

Research on the Current Situation and Development of Chinese Market and Brand Marketing of Sports Events under the Perspective of Fan Economy: Taking NBA as an Example

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Abstract. In the 1980s, the NBA (National Basketball Association) made its inaugural appearance in China, establishing itself in the Chinese public consciousness. Over the following decades, the NBA gradually evolved into a household name in China, becoming synonymous with basketball. The industrial chain formed around the NBA has also generated significant profits. It is evident that NBA's brand marketing plays a pivotal role in this context. However, in recent years, there has been a decline in the popularity of NBA in China. This phenomenon is complex and is associated with a range of factors, including economic conditions and political perspectives. This study reviews the history of NBA brand marketing in China, the strategies that have been employed. At the same time, this study will combine the interview method to analyze the current image of NBA in the minds of Chinese consumers and point out the current marketing problems of NBA China on this basis. It also combines this with the fan economy to describe the future development direction of NBA brand marketing in China.

Keywords: National Basketball Association, Brand marketing, fan economy, localization strategy, social media.

1. Introduction

The marketing process of the National Basketball Association is a compelling case study in global sports branding. While the NBA has achieved remarkable success in expanding its marketing base, including in markets of China [1]. In last 3 decades the popularity of the league has risen at an incredible rate in China, while recently its marketing scale shrunk slightly, the gross profit declined by almost 10 percent in the covid period [2]. This essay reviews some historical cases affecting the league, explores the complexities of marketing of NBA, points out the difficulties encountered thus offering several solutions for current issues.

As the NBA is an international, traditional and vigorous sports league, it is worthy to study its strategies and the measures utilized to solve relevant issues. These can be applied to most existing organizations and companies that have a strong costumers base. The experience of NBA is a great reference.

1.1. Measures in the Research

The approaches to analyze the status of the league includes interviewing, in which the interviewees are diehard fans or experts in sport's marketing. Furthermore, illustration of cases that harmed the reputation of the brand will be here. In another words, this essay will focus on analyzing based on the marketing history of NBA, combining with several cases and giving suggestions.

1.2. Frame of the Essay

1) This study will firstly cover the information of the National Basketball Association (Because it is famous, it will be mentioned in short). Then illustrating the growth of the league in China (Since 1980s), and reviewing the strategies applied to promote the value of brand. For instance, the

localization strategy will be presented. 2) After that, the key point moves into discussion of current condition of NBA marketing in China. Comparing to a decade ago, the fan stickiness has decreased and the continuing popularity is not that promising. 3) Then it shows the experts and fans' impressions of the brand. This part is mainly based on the interview by our group members, through the comparison between different times, the role of NBA has changed in many's mind. 4) Lastly, it is moving towards the most essential part, analyzing the decisions can be made, to alleviate the burden pushed by competitors. Reviewing the content above, scientific solutions will be provided. At the same time, the potential future plans will be made in the essay, they are specific and many perspectives are considered.

2. NBA Marketing History in China

The reform and opening-up program implemented by China in 1978 played a crucial role in shaping the historical context for the NBA's growth in China. In 1979, the reigning NBA champions, the Washington Bullets (now the Washington Wizards), made a trip to China where they engaged in an exhibition match versus the Chinese Bayi Rockets club [3]. This event marked the inaugural introduction of the NBA to Chinese spectators.

Recognizing the significant opportunities presented by the Chinese market, NBA Commissioner David Stern successfully convinced China Central Television to broadcast NBA games throughout mainland China in 1989, demonstrating great patience in the process [4]. Following that, the NBA experienced a substantial increase in popularity due to the growing availability of television in China.

The NBA's incorporation of Yao Ming as the first overall draft pick in 2002 significantly bolstered its impact in China, resulting in a greater number of Chinese fans being drawn to the league. The foundation of NBA China in 2004 not only indicated the NBA's acknowledgement and expectation for market expansion in China but also represented the initiation of the NBA's localized operational approach.

