

Kedaulatan Rakyat's Daily Survival Strategies in The Siege of Digital Media

LUKAS ISPANDRIARNO
Universitas Atma Jaya Yogyakarta, Indonesia

ABSTRACT

Print media in the form of daily newspapers face a serious challenge with the presence of digital media. A number of print media organisations stopped publishing between 2005 and 2018. The challenges became more severe when the Covid-19 virus pandemic was declared to have existed in Indonesia since March 2020. This media economic study investigates the survival strategies of the *Kedaulatan Rakyat* newspaper. As the oldest newspaper in Indonesia and accompanying the birth of the Republic of Indonesia in 1945, the *Kedaulatan Rakyat* daily office, based in the city of Yogyakarta, has experienced economic difficulties such as the decline of readers, especially millennials. In addition, the acquisition of national advertising also fell by 75% while new/mini advertisements fell by around 50%. The author applied qualitative methods to extract data from in-depth interviews with two editors, two directors and one marketing communication officer. The results show several strategies implemented, including increasing the number of readers, intensifying advertorials, holding events, and reducing the number of pages. The desire of the owner to safeguard the family heritage also plays an important role in maintaining the continuity of the publication and the credibility of the paper.

Keywords: *Media economy, survival strategies, Kedaulatan Rakyat newspaper, Covid-19, Indonesia.*

INTRODUCTION

The presence of the Indonesian press was influenced by the Dutch and Japanese colonialist. The Dutch pioneered the Indonesian press, and both set the rules and regulation for the patterns and styles of the press that were permitted to be published. The orientation is to maintain power, socialized government programs and support state policies (Aziz, 2017). *Medan Prijaji* which was founded by Tirta Adhi Soerjo was the first print media published on January 1, 1907. From the era of independence in 1945 to reformation in 1998, the print press experienced a dynamic role in politics following the government prevailing at that time. The development of digital technology has an impact on the decline in the number of newspaper readers, until the death of a number of print media industries in 2008 (Pribadi & Zuraya, 2019).

This study focuses on the situation of the print media, especially the *Kedaulatan Rakyat* daily newspaper, in the decade leading up to the end of 2020. This period was chosen because the conditions of the media are interesting in terms of economic and political dynamics on the one hand but, on the other, are also worrying, especially with the advancement of internet-based media technology.

In the two decades before the end of 2020, during the post-1998 democratic transition, media owners increased business capitalisation as well as political capitalisation (Mukhijab, 2018). Owners of media capital applied three strategies: first, horizontal mergers, such as those conducted by *Kedaulatan Rakyat*, *Merapi* and KR Radio; second, vertical mergers or cross-ownership as implemented by the Jawa Pos Group and Kompas Gramedia Group; and third, diagonal mergers, by integrating media and non-media businesses (Mukhijab, 2018).

During the 2000s, print media has experienced rapid development with the number of daily newspapers, weekly newspapers, tabloids, magazines and newsletters reaching 889 titles in 2006, and increasing by June 2010 to 1076 titles (Wikan, 2011).

The growth of digital media followed, and in 2014 the Press Council recorded as many as 43,000 online media sources, although only 65 were verified by the provision of Law No. 40 of 1999 concerning the Press. The thousands of online media far exceed the 320 print media that meet the provisions of the the Press Law (Dewan Pers, 2018). The presence of digital media since the beginning of the transition period has led to the development of independent and diverse media. But digitalisation has only helped a shift from the concentration of state power to a consolidated media elite. Despite the growing number of media sources, newcomers to the conventional sector are very rare and are hindered by policies that benefit existing business people (Ambardi, Parahita, Lindawati, Sukarno & Aprillia, 2014).

In its Annual Report entitled *Ancaman Baru dari Digital* (New Threats from Digital), the Alliance of Independent Journalists recorded a decrease in the number of printed newspapers from 1321 in 2014 to 1218 in 2015. The decline in numbers became sharper in subsequent years, falling to 810 media in 2016 and 739 in 2017 (Manan, 2018). Discussions about the decline in the print media industry are taking place both at home and abroad. "Print is dead!" "The printed book will disappear." "People do not read" is a quote from Franklin in the introduction to a journal article written by Nossek, Adoni and Nimrod (2015). Their survey showed a decline in readership for print newspapers and many newspapers in North America and Europe either stopped publishing or switched to online editions due to lower advertising revenue.

Domestically, Dahlan Iskan, the CEO of the Jawa Pos Group, said that the decline in readership occurred not only due to the presence of information technology and changes in the reading behaviour of people who are more interested in digital media, but also because of managerial errors, low editorial quality and rising paper prices (Prayogo, 2018). According to the records of the Press Company Union, from 2008 to 2014 daily print media circulation increased, although the number of media fluctuated, and the increase in circulation stopped in 2014 (Zuhra, 2017). The journalist Maspril Anies wrote that the print media crisis has killed many national newspapers with positive economic track records and readers. *Sinar Harapan* daily, *Neraca*, *Jurnal Nasional*, and *Suara Karya* have ceased publication (Julheri, 2019). In Yogyakarta, the second oldest newspaper after *Kedaulatan Rakyat*, namely *Bernas*, stopped publishing on March 1, 2018 (Kurniawan, 2018). Meanwhile, in 2017, the Indonesia Cyber Media Association (AMSI) Yogyakarta Special Region recorded the presence of 12 cyber media, namely: *harianjogja.com*, *krjogja.com*, *tribunjogja.com*, *bernas.id*, *berita649.com*, *jogjanews.com*, *brilio.net*, *sorot.co*, *tiras.co*, *koranbernas.id*, *radarjogja.co.id* dan *koranmerapi.com* (Asosiasi Media Siber Indonesia, n.d.).

