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## Generate local own source revenue: The digital business strategy of Jogja Istimewa Television

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### Abstract

This paper studies the feasible digital content business model of Jogja Istimewa Television (JITV) and Jogja Istimewa Application (JI App) under the management of the Yogyakarta Provincial Office of Communications and Informatics. Thanks to the development of digital transformation and digital content business, both are now integrated to reach a broader market since they provide unique content of Yogyakarta socio-culture and government activities. However, it needs a more advanced business model compared to the existing ones. In addition, this transformation will help The Government of Yogyakarta Province achieve its local state budget sovereignty and provide high-quality digital content for the public. We use a mix-method approach in this study by using a strict survey exploring brand awareness of JITV and JI App and focus group discussion with relevant stakeholders to achieve our objective. We find that JITV and JI App should shift their form from a unit under the Yogyakarta Provincial Office of Communications and Informatics management into an independent local public service agency (Badan Layanan Umum Daerah or BLUD). This shift is likely to be implemented since our respondents are aware of both JITV and JI App and that the relevant stakeholders in our FGD support that shift.

*Keywords: Digital industry; local state budget management; local public service agency; industrial organisation*

### Introduction

Law No. 22/1999 about Local Government—which was later amended by Law No. 32/2004 about Local Government and Law No. 23/2014 about Local Government—mandates the local government to set their effort to explore the sources of local-own-source revenue to increase the public services quality through a fiscal decentralization regime. The relevance of this law is that the government is driven to create budgetary independence. The state of regional finance determines the direction of government; in connection with the importance of the regional financials, the government can carry out its functions effectively and efficiently to increase the quality of public services, hence improving the people's standards (Hastuti, 2018). While providing high autonomy, the local government is mandated to acquire and accommodate the people to formulate the appropriate solutions in practice. In its implementation, the provincial government sets its long-term plan (20 years), divided into mid-term goals (every 5 years) to maintain development.<sup>4</sup>

The current implementation of the fiscal decentralization regime is somewhat different than that in the decade of the 2000s (early implementation). Technology information and its supporting infrastructures have developed much in the past twenty years, which has led to effectiveness and efficiency in generating local-own-source revenue (Nilawati, 2019; Rachmawati et al., 2018; Saifuddin, 2020; Worumi, 2018). However, this technology utilization remains limited to the development of the information system within the local government, i.e., tax reporting, data synchronization, public services payment, etc. In this paper, we delve deeper into an alternative strategy to increase the local-own-source revenue by utilizing the current stream of local business. We draw a study case in Yogyakarta Province, where the digital creative company becomes a potential business model following a high internet penetration.

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<sup>4</sup>The local government also sets their annual plan to see the progress (given the priority and targets) and for budgeting purposes. This is also to provide the monitoring and evaluation for any activities following the budget allocation. The regional long-term development plan is also known as *Rencana Pembangunan Jangka Panjang Daerah* (RPJPD) and the regional mid-term development plan is also known as *Rencana Pembangunan Jangka Menengah Daerah* (RPJMD).

Like other local governments, The Government of Yogyakarta Province sets its Key Performance Indicators—which consists of main targets in 5 years—in the Regional Medium-Term Development Plan before setting the annual budget. There are 14 Key Performance Indicators, as stated in the Regional Medium-Term Development Plan 2017 - 2022, based on the regional vision and mission to meet five aspects of the development: welfare, equality, productivity, service, and competitiveness. In 2021, The Government of Yogyakarta Province will focus on strengthening the human resources and accelerating the socio-economic recovery in the Yogyakarta post-Covid-19 pandemic. However, there is no guarantee that the Covid-19 pandemic will end by 2021. There are three main priorities in the 2021 Yogyakarta Province state budget to respond to the Covid-19 pandemic: health care, economic recovery, and social security provision. The regional budget of Yogyakarta Province 2021 targets IDR4.1 trillion revenue with the contribution of the local-own-source revenue of IDR1.79 trillion, transfer IDR2.31 trillion, and others IDR7.57 billion. The Yogyakarta Provincial regional budget 2021 plans to make expenses on the operational IDR3.53 trillion, capital IDR214.16 billion, transfer IDR759.02 billion, and unexpected expenses IDR66.94 billion.

Indonesia's economic growth saw an increase in 2021 after the Covid-19 pandemic struck the global economy, which resulted in a contraction in 2020. Yogyakarta Province also sees a similar pattern of economic growth though it remains the least among provinces on Java Island. The tourism sector—which has become the primary financial sector—has been devastated in the Yogyakarta area since the government implemented a partial lockdown to contain the Covid-19 spread; however, the manufacturing industry and information-communication sector top the share of economic growth. The Covid-19 pandemic has shifted the economic activity at national and local levels. Given the current situation, the government must seek alternative opportunities and strategies to increase local-own-source revenue.

Based on a survey by Indonesia Internet Service Providers Association, internet users increased to 73,7% of the total population of 266.91 million people (APJII, 2020). The increase in internet users impacts the current business stream in the information-communication sector, which is now headed to the video-on-demand (VOD) business (Azalia & Magnadi, 2020; Hasan, 2017). There has been an increase of almost 30% since 2010 in people streaming videos while traditional TV and pay TV users are decreased by 10%. This shows that digital entertainment lovers are starting to turn to video streaming (Stenovec, 2015). About 7 million Indonesian—as reported by Media Partners Asia (MPA) by mid-January 2021—are recorded as subscribers on various paid platforms (i.e., Netflix, Disney+ Hotstar, Vidio, Viu, etc.). The number is believed to increase shortly due to digital penetration across the country.

