

Research on the Strategic Development of Sports Events under the New Environment: NBA All-Star

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Abstract: In this paper, this paper takes NBA All-Star Game as the research object and uses SWOT analysis to study the influence of NBA All-Star Game on NBA itself and host cities.

1 INTRODUCTION

The NBA All-Star Game was first held by the National Basketball Association on March 2nd, 1951, and has evolved into an annual exhibition game featuring NBA stars. Each year, the best players from the eastern and western regions form two teams to play a match to decide the winner. The modern All-Star game has evolved into a three-day All-Star Weekend. On October 4, 2017, the All-Star game was reformed to eliminate the previous East-West rivalry and adopt a mixed team of two All-Star captains selected from the selected players. Each team's starting lineup is determined by a combination of fans, players, and media voting. The head coach should select seven reserves from their respective divisions for a total of 12 players. Besides, coaches are not allowed to vote for their players. If a designated player is unable to play due to injury, the NBA commissioner selects a replacement.

On 2003, the NBA firstly operated online voting for fans worldwide. It meant that people all over the world can vote as long as they have an account. Beneficially, it made NBA transform into a league that has a global impact. However, there was still plenty of negative influence. For instance, many local people, including fans and media reports, were extremely annoyed with this online voting system. After 10 years, under the complaint and criticism from external environment, the league finally decided to revise the voting process. They maintained the online voting

system but changed it into a weighted process-fans 50%, players 25%, and media 25%. It kept fans' participation in games and strengthened the professionalism and publicity of voting.

In 2018, the NBA revamped the All-Star game format. Instead of "East V.S. West," which their lineups are determined by the voting order separately from each conference, the game format changed into "NBA All-Star draft," which means two team leaders who are "the top vote-getters in each conference" has the right to pick their teammates (Bissada, 2021). In comparison, "NBA All-Star draft" and "East V.S. West" attract nearly identical spectators. But the external factor influences the result. This game system still needs to be tested.

In this passage, the authors will mainly analyze NBA All-Star Game, focusing on essential revolutions, the economic impact on NBA and host cities in SWOT analysis, and the distinction between NBA and NFL.

2 DATA AND METHOD

SWOT analysis, based on internal and external competition environment and competition under the condition of situational analysis, is closely related to the object of study of various main internal strengths, weaknesses and external opportunities and threats, and so on (Brand all-stars of the NBA. Hookit, 2020). Through the investigation list, and according to the

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matrix form, and then use the thought of system analysis, SWOT is an analysis of factors to match each other. It draws a series of corresponding conclusions, which are usually of some decision making nature. Using this method, the situation of the research object can become comprehensively, systematically and accurately studied, so as to formulate corresponding development strategies, plans and countermeasures according to the research results. document.

3 RESULT AND DISCUSSION

3.1 Strength

- **Big Four Brand Influence.** Big Four commonly represents the four most influential sports leagues (Brand all-stars of the NBA. Hookit. 2020) - NFL, MLB, NBA, and NHL, in North America. The first three leagues are the most three profitable sports leagues in the world. Moreover, NHL is top 6 as well. Their average year revenues can reach \$13 billion, \$10 billion, \$7.4 billion, and \$4.43 billion (Conway, 2017).

- **Experienced League.** High-performance staff must recognize that key stakeholders within an organization are driven by what is important to them within their context (<https://www.nasca.com/contentassets/ecc9bd5aa1d549fea8dbd8fc058ba140/coach-6.4.2-national-basketball-strength-and-conditioning-association-nbsca-performance-summit-2019>). Until the 2021-2022 season, NBA has already been held for 75 years, and NBA All-Star has also almost 70 years. More than 70-year operation makes the NBA become a mature league, which means that they can deal with any unexpected issues. For example, Kobe Bryant accident and COVID-19. After these two incidents, NBA immediately reacted and set up the solution. On February 16, 2020, the NBA changed the All-Star game format and renamed the All-Star MVP reward for Kobe in 20 days. On July 31, 2020, NBA was restated at Disney (Crupi, 2021).

