

# THE FUTURE OF LIVE

*Searching for Connection in a Post-Vaccine World*



**National  
Research  
Group**

A STAGWELL COMPANY



# THE LIVE ENTERTAINMENT OPPORTUNITY JUST GOT THAT MUCH BIGGER

In 2020, as real-world experiences were abruptly brought to a standstill, virtual experiences emerged that breathed new life into the live events category. Virtual events—from eSports tournaments to immersive concerts online—were already happening pre-pandemic, but like so many other areas, 2020 accelerated their proliferation and popularity, as the in-person entertainment industry looked for ways to survive.

As the world slowly turns a corner, marketers are asking what the return to in-person experiences will look like, and whether demand for virtual experiences will persist. But it's not a zero-sum game: heavily pent-up demand for in-person experiences does not negate demand for virtual experiences. In fact, when we conducted interviews in Australia, where 3 in 4 consumers have already attended an in-person event since the reopening, 2 in 3 consumers said they intend to continue attending virtual events even after the pandemic.

Continued demand for virtual experiences post-pandemic suggests that these events were not just a poor man's substitute during quarantine. Emerging virtual experiences present the ability not only to expand the live events category, but also to reinvigorate the broader entertainment events space and expand the pie.

Although no one knows exactly what the future holds, one thing is certain: marketers will need to be more responsive than ever to fast-changing consumer expectations. The consumer of tomorrow wants not only to create new memories with friends and family, but also to get closer than ever to their favorite creators, and to participate as a co-creator in a live, shared moment.

2020 BY THE NUMBERS

Nearly  
**half a billion**  
eSports viewers  
in 2020

Newzoo

**45M views**  
sets the record for  
virtual concert  
attendance

Billboard

**10M users**  
of the Teleparty Chrome  
extension for co-viewing,  
powering synchronous  
viewing on every major  
streaming platform

Teleparty

“We believe discovering and enjoying music in the Metaverse together with friends is a unique experience that can bring millions of people together for the first time around artists they love. Virtual concerts, on platforms like Roblox, will complement live shows, unlocking new global audiences and giving fans experiences that can't be replicated in the physical world.”



**Jon Vlassopoulos,**  
Global Head of Music, Roblox

Roblox | Lil Nas X performs  
for fans in Roblox

# WHAT AUDIENCES LOVE ABOUT LIVE EXPERIENCES

We set out to understand the live experience landscape through the lens of shared and unique value propositions.

At a foundational level, consumers are motivated to attend live events—both in-person and online—to have fun, connect with others and make memories.

