

TRENDS AND INSIGHTS IN SPORTS TRAVEL, AS WE HEAD INTO 2018

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- **The Sky is the Limit?**

SLRG's continuous tracking research, along with various proprietary sports travel studies continue to demonstrate strong intent for sports related travel. Just under 50% of sports fans definitely plan to take a major vacation in the coming year. This is a four-year high, and up more than 10 points from results a year ago. Bullish perceptions on the economy and the stock market are continuing to fuel a number of positive sentiments towards experiential travel and indulgence, particularly among those with higher income levels. Compound this with a more contentious and divisive political climate, and the desire to escape for participatory and fan specific travel appears to be accelerating.

- **2018—Consumer Confidence Meets the Need to Separate from the Day to Day**

As we saw a year ago, in our omnibus and in proprietary qualitative and quantitative work, we continue to see an uptick in sports travel intent. Recall that our annual sports omnibus study signaled a great deal of cautiousness and concern about respondents' personal financial outlook and job security at the onset of 2016. Yet we've seen some impressive shifts in attitudes and behaviors over the past year. For example, the 2017 omnibus of sports fans reveals that 60% strongly believe the year ahead will be better than the previous year. This is a four-year high and a 12-point climb from last year. We continue to observe a majority of sports travelers strongly agree that it is important to try new things, which coincides with directional insight that continue to support the trend towards participatory sports and adventure travel. Also at four year highs are sports traveler agreement with statements such as "I'm confident that I will have enough money to retire in comfort," "I feel that I will be more comfortable in my retirement than my parents are/were," and "I plan to spend actively on useful past times." We also see four year highs in those who view the retirement years ahead as time to experience new things, rather than as a time to relax, and after three consecutive years of flat results, sports fans in 2017 are even more likely to

consider themselves as health conscious; a phenomenon that also maps nicely onto active, participatory sports travel.

- **A comeback for the Sports Travel Business Junket and Buddy Trips?**

Sports related business travel, be it trips to see “the big game” or to play a bucket list golf course, were under heavy scrutiny during the Great Recession of less than a decade ago. In the present bull market, it is not a surprise to see our research reveal a four-year low in those sports fans who strongly agree that it is more difficult today to make tough decisions about discretionary purchases than it was five years ago. We have also seen a shift towards executive level sports fans indicating that they are now beginning to spend more time with business colleagues/associates. For the first time in five years, those indicating that they’d rather spend travel time with family than with friends or business associates, has actually dropped. This does not suggest that macro trends towards multi-generational travel and a greater emphasis on family time, have abated. Rather, what strikes us as opportunistic for sports related travel is a greater inclination and focus to indulge beyond the family; a phenomenon that has historically correlated well with both business and buddy sports travel. We have also seen this phenomenon manifest itself with a directionally greater level of sponsorship activation around major sporting events. Among the trends that have picked up steam are VIP level experiences and concierge services integrated into the amenities packages that have proliferated at many of the more high profile sporting events around the country. Our firm saw an increase in the level of efficacy testing that we’ve conducted for brands activating around business sports travel. While this isn’t necessarily empirical proof or representative of projectable conditions, it does map nicely with some of our other quantitative work that suggests the same.

- **The Digital Frontier is even more navigable when it comes to sports related travel**

Last year, we observed that heavy sports traveler reliance on digital/online solutions as a booking and transaction enabler had expanded to also add greater value in the initial inspiration and early exploration phases of the sports travel planning process. Our research continues to show growing demand and expectations for robust and responsive websites that provide greater detail and facilitate deeper exploration of package options, potential itineraries, pricing, etc that are compatible with a greater reliance on mobile platforms. Sports properties continue to invest heavily in both real time mobile apps that augment and support the planning process while also expanding their feature sets to enhance the onsite experience. This additional level of pre-travel and onsite integration has been well received by sports travelers with whom we’ve beta tested these new solutions. Recognizing that more user friendly interfaces and broader functionality can make or break the decision of a sports traveler to choose one specific destination or property over another, has made the stakes higher in gaining greater consumer input and validation of a digital solution’s utility. It appears to be paying off. Historically the statement garnering the

highest overall level of strong agreement in our annual omnibus study of sports travelers, has been “We live in a world of constant updates.” This continues to be the case. However, after 51% of respondents in 2015 strongly agreed that “There’s too much new technology to keep up with ,” that incidence has dropped precipitously in half (to 26%) in 2017. To what do we attribute this phenomenon? It’s our position that as more sports travel properties grow comfortable with providing the basic levels of functionality demanded by consumers in their digital applications, the product development cycle has moved more towards a focus on user-friendly interfaces and application refinements that are more responsive to user needs. While this increases the table stakes for those travel marketers seeking to drive sports related bookings, it also increases the potential rewards.

- **The “Technology Train” integrates Big data with attitudinal data**

In lockstep with technological innovation’s sweeping impacts on customer planning and onsite experience optimization, sports travel marketers and full service vertical research consultancies like ours, have successfully exploited the ability to integrate behavioral data with perceptual and motivational insights derived from traditional survey market research. By harnessing robust attitudinal profiles and appending that data to real time behavioral patterns, captured through the use of “smart cards” that provide greater access at sporting events and participatory venues, the ability to micro target communications messaging and create mass customized offers has expanded exponentially. The applications are limitless..from upselling tickets, amenities and hospitality, to targeting sports travelers at appropriate times within their planning cycles, smart marketers recognize that prior behavioral data alone is not in its own right, always the best predictor of future behavior. Those who can model the “what” with the “why” have better opportunity to resonate with potential returning guests at opportune moments.

- **Real Time Customer Satisfaction Tracking Can Enhance Operational Efficiency**

Related to the above phenomenon, we’ve been working with a number of sports and resort clients to apply the same type of behavioral and perceptual data integration, to assist properties in measuring and identifying potential service lapses in real time. Through the use of interactive client dashboards, a resort or sports property can track guest behavior and interactions, and then disseminate situationally relevant satisfaction surveys that tie back to the time and location of various service interactions. The resulting analysis can pinpoint operational strengths and weaknesses. The utility of this insight goes beyond simply improving a property’s efficiency. Rather, when deployed properly it creates greater engagement and loyalty from the sports traveler, who recognizes that his or her opinions are valued, and observes service improvements on subsequent visits. We’ve seen this improve past guest retention and satisfaction across a number of sports travel destinations that have made this a priority.