- **Valuable Commercial.** NBA All-Star has enormous commercial value. NBA has two long-standing partnerships- ESPN (Entertainment and Sports Programming Network) and TNT (Turner Network Television). The New York Times reporter Richard Sandomir announced that the "NBA to announce \$24 billion/9 year deal w/ ESPN and TNT on Monday. Annual average value nearly 3x current deal." (Dunne, Wilson, Nelson, staff, Ross, Roumpis,

Staff, Williams, Fisher, Cronin, 2018). Even MTN DEW is the title partner for the 3-Point Contest and sets up two 4-point shots (ESPN Internet Ventures, 2021).

- **Small Stadium Capacity.** Small capacity would have an advantage on the quality of watching games. Most of the people are sitting closer than others who are watching games in a large venue. So that audiences can blend into the game efficiently, compared to NCAA Final, the audiences who sit at the top have a terrible horizon, only depending on the digital screen, or they cannot see where the ball is. Nevertheless, for a small venue, teams and fans will have a good relationship to get closer to players and game courts. In that case, more and more big fans will consistently support the team and enjoy the game.

- **Supportive Fans.** Communication is considered to be the most imperative characteristic (<https://www.nasca.com/contentassets/ecc9bd5aa1d549fea8dbd8fc058ba140/coach-6.4.2-national-basketball-strength-and-conditioning-association-nbsca-performance-summit-2019>). Because the NBA games are top-rated in the United States, the usual game everyone can buy a ticket to get access to watching the game. However, now the all-star game has changed to the all-star weekend, which lasts for seven days. In this case, many fans will also come from all parts of the world's national, including journalists, electricity transmission, journalists, advertising, sponsor, group, organization, combined with the influx of fans. As long as the person likes basketball, he or she will watch NBA, especially the All-Star Games. Those who watch the NBA Games will know a few basketball stars, and they will be observing these top NBA players compete or perform at the same time. It is the visual enjoyment that fans all over the world at the same time can focus on the same event, regardless of age, gender, countries, as well as places for watching. All of the audiences are full of excitement and appreciation of the beautiful game. NBA All-Star Games also brings the host city TV spotlight, fan spotlight, news spotlight.

- **Accommodation Profit.** During the 3-day NBA All-Star Game, the fans from the world over need accommodation places. So, the hotels around the stadium will earn a considerable amount of profit. According to Hotel Guides, the average rates for Hotels near NBA All-Star Game are ranging from \$71 to \$439 based on the hotels' star rating and distance to Rocket Mortgage Field House, where the 2011 NBA All-Star Game will be played in Cleveland. (Hotel Guides 2021) In this case, the profit during the game will be astonishingly much.

3.2 Weakness

- **Exhibited Game.** Balancing competitiveness and exhibition of the game is difficult. Because the property of All-Star is not fighting for championship or reward, whether players will treat it seriously may become a concern. Less competitiveness means that the game will not be very attractive. However, playing games as final also may increase the possibility of injury, which is harmful to the player's home team. In that case, fewer teams may allow their best player to attend All-Star.

- **Limitation of Stadium Capacity.** As the paper mentioned, small capacity favors the home team, but they are still some issues- low ticket income. Ticket income is the most crucial part of revenue. Furthermore, no matter NFL or MLB, their stadium capacity is always much higher than NBA. For the ticket income aspect, NBA is much lower.

