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<th>Expectations and realities in Asia’s emerging media markets: the cyberspace challenge.</th>
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Paper No. 6
Enclosed is the speech, which you requested.

Choon Lai Seng

The Straits Times Press (1975) Limited
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Despite the sharp rise in the cost of newsprint, Singapore's newspapers are in good health. All eight titles in Singapore are published by Singapore Press Holdings. The Straits Times is the largest and oldest; 150 years old this year, it has a readership of over a million in a population of three million. SPH newspapers have a total circulation of about one million copies on weekdays in four languages, English, Chinese, Malay and Tamil. SPH is in a sound position, both in terms of product range and financially. Over the years, it has been able to secure, and maintain, slightly more than 50% of the advertising pie in Singapore. In its last financial year, it earned 45 cents profit for every dollar of revenue, or trading profit of S$377 million on a turnover of S$833 million. Circulation of its flagship paper, The Straits Times, has also been growing strongly in the last 10 years, up by more than 100,000, or one-third of its total circulation, in the last decade.
How well our newspapers will perform depends on the general health of the world economy, which in turn affects the vigour of the domestic economy. The more robust economic growth, the more readers and advertising support. Being in East Asia, an economically vigorous region, helps enormously. Our newspapers will also benefit from Singapore's education and economic policies - which reinforce, rather than dilute, the reading habit.

How can SPH maintain this premier position in Singapore? It has two ways: one, keep its eye firmly focused in its core business, namely newspapers. Second, expand its product base by going into multi-media. It has, through consortiums, gone into cable television and soon mobile telephones. It has also begun exploiting Internet. Four of its newspapers are now available on Internet; The Straits Times, Business Times and The New Paper (in English) and Lianhe Zaobao (in Chinese). Today, our AsiaOne web site attracts nearly half a million hits a week, two thirds of them from outside Singapore.
Electronic channels for delivering news have been hailed by some media scholars as the new promised land. In recent months, Internet is the rage. Goldman Sachs, the American securities firm, is effusive, calling it "the printing press of the digital age." The Internet glitter is enhanced by such successes as Netscape Communication Corp, whose shares when listed on Nasdaq soared from US$14 to $71. Is the glitter gold? Goldman Sachs believes that, in the next two to three years, most major content providers will be on-line. They also believe it will fast become a global market place for consumers and businesses. The environment for doing this in Singapore is conducive. Thirty per cent of homes in Singapore have computers, one of the highest penetration rates in the world. This will grow, thanks to the Singapore Government's determination to wire up the entire country. There are about 60,000 subscribers to Internet in Singapore, and growing by 2,000 a month.

How commercially successful will "cyber-newspapers" be? Media analysts believe the answer lies in how much value they can add. Experiences elsewhere have shown that it is prudent to be circumspect.
Good newspapers are proven products and still do better than any one else in commanding the attention of large numbers of people all at once. However, the majority view is that there will be slight erosion of the newspaper market share. My tentative view is that both media can grow, not necessarily at the expense of the other. How will our industry evolve? It will depend on these four developments:

1) Will "cyber-newspapers" develop into a source of news as readily available and accessible as radio, and television and newspapers?

2) How quickly cities that do business globally push the use of Internet to enhance their competitive edge.

3) When will computers in such cities become a common working tool.

4) When future generations of workers are a lot more comfortable using the computer than the present generation.
In global cities, many workers will have at their finger tips access to all the major sources of news - newspapers, magazines, TV and news agencies. Access to information will be quick, easy and cheap. But having new alternative suppliers of information need not be a threat to long-established newspapers, provided their response is clear-sighted. An immediate benefit from a proliferation of news suppliers is an enlarged customer base. To take one small example in Singapore: When television started ‘live’ broadcasts of soccer matches, the initial fears that our Sports pages would be less read proved groundless. On the contrary, TV helped raise readership. Newspapers have inherent strengths too easily passed over. It is portable, easily accessible, reader-friendly. But these qualities count only if the newspaper puts a premium on journalistic skills, marketing savvy, production and distribution efficiency. More importantly, it requires constant investment in its news gathering capability. Cutbacks will degrade a newspaper, making it more vulnerable to electronic competition.

Another source of strength is the social role of newspapers. In this electronic age, people find themselves innundated by information.
The mass-medium newspaper that understands how it can offer a rewarding, communal experience will keep its place, despite the customised pleasures of cyberspace. To exploit this advantage, to be trusted as a "brand-name" source of news and views, a newspaper must convince readers that it stands for the community's interests, and that it expresses mainstream opinion. This requires, again, the honing of traditional journalistic skills, as well as sensitivity to the interests and values of the public.

Why do newspapers fail? Evidence compiled in recent years by the Center for the People for the Press in America suggested that the people and the press live on different planets as far as their interests and values are concerned. When editors and journalists publish for their peers, that is a sure recipe for disaster.

In a world where sources of information will proliferate, it is the skill of journalists in gathering, processing and disseminating the news that will be decisive. Being first with the news is no longer such a critical quality.
For example, CNN's ability to gather news in real time is no longer such an important asset, except in times of real crisis like the Iraqi invasion of Kuwait in 1991, or the Rabin assassination recently. Even news agencies are no longer first with the news as they used to be. Quite often, the news is first on Internet. More important is making the news available at a time most of your readers want it, and doing so without demanding more time from him than he can afford.

The recent experience at the Los Angeles Times is instructive. After the Times Mirror Company shut down Newsday in New York and laid off hundreds at the Los Angeles Times, its new Chief Executive Officer made this revealing statement: "One of the first things I said when I came here was that our base is newspapers. If that doesn't grow, we're dead." Times Mirror, he said, had been distracted by its electronic media and cable interests at the expense of newspaper operations.

However, "cyber-newspapers" will enable newspapers to become global products. High distribution costs make it prohibitive for Singapore's newspapers to sell abroad. With Internet, this handicap is removed.
A new breed of journalists is emerging. They are called "cyber-journalists". Will "cyber-newspapers" one day enjoy the same standing as their more traditional cousins? Can sound and moving pictures make up for the inherent disadvantages of reading the news on a computer, one screen at a time? Can "cyber-newspapers" grow at the expense of the traditional product? Or, as is more likely, will both products benefit from each other? More importantly, can "cyber-newspapers" become as commercially valuable as the printed version? There are more questions than answers at this stage. But one thing is quite certain. As the world's less developed economies move upstream, demand for information will grow. This represents a huge opportunity for us in media, provided we know how to make the best of it.

Cheong Yip Seng