

Brand Equity of Charlotte Hornets

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Abstract. Detached from the team after the rebranding. Charlotte Hornets has been back to peoples' attention. Therefore, this paper intent to study the effects and the factors resulting from this issue and develop market-based resolutions to solve the problem. In this paper, the SWOT analysis and recent research papers were used to understand better the problems Charlotte Hornets is facing. Previous studies indicated a downward trend in fans' attendance at Charlotte Hornets games. However, several advantages of the Charlotte Hornets included that they have a solid financial capability. It is easy for the team to create the nostalgia effect to re-attract fans. Through investigation, the outcomes were that the Charlotte Hornets launched a campaign to get fans excited while strengthening community relations. Ultimately, the study ended with a recommendation on how to improve rebranding and increase the brand equity of the Charlotte Hornets

Keywords: Charlotte Hornets; Fan attendance; Brand History; Brand Equity; SWOT Analysis; NBA

1. Introduction

1.1 Background

Charlotte Hornets, officially known as the Charlotte Bobcats, kept the same name until the 2014-2015 NBA season. Therefore, relocating the brand back to New Orleans between the 2002-2003 NBA seasons. The Charlotte Hornets have always been the team that fans and experts discuss concerning the historical events that resulted in the rebranding of the Charlotte Hornets.

After NBA icon Michael Jordan brought back the Hornets to Charlotte in 2014, the new team Charlotte Hornets still showed a low attendance rate. They maintained poor popularity in the United States after the rebranding. This research will identify the factors that contribute to this uneven phenomenon, especially from 2014 to 2018, and also drive several perspectives toward the brand equity of Charlotte Hornets. In 2013, due to the failure operation of New Orleans Bobcat, Michael Jordan finally moved the team back to Charlotte after several negotiations and rejoin the NBA league in the 2014 season with the name "Charlotte Hornets."

According to the data provided by ESPN, during the 2014 to 2018 season, the Charlotte Hornets were ranked at the lowest place among all NBA teams and made no profits from attendance and broadcast. Regarding the previous study, the primary reason that caused Charlotte Hornets to receive low fan interest is that the team appeared in two cities [1]. This means that Hornets have occurred in two cities' history. Theoretically, it will lose a considerable number of local fans because this team does not belong to a single city. Throughout the history of the NBA, it has been rare for a team to travel to several cities. The operation of the Hornets has always been a topic of discussion among fans and significant media. This key aspect leads to the investigation of the Charlotte Hornets during the 2014-2018 season. After rebranding and renaming themselves from the Bobcats to Hornets.

1.2 Research Gap

Therefore, through investigating previous research papers, there weren't a lot of resources and research articles that analyze the brand equity of the Charlotte Hornets. Moreover, previous studies

have reported that the result of low brand recognition is running off from the original Hornets brand [1]. This study focused on the aspect of the brand equity of the Charlotte Hornets and that the brand is still steeped in the past, in the "Charlotte Bobcats" era. In addition, another recent study examines the concept of the rebranding of the Charlotte Bobcats. This empirical study investigates the impacts of rebranding; this can negatively impact brand equity. This is achieved by changing the development of brand awareness and linking to its previous mark [2]. However, these research papers differ from this paper because they have included the Charlotte Bobcats in the investigation. On the other hand, this investigation focuses on the organization after the rebranding, and shortened the exact time duration to 2014-2018. Also, the majority of the research articles did not necessarily analyze the subject of brand equity; in fact, they eliminated this section. Furthermore, detected the research gap of poor brand equity, specifically the rebranding of the Charlotte Hornets. After all, this paper will delve into the domain of "What are the causes of bad equity of Charlotte Hornets?" The central motivation of the research question is how to improve the rebranding of the Charlotte Hornets after digging deep into the concept and knowing all the key contributors that influenced and resulted in the poor brand equity. This provides motivation because a team, especially the Hornets, has rebranded history before. Additionally, it adds more difficulty to the team to achieve positive brand equity and makes rebranding more challenging. For example, back in 2014 as the New Orleans Hornets rebranded their team's name to the New Orleans Pelicans. Ultimately it required the team to create new team logo and have a new team color for jersey and logo. This led the Charlotte Bobcats to then rebranding into the Charlotte Hornets [3]. This is because rebranding basically means that the team has to overthrow all the efforts and previous accomplishments and start all over again from the start. Approximately, the cost of rebranding and renaming cost about \$4 million for the team to change a number of their marketing attractiveness [4]. Furthermore, no one has research that addresses rebranding in previous studies, this paper would investigate this area and fill the research gap.

