
2020 BACK-TO-NORMAL BAROMETER

BENCHMARK PREVIEW

Focus on Baseball

April 2020





Every Company Has Three Questions



- Every sports and leisure executive is asking...
 - “When will things be back to normal?”
 - “How do we restore confidence so customers return?”
 - “What will the new normal look like?”
- We need to know what people are thinking, why they are thinking it, and how many are thinking it
- We just:
 - Surveyed 513 American adults who participate in sports and leisure activities on March 30-April 1
 - Conducted a series of qualitative depth interviews with a similarly diverse group of Americans engaged in sports and Leisure on April 8-9
 - Completed a social media meta-scan of some 6,852 unique, and topically relevant US-based social media conversations between the period of 3-18 to 3-22-20 based on the following social media coverage: Full Twitter Firehose, 50M Blogs, 15M Forums, 9M Daily Facebook, 4M Daily Reddit, and 865K Daily Customer Reviews



Let's Cut to the Chase



- Good news: Your customers want to return soon
 - A sizable minority would return now if they could
- Various conditions need to be met for the others to return
- And they bring a variety of desires and expectations
- For context, let's quickly see where they stand now, compared to 2001 and 2009



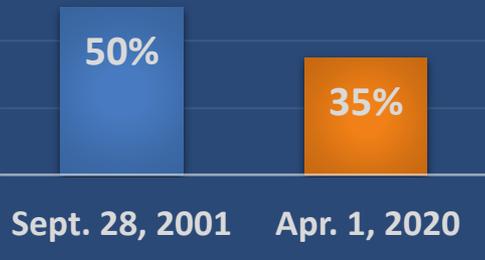
Current Attitudes Eclipse Those After Most Recent Crisis



A TOUGHER ENVIRONMENT THAN 9/11

“Taking A Vacation Of Over 500 Miles+ Is A Priority For Me And My Family In The Next 12 Months”

Percent who strongly agree*



*Percentage of respondents who scored 8-10 on a 1-10 scale of agreement
n=505, Back-to-Normal Barometer, March-April 2020

“I Plan to Take the Same Number or More Business Trips Over the Next 6 Months as I Did Last Year”

Percent who strongly agree*

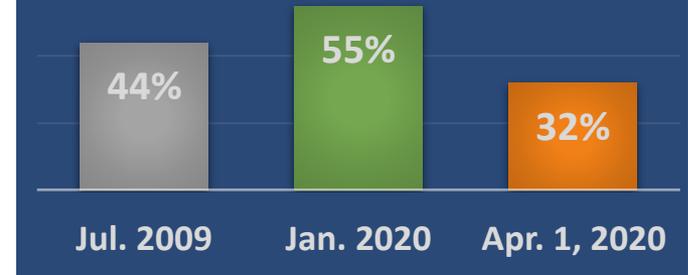


*Percentage of respondents who scored 8-10 on a 1-10 scale of agreement
n=508, Back-to-Normal Barometer, March-April 2020

A TOUGHER ENVIRONMENT THAN

“I’m Planning to Take a Major Vacation This Year”

Percent who strongly agree*



*Percentage of respondents who scored 8-10 on a 1-10 scale of agreement
n=507, Back-to-Normal Barometer, March-April 2020



Key Macro-Level Headlines: Benchmark Survey Wave

- Comparing travel and leisure attitudes in September 2001 and July 2009 to today finds more consumer hesitancy now about returning to those activities. But the industry's silver lining is a majority of customers will be willing to return to airplanes, hotels, and event venues once multiple conditions have been met. And approximately one-third of respondents would jump back into these activities without hesitation right now.
- Fifty percent of respondents in late September 2001 said they "plan to spend just as much money on travel next year as I did in the past year;" 28% strongly agree now. And while 50% strongly agreed in 2001 that "Taking a vacation 500+ miles is a priority for me and my family in the next 12 months," just 35% say that now. Similarly, while 44% of respondents in July 2009 strongly agreed with the statement, "I'm planning to take a major vacation this year," only 32% strongly agree now.

Our benchmark wave of consumer tracking research was conducted March 30-April 1 with a nationally representative and projectable sample of sports fans, participants and active travelers/ resort and casino enthusiasts. Stable bases were recruited across each of several condition specific categories for all major sports.



