The Growth of the National Basketball Association Explained by the Experience Economy and Sport Empire Theory

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# Table of Contents

**Prologue** .................................................................................................................................................. 2  
**Motivation** ............................................................................................................................................... 2  
**Introduction** .............................................................................................................................................. 2  
**Problem Formulation** .............................................................................................................................. 5  
**Working Questions** ................................................................................................................................. 5  
**Delimitations** .......................................................................................................................................... 6  
**Project Design** ......................................................................................................................................... 6  

**Methods** .................................................................................................................................................. 7  
**Pragmatism Paradigm** ............................................................................................................................. 7  
**Deductive Theory** .................................................................................................................................... 9  
**Mixed Research Methods** .......................................................................................................................... 11  
**Data Collection** ....................................................................................................................................... 12  
**Case Study** ............................................................................................................................................... 13  
**Ontology** .................................................................................................................................................. 13  
**Epistemology** .......................................................................................................................................... 14  

**Theory** ..................................................................................................................................................... 15  
**Experience Economy Theory** ................................................................................................................... 16  
**Sport Empire Theory** ................................................................................................................................ 26  
**Hypothesis and Theory-Testing** .................................................................................................................... 29  

**Analysis** ................................................................................................................................................... 30  
**Interconnectedness of FIBA and the NBA** ................................................................................................. 30  
**Management and Biopolitical power of the NBA** ....................................................................................... 34  
**Basketball Stars, Prophets and Saviors** ........................................................................................................ 38  
**Experience’s of Basketball Games and Basketball Related Events** ......................................................... 39  
**Basketball Manufactured Goods** .................................................................................................................. 45  
**Summary of the Experience Economy and Sport Empire aspect of the NBA** ............................................. 49  

**Conclusion** ............................................................................................................................................... 53  

**Bibliography** .............................................................................................................................................. 56
Prologue

Motivation

The initial motivation behind the creation of this project came from the influence sport has had on me, in particular the game of basketball. Sport is often perceived as a positive influence on many. The Sport industry is growing worldwide, especially the basketball industry which is now regarded in second behind Football.

The initial motivation on basketball was then further built upon by my curiosity of the reason behind its exponential growth. The Experience Economy Theory by Pine and Gilmore was presented to me and it interested me to test this theory by the growth of basketball. I included all aspects of the basketball world, such as games, products and events as experiences that could influence potential customers and expand the basketball industry.

A second theory was needed to explain how basketball, the National Basketball League (NBA) in particular, could expand and grow worldwide. Sport Empire theory by Allan Edwards and James Skinner was the theory chosen to explain the NBA as an ‘empire’ that has no boundaries to its expansion. These two theories will be explained further in the theoretical chapter, prior to that an introduction to the background of the project will be given in the problem area, followed by the problem formulation which will lead to the explanation of the method used throughout the project.

Introduction

The Sports industry is a large market in any nation’s industry. Globally the sports market is worth between $480 billion United States Dollars (USD) to $620 billion USD.¹ This tally includes infrastructure construction, sporting goods, licensed products and live sports events. This project will focus on most of these aspects to some extent of the basketball industry.

An A. T. Kearney study of global sports growth has found that the sports industry is growing even faster than global Gross Domestic Product (GDP), growing even faster than the GDP in fast-growing economies like Brazil, Russia, India and China. They see the possibility for continued positive growth due to “the wave of new stadiums around the globe, the growing size of television contracts and the continued proliferation of sports advertising portends an industry that continues to soar, even as the global economy climbs out of recession.”

Basketball’s largest market is the United States (US) mainly due to the domestic league of the NBA. This is the reason that this project will focus on the NBA as a case for the popularity growth of basketball. Even though it is not the most popular sport in the US, as voted by US sport fans, it is the most respectable basketball league worldwide. Founded in 1949, the NBA started seeing an increase in popularity in Eastern Europe during the 80’s as multiple Serbians (Yugoslavians) joined the league. The NBA’s popularity continued to grew globally in the 90’s following the Olympic Games hosted in Barcelona in 1992. The US men’s basketball team brought a group of players to the Olympics of 1992 led by Michael Jordan, they were so impressive that they were nicknamed the Dream Team. The NBA commissioner David Stern believes that the international growth of the NBA, and therefore the growth of international talent within the NBA, was a result of earlier basketball greats. He said that the increase in foreign players was that: “These kids have grown up watching Michael Jordan”. Some argue that the Dream Team created a “dramatic change” in the globalization of basketball, maybe the greatest change a single event has ever had on a global sport.

Many other factors have occurred since which have significantly influenced the NBA’s global popularity, such as the increase in international players within the

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2 A.T. Kearney  
3 A.T. Kearney  
league, different ethnicities and backgrounds have created lines of communications from the NBA to those backgrounds. It has been no secret that the NBA has long been associated with and dominated by African Americans, and that some observers argue that the addition of high-profile white and Asian stars is bringing new fans to the sport.\textsuperscript{6} This was extremely evident during the most recent NBA season of 2011-2012 when an American-born and raised but of Taiwanese decent, Jeremy Lin, broke out on the big stage of New York, known as the ‘Mecca’ of basketball. A sports reporting giant, ESPN, deemed Jeremy Lin to have the ability to explode basketball even further in China.

“Our Jeremy Lin may be the impetus that takes a country already gaga over basketball and makes it the next basketball power. You reach a critical point when you have interest, which China does... population which equals talent and the financial means. China’s expanding economy can support players, the development of youth programs and new facilities. Remember, more people play basketball in China on a regular basis than there are, total population, in the U.S.”\textsuperscript{7}

They NBA pride themselves on the increase of diversity within their league and it has helped them with their commitment to be the world’s most likeable, prominent, and respected professional sports organization.\textsuperscript{8} To achieve this goal the NBA and its franchises have “financed, organized, and implemented a number of basketball, educational, participative, and social events, programs, tours, and tournaments within several foreign countries.” Due to the increase of international NBA players, the NBA is now able to use these players as representatives to the NBA in their home nation. The NBA offer positive experiences through two of its organizations called Basketball Without Borders and NBA Cares. These organizations promote the game of basketball while performing a community service. For example in 2005-2003 Basketball Without Borders held basketball camps in Johannesburg, South Africa, for over 100 young athletes from 19 African nations and the NBA opened Reading and


\textsuperscript{7}M. Wilbon. 2012

Learning Centers as well as constructing dormitories and basketball courts. These are only few examples of basketball’s experience offerings to the global community and this project will go into further depth on the experience basketball and the NBA offers.

The global growth in popularity of the sport of basketball has also affected merchandizing companies. Two of the world’s largest companies associated with basketball are Nike and Adidas. They both mass produce basketball goods such as apparel and footwear, however due to the overall popularity of the NBA and its high profile athletes Nike and Adidas are able to raise the prices of these goods. Aspects that tie in with the brand image of the NBA that help Nike and Adidas’s products sell are known as ‘experience’. Just like a good can be serviced, a good can also offer an experience.

The experience factor of basketball events and products in essence is what this project seeks to explain. Pine and Gilmore, who developed the theory of Experience Economy, argue that a business can be greatly successful if it is able to wrap an experience around its product. The Experience Economy will be explained in depth in the theoretical chapter, and in the analysis examples of experiences offered throughout the basketball world will be highlighted. The Sports Economy Theory is a secondary theory in this project that will be used to explain the NBA’s ability to become an association that governs its own social world and has no boundaries to its expansion. The project therefore will test the theory of a sport empire and the Experience Economy to explain the growth in popularity of the NBA.

**Problem Formulation**

**How can the theories of a Sport Empire and the Experience Economy explain the growth in popularity of the National Basketball Association?**

**Working Questions**
1. How does the NBA achieve biopolitical control, and how and to what extent does this biopolitical control affect the popularity of the NBA?

2. How have NBA athletes contributed to the growth of the NBA?

3. What are the different realms of experience the NBA offers, and how do these different realms affect its growth?

4. How does manufacturing companies play a part of the experience economy of the NBA?

**Delimitations**

This research project has its limits since it will only be focusing on two aspects, Sport Empire and Experience Economy. Other data that could be significant to its growth might be overlooked. The aim of the project still remains to explain the popularity growth through these theories, and other aspects that seem significant will be described in relation to these theories in order to minimize this data that could be neglected.

**Project Design**

This research project is divided into six sections.

The first section includes the fundamentals of the project – the motivation, introduction, problem formulation, working questions and delimitation.

The second section elucidates upon the methodological approaches for the project.

The third section explains the theories that will be applied: the Experience Economy theory and the concept of Sport Empire and the hypothesis put forwards by this project.
The fourth section of the project is the analysis chapter which applies the chosen theories to empirical data and examples of the NBA and the basketball world.

The fifth section is a summary of the analysis that categorizes more clearly the concepts of the experiences offered by basketball and the NBA, as well as the concepts of the NBA as a sport empire.

The sixth section is the overall conclusion which directly answers the working questions and subsequently the problem formulation as well as a revision of the hypothesis.

**Methods**

**Pragmatism Paradigm**

The two main and opposites in philosophies of social science are the constructivist and positivist paradigms. These belief systems influence how knowledge is gathered and how research questions can be asked and answered. They share and view little in common; for constructivists there is either a reality or there is not thus constructivism and positivism do not reach any agreement.\(^9\)

The constructivist paradigm sees the knower and the known as two interactive actors and are inseparable. Reality is constructed by the social beings and is seen as multiple and holistic. All the entities involved are linked, there is a state of mutual shaping and this makes it difficult if not impossible to differentiate causes from effects. A constructivist paradigm gives the possibility of generalization only through time and context bound hypothesis, known as ideographic statements.\(^10\)

The positivist paradigm sees things differently then the constructivist one, the knower and the known in this case are independent on one another known as a dualism.

