

## Post-Merger Digital-Media Content Management

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### Abstract

This study aimed to analyze the process of managing digital media content after the KapanLagi Networks merged. The research study adopted a descriptive-qualitative approach. The informants were selected using a purposive sampling method. The data were collected through participant observation and in-depth interviews. The results found merger strategy had a positive impact on KapanLagi Networks. The merger strategy succeeded in providing an opportunity for KapanLagi Networks to develop its content. Content management of KapanLagi Networks is influenced by several factors, including 1) professionalism and target demands; (2) user behavior; (3) profit orientation; (4) analytic tools and social media; (5) capitalist ideology; (6) implementation of digital journalism and multimedia journalism; (7) editorial policy. These factors indicate merger integration does not always produce content uniformity but also encourages content diversity.

**Keywords:** digital media, content management, content diversity, media industry, convergence and media concentration

### INTRODUCTION

Communication technology nowadays does change the the way of people communicate. Tornatzky and Fleischer argue technology is a force that drives changes as well as a dominant factor in implementing communication technology [1]. This change is signified by the emergence of digital media through the process of media convergence [2] and digital native media [3].

Digital native media, or referred to as a digital media start-up in Indonesia, emerged in 1998, which was first pioneered by the establishment of Detik.com. In the following years, several other digital media start-ups appeared, one of which was Kapanlagi.com. The company was founded in 2003 focusing on entertainment news.

Those digital media, as start-up companies, seek to grow and constantly maintain their existence. However, the advancement of the media is not in harmony with financial developments. People involved in convergence media often have difficulty in getting advertisements, even though advertising is an essential aspect of sustaining the financial of digital media. The challenge to get advertising is because television holds an enormous portion of the world of advertising. It is following the

references from Tirto.id. They explained that in 2018, based on Big Mobile, an advertising company from Australia, the portion of digital advertising in Indonesia was barely 17 percent of total advertising spending [4].

There are no digital media that has a stable financial budget until now [5]. A popular strategy of digital media to maintain their finances is merger and acquisition. The merger itself passes the stage of console [6], which is considered a solution to the financial issues of digital media. The merger also has an impact, one of which is the practice of homogenizing content [7]. From the relations with power, a merger is a form of media conglomerate [7]. According to Noam Chomsky and Edward Herman, the media is an instrument of power groups that control the media [8]. Uniformity of content due to media conglomerate is a form of strengthening the interests of the rulers, especially with ideology [6].

Based on the role of the normative media perspective, uniformity of content eliminates the public character of the media, for example, is heterogeneity [7]. Heterogeneity is a significant aspect of media content because people need a variety of information to conduct democratic deliberations. Besides, the media should be able to meet the needs of the audience for the heterogeneity of content that illustrates the diverse needs of the community [8].

Various researches prove that the level of diversity of news on the internet is considerably

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high, so digital media is admitted to holding a strong orientation as a public servant [9].

On the other hand, Picard and Van Weezel assume media conglomerate does not perpetually have a negative influence on the quality of democracy. Digital media organizations, which are financially strong, possess more excellent potential in serving the public interest rather than the interests of the media owners themselves; content production is affected by the profit motive economically [9].

The economic point of view sees that a merger strategy is beneficial because it increases the number of outlets, audience fragments, and the number of contents. It triggers content created from the influence of the interests of minority communities of increasing economic value [10]. Li and Thorson's study found a higher number of news topics and categories in media, contributing to rising the number of advertisers significantly [11].

Reflecting on the urgency above, this study believed that prior studies did not present a detailed understanding of the dynamics of content management in digital media after the merger and overly liberalized the practice of the dissemination of a single opinion in identical media content. The complexity of the newsroom is influenced by many elements, including organizational mechanisms that have standard rules, routines, organizational goals, and professional demands [12].

From these postulates, the researchers analyzed the process of managing digital media content after the companies conducting a merger. The research was located in the Kapanlagi.com office.

## **REVIEW OF RELATED LITERATURE**

### **Convergence, and Media Concentration**

The presence of the media makes common people be an information society. They handle information as a necessity and utilize information networks and complex electronic communications as a medium to meet their needs [13]. In line with this, the emergence of new media also requires media organizations to integrate with digital media. It does mean that, there are digitization of the production system. The consequence is content can cross the media boundaries. This development is often referred to as convergence covering various aspects including technology, social and culture [14].

Economic convergence is a form of convergence that focuses on implementation

based on an industry perspective [6]. Economic convergence goes through a process of consolidation, one of which is in the form of a merger strategy. In vertical terms, every business has control over multiple companies as long as there is a production process between suppliers and consumers. The problem subsequently received criticism from the consolidation decision, is the cessation of the diversity of opinions. But, on the side of the media, consolidator declares consolidation can bring big differences that encourage diversity [6].

