Stone — Olafson

Building Experiences In The New Economy:

Phase 2 Research Outcomes

November 2021

Thank you to our generous supporters.

This initiative is being funded by leaders who see an opportunity to support organizations which bring remarkable experiences to life in communities across Alberta. **We thank them for their generous support.**

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Key trends we are seeing in this latest round of research

- Comfort wavers yet again under the weight of another wave of cases, hospitalizations and death.
- Vaccination rates help mute concerns over safety.
- The challenging circumstances are fostering a market that is very despondent.
- Habits are cementing and audiences are latching on to things not impacted by restrictions.
- Audiences are selecting activities now based first on health & safety considerations. Other factors appear secondary for now.
- Support is very high (and intense) for vaccine passports.
- Tensions are beginning to emerge between urgency to engage and being forced to do get a vaccine.
- Digital tools, the main source of connection early in the pandemic, are more of an engagement tool now.

Purpose & Approach

Over the past 18 months, the COVID-19 pandemic has dramatically reshaped how audiences engage with the experience economy across different sectors. Leaders striving to deliver experiences to their community now have to grapple with everything COVID-related, overcome emotional barriers like comfort and deal with risk tolerances simply to engage their audiences. Starting in 2020, a province-wide research study was made available to support decision makers with timely and relevant data. This work builds on those efforts and will allow leaders to have continued access to data to fuel recovery and to inform efforts to rebuild experiences in the ways that align with changing audience expectations and needs.

Key areas of exploration:

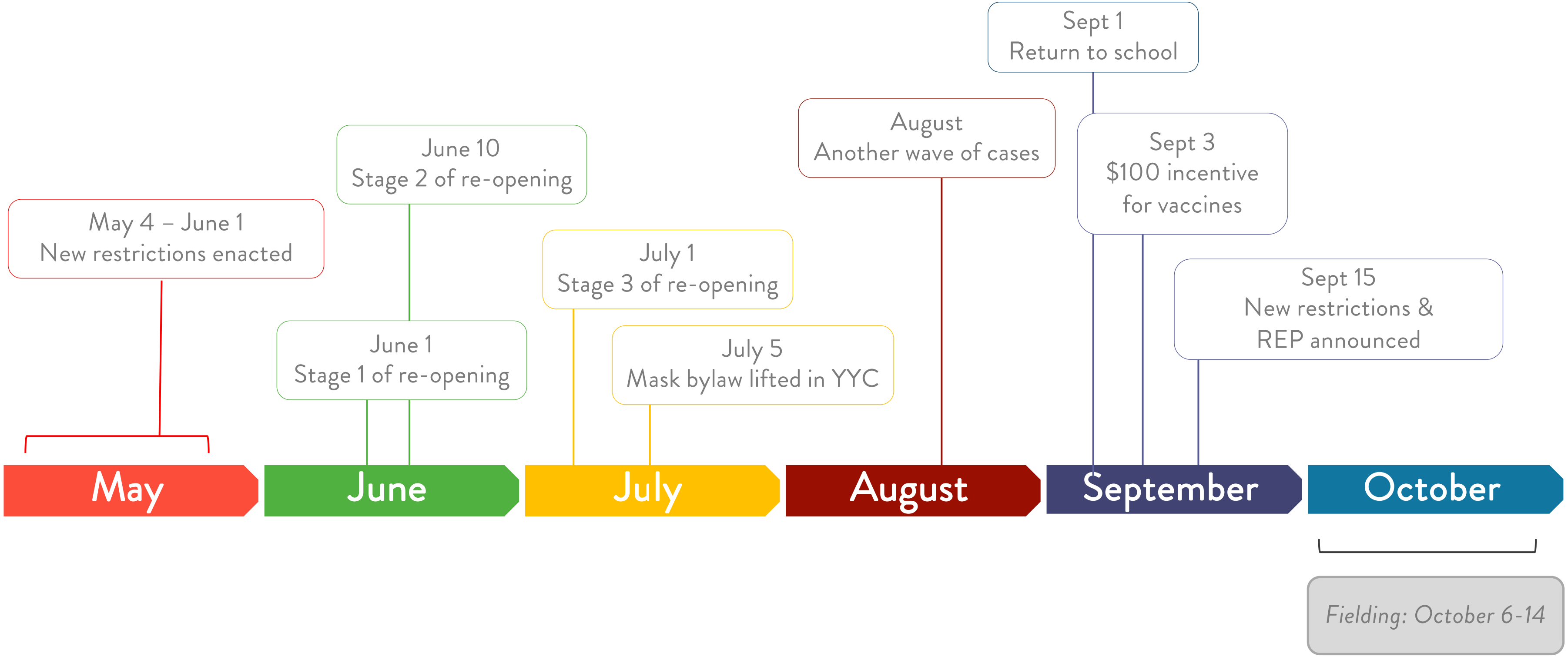
- Attitudes and perceptions that reflect audience mindset
- Impact of health policies that may govern activities
- Identify willingness to re-engage in activities (and factors that will influence)

Research Approach:

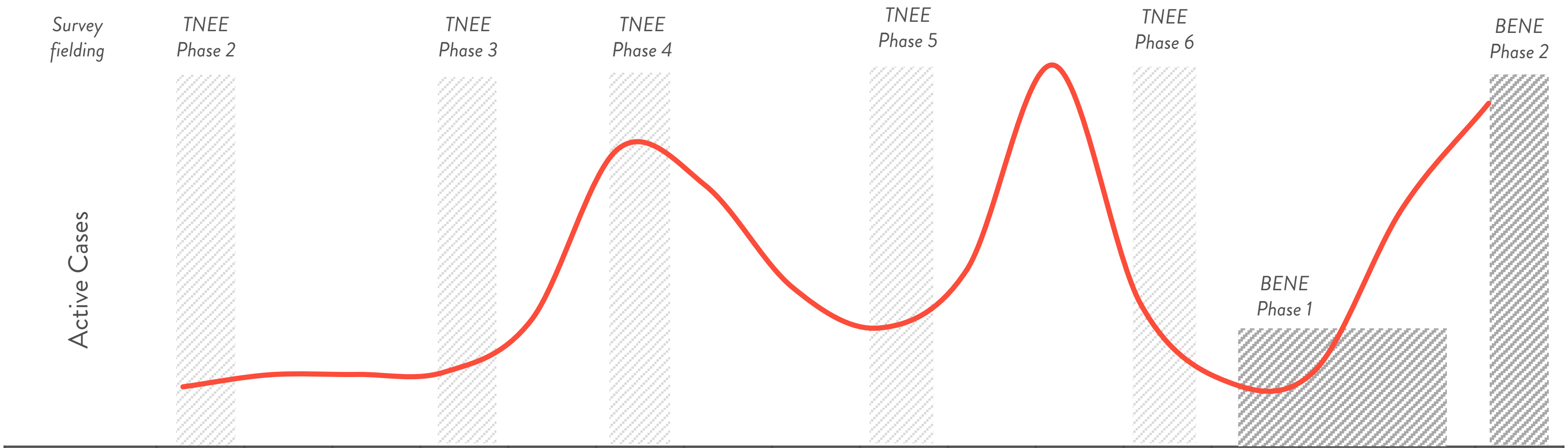
A total of n=1000 surveys in Edmonton and Calgary :

- n=500 in each market, representative by age and gender in each city.
- Approximate margin error for a typical sample size of 500 is +/- 4.4% *(not typically applicable for online non-probability samples)*
- Survey was fielded: Oct 6 – 15, 2021

Mapping the progression of COVID-19 restrictions in Alberta



Context matters



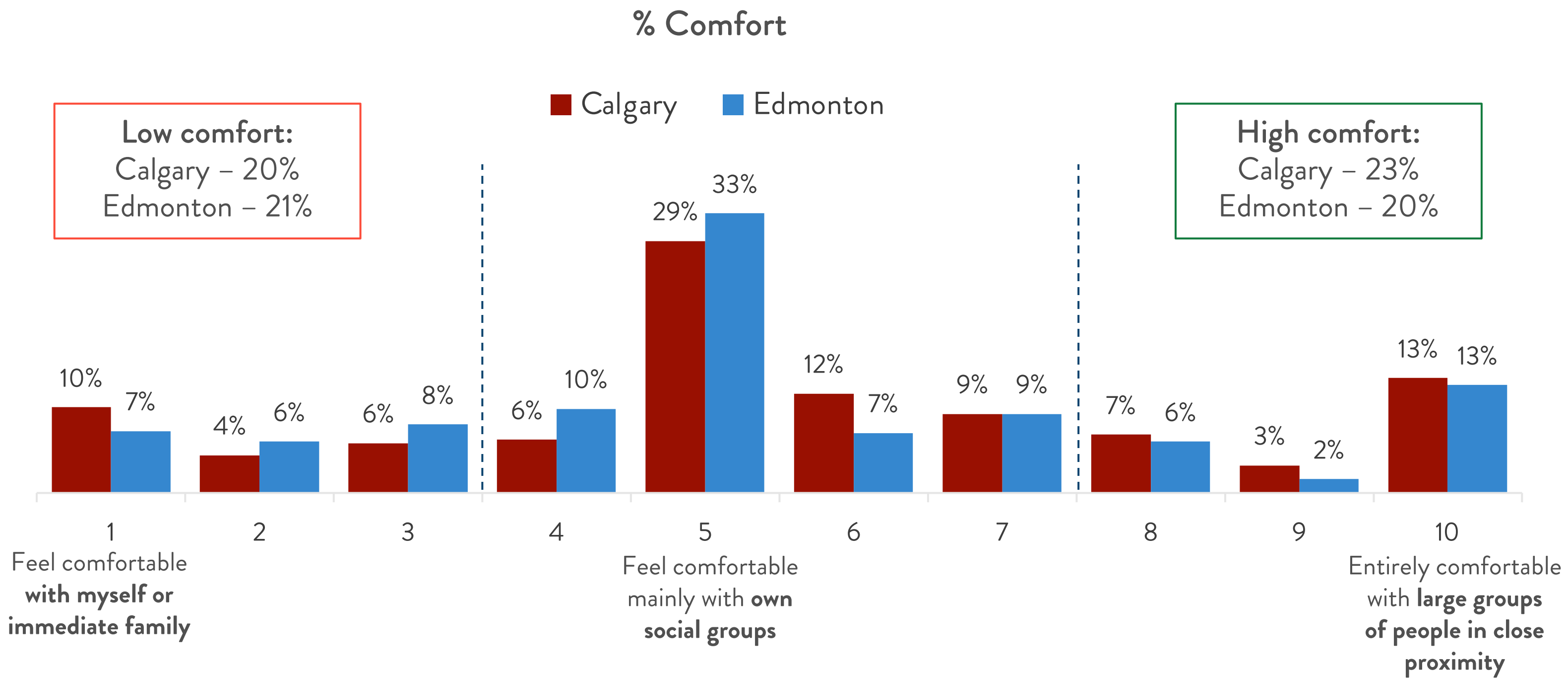
	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Nov. 2020	Dec. 2020	Jan. 2021	Feb. 2021	Mar. 2021	Apr. 2021	May 2021	June 2021	July 2021	Aug. 2021	Sept. 2021	Oct. 2021
Total Active Cases (Alberta)	541	1,379	1,400	1,557	5,153	17,044	14,510	7,448	4,620	8,610	22,845	6,304	892	1,655	12,844	20,197
% Change (previous month)	36%	+155%	+2%	+11%	+231%	+231%	-15%	-49%	-38%	+86%	+165%	-72%	-86%	+86%	+676%	+57%
Hospitalizations	44	86	50	64	140	504	921	556	261	292	648	435	144	90	487	1066