Reality is not constructed and altogether but is single, tangible and fragmentable. The Positivist paradigm has the opportunity of time and context free generalizations.\footnote{Morgan, D. L. 2007.}

Many believe that these methods should be used separately, and that combining these methods is not desirable or possible. For the reason that when a research chooses one method, the other is essentially rejected. “The basic beliefs of the [constructivist and positivist] paradigms are…essentially contradictory.”\footnote{Guba, E. G., & Lincoln, Y. S. 1994. Competing paradigms in qualitative research. Handbook of qualitative research, 2, P. 116} The constructivist paradigm and the positivist paradigm follow what is commonly known as a top-down approach, which consists in order of ontology, epistemology and methodology. Due to this approach it is difficult to combine the two methods, qualitative and quantitative, and compare results from one to the other since the knowledge has been attained differently.

The debate between constructionism and positivism has fueled another paradigm, known as pragmatism. “The project of pragmatism has been to find a middle ground between philosophical dogmatism and skepticism and to find a workable solution…to…philosophical dualism.”\footnote{Johnson, R. B., & Onwuegbuzie, A. J. 2004. Mixed methods research: A research paradigm whose time has come. Educational researcher, 33(7), 14. p.18} Pragmatism does not agree with the top-down approach used in the other philosophies of social sciences. The pragmatist view believes that issues related to research should be the main focus and not philosophies, it therefore puts methodology at the center.\footnote{Morgan, D. L. 2007.}

Methodology has often seen two different, contrasting approaches; inductive and deductive. However pragmatism views the process of moving between theory and data unable to operate in only one of these approaches it therefore introduced abduction. Pragmatism also believes that it is impossible to be completely objective or subjective, instead one is intersubjective and has a mutual understanding with other research, researchers and actors. Also the results of a research is not seen as so unique that it cannot be applied elsewhere but not so generalized that it can be applied
everywhere, instead it is believe that a result can be both and is therefore categorized by transferability.\textsuperscript{15}

The methods used by pragmatists include the full range of methods, both induction and deduction depending on the stage of research, while sometimes both will be used simultaneously. The epistemology of pragmatism is also a mix of sorts, it views an interactive relationship between researcher and participants when necessary and at other times such as when testing a hypothesis using quantitative data such a relationship is not required.

This project will be following the pragmatism paradigm and by doing so it will be able to collect data and analyze that data by any means necessary. I believe that this project can accomplish more by placing the methodology at the center instead of focusing on philosophy of social science and using a top down approach. While researching for this project I while attain facts and data from respectable sources however I will also be a participant observer, almost like an ethnographer, and I will share and analyze my personal experiences of the data in question. I will therefore be unable to be completely objective or subjective and agree with the term pragmatists use: intersubjectivivity and mutual understanding with participants, other researchers and readers. This project is also in agreement with Morgan that moving between theory and data never operates in only one direction, even though this project will mainly follow the deductive approach, some induction is used in the the research. By researching with the pragmatism paradigm my results will be transferable, or will have transferability, meaning that they are not unique nor are they so generalized that they can be applied everywhere.

**Deductive Theory**

Deductive approach is a very common view of the nature of the relationship between theory and social research, it is an approach adopted from natural science. A deductive approach often seeks to form a hypothesis from prior knowledge about a

\textsuperscript{15} Morgan, D. L. 2007.
certain subject, for example, pre-established facts or initial theoretical assumptions.\textsuperscript{16} This hypothesis is then broken down into smaller entities, in the form of variables or concepts, which can be researched. Using specific methods, empirical data is then collected in relation to the concepts and the hypothesis is confirmed or rejected.\textsuperscript{17} The process of deduction begins with a theory, which is used to generate a hypothesis and then gives rise to the gathering of data, which is used to test the hypothesis. The outcome of deduction is a revision of the hypothesis and hereby the theory.\textsuperscript{18}

Unlike deduction, induction uses the opposite strategy, in the sense that observations made through research are used to generate a theory.\textsuperscript{19} “With an inductive stance, theory is the outcome of research. In other words, the process of induction involves drawing generalizable inferences out of observations.”\textsuperscript{20} Both induction and deduction however involve characteristics of one another. For example the deductive approach involves induction in the final stage when the researcher must evaluate his/her findings to the hypothesis and then revise the theory.

The approach for this project will mainly be the deductive approach. An abstract hypothesis will be deduced from the chosen theories of Sport Empire and Experience Economy in relation to the growth of the popularity of basketball. The conclusion of this project can hopefully be transferable as concepts or theories to explain other sporting popularity growths. Some induction will also be used, the research methods mix of both deduction and induction is also commonly known as an abductive approach. Abduction is a form of iterative strategy that moves back and forth between induction and deduction.\textsuperscript{21} The pragmatic approach relies on this reasoning, it has a connection of theory and data that first converts “observations into theories and then assessing those theories through action.”\textsuperscript{22} By using mixed methods this projects has the strengths to both test an abstract hypothesis and that the results won’t be so unique that it cannot be applied elsewhere and not so generalized that it can be applied

\begin{footnotesize}
\begin{itemize}
\item[\textsuperscript{17}] Hay p. 30
\item[\textsuperscript{18}] Bryman. A., 2008. p.10
\item[\textsuperscript{19}] Bryman. A., 2008. p. 9
\item[\textsuperscript{20}] Bryman. A., 2008, p. 11
\item[\textsuperscript{21}] Morgan, D. L. 2007. p. 71
\item[\textsuperscript{22}] Morgan, D. L. 2007. p. 71
\end{itemize}
\end{footnotesize}
Mixed Research Methods

Quantitative research strategy highlights “quantification in the collection and analysis of data.” It has three distinctive features: 1) it entails a deductive approach when looking at the relationship between theory and research; 2) its epistemological position is lenient towards the natural science model (positivism in particular) and 3) it views social reality through the ontology of objectivism. This type of research method can be used for going through existing material and/or producing new information. Quantitative data collection can occur in relation to different sets of information in archives, database, literature, etc. The collected data provides us with existing knowledge that we must interpret, for example the meaning of a number in a table. It is important to know the source of the data, and also to what extent it represents the category it was placed in. One must be critical about the found data since a theory cannot be based on data that has not been explained thoroughly.

Qualitative research usually accentuates words rather than numbers (quantitative data). It uses an inductive view of the relationship between theory and research, an interpretivist epistemological position and its ontological position is constructionist. However qualitative researchers do not always follow these three features because qualitative data can also be used in a qualitative research. The most common ways of qualitative data collection are semi-structured interviews on focus groups, field research and case studies. Qualitative research may lead to theory building, the expansion of concepts or to provide empirical evidence, which supports theoretical definitions. It can also be used to test a hypothesis.

Even though qualitative strategies may often reflect a constructionist or interpretivist positions, it does not mean that this is always the case. In other words, the

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23 Morgan, D. L. 2007. P. 71
associations between the different research strategies (quantitative and qualitative) with the different epistemological and ontological viewpoints are not deterministic. Therefore the connection between ontology and epistemology with research strategies mentioned previously should be seen as tendencies rather than definitive associations.\textsuperscript{29}

The mixed methods research strategy that is used by pragmatists’ combines quantitative and qualitative research strategies.\textsuperscript{30} According to Hammersley, as cited in Bryman, there are three approaches to mixed methods research: 1) triangulation: this approach entails the use of quantitative research to substantiate qualitative research findings or vice versa; 2) facilitation: this approach is brought about when one research strategy is used in order to support the other research strategy; and 3) complementary: this approach occurs when the two research strategies are employed, so that different aspects of an investigation can be merged.\textsuperscript{31}

In correspondence to the pragmatism paradigm this project will be using the mixed methods research and the approach will be complementary. Qualitative research methods will be the main focus as I will be interpreting and analyzing basketball games, events as well as endorsements, and company’s promotions. The aim of my qualitative data will be to offer empirical evidence, which supports my theoretical definitions to prove my hypothesis correct. This qualitative research will then be complemented by quantitative data. This type of quantitative data will be very simple and in relation to the amount of ‘experience’ consumers such as the number of consumers who purchased a basketball shoe, watched a specific basketball game or attended a sponsored event by Nike.

\textbf{Data Collection}

The focus of this project will be on both qualitative and quantitative data. The qualitative data that this project will take into account are acquired from newspapers, magazines, articles books and photographs. As is stated in the methodology chapter I

\textsuperscript{29} Bryman, 2008. p. 588
\textsuperscript{30} Bryman, 2008. p. 603
\textsuperscript{31} Bryman, 2008. p. 607
will also be interpreting data first hand as a participant observer. These forms of data are from attending a basketball game, attending a basketball camp and purchasing and using a basketball product. My secondary data will likely come from books, and online articles published by basketball reporters and analysts, which can be found on the NBA website and in other online sources. These sources are usually in the form of articles, reports and studies that describe, evaluate, or simply highlight many basketball events and activities.

The quantitative data collected for this project will be efficient but very simple. They will be collected from individual researchers and analysts and consulting companies such as A.T. Kearney who have calculated the growth in sport and basketball worldwide. Figures of this nature will then complement the qualitative data to complete the data collection of this project.

Case Study

This project’s research design is a case study. A case study usually entails the detailed and intensive analysis of a single case. “Case study research is concerned with the complexity and particular nature of the case in question.”32 This project focuses on the case of the NBA, and its type of case study is a critical case. A critical case implies that “the researcher has a well-developed theory, and a case is chosen on the grounds that it will allow a better understanding of the circumstances in which the hypothesis will and will not hold.”33

Ontology

Objectivism is the view that reality exists independently of our existence. It states that reality is objective and exists in an objective form. It views the object as existing independently, and is independent of human thoughts, ideas and feelings. It is a view where the world is seen as an ordered, structured place that is governed by physical laws. 34

32 Bryman, A., 2008. p. 52
34 Bryman, A., 2008. pp. 18-19
Constructionist ontology is the view that reality is socially constructed. It is dependent on human thoughts, ideas and feelings. It is a perception of the world as being constructed in the process of social interaction; we therefore individually and collectively create the meaning from our experiences in a world where we can never know what is real.  

Objectivism and constructionism usually use quantitative and qualitative methods respectively. Both of these methods deal with data, they therefore break the flow of events in the social world and selectively focus on one object.

