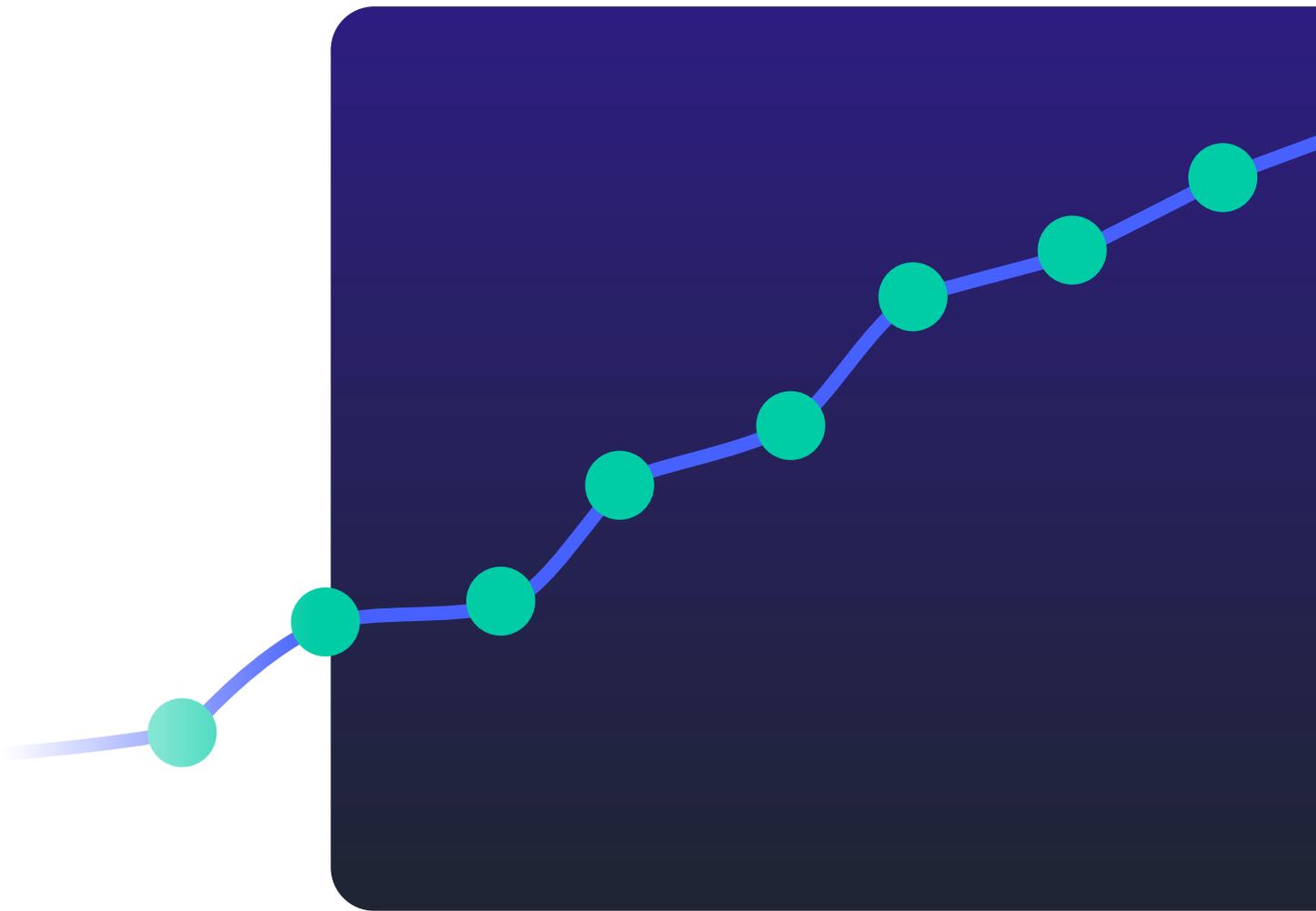


REPORT

Experiential Trends 2021

An annual report examining trends in the Experience Economy



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FOREWORD

by JONATHAN YAFFE
– CEO and Co-Founder
of AnyRoad

Getting Ready to Roar

While most of us would love to stop hearing the term the “**Roaring 20s**” as a label of the humanistic explosion many sociologists are expecting, it should not be lost on us that the original decade - the 1920s - immediately followed the **1918 Pandemic**. As history repeats itself, many are expecting another decade of experiential immersion, cultural overload, and general hedonism. This time, things are destined to be even better.

In 2021, we’re standing at the precipice of massive global change. The world is evolving from a **Things Economy to an Experience Economy**. Of the world’s 20 largest companies by market cap, less than half (9) make most of their revenue from producing material things. In 1920, almost all of them were.

