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Research Paper

The Dark Side of Media Innovation: A Case Study on Indonesia's Media Business Model

Panel 3

Role of Media, Journalism, and Information Literacy
in the Disinformation Era

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Abstract

The current business model of information production practiced by news organizations in Indonesia has led to a massive output of misinformation that counts on revenue from clicks and advertisements. News organizations no longer rely on journalists, who need more working hours and resources to verify information before publishing it. Content creators are starting to dominate the news because they do not need to conduct verification and rely mainly on platform algorithms. Content creators are cheap, easy to replace, and fast to train. This paper endeavours to elucidate a pertinent case study involving establishing a content creators' incubator by the Pikiran Rakyat Media Networks (PRMN). The case delineates a disturbing trend wherein laborers were exploited, contributing to disseminating unverified information. The shift in emphasis from journalistic rigor to the expeditious production of content without requisite verification underscores the challenges posed by contemporary business models in the information production landscape.

Keywords: *monetization, innovation, disinformation, adsense, creators*

Introduction

Fake news is spreading on the internet and social media and outreaching a large number of people rapidly. Also, the digital context has influenced journalism and the media in many ways which has escorted to a reform in journalistic practices. This reform encourages the birth of new journalism genres (Prokopović, 2018) and the media content creation (Hermida, 2011). The Internet and social media have made news and content publishing a simple job. Anyone with internet access can publish the information they want without checking and confirming the truth. Meanwhile, the number of non-professional individuals who produce and publish news in the digital media has increased. These individuals who do not have professional ethics of journalism can influence public life including democracy.

Digital platforms can create opportunities for free speech, enable small publishers to monetize content and incentivize hoax news (Wardle & Derakhshan, 2017). Braun (2015) investigated the politics of platforms and found that advertising technology companies including publishers and advertisers often position the platforms for producing and monetizing fake news. Furthermore, Pickard (2015) identified that the contemporary revenue crisis has generated renewed interest in the impact of advertisements on the news. This impact has currently driven the market-based journalism models. One of the models could be seen during the 2016 US presidential election when the fake political news went viral and the individuals who published the fake narratives had made a significant amount of money. They claimed revenues from 10,000 to 30,000 USD per month at the height of their popularity.

In Indonesia, credible news organizations can monetize fake news easily without verifying the information. Moreover, advertising companies evolve news organizations into advertising-driven business models. One of the business models was found that mass media organizations in Indonesia have an incubator for content creators whose job is to produce articles that potentially generate clicks and virality. These content creators' incubators were established and managed by news media organizations, making the articles they published seem legit and could potentially confuse readers. This article explains the business model of content creator incubators and its dark sides in generating exploitations of digital workers and propagation of misinformation.

Data was collected using interviews with three content creators and two journalists from Pikiran Rakyat Media Networks (PRMN). PRMN was claimed as a new business model by Pikiran Rakyat Group, the largest local media company in West Java province—one of the most populous regions in Indonesia. Pikiran Rakyat newspaper was first published in 1950 and established its reputation as the most responsible newspaper in 2011. In its golden days in the 1990s, the publisher printed around 75.000 copies of the newspapers daily. In 2021, the number drastically dropped by around 60% to only around 20.000 copies in a day. The financial difficulties have been a challenge for Pikiran Rakyat Group since the economic crisis in 1997.

In 2019, the media group established PRMN as a new business model to generate profit, following the Google business model that rewards publishers with money from GoogleAdSense. PRMN has around 250 small online media, comprising 2.500 content creators who joined the network two years after its establishment. The company hired

Agus Sulistryono, former editor-in-chief of Grid.id network--an entertainment portal under Kompas Gramedia Group. He has experience in developing content and media networks. Later, Sulistryono established his publisher, Pro Media Network, which he claimed was the most extensive online independent media ecosystem in Indonesia. That was joined by around 1.000 independent online media, involving around 24.000 content creators. Sulistryono coined the term “gotong-royong,” or mutual cooperation, to describe the cost-sharing model of media that he developed. Many praised him as a successful entrepreneur who saved online media companies, especially the small ones, from profit loss.

The “Incubator Model”

The innovative media business model that PRMN developed is called the 'incubator model,' which refers to a process where the PRMN incubates small online media companies to support their web, server, maintenance, production process, marketing, and programmatic advertising. In a study report by the Indonesia Press Council (2022), Sulistryono said that PRMN helps their partners to prepare everything they need to be profitable, from designing the web, training content creators, maintaining the server, and registering to the Google programmatic advertising system.

