



## THE INTERNATIONALIZATION OF THE BRAZILIAN SOAP-OPERAS IN THE STREAMING ERA: THE GLOBO CASE

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### ABSTRACT

**Objective:** This case study aimed to present the trajectory taken by TV Globo for alternatives to internationalize its audiovisual products, from the consolidation of the Globo Quality Standard of Soap-operas to the current dispute with Streaming Platforms. **Method:** The data for the construction of the historical context were extracted from newspapers, magazines and academic theses, and other information from company and agency reports published on the internet. **Main Results:** Use of VRIO analysis in the context of analyzing the internationalization of Brazilian audiovisual products. **Relevance / Originality:** This case promotes a debate on the internationalization of audiovisual products for a leading company in the segment that now needs to formulate new internationalization strategies in the Streaming era. The dilemma in this case concerns whether the company continues to standardize or must adapt its productions? **Theoretical / Methodological Contributions:** Use of VRIO analysis in the context of analyzing the internationalization of Brazilian audiovisual products. **Social / Management Contributions:** This Teaching Case is recommended for students in the field of business administration and international business. Its application is recommended for courses on business internationalization, international marketing and innovation, which want to address topics such as international strategies, standardization or adaptation of international products, and new business models by platform.

**Keywords:** Audiovisual Market, TV Globo, Strategies of Standardization and Adaptation, Streaming Platforms.

## A INTERNACIONALIZAÇÃO DAS TELENÓVELAS BRASILEIRAS NA ERA DO STREAMING: O CASO DO GRUPO GLOBO

### RESUMO

**Objetivo:** Este estudo de caso propõe-se a apresentar a trajetória percorrida pela TV Globo em busca de alternativas para internacionalizar seus produtos audiovisuais, a partir da consolidação do Padrão Globo de Qualidade das Telenovelas até a disputa atual com as plataformas de *streaming*. **Método:** Os dados para a construção do contexto histórico foram extraídos de fontes secundárias como jornais, revistas e teses, e as demais informações de relatórios da empresa e de agências publicados na internet. **Principais Resultados:** Constatação das melhores estratégias de internacionalização do produto audiovisual por meio da análise VRIO. **Relevância / Originalidade:** Este caso promove um debate sobre a internacionalização de produtos do audiovisual para uma empresa líder de segmento, que agora precisa formular novas estratégias para se internacionalizar na era do *streaming*. O dilema do caso diz respeito ao fato de a empresa seguir padronizando ou ter que adaptar suas produções. **Contribuições Teóricas / Metodológicas:** Uso da análise VRIO no contexto de análise da internacionalização do produto audiovisual brasileiro. **Contribuições Sociais / para a Gestão:** O caso é recomendado para alunos da área de administração de empresas e negócios internacionais. Sua aplicação é sugerida para disciplinas de internacionalização de empresas, marketing internacional e inovação, que queiram tratar temas como estratégias internacionais, padronização ou adaptação de produtos internacionais e novos modelos de negócio por plataforma.

**Palavras-chave:** Mercado Audiovisual, TV Globo, Estratégias de Padronização e Adaptação, Plataformas de *Streaming*.

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## INTRODUCTION

In 2020, forced to close its studios because of the pandemic, *Rede Globo*, the biggest audiovisual Brazilian group, which in that year registered a fall in its total net revenue of 12,5 billion *reais*, according to newspaper *Valor Econômico* (Góes, 2021), had to bet on the redisplay of its old productions that had been audience successes so it could fill its schedule. As part of its strategy, in July 2020, the company bought the rights to the exhibition of “*Pantanal*”, a 1990 soap opera from *Rede Manchete* that marked a generation when it showed images of the biome of the Brazilian Middle West, quite unknown to the rest of the country at that time.

Viewing the end of the pandemic and the reopening of studios in the following year, the TV Globo producers planned to do a remake of that story with investments never seen before, in a way that could inaugurate a new chapter in the broadcaster’s history, becoming a symbol of the return to in-person activities. However, with 180 million *reais* in this project, important strategic decisions had to be made before writing of the script, otherwise the losses could be giant.

Even with the big capacity of the Brazilian market, the producers knew that the economic viability of their project also depended on the receptivity of international markets. That’s why Angela Colla, Head of Sales from *Globo* International Distribution was involved since the project’s beginning. Angela’s role was to validate adaptations in the planning part of the project, so it could attract international broadcasters who kept relations with the *Globo Group*.

Angela joined Globo Group in 2005, and since then her role has been related to sales strategies for international markets. However, in the latest years, especially since 2010, the broadcaster has been suffering competition from streaming platforms (see the comparison in Appendices 1 and 2). The executive knew that, even though *Globo* had created its streaming platform in 2015, called *Globoplay*, with the acceleration of digital transformation the fight for consumers’ attention was getting harder.

Yet, Globo’s production faced resistance from the most conservative executives, who believed that their most important product, the original soap operas, should continue to be offered through open-signal TV as they had always been. After all, until 2022, this model was responsible for Globo’s market position,

including internationally, and was its biggest source of income. It was now Angela’s responsibility to evaluate the new panorama so their new and biggest investment could be a success in audience and sales, both in the country and abroad.

## 1. THE SOAP OPERA AND GLOBO’S QUALITY STANDARD

Soap operas, in general, consist of stories presented in chapters, exhibited from Monday to Saturday, at specific hours. Differently from other audiovisual productions, they take public opinion into account, so the script can be adapted to please viewers. Opinion polls are carried out simultaneously with the transmission and recording of episodes. These and other characteristics commonly observed in soap operas are listed in Appendix 3.