Kedaulatan Rakyat daily newspaper began publication forty days after the independence of the Republic of Indonesia on August 17, 1945. At the age of 75, this newspaper continues to exist, serving readers even as the Covid-19 pandemic has spread throughout the world and affected various aspects of life including the media. During the reign of President Sukarno, the first president of Indonesia, *Kedaulatan Rakyat* was one of the largest newspapers outside Jakarta. Due to strong management and politics, this newspaper remained with us even after the end of the government (Anom & Waluyo, 2011). Until 2020, *Kedaulatan Rakyat* was the largest newspaper in Yogyakarta with a circulation of more than 120,000 and a readership of more than 500,000 (Nasionalita & Nugroho, 2020).

Between 2010 and 2020, this daily continued to experience economic pressure. A number of companies that have become advertisers have moved their advertisements to digital media. The Covid-19 virus has increasingly hit the media economy of this oldest newspaper.

LITERATURE REVIEW

a. Media Economy

Media economy studies how economic forces affect the availability of media, the content of media, media company decisions, consumption of media goods and services, and the implications for culture, politics, and society in general (Picard, 2018). In fact, the revenue from subscriber fees and direct purchase are at the center of the media economy, apart from the focus on obtaining advertising in many communications and media scholarships, public debates and policy circles (Winseck, 2020). As mentioned by Kawashima (2020), until fairly recently the structure and value chains of the media industries were similar and relatively straightforward. They could rely on two major sources of revenue: payment by the user and advertising.

Newspaper, like other mass media, cannot survive without economic support. Advertising is the main source of income almost all media, including newspapers and magazines (Pamuji, 2019). Traditional media and communication markets only focus on one business model, advertising and one other mode, subscriptions (Albarran, 2016). Media content is made attractive to audiences, and advertisers pay for time or space to gain access to audiences. Through subscriptions, consumers purchase the best possible service, usually on a monthly basis, although it can be in person or retail. For Picard (1989) in Doyle (2013), the combination of advertising and subscriptions is called a “dual product” market. Two commodities that media companies produce for sale are content and audiences. For print media, what is meant by content is news or entertainment, and the audience's interest towards the content is a valuable output. Access for the public can be packaged and then priced and sold to advertisers (Doyle, 2013).

Following Albarran, companies involved in the media industry have generally experienced ups and downs in profit, but new technology now presents an extensive choice for consumers. This is especially the case for young people who get little benefit from newspapers, radio and even television (Albarran, 2016). According to Albarran, the new media and communication markets of the early 21st century are grappling with the Internet and controlling the emergence of digital platforms in a variety of different services and applications. In a new market like this, consumers can access or download content at any time, whenever they want to, from all over the world. All it takes is a link, a broadband connection, a wireless network or equipment that can connect users to the Internet. Distribution no longer involves a linear chain from manufacturer to the distributors (Albarran, 2016). For Gentzkow, print newspapers are suffering declining readership and revenue because high-speed or broadband internet facilitates online media consumption without excessive waiting time. Yet, there is little causal evidence to substantiate this claim, and print media has been in decline for a lot longer than the internet has been a popular source of media consumption (Bhuller, Havness, McCauley & Mogstad, 2020).

b. Media Survival Strategy

The presence of digital technology encourages the implementation of a number of media survival strategies. Ekeanyanwu, Batta & Oyokunyi (2017) mention three strategies. The first is to enter into an aggregator such as Google to pay for the right to provide a news service link with news media site links. Google does not provide news content, but can lead subscribers to places where news is available. Several types of aggregator that are growing rapidly in simplifying news retrieval besides Google News are Yahoo! News, Bing News, or Summify. News aggregator offer links to new published by the news outlet, which are usually accompanied by quotes and images. They allow consumers to save a lot of time and effort in searching for news (Calzada and Gil, 2018). The second is to optimise search engines to drive traffic to a company website. This is called Search Engine Optimisation (SEO) and is a key survival strategy for the news media industry. This strategy is put in place to convince news aggregators, search engines, bloggers and anyone else to increase the visibility of a website and therefore increase traffic to that site. As such, news companies wrap stories from the news in a way that news aggregators or search engines can locate them and redirect traffic to the news company. The higher and more often a site appears in the search result list, the more traffic it will get through the use of web crawlers (Xu, Lou, Carrol & Rosson, 2011) in Bhandari and Bansa (2019). Third, media organisations remain within Hyperlocal coverage. This is the type of coverage which gives a special community or locality depth so that members of the community will be attracted to the newspaper because of the newspaper's interest in them and their specific affairs. Following a number of authors, Negreira-Rey & Lopez-Garcia (2021) suggest that hyperlocal media has a mission to cover areas that are increasingly neglected, community-oriented and committed, and a new ways of understanding media relations with audiences.

