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Research paper

Branding is a Key to Going Network: a Case Study of Prambors Network

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Abstract

Digital technology confiscates the listener, with the result that the attention of media audiences shifts. Radio expenditure below 1% since 2009. The company rivalry is raised as radio format is dominated by young people. This study has two major purposes are to investigate radio company which stands out in the stagnant of Indonesian radio broadcasting industry and the reason behind building a radio network. The subject of this study was Prambors radio network as the largest radio firm a step forward than any other in Indonesia. In-depth interviews were conducted with the Prambors's radio founder, employees and local radio partners. This study used an integrated marketing communications as the cross-communications process. This paper contributes to the current Indonesian radio industry where the findings indicate that radio network becomes an alternative corporate strategy. Prambors' brand programs have engaged positively local radio partners. A strong and positive brand name is the key to build radio network. Radio network can strengthen the company's position as its wide reach and can embrace more listeners. This original work contributed to the development of media management, especially radio and public relations studies.

Keywords: *Indonesian radio industry; Integrated marketing communications; Radio brand; Radio network; Media management.*

1. Introduction

The radio's growth in Indonesia has increased particularly since the government issued Broadcasting Law No. 32 of 2002. The purpose of issuing this broadcasting law is to enlarge the public in obtaining the radio station' permit. The government expects with the diversity of ownership there will be diversity as well as program content. Radio company owners are concentrated in only three formats - youth, adults and ethnic. Competition becomes more tight to get listeners and advertisers. Not all companies can run in this competitive situation. Some radio owners fulfill their responsibility as licensor frequency by reducing operating costs like employee reduction and cut down transmitter power.

The intricate of the radio industry in Indonesia has been continuing since the government granted licensing of radio ownership. The development of communication technology affects the media audiences so that their attention is shifted to new media. Inevitably, the radio must adapt to this digital technology. Adapting to digital progress certainly requires considerable investment. Radio owners who have enough savings are not difficult to build their company's digital infrastructure. However, many radio owners neglect to build digital communications in their company, so it lags behind other radio companies. They are left behind from other radio companies.

Radio owners have difficulty managing the company in these circumstances. Few of them are selling their license frequency or merge to a radio conglomerate. This is a prospective opportunity for a larger radio company as an expanding organization. The company that has built a brand name and engage a communication with the public can benefit in the radio industry current situation. Branding becomes the basis for integrating communication in which coordinated and aligned. In today's business environment builds brands does so much faster, more easily, and less cost than traditional communication approaches. Branding is a key strategic tool to communicate with listeners, to create awareness, reputation and build the organization's image. Mergers, acquisitions and major changes in the business environment demand the continuous management of the organization's brands [1]

The aim of this paper is to find the direction which convoluted Indonesian radio broadcasting industry for years, with specific emphasis on creates a radio network. The holistic approach to the study reported here is distinct from most past studies on this topic that focuses on Indonesian broadcasting industry, namely radio network. This research explores the Prambors organization which built a radio network to escalate its business. Prambors network as part of Masima Radio Network (MRN) which operates 4 radio brands, 20 radio stations in 9 cities. Research subject was Prambors radio network with the reason, first, the target audience is millennial (15-29 years old) as the largest listener group (57%). Secondly, Prambors network successfully expanded its business by owning 9 outlets and becoming a top of mind Indonesian millennials'.

2. Literature Review

Network radio is a line-up of local radio stations that agree to carry programs and commercials simultaneously [2]. Network

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radio offers to advertisers the advantage of making an order by setting up space for advertisements more than one station, same production quality and pays bills via one company [3]. Networks radio offers more spread out listeners. The more listeners are the more advertisers interested in buying the airtime. For local listeners, network radio will provide many advantages of getting quality programs, listen to national stars that cannot be provided by local radio [4].

Some researchers on radio network are mostly done mainly in the United States. The Dunaway (2014), Saffran (2011), Polinsky (2007) article describe network radio as the impact of the telecommunication act of 1996 on the concentration of ownership. Dunaway's research results (2014) show that by networking, the ad revenue becomes more and more profitable for local owners [5]. Saffran (2011) states the impact of network radio is the decrease of local programs [6]. Polinsky (2007) states that radio ownership concentration rises while radio formats are the same number [7]. Radio network outlets are selected from the listener's number. These three studies used quantitative methods to measure the impact of increased concentration of ownership. Radio outlet and location selection are highly dependent on numbers of radio listeners. Radio industry in the United States is growing for both community radio and public radio. Whilst the Indonesian radio industry decreased both in terms of listeners and advertisers number. The major radio company practices this opportunity to raise its business by establishing a networked radio.

