

INNOVATIVE APPROACHES IN SHAPING THE SPORTS INDUSTRY ECOSYSTEM: A CASE STUDY OF THE FOOTBALL LEAGUE IN INDONESIA

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Abstract

The Indonesian football ecosystem is undergoing a major transformation in today's computer and internet era. Various aspects of football are affected by these changes, including the way clubs relate to fans and the use of digital technology. The football industry is no longer limited to the production of raw materials such as jerseys and footballs, but also produces ancillary products aimed at improving the health of athletes and clubs. To comply with FIFA and PSSI laws, it is crucial to understand issues such as fan fanaticism, sponsorship involvement and efforts to prevent referee cheating. This study aims to answer and identify the best model for the Indonesian football industry ecosystem, as well as identify stakeholders involved in it. The research method used is qualitative by conducting interviews in group discussion forums, observations, and literature studies based on previous research. The results show the important role of supporters in supporting their favourite clubs and providing income for those clubs. In addition, digital media is also widely used to build the club's image and attract the interest of the audience. Video streaming also has a big impact on the enthusiasm of viewers in the Indonesian football ecosystem. In addition, this study provides insight into how a club can provide welfare for the athletes it shelters. This research provides valuable insights into changes in the Indonesian football ecosystem in the digital age, and provides a deeper understanding of the dynamics of the football industry and its relation to club revenue, digital media utilization, and athlete welfare. The implications of this research can help Indonesian football clubs to optimize the potential of the football industry ecosystem in today's digital era.
Keywords : *Ecosystem, Football industry, Supporters, Image, FGD, Streaming*

Introduction

The emergence of various developments and innovations in the world of communication causes information to spread widely easily. One of the innovations that dominate communication today is the internet, with the internet everyone can access information anytime and anywhere (Vinka & Michele, 2021). The survey results of the Indonesian Internet Service Providers Association (APJII) for the 2019-second quarter of 2020 noted that the number of internet users in Indonesia reached 196.7 million people. In 2021, the number of people connected to the internet is 210,026,769 people out of a total population of 272,682,600 Indonesians. This number increased by 13.3 million or 8.9% compared to 2019.

Sport is one of a person's physical and psychological activities that is useful for maintaining and improving the quality of one's health after exercise. Because the impact of sport is actually more than the sport itself. Sport has a broad dimension because in sports there are *intangible values*. *The intangible value* of sports is not enough to be measured through the lens of economic well-being (business oriented) and achievement (*achievement oriented*), but more than all that In 2016 the number of sports enthusiasts was still considered very small (Armanda & Rizki, n.d.). According to (Data, 2016), the number of sports participation in Indonesia is still very low. Data from the Central Statistics Agency shows that in 2015, the number of regular exercisers had not reached one-third of the total population, only 27.61 percent of the Indonesian population did exercise at least once a week. This means that out of

100 Indonesians aged 10 years and over, only about 28 people actively participate in sports activities, while 72 other people do not regularly exercise.

Football is one of the most interesting sports in the world (Gema et al., 2016). (Mathisen & Pettersen, 2018) stated "soccer is one of the most popular among youth worldwide, with an increasing number of young female players" meaning *soccer is one of the most popular sports among the younger generation worldwide, with an increasing number of young people and female players*. The sports industry that has provided or nurtured the lives of millions of people around the world has its own magnet for or for fans and connoisseurs. In 2022, the Political Indicator Survey shows that playing football or Futsal is the most popular sport by the Indonesian people (Monavia Ayu Rizaty, 2022).

Along with the development of sports interest, the development of the sports industry is also considered to have a significant influence. Based on the National Sports System Law which signals that the sports industry can be in the form of infrastructure and facilities that are produced, traded, and/or rented to the community. The sports industry can take the form of sales services for sports activities as the main product that is packaged professionally, such as; national and international championships of regional, regional, national, and international sports weeks; promotions, exhibitions and sports festivals; or agency, information services, and sports consultation (National Sports System Law of 2005, article 79 paragraph 2) (Pujiratno, 2019). Sports industry which is a product of goods such as balls, shoes, clothing, etc. In addition, sports industry products can also be in the form of services, such as sports event organizer services, sports therapists, coaches, referees, etc. The results of the sports industry in the form of goods and services will always have a relationship in the implementation of a sports activity from the scope of existing sports, namely education, achievement, and recreation sports (Dharmika Nugraha, 2018)

Football is actually a tool of unifying the nation considering that the majority of the Indonesian population around 70% really love football (Indrawan & Aji, 2019), which can also treat unfortunate situations to be very conducive through football. Football can also bring joy and happiness to people in cities and villages, temporarily forgetting the hardships of life. Meanwhile, football is a promising business. And as an entertainment industry, football is a multi-segment business that, despite its differences, is very popular throughout the world's population. Differences in age, gender, social status, not to mention religious beliefs. Football is sportsmanship and honesty despite trying to target the world's top football business market, slowly our residents have fallen in love with the euphoria of our local football ecosystem. Our football is indeed moving to develop the business in support of all stakeholders and components in it. In the midst of the country's booming football industry, a problem that makes a wedge is the lack of humanism in this sports business.

