

Media Convergence in the Platform of Video-on-Demand: Opportunities, Challenges, and Audience Behaviour

Konvergensi Media dalam Platform Video-on-Demand: Peluang, Tantangan, dan Perilaku Khalayak

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Abstract

The advancement of technology and society has led to innovations, including in the field of media. Media convergence has given birth to a novel audiovisual medium called Video-on-Demand (VOD), which combined the logics of television, film, home video, the internet, as well as technology. This conceptual research applied a literature review method to discuss the journey of the logic of watching television with a specific schedule and a particular medium to the understanding that television, after all, is just an artifact. The paper also discussed new habits that are developed due to the birth of VOD and how VOD branding worked. This research aimed to look at how the development of media convergence in the form of VOD brought new trends, especially in Indonesia. The paper concluded that many new opportunities were ready to be utilized by VOD platforms to develop their content and reach Indonesian audiences. However, it was also necessary to consider that Indonesia's regulations still were not utterly supporting the development of VOD.

Keywords: Film; Indonesia; Media Convergence; Video on Demand (VOD); Television

Abstrak

Kemajuan teknologi dan masyarakat telah menghasilkan inovasi-inovasi termasuk dalam bidang media. Konvergensi media telah melahirkan sebuah medium audiovisual baru yaitu Video-on-Demand (VOD), yang menggabungkan logika televisi, film, home video, Internet dan juga teknologi. Makalah konseptual ini menggunakan metode tinjauan pustaka untuk mendiskusikan perjalanan perubahan logika menonton televisi yang harus mengikuti jadwal tertentu melalui medium tertentu menuju pemahaman bahwa televisi adalah sebuah artefak, selain juga mendiskusikan kebiasaan-kebiasaan baru yang muncul karena hadirnya VOD serta bagaimana branding VOD bekerja. Tujuan penelitian adalah untuk melihat bagaimana perkembangan konvergensi media dalam bentuk VOD membawa hal-hal baru di masa kini, khususnya dalam konteks Indonesia. Makalah ini menyimpulkan bahwa terdapat banyak kesempatan baru yang dapat diaplikasikan platform-platform VOD untuk mengembangkan konten dan menggaet khalayak di Indonesia, namun perlu dipertimbangkan juga bahwa regulasi di Indonesia juga masih belum dapat secara maksimal mendorong perkembangan VOD.

Kata Kunci: Film; Indonesia; Konvergensi Media; Video on demand (VOD); Televisi

Introduction

Before the information and communication technology has developed fast and rapidly, no one thoroughly predicted that there would be a time when information processing, communication method, and media consumption can be done so comfortably that it can be used almost without time and place constraints. Lately, information has been able to be disseminated and received in real-time, from anywhere, only by simple portable gadgets that most people have already acquired and consumed daily, such as mobile phones and tablets, a product that was even still foreign two until three decades ago. Indeed, after the advent of the internet, multiple possibilities have started to emerge to enjoy entertainment content in various forms. This trend provides an opportunity for the media industry to design media convergence.

The concept of convergence has two main definitions with two different bases: convergence that is highly associated with integration and convergence that is closer to divergence (Long & Wall, 2012). For the first one, Ó Siochrú and Girard explained that convergence is a term referring to the integration of different technologies and industries aiming for a new form of cultural products and new routes to produce and distribute the product. (Long & Wall, 2012). As for the second, Jenkins stated that convergence is traffic flow of the content of various media platforms, a partnership of different media industries, and the behavior of audience migration that will go anywhere to find forms of entertainment experience that they desire (Long & Wall, 2012). The definitions above imply that convergence has infiltrated different types of industries, including media, which consists of television and movies.

In the 21st century, people have lived with convergent media where the users and conventional media, such as movies, television, and printed media, merge with telecommunication industry and informational technology, whether in terms of technology, economy, and aesthetics (Mikos, 2016). However, after convergence, it is hard to enjoy television and movie traditionally. This is because, as a type of mass communication media that wrap audio and visual element, they have been capable of being enjoyed heterogeneously. Video-on-demand (VOD) is one of the results of media convergence, uniting television and movies, or audiovisual content with technology.

