

## **The Impact of New Media on Traditional Mainstream Mass Media**

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### **ABSTRACT**

The advent of new media has posed a challenge to conventional media. Their effect, for example, is felt on the circulation of print newspapers, especially in the USA. However in Malaysia, the effect of the new media on conventional media is still manageable. Malaysian newspapers still attract advertising dollars even with the presence of online newspapers. The two reinforce each other. Thus, in this paper, we argue that the presence of the Internet will not replace newspapers, just as radio did not replace newspapers and television. This paper will look at the present situation of conventional media, especially print newspapers vis-à-vis. the new media in Malaysia. We believe that the layout of newspapers here may change, but the content is still in the form of news. Even though the conventional media have their own online versions, they have not fully embraced the new technology. Even if there is a drop in circulation, it would be because the younger generation prefer the new media as they are more interactive compared to the online version of mainstream. There are also television stations which have an online presence such as TV3 and its owner, Media Prima. A large number of Malaysian citizens have their own Internet connections, so they can read newspapers online, thus squeezing revenues from advertising especially at a time of global economic slowdown. In Malaysia, however, the new media and conventional media will continue to coexist and reinforce each other.

**Keywords:** conventional media, new media, Malaysia, Internet, online, newspaper

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### **Introduction**

The advent of New Communication Technology (NCT) has brought forth a set of opportunities and challenges for conventional media (Garrison, 1996). The presence of new media and the Internet in particular, has posed a challenge to conventional media, especially the printed newspaper (Domingo & Heinonen, 2008). Analysts in industrial organizations and businesses are of the view that the U.S. newspaper industry is suffering through what could be its worst financial crisis since the Great Depression (Barthelemy et al., 2011). Advertising revenues are tumbling due to the severe economic downturn, while readership habits are changing as consumers turn to the Internet for free news and information. Some major newspaper chains are burdened by heavy debt loads. As in the past, major newspapers have declared bankruptcy as several big city papers shut down, lay off reporters and editors, impose pay reductions, cut the size of the physical newspaper, or turn to Web-only publication (Kirchhoff, 2009).

The new media have also affected the way newspapers get and circulate their news. Since 1999, almost 90% of daily newspapers in the United States have been actively using online technologies to search for articles and most of them also create their own news websites to reach new markets (Garrison, 2001).

In Malaysia, the effect of the new media on conventional media is still manageable. Newspapers in particular are not as hard hit as their counterparts in the USA. Malaysians still prefer to get their news through the print newspaper, radio and television. The Bahasa Malaysia newspapers, for example have had an increased in circulation now compared to two decades ago. However, some scholars here are of the opinion that Malaysians should opt for online digital newspapers as well as look at the opportunities to increase their advertising revenue through the concept of free newspaper.

The growth of the media industry in Malaysia was spurred on by the New Economic Policy (NEP). Following its implementation in 1970, and the privatisation policy that was undertaken in the early 1980s by the Mahathir administration, number of new newspapers and magazines and new TV and radio stations made inroads into the media industry. Malaysia witnessed a growing trend of media ownership concentration and consolidation, which was triggered by economic and, to some extent, political considerations. Such a phenomenon prevail primarily because of the laws that govern mainstream media, namely the *Printing Presses and Publications Act* for the press and the *Communications and Multimedia Act* for the broadcasting industry and the Internet. They invariably empowered the ministers concerned to determine who can or cannot own and run the mainstream press and broadcasting stations.

In other words, the parameters of freedom and space found in the mainstream media are directly or indirectly prescribed by the government. Such a media environment also brought about a worrying culture of self-censorship within the journalistic community (Mohd Safar Hasim, 2002; Mustafa K Anuar, 2007). It is, therefore, not surprising that many Malaysians have turned to alternative media for new sources of information, news and views. Thus, the aim of this paper is to look at the present situation of conventional media, especially printed newspaper vis-à-vis. the new media with a focus on Malaysia. It hopes to put forward suggestions on how to cope with the inevitable advent of the Internet and its interactive and dynamic nature.

