

A CASE STUDY OF MEDIA CONVERGEN IN FACING MEDIA DISRUPTION IN INDONESIA

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Abstract

Media disruption is a situation where digitalization changes industry practices exponentially. TvOne Holding is experiencing it, and deals with this disruption as consumers from the digital media sector continue to increase. This study explored the practice of the 'long tail', 'economies of scope', and 'economies of scale' in the application of media convergence. It is descriptive qualitative with a case study model by interviewing six TvOne journalists. The results shown that the three concepts of new economies in convergence activities have been implemented, but some aspects of the application have not been effectively carried out compared to other media companies.

Keywords: media culture; media convergence; new economies; media disruption; mass media

INTRODUCTION

The relentless march of technological innovation has led to a surge in disruptive technologies, challenging established industries and forcing businesses to adapt or perish. The concept of disruption, first introduced by Clayton M. Christensen and Joseph Bower in their groundbreaking 1995 HBR article, has since become a cornerstone of strategic thinking. "*Disruptive Technologies: Catching the Wave*," a 1995 Harvard Business Review article by Clayton M. Christensen and Joseph Bower, introduced the concept of disruption to the academic community (Hannan, 2022, p. 277). According to Haerunnisa & Sugitanata (2024, p. 45), disruption is essentially the result of technical innovation creating a new market that upends an established one by providing a simpler, more convenient, and more inexpensive alternative. This transformative power of disruption provides a crucial framework for understanding the profound shifts occurring within the media industry, particularly in the context of digital advancements and new economic models.

In contrast to Christensen's explanation of disruption, Fukuyama (1992) in Roja (2023, p. 84) describes disruption more radically as a shock or chaos within the social order caused by the rapid advancement of technology. Christensen's work primarily positioned disruption as a business and economic phenomenon, especially within the digital media landscape. In contrast, Fukuyama argued that it has contributed to a deterioration in moral standards in Western nations and linked it to more general societal trends. Analysts including Jeff Loucks, James Macaulay, Andy Noronha, Michael Wade, and John T. Chambers have contributed to a deeper understanding of digital disruption in the business and economic sectors. This distinction highlights the multifaceted nature of disruption, encompassing both market dynamics and broader societal impacts, though our focus here remains on its economic implications for media.

The urgency of the research, especially in the selection of TvOne, is motivated by TvOne's position as one of the two national news televisions that are 24 hours non-stop in Indonesia with an average audience percentage of 8%. The figure is quite high when compared to its competitor, Metro TV, whose average audience is in the range of 4% (Tapsell, 2019) in (Lizetha & Prawadika, 2021, p. 16). This position plays an important role in society because it is one of the central references in obtaining news information that can be accessed easily through television. Highlights its pivotal role in society as a primary source of easily accessible news information. Given the significant role of mass media in shaping public opinion and providing information Arifina et al. (2024, p. 4), TvOne's influence has been amplified by its digital distribution strategy since 2016,

which leverages platforms like Instagram, YouTube, and Facebook (Hariyadi, 2023, p. 16). TvOne's influence and reach have been significantly expanded by its entry into digital media. The strategic adaptation of TvOne to the digital landscape thus offers valuable insights into the challenges and opportunities faced by traditional media outlets in the evolving Indonesian media economy.

The unique contribution of this study lies in its unprecedented exploration of the new economic facets of media convergence, specifically integrating the concepts of the long tail, economies of scope, and economies of scale, applied directly to TvOne's digital media disruption in 2024. A review of existing literature reveals that these specific economic dimensions have not been previously discussed in the context of Indonesian mass media and digital media. This groundbreaking approach is thus expected to enrich the body of media science, particularly regarding digital media, by offering insights that are both academically valuable for further study and practically applicable for understanding digital media communication.

METHOD

A qualitative descriptive approach and a case study design were employed in this research. Research that was qualitative involved watching events in their natural settings to interpret the meanings and behaviors associated with them (Denzin & Lincoln, 1987; Moleong, 2014, p. 5). This strategy was chosen, as Sugiono (2015, p. 292) suggested, qualitative approaches were especially well-suited for investigating dynamic and complicated research issues that were difficult to quantify. In terms of the intricacy of the idea under investigation and its practical implementation, the present study satisfied this requirement. Meanwhile, case studies in this case are a research design used in various fields, in which researchers apply in-depth analysis to a case, process, program, individual, to an activity (Stake, 1995; Yin, 2009, 2012, 2014 in Cresswell & Cresswell, 2018, p. 13). The second reason is that qualitative research focuses on understanding and describing. In this case, understanding the meaning seen in the whole picture through prologue or intense contact with the field or situation of everyday life of individuals, groups, communities, and organizations (Malik & Hamied, 2014, p. 193), which in this study is the meaning of the situation in the digital media tvonenews.com.

