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Sport TV Field Lab on New Product Development

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Abstract

This work project consists of an analysis on the company Sport TV, with emphasis on its internal and external environments, as well as its consumers. The final purpose was to find a strategy that could improve the company's overall competitiveness in the Portuguese market. The identified strategy was new product development, and the work project describes how the company should launch it, by using the 4P's framework: How should the product be, how to monetize, how to promote and finally how to distribute it.

Keywords: Sport TV, New Product Development, Amateur Sports, Competitiveness

Index

Project Methodology

Part I – Secondary and desk research

The project began with a secondary and desk research to gather secondary data about Sport TV, about the industry of sports content broadcasting in Portugal, about the main players of the Portuguese market, information about who is the target market of Sport TV and what are their needs. To deepen the understanding of the company, its environment and its consumers, a preliminary interview was conducted with the Manager of Human Resources at Sport TV, via phone call due to the restrictions of the Covid Pandemic. As a preparation for the interview, a small interview guide was elaborated to structure what data was necessary to collect, based on the Strategic Planning Software provided for the elaboration of this project. Afterwards, some literature review about how marketing and strategy influence business performance was conducted in order to find a starting point for the project. With all the insights gathered, the software of strategic planning was used to structure all the information collected and to diagnose a challenge that the company was facing. The sofware allowed the construction of a swot analysis and the finding of an organization challenge, which was **" How can Sport TV defend its threatened market leadership from aggressive competition in Portugal?"**. With the aid of the Ansoff's market-growth grid, it was possible to outline a new product development strategy for the company to address the organization challenge.

Part II – Primary research and quantitative survey

After concluding what was the suitable strategy for the company to address its challenge, the following research question **"What are Portuguese consumers are looking for that could help Sport TV improve its competitiveness?"** was formulated to guide the primary research. The next step was to formulate a quantitative survey to provide primary data on premium sports consumers in Portugal, understand differences in preferences between Sport TV consumers and other TV channel's consumers, their demographics, what do consumers value in the service and how they like to access it. Also, the questionnaire aimed to discover what was the new product development possibility, from the ones identified in the industry analysis, that was desired by consumers. Before conducting the survey, the specifications of the sample were identified, in order for the sample to be meaningful and representative of the population. After conducting the survey, results pointed at delivering amateur sports content within a streaming platform.

Part III – Development of a Strategic Marketing Plan for the New Product Development:

After reaching a conclusion of what was the new product development direction, the 4 P's of Marketing framework was used to split the research by the group members with the purpose of understanding how should the new product be, how it should be delivered, how should the company monetize it and finally how should the company promote it.

Company Overview

Sport TV is the nº1 Portuguese **premium sports broadcasting company**. It launched its first TV channel in 1998 and operates in the Portuguese market ever since. Today, there are **6 premium channels broadcasted in Portugal**: Sport TV 1 – Sport TV 5 and Sport TV NBA, one open channel (free channel) Sport TV + and Sport TV Africa, broadcasted in Africa. **The company operates in the Portuguese market** (92% of revenues) as its core market and has some minor activities in African countries (8% of revenues). Its headquarters are based in Lisbon. Sport TV has today **150 employees** and is considered a **medium size company**. In 2019, the company generated **revenues** of 188,5 M€, an increase of 0,3% compared to 2018. However, **in terms of profits**, the company went from 3M€ in 2018 to -14M€ in 2019. Over the last three years (2017-2019), Sport TV's sales growth rate has only increased by 1.79% while the market is expected to grow at an annual rate of 2 % in the next 3-5 years. We assume that this has been the market growth rate in previous years as well which **might** indicate that the company is stagnating with the current product since the **product demand seems to be increasing**. Furthermore, the entry of Eleven Sports in the market increased the prices of acquiring sports competitions' broadcasting rights of professional sports competitions, which reduced the profitability of Sport TV despite their increasing revenue. This year, due to Covid-19 pandemic, **revenues are expected to decrease**, due to the interruption of all sports competitions worldwide. **Sport TV is owned by 4 different shareholders** that hold an equal 25% stake of the company. Those are Portugal Telecom (MEO), NOS, Vodafone Portugal, and Global Media Group. Sport TV broadcast sports competitions from a wide variety of sports disciplines, such as football, basketball, volleyball, futsal, rugby, surf, golf, athletics, wrestling, American sports, combat sports, moto-sports and tennis. In Portugal, the most followed sport is football and once the company operates in the Portuguese market, most of Sport TV's subscribers are football fans, that want to follow the matches of their own clubs. Thus, most revenues derive from football competitions, **Liga NOS, in particular** (Portuguese main football league). Apart from sports competitions, Sport TV also generates **content** such as daily news, exclusive interviews with sports athletes and coaches, sports debates and an Esports program. All Sport TV's channels are distributed both in SD (standard definition) and HD (high definition). In terms of content per channel, Sport TV 1 broadcasts most of NOS League matches and UEFA European competitions. Sport TV 2 and Sport TV 3 are meant for those who love international football leagues, like Premier League or Serie A. Then Sport TV 4 and 5 split the remaining content. Sport TV+ is an open channel, that broadcasts all the daily news and competition's highlights and serves also as a channel to communicate to consumers and non-consumers what is the content available in a Sport TV's subscription.

Internal Analysis

In order to assess Sport TV's internal resources, a Software of Strategic Planning was used. The following resource categories are the ones that stood out from the analysis. In terms of **financial resources,** in 2019, Sport TV generated revenues of 188,5 M€, an increase of 0,3% compared to 2018. However, despite the increase in revenues, Sport TV didn't manage to be profitable in 2019 as they had a company loss of 14M€ whilst in 2018 they had a profit of +3M€. This can be explained with the rise of Eleven Sports who stole some of Sport TV market share and inflated the broadcasting rights' fees. Sport TV also has a low solvency ratio = 0.22 which indicates that they have more liabilities than assets. This might be problematic if the company is close to bankruptcy as it will be harder to meet their long-term debt obligations. All things considered, Sport TV seems to be struggling financially and therefore they need to innovate to find ways to attract new consumers or reduce their operational costs.

Data source: Racius Sport TV Report; Interview with a Sport TV manager

Concerning the **human resources**, the company's staff is very skilled and diverse as most employees have the equivalent to a bachelor's degree in the field and come from different backgrounds. Sport TV employee turnover rate is also relatively low. Employees tend to stay in the company for a large period which can be a sign of a strong company culture and an effective recruitment process. To keep employee's motivation and build a better working environment, Sport TV offers employees the opportunity to do sports together on a weekly basis and some days dedicated to gather employees and their families. On the other hand, because most of the important sports events take place either at the evening or during weekends, most employees don't have a standard week and must plan their lives with much advance. Only Marketing, HR and administrative employees are able to have a common workday, from 9am to 6pm. The team of reporters' schedule is dependent on the existing sports competitions' schedule. Productivity is also a factor that is seriously taken by the company as they started to include in the workers performance if they accomplish or not the objectives related to the increase in the number of consumers. For instance, In the 2nd semester of 2018, the company set an ambitious goal, wanting to raise an average of 6969 per month, and all staff, from all departments would be compensated should the company meet this goal. Lastly, in terms of professional development and training, Sport TV offers training opportunities to its employees, once or twice a year. Some training is more focused on the job functions of each employee and there is also training related with leadership and Microsoft office tools, that are transversal to all areas. Sport TV has Increased levels of expertise thanks to partnerships with main cable operators in Portugal: Vodafone, MEO and NOS. In fact, as previously said, Sport TV is equally owned (25% each) by these TV cable networks. These partnerships are extremely valuable as they allow Sport TV to easily distribute their content to every consumer in Portugal, and gather information on their preferences. Furthermore, the fact that NOS is currently the main sponsor of Primeira Liga helps Sport TV secure the broadcasting rights of their cash cow. As to the number of employees, Sport TV has the strongest labour force in the domestic market with 150 workers, which is significantly higher than their main competitor Eleven Sports (34). Regarding **physical resources**, Sport TV owns one building, its headquarters which is valued at 5.4M€. The headquarters are in Portugal, as opposed to Eleven Sports whose headquarters are based in London. This allows Sport TV to be closer and have a direct contact with its consumer base. In its headquarters. Sport TV has 2 versatile studios available, which allow for multiple programs and transmissions to be broadcasted within the same space allowing for great diversity and program innovation. Due to the complexity of their operations and the need for good information communication, Sport TV has a strong computer infrastructure and IT systems to coordinate all information amongst its employees. On a more negative note, there is a low expansion potential and no R&D facilities in house which might be a big barrier in the future as innovation seems to be vital in this industry. In terms of **intangible resources**, Sport TV possesses a wide variety of intangible resources. Firstly, they hold the broadcasting rights of major competitions such as the Portuguese league – Liga NOS, Europa League, Premier League, Serie A and so forth. This is their most valuable resource because it is the essence of their business (how they make money) and it allows them clearly differentiate from other broadcasters. By offering consumers such a wide variety of content compared to the competitors, they are not only able to retain consumers but also to charge a premium price (29.99€) for their package deals which in turn increases their margins. Another important intangible is their brand awareness, brand loyalty and strong reputation. By being the leader of the Portuguese market in the last 20 years, Sport TV has been able to create long-term relationships with their consumers. In fact, the company has been awarded the title of Superbrand by Portuguese consumers in the years of 2018,2019 and 2020 thus receiving recognition for its services and product. Due to their 22 years of existence in the Portuguese market, 20 of which as a monopolist, the company has a highly developed IT ad communication systems that articulate all the information related with the broadcasting content as well as strong market and tech know-how. For instance, Sport TV was the first company in Portugal to broadcast sports events with HD quality and 4KHD technology.

External Analysis: Porter's Five Forces

To analyse the level of competitiveness and the attractiveness of the Portuguese sports broadcasting industry from a Sport TV point of view, the Porter's five forces framework was used. The five basic forces of this framework are **suppliers' power, buyers' power, the threat of substitutes, threat of new entrants and competitive rivalry**.

The **supplier's power** in this industry is medium for three main reasons. Firstly, acquiring exclusive rights of major sports leagues and events such as "Primeira Liga" is essential for Sport TV as it is the essence of their business. Therefore, sports clubs and federations (suppliers) will generally receive great offers from Sport TV depending on their uniqueness, popularity and product demand (competition for broadcasting rights). Secondly, there are several sports broadcasters with similar quality such as Eleven Sports, Eurosport's and so forth and aside from contractual obligations (contracts last 3-5 years on average), sports clubs are not dependent on broadcasters in terms of their product creation. Therefore, popular sports clubs will generally have low switching costs. Finally, and in contrast with the earlier arguments, broadcasters are the highest source of revenue of sports clubs, meaning that it is in the interest of the latter to reach an agreement. Broadcasters money will allow sports clubs to increase job vacancies, increase salaries, finance major sporting events, recruit better players and ultimately generate higher profits. The **buyer's power** in this industry is medium. Firstly, because there are different ways, other than TV, of viewing their preferred sports content namely via illegal or legal streaming platforms. Secondly, consumers switching costs are medium to low because even though package deals offered by broadcasters are different in terms of price, consumers can cancel their subscription instantly at a relatively low price (consumers must simply pay the remainder of the month). Moreover, the primary sports broadcasters in Portugal (Sport TV, Eleven Sports and Eurosport) are available in all Portuguese TV cable operators which makes it very easy for consumers to switch from one to another. The reason why buyers power is not high is simply because of broadcasters' content. By switching broadcasters, consumers will have access to an entirely different content portfolio that might not satisfy their needs. **The competitive rivalry** in the Portuguese market is medium. Firstly, because there is a significant number of competitors in the domestic market with a similar size and power such as Sport TV, Eleven Sports and Eurosports. Secondly, the Portuguese market is growing at an average of 2% per year which does not encourage new companies to enter this market but also magnifies the current competition for the acquisition of broadcasting rights. On the other side of the spectrum, there is a certain level of brand loyalty and product differentiation as previously said, which slightly reduces the competitive rivalry. Lastly, there are barriers to exit within this industry such as high fixed costs (salaries, contracts for rights, production costs) and governmental regulations which will force companies with low profit and growth to remain active. Consequently, the competitive rivalry will tend to increase. **The threat of substitutes** is medium for two reasons. Firstly, due to the acquisition of broadcasting rights, there will always be a certain degree of product differentiation in terms of the content offered by Sport TV and the competition. This difference in content shields Sport TV from being completely irreplaceable. On the other hand, Eleven Sports has managed to steal some market share from Sport TV by offering lower prices and very attractive leagues meaning that content might not be enough to prevent customers from switching to a substitute. Secondly, the existence of online streaming platforms, both legal and illegal, has given consumers more alternatives to watch their content thus undermining conventional television networks like Sport TV. According to research, this year customary TV seeing by elder people has fallen by 43.1% since 2012 which might indicate that the way consumers are viewing sports is changing. Even though Sport TV offers online streaming services, they are still expensive and less known. Illegal streaming platforms have also caused serious financial damage to sport right holders as consumers can view whatever content they desire for free.