Source: https://www.chi-csm.ca/

Detailed Findings

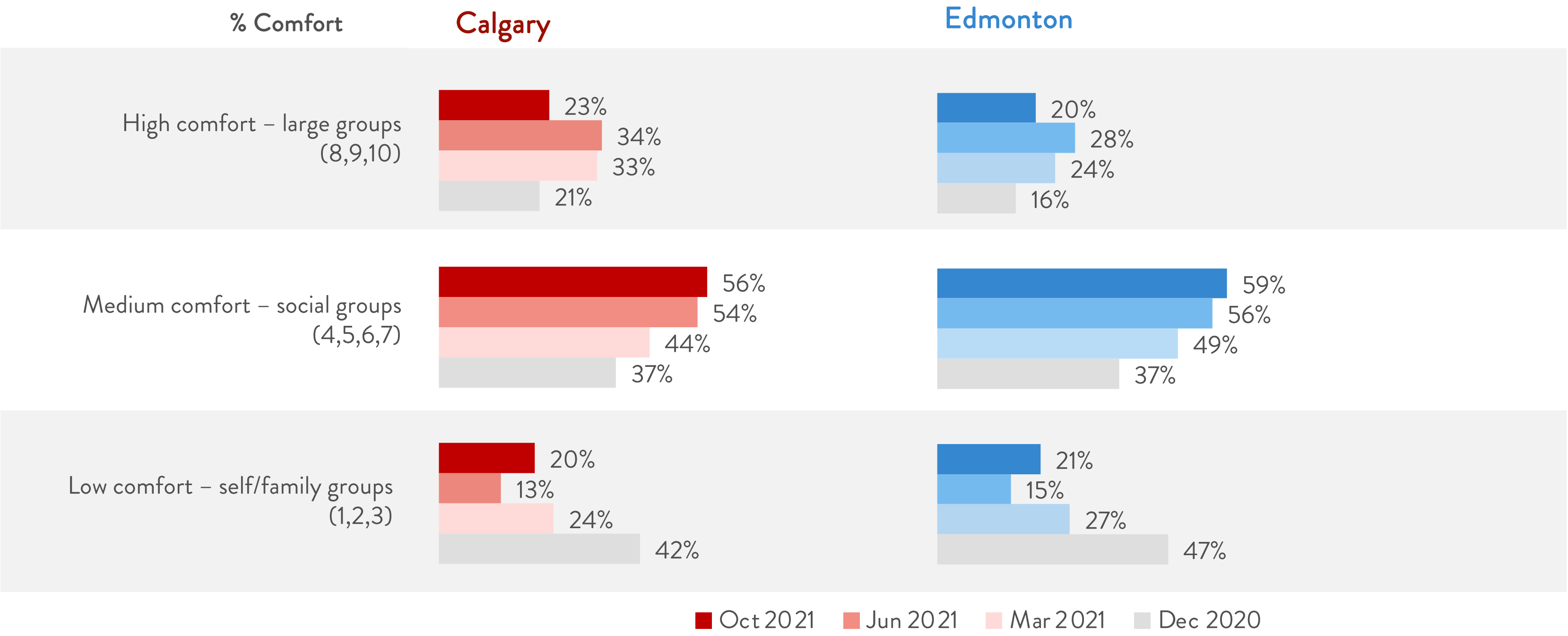
Comfort levels and understanding consumer mindset

The majority of audiences currently have medium comfort levels with respect to gatherings and proximity to others



Based on how you feel today, how comfortable are you with engaging with people and groups in your community?
Base: Edmonton (n=500), Calgary (n=500)

Comfort levels have softened considerably since early summer as cases have risen and the "fourth wave" of the pandemic took hold



Based on how you feel today, how comfortable are you with engaging with people and groups in your community?
Base: Edmonton (n=500), Calgary (n=500)

There is an ongoing tension that exists between vaccines rates and COVID stats that explains how comfort shifts over time

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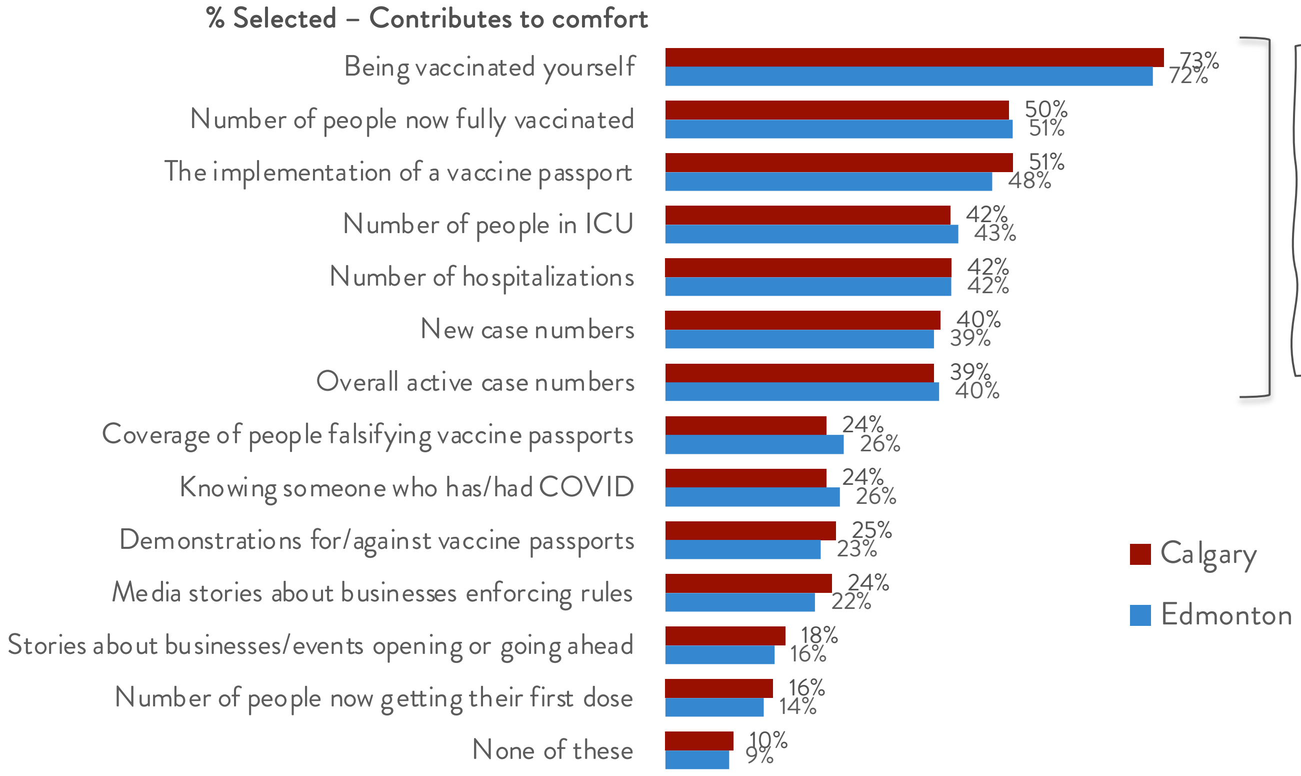

Relatively high vaccine rates have been helpful in sustaining a basic level of comfort among consumers. But growing case numbers through the Fall likely tempered any further rise in comfort and dampened enthusiasm for audiences looking to return to fully regular activities.

A2. Which of the following, if any, are contributing to your level of comfort right now? Please select all that apply.
Base: Calgary (n=500), Edmonton (n=500)

Negative emotions have returned to dominate in this current fourth wave

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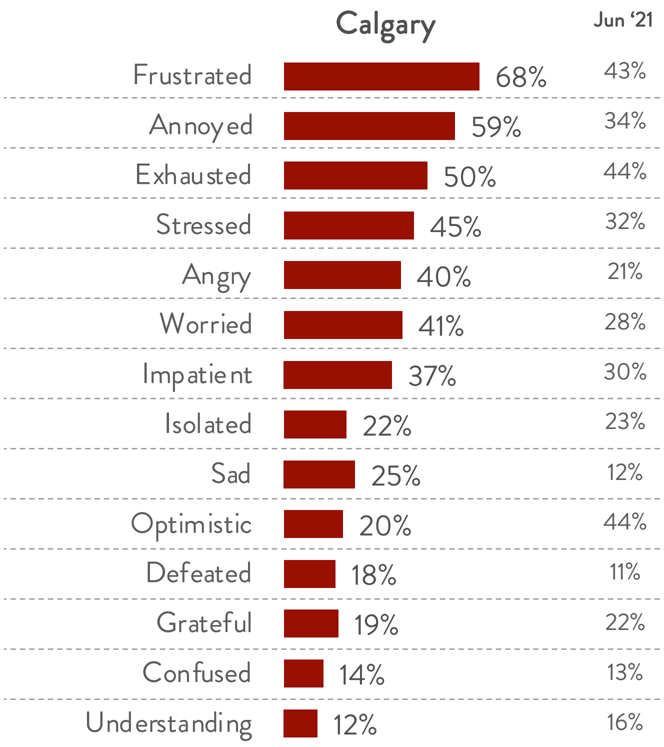
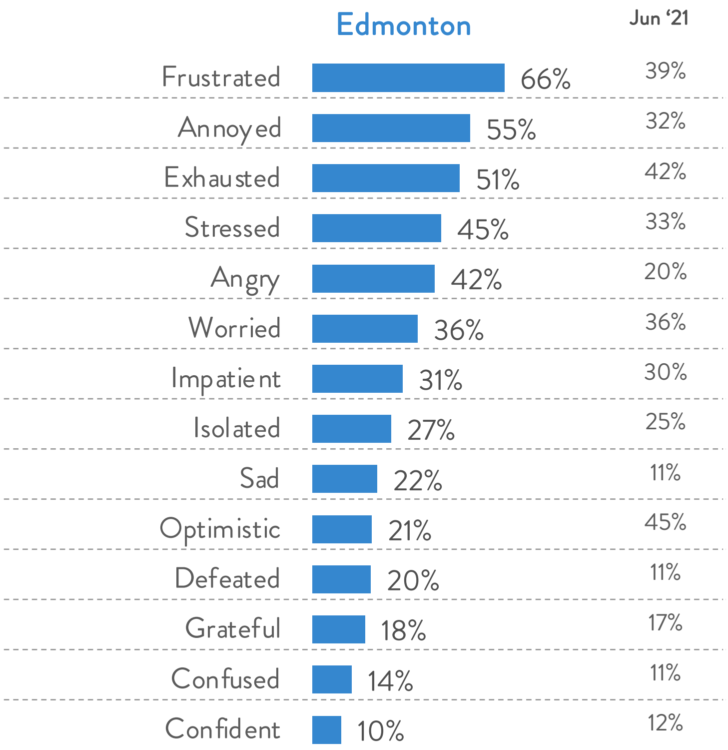
The emerging optimism from the summer has been stunted, at least for the time being, as consumer mindset for both Calgarians and Edmontonians has turned decidedly negative again. Frustration, annoyance, exhaustion, stress and angry are the top emotions right now.

