A Work Project, presented as part of the requirements for the Award of a Master's degree in

Management from the Nova School of Business and Economics.

Holistic Analysis and Recommendations for Performance Enhancement in a Traditional
Brazilian Football Club

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08/01/2024

Abstract

This study assessed the performance of Sport Club Internacional, a traditional Brazilian football club, across sporting, financial, and fan engagement dimensions. The research involved a comprehensive comparative analysis with nine other Brazilian clubs as well as a SWOT analysis. Drawing on the insights obtained from these analyses, recommendations were formulated to address the identified weaknesses and consequently enhance the overall performance of Sport Club Internacional. The results indicate that Internacional must institute rigorous financial control measures, foster the development of young talents, diversify sources of recurring revenue, and enhance its digital presence.

Keywords: Football Management, SWOT, Benchmarking, Brazil, Performance Evaluation, Strategic Recommendations

1. INTRODUCTION

In recent seasons, the landscape of Brazilian football has been marked by the rise of Flamengo and Palmeiras as the two dominant forces; from 2019 to the end of 2023, the clubs have each won 2 Copas Libertadores da America (CLA), 2 Campeonatos Brasileiros (CBR), 1 Copa do Brasil (CDB) and 3 State Championships (SC). Their success is the direct result of two distinct yet highly effective restructuring processes, through which both clubs started to operate with a high level of professionalism embedded in their operations. They have officially entered a virtuous cycle, where invested capital yields competitive teams, resulting in increased revenue, which fuels further investments in a self-reinforcing loop.

Conversely, these success stories remain somewhat rare exceptions. Even though there have been improvements over the past years in terms of professionalization, most Brazilian clubs are still configured as non-profit associations and run by elected politicians who often make decisions as if they were fans, ignoring basic concepts of governance and financial responsibility. Unsurprisingly, most clubs find themselves in dire financial situations, struggling to balance what they earn with their obligations to players, suppliers, financial institutions, and even the government; according to the 2023's Convocados Report (Relatório Convocados XP 2023), the total debt of the 20 clubs that play in the 1st Division of CBR has surpassed R$10 billion. Instead of a virtuous cycle, those clubs are perpetually in a vicious cycle fueled by suboptimal management practices that pose a significant threat to their competitiveness and long-term viability.

That brings us to Sport Club Internacional, one of the most accomplished and traditional Brazilian football clubs. Over the past decade, Internacional has struggled to break free from a vicious cycle of underperformance. This thesis aims to identify the root causes of Internacional's struggles, pinpoint areas where Internacional lags behind its peers, and formulate practical

recommendations based on these insights to steer Internacional away from this persistent vicious cycle and towards a more successful trajectory.

2. RESEARCH OBJECTIVES

The study seeks to assess Sport Club Internacional's performance holistically and provide the club with actionable recommendations to improve its overall performance. The main research question is:

"How does Sport Club Internacional compare to other football clubs, and what can the club do to improve its overall performance?"

The following steps were followed to answer the research question:

- Perform a competitive benchmarking analysis to compare the performance of Sport Club Internacional against nine other Brazilian football clubs, identifying potential gaps for improvement.

- Combine the insights from the benchmarking analysis with bibliographical research to assess Internacional's strengths and weaknesses, as well as external threats and opportunities (SWOT analysis).

- Leverage the findings and examples from other successful clubs to develop actionable recommendations for Sport Club Internacional to enhance its overall performance.

3. THE CASE OF SPORT CLUB INTERNACIONAL

Founded in 1909 in the city of Porto Alegre, the capital of the state of Rio Grande do Sul, located in Southern Brazil, Sport Club Internacional is one of the most traditional and successful non-profit associative football clubs in Brazil, having won every major title available for a Brazilian club.

From 2006 to 2010, Internacional lived the most successful period in the club's history, winning two "CLAs", taking over the football world with its victory over UEFA Champions League's 2005/06 champion, FC Barcelona, and adding a Copa Sul-Americana (CSA) to its accolades. However, the subsequent years were marked by a notable decline in sporting success and managerial quality and ultimately resulted in the club's first-ever relegation in 2016. Even though promotion was clinched already in the following season, Internacional continued to be the victim of mismanagement and poor decision-making from its political leaders. The club came close on multiple occasions to winning major titles again but failed. The lack of success on the pitch has been accompanied by a dire financial-economic situation; the lasting period of poor governance has left the club in a precarious situation, marked by significant rises in debt levels, financial expenses, stagnating revenues, and reduction in investment power.

The deterioration of Internacional's situation is illustrated in Figure 1 and Table 1; it is possible to observe the increasing disparity between revenue and total debt, and the growth in financial expenses over the years.
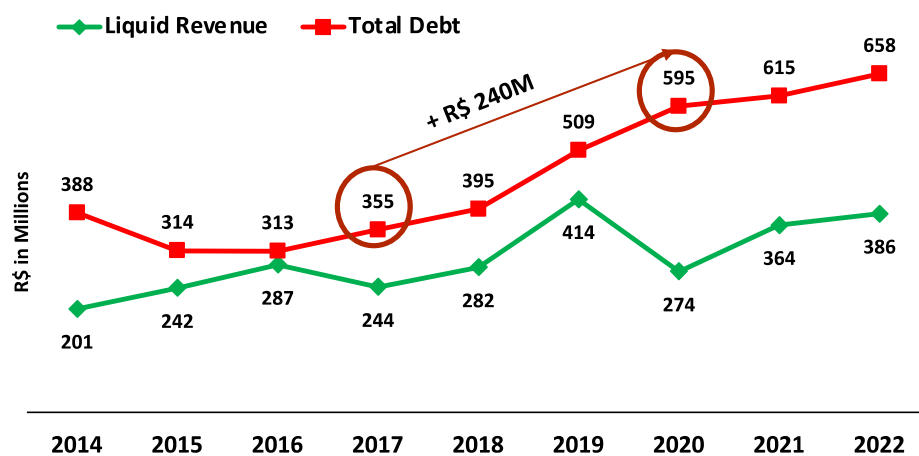

Figure 1. Plot showing the evolution of Internacional's revenues and total debt over time (own design)

Table 1. Sport Club Internacional Financial Expenses over the years (in R$ millions)

Sport Club Internacional - Financial Expenses (in R$ millions)	2017	2018	2019	2020	2021	2022
Foreign Currency Variation Expenses	8	11	13	38	14	28
Bank Expenses	13	16	19	22	23	28
Interest and Penalties over Installments	7	10	7	12	15	27
Interest and Penalties - Taxes		-	8	8	9	15
Interest and Penalties - Suppliers	4	2	4	1	9	8
Discounts Granted	5	0.147	2	0.019	0.198	3
Financial Expenses	**36**	**38**	**53**	**81**	**71**	**109**

In an increasingly competitive environment, where sporting success is highly dependent on the club's available resources, Internacional finds itself at an inflection point. The club must now make a critical choice – either elevate its professionalism and strategic decision-making to keep up with more financially potent teams or persist on the current path, risking a widening gap that may become insurmountable.

4. METHODOLOGY

The methods for data collection and data analysis are presented in this section. The work is classified as applied research. The objective of this type of research is to produce applicable knowledge that can be directly applied to address specific issues (Gerhardt and Silveira, 2009).

4.1 Sample

The dataset consists of quantitative data pertaining to ten Brazilian football clubs. The reasons to select those specific teams stem from the fact that they all participated in the 1st division of CBR uninterruptedly from 2019 to 2023, are among the most valuable and traditional in the country, and publicly disclose their financial statements.

ID	Club	ID	Club
INT	Internacional	COR	Corinthians
FLA	Flamengo	FLU	Fluminense
PAL	Palmeiras	ATL	Atletico MG
CAP	Athletico PR	SAN	Santos
SP	São Paulo	FOR	Fortaleza

4.2 Data Collection and Analysis

The evaluation of the clubs was based on their performance across three dimensions: sporting, financial, and fan engagement and brand. To achieve this, a series of Key Performance Indicators (KPIs) were selected, taking into account indicators commonly used in other studies (Coskun 2021; Zülch 2017; Plumley 2017; Costa 2015) as well as the author's knowledge of Brazil's football landscape.

The data used to calculate the KPIs were obtained from multiple sources, including the financial statements of the football clubs, industry reports (Relatório Convocados XP 2023), and specialized websites (ZeroZero.pt; Transfermarkt; sr. Goool).

The three main dimensions were divided into four sub-dimensions, each focusing on a specific aspect of the clubs' operations.

Table 2. KPIs used to evaluate the Sporting Performance of the clubs.