The **threat of new entry** is rather low. Firstly, due to the strong presence of economies of scale, as the marginal cost of transmitting a program to one additional viewer is zero. This high production-profitability threshold lowers the threat of entry. Secondly, the capital requirements are extremely high to enter this market, since it is very expensive to acquire the broadcasting rights of popular sports. In the case of the Portuguese market, Sport TV is the market leader, as they hold the broadcasting rights of several international sports such Football, Tennis, Basketball, which makes it even more difficult for entrants to access the viewer market. Furthermore, Sport TV possesses an impressive cumulative experience and reputation since they have been the leader of the Portuguese for more than 20 years and were voted by consumers as a Superbrand in 2018, 2019 and 2020. Both these factors discourage startups to enter this market. For instance, Eleven Sports was the only broadcaster that was able to challenge Sport TV 15-year monopoly in Portugal. Lastly, This industry is also highly regulated (regulations to ensure fair competition) which creates additional hurdles for entrants to enter the industry.

SWOT Analysis

Based on the previous **internal** and **external analysis** of Sport TV, a **Swot analysis** was conducted with the aim of discovering recommendations and strategies, while leveraging strengths and opportunities, and overcoming weaknesses and threats of the company. Regarding **strengths,** the main areas where Sport TV performs well or that makes it differing from competitors are **the strong industry and tech know-how**, **powerful bonds with sporting authorities**, **high brand equity** and their **partnerships with key cable operators** in Portugal such as Vodafone, NOS and MEO. Then the **weaknesses,** the characteristics that place Sport TV at a disadvantage relatively to competitors are the **lower financial power** than the main competitor in the Portuguese market, Suffering from the **"fat cat" syndrome** (being the market leader can stimulate an attitude of inertia that prevents innovation). (Beekes, Arnold 2019) pointed out: “Research shows that success often makes us complacent. Experts call it the ‘fat cat syndrome.’ Think about a time when you’ve been at the top of your game. Did you really want to embrace something radically different? Of course not. You probably became overconfident in your recipe and resistant to try new things.”. Then, what can be done to prevent this syndrome? Bringing outsiders or people that aren´t soaked up in the same habits of the organization can break the cycle of complacency and help the organization open its eyes, making them see that innovation is a must, not a short behaviour that gains popularity and that after, fades away.

The main **threat** that the company faces is the **seamless growth of Eleven Sport**, which is stealing important competitions from Sport TV like the Champions League, Formula 1, and wanting to expand to new segments: Esports, Women Sports and Local amateur sports. Other factors that could jeopardize the company's success are the rise of online streaming platforms. According to (Szabo, Gerbo 2020), big sports rights holders started to use online streaming platforms as a TV complement, but with low barriers to entry. Other organizations like clubs and federations also got the chance to launch it. The discouraging buying system is leading price-sensitive consumers to find alternatives ways to watch sports content, choosing illegal ways to access it instead. It´s also important to watch out potential new competitors such as Amazon and Google. Since 2019, Amazon started broadcasting 20 games for Premier League (valid for 3 seasons), with a tremendous financial power, these players can really destabilise the market. In the meantime, the increase in the price of broadcasting rights is also a concern. In a previous agreement, Sport TV paid 700K € per season for the German League rights, which now change to 1m per season. In the last contract of the The Premier League, the company paid 10m per season. With the new contract, it´s expected that the value will be between 15-20m, an increase that can go up to 100%. NOS, the major sponsor of I Liga, is going to stop sponsor it from June 2021, putting at risk one of the most valuable assets of Sport TV, highlighting the need for innovation, as the broadcasting rights may not secure. This does not mean Sport TV will lose the broadcasting rights, it only means that competition to acquire them will be more intense. Concerning new **opportunities,** there are some new trends on the industry that Sport TV could explore. According to the PwC's Sports Survey 2019, the overall sports market is expected to grow at an annual rate of 6.4 % in the next 3-5 years, slightly below to the 7.4% growth rate seen in the past 3-5 years. The key driver of the overall growth is in **digital media**. That being said, Sport TV could take advantage of this main driver by **increasing their digital presence**. Regarding the Sports disciplines that are expected to generate more revenues in the coming years (See Graph 1 in Appendix), the Sport discipline that is expected to generate more revenues is **Esports** (Online Gaming) and Football and Basketball close the top 3. Once Sport TV is already broadcasting football and basketball, it could benefit also with esports in its offering. The study also highlighted what are the top opportunities to increase revenues in the sports industry, as shown in graph 2 of the Appendix, where **improving fan engagement** appears as first. Broadcasters can seize this opportunity if they keep innovating, by delivering a more immersive, personalised and interactive experience than their competitors. Enhancing media offering is also a way to go, by improving the platforms and increasing interactivity levels, for example. **Amateur sports** participation and tourism is another category shown in the top opportunities which is also worth exploring further, as it´s an untapped market in premium sports channels in Portugal, and a top opportunity to increase revenues. Then, **women´s sports.** The research concluded that 2019 was a record-breaking year for the demand of this content, for example with The FIFA Women's World Cup 2019. According to FIFA main findings, it was watched by more than 1 billion people. The final between USA and the Netherlands was the most watched FIFA Women's World Cup match ever, with an average live audience of 82.18 million, a 56% increase in relation to 2015. There is also an interesting point that emphasizes the fact that women drive between 70% and 80% of all consumer purchasing. Thus, there is a big untapped potential in the female audiences. In line with this PWC survey (1), there are also other studies that support this.

Data source: (PWC, 2019)

Consumer Analysis

Sport TV Customer

Sport TV's consumers are predominantly male, typically over 30 years old that are either sports lovers, mainly with medium to high purchasing power and able to pay premium sports channels, or sports lovers that do not have much purchasing power but still are willing to subscribe Sport TV's channels to follow their sports club or a particular sports competition. (1)

Factors influencing purchase

There are some factors that influence consumer choice when acquiring premium sports channels. Those are: **Content** - Consumers will only subscribe if sports broadcasters offer the sports competition coverage they're looking for; **Quality** - Consumers are now looking for high quality service in sound and image, where they can watch matches in High Definition (HD) , in virtual reality, access video coverage of different angles, this means there is an increase in quality demand from consumers; **Price** - Consumers are becoming more price sensitive, due to cheaper alternatives such as IPTV, illegal streaming platforms or even Eleven Sports; **Involvement** - Consumers want more interactive experiences. They are looking to engage with other viewers, coaches, teams, commentators. In other words, consumers are becoming active in the moment of sports consumption; **Loyalty** - Consumers tend to build relationships with broadcasters. However, loyalty is very hard to build and might be hard to maintain in this business as broadcasters can lose broadcasting rights and stop meeting consumers needs in terms of content offered, thus losing consumers to other competitors. (1)

New Customers and Trends

According to (Szabo, Gerbo 2020) , there are some phenomena in the industry of sports broadcasting that may be bringing change to the sector, but also new business opportunities. Sports clubs, both professional and amateur, are beginning to use their own means to broadcast their sports events to consumers. These factor can harm TV broadcasters in the long-term. Sports federations are also following the same path in an attempt of increasing awareness of the sport and bringing new players into the sport. It is the case in Portugal of the national federations of Volleyball, Rugby, Surf and Handball, for example. Another factor changing the industry is the streaming phenomena. More and more, clubs, sports federations, sports channels are creating streaming platforms that offer sports content to the consumer in a different format. This format seems to be well received by the consumer side and threatens to be the format of distributing sports content for the coming years. At the same time, there is a rising interest for other sports content such as amateur sports transmissions, wider sports content and sports disciplines offering, contend related with sports betting and online gaming (Esports).

Data source: (1) Open interview with Sport TV manager

Competitive Analysis

From 1998 until 2012, Sport TV owned the monopoly of the premium sports content, benefiting from an entire market for 14 years. Sport TV´s monopoly was partially broken in 2013 with Benfica TV's (BTV) entry in the market. BTV emerged as a paid channel with a monthly cost of 9,99 € , broadcasting all the football games of Liga NOS at Benfica Stadium and betting in new markets, such as the Premier League, French League and Italian League which Joaquim Oliveira, the President of Sport TV, was able to recover years later, apart from the I Liga games at Benfica's stadium. These broadcasting rights are owned by NOS, one of Sport TV shareholders, however the option on the table was always giving BTV these rights and never the possibility of moving them to Sport TV's channels. However, what really destabilised the market was Eleven Sports' entry in 2018. The channel was able to take important content such as the Champions league, the German League, the Spanish League and Formula 1 away from Sport TV. Their appearance made Sport TV's revenues to diminish, costs increased by 2,7% and profit decreased 40% from 2017 to 2018. The unhealthy competition has forced Sport TV to spend millions to defend itself. The company has already invested millions not to lose the rights of the English League, renewing the broadcasting rights until 2022 in an agreement where they have to spend between 15 to 20 million euros per season, an 100% increase compared to the previous contract. The company also had to spend more in the German League, because it suffered a price increase, having to pay 1 million instead of 700,000 per season. The price of the broadcasting rights of Formula 1, owned by Eleven Sports, didn´t change remaining 2 million per season. Therefore, because Eleven Sports is moving so quickly and aggressively, the competitive analysis will focus only on this competitor and comparing the aspects that are the most relevant. When it comes to Benfica TV, it wasn´t included in the next analysis as Sport TV regain practically all their previous assets. Another important factor is the that most of the Benfica TV subscribers are Benfica fans and need to subscribe Sport TV to be able to watch all Benfica's matches that do not occur at Estádio da Luz. In terms of variety of content, Sport TV clearly offers more choice to its consumers than Eleven Sports does (See Table 1 of the Appendix). However, Eleven Sports is being able to cause damage with less content variety. Sport TV's 22 years of existence allow for a greater market knowledge in Portugal and highest market share in premium sports broadcasting. Sport TV continues to own Liga NOS and the Europa League. Literature shows that what sells the most in Portugal are the leagues with the Portuguese teams, so whoever owns the Liga NOS will be the market leader(1). This insight was also confirmed during the interview with a Sport TV manager. However, Sport TV lost the battle when it comes to the broadcasting rights of the Champions League, leading to a 40% increase in the number of subscribers of its rival (2). The Fórmula 1 broadcasting rights, which is the 2nd most viewed content by Eleven Sports' consumers, is a sports content growing in demand, especially this year with the last GP hosted in Portugal. (3) Concerning the packages that broadcasters offer to its consumers (See Table 2 of the Appendix), the differences are very few. However, Sport TV and Eleven Sports differ in one important aspect, that is the fact that Sport TV consumers must be subscribing one of the existing TV operators (NOS, MEO or Vodafone) to get access to Sport TV's content, whereas Eleven Sports' consumers do not, being able to access it only through the internet. Regarding the channels available to deliver the product, both companies are relatively similar and both companies are equal in the number of tv channels offered, 6 HD channels. Finally, the market share of Sport TV is around 80% of the market, leaving the remaining 20% to Eleven Sports. This is an assumption based on the 400,000 users of Sport TV and the 100,000 users of Eleven Sports. It is important to mention that before the entry of Eleven Sports in 2018, Sport TV had nearly 100% of the premium subscriptions market in Portugal .