Things have become commoditized. Millennials are saving up for experiences rather than things. Retail brands are shutting down every week. **Marie Kondo has built a global brand telling us to throw away hard-earned objects** that don’t bring us joy. This would never have been possible in 1921.

Instead, as many of us leave our living rooms for the first time in 14 months, what we’re seeing is the seeds of a true Experiential Renaissance. People are craving human connection, craving the kind of novel experiences that release dopamine and adrenaline into our brains, and the brands that are thriving are leading the way. From Dick’s Sporting Goods launching their **House of Sport** to **Johnnie Walker investing millions** in new Scotch brand homes, from **Nike’s Running Club** (as well as other running clubs) seeing massive jumps in numbers to concerts selling out almost instantly (often before lineups are even announced), an experiential boom in a thriving experience economy is unprecedented.

Bottom line - The pent up desire for IRL experiences and events creates a once in a lifetime environment for brands and consumers alike. The brands that are quick to reopen and engage consumers yearning for human connection will reap rewards including increased loyalty, more data and insights, and ultimately more revenue.

INTRODUCTION

Welcome to The Experiential Trends Report 2021, an annual report that examines how brands are capitalizing on the experience economy and explores best practices for branded experiences as the world reopens.

With commentary around reopening and recovery accelerating, the AnyRoad team sought to better understand how the Experience Economy will evolve during the coming renaissance. Throughout June 2021, we did a deep dive into our data analyzing three million unique experiential records derived from over 400 customers' branded experiences in more than 90 countries (primarily US and UK).

The report covers operational insights from [AnyRoad Experience Manager](#), including types of experiences, geographic trends and engagement metrics (such as guest volume, services and bookings revenue, revenue per visit, etc.) as well as sentiment and behaviors surfaced through [AnyRoad Atlas](#), including NPS surveys and open text feedback analyzed via NLP.



The pent up desire for IRL experiences and events creates a once in a lifetime environment for brands and consumers alike. The brands that are quick to reopen and engage consumers yearning for human connection will reap rewards including increased loyalty, more data and insights, and ultimately more revenue.

JONATHAN YAFFE
– CEO and Co-Founder of AnyRoad

Executive Summary

The **Experiential Trends Report** is based on aggregated data from more than 400 customers that use AnyRoad to power their branded experiences, including Budweiser, Honda, Michaels, and Tabasco. A vast majority (75%) of the brands analyzed have already reopened for in-person experiences, ranging from in-store appointments and services to activations to tours and classes, while many (70%) continue to offer online experiences as part of their customer engagement strategy. Here are some key findings from the research:

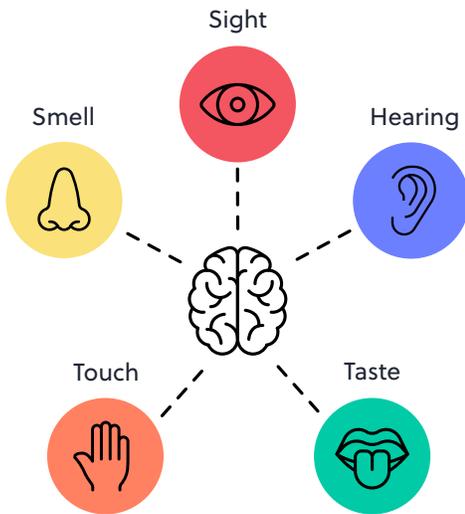
- ➔ **Reopening is accelerating and in-person experiences are booming.** For the first time in over a year, in-person experience attendance outpaced virtual events and 68% of experiences in May 2021 were in-person, up from 4% in May 2020.
- ➔ **Online experiences remain an effective way to increase geographic reach.** One brand analyzed was able to increase its audience size by over 60% by adding online experiences to its portfolio.
- ➔ **Online experiences have a similar impact on brand perception as in-person experiences.** Post-experience net-promoter scores (NPS) for online (80 NPS) and in-person (82 NPS) experiences have narrowed over the past year.
- ➔ **Zoom fatigue means compelling content is critical.** On average, just one in three consumers shows up to an online experience, whether it is paid or free. Brands that offer unique content can double attendance rates for online experiences, as top-performers saw attendance rates of 65%.
- ➔ **Consumers are booking ahead and spending more per visit.** The average booking window has increased from 11 to 15 days and spend per visit has increased by 4.5x year-to-date as more activities open up.
- ➔ **Increased opportunity for add-ons and personalization.** Post-COVID consumers are 10-15% more likely to upgrade or personalize their experiences. For example, a brand that offers a distillery tour might generate a lift in sales by offering a limited edition bottle at checkout.

