

Transformation Of The Media Economy Of The News Site Jawapos.Com In The Digital Era

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Abstract

The development of information technology and communication technology causes disruption reducing the media's ability to earn revenue, retain audiences, and producing quality content that threatens its survival. The effects of disruption were also felt by print-based media conglomerates such as Jawa Pos in the form of a decline in revenue from circulation and advertising turnover. Business diversification into a digital business with a vertical expansion and vertical merger model was carried out to build the Jawa Pos Grup Multimedia subsidiary as a digital conglomerate.

This research uses media ecology theory and Robert G. Picard's media economics perspective to explain how media companies maintain business continuity in the era of digitalization and explaining the results of the media economic transformation in the aspect of media sustainability.

Based on the research results, the practice of continuum convergence, journalistic convergence, also cross selling and co-promotion strategies were able to change the company managing the JawaPos.com news site from a loss-making condition in 2017 to a profit in the 2021 financial year. This research also found that the survival of the media is not only determined by the quality of journalistic products, but also success in market penetration, effective and efficient human capital management, and financial management.

Keywords: Media Economy, Jawa Pos, Media Convergence, News Sites, Digitalization.

INTRODUCTION

The development of communication technology and information technology is driven by the growth of internet service penetration. (Ahdiat, 2023). Based on the Digital 2023 report, the number of internet users in Indonesia reached 212.9 million people or 77 percent of the population. One of the factors driving the growth of internet users is the high population of smartphones. Digital 2023 found that 98.3 percent of internet users use mobile phones. Meanwhile, the population of mobile phones in Indonesia reached 353.8

million units or more than 128 percent of the Indonesian population.

The era of digitalization driven by internet penetration is changing media consumption patterns. According to the Digital 2023 report, the average Indonesian spends 7 hours and 42 minutes accessing the internet every day. Of this total internet access, Indonesians allocate 1 hour and 34 minutes to accessing news content online, whether through news websites or converged print media.

The total time spent accessing media content in 2023 decreased by 12 minutes (11.3

percent) compared to the previous year. One of the factors is the increase in time spent on social media by 0.5 percent compared to 2022, reaching 3 hours and 18 minutes. The number of social media users in Indonesia has increased by 12.35 percent compared to the previous year, totaling 191 million people in 2022 (Wulandari I., Wulandari D., 2023).

Garcia (2009) mapped the media consumption cycle based on the human life cycle. Within a 24-hour period, the media that is always attached to human activities is mobile media (gadgets/smartphones). Consequently, conventional media receive shorter visit times compared to new media (Sugiya, 2012).

The Nielsen Consumer & Media View survey conducted in July-August 2017 recorded the print media purchase rate in 2017 at 20 percent, a decrease of 8 percent compared to 2013 (Pamuji, 2022). The decline in print media consumption is partly due to digital intrusion, because when the internet transformation occurs, print media consumption is guaranteed to decrease. (Tapsell, 2019). Nielsen also noted that the intrusion of digital versions of print media reached 11 percent or 6 million readers. (Winarto, 2017).

Not only has the number of readers decreased, but the revenue earned by print media has also continued to decline. From January to September 2017, advertising spending in print media decreased by 13 percent to IDR 21.8 trillion. At a time when the number of print media continued to decline from 567 print media in 2014 to 192 print media in 2019, the number of news websites actually grew to reach 43,800. (Pamuji, 2019).

Based on Digital 2023, the five main reasons Indonesians access the internet are to search for ideas or information, stay connected with family and colleagues, fill their free time, and keep up with the latest news and events. Based on these five main needs, news sites play an important role in providing information, ideas, news, and current events. (Ahdiat, 2023). The ability of online media to distribute news for

free, faster, interactively, and in real-time (event in the making) is the right condition to expand the reader network and foster loyalty to the media (Haryati, 2012).

The survey by the Association of Internet Service Providers (APJII) found that news sites rank fifth among the most accessed content on the internet. (Dihni, 2022). Social media content ranks first with a population of 89.15 percent of total internet users, followed by messaging applications used by 73.86 percent of respondents. The next most popular online activities are online shopping and playing games online.

Based on the APJII survey, social media dominates the digital audience. Digital 2023 data also found that social media users worldwide reached 4.76 billion accounts, with 167 million accounts in Indonesia. The number of social media accounts for about 60 percent of the population. Not only has the number of users increased, but the time spent accessing social media has also continued to grow. The time spent surfing social media for 3 hours and 18 minutes is longer than the 1 hour and 34 minutes spent accessing news sites or converged print media. (We Are Social, 2023).

