

# Transmediation of Local Production in the Global Entertainment: A Study of Streaming Service in Indonesia

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**Submission date:** 29-Apr-2023 11:51AM (UTC+0700)

**Submission ID:** 2078979738

**File name:** International\_Journal\_of\_Social\_Science\_Research\_andIJSSR.pdf (1.14M)

**Word count:** 3816

**Character count:** 21496



## Transmediation of Local Production in the Global Entertainment: A Study of Streaming Service in Indonesia

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<http://dx.doi.org/10.47814/ijssrr.v5i10.676>

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### Abstract

Various streaming entertainment platforms, or often referred to as SVOD, have become entertainment for Indonesian viewers, shifting television as their daily entertainment channel. However, research that raises this issue is still very rare, especially in looking at how the viewers and subscribers of these various streaming services are. This paper aims to see, firstly, how entertainment streaming subscribers respond to this development, and secondly, how streaming subscribers negotiate local Indonesian shows on these various SVOD channels. The research was conducted by distributing questionnaires filled out by 264 respondents and then followed by qualitative interviews through FGDs with 25 participants who identified themselves as heavy viewers. Research shows that Netflix is still the most-subscribed streaming channel, although many also subscribe to it illegally. Regarding local content, participants expect Netflix to imitate similar streaming channels by producing works by local Indonesian directors, not just as a distribution channel. Indonesia as the largest streaming subscribers in Asia deserve recognition not only in terms of audienceship, but also in terms of auteurship by producing netflix originals by Indonesian filmmakers.

**Keywords:** *Streaming; Indonesia; Audience; Local; Content*

### Introduction

Entertainment platforms in digital format (subscription video-on-demand) hereinafter abbreviated as SVOD, such as Netflix have become a new entertainment medium that has succeeded in expanding globally in attracting subscribers. Indonesia is no exception. Based on data from Statista, during the 2017-2020 period, Netflix subscribers in Indonesia almost touched the 1 million mark (Statista, 2020). Besides Netflix, several SVOD providers such as Disney Hotstar and Viu also make Indonesia a potential market. Even so, research that explores the habits of Indonesian viewers in consuming streaming services is very

rare, and if there is it mostly only examines in terms of text analysis in several Netflix films or dramas (Hasan, 2017; Rahmawati, 2021; Utami, 2019). Not many have studied how some of the streams that are currently entering Indonesia are enjoyed and become a viewing habit for the audience. This paper aims to highlight two things, firstly, how customers respond to Netflix in Indonesia, and secondly, how streaming subscribers in Indonesia negotiate Indonesian-produced local content on Netflix. The next section is a literature review.

### **Subscription-On-Demand and Entertainment Streaming in Indonesia**

In its development, Netflix, which operates globally in 190 countries, is currently the largest streaming service provider in the world with 220 million subscribers, dominated by the US and Canada (Stoll, 2022). In Indonesia alone, Netflix started operating in 2017 and was followed by other streaming providers from Asia and America such as Disney Hotstar, Viu, WeTV and other streaming providers. The definition of SVOD (subscription-on-demand video) is a video channel that can be subscribed via wifi (network), in contrast to cable television which is subscribed through cable channels and transmitters from house to house. SVOD can also be enjoyed across mediums such as smart TVs, laptops, PCs and mobile phones. It is different from national TV which can be enjoyed for free by using an antenna. As a pioneer of the VOD business, Netflix has been operating since 1997 by Reed Hasting and Mark Randolph who run a DVD-by-mail film lending business based in California, US. However, in a further development when the world has become digitally connected, Netflix officially introduced streaming services over the internet in 2007 (Ju, 2020; Scarlata et al., 2021; Spilker et al., 2020; Stoll, 2022). As of 2019, Netflix operates in 190 countries with its characteristic that it produces original shows and includes local works in its database. So that one country and another has a choice of shows that can be different, even though Netflix originals are always available in all countries.

