THE POLITICAL ECONOMY OF CONGLOMERATION
AND ITS IMPACT ON TELEVISION PROGRAMMING:
A CASE STUDY OF MALAYSIA

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Abstract

This thesis investigates the implications of Media Prima Berhad’s (MPB) corporate growth. MPB is the largest media group in Malaysia and is highly influential due to its ownership status. The expansion has been influential as it has transformed the local television industry into a concentrated state with the potential to create a monopoly and limit competition in the small market. The study aims at addressing two main research questions. What are the transformations that have taken place in the local TV market and content industry since MPB consolidation? How do media practitioners employ space for freedom of expression and generate new ideas in television production? The study also intends to discover the differences of MPB TV networks programming in terms of local and imported content and informative and entertainment content since MPB conglomerate.

The investigation is executed using a political economy framework that highlights the interrelationship of state governance in the development of the communication industry for national prosperity. The historical approach of the Malaysian television industry blends the key state policies and incidentals that contribute to the restructuring of the industry. Semi-structured interviews were conducted to address the issue of MPB’s transformation in the post-conglomeration era, whilst content analysis of MPB TV networks’ programming identifies the implications of MPB’s corporate expansion for its television programming, particularly entertainment, informative, local and foreign programmes.

Two main findings were identified. MPB’s corporate expansion had concentrated the local television market. The adoption of a cost-saving strategy and sharing of resources have been the keys to success. MPB is an integrated media corporation that has performed horizontal and vertical integration to strengthen its performance within the local broadcasting industry. The platform for creative expression and information remains limited. Repositioning of 8TV and TV9 has transformed the stations’ programming since conglomeration, whilst Chinese and religious programming emerged from the corporate expansion strategy.
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<th>Full Form</th>
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<tr>
<td>ASEAN</td>
<td>Association of South East Asia Nations</td>
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<tr>
<td>ASTRO</td>
<td>Astro All Asia Networks Plc</td>
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<td>TVB</td>
<td>Television Broadcast Limited</td>
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<tr>
<td>BN</td>
<td>Barisan Nasional</td>
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<tr>
<td>DAP</td>
<td>Democratic Action Party</td>
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<tr>
<td>DEB</td>
<td>Dasar Ekonomi Baru/ New Economic Policy</td>
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<td>DVD</td>
<td>Digital Video Disc</td>
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<td>FCC</td>
<td>Federal Communication Commission</td>
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<td>FINAS</td>
<td>National Film Development Corporation Malaysia</td>
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<td>FTA TV</td>
<td>Free-To-Air Television</td>
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<tr>
<td>GATT</td>
<td>General Agreement On Tariff and Trade</td>
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<tr>
<td>GATS</td>
<td>General Agreement On Trade in Services</td>
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<td>HM</td>
<td>Harian Metro</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>MA</td>
<td>Metro Ahad</td>
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<td>MCA</td>
<td>Malaysian Chinese Association</td>
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<td>MCMC</td>
<td>Multimedia Communication and Multimedia Commission</td>
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<tr>
<td>MIC</td>
<td>Malaysian Indian Congress</td>
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<td>MIM</td>
<td>Malaysia Integrative Media</td>
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<tr>
<td>MPB</td>
<td>Media Prima Berhad</td>
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<tr>
<td>MRCB</td>
<td>Malaysian Resources Corporation Berhad</td>
</tr>
<tr>
<td>MSC</td>
<td>Multimedia Super Corridor</td>
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<tr>
<td>NCP</td>
<td>National Cultural Policy</td>
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<tr>
<td>NTV7</td>
<td>Natseven Television</td>
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<tr>
<td>PERNAS</td>
<td>Permodalan Nasional Berhad</td>
</tr>
<tr>
<td>RTM</td>
<td>Radio and Television Malaysia</td>
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<tr>
<td>TV3</td>
<td>Sistem Televisyen Malaysia Berhad</td>
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<tr>
<td>UEM</td>
<td>United Engineering Malaysia</td>
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<tr>
<td>UMNO</td>
<td>United Malay National Organisation</td>
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<tr>
<td>VCR</td>
<td>Video Cassette Recorder</td>
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<td>VOD</td>
<td>Video On Demand</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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CHAPTER 1

INTRODUCTION

1.1. Introduction

This research revolves around the issue of the expansion of a media organisation and the impact on television programming in Malaysia. The thesis is a case study focusing on the transformation of a media conglomerate in Malaysia known as Media Prima Berhad (MPB). According to Murdock (1982:119), media conglomeration is the result of media mergers that eventually produce a trend of concentrated ownership (Mosco, 1996:176). MPB is a media organisation created in the aftermath of the Asian economic recession in 1998 in the rush to safeguard the television business industry in Malaysia. A case study is regarded as a qualitative technique that uses massive amounts of data to investigate individuals, group events or organisations in order to understand a specific phenomenon. The approach provides details of a case, description, reasons and explanation (Wimmer and Dominick, 2003:129-130).

MPB is an integrated media group currently involved in television broadcasting (TV3, NTV7, 8TV, TV9, TV3 Ghana and TV5 in the Philippines), radio networks (HotFM, FlyFM and OneFM), print media (New Straits Times Press which publishes New Straits Times, Berita Harian and Harian Metro), content creation (Primeworks Studio), outdoor advertising (Big Tree Outdoor, UPD, Right Channel and Kurnia), new media (Alt Media) and event management (Big Events). The researcher intends to study the conglomeration transformation and its impact on the TV programming of the four
television stations under the media group - TV3, NTV7, 8TV and TV9. Television programming schedules are used as the supporting tool in seeking to discover the transformation of MPB TV networks’ television programming before and after execution of consolidation.

This study applies a political economy theoretical framework to examine the issue of media organisation expansion through a spatialisation channel. The spatialisation route enables the researcher to uncover details of an organisation’s development in terms of structural changes, revenues, resources and its corporate power over a period of time (Mosco, 1996:175). The theory focuses the study on the interrelations between the state and a media organisation from political and economic perspectives in developing the media industry (Mosco, 1996). This study attempts to discover MPB’s business development from its inception until 2009, a period in which it has been transformed to become the largest media organisation in Malaysia today.

The theory is particularly essential for this study as MPB and the majority of mass media in Malaysia, including the press, are owned and tightly controlled by political and state-related companies (Anuar, 2005:31-32). In Malaysia, ownership is partially a platform of government control over the mass media. Corporations such as Fleet Holdings, Renong Berhad, Malaysian Resources Corporation Berhad (MRCB), Utusan Group and Maika Holdings are known to have established intimate relationships with the current ruling political party, Barisan Nasional (BN). Therefore, it is valuable to
reveal the conglomerate issue by looking at the intertwining relationships between
the government and mass media development in Malaysia through national policies,
economic conditions and social matters. Since Malaysia consists of a multicultural,
multi-racial and multi-religious community, government decisions will eventually
influence the pluralistic nation overall.

Systematic ideologies for national development such as National Economic Policy
(NEP), National Cultural Policy (NCP), the national ideology (Rukunegara) and National
Education Policy were established to restore harmony among the major ethnic groups.
These policies coupled with the economic stream policies, namely Privatisation,
Malaysia Incorporated, Look East Policy and Multimedia Super Corridor project, have
eventually produced benefits and drawbacks for the nation. The enactment of the
Multimedia and Communication Act 1998 strategises the local broadcasting industry
for a positive and competitive future. However, global phenomena such as
deregulation and globalisation have particular impacts on mass media and media
content. Nevertheless, the issues will be addressed from the perspective of the media
conglomeration in Malaysia. The emergence of a new, large media corporation, MPB,
and the impact on market influence is the focal point of this study. The political
economy paradigm permits the investigation of MPB’s status as a media
conglomerate, its influence and the meaning of that influence on the television
content industry. The impacts are also evaluated in terms of the choices of programme
that TV3, NTV7, 8TV and TV9 have offered in their programming since consolidation.
The growing issues of media monopoly, dominance in production of content, rising advertising rates and commercialisation are among the triggering factors for this study. Most media conglomeration studies address these issues in the Western context. Nevertheless, this thesis will contribute to the understanding of media conglomeration and its implications from an Eastern context.

Two main research approaches, qualitative and quantitative, were used to generate data for this study. The qualitative approach uses semi-structured interviews as the primary approach. This technique was employed for disclosing exclusive information regarding the relationships between the state, power and the organisation internally. The data were compiled by interviewing three groups of informants. The personnel of the media corporation itself formed the first set of informants. This strategy will generate fresh views on the conglomeration issue. The second group of informants, comprising local market members of the industry, were involved in order to counterbalance information gathered from the internal point of view. They are members of the Malaysian television industry with backgrounds in media production. Regulators and media experts formed the third group of informants who looked into the issue from the regulatory perspective. Interviewing by email assisted in smoothing the data collection process when constraints arose. It permitted the researcher to send main and follow-up questions to informants after face-to-face interviews. The quantitative method, on the other hand, addressed issues involving television programme formats and television programming, whilst at the same time verifying the
interview data in relation to television format. Content analyses of television schedules from key MPB channels - TV3, NTV7, 8TV and TV9 - are used to identify the volume of specific television programme formats across the four TV channels. Evaluation of the TV formats involves entertainment and informative programme formats as well as home-made and imported programmes.

1.2. Research Background

Malaysia is located in the South East Asia region. Malaysia’s neighbouring countries are Singapore, Indonesia, Thailand, Brunei and the Philippines. The federation of Malaysia was established on 16 September 1963 as a combination of the Peninsular Malaysia and the East Borneo states known as Sabah and Sarawak. Malaysia has a tropical climate and its total population as of 2012 is 28.8 million (www.epu.gov.my). It achieved independence from the British on 31 August 1957 and started its post-independence era as an agriculturally-based nation. At that time, the state economic activities were mainly focused on natural resources, namely rubber, tin and oil palm.

The Malaysian broadcasting industry began during British colonial rule. As a British colony, most of the main structures of industry and policy-making were similar to the British administration. Significant evidence of this influence is provided by the mass media industry. As specified by Banerjee (2002:524), most Asian television is the ‘result of the vagaries of history, political conquest, economic exploitation and colonial legacy’. The power to run Malaya (known as Malaysia after 1963) was ‘laid down to the administrative system that could be of benefit politically and economically’ during the
administration by the British. This policy wholly affected the way the government steered the country into the postcolonial era.

The British legacy crafted the nation’s pluralistic society. It was formed in the early years of British colonial administration which ‘coloured the socio-political conditions of the country’ (Yasin, 2004:84). Tanah Melayu (then Malaya) consisted of three primary ethnic groups – the Malays, the Chinese and the Indians. Historically, the latter two groups are immigrants who have been isolated from their own ‘worlds’ for generations (Yasin, 2004:84). The colonial authority allowed the Chinese and Indians to remain separate as they were previously declared temporary residents and displayed differences in culture and ideology (Shaari, 1997:72). The majority of the Malays lived in rural areas and small villages (McDaniel, 1994:12). The Chinese lived in urban areas, working in tin mines and running businesses, whilst the Tamils worked on rubber estates. The strategic isolation had further nurtured racial suspicion among them (Yasin, 2004:84) which was apparent during World War II. Mahathir (in Shaari, 1997:72) suspects that the British sensed the growing signs of racial conflict during the Japanese invasion.

Malaysia’s policies have been formed out of many events. The multi-racial ethnic background presented Malaysia with many challenges in developing the nation. One historic incident was ethnic conflict. The ethnic confrontation occurred in Kuala Lumpur in May 1969 among various communities, particularly the Chinese and the Malays, following a narrow win by the non-Malay political parties - DAP and Gerakan -
in the 1969 general election (Nain and Anuar, 2000:157). The resulting bloody riots had major implications for the political, economic and social stability of the nation. As a result, press freedom in Malaysia was further restricted (Nain and Anuar, 2000:85). In the aftermath of the conflict, the administration introduced the national ideology, ‘Rukunegara’, the five basic principles constituting the formula for racial harmony. The ideology is basically a tool for nurturing nationalism, thus creating national harmony among Malaysians irrespective of their ethnicity.

One of the most significant resolutions for racial harmony and wealth distribution is the New Economic Policy (NEP). NEP has been significant as a long string of national economic development tools. The key objectives are ‘to reduce and eventually eradicate poverty among all Malaysians’ (Banerjee, 1999:107). Torri (1997:209), however, notes ‘increment for national economy and Malay social status’ as the intent. This is apparently seen as beneficial for boosting wealth equality across the major ethnic groups who have traditionally lived in isolation. It increases income levels and employment opportunities among all citizens regardless of their background, religion and ethnicity (Nain and Anuar, 2000:158). Most national development policies in Malaysia are spiritually rooted in NEP to this day. A significant result of the policy has been the successful creation of middle-class Malaysia and the birth of Malay corporatisation (Torii, 1997:209), which will be discussed later and referred to in Chapter 4; it has close connections with the ruling party and government.

From a socio-economic point of view, the impact of the May 13th 1969 ethnic riots compelled the government to design the National Culture Policy (NCP) to ‘inculcate
and improve inter-ethnic relations by promoting the use of cultural symbols and icons in various activities’ (Nain and Anuar, 2000:158). Under NCP, all walks of life in Malaysia were portrayed accordingly with respect to other cultures and religions. The NCP is designed based on Malay culture, the relevant cultures of other ethnic groups and Islam, and is expected to instil a sense of belonging in all Malaysian citizens. These are among the primary guidelines for television programme production in the local media, as emphasised by the gatekeepers (Nain and Anuar, 2000:158).

1.2.1. Malaysian Broadcasting and Industrialisation

Television was perceived by the government to be the best mechanism to reach out to the multi-ethnic, multicultural, multi-religious (Nain and Anuar, 2000:152) and multi-language community. Richards and French (1996:28) note that many viewers in developed and developing countries received new television channels as a result of modernisation in the 1970s and the 1980s. The phenomenon offers the government opportunities for using new technology as a tool for disseminating government messages promoting national harmony. The Malaysian government appointed two Canadian consultants from the Canadian Broadcasting Corporation for necessary technical advice (Nain and Anuar, 2000: 153) which upheld the formation of Radio Television Malaysia (RTM) (Kitley, 2003:49). Malaysia’s first television service (in black and white) officially began on 28 December 1963; it aimed to develop national identity in the plural society (Kitley, 2003:48). Total programming during the first week amounted to 24 hours and 45 minutes of broadcasting time. News and imported programmes contributed up to 90 per cent or more of the local programming during
the initial stage (in Yasin, 2004:97). Overwhelming praise from the nation encouraged the state to introduce a second television service on 17th November 1969 (Sabran and Othman, 2007:24). By the end of the 1970s, Malaysia had already established two primary channels – the ‘First Channel’ (TV1) and the ‘Second Channel’ (TV2). These facts are aligned with Nain and Anuar’s (2000: 154) statement that the two stations emerged at the specified time. The government stations are, however, wholly monopolised by the national rulers (Yasin, 2004:95).

1.2.2. The Development of Commercial Television in Malaysia

The growing number of broadcasting stations in Malaysia is one of the key indicators of industrialisation and economic growth. Since the inception of radio and television, both tools have been used by the government to promote informative programmes, especially news and current affairs, for nurturing national unity among the multi-racial population (Shaari, 1997:80). This was carried out through the implementation of NEP, NCP and the national ideology. Since the aftermath of the state emergency in 1969, the NEP and national ideology (Rukunegara) have been used as a safeguard to maintain social order and unity among the multi-racial communities. These two policies have since become the basic policy guidance in the local broadcasting system, particularly in regard to economic and social development programmes (Yasin, 2004:86). During that era, the policies and operations were under the authorities’ control, which reflects government policies as well as providing entertainment (Lowe in Shaari, 1997:80). Although Malaysian broadcasting began in the 1930s through the inception of radio channels, the setting-up of television was rather late in comparison
with its neighbouring countries. Singapore, Thailand and Indonesia established television channels in 1963, 1955 and 1962 respectively (Kitley, 2003:49). These initiatives are believed to have raised local community interest in watching television as the neighbouring communities have long enjoyed watching a variety of programmes. The Malaysian government at that time was still struggling in a series of Parliamentary debates to develop a new technologically-based medium.

At the end of the 1970s, the local audiences were looking for an alternative channel (Kitley, 2003:49) due to a couple of factors – widespread VCR demand and supply and access to television programmes from neighbouring countries. These two factors distracted local audiences from watching the national channels and emerged as threats to government attempts to create unity among the multi-ethnic community (Yasin, 2004:109). An imbalance of programme content in local television programming that was majority Malay-based caused the Chinese community to prefer watching foreign films and videos from Hong Kong and Taiwan. Hence, dissatisfaction with local television content, new video technology and exposure to programmes from neighbouring countries – Singapore, Thailand, Indonesia and Brunei Darussalam – impelled the government to accelerate the process of improving television content (Rahmah Hashim in Yasin, 2000:110). ‘Growing political and economic pressure persuaded many Asian countries including Malaysia to review their monopolistic and authoritarian approaches to broadcasting services’ (Karthigesu, 1994). These pressures were also one of the challenges to the government in making decisions about privatisation (French et al., 1996:41).
The National Film Development Corporation (FINAS) Act was amended to accelerate government decisions to transform the local broadcasting industry (French et al., 2000:164) and to broaden the term ‘film’ to include video tapes, video discs, laser discs and video compact discs. The government eventually agreed to set up an alternative television station for the public. Malaysia’s first private television station was established on 1st June 1984. The local authority used the term ‘privatisation’ to describe a global trend of television broadcasting diversification (McDaniel, 1994:147). The transformation is a result of another global trend impact known as deregulation (Barker, 1999:50). Deregulation increases commercialisation and markets, thus accelerating economic growth (McChesney, 2003:125).

In terms of political development, Mahathir Mohamad, the former Malaysian Prime Minister, took steps in the early days of his premiership towards liberalisation to accelerate the economy (McDaniel, 2002:7). The ‘Look East’¹ policy and ‘Privatisation’ among selected public corporations (McDaniel, 1994:81) were amongst the most significant approaches that he initiated to put the country on the political economic world map. In 1983, another policy known as Malaysia Incorporated (Malaysia Inc.) was introduced. Malaysia Inc. is another platform for the government to achieve NEP’s objective of increasing Bumiputra entrepreneurs. The policy encourages public and private sectors to be distinguished as corporate entities in which they can collectively work toward national development. Several mechanisms were introduced to achieve

¹ The Look East policy was introduced during Mahathir’s tenure as Malaysia Prime Minister. The policy worships Far East nations’ economic policy, particularly Japan’s.
the objectives, such as deregulation of troublesome regulations, improvement of delivery systems, institutionalisation of consultative machinery, smart partnerships for the public and private sectors and privatisation.

Mahathir Mohamad was also dissatisfied with government companies’ performance (Yasin, 2004:108) or, as McDaniel (2002:7) argues, under-performing state-owned businesses. He accused the companies of incompetence and an inability to pay government levies. Gomez (1997:183) adds that poor management, weak financial discipline and abuses of power were among the contributing factors to the poor economic performance of public sectors. In 1984, losses amounted to as much as MYR137.3 million (Gomez, 1997:181). As a result, the privatisation policy took off officially in 1983 (Nain and Anuar, 2000:163), further changing the local broadcasting trend. The implementation of the privatisation policy marked the deregulation of the media in Malaysia with the establishment of TV3 and other broadcasting stations such as the cable service (Mega TV) and satellite service (ASTRO). In fact, deregulation increased local television producers’ opportunities for marketing programmes to the local public and private television stations (Yahya, 2006:94). Demand for more programmes has increased the number of production houses and transformed the electronic media market, placing it in a positive position.

In relation to the new development, Richards and French (1996:41) argue that ‘nation-state relationships remain as the primary source of regulatory framework for television’. Mahathir’s administration had applied liberal approaches to the heavily
state-controlled nation. Wong (2004), Yasin (2004:108) and Richards and French (1996:41) agree on the notion that Malaysia ‘had adopted impactful neo-liberalism economic measures including privatisation of state utilities, promoting changes in its taxation trend and cuts in state expenditures. The approaches successfully improved investment in state enterprises (McDaniel, 2002:7), increased market growth and were seen to be the moderating force shaping development in the country’. The notion of NEP has definitely been transformed into a reality through various government efforts to increase the wealth of its citizens, particularly the Malays. The following discussion intends to portray the inter-connections of power between a media corporation and the state based on the key development policy.

1.2.3. Privatisation of Television Broadcasting and Ownership

One of the main objectives of the privatisation policy was to establish Malay entrepreneurs among the market players in the Malaysian economy. The step was a continuation of the NEP that encouraged the Malays into entrepreneurship and consequently improved the socio-economic imbalance with their Chinese counterparts. As such, Jomo (in Wang, 2001:71) believes that privatisation is the tool to promote Bumiputra capitalism. One of the key indicators of Malay entrepreneurship was the emergence of TV3, which was granted a license in 1983. Giving TV3 a license to operate a private television station ended the 20-year monopoly of RTM and the government over the television industry (Yasin, 2004:109). However, Umi Khattab (2006:355) has opposed Yasin’s argument by firmly stressing that the Malaysian Broadcasting System is nevertheless a monopoly from the ownership point of view. She pointed out that her argument is based on the fact that the station is owned by
the premier Malay political party, the United Malays National Organisation (UMNO). Umi Khattab’s point was also made by Nain and Anuar (2000:173) who stated that private television stations in Malaysia are not run liberally due to state intervention and ownership status. UMNO is one of the major political components under the ruling government party, *Barisan Nasional* (BN). Besides UMNO, BN consists of the Malaysian Indian Congress (MIC) and the Malaysian Chinese Association (MCA). These three large political parties formed BN, the single political entity that dominates the political scene in Malaysia (McDaniel, 2002:29). The political parties have been the key players of the media industry and they dominated most mainstream media business in Malaysia.

Several studies also contend that the communication sector, government- or privately-owned, has always been firmly controlled by the state through political coalitions and rules. For example, George (2007:897) states that UMNO controls MPB through its stake. Nain and Anuar (2000:165) contend that the state’s involvement diminishes any hope of media independence. In addition, Karthigesu (1995:9) stresses that the Broadcasting Act 1988 is one of the tools with which government can control local broadcasting stations.

A decade after the inception of TV3, Metrovision, the second private television network and the fourth free-to-air (FTA) television station, was launched in 1995. Metrovision or TV Metro was tendered, according to Nain (1996:167), under the consortium of the Melewar Corporation, owned by Tunku Abdullah of the Negeri Sembilan royal family which had a close association with Mahathir. Malaysia’s first pay
TV and cable-based television services, Mega TV, started operations in 1995 under Cableview Services Sdn Bhd, one of the TV3 group of companies. However, it ceased operations in September 2001 due to financial constraints and stiff competition from ASTRO (Yasin, 2004:116). Mega TV had once offered 8 channels in a 24-hour transmission (Khattab, 2006:355). ASTRO, the nation’s first satellite television service, emerged in 1996 and transmits 24 channels. The subscription-based service (Yasin, 2004:116) has since increased its television channels to 32 excluding 16 radio channels (Khattab, 2006:355). ASTRO is owned by other state-linked individuals, Ananda T. Krishnan and a former Inspector General of the national police force, Hanif Mohamad Omar, under Binariang Sdn Bhd (Nain and Anuar, 2000:167). Within a short time, in 1998, another free-to-air television station, NTV7, began its operations (Hasim et al., 2000:332); it is owned by a former director of the state Economic Development Corporation of Sarawak (Nain and Anuar, 2000:169), Effendi Norwawi. However, its operation was affected by the economic downturn at the end of 1997. The latest television station, Channel 9, was established in 2003 (Khattab, 2006:355).

The same trend of ownership has occurred in the nation’s newspaper industry. The Malaysian Chinese Association (MCA) and Malaysian Indian Congress (MIC) are two of the party components of the state political party, BN, and hold particular proportions of shares in the mainstream newspapers. MCA holds a 58 per cent stake in Star Publications which publishes The Star through Huaren Holdings Sdn Bhd. Another English daily, The Sun, is owned by Vincent Tan, another business connection of a former UMNO minister. He was also granted a share in The Star and Sistem Televisyen
Malaysia Berhad (TV3). MCA also own other local Chinese dailies, namely *Nanyang Siang Pau, Sin Chew Jit Poh, China Press* and *Guang Ming Daily*, through its investment wing, Huaren Management (Anuar, 2005:31). In fact, the ownership of the Tamil press was controlled by the MIC president, Samy Vellu (Wang, 2001:73). MIC had also held shares in TV3 through Maika Holdings. The Utusan Group, which publishes *Utusan Malaysia* (one of the Malay language mainstream newspapers), has a long history with the Malay community and UMNO (Anuar, 2005:31). Such allocative control over media ownership (Wang, 2001:74) portrays the direct influence of the political parties and their agenda in making decisions regarding media content.

1.2.4. Conglomeration of Media Corporation in Malaysia

The distributive control in media corporations, as mentioned earlier, began to record remarkable profits, as these corporations practise sharing of resources, particularly of managing skills. This is clearly seen in the transformation of the media corporations, particularly of TV3. Nevertheless, economic constraints have been the major contributing factor triggering the transformation of the GLC’s business operations overall. Initially, it was believed that it was the economic recession that had led the local government to accelerate the conglomerate of mass media in Malaysia. Bunce (1997:230) defines a media conglomerate as ‘a media corporation that is involved in various types of media business besides its main business’. However, the conglomerate concept in general was not only applied in the local media industry but has also been practised by the government since the 1970s to manage government investment in companies related to UMNO.
UMNO’s first corporate move was made a few years after the introduction of the NEP in an attempt to build up its investment portfolio through Fleet Group. Fleet Group was formed in 1976 following the acquisition of the newspaper publishing company, New Straits Times Press Malaysia, from Straits Times Press (George, 2007:897). Initially in 1970, Perbadanan Nasional Berhad (Pernas), a Bumiputra trust agency, had possessed a major stake in Straits Times Press before being taken over by Fleet Holdings (Wang, 2001:72). Fleet Holdings also held the Utusan Melayu Press shares in the same year. UMNO’s media ownership of these two newspapers remains intact to this day. In this case, acquisition is evidently a tool for government control over newspaper and television content.

UMNO’s grip on television content began with TV3’s emergence under the Fleet Group before undergoing several management restructurings. In the early stage, UMNO’s business conduct was heavily influenced by two individuals acting as the main trustees for UMNO assets. This is based on Searle’s (1999:105) notion that conglomeration of Malay business corporations is heavily influenced by Daim Zainuddin’s business conduct of UMNO’s assets. As the former Minister of Finance and UMNO Treasurer during Mahathir’s tenure, he was among the key drivers of Malay entrepreneurship. Before 1982, Tengku Razaleh Hamzah handled investments made by the four main UMNO business companies – Fleet Holdings Sdn Bhd, Hatibudi Sdn Bhd, Halimtan Sdn Bhd and Koperasi Usaha Bersatu Berhad (KUBB).
Tengku Razaleigh’s investment vision was focused mostly on media-related companies. TV3 was a Fleet Group subsidiary when Daim took over the directorship. The new management of Fleet Group had ventured into businesses in various portfolios such as property, food retailing and banking. The mixed business portfolio is apparent from Daim’s interest in the diversification of business. Instead of dealing in media-related corporations, Daim ventured into property development. Although such a move had increased the corporation’s growth, the mid-1980s recession had plunged Fleet into serious debt (Searle, 1999:106). Severe financial constraints raised the pressure for corporate restructuring between Fleet and Renong. In April 1990, Renong executed a takeover of Fleet’s entire equity including TV3. In February of the following year, Renong increased its share in United Engineering Malaysia Berhad (UEM) and TV3 to gain majority control over the two UMNO assets (Searle, 1999:111). However, TV3 was handed over to MRCB following another corporate restructuring exercise to secure Renong’s debts during the Asian financial crisis. As a result, the Malaysian Resources Corporation Berhad (MRCB) had diversified its core business from mainly property development to print and electronic media businesses which involved the NSTP and TV3.

This action was one of the government’s measures to improve national conditions during the crisis. Gary Rodan (2004:117) indicates that major government efforts were focused on ‘reformation of their general supremacy to reinforce corporate regulatory structure and enforcement’. Nevertheless, the reformation does not cover some state
economic and political interest enterprises, especially UMNO interests. In fact, this elite political group had to seek ways of restoring the new regulation that reduces the alternative powers of private companies in the interests of the parties (Rodan, 2004:119). One of the alternatives is to set up corporate restructuring processes to resolve huge debts among local corporate entities, especially those involved in government-linked projects.

The impact of the 1997 financial crisis induced the MRCB to perform major corporate restructuring which de-merged its media entities to form a separate public listed company known as Media Prima Berhad (MPB). TV3 today operates under the newly-formed media group, MPB, after undergoing various management transformations from Fleet, Renong, Realmild and MRCB. With assets totalling up to almost two billion ringgit and involvement in seven types of media businesses, MPB is currently perceived as the biggest media group in Malaysia. Nevertheless, the government still holds a tight grip on the group through its investment arm, Employee Provident Fund Board and Gabungan Kesturi Sdn Bhd (MPB Annual Report, 2007).