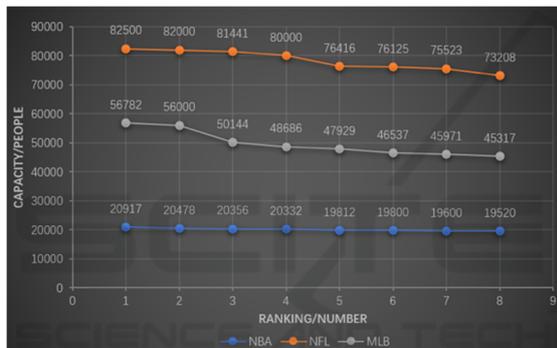


Figure 1: NFL & MBL & NBA TOP 8 Largest Stadium Capacity.

- **Nervous Traffic.** In 2019 Charlotte All-Star (Dunne, Wilson, Nelson, staff, Ross, Roumpis, Staff, Williams, Fisher, Cronin, 2018), it shows that during the games, traffic is one problem that will affect the attendance of audiences, but it also brings severe negative externality to other residents' getting around. Due to the terrible traffic jam, some audiences cannot arrive at the matches on time, thus feeling impatient, which indirectly affects their mood while watching the matches. Even cannot some workers or reporters get there on time. Furthermore, residents living nearby will face difficulty in transportation.

3.3 Opportunity

- **Wide International market.** According to NBA deputy commissioner Mark Tatum, "So we're putting a lot of time and energy in how we become the No. 1 sport in those countries and those continents." (Steven, Gaither, Gaither, 2016) NBA is the most

internationally influential sports league in the world. NBA opened the Chinese market in 2002 when Yao Ming entered NBA. Since then, a lot of Chinese started to follow NBA. Even the NBA arranges the company that deals with Chinese market problems and sets up many local NBA games in China, such as the Jr. NBA and NBA China Games. It has already become the most popular foreign sports league in China now.

- **Prosperous Tourism.** By broadcasting NBA games, the host city gets unprecedented exposure and official publicity on live television worldwide. The massive promotion activities before the game and the large-scale reports of many media will significantly enhance the city's visibility of where the event is held. The increase in the city's popularity will significantly increase the probability of the host city as a tourist destination for people. It will bring a large number of tourists to the host place during the event and have a significant positive impact on the sustainable development of the tourism industry in the place. Hosting the NBA can bring unlimited business opportunities to the local tourism industry and promote the overall development of the regional economy. Tourists spend much more on accommodation, catering, transportation, communications, watching games, and shopping than usual. The level of concentrated consumption is higher, and the tourism income of the host city will increase significantly.

- **Host Cities.** For large and medium-sized cities that have not hosted major sporting events but have the potential to do so, their Urban public construction can have a short-term leap, and the government will make much investment to support urban construction. Especially in developing countries, the central government firmly supports cities to make huge investments. Therefore, both urban construction influences will be directly promoted by large-scale sports events. Moreover, this is the most crucial motivation, which is that now these cities are eager to host large-scale events.

For large international cities with experience in hosting competitions, the cost of his events would be thinly shared. This raises the marginal benefit for the subsequent games significantly. Because by the time the city hosted its first big event (like the NBA), its arena was almost perfect to fit the criterion for holding significant sports events. In this circumstance, for the city's future, the rest of the game will not require much additional revision for infrastructures. In addition, with the increasingly mature experience of holding events in cities, handling emergencies, and controlling labor costs will become increasingly well-rounded.

Therefore, in this case, such cities can reap the economic benefits of hosting a significant event in the aspects such as increasing consumption, tax revenue, and the consolidation of the city's identity card.

3.4 Threat

- **Politics.** Each country has its political style and red lines, which must not touch. As NBA wants to go into this market, they should fit with this country's politics. Being careful with what NBA announces, what NBA does, and what NBA supports is essential. Take Daryl Morey as an example. He publicly expressed his opinion about supporting Hong Kong alone. Undoubtedly, Hong Kong is an indispensable part of China. Daryl's opinion completely conflicted with the Chinese government, and NBA later partially agreed with him. Eventually, it made China boycott everything related to NBA and caused countless revenue damage for NBA. In your paper title, if the words "that uses" can accurately replace the word "using", capitalize the "u"; if not, keep using lower-cased.

