

ARTICLE

# INNOVATION IN SPORTS MEDIA CONTENT PRODUCTION:

an ESPN Brasil case study



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**ABSTRACT** – This article investigates the innovation in sports content production by ESPN Brasil over the last decade as it makes changes to its media ecosystem. Qualitative research is the chosen methodology for this paper. Three criteria were established based on theoretical-conceptual perspectives on innovation in journalism: contextualization, engagement, and digital technologies. The data was collected from semi-structured interviews with professionals related to the case under study. It appears that experiments in content production are not separate from other issues in the media industry, such as the crisis in business models and the need for strategic leadership for innovation. The uncontrollable pursuit of innovation is just as risky as remaining stagnant, and innovation must be in line with the media company's main goal.

**Key words:** Innovation in journalism. Content production. ESPN Brasil. Sports journalism.

## **INOVAÇÃO EM PRODUÇÃO DE CONTEÚDO NA MÍDIA ESPORTIVA: o caso da ESPN do Brasil**

**RESUMO** – Este artigo investiga a implementação de inovações na produção de conteúdo esportivo feitas pela ESPN do Brasil, durante a última década, realizadas como reflexo das mudanças em seu ecossistema midiático. A abordagem metodológica é qualitativa e, com base em perspectivas teórico-conceituais sobre inovação no jornalismo, foram estabelecidos três critérios de análise: contextualização, engajamento e tecnologias digitais. Os dados foram coletados por meio de entrevistas semiestruturadas com profissionais relacionados ao caso estudado. Constatou-se que as experimentações na produção de conteúdo não se isolam de outras questões da indústria de mídia, como a crise nos modelos de negócios e a necessidade de uma liderança estratégica para a inovação. A busca desenfreada pela inovação é tão arriscada quanto se manter estagnado e a inovação tem de ser conectada com o propósito da empresa de mídia.

**Palavras-chave:** Inovação no jornalismo. Produção de conteúdo. ESPN do Brasil. Jornalismo esportivo.

## **INNOVACIÓN EN PRODUCCIÓN DE CONTENIDOS EN MEDIOS DEPORTIVOS: estudio de caso de ESPN Brasil**

**RESUMEN** – Este artículo investiga la implementación de innovaciones en la producción de contenido deportivo realizadas por ESPN do Brasil, durante la última década. El enfoque metodológico es cualitativo y, basado en perspectivas teóricas y conceptuales sobre la innovación en el periodismo, se establecieron tres criterios de análisis: contextualización, engagement y tecnologías digitales. Los datos fueron recolectados a través de entrevistas semiestructuradas con profesionales relacionados con el caso estudiado. Parece que los experimentos en la producción de contenidos no están aislados de otros temas de la industria de los medios, como la crisis de los modelos de negocio y la necesidad de liderazgo estratégico para la innovación. La principal conclusión es que la búsqueda desesperada de innovación es a menudo tan arriesgada como permanecer estancada y que la innovación tiene que estar conectada con el propósito de los medios de comunicación.

**Palabras clave:** Innovación en el periodismo. Producción de contenido. ESPN de Brasil. Periodismo deportivo.

### **1 Introduction**

This study focuses on the Brazilian division of the global media company Entertainment and Sports Programming Network (ESPN), one of the leading brands in the production and broadcasting of sports content. Known as the “Worldwide Leader in Sports”, it was founded over four decades ago and is owned by The Walt Disney Company. The traditional American sports media company started its operations in 1979 in a stable environment, going on to operate regional channels across the world until 2010 when it suffered from two major changes in the sector: the digitization of communication and the launch of

social media. ESPN Brasil, which had expanded since its creation in 1989 into a multi-platform company, was also impacted.

In early 2020, ESPN Brasil presented four separate pay television channels (ESPN, ESPN Brasil, ESPN 2, and ESPN Extra), a multi-sports news site ([espn.com.br](http://espn.com.br)), a mobile application (the ESPN App and its WatchESPN platform with VOD streaming), and profiles on the major social networks in Brazil (Facebook, Twitter, Instagram, YouTube, and TikTok). In May 2020, ESPN Brasil's content portfolio was further increased with the merger that resulted from Disney's billion-dollar purchase of 21st Century Fox, adding two more sports channels to the Fox Sports Brasil brand, its biggest competitor so far.

Like its parent company, ESPN Brasil had to innovate in several areas, including content production and became an example of a traditional sports television media that had to adapt to survive in the market. In the last decade, the pay-TV market in Brazil suffered another setback with the onset of online video streaming, which was initially free (on YouTube) but later morphed into pay television (Netflix), thereby causing the number of ESPN Brasil subscribers to drop. The form in which audiovisual content was consumed also changed with On Demand services, changing how sports broadcasts are viewed (Lindholm, 2019). What makes this scenario even more complex is that digital giants such as Facebook, Twitter, as well as TikTok, and lesser-known platforms like DAZN, have begun to compete with sports channels like ESPN for broadcasting rights.

The analysis on innovations in content production in this study began in 2012 when there was an increase in competition and a decline in the number of pay-TV subscribers, aggravated by the economic instability in Brazil. This paper presents a qualitative approach to investigating the innovations in ESPN Brasil content production and is based on a theoretical-conceptual framework on innovation in journalism. The data was collected from 12 semi-structured interviews conducted between September 2019 and December 2019 with professionals holding management positions in the company.

