

Research on NBA Marketing Strategy Optimization based on the Chinese Market

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Abstract: With the approach of globalization to the world, human is crossing spatial barriers and hierarchical and cultural restrictions. As a result, we are gradually becoming more united because of globalization. And as such issues reach all aspects of people's lives, humanity has entered a whole new era. However, since Covid-19, everything around us has been changing. The service industry is impacted the most because they need people to gather, which is not allowed during such period, and thus the depression of these companies begins. In this case, the writer chose the most popular company, NBA, the most influential sports company affected by Covid-19 recently. The writer provides several effective solutions to solve this problem, such as using international media, attracting the best foreign players or teams, and a globalized licensing trademark strategy, which is provided based on the literature research method, survey method, and comparative method. In addition, because the epidemic came so abruptly, there is very little literature on the web about how to help the NBA come out of it the epidemic. Most of them discuss the NBA's marketing strategies or compare the gap between the CBA and the NBA, so this article plays a small role in helping the NBA eliminate the Covid-19 impact.

Keywords: Covid-19, Chinese market, NBA, Marketing, Strategy optimization

1. Introduction

1.1. Research background

In today's world, globalization is lapping at the world like a tidal wave. Throughout the process of globalization, we as human beings are crossing spatial barriers and hierarchical and cultural restrictions, and as a result, we are gradually becoming more united. As a result of globalization, and as such issues reach all aspects of people's lives, humanity has entered a whole new era. In today's world, the sport has gone from being a recreational sport to a professional, global and scientific event, and the NBA has evolved at a remarkable pace, from the original big-ball era to the current small-ball era. The process of change in between has certainly been many obstructions. Because of the progress of science and social development, the NBA has also been affected by the development of globalization. As an important part of sports, basketball should also follow the development trend of sports, increase the reform and development in all aspects, with scientific ideas, methods, and management operation to gradually move towards standardization. As we know, the NBA as a family

member of sports competition in America, gradually became an economic and cultural representative. Driven by huge economic interests, the NBA's influence has penetrated globally.

However, currently, the ratings of the NBA have drastically declined in terms of China. For example, the foreign media reports show that the just-completed 2021 NBA all-star game ratings were dismal. There were 5.94 million viewers, combined the rating on TNT and TBS, down 18% from last year's 7.28 million. It is worth noting that it is the lowest rating since statistics began in 1990. 1993's NBA all-star game was the highest-rated one [1]. From such an example, it is not hard to observe the decline of the NBA's ratings in China. This article will mainly focus on the NBA marketing strategy based on the Chinese market. This is worth investigating because the writer barely finds people who put their main concentration on this topic. Some of the previous articles only have described it superficially, without giving a very professional and specific solution. Thus, this topic possesses a significant value to be investigated.

1.2. Literature review

In this report, the writer draws four main sources that come from the internet, which will be further used in the content of this report. To begin with, Meng analyzed the marketing strategy of the NBA for the Chinese market. This source talked about the 1980s when the NBA was ready to explore overseas markets. China was in the reform and opening-up period of Deng Xiaoping, so with the significant improvement of the material level of allergies, the demand for sports and entertainment was also increasing, and basketball had a wide demand in China, which provided a good basis for the NBA to enter the Chinese market. Further, this article uses marketing theory, sports communication theory, and sports public relations theory to integrate marketing communication theory to analyze the marketing of NBA China products and the image marketing of the NBA brand and summarize it [2].

Moreover, this article also discussed The competition for the NBA in the domestic sports market and the NBA's saturation in the domestic market. Especially the growing influence of the NBA abroad is the main reason for the introduction of the NBA in the expansion of the overseas market. We will analyze four key aspects of the NBA's overseas expansion strategy. Attracting talented players and teams from abroad, playing preseason or regular-season games abroad, extensive international media coverage, and globalized brand licenses [3]. Last but not least, Zhu and Li compared the differences between NAB marketing strategy and CBA marketing strategy. Eventually, they concluded that the gap between NBA and CBA exists obviously, and based on their comparison, the reader can easily find the strategy for NBA and also CBA [4].

1.3. Research gap

In contrast, many of the learners and their reports mainly analyzed the currently used strategy in NBA marketing. Still, none of them offered a meaningful solution to the problem of continuing to develop the Chinese market. Since China's population base is large, so the development of this region is very helpful to the NBA. Also, some of the papers stated and analyzed a particular strategy toward China, but unfortunately, the time they wrote it is far from the present. Furthermore, some papers do not mention useful or specific strategies in the context above. However, very few scholars have studied the NBA's marketing strategy toward China, and this report will mainly focus on such a topic and provide readers with the most useful information.

