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Big Data is Golden for NBA Team

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Big Data is Golden for NBA Team
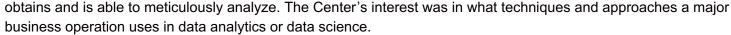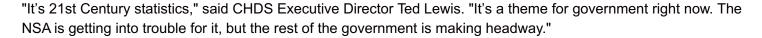
Professional sports met homeland security on the court of big data analytics July 24 as Brandon Schneider, vice president of Ticket Sales and Service for the Golden State Warriors, spoke to students at the Naval Postgraduate School Center for Homeland Defense and Security.

Speaking with 30 CHDS students during a lunch hour session, Schneider shared how the Bay Area's NBA franchise gleans and manages data from its business operations to maximize ticket sales and revenue.

"There is not a decision we make without looking at the numbers and the analytics," Schneider said.

Schneider's task is to maximize ticket sales by capitalizing on the precise marketing data the team obtains and is able to meticulously analyze. The Center's interest was in what techniques and approaches a major business operation uses in data analytics or data science.

"It's 21st Century statistics," said CHDS Executive Director Ted Lewis. "It's a theme for government right now. The NSA is getting into trouble for it, but the rest of the government is making headway."

Just a few years ago, the Warriors organization like most sports teams relied on a broad, blanket style approach to ticket promotions – the advertising message was aimed at any one who bought a seat to a game.

Social media and accompanying innovations in data analysis have transformed the way the Warriors, and most sports teams, sell their product. Teams now have more ways to glean data, decipher it and maximize its usefulness.

For Golden State, that means analyzing customer habits on ticket-selling websites as well as extracting information from social media sites. In addition to its own analysts, the team utilizes off-the-shelf products to pinpoint its audience. Those products can help monitor what is said about an organization on varied forms of social media, for example, as well as aiding companies in fine-tuning their messages and campaigns.

The team harnesses an array of popular services on its Warriors Connect page which encourages fan interaction while enabling streamlined data collection. Additionally the site provides exclusive content on Warrior news.

Another novel collection method is a mobile application that enables fans, when they see an empty seat closer to the court, to text and pay an upgrade to move closer to the game. While the customers get the upgrade, it likewise provides information on preference to the team's ticket operation.

Rather than a widespread message to the whole of ticket buyers on record, the team can customize its promotion to suit customers' interest. The data may be used to focus on a particular night of the week a person is inclined to attend, how much they are generally willing to spend as well as what opponents they are likely interested in watching, for example. These approaches tend to be less off-putting than asking customers for personal information.

"We can tailor something that interests you and we see a higher conversion rate," Schneider said.

The trend builds on a technological marketing approach from the 1980s and 90s called "mass customization," said Lewis, who is former Senior Vice President of Eastman Kodak and former President and CEO of DaimlerChrysler Research and Technology, North America, Inc. Mass customization sought to narrow down from a broad demographic.

"Big data enables you to target the individual," Lewis said. "It's old-fashioned marketing on steroids. You have detailed information distributed at high speed. Companies are mining that to learn about their customers."