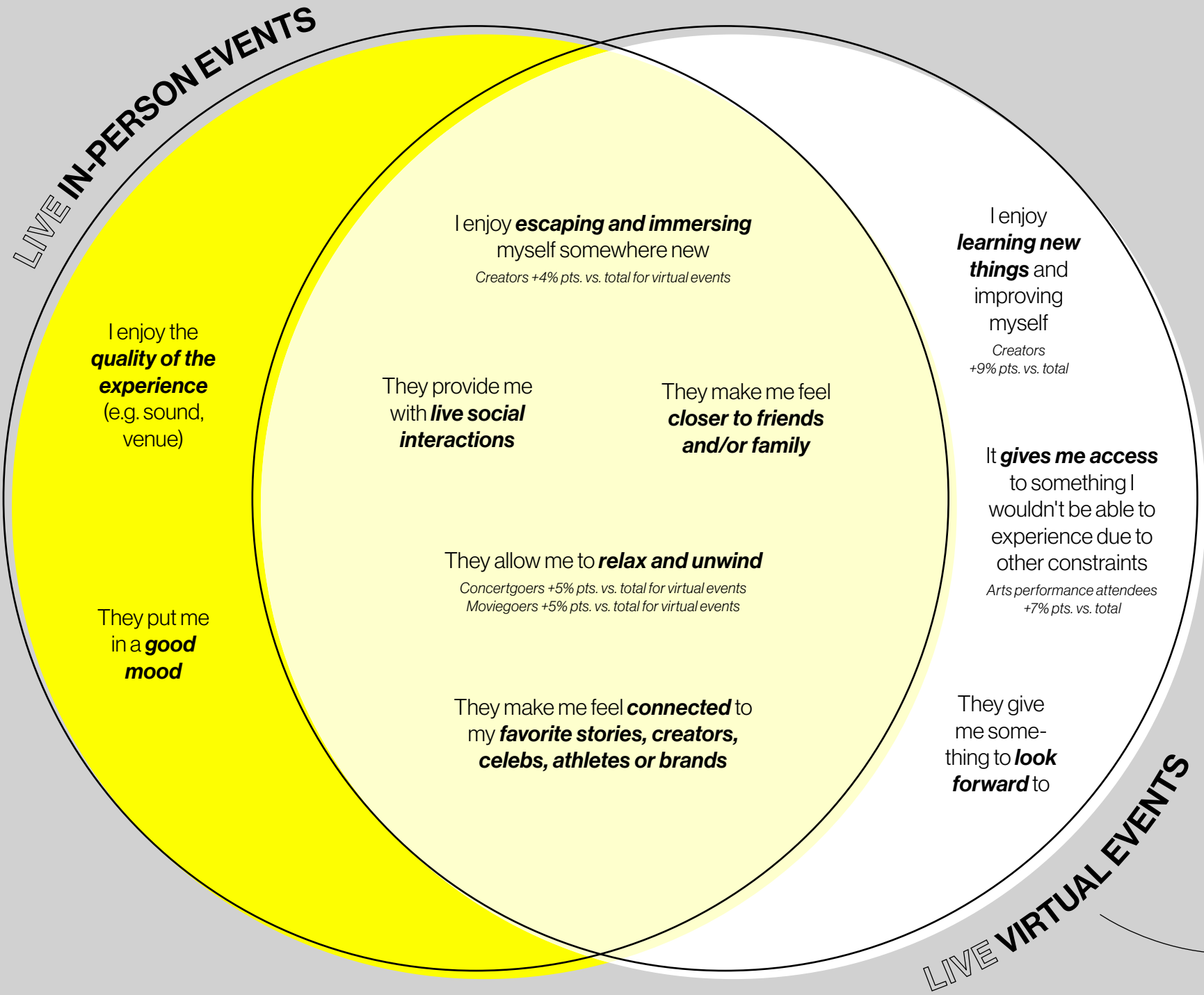
Consumers say that **in-person** experiences have the potential to immediately *put me in a good mood*, likely tied to the *quality of the experience* (e.g. *sound, venue*) which they rate highly, and doesn't necessarily translate fully through screen time.

**Virtual** experiences deliver on need states heightened by the loneliness and uncertainty of the pandemic. Audiences everywhere tell us that virtual experiences *give me something to look forward to*, marking the passage of time.

**Looking to the future, 7 in 10 consumers say they will continue to attend virtual events even after the pandemic. Why?**

While both formats allow audiences to *escape this world and immerse myself somewhere new*, virtual experiences uniquely provide audiences *access to something I wouldn't be able to experience due to other constraints such as cost or geography*.

Across audiences, the promise of expanded access is key to enduring interest in virtual experiences. Life stage also impacts appeal, with parents placing strong value on the safety and affordability of virtual events.



**TOP DRIVERS OF VIRTUAL ATTENDANCE**

#1

To meet new people

#2

To feel closer to strangers with similar passions

#3

To collaborate with others to create something new

#4

To feel like part of a community / shared cultural moment

“The future of events is a hybrid model. I see the virtual events market expanding as our ability to emulate presence evolves, providing new forms of social engagement and interaction. It is not about replacing live events with virtual, but rather augmenting and extending the experience into the digital sphere—a more accessible space for artists and audiences everywhere.”





NBA League Pass  
on NEXTVR

“Every fan should feel like they could be the sideline reporter.”



**Tyler Gates**, Host, *Everything AR/VR Podcast*;  
Managing Principal, *Brightline Interactive*

NextVR | Jonah Hill watches an NBA game in VR

## A return to real-world experiences is highly anticipated...

**9 in 10**

consumers are eager  
to return to real-  
world events.

In Australia, where events have recently reopened, 73% of Australians say they have already attended an in-person event, reflecting the intensity of pent-up demand. Notably, thousands of music fans attended the Great Southern Nights music festival last November, the Australian Open sold out in February, and tens of thousands attended the annual Mardis Gras Pride celebration in Sydney in March.

