Application of Public Service Dominant Logic Through Value Cocreation in the Commercial Exchange Program

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Abstract

This study examines a regional television broadcasting media company operating in Riau, Malay. This research was conducted to evaluate the problems in the company, especially the marketing used by the Riau Television company to provide facilities that support marketing in the Niaga Niaga Program. The research method is descriptive qualitative with primary and secondary data. This study used observation, interviews, and documentation as data collection methods. This study provides the results of an evaluation of the Bursa Niaga program from Riau Televisi, which creates shared value between broadcasters and users using the Public Service Dominant Logic or PDSL theory with the concept of Value Co-Creation implemented as an effort to develop marketing media from Riau Televisi. This research is expected to encourage Riau Television to degrowth the company, especially in marketing, which creates value on the social media that Riau Televisi uses.

1. INTRODUCTION

Current developments show a shift in how we perceive and experience watching television. We, as on-demand viewers, have the freedom to choose the content we want to watch and determine the viewing time; there are limitations in terms of structure and organization of the experience. That watch may not be as accessible as we think.

Research on the experience of watching TV on-demand should be done in two important ways. First, the research should cover the various aspects and variations of the existing viewing experience. Researchers must realize that more than understanding experience is needed by just one particular point of view or lens. Second, researchers should pay attention to that research on different viewing practices, such as watching events at parties or groups is also very relevant and necessary (Turner., 2021; Luders, M., 2022).

Interactive media such as computers, tablets, and smartphones have recently become essential to children’s lives, but television remains one of the most familiar media (Okumura &; Kobayashi, 2021; Trinh et al., 2020).

The World Health Organization in March 2020 declared COVID-19 a pandemic. A nationwide lockdown was imposed to slow the spread of the virus. A critical factor in COVID-19 regulatory compliance is media use. Coronavirus-related messages were widely posted on social media during the lockdown. Studies show that about 58% of teens and 48% of adults spend more time on social media and streaming or watching TV than before the
pandemic. About 67% of young people read more news than before (Scopelliti et al., 2021; Vranken, I., 2022). Television is no longer only a medium of information but also a spirit of social movement. Television plays a role in educating and mobilizing the community and building solidarity in facing this pandemic.

Riau Television Group was established in 2001 under the company PT Riau Televisi. PT Riau Televisi is a company that provides promotional services in several forms of assistance and promotional media. This company is a subsidiary of Riau Pos Group, a newspaper company with the most readers in the Sumatra area. The microenvironment in Riau TV company, which is technology-based, moves along with technological developments, especially in the field of television. As a local television, Riau TV must also be able to master multimedia and adopt media convergence. This convergence involves broadcasting over the internet and through other IT platforms such as smartphones and websites. Riau TV access through this electronic media allows anyone to access Riau TV through their smartphone freely, whenever and wherever.

Riau Television Company has presented unique local content programs to maintain Riau Malay culture in the aspect of marketing resources. It can be seen from the tv programs shown by Riau TV in the form of various regional music shows.

RTV is a regional leader by implementing a functional defender strategy, the company always does marketing with various defenses in the face of competitors. Companies use competitive methods with differentiation strategies where companies have differentiators from other companies. This study aims to evaluate the marketing program strategy run by Riau TV media on broadcast programs owned by companies with Public Service-Dominant Logic and value cocreation.

**Literature Review**

### 1.1. Public Service Dominant Logic Theory

Public Service Dominant Logic or PSL (Public Service Logic) differs from the most common way to think about and do public management. PSLs are generally created in PSOs (public service organizations) with little or no customer assistance. This means the focus is on what’s happening within the company. According to Engen (2021), the idea of cocreation focuses on how organizations interact with their users to help, support, and enable the value-creation process. Currently, only a few PSL studies use the idea of a service ecosystem. People in the service ecosystem can work together to create value, resulting in a stable combination of resources called a value proposition that users can act upon to use value. Gronroos and Voima (2021) offer insightful micro-level concepts about the process of resource integration, which suggests that this process can be understood in It deals with three distinct areas: (1) value creation by users, (2) shared value creation in direct interaction, and (3) value facilitation by PSOs. Value creation occurs when communities combine resources and use them without the help of PSOs (Engen et al, 2021). Viewing the service ecosystem makes it easy to see how the same actor can play different roles at different times and in other parts of the world. It is different from the process of shared value creation. According to Gronroos (2021)2, users can create value without a value enabler. Users are always value creators because the user always decides value (Vargo and Lusch, 2020).