VOD is an audiovisual medium. Audiovisual is the interaction between music, picture, and sound (Robertson, 2015). Humans, coupled with audiovisual, can integrate stimulation in different modalities to form a unity of perception, in which this is a necessary component of sense-based behavior and cognition (Teder-Sälejärvi, McDonald, Di Russo, & Hillyard, 2002). A human body can receive wave auditory and visual stimulation through sense. It then will be processed by the brain either separately or in combination, depending on the source (Teder-Sälejärvi et al., 2002).

Audiovisual is not a single and unified term; the definition and concept of this term do not come from one source; rather, it comes from many thinkers and mostly those who work in the cinematic field. For example, Sergei Eisenstein, a director from Russia, saw audiovisual pictures as an extreme boundary of self-expression, apart from theme and notions that found creative works (Robertson, 2015, p. 139). On the other hand, an Italian director, Pier Paolo Pasolini, contended that subjectivity is the last line that can be imagined by any audiovisual technique (Robertson, 2015, p. 139). The subjectivity of the artist as something fundamental in the formal aspect of the audiovisual technique, as mentioned by Pasolini, is the same entity mentioned by Eisenstein with the term self-expression (Robertson, 2015, p. 139).

VOD cannot be separated from television, which is VOD's predecessor. Television had a wider significance in its heyday. The presence of television is remarkably strategic to make social interaction effective (Andung, Sjucho, Liliweri, & Hadisiwi, 2018). In the United States of America, at the end of the 1940s and the beginning of the 1950s, television was a popular audiovisual medium. This is because the anthology of soap opera that was aired downed the movie theaters' turn out (Straubhaar, LaRose, & Davenport, 2012).

TV nowadays is different from the old version of TV. In the post-network era, television has been diversified. It makes television and the program are not only delivered to the users linearly through conventional transmitters but also other medium and technical tools (Mikos, 2016). That being said, television is still considered as an ancient medium. That allegation is preserved with a phrase like "as what we have known" or "the brink of television (Mikos, 2016)." The problem with the allegation is that television is always a medium in transition, following on-going transformation (Mikos, 2016). Hills said that to argue that television as a medium has radically changed, by video and qualitatively by DVD, the discourse of 'television' before the advent of the technology of recorder should be deemed as an artifact (Jenner, 2016). Television has transformed from analog to digital, and even it is predicted that it may turn in a different form in the future, not needing the television medium itself, as what has been stated before.

Since the 1990s, digitalization has triggered a transformation in technology, distribution, economy, media policy, and television use (Mikos, 2016). Digitalization does not only change signs of audiovisual media, which makes video portable more essential but also transforms audience behavior (Mikos, 2016). Although the conventional video is still dominant, there is an evolution in the audience habit. The number of audiences using cellular gadgets to watch movies and television series, whether in a group or independently, is skyrocketing. Furthermore, the viewers can interact with the content and even produce the material by themselves. This pattern is widely known as prosumer, or when a consumer turns to be a producer.

Explanation regarding digitalization above is supported by the conception of an interactive media system that grounds the transformation in the television system and prompts the birth of VOD. The idea to 'talk back' to television and then responded by the TV is not a novel innovation (Straubhaar et al., 2012). The emergence of interactive television and combination between television and internet has provided new possibility that never exist before, such as the split screen in which the user could discuss what should they watch or different choices of movies and video that can be viewed in computer from website, mainly with less advertisement (Straubhaar et al., 2012). Television internet is born from here; namely television programs that are watched from the internet connection (Straubhaar et al., 2012).

Based on the above definitions and explanation, the development of video streaming services has brought a change in the logic of distribution (Lobato, 2018). Curtin argued that, together with the consumption of television content by the audiences, television, particularly after 2007, can be explained as matrix media, in which this concept transcends the periodization of television that can be the boundary in explaining the shift in a complex media landscape (Jenner, 2016). The periodization of television is always challenging to be seen, and the related changes are always specific toward countries and regions (Jenner, 2016). The convergence nature of television does not only affect the television itself as an artifact or medium but also the audiovisuals product associated with it, such as movie and home video. The market of the movie, home video, and television

that always change has been ‘the new normal’, or a process deemed typical and habitual (Hilderbrand, 2010). VOD is a manifestation of disruption of heterogeneous media: ranging from television, movie, DVD, and online platform.