Elsewhere, with in-person events on hold, marketers have found new ways to inject life into remote fan experiences. From virtual fans in NFL stands to musicians producing intimate concerts for fans via live streams, technology has become foundational to the live experience.

## ...with technology driving the shift from substitution to evolution.

Technology provided a conduit for connecting in a period when in-person events went dark, and is now driving the transformation of the live event experience.

4 in 5 consumers want the events they attend in-person to include exciting technology capabilities, led by young audiences. How will technology enable live events moving forward?

As online spaces become increasingly fluid—think platforms like Fortnite, Roblox and Snapchat where you can play games, watch content or chat with friends and strangers alike—expectations for physical spaces are changing, too.

**1**

**Fueling creativity and enhancing quality:** Integrating technology into the live event experience can provide a critical value add for both audiences and marketers alike, from improving consumers' understanding of a sports game by holding up a mobile phone and enjoying augmented reality overlays with useful information, or leveraging the same technology to see seat upgrades in the venue.

On the other side of the world, The Lab, an Adelaide-based new hospitality and performance venue outfitted with high-end audio and video technology customized for immersive art experiences, opened recently to tremendous success. Shanghai Fashion Week offered a glimpse into the future of global fashion, with live events supplemented with live streams and digital showrooms surpassing millions of views and millions of dollars in direct merchandise revenue. Venue design is evolving to accommodate a range of experiences, from operas to eSports, and to allow for more advanced technology integration.

**2**

**Deepening reach, accessibility and shareability for global consumers:**

Our recent study of Super Bowl LV provides an early glimpse into what future technology-enhanced events might look like. From exclusive camera angles and “fan views” of the field, to player avatars appearing in augmented reality, Super Bowl LV was a trial run for many first-of-their kind enhancements that challenged viewers to reimagine the at-home sports experience. Incredibly, 7 in 10 Super Bowl LV viewers said next-generation media—from virtual watch parties to AR/VR enhancements—improved the viewing experience more than face-to-face interactions or traditional social media. According to Snapchat, augmented reality lenses and filters from NFL partners reached 45 million Snapchatters during Super Bowl weekend and garnered a total of 101 million impressions, meaning more NFL fans saw these Snapchat AR filters than the reported 99.9 million people who tuned into the main event.

**3**

**Enabling a continuous conversation with fans:** Marketers across live experiences will need to keep up with fast-changing consumer expectations for always-on access to their favorite creators, as well as the flexibility and convenience served up by digital. The promise of digital platforms is continuity. Instead of needing to wait for another

live event to engage fans, marketers can leverage virtual platforms to keep the fan-creator conversation alive. In the not-so-distant future, venues will also leverage players' locker room tweets and live streams on other platforms, to produce a more integrated fan experience.

# DEEPENING VALUES AND EXPECTATIONS

In a pandemic year without real-world events, we embraced new synchronous, shared social experiences.


In the virtual world, we found new ways to deepen our sense of connection to our favorite creators, our ability to co-create with one another, and our sense of community, leveraging connectivity. When we asked consumers which virtual experience use cases are most exciting—from in-stream tipping and merchandising on Twitch to co-viewing streaming content through Teleparty—several key themes rose to the top.

The most exciting virtual experiences revolve around these key themes:

### CONNECTION

**Close creator ties**, enabling access to the personalities you care about

**Personalization**, an experience tailored to your tastes and needs




Culiline | Cooks connect through online classes

Across all ages, consumers prioritize connection to their favorite creators as the most exciting pillar of virtual events. **7 in 10 consumers express excitement for creator-first use cases** that bridge the benefits of access with those of personalization. From drop-in audio rooms in Clubhouse featuring Elon Musk and Bill Gates, to Instagram Live access to Miley Cyrus and Cardi B, live entertainment is evolving to catalyze exclusive access to, and authentic connection with, fans' favorite creators. Influencer-led live experiences are unlocking new business models, from Amazon Live and shop-along apps growing in popularity, to creator subscription services like Patreon allowing audiences to put their money directly into the hands of creators, in exchange for extra content and access. VIP access, one of the primary motivations for attending a live event, was once a privilege of the few; now, it's perceived to be a right of the masses.