KPI	Name	Description	Units
S1	Composite Score	A score incorporating the club's performance in CLA, CBR, CDB and CSA	-
S2	Win %	Number of wins/total matches played over the period	%
S3	Titles Score	Weighted sum of the number of titles won according to relative importance	-
S4	Squad Mean Age	Sum of Players' Age/Total Players on the Squad	Years
S5	HG Fielded	Homegrown players that appeared in CBR matches	-
S6	Utilization % HG	% of total minutes played by homegrown players	%
S7	Investments Youth Academy	Amount of capital invested in the Youth Academy	R$ millions
S8	Total HG Promoted	Number of HG players that were promoted to the main squad from 2019 to 2023	-
S9	Total Investment in Players	Amount of capital spent in the acquisition of players from 2019 to 2022	R$ millions
S10	New Players	Number of new players in the 2023's squad	-
S11	% of New Signings	New Players/Total Players	%
S12	Total New Players 4-years	Total Number of New Players Signed from 2020 to 2023	-
S13	Avg. % of New Signings	New Players/Total Players over the period analyzed	%
S14	Current Coach Tenure	Number of days the current Head Coach has been on the job	Days
S15	Total Coaches	The total amount of Head Coaches from 2019 to 2023	-
S16	Average Coach Stay	Average number of days a Head Coach stays with the club	Days

The "Sporting Performance" dimension is comprised of the "Competitions" (S1 – S3), "Youth Development" (S4 – S8), "Squad Management" (S9 – S13) and "Coaching Stability" (S14 – S16) sub-groups. A "Composite Score" (S1) was created to aggregate and assess the clubs' performances in the four major competitions played by Brazilian clubs over the period from 2019-2023: Copa Libertadores (CLA), Campeonato Brasileiro (CBR), Copa do Brasil (CDB) and Copa Sul-Americana (CSA). CBR works in a "round robin system", while the other three competitions have knockout stages. Because of the differences in formats and relative

importance, a point system was adapted from Barajas (Barajas 2005) and used to obtain a score for each team (Appendix A). The system considers the current year (2023) and the four previous ones, assigning each decreasing weight; the current year (2023) weights 1, the year before 0.9, and so on.

As for "Titles" (S4), it considers the competitions listed above and includes State Championships (SC), with each tournament being worth a different weight based on their level of prize money and relative importance (Appendix B).

The "Financial Management" dimension, presented below in Table 3, is divided into "Income Generating Power" (F1 – F5), "Costs Management" (F6 – F8), "Liquidity and Solvency" (F9 – F13) and "Returns" (F14 – F16) sub-groups. The KPIs include widely used liquidity, solvency, and profitability ratios and help to understand the current financial situation of each club from multiple perspectives.

Table 3. KPIs used to evaluate the Financial Performance of the clubs.

KPI	Name	Description	Units
F1	Liquid Revenue	Amount of money generated by the team	R$ millions
F2	Recurrent Revenue	Liquid Revenue - Revenue from Players Transfers	R$ millions
F3	EBITDA	Revenue - Operational Costs	R$ millions
F4	Recurrent Revenue Growth	(Recurrent Revenue_n)/(Recurrent Revenue_n-1)	%
F5	EBITDA Margin	EBITDA/Revenue	%
F6	Wages to Recurrent Revenue	Personnel Costs/Recurrent Revenue	%
F7	Costs to Total Revenue	Operational Costs/Revenue	%
F8	Acquisitions to EBITDA	Amount Invested in Players/EBITDA	%
F9	Current Ratio	Current Assets/Current Liabilities	Ratio
F10	Adjusted Liquidity	Current Assets + Intangibles (Players)/Current Liabilities	Ratio
F11	Short-Term Leverage	Current Liabilities/Revenue	Ratio
F12	Total Leverage	Total Liabilities/Revenue	Ratio
F13	Equity	Total Assets - Total Liabilities	R$ millions
F14	Return on Assets	Net Income (Loss)/Total Assets	%
F15	Return on Equity	Net Income (Loss)/Equity	%
F16	Cumulative Results	Sum of Results from 2019 to 2022	R$ millions

Finally, the "Fan Engagement and Brand" dimension is comprised of the "Stadium" (B1-B4), "Digital Space" (B5-B9), "Membership" (B10-B13) and "Brand" (B14-B15) sub-groups. The metrics used in this area attempt to capture the clubs' ability to engage with fans both physically and digitally, as well as to attract good sponsorship deals.

Table 4. KPIs used to evaluate the Fan Engagement and Brand Performance of the clubs.

KPI	Name	Description	Units
B1	Stadium Attendance	Average attendance in CBR Matches	Thousands
B2	Stadium Occupation	Average Attendance / Stadium Capacity	%
B3	Stadium Revenue	Revenue generated from paying attendees	R$ Millions
B4	Stadium Revenue Growth	(Stadium Revenue_n)/(Stadium Revenue_ n-1)	%
B5	Social Media Followers	Instagram, Facebook, TikTok, Youtube, X	Millions
B6	Social Media Growth	(Total Followers_n)/(Total Followers_n-1)	%
B7	Total Interactions	Sum of likes, hearts, reactions, comments, pins, shares etc.	Millions
B8	Engagement Rate	Average interactions on posts per follower per day	%
B9	Post Interaction Rate	Average interactions on posts per follower per post	%
B10	# of Fans	Estimate of the total number of supporters	Millions
B11	# of Members	Fans that are members of the club	Millions
B12	Fan Conversion	Members / Fans	%
B13	Membership Strength	Revenue from Membership Plans / Members	$/member
B14	Revenue from Sponsorships	Revenue the club obtains from sponsorship deals	R$ Millions
B15	Brand Value	Estimate of club's brand value	R$ Millions

5. FINDINGS

This section presents the results derived from a comprehensive competitive benchmark analysis. The summarized tables included in this chapter show the indicators considered, data from the two best and worst performers, as well as Internacional's, including its ranking among the 10 teams. Median values were used instead of averages due to the presence of outliers in several of the metrics. A full version of the tables, which include the exact numbers for all clubs, can be found in Appendix C.

5.1 Sporting Performance – Results

The results for the Sporting Dimension are summarized below in Table 5. Palmeiras and Flamengo exhibit an overall dominant performance across the board.

Table 5. Summary of Results for the Sporting Dimension

		Period	Best	2nd Best	Inter	Worst	Median	Best Club	2nd Best Club	INT Rank
Competitions										
S1	Composite Score	2019-23	1130	1080	**781**	639	784	FLA	PAL	6
S2	Win %	2019-23	59%	57%	**45%**	38%	44%	FLA	PAL	5
S3	Titles Score	2019-23	21.5	21	**0**	0	5.25	FLA	PAL	8
Youth Development										
S4	Squad Mean Age	2023	26.4	26.9	**28.8**	30.1	27.3	CAP	FLU	7
S5	HG Fielded	2023	16	15	**8**	0	12	SP	SAN	8
S6	Utilization % HG Players	2023	37%	34%	**13%**	0%	24%	SP	COR	8
S7	Investments Youth Academy	2019-22	155	110	**88**	10	57	FLA	PAL	4
S8	Total HG Promoted	2019-23	43	42	**24**	12	34	FLA	PAL	8
Squad Management										
S9	Total Investment in Players	2019 - 22	804	626	**254**	60	288	FLA	PAL	6
S10	New Players	2023	2	4	**14**	21	12.5	PAL	FLA	6
S11	% of New Signings	2023	5%	10%	**36%**	43%	31%	PAL	FLA	8
S12	Total New Players 4-years	2020-23	24	25	**49**	64	45	PAL	FLA	7
S13	Avg. % of New Signings	2020-23	13%	14%	**30%**	42%	27%	FLA	PAL	9
Coaching Stability										
S14	Current Coach Tenure	-	1110	929	**122**	41	154	PAL	FOR	7
S15	Total Coaches	2019-23	4	6	**9**	12	9	PAL	FOR	5
S16	Average Coach Stay	2019-23	476	366	**240**	139	207	PAL	FOR	4

Internacional, on the other hand, displays sub-par performance according to most indicators.

5.1.1 Competitions

Over the period analyzed, Internacional has not experienced success on the pitch. Among the ten teams benchmarked, Internacional was one of the three that failed to win any titles, including State Championships (SC), considered less competitive and more attainable. Internacional did come close to winning 2020's CBR but ultimately failed. The lack of titles and inconsistent performances over the years have resulted in significant revenue losses; in 2022 and 2023, Internacional was projected to earn at least R$11.5m and R$8m in CDB's prize money but ended up with only R$1.2m and R$3.3m (GE, 2023; Girardon, 2022).

5.1.2 Youth Development

The consequence of underutilizing the youth categories has a detrimental effect on the finances of the clubs (Eça 2018). Because of the high level of indebtedness and financial disequilibrium teams operate, Brazilian clubs rely on the revenue from player transfers (including "Training compensation and solidarity payments"), especially from the sale of young talents to overseas markets, to survive economically. Revenue from player transfers was responsible for 18% of the total revenue generated for CBR's 1st division teams in 2022 (Relatório Convocados XP 2023), which corresponds to approximately R$1.2b. Therefore, prioritizing youth development is an essential factor for most clubs' operations.

From 2019 to 2023, Internacional invested a significant sum in its youth academy (R$ 88 million), ranking 4th, only behind Flamengo, Palmeiras, and Sao Paulo, all of which have significantly more resources. Despite the high level of investment, Internacional doesn't seem to be using its HG players effectively, ranking only 8th in homegrown players promoted to the main squad over the period. Furthermore, those who make it to the main squad don't get many opportunities to play meaningful minutes; in 2023, HG players were responsible for only 13%

of the total minutes played in CBR (Poli et al. 2023). Considering that the mean age of the squad is relatively high at 29 years old, Internacional needs to improve the transition process from Youth Academy to Main Squad and achieve a better balance between experience and youth.

5.1.3 Squad Management

From 2020 to 2023, the best-performing teams, Palmeiras and Flamengo, have added 24 and 25 new players respectively, the fewest among the ten clubs. Internacional, on the other hand, signed 49 new players. The excessive activity on the transfer market frequently indicates issues with strategic planning (Poli, Ravenel and Besson 2021). Whether it is because of poor scouting, where the team constantly needs to add new players due to others underperforming, or the inability to retain pivotal players, or a combination of both, it is certainly an issue that needs to be addressed. Ensuring an adequate level of team stability is essential for the sustainable management and optimal performance of a football team (Poli, Ravenel and Besson 2021), as "teams with fewer levels of turnover tend to achieve superior performances compared to those undergoing significant roster changes each season" (Montanari 2008). The constant turnover compromises the squad's ability to develop chemistry on the pitch, disrupts team cohesion, and negatively impacts performance and results, which can help to explain the inconsistent performances over the past seasons.

