



# THE FUTURE OF LIVE EVENTS & SPORTS

THE REEMERGENCE OF FANS POST COVID-19

REGULAR UPDATES # 26  
JUNE 2 2021



# BACKGROUND

In KAGR's 26<sup>th</sup> update to the "Future of Live Events & Sports: The Re-Emergence of Fans Post Covid-19", we explore the impact of vaccination rollout on market behaviors and fan demand.

We continue to closely track how our framework<sup>1</sup> for understanding Fan Demand 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 because of the COVID-19 pandemic**.

## June 2 2021: Update Overview

Several markets opened for 100% capacity for NBA and NHL playoffs. To instill fan confidence and safety, some professional teams have established vaccinated sections, including the Brooklyn Nets who established price differences between non-vaccinated sections. NFL demand remains high in several markets, including Las Vegas where the Raiders are driving strong secondary market activity. As capacity increases and new products (i.e., vaccinated sections) are introduced, 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:

- Relationship between KAGR Fan Demand Index and vaccination rates by market
- Sell-through trends for the NBA Playoffs between 2019 and 2021

<sup>1</sup> See Figure 5 on page 6 "KAGR Fan Demand Framework"



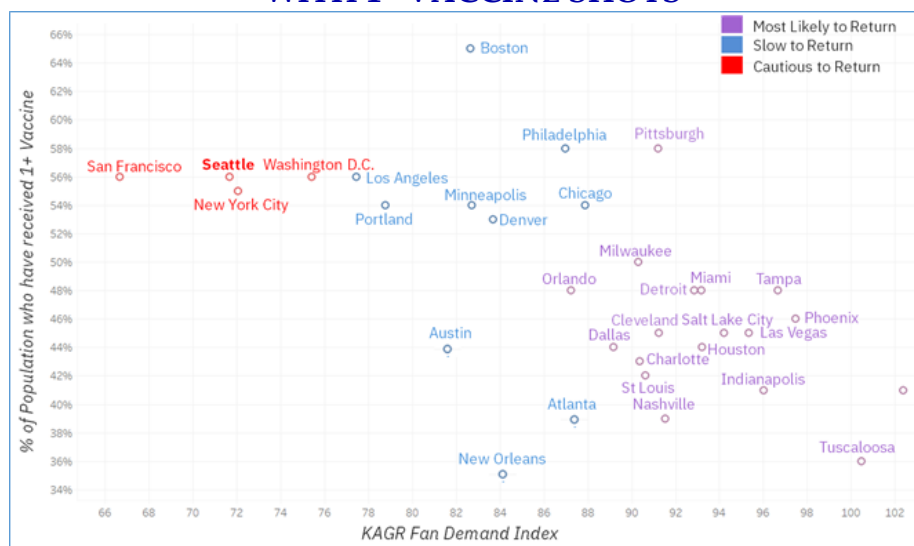
# MARKET ANALYSIS

The **KAGR Fan Demand Index** remained flat (<1%) week over week, after a large jump mid-May. Cleveland saw the greatest week-over-week increase (+6.2%) with Boston (+5.6%) and Washington D.C. (+5.2%) close behind. 15 out of 32 markets experienced minor decreases; led by Orlando (-7%) and Houston (-6%). This week's macro trends include:

- **COVID-19 Cases down 30%:** 31 of 32 markets saw recent confirmed COVID-19 case numbers decrease (New Orleans stayed consistent week-over-week at 0.7 cases per capita)
  - Significant decreases were seen in Tuscaloosa (-50%), Boston (-45%), and New York City (-45%)
  - The overall number of recent confirmed COVID-19 cases (per 1,000) also dropped to 0.9 (from 1.3 on May 19th); the first time COVID-19 cases have dropped below 1.0 per capita. The lowest per capita markets remain Los Angeles (0.2) and Tuscaloosa, Washington D.C., and San Francisco (all at 0.4); highest is both Denver and Detroit (1.7, down from 2.4 and 2.9 respectively on May 19th)
  - Tracking Percent of Positive Tests across markets: **29 of the 32 markets** have percent of positive COVID-19 tests below the 5% threshold (up 6 from last report). The average percent positive tests metric this week was 3% (down from 4% last report)
  - The percent of vaccine rollout by market: rollout of one shot (48%) is up 7% in the past two weeks
    - Markets with highest percent of the population vaccinated include Boston (65%), Pittsburgh (58%), and Philadelphia (58%)
    - Markets with the lowest vaccinated rate include New Orleans (35%) and Tuscaloosa (36%)
- **Consumers Behaviors decreased slightly across most markets:**
  - **Economic mobility<sup>2</sup> decreased 2% this week**, with a few outliers
    - **Positive week-over-week changes** occurred in 8 markets, including Chicago (+3%), Cleveland (+3%), and three markets with an increase of +2% (Detroit, Washington D.C., and Denver)
    - **Negative week-over-week changes** occurred in 24 markets with Orlando recording the biggest drop (-10%) with Houston close behind (-9%)

This week we explore KAGR Fan Demand Index by percent population with at least one vaccine shot (Figure 1). With a few exceptions (i.e. Boston, New Orleans), we see that KAGR Fan Demand Index is inversely proportional to a market's vaccine rate and an abundance of caution remains in a handful of markets (San Francisco, New York City, Washington D.C., and Seattle). However, while correlated, the relationship is not linear, and we believe that fan demand remains meaningfully lower than that prior to the pandemic (as demonstrated by recent sell-through trends across leagues).

**FIGURE 1 . KAGR FAN DEMAND INDEX\* BY POPULATION WITH 1+ VACCINE SHOTS**



\* 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](#).



Specific markets insights include:

- Negative Change: **Slow to Return** to Cautious to Return
  - Seattle dropped to Cautious to Return with a decrease in economic mobility (-4%) and minimal dining and entertainment activity compared to other markets. Seattle professional teams including the Mariners, Sounders, and Storm are also taking a cautious approach to increasing fan capacity. Outside of sports, many of Seattle's big summer events remain canceled or have opted for virtual for the second year in a row.

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

The overall KAGR Fan Demand Index increased less than 1% week-over-week. **Oklahoma City** retained the top spot and **Cleveland** (+6) had the largest week-over-week jumps. **Orlando** dropped 10 spots week-over-week. Notable market highlights include:

- Positive Fan Demand Index changes:
  - **Cleveland** (+6): dining and entertainment activity increased by 30% and recent confirmed COVID-19 cases decreased by 29%
  - **Phoenix** (+5): dining and entertainment activity increased by 18%
  - **Nashville** (+5): dining and entertainment activity increased by 25% and economic mobility is up 4%
- Negative Fan Demand Index changes:
  - **Orlando** (-10): dining and entertainment activity decreased by 3% and economic mobility<sup>3</sup> is down 10%
  - **Houston** (-6): economic mobility<sup>3</sup> is down 9%

**FIGURE 2. KAGR FAN DEMAND INDEX RANKINGS BY MARKET**

Market	Rank by Week			Change in Rank		Market	Rank by Week			Change in Rank
	5/5	5/19	6/2				5/5	5/19	6/2	
Oklahoma City	2	1	1	0		Dallas	13	14	17	-3
Tuscaloosa	1	6	2	4		Chicago	20	22	18	4
Phoenix	7	8	3	5		Atlanta	24	21	19	2
Tampa	6	4	4	0		Orlando	9	10	20	-10
Indianapolis	12	5	5	0		Philadelphia	26	19	21	-2
Las Vegas	5	3	6	-3		New Orleans	22	23	22	1
Salt Lake City	8	9	7	2		Denver	23	26	23	3
Houston	4	2	8	-6		Minneapolis	25	25	24	1
Miami	3	7	9	-2		Boston	28	27	25	2
Detroit	19	11	10	1		Austin	18	20	26	-6
Nashville	15	16	11	5		Portland	27	24	27	-3
Cleveland	11	18	12	6		Los Angeles	21	28	28	0
Pittsburgh	16	12	13	-1		Washington D.C.	31	30	29	1
St. Louis	10	17	14	3		New York City	30	31	30	1
Charlotte	17	13	15	-2		Seattle	29	29	31	-2
Milwaukee	14	15	16	-1		San Francisco	32	32	32	0



