Team Operations Strategies of NBA and Its Impact on Team Development

Zijian Huang *

St. Andrew Episcopal School, Maryland, The United States

* Corresponding Author Email: z27huang@saes.org

Abstract. With the epidemic basically over, the development of the team has returned to the right track, and fans can also come to watch the game. First, the article will introduce the history of NBA and the development of management style. This paper will analyze different team operation strategies from multiple perspectives, as well as the advantages of different strategies and their impact on team development. And put forward some suggestions for the development of the team. Some suggestions will also be made for the development of the team. The aim of the study is to improve the under-developed team. The article will use the method of concrete case study and choose successful and failed teams as examples to study. The passage will analyze the differences between successful and unsuccessful teams in terms of marketing and other aspects of publicity, to conclude why the team is successful, and also to summarize the operation methods suitable for each team. Last, the passage also explains the methods of NBA operation under different environments and the suggestions for the operation of some teams.

Keywords: NBA, Operation, Marketing strategies.

1. Introduction

The research background of this paper is based on the fact that the epidemic is basically over, and everyone's life and travel are back to normal, so we can better study the different results brought by different operation methods. The significance of this paper is to analyze different operation methods to provide some suggestions to the current marketing teams that are not so good. First of all, this paper will introduce the operation methods in a general way, and then prove the effect of these methods through specific examples. The following article will first introduce the development process of NBA from the beginning, then introduce the operation method, and then give specific examples to illustrate, and finally provide some solutions for the team [1].

2. Overview of the NBA and Team Operational Strategies

The NBA's origins in 1946, following World War II, stemmed from a society seeking relief through sports as a primary outlet. Eleven hockey arena owners collaborated to establish the Basketball Association of America (BAA) to address venue vacancy rates and boost arena revenues. Walter A. Brown, a key BAA initiator, laid the league's foundation with four core principles: team owners' substantial assets, strong financial backing for the professional league, athletes' focused dedication, and a player reserve system to maintain team strength.

Transitioning from the BAA to the NBA, the league incorporated the National Basketball League (NBL) in the 1949-1950 season, marking a significant milestone in its formative years. It was during this era that David Stern emerged as a pivotal figure reshaping the NBA's trajectory. Starting as a legal advisor in 1978, Stern's rise to the NBA's fourth president in 1984 was characterized by his exceptional salesmanship. Over his 30-year tenure, Stern used effective commercial packaging, star player strategies, and international promotion to make the NBA a global sports powerhouse. The NBA's annual revenue surpassed $3 billion, and its presence extended to 215 countries in 43 languages. Stern's visionary leadership not only birthed the NBA, WNBA, and NBDL but also expanded its influence into various sectors, creating a vast sports and entertainment empire [2].

Central to the NBA's marketing strategy are three pillars [1]: players, teams, and games. The crux of the NBA's brand revolves around the amalgamation of "event + team + star," underpinned by the desire to provide users with an enhanced game-watching experience, the foremost user demand. With "the world's highest level of basketball competition" as its core ethos, the NBA's brand competitiveness is constructed around various events like the regular season, playoffs, All-Star weekend, and exhibition games. These spectacles, enriched with captivating elements like shooting competitions, skill challenges, and Slam Dunk contests, captivate global audiences and enhance brand engagement.

Within the realm of team dynamics, the NBA encourages individual teams to nurture their unique cultures, develop basketball stars, and orchestrate fan-oriented activities. Stars, a veritable driving force, wield immense influence on a team's success rate, fan base, commercial value, and overall team culture. Consequently, star development remains a paramount aspect of team operations. After years of strategic refinement, the NBA's identity is closely intertwined with its roster of iconic superstars. Names like Jordan, James, Kobe, Chamberlain, Bird, GDP, O'Neal, Curry, Durant, and Iverson have become synonymous with the league, underscoring the pivotal role stars play in shaping the NBA's narrative.