### CO-CREATION

**Interactivity**, varying layers of participation, from playing to watching

**Impact**, playing an active role in shaping outcomes




Nintendo | Villagers build their islands in Animal Crossing

Gen Z, the 'we' generation, is all about social experimentation. Instead of consuming or sharing other people's content or ideas, they are motivated to shape content or ideas to be their own. Experiences that meet this baseline expectation for participation rise to the top, from seamlessly transitioning from watching to playing directly with a favorite streamer, to voting with a community to impact outcomes of a live stream. Roblox's \$38 billion-dollar valuation for its ever-evolving metaverse where millions can gather to take part in games, meetings, collaborative work and more, is just one testament to the rising importance of Co-Creation.

### COMMUNITY

**Bonding**, deepening ties with friends, family or strangers on- or offline

**Belonging**, feeling part of a group or community larger than yourself




TechCrunch | Users test YouTube's new live stream feature

Millennials and Boomers are excited about experiences that bring them closer to their friends and family or strangers with similar passions, with Millennials looking to meet their social needs, and Boomers wanting to relax and unwind with their loved ones. From synchronous co-viewing experiences on platforms like Netflix and Hulu to live streaming on YouTube, Millennials and Boomers connect with their communities through these digital behaviors. Additionally, in our recent study exploring consumers' digital behaviors during Super Bowl LV, we found that many consumers engaged in multiple cross-platform behaviors simultaneously, revealing white space for integrations and co-marketing opportunities. For example, of the 53% who discussed the game through social media, 57% also participated in a virtual watch party. For Millennial viewers, social media engagement was nearly on par with direct one-to-one communication with friends and family.

### CONNECTIVITY

**Global access** to opportunities anywhere in the world

**Flexibility**, anywhere, on any device



Wave XR | John Legend performs a benefit concert in VR

Xers express excitement over the promise of Connectivity, or remotely meeting and collaborating with others around the world. They are more likely to be parents with kids at home during the pandemic, experiencing the need for remote work and education. Live events that allow them, or their kids, to escape and embrace a new set of experiences from the comfort of their home is in strong demand. AR/VR experiences emerge as one of the most exciting use case formats for Gen Xers with kids under 18 years old, appealing to 60% of Gen X parents (vs. 44% of Gen X empty nesters). From wild encounters through the Bronx and San Diego Zoos to learning how to draw with a beloved children's book author and illustrator, virtual experiences can expand kids' worlds to new horizons.

