

*Spatialization of Ownership in Indonesian Broadcast Industry: Study on Media Division of Kompas Gramedia Group,*

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Abstract

Spatialization as part of political economy now becomes one of the trend in media industries which eventually will lead to concentration of ownership. This condition happens because the owner considers expanding to larger media bussiness with minimum efforts. spatialization refers to the term "the process of overcoming the constraints of a space and time". This means media develop an integrated networking system. Networking is a management system in broadcast industry, where several stations (newspaper, radio or online website) share programs and advertising time. In many cases, spatialization often contains hyper-commercialism which will lead to homogeneity of content. KompasGramedia Group (Media Division) is an example of a media group that applies spatialization on their media bussiness. Media Division has: KOMPAS TV, KOMPAS.com, Surat Kabar Harian KOMPAS (newspaper) and radio network ( SonoraFM, Motion FM, ELTIRA FM). This division itself is a part of bigger business conglomeration of KGG, which has many other businesses besides media business such as (Training and Education, Hotel and Resort, Manufactures and Business Events). The purpose of this paper is to explore the form of spatialization in Media Division Kompas Gramedia Group.

**Keywords: Spatialization, Political Economy Media, Kompas Gramedia Group**

## INTRODUCTION

The development of communication technology puts media not just as a social and economic role, but also political role in society. There are three major forces of political, economic and technological. First, in economic terms, the media owners demanded maximum profits. Second, the political power is media owners who used to have power in society. And third, the technology, related to media products that is now growing rapidly, produce practical media products (McQuails, 2000: 191). This causes the media industry no longer became a social institution but as an economic institution which is also related to politics. Mass media are able to represent themselves as a major public space and helped determine the social, political, cultural, local and global level. Media not only has a social and economic function, but also performs the function of ideology, therefore, the growth of economic approaches but also political approaches (Sudibyo, 2004:1).

According to Political economy approach, media content is determined by economic forces beyond the political and media management. Many factors such as media owners, capital, and income determine how much the media is considered a form of media content. These factors determine what kind of content or news that may or may not appear in the news, as well as where the tendency towards the news media wanted a directed (Sudibyo, 2001:2). In a political economy approach to media, media ownership significant importance to look at the role, ideology, media content and effects of the media to the public. Meanwhile, Mosco defines political economy is the study of social control and survival in life. Control refers to how the media agency to manage members, manage the flow of production in accordance with market development, and survival is how to produce media content as interesting as possible so that the public still choose their products. Control is a political process as established relationships within a community, while survival is an economic process that involves the process of production and reproduction (Mosco, 2009:26).

Mosco divides into three concepts of political economy, namely: commodification, spatialization, and structuration. One of the concept is Spatialization, according to Mosco, refers to "the process of overcoming the constraints of space and time in social life" (2009: 173). In reference to the political economy of communication, it refers to the constraints on the movement or flow of information, goods and services, and also to the effects of communication on the processes of differentiation of corporate operations and their subsequent reintegration.

Political economy of the mass media in the media industry in Indonesia has been growing since the late 1980s. In 1989 the private RCTI television began broadcasting followed by other television, the rise era of reform to the point of media business development. In the past fifteen years, the growth of the media industry in Indonesia has been driven by the interests of capital which leads to oligopoly and concentration of ownership. For example, prior to 1998, there were only 279 print media company and there were only five private television stations. Less than the next decade, the number of private television doubled and print media increased threefold (Nugroho et al 2012:13).

These groups have become major owners of all types of media because of its expansion strategy. These groups enlarge the network media industries to overcome the constraints of distance and time by doing spatialization with the aim of expanding the network to spread information quickly and evenly. According to Mosco, spatialization is a process to overcome the constraints of distance or geographical space with the mass media and communication technologies. Mosco trying to map the extent to which the media are able to present their products to the front of readers, viewers, or consumers with the limitation of space and time. The Institutional structure enables to deliver the media product (news) as fast as it can reach the audiences. With so, spatialization interpreted as an extension of the institutional media through the corporate form (Mosco 2009:175). Spatialization depicted on one of the big media industries like Reuters, which

has expanded the network to overcome the constraints of distance, time and expand audiences. For example, in the field of print media, the daily Kompas is nationwide yet, Kompas Daily Tribune made to reach out to in order to get information evenly and to expand the network to the region in the outlying place (Hidayat, 2013).

