Case Study:

Accelerating the Growth of the Warriors

How to improve the growth of one of the most successful franchises in modern sports

The Problem:

NBA teams are like businesses where growth is a primary driver for success. As one of the most successful franchises of the 2010's, the Warriors must look to maintain its success by finding new methods to accelerate its growth and continue its historic upward trajectory.

1

*In this case study, growth is framed as brand awareness growth or revenue growth. Due to data accessibility, **revenue growth** is the chosen focus.*
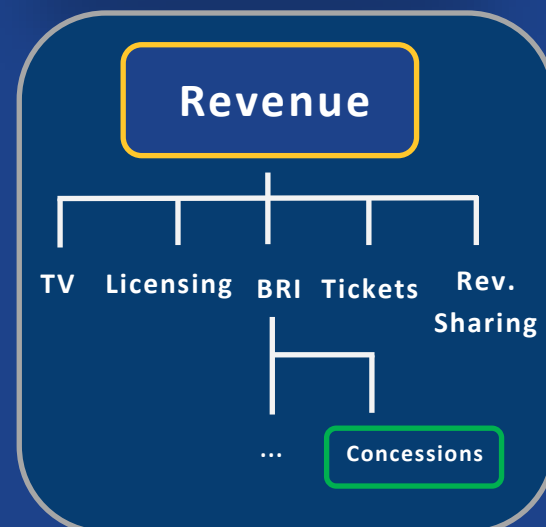
```
                    Growth
                       |
         ┌─────────────┴─────────────┐
      Brand                      Revenue
      Awareness
```

2

*As the highest grossing NBA team, the goal of the case study is to investigate ideas to **provide gains**. Gains in the customer circle are **positive states**. In this case, the desired positive state is to **increase gross revenue** from basketball related income (BRI).*

Gains
☺

Customer Job(s)

Pains
☹

3

*NBA teams make revenue through **5 channels**. Concessions is one sub-channel of BRI. To enhance a well-operating system, concessions are looked to be improved. To increase concession revenue, **a combination of pre-packaged food & self checkout**, deemed as **quick checkout**, is proposed. Customer pain points such as long food queues and the pressure to tip are removed.*

```
                    Revenue
                       |
    ┌──────┬───────────┼───────────┬──────────┐
   TV   Licensing    BRI        Tickets     Rev.
                       |                    Sharing
                  ┌────┴────┐
                  |         |
                 ...    Concessions
```

The Process:

Market Research

What's important to teams?

"_Growing_ our global fanbase"

- Brandon Schneider
[President & COO]

2021 Revenue	2019 Fan Cost Index	NBA Sponsor Revenue
$474M	**$430.25**	**$861M**

Problem Space Exploration

Persona 1   **Goals**

Game Attendee

- Reduced concession queue times
- Lower product costs

Persona 2   **Goals**

Warriors Executives

- Improved customer experience
- Improved metric performance

Hypothesis

Omnichannel Retailing Hypothesis:

Introducing **pre-packaged foods** with **self-pay stations** will facilitate a greater number of concession purchases by removing the pain points: **long queues and the pressure to tip**. This enhances the customer experience by **shortening wait times** and introducing the illusion of **cheaper goods**.

Exploratory Data Analysis

Dataset:

Sample Online Retail Data

*Assume purchases made using 'Other' payment method are quick checkout and the dataset is representative of Warriors data

Goal:

Investigate the potential and significance of newly generated revenue by implementing quick checkout

Metrics:

Monthly reoccurring revenue from concessions

Monthly reoccurring revenue per payment channel

Percent monthly revenue share per payment channel

Data Visualization

Findings & Conclusion

Findings & Conclusion:

Market Research

Problem Space Exploration

Hypothesis

Exploratory Data Analysis

Data Visualization

Findings & Conclusion

Key Statistics:

Mean Quick Checkout Monthly Revenue	Median Quick Checkout Monthly Revenue	Quick Checkout Monthly Revenue Standard Dev.	Quick Checkout Monthly Revenue Range
$25919.03	$25856.34	$8926.89	$36321.35

Summary of Statistics:

Date	% Revenue*	Over 25%*	Over 30%*	Gross ($)	Rank	Above Avg	Std Dev
March 2019	0.254	x		31934.27	7	T	0.674
August 2019	0.274	x		25614.71	12	F	-0.034
October 2019	0.326	x	x	36412.75	4	T	1.176
December 2019	0.258	x		26077.71	11	T	0.018
February 2020	0.358	x	x	37530.03	3	T	1.301
March 2020	0.318	x	x	29715.23	9	T	0.425
June 2020	0.422	x	x	41298.29	2	T	1.723
August 2020	0.274	x		34506.18	6	T	0.962
September 2020	0.266	x		30616.73	8	T	0.526
November 2020	0.313	x	x	25139.00	13	F	-0.087
December 2020	0.285	x		31049.85	5	T	0.575
January 2021	0.294	x		28985.80	10	T	0.344
March 2021	0.341	x	x	43238.10	1	T	1.940

*- the percentage refers to quick checkout's percent revenue share of all monthly concession sale methods

Conclusion:

1 *Findings suggest positive effects of quick checkout are yet not quantified. Suggests more research is required. Fail to reject null hypothesis so no action recommended.*

2 *Further controlled tests required to determine efficacy of quick checkout. There are many confounding variables affecting the data and metrics.*

3 *If quick checkout is implemented, need to establish guardrail metrics to ensure it isn't negatively affecting other channels of concession via methods such as cannibalization.*

4 *Although results are inconclusive, it is recommended to still investigate the effects of quick checkout as it could bring in new revenue.*
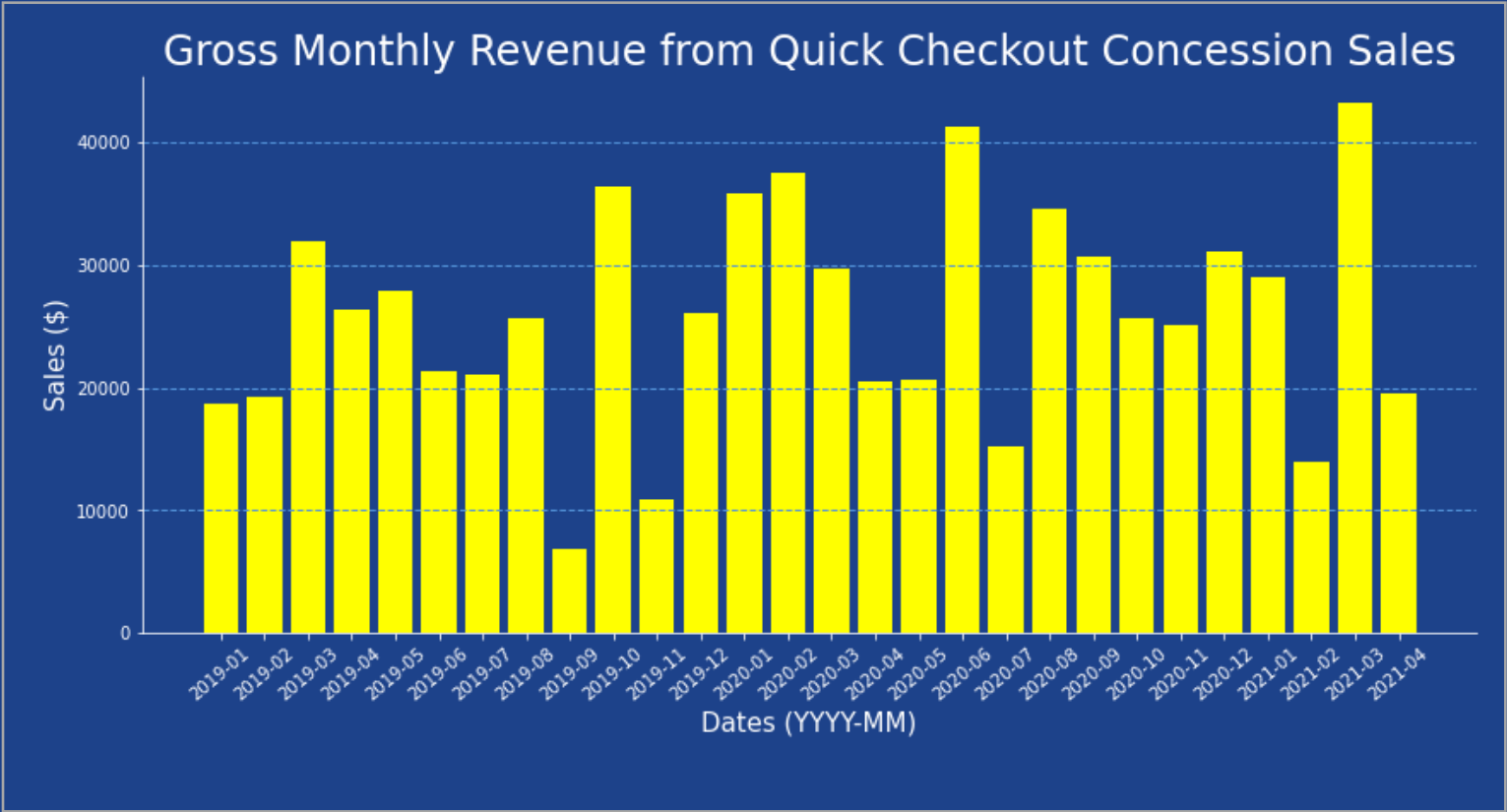
Appendix: Data Visualization