This is undoubtedly a challenge for The Government of Yogyakarta Province to generate local-own-source revenue due to the economic slowdown in this Covid-19 pandemic. The Government of Yogyakarta Province urgently needs alternative strategies for utilizing and involving the current business stream. Efforts to increase the local-own-source can be conducted by extensification, creating new sources of local-own-source revenue by seeking the region's potential (Nasir, 2019; Suryani & Pariani, 2018). We propose an alternative strategy to generate local-own-source revenue through the digital economy—which is classified under Indonesia's communication and information sector. The Government of Yogyakarta Province currently owns a local television station, "Jogja Istimewa Televisi" or JITV, which can be utilized as a local-state revenue generator. However, JITV is still purely addressed for public service (no income generating purpose) under the Department of Communication and Information Technology of The Government of Yogyakarta Province. In this case, it needs a reformation within JITV, enabling it to generate income for its public service purpose. The global economy seems to shift since the emergence of the digital economy in the last ten years. Furthermore, this sector will likely gain its peak during and post-Covid-19 pandemic as it also helps to prevent the Covid-19 spread.

## Literature Review

### *Digital Content Business Model*

The advantages of the current digital business using the internet are the quickness and ease of conveying information (writing, images, and videos). Since the 1990s, digitalization has triggered a transformation in technology, distribution, economy, media policy, and television use (Mikos, 2016). Das et al. (2016) present an estimated USD150 billion increase or about 10% GDP growth by 2025 if Indonesia successfully embraces digital transformation across the country. The development of digitalization will have an impact on the emergence of new business ideas. Hence, it is not surprising that the public then utilizes the internet in a business land (known as a digital content business). The term "digital content" is a

combination of the concepts "digital" and "content," which includes text, sound, music, video, and film (Kim & Kim, 2017; Tsai et al., 2008)

Rowley (2008) characterizes digital content to which it contains:<sup>5</sup> 1) contextual value, 2) reproducibility and multiple abilities, 3) interactive, 4) repackagability, 5) delivery and technology, 6) perishability, 7) homogeneity, 8) inseparability and 9) tangibility. These make digital content unique as a commodity in the economy compared to other traditional ones. Furthermore, Artero (2010) presents four types of online video business models when reviewed through the content, distribution, and devices used:

- 1) Traditional media: this model is based on distributing professionally created content through environments with specific accesses and devices. Usually, more communication companies operate on this model.
- 2) Closed communities: this model is based on the distribution of user-generated content within a wall or specific device with specific access.
- 3) Content hyper-syndication: a model that allows access to professional content through open channels, such as the 'Hulu' and 'Twitch' platforms.
- 4) Platform aggregation is a more extreme model based on user-generated content and an open distribution platform. This model creates a mutual relationship between content creators and media providers. Examples in this model are 'Netflix' and 'Amazon Video.'

Chen (2009) shows that the digital content business involves digitalization, audio-visual integration and penetration, text or copywriting, and iconographical message. Figure 1 below shows the digital content business chain that, at the moment, requires originality to develop the business, both as creation and aggregation forms.

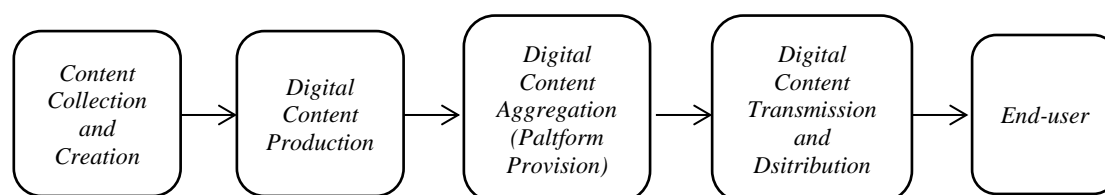


Figure 1. Digital Content Business Chain (Chen, 2009)

The digital television broadcasting business model in Indonesia has been regulated in "Law No. 26/2014 on Changes to Law No. 32/2013 on The Implementation of Digital Television Broadcasting and Multiplexing Broadcasting" through Terrestrial Systems. The digital television broadcasting business model essentially revolutionized analog broadcasting—a vertical structure—into a horizontal design (Idris et al., 2012). A vertical system allows the broadcaster to own all assets, namely broadcast rights, frequencies, infrastructure, and towers; In contrast, the horizontal design is based on the services. It will be divided into two Broadcasting Institutions: Broadcast Program Organisers or Content Providers and Multiplexing or Multiplexer Broadcasting Organisers. Regulated in Law No. 26/2014 where there are two digital television organising institutions in Indonesia, namely the Broadcast Program Organising Broadcaster (Lembaga Penyiaran Penyelenggara Program Siaran or LPPPS) which acts as a 'Content Provider' and the Multiplexing Broadcasting Broadcaster (Lembaga Penyiaran Penyelenggara Penyiaran Multipleksing or LPPPM) which does not act as a 'Pure Multiplexer'.

To capture digital opportunities, the government must consider three dimensions of the digital business: 1) product and services. Innovations to fulfill unmet or partially met customer needs by creating new products or services that use digital technologies; 2) Business models. Transformation of customer experience, delivery models, and value propositions, made possible by digital technologies; 3) Business processes. Improvements along the value chain, using digital technologies to enhance process efficiencies

<sup>5</sup> *Contextual value*: digital content has no intrinsic value where its value is predetermined as its context and use; *reproducibility and multiplicability*: digital content is transactable through ownership and can be made available to everyone; *interactivity*: information is dynamic; *repackagability*: digital content comes in many different forms and is expressed in many ways; *delivery and technology*: digital content depends on the technology (especially internet and digital devices) for its delivery; *perishability*: digital content is not deteriorated over time; *homogeneity*: digital content is basically identical to each other; *inseparability*: digital content is more akin to a goods than a service; *tangibility*: digital content is tangible which can be felt directly by customers.

and eliminate waste (Das et al., 2016). In addition, digital broadcasting also involves related stakeholders. Stakeholders include three essential parts: business actors, business roles, and business relationships (Braet & Ballon, 2008). Business actors can be physical person or corporation that participates in the creation of economic value. Business roles are logical groups of business processes fulfilled by one or more actors. Business relationships are the contractual exchanges of products or services for financial payment or other resources.

