



Relocating and Rebranding the Franchise: Taking an Opportunity in Seattle

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Declining Success in New Orleans



Low Value in a Small Market

- Ranked 30th overall in team value at \$750 million
- 1.2 million population in the New Orleans Metropolitan Area
 - 638,020 TV homes (#51)

(“Local Television Markets”, 2017)

(“New Orleans Pelicans”, 2017)

(“The Business of Basketball”, 2017)

Income Issues

- \$16.7 million operating income during 2015-16 season (#22)
- One of 14 NBA teams to lose money during 2016-17 season (without revenue sharing)
- Solutions for issue:
 - More revenue sharing
 - Move smaller market teams to bigger markets

(“The Business of”, 2017)
(Windhorst & Basketball Lowe, 2017)

Lack of Ticket Sales

- Ranked #24 in attendance during 2016-17 season
- #30 (tied) in average ticket price at \$48 during 2016-17 season
- Made \$29 million in gate receipts during 2016-17 season

(Michaels, 2017)
("NBA Attendance Report - 2017", 2017)
("New Orleans Pelicans", 2017)

Declining Fan Interest

- Distributes 16,000 tickets, but only a fraction come to games
- “Second fiddle” perception of Pelicans in the city
- Only 24% of Saints season ticket holders are Pelicans season ticket holders

Stadium Issues



Stadium Issues



Real Estate and Long Term Risk

- 25% of New Orleans has been submerged due to its location on a deltaic plain
- Flooding confirmed by Hurricane Katrina in 2005
- Leaving middle class is a sign of things to come
- Potential for less financial aid

(Baade & Matheson, 2007)
(Baxter, 2014)

Seattle as a Place of NBA Opportunity



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Seattle's Market Richness

- Income gain nearly \$10,000
- Educated workforce
- 12th in GDP among large metro areas

Seattle income hits \$80,000

Seattle's median household income increased by nearly \$10,000 in one year – the biggest increase among the 50 most populous U.S. cities.

TOP FIVE CITIES, CENSUS INCOME		MEDIAN HOUSEHOLD INCOME, 2015	CHANGE FROM 2014
1. Seattle		\$80,349	\$9,374
2. San Francisco		\$92,094	\$7,024
3. Portland		\$60,892	\$6,268
4. Kansas City		\$50,259	\$6,086
5. San Jose		\$91,451	\$4,241

Stadium Opportunity

- Massive Renovations are set to be done 2020 season
- Privately Funded
- Sponsorship Opportunities



Fanbase Desperate for an NBA Team



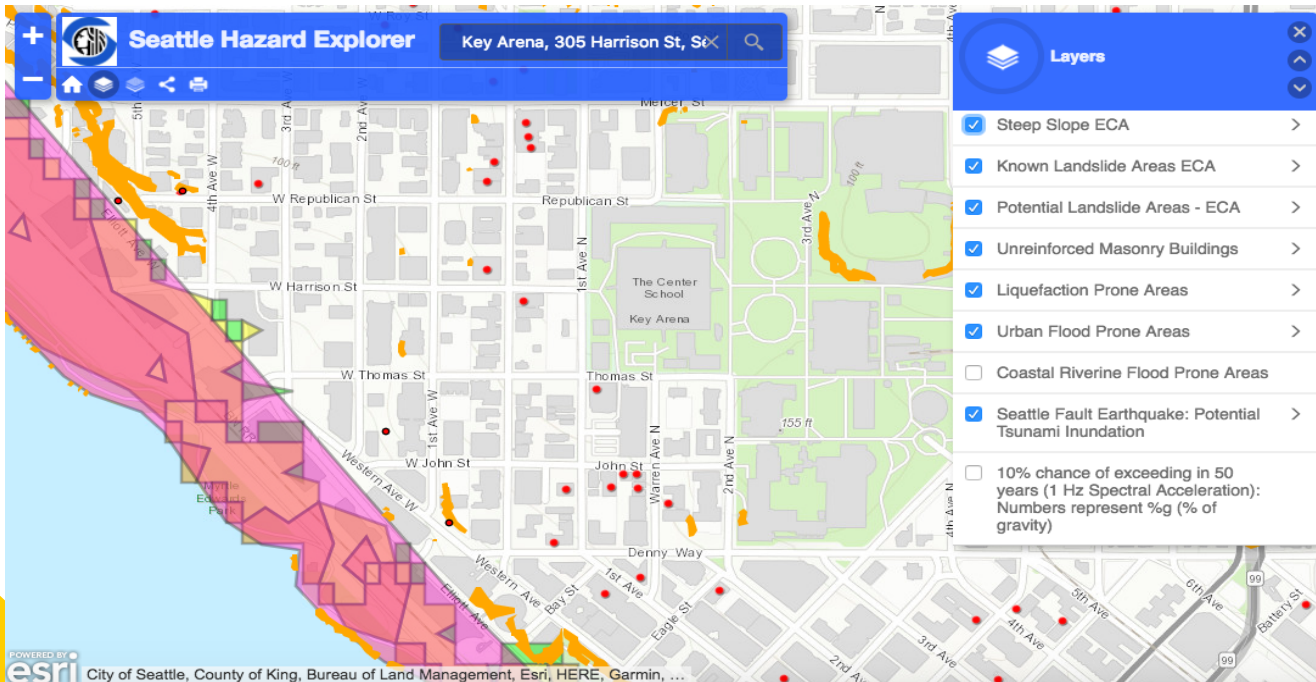
- 13% of single game ticket sales for Portland Trail Blazers come from Seattle
- Longest tenured NBA team to lose their franchise

