



# THE FUTURE OF LIVE EVENTS & SPORTS

THE REEMERGENCE OF FANS POST COVID-19

REGULAR UPDATES #19  
FEBRUARY 25 2021



# BACKGROUND

In KAGR's 19<sup>th</sup> update to the “Future of Live Events & Sports: The Re-Emergence of Fans Post Covid-19”, we examine the impact of lifting market-based restrictions and decreasing COVID-19 case numbers.

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**.

## FEBRUARY 25 2021 OVERVIEW

The NBA and NHL have more than doubled the number of teams hosting fans over the past two weeks, including all New York, New Jersey and Massachusetts teams planning for a limited capacity in short order. The NCAA men's and women's college basketball tournaments have also followed suit; the men's tournament expects a 25% capacity limit with the women's just under 20%. Meanwhile, in Australia, the Australian Open experienced a sizable setback in its first week, reversing plans to host fans, after an increase of just 5 COVID-19 cases locally. With state and local governments loosening restrictions and learnings from recent events, 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:

- Impact of vaccination rollout progress and regional trends as COVID-19 cases continue to decline
- Ticketing and attendance trends as additional markets welcome fans and new engagement strategies with NBA Top Shot

<sup>1</sup> See Figure 4 on page 7, “KAGR Fan Demand Framework”

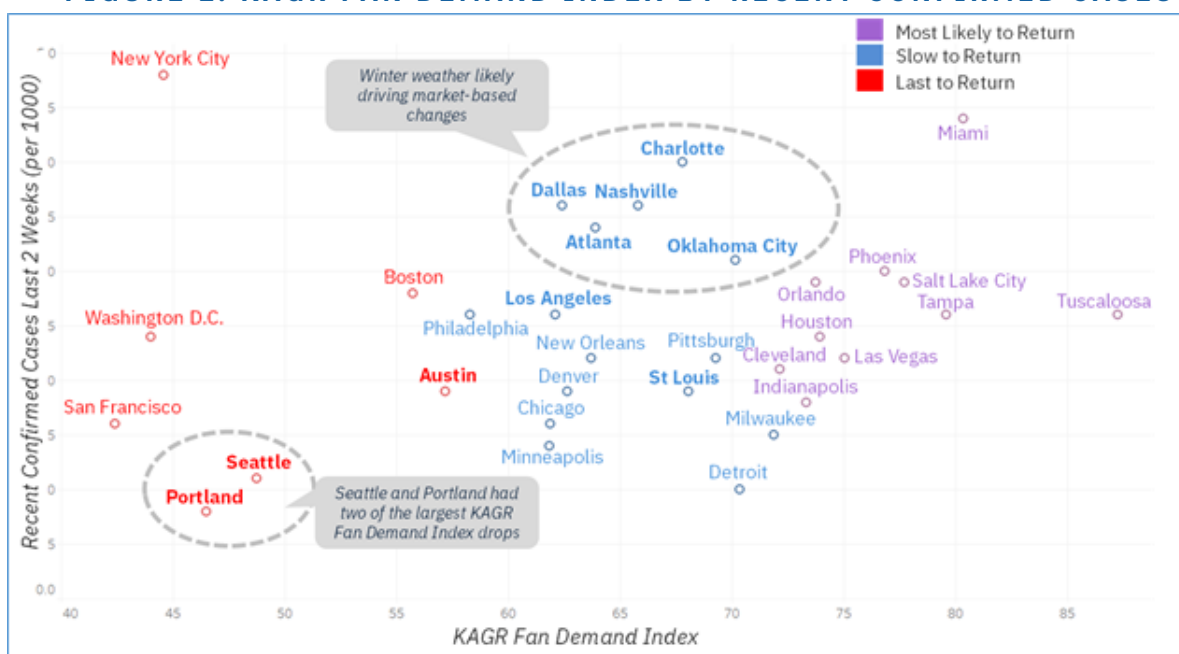


# MARKET ANALYSIS

The **KAGR Fan Demand Index remained flat** week over week, but had meaningful changes within markets. Los Angeles, saw the greatest week-over-week jump (+7%) along with Boston (+6%) and Milwaukee (+6%). However, eleven markets saw KAGR Fan Demand Index decreases led by Oklahoma City (-16%) and Portland (-15%). This week's macro trends include:

- **COVID-19 Cases down 39%:** all markets saw recent confirmed COVID-19 case numbers decrease
  - Significant decreases were seen in Phoenix (-58%), Austin (-58%), and Tuscaloosa (-57%)
  - The overall number of recent confirmed COVID-19 cases (per 1,000) is down to 2.5 (from 4.1 on February 10th). The lowest per capita markets include Portland (0.8), Detroit (1.0), and Seattle (1.1); highest is New York City (4.8)
  - Tracking Percent of Positive Tests across markets: 14 of the 32 markets have percent of positive COVID-19 tests below the 5% threshold (up 9 from last report). The average percent positive tests this week was 6.1% (down from 9% last report)
  - Boston (1.5%) is the lowest Percent of Positive Tests, and announced on February 25th that large events, including sports venues, can host 12% of capacity. Dallas (11.9%) recorded the highest
  - New to our data set this month is the percent of vaccine rollout by market; rollout of one shot (11.7%) is up 4% in the past two weeks. St. Louis (+75%), Boston (73%), and Chicago (69%) saw the greatest week-over-week changes
- **Consumers Behaviors see gradual increase across all markets:**
  - **Economic mobility<sup>2</sup> increased 5%**, with outliers
    - **Positive week-over-week changes** occurred in 27 markets, including Las Vegas (+21%), Phoenix (+13%), and Indianapolis (+13%)
    - **Negative week-over-week changes** occurred in only 5 markets including Oklahoma City (-14%), Austin (-14%), and Portland (-13%)
  - As we track broad consumer behavior, we are optimistic by Tanger Outlets's most recent Q4 investor call, in which they discussed their current traffic and rent payments from retail tenants (Tanger Outlets is located in 20 Northeast and Southeast states):
    - As of January 31st, 99% of total occupied stores in the company's consolidated portfolio were open, with traffic in Q4 at 90% of that in 2019, and January only 4% off last year's numbers.
    - Rent payments were collected for 95% of the amount billed to retail tenants in 2020 Q4; +4% from Q3 and +32% since Q2

**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. Check out market changes over time in our [interactive Fan Demand Index visual](#)

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



Specific markets insights include:

- **Positive Changes:**

- Los Angeles jumped from **Last to Return** to **Slow to Return** this week due to a decrease in recent confirmed COVID-19 cases (-55%). In addition, statewide stay-at-home restrictions were recently lifted, resulting in a 115% increase in dining and entertainment

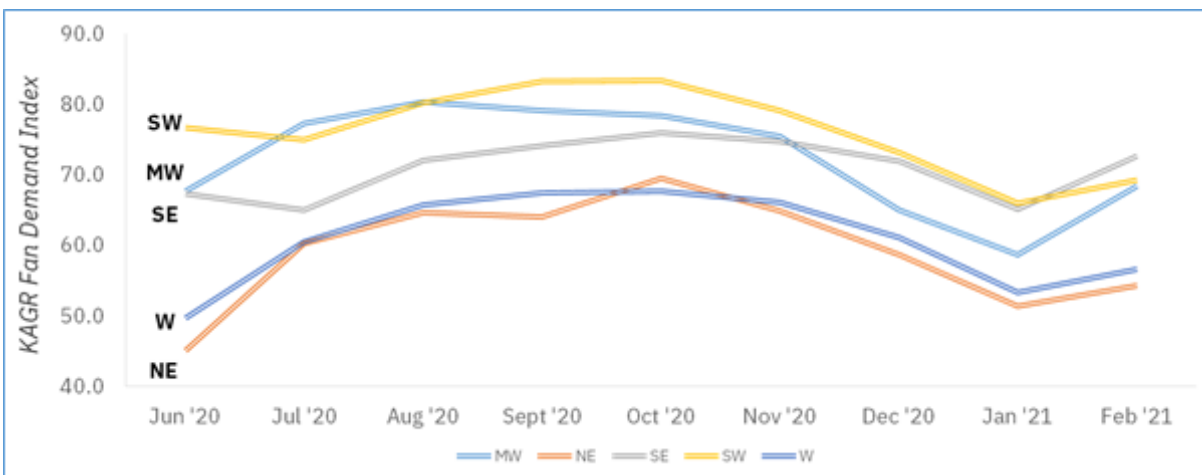
- **Negative Changes: Most Likely to Return to Slow to Return**