The object of this research is the long tail, economies of scope, and economies of scale as applied by the media holding TvOne, particularly the digital media platform tvOnenews.com, in response to digital disruption. Meanwhile, the subjects of this research and data sources are journalists from TvOne and observation on their online media platform.

Data collection in this study was conducted through two data approaches: secondary and primary. Secondary data was obtained through observations of the tvonenews.com website and television broadcasts on the TvOne YouTube channel. Primary data was acquired from in-depth interviews with Taufik Muharfan, M. Haedar Fashal, Yohanes Leonardo Rudolf, Christanti Yosefa, Adi Mulya, and Tika Dewi, who are journalists at TvOne, the television station being investigated in this study. These interviewees were selected to provide data or information related to applying new economic concepts in the media disruption practices being studied. After data collection, the researcher conducted data selection and simplification processes, followed by analysis and conclusion-drawing based on the research questions.

RESULTS AND DISCUSSION

The results and discussion are presented in a section consisting of several paragraphs. This section is the most dominant part of the whole article, which is 60%. To facilitate understanding and reading, the results of the research are described first, followed by the discussion section. Results and discussion subtitles are presented separately.

Result

The theory of disruption, widely popularized by Peter H. Diamandis, explains how digitalization has led to exponential shifts in industrial practices (Darwin & Sefudin, 2020, p. 29). Christensen (2011, cited in Hermani, 2023, p. 18) defines disruption as innovations that fundamentally alter market rules by displacing existing products and technologies to create new markets and network values. In essence, it is an innovation that concurrently establishes new markets while undermining established ones (Diamandis & Kotler, 2015, p. 12). Kasali (2018, cited in Darwin & Sefudin, 2020, p. 33) adds that disruption renders past methods and products obsolete through radical transformation. This study demonstrated how digital media embodies this core concept of innovation creating new markets while disrupting existing ones.

The key concept in the theory of disruption is that any digital media based on disruptive technology tends to exhibit characteristics of being cheaper, simpler, smaller or more compact, more convenient to implement, and when compared to conventional technology, can operate at a higher frequency (Christensen, 2016, p. 3). The advent of digital media, often referred to as e-papers, is a prime example of media disruption. In this context, e-papers are essentially digital replicas of traditional print newspapers. Germany, for instance, has seen a proliferation of such digital publications, with nearly 1600 titles mirroring their print counterparts. Publishers in Germany, as observed by Hermanni (2023, p. 20), have adapted to evolving reader habits, leading to a significant surge in e-paper circulation, reaching 2 million copies in recent years. This has left conventional technology, which disseminates information through paper newspapers, behind, as it is widely acknowledged that the use of e-paper, accessible via smartphones or other electronic devices, is cheaper, simpler, and more convenient. This has left conventional technology, which disseminates information through paper newspapers, behind, as it is widely acknowledged that e-paper, accessible via smartphones or other electronic devices, is cheaper, simpler, and more convenient.

Punch (2009) in Malik & Hamied (2014, p. 266) explains that case studies have the characteristics of (1) a limited system, where the boundaries are not always clearly identified, but researchers identify these limitations, (2) the case being studied can be seen as something that is easy to recognize or understand but requires focus to explore it, such as identifying units of analysis and important ideas in analyzing data, (3) there are explicit efforts to maintain the integrity, unity, and integrity of the case being studied, in its application efforts made such as clearly defining research questions in an effort to maintain focus, (4) the use of various methods of data collection from various types of evidence sources and meeting in the triangulation process.