### **The Internet as a global new medium**

With the coming of the new media, people who have long been on the receiving end of one-way mass communication are now increasingly likely to become producers and transmitters. From Indymedia to the future BBC, the distinction between information producers and consumers will become increasingly difficult to draw (Creeber and Martin, 2009; Bennett, 2003). As experiments with global citizenship go forward, the empowerment offered by distributed, networked digital communication may become shared more widely. This warrants an important adjustment to media hegemony theories.

The long-term picture of new media or mass media information flows is not easy to predict. Mass media news outlets are struggling with changing gate-keeping standards due to demands for interactive content produced by audiences themselves. Ordinary citizens are empowered to report on their political experiences while being held to high standards of information quality and community values. In the long run, these tendencies may be the most revolutionary aspects of the new media environment (Bennett, 2003).

In exploring the distinctions and complementarities between the new media and mainstream mass media one must understand the technical distinctions between these various media forms (Brydon, 2011). Mainstream mass media are typically highly

centralized, require significant investment and resources and can be heavily influenced by governments through various mechanisms and forms of control (Banerjee, 2008).

The new or alternative media on the other hand have radically different characteristics. The new media such as the Internet can be used for both points to mass communications as well as point to point and mass to point message distribution. They are also extremely de-centralized, require very low investment, provide greater interactivity and public participation and are much more difficult to control (Banerjee, 2008).

With this scenario, it is therefore not surprising for the new media to gain popularity and acceptance in civil society. People are now free, and have the opportunity to create their own news as well as to get the other side of the story by getting news from the Internet which is seen as free from control (Rosenstiel, 2005).

In Malaysia, the new media gained popularity and acceptance because of the need to have freer information flow as the mainstream media is perceived to be controlled by the government. This was the case during Anwar's *reformasi* (purportedly reforming the political and democratic system of the country), which saw the need to spread information about the activities of the new movement which later culminated into the formation of a new political party.

The nature of the Internet has made it possible for online newspapers to be in operation as it is easy to join as not much money is needed or required, though online presence needs to be sustained. Moreover, the people of Malaysia in general at that time wanted something different, a fresher look and different perspectives.

The Malaysian media context has seen intense changes over the past few decades. Beginning with a controlled media environment where the print media worked under an annual licensing scheme and broadcast media were state-controlled, Malaysia has witnessed a process of deregulation and liberalization of the media landscape since the early 1980s. Today, the Malaysian media continues to see some form of control over the mainstream media through licensing of the print media and state control of broadcasting. In addition, there is a range of commercial radio, TV stations and satellite TV that are in operation (Banerjee, 2008).

The expansion of the new media in Malaysia has been so extensive that, in a recent comment, the then-Home Minister Syed Hamid Albar stated: "The Internet news media cannot be called an "alternative media" any more as it is a more popular medium than the traditional mainstream media in Malaysia...I think we have to call the alternative media the mainstream. In fact, mainstream papers are trying to emulate them and be as critical as they can in selling their papers" (*Straits Times*, October 22, 2008).

### **The Challenge facing conventional media**

Some observers believe that the challenge faced by conventional media, especially newspapers, has to do with the perfect storm of the global economic crisis, dwindling readership and advertising dollars, and the inability of newspapers to monetize their online efforts (Yap, 2009). Newspapers, especially in the West and the US in particular, have lost the lion's share of classified advertisement to the Internet. The situation worsened when a depressed economy forced more readers to cancel their newspaper subscriptions, and business firms to cut their advertising budget as part of the overall

cost-cutting measurements. As a result, closures of newspapers, bankruptcy, job cuts and salary cuts are widespread (Mahmud, 2009).

This has made some representatives of the US newspaper industry seek some sort of bail-out from the government by allowing U.S. newspapers to recoup taxes they paid on profits earlier this decade to help offset some of their current losses. This is what they put forward to the Joint Committee of Congress (*The Star Online*, September 2009).