Furthermore, there are various associated costs with an excessive number of signings, even if some transfers are labeled as "free". These costs include salaries, signing bonuses, agent fees, and image rights, among others. Acquiring players without proper diligence leads to inflated wage bills, increased agent fees, and additional administrative expenses. Additionally, it can increase leverage, as "managers can accumulate debt if they overspend to invest in better players" (Sánchez et al. 2020).

The financial strains from constant signings affect the club's ability to invest in other critical areas. Quality, rather than quantity, should be the priority to ensure a more cost-effective and sustainable approach for the club in the long run.

5.1.4 Coaching Stability

Coaching turnover is a landmark of Brazilian football. Often, all it takes is a short string of bad results for a club to switch coaches. Out of the ten clubs, only Palmeiras and Fortaleza have had the same coach for more than two seasons.

Internacional had nine head coaches from 2019 to 2023, often with opposite characteristics and football philosophies. Even though this is a characteristic of Brazilian Football, and Internacional ranked 4th in Average Coach Stay (240 days), the tendency to switch coaches so often (Appendix E) indicates the lack of an overarching football philosophy and conviction in its choices. Just like in a company, when a professional is dismissed within a short period, it means the organization itself did not make a good choice. Furthermore, a study by Galdino (2020) indicates that firing the head coach does not necessarily lead to improved performance in the long term (Galdino 2020).

The negative impact of coach turnover extends to the financial side of operations. Head coaches and their accompanying staff typically sign multi-year contracts, often with early termination clauses. It is not uncommon for clubs to have more than one coach on their payroll at the same time, a wasteful use of resources.

Additionally, coaches tend to advocate for specific player signings based on their tactical preferences. However, when a new coach comes in and introduces a different system, players favored by the previous coach may find themselves marginalized, leading to a financial drain. This financial strain manifests in the need to acquire new players compatible with the incoming coach's vision, while simultaneously paying for the side-lined players with little to no playing time. In some cases, clubs are compelled to loan out these players, further incurring costs,

including a portion of their salaries. This cycle not only results in increased expenditure but also poses challenges in building a cohesive and stable squad.

5.2 Financial Performance – Results

A football club, just like a company in other sectors, is required to maintain financial balance (Nascimento 2015); this ensures its continued operation and sustained competitiveness against competitors (Espitia; García 2010). As seen below in Table 6, Internacional's performance in the Financial Management dimension is subpar and shows the delicate situation the club finds itself in.

Table 6. Summary of Results for the Financial Management Dimension

		Period	Best	2nd best	Inter	Worst	Median	Best	2nd best	INT Rank
Income Generating Power										
F1	Liquid Revenue	2022	1106	791	**391**	235	392.5	FLA	PAL	6
F2	Recurrent Revenue	2022	1043	633	**254**	240	305	FLA	COR	8
F3	EBITDA	2022	364	242	**100**	4	104.5	FLA	PAL	6
F4	Recurrent Revenue Growth	2019-22	57%	43%	**-38%**	-38%	22%	FOR	COR	10
F5	EBITDA Margin	2022	36%	33%	**26%**	1%	28%	SP	FLA	6
Costs Management										
F6	Wages to Recurrent Revenue	2022	46%	48%	**78%**	83%	62%	FLA	FOR	8
F7	Costs to Total Revenue	2022	64%	67%	**74%**	99%	72%	SP	FLA	6
F8	Acquisitions to EBITDA	2022	18%	44%	**88%**	800%	93%	SP	COR	5
Liquidity and Solvency										
F9	Current Ratio	2022	1.15	0.92	**0.27**	0.10	0.59	FLA	FOR	8
F10	Adjusted Liquidity	2022	2.40	1.68	**0.58**	0.38	0.99	FLA	FOR	8
F11	Short-term Leverage	2022	0.06	0.21	**0.91**	2.18	0.70	FLA	FOR	9
F12	Total Leverage	2022	0.27	0.40	**1.68**	3.94	1.30	FOR	FLA	7
F13	Equity	2022	736	335	**203**	-404	72	CAP	FLA	4
Returns										
F14	Return on Assets	2022	27%	0.12	**0.1%**	0.1%	4.1%	FOR	FLA	10
F15	Return on Equity	2022	136%	0.63	**0.5%**	-16%	3.5%	FOR	PAL	6
F16	Cumulative Results	2019- 22	311	270	**-93**	-355	-36	CAP	FLA	7

In terms of generating revenue, it is not surprising that Flamengo, Palmeiras, and Corinthians form the top 3. The sheer size of Flamengo and Corinthians fanbases, the largest in the country by a wide margin, puts them in a privileged position. Palmeiras, 4th in fanbase, also benefits from owning a modern multi-purpose stadium often used for big international concerts. With a Liquid Revenue of R$391million in 2022, Internacional ranked 6th, a position deemed reasonable given the region where the club is based, the size of its fanbase, and less-than-stellar outcomes in lucrative competitions like CDB and CSA. What is concerning is the fact that Internacional ranked only 8th in Recurrent Revenue, underscoring its heavy reliance on player transfers for financial survival; in 2022, 33% of Internacional's Liquid Revenue came from

player transfers (approximately R$ 137 million) (Relatório Convocados XP 2023). Without those sales, Internacional's EBITDA would go from a healthy R$ 100 million to an alarming -R$ 37 million. To make matters worse, Internacional has experienced a contraction of 38% in Recurrent Revenue compared to 2019 (pre-pandemic levels were used as the reference, and the value is corrected for inflation for a more accurate comparison), while most other clubs have experienced significant growth (Relatório Convocados XP 2023).

Furthermore, Internacional had 78% of its recurrent revenue allocated to pay personnel costs (players and staff salaries, image rights, bonuses, among others), well above the median of 62%. Considering the disappointing sporting results, the reliance on unpredictable revenue from player sales, the high level of short-term debt, and the financial expenses, costs, and investments at that level put the club in a dangerous position.

Liquidity ratios indicate an imbalance between liabilities, liquid assets, and revenue. Following the approach used by Grafietti (2022), only liabilities that require cash outflow were considered. Internacional has a Current Ratio of only 0.27, meaning that the club does not have nearly enough current assets to cover short-term liabilities. Often, the team is required to take on bank loans at higher interest rates and or ask for revenue anticipations to be able to cover its costs, a vicious cycle that leads to increased financial expenses every year, taking away from the club's investment power to improve squad and infrastructure. Even when using an adjusted liquidity ratio, which includes the values of players' intangibles, the ratio only reaches 0.58, well below the 0.99 median.

Internacional is one of the clubs that have a positive Equity position, R$ 203 million, largely due to the ownership of its multi-purpose Stadium ("Estadio Beira-Rio") and other properties in its surroundings, such as "Parque Gigante" (a leisure area) and "Gigantinho" (a large multipurpose gymnasium). The positive equity indicates that the club is solvent.

Even though there has been an improvement in the years 2021 and 2022, with the club going from a deficit of R$ 92 million to a gain of R$ 1 million in both years, Internacional still cannot generate significant profit relative to its assets, accumulating a net loss of R$ 93 million considering the period from 2019 until 2022.

5.3 Fan Engagement and Brand Performance – Results

Internacional ranks only 8th in Average Stadium Attendance, attracting an average of 27k fans (considering exclusively paid supporters in CBR matches). This corresponds to an occupation rate of only 54%. According to Schreyer, an underutilized stadium may result in inefficient staffing and lower merchandising sales (Schreyer 2021).

Table 7. Summary of Results for Brand and Fan Engagement dimension

		Period	Best	2nd Best	INT	Worst	Median	Best Club	2nd best Club	INT Rank
Stadium										
B1	Stadium Attendance	2023	54	44	**27**	12	31	FLA	SP	8
B2	Stadium Occupation	2023	78%	76%	**54%**	37%	64%	COR	PAL	7
B3	Stadium Revenue	2023	33	32	**16**	2	16	SP	PAL	5
B4	Stadium Revenue Growth	2022-23	760%	124%	**6%**	-26%	29%	FLU	CAP	6
Digital Space										
B5	Social Media Followers	2023	57	35	**8**	4	12	FLA	COR	8
B6	Social Media Growth %	2022-23	52%	21%	**8%**	8%	12%	FLU	SAN	10
B7	Total Interactions	Sep - Dec 2023	171	150	**25**	6	72	FLA	SP	9
B8	Engagement Rate	Sep - Dec 2023	13.3%	7%	**3.5%**	2.0%	4.6%	FLU	SP	8
B9	Post Interaction Rate	Sep - Dec 2023	1.2%	0.8%	**0.4%**	0.3%	0.5%	FLU	SP	7
Membership										
B10	# of Fans	Nov-23	40	33	**5**	1	6	FLA	COR	7
B11	# of Members	Aug-23	0.185	0.121	**0.121**	0.031	0.076	PAL	INT	2
B12	Fan Conversion	2023	5%	2%	**2%**	0%	1%	FOR	INT	2
B13	Membership Strength	2022	950	827	**505**	181	422	CAP	FOR	5
Brand										
B14	Revenue from Sponsorship:	2022	150	143	**47**	19	61	FLA	PAL	7
B15	Brand Value	2022	1 454	1280	**403**	172	493	FLA	PAL	7

Nowadays, clubs are also competing in a "virtual pitch", with social media platforms gaining an increased role; clubs must sustain fan attendance at the stadium while concurrently managing their presence on social media (Ferraresi 2017).