With the development of the internet, consumers' choice to consume creative content in digital media such as music, movies, books, and television shows increased significantly (Kim & Kim, 2017). Advances in technology have resulted in innovations in the media field. Media convergence has given birth to a new audiovisual medium, Video-on-Demand (VOD), that combines the logic of television, film, home video, the internet, and technology (Pradsmadji & Irwansyah, 2020). There are three types of VOD, namely, a subscription system, otherwise widely known as subscription video-on-demand (SVOD). Netflix and Amazon Prime Video are one example of SVOD. By per-watch system, commonly called transactional video-on-demand (TVOD). Some examples of TVOD are iTunes, Google Play, and HBO. An advertisement-based system is mentioned as ad-based video-on-demand (AVOD). AVOD is free, but the users should consume the advertisement. Some examples of AVOD are Youtube, Hulu, and Vimeo (Cammish, 2016).

### ***Digital Business Prospect in D.I. Yogyakarta***

The development of the digital world is increasing. Moreover, the Covid-19 Pandemic accelerated digital transformation as one solution to avoid economic collapse (Soto-Acosta, 2020). This digital transformation resulted in a leading sector shift towards the communication and information sector in several provinces on Java Island. The high growth of the information and communication sector related to the limited mobility of the community resulted in the demand for access to online communication to study, meetings, seminars, and so on.

Content creators are becoming a new digitalization era. Various content was presented, ranging from entertainment, culinary, and short films to science and other forms of educational content. Technology development has a significant role in the development of content creators. More social media platforms today are used to gather an audience. With the more sophisticated and affordable support tools in creating content and the more platforms available, the work as a content creator is increasingly in demand by many people. The Government of Yogyakarta Province owns Jogja Istimewa Application (Android-based), JITV, and several social media platforms to share its governmental activities where it serves as public services. Currently, JITV broadcasts information on The Government of Yogyakarta Province, Yogyakarta tourism, Yogyakarta culture, and other arts activities. Other private television operators such as Jogja TV and Adi TV also prioritize the local content of Yogyakarta in the fields of education, culture, and tourism; especially for Adi TV also gives a polish of Islamic nuance to the show. Until 2021, the three leading television operators in Yogyakarta (JITV, Jogja TV, and Adi TV) are generally positioning themselves as content creators who produce their shows. In addition to television, Yogyakarta's digital content business is filled with non-television content creators who penetrate Youtube and cinema films. Examples of Yogyakarta are artists (Soimah, Marzuki Mohamad, Didik Nini Thowok, Musisi Jogja Project, etc.), travel and culinary (Nela Margha, Dyo Hendro Kumoro, Kisah Tanah Jawa, etc.), as well as content themed on popular science (Sains Bro). In addition, some universities in Yogyakarta also upload educational-themed digital content on the Youtube platform. Similarly, the development of Yogyakarta cinema penetrated various platforms; Examples are the films 'Pilgrimage' by Lotus Cinema and 'Tilik' by Ravacana Film.

The Government of Yogyakarta Province also has a content creator based in the General Bureau, Public Relations, and Protocol of the Secretariat of Yogyakarta Province and Paniradya Pati Kaistimewaan. The General Bureau, Public Relations, and Protocol of the Secretariat of Yogyakarta have the main content in the form of regional leadership of Yogyakarta activities in various sectors for communication to the community about policy implementation. Paniradya Pati Kaistimewaan has the leading content-themed socio-cultural society for cultural preservation and strengthening the unity of humanity. Judging the potential of community and government to form a digital content business ecosystem is very large, considering the number of artists and art creators in Yogyakarta.

Both local characteristics and wisdom in Yogyakarta should be an advantage for the content creators, which should lead to digital business development in Yogyakarta. This uniqueness then becomes the capital for content creators to create digital content that is liked by the public, coupled with the creativity and background of different content creators to produce quality digital content and appreciated by the public. The potential of this content creator, which has also been proven in terms of the number of subscribers and viewers on the Youtube platform, should be utilized by JITV to develop the quality of

impressions by not ruling out its main goal: introducing culture and government communication with the community. In addition, Yogyakarta province is also supported by the many academic communities from public and private universities (students and lecturers and their infrastructure) that can be utilized by JITV and Jogja Istimewa App managers to collaborate in creating quality digital content. This will complement JITV and Jogja Istimewa App, which have limited human resources.

JITV is a non-profit public broadcaster that aims to increase appreciation of the existing regional culture and education to the community packaged in the Local Broadcast Program. Local TV must do several things to be trusted by the public. They can play a role in realizing the democratization of media, among which local TV must be able to draw a distinguishing line from commercial TV that has existed so far, both in the content and orientation of broadcasts (Ardiyanti, 2011). Bali TV has applied this concept, where 90% of broadcast programs carry a Balinese theme. The packaging of programs by local TVs can be integrated with new business models based on several stages (Morissan, 2011):

- 1) Programming Planning  
Program planning is a job that includes preparing short, medium, and long-term plans that allow broadcasting stations to get the program's goals and profits.
- 2) Production and Purchase of Programs  
Broadcast media requires programs to fill their broadcast time (airtime) and will not function without available programs to broadcast. Programs can be obtained by buying or producing their own.
- 3) Program Execution  
Program execution is a program delivery activity by a set plan that includes prime time determination, ad spot placement, and others.
- 4) Supervision and Evaluation  
This stage determines how far a plan and goal have been realized by the broadcast station, department, and employees.