The presence of athletes is one of the roles that is quite high, a club cannot become a big club without the presence of athletes in it. The presence of these athletes needs to be supported by their welfare and health either when they join or their time has ended as an athlete. The number of athletes' problems still needs to be found the root of the problem and the solution. PSSI, clubs, and the government need to synergize to provide welfare to athletes.

In these various problems, current research explores the much-needed role of society. As connoisseurs of football, people really need a direct game presentation. The meaning of the word direct is not only the game inside the stadium, but can be enjoyed directly through television shows. These live matches can also be utilized by the sports industry that is connected to the internet. *Stream* live match events, can be enjoyed by football lovers, even in busy circumstances in the office. The *streaming* video is part of the sports industry that is in demand by many people. The live streaming and chat video application itself is an application on smartphones that provides video sharing services and is broadcast live and viewers who see can interact directly through the chat services provided (Setyawan & Marzuki, 2018). Based

on *The Mobile Internet Phenomena Report* published by internet traffic monitoring company Sandvine, video streaming-based applications are the most widely used type of application in the world based on *downstream* traffic.

Methods

This research is a descriptive qualitative research. Researchers use, among others, literature research methods and *Forum Group Discussion*. Data from this study comes from secondary sources such as books, e-books, journals, reviews, papers and views from newspapers in Indonesia. Recorded through the internet and website sources and other documents that can be a source of information or reports and data that can be analyzed through this research. In addition to literature data, researchers also use in-depth interview methods in finding answers to existing research questions. Researchers also use documentation methods, namely studying existing photos and videos to add the data needed. The results of the study and analysis of photos and videos may provide answers to research questions,

The documents collected are purely descriptive or narrative and are not intended to seek, test hypotheses or assume, make views or predictions, or investigate their impact (Azwar, 2016). This means that the documents collected are not only in the form of numbers, but deepened through interviews, observations, FGDs, and documentation.

This research, as the subject of research is a researcher who acts as a tool and research subject. Researchers have a role to collect and process data which then the data collected is made a report. This is done by researchers so that the acquisition of data and information is more valid or the validity of data and information collection is more accurate.

Furthermore, researchers found several names to conduct interviews with various backgrounds such as:

1. Zainudin Amali is a former Minister of Youth and Sports who is also the Waketum PSSI, as for the things that researchers want to know to him is what are the government policies related to the *sport* industry program, the author will observe whether the government understands its role and function in running the *sports industry* en masse throughout Indonesia.
2. Budi Ariyanto Muslim is an employee at the Ministry of Youth and Sports who is also heavily involved in the implementation of the Deputy IV policy for Sports Achievement Improvement, while researchers want to know the extent to which the Ministry of Youth and Sports in its strategic program favors efforts to develop sports achievements through the concept of *sport industry*.
3. Herman Chaniago (ago) is a staff at KONI Center as well as a practitioner in various sports events, researchers got information related to how to make an event that can have selling value and how to invite sponsors to participate in the event.
4. Mohammad Iriawan, former Chairman of PSSI, made policies related to PT. LIB as the operator of Liga 1 BRI in the form of broadcasting and sponsorship cooperation.
5. Hasani Abdul Gani is a sports industry practitioner, author of Sports Marketing books who is also a former PSSI exco and director at Mahaka Sport whose business field is engaged in organizing event organizers, especially sports events,
6. Prof. Dr. Joni Siahaan is a lecturer at the Faculty of Sports, Cendrawasih University who is also involved in the National Sports Standardization and Accreditation Agency, while
7. Didot Mpu Diantoro is an outdoor *digital* media cooperation practitioner who is also an observer of sports social media and has been involved in various national and international sports committee events.

Finding and Discussion

Technology Systems and Digitalization

The football league also tries to build its image in various ways including Liga 1 Indonesia as an Indonesian football match competition. Building a brand image in the future will be important for the brand itself because it will build brand loyalty. Over time, building a brand image is not only done by ordinary means. The use of social media can also be used to build brand image. It is also done by many football leagues in the world including Liga 1 Indonesia. Building a brand image through social media can be useful to attract football fans to be more loyal to follow the Indonesian football league. The more fans or fans, the easier it is for Liga 1 Indonesia to expand the brand. Therefore, this study was conducted to examine the influence of Liga 1 Indonesia's brand image on social media on football fans' brand loyalty.