The broadcasting industry, which had been experiencing tremendous development until mid-1997, was involved in the global economic crisis which affected its 30-year-old economy since NEP. The implications of the crisis had significant political and economic impacts on the broadcasting industry, leading to government pressure to tighten its power over the mass media industry (Nain, 2000:174). Economically, severe financial constraints were felt by most private television broadcasters during the crisis. TV3’s plan for round-the-clock operations had to be postponed due to rising
production costs and imported TV content. The constraints during the recession period have developed issues that need to be addressed by the government and the media industries for the benefit and the future of the local television industry overall. Such an environment has clearly created the importance and the rationale for executing this study. Although the government seems to have made serious efforts to promote and uphold the television industry, it is vital to evaluate the implications of the strategies for the local audience and the future progress of the industry.

1.3. Rationale of Study

There are several reasons for undertaking this study of media conglomeration in Malaysia. The selection of MPB as a case study is based on evidence that it is currently the largest media corporation and that it has been the leading media group in Malaysia. The group’s annual pre-tax profit has been growing consistently at MYR49 million ringgit in 2004, MYR71 million (2005), MYR105 million (2006) and MYR149 million (2007) (MPB Annual Report, 2007). In a small market such as Malaysia, this level of television income for a new media group is extremely impressive. It accounts for more than 50 per cent of advertising share and owns all FTA television stations in the nation. This situation demonstrates its great influence in the communication industry despite radio networks, outdoor advertising, print media, new media and event management.

From a personal point of view, the emergence of MPB has triggered the researcher’s concern over television programmes broadcast over TV channels operating under the
group, as it has begun to broadcast significant programme repetition on individual television channels and across other MPB television channels. The repetition was obviously influenced by how people switch from one television programme to another. Why does a television station repeat its programmes across other television channels when this would seem to threaten audience interest and viewership? This question, however, reminds the researcher of the ownership status of Malaysian media, which is tightly linked to the governing political party. Such a situation has further triggered concern over their relationship with a media organisation, its development and the implications for television content overall.

The television industry has undergone a continuous transformation into a ‘dynamic economic industry’ since privatisation. ‘Neo-liberal economic policies coupled with globalisation’ impacts (Rahman, 2005:134) have transformed local broadcasting industries into profit-oriented-based entities. The capitalist economic policy drove media business further towards commercialisation imperatives. Globalisation compliments the market orientation policy through a strategic Western-rooted lobby that facilitates exportation of cultural goods to the developing countries (Zanuddin, 2009). In the early years of privatisation, Banerjee (2002:527) observes an increase in television network players, particularly in the mid-1990s; she describes this situation as offerings of ‘varieties of channels and programmes by the public and private stations’. This prosperous phenomenon has nevertheless created greater government intervention in the broadcasting industry. The development is believed to have been caused by the impact of globalisation and modernisation, particularly in developing
countries. The global phenomenon deluged viewers with the new experience of watching television through technological enhancement. Watching videos became a new trend, causing governments to introduce alternative television networks in their respective countries (Richards and French, 1996:28).

More television licenses are being released to fulfil audience demand in the rush to trail technological changes and media convergence. Such an environment has eventually resulted in increased competition among the commercial media corporations. Profit-driven media corporations raise commercialisation values in increasing efforts to register higher revenue. Economic constraints have, however, played a significant role in the development of Malaysia’s television industry, particularly during the Asian financial recession. This tarnished TV3’s business operation and other television stations that were still in their early years of operation. Mergers and takeovers were executed among these stations that eventually formed a new media giant in the local media industry.

Media consolidation is a global trend; however, since the number of television stations in Malaysia is small, the implications of media conglomeration and concentration tend to limit competition and choice of television content. Thus, this situation has inspired the first research question of this study. What are the transformations that have taken place in the local television market and content industry since MPB conglomeration?
In the US, the Federal Communication Commission (FCC) has underlined specific limitations on media ownership to ensure fair play within the television industry. Malaysia, on the other hand, has not introduced media ownership policy such as in the US due to the small size of its market, thus promoting an open market model system to generate market competition. Malaysia imposes specific quotas for foreign ownership of any local entities. Theoretically, profit motivation encourages corporate expansion, which in some instances seems to threaten fair competition within a specific market. Although there is no evidence of regulations currently restricting media ownership to the hands of a few in Malaysia, the impact of the liberalisation policy should still be assessed for the market to remain healthy. A forceful local media market in the long run will sustain the marketability of media products at home as well as overseas. Such an objective seems far from being a reality if the profit objective of a market produces a greater challenge to market sustainability.

This is particularly the case with MPB’s current structural change which is deemed to be developing the potential for monopolising television production and television content business operations. A newly-formed company, Primeworks Studio Sdn Bhd (Primeworks) under MPB, is regarded as a threat to the television content industry in Malaysia. Since the advent of private television channels, the local content industry has seen the growth of various media companies and production houses that produce programmes for the local public and private television industries. With this new development, it is likely that small companies will find it impossible to compete with this credible rival. According to a newspaper article in the *Utusan Malaysia*, dated
18/8/2008, it is reported that Primeworks plans to produce television programmes, particularly drama and films, which will not be limited to the MPB FTA market. This will develop an unfair market environment that will eventually reduce the total number of market players whilst increasing the monopoly of the industry by the media giant.

Fears of such a threatening environment are justified based on the fact that MPB holds a 100 per cent stake in all four free-to-air television stations in Malaysia. This ownership structure is perceived as representing total control by a single corporate organisation in the media, which has established its probable growing domination in the local content industry. McDaniel (2002:37) argues that media ownership confers power over national information which leads to the domination of the public’s minds, thoughts and behaviour. However, a crisis among the audience and the implications thereof are likely to intensify if TV programming is biased towards political issues, entertainment elements and commercialisation.

Does media consolidation in Malaysia serve the political agenda of the government of tightening its grip on the media industry? Most literature reviews conclude that Malaysia’s mass media have established a direct political link. For instance, Banerjee (2002: 527) asserts that a significant stake through the major investment arm of the ruling party, UMNO, is one of the ‘government control’ indicators that influence the decision-making process of a media organisation. Since UMNO is the owner of MPB, news and political party developments are broadcast over most of the channels under MPB. This offers a limited communication platform for other political parties. This
situation causes disturbing conditions that reflect significant control in the selection of information through television ownership. Therefore, this study aims at identifying whether MPB practises freedom of expression in the television programme production process.

The question of freedom of expression in the television production process is vital as television content in Malaysia is conceptually deemed to have been unbalanced since the inception of the first television station in Malaysia. The multi-racial audience demanded for a greater balanced TV content that caters for the various key ethnic audiences. The advent of private television has given the unpopular government television channels an opportunity to improvise their programme policies (Hasim et al., 2000:332). This was seen as one of the initial reasons for privatisation of the television industry (Yasin, 2004: 109) and programme varieties. Therefore, it is vitally important for the local television industry to create a positive environment for content development and creativity. How do the media practitioners generate new ideas for content production in MPB TV networks? This question is important if the local media content industry aims to market television products with impact, which are marketable locally and internationally. How can media practitioners be given a positive environment for such an improvement if freedom of expression is limited by policies and political constraints that are biased in favour of a particular party?

Competition among the public and private television stations has resulted in a greater amount of programme imbalance in terms of local and foreign content. A study
conducted in 1992 revealed that 70 per cent of TV3’s programmes were imported. Meanwhile, the government television stations’ (TV1 and TV2) output consisted of 37 per cent and 58 per cent foreign content respectively. Such empirical evidence prompted the TV stations to reform their schedules by broadcasting more local programmes. Such an intention of setting content guidelines has been a long-debated issue (Hasim et al., 2000:333). In the post-commercialisation era, there is also a higher possibility that foreign programmes have become more prevalent due to media conglomeration. Empirical evidence from a study by the MCMC indicates a higher proportion of entertainment programmes in comparison to informative programmes on all free-to-air stations (Shafie, 2007). What are the transformations that have taken place in the local TV market and content industry since MPB conglomeration? A political economy approach is used to assist the researcher to answering this question. According to Eastman and Ferguson (2013:4), television programming or scheduling is a means of communication between the station, advertisers and audience. It illustrates the television station programmes on offer to the audience. It is thought to produce the daily diet of audience consumption, hence the term ‘choice of menu’. This study is vital as a checkpoint for evaluating the implications of MPB merger and acquisition. It tries to determine the impact of the transformation of the MPB group TV networks’ programme format as a result of organisational expansion. A study of the television stations’ schedules under MPB before and after the consolidation is vital as it will greatly reflect the power ideology in mass media content (Shaari, 1997:64). Having debated the list of issues above, it is now vital to highlight the central point of this study in the following research questions.
1.4. Research Questions

The research questions of the study have been developed following the rationale of the study in order to investigate the level of MPB influence within the television market and television content industry locally. Questions related to the impact and transformation of conglomeration will also be explored, particularly of MPB TV networks’ television programming and television content overall from a political economy perspective. This study is executed based on five research questions that have been developed to achieve the research objectives. What are the transformations that have taken place in the local TV market and content industry since MPB conglomeration? This first research question is articulated to investigate the types of transformation occurred within the local television market and content industry since MPB conglomeration.

The second to fifth research questions specifically cover the investigation into the aspect of television content in four MPB television channels, TV3, NTV7, 8TV and TV9. The second research question intends to discover about the possibilities of gaining freedom of expression and new ideas in television production. Has freedom of expression been possible since conglomeration? How do the practitioners generate new ideas for television production in MPB?

These two questions are vital for identifying the internal production overview of the media corporation in order to create a positive platform for future development of the
local television content industry. While the government strategizes some positive implementations to improve the television content industry through intensification of creative grants for content development and professional training for media practitioners, it is also the responsibility of media corporation to create a positive and progressive business environment. This positive business should not merely project profit driven cases. Successful corporate broadcasters should be encouraged to play as key role model of the support system assisting the government agenda in developing local creative content industry.

Has there been any difference in terms of local and imported format in MPB TV programming since MPB conglomeration and what are the implications? Has there been any difference in terms of entertainment and informative format in MPB TV programming? What are the implications of the differences?

These final research questions will enable the portrayal of TV format transformation in all four MPB TV channels’ television programming before and after MPB consolidation. The attempt is vital, for it measures the impact of MPB conglomeration on its television programming trends. The findings will illustrate the significant transformation of MPB in the local media market, the impact of MPB’s expansion on television production, as well as its contributions to the local media industry and to the audience and social life. The following discussion on the research method design will establish the path to answer the above research questions.
1.5. Research Methodology Design

This study intends to investigate the extent of MPB’s influence as the largest media group in the local television market as well as in the local television content industry. It seeks to answer the research questions by evaluating, through semi-structured interviews, the perceptions of various individuals from three different groups: 1) MPB personnel, 2) market members and 3) government officers and media consultants. The semi-structured interview and purposive sampling selection of informants are used because they offer greater success in dealing with policies and media ownership relating to a political party, as described earlier. An email interview is executed as a discussion platform for a couple of informants after the fieldwork. These approaches are aimed at gathering information on MPB business expansion overall. Discussion is focused on MPB consolidation decisions within the context of the local media market environment and development to measure group influence. This will lead to answering the first research question. In terms of television content, questions are focused on understanding the freedom in television production and encouragement of new ideas for improving television content in MPB TV networks. The findings of the discussion are assembled to answer the second and third research questions. The interview approach is also a way of examining the television production and TV programming transformation before and after MPB consolidation. It will also highlight the amount of specific programme formats under each TV brand and implications for society. This approach is used to answer the fourth and fifth research questions.
The research interviews took place between June and August 2009 in Petaling Jaya, Malaysia. Media Prima Berhad (MPB) was selected as the study sample as it is currently the largest media group in the country. The group was only established in 2003 and was able to expand its media business as the leading media corporation within a limited duration with multiple ranges of content and media-related assets. The status of its ownership and other issues as described earlier are the contributing factors to its selection for this study.

Investigation of MPB’s expansion is also focused on evaluating the impact of MPB conglomerate based on the transformation of MPB TV networks’ television programming. In this regard, a content analysis approach is executed to analyse the transformation of all four MPB TV networks’ programming: TV3, NTV7, 8TV and TV9. The content analysis took place between April and November 2010. A systematic random sampling selection of a year’s television schedule of each television station was performed to build four weeks’ TV programming for further analysis. Coding of each programme broadcast on every TV station is performed based on the four weeks’ TV schedule construction to identify and compare the total amount of specific television formats before and after MPB consolidation. The findings portray the total amount of entertainment and informative programmes as well as home-made and imported television programmes. These will answer the fourth and fifth research questions, illustrating MPB’s business direction whilst highlighting the social implications of MPB television programming through the changes.
This thesis explores the media corporation structure transformation and its implications for the local television content industry. The study analyses the political and economic imperative of a media corporation structure since its inception and how it navigates itself towards corporate growth within national policies. Measurement of the implications is, however, limited to the form of television products’ variety that the corporation offers to the public. Overall, these two main research methods are combined to answer the research questions and generate debates in relation to the concepts and studies of a political economic approach to a media corporation’s development in a small developing nation. The next chapter will set up the framework of this study through discussion of the primary literature on the concepts of the political economy of the media, media integration and conglomeration, and the implications for television programming.
CHAPTER 2

REVIEW OF LITERATURE

2.1 Introduction

This chapter reviews the primary and relevant literature on political economic theory. Reviewing the relevant literature helps to build a clear understanding of the framework for studying the development of a media organisation and the implications for television programming in Malaysia. Political economic theory emphasises the interrelations of political, economic, socio-cultural and technological factors that form the background to the restructuring process of the television industry in Malaysia. The political economy approach permits the investigation of the interrelations of power between the state and a corporation and the allocation of resources within a media organisation (Mosco, 1996:26). Thus, the political economy framework enables the researcher to reveal the stages of media industry development, structural transformation and ownership as well as the implications for media content. This thesis specifically intends to build an understanding of corporate media behaviour, particularly regarding its corporate expansion and profit maximisation principle which influences TV programming and the television content industry overall. It is a case study of Media Prima Berhad (MPB), currently the largest media corporation in Malaysia. The political economy approach enables the study to examine the relationship between government policies and MPB’s corporate development since its inception between 2003 and 2009.
This chapter is aimed at enhancing an understanding of the research topic through the discussion of key theoretical debates. The discussion in this chapter will be focusing on three key conceptual frameworks used in this investigation: the political economy of the media, media conglomeration, and television programming. The investigation covers MPB’s influence, the structural transformation of the corporation and the implications of the transformation for the programming of four MPB TV stations.

2.2 Conceptualising the Political Economy of the Media

According to Mosco (2009:70), the early political economy dimension started by focusing on the production of the communication process, with a strong emphasis on the growth of the communication industry and the interconnection with the political and economic context. McQuail (2002) asserts that the powerful effect of the media as a tool for disseminating information is often regarded as the centre of power in its ability and capacity to connect people, distribute information and build public discourse. According to him, these dominant effects often drive individuals and institutions to use the media as a platform to form various relationships for specific intentions with specific results. It is for these reasons that most governments control the media in developing societies and nations. In this regard, the political economy framework enables the researcher to study the domestic or global media operation (McQuail, 2002:10).

The current trend of political economy studies focuses on media institutions as economic entities for they are ‘highly dependent on economic and political influence
as well as the changing factors of technologies’ (McQuail, 2005:218). Therefore, studying media corporations is worthless without understanding the central influence of the media, i.e. the economic and political issues influencing corporate growth. Many studies on the mass media in Asian countries have revealed that they are controlled by the government (Kit, 2004:6) either directly or indirectly, and Malaysia is no exception. Hence, the intention to study a media institution in Malaysia is channelled by employing political economy theory as the basis of the study framework.

2.2.1 Defining Political Economy Theory

The earliest definition of political economy was originally based on a Greek terminology that refers to the study of ‘managing the household’ and ‘managing the community’ (Mosco, 2009:22). Eatwell, Milgate and Newman’s economic dictionary constructed a better understanding of political economy studies as ‘a science of wealth that deals with human efforts in fulfilling human desires’ (in Mosco, 2009:22). The understanding that is based on the basic management of the household is then lifted to the art of managing a society. In this regard, Gilpin (in Mosco, 2009:23) constructed an improved version of the definition as focusing on the economy of ‘crafting a state’ which is currently recognised as the study of the ‘moral integrity of specific issues’. Based on these definitions, Mosco concludes that there are various dimensions to the definition of political economy. Mosco (2009:26) perceives political economy theory to have originated from the classical political economy established by Adam Smith, David Ricardo and John Stuart Mill which adopts a historical approach to studying the transformation of the social structure, from traditional to modern society. The next
development stage integrates the capitalism synthesis which positions the economic features of the theory alongside the historical background. Popularly related to Marxism, it seeks to understand the fundamental forces in capitalism which are geared towards social transformation. However, neoclassical political economy foregrounded the economic essentials over the historical background.

Wasko (2005:26) indicates a similar annotation of political economy’s roots. She argues that it is a transformation from the study of wealth by Dallas Smythe. It later incorporates the classical approach that analyses the transformation of labour and class by Adam Smith and later Karl Marx’s capitalism. The earliest definition of political economy emerged from Adam Smith (in Wasko, 2005:25-26). Wasko (2005) notes that Adam Smith defines political economy as a study about wealth creation by an institution, through the processes of production and distribution, in order to gratify and fulfil human necessities. At the same time it evaluates the implications for individuals and societies. In simpler terms, political economy discloses the ways in which a nation generates its wealth through daily human requirements and the implications for social development. Adam Smith’s study of generating wealth - how people organise resources in order to gratify and fulfil needs - focuses on the process of production, distribution, exchange, consumption and its implications for the benefit of a society which uses capitalism as the system for social production (Wasko, 2005: 309).
These views establish a similar theme that focuses on managing an institution that specifically emphasises the fundamental values of an organisation’s management system heavily related to regulatory issues, labour force and resources. From the classical political economy study trend, Mosco (2009:128) and McChesney (2003:28), however, have established a modern study of political economy through a critical approach. The approach stresses the importance of making comparative judgements between two fields of study, politics and economy, whilst imparting critical discussion.

Mosco’s (2009:24) present definition of political economy emphasises the ‘evolution of social practice that gradually emerges as power over a period of time’. This, Mosco says, leads to the trend for ‘identifying the emerging power within the process of production, distribution and consumption of resources’ of an organisation (Mosco, 2009:24). Although the study is skewed towards policy-based research, the interconnection with the economy remains significant as a measuring tool of an organisation’s growth and performance.

2.2.2 The Background of Political Economy Studies

A US political economy scholar, Wasko (2005:26), has also verified the orientation of political economy study. She perceives political economy as the study of individual and institutional wealth rather than concern for society. The orientation of media economics studies, according to Gustafsson (in Ramstad, 1997:49), is focused on evaluating a company, industry or market through the historical dimension by illustrating the development of these platforms. Mosco (2009:26) explains that the
characteristics of ‘wealth’ include ‘investigation and evaluation of media economics from three important elements. Firstly, political economy extends understanding of organisation production and distribution of product. Secondly, it highlights organisation business deals between the distributors and market, and thirdly, it identifies audience selectivity of what to watch, read and listen’.

Hesmondhalgh (in Wasko, 2005:30), a cultural scientist, nevertheless criticises Mosco’s political economy paradigm from a cultural studies perspective. He states that the political economy dimension fails to evaluate disagreement within a system, for it values production over consumption and overlooks the meaning of symbols. Hesmondhalgh’s criticism, which values the symbols of cultural products, is vital from a cultural perspective. However, Mosco’s political economy paradigm is better suited to the research objective for it evaluates a greater contradiction range through the critical approach that relates to power. Such a critical strategy facilitates this study in investigating the implications of media corporation structural changes by examining the interrelations of ownership, allocation of resources and the controlling elements between large media corporation and regulator. This illustrates the representation of power-class structure relationships in Media Prima Berhad. It also permits identification of a conglomerate’s impact on television content, based on Mosco’s guidelines (2009:26). The historical approach clarifies the interlinking between the national policy and media industry development that contributes to the designing of the social structure and social development in Malaysia.
2.2.3 The Concept of Political Economy of the Media

There are three common approaches to studying communication from the political economy perspective. Commodification, spatialisation and structuration (Mosco, 1996:139) are the entry points relating to cultural studies and policy studies that Mosco underlines for studying communication (Wasko, 2005:30). Commodification approaches measure communication products or services as commodities for gaining profit, and evaluate transformation of the values of the product or services to society (Mosco, 1996:141). The study of media products as commodities has been central for most communication researchers studying media products and production (Mosco, 1996). Spatialisation, on the other hand, inspires researchers to identify the transformation of corporate expansion over time, its organisational influence, the distribution of products and implications (Mosco, 1996:175). The approach is favoured by media economist as it evaluates the relationships between the forces of economic power and resources within a media corporation. The spatialisation approach, he said, assists in discovering ‘the structure of media and power’ within a specific period and also explores their range (in Mosco, 2009:171). The approach highlights the discovery of corporate media structure and power transformation within a specific period. The internal activities of human agencies and their social conduct are the primary focus of the structuration approach. It investigates media organisations’ activities and evaluates their ‘structure, actions and the relationships with social life’ (Mosco, 1996:212-216).
This thesis will undertake the study of a media organisation in Malaysia through the means of spatialisation. The chosen approach is expected to analyse MPB's corporate structure and growth, its increasing market power and the implications for the social life based on Mosco's idea (1996:175-176). The thesis explores the transformation of MPB's corporate structure and how its behaviour and performance influences local television market competition and television content. It discloses MPB's corporate influence in generating income for building the Malaysian economy as well as the consequences of its operational strategies in transmitting television programmes for local audiences. This study addresses the transformation of a large media corporation structure and the impact on its programme display in television programming through the ‘historical phases of MPB development’ since its inception, as highlighted by Nicholas Garnham (1997:55).

2.3  The Spatialisation of Media

The spatialisation of media addresses the notion of increasing corporate influence in a specific media industry through the evaluation of a media organisation's growth measured in terms of assets, revenues, number of employees and value of shares (Mosco, 2009: 175). As a firm develops, it applies various strategies to improve business activities and performance that vary according to the organisation’s objectives and visions. The strategy is commonly known as corporate integration which changes market structure or organisational structure. The reasons for firm expansion are various but are primarily related to maximising profit. Some are derived from
managerial theory which argues that it is in the managers’ interest to satisfy personal needs and strengthen corporate management and credibility (Doyle, 2002:24-25).

The study that comes closest to focusing on media expansion in a small market was conducted by Chambers (2003) who investigated the structural changes and their implications for content diversity in a small US media market. This study provides an interesting model for this thesis as it highlights the impact of structural transformation in a small market similar to Malaysia. In addition, Sweeting (2010) identifies the transformation of product positioning and differentiation as competitive tools, but his work is limited to the music industry. In the Malaysian context, the empowerment of private sectors and foreign investors in the 1990s has seen the growth of the television industry with the emergence of terrestrial, cable and satellite channels each targeting a different audience market. The development offers prosperity in the local television industry with increasing numbers of production houses (Yahya, 2006:94) and employability that will eventually produce a greater contribution to the national economy. Does structural transformation in a small media industry such as Malaysia influence its media content? Let us first identify the various forms of media structure before moving on to a discussion of media market growth and structural transformation issues.

2.3.1 Transformation of Market Structure

The transformation of market structure is primarily influenced by an economic paradigm that is identified through changes in the ‘communicative means between the

In terms of market structure, Noam (2009:15) has underlined the varieties of media structure models based on his empirical studies in his book, ‘Media Ownership and Concentration Studies in America’. He highlighted that the most commonly identified media system models are the public and private television models, normally distinguished based on ownership and business orientation. In fact, there are different ranges of ownership in the private television model. According to McChesney (in Noam, 2009:15), each of these model characteristics displays the behaviour, performance and direction of media in a particular market, corresponding to the national policies and regulation. However, none of these models can guarantee ultimate business success in any marketplace. The market growth and performance of the media industry (in this case, a TV station) are also reliant on the strategic management of a media firm, and how the manager steers the firm through the implementation of various planning, adjustments and environmental adaptations (Noam, 2009:15).
The most common market structures in media businesses are monopoly, oligopoly and pure competition. Doyle (2002:8) argues that these structures are based on total sellers within an industry, which influences market strength. The volume also reflects the level of control a firm possesses within the industry, which strongly depends on a firm’s performance over economic issues. The implication of each market structure transformation varies according to many factors. Market transformation may reduce the volume of market players of an industry, hence forming market concentration. Conversely, an increase in the total number of market sellers creates an oligopoly market with a few dominant sellers, whilst a monopoly market occurs when a single media entity dominates the entire market in terms of goods or services (Gershon, 2009:7). However, the greatest concern is expressed by many economic scholars regarding the implications of a reduction in the number of market players, a phenomenon known as concentration. A concentrated industry features an industry that is formed by large and limited media markets, thus influencing the overall market direction. According to Mosco (2009), concentration occurs when ‘a firm [has] bought another firm that has similarities in its key business’. Mosco (2009) sees studies on media concentration as less popular as they are usually marketing-driven, seeking better opportunities in media product promotion. Studies on media concentration are usually highlighted through identification of corporate concentration features. Although it is not the key concept of this study, the orientation of the political economy paradigm necessitates a review of the process of media firm growth. Identification of different forms of corporate concentration, and the relationships
between organisational development and policies, may also direct a study towards the social consequences of organisational behaviour (Mosco, 1996:175).

2.3.2 Types of Corporate Media Expansion

Corporate strategy is an essential formulation for every organisational expansion for future planning and positive achievement. It differs based on organisations’ planning and goals, and for a variety of reasons (Allan, 1966:101). As an organisation expands, it evolves into stages of development trends and, in most cases, concentration occurs in order to achieve various economic goals, particularly greater revenue. In terms of management, the combination of the commercial community, including leaders and technical resources, builds equal strength (Gershon, 2009:35). An economic scholar, Dennis Mueller (1969:643), points out that firms opt for merger when they aim at garnering market power and higher profitability. Mueller’s view is supported by Eli Noam’s rationale over merger option guidelines. Noam (2009:35) identifies three economic factors that force media concentration. The most important factor in the concentration trend is to reach economies of scale. The second is to reduce barriers to entry, and the last factor relates to the strong influence of digital convergence. The combination of two or all of these forces has the potential to construct a specific concentration trend.

Noam (2009) further emphasises that the economy of scale and reduced entry barrier develop an ‘upward trend concentration’, whilst the technological factor converges in the communication industry overall. Noam (2009) also asserts that high profits and
market power will eventually decrease market entry barriers. A reduction in entry barriers promotes an open market policy, thus encouraging new or foreign firms to enter the new market by establishing platforms of joint ventures and cooperation. The cooperation between active firms enables them to reach an economy of scale, hence enhancing profit. A liberal or open market policy within a small market industry encourages existing firms to find alternative marketing platforms, either domestically or overseas (Noam, 2009:37). The progress will normally force firms to perform structural adjustment, either in terms of integration or diversification strategies or both. Limitations in terms of funding, workforce and skills, and weakness in communication policies are among the constraints on local firms seeking to establish foreign networking. The managerial goal of achieving technological advantage is another driving force for establishing such a relationship in the era of media convergence. Convergence shifts TV broadcasting from the traditional model of selling media content to the audience based on programmes, to a subscription basis where the audience pays for specific content and at a specific time. Media convergence has transformed the television viewing experience through other media such as the Internet and mobile phones (Croteau and Hoynes, 2006:63). These new avenues, such as pay TV and online television, increase the opportunities for media conglomerates to double their wealth as a result of globalisation. Digitalisation of content and the transformation of people’s behaviour in using online media promise to create new demand for new media assets (Thussu, 2006:99).
In the national context, ‘foreign direct investment strategy assists local markets for embarking on new business platforms overseas’ (Gershon, 2009:35). Such a policy benefits a cultural producer country in various ways. Knowledge exchange and expertise consultation are some of the benefits of establishing bilateral agreements through global networking. The global business entities, namely the World Trade Organisation (WTO) and the World Bank, are used as the platforms for lobbying governments and penetrating foreign markets (Zanuddin, 2009). Collaborative measures in the name of agreements, memoranda, joint ventures or programme exchanges elevate the higher potential of Neo-liberalism.

Guillaume Roger (2009: 134) highlighted the management perspective of conglomerate mergers. In his study, he reveals that consolidation of unrelated media firms increases profits and entry barriers. However, higher barriers of entry reduce the volume of new markets, thus limiting market competition (Roger, 2009:134). According to Guillaume Roger (2009:134), the concentration process forces non-involved media firms to depart from the industry as the larger media corporations dominate in marketing products. Such a condition indirectly influences product diversity within the local market. In a study on the music radio industry, Sweeting (2010) identifies that the transformation of product positioning and differentiation strategy is apparently used as a competitive tool and that mergers between ‘close competitors’ often lead to product differentiation. The differences in terms of products are essential to avoid audience-stealing competition between television
stations. This leads to the production of similar television formats, which increases television stations’ total market share.

