

March 24th, 2022

Festivals and Events in Atlantic Canada

Post-COVID Health of the Supply Chain and Event Goer Mindsets



OUR GROUP OF COMPANIES



- **MQO Research** is a leading Atlantic Canadian Market Insights company. We believe that market research is a powerful tool when used to inform business and organizational strategies and decisions.
- MQO is part of the **m5 Group of companies**, which also includes **m5 Marketing Communications** - a full-service, integrated marketing agency with over 35 years of experience and more than 120 employees, making it the region's largest marketing agency.

SESSION GOAL

Share insights on the current state of the supply chain and update on event goer intentions to support future planning for the festivals and events industry in Atlantic Canada.

BACKGROUND

COVID-19 has put significant strain on businesses that support festivals and events. Assessing the health of the supply chain is critical to ensure the recovery of the industry.

Will the impact of COVID-19 on the supply chain impact the recovery of festivals and events in Atlantic Canada?



MQO conducted two streams of research to assess the impact of COVID-19 on the festivals and events industry.

1. Enquête auprès des consommateurs

Une enquête en ligne auprès des consommateurs (n=600) a été menée entre le 8 et le 16 mars afin d'obtenir un aperçu de l'état d'esprit des amateurs d'événements pour le reste de l'année 2022.

2. Recherche sur la chaîne d'approvisionnement

Une enquête en ligne auprès des fournisseurs (n=120) et des entretiens avec des informateurs clés des fournisseurs (n=21) ont été menés entre décembre 2021 et février 2022 pour évaluer l'état actuel de la chaîne d'approvisionnement de l'industrie.

CONTEXT

- Canadians (including children) have had the opportunity to be vaccinated
- Quarantine restrictions and regulations are being lifted in Atlantic Canada, but COVID-19 is not gone
- Festivals and events will need to decide what health and safety measures to keep on their own
- Atlantic Canadians and Atlantic Canadian businesses have been through two years of pandemic ups and downs
- Is the industry prepared for a return to festivals and events?





A RETURN TO FESTIVALS AND EVENTS



A RETURN TO FESTIVALS AND EVENTS

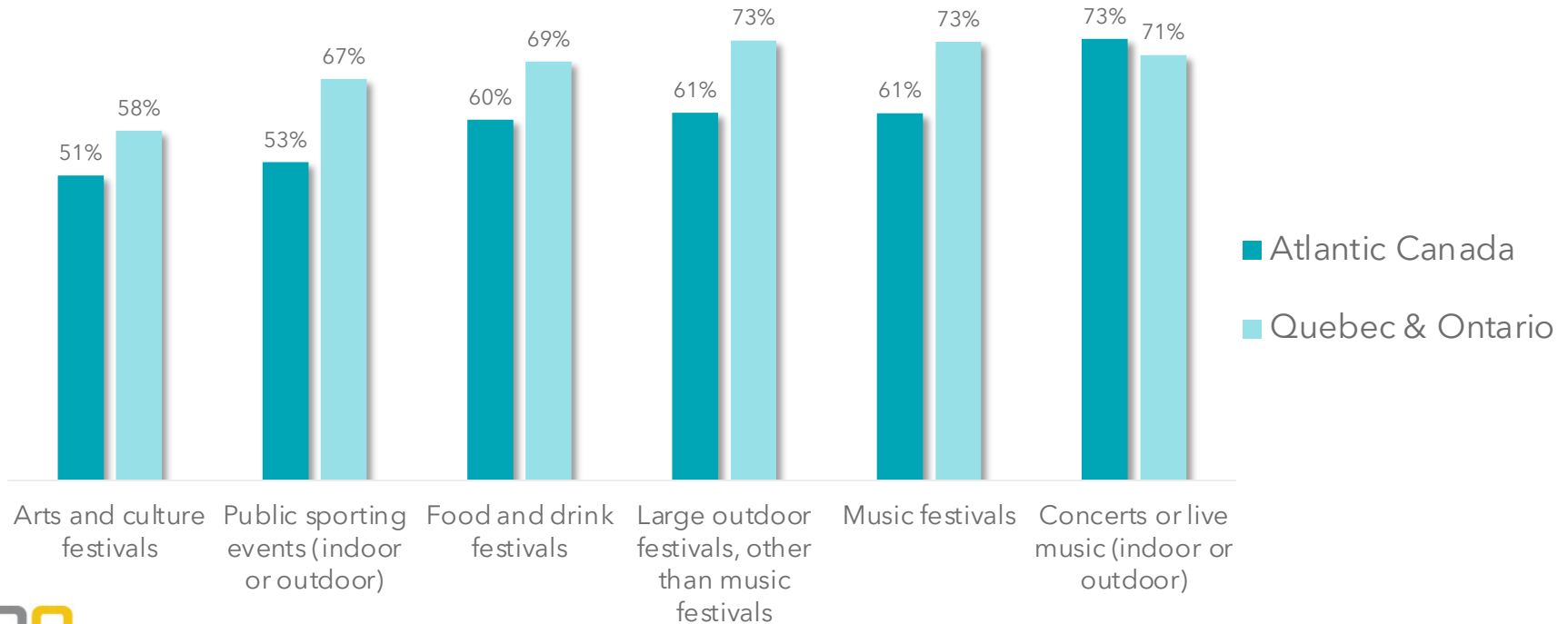
Event goers are ready to get back to festivals and events despite continued concern over COVID-19

