

THE MANAGEMENT OF A HOME: AN ANALYSIS OF  
NBA ARENA MANAGEMENT TRENDS

A Senior Project

presented to

the Faculty of the Recreation, Parks, & Tourism Administration Department

California Polytechnic State University, San Luis Obispo

In Partial Fulfillment

of the Requirements for the Degree

Bachelor of Science

by

Brandon Lewis

June, 2013

© 2013 Brandon Lewis

ABSTRACT

THE MANAGEMENT OF A HOME: ANALYZING OF

NBA ARENA MANAGEMENT TRENDS

BRANDON LEWIS

JUNE 2013

Each NBA arena holds the key to the ultimate fan experience. In order for facility managers to make sure that the arena upholds that ultimate fan experience, it is critical for NBA teams to evaluate which management trends are being best utilized to create the best fan experience possible. The purpose of this study was to examine the trends in management of NBA arenas. Data were collected from the 30 National Basketball Association franchises and operators of the 29 NBA arenas. The instrument used consisted of a checklist and a section for written notes. Results from the study indicated that many of the management trends were categorized into the following groups: food service, entertainment, guest services, seating options, and special arena features. This is a crucial baseline study to be used in the future by NBA facility managers and sport marketers to determine success and shifts in trends.

Keywords: NBA, sport management, facility management, trends, strategies

## TABLE OF CONTENTS

	PAGE
ABSTRACT.....	ii
TABLE OF CONTENTS.....	iii
LIST OF TABLES .....	v
Chapter 1 INTRODUCTION AND REVIEW OF LITERATURE.....	1
Background of Study .....	1
Review of Literature .....	2
Facility Management .....	2
Sports Marketing.....	6
Purpose of the Study .....	9
Research Questions .....	9
Delimitations.....	10
Limitations .....	10
Assumptions.....	11
Definition of Terms .....	11
Chapter 2 METHODS AND PROCEDURES .....	12
Description of Subjects.....	12
Description of Instrument .....	13
Description of Procedures.....	13
Method of Data Analysis .....	14
Chapter 3 PRESENTATION OF THE RESULTS .....	15
Most Common Management Practices .....	15

Food Services Management Practices .....	<b>Error! Bookmark not defined.</b>
Entertainment Management Practices.....	17
Service Management Practices.....	19
Seating Options.....	21
Arena Features.....	22
Chapter 4 DISCUSSION AND CONCLUSIONS.....	25
Summary .....	25
Discussion.....	26
Conclusions.....	29
Recommendations.....	30
REFERENCES .....	31
APPENDIXES .....	36

## LIST OF TABLES

TABLE	PAGE
TABLE 1. Most Common Sport Management Practice by Frequency And Percentage.....	16
TABLE 2. Most Commonly Utilized Food Service Practices by Frequency And Percentage.....	17
TABLE 3. Most Commonly Utilized Entertainment Practices by Frequency And Percentage.....	19
TABLE 4. Most Commonly Utilized Service Management Practices by Frequency And Percentage.....	21
TABLE 5. Most Commonly Utilized Seating Options by Frequency And Percentage.....	22
TABLE 6. Most Commonly Utilized Arena Features by Frequency And Percentage.....	23

## Chapter 1

### INTRODUCTION AND REVIEW OF LITERATURE

#### Background of Study

The National Basketball Association (NBA) is the premier professional basketball league in the world. The NBA currently consists of 30 franchised teams: 29 teams in various cities throughout the United States and 1 team in Canada. The NBA is the best-paid professional sports league, with an average annual salary of \$4.1 million and an average of \$78,975 per player per week (Harris, 2012). With the slogan, “Where Amazing Happens,” the NBA promotes the excitement and drama of the competition between the greatest basketball players in the world. What is truly amazing, however, is the amount of work put in to create the best spectator experience possible while increasing profits dramatically. In order to pay the expensive salaries of the athletes, NBA teams rely on a variety of marketing strategies and techniques to increase game attendance and profits (Dick & Turner, 2007).

NBA teams are spending more than \$1 million a year in marketing their product to potential fans, and until a study by Dick and Turner (2007) analyzed marketing techniques, NBA marketing directors had valued and used the same techniques for nearly 30 years without assessing their productivity. NBA marketing directors have begun to notice the techniques used to increase attendance, but very little analysis has been conducted about the techniques used within the facility to market to spectators already in attendance. Therefore, it is crucial that the facility management and sport marketing trends within NBA arenas be analyzed to determine what techniques are best and most

commonly utilized to market the NBA and its teams. In the present study, the researcher systematically analyzed the use of marketing and facility management in the 29 NBA arenas. The purpose of this study was to examine the trends in management of NBA arenas.

### Review of Literature

Research for this review of literature was conducted at Robert E. Kennedy Library on the campus of California Polytechnic State University, San Luis Obispo. In addition to books and other resources, the following online databases were utilized: SPORTDiscus. This review of literature is organized into the following topic areas: Facility management and sport marketing.