The Long Tail

In a nutshell, the long tail theory posits that it is possible to make profitable what was previously unprofitable, whether it be consumers, products, or markets. Traditionally, industries have been focused on a "hit-driven" economic model, prioritizing popular products such as top-rated TV shows, best-selling books, and high-circulation magazines. In contrast, the long tail concept argues that the pre-digital era, where distribution and production were constrained by physical space, limited the diversity of products that could reach consumers. However, the advent of the internet has introduced the concept of "infinite-shelf-space business," allowing for the distribution of virtually any product (Anderson, 2006, as cited in Øverby and Audestad, 2022, p. 232). In this context, the concept of the long tail does not focus on creating high sales volumes for popular products; rather, it emphasizes offering individualized products that can meet the needs of micro niche consumers or even individual customers (just 1-2 people), while providing a vast variety of options (Salvador, Piller, and Aggarwal, 2020, p. 1).

One of the defining features of the long tail model, especially in digital environments, is the negligible marginal cost of producing, storing, and distributing additional units of a product (Øverby and Audestad, 2022, p. 239). The implication of this is that this business model is likely to reduce production and distribution costs, as evidenced by platforms such as Netflix, Amazon, and

iTunes (Benner and Waldfogel, 2020, p. 267). Such factors constitute the bedrock upon which corporate operations are built.

Economies of Scope

Besanko et al. (2016, p. 57) explain economies of scope as a situation in which a firm achieves savings due to efforts to produce a variety of products and services. Meanwhile, Carey (2014, p. 123) defines economies of scope, also known as scope effects, as the cost savings achieved through joint production. In essence, producers benefit from producing a variety of products simultaneously as it is more cost-effective to share resources than to produce each product independently.

Within this range, one of the key concepts of economies of scope is the sharing of resources and capabilities. In other words, it refers to synergy, where individuals with specific skills, equipment, industrial facilities, distribution channels, research and development laboratories, and advertising campaigns collaborate (Hill, Schilling, and Jones, 2017, p. 313). In the digital media industry, resource sharing can manifest in various ways, including the sharing of journalists, cameramen, writers across programs, the joint use of cameras and studios, and a common digital platform for content distribution. This aligns with the assumption of the U-form organization that when business units within an industry can share common functions or resources, they can collectively reduce structural costs per unit of output.

Economies of Scale

Economies of scale refer to the benefits obtained when numerous activities are conducted within a single type of service in production or industry (Dormont 2014, p. 458). Carey (2014, p. 123) explains that production practices follow the logic that the more produced within a single industrial activity, the greater the output achieved, which influences savings in the production process; thus, as production increases, the costs incurred decrease. Hill, Schilling, and Jones (2017, p. 46) further elaborate that economies of scale are calculations wherein production costs decline as a company expands its output or production scale.

Changing pattern in digital disruption

Digital disruption, as defined by Loucks et al. (2016) in Amin (2023, p. 474), is the effect and disruption brought about by the development of digital technology and the value proposition inside an industry's business model. Technology acts as a catalyst for innovation, strategic changes, and business transformations aimed at enhancing company performance within this framework. The advent of digital news platforms, or digital media, epitomizes this media economic disruptive force.

Tapscott (1996), as cited in Latuconsina et al. (2024, p. 33), in his book *"Digital Economy, Promise, and Peril in the Age of Networked Intelligence,"* argued that the global economy has undergone a significant shift from an industrial society based on steel, roads, and vehicles to a knowledge-based society characterized by computers, silicon, and networks. In order to survive these changes, the industry particularly the digital media sector must comprehend the ideas of new economies and long tail.

Additionally, the specific case of TVOne has been the subject of a variety of research. The first study was conducted by Zion et al. (2024) entitled *"Who is a journalist now? Recognizing atypical journalism work in the digital media economy."* It discussed digital disruption that occurs in digital media, especially in Australia. The aims were to identify changes in the definition of journalists in the digital era due to media disruption, then identify journalism jobs that were currently atypical in this case the work patterns of journalists were no longer usual where journalists are assigned to become content creators for social media, blogs, and other forms of digital media, then calculate the economic impact of digital developments on the journalism industry, especially the loss of jobs for journalists. The method used was a mix method with a combination of quantitative and qualitative data. The results concluded that in the era of digital disruption, the

definition of journalists has become more complex and broader. At the same time, the duties of journalists today encompass professional activities in addition to traditional journalism.