One form of spatialization is cross-ownership, Kompas TV as the subsidiary of KGG also conduct cross-ownership, the is spreading through local TV network, content arrangement agreed 30% to 70% local content and Kompas content, ATV which became one of the local network TV Kompas in Malang, was limited to providing content delivery network ( Hidayat, 2011). KGG also expand its industries in the field of non-media, to gain power and profit maximization. In the field of non-media, KGG has hospitality, manufactures, training & education, advertising, and so on. For example, in the hospitality network, KGG has Santika, Amaris Hotel (Hidayat, 2013). All areas of the business media and non-media KGG centered on one possession, and this led to the conglomeration. Conglomeration is a conglomerate that actors invest their shares in the growing group (group) company in one hand, so that practically all the basic management policy is determined by the center (Assegaff, 1994: 263).

The Growth of Conglomeration in the media industry is directly related to who's behind it or who owns it. Spatialization and conglomeration impact of the media content is influenced by the media ownership. According to Atschull (1984), the contents of the media always reflect the interests of those who finance them. Different forms of ownership and control of media ownership can be done in various ways. Anyone who has a politic of interest, tend to use the desired media product by using power only for a profit (McQuails, 2000: 198). This causes a decrease in content uniformity and quality journalism. Examples of symptoms occurred on line content uniformity television coverage. Almost all television (that run in the same group, i.e.: MNC group) in Indonesia always serves sensational news, either is it gossip or political scandal. Behind the sensational political news, it's hard to find a difference between one medium with another, they often preach the same thing, with sources, perspectives and similar styles presentation.

Homogenization of content is one the concerning phenomena, specialization remains to a very rare thing these days. Until 2011, a similar content of the program can be seen on television news shows are segmented on crime news and information are investigating, for example, RCTI has *Sergap*, SCTV has *Buser*, Indosiar had *Patroli* and *Jejak Kasus*, Trans TV had a Criminal (Sudibyo, 2004: 67). Spatialization and conglomeration have an impact on media content. This “*look alike*” program is one of the negative effects, besides this condition also has a positive impact, that television competes for the program assembles the show as interesting as possible to attract the audience.

## **METHODS**

As the main topic of this research is Political Economy of Media Group in Indonesia, many studies explored the variety of the phenomenon; one of them is qualitative descriptive method. Qualitative approach is a process of research and understanding based on a methodology that investigates social phenomena and human issues. On this approach, the researcher makes a complex picture, studying words, a detailed report of the views of respondents, and conducted a study on the natural situation (Creswell, 1998:15). Qualitative methodology is a research procedure that produces descriptive data in the form of words written and spoken by the people and it has to be observed. According to Jalaludin Rakhmat (2005: 25) describes qualitative descriptive for:

1. Gather detailed information describing the actual symptoms.
2. Identify the problem or check the conditions prevailing practice,
3. Make comparisons or evaluations,

4. Determine what other people do in the face of similar problems and learn from their experiences to establish plans and decisions in the future.

This study used a qualitative approach with descriptive approach in order to know in detail description of spatialization and media conglomerate that occurs in the KGG on media content. This study focus on the forms of spatialization and conglomerate occur in KGG years 2012-2013 and its impact on media content. Adapting from Denzin and Lincoln (2009) in this study using data gathered through in-depth interviews, documents obtained from the company and the internet. Data collection in this study using two components namely;

#### 1. Interview

An interview is a meeting of two people or more to exchange information and ideas through questions and answers, so it can be constructed meaning within a particular topic. This study uses semi structured interview), this type of interview is included in the category of in-depth interview, which in practice is freer than the structured interview.

#### 2. Documentation

Document study is complementary to the use of the method of observation and interviews in qualitative research. Documents used as data in the form of corporate data and collecting archival footage consist of its own investigators which obtained footage of the collection through several websites.

The last step of this method is collaborating data collection as the main grip. If the resulting data has not been sufficient in all three sections proficiency level (Data reduction, Conclusion and Verification), researchers will collect the data returned by developing new data mining, in order to obtain the right results. This study also uses, "matrix chronological events" i.e., developing a series of real events in a certain time period to sort them chronologically into several categories (Miles, Matthew b. And A. Michael Huberman.1992: 227).