There are many benefits of branding using internet-based social media. Because the internet is many to many, the message conveyed will quickly spread globally so that messages and information can quickly reach their fans. Currently the number of internet users in Indonesia is 71.19 million people. Indeed, on the one hand, Indonesian people are not internet minded, which is characterized by low internet penetration in Indonesia so that it takes longer for someone to become popular than people abroad, but for football clubs in Indonesia, new media still has the potential to form branding. Because the name of the football club already has a name through news in the mass media. What still needs to be done is to bring the club closer to its fan base.

The many advantages offered in the use of social media as a branding event for football clubs, also cannot be separated from several important keys that must still be considered. Because social media is included as a tool to communicate with fans or supporters, the communication side must always be contained in it. In this case, the variable needed is the content of the message or message to be conveyed to the audience must be in accordance with the target to be achieved. Another thing that is also variable is the communicative side or the creation of two-way communication with fans. There are times when a football club is too hasty and fast in conveying messages through social media without paying attention to certain methods. Sometimes it's just a matter of message quantity that is considered without looking at the quality or content of the message. Branding delivered through messages on social media hams in accordance with the wishes and target audience. Like Twitter, Path, and Facebook, the message delivered by Hares has a language that is in harmony with each target audience. Because social media users are still large in the number of teenage users, the language used is the daily language of young people, or it can be said to be slang.

Financial and Investment System

The football club business that is currently developing demands good management by club management. Precise and clear rules must be made so that the objectives of the club and the interests of investors can be met. Clear accounting guidelines in making club financial statements are one of the most important things. Financial statements that are in accordance with applicable accounting standards can make it easier for internal and external users of the club to make financial policies and monitor the sustainability of the club.

Bowles & Gintis (1975) stated that it is not appropriate for football players in human form to be recognized as company assets. In humans are attached feelings, skills, and knowledge while these cannot be owned by companies because basically what manages a company is human capital. Thus, defining players as corporate assets is a form of capitalism (neoclassical economist). If assets are generally capitalized and depreciated, then intangible assets must also be capitalized at their historical value and then amortized on their economic benefits. The

historical value is the agreed contract value which is later capitalized and then amortized. The value of a professional athlete can be measured by the value of his contract, but this value will only be recognized after the contract has been signed, so the value does not describe exactly the economic benefits that will be obtained from the purchase of the athlete.

Accounting treatment for football players is currently still a debate among academics and researchers, especially in terms of measuring and recognizing players. In this case, based on SFAC (Statements of Financial Accounting Concepts) No.5 that measurement is part of the recognition component. To be able to recognize an item in the financial statements, the post must first be measured reliably, so a theoretical study is needed to find out how a football club makes accounting recognition of contracts made to its football players and can be reported through financial statements and applied by referring to accounting theories and statements of financial accounting standards regarding contracts on human resources (human resource accounting).

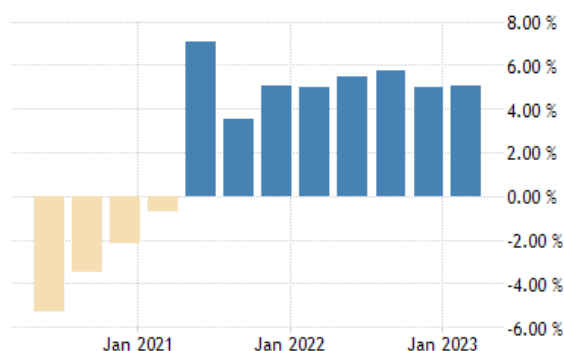
In accounting, rights are considered intangible assets. Football players are contracted for a certain period of time. The benefits enjoyed by the club are limited to the term of the contract. Thus, football players have a limited useful life. Intangible assets include player transfer rights and costs incurred to acquire those rights. These rights are measured at the cost of acquisition and are amortized by the straight-line method over the term of each player's contract. Assets are initially recognized on the date the acquisition contract comes into force.

Sponsorship as financial support

Sponsorship can differentiate and increase the value of a brand. Some guidelines are used by companies in selecting sponsorships another target audiences, sponsorships can be extended to strengthen brand image, brand engagement, cost effective, and other sponsorship involvement.