The second study was conducted by Dasri & Suwarni (2023) with the title "*Analisis Disrupsi Media Digital Terhadap Industri Televisi Indonesia*." The study discusses changes in digital media content consumption patterns in Indonesia, especially in the television industry. The study aims to gain an understanding of the changes in patterns experienced by consumers when various age groups are affected. The method used by the researcher is trend analysis with a qualitative approach. The study concluded that there is an impact of changes in television media consumption patterns from the content provided in the industry. Furthermore, platforms that have more advanced capabilities will be able to become market leaders in the media industry, therefore the conventional television industry needs to develop this even though conventional television will not suddenly become extinct because it is threatened by a decline in users.

The next research was presented by JM & Mihardja (2023) with the title "*Merumusukan Jurus Jitu Hadapi 'Badai' Konten Digital: Studi Kasus TV-One*." The researcher designed the study to explain and understand the best way for television with the main content of news, in this case the TvOne television channel, to utilize digital channels to reach and expand its consumers as much as possible. The method used by the researcher is a case study with a qualitative approach to develop the topic under study. The research has concluded that the dissemination of information on the content owned by TvOne can be done consistently through the TvOnnews.com page, Youtube uploads, Tiktok networks, Instagram, and Twitter. By adapting quickly through a multi-channel system, consumer reach will automatically expand so that TvOne can adapt in the era of digital media disruption.

The fourth research has the title "*Strategi Konvergensi TV One Menghadapi Era New Media*" which was researched by (Hariyadi, 2023). The study discusses the convergence pattern of conventional mass media, in this case TvOne, when facing new media developments. The researcher explains that this study aims to describe how TvOne can survive in the era of rapid digital media development. The researcher clarifies that this ponder points to depict how TvOne can survive within the period of fast computerized media improvement. This consider utilized a subjective clear examination approach as its approach to investigation. Agreeing to the discoveries, TvOne has long arranged to utilize merging to alter to the progressions in computerized media. It started this approach in 2010 and began implementing it in 2016. TvOne subsequently developed this convergence in earnest by creating a new business called "Digital Service unit," which is in charge of overseeing and delivering material from its traditional television channel to other platforms like Facebook, Instagram, and YouTube.

Fifth, a study conducted by Lizetha & Prawadika (2021) entitled "*Konvergensi Setengah Hati: Invasi Konten Media Sosial dalam Program Berita Televisi di TvOne*." The study aims to describe how TvOne applies social media content transfer (convergence) to TvOne's television news programs in an effort to increase ratings and shares in order to survive in the era of massive use of social media. This study uses a case study method with a descriptive qualitative approach to analyze the theme. In this study, the researcher found that all strategies used by TvOne are the paths taken so that the media can survive and survive. The process carried out in carrying out media convergence by TvOne is by selecting themes that have no selling value to the audience, eliminating television programs that are considered not to be profitable, to raising viral content on social media to get a lot of attention from the audience.

The last research is entitled "*Mediamorfosis TV One pada Era Media Baru*" by (Nugroho, 2019). The research discusses TvOne's mediamorphosis strategy, especially in the convergence it carries out in an effort to compete in the media industry in Indonesia. The research aims to examine the convergence and changes implemented by TvOne and the media that are members of the Viva Group including viva.co.id and ANTV. The research chose the phenomenological method in a qualitative approach. The research concluded that until now the three media that are members of the Viva Group have not implemented all forms of media convergence, because there are significant

differences in news content between the media. However, the researcher also concluded that TvOne's decision to carry out media convergence is a step forward to provide the best service to its audience and maintain the existence of its journalistic activities.

About TvOne Holding

TvOne is a subsidiary of PT Visi Media Asia Tbk as known as TvOne Holding, commonly known as VIVA Group too. Based on its official website they established in 2004 and listed on the Indonesia Stock Exchange in November 2011 (Viva Group, n.d.). VIVA Group positions itself as a leading converged media company in Indonesia, explicitly stating that convergence is the company's long-term strategic goal. This is evidenced by one of its media products distributed through the website, viva.com, which is currently categorized as one of the largest online mass media in Indonesia (Pratama & Puspitasari, 2023, p. 309). This proactive stance highlights VIVA Group's commitment to adapting its business model to the evolving digital landscape, making TvOne's operations a prime example of strategic media convergence in action.