This research uses an integrated marketing communications (IMC) concept, defined IMC as the "cross-functional process for creating and nourishing profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups"[8]. Definitions of the concept of IMC emerged during the 1980s in response to the need for organizations to have a more strategic integration of communications tools [9]. Proponents of the concept of integrated marketing communications (IMC) have advocated the integration of all marketing communications functions, including advertising, product public relations, and promotion [10] which companies accelerate returns by aligning communication objectives with corporate goals [11] which added value of a comprehensive plan which evaluates the strategic roles of communication disciplines [12]. Clients have used promotion mix for many years, but beginning in the early 1990s marketers and advertisers began to recognize the importance of using these tools more effectively in combination [13]. IMC has identified a series of stages in which integration takes place: (a) awareness within the organization, (b) image integration, or unification of messages and themes across all communications activities; (c) the functional integration of units responsible for producing messages; (d) listener and database integration; (e) technology integration, where communication with customers is both smart and interactive. These approaches show integration is actually conceptualized and used in many ways today [13]. The rise of communication technology recently provides a new platform for integration.

Nowadays branding becomes the basis for much of integration including radio business. They are use branding to differentiate their product and service offerings from those of their competitors [14]. In brand management, brand identity is a well-established concept. Brand identity as a "unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply promises to the customers from the organization" [15]. Through the brand identity, a relationship between the brand and the customer are established, providing functional, emotional and self- expressive benefits [16]. The concept of brand identity integrates a perspective refers to its public perception. The brand is positioned by strategists through the brand identity, perceived by the customer as brand image. The fit of identity and image is crucial as it determines the credibility of the brand's positioning.

Corporate branding is considered image, symbols associated with key values that are inherent in or associated with the corporation and its products and services [17]. The corporate brand must meet the needs of the often competing claims of its stakeholders [18] and considered a guarantee of quality, increase customers' trust of the invisible purchase [19]. This is a process of the strategically managing audience-focused, channeled centered and result-driven brand communications [20]. It has become clear customers relate to brands, so they gain specific things like positive thinking, feelings, beliefs, opinions, and perceptions about the brand [21]. Both product branding and corporate image branding are concerned to move audiences from awareness to clearly defined perceptions that are seen to offer a competitive or social advantage.

Despite the media brand being considered along with other qualitative criteria in media planning [22], little research has been conducted in this specific field. Media brand provides potential benefits for advertisements and is related to other qualitative criteria [23]. This study explains Prambors radio has built company's brand name through several communication interactions that touch directly the community. This positive brand name built since decades is the key to build a network radio.

3. Literature Review

This study uses qualitative research method in object accordance that is the application of decision and owner policy [24]. This research will provide a real picture of network radio, how the processes occur and the context behind. This study uses a constructivist paradigm in which reality is the mental construction gained through social relations and experience [25].

This research uses a case study approach and used to answer what and how questions [26]. This study explores how the brand company's name Prambors uses public relations strategies to carry out its mission in the company's development process. This company was chosen for its location is in the Indonesian capital, controlling 9 radio networks that dominate the Indonesian young listeners aged 15-29 years.

Secondly, Yin argues the most appropriate case study is used to describe contemporary cases where researchers have little control. Radio network strategy has been followed by other large radio groups. But until now, the Prambors radio company became the most widespread radio with the largest number of young listeners aged 15-29 years in Indonesia. And finally, the concept of triangulation from Yin is used to explain the company's strategy from different perspectives and different points of view.

The study was conducted in Jakarta (December 2016- November 2017), where other major radio companies were observed. Jakarta as the state capital of Indonesia is the location of a larger radio company group. From the research question, the stagnant of Indonesian radio industry and the reason behind building a radio network, questions were developed according to the response of informants.