A different strategy was proposed by Alexander, Owers, Carveth, Hollifield, & Freco (2004), who argued that the main effect of news technology was a reduction in the number of personnel needed to produce newspapers. Technology has made it possible to dispense with typesetters, reduce page layout and simplify the printing process. This technological change allows newspapers today to reduce personnel by one-third to half, depending on size and technology. In turn, the effect of this is the "freshness" of newspaper content because deadlines are shorter, which can increase the ability to compete with broadcast media in making breaking news coverage. Bolter and Grusin (1999) in Omar (2017) use the term immediacy which can be defined according to the experience provided by the media. Immediacy satisfies the user's need for presence or a feeling of "being there". The emphasis is on experiencing "real" through the use of media. Thus, the implications of new technology for newspaper financing, which is applied economies of scale, do not apply equally to all sizes of newspapers.

A key strategy for ensuring the adaptation and survival of print and online media is to maintain credibility and trust in the information presented. According to Kusuma (2016), credibility and public trust can only be formed by the spirit of professionalism of journalists who are guided by journalism ethics. The key is to present factual and verified information. In addition, print media must integrate newspaper content into electronic formats. This is the strategy adopted by the Digital Kompas Team after seriously designing and reviewing the platform to implement paid content because digital business cannot rely solely on revenue from advertising. Kompas.id implements a hard paywall where everyone who wants to read news on *Kompas* must first register their email. Kompas also offers a number of price and service options to its readers (Haq & Fadilah, 2018). Because of the number of choices

provided by Kompas Digital Premium, it is the most preferred service because customers can enjoy full access to all news available on Kompas.id, from text format news to interactive multimedia, newspaper e-papers, and a number of books published by Kompas Gramedia (Haq & Fadilah, 2018).

METHODOLOGY

Data was obtained through in-depth interviews with five sources, consisting of two chief editors and two directors who represent the owner and one marketing department staff member. They are: Octo Lampito, Editor in Chief; Ronny Sugiantoro, Deputy Editor in Chief; Wirmon Samawi, Director; Baskoro Jati Prabowo, Director of Production; and Wiradi, Marketing Communication staff. Voice recordings and interview transcripts are the primary data for researchers. The data from these sources is presented together with secondary data from a number of documents such as books, journal articles, and printed and online versions, then analysed, and presented in narrative and table form.

RESULTS AND DISCUSSION

a. Family Determination Maintain Credibility

Kedaulatan Rakyat daily newspaper, abbreviated as KR, has seemed unperturbed by changing times. During the independence struggle, this newspaper was run by Indonesian journalists who worked for the *Sinar Matahari* newspaper. They are Soemantoro, Bramono and Samawi. After Soemantoro and Bramono left KR, Samawi invited Madikin Wonohito, a journalist for the *Sinar Matahari* newspaper, to join KR so that his newspaper would survive and not be closed down. Thanks to the moral and material support of one of the cultural leaders of the city of Yogyakarta, Paku Alam IX, *Kedaulatan Rakyat* has revived. In 1999, Paku Alam ordered that KR be brought to markets and other public places to make it more known to the public (Raditya, 2019).

Kedaulatan Rakyat is under a Limited Company called the *Badan Penerbit* (Publishing Agency) *Kedaulatan Rakyat* Group, whose product is daily newspapers, and which also publishes *Minggu Pagi*, *Koran Merapi*, KR Radio and *Krjogja*. As the main support for the business group, as early as 2015, KR entered an uneasy stage of business life. Until July 2020, the composition of the company's leadership is as follows:

Table 1: Corporate leader structure

| Position | Name |
|------------------------|----------------------|
| Advisor | Idham Samawi |
| President Director | Wirmon Samawi |
| Finance Director | Imam Satriadi |
| Production Director | Baskoro Jati Prabowo |
| General Director | Yuriya |
| Marketing Director | Fajar Kusumawardani |
| President Commissioner | Inawati |
| Commissioner | Teguh |
| General Manager | Yoeke Samawi |

Source: Ronny Sugiantoro, 2020

The KR group is owned by dozens of shareholders and the Samawi family holds the largest stake. In the last ten years, the company has been led by the third generation of the Samawi family, with Wirmon Samawi as the President Director. He assumed control of the

company in 2008 at the age of 27 as Director of Research and Development, then as Director. At that time, the Commissioner was Baskoro Jati Prabowo who later became Production Director (see table 1). The central leadership trait of the company is collective collegial, and applies the principle of kinship. Employees are generally children of employees who have previously worked for the organisation, their parents or relatives. In an interview with the researcher, Wirmon Samawi emphasised the principles of kinship and determination in KR to its employees:

I convey to all employees, we are one family. *Berat sama dipikul, ringan sama dijinjing* (Many hands make work lighter). This is your home, our home. We're here to work mutually. Whatever happens we must publish. There is a problem with the printing press, we still publish. The determination is shown for example when Baskoro Jati Prabowo's father sold his father's land to build the capital for this company. We were literally born from the womb of KR, would not think of selling KR (Wirmon Samawi, August 5, 2020).

The spirit of kinship and determination to continue to issue KR is the main guardian of the company which has kept it in existence up to 2020. However, Wirmon Samawi acknowledged that there were also employees who suggested that the company or PT BP Kedaulatan Rakyat be sold and the result divided. However, the proposal was not approved. KR must be maintained by building readers' trust. Octo Lampito, Chief Editor of more than ten years, said:

KR is in Yogyakarta, with a distinctive and respectful character culture. So we maintain the cultural values of Jogja. If KR criticises, it is more appropriate to remind, not in words that are hard, frontal. This is all to maintain the credibility of the KR. Indeed, surprisingly, in the midst of the economic difficulties of the current pandemic there are still new subscriptions (Octo Lampito, July 6, 2020).