The role of marketing media has become very important for sponsorship companies, including football sponsors. Through football as a marketing medium, sales (sponsoring companies) and buyers (spectators and viewers) will easily communicate and interact. Football is one of the effective marketing media in the eyes of many companies, especially for the purpose of *corporate branding* and increasing product sales. Football even outperforms music concerts and movies as a promotional and marketing medium.

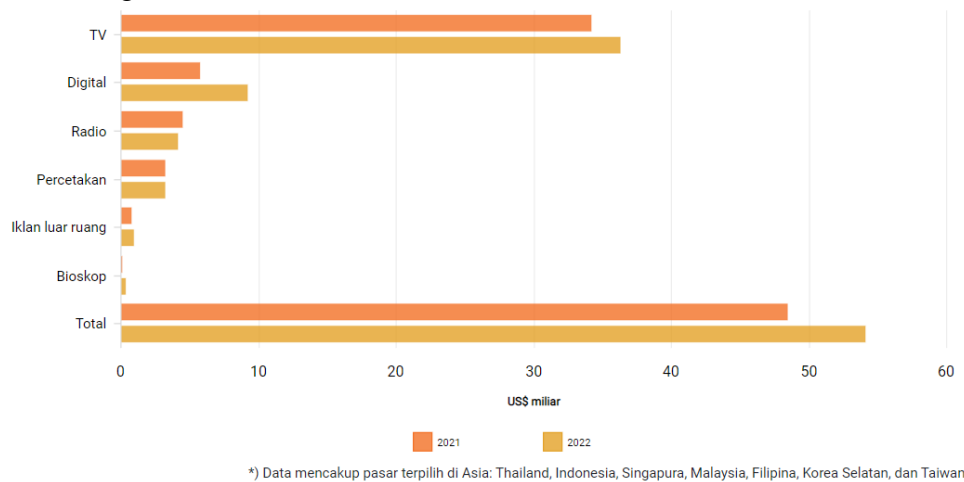
Indonesia's population growth of 265 million people is a big market. Business opportunities to manage football events are one choice of business opportunities that are *prima donna*. Not only about the population, but also people's interest in sports is quite high, it can even be said to be very high. Moreover, Indonesia's economic growth is also very high and stable amid global economic sluggishness and uncertainty. High and stable economic growth will have a positive impact on the football industry ecosystem in Indonesia



Source : <https://tradingeconomics.com/indonesia/gdp-growth-annual>

Figure 1 Indonesia GDP Annual Growth Rate

Football belongs to the *showbiz* group. From the calculation, it was revealed that the potential market value of the football world is Rp. 23.76 trillion per year or around Rp. 457 billion per week (Abdulgani, 2019). This market value is the target of football business people. Based on the following data:



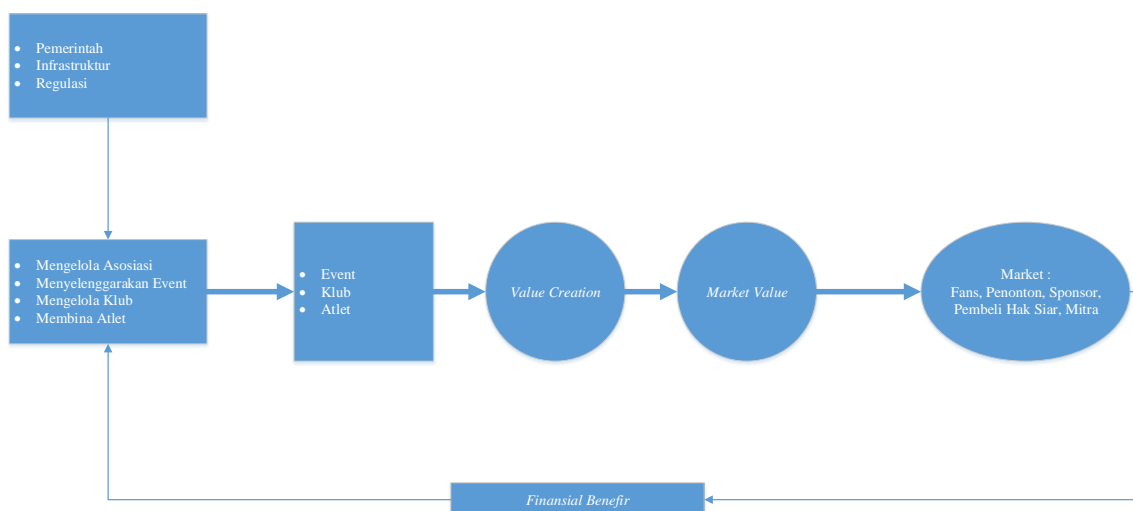
Source : (Cindy Mutia Annur, 2023)

Figure 2 Ad Spend in Asia by Segment (2021-2022)

The data above shows that the portion of advertising spending in 2023 is still dominated by TV media at almost \$ 40.

