

# Analysis and Strategies for the Shanghai Sharks

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**Abstract.** This essay is an analysis of the Shanghai Sharks from a sports marketing perspective. Including fandom, its potential challenges, branding, social identification, service quality perspective, and fan loyalty. First, the classification of fans. There are five main types of classification for the fans. With the fans being categorized, fan loyalty was the next thing to look at. With the PCT scale, there were different strategies proposed with the purpose of increasing different types of fanbase with different levels of psychological commitment. Furthermore, with the research done on social identification theory, it is important to recognize the importance of establishing a brand that can reflect positively on people. With that being said, it highlights the importance of the brand image. What's challenging is that the franchise was currently involved in a fixed game scandal, and the study of the consumer-based brand equity illustrates the importance of the brand association, which the team is currently challenged with.

**Keywords:** Fandom; fan loyalty; social identification; consumer-based brand equity.

## 1. Introduction

The Shanghai Sharks is a professional basketball team in the CBA (Chinese Basketball Association). It is the only CBA team here in Shanghai. It has a long team history that dates all the way back to 1996. Its home court was originally located in LuWan Sports Arena. By 2009, Yao Ming purchased all the shares and became chief executive officer of the Shanghai Sharks. By 2016, the Shanghai Sharks launched a collaboration with well-known video platform Bilibili and became also known as the Shanghai Bilibili. By 2019 Shanghai Jiushi has completed its purchase on the Shanghai Sharks, in that same year, significant changes are being made to the franchise. As the only Chinese Basketball Association team in Shanghai, it faces both opportunities and challenges. With the new arena set in the Shanghai Dongfang sports center, the homecourt had a significant improvement. With the new era of "CBA 2.0", the Shanghai Sharks went through significant changes alongside the other teams. With the CBA2.0 SPORTS BUSINESS SUMMIT hosted in Beijing in 2019, the Chinese Basketball Association enters a new era. This includes establishing policies and collaborations targeted for an improved brand image. This significantly influences all the CBA teams including the Shanghai Sharks [1].

## 2. Fandom

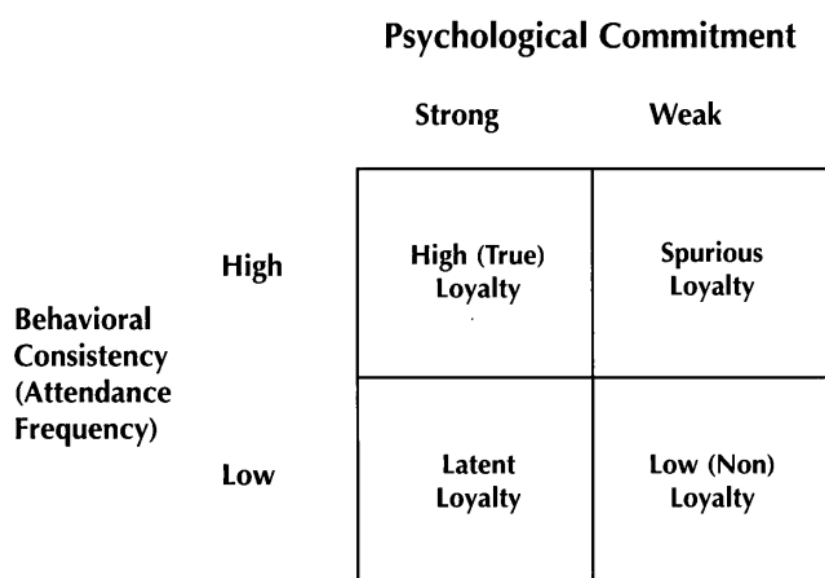
### 2.1. Fans

The classification of fandom mainly includes five types of classifications: the temporary fan, the local fan, the devoted fan, the fanatical fan, and the dysfunctional fan [2]. The Shanghai Sharks is already a well-established franchise that contains a certain amount of fandom, which includes all five types of fans mentioned before [2]. The objective is to establish different marketing strategies paired with certain improvements so that we form a healthy and big fan community that consists of plenty of loyal fans, devoted fans, fanatical fans, and local fans [2]. With the geographical advantage that the Shanghai Sharks has as the only CBA team in Shanghai, its local fanbase is non-negligible.