I don’t solely share the view of objectivism or constructionism, by choosing the pragmatism paradigm this project’s philosophy has diverse viewpoints regarding social realities, which will broaden the database for gathering and analyzing research as both elements from the constructed reality, and objective reality. My theory of Sport Empire, which derives from the realm of Globalization, agrees with the objectivism ontology that the world is an ordered structured place that is governed by physical laws. However it also has aspects of constructionism, that the shrinking of time and space is a socially constructed reality. In accordance the Experience Economy theory also has a constructed ontological position, as it states that people’s thoughts, feelings and most importantly individual experiences is driving the modern economy.

Epistemology

The positivist epistemology assumes that reality can be observed and described objectively. Reality is seen as being composed of separate events that can be observed by the human senses. These observations must be from pure experience, which means observing with an empty consciousness. Positivists only accept knowledge that comes from experience. This epistemology also denies value judgments, the status of knowledge given the fact that their legitimacy cannot be

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tested by experience. Positivists believe that hypotheses derived from observations are confirmed by the gathering of evidence, therefore the greater the evidence, the more likely the hypotheses to be true statements about the world. It is also argued by positivists that anything that cannot be confirmed by experience is meaningless.\textsuperscript{39}

The interpretivist epistemology alleges that the study of social phenomena requires an understanding of the social world, making this a subjective interpretation; it is the idea that what we could get to know is only the interpretation of what we might consider reality. For interpretivists, social reality is a product constructed by its inhabitants. Additionally, social worlds, or realities are always being reinterpreted by its individuals.\textsuperscript{40} Interpretivists believe that social phenomena can be analyzed from within by social scientists, though they claim it is not possible to be completely objective as people always interpret the world.\textsuperscript{41}

With the chosen paradigm of pragmatism, elements from both epistemological considerations will be taken into account when best applicable to the research. Pragmatism believes that no one can be completely objective or subjective and that this project is therefore intersubjective. By choosing the pragmatism paradigm this project’s philosophy has diverse viewpoints regarding social realities, which will broaden the database for gathering and analyzing research as both elements from the positivist, and interpretivist view. The Experienced Economy theory that will be applied to this project is an example of the positivist epistemology who only accepts knowledge that comes from experience, however I will also interpret the social world in connection with the basketball industry in order to further understand the nature of the relationship between the two. Basketball after all is a constructed phenomenon, and is played and enjoyed by social inhabitants.

**Theory**

\textsuperscript{39} Blaikie, N., 2007., p. 110-113
\textsuperscript{40} Blaikie, N., 2007. p. 124-131
\textsuperscript{41} Davison, R.
Experience Economy Theory

1.1 Evolution to the Experience Economy

The Economy that we know and live in today has evolved through four different stages and it all began as an economy of commodities. Commodities are materials extracted from the natural world, which can include animals, minerals and vegetables. The nature of these offerings are known as fungible, which means something traded or substituted. The industrial revolution then took action and these natural materials were transformed in some way, or manufactured to produce goods. Whereas the commodities where extracted from the world, the economic function of goods was the creation and the nature changed to a tangible good. The industrial economy then evolved into a service economy, commodities and goods were still a large part but consumers now valued intangible things that would be delivered on demand. The latest stage of the evolving economy is known as Experience Economy. The Experience Economy refers to the experience one feels when purchasing a good, or receiving a service, it is an added economic value. It is no longer fungible, tangible or intangible offering but a memorable one, the provider offers a memory of experience. Table 1 below outlines the various economic stages and their economic offerings to provide a clearer understanding of the development of our economy.

Table 1. Economic Distinctions42

<table>
<thead>
<tr>
<th>Economic Offering</th>
<th>Commodities</th>
<th>Goods</th>
<th>Services</th>
<th>Experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>Agrarian</td>
<td>Industrial</td>
<td>Service</td>
<td>Experience</td>
</tr>
<tr>
<td>Economic function</td>
<td>Extract</td>
<td>Make</td>
<td>Deliver</td>
<td>Stage</td>
</tr>
<tr>
<td>Nature of offering</td>
<td>Fungible</td>
<td>Tangible</td>
<td>Intangible</td>
<td>Memorable</td>
</tr>
</tbody>
</table>

The factor demanded is no longer just a good or service, the extra sensation or feeling that comes with it is valued higher. The consumer or guest in this case, believes he/she should be connected on a more personal level with the good or service in a way, therefore companies create added experiences when delivering their service or selling their goods.

Figure 1 below illustrates the emergence of experience as an economic offering. Experience offerings Gross Domestic Product (GDP) have grown the most by 7.5% followed closely by Services at 7.2%. The employment of Experiences have also seen the largest growth at 2.2%, services following closely at 2.0%, however employment in commodities and goods have both seen a decrease in employment at -0.8% and -0.1% respectively. This proves the development of the economy from goods to a service economy and now to an Experience Economy.
1.2 Experiences

It is not just companies who provide experience, there are also associations, tour guides, organizations etc, this project focuses on the National Basketball Association and the organizations within that association as well as the manufacturing companies Nike and Adidas. This project will continue to refer to an experience stager as a company or organization in order to simplify. This newly identified economic offering of experiences occurs when a company intentionally uses services as the stage and goods as props to engage an individual. These buyers, or guests, of experiences are intrigued by the offering of a memorable event. The guests value their engagement to what the company reveals to them over time. “Just as people have cut back on goods to spend more money on services, now they also scrutinize the time and money they spend on services to make way for more memorable – and more highly valued – experiences.”

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43 U.S. Bureau of Economic Analysis: Strategic Horizons LLP; and Lee S. Kaplan. LEE3Consultants.com analysis.
The company then offers the original goods or services with added result of taking part in that service or using that good. This is a sensation that is created within each individual guest, the experience is completely personal. Each individual engages differently on an emotional, physical, intellectual or even spiritual level with the experience.\textsuperscript{46} The result is that “no two people can have the same experience- period. Each experience derives from the interaction between the staged event and the individual’s prior state of mind and being.”\textsuperscript{47} The work of the company perishes upon its performance, however the value of the experience lingers in the memory of any individual who was engaged by the event.\textsuperscript{48} This means that there is no visible creation of an experience after the performance is finished, as there is visible evidence that a computer for instance is a manufactured good, the result of the experience only lingers inside the minds of the audience. “While the experience itself lacks tangibility, people greatly value the offering because its value lies within them, where it remains long afterward.”\textsuperscript{49}

1.3 Economic Value of Experience

Cornell psychology professors Travis Carter and Thomas Gilovich determined that purchasing and being a part of these experiences makes people happier, with a greater sense of well-being, than purchasing goods.\textsuperscript{50} The Economist has also referred to the economic value of experience as “experiences over commodities, pastimes over knock-knacks, doing over having.”\textsuperscript{51} Therefore the companies that are able to create such happiness-generating experiences are able to attract the hearts and minds of consumers as well as their time and money. Pine and Gilmore believe that the shift from consumer spending from commodities, to goods, to service and now to experiences are greater then what government statisticians take into account.\textsuperscript{52} In the figure below (figure 2), which Pine and Gilmore also used to state their case, it is shown that the Consumer Price Index (CPI) for goods has increased less than that for commodities, which has increased less than that for services. Experiences are the

\begin{enumerate}
\item Pine, B.J. and Gillmore, J.H. 1999. P. 12
\item Pine, B.J. and Gillmore, J.H. 1999. P. 12
\item Pine, B.J. and Gillmore, J.H. 1999. P. 12-13
\item Pine, B.J. and Gillmore, J.H. 1999. P. 13
\item Pine, B.J. and Gillmore, J.H. 2011. P. 22
\item Pine, B.J. and Gillmore, J.H. 2011. P. 23
\item Pine, B.J. and Gillmore, J.H. 2011. P. 19
\end{enumerate}
economic offering that has the largest exponential increase. Pine and Gilmore uses new vehicles as an example for goods, pork as a commodity and admission to recreational events such as movies, concerts and sports as an example for experiences. With the use of this graph Pine and Gilmore conclude that “Companies that stage experiences increase the price of their offerings much faster than that of inflation because consumers value experiences more highly.”

Figure 2. Consumer Price Index (CPI) by Economic Offering

The Figure 3 ‘Progression of Economic Value’ below outlines the different range of competitive positions and needs to customers while showing the price ranges. The competitive positions range from differentiated to undifferentiated. In economics differentiated means that there is a difference compared to something, for example Nike and Adidas’s apparel are largely undifferentiated. Commodities are therefore very undifferentiated; one tomato is largely the same as another tomato. Each following economic offering has a higher value in price because the consumer notices the difference and can therefore find what truly speaks to him/her personally. An experience is more relevant to a consumer because they are looking for a specific kind of experience and when it is offered to them they are willing to pay more for it. Therefore companies who stage experiences can “more easily differentiate their

54 U.S. Bureau of Labor Statistics; Lee S. Kaplan, Lee3Consultants.com
offerings and thereby charge a premium price based on the distinctive value provided, and not the market price of the competition.”

Figure 3. Progression of Economic Value

1.4 Experience’s From Manufactured Goods

It is simpler for a service provider to wrap an experience around its service than it is for a good to offer an experience. While a service provider can simply have its employees put on a performance while delivering their service, a manufacturing company has to focus on the experience its customers have while using their goods. The largest shift most manufacturing companies have to make is instead of putting emphasis on what its product does, the company should focus on what the product does for its customer: “how the individual experiences the using of the good.” Manufacturers therefore then must design their goods to increase the user’s experience; Pine and Gilmore refer to this as experientializing the goods. Apparel manufacturers and sport companies for example, must focus on the wearing of the good: is the experience of wearing their good comfortable, does it make you feel more stylish, more powerful etc. By doing this the good is no longer just a tangible object, it has now become a service that adds value to the activity of using it and if the use of

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the good is surrounded with experiences then they become memorable and hence more profitable.

The simplest and most effective way for a manufacturer to add these components or services and experiences to its goods is by adding elements that enhance the customer’s sensory interaction with them. Some goods naturally engage people’s senses more than others. For example wine, and music, but other goods need added effort and a higher appeal for the experience to speak to the senses of the customers. Sometimes it is not enough to simply offer a good and hope it will speak to the senses of potential customers, companies must also stage events. These events promote their goods while influencing customers to be a part of something. It could be something like a marathon created by Nike where they hand out free running shoes to a few lucky participants. The underingling purpose for a manufacturing company in this experience economy is to “shift the attention from the underlying goods (and supporting services) to an experience wrapped around these traditional offerings, forestalling commoditization and increasing sales of the goods.”

