THE STREAMING WARS IN THE GLOBAL PERIPHERY: A GLIMPSE FROM BRAZIL

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ABSTRACT
Considering the current proliferation of video streaming platforms as a worldwide phenomenon, this article analyzes how countries in the global periphery are adapting to this effervescent scenario, characterized by the expression "streaming wars." This research offers a glimpse of Brazil's audiovisual industry and tries to understand how American streaming companies are penetrating this market and how the local media conglomerates are reacting. In order to maintain their dominance in the region, free-to-air networks, pay-tv networks, and Brazilian telecommunication companies are using different strategies, either creating their own platforms or partnering with pre-established ones in favor of strengthening themselves. Given Brazil's particular television organization, based largely on a few broadcast networks, local media conglomerates have fostered a mutualistic relationship with their streaming platforms. The largest national streaming company, Globoplay, has stood out in the local market: not only making TV Globo's productions available but also producing original content and offering foreign series exclusively. Because traditional television consumption is deeply rooted in the country, several different strategies are required if TV Globo aims to transform viewers into Globoplay subscribers. The Brazilian case study reveals nuances and strategies from a media industry in the global periphery.

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1. INTRODUCTION

Throughout the last decade, streaming services have become increasingly popular as a form of entertainment across the globe. Currently, however, the largest ad-free services in the world[1] are both American companies: Netflix, with over 167 million subscribers,[2] and Amazon Prime Video, with just over 150 million subscribers.[3] Nevertheless, with the increase in the consumption of internet-distributed television, this market in the United States is rapidly becoming crowded with media conglomerates investing in their own platforms. In 2019, Apple TV and Disney+ launched their services in the U.S., whilst Warner Media and NBCUniversal are poised to launch theirs in 2020. Many television critics and media insiders have framed the rise of multiple platforms in the country's audiovisual industry as the so-called "Streaming Wars". Considering the combative notion of "war" is well placed, in this paper we will focus on the battles being fought in a prominent peripheral market, specifically the clashes between local media conglomerates and the arrival of American-based streaming companies in Brazil.

The literature has approached the popularization of American streaming services and the rise of new competitors in the country's audiovisual landscape (Sanson and Steirer 2019; Snyman and Gilliard 2019). Yet, there has also been academic interest in the disputes between the local and the global when it comes to the expansion of internet-distributed television around the world. Some authors have taken a more general and globalized approach (Jenner 2018; Lobato 2019), others have focused on certain regions/countries as in Latin America (Baladron and Rivero 2019; Straubhaar, et al. 2019), Australia (Rios and Scarlata 2018), Israel (Wayne 2019), India (Fitzgerald 2019), among others. Through a review of the literature and a revision of trade press coverage that touch upon the strategies used by streaming companies in Brazil, this paper strives to contribute to these discussions and to broaden the understanding on how U.S. based streaming companies are penetrating the Brazilian market, disrupting its audiovisual industries and how the local media conglomerates are fighting in the streaming wars.

In sheer numbers, Brazil is the second-largest economy in the Americas, second in population with approximately 210 million people in 2019,[4] and fifth in internet users.[5] The biggest country in Latin America, Brazil is an important player in the global peripheries. Since the 1960s the country has become known for its *telenovelas*[6] that are exported and consumed around the world (Hamburguer 2011, Mattelart and Mattelart 1989). Brazil is the only Latin American country present in the 2019 index of the thirty largest Soft Power countries in the world.[7] Despite its demographic size, the television industry in Brazil remains centered on just a few free-to-air networks and its cable TV is still limited to a small portion of the population (Reis 1999). Although there was a considerable rise in cable subscriptions from the mid-2000s to 2014, when they reached an all-time high with 19.6 million subscribers,[8] these have been in decline given the country's current unemployment and financial crisis and the growth of the cord-cutting trend. Currently, cable television in Brazil is still one of the most expensive pay-TV services in the world and reaches 15.9 million subscribers, according to the *Associação Brasileira de Televisão por Assinatura* (Brazilian Pay-TV/ Telecom Association).[9]

Relatively inexpensive compared to pay-TV subscriptions and with catalogs filled with desirable foreign con-

1 We recognize that there are streaming platforms with more users than Netflix and Amazon Prime Video in the world. China's iQiyi for example, has 600 million non-paying subscribers, but only 100.5 million paying users. https://www.chinadaily.com.cn/a/201906/26/WS5d130de5a3103dbf1432a5fe.html. Yet, here, we are only considering those that are ad-free (last accessed 21-06-20).

2 As of January 24, 2020, Netflix had 167 million subscribers worldwide. https://www.businessinsider.com/netflix-market-share-of-global-streaming-subscribers-dropping-ampere-2020-1?fbclid=IwAR07v4av1q_LZBUaUc14DgY3WLLaTRGanW1fHHSLVjesksyVoeOGzVSQ5k8 (last accessed 21-06-20).