The advantages of the synergy effect are the ultimate target of managers in a horizontal and/or vertical integration. Conversely, a merger also has the benefits of ‘taking advantage of managerial economies’ and ‘acquiring greater leadership potentials in a newly-absorbed firm’ if market synergy is unachievable (Mueller, 1969:652-653). Synergy is achievable through the joint efforts of two or more firms that eventually benefit in terms of profit (Wasko, 2005:33). Corporate concentration offers firm opportunities to improve control, production, distribution and exchange of communication/products, thus limiting competition, diversity of information and entertainment in society (Mosco, 2009:158-159). In many cases, these have social consequences for society. Mosco’s conceptual framework of political economy fulfils most exploratory media studies, indicating three theoretical trends of media concentration or merger: integration, diversification and internationalisation (Mosco, 2009). Nevertheless, in order to avoid confusion it is better to look at the differences between the words ‘integration’ and ‘merger’ which are used extensively in many references. Meier and Trappel (1998:41) have, however, explained that the words integration and concentration are often used synonymously.

2.3.3 Horizontal Integration

Horizontal integration is the first level of media integration (Mosco, 2009:177). According to the Merriam-Webster Online Dictionary (http://www.merriam-
webster.com/dictionary), ‘integration’ from the point of view of a corporation study refers to ‘incorporating two firms that resulted in a new entity’. The word ‘merger’, however, yields a similar meaning despite being a different word. Merger is ‘the process of merging’, ‘absorption by a corporation’ and ‘combination of two or more organisations’ (Merriam-Webster Online Dictionary). Generally there are three features of horizontal integration: 1) buyout of a media firm within the same media business sector; 2) buyout of a firm from an unrelated media sector; and 3) buyout of a firm that is not part of the media industry. This is justified based on Mosco (2009), Noam (2009) and Wasko’s (2009) perceptions of media integration. Integration occurs when a media firm buys another business that is either media-related or has an indirect relationship with the main business (Mosco, 2009:159). Mosco (2009) also notes that integration takes place when a large media firm buys a major share of a company from a wholly different business sector or one that is unrelated to the buyer’s main business. Noam (2009:297) and Wasko (2005:33) agree that integration takes place when firms within the same industry or among competitors integrate. Allan (1966:101), however, argues that horizontal integration also occurs when a media firm is bought by a non-media firm. Allan adds that a media and non-media combination increases the buyer firm’s majority share, thus increasing its market share as well as satisfying the government’s antitrust intervention. ‘Same stage production’ and ‘expansion within different geographic market’ are additional elements of large organisations (Allan, 1966:101). Expansion across geographical regions or transnational expansion offers greater domination and business potential as it expands the size and increases conglomerate influence (Gershon, 2009:35). The corporation remains the
primary business in its key market whilst operating other business subsidiaries elsewhere.

Such integration is an advantage as it offers ‘a wider range of similar products and extends marketing skills for a leading market player’ (Allan, 1966:101). Gershon (2009:35) perceives Allan’s notion of the possibility of creating standardised products or similar ones, such as in franchising businesses that tend to ‘replicate product design, operations, marketing and research’ alike to a franchise. The similarities are, however, seen as producing threatening conditions for a small market such as Malaysia, particularly in terms of product design, as they limit product variety. Although owning multiple television platforms strengthens company structure whilst enhancing credibility for strategising promotion and sales, the implication of commercialisation limits product diversity, thus leading to a decline for opportunities in content development. Gershon (2009) adds that a lack of product diversity creates homogenised television programmes in the market. Horizontal integration promises greater profit if the economy of scale and synergistic effect are achieved in a domestic market. A good example of horizontal integration is Time Warner Corporation’s buyout, which involves various related and unrelated media entities. To summarise, horizontal integration portrays the trend of large corporations buying a smaller firm share. This does not necessarily have to occur only within the media industry; in fact, it involves the integration of any companies from non-media industries aiming for better growth. As a result, the buying firm usually produces product homogeneity while at
the same time successfully multiplying its media or non-media platforms either in similar or different markets.

A diversified business expansion is formed when a corporation buys totally non-media entities, as mentioned by Mosco (2009) and Allan (1996) previously. Active mergers based on this trend create larger media corporations with multiple business portfolios. Ownership of many related and non-related businesses is the key characteristic of a diversified corporation. Wasko (2005:33) sees the diversification trend as ‘widening new lines of business into the existing portfolio’. It increases efficiencies and reduces investment risks (Gershon, 2009:35). Diversification integration expands media corporations into a new business area which forms diagonal integration (Doyle, 2002:23). Meier and Trappel (1998:42) value diagonal integration as a type of conglomerate integration. They argue that diagonal integration occurs when media firms execute cross-media integration and cross-economic sector integration, which will very likely lead to extension in terms of size, funding, and political and market power. The expansion increases the corporation’s dominance but does not necessarily mean a reduction in competition. Efficiencies emerge when integrated expansion occurs between printing and electronic publishing firms, as this can turn a firm into a specialist in a specific business. Whilst mergers between magazine and newspaper firms produce operational synergies, the integration of radio and television offer opportunities to share production content and transmission across platforms (Doyle, 2002:31).
There are a vast number of studies on corporate efficiency in US media industries which are dominated by several diversified media corporations. Time Warner Corporation is an example of an established media conglomerate that is now involved in multiple business portfolios including publishing, film, television, music, computer services, cable networks, cable systems and professional sports (Wasko, 2005:33) to conquer global media entertainment industries. A diversified business portfolio reduces business risks and garners larger returns and cash flows, whilst increasing market influence. The primary disadvantage of diversified corporations is that they tend to be largely diversified in specific fields, creating larger gaps within different business portfolios (Gershon, 2009:36).

Firms that plan for expansion may also implement a concentric expansion strategy. In a concentric diversification a company normally acquires or introduces products or services related to its core business or technology, to enter one or more new markets. The strategy identifies a firm’s key strength as the core business force. Such an approach enhances a firm’s credibility in terms of industry expertise, thus reducing its weaknesses (Allan, 1966:102). Building a business empire has increasingly become the objective of a local media group in penetrating the international market (Hollifield, 2001:141).

2.3.4 Vertical Integration

Another version of corporation growth is vertical integration which tends to combine ‘additional new entities within their production chain or at different stages of
production’ (Wasko, 2005:33). Vertical integration takes place when a new firm is bought by a larger media firm and is interrelated with the production line of the larger media firm’s business that cultivates control or power (Mosco, 2009:160). Noam (2009:40) justifies vertical integration as the ownership of firms by various media-related companies, such as involvement in television, film and music firms. Such an integration trend strengthens a firm’s business over its competitors, saving on production costs and capital (Mosco, 2009:177) as well as control over the production process which guarantees production supply (Mosco, 1996:176). Allan (1966:101) extends Mosco and Noam’s argument by stating that the expansion ‘integrates stages of production either backwards (for strengthening of raw materials) or forwards for consumer-oriented strength’. Both are aimed at maximising profit and strengthening the capacity and volume of production, hence offering a strong market supply (Obo and Chan-Olmsted, 2006:99).

The trend illustrates TV3’s business focus on establishing firms that support and guarantee production supply. The strategy protects large firms from conditions of uncertainty, such as strong market competition, limitation of supply and rising production costs (Mosco, 1996:177). Jung and Chan-Olmsted (2005:185) recognise that such conditions can produce ‘add-on power that increases firms’ market power’. They add that, when a firm buys another firm that relates to its demand and supply distribution chain, this may generate a reciprocal power of buying and selling. This situation occurs in content creation, packaging and distribution.
Noam (2009) visualises the ‘add-on power’ stated by Jung and Chan-Olmsted (2005) within a local concentrated newspaper industry scenario in the US; the concentration increases news coverage. In this case, local media concentration refers to ownership of shares in local newspaper firms. He underlines that, theoretically, a newspaper firm can own two or more firms in several locations, hence reaching national media concentration. Nevertheless, each of these newspapers might be the only one in that city. Such a pattern provides opportunities for power over news coverage and advertising price (Noam, 2009:40).

This has been the situation with much of the press in Malaysia in the Malay, Chinese and English newspapers. They set up regional or state representatives, with printing offices in Northern, Southern and Eastern Malaysia to cater for these areas. In regard to broadcasting, RTM has been using these methods to cater for their state and rural audiences. TV3 used the same strategy prior to MPB’s inception with a news production subsidiary. TV3 appointed state representatives and set up studios in each state, occasionally broadcasting live telecasts from these studios.

Vertical concentration involves a combination of firms within the ‘chain of production and distribution’, or ‘in contrast with “local” concentration in geographic submarkets such as a city’s radio station’ (Noam, 2009:297). The vertical concentration strategy also produces an internal protective environment as competition is limited within subsidiary companies of the organisation group. Such an advantage creates ‘a cushion effect’ for firms within their own market environment (Mosco, 1996:177).
Nevertheless, Allan (1966: 101) warns that firms expanding on the basis of a single product may experience instability. Such a basis is likely to expose firms to potentially severe losses due to their high dependence on a specific type of business. Waterman (1993:102) denotes the advantage of vertical integration in the entertainment industry as the opportunity to reduce production costs. A high entry barrier environment strengthens market power by limiting competition.

David Waterman (1993:23) also investigates the monopoly power relationship between a product retailer and an upstream product supplier. The results show that power-seeking may encourage a retailer to change the price or content menu. Waterman’s investigation illustrates that power-seeking intention encourages television stations to regulate product prices or programming schedules in the television industry context. Integration of informative retailers and suppliers shows that vertically similar products are cheaper than non-similar products. Similar programme formats of a vertical combination television station and television producer appear to be cheaper than the dissimilar programme format. Similar products have lower prices, thus encouraging market demand and distribution for better competition, whereas dissimilar products are more expensive because of their special values. In this regard, Kruger (in Siune and Hulten, 2002:29) states that competition between public and private media firms produces similarity in terms of content due to imitation. Alternatively, media divergence differentiates the content of both media firms. Therefore, it is apparent that a higher amount of similar products illustrates a less diversified environment of television programmes in an industry.
Programme imitation saves on production budgets in research and development and guarantees audience interest, which eventually reduces the possibility of losing competitiveness (Keane, 2001:229). The flooding of the market with cheap products as part of a cost-saving strategy, for example, is a threat to a healthy menu in television programming, particularly in a small market such as Malaysia. This is one of the elements that will be discussed further in the findings chapters.

Mueller (1969:643) indicates that, in most market conditions, a merger will be executed only when 1) it produces market power, 2) it is capable of producing a technological or managerial economy of scale, and 3) it produces the possibility of profit for the acquired firm. He stresses that mergers can yield unbelievable synergistic returns as they often occur between firms that have unrelated businesses or are in ‘loosely-related industries’. ‘The acquired firm is operated independently (self-ruling) apart from the larger divisions under the same management team that controlled it before merger’. ‘The newly-owned firm operates independently from divisions under previous management’ despite being under the same roof (Mueller, 1969:643). Lower discount rates also encourage firms to buy companies. MPB executes a streamlining strategy through centralisation of various divisions across group multiple platforms. Each division is, however, free to operate in their own niche areas under close monitoring by the division leader. This appears to be the same situation in Malaysia.

TV3 uses RTM’s strategy for reaching out to areas from the headquarters. TV3 integrates vertically in many media-related subsidiaries and invests in setting up state
studios. It also makes investments in transportation for operational use in media coverage. Financial debts during the Asian crisis set TV3 on a strict cost-saving strategy. In the researcher’s opinion, TV3 has established good corporate financial practice in its operation overall. However, as a GLC company, the station is a tool for propagating government projects and financial needs. In other words, concentration of TV broadcasting not only increases the power of a media organisation but also creates higher competition within the same market. TV3’s integration investment in news coverage portrays its expansion interest to achieve improved coverage and profitability.

2.4 Media Conglomeration and Strategies

In general, a conglomerate is an outcome of the combination of various firms under a single but larger entity (Mosco, 1996:176). Conglomeration is a terminology referring to a large corporation consisting of many smaller companies that run similar or different businesses. The corporation usually operates and runs businesses separately and independently although it holds a specific portion of shares in each company. In a media context, for example, a broadcasting corporation that owns newspapers and book publishing, radio and cable television alongside their television stations is a media conglomerate (Bunce, 1997:230), which is integrated horizontally. Horizontal integration between media and non-media sectors forms a diversified media corporation that extends business in a new economic sector. Allan (1966: 101) calls this type of integration ‘economic diversification’ or the ‘shotgun approach’.
Although conglomeration establishes a swift track to building new platforms or expanding production base operations, such integration may generate risks in terms of streamlining a variety management system (Allan, 1966:102). This is particularly challenging when there are great differences in terms of ‘regulation, technology and financial resources, where substantial re-organisation of business activities had to be done’, eventually forming a concentrated media ownership (Kit, 2004:7).

Despite the constraints, media conglomerates continue to target various strategies to preserve positive growth. In this situation, corporate merger is important as a supportive measure for other media and non-media firms to remain active in business, as most conglomerates have a large cash flow and access to external funds at lower price rates (Mueller, 1969: 651). Although most mergers are potentially exposed to risks (Hogarty, 1970:326), the risks can be reduced by sharing resources amongst the firms in the conglomerate (Mueller, 1969:652).

A conglomerate may also enjoy a competitive advantage when it executes integration horizontally and vertically (Mosco, 2009:160-161). The combined structure forms a strong shield that blocks uncertainty factors as it develops internal market strength. One of the uncertainty factors identified is the emergence of industrialisation which is deemed to have influenced media ownership in various environments (in Murdock and Golding, 1997:258-259). According to Murdock and Golding (1997:5-6), industrialisation has eventually produced differentiation of businesses in which
products differ from one another as a result of technological advancement, concentration of production and marketing strategies.

Media globalisation has also transformed our livelihoods by influencing the communication industry in terms of gathering, storing and disseminating information. Modernisation has nurtured greater human needs and satisfaction which generate greater communication industries related to traditional and new media. In such an influential environment, particularly since the advance of information and communication technology, a new business trend has emerged in the communication industry. Satellite television, cable television and digital television have transformed the means of communicative channels far beyond human reach, thus influencing human livelihoods and vice versa.

The multiple channel operation system of cable and satellite television increases the demand for television content. Importing of television content from Western countries has increased immensely as the demand exceeds supply in most developing countries. Realising the increasing potential of cultural product export to non-Western regions, large media conglomerates, particularly in the US, have been encouraged to seek new marketplaces in foreign countries. This, according to Mosco (1996:179), establishes ‘transnational media’ firms which expand domestic and international business simultaneously. Doyle (2002:21-23) argues that convergence integrates the traditional media with new media based on digital technology through the manufacturing of computer software. Media convergence has also intensified the impact of globalisation
which encourages media conglomerates to seek new markets overseas. This has increased the traffic of information product flow from around the world as a result of technological advancement. Media convergence encourages better innovation, incorporating new media technology in media corporation businesses. Digitalisation also offers economic potential for higher revenue through the promotion and distribution of media content across the globe, eventually forming transnational media corporations.

According to Gershon (2009:12), changes in technology are deemed to have a direct influence on product supply as well as the determination of production costs and revenue. For example, the home video and VHS phenomenon in the 1980s prompted the government to change and improve local television stations to cater for audience needs. Gershon (2009:13) highlights that the decline ‘in long-term average cost as output increases or economy of scale has been the utmost feature that business firms monitor and emphasise’ as it reduces operational costs. Satellite delivery may also achieve economy of scale for it widens television coverage under the same cost. Apart from the issue of additional operational costs, the strategy seems to be assisting local television stations to boost their audience share, particularly in rural areas where terrestrial television signals are barely receivable without a transmitter. The prohibitive and huge cost of transmitters has established a new method of product distribution through satellite television as current technology offers an efficient method and platform for transmitting television programmes and maximising television-viewing satisfaction for subscribers nationwide, as illustrated by Gershon
(2009:13). The latest technology, ‘video-on-demand (VOD), establishes an improved platform for achieving economy of scale over DVD rental system’ (Gershon, 2009:14). The advantage of content promotion across various media segments is the form of synergy that media conglomerates usually seek (Thussu, 2006:109). Thussu (2006:109-110) adds that the majority of television programmes are tightly bound to copyright and license charges for any forms of usage in other media platforms. The approach has been widely adopted by the Western media in what is known as syndicated programming. Media rivals also share content through programming, in which they sell programmes to other stations after several years. Syndicated programming is an important source for television programming in which television stations buy programme licenses from programme distributors exclusively for their content (Gershon, 2009:73).

One of the conglomerates’ tendencies in terms of the export trend and investment is to utilise the potential of low-cost labour, variation of product and deregulation of state authority (Mosco, 1996). These contributing factors have encouraged credible media conglomerates to open regional subdivisions. Regional markets have begun to grow as geo-linguistic regions in Asia and Europe through transmission of television programmes through satellite stations (Cunningham et al., 1998:180). China, Japan and India emerged as the pioneers of television programme format adaptation in the Asia region. The transnational conglomeration wave of communication industries has given birth to giant media corporations around the globe in the United States of America, Europe, Japan, China and Australia. Among the top media giants are Time Warner,
Disney and Viacom (US), Sony, NHK and Matsushita (Japan), Bertelsmann (Germany), the BBC (United Kingdom) and News Corporation (Australia) (Mosco, 1996:181). These promising futures have been intensively garnered since the liberalisation of the communication industry which worships the capitalist system. Promotion of the neo-liberal concept has opened up the world far beyond the reach of human nature. This has been the situation in most regions globally, including Malaysia.

Despite the attractive economic gains to be obtained from the globalisation trend, Alger (1998) has warned about the drawbacks of the development. Alger (1998:13) discloses the significant challenges posed by media conglomerate which include ‘unfair competition and twist of marketplace principles, cross-marketing, dominancy and elimination of competitive media resources.’ In fact, the apparent influence of media conglomerates in television content includes the deterioration in the quality of news reporting, distortion of features and entertainment content and the implications for society. In a competitive market, distortion of product also occurs because of the intention to achieve economy of scale and economy of scope. Economy of scale is achievable when the cost of producing a product is lower than in a smaller market. A firm reaches economy of scope when it manages to produce multiple products through the same process (Alger, 1998:116). Doyle (2002:13-14) had a similar understanding of both economic efficiencies. A firm achieves economy of scale when the cost of producing a product is lower in a larger volume, whilst variety in the production range of a product illustrates an economy of scope. Both economic visions
have been the key priority of media conglomerates in garnering revenues through mergers and acquisitions.

2.5 International Conglomeration Trend

There are many debates concerning the social consequences of media growth in various platforms. Debates mostly revolve around the issues of democracy or justice as a result of neoliberal economies (Mosco, 1996:175). The Western countries worship and practise democracy as it supports freedom of trade and freedom of speech and combats government control. Maintaining democracy in these Western nations is vital when the issue of media concentration is raised. The issue began in the United States when the Federal Communications Commission (FCC) imposed controls on the amount of media ownership in US media markets. The FCC regulates the US radio and television market and upholds policies relating to public interest and healthy market competition in the region (Chambers, 2003:42). Chambers (2004) stresses that the FCC ‘re-evaluates the public interest standard’ as the US media market transits from ‘structural regulation to a free-market deregulation’. The FCC determines the total number and types of players in a particular market (Chambers, 2004:56). However, such practices of ‘Western’ are rather limited in Malaysia due to stringent government policies. Empirical evidence by Nain (2000) and Wang (2001) depicts Malaysia’s media as authoritarian. Total freedom does not exist in the Malaysian context. Malaysia has established a so-called ‘led democracy’ in which the government assists national and industrial development along many paths of the economy for the national agenda. Government participation is apparent in the initial stages of most industrial
development, primarily in terms of funding and quotas which are seen positively as means of support and protection. The intervention may also be in the form of impediments when the issue runs counter to national rules and guidelines. The participation exists explicitly in many state regulations and policy documentation.

In Europe, issues on concentration are ‘pressured by the left and centralist political parties, trade unions and consumer groups.’ In the US, the pressuring conditions have emanated from the same political extremists (Baker, 2002:2). Despite the authoritative pressure in Malaysia, demand for freedom of expression in the local media is rising, led by the Centre for Independent Journalism Malaysia. The concern over ‘freedom’ in the media has dramatically increased, especially in the Western communication culture. It has actually become one of the global media market’s objectives as a result of neo-liberalism.

Shamsul Haque (1999:203) asserts that neo-liberalism is an ideology that ‘promotes free market and open competition among industrial members. It limits state intervention, promotes individual self-interest, rationalises utility-maximisation and comparative advantage.’ Of these features, maximising the market role and minimising state intervention are the most dominant. The ideology is operationalised through the introduction of state policies such as liberalisation, deregulation and privatisation (Mudge, 2008:704). Such a move is sponsored by the International Monetary Fund (IMF), the World Bank and international economic experts in the developing countries. Such arrangements began to appear during economic crises. These leading global
financial tools begin the recovery processes which eventually enable the neo-liberals to nurture new economic solutions through various recommendations (Mudge, 2008:709). This global trend has also influenced Asia, Africa and Latin America. In some developing countries, namely Taiwan, South Korea, Thailand, Malaysia and Singapore, governments had begun to reform their economic policies from a state-centred perspective to a pro-market approach (Haque, 1999:204). Therefore, it is evident that deregulation and privatisation of state functions in these countries have widened and transformed the communication industries into a global marketplace.

Prior to the commercialisation era, making profits from product distribution was not the primary aim of broadcasting stations, particularly in public television networks. The initial television model undertook the dissemination of information without taking into account station revenue. In the US, the commercialisation and deregulation of the television system began in the 1970s and 1980s respectively, reaching a peak in the 1990s (Herman et al., 1999:182). Deregulation transformed the operational structure and characteristics of US media from oligopolies into concentrated media groups, gearing up for larger audience share competition (Chambers, 2003:42). Deregulation increased media markets and commercialisation in media operations, thus accelerating economic growth (McChesney, 2003:125). At that time, the US-led entertainment industry was booming, particularly in three media industries: book publishing, recorded music and film production (Herman et al., 1999:180).
It has also been identified that conglomeration of media corporations has been executed not only by many large media industries in the US and around the globe but also by broadcasting stations in small media industries (Chambers, 2003:56-57). Although McChesney (2003) argues that increasing total media markets will amplify market competition, Chambers (2003) disputes the claim that deregulation in a small market reduces market competition. He identifies similar corporate strategies in small markets in post-deregulation status, including sharing management, news programming and facilities to achieve economies of scale. Deregulation also enables large media corporation owners to enjoy relaxation of the duopoly system by increasing control in mass media outlets. The deregulation model has brought a significant transformation of Malaysia’s media industry, leading to the establishment of a private television industry in parallel with the government television stations.

Similarity and dissimilarity of deregulation implications have been identified across the globe. Studies on the European countries’ deregulation trend highlighted a mixture of characteristics in the impact of broadcasting deregulation and market competition. For example, in Greece Leandros (2010) discovered a significant transformation of Greek broadcasting outlets since deregulation. Concentration was reported as high in the TV broadcasting industry, thus raising problematic issues of cross-ownership. Although Greece introduced anti-concentration legislation, the rule failed to receive the authorities’ support due to secured relationships between the ruling political parties and media elites (Leandros, 2010:886).
Conversely, Llorens (2010:844) argues that media concentration in Spain was the result of fierce competition in a fragmented market due to an unstable policy on media ownership since the advent of ICT. The convergence of ICT technology and traditional media appears to have produced small companies as competitive multimedia organisations. The situation in Italy and France appears to be different. There is no evidence of multimedia group integration with traditional media in these two countries. In fact, France’s media groups are highly specialised in specific media niches (Llorens, 2010:858). The television industry in Germany is a highly concentrated television market whilst at the same time being diversified with variety programmes. The ownership of private television is concentrated mainly in two media groups (Czepek and Klinger, 2010:832). Media convergence was unpopular in Germany, which is dominated by the traditional media system. The nation has succeeded in upholding and stabilising the liberal market-oriented paradigm over the pluralism paradigm by limiting audience share (Czepek and Klinger, 2010:841).

In Asia, Japan emerged as the most successful economic power and is the third most successful globally. Japan’s Sony Corporation, for example, is well-known for its innovation-driven environment in media software and hardware (Inoue, 2003:42). This factor has been the significant reason for Japan’s ability to compete with the Western powers in regard to media globalisation. Sony’s integration with CBS Records and Columbia Pictures at the end of the 1980s enabled the corporation to compete with the Western powers. The integration opened the door to Hollywood fortunes with abundant opportunities in the media content business, particularly in film and
animation (Iwabuchi, 2007:68). With strong investment in media technology, which has produced DVDs and PlayStation, the integration has strengthened Sony’s business performance in video games (Inoue, 2003:43).

Korea has emerged as one of the most significant players in the cultural market industry in the region. The strategy agreement among GATT members and the rapid development of satellite television in the Far East nations were amongst the challenges to local television programming (Shim, 2002:339). A media convergence strategy is also apparent in the Chinese region. Television Broadcast Limited (TVB) has emerged as the largest multimedia corporation through investment in animation and production companies, satellite services and subscription companies. The Hong Kong-based conglomerates supply over 6,000 hours of Chinese programming to 40 countries (Chadha and Kavoori, 2005:96). China’s largest media conglomerate was formed in December 2001 following the consolidation of key television, radio and film corporations to become the China Radio, Film and Television Group. The merger of China Central Television, China National Radio, China Radio International and China Film Group Corporation has resulted in China’s largest media group in terms of assets and resources, aiming at greater international competitiveness (Zhao, 2004:195). The Indian television industry saw Zee TV Network, a satellite TV station, emerge as one of the domestic conglomerates engaging in the entertainment business (Chadha and Kavoori, 2005:95). These models all follow the successful US-led open market model that boosts distribution of television content around the globe.
2.6 Distribution of Television Programmes and Trends

The business of television programme distribution originated in Western civilisation, particularly in the US, and is derived from the advances in broadcasting technology, and film and television production in those countries since the late 19th century. Cultural studies on television programmes as commodities highlight anxieties over the problem of the cultural shift from the West to the developing nations. The cultural imperialism paradigm is concerned with the transportation of US-based culture in television programmes to other cultures across the globe and the implications for the societies in question (Cunningham et al., 1998:179).

In the television content business, TV programmes are identified based on a range of TV format categories. The categories are formed based on the specific ingredients of specific programme types. According to Moran (2006: 19 and 25), television formats contain specific information (i.e. elements, concepts or ideas) that constitute a recipe for producing specific programmes that can travel across borders and that enables the reproduction of the programme format in another state. It involves the process of generating ideas first to a paper format (proposal) and then to a television format (production and distribution) (Moran, 2006: 27). The TV format is a mechanism for marketing television content to those interested in the product which varies according to the identified categories. Each category is based on specific elements that evolve through adaptation (Keane et al., 2007:61-62). Adaptation produces various elements that generate various approaches for producing successful programmes. It is this
combination of recipes that breeds a programme. It evolves differently from one
country to another as they are adapted to suit local cultures (Moran, 2006:30).

The business system of television content has also been heavily influenced by the
media globalisation wave which has changed our social behaviour and lifestyle and
which integrates ‘economic, cultural and political features’ (Moran, 1998:2). There are
three main methods that media corporations adopt for their international trading
strategies: 1) programme sales; 2) co-productions; and 3) programme format
adaptation (Moran, 1998:25). The format adaptation is usually a reproduction of
programmes through programme franchising, licensing and imitation or cloning (Keane et al., 2007:53). However, only strategic media giants will excel. Producing and
promoting media products are difficult tasks for a highly cost-consuming business;
they involve various economic commitments which require specific abilities and
capacities in terms of infrastructure, technology, human resources and funding. Firms
with such strong capacities normally manage to excel in the media business, if
supplemented with good management strategies.

According to Varis (in Noam and Milonzi, 1993:2), the US has been dominating the
business of trading television content as they have the capacity, the expertise in
production and marketing strategies, and the ability in terms of technology. As the
largest TV content exporter, US domination of the trade and trafficking of television
products is apparent (Varis, 1993). Steemers (2004:23-24) notes that the US has been
building a strong television content export business since the 1950s and this has been
US-biased for several reasons. Most countries at that time lacked expertise in various areas of television production. This vacuum encouraged television stations to import cheaper syndication programmes from major US-based producers to fill their television schedules (Steemers, 2004:24). Varis (1993:8) has noted the increasing trend of imported programming distribution in Asian regions since privatisation. Under the neo-liberal paradigm, the global promotion of deregulation and privatisation of the television industry elevates demand for the import of Western-based television content.

