

# **Business model ambidexterity in a digital sports media company: the case of The Athletic**

## **Abstract**

*Business model innovation has become a key strategy for journalism companies to survive in today's changing media landscape. The downfall experienced by advertising revenues and the several technological changes developed during recent years have led to an increasing experimentation with new ways of creating, distributing and capturing value. Particularly, one of the most extended are subscription-based business models whose value proposition is characterized by placing the user in the center of the process, rather than focusing on advertising or operating in a two-sided market. However, digital subscriptions still have to prove themselves as long-term sustainable solutions for media companies, and many of them suffer the difficulties of developing ambidexterity, which implies exploiting current opportunities and exploring new ones at the same time. In this context, The Athletic, a digital media company which aims to offer high-quality content, is leading the way in the sports segment, as it has recently reached a \$500M valuation and the milestone of one million subscribers. One of the main reasons for the current success of this firm, according to its founders, is the ability to recruit and retain editorial talent, which is the main investment area. At the same time, they have also expressed a great interest in keeping a long-term view of the business, in which the strategic management competencies play a more relevant role. For this reason, the aim of this paper is to study the business model ambidexterity of the firm through a case study based on qualitative interviews with managers and staff. This method will allow us to analyze the organizational capabilities involved in optimizing current key activities, such as content creation and social media marketing, but also deepen on the dynamic capabilities that will foster The Athletic's ability to constantly reconfigure its resources and processes to sustain growth, seize new business opportunities and create novel competitive advantages in order to achieve profitability. The study contributes to the literature about media business models by explaining the tensions and benefits of embracing ambidexterity, a concept that has scarcely been applied to this field.*

**Keywords:** business models, ambidexterity, sports journalism, dynamic capabilities, The Athletic

**Abstract topic:** Strategic Management