This conceptual research aims to understand how is VOD presented and developed as the development of technology and society, and what is the application and new opportunities probably faced in Indonesia, especially in terms of prolonging the age of the content circulation and producing new nuance from the old content.

Methodology

The writing was a conceptual study that used a qualitative method of literature review. In short, this study did not generate data as it focused on integration and proposing a new constructive relationship (Gilson & Goldberg, 2015). The responsibility of a conceptual study is to develop a logical and complete argument for associations, as opposed to empirical testing. (Gilson & Goldberg, 2015).

Whatten mentioned that a conceptual paper should be evaluated through these seven criteria: (a) what is new? (b) so what? (c) why so? (d) well done? (e) done well? (f) why now? (g) who cares? (Gilson & Goldberg, 2015). Although a conceptual research does not need to meet Whettern’s criteria utterly, the point is that this type of research should take an approach that focuses on a problem and answering a new question genuinely is vital (Gilson & Goldberg, 2015). The conceptual analysis also does not need to construct a theory. Bridging the existing and interdisciplinary concepts has been sufficient (Gilson & Goldberg, 2015).

Meanwhile, literature review was chosen to demonstrate a novelty from what has been proposed as a problem. A literature review is founded on notions that the body of knowledge is collected and developed, and a researcher can learn and establish something from what has been done by other people (Neuman, 2014). A literature review has four aims: first, demonstrating familiarity with body of knowledge and build credibility, second, showing previous research route and how a project related to it, third, integrating and summarizing what has been understood in a field, and, finally, learning from others and stimulating new concepts (Neuman, 2014). Based on that background, the research discussed scientific writings on VOD. This research is expected to complete the four aims of a literature review above.

Results and Discussion

VOD is an audiovisual service with DVD quality. It is broadcasted in real-time to the consumer house through a communication network (Kalvenes & Keon, 2008). Nowadays, the quality of VOD has improved significantly since Kalvenes and Keon published their writing. Indeed, VOD with 4K resolution has produced. Until 2010, although video-on-demand had circulated for around one decade, research on this issue, notably regarding independent movie theater or convergence of media, was still not often (Hilderbrand, 2010).

Modern consumers watch videos everywhere and anywhere without being constrained by the television schedule (Grégoire & Hamel, 2016). As opposed to standard television, VOD was more superior in that regard. In the analog era, if the viewers knew that they would not catch a program and wanted to watch the program, the viewers, or other people that helped the viewers, had to record the program according to the showtime using a video cassette recorder (VCR). The advent of a personal video recorder (PVR)

transformed the recording program from analog to digital. PVR enables the viewers to have more flexible watching time without depending on showtime (Vanattenhoven & Geerts, 2015).

In the digital era, VOD provides the consumers access to similar features as in VCR and PVR, including play, near-instant fast-forward, rewind, replay, and other menus according to consumer request (Kalvenes & Keon, 2008). With these new features, VOD enables the viewers to customize the shows and showtime as they wish. After the presence of VOD, home video recording is predicted to sink since VOD that is provided by satellite and cable companies on the internet makes home video recording being obsolete (Straubhaar et al., 2012).

Meanwhile, as a platform, VOD was born as a millennial strategy to design convergence of movies, cable, and the internet (Hilderbrand, 2010). As mentioned before, recent television is not merely enjoyed traditionally. It is more freely used. Indeed, in some countries, the presence of VOD successfully motivates many customers of cable television to rely on streaming service utterly, a phenomenon so-called 'cord-cutting' (Vanattenhoven & Geerts, 2015). The invention and adoption of streaming compel traditional broadcaster and content producer to reevaluate their business (Vanattenhoven & Geerts, 2015).

There are three types of VOD, namely, by subscription system, or widely known as subscription video-on-demand (SVOD); by per-watch system, or customarily called transactional video-on-demand (TVOD), and advertisement-based system, or regularly mentioned as ad-based video-on-demand (AVOD). SVOD is similar to traditional television packages. The users are free to consume any content they wish at the same price each month. They also do not have any obligation to prolong the subscription since they are not tied in a lengthy contract (Cammish, 2016). Netflix and Amazon Prime Video is one example of SVOD.