3 As of February 3, 2020, Amazon had surpassed 150 million subscribers of its prime membership, which includes access to prime video. https://www.businessinsider.com/amazon-surpasses-150-million-prime-subscribers-2020-2?fbclid=IwAR2Lg9Gfk3ZULjekOxQPcXVcRMWJi1F6yDfsDOkv0fR0qrFtrhh8DvT8OsI (last accessed 21-06-20).

4 https://agenciadenoticias.ibge.gov.br/en/agencia-press-room/2185-news-agency/releases-en/25283-ibge-divulga-as-estimativas-da-populacao-dos-municipios-para-2020 (last accessed 21-06-20).

5 https://www.internetworldstats.com/top20.htm (last accessed 21-06-20).

6 The choice for the Latin term *telenovela* is purposeful. According to Hamburguer (2011), unlike the American soap operas that last for years, the *telenovelas* produced in Brazil and in other Latin American countries are limited works, staying on the air on average seven to nine months, with daily episodes and not divided into seasons. Added to this, the place of *telenovelas* is of great importance on the Brazilian television channels: prime-time is reserved for them, which again differs from soap operas, that are mostly shown during the day-time.

7 The "Soft Power 30" ranking is released annually by the Center of Public Diplomacy at the University of Southern California and Portland Communications since 2015 and lists the countries with the greatest potential for soft power in the world each year. According to the ranking released in 2019, Brazil improved from the 29th to the 27th position. For more information: https://softpower30.com/ (last accessed 21-06-20).

8 http://www.abta.org.br/dados_do_setor.asp (last accessed 21-06-20).

9 http://www.abta.org.br/dados_do_setor.asp (last accessed 21-06-20).

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tent, streaming services as Netflix and Amazon Prime Video quickly became popular with Brazilians. The first arrived in Brazil in 2011, whilst the latter became available only in 2016. Since then other streaming platforms have launched in the country, such as HBO GO and Fox Play, both associated with pay-TV channels. Despite the growing number of competitors in Brazil, Netflix is still the most popular and largest streaming service in the country, with roughly 10 million subscribers.[10] Given the streaming market's great potential in Brazil, local conglomerates, striving to maintain their dominance, have started to launch their own platforms. Some are attached to local broadcasting networks, as Record TV's Play Plus. Others are triple-play services associated with telecommunications companies, as Telefonica Brasil's Vivo Play. Despite the multiple services available today, Brazil's largest media conglomerate, the Grupo Globo, has launched its own service called Globoplay, currently the largest native platform in the country. In order to fight in the streaming wars, Globoplay has a catalog filled with national content from TV Globo, original shows just for subscribers and foreign exclusive content. It is noteworthy that this particular streaming service has at its disposal the broadcast channel TV Globo, the country's largest network, and uses the channel to promote shows available in its catalog.

To understand the present case, we start-off presenting a brief overview of Brazilian television. Next, we analyze the arrival and popularization of foreign streaming platforms in Brazil. Lastly, we evaluate how local media companies have dealt with this popularization and the disruptions caused by these foreign streaming services in the local market. Because of its size and ties to the Grupo Globo, we will be focusing our analysis on Globoplay.

2. THE LAY OF THE LAND

Television is strongly present in the everyday life of Brazilians since its arrival in the 1950s. It's also a part of the history of the country's national integration since the formation of a distribution network and the construction of the television industry were essential to the development of the country's national and media integration (Mattelart and Mattelart 1989). Brazil has a market-oriented television system, where private companies have public concessions for their free-to-air channels. After two decades of development, a major change in the structure of free-to-air networks in the Brazilian TV can be observed: in 1965, TV Globo was inaugurated after the dictatorship's regime intervened in its favor (Mattelart and Mattelart 1989).

The Grupo Globo began to consolidate itself as the largest Brazilian media conglomerate in the country (Becerra and Mastrini 2009), dominating the radio and television system, especially investing in *telenovelas*. There is no denying this format's strength in the country, which not only has daily episodes but also dictates trends and puts social discussions in vogue (Lopes 2009). The *telenovelas*, not only in Brazil but also in Latin America in general, point to stylistic codes, as well as cultural tones (Mazziotti 2006), which represent national diversities in their fictional representations that circulate especially in the regional market.

The *telenovela* is the most popular and lucrative genre on Brazilian national television (Lopes 2009, Mattelart and Mattelart 1989). Brazil was the first country in Latin America to air its *telenovelas* during prime time, giving these productions prestige and a wide audience. This genre addresses several themes in its narratives, dealing with issues related to the country's daily life. Characterized by their many chapters and by being open-ended narratives, these productions are expensive, but they achieve the prodigy of uniting the country within an idea of a linguistic and social plan, something impressive given that Brazil has more than 200 million inhabitants and an impressive cultural diversity due to its territorial extension and immigration history (Martel 2012).