The years 2011-2013 are known as the heyday of KR with a number of readership enhancement programs such as *Gemar Membaca* (live to read) and *Papan Baca* (reading board). In those years, digital media were not yet available and there were no smartphones, so there were still many readers. It was only in 2014-2015 that the era of social media caused a decline in readership. The KR newspaper has the motto "*Migunani Tumraping Liyan*" or "Beneficial for Others" and implements a horizontal integration strategy, publishing *Minggu Pagi*, *Koran Merapi*, and KR Radio 107.2 FM electronic media as well as online media *Krjogja.com* and printing (Gifari, 2012). In the years 2011-2013, employees were paid up to 16 times a year in the form of 12 monthly salaries, plus overtime pay, 13th salary and holiday allowances. At that time, KR could also buy assets everywhere (Personal communication with Baskoro Jati Prabowo, August 5, 2020).

b. Utilising Technology, Reducing Personnel

In addition to maintaining solidarity as one large family, KR also takes advantage of the sophistication of internet technology, converging by having an online KR news portal and e-paper with a paid system, and also *KoranMerapi.com* and the use of social media, YouTube, and radio stations. Octo Lampito said:

I became the leader of five media, KR, *Minggu Pagi*, KR Radio, Krjogja.com and KoranMerapi.com. Our online is just running several years and already has a sizable readership. We also implement a paid system and it is not bad, there are already about 50 customers. We sell e-paper newspapers for KR and we give customers a *Minggu Pagi* bonus (Octo Lampito, July 6, 2020).

The small number of paid subscribers on the *Kedaulatan Rakyat* e-paper was balanced with other strategies, especially in the pandemic situation since March 2020, such as collaboration with Google. Octo Lampito recounts:

KR collaborates with Google. Actually there are 100 media in Indonesia that are collaborating or rather assisted by Google to report Covid-19. In Yogyakarta there are only two media, one of which is KR. We obtained assistance of 50 thousand US dollars for six months. I think it's natural Google helps print media newspapers, they are giant companies (Octo Lampito, July 6, 2020).

Efforts to survive using digital technology by publishing Krjogja.com and Koran Merapi.com have not achieved adequate results. Google AdSense earns an income of IDR 15 million per month, but there are expenses for renting servers and paying journalists' salaries. Until 2020, the number of KR journalists consists of 5 online editors, 26 online and print journalists, and 2 online specialists, making a total of 33 journalists. KR has been reducing the number of journalists in several stages. First, it does not extend the retirement period, except for certain people who are really needed, for example in the positions of Chief Editor and the Deputy. The second stage is to stop the status of regional journalists such as those in Central Java and Yogyakarta and offered them to become contributors. Wirmon Samawi said:

We are gradually reducing the number of journalists, especially regional journalists in Central Java and Yogyakarta Special Region. They are no longer organic Journalists, but as contributors, so we don't pay on a monthly basis. (Wirmon Samawi, August 5, 2020)

Following Alexander, Owers, Carveth, Hollifield, & Freco (2004), *Kedaulatan Rakyat* Group utilises internet technology while reducing personnel, including journalists. The Covid-19 pandemic has also increasingly pushed the company to be rational. The number of employees of 400 people was gradually reduced before the pandemic until it reached the ideal of half. Reductions are made by streamlining the organisational structure, for example through mergers of the Warehouse and Procurement Sections. In essence, the number of Division Heads is reduced. A number of savings were also made, such as reducing night time working hours, which no longer last until 24.00 but only until 22.00. This reduction in working hours also saves electricity, including the use of air conditioning.

These internal efforts still face external challenges, including the presence of a new media business in Yogyakarta as a partner, but also a competitor. According to the records of the Indonesian Cyber Media Association (AMSI), until 2020 the association has been established in 19 provinces with the number of members reaching 317 cyber media. Most of

AMSI's members are local media founded by seasoned journalists with high ideals and competencies. Almost all mainstream online media based in Jakarta are also members and founders of AMSI (Rais, 2020).

Two companies have also opened digital media business offices in the Yogyakarta Special Region. PT Arkadia Digital Media Tbk expanded its business wing by creating Suarajogja.id in January 2020. Suarajogja.id is part of the Suara.com news portal (KRJogja.com, 2020). Another corporation that has also opened branches in Yogyakarta is the MNC Group, which built iNews.id. This media has a vision to become an inspiring and informative national and regional news portal. Its mission is to present news and online features that are easy to read, in-depth, accurate and attractive, multimedia-based, inspiring anyone, anywhere, anytime (iNews.id)

c. *Dealing with the Loss of Corporate Advertising*

During its heyday, before the decline in readership and digital media presence, there were a number of large corporations in Jakarta that placed advertisements on KR. They came from automotive companies, namely Honda, Yamaha, Suzuki, as well as electronic companies such as Samsung, LG, and later cellphones. In the local area of Yogyakarta, advertisers come from electronic shops. At that time the rate for a black and white one-page advertisement was Rp 60 million, while the colour advertisement rate was Rp 120 million. The proceeds also come from *Iklan Cilik* (mini ads), which fill up to 11 pages of the newspaper. However, revenue from advertising continues to decline by up to 90 percent with 30,000 real subscribers. According to Ronny Sugiantoro:

National advertising from Jakarta continues to decrease by 90 percent. Other companies who are no longer advertising on KR are Toyota, XL, Asuransi Jiwasraya and a number of ministries of government. Advertising agencies like Dentsu holding big corporations hands up on KR. "Sorry cannot again support advertisements to KR." Likewise Samsung Marketing Communication officer said: "We no longer support KR" (Ronny Sugiantoro, July 6, 2020).