### **Hierarchy of Influences Model**

The Hierarchy of influences model outlines five levels of affecting the mass media content, including [15]:

Individual-level: characteristics of individuals that may alter the messages in the content of a media, consisting of background, experience, attitudes, values, beliefs, ethics, and power on the contents of mass media.

Level of media routines: the process of daily activities or routines affects the media content. It relates to the manner of producing news including the process of news coverage, the news editing until the news is ready to be published. Media routines have three elements, specifically media organizations (processors), news sources (suppliers), and audiences (consumers).

Organizational level: organizations have a more significant influence on the individual level and the level of media routines. The organizational level deals with the structure of media management, media policy, and media goals.

Extra media level: the importance of media content at this level comes from media sources, media income sources, government control, market share, and technology.

Level of ideology: ideology is a framework of thought or individual concepts in interpreting reality and re-explain it again in the contents of the mass media.

## **MATERIAL AND METHOD**

The research study is descriptive-qualitative and was conducted in the Kapanlagi.com Malang office. The determination of research informants applied purposive sampling techniques with five criteria, namely (1) the informant is the editor in chief of Kapanlagi.com, (2) the informant is the editor coordinator and editor staff at Kapanlagi.com, (3) the informant is the leader and staff of the social media division at Kapanlagi.com, (4) the informant is the leader

and staff of the video (multimedia) division at Kapanlagi.com, and (5) the informant is the leader and reporter at the Kapanlagi.com office. The data were collected through participant observation and in-depth interview methods.

## **RESULT AND DISCUSSION**

### **The Merger Strategy of KapanLagi.com**

KapanLagi.com was founded by Steve Christian and Eka Wiharto in 2003. KapanLagi.com is an online media site presenting the world of entertainment content in Indonesia and abroad. Throughout its journey, KapanLagi.com began to establish cooperation or partnerships over a merger strategy, starting from 2014 to 2018.

First, in 2014, KapanLagi.com merged with Fimela Networks, which was founded by Ben Subiakto and Dian Mulyadi. Fimela Networks is an online media that concentrate on beauty and lifestyle information. The reasons related to revenue and the intention to expand the markets of both companies encouraged them to collaborate. Fimela Networks operates (1) Fimela.com, which focuses on presenting information on beauty and fashion; (2) Sooperboy.com presents information regarding male lifestyles; and (3) Muvila.com, which runs to present information about films. The combination of KapanLagi.com and Fimela Networks was named as KapanLagi Networks.

Secondly, the merger of the two companies also occurred in 2015. KapanLagi Networks formed a partnership with MediaCorp. MediaCorp is a media company in Singapore that works in the fields of radio broadcasting and television, print publishing, filmmaking, and interactive media.

Third, in March 2018, KapanLagi Networks merged with Creative Media Karya (KMK). Creative Media Karya is a subsidiary of Elang Mahkota Teknologi Group (EMTEK Group) engaged in digital online media. The collaboration has the aim of advancing businesses in the domain of digital online media. The collaboration also has some good impact to the couple, viz, and the incorporation of media products and contents, which later gave birth to KapanLagi Youniverse.

Some merger and acquisition strategies performed by KapanLagi Networks with some media companies automatically influence the content management in the KapanLagi Networks. Through mapping the content management, it will later prove the impact - positive or negative,

in the activities of journalists on the KapanLagi Networks. This content management analysis converges on post-merger with Creative Media Works, in 2018.

### **Perspectives of Media Practitioners on the Merger Strategy**

The strategy in 2018 affected the perspective of media practitioners in interpreting the merger. In theory, a merger is often perceived as a risky strategy, especially concerning aspects of democracy in media content. This assumption is different from the actual conditions in the internal of KapanLagi Networks.

Since the official merger, KapanLagi Networks and Creative Media Karya decided to give autonomy to each media to develop following their respective cores. The agreement is a factor encouraging multifariousness of content, one of which raises new digital products.

The merger makes KapanLagi Networks work together and support each other with companies under the EMTEK Group. The symbiotic relationship of mutualism is in the form of cross-division promos and the creation of new programs or products. One example of a new program is the 2019 Online Auditions of Liga Dangdut. The program was first implemented by the editor of the KapanLagi Networks in cooperation with Indosiar. The system made it easy for participants to join audition anywhere, anytime, through the digital features offered. For Indosiar, the online audition helped them to reach prospective participants from all regions who were difficult taking offline auditions, while for KapanLagi Networks, online auditions contributed a large number of page views.