### 1.2. Value Co-Creation Concept

Co-creation occurs when different stakeholders combine their resources and trade services. Co-creation allows customers, sellers, and others to connect to create experiences. Shared value creation indicates a shift to a cocreation viewpoint, which is more customer-centric and experience-based. Shared value creation has moved beyond functional features and product goals to symbolically co-created value. This phenomenological method is used to expand the meaning of co-creation and generate ideas of value in experience to describe or value directly or indirectly experienced by service customers in their phenomenological world (Massi, 2021).
A "new locus of shared value creation" is any interaction between consumers and firms, referred to as a "new locus of shared value creation." This means that consumers no longer play a passive role as "receivers" and instead play a vital role in the value creation process. Being part of a shared value creation system can lead to trust. The actors in the system rely on and trust each other, and confidence grows as different institutional logics are recognized and added to the system (Massi, 2021).

2. METHODS

This study used a descriptive qualitative approach. Creswell, J.W (2018) explains qualitative research as research used to examine the environment, including social problems that occur in society, by making a detailed picture that will be presented and will provide all information in writing from available sources.

The research data used are primary data and secondary data obtained through data collection methods with interviews, observations, and documentation. The location of this research was conducted at PT. Riau Media Television / RTV is located in the Pekanbaru area, Riau. The time of the study was carried out from March to June. The data that has been collected will be analyzed using SWOT research to find out the weaknesses that exist in the company. Based on the flaws that have been studied, it will then be linked to theory and later can be implemented in programs run by Riau Television companies.

3. RESULTS AND DISCUSSION

PT Riau Televisi was established on May 20, 2001. Riau Televisi was born to prepare the region to face the enactment of regional autonomy in 2001. The company is a subsidiary of Riau Pos Group, the newspaper with the highest readership in Sumatra. Riau Pos Group is part of the largest newspaper network in Indonesia known as JPNN (Jawa Pos News Network).

Target market segmentation of PT. Riau Television is for the general public in the Riau area, especially in the Pekanbaru City area. There are several underlying market segments, namely demographic segmentation with an age range ranging from children to adults, geographical segmentation with broadcast coverage in Pekanbaru City, as well as several surrounding areas, and behavioral segmentation by understanding consumer needs and habits through feedback from consumers such as local governments. Targeting RTV with a defender strategy, creating impersonal working relationships, and reality to strengthen the company’s existence. RTV maintains a stable market share by focusing on its core business, which is the production of broadcast programs that focus on content. Positioning the market leader company, Rtv wants to give the impression that Rtv always wants to be at the forefront.

<table>
<thead>
<tr>
<th>Interview Questions</th>
<th>Result</th>
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<tr>
<td>What is RTV’s position in the market? Leader, challenger, or follower?</td>
<td>PT Riau Televisi is the leader in the only local television station in the Riau area and the largest in the region, located in the city of Pekanbaru, Riau.</td>
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<td>What makes a company considered a leader?</td>
<td>This company broadcasts various types of local TV programs centered in its area and has a satellite that can reach the national level.</td>
</tr>
<tr>
<td>How does the company maintain its market position?</td>
<td>The company constantly improves the quality of television and makes attractive offers for consumers.</td>
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Who are the competitors of Rtv in the market?

Riau Television is a television media that has several competitors such as TVRI and such programs as TV Streaming and several others.

Source: Mufaddhol and Iyan (2023)

Table 1. Explain Riau TV's position as a leader by implementing a defender functional strategy that helps the company face organizational challenges. RTV relies on a high level of formalization and centralization to deal with administrative problems. RTV focuses on its core business with little change because they prioritize maintaining Riau Malay culture in informative and entertainment content as local television. This is the hallmark of RTV.