Nevertheless, there are other serial narrative formats in the history of Brazilian television programming, such as the *teleteatro* and, most notably, the miniseries. The latter aired after 10 pm on TV Globo and approached themes more critically with the objective of reaching a more segmented and affluent audience than those of the *telenovelas* (Silva 2012). This same time slot is also shared with sitcoms, such as *A Grande Família* (2001-2014), and workplace dramas, such as *Força Tarefa* (2009-2011). The so-called "*superseries*",[11] such as *Onde Nascem os Fortes* (2018), are also part of the new

10 https://canaltech.com.br/mercado/netflix-ultrapassa-marca-de-10-milhoes-de-assinantes-no-brasil-150903/ (last accessed 21-06-20).

11 *Superseries* is a term strategically used by TV Globo between 2017 and 2019 to refer to serial narratives shown daily at 11 pm. The format was an attempt at a more concise *telenovela*, which brought together elements from both miniseries and *telenovelas* and lasted, on average, 3 months. The *miniseries*, in turn, were different than telenovelas because they sought a more segmented audience and had fewer chapters (generally lasting between two weeks and a month).

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styles and formats Globo had been testing in its weekly programming until 2019.[12]

Currently, there are seven large free-to-air networks in Brazil. In addition to TV Globo, there are four other prominent private broadcasters: Record TV, Rede Bandeirantes, Rede TV! and SBT. Added to these, there are also two other large public broadcasters: TV Brasil and TV Cultura. To challenge Grupo Globo's strength, Record TV and SBT structured their programming especially around foreign audiovisual products, such as Mexican *telenovelas* and American series (Nantes 2018) and, more recently, Rede Bandeirantes bet on Turkish dramas. Japanese television products were also notable on Brazilian TV from the 1960s to the 1990s (Urbano 2018).

It was only in the 1990s that pay-tv expanded in Brazil. In a short time, multiple channels emerged, each following specific themes: sports, news, religion, musical, children's, among others. With a greater variety of programs, cable television allowed the public to access new content with different formats and languages, addressing other forms of entertainment for a more targeted audience. However, unlike the United States (Lotz 2007), cable TV has never been central to the Brazilian television experience, considering the fact that, for a long time, the subscription fees were not accessible to a large part of the population (Reis 1999).

In this scenario, franchises of foreign channels such as HBO and ESPN became popular. At the same time, the Grupo Globo developed Globosat – the branch responsible for operating several cable networks. Each of these channels is focused on a specific niche audience, which allowed the media conglomerate to compete with foreign companies. For example, in the film segment, the Telecine channels represent a direct challenge for HBO in Brazil (Straubhaar and Duarte 2005). We highlight here the relevance of foreign television fiction in this scenario, mainly, American fictional series. Although they have been present on Brazilian television for decades, they were often used to fill empty spots in the scheduling. For those who had access, these broadcasters offered alternatives to the prime-time of the free-to-air networks, which was filled with *telenovelas* (Gomes 2016). According to Straubhaar and Duarte (2005: 247), the existence of niche markets is notable for both sitcoms and American action series.

As much as Brazilians were already familiar with American TV series, the exponential growth in the circulation of these products occurred in the mid-2000s with the popularization of the internet in Brazil, especially after the introduction of the broadband model. This technology facilitated the pirated consumption of foreign series. It is also in the digital environment that we observe the emergence of specific sites and communities that share episodes and subtitles autonomously. This process contributed to the existence of an audience that regularly consumes these products in Brazil (Mendes Moreira de Sá 2014).

Undoubtedly, the *telenovela* remains the main television product for domestic consumption and overseas trade. Many countries import Brazilian *telenovelas*, an impressive feat, given that Portuguese is a language with little penetration in the world, making Brazil a global center for the production and reference of this content. Brazilian *telenovelas* continue to be an important factor in the formation and maintenance of the national identity; however, the Brazilian public is multifaceted and interested in different television productions from around the world, which is explained by the national consumption of international shows.

Despite the popularity of *telenovelas* in Brazil, the asynchrony in the airing of foreign TV shows on Brazilian television (broadcast and cable) and the expensive price of cable subscriptions, Brazilians' taste for these productions has only grown. Today, especially online consumption of American, Spanish and German series, as well as Japanese anime and South Korean TV dramas, have become part of a universe of affection for the Brazilian public, who seek other options of television fiction besides those produced locally. This interest in transnational productions is behind Netflix's commitment to establishing itself in Brazil.

3. SHOTS FIRED

Given the particularities of Brazil's television industry, its demographic size and the popularization of the internet in the country, the market potential for internet-distributed television in Brazil was considerable. In fact, the streaming market has grown significantly in the last five years. According to Lopes and Lemos (2019: 91), there are currently seventy-eight video-on-demand (VoD) platforms in the country, divided in those owned by telecommunication operators, broadcast networks, cable channels and those non-associated to television channels. They carry media libraries with more than seventy-two thousand films and over twelve thousand TV

12 In 2019, the Grupo Globo decided to discontinue the *superseries* format in order to dedicate themselves to the original Globoplay series, considering this format was difficult to sell in the international market since they were not as small as classic miniseries and not as big as traditional *telenovelas*.