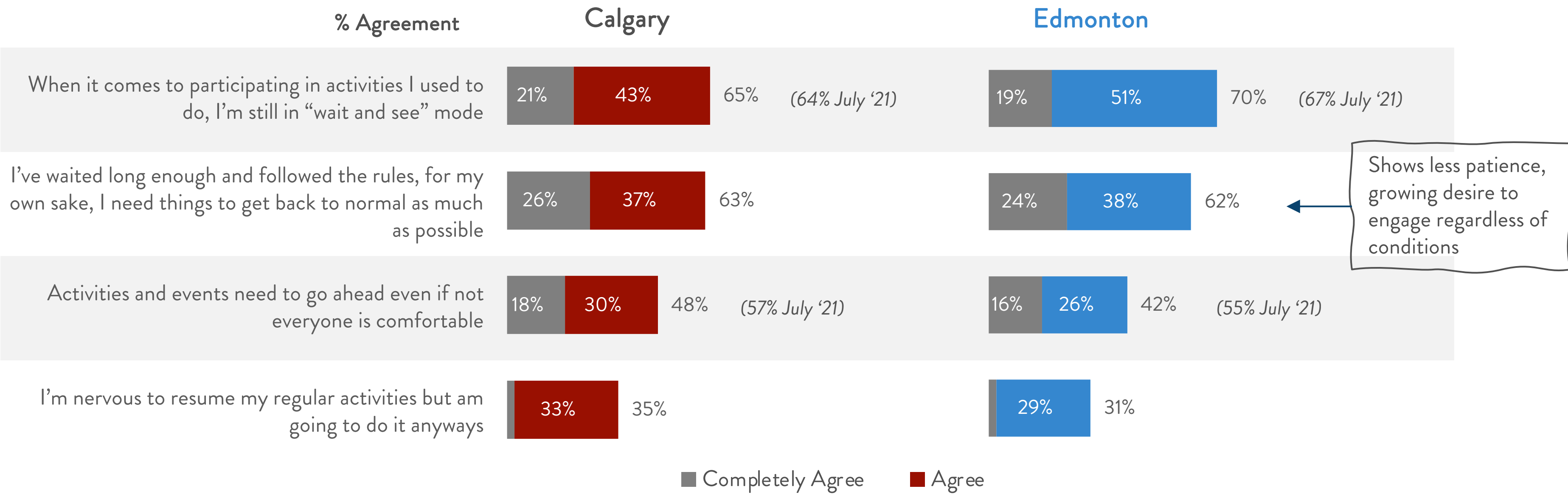




A3. What words describe how you might be feeling right now? Please select all that apply.
Base: Calgary (n=500), Edmonton (n=500)

And tensions are apparent in attitudes towards re-engagement as the proportion of those who think activities should still go ahead has softened considerably

There are also still relatively high proportions of consumers who are in “wait and see” mode. This reflects an ongoing nervous tension about re-engagement that seems to ebb and flow based on the state of COVID in the province.



A4. Below are a few things people might say about the current situation and how they spend their time. Please tell us if you agree or disagree with each one.
Base: Calgary (n=500), Edmonton (n=500)


Considering health restrictions and policies

Support is quite high for a wide suite of health measures

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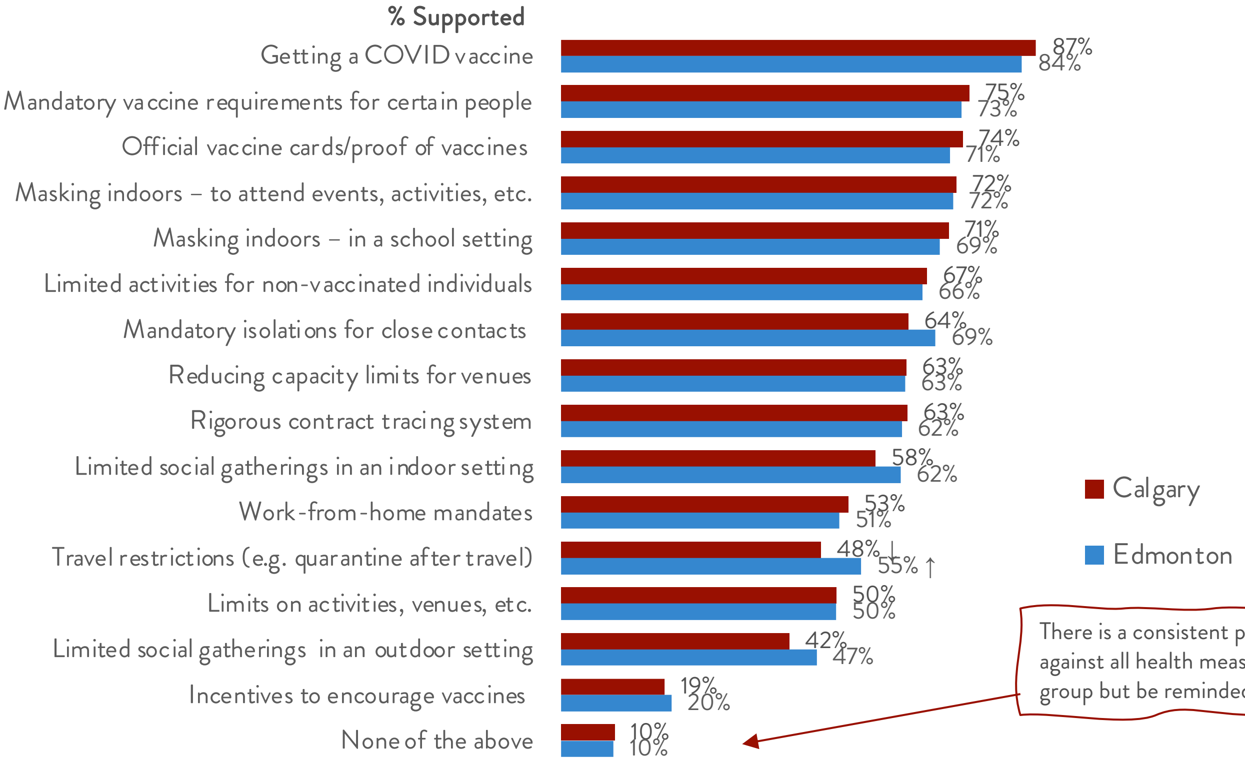
Calgarians and Edmontonians are similar in their support for a variety of health measures to combat COVID in the province – a full 90% of consumers in each market support at least one of the measures presented, most commonly vaccines, vaccine requirements, proof of vaccines, and masking.



There is a consistent proportion of the community that is firmly against all health measures. It is important to acknowledge this group but be reminded of their relatively small size.

B1. This next set of questions is focused on your general attitudes toward various health measures. Which of the following health measures do you generally support?
Base: Calgary (n=500), Edmonton (n=500)

And while health measures supported show few differences by city, there are distinct demographic differences on what is supported and what has less support

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% Supported	Age: 18-34	Age: 35-54	Age: 55+	Gender: Female	Gender: Male	Kids under 18: Yes	Kids under 18: No
Getting a COVID vaccine	88%	83%	86%	87%	85%	80% ↓	88% ↑
Mandatory vaccine requirements for certain people	77%	68% ↓	78%	78% ↑	71% ↓	66% ↓	78% ↑
Official vaccine cards/proof of vaccines	74%	68% ↓	76%	77% ↑	69% ↓	66% ↓	75% ↑
Masking indoors – to attend events, activities, etc.	76%	67% ↓	74%	79% ↑	66% ↓	68%	74%
Masking indoors – in a school setting	75% ↑	65% ↓	71%	76% ↑	65% ↓	63% ↓	74% ↑
Limited activities for non-vaccinated individuals	68%	62% ↓	71%	72% ↑	62% ↓	58% ↓	70% ↑
Mandatory isolations for close contacts	70%	61% ↓	68%	75% ↑	58% ↓	59% ↓	69% ↑
Reducing capacity limits for venues	67%	59% ↓	65%	72% ↑	55% ↓	60%	64%
Rigorous contract tracing system	70% ↑	58% ↓	61%	70% ↑	56% ↓	57% ↓	66% ↑
Limited social gatherings– in an indoor setting	60%	56%	64%	67% ↑	53% ↓	54% ↓	62% ↑
Work-from-home mandates	62% ↑	50%	43% ↓	59% ↑	45% ↓	49%	53%
Travel restrictions (e.g. quarantine after travel)	57% ↑	47%	50%	58% ↑	44% ↓	46%	53%
Limits on activities, venues, etc.	53%	47%	51%	57% ↑	45% ↓	45% ↓	53% ↑
Limited social gatherings– in an outdoor setting	43%	40%	51% ↑	51% ↑	39% ↓	37% ↓	48% ↑
Incentives to encourage vaccines	24% ↑	17%	18%	16% ↓	23% ↑	17%	21%
None of the above	7% ↓	13% ↑	9%	7% ↓	12% ↑	14% ↑	8% ↓

Families with children offer a unique perspective as they appear slightly less eager to support widespread measures that can be seen as disruptive and challenging for children to navigate.