Other Highlights

Levels of consumer **CONCERN AND UNCERTAINTY ARE AT UNPRECEDENTED LEVELS** not seen since the financial crisis of 2008/2009. A strong majority believes that we are in recession and that is translating into trepidation and classic belt tightening. Just over a third of respondents strongly agree that “I am confident that I will have enough money to retire in comfort.” This is down 37% from this January and on par with what we observed in 2009. A majority does not see the country being “open for business” before June.

THE APPETITE FOR TRAVEL IS ACUTELY SUPPRESSED — The incidence of those who currently plan to take a major vacation this year, is off 40% from what we observed in our January sports omnibus, and off 44% from what we measured at the peak of the financial crisis. Those who currently consider taking a vacation of over 500 miles a family priority is 30% lower than what we observed in a similar study that we conducted on September 28th of 2001, right after the tragic events of 9/11. As we saw in 2001 and 2009, it is likely that these sentiments will shift as we make our way through the current crisis. We will be tracking this.

ON THE POSITIVE SIDE, we are already seeing **STRONG LATENT DEMAND** build to get out and do things. 55% strongly agree that “It’s important for my life to include a variety of unique experiences. That’s up from 41% in January and even exceeds what we observed during the last recession. We also still see stability in respondent’s willingness to not let price get in the way of buying things that they really want. Respondents are **STILL BULLISH ABOUT THE MEDIUM TO LONG TERM**—a majority see the economy returning to economic growth and adding jobs before year end and optimistic about the future of America.

There remains a large **UNFULFILLED APPETITE FOR SPORTS TO** watch as the interruption has created a significant void. The NFL, NBA, MLB and NASCAR are doing the best job of keeping fans engaged during this time of disruption.

GOLFERS are divided on whether courses should remain open for play, even with social distancing and other precautions encouraged— More than ¼ played within the last two weeks, but only 20% strongly feel that they are likely to play within the next week. That aside, golf is still seen as a coveted oasis.

NEW WAY OF LIFE?—a majority are strongly concerned of a second COVID wave in the fall requiring additional event cancellations and lockdowns.

WHAT WILL BRING PEOPLE BACK?—Varies by activity but 75%+ require multiple conditions. Most impactful—Approval of a COVID-19 vaccine; Assurance from a reputed national medical authority that it is safe to do so; Approval of a pharmaceutical protocol to mitigate the effects of COVID 19; Govt. Assurance. Less impactful—Assurance from the media or the individual properties. People won’t necessarily come back quickly—A majority within 2 months of all clear; 10-15% immediately. Quickest snap backs are initially seen for live sports, movies and commercial flights.



Where Are We Now...Where Are We Headed?



Measuring the Impact of Covid-19 On Consumers' Perceptions of the Current Situation and Prospects for the Future

Respondents rated their agreement to a series of statements regarding:

- ✓ the economy
- ✓ their personal financial situation
- ✓ predisposition for personal and business travel
- ✓ plans for their discretionary time

Statements are segmented into those that deal with the current situation versus those that focus on prospects for the future. Key current statements were aggregated to create the Current Conditions Barometer while key future statements were aggregated to create the Future Expectations Barometer. The two barometers averaged together form the Confidence Barometer. All measures can be segmented by 7 product use categories and 13 sports.

Preview Deck

The following slides include top-three box summaries (1-10 agreement scale) for **8 statements** (4 current, 4 future).



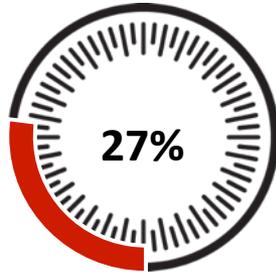
Complete Report

The complete report includes **26 statements** (10 current, 16 future) trending over multiple waves.



What is the real impact of the COVID-19 pandemic in context?

Confidence Barometer



Stronger confidence among...



Cruise
vacationers



Tennis/
Boxing
fans

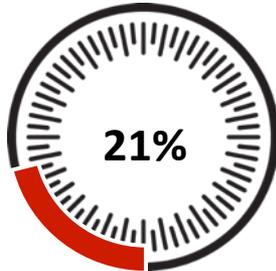


MMA
fans



Golf
fans

Current Conditions



Key components

The economy is currently in recession



I'm more budget conscious today than I was about two years ago



2020 (Jan.): 34

It's important for my life to include a variety of unique experiences



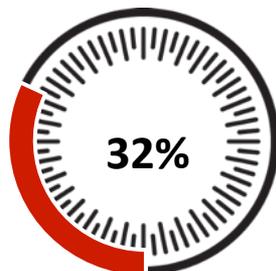
2020 (Jan.): 41
2009: 50

If I see something I like, I don't worry about the price



2020 (Jan.): 22

Future Expectations



I'm confident that I will have enough \$ to retire in comfort



2020 (Jan.): 57
2009: 36

I'm optimistic about the future of our country



The best years of my life are still to come



2020 (Jan.): 45
2009: 52

I plan to take the same number of business trips in the next six months as I did last year



2001: 52



What is the real impact of the COVID-19 pandemic in context on the Sports Event industry?

