

# The Survival of Media Economy at Local Broadcasting Industry in West Java

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**Abstract**—Decentralization of broadcasting is the basis for the establishment and development of local television, as stipulated in Broadcasting Law No. 32 of 2002, in quantity local TV in the regions continues to grow. The growth of local television in Bandung, West Java is very high, thus inviting capital owners of the media business industry to expand. West Java is the highest area of growth in broadcasting throughout Indonesia. But in its development and the journey of many local televisions that were unable to maintain the survival of their existence and in the end were unable to compete in the severity of the broadcast industry competition. This study took the object of the economic survival of the Media in the Television Broadcasting Industry. The purpose of this study is to find out the media economy on the dimensions of revenue broadcasting, broadcasting costs, and the dimensions of broadcasting profit. This research method uses media economic studies, namely the media studied in a communication and business-economic perspective. This research shows that the dynamics of the existence of local television is very difficult to develop and advance, some are bankrupt and acquired. Local television has to deal with television in Jakarta, which produces programs and national content, and the advertising is centered in Jakarta. Thus, it is necessary to re-strengthen the existence of local television in the media economy.

**Keywords**—*broadcasting industry; media economy; local television; survivality; advertising*

## I. INTRODUCTION

Television media is an industrial business that is constantly developing, dynamic, and competing with each other, both between main television in Jakarta, network stations, and local television in various regions in Indonesia. In a study conducted by Primasanti entitled an exploratory study of networked television broadcast systems in Indonesia, it was revealed that in Indonesia economic equality and fulfillment of basic rights of citizens were not evenly distributed [1]. In addition, several interest groups have not reached an agreement so that it is difficult to give a commitment to encourage the network broadcast system. It is predicted that there are hidden interests which still require the existence of television broadcasting nationally. Indonesia must immediately create a stable political economy to ensure the implementation of a networked broadcast system.

Media and democracy can work well, in research carried out Wahab stated that *Television talk show in this respect could*

*be seen as a mechanism to promote the idea of public sphere. In Malaysia, television talk show is fast becoming a popular television genre and has an important place in television scheduling* [2].

Media democracy that occurs on television, namely television content must have educational needs and proximity to the public or the public. In a study conducted by Perse, explained that *“This study considered involvement as audience activity, as an indication that audience members are participating in mass media content. On the basis of previous communication research, involvement is viewed as audience activity with both cognitive and affective dimensions. Cognitive involvement reflects attention to, recognition of, and elaboration on media content. Emotional involvement reflects internal feelings”* [3].

On the other hand television media has a purpose as entertainment, shows and entertainment programs on television media are for commercial purposes, so television is synonymous with entertainment for commercial purposes, this fact makes television form a culture of entertainment for profit. In research conducted by Bai explained that [4] *“today, so many glamorous distractions are brought into the living room by television every day that such phenomenal reception of a single show is unconceivable”* Strong commercial pressure exists for television stations to transform themselves into entertainment vendors, that is, to transform everything on television into entertainment. Furthermore, with a steady flow of capital being insured by newly implemented state policies, a mechanism is taking shape to generate continuous supply to keep the wheel of entertainment going. This paper argues that the ascendancy of television entertainment in China from the late 1990s onward is mainly the result of media restructuring and the subsequent deepened media commercialization, to which the party-state’s proactive participation is central.

Democracy in the emergence of local television has an impact on public participation in the media, namely citizen journalism. In research conducted by Cleary and Bloom stated that the research he did was namely *A content analysis of 353 local television station websites found 49.6% of stations are including user-generated content (UGC), mostly designed to capture eyeballs, rather than to engage citizens in the journalistic process* [5].



This TV and radio advertising tariff should have a difference that is quite different from the amount of production value between two different platform broadcasters. Radio generally places advertising rates of Rp. 200,000 per spot. On the other hand there is a gap between the current national TV advertising rates of around Rp20 million per spot. However, local TV advertising rates are only IDR 300,000.

