



Promotion Processes and Marketing Strategies in the NBA

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ABSTRACT: *The goal of this paper is to highlight how the NBA has acquired through its promotion and marketing strategies, greater popularity in the world and consequently greater revenues. The NBA is one of the richest sports leagues in the world, its revenues are approximately 8 billion \$ a year, television rights and sponsorships have played a crucial role. Through its marketing strategies, the NBA has always been able to listen to its audience. Marketing strategies began to be used by the NBA from the 1980s, opening up to the world and using the image of its most representative players.*

KEYWORDS: *NBA, Sport Marketing, sponsorship.*

JEL classification: M31

Received 15 June, 2022; Revised 28 June, 2022; Accepted 30 June, 2022 © The author(s) 2022.

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I. INTRODUCTION

In the United States, the NBA (National Basketball Association) is the most followed professional basketball league. In terms of popularity, basketball in the United States is positioned after American football and baseball, but it is equally true that the potential of the North American market (USA and Canada) is enormous. Total NBA revenue is 8 billion \$ annually, and it is one of the highest-earning leagues in the world, up 8.5% from the previous year. In addition to the earnings from television rights and the renovation of the arenas, the teams also made profits from sponsorships.

In terms of economic value, the NBA is inferior only to the NFL (National Football League) and is ahead of the MLB (Major League Baseball) and the NHL (National Hockey League).

The turnover of the NBA is constantly growing, compared with the previous season increased by 13%. The Golden State Warriors are the team that in the last five years have recorded the highest increase, equal of 367%, in general all the teams in the league have recorded significant increases in the last five years with an average of 200%. In 2021 the average value of the NBA franchises was approximately 2,500 million \$, the New York Knicks was the franchise with the highest value of 5,800 million \$.

II. LITERATURE REVIEW

Kotler (2019) one of the greatest marketing expert gave this definition "marketing is the social and managerial process by which a person or group obtains what constitutes the object of their needs and desires, creating, offering and exchanging products and value, with others", and this definition allows us to understand the importance of this discipline in planning the activities of any company, including sports.

Sports sponsorship is a sophisticated and highly versatile marketing tool that offers a large audience and great potential to companies. Sponsorships in fact allow companies to easily make their products known beyond national borders, coming into contact with potential buyers of other nationalities. Both parties involved in a possible sports sponsorship can do a cost-benefit analysis before deciding whether to actually sign a sponsorship contract. Reams' (2015) Exchange Theory explains how effective sports sponsorship is, as sports organizations obtain funding for their events while companies benefit from sponsorship through the sale of their products and services.

III. RESEARCH METHODOLOGY

Two methodologies were used: documental research and Evidence-Based Results (EBR). Documental research was carried out by consulting the reference scientific literature and consulting databases, including the Dossier 2021 of the National Basketball Association. This consultation allowed us to determine the economic value of the NBA, and therefore to make an analysis of the marketing strategies and promotion processes of the NBA and to draw conclusions on the effectiveness of these strategies. Research based on Evidence-Based

Results (EBR) methodology is particularly useful in those cases where it is impossible to repeat the experiment, such as in the situation we studied, this methodology allowed us to validate the research results.

IV. DISCUSSION

The product offered by the NBA involves 30 teams, 29 are based in the USA and one the Toronto Raptors in Canada, these teams are divided into two geographic conferences, Eastern and Western, each team in the regular season plays about 82 games. The best 8 Eastern and Western conference teams access the playoffs, in a scoreboard where the final will always be between the best team from the East and the best team from the West; this leads the NBA fan to line up in the final for one or the other team.

To increase its popularity around the world, the NBA has used its image players, such as Magic Johnson, Kobe Bryant, Kareem Abdul-Jabbar, LeBron James and Michael Jordan.

The price of the tickets is deliberately diversified, the average price is around 90 dollars. The price is higher in the periods of greatest interest (play offs and finals) while it is very low in midweek matches and at the beginning of the season.

Matches take place physically in many cities in the United States of America, but are broadcast all over the world.

Communication plays a crucial role. The main recipients to whom the communication is directed are above all the fans and supporters of the sports club. Clearly, the company must favor any type of initiative that can meet this group of people, for example, the publication of ad hoc newspapers, TV channels, internet sites, because they represent one of the main sources of income.

Being one of the most followed sports leagues globally, the NBA manages to obtain broad coverage in the American media and, with geographical differences based on the diffusion of basketball, in most countries of the world. In 2019, the NBA grossed 3.12 billion \$ from television rights, 2.67 billion \$ from domestic TVs and 0.45 billion \$ from overseas TVs (Gough, 2021); the NBA is about to sign a contract with US national TVs for 75 billion \$ for nine years (Kaskey-Blomain, 2021), 8.3 billion \$ a season, three times how much the NBA franchises have earned in 2019, with this new contract there will be greater economic availability for both the franchises and the players. NBA games are broadcast worldwide in 47 different languages.