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shows. Granted this number is impressive, it is still smaller than other Latin American countries, like Mexico (with 94 platforms) and Argentina (with 99 platforms). Of these seventy-eight platforms, Netflix has 18% of the market share, the highest percentage of any single service in the country.[13]

Netflix arrived in Brazil in 2011 and currently has its own office in São Paulo and is investing heavily in original content with Brazilian independent production companies. Initially, the company had to deal with a number of cultural and structural factors that encumbered its growth, including, but not limited to, the low use of credit cards, the company's limited catalog, the fact that Brazilians did not have the habit of paying for access to online content and, more importantly, the poor quality of the internet connection in Brazil during Netflix's first years of service. However, over the past five years, the platform has attracted the attention of consumers of TV fiction and foreign films. Netflix took advantage of this existing public who frequently had to resort to illegality in order to consume foreign productions. The service is relatively cheap when compared to pay-tv packages in Brazil, with the basic subscription costing R$21.90 (approximately US$ 5) and the most expensive, with multiple screens and HD quality, which can cost up to R$45.90 (approximately US$ 9).[14]

In an attempt to gain local subscribers, Netflix has employed several strategies. First, it made available in the Brazilian catalog the complete seasons of popular series that occupied the programming schedule of free-to-air and cable networks for many years, such as the sitcoms *Friends* (1994-2004) and *The Fresh Prince of Bel-Air* (1990-1996). Second, Netflix partnered with free-to-air networks. In 2015, the company started licensing successful native productions from Record TV, such as its biblical *telenovelas*.[15] The streamer also made deals with local networks to air some of its original shows, specifically *Stranger Things*' pilot episode (1.01) on SBT[16] and licensed full seasons of *Orange Is the New Black* to Rede Bandeirantes.[17] Netflix also made deals with Brazilian production companies and included many native films in its catalog. Third, it has used social media, mainly Twitter and Facebook, to foster a sense of kinship with its Brazilian subscribers (Castellano et al. 2018).

Furthermore, Netflix, through international distribution deals, makes titles available that have not been shown on Brazilian TV yet, which is an essential strategy when we observe the public outcry for the reduction of the asynchrony in content distribution between the country of origin and Brazil (Meimaridis and Oliveira 2018). That is, the reduction of time between the original airing of new episodes and the availability of these episodes in Brazil. Currently, this asynchrony can be of days, weeks or months. These circumstances have led fans to piracy in order to consume their shows in a timely manner. Netflix, on the other hand, is meeting this demand for agility by making content available in a shorter time span. An example of this can be observed with the distribution of the comedy *The Good Place* (2016-2020), which was broadcast by NBC on Thursday nights in the United States and on Friday mornings the show was available on Brazil's Netflix.

A similar strategy was used for non-American shows that already have a consolidated niche audience in the country. As mentioned earlier, South Korean TV dramas have been attracting fans in Brazil for many years (Urbano 2018), but these productions rarely air on Brazilian television. Netflix has invested in acquiring the distribution rights of these shows. In less than five years, the number of South Korean productions available in the company's Brazilian catalog went from less than ten to more than one hundred (Mazur 2018).

Likewise, Netflix started to invest in the production of local series with independent Brazilian audiovisual companies. In 2016, Netflix released the sci-fi drama *3%* (2016-). Although it received mostly negative reviews in Brazil, [18] especially involving technical issues such as the quality of the acting, writing and costume design, it did become quite popular internationally.[19] The drama stood out for foreign audiences because it presented a dystopic future through peripheral lenses. In the same year, the company doubled the number of Brazilian subscribers from three to six million.

13 https://bb.vision/wp-content/uploads/2018/08/Map-Pay-TV-Multiscreens-Market-2018-ENGLISH.pdf (last accessed 21-06-20).

14 For all the values mentioned in this paper, we used the exchange rate from the first week of April 2020. 1 Brazilian real was approximately 0.20 cents of the dollar.

15 https://natelinha.uol.com.br/noticias/2015/11/13/netflix-disponibilizara-producoes-biblicas-da-record-94153.php (last accessed 21-06-20).

16 https://noticiasdatv.uol.com.br/noticia/series/em-acao-inedita-netflix-exibe-primeiro-episodio-de-stranger-things-no-sbt-17439 (last accessed 21-06-20).

17 https://observatoriodatv.uol.com.br/noticias/2020/01/band-adquire-orange-is-the-new-black-e-netflix-tera-primeira-producao-exibida-em-tv-aberta (last accessed 21-06-20).