The research data were collected through semi-structured in-depth interviews, interpretations, and discussions with selected informants. Selection of informants was from company establishment and development into a network radio. A number of informants as many as 9 people consisting of founder/owner, staffs, and local radio owner. In addition to the data, interviews were also conducted on local radio owners where outlet Prambors network are located. The materials analyzed for the purpose of this article include written documents, both internal production documents and external promotional material. Radio program broadcast had also analyzed from the content on Prambors radio network, as well as other material produced and distributed by the company. Qualitative research methods with case study approach are used to explore the techniques of public relations to build a brand, public understanding of the corporate brand and integrated marketing communications.

4. Results and Findings

This paper is about Prambors radio network as part of the larger Masima Radio Network (MRN), which operates 4 radio brands,

20 radio stations in 9 cities. During the past decade, Prambors radio has expanded its business from a regional into a national Indonesia radio company. This development has been possible through purposive investments in so-called positive brand name emerging markets in Indonesia. Prambors radio company found new ways of strategically working with integrated communication within its organization.

4.1. Talent Hunt and Syndication Program as an Integrated Marketing Communications

The concept of communication should be tailored to the type of organization to influence the company brand. As a service-oriented company, media requires greater effort in a brand-building. Media company deal with a competitive environment where they have to find a different way of communicating their brand. Each media company need to find unusual, different and unique forms of communication.

Prambors company contrived off-air activity as an effective form of communication. They designed a talent hunt program. The Songwriting Competition Program (better known as LCLR Prambors) was conducted during the period 1977-1996. This competition successfully carved out history in the Indonesian pop music industry because it succeeded in capturing songs that have different characters from pop music becoming king in the Indonesian music industry at that time. LCLR Prambors was first held in 1977, 6 years after Radio Prambors established. LCLR was a creative program for potential people to compose songs. In that era, this competition breaking down stagnation in the pop music industry that tends to side with the commercial side only. LCLR Prambors produced songwriters who contributed to Indonesian pop music until recently.

LCLR Prambors is a form of corporate communication to enhance listeners' brand engagement both in Jakarta and other cities in Indonesia. At that time, Indonesian government authorized radio owner to broadcast their programs exclusively in the certain region for the permit issued. Radio listeners consume local program broadcast thru portable or car radio. Therefore, the LCLR Prambors program was promoted across the Indonesia region to invent participants. LCLR Prambors draw upon direct and indirect communication channels. The direct channel which was advertisements played on local radios while indirect channel through pamphlets and brochures. LCLR Prambors's promotion conducted throughout local radio which gives significant benefits to Prambors brand and company's reputation.

Prambors management team designed a pilot project radio show program entitled "Catatan Si Boy" in the 1980s. This successful radio program buzzed in Jakarta and 30 other cities in Indonesia through a syndicated program that leads Prambors a strong company brand. The achievement of their own creation program boosts the Prambors brand name to recognize at the national level. Prambors organization ties a convenient collaboration with local radio as a partner for broadcast an international syndication program in that good company reputation and management performance. The international syndicated program called "Rick Dees Weekly Top 40" which plays top 40 songs in the 1990s. The syndicated program is broadcast on 200 radios around the world, while in Indonesia this program uses a co-host that delivers its translation in the Indonesian language.

Radio Prambors reinforce its brand through different activities each decade. In the 1970's, their invention of off-air communication on LCLR Prambors program. The company produced nationally a syndicated radio play program entitled "Catatan Si Boy" in the 1980s. The last decade was in the 1990's, the company broadcasted the international famed syndication program well-known as "Rick Dees Weekly Top 40". Both renowned programs are various forms of on-air communication.

Those three successful communication programs were conducted through different channels. Local radios partner as a direct channel application was used to promote the LCLR talent search event and some brochures provided to elaborate pieces of information. Syndication programs promotions handled by the magazines while the program broadcasted weekly. The glorious radio play syndication program "Catatan Si Boy" was tailor-made to the widescreen version for cinema movie. The company builds brand continuously and consistently in order that to influence listeners of those programs toward cognitive (experience) and affective (feeling). The main purpose of those form of communications is to inform, convince and remind listeners of the company brand.