The incubator model, he believed, was the answer to the current challenge of profit-making faced by the small online media business in Indonesia. In the study report, Sulistryono said that those media did not understand the power of website monetization and the work of online advertisement. Furthermore, he criticized that many local and small online news media did not have a sense of business because they were established, developed, and managed by people with journalistic backgrounds. The story, at the end of the day, did not turn into traffic and failed to generate online ads and profit.

The incubator business model is characterized by its revenue-generation mechanism, which revolves around hosting an array of compact news websites that generate a substantial volume of articles daily, all managed by minimal editorial teams of three people. These articles, created under stringent time constraints, undergo no scrutiny or fact-checking procedures. PRMN sets a target for each newsroom, requiring publishing at least 100 articles daily, following a prescribed algorithmic approach outlined by the Pikiran Rakyat Media Network team, leveraging tools such as Google's search console, Google Analytics, and Google Trends. In this model, quantity precedes setting a news agenda, crafting quality writing, or verifying information. Content creators often 'recycle' previously published material by modifying titles and introductory paragraphs, presenting them as new stories. The efficiency in story creation becomes pivotal for content creators to swiftly transition to producing subsequent pieces.

Compensation is contingent upon page views and revenues from Google AdSense, an automated advertising platform that places ads and rewards host websites for ad clicks. Earnings are then apportioned between Pikiran Rakyat Media Network and the website's management. What is similar across all the informants is how important it is for the content creators to reach the target of published stories—one content creator produced at least ten stories per day. Every month, the media outlets will receive a performance report from PRMN. The content creators will know how many published stories they have and whether they achieve or miss the target from the list. The quantity

is essential since it will be a basis for the media outlets to calculate the income of content creators. From all respondents, no single outlet allocates specific salary amounts every month. The income will be purely based on the number of traffic. The system is called click-per-pay. More published stories mean the content creators will have more possibility to gain more traffic. In the end, it also means more income for the content creators.

Shifting the Journalism Practices

The incubator model has shifted the traditional journalism practices of news production—gathering information through interviews, covering events, verifying or double-checking the information, writing the stories, and publishing the articles—to a practice of producing website content. Most of the traditional practices were no longer applied to this new mode. Contacting sources, for instance, is no longer mandatory. The network did not recommend contacting sources because it is time-consuming to reach the sources, and this will affect the content creators' productivity. Content creators do not need to go to the field to cover the stories. The less time they spend producing the stories, the better for them. The new practices will allow them to gather information from online sources, such as foreign websites, social media (YouTube, Facebook, Instagram, TikTok), Whatsapp status, and information spreading in instant messaging. To accommodate the new practices, the company prefers to hire content creators that can write fast using a clickbait method rather than hiring traditional journalists.

In this model, the content creators can also "recycle" content published by network partners. One of the informants said that they could use up to 50 percent of the content from other articles published by partners without asking permission to republish. However, they need to change the wording to avoid similar words and paragraphs published in multiple outlets. These practices ended up as cloning articles, considered an unethical practice in journalism.

When it comes to verification, essential in journalism practices, all informants acknowledge that they do not need to verify any information from the sources. For instance, if one content creator sees a Muslim preacher sharing his thoughts on the YouTube channel, the creator does not need to verify the information to the cleric. All they need to do is watch the video and write articles about the preacher's video. They agreed that quality of information is no longer a priority in this practice. One of the respondents, for example, gave the example of how a content creator relied on Google Translate when writing content taken from foreign outlets. In the end, the quality of the content was poor since the result of the translation was not good enough.

Besides lacking verification, the content creators must work to write any issue. All the informants in this study stated they did not have a specific beat or desk for the assignments. In the traditional media, journalists are usually assigned to cover specific issues, such as politics, health, lifestyle, entertainment, or sports, for a certain period. The assignment gives journalists time to familiarize themselves with the experts and news sources and learn about the issue. They are expected to better understand and interpret the issue and the problem. Several newsrooms often also rotate their journalists from one desk to another to avoid conflict of interest between journalists and news sources. According to the interviews, media outlets where the content creators work did not apply a similar working process. Content creators were not assigned to a particular desk. They can write about different topics each time.

One informant, for instance, shared that the content creators produced stories about financial or economic information, stories from local, and timeless stories or what they also called 'evergreen', such as the list of prayers, exam schedules for students, the schedule of local soccer leagues, and automotive. To ensure that she can achieve the target of writing ten articles per day, the informant said that she needs at least four timeliness articles that she can write anytime but then publish according to the time each day. For instance, in the morning, she will write an article about morning prayer or prepare articles on local events, such as the schedule of the local soccer league. She also noticed that younger segments of the audience favoured educational content, especially related to school quizzes, bank of questions and answers of national exams, or general knowledge. As a mother of two, she sometimes refers to her children's school assignments when writing articles because most students look up to Google to work on their assignments. Only 3-4 articles she wrote are based on current events.