1.4. Research framework

This article will introduce how the NBA can better develop the Chinese market in five parts for readers. First of all, the first part is the introduction of the whole paper, which plays a role in the beginning. It also makes a strong first impression with an effective hook, which can directly gain

readers' focus by displaying the report's detailed content. Next, the method section writes out the three main research methods used in this paper, through which the author can have a general expectation of the role or the corresponding solution in this paper. Immediately following the RESULT section, the author will first introduce the development status and history of the NBA, then analyze the behavioral characteristics of NBA consumers in the Chinese market, and finally, propose the problems of the NBA in the Chinese market. In addition, in the discussion part, the author will write optimization and improvement strategies for the issues raised by the result. In the final concluding part, the author will mainly summarize the findings of the Result and Discussion, then write out the research significance and propose the problems within the article that is the limitation, and finally will focus on Future studies and future improvements.

2. Methods

In this article, three types of methods will be involved in the further content, the Survey method, the interview method, Literature research method. The writer believes that these three methods will provide vitally important help.

Firstly, the survey method is a process, tool, and technique for asking questions to a defined group of people and collecting their answers. Universally, it facilitates effective and accurate exchange of information between the surveyed person and the person conducting the survey. Depending on the type of research and the type of data the investigator wants to collect, this method can be stereotyped or quantitative [5]. In this paper, the survey method will be used. In this case, the author will use this method to collect his target audiences' data to analyze the most authentic current situation. Thus, the author can design diversified and personalized product function adjustments that can attract customers to a large extent.

Moreover, the use of the interview method is also bringing help. The interview method is usually a stereotypical research technique in which the investigator designs and asks open-ended questions to the respondent to obtain useful information from the interview, and the Interview method has many advantages. For example, because the investigator considers many details when designing the questions, more and better information can be obtained, and the investigator can also obtain more and better information. More importantly, the interview method is generally conducted face-to-face, so the investigator can ask questions that incorporate the respondent's facial expressions for a more comprehensive psychological analysis [6]. In this article, the role of the Interview method is similar to the survey method. Still, the difference is that the focus of the survey method will be on how often people watch the NBA, while the focus of the interview method will be on interviewing marketing experts to see their views on how the NBA can better develop the Chinese market from the conversation.

Last but most importantly, the literature research method can indirectly obtain the most useful information from all sources. It is the result of the wisdom of other authors and contributes significantly to the completion of the paper [7]. In this report, this method will be mainly used to consult different monographs, newspapers, magazines, and other articles to obtain the marketing strategy of the NBA. The author can also get related data from these sources, which will help the author have a comprehensive view of the NBA and its marketing strategy. The theoretical foundation for the successful development of this paper was laid.

3. Results

3.1. Analysis of the development status and trend of the NBA

With the rapid development of China's economy, the increase in leisure time, and the growing awareness of fitness, sports tourism is becoming one of China's most dynamic sunrise industries. The

domestic sporting event tourism sector has been expanding explosively, though China is less experienced than other countries. In what should be a big year for sports in 2020, however, by the influence of Covid-19, that year was the year of the hiatus for sports. Covid-19 drastically impacted the sports industry of the whole world. Until now, the negative impacts still exist. In the tourism industry, according to data released by the United Nations World Tourism Organization on 28 January 2021, the pandemic caused a global tourism revenue loss of US\$1.3 trillion and a 74% drop in the number of international tourists from the previous year to approximately 1 billion. The total size of China's domestic tourist arrivals in terms of person-trips in 2020 amounted to only 2.88 billion, a 52.1% decrease from the previous year. In addition to, total domestic tourism revenue at RMB 2.2 trillion, also down by 61.1% accordingly.

Concerning sporting events, the suspension of the Tokyo Olympics, the 2020 World Sports Congress, the 2020 NBA season, the European Cup, and the five major leagues and individual world championships in 2020 are unparalleled [8]. Since the 1946 NBA's inception, it has gradually evolved into one of the most lucrative professional leagues today. It has become a model of success to be emulated by sports leagues of all kinds. Throughout its 60 years of history, the NBA used its first 30 years on the internal foundation to develop the league's standards and business operations. Thus during the last 30 years, NBA took itself to the world and made it bigger. Nowadays, the unique business operations of the NBA illustrate the concept of the sports industry to a comprehensive extent. The NBA is now not the number one sport in the U.S., as professional baseball and professional football are far hotter than the NBA. 2003 saw the NFL set a record of 139 million live T.V. packages in the U.S. The growth of the NFL has deprived a large number of NBA viewers, posing a considerable threat to the NBA. In addition, the American college basketball league is also growing at a rapid pace, which undoubtedly also creates a huge peer competition pressure on the development of the NBA [9].