“An ideal qualitative sample is one that reflects, in quantity and intensity, the multiple dimensions of a given phenomenon and seeks the quality of actions and interactions throughout the process” (Minayo, 2017, p. 10). The semi-structured interviews set out to procure descriptions of the interviewees' professional routines regarding the interpretation of the meaning of the phenomena investigated in the

study (Kvale, 2011). The interviewees were selected in such a way as to offer multiple and differentiated perspectives on the same object, including professionals who worked directly with innovation in content production and others who did not work exclusively in content production but depended on this area to develop work in other sectors, such as business and research<sup>1</sup>.

For example, four groups of professionals<sup>2</sup> were formed according to their roles and positions held in the company:

Group 1– Former employees who worked in content production: José Trajano, journalist and founder of the ESPN Brasil channel who also worked as a play-by-play announcer until 2016 when he was let go from the company; João Palomino, former vice president of journalism and production at ESPN Brasil until August 2019, when he was dismissed after the merger process between Disney/ESPN and Fox; and Arnaldo Ribeiro, a sports journalist who joined ESPN as a commentator and went on to become program manager and editor in chief. He was also let go as a result of the merger process between Disney/ESPN and Fox.

Group 2 – Employees working in content production at the time of the study: Paulo Cobos, journalist, executive editor of both the ESPN Brasil website and the newsroom; Luciano Silva, production manager at ESPN Brasil (he left the company in March 2021 after our study had been completed); and João Mekitarian, digital content and production manager at ESPN Brasil.

Group 3 – Former employees from other areas: German Hartenstein, finance director and president of ESPN Brasil for over a decade, he was dismissed in 2019 after the merger between Disney/ESPN and Fox; Marcello Zeni, he worked for 25 years at the company and was let go in 2019 as a result of the merger between Disney/ESPN and Fox; and Marcos Amazonas, responsible for launching ESPN in Brazil and for creating the pay-TV market in the country in the early 1990s.

Group 4 – Employees from other areas at the time of our study: Renata Policicio, ESPN's vice president of research and insights in the U.S. for international and global markets; Adriana Naves, former vice president of content distribution for Fox channels, helped manage the merger between Disney/ESPN and Fox in May 2019 (she

left the company in March 2020 after our study had already been completed); and Danilo Campos Vieira Filho, marketing director at Disney/Fox and ESPN since 2019.

The list of questions was predetermined and focused on three categories of the theoretical foundation on innovation and journalism: contextualization, engagement, and digital technologies (the authors determined these categories to be relevant in this sports television segment). By analyzing the data collected from these semi-structured interviews we sought to investigate innovation in content production as implemented by the traditional sports media company, ESPN Brasil in its attempt to constantly stay up to date with the evolving digital environment over the last ten years.

## **2 Innovation in content production journalism**

The concept of innovation is not new in the business segment, nor academia. The term has been researched for over a century since economist Joseph Schumpeter (1982) began studying it in 1911. In the field of communication, and more specifically in journalism, the concept of innovation began to be approached with more intensity as of 2010 due to the crisis in print journalism brought on by the digital revolution, the “post-rotation” period.

This period of change and departure from the journalistic activity was coined “post-industrial journalism” by North American journalist Doc Searls at the beginning of the 21st century and, in 2013, was used again in academic studies after an influential report on the theme by the Tow Center for Digital Journalism, at Columbia University (USA), and its analysis of how the arrival of the internet destroyed all the old models of journalism (Anderson et al., 2014).

The advancements of Silicon Valley companies led to yet another reshaping of all news media journalism as large technology companies came to dominate the market in terms of audience and advertising, thereby forcing media to rethink its processes, products, and structures (Bell et al., 2017). Everyday life has become saturated by the media and, with the changes to the digital environment, innovation has become a top strategy for news organizations to meet the needs of the public and win over audiences (Deuze, 2015).

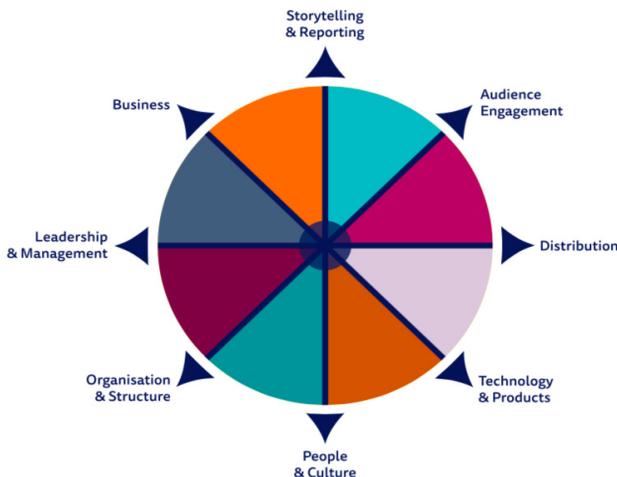
This scenario of accelerated change opened up a wide field of study in innovation in journalism, leading to studies that analyzed different aspects of media companies, ranging from the production of journalistic content to their organizational processes, forms of distribution, and business models. However, when a company innovates in one area, other areas are inevitably impacted by this innovation, which makes it difficult to observe them in isolation (Bleyen et al., 2014).