Confidence Index: Live Sports Event



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Related Industries

Hotels



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Airlines



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Casinos



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Cruise lines



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Current Conditions



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Key components

The economy is currently in recession



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I'm more budget conscious today than I was about two years ago



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It's important for my life to include a variety of unique experiences



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If I see something I like, I don't worry about the price



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Future Expectations



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I'm confident that I will have enough \$ to retire in comfort



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I'm optimistic about the future of our country



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The best years of my life are still to come



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I plan to take the same number of business trips in the next six months as I did last year



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What is the real impact of the COVID-19 pandemic in context on Baseball?

Confidence Barometer



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Football



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Soccer



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Basketball



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Hockey



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Current Conditions



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Key components

The economy is currently in recession



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I'm more budget conscious today than I was about two years ago



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It's important for my life to include a variety of unique experiences



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Future Expectations



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I'm optimistic about the future of our country



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The best years of my life are still to come



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I plan to take the same number of business trips in the next six months as I did last



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What Assurances Will Make the Most Difference...and When?



Brands need to know what specifically will motivate customers (and when) to resume their leisure time activities without hesitation.

Respondents assessed various developments including:

- ✓ Brands or properties assuring their customers
- ✓ Assurances from the U.S. government
- ✓ Reports from multiple media outlets
- ✓ Announcements from reputed medical authorities
- ✓ Development of a Covid-19 vaccine and/or treatment protocols

...in terms of their ability to motivate them to resume leisure time activities.

For each leisure activity, respondents are segmented into **Ready to Go** (those currently willing without any assurance), **Minimal and Multiple Assurances** required, and **Breakthrough** (those requiring a medical advancement to combat the virus.)

Preview Deck

The following slides include category summaries of segments and impact scores.



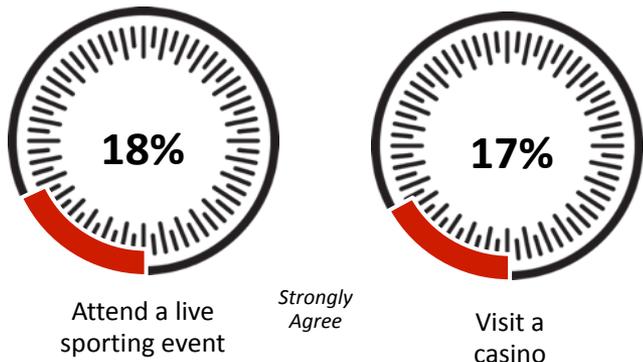
Complete Report

The complete report includes **all related categories and all sporting events** broken out by key sub-groups trending over multiple waves.



How much assurance is needed to return to various venues?