RTV is a broadcasting company that offers the leading product in the form of services in the form of broadcast programs. The products issued by RTV are programs that the people of Riau can watch with nuances of entertainment, politics, culture, and others. RTV companies offer prices that vary according to the needs and desires of consumers in making advertisements. The company's pricing strategy is maximum market segmentation by adopting time-based price setters. The distribution of the company uses a direct-to-consumer distribution strategy. The promotion carried out by RTV is through television media and online media such as Website, Youtube, Instagram, and Facebook.

The promotion strategy carried out by the company is advertising promotion. This shows that RTV makes maximum efforts in offering its products and creating advertisements that attract consumers' attention. The marketing mix strategy on the aspect of people has been well implemented by RTV, as evidenced by reliable service obtained from the results of providing motivation and adequate facilities. The company has an operational system that focuses on services, including making advertisements and news by consumer wishes. This process involves consumer consultation, concept development, production, and delivery of content consumers desire. RTV has successfully implemented a marketing mix strategy in the aspect of physical evidence well by presenting an attractive appearance and maintaining indoor comfort.

Competitive strategy implemented by RTV is a differentiation strategy, which allows the company to create a strong impression on viewers. The company focuses on selling high-quality TV program products to consumers, innovating in the supply of products such as cuisine and Kampung Belacan programs, improving production quality, and ensuring the people of Riau Province enjoy watching these programs. The company also uses the latest technology, communications, and multimedia resources to stay connected with consumers. Through this strategy, RTV strives to add value and create an advantage that sets it apart from competitors, thus remaining the top choice for viewers in Riau Province.

Table 2. SWOT Analysis Results

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weakness</th>
<th>Opportunity</th>
<th>Threats</th>
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<tbody>
<tr>
<td>The company's programs are increasing due to consumer demand</td>
<td>Have dependence on consumers.</td>
<td>The price level is rising with much demand</td>
<td>Many TV stations are more in demand</td>
</tr>
<tr>
<td>The services provided are very expert and satisfying</td>
<td>Marketing carried out by companies is less known to the public</td>
<td>Social media is a place to promote programs owned</td>
<td>Continuous technological progress</td>
</tr>
<tr>
<td></td>
<td>Lack of social media users in marketing products</td>
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Source: Data Processed (2023)

Table 2. Explain how the results of the company's analysis. Sulking the weaknesses, the company needs to improve its use of social media as a marketing medium, while technology can now be used for television station marketing. RTV broadcasts Commerce Exchange
programs based on trading or buying and selling. The RTV Commercial Exchange program can often be used as a marketing medium to the public. The digital revolution rapidly changes the TV industry regarding production, distribution, and consumption (Schauerte et al., 2021).

This digital era has impacted the airing of the Bursa Niaga program, where many viewers have switched to digital platforms, so the Bursa Niaga program has decreased the number of viewers. RTV must adapt by adjusting its strategy through digital technology to meet the needs of its audience. Bursa Niaga already has social media accounts, such as Instagram, but the activity of these accounts is so rare that people need to learn about the products marketed. Exchanges can use features like Instagram reels and stories to align content according to viewers’ tastes. The use of these media can build an extensive network when managed optimally.

Co-create service offering refers to the collaborative process between service providers and customers in creating, designing, and developing better service offerings (Hsu et al., 2021). Figure 1 illustrates the application of the concept in the context of the Bursa Niaga program aired on Riau Televisi (Rtv). A good relationship between Bursa Niaga program service developers and viewers and analyzing things needed to improve public services based on value co-creation. The aim is to improve the service to suit the preferences of viewers of the Bursa Niaga program.

In recent years, the concept of Public Service-Dominant Logic (PSDL) has gained significant attention as a transformational approach in public service delivery (Baptista et al., 2020). The impact of the Bursa Niaga program on TV in the digital era can be Dominant Logic (PSDL) through value co-creation, focusing on value creation and meeting various community needs. The interaction between Bursa Niaga program service developers and viewers is one of the things that need to be considered to develop Bursa Niaga Rtv programs.

