

NBA League Economical Development Analysis --Through Typical Case of the NBA All-Star Events

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Abstract: How did the NBA create today's magnificent basketball business empire? Although the NBA is not the league with the largest audience in North America, it is one of the most globalized and influential professional sports organizations in the world. It is now broadcasting live events to 212 countries in 42 languages, and 750 million families are watching NBA games. The NBA often appears as a successful case in the marketing tutorials of various business schools. These tutorials describe how the NBA uses the branding effects of big-name celebrities, how to use modern media to sell, and how to use international strategies to promote all-stars.

1. Introduction

The NBA All-Star Game is an exhibition game that the National Basketball Association holds annually with different games featuring NBA star players and celebrities through a complex voting system. The event is held at a predetermined location (has an NBA team) in February annually; while it consists of diverse types of games with different rules and players from popular stars to celebrities. More than 100 million people around the world will watch the All-Star Game, and the number of views and interactions on social media platforms will exceed 1 billion. The TNT reportedly earned approximately \$30 million in ad revenue, while it generated \$3 million in 2021 for historically black colleges. Not counting the normal revenue from hotels, beverages, television. The league also used some sports psychology to capture more fans and attention. [1]

In the past few decades, the All-Star Game has also undergone many major and minor reforms. Its main purpose is to enhance entertainment. For example, in 2013, the position of center was cancelled and changed to the front-court and backcourt, so that smaller players with more expressive power could increase their chances of selection. For example, in the next two years, in order to increase confrontation, the eastern and western parts of the district will be cancelled and replaced by the captain system.

But no matter how you change it, the core is always one, which attracts attention and improves ratings. Just like the beginning of the All-Star Game, the rules can be changed and the original intention remains the same.

The All-Star Game can be regarded as the NBA's business card. It is an important promotion event, a feast of both culture and sports. How to increase the ratings of the All-Star is what the NBA management has been working hard to study. This is also the NBA All-Star Game. The real intention. If Justin Bieber's appearance can double the ratings, I guess the NBA race will definitely add his name.

Players' and fans' views on the All-Star Game may be contrary to the original intention of the NBA. Since it is called an All-Star, being selected as an All-Star will naturally become a benchmark for star players, and fans will also measure a player's historical status by the number of All-Stars.

2. Data and method

2.1 Selecting a Template

For the Charlotte Hornets, who missed the playoffs for two consecutive years, the 2018-19 season has been a series of surprises so far. Jordan's team ranks seventh in the Eastern Conference and is quite hopeful of qualifying for the playoffs. The number one star Kemba Walker, with his outstanding performance, was able to secure the start of the local All-Star. [2]

Off the court, hosting the All-Star Game will also bring great economic returns to Charlotte. According to the Charlotte Regional Tourism Authority (CRVA), local All-Stars will welcome 150,000 tourists and create economic benefits of more than 100 million U.S. dollars. Taking into account the similar geographic location and city size, this prediction is partly based on data from the 2012 Orlando All-Star Game and the 2017 New Orleans All-Star Game. According to statistics, the Orlando and New Orleans All-Star Games produced economic benefits of 95 million US dollars and 127 million US dollars (of which 44.9 million US dollars were direct revenue generation). The last time Charlotte hosted the All-Star Game dates back to 1991. In the past thirty years, Charlotte's urban construction has been improving, and the All-Star Game has evolved from competitive factors to a comprehensive commercial spectacle—"All-Star Weekend" is no longer just a static period of two days, but a continuous one. The whole week is a carnival.

During this All-Star Weekend, Charlotte will host 160 related events and temporarily transform the large gift shop of the Mint Art Museum into a Jordan Brand District. In the view of Tom Murray, CEO of the Charlotte Area Tourism Bureau, media exposure during the All-Star Weekend can also promote Charlotte's tourism and economic progress in the next few years. Charlotte Mayor Viles said: "Fans from more than 200 countries will watch the Charlotte All-Star Game, we are at the center of global attention.

This business change is reflected in the diversification of indirect revenue generated by the All-Star Game. In addition to direct revenue generation by tourists and players, the All-Star Game has greatly promoted the development of food, accommodation, entertainment, and sales industries in the host city. In addition, it can also stimulate local employment.