Likelihood to participate within the next 2 months

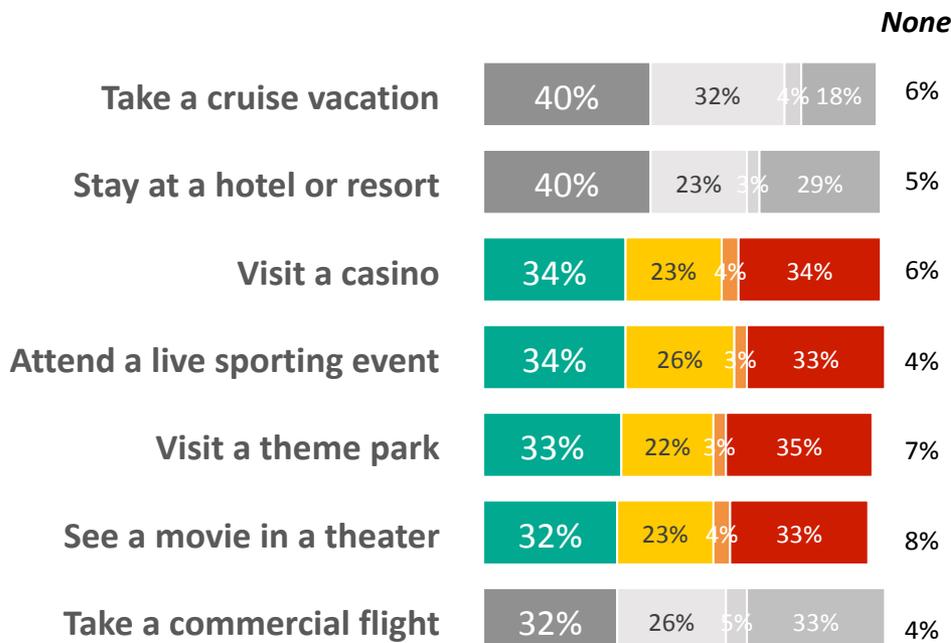
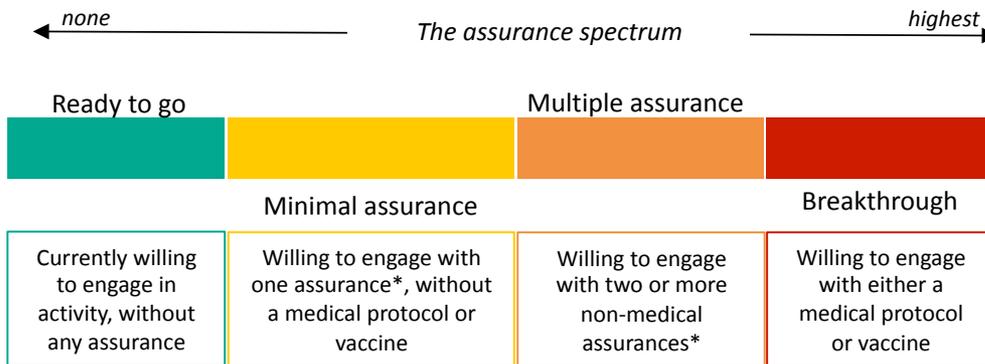


For most, not much.

While two months might be soon for a large majority of people to return to various venues, **one-third are willing to resume such activities without any assurance from government, the media or via a medical breakthrough.**

Additionally, once assurances are in place approximately **60% will be ready to resume leisure activities within 3 months.**

*Non-medical assurances include assurances from either the U.S. Government, companies, multiple media outlets or a reputed medical authority.





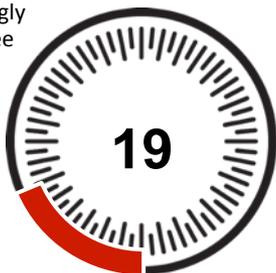
How much assurance is needed to resume sporting event attendance?