Although its audience is not larger than that of social media, news sites still play an important role in the dissemination of information thanks to the growing participation of the public. The APJII survey found that 11.98 percent of internet users access news sites to get the latest information, infotainment, or gossip. (Dihni, 2022). One of the attractions of news sites is the growth in users, surpassing online transportation apps, online music, email, online video apps, online meetings, online learning, and electronic wallets (Dihni, 2022).

Mass media has various interests that are within the mass media itself. (Prakoso, Rokhim, Soenarjanto, 2021). One of the interests of the media is to generate revenue from advertisements. On the other hand, the increase in news site visitors also encourages

businesses to promote themselves through digital advertising.

According to data from the global advertising bureau Dentsu, total advertising spending in 2022 reached USD 713 billion. Of this amount, digital media dominated the market with USD 394.4 billion or 55.3 percent of total global advertising spending. (Ahdiat, 2023). Meanwhile, based on Nielsen Ad Intel for the period of December 2021, digital media channels in Indonesia received a 15.9 percent share of the total advertising pie, equivalent to IDR 41.18 trillion. (Kompas, 2022).

The portion of digital advertising spending is divided among all platforms that provide ad space, including social media platforms and social commerce applications like TikTok, Facebook, and Google. Only a small fraction of digital advertising is received by news sites. Global platforms dominate technological control, causing media to rely on site visit rates determined by global platform algorithms. In addition, most of the digital advertising revenue received by the media is obtained through a revenue-sharing scheme with global platforms that act as digital advertising networks (ad network).

Table 1

**Advertising Expenditure Across Media Types
Period January-July 2020**

Medium	Percentage	Number of Companies	Adv. Value
TV	72%	15 National TVs	Rp 88.2 trillion
Digital	20%	200 Websites	Rp 24.2 trillion
Radio	1%	104 Radios	Rp 604 billion
Print	8%	148 Print Media	Rp 9.6 trillion

Source: Nielsen Ad Intel 2020

The Centre for Media Transition in The Impact of Digital Platform on News and Journalistic Content (2018) explains that digital intermediaries such as search engines and social media are rapidly changing the media ecology. Mass media audiences now find news through search engine platforms and social media, which directly reduces user visits to news sites.

Digital platforms also encourage users not to directly visit publishers by providing news summaries (aggregation) such as Facebook Instant Articles and Google Accelerated Mobile. These services allow publishers to present content in a more concise and interactive manner, but at the same time disrupt the reputation of news site publishers, reduce news site access to reader data, and eliminate opportunities to attract advertisers (Sudiby, 2022).

Smyrnatos in Google and The Algorithmic Infomediation of News (2015) emphasizes that global platforms also perform the function of infomediation by dictating mass media and determining the direction of news coverage through algorithms, curation, content dissemination, and content monetization.

The media industry is different from other industries because it no longer just sells or markets products in the form of content to the audience, but also markets its audience to advertisers. Media also has a dual market, namely the consumer market and the advertiser market (advertiser market). Therefore, media economics studies, which are one of the communication studies with three perspectives, namely the product dimension, content dimension, and audience dimension (Hasan, 2006). In addition, there are three dimensions in media management, namely the revenue dimension, cost dimension, and profit dimension.

Content and services provided by news sites for free on the internet can be monetized through digital advertising. This business model relies on the implicit agreement that ad exposure

is the exchange value for economically valuable content produced by the media. Not all audiences can accept this and consider the exposure to advertisements as a disturbance, especially when the content of the advertisements is deemed disturbing or appears when it is not wanted. (Pujol, Hohfield, & Feldman, 2015). Media users object because they are exposed to a large amount of non-editorial material. (Ha, 1996).

The ability of advertisements to create value for media consumers can increase the level of audience acceptance towards advertisements or ad acceptance (Alwitt & Prabhaker, 1994). When an advertisement is not relevant to the expected information or content or is not useful, it can lead to negative reception resulting in ad rejection or ad avoidance (Bracket & Carr, 2001).

Based on the type of interaction generated, there are several types of digital ads commonly used by news sites. Among others: display/banner ads, pop-up, advertorial or native ads, search engine related ads/paid search, video marketing, promotional pages, email, text ads or classified ads, up to social media ads/paid social. The two types of ads that dominate the advertising revenue of news sites are search engine related ads or programmatic ads and ads disguised as content (native ads).