77% of Atlantic Canadian event goers and 84% of Quebec and Ontario event goers WILL attend events in summer/fall 2022

49% of Atlantic Canadian event goers and 44% of Quebec and Ontario event goers who will attend events in summer/fall 2022 report being somewhat or very anxious

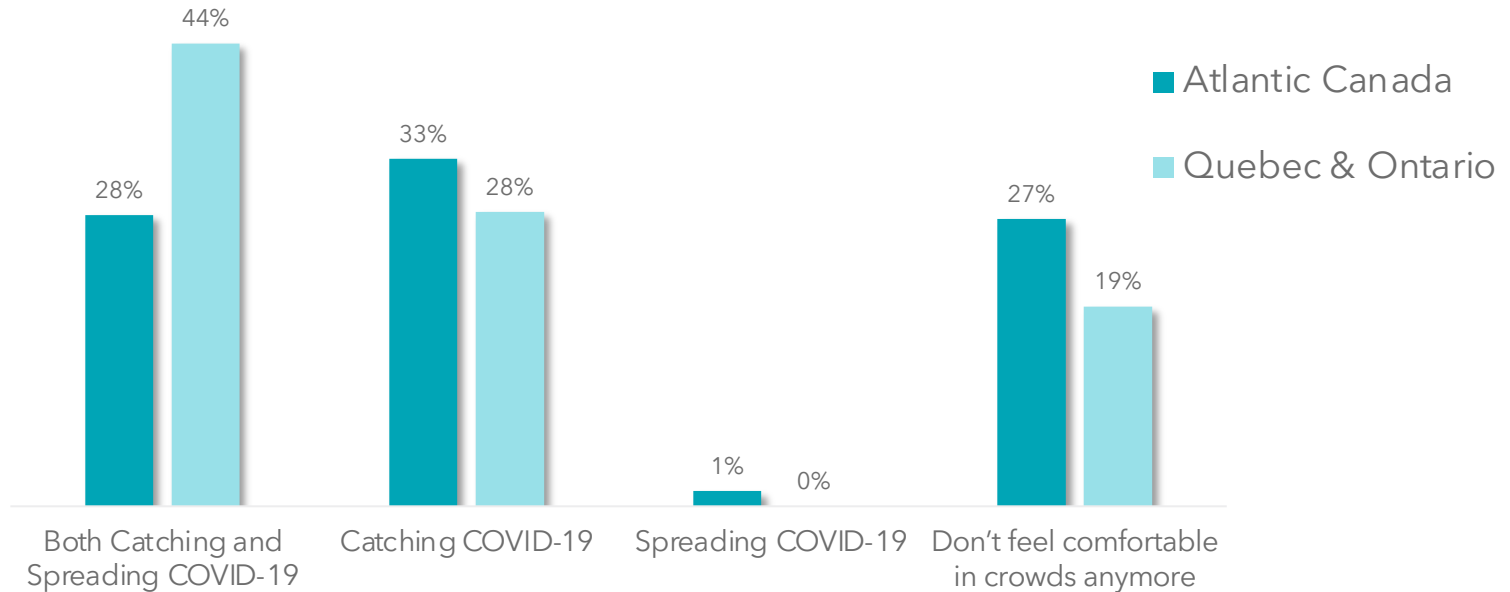
A RETURN TO FESTIVALS AND EVENTS

How likely are you to attend one of the following types of festivals or events in summer/fall 2022?