1.5 Experience Realms

Since staging experiences is not about entertaining customers; it’s about engaging them, there are different experience realms to take into account. Figure 4 ‘Experience Realms’ below will help illustrate these realms. The two most important dimensions are at either end of the horizontal axis: passive and active. These two are opposites as in passive participation the guest is non influential as an audience and they are purely observers, the “customers do not directly affect or influence the performance.” The opposite, active participation, the customer is personally involved with the experience at hand.

The second dimension of experience describes a kind of connection, or environmental relationship to the experience, this is shown on the vertical axis. At the one end is absorb or absorbing an experience; in this dimension customers are experiencing the

event from a distance. The other end is immersion, this dimension means that a customer has become physically or virtually a part of the experience itself.

Figure 4 Experience Realms

The combination of these dimensions identifies the four realms of an experience, which are “mutually compatible domains that often commingle to form uniquely personal encounters.”\(^\text{60}\) These realms are show above: entertainment, educational, esthetic and escapist. Each realm will be described to some extent below.

1.6 Entertainment

Entertainment is the most popular and commonplace realm of experience. It is often associated with passive participation that absorbs the experience offered through their senses. Examples range from movies to music, and reading. The extent of the realm of entertainment varies also as watching a movie in the cinema with an audience, big

\(^{60}\) Pine, B.J. and Gillmore, J.H. 2011.
screen and surround sound creates a different experience as watching that same movie in your living room. As does the experience of listening to music on your iPod compare to listening to music at a live concert.

1.7 Educational

The educational realm shares the dimension like entertainment of absorption, however the educational audience is more active. The educational realm is associated with learning; a pure active and absorbing experience example is that of students in a physical education class. However an audience can also absorb knowledge and yet be passive, an example is attending a lecture where the audience is neglected to comment or question, but “to truly inform people and increase their knowledge or skills, educational events must actively engage the mind or the body.”

1.8 Esthetic

The esthetic realm is on the opposite vertical axis than the entertainment and educational realms because the guest is immersed. In this realms he/she is “immersed in an environment but has little or no effect on it”. Simply put the esthetic guest wants to be somewhere. A tourist for example taking in the sight of Mount Everest for the first time is an Esthetic audience, however that tourist becomes more active if he/she decides to climb that mountain, and their realm as an audience shifts to escapist.

1.9 Escapist

The escapist experience is the polar opposite of that of entertainment. The escapist experience involves immersion as well as active participation. Other examples of escapist environments are social media such as Facebook and Twitter, as well as the Internet in general. Internet is not like TV where the audience absorbs it passively, Internet surfers are active and immerse themselves for what they are looking at or searching for.

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Some experiences can be a mix of these realms. Take the example of attending a live concert, the guest is being entertained that he/she is absorbing the music however they are also immersed in the environment of the crowd, especially if they are in the front row or in a ‘mosh pit’ of a rock concert. Therefore they are not completely in the entertainment realm and neither in the escapist realm but somewhere in between.

1.10 Summation of the Experience Economy Theory

There are two underlying principles to the Experience Economy theory, the first is that a company should change its current tactics to somehow produce a storyline or set up a stage. For example many sales personnel at retail stores welcome a customer with the statement “how can I help you”, instead the Experience Economy theory recommends “are you looking for something specific”, as this engages the customer to describe his/her thoughts and feelings to something more relevant and personal, which in turn can provide the seller the opportunity to provide an experience.

The second principle is that a company must create something new. This way, even if the offering isn’t an experience in itself, simply because it is new causes it to be memorable to a customer. Just like the industrial and service economy was invented, so to has and is the Experience Economy. The economic offering of experience is something more than a memorable moment wrapped around a good or service, it is also the promotion of that good or service: “In today’s Experience Economy, the experience is the marketing.”

For a company it is also important to engage an audience in most if not all of the experience realms. By simply being an entertainer the company lacks the ability to attract customers by active participation, which is known to speak higher to the senses. In my analysis I will show and prove how the basketball world attracts customers from all realms and how this has proven a factor in the growth of the popularity of basketball.

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Sport Empire Theory

Sport Empire theory by Allan Edwards and James Skinner is built upon the Empire theory of Hardt and Negri. It differs from Experience Economy theory as it focuses less on economic factors and more on the concept of globalization and control. In this project the Experience Economy Theory is used to show how basketball grasps customers attention through their hearts and minds, and the Sport Empire theory will show how the NBA is an empire that has conquered the social world of basketball and has no boundaries to its expansion.

To describe Edwards and Skinner’s concept of Sport Empire, the concept of Empire by Hardt and Negri (2000) must first be explained. The fundamental quality of Empire is a lack of boundaries, the Empire’s rule knows no limits. This is the first theme of Empire. “Empire is a decentered and deterritorializing apparatus of rule that progressively incorporates the entire global realms within its open, expanding frontiers.” The lack of boundaries then leads to the second theme of Empire, the lack of competition. Since the empire in question knows no limits and has no challenges or struggle for power with competitors, Empire then presents itself as the only logical outcome. The third theme is that the concept of Empire is always dedicated to peace. The fourth theme of Empire is that it operates all over; it operates on all registers of the social order. “Empire not only manages a territory and a population but it also creates the very world it inhabits. Empire not only regulates human interactions but also seeks directly to rule over human nature.”

The fifth and final theme of Empire is the way it exists in a dialectical relationship with the ‘multitude’. Hardt and Negri describe the ‘multitude’ as the “immanent mass of human potential”.

Hardt and Negri suggest three different layers, or a pyramid, of control in Empire:

“When we analyze the configurations of global power in its various bodies and organizations, we can recognize a pyramid structure that is composed of three progressively broader tiers, each of which contains several levels. At the top of the first, unified tier is the United States, the superpower with hegemony over the global use of force. This tier also contains on a second level a group

of nation states which control the primary global monetary instruments and thus have the ability to regulate international exchanges, and on a third tier, a heterogeneous set of associations (including more or less the same powers that exercise hegemony on the military and monetary levels) which deploy cultural and biopolitical power on a global level.”

Figure 5 Three Tiers of Empire

A concept within Empire, known as Biopower or Biopolitics, is “a form of power that regulates social life from its interior, following it, interpreting it, absorbing it, and rearticulating it.” Biopower works on the ‘multitude’, “Power can achieve an effective command over the entire life of the population only when it becomes an integral, vital function that every individual embraces and reactivates of his or her own accord.” Biopower can mean different things or come across with different terms, however the term that this project is interested in is that “Biopower means an organization of life and labor so complete that no transcendent authority, such as a state or corporation is needed to govern it.”

A second concept within Empire, which Edwards and Skinner also go into depth in their ‘Sport Empire’, is known as ‘Ether’. Ether in this case is referred to as capital and communications technology. In Hardt and Negri’s ‘Empire’ they argue that the new world order is created by the global spread of Ether, that Empire has no true sovereign location from which it originates and that it is struggling to become real in the world, but in order to do this it must generate spectacle. “Empire must be a spectacular machine.”

Edwards and Skinner argue that sport is spectacle they therefore suggest that:

“Communication industries have assumed a central position, they are the glue that holds together the diverse functions and bodies of the hybrid constitution of Empire...is the spectacle, an integrated and diffuse apparatus of images and ideas that produces and regulates public discourse and opinion.”

In Edwards and Skinner’s ‘Sport Empire’ they use the Federation International Football Association (FIFA) and the International Olympic Committee as examples to prove the existence of Empire, in particular Biopolitical power, from sport organizations. Federation International Basketball Association (FIBA) is the equivalent to the basketball world as FIFA is to the football world. Both federations were established with legal and political parallels that were similar to a nation-state, where memberships to the federations remain dependent upon national recognition by the United Nations. This has therefore given FIBA biopolitical control as the second tier of Empire of basketball between the nation and the global.

Edwards and Skinner note that a professional sports industry has certain principles similar to other capitalist enterprises, such as collusion and competition. “Collusion in the form of common trade practices and competition on the field to produce an event that has both a dramatic and exchange value.” They continue to suggest that a continued dominance by a single franchise would lessen the dramatic value in the long run. This would certainly lead to a decrease in interest for the sport and lead to a decrease in the league’s ability to command high prices for its games and events.

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Thus in order to achieve joint profit maximization the league operates as a cartel, the league controls and disperses talent and encourages the public to have confidence in the honesty of the game. There are three strategies a association must adopt in order to be successful and contain the dramatic value. These three are:

1) Establishing a centralized decision making organization that regulates constituent teams and clubs, and disciplines members who breach the league rules and regulations;
2) Expanding profits by implementing various cost minimization regulations that restrict competitive bidding for players, and setting ceilings on total player wage payments;
3) Increasing revenue by extending the market (admit new teams to the league, extend the playing season, or play games at different times of the week) for their sporting product, improving its overall attractiveness, and the community standing and status of the league.73

By adopting these strategies the sport association is able to use these features as a form of biopolitical control even though it might be considered anti-competitive to a capitalist society. “Unlike the world of commerce and industry, it is argued that sport leagues perform poorly under competitive, or free market conditions, and some form of biopolitical control is essential to produce the: ‘outcome uncertainty that attracts fans, sponsors, and media interests’.74 Put differently it is believed that a unregulated, free market, sport league will be unsustainable due to the fact that the dominant franchises will use their greater fan and revenue base to lure the best players. This would result in a non-competitive league where the outcome or winner would almost be certain every time.

Hypothesis and Theory-Testing

A Hypothesis as explained by Bryman is “an informed speculation, which is set up to be tested, about the possible relationship between two or more variables.” This research project seeks to discover a theory-testing hypothesis. I will lay forward an abstract hypothesis, which seeks to test the chosen theories of Experience Economy and Sport Empire to the case of the growth of the NBA.