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Definitions

This report uses terminology and acronyms that may be unfamiliar to readers and may have different meanings. To ensure the information is useful to readers, we have provided some quick definitions.

What are Branded Experiences?



A branded experience is the sum of all the sensations, thoughts, feelings, and reactions that individuals have in response to a brand. It's the result — or the lasting impression — that remains after someone encounters or engages with a brand in any environment.

Examples include:

DIAGEO
DISTILLERY TOURS

DICK'S
SPORTING GOODS
IN-STORE SERVICES

Budweiser
ONLINE TASTINGS

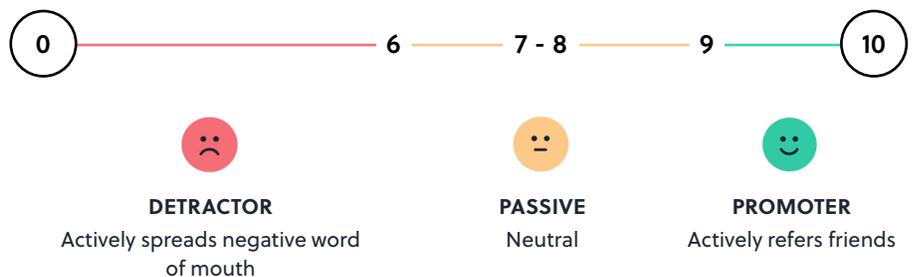
TABASCO
FACTORY TOURS

Nestlé
IN-STORE SAMPLING

MillerCoors
FIELD ACTIVATIONS

What is Net Promoter Score (NPS)?

The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used for gauging the consumers overall satisfaction with a company's product or service and their loyalty to the brand.



What is Brand Conversion?

NPS can be used to establish Brand Conversion, a leading indicator of the impact of experiences on brand perception, loyalty and behavior.

How is it calculated?

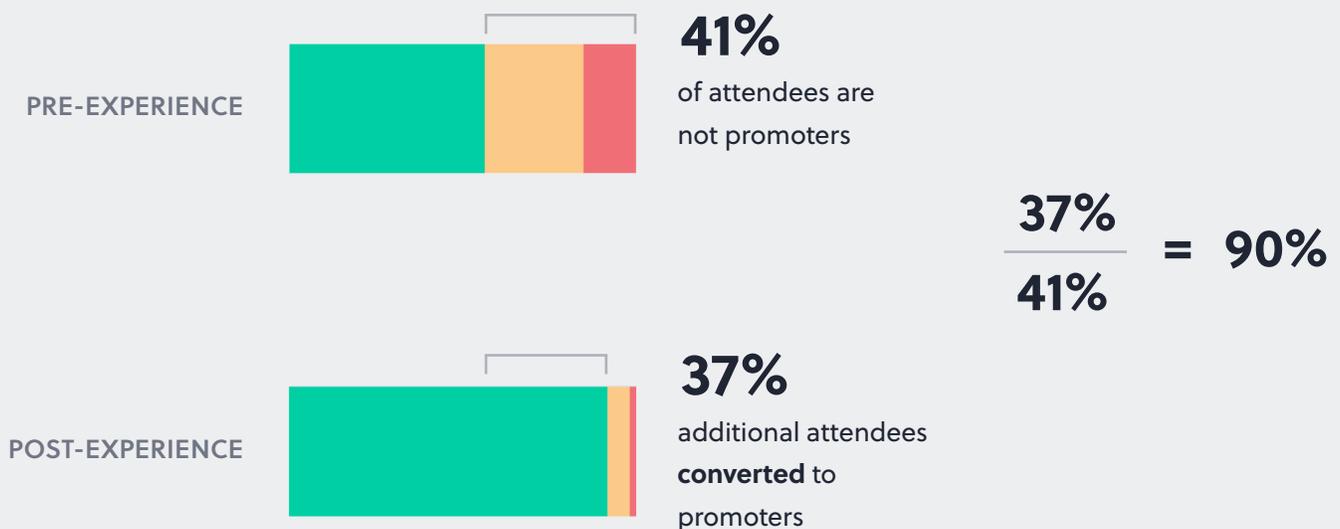
It is calculated by comparing the pre and post experience NPS score:

% of Guests whose perception increases significantly

POSITIVE Brand Conversion

% of Guests whose perception decreases significantly

NEGATIVE Brand Conversion



Paid Experiences and Services

80% of experiences offered by AnyRoad customers are paid. In addition to direct revenue, these paid appointments and services create valuable data and insights that can be used to increase the average spend per visit and ultimately the lifetime value of visitors and shoppers. The experiences fall into two categories:



Events, Tours and Classes

E.g. In-store classes, tours, live events.