A RETURN TO FESTIVALS AND EVENTS

Why will you NOT attend festivals or events in summer/fall 2022?



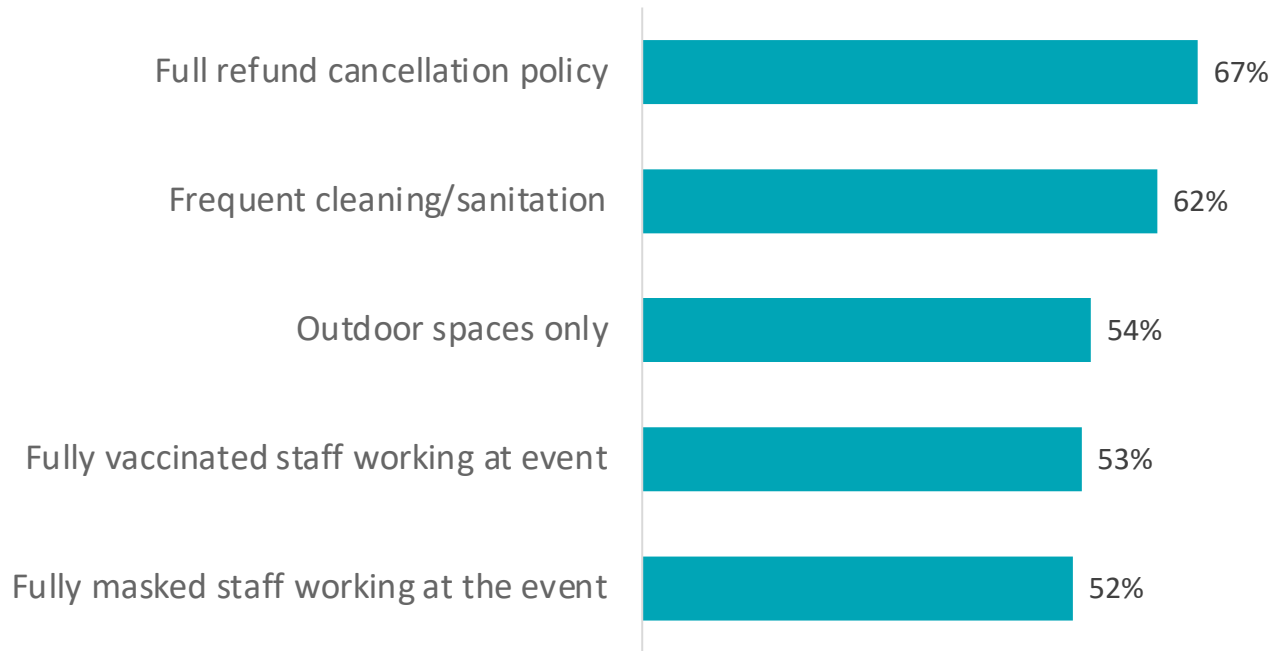


HEALTH AND SAFETY WHAT WILL IMPACT ATTENDANCE



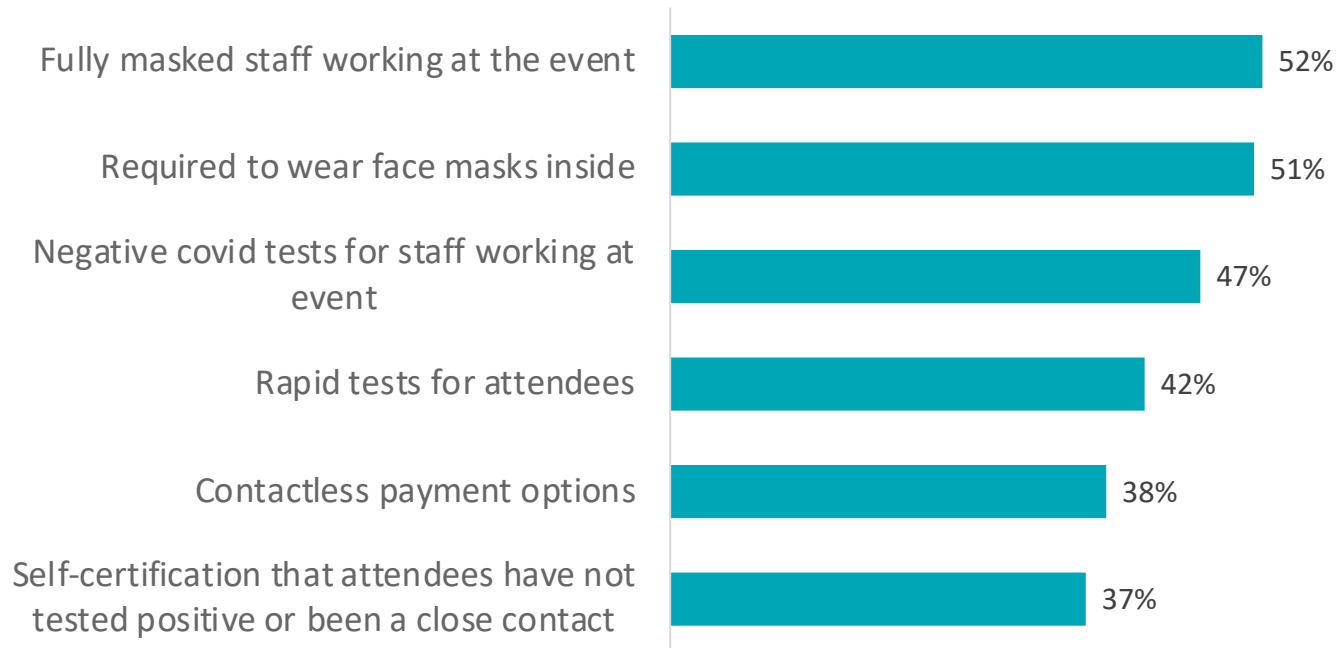