1.3 Structure of This Paper

Rebranding is a vital component in the brand equity study; this research plan will review it; therefore, investigating previous research papers shows that there were not many resources and research articles that analyze the brand equity of the Charlotte Hornets. Moreover, previous studies have reported that the resulting low brand identity departed from the original Hornets brand but still felt steeped in the franchise's history [1]. This study focused on the aspect of the brand equity of the Charlotte Hornets and that the brand is still steeped in the past, in the "Charlotte Bobcats" era. In addition, another recent study examines the concept of the rebranding of the Charlotte Bobcats. This empirical study investigates the impacts of rebranding, that it is possible to hurt the brand equity [1]. In this paper research was conducted on the development theories and applying SWOT (Strength, weakness, opportunity, and threats) data analysis to clarify this issue. Also, including generalized linear models for a detailed explanation of brand equity. This paper aims to find the results of the lack of fan excitement of the team after renaming themselves to the Charlotte Hornets, the awful branding history, which includes all the failures and scandals of the brand. Lastly, the low performance of the team resulting in less attendance of fans ultimately influences the brand equity as fewer fans are willing to come and support home games.

2. Literature Review

2.1 Definition & Development

More recent attention has focused on brand equity. Shocker & Weitz 1988 defined "Brand equity" as the incremental cash flow resulting from a product with a brand name versus the cash flow that would result without the brand name [5]. In 1993, Kevin Lane Keller focused on conceptualizing, measuring, and managing Customer-Based Brand equity [6]. The author presents a conceptual model of brand equity from the individual consumer's perspective. Finance and strategy are two motivation

bases for studying brand equity. One is used to evaluate the brand's value, and the other is used to improve marketing productivity.

To evaluate the equity of the brand's extension, the journal of Christodoulides and de Chernatony in 2010, "New developed a method to measuring and understanding a brand's equity in a product category," illustrates that consumer-based brand equity refers to "a set of perceptions, attitudes, knowledge, and behaviors on the part of consumers that allows a brand to earn greater volume or greater margins than it could without the brand name [7]. In the study of Kevin Lane Keller in 1996, a brand is said to have positive/negative consumer-based brand equity when consumers react favorably to an element of the marketing mix for the brand than they do to the same marketing mix element when it is attributed to a fictitiously named or unnamed version of the product or service [6].

The background of brand equity comes from brand knowledge, which could be defined as a name, term, sign, or symbol for identifying the goods and services. The article "airline brand equity model from a customer perspective and rationalize airlines brand equity" in 1991 demonstrates the branches of brand knowledge, including brand awareness, brand image, perceived quality, and brand loyalty [6]. Rossiter and Percy in 1987 defined brand awareness as strength of the brand node or trace in memory, as reflected by consumers' ability to identify the brand under different conditions [6]. Essential components include brand recognition, which relates to consumers' ability to confirm prior exposure to the brand when given the brand as a cue, and brand recall, which relates to consumers' ability to retrieve the brand when given the product category. The brand image could be crucial to a brand since it is a perception about a brand as reflected by the brand associations, other informational nodes linked to the brand node in memory and contain the brand's meaning for consumers, held in consumer memory. Also, the brand image could be divided into: types of association (Attributes, Benefits, Attitudes), favorability of brand association, strength of brand association, uniqueness of brand association. Carol. M. Kopp, in 2021, defined brand loyalty as the optimistic association consumers attach to a particular product or brand [5]. Customers will be more likely to devote themselves to a product or service when their repeat purchases demonstrate brand loyalty.

2.2 Important Results

As for the customer engagement theory, the brand loyalty factor in brand equity theory will positively impact consumers' engagement. Wade Jarvis et al. in 2017 found that Both customer engagement and corporate social responsibility have been linked to customer loyalty [6]. Strengthening customer loyalty to the organization, can not only improve the additional value of the organization but also improve the customer engagement of the organization by using choice theory in the form of best-worst scaling and structural equation modeling. Both customer engagement (CE) and corporate social responsibility (CSR) have been linked to customer loyalty. This study highlights the importance of engaging members in the CSR strategy they prefer. It enhances the extra value to the organization via customer loyalty to the organization and CE with the organization.

