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The business of the NBA could be changed forever because of the Coronavirus

Korey Matthews

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Walking into Madison Square Garden on a night in November 2019 was an experience like none other. Anticipation filled the air as fans made their way to the 7th Avenue entrance of the arena.

That night, the New York Knicks were playing the San Antonio Spurs, with New York ultimately losing the game 111 to 104. Despite this, the atmosphere in the Garden was electric, with fans cheering as the Knicks tried to make a comeback in the fourth quarter of the game. Celebrity rapper J. Cole was even sitting courtside at the game, and the energy in the arena was electric.

That energy has evaporated, and you probably can't find a crowd of fans clamoring to get into Madison Square Garden if you walk past. The coronavirus pandemic led to most teams in the NBA beginning the 2020-2021 season without fans in attendance at games, with the Knicks being one of them. As a result, many players are competing without the inspiration of courtside spectators.

“So you can be just a couple feet away from your favorite player, and you don't get that same feeling when you go to any place else,” said Andre Melton, an audio engineer and on-air personality at 88.9 WEAA-FM in Baltimore, Md., when talking about the experience of going to an NBA game in comparison to that of other sport's leagues.

The virus has crippled the sports world, with leagues across the globe losing revenue as they have been forced to limit or completely bar fans from attending games. The NBA has been no exception and fell short of its revenue projections for last season by about \$1.5 billion, according to the [Associated Press](#), as the virus forced the league to cancel 171 regular-season games.

The silver lining is that the pandemic may bring new elements that could benefit the league in the future. Since many games do not have fans, the league could find new ways to bring fans the action.

When play in the NBA was paused back in March of 2020, it served as one of the first marks of the gravitas of the virus in the United States. The league had to form an isolated bubble at Walt Disney World Resort near Orlando to finish out its regular season and playoffs, which actually worked to relative success, as no positive virus cases were reported during that period of play.

The league sits at a peculiar point as it is in the midst of a new season that began as the pandemic has continued to rage on. Without the bubble format, teams have already seen players miss time and be forced to quarantine because of them contracting the virus or having had close contact with others who have. The schedule has been disrupted as games have been postponed.

Going back to a bubble format would probably be ideal, but would be difficult to achieve over a period longer than the nearly three months which the NBA used it to finish out the 2019-20 season. Plus, being away from their families while in the bubble was hard on the players.

In order to get through the current season, the NBA has made adjustments. It has implemented daily testing for its teams. According to the [NBA's website](#), any player who tests positive, even if asymptomatic, must wait 10 days and then be monitored in individual workouts for an additional two days. It also said that an anonymous tip line would be made available to report possible violations of safety protocols.

The season's start was also pushed back to December 22, 2020; play usually begins in October, but this would have been difficult since last season's playoffs did not end until October.

Keeping the fan experience fresh, and innovating it for beyond just the current pandemic, is crucial to the NBA's success.

In order to sustain itself for the new season, as well as the future, the NBA could establish new ways to make money. While the pandemic is not a positive thing itself, the league may find new revenue sources that it would not have realized before this situation, and one that could prove useful is sports gambling.

The schedule changes that the league has made due to the pandemic could also prove to be a long-term benefit, as they could help keep players healthier and make the game more entertaining for fans.

The league's bubble experiment certainly had its positives and negatives, and the lack of a fan presence made it difficult from an emotional and business perspective. But the experience could serve as a valuable lesson for the league's future. "The bubble is kind of just tons of testing," said Joe Barnathan, a contributor for Forbes who writes on the business of basketball.

The Fan Experience Could Become More Digital, But Still be Personal

The NBA's fan experience is unlike that of any other league, as spectators sitting courtside enjoy unparalleled access to players. Teams also seem to feed off of the energy coming from their supporters, going on scoring runs that are cheered on by a rowdy arena.

Fans at the games also add to the experience that people have when they're watching the games from home, giving viewers a sense of excitement and entertainment.

Devon Ashby, a journalist who is the author of *PG vs MoCo: A Memoir of High School Football in the Shadow of the Nation's Capital*, says the games have not been as watchable without fans.

"The biggest difference to me has been mainly like the buzzer beating shots, and the big shots late in games, because the atmosphere in the stadium really makes those even 10 times more amazing. So like a big dunk, or a fadeaway jumper, or a crossover, or obviously a buzzer beater at the end of the game. Those moments just don't hit the same without fans," he said.

Players seem to be trying their best to stay connected with fans even though they do not see them as much in person. Players such as star LeBron James have taken to Instagram Live to reach out to supporters, and Dwight Powell of the Dallas Mavericks even used FaceTime to read stories to young fans.

In a normal year with 82 games per team, 1,230 regular-season games are played. In the early part of last year, NBC Sports NBA Insider Tom Haberstroh reported that the NBA makes an average of \$1.2 million in gate revenue per regular-season game, and \$2 million per playoff game. By that count alone, the NBA could bring in nearly \$1.48 billion in regular season revenue just from fans alone.