3. Results and discussion

3.1 Statistical incomes and area usage

The host city relies on competitions to stimulate the local economy, advertisers rely on this marketing stage to show products, and copyright owners compete with copyright operation methods. Food industries and player-related products like clothing and footwear welcome their spring. "The economic impact of the 2017 New Orleans All-Star Game amounted to 82.7 million U.S. dollars, and the expenditure was 44.9 million U.S. dollars." from LSU Economics & Policy Research Group [3]

Fans from all over the world can log on to the official NBA website to vote for their favorite players in different regions. Collaborated with media and player selections, fan vote accounts for 50 percent of the total vote Current players and media members split the other 50 percent. Many media have described the All-Star Weekend as a basketball carnival because it gives fans and players a chance to meet up close.

The meaning of the All-Star Game: The star is not the protagonist, the audience is. In each NBA All-Star Game in the past three years, the number of sponsors has exceeded 20; even with the small implantation of Griffin dunking over a Kia car in 2010[4], the league can receive more than 1.5 million US dollars in sponsorship; 2016 In 2012, the lowest price for NBA All-Stars to implant 30-second ads was \$250,000.

In the past few All-Star games, the NBA has been trying to improve the competitiveness of the main game, including the introduction of the captain selection system. In this year's All-Star Game, the league has completely overhauled the main game system. The first three quarters can be regarded as independent matches. The winner can win \$100,000 for the charity he represents, and the fourth quarter is a battle for points. The team that first reaches the target score wins the game and can get it.

200,000 US dollars donation. However, since the two sides drew in the third quarter, the \$100,000 donation that belonged to that quarter was added to the fourth quarter.

The NBA All-Star Draft starts with two team captains' selection, next is the Skills Challenge that consists of six players. Coming up with the Three-point Contest which also consists of six players, followed by the regular all-star game while during half time; the Slam Dunk Contest that has three or more players involved will be hosted. There is usually also an event called All-Star Celebrity (played in different arenas) with popular celebrities acting as players, ending the event with awards.

3.2 Merchandised

Define abbreviations and acronyms the first time they are used in the text, even after they have been defined in the abstract. Abbreviations such as IEEE, SI, MKS, CGS, sc, dc, and rms do not have to be defined. Do not use abbreviations in the title or heads unless they are unavoidable.

It is an inevitable fact that the attractiveness of NBA All-Stars has declined, many new technologies like social media, fans tired of the format, and pandemics have contributed to the decline. After more than half a century of changes in the NBA All-Star Game, fans have already become tired of his situation. The development of the Internet has made the distance between stars and fans closer and closer. 2019 all-star game television Ratings are down to 3.8%.

After taking office, Adam Silver appeared as the reform chairman and carried out drastic reforms in many fields. He reformed the regular season ranking rules, allowed advertisements on NBA jerseys, allowed the legalization of NBA betting, etc. [5]

If you are on the scene of the game, you might also see such a group of people on the day: they are very worried, of course, they are people in the sports betting industry, but corporate executives from major sponsors and advertisers. Just like betting, if the self-sponsored players perform well, the brand and products can get more attention, and vice versa.

The "first shot" of the 2019 NBA All-Star business battle started when the cities submitted their project plans. Behind the glorious All-Star feast is the win-win situation between the NBA and a city. The city government of Charlotte, the host city of this year's All-Star, believes that the event will bring more than \$100 million in economic impact to the city.

This prediction is not without basis. According to Internet data, the economic impact of the 2012 Orlando All-Star Game reached 95 million U.S. dollars, the economic impact of the 2017 New Orleans All-Star Game reached 82.7 million U.S. dollars, and the economic impact of the 2018 Los Angeles All-Star Game was 116 million US dollars. In addition to bringing direct benefits, the All-Star is also a media event. Tom Murray, director of the Charlotte Tourism Bureau, believes that this year's All-Star Game will attract 22 million TV viewers, and the event will be mentioned more than 1 billion times on social media.[6]

From the perspective of the organizer, how to ignite all-star marketing is an important topic. 2017 All-Stars: "Thunder Gemini" Russell Westbrook and Durant's entanglement; 2003 All-Stars: Jordan's last All-Star Game; 2009 All-Stars: O'Neal and Kobe's "grudge" These stories are even more exciting than the competition. In this year's All-Star Game, the NBA commissioner announced that Wade and Nowitzki had additional spots. Both Wade and Nowitzki will end their NBA careers after the end of this season. The final dance of the All-Stars also earned the attention of billions of fans.