FESTIVALS AND EVENTS NOW: HEALTH AND SAFETY

Would any of the following make you more or less likely to attend a festival or event? (Top 5 overall)



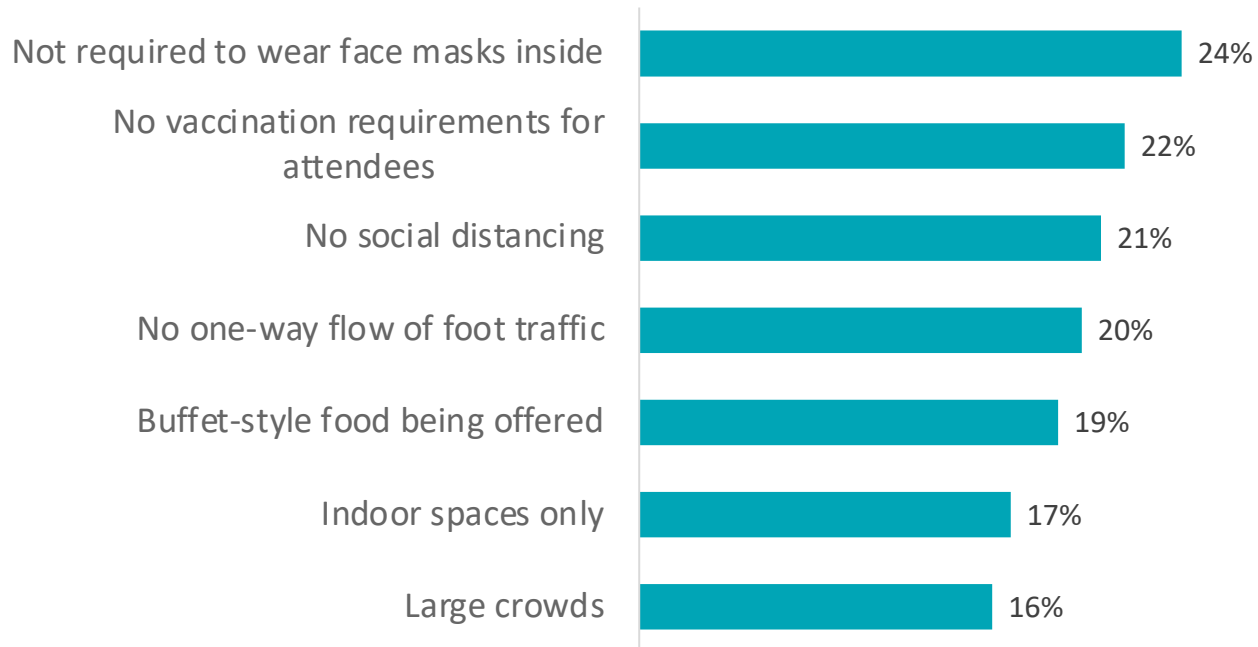
FESTIVALS AND EVENTS NOW: HEALTH AND SAFETY

