



CONVERGENT STRATEGY TOWARDS COMPETITIVE AND SUSTAINABILITY COMPETITIVE ADVANTAGES IN ONLINE MEDIA COMPETITION

Wahyu Setiyaningrum

Communication Science Department,
Diponegoro University, Semarang, Indonesia

Jasanta Peranginangin

Islamic Economic & Business Department
Institut Agama Islam Negeri Surakarta, Central Java, Indonesia.
Economic & Business Department, Diponegoro University
Semarang, Indonesia.

ABSTRACT

Strategy convergent is an integration of all resources towards competitive and sustainability advantages. In practice, convergent strategy in media business applies to combining all media and channels into a single mix, in terms of either newsroom, newsgathering, or contain convergences. This study applied qualitative methodology combined with literature study. Interviews were performed with media owners to obtain the real pictures of the practicality of the convergent strategy. The study found managerial implications that could be applicable in developing the media business towards a sustainable competitive advantage.

Key words: Convergent strategy, Newsroom convergence, Newsgathering convergence, Sustainability competitive advantage.

Cite this Article: Wahyu Setiyaningrum and Jasanta Peranginangin, Convergent Strategy towards Competitive and Sustainability Competitive Advantages in Online Media Competition. *International Journal of Civil Engineering and Technology*, 9(1), 2018, pp. 499-507.

<http://www.iaeme.com/IJCIET/issues.asp?JType=IJCIET&VType=9&IType=1>

1. INTRODUCTION

The digital era has been marked with vast development of technology. In case of Indonesia, a country with the total population of 262 millions, there have been 132 million active Internet users, 106 million active social media users, 341 million cellular phone users, and 92 million people who access the social media by the cellular phones (Ministry of Communication and

Information, 2017). The shift of information technology has caused a change in news readers' preference from printed to online media.

A study on media consumption by the Indonesia Digital Association (IDA) as quoted by Tribunnews.com revealed that the online media readers by smartphones rank the highest numbers (96%), beating the television goers (91%), printed newspaper readers (31%), and radio enthusiasts (15%).

According to a survey of Internet user behavior held in 2016 by Asosiasi Pengguna Jasa Internet Indonesia (APJII) the dominating contents read by the users were social media (97.4%), entertainment (96.8%), news (96.4%). The survey also documented that public services, commercial, and education contributed to 91% of the total contents provided to the users.

The statistics data also reveal that readers' interest in the online media are enormous. One of the most favorite media is TRIBUNJATENG.com, a news website owned by PT Tribun Digital Online, part of Divisi Koran Daerah (Group of Regional Newspaper) of Gramedia. TRIBUNJATENG.com has headquarters at Gedung Kompas, 3rd Floor, Jl. Menteri Supeno No. 10, Semarang. This news website presents regional, international, sport, economy and business, celebrity and lifestyle news. In addition, TRIBUNJATENG.com also offers discussion forum and online community via notable social media, such as Facebook, Twitter, and Google+.

TRIBUNJATENG.com is supported by Semarang-based reporters and 28 local newspaper networks (the Tribun Network). In addition, the company also has nearly 500 journalists spread over 22 notable cities nationwide. The Tribun Network itself has more than 20 local news websites, which are integrated to the TRIBUNNEWS.com headquartered in Jakarta. Table 1 presents local news websites organized by TRIBUNJATENG.com.