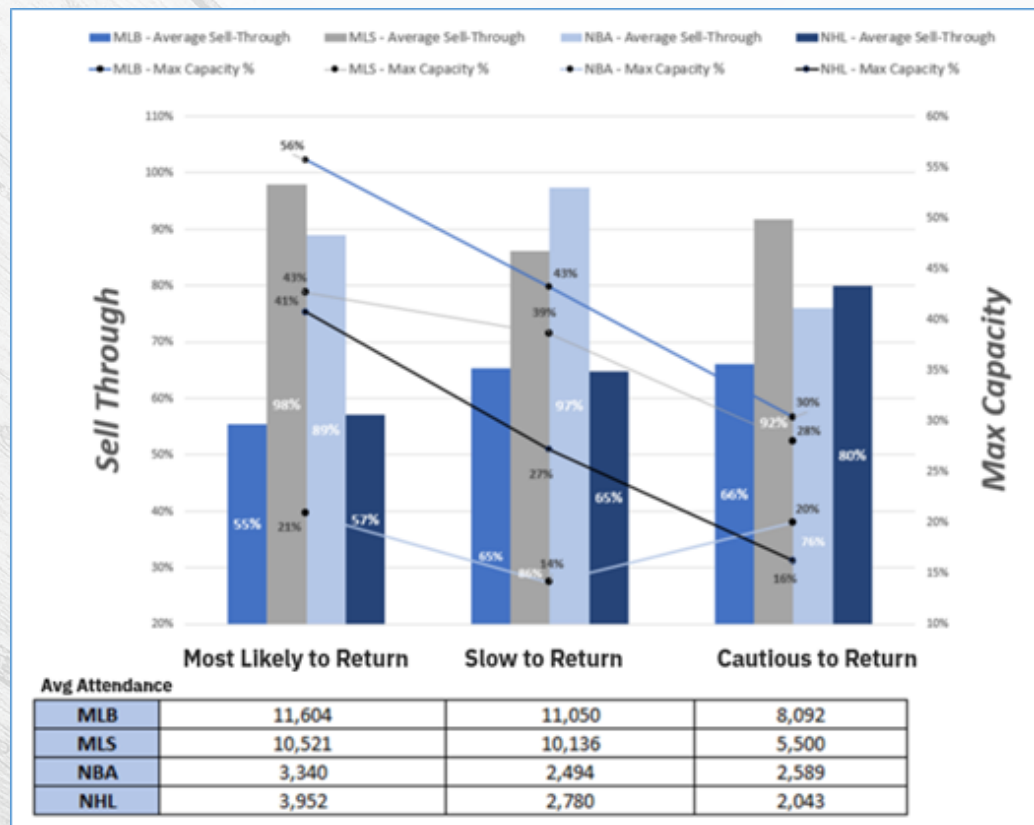
# FAN AVIDITY AT A GLANCE

This week we look at sell-through trends across markets for MLB, NBA, NHL, and MLS teams. We also explore year-over-year difference in NBA playoffs between 2019 and 2021.

## MLB, MLS, NBA, AND NHL SELL-THROUGH TRENDS

In Figure 3, we examine sell-through over the past two weeks including the first five home games for MLS clubs prior to the international break. Like other leagues, MLS sell-through has come out strong. As the season continues and capacity restrictions loosen further, we will track whether MLS can sustain this demand.