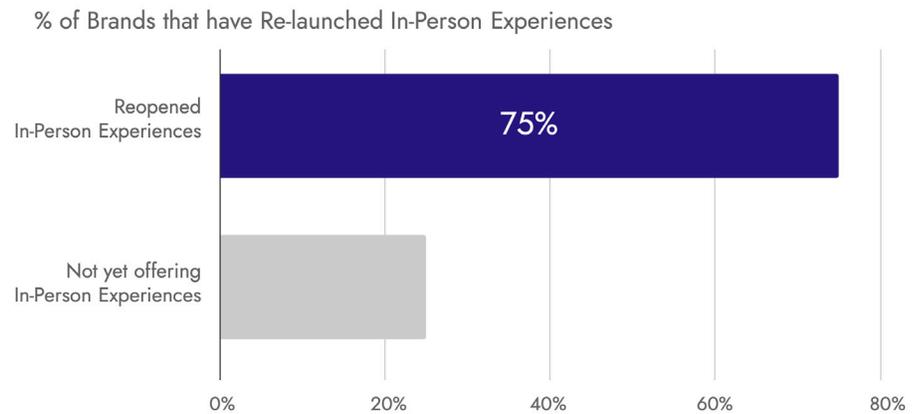


Services and Appointments

E.g. Appointment shopping, personal styling, in-store services.

Operational Insights

75% of Brands have Re-launched In-Person Experiences



Reopening is accelerating.

As of May 31st, 2021, 75% of AnyRoad customers have reopened for in-person experiences. By the end of July we expect 100% to have reopened. As consumer and brand confidence is restored we also expect to see new types of experiences including premium options and hybrid experiences become more mainstream.

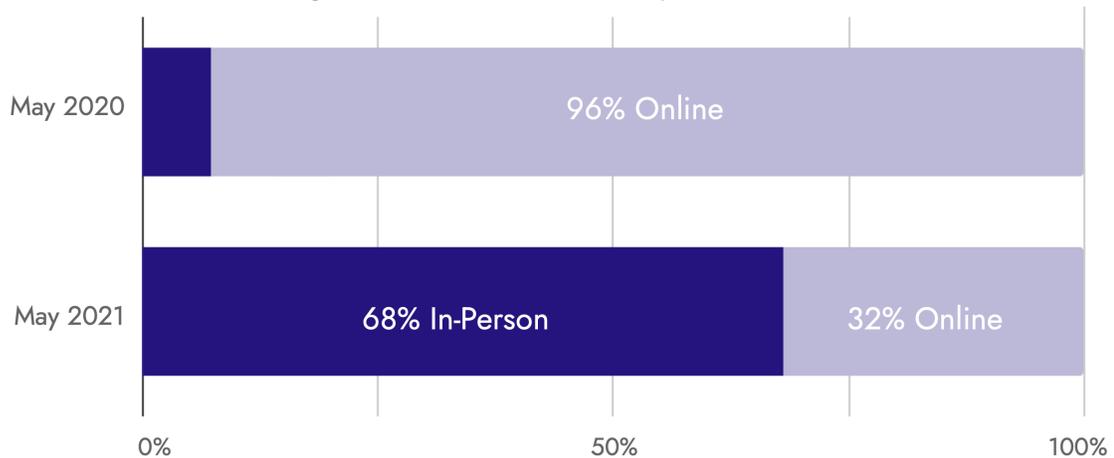


Takeaway

Brands that are open today are getting more engagement, data and insights. Furthermore, those that offer paid experiences and services are seeing meaningful revenue growth.

**96% of Consumers attended Online Experiences in May 2020.
32% of Consumers attended Online Experiences by May 2021.**

% of Consumers attending **In-Person** vs. **Online** Experiences



Consumers are switching to in-person over virtual.

While online/virtual experiences remain popular for consumers, we're seeing a strong shift in preference towards in-person experiences. This is being driven by a combination of more in-person offerings as well as 'Zoom Fatigue' (see [behaviors reports](#)).

In May 2020, 9 in 10 consumers attended online experiences. By May 2021, just 3 in 10 consumers were attending online. A dramatic shift.

