### ONLINE NEWSPAPER IN MALAYSIA: A Preliminary Study

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### ABSTRACT

With the emergence and advances of the Internet technology, the traditional media such as newspapers have to reassess their role in the Internet age. Not only newspapers have to compete with each other locally, but also with foreign newspapers from all over the world and other information providers choosing to deliver news on their websites. This paper presents the findings of an initial study on the changing trends of newspaper distribution in Malaysia. It examines the trends and outlook of selected traditional and online newspapers using data from various secondary resources from the years 2001-2007. The study also looked at some of the possible challenges facing online newspaper by conducting an interview with the Editor, Online Services from Utusan Melayu (M) Bhd. From the study, it was found that the availability of online newspaper does not affect the readership of print newspaper although there is a declining trend. What can be concluded is that online newspaper does not substitute the role of print newspaper. In fact newspaper companies that have their news on the Internet are seen as providing an added value to their readers especially when it comes to accessing news away from work places. Nevertheless, newspaper companies that provide online versions of their newspapers face several challenges in attracting more readers to stay reading news online.

*Key words*: Online newspaper, newspaper readership, media distribution, Internet, online newspaper challenges.

#### INTRODUCTION

The Internet is rapidly evolving into a universal conduit that is overturning the media status quo. Traditional media such as newspapers and magazines have to reassess their role for the Internet. Newspapers are no longer just competing with each other. They are in an entirely new arena, where the old boundaries of publishing have changed beyond all recognition. Newspapers not only have to compete with other papers in their locality or country, but with newspapers from all over the globe. The newspaper industry is bewildered by the speed and scale of the changes that it faces. In the light of these developments newspapers will have to reshape their core business, to take advantage of new distribution opportunities. Indeed, newspaper proprietors who fail to recognize the power of the Internet face a very uncertain future. Nonetheless, the requirement of making

latest information available for access has undeniably put intense pressure for newspaper to have Internet presence. In many ways, new electronic communication technologies have brought about unprecedented changes to the newspaper industry. Computerized tools such as word processing, computerized typesetting, production technologies and desktop publishing have brought about higher efficiency in the newsroom and changed the roles of newspaper editors and designers (Fillmore, 1994).

In addition to improving the quality, the entrance of computers has helped lessen the problems of lack of space for news, high production costs and low profits, although the basics of good journalism which is good writing skills, still apply whether or not new technologies are employed. Since content is king, online product cannot be a print replica. To make the electronic edition different and interesting, some value-added services such as sidebars, extensive background pieces not in the print newspaper, photographs, graphics, sound, video, archival links, links to other resources or other online papers, and interactivity found in e-mail and e-conference were suggested to be made available on the Web newspaper (Erlindson, 1995)

### RELATIONSHIP BETWEEN THE PRINT AND ONLINE NEWSPAPER

Steve Outing of Editor& Publisher thinks that electronic newspapers are supplemental services, with little in common to print newspapers and they would not replace the print (Erlindson, 1995). Many people regard it as a cultural document that provides a real, tangible link to history and "an aesthetic experience of time" while the computer is more of a device to help people find things (Anthony, 1996). The newspaper is portable and easier to read, but the online connection process can be tedious and often produces encounters of e-error messages and slow loading (The Economist, 1996). Many people still prefer the feel and touch of the tangible and portable newspapers delivered to their doorstep every day.

While the videotext industry failed due to the lack of audience in the 1980s, the growth of the Internet since then, especially the development of WWW in the 1990s, gave new impetus to online publishing (Erlindson, 1995). The interactivity, immediacy and limitless space provided by the Internet have rendered the Internet an ideal medium for online publishing. In addition, the low starting cost, ease of transmission across geographical boundaries and capability of incorporating multimedia elements are also attractive to the publishers. Major contentions about Internet publishing include given the short concentration span of Internet users, concise text captures more attention, forums create an environment where people entertain people, making the media a sideshow, feelings expressed in the forum cannot be matched by journalistic interpretation and writing skills, the online community is just a fad and lacks responsibility and the Internet contains an untapped generation of non-readers who will try everything, only once, which makes sourcing them out not worth the effort.

The newspaper industry has long been facing several challenges to its role. Newspaper circulation has been in decline for several years. For example in Britain, according to The Economist, the circulation has been falling for the last 35 years (Black, 2000). Newspaper editors are particularly concerned about the demographics of newspaper reading. The young are reading much less than those in middle age. This has serious implications, as newspaper reading is thought to be a habit acquired at an early age. The increase in other mediums such as television, computer games and the Internet has meant that the newspaper is competing in a completely new arena. As such, many news providers have already taken steps to enhance or add value to their printed product by exploiting the potential of the Internet. The technology allows for enhanced and improved information provision not possible in a printed, or, indeed, passive broadcast medium. Williams and Nicholas (1999) had suggested that Web newspaper offers the potential for comparatively unlimited space availability – permitting greater depth/coverage of news stories, the provision of large archives and the mounting of added value reference services, currency/immediacy, hyperlinking, multimedia, customization and interactivity.

