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## COMMISSIONER FOR A DAY

### *An inspiring project: NBA micro-payment system*

During the NBA game between the Miami Heat and the Oklahoma City Thunders in March 2018, a US journalist and blogger named Vasu Kulkarni has received a notification sent by NBA App informing him about the possibility to enjoy on the streaming platform “NBA League Pass” the fourth quarter of the match for just 0,99 dollars: immediately Kulkarni has shared this message on his Twitter account, enthusiastically adding the sentence “**The future is here**”.

Kulkarni had right: this message, sent to those who habitually uses push notifications on their NBA app, belongs to a wider project already outlined by the NBA commissioner Adam Silver in 2016. In fact, during the Consumer Electronics Show Silver mentioned the necessity of introducing a micro-payment system to make fans able to easily enjoy parts of the games: “I think you’re going to get to the point where somebody wants to watch the last five minutes of the game, and they go click, they’ll pay a set price for five minutes as opposed to what they would pay for two hours of the game.”

A strategy that draws his inspiration from three different frameworks: streaming platforms, video games industry and similar projects planned by other professional leagues. As expressed in another recent statement, Silver hopes to change the model of consumption of NBA’s contents to make it more similar to “**twitch**”, Amazon’s platform for live gaming able to provide updated stats and chat systems to gamers who are watching events in real time. Not by chance, gamers are also a class of consumers familiar with micro-payments: in fact, in most cases (such as “**League of Legends**”, one of the most popular titles in video gaming industry) the game is easily downloadable for free, but certain extras, able to enrich players’ experience, are available only through mini-transactions. This user-friendly payment system has also been experimented in the completely different context of the National Football League: through the channel “**RedZone**” (included in sports packages or even singularly purchasable), NFL makes sure that fans have the pleasure to enjoy every single score from every single game without any commercial breaks.

These are the reference models to which the NBA looks to create its micro-payment system: a project able, according to ESPN reporter Darren Rovell, to turn micro-transactions into a “significant revenue stream”.

### *NBA micro-transactions: the reasons for project’s success*

Despite NBA micro-payment system is still at an early stage of development (the complete offering plan is set to begin on NBA League Pass in the 2018-19 season), its initial implementation has already achieved a great consensus among fans. A huge success that primarily relies on consumption model’s flexibility and immediacy, a consistent approach in line with entertainment industry’s latest trends and a user-friendly orientation to casual and young NBA viewers.

In fact, during the rich games schedule planned by the League through regular season and playoffs, fans are often **overwhelmed** by the excessive supply of matches, running the risk to miss precisely the events that most interest them. Instead, with micro-transaction strategy, NBA makes fans able to easily and immediately enjoy a certain percentage of a game where a can’t-miss moment is about to happen such as an incredible comeback, the final and agitated phases of a crucial match or an NBA legend close to set a record or immortalized in the last minutes of his career.

Therefore, thanks to micro-payments, the League manages to achieve a consistent revenue stream and simultaneously respond to fans’ requests using, by the way, attractive and engaging functions: in fact, streaming services on multiple devices, small payment formulas and apps/social media promotion are, as we have already seen, **successful tools** already tested by entertainment and video gaming major networks.

These industries are used to interact with **young and elusive audiences** who demand a wide range of online contents to flexibly and specifically choose from and who refuse generic, long-term and too expensive entertainment packages: through its micro-payment system, NBA is trying to enlarge its catchment area, also involving them.

### ***Italian Basketball scenario: a brief overview provided by a survey***

“Federazione Italiana Pallacanestro” (FIP) is the sportive federation responsible for promoting, regulating and developing basketball in Italy: sporting activity is articulated through amateur and professional sectors which are organized in leagues of respectively, non-professional and professional teams. “Lega Basket Femminile” and “Lega Basket Serie A” are the professional leagues responsible for organizing “A1 GU2TO CUP” and “SERIE A POSTEMOBILE”, women’s and men’s main basketball championships.

According to the results of **a survey** created to understand Italian basketball fans’ habits and preferences, the main male national championships (together with NBA) are the competitions able to generate greater interest. In particular, in our country, matches, highlights and news are the basketball contents preferred by fans who regularly access to them several times during each day or once every 48/62 hours, using principally smartphones and televisions: specifically, who replied to our survey believe that the scheduling of events that overlap with other personal commitments, the excessive costs and the poor contents promotion are the main issues encountered in accessing to basketball entertainment in Italy. For these reasons, fans have in most cases great familiarity with streaming platforms who make them able to enjoy online entertainment contents: in fact, these services are very appreciated because of the ease with which it is possible to specifically select the most interesting events and the reduced costs.