## RESULTS

Spatialization in Kompas Gramedia Group could be shown by the expansion they did in some sort of mass media and other supporting businesses. This expansion is an effort to expand the number of KGG in the audience and reach its media network. This is in accordance with what was said by Mosco (2009: 175) that spatialization as distance transformation and extension of time or the institutional power of corporations in the communications industry. In KGG, spatialization is intended to overcome the constraints of distance and time through a variety of communication technologies that are used to expand its network in the field of media and non-media. In the print media, KGG has expanded his newspaper network throughout remote areas. With 27 newspapers underneath (brand Tribune), Kompas newspaper publishers continues to be the most prominent in Indonesia, it can be seen from the Mars report, the share of the highest newspaper readership in Indonesia in 2009-2011 occupied by Kompas with the value of 18.4% and Jawapos followed by 16.2% (Nugroho et al 2012:70).

While the electronic media, KGG has Kompas TV and 15 radio networks. KGG do an extension product through local television in several big cities in Indonesia. There are 10 local television merge with the TV Kompas network. Kompas TV also expanding its network into the cable television network. On the radio industries, there are 13 radio networks Sonora, Eltira Motion FM and FM.

In online media, KGG has Kompas.com, the online news portal. Referring to the situation in AP, Kompas Daily circulation is said experiencing<sup>1</sup> a downward trend in terms of quantity. The statement is reinforced by looking at statistical data Kompas daily circulation in 2008 and 2010 decreased, which was originally Kompas circulation throughout Indonesia by 13% to 12.8%

(Kompasiklan, 2011). This fact shows, even the existence of the print media remain, but the level of consumption is not increased. With the decrease in the number of readers of print media, print media companies have to adapt to new technologies if they do not want the business end. KGG develop their print media news distribution to online media in the form of e-paper Reuters is the digital equivalent of the daily Kompas. Synergy of print and online media need to be built to keep the print media business is still running. One way to do is by providing snippets of news or news teasers in online media, while more news can be read in the print media.

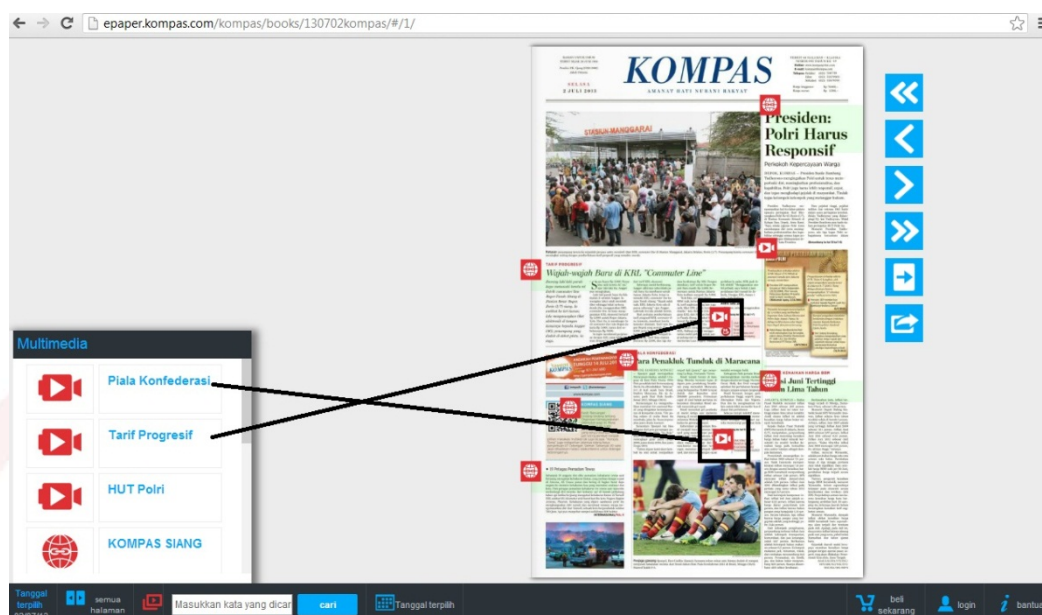
After building the three types of networks through the mass media, KGG also expand its network into the field of non-media, publishing, bookstore, printing, advertising, education, manufactures, hotels & resorts, event organizer. Along with time and growing need, KGG expand non-media businesses that are related to the field of business support media. Printing in the field are scattered in seven city, Site Gramedia Jakarta, Bandung, Cikarang, Medan, Surabaya, Bali and Semarang. Not only the products included in the KGG printing, but also other customers who want to print their products. Expansion of the business of printing and book publisher progressed to the fields of marketing, KGG open Gramedia Bookstore in order to strengthen the dissemination of products, without the desire to escape from the existing distribution network.