However, the concept of innovation in journalism has been facing a paradox over the last decade: on one hand, there has been an adulation for the “new” and a need to experiment in a complex and changing ecosystem; yet on the other hand, there has been excessive use of positivity surrounding the “new”, not to mention criticisms about innovation being at the heart of the capitalist development process (Fontenelle, 2012). Regardless, innovation is deemed inevitable by many scholars who write on the subject, considering it to be “the key to the viability of the media in the digital age” (Pavlik, 2013, p. 190). And the studies point out that the challenges of innovation in media companies cannot only be linked to revenue generation “since the pursuit of profit must be preceded by the creation of relevance” (Anderson et al., 2014, p. 47).

A survey carried out by Reuters in partnership with Oxford (Posetti, 2018) sought a sustainable model of innovation in journalism in an era of perpetual change. “News organizations interested in developing sustainable strategies for journalistic innovation need to be willing to experiment on a broad front, but also to identify specific goals and aspects which they want to follow” (Posetti, 2018, p. 25).

After conducting interviews with several journalists, this research showed that a lack of experimenting can lead to stagnation, but the incessant and short-term search for new technologies, for example, also runs the risk of wasting effort and lacking results (Posetti, 2018, p. 25). One of the great contributions from this Oxford study in journalistic innovation is the Innovation Wheel (figure 1), which represents the interrelationship between the eight areas that make up a media company: reporting and storytelling<sup>3</sup>; audience and engagement; distribution; technology and product; people and culture; organization and structure; leadership and management; and business models.

**Figure 1 - Innovation Wheel**



Source: Posetti (2018, p. 14).

The concept of the Innovation Wheel can be related to other studies such as those by Boczkowski (2004), who assessed media innovation based on solid management and the goal of integrating people and resources in the technology, communication, and organization sectors (Boczkowski, 2004). We, therefore, need to “classify these meanings of innovation and base them on authors of reference” (Rossetti, 2013, p. 64). Several specific areas are studied within the journalistic ecosystem – these areas are referred to as dimensions, aspects, or perspectives of innovation, depending on the author or the study.

For example, Francis and Bessant’s (2005) theory is about the four Ps of innovation (product, process, position, and paradigmatic innovation). Bleyen et al. (2014) established a typology of media innovations based on five categories: business model, production and distribution, inner form, core, and consumption and media. For García-Avilés et al. (2019) there are four significant aspects of innovation: content production, processes, distribution, and commercialization. “The most important (forms of innovation) from the standpoint of the media industries seem to be product-related innovations, especially regarding the core (or, what is most central to the company, for example, creating new types of TV programs) and business model innovation”. (Bleyen et al., 2014, p. 28).

Among the possible categories of analysis, this article focuses on the aspect of content production. The implementation of content innovations can result in new formats and languages in different media and platforms and produce creative and engaging narratives. The use of digital technologies also increases the production of interactive, multimedia, and immersive layouts and interfaces, the development of applications, proposals for speedy and intuitive navigation, and access to diversified data. However, studies warn that this technological process cannot dismiss the core of journalism in terms of producing content with verifiable information and of public interest (Posetti, 2018). Even still, technological innovations have transformed the entire journalistic production process, with new forms of working due to the production of multimedia formats, the use of drones, virtual reality, and robotization (Grubenmann, 2016).

In a world where there is an endless amount of available and free information, fact-based news tends to lose its value and is no longer enough to sustain journalistic companies which, in addition to disclosing facts, also need to provide context to mobilize communities around the news and information (Christensen et al., 2012). According to Bradshaw (2007), publications in the digital environment require a balance between speed and depth, contradictory elements that provide challenges to the production of journalistic content due to the need to produce quickly, yet also to slow down and seek context within a wide range of data, sources, and documents.

The production of content for mobile devices, which is also user-centered, is also fundamental for journalism to survive, mainly because mobile phones and social media today are part of the information gathering process (Hill & Bradshaw, 2018). In the digital environment, it is possible to analyze the audience engagement with a particular subject, which drives the search for further content that is relevant yet also of interest to the public. News organizations are also learning how to use the video game industry to increase their user loyalty, adapting and applying mechanisms from this sector to bring users closer to the content they produce (García-Avilés et al., 2019). Journalists have realized the need to use innovative tools to produce differentiated content.

Sports media, within this context, is becoming increasingly social (Billings, 2011) as digital platforms are creating closer relationships with fans of specific teams or fans from specific communities (Meãn, 2011). There is an attempt to encourage fandom

within the sports sector, a term used by sports fans to describe fans who are interested in the sports news with a social purpose – to share content for conversations with those who share a common interest, whether in person or on digital media (Porter et al., 2011).

The possibilities for innovation in content production are countless. For this article, only three dimensions of analysis, recurrent in journalism studies, were listed as factors that drive innovation: the use of digital technologies, contextualization of narratives, and audience engagement. However, these three dimensions do not pertain solely to the innovation processes, and the media company that intends to innovate in content production needs to constantly develop its goals based on an organizational structure that encourages innovative processes and collaborative works. “The collaborative dissection of innovation strategies among experienced journalists has highlighted the value of cross-cultural, organizational, and facilitated conversations [...] that allow for shared experiences, the cross-pollination of ideas, and the seeds of potential future collaborations” (Posetti, 2018, p. 25).