TVOD is the reverse of SVOD and generally provides new more release than SVOD. This type offers two options in its pay-per-view scheme: Firstly, the users can purchase the package to have permanent access to the content, or, secondly, the users can pay the fee and download the content for a limited amount of time (Cammish, 2016). iTunes, Google Play, and HBO PPV are some examples of TVOD.

Meanwhile, unlike the two previous paid platforms, AVOD is free but the users should consume the advertisement as the backbone for production fees and hosting (Cammish, 2016). Some examples of AVOD are YouTube, Vimeo, and Hulu.

The quality of the video, whether on television or other gadgets, is another vital element for VOD for consumers. The assumption is that the consumers prefer movies or programs with DVD quality that can be played without any hurdle since the moment of watching has been started. In other words, too much buffering or loss of video packages because of server problems is unacceptable (Kalvenes & Keon, 2008). Nevertheless, a short 30 seconds gap is typically still acceptable. The gap is mostly determined by the speed of local access and the bandwidth size decided from the backbone based on the existing users. The gap is called start-up latency (Kalvenes & Keon, 2008).

Branding and marketing in VOD

Branding is a method of a company or business to personalize itself on the consumers' minds. In this case, building and managing the brand, name, reputation, and identity is a vital point of the success of any company (Al-Zyoud, 2018). In the media, the main aim of branding is to attract more audience and build brand equity (Wayne,

2018). Brand equity can be considered as “additional value” attached to a product in consumers’ minds, words, and actions (Keller & Brexendorf, 2018). The fundamental conception of brand equity is that the power of a brand is located in the mind of the consumers through what they have experienced and learned regarding that brand over time (Keller & Brexendorf, 2018).

The value and also equity of a brand highly depends on the words and actions of consumers in the market (Keller & Brexendorf, 2018). Brand equity is essential to ground the customer’s loyalty, notably among the less commitments consumers (Wayne, 2018). McDowell and Batten mentioned that different from heavy users that frequently compare various products to find the best, light users only depend on prominent brand images among other leading brands (Wayne, 2018).

Although the internet distribution does not demand the organization of television to make a linear schedule, the branding strategy of some SVOD still borrows some elements of discourse of traditional television branding. For example, they often use ‘quality TV’ to affirm the development of the medium juxtapose itself in the same cultural category with cinema and literature (Wayne, 2018). In VOD, branding is crucial since trusted and famous brands will be a significant strength for the VOD platform to attract and maintain the consumers.

Apart from branding as the primary focus to get consumers, marketing is also significant for the sustainability of VOD. Traditionally, marketing is regarded as the function of the business to obtain consumers (Brunswick, 2016). Zickmund and D’Amico stated that effective marketing consists of a combination of consumer-oriented business activity that is planned and run by marketers to facilitate exchanges or transfer of product, service, or ideas so that all parties can acquire benefits (Brunswick, 2016). VOD platforms have also conducted those methods mentioned to support them to reap more consumers and lock them to their VOD and not other VOD’s company.

Binge-Watching of contents in VOD

Binge-watching or binge-seeing can be defined as “a watching party” or watching continuously. Typically, it refers to audiovisual media that is not television, at least in its traditional meaning (Jenner, 2017). A survey conducted by Netflix showed that binge-watching is an activity of watching two to six episodes of television series in one seat without feeling guilty (Netflix, 2013). Because binge-watching involves a high rate of consumption and numerous episode of television serials, binge-watching refers to any consumption activity of more than one episode in a short amount of time (Schweidel & Moe, 2016). Binge-watching that serves the developing needs of the VOD industry (Jenner, 2017) does not only apply to television series but also any other audiovisual medium, such as movies, whether short or long and videogame that is usually called binge-gaming.