Subsequently, the NBA has strengthened its alliance with Chinese firms, which includes forming digital media partnerships with Tencent and establishing sponsorship and cooperation deals with various Chinese companies [5]. Nevertheless, the progress of the NBA in China has encountered obstacles because of the 2019 Morey incident and the repercussions of Sino-US diplomatic ties [6].

3. The Present Brand Perception and Marketing Challenges for the NBA in China

3.1. The Present Perception of the NBA Brand

Consumers' perception of a brand is influenced by a variety of factors. One of the most prominent factors for influencing the NBA's brand image in the minds of Chinese consumers is the intricate connection and interplay between sports and politics, especially in the wake of international tensions between the United States and China and the 2019 Morey incident. Taking the 2019 incident as a turning point, after this, the NBA adopted a more cautious marketing approach in China, strengthening links with the Chinese government and showing support during sensitive periods such as the Covid-19 epidemic [7].

Another prominent influence is the brand-to-consumer touch points. The "NBA Content Ecology White Paper," published by Tencent Sports, suggests that fragmented viewing is replacing conventional screen entertainment [8]. Furthermore, the average duration of users' viewing time has been determined to be 21-22 minutes. The NBA has formed a contractual agreement with TikTok. The year 2018 marked the beginning of NBA's short video era, which enhanced the interaction between the NBA and its audience, and further strengthened the NBA's brand influence in China [9].

To obtain a comprehensive comprehension of the NBA's present brand perception among Chinese consumers, three consumers were selected at random and interviewed regarding the NBA brand. To safeguard the privacy and confidentiality of the interviews, each interviewee was assigned a

pseudonym and was not requested to disclose additional personal details. Each interview had an average duration of 20-30 minutes and was summarized and transcribed once it was finished.

Interview A: This interviewee exhibited a more favorable initial perception of the NBA, commencing her NBA subscription at the encouraging of others and acquiring knowledge pertaining to the league via online platforms and social media. According to her perspective, the NBA is closely connected to recognized athletes, and she contends that their trials and triumphs on the basketball court symbolize the faith in the sport. She is particularly impressed by the NBA's marketing activities, which consist of enjoyable games that incorporate a charitable element, such as preseason games. Nevertheless, her perspective on the contemporary NBA has shifted, as she now holds the belief that the constant turnover of players and the diminishing level of gameplay have had an impact on her overall perception, resulting in a feeling of detachment.

Interview B: Like the interviewee in Interview A, this individual was prompted by people in his social network to develop an interest in and appreciate the NBA. He regards the NBA as a highly influential and widely recognized brand, asserting that its commercialization has expedited the expansion of the basketball industry overall, leading to increased business prospects and sources of income for players. Nevertheless, he also expressed skepticism towards the progress of the contemporary NBA and the caliber of the game, contending that its excessive commercialization has resulted in a decrease in the excitement of the game, and that the constant turnover of players has diminished the distinctive traits of each team.

Interview C: The interviewee regards the NBA as a symbolic representation of international basketball, evoking sentiments and recollections. However, he expresses concerns regarding the evolution of the current NBA, asserting that it has waned in allure and is no longer as captivating as its predecessor. He states that while the NBA wields a substantial worldwide impact, it should preserve the fundamental nature and allure of the sport of basketball.

Based on the previously mentioned interviews, all three interviewees have seen a change in their impression of the NBA. Initially, the interviewees associated the NBA with the concept of basketball, symbolizing effort and honor. Currently, the perception of the NBA has transitioned to a more commercialized image. The transition towards commercialization has diminished the fundamental competitiveness that the NBA is intended to represent.

3.2. NBA's Current Marketing Issues

As can be seen from the interviews above, most of the interviewee's first impression of the NBA is the famous basketball stars. It is undeniable that star effect is one of the main ways of NBA marketing, which can not only quickly increase the popularity of the team and enhance the consistency of the team's fans, but also increase the attractiveness of the game itself [10]. Star players, such as LeBron James and Stephen Curry, play a vital role in ticket sales, merchandise sales, sponsorships, and brand image building for their teams, and the NBA's significant increase in influence and awareness in China can be attributed to the addition of Yao Ming, a Chinese athlete, who joined the NBA's Houston Rockets in 2002.