According to Steemers (2004:22-23), as television products are commodities that offer pleasure and eventually gratify one’s needs, the low prices of imported television programmes motivates the importing countries to increase foreign television content imports. These reduce overall television production costs as they are more economical for producers facing one-off production costs. The strategy has, apparently, been helpful, particularly in times of financial crisis. Nevertheless, the demand for US programmes was gradually cut in the 1980s to reduce dependence on Western programming in major markets (Steemers, 2004:24). The inception of commercial channels, pay TV and satellite television created a second wave of Western programming imports globally. The advent of satellite and cable TV increased the demand for satellite programming daily (Steemers, 2004:24). The multiple channel platforms increased the demand for cheaper available TV content which at the time was dominated by the Western markets. This has resulted in local audiences’ heavy viewing of and greater exposure to Western programming. Such an attraction
transforms audience viewing patterns and behaviour from mainly local content to more foreign cultural content. In this regard, many cultural production studies perceive such exposure to have resulted in the ‘cultural discount’, which refers to a cultural product that stems from the culture of its origin country being sold to countries with different cultures (Steemers, 2004:6).

Although the impact of ‘cultural discount’ has recorded significant cases of negative influence, the business trend was irresistible to global television corporations due to the US-biased strategic planning through global trading entities, namely GATT and WTO. Zanuddin (2009:42-43) discloses that these two global economic entities have been promoting an open policy of audiovisual services to enable the penetration of US-produced TV content and cultural production to all corners of the world. Negotiation for the penetration began in the Uruguay Round discussion among General Agreement on Tariffs and Trade (GATT) members. GATT is actively involved in ‘organising business-orientation negotiations between countries and aims at freeing international trade in information services’ (Dyson and Humphreys, 1990:4). Zanuddin (2009) argues that the European Countries, Canada, India and Australia, however, were opposed to US demands. In 1993, a petition was published opposing US demands in order to protect national industries and culture from foreign influences. The General Agreement on Trade and Services (GATS) is a commitment to multilateral trade rules including audiovisual services through the establishment of the World Trade Order (WTO) in 1995. The multilateral trade negotiations initiated by these entities aimed at promoting and facilitating the development of the national economies of participating
countries (Martin and Messerlin, 2007:348). The multilateral trade negotiation supports countries with limited resources with culture production sales and co-production platforms, eventually enabling television format adaptation as mentioned by Moran (1998:25). However, Martin and Messerlin (2007:348) express concerns over the implication of the trade facilities that request the relaxation of national protective policies as the underpinning agenda for product importation. Another significant implication of the negotiation is primarily related to what Moran (1998:2) believes would transform the characteristics of an individual in a society. He sees the multilateral agreement as ‘incorporating the economic, cultural and political characteristics of our social life’. Despite the vital economic value of television programmes as cultural commodities in the broadcasting industry, foreign cultural products are a threat because they promote cultures that are alien to a targeted nation, thus limiting the promotion of local identity to the citizens. Thussu (2007:11) sees this as an increasing influence of Western culture on the developing countries. Even Kai Hafez (2007:83) also warns about the intensity of the Western cultural importation that often accelerates cultural change.

This is the reason why the strategy seems a disturbing phenomenon for various non-English-speaking countries. Such pressures, for example, have impelled most Asian governments to minimise imports of Western-based content as a precautionary measure for shielding national identity. The protective measures include ‘banning of satellite equipments, censorship and content quotas’ (Steemers, 2004:24). In the Malaysian context, the protective measures were taken to preserve its multicultural
identity and for building national harmony and unity. Karthigesu (in Wang, 2009) notes that emerging entertainment programming has elevated audience interest. Concern over this Western cultural influence has resulted in the Malaysian government imposing up to an 80 per cent local content quota in state and private television programming. However, Rahim (2011:8-9) states that, until 2010, the targeted local content quota had not been achieved and a revised version of the local content ratio has not been announced. Chandha and Kavoori (in Steemers, 2004) add that ‘active support for local television production’ is capable of boosting the local commodities. These policies are amongst the government’s intervention strategies to support and promote local content production and exports. Other forms of the government’s protective measures include restriction of foreign product importation, government incentives and funding support (Doyle, 2002: 164). Apart from marketing, another channel of internationalising and promoting cultural products is through joint ventures and co-productions (Moran, 1998:25).

Emerging transnational media conglomerates in the non-Western countries, such as Japan and Korea, generate a two-way flow of media content distribution. Iwabuchi (2007) demonstrates that the US-dominated media content has been challenged by Japanese products, particularly since the ‘integration of CBS records and Columbia Pictures with Sony Corporation particularly in animation and games software’ (Inoue, 2003:39). The co-production of the East and West has apparently developed an open exchange platform in terms of technology, expertise, financial support, investment, infrastructure and business policy (Keane et al., 2007:53). Japan tripled its cultural
product exportation from 500 billion yen in 1992 to 1.5 trillion yen in 2002 (Iwabuchi, 2007:69). The Korean cultural industry was also doing well during the Asian financial crisis due to its cheaper programme costs which eventually elevated the nation’s cultural industry performance dramatically (Shim, 2006:28). Theoretically, most television channels execute cost-saving production strategies during hard times and foreign programme acquisition is the simplest way of easing overall budgets (Steemers, 2004:23). However, this is not the case for Korea. Despite the importing of foreign content, Shim (2006) notes that Korean cultural content suddenly became attractive, particularly among Asians who mostly prefer cheap products. This increased the demand for Korean content and its popularity, particularly of drama, began to rise. Shim argues that Korea’s success in Asia triggered the Western nations, the US and Europe, to market Korean cultural products through adaptation of its horror genre and music hybridisation. Dong (2004:38) highlighted that among the tools in Korean media content success are the ‘informal copying’ and ‘cloning’ practices. Korea has managed to internationalise its cultural products and penetrate foreign markets in Eastern and Southern Asian countries due to low prices and cultural proximity (Shim, 2006:28). The copycat practices produce cheaper programmes; hence, the prices are affordable by many nations, particularly the developing and regional nations which had been executing massive cost-reduction programmes.

In a neighbouring country, China, Zhao (2004:191) asserts that low-budget programmes are in considerable demand among Chinese television stations, particularly those facing delivery constraints from small production houses. These
contents are primarily imported from the Western and regional markets and reproduced according to local taste. Taiwan and Hong Kong entertainment formats are among the most in demand. Chinese drama was one of the most popular formats broadcast on Malaysian television, particularly on TV3 as a result of the demand from the Chinese community. The format is highly popular in China although the nation was challenged by the great demand for alternative content from its ethnic neighbouring countries, such as Taiwan, Hong Kong and Japan (Keane, 2001:227). The popularity of the Chinese, Japanese and Korean cultural contents saw this part of the world emerge as one of key geo-linguistic cultural product exporters in the Asia region, which Thussu (2006:166) refers to as regionalisation and localisation.

India appears to be another regional cultural product contributor from the Asia region. Apart from being a cultural exporter, India is a media hub for the South Asian region, providing transnational media conglomerates’ foreign business platforms, such as Sony Entertainment Television (SET) India branch, Star TV and Disney’s Cartoon Network (Thussu, 2006:167-168). The emergence of these two hubs, China and India, has increased transnational media conglomerates’ investment in Asia. In India, Zee TV was soon launched as the first television network to use Hindi as the medium. Entertainment-based programmes were adopted and adapted as the key content, mainly from the Western nations. The approach soon encouraged the hybridisation of Western and Asian content in the Tamil and Hindi languages (Thussu, 2006:176-177).
Keane, Fung and Moran (2007:66) explain that the two television content regional hubs had also generated new waves of programme format innovation out of their Western formats. Adaptations occur as a result of dissimilarities in terms of culture and languages, and limitation of knowledge, expertise and technological innovation. As a result, imitations of content in this region are rather actively pursued, either intentionally or subconsciously. The imitated formats targeted are those of cheap programmes that were becoming the victims of the new interests.

Lee (1991) identified the television adaptation trend in Hong Kong using biological terms to illustrate the cultural transformation of television programmes. Lee (in Keane, 2007:74) refers to ‘wholly adopted’ television programme transformation as ‘parrots’. Repackaging of the same content that invites local personalities or hosts is known as ‘amoeba’ where producers keep the outline structure but change the content. ‘Butterfly’ is a form of hybridity that totally transforms the original form and content from the original form into the receiving culture.

In relation to the adaptation trend in South Korea, Dong Hoo Lee (in Keane et al., 2007, and Moran and Keane, 2004:41) identifies three types of adaptation. Cloning refers to the exact adaptation of the original programme. The developing technique adopts certain parts of the original programme to nurture new elements in a new programme. Meanwhile, collaging occurs when ‘two or more programme elements are used to form a new programme format’ (Keane et al., 2007:75).
The emerging new innovation forms for television content and format hybridity are increasingly being applied, particularly in the reality TV format. The use of ‘money as price and conflict building, adding lifelines and immunity’ elements triggers viewers’ interest around the globe. Reality TV content takes advantage of exotic elements and outdoor locations in popular destinations as backgrounds. However, it manipulates human behaviour and performance for points and the declaration of winners. On the other hand, human skills are also highlighted positively in renovation, do-it-yourself and taking-care-of-oneself elements (Keane et al., 2007:69). The application of these elements in the reality TV format and other entertainment-based programmes has had multiple impactful implications for the television production industry, as indicated in the next topic.

2.7 The Implications of Conglomeration for TV Content

The implications of media concentration and conglomeration have been incredible and diverse as they portray the behaviour of commercial television. Nevertheless, the commercial perspective is lacking in moral aspects when fulfilling audience demand. The apparently threatening influence in television content has raised media scholars’ awareness of the morality of media choice. For example, Croteau and Hoynes (2006:156-157) underline the public interest media content model in comparison with the market model which worships profit-making. The issue of media content, they say, can be assessed from the perspectives of 1) content diversity, 2) innovation, 3) substance and 4) independence. Content diversity is primarily influenced by concentration of media ownership and joint ventures which reduce the total number
of product suppliers (Croteau and Hoynes, 2006:159). Although joint ventures offer the advantage of learning and knowledge transfer, the limited number of suppliers produces limited product diversity or differentiation. This is apparent in a concentrated market in which product homogeneity emerges due to high dependence on imitating media products. In the attempt to reduce market risks, firms increase the barriers to new market entry and aim at creating synergy to maximise profit. The condition causes a higher amount of imitation products which further limit efforts to create innovative products as they have already established a comfortable platform with less competition. According to Keane, Fung and Moran (2007:54), imitation occurs as a result of globalisation which promotes television programmes in other parts of the world. Viewing international programmes also permits knowledge transfer in regard to television programme production.

Croteau and Hoynes (2006: 160-161) stress that popularity becomes a firm’s major formula, encouraging them to reproduce and re-run similar products for greater efficiency and profits. The trend facilitates large integrated media conglomerates to gain efficiencies in economies of scale and scope. However, when a highly influential firm produces dominant products it increases marketing challenges for smaller media firms (Croteau and Hoynes, 2006: 160-161).

Localism is another primary implication of media concentration that produces homogenised media output (Croteau and Hoynes, 2006:162). Concentration of media ownership delivers local market control and local content identity into the
conglomerates’ hands. They perceive the local market’s loss of control as a greater threat to localism as it influences the development and diversity of local television content, geared towards corporate interests. Thussu (2006) argues that media owners will cater to the local audience interest by localising media product in various forms that contain local identity, normally through ‘dubbing or subtitling’ which are popularly implemented by non-English-speaking nations (Thussu, 2006:166). Dubbing does not change the majority of the content; it merely reproduces the same product in a new language medium. Nevertheless, localisation of television content in a popular language may generate higher profitability as a result of the economy of scale. Ethnic Chinese people, for example, are scattered around the world and the Chinese language, particularly Mandarin, is reported to be the most popular language in the world (Thussu, 2006:165). With such a capacity for impact around the globe and being a high-density population, China has a great economic advantage in cultural and non-cultural products.

The third characteristic of the public interest model evaluates the substance of media content. The current trend of media content features sensationalism and trivialisation in homogenised products as it guarantees an advantage in market competition, carrying ‘shocking values’ whilst boosting audiences’ and advertisers’ interest (Croteau and Hoynes, 2006:162). Corporate firms utilise the shock value of sex, violence and spectacle, and low-cost productions as the rationale for the highest revenue (Rampal, 2007:35). The liberalisation of global media corporations has resulted in the proliferation of cheap, impactful genres such as variety shows, popular talk-shows and
reality genres. They include popular talents, low-cost studio or outdoor production and a tendency to the raw, bizarre and sensational (Kraidy, 2005:100-101).

In addition, Bagdikian (in Croteau and Hoynes, 2006:164-165) argues that the problem with television content did not merely originate from the behaviour of television stations themselves, but instead may have emerged from the audience and their demands. He argues that serious programmes, such as informative programmes, are avoided by audiences as they remind them of societal problems by providing factual and truthful evidence. Audiences are likely to avoid watching these types of programmes as they watch television for leisure purposes. As a result of audience behaviour and the transformation of television’s function since its commercialisation, entertainment programmes have a greater influence on television content, dominating most global television programming. Entertainment programmes highlight entertaining elements that are mainly produced for amusement (Hansen, 1983:9). In addition, entertainment programmes are also highly appreciated by advertisers.

In fact, advertisers appreciate entertaining programmes, including the latest programme genres, daytime talk shows and reality TV. Although talk shows are information-based content (Anders, 1983:4), the format has been commercialised by employing popular hosts, thus triggering amusement and reality features. Reality TV has emerged as the new trend in the television production industry globally, along with the commercialisation of news content (Croteau and Hoynes, 2006:166). These two growing trends are key to the appearance of the business of information as the
infotainment industry. In an article entitled ‘Globalisation of Infotainment Industry’, Thussu proves that the global strategic growth of the infotainment industry is flourishing, from developed countries to the third world nations. In Asia, he says, privatisation of the media develops audience interest in Western programming which is primarily entertainment-based in news and non-news TV formats (Thussu, 1997:393). Although some nations offer alternative local programming and entertainment programming, those that are unable to do so adopt Western entertainment programming based upon demand (Thussu, 1997:394). Lack of expertise is the rationale for the increasing dependence on Western cultural products. In India, for example, format adaptation into the Hindi and Tamil languages has become the easiest path to filling television schedules. Cloning and copycatting seem lawful as ways of generating new ideas for local television content (Thomas and Kumar, 2004: 136-137). This situation raises concerns over national sovereignty and national identities over television programming for local audiences in the South East Asian region.

Apart from access through news and entertainment formats, Nain (in Thussu, 1997:395) asserts that Malaysian television networks import ‘non-controversial’ and marketable TV content from the Western experts. He says that the local content mainly imitates popular Western formats that portray the interests of ‘pro-Western’ groups of media elites and practitioners. With the large number of popular Western formats since privatisation of the local television industry, it is not surprising that media consumption studies in Malaysia have confirmed a higher volume of Western-
oriented television programmes that were either ‘imported wholly or adapted locally’ (Pawanteh et al., 2009:23). In a comprehensive study of television programme adaptation and co-production in 11 Asia countries, Keane and Moran (2005:4) argue that high exposure to Western formats was identified in India, Malaysia and Singapore in comparison to the Philippines and Indonesia. However, the latter two countries have been quick to adapt foreign popular programmes for their TV industry. Conversely, Japan, Korea, Taiwan and China exhibit a greater amount of local culture and values in their television programming. The television industry in Singapore is strategised from targeting local popular television content to a ‘customised formatting’ which caters for the taste of local audiences rather than copycatting the popular international formats of the West (Lim, 2004:105,108). Singapore is positioned as the Asian platform of many transnational media conglomerate assets such as ESPN Star Sports, MTV South East Asia and HBO Asia (Lim, 2004:111) which target the geographical distribution of cultural products.

The heavy adaptation process of Western culture to the Eastern culture in television is not without harm, as has been seriously debated in the cultural imperialism context. In view of globalisation’s impact on electronic media, Thussu (2006) warns of the social impact of the hybridisation and localisation of Western culture in television programmes which are powerful in extending Western hegemony in a nation. Kraidy (2005:1) refers to hybridity as ‘the remains of a culture related to race, language and ethnicity.’ Hybridity is popular in media text studies which ‘illustrate the symbols of cultural pluralism over cultural imperialism’ (Kraidy, 2005:5). In Indonesia, the local
content production increased in all television stations in the mid-90s. Nevertheless, Indonesia has adapted a significant amount of Chinese drama scripts for television programming as a result of liberalisation; this causes tension among local scriptwriters fearing for their employment prospects (Keane and Moran, 2005:7). Siriyuvasak (1997: 74) indicates that liberalisation of the media in Thailand only benefits large corporations and small media companies face stiff competition with high entry barriers. Deregulation elevates foreign programming in Thailand’s cable TV and the absence of adequate policies and regulations to uphold local programming weakens the local cultural industry. Nevertheless, Somkiat (1998) indicates that majority of audience in Thailand prefer local programmes. Imported programmes from the West had significantly reduced and were replaced by local programmes mostly of entertainment and news. Chinese programmes are among the popular content in Thailand.

In regard to Australia and New Zealand, Keane and Moran (2005:8) highlighted that these two countries adopt a huge amount of foreign programming, particularly English-based formats originating from the US and European region including the UK. Culture and language similarities strengthen the trading, distribution and collaboration relationships between these countries and their counterparts in the West. New Zealand and Australia share local content for their programming due to the limited size of New Zealand’s television industry.
2.8 Conclusion

The chapter has reviewed the definition, concepts and literature related to studying the political economy of the media, particularly in relation to media conglomeration, corporate media products, distribution of television content and television programming. The discussion particularly focused on the concept of corporate media expansion which forms media conglomerates. The review also identified the characteristics, behaviour, performance and implications of media conglomeration. A significant amount of information was taken from studies originating in the US media market. The information was then discussed and compared to the European and Asian context of media conglomeration studies, such as in Japan, Hong Kong and Korea. Case-studies of Asian media conglomerates and corporate growth established the outline for this study in Malaysia.

The implications of media conglomeration for television programming were also discussed. The discussion included the globalisation of television products’ distribution from the West to other nations around the globe and the emerging contra-flow of distribution from the Asian regions, particularly of the Chinese regions. The discussion on the implications for television programming also highlighted the importance of fostering innovative and diversified TV products from positive and healthy information. Adaptation is the key approach for distributing media content in a different environment. In realising the approach, cultural content was imitated, cloned and hybridised, eventually producing new forms of cultural content in various formats from the national context of a specific nation.
The following chapter will focus specifically on the political economy of media corporations and MPB. The chapter illustrates the background development of the Malaysian television industry, and the key policies and incidents leading to the empowerment of MPB in the local industry today. The discussion will lead to an understanding of MPB as the government-linked media corporation.
CHAPTER 3

POLITICAL ECONOMY, CORPORATISATION AND MEDIA PRIMA BERHAD

3.1 Introduction

This chapter illustrates the background setting of this research study in Malaysia. The discussion is focused on the portrayal of Malaysia’s key political and economic events that have been influencing state development on the path to building a robust nation since independence. In studying the political economy of a state-linked corporation in Malaysia, one cannot avoid analysing the political and economic development of the nation, which has gained a strong position since independence particularly through the development of national policies. Politics and the economy are two main issues that are found to be inter-related in the discussion in this chapter. Generally, the chapter portrays how the Malaysian government has generated and managed the allocation of financial and other forms of resources in building economic strength for Malaysian citizens and national development relating to the television industry since independence. Based on the objective of managing financial resources and the related environment, this chapter explores the process of developing the nation based on key national policies, incidents and issues relating to the privatisation of the television broadcasting industry.

Specifically, the first part of the chapter intends to illustrate the contributing factors to the liberalisation of the Malaysian television industry, privatisation and the local
television ownership trend which is strongly related to political imperatives and key state development objectives. The relationship includes MPB in the GLC list which is used as a tool to generate Malay entrepreneurs who later assist the government in managing their assets. The section also discloses the regulatory framework of Malaysia’s television and content industry. The second part of this chapter discusses the interrelationships between politics, the state and the media corporation in Malaysia and the rationale of the relationship regarding MPB’s inception. The section highlights the factors driving the emergence of MPB conglomeration, the structure of the MPB group and its expansion strategy since its inception. Overall, this chapter sheds initial light on the identity and composition of MPB and the rationale for its behaviour, which is eventually interrelated to the evidence from this study.

3.2 The Political and Economic Factors Influencing Private Television Stations’ Emergence

Since the beginning of radio and television, both tools have been used by the government to promote informative programmes, especially news and current affairs, to achieve national unity (Shaari, 1997:80). This was done through the implementation of NEP, NCP and the national ideology as the primary guidelines in the broadcasting industry as well as in other sectors. Implementation of the guidelines was further extended when private television was introduced and they remain effective to this day. Government policies are highly visible in a majority of television formats on the public television channels in comparison to the private channels. Private television
channels are deemed to have been granted greater freedom to broadcast programmes according to their business niche.

Mahathir’s premiership (the fifth Malaysian Prime Minister) in the early 80s saw the promotion and re-evaluation of many economically driven policies. He took steps towards liberalising many local sectors in order to accelerate the economy (McDaniel, 2002:7), especially in ensuring the achievement of NEP objectives for wealth redistribution. Restrictions on the market-oriented system and equal opportunity were revised at the beginning of his premiership (Torii, 1997:210-212). He readjusted NEP’s original route through relaxation of foreign investment and changes in international economic involvement. Privatisation and Malaysia Incorporated are among the main policies that drove Malaysia into the capitalist system (Torii, 1997:215). The ‘Look East’ policy and ‘Privatisation’ of selected public corporations were among the most significant considerations in mapping the nation onto the world economic market. These two policies are also significant for this study in that they influenced the formation of the private television industry in Malaysia. The ‘Look East’ policy has also been influential in encouraging business cooperation within the ASEAN countries, Korea, Taiwan and Japan (McDaniel, 1994:81). Many business deals in the television content industry have been generated from collaboration within the regional countries. In 1983, Malaysia Incorporated (Malaysia Inc.) was introduced as another platform for the government to achieve NEP’s focus on breeding Bumiputra entrepreneurs.
The Malaysia Incorporated policy upholds both public and private sectors as one entity and promotes them to work towards national development through the improvement of delivery systems and smart partnerships between sectors. Troublesome regulations in both sectors were readjusted to guarantee the achievement. Dissatisfaction with under-performing government-owned businesses was another contributory reason for the privatisation of selected state-owned companies during Mahathir’s premiership. The public sector’s recorded debts amounted to as much as MYR137.3 million in 1984. Weakness in terms of management skills, financial control and the manipulation of power were among the reasons for the poor performance in the public sector (Gomez, 1997:181, 183).

Economically, the late introduction of commercial television in Malaysia within the South East Asia region has also had a significant economic impact on the national broadcasting industry. Kitley (2003:49) has underlined two reasons for the rising need for private television. First, the lack of television channels in Malaysia at time encouraged citizens to watch neighbouring countries’ television channels. Television programme transmission is readily available from Thailand, Singapore, Indonesia and Brunei, thus stimulating great interest in television viewing. Thailand had already set up two commercial television stations and more than 200 radio stations since the 1970s (Siriyuvasak, 1997:59). Secondly, watching videos has become a popular trend in the local market, especially among the Chinese audience. Such a trend provides alternative media for the Chinese audience who have ceased to watch the national
channels. The situation increases video sales, particularly imported videos from the culturally-related nations.

VCR sales were reported to have risen tremendously at the time from 2,800 units in 1979 to 950,000 in 1981. Boyd, Straubharar and Lent’s empirical study highlights how 75 per cent of Chinese people enjoy watching videos. The films and videos are imported from Hong Kong and Taiwan (in Yasin, 2004:109). Hence, new technology, transmission overflow and frustration with local television content has forced the government to accelerate plans for improving local television content for socio-economic prosperity (Rahmah Hashim in Yasin, 2000:110). The situation persuaded Malaysia to re-evaluate its ‘monopolistic and authoritarian approach’ to the broadcasting industry (Karthigesu, 1994). These aspects were amongst many challenges that the government had to meet in setting up the privatisation policy (French et al., 1996:41). The government response emerged in the form of regulation and economy. In order to gain control of the distribution of video tapes and other modern technological inventions, the authority amended the National Film Development Corporation Act (NFDC Act). The scope of the term ‘film’ was widened to include video tapes, video discs, laser discs and video compact discs. The government also agreed to set up Malaysia’s first private television station without delay to boost the economy (French et. al., 2000:164).

As a result, the privatisation policy took off officially in 1983, further revolutionising the local broadcasting structure (Nain and Anuar, 2000:163). Malaysia’s first private
television station was established on 1st June 1984, a year after the privatisation policy was introduced. The privatisation of the broadcasting industry in Malaysia represents the global trend of television broadcasting expansion in the 80s (McDaniel, 1994:147). The establishment of the first private television station marked the deregulation approach in the local mass media industry.

3.3 Media Ownership and Privatisation of Television Industry

In the effort to produce Bumiputra capitalists, the state has introduced a policy for the limitation of ownership by foreigners and has increased Bumiputra ownership in equities and assets. The government target is for the Bumiputra to achieve at least 30 per cent ownership in every newly-established company (Torii, 1997: 211). Equities or shares are given to small groups of individuals for either political or economic reasons. The government has also established state-linked politicians in many large firms as the Board of Directors. Some companies have been established as pioneers in industries and have designed policies that support government visions. Others may be involved for political interests (Lim, 1981:49). Such a situation enables smooth state intervention in large established firms of state interests.

The relationship between Malay Capitalism and UMNO is confirmed by Torii (1997) in his paper, ‘The New Economic Policy and United Malays National Organisation’. The paper highlights, among other things, the steps the government has taken to jumpstart its vision. Firstly, the Industrial Co-ordination Act (ICA) 1975 and the Petroleum Development Act (PDA) 1974 were used to transform the nation from an agricultural-
based economy into an industrial-based nation. These policies were used to tighten Malay capital control over Chinese and foreign investors. Secondly, to increase individual Malays’ equity ownership the government established PNB and ASNB as the tools for the transformation of wealth (Torii, 1997:215-216). Many state equity companies were set up before NEP, namely PERNAS, FELDA, and RIDA, as supporting systems to succeed NEP. For example, the Rural and Industrial Development Authority (RIDA) provides financial advice and assistance for Malay communities (Milne and Mauzy, 1999:51). RIDA was replaced by MARA. Malay equity possession increased when the government established FIDA and MIDA as tools for Malay investments. However, after 1976 the form of investment was transformed from public asset to individual investment (Torii, 1997:229). Agencies such as Yayasan Pelaburan Bumiputera (Bumiputera Investment Foundation-YPB), Permodalan Nasional Berhad (National Capital - PNB) and Amanah Saham Nasional Berhad (National Trust - ASNB) were established (Torii, 1997:232).

By the end of the 1970s, there were a growing number of Malay technocrats as a result of mounting state policies for the Malays. Mahathir’s premiership in the 1980s saw a higher concentration of political and economic power among Malay capitalists through public and private capitalism. During this period, many state-linked politicians and businessmen were already controlling directorships in large public interest firms. They were involved either out of political interest or commercial interest or both. Firms were also established as a foundation to get the ball rolling in a particular industry (Lim, 1981:49). According to the Seventh Malaysia Plan report (1996-2000),
Bumiputra capital share ownership had reached 19 per cent in 1985 compared to 12.5 per cent in 1980 (Gomez, 2002:85). In the early 70s, directorships of these state-linked companies were in the hands of politicians-cum-businessmen. Nevertheless, in the Mahathir era many professionals were involved as directors in the state-linked companies in various sectors.

The introduction of the privatisation policy was another recognisable step in encouraging Malay entrepreneurship in the Malaysian economy; Jomo believes it was the tool to promote Bumiputra capitalism (in Wang, 2001:71). One of the key indicators of Malay entrepreneurship was the emergence of TV3, when a television license was granted to one of the Malay corporate figures. Sistem Televisyen Malaysia Berhad (TV3) started operations on 1st June, 1984. Its introduction ended the monopoly stake of RTM and the government in the television industry. However, this impression is somewhat illusory as the government retains its intervention mechanism through the regulatory framework and its ownership of government-linked corporations. The station is owned by the premier Malay political party, UMNO (Khattab, 2006:355), and functions through ‘state bureaucratic influence’ (Nain and Anuar, 2000:173). During this period many of BN’s leaders had already gained possession of primary government assets including the media. The establishment of TV3 was carried out to meet the requirement for an alternative entertainment medium to serve the non-Bumiputra, especially the Chinese. TV3’s emergence marked the expansion of Malay capitalism into the private economic sector.
The political coalition enjoys local mass media ownership through a proportion of media stakes (George, 2007:897). Several companies, namely Fleet Holdings Sdn Bhd, Hatibudi Sdn Bhd, Halimtan Sdn Bhd and Koperasi Usaha Bersatu Berhad (KUBB), are used as proxies of the political party’s ownership. In the case of TV3, the television license was granted to Fleet Group which is led by Daim Zainuddin, Mahathir’s close business associate (Searle, 1999:105). Fleet Group has been UMNO’s investment arm since 1972. It was led then by Tengku Razaleigh Hamzah before Daim Zainuddin took over the directorship in July 1982 (Nain and Anuar, 2000:165).

A decade after the inception of TV3, the second private television network and the fourth free-to-air (FTA) television station, Metrovision, was launched in 1995. The station was awarded to Metropolitan TV, a consortium of the Melewar Corporation, owned by ‘Tunku Abdullah of the Negeri Sembilan royal family, another close associate of Mahathir’ (Nain, 1996:167). The station operates in the urban Klang Valley, focuses on an audience of young adults and is heavily indulged with foreign Chinese content (Hashim, 1997:46).

