

Superstar Effect, Income Structure and Commercial Success: An Exploration of the NBA's Sustainable Profit Mechanism

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Abstract:

The National Basketball Association (NBA) operates as a global commercial sports league, broadcasting its games in over 200 countries and regions worldwide, demonstrating an expanded reach compared to 2024. NBA profitability is a topic of widespread discussion in contemporary society. Some researchers have identified significant impacts stemming from the promotion of NBA superstars and their personal backgrounds; however, research gaps and inconsistent explanations persist regarding underlying issues like personal influence, necessitating further investigation and proposals for solutions. This study employs case analysis and comparative case study methods to examine changes in NBA superstars' incomes and their impact on the league, including shifts in team revenues. Recommendations include enhancing consumption channels and integrating new technologies such as VR. NBA revenue primarily derives from media rights, ticket sales, sponsorships, and advertising revenues. This research finds that NBA profitability is directly linked to its players and contributes significantly to enhancing the league's cultural value.

Keywords: NBA, Research Recommendations, Impact.

1. Introduction

The National Basketball Association (NBA), as the premier professional basketball league in the United States, has embarked on a 79-year journey since its establishment in 1946 [1]. As one of the "Big Four" major professional sports leagues in the U.S.—alongside baseball (MLB), American football (NFL), and ice hockey (NHL)—the NBA achieved a revenue milestone exceeding 10 billion during the 2022–2023 season. According to an industry report released in

June 2025, the NBA and its 30 franchises collectively secured over 2,600 partnership deals with more than 1,700 brands. For the 2023–2024 season, the league's annual revenue is projected to reach a record high of \$13 billion. This growth primarily stems from upgraded commercial agreements, expansion of business territories and transformations in global markets and revenue streams. The 2024 Forbes NBA Team Valuations report revealed increased franchise valuations compared to 2023 reflecting the league's diversified revenue models. These strategies emphasize

value optimization in operations and management to maximize profit sources comprehensively. This study focuses on the NBA's revenue generation mechanisms, specifically examining their correlation with NBA superstars, and the underlying reasons for sustained profitability. The research significance lies in exploring how a top-tier sports intellectual property (IP) maintains consistent annual revenue growth during economically volatile periods and the digital and global era, while investigating potential direct/indirect relationships with homegrown NBA superstars. Methodologically, this study employs comparative case study and case analysis approaches.

2. Literature Review

As one of the world's most successful professional sports leagues, existing studies predominantly characterize professional sports leagues as economic entities pursuing "competitive balance" [2]. The uncertainty of game outcomes constitutes the core spectator attraction, with the league's primary mission being to maintain equilibrium in team competitiveness — a theoretical foundation that has shaped the NBA's subsequent development [3]. The NBA professional basketball league aims to deliver the highest-level competitions to global basketball enthusiasts, satisfying their passion for the sport. The league's value is primarily realized through the design, production, and distribution of products and services. Consequently, the NBA's role in the value chain involves creating the conceptual blueprint of the NBA, developing basketball stars who meet audience expectations and conducting commercial operations through broadcasting rights and ticket sales [4]. This operational model demonstrates the

NBA's capabilities in event planning and sports service management, including league scheduling and ticket/broadcasting rights commercialization, competition format design, venue planning and marketing within China's sports industry [4]. Leveraging exceptional organizational competencies and abundant league resources, the NBA occupies the core position in the industry chain for game broadcasting and venue operation modernization, thereby achieving value creation and maximization [5]. Researchers typically categorize NBA revenue models into three primary types: ticket-based income, television broadcasting reliance and global news sources and digital platform monetization. This evolutionary progression demonstrates the dynamic nature of the NBA's profitability mechanisms [6].

The league's brand partnerships and value proposition serve as primary profit drivers, capitalizing on globalization dividends to achieve premium valuation. By successfully transforming basketball culture into consumption motivation and opportunities, the NBA generates sponsorship and licensing revenues far surpassing other leagues [7].

In summary, existing research has established a relatively clear framework regarding the three-pillar structure of the NBA's revenue model. However, significant research voids persist concerning the specific mechanisms driving profitability, potential correlations with star players and the concrete relationship between individual athletes and league revenues. This study aims to address these gaps through supplementary analysis.