3. NBA Team Operation Strategy Analysis

3.1. Team Staffing and Player Trading Strategy

First of all, the salary of the players on both sides of the trade is basically equal. This is the basis for the "trim" transaction that the field heard, and the origin of the "transaction header". A team that needs a superstar has to use multiple chips to get it. Trade Rule 2: Draft picks, draft signings, and even cash can be involved in the trade. Draft picks and signing rights for rookies do not take up cap space at the time of trade. This applies both before and after the draft, until a player signs a contract. Once a rookie signs with a team, his trade value becomes an actual salary. Therefore, draft picks, draft signings and cash are good bargaining chips to get a deal done. In the popular "superstar bonding" activities, many teams' chips are obviously not enough to impress the other side of the negotiating table, so they have to pay the future, using "players + multiple draft picks and cash" to impress the other side. Trading rule three: trading special cases, there are many special cases, we pick a few famous [3].

Besides, is the “Larry Bird Clause”. A player who has played at least three seasons, has not been fired during that period, has not changed teams in free agency to qualify for this, can be re-signed even if the team's salary is above the salary cap, and the amount can be Max. The contract can be signed for up to seven years, with annual salary increases of 12.5%.

3.2. Team Branding and Fan Interaction Strategies

Effective brand building and promotion strategies have been key to the NBA's success, with a strong focus on 'player quality' and 'media promotion.' Ensuring player quality involves the selection of players with a positive impact and a high level of skill from around the world. Building on this foundation, the NBA invests in comprehensive public relations training for its players, teaching them how to engage with the media and establish positive relationships, thereby maximizing their exposure.

When it comes to marketing communication with fans, the NBA has demonstrated remarkable success. The league produces over 500 high-quality programs annually, and its official website ranks among the most popular in the world of sports. Additionally, the NBA actively releases star cards, collectibles, video games, and other related merchandise, catering to fans' diverse interests and passions. Moreover, the league organizes numerous philanthropic activities, strengthening its connection with the community and demonstrating a commitment to social responsibility. In essence, the NBA's multifaceted approach to brand building, media engagement, and fan outreach has contributed significantly to its prominence and enduring popularity in the world of sports and entertainment [4].

3.3. NBA Arena Experience and Digital Operations Strategy

The success of today's NBA is about maximizing the viewing experience in addition to great players and a high level of competition. The NBA views the viewer experience as a key strategy for increasing fan loyalty and attracting new fans, and much of the success of this strategy can be attributed to a variety of innovative and interactive programs that have been rolled out in partnership with multiple parties over the decades.

First, the NBA attaches great importance to the audience experience in the stadium. For example, it sets up LED screens in the stadium to show slow motion to the audience and display the intense process of the game from different angles. It also introduces real-time interactive features in live game broadcasts to provide fans with real-time interactive opportunities to better engage the audience in the game. The construction of NBA arena facilities is an important aspect of the league's pursuit of a high-quality, multi-functional experience. In order to make the arena a multifunctional arena integrating entertainment, culture and technology, the NBA has adopted a variety of strategies and technologies: 1) multimedia technology: NBA Arena adopts the latest multimedia technology, such as high-definition video and audio systems, LED video walls, AR and VR technology [5]. This can bring an immersive viewing experience and further attract fans. 2) Environmental Protection System: NBA Arena adopts green systems, such as intelligent lighting system, renewable energy utilization technology, rainwater recycling system, etc. to ensure the sustainability and environmental protection of the arena. 3)Catering and retail: In addition to traditional hot dogs and beer, NBA Arena offers a variety of gourmet and specialty catering, as well as themed retail outlets selling each team's fan products, to meet the shopping and consumption needs of fans. 4)Interactive system: NBA Arena adopts interactive systems such as smart seats and in-game information to enhance the entertainment experience and audience interactivity. 5)multi-functional facilities: NBA Arena creates multi-functional facilities such as VIP boxes, fitness centers and children's entertainment areas to meet the needs of audiences of different ages.

The construction of NBA arena facilities is geared toward providing a high-quality, versatile experience. Various strategies and technologies, including multimedia technology, environmental sustainability systems, interactive features, and more, are employed to transform the arena into a multifunctional space that seamlessly integrates entertainment, culture, and technology. These state-of-the-art arena facilities and services not only elevate the fan experience but also serve as magnets for a broader audience. As a result, they generate increased business opportunities and revenue streams for both the league and individual teams.