The television stations and media portals owned by Viva Group include ANTV (PT Cakrawala Andalas Televisi), VDVC (PT Viva Media Baru), and TvOne (PT Lativi Media Karya). Within these media outlets, Viva Group presents a variety of media products tailored to different styles and markets. For instance, VDVC targets niche markets such as celebrities, esports, health, religion, and K-pop (Viva Group, n.d.). This approach intersects with the concept of the long tail, which would be discussed further. Meanwhile, another media outlet under Viva Group, tvonenews.com, was established to keep pace with the flood of information on social media while emphasizing straightforward and clear journalism that employs vibrant, flexible language devoid of euphemisms (Tvonenews, n.d.). Collectively, these distinct media properties demonstrate VIVA Group's agile response to the digital era, embracing both broad appeal and segmented content strategies to maintain relevance and reach in a highly competitive landscape.



Figure 1. Viva Group Corporate Media Product (Viva Group, 2021)

VIVA Group, in its official company profile, also outlines the target market for each of its subsidiaries. For instance, ANTV targets women and children from various social, demographic, and economic backgrounds. ANTV's micro-targeting strategy is considered successful in maintaining its position as a tier-1 television station. On the other hand, TvOne is designed to target

audiences aged 16 and above with a middle-to-upper income, primarily offering news and sports content, including news programs, talk shows, current affairs, documentaries, and live coverage of sporting events such as the Olympics (Viva Group, n.d.). This clear audience segmentation across its subsidiaries demonstrates VIVA Group's sophisticated approach to maximizing market penetration and maintaining competitive advantage within Indonesia's diverse media landscape.

All companies under the Viva Group umbrella possess distinct visions, missions, content, and target markets; however, they share a common goal of integration (Viva Group, n.d.). Currently, the primary products of Viva Group's media content are Free-to-Air (FTA) television stations such as ANTV and TvOne. Nevertheless, on its official website, Viva Group states its commitment to leveraging social media platforms, including YouTube, Facebook, Instagram, and Twitter, to integrate its content with the aim of enhancing interaction and engagement with its audience. This dedication to integrating diverse media offerings and actively engaging audiences across digital channels clearly defines VIVA Group as a key player in the converged media space, proactively shaping the future of information and entertainment in Indonesia.

Discussion

New Economies in Media Industries

In the realm of media production, especially with regard to digital news media, three key economic concepts emerge as particularly significant in the face of digital disruption. These concepts are *The Long Tail*, *Economies of Scale*, and *Economies of Scope*. This study utilizes these concepts as analytical tools to examine the convergence practices implemented by TvOne Holding.

A central tenet of disruption theory is that digital media, leveraging disruptive technology, inherently possesses characteristics such as being cheaper, simpler, more compact, and more convenient to implement, often operating at a higher frequency than conventional technology (Christensen, 2016, p. 3). The rise of digital media, particularly e-papers digital replicas of traditional print newspapers exemplifies this disruption. In Germany, for instance, nearly 1600 e-paper titles mirror their print counterparts, reflecting publishers' adaptation to changing reader habits (Hermani, 2023, p. 20). This has resulted in a significant surge in e-paper circulation, reaching 2 million copies recently. This shift underscores the obsolescence of conventional paper newspapers, as e-papers, accessible via smartphones or other electronic devices are widely acknowledged to be more affordable, straightforward, and convenient.

The Implementation of the Long Tail Principle

When discussing the implementation of a new economic concept within a company, it is essential to comprehend the relevance of the concept in relation to the specific field and categorizations of that company. Holding TvOne, or Viva Group, as previously described, operates within the media sector; thus, the Long Tail concept an economic theory focused on the media industry may be particularly applicable to this organization. This is especially true regarding the distribution of less popular products from production processes to digital media platforms that can be tailored to specific markets.

In summary, this concept involves transforming less popular products (tail products), which stand in contrast to popular products (hit products), into profit through distribution activities. Such distribution occurs within the framework of infinite shelf space, which is characteristic of digital media or the internet (Øverby & Audestad, 2022, p. 232). According to confirmations from six sources involved in this study, there is currently no application of the Long Tail product strategy within the television industry. In this sector, every component must consider popularity; the content distributed must be enjoyable and consumable by mass audiences rather than small groups. Therefore, produced content must be both sensational and widely appealing.

However, when extending this concept beyond the television industry, it becomes evident that TvOne Holding has long been applying it. Their corporate profile states that they also distribute media content with specific interests (Viva Group, n.d.). A brief excerpt from TvOne Holding's corporate profile illustrates their practice of the Long Tail approach.

