SUMMARY

IRMA YUANITA. The Impact of Program Credibility on Seputar Indonesia RCTI’s Brand Equity. Supervised by RITA NURMALINA and BUDI SETIAWAN

Television has become the trusted and popular source for news in Indonesia, but in the last six years less than 10% of viewers who watch television news programs. The competition in the television news programs put Liputan 6 (SCTV) and Seputar Indonesia (RCTI) as the market leader. Market driven journalism began to change the character of hardnews programs into sensational news. The influence of rating and share system is reducing the quality of the news, because producers’s judgement in determining news content becomes less accurate and unbalanced. The decrease of credibility can reduce the audience, social influence and the business itself. Therefore, branding management and credibility management are of the most appropriate strategy to win the competition.

This study aimed to analyze: 1) the appraisal level of Seputar Indonesia compare to Liputan 6. 2) the influence of media credibility on program credibility, 3) the influence of program credibility on brand equity, and 4) formulate strategies for companies to manage the brand equity. This study used convinience sampling and involved 158 respondents who meet the criteria such as: age 17 years and above, does not work as the producer of Seputar Indonesia or Liputan 6 and ever watched news programs in RCTI and SCTV at least 3 times in the last 1 month. Data processing in this study used SEM analysis of variance- based called partial least squares (PLS) and analysis of frequency in a creation of frequency table to see the rating of each indicator in the attributes used.

The test results of partial least squares (PLS) with reference to the value of the t – statistic, concluded that: 1) there was an effect of media credibility which consists of source credibility, channel credibility and news content credibility on programs credibility, and the news content credibility provides the greatest effect by 52%, 2) programs credibility contributed a great effect on brand equity (86%). 3) Liputan 6 got a better evaluation than Seputar Indonesia in three variable like media credibility, program credibility and brand equity. This study recommends management to improve reporting design, implement SOP for journalists and set a high standard of reporting quality. Management should having a good relationship, educate and bring this program to the audience to rebuild the image of Seputar Indonesia as a trusted news program. Seputar Indonesia should create product differentiation based on the target market. R-square value shows that the variation of the news program credibility can be explained by the media credibility of 84% and the variation of brand equity can be explained by news program credibility of 73%.

Key Words: brand equity, media credibility, partial least square, program credibility, television news program.