The behavior of binge-watching has different forms, starting from its emergence to date in the digital era in each type of VOD. At first, binge-watching was highly associated with the rising number of DVD selling from series content. Although a set of DVD series is not necessarily supposed continuous watching, binge or continuously mainly refers to independent scheduling. The scheduling is assumed as extreme because it impairs the norm of watching, which admittedly relative and immeasurable (Jenner, 2017). Ordered television scheduling can make sense the norm mentioned: for example, an episode of primetime series broadcasted every week can be seen as a norm in watching

series on television. Therefore, binge-watching two episodes in a day can be considered breaking the norm of watching one episode in a week (Jenner, 2017). Moreover, in the SVOD portal, binge-watching is more prevalent since the users pay the service per period. It enables users to consume the media daily and intensively (Mikos, 2016). However, TVOD is more selective since the user should pay the provider per movie or episode (Mikos, 2016). In binge-watching, 'viewing begets more viewing', meaning that when a person has watched, she will always watch (Schweidel & Moe, 2016). It confirms other related research on excessive activity and addition.

VOD in Indonesia at A Glance

Until now, research on the development of VOD in Indonesia is still rare. The most assumptive answer is that VOD is still foreign and new for Indonesian people so that the role of television has not been replaced thoroughly yet as happened in other countries. Based on recent academic studies, no research has studied the movement of media convergence from TV until VOD in Indonesia. Therefore, this conceptual paper is expected to offer novelty by being a vanguard filling gap in the investigation of the development of VOD in Indonesia. It includes opportunities that can be used by the VOD platform in the media market, the on-going execution of VOD, and challenges that can halt the development of VOD.

VOD service massively penetrated the Indonesian market in 2016, notably after the 2014-2015 streaming service dominated the Indonesian market (Tech in Asia ID, 2016). Nevertheless, VOD had not utterly been leading media in Indonesia online entertainment. Many factors take part in for which this case happens in Indonesia, which may be different in other countries.

One of the assumptive reasons that bar the development of VOD and other internet-based entertainment in Indonesia from leading the market is the internet connection. The internet in Indonesia is relatively slow compared to other countries globally. Based on a survey conducted by OpenSignal in March-May in 12 big cities in East Asia, which also cover the state of mobile network report for Cambodia, Indonesia, Myanmar, Singapore, Taiwan, and Thailand, Jakarta was ranked the last in terms of the speed of 4G whether for uploading or downloading. Although the LTE service in Indonesia has significantly been available, speed and stability are not guaranteed. Indeed, not only is the internet cellular not reliable, the internet cable quality is not more significant. Data from Ookla showed that the internet in Indonesia is in the 42nd position out of 46th countries with the average speed of the internet at 15,5 Mbps, being far from the typical world internet speed amounting to 54,3 Mbps (CNN Indonesia, 2019).

However, it does not make the VOD companies reluctant to expand their service to Indonesia. The Indonesian market is massive. Of 350 million users in South East Asia, Indonesia is the most significant internet user at 150 million users (kumparanTECH, 2018). This number of internet users in Indonesia is supported by the Indonesian population that is ranked fourth internationally, internet penetration that is reasonably fast, and massive smartphone use (kumparanTECH, 2018).

Some paid VOD platforms, whether SVOD or TVOD that have made their service available in Indonesia is Netflix (USA), Amazon Prime (USA), iTunes (USA), Google Play Movies & TV (USA), iflix (Malaysia), HOOQ (Singapore), Viu (Hong Kong), CatchPlay (Taiwan), Viki (Japan/ USA) and Tribe (Malaysia). Local VOD, on the other hand, that is also competing in the paid VOD market is Genflix and MOX.

Generally, many VODs, especially SVODs, have partnered with the telecommunication platform through exclusive provision if the users use certain telephone companies. From a business perspective, this partnership is benefiting both sides. While the VOD's platform can attract new customers that can be loyal consumers from the customers of the telephone companies, the telecommunication operator can also get new customers that use its service due to accessing the VOD platforms offered by the operator (that they also intend to).

For example, two SVOD platforms, HOOQ and Viu, have a significant number of users in Indonesia because of their partnership with Telkomsel, a telecommunication service provided by Telkom (Tech in Asia ID, 2016). The statement above is confirmed by a survey conducted by DailySocial.id in 2017 towards 1037 respondents. The survey showed that 48,30% stated that they had used HOOQ, and 29,39% affirm that HOOQ was an SVOD platform that they used the most. (DailySocial.id, 2017). Viu was in second place, where 25,02% of the respondents stated that they use Viu and 11,25% affirmed that Viu is the SVOD platform they consume the most.