NO.	KEUNGULAN KOMPETITIF Competitive advantage	KETERANGAN Remarks
		<p>2 FTAs TV position themselves as a leader in their segments (ANTV and tvOne). As the leading entertainment FTA TV station, ANTV presents a diversified contents comprising of drama, comedy, animation and other general entertainment programs. ANTV's content is designed to attract to female audiences from various spectrum of socioeconomic categories and age demographics as well as children.</p> <p>Meanwhile, tvOne has been known as the #1 television and sport in Indonesia for 13 consecutive years in Indonesia targets an audience segment of aged 14 and above with Socio-Economic Status of middle to upper 1 (upper middle II). tvOne's programs mostly comprise of news, current affairs, talk shows, documentaries, and sports. Moreover, tvOne has exclusive broadcasting rights to One Pride and One Prix championships, each of which is a pioneer in martial arts and motorcycle racing in Indonesia.</p>
4.	Portal berita online di segmen entertainment, light news, dan hard news. Online news portal in the entertainment, light news and hard news segments.	<p>VIVA terus mengembangkan bisnis digitalnya melalui portal berita online di segmen entertainment, light news, dan hard news. Bisnis ini ditempaikan di bawah VDVC sebagai digital enabler untuk setiap unit usaha VIVA. VDVC bertujuan untuk mendorong pertumbuhan online melalui website publisher (viva.co.id, intipseleb.com) serta konten video dan komunitas (VDVC Seleb, VDVC Sports, VDVC Health, VDVC Religi, VDVC Talk, VDVC KPop) yang dibangun untuk menghubungkan komunitas online dengan specific-interest. Selain itu ANTV dan tvOne juga mengembangkan portal digitalnya sendiri, yaitu ANTVKlik dan tvOnenews.com untuk memperluas jangkauan pemirsanya.</p> <p>VIVA consistently develops its digital business through its news portal in entertainment, light news, and hard news segments. Such digital business runs under VDVC as the digital enabler of VIVA's business units. VDVC aims to drive online growth through website publishers (viva.co.id, intipseleb.com) as well as video and community content (VDVC Seleb, VDVC Sports, VDVC Health, VDVC Religion, VDVC Talk, VDVC KPop) which are developed to connect online communities with specific interests. Furthermore, ANTV and tvOne have also developed their own digital portals, consisting of ANTVKlik and tvOnenews.com to enlarge their audience coverage.</p>

Figure 2 Part of TvOne Holding Corporate Annual Report (Viva Group, 2021)

In essence, TvOne Holding's corporate profile in their annual report indicates that it operates a distinct business unit via digital media or the internet called VDVC, which distributes community-oriented content (specific interest). This aligns with the Long Tail concept, which targets specific rather than mass consumers; we might further categorize these as niche within niche (micro niche).

Based on interviews with six sources and observations, the extension of TVOne Holding's digital media products occurs through two primary platforms: their website and social media. Content produced for digital media is distributed via tvonenews.com and viva.co.id. Meanwhile, on social media, generated content is disseminated through YouTube, Instagram, Facebook, and Twitter. While mainstream products those that are popular (hit-driven) are distributed through their television network, products categorized as specific interests including Long Tail products are made available through these online platforms.



Figure 3 Esport section of viva.co.id – long tail product (Yanto, 2024)

Figure 3 above illustrates the distribution of content that can be categorized as long tail products. Unlike the primary offerings produced by TvOne Holding, which include daily news and political content, viva.co.id features content related to esports. The audience for this type of content is highly specific, targeting communities of young individuals, particularly those who enjoy online gaming, as well as audiences engaged in national and international gaming competitions. In addition to esports, other long tail products available on viva.co.id encompass military content, travel topics, and dedicated pages for badminton.

The implications of this can be observed in the comparison of content consumption results between the two digital platforms owned by TvOne Holding. According to the annual report from TvOne Holding, Viva Group (2022, p. 14) the readership consumption for viva.co.id reached 749 million pageviews, while

tvonenews.com recorded approximately 374 million pageviews. The difference between these two business units of TvOne Holding is nearly double. This outcome can be attributed in part to viva.co.id's broader variety of content types and extensive categorization, which includes the distribution of long tail products.