### **Cultural Industries and Local Production**

Cultural industries is an industry that produces a creative text of a culture or artistic value. The term "culture industry" refers to activities from the manufacture, production to distribution of a product of a cultural or artistic nature. The products produced also include film and television production, broadcasting, advertising and so on. Through Hesmondhalgh's theory of the culture industry (Hesmondhalgh, 2008; Hesmondhalgh & Pratt, 2005) exploring media from the perspective of commercial production practices, he makes two very crucial observations regarding the needs of product development. Among other things he explained as follows:

- Products exist as a result of their economic context. Just like any other business product, media content is created and produced for profit. For example, in a public broadcasting service that maintains its involvement for the audience or audience.
- The media industry is a high-risk business. The impossibility of predicting audience tastes coupled with high production costs and the effects of intense mass competition make a commercially successful media business extremely difficult to do.

Hesmondhalgh argues (Hesmondhalgh, 2008) that the risks involved in creating media cause the culture industry to engage in highly engineered production practices. A media company will intentionally overproduce media content or in other words a media company will make as many products as possible in the hope that one or two projects will be popular. However only large-scale companies can successfully engage in this model of overproduction given the large sums required to finance multiple projects simultaneously and the company's ability to meet the needs required to absorb the huge losses from failed products while the company seeks fame from the products it produces.

Hesmondhalgh argues that overproduction has forced media production companies to expand through mergers or acquisitions of smaller companies. Growth in the media sector has traditionally been centered around the following three strategies (Hesmondhalgh & Pratt, 2005; Jin, 2015):

- a) Horizontal integration. Acquiring a media company operating in a similar sector allows large-scale institutions to achieve scale-based cost savings, while also enabling them to maximize profits by positioning brands so that they do not compete with each other.
- b) Vertical integration. By acquiring specialist production, distribution and marketing subsidiaries, media conglomerates can control all aspects of their supply chain while also achieving significant cost-saving efficiencies.
- c) Multi-sector integration. Buying companies across culture industries allows for further cross-promotion opportunities and brand spread across media platforms. Most films, for example, create cross-brand profits through soundtrack sales and in Disney's case, through their theme park experiences.

The cultural industry eventually developed in relation to media conglomeration and creative industries. Indonesia is experiencing what is referred to as convergence (Driscoll & Gregg, 2011; Jenkins, 2014), namely the use of cross-media (multi-media) in the distribution of information including news, creative content, networking and many others. Convergence culture as stated by Jenkins refers to a way of life and consumption of people in consuming entertainment products and content that are distributed across media. So that the two concepts of the cultural industry with convergence, are closely related to each other. Especially in the last decade, when the flow of technology in the culture industry became increasingly global, Indonesia was invaded by various variants of digital streaming services. The biggest ones are of course big names like Netflix, Amazon Prime, Disney and others. Even so, newer streaming platforms such as Viu, We TV and so on are also developing in Indonesia, competing for viewers. As a result of the competition between streaming services and others, various strategies will be implemented. One of them is to increase local content. Apart from Indonesia, Netflix has done a lot of this, including in Australia and Europe (Rahmawati, 2020; Scarlata et al., 2021; Spilker et al., 2020).

### **Methods**

The number of participants reported in this paper tends to be small, because it is the result of doing research in the pandemic situation. The results of this pilot study will further be used as a reference for researching a larger number of audiences in various cities in Indonesia. Research participants were obtained from the previously circulated Gform survey to solicit responses. The questionnaires were filled with 270 participants, mostly students. From the results of this gform, 25 participants were selected based on their answers, which on average stated that they watched streaming services for two hours or more every day during the pandemic. Participants also had varied answers with their choice of streaming platforms, including Netflix, Disney Hotstar, WeTV and others. Twenty-five participants were then invited for further virtual discussions via Zoom which lasted for approximately two hours. The FGD method was chosen because it is dynamic, practical and widely used in audience research (Bryman, 2004; Pickering, 2008). In addition, the FGD method was also used so that participants could discuss with each other as well as debate the answers of other participants (Kitzinger, 1994). This is what makes FGDs very popular in qualitative research. The location of the participants varies between several big cities in Indonesia such as Jakarta, Surabaya, Malang, Batam with most of them domiciled in Surabaya with the age of participants between 18-25 years. The answers were then recorded and processed through transcripts and analyzed thematically. Thematic analysis is usually used in qualitative research as a way to reduce unnecessary data as well as to find dominant themes (Creswell & Clark, 2011; Guest et al., 2012). The next section will review the thematics obtained through the FGD process.