In addition to in-court attendance, the NBA focuses on an interactive online fan experience. To this end, the NBA has adopted a variety of strategies, such as utilizing social media to reach out and facilitate communication and providing online tracking services. At the same time, the NBA has also partnered with a number of technology companies to launch various apps and games to better attract, serve and interact with fans around the world.

What about in digital operation, the NBA innovates live broadcast technology: how the NBA optimizes the quality of live broadcast through digital technology and how to create a platform for fan participation [6].

In terms of live broadcast technology, the NBA actively explores the application of digital technology, constantly optimizes the quality of live broadcasts and creates a platform for fans to grasp: 1) 4K HD Live Streaming: The NBA has enabled 4K HD live streaming technology, which means that the NBA can provide fans with clear, unparalleled picture quality and visual experience, allowing fans to experience the game in a more immersive way. 2)multi-camera shooting: The NBA has adopted a multi-camera shooting program in the Finals, which allows fans to freely choose different images to switch perspectives during the live broadcast, enhancing the viewing experience. 3) Real-time commentary and statistics: NBA Live is also equipped with real-time commentary and statistics. The commentator can explain the process of the game and the performance of the players to the audience, and obtaining the live information will also allow fans to have a more in-depth understanding of the process of the game and entertainment. The statistician will collect various data

of the players during the game, such as scores, steals, rebounds, etc., so that the fans can have a deeper understanding of the performance of the players. 4) Virtual Interaction: The NBA has also introduced a virtual interaction feature that allows fans to chat with other fans during the game, share opinions and comments, and participate in various plays during the game [7].

All in all, the NBA is committed to creating a fan-engaged live streaming platform and continues to explore and utilize digital technology to provide fans with a better viewing experience.

4. The NBA's Differentiated Business Operations Strategy

4.1. Globalization Promotion

Before 1998, the NBA basically gave away content and signals for free, and only broadcast advertisements during the program, which created a deep fan base for NBA promotion around the world. After that, the NBA launched the Basketball Without Borders campaign, and NBA teams left North America to fly around the world to host games, practice, and search the globe for good basketball players to enter the league. At the same time, the NBA continues to expand its global television network, allowing fans in more parts of the world to enjoy NBA games on television. For example, The Houston Rockets selected Yao Ming from China with the first overall pick in 2002, which directly opened the NBA market in China and globalized the NBA. Yao's entry into the NBA has led many Chinese to pay attention to the game, greatly increasing their global influence. The Rockets, who have gained the most profits, have also strengthened cooperation with Chinese fans, not only printing Chinese characters on their jerseys, but also sending blessings during traditional Chinese festivals. These moves have also attracted many Chinese fans to the team, and even if they can't come to the games, watching TV and buying Rockets merchandise has increased the Rockets' economy.

4.2. Screening of Business Partners

Furthermore, in the process of selecting business partners, the NBA places emphasis not only on revenue potential but also on the partner's overall influence. Collaborating with influential partners is seen as a strategic approach to enhance its own appeal. Some notable partners of the NBA include industry giants such as Adidas, Nike, Reebok, Coca-Cola, McDonald's, AOL (America Online), TNT, ESPN, Disney, Time Warner, Lego, Nestle, Li Ning, Anta, Toyota, and others [8].

4.3. Trademark Licensing and Product Line Expansion

Lastly, product extension is infinite. The game is the main product of the NBA, but it is only the tip of the iceberg of NBA products, and there are many activities, such as the All-Star game, the draft convention, training camp, etc., are products directly extended from the game. In addition, the NBA also produces and distributes a variety of exciting digital products, including game tapes, videos, music, images and more. The NBA has also successfully expanded the brand into other areas, including NBA stores, NBA restaurants. The NBA's international licensees provide NBA licensed products to fans in more than 100 countries on 6 continents. In order to effectively diversify, the NBA has set up asset management companies, entertainment companies, television and news media companies, and so on.

5. Analysis of Successful Case-Houston Rockets

The Houston Rockets' 2002 operational strategy, highlighted by Yao Ming's strategic acquisition, showcases remarkable foresight and planning. Their meticulous approach involved extensive scouting, data analysis, and background checks to identify a transformative talent. What sets the Rockets apart is their pioneering global collaboration. Recognizing basketball's international appeal, they engaged with international networks, leading to a groundbreaking partnership in China and Yao Ming's discovery.

