

NBA Chinese Marketing Strategic Analysis

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Abstract: NBA has basically completed the early cultivation for the Chinese market through a series of effective marketing strategies since it entered in China more than twenty years ago, which made the Chinese market become the largest overseas market of NBA. Any domestic professional sports league cannot be a rival to its brand influence in China. Currently with more Chinese companies cooperating with NBA, it not only makes the NBA has got huge benefits, but also contributes these enterprises to realize the internationalization through the platform of NBA. Thus it can be seen that NBA marketing model has a strong demonstration effect for the development of Chinese sports industry. The successful hosting of the NBA professional league is a pioneer power for the development of world basketball career. Meanwhile, it also led to the rapid development of sports industry. It has certain use value and significance to explore its integrated marketing communication mode in Chinese market. Using the methods such as literature material law, questionnaire survey and mathematical statistics, as well as combining with relevant theories, this paper analyzes integrated marketing communication model of NBA in Chinese market. Besides, it also explores the marketing strategies adopted by NBA in the Chinese market and analyzes the inspiration of its success in the Chinese marketing to Chinese basketball through the SWOT analysis of NBA operating in Chinese market, hoping to be a reference for the development of Chinese sports industry, especially the Chinese professional basketball league.

Keywords: NBA China; integrated marketing of the market; communication model.

1. INTRODUCTION

1.1 Research Background

In 1896, the first basketball organization of the United States "National Basketball League" (NBL) was established in. However, the organization ceased to exist except in name after several seasons due to imperfect basketball rules and unsound organizational structure. In 1946, the National Basketball Association was founded (hereinafter referred to as NBA), which is one of the four professional league games in the United States. The early marketing of NBA was simply based on the US market. With the trend of globalization, more and more international players joined in NBA, so that it has attracted much interest in countries outside the US, global influence being further improved as well. Facing with huge potential market opportunities at abroad, David Stern, the fourth president of NBA expanded its overseas markets and actively cooperated with foreign markets after coming to power.

In 1986, NBA entertainment mailed CCTV a roll of video tape across the ocean, which is the sixth game tape of NBA finals that was Lakers vs Celtics in 1985. At that time, the video tape immediately set off the fluctuations across the country after being rebroadcasted in CCTV. It was the first time for Chinese fans to see such a high level of basketball match. It was also the first time for Chinese fans to see NBA games on TV with this video tape, at the same time, the prelude of NBA into Chinese market was opened.

After three years, David Stern, a young president of NBA came to China with NBA video tape. At that time, David Stern just took office, and NBA has just begun to have an impact on the global scale under his leadership. Stern took video tape to CCTV's studio and showed the NBA video to staff. He said that he could provide free video tape if it was needed for CCTV. Since then Chinese fans could watch a certain number of NBA games every year. Although the poor effectiveness of these games, it has begun to glut Chinese fans' eyes. And that was when CCTV signed a broadcast agreement with NBA, which could be considered as the first pot of gold for NBA entering into Chinese market.

NBA chose to develop in the Chinese market owing to good market factors possessed. China is a country with a large population, there is solid mass foundation that quite a large number of young people love the basketball. In 2004, NBA China Game let NBA most directly insight into the desired business value obtained from some leading enterprises in China. After the game, Mengniu, Lenovo, Haier and so on cooperated with NBA in succession. Meanwhile, it also got the great repercussions of the Chinese fans as well as the strong interest of domestic enterprises. The value of the Chinese market was obvious so as to raise more interest of NBA. After the end of the game, NBA determined its short-term goals in China that establishes a perfect operating system as soon as possible to meet the future development of NBA in Chinese market.

2. LITERATURE REVIEW

2.1 Theoretical basis on the design of integrated marketing communication model of NBA in Chinese market

2.1.1 Definition of marketing

In the early twentieth Century, the marketing theory was born in the United States, which was the inevitable result for the development and change of its social economic environment. Many scholars have given a large number of definitions for marketing, in which American Marketing Association believed that: Marketing is the exchange process that plans and implements the strategies of goods' service, pricing, promotion, and distribution to create the goals conforming to individuals and organizations. From the point of view of outstanding marketing communication function, it is considered that marketing is the process of transferring the consumer goods from the producer to the consumer.