B1. This next set of questions is focused on your general attitudes toward various health measures. Which of the following health measures do you generally support?
Base: Edmonton + Calgary (n=1000) Note: arrows indicate a statistically significant difference.

And despite some public criticism, overall support for the Restrictions Exemption Program (proof of vaccines for normal business operation) is quite high

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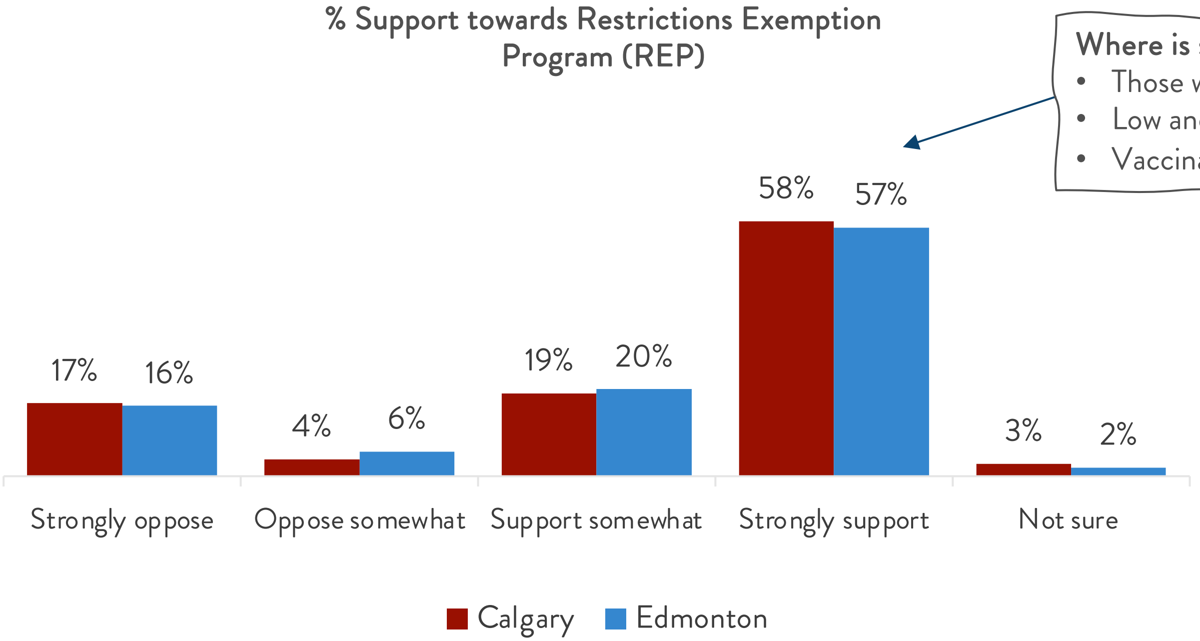
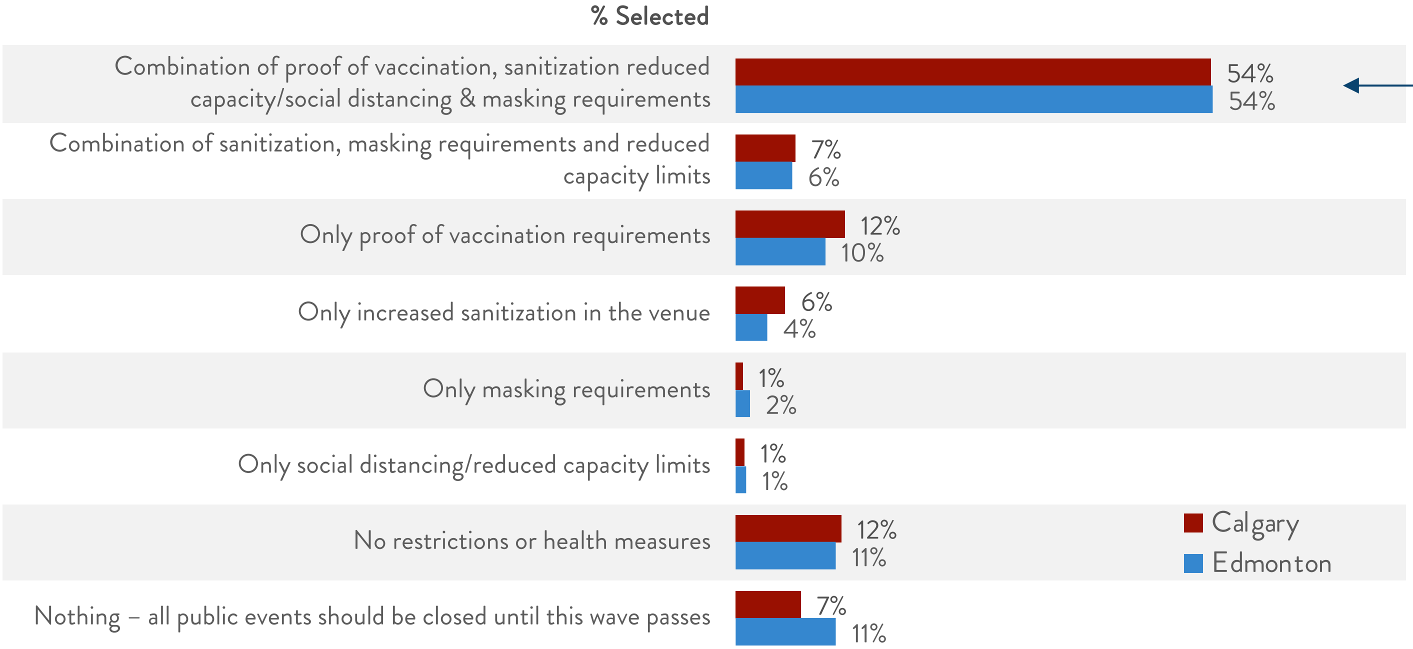


Where is support strongest?

- Those who attend live performances
- Low and medium comfort levels
- Vaccinated

B3. The Government of Alberta recently introduced the "Restrictions Exemptions Program" for businesses and organizations (commonly referred to as the REP). Other cities also introduced local bylaws requiring proof of vaccines or negative tests, plus mandatory masking, for businesses to continue operating as usual. Overall, what is your level of support for this kind of vaccine requirement in Alberta? *Base: Edmonton (n=500), Calgary (n=500)*

The majority of consumers would like to see a full suite of health measures in place to attend or participate in an activity



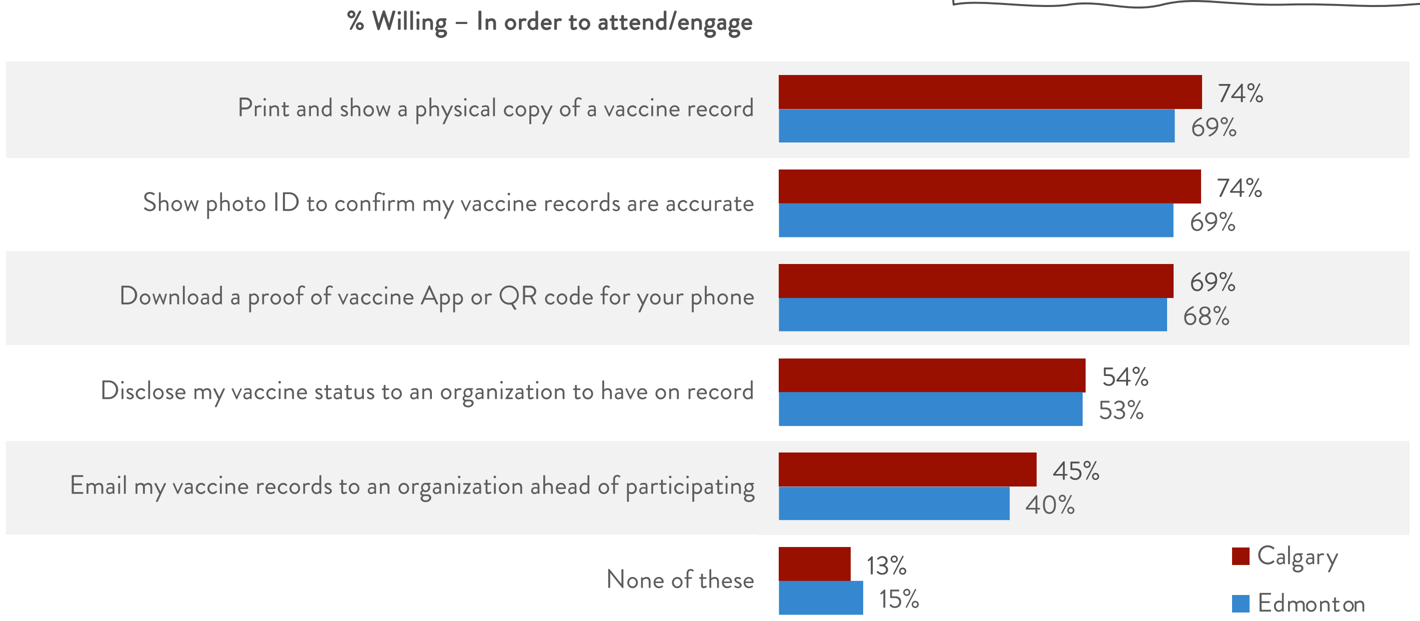
Support for full measures is highest among:

- Low/medium comfort
- Supporters of REP
- Arts patrons

B2. As you know, there are restrictions being considered or already being applied to activities in our communities. Thinking about your own personal comfort and risk tolerance, what kinds of health measures do YOU need to see in order to actually attend an event or participate in an activity? *Base: Calgary (n=500), Edmonton (n=500)*