Their planning extended to Yao Ming's integration, providing language support and a nurturing environment. This approach not only harnessed his talent but also connected the Rockets with global fans emotionally. The ripple effects included on-court success and global brand recognition, setting a precedent for sports franchises navigating the global landscape.

In retrospect, the Rockets' handling of Yao Ming in 2002 serves as an enduring lesson in operational excellence, offering a blueprint for sports organizations aiming for short-term success and long-term global brand elevation.

6. Analysis of Successful Cases- Detroit Pistons

The Detroit Pistons' off-court operational strategy during the mid-2000s, following their triumphant 2004 NBA championship, reveals a complex narrative of operational challenges that contributed to a decline in their sustained success. Beyond the arena, the Pistons grappled with various issues, spanning player development, strategic maneuvers, and community involvement.

One salient issue that marred their operational approach was their difficulty in nurturing emerging talent away from the hardwood. Diverging from the playbook of successful franchises, which invest significantly in cultivating young prospects, the Pistons found themselves lacking in this essential aspect. Their failure to establish a robust player development pipeline led to an aging roster, devoid of the youthful energy required to maintain competitiveness over the long haul.

Their off-court decisions, notably in roster management, further compounded their operational hurdles. In contrast to astute organizations that make cohesive, forward-looking moves, the Pistons engaged in questionable trades and signings that disrupted the team's equilibrium. The resulting discord between these actions and the team's established playing style sowed confusion on the court, eroding the unity and coordination that had been pivotal in their championship campaign.

Moreover, the Pistons encountered difficulties in expanding their brand's footprint beyond their core fanbase. While their more accomplished counterparts adeptly leveraged global markets and harnessed media outreach, the Pistons struggled to forge meaningful connections with international audiences and younger demographics. This oversight hindered their capacity to tap into the burgeoning worldwide enthusiasm for basketball, missing out on potential revenue streams and the chance to cultivate a more extensive and diverse fan following [9].

7. Solutions for Future Development of NBA Teams

7.1. Player Development Investment

To counter their struggle with nurturing emerging talent, the Pistons could have established a robust player development program. This program would focus on grooming young players, enhancing their skills, and integrating them into the team's playing style. Regular coaching and mentoring for rookies and prospects would help maintain a balance between experienced players and youthful energy on the roster.

7.2. Strategic Roster Management

Instead of engaging in questionable trades and signings, the Pistons could have adopted a more forward-looking approach to roster management. By aligning player acquisitions with their established playing style, they could have maintained on-court unity and coordination. Analyzing long-term player compatibility and potential contributions would have reduced the disruptions caused by incompatible roster changes [10].

7.3. Global Branding and Outreach

To overcome difficulties in expanding their brand beyond the core fanbase, the Pistons could have actively pursued global marketing opportunities. Partnering with international events, participating in overseas exhibition games, and leveraging social media platforms could have helped them connect

with diverse audiences. A targeted effort to reach younger demographics through digital platforms would also contribute to a wider and more engaged fan following.

7.4. Data-Driven Decision-Making

Implementing data analytics to evaluate player performance, potential acquisitions, and fan engagement strategies would have led to more informed decisions. This approach would minimize subjective biases and enhance the effectiveness of the operational strategy.

8. Conclusion

The full text summarizes the operation method of NBA and interprets the good and bad of different operation methods and their significant impact through detailed success and failure cases. Emphasis was placed on different ways of operating such as global operations, criteria for selecting sponsorship partners, and the impact of additional extended products. As for the discussion of future development, with the development of The Times, both the league and the team's operation mode and method need to adapt to The Times to change, so as to keep pace with The Times. With a better operational strategy, not only will the team's results improve on the field, but the fans off the field will also be more supportive. The restrictive discussion in this article is based only on theoretical knowledge and previous examples and may not be applicable to the changing world and alliances today. As for the future development of the research direction of this paper, I think we can summarize the reasons for successful teams and provide the most suitable methods for each team to facilitate their better marketing.

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