- **6 markets** moved from **Most Likely to Return** back to **Slow to Return** (Atlanta, Charlotte, Dallas, Nashville, Oklahoma City, St. Louis); a number of these markets impacted by recent winter storms. Consumer behaviors across markets were down 34% with air travel also down (-30%)
- **Austin** was impacted significantly by the winter storm, moving from **Most Likely to Return** to **Last to Return** this report. Consumer behaviors are down 9%, while dining and entertainment activity dropped 61%
- **Seattle** and **Portland** jumped back to **Last to Return** from **Slow to Return**; consumer behaviors dropped in both markets, -4% in Seattle and -15% in Portland. In both markets, restrictions are slowly lifting. Seattle began to loosen over the past two weeks. In Oregon, new risk levels will take effect this Friday, with improvements specifically in the Portland metro area

- **Exploring Regional KAGR Fan Demand Index Trends:**

- To better understand the slight position trends in KAGR Fan Demand Index over the past month, we explore regional trends (Figure 2). KAGR Fan Demand Index hit a low in many regions in January and appears to be on the rebound
  - The **Southwest** Region has dropped slightly behind the **Southeast** this month, with winter weather and consumer impact a driving factor
  - The **Midwest** saw the sharpest increase from January to February
  - The **Northeast** and **West** continue to drive the lowest KAGR Fan Demand Index

**FIGURE 2. KAGR FAN DEMAND INDEX BY REGION\* 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

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

The overall KAGR Fan Demand Index remained flat week-over week. **Tuscaloosa** held on to the top spot while **Oklahoma City** (-11) and **Dallas** (-10) had the largest week-over-week drops. Notable market highlights include:

- **Positive Fan Demand Index** changes:
  - **Detroit** jumped 5 spots this week; dining and entertainment activity rose 59%
  - **New Orleans** climbed 4 spots; recent confirmed COVID-19 cases fell 54% and dining and entertainment activity rose 19%
  - **Milwaukee** also climbed another 4 spots (up 12 since late January); recent confirmed COVID-19 cases are down (-42%). Notably, vaccine rollout is up 65% week-over-week
- **Negative Fan Demand Index** changes:
  - **Oklahoma City** dropped 11 spots; consumer behaviors are down 19%, while dining and entertainment activity dropped 69%
  - **Dallas** fell back 10 spots; consumer behaviors are down 19%, while dining and entertainment activity dropped 60%
  - **Austin** is also down 7 spots; in addition to decreases in consumer behaviors mentioned above, air travel is also down (-56%)

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

Market	Rank by Week			Change in Rank
	1/27	2/10	2/24	
Tuscaloosa	2	1	1	0
Miami	13	4	2	2
Tampa	1	3	3	0
Salt Lake City	15	6	4	2
Phoenix	12	8	5	3
Las Vegas	17	9	6	3
Houston	4	5	7	-2
Orlando	5	10	8	2
Indianapolis	11	7	9	-2
Cleveland	9	13	10	3
Milwaukee	23	15	11	4
Detroit	24	17	12	5
Oklahoma City	3	2	13	-11
Pittsburgh	7	14	14	0
St. Louis	10	12	15	-3
Charlotte	8	18	16	2

Market	Rank by Week			Change in Rank
	1/27	2/10	2/24	
Nashville	20	16	17	-1
Atlanta	14	21	18	3
New Orleans	27	23	19	4
Denver	21	20	20	0
Dallas	16	11	21	-10
Los Angeles	32	25	22	3
Chicago	28	24	23	1
Minneapolis	18	22	24	-2
Philadelphia	25	26	25	1
Austin	6	19	26	-7
Boston	26	29	27	2
Seattle	19	28	28	0
Portland	22	27	29	-2
New York City	31	30	30	0
Washington D.C.	30	31	31	0
San Francisco	29	32	32	0





# FAN AVIDITY AT A GLANCE

As market level restrictions lift, and fans are increasingly able to return to venues, we will closely monitor ticketing trends, secondary market activity, and attendance. This week we also explore additional engagement strategies with new sponsorship deals and Top Shot technology.