18 For criticisms concerning *3%*, please consult: http://g1.globo.com/pop-arte/blog/maquina-de-escrever/post/primeira-serie-brasileira-da-netflix-3-e-redundante-e-previsivel.html; https://www.505indie.com.br/cultura/serie-brasileira-da-netflix-3-redefine-os-limites-de-ruindade-em-ficcao-cientifica/ (last accessed 21-06-20).

19 For a comparison of the criticism of *3%* by the Brazilian and international press, please consult: https://www.nexojornal.com.br/expresso/2016/12/08/O-que-diz-a-cr%C3%ADtica-nacional-e-estrangeira-sobre-a-primeira-s%C3%A9rie-brasileira-original-da-Netflix (last accessed 21-06-20).

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Since then, Netflix has released several fictional shows, as *O Mecanismo* (*The Mechanism*, 2018-), *Samantha!* (2018-2020), *Coisa Mais Linda* (*Most Beautiful Thing* / *Girls from Ipanema*, 2019-), *Sintonia* (2019-) and *Super Drags* (2018). These local productions play an important part in the company's growth in Brazil because they stimulate new subscriptions through cultural identification.

The rapid growth attracted the attention of Netflix's CEO, Reed Hastings, who in an interview said, "Brazil is a rocket" (Guaraldo 2017). In this sense, the different strategies being implemented by the company point to an attempt to cater to different sectors of the Brazilian audience. According to Castro et al. (2019), media consumption habits are permeated by class issues, such as socioeconomic status and education level. While the Brazilian working class and middle class tend to prefer regional or national content, the upper-middle class and the elite have a preference for international programs, especially American productions (Straubhaar 1991, 2003). By making foreign content available and investing in the production of local content, Netflix expands its range in Brazil. Between 2019 and 2021, the company plans to make available R$ 350 million (approximately US$ 68 million) in Brazilian content, which corresponds to about thirty different productions divided in series, films, and documentaries (Lotufo 2019).

Regardless of being less popular than Netflix, Amazon Prime Video has become a relevant player in the country's streaming market. Amazon arrived in Brazil in 2016 with the standard subscription costing R$14.90 (approximately $ 3). However, it brought its prime membership to Brazil in 2019. For only R$9.99 (approximately US$ 2) a month the subscriber gets access to several benefits including free shipping and the Amazon Prime Video service. The platform has made available the complete seasons of successful U.S. shows that aired on free-to-air networks and cable channels in the country, as *Seinfeld* (1989-1998) and *House, M.D.* (2004-2012). One particular eye-catching show on the Brazilian catalog is the Mexican comedy *El Chavo del 8* (1971-1980) or *Chaves*, as it's popularly known in Brazil. The comedy has aired on the free-to-air network SBT since 1984. Amazon's strategy with *Chaves* is to become more palatable to local subscribers through a show that has become an important part of Brazil's pop culture for decades. Amazon, just like Netflix, has also added several native productions to its Brazilian catalog as reality shows, fictional series, and films.

In 2019, Amazon publicized plans to open its first office, related to streaming, outside the U.S. in the Brazilian city of Rio de Janeiro (Rosa 2019). With this move, the company intends to intensify its competition for the country's streaming market. In 2020, Amazon will start producing original shows outside the U.S. In Brazil, the company will release six original programs: four fictional series, one reality show, and one documentary. All of these productions are made through partnerships with local production companies as Conspiração Filmes, O2 Filmes, and Los Bragas (Strazza 2019). In this sense, Netflix and Amazon Prime Video are directly influencing businesses in the local audiovisual industry. This process, however, is not unproblematic.

Despite their growing number of subscribers in Brazil, neither Netflix nor Amazon have to follow any specific legislation for the type of service they are offering. These global streaming services "have been very lightly regulated in terms of public interest responsibilities for what is carried in their systems and in terms of market competition and anti-monopolistic behavior" (Fitzgerald 2019: 91). Recently, several debates have taken place regarding the regulation of these companies in Brazil. In October 2019, a bill was introduced in the Brazilian Senate for a public hearing aimed at stimulating new rules for internet-distributed television. Similar to the Lei da TV Paga (Pay-TV Law), which obliges pay-tv broadcasters to air a quota of Brazilian audiovisual productions in their weekly schedule, the project foresees that the streaming platforms must have a portion of national content in their catalog, in addition to having to pay a percentage on the available content, the so-called Condecine fee[20]. Despite the local audiovisual industry's support, some Brazilians fear this legislation will raise the cost of subscriptions.

Just as in the case of the Pay-TV Law the project expresses a certain fear that global companies like Netflix may stifle the local market, especially when we consider that some companies not only distribute content but also actively participate in its production. In fact, the regulation of streaming platforms has become a standard in many countries, given the monopoly of U.S. companies. The creation of these measures "is needed for eliminating barriers to entry and creating regulatory stability, as well as for delivering social benefits such as pluralism, diversity, affordability, interconnection and access (socio-cultural objective)" (Iosifidis 2016: 20). In Brazil, and in other peripheral markets, this issue becomes particularly relevant considering the asymmetries existing in the local audio-

20 It is a fee charged to the production, airing, distribution or commercial licensing of audiovisual content. The amount collected makes up the Fundo Setorial do Audiovisual (Audiovisual Sector Fund) and is reverted to national productions.