In addition, these productions constitute an important production type for Latin America, not just because of their impact on the audiovisual market, but because of their role in the representation and influence of local culture. The biggest Latin American soap opera producers are, respectively, Mexico, Brazil, Argentina, Colombia, and Venezuela, as can be seen in Appendix 4. In these countries, the broadcasters give preference to the exhibition of local soap operas, even though sometimes they import foreign productions.

Among Latin Americans, Brazil has the most singular soap operas, especially with regard to the type of content. While the other Latin American countries follow the Mexican standard, with a Manichaeian plot (with characters divided between heroes and villains), the Brazilian productions are more complex and realistic. Moreover, Brazilian soap operas are well-known in the audiovisual sector for having much superior technical quality compared to that of Brazil’s neighbors.

Soap operas started to be exhibited in Brazil in 1951, a year before the country’s first official television transmission (1950). Initially, Brazilian networks exhibited soap operas produced in other countries, or at least which had imported scripts. Only in 1968 did the now-extinct *TV Tupi* produce the first soap opera scripted in Brazil: “*Beto Rockefeller*”. This was a remarkable moment for national production because of its audience success. To the broadcasters, who would soon bet on the “Brazilianization” of soap operas, the success of “*Beto Rockefeller*” was explained

by the novelistic drama's popular approach in that it portrayed the everyday life of local people, differently from the Mexican drama.

However, Brazilian soap operas only achieved international status in 1970, with the rise of TV Globo, which represented the standard of the genre in Brazil. Globo was founded in 1964 by businessman Roberto Marinho, who hoped to integrate it with the other communication vehicles owned by the Marinho family: the newspaper *O Globo* (1925), the radio station Globo (1944), and a Rio-based publisher of graphic material (1952). Beyond this integration, still in the 1960s, the broadcaster differentiated itself from competitors by creating what it called the "Globo Quality Standard" — which consisted of a set of marketing, efficiency and technical competence strategies, as well as market research to become the national market leader.

This quality standard started the moment the company hired a professional management, focused on a long-term project to become the national leader. Next, the managers hired qualified professionals from other broadcasters, and big names for fixed casts. Thinking about continuing to develop the quality of its team, the Marinho family created schools for actors and scriptwriters.

After the implementation of all these strategies, the managers bet on opinion polls to adapt productions to the preferences of the public, since, until 1970, most soap operas were not that close to the everyday life of the population. At the same time, *Rede Globo* created time ranges to exhibit its soap operas: at 5:30 pm it showed a soap opera to the juvenile public; at 6 pm, a historical and romantic soap opera; at 7 pm, a contemporary and comic production; and, finally, at 8 pm, its most important product, a soap opera with social and grown-up content. The latter time range was traditionally the one that had the greatest audience in Brazilian television.

*Rede Globo's* soap operas started to gain more and more space in the Brazilian audiovisual sector. In the 1980s, their success was so big that they started to be financed based on an association between the network and big brands who sponsored such productions by placing advertising campaigns and which also made profit from selling derived subproducts such as soundtracks. By 1985, TV Globo had achieved its goal of becoming the leading broadcaster in the country, which was directly connected with its successful soap operas and their sub-products and advertising profit.

In the following years, the broadcaster started the Jacarepaguá Project (PROJAC). Idealized in 1989 and finished in 1995, the project was the construction of the biggest television studio complex in Latin America. Located in the west zone of Rio de Janeiro, the complex made it possible to centralize production and reduce operational costs, which, consequently, allowed Globo to consolidate its position as an indisputable national leader of the audiovisual sector. With an initial investment of about 122 million *reais*, the PROJAC had its own cinematographic cities, control rooms, studios, computer graphics stations, media collections, special effects complexes, etc.

Such infrastructure enabled Globo Studios to become self-sufficient, not needing to outsource technical resources, and making its productions more competitive in matters of quality and value. Nationally consolidated, the broadcaster's next step was to accelerate its expansion to international markets (as seen in Appendix 5).

## 2. THE INTERNATIONALIZATION OF BRAZILIAN SOAP OPERAS AND THE GLOBO GROUP

The internationalization of Brazilian soap operas occurred from the moment the national producer began to differentiate itself from the other Latin American countries. Even though there were already some Brazilian soap operas, none had been as typically Brazilian as "*O Bem Amado*" (which literally translates as "The Well-Loved"), exhibited by *TV Globo* in 1973. This production was remarkable to the Brazilian audiovisual sector for two reasons: first, it was the first soap opera to be exhibited in colors; second, it was the first Brazilian soap opera to be exported.

Initially, the rights to the exhibition of "*O Bem Amado*" were sold to Uruguay, and, later, to the biggest Mexican broadcaster, *Televisa*. However, the first Brazilian soap opera to be sold beyond Latin America was "*Gabriela*", also a production by TV Globo, that was exhibited in Portugal in 1977. Thus, the 1970s and 1980s were remarkable for the internationalization of Brazilian soap operas. One of the biggest examples of this was "*Escrava Isaura*" ("Slave Isaura"), exhibited in Brazil in 1976 by TV Globo. Around six years later, in 1982, "*Escrava Isaura*" debuted in Italy, and, through the following years, its success was so big that it was sold to more than 80 countries.