3. Analyzing NBA's Profitability through Case Studies

Table 1. A comparative analysis of NBA franchise valuations published by Forbes in 2023 versus 2024 [8,9]

Rank	Team	2024 Valuation (Billion USD)	2023 Valuation (Billion USD)	Growth (Billion USD)	Growth Rate
1	Golden State Warriors	88	77	11	≈14%
2	New York Knicks	75	66	9	≈14%
3	Los Angeles Lakers	71	64	7	≈11%
4	Boston Celtics	60	47	13	≈28%
5	Los Angeles Clippers	55	46.5	8.5	≈18%
6	Chicago Bulls	50	46	4	≈9%
7	Houston Rockets	49	44	5	≈11%
8	Brooklyn Nets	48	38.5	9.5	≈25%
9	Dallas Mavericks	47	45	2	≈4%
10	Philadelphia 76ers	46	43	3	≈7%

The table 1 lists NBA teams among the top 10 global franchises in Forbes' 2024 ranking. The league's average valuation stood at 3.85 billion in 2023, rising to About 4.4 billion in 2024, demonstrating robust overall growth. It reveals several key trends. First, the league's wealth has risen across the board. The average valuation of NBA teams has increased within a year, driven by the market's positive outlook on the league's future revenue. Second, top-tier teams maintain their dominance. The Golden State Warriors, New York Knicks, and Los Angeles Lakers continue to hold the top three spots, with a significant lead over others, forming the first tier. Third, some teams

show rapid growth. Certain teams exhibit remarkable growth in their valuations. For example, the Brooklyn Nets' valuation has increased significantly, and the Boston Celtics' valuation has also risen substantially. Fourth, the NBA's global influence has expanded. This indicates that the growth rate of NBA teams' valuations and their global influence rank among the top in the sports world.

The income of stars has also seen a significant increase. For example, the changes in earnings and their comparison of NBA stars Stephen Curry and LeBron James between 2023 and 2024 demonstrate that their profits are related to the revenues of the NBA league.

Table 2. Analysis of Curry's Earnings and NBA Revenue Changes in 2023 and 2024

Income Source	2023 (2022 - 2023 Season)	2024 (2023 - 2024 Season)	Change and Analysis
On - court Salary	About 48 million USD	About 55.8 million USD	A natural growth of about 7.8 million USD, in accordance with the annual salary contract
Off - court Income	About 50 million USD	About 50 million USD	Derived from sustained income such as PepsiCo and potential new collaborations; a stable appreciation period of its commercial value
Projected Total Income	About 98 million USD	About 105.8 million USD	An increase of 9 million USD; a stable growth

It can be seen from the table 2 that Curry's income mainly comes from his large on - court contract and off - court endorsement fees. This reflects Curry's talent in other fields,

making more brands aware of the existence of the NBA and Curry, and enhancing his and the NBA's international popularity.

Table 3. Analysis of LeBron James' income and NBA revenue changes in 2023 and 2024

Income Source	2023 (2022 - 2023 Season)	2024 (2023 - 2024 Season)	Change and Analysis
On - court Salary	About 44.5 million USD	About 48.7 million USD	A natural growth of about 4.2 million USD, in accordance with the annual salary contract
Off - court Income	About 75 million USD	About 80 million USD	An increase of 5 million USD, mainly from rising endorsements and commercial dividends
Projected Total Income	About 119.5 million USD	About 128.7 million USD	A stable growth, demonstrating the strong resilience of the business model

It can be seen from the table 3 that James' main income source comes from off - court activities. His commercial dividends and endorsement fees are extremely substantial. This has brought unexpected benefits and popularity to the league. Moreover, he has become a topic of discussion

regarding the broadcasting rights of the NBA. In both the sports circle and the business world, he holds a certain degree of influence, also bringing immeasurable benefits to the NBA.

Table 4. A comparison between LeBron James and Stephen Curry.

Comparison Item	LeBron James	Stephen Curry
2023 Total Income	About 119.5 million USD	About 98 million USD
2024 Total Income	About 128.7 million USD	About 105.8 million USD
Income Model	Commercial Model: Off - court Income > On - court Income	Top Salary + Endorsement Model: On - court Salary \approx On - court Salary

From the table 4, it is known that LeBron James and Stephen Curry have seen an increase in their salaries and have taken two different paths to success. LeBron has built a massive commercial empire outside the basketball court while Curry's income mainly comes from large contracts and luxury brand endorsement projects.