Would any of the following make you more or less likely to attend a festival or event?



FESTIVALS AND EVENTS NOW: HEALTH AND SAFETY

Would any of the following make you more or less likely to attend a festival or event? (Bottom 7 overall)

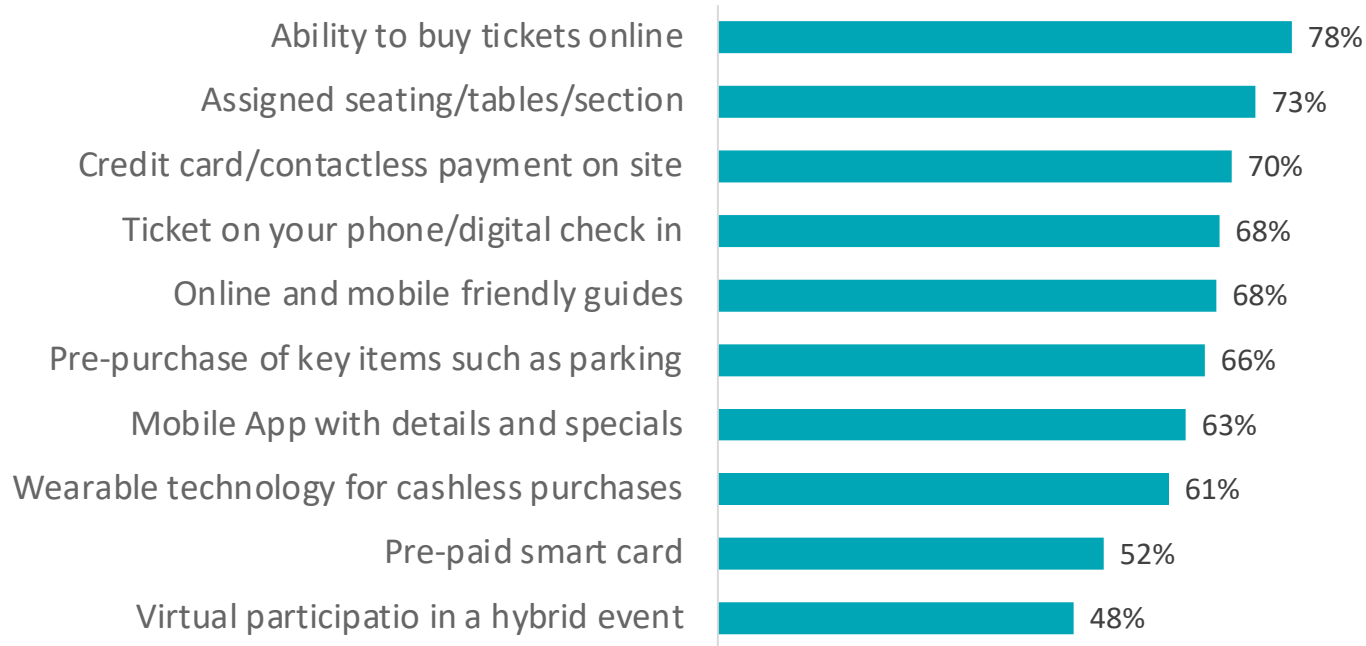




ADDING VALUE

FESTIVALS AND EVENTS NOW: ENHANCED EXPERIENCE

In general, **how much value would each of the following add to your experience?** - % Moderate/Significant value -



HEALTH AND SAFETY MEASURES

33%

of Atlantic Canadian currently have tickets purchased to attend a festival or event (47% for Quebec and Ontario)

