



Foreign Media Achieve Competitive Advantage in Indonesia Digital Media Landscape

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Abstract General Background: Foreign news corporations play a vital role in connecting Indonesia to global audiences and interpreting local events within the international media landscape. Specific Background: In Indonesia's evolving digital environment, foreign media organizations operate under diverse ownership structures and strategies to sustain relevance and competitiveness. Knowledge Gap: However, limited studies have systematically examined how ownership types, resource configurations, and audience engagement strategies contribute to competitive positioning in Indonesia's digital media ecosystem. Aims: This study aims to identify key success drivers and strategic positioning of foreign media corporations operating in Indonesia's digital landscape. Results: Based on a multimethod analysis of 34 foreign news corporations registered between January and March 2025, the findings identify four ownership types—State Controlled, Independent Public, Independent State Funded and Managed, and Captured Private—each employing distinct strategies such as leveraging official status, innovation, local engagement, or political connections. Drawing on Resource-Based View and Dynamic Capabilities, the study highlights VRIN resources, including global reporter networks, credibility, trust, and brand value, as key determinants of sustained competitiveness. Additionally, the concept of activation possibilities emerges, referring to the ability to build networks and mobilize resources around social causes, fostering emotional connections, brand loyalty, and social value. Novelty: This study introduces activation possibilities as a strategic dimension linking resource mobilization and audience engagement in digital media. Implications: The findings suggest that foreign media competitiveness in Indonesia depends on integrating digital innovation with audience activation strategies to maintain relevance within global communication networks.

Keywords: Foreign media organizations; Digital media landscape; Competitive advantage; Resource based view; Audience engagement

1 Introduction

In the context of global information, foreign media in a country play an important role as strategic resources to influence overseas public opinion and strengthen international communication. According to the Resource-Based View (RBV) of the firm, an organization's competitive advantage is determined by the firm's capacity to accumulate, develop and maintain resources and competences that are rare, valuable, costly to imitate [1]. For the media industry, competitive dynamics have become significantly restructured by digital transformation, where multi-platform engagement and audience activation as essential factors have developed [2][3].

The research covers 34 foreign media published in Indonesia during Jan-Mar 2025, exploring differentiated of their digital performance and competitive strategy. Indonesia is a key strategic market for global media because of its sizeable population, maturing digital ecosystem and geopolitical position in Southeast Asia. Despite numerous studies related to competitive advantage in strategic management, applications regarding international media firms in emerging economies is relatively sparse [4].

The research is characterized by three objectives: (1) to explore the sources of competitive advantage in foreign nations' media companies present in Indonesia and to explain these sources; (2) to measure competition between strategic groups—for example, state-controlled, independent state-funded, independent private and corporate private—and strategy differences among them; and (3) to assess digital capabilities, audience engagement strategies as well as their influence on competitive performance. The study extends RBV logic to international media operations and offers useful implications for managers of media firms with a focus on how to attain competitive advantages in digital settings.

2 Methodology

This study is using mixed data combining performance measurement (quantitative variables) with comparison between lists of cases or classes, as a form of qualitative comparative analysis [5]. Data was collected using systematic structured document analysis [6] and analyzing official websites, social media accounts and published content of 34 foreign news agencies in Indonesia.

Three aggregated performance indices were constructed: (a) Website Traffic Index measuring traffic volumes through web analytics; (b) Social Media Performance Index capturing response from social media engagement, and (c) Active Index representing audience activation derived from the Framework of the Media Engagement Continuum [7]. We applied a Qualitative Comparative Analysis front end analysis in searching for configurations of resources and capabilities that were associated with highest performance [8].

To establish validity and reliability of the research findings, a number of methods were employed; including using a variety of data sources to provide triangulation [9]; utilizing member checks where practical, as well as documenting systematically the analysis terms

[10]. The study time frame is January – March 2025. This provides an operational snapshot from the most recent period in time while also accounting for seasonal fluctuations.

3 Results and Discussion

3.1 Ownership Structure and Strategic Positioning

An examination of 34 media outlets from abroad show four types of ownership and the strategic direction for each. State-Controlled (SC) Media (n=11) have been sponsored and supported by the central government. They are funded and therefore have access to institutions but they are restricted editorially. Independent State-Funded and Managed (ISFM) Media (n=8) - Channel News Asia, Deutsche Welle, and NHK are examples of the ISFMs that were able to maintain their editorial independence through their use of public funds while maintaining a balance between credibility and institutional resources. Independent Private (IP) Media (n=9) - Reuters, Bloomberg, and AFP are examples of IP Media which are commercially driven, generate revenue, and provide both journalistic professionalism as well as market driven formats. Corporate Private (CaPr) Media (n=6) - The Straits Times is an example of CaPr Media which is part of a corporate entity with extensive cross-media platform synergy.