Facility management. Professional and collegiate sports would not be able to exist without facility managers. Leisure and sport services require spectators to spend large amounts of time in the facility with the physical surroundings of the service provided. In a study by Dhurup, Mofoka, and Surujlal (2010), they reported that stadium sportsapes, which include scoreboard quality, refreshments, facility aesthetics, space allocation, stadium accessibility, seat comfort, and stadium cleanliness, have a positive effect on the desire to stay within the stadium and to attend future events (p. 475). As the designs of these facilities grow in functionality, the management of facilities also increases in difficulty. Due to the competitive nature of the sport industry, the roles of facility managers continue to gain importance, and the methods they use continue to evolve. These growing trends include outsourcing, movement towards luxury suites, emphasis on gamification, and attention to accessibility.

The sport experience should not be limited for any potential viewer, which means that every facet of a venue should be accessible to a person of any physical ability.

Accessibility consultants, such as McGuire Associates, assist facility managers and organizations in meeting facility standards dictated by the Americans with Disabilities Act (ADA) regulations (“Facility specialists,” 2011). The ADA was adopted in 1990 to prevent discrimination against individuals with physical disabilities (Pate & Waller, 2012). Ensuring the facility is accessible to individuals with physical disabilities directly relates to attendance concerns faced in professional and intercollegiate athletics.

Attendance at sporting events for individuals with physical disabilities has recently experienced decreases, because these individuals experience social isolation due to their struggle to establish social relationships (Rimmer, Rowland, & Yamaki, 2007).

According to Pate and Waller, facility managers should know about the accessibility and legal requirements required by the Americans with Disabilities Act of 1990. College and professional sport teams depend on game attendance as a main stream of revenue that results from having a consumer on site, and the accessibility and comfort of the facility is one of the main factors in attendance (Hall, O’Mahony, & Viececi, 2010; Rosner & Shropshire, 2004).

Along with the on-court product, sports facilities have also evolved dramatically. McClure (2002) explains:

Today’s facilities are not the brick and mortar structures of the past. They are a collection of highly sophisticated, industrialized, custom fabrications of mass-produced products. As a result, much of the detailed knowledge of construction



cost and technology resides with manufacturers, suppliers, and specialty contractors. (p. 370)

Companies, such as Barton Malow Design and Construction Services or Nauset Construction Corporation, assist with the complicated process by providing sports and recreation construction management, general contracting, and design-build services (“Facility specialists,” 2011). In 1883, the Chicago White Stockings revolutionized sport facilities when the owner decided to cater to the richer fans by offering eighteen private boxes furnished with nice drapes and armchairs, and since then professional sports teams have continued to install luxury suites in their facilities (Rosner & Shropshire, 2004). “Luxury suites are small, private rooms opening toward the court or field that are usually leased to individuals or companies who desire a semiprivate lounge area, typically large enough to accommodate 12 to 20 guests” (Seidler & Miller, 2005, p. 468). These suites are typically leased on multiyear contracts, which allow the tenant company to furnish and decorate the room. Luxury suites are the second-most important revenue stream for professional sports teams, second only to television revenues (Rosner & Shropshire). The increase in revenue provides a competitive advantage over other organizations that do not contain these suites (Seidler & Miller).

Facility managers have always been concerned with fan safety and the fan experience, beginning at the facility entrances and within the venues. Most recently, facility managers have begun to focus their attention to the guest experience in the stadium’s parking areas and tailgate activities in addition to the experience inside the venue. Paul Turner, Director of Event Operations at Dallas Cowboys New Stadium, explains that facility managers can “ensure the same safe and fun guest experience

outside their venues as they would inside by managing the event before the event” (“Operations: Inside,” 2012, p.142). Turner continues by suggesting treating tail-gating as a separate event and applying the same type of planning and resources for managing the event and facility, including creating operating plans for traffic and parking, providing adequate security and medical services, and providing restrooms and trash collection outside the facility (p. 142).

Facility management services aim toward achieving the goals of the team, which usually focuses on maximizing value and fan experience. Economic growth has recently been fostered through outsourcing, especially in the sports business environment (Burden & Li, 2009). According to Kamarazaly (2008), some sports teams have begun to choose to solely focus on the financials while outsourcing facility management, which allows the teams to improve their internal business processes and the overall health of the organization. Many universities outsource their marketing, licensing, and sponsorship functions for their intercollegiate athletics programs. College athletics gain large amounts of revenue by outsourcing these functions to major media rights holders (Burden & Li). For example, Cal Poly contains an agreement with Nelligan Sports Marketing for the outsourcing of marketing, licensing, and sponsorship of the athletic department (Nelligan Sports Marketing, n.d.). Professional teams have also begun to catch on, including the Cleveland Browns who outsource the sales and marketing of their luxury suites to Sports Facilities Marketing Group (Ernst, 2002). Jeffords (2009) discusses one of the companies responsible for the vast growth of this trend, “A mere 12 years after its formation, AEG has achieved international prominence for its creation, development, and operation of its teams, venues, sporting events, and music and entertainment events” (p. 1). AEG

transformed from the owner and operator of one sports team and one facility into a near monopoly with over 50 corporations that own, develop, and operate its facilities and teams (p. 1).