Malaysia’s first pay TV and cable-based television service, Mega TV, started operations in 1995 under Cableview Services Sdn Bhd, one of the TV3 group of companies. However, it ceased operations in September 2001 due to financial constraints and rivalry with ASTRO (Yasin, 2004:116). Mega TV was offering 24-hour transmission through 8 channels during its operation (Khattab, 2006:355). ASTRO, the nation’s first satellite television station, emerged in 1996 and transmits 24 channels. The

NTV7, the fifth free-to-air television station began operations in 1998 (Hasim et al., 2000:332). NTV7 was owned by a former director of the state economic development corporation of Sarawak (Nain and Anuar, 2000:169), Effendi Norwawi. The station was affected by the economic downturn at the end of 1997 before deciding to merge under Media Prima Berhad in 2005. The latest television station, Channel 9, was established in 2003 (Khattab, 2006:355). The channel was owned by Medanmas Sdn Bhd. The station ceased operations in early 2005 and merged with MPB. It resumed business in April 2006 under a new brand name - TV9. Malaysia’s second satellite television licence was awarded, in July 2004, to Vincent Tan Chee Yioun, another Chinese business personality running MiTV Corporation. MiTV began operations with 50 channels limited to urban areas around the Klang Valley (Sarji, 2007:75). The awarding trend clearly highlights the implementation of the NEP objective in upholding wealth distribution among Malay and non-Malay entrepreneurs, particularly those of political interest. However, the Malays are given major priority in other key economic and education sectors. By 1997 there were already five terrestrial channels and one satellite television channel in the industry. The emergence of these channels created a
demand for more local and foreign programmes for each of them, hence increasing the total number of production houses and business opportunities in the country.

The latest addition, FTA TV, is a commercial station licensed under Al-Hijrah Media Corporation (MCMC, 2010) which is expected to broadcast primarily religious-related content under the brand TV Al-Hijrah. The channel is another government-linked private company scheduled to commence operations by the end of 2010 under the directive of and with support from the Department of Islamic Development Malaysia (JAKIM).

In the early days following its inception, the private television sector was put under the supervision of the Ministry of Information. The Communications and Multimedia Act 1998 binds the overall operation of the local broadcasting industry. The act is a tool for administrative monitoring of private broadcasters. Malaysia’s broadcasting industry was previously under split supervision. The Ministry of Information monitored the public channels (RTM1 and RTM2), whilst The Ministry of Energy, Water and Communication (KTAK) monitored the private sector. The restructuring of the Malaysian cabinet following the 2008 elections combined both broadcasting systems under a single ministry – The Ministry of Information, Communication and Culture. The Act established the Malaysian Communications and Multimedia Commission (MCMC) which oversees the overall development of communication and multimedia industries in Malaysia. The Communications and Multimedia Act 1998 came into effect replacing the Broadcasting Act 1988. The new policy particularly extended guidelines for the
communication industry which aims at achieving ten national objectives in the current era of convergence. Three key objectives of the policy include the intention of setting up Malaysia as an international centre for communications and multimedia information and content services, promotion of civil society through information-based services as a platform for quality of work and life enhancement and, lastly, nurturing local information and cultural symbols that support national identity and global diversity (Suruhanjaya Komunikasi dan Multimedia, 2011). One of the monitoring tools is a channel for the general public to forward complaints about television content. A content code has been formulated by the major market players as the tool for content industry development and is run as a self-regulatory system. The code contains general and specific broadcast guidelines on television content standards and the suitability of content that can be broadcast on private television stations. Apart from the Act, television channels must always ensure their content complies with the requirements of the Film Censorship Act 2002, administered by the Film Censorship Board under the Ministry of Home Affairs.

3.4 The Background of Media Prima Berhad and Conglomeration

The concept of media conglomeration highlights the feature of multiple business involvement in various media-related businesses apart from its main business activity (Bunce, 1997, 230). It is generally a concept that has already been implemented by many global businesses in countries that apply capitalism as their economic system. It relates to the development of small businesses that expand into a large corporation with many affiliations. As a state-owned organisation, TV3 had already begun to apply
the concept in its business platforms since its inception, an approach that had already been implemented to manage government patronage of companies related to UMNO since the 1970s.

UMNO’s first corporate move was made a few years after the introduction of the NEP in its attempt to set up an investment portfolio through Fleet Group, which was formed following the acquisition of the newspaper publishing company NSTP Malaysia from Straits Times Press in Singapore (George, 2007:897). A Bumiputra trust agency, Perbadanan Nasional Berhad (Pernas), owned an 80 per cent share in NSTP but this was later transferred to Fleet Group (Wang, 2001:72) in 1970. The group acquired Utusan Melayu Press (UM) shares in the same year. The ownership represents the government’s projected aim of controlling newspaper content. It continues to retain significant ownership of both presses to this day.

TV3 began operations under Fleet Group in an era dominated by two close friends, Mahathir Mohamad and Daim Zainuddin. Mahathir’s business-oriented vision united both their visions in the form of policies to industrialise Malaysia. The idea of developing large firms started when Daim (former Minister of Finance and UMNO Treasurer during Mahathir’s tenure) exercised significant influence in handling UMNO’s assets. Before 1982, UMNO’s investment businesses were under the direction of Tengku Razaleigh Hamzah who ran four main UMNO business companies including Fleet Holdings Sdn Bhd (Searle, 1999:104-105).
At that time, Tengku Razaleigh was in favour of investing in media-related companies. The new management of Fleet Group had ventured into businesses in various portfolios such as property, food retailing and banking when Daim took over the directorship. Although such a move increased corporate growth, the mid-80s recession plunged Fleet into huge debt (Searle, 1999:106). The situation called for corporate restructuring between Fleet and Renong. In April 1990, Renong executed a takeover of Fleet’s entire equity including prominent public listed companies such as TV3. Renong also increased its share in United Engineering Malaysia Berhad (UEM) and TV3 to gain control over the two UMNO assets (Searle, 1999:111). In 1993, the Malaysian Resources Corporation Berhad (MRCB), another government-linked company, diversified its core business from mainly property development to print and electronic media businesses including NSTP and TV3 as a result of the Renong corporate restructuring.

The Asian economic crisis affected various business sectors and many were plunged into serious debt following currency rate fluctuations. As a result, the recovery of large corporations, particularly government-linked companies, was expedited under Corporate Debt Restructuring Companies (CDRC) as a tool for safeguarding many industries including government assets. Among the GLCs affected were Malaysia Airlines, the national primary aviation company, and Proton, the Made-in-Malaysia national car company.
Apparently, the effects of the 1998 financial crisis persuaded MRCB to perform major corporate restructuring which involved demerging its media entities. The detachment of TV3 and NSTP from MRCB impelled the government to fix and refurbish the media entities with a new facelift. In October 2001, the UMNO media assets were placed under a new public listed company known as Profitune Berhad, which changed its name to Media Prima Berhad (MPB) after a year in operation. Since its inception, TV3 has undergone a long series of ownership transformations under Fleet, Renong, Realmild and MRCB. Today TV3 operates under the newly-formed media group, MPB. The transformation does not, however, affect the state’s political privileges as the primary stakeholder.

Economically, the concentration of business assets and the specialisation of niche area approaches have rescued the television industry from being submerged in the rough stream of economic recession. The local broadcasting industry is thought to contribute almost MYR2 billion ringgit of its income to the national economy. Merger and acquisition of non-performing television stations followed by the restructuring and rebranding of these stations enables them to stay in business. This shows that the government has successfully protected Malay corporate entities from vanishing in the recession. The government interventions during the crisis are clear evidence of political intentions that have highlighted UMNO’s spirit of wealth redistribution among the major ethnic groups since NEP. The factional conflicts between Anwar Ibrahim and Mahathir in the early stages of the crisis led to the restructuring of its ‘cuddle media companies’, TV3 and NSTP. The restructuring involved moving Anwar Ibrahim’s people
over Mahathir’s in the local key media networks. These political and economic factors clearly explain how media concentration occurred in Malaysia (Murdock and Golding, 1997:263).

3.4.1 Asian Financial Crisis and MPB Corporate Growth

Based on Bunce’s (1997: 230) description, it is clear that MPB is a media corporation that was detached from MRCB following the demerger exercise enabling the survival of many GLC companies and other businesses that were at risk during the Asian financial crisis. It is a corporation that combines TV broadcasting (TV3) and a newspaper entity (NSTP) in a horizontal integration, hence forming an integrated media corporation.

During the 1998 crisis, TV3 announced its first loss since its inception, necessitating debt-restructuring. There are two reasons for TV3’s debt-restructuring. Fundamentally, as an UMNO investment arm, TV3 functions as one of the government platforms for generating financial support for various state activities. The ruling coalition party at that time had many ongoing mega-projects for national development. One of the most vital projects that gained significant financial support was the development of the largest commercial centre, Kuala Lumpur Sentral, under MRCB. Despite being vehicles for national development, GLC firms are strategically used for economic reasons, mainly contributing budgets for UMNO, particularly for its political activities and national elections. This explains the direct government intervention in the daily business operation of a TV station.
Media companies have direct influence under UMNO in that they invest money and gain profit in support of: a) UMNO elections, b) major government spending and development throughout the nation, and c) national elections. This reciprocal relationship, according to Gomez (2002), highlights the issue of ‘political business’ that has been empowered by a majority of UMNO members since independence. Lim (1987) has called it ‘money politics’. The second reason for TV3’s restructuring is the impact of financial constraints in the light of the crisis that influenced media content buying trends and advertising in local media industries. TV3 had just started its 24-hour operations when the crisis struck. Higher cost of production was another contributory factor in its abandonment of 24-hour operations (Rahim and Hasim, 2011).

Currently, TV3 has managed to establish many affiliated companies following the state’s business management trend of garnering greater capital. Investments have been made to establish a string of control from the television resources, production and marketing for the platform. The intention is to expand TV3’s business portfolio in cable TV services (Cableview Services), film-making and marketing (Grand Brilliance), film exhibition and distribution (Cineart), animation and post-production services (Animated and Post-production Techniques), local drama production (Epic Express), online shopping (Ambang Anika), local visual news (Excellent Eight), laser disc production (Mercury Entertainment-MESB), publication, talent and show management (Tiga Event), property trust (Hashim, 1997:46) and an educational institute (Akademi TV3). TV3 also owns a television station in Ghana (TV3 Ghana) as a result of multilateral negotiation of global economic entities (Martin and Messerlin, 2007:348).
The division, which was recently absorbed into the group’s bigger entertainment arm, Ambang Klasik Sdn Bhd (Ambang Klasik), is set to be the “nucleus for many synergistic entertainment manoeuvres” undertaken by TV3. Ambang Klasik was once primarily a recording and artiste management company. Like other recording companies, it aims at developing and selling the best fresh talents for the local market. Since the reshuffle, Ambang Klasik’s talent-scouting scope has expanded. As the leading television station in the local media industry, the hardship during the crisis encouraged the state to place TV3 under CDRC. In the last financial year ended August 31, 1999, the private TV station recorded a loss of RM290 million (Bernama, 2000).

Despite firm government political control, preference for using non-banking loans during the crisis had resulted in a better performance overall. The bail-out of Renong by UEM through its MYR2.3 billion stake is an example of the non-bank loans the government acquired. This approach enables the shielding of the state’s pet projects against the economic crunch (Leong, 1998:312). The government set up the CDRC to resolve huge debts among local corporate entities, especially those involved in GLCs. The ‘rescue packages’ involve 15 corporations and represent 20 per cent of Malaysia’s total bank loans for government mega-projects (Rodan, 2004:121). Media censorship was also restricted to avoid mistreatment of the mass media due to the ‘intolerance crisis’ (Nain, 2000:174). Rodan (2004: 143) relates the crisis to two contributing factors of intolerance. The first factor relates to the political crisis that ended with the dismissal of the Deputy Prime Minister, Anwar Ibrahim. The second factor relates to the international media-reporting on the local economy and government. Both factors
drove the local authorities to adopt strict media censorship during the crisis as part of the strategy in the battle for political power and the status quo.

The Asian financial crisis had also raised Renong’s debt to between MYR20 to 28 billion ringgit. Khazanah Nasional, a government investment arm, performed a MYR3.8 billion takeover funded by UEM, which was the strongest subsidiary company of Renong entities (Rodan, 2004:121). ‘The Edge Asia’ newspaper highlighted that the corporate restructure involved Realmild Sdn Bhd (Realmild) as the tool for media domination in Malaysia. UMNO, through Realmild, has embarked on a buyout of NSTP and TV3 from Renong. The control through stakeholding enables direct government intervention in the corporation boardroom (Lim, 1981:15).

TV3’s debt-restructuring affected UMNO’s capital resources and, therefore, action had to be taken to safeguard the pet company as well as the state’s financial compartment. At TV3, plans for round-the-clock operations had to be postponed due to the rise of overall production costs and imported materials. Advertisers limited their media buying whilst the importation costs of syndicated programmes rose due to currency exchange instability during the Asian recession. The increasing operation costs encouraged the station to reduce its budget. As a result, retrenchment of employees was unavoidable during this period and was in fact carried out not only by TV3 but by other major private entities such as ASTRO and NTV7. A decrease in total TV advertising revenue by 10.1 per cent (Sarji, 2000:338) tarnished the broadcasting industry as it led to a major reduction in budgets for television advertising, thus
reducing the network’s premier direct income (Nain et al., 2002:175). The financial crisis discouraged foreign investors’ confidence in the Malaysian economy due to political and economic developments. Limited foreign investment and domestic funding later saw the industry being submerged deeper into the capitalist market realism.

It is apparent that the crafted influence of UMNO’s top leadership is part of the reformation effort that the authority pursued to reinforce corporate regulatory structure in GLCs. It also led to the concentration of media enterprises and the emergence of a new media corporation in the local media industry. The inception of MPB saw an additional series of mergers and acquisitions of other media support platforms in TV and radio. Within 3 years of its inception, MPB managed to consolidate 12 companies under its brand (Sarip, 2008:75). It was listed in the Main Board of Bursa Malaysia on 23 October 2003 (MPB Annual Report, 2004) and soon began recording a profit. MPB took over Metrovision in 2004, NTV7 in 2005 and Channel 9 in 2006. MPB was experiencing horizontal expansion as it possessed three TV stations considered problematic mainly because of their financial constraints. The buyout enabled MPB to save on operation costs and enhance its control over the media industry. It received MYR145.4 million upon completion of TV3’s group debt-restructuring scheme in August 2003. By 31 December 2003, after 16 months in operation, MPB was generating a pre-tax profit of MYR178.3 million. It recorded MYR328.4 million in profits for the financial year ended 31 December 2004 (MPB Annual Report, 2004).
The local media giant bought the radio licence from Synchrosound Studio Sdn Bhd on 30 December 2005 and established HotFM as part of the Channel 9 buyout deal. HotFM rapidly became one of the most popular national radio stations, focusing on Malay listeners aged 35 years and below. The channel was reaching 4 million listeners from various backgrounds just three years after its inception (MPB Annual Report, 2009:74). On 29 April 2005, MPB acquired another radio licence from Max Airplay Sdn Bhd (MAX) which operates a radio station under Malaysia Airports Sdn Bhd. The new brand, FlyFM, is an English station aiming at listeners aged between 18 and 30 (MPB Annual Report, 2009:74). The youngest radio channel in the group, OneFM, was introduced in January 2009 and positioned as a Chinese station. It was formerly known as ‘Radio Wanita’ (Woman Radio) after 2005. The initially Malay and English bilingual radio station was experiencing financial difficulties as a result of its short-term operation (Asia Media Magazine, 30/10/2008). The rapidly-growing Chinese radio channel managed to capture an 86 per cent share among Chinese listeners aged 35 and below (MPB Annual Report, 2009:74).

The growing media corporation strengthened its position in the outdoor advertising business through the acquisition of Big Tree and Right Channel. Kurnia Outdoor Sdn Bhd (Kurnia) was acquired in October 2009 (MPB Annual Report, 2009:74). These radio networks and advertising wings strengthened the marketing and distribution mission of MPB products. Such an approach confirmed MPB’s strategy of vertical integration. Owning advertising companies and radio networks was seen as an application of forward integration that confirmed MPB’s approach to multiplying their platforms for
marketing their brands as well as extending media coverage. The strategic investment is expected to garner greater profitability for MPB as well as an improved media package for clients.

Grand Brilliance was introduced as a specialisation platform for films and drama productions as well as marketing and distribution of its in-house productions. It created a wider variety of content products for its brand. However, Primeworks Studio’s emergence has significantly assured MPB of the guarantee of content production for its television networks. Such an approach, according to Jung and Chan-Olmsted (2005:185), has conferred additional authority on the company’s market power. This situation has increased market members’ (especially the small-scale players) concerns about their business opportunities in the local media landscape. Primeworks Studio Sdn Bhd (Primeworks) was established in April 2009 and is the largest entity under MPB. It handles all MPB content creation tasks as well as Grand Brilliance’s function of producing media content, primarily for its internal television platforms and for other external media platforms on request. Alt Media Sdn Bhd operates online portals, namely gua.com and tonton.com. MPB’s international division was primarily established through the government’s relationship with the Republic of Ghana. TV3 Ghana started operations on 1 October 1997 under TV3 Network Limited and has since been under the supervision of TV3 (Malaysia) as part of the mutual agreement.
In 2008, MPB, through its international business wing, Primedia Limited (Primedia), embarked on investment in television broadcasting in the Philippines. According to Television Asia magazine (2008: 10), MPB introduced the Strategic Media Fund Limited Partnership for investments in media assets across South East Asian and regional markets. The corporation bought a problematic television asset, ABC5, as the means for international investment divergence. It was MPB’s first investment in television outside Malaysia that included airtime sales and content consultation in television content development. Primedia was managed by a team led by a local Filipino. Within a short period, the new brand, TV5, emerged as the third most watched station in the Philippines after ABN-CBS. However, due to severe constraints on media ownership in the Philippines, MPB withdrew its investment in that country. A local study reported in The Asian Media Barometer (2011:11) indicates that under the local constitution law, media ownership in the Philippines is strictly limited to any wholly-owned local corporations and Philippines citizens. On 5 October 2009, MPB completed its disposal of TV5 Philippines. MPB lost MYR95.3 million as a result of Primedia’s divestment (MPB Annual Report, 2009:71). MPB is currently in the process of selling its TV asset in Ghana as part of the cost-saving strategy implemented since its inception. The move is seen as offering financial advantage for the group’s future investment. In the print media, NSTP's four daily publications, the New Straits Times (NST), Berita Harian (BH), the Malay Mail (MM) and Harian Metro (HM), have a combined daily circulation of more than 591,000 copies, influencing the lives of more than 3.1 million readers. Furthermore, HM and Metro Ahad (MA), which have seen exceptional growth in recent years, continue to perform strongly, achieving 24% and 73% growth in circulation and
advertising revenue respectively in 2004. Table 1 highlights MPB’s assets at its inception, which stem primarily from TV3.

### Table 1: List of Business Assets of TV3 to MPB

<table>
<thead>
<tr>
<th>Media Prima Berhad (2003)</th>
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<tbody>
<tr>
<td><strong>Malaysia-based operation</strong></td>
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<tr>
<td>Sistem Televisyen Malaysia Berhad (TV3)</td>
<td>Commercial TV Broadcasting</td>
</tr>
<tr>
<td>Cableview Services (Mega TV)</td>
<td>Cable Television</td>
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<tr>
<td>Merit Idea Sdn Bhd (Metropolitan TV)</td>
<td>Commercial TV Broadcasting</td>
</tr>
<tr>
<td>Grand Brilliance: Cineart Enterprises, Layar Opera</td>
<td>Film exhibition and distribution, Production of Chinese programmes</td>
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<tr>
<td>Animated Post-production Technique</td>
<td>Post-production and equipment (dormant)</td>
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<tr>
<td>Epic Express</td>
<td>Local drama production</td>
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<tr>
<td>Malaysia Integrated Media Institute (MIM)</td>
<td>Education</td>
</tr>
<tr>
<td>Ambang Anika</td>
<td>Online shopping</td>
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<tr>
<td>Ambang Klasik</td>
<td>Entertainment/artists management</td>
</tr>
<tr>
<td>Excellent Eight</td>
<td>News and documentary production</td>
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<tr>
<td>Mercury Entertainment</td>
<td>Production (laser disc)</td>
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<tr>
<td>Tiga Event</td>
<td>Promotion and marketing of sports events and production of sports events</td>
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<tr>
<td>System Network Nusantara</td>
<td>Dormant</td>
</tr>
<tr>
<td>Brilliance Legend</td>
<td>Dormant</td>
</tr>
<tr>
<td>Esprit Assets</td>
<td>Property investments and provision of property management services</td>
</tr>
<tr>
<td>Amity Valley</td>
<td>Investment holding</td>
</tr>
<tr>
<td>Able Communication</td>
<td>Dormant</td>
</tr>
<tr>
<td>Cineart International (Hong Kong)</td>
<td>Dormant</td>
</tr>
<tr>
<td><strong>Republic of Ghana-based operation</strong></td>
<td></td>
</tr>
<tr>
<td>Gama Media International (BVI) Ltd</td>
<td>Investment holding</td>
</tr>
<tr>
<td>Gama Film Company Limited</td>
<td>Film production, pre and post production, audio/video recording, audio/video duplication, video exhibition and distribution</td>
</tr>
<tr>
<td>TV3 Network Limited *</td>
<td>Media and communication businesses, managerial services and operation of free-to-air television service</td>
</tr>
<tr>
<td>Cableview Network Limited *</td>
<td>Dormant</td>
</tr>
<tr>
<td>Gama Media Systems Limited *</td>
<td>Dormant</td>
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<tr>
<td><strong>British Virgin Islands</strong></td>
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<tr>
<td>Gama Media International (BVI) Ltd</td>
<td>Investment holding</td>
</tr>
</tbody>
</table>

(Source: Hashim, 1997; adaptation from MRCB 2003 Annual Report)
The government still has a tight grip on the group through its investment companies, Employee Provident Fund Board (21.64%) and Gabungan Kesturi Sdn Bhd (13.85%) (MPB 2007 Financial Statement). Tahar Sarip (2008:56) includes Harris Associates LP and UBS AG in the lists of MPB shareholders, with 8.4% and 6.1% respectively. MPB’s inception marks the beginning of media concentration in Malaysia as a series of mergers and acquisitions were launched to prevent the television industry from collapsing due to the crisis. MPB is currently perceived as the largest integrated media investment group in Malaysia. The ownership trend portrays MPB’s position as an investment wing of the state that functions as a capital generator for state development and political activities. The integrated media corporation strives hard for the highest achievable revenues across all sections of MPB business, particularly in television. Execution of the business continues in parallel with the mission and vision of the corporate owners based on a commercialisation framework. Commercialisation adopts television programming based on the supply-and-demand system which aims at profit maximisation by promoting entertainment-based programmes to attract audiences.

3.5 MPB TV Networks and Content

A combination of strong financial and political support and effective business strategies has enabled TV3 to become the leading television station in Malaysia. The network has been successfully gaining a majority audience share since its inception through the positioning of programmes for mass audiences. Entertainment content has been TV3’s key differentiation factor, distinguishing the commercial television
content from the government channels since its inception as part of the government’s effort to attract the non-Malay audience in the mid-80s. Unattractive local media content and interest in video technology encouraged the non-Malays’ preference for television content from the neighbouring countries (Kitley, 2003:49). MPB TV networks have continued to adopt entertainment-based programmes to capture the local audience interest in accordance with government policy. Such a situation has contributed to the higher demand for entertainment programmes in the local television programming. The majority of the television programming is of Western origin. A lack of expertise in television production and the popularity of Western programming, particularly from the US, have increased MPB’s dependence on programme supply (Thussu, 1997:394). However, overwhelming concern over the influence of entertainment programming has encouraged the government to apply programme quotas to preserve national culture and identity (Steemers, 2004:24).

Based on MPB Annual Reports, most of TV3’s programmes are in the top-10 lists and receive recognition locally and internationally. The programmes that the station highlights range from the news and current affairs to entertainment, children’s and religious formats. Reality content format has been one of the station’s latest hits since this format trend began in Malaysia, whilst drama is one of the station’s niche formats, generating high advertising revenues and ratings. In January 2004, when TV3 launched 8TV, the two television networks’ total audience share reached 53 per cent covering more than 3 million households and 15 million viewers daily (MPB Annual Report, 2004). 8TV focuses its content on an English-speaking, urban-living and young adult
Chinese audience aged below 35, a slight transformation from Metrovision which focused on an urban-living audience aged 15 to 39 years (Video Age International, 1996). NTV7 targets an urban Chinese adult audience in the over-35 category. The strategic programming of 8TV and NTV7 content has witnessed a higher viewership amongst the Chinese audience overall. 8TV adopts Cantonese, Mandarin and English programmes for the channel (Sarji, 2007:75). According to a study conducted by ACNielsen, MPB’s Financial & Business Review for a 3-month period (January to March 2009) shows an increase from 39 per cent to 45 per cent over the same period in 2008. TV9 was second to TV3 among the Malay audience, an increase of 2 per cent over 2008. TV9 aims at traditional Malays living in rural areas. As the popularity of the stations has increased since consolidation, MPB television stations are positively seen as trend-setters in television programming. Such an advantage has put the group in the front line of the industry.

3.6 Other Large Media Entities in Malaysia

Although the recession in 1998 severely affected the local broadcasting industry, the newspaper industry did not experience financial constraints as severe as those in the broadcasting industry. Even though total newspaper advertising income decreased by 16.3 per cent (Sarji, 2000:338), the situation evidently did not interrupt newspaper publication operations. It was revealed then that circulations were lower than normal. Nevertheless, none of the newspaper publishers had to lay off their staff during these difficulties (Sabran and Othman, 2007:118-119). Therefore, consolidation was deemed unnecessary in the newspaper industry. As part of TV3’s assets, NSTP was, however,
involved in the corporate restructuring under MRCB during the demerger exercise to establish MPB.

The Utusan Group (Utusan) is another Malaysian media conglomerate with its main business focusing on publishing newspapers and magazines. Utusan is involved in ten media businesses that major on four businesses, namely publishing, printing, advertising and online services. The group has a long history and has been significant for the Malay community and UMNO since its inception as Utusan Melayu Press Limited in 1938 in Singapore. Its operations were moved to Kuala Lumpur in 1957 and it was incorporated as a public limited company in 1967 and listed on the main stock exchange in 1994. The Utusan Group currently publishes twelve magazines, five newspapers, two electronic newspapers and one local educational portal. The Chinese media corporation emerged through the consolidation of media companies by non-media corporations such as Huaren Holdings (Huaren) and Rimbun Hijau Group (Rimbun). Huaren is an internationally established company and the investment arm of MCA, and had previously owned a 44 per cent stake in Nanyang Siang Pau (Nanyang). However, Huaren sold half of its stake in Nanyang to Tiong Hiew King, of Rimbun Hijau Group, in 2007 (The Business Times, 2007). Before the deal, Tiong had already acquired Sin Chew Media Corporation (which publishes Sin Chew Jit Poh newspaper) in 1988 and Ming Pao Enterprise Corporation (which publishes Chinese newspapers and magazines in Hong Kong, North America, China and Canada) in 1992. The consolidation of Nanyang had transformed Rimbun into the largest Chinese media company outside China, enabling it to emerge as a global Chinese language media group (Rimbun Hijau
Group, 2008). As of 2007, Rimbun was involved in fourteen business platforms mainly in forestry, oil palms, media, ICT, hospitality, education, properties and trading (Rimbun Hijau Group, 2008).

3.7 Conclusion

This chapter has portrayed the interrelations of political and economic features in the management of key resources for developing the communications industry in Malaysia, particularly the dominant media corporation, MPB. It has highlighted the evolution of corporate entities in Malaysia, a process apparently influenced by major key national development policies stemming from various issues. These policies have been formed with specific objectives that aim at 1) strengthening and upholding Malay sovereignty, 2) generating wealth and social life across potential economic sectors for citizens, and 3) nurturing national harmony and unity in the multicultural state. An imbalance in economic strength between multi-ethnic groups was the key factor in establishing the NEP. According to Torii (1997:209), this is aimed at improving the overall balance in terms of wealth regardless of ethnicity and since then has been the main aim of the administration in promoting Malay capitalism in the various sectors. The introduction of NEP was supported by other key economic and social policies and concepts to guarantee positive development overall. In this regard, Malay ownership in key government corporations remains the most important feature in the success and increasing number of Malay entrepreneurs. The strategy has today successfully increased the total number of Malay entrepreneurs compared to the 1970s. They are groomed and positioned to become government proxies in major state assets
including the media. MPB is one of the GLCs that are government-biased and state-supported, offering limited space for media freedom. This was one of the vital solutions in overcoming development constraints that the government faced in terms of capital, transparency and good governance. These issues illustrate the political influence on the background of MPB.