Another informant mentioned that to achieve the target of 10 articles per day, she must not spend more than thirty minutes writing one article. She could not achieve her daily target if it were more than thirty minutes. She added that her editors should finish editing one article in 15 minutes only. Besides the short time, they were also told about the length of an article, which must be around 350-500 words, although sometimes she found an article with only 300 words. Unfortunately, there was no standard or monitoring mechanism to guide the number of words in each article. Some short articles could generate more clicks than longer ones, resulting in many short articles compared to longer ones with descriptions or context.

In this study, all respondents have experience working with traditional or mainstream media before joining or establishing the media outlets and collaborating with PRMN. Therefore, they have writing skills, ranging from developing the lead and creating the title to different rules between straight news (inverted pyramid) with features (more narrative or storytelling). However, none of the journalism skills they acquired earlier were implemented once they worked as content creators. One of the respondents, for instance, gave an example of how they try to avoid using a similar word in one paragraph so that the readers will not find redundancy. In order to not repeat the word, they will use the synonym.

Another example is that the journalist usually tries to avoid formulating the title with a question mark. On the contrary, the content creators will use similar words repeatedly in the paragraph. They said it is a part of the search engine optimization rules given to them during the training. Furthermore, they also develop the title of the content with question marks to attract the readers' attention and gain more traffic. If there are any changes, PRMN will inform them through regular meetings.

The business process heavily relying on clickbait and recycling content has generated unhealthy competition between content creators and media partners. Content creators are willing to write on popular topics and recycle articles that generate many clicks. One of the informants said that there is no ethical guidance in producing content, and she termed it "freestyle," meaning that you can do whatever is possible to produce content quickly and make it popular. According to another informant, when she first joined the incubator, Sulistryono himself, in a welcoming workshop, mentioned that the competition would be tight. She quoted Sulistryono's speech: "Your competitors are not other media companies, but your colleagues in this networks." Later on, she found out that editors could check other media's dashboards and know which articles are

currently popular so that they could clone the article and publish a similar one in order to generate traffic.

Unfair Acquisition in Members Recruitment Process

Besides shifting journalism practices into propagating unverified information and entertainment forms of news, another dark side of this incubator model is the unfair acquisition process toward partners' media companies and profit-sharing schemes. In its early days, the network's strategy to recruit members was acquiring small online media struggling to survive. One of the informants in the interview, whose media company was acquired by the network, said that the acquisition was mainly by "gentleman agreement". He mentioned that the idea to join the network was during the Covid-19 pandemic in around November 2021, when his company struggled with no profit but still needed to pay for all the costs. He contacted the PRMN CEO and agreed to hand over the outlet to the network. There was no money or transaction involved in this acquisition. The takeover was based on what the respondent said was "a gentleman's agreement". After the takeover, the team focused on developing the new media outlet and strengthening the partnership with PRMN. It only took them around three months, and the team started to see an increase in profit due to the higher traffic to their content.

Another strategy is to recruit local journalists to become partners. An informant in this research said that the business model was very tempting because they would be journalists and get a chance to establish their media company and profit from it. When he first heard about the model, he and two other colleagues worked for different local media companies. They agreed to establish a newsroom and be a part of PRMN, mainly because of the profit-sharing offered by PRMN, which, at that time, the profit-sharing percentage was 70 percent for the media outlets and 30 percent for PRMN. Besides the profit-sharing motives, they were interested because they trusted the Pikiran Rakyat brand, which has a reputation as one of the prominent local newspapers in Indonesia.

Workers Exploitation

Interviews with content creators and partners of the PRMN reveal a concerning depiction resembling a form of modern slavery. Some informants recount instances of exploitative practices within this model, asserting that content creators receive no fixed salary, allowances, or health insurance from the company. Compensation is solely derived from the share of traffic and Google AdSense revenue generated by their articles. This pay-per-click income model incentivizes content creators to produce content rapidly, discouraging measures such as fact-checking, which could impede speed. The expedient technique of recycling articles through copy-pasting and tweaking further streamlines the production process.

Targeting a youthful audience, Pikiran Rakyat Media Network promotes the incubator model as an innovative means for young individuals to generate income. A case in point is a high-achieving content creator in 2021, purportedly amassing an honorarium of IDR\$160 million (USD\$10,301), equivalent to 88 times the minimum wage in West Java, by producing around 400 articles in a month, averaging 15 articles per day (Idris, 2023).

Incubator's Contribution to the Spread of Misinformation

The heavy reliance on the Google AdSense algorithm differentiates the most between the traditional newsroom model and the creator's incubator model. In a traditional newsroom, each media sets priority agendas to guide the coverage, topics to be published, and resource allocation. In this model, algorithms drive the content and information creators produce. Algorithm means clicks that an article could generate and add money from Google. This algorithm-driven journalism results in a new form of yellow journalism where verification and click-bait titles are not used.