Data source: (1) Católica Lisbon University; (2) Tribuna Expresso 2020; (3) Jornal Económico

Organization Challenge

Based on the secondary data collected on the sports broadcasting industry, the Portuguese market and its competitive landscape, and the internal capabilities of Sport TV to respond to its environment, the organization challenge for the company to address can be stated as "**How can Sport TV defend its threatened market leadership from aggressive competition in Portugal?**". The following topics provide a summary of arguments that support this challenge.

Sports broadcasting industry

Sports broadcasting industry in Portugal is characterized by a medium power of buyers and of suppliers. The threat of new entrants is relatively low due to the high capital requirements to obtain the rights to broadcast competitions and distribution investments. If competition is aggressive, threat of substitutes can be very high, as is the case with Eleven Sports. However, the exitance of piracy also represents a threat for substitution.

Portuguese Market

Covid-19 Pandemic has had a significant impact in the Portuguese economy, making the income per capita to reduce substantially. Consumers habits and willingness to pay were also impacted. However, Portuguese consumers overall have a culture of sports and thus will never cease to view sports competitions, despite the above-mentioned factors. Also, the recent measures and investments announced by the Portuguese government in technology and digital transformation make the Portuguese market to be a favorable place to develop innovative solutions to bring content to the consumers. However, the legal problem of piracy continues to be unattended by legislators and might harm TV sports broadcasters.

Competitive landscape

The recent entry of Eleven Sports in Portugal has made limited the ability of Sport TV to deliver all the sports content to the consumer. The fact that Eleven Sports has higher amounts of capital to purchase competition's broadcasting rights, causes the prices of the latter to rise in a way that harms Sport TV's profitability. From 2019 to 2018, Sport TV increased its revenues, but ended up with a negative profit, that can be explained, in part, by the rise in price of competition rights. Thus, there is a need for Sport TV to innovate and find alternative solutions to compete in its core market. As its main competitor, Eleven Sports, has a very competitive price for consumers, it seems unlikely that Sport TV will succeed by competing in price. Once Sport TV has already profitability issues, reducing prices would only destroy more value as the prices of the broadcasting rights have increased severely. However, launching a new product could provide the company with additional revenues that could improve financial power to fight for broadcasting rights.

Development strategy

Due to the fierce competition of Eleven Sports in the portuguese market, consumer retention is not enough to defend and preserve Sports TV's market dominance. Another strategy that is not possible for Sport TV is to lower prices. Sports competitions broadcasting rights are becoming more and more expensive , thus a cut in price would harm profitability even more. An analysis of possible strategies should be conducted in order to understand which strategy could improve the company's competitiveness.

Market trends

Apart from the existing sports competitions that are broadcasted in both Sport TV and Eleven Sports channels, there are other tendencies rising in the Sports environment in Portugal. The legalization of sports bets in Portugal has caught the attention of many Portuguese consumers. The pandemic Covid-19 has confirmed a trend that was rising before the lockdown: the rise of Esports. Also, the rising interest in amateur sports and woman's sport must be taken into consideration. More and more consumers are interested in content related with video games. Another alarming trend is the reduced amount of time that the current and future generations spend consuming TV and the traditional channels. Each time more there is an increased demand for digital platforms available on the smart phone, laptop or even smart tv.

Sport TV's resources

Sport TV holds accumulated experience for its more than 20 years in the Portuguese market and due to its low turnover rate of employees. It's internal resources, both physical and intangible, provide the company a useful strength to compete with its main rival. The long-lasting relationship with its customers has awarded Sport TV with the Superbrand award in the last three years. Finally, the fact that Sport TV is owned by the three main TV operators and distributors in Portugal, make the relationship with distributors very close and peaceful. This close relationship is very valuable for the company once the main sponsor of the Portuguese football league (Liga NOS), which is the tv operator NOS is a shareholder of Sport TV. While this contract lasts, it will protect the company from losing its core sports broadcasting rights in the Portuguese market and will allow the company to look elsewhere to defend and increase its market leadership.

Ansoff´s Product- Market Growth Grid

With the purpose of understanding how Sport TV can frame an effective strategy to increase its competitiveness in the Portuguese sports broadcasting market, the Ansoff´s Product- Market Growth Grid was used. In this framework it is possible to cross two variables, products (current or new) of the company and markets (current or new) where the company operates. By crossing these, it is possible to draw four different strategies**: Market-penetration strategy** – by focusing on selling the current products in current markets, by increasing the size of the product category; **Market-development strategy** – by focusing on selling the current products in new markets, in other words, expanding to new markets; **Product-development strategy-** by developing new products to the current markets and finally **diversification strategy** – selling new products in new markets.

From the above mention strategies, it is already possible to determine which ones better suit Sport TV at this moment and the ones that seem more difficult to pursue. If the company was to pursue a **market development strategy** and expand to new markets, it would face fierce competition from already established players, it would need an entire network of distribution, it would need to pay for broadcasting rights in the new market and high capital requirements in overheads to keep the business running. With the current financial situation of the company, it seems a very costly and difficult strategy to implement. The same principles apply when considering a diversification strategy, however there would be additional costs of new product development. Another possible strategy for the company is the **market-penetration strategy**. This strategy would also fit the actual moment of the company. However, in the current market there is already a high penetration rate but there is a high percentage of consumers that use illegal means to access sports content, whether it is via streaming platforms or IPTV. While the legislation in Portugal does not change and there is severe punishment for both selling illegal content and consuming it, piracy will remain the biggest competitor of sports broadcasters in general.

Thus, the introduction of a new product into the Portuguese market, by focusing on **a product development strategy** seems the most indicated strategy, due to the lack of financial power to compete on price, because broadcasting rights are getting more and more expensive to acquire. There are untapped customer segments with new needs that must be addressed and some of this new customer segments represent the next generation of consumers and it is crucial to listen to what they are demanding, as Eleven Sports is already doing. It would also allow the company to be more competitive and to differentiate from Eleven Sports. Both companies are competing to broadcast football competitions and sports competitions that have the highest demand. However, it is crucial for Sport TV to move from the "fat cat syndrome" and set innovation as a standard process. Eleven Sports is already innovating, untapping new markets like the esports and women´s sports. Now is time for Sport TV to act and defend its position in the market.

Primary Research Study

Research Questions

Based on Ansoff´s Product- Market Growth Grid and after a deep analysis of the several possible growth strategies, the most suitable strategy for Sport TV to pursue is New Product Development. Thus, in order to respond to the above-stated organization challenge, the following research question was framed: **"What are Portuguese consumers looking for that could help Sport TV improve its competitiveness?".** This new product development strategy should be meaningful for the consumer and should help Sport TV in its quest for the broadcasting rights of professional competitions.

Research Goals

In order to answer the previous questions, a primary research study was conducted to gather and quantify insights on the population of **premium sports consumers** and understand their preferences regarding premium sports content. For that purpose, a quantitative questionnaire was used. According to Babbie (1), it is useful for descriptive and explanatory research when the consumer is an individual person. The following aspects were the focus of the research and what was intended to be understood: What are consumers preferences when looking for the product/service category; What are consumers choice criteria when comparing competing brands; What are consumers preferences about sports TV channels, what are consumers preferences about format of consumption (TV or Online), what is the frequency with which people watch sports and what is the preferred occasion. It was also important to investigate the consumers perception of value. As key sources of competitive advantage, the attention was focused on perceived benefits vs perceived costs and what are the factor the customers value the most among price, content, quality (I.e. quality of image, sound, commentators interaction). Also, to discover what can be an incentive and attraction for the customer to subscribe to Sport TV, not only for the Sport TV consumers but also for other competitors' consumers on the market. After this, the purpose was to divide respondents in Sport TV consumers and non-consumers. Within Sport TV consumers the idea was to study what do they value the most in the service, understand their level of satisfaction and their brand loyalty and engagement. Figure out any eventual relationship between people who practice sports and view sports and assess what is the engagement with consumers in social media. Finally, understanding what would their preferences be if Sport TV was to follow a particular market trend and launch a new product. On the other hand, within non-consumers the idea will be to understand what is the sports channels they subscribe to, what makes them subscribe to that TV channel. Once they do not subscribe Sport TV's services the study will also try to understand what could make them subscribe and what could be an obstacle. Also, assess what would their preference be if a new sports content was to be created, according to the identified sports trends. Finally, a possible correlation between paying for sports content and practising sports was also studied.

Data source - (1) Babbie, E. (2007) The practice of social research

Variables in study

In order to understand the profile of premium sports content consumers, that is, the consumers who are willing to pay for premium sports content, there were some variables that needed to be studied, according to Earl Babbie(1). Those are **age**, **gender**, **occupation**, **income level**, **level of education**, **nationality**, and whether they **practice sports or not.**

Methods and sample criteria

To study the above-mentioned variables, the chosen **method** was **a quantitative questionnaire** as it allowed to collect more specific data and relate those with consumer characteristics and quantify them. **The sample** was intended to study premium sports consumers of the Portuguese market, thus it integrated respondents aged above 18 years old, that had been living in Portugal for the last two years. It included both sport tv consumers and non-consumers . Finally, all respondents had to watch paid sports content, at least once a week. To reach a sample with these criteria, three filter questions were added in the beginning of the questionnaire. A separation between a **Sport TV consumer** and a **non-consume**r was made in the questionnaire in order to compare their consumer behaviour and try to understand what makes consumers subscribe Sport TV's services and what could make them subscribe to Sport TV's channels. Regarding the **target population,** all respondents had to watch and pay premium sports content. Sport TV's majority of consumers are Men, over 30 years old, that are either sports lovers and are willing to subscribe Sport TV's services or are men with medium to high income, or both. Non-consumers of Sport TV need to be sports lovers and / or people that are currently subscribed to sport channels other than Sport TV. The focus of the study was on a broader consumer population to include consumers above 18 years of age, male or female. By doing so, the future generation of sport content consumers was also considered.

Main limitations

The sample gathered is not fully representative of the population of premium sports consumers due to the reasons mentioned below. Nevertheless, there is a degree of confidence that the sample is close enough of the population due to the similarities found in **sample demographics and insights.** The **sample size** could have been larger to be truly representative of the population. Consequently, results could have been more accurate. **Oversimplication of reality** can also be a limitation because survey-based research doesn't allow respondents to elaborate on their answers. There could be a **potential selection bias:** Sport TV image appeared in first place when respondents were asked which sports channel came to their minds first. The fact that respondents saw Sport TV image first might have influenced their response. Also, some **secondary research** about the sports broadcasting industry was conducted in Europe and not in Portugal meaning that some studies might not accurately represent the Portuguese population. Then the **emotional state** of respondents can affect their seriousness when answering the survey and this factor could have interfered with the results. Results show that 64% of respondents are aged from 18 to 29 years old, which might be a consequence of the network's composition of each student elaborating this project and might lead to small inaccuracies. Also, the fact that it was an online survey might have directed it to younger audiences, once elder people might have more difficulties accessing online surveys. The survey took around 5 minutes to complete and some respondents might not be fully concentrated and dedicated throughout the entire survey and provide answers that are not entirely accurate. Finally, from all the respondents, there might have been some that were not fully knowledgeable of the sports industry and TV channels, to provide meaningful answers.