![Figure 1. Visualization of the concept of value co-creation](source: Data Processed (2023))

![Figure 2. Visualization of Public service-dominant Logic Theory](source: Data Processed (2023))
Figure 2 shows SD Logic, which explains that interactivity, integration, customization, and co-production are hallmarks of a service-centric view and an inherent focus on customers. Program developers must constantly monitor market trends, update content, and introduce innovations relevant to viewers' needs (Yessenbekova et al., 2020). SDL and value co-creation emphasize the importance of interaction and dialogue between service providers and customers. Electricity remains one of the most effective platforms for advertising, despite increasing digital media and new technological developments (Findley et al., 2020).

Rtv Commerce Exchange program that adopts SDL will create close collaboration between event providers and advertisers. Advertisers not only become the party that markets the product but also play a role in creating value through active collaboration with event providers.

The weakness of the Bursa Niaga program aired on television in today's digital era is the lack of viewers who watch the show. Proactive participation of consumers and shared experiences influence the co-creation of their experiences (Silanoi et al., 2022). Based on the value of co-create service offerings, to increase the number of commerce exchange viewers, program developers can create a more exciting and relevant experience, thereby increasing viewer interest and participation in watching commerce exchange programs by implementing this step. Given recent developments in marketing theory, namely SDL and value co-creation, the story of customer satisfaction and customer loyalty needs to be reconsidered to expand on previous approaches that were mainly company-centered (Woratschek et al., 2020). Through engagement, Rtv can better understand needs, preferences, and expectations, producing relevant and satisfying content and services.

Three significant areas emerge as prominent themes in the shared value creation literature: shared value creation in the context of customer service, shared value creation in the context of increasing brand value, and shared value creation for service marketing through the adoption of service logic (Saha et al., 2020). Rtv Commerce plays a vital role in co-value design with viewers in the context of program evaluation and improvement efforts using audience feedback. Business-to-Business and broader marketing are increasingly influenced by the digital transformation of businesses, leading to the evolution of new central marketing concepts (e.g., value proposition, shared value creation, customer experience or journey, customer centricity, etc.) (Taylor et al., 2020). Implementing business digital transformation, the Bursa Niaga Rtv program can provide participants with a more efficient, affordable, and connected trading experience.

LiveTV has lost viewers to streaming and digital video services (Kim et al., 2021). Integrating social features in the live broadcast of Rtv Bursa Niaga programs can increase viewer engagement and restore interest. Platform-based business is increasingly relevant (Matthias et al., 2021). Rtv has recently launched an app called Accolaplay, which aims to expand accessibility and user engagement through digital platforms in the context of broadcasting and television content. The internet and social media have changed consumer behavior and companies’ business. Social and digital marketing offers significant opportunities for companies through lower costs, increased brand awareness, and increased sales (Dwivedi et al., 2021). RTV's shift to Accolaplay's digital platform must be encouraged by collaborating with influencers on the availability of new media from RTV. The presence of brands on social networking sites raises the bar of competition and provides opportunities for consumers to experience products and services (Nadeem et al., 2021).

Bursa Niaga Rtv needs to establish content differentiation to differentiate itself from similar programs that exist on other tv stations. Digital platforms force companies to align their traditional business models with the new digital business environment, resulting in transformation and digital innovation (Simsek et al., 2021). Rtv Commerce Exchange can expand its audience base, increase engagement, and bring a better experience to viewers.
Service quality positively affects customer satisfaction, while customer satisfaction and perceived value positively affect customer behavioral intentions (Tuncer et al., 2021). Good service quality in the Rtv Bursa Niaga program can create a satisfying viewer experience. Rtv can accommodate viewers' cultural preferences and present exciting and meaningful content to viewers from various cultural backgrounds. Understanding the effects of suitable or unsuitable thinking experiences on audiences of different ethnicities and cultural backgrounds (Koo et al., 2020). The diverse cultural backgrounds of Rtv Commerce Exchange viewers can influence how they make financial decisions. Rtv Commerce Exchanges need to understand and respect cultural differences and the needs of their audiences. Content-product matches influence utilitarian and hedonic motivations for content (Park and Lin et al., 2020). Source trustworthiness, hedonic attitude, and product fit self-enhance purchase intent. In the context of the Rtv Commercial Exchange program, an ideal self-image can influence viewers' purchase intentions by creating the perception that the program is relevant to their desired identity and values.