The comparison of advertising revenue in billion rupiah before 2016 and after can be described as follows:

Table 2: Advertising revenue per moth

| Year | Amount (billion IDR) |
|-----------|----------------------|
| 2008-2013 | 8 |
| 2014-2015 | 4-6 |
| 2016-2019 | 2-2,3 |
| 2020 | < 1 |

Source: Wirmon Samawi & Ronny Sugiantoro, 2020

The Key Strategies

Albarran (2016) argues that, for the media, advertising is the main income besides customers. For Agbanu and Nwamuo (Okonji, 2020), revenue from advertising remains a major source of media finance. But in practice, a large number of customers does not automatically increase revenue. As told by Ronny Sugiantoro, a large number of customers require a lot of newspapers to be printed, but paper prices are not cheap, as there are also costs for paying employees, electricity, machine maintenance and distribution.

In contrast, advertising has a very large effect on print media income. The number of large advertisements from Jakarta that routinely go to KR is decreasing because these corporations have transferred promotional costs for *Kedaulatan Rakyat* to digital media and social media. In addition to the departure of advertising from large corporations, a number of agencies have also reduced the cost of regular advertisements in this newspaper with the issuance of new regulations on general elections and regional head elections. General Election Commission Regulation (PKPU) Number 23 of 2019 concerning Election Campaigns provides restrictions on advertising in the media. In print media (daily newspapers), there should be a maximum of 810 millimeters of one page, for each print media, every day during the campaign period through advertising. The print media, including *Kedaulatan Rakyat*, suffered a loss with this regulation because the PKPU also regulates the size and financing of media. Ronny Sugiantoro said:

Political advertisements that are commonly present during political events such as presidential elections, regional head elections have also decreased considerably. Because, there is a Commission on General Election (KPU) or Commission on Local General Election (KPUD) Policy which determines the advertising for political parties. If before there was a policy that political parties or contestants can advertise according to that budget owned, even "hard competing" now they have to follow the rules. Political parties cannot compete to place large advertisements in the print media. This is a big disadvantage for us (Ronny Sugiantoro, July 6, 2020).

Under such conditions, the director and chairman of this newspaper adopted a number of strategies in order to survive. From interviews with five sources, it was found that a number of survival strategies were applied:

1. Increase readership
2. Organising events
3. Intensifying advertorials
4. Reducing pages

1. *Increasing Readership*

Before discussing the strategy of increasing the number of readers, it is necessary to explain the KR's perspectives on circulation, which does not automatically reflect the number of readers. Ronny Sugiantoro said:

Back in the days of the Ministry of Information during New Order, there was a comparison, one newspaper read by five people, or 1:5. Now, that is no longer relevant. A circulation of 50,000 readers can be read by 100,000 readers. So, we invited AC Nielsen to know our readership, and we pay for it. We both same selling readers (Ronny Sugiantoro, July 6, 2020).

To increase the number of readers some strategies have been implemented. The first was adding a reading board to be installed in a number of institutions and communities, such as the Kalurahan office, Rukun Tetangga. The Reading Board Program has been implemented since at least 2008 in line with the Love Reading (*Gemar Membaca*) program which was also

carried out by Kedaulatan Rakyat and the Government. Reading boards can be proposed by the community such as the Jetis Community Care Forum (*Forum Peduli Komunitas*) in Yogyakarta City and students of the Islamic University of Indonesia doing Community Work Internships (*Kuliah Kerja Nyata*).

The second strategy was to cooperate with up to 40 communities. Of these, there are 8 communities whose memberships are classified as large, namely:

Table 3: Community

| | |
|---|--|
| 1 | KAGAMA |
| 2 | ISEI |
| 3 | Cafe GAMA |
| 4 | Rotary Club |
| 5 | Lions Club |
| 6 | Tionghoa |
| 7 | Gowes/bicycling |
| 8 | Pecinta Teka Teki Silang/ Crossword Puzzle Lovers |

Source: Ronny Sugiantoro, 2020

The increasing number of readers is achieved by posting community activities according to their respective characters, academic, social, sports, and hobbies. For example, the Gadjah Mada University Alumni Family has a routine *Niti Laku* event, which involves walking from the Yogyakarta Palace to the UGM Campus in Bulaksumur on UGM's birthday. The Indonesian Economic Bachelor Association of UGM conducts various academic activities such as campus-to-campus seminars. The Chinese community is unique in posting an obituary on page two of the paper. *Kedaulatan Rakyat* daily has also published an additional sheet containing information about the activities of this community. Publishing the activities of at least 40 of these communities ensures that their members will read the paper daily even though they do not necessarily subscribe.

This strategy is classified as an effort to package content so that it is attractive to readers in the local context. In Ekeanyanwu, Batta, & Oyokunyi (2017), it is referred to as hyperlocal, which is a type of coverage that presents a special community, a form of locality depth, such as the family of college alumni, ethnic Chinese, or fans of crossword puzzles with their affairs such as seminars, birthdays and sport events. Content that is local to regional in nature has become the character of the *Kedaulatan Rakyat* daily to ensure that it is known as "the newspaper of the Jogja people."