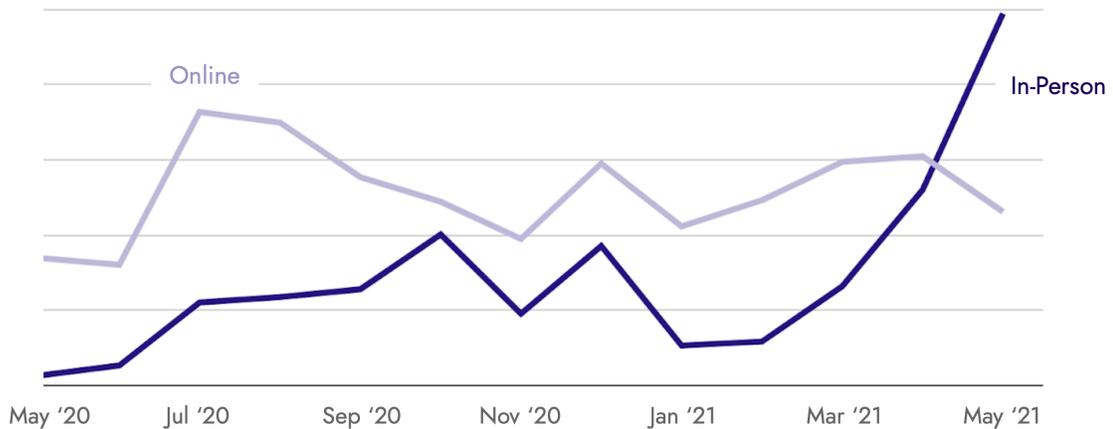


Takeaway

Continue to provide both online and in-person options for consumers but prioritize in-person in order to maximize consumer engagement.

Online Experience Attendance peaked in July '20, and In-Person Experience Attendance exceeded Online in May '21

of Consumers attending **Online** vs. **In-Person** Experiences



In-person experiences are booming.

For the first time in over a year, in-person experience attendance outpaced online/virtual. This is an encouraging trend - 68% of experiences in May 2021 were in-person. Up from 4% in May 2020.

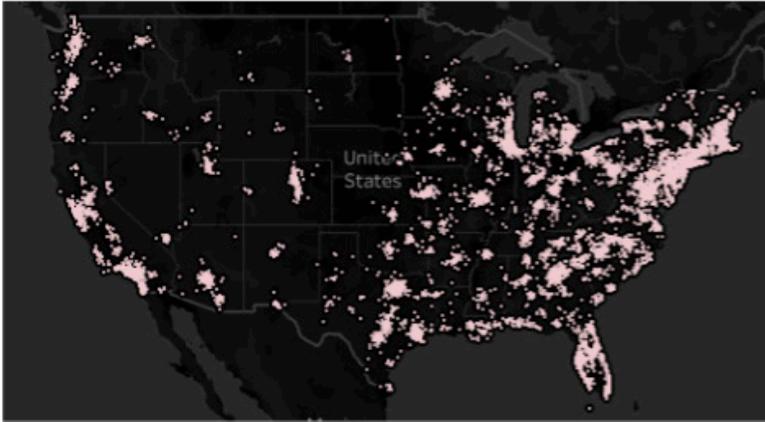
We expect the velocity of this increase to continue through the end of the summer due to increases in the number of in-person options for consumers and a general fatigue with online experiences.



Takeaway

It's essential for brands to provide options for consumers to engage with them in-person. The pandemic caused many consumers to shift preferences and change behaviors. Today, brands have an opportunity to regain loyal customers but they must move fast.

The Audiences of Online Experiences are more distributed.



In-person Experience Audience



Online Experience Audience

The audiences of online experiences are more distributed.

Brands are beginning to see higher volumes of attendees at in-person experiences but with global travel still somewhat suppressed, the best way to increase geographic reach remains to be online experiences.

This heat map illustrates a dramatic distribution of North American experience attendees clustered around major urban centers for in-person and more distributed for online.

To put this graphic in perspective, one AnyRoad customer was able to increase its audience size by over 60% by adding online experiences to its portfolio. This is not unusual.



Takeaway

If national or global reach are important to your brand or if audience expansion is a priority, keep going with online experiences.

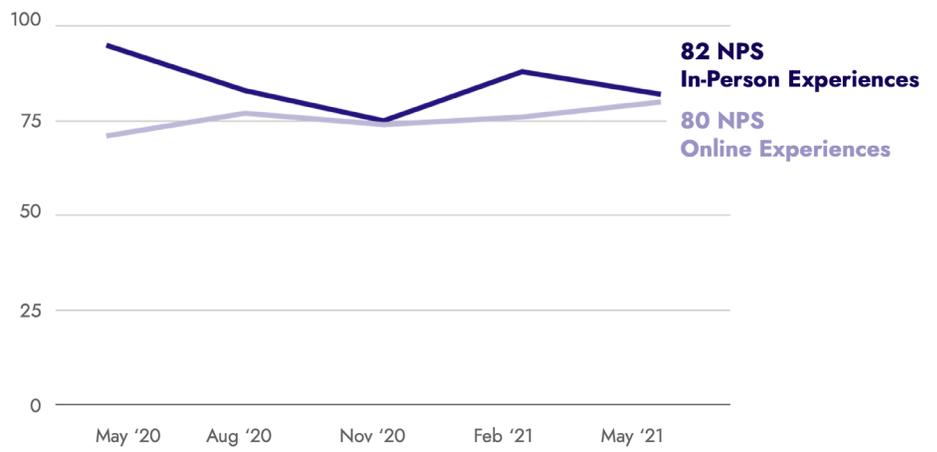
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Behaviors and Sentiment