Western scholars have given different definitions for marketing from different perspectives. E.J.Mccarthy believed that marketing is a kind of social and economic activity to meet the needs of society or people, as well as to realize the social goal. Philip Kotler pointed out that marketing refers to meet the needs and desires through potential exchange by human, a kind of human activity related to the market. From a microcosmic perspective, in 1960, the American Marketing Association considered that, marketing is a kind of marketing activity which contributes the goods from the producer to the consumer by some means. In 1984, Philip Kotler defined the marketing again in such a perspective: Marketing is a kind of function of the enterprise, which should determine whether to meet the needs and desires of consumers, measure and determine quantity demanded, select and decide the target market best serving the enterprise as well as develop appropriate program for products and labor service, and thus to serve the target market (Lan Zili 2009).⁹

2.1.2 Relevant literature of NBA Chinese marketing

Since entering into the Chinese market, especially with the influence gradually expanding, its marketing strategies have attached much attention from many scholars at home and abroad. The following is the literature related to this study.

In August 2008, the article of The spread and influence of NBA in China written on Sports Culture Guide by Huang Fuhua divided the process of NBA entering China into three stages "that were preliminary stage, rapid development and to be a new sports phenomena in China. The author elaborated the impacts of NBA on China from several aspects that were the event of NBA into China, the reason for the rapid development in China and the expressions of NBA becoming a new phenomenon of Chinese Sports in the new period.

In Analysis on the strategies of entering the Chinese market based on the perspective of bilateral market theory, Jiu Shengfeng et al. carried out theoretical and empirical analysis on the strategies of NBA entering into China. The strategies of "shortening the time of convenes phase", "reducing investment cost" and "optimizing the bilateral structure of events" were proposed. This paper analyzes the marketing strategies of NBA into China utilizing the theoretical results, which is more significant compared with other articles.

In master's dissertation of Study for the impact of China NBA promoting in China on the development of CBA League, Ye Bin comprehensively analyzed the opportunities and challenges brought by the promotion of NBA in China, and put forward the development countermeasures such as brand strategy, personnel training strategy and system innovating strategy. Besides, it followed out:

NBA can timely adjust the strategic vision. It focuses on the perfect industry regulations, management system and successful business model, as well as disconnected administrative system and unclear property right of Chinese market. NBA promoting in China contributed to the exchange with CBA; cultivating and improving the countermeasures for CBA League.

3. RESEARCH METHODS

3.1 Design Content of Integrated Marketing Communication Mode of NBA in Chinese Market

3.1.1 Market analysis of NBA integrated marketing in China

The influencing factors on Chinese sports market of NBA mainly are the following several points: the senior administration of enterprise, the suppliers, the marketing intermediaries, the fans, the competitors and so on.

3.1.2 Senior Administration of NBA in China

NBA commissioner, David Stern, the first full-time general counsel of NBA, created NBA as the first of the four major sports league sports almost single-handed. David Shoemaker, the New CEO of NBA, also the former president of the international Women's Tennis Association (WTA), will work with Steve Richard and Qian Jun who are the Chinese CFO and COO of NBA respectively to jointly promote the NBA business in China, so as to promote the rapid development of Chinese basketball. NBA executives, with a galaxy of talents, they are not only familiar with the sports and master its nature and rules, but also know relevant areas of the club's system and rules-making intimately, such as law, finance, management and marketing, which guarantees the harmony and stability of the club's interior environment. On this basis, they also pay close attention to the trend of sports development.

4. EMPIRICAL RESULTS

The results of marketing strategies of NBA in China based on customer value has double effects, which not only enhance the brand value of NBA events, but also increase the visibility of the sponsoring companies, while consumers can buy their favorite goods. These results are mutually influenced. If NBA holds new events or new leagues in china, a new brand image is created, which makes the brand effect stronger in consumers' hearts, so as to arouse their desire to watch the game and buy the product with NBA logo. The motivation such as convenient and efficient purchasing approach and the satisfaction for the needs of fans are conducive to let the fans have positive purchasing behavior, to sell the related products smoothly, to improve the brand value of the event, and at the same time, to drive other events to develop rapidly through integrated marketing communication strategy.