Although the Internet can help online publishers save the cost of printing and delivering the hardcopy newspaper, online newspapers have yet to generate sizeable revenues by charging their readers. Will subscription charges work on the Internet, given its culture of free information? The filtering of worthwhile information is an important function to be fulfilled by the newspaper. In other words, the basics of journalism have to be present in both the print and electronic versions (Runett, 2000).

Newspapers boast of their editorial content and community traditions, but few are expanding their content offerings or using the tools of the Internet to cultivate communities of online interest (Runett, 2000). News alone is not going to propel the newspaper community into the star ranks of Internet companies in terms of readership or revenue. Internet observers are agreed that simply posting the printed version of the newspaper on the website is a mistake. Online users are promiscuous. If one story is missed or there is a slow download, users can quickly drop a once favored website. The Internet has infused an attitude that everything should be available 'here and now'. Newspapers and the future despite the uncertainty and predictions of the death of newspapers, there is considerable opinion that newspapers are in a prime position to succeed online if they recognize the Internet's potential and follow various strategies. In this era of overwhelming cascades of information and entertainment from a proliferation of websites, newspapers have a wealth of experience in aggregating information.

### ONLINE NEWSPAPER READERSHIP

A number of earlier studies have been carried out among online newspaper readers in other parts of the world. Figures produced by ZDNet showing a decline traditional newspaper and news weekly consumption attributable to the Internet (William & Nicholas, 1999). Another part of the study reveals conflicting evidence that using the web for news or current affairs information is not listed in the top 12 uses cited by respondents. In fact, the only 'news' like activities listed are finding sports scores, cited 31% of respondents, and 'local information' – although this may well be o a general nature such as addresses of organizations, library opening times etc. Even among news reading web users, priorities were not with hard or breaking news (William & Nicholas, 1999).

Another survey conducted by the Pew Research Center, found that the most popular type of news on the Net was the weather, with 64% of readers accessing such information. Neither finding is likely to offer much solace to investors in web newspapers (William & Nicholas, 1999). Audit Bureau of Circulation (ABC), the established audit company which monitors hardcopy sales, set up an electronic arm in 1996. It regularly gives figures of over seven million 'page impressions' for papers such as The Electronic Telegraph and four million for The Times. It also assesses actual user numbers for a minority of organizations, with ITN attracting he highest figure of these with 153,000 users per month in 1998. Papers make their own claims too. The Electronic Telegraph calculates that more than 60,000 people every day log on to its site from 200 countries around the world (William & Nicholas, 1999).

One early investigation found that Internet newspapers were preferred by readers for world information and traditional newspapers were preferred for local news (Mueller & Kamerer, 1995). Elsewhere though, readers' perceptions of the central qualities of online and hard copy news have exhibited remarkable similarity terms of their overall structure., Thus, the news value attached to a story was grounded in its perceived credibility impartiality and objectivity), how much it was liked, its "quality" (accuracy, clarity, comprehensiveness), and its representativeness (importance, relevance, timeliness), whether it was read online or in hard cop (Sundar, 1999).

Survey of online newspaper by William & Nicholas (1999) clearly shows the seriousness with which news providers are taking the new medium and the efforts being made to attract the online new reader. The New York Times' educational supplement and 'Euronet' for example, initiative in The Electronic Telegraph, the amount of information included on the web version of the papers is impressive. Unlike the US, in UK according to William & Nicholas (1999), the Net is still regarded as a passive medium, another outlet for news providers to tout their wares. Many papers, including The Times and The Independent, are even reluctant to exploit that most fundamental aspect of web technology.

The presentation format of news content on the Internet is another vital feature linked to reader opinion. Appearance and ease of navigation around a Web site are essential attributes for success in e-commerce (Rosen 2000). Such features are likely to generate favorable responses from readers of online newspapers (Schierhorn et al., 1998).

Readers were found in one American study to exhibit mixed reactions to story summaries in electronic newspapers that also provided access links to more detailed information in each case, but required readers activity to seek out those resources There was a need for story summaries to be long enough to serve as effective appetizers, such that readers would want to learn more, and not to be so long that readers would have no incentive to activate links to archives (Vargo et al., 1998).