Thus, the internationalization of Brazilian soap operas mixes with the internationalization of Globo Group: the broadcaster was a pioneer and has been the biggest soap opera exporter since then. The strategies adopted by the group to achieve this standard are therefore worthy of note. At the beginning, sales were made at an extremely low price in the international market, so the productions could become popular in many countries. This low price, together with the audience success and high profits, made Globo's soap operas a product desired by many media companies around the world, especially the Mexican *Televisa* and the Portuguese *Sociedade Independente de Comunicações* (SIC).

In 1976, an International Business Department (DIP) was created in Globo Group, nowadays called Globo International Distribution. This department was responsible for taking care of Globo's participation in international trade fairs for audiovisual products, like MipCom, in France, the National Association of TV and Program Executives, in the United States, the MipAsia and the Dubai Festival. Furthermore, the department kept offices in New York and Rome, to maintain permanent sales points to foreign markets.

In the 1980s, the foreign entry strategy changed. By that time, the group had started to invest directly in foreign markets, buying 90% of the Italian *Telemontecarlo* and 15% of Portuguese SIC. However, in 1994 and 2002, respectively, the *Globo* group stepped back in its foreign investments by selling its stock exchange shares in Italy and Portugal, claiming that the costs for those investments were high and the returns were low. With this movement, the company intended to optimize its resources and reduce financial risks before achieving new goals.

In the 2000s, Globo group adopted a new strategy that was more active in the foreign market, consisting of (1) the development of new international co-productions; (2) establishing new deals with strategic partners; (3) creating new TV programs, and channels and formats, especially to the foreign public; (4) having a customer portfolio for each continent; (5) making bigger investments in marketing; (6) producing a greater variety of documentaries and miniseries. This set of steps was efficient to mark the group's presence globally, and Globo become the 14<sup>th</sup> biggest media conglomerate in the world in 2016, according to the ZenithOptimedia agency. In 2022, the market value of Globo Group was about 15,8 billion *reais*.

Nevertheless, even though Globo had invested in new products for its international portfolio, the soap opera continued to be the most profitable and exportable product of Globo group. Since the implementation of the group's new set of strategies described above, the soap operas have achieved new records of exportation (Appendix 4). Among the productions that were successful among the international public, the following must be highlighted: "*O Clone*" (2001) ("The Clone"), "*Caminho das Índias*" (2009) ("India- a Love Story"), and "*Passione*" (2010). The high point of these soap operas for other markets was precisely their mixed locations between Brazil and other countries such as Morocco, India, and Italy, respectively, thus generating the identification of audiences outside Brazil.

Beyond all records, there was "*Avenida Brazil*" (2012) ("Brazilian Avenue"). This was the most exported Brazilian drama of all time, according to Appendix 6, being exhibited in 148 countries. "*Avenida Brazil*" was notable for its Brazilianness in aspects like language and ambiance, with a plot about revenge and social differences in Rio de Janeiro. In Brazil, the soap's last chapter caused the country's streets to be empty during exhibition and the then President Dilma Rousseff even had to put off an official discourse to after the episode was finished. Internationally, the production was exhibited at noble hours in Colombia, Mexico, and other countries that had the tradition of exhibiting their soap operas at this hour.

However, despite such great success, in the 2010s soap operas had to deal with a new source of competition: streaming series, which have since that decade become the new standard of audiovisual content. According to research by the Brazilian Institute of Public Opinion (IBOPE), by 2020 (Appendix 1), the audience of streaming channels in general (Netflix, Amazon Prime, Disney +, HBO Max, and others) was larger than that of pay TV and open channels in Brazil, except TV Globo. It is worth highlighting that this movement is associated with the advance of internet, which in 2010 already had 72 million users in the country, according to the Brazilian Internet Steering Committee, published by Agência Brasil.

In an attempt to adapt to the new tastes of national and international audiences, in 2011 the TV Globo launched a new schedule of soap operas. At 11 pm, it started to exhibit remakes of big successes of the past. Later, it began to exhibit unreleased

productions with grown-up content. In 2015, with the exhibition of “*Verdades Secretas*” (“Hidden Truths”), Globo group saw its sales growing in the international market. The production meant a new milestone for TV Globo, and, after the launch of Globoplay, started to be offered online and on-demand.

The success of “*Verdades Secretas*” in the streaming platform opened the eyes of the company’s executives, mainly with regard to the diversification of profits as brought by the new platform. One of the determinant factors for this success was the difference between the 11 pm soap operas in comparison with the others. For the first time, the plot of conventional soap operas was mixed with streaming series elements, which, beyond having a smaller number of chapters, were a production model traditionally adopted and watched by audiences in other countries. Given this difference, as of 2017, TV Globo started naming the productions exhibited at that hour “super series”.

In 2021, to test if the “super series” could compete with international series available on streaming platforms, the Globo Group launched the sequence of “*Verdades Secretas*” on its platform. The sequence was the most watched content in Globoplay, with about 9 million hours watched by the public in the first week. Therefore, Angela Colla, Head of Sales from Globo International Distribution, observed a change in the pattern of how the group could monetize its productions internationally. It remained to be seen whether the potential brought by streaming could bring more returns than the former model of production, sales, and international partnerships adopted by the company until then.

### **3. DILEMMAS INHERENT TO THE LAUNCH OF THE NEW “PANTANAL”**

The original production of the soap opera “*Pantanal*”, launched by TV Manchete in 1990, was a great success among audiences and the public opinion and, as it was until then, the only soap opera not produced by Rede Globo to frequently reach the mark of more of 40 audience points at IBOPE. Furthermore, the original version of the production has recently occupied the Top 5 in *Veja Magazine’s* ranking of the best Brazilian TV soap operas of all time (Appendix 7).