The post-COVID consumer is emerging

Online Experiences now have a similar impact on brand perception as In-Person Experiences

Net Promoter Score (NPS) by Experience Type: In-Person vs. Online



Online experiences have become mainstream.

Post-experience NPS for online and virtual experiences (80 NPS) is increasing to levels seen for in-person experiences (82 NPS). This is due to a number of factors including an increase in the quality of online experiences being delivered, increased comfort with the online format and a general preference by cohorts of consumers to engage with online experiences over in-person.

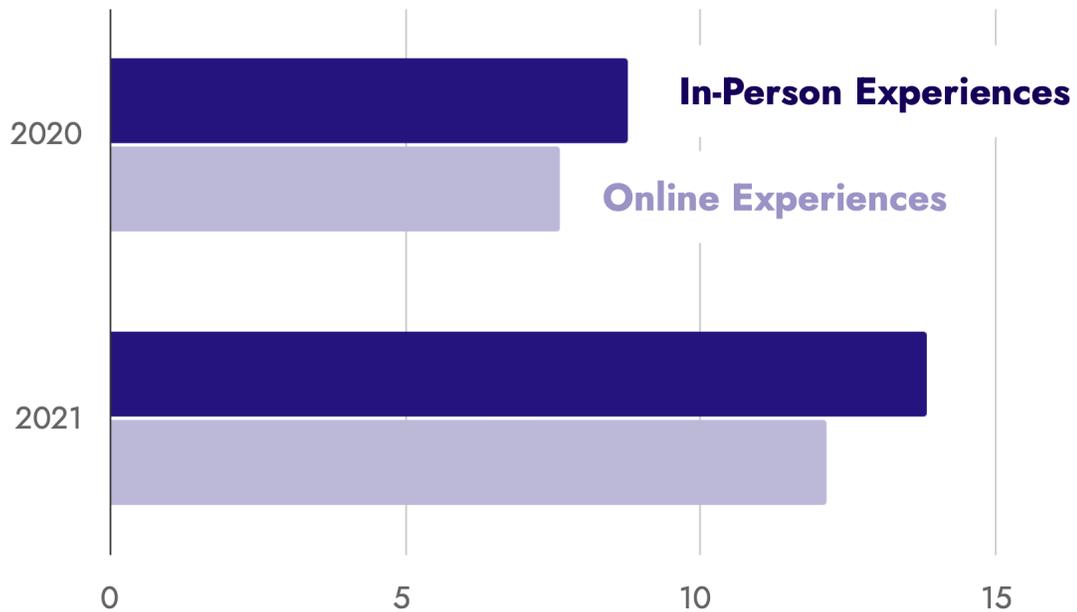


Takeaway

It's likely that segments of your audience prefer online experiences over in-person. Identify these consumers and engage them with experiences that will build loyalty.

Post-COVID, consumers are planning ahead

of Days Booked in Advance of the Experience



Note: In 2019, **In-Person Experiences** were booked an average of 11 days in advance.

Consumers are booking ahead.

Consumers are booking experiences an average of 14 days in advance vs 9 days in 2020 and 11 days in 2019. In addition to highlighting 'pent up' demand, it is also a strong indicator of consumer confidence as more and more consumers are taking intentional steps to plan their summer activities, in-person.