Stemming from the technological era, a new strategy has begun to be utilized within the event industry, which is called gamification. The term ‘gamification’ refers to the “use of video game elements in non-gaming systems to improve user experience and user engagement” (Deterding, Dixon, Nacke, O’Hara, & Sicart, 2011). The Los Angeles Kings of the National Hockey League (NHL) was the first professional sports team to implement full game elements to their website and social networks (Sniderman, 2011). Fans are able to earn points, trophies, and online badges by watching team videos, posting on the team’s web page, sharing team news on Facebook, and participating in other online activities (Sniderman, p. 1). “Earning these points allows the fans to unlock unique rewards including signed memorabilia, messages from the players, behind-the-scene videos, and private arena tours” (Sniderman, p. 1). These prizes are a way of getting the fans to become more interested and involved with their team, website, and business, as well as using the consumer to further promote the team. These techniques used by facility managers keep the fans satisfied during the game experience, but the sports marketer is responsible for getting the fan to the arena.

Sports marketing. While the rest of America struggled during the economic recession of 2008-2012, one industry found ways to excel during hard economic times. Throughout America, people spend their hard earned money on the sport industry, whether it is purchasing specific cable packages to watch games on TV, tickets to attend games, apparel to represent their favorite teams and players, or even magazines that

provide information about up-to-date news. According to Hambrecht, Hambrecht, Morrissey, and Taylor (2011), the professional sports industry has grown to the point where the personal consumption expenditure on the spectator sports segment has reached \$22.4 billion. Each of the four major professional leagues (NBA, MLB, NFL, and NHL) have posted revenue increases every year during the past decade, which has increased the values of sports franchises to record heights (Hambrecht et al.). Some of these increases in revenue are likely a result of improvement of the on-court product, but the most credit should be given to sport marketers working in the professional sport industry.

Sports marketing does not have one consistent definition. Sports marketers and companies have been disputing the actual definition of sports marketing since the idea of using professional sports to sell products was first utilized. There is a common agreement that there are two components to sports marketing: marketing through sport and marketing of sport (Gray & McEvoy, 2005). Gray and McEvoy explain that marketing through sport is using sport as a sponsorship platform or promotional vehicle for companies that market industrial products and consumer products. Gray and McEvoy also define marketing of sport as the process of using marketing principles to market goods and services directly to sports spectators and participants.

Evidence of sports marketing can be seen in many different places. Traditionally, the best way to create relationships with fans was within the sports arena. Many companies utilize the fan experience to build their own brand image, with tools such as stadium signs. According to a Marquette University study, in-arena signage positively impacts sport fans' behavior; the study showed that 57% of consumers could recall at least one arena ad they were exposed to, while another 24% recalled between two and

five arena ads (“What did,” 1992). The same study revealed that rotating signs were 33% more effective than traditional scorers table banners.

As times are changing, society is encountering technological advances and increasingly utilizing the Internet, which has witnessed social media develop into a popular vehicle for discussion all over the world. Using the Internet to market goods or services allows these professional sports teams to communicate things that were impossible to communicate to each customer before. There are 15 clear topics that should be communicated on a professional sports team’s website to engage consumers, including: venue site, shopping locations, event ticket procurement, accommodations, event schedule, local attractions, entertainment opportunities, travel costs, public transport, food and concessions, location of event, parking, safety and security measures, weather forecast and conditions, and traffic conditions (Filo, Funk, & Hornby, 2009, p. 26). Filo et al. found that when these 15 themes are all present on a team’s website, fans are more likely to attend games.

Many companies and businesses have taken the opportunity to join in on the prosperous sport industry. The annual spending estimate for sports advertising and marketing in the United States is \$27.3 billion (Miller & Washington, 2012). Many companies, including Anheuser-Busch and Nike, exclusively advertise to the sports market, which is evident in their respective 81% and 92% of total spending dedicated to sports (p. 45). Many companies have allowed some players to capitalize on this opportunity by signing them to endorsements. Tiger Woods, arguably one of the greatest golfers of all-time, exploded on to the professional golf tour scene in August of 1996 (Farrell, Karels, Montfort, McClatchey, 2000). By the end of 1997, Woods had signed

endorsement deals with Nike, Titleist, American Express, Rolex, and many more opportunistic companies with total endorsement earnings of nearly \$24 million (p. 2). Woods, like many other athletes, gets paid by these companies to represent the brand with their face and athletic abilities.

Summary. Trends in facility management and sports marketing are important to understand when researching management trends in NBA arenas. Managing a sports facility consists of many trends that are integral to providing the ultimate fan experience. The concepts of outsourcing, luxury suites, gamification, and accessibility represent important aspects of managing a facility. Sports marketing is also a critical step to be utilized within a sports organization. The concepts of in-facility marketing, online marketing, advertisements, and endorsements are crucial pieces of successfully creating a brand and fan experience.

### Purpose of the Study

The purpose of this study was to examine the trends in management of NBA arenas.

### Research Questions

This study attempted to answer the follow research questions:

1. Are there management trends in NBA arenas?
2. What facility management and marketing trends are most common in the management of NBA arenas?

3. How do managers use facility management to market the team and the NBA inside the arena?

### Delimitations

This study was delimited to the following parameters:

1. Information on NBA arena management trends was gathered from online resources.
2. Advertising, promotion of the sport, and facility management trends were analyzed.
3. The data were collected during the spring of 2013.
4. Information for this study was gathered using online trends analysis.