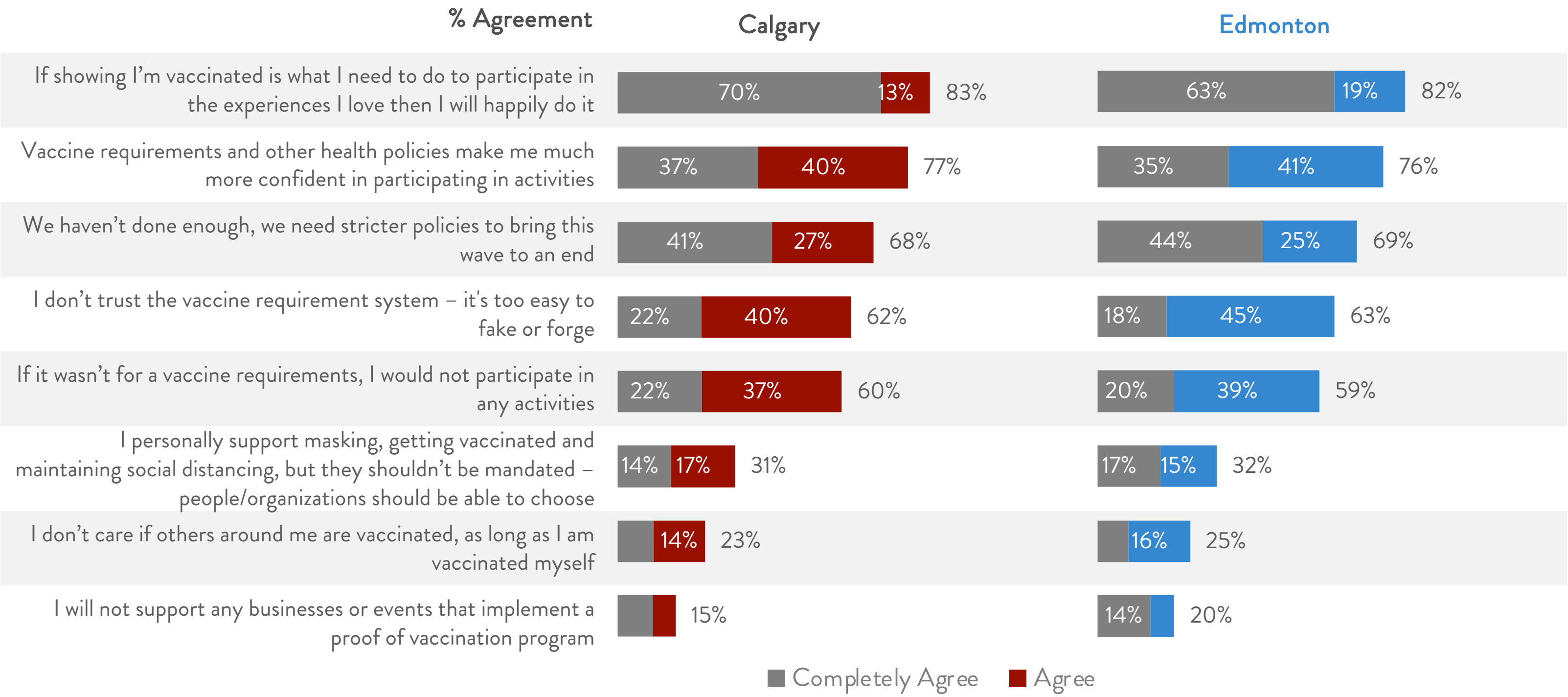
Most are willing to show vaccine records and IDs; about half are willing to disclose to to have on record with organizations

Arts patrons and younger audiences (under 35) are more likely to be willing to disclose vaccine status to organizations ahead of time and use digital tools.



B4. When it comes to this particular policy (the REP), which of the following are you prepared to do in order in engage in activities you like to do or attend certain events?
Base: Calgary (n=500), Edmonton (n=500)

And while vaccine requirements generally have a high level of support as a a condition of engagement, there is some mistrust of the current system



B5. Below are a few statements about health restrictions and vaccinations. Please tell us if you agree or disagree with each one..
Base: Calgary (n=500), Edmonton (n=500)

Assessing Opportunities for Engagement

Calgarians and Edmontonians both have fairly engaged audiences in their respective communities

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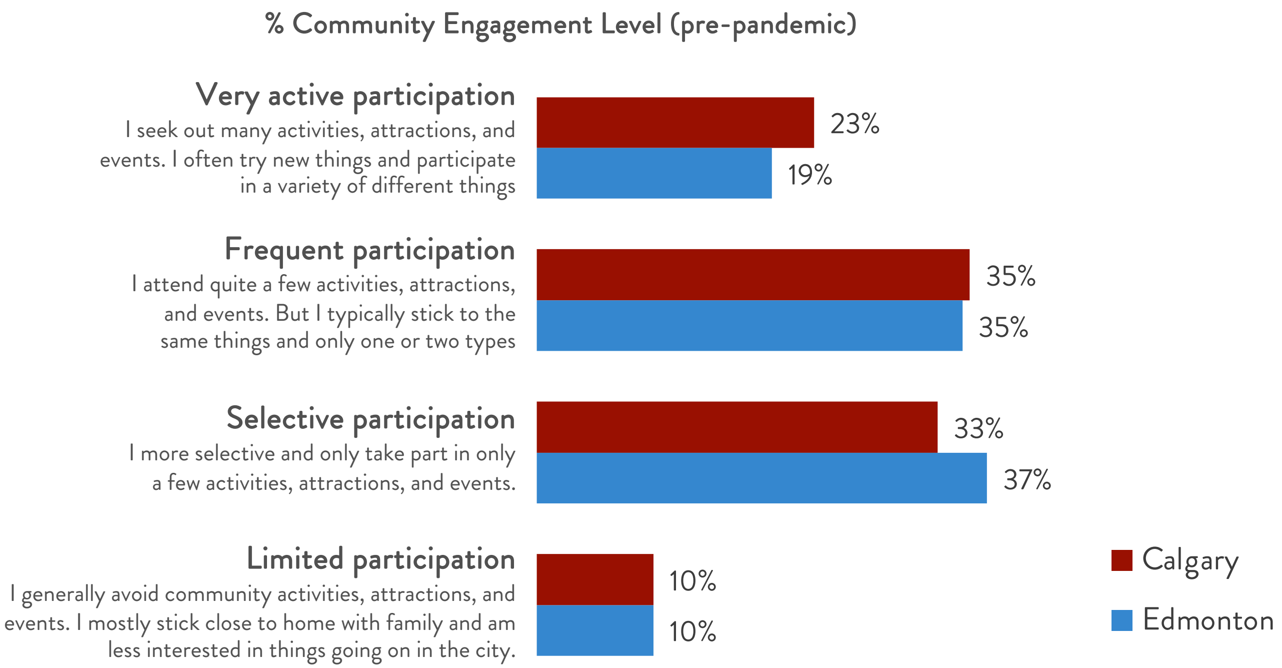

C1. Which of the following best describes your participation level in activities, attractions, and events in the community (you can think about things prior to the COVID-19 pandemic)?
Base: Edmonton (n=500), Calgary (n=500)

Understanding general community engagement is a useful lens to interpret attitudes and intentions for participation in activities

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58% YYC **54%** YEG

Active & Frequent Engagement

This group is considerably younger and more likely to have kids at home. They tend to have higher income and their community engagement is reflected in the variety of activities the participate in as well as their intended future participation. And while the are active across the experience economy, they have higher levels of participant in sports and rec, attending live performance and visiting attractions.

They tend to have higher levels of comfort with others and a slightly more optimistic mindset. They are eager to "get going" and while they have strong levels of support for health measures overall, they are more selective with the ones they would like to see in place (this tells us they would likely prefer fewer strong and reasonable measures in place at any given venue).

42% YYC **46%** YEG

Selected/Limited Engagement

This segment of the population is older and more likely to be retired (22%). They have generally lower levels of participation in the community across sectors (their most common activities are movies, visiting attractions, travel, and outdoor activities).

They tend to have lower comfort levels overall and are more likely to be in "wait and see" mode with respect to the pandemic. They have the highest levels of widespread support for comprehensive health measures. They are also more likely to consider "one-time" events or activities that require less commitment overall.

Audiences are still balancing the risk of participating in activities with the desire to engage fully

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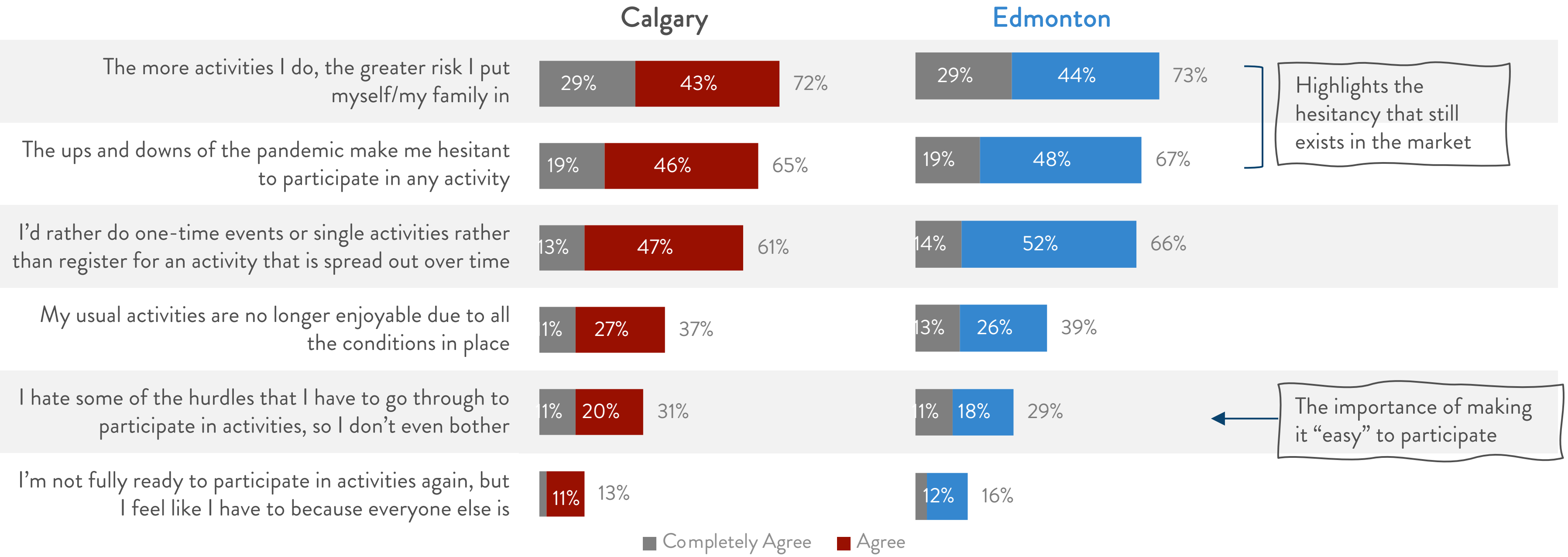
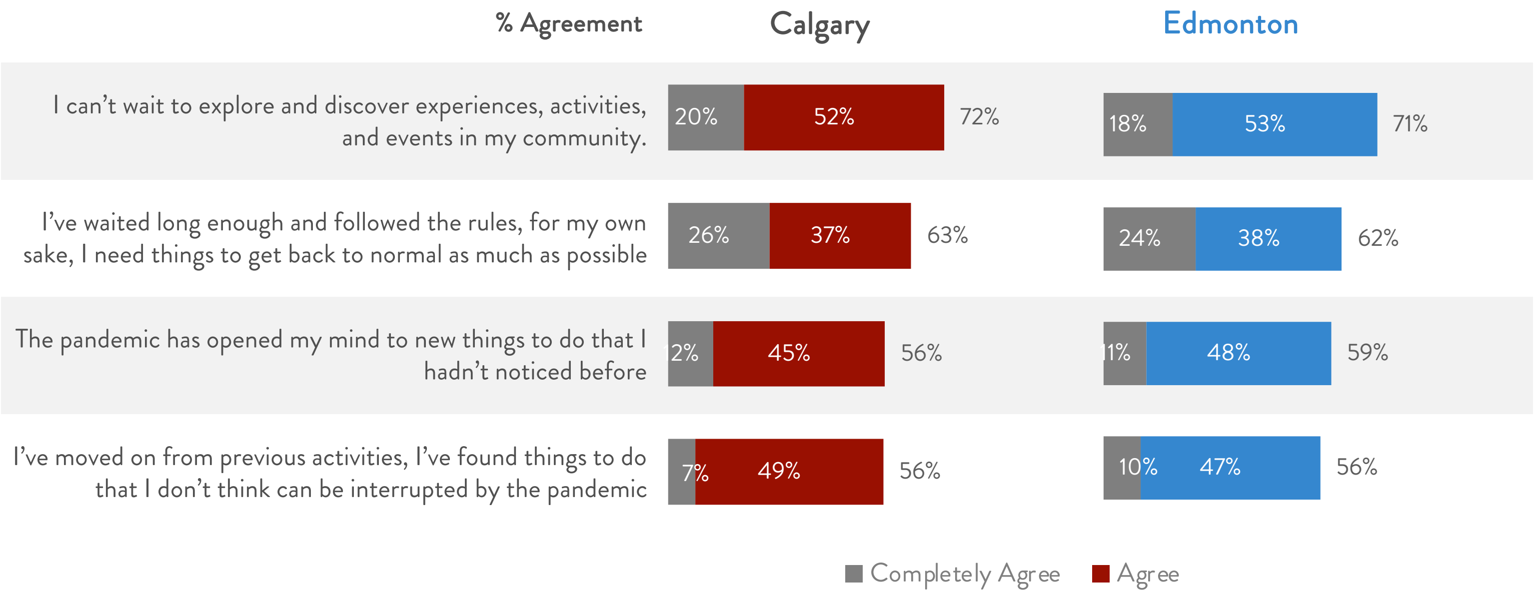