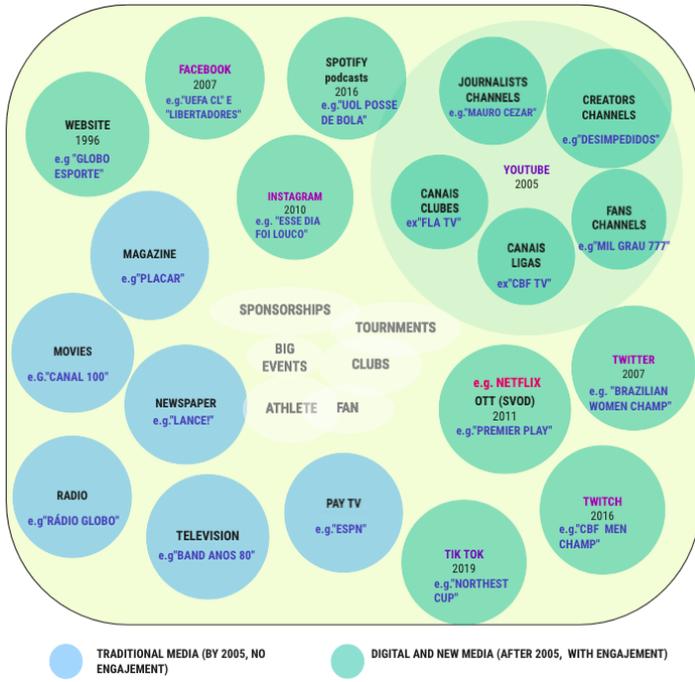
### 3 The sports media ecosystem in Brazil

The term “media ecosystem” has been used in communication studies since the early days of the internet to describe the relationship between the blogosphere and the mediasphere; however, “with the emergence of so-called *self-media* (non-professional information publishers) and mobile social platforms, this concept has gained new meanings and now describes the entire complex system of relationships between the old and the new media” (Canavilhas, 2011, p. 2). It is about an understanding that, as in the ecosystems of the natural sciences, the contemporary media ecosystem is established in a constantly changing environment within the elements that compose it.

One way to understand how the television media ecosystem in Brazil is changing (figure 2) is to look at the case of ESPN Brasil. From 1989 (the year it was created) until 1996, ESPN Brasil competed for its audience only through traditional media (newspapers, magazines, cinema, radio, and open television). After that, digital technologies introduced new channels and digital platforms such as

websites, blogs, social networks, and applications that constituted the new media ecosystem: YouTube (2005), Facebook (2007), Twitter (2007), Instagram (2010), Netflix (2011), Twitch (2016), Spotify (2016), TikTok (2019), and more.

**Figure 2** - Ecosystem of sports content production in Brazil



The environment here is made up of athletes, confederations, events, teams, audiences, and sponsors. These elements form the group of “raw material” from which the media produces its content. YouTube established the innovative video-sharing tool, in addition to consumers having the ability to comment on videos. Different types of sports channels began to emerge on the platform: independent journalists, entertainment influencers, sports leagues, sports clubs, and sports fans. In 2012, the media ecosystem added a new player to its mix, Netflix, which opened up the SVOD market in Brazil (subscription video on demand) and disrupted the pay-TV market, ESPN Brasil’s revenue-generating business model.

#### 4 Signs of innovation in content production at ESPN Brasil

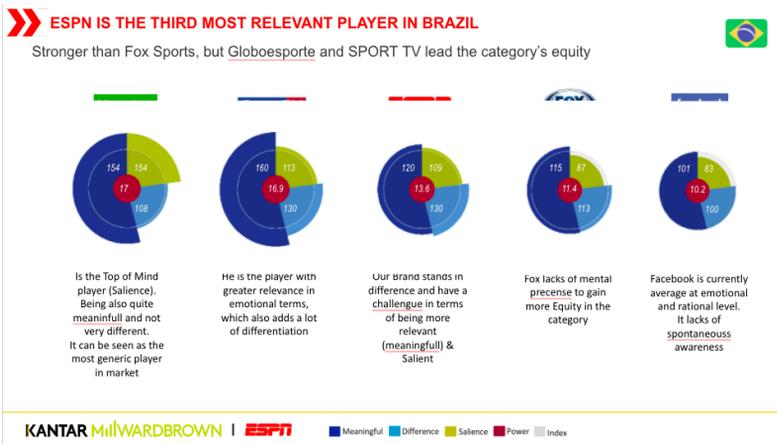
ESPN Brasil was fairly innovative during the first two decades of its existence (the 1990s and the 2000s) as the ecosystem to which it belonged was not very complex and did not have a lot of competitors. In this initial period, ESPN was a pioneer in Brazil on several fronts: it covered international events *in loco*; invested in investigative journalism; created sports programming in Portuguese twenty-four hours a day; created additional channels for major events such as the World Cup and the Olympics; launched an HD (high definition) channel; had a video on demand application (WatchESPN), and had an eSports platform. “We were what the world says about Google today... an example of agility” (Marcelo Zeni, personal communication, December 10, 2019)<sup>4</sup>.

Up until 2010, the pay-TV sports media market in Brazil was divided between two companies: SporTV, owned by Globosat, which held virtually all the broadcasting rights for Brazilian soccer thus making it one of the leading channels in this area, and there was ESPN Brasil, which bought all the international events for much cheaper than it would cost nowadays, such as the prestigious UEFA Champions League. However, once two other channels entered the sports sector in 2012 (Fox Sports and Esporte Interativo), ESPN lost several of its broadcasting rights, subscribers, and sponsors in Brazil, which led to a number of its professionals being laid off and the removal of several programs from its schedule. The first change that occurred with the main channel, ESPN Brasil, was the investment in live soccer debate programs as they were cheaper to produce and generated a larger audience by broadcasting in real-time.

