

2019 Sport Marketing Association Conference (SMA XVII)

Applying Employee-Based Brand Equity to Professional Sports: A Case Study of the Golden State Warriors

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Over the past half century, the National Basketball Association (NBA) has evolved into a powerful global brand, marketing itself to fans around the world. During the 2017-18 season, the NBA generated the most revenue in league history at \$7.4 billion, which was a 25 percent increase from the season before (Forbes, 2018). As a result of such unprecedented success, NBA organizations constantly seek competitive advantages. The NBA is made up of 30 teams, all of whom compete to acquire and retain the services of star free agents. In recent years, NBA unrestricted free agency has seen several star players leave organizations to take their talents elsewhere. Therefore, player mobility, or the tendency of a player to move from one situation to another, has become an often discussed issue. NBA stars factor in potential opportunities to market their personal brands when making these decisions. In turn, organizations try to build brand equity not only to attract customers, but top talent as well.

Brand equity is the accumulative marketing effects that are uniquely attributable to a brand (Aaker, 1991; Keller, 1993; Kotler and Armstrong, 2010). Creation of a brand is the process by which organizations are able to differentiate their product from competitors by developing and cultivating a specific image of their product (Popovic, 2017). In marketing literature, brand equity has been primarily examined from the consumers' perspective (i.e., Consumer-Based Brand Equity, CBBE). Financial Brand Equity is often conceptualized as the outcome of CBBE (Keller, 1993). Only until recently, the third perspective, Employee-Based Brand Equity (EBBE), or more generally Identity-Based Brand Equity (IBBE), has been proposed by scholars (King, 2009; Tavassoli, Sorescu, & Chandy, 2014). EBBE is the value that a brand provides to a firm through its effect on the attitudes and behaviors of its employees (Tavassoli, Sorescu, & Chandy, 2014). The theory suggests that companies have an incentive to seek productive human capital and to add to the human capital of their existing employees. King (2009) proposes that EBBE has three dimensions: 1) internal brand management, 2) employee brand knowledge effects, and 3) EBBE benefits; and EBBE is the antecedent of CBBE.

2019 Sport Marketing Association Conference (SMA XVII)

The concept of EBBE is particularly relevant to professional sports. For instance, with NBA teams, building CBBE has been a challenge considering the shift in fan interest. Although basketball is a team sport, it is increasingly common for today's NBA fans to follow individual superstar players more than teams. Since sports can be considered as a professional service and employees are considered an asset, leadership and organizational culture could potentially be integral factors in building brand equity and enticing unrestricted free agents to sign contracts with NBA teams.

The purpose of this study is to conceptualize and develop an Athlete-Based Brand Equity (ABBE) model from the theoretical perspective of EBBE. Drawing upon the case of Golden State Warriors, this study identifies dimensions of ABBE. The Golden State Warriors are the current NBA champion and third most valuable brand at \$3.5 billion (Forbes, 2019). The fact that top NBA free agents have chosen to play for the Warriors seems to indicate a degree of commercial value that derives from player perception of the Warriors' brand. A case study approach is particularly useful to employ when there is a need to obtain a deeper understanding of an issue, event or phenomenon of interest, in its natural real-life context (Yin, 2017). This methodology helps address the "how" and "why" questions related to EBBE and its link to sports. In sports, even though a case study may involve one organization, the research process requires data collection and integrative interpretation of information from multiple sources (Ghauri & Gronaug, 2005). Guided by Yin (2017), this case study adopts a post-positivism approach as the development of the themes were guided by the EBBE.

Through this case study, we decided to retain the original three first-order dimensions of EBBE; instead, the second-order dimensions are newly identified in the context of professional sports. Under the Internal Brand Management dimension, Informed Hiring Processes, Employee Socialization, Employee Respect are the three main themes. The Warriors philosophy on employee recruitment is to hire people of the highest character. Team leadership seems to identify these attributes in the recruiting process and socialize new players to adopt the values and beliefs of the organization.

The Employee-Brand Knowledge Effects dimension yielded two themes: Player Role Clarity and Player Brand Commitment. The Warriors have built a team of star athletes and complimentary role players willing to make personal statistical sacrifices in order to achieve championship success. Homegrown All Star players such as Stephen

2019 Sport Marketing Association Conference (SMA XVII)

Curry, Clay Thompson, and Draymond Green have been developed within the organization and served as a foundation for their initial success. Free agents such as Andre Iguodala, Kevin Durant, and DeMarcus Cousins have added to the success of the brand and chose to go to the Warriors despite probable decrease in their individual statistics.

Player Character, Player Satisfaction, Player Intention to Stay, and Team Reputation are dimensions of the EBBE Benefits. Stephen Curry, the Warriors most popular player, has been involved in a number of charitable causes, which aligns with the Warriors' front office philosophy of valuing character. Player satisfaction is high considering several players have been outspoken in support of the organization, have taken less money to stay on the Warriors and have accepted bench roles to sacrifice personal accomplishments for team-driven goals. The core group of players drafted by the team (Curry, Thompson, and Green) have remained for nearly a decade. The team's reputation has grown and has attracted star free agents, including Kevin Durant, a Top 5 NBA player.

The findings of this study support the notion that EBBE is applicable in a professional sport setting. These findings indicate how athletes build the identity of a brand may depend on steady leadership and a supportive environment. From a practical standpoint, the Warriors example can assist other NBA organizations in understanding the importance of Employee-Based Brand Equity in building a successful franchise.

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2019 Sport Marketing Association Conference (SMA XVII)

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