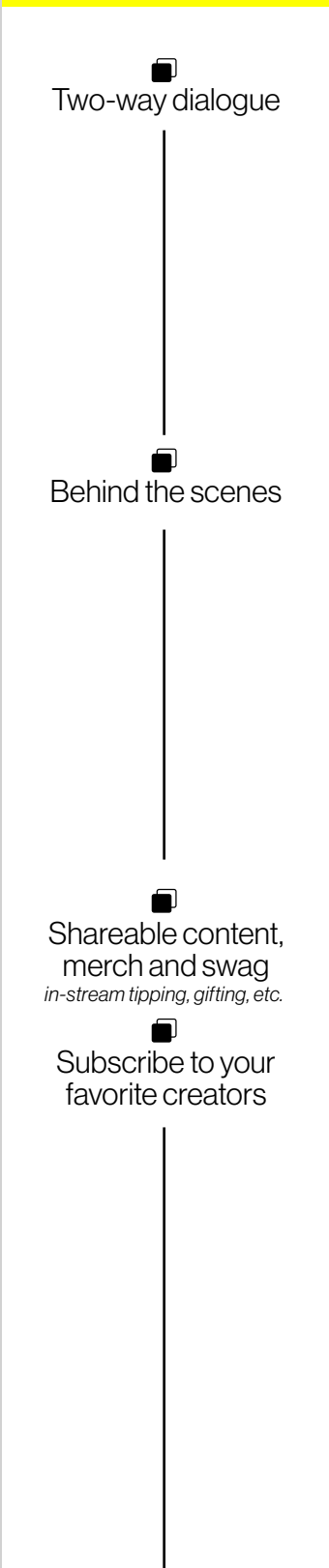


# Consumers tell us how the most *exciting* use cases deliver against these four key pillars.

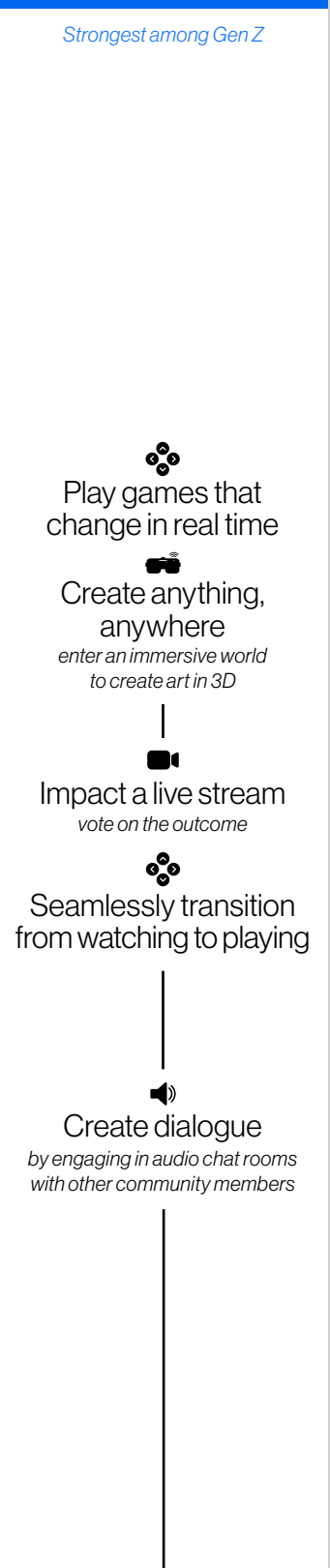
Columns represent net interest in use cases by category. Use cases within and across categories are ranked by level of excitement.

-  Video
-  Audio
-  AR/VR
-  Gaming
-  Fitness
-  Multiple

## CONNECTION



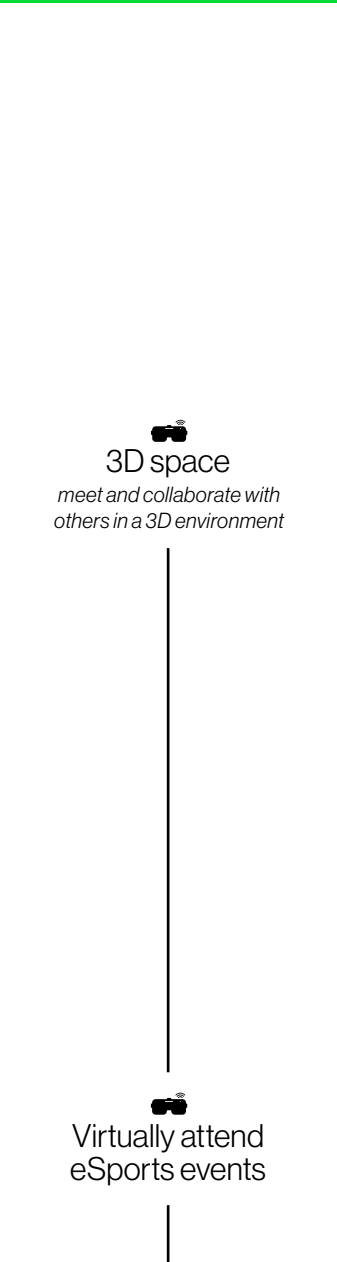
## CO-CREATION




## COMMUNITY



## CONNECTIVITY



“The experience that we have all enjoyed at home, where we have greater access to information and to experiences that are live but not real—like the Travis Scott concert in Fortnite—will change how we want to participate in future live events.”

 **Leslie Shannon**, Head of Trends & Ecosystem, *Nokia Technology*



Media is evolving to make digital life as vibrant and ephemeral as lived experience...

1 What does gaming tell us about the future of content?

The desire for real-time experiences is extending beyond just the *how* and *with whom* to impact expectations for the content itself. **Of all use cases, play games that change in real time performs best among Gen Z audiences, with nearly 9 in 10 excited about this capability.** The endless metaverses of games like Roblox are raising the bar for how young audiences expect to control and impact the content they consume. Increasingly, platforms recognize the incredible amount of engagement drummed up by players creating their own content, and plan to double down on procedurally generated content that is responsive to users' real-time needs and motivations.