Internacional's digital presence is lacking compared to its peers, both in followers and engagement; the club ranks 8th in followers, with approximately 8 million across the club's official social media accounts on Facebook, Instagram, X, TikTok, and YouTube. Not only that, but the team also experienced the smallest growth (only 8%) in total followers in the one-year from Nov-22 to Nov-23, far below teams like Fluminense (52%) and Santos (21%).

Considering the growing importance of digitalization, and how it affects the habits of the new generations of football fans, Internacional must revamp its social media strategy to better engage with current supporters and attract new fans.

Despite being only 7th in terms of estimated total fanbase (5M), Internacional boasts an impressive 120k members, ranking only behind Palmeiras, which not only has a larger fanbase but has also experienced great success on the field over the past years.

Flamengo and Palmeiras lead in revenue from sponsorships and brand value, an expected result considering their sporting success, number of fans, cities both clubs are in, and how well they are managed. On the other hand, Internacional ranks only 7th, earning only R$47M from its sponsors.

6. SWOT ANALYSIS

In this section, the insights gained from the competitive benchmarking analysis were complemented by further in-depth bibliographical research and used to identify Internacional's strengths and weaknesses, as well as external threats and opportunities (SWOT).

6.1 Strengths

S1: One of the most traditional clubs in the country, with a particularly strong regional presence and good recognition in South America.

S2: Second largest membership program in the country, with approximately 120k members.

S3: Ownership of stadium (Beira-Rio) and other multi-purpose properties (Parque Gigante and Gigantinho).

S4: Valuable players: Current squad has renowned players which consistently get called up to play for their National Teams, such as Colombia, Uruguay, Chile, and Ecuador.

6.2 Weaknesses

W1: Limited growth opportunities due to geographical, socio-economic, and cultural factors.

W2: Lack of financial regulations allows irresponsible decision-making by elected officials and does not meet the standards of modern enterprises.

W3: Poor financial standing: high levels of leverage and financial expenses, especially in the short-term. Investment capacity to improve the team and infrastructure is compromised.

W4: Recurrent Revenues have stagnated: Club relies on uncertain sources of revenue, such as player transfers, to cover the costs of its operations.

W5: Periodical management changes and environment of political instability: there are frequent changes in leadership, often causing ruptures. Political division also hampers effective and pragmatic decision-making.

W6: Several key positions within the club are based on political appointments, rather than technical expertise.

W7: Low effectiveness in the development of homegrown players (HG) over the past years.

W8: Low average stadium attendance and occupation rate in CBR matches.

W9: Weak digital presence in the main social media platforms and low level of recent growth.

W10: High level of roster turnover over the past years.

6.3 Opportunities

O1: Growth of alternative revenue sources, such as OTT and streaming services, social media, matchday experience.

O2: Growing fan demand for more transparency and better governance practices.

O3: New legislation that allows teams to switch to different organizational models and access new sources of capital.

O4: Bylaws reform to reflect better governance and financial practices.

O5: World-renowned players coming to Brazil: Famous players attract more fans to the stadiums, increase the number of members for a club (Saldanha 2023), and create new commercial opportunities.

O6: Revenue of R$ 220M coming in due to the sale of 20% of broadcasting rights for the next 50 years.

O7: Decrease in Brazil's interest rates.

O8: Increase in the number of fans signing up for paid membership plans.

6.4 Threats

T1: Escalating levels of unsustainable competitiveness: economically more powerful clubs, such as Flamengo, Palmeiras and Corinthians and clubs acquired by international investors have significantly more resources than clubs that don't belong in either group.

T2: Growing impatience from supporters: The lack of sporting success for many years, if it continues, may reduce number of members, fan attendance, sales, etc.

T3: Growing disparity in Broadcasting Revenue: Teams have organized themselves in two separate blocks to sell their broadcasting rights. Depending on how much each block gets for the sale of the rights, it can lead to an even greater imbalance in broadcasting revenues (which is still the biggest source of revenue for all teams).

T4: CBF's (governing body of Brazilian Football) unstable political scenario.

7. RECOMMENDATIONS

The benchmarking analysis revealed performance gaps between Internacional and the other clubs. With the aid of the SWOT analysis and bibliographical research, recommendations to address the weaknesses and mitigate potential threats, leveraging some of the club's strengths and opportunities, as well as best practices from other clubs, are discussed. A Strategy Map, found in Appendix F, was constructed to illustrate how the recommendations will help Internacional achieve its main goal: win titles.

7.1 Reduce Debt and Financial Expenses

Brazilian clubs that manage to financially organize themselves, reducing debt and generating profit, may obtain a significant advantage compared to others (Warrener 2021).

Therefore, it is crucial for Internacional to decrease its total liabilities and improve its debt profile. As per Table 1, in 2022, Internacional had to pay almost R$80M in interest and penalties; for a club that generates far less revenue than some of its rivals, having R$80M less to invest in football operations makes it much harder to compete. To address this issue, it is recommended that Internacional allocate a significant portion of the R$220M revenue from the sale of 20% of its future broadcasting rights to pay down high-interest debt. Additionally, the club should take advantage of Brazil's current lower interest rates to refinance the debt. This can be accomplished by taking on cheaper, longer-term debt and using it to reduce the current high-interest debt.

7.2 Update Financial Regulations

Inflated wage bills and excessive costs over the years, combined with inconsistent revenues, resulted in the club's financial health deterioration. From 2017 to 2020, Internacional experienced an increase of over R$240M in indebtedness (Figure 1), a direct result of irresponsible decision-making by those in charge of the club.

The occurrence of the situation described above demonstrates a lack of proper financial regulations within the club. Therefore, Internacional must update its bylaws and add tighter regulations, limiting the capacity of the elected officials to indebt the club. There are both national and international clubs that can serve as inspiration. For instance, FC Barcelona has a rule that the club's indebtedness cannot be more than twice the EBITDA (Sánchez, Barajas and Sanchez-Fernandez 2020). By establishing economic ratios for the managers, the negative incentives to prioritize short-term risky decisions are reduced (Sánchez, Barajas and Sanchez-Fernandez 2020). Additionally, elected officials should be held accountable with their personal assets. Flamengo is a good example of this; the club has determined that "elected officials that harm the club's patrimony or image must be held responsible with their personal assets even after their term is over" (Gonçalves 2015).

The club must also increase transparency in its financial disclosures. Like publicly-listed companies and teams like Flamengo and Fortaleza, Internacional should release financial reports every three months, including budget comparisons. The club should also disclose spending on new player signings, including the percentage of player rights acquired, and provide specifics on proceeds from player sales (how much it actually earned from the sale).

The desire to win championships and leave a mark may prompt leaders to exceed their budget limits by offering excessive salaries and awards to players, a practice that leaves sports clubs facing financial trouble (Levrini and Oliveira 2017). However, with football clubs regarded as regular companies, it is crucial to maintain oversight of the wages and ensure a balance between income and expenditures (Leoncini and Silva 2005). Therefore, to prevent overspending, the club should set a maximum percentage of the budgeted recurrent revenue that can be spent on personnel costs, ensuring competitiveness without ignoring financial responsibility. A percentage of recurrent revenues is recommended because financial planning should not depend on non-guaranteed sources of revenue, such as player sales and prize money.

All these recommendations will likely help Internacional, as the presence and expansion of governance levels can positively impact the positioning and the availability of opportunities to receive investments and resources from various funding sources in an increasingly competitive market (Assis 2018).

7.3 Reduce Political Influence in the Football Department

"The managerial structure must be similar to that of a regular company, without any trace of amateurism" (Aidar & Leoncini 2000). At the top of the football department's hierarchy, there is an unpaid Vice-President (VP) of Football politically appointed by the club's President. According to the club's bylaws, the VP of Football is responsible for several tasks, including "developing the planning and executing the football policy", "promoting the integration between professional category with youth categories", "managing the coaching staff and

interdisciplinary team", and "negotiating the acquisition or disposal of federative rights of athletes with the approval of the Management Council".

If a sports organization forms its management team solely through political elections, appoints individuals solely based on trust, and utilizes other methods that ignore criteria related to qualifications and competence, it is likely, in most cases, to result in the failure of the institution (Azevêdo 2009). Considering the importance of the football department to the club's operations and that the sports environment requires competence and qualification for success, just as is the case in any other type of business (Azevêdo 2009), it is recommended that the role of VP of Football is removed. A full-time paid executive with extensive expertise, bound by objective and transparent goals, should be at the top of the hierarchy.

The club should also consider creating a company (SAF) to run the football operations separately from the social aspect of the association. The members' association could still own 100% of the SAF (like Fortaleza does) or sell a percentage of the shares to obtain extra capital.

7.4 Homegrown Players Utilization and Squad Stability

Considering the potential sporting benefits and the economic reliance on player transfers, Internacional must improve the permeation of homegrown (HG) players to the professional team and their development. To ensure that will be the case, Internacional should establish a minimum number of HG players that must be part of the main squad every season and stipulate a goal in terms of the number of minutes that each of the players should be given. Palmeiras offers a good model that could be adapted to suit Internacional's needs; the club stipulates that 40% of the main squad should be comprised of HG players, and has also established the goal that at least 4 HG players play each a minimum of 450 minutes (Botta 2023).

