between the general public’s willingness to return to indoor or outdoor venues before they personally have received the vaccine** (33% comfortable).

### STADIUM INNOVATIONS AND SANITIZATION REQUIREMENTS

To address health and safety concerns, there has been several stadium specific innovations and considered including seat configuration, entry screening, venue sanitization, concession & restroom accessibility, staggered exits, and touchless ticketing and verification. When asked to rank importance:

**FIGURE 6. TOP INNOVATIONS ACCORDING TO FANS AND INDUSTRY EXPERTS**



\*Note: “Other” was not a choice in the Fan survey

- Fans ranked seat configuration (24%) and entry screening (18%) as most important
- Industry experts felt more strongly, indicating seat configuration (56%), venue sanitization (41%), and entry screening (39%) as their top 3

When asked specifically on stadium sanitization requirements, fans and industry experts also differed (Figure 6). **Industry experts believe that rapid COVID-19 tests for entry are the most important** sanitization requirement and also ranked the conversion to touchless in the top four. Fans were not as focused on rapid tests and **felt that temperature checks were sufficient**.

**FIGURE 7. TOP SANITIZATION ACCORDING TO FANS AND INDUSTRY EXPERTS**

	Fans	Industry Experts
1	Availability of Hygiene Supplies (55%)	Rapid Test for Admission (44%)
2	Mask Requirement (52%)	Availability of Hygiene Supplies (44%)
3	Expanded Venue Cleaning Crew (44%)	Conversion to Touchless (35%)
4	Temperature Checks (43%)	Expanded Venue Cleaning Crew (21%)

The Sportico surveys provides a glimpse inside the many factors to consider when welcoming fans back to stands. Perspectives vary across industry experts and fans, gender, age, and avidity. Teams must engage their fan base to understand what matters most and how to tailor their own approach to meet their local market needs.



# 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 8. KAGR FAN DEMAND FRAMEWORK