2 Is social audio here to stay?

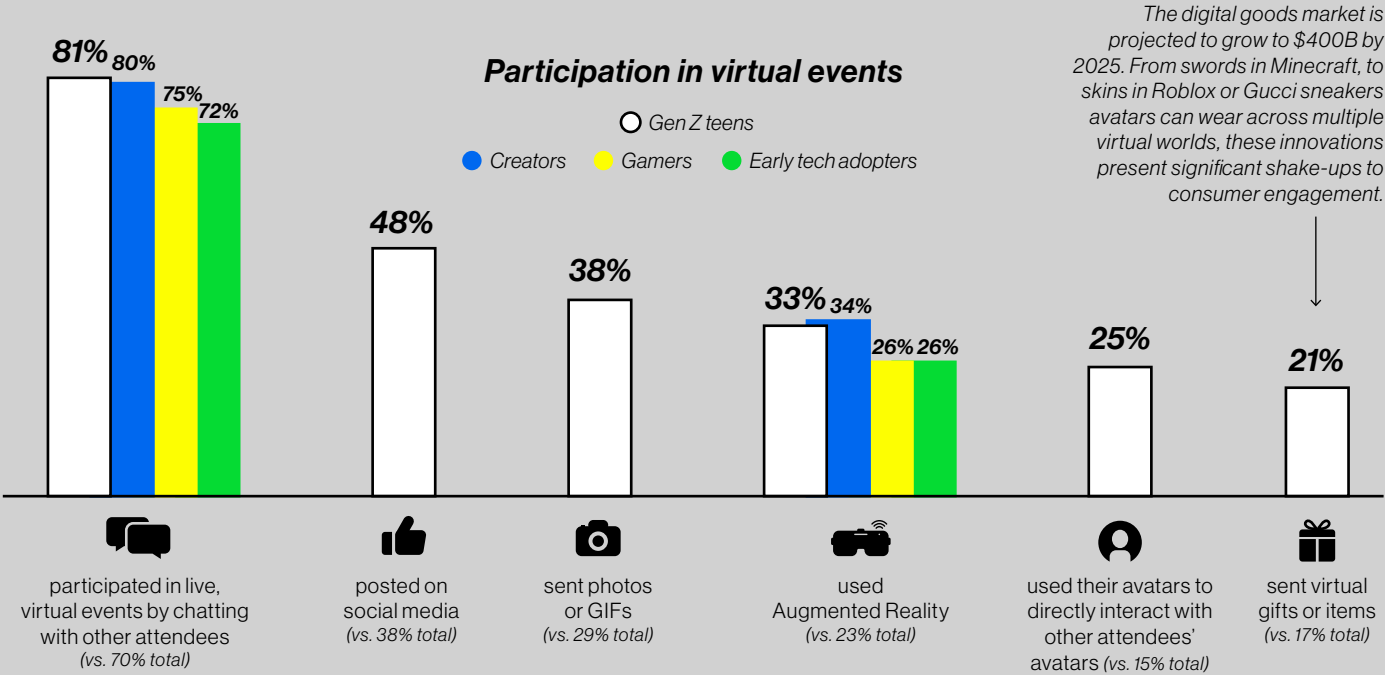
**More than 7 in 10 consumers—and 8 in 10 Gen Zs—express strong demand for two-way dialogue with creators**—a strong indicator for the continued success of social audio experiences. The promise of two-way dialogue with creators through exclusive chat rooms is significantly more compelling than engaging in audio chat rooms with other community members, underscoring the importance of creator connectivity to demand for these experiences.

3 How will streaming evolve to be more social?

**Video use cases lead among mainstream audiences, with more than 3 in 4 consumers excited to engage in synchronous viewing with family, friends and other fans**—the top video use case. There is also strong interest in *live streaming experiences using social media apps*, as well as video use cases that enhance the quality of a remote event, such as *experiencing a game or performance from any angle*. Quality enhancements are particularly effective among active live eventgoers, whose most important need for in-person experiences is a high-quality immersive experience.

...with leading-edge audiences signaling new norms for participation.