(Baker, 2016)

(Bawek, 2016)

Real Estate Opportunities

- “Surged to one of the top markets in the country”
- Seattle Hazard Explorer does not have KeyArena as a vulnerable location



(Story Map, 2017)

Seattle as a Reality



- Moving to Seattle
- Sponsorship
- Rebranding as Supersonics
- Marketing Strategies

Moving Pelicans to Seattle

- Rising **Team Value** and **Ticket Sales** by moving to a larger market.
- Average team value in NBA is 1.36 billions.
- Pelicans are ranked at last place with 750 millions

NBA Team Valuations (in Millions)

Team	Sport	Market	Stadium	Brand	Total
1. New York Knicks	266	1,681	849	505	3,300
2. Los Angeles Lakers	192	1,699	545	595	3,000
30. New Orleans Pelicans	396	169	124	61	750

Moving Pelicans to Seattle

- Larger Market in Seattle as compared to New Orleans

Local Television Market Universe Estimates

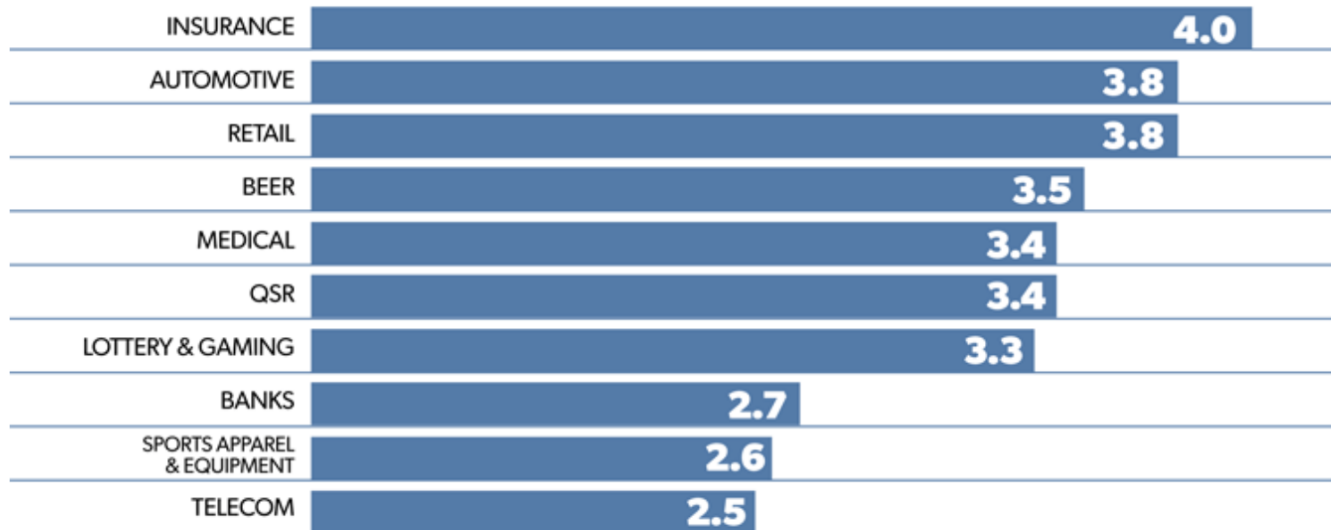
Rank- TV Homes	Designated Market Area	TV Homes
1	New York	7,074,750
2	Los Angeles	5,318,630
12	Seattle- Tacoma	1,880,750
51	New Orleans	638,020

A professional basketball team is projected to worth \$1.4 billion.