Focus on **Baseball fans**



Likelihood to attend a live sporting event within the next 2 months

Strongly Agree



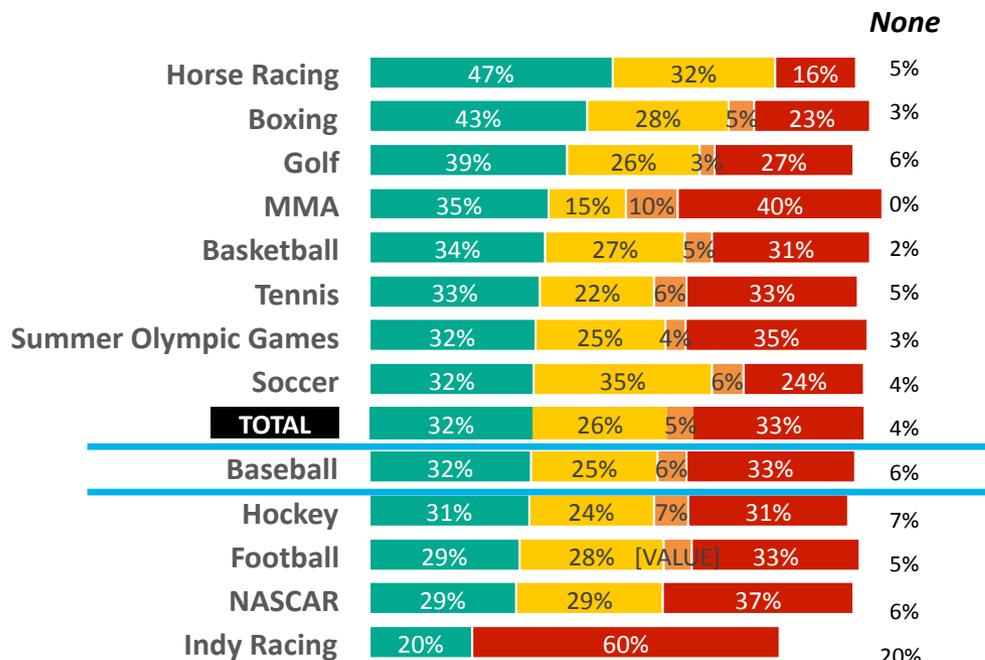
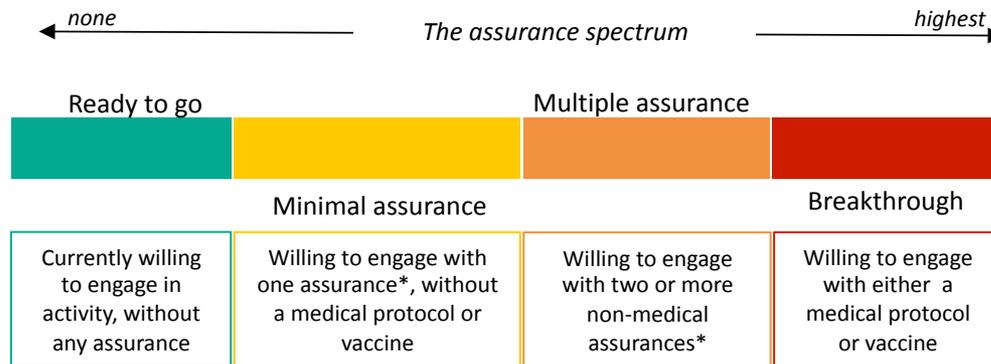
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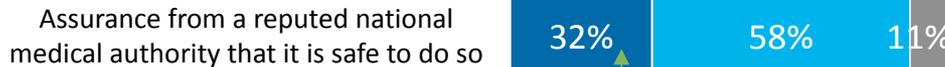




Impact of new developments on Live Sporting Event Attendees' behavior

Which of these singular occurrences (alone or in conjunction with something else) would make you comfortable to attend a live sporting event, without hesitation?

- This ALONE would be sufficient assurance for me
- I would need this occurrence/condition PLUS at least one other item on this list
- This would NOT EVEN PARTIALLY impact my decision one way or another



Some developments have more impact than others



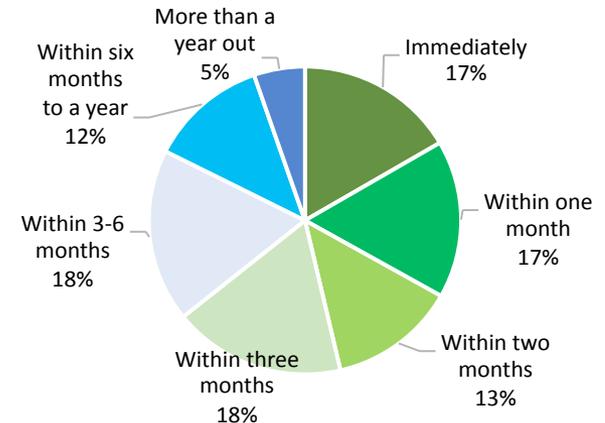
Assurance from leagues and media outlets are seen as less impactful to motivate sports fans back to venues, while assurance from a national medical authority and a COVID-19 vaccine are seen as most impactful.

Pharmaceutical protocols have the potential, at least in part, to reassure sports fans that it will be safe to return to arenas.

Approximately two-thirds would be comfortable attending sporting events within three months once they have been sufficiently reassured.

Assuming you had the necessary assurances that it was safe to resume normal activities, how quickly would you next....

...Attend a live sports event





How are the Current Content Offerings Meeting Sports Fans' Needs?



What is the size of the opportunities that currently exist given fans' connections to their favorite sports, the levels of deprivation and their anticipation for the sports' return?



Sports fans assessed each sport based on key competitive attributes including

- ✓ Emotional attachment to sport
- ✓ Difficulty experienced resulting from not having the sport currently in season
- ✓ Consumption of digital platforms to fill the gap
- ✓ General ability to stay connected despite the shutdown
- ✓ Impact of participation on deprivation and connection
- ✓ Expectations regarding their future engagement with sports

We calculate **Opportunity Score** by combining **Deprivation** (past), **Needs Gap** (present) and **Anticipation** (future). Brands that understand the size of the opportunity (for themselves as well as their competition) can tactically engage their coveted audiences.