3.2. Analysis of the development status of the NBA in the epidemic era

People have changed their mode of consuming the NBA product during the pandemic. People are slowly shifting to digital consumption. People focused their energy on electronics during the epidemic in layman's terms. The impact of the government's policy to close public spaces reduced theater box office revenue by 71%. On the other hand, a film and television company, Netflix, had a record 37 million net new subscribers and over 200 million total subscribers due to its availability online. The chart below shows the change in E&M's industry revenue, from 2020 down to 2.0 trillion dollars, to fairy ah 2022 2.3 trillion dollars, or even a forecast to 2025 2.6 trillion dollars [10].

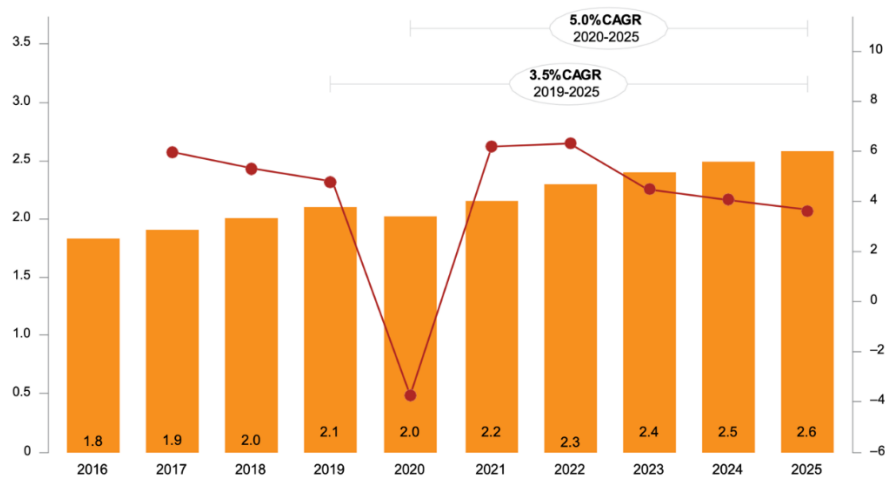


Figure 1: Global E&M industry revenue (trillions of dollars) [11].

Table 1: T.V. ratings for major US sports [13].

Sports events	Ratings
WNBA	440K
Nascar cup	3.05M
NFL	15.1M
World series	9.78M
Indy 500	3.67M
Kentucky Derby	9.26M
U.S. open women's final	2.15M
The Masters (final round)	5.59M
NBA finals	7.5M
Stanley Cup finals	2.15M

3.3. Problems existing in the marketing strategies of the NBA

During the epidemic, the NBA's ratings plummeted and were accompanied by competitive pressures from other sports such as the NCAA, the NFL, and others. According to the author's survey of people around him, more of them follow the college basketball league than the NBA, and secondly, there are not a few people who prefer the NFL. Next, see the table below, which shows T.V. ratings for major US sports in 2020, where you can see that the NBA finals are only ranked fourth in terms of ratings, while the NFL is twice as big. It is also worth noting that the NBA ratings refer specifically to the finals, as the author believes that the audience for the usual playoffs or regular-season series will be much smaller. In conclusion, the NFL has surpassed the influence of the NBA on Americans, and the college basketball league is slowly expanding its radial sphere. This is necessarily not good news for the NBA, not to mention the fact that more people are now aware of the importance of FITNESS. They might be influenced by their friends around them and are likely to become fans of the NFL, which has a much wider radius than the NBA. For China, which has a larger base, the NBA's development line should be aimed at the Chinese market. Therefore, the NBA's problem is obvious: how the NBA can open up the Chinese market with a marketing strategy. In this way, more people in

China will become viewers who contribute to the NBA's ratings, and this will help the NBA see its blueprint in China [12].

4. Discussion

Since NBA's ratings have drastically declined, thus NBA should apply several strategies to extend its market out of its nation. It needs to attract more fans all over the world. The NBA's highly competitive level, scientific training, and fantastic coach staff make more international outstanding players incomparably aspire. With the addition of many international players, the NBA has a closer connection with the world and makes basketball and the world connected. This also provides a platform for spreading NBA culture and expanding overseas market operations.