After definitely determining the marketing communication objectives, integrating communication information, selecting the media and implementing the communication projects, the results of marketing communication need to be evaluated. Specifically, the results of integrated marketing communication's efforts are measured according to stated communication targets. For NBA, the results can be transmitted quickly through the click rate of official website of, the sales volume of tickets and other indicators. The results are measured through aspects of recognition of fans to brand, information understanding, the attitude to brand, purchasing intention and so on. All of these communication objectives serve around certain information delivering from club to fans-consumers. The measure after communication can determine whether the ultimate goal-level is achieved, so it is quite necessary. Corrective actions are adopted through the feedback from the objective result. Corrective actions may require a large investment of human and financial resources, the reintegration for elements of communication, the modification for marketing communication strategies, the transformation for different communication carrier combination and so on. Only by measuring goodness of fit of initial objectives and final results, detecting operation status of marketing communication plans so as to improve marketing communication plans and strategies timely, can integrated marketing communication objectives of NBA in Chinese market achieve ultimately.

5. CONCLUSION AND DISCUSSION

5.1 Conclusion

The main conclusions are as follows:

1. According to the theory related to market integrated marketing communication, in China, the market integrated marketing communication mode implemented by NBA include five stages that are plan evaluation, environmental analysis, the formulation and implementation of objectives and strategies as well as the evaluation for communication results. Analyzing some concepts related to NBA management and combining with Chinese specific national conditions, the author believes that the factors of fans-consumers will get more and more attention from NBA. Under the influence of this new marketing environment and the related political and legal, cultural and natural environment, the club operators will attach more and more importance to integrated marketing communication mode.

2. From the diagnoses in this paper, it follows out that NBA regards the male fans as target consumer group, regards Chinese more developed regions as target market, regards China Central Television as well as some provincial TV stations and the second and third-tier cities TV stations as target TV stations for television relaying, meanwhile, it gradually extends to TV stations of other provinces and cities.

3. The marketing management of NBA in China should mainly adopt the localizing strategy and positive marketing communication strategy. Holding NBA China games, cooperating with Chinese enterprises and admitting excellent Chinese players should be conducted based on the clear analysis of correlative factors affecting the integrated marketing of NBA in Chinese market. For the purpose of standing out in the brutal market competition, it is necessary to find appropriate suppliers and intermediaries who can play the maximum role, to enhance the relationship with the fans and to clearly understand the situation of competitors.

4. In china, NBA did not develop market integrated marketing strategies according to Chinese specific laws and regulations, lacked comprehensive cooperation and exchanges with General Administration of Sport of China and CBA, ignored the development of the market for female fans in the choice of target groups, did not work out marketing communication strategies aiming at specific conditions of the groups in different ages and different educational levels, with weakly strengthening their lifelong consciousness for game-watching. The club operators should attach great attention to these deficiencies, so as to steady the influence of NBA in fans' hearts, and thus increasing benefits.

5. The integrated marketing communication of NBA in Chinese market has many implications for Chinses professional league, which are specifically manifested in the following areas: properly treating the basketball players and the level take-off of basketball facilities, introducing foreign players pertinently, developing the institutions of salary cap and luxury tax, establishing good operational mechanism of market, opening up overseas markets, thinking highly of the integration of CBA brand and immaterial assets as well as the e combination of product marketing and brand marketing. Therefore, we should strengthen the promotion efficiency of marketing communication mode, so as to apply it in the sports field more and more fully. As the competition in sport market intensifies, it is necessary for Chinese large-scale sporting events to becomingly draw lessons from successful marketing strategies of NBA, to find their own defects and develop marketing communication strategies suiting their own development. Moreover, the marketing communication model can be more widely used in Chinese large-scale sporting events that its real effect is able to be fully played out.

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