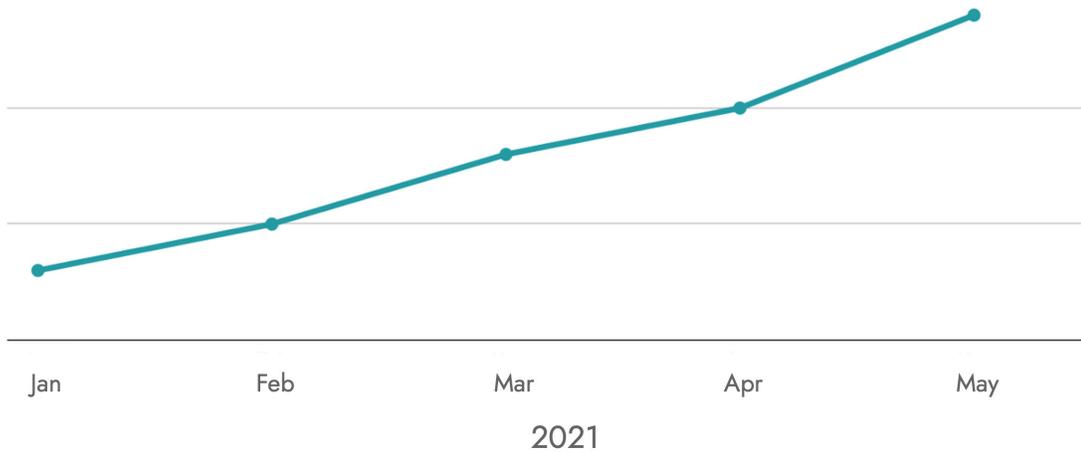


Takeaway

Provide options for consumers to plan ahead to engage with your brand. This holds true even for brands that are delaying reopening / relaunching until later in the year.

Paid Experiences **Consumers spent >4.5x in May vs. Jan 2021**

Average spend per visit MoM YTD



Consumers are spending more as restrictions are lifted.

This is through a combination of larger group bookings, better selection of experiences, more upsells and new experiences.

This is another strong indication of pent up consumer demand and a desire to connect in-person.

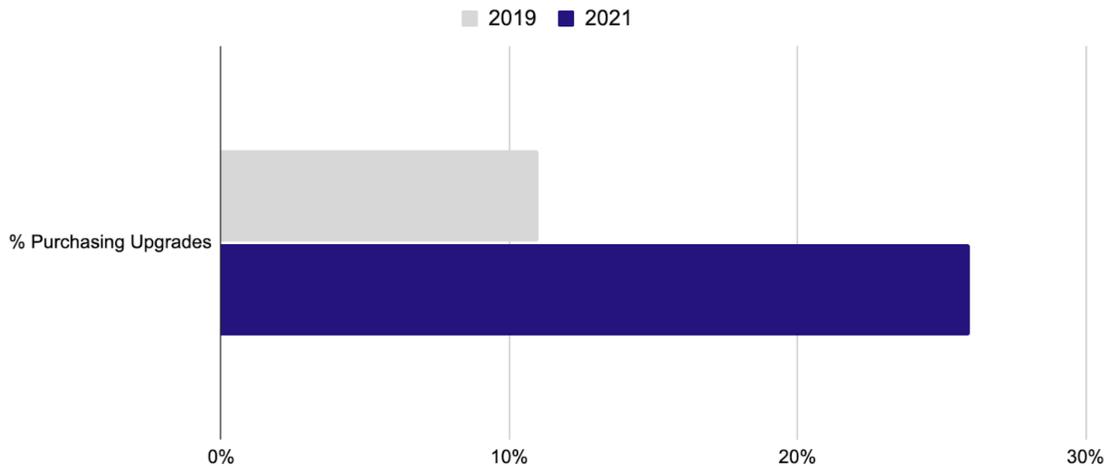


Takeaway

Offer more experience types that can appeal to more consumers. E.g. private premium group experiences - these are a stepping stone for the more covid anxious consumer and offer the opportunity to charge a premium for privacy.

Post-COVID Consumers are 10-15% more likely to upgrade or personalize their experiences

2019 vs. 2021 In-Person Experiences - % of Bookings Purchasing an upgrade / Add-on



For paid experiences, we're seeing an increase in guests willingness to buy upgrades and add-ons. This indicates that consumers may have pent up demand and are hungry for premium experiences.

E.g. If you offer a distillery tour, ensure you have upgrades available in the checkout process such as a limited edition bottle. You'll likely see a 10-15% lift in sales in the short term.