### ***“SMALL BALL”: little payments, huge potential***

Reflecting on information obtained through our survey, it is easy to reach a couple of conclusions: primarily, Italian basketball fans are undoubtedly a proactive target of consumers, capable of using multiple devices and streaming platforms to reach specifically their favorite entertainment contents. However, it is also clear that they do not actually dispose of a low-cost service able to precisely suggest and promote to them engaging and short-term basketball contents to enjoy in their personal and progressively diminished free time. This is exactly the aim of **“SMALL BALL” project**.

In fact, the purpose of our strategic initiative (whose name immediately connects basketball and entertainment’s brevity) goes much further than introducing micro-payment system in Italian basketball context: as we will shortly find out, micro-transactions are merely a tool to provide a wide service capable of completely satisfying Italian basketball fans requests and extending the catchment area.

To better contextualize the project, we have narrowed the initial area of competence of SMALL BALL to SERIE A POSTEMOBILE: according to the survey, the main mail national championship in fact, is

undoubtedly able to generate great interest and in addition, the promotion of its contents is already favored by the App “**LegaBasket**” and the website “**www.legabasket.it**”.

*In the specific, “SMALL BALL”: 1. The promotion and the distribution of the services*

As previously described, NBA fans will shortly be able to access to a complete offer plan of micro-contents available at NBA League pass and publicized by NBA App: similarly, the initial implementation of our strategic initiative will concern the promotion of SMALL BALL’s services through the abovementioned channels exploited by SERIE A POSTEMOBILE. By doing so, Italian basketball fans will immediately be driven to establish a mental connection between LegaBasket App, [www.legabasket.it](http://www.legabasket.it) website and SMALL BALL’s contents: our intent in fact, is to add supplementary low-cost services able to enrich the current proper channels of SERIE A POSTEMOBILE and potentially attract their users. To ensure this, it is essential to coordinate and integrate each of these platforms: every single SMALL BALL’s content should be specifically **selected and suggested** to customers through notifications sent by LegaBasket App, messages publicized by [www.legabasket.it](http://www.legabasket.it) website and targeted social media campaigns.

*In the specific, “SMALL BALL”: 2. The contents*

Thanks to alert notifications, basketball fans are easily and instantly redirected to the sections of LegaBasket App and [www.legabasket.it](http://www.legabasket.it) website dedicated to SMALL BALL’s contents. In this area, four different **micro-entertainment categories** are provided to them: “LIVE”, “INSTANT REPLAY”, “FAN ZONE”, “CLUTCH POINTS”.

**LIVE**’s entertainment category provides a service similar to the one offered by NBA through its micro-transactions system: after receiving an alert message, fans are able to directly access on their favorite devices to a can’t-miss live event about to start. These short-term contents, lasting approximately 10-15 minutes of play-time, have necessary to be introduced by brief follow-up stories or promotional video: by doing so the service (provided with a mid-high price approximately 0,50 EUR per content) draws the attention of a wider and random audience who requires to be guided to the event. Considering an event actually planned by SERIE A POSTEMOBILE, an example of a LIVE’s content could be the likely crucial fourth quarter of the game between UMANA REYER VENEZIA and EA7 EMPORIO ARMANI MILANO: these two teams are respectively in the first and in the second spot of the ranking and are competing with each other on May 9<sup>th</sup> in a match decisive for the 2018 Playoffs positioning.

Instead, directed to a more aware but elusive target, **INSTANT REPLAY**’s contents include 8-12 minutes maximum of play-time clips that capture an amazing basketball moment already occurred and worthy to be absolutely watched: this service, therefore, is designed for usual basketball fans who have unfortunately missed an exceptional event because of their personal commitments and want to instantly enjoy it in a rare spare moment. Obviously, in this case, the service (the low cost of which is approximately 0,40 EUR per content) needs a more discreet promotion to prevent unwelcome spoilers: what is important is rather the ability (offering for instance an evaluation system of the micro-event based on other users’ feedbacks) to provide exactly those contents which deserve to be watched in those ten/fifteen minutes of relaxation. A perfect example of **INSTANT REPLAY**’s content once again provided by SERIE A POSTEMOBILE could undoubtedly be the exciting two final minutes and double overtime of EA7 EMPORIO ARMANI MILANO-SIDIGAS AVELLINO on November 19, 2017. A brilliant endgame, marked by two consecutive buzzer beaters, that nobody should miss.