Table 1 Local news websites of TRIBUNnews.com

| No. | Region/City | News Portal | URL Address |
|-----|-------------|-------------------|---------------------------------------------------------------------------------|
| 1 | Jakarta | Tribun Jakarta | http://www.tribunjakarta.com |
| 2 | Jakarta | Warta Kota | http://www.wartakotalive.com |
| 3 | Bogor | Tribunnews Bogor | http://www.tribunnewsbogor.com |
| 4 | Bandung | Tribun Jabar | http://www.tribunjabar.co.id |
| 5 | Surabaya | Surya | http://www.surya.co.id |
| 6 | Yogyakarta | Tribun Jogja | http://www.tribunjogja.com |
| 7 | Solo | TribunSolo.com | http://www.tribunsolo.com |
| 8 | Semarang | Tribun Jateng | http://tribunjateng.com |
| 9 | Bali | Tribun Bali | http://tribun-bali.com |
| 10 | Banda Aceh | Serambi Indonesia | http://www.serambinews.com |
| 11 | Medan | Tribun Medan | http://www.tribun-medan.com |
| 12 | Pekanbaru | Tribun Pekanbaru | http://www.tribunpekanbaru.com |
| 13 | Jambi | Tribun Jambi | http://www.tribunjambi.com |
| 14 | Palembang | Sriwijaya Post | http://www.sripoku.com |
| 15 | Palembang | Tribun Sumsel | http://www.tribunsumsel.com |
| 16 | Lampung | Tribun Lampung | http://www.tribunlampung.co.id |
| 17 | Batam | Tribun Batam | http://www.tribunbatam.co.id |
| 18 | Bangka | Bangka Pos | http://www.bangkapos.com |
| 19 | Makassar | Tribun Timur | http://www.tribun-timur.com |
| 20 | Manado | Tribun Manado | http://www.tribunmanado.co.id |
| 21 | Balikpapan | Tribun Kaltim | http://www.tribunkaltim.co.id |
| 22 | Banjarmasin | Banjarmasin Post | http://www.banjarmasinpost.co.id |
| 23 | Pontianak | Tribun Pontianak | http://www.tribunpontianak.co.id |
| 24 | Kupang | Pos Kupang | http://www.pos-kupang.com |

Source: tribunnews.com (2017)

TRIBUNJATENG.com provides three major styles, i.e. TribunStyle.com, TribunTravel.com, and SuperBall.id. the TribunStyle.com presents news related to celebrities and entertainers that are becoming the trending topics, including their fashion style. In addition, this segment also presents health tips. The TribunTravel.com focuses on traveling and tourism, with the coverage of celebrities or public figures on their holiday trip, ticketing, shopping, travel/tourism accomodation, and culinary. The SuperBall.id provides news related to sports, live coverage, and sport match fixtures on television.

TRIBUNJATENG.com also provides an e-commerce segment namely TribunJualBeli.com. It also has official accounts in notable social media, such as Facebook, Twitter, Google+, Instagram, and news portal forum. The electronic paper (e-paper) is provided by Tribun Network.

Interactive segments have become one of leading factors that strengthen TRIBUNJATENG.com. These segments are provided in Tribuners and Citizen Reporters. The newspaper expects active participation and contribution of the users to provide information and to share empirical experience and ideas. Such effort is believed to contribute to the advance of nation's literacy. The contribution of Tribun Network is providing digital papers to TRIBUNJATENG.com. Unlike the printed edition, the digital paper is only available online in a digital format.

2. REVIEW OF LITERATURE

2.1. Resource Based Theory

Resource based theory was introduced by Barney (1991). It requires that sustainable competitive advantage) is affected by resource advantage owned by an organisation. Resource strategy is part of management strategy, which is incorporated in all lines of the organisation. The organisation's advantage is so specific that it has strength, is difficult to imitate, and rare (O'Keefe, Mavondo, and Schroder, 1996).

The resource based theory is believed to create the organisation's competitive advantage (Porter, 1985). The competitive advantage is gained by creating superior products and services as such that competitors hardly find the way of maneuvering the market. Burney and Clark (2007) contend that the competitive advantage is derived from the resource advantage owned by the organisation.

Peranginangin (2015) writes that the organisation's resource advantage affect the organisation in the following terms:

- More heterogenous demand on industry.
- Comprehensive and valuable information from the customers.
- Human motivation is to fulfill the needs.
- Organisation has an objective to garner the maximum advantage.
- Information possessed by the organisation is incomplete and is of high value.
- Organisation has financial, physical, copyrights, human, organisational, information, and relation resources.
- Resources are heterogenous and tend to have unstable trends.
- Managers' role is eligible and holistic. They create, select, implement and restructure the ongoing strategies.
- Competition is so dynamic that it needs innovation within the organisation.