Furthermore, the study reveals that age and gender impact the relationship between CE in CSR initiatives and customer loyalty. Chen and Tseng in 2010 demonstrated that Customer-based brand equity occurs when the consumer is familiar with the brand, and brand loyalty is the primary determinant of customer engagement using empirical survey data of Taiwanese air passengers [8]. Brand loyalty, among other brand equity components, is the primary determinant of brand equity. A causal relationship between perceptual and behavioral dimensions is confirmed in terms of inter-relationships among brand equity components. Xia and Xiao in 2017 found that customer engagement behavior has a positive effect on a sense of autonomy [9]. The sense of belonging has a positive effect on normative commitment and affective commitment based on S—O—R theory and self-determination theory. Customer engagement behavior has a positive effect on a sense of autonomy, a sense of ability, and a sense of belonging, while all of the sense of autonomy, the sense of ability and the sense of belonging have a positive effect on normative commitment and affective commitment, and those relationships among the customer engagement behavior and two dimensions of customer commitment including normative commitment and affective commitment partially are

mediated by a sense of self-determination including the sense of autonomy, a sense of ability and a sense of belonging.

The brand association also positively impacts consumer engagements Bitter in 2014 demonstrated that consumers' self-brand relationships and interactions with friends will positively impact consumer engagement by applying an extended model based on the theory of planned behavior social practice [9]. Consumer's self-brand relationship and interactions with friends affect customer engagement behavior. Furthermore, moderating effects of trust, information privacy concerns, age, and gender are confirmed. Xiao and Chen in 2018 found that Customer learning behavior has a positive impact on customer engagement based on the self-directed learning theory [10]. Interaction and sociability of social media, outcome expectancy, and other customer specialization positively influence customer learning behavior. Customer learning behavior has a positive impact on customer engagement. Customer perceived support moderates the relationship between outcome expectancy, other customer specialization, and customer learning behavior. Ana Casillo et al. in 2021 found that personal and interactive engagement is positively related to brand association [10]. Personal and interactive engagement are positively related to movie performance, and the positive effects of personal and interactive engagement on movie performance are mutually reinforcing.

2.3 Summary

Given all that has been mentioned so far, one may suppose that as the most critical individual in the brand ecosystem, enterprises should pay attention to the whole brand value chain and the brand value network composed of different brand value chains, centering on its strategy, and taking customers and market as the center. Enterprises should pay attention to accumulating brand equity utilizing brand evaluation. Therefore, this paper focuses more rationally about the brand value evaluated by third-party organizations—whether the meaning of communication is more fantastic or references for management improvement.

In the overall brand management system, brand evaluation should pay attention to the entire process of brand value creation, realization, and management and consider the influence of various aspects such as cognitive share, market share, and customer share on brand equity. Brand evaluation needs scientific evaluation principles, basis, methods, and tools so that enterprises have a clearer understanding of their brand status.

Brand awareness is the starting point of brand equity. Specifically, it is the degree to which consumers recognize a brand when they think of a particular product. Furthermore, Brand loyalty is the core of brand equity. Specifically, consumers' feelings and behaviors of continuous care and purchase for a particular brand

3. Method

3.1 Research Design

Previous studies have based their criteria for selection on improving brand equity for the Charlotte Hornets. Various methods are used to access brand equity; for example, each has its advantages and disadvantages. Furthermore, the SWOT analysis is used to examine different factors that contribute to Hornet's brand equity and give an all-rounded analysis of how to make more fans engaged and have team identification. The validity of the SWOT analysis is incredibly reliable, without a doubt. It helps the Hornet's organization to get a better understanding of how to increase fan identifications. Therefore, this paper implies the behavior engagement theory throughout this research paper. Specifically focusing on the methods to attract more fans by allowing more exposure and recognition of the brand to everyone and raising brand awareness. Prior studies have implied the research method of case studies and literature reviews. Samples were analyzed for brand equity, as previously reported by Collins and Heere in 2018, investigated different aspects of marketing strategies of the hornets [1]. This case study investigates different aspects of the marketing strategies of the hornets. This case study also matches this research, because several aspects link to brand equity in this study. This study

also includes primary sources that analyze the Charlotte Hornets' attendance trend—clearly showing the problem of behavior engagement theory of the Hornets fans. The Hornets fans are not as engaged and active compared to their engagement several years earlier.

3.2 Charlotte Hornets

The Charlotte Hornets are suffering from severe marketing problems; such as fans no longer identifying with the team after the rebranding/renaming of the Charlotte Hornets. This ultimately leads to a downward trend in fans' attendance of the Charlotte Hornets. According to Figure 1, from approximately 23000 in 1988 and dropped to 12000 in 2001 [1]. In addition, the Hornets struggled to establish a matured and effective marketing strategy immediately after the rebranding. This leads to the Hornets' inability to attract and bring back the original Charlotte Bobcats fans to the Charlotte Hornets. Even though the Hornets have a solid financial capability in its marketing departments, this allows the Charlotte Hornets to take advantage of it and raise the brand's overall awareness. This is through advertisements on social media platforms. This method will be reviewed in the next section of this paper, the data analysis of the Charlotte Hornets.

