



NBA in OKC: Teams study fans' habits to boost revenue

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The NBA calls it "50-win ready" when the business side of a franchise is more accelerated than the basketball end.

Oklahoma City's new team will get there by learning as much as it can about its new fan base while the fans are busy learning about Kevin Durant.

It's all a part of a league trend in which NBA teams are using detailed research and analysis of their customers' buying habits in an attempt to increase revenue by providing better products.

So while fans might initially ask questions like "What size shoe does Durant wear?" the team might turn around and inquire about how much you typically spend when you go out to eat.

"The primary goal is to get to know what your fan base wants and what your fan base is willing to purchase and fitting products to fit those individuals," said Chris Heck, NBA senior vice president for team marketing and business operations.

The belief is: the more teams know, the more they can provide desired products and the more likely the team is to see fans return and create a stronger base.

The Boston Celtics pioneered the use of analytical research in 2003 when they began working with StratBridge, a Cambridge, Mass., based business solutions and technology firm that has transformed the way the NBA sells tickets.

The Celtics ended the 2005-06 season by losing nine of their final 14 games before finishing with a 33-49 record. Despite the mounting losses, those final 14 games all sold out.

Boston used software developed by StratBridge called StratTix, which provided the Celtics a color-coded image of their arena and live updates on how seats were selling and at what prices. Boston's marketing and sales executives noticed the upper corners of the arena weren't selling as well and developed ticket packages marketed as family packs that included four tickets and concessions vouchers for a discounted price of \$119.

The success of the Celtics has led to 26 of the NBA's 30 teams, and roughly 100 total professional franchises, implementing StratBridge's technology, according to StratBridge Founder and CEO Matthew Marolda.

Although Oklahoma City's franchise has yet to finalize ticket prices for next season, the team is expected to use StratBridge's technology. Team officials were unavailable for comment for this story, but Marolda said the old Seattle SuperSonics used the software and the technology would be beneficial for a relocating team. Marolda also said the Hornets used the program during their final season in Oklahoma City.

"I think this is one of the situations where our tool becomes extremely valuable to a team," Marolda said. "When you go into a new market like that, having data and being able to do all kinds of things with analyzing, targeting and projecting can create a lot of value and get them up that fan base curve pretty quickly."

The software costs between \$10,000 and \$100,000, Marolda said, depending on the level of functionality. In addition to allowing teams to analyze ticket data, StratTix helps teams target existing and potential ticket buyers and project sales for an entire season.

Oklahoma City's franchise likely would use the technology as more of a tool to gathering information during the first season, Marolda said, before using the system to devise pricing plans in future seasons.

"There's a lot of novelty and exciting things about having a team come to a new city," Marolda said. "But you want to build that foundation for the subsequent seasons. So two seasons out, three seasons out, four seasons out, who are the people that I want to build around? Who are the people that are the right kinds of fans for me to be cultivating? And who should I be spending my time on?"

Perhaps it's no coincidence the NBA has set attendance records in four of the past five seasons.

"It's very much a growing trend in the NBA that teams are becoming more analytical, whether it be for their pricing or getting to know their season ticket holders better or individual ticket holders," Heck said. "I would say that we started really seeing a focus on it as far as five years ago, and it ramps up more every year. Our teams are embracing this and taking full advantage of having an analytical mind and someone that can focus on these trends on staff."