



# Rise and fall of stars: Investigating the evolution of star status in professional team sports

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## ABSTRACT

This article describes an empirical study of the rise and fall of star athletes, using data from the National Basketball Association (NBA) from 1987 to 2008. We measure star status by the number and share of all-star votes, and we apply both Tobit regression and hazard models to investigate the determining factors for star status. We find that the attainment of star status begins with the athlete's exceptional individual performance. We also find that having won a championship in the past can have a long-lasting effect on a player's popularity. The popularity of an athlete depends on his team in two ways: the attainment of star status is associated with strong team performance, and star teammates can reinforce each other's popularity. Interestingly, whereas stars can move from a losing team to a winning team to extend their star life, a team change can be very risky for new stars. Our results also suggest that teams with a large fan base, winning records, and star players should leverage these assets in attracting and retaining star players.

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## 1. Introduction

Star athletes such as David Beckham, Michael Jordan, and Tiger Woods are powerful global brands with fans all over the world. These star athletes profit greatly from their fame, as their fans watch their games, wear their jerseys, follow their news, and purchase the products they have endorsed. Tiger Woods ranked fifth in *Forbes Magazine's* Celebrity 100, earning \$110 million in 2009 alone, whereas professional basketball player Kobe Bryant ranked tenth, earning \$45 million in the same year (Miller, Pomerantz, & Rose, 2009). Recently, when star basketball player LeBron James was deciding which team to join in June 2010, the prospective move stirred a massive discussion on the value of a star athlete to a team, to a city, and even to a state. According to *Forbes*, LeBron James added \$100 million dollars in franchise value and other revenue to his former team, the Cleveland Cavaliers, from 2003 to 2010 (Rishe, 2010). In addition, James's departure from the Cavaliers would drop the value of the franchise by as much as \$250 million (Matuszewski, 2010). John Skorburg (2010), an economist at the University of Illinois at Chicago, estimated that the effect of LeBron James could add up to as much as \$2.7 billion if he played in Chicago for the next six years. Despite the prevalence of star athletes and the enormous economic value of these celebrity brands in the marketplace, empirical work on star athletes remains scarce in the marketing literature.

The value of star athletes and their huge earnings from salaries and endorsements are driven by their enormous popularity among fans. In many sports, the popularity of professional athletes can be measured by their standings in popularity contests organized by leagues or associations. A common format of such fan-based contests is the selection of all-star squads. For example, fans vote their favorite players to the all-star games in most major North American sports leagues, including the National Basketball Association (NBA), the National Football League (NFL), the National Hockey League (NHL), and Major League Baseball (MLB). Similarly, English soccer fans vote for the Professional Footballers' Association (PFA) Fans' Player of the Year. Although the leagues may have organized such popularity contests for the purpose of engaging their fans, the results of these contests provide an ideal opportunity to track the star status of professional athletes.

Star athletes can experience very different patterns in the attainment and loss of their star status. Some exceptional athletes became stars at a very young age. For instance, fans selected Michael Jordan to the NBA All-Star Game in his rookie year, and Ronaldo Luís Nazário de Lima won the FIFA World Player of the Year award at age 20. However, some athletes rose to star status at a relatively older age. For example, Steve Nash was 32 when he was first selected by fans to be a starter in the NBA All-Star Game; soccer star Fabio Cannavaro won the FIFA World Player of the Year award at the age of 33. The longevity of star status also varies substantially among athletes. Some athletes, such as Michael Jordan, maintained their star status until they retired from their professional career. In contrast, some athletes lost their star status shortly after attaining it. Surprisingly, despite the great stakes involved in star status, there is little in the literature to

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indicate what has contributed to these variations in both the attainment and the retention of star status. In this article, we empirically investigate the factors associated with the rise and fall of star athletes, using all-star voting data from the NBA. Although we examine professional athletes in the NBA only, the findings can be extended to other professional team sports such as soccer, football, hockey, and rugby, as the factors we examine are common in these professional team sports as well.

To the best of our knowledge, this paper is the first to empirically study the dynamics of star status for professional athletes and to quantify the impact of the associating factors on the dynamic process. We find that the rise of a star athlete is accompanied by exceptional individual performance statistics. We also find that both being in a good team and having star teammates help. First, individual athletes in professional team sports cannot win by themselves. Star athletes need good teammates to win games, and both winning games and championships are critical to the attainment and retention of star status. Our results show that a winning team can help its players gain popularity, whereas a losing team will accelerate the fall of its star players. This finding of the team's impact on the rise and fall of athlete stars is consistent with the idea of viewing the team–athlete relationship as a brand alliance (Yang, Shi, & Goldfarb, 2009). Our results may explain why stars in losing teams often leave their teams. For example, basketball star Kevin Garnett left the Minnesota Timberwolves for the Boston Celtics and extended his star life by means of winning games and championships. Interestingly, although it is beneficial for an established star to change from a losing team to a winning team, such a move can be risky for a new star. Our results show that changing teams can accelerate the fall of a new star.