When innovating in 1990 by displaying the landscapes of the predominant biome in the Brazilian Center West, the images of exuberant, practically

untouched fauna and flora showed by “*Pantanal*” impressed the public. For the new version, however, the scenario was very different. More than 30 years after the release of the original version, *Rede Globo* knew that the new shootings at some point would share space with a nature shaken by deforestation, very different from the almost untouched beauty of before.

In reality, part of the motivation for producing a remake in 2020 came from the high impact of the biome in the international media. Since 2019, the Pantanal has been suffering from an increase in intense drought and fires caused by human action. Consequently, it has become increasingly common to observe the protests of large international organizations such as Greenpeace and the World Wildlife Fund, as well as national NGOs linked to the environment, celebrities, and politicians for the preservation of the mostly Brazilian biome (around 77% of the territory of Pantanal is located in the country).

Angela Colla already knew that the repercussions of the remake could be huge among national and international audiences, based on the inclusion of a discussion about environmental preservation and sustainable development in the production’s plot. A big unknown factor was, however, whether this could be converted into revenue for the company. The group executives knew that, despite the high growth rates of streaming in recent years, the platform continued to be seen as a high-risk investment. Until then, to sustain this risk, Globo Group had concentrated its biggest investments and launches on open TV, precisely because this was considered safer. However, the conservative strategy of only reinvesting part of this surplus to leverage the platform generated a feeling of missed opportunities for the group’s most innovative executives.

Given all the potential that was presented and the investment involved, it was almost certain for Globo’s International Distribution department that the soap opera should be present in the product catalog for sale on the international market. However, since Globo Studios was willing to make the biggest investment ever made in a production of this type when compared to other national products, it was necessary to be sure that the production would also be a success on the international market.

To immediately export the content, it was up to Globo International Distribution’s Head of Sales to analyze the variables to decide the best format to be adopted by the remake, so that it was possible to generate a pos-

itive impact on audiences in the national and foreign markets. The challenge was indeed enormous given the different characteristics that both groups had historically presented in the consumption of audiovisual content. At that time, there were two options: 50 chapters, a series format exclusive to the Globoplay platform and which was closer to the model adopted by international series; or a soap opera with 200 chapters in traditional format, shown during prime time television. This, however, meant much more than a simple decision, as the path to be followed would signal the continuity or rupture of the channel's main strategy, adopted for product launches until then.

The first option, shorter and exclusive for Globoplay streaming, could bring new subscribers to the platform, in addition to being more aligned with the preferences of international consumers. On the other hand, the second option, which proposed a soap opera produced for open TV, placed Rede Globo in its comfort zone as it was a format for which the brand was already recognized worldwide given its export history, in addition to bringing in potential partners for the sale of exhibition rights.

Amid a clear division between the group's executives, Angela knew the importance of positioning the international distribution division. The big question was, which way to go?



## 4. TEACHING NOTES

### 4.1. Learning objectives

The case aims to place students in the position of executive Angela Colla, Head of Sales at Globo International Distribution, so that at the end of the discussion they should be able to:

- Acquire knowledge about different product launch strategies on the international market;
- Understand how paradigm shifts in the consumption of audiovisual products in Brazil and around the world affect companies in the sector;
- Apply the value, rarity, imitability and organization (VRIO) model to international product standardization and adaptation strategies.

### 4.2. Target audience

The case is recommended for undergraduate and graduate students in the area of business administration and international business, in the disciplines of company internationalization, international marketing, and innovation, so long as they wish to address topics such as international strategies, standardization or adaptation of international products, and new business models as multisided platforms.

### 4.3. Information sources

Data collection took place between May 2022 and January 2023, through secondary data sources such as scientific and journalistic articles, as well as other information from published company reports.

### 4.4. Teaching planning suggestion

Questions for small group discussion:

1. What new paradigm of consumption of audiovisual products is being discussed in this case? How does it differ from the previous standard?;

2. What strategies could be implemented by Globo Group to make its Globoplay streaming platform rival the leaders in the segment?;
  3. In the position of Angela Colla, the protagonist of the case, what is your suggestion for the launch model to be adopted in the case of the remake of Pantanal? Take into account the risks and values of the investment associated with the project;
  4. How could a possible change in the release pattern of Globo group's soap operas affect its relationship with other international broadcaster partners?;
  5. How valuable, rare, and difficult to imitate are each of the proposed launch models? How organized is Globo Group to implement each of these models?
- Class plan:

This class plan considers that there has been prior preparation of the students and a 2-hour class, with the following division:

- Start of class and division of the class into small groups of 5 students (5 minutes);
- Discussion in small groups (40 minutes);
- Presentation of the case by the instructor (10 minutes);
- Plenary discussion (60 minutes);
- Closure (5 minutes).

It is suggested that, after dividing the class into small groups, the instructor distributes assignment questions from 1 to 5 to generate a first stage of discussion. Once this part is completed, it is suggested that the instructor request the groups to return to the classroom to begin the second stage of plenary discussion. For this stage, a discussion guide is suggested by the instructor, which is divided into introduction, analysis, and closing, as shown below. It is worth noting that adaptations to the teaching plan are welcome to adjust to the profile of the group and the subject being discussed.

