



THE FUTURE OF LIVE EVENTS & SPORTS

THE REEMERGENCE OF FANS POST COVID-19

Regular Updates #6
August 12, 2020

BACKGROUND

KAGR's "[Future of Live Events & Sports: The Re-Emergence of Fans Post Covid-19](#)", is driving insights and sharing of best practices across the 31 markets we are tracking. In our 6th update, we take a deep dive in 6 markets analyzing consumer behaviors in the general population vs. NFL fans. While the rate of new COVID-19 cases is stabilizing and consumer behaviors are on the rise, our goal remains to **predict fan interest in attending games and live events** and to help the industry come back as quickly and safely as possible.

August 12 2020: Update Overview

Many NFL teams are preparing for the return of fans this fall. While capacity will be limited, we continue to seek ways to understand fan demand and interest. In this report, we have partnered with NinthDecimal and leveraged their Economic Mobility Index (EMI)[™] to analyze six specific NFL Markets (Boston, Chicago, Houston, Los Angeles (Rams), Miami and Seattle).

In this update, we will explore:

- Current consumer behavior and mobility of NFL fans against the general population
- How to leverage market-based trends and the KAGR Fan Demand Index to inform near term decision making
- Key learnings of NFL Fan behaviors that can be applied by teams and venue operators



MARKET ANALYSIS

Overall, the **KAGR Fan Demand Index** has improved 9%, highlighting the likelihood of fans across 31 markets to return to live events (Figure 1), driven by:

- **Stabilizing COVID-19 Cases:** New confirmed **COVID-19 case numbers have stabilized in the past two weeks, up only 1%** average across markets since our last report (13 of 31 markets saw increases vs. 29 previously); Boston experienced the greatest negative effect in recent cases (48%), but still has the 2nd lowest number of recent cases per 1,000 (0.77) and 1 of only 2 markets with less than 1 case/1000
- **Increase in Consumer Behavior:** Across markets, consumer behavior is on the rise. Only 2 markets (**Miami and Orlando**) saw decreases in consumer behaviors; on average, visits to retail and recreation were up 2%. Restaurant reservations were up 24%, with **28 markets experiencing an increase** (Minneapolis, Chicago, and Oklahoma City were the exceptions)
 - Restaurants in **25 markets** are now open for **dine-in**, (12 markets are considering increased restrictions or scaling back – i.e. further limiting capacity)
 - **21 markets** have allowed **movie theatres** to re-open (though most theatres in those cities remain closed)
 - **Bars are open** in **18 markets**, up from 17 (10 markets have imposed increased restrictions including limited hours and only allowing outdoor bars to stay open)

FIGURE 1. KAGR FAN DEMAND INDEX BY RECENT CONFIRMED CASES



Specific market level changes include:

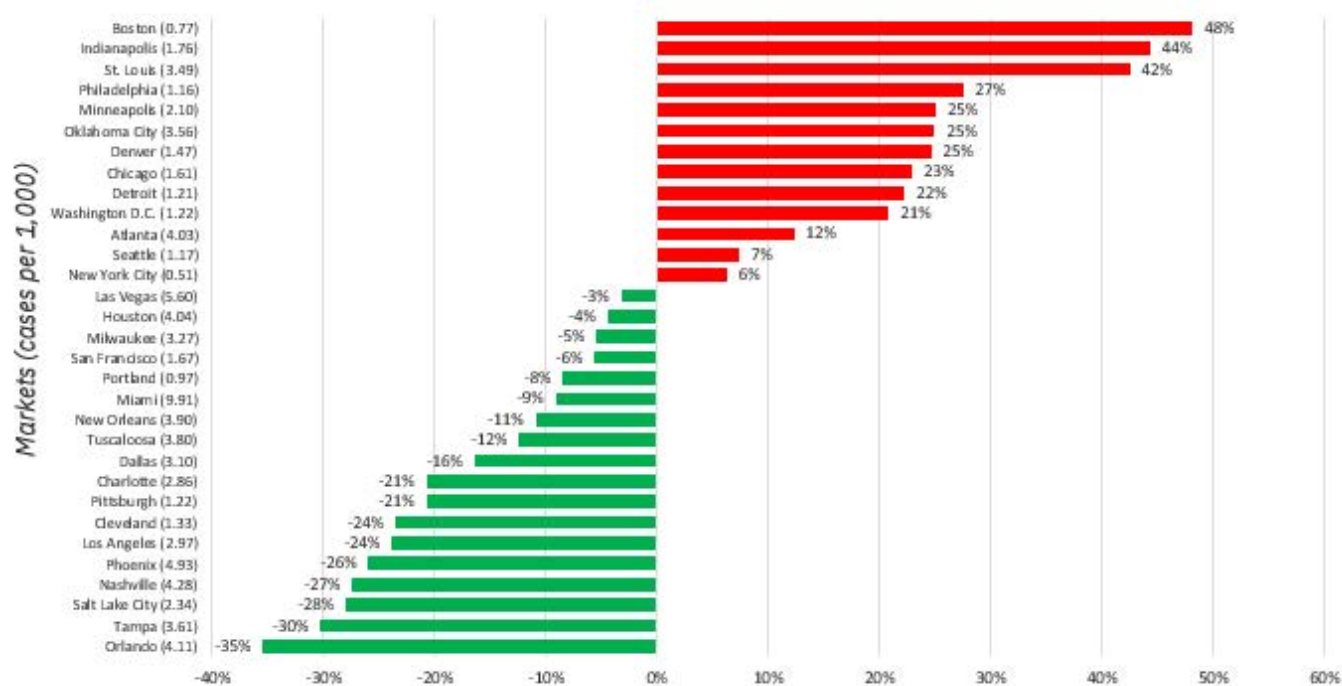
- **Positive Changes:**
 - **Washington D.C.** moved from **Last to Return** to **Slow to Return** based on an increase in consumer behavior; 20% more restaurants were open, and reservations were up 106%
- **Negative Changes:**
 - **Las Vegas** retreated back from **Slow to Return** to **Last to Return** based on recent COVID-19 cases; Las Vegas had the second highest number of recent cases per 1,000 (5.60). Consumer behavior remained relatively constant
 - **Cleveland, Minneapolis, and Denver** moved from **Most Likely to Return** to **Slow to Return**
 - Cleveland experienced a 25% drop in restaurants open for reservations
 - Minneapolis saw an increase in recent COVID-19 cases by 25% and restaurant reservations were down 26%
 - Denver experienced a 25% increase in recent COVID-19 cases and a 4% increase in unemployment

TRACKING & EVALUATING NEW HOT SPOTS

Many of the recent COVID-19 hot spots (including Miami, Tampa, Orlando, and Pittsburgh) have stabilized and new confirmed cases are rising in some early impacted cities (Boston and New York City - Figure 2, Page 4). Additional insights include:

- The average recent COVID-19 cases/1,000 people has decreased slightly (2.8 cases per 1,000) since our Week of July 29 Report (3.1 per 1,000)
- **Miami** remains the highest number of recent COVID-19 cases per 1,000 (9.91, down 9% from the last report)

FIGURE 2. PERCENT CHANGE IN RECENT CASES BY MARKET



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

The KAGR Fan Demand Index improved 9% across all markets after steady declines in July. Fan Demand Index values are now on par with late June.

- **Philadelphia** jumped 7 spots with restaurant reservations increasing 3x over the past two weeks
- **Charlotte** climbed 5 spots; recent confirmed COVID-19 cases are down 21%, restaurant reservations are up 49%, and unemployment is down 37%
- **Nashville** is also up 5 spots; recent confirmed COVID-19 cases are down 27% and restaurant reservations are up 52%
- **Minneapolis, Las Vegas, and Chicago** dropped back 5 spots in ranking of Fan Demand Index; Minneapolis and Las Vegas were mentioned above. In Chicago, recent COVID-19 cases are up 23% and unemployment is up 7%