In carrying out its duties as a profit-oriented corporate entity, the media industry also exhibits characteristics inherent in cost behavior, namely economies of scale, economies of scope, and economies of integration. These three types of savings are achieved when the products are diverse and a combination of various types of businesses, resulting in lower production costs and more varied content, thereby increasing audience appeal. With a high audience, advertisers will be interested in placing their ads in the media, thus increasing ad revenue. That revenue will ultimately impact the creation of better quality content and enable media companies to expand their businesses through consolidation, concentration, or conglomeration strategies.

One of the news sites that seeks to generate revenue from digital ads is JawaPos.com. This news site, managed by PT Jawa Pos Grup Multimedia, was established on April 3, 1998, and on July 10, 2024, it ranked 11th in the news site category according to Similarweb's ranking.

The problem formulation in this research is how the digital transformation carried out by Jawa Pos Grup Multimedia affects the economic performance of the media JawaPos.com?

This research aims to examine various factors shaping the media economy of news sites in the context of digital media and new media competition, and whether the media ecology perspective can unravel the business problems of news sites. Additionally, this research also looks at the impact of media economic transformation on several business performance indicators needed to survive in the era of media digitalization.

There are two theories used in this research. The first theory is media ecology, which is the study of media, technology, and communication and how these three aspects affect the human environment. The theory of media ecology was introduced by Marshall McLuhan through *The Gutenberg Galaxy: The Making of Typographic Man* (1962) and *Understanding Media* (1964).

Meanwhile, the terminology of media ecology is generally recognized to have been introduced by Neil Postman at the National Council of Teachers of English conference in 1968 (Scolari, 2010). Later, the paper from that conference was published in 1970 under the title *The Reformed English Curriculum* (Strate, 2002).

The media ecology theory argues that media acts as an extension of humans in every era and that communication technology is the main cause of social change (Hakanen, 2007). The media ecology of society cannot escape the influence of developing technology (Droumeva; Jordan, 2019). The media ecology theory also

states that the emergence of technology in human life determines changes in various aspects of human life (Lopez, 2021).

Flew & Smith (2004) in *New Media: An Introduction* state that communication networks, information technology, and media content are three elements of new media that come together to form media convergence. The rapid and unlimited development of information can reduce the exposure to information flow that an individual receives. Unmet customer demands with the presence of print media have caused various forms of advertising to shift to digital media, especially when everyone prefers digital media because it is considered more effective in obtaining information (Flew & Smith, 2004).

The second theory used in this research is the media economics theory based on the perspective of Robert G. Picard. According to the media economics theory, mass media is an economic institution involved in the production and dissemination of content aimed at consumers (Picard, 2002). Media companies are economic entities, therefore their behavior is based on economic factors. In the media market, content is designed to attract audiences and to attract advertisers who want access to consumers.

According to Picard (2011), one of the efforts that media can undertake to increase sales revenue and prevent profit fluctuations is business diversification. Diversification encourages more quality business growth compared to merely concentrating on one product or service. Business diversification also reduces overall business risk.

Business diversification can be carried out by expanding into related operational fields or through model diversification via acquisitions, mergers, or internal expansion. In the media industry, reducing the risk of business continuity (media sustainability) is achieved through improving management effectiveness, vertical expansion, diversification, alliances, joint ventures, and long-term contracts.

Picard (2011) explains that companies that achieve revenue growth from sales are relatively healthier compared to companies whose sales revenue is stable or declining. Personnel productivity, employee turnover, as well as personnel expertise and experience are crucial in innovation-based companies such as the media industry.

Furthermore, Picard (2011) also emphasizes that cost control is fundamental for media companies because it is related to their ability to generate profit. If a media company is unable to generate profit, the company tends to experience a slowdown in growth and a decline in the quality of journalistic products.

As a business entity required to generate profits to survive, media organizations often have to make decisions that impact the production and distribution processes of content. These decisions can take the form of operational cost cuts, business unit mergers, employee layoffs, or new investments.

LITERATURE REVIEW

a. Research Gap

Amelia Arsenault and Manuel Castell (2018) in *The Structure and Dynamics of Global Multi-Media Business Networks* describe media ownership, media concentration, globalization, and locality. The research by Arsenault and Castell differs from this study, which seeks to illustrate how media site management companies survive in the era of digital technology development. This research does not focus on conglomeration, but rather on the development of business models and the application of information and communication technology in helping news sites survive.

Ross Tapsell's research in "Platform Convergence in Indonesia: Challenges and Opportunity for Media Freedom" examines the implications of media convergence associated with the rise of citizen journalism, media ownership, and the challenges faced by media related to the development of social media (Tapsell, 2015). Tapsell's research differs from

this study, which describes the threat of social media to the readability of news sites, but also offers opportunities for mainstream news sites to leverage the power of social media to support content production and increase digital revenue.