**FAN ZONE** is probably the category most inspired by the innovative entertainment model of twitch and other streaming platforms: this service in fact, is dedicated to young supporters who want to enjoy live contents related to their favorite SERIE A POSTEMOBILE’s team by using familiar tools typical of streaming networks. **FAN ZONE**’s contents should, therefore, be presented with a personalized layout in which, in addition to the space covered by the event, fans are able to identify sections dedicated to comments,

chat and interactions with other supporters and specific game statistics: exchanging views about the match, cheering collectively for a bucket, arguing over players' numbers, users are encouraged to actively participate in the event. Since contents' duration (ranged from 15 to 17 minutes of play-time) is longer than other micro-entertainment categories to grant enough time to fans' direct involvement, also the price of the service has necessary to be higher (approximately 0,60 EUR per content) and consequently even the promotion of live events should be more articulated and accurate: for instance, supporters could be persuaded to select this service offering additional contents specifically designed for them such as emoji related to players and teams, funny gif or memes starring their idols and chances to be extracted to win jerseys, shorts or tickets.

Also **CLUTCH POINTS'** service focuses on live basketball contents with the aim of increasing the direct and active participation of fans. This entertainment category in fact, is inspired by the success of two Italian fantasy sports platforms, "Dunkest" and "Fantacalcio": through these virtual games users are able to assemble an imaginary team selecting real players of a professional sport (respectively basketball and soccer) and to compete with each other on the basis of statistical performance of those athletes in actual games. Similarly, **CLUTCH POINTS'** contents are designed not only to provide a live micro-event but also to create a virtual competition between fans in crowded public leagues or in small and private groups of friends: before the start of the last 15-17 minutes of an attractive match, viewers are invited to create, using a maximum number of credits, a fantasy quintet of players trying to predict which athlete (through points, assists, rebounds and other statistics) will be more decisive. Surely **CLUTCH POINTS'** model of entertainment represents an evolution of **LIVE's** one: for this reason, this service is supposed to have a higher cost (approximately 0,60 EUR per content) and is set to begin only after **LIVE's** contents are distributed on a solid catchment area. But, with just as much certainty, **CLUTCH POINTS** has also a huge potential to increase the number of the customers and, more importantly, their loyalty: motivated to continually maximize their chances to win prizes at the end of the games, the month, the regular season and the playoffs, more and more fans are encouraged to compose their virtual team in every live content. For this reason, a progressively wider range of games' micro-parts (introducing for example a single channel able to provide clips of micro-events that are taking place simultaneously) and a precise promotion which pushes to continue to join the virtual game will be gradually necessary.

### *In the specific, "SMALL BALL": 3. Final comments and future development*

Completed the detailed description of **SMALL BALL's** micro-entertainment categories, we wish to conclude the report concerning this strategic initiative emphasizing a couple of key elements crucial to the success of our project. First of all, it is fundamental to repeat once again that **LIVE**, **INSTANT REPLAY**, **FAN ZONE** and **CLUTCH POINTS** are specific categories of micro-contents, not generic and rigid entertainment packages: Italian fans should enjoy a flexible service principally focused on content's brevity and reduced prices and for these reasons, perfectly reconcilable with the actual supply of **SERIE A POSTEMOBILE's** events. Currently in fact, **EUROSPORT** and **Rai** are the two television broadcasters responsible for the media coverage (respectively on pay-per-view and on free-to-air) of the main national basketball championship. Because of its distinctive characteristics, **SMALL BALL** not only does not interfere or damage their business, but is also able to **develop** them thanks to its certain potential to increase Italian basketball fans' number. But precisely to differentiate **SMALL BALL's** service from those offered by **EUROSPORT** and **Rai**, our initiative, in addition to contents' highest possible audio and video quality and absolutely compatibility with every device, should ensure innovative methods of consumption and payment: we hope in fact that **SMALL BALL**, by favoring for instance single and immediate micro-transactions through credits cards or online payments platforms (such as PayPal) or even encouraging pre-paid accounts from which get funds to purchase one micro-event by one, will achieve a remarkable revenue stream to lean on in the long term. Therefore, it is easy to predict, that this project will **evolve** in the future designing more and more attractive micro-entertainment categories and expanding its sphere of influence to other promising Italian basketball competitions such as women's championships and minor leagues.