## Results and Discussion

This section discusses the results of surveys and FGDs that have been conducted over a period of three months (May – July 2022). A total of 264 respondents have filled out the survey which was then followed by a FGD with 25 selected participants. This is the demographic of the participants:

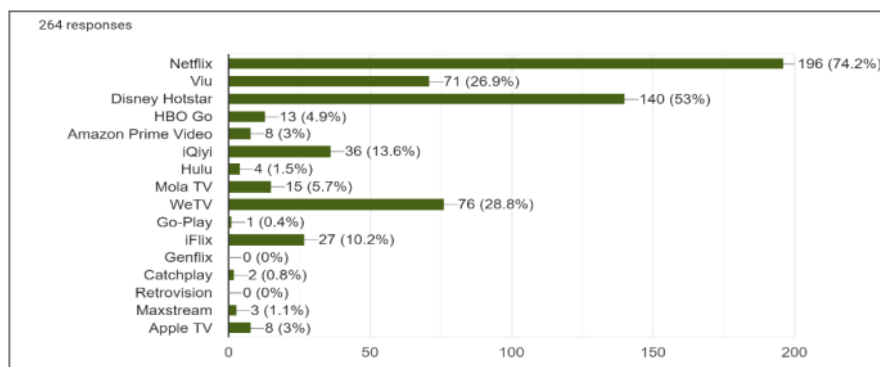
Tabel 1. Demografi Responden

| Variables  | Category | Percentage |
|------------|----------|------------|
| Gender     | Male     | 28,9%      |
|            | Female   | 71,1%      |
| Age groups | Under 18 | 0,4%       |
|            | 18-24    | 95,5%      |
|            | 25-34    | 8%         |
|            | 35-44    | 1,1%       |
|            | 45-54    | 0,0%       |
|            | 55-64    | 0,0%       |
|            | Over 64  | 0,0%       |

## Streaming Entertainment in Indonesia

Based on a questionnaire distributed by snowball sampling, 264 participants chose Netflix as the most subscribed SVOD, followed by Disney Hotstar and WeTV. The results are as follows:

Graphic 1. Streaming Services subscribed by Indonesian Audience



It can be seen in the picture above, that Netflix is the streaming platform with the most subscribers with 73% followed by Disney Hotstar (53%) and WeTV (28.8%). WeTV is a new player in the world of streaming entertainment that has attracted a lot of audience attention since its launch in 2019. When compared to Netflix which has previously operated in Indonesia, the emergence of Disney Hotstar and WeTV is relatively new but has a business strategy that makes many new viewers subscribe such as offers a bundling system with internet quota, as well as offers a very cheap subscription fee. In addition, WeTV and Disney Hotstar have more local Indonesian-produced content compared to Netflix. Netflix's strategy to partner with local filmmakers has actually been carried out since the emergence of Netflix in Europe and Latin America (Spilker et al., 2020), but has not been widely implemented in Australia or in other countries in Asia and the Middle East (Scarлата et al., 2021). This means that on average, Netflix subscribers are still mostly based in the United States and Canada.



Another interesting finding from Netflix subscribers in Indonesia is the way they subscribe. The results can be seen in the following table:

Table 2. Streaming Subscription Methods

| Categories              | Variables  | Percentage |
|-------------------------|--|------------|
| Streaming Subscriptions | Legal subscription   | 45.5%      |
|                         | Use someone else's account (not in the same household)                                 | 10.6%      |
|                         | Use the third party (e-commerce transaction / usually cheaper than legal subscription) | 43.9%      |

It can be seen in the table above, that the number of legally and illegally subscribing (using other people's accounts or buying through third parties in e-commerce) is quite large. This is based on Netflix, that many customers are still taking illegal ways to consume Netflix (Chancellor & Lyubomirsky, 2011; Wayne, 2020). Because the subscription price is relatively more expensive than competitors, the customer is outsmarted in this way. The next section is a discussion of the findings obtained qualitatively through FGD (focus-group discussion).