The economy and the management of resources remain the key issues in the development of most industries in Malaysia, and the television industry is no exception. Deregulation and privatisation of the television industry has projected commercialisation across the television industry operation, generating larger funding and better income for greater industrial development. The aim of maximising profits has been the main objective in the market forces model of the media industry. This economic factor has transformed the industry, creating a better environment by introducing a new corporate entity named Media Prima Berhad. The implication of the transformation of Media Prima Berhad as a media corporation in Malaysia is the main objective of this study. The next chapter will highlight the methodology chosen for this study. The selected tool, the semi-structured interview, is used to answer the research question related to MPB influence, whilst the content analysis of television programming discloses evidence on the structural transformation implications of MPB, specifically on television formats in the pre- and post-conglomeration era.
CHAPTER 4

METHODOLOGY

4.1. Introduction

This study aims to identify the influence of MPB in the local television marketplace and content industry in the aftermath of the Asian financial crisis. It also tries to investigate whether freedom of expression and the generation of new ideas amongst media practitioners in television production are empowered by MPB’s influence. The chapter explains the methodological approach employed to undertake the research study. As the project involves MPB’s corporate growth and business strategies, generating data from a group of people involved in the planning and decision-making process is vital. The researcher employs a qualitative approach as the primary methodology for the study.

A qualitative approach involves the process of uncovering the qualitative aspects of a study and provides a variety of perspectives on the subject matter. Many locals view the undertaking of a study on the issue of conglomeration of Media Prima Berhad as highly sensitive in Malaysia. This perception has arisen due to the ownership status of the media organisation that relates to state-linked supremacy. Strong political influence revolves around the activities of the organisation. The sensitivity and confidentiality of the topic require a specific data collection technique that enables the gathering of detailed information regarding the authority’s ownership status and its
business strategies. It is believed that such an issue is best discovered through discussions with appropriate persons involved in this matter. Hence, the portrayal of the issue is generated from three different perspectives: the people in the organisation studied, the external parties dealing with the organisation, and the regulators. The views of various levels and agencies of key media players in Malaysia help in generating a greater understanding of the issue. The selected informants gave exclusive information that enabled the researcher to gain a better understanding of the issue as well as to answer the research questions. Details of the informants involved in this study are revealed later in this chapter.

Apart from the interviews, this study also adopts a quantitative approach which employs content analysis as the secondary method. Content analysis, on the other hand, benefits the researcher in presenting comparative information that supports and validates the findings related to MPB television network programming obtained from the qualitative interviews. Television schedules of four television channels under MPB (TV3, NTV7, 8TV and TV9) before and after MPB consolidation portray the transformation of their television scheduling and positioning. This approach aims to identify the differences of informative and entertainment formats as well as local and foreign programmes in their television programming before and after conglomeration.

4.2. Qualitative and Quantitative Research Methods

This thesis investigates the influence of MPB within the television market and content industry. As mentioned earlier, there have been negative perceptions of the notion of
studying this issue as it touches on ‘the supreme group businesses’. The supreme group has great influence politically and economically in the national administration. Greater explanation of the group has already been provided in Chapter 3 of the thesis. In order to acquire reliable information, it is best to hold face-to-face meetings with ‘the participants’ who have the capacity and integrity to disclose specific confidential and undocumented information that is not usually publicised (Creswell, 2007:18). Such an environment is vital for questioning ‘why’ and ‘how’ MPB is involved in consolidating the television industry and for determining the implications of the strategy for the industry overall. It is the quality of the information that will answer the research questions. As such, a qualitative interview approach is adopted as the primary method of this study.

This study intends to identify and form an understanding of media conglomeration and its impact on television programming in MPB. The qualitative interview provides greater convenience for gathering data in terms of the flexibility and generosity of detailed information which assists the researcher in various ways (Wimmer and Dominick, 2003:190). Miller and Glassner (2004:127) illustrate the term ‘generosity of information’ as enabling further exploration by asking additional questions to gain an in-depth and broader understanding and clarification of the subject matter. The degree of information gained and the opportunity for the researcher to clarify his/her intuition and inquiries facilitate the researcher in many ways. Apart from developing experience in conducting interviews, the technique offers significant meaning and understanding of the environment of the issues under study. It offers exposure, as well
as assisting the researcher in mapping out the subject before moving on to a final resolution of the issue. The study uses grounded theory technique as it collects information based on the fieldwork data, eventually producing an inductive understanding of the phenomenon under study (Strauss and Corbin, 1998:11-12). According to Strauss and Corbin (in Flick, 2009:307), grounded theory directs and identifies the main issues of a study and later generates new understanding and emerging issues of the topic.

Apart from the qualitative interview, the adoption of a quantitative method is employed as a tool for verification of the qualitative data from the interview. The combination of these two approaches is well-known as a mixed-method approach; many researchers acknowledge that these approaches support each other in many ways. Although it seems to contain triangulation, this research does not intend to apply the triangulation approach as a balanced mixture of methods designed to answer the research questions. The quantitative technique mainly acts as a means of providing corroborative evidence of the overall qualitative understanding. Application of quantitative content analysis helps the researcher to provide numerical data and verification of the qualitative data.

4.3. Research Design

This is a case study of MPB, the largest integrated media group in Malaysia; it seeks to discover the influence of MPB from several perspectives. The internal perception of MPB personnel involved in managing the organisation is the most important part of
the study as the data and information are obtained exclusively from the people involved in the organisation before and after its emergence. As the study relates to a state GLC, the majority of the information is unavailable and cannot be found in books or any other forms of documentation. Executing this study using face-to-face interviews generates opportunities to reveal the issue relatively, from internal perspectives. The exclusiveness of the study and information encouraged the researcher to choose semi-structured interviews as an approach to answering the research questions. On the other hand, a content analysis approach is mainly adopted for studying the television programming of four television stations under MPB. It verifies and compares the numerical evidence with the evidence revealed from the interviews to generate a broader perspective of MPB television programming, television content and their transformation over the period under study.

4.4. Semi-structured Interview

The semi-structured interview is one of the techniques designed to execute data collection in qualitative interviews. As is apparent from the literature review, most research scholars state that there are three key interview approaches often used in qualitative interviews. Nevertheless, Wimmer and Dominick (2003:189) stress that there are two types of interviews common among researchers: ‘the structured interview and unstructured interview’. These two interviews are the formal, systematic interview and the totally free-flowing interview. Berger (2000:111-112), however, improvises on this approach by identifying the moderating function of both approaches in terms of application. He introduces the ‘semi-structured or less formal
interview’ which offers greater flexibility in conducting interview research. The semi-structured interview is more popular among researchers than the unstructured and structured interviews (Berger, 2000:111-112) as it combines formal and informal approaches in an interview. The semi-structured interview technique offers the interviewer an opportunity to form a set of questions beforehand as a tool of preparation for several aspects which will be identified later. Further discussion of its flexibilities, advantages and disadvantages will follow.

The researcher uses the semi-structured interview as it provides potential access to original and inaccessible information related to MPB’s latest development. The session offers historical, eventful and symbolic facts related to MPB’s influence on and transformation of the television industry. MPB currently dominates Malaysia’s free-to-air private television industry market and audience share. The interview approach was successfully used for dealing with informants from the senior management group. Interviewing MPB managers enabled the researcher to gain an in-depth and broad understanding of the issue of television management and business growth, thus revealing first-hand information about media conglomeration from an internal perspective. Information, especially that relating to industry-government relationships and policy as well as stages of specific incidence, is barely disclosed publicly. Limitation of resources that highlight the development of the mass media in Malaysia, especially from an administrative perspective, is another contributing factor in the decision to execute this approach. Moreover, the researcher feels comfortable working with such an approach due to her exposure and working experience.
The semi-structured interview provides the researcher with greater opportunities for understanding and discovering the topic, as mentioned by Holstein and Gubrium (1999:86). In this case, the approach affords the researcher a better grasp of the conceptual framework of media conglomeration. It also allows for the development and discovery of concepts and ideas on a particular issue (Miller and Glassner, 2004:127). Queries are revealed through the employment of a ‘flexible questioning style’ in the long process of a face-to-face question-and-answer session (Wimmer and Dominick, 2003:190). The frequently prolonged session increases the researcher’s confidence level as he/she is involved deeply in the discussion topic. The self-confidence that builds up throughout each session allows the researcher to gain a strong fundamental grasp of the issue. This builds a positive attitude and enhances the interviewee’s confidence with the subject matter and control during the session. The control is portrayed by the configuration and interaction in the two-way inquiries in a variety of situations and flexibility (Kvale, 2006:483).

Semi-structured interviews generate a positive environment for those engaged in the sessions for future cooperation and rapport (Hollaway and Jefferson, 2000:30). Establishing networking for future needs provides opportunities for reference and consultation that eventually assist a researcher in various ways within current or future settings. It also enables swift familiarisation with the interviewee’s background. A brief inquiry into background experiences is beneficial if both parties are meeting for the first time, particularly among the elites (Kezar, 2003:398). A detailed study of the
elites is essential for establishing better communication ground for both parties. Questions for this study are set in accordance with the interviewees’ backgrounds and working experience as a strategy to obtain richer information. The same set of questions is used in all sessions with the flexibility to make minor changes in terms of background and experience.

Semi-structured interviews offer the ‘flexibility of editing or changing any wordings in the questions according to the interviewee’s background or level of education. Nevertheless, it is important for the researcher to use specific types and limited lengths of questions to remain dominant’ throughout the session (Reinard, 2001) while avoiding distractions. Nunkoosing (2005:700) posits dominance as a persuasive way of obtaining private information. In reality, the length of interview sessions varies depending on the respondent’s responsibilities and daily schedule. Identification of specific or various types of question is effective in overcoming time constraints. Constraints and distractions may take various forms in terms of human and non-human settings as well as controlled and uncontrolled environments. One has the flexibility to either drop or add questions according to requirements. In this case, preparation of main and secondary questions is important for such flexibility. The approach permits boundless success when applied to ‘professionals and elite groups’. It increases opportunities to reveal confidential issues hidden from the mainstream media or the general public. Conversely, interviewing these ‘professionals and the elites’ brings various challenges.
4.4.1. The Challenges of the Semi-structured Interview Approach

One of the major challenges when executing semi-structured interviews is interviewing the professionals and elite groups. Among the common incidents are refusals and cancellations. The process of acquiring consent from this group encounters rejections due to a lack of trust. Refusal mainly comes from people who perceive the study as an attempt to make them betray the confidentiality of an organisation’s business strategy. The sensitivity of the issues and lack of trust may limit the process of gathering detailed information from participants and prospective respondents overall. Worries occur over disclosure of information related to the supreme group, UMNO, and its business empires. When discussed, these issues are usually designated ‘off-record’ as a precaution. Dealing with these groups also influences interview appointment schedules, as confirmation is sometimes unclear until the very last minute. Such conditions require the researcher to cautiously re-organise plans through regular communication channels. Electronic mail and telephone calls were used for confirmation of pending appointments and follow-ups. Rescheduling of appointments was easily achieved due to reorganisation and unpacked interview-schedule planning. Interviews were conducted once or twice a week to give ample time for transcription. None of the ‘off-record’ data were revealed in this study, as promised and stated in the consent form. Selection of participants for the semi-structured interview begins primarily through these steps: 1) preparation of letter, 2) telephone call and 3) electronic mail. Letters are prepared, scanned and sent by email. Telephone calls are made for confirmation of email acceptance. Some participants are contacted directly by telephone to acquire addresses and email details. Notification of the purpose of the
study, methodology, selection of respondents, period of study and consent is explained in the letters, through telephone calls and emails. Interview questions were forwarded as soon as confirmation of participation was received. All respondents signed the consent form at the beginning of each interview session. Participants in online interviews were sent the scanned version by email. Apart from the consent for interview participation, informants’ consent permits usage of evidence for all academic purposes. Although most informants have not objected to such usage, their names remain anonymous in publication due to the sensitivity of the information source.

Another major challenge when executing semi-structured interviews is the task of setting up appointments. This study enabled the researcher to observe the relationship between appointment timing and respondent’s emotion that eventually influences the process of gathering data. In this respect the researcher regards respondents as human beings who are influenced by daily irritations and environmental pressures such as work pressure, transportation, traffic and workload. Preparation of questions works well in a stressful atmosphere, particularly when the interviewer is mentally obliged to accommodate the interviewee’s temper in order to save the day. Alternative questions according to the interviewee’s preference were asked and the intended questions were posed later when the opportunity arose. Such an approach ensures the acquisition of data despite the demanding atmosphere. It eventually generates an effective environment and understanding, whilst preserving rapport. These are the points observed by Holstein and Gubrium (2004:140-142) when they suggest that sustaining the mental and physical needs of the interviewee enables
the interviewer to uncover the true facts and feelings of the interviewee. Conversely, establishing a good rapport with the informant may also present greater challenges in interviews, especially when dealing with the elite group. Despite the interviewer’s intention of providing full support, the interview sometimes turns out to be problematic. Such a condition occurs if the respondent is influenced by problems within the organisation that eventually influence his/her emotions. In this regard, the session will not really produce beneficial input unless it is handled accordingly. The condition becomes worse when the issue discussed is related to the surrounding problems.

Time constraints are another important challenge in the qualitative interview approach. Making appointments and having the ability to conduct interviews within specific time limits are challenges that dilute the researcher’s best endeavours in a series of frustrations (Wimmer and Dominick, 2003:127-128), especially when interviewing professionals. The disappointment varies from hours of delay to weeks of postponement. Although there are relatively few incidents of postponement, they eventually affect the overall fieldwork workflow. Emails are sent and telephone calls are made for follow-ups and new appointments. A tight schedule may also impose a limited duration on the interview, hence the importance of organising primary questions. These are clear examples of why most scholars in qualitative research stress the importance of forging a good relationship with interviewees, thus influencing the success of an interview session (Wimmer and Dominick, 2003:127). In reality, any kind of research methodology might encounter various disadvantages and problems that
deny the research total perfection. As Nunkoosing (2005:703) states, neither party (interviewer or interviewee) can totally predict the details of an interview discussion for reaching the research objectives without the ‘recollection process of experiences’. In some cases where identification of potential respondents is hopeless, a snowball sampling approach helps to identify potential individuals and this extends the researcher’s networking. Communication via emails and telephone was executed prior to making actual interview appointments to establish the researcher’s intention and background, thus helping to foster credibility and trust between both parties.

4.4.2. Advantages and Disadvantages when Designing Questions

Interview questions are formed following a general understanding of the theoretical scope of the political economy of the media and media organisation studies in answering the research questions. Hutchinson, Johnston and Breckon (2010:288) suggest absorbing a general knowledge of the subject under study to facilitate both the sampling and question design. The suggestion is underlined by Strauss and Corbin and Glaser (in Hutchinson et al., 2010:288) as a preliminary approach for studies using a grounded theory approach. The list of questions is prepared as a tool, guidance and preparation for any type of situation during research fieldwork. Preparation of questions beforehand enhances the researcher’s self-confidence in conducting interview sessions. The questions were sent from the United Kingdom through a series of emails before fieldwork commenced. In this regard, Berg (2007:99) suggests serious consideration of matters such as the respondent’s educational background, social level, ethnicity and cultural features, and age in order to achieve the research
objectives. The interview questions for this study are prepared in two languages, English and Malay (Malaysian native language) to enhance informants’ comfort and flexibility in answering questions during the interviews. They were given the opportunity to choose their language preference at the beginning of each interview session. As a result of their consideration, half of the interviews were conducted in English and the other half were conducted in Malay. The proposed questions were, however, sent in English and Malay for their convenience.

Secondary questions were also prepared and refined for further investigation according to respondents’ background and position in an organisation. These questions were sent in advance, one to two weeks before the appointment. The set of questions was re-checked, added to and shortened according to these preferences before each session. Comments on related issues from other respondents were updated at the very last minute where necessary and sent out before the appointment. Restructuring of questions was also undertaken at the respondents’ request before or during interview sessions. Questions relating to the primary questions highlighted in any media were also asked. Nevertheless, last-minute modification of questions can be intimidating as it creates greater pressure by potentially betraying a lack of preparation. The degree of success of the interview session will then also depend on the researcher’s emotions and organisation skills.

The interviewer usually starts a session by asking ‘warm up’ questions to ease the tension between interviewer and interviewee. Questions are often related to the
interviewee’s profession and work experience as a way of building rapport. These questions guide the interviewer to the main questions. The approach is a way of double-checking the relevance of an issue for a respondent. It indirectly confirms the suitability of the prepared questions for the interviewee as well as generating an understanding of the background of the subject matter. Such a condition illustrates the use of such questions as a way to build up ‘reflexive and intimate understanding’ (Berg, 2007:98) and ‘validating researcher expectation’ (Flick, 2009:267). The approach permits one to drop irrelevant questions and establish linking issues pertaining to the respondent’s background during the early part of the session. It also allows the interviewer to either change or retain the emphasis on the current discussion topic.

Preparation of questions is beneficial for smoothing and systematically controlling the continuity of each interview session. It helps the researcher avoid losing direction in a prolonged discussion. Interviews that undertake follow-up questions and probing questions usually deepen the points of discussion. These tools allow the researcher to restructure the session flow based on the interviewee’s responses. An unplanned topic of discussion may also be easily accommodated. Less important topics also have the potential to open a discussion. Therefore, having a list of intended questions on hand helps the researcher to re-organise questions according to the discussion’s priorities.

Although following the interviewee’s responses is likely to create confusion over the lists, it is nevertheless vital for ensuring a spontaneous reaction from the interviewee regarding a particular issue. It is essential for the researcher to remain in control and
stay positive throughout the session as this promises greater opportunities for obtaining data. The dominance of the interviewer develops a rapport and encourages future cooperation (Hollaway and Jefferson, 2000:30). Preparation is helpful at times when the researcher is likely to lose control while following points in the heat of a session. Therefore, devising well-prepared questions beforehand is essential as it permits the researcher to conduct a beneficial and smooth-running discussion.

4.4.3. Identification of Informants

This research addresses the issue of media conglomeration in Malaysia using a case study of an organisation. It attempts to look at people’s perceptions of the organisation, MPB, and of its influence within the local television industry since its inception. It evaluates the level of freedom television networks have been offering to their creative production staff since consolidation and whether the transformation has offered opportunities for developing new ideas in television content. MPB is involved in seven media business entities, namely television network, radio network, print media, new media, content creation, outdoor advertising and event management. However, this study focuses solely on MPB’s television entities, TV3, NTV7, 8TV and TV9.

More than twenty potential respondents were contacted. Nevertheless only fifteen respondents agreed to participate. Only five gave confirmation and fixed appointments before the fieldwork. The majority gave consent without setting appointment dates due to their tight schedules. Appointments were finalised within specific timeframes,
normally between two days to one week in advance. Six respondents represent Group A, the internal informants who are working under MPB, representing the four television stations and MPB. Five informants are from Group B, the rival companies and market competitors. The three representatives of Group C are those with experience of managing media organisations including the media regulators. The composition of informants involves a variety of samples from various media organisations in Malaysia, as illustrated in Table 2. It conforms to features of the respondents as suggested by Flick (2009:156), in terms of selecting the experience-based expertise of the subject under study. This arrangement helps to generate diverse and in-depth perspectives of the conglomeration issue within the local television broadcasting industry and the mass media market overall. Berger (1991:57) uses the term ‘breadth and depth’ to illustrate comprehensive coverage when using semi-structured interviews. The final composition of participants involved in this study is indicated accordingly below:

1) Group A - internal perspective from Media Prima personnel (6 informants)
2) Group B - the competitors (5 informants)
3) Group C - media consultant and regulators (3 informants)

Table 2: List of Informants

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<th>Group A: Media Prima Personnel</th>
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Samples for the semi-structured interview were identified through purposive random sampling and snowball sampling. Purposive random sampling allows the researcher to select respondents according to specific criteria defined by the researcher (Wimmer and Dominick, 2003:88). The elements are based on the research objectives and researcher’s knowledge (Berg, 2007:43). In this case, all respondents have vast working experience in television stations at either management level, production level or both. Active involvement in the industry during the pre-conglomeration and post-conglomeration of MPB is also taken into consideration. Selection of such respondents enables a better illustration of the phenomenon, hence ensuring the type of response gathered for each topic. Nevertheless, respondents with less experience in the
industry are also selected if they carry credibility in responding to issues related to television content and television programming.

Media practitioners in MPB were contacted to confirm their suitability to participate and familiarity with the subject of study. The researcher’s work experience in the television industry eased the burden of identifying respondents. Although the researcher is not an insider, previous experience working with the organisation has greatly helped to lay the groundwork for identification of samples and accessibility. Field investigations for verification of respondents (Berg, 2007:44) was deemed costly and unnecessary due to the distance between Malaysia and the United Kingdom. Nevertheless, ‘negotiation’ for specific information (Flick, 2002:54) was undertaken since information is barely accessible in Malaysia. Correspondence took place directly by telephone calls and electronic mail from the United Kingdom mainly between October 2008 and May 2009. Letters of invitation and supporting letters were emailed and faxed. This documentation is vital as it involves the filtering of information and conformity between the organisation, the study and the researcher (Flick, 2002:55-57).

Snowball sampling, on the other hand, allows the researcher to identify potential respondents through ‘trailing efforts in seeking qualified respondents’ (Krippendorff, 2004:118) from lists of selected respondents (Flick, 2009:267). Additional names of persons potentially relevant for this study were requested (Wimmer and Dominick, 2003:96) during conversations. This generates a ‘chain of social contacts and stops when it reaches specific boundaries’ (Krippendorff, 2004:118). Snowball sampling is
applied when a potential respondent is unidentified for several reasons (Flick, 2002:57) such as lack of networking and exposure, and new development in the industry. Of the total number of respondents, two informants were selected using this approach: the Deputy Director General of Broadcasting of RTM and the General Manager of Brand Management TV3. However, approval was received from the officer at RTM only. Consent from the TV3 officer was almost impossible due to her tight schedule. Attempts to set up appointments were delayed for several weeks. Finding a substitute was another reason for the delay apart from her tight schedule. The substitution was finally made on the final day of fieldwork, hence the requirement to conduct online interviews by email.

4.4.4. Email Interview and Challenges

The researcher used an email interview approach as a communication tool for respondents with busy schedules. This approach is an alternative tool for organising respondents from a distance (Flick, 2009: 266). Email interviews permit the researcher to send follow-up questions (Seale et Al., 2010:596) to address matters unexpressed or overlooked during the interview. They permit disclosed online discussion (Seale et al., 2010:596), a longer period of discussion and flexibility of response, free from the constraint of transcribing (Beck, 2005:412). Speed of response, however, varies according to the interviewee’s availability and daily activities. Notwithstanding some prompt feedback upon receiving emails (James and Busher, 2006:407), in most cases interviewees took several days to reply. In spite of the disadvantages, the technique
saves travelling costs and time. It offers data in the form of text whilst avoiding the transcribing process (Flick, 2009:269).

Email interviews and online interviews are similar as they both use the Internet as a communication platform. The email interview is, however, slightly different as it engages participants who are not online at the same time (Flick, 2009:266-267). Implementing an email interview involves sending one or more emails to a respondent until the researcher is satisfied with the quality of the data. Detailed information and elaboration of data is provided upon request, thus developing a series of online communications. A two-week period is allocated for feedback. This duration allows flexibility in responding to the questions, which can be answered wherever internet and computer facilities are available (Flick, 2009:266). Equipment is unlikely to be a problem for respondents as they have excellent access to computer facilities at work and at home.

Conversely, the volume of questions will have a strong influence on the speed of feedback. In this case, questions sent by email were the same as the ones used in face-to-face interviews during fieldwork. Asking a large number of questions discourages spontaneous comments as a lengthy period of time is required for response. It also increases the respondent’s tendency to withdraw from the process (Flick, 2009:266). People with tight schedules are hesitant to prepare written materials whereas they will be more forthcoming in face-to-face interviews. In this case, freedom and mobility do not promise major success in email interviews. People with hectic schedules hardly
have time to check or even respond to emails. They are reluctant to spend long hours writing as opposed to communicating verbally. A respondent is likely to be less attentive to the task, thus neglecting the deadline or even ignoring the study (Flick, 2009:266). Therefore, considerations on whether to employ email interviews should take into account the amount of time required to answer the questions in order to avoid delays. Limiting the volume of questions and applying ‘interactive communication’, Flick suggests (2009:267), will reduce delays or rejections. In this case, email interviews appear to offer the researcher ‘less control’ (Beck, 2005:413) in conducting interviews compared to face-to-face interviews. Long delays and unanswered emails are among the indicators of ‘fading interest’ (Flick, 2009:268). Although the Internet offers an outstanding platform and freedom, ‘non-verbal cues’ are also absent (Beck, 2005:412-413) in such a technique. Emails seeking additional informants to support and clarify information provided by some media practitioners are rarely answered, due either to the sensitivity of the issue or to tight on-location shooting schedules.

4.4.5. Data Collection

The fieldwork was conducted from 1 June until 25 August 2009 in Malaysia, mainly to execute the interviews as well as acquire television schedule data from the four stations. Content analysis of television schedules was performed in May 2010, upon completion of the analysis of the interview data. Out of 15 respondents only 13 face-to-face interviews were conducted successfully. Each respondent provided their consent and signed the consent form at the beginning of each session. Interviews were
recorded using two audio recording devices - a Sony digital IC recorder and Olympus digital audio recorder – as a safety measure. This strategy is very helpful for transcribing as it provides an alternative source in the event of problematic conditions related to technical faults, human error and audio clarity. A respondent from Group C was interviewed by email after she had given her consent in early October 2009, whilst questions were emailed on 14 October, 2009. An informant from TV3 withdrew from the process due to confidentiality of information and a tight schedule.

4.4.6. Analysis of Interview Data

The process of gathering interview data involves moderate to lengthy sessions. Data collected from the three groups were considered huge and bulky since the duration of interviews ranged from 35 minutes to almost 3 hours. Such a huge amount of data usually imposes time constraints on the transcribing process which normally takes days, weeks or months. Initial planning for the transcribing of data within the fieldwork period could not be accomplished due to the massive amount of data, limited time available and the surroundings factor. A total of 14 interviews were translated and transcribed from September 2009 to the second week of January 2010. It took almost eight months to obtain the output - four months of transcribing, three months of coding and three weeks of analysis. Transcription of the interviews was a lengthy, challenging and exhausting process. The completed transcripts were rechecked once to avoid inaccuracies related to the context and language. The transcripts were coded and analysed using NVivo 7 software.
NVivo version 7 is a tool that simplifies the process of analysing interview transcripts manually into a standard storage tool (Hutchinson et al., 2010:289). It is a paperless process in which the researcher plays the primary role of questioning and analysing each item of data at every level. Regardless of the clear directive process in the quantitative approach, NVivo 7 forces the researcher to make inquiries and decisions throughout the whole process. A researcher needs to have a clear vision of what is to be analysed, highlighted or coded, and of the identification of the subject and categories (Hutchinson et al., 2010:289). Familiarity with the software is essential and is the beginner’s greatest challenge in obtaining the best output. The software eases the process of coding the most popular opinions in relation to the research objectives. It involves a process of separating informants’ views on a specific meaningful text into nodes according to themes or categories (Creswell, 2007:165). The process forces the researcher to develop in-depth thoughts about the data. Unlike other analysis software packages (e.g. SPSS) that automatically process data into output, NVivo is mainly a tool for the organisation of information. The categories or themes increase as the researcher inserts additional meaningful text into the nodes, eventually developing in-depth and broad forms of understanding of a subject matter (Hutchinson et al., 2010:290).

In this case, the researcher retains the key role in analysing the data, demonstrating the ability to interpret and identify thematic categories in coding data. Using the software also challenges the researcher’s investigative ability through stages of constructive coding from a descriptive level to critical analysis. These stages form
meaningful output that portrays the theoretical development, trend, interpretation, comparison and overview of an issue and eventually forms a new conceptual understanding of a study (Richards, 2009:95). NVivo 7 enables the unlimited revisiting, reviewing (Richards, 2009:85-87), refining and recoding (Richards, 2009:104-105) of the categories. It also enables a speedy and smooth verification and referral of sources without having to retrieve the actual document (Creswell, 2007:165). This raises the possibility of avoiding misinterpretations of text, categorisation and coding out of context. Comparisons of views and interpretations are also possible (Richards, 2009:95). Reflective comments are grouped into specific folders called journal, memo and annotation within a click on the same page layout (Richards, 2009). These three folders differ according to specific communicative functions between the researcher and the meaning of the data. According to Lyn Richards (2009), a journal is a tool for recording a daily process, a memo indicates emerging new ideas and organisation (Richards, 2009:80), whilst annotation is a platform for noting reflections on a text in a transcript (Richards, 2009:79). Nevertheless, these functions were not totally utilised in this study due to the researcher’s confusion over their functions. Therefore, the reflections on the interview transcripts are saved in either memos or journals. Data from the face-to-face interviews and email interviews were saved as individual documents in NVivo. The separation of documents spares the researcher any confusion over the content (Bringer, Johnston and Brackenridge, 2006:248-249).