2. Organising Events

Organising events in collaboration with a number of corporations or institutions is intended to obtain replacement funds for lost advertisements. Before the Covid-19 pandemic, the events held by *Kedaulatan Rakyat* daily were attended by thousands of people. Events have included Happy Bike (*Sepeda Gembira*), later changed to Fun Bike, and also Car Free Day and Fun Walk. Participants who attended reached 20,000 people in one event and raised funds up to Rp 1.5 billion. KR did not work on the event itself, but was approached by the event organiser. Several corporations that have submitted events to KR include Luwak White Koffie, Daihatsu, Rich Hotel and a number of banks (see table 4). Ronny Sugiantoro said:

We are organising a Fun Bike in the framework of KR's Birthday, and can bring in 20,000 participants. We then sold the success of this event to Luwak White Koffie until they collaborated with us twice. Then the success with the Luwak White Koffie was sold to Daihatsu, who poured funds of Rp 1.5 billion. We then sold this success to other parties, including Rich Hotel, but then it stopped because of Covid-19 (Ronny Sugiantoro, July 6, 2020).

Table 4: Event sponsor funds

| No | Company/Institution | Amount (Rupiah) |
|----|-------------------------|-----------------|
| 1 | Daihatsu | 1.500.000 |
| 2 | Luwak White Koffie | 500.000 |
| 3 | Jogja Rich Hotel | - |
| 4 | BNI bank | 100.000 |
| 5 | BRI bank | 100.000 |
| 6 | BPD bank | 100.000 |
| 7 | Dinas Lingkungan Hidup | 50.000 |
| 8 | Universitas Gadjah Mada | 50.000 |
| 9 | RS Sardjito | 50.000 |

Source: Wiradi, 2020

Luwak White Koffie benefits from event participants and KR readers who read about this activity purchasing products. Luwak White Koffie and Daihatsu used the same type of event because they were not competing with each other. Rich Hotel benefits in the form of guests and branding. The funds they give to KR are spent on a number of organising needs, such as making t-shirts, drinks, promotions in the KR daily, artist payments, and purchasing gifts such as bicycles, motorbikes and cars. The cost for advertising is at least Rp 100 million. However, unlike the two large corporations, Jogja Rich Hotel does not provide funds to *Kedaulatan Rakyat*. The hotel advertises on KR and covers all costs incurred to hold an event with KR. The three participating banks are joining sponsors, not the main ones. According to Wiradi, KR Marketing Communication staff member, this event, which attracts thousands of people, has been held regularly since at least 2017, including during KR's birthday, September 27. There have been eight collaborations with Luwak White Koffie and two with Daihatsu. The Car Free Day event is routinely held almost every month in collaboration with several institutions such as Gadjah Mada University, Environmental Office, and Sardjito Hospital. They each gave funds of Rp 50 million.

3. *Intensifying Advertorials*

In the previous discussion, Ronny Sugiantoro said that customers are no longer an attraction for advertisers. The attractiveness to advertisers is the number of readers, so *Kedaulatan Rakyat* invited AC Nielsen to measure the number of readers. This effort requires a lot of money, so in recent years the survey has no longer been conducted.

Another strategy to get funding from advertising continues and the choice for KR has been advertorials. In the last three years, these advertisements, with the packaging of journalistic language, have been intensified through cooperation with a number of institutions, especially with universities. The number of higher education institutions in Yogyakarta, which reaches 100, including several state universities, is a potential advertising target. In addition, the number of hotels has also added to the bustle of tourism. According

to the Badan Pusat Statistik Provinsi DIY (Provincial Statistic Agency), by 2018 there were 143 star hotels and 145 non-star hotels, not to mention hotels that have sprung up in 2019-2020. The two types of institution, higher education and hotels, are regular customers of *Kedaulatan Rakyat*. This adoption of advertorials is the practice of a "dual product," initiated by Picard (Doyle, 2013), which describes the combination of advertising and subscriptions. Advertisements are in the form of advertorials, while subscribers are government, private and business institutions.

Private higher education institutions that advertise using the advertorial model are AMIKOM, Universitas Negeri Yogyakarta, and STIPRAM. Advertising materials are in the form of campus activities that involve the academic community and the others, such as graduation, seminars, and new student admissions. According to Ronny Sugiantoro, an advertorial could occupy the front page in the form of news. He said:

It contains graduation news, but is supplemented with information about faculties, study programs, and campus facilities. There are also interviews with University and Faculty Leaders, as well as with the most outstanding student. Apart from occupying the front page, generally campus advertorial are on separate pages and even sheets alone. We have to intensively offer this model advertisement for ads taken by digital media (Ronny Sugiantoro, July 6, 2020).

Apart from graduation activities, KR often covers academic activities such as seminars, discussions and workshops. All seminar participants get a bonus copy of KR newspaper.

4. *Reducing Pages*

Page reduction has been implemented by many print media in Indonesia, even by large media such as *Kompas*, which originally published a 32-page newspaper and then reduced it to 16 pages. A number of local print media also reduced the number of pages, which provoked protest from readers (suara-ntt.com, 2021 and gunungkidul.sorot.co, 2018). *Kedaulatan Rakyat* has practised a similar strategy. Initially this newspaper published 16 pages and later increased to 24 and 32 pages. The decline in advertisements and economic pressure during the Covid-19 pandemic caused KR to be published again in 16 pages. (Sugiantoro, 2020).