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visual industries. It is important to note, though, that Brazil has been leading the streaming services regulatory agenda in Latin America (Baladron and Rivero 2019).

Due to the current financial recession and the low cost of streaming platforms, pay-tv subscriptions have been in decline since 2014, whilst SVoD subscriptions have been consistently growing. Also in decline is the free-to-air networks' viewership. From 2007 to 2014 the participation of broadcast networks in the audiovisual sector shrank from 63.7% to 41.5% (Izel and Oliveira 2016). In hopes of regaining viewers and profit, local media conglomerates have ventured into the streaming wars to fight battles with their own services, a movement already seen in other countries (Rios and Scarlata 2018; Turner 2018).

4. LOCAL CONGLOMERATES FIGHTING FOR THE COUNTRY'S STREAMING MARKET

Brazil's audiovisual market today reacts to the popularization of foreign streaming platforms. Almost ten years after the arrival of Netflix, free-to-air networks, cable television, and telecommunication companies are investing in their own streaming services and positioning themselves in the streaming wars. Several broadcasters in the country have tried to create profitable business models in the digital environment since the mid-2000s (Antoniutti 2019). According to Massarollo (2015), as of 2007, numerous attempts to experiment with transmedia narratives began to emerge, which mixed the traditional television flow with the internet. Yet, at that time, the possibility of transmitting high-quality videos quickly online was still difficult.

Currently, most of Brazil's streaming services associated with free-to-air networks combine catch-up content with other productions exclusive to their services. However, it is interesting to note that smaller free-to-air networks have a peculiar relationship with YouTube. Broadcasters such as Rede TV! and Rede Bandeirantes do not have their own platforms and make most of their successful programs completely available on YouTube free of charge. Although SBT launched in 2019 its own portal, called SBT Videos, it also uses YouTube. Granted these companies have found a way of providing their content online inexpensively, they are restricted by YouTube's distribution models and affected by changes to its services. In 2017, for example, Record TV had to discontinue its paid YouTube channel, called R7 Play, when the social network ended its paid channels service. The solution came months later when Record TV announced its new service: Play Plus, a subscription platform owned by Record TV. Play Plus provides Record TV's programming and other content from cable channels, such as ESPN.

Cable networks have also transitioned into the internet-distributed television business. Currently, there are 40 streaming services associated with pay-tv channels (Lopes and Lemos 2019), some are local broadcasters and others are Brazilian versions of foreign channels already established in the country. Many of these platforms are used by pay-tv networks in an attempt to separate themselves from the expensive subscriptions sold by service providers as Sky Brasil and NET. HBO and its other channels, for example, are only included in premium packages and, therefore, have little penetration in Brazil (Meimaridis and Oliveira, 2018). However, some of the company's most famous productions, as *Game of Thrones* (2011-2019), are extremely popular in the country. During its run, the drama was one of the most pirated shows in Brazil. The company made its HBO GO service available in 2017 through a direct subscription that is cheaper than most pay-tv packages.

Alternatively, streaming services associated with telecommunications companies are sold precisely by aggregating content. In Brazil, these are triple-play companies, i.e. the same company that provides pay-tv channels also distributes the internet and telephone services, their platforms contain all titles licensed by the channels that are part of the service provider's packages. Currently, NOW, Vivo Play and Oi Play are references in the segment. However, it is worth mentioning that Tim, the only one of the large Brazilian telephone companies that does not operate in the triple-play model, recently partnered with Netflix. By subscribing to a specific telephone package, the user has unlimited access to a Netflix account.[21]

Although the number of streaming services has grown exponentially in recent years, the main Brazilian player is undoubtedly Globoplay. Costing R$21.90 (approximately U$ 4.50), the platform is one of Grupo Globo's major investments. Like other services derived from the traditional television industry (Lotz 2017), it benefits from vertical integration to expand the distribution of its content. Most of its catalog consists of productions made by Globo, such as daily news,

21 https://www.tim.com.br/sp/sobre-a-tim/sala-de-imprensa/press-releases/lancamentos/tim-e-primeira-operadora-movel-do-brasil-a-oferecer-pagamento-da-assinatura-da-netflix-em-sua-fatura-mensal (last accessed 21-06-20).

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series, and *telenovelas*. Among Brazilian streaming services, Globoplay is one of the few that develops exclusive productions for the platform, especially, fictional series. However, it is also worth noting the strong presence of foreign licensed titles, in particular, American series.