However, one of the biggest challenges for local television to compete in the digital content business is a considerable investment in equipment rental costs, production systems with specific broadcast quality standards, and the local TV feasibility assessment process (Prabowo, 2012). Local TVs can be geared towards becoming digital TVs using—no more extended analog—that penetrate personal devices such as mobile phones, tabs, and laptops (Wibawa et al., 2010). Unlike analog TVs, digital TVs do not need to play a role once to become content producers and transmit their broadcast programs.

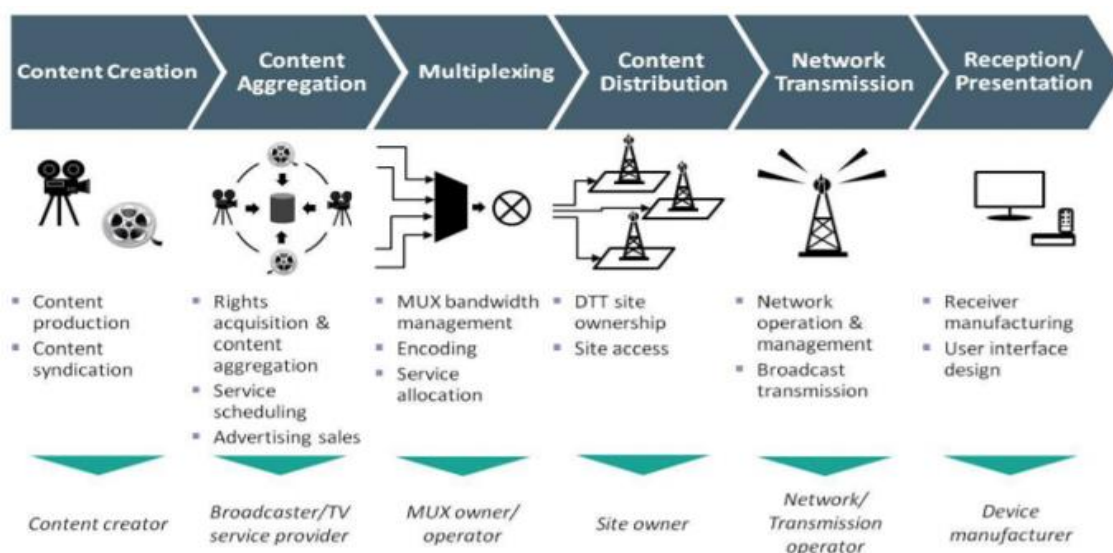


Figure 2. Architecture and Business Chain of Digital TV Services

The content aggregator model is the right choice for market penetration, where most impressions collaborate with content creators (as parties outside the channel through contract schemes). Content aggregator serves as the organizer of a broadcast program to then be emitted by multiplexing organizers; from here then, the process of distribution of impressions to the end-user gadget begins. In the context of

digital content business development by the Yogyakarta Government, JITV can take on the role of content aggregator in collaboration with content creators (on the upstream side) to produce quality and popular broadcasts by the values of the people of Yogyakarta.

## Research Method

This study uses a mix-method approach (quantitative and qualitative) to explore brand awareness of JITV and JI App, adopting Rachmawati et al. (2018) and Wibawa et al. (2010). We used a convenience sampling of those living in Yogyakarta Province (5 districts) and surrounding areas during the period of the survey: 105 respondents participated in our survey. This approach differs from Rachmawati et al. (2018), using secondary data of Jogja Istimewa application (JI App) users and subscribers. Qualitative data was obtained by conducting a Focus Group Discussion (FGD), which we conducted twice on the 23rd of April 2021 and the 11th of November 2021. The first FGD was shown with Paniradya Pati Kaistimewaan, BPKAD DIY, Department of Communication and Information Technology, Department of Culture, Cooperative, and Department of Cooperatives and SMEs and content creators discussing the development of JITV and JI App by collaborating with creators in Yogyakarta Province. The second FGD was conducted with Paniradya Pati Kaistimewaan, BPKAD DIY, Department of Communication and Information Technology, Department of Culture, and JITV manager, discussing the management of JITV driving to local public service agency (Badan Layanan Umum Daerah or BLUD). We have received a permission letter from the Regional Development Planning Agency of The Government of Yogyakarta Province to conduct our survey and FGDs. Our approach here differs from that of Rachmawati et al. (2018) and Wibawa et al. (2010), which did not specifically target relevant policymakers.

For the survey, we asked about respondents' demography and their awareness of JITV and JI App; At the same time, for FGD, we discussed with the relevant policymakers and content creators the possibility of advancing JITV and JI App into BLUD and its business model. First, we analyze the survey descriptively, using the results as guidance in our FGD. We then cohere both results to conclude the possibility of JITV and JI App transforming into BLUD.

## Result and Discussion

### *JITV and JI App Development*

JITV and Jogja Istimewa Application (JI App) are currently under the Department of Communication and Information Technology management based on Law No. 2/2018 on Information and Communication Technology Governance. Currently, the type of broadcast that can be watched through JITV is information about the Yogyakarta Government, tourism, culture, and other activities. In its development, JITV also has a Youtube channel called JITV Pemda DIY, with subscribers reaching 3,320. The number of videos that have been uploaded came from 1,260 videos, with a total number of impressions reaching 340.11 thousand. Starting from streaming and Youtube, now JITV broadcasts are streamed through satellite. Until today, JITV is merely for public service provision purposes (under the Yogyakarta Provincial Department of Information and Communications), and there is no contribution to the local-state revenue of Yogyakarta Province. However, it has a vast potential to become one under the legal form of the local public service agency (Badan Layanan Umum Daerah or BLUD) as a first 'stepping stone' to manage its contribution to the local-state revenue of Yogyakarta Province.