### Limitations

This study was limited by the following factors:

1. The instrument used in this study was not tested for validity or reliability.
2. The Internet may not have offered conclusive data to complete this study.
3. The instrument used may not have been inclusive of all management trends.
4. The information for this study may have changed during the process of the study.

## Assumptions

This study was based on the following assumptions:

1. The organizations were truthful with the information being provided.
2. The instrument used accurately represented all NBA basketball teams and facilities.
3. The instrument used accurately represents all sport management trends.

## Definition of Terms

The following terms are defined as used in this study:

Accessibility. extent to which a facility is able to be used by people with disabilities

Best practices. techniques used that are found to be the most successful

Emerging trends. new practices that are becoming more popular

Facility management. techniques used for delivering a sports product within a facility

Gamification. “use of video game elements in non-gaming systems to improve user experience and user engagement” (Deterding, et al., 2011).

Outsourcing. management of facilities by outside companies

Sport marketing. process of marketing through sport and marketing of sport



## Chapter 2

### METHODS AND PROCEDURES

The purpose of this study was to examine the trends in management of NBA arenas. This chapter includes the following sections: description of subjects, description of instrument, description of procedures, and method of data analysis.

#### Description of Subjects

The data were collected from the 30 National Basketball Association (NBA) franchises and operators of the 29 NBA arenas. Most of the teams from the NBA are located throughout the United States, while only one team is located in Canada. The following is a list of every NBA team: Atlanta Hawks, Boston Celtics, Charlotte Bobcats, Chicago Bulls, Cleveland Cavaliers, Dallas Mavericks, Denver Nuggets, Detroit Pistons, Golden State Warriors, Houston Rockets, Indiana Pacers, Los Angeles Clippers, Los Angeles Lakers, Memphis Grizzlies, Miami Heat, Milwaukee Bucks, Minnesota Timberwolves, New Jersey Nets, New Orleans Hornets, New York Knicks, Oklahoma City Thunder, Orlando Magic, Philadelphia 76ers, Phoenix Suns, Portland Trail Blazers, Sacramento Kings, San Antonio Spurs, Toronto Raptors, Utah Jazz, and Washington Wizards. Each team varies in the arena that houses their franchise, but they all have the common goal of providing a positive arena experience that adds to the product on the court. The league uses 29 arenas, with the Clippers and Lakers sharing Staples Center in Los Angeles.

### Description of Instrument

The instrument used in this study consisted of a variety of strategies to manage and market a team in the team's arena (see Appendix A). The instrument was originally developed by the researcher and consisted of a checklist and section for specific notes on each category. To create the checklist, the researcher conducted a pilot study and utilized the 'A to Z guides' of eight of the newest sport facilities in the United States that were not used in the study. These eight arenas were composed of two Major League Baseball (MLB), two Major League Soccer (MLS), two National Football League (NFL), and two National Hockey League (NHL) arenas. The following stadiums attributed to composing the instrument: Target Field in Minneapolis, Yankee Stadium in New York, BBVA Compass Stadium in Houston, Sporting Park in Kansas City, New Meadowlands Stadium in New Jersey, Cowboy's Stadium in Dallas, CONSOL Energy Stadium in Pittsburgh, and Prudential Center in Newark, NJ. The researcher systematically reviewed each website and added every management technique used onto the checklist. Due to the online trends analysis, an exemption for human subjects research was requested and granted.

### Description of Procedures

The subjects of the study were chosen by analyzing every one of the 30 NBA teams and 29 arenas. By analyzing 29 NBA teams' arenas, the entire population will be represented in the study. The researcher used the instrument to check off the strategies that each team used and also noted specifics of each strategy in the note section of the instrument. The researcher first navigated to the official website of each individual team

and then clicked the 'arena' tab. The researcher then inspected the website and checked off each strategy used on the website, as well as noting individual details of trends.

Research was conducted over a week period from March 30 to April 6.

### Method of Data Analysis

The data for this study were examined using Microsoft Excel. Frequency and percentage was used for the management strategies on the checklist to decide which management strategies were used most and least often. The notes section was compared between each trend and examined to determine if there were common trends and cutting edge or emerging trends. The researcher recorded unbiased and factual data and drew conclusions as objectively as possible.

## Chapter 3

### PRESENTATION OF THE RESULTS

The purpose of this study was to examine the trends in management of NBA arenas. This study consisted of an analysis of 30 NBA team's websites and 29 NBA arena's websites. Data were collected from both the teams and the arena's homepage in a week span. The instrument used was fluid in order to recognize emerging trends. Notes were also taken to account for unique findings and other trends. The following section presents results from the instrument checklist and written section.

#### Most Common Management Practices

According to the data, there were 12 management practices being employed by every NBA team, which include the following: cheerleading team, attention to accessibility, directions to the arena, concession stands, elevators and escalators, premium seat and suite options, guest center, halftime entertainment, social media, promotions with sponsors, team merchandise store, and TVs around the arena. Two additional techniques, which include a club and bar and nightly promotions, were utilized by 29 of the 30 NBA teams.