### **Negotiating Local Production in The Global Streaming Platform**

From 264 participants who filled out the questionnaire, we then invited 25 people who claimed to be big fans of these streaming channels. We then conducted an FGD with 25 people who identified themselves as heavy users, i.e. consuming streaming shows almost every day (although most of them can't count the few hours in a day they consume streaming shows). In the discussion, several interesting topics emerged, including their satisfaction with various original production shows from Indonesia available on the streaming service. Several opinions from FGD participants stated that they were quite satisfied with local Indonesian content.

"Because I'm a Netflix fan, my opinion is specifically for Netflix. There seem to be quite a few and more in recent years. There are Indonesian films that, as soon as they finish showing in theaters, go straight to Netflix" (Jose, 20 years old)

"I see that it has increased in recent years, especially since the pandemic. Almost all works from top Indonesian directors go to Netflix. A good collection of Indonesian horror films like Joko Anwar's works must be there" (Novi, 18 years old).

"There are quite a lot of Indonesian films on Netflix, of course Netflix is selective. Not all of them come in. Usually those who are commercially successful and those who have won many awards at home and abroad, such as Yuni (2021) and Copying Light (2021)" (Tifa, 21 years old)

In addition to those who are quite satisfied with local content on global streaming such as Netflix, many also argue that Indonesian content is not yet widely available.

"Compared to Disney (Hotstar) and other streams, it's obviously very far. So far, all I know is that the works of Indonesian filmmakers produced by Netflix are Timo Tjahjanto's *The Night Comes for Us*. Don't know what's next. So far, Netflix has only distributed the already produced works. Of course we want more than that. That Netflix also values and even produces local filmmakers, from any country." (Fery, 23 years old)

"Netflix is far compared to WeTV, the programs on WeTV have a very local feel, even though they also operate globally. In fact, old shows are being remake by WeTV. It seems that when it comes to trust in local talent, Netflix is far behind. Compared to similar streaming platforms, they don't seem to dare to work with local directors." (Indi, 22 years old)

"Actually, I stopped subscribing to Netflix and opt in other streaming who have more local content. It doesn't seem fair, if you think about it. They want you to subscribe but they don't appreciate Indonesian talents. If in other countries, Netflix is more eager to cooperate with locals, then why don't they here?" (Lia, 27 years old)

Netflix's alignment with local filmmakers is also often echoed by several studies, even in countries such as Australia (Burroughs, 2019) and Germany (Flicker & Holt, 2022). Since at least the last five years, along with the increasingly globalized streaming service Netflix, several countries that have been considered far from Hollywood have begun to receive recognition from Netflix. One of them is the *Tidelands* series which was produced in Australia with local directors, actors and film crews recruited in Australia (Burroughs, 2019; Scarlata et al., 2021). While there is arguably very few Australian productions produced by Netflix, the research indicates that the success of the *Tidelands* series for Australian audiences is itself a gateway for future Netflix productions in Australia. Likewise, some shows, mostly Crime Thrillers produced in Germany, such as *Perfume* (2020) indicate that Netflix will start financing many local works in the future, not just as a distribution channel (Flicker & Holt, 2022).

The results of the FGD indicate that there is great hope for streaming services operating in Indonesia, that in order to gain local audiences, local content production must also be increased. Not only showing films by local Indonesian filmmakers, but further than that, producing local filmmakers for global viewing. (Hasan, 2017)

### **Conclusion**

This paper aims to answer the two problem formulations offered at the beginning of the article, namely how the entertainment streaming subscribers in Indonesia respond to streaming platforms currently operating in Indonesia. And second, how the participants negotiated local Indonesian contents in the global streaming service. From the results of the study, it can be concluded that through a survey filled out by 264 respondents, Netflix is the most popular streaming service in Indonesia today, although the number of those who subscribe illegally is also quite large, almost comparable to those who subscribe legally. Even so, the local content available (especially on Netflix) is very far from what is expected. To date, only one Netflix original production has been produced by a local filmmaker. Participants compared with other similar platforms such as WeTV which have a large selection of local content. As has been researched in studies in many countries, as the market leader Netflix should pay attention to local content by producing local directors works and ideas, as well as an effort to decolonize Hollywood as a single player in the entertainment business on a global scale. Netflix should be an alternative medium, when big screen cinemas have lost their guts to side with local works.

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