The role of Telkomsel in assisting the use of those SVOD platforms cannot be ignored, considering that Telkomsel is the most significant telecommunication operator for cellular in Indonesia, with 157,4 million users in 2016. (Kementerian Komunikasi dan Informatika, 2017). That being said, Netflix that has penetrated 130 countries still have a market in Indonesia by occupying the third position in the paid VOD platform. 24,93% of the respondent said that they had consumed Netflix, and 9,41% affirmed that Netflix was the VOD platform that they used the most (DailySocial.id, 2017).

On the other hand, the AVOD platform that provides service in Indonesia ranges from YouTube, Vidio, meTube.id, and Mivo. Of all those AVOD platforms mentioned, YouTube is the most popular. Based on the same survey by DailySocial.id in 2017, YouTube dominated the market of AVOD, with 91,85% of respondents affirmed that they had accessed this platform. Furthermore, 90,69% said that YouTube was the platform that they watched the most, compared to other free VOD (AVOD) (DailySocial.id, 2017). In Indonesia, YouTube is much more superior than the competitors in the AVOD market. The percentage of MeTube.id, which is ranked second, is insignificant compared to YouTube since it only comprises of 1,65% (DailySocial.id, 2017).

The other factor that makes the AVOD platforms dominate the market is the user's unwillingness to purchase the access fee for the content, whether by subscription or per time transaction. The same survey from DailySocial.id revealed that 71,39% of the respondents prefer to spend their time in a free VOD platform, and 54,32% say that they want to spend Rp0-Rp25.000 to subscribe to VOD platform (DailySocial.id, 2017). However, it does not imply that they have not started to access the paid VOD platforms (DailySocial.id, 2017).

Regulatory Challenges for VOD

As a part of the audiovisual platform that uses technology communication, VOD should adhere to the regulation applied in Indonesia. The Indonesian government bans some VOD platforms since they are deemed not obeying existing law on movies and broadcasting. For example, Vimeo, an AVOD platform, never cut its service in Indonesia, but the Indonesian government has blocked it since 2014. Vimeo is alleged not to sifting negative content, especially pornography, that is not suitable for Indonesian accepted ethics and laws (Kementerian Komunikasi dan Informatika, 2014). The Ministry of

Information and Communication before Jokowi's administration, Tifatul Sembiring, took that decision. In 2014, Rudiantara, the Minister of Communication and Information of Kabinet Kerja (Jokowi's Cabinet) allowed Vimeo to be open as long as Vimeo closed the access towards harmful contents, notably pornography (Kementerian Komunikasi dan Informatika, 2014). However, Vimeo is still banned by the Indonesian government until now.

Nevertheless, since the advent of Netflix in Indonesia, the SVOD platform is also being targeted to be banned by Telkom. In January 2016, through its social media, Twitter, the Minister of Information and Communication, Rudiantara asserted that he understood and appreciated Telkomsel's action to ban Netflix (Widiartanto, 2016). Rudiantara argued that the status of Netflix is Foreign Electronic System Provider (PSE) that opens its service in Indonesia. Consequently, Netflix should adhere to Indonesian regulations. Netflix is recommended to establish a Permanent Establishment (BUT) to comply with legality, its right and duty formally, fiscal regulation, consumer protection certainty, and other required elements (Widiartanto, 2016).

In addition, Rudiantara also expressed that PSE should also be scrutinized in terms of contents. This is because, with the rapid development of technology, the policies towards content management became a challenge (Widiartanto, 2016). Check and balances need to be performed and it should focus on the characteristics of the contents, such as Guidance for Broadcasting Behavior and Standards for Broadcasting Programs (P3SPS) by the Indonesian Broadcasting Committee for entertainment contents, Act of Terrorism for materials containing radicalism, Act of Pornography and Act of Children Protection for pornographic contents, and mechanism of movie censorship by Film Censorship Institution. Rudiantara admitted that the policy of foreign VOD has not been capable of accommodating the speed of development of technology. (Widiartanto, 2016).