Ownership structures lead to different strategies for achieving competitive advantage in the market, according to [11], and [12] who argue that ownership can have a major influence upon editorial position and resource allocation. SC media are superior in terms of state relations and diplomatic networks, IP media reign supreme in technical structures and journalistic standards. ISFM media fall into an in-between space that lies somewhere between PSAs and success-driven operations.[13]

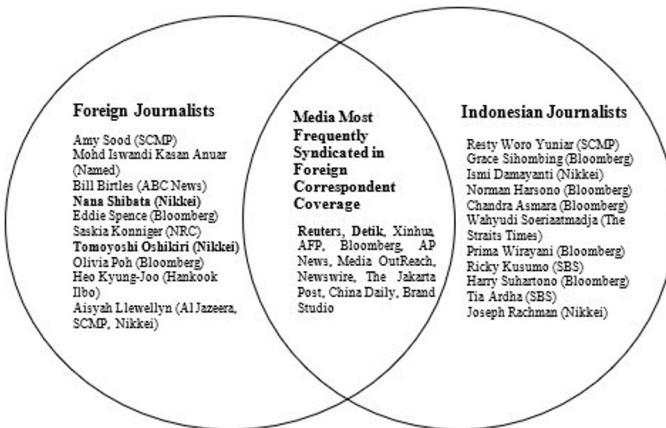


Fig.1. Key actors in Indonesian news coverage in foreign media

The Indonesian actors and their roles in foreign news coverage In Figure 1, all of the various actors involved are combined to indicate that Indonesians usually have important positions among foreign media. Distinguished writers include Resty Woro Yuniar (SCMP), Grace Sihombing, Norman Harsono and Chandra Asmara. Clearly, having localized talent is a competitive advantage in itself. This result is consistent with the relational view proposed by [14], the conclusion that inter-organizational relationships and human capital network may lead to competitive advantage.

Geographic analysis the media in East Asia (China, Japan and South Korea) and Southeast Asia (Singapore, Malaysia) dominate the headlines: with Asian media accounting for 56 per cent of outlets. This concentration in regions also exemplifies proximity advantages and strategic economic interests. Western (26%) and Middle Eastern media (18%) concentrate on niches—Western publications concentrate on global business and politics, while those in the Middle East focus on regional geopolitical news.

Table 1 provides an outline of the simplified distribution of foreign media, functioning in Indonesia regionally. Geographical proximity becomes a competitive advantage for media of Asian countries, as local/Asian media are able to report more frequently and contextually richer than their counterpart foreign outlets [15]. Singaporean media gain the most from cultural proximity and regional interconnectedness, as do Chinese media – thanks to economic linkages and infrastructure development.

Table 1. Distribution of Foreign Media Operating in Indonesia by Region

Region	Number of Outlets	Percentage	Primary Countries
East Asia	10	29%	China, Japan, South Korea
Southeast Asia	9	26%	Singapore, Malaysia
Western Countries	9	26%	USA, UK, France, Germany, Netherlands
Middle East	6	18%	Qatar, Turkey, Saudi Arabia
Total	34	100%	

3.2 Digital Performance and Multi-Platform Strategies

Analysis of Website Traffic Index As can be seen from the data in Table 6, there is a high range (0.12-1.00) variation on the performance adopted by websites with Associated Press (1.00), Reuters (0.95) and BBC (0.92) leading as a result of strong reputation, technology platform, and content quality. The three-fold nature of the share of voice analysis is illustrated in Indonesia's digital media landscape.

Table 2 lists the top 10 media companies. These are the ones that reach the most people online. The very best are global news agencies. They have excellent systems to spread news far and wide. We also have regional specialists, such as the Australian Broadcasting Corporation and Bloomberg who have an added advantage due to their local knowledge which separates them from others. The last category is older news agencies; they have lost touch with their audiences.

Table 2. Share of Voice Index Scores of Foreign Media Operating in Indonesia

Media	Website Index	Social Media Index	Total Score
Associated Press (AP)	1.0000	0.6410	1.6410
Reuters	0.9541	0.5210	1.4751
Al-Jazeera	0.8010	0.4820	1.2830
BBC	0.9203	0.3140	1.2343
NOS TV	0.1250	0.8510	0.9760
NHK World	0.1836	0.6910	0.8746
ABC Australia	0.4541	0.2050	0.6591
Bloomberg	0.4082	0.0760	0.4842
Financial Times	0.3654	0.0680	0.4334
Channel News Asia	0.0918	0.1580	0.2498

When we studied how well businesses have been doing on social media, we saw a significant increase in the score for their engagement of other people on social media, moving up to .85 from .10. The Dutch television network NOS TV, Al Jazeera, and Channel News Asia performed particularly well. They developed smart strategic approaches to utilize social media. Media companies in the region of Southeast Asia were specifically successful in utilizing these strategies as well. A large number of users produce content for them. The companies use interactivity when connecting to their audience. Our findings are consistent with those of [16], and [17]. Those authors analysed the connection between users and media across multiple platforms.