Part of service marketing, where product, price, place, promotion, people, process, and physical evidence are essential, is also known as the 7P concept in marketing concept (Jain and Jain et al., 2022). The Bursa Niaga program can provide special offer packages, expand promotional channels through social media, and provide programs through mobile applications. Quality of service, emotional and spiritual marketing positively affect customer satisfaction (Hindarsah et al., 2021). Dynamic marketing can help create engagement and emotional bonding between viewers and programs. Spiritual marketing can deliver inspiring content and a deeper understanding of the importance of choosing products or services that align with their values.

Today, customers only demand customized and personalized (or targeted) products and services on time and with the correct information (Gyenge et al., 2021). The Accolaplay app allows Rtv Commerce Exchange programs to meet viewers' demands for customized and personalized products and services on time. Market terms and conditions related to future sales strategies, market share, and profitability are essential for developing innovative strategies for business organizations (Malichaet al., 2022). Rtv has made efforts to innovate and adapt to the development of the digital era. This effort can be seen from the availability of Rtv broadcasts on the Accolaplay application.

E-marketing companies can use AI (Artificial Intelligence) techniques in situation analysis, analyzing competitor strategies, and strategic goals, preparing marketing strategies, preparing marketing budget estimates, and controlling marketing plans (Fayed et al., 2021). Rtv, through AI, can make smarter decisions, improve performance, and design more effective marketing strategies to gain a competitive advantage in the broadcast industry. The Rtv Commercial Exchange program can analyze historical data and market trends to predict performance. Today, companies need to implement new business models and B2B marketer paradigms, learn from the mistakes of other companies, and get inspired by new ways and innovative ideas (Vaníčková & Szczepańska-Woszczyxa et al., 2020). The Rtv Bursa Niaga program can increase its success by avoiding mistakes made by similar tv programs and generating innovative ideas that meet customer needs. This will help Bursa Niaga Rtv in building a solid image.

Digitalization destroys old business models and creates space for new models, new ecosystems to emerge (Magalhães et al., 2020). Canvas Marketing Plan is a design thinking tool to help companies build marketing plans that allow them to make better decisions. The Rtv Bursa Niaga program can use the canvas marketing plan method in marketing strategies. The Bursa Niaga Rtv program can identify the most suitable customer segments for the Bursa Niaga Rtv program. Integrating technology with marketing is essential to reach and engage with internet-savvy customers at their choice and convenience (Gupta et al., 2020). Highlighting the difference between the Rtv Bursa Niaga program and similar programs on other stations is one of the effective digital marketing tactics. Rtv Commerce Exchange needs to adopt effective digital marketing tactics. Facebook, Twitter, Blogs, and
social media are platforms exploited by companies to convey information and increase customer engagement (Sundaram et al., 2020).

Rtv Commerce Exchange programs can increase brand exposure and reach a wider audience by purchasing ads on platforms such as Google Ads, Facebook Ads, or other ad platforms. Consumers are often exposed to negative information about brands through word of mouth, news, reviews, and social media (Han et al., 2020). Positive buzz can help increase Rtv brand awareness and Rtv commerce exchange programs.

Marketing ethics is a systematic study that focuses on moral values applied to the company; this can be in the form of decisions, activities, and sales, which can satisfy and retain customers (Kushwaha et al., 2020). Bursa Niaga Rtv needs to commit to being transparent in promoting the goods or services they review when the Bursa Niaga program is aired. As competition is fierce today, competing businesses continue to provide superior service quality, and a perceived brand image is excellent for gaining customer satisfaction and loyalty (Dam and Dam et al., 2021). Rtv Commerce Exchange must maintain a satisfactory user experience through all channels, including broadcasting platforms, websites, applications, and customer service.

Customer loyalty affects consumer purchase intentions, where consumers will visit again if the company can provide a sense of security to consumers (Gemilang and Marsasi, 2023). Rtv Commerce Exchange programs can display content influencing viewers’ purchase intentions by creating exciting content and providing entertainment and fun according to viewers’ needs. Hedonic habits are often closely related to the use of luxury brands. Luxury brands are also often desirable for those with hedonic tendencies who want an experience filled with sensory satisfaction, aesthetics, and status. It is imperative to develop specific marketing strategies to promote luxury brands, influencing consumer purchase intent (Marsasi and Yuanita et al., 2023).