In the resource base theory specific resources in the organisation comprise as follows:

- Finance (cash and access to money market)
- Physical resources (factory and equipment)
- Legal resources (brand and license)
- Human (skills and knowledge)
- Organisational resources (competition, monitoring, policy, and culture)
- Information (customer's knowledge and competitiveness intelligence)
- Relational resources (relations with suppliers and users)

To win the competition an organisation must have a direct interaction with its customers. The organisation's advantages depend on characteristics, price, quantity, line, promotion and advertisement, availability, service, and appearance of the products. The products, furthermore, must also bring value to the customers Hunt and Arnett (2003). Dalam teori keunggulan berbasis sumberdaya, daya saing dimiliki akibat adanya inovasi yang dilakukan, keunggulan daya saing akibat lahirnya efisiensi dan efektifitas dari strategi yang dilakukan, daya saing yang muncul dari pelaksanaan strategi inovasi antara lain adalah :

In the resource based advantage theory the competitiveness is possessed because of innovations, competitive advantage is derived from efficiency and effectiveness of the strategies, and competitiveness derived from the innovation strategy are as follows:

- Improvement of added value provided to the customers by using the products.
- Improvement of added value for the customers by additional quality and quantity of the resources.
- Decrease in cost by improving quality and quantity added value.
- Decrease in cost by a better and effective use.
- Identification of new opportunity to improve growth.
- Identification of new opportunity to create new markets.
- Identification of opportunity to develop new organisation and resources in the new markets.
- Improving organisational quantity by improving quality and quantity added value.

To obtain sustainable competitive advantage an organisation must possess capacity to perform all organisational resource based strategies. The capacity must always be capable of performing immediate adaptation, having differentiation in any line, doing innovation of the products and services provided to the customers, and having a tight time-frame in all actions and measurements in performing the strategy.

2.2. Relational Theory

Relational theory was proposed by, Morgan and Hunt (1994). It requires that a good relationship with suppliers and customers based on trust and commitment comprises four aspects, as the followings:

- Internal relationship: it occurs within the organisation, such as relationship between business units, employees, and departemental functions.
- Relationship with suppliers: relationship with suppliers that provide both goods and services to the organisation.

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- Relationship with customers: this kind of co-operation can be weak and strong.
- Lateral relationship: the relationship occurs between the organisation and competitors, civil society institutions/non-governmental organisations, and government.

These four types of relationship must be sustained by the organisation to build a strong relation, which, in turn, can bring about positive impacts to the organisational performance. The stronger the relationship with other parties, the higher the performance the organisation will have.

Relationship is dynamic. Therefore, the organisation must immediately respond to any change. The change is affected by degree of commitment and trust between organisation and its customers., Palmatier et al. (2013).

In performing the relationship, the organisation and its individuals must be aware of key variables, i.e. bilateral communication, concerted relational norms, mutual objectives, interdependency, social bind, satisfaction, shared added value, information exchange, and harmony.

In developing relationships, either within internal environment, with customers, suppliers, or society, the organisation must pay attention to the above variables towards a long-term relationship. Successful long-term relationship affects the improvement of the organisational performance quality and quantity.

In the current information technology era co-operation relationship plays a vital role for the organisation to act cross-borders so that it can communicate in a real time, anytime and anywhere. Storey and Kocabasoglu-Hillmer (2013) explain that partner relationship management using information technology needs specific skills so that service support must be improved towards an optimal information technology based relationship management.

In order to obtain good relationship quality an organisation must have certification in the information technology. The certificate guarantees the organisation for having commitment to the quality of the information technology to be provided to the customers. It is also given to the customers to secure and to protect the relationship.