In 2021, JITV was set to accelerate the development priorities in the Local Government Development Plan (also known as Rencana Kerja Pemerintah Daerah or RKPD) of Yogyakarta Province 2021. JITV management is expected to be part of the regional target in increasing governance capacity. The target is 324 digital content of The Government of Yogyakarta Province activities by 2021. They surely need curation (cinematography, market segmentation, delivery, etc.) to maintain the quality and reach a wider audience. This effort (in improving the quality of impression views) will be more effective if JITV management is under a local-owned enterprise—or at least by a local-public service agency—therefore, JITV can also be part of the strategy in increasing the local-state revenue.

Under the management of BLUD, the financial management will become more flexible because it is separate from the management of the Local Government Budget, and JITV management, in the form of BLUD, has the consequence of decreasing the percentage of funding sourced from Local Government Budget. This is expected to encourage financial independence by BLUD in providing quality public services. In the context of JITV, integration with JI App is expected to be the first step for developing JITV streaming services where streaming services have been popular in recent years. To attract viewers' attention, JITV needs to present exclusive content to customers shown in the JI App. In addition to attracting the audience's attention, it is also essential to attract creators' attention so that their work can be broadcast on

JITV. One of them is by creating an exciting revenue-sharing concept, such as creators being given easy access to further explore Yogyakarta—in the context of digital content production.

**Brand Awareness of JITV and JI App**

We collected the survey data through questionnaires where we obtained 105 respondents consisting of 70 female and 35 male respondents. Most respondents live in Yogyakarta Province, and the rest live in surrounding areas of Yogyakarta Province (some cities nearby in Central Java Province). The average age of respondents is 26 years. Respondents' primary profession or activity is as many as 51 students, 15 private employees (large & small businesses), 9 civil servants, 8 business owners, 6 teachers/lecturers, and 16 other professions/activities. Our result in Figure 3 shows that 33 respondents (31%) are aware of the JITV channel through a mobile app (Android) and on TV. Most respondents are recently mindful of the JITV channel between 2020 and 2021, about two years after the JITV channel was founded. Meanwhile, by occupation, civil servants and business owners are the joint-highest share of those who are aware of the JITV channel (24% each), followed by students (21%). This result shows that our respondents do not take the JITV channel as their daily or frequent entertainment though they feel that JITV provides interesting content and some of those reflect the relevant situation in Yogyakarta, given the results from our survey; this would be a challenging task for the management to enhance viewers through both broadcast and content qualities. However, those who have watched JITV content are willing to recommend JITV to others, which could indicate viewer engagement.

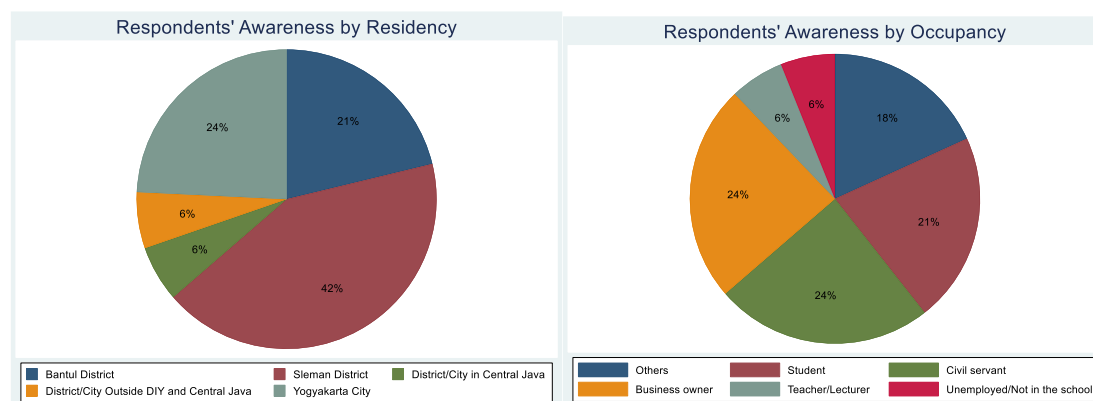


Figure 3. Respondents' awareness of JITV by residency and occupancy

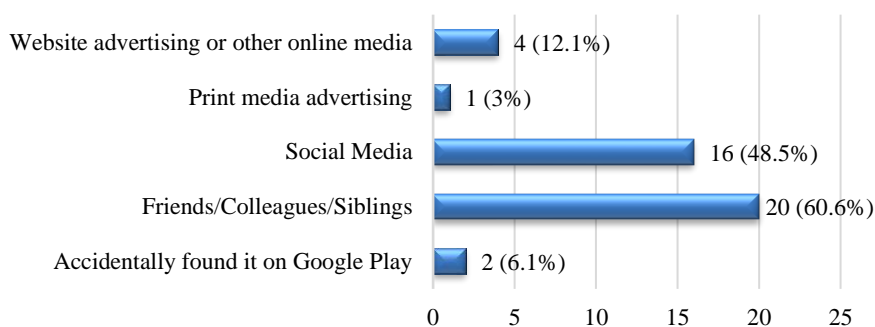


Figure 4. How respondents did find JITV<sup>6</sup>

The majority of respondents—who are already aware of JITV—find JITV through their friends or colleagues, or siblings (60.6%) and through social media (48.5%), which shows that word of mouth and social media platforms are effective in gaining viewers (see Figure 4). JITV should utilize its social media platform (Instagram, Twitter, and Youtube, which are currently popular in Indonesia) to reach a broader market, and this should be under specific management/division. In addition, Table 1 shows that most respondents aged 31-45 years old are aware of JITV and its broadcasts, indicating the potential target of viewers given current broadcasts. Breaking down by age group, respondents aged less than 30 years old