#### Introduction

It is suggested to warm up the discussion by asking, during the initial minutes, that students contribute to the contextualization of how the process of internationalization of Globo's audiovisual products

took place over the years. At this point, the instructor can ask the class the following question:

*Given the context of the case, what are the advantages and disadvantages of each release model for the remake of “Pantanal” for Globo Group?*

At this point, the instructor should make notes on the board with the students’ main contributions (Tables 1 and 2).

As the main spaces are filled, the instructor can move on to the first discussion question, as follows.

#### Analysis

*Discussion question 1: What transformations are taking place in the audiovisual and entertainment industry, and which affect the paradigm to which Globo Group has been guiding the launch of its main productions?*

In the last decade, streaming services have become increasingly popular in Brazil and attracted a considerable proportion of consumers of audiovisual products, coming to occupy the second place in the IBOPE 2020 audience ranking, with 15.1%, behind TV Globo only, with 32.6%. In Brazil, the first platform was Netflix, which has been present in the country since 2011. Many other platforms subsequently arrived, given the country’s significant demographic size (almost 220 million inhabitants), and the consequent market potential for television distributed by the country’s internet (Meimaridis, Mazur, & Rios, 2020). If, in 2011, Netflix was the first and only streaming plat-

form in the Brazilian market, in 2022 it was already possible to observe at least 33 other players (Cardoso, 2022). Figure 1 shows the main streaming services available in Brazil in 2022, as well as their respective market shares.

Following in the footsteps of the pioneer, Netflix, streaming platforms in Brazil began to offer foreign audiovisual products that consumers were previously only able to access through unconventional means, and which sometimes violated companies’ property rights. Furthermore, these platforms managed to attract consumers by making content available without commercial breaks, with profits coming from customer subscriptions and not from advertising brands, thus causing significant changes in advertising and the business monetization model. It is also worth highlighting that this movement has followed the increase in internet access in the country. If in 2010 this number corresponded to 72 million people, in 2020 there were already 152 million users, meaning that 81% of the Brazilian population over ten years of age had internet access at home (Léon, 2021). Now, with greater availability of platforms and content options, the amount of time viewers formerly made available for open TV has been directly affected.

Over time, the consumption habits of American-style series and the specific format of productions for streaming shaped the preferences of Brazil-

**Table 1.** Assumption of possible answers regarding the advantages of each model.

TV	Streaming
Considered a safe investment, compared to other audiovisual product models.	Possibility of attracting new subscribers to the Globoplay platform.
Brazilian soap operas are known worldwide for their quality.	Format more aligned with consumer preferences in the streaming era.
Possibilities of considerable profits with advertising during commercial breaks.	On-demand content.
Possibility of adapting the script to the audience’s expectations throughout the plot.	Similar to the format of foreign series, depending on the preferences of audiences, both international and national.

**Table 2.** Assumption of possible answers regarding the disadvantages of each model.

TV	Streaming
Opportunity cost for producers due to the impossibility of investing in other rising models such as streaming itself.	Considered a higher-risk investment, since the company does not have a vast history of production in this model.
Less aligned with consumer preferences in the streaming era.	Production quality may not reach that of competitors.
The model has been losing its audience to streaming.	Impossibility of profits with commercial breaks.

ian consumers. A new way of consuming content has been created, which is to watch several episodes at once, as there are no commercial breaks and there is no schedule like on open TV — a behavior called “binge-watching” (Ballerini & Künsch, 2022).

In view of this, Globo, like other broadcasting companies, noticed the movement of consumers towards new forms of audiovisual consumption and has sought to establish itself as a “technology and content company” (Ballerini & Künsch, 2022) since 2015. Thus, national television fiction began to seek and dialogue with new forms of content production, sharing, and distribution, in order to maintain its centrality in the Brazilian audiovisual scene (Lemos & Lopes, 2020), in addition to reinforcing its international position.

Now, the challenge for Globo Group is to establish itself internationally in this new environment, relying on its still predominant position in the national audiovisual market, but facing the universality of streaming platforms in the North Atlantic (Meimaridis, Mazur, & Rios, 2020). However, in Latin America there is still a strong tendency towards the melodramatic arc of soap operas, so new platforms also seek to apply this to their productions, aiming for a cultural approach (Lemos & Lopes, 2020), which national open TV already has.

Thus, from the 2010s onwards, with such popularization of North American series and streaming platforms, there was a trend towards the “serialization” of soap operas and “telenovelization” of series.

While the first phenomenon can be exemplified with “*Verdades Secretas*” (Globo, in 2015) (Ramos & Caravela, 2021), the second, “*Coisa Mais Linda*” (Netflix, in 2019), although it has the series’ episode format, it also relies on a melodramatic narrative that is characteristic of soap operas. Both phenomena would, in this sense, be reflections of competitive pressure between audiovisual producers (Lemos & Lopes, 2020).

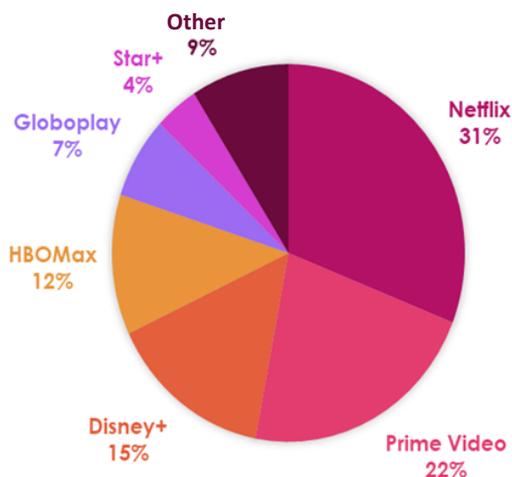
Therefore, the current scenario of narrative and techno-market rearrangements, within the scope of national and global audiovisual production, increasingly involves new media (streaming platforms) and traditional media (regular TV), in that both have made attempts to approach the other with the goal of taking over some of its competitor’s audience of (Lemos & Lopes, 2020).