Peter Verweij in *Making Convergence Work in the Newsroom: A Case Study of Convergence of Print, Radio, Television, and Online Newsroom of the African Media Matrix in South Africa During the National Art Festival* (2009) found that converged newsrooms offer more opportunities for the audience to obtain information and engage in a story, as well as more integrated use of production tools.

Verwij's research differs from this study because, although the researcher will discuss the role of convergence in content production, the focus will be directed towards the effectiveness of the convergence model in efficiently providing content for news sites.

Veza Aditya Lenggawa in *the Strategy of Jawa Pos in Facing Media Business Competition in the Era of the 4.0 Industrial Revolution* (2021) found that digital technology has created new business models for some mainstream media in Indonesia, including Jawa Pos. Researchers refer to this phenomenon as a digital conglomerate model. Lenggawa's research aligns with this study, which highlights the transformation of Jawa Pos Media's business model from a print media ecosystem to a multiplatform media company, one of which involves developing a networked news site. Nevertheless, Lenggawa's research differs from this study, which focuses more on the digital transformation of Jawa Pos Media and the media economic transformation of Jawa Pos Grup Multimedia, the business entity that manages the news site JawaPos.com.

RESEARCH METHOD

This research uses a qualitative research paradigm with a descriptive research type. Strauss (2003) states that qualitative research is a type of research whose findings are not

obtained through statistical procedures or other forms of counting. In qualitative research, the researcher becomes an integral part of the data because the researcher actively selects data that supports the research.

This qualitative research uses a descriptive research type to systematically, factually, in-depth, and accurately describe the facts and characteristics of the research subjects. Documents in descriptive qualitative research contain data quotes to provide an overview of the report presentation. The data were collected from the field as a result of interviews, field notes, documentation photos, video recordings, personal documents, notes or memos, and official documents.

This research uses a case study approach to examine how the management of digital advertising revenue potential is conducted by the news portal JawaPos.com, in accordance with the theory that case studies are applied to a specific condition or phenomenon, within a specific system, to describe how that condition unfolds, as the phenomenon is too complex to be studied through surveys or experiments, and is presented in the form of meaningful words.

The data sources used in this research include primary data obtained by the researcher from research informants in the form of interview transcripts, documentation, company documents, and data related to the information of the company managing the news site JawaPos.com. Secondary data sources are used as supporting data in this research.

The secondary data obtained in this research include digital advertising data, draft regulations for digital advertising management, and research data related to internet marketing. The researchers obtained primary data from direct field observations and interviews. Meanwhile, the secondary data collected included text, photo, and graphic documentation.

The observation unit in this research is the news site JawaPos.com. The subjects of this

research are five decision-makers at Jawa Pos Grup Multimedia who managed the site when it was still in the form of PDF archives, the managers of the JawaPos.co.id site during the 2007-2009 period, up to the present when it is named JawaPos.com. Meanwhile, another research subject is the chairman of the Indonesian Cyber Media Association (AMSI) for the 2023-2027 period.

In this study, the researcher used data triangulation and method triangulation techniques to examine the validity of the data by utilizing something outside the data for the purpose of cross-checking or comparing against the provided data. Data triangulation was used by combining interview techniques and observation.

Meanwhile, method triangulation was conducted by comparing secondary data from internal company sources and literature reviewing company information, primary data from interviews with research informants, and theories and previous research results related to media economics. To enhance the validity and reliability of the data, observations were conducted over a one-year period from October 2022 to October 2023, during which JawaPos.com formulated strategies and implemented the transformation of the media economic model.

In this research, the researcher used participatory observation techniques, not only being a passive observer but also actively participating in the phenomenon being studied. In this thesis research, the researcher conducted observations at the PT Jawa Pos Grup Multimedia (JawaPos.com) office in the Graha Pena Building, 4th Floor, Jalan Ahmad Yani No 88, Surabaya. This research is a type of participatory action research because during the research, the researcher was also involved in the operations within the Jawa Pos Media environment.

This qualitative research uses narrative analysis and thematic analysis to analyze data collected from interviews and field

observations. In this research, the presentation of the research results is carried out by combining the categorized and narrated interview results by the researcher with direct quotes from the research informants as reinforcement or support.

This research uses thematic analysis by applying a number of steps recommended by Miles & Huberman in Sugiyono (2009). First, the data collection stage, which is the process of gathering data related to the research objectives at the research location through a number of data collection methods including interviews, field observations, document studies, and research documentation.