**FIGURE 3. MLB, MLS, NBA\* AND NHL REGULAR SEASON SELL-THROUGH ACROSS KAGR MARKET GROUPINGS (MAY 17 2021-MAY 26 2021)**

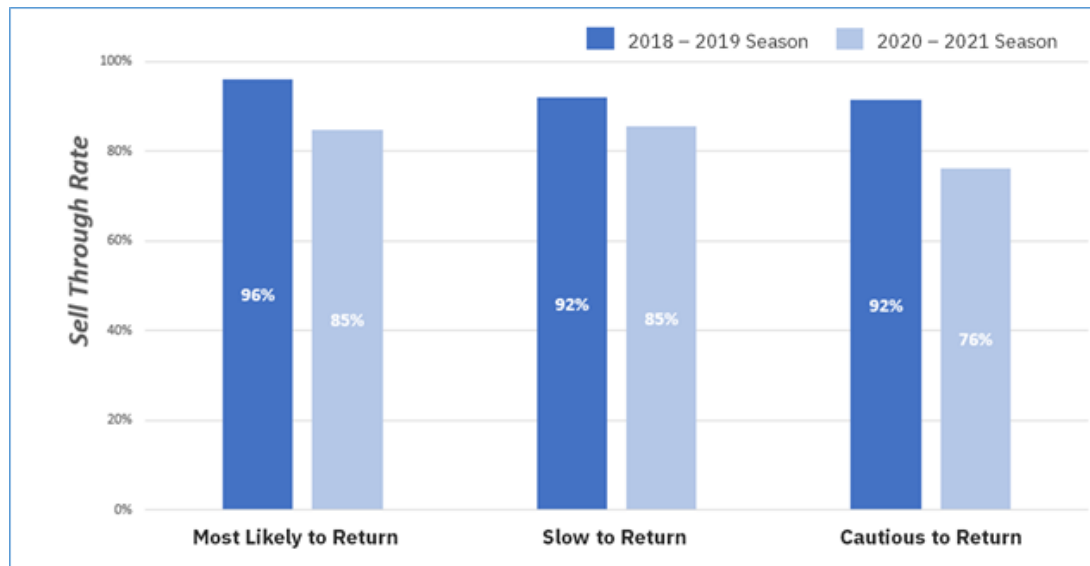


\* The Boston Celtics and Chicago Bulls are omitted from the Slow to Return groupings due to data inconsistencies.

- **MLS clubs exceed (+5%) the strong sell-through rate set by the NBA** and is on average 48% greater than MLB and 37% greater than the NHL. The MLS allowed capacity (through May 28th) is significantly greater than indoor venues (NBA and NHL) and slightly below that of outdoor MLB stadiums
- MLB continues to be challenged as the season progress, falling back on average 5% over the last two weeks, with **Most Likely to Return** and **Slow to Return markets sliding back 15% respectively**. Despite this trend, **Cautious to Return markets** did increase by 14%, in part due to strong demand for New York Yankees and Washington Nationals during this two-week time period



**FIGURE 4. NBA PLAYOFF SELL-THROUGH: 2019 vs 2021**  
(as of MAY 26 2021)



- On average, sell-through for the opening games of the 2021 NBA Playoffs is down 12% compared to those for the 2019 NBA Playoffs. Specific market highlights include:
  - **Most Likely to Return** (Milwaukee Bucks, Phoenix Suns, Utah Jazz):
    - Sell-through is down 11%
    - Maximum capacities for games (through 5/28) averaged 86%
  - **Slow to Return** (Boston Celtics, Denver Nuggets, Los Angeles Clippers, Los Angeles Lakers, Philadelphia 76ers):
    - Sell-through is down 8%
    - Maximum capacities for games (through 5/28) averaged 40%
  - **Cautious to Return** (Brooklyn Nets, Golden State Warriors, New York Knicks):
    - Sell-through is down 17%
    - Maximum capacities for games (through 5/28) averaged 66%; with both New York teams at 80% or above

As the NBA and NHL playoffs drive forward with many markets now close to 100%, we will continue to keep a close eye on sustained demand. In the coming weeks, we will be looking to dig deeper into the demographics and behaviors of those fans returning for both NBA and NHL playoffs as well as regular season match-ups:

- Will we again see a spike in pent up demand and then see numbers trail off?
- Which markets and leagues will see the most sustained impact from the pandemic?
- How can clubs and leagues use data, analytics, and innovative strategies to mitigate long term impact?

# 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