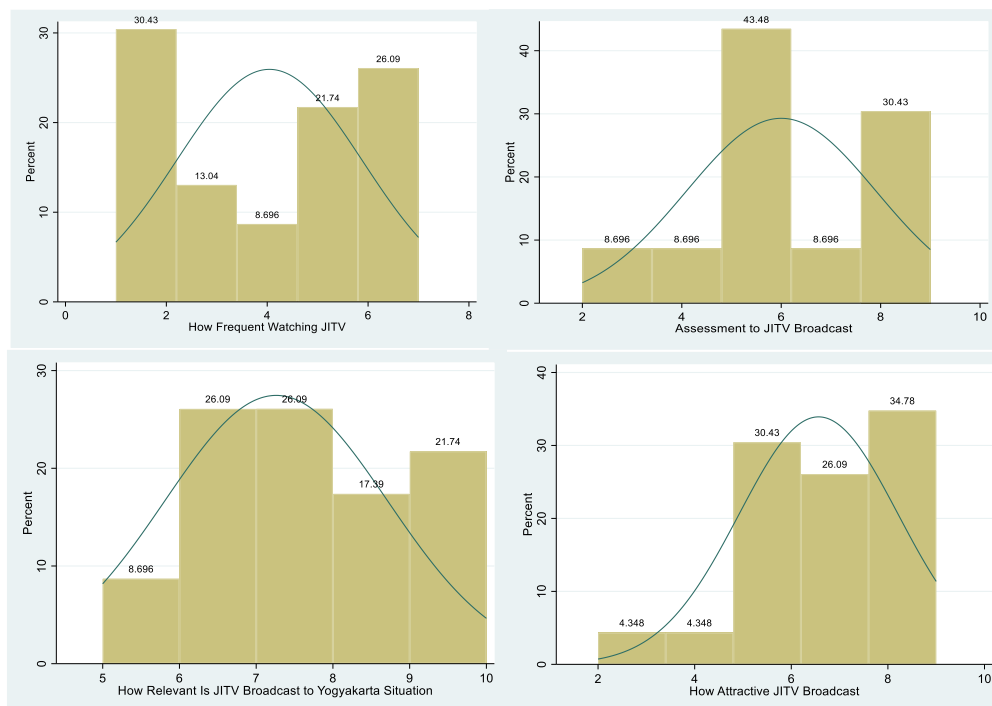
<sup>6</sup> Respondent can choose more than one answer option.

mostly know JITV by word of mouth, while the age group of 31-45 years old know JITV mostly from social media, through word of mouth has a high proportion; this is quite interesting since social media is not the most effective platform for a younger generation to be aware of JITV, however, the older group knows JITV from social media.

**Table 1.** JITV viewers by age group and how they did find JITV

Age Group	Social Media	Friends/Colleagues/Siblings	Website	Printed Media	Google Play	Total <sup>7</sup>
≤30	6	13	1	1	1	18 (23%)
31 - 45	9	7	3	0	1	14 (58%)
>45	1	0	0	0	0	1 (25%)
<b>Total</b>	<b>16</b>	<b>20</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>33 (31%)</b>

Furthermore, Figure 5 shows the result of the broadcast quality perception of JITV, using the Likert scale (1-10) to measure it among those aware of JITV. Firstly, 23 respondents (70%) who are aware of JITV have watched JITV unregularly though they see that JITV broadcasts quality is quite well (at median 6). They also feel that JITV broadcasts are relevant to the current situation in Yogyakarta (at median 7) and are attracted to them (at median 7). Given these findings, JITV has a high prospect of becoming a relevant local broadcaster. Meanwhile, we found that 41 respondents are aware of JI App both through mobile phones and tablets. Those who are aware of the JI App are mostly over 30 years old, and, as with the JITV channel, they are just recently aware of it between 2020 and 2021. 41% of the respondents who are aware of the JI App are the highest student group, followed by civil servants living in the District of Sleman (see Figure 6).



**Figure 5.** Respondents' perception on JITV broadcast quality<sup>8</sup>

<sup>7</sup> Percentage in bracket represents proportion of those who are aware of JITV by age group where a respondent can choose more than one source.

<sup>8</sup> We use Likert scale (1-10) to measure respondents' perception where 1 indicates 'low' and 10 indicates 'high' as appropriate.



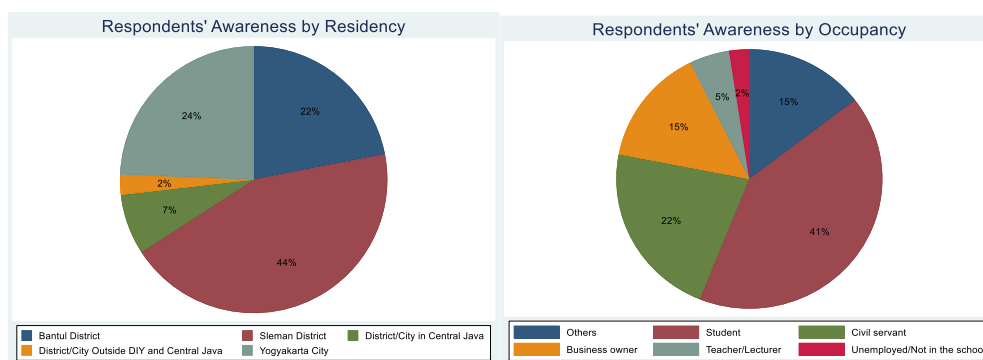


Figure 6. Respondents' awareness of JI App by residency and occupancy

Similar to JITV, word of mouth and social media are the leading platforms for respondents to find the JI App, as shown in Figure 7, each with the same percentage of 48.8%; this shows that both traditional and modern approaches are still relevant to increasing people's awareness these days depending on how they are utilized; this might be correlated with the respondent's age where within the age group of 31-45 years old has the highest proportion of those who are aware of JI App (as classified by age group). We can also see in Table 2 that JI App should keep its marketing strategy through word of mouth and social media, which targets millennials and younger age groups on its content.