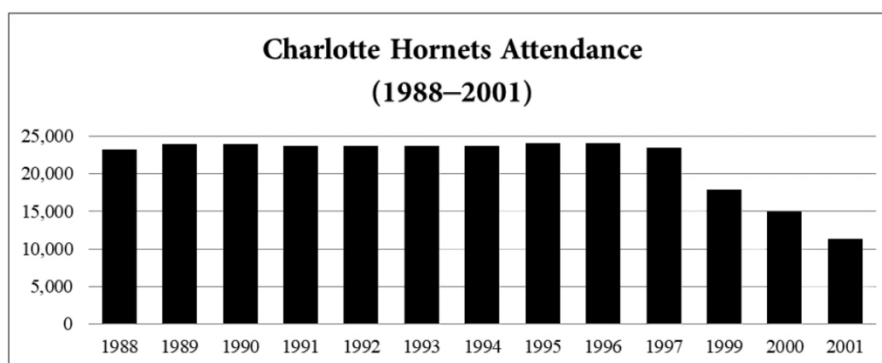


Figure 1. Charlotte Hornets Attendance 1988-2001[1].

3.3 SWOT Analysis

3.3.1 Strengths

Due to the Hornets' unique history, the Hornets' brand identity now positively affects brand loyalty. The Hornets had a strong local brand identity from 1987 to 2002, and the Charlotte Bobcats changed their name to the Hornets in 2010, evoking a sense of belonging among local fans. So, when New Orleans dropped the Hornets name, Charlotte's owners immediately took advantage of the nostalgia. The Hornets launched a campaign to get people excited about the hornets' return to Charlotte to strengthen community relations and ties with the team. This is the Hornet's inherent advantage. With the direction of local marketing firm Boone Oakley, the Hornets franchise practiced the "Bring Back the Buzz" campaign through several social media platforms. The campaign climaxed in the Hornets. The mascot "Hugo" going around the streets from Uptown Charlotte. They are to pass out purple basketball nets and providing a television commercial that will be broadcasting the comeback of the Hornets.

3.3.2 Weaknesses

The brand image of The Hornets will hurt brand loyalty. The Hornets, the youngest team in the NBA, have never won a championship and have only made the playoffs three times. The team's poor results have affected the team's brand image and thus had a negative impact on fan loyalty. On the other hand, the hornets have few all-star players in their history, which dramatically affects the enthusiasm of fans to watch the game. The Hornets need to play well to build brand loyalty. This is the hornets' disadvantage.

3.3.3 Opportunities

The Hornets have plenty of chances at the moment. The Hornets are the only NBA team sponsored by AJ and owned by Michael Jordan. After Michael Jordan became the big boss of Charlotte Hornets, many fans have come to Charlotte to watch the Hornets play. Jordan has much influence in the NBA. If the Hornets can use Jordan's influence to enhance the Hornets' brand identity and association, it will positively impact the Hornets' brand loyalty. It is the Hornets' unique advantage in the NBA.

3.3.4 Threats

Compared to the rest of the NBA, the Hornets are too small to attract stars. Developing specific sustainable brand equity strategies is a big challenge. Therefore, buzz was created after the rebranding of names and color for the Hornets. The buzz is a sustainable way which contributes a lot to the team marketing department meanwhile to keep the fans excited. It will harm the Hornets' brand identity. The most effective sustainable strategy for the Hornets is to continue to achieve excellent results to promote brand loyalty.

4. Result & Discussion

4.1 Results

This research paper first analyzed the willingness of fans to come to support Hornets games from the 1988 to 2001 season by use of survey results (Results are given in Figure.1). From the data given in this survey, during the period from 1988 to 1997, the support rate of fans for the home court is almost unchanged, which remains above 20,000. In 1999, the year after 1997, the fan support for the team sharply decreased to approximately 17,000. In the next two years of data reports shown above, clearly notice that this phenomenon sustained, and there is an even worse trend as the support rate dropped below 15,000 in 2001 season [1]. This set of data can support the inference that the rate of fans' support for the home game of Hornets and the history of relocation are negatively correlated. As the team moves to another city, the rate of fans' excitement decrease. Therefore, the Hornets' relocation is considered the dominant push factor for the significant number of fans lost. According to the data chart in Figure.1 above, this study assumes that the Hornets mainly lost a vast population of local fans between 1997 and 2001 [1].

The study also concludes several factors that contribute to the brand equity toward Charlotte Hornets by using SWOT analysis. According to the SWOT analysis, the strength of Charlotte Hornets is that the brand identity of the Hornets now has a positive effect on brand loyalty by strengthening community relations and ties with the team. The Hornets launched a campaign to get people excited about the Hornets' return to Charlotte.

