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TRENDS AND INSIGHTS IN SPORTS TRAVEL, AS WE HEAD INTO 2017

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- **Even More Bullish Short Term Prospects**

SLRG's continuous tracking research, along with various proprietary sports travel studies demonstrate strong intent for sports related travel. Close to nine in ten of those surveyed (Compared to nearly two thirds of those surveyed in 2015) expressed plans to maintain or increase the number and duration of trips to be taken over the next twelve months. This is a four year high, suggesting greater desire for escape through sports.

- **2017—A Break from Economic Uncertainty?**

A combination of our qualitative and quantitative work yield some potential insights into why we are observing this uptick in sports travel intent. 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. Couple this phenomena with a polarizing and in many cases, paralyzing impact regarding the upcoming U.S. Presidential election, and the outlook suggests that once the dust clears and (hopefully) the "sky does not fall in," we may see a more heightened perceived need for escape. It will be interesting to see if this hypothesis proves to be true, when we go out with the next wave of this study in early 2017.

- **Digital is no longer just a transactional enabler**

For years, we've seen and reported on heavy sports traveler reliance on digital/online solutions as a booking and transaction enabler, but have concurrently observed that the initial inspiration and early exploration phases of the sports travel planning process have relied predominantly on legacy media. Our most recent research continues to support a "More is more" philosophy that suggests the proliferation of informational access points has made digital not a substitute or disruptor to legacy media, but a complement. However, sports travelers now hold higher expectations of digital solutions to add greater value during earlier phases of the consideration stages of sports travel planning. Our research has shown 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. We've also seen greater demand for real time mobile apps for properties and destinations that augment and support the planning process both before and post booking. We believe that such functionality will exhibit even greater demand in the sports travel space, where itineraries and logistics demand greater layers of detail and preparation for travelers embarking upon these often "bucket list" experiences. The specific functionality of these mobile tools has been a particularly important item that our firm has been called upon to concept test, with greater frequency, over the past twelve months, as sports travel marketers seek to elicit direct consumer input prior to making the often significant investment required in developing applications and digital solutions that will truly resonate with target customers.

- **<u>But the Human touch is valued, particularly at the high end</u>**

It may seem counter intuitive to the previous item regarding a greater consumer driven focus on digital solutions to aid in the planning and booking of sports travel, but we've also seen a concurrent increase in demand for a more personal, human touch to fill in knowledge gaps and provide proactive and differentiating customer service to high end customers seeking to book a once-in-a-lifetime sports travel experience. The concept of personal travel consultants, a cross between traditional reservationists and concierges has emerged as a potential source of competitive advantage for both packagers and sports destination properties. Particularly effective in providing the engine to drive this latest push towards relationship marketing is the growing integration of big data/transactional information and attitudinal research as a powerful loyalty building lever. Transactional data has always been a great input for sports travel marketers to identify best customers, but now a wider swath of these marketers are layering attitudinal and profile data on top of these best customer habits to offer a more personalized marketing pitch, combined with customized experiential offerings that both surprise and delight these best customers. We've seen some particularly strong examples in the high end golf travel space, among professional sports franchises marketing to out of town fans and especially among casino/gaming destinations. We anticipate that these tactics will continue to diffuse across a wider swath of sports and general travel marketers. Those that don't jump in, may find themselves at a competitive disadvantage among the most profitable, premium travelers.

- **<u>One to Three Month Out Booking Windows—Extended Family Travel</u>**

Multi-generational sports travel, called out in last year's outlook, shows no signs of abating, as booking windows continue to hold steady at one to three months out from actual travel dates. The multi-generational vacation is a continued reflection of demographics, perceived consumer time crunch, child centricity and greater desire to squeeze as many varied experiences into sports related travel. As we've addressed previously, we continue to see that those travel marketers who can best package amenities and activities that cater to different generations within a single family, will benefit by allowing the customer who often looked at sports travel and family travel as mutually exclusive, to "have their cake and eat it too."

- **Sports Travel is Premium Travel**

Recent SLRG research continues to show greater price elasticity and higher expectations and acceptance of premium pricing for sports travelers. This is particularly true for those aforementioned bucket list experiences. Survey respondents show strong concurrence with the attitudinal statement, "I would rather spend more money than I had planned on a [sports] vacation rather than risk being disappointed by a low-priced promotion." This does not detract from the pursuit of value, which also remains coveted, at least in concept. But the "concept" of value is an important semantic distinction that does NOT always equate to steeply discounted price points. While sports travelers are always seeking value, a deeper dive through several recent qualitative studies, affirms an expectation to pay a premium for sports vacations. Put another way, in many of our price elasticity concept tests, the unique and unprecedented access to a coveted sports experience, often equates to perceptions of great value, at the same time that price yield is being optimized.

- **Variety is the spice of life…Sometimes**

There's an interesting dichotomy that we've observed of late in terms of sports travel choices. As those in the demographic sweet spot utilize travel as a means to pursue unique and varied experiences, we've also found that these "once in a lifetime," but once a year, excursions are often supplemented by a second annual vacation that can best be described as the return to an "old favorite." Among those segments who are of the means to do so, we're seeing these disparate vacations playing nicely off of each other. For those destinations or properties seeking to occupy "old favorite" status, the magic bullet is often a combination of reliable and consistent service, coupled with some of the same personal/relationship sustaining touches, referenced above. By definition, our qualitative research has identified the "old favorite" as the vacation equivalent to comfort food; the tried and true "Yin" to unique adventure travel's "Yang."