Figure 1: Visualization of gross monthly revenue from quick checkout purchases, dating from January 2019 to April 2021
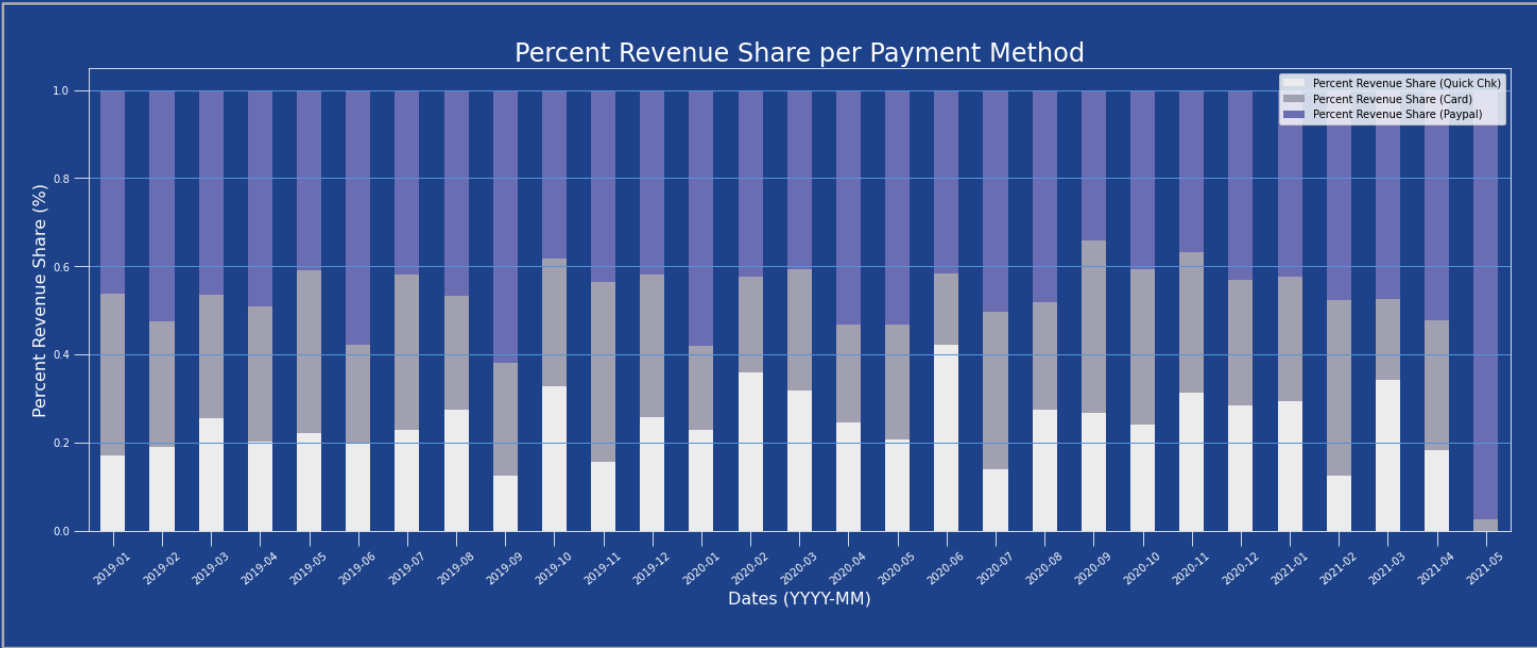

Figure 2: Visualization of percent revenue share per payment method (quick checkout, credit card, PayPal) for monthly concessions revenue