Data source - (1) Babbie, E. (2007) The practice of social research

Sample Demographics and Insights

The online quantitative survey had a total of 217 responses, of which 103 filled the prerequisites for the research.

Respondents were divided into four **age groups**: From 18 to 29 years old, from 30 to 45 years old, from 46 to 60 years old and above 60 years old. The first age group represented 64% of the total responses; the second group accounted for 12,5%; the third group had 21,4% and the last one accounted for 2% of responses. Regarding **gender**, of the 103 responses, 88% were male respondents whereas only 12% were female. From the 103 respondents **97%** were **Portuguese** and the remaining **3%** were **European non-Portuguese** that have been living in Portugal. Most of respondents live in a **household composed by 4 people or more** (65% of responses), whereas 1 person in the household, 2 people per household and 3 people per household accounted for 6%, 11% and 18%, respectively. The sample had most of its respondents in the range of 20k to 40k **household income per year** (around 34%), and a large weight of respondents in the range of 40k to 60k (19%). Closing the top three, comes the segment of respondents with an income range of more than 60k per year (20%). It is possible to understand from this sample that premium sports consumers have **medium to high household income.** Regarding the level of **education**, nearly 50% of respondents have completed a master's degree and 32% of respondents have completed at least a bachelor degree. Concerning current **occupation**, from the 103 responses, 60% represent full-time employees whereas 25% are still students. Student-part-time employees account for 9%. The remaining respondents are either retired or unemployed. From the universe of respondents, 83% plays sports at least once a week and when asked whether they liked sports in a scale from 1 to 5, 80% of respondents answered 5 and the remaining 20% answered 4.From the 103 respondents to the questionnaire, 74% were Sport TV consumers while the remaining 26% subscribe to another sports channel. This insights provides a proof that the initial estimation of the company's market share might be around 80%.

From the sample gathered, it was possible to confirm some insights previously mentioned and to discover new ones. From the 103 respondents that passed the screening questions, 88% were man and 12% were woman. This confirms the initial belief that **premium sports subscription** is a product that has its **demand predominantly on the man side.** In what concerns new discoveries, some interesting insights were collected. Initially, it was stated that Sport TV consumers were mainly man, above 30 years of age, according to an interview performed with a Sport TV manager. What results show is that from the 103 valid responses, 64% were people aged between 18 and 29 years old. This is an unexpected insight that might lead to new opportunities for the company to explore. Another two positive insights gathered from the quantitative survey is the **positive correlation between people who subscribe premium sports channels and people who practice sports** at least once a week and that love sports: when asked to rate from 1 to 5 how much they love sports, 80% responded 5 and 83% of respondents practice sports at least once a week. Also, premium sports consumers seem to have a high degree of education (bachelor or masters) and have medium to high household income, that is medium to high purchase power.

Premium Sports section results and Insights

This was the first section of the online questionnaire, after the initial screening questions, where only respondents that met the stipulated criteria were inquired. In this premium sport section, it was possible to assess which was the top-of-mind brand of sports content in Portugal. 83,50% of respondents when thinking about sport channel, think of SPORT TV as their top-of-mind brand, the remainder 16,5 % are divided between Eleven Sports, Eurosport, Benfica TV and Sporting TV. This high percentage indicates the strong brand awareness that the company has built over the years by offering a high-quality service and a wide variety of sports content. Another important insight gathered from the survey was who is responsible for paying the sports channel subscription. In 45% of the cases, it is a family member or other member of the household who pays for the service, whereas in 42% of the cases it is the respondent who pays for the service. 13% of respondents said that they do not pay for premium sports content and watch it in online platforms, for free. In what concerns the preferred moment to watch sports, 51% of people prefer to do so when they are together with friends, while 30% prefer to watch sports alone. The remaining 19% mention family as the best company. Regarding the preferred place to watch sports, respondents were given a list and asked to pick the 2 favourite places to watch sports content. The most voted combination of places was at the stadium / other facility where the event is taking place, or at home. This two places accounted for 37% of responses. The favourite format to watch sports content was an insight somehow surprising. Even though 64% of respondents were in the 18 to 29 years of age group, the television is the preferred format and accounted for 71% of responses, despite the phenomena of streaming platforms in younger generations. Streaming platform via computer accounted for 23% of responses and the remainder 7% prefer to use their smartphone/tablet. Moreover, it was possible to understand that the two main reasons for people to watch sports-related content are linked to following their favourite sports club and a particular sports competition. This means that consumers, at the moment of purchase, pay closer attention to the sports content offered from the TV broadcaster. Respondents were asked to rate from 1 to 5, the level to which they agree with reasons to pay for sports content, where 1 was strongly disagree and 5 was strongly agree. Results showed that 60.19 % of respondents strongly agree that they subscribe to follow their favourite sport club and 55,34% strongly agree to pay to follow a particular competition. Paying for the service to follow the favourite athlete/coach had a neutral result. A good majority of respondents also mentions paying the service for entertainment and lastly respondents seem to neither agree nor disagree to pay the service to be updated on sport news, as a result of the fact that today recruiting information and keeping up to date with the latest news is very simple via social media (See Table 3 of the Appendix).

Respondents were then asked to pick which were their three favourite tv sports channels by order of preference. The first choice of respondents was Sport TV with 64.08% of responses. The second choice was Eleven Sports, which is the main competitor of Sport TV, with 21.36% of responses and the third choice of respondents was Eurosport with 5.83% of responses. Again, those numbers can be the confirmation of the strong recognition and preference of the brand by consumers and that Eleven Sports is a real threat and a fierce competitor once it has only been in the Portuguese market for the last two years and is already the second most preferred sports channel.

Premium Sports section results and insights

Then the survey was focused on understanding what are the relevant factors considered when choosing between different sports channels. Respondents were asked to rate on a scale from 1 to 5, where 1 meant "Not relevant at all" and 5 "Extremely relevant", the importance of given criteria in the moment of choosing their sports channel. The sports content offered was ranked as "Extremely Important" by 77% of respondents. Quality of image and sound was also found important, ranked as 4 with 47% of responses. In fact, 76 out of 103 people expressed a value of 5 for content. Also, the attractive price emerged as an extremely important factor with 45 people out 103 responses, indicating a percentage of 44%. About factors such as the availability of the channel in different formats (e.g., laptop, smartphone, TV.) and brand familiarity, the first factor is considered by most people as relevant or neutral (ranked 3), while the second one is valuated mostly as neutral factors. Regarding the frequency with which respondents watch their favourite sport channel, it was possible to understand that most people are regular consumer and more then 90% of respondents watch their favourite sport channel at least once or twice a week. Finally, given the importance of social media in today's world and in the industry, it was asked which were the main 3 social media that respondents use most frequently, by order of preference. The 63% people confirmed that Instagram is the most used social media. Subsequently, Facebook was selected as second choice with 41% of responses and Youtube as third choice, with 42% of responses. (See Table 4 of the Appendix)

Sport TV consumer results and insights

For the total 103 respondents another filter was added with the purpose of identifying which ones were Sport TV consumers and which ones were not. The result was 74% of Sport TV consumers and 26% of non-consumers. After this, the purpose was to understand why consumers subscribe Sport TV's channels and what do they value the most. Respondents were asked to rank from 1 to 5, where 1 meant "Not relevant at all" and 5 "Extremely relevant" ,the following factors according to the level of importance they attribute to each one when valuing Sport TV's services: Quality of transmission (image and sound); the variety of sports competitions offered; price; brand trustworthiness; availability in different formats (TV, online) and attractiveness of the package deals. The most important criteria, by order of importance, are variety of sports content, quality of transmission (image, sound, commentators) and pricing. (See results on Table 5 of the Appendix). From the 6 above-mentioned criteria it was possible to highlight the 3 most important ones for Sport TV consumers when acquiring the service. Those are quality of transmission, variety of sports content and pricing. However, it was still possible to distinguish the most important one from the top 3, that gathered 55% of responses, and that was the variety of sports content offered to consumers. It is then possible to infer from this study that the Sport TV's competitive advantage lies on the ability to not only offer the sports competitions that consumers want to watch but also a wide variety of content including several different sports. An interesting insight gathered was the fact that the Sport TV consumers when asked to rank from 1 to 5 their knowledge of the content Sport TV has to offer, almost 44% responded 4. This means that not only consumers prefer Sport TV due to its offered content (I.e they know why they are subscribing) as also they perceive Sport TV's content to be beyond what they are aware of (See Table 6 of the Appendix).

Sport TV consumer results and insights

To deepen the understanding of consumers knowledge about Sport TV's channels, consumers were asked if they were aware of the commercial add Sport TV launched with Rui Unas, to announce a 30% price cut on subscriptions. Results showed that 67% of respondents were not aware of this promotion on their sports channel, which might indicate that this promotion could have been better communicated and that consumers might not spend that much time watching adds on TV. Then, with the purpose of understanding consumer satisfaction, respondents were asked to rank from 1 to 5 what was their level of satisfaction with the experience in Sport TV's channels. Responses indicated a medium to high consumer satisfaction with 55% of responses on level 4 and 15% on level 5. However, there might be room to improve the service, once 21% of respondents ranked the service on level 3 (See Table 7 of the Appendix).

In order to understand consumers loyalty and engagement with the company a few questions were made. To begin with, respondents were asked to mention for how long they had been subscribing Sport TV's services. Answers indicated that almost 50% of respondents was subscribing from 2 to 10 years and 33% of respondents subscribing for a period larger than 10 years (See Table 8 of the Appendix). This results clearly indicated a very high consumer loyalty with Sport TV's channels, that has been able to deliver sports content in Portugal for a long time. However, when it comes to engagement with the company in social media in general, responses were quite surprising: 78% of consumers do not follow Sport TV in none of their social media accounts, thus not being aware that some sports content is also delivered through these platforms, for example highlights of a sports matches or sports news, at no extra cost for the consumer. Thus, the company could improve their engagement with consumers in social media, particularly on Instagram, which is the most used social media of respondents. Finally, with the purpose to understand how should Sport TV structure its strategy to defend its market leadership, consumers were inquired about what would their preferences be if Sport TV was launching a new product. Respondents were then presented with the following possibilities (according to the identified new trends in the industry) and asked to pick the 3 most interesting opportunities: Broadcasting amateur level sports competitions; offering content related with ESports (Online gaming); offering content related with sports bets; creating a streaming platform, where the user can watch all the desired content without limit (similar to a Netflix platform); offering content related to an often-ignored sport, where then were asked to specify; women's sports content. Overall, there were a few possible combinations of the presented possibilities of product development. However, it was possible to clearly identify 3 combinations that were preferred by respondents as shown in Table 9 of the Appendix. This first most voted combination included launching amateur sports content, creating a streaming platform and launching padel content. From the three most voted combinations of new product offerings, there seems to be one new product offering that is present in all of them, that is broadcasting amateur-level sports competitions in Portugal. This insight confirms the trend of having sports clubs and sports federations, from different sports in Portugal (eg. Rugby, Volleyball, Handball, Surf, Padel), creating their own channels and ways to broadcast their sports competitions, because in fact consumers are asking for it. Also, it is possible to identify the desire for a platform that delivers content in a different format (streaming platform).