Across audiences, **Gen Z teens** engage the most actively during virtual events, followed by **gamers, early tech adopters** and **creators**.



Participation pays off. The vast majority of Gen Z teens—**93%**—say these behaviors enhanced their overall experience.

Innately, we are world creators—compelled by our desire to tell stories whenever we can. Emerging technologies present us with a new set of tools to realize our world building and storytelling potential.”



Tom Emrich, VP, 8th Wall,

ENO | The English National Opera company performs La Bohème at a drive-in stage



# IMPLICATIONS FOR CREATORS, MARKETERS AND DEVELOPERS

**In a post-vaccine world, marketers will design experiences that speak to consumers’ demand for social experimentation and close connections to creators.**

Building on the early successes of Super Bowl LV, the upcoming Summer Olympic Games in Tokyo present an opportunity to advance innovation further, especially with in-person spectatorship facing restrictions. The Olympics are a perfect opportunity to leverage virtual enhancements to the viewing experience that foster community and co-creation—effectively creating a virtual extension of the Olympic Village.

Expansive “branded worlds” are not limited to the live events category. Futurist Cathy Hackl muses how in the not-so-distant future, more companies will be hiring executives to run their branded worlds, or to envision and construct virtual environments fertile enough to allow connections between consumers and brands to take root.

“For marketers, the infinite scalability and revenue opportunities virtual events present is massive. For consumers, the promise of a virtual campfire where we all gather and build community is more real than ever.”



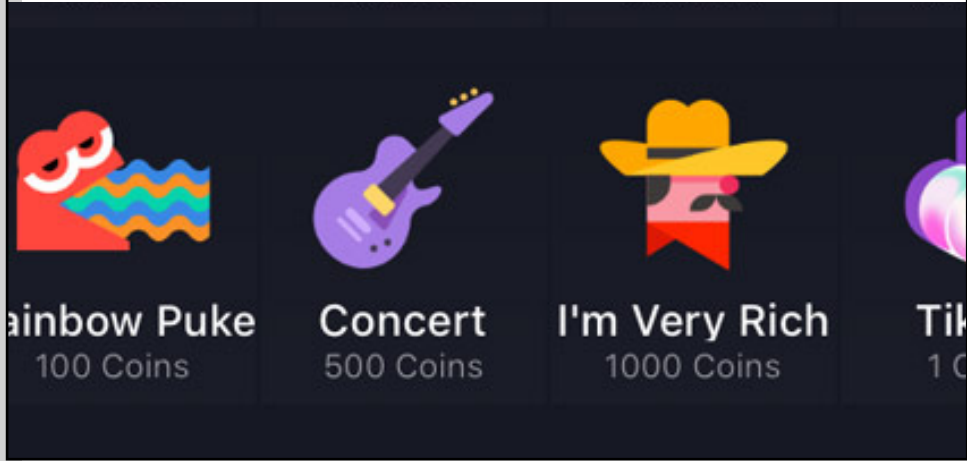
**Cathy Hackl**, Futurist and 2x LinkedIn Top Tech Voice

**As creators, marketers and developers prepare for this future, they will need to keep certain things in mind to make the live experience meaningful for consumers:**

1

**Provide space for attendees to interact in-platform.**

Whether it’s the ability to chat via audio, text, or video, or send virtual gifts or items, consumers attend these experiences to make connections and feel part of a shared moment. When they’re not with each other in-person, digital interaction creates a conduit for these connections and makes the moment truly shared.



**TikTok** | Viewers can use virtual coins to send gifts to TikTok creators while they live stream

2

**Make the experience personal, but at scale.**

While the goal for the brand is to generate revenue, the goal for the consumer is to gain a sense of excitement and exclusivity – they want to feel seen, heard, and special. Using technologies like AI and volumetric video, we can create moments for the consumer that feel unique to them but reach millions at once.



**Digital Deepak** | The Digital Deepak app allows users to interact and meditate with a digital version of Deepak Chopra through AI

3

**Build a world where collaboration and co-creation thrive.**

Increasingly, young consumers want the ability to impact the digital worlds they’re inhabiting. Allow room in these spaces for participants to express their full, unique selves through the choices they make while moving through virtual environments.



**TikTok** | TikTok user cheer on The Weeknd during his concert in the app