NBA and NHL: Success and Failure

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While watching NBA and NHL playoffs over the past few months I have been struck by the remarkable difference between what has happened to these two professional sports leagues in the last ten to fifteen years. Under the leadership of David Stern the NBA has prospered with Bird and Magic, expanding its presence to what is now approaching world-wide dimensions; while the NHL first with Gretzky and now Lemieux languished with John Zeigler at the helm.

In the mid-70s The National Basketball Association went into what was nearly a financial free fall. Certain that it was about to enter an era of easy TV money, the NBA tried to force the issue with ABC television and made outrageous demands for rights fees. ABC let the NBA go to CBS in 1974, and then under the direction of Roone Arledge took its revenge with the Superstars competition driving the NBA on CBS off the ratings board. Roone's Revenge saw the NBA tumble in the ratings, leading both NBC and CBS to spend more money on college basketball than on the NBA. At the same time sponsors such as Ford and General Motors were abandoning the NBA for the college game, because as one Ford executive said, the college game attracted, a "younger, more affluent, white audience."

Articles began to appear questioning the future of the NBA as a major competitor for the sports and entertainment dollar. Analysts discussed the developments in racial terms, wondering if middle class white professionals would continue to pay top dollar to watch teams dominated by blacks. The Celtics were frequently characterized as the only white man's team left in the NBA. It was a time of troubles for all concerned.

The NBA struggled until the early '80s when the appearance of two new superstars, Magic Johnson and Larry Bird, along with the leadership to capitalize on this develop, reversed the downward trends. TV ratings increased, and revenues followed. With a brilliant marketing strategy the NBA was to sell its merchandise and its game worldwide. Michael Jordan, and then David Robinson, came into the league and were in turn added to the public marketing strategy. David Stern provided the leadership in these developments which led to a combined Commercial-Cable television contract of considerable profit by the mid-80's. The gigantic contract from NBC in 1990 with a $50M promotional package including a Saturday morning TV show for
kids was the frosting on the cake of a complete and total recovery.

Rising TV ratings saw increased attendance at increased ticket prices. The prosperity led to further NBA expansion as the league continued to tap into the new markets of the Sun Belt, and those medium size markets where there was no other major league game in town. All of this has worked remarkably well for what looked like a dying sport just a little over a decade ago.

As the NBA moved from jeopardy to prosperity marketing its superstar athletes as well as its teams, the National Hockey League seemed to be heading in the opposite direction. John Zeigler's well pressed suits have witnessed a domain of drift in which the National Hockey League missed every opportunity to expand its horizons, while squandering its precious assets. Instead of a hockey boom, the NHL has wandered aimlessly through a decade of shrinking TV audiences, and declining TV revenues. Most of the U.S. television audience has been written off as irrelevant to the League.

And what a tremendous waste. The decade of the 80's dominated by the Edmonton Oilers, led by the greatest hockey player of all time, Wayne Gretzky, has been just one more missed opportunity for the NHL. Unlike the marketing of Magic and Bird, Gretzky was put under wraps and exiled to Sports Channel America where he would not be seen by most of the U.S. market. Now in the early 90's Mario Lemieux will apparently get the same degree of underexposure, and the NHL will lose its prime opportunity to build its TV ratings and revenues, and vastly increase its merchandising revenues.

The hockey playoffs this year were delayed by a strike, and then moved rapidly to their conclusion, playing in some places before small arena crowds, and playing before nearly no one on U.S. television. In Chicago during the Stanley Cup Final the fans of that city could see the Bulls and the NBA playoffs on commercial and cable channels throughout the city. If they wanted to see the Blackhawks it cost $19.95 a game on pay per view. The Stanley Cup Final was not available on standard cable, independent stations, or network television. Guess which playoffs were being watched by Chicago fans?

It appears now that John Zeigler will be removed from his post as NHL president. One wonders if anyone will be able to locate him to give him this news. One wonders even more if his removal will change anything at all, or if it is already too late.
Professional sport is sport played at the highest levels of excellence. To see Gretzky, Magic, Bird, Mario, or Michael is to confirm the beauty of sport at its finest. But professional sport is also entertainment, which to succeed must reach and hold the largest possible audience. This requires aggressive marketing and highly skilled business leadership. David Stern has brought that to the NBA and rescued it from the doldrums. John Zeigler and the National Hockey League are still wandering aimlessly in the desert.

On Sport and Society this is Dick Crepeau reminding you that you don't have to be a good sport to be a bad loser.

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