In terms of content, the new product is KapanLagi Dangdut. This new program or microsite is in the form of collaboration between KapanLagi Networks and Indosiar television station. Before merging, KapanLagi Networks was unable to develop dangdut content because they did not have any access to news sources. The access was a relationship with the Dangdut artists and covered the dangdut events.

Based on the explanation above, the stakeholders of each media company - from KapanLagi Networks and Creative Media Karya, are of the view that the merger or cooperation provides a large advantage for each company, not only in financial terms but also media development.

### **Post-Merger Content Management Process**

Uniformity of content is considered as a big risk from the merger strategy between media

companies. It certainly shifts a challenge for media practitioners and forces them to think creatively to minimize it, including what happened on KapanLagi Networks. From the freedom in the process of media operations synchronized between KapanLagi Networks and Creative Media Karya, KapanLagi Networks has great opportunities, especially in the process of managing media content. There are some modifications in the process of managing content in the editorial room of the KapanLagi Networks.

First, changes related to the news sources. After merging, the news sources can be from social-media gossip accounts and unverified accounts. Also, they can quote or adapt news from competitors' media. In addition to being motivated by economic goals, policies related to the access to news sources are also very possible to increase the reach of content for the editor of KapanLagi Networks, which at the same time further emboldens the diversity of content.

Secondly, it is related to the development of content. There are several new forms of content, including Visual Stories (VS), Mobile Journalism (Mojo), and News Paging. VS is news presented as a story format that accommodates current user behavior. Mojo is a videotape of walk-in-interview. News paging is news consisting of several pages, containing subtitles related to the main news.

Variations in the form of content are derived from digital journalism. The operation of multimedia news begins with the incorporation of the website, expanding branches and types of exchanges between media (promotion of cross-media projects, cross-media advertising, sharing of news, and partial integration of editorial rooms). Multimedia is also a result of advances in the way users enjoy the content.

Third, it is about the creation of new channels or microsites. After merging, KapanLagi Networks created two new channels, namely KapanLagi Dangdut and KapanLagi Korea. The emergence of these two channels is because of the behavior of users who demand these two topics. The focus of the Editors of KapanLagi Network concerning the two new channels is the spirit of digital journalism, which is expected to arise as a door for those who have been underrepresented so that citizens' voices are heard, small groups are interconnected, and that the public is united [16]. One of the instances is the KapanLagi Korea channel. It involves communities of Korean lovers, in the realm of cooperation and content creation.

The fourth point associates with content distribution tools. KapanLagi Networks receives numerous readers from Google users, meaning that Google is the main media to serve readers. Hence, KapanLagi Networks must compete with other websites. Based on these demands, the goal of various content creation strategies, one of which is to enable KapanLagi Networks to survive on the first page of Google on every query related to showbiz (show business). Furthermore, the editor of KapanLagi Networks must be sensitive to the issues or keywords that Google users are searching for, so the name KapanLagi Networks is constantly on the first page. The strategy can also enhance the variety of content on KapanLagi Networks.

Specifically, related to the content management process technically, there are several policies in creating content:

1. All hard news must be published immediately
2. Prioritize news based on Google Trends and Google Analytics and Issues on social media gossip accounts
3. It is allowed to work on news sourced from competitors' media
4. It is permissible to take news sources from sister companies
5. The latest news sourced from gossip accounts on social media may be published with the information that the editor was initially conducting verification and confirmation
6. Photos must not be from unsubscribed photo agents
7. Ask permission personally when using photos from a person or public figure's social media accounts
8. The titles must be clickable and contain SEO format
9. The news must consist of approximately six paragraphs
10. The main information is set in the initial paragraph
11. Consider the publishing time of the contents
12. Every editor has a target of page views

## **CONCLUSION**

The merger strategy does not perpetually have a negative impact. Some facts in the KapanLagi Networks show the merger strategy produces a positive opportunity for media practitioners to develop their business. KapanLagi Networks can minimize the uniformity

of content, which is considered a big risk from the merger of digital online media. They manage to anticipate the issues through a content management strategy. The contents on KapanLagi Networks are influenced by several factors, including (1) professionalism and target demands; (2) user behavior; (3) profit orientation; (4) analytic tools and social media; (5) and capitalist ideology. Moreover, there are implementations of digital journalism and multimedia journalism in the form of creating new channels or microsites and content characteristics. Also, the editorial policy, ideologically (both parties' agreement) and technical writing transform into another sort. Content management that has these factors can inspire KapanLagi Networks in realizing the diversity of post-merger contents.

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