Other than these techniques that were utilized by every team, there were trends that were more common. The researcher determined practices to be more common if they were being utilized by 20 or more teams. The most common management trend found was placing birthday and fan messages on the scoreboard. These teams promoted this trend on their websites for set donation prices. Another common management trend was

the supplying of a 3-Dimensional arena map that allows fans to search for their seats online and even see their view of the action before even entering the arena. Special lounges for suite owners and club seat owners were also common. These special lounges include food, alcoholic beverages, high quality in-seat service, and a great view of the action. A complete list of the most common trends can be found in Table 1.

Table 1

Most Common Sport Management Practice by Frequency and Percentage

Sport Management Practices	<i>f</i>	%
Scoreboard Messages	28	93.33
3-D Arena Map Online	27	90.00
In-Arena Restaurants	26	86.67
Amenities	25	83.33
Dance Team	24	80.00
Catering	23	76.67
Mascot	23	76.67
Lounges	22	73.33

Most Common Food Services Management Practices

While all NBA teams provide concession stands for their fans, there are many other food service management practices used by NBA teams. Despite every team providing multiple concession options, only four teams do not also offer sit-down

restaurants. Catering was also a common practice for teams to offer for special events held in the arena suites or conference rooms. Many teams outsource the management of their food services to companies that specialize in providing premium-quality vending and food services to major entertainment and sports venues. The instrument included a notes section where the researcher noted the operator of food services for each team if it was specified on the website. An example of one such source of outsourced food service management is Levy Restaurants, which operates 17 of the 19 outsourced team's concessions, catering, or their restaurants. A more detailed account of the most commonly utilized food service management trends can be found in Table 2.

Table 2  
Most Commonly Utilized Food Service Practices by Frequency and Percentage

Food Service Management Practices	<i>f</i>	%
Club and Bar	29	96.67
Sit-Down Restaurants	26	86.67
Catering	23	76.67
Food Service Outsourcing	19	63.33
Levy Restaurants Operations	17	56.67

Most Common Entertainment Management Practices

Every team in the NBA provides halftime entertainment and cheerleaders to keep the fans entertained throughout the whole game. Halftime entertainment includes performances by cheerleaders, musical artists, dance teams, mascots, and various other

forms of entertainment. One form of entertainment used by a third of the NBA teams are dunk teams, which combine high-velocity trampoline dunks with breathtaking acrobatics to entertain the crowds during timeouts and halftime. While many teams have dance teams, most of those teams have more than one different dance team. Nineteen NBA teams utilized kids dance teams to entertain the crowd, while nine teams have adult hip-hop dance teams. Some NBA teams were creative with their dance team themes; for example, seven teams use senior dance teams full of senior citizens to entertain the crowd, while two teams have a dance team full of their cheerleader's fathers. Hype teams, which are utilized by many NBA teams, are interactive in-game entertainment groups designed to enhance the fan experience by doing activities such as throwing t-shirts, managing on court contests, and maintaining fan excitement. Some teams offer fans the opportunity to sing the anthem before their games through video auditions on the team website. Other teams use their website to promote their drum-line bands and their exclusive DJ that is responsible for creating excitement amongst the crowd with music mixes. A more detailed account of the most commonly utilized entertainment management trends can be found in Table 3.

Table 3

Most Commonly Utilized Entertainment Practices by Frequency and Percentage

Entertainment Management Practices	<i>f</i>	%
Cheerleaders	30	100.00
Halftime Entertainment	30	100.00
Dance Team	24	80.00
Mascot	23	76.67
Hype Team	18	60.00
Anthem Singing Auditions	18	60.00
Band	13	43.33
Game Night DJ	9	30.00

Most Commonly Utilized Service Management Practices

Every NBA team provides a centrally located guest service booth for all guest concerns or questions, which provides evidence that customer service and fan experience is a priority to the NBA. The NBA teams offer many more services that accelerate customer service and maximize the fan experience. Some teams offer services to accommodate environmental concerns, including offering public transportation directly to the arena. While many teams utilize ticket scanning rather than ticket stubs, a few teams have begun to utilize paperless ticketing in order to cut down paper waste. Many of the NBA teams provide online live representatives on their websites to assist with any



questions and concerns regarding tickets. The Designated Driver Program is a program designed to ensure guests a safe trip home from American games, therefore guests who pledge not to drink alcoholic beverages during the event may sign up at Guest Relations and may be eligible for promotional giveaway items. Some teams offer public arena tours, while some teams either offer only private tours or do not offer tours of the arena at all. Another program utilized is the text messaging service to staff, which allows guests to text issues to building management anonymously and discretely without having to leave the comfort of their seat. The child locator bracelets is a program that helps ensure the safety of children in attendance by providing them with colorful wristbands, which will note the child's name, guardian or group name and seat location. A more detailed account of the most commonly utilized service management trends can be found in Table 4.

Table 4

Most Commonly Utilized Service Management Practices by Frequency and Percentage

Service Practices	<i>f</i>	%
Guest Center	30	100.00
Public Transportation	19	63.33
Ticket Scanning	18	60.00
Online Live Representative	17	56.67
Designated Driver Program	14	46.67
Arena Tours	14	46.67
Text to Security Program	8	26.67
Child Locator Bracelets	4	13.33

Most Commonly Utilized Seating Options

Every team offers premium seating, which includes courtside seats and suites. While each team offers suite packages, they differ in the types of suites; for example, some teams offer event suites designed for parties, while some teams offer hospitality suites designed for business. Loge seats, which are the front section of the lowest balcony, separated from the back section by an aisle or railing or both, are becoming a new premium seating option. A more detailed account of the most commonly utilized seating options can be found in Table 5.