LeBron James is a core bargaining chip for the league in negotiating the next blockbuster media rights deal exceeding 70 billion US dollars. Media outlets are willing to pay huge sums for games he participates in, as nationally televised matchups typically achieve above-average viewership ratings. Moreover, he ranks among the most globally renowned athletes, having helped the NBA tap into vast markets outside the United States, particularly in China and Europe. This brand influence has enhanced the league's sponsorship value and further amplified its brand influence. James' professional career has evolved into a project brimming with commercial potential. Whether it is his pursuit of championships or his stories with his son Bronny, these elements consistently provide his team and the entire league with sustained media focus and fan emotional value.

Stephen Curry redefined the basketball tactical system with his historically exceptional three - point shooting. Under the small - ball trend, the game's pace has accelerated and its entertainment value has improved, successfully attracting many viewers who previously found traditional basketball uninteresting, especially young people and family groups. In contrast to Wilt Chamberlain's exaggerated physical build as a traditional giant, Curry relies

on diligent training and exquisite long - range shooting. Additionally, he has shaped a family - oriented image off - court, positioning himself as a good husband and father. The general public naturally regards him as a role model, and this unique and approachable image has added a layer of luster to the NBA brand, becoming a crucial asset for attracting mainstream commercial partnerships. Looking at the Golden State Warriors, they are a benchmark case for league operations. As the soul of the team, Curry led the squad to establish a dynasty. The team's high - priced tickets at Chase Center and successful commercial development have set a new standard for the league, indirectly raising the valuation of all team owners [10].

The NBA league simultaneously faces several issues and challenges. For example, superstar aging and the passing of the torch. Given the fact that Stephen Curry is already 37. Whether the next generation of the league stars (such as Luka Dončić, Giannis Antetokounmpo and Victor Wembanyama) can smoothly take over and withstand the immense commercial value and viewership pressure brought by LeBron James and Curry will usher the NBA into an uncertain transition period. Additionally, the league's reliance on specific superstars poses a risk in itself. If these stars collectively enter the twilight of their careers while the narratives surrounding new stars prove insufficient to captivate the masses, the league could face a period of declining attention.

Below is table 5 comparing the pros and cons of LeBron James' and Stephen Curry's impact on the league.

Table 5. LeBron James' and Stephen Curry's impact on the league

	LeBron James	Stephen Curry
Profit Nature	Globalized storytelling and audience ratings guarantees; leveraging personal legendary stories and influence to help the NBA league profit	Changing the game and establishing the image of a quality role model; broadening the NBA's audience base, and helping the NBA league profit from multiple directions
Core Risk	Retirement	His commercial impact is closely linked to the fate of his team, with time-sensitivity and cyclical risks
Significance to the League	Defined the global commercial scale of the NBA	The pioneer of the small - ball era; defined the entertainment value and cultural image of modern basketball

It is worth noting that the NBA's profitability is directly tied to its players, who also bring significant cultural and commercial value to the league. Here are some suggestions for the NBA's profit model: For instance, developing VR/AR viewing features that allow fans to experience the immersive atmosphere of an NBA game more vividly from the comfort of their homes, thereby enhancing their willingness to pay for such services.

4. Conclusion

Current research clearly delineates the relationship between NBA profitability and its players. The league's commercial success stems from a combination of sophisticated institutional design, long-term strategic planning, and favorable historical context. However, existing studies exhibit limitations, including an overreliance on star players while neglecting team-level financial dimensions, insufficient empirical validation of profitability sustainability at the micro level, and methodological shortcomings in analytical comprehensiveness. This study primarily employed case analysis and comparative case studies, lacking in-depth investigation into team management strategies or more complex computational models and simulations to verify causal relationships.

Therefore, future research should focus on the following directions: First, deepen the exploration of specific management factors influencing team financial performance under the constraints of the salary cap system. Second, conduct in-depth comparisons between successful and unsuccessful team cases to analyze operational differences driving their outcomes.

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