In a study of media consumption in the USA, a market increase was observed in the proportion of adults who went online at least once a week between 1995 (4%) and 1998 (20%). Men (25%) were more likely than women (15%) to go online this often, with young adult (30% going online at least once a week) emerging as the biggest users. Internet users (54%) in the USA claimed to go online to get more information about a story they first saw or heard about from a more traditional news source (Pew Research Center, 2000). A survey conducted by AlShehri and Gunter (2002) shows that most readers or Arab online newspapers were male, students, professionals or business persons residents overseas, and were established, regular users of the Internet. For most, the Internet was regarded as an important news source and more that half the respondents claimed to read Arab online newspapers everyday. They also found that 72% were satisfied with online newspapers.

### **OBJECTIVES**

There are no similar studies done previously more specifically on online newspaper in Malaysia resulting in limited literature review. Nevertheless, the authors feel that it is just timely and necessary that a study be conducted to find out the current status of online newspaper development in the Malaysian newspaper industry. As such, the aim of the study is to identify the changing state and future of the Malaysian newspaper as a media distribution channel. In particular, this study attempts to answer two (2) key questions:

i. What is the readership trend of online newspaper in Malaysia?

ii. Does online newspaper substitute the services and information provided by print newspaper?

### METHODOLOGY

The study was conducted using a case study method where data were collected from various secondary resources. This includes data available and printed in the Media Guide book from researches done by AC Nielsen Media Index from the years 2001-2007. Data were also collected from the Utusan Online from the years of 2005-2007 provided the company itself. In addition, we also conducted an in-depth interview with the Online Services Editor of *Utusan Melayu* (M) Bhd which the first newspaper company that established its online version in Malaysia.

### ONLINE NEWSPAPERS IN MALAYSIA

The Internet offers many publishing capabilities which include delivering up-to-date information, offering interactivity features and reaching more readers. As such, many newspaper companies in Malaysia have taken a step ahead in publishing their news on the Internet to healthily compete with not only local competitors but foreign newspapers. Kumpulan Utusan was established in 1983 to publish the nation's first local newspaper. The group's two (2) key newspapers, *Utusan Malaysia* and *Mingguan Malaysia* have consistently achieved and maintained the highest circulations ad readerships.

*Utusan Online* (www.utusan.com.my), is *Kumpulan Utusan*'s and Malaysia's first electronic newspaper. Since its inception, the public has shown great interest and support to this new endeavor of *Kumpulan Utusan*. The current database of the website recorded an average of 15-20 million hits with over four million pages viewed every month. *Utusan Online* is now available in both Bahasa Melayu and English. In line with the Utusan Group's step into ICT is the launch of the Utusan Education portal (www.tutor.com.my) in July 2001. The portal, at present is one of the most visited education sites in Malaysia with over 140,000 visitors per month. The portal providing information on schools' curriculum and syllabus for students, teachers and as well as parents and; Creating learning modules covering notes, exercises, references, examination tips and a question bank for students sitting for the *Ujian Pencapaian Sekolah Rendah* (UPSR), *Penilaian Menengah Rendah* (PMR), *Sijil Pelajaran Malaysia* (SPM) and *Sijil Tingggi Persekolahan Malaysia* (STPM) examinations.

While the number of Internet dial-up and broadband subscribers has increased tremendously for the last 3 years (Table 1), not many Malaysians are using the Internet to read news. This is supported by a study done by Nielsen Media Research (2004) where Malaysian were found to use the Internet for communication more than reading the online newspaper. In the study where 8000 Internet users participated, reading news from the Internet scored much lower compared to other activities such as e-mail, information gathering and general surfing. Majority of Malaysians surveyed, use the Internet at home

as compared to other locations such as office, Internet Cafes and schools or universities. In terms of time, majority spend 3 hours or more daily surfing the Internet (Media Guide, 2005).

Technology materiols 2002 2000							
Indicator	2002	2003	2004	2005	2006		
Population (mil)	24.5	25.3	25.7	26.4	26.9		
Household (mil)	5.3	5.5	5.6	5.7	5.8		
Fixed lines (mil)	4.7	4.6	4.4	4.4	4.3		
Cellular Phone (mil)	9.1	11.1	14.6	19.5	19.5		
Internet Dial-up (mil)	2.6	2.9	3.3	3.7	3.8		
Broadband Subscription (`000)	19.3	110.4	252.5	490.6	897.2		
Payphone ('000)	118	114	105	95	87		

## Table 1: Selected Information and Communication Technology Indicators 2002-2006

Sources: Media Guide 2005, 2006 & 2007

However, a recent survey of 5000 household Internet users conducted by the Malaysian Multimedia Commission (2005) revealed the five most popular activities while on the Net are e-mail (73.7 percent), education/research (46.8 percent), finding information about goods and services (40.5 percent), participation in chat rooms (25.9 percent) and reading online newspapers (20.2 percent). In addition, they are spending on average around 9 hours per week accessing the Internet mostly from home (Media Guide 2005).