Advertising potential data can improve football as a promotional medium. With the growth of GDP and the interest of television by the public, it can be used as part of *the marketing value* of athletes, clubs, and even governments.

The main key to reaching the football market in Indonesia is a paradigm shift. There needs to be a new paradigm in developing football into an industry. In this case there needs to be a change in the mindset of all parties to view football as an industry, developing market-oriented football.



Source : (Abdulgani, 2019)

Figure 3 New Paradigm: Market Orientation

Application of the Triasthlet Concept

Triasthlet (*Three Eyes Of Athlete Welfare*) is a policy to improve the welfare of athletes in an effort to protect the law, fulfill athletes' rights and resolve disputes, which we call *Three Eyes* which is specifically for football athletes starting during the Covid19 pandemic. This is necessary because during this pandemic, football activities in Indonesia were stopped, but legal protection and fulfillment of rights have not been guaranteed. The TRIASTHLET concept seeks to achieve that.

This is evidenced by the signed employment contract. So among athletes or club management must continue to fulfill rights and obligations in accordance with the agreement made. Then related to recognition in this case refers to the athlete's profession itself. Article 1 paragraph 3 of Law Number 13 of 2003 concerning Manpower explains that everyone who works by asking for wages or other forms of compensation is a definition of a worker. It can be said that football athletes are workers in accordance with the Manpower Law. But in this case it is not enough recognition of athletes as workers. Because basically the definition of athletes is stated in Law Number 3 of 2005 concerning the National Sports System (SKN).

Later, Triasthlet contributed to the settlement of disputes between football athletes in Indonesia. In this case, the Triasthlet concept seeks to prioritize the welfare that must be obtained by a soccer athlete in Indonesia. Dispute resolution by a soccer athlete is needed because it is undeniable that there are many cases related to this. Because the soccer athlete demands the fulfillment of his rights as an athlete. The concept of Triasthlet in dispute resolution has three aspects, namely the settlement of the dispute which can be seen in the contract agreement, then basically PSSI also provides facilities in this case in the form of arbitration and dispute resolution according to Law Number 3 of 2005 concerning the National Sports System.

The various agencies are coordinated in the Triasthlet concept. Each institution has different duties and authorities in its implementation. The institution is certainly focused on three components, namely Protection, Fulfillment and Dispute Resolution. The following is an explanation of the role of each institution in the Triasthlet concept

Conclusion

The state has the obligation to promote public welfare (*promoting public welfare*) and maximize social welfare (*To Maximize social Welfare*) to realize this task the state will not be able to work alone but must cooperate with various existing components moving dynamically through a model of relationships between stackholder actors, namely cooperative relationships between actors that are interrelated and support each other, there is no superiority In each institution and institution related and actually needs each other such as football, in particular, it has given birth to Presidential Instruction Number 3 of 2019 concerning the Acceleration of National Football Development involving fifteen Ministries and Institutions so that this Presidential Instruction should be able to make our football achievements run very fast but in reality it still does not show results, this is interpreted that there is no synchronization and synergy between stackholders and actors. PSSI as the *Center of gravity* must be able to act as an implementer and organizer of the development, coaching, progress of national football. The Indonesian Football Association (PSSI) which is an official body that is fully sovereign and sovereign over the running of football organizations in Indonesia. PSSI is the only football organization that makes Indonesia a member of FIFA, which will legitimize competitions held in all member countries including FIFA will provide assistance and support for football coaching in all member countries and AFC is a regional football organization in the Asian region which is an extension of FIFA to supervise organizations based on regions (continents). While in games such as football, volleyball, basketball and others a Club is an important

component in carrying out integrated and sustainable sports management, the club is also a business unit that generates profits (profits) to turn on the wheels of competition run by the federation and also a club is a sports business entity that supports the sports players in it which includes players, coaches, officials, management, support staff, Club owners and shareholders. In addition, no less important is the existence of sponsors who support a club through a pattern of mutually beneficial cooperation where sponsors usually use the club as a promotion for the products produced by looking at the number of supporters or supporters of the club who are fanatical and love the club very much. Furthermore, an aspect that is no less important is the presence of supporters both acting as a roar and community groups that support and have special attention to the club, the presence of supporters and the number of spectators in the stadium will be a benchmark of support from sponsors and league organizers (EO), supporters are also the twelfth player for players on the field and become an important component in the sports industry ecosystem to increase the coffers of wealth A club, when the stadium seats can be filled to the brim because of watching their favorite team compete.

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