Finding the Next NBA City

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1. Introduction

The sports entertainment industry is a multi-billion dollar industry. Comprised of four major sports leagues (the NFL, the NBA, MLB and the NHL) each with roughly 30 teams, the impact of these leagues is felt around the country. Yet, in spite of the seeming national saturation of sports teams and leagues, there is continual talk of adding additional teams to new cities to further expand their respective sports.

A league that has seen growing popularity as of late is the National Basketball Association (NBA). In light of this, talk has been swirling of adding an expansion team to a new market. To further fuel these rumors, the NBA has relatively fewer teams than its two Fall/Winter sports league rivals; 30 teams vs 32 for the NFL and (soon to be) 32 for the NHL.

With this as a backdrop, the NBA is looking to expand its team base and, therefore, fan and revenue base via expansion. The challenge is finding a city that is suitable for expansion and will create a corresponding increase in revenue without diluting the current product.

The goal of this study is to help the NBA narrow down its search for suitable expansion cities. This will be done by looking at both bulk city data (population, TV market size, income) and the interests of the locals via popular venues and locales within the respective cities.