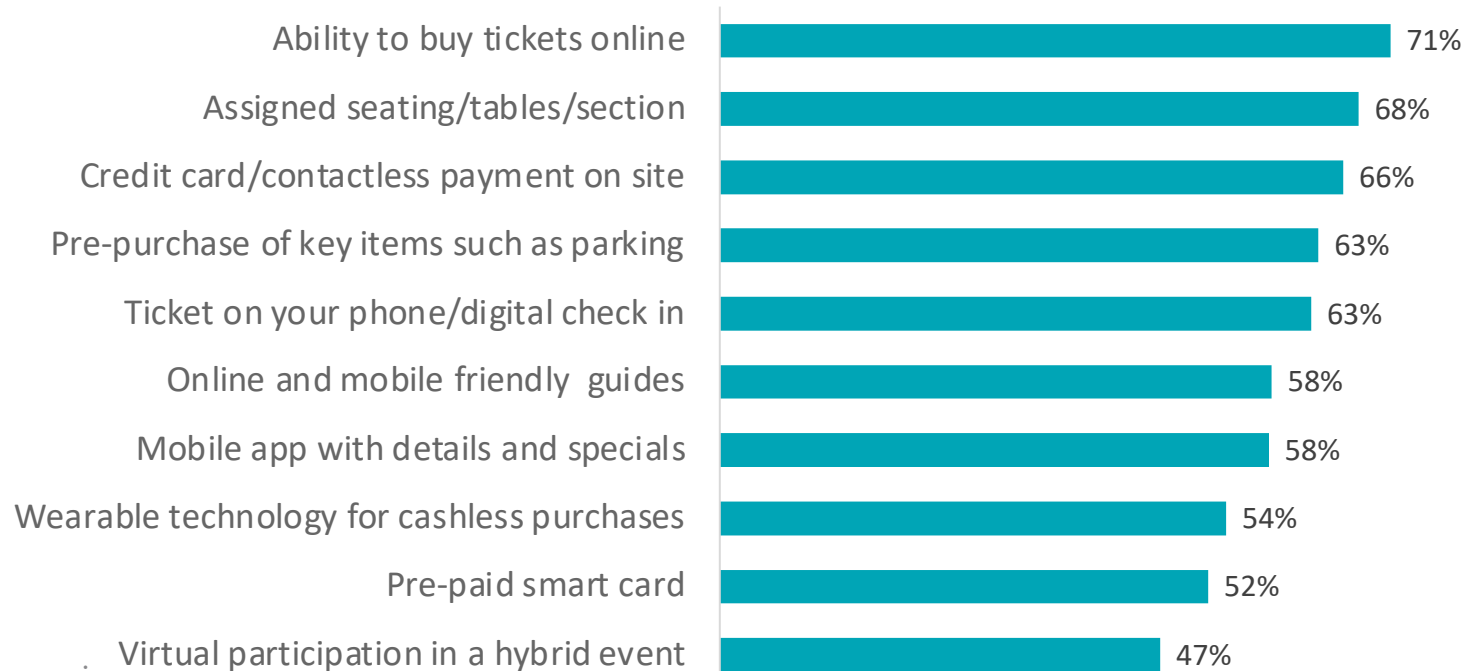
The average ticket price was \$159.66

73%

of ticket holders felt the price was about what they expected to pay. 21% indicated it was more than they had expected.