In the next section, we will look at size of readership of *Utusan Malaysia* newspaper for us to understand whether the Internet has become an alternative way for newspaper companies to attract their readers.

### CIRCULATION AND READERSHIP OF UTUSAN MALAYSIA NEWSPAPER

In the following section, the daily circulation and readership of the *Utusan Malaysia* newspaper are presented.

## Table 2: Daily Circulation Trends for Utusan Malaysia andMingguan Malaysia Newspapers in Malaysia Year

Name of Newspaper	2002	2003	2004	2005	2006	2007
Utusan Malaysia	239,385	246,006	247,165	228,802	213,445	197,033
Mingguan Malaysia	543,323	570,824	561,495	529,176	483,240	459,793

#### 2002-2007

Sources: Media Guide 2005, 2006 & 2007, Audit Bureau of Circulation (ABC) 2007.

From Table 2, it is found that in 2002 the daily circulation for *Utusan Malaysia* was 239,385 and for *Mingguan Malaysia* were 543,323 respectively. In 2003 and 2004, the figures for *Utusan Malaysia* had increased to 246,006 and 247,166. In contrary, the figures for *Mingguan Malaysia* had increased to 570,824 in 2003 but decreased slightly to 561,495 in 2004. However, the figures for both newspapers form 2005-2007 showed decreasing trends in their circulation.

Name of Newspaper	2002	2003	2004	2005	2006	2007
Utusan Malaysia	1460	1476	1489	1277	1207	1190
Mingguan Malaysia	2676	2604	2387	1994	1810	1750

## Table 3: Readership Trends for Utusan Malaysia andMingguan Malaysia in Year 2001-2005 (in '000)

Sources: Media Guide 2005, 2006 & 2007, Audit Bureau of Circulation (ABC) 2007.

Table 3 shows that the readership trends for *Utusan Malaysia* increased from 1,460,000 in 2002 to 1,489,000 in 2004. However, the figures dropped to 1,277,000 in 2005, 1,207,000 in 2006 and 1,190,000 in 2007 respectively. Interestingly the readership trends for *Mingguan Malaysia* were decreasing from 2002-2007. In 2002, the readership for the newspaper was 2,676,000. It decreased to 2,387,000 in 2004 and 1,750,000 in 2007.

### Table 4: An Average of Utusan Online Unique Visitors onDaily Basis from2005-2008

Year	2005	2006	2007	2008 (until April)
Mondays – Fridays	27,970	30,342	35,328	48,175
Saturdays & Sundays	13,985	15,171	17,664	24,087

Source: Utusan Online Services

Table 4 shows that the *Utusan Online* visitors on Mondays to Fridays (working days) had increased from 27,970 in 2005 to 30,342 in 2006 and 35,328 in 2007. In addition, for the first four months in 2008, the trend is similar to the previous years where it reached 48,175. Similarly, the average visitors Saturdays and Sundays for *Utusan Online* had an increasing trends from 2005-2008. The average visitors were 13,985 in 2005, 15,171 in 2006 and 17,664 in 2007. As for the first four months of 2008, the figure was 24,087.

However, the online visitors on Saturdays and Sundays dropped to almost half of the working days' visitors. According to the Utusan Online Editor, the drop could be contributed by the non-working days where regular visitors were unable to access the online version of the *Utusan Malaysia* newspaper from places other than work places. In total, 85-90% of the online visitors are locals while the remaining 10-15% is Malaysians who reside overseas including countries like Indonesia, United States, Japan and United Kingdom.

We further made a comparison between the print newspaper readership and online visitors for *Utusan Malaysia* and *Mingguan Malaysia* during normal working days and Sundays. From Figure 1, it is shown that the trend of the print newspaper readership has declined since 2004. On the contrary, the online visitors of *Utusan Online* have increased since 2005. Similar trends were found for *Mingguan Malaysia* and *Utusan Online* on Sundays (Figure 2).





### Figure 2: Print Newspaper Readership versus Online Visitors on Sundays (in '000)



### DISCUSSION

From the study, it has been found that there is a change in the landscape of newspaper as media distribution channel. The readership of the *Utusan Malaysia* and *Mingguan Malaysia* had been decreasing since 2004. According to the Editor, Online Services of *Utusan Melayu* (M) Bhd, it could be due to readers switching from the print newspaper to the online version. This can be shown from the statistics in Table 3 and Table 4 which had been increasing from year to year.