It is in this scenario that Globo Group decided to create its streaming platform, Globoplay, in 2015. Initially, the difference between this platform and others was the possibility of free user access to watch the open TV Globo channel live on the internet, in addition to on-demand access to some of the broadcaster’s content. In the paid version, there was still the difference of watching other channels of the group only shown on pay TV (such as GloboNews, GNT, and SporTV, among others), in addition to series on streaming platforms.

Furthermore, like other platforms, Globoplay also invested in creating its own original content. This type of content was launched by Netflix, with the 2013 series “House of Cards”, as an alternative to tougher negotiations with rights holders on the distribution of licensed works. Subsequently, the production of original content, not only by Netflix but also by its competitors, became a way of building customer loyalty. Thus, originals have become major differentiators for platforms, such as HBO’s “Game of Thrones”; Disney+’s “Loki”; or Amazon Prime Video’s “The Lord of the Rings: The Rings of Power”. Globoplay, in turn, had as its biggest original series “*Verdades Secretas II*” (which, in reality, mixes the series format with the soap opera format), of 2021, and “*Sob Pressão*” (2017–2022). However, the number of original productions acclaimed by Globo’s audience is still low compared to that of the pioneer Netflix, which has works such as “The Crown”, “Narcos”, “Stranger Things”, “La Casa de Papel”, and “Round 6” (Amaral, Pereira, & Conejero, 2021).

More recently, Globoplay’s biggest difference lies in a strategy that began to be implemented in 2020: the availability of its classic soap operas, the ones that

### MARKET SHARE % BY PLATFORM



Source: adapted from Alves (2022).

**Figure 1.** Market share of streaming in Brazil in the second trimester of 2022.

marked an era on TV. This movement caused the platform to gain an additional 2.5 million subscribers, going from 4 to 6.5 million from 2020 to 2021 (Ramos & Caravela, 2021). Such a strategy is a gain not only in terms of the number of subscribers but also because it provides an emotional memory to this audience that competitors will be unlikely to reach, and without significant extra expenses, given that the content has already been produced and is stored in Globo Group's collection.

One question that remains, however, is how long this strategy by Globoplay will work. This is because nostalgia for classic soap operas does not affect every generation, but only older ones. The younger generations were already born into the world of streaming, and do not necessarily see the same value in such historic productions. Therefore, as generations pass, Globo Group will need to continue innovating to develop other sources of competitive advantage over its competitors.

After covering the main points of the first discussion question, the instructor can then turn to the second part of the case analysis, as suggested in discussion question 2:

*Discussion question 2: Given the change in business models and customer consumption patterns in recent years, what would be the best strategy for launching the remake of "Pantanal" on the international market?*

A company's strategy is the planning of actions in which managers make the best use of the company's resources and skills to gain competitive advantages. The international strategy is one in which these skills and resources need to be allocated to two or more countries (Riesenberger, Knight, & Cavusgil, 2020). In this sense, when it comes to international expansion, to decide the best strategy, managers and strategists consider factors such as the company's goals and objectives, targeted profit, market share, and competitive position; the available financial, technological and organizational resources and capabilities; the degree of risk that management is willing to take; the characteristics of the product or service to be offered; the nature and ability to compete with existing competing companies or companies that may enter the market in the future; and the availability of partners in the market (Riesenberger et al., 2020).

Furthermore, according to Riesenberger et al. (2020), it is also necessary to think about the global marketing strategy, that is, the action plan for foreign markets that guides the company on how to position

itself and whether it should standardize or adapt its products. For him, adaptation would mean modifying a product to accommodate the requirements of one type of consumer, while standardizing would mean standardizing products to cover regions or markets around the world that offer the same service.

According to Vontriss, Trassou and Lamprianou (2009), the standardization strategy has the following advantages: (1) cost reduction, (2) better planning and control, and (3) the possibility of building a consistent image and a global brand. On the other hand, the advantages of adaptation are: (1) it more accurately meets consumer needs, (2) it more easily complies with government regulations in each location, and (3) it achieves greater success in combating consumer resistance. That said, in the case of audiovisual production in the 2020s, adaptation means productions closer to the North American streaming model, while standardization means following the established audiovisual model of soap operas, where exhibition rights are passed on to international partners.

To carry out an analysis of the best strategy to be followed by Globo Group, it is suggested here to develop a VRIO structure. According to Messineo (2018), VRIO analysis is a strategic planning tool designed to help organizations discover and protect the resources and capabilities that give them a long-term competitive advantage.

In this context, to understand each of the parts of the acronym, the following questions are asked 1) Value: does the company offer a resource that adds value to its customers? 2) Rarity: does the company control a scarce resource? 3) Imitability: is it difficult to imitate the resources and capabilities offered by the company? 4) Organization: does the company have management systems, processes, structures, and culture organized to capitalize on resources and capabilities?