Therefore the speculation put forward by this project is that if the NBA shows indications of being a ‘Sport Empire’ and offers experience as an economic offering then this can explain the exponential growth in popularity the NBA has been experiencing globally. The project test this hypothesis by gathering data that can associate with the theories, an in the conclusion this hypothesis will be confirmed or rejected.

**Analysis**

**Introduction to FIBA and the NBA**

The focus on a basketball organization throughout this research project will be made on the NBA, however I will briefly describe FIBA to give some knowledge on the organization that also has a large basketball influence on the world. FIBA is an independent association formed by 213 National federations of basketball worldwide and is the world governing body for basketball. It is recognized by the Olympic Committee as the only authority in basketball. FIBA creates the official basketball rules and regulations that are used for the international competitions such as the Olympics and the Basketball World Cup. FIBA governs all international competitions and also creates the systems within these competitions, however has no influence over the NBA. FIBA used to be a governing body that only included amateurs in their competitions, which is where the abbreviation ‘FIBA’ originally derived from the ‘Federation Internationale de Basketball Amateur’. But in 1989 the FIBA World

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75 Bryman, A. 2008. P. 694
Congress decided to include all players eligible for their competitions and this paved the way for the Dream Team to take the stage at the 1992 Barcelona Olympic Games.

The NBA is the dominant men’s professional basketball league in the US, with the exception of one team in Toronto, Canada. It was created in 1949 with the merges of the Basketball Association of America and the National Basketball League. It is recognized by FIBA as the national governing body for basketball in North America. The NBA consists of 30 franchises split into two conferences, the ‘East’ and ‘West’. The NBA consisted of 22 franchises in 1980 but the growing popularity of the sport both domestically and worldwide has influence the expansion to 30 teams. To paint a picture of how large the NBA is financially compared to other of the worlds largest sport leagues and associations a survey was made on 272 teams in 14 major professional leagues covering 7 sports across 10 countries with a total of 7,802 athletes making a combined $15.2 billion in salary per year. The NBA athletes turned out to be the world’s best-paid athletes, by average annual salary per player according to Nick Harris of Sporting Intelligence and 7 of the top 20 largest paying organizations are NBA franchises. 77 With the first NBA team, Los Angeles Lakers, trailing only Barcelona and Real Madrid from La Liga and the New York Yankees from Major League Baseball.

Since the creation of the NBA there has only been one external threat to the market of US basketball. In 1967 the American Basketball Association (ABA) was formed and it created bidding wars for the college players entering the pros, however a settlement was agreed upon in 1976 that added four ABA franchises to the NBA. The NBA had now grown into a basketball market monopoly, and at this point the total number of franchises in the NBA was 22. The NBA commissioner David Stern has received a lot of praise for the development and expansion of not only the NBA but the sport of basketball in general. There have only been three commissioners before him when he began his stint in 1984. The addition of high profile players entering the NBA at this time, most notable Larry Bird, Magic Johnson and Michael Jordan, assisted the growth in addition to large endorsements and sponsorships such as Adidas designing

and creating the official NBA uniforms, and Nike endorsing and producing unique
and personal footwear for certain athletes. The Experience Economy also came into
existence around this time to fuel the growth and expansion even further.

**Interconnectedness of FIBA and the NBA**

The NBA is constantly open to the world with TV broadcasting rights to numerous
countries as well as online availability of highlights and NBA TV live game coverage,
however it’s hype accesses a much larger global stage in competitions like the World
Cup and the Olympics. Where the US team, filled with NBA stars, are usually the
heavy favorites but have been upset in some spectacular games. Basketball was
arguably the most popular sport in the Olympics in 2008 held in Beijing, China. The
opening game, most likely not by coincidence, was held between the host China and
the US. It drew approximately a billion viewers, in particular because an estimated
300 million people play basketball in China. The NBA had done their line of
promotions following up to the games with top NBA athletes parading around China
hosting various events, camps, posing for photos and signing autographs. When the
Olympics finally arrived the NBA athletes were treated like rock stars from the
minute they landed in Beijing. The US team that year, of course a collection of the
best NBA players, had a different theme to them then usual. They were known as the
‘Redeem Team’.

The NBA’s dominance, or US dominance, of global competition began in 1992 when
the first NBA players entered the Olympics. That US team was headlined by Michael
Jordan and is considered the best team any sport has ever assembled. They beat all
their Olympic opponents earning Gold and defeating them by an average of 44 points.
From there on the US dominance of world competitions was to be expected until

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future.ap/index.html>


Available at: <http://www.sportsmediawatch.com/2008/08/so-far-so-good-for-nba-at-olympics/>

81 ESPN. *This Day in Sports: The Dream Team Takes Gold in Barcelona.* Online. Accessed April 14,
2012. Available at: <http://espn.go.com/blog/sportscenter/post/_/id/71610/this-day-in-sports-the-
dream-team-takes-gold-in-barcelona>
2004, when the US won the Olympic bronze. This is the reason for the theme of the ‘Redeem Team’, they and the world were anxious to see if they could once again gain the top spot in the world rankings.

The 1992 ‘Dream Team’ that played in the Olympics held in Barcelona is viewed as a team at a moment that exploded the popularity of basketball globally. The way the handled themselves on and off the court gave themselves a celebrity status. “Opponents didn’t have a chance, but they didn’t care. One player, while trying to guard Magic Johnson, was seen frantically waving to a camera-wielding teammate on the bench, signaling to make sure he got the picture of them together.” After winning the gold the coach, Chuck Daly said: “Finally there will come a day – I’m not saying it will happen anytime soon, mind you, but it’s inevitable that it will happen – that they will be able to compete with us on even terms. And they’ll look back on the Dream Team as a landmark event in that process.” That moment happened only three Olympics later, and again in the FIBA World Championship of 2006 when Greece beat the US in the semifinals, even the finals of the 2008 Olympics against Spain, the country that had hosted the Dream Team in 1992, game down to a narrow victory. Pau Gasol, a star of that Spanish national team, had admitted to experiencing the 1992 Dream Team, which influenced his life and grew his passion for basketball.

The analysis chapter will be split into sub chapters in order to explain various concepts within the basketball world in correlation with the Experience Economy and Sport Empire more fluidly. The analysis will begin with the description of the management and Biopolitical power of the NBA such as its system and how that has allowed it to gain Biopolitical power over its athletes and viewers. It will then briefly introduce individual basketball athletes that have created the greatest impact and influence worldwide to the experience of the viewers. The experience of attending a live game or basketball event as well as viewing it through television will then be

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83 NBA. The Original Dream Team.
85 E. Daniel. The NBA’s Global Game Plan. TIME.
described in relation to the Experience Economy. In succession the experience aspect involved with the merchandizing companies of Nike and Adidas will be explained. References to the theory of Sport Empire and Experience Economy will be made throughout the sub chapters, the summary of the analysis will elucidate further the Experience Economy of basketball and the concept of the NBA as a Sport Empire.

Management and Biopolitical power of the NBA

The NBA is a sports league that uses biopolitical control to its benefit, as well as the athletes, the fans and the majority of the franchises within. The NBA does have a centralized decision making body that regulates the franchises within, referring to the first strategy an organization must adopt in order to be successful and have dramatic value as explained in the Sports Empire theoretical chapter. David Stern is the head of that body, which oversees the rules of the game as well as the officiating, it markets its own teams and players and regulates franchise ownership. The NBA licenses broadcasting rights and collects revenue from corporate sponsorships, and operates its own broadcasting channel NBA TV, which is a cable TV channel offering news, original programming and live game broadcasts.

The governing body of the NBA is also swift in handing out disciplines to players in the form of technicals during a game, fines or NBA game suspension(s). The different forms of offenses that a player can do are: taking illegal drugs or performance enhancement drugs, criticizing referees during or after games, using unnecessary or excessive force during a game on an opponent. People other then the athletes are also subjects to discipline such as Owners and General Managers. A main General Manager to athlete offense occurs if the General Manager meets with an athlete while he is not a free agent since this could be a sign of colluding. By having these disciplines the NBA keeps the game honest and fair for its fans, it makes the supporters of every individual team see and understand that every individual no matter how big or small is treated the same within the league. Therefore the NBA successfully enforces the first strategy for an association to be successful.

The NBA has also followed the second strategy and here are examples of how they have moved closer since their new Collective Bargaining Agreement (CBA) was agreed upon by the NBA and the National Basketball Players Association (NBPA). Firstly the NBA has moved closer to an equal revenue split between owners and players, with players earning 51.15 percent of Basketball Related Income (BRI) compared to 57 percent in the old CBA. The small market teams have also greatly benefited by this new agreement tripling the amount of money that is revenue-shared.\textsuperscript{87} For example “teams like the (Los Angeles) Lakers, with their new $3 billion local television contract, will be perennial payers into this system, and teams like Charlotte and Milwaukee will be perennial beneficiaries.”\textsuperscript{88}

The new CBA has also put price floors on team salaries, the new rules are that they must spend 85 percent of the cap in the first and second year, and at least 90 percent in the following years of the agreement. With this rule enforced there is then certain that no team is slacking in the player-spending department.\textsuperscript{89} On the other hand the NBA also doesn’t want the able franchises to go well above the capabilities of smaller market teams, and they have therefore increased their luxury tax. This means that every $1 a team goes above that luxury tax threshold a price must be paid. The old rule was $1 for every $1 above the threshold, the first year of the new CBA is the same however the following year “teams pay an incremental tax that increases with every $5 million above the tax threshold ($1.50, $1.75, $2.50, $3.25, etc.).”\textsuperscript{90} With the additions of the increased luxury tax and minimum team salary, the NBA teams have moved closer together, it can almost be compared to a society’s economic inequality decreasing. The result is that the NBA franchises are now more competitively balanced.

The new CBA also includes various free agent, new contracts, contract extensions, and trading rules which restrict competitive bidding for players and more often assist the idea that a player should re-sign with their old team once he becomes a free


\textsuperscript{88} Coon. L. 2011. \textit{Breaking down changes in the new CBA.} ESPN.

\textsuperscript{89} Coon. L. 2011. \textit{Breaking down changes in the new CBA.} ESPN.