To strengthen and expand the network power business, KGG expand on some areas of non-media businesses, the KGG also build advertising businesses namely, transit, marketing, and event organizer Dyandra Communication, Media International Dyandra. Then to support and create quality human resources in the education KGG establish ELTI (English Language Training), BSW (Build Satya discourse), Creativity Studio BONA, and UMN (University Media Nusantara). Later in the production of tissue, In the field of hotels and resorts, has 14 hotels and resorts, spread over 11 locations in Indonesia, the Hotel Santika Premiere as a 4 star hotel, Hotel Santika as a 3 star hotel, The Legian and The Oberoi.

Spatialization in KGG group could be seen from the existing media content such as print, electronic and online come from one source of news. They assume that it has further expanded its media audiences through a third network. According to Taufik Mihadja<sup>2</sup> media content from a single source not lead to uniformity of content, and even expand the consumer. But that looks like KGG implement the political economy of media to gain maximum synergies and benefits in a uniform content. This can be considered as a loss of quality journalism. (Taufik, March 13, 2013). Journalism control on news content in KGG focused on individual media editors. Thus, editor took control in order to uniformity the content. It is clear that in KGG, spatialization not only in products but also its effect on media content. Content has crossed boundaries in order to reach a wider market; a way to achieve the media consumption by the audience, at the same time can also increase the revenue field. That is why in KGG's spatialization impact on the content. It contains two main objectives, namely the effectiveness of production, costs and expanding audience (Taufik, March 13, 2013). Uniformity of content information through the media is going on between the three types of media the KompasGramedia Group. The Example of uniformity news, as we can see in the Kompas daily news and kompas.com on May 8, 2013, the eruption of Mount Mayon and the abduction of Amanda Berry for 10 years (annex).

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<sup>2</sup> Taufik mihadja is the executive director of Kompas Media Division



Kompas e-newspaper has been included which will be aired in the broadcast news shows and news online. So it is not surprising that the same content with the same viewpoint news can be found in different types of media. There is a tendency that the spatialization as a business process in the economy or technology that is equipped with a computerized system to overcome the constraints of time and distance, eroding the fundamental regulatory policy, led by the state.

Digitization has been done on the influence and support of the technology seems to be regarded as a great business opportunity. With the digital age then, of course, the media industry will figure out how to package it with the digital era with minimum higher profits. However, from the state's decision, there is no clear regulation in the digital media space limit in Indonesia, so the decline in the quality of the media content uniformity are still widely seen in the media, especially online. A change in the media business today is not followed by a change in regulations that govern them. In the end, content uniformity exists in three different types of media KGG is not due to connectivity between existing media. This is because the existing content sources can be added and processed for different distribution media, drawn from a policy called by Mr. Taufik i.e., 3M, multimedia, multiplatform, and multichannel (Taufik, 1 March 2013).

Uniformity of content in today's media industry, Let the market determine the dead-alive things station. When the idea was won through government regulation, the principle of guarding the interests, the convenience and needs of the community, will very likely be ignored. Due in particular to commercial broadcasting, their income level, will determine the level of quality of service to the public (Suryokusumo, 2004). Politics took the whole field of social economy, including the pattern of industrial activity, as a form of regulation. For example, the social field is mainly influenced by the decisions of the industry, not by the intervention of the state, can be characterized as a form of market regulation, as opposed to state regulation, which occurs when the government plays an important role. In this case the technology also influences the media industry and also forms and regulations that should be applied properly by regulators.

Diversification is intended to capitalize on the content, so it can be delivered in a variety of equipment and tools used by the reading audience, whether it's television, mobile phone, iPad, and all the existing tools in the hands of readers. Therefore, the content distributed to multiple platforms and therefore KG 3M introduces policies, namely multimedia, multiplatform, and multichannel (Taufik, 1 March 2013).

Spatialization that caused uniformity media content, can be a threat to the rule of democracy. Shifting state regulation towards market regulation in the media industry, it is not always correlated with the freedom of the public to get a diversity of content and packaging in the free market of information and entertainment. When state regulation went bankrupt, it is easier to ignore the public interest as a consumer. We are really entering an era where the media is determined by the product of media owners, which relies on market mechanisms demand-supply rules, logic circuits of capital, and the production and consumption maximization rationality (Sudiby, 2004:64).