4.1. Using international media

For humans, spreading information is an activity that people do everywhere in their daily lives. Media can spread many things, and media spread even human culture's birth, continuation, and development. With the invention and popularity of television, people's spiritual and cultural life is getting richer, and thus more and more people tend to pay attention to real life. The television broadcasting of sports competitions takes the wonderful performance of high-level sports events as the carrier. It uses the characteristics of television's wide audience, high popularity, and high timeliness to meet viewers' spiritual and civilized needs watching the games. The broad-casting rights of sports events generally refer to the sports organization or the event's organizer to allow others to live broadcast, broadcast, video, etc., and make profits from the games when they are held. It can be said that television broadcasting has developed in parallel with the development of sports events and the progress of social productivity. After David Stern, the president of the NBA, took office in 1984, he formulated a set of marketing strategies based on the development of the NBA at that time with modern communication tools, that is, T.V. as the medium, which paved the foundation for NBA to go global. During the 07 finals, there were about 250 international media in 23 countries and regions broadcasting the game in 46 languages, showing the influence of the NBA at that time. Then the number of NBA broadcasts and media coverage of the '08 game increased, which also meant the NBA's influence increased. At the same time, the NBA has injected a large economic base for its development in the sale of T.V. broadcasting rights. However, affected by the epidemic, many fans are restricted, so online media is the emerging medium of NBA in recent years, which has become a bridge between NBA and fans. Through the NBA's official website, information about each game, such as scores, statistics, etc., can be disseminated, and the game can also be broadcast live to fans through the official website. This ensures that the ratings and the fans are not affected by the epidemic [14].

4.2. Attracting the best foreign players or teams

The NBA has local players from the United States and many players from all over the world, such as Asia, Europe, Africa, and so on. At the opening of the 1983 to 1984 seasons, the NBA had only eight international players. As time went on, the NBA had 73 foreign players from 34 countries and regions in the 20003 to 2004 seasons. Many very well ask why foreign players develop? The answer is that these foreign players attract many American fans and attract the attention of hundreds of millions of foreign players in the country fans, which undoubtedly in the invisible to enhances the influence of the NBA. Take Yao Ming as an example, Yao Ming entered the NBA in 2002 as a first-rounder, and he became the first Chinese to be on the NBA court. After he entered the NBA, the number of hits on the NBA's official website increased by a staggering 40 percent. The number of NBA partners in China increased by 14, so many NBA fans increased everywhere. These suggestions will only be

affected by the epidemic very little. Apart from the international players coming over, a few international fans will also migrate with the international players coming to the NBA. Most of them will watch the games at home through T.V. broadcast or live broadcast, so many epidemic factors will not affect this decision [15].

4.3. Globalized licensing trademark strategy

In 1967, the NBA established “NBA Properties” as the NBA’s global marketing and licensing agency. Since then, NBA Properties has represented the NBA and its teams and begun the globalization of the NBA logo. The NBA logo has been associated with many products and services through licensing, sponsorship, and association with other business partners. Since then, the value of NBA logo merchandise marketed abroad has been approximately \$1 billion. In addition, the NBA’s international licensees provide NBA-licensed products to fans in more than 100 countries on six continents. The NBA further enhances the NBA brand and increases the NBA’s bottom line by reaching out to customers at all levels with internationally licensed merchandise. During the epidemic, it was not just a challenge for the NBA marketing but a challenge that the service industry is facing worldwide. It must be admitted that the outbreak did have a significant negative impact on the NBA and its entire industry chain. But for the merchandised NBA retail stores, customers can use mail or online shopping to spend money, benefiting the NBA’s overall economic development [16].

5. Conclusion

5.1. Key findings

This paper mainly discussed the problems that NBA recently encountered. The NBA is now affected by the epidemic, and its revenue chain is significantly declining. Moreover, other sports in America, such as the NFL, create a stronger, fiercer atmosphere among the different types of sports competition. Moreover, the American college basketball league is also growing rapidly, which undoubtedly also creates a huge peer competition pressure on the development of the NBA. Thereupon, the solutions are introduced in three aspects. First of all, the NBA should use the international media as much as possible since it can expose the NBA to a certain large degree.

Furthermore, NBA should sign more foreign players because, in this case, they can bring fans from their homeland to NBA, which can significantly improve the ratings on television. Last but not least, NBA should develop its online retails. Due to the pandemic, customers are hard to shop in the shop, so the online version of transferring the commodities is the most practical solution.

5.2. Research significance

This article has possessed the value of providing suggestions to the NBA company, which is currently experiencing the problem of a pandemic. This article can play a part in helping the NBA to come out of the reign of the epidemic early, as the authors base their references on more than five articles written by professional experts and have some information collected in recent years as evidence within the article. All these things help the accuracy and professionalism of the paper to a great extent. Most importantly, because the epidemic came so abruptly, there is very little literature on the web about how to help the NBA come out of it the epidemic. Most of them discuss the NBA’s marketing strategies or compare the gap between the CBA and the NBA, so this article plays a small role to some extent.

5.3. Limitations and Future studies

However, this article still has limitations. The article lacks a primary source. The lack of primary sources throughout the article impacts the accuracy of the paper. Throughout the main paper, only the author interrogates a little bit about the choice of sports to watch. Although this is a primary source, the problem is that the survey's sample size is too small to represent the overall public preference, which is where the author needs to strengthen. In future papers, the authors will use more primary sources, such as surveys and interviews, to ensure the article's accuracy. The large sample size or interviewees can better represent the preferences of people in the world.

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