The decrease of readership of *Utusan Malaysia* newspaper can further be contributed by the upward trends of Internet dial-up and broadband subscriptions from years 2002-2006 in Table 1. For example in 2002, there were 2.6mil users of Internet dial up and 193,000 of broadband subscribers. However, the figures surged to 3.8mil for Internet dial-up and 8,972,000 for broadband in 2006.

From the findings of the study, there were declining trends of readership as far as the print *Utusan Malaysia* newspaper is concerned. The authors are in the opinion that some of the readers are switching to *Utusan Online* to read daily news. This could be due to the fact that more and more Malaysians are having access to the Internet in offices and homes. In Table 1, there are increasing trends in terms of Internet dial-up and broadband subscriptions from 2002-2006. Thus, we can consider there is a growing increase in the general public interest and awareness of reading online newspaper in Malaysia. In addition, the cost of printing newspaper is increasing which result in increase in the selling price newspaper. As a result, more readers may switch to the online version.

It further can be discussed that the total readership of the *Utusan Malaysia* newspapers was not affected by the emergence of the online versions. In fact, the downward trends of the print newspaper were complimented by the upward trends of the online versions. The Editor had confirmed that it was part of the company strategy to attract the Internet users to read online versions of their newspapers. Thus, the company is promoting their online version to readers by putting up advertisements in the print newspaper. At the same, the online version has included latest news to ensure its more advance than other competitors.

This initial study also provides some valuable information to newspaper companies. While the role of online newspaper has been recognized as a compliment rather than substitution, there is a need for these companies to work on their strategies of making their Internet presence more significant and noticeable. This is especially important for them to attract more Internet users to visit their websites and read the news contents thus increasing the widespread of newspaper as media distribution channel. Nevertheless, the move will narrow the information-rich and information-poor gap as a result of ICT development. With online newspaper, more people form the ICT disadvantaged groups can have equal access to information.

For *Utusan Online* to remain competitive in the future, it has to establish interactive element such as blog and myspace. It will provide news as well as an interactive experience for visitors to interact with the news provider. Therefore, *Utusan Online* is planning towards providing interactive space for their loyal visitors. It hopes to become the pioneer of online newspaper.

### CHALLENGES AHEAD

With the prevailing influence of the Internet, more newspaper companies are putting their presence noticeable on the Internet so that they can reach wider readers. Online newspaper does not replace the role of the traditional newspaper. In fact, the online version provides an added value of services to readers that may not be able to read the newspaper during daytime or at predetermined physical locations such as offices. The online newspapers also provide readers with an avenue of keeping in touch with local development when they are away such as on overseas business trips. Similarly, the online newspaper is taking the lead role of providing access to information in the Internet age. Readers are able to access information on the online versions with interactivity and quicker responses that can encourage readers to read online.

Also, online newspapers provide new services that could not be a part of traditional newspapers. The searchable archive and classified ads can help each newspaper become an information databank in addition to its role as a deliverer of news. The hyperlinks have changed the newspaper from a single source of information into a hub of information networks without a clear ending point. And, as a leader as well as a servant of a community, the newspaper plays an important role in crystallizing public opinion. The forums, chat facilities and e-mail contacts allow greater interactivity among the community members and between the readers and editors than the traditional print newspaper.

The success of online newspaper thus, depends on a few factors such as strong compliance with the information requirements and services needs of the readers. In addition, high actuality of the news provided on the Internet will influence Internet users to read form online versions of newspaper. If the online versions are easy-to-use and easyto-handle especially for non-experienced readers, they will be more motivated to read from the Internet. Not forgetting the clear overview and comprehensive layout, logical and documented navigation and link structure of the newspaper itself. High performance and good compliance with transfer of information would definitely become another success factor of online newspaper.

### CONCLUSION

This paper presents the findings of an initial study on the changing trends of newspaper distribution in Malaysia. The study found that the availability of online newspaper does not affect the readership of print newspaper although there is a declining trend. What can be concluded is that online newspaper plays as a complimentary role of print newspaper in Malaysia. In fact newspaper companies that have their news on the Internet are seen as providing an added value to their readers especially when it comes to accessing news away from work places. Nevertheless, newspaper companies that provide online versions of their newspapers face several challenges in attracting more readers to stay reading news online.

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### INTERVIEW

An interview was conducted with Encik Hasani Hassan, the Editor of Online Services of Utusan Melayu (M) Bhd on 22 May 2008.