Lechner, Dowling, and Welp (2006) contend that in building the relationship the organisation must focus on five aspects in order to be successful, as follows:

- Social network: it depends on the strength of interpersonal relationship as in a friendship. Social network may produce a long-term collegial relationship.
- Reputational network: becoming partners in building relationship as leaders to improve credibility of the organisation before the partners.
- Marketing information network: it flows where the market goes towards giving benefits to both parties.
- Co-operation network: partners become critical sources in improving innovative performance and development of the organisation.
- Co-operative technology network): technology network is necessary to develop the organisation. The customers can be used as information sources in developing the technology already possessed by the organisation.

The ability to develop a relationship is a relational capital for the organisation, in which the relationship grows in internal and external environments, which involves employees,

customers, competitors, partners, and industrial associations, (Raza (2012)). The relationship is not merely a business interest, but also social interest. The ability to build business and social relationship will improve the performance of the organisation.

3. FUNDAMENTAL CONCEPT OF MEDIA CONVERGENCE

Media convergence is a combination or integration of existing media to be used and directed towards an intended point. The term *convergence* has been introduced since 1990s. It is commonly used in the development of digital technology, integration of text, number/figure, picture/graph, video, and sound (multimedia). The development of technology has reached beyond its technological domain. Convergence has reached and changed fundamental patterns of human life. It has also changed relationships between technology, industry, market, and lifestyle. Production and consumption patterns also change as their use affects economic, political, social, and cultural aspects. The Internet and computer play a big role in the media convergence.

The emergence of the Internet demands mass media to apply the concept of media convergence through online media, e-paper, e-books, radio streaming, and social media, combined with the other media. Terry Flew in *An Introduction to New Media* contends that media convergence is a result of slice of three new media fetures, i.e. communication network, information technology, and media content. The media convergence carries a concept of integration of vary information services within a single information device by making an inevitable digital breakthrough. The convergence has caused radical changes in management, provision, distribution, and processing of all information types, either visual, audio, data, or the likes (Preston, 2001).

According to Fiddler (2003: 29) media convergence occurs because of supports from vary economic, politic, and social powers, which play a major role in creating new technologies; discoveries and innovations are not adopted holistically due to lack of technology; and economic, social, and political opportunities and reasons for the introduction of new technology.

The convergence of the media industry and digital technology has been directing towards multimedia communication. Multimedia is also known as integrated or mixture media, which is generally defined as a medium, which integrates two or more communication types (Fiddler, 2003: 39). Furthermore, Fiddler (2003) also explains that the introduction of the media convergence is usually caused by mediamorph, i.e. a transformation of communication media due to complex, reciprocal relationship between the need to be felt, pressure from competition and politics, and vary social and technological innovations.

The adoption of the digital technology by mass media organisations in nurturing the media convergence is supported by pressure and business in the mass media business. Nowadays, mass media organisations compete in practising the convergence. The transformation of printed media into covergence allows the adoption of the convergence proposed by Grant (2009: 33). Journalistic convergence sings the change in way-of-thinking of the media towards news and is coverage. How the media produce news and how they express the news to the audience. However, the convergence in practice is still limited to how to present the news using different platforms, i.e. printed media, broadcast, and online.

In journalistic convergence Grant (2009) proposes three different models, i.e. newsroom, newsgathering, and content.

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- the Convergence newsroom. In this convergence journalists of different platforms, for example from newspapers, online, and television unite themselves in a news production room. They do the work according to the media platform.
- Convergence of newsgathering. In running this model, a journalist is required to be able to achieve multitasking level. Through special training, a journalist is required to be able to perform work performed by the media with other platforms within a group. For example, a print journalist should be able to create news for print, online, and simultaneously for television. It is also required to take photos or videos.
- Convergence of content. The news is finally presented in the form of multimedia, which is a combination of text, images, audio, video, blogs, podcasts, or slide shows. The choice continues to grow. Currently, content convergence is still very young or just started. However, we can peek into the future through an innovative website. Imagine the next few years a new hybrid medium combines between audio and video tv, responsive nature and the source of the website, ease of carrying and print quality from the newspaper. Editor and reporter will be a content producer who is trained to choose which stories are the most effective, most entertaining techniques from the regular menu to the multimedia options.