FESTIVALS AND EVENTS NOW: HEALTH AND SAFETY

Would having this feature make you **more or less likely to attend an event...**

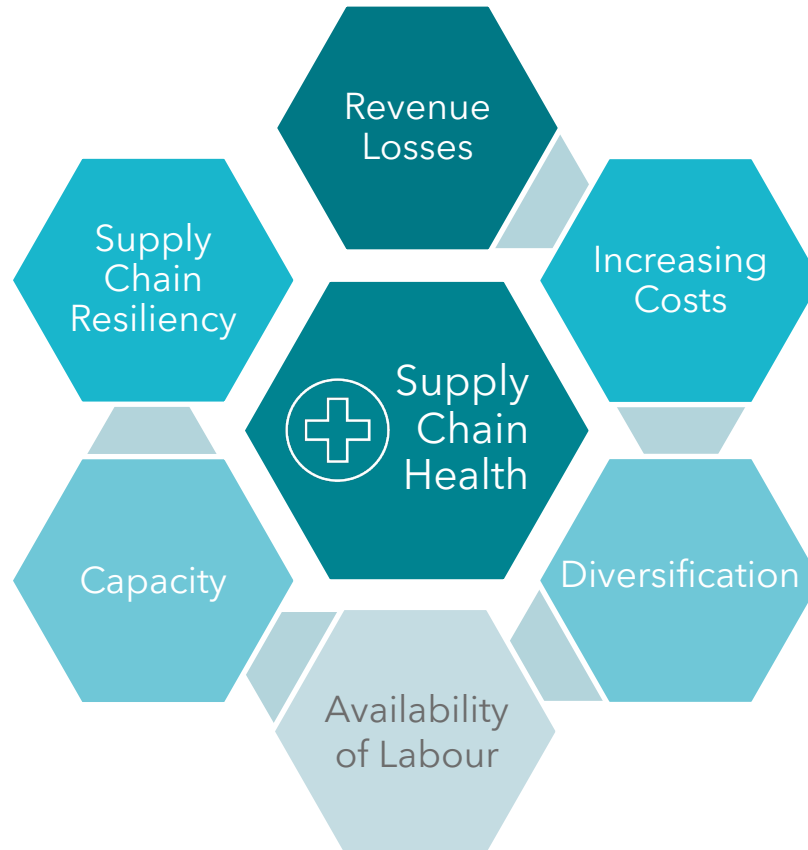




SUPPLY CHAIN HEALTH UPDATE

Assessing the Health of the Supply Chain

HEALTH OF THE SUPPLY CHAIN



REVENUE LOSSES



86% of suppliers experienced a decrease in profits from March 2020 to the fall of 2021.

56% was the average reported decline in profit.

INCREASING COSTS



The increased cost of inputs driven by the pandemic will drive up product and service costs for the events industry.

DIVERSIFICATION



Many suppliers mitigated revenue losses by pivoting to other revenue sources.



Staffing capacity is a concern for suppliers and event owners. There are opportunities to support business owners in this area.

CAPACITY - SHORT TERM



67% of suppliers to medium events are fully or moderately prepared to supply or provide services.

64% of suppliers to large events are fully or moderately prepared to supply or provide services.

CAPACITY - LONG TERM



61% of suppliers to medium events are optimistic about their ability to provide services 1 to 2 years out.

