CHAPTER I

INTRODUCTION

1.1 Background

Newspapers have become a major part of a daily routine in most lives all over the world. It is one of the main sources that provide all kind of news from local to international. Newspapers have been existed in civilization for centuries to spread news and information to the masses. The first newspaper was *Acta Diurna,* started published in Rome 59 B.C. by Julius Caesar (Bellis, n.d.). He created it in order to inform the public about what is happening in social and politic. Nowadays worldwide, over a billion of newspapers are printed daily. People read newspaper everyday to keep in touch with what is happening and with all different changes taking place in the world. News is available in different aspects, such as economical, political, educational, sports, social welfare, advertisement, and many other. Since newspapers come up with a variety of information, different people read newspapers for different intentions. For example business entrepreneurs can go through the business news, fresh graduates might scan the job advertisements, moms are able to look for topics like health and food, school boys seek for sport news, and many other people look at the government matter, and everyday news. Moreover, newspapers work as a connector between the government and people. It updates people with activities of the government and it also aware the government about what problems being faced by the people (Rajkoomar, n.d.).

Despite there are many other sources of news and information such as television, radio, magazines, books, newsletters and more, newspapers remain still in importance

compare to other sources. Television and radio can convey important news faster than newspapers, but they rarely give the details of it. While magazines and books also provide a lot of information but the scope is limited to selected topics only. Newspapers on the other hand, carry a lot more news items with the details. That is why there are more than 395 million people buy a newspapers every day and more than 1,6 billion readers a day (World Association of Newspapers, 2005).

In Indonesia, newspapers have grown and have a significant role in the society until today. It has been existed from time to time and also has its own history to defend its existence in the community. The first newspaper in this country published in Batavia in 1744. Since it first appearance, the Indonesian press' journey and development had never been easy.

Newspapers in the colonial era had been used as a media to against colonialism. As a result, the Dutch Colonial at that time requested for permit of press publication and issued a press law in order to control the press in Indonesia. When Japan entered Indonesia and taking over the colonialism, some newspapers in Indonesia was taken over gradually to tighten control over its content. The content was changed with the purpose of using it as a propaganda tool to praise the Japanese government. Since then and up until The New Order era, Indonesian press was still battling in term of its content. Basically the press was not allowed to preach the things that are considered detrimental to the government. Then the change of power in 1998, from the New Order era to the Reformation era made the press found their independence (Sutadi, 2009). The freedom of press became a part of the democracy concept and the press is allowed to come up with any news even tough it is controversial and contrary with the government.

This freedom made Indonesia has a lot of diversity of newspapers nowadays. Most countries have at least one national newspapers published in all places of the country. In Indonesia for example is KOMPAS. The list of newspapers circulating in Indonesia includes national scope and local scope.

Most of the newspapers are published in Bahasa Indonesia, with only a small number appearing in local dialect, English, and Chinese. The leading newspapers published daily (with estimated 2002 circulation) are *Kompas* (523,450), *Pos Kota* (500,000), *Suara Pembaruan* (250,000), *Berita Buana* (150,000), *Merdeka* (130,000), *Pikiran Rakyat* (in Bandung, 150,000), *Suara Merdeka* (in Semarang, 200,000), *Jawa Pos* (in Surabaya, 120,000), *Surabaya Post* (in Surabaya, 115,000), *Harian Pagi Memorandum* (in Surabaya, 190,000), and *Analisa* (in Medan, 75,000). The *Jakarta Post* is a leading English-language daily that had a circulation of 50,000 in 2002 (Worldmark Encyclopedia of the Nations, 2007).

During the past few years, the rapid growth of the Internet has changed the media landscape (Hsiang & Lasorsa, 1999). Newspapers are now coming in the form of digital newspapers through websites on the Internet called e-paper. E-paper gives the identical version that is printed in the newspapers. Nowadays there is a growing number of e-paper in Indonesia and it makes a lot of people switch from reading printed newspapers to e-paper. This consumer can be multi-channel consumer who shop from more than two channels or the switching consumer who basically just switch to other channel, which is online channel.