\textsuperscript{90} Coon. L. 2011. \textit{Breaking down changes in the new CBA.} ESPN.
These rules and regulations that the NBA and the NBPA have agreed upon expand their future profits according to Edwards and Skinner’s second principle an association must adopt in order to be successful.

The third and final principle by Edwards and Skinner is increasing revenue by extending the market for their sporting product. The NBA currently rides an 82 game schedule for a regular season, with the exception of the current 66 game schedules as a result of the CBA lockout. Their regular season begins in late October and ends in late April. Over the span of approximately 6 months each team will play every other team at least once, with the majority of games against teams in their respective conference. Each team plays 41 home games and 41 away games. The regular schedule is not completely fair to every team, where some teams might play better teams more than others and some might have more back-to-back games then others. The regular season is therefore a grueling ride that tests every single team and can sometimes break the toughest of teams, or the defending NBA champions at times.

The regular season is then followed by the Playoffs, which a total of 16 teams participate in the first round, the 8 with the best record from the East and West conference. The format of the playoffs is that the highest seeded team will play the lowest seeded team, the second highest will play the second lowest seeded team etc. Thereby promoting the conference semifinals, conference finals and the NBA finals with higher quality teams. The format of the series in the playoffs have often been changed, in 2003 the series were changed from a best of 5 to a best of 7 which has resulted in some unusual but spectacular ‘upsets’ (when a lower seeded team defeats a higher seeded team). Most notable in 2007 when the Dallas Mavericks, owners of the ninth best record in NBA history (67 wins, 15 loses) were defeated by the Golden State Warriors (42 wins, 40 loses) in 6 games. This sort of outcome uncertainty plays a major role in Sports Empire for sports league to gain biopolitical control over the ‘multitude’.

The NBA also has several special events through out the season and preseason. In mid February the regular season pauses to celebrate the annual NBA All Star Weekend,

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91 Coon, L. 2011. *Breaking down changes in the new CBA*. ESPN.
which is a weekend of events all hosted in one NBA city every year. The events include the Sprite Slam Dunk Contest, Rookie Sophomore Challenge, 3-point Shooting Stars and the All Star game. It is a weekend where creativity, entertainment and performance meet in front of a sell–out crowd. Take for example Dwight Howard of the Orlando Magic; he won the Slam Dunk contest in 2008 partly because of his explosive dunk but also because he did it in entertaining fashion; in a superman uniform. During the contest an NBA analyst, Magic Johnson, was heard blaring “NBA entertainment at its best.” The Following year we was defeated by Nate Robinson of the New York Knicks as he dressed up as superman’s weakness: kryptonite, or in this case ‘KryptoNate’, and performed a dunk by jumping over Dwight Howard dresses as superman.

The All Star Weekend also involves greater fan participation as their votes determine the winner of the Slam Dunk Contest as well as the starting players in the All Star Game. The NBA also has numerous ways in increasing fan participation outside of the US. It has extended their market by playing regular season NBA games abroad. It

began as preseason games in cities like London, Rome, Paris, Barcelona, Madrid and Berlin, however 2011 marked the very first time two NBA teams, New Jersey Nets and the Toronto Raptors, played regular season games in Europe. The NBA has been talking for a decade about the possibility of developing NBA franchise in Europe, and the NBA International President Heidi Ueberroth says: “We think it’s the perfect time and bringing regular-season games to Europe is really the next step in the development of our fan base.”96 The international diversity of the Toronto Raptors (7 international players, the most in the NBA) also boosted popularity of those games played in London.

**Basketball Stars, Prophets and Saviors**

Now that it has been shown that the NBA has the ability to attain Biopolitical power through Edwards and Skinner’s three principles, the analysis will explain the Experience Economy aspect of how basketball, the NBA and basketball manufacturer’s, are able to acquire the hearts, minds and money of the fans through experience and thereby increasing the popularity of basketball. According to the Experience Economy, in order for an experience to be of high value it must be memorable for the customer.

Larry Bird and Magic Johnson are known as the ‘saviors’ of the NBA that carried the NBA further then ever before.97 They paved the way for the true ‘prophet’, Michael Jordan. “Choose your moment. The NBA all-start dunk. The Bulls’ first championship. His “three-peat repeat” for a total of six championship rings. Whatever accomplishment you cherish, Michael Jordan elevated the NBA to unprecedented global attention.”98 In 1990, after Jordan’s sixth year in the league, NBA games reached out to 200 million homes in 77 countries. In 1998, the second time Jordan retired, the NBA reached out to 600 million homes in 190 countries.99 An even more

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interesting figure estimated by Fortune magazine, is that Jordan’s impact on the US economy since entering the NBA was $10 billion.\textsuperscript{100}

However all good things must come to an end, and so did Jordan’s NBA career meaning that a new messiah had to rise to Jordan’s level if the NBA was to keep its popularity growing. The fans have been wanting, wishing and demanding a new world class basketball player and many players since then have been proclaimed as the new savior however not all have been able to live up to the hype. Kobe Bryant is the current player that is considered to be the closest player comparison to Jordan, with Lebron James following closely behind after being deemed “The Chosen One” by Sports Illustrated.\textsuperscript{101} But neither’s celebrities status can outduel Michael Jordan as almost godlike. Craig Detweiler and Berry Taylor go so far as to say that top Michael Jordan “can help us reexperience the awe and wonder that Jesus inspired.”

Experience’s of Basketball Games and Basketball Related Events.

1.1 Attending a Live Basketball Game

The experience of watching a basketball game will now be analyzed. The Experience Economy realms will be used to find what type of an audience attends a basketball game and thereby analyzing that effect on them. A basketball game’s audience is in the realm known as Esthetic. They immerse themselves in the environment of the stadium, the sights of the players, coach’s, mascots and other supporters as well as the sounds of their cheering or booing. One can sometimes hear the basketball players screaming on the court trying to hear each other over the load rumble of the audience, or screaming in celebration after making a big play or dunk. According to the realm of esthetic the audience is “immersed in an environment but have little or no effect on it”.\textsuperscript{102} The environment in this case is the basketball game being played and it’s happenings and outcome. The effect the spectators have on it cannot be completely measured however according to many players, coaches and sport scientist’s it is an enormous advantage playing in front of a home crowd. Their cheering when they call

\textsuperscript{100} Detweiler, C. and Taylor, B. 2003. P. 255-257

\textsuperscript{101} Detweiler, C. and Taylor, B. 2003. P. 255-257

\textsuperscript{102} Pine, B.J. and Gillmore, J.H. 2011.
out the athlete’s name during a starting lineup ceremony for example raises testosterone levels, then imagine what the crowd’s support can do to a player while he is submerged in the thick of the game. Making a shot to take the first lead of the game and with the help of the crowd that player and team will never doubt themselves again for the rest of the game.\textsuperscript{103}

Home advantage is viewed to have a big impact on a basketball game. This is why the schedule of the regular season sets up the positioning for the playoffs: If a team fairs the best in the regular season then they are rewarded with home court advantage throughout the playoffs including the NBA finals. To paint a picture statistically Table 2 and 3 below will be used to show the effect a home game has on team’s success. The tables show all NBA games of the regular season 2011-2012, there were in total 1,980 NBA games comparer to regular 2,460 due the NBA lockout that spanned until November 2011. Therefore each team played 66 games during the season, 33 at home and 33 away. As the tables show, NBA teams are more likely to win at home then they are away, and therefore also more likely to lose away then at home. To be exact the sum of all NBA home games result in 59% home winning percentage.

<table>
<thead>
<tr>
<th>Table 2 NBA Home Games</th>
<th>Table 3 NBA Away Games</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wins</strong></td>
<td><strong>Loses</strong></td>
</tr>
<tr>
<td>580</td>
<td>410</td>
</tr>
</tbody>
</table>

This then proves that playing at home for an NBA team is more likely to result in a win, however it still doesn’t directly measure the effect the spectators have, therefore qualitative data will be used to explain it further. The NBA spectators are much closer to the basketball court then for example an NFL fan, Baseball fan or football fan. Therefore their reactions are quicker and can have a greater effect on the game. Take for example the job of an NBA referee, due to the fast paced game of basketball and a high number of possessions for either team, referees are forced to call and make more decision then most other sports. Therefore they could get caught up in the crowd’s

emotions and this would be able to change the outcome of the game.\textsuperscript{104} This ‘up close and personal’ attention that the fans can give a referee can also be directed at an opposing player. In the NBA it is common to make a lot of noise or wave objects around when an opposing player is shooting a free throw, as it is shown in the photograph below. In some other leagues, for example in the Greek League, which is known for a more violent crowd sometimes shines lasers in the eyes of the shooter.

\textbf{Figure 6 A Hostile Crowd To An Opponent Free Throw}

The spectators at a basketball game are esthetic for the reasons mentioned above, however they do provide a higher impact and influence over the environment. They are immersed in the environment, and create to some extent a portion of the environment themselves. They are not ‘active’ in the sense that they are on the court playing the game, however their actions, and reactions, are considered to have an impact on the players playing the game as well as the referees, which will undoubtedly have an overall effect on the outcome of the game. The experience the spectators feel therefore is valued highly as they fell themselves a part of something big. They feel like they belong, like their home team needs them there for support in

order to win. This experience has generated many loyal fans domestically as well as fans abroad who travel to a US NBA city in order to participate.

I personally have done this twice, most recently in Boston on April 24 2011, to watch two great teams, Miami Heat against the Boston Celtics. From this personal experience I can attest that the home crowd was a factor for shifting the momentum to the Boston Celtics side in the second half. At the half Miami was leading 34 – 28, it was a low scoring game due to several injuries to high profile players on both sides, but also intense defense. Boston came out in the third quarter to take a lead going into the fourth and final quarter. The game was far from over until around the 5 minute mark when Sasha Pavlovic of the Boston Celtics hit two back to back threes waving his arms to the crowd afterwards signaling to cheer them on as they looked to close out the game, winning 78 – 66. I could tell the audience, or guests to this event, felt a part of the event and felt appreciated by the players. When a customer feels this personal belonging the memorable event is that much more valued. This experience for me was highly valued and I therefore did not have a problem with paying $140 for seating.