"In the 1970s to the 1990s, competitors were not as many as of now, so it was easy for me to create a trending program among young people in Indonesia," said the Prambors founder. Prambors radio launched a program happens to be a trending for young people. Any type of radio program launched through the contents of on air will be a trend among young people in Jakarta in fact in Indonesia. Local radios constantly highlight and look up to Prambors radio as the program model. The Prambors' work is also covered by the only operated national television in Indonesia. Radio activities which are located in Jakarta have further chance to be broadcast by national television rather than local radios.

Radio as a service company does not have a product that can be counted, has no physical appearance and packaging. The most important thing for the company is to build a brand identity, image, and reputation both as a product and as an organization. A talent hunt and a syndicated program connect the audience with the brand of Prambors as an organization. These communications activities provide experience, opportunity, heritage, value, and history in the perception and interpretation of the audience with a corporate brand.

Prambors has conducted a series of integrated marketing communications stages of awareness through broadcast content, brand image through the production of messages and themes of communication activities, and the listeners' participation through all promoted activities. The quality of investment in brand building is the most important factor because it creates individual knowledge and feelings where listeners see, hears, learns, feels, experiences the brand. Prambors radio has left a valuable memory trail in the minds of listeners which are profitable in developing the company through network radio.

4.2. Radio Network as a Corporate Strategy

The initial idea of establishing a radio network when the Prambors's owner bought the famous international syndication program, called "Rick Dees Weekly Top 40" in the 1990s. Rick Dees Weekly Top 40 syndication program successfully channeled by Prambors radio owner to dozens of radios in Indonesia. Prambors radio owner adopted the US syndication program as a thought to invent a radio network. The invention work of his business development idea executes in the next 2 decades. He prepared for the company expansion through internal training on radio managing for employees. This becomes a valuable asset for the company.

Company owner prefers radio network as the Prambors organization infrastructure has become so great. "Company infrastructure incorporates the organization systems, creativity, and employees", says the president director of Prambors company. Prambors company's organization has been immense, so it's a waste to manage one radio only. Experienced in organizing the internal and international syndicated programs, the company elevates to move on to the next development stage. The owner decides on a networked radio strategy to increase the company's revenue. Indonesian radio industry downturn problem simplifies company owner to settle the radio network.

Prambors organization has established the radio network since 2000 by buying out some local radios. Semarang fit the first outlet as a network member by reason of the young listener's large number and the community's spending behavior. The consumption behavior of Semarang community has met the level of network outlet' requirement selection. The following big cities of Prambors network are Makassar, Yogyakarta, Solo, Medan, Bandung, Surabaya and Manado. Certain cities were selected for authority evolve the district economy, community' spending behavior, 15-29 years

old' population, availability of radio frequency that can be taken over. The Prambors management team deliberated the above four reasons before determining the appropriate city.

The Prambors management team investigates the potential escalation of local economic and people's purchasing power. Local community' spending behavior influences the advertiser's investment in the local media airtime. The selected network outlet must have an aggregate of listeners who can entail the benefit for the company. Deal with a large amount of the radio airtime is associated with the continuation of the company's operations.

There are 2 procedures in the affiliate of Prambors network. Firstly, they buying out a full share of the local radio company. The second type is by investing in the local radio company. For the first method, local ownership transferred to the Prambors company or its mention as COCO (Company Owned Company Operated). The second method named is ROCO (Radio Owned Company Operated), the local owner hand over some of its shares and transformed under Prambors company. A certain amount of local radio owners proposed a merger with Prambors company. One of the most common reason is insufficient cost to continue the company's operations. They aware of lacking experiences and knowledge on how company-operated, therefore they choose to incorporate into a larger radio company in Jakarta. They have also claimed that local radio competition was so tight to acquire more advertisement to run the business. For those reasons, they sell their ownership to Prambors company.

Prambors organization manages radio network with enormous operational costs. Each network member has its own resources so that the operational costs are high. Local advertising is not as many as national advertising, then management revenue is less. "Our concentration by getting revenue from national advertisement located in Jakarta, the mix between national advertising and local advertising is reduced by cost, we still lose", according to the CEO of Prambors network. Company revenue was not growth following network developed, on the 2011 company assessment resulting in a new model of the broadcast system, it's called centralization. The Prambors network centralized broadcast system has been in executed since 2012. Prambors produces solely program which broadcast to all members of the network. Local radios relay all Prambors broadcast programs alone on 10 hours of prime time per day. The remaining of 14 hours, Prambors radio member play songs and broadcast insertion of radio DJ's voice recorded. Prambors network broadcast 24 hours a day.