Sponsorship -- Stadium Naming Rights

- KeyBank has not paid for naming rights since 2010.
- Home to corporate industry titans, such as Microsoft, Starbucks, Amazon.

NBA MOST ACTIVE CATEGORIES (LEAGUE AND TEAMS)



(Daniel Person, 2015)

(ESP Sponsorship Report, 2017)

Sponsorship

- Stadium Naming Rights



First Niagara Center, Buffalo Sabres



Key Arena

(Buffalo Sabres Hockey Stadium, 2016)
(Pac-12 Conference, 2017)

Sponsorship -- Jersey

- Jersey Patch Sponsor, average \$9.3 million annually



Microsoft



Xbox

(Lombardo and Lefton, 2017)

Sponsorship -- Jersey



\$400 million for 5 years with the NFL



\$33 million for 4 years with the Real Madrid

Sponsorship -- Jersey

- Jersey Patch Sponsor



Seattle Sounders, 2017



Seattle Reign FC, 2017

(Soper, 2017)

Rebranding as the Supersonics

- New Orleans Pelicans are currently one of least popular franchises
- Seattle was one of more popular non-championship teams
- City of Seattle is hungry for a return of the Supersonics
- Using the old brand would really help reconnect the city to the NBA

Color Scheme/ Jersey Design



- Update previous Seattle franchise's green and orange colors to green and bright yellow
- Both the Icon Edition (left) and the Association Edition (right) are both classic looks

Jersey Design cont.



- The Athletes Edition (left) and the Community Edition (right) are both modern designs

Logo



- New logo incorporates Seattle's skyline characteristics
- Uses updated color scheme
- Adds classic basketball background commonly seen throughout NBA

Marketing Strategies

- Focus on Seattle's core values of hard work and innovation
- Utilize stars of the team: Anthony Davis and Demarcus Cousins
- Larger Seattle market will open up marketing options
- Fan based brand-equity pyramid
- Social media will play an integral role in marketing campaign

Benefits to Seattle



- Team provides positive economic value and public good outcome
- Boosts morale and quality of life for citizens

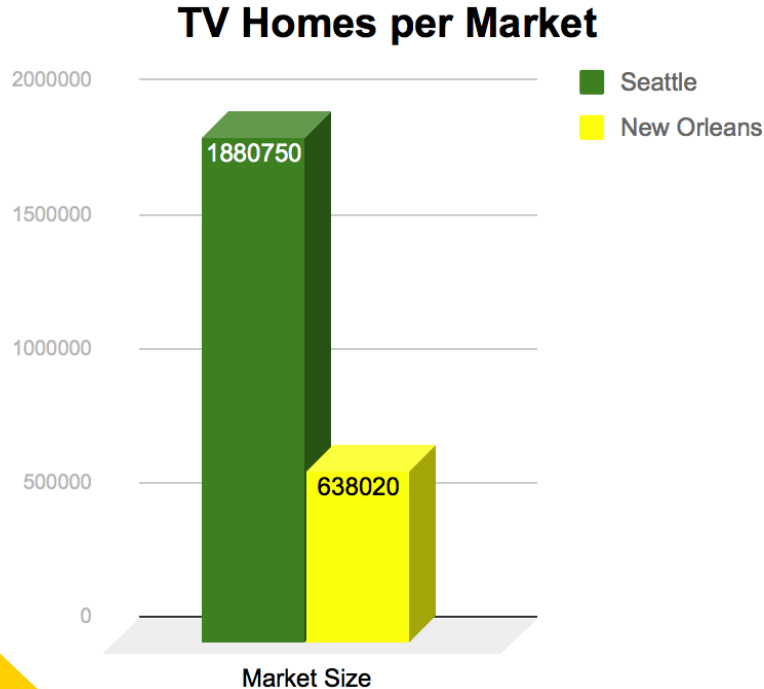
Investment Opportunities



- Seattle is rich, developed city with many investment opportunities
- Hottest real estate market in country

(Morris, 2017)
(Riffle, 2016)

Growth in Team Value



- Team value derived from market size, arena, and team performance/star power
- Larger market and newly renovated arena = increased team value and increased revenue

(Hill, 2010)

(Liedekerke, 2017)

(Local Television Market, 2017)