The all-star game not only has aspects in advertising and star attractions but also in other economic considerations. Looking at the All-Star Weekends in recent years, it can be seen that there are three most important factors for its location: the arena, the convention center, and the hotel. [7]

The most important requirement of the NBA for an all-star arena is "big". The City of Polis, Indiana, has repeatedly applied to host the All-Star but was rejected because the Pacers' home stadium, Banks Life Arena, could not accommodate enough spectators. When competing for the right to host the 2021 All-Star Game, Cleveland, where its rival Cavaliers was located, also failed to do so due to the aging arena. Indianapolis proposed to jointly host the event at Banks Life Arena and Lucas Petroleum Stadium. Only then finally reaped the right to host.

There are many activities on All-Star Weekend, not all of which are held in the home stadium of NBA teams. For example, the NBA Celebrity Games are mostly held in the city's convention and

exhibition center. Whether there is a large-scale convention and exhibition center, and whether the convention and exhibition center is close enough to the arena, has also become an important weight for major cities to compete for the right to host. The 2018 All-Star venues are the Staples Center and the Los Angeles Convention and Exhibition Center.

In terms of hotels, the factor to consider is whether the number of rooms can meet the surge in accommodation demand during the All-Star Weekend. Portland, the home of the Blazers, has been rejected many times in recent years. The official reason given by the NBA is that there is not a large enough hotel near the arena. [8]

Of course, the selection of the All-Star location will not only consider these hard conditions. The 2019 All-Star host Charlotte, and Jordan's face may have played a role: In 2018, Nike replaced Adidas as the exclusive NBA jersey sponsor. The 2018 and 2019 All-Star jerseys were created by Nike's Jordan Brand. Charlotte is the hometown of Jordan Brand owner Jordan and the home of the Hornets. On February 14, 2015, at the All-Star Game in New York, USA, Tencent President Liu Chiping shook hands and embraced NBA President Xiao Hua in the center of the court. Earlier, Tencent spent \$500 million to get the exclusive rights to NBA digital media for the 2015-2020 season, detonating a bomb in the field of sports content in China.

The business direction of "all for the audience". Today, the NBA's main source of income is through tickets, and it also runs other businesses, such as advertising revenue and the sale of clothing, shoes, and other sports products.

The current media is very developed, newspapers, television, Internet, radio, etc. If the NBA wants to make money, it cannot do without stars. And without TV broadcasting, there will be not much development either. Television is not only a form of entertainment, television can send advertisements to any place where there is a television. There is a golden rule in modern professional sports and entertainment: what is good for sponsors is also good for athletes and leagues. Stern uses television and sponsors as the main means to promote NBA basketball to the world market, first of all, it is inseparable from publicity.

The reason why NBA professional basketball can develop to today's glory is inseparable from the media. They always make extensive hype about every game through various media. The biggest feature of their hype in the NBA is the hype about the stars, which causes a sensational effect on the audience. In a league that worships individual heroism like the NBA, the player's charisma is a commercial factor that smart NBA operators cannot ignore. From the first day when players are regarded as high-priced commodities, players have begun to shape their charm. Among them, the league's use of media hype to fuel the flames also plays an important role.

The various aspects depend on the consideration and well manageable team to cooperate with the NBA to host such a big event. The NBA All-Star Weekend is still in its infancy among commercial developers. Issues such as interaction with fans, promotional effects of sponsors, and single peripheral products are obvious. Serving fans, serving the stars, and allowing sponsors to "have fun" at the same time, the sustainable management of the All-Star Weekend is still worth exploring by the NBA. [9].

3.3 Brands and influence

At the annual All-Star show, sneakers, jerseys and other equipment are the focus of fans' attention, and brand owners will naturally not miss the opportunity to display their products. As mentioned earlier, Nike's Jordan Brand began designing jerseys for the NBA All-Star Game in 2018. And Charlotte, where the All-Star Game was held this year, is also the hometown of Jordan Brand owner Jordan.

The normal operation of the brand is to release their exclusive boots for the stars before the start of the All-Star Weekend and at the same time, release joint or special color-matched shoes during the All-Star Weekend. For example, Nike has officially released the 2019 All-Star Game jersey. The news of the All-Star game shoes is also concentrated in the Nike camp. Nike officially released several products such as Air Jordan 33 "All-Star", Little Posited One "All-Star" and Air Jordan 9 "UNC", which are undoubtedly the protagonists of the current All-Star equipment market. [10]

But even if it is overwhelmed by Nike, different brands will not miss the stage of the top event IP of the All-Star. Competing with competing companies is on the one hand, on the other hand, any opportunity for cultural output and marketing should not be let go. Will Puma take action in the first All-Star weekend after returning to the basketball market? Will the three major signature shoes of the Adidas camp gather in the All-Star Arena? It is worth looking forward to.