The Implementation of Economies of Scope

This concept is closely intertwined with the idea of media convergence. Therefore, its application is particularly suitable for TvOne Holding. Beyond the convergence process, the concept of economies of scope is also evident in the journalistic activities at TvOne. Taufik Muharfan, a journalist at TvOne, elaborates: *"TvOne is a news channel, so (the cameraman) can be utilized across news programs. For example, when I cover a story about Sambo, that news can air on several morning shows: 'Kabar Pagi' at 6 AM, 'Apa Kabar Indonesia Pagi' at 7 AM, 'Kabar Siang' at 11 AM, 'Kabar Petang' at 4:30 PM, and the evening program 'Kabar Hari Ini' at 11 PM."* This practice aligns with the economies of scope concept, where the media industry—in this case, TvOne—achieves savings through resource sharing, particularly regarding skilled personnel as discussed by (Hill et al., 2017, p. 313). In this context, the cameraman covers stories that are distributed across five news programs on TvOne.

Another form of resource sharing implemented by TvOne Holding involves integration within the camera person division. Coverage teams typically consist of two individuals: one reporter and one cameraman. The cameraman can be integrated from two media outlets within the holding company, namely TvOne and Antv. For instance, in coverage intended for ANTV, a cameraman may be scheduled from either TvOne or Antv itself, with this schedule formalized in advance.

The convergence aspect is evident in the integration of TvOne's television channel with the tvonenews.com website. There is an application of economies of scope manifested as material sharing, where the material in question is SOT (sound of tape). SOT refers to a news package produced for their primary industry television and adapted for digital platforms through the website. Tika Dewi, a journalist at TvOne, explains regarding SOT processing: *"...through YouTube in full and also shared via Instagram content in a more concise format."* The process involved is further described by TvOne journalist Christanti Yosefa: *"...the news content (for tvonenews.com) only takes snippets of SOT that are transformed into written form."* Additionally, Taufik Muharfan states: *"...the news is typed from TvOne (SOT television); the statement is there, the facts are there, and it can be rewritten from that."* Thus, in practice, the SOT generated from a single television production process can be distributed as written content for the tvonenews.com website.

Another advantage of implementing this concept is highlighted by TvOne journalist Adi Mulya: *"...as a means to increase public awareness of TvOne."* In a media industry like that of TvOne Holding, gaining awareness is one of the objectives of production processes. This efficiency allows for one production process to serve as another product that contributes to company profits.

Previously, the integration of convergence undertaken by TvOne Holding took different forms. Taufik Muharfan notes: *"In TvOne, there was an instance where news scripts (from television) were used on tvonenews.com."* This source explains that television scripts were adapted for various digital media owned by TvOne Holding according to the type of content being distributed. Currently, however, the form of convergence still practiced involves sharing SOT (sound of tape). Nevertheless, this source indicates that reverse integration from digital products to television products has yet to be realized.

Taufik Muharfan further explains that certain content types pose challenges to integrating tvonenews.com as a digital media outlet with TvOne as a free-to-air television medium: *"The reason we can't do it is that television requires images and video; if it's just information from digital (to television), for example, if tvonenews reports on corruption involving a ministry and someone gets caught by the KPK (Corruption Eradication Commission), that's breaking news we would also chase down at the KPK. However, it's just information; we can't convert it into television format. Conversely, transferring content from TV to tvonenews is certainly feasible."* This reasoning underlines why there has not yet been any reverse integration from digital business units to television business units.

Beyond simply increasing output, firms can achieve savings through economies of scope, which arise from producing a variety of products and services (Besanko et al., 2016, p. 57). Carey (2014, p. 123) highlights this as "scope effects," emphasizing the cost savings achieved through joint production rather than independent efforts. The core benefit lies in the ability of producers to share resources, making simultaneous production of diverse offerings more cost-effective. A key element of economies of scope is the concept of synergy, where shared resources and capabilities—including specialized skills, equipment, facilities, and even advertising campaigns—allow for collaborative benefits (Hill et al., 2017, p. 313). For digital media, this translates into tangible practices: journalists, cameramen, and writers can be shared across programs,

cameras and studios can be jointly utilized, and a common digital platform can distribute various content types. Such resource sharing in a U-form organizational structure allows business units to collectively reduce their per-unit structural costs.