Table 5

Most Commonly Utilized Seating Options by Frequency and Percentage

Seating Options	<i>f</i>	%
Premium Seating	30	100.00
Suites	30	100.00
Lounges	22	73.33
Club Seats	18	60.00
Conference Rooms	17	56.67
Loge Seats	5	16.67

Most Commonly Utilized Arena Features

Every NBA team has a team merchandise store that sells NBA licensed gear in the arena. Most of the other special arena features are not as universal. Some arenas offer a plaza area that stands as a central courtyard for pre-game and post-game rallies. Other teams offer gaming zones that presents an interactive play area for children, as well as adults, during games, but no interactive activities are similar between any of the NBA gaming zones. Another special feature that a few teams utilize is displaying art around the arena that celebrates the local community and team history. Another strategy used to celebrate team history is the use of team statues that capture a past player and memory of the residing team. While every team utilizes team merchandise stores, only a few arenas provide other shopping options other than team merchandise. Teams also offer photo zones that grant fans the opportunity to take photos with life-sized cutouts of their

favorite mascots. Charging zones are free wireless charging hotspots for the fans' smart phones. Team museums are also utilized to celebrate team history and allow fans to see memorabilia and trophies from the past. A more detailed account of the most commonly utilized arena features can be found in Table 6.

Table 6

Most Commonly Utilized Arena Features by Frequency and Percentage

Arena Features	<i>f</i>	%
Team Merchandise Store	30	100.00
Plaza	7	23.33
Gaming Zones	6	20.00
Art Displayed	4	13.33
Team Statues	4	13.33
Other Stores	4	13.33
Photo Zone	2	6.67
Charging Zone	2	6.67
Team Museum	1	3.33

The data collected on 30 NBA teams indicated that many sports management practices were universally used with all teams. The management trends were categorized in the following groups: food service, entertainment, guest services, seating options, and special arena features. Every team utilized practices in each of these groups, but no team or arena was the same as any other. The results presented in this chapter indicate a need

for future trends research. A detailed summary and a discussion of the findings will follow in Chapter 4.

## Chapter 4

### DISCUSSION AND CONCLUSIONS

In order for NBA teams to successfully manage their respective arenas and fan attendance, it is crucial that they be knowledgeable about the current trends and cutting edge practices. These trends must be constantly analyzed to determine what techniques are being best utilized to maximize the game-day experience. This concluding chapter will include the following: summary of the study, a discussion of the findings including limitations, conclusions based on research questions and recommendations for the organizations and future research.

#### Summary

The NBA is a model sports league when it comes to marketing their teams, players, and partner companies. NBA marketing directors have begun to notice the techniques used to increase attendance and have begun to develop new marketing strategies to benefit their team. Each NBA arena holds the key to the ultimate fan experience, and facility managers are responsible for making sure that the arena upholds that ultimate fan experience. This study combined both facility management and sports marketing to examine the trends in management of NBA arenas.

In the Spring quarter of 2013, data were collected from the 30 National Basketball Association (NBA) franchises and operators of the 29 NBA arenas. The instrument used consisted of a 58-item checklist and a section for written notes. The instrument was fluid

so that evolving and common trends could be added to the checklist and notes could be recorded as needed. All 29 NBA teams' arenas were surveyed in order to understand the entire population. Data were analyzed using Microsoft Excel and Microsoft Word. Frequency and percentages of each trend were found, and the written notes were used when qualitative information was needed.

Results from the study indicated that many management trends were being used with all the teams in the NBA. The management trends were categorized in the following groups: food service, entertainment, guest services, seating options, and special arena features. Every team utilized practices in each of these groups, but no team or arena offered the exact same fan experience as any other arena. The emerging trends focused on improving the quality of the fan experience. Teams are transforming original trends, such as concession stands and cheerleaders, into new emerging trends, such as in-arena restaurants and dance teams. Another emerging trend has evolved from the typical guest center, which is the designated driver program.

## Discussion

Results from this study revealed that there were 12 management practices being utilized by every NBA team. Along with these common strategies, every NBA team addresses the following areas in the management of their arena: food service, entertainment, guest services, seating options, and special arena features. The offering of fine dining has become a trend seen in most of the arenas around the NBA. Most teams have also begun to outsource their food services and catering, and that can be attributed to the emerging dominance of Levy Restaurants in the food service management

industry. Entertainment was of major importance to each team, as all of the NBA teams utilize cheerleaders and halftime entertainment. However, each team created different types of dance teams, mascot skits, hype teams, and musical performances to maintain fan excitement during the breaks of the game.