RESULTS AND DISCUSSION

1. Introduction to the JawaPos.com News Site

The JawaPos.com news site is managed by Jawa Pos Grup Multimedia (JPGM), a subsidiary of the sub-holding company Jawa Pos Media. The Jawa Pos Media sub-holding is one of the media company parent organizations owned by Jawa Pos Holding (formerly known as Jawa Pos Grup), which is responsible for managing media companies in the DKI Jakarta, Central Java, East Java, and Bali areas. Jawa Pos Grup Multimedia was established in 2014 as part of the company restructuring at Jawa Pos Holding, separating PT Jaringan Pemberitaan Nusantara Negeriku, which manages the JPNN.com news site, and PT Jawa Pos Grup Multimedia, which manages the JawaPos.com news site.

Since the restructuring, JawaPos.com has become the main domain for the news sites owned by Jawa Pos Radar and Jaringan Jawa Pos Media Nusantara. (JJMN). Based on the area, the network of news sites on JawaPos.com by early 2023 covers 87 news sites in 27 provinces. JawaPos.com has seven main channels or sections on the homepage and 20 sub-channels.

The total visits to the JawaPos.com site in Q2 2023 reached 31 million per day, while the total page views reached 48 million pages accessed by 16 million users. From that traffic, 42.38 percent of the visitors came from accounts that directly searched for the JawaPos.com site (direct users). For each visit, users averaged 1.73 pages/session with an average of 1.8 sessions.

As many as 12.96 percent of JavaPos.com users access the site using desktops, while 87.04 percent access JavaPos.com using mobile devices. Based on demographics, 53 percent of the total visitors to JawaPos.com are male and 47 percent of the site's visitors are female. About 45 percent of the visitors to JawaPos.com are detected to be from the Surabaya area and around 30 percent are from the Jabodetabek area.

JawaPos.com develops multimedia-based content (text, photos, videos) across various platforms. (website, mobile site, dan application). With the megaportal concept, JawaPos.com combines a news portal, e-commerce portal, event portal, interactive visual portal, and is currently developing a video on demand portal.

Business orientation has become a very strong aura within the body of the Jawa Pos media industry (Pamuji, 2019). Media consolidation and convergence aimed at centralization, digitalization, and efficiency have become the main strategies of Jawa Pos. (Pamuji, 2019).

2. Organizational and Economic Transformation of JawaPos.com

The transformation of JawaPos.com is divided into three periods, namely:

a. 1997-2013 Period

In 1998, the Jawa Pos editorial team began using the internet to store digital archives of newspaper pages, specifically at www.arsippdf.jawapos.co.id. These digital newspaper pages also facilitated Jawa Pos in implementing a remote printing system in

various printing houses spread across Central Java, East Java, Bali, Jakarta, and West Java. In addition, Jawa Pos is also developing a news distribution network for all its subsidiary media called the Jawa Pos National Network (JPNN). In 2009, the management of the Jawa Pos PDF archive was handed over to PT Media Virtual Indonesia, and the website www.arsippdf.jawapos.co.id was renamed www.jawapos.co.id.

In addition to selling subscriptions to the Jawa Pos PDF newspaper, the site also began selling digital ads sourced from bundling packages with ads in the Jawa Pos newspaper. *"At that time, the results were quite good because it had managed to generate ads from well-known brands. However, at the end of 2013, the website (arsippdf.jawapos.co.id) was closed due to a management change in its administration."* Sugiarto, director of Jawa Pos Grup Multimedia for the 2018-2023 period.

b. 2013-2015 Period

Jawa Pos Koran established the Jawa Pos Digital Department in October 2013 by appointing several editors and web designers from Jawa Pos Koran to manage JawaPos.co.id. In addition to moving the content of Jawa Pos Koran to the news site, JawaPos.co.id also recruited six dedicated journalists for the news site. *"The transformation of JawaPos.com from initially just an e-paper to a news site was made because there was already a need for media convergence at that time."* Several clients in Jakarta have started asking why Jawa Pos does not yet have a news website," said Sofyan Hendra, head of the Jawa Pos Digital Department.