Non-Sport TV consumer results and insights

For the non-users of Sport TV, 15 out of 27 were Eleven Sports consumers. These non-consumers were faced with the same questions as Sport TV consumers were, which was what do they value most when deciding to pay for a premium sports channel. The factor that turned out to be more relevant was the variety of sports content being offered in first place and price as the second reason. Then, non-consumers were asked what of those same factors could make them subscribe Sport TV instead. The results were the same, variety of sports content being offered, followed by price. Finally, respondents were presented with a list of product innovations and asked to choose their preferred 3, by order of preference, which ones would make them subscribe Sport TV. The product innovation options were: Broadcasting Amateur sports – competitions of different sports from amateur level; Content related to Esports (Sports online gaming); Content related to Sports Bets; Creating a streaming platform, where the user can watch all the desired content, without limit (ex. Netflix) and Content related to an often-ignored sport. Results have shown that the preferred service would be broadcasting amateur sports, followed by creating a streaming platform where they can watch endlessly and as the third option more voted was broadcasting content related to an often-ignored sport, Padel. (See Table 10 of the Appendix)

Primary research Insights

Primary research insights allowed to understand and draw the consumer profiles of **premium sports consumers, Sport TV and non- Sport TV consumers** in the Portuguese market. Moreover, it was possible to assess and answer the initial research question regarding what new product could Sport TV develop to address consumer needs. Both Sport TV consumers and non-consumers have voted amateur sports content and a streaming platform to watch sports to be the most interesting for a new product development. This insight is meaningful because respondents were not forced to choose any product development opportunity from the given list and had the opportunity to answer in blank. Thus, their responses represent a real interest in the new product development. In order to improve its competitiveness, **the company should pursue this new product development opportunity and deliver it to consumers,** because it is meaningful for consumers and addresses their **needs**.

Premium sports channel consumer profile

The profile is male gender with medium/high income, aged between 18-29 years old who practices sports. Their top-of-mind sports channel and preferred option is Sport TV. Then, Eleven Sports as second and Eurosport as third. Normally, who pays for this service is a family member or themselves. TV continues to be the favourite format. They like to watch sports content to follow a favourite sports club / particular sports competition. Normally, they prefer to see it with a friend, thus showing that watching sports is linked with a social and community occasion. To watch this type of content, they like to see it at home or at a stadium or other facility, valuing the comfort. The most important factors when choosing a sport channel are content and an attractive price. They watch this content at least once a week and the social media they use the most is Instagram (1st), Youtube (2nd) and Facebook (3rd).

Sport TV consumer´s profile

They value the variety of sports content, quality price the most. They have a good knowledge of Sport TV's offering. The majority didn´t see the campaign with Rui Unas and doesn't follow the company on social media. Although, the content is the most prized factor, they perceive it to be beyond what they are aware of. They are loyal (50% of respondents was subscribing from 2 to 10 years and 33% of respondents subscribing for a period larger than 10 years). If the company was about to launch some services, the most voted were **Broadcasting amateur-level sports competitions, creating a streaming platform (e.g., Netflix)** and content related to an ignored sport (wanted sport: Padel).

Sport TV non consumer´s profile

The majority is a consumer of Eleven Sport. The ones that don´t watch Eleven Sport, answered BTV , Sky and F1TV. The factors that are determinant when choosing a sports channel are variety of sports content and the price. If Sport TV, was to launch new services they would be interested in the following: **broadcasting amateur sports, followed by creating a streaming platform** where they can watch endlessly and as the third option more voted was broadcasting content related to an often-ignored sport: Padel.

Main Assumptions of the study

The **lack of information about market value and market share of Sport TV** forced an assumption to be made about the Portuguese sports broadcasting market value and the market share of each company leading to small inevitable inaccuracies. Also, the fact that NOS will no longer sponsor the Portuguese championship might put Sport TV's broadcasting rights at risk. However, for the purpose of this project, the assumption that Sport TV will not lose its core content was made. This assumption, if false, could worsen the company's scenario and force a different type of measures. Nevertheless, the new product development is believed to be a solution to increase Sport TV competitiveness, once it will generate additional revenues to endow the company with more financial power to fight for the broadcasting rights of professional sports competitions.

Implementation and tactics

The insight gathered from the primary research study was that the company should follow a new product development strategy and launch a **streaming platform with amateur sports content**. To better understand how should the company launch this new service and how the service should be, the four P's framework (Product, Price, Promotion and Place) was used. Concerning **Product**, the focus was on **how to deliver successfully amateur sports to consumers. Starting by crafting a value proposition,** understanding what should the product look like, what content should be offered and how to obtain it, how it should be branded and study its feasibility. In terms of **Distribution, how to deliver successfully this new content. Concerning price, a study was developed to understand how should the company monetize its new platform to contribute to the overall purpose of increasing its competitiveness.** Finally, **Promotion will explore how should Sport TV communicate this new platform in order to find the most efficient way to let consumers know what is the company offering.**

Target and Positioning

With this new product development, the company should **target** all **premium sports consumers** (consumers that already pay for sports content, including Sport TV and / or Eleven Sports) and also **people who practice sports and love sports that are not paying for sports content**, once it has been shown that there is a high correlation between these two factors. Concerning positioning, a formula for crafting a positioning statement was used (1) to reach the following positioning: For people who love and play sports, Sport TV is the only brand among all sports broadcasters that offers consumers the possibility to be part of a sports community, by bringing consumers and high-quality content together, into one platform.

Data source - (1) (Avery, J. , Gupta, S. 2015)

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.

Sport TV Field Lab on new product development - How to provide convenient access of the new amateur sports streaming platform?

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Work project carried out under the supervision of:
Professor Carmen Lages

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Abstract

How to provide convenient access of the new amateur sports streaming platform?

Sport TV by co-creating with ohter stakeholders, through user own generated content aggrupated in the new amateur sports platform that offers both VOD and live content, available in multiple devices, 24/7, that´s easy to find on google search, along with AI wise recommendations and turning consumer´s feedback into valuable opportunities to improve, convenience is being ensure, fulfilling the main objetive of delivering a solution without friction points that will help Sport TV to defend itself from aggressive competition.

Keywords

Distribution Co-Creation Service Convenience Access Streaming Amateur Sports

The Context: New Streaming Online platform

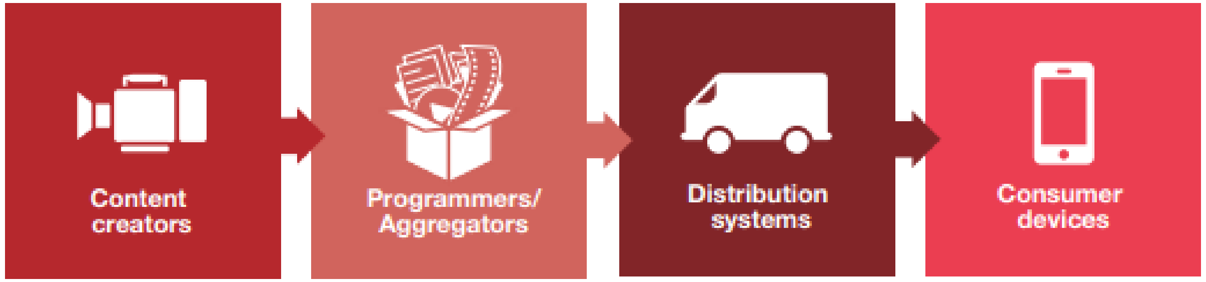
To solve the organization challenge "**How can Sport TV defend its threatened market leadership from aggressive competition in Portugal?**", the primary research point out that Sport TV should pursue a product development strategy, launching a **streaming platform with amateur sports content**. In order to understand how the company would launch it and what the service should look like, the 4P´s framework was used, splitting Product, Price, Promotion and Place. This thesis will focus on distribution. Since the solution for the organization challenge is a digital service, instead of using the Marketing Mix to define place/distribution, E-Marketing Mix framework was applied to better understand what Place means in a digital business environment. In this framework, place is defined as all the steps required to smooth the process of exchange (Yudelson 1999). In the digital context, the place is no longer physical and becomes virtual, including intangible aspects of transaction.

The literature analyse how distribution as evolved over time, new models have appear such as in the entertainment & media, which change how the service is deliver. In addition, the literature seeks to explore how can Sport TV be convenient when delivering its new service, exploring how Sport TV can decrease the time and effort when searching for the service and going even further, by providing more ways to be convenient, not only on access, but also on decisions and transactions.

Distribution concept evolution

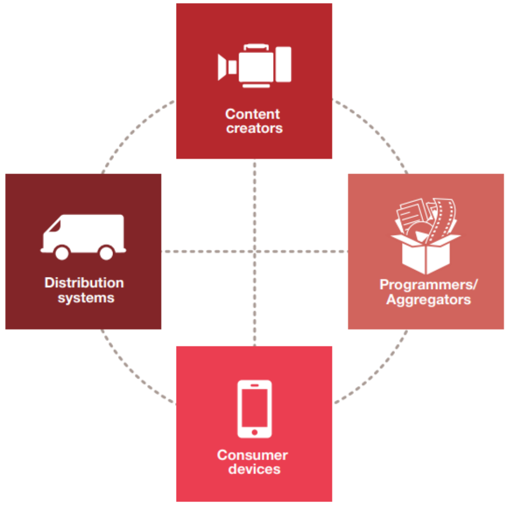
The Traditional view of distribution systems comprises all interrelated functions that are implemented in the process of assigning the material flow between different buyers. (Dubel,2020). The traditional entertainment and media companies followed a linear value chain of content creators, programmers, distribution systems and consumer devices (figure 1). Digital transformation created an all new level of complexity, according to the article "Game changer A new kind of value chain for entertainment and media companies" (PWC, 2013), the traditional E&M change to a flexible non-linear model as illustrated in figure 2.

Figure 1 –The traditional E&M value chain



Source PWC

Figure 2 –New E&M value chain



Source PWC

Distribution concept evolution

According to the PWC article, content distributors like Netflix are starting to produce their own content. At the same time, individual content producers can also make their content available to consumers by uploading it, for example, on YouTube. The new E&M value chain model acknowledges that distribution can start at any moment after the pre-production. The new platform, proposed is in line with this "fluid structure", Sport TV is advised to implement a flexible input of content, where personnel wouldn´t record the videos of the games, rather it would be generated by the users or clubs/federations and upload it in the platform, being ready to be seen by sports lovers.

The value chain of the new amateur sports streaming relates to the concept of **co-creation.** There are many definitions for co-creation. One of them is the combination of three main elements: (1) Connections: interactions between people, such as companies and customers, not interactions between consumers and products only; (2) Collaboration, rather than just involvement; (3) Co-creativity, not simply co-construction or co-production. (Promise, 2009)

In that sense, the purpose of the new Sport TV service would be creating an online community, where users can participate actively with the brand, creating the service, collaborating and coinventing together towards the goal of providing amateur sports and allow them to have more scalability. Sport TV aim would not only be in the frequency of interaction, but in the quality of the relationship that companies create, which will determine how knowledge is created, shared and transferred. Both parties benefit, consumers receive greater personalisation and value as a result of co-creation processes, and companies build a competitive advantage by turning just-in-time knowledge from customers into just-in-time learning for their organisation. (Promise, 2009)

Distribution concept evolution

Digital transformation gave rise to digital distribution which allowed to distribute legal electronic content like music, video, software and video games, creating a digital world with consumers that are hungry and impatient for more. Digital distribution brought many advantages: a point of direct sales with no need for extra costs like a warehouse and delivery; accessibility, being available anywhere and available permanently . Digital distribution has been having a remarkable effect on the role of platforms. One of the ascending platforms are streaming entertainment platforms, with the entire world is streaming more than ever (The Verge, 2020).

Within the video platforms, big players are thriving and leading the way like YouTube, Netflix, Hulu, Amazon Video and others, which enable content owners to insert and make it possible for users to watch it in a wide range of devices such as computers, smartphone's, tablets, Smart TVs and game consoles.

The next section will explain what convenience means and what a convenient service looks like, this way it will be possible to understand better how convenience can be merged with streaming platforms.