Below is the list of newspapers in Indonesia who has the e-paper version:

Table 1.1 Indonesia Newspapers with E-paper version

Kompas	Media Indonesia
Koran Tempo	Suara Merdeka
Pontianak Post	Jawa Pos
Republika	Riau Pos
Kaltim Pos	Pikiran Rakyat
Tribun Timur	International Bali Post
Pos Kota	Banjarmasin Post
Solo Pos	Sumut Pos
Batam Pos	Bangka Pos
Bali Post	Rakyat Aceh

Source : *Daftar E-Paper Koran Indonesia*

Looking at the rapid growth of the internet during the past few years has affected the media to change, the author is interested to dig more about it. As with any communication technologies, the future of online and print newspapers eventually will be determined by consumer response. In the US, printed newspaper is already suffering from a few years ago. Even, there are some of the newspapers companies that had to shut down the printed version and only make the online version because the demand for printed is falling throughout the years. This phenomenon is already happening in the developed countries. Therefore, the author would like to know what happens with the Indonesian consumers. Due to the growing number of e-paper in Indonesia, there must be an increasing number of consumers in online channel of newspaper. From those, the author would like to identify what could be the factors that can influence them to become multi-channel consumer in newspapers or even completely switching channel to online channel.

1.2 Problem Statement

Based on the increasing growth of the internet, more and more consumers become a multi-channel consumer, especially in online channel. Also not forgetting that newspaper industry is also trying to expends their channel by making e-paper as their online channel. In this case, the author needs to understand what are the factors that affecting consumer to access the e-paper and their behavioral intention to use online channel. With that understanding, newspaper companies can develop more their e-paper version that could more satisfy the readers and subscribers.

1.3 Research Question

This research aims to cover the following research question by adapting from the previous original research.

RQ1: Do marketing efforts (a), brand loyalty (b), channel integration (c) positively affects consumer attitude toward using an online channel for newspapers among Indonesian consumers?

RQ2: Do internet expertise (a), age (b), gender (c), location (d) positively affect attitude toward using an online channel for newspapers among Indonesian consumers?

RQ3: Do aesthetic appeal (a), ease of use (b), perceived usefulness (c), enjoyment (d) positively affect attitude toward using an online channel for newspapers among Indonesian consumers?

RQ4: Do Indonesian consumers attitude toward using an online channel affect their behavioral intentions in using online newspapers?

1.4 Scope and Limitation

This research is trying to get the respond of how consumer attitude toward using an

online channel affect behavioral intention in using online channel for media especially newspapers among Indonesian readers. The survey will be distributed online to respondents varied from genders and age generation, from baby boomers, generation x and generation y and millennial. Also the limitation for the respondents is by giving the filter question. Respondent who can continue to the last question have to be the respondent who ever visiting e-paper.

1.5 Aims and Benefits

By conducting this research, the author aims to conclude the following objectives:

1. To attempt this research it will examine the consumers' attitude toward using an online channel for newspapers among Indonesian readers since e-paper become the alternatives media channel.
2. To examined the factors behind the attitude and how it significantly affect the behavioral intention in using online channel.

By achieving those aims, this research will provide several benefits:

1. From the academic perspective, this research can give a greater view of understanding about attitude toward using an online channel that affect the behavioral intentions in using online channel for newspapers.
2. For the marketing knowledge, it will improve the marketing strategy of media channel towards consumers' attitude toward using an online channel. Also, it will enlighten what and which strategy that can be used in order to encourage customer to use certain channel.

1.6 Structure

To give a better and clear understanding for the author and the examiner, this research will consist of five chapters. Each chapter will cover different things regarding the research. Brief explanation will be discussed below.

CHAPTER 1: INTRODUCTION

This chapter provide general research topic and consist of background of the newspapers in daily life and the existence of newspaper in Indonesia also the development of offline newspapers to online newspapers or e-papers. It will also discuss the scope of study, and the aims and benefits of this research.

CHAPTER 2: THEOROTICAL FOUNDATION

This chapter consists of acadeic literatures, theoretical foundation, and any kind of basic findings related to the research.

CHAPTER 3: RESEARCH METHODOLOGY

This chapter discusses about research methodology, providing details of the research objective, research questions, research design, data collection method, hypotheses, and data analysis method

CHAPTER 4: RESULT AND ANALYSIS

This chapter will discuss about the result and analysis of the findings gathered from the previous chapter.

CHAPTER 5: CONCLUSION AND RECCOMENDATION

This final chapter will consist of the conclusion of the research, summarizes of the findings, recommendation, and suggestion for future studies.