One of the reasons for Jawa Pos's delay in entering the digital business is the low revenue generated from the news site. In the first six months of 2015, the website JawaPos.co.id generated revenue of Rp 512 million. *"This is far less compared to the newspaper's advertising revenue, which at that time reached Rp 40 billion per month,"* said Sofyan Hendra.

c. 2015-2017 Period

Jawa Pos decided to continue digitalization by transforming Jawa Pos Digital into the news site JawaPos.com. The management of Jawa Pos handed over the management of the site to the management of JPNN.com due to their lack of experience in managing news sites. Revenue from the Jawa Pos PDF archives during this period is managed by the Jawa Pos Koran marketing division.

d. 2017-2024 Period

In 2015, Jawa Pos Holding established Jawa Pos Grup Multimedia (JPGM) under the sub-holding Jawa Pos Media to manage JawaPos.com. The reorganization marks the beginning of continuum convergence and journalistic convergence at Jawa Pos Media. In *Understanding Media Convergence*, Grant (2009) explains five stages of continuum convergence, namely cross-promotion, cloning, co-opetition, content sharing, cost sharing, and full convergence in the collection, production, and distribution of content. Meanwhile, journalistic convergence is divided into three: newsroom convergence, news gathering convergence, and content convergence.

During this period, JawaPos.com began implementing website ranking improvement strategy, which is one of the reasons advertisers are willing to place ads on a news site. The steps taken include improving the site's infrastructure to make it easier and faster to access, increasing the quantity and quality of content with a target for page views and traffic through search engine optimization (SEO) techniques, enhancing content relevance to reader needs, and changing the interface and application development. The second strategy is to strengthen collaboration and traffic acquisition by creating subdomains from all sites owned by media companies under the control of Jawa Pos Radar and Jawa Pos Jaring Media Nusantara.

In addition, JawaPos.com also implements content sharing convergence with Jawa Pos TV, Jawa Pos Koran, and Jawa Pos Radar. That method can increase traffic by 300-400 thousand page views per month. Another

way is to add several new channels and terminate the news distribution partnership with news aggregators, choosing instead to distribute content on social media and channels on WhatsApp.

In addition to managing the news site JawaPos.com, Jawa Pos Grup Multimedia also manages all official social media accounts of Jawa Pos Media. The management of these social media accounts is carried out to optimize social traffic achievement, enhance content distribution through news link dissemination, support the branding strategy of Jawa Pos Media, and serve as one of the sources of digital revenue. Fifteen percent of Jawa Pos Grup Multimedia's revenue comes from digital income generated by the optimization of social media accounts.

Jawa Pos Grup Multimedia is also restructuring in the form of rationalizing the number of employees, implementing dual-role practices and cross-medium assignments for employees at the managerial level, as well as forming a search engine optimization (SEO) team. The implementation of continuum convergence and journalistic convergence can reduce operational costs from content production by 50 percent. The practice of dual roles at the management level, along with co-promotion and co-selling strategies, effectively eliminates internal competition at the marketing division level across media within the Jawa Pos Media environment.

From the clients' perspective, the co-selling and co-promotion strategies applied by Jawa Pos Grup Multimedia make clients feel that the offered prices are more competitive and the messages conveyed through advertisements are more effective because they are exposed across various media. *"Co-promotion and co-selling make clients more comfortable because they still receive accountability and advertising effectiveness in newspapers while also gaining a digital experience,"* said Dyah Shianti, deputy business director of Jawa Pos Grup Multimedia.

JawaPos.com also made changes to editorial management and social media management as a medium for disseminating news links. There are two types of news produced by JawaPos.com, namely the important news category, which is a form of media idealism. The important news category is produced by journalists from Jawa Pos Koran, Jawa Pos Radar, and JawaPos.com itself.

To maintain news quality standards, JawaPos.com uses “the news faith pillars” of Jawa Pos, which include prominence, magnitude, proximity, importance, interest, exclusivity, human interest, the mission to educate the public, unique news angles, and humor. Meanwhile, the interesting news category is sourced from SEO recommendations produced by the content creator team to attract traffic and page views. The recruitment, remuneration, and career development patterns for content creators differ from those of organic employees at Jawa Pos Grup Multimedia because they use a profit-sharing model from programmatic ad revenue with a 40:60 percent ratio. About 90 percent of the visits to the JawaPos.com site come from the interesting news category produced by content creators.

On the technology side, JawaPos.com is also making improvements so that the site can accommodate more visitors without latency and reduce ad clutter that leads to ad avoidance. The method used is by employing a clean and flawless design language through the addition of sub-channels and dividing the advertising space into these various sub-channels.

Improvements in the business and finance sector are being made by adding types of web ads with prices adjusted to traffic and site rankings. The sale of bundled advertising packages from five media groups under Jawa Pos Media is also implemented as a one-stop shopping service. Meanwhile, financial improvements are also being made by disciplining costs, ensuring tariff transparency, and controlling cashback and advertising discounts.