In 2018, ESPN’s U.S. market research group conducted a study on brand equity in Brazil and Latin America. The study showed that even though it was competing for second place in the pay-TV sports ranking with Fox Sports, ESPN was widely recognized as a credible journalistic media outlet with trusted experts, runner-up only to the leading channel in the market, SporTV. Figure 3 shows three features that give each brand its strength (generating a number – in red), relevance (navy blue) and its differential (light blue), and whether it is significant (green). The study of brands in Brazil, carried out by ESPN and the Kantar

Millward Brown Institute, had a sample of 1.000 interviews (70% men and 30% women, divided into the following age groups: 15–20 years: 17%; 21–35 years: 38%; and 36–65 years: 45%). These data show that even in the face of so many challenges and reshaping, ESPN has managed to remain significant in the sports media ecosystem.

**Figure 3** - Study on order of relevance for sports brands in Brazil



Source: slide on market strength, developed by ESPN and provided by Renata Policicio (2018)<sup>5</sup>.

One of the oldest and highest-rated programs on ESPN Brasil, *Linha de Passe*, featured a live roundtable format for analyzing the main soccer championship matches and was mentioned by several interviewees in this article as one of the major references that maintained the brand's relevance in Brazil, even without having undergone many disruptive innovations in recent years. For several decades the program was a destination for sports fans. They would watch the Brazilian soccer matches on other channels and then immediately tune into the program to hear what the channel's commentators would say about the games and what their opinions were about any controversial plays.

The program's greatest achievement was the celebrated names from the country's first generation of sports journalism who participated in the program, such as José Trajano, Juca Kfourri, and

João Máximo. Even though these names did leave the company, other generations of respected journalists took over as the program adapted to current times. The presence of credible commentators is what made *Linha de Passe* the greatest example of a product that brought contextualization to the channel; that is, it created a “new level of value to the news which is fundamental for organizations media to operate – without a collection of valuable news, you cannot even think about how to distribute and sell it” (Christensen et al., 2012, p. 14).

Another strong point raised by interviewees about this program is the aspect of engaging the sports audience, who are encouraged to interact and comment on social media more than just to watch the content (Billings, 2011). The program presenters switched from communicating with the audience via fax in the analog era, to encouraging participation via Twitter (*Linha de Passe* was one of the first programs to use a technological tool that included Twitter comments from viewers on the program screen).

*Linha de Passe* was “a highlight of the ESPN brand in Brazil because for years local directors gave precedence to soccer and not to the multi-sports content of the North American SportsCenter<sup>6</sup> [...] the content that is relevant in Brazil, that the masses consume and like is soccer and discussions about soccer” (Arnaldo Ribeiro, personal communication, October 01, 2019)<sup>7</sup>. Thus, the main sign of innovation here is a much more gradual one which helped the *Linha de Passe* program maintain its relevance in terms of contextualization.

Another example mentioned by the interviewees, which has been reinventing itself in terms of how it has been produced throughout its history, was *Bate-Bola*, one of the oldest programs on the ESPN Brasil channel. It has already had several formats, schedules, and presenters, but as of 2015 one of its editions gained a different direction. The *Bate-Bola Debate*, which aired Mondays to Fridays at noon, “was a soccer program that managed to include storytelling concepts, where commentators turned into characters that automatically created a bond with the audience and avoided any monotony or predictability. Each commentator represented a type of audience” (João Mekitarian, personal communication, October 14, 2019)<sup>8</sup>.

The program also presented a side of sports journalism that had always been open to discussion: the entertainment

side. Despite much criticism, the then-vice president of content João Palomino (personal communication, September 30, 2019)<sup>9</sup> defended this type of entertainment when he asked, “why does a soccer program always have to be so depressing?”. But the most innovative aspect the interviewees mentioned about Bate-Bola Debate was the content created on the program’s social network pages (Instagram and Twitter) in efforts to seek engagement on mobile devices. “In other words, it did a complete 360, which was not a very common thing to do” (João Mekitarian, personal communication, October 14, 2019). Bate-Bola Debate was thus able to meet its engagement goals by understanding that a television program can no longer live on just one media, after all, sports fans like to discuss content more than watching or reading it (Billings, 2011; Christensen et al., 2012; Posetti, 2018).

Another program often mentioned in the interviews as innovative was Resenha ESPN, also on the ESPN Brasil channel. Made to fill the gap created after losing the rights to broadcast important international soccer matches from 2015 onwards (such as the UEFA Champions League and the Italian and German championships), Resenha ESPN was a program where famous ex-soccer players would get together and reminisce about entertaining and interesting behind-the-scenes stories while also commenting on the soccer games. The program had a basic and relaxed setting where the commentators would toss a ball back and forth to one another while telling their stories and talking about the games. Surveys<sup>10</sup> were taken of Brazilian Soccer Series A players who recognized the program as being the best media in the country. “It was innovative because there was a huge bias towards putting players on television, almost like they were stealing jobs away from journalists. But it worked because they added their experience from inside the locker room, on the field, and at home to the program” (João Palomino, personal communication, September 30, 2019).