In this regard, what makes Netflix's (and also Amazon Prime) case attractive is that the ban is only performed by Telkom as the most significant telecommunication operator in Indonesia. Consequently, only the users of Telkomsel and Indihomie that are unable to access those SVOD platforms. Other telecommunication operators do not block access toward SVOD platforms mentioned. Some of them, such as XL, Tri, and Bolt (that closed its service in December 2018), even partnered with Netflix and offered unlimited free streaming data package for the consumers (Pertiwi, 2018). Against that background, Telkom seems to not exercise network neutrality.

Network neutrality is a notion of justice that defies discrimination on the internet based on the type of data that streams through it. However, many parties oppose network neutrality (Mukerjee, 2016). They who resist this principle argue that the company that owns the flow has the right to apply different rates or block specific traffic that flows through its line (Mukerjee, 2016). The blockage of Netflix and Amazon Prime by Telkom admittedly is an action that costs the consumer and contradicts the principle of network neutrality. However, this blockage can be seen as an accurate method. One digital communication expert in Indonesia regards that network neutrality cannot be applied in Indonesia since the internet infrastructure is built by private companies sporadically with a significant amount of expense. Network neutrality, which emphasizes prohibition on gradation in price, is capable of putting pressure on the telecommunication company in developing the internet infrastructure. In this regard, net neutrality may create a scissor effect, namely an investment that is inversely proportional to the profit (Tempo.co, 2016).

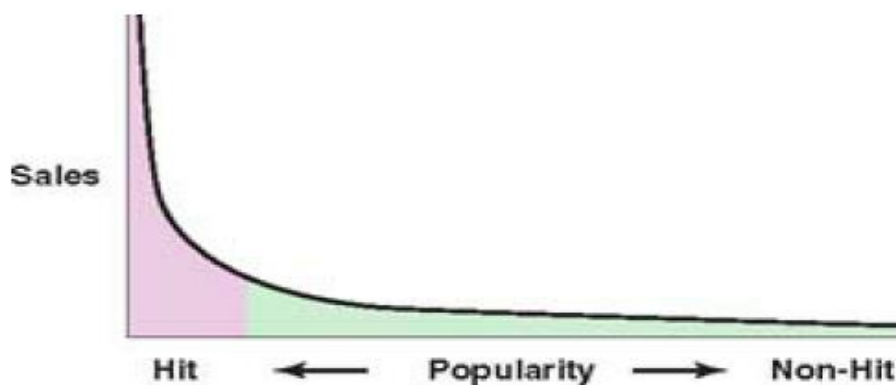
We shall see how Netflix would grow in Indonesia now that Nadiem Makarim, the Minister of Education and Culture from Jokowi's Second Cabinet, Kabinet Indonesia

Maju, has announced in January 2020 that the Ministry of Education and Culture is partnering with Netflix to create a program for Indonesian filmmakers where they would train in the USA. One particular thing that needs to be observed is how will this move make an impact towards Netflix's existence in Indonesia, especially against the Ministry of Information and Communication and Telkom.

VOD as a Depot with Old Content

As a platform, VOD is a depot that aims to prolong the age of old content that cannot be or impossible to recirculate through traditional distribution routes; otherwise, the content may die or out-of-date. With the strategy of a depot with old material, VOD is not always tied to broadcast new movies or series. This opportunity is possible to be executed in Indonesia. The chance of VOD to implement the strategy of a depot with old content could also trigger the possibility of a long trail market in Indonesia. A long tail represents a simple concept, namely a model that describes the critical characteristics of the online environment and how the media industry (and other types of business) is challenged and changed (Long & Wall, 2012).

Figure 1. a long tail model



Source: Long & Wall, 2012

A long-tail model shows that the economy in the internet age and the economy in the offline age, including the traditional measures in organizing media business, are two different ages. This model is related to the logic of retailers or online distribution, including VOD. In terms of product, a long tail is comprised because society has moved from the era of control and scarcity to the age of plurality and abundance (Long & Wall, 2012). Long and Wall (2012) explained that the peak located in the left part of the chart shows a few popular products that have a high sale rate, frequently called hits. On the other hand, the tail that moves to the right side represents the product sold in low numbers.