This business model contributes to the disinformation ecosystem in Indonesia. The contribution of this model to disinformation and polarization in society once appeared in 2021, when there was a heated debate on Islam versus Pancasila. During the debates, the Facebook page of the Pikiran Rakyat Media Network stood out as the most prolific Indonesian news site on the platform, with an average of approximately 197 daily posts. However, a significant concern arises as most posts feature unverified information, relying heavily on statements from politicians and social media influencers, warranting further verification or challenge. The content of these articles often comprised opinions, assumptions, speculation, hate speech, and accusations about various sensitive topics, including Pancasila and Islam, Palestine and Israel, and the Indonesian anti-corruption body, the KPK.

One of the informants, who was working for a local partner, said she used to write about local news and other relevant events to the local communities. However, these types of news can only generate a small number of clicks. Due to the click-per-pay scheme, she no longer writes for local readers and focuses more on national events. Sometimes, she writes about sports events in Jakarta, such as soccer or badminton games. Although her media company was based away from Jakarta, her articles attracted readers from all places, making her aware of events from other places, especially big cities where most people have internet access. She also said she used to have a passion for writing foreign news and events because of her study background and English skills. She no longer writes about such issues and only writes about whatever events or issues are trending on Google. She said: "I don't need to check whether the news is relevant for the local readers, I just follow what is trending according to Google."

Conclusion: Unravelling the Dark Side of Digital Journalism in Indonesia

Scholars studying news organizations in the field of sociology have argued that the organizational structures influencing newsrooms are often driven more by the institutions' profit and efficiency objectives rather than the democratic goal of informing the public (Barnard, 2021). There is a realization among scholars that the press has subtly shifted its perception of its primary product, moving from news to gaining audience attention. This shift is attributed to the fact that the majority of news companies derive the bulk of their revenue from advertising. Consequently, the structuring of newswork has evolved to ensure that workers produce stories that are

recognizable and interesting to their target audience (Stonbely 2015; Fishman 1980; Tuchman 1978).

The proliferation of fake news and the transformative impact of the digital landscape on journalism has given rise to many challenges and ethical concerns in this new business model. This study has delved into the multifaceted repercussions of the incubator model employed by PRMN, shedding light on the darker dimensions of contemporary digital journalism practices.

The incubator model, hailed as an innovative solution to the financial struggles faced by small online media businesses in Indonesia, has inadvertently contributed to a disconcerting disinformation ecosystem. The model's heavy reliance on Google AdSense algorithms has shifted the journalistic focus from traditional newsroom practices, emphasizing speed and quantity over verification, ethical reporting, and contextual understanding. Content creators are incentivized to prioritize click-bait articles, recycle content without fact-checking, and often bypass the vital verification process. The result is a new form of yellow journalism, driven not by editorial decisions but by algorithms prioritizing sensationalism over accuracy.

The impact of the incubator model extends beyond the newsroom, seeping into the recruitment process and fostering an environment ripe for unfair acquisition practices. The recruitment of struggling online media through "gentleman agreements" during the COVID-19 pandemic underscores the vulnerability of media organizations in times of crisis. Credible news outlets can be monetized without verifying information, and the shift towards an advertising-driven business model further blurs the lines between journalistic integrity and profit-seeking motives.

However, the most alarming revelation from this study is the exploitation of content creators resembling a form of modern slavery. Without fixed salaries, allowances, or health insurance, these digital workers are driven solely by a pay-per-click income model. The practice incentivizes the rapid production of content, sacrificing journalistic principles and contributing to the unhealthy competition between creators. The blurred lines between ethical journalism and profit-driven content creation create an environment where misinformation thrives.

The implications of these findings extend beyond the confines of PRMN. The incubator model's contribution to the spread of misinformation, polarization, and the erosion of journalistic standards underscores the urgent need to reevaluate digital journalism practices in Indonesia. The disconcerting reality of content creators abandoning traditional journalistic principles in favour of algorithm-driven sensationalism calls for a collective re-examination of media ethics, accountability, and the role of digital platforms in shaping the information landscape.

The unethical practice persists, and digital platforms do not change their policies; the digital journalism landscape in Indonesia stands at a critical juncture. The innovative models meant to address financial challenges have inadvertently spawned a host of ethical concerns, undermining the foundations of journalism. As the industry grapples with the dark side of digital journalism, there is a pressing need for introspection, regulation, and a renewed commitment to ethical reporting to ensure that the dissemination of information serves the public good rather than contributing to the erosion of truth and journalistic integrity.

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