In addition to the development of HG players, enhancing the player selection process is imperative. It is crucial to sign players that do not only meet immediate needs but also align with long-term objectives and playing style. The goal should be to build a cohesive and

competitive squad, minimizing the need for frequent overhauls, as it will inevitably lead to better sporting and financial performance.

7.5 Increase Recurrent Revenue Sources

To remain competitive, Internacional must increase revenues, with a focus on recurrent sources.

7.5.1 Membership Program

Internacional generates a significant portion of recurring revenue through its fan-loyalty program. In 2022, the plans generated revenue of R$61M, the second-largest amount among all Brazilian clubs. Therefore, it is essential to focus on expanding the number of members. One of the ways to achieve this is by improving the offerings of the loyalty plans. Currently, Internacional's website displays only four membership-plan options, which offer similar benefits, mostly restricted to discounts on tickets. Unlike other teams, Internacional does not mention a network of external discounts from business partners, a points-to-reward system, or any exclusive experiences included with the plans. "The loyalty of the fan is no longer guaranteed solely by their emotional connection to the club; it is necessary to provide the fan with a differential for their loyalty (Reins, Kotler and Shields 2008)." Therefore, it is necessary to provide the fans with a differential to enhance their loyalty.

To achieve this, it is recommended that Internacional increases its external partnerships network, creating an "Advantages Club", filled with discounts in other businesses and services. Research indicates that benefits such as discounts in partners' networks are one of the most valued attributes by consumers (Dias and Monteiro 2020). Although the club already has some partnerships in place, these benefits are not featured on the main page where fans can sign up to become members. Therefore, the club should actively promote and highlight these partnerships, showcasing the additional perks and discounts available to its members, as do clubs such as Athletico-PR, Fortaleza, and Flamengo.

Many successful loyalty programs use a points-to-reward system. Internacional could adopt this system, with members earning points for engaging with the club and demonstrating loyalty. To earn points, members can buy tickets, check in to the stadium, engage in social media, invite new members, purchase club and partner products, and pay monthly fees in advance, among other activities.

The club should also introduce exclusive experiences, such as inviting members to visit training sessions and allowing them to interact with players, autograph sessions, a preseason squad presentation (like the one offered by Bayern Munich), visits to the youth academy, watching games in privileged stadium zones, behind-the-scenes access during games, members-only match in the stadium. These experiences will help to strengthen the bond between supporters and the club.

Finally, Internacional has a significant fan base residing outside of Porto Alegre. Since the current membership plans primarily offer ticket discounts, they might not be appealing to fans who cannot attend games regularly, despite the existence of membership fee discounts based on how far from Porto Alegre the member lives. Therefore, it could be advantageous to introduce a specialized plan tailored specifically for these fans, offering a different set of benefits. Atletico-MG and Cruzeiro are examples of clubs offering such an option and could serve as inspiration for Internacional.

7.5.2 Increase Stadium Attendance

In 2023, Internacional saw improvements compared to the 2022 season, but still ranked 9th out of 11 teams with an average attendance of 27k per game (stadium occupation of 54%). These numbers are concerning, especially since Internacional offered some of the cheapest tickets on average, ranking 14th out of 20 clubs (Redação do GE 2023). Even on weekend games, the turnout was inconsistent and relatively low, especially on Saturdays. The detailed breakdown of the 2023 attendance can be found in Appendix H.

To address the low attendance issue, the club must first conduct surveys among its fan base. This will enable the club to segment fans based on their attendance habits, gain insights into what each segment values most, understand what fans are doing instead of going to games, and consequently lead to the development of more effective strategies to attract the non-fanatical fans; the non-fanatical should be the focus since fanatical fans are present at most games regardless of the importance of the match (Dias and Monteiro 2020).

To attract more fans, especially on Saturdays, the club needs to make the idea of going to the game more attractive than other possible alternatives. To do so, Internacional must craft an immersive matchday experience that goes beyond mere attendance at the stadium, offering entertainment options both before and during matches, inside and outside the venue. This initiative becomes particularly crucial for increasing turnout during games against weaker opponents. An effective strategy prevalent in Europe and the USA but underutilized in Brazil involves the establishment of fan zones outside the stadium. Internacional could capitalize on its adjacent properties, Parque Gigante and Gigantinho, to develop these fan zones. These spaces would feature a range of attractions, including live musical performances, interactive activities tailored for both children and adults, interaction with the club's mascot, and opportunities for sponsors to engage directly with fans. Fan zones not only enhance the overall matchday experience but also offer prime opportunities for sponsor activation, subsequently bolstering the club's position in negotiations for sponsorship deals.

Inside the stadium, the club can improve the experience by offering halftime activities, interactive games in the hallways, giveaways, and prize draws, among others. The right mix can only be determined by collecting feedback from fans. Finally, the club must continuously improve stadium services, such as check-in procedures, parking options, security, food and drink offerings, etc.

7.5.3 OTT/Streaming Paid Service

Several football clubs, for instance, Barcelona, Flamengo, and Athletico-PR have already established subscription-based streaming and OTT platforms (Appendix J). Although Internacional has a platform with well-produced video content called "Mundo Colorado," it is not monetized. To create a new revenue source, the club could offer exclusive content only accessible to those who pay for a subscription plan. Such exclusive content could include memorable games, live feeds from training sessions, youth academy games, post-game analysis, docuseries, and others. The subscription could be a benefit in specific membership plans. Additionally, this service could be linked to the points-to-reward system (if implemented); fans would earn points based on the time spent watching content on the platform.

7.6 Fan Engagement through Social Media

"The digital transformation has allowed fans to engage with their favorite club way beyond the 90 minutes of the matches." (Dellea 2014). Because of this, successful football clubs must excel not only on the field but also in engaging their fanbase online. One way to do that is through social media; creating social media strategies has the possibility to provide increased engagement, foster community growth and a sense of belonging, and lead to commercial benefits. (Mccarthy 2014). In that sense, it's pivotal that sports organizations strategically use digital media to foster connections with their fans (Giorgio 2018).

Internacional hasn't been effective in engaging with its supporters through social media. Studies indicate that "co-creation is an important component of fan engagement" (Santos 2019) and that "interactivity in online platforms could lead to positive fan experiences" (Hwang and McMillan 2002). Therefore, to boost engagement across its social media accounts, Internacional could actively encourage supporters to participate by sharing photos during games and sending pictures and videos of using the club's products (Santos 2019). The club could also offer ticket discounts for the most creative fans (Santos 2019). Content that triggers nostalgic

feelings is also highly associated with sports fan engagement (Balamurugan 2021), so the team should actively post content related to the club's past successes, such as the biggest conquests, and pivotal players, among others.

Internacional could also take advantage of having players that regularly play for their national squads. It is common for people to follow players who play for their countries on social media. Consequently, by creating content focused on those players, Internacional can attract more followers from different countries and increase the club's brand awareness.

8. CONCLUSION AND FUTURE DIRECTIONS

This thesis delves into the analysis of performance indicators for ten Brazilian football clubs, aiming to understand the current standing of Sport Club Internacional compared to its peers. The study identified areas for improvement, leading to the formulation of strategic recommendations focused on enhancing Internacional's overall performance. The research concluded that Internacional lags behind the best-performing clubs in Brazil across sporting, financial, and fan engagement and brand dimensions. The study advocates for the improvement of the club's governance through the implementation of robust financial control measures. It also emphasizes the need to reduce the influence of political appointments in the football department, nurture young talents, explore new streams of recurring revenue, and enhance interaction with the fan base through digital channels.

For future research, it is recommended to expand the scope by including a more diverse array of teams, allowing for a more complete benchmarking process. It would also be useful to compare Internacional with clubs from other countries, particularly those where managerial processes have reached a more advanced stage, such as European countries and the USA. This broader comparative analysis could provide a more nuanced and comprehensive understanding of best practices and potential areas for improvement in Internacional's overall performance.

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APPENDIX

Appendix A. Composite Score (S1) – Points System.

Copa Sul Americana (CSA)		
Stage	2019-2020	2021-2023
Phase 1	0.5	-
Phase 2	1	-
Group Stage	-	3
Round of 16	6	6
Round of 8	9	9
Semi Finals	15	15
Runner Up	21	21
Champion	27	27

Copa Libertadores (CLA)	
Stage	Points
Phase 2	1
Phase 3	2
Group Stage	9
Round of 16	15
Round of 8	21
Semi Finals	27
Runner Up	33
Champion	39

Copa do Brasil (CDB)		
Stage	2019-2020	2021-23
Phase 1	0.5	0.5
Phase 2	1	1
Phase 3	1.5	1.5
Phase 4	-	5
Round of 16	15	15
Round of 8	21	21
Semi Finals	27	27
Runner Up	33	33
Champion	39	39

Campeonato Brasileiro (CBR)

Points accumulated

Competition	Weight
Copa Libertadores (CLA)	3
Campeonato Brasileiro (CBR)	2
Copa do Brasil (CDB)	2
Copa Sul Americana (CSA)	1

Year	Weight
2019	0.6
2020	0.7
2021	0.8
2022	0.9
2023	1

Copa Libertadores da America (CLA)					
	2019	2020	2021	2022	2023
Inter	21	15	15	0	27
Flamengo	39	15	33	39	15
Palmeiras	21	39	39	27	27
Athletico PR	15	15	0	33	15
São Paulo	1	9	21	0	0
Corinthians	0	1	0	21	9
Fluminense	0	0	21	2	39
Atletico MG	9	0	27	21	15
Santos	0	33	9	0	0
Fortaleza	0	0	0	15	2