1.2 Watching a Basketball Game on TV

Watching a basketball game on TV is different then attending a game. The viewer is now in the entertainment realm, meaning that he/she is not immersed in the environment but absorbing from outside of the environment, they are also more passive in the way that their reaction to a play or call cannot be heard by anyone in the actual environment of the basketball game. The TV viewer can however make the experience of watching a game on TV more intense for example watching on a large screen with surround sound will immerse the viewer more then watching on a small screen with limited sound. They cannot however change the fact that they are completely passive to the game at hand. This experience to many is valued less and therefore costs less. The NBA website offers NBA League Pass which is a regular season package that provides subscribers with games, it includes all NBA games (as compared to TV stations such as ABC, TNT, and NBA TV which only has select

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NBA games) that can be viewed on your TV, laptop or Mobile. This package costs $175 per season. Therefore technically speaking with the money I spent on a live game almost cost the same as watching 40 games a week on TV, for an entire NBA season.

This package that the NBA offers allows every NBA fan in any country to watch however many games he/she desires. Even though it is impossible to watch every game of the season since some play at the same time, the price is $175 for a total of 2,460 NBA games, that’s $0.07 per game. With this sort of accessibility and price the NBA has been able to reach into the homes of many worldwide, especially with a free week preview to start the season. Also the promotion of President of the US Barack Obama admitting in an interview with ESPN that he has NBA League Pass hasn’t hurt its publicity either, while also admitting that “every once in while I’ll sneak in a ball game as I’m reading my briefings.”

1.3 Attending a Basketball Camp

Basketball camps are another way for promoting the sport of basketball worldwide through experience. Each offseason many NBA players, coaches or retired NBA players travel to promote the growth of basketball through the use of teachings. For example Michael Jordan’s basketball camp, Michael Jordan Flight School (MJFS), is now in its 17th year. It offers the teachings basketball fundamentals such as shooting, dribbling, rebounding and defense. Michael Jordan also participates in the camp, as he attends to four of the five camp days and for some sessions conducting personal lectures, interacting with campers and refereeing random games. The campers therefore don’t only pay for the experience of a basketball camp, but the extras of meeting Michael Jordan and being taught by him, this all adds up to $760 dollars over a period of five days.

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The experience of a basketball camp is also different from attending a live game, or watching a game on TV, the audience or in this case the guest is no longer passive, he is active as well as absorbing the environment, however it could also be argued that the guest has immersed himself in the environment of the camp. Therefore the experience a customer obtains at a basketball camp cannot be simplified into one experience realm since he/she is both active and immersed in the environment, as well as passive and absorbing the environment. The guest is active in the sense that he will be performing activities such as shooting and dribbling as well as playing pick up games, all the while he will be absorbing knowledge of the game that Michael Jordan and his coaching staff are teaching. This is the most effective way to gain a knowledge or skill according to the Experience Economy theory: “To truly inform people and increase their knowledge or skills, educational events must actively engage the mind or the body.”112

The Michael Jordan Camp does not travel; it is annually in The University of California, Santa Barbara. Players like Lebron James and Kobe Bryant however do travel the world to promote basketball. Lebron James was recently on a tour of China in the summer of 2011, called the Lebron James Greater China Tour, where he not only represented basketball, but also represented Nike and promoted his one personal brand and celebrity status. Starting the tour in Taipei and going through, Chengdu, Xi’an before ending in Shangai, Lebron James positively reflected on his tour saying:

“It’s been unbelievable to see the reception I’ve gotten, and to see all of these people who love the game of basketball and who are inspired by the game of basketball. Every stop has left me with a deep feeling. It’s all special to me. At the end of the day, they all share the same bond. Just to see the passion the kids all have for the game of basketball and for each other... I’m always happy to come back”113

I have personally attended a basketball camp in 2009 in New Jersey, US, called the Hoop Group Elite camp. It’s an invitational camp where top high school basketball players around the world come to learn but most importantly have the ability to showcase their skills in front of US college scouts. The experience was new to me as it was the first time playing basketball in the US, and it was at a much higher level then I had experienced before. There were some very impressive players that have gone on to play in division one college. From my experience I learned that for my game to develop I had to become less passive and insert myself more in plays during the game. I was very selfless at the time and I passed up a lot of opportunities to take shots and make plays, instead giving the responsibilities to others. I valued this experience highly as basketball is a big part of my life and this experience has developed my skills to a level that I can dominate the second division Denmark. Looking back on me experience of the camp I do not regret paying $500 for the four-day camp because I highly valued the experience.

Basketball Manufactured Goods

Experiences can be offered in more ways then from a service or event. Goods also have the ability to create an experience in one’s mind, however it must be targeted at how the customer feels when using or wearing that good. The largest shift most manufacturing companies have to make is instead of putting emphasis on what its product does, the company should focus on what the product does for its customer: “how the individual experiences the using of the good.” Since the popularity of the sport of basketball is increasing, the market size for basketball products is also increasing. Companies like Nike and Adidas are experiencing growth from the experience economy and from the increase in the popularity of basketball. It can also be seen from another perspective, not just that Nike and Adidas are benefiting from an increase in basketball popularity but that they are subjects that fuel this increase in popularity.

1.1 Nike

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Nike and Adidas are two of the largest manufacturing companies that endorse and supplies for the basketball world. Nike became the global leader of basketball footwear in the 1990’s during the explosion of Michael Jordan’s basketball and celebrity status. In large part due to the success Michael Jordan has had on and off the basketball court, Nike has remained the largest associated manufacturing company of and with basketball. Nike signed Jordan to an endorsement deal in 1984 worth 2.5 million USD over five years. Many in the league at that time, including the games greatest: Magic Johnson and Larry Bird, where sponsored by Converse. Nike was taking a gamble and a risk that they were hoping would pay off when they signed a young player who hadn’t proven himself in the pros yet. Up until this point Nike was only popular in the running shoe market, and had yet to make any sort of impact for basketball shoes. They had decided to not only sponsor Jordan with Nike basketball shoes but to create and market a signature shore around him, so that they were selling not only footwear but a package of shoes, performance and personality. With the success Jordan had in his professional career Nike basketball shoes became instant classics. Nike’s total revenue grew from 900 million USD in 1984 to 9.19 billion USD in 1997. Michael Jordan then in essence created the platform and strategy for many endorsement deals for athletes today.

The experience factor that Nike added to basketball footwear associated with Michael Jordan, was usually an aspect that would let the customer imagine himself as Michael Jordan, or feel a part of him. His commercial’s and pitch lines always pictured him with the new shoe on, and saying something like “It’s gotta be the shoes”. This message promoted the idea to customers that by wearing these shoes, their skills could develop to be like Michael Jordan. His signature brand Jordan or Jumpman 23 began as a Nike subsidiary that designed and produced shoes for Michael Jordan in 1985. Due to his incredible influential talent it has grown so much that Jordan has now become his own brand at Nike. According to Sonny Vaccaro, a Nike executive, “he’s the single most influential endorser that will ever live”.

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117 Wetzel, D. 2009.
118 Wetzel, D. 2009.
119 Wetzel, D. 2009.
120 Wetzel, D. 2009.
Economy helped boost this influential talent, as he grew on the big stage and stared in Warner Bros movie Space Jam as himself, he was able to get across to kids, teenagers and adults. His shoes were sold to not only customers that played basketball, but also to customers that wore them casually as the Air Jordan’s came into style.\(^{121}\)

In 2003 there was an 8 billion USD market for basketball footwear in the US, of that Nike was planning on keeping a large control over. Thereby outbidding competing companies, Reebok and Adidas, from the next generation of basketball greats: Kobe Bryant and Lebron James, they had hoped to block the possible erosion of their United States market share for basketball shoes. Nike had offered Bryant and James the exact same platform as they did Jordan, an endorsement deal with Nike that would include their own line of shoes named after them as well as apparel and would help them market their own personal brand.

This method of endorsing is highly successful as shown by the Michael Jordan case, because it takes into account the experience factor behind the basketball products. By associating a product to and NBA players name, the good will have a higher value to fans of that basketball player. Many of the NBA athletes are role models to the younger generation, so if their name is located on a shoe, or if they are seen playing a game with that shoe, customers obtain an experience factor from buying and wearing that shoe. A customer may desire to be more like Bryant or James and by wearing their personal shoe the customer feels more like them. It is not a trick that Nike puts on the customers; the shoe they sell to the public is identical to the shoe that the athlete wears during their professional games.

Another product that Nike offers is a shoe known as the Hyperdunk. It is their lightest basketball shoe ever created, and first sold on the market following the 2008 Olympics when the men’s US ‘Redeem Team’ won gold. Its catch phrase through advertising commercials is ‘Light Makes Flight.’ It is supposed to let the user jump higher, cut sharper, react faster and be more explosive. “And when Team USA wore them to win gold at the 2008 summer games, they let the world know that the

Hyperdunk is the future of basketball footwear.”¹²² Not only does the shoe feel different than another basketball shoe because it is the lightest, but Nike also added the experience that the customer feels when using the Hyperdunk as the lightest shoe, that makes the user feel more explosive and with the attire that let the US basketball team win Olympic gold.

1.2 Adidas

Adidas is known for endorsing athletes like Derrick Rose and Dwight Howard, but it also creates and supplies the official NBA uniforms for all of the 30 franchises.

Adidas, which has the second largest market share of the basketball shoe market, has also followed the trend set by Nike and Michael Jordan. They have signed a young player, Derrick Rose, out of the University of Memphis. It began at a somewhat small endorsement deal but recently expanded to the greatest endorsement deal an athlete has every acquired. The new deal is to last 13 years with a total of $185 million USD with added incentives that can increase the deal to around $250 million USD.¹²³ Perhaps Adidas is hoping the young Chicago Bull that won Most Valuable Player (MVP) honors last year will grow up to have the same complete success both on and off the court as the previous Chicago Bull before him; Michael Jordan. Their line of basketball footwear is also affiliated with lightness, as one shoe is called Adizero Crazy Light 2, with the slogan ‘Light Delivers’, they also produce a stronger shoe for the taller, heavier athletes with the slogan, ‘Bring the Power’.