To make it possible for basketball fans to watch the games in streaming, the NBA has created a special "NBA league pass" app, where by subscribing it is possible to see all the games live or on demand. According to data from the Dossier NBA 2021, in Europe, the United Kingdom is the country with the highest number of subscribers, followed by France, Spain, Germany and Italy. NBA games are also broadcast on pay TV channels in Europe.

The Draft takes place annually before the start of a new season, at this stage the franchises can choose the new players. Franchises historically recruited players exclusively from colleges, but with the evolution of the NBA and its spread around the world, players from all over the world are now being recruited, this increases player choices to form rosters and the competitiveness of the NBA championship itself. With the increase in the value of the NBA, the salary caps which the franchises must be observed for the recruitment of players have also increased. The draft to increase the competitiveness of the next championship tends to favor the teams that in the previous season were classified in the last places.

The NBA arenas have a high capacity of spectators, and are real market areas, equipped with very large parking lots, where inside there are restaurants, shops, theaters, a team museum, and other entertainment activities and shopping. These are avant-garde places both in structure and in technology, which become the ideal place for every game, creating the right atmosphere and giving the public a unique sensation.

The policy of spreading the NBA around the world has led the league to significantly increase profits and also increase popularity, enjoying a popularity comparable to football.

The champions are considered real stars of the NBA, arouse curiosity in the fans also for their private life, and consequently generate a greater economic income. Adidas and Nike sponsor the most famous players with considerable sums, LeBron James player of the Los Angeles Lakers receives from his sponsor Nike about 55 million \$ per season, while Adidas sponsors Damian Lillard player of the Portland Trail Blazers for 25 million dollars a year, while Kobe Bryant during his career earned about 350 million dollars from sponsors, in 1984 Nike sponsored Michael Jordan and subsequently created a specific line of clothing "Air-Jordan", during his career Jordan earned sponsorship from Nike the 1.3 billions of dollars. These athletes ensure that the sales generated by their image bring immense revenues to the companies that have hired them. Fans create a positive association between their champion and the sponsor, and are encouraged to purchase the sponsor's products as a result.

In the USA, according to data from the National Basketball Association Dossier in September 2019, 50% of Americans were NBA fans, of which 20% were avid fans.

A significant contribution to the success of the NBA also comes from social media (very popular among young people), including Facebook, Twitter, Instagram. The NBA spends a lot of attention to social

media communication to keep its audience updated. Every social media, however generic, has a majority of users with specific characteristics. The NBA is aware of this and in fact differentiates the contents based on the social media of reference:

- On Instagram, the “stories” format is used a lot to communicate the latest news;
- On Facebook, fans receive detailed information on match times and the television stations that broadcast them. According to statista.com data, in September 2021 the NBA's facebook page was followed by more than 39 million users;
- On Twitter, where the NBA has built the largest community in the world regarding a sports league, discussion and direct interaction between users is stimulated more (in average more competent than other social networks);
- On YouTube, videos that show the best actions of a game or the best performances of a player work particularly well.

The NBA has launched several programs in recent years to increase its visibility:

- Basketball Without Borders, which helps develop the NBA and FIBA’s global community outreach.
- NBA Academies, a network of elite basketball training centers around the world.
- NBA cares: Through this program, the NBA aims to spread the image of a league committed to the social sector with charitable activities in favor of the most disadvantaged.

V. CONCLUSIONS

Through the marketing strategies adopted, the NBA has managed to increase its earnings and popularity not only in North America, but around the world.

Marketing and sponsorship strategies are intensifying more and more in the NBA market, mainly due to the greater involvement of fans who follow him and love him more and more all over the world, and companies try to benefit from them through sponsorships in order to increase their visibility.

Sports marketing, and its communication and sponsorship strategies, are developed in a highly competitive and constantly evolving context. It is no coincidence that, year after year, more and more cutting-edge innovations and techniques are introduced. Modern sport, thanks to its greater visibility and its enormous diffusion, can be considered a huge opportunity for all companies that want to invest in the world of sport. Sport, thanks also to the diffusion of the media and therefore the possibility for fans and supporters to follow sporting events even from a distance, represents a further strength, for which companies must invest in sports sponsorships.

The NBA has always been at the forefront of sports marketing strategies, and its strategies can be useful to other sports leagues as well.

The promotion processes and marketing strategies adopted by the NBA can be useful to sports leagues, in those countries where, market economies are more developed, such as European countries, but also in those countries where market economies are in the process of development, like, the Asian countries, especially China.

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