Campeonato Brasileiro (CBR) Points					
	2019	2020	2021	2022	2023
Inter	57	70	48	73	55
Flamengo	90	71	71	62	66
Palmeiras	74	58	66	81	70
Athletico PR	64	53	47	58	56
São Paulo	63	66	48	54	53
Corinthians	56	51	57	65	50
Fluminense	46	64	54	70	56
Atletico MG	48	68	84	58	66
Santos	74	54	50	47	43
Fortaleza	53	41	58	55	54

Copa do Brasil (CDB) Points					
	2019	**2020**	**2021**	**2022**	**2023**
Inter	33	21	1.5	0.5	15
Flamengo	21	21	27	39	33
Palmeiras	21	39	1.5	15	21
Athletico PR	39	15	33	21	21
São Paulo	15	27	21	27	39
Corinthians	15	15	21	33	27
Fluminense	15	5	21	27	15
Atletico MG	21	1	39	15	15
Santos	15	15	21	15	15
Fortaleza	15	15	27	21	15

Copa Sul-Americana (CSA)					
	2019	**2020**	**2021**	**2022**	**2023**
Inter	0	0	0	9	0
Flamengo	0	0	0	0	0
Palmeiras	0	0	0	0	0
Athletico PR	0	0	27	0	0
São Paulo	0	1	0	21	9
Corinthians	15	0	3	0	15
Fluminense	9	0.5	0	3	0
Atletico MG	15	0.5	0	0	0
Santos	0.5	0	9	6	3
Fortaleza	0	0.5	0	0	21

Composite Score						
	2019	**2020**	**2021**	**2022**	**2023**	**Composite Score**
Inter	243	227	144	156	221	781
Flamengo	339	229	295	319	243	1130
Palmeiras	253	311	252	273	263	1080
Athletico PR	251	181	187	257	199	857
São Paulo	159	214	201	183	193	764
Corinthians	157	135	159	259	196	745
Fluminense	131	138.5	213	203	259	788
Atletico MG	180	138.5	327	209	207	862
Santos	178.5	237	178	130	119	651
Fortaleza	136	112.5	170	197	165	639

Appendix B. Titles Score (S3) – Points System.

Summary of Main Competitions					
Copa do Brasil (CDB)	**2019**	**2020**	**2021**	**2022**	**2023**
Winner	Athletico PR	Palmeiras	Atletico MG	Flamengo	São Paulo
Runner-up	Inter	Gremio	Athletico PR	Corinthians	Flamengo
Campeonato Brasileiro (CBR)	**2019**	**2020**	**2021**	**2022**	**2023**
Winner	Flamengo	Flamengo	Atletico MG	Palmeiras	Palmeiras
Runner-up	Santos	Inter	Flamengo	Inter	Gremio
Libertadores (CLA)	**2019**	**2020**	**2021**	**2022**	**2023**
Winner	Flamengo	Palmeiras	Palmeiras	Flamengo	Fluminense
Runner-up	NA	Santos	Flamengo	Atletico PR	NA
Sul-Americana (CSA)	**2019**	**2020**	**2021**	**2022**	**2023**
Winner	NA	NA	Athletico PR	NA	NA
Runner-up	NA	NA	NA	NA	Fortaleza

Competition	Points
Libertadores (CLA)	5
Copa do Brasil (CDB)	4
Campeonato Brasileiro (CBR)	3
Sul Americana (CSA)	2
State Championship (SC)	0.5

Title (S3) Points					
	2019	2020	2021	2022	2023
Inter	0	0	0	0	0
Flamengo	8.5	3.5	0.5	9	0
Palmeiras	0	9.5	5	3	3.5
Athletico PR	4.5	0.5	2	0	0.5
São Paulo	0	0	0.5	0	4
Corinthians	0	0	0	0	0
Fluminense	0	0	0	0.5	5.5
Atletico MG	0	0.5	7.5	0.5	0.5
Santos	0	0	0	0	0
Fortaleza	0.5	0.5	0.5	0.5	0.5

Appendix C. Benchmarking Analysis - Data for all teams.

SPORTING DIMENSION FULL DATA																
	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12	S13	S14	S15	S16
Inter	781	45%	0	29	8	13%	88	24	254	14	36%	49	30%	122	9	240
Flamengo	1130	59%	22	27	9	19%	155	43	804	4	10%	25	13%	41	10	169
Palmeiras	1080	57%	21	27	13	25%	110	42	626	2	5%	24	14%	1110	4	476
Athletico PR	857	44%	8	26	11	27%	40	39	223	11	22%	51	27%	155	9	205
São Paulo	764	42%	5	27	16	37%	105	21	321	14	33%	40	24%	213	6	292
Corinthians	745	38%	0	27	14	34%	36	32	329	5	12%	35	20%	52	9	190
Fluminense	788	46%	6	30	14	28%	59	39	60	15	32%	46	27%	568	8	209
Atletico MG	862	51%	9	29	8	12%	54	29	573	10	30%	44	28%	153	10	177
Santos	651	39%	0	27	15	23%	41	35	184	21	43%	53	29%	63	12	139
Fortaleza	639	41%	3	30	0	0%	10	12	73	16	42%	64	42%	929	6	366
Best	1130	59%	22	26	16	37%	155	43	804	2	5%	24	13%	1110	4	476
Median	784	44%	5	27	12	24%	57	34	288	13	31%	45	27%	154	9	207
Inter	781	45%	0	29	8	13%	88	24	254	14	36%	49	30%	122	9	240
Worst	639	38%	0	30	0	0%	10	12	60	21	43%	64	42%	41	12	139
Best Club	FLA	FLA	FLA	CAP	SP	SP	FLA	FLA	FLA	PAL	PAL	PAL	FLA	PAL	PAL	PAL
Worst Club	FOR	COR	INT	FOR	FOR	FOR	FOR	FOR	FLU	SAN	SAN	FOR	FOR	FLA	SAN	SAN
INT Rank	6	5	8	7	8	8	4	8	6	6	8	7	9	7	5	4

FINANCIAL DIMENSION FULL DATA

	F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11	F12	F13	F14	F15	F16
Inter	391	254	100	-38%	26%	78%	74%	88%	0.27	0.58	0.91	1.68	203	0.1%	0.5%	-93
Flamengo	1106	1043	364	30%	33%	46%	67%	57%	1.15	2.40	0.06	0.40	335	12.0%	41%	270
Palmeiras	791	617	242	-1%	31%	67%	69%	57%	0.66	1.35	0.43	0.74	121	5.5%	63%	2
Athletico PR	326	276	99	-14%	30%	61%	70%	99%	0.51	0.95	0.62	1.05	736	4.1%	6%	311
São Paulo	651	432	237	25%	36%	63%	64%	18%	0.71	1.03	0.53	1.08	-237	4.2%	-16%	-355
Corinthians	701	633	176	43%	25%	50%	75%	44%	0.69	1.07	0.81	1.52	-114	1.2%	-14%	-298
Fluminense	321	253	28	24%	9%	83%	91%	293%	0.26	0.56	0.79	2.32	-264	1.3%	-3%	-7
Atletico MG	394	334	4	20%	1%	81%	99%	800%	0.10	0.38	2.18	3.94	226	3.6%	31%	-155
Santos	329	271	109	15%	33%	61%	67%	115%	0.39	0.69	0.81	1.76	-404	5.6%	-4%	-64
Fortaleza	235	240	50	57%	22%	48%	78%	118%	0.92	1.68	0.21	0.27	24	26.8%	136%	40
Best	1106	1043	364	57%	36%	46%	64%	18%	1.15	2.40	0.06	0.27	736	27%	136%	311
Median	392.5	305	104.5	22%	28%	62%	72%	93%	0.59	0.99	0.70	1.30	72	4.1%	3.5%	-36
Inter	391	254	100	-38%	26%	78%	74%	88%	0.27	0.58	0.91	1.68	203	0.1%	0.5%	-93
Worst	235	240	4	-38%	1%	83%	99%	800%	0.10	0.38	2.18	3.94	-404	0.1%	-16%	-355
Best Club	FLA	FLA	FLA	FOR	SP	FLA	SP	SP	FLA	FLA	FLA	FOR	CAP	FOR	FOR	CAP
Worst Club	FOR	FOR	ATL	INT	ATL	FLU	ATL	ATL	ATL	ATL	ATL	ATL	SAN	INT	SP	SP
INT Rank	6	8	6	10	6	3	5	6	8	8	2	4	4	10	6	7

FAN ENGAGEMENT AND BRAND DIMENSION FULL DATA

	B1	B2	B3	B4	B5	B6	B7	B8	B9	B10	B11	B12	B13	B14	B15
Inter	27	54%	16	6%	8	8%	25	3.5%	0.44%	5	0.121	2.4%	505	47	403
Flamengo	54	69%	32	52%	57	11%	171	2.7%	0.29%	40	0.103	0.3%	699	150	1454
Palmeiras	33	76%	32	-5%	19	14%	94	5.1%	0.55%	16	0.185	1.2%	270	143	1280
Athletico PR	22	53%	6	124%	4	8%	6	2.0%	0.34%	2	0.040	2.3%	950	25	320
São Paulo	44	66%	33	94%	22	12%	150	7.1%	0.84%	17	0.060	0.3%	298	54	551
Corinthians	38	78%	25	-14%	35	13%	144	3.8%	0.29%	33	0.116	0.4%	181	94	829
Fluminense	29	37%	4	760%	8	52%	87	13.3%	1.24%	3	0.067	1.9%	330	33	314
Atletico MG	28	61%	16	70%	11	9%	42	4.1%	0.50%	5	0.085	1.7%	339	69	617
Santos	12	75%	2	-26%	13	21%	56	5.4%	0.55%	7	0.031	0.4%	644	67	435
Fortaleza	33	51%	4	-10%	4	18%	27	6.0%	0.60%	1	0.042	4.9%	827	19	172
Best	54	78%	33	760%	57	52%	171	13%	1.24%	40	0	4.9%	950	150	1454
Median	31	64%	16	29%	12	12%	72	4.6%	0.52%	6	0	1.4%	422	61	493
Inter	27	54%	16	6%	8	8%	25	3.5%	0.44%	5	0	2.4%	505	47	403
Worst	12	37%	2	-26%	4	8%	6	2.0%	0.29%	1	0	0.3%	181	19	172
Best Club	FLA	COR	SP	FLU	FLA	FLU	FLA	FLU	FLU	FLA	PAL	FOR	CAP	FLA	FLA
Worst Club	SAN	FLU	SAN	SAN	FOR	INT	CAP	CAP	FLA	FOR	SAN	FLA	COR	FOR	FOR
INT Rank	8	7	5	6	8	10	9	8	7	7	2	2	5	7	7

Appendix D. Social Media.