C2. Below are a few statements about how some people select the activities they choose to do. Please review and tell us if you agree or disagree with each one.
Base: Calgary (n=500), Edmonton (n=500)

And while pent-up demand clearly exists, there are significant portions who have tried new things and moved on to new activities, which presents a unique challenge for organizations looking to attract audiences



A4. Below are a few things people might say about the current situation and how they spend their time. Please tell us if you agree or disagree with each one.
Base: Calgary (n=500), Edmonton (n=500)

Intended participation generally reflects pre-pandemic activities

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For the first time, there does not appear to be a strong delineation between indoor/outdoor activity preferences. And while *intended* participation rates are slightly lower than pre-pandemic participation levels across activities, the order of activities selected is generally a reflection of pre-pandemic preferences.

% Selected	Calgary	Edmonton
Travel within Alberta	71%	69%
Participate in outdoor activities (hiking, skiing, etc.)	58%	53%
Bar/lounge/restaurant (with seating)	55%	48%
Travel outside of Alberta	54%	48%
Movie theatre	51%	45%
Local tourist attraction (Zoo, Science Centre, etc.)	50% ↑	42% ↓
Museum	31%	28%
Fitness centre/Gym	31%	25%
Recreation centre/swimming	31%	28%
Outdoor festival	29%	28%
Live music in a bar/club	27%	21%
Art show or art gallery	26%	22%
Live music in an auditorium	24%	19%
Live theatre	23%	18%

% Selected	Calgary	Edmonton
Professional sports indoors (Flames, Oilers, etc.)	22%	23%
Play individual sports	22% ↑	17% ↓
Other live performances	22%	16%
Professional sports outdoors (Stamps, Elks, etc.)	18%	21%
Bar/club (no formal seating)	18%	14%
Enroll kids in sports	17%	16%
Amusement park	16%	12%
Organized group fitness class - indoors	14%	11%
Play sports on a team	13%	11%
Art class	12%	8%
Enroll kids in arts/culture (art, theatre, dance, etc.)	12% ↑	6% ↓
Opera	7%	4%
Nothing/none of these	6%	9%

C3. What are some of the things you would you actually do (or are already doing) this fall?
Base: Calgary (n=500), Edmonton (n=500)

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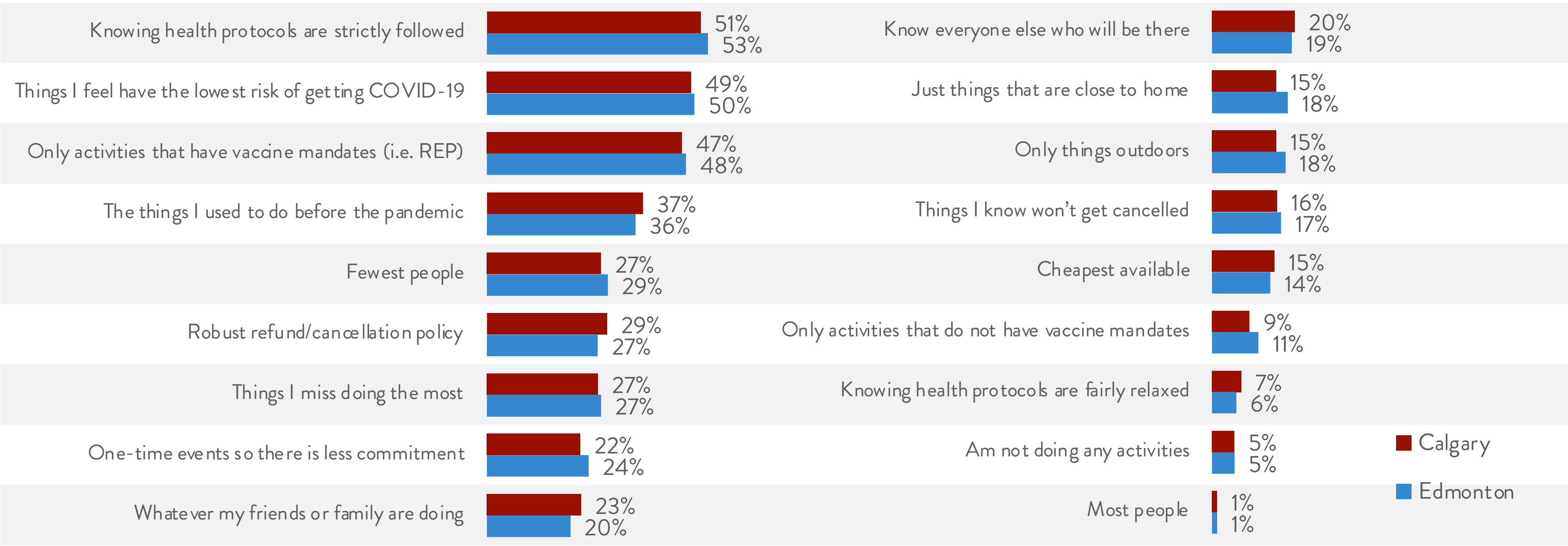
How are activities being selected?

While “missing” activities is a key influencer of participation, health measures are still most critical for now – following protocols, lowering the risk of getting COVID and vaccine mandates have the highest influence on activity selection.

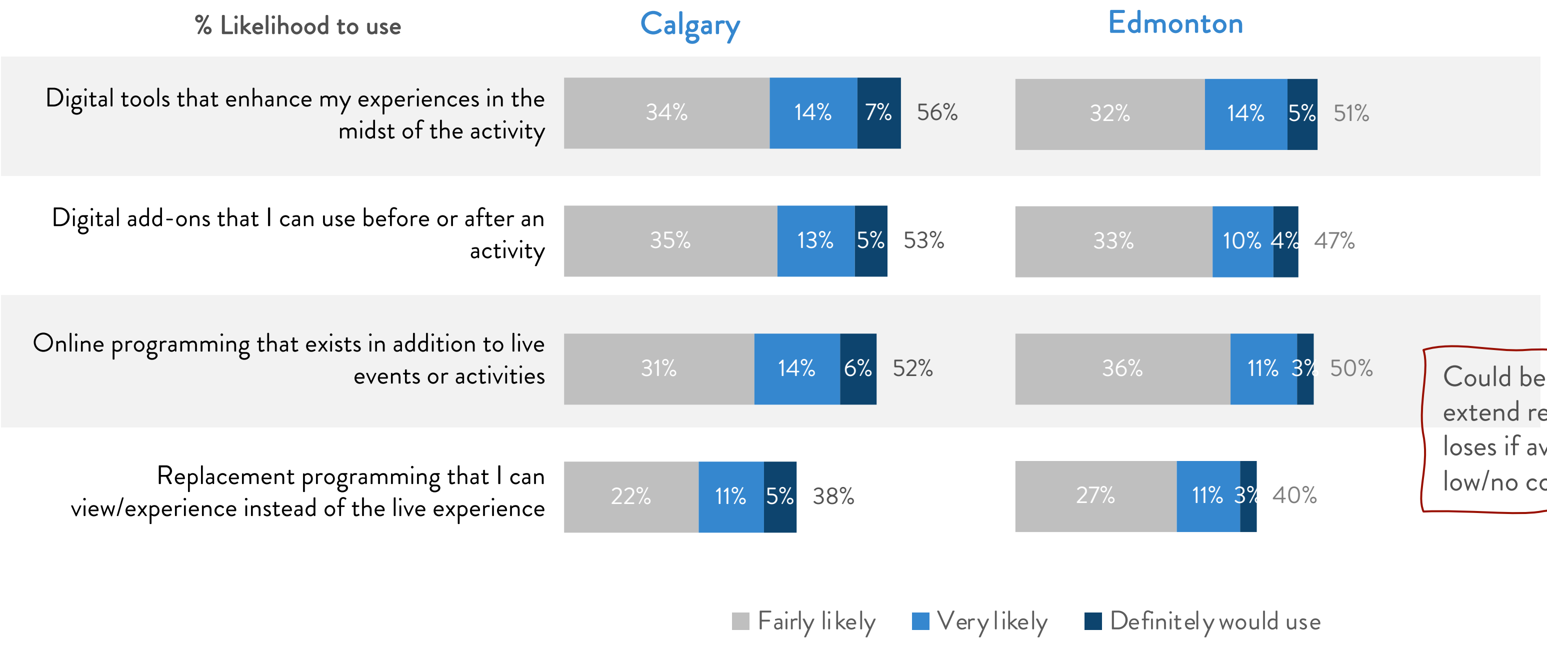
% Selected – Influences participation



C4. How are you selecting which activities to participate in?
Base: Calgary (n=500), Edmonton (n=500)

Likelihood to adopt digital programming tools appears moderate and will likely hinge on the type of activities being considered

Tools and ”add-ons” appears to have some merit with audiences but it is clear that replacement programming is less appealing overall. Interestingly, these tools have the greatest appeal among “active” community members who likely see them as enhancements to an activity they already enjoy.