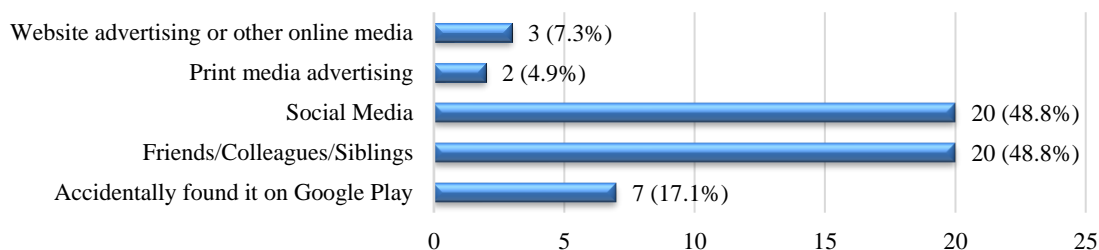


Figure 7. How respondents did find JI App<sup>9</sup>

Table 2. JI App users by age group and how they did find JI App

Age Group	Social Media	Friends/Colleagues/Siblings	Website	Printed Media	Google Play	Total <sup>10</sup>
≤30	15	15	3	2	4	28 (36%)
31 - 45	4	5	0	0	3	12 (50%)
>45	1	0	0	0	0	1 (25%)
<b>Total</b>	<b>20</b>	<b>20</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>41 (39%)</b>

<sup>9</sup> Respondent can choose more than one answer option.

<sup>10</sup> Percentage in bracket represents proportion of those who are aware of JITV by age group where a respondent can choose more than one source.

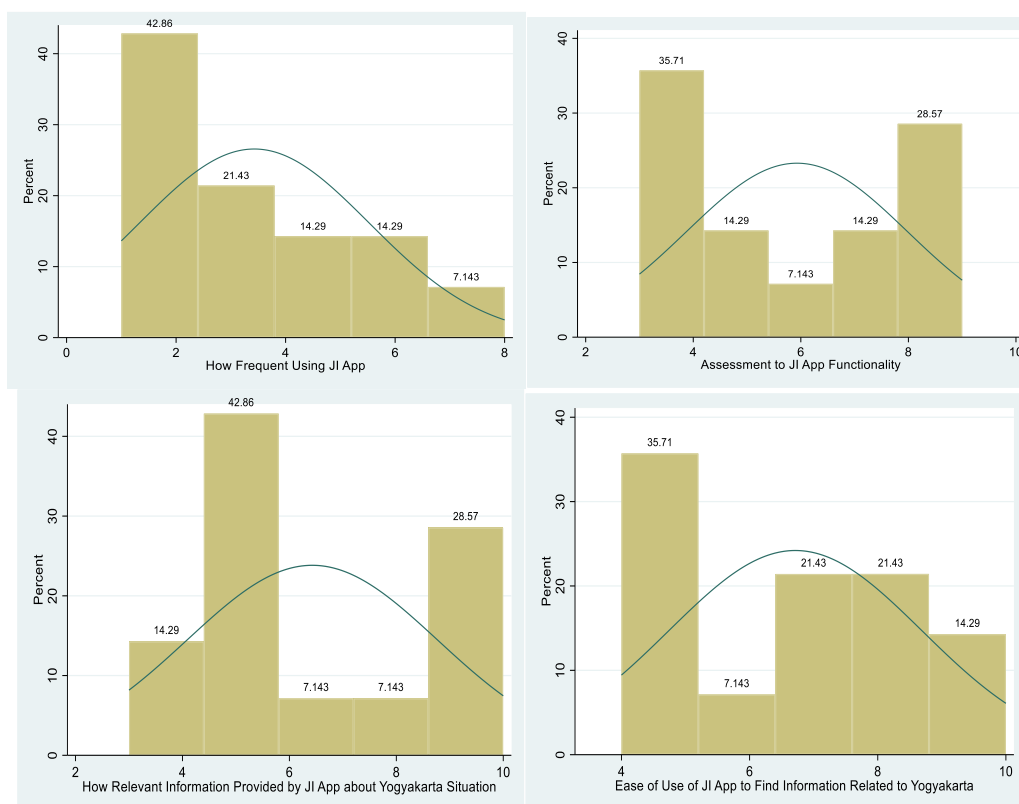


Figure 8. Respondents' perception on JI App (quality, relevance, frequency and assessment)<sup>11</sup>

Lastly, we explore respondents' perception of the JI App (quality, relevance, frequency, and assessment) as with JITV previously. Fourteen respondents of those who know the JI App (34%) have downloaded the app and that they use it less frequently (at median 3); it should be a gentle reminder where JI App does not provide people's needs in exploring Yogyakarta or anything related though they may think that JI App is somewhat useful for them (at median 5.5). Respondents, however, ironically, feel that JI App is relatively easier to find any information about Yogyakarta (at median 7) and provides relevant information about the current Yogyakarta situation (at median 5). In addition, as many as 13 out of 14 respondents had downloaded the JI App designed to recommend the JI App to others. JI App management has to improve themselves, or JI App has to change form—if necessary—given its potential to be one of the top local-owned apps related to Yogyakarta that provide plenty of information, entertainment, etc.

#### ***Driving JITV and JI App to be under Local Public Service Agency Management***

The Proposed Development Planning Agency at Forum Group Discussion on the 11th of November 2021, which directs JITV in the form of a local public service agency, will be able to encourage JITV in financial independence. As stated in Yogyakarta Province Regulation No. 7/2016 on Financial Management Pattern Procedures of Local Public Service Agency, Local Public Service Agency of Yogyakarta Province therefore was formed to provide services to the community in the form of offering goods and/or services sold without prioritizing profit, and in carrying out its activities based on the principles of efficiency and productivity. It sets annual programs, activities, performance targets and budgets in order to optimally allocate resources, including how to manage JITV.