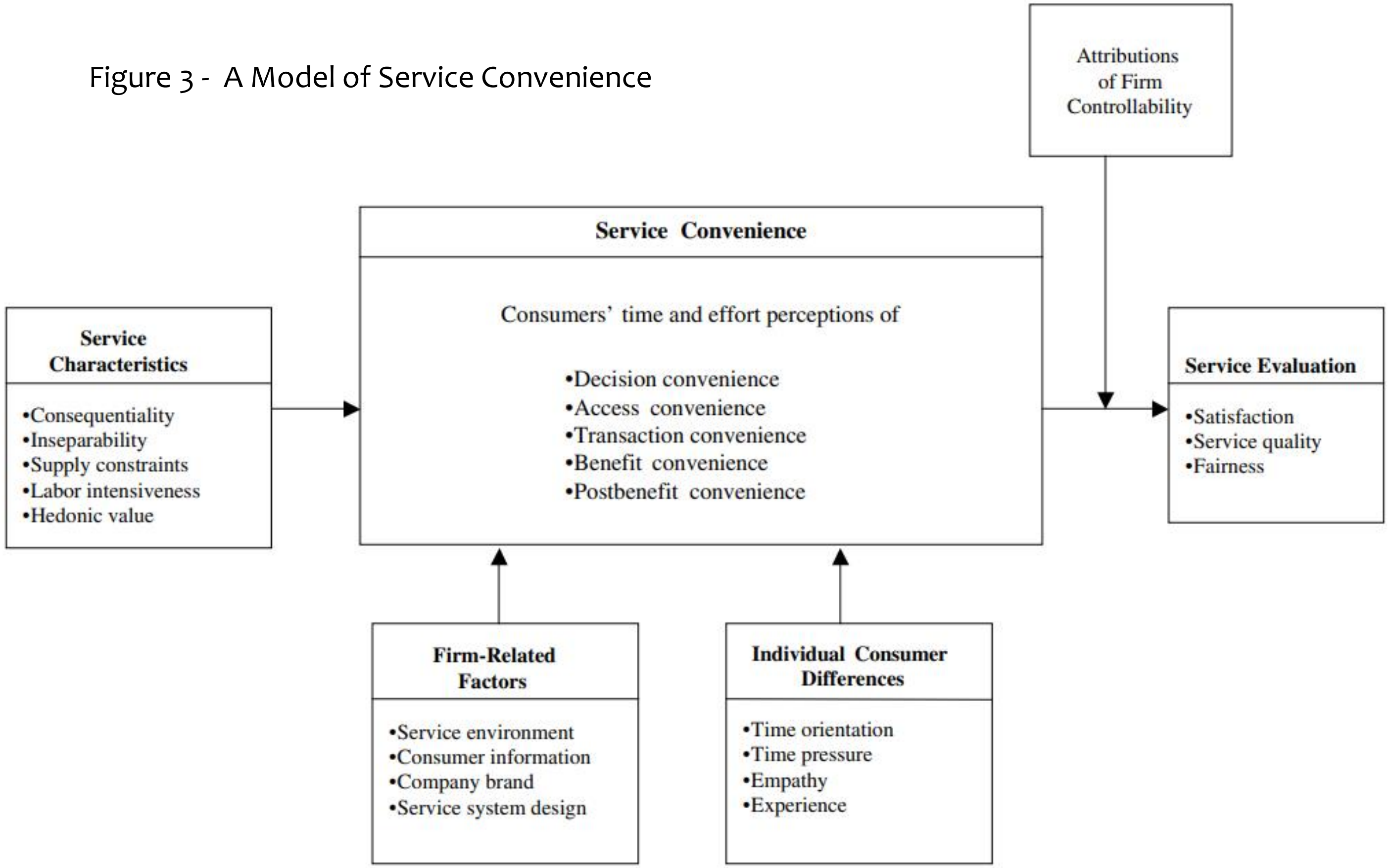
Service Convenience

When the convenience concept came out in the literature marketing, it was associated with Copeland´s (1923) work. In the meanwhile, Copeland´s work was operationalized by other authors, but time and effort, as dimensions of convenience, remain consistent in convenience research, rather than a characteristic or attribute of a product (Brown 1990).

Berry, Seiders & Grewal (2002) developed a model to fill this gap, which is represented in the next slide (figure 3), that uses consumers' perceived time and effort expenditures as a function of convenience. The model highlights five types of Service Convenience : decision convenience, access convenience, transaction convenience, benefit convenience, and postbenefit convenience. These convenience types reflect **stages of consumers' activities related to buying or using a service**. In this frame, consumers' time and effort perceptions related to each type of service convenience affect an overall convenience evaluation of a service.

The model seeks to explain all the five types of convenience as a function of consumers' perceived time and effort expenditures. The first type, **Decision convenience** covers the time and effort to make a service purchase or to decide to use a service. Moving to **access convenience**, the following relates to the time and effort to initiate service delivery. **Transaction convenience** is regarding the time and effort to make a transaction. **Benefit convenience** is about how much time and effort is put into receiving service's core benefits, whereas **postbenefit convenience** has to due to the consumer's perceived time and effort expenditures when establish contact with the company again (Berry, Seiders, & Grewal, 2002). These will be further explored.

Figure 3 - A Model of Service Convenience



Source: Berry, Seiders & Grewal (2002)

Service Convenience (cont)

The authors present three **antecedents** that influence the consumer choice and how they evaluate the service: (1) the firm-related factors (company´s actions and features), (2) service characteristics and (3) the individual consumer preferences. (Berry, Seiders & Grewal ,2002). For example, a strong brand equity (firm-related factor) like the case of Sport TV, augments consumers' trust of the invisible and reduce their perceived risk. Thus, often the choice they have to make gets simplified, increasing the decision convenience.

Consumers will perceive convenience differently depending on the type of service they are buying or using. Consumers perceive time and effort costs differently for hedonic services, for example, watching an online sports competition, services pursued for pleasure. In these cases, more time and effort can increase the value of a hedonic service (Berry, Seiders & Grewal ,2002). Individual consumer preferences also influence convenience. Let´s see for example the experience factor, when consumers have never experienced the service, the decision convenience costs will increase as it´s all new to them, whereas experience users who know exactly where to go and what to do, can save time and effort.

As delivering convenience is not only about providing access, managing convenience on the entire customer journey is key as they go through different stages (need recognition, information search, evaluation of alternatives, purchase and post-purchase) which requires other types of convenience such as the service convenience model goes through (Stankevich, 2017; Berry, Seiders & Grewal ,2002). The thesis will complement its analysis with decision convenience and transactional convenience, but in a less granular form. Besides that, it will also cover one of the main aspects in managing time and effort costs, which is service system design and that Sport TV can have a direct impact.

Service Convenience

Access convenience

Access convenience involves consumers' perceived time and effort expenditures to initiate service delivery. This type of convenience accommodates the actions that are necessary to request the service and if it´s needed to be available to receive it. Consumers can start the service in person (going to a restaurant) , remotely (calling someone for a home delivery) or it can require both means (making a reservation and going to a restaurant). The use of Self-service technologies is growing, because many of them reduce the time and effort costs for inseparable services (Meuter and colleagues 2000). Self-service offer more freedom to the customers, they can perform tasks on their own, being less depending on service providers whose accessibility may be inconvenient.

Access convenience is important because so many services require consumers' participation. Consumers must be present at the right time and place. Companies can improve access convenience by offering consumers multiple ways to initiate service, including the use of self-service technologies; separating required front-end administrative tasks in time and place from the benefit-producing part of a service, such as allowing consumers to reserve a rental car online; bringing the service to the consumer rather than bringing the consumer to the service; reducing consumers' time and effort in moving from the core service to functionally related services. (Berry, Seiders & Grewal ,2002).

How can Sport TV provide a convenient access to the new online streaming platform?

24/7 and multiscreen format

Therefore, to be present at the right time, having a streaming platform available 24/7 makes it possible for the user access it anytime to the service. The platform would provide access to video on demand and live streaming content. Video on demand allows users to watch amateur sports competitions immediately, regardless of broadcast schedules like Netflix offers movies/series on demand that they can even be downloaded and viewed later, make it possible to reach to the content even when there isn´t an internet connection (Netflix, 2016). Live streaming would allow users watch the amateur games at the time the event is taking place, without having to go physically to the event, saving time and effort.

In order to be present in every place, the platform should be available in multiple devices. Multiscreen is being transformed into a requirement and no longer just a nice add-on, users are expected to access to online platforms on all relevant screens and across multiple channels through smartphones, tablets, laptops/desktops, smart (internet-connected) TVs, and other types of devices (Multiscreen UX Design book, 2015). For Sport TV offer multiple channels, it should allow users to enter via website and its own App. Mobile apps are dominating, as nearly 90% of the mobile internet time is spent on apps, reinforcing the importance of companies not only optimizing their websites for mobile, but creating custom, responsive apps too (eMarketer, 2020) .

How can Sport TV provide a convenient access to the new online streaming platform? (cont)

Search engine optimization

Publishing a website doesn´t mean necessarily that it will be well positioned on Google and receive traffic from searches made by common internet users. Appearing as the 1st result when someone is searching and types or uses the voice search for amateur sports streaming, stands as fundamental as 88% of searches made for desktops are done via Google. (Statista, 2020) In addition, it´s also known that the first position generates around 34,2% traffic, 17,1% the second position. Moreover, 81% of people search online for a product or service (Smart Insights, 2020).

As it´s important for consumers the easiness to find the new service online, Sport TV should use Search engine optimization (SEO) which is the set of tools and strategies that optimizes sites, which in turn will lead to a better page positioning in the organic results of the search. SEO is not only about how the information is organized and its relevance. It also includes ranking factors which a considerable weight on the final result. This way, the company will be able to improve the organic results, make it more accessible for the users to find it and will bring more future clients. (Marketing Digital na Prática, 2019).

SEO works with the usability, navigability, relevance, content structure and hierarchy, as well the ranking factors. First of all, it´s important to understand how google finds the published pages on the internet and organizes them. For that effect, it´s uses Googlebot, a web crawler software whose objective is to analyse all the content of all the existing pages on the Internet and follow the links contained. Googlebot doesn´t have an opinion about the site, it only uses an algorithm that determines if the content of a site is more relevant or not compared to others, having in consideration the behaviour of the user on the site and on the google search page.

How can Sport TV provide a convenient access to the new online streaming platform? (cont)

SEO and PPC

SEO divides into two sections: on-page SEO and off-page SEO (Marketing Digital na Prática, 2019). On-page is directly related to the factors concerning the site structure and its content, whereas off-page relates to link building, social media, among others. Some of the on-page factors are page titles, content hierarchy, friendly URL, key word use, content quality and page loading time. Examples of off-page factors are the number of links to others sites that point to a company´s site and content, social media factors include the number of likes and shares of the site´s content, domain authority and trust of a company´s site and its content.

Another way to become more visible to consumers, although more costly and fast is Pay Per Click, an advertising model where you pay for clicks to your website. The tool allows also granular targeting. With PPC, adds will start to appear almost immediately on the first page on Google, whereas SEO is a long term investment, where on average the company will have to wait at least three to six months to see results (Forbes, 2015). The more competitive the market, more time will be required for seeing SEO benefits. If the a company works in a very unique niche with low competition, that seeks to aggregate a great range of sports and that´s user generated content, it could experience results in a short time (Joshua Lyons Marketing, 2019).

How can Sport TV provide a convenient access to the new online streaming platform? (cont)

Decision and Transaction Convenience

Sport TV should reduce time and effort when consumers are looking for their services, through an effective communication strategy with key, providing clear, accessible information. Not only does convenience affect service quality, but service quality also affects convenience. Consumers who are confident about a firm's service quality because of their past experiences have an easier service-supplier decision to make than consumers who lack confidence.