Accusations are being hurled at search engines giants by publishers such as Sir David Bell, who categorically accused Google and Yahoo of “stealing” the contents of newspapers. A similar allegation came from media mogul Rupert Murdoch in early April 2009. "Should we be allowing Google to steal all our copyrights?" asked the News Corp. Chief (Mysinthew, 2009). Likewise, Sam Zell, owner of the Tribune Company that publishes the *Chicago Tribune*, the *Los Angeles Times* and the *Baltimore Sun* claimed it was the newspapers in America who allowed Google to steal their contents for nothing, but asked without the contents what would Google do, and how profitable would Google be (mysinthew, 2009)?

Major giants in the newspaper business have pointed their fingers at the 10-year old company founded by two students in their university dormitory. Google is now so powerful that media tycoons believe that it has been forcing the newspaper industry out of business.

Google sees these allegations and accusations as unfounded and ungrounded. The search engine giant's response is that it is the Internet which has posed the threat to the traditional model of newspaper business. Google is not harming the industry, but helping to increase traffic to newspapers' websites. Google News shows only the headlines, a line or two of text and links to the story's Web site, which is fair in copyright laws. In addition, there are indications of a shift in the way people get their news. The average daily circulation of US newspapers declined 7% in the last and first quarters of 2008 and 2009 respectively, according to the latest data from the Audit Bureau of Circulations. The data indicate that a shift in consumer behaviour has led more people to get their news and information online (*New York Times*, April 2009).

In addition to the so-called stealing of contents in the US, for example, advertising dollars were not forthcoming due to the squeeze by the economic slowdown. Newspapers have also lost much of their classified advertisement to the Internet. To make things worse, a depressed economy has compelled more readers to cancel their newspaper subscriptions, and businesses to cut their advertisement budget as part of overall cost-cutting measures. As a result, closures of newspapers, bankruptcy, job cuts and salary cuts are widespread (Mahmud, 2009). Newspapers in the US cited huge losses. *The Christian Science Monitor*, for example, has lost about \$18.9 million per year forcing it to stop printing daily and, instead, printing only weekly editions. *The Rocky Mountain News* in Denver published its last print edition on April 3, 2009 after 149 years of publication as it was losing \$1.5 million a month (buddingmanager.com, 2009).

The US Bureau of Labor Statistics showed that newspapers cut nearly 50,000 jobs—roughly 15 percent of the industry's work force—between June 2008 and June 2009 (*The Star Online*, September 2009). Despite the bad times, however, there are some successful stories involving newspapers which have been able to weather the storm and

remain resilient through their online digital newspapers. Some of the more successful newspaper responses include companies like *The New York Times*, *Knight Ridder*, and *the Washington Post*. *The New York Times* has been a real leader on consumer demographic marketing. With 16 million registered users, nytimes.com is one of the only media sources that can let you customize an advertising message with specific demographic cuts (e.g. male users over fifty reading the sports section). They collect only five categories of consumer demographic data: age, sex, income, geography and e-mail. And yet they have been able to garner 70 % premiums for their demographically targeted advertising (Gilbert, 2009).

*Knight Ridder*, on the other hand, has been successful in building two very strong national networks. REALCities.com links city guides from over forty different markets with a very powerful user interface. Its national job board, CareerBuilder.com, is one of the leading national job sites, and recently it has acquired Headhunter.net. *The Washington Post* has managed to remain a national player in political news, while owning the local market down to the level of PTA information and high school sports.

Observers argue that these sites are successful because they are separated from the core newspaper business and all have been successful in building new markets with new sources of revenue (Gilbert, 2002). In addition to that, a large number of citizens in the US have their own internet connection so they can read newspapers online. The US has the second largest Internet user population in the world with 227.7 million users trailing only behind China. In terms of the percentage of population or penetration of internet users, the US has 74.1% (Internet World Stats, 2009).