Nevertheless, quality time spent learning about the tool is essential for a beginner to capture research data. Reference to materials that facilitate and address a problem is
helpful before proceeding to the next level, although this varies according to the researcher’s capability. Attending NVivo workshops is essential for a first-timer and is often a platform for resolution. The evidence from the interviews was categorised according to themes based on the theoretical framework of political economy. Amongst the emerging themes or key categories are television regulation, business, consolidation, television market, television content, broadcast regulation and television production. Several other themes were also revealed, as the researcher had built extremely detailed subcategories with most cases forming up to ten or more levels due to their being too focused. This issue became more problematic due to confusion over the multiple ways of reporting evidence. The problem was addressed accordingly in the NVivo workshop. The nodes were reduced to three levels which draw a clearer picture of the evidence. Despite these challenges, NVivo is strongly recommended as a tool for organising and analysing qualitative data as it transforms bulky data into meaningful facts.

4.4.7. Validity, Reliability and Ethical Issues

Interviews performed in Malay were transcribed directly into English as this expedited the overall transcription process. Verification of transcriptions was performed once due to time constraints. Interview transcripts were sent to informants upon request and for further clarification. Apart from the face-to-face interview sessions, all communication was conducted through electronic mail. Content analysis of television programming followed upon completion of the analysis of interview data. This method helps to identify the transformation of specific television format as a result of MPB
conglomeration. Compilation of television programming schedules was undertaken during fieldwork.

4.5. **Content Analysis of TV Programming**

Content analysis is the secondary method used for this research study. This approach is normally used to measure either the qualitative or quantitative aspects of media content or text. It permits the ‘investigation of particular classification of organised data systematically’ (Hansen et al., 1998: 112). Most researchers have centralised their perspectives of content analysis as a technique for studying media text. A general definition of content analysis is stated by Weber (1990:9) as ‘a set of procedures to make reasonable inference from text.’ A majority of scholars (in Neuendorf, 2002:10) emphasise the objectivity and systematic approach of the technique, particularly Berelson (1952) and Stone, and Dunphy, Smith and Ogilvie (1966). Riffe, Lacy and Fico (1998:20) and Krippendorff (2004:18) use ‘replication analyses’ as part of the procedures of a study. Krippendorff sees the technique as ‘being repeated’ and ‘duplicated in the same way whilst making valid inferences from data according to their context.’ Riffe, Lacy and Fico (1998:20) stress the content analysis approach as a strategic measurement and evaluation of media text through assignment of numeric values based on a guideline. The guideline explains the communicative elements from a particular context, especially of the production and consumption of media. Berger (1991:25) has particularly highlighted the ‘communicative elements in text’. These systematic and objective procedures are the scientific elements that Neuendorf (2002:10) addresses as ‘a scientific method for summarising quantitative measurement
of media messages’. She further explains the values that conform ‘to objectivity-
intersubjectivity, a priori design, reliability, validity, generalisability, replicability and
hypothesis testing’ in referring to the term ‘scientific method’.

Apart from the quantitative approach, content analysis provides spaces for measuring
the qualitative aspects of media content. Qualitative content analysis approaches are
popularly executed through ‘discourse analysis, social constructionist analysis and
ethnographic analysis’ (Krippendorff, 2004:16). According to Krippendorff (2004:17),
the qualitative approach studies the ‘interpretive’ meaning of media text that requires
detailed reading and understanding. This study, however, uses a quantitative analysis
approach to identify the total amount of a particular television format in television
schedules. It measures the amount of specific television formats broadcast over the
four television networks under MPB – TV3, 8TV, NTV7 and TV9. It involves establishing
and analysing programme criteria through an elimination process (Berg, 2007:306).

4.5.1. Rationale for Content Analysis of TV Programming

The study uses two sets of four MPB TV stations’ television schedules, before and after
conglomeration, to identify the quantity of specified TV format broadcasts by these
stations. It allows identification of imported programmes, locally-made programmes,
entertainment programmes and informative programmes, as underlined in the
research questions. The sample period is selected based on the year each station was
consolidated, which varies from one station to another. The year of investigation is
chosen from two years before and two years after the year of station merger. The two-
year timeframe permits the researcher to observe station programming before and after the official transition. The two-year period acts as ‘a buffer for stations’ transformation between these two stages’ (Hansen, 2009, personal communication). It is estimated that major operational adjustments were completed within a couple of years of the merger, thus enabling the researcher to view the transformation and comparison of local free-to-air television stations’ programming menus within the study period. The technique enables identification of television programming transformation as well as the volume of specific TV formats within the timeframe under study. It provides numerical evidence to support and validate findings generated from the semi-structured interview approach. Additionally, the findings indicate the transformation of television schedules offered by the television networks since MPB consolidation. It reveals the primary television formats and products broadcast by the four television stations. It also highlights the relationships between television programming, television station positioning trends and channels’ niche products. The timeframe of the study is illustrated in Table 3.

**Table 3: Timeframe of MPB Television Schedule Study**

<table>
<thead>
<tr>
<th>TV Station</th>
<th>Consolidation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before</td>
</tr>
<tr>
<td>TV3</td>
<td>2001</td>
</tr>
<tr>
<td>8TV</td>
<td>1998</td>
</tr>
<tr>
<td>NTV7</td>
<td>2003</td>
</tr>
</tbody>
</table>
4.5.2. Identification of Sample

An enormous amount of television programming data was received from more than one source as the intended samples involve previous years’ television programming data. Restoration of such data by the concerned parties is not guaranteed as TV stations destroy outdated schedules. The quest for alternative data sources ensued as most television stations keep television programming data for up to a maximum of 5 years. The collection of television programming data was executed shortly before the fieldwork through the Utusan Malaysia (UM) online newspaper archive. Assistance from the television channels involved was sought in the search for unidentified data obtained during the fieldwork interviews. The researcher failed to receive consent from TV3 for either technique, semi-structured interviews and content analysis. TV3’s television schedules were, however, obtained through a public channel.

Schedules from the post-consolidation period were received from NTV7, 8TV and TV9 respectively. However, the schedules of 8TV, NTV7 and TV9 prior to the merger are inaccessible due to the conversion of the stations’ managements. The UM online newspaper archive keeps local private television schedules dating back to February 2001, whilst the NSTP retains only news records. Listings of TV programming during the pre-consolidation period and TV3’s 2005 TV programming were obtained from the Malaysia National Library and the online print media. A request for TV3 schedules (of 2001 and 2005) and those of NTV7 (2003), Metrovision (1998) and Channel 9 (2004) was sent to the National Library on 18 March 2010. An email containing TV3 and NTV7
programming schedules was received on 19 April 2010. The online print media archive, UM Online, remains the primary reference when problems arise.

The researcher used systematic random sampling to identify four out of 52 weeks of TV programming of MPB TV Networks. Systematic random sampling is favourable for selection of specific characteristics that ‘represent the population’ of television schedules (Riffe, 2005:106). The technique guarantees equality of sample selection within a specified year of study (Wimmer and Dominick, 2003:92) and eventually forms a ‘natural biased sample’ (Krippendorff, 2004:115) from a standardised selection of units. Four out of 52 weeks of TV programming were selected under each year of investigation. The selection process employs a formula calculated from sample population and sample size in identifying the skip intervals or the gap between 2 points of sample selection. It permits measurement of the total amount of television programme format by selecting specific samples from each sampling frame within a specific duration (Neuendorf, 2002:84). Accuracy of sampling depends hugely on the adequacy of the sampling frame digest from the population. The X unit known as the skip interval is established according to the following formula if size of sample population is known.

\[
\text{Skip interval} = \frac{\text{sample population (N)}}{\text{sample size (n)}} = \frac{365 \text{ days}}{30 \text{ days}} = 12
\]

Dates of investigation were therefore chosen from every 12 days of the sampling frame. Unrelated samples were eliminated. The technique forms four composite weeks of TV programming for each year of study. Identification of Malaysia’s festive
seasons was also recognised. Dates involving holidays and special events such as presentation of national budgets and elections were dropped from the sample and replaced by a sample from the following week. Normal programming is usually pre-empted during holidays for special programmes (Bishop and Hakanen, 2002:266). This strategy increases the reliability of the findings. The systematic process portrays a sample of a month’s television scheduling from a TV station’s normal programming. The list of selected dates illustrated in the Appendix represents the sample of this study.

4.5.3. Research Tool

A coding schedule is developed according to the variables of this study. It contains a list of coding variables for answering the research questions. The content analysis is performed to investigate, firstly, the volume of locally-produced programmes and foreign programmes since MPB conglomeration and, secondly, the volume of entertainment and informative programmes since the conglomeration. Therefore, foreign programmes, locally-produced programmes, entertainment programmes and informative programmes are the units of analysis in this approach. These aspects are measured under ‘television station’, ‘title of programme’, ‘format’ and ‘transmission date’. Variables for measuring local and imported programmes are coded by ‘source of programme’ and ‘programme language’. Identification of source of programme and language are identified by assigning the list to the MPB Research Unit.
4.5.4. Data Collection

Performing content analysis of television programming is not an easy task, particularly when a huge amount of data is involved. Lack of experience in studying television programming is the main constraining factor. Nevertheless, a pilot test was executed using data from TV guides in the local online newspaper archive, UM Online, with a list of genres retrieved from the BBC website as the guideline for categorisation. This was executed before the interview fieldwork. The aim was to identify the compatibility of the BBC genre list with the TV programming schedule in Malaysia. This step was vital as it helped to improve the process of developing a reliable coding schedule (Hansen et al., 1998:116-118) for this study. The result identified two problems in the identification of programmes. Firstly, almost half of the programmes listed in the schedules were unidentifiable based on the BBC list of formats. Secondly, it is difficult to distinguish between imported and locally-produced programmes based on the programming schedule. As a solution, questions related to both research questions were posted during interview sessions. A list of television genres established by Asiah Sarji (2006) was also unable to provide the best result due to the underdevelopment of format classification. The BBC’s and Sarji’s classification guidelines generated further cultural disagreement issues as they have been developed by two different cultures. Anders Hansen (2010, personal communication) suggests that the best strategy for studying television genres in Malaysian television is through utilisation of classification guidelines used by the local television stations themselves (Hansen et al., 1998:118-121), which reduces dissimilarities in terms of standardisation and culture. Hence, assistance from the MPB Research Unit was sought, requesting classification of the TV
programming guideline in order to execute the content analysis approach. The requested guideline was received and became the key categorisation template to answer the research questions of this study, as illustrated in the coding schedule in Appendix 1. The frequency of determined categories was examined and analysed using the Statistical Package for Social Sciences (SPSS) 16.0 (Berg, 2007:308). Application of this software enables a researcher to ‘discover unexpected patterns and trends, explore new ideas, and work inductively with the data’ (Hansen et al., 1998:121).

4.5.5. Data Analysis

Categorisation of television formats was adapted from the list of TV format classification received from MPB Research Unit. This list was used as they have already established the categories for their research. Although it sounds biased, the guideline is credible as the Research Unit has been dealing with various television content studies for many years. The format is classified according to the attachment of a programme under a specific department as it involves the organisation of funds, programmes and production team coordination. Hence, coding is executed according to the MPB TV format classification. The formats are News and Current Affairs, Magazine/Documentaries/Travelogues, Movies, Drama, Musical/Variety/Entertainment, Cookery/Women, Talk show, Game/Quiz show, Sports, Reality, Religious, Kids Live Action/Children, Cartoon/Animated Cartoon and Comedy/Sitcom, Education and Miscellaneous (PSA, public message, promo, highlights, capsule and closing). Three out of the 16 categorisations based on the MPB classification were altered due to redundancy of content format. ‘Live Broadcast’ was
changed to ‘Comedy/Sitcom’ whilst ‘Kids live action’ includes non-cartoon programmes and ‘Cartoon’ includes ‘Animation’. A copy of the coding schedule is attached in Appendix 1. Each programme in the TV guide of the TV station under study is coded according to nine attributes listed in the coding schedule. The volumes of informative and entertainment programmes since conglomeration are measured under ‘Format’ and ‘Comparison’. The volumes of imported and local programmes are measured by ‘Source of Programme’.

4.5.6. Challenges of Analysing TV Programming

Programming schedules involve various television genres and formats. These two terms vary according to application. Differentiation of the term is apparent, particularly between Western and Asian countries’ television programming. Confusion over terms in distinguishing television genres or formats arises as both have somewhat similar types of programme classification. As such, executing the coding process according to the classification of programmes was extremely challenging for a beginner. The challenges include the difficulty of identification of programme content, the format, language and source, especially of programmes prior to consolidation. Limited television viewing and knowledge of the programmes rendered the process of coding the programmes problematic. Hansen, Cottle, Negrine and Newbold (1998:107) have stressed the importance of familiarisation with television guides for successful coding. A lack of experience impelled the researcher to seek further assistance from the MPB Research Unit regarding the unidentified programmes.
Amongst the challenges of coding television programmes is justification of categories based mainly on a programme’s title. Some programmes are rather difficult to distinguish purely on the basis of the title of the programme. It is relatively more convenient to classify programme formats according to content and presentation visually. In such a case, the researcher’s familiarity with types of format and content presentation is essential. In addition to the constraints, programmes involving comedy, motivational content, tele-shopping and consumer lifestyle, fashion, ICT and technology can be included under more than one category. For example, the content of a motivational programme can be classified under magazine, talk show or even religious show. A science-based programme such as ICT and technology can also be classified under documentary or magazine. In a normal setting, identification of these programmes requires visual observation in support of the verification of content characteristics.

Programme redundancy is avoided by referring to the structure of the programme content. In terms of programme content, it is identified that some programmes are rather difficult to distinguish purely on the basis of the title of the programme. In this regard, familiarity with the programme and its content assists the researcher in making a clearer justification, hence avoiding redundancy. Additional investigations of unidentified programmes have been carried out through the Internet, which has been beneficial in easing the situation, particularly with programmes with non-Malay titles. Referencing leads to various websites, particularly of the programmes’ producers, suppliers, distributors or even fan clubs. This approach successfully identified most
Western and Chinese programmes. Unidentified local programmes have been classified based on the department that produces the programme, as underlined by the MPB Research Unit. Out of 16 categories based on the MPB list, three have been altered due to redundancy of content format and relevance, as previously stated in the data analysis. The ‘Live Broadcast’ category is replaced by ‘Comedy/Sitcom’ as it causes redundancy in terms of the content of other categories, especially talk show, sports, children and women’s programmes. ‘Kids Live Action’ represents the non-cartoon kids’ programmes whilst the ‘Cartoon’ includes ‘Animation’ as these better represent the sample population.

4.5.7 Reliability and Validity

Coding is performed based on categorisation of TV programming guidelines provided by the MPB Research Unit. The Unit is involved in various qualitative and quantitative studies of television production, programming and media consumption. The categorisation is underlined according to a production department that oversees the overall budget of every programme produced within the department.

4.6. Conclusion

This chapter explains the methodologies used for this study. Semi-structured interviews were conducted as the primary approach to data collection with participants gathered from three key groups involved in the Malaysian television industry. The key objective is to evaluate the degree of influence MPB has exerted since its inception and its contribution to the development of television content and
the creative industry. These individual respondents represent three main perspectives of industry members: the key market player, the market member and the regulatory and advisory point of view. The method establishes greater opportunities for collecting restricted and confidential information. However, it may also burden the researcher with great pressure in the absence of sufficient preparation.

Content analysis of MPB TV Networks’ programming aims at evaluating their positioning and behaviour in promoting television programmes within the local television industry. The total amount of entertainment and informative television formatting is identified as the verification of evidence for the qualitative data approach. This includes the identification of the total amount of television programmes that are locally-produced and imported. Email interviews were chosen as an alternative means of interviewing informants from afar as a consequence of various constraints.

Application of both methods has illustrated the numerous advantages and challenges that influence every step of a piece of research. Despite the disputes, the selected research design has managed to provide collective data and a firm understanding of the conglomeration of MPB and the types of products the group produces in its television programming in the Malaysian context. The evidence of this study will be highlighted in the next two chapters. Chapter 5 will focus on MPB business strategy whilst Chapter 6 will look at the perspectives of television programming and television content. These two chapters function as a general discussion and reflection platform.
that reports key issues in relation to MPB’s influence and its implications for television content. Detailed analysis, reflection and the implications of the evidence are discussed in Chapter 7.
CHAPTER 5

CONGLOMERATION OF MEDIA PRIMA BERHAD

5.1. Introduction

This is the first of two chapters that extract essential evidence in this research study. The outline structure of the chapter is based on the themes of key issues related to Media Prima Berhad conglomeration, factors influencing the conglomeration and the transformation of MPB TV networks’ television programming. It reveals the justification for MPB’s transformation, and the objectives and strategies for consolidation. The rationales behind the merger and acquisition of the problematic TV stations are also disclosed. In revealing these issues, the chapter also emphasises the degree of MPB influence within the local television market in the post-conglomeration era, particularly the implications for the television and content industries. The interconnection of national policies and regulatory framework as the core structure of local television industry development is discussed. A media conglomerate usually integrates various types of media business under one roof (Mosco, 1996:176). As MPB is the largest media group in Malaysia, it is interesting to justify MPB’s status by looking at the media corporation’s assets, profits and overall performance.

Most studies on this topic identify the transformation of global international conglomerates’ growth. Nevertheless, this study evaluates the expansion of the largest domestic media corporation in Malaysia and the implications for the television content
industry within the limited television market. The findings are presented based on a qualitative account in order to answer the research question: ‘What are the transformations that have taken place in the local TV market and content industry since MPB conglomeration?’ A political economy approach is used to assist the researcher in answering this question. As a government-linked company, the approach unveils the interconnection of MPB establishment, corporate growth and national policies.

The discussion is based on the analysis of data generated through semi-structured interviews. The analysis was made based on the views of three groups of informants - MPB personnel, independent television producers, and officers from government authorities and media consultants. Interviews with the first group enabled the researcher to generate exclusive information related to the intention, process and outcome of the consolidation. Interviewing the market members, particularly the independent television producers, reveals issues related to competition and market challenges to increased corporate credibility. Nevertheless, a wider context of discussion relating to regulatory framework and government strategies is also highlighted during the session. Apart from the government officers, all informants have had vast working experience in the television industry. Although it is not the main objective of the study, in many instances the discussion in this chapter leads to a comparison of television industry conditions before and after MPB consolidation to illustrate the overall transformation, as indicated in the following topics.
5.2. MPB Development since Conglomeration

Economic revenue and survival are the key objectives in any business industry. These are primary issues governing any business community regardless of company size. Generally there are many influencing factors that contribute to company performance and growth. Some of the key factors for successful media business achievement, according to Cameforo (2010:219), involve the relationship between the elite group interest and ‘television ownership, advertising and sourcing’. As for MPB, conglomeration drove the group to restructure and re-strategise its business focus to remain active and viable in the local television market. The media group was competing solely under the TV3 brand prior to its involvement in a series of mergers and acquisitions. TV3’s business positioning was aimed at the nation’s mass market. There were seven television stations operating individually in the local market prior to conglomeration, including two government channels (TV1 and TV2), three private channels (TV3, NTV7 and Metrovision) and two pay TV channels (Astro and Mega TV).

The orientation of media conglomeration studies involves private media entities that are mainly profit-oriented. This study finds that the essential objectives of the expansion remain on the seeking of funds or capital, increasing market power, the intention of monopoly and seeking justice in a democratic environment. The establishment of MPB is regarded as a positive government move for the local market. Based on the literal facts of the revenues, TV ratings and popularity of the TV programmes, the group has successfully remained in control of the free-to-air television stations. Nevertheless, Malaysia remains a small television market globally.
MPB remains a small corporate media entity in comparison with large media groups internationally, despite being the largest media corporation in Malaysia’s television market. MPB’s largest profit since consolidation was only MYR605 million ringgit in 2006, which is six times smaller than Rupert Murdoch’s News Corporation 2008 revenue totalling up to USD32,996 million (News Corporation 2008 Annual Report: 81). News Corporation’s lowest annual revenue was USD10,054 million, recorded in 1997 (News Corporation 2001 Annual Report: 4). The size and situation present Malaysia and MPB with great challenges in developing the local television industry, both domestically and internationally. These aspects will be discussed further through four emerging themes.

The findings are focused on the aspects of media economics, television content, media policy and media management. Amongst these themes, significant information has been found from media economic perspectives. Findings under this theme disclose issues related to media business operations, including conglomeration strategy, market competition, distribution of resources, networking and marketing, and distribution of products. The issues raised under the television content theme are related to current local television content trends and quality, transformation of television content since consolidation and strategies to improve television production. Research and development for satisfying higher demand and achieving better quality are revealed as an important area for ensuring the sustainability of creativity and television production quality. The study also uncovers inequality of media policy in various media markets, particularly in censorship and market competition. The
monitoring system and enforcement of media policy in relation to the language of content and political influence in the media organisation are also highlighted. It is apparent that the local media industry lacks an implementation system, although it is fully supported by the government. Aspects related to media management are also revealed in this study. The leadership and configuration of a television station are vital as they steer the station towards positive development. Human resource development, opportunities for research and product development are among the themes that require serious attention in this study. Before moving the discussion onto the above themes, it is essential to grasp a basic understanding of the structural transformation of MPB since its establishment and the contributing factors to the transformation and growth.

5.3. The MPB Structural Transformation

Structural transformation is one of the main characteristics revealed in this study and is one of the approaches used in a corporate expansion. This study identifies MPB’s concentration strategies in ensuring positive corporate growth and better performance by the media corporation. The strategy is a prolonged corporate expansion approach used by TV3 when it was still a single entity under MRCB. MPB was established through the integration of two associated media companies in the local media market - TV3, an established broadcasting TV station, and NSTP, an established print media publisher - in a demerger practice by MRCB. Both media companies had long-established credibility in the local media business with ownership of subsidiaries through several buyouts and establishment of business assets. Strong
credibility in the media business supported them with significant strength in this industry, thus enabling them to conquer the media production industry in each of its markets. The situation conforms to Mosco’s (2009:177) idea that identifies horizontal concentration as the first level of media integration when a firm integrates its business operation with a non-related media outlet. During this period, TV3 and NSTP had already executed vertical concentration. Subsidiaries are established related to media production processes to strengthen marketing and product distribution in reaching a target audience. Prior to the conglomeration, TV3 also adopted a diversification strategy that extended its ownership of non-media assets in education and property investment. The education platform strengthens creative resource supply for the television station whilst property investment ensures its liquidity. As a result of global trading negotiations with the world’s key economic entities, TV3 managed to extend its expertise in television station management through its assistance in the development of a private television station in Ghana.

Media concentration in Malaysia has been triggered by economic pressure, in contrast to the situation in the US, which is influenced by government pressure. In the US, as Kunz states (2009:637), a shift in communication policy triggers a re-organisation of media ownership, particularly of large media corporations. The severe Asian economic crisis saw many local companies from various sectors, particularly government-linked companies, losing business. Firms from various sectors withdrew inappropriate investment and opted for a cost-saving strategy for survival. Such a situation included TV3. Most television station players failed to sustain operations. MPB personnel
highlighted that the challenges facing saturation of market share and advertising income caused further constraints. TV3 survived with a strict financial approach and government support that kept the station off the insolvency list.

Basically the TV failed. TV8 failed. Channel 9 failed. NTV7 failed. ...they went to offer to sell to TV3. That’s all. So TV3 bought them. (DKA, media consultant)

MPB’s inception was implemented when the nation was still on the edge of recovery from the economic crisis. A cost-saving strategy remains the most important policy for long-term survival and growth. MPB’s concentration strategy had eventually changed and reduced television ownership. The television industry players are today in the hands of three large media groups in the local market - MPB, Astro and RTM - through a series of mergers and acquisitions in order to secure problematic television station licences. A clear illustration of MPB’s structural transformation and asset ownership is shown in Figure 1.

**Figure 1: MPB Media Structure and Ownership until September 2009**

![Media Prima Berhad (2009)]

- **Television**: TV3, 8TV, NTV7,
- **Radio**: HotFM, FlyFM, OneFM,
- **Print Media**: NSTP
- **New Media**: Alt Media
- **International**: TV3 Ghana
- **Content Creation**: Primeworks Studio
- **Outdoor Advertising**: Utusan Publication and Distributers (UPD), The Right Channel (TRC), Big Tree, Kurnia
5.3.1. Concentration of Television Industry

MPB has implemented two types of concentration strategy in order to strengthen its positioning in the local television market. One is horizontal concentration and the other is vertical concentration. The horizontal concentration is a continuation of TV3’s initial expansion planning, which was postponed during the Asian economic crisis. The execution of horizontal concentration granted MPB total ownership of three additional free-to-air television stations (8TV, NTV7 and TV9). They consolidated the problematic television stations and created a cost-saving strategy to improve overall operational income. Discussions between the government and market players were conducted to find the best solution to ease the financial constraints of the three problematic stations. The final resolution suggested that TV3 should take over the stations whilst ensuring positive industry growth. The situation shows clear government support for the industry during the hard times, as it fosters strong economic growth.

We proposed that these stations be taken over by TV3 because TV3 has developed a consistent rise in its advertising networking and has its own specific niche (HJS, industry regulator).

The concentration also fulfils MPB’s intention to own alternative platforms in radio (FlyFM, HotFM, and OneFM), new media (Alt Media) and outdoor advertising (The Right Channel, Utusan Publication and Distributors, Big Tree, and Kurnia) (MPB 2009 Annual Report). Ownership of the outdoor advertising companies produces new income resources and backup during difficult times. More importantly, however, the
concentration approach fulfils MPB’s objective of accomplishing an economy of scale, economy of scope, innovative integration, and higher profits for its business operation.

We have our own new media side called Alt Media, so they take care all of our portals and online... We have online, have mobile and all other types. So how we do it, I think people will still like TV but we cannot deny that lifestyle has changed... We don’t want to lose out, so we expanded our achievement (AIZ, MPB personnel).

The new media platform extends MPB’s business opportunities, thus enabling the promotion of programmes from the television and radio assets. The strategy will eventually garner a greater audience once the programmes have been uploaded onto the online platform. A television product is repeatable on various platforms and for multiple niche markets, expanding audiences at a reduced cost and hence fulfilling the economy of scope and synergy effect. In order to meet the targets, some programmes are being broadcast across other channels. For example, 8TV’s breakfast show is shown live on 8TV as well as on the radio network, HotFM. The online platform is the latest technological influence popularly adopted by media corporations domestically and globally to attract the younger generation. This increasing convergence trend is the result of globalisation and modernisation which changes and influences human livelihoods.

People’s habits have changed... It’s like making sure that you own all the shelves because sometimes we want to grow only 1, 2, 3 but you actually own 4, 5 and 6 but we use in different ways... Some people don’t want to watch TV at 8 to 9. They are going to watch it at 1 o’clock in the morning (AIZ, MPB personnel).

The change in watching television trends has pressurised MPB to establish cooperation with a local telecom company, initiating the building of a better
infrastructure and platform for watching television online. MPB has made investments to promote their content online through what they call catch-up TV.

Now we are doing it for free. Usually it’s 7 days for free, but now we leave it open because we do not have the payment mechanism after 7 days. So now everybody can watch catch-up TV for as long as they want... You can also watch 8TV on your mobile. You just go to mobile@8TV.com.my and you can see about 15 shows and the quality is quite good (AIO, MPB personnel).

Prior to the new ownership, MPB had already owned subsidiary companies in the field of television production and supporting businesses. Today, MPB’s vertical concentration has successfully streamlined its various in-house production companies in drama and film by setting up Primeworks Studio, which ensures content supply for MPB television networks. It also raises the opportunity of gaining market power for MPB (Jung and Chan-Olmstead, 2005:185). Owning an in-house production team guarantees product supply for all its media platforms, particularly television stations. Nevertheless, vertical integration creates certain problematic issues, from market competition to product quality (OECD, 2003:71). Primeworks Studio’s emergence seems to be a threat to the smaller television suppliers as it generates possibilities of limiting business opportunities for the smaller market players. The presence of three large and distinct television systems in the market means that smaller companies are facing an incompatible environment that is threatening their businesses and pushing them towards the exit. Conversely, the overall implication of MPB’s concentration approach has positively developed a prosperous environment for the industry by offering alternative media platforms for local audiences, including new media
innovation. MPB set up its new media wing, Alt Media, in 2007 and consolidated its radio interests through its third radio station, OneFM (refer to Figure 4).