The weakness may contain the brand image of The Hornets and will negatively impact brand loyalty due to the youngest team in the NBA. The team's low achievements have affected the team's brand image and thus had a negative impact on fan loyalty. The Hornets is the only NBA team sponsored by AJ and owned by Michael Jordan for the opportunity. If the Hornets can use Jordan's influence to enhance the Hornets' brand identity and brand association, it will have a very positive impact on the Hornets' brand loyalty. The primary threat is that the Hornets are too small to attract stars Compared to the rest of the NBA.

4.2 Discussion

This article introduces the leading causes of lousy brand equity of Charlotte Hornets. It focuses on improving the rebranding of the Charlotte Hornets after digging deep into the concept and understanding the contributors. A lack of fan excitement as a factor means the participation rate and anticipation of fans are shallow, which could enormously influence Charlotte Hornets' brand equity. The horrible branding history left a stain, failure, and scandals on the team's brand equity. Thus, customers are more likely to negatively impression Charlotte Hornets, leading to poor brand equity. Besides, the low performance of the Charlotte Hornets results from fewer audiences of fans watching

games as only a few people are willing to attend and support home games. Therefore, there will be a substantial terrible impact on brand equity. The article suggested that Charlotte Hornets should have a sustainable branding strategy for developing their broken brand equity.

For verification of the problems demonstrated by the previous theories, SWOT analysis divide the problems into strengths, weakness, opportunity, and threats. According to a careful check, the result shows that the customer engagement theory and brand equity theory are in accordance with the article, which illustrate that they will bring positive impact consumers' engagement. Furthermore, the relationship between customer engagement and corporate social responsibility is directly linked to the brand loyalty that could be a factor of brand equity. Also, the brand association enhance the customer engagement from the customer engagement theory. In the article, the details are fully developed with the support of all the brand equity theories.

One suggested the focus of future research would be to examine the relationship between team identity and brand equity framework. The causes introduced in the article cannot fully explain the phenomenon that Charlotte Hornets possesses poor brand equity. More specifically, there must be other reasons why the team's brand equity is horrible. A thoughtless awareness of team identification could also be potential for lousy brand equity due to a lack of awareness and comprehensive understanding of team and relative identification. As with all research studies, this research has limitations, while acknowledging several limitations. First, the utilization of the methodology allowed us to gain deep reflections on the different weight percent of causes. However, the data were only for a small number of people, which may lead to the data being inaccurate. Second, the findings presented in this paper were based on the brand equity of different aspects and teams, and these teams are relatively prosperous compared to the league. Therefore, the process of brand equity discovery may conceivably be different in Charlotte Hornets.

5. Conclusion

The goal of this article is to examine the potential causes of the Charlotte Hornets' brand equity, which is highly related to brand loyalty, brand association, and customer engagement, under the background of the Charlotte Hornets' brand equity changing their name and color scheme. It explores in detail how brand loyalty and brand association will affect brand equity. In particular, this article synthesizes the factors affecting brand loyalty in Brand Equity Theory and the factors in Behavior Engagement Theory that affect audience participation. Also, the passage analyzes the strengths, weaknesses, opportunities, and threats of the Charlotte Hornets and finally concludes that brand loyalty and brand association in brand equity will have a positive impact on consumer engagement, which is in accordance with the hypothesis of this paper. Therefore, the team is required to establish good brand loyalty while seeking to expand their brand influence. Additionally, it is essential for the Charlotte Hornets to have an excellent performance that is enough to attract audiences and invoke their excitement to obtain a positive reaction from brand influence, which plays a vital role in the Charlotte Hornets' brand association due to the brilliant effect on the fans' engagement that is brought by a good brand association. Though many of the ideas expressed in this article might be familiar to managers, its value is in combining these diverse notions to render a much more comprehensive picture of how marketers are able to create value for a brand. Considering various aspects that could probably affect the brand equity, managers could be enabled to exploit concepts for further advancement of the brand.

As acknowledged, this research study has several limitations, and the future study is absolutely necessary. The study possesses a restriction since the research only covered a period of the team. Besides, some of the external factors which could influence the brand equity are not expected. Finally, this article avoids a few studies in other fields because the process might be too complicated and the result is not that precise and accurate. The future study should focus on the practicability of the theory by modifying, confirming, and extending with the researchers in the same field. For a further improvement, inviting experimenter for verify insurmountable flaws is crucial, although the theory

is confirmed. In addition, the further study should include a balance research and use critical perspective to improve the study result. Finally, the researchers come altogether to test the synthesized framework. Overall, there is much work needs to be done.

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