Newspapers in Malaysia, however, have a different experience from their US counterparts. Readership has yet to drop to a drastic level, while advertisers still regard it as the medium of choice. The Internet might have become a force to be reckoned with in the political arena, but the reality is that most Malaysians still get their news from conventional media like newspapers and TV. This does not mean, however, that newspapers in Malaysia can sit back and do nothing while expecting their readership to be maintained or increase (Yap, 2009).

Though in Malaysia the situation is still manageable, presently there are lots of efforts by the owners of conventional media, especially newspapers to counteract the challenge being posed by the Internet and Information and Communications Technology in order to remain in operation. This would mean that they have to have online presence by having electronic copy of their print newspaper. In Malaysia, like the US, people go online where they get to read newspapers for free. For example, one can go to Malaysian newspapers online (<http://www.onlinenewspapers.com/malaysia.htm>) and read almost all the Malaysian newspapers. This has drawn away some of the readers who used to buy print newspapers. Despite all these developments, newspapers both in the US and Malaysia will not cease to operate. In the West itself, when television was introduced, there was an outcry that radio will die off. But until today radio still exists, continues to improve and is growing on a massive scale.

As Barthelemy et al. (2011) found, while there are clearly significant shifts taking place within the print industry, particularly around attempts to monetize online content and find alternative sources of revenue to replace falling advertising revenues from print, the decline of the industry is overstated. News organizations are going through a process of

change and adaptation. In addition, findings show that the narrative of newspapers being in continuous decline is mostly Western centric, and does not take into account regional variations and the fact that in many emerging countries, print newspaper sales are robust and growing. In Malaysia, though there is a drop in readership and a subsequent drop in the circulation of newspapers, there are still some newspapers like *The Sun* which have grown dramatically. At one point, *The Sun* had only circulation of 100,000, but it is now distributing 300,000 daily using the free paper concept for both print and online versions, while growing their advertising dollars as well.

Some observers see the arrival of New Communication Technology as bringing with it a set of opportunities and challenges for traditional media professions such as journalism (Garrison, 1996). Journalists, especially when writing for magazines, can gather news via the Internet and do their fact-checking or inquiries into facts and figures or background historical information directly from their homes or offices.

### **The Malaysian newspaper industry vis-à-vis the new media**

Mainstream newspapers in Malaysia have gone through several stages of uncertainty and fear toward the end of 1997. This began with the emergence of online newspapers and websites which formed part of the new media and were made possible by the Internet. In the initial stage, the emergence of the new media made conventional media owners worry about losing their influence and consequently, their profitability. The fear was not only that the new media were fast, colourful and borderless, but also that they affect the mind and psychology of readers who opt for alternative media (Daud, 2008).

Despite all these developments, Malaysian newspapers still attract advertising dollars. The presence of online newspapers did not destroy the print newspaper. They are reinforcing each other. We argue that the presence of the Internet will not replace newspaper. Radio did not replace newspaper, and neither did television replace radio. The form of newspaper may change, but not the newspaper *per se*. The layout may change, but the content will still be in the form of news. Even if there is a drop in circulation, it is perhaps due to the youngsters shunning the mainstream or conventional media.

The decline in circulation of newspapers in Malaysia may also be attributed to issues on credibility as some think that the mainstream newspapers are too government friendly and serve as the propaganda tools. There is therefore a credibility problem with regard to what is written in mainstream media. According to Bernama, the National News Agency editorial adviser Azman Ujang, the level of believability among the people seems to be less (*The China Post*, August 2009). Nonetheless, the conventional media are actually embracing the new media as newspapers now have their own online versions.

This, however, does not mean that *Malaysiakini*, *The Malaysian Insider* and other online newspapers will have an easy ride. For starters, it is still very difficult to attract enough revenue relying solely on online advertising, which in Malaysia is still in its infancy. Plus, there is a myriad of other issues facing online newspaper organisations too, such as the challenge of maintaining readership and control over content in a world of links and copy-and-paste journalism.