However, in recent years, the NBA has not seen the emergence of superstars like Michael Jordan, Kobe Bryant, or LeBron James who can represent a particular team. At the same time, frequent transfers of NBA players have become the norm, which poses a challenge to fans' loyalty and sense of belonging. As mentioned by respondents in interview A, the frequency with which players change teams makes it difficult for fans to develop a deep emotional connection. This phenomenon of multiple transfers in a short period of time makes the emotional connection between players and teams vulnerable, and fans and spectators gradually lose their sense of belonging to the team, which in turn affects fans' recognition of and loyalty to the NBA brand [11].

In addition to the above, the NBA's control over the Chinese market has declined. One of the major reasons for this result is the lack of Chinese star players or Chinese-American star players in the NBA. When Chinese star players such as Yao Ming and Yi Jianlian are in the NBA, they are excellent marketing material for the NBA in China. By using the players to narrow the distance with Chinese

consumers, it makes it easier for Chinese viewers to develop a sense of attachment, which in turn makes it easier to form brand loyalty to the NBA, which means viewing behavior and related consumption behavior. Another important reason is the influence of politics on sports games. After the turning point, the Morey scandal, the Chinese government banned the broadcasting of NBA games in China. Undoubtedly, this is a heavy damage to the NBA, and it is very likely to lead to the shrinking of the Chinese market [12]. Therefore, it is not hard to notice that the NBA's ability to control the Chinese market has declined greatly compared to the past.

4. Potential Future Directions for NBA Brand Marketing

4.1. Use Advantage of Chinese Market

The follower economic climate is entered around fan feelings, and with follower involvement, communication, and dissemination, it achieves the improvement of brand value and the change of business rate of interests. The NBA has a significant fan base in China, and these followers have a deep psychological identification and loyalty to NBA games and gamers. Consequently, deeply using the follower economic situation potential of the Chinese market will certainly become a crucial direction for NBA brand names to market in China.

Particularly, the NBA can even more boost the vitality of the fan economic climate via the list below ways: to start with, enhancing the procedure of social networks platforms, attracting even more fans to take note and take part by publishing interesting and interactive material; The secondly is to arrange online and offline tasks, such as fan meetings, basketball training school, and so on, to improve the interaction and link in between fans, gamers, and groups; The third is to introduce NBA themed derivatives and product to satisfy the collection and usage demands of followers.

4.2. Enhance Global Teamwork for Brand Growth

Cross boundary cooperation is just one of the vital methods of brand name marketing. By collaborating with brands in other areas, it can accomplish source sharing, corresponding advantages, and boost brand name awareness and influence. The cross-border cooperation of NBA brands in the Chinese market has accomplished specific outcomes, however there is still area for further growth.

In the future, the NBA can actively look for brand name collaborations with style, enjoyment, technology, and various other fields. For example, teaming up with fashion brand names to introduce co-branded jackets, tennis shoes, and various other items to meet customers' search of fashion and uniqueness; Collaborate with the show business to hold concerts, concerts, and other activities to draw in the interest of even more young consumers; Work together with technology brands to develop basketball games, virtual reality watching experiences, and improve customer communication experiences.

4.3. Improve Localization to Excel in China

Localization strategy is among the important aspects for brand names to be successful in the international market. For NBA brands, strengthening localization methods and far better incorporating right into the Chinese market and society will help boost their competition in the Chinese market.

To start with, the NBA can enhance participation with neighborhood Chinese enterprises and brands to jointly promote basketball culture and occasions. By teaming up with regional brand names, NBA can better understand the requirements and characteristics of the Chinese market, and create advertising and marketing approaches that are extra in line with the taste of Chinese customers.

Secondly, the NBA can reinforce teamwork with Chinese media to boost brand name exposure and influence in the Chinese market. By collaborating with mainstream media, the NBA can broaden the insurance coverage of occasion coverage and increase audience focus to the event; At the same time, through teamwork with new media, NBA can much better make use of the Web and social networks platforms to communicate and spread out with fans.