This analysis was developed by Barney and Hesterly (2011), and describes the company's competitive position, based on the examination of the four VRIO factors, as shown in the Table 3:

According to the Table 3, if the company's resource has no value, it is at a competitive disadvantage, so there is no reason to invest in this resource. If the resource has value but is not rare, the company is at competitive parity, so it does not have an advantage over other companies. When the resource has value and is rare, but imitating it is not difficult, the company has a temporary advantage, since other companies can reproduce the re-

source. When the resource has value, is rare, and is difficult to imitate, but the company does not exploit it, it is said that the company has an unexploited competitive advantage. However, if this resource is being adequately exploited, the company is said to have a sustainable competitive advantage (Barney & Hesterly, 2011).

The Table 4 shows the application of the VRIO analysis for the standardization of the remake of “*Pantanal*” by Globo Group.

The Table 5 shows the application of the VRIO analysis to the adaptation of the remake of “*Pantanal*” by Globo Group.

Therefore, the standardization model would present a sustainable competitive advantage for the brand’s national as well as international tradition. In turn, the adaptation model would present this advantage only nationally, being at a competitive disadvan-

tage internationally when it comes to productions in the North American model of series for streaming.

In terms of experience in each type of production, soap operas (standardization model) would also present a sustainable competitive advantage. This is because TV Globo’s soap operas follow the so-called Globo Quality Standard, recognized worldwide by the public and other producers. However, Globo Group does not have relevant experience in producing series for streaming. Its biggest success, “*Sob Pressão*” (2017–2022) is a production far from the quality and acclaim of the public and critics compared to Netflix ones, for example. Finally, it is at competitive parity when it comes to exclusive production in both models, adaptation or standardization.

Given the surveys, Globo International Distribution will observe the trends in the audiovisual industry for the coming years and what challenges will be faced.

**Table 3.** Value, rarity, imitability and organization (VRIO) framework analyses.

Does it have value?	Is it rare?	Is it difficult to imitate?	Is the company organized to produce?	Competitive position
NO				Competitive disadvantage
YES	NO			Competitive parity
YES	YES	NO		Short-term competitive advantage
YES	YES	YES	NO	Unexploited competitive advantage
YES	YES	YES	YES	Sustainable competitive advantage

Source: Barney and Hesterly (2011).

**Table 4.** Value, rarity, imitability and organization (VRIO) analysis for standardization.

Resource	Valuable?	Rare?	Difficult to imitate?	Explored by the organization?	Competitive position
Brand tradition in the national territory	YES	YES	YES	YES	Sustainable Competitive Advantage
Brand tradition internationally	YES	YES	YES	YES	Sustainable Competitive Advantage
Experience in this type of production	YES	YES	YES	YES	Sustainable Competitive Advantage
Open TV audience	YES	YES	YES	YES	Sustainable Competitive Advantage
Exclusive Production	YES	NO	NO	YES	Competitive Parity

It will therefore be up to Angela Colla to recommend, among the two alternatives raised, the one that will make the most sense for the company.

#### Closing Remarks

At the end of the discussion, the instructor can wrap up the case with a poll among the participants, leading them to put themselves, once again, in the protagonist's shoes, as suggested:

*Among the alternatives of standardization into a traditional soap opera model or adaptation into a streaming series model, which one would you recommend for the remake of "Pantanal"? Justify your answer.*

#### 4.5. Disclaimer

This teaching case was constructed based on information collected from secondary sources and through participant observation by one of the authors. Some of the facts and dilemmas narrated here are fictitious and do not necessarily represent the official opinion or point of view of the protagonists or the organization. Furthermore, the authors declare that they have no conflict of interest to report, and did not receive any type of financial assistance in the development of this research.

#### 4.6. Theoretical Links

Messineo, RJ (2018). *Explaining the VRIO Framework (With A Real-Life Example)*. ClearPoint Strategy. Retrieved from <https://www.clearpointstrategy.com/vrio-framework/>

Note: This reading is suggested for the teacher, to provide a better understanding of the type of VRIO analysis.

Instituto Brasileiro de Opinião Pública e Estatística (IBOPE) (2022). *IBOPE Media 2022*. IBOPE.

Note: This reading is suggested for students, to provide a better understanding of new trends in the audiovisual market.

Riesenberger, J., Knight, G., & Cavusgil, T. (2020). *International Business: The New Realities* (pp. 354-357). Pearson.

Note: This additional reading is suggested for interested students if they want to better understand the different strategies for entering the foreign market.

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**Table 5.** Value, rarity, imitability and organization (VRIO) analyses for adaptation.

Resource	Valuable?	Rare?	Difficult to imitate?	Explored by the organization?	Competitive position
Brand tradition in the national territory	YES	YES	YES	YES	Sustainable Competitive Advantage
Brand tradition internationally	NO	NO	NO	YES	Competitive Disadvantage
Accessible Platform	YES	NO	NO	YES	Competitive Parity
Exclusive Production	YES	NO	NO	YES	Competitive Parity

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**Appendix 1.** Brazilian Institute of Public Opinion (IBOPE) national audience research, May 2020.

Ranking	Channel	Points	Percentage (%)
*	TV broadcasters in Brazil	33.9 points	84.9
1º	Globo	15 points	32.6
2º	Streaming platforms operating in Brazil	7 points	15.1
3º	Paid channels	6.3 points	13.7
4º	Record	5.5 points	12
5º	SBT	5 points	10.8
6º	Band	1.5 points	3.2
7º	RedeTV	0.6 points	1.4

Note: Rating points correspond to IBOPE's daily average. IBOPE only considers content watched via television; it does not consider those viewed via cell phone, notebook, or tablet. Each point corresponds to the sample of 250 thousand households from the 15 largest metropolitan regions in Brazil.