FIGURE 3. KAGR FAN DEMAND INDEX RANKINGS BY MARKET

Market	Rank by Week			Change in Rank
	7/15	7/29	8/12	
Tuscaloosa	2	2	1	1
Oklahoma City	1	1	2	-1
Milwaukee	4	4	3	1
Cleveland	7	5	4	1
Houston	5	6	5	1
Indianapolis	9	3	6	-3
St. Louis	3	7	7	0
Tampa	6	8	8	0
Detroit	11	11	9	2
Salt Lake City	8	9	10	-1
Charlotte	12	16	11	5
Denver	13	12	12	0
Pittsburgh	20	15	13	2
Nashville	15	19	14	5
Minneapolis	10	10	15	-5
Dallas	16	14	16	-2

Market	Rank by Week			Change in Rank
	7/15	7/29	8/12	
Philadelphia	22	24	17	7
Las Vegas	14	13	18	-5
Atlanta	18	17	19	-2
Phoenix	23	20	20	0
Orlando	24	22	21	1
Boston	19	21	22	-1
Chicago	21	18	23	-5
Portland	25	23	24	-1
Washington D.C.	26	26	25	1
Seattle	27	25	26	-1
New Orleans	17	27	27	0
Los Angeles	28	28	28	0
New York City	30	29	29	0
San Francisco	31	30	30	0
Miami	29	31	31	0



DEEP DIVE: SPORTS FAN BEHAVIOR vs GENERAL POPULATION

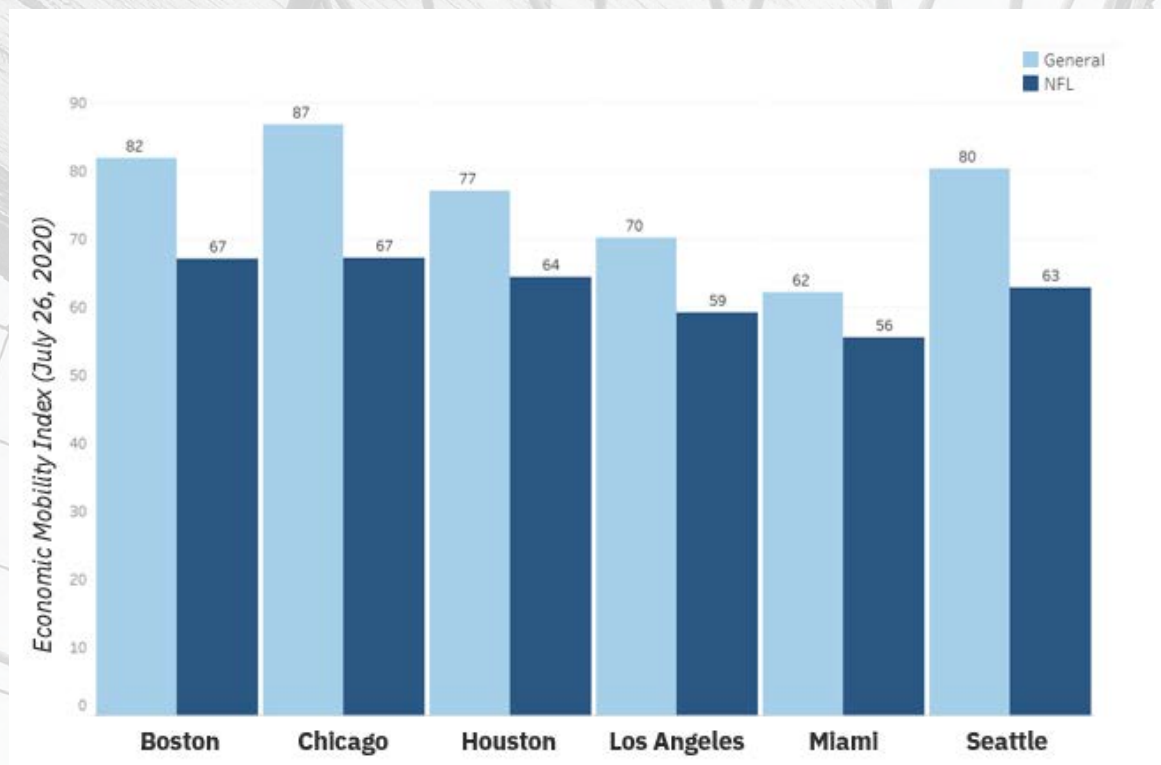
The NFL will be one of the first U.S. professional leagues to both play a full 2020 season in market, and host fans in most venues. Insights from the NFL will provide perspective and guidance to subsequent leagues. To that end, we did a deep dive analysis with NinthDecimal's EMI (Economic Mobility Index) to compare consumer behavior pre-COVID. The objective of our analysis of NinthDecimal's EMI™ was to compare consumer behavior pre-COVID to current levels for six markets (Boston, Chicago, Houston, Los Angeles (Rams), Miami and Seattle). These markets are geographically distributed across the country, are a mix of ticket demand by fans, and represent teams with varied win/loss records. To capture the "NFL Fans" segment for this analysis, we identified fans that attended at least one game during the 2019 season in their respective market using location data from anonymized mobile devices.

