SUMMARY

RISKA DWI FIRMiyANTI. Developing Business Strategy for Local Television Network into the Digital Broadcasting Competition in Indonesia, a Jawa Pos Multimedia case study. Supervised by ARIF SATRIA and IMAM Teguh SaptOnO.

Changes in broadcast industry landscape, from analog to digital and viewing pattern of single to multiplatform as well as multiscreen, have prompted the needs for local TV stations to transform their business strategy from its current traditional model. As such, local stations are not only confronted with competition against established national TV stations, but also to severe rivalries from other available platforms from both domestic and international. This particular setting demands a development in business strategy for local television networks such as Jawa Pos Multimedia, in order to be able to compete in a digital broadcast competition.

The objective of this research is to identify the current JPM business model and to formulate a design for its development to enhance competitiveness under a digital broadcast race. The research uses Business Model Canvas approach. Importance-Performance Analysis, EFE, IFE, SWOT matrix and QSPM are used as analytical tools in formulating the strategy.

Result from Importance-Performance Analysis shown the four canvas elements as top priorities for improvement: Customer Segments, Channels, Customer Relationships, and Revenue Streams. From IFE and EFE matrix analysis it is understood that to succeed, the company needs to stay ahead in content quality, increasing viewership and optimizing local media for advertisement. Strategic alternatives from the SWOT matrix that have been selected by the QSPM are to deliver extensification and intensification of hyperlocal contents.

JPM serves two customer segments: television audience and advertisers. To the viewers JPM offers hyperlocal contents whilst the advertisers receive the offer to place their service over a network with largest group of local TV stations in the country. JPM relates to advertisers as it serves a personal assistance of placing ads for television or sponsored off-air activities, which results in revenue stream for JPM. It uses free to air local stations, satellite TV, cable TV, and online streaming channel. Its key activities focus on marketing, production, program acquisition and airtime management. Human resources, ads spots, and airtime are the company's key resources. JPM's key partners are free to air local stations and content producers. JPM's cost structure consists of operational cost, as well as marketing and promotional, production, research and development, airtime and program acquisition.

To raise competitiveness level into the digital broadcast era, JPM needs to develop its business model. Adding value propositions for TV viewers can be delivered through personalized hyperlocal contents. Key activities are accompanied by media asset management as well as research and development. As such, the hyperlocal contents become the supplement into the key resources, whilst key partnerships must also be established with the media, OTT provider, social media, communities and vloggers. The partnerships also impacts on
growing number of channels with OTT and social media. Customer segments are expanded through Internet users and TV stations. Apart from social media line, there needs to be particular means of engagement to cultivate customer relations. Social media monetization, OTT ads and content rights are additional revenue potential tendered by the development of JPM business model.

To ensure the efficacy of this strategy to business model development, JPM should allocate resources to embolden its research and development wing, procure an asset management and enhance its strategy for social media usage. The business model strategy needs to be applied integrally throughout all local stations network, while applying to each and every station’s characters, capacity and potential.

Key words: BMC, business strategy, local TV network