Keeping with the focus on the fans, many methods were categorized under customer service management practices. Methods such as having a guest center, providing public transportation, providing live help online, providing a designated driver program, and a security text message program reveal the value that teams place on making the experience as easy as possible for fans. Every team also offers premium seating for the more affluent fans and businesses, but the types of suites, the styles of the lounges, and the benefits of the premium seats vary from team to team. Most teams share their focus on the fans and the primary approaches, but each arena and team offer something different to make the trip to their arena special, including highlighting the special features of the arena, highlighting the city and team history, and utilizing special areas to engage fans throughout their entire experience at the arena.

Results from this study were consistent with the literature reviewed by the researcher. Prior research revealed that the NBA spends large amounts of money on the marketing of their product to fans. The results of this study provide evidence of that money being put to good use. Every team utilizes their team and arena website, which was used to conduct the study, to market every aspect of the game-day experience at their venue. The information on the websites shows the dedication to telling fans about the experience they will have before even arriving to the game, which is evident from full web pages for each entertainment act, 3-dimensional maps of the arena, pictures of the



lounges and premium seats, and menus of the arena restaurants. Prior research revealed that the concepts of outsourcing, luxury suites, gamification, and accessibility represent important aspects of managing a facility. After conducting extensive research, evidence shows that these concepts are extremely important to the management of NBA arenas. Nearly half of the teams outsource facility management but more teams outsource food management services. The importance of luxury suites was obvious with how much detail each team placed on their respective websites. Gamification was seen in nearly half of the teams, which shows that many teams have not caught on to this up and coming trend. Every team placed importance on being an “accessible arena” and supplying a list of features that allow any person with disabilities to enjoy the experience just like every other fan.

There are several implications from this study. The results imply that there is a continuous need to evaluate arena management practices in the NBA because they are constantly evolving and changing. Teams are always trying to upgrade their arenas, whether it be by renovation or by a brand new arena. There are proposed new arena deals, such as in Sacramento, that would benefit from seeing the trends from around the NBA arenas. It is also crucial that teams use information such as the results from this study when comparing the past and present arena management practices. This study provided useful information on the current sport management trends, but it should be used as a starting point for creating fan experience within the arena because these practices and strategies will continue to evolve.

This study was impacted by several limitations. The greatest limitation was the different information provided on the team websites. First, the terminology that each

team used for their management practices provided many difficulties. For example, some teams only promoted 'luxury suites' while other teams had 'luxury suites,' 'hospitality suites,' and 'party suites,' even though the differences between the premium seating options were minute. Secondly, some teams did not promote some of their practices on their website, but by researching various other resources, the researcher was able to find evidence of that practice. This could be detrimental to the study, because the data may be skewed based on some teams' poor use of online marketing and not advertising all of the practices that they use. Another critical limitation was that the design of the instrument did not allow much focus on the aspects of the arenas that make them stand out from the others. The last crucial limitation was the time of year that data were collected. Since the data were collected in April, many of the NBA teams had already ended their season. This significantly impacts the information that is being displayed on their websites and the material that they promote, such as upcoming promotions.

### Conclusions

Based on the findings of this study, the following conclusions are drawn:

1. The management trends in NBA arenas are practices that the team uses to magnify the ultimate fan experience and are evident in every aspect of managing the facility, including food service, entertainment, guest services, seating options, and special arena features.
2. The most common facility management and marketing trends are using the scoreboard to display advertisements and birthday messages, displaying 3-D arena maps on the team website, providing sit-down restaurant and catering options in

- the arena, providing amenities for fans to take home, highlighting performances by their dance teams and mascots, and supplying lounges for premium seating customers to enjoy.
3. Managers use facility management to market the team and the NBA inside the arena by making sure the fan stays satisfied throughout the entire event in order to connect the fan experience with the NBA brand and individual team brand.

### Recommendations

Based on the conclusions of this study, the following recommendations are made:

1. Stay up to date with current trends and up-coming developments in technology and utilize them in management of the arena (i.e., paperless ticketing.)
2. Continue to focus on the fan experience, and ask prospective fans what they would like to see in either a renovation of the arena or a new arena.
3. Pursue a universal way to display arena information on team and arena websites.
4. Continuously evaluate management practices for success and relevancy.
5. Monitor the practices used by other teams in the NBA to see if they should be adopted.
6. Further evaluation should be conducted with personal visits to a game for every team in each arena.

## REFERENCES

## REFERENCES

- Burden, W., & Li, M. (2009). Minor league baseball: Exploring the growing interest in outsourced sport marketing. *Sport Marketing Quarterly*, 18(3), 81-91. Retrieved from <http://www.fitinfotech.com/smqElectricVersion/smqWVU.tpl/>
- Deterding, S., Dixon, D., Nacke, L., O'Hara, K., Sicart, M. (2011). Gamification: Using game design elements in non-gaming contexts. *Chi EA*, doi:10.1145/1979742.1979575
- Dhurup, M. M., Mofoka, M. A., & Surujlal, J. J. (2010). The relationship between stadium sportscares dimensions, desire to stay and future attendance. *African Journal for Physical, Health Education, Recreation & Dance*, 16(3), 475-490. Retrieved from <http://www.ajol.info/>
- Dick, R. J., & Turner, B. A. (2007). Are fans and NBA marketing directors on the same page? A comparison of value of marketing techniques. *Sport Marketing Quarterly*, 16(3), 140-146. Retrieved from <http://www.fitinfotech.com/smqElectricVersion/smqWVU.tpl/>
- Ernst, S. (2002). Sonics outsource suite sales. *Puget Sound Business Journal*, 23(22), 11. Retrieved from <http://www.bizjournals.com/seattle/>
- Facility Specialists. (2011). *Athletic Business*, 35(3), 297-301. Retrieved from <http://www.athleticbusiness.com/>
- Farrell, K. A., Karels, G. V., Montfort, K. W., & McClatchey, C. A., (2000). Celebrity performance and endorsement value: The case of Tiger Woods. *Managerial Finance*, 26(7). doi: 10.1108/03074350010766756