Almost four years after the show’s debut, SporTV, owned by Globosat, the leader in the pay-TV market, created the Boleiragem program, which mimicked the same relaxed program style as Resenha, using former soccer players as hosts. The aspect that makes Resenha ESPN representative of a sign of innovation (beyond its differentiated format) is that it includes content that contextualizes points of view from those who played the game, something that was

unique and still largely unexplored by sports media up until that time. Contextualizing the experiences of real players can sometimes be more impactful than the information itself as it offers explanations and meanings of facts that are of greater interest (Christensen et al., 2012; Bradshaw, 2007).

Another example of signs of innovation we discovered in our research has to do with the initiative to develop documentaries and programs with independent producers and resources from the audiovisual incentive laws established by the National Cinema Agency (Ancine) that, in times where production budgets were cut, helped subsidize several relevant contents. ESPN Brasil was the first to use Article 3 of the Ancine Audiovisual Law: a resource that allows part of the costs for purchasing international sports rights to be exempt from income tax revenue and thus invested in audiovisual content in partnerships with independent producers.

This media also participated in the program, Remembering Brazilian Olympic Sports, which showed eight documentaries per year for five years, leading up until the Olympics in Rio de Janeiro in 2016. The result was a collection of forty documentaries that recaptured the stories of Olympic athletes who had gone almost unrecognized until that time. “Unfortunately, in Brazil, the public does not have access to much of this type of content [...] Brazil has no memory, but we do” (João Palomino, personal communication, September 30, 2019).

This hard-to-find content of little-known stories such as Olympic achievements has connected ESPN with the contextualization aspect (Christensen et al., 2012; Bradshaw, 2007). ESPN Brasil also used these resources for something different; a reality show for selecting a new commentator for American sports. “We tested the Desafio de Talentos program with (film producer) Cinefilm. We tested it and were not afraid of making mistakes” (João Palomino, personal communication, September 30, 2019).

However, even with all these efforts undertaken from 2010 onwards to do something different, many interviewees do not recognize ESPN Brasil as having managed to differentiate itself from its competitors. “The big problem is that creativity has lost its space [...] There are things that, even if there isn’t much of an audience or much of a return...end up creating a noise. You have to create noise” (José Trajano, personal communication,

October 28, 2019)<sup>11</sup>.

It was also pointed out that the company began to lag in terms of maintaining formats that were working but not innovating them to expand on and diversify the content they produced. “ESPN, which was a pioneering broadcaster, has now become a lagging broadcaster. I don’t think it was because of pride or arrogance, but because of a format that it insisted on doing. [...] I think ESPN has ended up becoming television for commentators. This is for radio” (Marcos Amazonas, personal communication, September 04, 2019)<sup>12</sup>. The company’s lack of renovating its content was one of the main problems highlighted by the interviewees. “I think that ESPN Brasil’s main weakness in terms of content is it uses a formula that has worn itself out; this repetitive content, doing five hours of roundtable format” (Adriana Naves, personal communication, October 10, 2019)<sup>13</sup>.

Facing the challenges of competition, content distribution, and falling revenues due to the crisis in the pay-TV market<sup>14</sup>, the rule at ESPN was that any new content had to be linked to generating revenue. “But it was necessary to have a part of the budget aimed at testing and allowing time for certain products to mature so the new things weren’t successful” (João Palomino, personal communication, September 30, 2019).

Financial pressure was one factor that destabilized the company’s leadership in Brazil and slowed down the implementation of more effective innovations related to the media ecosystem. “Everyone was a little lost, trying anything to reverse the situation. [...] So, there was no structured process with which the company could invest in innovation in terms of content, platform, everything” (Renata Policicio, personal communication, October 13, 2019). Innovation in content was therefore greatly impacted by the need for innovation in business models due to the financial crisis. And when one area of the company was to be innovated, it would end up preventing another area from being implemented. As mentioned earlier, without a clear innovation strategy (Posetti, 2018, p. 25) the danger of not advancing enough and straining efforts seems to be what happened to this company. In recent years, the company either dropped or moved quickly from ranking second in pay-TV sports channels to fourth (behind SporTV, Fox Sports Brasil, Esporte Interativo, and the newer BandSports). Efforts to try to innovate and maintain its relevance helped ESPN Brasil stay in third place,

behind Fox Sports and the leader, SporTV. Innovation became a kind of peripheral activity for pay-TV in Brazil and not the core of the businesses. The stagnant state of the economy between 2015 and 2019, a period referred to as the perfect storm where a culmination of rare circumstances drastically aggravated the situation, was one of the issues highlighted: “the economic crisis that brought down the advertising market and pay-TV; the high price of the dollar that affected the costs of maintaining a good schedule; and the introduction of new competitors which inflated rights values” (German Hartenstein, personal communication, November 18, 2019)<sup>15</sup>. Of course, this scenario would make any innovation difficult, but not impossible.

Innovation in content also stagnated due to the merger between Disney/ESPN and Fox, a process that began in the United States with Disney buying the rights to 21st Century Fox for US\$ 71 billion. The channel arrived in Brazil two years later. To accommodate the new structure of the two companies, eight ESPN Brasil managers were dismissed in August 2019, from the president to several managers, most of whom worked with content; however, this overhaul was deemed necessary. “ESPN was much better at doing journalism and contextualizing than doing television. And this is the big turning point...when there is a change of command in several areas of the company” (Danilo Campos, personal communication, September 20, 2019)<sup>16</sup>.