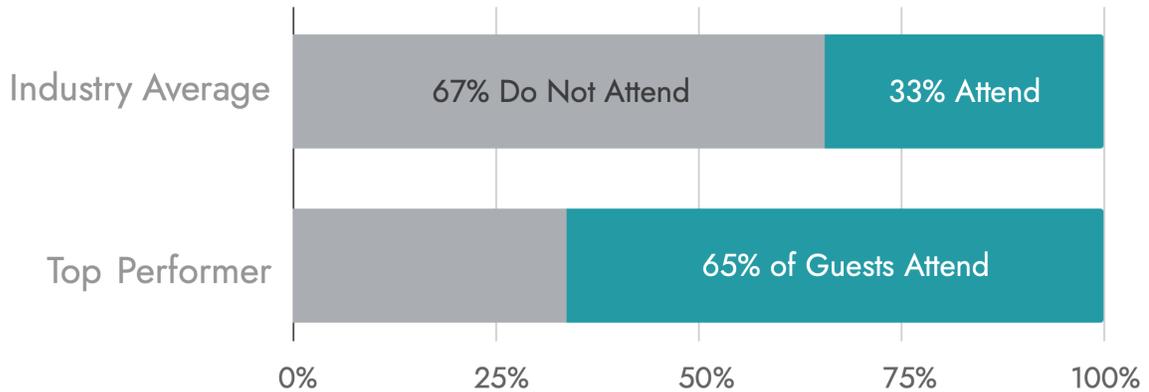


Takeaway

To maximize revenue from paid experiences, provide opportunities to upgrade and purchase add-ons.

Zoom fatigue is real: Only 1 in 3 consumers show up to Online Experiences.

% Guest attendance for low-cost and free online Experiences



Attendance rates are dropping dramatically for online experiences.

Just 33% of registrants are showing up to the experiences they booked (this is true for paid experiences too).

Best in class show rates are 65%. A common theme from these experiences is the quality of the content. Another important factor in show rates is the audiences targeted i.e. experiences that target existing brand champions (net promoters) often have the highest show rate.



Takeaway

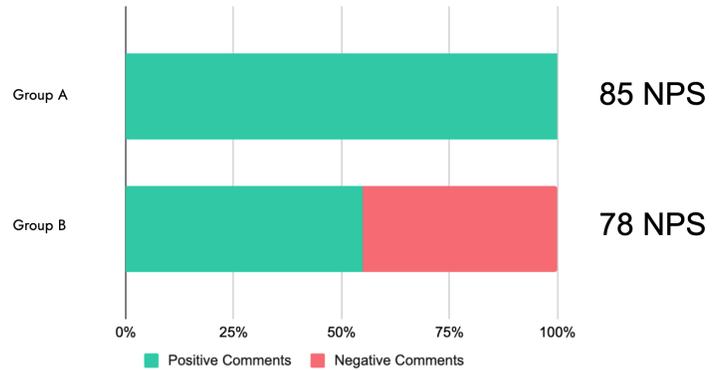
Brands that offer compelling, unique content can double attendance rates for online experiences.

Consumers are concerned about COVID safety. Handling it well can increase NPS.

% of concerns about COVID safety



Sentiment of Safety comments & associated NPS



Feedback and commentary about COVID safety peaked in March 2020 and subsided slowly afterwards but has started to increase as reopening accelerates.

The chart on the right shows the NPS for two groups of customers. The first received a high volume of positive comments about safety while the second received a high volume of negative comments about safety.

We've seen a clear correlation between safety sentiment and NPS. With positive commentary being linked to higher NPS scores while negative commentary reduces NPS by up to 10%.



Takeaway

Be clear and concise about your COVID safety measures so it's clear for consumers how they can interact with your brand.

Takeaways



Reopen. Quickly.

Brands that are open today are getting more engagement, data and insights. Furthermore, those that offer paid experiences and services are seeing meaningful revenue growth.



Upsell and offer premium products.

When it comes to paid experiences and services, consumers are spending more on premium experiences and are more likely to respond positively to upsells and offers. Ensure your paid experiences and services provide opportunities to upsell.



Make an impact online.

The data shows that online experiences are here to stay, however, attendee turnout rates are low. It's worth investing in content to make more impactful online experiences.



Have clear safety guidelines.

COVID anxiety is beginning to fall but brands must play a role in educating consumers about safety protocols and vaccination benefits. It will directly impact brand perception and NPS.

ABOUT THIS EBOOK

About the Research

- ④ 400+ AnyRoad customers engaging consumers from 90 countries (US and UK primary markets)
- ④ 3M+ unique experiential records
- ④ Behavioral + sentiment insights - from experience types, NPS surveys, open text feedback analyzed via NLP, etc.
- ④ Operational analytics - guest volume, experience types, services and bookings revenue, revenue per visit, etc.

ABOUT ANYROAD

AnyRoad is the leading Experience Relationship Management (ERM) platform enabling global brands to properly measure, scale, and implement their offline and online experiential marketing campaigns. AnyRoad empowers companies to create brand loyalty, change consumer behavior, and better understand their brand associations by providing them with data intelligence sourced from experience-based marketing.

Companies like Budweiser, Honda, Michaels, and Tabasco all count on AnyRoad to measure the impact of their experiential marketing. AnyRoad's software integrates into CRM, loyalty, ERP, and POS systems to complete the loop, building the model of exactly how these experiences build loyalty, increase brand perception, and increase revenue.



www.anyroad.com