- Filo, K., Funk, D. C., & Hornby, G. (2009). The role of web site content on motive and attitude change for sport events. *Journal of Sport Management*, 23, 21-40.  
Retrieved from <http://humankinetics.com/>
- Gray, D., & McEvoy, C. (2005). Sport marketing strategies and tactics. In B. Parkhouse (Ed), *The management of sport: Its foundation and application*. New York, NY: McGraw-Hill Inc. Retrieved from <http://www.mcgraw-hill.com/>
- Hall, J., O'Mahony, B., & Viececi, J. (2010). An empirical model of attendance factors at major sporting events. *International Journal of Hospitality Management*, 29(2), 328-334. doi:10.1016/j.ijhm.2009.10.011
- Hambrecht, W., Hambrecht, E., Morrissey, P., & Taylor, A. (2011). The U.S. professional sports market & franchise value report. Retrieved from <http://www.wrhambrecht.com/>
- Harris, N. (2012). Revealed: The world's best paid teams, Man City close in on Barca and Real Madrid. *Sporting Intelligence*. Retrieved from <http://www.sportingintelligence.com/>
- Jeffords, L. (2009). Evolution of a Company and a Legal Career. *Entertainment & Sports Lawyer*, 27(3), 1-39. Retrieved from <http://www.abanet.org>
- Kamarazaly, M. A. (2008). Outsourcing versus in-house facilities management: Framework for value adding selection. *Massey University Dissertation*. Retrieved from <http://www.massey.ac.nz/massey/home.cfm/>
- McClure, R. (2002). Choosing your team. *American School & University*, 75(3), 370.  
Retrieved from <http://www.penton.com/>

- Miller, R. K., & Washington, K. (2012). Advertising and sponsorships. *Sports Marketing*, 44-51. Retrieved from <http://www.rkma.com/>
- Nelligan Sports Marketing (n.d.) *Our properties: Cal Poly*. Retrieved from [http://www.nelligansports.com/our\\_properties/cal\\_poly/](http://www.nelligansports.com/our_properties/cal_poly/)
- Operations: Inside and out. (2012). *Panstadia*, 18(2), 142-144. Retrieved from <http://www.panstadia.com/>
- Pate, J. R., & Waller, S. N. (2012). Measuring athletic facility managers' knowledge of access and the Americans with disabilities act: A pilot study. *International Journal of Sport Management, Recreation & Tourism*, 9(1), 1-22.  
doi:10.5199/ijsmart-1791-874X-9a
- Rimmer, J., Rowland, J., & Yamaki, K. (2007). Obesity and secondary conditions in adolescents with disabilities: Addressing the needs of an underserved population. *Journal of Adolescent Health*, 41(3), 224-229. Retrieved from <http://www.jahonline.org/>
- Rosner, S. R. & Shropshire, K. L. (2004). The business of sports. Sudbury, MA: Jones and Bartlett Publishers. 429-438. Retrieved from <http://www.jblearning.com/>
- Seidler, T. L., & Miller, J. J. (2005). Chapter 34: Trends in stadium and arena design. *Facilities Planning For Health, Fitness, Physical Activity, Recreation & Sports*, 468-484. Retrieved from <http://www.sagamorepub.com/>
- Sniderman, Z. (2011). L.A Kings are first pro sports team to get gamified. Retrieved from [Mashable.com/](http://Mashable.com/)
- What did that sign say?. (1992). *Journal of Sport Management*, 6(1), 70-71. Retrieved from <http://journals.humankinetics.com/jsm/>

## APPENDIXES



Appendix A  
Questionnaire

### **NBA: Atlanta Hawks**

<b><u>Technique</u></b>	<b><u>Trend?</u></b>	<b><u>Notes</u></b>
Arena tours		
Arena Outsourcing		
Art on display		
APA Accessible		
Bar and Club		
Catering Services		
Charging Zone		
Cheerleaders		
Child Locator Bracelets		
Concessions		
Conference Rooms		
Designated Driver Program Booth		
Elevators/Escalators		
Event Suites		
Fan/Kids Club		
Gaming Zones		
Gamification on Scoreboard		
Going Green Initiatives		
Guest Service Center		
Lounges		
Mascot		
Meet and Greet Opportunity		
On-line 3D seating views		
Photo Zones		
Plaza		
Pro Shop		
Restaurants		
Ribbon Message Boards		
Scoreboard Messages		
Sponsors		
Team Museum		
Team Statues		
Text Message to Security		
Themed Promotion Days		
Ticket Scanning		
TVs throughout building		
Video Board		
Wheelchair Storage		