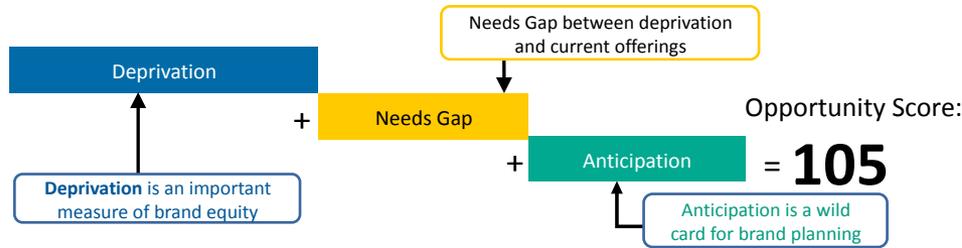
Preview Deck

The following slide includes Opportunity Scores for 13 sports including the Olympics, MMA and Golf.

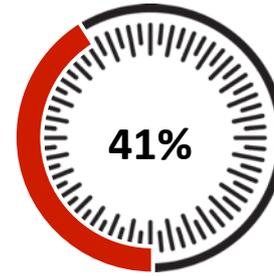


Complete Report

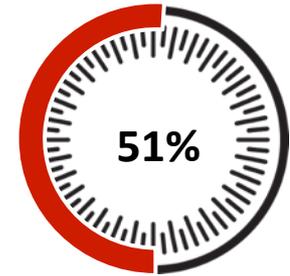
The complete report includes data on **all attributes** that comprise the Opportunity Score **for each sport trended over multiple waves**.



During this time, I am actively seeking sports to watch

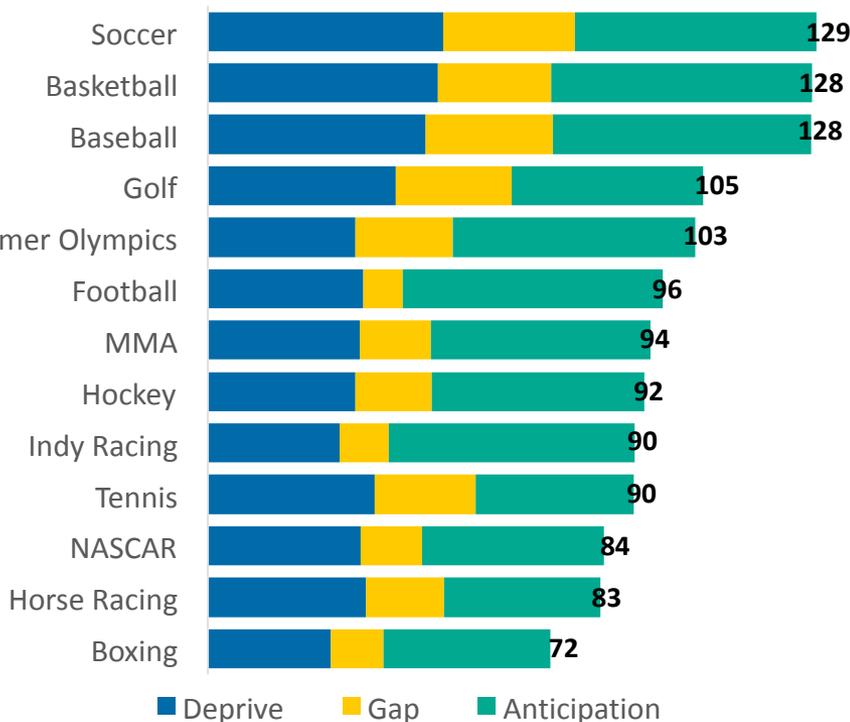


The interruption of live sports has created a significant void in my life



Strongly Agree

Opportunity Score by sport...



Sports Scorecard reveals which sports continue to entice fans during pandemic

Soccer, Basketball and Baseball achieve the highest opportunity scores with their fans feeling highest levels of deprivation during the COVID-19 pandemic. Golf and the Summer Olympic games follow closely behind.

As expected, Football fans have experienced relatively low levels of deprivation as the current content offerings both maintain high engagement levels as well as build anticipation.

The NFL is most frequently named (on an unaided basis) as the "sports organization doing the best job of keeping fans engaged during this time of disruption," followed by the NBA and MLB.