### 2.2. Fan Loyalty

The importance of fan loyalty is significant in terms of the marketing of a sport team. Fan loyalty can be demonstrated through the psychological commitment made by the fans towards

the sport team. From the research Using the Psychological Commitment to Team (PCT) Scale to Segment Sport Consumers Based on Loyalty Daniel et al., the Figure 1 shows the level of fan loyalty can be categorized into four levels. They are high, spurious, latent, and low. First, if targeted toward the high-loyalty fan group, economically friendly strategies can be established. Moreover, more personalized and customized experiences are offered to fans who are already having psychological commitment towards the team. Strategies include but not limited to giving out Shanghai Sharks exclusive products to season ticket purchasers or fans that often come to the games. Secondly, targeting the spurious loyalty fans with strategies that rationalizes their action to support the team. It can be promoting the new stadium that the fan can experience and all the services offered by the franchise. Thirdly, to target fans with latent loyalty, a market inducement strategy must take place. For that to happen, the Shanghai Sharks may offer events that include discounts that encourages fans to watch the game. Lastly the fans with low loyalty must be challenged through using a confrontation strategy. To challenge the attitude of the fan, the Shanghai Sharks can reestablish its brand image to create a new attitude from the fans [3].



**Fig. 1** Loyalty model (Picture credit: Daniel F. Mahony, Dennis Hovk'ard)

### 3. Fixed Game Scandal

On April 17, 2023, the Discipline and Ethics Committee of the Chinese Basketball Association (CBA) announced its decision to penalize Shanghai Jiuzhi and Suzhou, finding that the two teams had played a fixed game, and were disqualified from this season's roster and participation in the CBA. Looking into the incident, at Shanghai's Dongfang Sports Center on April 14th, in the fourth quarter, with Jiangsu still in the lead, Shanghai was not able to turn the game around. Li Nan who is the head coach of Jiangsu suddenly subbed players in the second half, they almost did not play during the whole game. On top of that when Shanghai's third steal happened and Wang Zhelin scored the ball to turn the game to 103-100, there are still no time-outs being called. The formal punishments are listed [4].

Shanghai Jiuzhi and Suzhou Kentia will be canceled for the 2022-2023 season and the qualification for the 2022-2023 season [4]. Shanghai Jiu Shi Basketball Club and Jiangsu Kentia Basketball Club shall each be subject to a reduction of RMB 5,000,000 in league funds [4]. Li Chunjiang, the head coach of Shanghai Jiu Shi, shall be suspended from the qualification of coach registration for 5 years from the date of punishment decision; Li Nan, the head coach of Suzhou Kentia, shall be suspended

from the qualification of coach registration for 3 years from the date of punishment decision. Jiangsu Kentia Basketball Club General Manager Shi Linjie, he shall be restricted from engaging in basketball-related activities within 5 years from the date of the penalty decision. Jiang Yusheng, general manager of Shanghai Jiushi Basketball Club, shall be restricted from engaging in basketball-related activities within 3 years from the date of the penalty decision [4].

This scandal not only negatively affected the team in suspensions and fines. Most importantly, the team will be facing a severe impact from a marketing perspective. From the consumer brand equity perspective, the brand image will collapse with many consumers. Due to the fact that the brand might be associated with the incident, this would damage the brand association. Moreover, from the social identification perspective, it is much harder to be identified with a team that is involved with this level of scandal [4].

## **4. Branding**

### **4.1. Social Media**

As of 2023, the Shanghai Sharks are at a relative disadvantage in terms of followers in major mainstream Chinese media. On Douyin, the official Shanghai Sharks account only has 77,000 followers, while the Beijing Ducks have a nearly 200,000 fan count. Meanwhile, the current ecosystem of the Shanghai Sharks is relatively negative. The team is often associated with the fixed game scandal. On top of that, there are also many posts on Instagram, Youtube, and other non Chinese main stream social media that associates players' bad performance as of trading to the Shanghai Sharks moments. It is very important for the brand to reestablish its brand image and brand association. With that, it can also raise the brand awareness.

### **4.2. Consumer Based Brand Equity**

Brand Equity is a collection of brand assets and liabilities associated with a brand, its name, and symbol, which contribute to or detract from the value supplied by a product to a company or its consumers [5]. It means the added value created by the logo, name, and symbol. The consumer-based brand equity includes many key attributes. There are the brand awareness and the brand image. Furthermore, there is a brand association in which consumers would associate the brand with other elements that can be both positive and negative. First is overall awareness, which includes the the process of consumers recalling the brand and perceived performance of the product. The Shanghai Sharks is a well-known franchise and well recognized around the globe. However, the brand association is a challenge for the Shanghai Sharks. As mentioned before, the Shanghai Sharks were involved in a horrible fixed game scandal. It is important to establish what the Shanghai Sharks represent and disassociate with past scandals. It is essential for the Shanghai Sharks to establish positive brand associations. This includes having collaborations with other top companies. The Shanghai Sharks have already established a collaboration with Bilibili. Bilibili is a comprehensive video community for the young generation in China. According to a report, in 2020, over 86% of users on B-station will be aged 35 and below. As of the fourth quarter of 2021, the average monthly active users of B station reached 272 million. The Shanghai Sharks began their collaboration in 2016. Their collaboration is still continuing as of 2023. Bilibili is a comprehensive video community for the young generation in China. According to a report, in 2020, over 86% of users on B-station will be aged 35 and below. As of the fourth quarter of 2021, the average monthly active users of Bilibili reached 272 million.