Sources: IBOPE REPUCOM = https://www.iboperepucom.com/br/rankings/ranking-digital-dos-clubes-brasileiros-nov-2023/

Fanpage Karma = https://www.fanpagekarma.com

Social Media Following - as of 7th November, 2023 - IBOPE REPUCOM					
	Facebook	Twitter	Instagram	Youtube	TikTok	Total
Inter	2 600 000	1 930 379	2 027 404	370 000	673 600	**7 601 383**
Flamengo	13 000 000	10 480 277	18 749 564	6 800 000	7 700 000	**56 729 841**
Palmeiras	4 900 000	3 791 845	5 384 907	2 010 000	2 900 000	**18 986 752**
Athletico PR	1 100 000	1 212 134	813 372	248 000	435 100	**3 808 606**
São Paulo	6 900 000	4 922 045	6 306 320	1 850 000	1 600 000	**21 578 365**
Corinthians	11 000 000	7 843 724	10 823 653	1 970 000	3 800 000	**35 437 377**
Fluminense	1 700 000	1 555 814	2 042 057	770 000	1 900 000	**7 967 871**
Atletico MG	3 400 000	2 617 284	2 732 192	620 000	1 300 000	**10 669 476**
Santos	3 900 000	3 116 086	2 774 854	1 220 000	1 900 000	**12 910 940**
Fortaleza	1 000 000	451 522	1 423 331	238 000	688 000	**3 800 853**

Social Media Following - as of 7th November, 2022 - IBOPE REPUCOM					
	Facebook	Twitter	Instagram	Youtube	TikTok	Total
Inter	2 594 251	1 886 199	1 704 357	343 000	526 500	**7 054 307**
Flamengo	13 204 557	9 775 873	15 768 895	6 590 000	5 800 000	**51 139 325**
Palmeiras	4 795 621	3 695 316	4 279 774	1 850 000	2 000 000	**16 620 711**
Athletico PR	1 094 512	1 183 977	637 465	228 000	372 900	**3 516 854**
São Paulo	6 837 374	4 833 858	4 796 920	1 720 000	1 100 000	**19 288 152**
Corinthians	11 034 557	7 491 960	8 594 238	1 770 000	2 600 000	**31 490 755**
Fluminense	1 530 092	1 494 817	1 071 258	698 000	456 700	**5 250 867**
Atletico MG	3 375 837	2 580 728	2 429 278	562 000	806 700	**9 754 543**
Santos	3 831 403	3 055 295	2 003 700	1 140 000	665 200	**10 695 598**
Fortaleza	970 978	411 461	1 074 705	215 000	538 000	**3 210 144**

Growth % Social Media Following: Nov/22 to Nov/23					
	Facebook	Twitter	Instagram	Youtube	TikTok	**Total**
Inter	0.2%	2.3%	19.0%	7.9%	27.9%	7.8%
Flamengo	-1.5%	7.2%	18.9%	3.2%	32.8%	10.9%
Palmeiras	2.2%	2.6%	25.8%	8.6%	45.0%	14.2%
Athletico PR	0.5%	2.4%	27.6%	8.8%	16.7%	8.3%
São Paulo	0.9%	1.8%	31.5%	7.6%	45.5%	11.9%
Corinthians	-0.3%	4.7%	25.9%	11.3%	46.2%	12.5%
Fluminense	11.1%	4.1%	90.6%	10.3%	316.0%	51.7%
Atletico MG	0.7%	1.4%	12.5%	10.3%	61.2%	9.4%
Santos	1.8%	2.0%	38.5%	7.0%	185.6%	20.7%
Fortaleza	3.0%	9.7%	32.4%	10.7%	27.9%	18.4%

Social Media Engagement (02/09 - 02/12) - Fanpage Karma					
	Facebook	Twitter	Instagram	Youtube	TikTok	Average
Inter	0.79%	1.90%	11%	-	0.27%	3.49%
Flamengo	0.42%	0.88%	9%	-	0.98%	2.75%
Palmeiras	1.20%	1.20%	16%	-	2.10%	5.13%
Athletico PR	0.63%	0.36%	7%	-	0.13%	2.01%
São Paulo	1.40%	1.80%	23%	-	2.20%	7.10%
Corinthians	0.42%	0.88%	13%	-	0.93%	3.81%
Fluminense	3.90%	6.50%	39%	-	3.90%	13.33%
Atletico MG	0.38%	1.30%	14%	-	0.68%	4.09%
Santos	2.10%	1.30%	17%	-	1.10%	5.38%
Fortaleza	0.94%	2.90%	20%	-	0%	5.96%

Total Interactions (02/09 - 02/12) - In millions - Fanpage Karma					
	Facebook	Twitter	Instagram	Youtube	TikTok	Total
Inter	1.8	3.3	19.7	0.064	0.166	25
Flamengo	4.7	8.5	149.5	1.2	6.9	171
Palmeiras	5	4.2	77.1	1.9	5.3	94
Athletico PR	0.571	0.404	5.1	0.024	0.051	6
São Paulo	8.2	8	129.8	0.82	3.1	150
Corinthians	4.2	6.4	129.8	0.81	3.2	144
Fluminense	5.3	9.2	66	0.46	6.3	87
Atletico MG	1.2	3.3	35.9	0.285	0.815	42
Santos	6.9	3.7	43.4	0.469	1.9	56
Fortaleza	0.831	1.2	24.8	0.155	0	27

Post Interaction Rate (02/09 - 02/12) - Fanpage Karma					
	Facebook	Twitter	Instagram	Youtube	TikTok	Average
Inter	0.072%	0.077%	1.4%	0.21%	0.42%	0.4%
Flamengo	0.024%	0.037%	0.6%	0.037%	0.71%	0.3%
Palmeiras	0.11%	0.071%	1.6%	0.18%	0.81%	0.6%
Athletico PR	0.078%	0.023%	1.0%	0.054%	0.53%	0.3%
São Paulo	0.095%	0.073%	2.2%	0.45%	1.40%	0.8%
Corinthians	0.029%	0.044%	1.0%	0.12%	0.27%	0.3%
Fluminense	0.30%	0.210%	2.9%	0.37%	2.40%	1.2%
Atletico MG	0.027%	0.061%	1.6%	0.21%	0.61%	0.5%
Santos	0.16%	0.062%	1.4%	0.28%	0.83%	0.5%
Fortaleza	0.12%	0.180%	2.3%	0.39%	0%	0.6%

Appendix E. Important Changes in Sport Club Internacional – Timeline.

TIMELINE - CHANGES IN SPORT CLUB INTERNACIONAL								
Role	Name	Tenure	Name	Tenure	Name	Tenure	Name	Tenure
President	Alessandro Barcelos	Dec - 20 Today						
VP of Football	Joao Patricio Herrmann	Dec - 20 Aug - 21	Emílio Papaléo Zin	Aug - 21 Jul - 22			Felipe Becker	Jan - 23 Today
Executive Director of Football			Paulo Bracks	Jan - 21 Mar - 22	William Thomas	Apr - 22 May - 23		
Director of Football							José Olavo Bisol	Jul - 23 Today
Technical Director					Paulo Autuori	Apr - 22 Oct - 22		
Sports Manager							Marcio Rodrigues	Jul - 23 Today
Head Coach	Abel Braga	Nov - 20 Feb - 21	Miguel Angel Ramirez / Diego Aguirre	Mar - 21 Jun - 21 / Jun - 21 Dec - 21	Alexander Medina / Mano Menezes	Jan - 22 Apr - 22 / Apr - 22 Jul - 23	Eduardo Coudet	Jul - 23 Today

Appendix F. Strategy Map.