In fact, six of the interviewees who stayed on with the company after the August 2019 layoffs were optimistic and open to the changes the company was putting in place. A group of Argentinian and American professionals took over the newsroom immediately after the layoffs and began holding meetings about changes that were to be made to the schedule, the scenarios, and the entire look of the programs. One of the first steps, in addition to interfering with the tired format of debates, was to invest in ESPN's strongest program in the United States, SportsCenter, which up until that time only offered a supporting role in ESPN Brazil's programming. “Now there is a path; it is easier to work with direction. In recent years, we have lived in a company where a different path was laid out every hour. Now SportsCenter is everything” (Luciano Silva, personal communication, September 17, 2019)<sup>17</sup>. This demonstrates ESPN's commitment to bringing the highest level of quality

to SportsCenter and to making the program as relevant and respected in Brazil as it is in the United States.

One of the new tools adopted in content production after the Disney-ESPN/Fox Sports merger management has been used for some time by open TV channels: the minute-by-minute monitoring of audiences in real-time. The late arrival of this tool to ESPN is demonstrative of the channel's inactivity in the face of its competitors; however, it did lead to producing content that was more in tune with the audience. "The amount of hits and misses that we see with this is incredible. Now we can fix that" (Paulo Cobos, personal communication, October 25, 2019)<sup>18</sup>.

Regarding digital, ESPN Brasil has also made many changes in recent years, after all, being a company that works with sports journalism it needs to continue innovating in order to keep the audiences connected to the spaces where they spend the most time, determined by the screens of the digital devices (Deuze, 2015). Up until 2016, the news site ([espn.com.br](http://espn.com.br)) was structurally independent of the American ESPN and was hosted on the UOL portal, the biggest competitor to Brazil's market leader, [globo.com](http://globo.com). However, starting in that same year, the parent company invested in digital technologies and launched a global website platform that gave rise to the ESPN App (designed as a smartphone app).

This process of leaving UOL and navigating the internet without a portal to support it, while also adapting to the global ESPN App format, was something that initially caused audience numbers and revenue to drop. This technological change was coupled with another conceptual change: the need to have more videos than texts. The concept of the website, that it had a timeline similar to that of social media and used the infinite scroll technique, was innovative.

Lastly, the product was intended to be revolutionary when it launched in the United States because it was built on the concept of personalization; that is, the user can configure all their team and sports preferences and only receive the news and content they wanted, thus encouraging the fandom that is so characteristic of sports media users (Porter et. al, 2011). However, the ESPN App took a long time to reach the Brazilian market, and when it was launched (two years after its release in the U.S. in 2018) in Brazil, it presented several customizable interface problems for soccer, in addition to being obsolete. The biggest difference with the product should

have been the personalized navigation and consumption, typical with engagement innovation and new consumption technologies. However, these characteristics went unnoticed by Brazilian users, as the version released in Brazil still required a few technical adjustments, which took a long time to rectify as they were not a top priority on the U.S. technical team's list of demands.

The innovation in content production over the last five years at ESPN Brasil has been slow due to the decrease in the number of experienced professionals, not to mention a decrease in revenue, in the production of new products, and sports rights. Discussions around innovation became less and less common in the day-to-day routine of the company, which often lacked the necessary staff numbers to carry out simple tasks such as putting a program on the air. "I think innovation is something for companies like Google. Those guys need innovation all the time. We had such a scarcity of resources, how were we going to even think about innovation if we were not able to do the basics?" (Paulo Cobos, personal communication, October 25, 2019). Many of the discussions that were held focused on doing something very original and extraordinary but did not focus on actually making the small changes that could have made an immediate difference. "How are you going to be relevant in this world?" (João Palomino, personal communication, September 30, 2019). This should have been the main question posed to a collaborative group in order to find an integrated solution.

The company has productive and fruitful ideas, but they need to funnel them into a single strategy. "Nowadays everyone is a content producer. So, when it comes to engagement, you have to think about how to make people feel represented in that content" (João Mekitarian, personal communication, October 14, 2019). "Innovation is really about being tuned in to communication trends in terms of content and what people consume, and then bring that to our business" (Adriana Naves, personal communication, October 10, 2019). The search for engagement, contextualization, and implementation of digital technologies is essential to realizing innovations in content production in the media ecosystem, which need to be developed by a strategic team supported by bold leadership to have a clearer idea of the goals you want to achieve in this constantly changing environment.

## 5 Final considerations

In the last decade, ESPN Brasil has had to adapt to changes in the sports media ecosystem. To do this, this traditional sports television media tried to innovate in several areas, such as content production, the core business of a journalistic company. Many of these innovations were more along the lines of survival techniques than actual strategic actions to bring results in this market. One of the more glaring examples was investing in the production of contextualized content, mainly through the Linha de Passe program, which did not directly depend on implementing digital technologies to achieve. This was an essential course of action for the company to remain relevant and maintain its good ratings.

Linha de Passe and Resenha ESPN proved that, in sports television media, putting together a strong cast of commentators and former players is key to interacting with an audience, especially one which is predisposed to engage in social media. However, in an increasingly competitive sector, where all media outlets were building their own strong casts, the lack of divergence and creativity in programming prevented ESPN Brasil from growing its audience and, as a result, prevented the financial gain needed to continue buying relevant sports rights, which are important resources for a television media in this sector if it wishes to stand out from its competitors.