The Implementation of Economies of Scale

The application of economies of scale is, in fact, quite straightforward yet highly applicable. Simply put, a single production process can yield multiple types of products simultaneously, which is very feasible in the media industry, including at TvOne Holding. Based on interviews conducted with six sources, all six indicated that TvOne Holding has engaged in activities with consideration for the concept of economies of scale.

The key term for the application of economies of scale in the convergence undertaken by TvOne Holding is "SOT," or sound of tape. Through the interview process, data collection, and information processing conducted by the television unit, content is then distributed across its various digital business units such as viva.co.id and tvonenews.com. In this media production process, a single coverage can generate multiple products, as explained by source M. Haedar Fashal: *"...one of which involves sharing 'soundbites' from sources."* Taufik Muharfan adds an example of television coverage he produced that was also utilized for one of TvOne Holding's digital business units: *"...here's my coverage on TvOne (television content), but it's also used on viva.co.id (digital written content)."*

However, from the observations made by the researcher, no identical content was found due to effective processing to avoid redundancy in information. Taufik Muharfan further explains the absence of identical content between television and digital media within the holding: *"If tvonenews has its own reporter, then TvOne (television) also has its own reporter, so each one..."* Thus, all data collected is shared and processed among the various business units. Consequently, content diversity is maintained across the media platforms owned by TvOne Holding.

In comparison to other companies, TvOne journalist M. Haedar Fashal notes that the implementation of economies of scale in the convergence at TvOne Holding is not particularly significant. He elaborates on this application: *"...it does not prioritize media convergence; for example, Metro TV reporters are required to create vlogs for posting on Metro TV's social media, while TvOne reporters are not. BTV reporters are required to write full articles like those found in online media, whereas TvOne reporters are only obligated to create television scripts."* The two other media companies mentioned by this source have implemented economies of scale more effectively than those applied at TvOne Holding. Another informant in this study mentioned that there was once a similar implementation related to economies of scale as seen in these two media companies.

In practice, TvOne journalists have "once" been asked to produce content for the digital unit of TvOne Holding. Informant Yohanes Leonardo Rudolf explains: *"...there was a time when I was requested several times by the digital editorial team to create digital content intended for social media; however, in practice, it has not been fully maximized..."* In this context, the digital content refers to instances where journalists produce two different types of content within a single production process.

In understanding the dynamics of media production, the concept of economies of scale is crucial. This refers to the inherent advantages gained when a company increases its output within a single type of service or industry (Dormont, 2014, p. 458). As Carey (2014, p. 123) articulates, production practices often follow the logic that higher volume within a single industrial activity yields greater output and, consequently, significant savings. This principle suggests that as production scales up, the costs incurred per unit naturally decrease. Hill et al., (2017, p. 46) further elaborate on this, defining economies of scale as the phenomenon where production costs decline as a company expands its output or overall production scale.

CONCLUSION

Understanding the various principles of current economics is essential, especially for media agencies. Especially as a direction to guide the development and challenges that arise due to digital disruption. By applying the concept of 'The Long Tail Strategy', 'Economies of Scope', and 'Economies of Scale' in the convergence process, media companies can increase efficiency in each of their operational activities. Although in its application, several concepts cannot be applied due to the segmentation of TV in Indonesia which until now is still in the form of hit-driven products to meet the needs of consumers in Indonesia who in reality still need it.

Unfortunately, field data was found where efficient utilization had not been found which could actually be done by TvOne Holding. In the practice of media convergence, in fact, in one production process, journalists produce a lot of content for television standards where the product is a popular product (hit-driven product), among these products it is possible that there will be unpopular products (tail products) for certain niches such as community consumers. These products can be transferred to the company's division that distributes niche products in niches in the company's digital content distribution unit, where this can be categorized as the application of economies of scale and economies of scope. However, it should be underlined that the efficiency improvement practices carried out need to consider the workload of journalists, because as discussed in the related research to this study in the case of journalists in Australia, the emphasis on media company efficiency that exceeds the limit can lead to the loss of the journalist's identity because of too many activities outside of his duties as a journalist. Regardless of the positive and negative sides, the approaches discussed in this study can help maintain the relevance of a competitive market and ensure sustainable growth based on the development of new economic principles, especially in the media industry in facing the era of disruption.

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