Football and Baseball fans are most likely to indicate that upon the return of these sports they will likely follow them more closely. It is well worth noting that neither of these sports have played a single regular season game in 2020.

-David Klein



1-on-1 Interviews: Key Desires





The Things Consumers Say They Will Want

DESIRE FOR CONTROL



- People inherently desire control over their health and safety
- They're more concerned about other people's actions causing detrimental effects than their own actions
- These concerns are grounded in watching others resist stay-at-home orders, celebrating at spring break, etc.
- As a result, most want to wait at least a month after restrictions are lifted to make sure the virus is under control

EAGERNESS FOR CLEAR DIRECTION

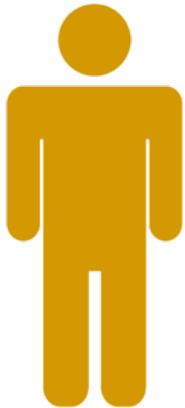


- People desire science-based protocols and recommendations over their own guesses, or companies/industries creating policies
- Consumers realize that some extreme measures, such as regularly fumigating buildings or operating at reduced capacity, may not be sustainable for businesses
- But want companies to do what is right for their safety

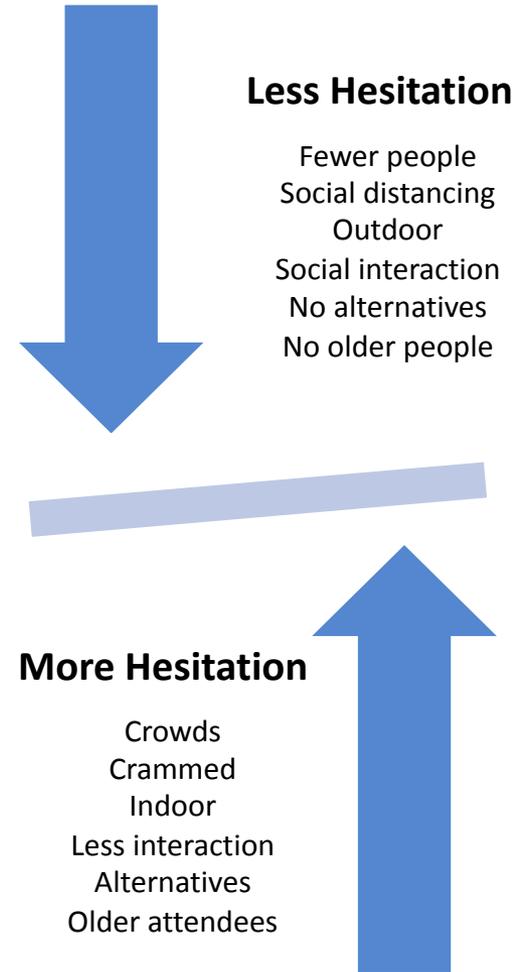


The Things Consumers Say They Will Want

CONTINUED SOCIAL DISTANCING

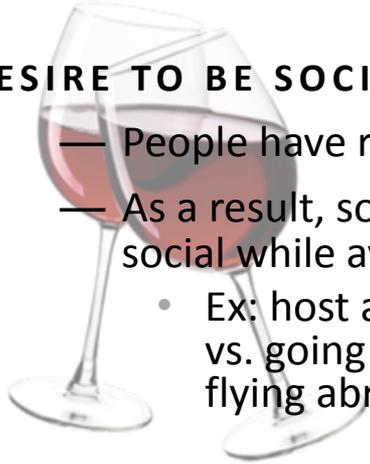


- Several factors play into consumers' willingness to return to normal activities
- With these in mind, they are more likely to go to the gym, play golf, or go camping/hiking early on--vs. go to a movie theater, bar, or professional sporting event



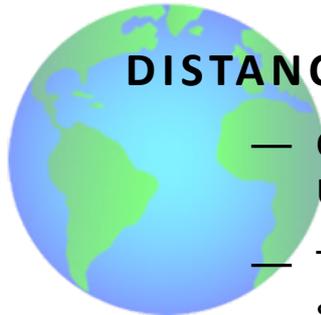


The Things Consumers Say They Will Want



DESIRE TO BE SOCIAL

- People have really missed social interactions
- As a result, some suggest they will look for opportunities to be social while avoiding the more significant risks of some activities
 - Ex: host a baseball-watching party at their home with friends vs. going to the stadium, or take a road trip with family vs. flying abroad