But they'll be hard pressed to do that this year, with the season starting without fans, so they could look for ways to make it up. One way might be through over-the-top (OTT) streaming services, says Dr. Daniel Kelly II, academic director for the Tisch Institute for Global Sport at the NYU School of Professional Studies.

"I think if the NBA monetizes the digital streaming OTT, over the top revenue, options, I think that's going to be to me, one of the biggest lessons learned from the bubble in Orlando," Kelly said.

With players already promoting themselves on Instagram Live feeds, and using them as ways to connect with fans, Kelly said the NBA could look to provide these types of services and make them exclusive, creating content such as a fans-only site for NBA players.

Creating something like this would not only help the NBA in its current situation, but it could also lay down some of the framework for future revenue. By embracing streaming on a scale such as this, the league may be able to better understand the demographics that respond to their streaming content, how much of it works, and what types of content they should make available through streaming. In turn, this information could be used to advance to larger streaming operations, where they could look at expanding to platforms that stream longer, more in-depth content.

Making more content such as this might help the league, because watching games without fans now is not the same as what it was when fans were there.

Ashby did admit that the actual game action from the NBA bubble was good, but it just felt different. According to [Sports Media Watch](#), the 2020 NBA Playoffs which took place in the bubble averaged 3.04 million viewers across different networks, which was down 37% from the year before.

As the Search for Other Revenue Streams Goes On, Sports Betting Might Be Effective

With so much revenue already lost during the pandemic, the league will need to find other ways to help recoup some of it, as well as new ways to bring in revenue that can be beneficial long term.

One avenue that has huge potential is sports betting. Platforms such as DraftKings have made gambling on sports easier than ever, and have opened the practice up to a greater amount of fans. Back in 2018, the American Gaming Association reported that the MLB and NBA would get a \$1.7 billion revenue increase from legal sports betting.

Evidence has shown that the legalization of sports gambling could lead to increased sports viewing. Some fans that bet on sports have very little interest in the games themselves, but the opportunity to make money off of them fuels their desire to follow them. By gaining fans this way, the NBA could eventually convert them to consumers that spend money on games, merchandise and more.

Abby Watson, 25, from Fishers, Indiana, did not grow up a huge NBA fan, although she did support her hometown Indiana Pacers. But last year, she got into betting on NBA games, using FanDuel and DraftKings, and was able to get on what she called a “beginner’s luck streak,” making around \$700 in the first two weeks. On top of that, the money helped because she had just been furloughed from work.

She says she’s now become a true NBA fan because of the betting.

David Torromeo, who serves as the head of the Sports Business Management program at Manhattanville College, says sports betting can be taken to another level to improve the fan experience. Apps could be created where fans are in arenas, and could bet on events of the game, such as who would score the next basket. The apps could make the bets geo-targeted so that only fans inside the arena could participate, providing the NBA with more revenue and another way to improve the fan experience.

Less Could Be More in Terms of the NBA’s Schedule

The NBA made the decision to make the 2020-21 season 10 games fewer than usual, with only 72 games total. Adjusting the length of the season is something that could greatly benefit the league, and it’s possible it could become a permanent fixture.

The past several years have been filled with complaints about star players sitting out of games. It’s led to the popularization of the term “load management,” which “means giving a player a night off during an 82-game NBA season in hopes of preserving him for the playoffs,” according to an article from SB Nation. Fans are disappointed to go to games or watch them on television and find that their favorite players are not participating.

By adjusting the schedule, the league could make it easier for players to stay healthier and fresher throughout the season. Travel could be minimized, and games could be more spread out to allow for more rest in between.

The one drawback to this could come from a revenue perspective. Shortening the season could lead to less money for owners and players, since so much revenue comes from ticket sales. But this could be nullified by charging more for the remaining games that are played.

The league could also keep the expanded playoff format that it will use this season, which allows for more excitement among different fan bases as more teams are in the playoff mix at the end of the season.

Another aspect the NBA has implemented this season is having teams playing more back-to-back games in the same arena, against the same team. In previous seasons, the league had done home-and-home series, where teams would play each other at one team's arena, then travel to the other team's arena for the next game, sometimes the very next night. But with the need to reduce travel, the league implemented a two-game series format this year that is similar to what baseball does, where teams play consecutive games against each other in the same venue.

It could be beneficial to keep this in place in the future, as it reduces the travel that players have to make, and can help them be fresher later in the season.

The Pandemic Could Leave the League in Better Shape Than it Was Before

While it's not certain that all of these changes will work, they lay a foundation for what the NBA can do in the future. By starting from these points and adjusting, the league could eventually find itself in a better business position than it did prior to the pandemic.

One thing is certain, and that is that having fans return to the games will be important for bringing back excitement to the league. John McQueen, a basketball fan in Baltimore, Md., said that while watching the games without fans from the NBA's bubble on television, he did not feel the same energy that he had seen before.

He says that in order to try to keep things as normal as possible while many fans are still not able to attend games, the NBA should try to implement more crowd noises and music in the background.

Whatever the league does to get through the current time, it will probably never be able to replace the excitement that fans bring at games. But, it could help the league as a business be more successful in the years to come.