Globoplay, however, was not the first streaming service launched by the Grupo Globo. Globosat had its own streaming service, called Muu, which was later renamed Globosat Play. There was also the Globo.TV platform, which launched in 2012. The platform allowed users to access excerpts from TV Globo's programming and other Globosat channels for free. Months later, a premium version of the service, Globo.TV+, was announced, which for the first time allowed subscribers to watch full versions of productions out of the linear flow (Antoniutti 2019). These experiences allowed the Grupo Globo to debut Globoplay in November 2015. The platform uses the Freemium model to attract audiences. It is possible to watch the linear transmission of the TV Globo's programming and some short videos of programs from the broadcaster free of charge, yet, access to the complete catalog of the channel's productions is restricted to subscribers.

One of the service's main challenges is to transform the audience that already watches TV Globo's daily programming into paid subscribers. In this sense, *telenovelas* play an important role. Although the access to the complete chapters is only through paid subscriptions, Globoplay releases highlights from episodes and also distributes smaller scenes. This strategy is interesting because even today these fictional narratives are some of the highest-rated shows in Brazilian television. Of the ten most-watched fiction productions of 2018, seven are *telenovelas* and all of them are from TV Globo (Lopes and Lemos 2019).

To promote other titles in the catalog, Globoplay has used different strategies. According to Mungioli et al., between 2016 and 2018, the Grupo Globo used different tactics in order to "enhance the acquisition of the streaming audience through the diffusion of its products in the broadcasting system" (2018: 61). In the beginning, the company used an online-first model, in which episodes of new productions were available on the streaming platform before airing on TV. The time gap could last for days, weeks or months, depending on the program. For example, among the 12 episodes of the thriller *Supermax* (2016), 11 were released in advance on Globoplay. The last episode, however, aired live on TV Globo. Nevertheless, this strategy did not seem to have much effect, given the low-ratings the final episode received and the subsequent cancellation of the drama.

The Grupo Globo has employed other strategies, though. Instead of guiding the audience to the platform and then pulling them back to linear TV, the company is trying to take advantage of its large viewership to attract subscribers. As a result, Globoplay has been using a specific block of programming called *Tela Quente* that has been on TV Globo's schedule since 1988. This block used to consist of films on Monday nights. Nevertheless, *Tela Quente* started to air the first episode of shows on Globoplay's catalog. This strategy works like a free sample, in the hope that the viewer will be enticed to subscribing to the service to gain access to other episodes. The strategy has been used to promote series produced by Globo, such as the drama *Assédio* (2018) as well as foreign productions as the American medical drama *The Good Doctor* (2017-).

Another approach has been to promote Globoplay's content during TV Globo's *telenovelas*. During the Wired Festival Brasil 2019, head executive of Globoplay, Erick Brêtas, celebrated the campaign made by the streamer to promote the American show Manifest (2018), which aired on *Tela Quente* in October 2019. During the week of Manifest's debut, characters from the *telenovelas A Dona do Pedaço* (2019) and *Bom Sucesso* (2019-2020) commented about the show and explained to the viewers how to continue watching on the platform.

Brêtas views Globoplay's unique relationship with linear television as the streamer's main strength. He also disavows the combative framing of television's current moment: "they are calling it a streaming war, but I would say it's a streaming party" (Brêtas cited in Galdo and Matsuura 2019). The executive's view is based on the notion that consumers now have more options. However, we consider it controversial to characterize a moment of intense competition amidst local and foreign conglomerates as a "party", predominantly in view of the company's recent history. This can be seen in the return of Brêtas, who resumed his position at Globoplay in August 2019, because João Mesquita, who months earlier held the position, was poached by Amazon Prime. This action was deemed troublesome, to say the least, given Mesquita's insider knowledge about Globoplay's data and market research.

In 2020, the Grupo Globo will invest R$ 1 billion in Globoplay.[22] The investment is part of the "UmaSóGlobo" (Only One Globo) project, which is a new management model

22 https://canaltech.com.br/entretenimento/globo-vai-investir-r-1-bilhao-no-globoplay-para-nao-ficar-atras-da-concorrencia-154997/?fbclid=IwAR2sWs7hnF_NIU4f5I6ODHYp7yHC0cMCt4k8-D_adZO4o-LyEU6BzBSErD4 (last accessed 21-06-20).

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that unites different companies in the group into one company, just named "Globo." This is a direct reaction to the competition from foreign companies, like Netflix and Amazon, which collect data and consumption habits from their users and foster a differentiated bond with the consumer, something that Globo aims to achieve, given the existing potential in its daily reach of one hundred million Brazilians.

Recently, the Grupo Globo announced that the first country to receive Globoplay outside Brazil will be the United States. According to executives, the decision was made due to the experience acquired in the American market[23] and the large number of Brazilians present in the country.[24] This strategy is different from that employed by the Mexican media conglomerate Televisa with its service Blim, which has expanded throughout Latin America and is currently available in 17 countries (Rios and Scarlata 2018). Only time will tell which strategy, if not both, will work. For now, we emphasize the fact that in Brazil and in several other countries in the global periphery, local media conglomerates are looking for strategies to stay relevant in a moment where, increasingly, the experience of television consumption is found fragmented and deterritorialized.