Defining the "Fan" and Their Behaviors: One of the inputs into KAGR Fan Demand is EMI, a dynamic measure of economic activity in each market. It is calculated using current consumer commercial shopping behavior and visits to businesses. Leveraging this information, we indexed it against pre-COVID data, focused on specific sports fans, and analyzed differences between the general population and event attendees. Additionally, the available data breaks down EMI across ten industries: airports, auto dealerships, big box stores, casual dining restaurants, grocery stores, home improvement stores, malls & department stores, movie theaters, quick service restaurants and telecommunications retailers.

Do NFL fans behave differently than the general population?

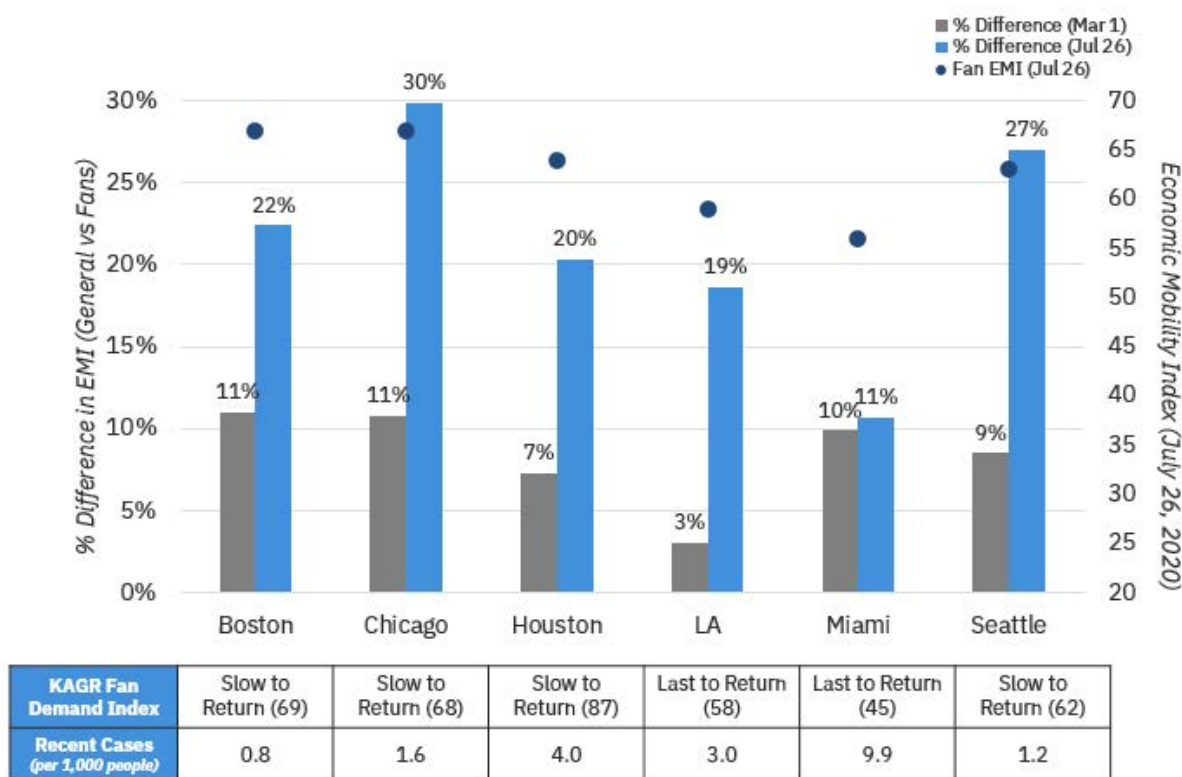
Our analysis suggests a sizable gaps in behaviors for NFL Fans compared to the general population (Figure 4). Across the 6 markets analyzed, the general population's activity rate is 76% of their pre-COVID-19 behaviors, while the NFL fans appear more cautious, at 63% of their pre-COVID-19 mobility level. In our [first report](#), we highlighted the demographics of NFL fans. We will explore this and other drivers of the activity disparity to help sports and entertainment organizations define which industries might provide the best guide to meeting the fans' expectations for in-venue safety.