Could be considered to extend reach/stave off loses if available at low/no cost.

'C5. How likely would you be to use or engage with the following types of digital programming for certain activities?
Base: Calgary (n=500), Edmonton (n=500)

But willingness to pay for digital programming enhancements is much softer overall

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% Willingness to pay	City	Total	By Community Involvement: *Active*	*Frequent*	*Limited/Selected*
Digital tools that enhance my experiences in the midst of the activity	Calgary	19%	33%	12%	16%
	Edmonton	17%	21%	19%	13%
Digital add-ons that I can use before or after an activity	Calgary	19%	26%	17%	17%
	Edmonton	14%	19%	15%	12%
Replacement programming that I can view/experience instead of the live experience	Calgary	27%	28%	25%	27%
	Edmonton	28%	35%	26%	25%
Online programming that exists in addition to live events or activities	Calgary	23%	26%	19%	24%
	Edmonton	21%	19%	22%	22%
None of these	Calgary	46%	35%	50%	49%
	Edmonton	50%	43%	45%	57%

■ Calgary ■ Edmonton

C6. Of those broad types of digital programming you might use, which would you consider spending money to access or use (which may or may not be outside of usual program costs)? *Base: Would consider digital programming, Calgary (n=348), Edmonton (n=327)*

And currently, likelihood to support organizations strictly through donations is fairly soft

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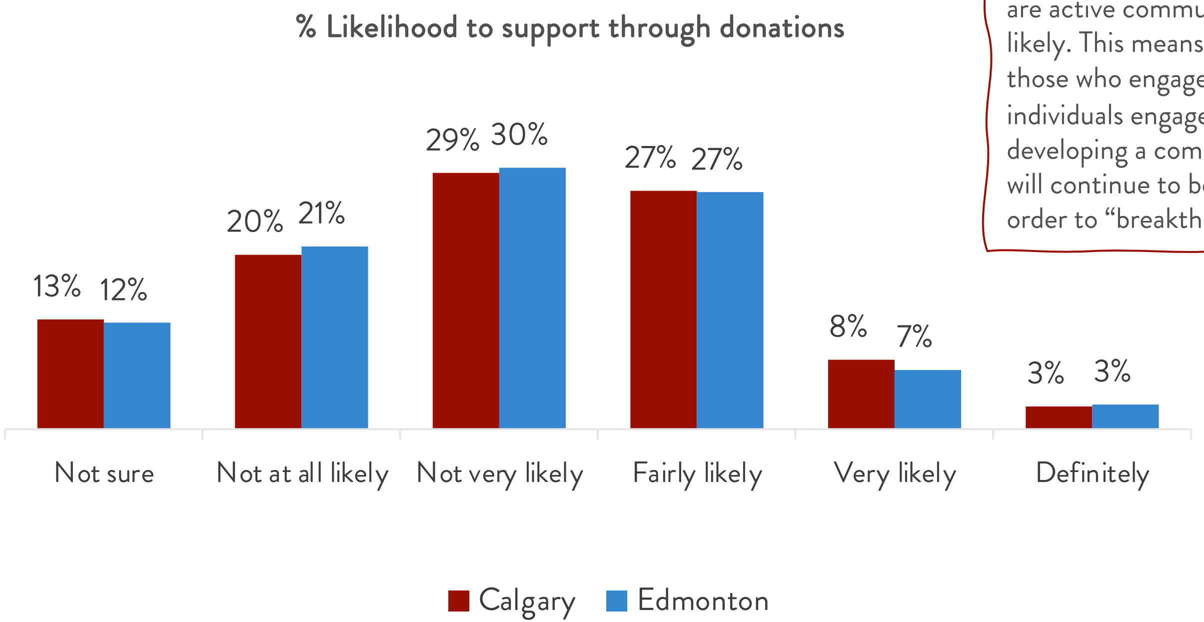

Proportions of those who are ”very” or “definitely” likely to give right now are small, although those who are active community participants are slightly more likely. This means that the strongest potential exists in those who engage with you already but because these individuals engage across the experience economy, developing a compelling message in asking for support will continue to be a challenge for organizations in order to “breakthrough” as most worthy.

C7. As you may know, organizations across the experience economy – from fitness and rec centres to tourist attractions, arts galleries, theatres and museums and many others - have all suffered significant financial losses because of the pandemic. How likely would you be to make a donation to support them if you were asked?
Base: Edmonton (n=500), Calgary (n=500)

Key Take-aways and Considerations

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1. Comfort: The ongoing factor influencing participation.

We know there is a natural ebb and flow of emotions and overall comfort levels that has shifted with the changing conditions of the pandemic. This is not news. Predictably, comfort has dropped this fall with this “fourth wave” of record case numbers and hospitalization numbers. People are simply not as comfortable around strangers or crowds as they once were. Vaccines are helping - comfort has not plummeted in the same drastic manner we saw in December 2020 or in the Spring of 2021. The question, however, is if comfort has settled into position where consumers are just less willing to engage in large scale activities? Right now, the vast majority of people in Edmonton and Calgary are vaccinated, yet they are still not comfortable being in crowds to a large degree.

Previous patterns had showed comfort ebbing and flowing depending on safeguards and case numbers. It may be that the new normal is one where audiences are less comfortable at large events.

2. Consumer mindset is heavily negative and reflects tensions seen across our communities

There was an emerging optimism in the summer that has been curtailed (at least for the time being) as consumer mindset for both Calgarians and Edmontonians has turned increasingly negative again. Frustration, annoyance, exhaustion, stress and angry are all prominent emotions right now which has created an emotionally charged environment with considerable tension. And these tensions cut across the entire population, they are not limited to one particular audience. Some examples how his tension is materializing:

- Tension surrounding **rules and value sets:** 31% support health measures but do not feel vaccines should be mandated (personal choice).
- Tensions with respect to **government policies**: 68% feel we haven't done enough and need stricter policies to bring this wave to an end.
- Tension with respect to **self vs. others**: 24% don't care if others are vaccinated, as long as they are vaccinated themselves
- Tension with respect to **mental health**: 63% say I've waited long enough, or my own sake, I need things to get back to normal

While comfort and risk assessment tell us about *intentions* to participate, consumer mindset frames the *nature* of participation. That is, regardless of the audiences you attract, they are more than likely in a negative mindset as they visit you and this will need to be considered with respect to how you engage with them.

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3. The implementation of reasonable health measures is table stakes

Since the beginning of the pandemic health measures have become a fact of life for every operator in the experience economy. This aligns with audiences who are balancing the risk of participation with the benefits. A majority acknowledge that the more activities they do, they elevate their overall risk and two-thirds indicate that the ups and downs of the pandemic make them hesitant to participate at all. This means their choices are still being guided by health considerations.

There is widespread support for the provincial vaccine mandate program (or vaccines in general) and health measures for activities. There is a proportion of audiences that remains staunchly against any health measures, but it is a relatively smaller group (about 10%). The vast majority remain supportive, but even so, they are just as frustrated as everyone else.

But vaccines are not the only thing they want to see – there is strong support for the gamut of health measures along with vaccines. Simply put, organizations must demonstrate these measures, not just to be compliant with public health policies, but to build comfort and encourage participation. However, organizations should be mindful that measures taken are comprehensive but also reasonable for the activities planned. Even the most actively involved in the community has indicated they strongly support *most* measures but not all. A blanket approach to health measures may elevate frustration among those who are eager to participate and do so safely, but see too many layers of protocols as unnecessary and punitive.

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4. Strong pent-up interest but audience loyalty is in question

As outlined in previous research, wariness from audiences will exist for some time and continued patience is required from organizations. Pent-up interest is still apparent this fall but hesitancy also remains, and this continues to leave organizations with questions on what audiences will do next.

For the first time, there does not appear to be a strong delineation between indoor/outdoor activity preferences (especially heading into winter season). In fact, intended participation in activities generally reflects pre-pandemic preferences, at least in terms of variety. This is a positive as it means individuals are at least thinking about the things they used to do and the wide variety of activities becoming available again, but it also doesn't quite signal a return to normal.

Not only do health policies play a role in what audiences are comfortable doing, but many are also picking things that will not be interrupted by restrictions (like many self-directed activities). Over half have said the pandemic has opened their minds to new things and a similar proportion have moved on from previous activities, and many have. This is rightly concerning for organizations who are grappling with low attendance or less engagement. But while some organizations may find their previous audiences retracting, it's possible that new audiences are more accessible than ever before as audiences explore new experiences. (Remember, Albertans are not so much fans of a type of activity as they are pursuers of experiences generally.)

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5. Digital is now an expectation, not replacement programming

A key question for many organizations is how to consider the digital aspect of programming going forward. Early in the pandemic, it was often an ad-hoc form of replacement programming out of necessity. Over the last 19 months, production quality, planning and execution levels have all evolved. The time for digital to be simply a replacement is likely past, it is now a tool to further engage audiences or extend reach to new ones who may sample your product.

That said, the thirst for live experiences is still prevalent. Any digital programming should be considered as a complement to the existing offer. Add-on enhancements are more likely to reach those who are already engaged with you whereas online programming may help extend audience reach (or potentially stave off losses).

Stone — Olafson

So what? Implications for organizations

1. Comfort may be a long-term consideration for organizations. Prior to the pandemic, we never gave thought to crowds and their impact on our health. Much in the way handwashing has re-emerged as a basic health consideration that we took for granted, general comfort with proximity to others might be something organizations will need manage going forward.