The local radio sales team was abolished, by reason of it is only contributed a small amount of advertisement. Mostly larger advertiser headquarters office located in Jakarta who determined to invest in local media airtime. Purchases of local broadcasting hours are always determined through advertiser headquarters located in Jakarta. Local advertisers have no authority in making obtain of media broadcast hours. Hence, the broadcasting hour deal is only done through the Jakarta's sales team. Prambors' head office controls all the advertisement' sale of nine outlets. Advertisement sales are concentrated on national advertisers that more prospect than local. 80% of employee reduction has an impact on the stability of the company. The Prambors firm can reduce company national budget, and produce great profits.

The radio network strategy particularly used as a point from which Prambors radio has been a well-known brand. Prambors radio as a renowned brand facilitates the company to nail local radio partners. The local radio owners have known the leading reputation of the Prambors company. They have experienced in collaboration with Prambors radio through syndication and off air programs over years. Both communication designs unleash the brand's positive image towards local radio owners. The local owner convinced of the management' competence which elevates Prambors to the national level brand. This specifies local radio owners to collaborate either shares' acquisition or the radio ownership's handover.

5. Conclusion

With escalating competition, dynamic consumer listening habits, and the emergence of innovative technologies, radio owners are now having to deal with an array of new challenges to their core business. Innovation and the ability to read the market are needed. Although the radio has been over 100 years old, the role of radio as a personal media cannot be replaced by other media. The radio is full of surprises for its listeners. The listener will not guess when the announcer conveys the information, songs played, advertisements and more. Not to mention broadcasting quiz with attractive prizes in which the listener should be swift in answering questions. Direct interaction with radio host is one of the hallmarks of radio. There is an emotional bond developed between the listener and the radio host.

The advancement of communication technology can add the value of radio broadcasting. The internet can be a tool for reaching a wider audience. Prambors radio serves millennial market whose are amused by the latest technology. Millennial love to explore. They will always try and adopt new technology. For that reason, the radio must exist in every medium.

Building a powerful brand cannot be done in five minutes. The brand identity is not purely built through the name, logo, tagline but more than that. Consistency must be maintained over a long period before the brand becomes 'etched into' the minds of the target market. The time frame of the brand building process is extremely dependent on the company's budget and high standards of resources creativity. Each stands out as memorable in its particular market sector. Prambors radio is a case in point. The brand of Prambors is constantly something that brings new to young people and generates trends. Prambors is a fine example of integrated communications. The brand owner realized a new marketing strategy was needed to prevent the death of the brand.

The company's brand as a warranty of good quality management and broadcast content. This is turning out to a potential company in enlarging advantages. Network as a corporate strategy provides more benefits. First, the company can make efficiency in terms of cost and many human resources. Cost efficiency prevails only one-time program product broadcast to all network members. Network outlets relay the entire program from radio streaming. The same thing happens to human resources. The human resources are only needed at the central network that prepares the production of the program. Second, the company gets a higher number of listeners. Listeners are gained not only through local listeners but by streaming radio as well.

The execution of radio network is merely from Jakarta as the capital of Indonesia. They remarkably play a role in arousing Indonesian radio industry. All radio owners should embark and take a big step in generating this industry certainly. Industrial growth liable to all professionals, practitioners, and radio license' owners. The contribution of all parties in reviving this industry will restore the trust of listeners, mainly to advertisers.

The concept of integrated marketing communications assumes there is a cross-functional process for creating a relationship with listeners and other stakeholders. Integrated marketing communications as a process and in the integration of actions. The central area of this research which forms the basis for new empirical research in this field. This paper contributes to the field that marketing communications is changing in a row of a period. Integrated communications shift simultaneously with media development and technology harmoniously. The communication technology growth cannot be disregard and including a rival, seeing that audience will move along in accordance with the advancement of the era.

Further, another important empirical research is benefits of media brands for advertisements. Another important extension concept contribution of IMC to the field would be a further empirical study on how the advertiser needs from the media brand.

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