In recent years, competition in the sports brand market has become increasingly fierce. Their requirements for product functions, prices, appearance, and other physical properties have been further upgraded, and their spiritual needs for brand culture and product temperament have begun to appear. more and more consumers are willing to pay emotional prices for goods. [11]

An impressive trademark brand has an immeasurable influence on product marketing. Since the establishment of the NBA League, the league has insisted on creating a highly recognizable brand identity in terms of brand strategy. For example, in 1967, the world-famous red, white and blue NBA player silhouettes composed of exclusive league logos, league team logos, and team names are fixed. At the same time, the NBA League also adopted the strategy of infiltrating related industries and expanding the brand globally, such as the NBA store located on Fifth Avenue in New York, the NBA restaurant "NBA City" in Orlando, etc.

The NBA's advertising strategy has a global strategy of step-by-step penetration and development but pays more attention to localization strategies. The NBA League is primarily brand-approved, developing new products and innovatively designing jerseys and team emblems to increase the league's revenue, influence, and popularity. Establish an overseas office to expand international influence and other public relations methods. First of all, the positioning of this domestic league as a global product and the implementation of a global market development strategy. [12] At the same time, globalization strategies are also closely linked to broadcasting rights. The process of the concrete implementation of the strategic plan mainly depends on the expansion and development of the careful implementation of the country. A rewarding society with modern marketing strategies can add tenacity to businesses and consumers. As the world's largest basketball league, the NBA also places great importance on maintaining the league's public relations image. For example, the NBA often engages in a variety of public welfare activities. The NBA remains a campus activity designed specifically for teens with problems in the United States. We strongly support activities such as cultural dissemination, prevention of child abuse, fighting alcoholism, and support for hungry people. Established Counseling Clinic and Child Care Clinic in South Africa. There is "Reading Month" in March every year. Each team chooses a player to meet with fans, share experiences and books together. [13]

The league has put attention to attracting more fans directly to the NBA, while also expanding its global television broadcast network to enable fans in more regions of the world to enjoy exciting NBA games on television. According to the latest statistics about its website, it had 3.1 billion viewers. Over 50% of customers who accessed to NBA's website come from users outside the United States, making the NBA's official website the most visited website in the United States. NBA in the United states is the only league with websites in languages other than English. In addition, the NBA has 11 offices worldwide, including offices in Europe, Latin America, Australia, and Asia.

4. Conclusion

Ultimately, corporate leaders are also required to return some of the value that a company creates for society in order to increase the social value of the corporate brand. Since Stern became president of the NBA, he did not just adjust most of the NBA regulations, operating strategies, economic practices, merchandise, and globalization, but also the NBA TV, NBA website, and NBA store. And built other entertainment projects. Diverse financing methods have become a permanent feature of the Basketball League.

5. Suggestion

The formation of culture requires many recipients. If a culture is not accepted by many, it will not be a trend of the times and will surely be abandoned over time. The essence of NBA culture is to continually improve the meaning of the culture while attracting the audience to truly realize a situation that benefits both the audience and the culture. This win-win model plays an important role in the rapid spread of the NBA around the world. In order to recognize the social value of a brand, it is first necessary to properly position the brand. If a brand isn't properly positioned as a brand that can't create social value, company managers need to give it up without pain. Brands with no social value may provide temporary benefits, but in the long run, such brands are inactive. Second, brands with social value are consciously allowed to create "good space and good atmosphere" and "utilize" it in order to create social value and create social value. need to do it. She should not be discouraged from her little interests. development. In 20 years, the NBA's total assets have increased five-fold. With the spread and coverage of the media, more people may know, love, and become loyal fans of the NBA. Fans want to see not only exciting games and stars, but also reports, comments, and other news about games and stars. Those are the needs of the fans. Only the media can best meet the needs of the fans. In addition to the performance of the players, media propaganda and even hype are indispensable for the production of stars. Without a star, the appeal of the game to the audience will be greatly reduced. Without the media, the NBA cannot have a wide range of influence, and it is difficult to attract sponsors, which is detrimental to the development of the NBA. The media is very important to the NBA, and the NBA will also bring great benefits to the media. The NBA provides the media with excellent program resources and reporting objects, thereby increasing the circulation or ratings of the media, and forming a pattern of common development and common prosperity.

Acknowledgements

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