*A. Cost and Problems of Local Media Economy*

Actually, what problems are surrounding local TV so that it is difficult to develop in the area? according to FGD data (focus group discussion) held by the Central KPI, Tuesday, March 1, 2016, there are several basic issues:

Local television was nervous when the migration policy from analog to digital had to be implemented [5]. Although in principle they are ready to implement, the issue of the MUK (multiplexing organizing institution) is considered rather burdensome especially regarding canal leasing. "We heard that the rental rate reached 80 million per month. This makes it difficult for us who have the status of a local TV. This problem, we need clarity," he said. (Representative from TV KU Semarang, Heri). When local TV appeared and at that time everyone wanted to make it and what happened in the future they sold it. TV business is business oriented. This business means business influences the public. When a local TV has entered the main network, it indicates that the TV has collapsed. "Even though we only broadcast 11 hours and were bleeding, we were still idealists. We don't want this TV to be sold," he said firmly (Winata from Cakra TV).

The difficulty of getting advertisers, this situation is due to the paradigm of advertisers who calculate the audience coverage of the television. "Local TV coverage is limited, while TV with national broadcasts is very broad. They counted 1 rupee on our TV which can only reach 10 people. It is also related to rules that provide a maximum transmission or broadcasting limit for local TV with only 5000 watts. This number only covers an area of less than 10 km. Whereas TV with national broadcasts can be more than 10,000 watts (Winata from Cakra TV).

The existence of a local TV must be fought for and defended. "Television is a capital intensive, labor intensive business and we have HR difficulties. The more employees, the more spending. So Local TV needs to be defended, but we are realistic that KPI is also rather difficult to defend us with very limited regulations. There needs to be an alignment with us so that local TV can grow and preserve regional cultural programs (Winata from Cakra TV).

Expect that changes to the Broadcasting Law can provide certainty about the fate of local TV. If the law is inclined towards the sustainability of local TV, then this will have a positive impact on the development of local TV (Mursalin from PON TV). Local TV also needs to be met with investors in order to grow. Because very few investors want to invest in local TV. (Need a survey in the area about the effectiveness of local TV, "Mursalin from PON TV).

*B. Centering Revenue broadcasting National Advertising Expenditures*

Advertising shopping trends on television media that continued to increase from 1998 to 20018, including up to the present year. National television advertisements in the first semester of 2016 showed significant growth. The total advertising revenue in 13 national television stations in the period reached Rp. 49.2 trillion.

1. RCTI: Rp 7,46 triliun, 2. SCTV: Rp 6,74 triliun, 3. MNC TV: Rp 5,566 triliun, 4. Indosiar: Rp 5,565 triliun, 5. ANTV: Rp 5,25 triliun, 6. Trans7: Rp 4,33 triliun, 7. Trans TV: Rp 3,95 triliun, 8. Global TV: Rp 3,69 triliun, 9. TV One: Rp 3,06 triliun, 10. Metro TV: Rp 1,8 triliun.

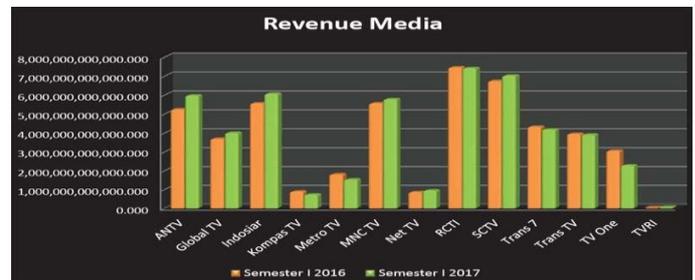


Fig. 3. Revenue media 2017.

In 2018, the television ad monitoring system (TVC) service recorded throughout 2018, total advertising spending on TV amounted to Rp110.46 trillion. When compared with the 2017 advertising expenditure of Rp. 97.45 trillion, it can be seen that advertising spending grew by 13.35%. For market share among media groups, the MNC Group with 3 television stations, namely RCTI, Global TV and MNC TV, still controls the television advertising media with a 28.26% market share. SCM Group with 2 television stations namely SCTV and Indosiar followed with 18.67%, followed by Viva Group with 2 ANTV & TV One television stations at 15.98%, and TransCorp with Trans TV and Trans 7 at 6.83%. According to data reported by AGB Nielsen, the share obtained by local television is no more than 3%. With a percentage that is far below national television this is what causes advertisers to be less interested in placing their advertisements on local television.

IV. CONCLUSION

It is necessary to affirm the more strengthened broadcasting law so that decentralization of broadcasting by implementing a network station system must strengthen the existence of local television. The existence of local television in the broadcasting law must also be emphasized in terms of its existence. Expenditures for national advertisements need to be shared and distributed to local Telecommunications The existence of local television must be empowered more professionally in preparing the digital era, people feel and proud, local governments protect and help, local advertising is managed well, and investment expanded.

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