In the traditional model of selling, the storage space, audience space, and range of broadcast can be a trouble. It is different from an online selling model where space is not considered urgent, including materials that are digitalized and distributors and retailers operating between producer and consumer in terms of hardware (Long & Wall, 2012). A long tail in the internet era also confirms a phenomenon called the death of scarcity as it is different from the traditional way of selling, the depot will never be lack of stock. Songs

or movies provided in the online market will not be exhausted because of the lack of copy. The death of scarcity in the era of online will benefit the media company to provide the niche market that is much more specific and small in terms of number as opposed to hits and mass audience (Long & Wall, 2012).

Old contents, especially Indonesia, will probably not be searched by broader audiences. However, it is potential for niche markets. Viewers that miss watching soap operas or other television shows and movies will face difficulties in searching those shows in the media that follow hits and mass audience. It is not surprising since the primary aim of this model is to broadcast new content. If SVOD platforms adopt a long tail model, they can serve those niche markets that yearn for those shows by airing the shows in the SVOD platforms and monetize for the profit as one of the advantages. One thing to note is that the SVOD platforms do not need to claim that the niche programs are the element that make them advantageous. This is because the platform can still offer new programs and advertise them. In fact, this model brings an advantage for the old movies, as those movies are being redistributed, therefore prolonging their existence.

Consider HOOQ as an example of the SVOD platform that has been quite successful in applying a long tail model to reach the potential niche markets. In its attempt to dominate the Indonesian market, in addition to realizing that it competes with other similar platforms, HOOQ counts on local content (Tech in Asia ID, 2016). HOOQ provides both Indonesian old and new comedy content (Kurniawan, 2018). HOOQ can take advantage of the method to reach niche markets that love old Indonesian comedy which face difficulty in accessing those movies. This model is adapted with focus to other genre or era by other SVOD platforms. From this model, the possibility of further research may open, such as regarding binge-watching old movies or opera soap with specific genre that is offered by SVOD platform.

VOD platform as producer and distributor of original content

VOD platforms in Indonesia, just like VOD platforms on a global scale, do not only act as a depot but also as unique content producers that can circulate the programs in their respective platforms. Many international SVOD platforms have applied this model although only a small number of SVOD companies that use it in Indonesia. One of the platforms that have applied both the production and distribution of original content in their platform is Viu. Some original content production of Viu in Indonesia is a romantic comedy serial, *Switch*, a drama series, *The Publicist*, a movie, *Kenapa harus Bule?*, and another drama series, *Sunshine*. Myra Suraryo, a Vice President Marketing of Viu Indonesia said that Viu aims to “transform and develop the ecosystem of Indonesian content by creating and providing an opportunity to creative local talents to share their stories to the next generation of Indonesia with a quality of content that can compete with international content” (Tribunnews, 2018).

Differently, Netflix chooses to be the distributor of the movie *The Night Comes for Us* (Timo Tjahjanto, 2018). Netflix did not produce the aforementioned movie; XYZ Films and Screenplay Infinite Films produced it. However, Netflix’s distribution model makes the movie *The Night Comes for Us* as its first original movie from Indonesia. With that in mind, *The Night Comes for Us* have been available in the Netflix SVOD platform globally. It can potentially increase the image of Indonesian movies in the world and open the possibilities to distribute more Indonesian movies to other countries through the online-based SVOD platforms. Netflix and other SVOD platforms may be interested in distributing or producing original content from Indonesia. Of course, good content is

needed, which in this case, a well-written and produced movie should always be the priority.

Conclusion

Transformation in technology from one era to another has resulted in a model of the media business and new audiovisual content with the advent of VOD. VOD is a medium resulting from the convergence of television, movies, and the internet. This new invention presents an opportunity for the audience to enjoy entertainment content anywhere and anytime without a strict schedule. Indeed, it can be enjoyed merely through the gadget. The presence of VOD has motivated new habits of watching. While in the past, the audience should wait for the fix and indisputable schedule to watch television or should go to a movie theater with a particular schedule as well, now everything can be done by gadget or digital TV through the VOD platform.

Indonesian platform of VOD is largely potential to dominate the market. Although slow internet connection and unfair policies for the consumer will be the challenges, Indonesian people will not necessarily be reluctant to consume online entertainment media. VOD Platform can use the long tail economic model that has been common in the digital market to dominate the niche market in Indonesia. Also, it will help the platform to acquire and distribute original content that can be the epitome of the competitors.

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