In a graphic representation we can see that the ability to be successful is directly related to the utilization of numerous online platforms or channels. It would appear to be more beneficial to be active across multiple online platforms rather than focusing solely on one platform. The Associated Press (AP) and Reuters have both demonstrated a high level of success on their respective individual websites as well as on social media. For example, regional groups such as CNA target specific populations of interest. This concept supports the ideas presented by [18]. The authors discussed the necessity for an organization to be adaptable and to integrate various forms of media. Through the integration of various forms of media, organizations will be able to respond to the ongoing development of digital technologies.

3.3 Activation Strategies and Audience Engagement

Variations exist regarding levels of audience activation intensity based on the Active Index model, developed by the [7], and grounded in the Media Engagement Continuum. Media with high levels of audience activation intensity – e.g., Al Jazeera, CNA and The Straits Times — move significantly beyond traditional broadcasting in allowing for community organization, two-way communication and civic participation; therefore, represent a significant departure from delivering solely passive content to active audiences to deliver content.

The activation continuum illustrates that the form of ownership will result in the form of activation. SC (State-Controlled) media, i.e., Xinhua, uses cultural diplomacy and soft

power strategies, while IP (Independent/Private) media utilizes professional engagement to create two-way engagement via investigative journalism and expert commentary. Independent Service Fund Model (ISFM) media excel in facilitating public dialogue, consistent with their mandate to serve the public. The above results support [2] view that engagement is no longer viewed as a behavioural metric but as a strategic performance indicator.

Platform specific activation strategies, reflect sophisticated resource allocation practices. Media outlets use Instagram for visual storytelling, Twitter for real time updates and YouTube for long form analysis. Cross platform coordination allows for content to be repurposed and to remain optimized on each platform; however, cross platform coordination will require organizations to have significant organizational capability to integrate content effectively.

3.4 Sources of Competitive Advantage: Resource-Based Analysis

As viewed from an RBC (Resource Based View) [1,19], Indonesia's foreign media contain many physical and intangible resources. The physical resources consist of correspondent networks, bureau infrastructure and production facilities. Ownership determines financial resources. SC media have the support of government as do IP media which rely on revenue generated from their market place and investor capital. Correspondent networks represent human resources which are rare and valuable since they can provide local expertise to reporters.

VRIN (Valuable, Rare, Inimitable, Non-substitutable) evaluation shows that continued competitive advantage is derived from intangibles such as brand credibility, editorial reputation, access to sources, and institutional knowledge. Since journalistic excellence and ethics are difficult to replicate, these factors serve as barriers to imitation, especially for well-established organizations such as Reuters and BBC. Therefore, this research expands [20] competitive advantage model to the global media industry.

Digital skills are now dynamic capabilities that drive differential firm performance. Website performance, UX design, mobile readiness and data analytics capabilities power the reach and engagement of your audience. As per [21] digital capabilities, these developments are an organization's capacity to assimilate new resources, build on its own core competencies or even reconfigure them in response to turbulent environmental changes. Media companies that are able to develop these capacities will be the final survivors in the digital competition in Indonesia.

Activation capacities are an established 'edge' in the realm of competitive advantage, including community building, user-generated content production and civic mobilization. This limits the traditional RBV conceptualisation to incorporate social engagement and audience co-creation, where value is derived from depth of relationships rather than breadth.

4 Conclusion

This research provides evidence that competitive advantages for foreign media in Indonesia exist due to unique combinations of tangible and intangible resources as well as unique dynamic capabilities. As such, four strategic ways for media to gain competitive advantage were identified depending upon their ownership structure. The SC media organization leveraged its institutional support and diplomatic networks; the ISFM media organization provided a credible product while also meeting the mandate of providing public services; the IP media organization provided quality professional journalism and high-quality technological infrastructure; and the CaPr media organization was able to leverage cross-platform synergy.

Proximity became a significant resource for Asian media organizations to provide contextually relevant and more frequent coverage of events compared to media organizations that are far away. The digital capability and ability of media organizations to integrate multiple platforms (i.e., mobile phones, web sites, etc.) were determined to be the two most important dynamic resources needed for successful media organizations. Success required media publishers to optimise the two owned and rented media. The media's activation of audiences instead of through a passive consumption has become as the new competitive advantage of the media in Indonesia's transforming media landscape.

The findings helped to enhance strategic management theory, as the extension of RBV and the DC framework to examine international media operations in emerging markets. That is, the practical implications recommend local correspondent network investment, integrated digital strategy development and activation capability building for sustainable competitive position making in the media organization. Future studies should explore how regulatory contexts and technological advancements may continue to reconfigure the competitive dynamics of global media markets.

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