Transaction convenience time and effort consumers make to be allowed to guarantee that they can use the service. Forrester Research report, shows that there is a high abandonment rate , with two-thirds of Internet shoppers abandoned their "shopping carts" before making a purchase (Tedeschi, 2000). Transaction inconvenience like requiring completion of detailed registration forms is one of the causes of high abandonment rates. The e-commerce case points out that no matter the transaction layout, paying for services or goods is an unwanted task. As it´s intended to be a freemium model, friction related to payments is none. However, if premium features are added as an extension to the existing free features, the platform needs to provide a clear, easy and fast payment structure.

How can Sport TV provide a convenient access to the new online streaming platform? (cont)

Improving Service system design

Technologies that intend to improve convenience have an impact on the different types of convenience, consequently on how the service is evaluated. (Meuter et al. 2000)

Sport TV could use **AI** to improve positive recommendations by consumers. Most of the times users don´t know what they want to watch next, because of the great amount of content that they are exposed. **Artificial intelligence** can lead to better recommendations, using user history, but only if done wisely with a good algorithm, because viewers don´t have to like every game that they selected and so the recommendations should incorporate only what they like.

To reduce search effort, the streaming platform would benefit by having a **search option and filters** which would enable them to go directly to the sport type that they want to see, age category or even search for the upcoming live events, for example. Another important aspect, it´s to **offer assistance** either through FAQs or live chats, for customers receiving support when needed it. Next, having a **fast loading time** by ensuring that the streaming platforms stay fast and responsive. Poor loading speeding is one of the reasons why apps are uninstalled, on average they should take four seconds or less to load. (Dotcominfoway, 2020) There are some tools that can be used to monitor the loading time like Page Speed Insights from Google.

How can Sport TV provide a convenient access to the new online streaming platform? (cont)

Improving Service system design

Don´t use too many **notifications** as it´s intrusive for consumers, it´s one the main reasons for uninstalling apps (CleverTap, 2020). In fact, 71% of users uninstall apps because of annoying notifications as shown in figure 5 in the appendix (Appiterate Survey, 2015). The value that users receive from notifications should be higher than the interruption and it should be done in convenient hours. **Simplifying navigation** is also key as it reduces search effort. The new amateur sports streaming website should display the navigation menu horizontally at the top, since it´s more aligned with how people read on the web and allows full use of the page width for content . The less options in the menu, the better it is for users to find what they need (Hick´s Law, 1952). (figure 6 in the appendix) Another study took place in a food market, which displayed 24 varieties of jam on one day and in the next day six jams (Schwartz, 2009). Results revealed that the in the day that they brought more options, the event attracted 60%, with only 3% of purchasing made a purchase. In relation to the next day, attract lesser 40% of people stopped, but almost 30% purchased. Restricting the choices, lead to a conversion much higher. This concept can be applied to the navigation bar or to the content itself, for example the number of sports streamed. Additionally, having a **responsive design** allows the website of the new platform adjust to the browsers and to the screens that users opt to use. Another suggestion would be **performing A/B tests**, to see what works the best and what doesn´t work. Moreover, like the "The Convenience Revolution: How to Deliver a Customer" book refers, who could possibly do a better job of telling you what´s convenient, and what isn´t, than your customer? Therefore, **every time a customer shares feedback, the organization should consider as an opportunity to create a disruptive market advantage over the competition.** If consumers are waiting, **offering a distraction** will help them not get bored and time seems to pass faster, for example, while waiting for a live streaming content, an online game could be displayed.

Conclusion

The study conducted concluded that to provide convenient access to the amateur sports streaming platform, Sport TV should be present in multiple devices (multiscreen), allowing users to enter via website and its own App. Because publishing a website doesn´t mean necessarily that it will be well positioned, using SEO and PPC to ensure that is appears as firsts, being easy to find. There are other types of convenience that belong to other consumer behaviour stages that also play a part on the overall evaluation of the service. Therefore, in order to provide the most convenient experience in the customer journey, there are other actions that could be implemented to smooth the process of exchange, reducing friction as much as possible, through an effective communication strategy to help consumers understand in a clear manner what is the value of the service, when deciding if they are going to use it.

Moreover, if Sport TV decides to add additional features that required payment to the freemium model, it should do it providing a clear, easy and fast payment structure. Sport TV could also use AI to improve recommendations, to help users in their decisions, but only if they use a good algorithm, that incorporates only what they like. In addition, having a search option and filters, offering assistance, having a fast loading time, don´t use notification just because yes, Simplifying navigation, having a responsive design , running A/B tests, listening to customer feedback are some others forms to make a customer´s life easier.

To conclude, by offering the right set of buttons to push convenience up, consumer´s spend less time and effort, making the customer experience more enjoyable and perceive the service value as higher. By delivering conveniently the streaming platform, it makes it easy to score higher defending its threatened market leadership from aggressive competition in Portugal, as more people will recommend it, strengthening Sport TV identity. (Oyedele & Simpson,2018)

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Appendix

- Tables
- Graphs
- Theoretical background
- Primary and Secondary Activities of Sport TV

Appendix

- Tables

Content	Football											Motosport		Basketball		Tennis	Cycling	Surf	Combat	Rugby	Volleyball	Horse riding	Sailling	Athletics	News, Debates, Interviews
	Portuguese League	La Liga	Ligue 1	Premier League	Bundesliga	NFL	Serie A	Champions League	Europa League	European Qualifiers	Nations Cup	Formula 1	Moto GP	NBA	Euroligue										
Sport TV	x			x			x		x	x	x		x	x	x	x		x	x	x	x	x	x	x	x
Eleven Sports		x	x		x	x		x				x				x	x	x							

Table 1 – Sports content of Sports TV vs Eleven Sports

	Sport TV	Eleven Sports
Market Knowledge	Higher	Lower
Market Share	80%	20%
# TV Channels offered	6	6
Attractive Price	29.99€	9.99€
Package		
Number of Channels offered	6	6
Full HD Technology	Yes	Yes
Available in PC / Laptop	Yes	Yes
Available in Smartphone / Tablet	Yes	Yes
Available in TV Operators (NOWO, NOS, MEO, VODAFONE	Yes	Yes
Available in Smart TV (Chromecast, Apple TV, Samsung TV, Android TV)	No	Yes
Compatible APP with IOS and Android	Yes	Yes
Independent from operator	No	Yes

Table 2 – Comparison of Sport Tv vs Eleven Sports

Appendix

- **Tables**

Criteria	Main Response
Top-of-Mind Brand	Sport TV
Who pays for sports content	Family member / Own Respondent
Preferred moment to watch sports	With friends
Preferred place to watch sports	At home / Sports facilities
Preferred format	TV
Reasons to watch sports	To follow own club / Sports competition

Table 3 – Premium sports consumer profile

Criteria	Most Voted
Favourite TV sports channels	Sport TV / Eleven Sports / Eurosport
Relevant Factors	Content / Quality / Price
Frequency of consumption	Once or twice a week
Top-3 Most used social media	Instagram / Facebook / Youtube

Table 4 – Premium sports consumer preferences

Criteria	Score by order importance	% of responses
Variety of sports content	5	55%
Quality of transmission	5	38%
Pricing	5	37%
Availability in different formats	4	37%
Brand Trustworthiness	3	33%
Package Deals	4	33%

Table 5 – Criteria for subscribing Sport TV's services

Appendix

- **Tables**

Knowledge of Sport TV's content from 1 to 5	Average score
1	1,3%
2	9,2%
3	26,3%
4	43,4%
5	19,7%

Table 6 – Knowledge of Sport TV's offered content

Level of experience with Sport TV's channels	Average score
1	2,6%
2	6,6%
3	21,1%
4	55,3%
5	14,5%

Table 7 – Level of experience with Sport TV's channels

Length of Sport TV subscription	Average score
< 2 years	17,1%
2 to 5 years	32,9%
5 to 10 years	17,1%
> 10 years	32,9%

Table 8 – Length of Sport TV subscription

Appendix

- **Tables**

	New product offering possibilities	Average score
1 st	Broadcasting amateur-level sports competitions Creating a streaming platform (eg. Netflix) Content related to an ignored sport - Padel	22,4%
2 nd	Broadcasting amateur-level sports competitions Content related with Sports Bets Creating a streaming platform (eg. Netflix)	15,8%
3 rd	Broadcasting amateur-level sports competitions Content related with Esports (online gaming) Creating a streaming platform (eg. Netflix)	11,9%

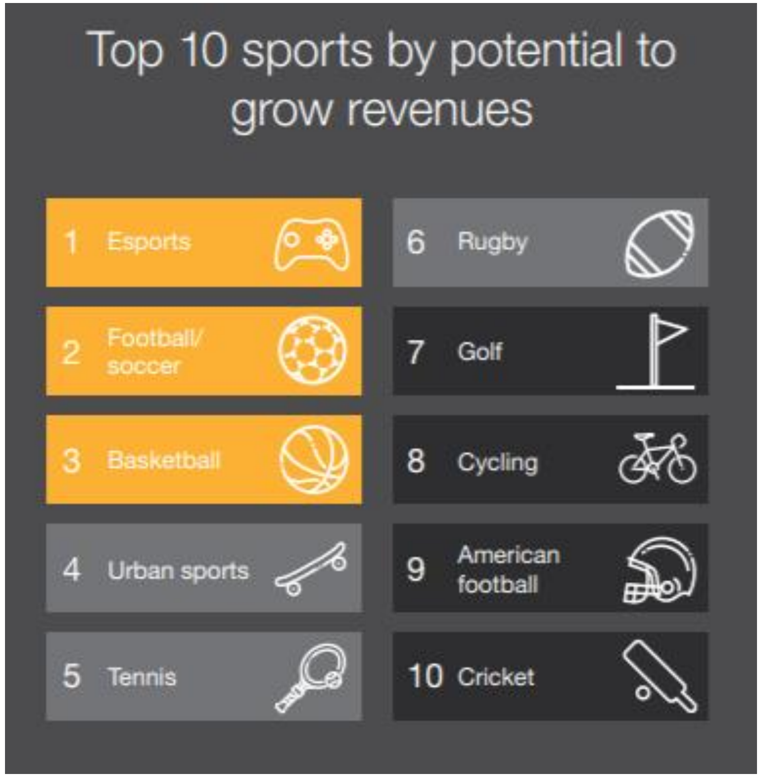
Table 9 – Sport TV Consumer - New product offering possibilities responses

Criteria	Main Response
Paid TV Channel Watched	Eleven Sports
Meaningful factors to subscribe	Content / Quality / Price
Meaningful factors to subscribe Sport TV	Content / Price
What would consumers like to see in Sport TV	Amateur Sports