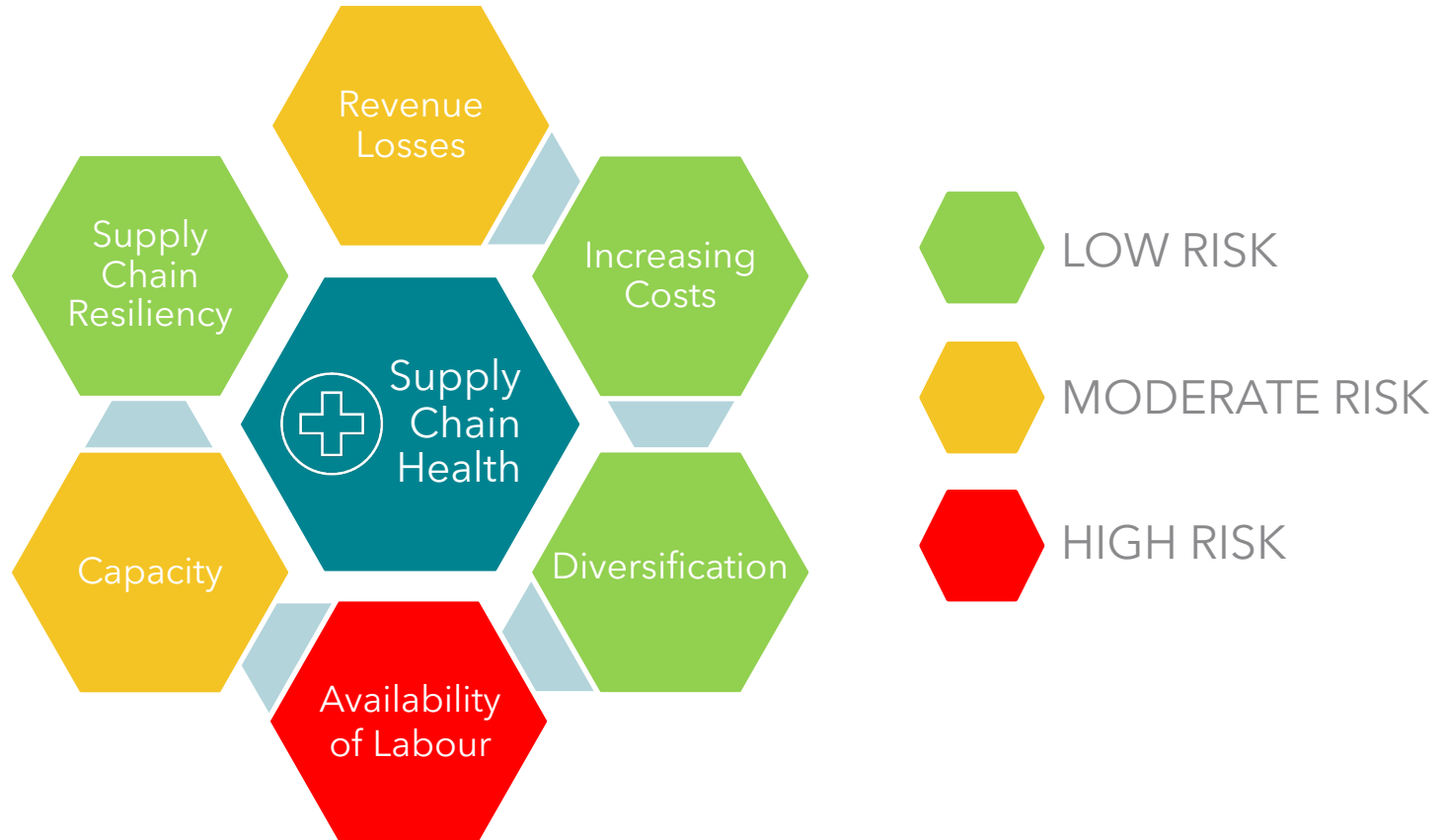
7 of 14 suppliers to large events are fully or moderately prepared to supply or provide services.

62% of suppliers are somewhat or very optimistic about the future.



Temporary closures were significant, but few businesses in the events supply chain were permanently shuttered as a result of the pandemic.

HEALTH OF THE SUPPLY CHAIN



Highlights & Conclusions



HIGHLIGHTS - EVENT GOERS

Most events goers in both Atlantic and Eastern Canada affirmed they will attend events in summer/fall 2022 despite continued concern with COVID-19.

- ✓ Close to one-half of those attending events in summer/fall 2022 report some level of anxiety due to COVID-19.
- ✓ Atlantic Canadians were more likely to report attending concerts or live music than other kinds of events. Overall, Quebec and Ontario residents were more inclined to attend most types of events than Atlantic Canadians.
- ✓ Catching COVID-19 is the main concern of Atlantic Canadians that won't attend any event.

Full refund cancellation policies and frequent sanitization are key aspects to incentivize people to attend events.

HIGHLIGHTS - EVENT GOERS

The ability to buy tickets online, having assigned seating, and being able to purchase tickets contactless would add value to the experience of most participants.

- ✓ Likewise, buying tickets online, having assigned sitting, and credit card/contactless payment methods would make people more likely to attend events.
- ✓ Most participants who purchased tickets for summer/fall 2022 events felt that their price was in line with what they expected to pay.

HIGHLIGHTS - SUPPLY CHAIN

Although staffing is a concern, most suppliers are optimistic about the future and feel ready to supply medium and large events.

- ✓ Most suppliers reported a decrease in profits between March 2020 and September 2021.
- ✓ Suppliers expect prices to go up due to the COVID-19 pandemic.
- ✓ Diversification of sources of income was an important aspect for several businesses.

CONCLUSIONS

Event goers:

- More than ever, people are interested in attending events, but half of them still feel anxious due to the pandemic.
- Although participants paid what they were expecting to pay for tickets, organizers who wish to enhance the perceived value of their tickets should make online purchases and assigned seating available.

Supply chain:

- Although suppliers reported lowered profits and staffing concerns, overall, they are optimistic about the future and confident they can supply large and medium events.
- Only a few businesses closed permanently, which is not expected to impact the events supply chain drastically.

QUESTIONS?