The availability of adequate information is the basis for public participation in democracy. The public's right to information is good and right into the media obligations. Because of the public's information needs are very different and diverse, it becomes imperative for the media to present a diverse broadcast. However, the diversity of ownership is almost difficult to realize because of the strong conglomeration and concentration of media ownership in all sectors of the media group (Syahputra, 2013:9). Thus, the diversity of media content is limited by the diversity of media ownership.

Technological developments helped sink the function of public space, media today has been influenced by the owner's interests and economic interests. With the interests of the ownership, an interest of the preaching is directed according to the owner, while in economic importance, featuring news media that have high sales value. By this, the reporter cannot display the news in a professional manner, because media content is influenced by economic interests and ownership. Relating to public rights, uniformity of content occurs violate broadcasting law No. 32 of 2002 on broadcasting, in article 35 of the broadcast content, has described the function of the media to provide information to the public with the principle of diversity to build a democratic society. Broadcasting industry considers the public interest by business interests.

Business interests that precede the public interest, organized business calculations based on the gain of many viewers with minimal capital and profits flowing after that. Business calculations, it makes the public interest covered by business interests. Then in section 1 (8) of Act No. 32 of 2002, also mentioned that the spectrum of electromagnetic waves whose frequency is used for broadcasting and propagating in air and space without artificial conductor means, is public domain and a limited natural resources. If the frequency spectrum is a public domain, the broadcast media content should be used for public purposes, but now the media industry more priority to economic interests rather than public interests. This threatens the democratization of broadcasting in society. It limited the public's right to obtain a variety of information and the lack of community participation in opinionated.

KGG build public spaces through Kompas.com i.e., by providing space for people's participation in Kompasiana, in the form of blogs, can be classified as a citizen journalism platform, which provides a space for online community engagement. "Kompasiana is a public blog. But good content on Kompasiana can be published also in Kompas.com." (Interview MrTaufik).

Kompas says that the good and proper news can also be displayed in a news Kompas.com. In Kompasiana, members can discuss and interact with each other on certain information. Now, Kompasiana is also becoming a more interactive media especially for internet-based media. In addition, Reuters accommodate people with K-report i.e., an Indonesian citizen reporter device. Citizen can directly report using their cell phone. But this is not going well, while the K-report is still available on blackberry devices.

## CONCLUSION

With the large scale of media and non-media business KGG deemed to have committed the spatialization in his company. To maintain competition in the media industry, KGG has to control production units in one level or different levels that can be referred to as concentration. Mosco said that spatialization split into two concentrations, horizontal and vertical. Horizontal concentration that is, when a company is in the same media path acquired a majority stake in other media, which has nothing to do directly with the original business, or when the company took over the bulk of shares in a non-media companies (Mosco, 2009: 175). And vertical concentration, ie the concentration of the parent company and its subsidiaries are conducted in a hierarchy to gain control in a media production (Mosco, 2009: 176). In KGG horizontal concentration can be described in the take-over TV 7 become part of electronic media in the KGG, and in 1987, Reuters took over ownership of newspaper publishing companies Sriwijaya Post in Palembang. Whereas the vertical concentration can be described by the group of publishing with six segments, group of printing spread across seven cities in Indonesia, Gramedia bookstore, and also many types of tabloids, magazines and newspapers. In expanding to network and gain audiences, Reuters also doing internationalization, it occurs when domestic firms opening up to foreign or domestic investment flows.

With the spatialization in both horizontal and vertical concentration in media companies, it supports the development of political and economic systems conglomeration phenomenon. In the media competition, conglomerate into one of the company's strategy to get media networks, the company includes three types of media, ranging from print media to online. Then to gain power, the company building the network in various areas of non-media conglomerate that aim to enrich.

Based formulation of the problem and research objectives, it can be concluded that the KompasGramedia Group has made the political economy of media, especially in the realm of spatialization and conglomeration, look at the ownership level, media products, content and form of media cross-ownership. Spatialization and conglomerate led to an impact on the content of KGG because using a single source for all three types of media. KGG did spatialization and conglomerate to expand its network and expand audiences.

With the diversification of media products, audience can get the information and news quickly through a variety of devices as well as various forms. 3M is a policy that also describes the spatialization impact on existing content on the three types of mass media KGG i.e., print media, electronic media and online media. In addition, the uniformity of media content can be a threat to uphold democratic values. Technological developments helped sink the function of public space; media today has been influenced by the owner's interests and economic interests. With the interests of the ownership, interest of the preaching are directed according to the owner, while in economic importance, featuring news media that have high sales value. By this, the reporter cannot display the news in a professional manner, because media content is influenced by economic interests and ownership.

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