- **Other American Sports League.** Many other domestic sports leagues are catching up. The statue NBA have now is threatened. Because spectators of four league are all among the North America, scramble for spectators always is important for Sport League. Although they have already avoid the conflict on schedule, such as different time period in a day and starting at different months, there still be some spectators who flow away since they think one games is more essential than others.

- **Unstable situation.** For cities' lack of experience and ability to host the game this is likely to cause damage to the environment. Public facilities and stadiums will be left vacant after the game, and their maintenance costs will become a financial burden for the citizens. The ups and downs of tourism and real estate will also be detrimental to the city's overall coordinated and sustainable development.

For cities which held many times before, the sudden increase in consumption of large-scale sports events will lead to occasional increases in urban prices, including housing prices, and then inflation and a bubble economy will occur if they do not fall back quickly after the game. This is a massive threat to the development of the city.

4 CONCLUSION

Through the SWOT analysis of NBA economy impact, it can safely draw the conclusion that NBA All-Star is a successful, international exhibition game. Even there are weaknesses and threats, their strengths and opportunity can solve them.

Firstly, NBA All-Star is a game that has extremely high commercial value. NBA would better maximize this aspect. TNT completely sold out all commercials for the All-Star, "According to ad buyers with skin in the game, pricing for Sunday's twin telecasts is largely consistent with last year's rates, which averaged out to around \$185,000 per 30-second spot." (Dunne, Wilson, Nelson, staff, Ross, Roumpis, Staff, Williams, Fisher, Cronin, 2018). NBA has already done their best on media online advertisement level, but they lack improvement on physical spreading. Each brand sponsors an individual reward game is a good beginning; they can advertise more during the All-Star. For instance, restrict the good brand during the All-Star weekend. In 2019 All-Star, the first ten sponsorships are divided into insurance, automotive, food & beverage, apparel, accessories, and telecommunication. On the All-Star game day, limit the venue only or primarily to sell the food and beverage which are sponsorship brands, and to discount these brand goods to attract more consumers to purchase. Furthermore, encourage players to wear sponsorship brands and to put the logo in a prominent position. In that case, NBA can increase the commercial prize will be easy due to more advertising. Both NBA and brands will profit from All-Star because brands can get more revenue from restricting policy, and the NBA can reward more from the commercial contract.

Secondly, enlarge the international influence. "Real market-by-market" (Dunne, Wilson, Nelson, staff, Ross, Roumpis, Staff, Williams, Fisher, Cronin, 2018) would be the most suitable strategy for NBA. For different markets, which has different culture and politics, designing different development strategies is essential. Setting up the local NBA company is the initial plan; the next step would be recruiting more local employees. Even in the United States NBA headquarter, they can increase their diversity to clarify different region conditions. Since the population of international students has increased recently, the demand for job positions is also nervous. So NBA does not need to concern whether people desire this job. Plus, encouraging NBA teams to pick more international players also will be helpful. Yao Ming is a perfect example that NBA can be such

successful in opening the Chinese market are contributed altogether by him.

Thirdly, in order to solve the traffic problem which the game might bring to the host city, here are four possible solutions to apply. Firstly, the sponsors can divide the fans into different groups and assign them to the stadium at different times. In this case, a fans' lounge should also be provided for those who reach the stadium earlier. Secondly, emergency vehicle lanes should be reserved, which no private cars can get unless they have permission. Therefore, the operations of ambulances and firefighting trucks will not be affected, and those who meet accidents can be managed. Thirdly, for those who drive their cars, the parking lot should be divided into parts. This method is feasible because it can help gather the fans of one team, avoiding the conflict between two teams' fans effectively. Fourthly, to ensure the convenience of traffic for the audiences who get to the stadium by public transportation, the time interval between every two subways and buses along the same line should be decreased, as what usually is taking place every morning and evening when people go to work and go back home.

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