Brazil, an essential part of what is known as the global periphery, presents itself as one of the countries with the greatest prominence in soft power on the international stage. One of its most effective instruments of mild influence is culture. Latin America as a whole is positioned as a major hub for the production of fictional narratives that are capable of developing soft power potentials in the world, helping to create new international perspectives on these countries. Currently, the global periphery searches for space and dialogue, in order to feed its strength against the center. For this reason, the fight in the "streaming wars" is extremely significant for Latin America and, especially for Brazil, since this is the biggest name in soft power in the region. These platforms present themselves as effective spaces for making local content available and disseminating it. Local and peripheral platforms such as the Chinese iQiyi, Mexican Blim, and Brazilian Globoplay are spaces not only for the flow of foreign products but also for the creation and distribution of local productions, which contribute to the strengthening of the global peripheral resistance amidst the international environment that still values American companies and content.

5. CONCLUSION

The Grupo Globo is interested in regaining an audience that has distanced itself from free-to-air television and that is interested in foreign productions. The conglomerate seeks, through Globoplay, to position itself in the growing streaming market and also to maintain or, perhaps, even elevate its place in the ranking of the largest media companies in the world (currently in 14th place). We identified that Netflix and Amazon Prime Video have become major competitors within Brazil's media system and, therefore, it is important for the Grupo Globo to establish its place within this new environment. This process also revealed new peripheral strategies aimed at challenging and positioning local conglomerates in the global media environment, considering the strength of the local market and also the historical obstacle of the western "universality" presented by the American competitors.

Currently, the content available on local and foreign platforms has become the most valuable war power in this dispute. While foreign companies try to win subscribers by reducing the asynchrony in the distribution of content and with attractive catalogs with transnational productions, local conglomerates, in turn, have presented a variety of programs traditionally recognized and highly consumed by the Brazilian public. Nevertheless, local and foreign companies have sought products that maintain cultural proximity. In the end, the decision is not necessarily about which service is the best, but which (and how many) services the Brazilian public will be willing to pay. Among local and foreign conglomerates, the options are many and Brazil again proves its importance in the global streaming market, given its large number of potential consumers and, also, its strategic position of influence in Latin America. However, we emphasize that Globoplay and other local platforms, mainly those associated with free-to-air networks, face difficulties in competing with foreign companies, since the local market itself is already used to consuming *telenovelas* through linear television and are used to having access to this content for free. In contrast, international streaming platforms become the locus for the consumption of international films and series that, by other means, would be difficult for the public to access quickly and legally.

Lastly, we emphasize that the arrival of foreign streaming platforms triggered a transition process in Brazil that

23 Since 1999, the Grupo Globo has owned TV Globo Internacional (TVGI) in the United States, a cable channel.

24 Brazil's Ministry of Foreign Affairs estimates that there are 1 million Brazilians residing in the United States. https://epocanegocios.globo.com/Mundo/noticia/2018/08/mais-de-1-milhao-de-brasileiros-vivem-nos-eua-segundo-o-itamaraty.html (last accessed 21-06-20).

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affected several sectors of the national audiovisual industry, both in the scope of production and distribution. While the Brazilian television market is still very centralized in the hands of some conglomerates, the streaming wars have enabled a certain transition to a more diverse, transnational and multiplatform market. Furthermore, due to the great plurality of influences and the very competitiveness of this market, there is evidence of an acceleration of Brazil's audiovisual industry through partnerships between foreign companies and local independent producers. This process is also happening between large Brazilian conglomerates and small independent companies. Alternatively, the presence of platforms has also changed the way in which Brazilians consume foreign productions in particular and television in general. Therefore, the Brazilian case study reveals a scenario of global television consumption that is increasingly complex and that points to new agents from the global periphery on the rise in the dispute for more potential consumers around the world.

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TV series cited

3% (2016-)
A Dona do Pedaço (2019)
A Grande Família (2001-2014)
Assédio (2018)
Bom Sucesso (2019-2020)
El Chavo del 8 (1971-1980)
Coisa Mais Linda (*Most Beautiful Thing / Girls from Ipanema*, 2019-)
A Dona do Pedaço (2019)
El Chavo del 8 (1971-1980)
Força Tarefa (2009-2011)
The Fresh Prince of Bel-Air (1990-1996)
Friends (1994-2004)
Game of Thrones (2011-2019)
The Good Doctor (2017-)
The Good Place (2016-2020)
A Grande Família (2001-2014)
House M.D. (2004-2012)
Manifest (2018-)
O Mecanismo (*The Mechanism*, 2018-)
Onde Nascem os Fortes (2018)
Orange Is the New Black (2013-2019)
Samantha! (2018-2020)
Seinfeld (1989-1998)
Sintonia (2019-)
Stranger Things (2016-)
Super Drags (2018)
Supermax (2016)

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