Source: based on IBOPE (2020).

**Appendix 2.** Brazilian Institute of Public Opinion (IBOPE) National Audience Research, 2022.

TV broadcasters operating in Brazil	79%
Streaming platforms operating in Brazil	21%

Note: This research did not analyze the audience of each broadcaster separately.

Source: based on the IBOPE (2022).

**Appendix 3.** Characteristics of soap operas.

<b>Duration</b>	200 250 chapters
<b>Plots and subplots</b>	Main story that relates to smaller ones, and can contain up to 20 parallel conflicts
<b>Narrative</b>	Fictional
<b>Concerns</b>	Discussion of everyday social reality
<b>A permanent source of media agenda</b>	Magazines and television programs focus on soap operas
<b>Universal referent</b>	Portrays and determines behavior
<b>Hybrid identity</b>	People move between different cultures
<b>Market</b>	Defined by culture and media
<b>Open Work</b>	Written while exhibited

Source: Valentim (2007).

**Appendix 4.** Biggest soap opera producers in Latin America (2011).

Ranking	Producer	Country of Origin
1st	Televisa	Mexico
2nd	TV Globo	Brazil
3rd	Telefe	Argentina
4rd	RCN	Colombia
5th	TV Azteca	Mexico
6th	Telemundo	United States*
7th	Venevisión y Radio Caracas TV	Venezuela

\*Telemundo's productions have Latino origins and are sold to Latino communities within the United States; \*\*This measurement is based on the number of soap operas produced.

Source: Barros and Medina (2011).

**Appendix 5.** Timeline: Rede Globo and the internationalization of soap operas.

Year	Event
1950	Arrival of Television in Brazil
1951	Beginning of telenovela broadcasting in Brazil
1964	Foundation of TV Globo
1966- 1995	Creation and implementation of the Globo Quality Standard
1968	TV Tupi exhibited “Beto Rockfeller”, the first scripted soap opera in Brazil. It marked the beginning of the “Brazilianization” of Brazilian soap operas.
1973	TV Globo exhibited “O Bem Amado”; the first national soap opera in color and the most “Brazilian” of the soap operas until then. It was also the first national soap opera to be exported to Latin American countries.
1976	TV Globo founded the International Business Department.
1977	TV Globo broadcast “Gabriela”, the first Brazilian soap opera to be sold to Europe.
1985	Rede Globo bought 90% of the Italian TV Internacional Telemontecarlo.
1989	Idealization of PROJAC.
1992	Rede Globo acquired 15% of the Portuguese Sociedade Independente de Comunicação.
1993	Rede Globo sold its share of Telemontecarlo.
1995	Inauguration of PROJAC.
2000	Globo Group took a more proactive stance in the foreign market, adopting new strategies.
2002	Rede Globo sold its stake in the Portuguese Sociedade Independente de Comunicação.
2012	TV Globo aired “Avenida Brasil”, the biggest internationalization success of Brazilian soap operas.
2015	Globo Group created Globoplay, its own streaming platform.

**Appendix 6.** The best Brazilian soap operas produced until 2016.

Soap opera	Exhibition in Brazil	Score (min. 1 - max. 10)	Broadcasters	Ranking
<i>Beto Rockfeller</i>	1968 – 1969	4	TV Tupi	8 <sup>th</sup>
<i>Que Rei sou eu?</i>	1989	4	TV Globo	7 <sup>th</sup>
<i>O Rei do Gado</i>	1997 – 1998	4	TV Globo	6 <sup>th</sup>
<i>O Bem Amado</i>	1973	5	TV Globo	5 <sup>th</sup>
<i>Pantanal</i>	1990	6	TV Manchete	4 <sup>rd</sup>
<i>Roque Santeiro</i>	1985 – 1986	8	TV Globo	3 <sup>rd</sup>
<i>Vale Tudo</i>	1989	9	TV Globo	2 <sup>nd</sup>
<i>Avenida Brasil</i>	2012	9	TV Globo	1 <sup>st</sup>

Note: The ranking score was determined by the number of votes received by each soap opera. The voters were leading experts on Brazilian television invited by *Veja Magazine*. They voted for the productions they thought were the best produced in terms of script and audience reception.

Source: Redação (2016).

**Appendix 7.** Brazilian soap operas most exported until 2021.

<b>Soap Opera</b>	<b>Year of exhibition</b>	<b>Hour of exhibition</b>	<b>Number of countries that exhibited</b>	<b>Genre</b>	<b>Broadcaster</b>
<i>Avenida Brasil</i>	2012	8 pm	148	Drama Thriller	TV Globo
<i>Totalmente Demais</i>	2016	7pm	135	RomCom	TV Globo
<i>A Vida da Gente</i>	2011	6 pm	132	Chronicle	TV Globo
<i>Caminho das Índias</i>	2009	8pm	117	Drama Romance	TV Globo
<i>Da cor do Pecado</i>	2004	7pm	107	Romance	TV Globo
<i>O Clone</i>	2001	8 pm	107	Romance Science fiction	TV Globo
<i>Insensato Coração</i>	2011	9pn	100	Drama Romance	TV Globo
<i>Passione</i>	2010	8pm	91	Drama Thriller	TV Globo
<i>Império</i>	2015	8pm	88	Drama	TV Globo
<i>Laços de Família</i>	2000	8pm	86	Chronicle	TV Globo

Source: Gilard, Wolff and Nunes (2021).



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