The Rtv Bursa Niaga program can be the right platform to promote these luxury brands because it targets an audience interested in goods products. The Rtv Bursa Niaga program focuses on customer satisfaction and how it differs from other platforms. It is necessary to evaluate the effectiveness of this program in achieving the set goals. Steps for improvement and innovation can be taken to improve service quality and customer satisfaction and maintain the competitiveness of the Rtv commercial exchange program in the era of the everchanging digital revolution of the TV industry.

**Table 3. Implementation of the Bursa Niaga marketing program**

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Steps</th>
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<tbody>
<tr>
<td>Purpose</td>
<td>The long-term goal is to improve and introduce products as goods or services to the broader community by using social media as a container. RTV’s short-term goal is to create targeted positioning and strong brand association through a process or effort in marketing strategy by placing products or services in the minds of consumers by making it easy to access the Bursa Niaga program.</td>
</tr>
<tr>
<td>Period</td>
<td>15 years</td>
</tr>
<tr>
<td>Activities</td>
<td>1. Utilizing social media as a marketing strategy or creating stories and making interesting videos to steal the attention of viewers in all circles, by being more active in social media, the audience will know and remember more to create awareness that the products and programs on Rtv are inspiring and exciting to see. 2. The Instagram admin can upload the video results on Instagram as a form of marketing for the Bursa Niaga program. Instagram Rtv can make other social media widely used by the wider community. The marketing media in question include TikTok, Facebook, and other applications</td>
</tr>
<tr>
<td>Target</td>
<td>All communities in the Riau area</td>
</tr>
<tr>
<td>Output</td>
<td>Local people have become confident and can subscribe to the program because they remember Rtv as the only television company in the Riau area.</td>
</tr>
</tbody>
</table>

Source: Data Processed (2023)
Through market research and customer surveys, Bursa Niaga Rtv can identify areas that need improvement and reinforce positive branding elements. Optimizing the Accolaplay application as the leading platform to watch Rtv shows, especially on the Rtv Bursa Niaga program, is one of the steps that can and can be done by the Rtv Bursa Niaga Rtv. The Accolaplay application must be designed to provide easy access to Rtv Bursa Niaga TV programs. The intuitive interface, simple navigation, and efficient search features will help users quickly find the Bursa Niaga program.

Table 3 explains the marketing programs of the Bursa Niaga. The program has two goals, namely short-term and long-term. Long Term is meant by the company's efforts in maintaining and establishing relationships with consumers, increasing sales of products or services by utilizing social media. The shortterm goal is that a product is still in the development stage or is temporary, making it easier for consumers to access the program. The program has a period of 15 years. The activities carried out are by utilizing existing social media to increase the sales index of marketed products. The target market for its products or services is the local community (Riau). The output generated from the marketing of the Bursa Niaga program is that local people trust and can subscribe to use the program, considering that Rtv is the only television company in the Riau area.

4. CONCLUSION

This study evaluates programs with the application of Public Service-Dominant Logic and value co-creation which are proposed for programs owned by Riau TV companies. Applying the PSDL concept and value co-creation can overcome the impact of the Bursa Niaga program in the digital era. The PSDL concept emphasizes a shift from a transactional mindset to a more holistic perspective, focusing on value creation and meeting the diverse needs of society. This program can continue to grow and meet the needs and expectations of viewers in watching the program "Bursa Niaga" on RTV with the application of the PSDL approach and active collaboration with viewers.

Advice for companies is the need to implement PSDL through social media utilization activities such as; (1) Making interesting posts to steal the attention of the audience so they want to know more about the company, (2) Companies are more active in social media to develop their social media such as Instagram, Facebook, YouTube, and other platforms that are relevant to exciting content. Apart from that, someone who works as a media admin needs to be more active to increase the effectiveness of the media in introducing products to viewers.

5. REFERENCES