## TICKETING AND ATTENDANCE UPDATE

- Four MLB Spring Training teams have sold out their limited capacity spring season (Arizona Diamondbacks, Colorado Rockies, Chicago Cubs, and Los Angeles Dodgers); several within hours
- Los Angeles Dodgers fans have also started to test the secondary market for the regular season, despite having not received government approval yet to host fans. There are 114 home opener tickets for sale across StubHub and VividSeats, with prices ranging from \$445 to \$9,000 per seat.
- The Brooklyn Nets were the first NBA team in New York to welcome back fans, hosting 300 fans on Tuesday evening. Tickets were available to season ticket members and suite holders, and fans were required to take two COVID-19 tests: one mailed to them at home and a rapid test at the arena. After the All Star break, the Nets will welcome back 1,800 fans, with the reportedly lowest price per game as \$150, with some fans paying up to \$12,000 for a 19 game package

## NEW SPONSORSHIPS FOCUS ON COMMUNITY

The delivery services industry is certainly one that has greatly benefitted from the pandemic. As new and established services expand their presence, several have formed partnerships with professional teams. These relationships have a unique focus on community relations and social reach.

- The Philadelphia 76ers and goPuff, the delivery platform, announced a partnership to offer a curated team menu and a “Time to Deliver” night
  - The “Time to Deliver” night will encompass one game a week, in which goPuff will offer fans prizes and discounts
  - The Sixers Youth Foundation will also benefit from the partnership, with goPuff providing proceeds from sales of a limited edition souvenir cup series to the youth of the community
- Angel City Football Club, which begins play in the NWSL in the spring of 2022, named DoorDash as its inaugural jersey sponsor
  - Angel City’s sponsorship model requires partners to allocate funds to local causes
  - The sponsorship is reported to be the highest in league history, with DoorDash also committing \$1 million dollars to combat food insecurity in Los Angeles

## NBA TOP SHOT GROWING FAST

Increasingly, NBA fans and collectors have shown major interest in NBA Top Shot. Top Shot was the first blockchain licensee for the league, allowing fans to buy, sell, or trade highlight packages, called “Moments” for a nominal fee. In return, the fan owns the highlight on the digital ledger and can resell on the secondary marketplace. This innovation presents a new avenue for the league and teams to better understand their fans, push content, and deepen the connection with players and teams. Since launch less than six months ago, the results are staggering:

- The NBA Top Shot has generated over \$205 million in total sales — with nearly 65% of that total processed in the past week. Packages are sold for as low as \$9 per pack and others have gone for up to over \$100,000
- In the last week, the user base has also grown by 33,000 users with close to half a million transactions

## THIS WEEK’S VIEWERSHIP UPDATE

Two events over the last two weeks enjoyed viewership and ratings highlights, despite weather delays and other factors for the league, teams, and broadcasters to work around:

- The Daytona 500 (which took place on February 14th with approximately 30,000 fan in stands) kicked off with 8.48 million viewers over the first 45 minutes, about 1.5 million more viewers than last year’s race. The race was then delayed due to accident and weather for several hours, ending the broadcast with 4.8 million viewers, a 35% decline from last year
- The NHL’s Outdoors at Lake Tahoe this past weekend also experienced scheduling changes due to poor ice conditions; however the re-scheduled primetime match-up between the Boston Bruins and Philadelphia Flyers enjoyed ratings success for a cable network at 1.07 million total viewers. This was the highest rated NHL regular season game and the first time a regular season game has surpassed 1 million viewers in NBC Sports Network’s history



# 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 4. KAGR FAN DEMAND FRAMEWORK