We have found JITV will gain more benefit once converting to local public service agency, including: 1) flexibility of financial management; 2) the ability to find sources of funding independently so that the usual budget from the Local Government Budget (Anggaran Pendapatan dan Belanja Daerah or APBD) can be transferred to other programs; 3) improve the quality of JITV content by establishing partnerships and collaborations with content creators in Yogyakarta Province; 4) strengthening the JITV brand; 5) one way to encourage millennials to prefer local content; 6) potential sources of additional local-own-source revenue from local public service agency activity taxes, and 7) as a container in overshadowing content creators in Yogyakarta Province. Other than this, being a local public service agency may contribute

<sup>11</sup> We use Likert scale (1-10) to measure respondents' perception where 1 indicates 'low' and 10 indicates 'high' as appropriate.

to collect value-added tax (VAT) from digital content business activities according to current regulations: 1) The Government Regulation No.1/2020 on State Financial Policy and Financial System Stability for Handling the Covid-19 Pandemic or to Deal with Threats that Endanger the National Economy, and 2) Financial System Stability and Regulation of the Minister of Finance No. 48/PMK.02/2020 on Procedures for The Appointment of Collectors, Voting, and Depositing, as well as Reporting Value Added Tax on the Utilisation of Intangible Taxable Goods and Taxable Services from Outside Customs Area within the Customs Area Through Trade Through Electronic Systems. Other revenues from local public service agencies should be one to explore in order to increase local state budget sovereignty hence relevant regulations are needed to collect revenues from digital business activities.

Information and communication technology development has accelerated digital reforms that demand accuracy, speed, effectiveness, and efficiency in business activities. Yogyakarta, as an area with the potential of leading cultures and artists in Indonesia, is ultimately required to be able to develop itself as industry 4.0 develops. The development of JITV is addressed to broadcast information about Yogyakarta Government activities, tourism, culture and arts hence being funded by The Government of Yogyakarta Province in doing so. However, this may be a sub-optimal management since JITV cannot generate profit from its activities though it has a huge potential for it. JITV has already streamed its broadcasts in JI App, an Android-based platform; hence, viewers can stream everywhere, doing it a video-on-demand service once the broadcast quality improves. Our survey shows that both JITV and JI App help provide current Yogyakarta information and situation in many forms (text, graphical, and video). However, all organizational limitations limit JITV and JI App management from going any further to improve them and become financially independent business units. Nevertheless, there should be light by the end of the tunnel following our results from Focus Group Discussion (FGD) with relevant stakeholders (Government of Yogyakarta Province and JITV and JI App management) where they agree to advance JITV and JI App by being under BLUD (local public service agency) form. There are three concerns to advance JITV and App JI legal status to become local public service agency from our FGD: 1) new management of JITV and App JI to satisfy local public service agency form that includes roadmap, organisational structure, SOP, and monitoring and evaluation process; 2) reformulation of relevant regulations that has to capture both national and local level regulations; and 3) strengthening local digital content creators.

## Conclusions and Policy Recommendation

Covid-19 pandemic has changed many aspects of business models and activities including digital content business; and that only those *who ride the wave* will survive. Digital content business nowadays is also broadcasted through digital platform (IOS and/or Android based) to which it sees an enormous growth of subscribers, especially due to Covid-19 pandemic. Moreover, analog television in Indonesia seems to be vanished following the regulation on migration to digital television, hence, providing a big room for digital content business to develop any further. However, this might be a bit different for the business (in media) owned by the local government where it would require formal legal standings in order to make sure public service delivery. Our study then explores the business model of JITV and App JI, as under management of The Government of Yogyakarta, in the digital broadcasting era. We have found that JITV and JI App are still under-optimal in a way to increase financial sovereignty since they both are under the Department of Communication and Information Technology (as an internal unit); hence preventing both to generate profit to fund their activities.

Our survey shows that less than half of respondents are aware of JITV and App JI, though they believe that these two platforms have big room for improvement. This is where we try to pursue whether JITV and App JI may have financial sovereignty as well as contributing to local state budget of Yogyakarta Province. JITV has been quite heavily invested since its founding in 2016 to provide high-quality broadcasts about Yogyakarta (culture, current situation, etc.) and its government activities. The broadcast then was streamed in App JI—which basically provides any information about Yogyakarta—to gain more viewers, which see a significant increase in viewers. However, it will require a significant reformation in terms of legal standing and business model following our FGD results with relevant stakeholders. The former will be on a transformation of JITV and App JI legal status to become local public service agency so they are able to generate creative funding from their activities. The latter is an underlying requirement for JITV and App JI to transform their legal status where several business models may be adopted as in literature (Chen, 2009; (Kim & Kim, 2017; Tsai et al., 2008). Currently, many digital content platforms use *video-on-demand* business model—by individual subscription—that can be adopted by JITV to stream its broadcasts through App JI (which can be a superapp).

Finally, we propose some recommendations to be adopted by The Government of Yogyakarta (this will be with Department of Communication and Information Technology) to advance JITV and App JI to

become a local public service agency will need a significant reformation in its business model. They are: 1) conduct quality assessment of JITV contents and broadcasts to increase public engagement; 2) market research and forecasting of JITV's target audience; 3) innovation of content presentation to attract more JITV audience; 4) carrying out the branding process that JITV is a medium that offers Yogyakarta privileges; 5) comparative study to see the readiness of the government in preparing resources and capital; 6) design organisational frameworks and governance that can coordinate the management of JITV; 7) gathering information and building relationships with relevant stakeholders. More importantly, advancing JITV to become a local public service agency must align with the effort to implement regulations and administration processes. These include 1) regarding electronic tax levies referring to the Government Regulation No.1/2020 on State Financial Policy and Financial System Stability for Handling the Covid-19 Pandemic or to Deal with Threats that Endanger the National Economy and Financial System Stability, and 2) the contract system refers to copyright by Law No. 28/2014 on Copyright.

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