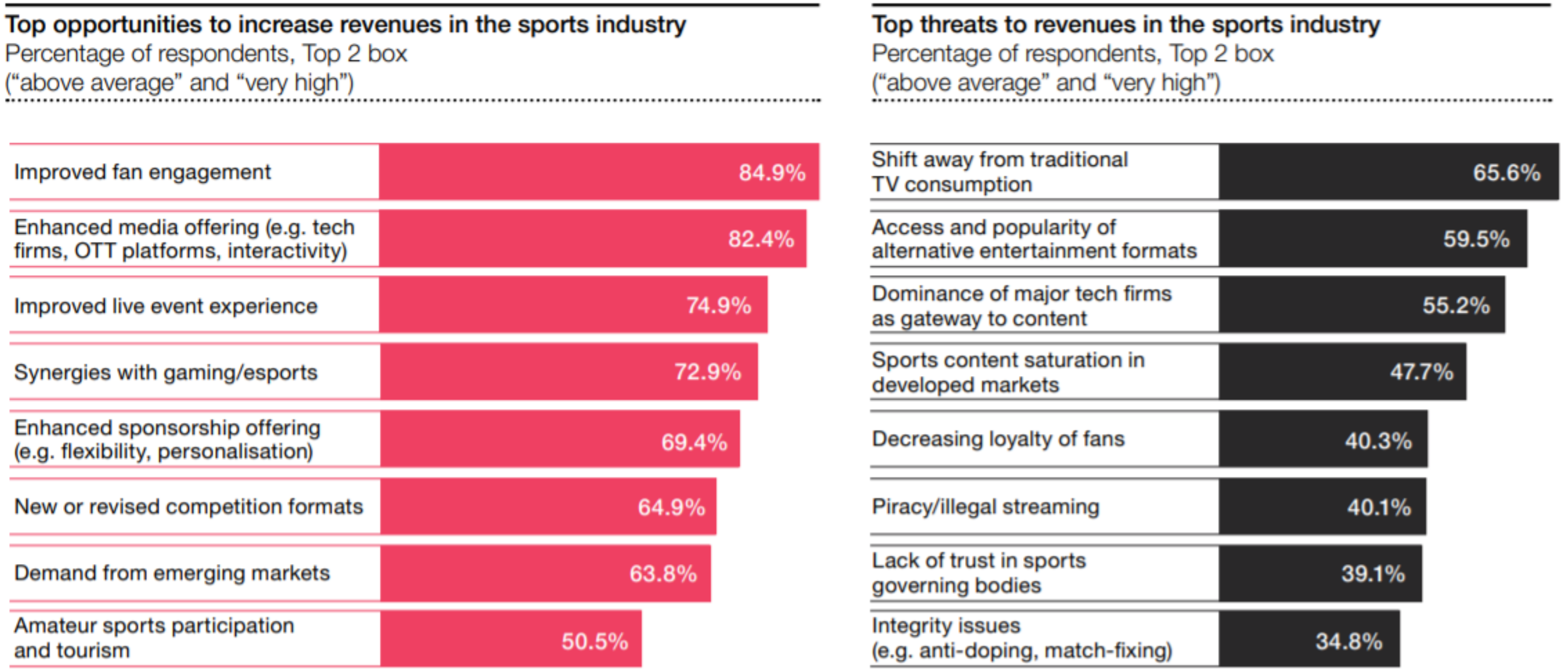
Table 10 – Non sport TV consumer

Appendix

- Graphs



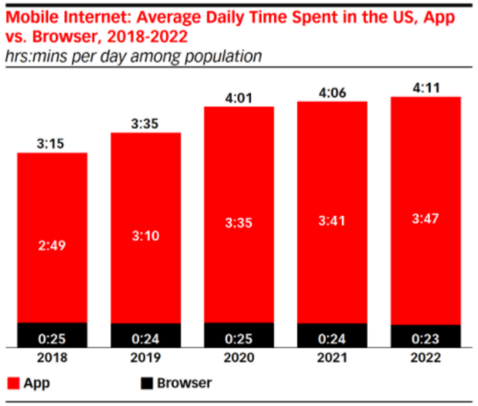
Graph 1 – Sport Potential Revenues



Graph 2 - Top opportunities and threats in the sports industry

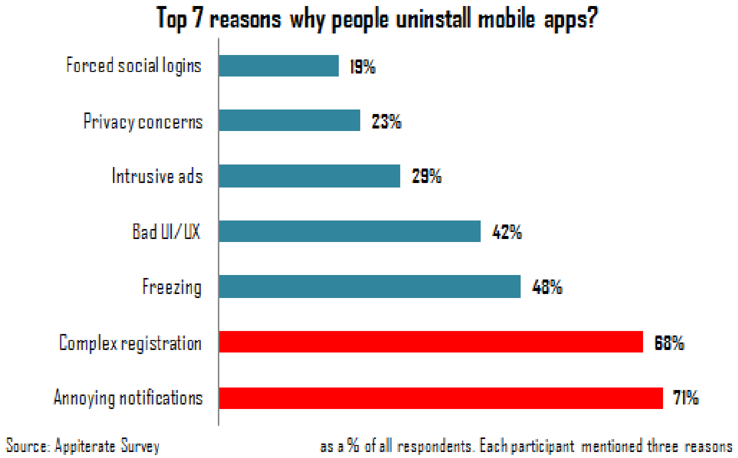
Appendix

Figure 4 - Mobile Internet: Average Daily Time Spent in the US



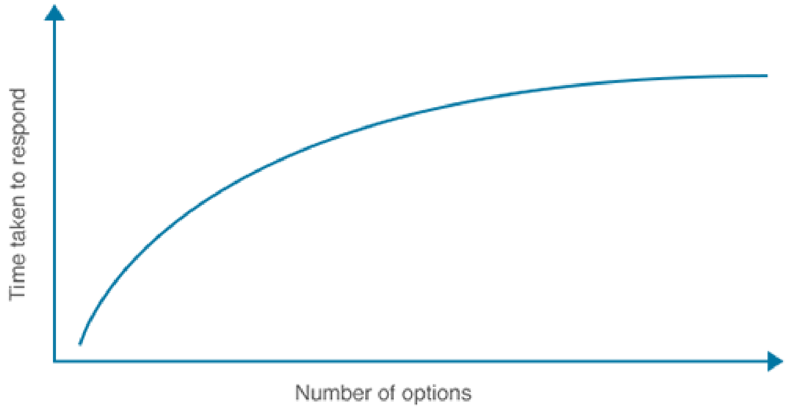
Source: Emarketer

Figure 5 –Reasons for uninstalling



Source: Appiterate Survey

Figure 6 – Hick´s Law



Source: Usabilla

Theoretical Background

The study of literature has enabled us to analyse Sport TV and its ecosystem in great detail, as well as reaching an organization challenge to address, due to the following two cornerstones.

Marketing is related with overall business performance:

- In Morgan, Neil A. (2011) Marketing and Business Performance, the author guides us through all the particularities regarding marketing and how does marketing impact overall business performance.
- According to this article, marketing capabilities are developed "*when individuals and groups repeatedly apply their knowledge and skills to combine and transform resources in ways to contribute to achieving the firm's goals.*"
- Those marketing capabilities are amongst others, market research, new product development capability and strategic market planning.

Constant awareness of changes in firm ecosystem as a formula for success:

- In Albright, Kendra S. (2004) Environmental Scanning: Radar for success, the author mentions that environmental scanning is "*the internal communication of external information about issues that may influence an organization's decision-making process – can identify emerging issues, situations and potential pitfalls that may affect an organization's future*"
- Looking for trends can lead to business opportunities to the company and threats that might arise in the future.

| Primary and Secondary activities

Regarding the value chain, Sport TV develops some of the main activities considered primary, secondary activities and there are also some activities where the company is forced to outsource due to high capital requirements. The following division between primary activities and secondary activities was made based on the Value Chain model from Michael Porter.

- **Primary activities**

Within primary activities it is possible to identify some activities :Inbound logistics, operations, outbound logistics, marketing and sales and customer service.

Inbound logistics are related with all the relationships between the company and suppliers and include all the activities required in order to receive, store, and disseminate all the inupts. In this regard, Sport TV has two groups of suppliers. The suppliers that sell broadcasting rights for the sports competitions, both competitions in Portugal and abroad, and suppliers that record the competitions that take place in Portugal that are outsourced by Sport TV. The company maintains good relationships with suppliers, being able to broadcast almost all sorts of sports competitions in the Portuguese market. However, the recent entry of another player in the Portuguese market (Eleven Sports) has made the prices of acquiring broadcasting rights to rise, thus harming Sport TV's ability to broadcast all types of content. In what concerns the activities required to receive, store and disseminate inputs, the process works as follows: Sport TV purchases the competitions broadcasting rights and receives the signal of the competition transmission in the antenna of its headquarters. After this, the company uses TV distributors to take their content to consumers' homes. On top of this transmission, Sport TV can insert live comments from Portuguese commentators, to improve consumers' experience and these are company's employees that work directly in its headquarters in Portugal. Finally, Sport TV has an arquive department where it holds all the transmissions that were ever broadcasted in Sport TV channels since 1998 and that are accessible at any moment.

Moving on to the **operations**, that are all the activities necessary to transform inputs into outputs, it is possible to identify some major activities. In what concerns competitions taking place in foreign countries, Sport TV is only responsible to receive the signal, assign it to one of its channels and assign commentators that are specialized in that sport. In the case of sports competitions taking place in Portugal, it is necessary to outsource a company that holds the material to record a sports event in any kind of facility (eg. Football stadiums), once Sport TV does not hold equipment for that. Then the company also allocates one employee to be with the outsource company directing the transmission (I.e. choosing which camera to appear in each moment, focus a particular player or fan, etc.). Another important activity is to allocate reporters to each sport event, to make interventions in the sports facilities before and after they happen, to collect reactions of coaches and athletes and record press conferences. Finally, it is also needed to allocate sports commentators and to assign the sport event to a particular TV channel. Overall, it is required to create a map with all sports competitions that will occur in a particular month and allocate sports commentators and reporters accordingly.

- **Primary activities**

Regarding **outbound logistics**, that are the activities related with the distribution of the product, Sport TV contracts the TV operators in Portugal that are (NOS, Vodafone, Meo and NOWO) to take all sports content to the consumer. In what concerns **marketing and sales**, the company has a marketing and sales department that is responsible for many activities: Managing the relationship with advertisers in order to sell add space on the TV channels and in social media accounts; Buying add space in different places in order to communicate Sport TV´s product (e.g. radio stations, newspapers, other tv channels, outdoors, social media); Managing the company's website in order to keep it updated with the latest content, price promotions and to engage with consumers; Managing all social media accounts and finally working together with TV operators to understand how the number of subscribers is evolving. The last primary activity is **customer service**, that is, all the activities required after the consumer makes the purchase, to make the consumer to purchase repeatedly. In the case of Sport TV, this activities are developed by the marketing and sales department as well and include a phone line which the consumer can contact, an email address to contact Sport TV's customer service employees. All the previous activities allow a direct contact between the consumer and the company. Then, there is also the Sport TV's newsletter, that is sent every week to inform the consumer about the sports events that will take place and that Sport TV will broadcast. Finally, Sport TV runs satisfaction questionnaires once a year to understand how to improve its service and better meet consumers' needs.

- **Secondary activities**

According to the same model by Michael Porter, secondary activities include procurement, human resource management, technological development and infrastructure. **Procurement** has to do with acquisition of inputs for the firm, in this case the acquisition of broadcasting rights. Sport TV assesses wich are the sports contents that will generate more traffic to its channels, that is, the competitions with greater demand. The company has an annual budget for sports broadcasting rights acquisition and has to bid for this sports acquisitions according to the available budget and expected generated revenue. Regarding **human resources management**, that involve all the activities related to recruiting, training, developing , compensating and dismissing employees, Sport TV has an internal department that oversees all these tasks. In what concerns **technological development**, Sport TV owns very advanced equipment to broadcast live sports events, being the first company in Portugal to ever broadcast an HD and 4KHD transmissions. It also has an internal software to aggregate all information regarding the transmissions of all channels, that is available all day, from every computer in the building to ensure that all employees can develop their jobs and have access to information. Also, its 22 years of existence have provided the company with knowledge in efficient work procedures. Finally, regarding **infrastructure**, the company has several departments with different functions to coordinate the company's activity: The above-mentioned Marketing and Sales and Human Resources Management departments; department of finance and accounting; a creative department to create Sport TV's own adds; a department to manage all content within TV channels and to manage all reporters; an IT department; a department to manage the reception of sports competitions' signals and incorporate them in the TV channels and an administration council, directed by a CEO to decide on the company's strategy.