One way to differentiate and innovate would have been if the parent company in the U.S. had implemented the ESPN app in Brazil a little earlier than it did. This app is a digital technological resource that allows for the production of personalized content by analyzing audience engagement in real-time, thus interacting more directly with sports fans on their mobile devices. However, being a multinational company, the app took a long time to arrive in Brazil, and when it did, it was already outdated, not to mention the distance between foreign technical support and the company's reality in Brazil.

In a time of economic difficulties, the lack of technical and financial investment from the parent company and the failure of ESPN Brasil's management to align its challenges and seek out its own resources to define strategies for product innovation through narrative contextualization, audience engagement, and digital technologies, has caused the company to lose its prominent place in

Brazil's sports media ecosystem. And ultimately it was a billion-dollar global event that put an end to the stagnation the company was in: the purchase of Fox Sports by Disney, owner of ESPN. This merger led to a remodeling of ESPN Brasil which included layoffs and changes to the schedule and the programs. It is interesting to note that ESPN Brasil's biggest competitor at the time, Fox Sports Brasil, is now part of the same media ecosystem.

This study presents two learning points obtained through its observation of a traditional media company trying to innovate in an ever-changing ecosystem. The first is that it is not enough to just have discussions about innovation if the company's management is not willing to create the opportunity and time for a certain program, product, or technology to mature, fail, or adjust in order to make a profit. The testimonies from the interviewees showed that innovation in content production was lacking due to many factors, such as the financial crisis, a downturn in the pay-TV market, dismissal of employees, a decrease in the advertising budget, the inclusion of new sports channels, and the fact that strategies were not brought into line with the parent company.

The other learning point is that when the signs of innovation are randomly laid out, without any specific objective or direction, they often result in a lot of effort and too little progress, sending a media company into a state of stagnation. In the case of ESPN Brasil, its successful formula of maintaining opinionated roundtables with a strong cast of commentators was relevant to the media company for a time, but it ended up becoming excessive, exaggerated, and worn out. It lacked a strategy for being more connected with its audience and thus remaining innovative and financially healthy.

To find the right direction for content innovation one must look at the purpose of a company's brand. In the case of ESPN Brasil, its mission has always been very clear, publicized on posters in its buildings, on employee badges, and in its advertisements for 40 years: "to serve the sports fan, anytime, anywhere". This slogan is based on the basic perception of communication, but that the company itself in Brazil was unable to implement it in the digital environment. That perception is: reaching its audience with context and using innovative technologies to expand engagement in the complex contemporary media ecosystem.

## NOTES

- 1 One of the authors of this article, Renata Soares Netto, worked at ESPN Brasil for 19 years, but was no longer an employee of the company at the time of the interviews.
- 2 All formally authorized to have their names disclosed in the research report.
- 3 The term storytelling has been used by content producers to engage consumers through elaborate and engaging narratives, either behind the construction of a brand or an article, story or program.
- 4 Interview conducted by researcher (Dec. 10, 2019). Marcelo Zeni worked for 25 years at the company as a leader in the area called affiliates until 2019. She was responsible for negotiating with pay-TV operators, where a large portion of ESPN's revenues were generated.
- 5 Material provided to the researcher (Oct. 13, 2019). Renata Policicio is a market research specialist, and former vice president of global research at ESPN.
- 6 ESPN's main sports news program in the United States, known for its multi-sport coverage.
- 7 Interview conducted by researcher (Oct. 01, 2019). Arnaldo Ribeiro worked as a commentator and editor at ESPN until 2019.
- 8 Interview conducted by researcher (Oct. 14, 2019). João Mekitarian is digital production and content manager at ESPN Brasil.
- 9 Interview conducted by researcher (Sep. 30, 2019). João Palomino worked with content production until August of 2019.
- 10 Pesquisa UOL listened a hundred players. Retrieved from [www.uol.com.br/esporte/reportagens-especiais/pesquisao---futebol-brasileiro---2019/#page44](http://www.uol.com.br/esporte/reportagens-especiais/pesquisao---futebol-brasileiro---2019/#page44).
- 11 Interview conducted by researcher (Oct. 28, 2019). José Trajano, journalist and commentator, was the founder of the ESPN Brasil channel.
- 12 Interview conducted by researcher (Sep. 04, 2019). Marcos

Amazonas was the executive who brought ESPN to Brazil in 1989, and then continued to follow the company's evolution from afar.

- 13 Interview conducted by researcher (Oct. 10, 2019). Adriana Naves was a content distribution executive at ESPN in 2019, but only held the position for a short time.
- 14 According to the National Telecommunications Agency (Anatel), the pay-TV market in Brazil has been in decline since 2014 when it reached a peak of 19.6 million subscribers. It registered 15.5 million subscribers in February 2020 – a drop of 4.1 million subscribers in almost six years. Retrieved from [www.abta.org.br/dados\\_do\\_setor.asp](http://www.abta.org.br/dados_do_setor.asp)
- 15 Interview conducted by researcher (Nov. 18, 2019). German Hartenstein was the former diretor general at ESPN Brasil.
- 16 Interview conducted by researcher (Sep. 20, 2019). Danilo Campos is marketing manager for the new management at ESPN Brasil.
- 17 Interview conducted by researcher (Sep. 17, 2019). Luciano Silva was production manager and was dismissed in March 2021.
- 18 Interview conducted by researcher (Oct. 25, 2019). Paulo Cobos is executive editor of the ESPN Brasil website and newsroom.

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