4. DISCUSSION

More people are using the Internet to gather information, be connected to their social networks, and produce information. The ability to create a producer-customer (Indonesian: *prosumen*) combination demands traditional mass media to pursue the use of the new emerging media. Bill Kovach (21) calls this phenomenon a cross-combination between customer and producer. The current evolution has motivated Tribun Jateng to provide online media to the readers. Therefore, the newspaper introduced TRIBUNJATENG.com.

People have become more interested in consuming information from the Internet because of its time-efficient characteristic. The Internet users contributed 25% of the total population of Indonesia (*Tempo*, 5 April 2009).

The ability of the online media to provide time-efficient, free, interactive, and real-time information and news is preferable to extend networks of the readers and to build loyalty. Synergy between printed and online platforms creates a strength towards convergence media. This phenomenon agrees with Jhon V. Pavlik's illustration that convergence media is the union between vary media communication into an electronic, a digital form engineered by computer and network technology (Pavlik, 2006: 134).

TRIBUNJATENG.com was launched as a news portal on April 29th, 2013, to enrich the Tribun Network regional newspapers. It has 145 employees, who consist of 138 personnel for printed media, six personnel for online media, and a personnel for social media. TRIBUNJATENG.com has been performing the resource based theory by making use of capable human resources. TRIBUNJATENG.com now delegates seven employees to focus on the online media towards professionalism. However, the news journalists are similar to that of printed platform (Rustam Aji, 2017).

Marketing strategy towards the online media competition applied by TRIBUNJATENG.com is multi-platform, i.e. combining printed, online, audio, and audio-video platforms. In other words, the newspaper has been applying a media convergence strategy. TRIBUNJATENG.com has also been incorporating social media, such as Facebook, Twitter, Instagram, Line, Google+, and BBM into its business strategy. Special teams are provided to operate the social media.

In order to develop the customer relation engagement TRIBUNJATENG.com often organised customer gathering and forum group discussion (FGD). During these events, the management of Tribun Jateng met the customers and other communities to share information, news, and tips of daily life. The events were held in Gramedia bookstore on Jalan Pandanaran.

The ongoing program strategy includes live report via Facebook in the form of on-location video coverage, presenting news about football match, natural disaster, and demonstration. TRIBUNJATENG.com has made 700,000 Facebook friendships and 27,000 Twitter followers. Such networks help contribute the branding effort of the organisation.

5. CONCLUSIONS

TRIBUNJATENG.com is an online mass medium, which is owned by a regional newspaper network in Semarang under the managerial umbrella of Kompas Gramedia. The incorporation into the bigger network helps TRIBUNJATENG.com to exist amidst competition. Breakthrough and innovation made by the newspaper is live report via its one of the social media, i.e. Facebook. Special teams have been also established to operate in Instagram, Facebook, Google+, and Twitter.

In facing the competition of the online media TRIBUNJATENG.com must focus on close relationship with the customers. Intensive and good communication is necessary to maintain the customer relation engagement between management and its customers. FGD and Customer Gathering are effective efforts towards the close relationship with the customers because Tribun Jateng may discover and investigate the preference of its customers.

Tribun Jateng has performed media convergence strategy for its Tribun Jateng Daily, TRIBUNJATENG.com, and Audio-Video services by relaying Kompas TV and broadcasting Sonora Radio. Such strategy is necessary towards the more integrated and stronger platforms. Almost groups of the media have also applied the similar strategy. It is recommended that TRIBUNJATENG.com needs further innovation if it is to become the leader in its business.

ORCID ID

Jasanta Peranginangin <https://orcid.org/0000-0001-5933-1275>

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