FIGURE 4. CONSUMER BEHAVIOR FOR ALL NFL FANS COMPARED TO GENERAL POPULATION BY MARKET



While insightful, we wanted to dig deeper and explored how the current gap during COVID-19 compared to pre-COVID. In fact, NFL fans have lower mobility despite the pandemic, but the variance of this gap has changed over time by market (Figure 5).

FIGURE 5. DIFFERENCE OF BEHAVIORS OF NFL FANS vs GENERAL POPULATION (SNAPSHOTS IN TIME)



To add additional context, the KAGR Fan Demand Index scores and recent COVID-19 cases (per 1,000) are highlighted. Market specific insights from this additional information, include:

- While **Miami** activity has remained constant between NFL fan and general population, the market remains one of the hardest hit with infections and has been in our **Last to Return** grouping for several weeks. Miami's Fan Demand Index is also meaningfully lower than comparable EMI™ location Los Angeles
- **Chicago** fans have been most impacted in their activity since COVID; with the percent of recent cases on the rise, their Fan Demand Index has landed Chicago in our **Slow to Return** group
- **Los Angeles** had the most narrow gap between NFL fans and the general population before COVID-19, and now we see a larger gap, but 30% higher Fan Demand interest than comparable Miami

Why do NFL fans have lower EMI™, but higher Fan Demand?

NFL fans tend to be older than the general population (39% of fans over 50, vs. 35% of the general population) and have slightly higher household incomes. Additionally, they are also more likely to work in sectors that have shifted to remote and have lower overall mobility, opting for online and delivery services. To validate this shift, we dove into activity and EMI by industry for NFL Fans across markets (Figure 6).

- Essential services (e.g. Grocery Stores) show a sizable EMI decrease for NFL fans across all markets
- As consumer interests shift during the pandemic, industries like Home Improvement and Auto Dealerships, with less popular online and delivery services, have seen less impact amongst the NFL fan population in most markets
- While visits to Casual Dining Restaurants is one indicator of the willingness to attend live events and is among the lowest EMI for NFL Fans, we know that phased re-openings are still in place for many markets. We also believe the Casual Dining experience does not compare to the novelty, interest, and enthusiasm for a fan attending a game

FIGURE 6. EMI OF NFL FANS BY INDUSTRY

	Boston	Chicago	Houston	Los Angeles	Miami	Seattle
Industry						
Home Improvement	108	111	89	104	90	111
Auto Dealerships	81	77	66	57	63	71
Grocery Stores	60	65	66	65	65	70
Malls & Department Stores	51	54	48	41	44	41
Casual Dining Restaurants	40	43	45	12	24	40
Airports	27	37	37	32	29	29
Overall	67	67	64	59	56	63

Based on our analysis, NFL fans are indicating more cautious behavior. Our research has also shown that retail locations driving the most repeat visits have committed to and demonstrated adherence to cleaning protocols and safety procedures. These learnings continue to emphasize the critical need for fan safety, both at the onset of the season and throughout. Teams may also find a segment of fans willing to pay more for premium experiences that are private or semi-private for these reasons.

The EMI™ analysis was included as a cautionary case study. For NFL Fans, and all sports fans for that matter, this mobility and purchase intent data will be one factor among many others indicating willingness to return. The KAGR Fan Demand Index combines this data with a multitude of other variables to best predict attendance, willingness to pay and expectations at the market-level.

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 7. KAGR FAN DEMAND FRAMEWORK