CONCLUSION

Kedaulatan Rakyat newspaper is 75 years old but still exists to serve its readers. KR has implemented a number of strategies in order to remain present, especially in the last ten years to 2020. As a traditional media source in the newspaper communication market, it focuses on one business model, a combination of advertising and subscriptions. *Kedaulatan Rakyat* is the parent company of the Kedaulatan Rakyat Group Publishing Agency, and has two digital media, Krjojga.com and KoranMerapi.com. When the big corporations in Jakarta stopped advertising, a number of strategies were implemented to keep them afloat.

The first is adopting a determined attitude within families of owners, *berat sama dipikul, ringan sama dijinjing*, working together and protecting the company's assets. Appreciation for the cultural values of Yogyakarta and expressing criticism in a reminiscent tone rather than a frontal tone gives KR the character of a guardian of credibility. Second, the application of internet-based technology to carry out the convergence between traditional and modern media gave birth to the news portals Krjojga.com and KoranMerapi.com, even

though this paid system has not generated sufficient funding. The application of technology and the Covid-19 pandemic promoted a reduction in personnel, specifically journalists working in the regions. The decline in revenue for corporate as well as political advertising was also mitigated by gradually reducing the number of employees. The third strategy is to increase the number of readers, by collaborating with 40 local communities as a strategic practice of packaging content with hyperlocal coverage. A number of communities, such as Gajah Mada Alumni Family, the Tionghoa community and Gowes or Bicycling fans, were invited to work with KR to cover their activities. The fourth strategy is to organise a number of events such as Fun Bike, Fun Walk and Car Free Day with corporations, banks and government agencies to raise funds of up to more than Rp 1.5 billion. The fifth strategy is to intensify advertorials from a number of campuses, hotels, government, private and business institutions in the city of Yogyakarta, and the sixth strategy is to reduce the number of pages from 32 to 16 pages.

ACKNOWLEDGEMENT

Thank you to the Head of the Publishing Company of the Kedaulatan Rakyat Group, Wirmon Samawi and Baskoro Jati Prabowo, Chief Editor Octo Lampito and Deputy Ronny Sugiantoro and Marketing Communication staff, Wirmadi.

BIODATA

Lukas S. Ispandriarno is a senior lecturer at Universitas Atma Jaya Yogyakarta. Email: lukas.ispandriarno@yahoo.com

REFERENCES

- Albarran, A.B. (2016). *The media economy*. New York, Routledge.
- Alexander, A., Owers, J., Carveth, R., Hollifield, C. A., & Freco, A. (Eds). (2004). *Media economics theory and practice*. Lawrence Erlbaum Associates. London.
- Ambardi, K., Parahita, G., Lindawati, L., Sukarno, A., & Aprillia, N. (2014, January 13). Mapping digital media: Indonesia [Country reports]. *The Open Society Foundation*. <https://www.opensocietyfoundations.org/publications/mapping-digital-media-indonesia>
- Anom, E., & Waluyo, D. (2011). Model dan sistem mengontrol media di Indonesia (Dari perspektif sejarah). *Masyarakat Telematika dan Informasi*, 2(1), 27-44.
- Asosiasi Media Siber Indonesia. (n.d). Daftar anggota AMSI Yogyakarta. <https://www.amsi.or.id/members/daftar-anggota-amsi-yogyakarta/>
- Aziz, A. (2017, September 10). Mengenal pers masa kolonia dan Orde Lama. *Media Madura*. <https://kumparan.com/mediamadura/mengenal-pers-masa-kolonial-dan-orde-lama/full>
- Badan Pusat Statistik Provinsi DIY. (2019). Tingkat penghunian kamar Hotel Daerah Istimewa Yogyakarta 2018. <https://yogyakarta.bps.go.id/publication/2019/09/10/.html>
- Bhandari, R. S., & Bansa, S. (2019). An analysis between search engine optimization versus social media marketing affecting individual marketer's decision-making behavior. *Jindal Journal of Business Research*, 8(1), 78-91. <https://doi.org/g9zk>
- Bhuller, M., Havnes, T., McCauley, J., & Mogstad, M. (2020). *How the Internet changed the market for print media*. Memorandum No. 02/2020 December. Department of Economics University of Oslo. <https://www.sv.uio.no/econ/english/research/Memoranda/working-papers/pdf-files/2020/memo-02-2020.pdf>
- Calzada, J & Gil, R. (2018). *What do news aggregators do? Evidence from Google News in Spain and Germany*. SSRN. <http://dx.doi.org/10.2139/ssrn.2837553>
- Dewan Pers. (2018, March 18). Publik perlu media terverifikasi. https://dewanpers.or.id/publikasi/opini_detail/147/Publik_Perlu_Media_Terverifikasi
- Doyle, G. (2013). *Understanding media economics* (2nd ed.). Sage Publications Ltd.
- Ekeanyanwu. N. T., Batta, H., & Oyokunyi, J. I. (2017). The economics of decline in the media industry: Survival strategies of American print media firms and implications for a diminishing print media industry in Nigeria. *Journalism and Mass Communication*, 7(8), 427-445. <https://doi.org/10.17265/2160-6579/2017.08.001>
- Gifari, M. (2012). Spialisasi surat kabar Kedaulatan Rakyat. *Jurnal Ilmiah Komunikasi Makna*, 2(2), 116-124.
- gunungkidul.sorot.co (2018, March 8). Sulisman bertahan di era digital, tak peduli peminat media cetak Anjlok. <https://gunungkidul.sorot.co/berita-95841-sulisman-bertahan-di-era-digital-tak-peduli-peminat-media-cetak-anjlok.html>
- Hanggoro, H. T. (2019, August 21). Medan Prijaji, Medan Laga Tirto Adhi Soerjo. *Historia.id*. <https://historia.id/politik/articles/medan-prijaji-medan-laga-tirto-adhi-soerjo-PNayR/page/1>
- Haq, A. D., & Fadilah, E. (2018). Transformasi harian Kompas menjadi portal berita digital subscription Kompas.Id. *Kajian Jurnalisme*, 1(2), 190-213.
- iNews.id. (n.d.) Tentang kami. <https://www.inews.id/page/tentang-kami>