3. Post-Transformation Performance of the Jawa Pos Grup Multimedia's Media Economy

In the media industry, there are typically three commonly used revenue models, namely revenue from content sales (subscription model), advertising revenue (advertising model), and transaction revenue (transactional model). Subscription revenue and advertising revenue in digital media are adaptations of the conventional media revenue model.

In digital media, subscription revenue is typically obtained through the use of hard paywall, soft paywall, and metered paywall payment methods (Picard & William, 2014). Meanwhile, transaction revenue is obtained from sources other than subscription revenue and advertising revenue, such as e-commerce transactions, intermediary revenue, rental income, revenue from license sales, revenue from data aggregation sales, and revenue from off-air event execution.

Based on research finding, Jawa Pos Grup Multimedia has recently developed two revenue models, namely transactional revenue and advertising revenue. Advertising revenue is obtained from various forms of advertising both on and off the JawaPos.com site. Meanwhile, transactional revenue is obtained from the sale of technology and application licenses to subsidiaries of Jawa Pos Holding. Since the subscription revenue of Jawa Pos Digital was transferred to the marketing division of Jawa Pos Koran, the news site JawaPos.com has not had customer-based revenue like that obtained by several other online media in Indonesia, including Tempo.co, Jakarta Post, Kompas.id, and Kumparan X.

The implementation of Jawa Pos's journalistic quality standards, the assignment of Jawa Pos editorial staff to JawaPos.com, and the maintenance of speed and multi-angle news typical of online media have earned JawaPos.com's journalistic quality public recognition in the form of an increase in direct visits to the site (direct users).

The ranking of the JawaPos.com site on Similarweb has also gradually increased. The increase in the site's ranking correlates with the cost per click conversion value and affects the growth of programmatic ad revenue. The increase in brand awareness also positively affects the bargaining value of the JawaPos.com site in advertising offers obtained from clients directly or through advertising agencies. (direct advertising).

As a media company entity, Jawa Pos Grup Multimedia has organic employees. Nevertheless, the continuous convergence practices (cross promotion, cooperation, content sharing, full convergence) implemented by Jawa Pos Grup Multimedia have led to a reduction in the number of organic employees. In addition, the implementation of a fluctuating allowance strategy based on performance and a profit-sharing system with content creators in producing content on JawaPos.com was able to reduce production costs by 50 percent during the 2019-2024 period.

The increase in website visits, growth in site rankings, efficiency derived from organizational restructuring and the implementation of continuous convergence, as well as co-selling and co-promotion practices, have enabled Jawa Pos Grup Multimedia to record an average annual advertising revenue growth of 61.852 percent. Jawa Pos Grup Multimedia only recorded negative advertising revenue growth during the 2020-2022 period due to the Covid-19 pandemic. Jawa Pos Grup Multimedia achieved an operating profit with a net profit margin of 10.25 percent in 2020.

In terms of percentage, the revenue of JawaPos.com grew positively, but in nominal terms, the income generated from the news site business has not yet been able to replace the revenue obtained by Jawa Pos Media from Jawa Pos Koran and the vertically integrated business related to print media (paper mill, power plant, printing, logistic solution, and building management). Nevertheless, the development of the business model of Jawa Pos Grup Multimedia was able to improve revenue

quality, increase efficiency, and maintain journalistic quality to ensure the sustainability of the media (media sustainability) of the news site JawaPos.com.

4. Challenges for News Websites Amidst Global Platform Dominance

a. High Dependence on Technology Companies and Ad Networks

There is a contradiction between the macro growth of digital advertising spending allocation and the realization of digital revenue received by news websites. Based on data from the Ministry of Communication and Information of Indonesia, total digital advertising expenditure in Indonesia in 2023 is estimated to reach USD 2.55 billion or around IDR 39.7 trillion (Infopublik.id, 2024). This digital advertising expenditure is expected to grow at an average rate of 12 percent per year. The majority of news sites still rely on revenue from programmatic advertising.

Telkomsel Ads data (2020) states that programmatic ad spending in Indonesia in 2020 reached USD 500 million or around IDR 7.2 trillion, growing by approximately 54 percent compared to the previous year. The high proportion of programmatic ads in the media leads to dependence on global platforms and digital advertising agencies (ad network). About 30-40 percent of media revenue is obtained from global platforms and ad networks (Media Sustainability Roundtable, 2020).