DISTANCE FROM FOREIGNERS

- Consumers are sensitive to the risks foreigners bring to leisure activities, both in the U.S. and abroad
- They're less trustful of how other countries handled or communicated their virus status
- These concerns play out at U.S. destinations that attract international guests, such as amusement parks
- Also concerns about international flights, and willingness to stay in other countries



The Things Consumers Say They Will Want

- LOCAL REASSURANCE**
- It's not enough for some to get national clearance to resume normal activities from the CDC
 - Consumers recognize their local pandemic rates and timing to be unique, and most relevant to them
 - They need assurance their local cases have been reduced to near zero, and/or hear from local healthcare professionals risks are under control
 - Of interest, some are optimistic that summer heat will bring less spread of illness, but they're worried about a fall resurgence



A Hierarchical Discovery of Social Media Conversations

CONSUMER CONCERN AND UNCERTAINTY

THREE TIERS





A Hierarchical Discovery of Social Media Conversations

APPETITE FOR TRAVEL

TIER 1	FRUSTRATION WITH PUTTING TRAVEL ON PAUSE
TIER 2	CONCERNS REGARDING LOYALTY POINT ACCUMULATION

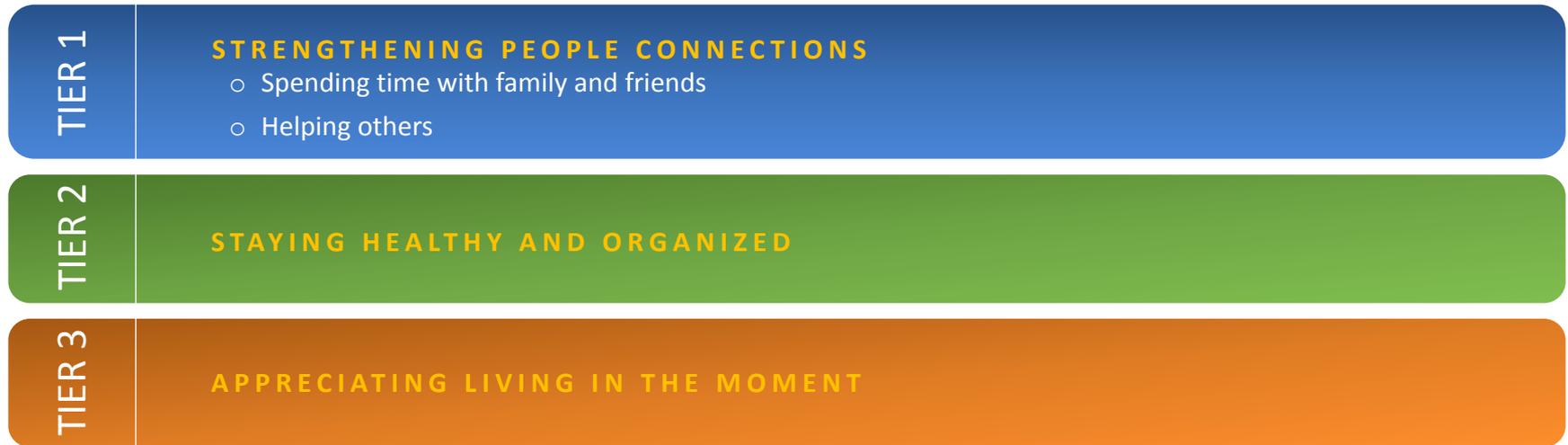
UNFULFILLED APPETITE FOR SPORTS AND STRONG LATENT DEMAND TO GET OUT AND DO THINGS

TIER 1	AT-HOME PHYSICAL ACTIVITY	OUT-OF-HOME PHYSICAL ACTIVITY
	<ul style="list-style-type: none"> ○ Yoga and home fitness routines ○ Backyard Camping ○ Practicing favorite sports ○ Streaming workouts 	<ul style="list-style-type: none"> ○ Taking a jog or hike ○ Active backyard play ○ Taking a walk
TIER 2	WATCHING OR READING ABOUT SPORTS	
	<ul style="list-style-type: none"> ○ Classic sports ○ Video games ○ ESPN 	<ul style="list-style-type: none"> ○ Sports books ○ NFL Draft ○ YouTube



A Hierarchical Discovery of Social Media Conversations

NEW WAY OF LIFE



WHAT WILL BRING PEOPLE BACK?





A Hierarchical Discovery of Social Media Conversations