The newspapers do deserve some credit as they do a better job in covering local interest stories, which are often neglected by the politically and nationally minded online publications. If one can get past the main section of *The Star* without having a seizure, one would like to read its Metro section which keeps one informed on the little things going on in the neighbourhood, city and state. The Internet is the ideal medium for what some call hyperlocal news, but fortunately for the newspapers, it has not yet become popular here. Like everything else, however, it is only a matter of time (Yap, 2009).

Online newspapers not only have gained popularity, but have also managed to attract advertisements and this is also a challenge to the mainstream newspapers to maintain their advertisement revenue. The mainstream newspapers are challenged in many aspects but against all odds they continue to stay and remain as the first important reading material for Malaysians in the morning.

Despite the internet becoming a major source of news and information in recent years, newspapers in Malaysia still remain as the main and important reading and informative document for the people to rely on. The Internet is still grappling with privacy issues, content accuracy, reliability, and other related concerns and, according to some observers, all these predict trouble for online news in future. For Malaysians, the Internet still has to improve its credibility. The results of a study comparing the credibility of Internet and TV among Malaysians revealed that television is more credible than Internet to convey news. Generally, as past research revealed, people are less likely to rely on the media they do not perceive as credible. Therefore, credibility is crucial for the Internet.

The number of people who go to cybercafés or have their own personal internet access is still not large enough and therefore still requires their news from print newspapers. No doubt the numbers are increasing, but people still buy and read newspapers as they are among the cheapest reading materials in the market and do not require the expense of a personal computers. Newspapers and the new media in Malaysia are complementing each other. At present quite a number of Malaysian newspapers have online presence. *The Star* online and *The Sun Online* are marked examples. Both versions of online newspapers are free and thus increasing their penetration.

### **The way forward for newspapers**

The way forward for newspapers, mainstream as well as other conventional media particularly in Malaysia would be first of all, to improve their credibility. As it is now there are segments of the society which see mainstream media as the mouthpiece and propaganda tool of the ruling government.

Gilbert (2002) observes that, first and foremost, newspapers should separate their new venture and their core business, the new venture being the online digital newspapers and their core is their already existing newspaper business. These separate sites dedicated to only online newspapers will be successful in building new markets with new sources of revenue. The way out for newspapers and other media will always be on the revenue side, creating new ideas, creating new value propositions, and creating new ways to engage with customers. In other words, newspapers could work with search engines and Internet Service Providers to provide and include in the ISPs package access to digital newspapers. Newspapers could also charge a subscription fee for their online version where, upon payment of the fee, a password is given to the subscribers. Online presence as well as print version of the newspaper should be side by side.

Newspapers should also consider exploring free circulation, as many are doing, which make them purely advertising based. This will attract younger readers who are not used to paying for newspapers and have thus been moving to free or less expensive, more advertising-based circulations. The free newspaper concept is already being practiced by *The Sun* and *Malay Mail* in Malaysia, and more newspapers are expected to follow suit.

### **Conclusion**

Change has not only swept through the political landscape but also the media environment. Some observers think that conventional media practitioners should do some serious soul-searching and accurately feel the pulse of the nation in order to stay relevant (Yapp, 2008).

The credibility that the new media gained prior to and after the General Election in 2008 is not something which is guaranteed to continue without any efforts as we have seen that Malaysians generally favour TV as compared to the Internet when it comes to issues of credibility. Perhaps among the reasons why new media appear credible are the perceptions that the conventional mainstream media in Malaysia are government controlled, coupled with the fact that the opposition found an avenue in the new media to air their grievances and reach their supporters.

The fact that we are increasingly living in an era of media convergence, distinctions among traditional mainstream mass media and the new media such as the Internet are getting more and more blurred (Banerjee, 2008). Despite these distinctions, there are still complementarities between the new media and conventional media. They will continue to coexist and reinforce each other particularly in Malaysia and other developing countries (Barthelemy et al., 2010).

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