The dependence on global platforms is increasing because these platforms act as digital advertising technology companies, controlling site visit traffic and simultaneously functioning as ad networks. The disparity in audience between global platforms and local media causes advertisers to prefer placing ads through social commerce platforms like Google and Facebook rather than directly in the media. Ad networks can also unilaterally reduce the conversion value of programmatic ad revenue per thousand impressions (cost per mile) by 15-

27 percent per year, which erodes the revenue of news sites.

b. Impression-Based Business Model Deteriorates Journalistic Quality

Besides harming the economy of digital media in Indonesia, the development of programmatic advertising also fosters the practice of disseminating false information (hoaxes) and fake news. Another impact of the strengthening of programmatic advertising is the high dependence on page views. News sites that receive high page views are entitled to higher advertising revenue through the programmatic supply-demand mechanism. The high demand for page views in digital media causes media outlets to strive to create content that attracts audience interest to read, ranging from content that is less journalistic in quality to clickbait headlines (click-bait).

c. Impression-Based Business Model Threatens Mainstream Media Brand Recognition

An impression-based business model also reduces audience loyalty to a media outlet, which decreases brand recognition, thereby threatening the long-term sustainability of the media business. The reason is that visitors come to a site not because they are interested in proximity, affiliation, sympathy (affinity), or the value of a media brand, but because the content produced by those media appears on the search screen thanks to the recommendations of digital platform algorithms.

"So there is no eee..brand loyalty..there is no brand loyalty from users like that. The segment of readers chasing trending news does not care where the news comes from, does not care or recognize the historical record or the value represented by the brand value, they are simply looking for... uh... what... uh... they expect to appear when they type keywords into the search engine." Wahyu Dhyatmika, chairman of AMSI for the 2023-2027 term.

d. The Majority of Digital Media Cannot Escape the Programmatic Trap

The majority of legacy media's revenue share from the impression-based business model has not reached a level equivalent to operational costs. One of the reasons is the lack of investment in information technology to build advertising and content distribution channels without relying on global platforms through the development of a reader database and first-party data. *"What Kompas is doing, we can be an alternative because they are trying to replace the ad manager and invest in their own machine. Remain programmatic but not dependent on the platform, both are programmatic but with different strategies."* Wahyu Dhyatmika.

d. Digital Subscribers Grow, Ad Revenue Stagnant

Data collected by the Reuters Institute from 314 media leaders across 56 countries in Journalism, Media, and Technology Trends and Predictions 2024 states that 216 media outlets use a membership or subscription model. As many as 30 percent of media leaders acknowledge that digital customer growth is increasing rapidly, 43 percent state it is increasing slightly, 19 percent are growing steadily, 6 percent acknowledge a slight decrease, and 2 percent state a drastic decline. (Reuters Institute, 2024).

e. News Disconnection and Selective News Avoidance

Platforms encourage the increasing amount of circulating content, which exhausts readers (information fatigue) and reduces their interest in reading and paying for subscription fees (Reuters Institute, 2024). To anticipate this, the media must explain complex issues better (better explanation), publish news that contains solutions (constructive journalism), and produce more news about inspiring people (human stories). Newsrooms should also present positive news, showcase different sides of an event (diverse perspective), present more entertaining news (fun and entertaining news),

and adjust the media's language style to a broader demographic.

CONCLUSION AND SUGGESTIONS

The conclusions obtained from this research are:

1. The development of technology is changing the style of journalism and the business model of Jawa Pos.
2. Jawa Pos was late to enter the digital business because the real revenue from digital site businesses was still too small compared to the revenue from print media and supporting business lines of print media.
3. The media economic transformation focused on improving site indicators, efficiency from organizational restructuring, continuous convergence practices, and co-selling and co-promotion was able to enhance the performance of JawaPos.com.
4. The media economic transformation carried out by Jawa Pos Grup Multimedia was able to turn around the financial performance from a loss condition of 1,200 percent in 2017 to achieving an operating profit with a net profit margin of 10.25 percent in 2020.
5. Continuum convergence practices, journalistic convergence, maintaining journalistic quality standards, and efficient human capital management were key to the success of the turnaround from a loss condition to a company capable of generating profit.
6. Efforts to improve site rankings with a traffic boost strategy can be achieved through traffic acquisition from subsidiary-owned news sites, increasing content production by collaborating with content creators, and adding channels on the main domain that contain niche market content. In addition to improving site rankings correlated with direct ads, these efforts can also enhance the conversion value of programmatic ads.

7. Besides increasing bargaining power with global platforms, publishers are also required to diversify their business, increase ad revenue from direct ads, and offer multiplatform ad packages.
8. To enhance media sustainability, news site publishers must establish content and advertising distribution channels that directly connect with consumers, develop a reader database, and build first-party data.

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