- Julheri (2019, September 14). Senja kala cetak menuju jurnalistik online. *Sumeks.co*. <https://sumeks.co/senja-kala-cetak-menuju-jurnalistik-online/>
- Kawashima, N. (2020). Changing business models in the media industries. *Media Industries*, 7(1). <https://doi.org/10.3998/mij.15031809.0007.105>
- KRJogja.com. (2020, January 17). Arkadia digital media luncurkan Suarajogja.id. <https://www.krijogja.com/berita-lokal/diy/sleman/arkadia-digital-media-luncurkan-suarajogja-id/>
- Kurniawan, B. (2018, March 1). Harian Bernas, Legenda Koran dari masa ke masa. *Detik.com*. <https://news.detik.com/berita-jawa-tengah/d-3892101/harian-bernas-legenda-koran-dari-masa-ke-masa>
- Kusuma, S. (2016). Posisi media cetak di tengah perkembangan media online di Indonesia. *Interact*, 5(1), 56-71.
- Manan, A. (2018). Laporan tahunan AJI 2018 - Ancaman baru dari digital. *Aliansi Jurnalis Independen*. <https://aji.or.id/read/buku/49/laporan-tahunan-aji-2018-ancaman-baru-dari-digital.html>
- Mukhijab. (2018). Pekerja pers menjelang senja kala media cetak. *Community*, 4(1).
- Nasionalita, K., & Nugroho, C. (2020). Media agenda on Yogyakarta Sultanate succession. *Kajian Jurnalisme*, 4(1), 61-74.
- Negreira-Rey, M.-C., & López-García, X. (2021). A decade of research on hyperlocal media: An international approach to a new media model. *Online Journal of Communication and Media Technologies*, 11(3), e202111. <https://doi.org/10.30935/ojcm/11082>
- Nossek, H., Adoni, H., & Nimrod, G. (2015). Media audiences | Is print really dying? The state of print media use in Europe environment. *International Journal of Communication*, 9, 365–385.
- Okonji, C.O. (2020). Implications of Advertising for Mass Media, Economy and National Development. *World Journal of Innovative Research*, 9, 15-19. <https://doi.org/g9zn>
- Omar, B. (2017). Online news production, consumption and immediacy: The remediation perspective. *Jurnal Komunikasi: Malaysian Journal of Communication*, 33(3). <https://doi.org/10.17576/JKMJC-2017-3303-15>
- Pamuji, E. (2019). Media Cetak vs Media Online. <http://repository.unitomo.ac.id/2594/1/buku%20MEDIA%20CETAK%20VS%20MEDI%20ONLINE%20%281%29.pdf>
- Picard, R. (2018). The rise and expansion of research in media economics. *Communication & Society*, 31(4), 113-119.
- Prayogo, C. (2018, August 13). 3 Masalah yang gerogoti bisnis media cetak. *Warta Ekonomi*. <https://www.wartaekonomi.co.id/read191009/3-masalah-yang-gerogoti-bisnis-media-cetak>
- Pribadi, B., & Zuraya, N. (2019, March 14). Media cetak masih bisa bertahan di era digital. *Republika.co.id*. <https://www.republika.co.id/berita/poci6n383/media-cetak-masih-bisa-bertahan-di-era-digital>
- Raditya, I. N. (2019, September 27). Kedaulatan rakyat, Koran pertama setelah RI merdeka dan masih eksis. *Tirto.id*. <https://tirto.id/kedaulatan-rakyat-koran-pertama-setelah-ri-merdeka-dan-masih-eksis-eiNe>

- Rais, H. (2020, June 17). Jadi konstituen Dewan Pers, AMSI siap perkuat ekosistem jurnalisme digital yang berkualitas. *PRFM News*.
<https://prfmnews.pikiran-rakyat.com/nasional/pr-13566284/jadi-konstituen-dewan-pers-amsi-siap-perkuat-ekosistem-jurnalisme-digital-yang-berkualitas>
- suara-ntt.com*. (2021, August 19). Kurangi jumlah halaman, pelanggan dan pembaca GTIMEX protes. *Suara NTT*. <https://www.suara-ntt.com/2021/08/19/kurangi-jumlah-halaman-pelanggan-dan-pembaca-timex-protes/>
- Wikan, A. (2011). Masa depan media cetak Indonesia. In Nugroho, B. (Ed.), *Jurnal Dewan Pers: Profesionalisme, sejarah, dan masa depan pers daerah* (Edisi No. 5, pp. 1-14). Dewan Pers.
- Winseck, D. (2020). Growth and upheaval in the network media economy, 1984-2019. *Digital Media and Internet Industries in Canada*. Canadian Cancer Society.
<https://doi.org/10.22215/cmcrp/2020.1>
- Zuhra, W. U. N. (2017, February 8). Pertumbuhan Oplah Koran: Melambat, melambat, menurun. *Tirto.id*. <https://tirto.id/pertumbuhan-oplah-koran-melambat-melambat-menurun-ciy7>