The Strategy Map below illustrates how each recommendation will help Internacional achieve its ultimate goal: win titles.
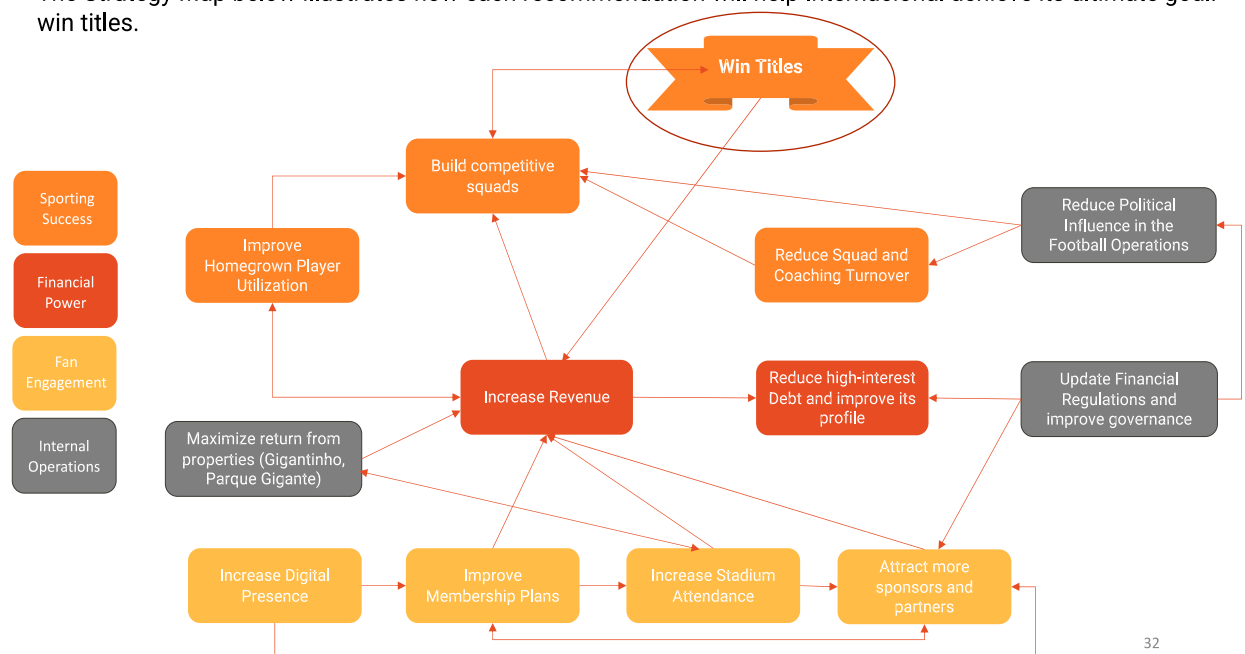
Appendix G. Examples of features of other clubs' fan-membership programs.

| | Fig1. Retrieved from CAP website | Fig 2. Retrieved from RB Bragantino website | Fig 3. Retrieved from Palmeiras website |

Examples

Explanation

Increase the external partners' discount network (create an "advantages club") and display it in the webpage where fans go to become members.

The "Advantages Club" increases perceived value of the plans by offering discounts and promotions associated with businesses in many different areas.

Benefits that go beyond the football scope allow the club to get involved in the member's everyday life.

Reward customer loyalty and engagement: Institute a points-to-reward system, where members earn points by engaging with the club and demonstrating loyalty.

"Every time someone demonstrates loyalty, a team should reward the interaction to ensure the behavior sought is reinforced" (Deloitte).

Earn points by:
1. Buying tickets
2. Checking in to the stadium
3. Engaging in social media
4. Inviting new members
5. Consuming club and partners products
6. Paying monthly fees in advance or on time

Create **exclusive experiences** for members, increasing their connection with the team.

"To excite consumers long-term, brands must use the membership fees to invest in exclusive offerings with more emotional resonance, such as access to personalized experiences" (Mckinsey).

1. Visit training sessions and meet players
2. Autograph sessions
3. Travel with the club
4. Preseason squad presentation
5. Visit club's youth academy
6. Watch games in privileged stadium zones
7. Behind the scenes of games
8. Members match in the stadium

Appendix H. Internacional's 2023 stadium attendance breakdown for CBR matches.

Clubs' 2023 Attendance Comparison		
Club	**Attendance**	**Total Fans**
Flamengo	54 499	1.035.482
São Paulo	43 800	832.196
Corinthians	38 393	691.073
Palmeiras	33167	630.174
Fortaleza	32 787	622.949
Grêmio	31 385	596.319
Fluminense	29 783	565.877
Atlético MG	27 990	531.801
Internacional	**27 326**	**519.185**
Athletico PR	22 283	423.374
Santos	12 147	182.206

Internacional 2023 Attendance Breakdown		
When	**Attendance**	**Frequency**
Wednesday	**19 346**	**5**
19:00	16 230	3
21:30	24 019	2
Saturday	**25 514**	**5**
16:00	27 271	2
18:30	23 519	1
21:00	24 754	2
Sunday	**32 750**	**9**
11:00	45 571	1
16:00	29 178	4
18:30	33 116	4

Internacional 2023 Further Breakdown	
When	**Attendance**
Wednesday	**19 346**
19:00	**16 230**
vs. America-MG	15 441
vs. Athletico PR	13 865
vs. Fluminense	19 385
21:30	**24 019**
vs. Botafogo	27 884
vs. São Paulo	20 154
Saturday	**25 514**
16:00	**27 271**
vs. Cuiaba	32 897
vs. Fortaleza	21 645
18:30	**23 519**
vs. Corinthians	23 519
21:00	**24 754**
vs. Atletico MG	24 835
vs. Cruzeiro	24 672
Sunday	**32 750**
11:00	**45 571**
vs. Flamengo	45 571
16:00	**29 178**
vs. Bahia	19 659
vs. Gremio	41 667
vs. Santos	36 584
vs. Vasco	18 803
18:30	**33 116**
vs. Coritiba	36 272
vs. Goias	30 035
vs. Palmeiras	43 686
vs. RB Bragantino	22 471

Takeaways

- Internacional has a big gap in terms of average attendance compared to most clubs despite offering some of the cheapest tickets on average. The average price was R$36.71 (14th among the 20 clubs) (Globo).

- Wednesday games at 19:00 are the worst in terms of attendance.

- Sunday games have the best averages, but there are inconsistencies that must be addressed.

- Games against stronger opponents tend to attract more supporters.

- Games on Saturday tend to be very consistent in terms of average public, but the numbers are still low in terms of occupation %.

- 12/19 games with less than 30 000 fans.

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Appendix I. Roadmap for increasing stadium attendance.

Factors that improve stadium attendance

• Team success	• Games against stronger teams	• Ease to get to stadium	• Connection to the team
• Important games	• Affordable ticket prices	• Safety	• Good atmosphere

	What	How	Why	References
1	Ask the Fans	• Survey fans to understand what they value most, and segment fans based on attendance habits and level of fanatism.	• Develop more effective strategies based on fan feedback • Engage fans and make them feel valued • Address identified inconsistencies on Sundays and reasons for low attendance on Saturdays	• Burnley FC • Wolverhampton • Everton FC
2	Improve Processes and Stadium Operations	• Improve tickets acquisition process (online, via app) • Improve check-in at the stadium • Implement facial recognition • Offer convenient and affordable parking options • Ensure that the stadium is clean, comfortable and safe • Improve food and drinks options, • Increase speed of services	• Smoother experience for fans leads to an increase in satisfaction • Satisfied fans have a higher intention of returning • Remove/decrease influence of negative motivators that discourage fans from leaving their homes	• Palmeiras • RB Leipzig
3	Offer pre-game experiences	• Fan zones • Kids Fan Zones • Stadium Tours with access to exclusive areas • Welcome Players into Stadium • Meet former players	• Increase the use of Gigantinho and Parque Gigante. • Opportunities for fans to socialize and feel part of something. • Attract families and create a connection with a new generation of fans. • Opportunities for sponsorships activation can lead to better sponsorship deals • Increase time spent near and inside the stadium -> increased consumption	• Fortaleza • Barcelona • Flamengo • Man City • RB Leipzig
4	Improve experience inside the stadium	• Kids spaces • Prize draws • Giveaways • Half-time activities • Fan-cam • Create a signature moment during games • Incorporate use of social media and club's app	• Fans want a good atmosphere inside the stadium • Enhance experience for more casual fans • Make games considered less interesting more fun and attractive • Drive online engagement	• Palmeiras • Corinthians • RB Bragantino • Juventus

Appendix J. Comparison of OTT/Streaming platforms by different clubs.

	Barça TV+	Rede Furacão	Fla TV+	Mundo Colorado
Club	Barcelona	Athletico-PR	Flamengo	Internacional
Price	€2.99/month Free for "Cueler Premium Members"	R$ 19.90/month R$ 199.90/year R$ 14.90/game	R$ 15.00/month R$ 150.00/year Free for all members	Free access for members and non-members
Content	**Live matches from youth teams** **Preseason games from the 1st team.** **Live feed from the training ground** Past matches and highlights Documentaries	Live home games Game replays and highlights Documentaries Interviews Women's Football **Podcasts**	Documentaries **Historic Games** **Post-game analysis** Interviews Social initiatives **Game replays** Behind the scenes Game highlights	Players challenges Behind the scenes Interviews Daily routine Kids content Game Highlights

Recommendations

• High-quality content is already offered, but the platform is currently not monetized

➢ Create a paid version with exclusive content
  • Stream youth academy games
  • Make historic games available
  • Post-game analysis
  • Documentaries
  • Training sessions

➢ Increase exposure for partners and sponsors by inviting them to participate in content creation.
  • For example, "Benfica TV invites corporate sponsors to showcase their business and talk about their relationship with the club. (Borges 2018)"

• Following the example of Flamengo and Barcelona, the subscription could be bundled with membership plans.

• Fans could earn points based on how much content they watch.