On top of that, the NBA can enhance cooperation with the Chinese basketball sector and advertise the growth of Chinese basketball. Through collaboration with establishments such as the Chinese Basketball Organization and basketball clubs, the NBA can share advanced basketball techniques and experiences, and enhance the general degree of Chinese basketball; At the same time, NBA brands can additionally broaden their influence in the Chinese market by collaborating on basketball competitions, training programs, and various other activities.

4.4. Promote Sustainable Branding for a Positive Image

While pursuing commercial interests, NBA brands should also concentrate on lasting growth, actively meet social duties, and form a positive and healthy and balanced brand name photo.

To start with, the NBA can concentrate on environmental management and public welfare, and via taking part in environmental tasks and sustaining public welfare jobs, it can convey the brand name's sense of social duty and favorable energy. This cannot just enhance the brand name image, but also aid bring in even more socially liable customers to focus and support.

Second, the NBA can strengthen young people basketball education and training programs, advertising the popularization and development of basketball in China. By hosting basketball summer season camps and supplying scholarships, the NBA can assist more youngsters to engage with and recognize basketball, cultivate their passions and abilities; At the same time, these jobs can likewise convey the brand name's value and approach, enhancing the brand name's understanding and reputation in the Chinese market.

4.5. Cross-Border Collaboration for Diverse Brand Growth

Cross boundary collaboration is one of the vital means of brand name advertising and marketing and an important way for NBA brand names to achieve varied growth in the Chinese market. In the future, the NBA can proactively seek cross-border participation possibilities with fashion, amusement, technology, and various other areas to develop a much more varied brand name photo and product.

First, the NBA can collaborate with style brands to introduce carbon monoxide branded jackets, sneakers, and other products, integrating basketball components with style aspects to attract even more young consumers to take note and purchase. Second, the NBA can team up with the entertainment industry to hold concerts, performances, and other occasions, integrating basketball video games with amusement tasks to create an extra decorative and enjoyable basketball cultural experience. Furthermore, the NBA can collaborate with innovation brands to develop innovative items such as basketball video games and virtual reality viewing experiences, making use of technical means to boost customer communication and involvement.

With cross-border collaboration and varied brand name growth, NBA can expand brand name impact and market share, while giving customers with even more diverse and tailored products and services.

In summary, the future prospective instructions of NBA brand advertising and marketing in China include deeply exploring the financial possibility of followers, increasing cross-border cooperation areas, reinforcing localization strategies, and focusing on lasting growth. By continually innovating and boosting advertising and marketing strategies, NBA brand names will certainly have the ability to better adjust to the adjustments and needs of the Chinese market, attain long-term advancement of the brand name, and optimize its value. At the same time, this will certainly additionally give beneficial recommendation and inspiration for the advertising and marketing of other sporting activities event brand names in the Chinese market.

5. Conclusion

This study firstly reviews the development and marketing history of the NBA in China, combines the interviews to introduce the changes of the NBA's brand perception in China, points out the current NBA marketing due to the lack of star effect and other problems caused by the lack of a sense of

belonging, the decline of fan loyalty and other problems, and in the last part puts forward the emphasis on the fan economy, strengthen cross-border cooperation, and continue to strengthen localization strategy and other suggestions for the future development of the NBA.

There are still shortcomings in this study, for example, there are fewer interviewers to have a wider sample. Due to the limited time for the research, the researchers' ability and experience, they were unable to further interview more people or authorities in the field to have a deeper understanding and wider perception of the NBA's current brand perception in China.

Therefore, there may be some omissions in presenting the findings of the NBA's future development. Further improvements can be made in future research by choosing to interview more people to obtain brand perceptions that are representative of the majority of consumers, or by choosing a questionnaire for further data collection and research.

Based on the research in this study, future research can further investigate the role of various factors affecting NBA's brand perception among Chinese consumers, find out the main influencing elements on brand perception through research and analysis, and propose more specific marketing programs on these influencing elements.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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