### **4.3. Social Identification**

Team identity and social psychological health should be positively associated, according to the Team Identity--Social Psychological Health Model, since identification leads to social ties, which enable well-being [6]. Thus, following a sports team would have a positive effect on social well-being, for that to happen, social identification theory would be essential to look at. Social identification is a

theory in which people try to be part of social groups in which they perceive a relatively positive image of themselves [7]. It is an essential perspective in terms of both branding and fandom for a sports brand. The Social identity theory contains mainly three central tenets. The first one is to be a part of a community in which people are the same or a bit better than their own personal image. Secondly, the desire to stay in the relatively competitive groups compared to other groups while being a respected or consistent member of the group. Thirdly, when their social identity is relatively negative compared to oneself, they tend to want to leave the group [2]. Within research based on sports, the beginning of social identification happens when the personnel starts to have the idea that they support that team [7]. On top of that, however, the definition of social identification theory from key social psychological literature contains more complexity with three dimensions [7]. First and foremost is a being identification by being a member of the group [7]. Secondly, is the evaluation membership in comparison to out-groups and other members of the groups [7]. Lastly, it considers the emotional aspect which comes from judgement and evaluation [7]. As mentioned before, the Shanghai Sharks was involved in a fixed game scandal. On top of that, the ecosystem of its social media reflects negatively towards the team in various ways. Thus, it is important to reestablish its brand and what it stands for. As mentioned before, people would prefer to be in a community that reflects positively upon them self. At the moment in certain major social media, the Shanghai Sharks are often connected by the users to bad performance, poor management, and game fixing. It is hard to attract fans that would identify them self with the group if what they are currently reflecting is negative. From the social identification perspective, the Shanghai Sharks must display a prestigious representation.

## 5. Perceived Service Quality

In Grönroos's service quality model, the service quality perception includes both functional quality and technical quality [8]. These two key qualities also forms the image from the consumers. These contributing factors forms the service quality perceptions. Technical quality is defined as in service product itself, in the case of the Shanghai Sharks, it is their games. From a marketing perspective, it is beyond its control, because the game itself involves many contributing factors that are not part of marketing. However, the functional quality is in deep connection to marketing. The functional quality means the delivery of the product or service [9]. Furthermore, another contributing factor is the environmental service, which is the environment of the product being given to consumers. The Shanghai Sharks had changed its home court for three different times. The Oriental Sports Center's hardware and software facilities, as well as the architecture of the total visual system, may be regarded the best in China as a stadium that has held a lot of basketball tournaments such as NBA China and the Men's Basketball World Cup. It's worth noting that the Oriental Sports Center is only a temporary home stadium of the Shanghai Jiushi Men's Basketball Team; from next season, the team will be based at the new Shanghai Stadium. With a floor size of 40,552 square meters, the building façade preserves the original architecture, and via rehabilitation and enlargement to increase the function, put up moveable bleachers, supporting a number of men's basketball games. The stadium is well suited to accommodate top-level domestic and international competitions and events, with moveable stands and a seating capacity of almost 13,000 seats (including more than 2,000 seats for events) [10].

## 6. Conclusion

With the analysis of different type of fans, along with the research done by Daniel F. Mahony on consumer-based brand loyalty there can be unique strategies done with the Shanghai Sharks to maximize fandom. Moving into one of the most significant challenges faced by the Shanghai Sharks, which is the fixed game scandal that happened in the 2023 season. It has done a very severe damage towards the brand image, brand and brand association which is a part of branding. It is essential to reestablish the brand image and adjust the brand equity, with the purpose of disassociate with the

fixed game scandal. Furthermore, it touches the positive brand association made by the Shanghai Sharks with the Shanghai Bilibili. Moreover, reestablishing the brand equity would also promote more consumers from a social identification theory. From a social identification theory, people are more willing to be a part of community that reflects positive or the same upon themselves. Thus, reestablishing a better brand equity would encourage people to be a part of the Shanghai Sharks community. Lastly, the perceived service perspective. From a marketing perspective, only the functional quality would be considered. The Shanghai Sharks again will be moving into a new home court.

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