Adidas’s greatest obstacle with their new star endorser is that his personality is not as rich as Michael Jordan, and has told the media that he is not a fan of the spotlight or celebrity status.¹²⁴ This could significantly hurt the sales of Adidas unless he can perform tremendously on the court. In order for a customer to acquire an experience from a product, the manufacturer must have added elements around the shoe. Apart from the physical feel of the shoe, such as its lightness, there must also be a mental

¹²⁴ Leitch, W. May 2012. The Rose Revolution. GQ,
feel for the shoe, does the product let the customer relate to the athlete endorsing is? According to the Michael Jordan case, the athlete must have a powerful persona as well as success on the court in order to win the hearts and minds of the customers. Derrick Rose’s on court abilities are astonishing, the youngest NBA player to ever win the Most Valuable Player proves this, and so far his on court abilities have been adequate in selling the product, however to get to that next level of prophet status I believe his status as a celebrity must develop further off the court.

The basketball merchandisers today, Nike and Adidas, use the brand image of the NBA and the athletes to develop an ‘experience’ surrounding their product. Due to the enormous popularity of the NBA, its athletes have now grown in popularity as well which has developed them as spokespersons and endorsers for basketball products. Nike and Adidas have chosen a select few athletes to officially sponsor. These athletes were chosen because they are believed to be able to generate the greatest aura surrounding a personalized and ‘experientialized’ good and to be a factor that influences its sales. According to the Experience Economy the merchandisers must “shift the attention from the underlying goods (and supporting services) to an experience wrapped around these traditional offerings, forestalling commoditization and increasing sales of the goods.”¹²⁵ These chosen athletes therefore, as well as the brand image of the NBA and the growth have basketball, have increased the market for Nike and Adidas.

**Summary of the Experience Economy and Sport Empire aspect of the NBA**

This chapter aims to review the Experience Economy aspect of Basketball and in connection with the next chapter of Sport Empire; will lead to the conclusion. The figure below illustrates the different dimensions and realms of an experience, with the significant basketball experience categorized. The most significant experience of the basketball world is the experience of attending a game, this is because all the other experiences follow suit. Due to the experience offered at a game, such as the remarkable athletic talent, the enthusiastic environment and the modern stadium that

The experience of a basketball game can then translate to an experience surrounding a product, as I have described in the chapter of Basketball Manufactured Goods. Other products than basketball apparel that offers an experience to a customer are also ‘memorabilia’ products. These sort of products are also known as souvenirs and are often sold at the stadiums, or in a city with a basketball team. These sort of products can range from an NBA jersey, to a hat, coffee mug, clocks, gloves, iphone and ipad protection sleeve etc. almost anything that can fit an NBA team logo. Pine and Gilmore view these sort of good’s “…perhaps as the largest, most important category of goods that experience stagers require: memorabilia”¹²⁶ But perhaps a more powerful product that enhances the customers experience of a basketball game or his favorite player is that of a video game. EA sports and NBA-2K are two companies that produce basketball video games and gives customers the option of playing alone or with friends, random exhibition games or chose a franchise and follow them through a full season. One could even play beyond a season and into the ‘future’ where one would then also not only play as an NBA player but a General Manager as he creates trades and signs free agents during the off season. In the NBA-2K video game the gamer can also experience playing with retired legends such as Michael Jordan and Larry Bird.

According to Pine and Gilmore, creating a brand can increase the added experience offer behind any good, service or event sold. “Create a brand image emphasizing the experience customers can have surrounding the purchase, use, or ownership of a good.”127 The NBA’s ability to create its brand image has been a large factor in its global expansion. Due to its brand image it has attracted brands like Nike and Adidas to produce and supply its athletic gear as well as sponsor several athletes and promote them globally, which has further increased the NBA’s brand image. Vital as the experience factor is for the NBA’s growth is, the NBA could not be as successful today and as popular worldwide without the help of globalization and their ability to turn the NBA into a Sport Empire.

The NBA is a sport empire due to their ability to attain Biopolitical control. This control in turn has given the NBA the fundamental quality of an empire, which is the lack of boundaries to its expansion. This perception of the NBA’s ability to rule without boundaries is in direct connection with the lack of competition. There is no single community or league within the basketball world that can compete on the national level with the NBA. Even the National Football League, which is the greatest sports league in North America, is jealous of the NBA’s global influence.\textsuperscript{128} With basketball as a sport increasing in popularity in Europe and China, the NBA has already begun talks in the idea of future NBA franchises within the continents of Asia and Europe thereby completely eliminating future competition.

The NBA also abides by the theme that an empire is always dedicated to peace. As mentioned in the introduction to the project, the NBA has developed two organizations, NBA Cares and Basketball without Borders, that spread peace globally and involve themselves in community service work, such as feeding the homeless in the US on thanksgiving, providing shelter in Africa while also construction basketball courts. All of these activities market the NBA as a likable organization instead of an organization that over charges for its events.

The NBA has become a global term, even though the league and its 30 franchises are situated in North America, the NBA has offices all over the globe from Europe to China, South America and Africa. Its games and events can be viewed globally on TV and the Internet and some games and preseason games even take place outside of North America. Its offseason activities such as camps and tours are also abundant allowing fans in other countries the opportunity to see their favorite athletes. This shows that the NBA operates allover and on all registers of the social order, as the theory of empire states: “Empire not only manages a territory and a population but it also creates the very world it inhabits.”

\textsuperscript{128} M. Wilbon. 2012.
Conclusion

This project has studied the NBA and the existence of the theory of Experience Economy and Sport Empire within the NBA. It has done so through the Pragmatism paradigm approach, and it has therefore used a combination of qualitative and quantitative data. The main theoretical approach of the project has been deduction however forms of induction have also been utilized. The aim of the project was to be able to explain the growth of the popularity of the NBA by describing the NBA as a sport empire and how it offers experiences of economic value to capture the mind and hearts of customers.

The conclusion will now directly answer the working questions followed by a revision of the hypothesis and thereby the problem formulation. Finally I will put forward transferable inferences from the totality of this project.

The first working question: *How does the NBA achieve biopolitical control, and to what extent does this biopolitical control affect the popularity of the NBA?* This working question was concentrated upon in the beginning of the analysis chapter, *Management and Biopolitical Power of the NBA*. The NBA is able to gain biopolitical control over by following the three strategies as outlined in the Sport Empire concept. The NBA has a centralized decision making body, it has expanded profits by implementing cost regulations such as revenue sharing, cost minimization and cap ceiling salaries which has increases the competitive balance of the NBA and they have increased revenue by extending the market to 30 domestic franchises, in season and pre season games abroad, as well as internationalizing their league by importing foreign players, as well as improving its overall attractiveness by promoting peace through organizations such as NBA Cares and Basketball Without Borders.

This biopolitical control that David Stern and the NBA’s governing body has over its athletes and its fans have affected the popularity of the NBA in a positive way. Firstly by being able to control the athletes the NBA can assert the kind of role model they want their athletes to be, for example they don’t allow swearing and they have recently implemented a dress code to all players before and after games, so that they
look presentable during press conferences. The NBA also doesn’t allow any dirty play during games and this sort of honesty between players has a positive influence on the fans. The NBA also asserts control over the fans attending a game, and immediately provides discipline if someone stepped outside the line, this sort of behavioral control has further positively influenced the fans as it has allowed families to be comfortable at a game, unlike football for instance were hooliganism and violence is not uncommon.

The second working question: *How have NBA athletes contributed to the growth of the NBA?* Has been answered throughout the project but highlighted in the chapter of *Basketball Stars, Prophets and Saviors.* The most basic way athletes have contributed to the growth of the NBA is by performing at a high level and constantly representing the NBA as world-class professional league. NBA athletes have done this by winning international competitions like the Dream Team did in the 1992 Olympics as well as the Re-deem team in the 2008 Olympics. These teams have proven that basketball is still played at the highest level in the US and the NBA.

The third and forth working questions respectfully are: *What are the different realms of experience the NBA offers, and how do these different realms affect its growth? And How does manufacturing companies play a part of the experience economy of the NBA?* These working questions have been tackled in the *Experience’s of Basketball Games and Basketball Related Events, Basketball Manufactured Goods* as well as the *Summary of the Experience Economy and Sport Empire aspect of the NBA.*

The experience realm figure as described in the theoretical chapter, as well as the theoretical explanations of the different realms was used to explain and categorize the various experience offerings of, and relating to, the NBA. Basketball is fundamentally an entertainment industry and therefore it was no surprise that its principle offering is an event (basketball game) that should be memorable and therefore an experience, however what might be surprising is the other aspects the NBA offers experience by.

The athletes, as well as coaches and franchises in general provide basketball camps that let participants experience from all realms. Star athletes are chosen by Nike and Adidas to endorse their basketball products because their fame provide an added offering of experience surrounding the product. By being able to provide an economic offering the NBA does not need to worry about the economies transition from a
service economy to an Experience Economy and instead has already benefited from the transition.

The hypothesis put forward by this project was: ‘If the NBA shows indications of being a ‘Sport Empire’ and offers experience as an economic offering then this can explain the exponential growth of popularity that the NBA has been experiencing globally.’ This project has proven and explained indications of experience economy aspects within the basketball world and the NBA, it has also described the concept of Biopolitical power and shown the NBA’s ability to have Biopolitical control over its athletes and fans. Therefore I have considered my hypothesis correct which will lead me to answer my problem formulation.

To answer the problem formulation directly: *How can the theory of a Sport Empire and the Experience Economy explain the growth in popularity of the National Basketball Association?* I will begin with how the theory of a Sport Empire can explain the growth in popularity if the NBA. First I was able to categorize the NBA as a Sport Empire due to its strategies and principles. The theory then states that the NBA has no boundaries to its expansion, that is has biopolitical control over the basketball world, it delivers a world of basketball and also creates it. It is a league that young stars around the world aspire to join, almost like an exclusive club. Through this power, control and overall brand image the NBA is able to charge premium prices for its events and products. Its experience offerings are so differentiated that customers feel a personal connection which causes them to have more memorable experienced and hence value them higher.
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