Second, our results show that having star teammates can strengthen an athlete's popularity. It has become common for stars to join each other to form a star team. For instance, soccer star David Beckham joined stars Zinedine Zidane and Luís Figo in Real Madrid to form a star-studded team in 2003. More recently, basketball star LeBron James joined stars Dwyane Wade and Chris Bosh in Miami in July 2010. The move provides James with not only a better chance to win championships but also two star teammates to enhance his popularity.

The rest of this paper is organized as follows. In Section 2, we review the related marketing literature. We then describe the NBA background and our data in Section 3. We develop our empirical models in Section 4 and present the results in Section 5. We conclude the paper with a discussion of our findings and the implications in Section 6.

## 2. Related literature

This paper is related to existing literature on branding, brand alliances, product diffusion, and sports marketing/economics. First, star athletes as personal brands share similar properties with other brands associated with services, physical goods, and movie stars (Keller, 2003). Whereas previous empirical research has focused on physical products or services, our study extends the scope of branding research to personal brands by investigating popularity as an indicator of personal brand values.

Second, a professional athlete is a component of a team. Therefore, an athlete brand forms an alliance with the athlete's team as well as with his teammates. Such a relationship is similar to brand alliances in other familiar contexts, such as the alliance between Dell computers and Intel CPU processors. Research on brand alliances has shown that consumers' brand perceptions can be influenced by allied brands (Rao, Qu, & Ruekert, 1999; Simonin & Ruth, 1998). This stream of research is mainly based on lab data (e.g., Park, Jun, & Shocker, 1996) or surveys (Venkatesh & Mahajan, 1997), with the exception of Yang et al. (2009), who empirically estimated the value created by a team–athlete brand alliance using the observed partner choices between NBA athletes and teams. Unlike the existing literature, our

study examines the impact of brand alliances on the popularity of star athletes. In addition, we not only examine the impact of team characteristics as in Yang et al. (2009) but also the impacts of teammate brands and team changes on the popularity of athletes.

Third, as this article studies the evolution of athlete popularity, it is related to the literature on product life cycle and product diffusion (Bass, 1969; Mahajan, Muller, & Bass, 1990). Golder and Tellis (1997, 2004) have empirically studied how the takeoff and decline times of new durable products are associated with their prices and introduction years. Instead of studying takeoff and decline times, we study the rising and falling times of athlete stars. Unlike the diffusion literature, which typically identifies the transition points by the rate of sales growth or decline, in our context, these two transition points are observed in all-star voting outcomes. Also, whereas the diffusion literature examines the impacts of prices and introduction years, we investigate the impact of a unique set of factors including individual performance, team performance, teammate brands, and team changes.

Finally, most of the research in the sports marketing literature is based on surveys or experiments focusing on the attitudes and perceptions of consumers (fans). Research has shown that sports fans appreciate the players' athletic skills and tend to associate themselves with athletes who display high athletic skill (Trail, Fink, & Anderson, 2003; Woo, Trail, Kwon, & Anderson, 2009). However, the literature has not addressed whether individual performance has the same impact on the popularity of an athlete during various stages of his professional career. In this study, we investigate the impacts of individual performance on attaining and maintaining star status. Cialdini et al. (1976) showed that sports fans feel the ownership of a team's success, which is referred as “basking in reflected glory.” This positive effect is reflected in the fans' association with athletes in a winning team. Consistent with this result, we find a positive impact of team successes on the rise of star athletes.

## 3. NBA background and data description

The National Basketball Association (NBA) is one of the most popular sports leagues in North America. Its roots can be traced back to 1946, when it was called the Basketball Association of America (BBA) and consisted of just 11 teams. The NBA gradually expanded throughout the 1970s and began to boom in the 1980s, when stars Larry Bird and Magic Johnson dominated the league. The NBA's popularity continued its steady growth through the Michael Jordan era. As the league's popularity expanded, so did its national revenues and television contracts. For example, the NBA's contract with ABC/ESPN from 2002 to 2007 was worth 2.4 billion dollars, and its contract with TNT in the same period was worth 2.2 billion dollars. The growth of the NBA has been accompanied by the rise of stars such as Larry Bird, Magic Johnson, Michael Jordan, Kobe Bryant, and LeBron James.

As the NBA developed, many institutional policies governing the right of athletes to choose teams as well as the contractual terms between teams and athletes have evolved. The free agency system was added to the NBA when the collective bargaining agreement (CBA) was amended in 1976. Prior to the amendment, teams had complete ownership of the players they drafted, and players had no control over which teams they could play for. With the amendment, a player could choose his team after becoming a free agent. Under the free-agent system, the salaries of the athletes, especially the stars, increased rapidly (MacDonald & Reynolds, 1994; Scully, 1989). For example, the Chicago Bulls paid Michael Jordan more than \$33 million dollars in the 1997–98 season alone. Clearly, the free-agent system unlocked the brand value of star athletes and allowed the athletes to choose teams that would enhance their brand values (Yang et al., 2009).

Most athletes enter the NBA through the draft system. Currently, the top three picks are determined by a weighted lottery system participated by the non-playoff teams only. The team with the worst

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