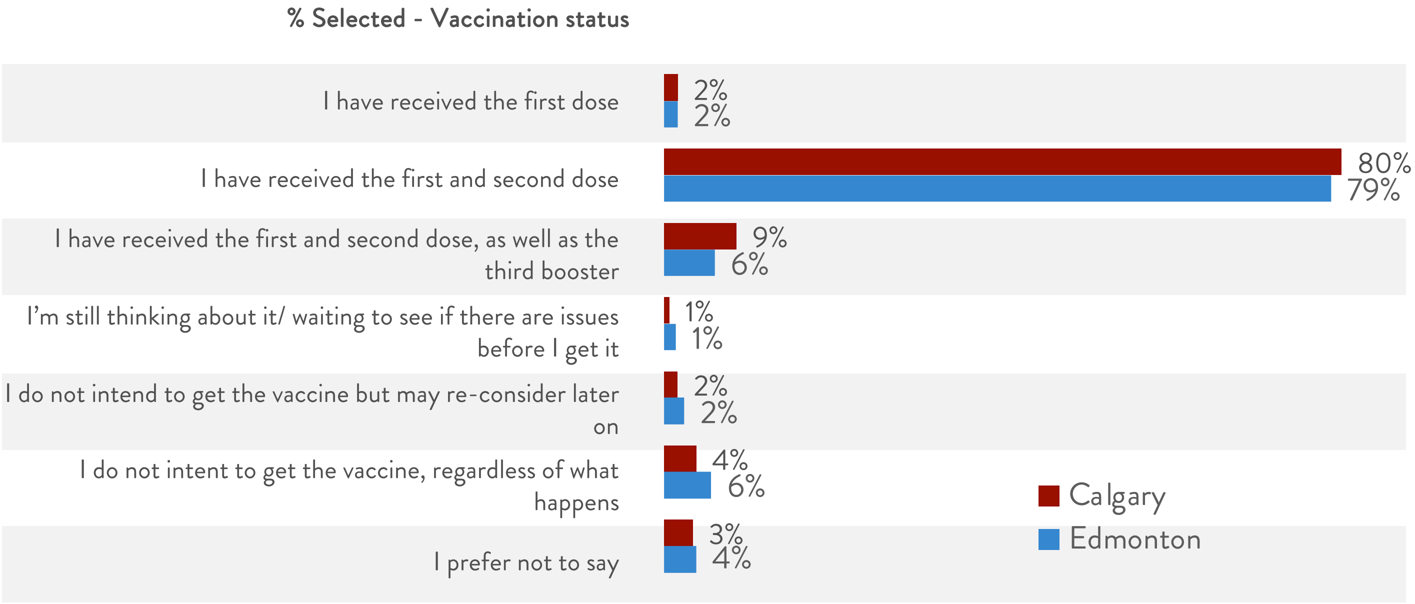
2. Be mindful of consumer mindset and how interactions will impact experiences. The current environment is contentious and things like service elements need to be very strong to align with expectations. Assume audiences will come to you in a negative state of mind – the service you provide and experiences you deliver will help them.

3. Keep building comfort. Do not be afraid to use vaccine mandates because they have support. But be reasonable in your application of all health measures. They need to make sense, and staff need to be able to appropriately communicate the rationale behind them.

4. Keep going back to your "why" because pent up interest is clear, but the competitive landscape has changed and organizations cannot be assured audiences will return in the same ways. While it has traditionally been easier to reach existing customers rather than find new, this is unique territory now. By redefining your offer because of the benefits you offer, it may be possible to find new audiences this way.

Profiling

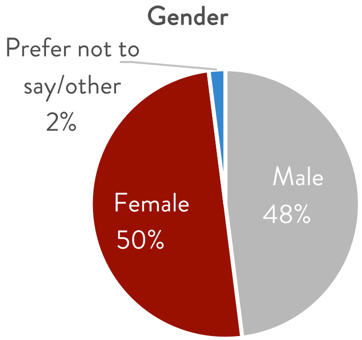
Vaccination status

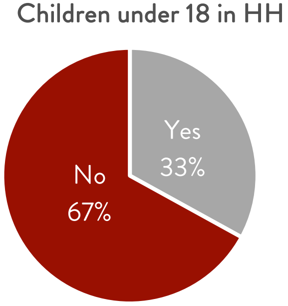


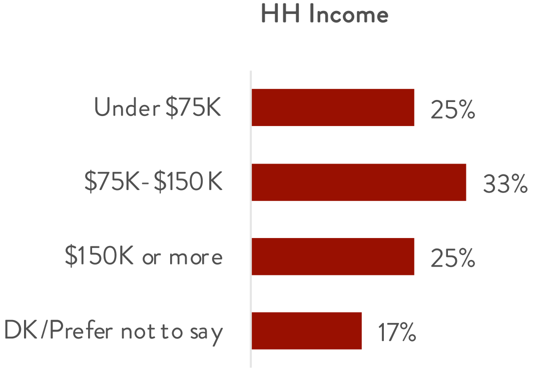
Z5. Have you received, or do you plan to receive, the COVID-19 vaccination?

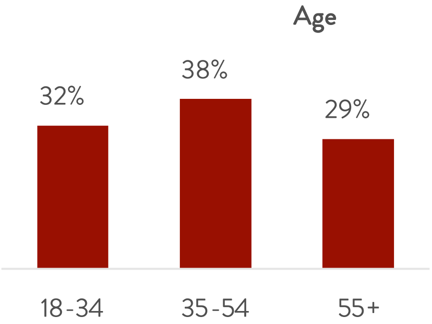
Base: Calgary (n=500), Edmonton (n=500)

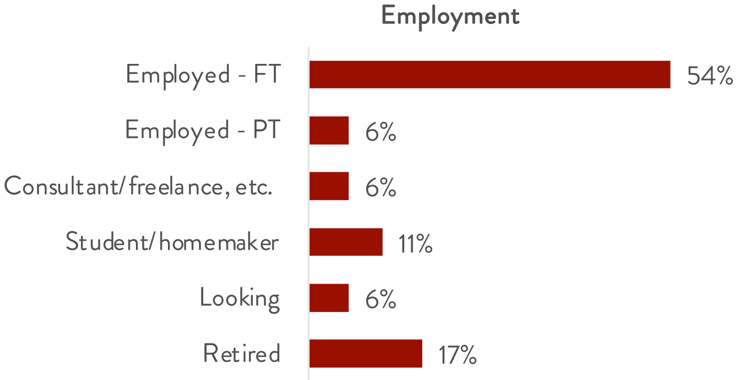
Who did we talk to in Calgary?

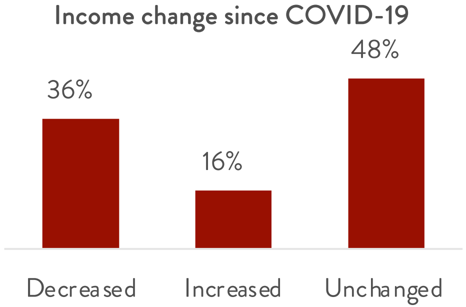




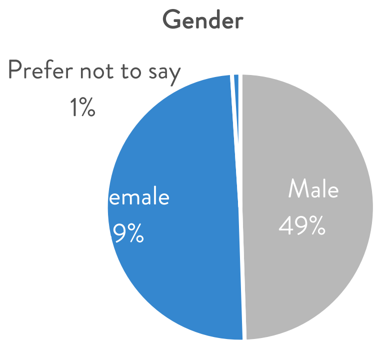


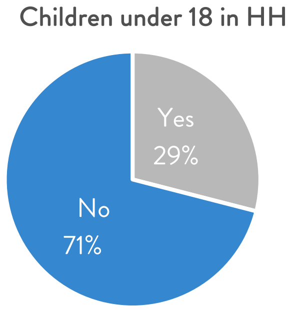


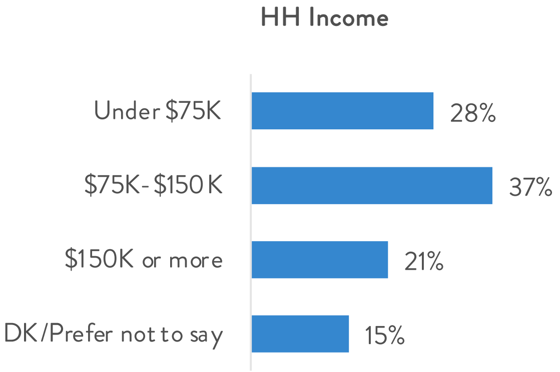


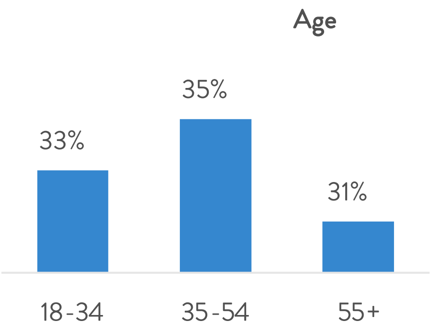


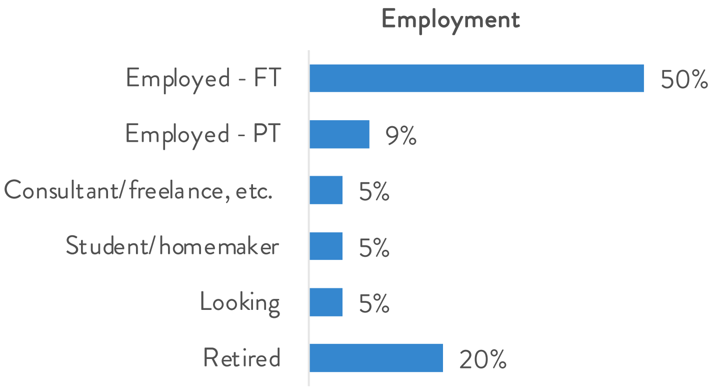
Who did we talk to in Edmonton?

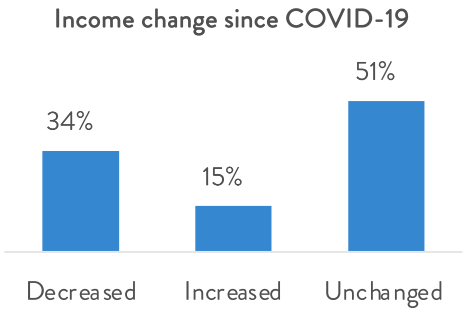












Stone — Olafson

Understanding people. It's what we do.