Streamlining has been the key factor for implementing control in finance and operational management. These approaches have supported MPB in consolidating problematic television stations and have reversed stations’ misfortunes so that they achieve a gradual turnover. The imposition of strict cost-saving strategies has enabled these problematic television stations to resume their growth through additional strategies. This study identifies that MPB is implementing various sharing-oriented strategies as the key to saving on operational costs. It executes sharing of resources, overheads and television content across all MPB television stations, which eventually reduces operational budgets and achieves economic efficiency. The cost of operating a television station is deemed expensive and is highly dependent on advertising income. As such, MPB reduces its overall marginal costs through mergers (Zhang and Chen, 2002:374) to remain healthy and garner higher liquidity. MPB TV stations share their overheads as this can save a huge amount of their budget for operations and television production. They operate under the same roof, which saves on rental costs, and share all essential technical and production facilities and overheads for running a TV station. This situation is regarded by Mueller (1969:652) as capable of reducing operational risks. Mueller’s (1969:652) notion of the conglomeration objective has explained MPB’s situation in the Malaysia market very well. This strategy has been particularly apparent in the setting up of TV9 since the merger.
The creative production team, which previously existed as separate units under each TV station, is being centralised as a single entity under Primeworks Studio. This newly formed production wing specialises in producing television content for MPB television networks. Primeworks Studio is a content creation platform that streamlines four television production units from TV3, NTV7, 8TV and TV9 into a single unit aiming at cost-saving and better synergy. It is also intended as a specialisation platform and aims at selling local production content for domestic and international markets. MPB’s latest vision sees the international market as a new resource for higher revenue. Television content was also shared across all stations to reduce programme production budgets.

We did content exchange among stations because people that watch 8TV most probably would not watch TV9. So they show the content on 8TV and TV9. They have different target markets. So that is how we actually save the cost (NAI, MPB personnel).

Domestically, the sharing of resources was possible as TV3 had already established itself as the market leader. TV3 has been a role model in the market for 25 years with strong business performance and growth. Although operating a television station seems costly, TV3’s strong financial state and facilities enable these new television stations to share the operating costs. The sharing approach enables these television stations to gain an economy of scale which apparently releases TV stations from high operational costs and fixed-cost burdens. Hence, MPB employs the sharing of resources as an approach to guarantee gradual positive business development in the long run.

We can reduce our cost, the operational cost. We share operational cost, we share equipment, we share news materials. We even share manpower. We can pull, they
support. Pull the engineering people. Use the same OB (outside broadcast) (LH, MPB personnel).

Saving on production costs has been essential to support the three problematic TV stations in the re-structuring process. Television programmes produced by TV3 are shown on the newly-owned channels based on their target audience and suitability for garnering larger audiences. This is an easy task for TV3 as they have a huge archive of TV programmes from more than 20 years of operations. Some of their programmes were reproduced in different languages and have even been sold internationally, particularly those of documentary and magazine formats. MPB had also adopted a format exchange with TV3 Ghana and TV5 in the Philippines, which illustrates the knowledge-sharing environment across nations. Apart from the South East Asian region, Oman, Pakistan and Bahrain are amongst the Muslim nations with which MPB has established content exchange for Islamic programmes. Such opportunities permit both countries the advantage of consultative relationships and knowledge transfer that will eventually elevate local programming quality, ratings and diversity.

TV3’s programme ratings have always been the highest in comparison with other domestic market players since its inception. In fact, TV3 programmes usually occupy the top ten places in the list of major programme ratings, hence their popularity. According to the *Oxford Dictionary of Media and Communication* (2011: 351), TV ratings are normally used by advertisers as a tool for measuring the popularity of a programme, thus indicating the volume of the audience that watches specific programmes. The tool guides and illustrates the potential return of the advertisers’
investment in product promotion. The consolidation has clearly increased the MPB group’s performance compared to TV3’s previous condition.

Our market share has strengthened even over RTM and Astro. So we have collectively TV3, TV9, 8TV and NTV7, capturing over 40 per cent of market share for TV. Before that, TV3 was strong, about 40 per cent, but then NTV7 came in and NTV7 sometimes had 16 per cent, 20 per cent. So it will eat the share. Then there’s RTM1 and RTM2. So when Astro comes in, Astro eats 30 per cent. It’s basic; if it’s a pie then it’s making sure that Media Prima owns the biggest slice of the pie (AIZ, MPB personnel).

The inclusion of TV9, NTV7 and 8TV in MPB and MPB’s market share increase protects the local television industry from shrinking. Before the conglomeration, these three stations used to capture a small percentage of the market share, which meant lower business revenue. Their consolidation under MPB has released them from the greater financial constraints caused by limited viewership and limited investment from advertisers.

5.3.2. The Transformation of MPB TV Programming

MPB’s station-positioning strategy has also supported the consolidation success. Media concentration allows MPB to widen its ability to generate higher income. Each television station is set up according to the characteristics of the market audience. Television programming is the platform for showcasing the lists of programmes a television station can offer its target audience. Audience segmentation strategises audiences’ and advertisers’ requirements according to their preferences and convenience. MPB rebranded two of the four television stations for competitive
assurance. Transformation of TV positioning is vital for ensuring business competition, marketability of brand and performance. Market research judgement in terms of characteristics and the demands of target audiences will correspond with advertisers’ preferences for successful market competition. The challenge of garnering a large audience share is crucial in a limited media market such as Malaysia. The recent rebranding of TV9 revealed in this study highlights the importance of station positioning for a station to perform. The study discloses that MPB consolidation has managed to capture a stronger market share over RTM and Astro of more than 40 per cent.

TV3 has retained its positioning for the local mass audience since MPB consolidation. TV9 aims at traditional Malays living in rural areas, whilst 8TV focuses on the English-speaking, urban-dwelling and young adult Chinese audience. 8TV was formerly known as Metrovision and is aimed at the mass audience aged 15 to 39 and living in urban areas (Video Age international, 1996). NTV7 continues to target an urban Chinese adult audience aged over 35. Evidence shows that the re-positioning of 8TV and NTV7 has clearly increased their audience within the Chinese community. The Chinese audience is also deemed to have a strong interest in international shows, the majority of which are in English. Evidence from the interviews shows that MPB adopts English, Chinese and Malay programming as a strategy to win multi-ethnic audiences in Malaysia. The strategy ensures MPB’s competitive advantage over Astro’s multi-language channels, thus elevating audience share.

We segmentised the station. 8TV is like this, NTV7 is like this and TV9 is like this, because now the market is actually
Segmentation of MPB TV networks’ programming since conglomeration has transformed their programming trend from a fragmented approach that transmits programmes according to audience taste and time towards a combination of TV3 and a pay TV model. TV3 adopts a programming style that broadcasts each programme based on the target audience’s lifestyle and preferences. Prior to MPB conglomeration, for example, Chinese dramas on TV3 were normally limited to the slot between 7pm and 8pm on weekdays. Chinese movies were occasionally broadcast at weekends. The multiple-channels pattern of the pay TV programming system is being adopted for transmission of a greater amount of Chinese content dedicated to specific channels, 8TV and NTV7. Conglomeration and the repositioning of the three problematic television stations because of the economic rationale have strengthened the capital resources of these stations and put them on a positive track. Another obvious feature of the pay TV trend in MPB’s post-conglomeration TV programming is the repeat transmission of previously popular content from TV3 on the newly-acquired television stations. A large number of popular documentary programmes and cartoons originally screened on TV3 have been aired on TV9.

Prior to the merger, NTV7 was focused on enlightening Malaysians during the Asian financial crisis and reaching an audience with international tastes, hence its English-skewed content. This development is a clear implication of the globalisation of media products. A senior manager from the station reveals the implications of NTV7’s programming and content since the takeover.
I think we have increased the level of local production for the Chinese audience. So last time we also had 8TV. So I think, due to what we have done, we actually raised the bar. You know our pro man; our production is on a par with TVB and how we measure that is by ratings. That means you show a local production at 10pm, it rates better than TVB. TVB is best for Chinese programmes. But no longer. I think TVB still helps, but we can do our own Malaysian production, to attract our Chinese audience to our show (AIZ, MPB personnel).

A study run by AGB Nielsen, as stated in the MPB Financial & Business Review for a 3-month period (January to March 2009), shows that viewership increased from 39 per cent to 45 per cent over the same period in 2008. TV9 was second among the Malay audience after TV3, an increase of 2 per cent over 2008. MPB television stations are positively seen as trend-setters in television programming. Based on AGB Nielsen Media Research (in the MPB Annual Report 2009:73), MPB TV networks garner 50 per cent of TV viewership and 90 per cent of FTA TV advertising expenditure. Such an advantage has put the group in the front line of the industry.

In the year of study, syndication programming remains the ultimate content across all channels to balance the operational budget. The interview data reveal that the number of imported programmes is low in NTV7, moderate in TV9 but higher in 8TV. Local programming records the highest percentage in NTV7 (80 per cent), while it is above 60 per cent in TV9 and between 18 and 50 per cent in 8TV.

If you look at the TV guide you can see that the requirement for syndicated programmes is between 20 to 30 per cent depending on the TV station. For example, for 8TV they go for more syndicated programmes - only a small amount on local. The same goes for NTV7 (MNJ, market member).
Findings from the interviews also reveal that the entertainment format has topped the overall format in MPB TV Networks since conglomeration in comparison to the informative format. Each television station records more than 50 per cent of entertainment format in content (TV3 60 per cent, NTV7 70 to 80 per cent, 8TV 90 per cent and TV9 70 to 80 per cent). Although NTV7 broadcasts rather bulky informative programmes, business revenue and audience demand remain the key rationales for the high entertainment content in the local programming.

That is where the bulk of our revenue comes from. We won’t earn money during the day, but at night we compensate for the lack of revenue in the day. So that’s ok, we charge them along. So we compensate, so that’s how we manage at the end of the day (ZGB, market member).

Apart from the effort to consolidate the ‘bad office’ (NAI, MPB Personnel), the cost-saving strategy grants MPB the assurance of future investments, particularly for content and branding. MPB strategises itself to produce better local content production as the key differentiation factor from pay TV players. For example, the programming competition in terms of religious programmes is very stiff, as both MPB and pay TV stations produce programmes to cater for religious interests. While the pay TV production focuses on multiple religious programming, MPB’s terrestrial TV programming limits the amount of content being offered. The differentiation of TV content promises a better competition strategy within the local television market in capturing a larger audience share. Higher audience ratings increase TV ratings, which elevates station revenue, thus supporting the national economy. The process is generic.
The television industry seems to be facing challenges in terms of funding, infrastructure and policy. The limited income from profits does not offer the industry the assurance and ability to build itself according to the expected standard. This has been one of the complaints raised by the market members that the agencies and government should take into account. This study identifies that one of the key problems contributing to the industry’s unprofitable environment is the high discount factor that reduces market capital for future reinvestment and industrial development. Offering high discount rates is considered crucial to attract larger investors to record higher income.

NTV7 was in the habit of giving people a 90 per cent discount... their style is to do lots of branding and then to get the advertisers; they undercut everybody... undercutting is very unhealthy. TV3 had no choice at the time but to follow the 70 to 80 per cent, except they could do a bit less because they got bigger ratings. So TV3 was offering about a 60 per cent discount. The money from advertising is a lot on TV, but a lot of them were free to air at that time. So when 8TV came in, we had to actually follow that rule... Anyway, when NTV7 came in, the first thing MPB did was to lower the discount rate quickly to save everybody in the industry... We are halfway to doing it at about 50 per cent discount which is healthier now (AlO, MPB personnel).

MPB’s merger and consolidation has eliminated competition among the FTA stations, forming direct competition with the government channel, RTM, and indirect competition with the satellite channel, Astro. The development has increased MPB’s market power, enabling the group to focus on raising audience share and TV AdEx, and marketing its brand overseas.

So now the only competitor we have is Astro. Astro has a lot of channels, Awani and all that... this means the competition is getting stiffer. Previously it was a fight between two reindeers,
but now it is between two elephants. Astro has many channels and Media Prima with their channels (LH, MPB personnel).

Astro is one of the key competitors in the local industry, as the satellite network offers multiple TV channels, including free-to-air channels, due to previous government strategy. This strategy was implemented in the early years of Astro’s inception to reduce television transmitter set-up costs and increase audience reach. Other local television stations are subjected to a minor charge for merging their television content under Astro’s subscription package. FTA television was included in Astro’s subscription package as part of its political intentions to support Astro’s business. The strategy remains to this day. Limitations on broadcasting transmitters also established a new method of product distribution through satellite television. The development illustrates Gershon’s (2009:13) statement on the capacity of modern technology to establish a new platform and efficiency for transmitting television programmes nationwide. Satellite television allows nationwide transmission of information for political, economic and social purposes.

Limited industry income overall further increases the pressure for strategic development within the industry. A report on an analysis of advertising expenditure (AdEx), size and trend released by MCMC (2006:4) indicates that the Malaysia market share stands at 0.5 per cent of global AdEx. Despite the small share of the market, FTA television is reported to contribute 0.24 per cent of national GDP (MCMC, 2006:17), generated entirely from MPB. As one informant revealed, this seems more than enough to develop the media industry with the best infrastructure and strong funding. MPB’s income contribution to national GDP means that the corporation has to bear a
significant responsibility for developing the local industry. As the leading and most successful media corporation, the group seems to be assisting the government in developing the media industry overall, through various appointments. One of its vital involvements is its membership in the content forum committee under the Malaysian Communication and Multimedia Commission.

Limited capital also has various implications for large media corporations and small production houses in terms of product development, marketing and distribution. Increased discount rates benefit MPB, allowing it to employ scriptwriters and directors at higher rates compared to before MPB consolidation.

It used to be about MYR15 to MYR20 thousand ringgit for a one-hour show. Now it is up to MYR50 thousand for a good one… we save a lot. With the extra money we have helped rebuild the industry (AIO, MPB personnel).

Although MPB seems to offer a better contribution to the industry, the smaller market members take a different view, as low programme price rates promise limited revenues or even a loss. Hence, the increasing numbers of complaints from small-capacity television producers which limit the next project budget. This factor will eventually discourage television producers from producing good-quality programmes. On the other hand, in order to remain in operation, they tend to find shortcuts to achieve an output that suits the limited budget. Based on the literature, key resolutions to budget constraints include invitations to popular figures or artists to take part in programmes, production of programmes that are considered cheap but workable, and importing of syndicated foreign television programmes. Limited capital has been the major challenge for the local media industry overall. In overcoming the
issue, MPB strategises plans for income generation domestically and internationally. The plans include establishing business networking through joint ventures, consultation and collaboration in production, both domestically and internationally.

Policy-wise, the government seems to be supportive in developing the television and content industry overall, although there have been reports of a lack of transparency and implementation. Funding support is generated for small-scale potential suppliers through government agencies, namely the Malaysian Communication and Multimedia Commission (MCMC) and Multimedia Development Corporation (MDEC). MCMC allocates 50 million ringgit (around 10 million pounds sterling) under the Network Content Development Grant. MDEC forms the Content Development Fund, totalling up to MYR100 million ringgit (about 20 million pounds sterling). Recently, the Ministry of Information, Communication and Culture (MICC) has announced an additional fund of MYR200 million ringgit for the National Creative Industry in the form of loans. Allocation of working capital is open to application through financial institutions and banks.

Despite the supportive environment, management of this funding system is critical. Imbalances and an unsystematic management and delivery system in the television and content industry remain great challenges in the Malaysian context. An ineffective informative delivery system, lack of cooperation among large- and small-scale suppliers and poor marketing communication are still great problems.
5.4. Internationalising MPB in the Regional Market

MPB has established businesses in most regional countries within the ASEAN members particularly in Singapore, Indonesia, Thailand, Brunei and the Philippines. For example, Television Broadcast Limited (TVB), based in Hong Kong, and Media Corporation Singapore are two major contributors of Chinese content to MPB TV Networks.

We acquire from TVB, but we have our own production, local production not with TVB. We do with other partners like Media Corp. We have Media Corp as well as other local producers... we have actually expanded our business to the Philippines, operating the 3rd channel there. In Africa, also, we operate TV3 Ghana. So we have it in terms of the TV business that’s being expanded outside Malaysia (AIZ, MPB personnel).

Collaborative and smart partnerships with regional key market players are building up MPB’s international networking for future businesses and experiences. Evidence from this study also identifies that smaller media corporations have been able to establish international networking through joint ventures and partnerships with world-renowned companies in the United Kingdom and the United States. The establishment permits independent producers to join the global networking of media business for the marketing and distribution of local cultural products. Such experiences give industry members the opportunity to increase the export of local products overseas as well as enabling local content enhancement. MPB is the only Malay media group to have set up an independent branch outside Malaysia. This was possible through the global liberalisation policy trend. TV3 Ghana was set up out of government-to-government arrangements as a result of the policy. The multilateral agreement amongst the global trade order, as highlighted by Zanuddin (2009), has enabled TV3 to export media expertise and exchange formats to assist Ghana in establishing its first private
television station, known as TV3 Ghana. The above environments are evidence of MPB’s strategies in developing strong media business influence and platforms since consolidation. MPB elevates the group as an esteemed media corporation domestically with strong government support and as the leading channel for national inspiration.

In 2008, MPB assisted a poorly-performing TV channel in the Philippines, known as ABC5, through its new international wing, MPB Primedia Incorporated (Manila Times, 2009). The success in the Philippines was achieved through the inception of Primeworks. As a profit-oriented media group, rent-seeking is vital in the corporation’s outlook. MPB realises the potential of the international market and elevates its intentions to market local content to foreign markets. Primeworks is projected as the tool for embarking on the international market in its latest objective of becoming an international content provider. With the group’s expertise, consultation has begun through several in-house television productions for the station. ABC5 or TV5 is now clearly the number three national television station after ABS-CBN and GMA TV. This smart partnership was, however, discontinued in 2010 due to strict media ownership regulations in the Philippines. Had MPB’s ambitious vision been continued, the plan would have established another platform for a knowledge-based transfer for both nations, particularly in television programme production. This would have fulfilled the national vision of the Malaysian government to elevate the ‘knowledge-based society’ within the communication industry.
TV3’s 25 years of operation have built up a bulky production archive which has become another source of income. TV3’s previous management also actively engaged in much recycling of raw materials from its existing programmes, mainly in documentary, magazine and entertainment-based formats. These programmes are now marketed through Grand Brilliance, a drama and film production and marketing arm. These precious raw materials are unedited visuals of programmes previously broadcast on TV3.

So we dig them up and manage to produce a 1-hour documentary. Do you know what programme? Thirteen Wonders. That programme was made out of 10-year-old footage. We manage to sell it overseas too... For example, the Belum forest. We dug and dug, trying to make it an hour programme, but there was not enough because of a lack of elephant footage. You can’t find elephants in Belum forest unless you stay one month in the forest, and that’s costly. So they captured some elephant footage in the zoo. That is what footage management is all about. There are so many things that we’ve done. I don’t need to spend any money (DKA, media consultant).

These are also raw resources that the station recycles for export to the overseas markets; these have eventually enabled TV3 to gain economy of scope. The approach is a clear shared-resources and cost-saving strategy which MPB has implemented from its inception for maximum profit contribution.

Another avenue along which MPB has embarked since conglomeration and which has significant regulatory implications is the new media window. Since the introduction of the Multimedia Super Corridor project in the 1990s, the Malaysian government has implemented various plans to gear the nation to the convergence and digitalisation stage.
I think the Malaysian market is still not that advanced because of the broadband issue and things like that. But I think, slowly, I am not sure how slowly, it will come. So that is why we have to be prepared, and why we introduced catch-up TV, even though for the first two years when we introduced it, we kept reporting losses. We believe in it so we invest. The broadband cost is actually expensive. The broadband cost is actually killing us. Because when you download, download and download, actually you have to pay the cost. Our advertisers are still unsure whether they should invest in it or advertise. The markets are still slow (NAI, MPB personnel).

Broadband penetration among Malaysians has been gradually improving as the number of new media platforms increases. In a speech during the 2010 national budget presentation, Prime Minister Najib Abdul Razak mentioned that Malaysia’s internet penetration rate was currently at 25 per cent. In spite of the low penetration rate, various policies relating to internet and multimedia industry development were introduced under the Communication and Multimedia Act 1998. Online censorship is fairly minimal (Susan Xue, 2005:244) to encourage greater socialisation and democracy under the commercialisation label. This has elevated the changing trend of online viewing in many media platforms.

5.5. Television Market Regulation

Malaysia’s small population is a contributory factor to the small market share percentage, which stands at 11.5%, compared to its ASEAN counterparts, whilst its advertising expenditure records only 0.5 percent in comparison to the US (45.2 percent) of total global Adex (MCMC, 2006). Namely Thailand, Indonesia and the Philippines. Such a small total market share explains the stiff competition felt in the local TV market, with seven active players grouped under three key media groups.
Inequality of competition is identified within the market, involving distribution of financial support to the private and government channels as well as generation of advertising income. The study identifies that the Malaysian government is continuing to offer financial assistance to local television stations, particularly during times of hardship. Government backups remain as key resources for government channels. Astro and MPB execute attractive cross-media advertising packages to raise advertising income. This has been an unproductive market play for MPB as Astro’s strong subscription income and multiple channels disrupt attempts to raise TV advertising expenditure. For example, the introduction of Astro’s six Malay channels is believed to have badly tarnished MPB’s plan for winning Malay viewers for TV9. MPB’s initial plan for TV9 failed after a year of operation as Astro introduced its new Malay niche channel, Oasis, in 2007. TV9 started operations in 2006 after a facelift, having previously been Channel 9. Both were targeting the same audience, the traditional Malay market. MPB lost the game, causing rejuvenation of TV9’s programming strategy against Oasis. Oasis is a new Islamic channel specialising in promoting Islamic values programming for the Malay and Muslim communities (Astro Annual Report, 2009:32).

The local Malay market consists of 1.2 million and this has encouraged some entrepreneurs to target Malay channels. The capacity holds large income potential for the Malay TV channels. In this regard, a satellite television system offers greater platforms to the segmented audiences according to their preferences.

This market segment, particularly the traditional Malay market that both channels are targeting, has higher preference for religious content; hence the increasing volume of
religious programmes in the local market. Unfortunately, however, the economic imperatives of TV9’s terrestrial-based programming preferences have limited efforts to cater for the demands of such a market segment in the face of commercialisation demands that uphold profitability at any cost. ASTRO, on the other hand, has greater space to fulfil the demand due to their pay TV model system that garners income based on subscription fees as the main financial resource. Advertising revenue is a supplementary income resource for pay TV in comparison to terrestrial TV, which seeks advertising avenues as the primary income resource. Adoption of a market model system with the consent of the government monitoring system, which has encouraged advertising income across the local broadcasting system, has generated stiff competition over advertisements. This study also identifies that Astro is popular for its entertainment content and is beginning to record a strong reputation for drama and religious content. The competitive environment has produced greater challenges for MPB to retain its competitive advantage in the local television programming according to TV3’s programming model. Unfair competition over advertising income has been one of MPB’s main objections to the local television broadcasting regulatory system.

One of the industry rulings that contribute to the higher cost of operation is the ‘Made In Malaysia’ (MIM) policy. This study identifies that the MIM policy restricts international advertising agencies from investing in local television. MIM restricts Pan-Asian models’ appearance in local TV advertising. As a result, international advertising agencies are indirectly forced to produce different advertising copy for the local market. This raises production costs for TV advertising, hence discouraging many
international agencies from investing in local television programming. High TV advertising production costs remain the main challenge to advertisers’ investment in local television programming.

We can’t take pan-Asian and stuff like that because it is not cheap to make an advertisement. So for example, Coke, they put advertisements that have Ronaldo and all that, and they would directly provide a copy here. They don’t need to make another one. So no cost. But if they have to reshoot and everything, then the advertisements here are very expensive (NAI, MPB personnel).

MIM was introduced in the 1970s and was strictly implemented, particularly during Mohamed Rahmat’s tenure as the Minister of Information. The intention was to inculcate Malaysian culture, indirectly shielding local and small production houses and local advertising agencies to ensure fair competition in the local market. Although the constraint seems an impediment to greater in-flow investment opportunities, preservation and nationalism are of considerable importance for the national economy and culture. It was an initiative for local television industry members to expand their business and remain prosperous, eventually raising their economic contribution, as illustrated by Waller and Kim (2000:11). Showcasing the local brand and economic prosperity were government priorities in fulfilling the national policy. An imbalance in the regulatory framework between the print and television industries discourages market competition and also restricts incomes. Many non-local advertisements are restricted on television whilst being imposed in the print media.
5.6. Conclusion

The findings on MPB conglomeration development and structural transformation confirmed that MPB has increased its influence within the local industry. As a member of the government link companies and media ownership, MPB was formed to assist the government to retain the local’s electronic broadcasting industry to remain competitive. MPB also functions as an income generator for the local political party, UMNO, and the government through tax payments. Hence, MPB was set up by the government in the aftermath of the 1998 economic recession to consolidate the local television industry and solve the financial constraints of problematic television stations. Conglomeration has changed MPB’s structure from a diversified media corporation to a focused, integrated media entity. MPB has adopted TV3’s business model which executes vertical and horizontal integration as a protective measure to save the Malaysian television industry. However, the financial constraints over the problematic television stations’ debts discouraged execution of TV3’s diversification approach. MPB’s strict cost-saving approach encouraged the new management to sell TV3’s unprofitable assets acquired prior to the conglomeration. The sale helped to ease TV3’s financial burden in supporting the recovery of the three television stations. The structural transformation was significantly driven by the economic constraints of the Asian economic crisis that restricted its financial resources. Nevertheless, the restructuring has strengthened group control and influence over the free-to-air TV stations within the small industry. The concentration of the television industry has increased the high-pressure competitive environment among the nation’s three key television broadcasters, with each having ownership of multiple platforms including
radio, television, new media avenues and content production units that guarantee supply. Evidence from this study also shows that adoption of TV3’s business model has enabled MPB to increase its influence easily due to the advantage of owning the leading television station, TV3. The station has applied vertical and diversified integration strategies that increased its influence domestically. Internationalisation of its product in Ghana was successful through diplomatic and global economic platforms. TV3’s popularity and strong credibility in television production assists MPB in positioning its corporate brand. A cost-saving strategy has successfully reduced the financial constraints experienced by MPB during times of hardship since its inception. A few stations closed down operations during the hard times, but others survived through merger and acquisition decisions. The concentration of the media has resulted in a reduced number of television stations under a few large media corporations. The apparent liberalisation of the local media system and the adoption of commercialisation have increased market competition across all TV stations. They are competing to gain the highest advertising income to remain in operation. Further discussion on the implications of MPB conglomeration will be the focus of Chapter 6. It specifically touches on the consequences of MPB conglomeration for MPB TV networks’ programming and the local content industry and how commercialisation has influenced MPB TV programming, specifically entertainment and informative programmes, as well as the amount of local and imported programmes.
CHAPTER 6

MPB TV PROGRAMMING AND TELEVISION CONTENT

6.1. Introduction

The previous chapter has largely reported and discussed the evidence of this study on the economic aspects of a television station and the perception the industry has of MPB conglomerate. This chapter will generally highlight evidence in relation to television programmes and the television production and content industry in Malaysia. Evidence revealed in this chapter has been retrieved from both the interview and content analysis approach, encompassing various issues in regard to the strengths and weaknesses of the local television production and content industry, and MPB television programming. These issues will relate to two of the objectives of this study, which intends to answer these research questions. Firstly, has there been any difference in terms of local and imported format in MPB TV programming? What are the implications? Secondly, has there been any difference in terms of entertainment and informative format in MPB TV programming and what are the implications? These questions will reflect the implications of conglomerate for particular TV formats, as these formats are being promoted significantly according to government television guidelines. Commercialisation of the television industry has resulted in a higher volume of entertainment content on the local TV stations. In most stages of television production and management, television operators worship audience demand and profitability as the tools for measuring their achievement and future strategies. Money
has become the priority in various decision-making processes and, therefore, only money-generated programmes are produced; hence the unpopularity of non-entertainment content, especially information-based content.

The second section of the chapter discusses the factors influencing these programming trends and the constraints on the television production process. The discussion of the television production process is then further related to the findings that answer to the research questions. How do media practitioners in MPB employ freedom of expression in television production? How do media practitioners in MPB generate new ideas for television production? These questions regarding such elements of television production seem vital, for they build the main structure for improving creativity and content industry development in the future. The discussion on idea generation answers the research questions related to the capacity for generating ideas in the context of MPB as well as from the general perspective of the market members.

6.2. MPB Television Programming

According to Picard (in Boyle, 2002:12), television products are ‘double value’ commodities that are sold to two main targets: the audience and the advertisers. A television station displays a list of television programmes of various formats that it broadcasts on a platform known as television programming. Television programming functions mainly as a platform for disseminating packaged information promoted to society and business groups (Hellmann, 1999:106) for leisure and selling products. Television stations showcase television programmes through a configuration of the
best-quality and most popular programmes that the station has to offer. The standard and popularity of a programme is subjected to product-marketing studies that are usually based on audience-based research, foreign television programme trends and research, as well as development projects executed by TV stations themselves.

In Malaysia, commercial television programming has been perceived as Western-oriented since the inception of TV3 in 1984. Prior to the private channel’s inception, television programming was perceived as a propagation channel for the authorities to disseminate government-biased messages through various programmes. Local viewers have perceived TV3’s entertainment programming as a new strategy and a popular exposure of Western programming since its inception. In fact, the local pioneering private station was established based on an exclusive strategic economy package of the Western media strategies. The approach is highlighted by Thussu (1997:392) as the globalisation of media content through economic networking led by the US. The phenomenon establishes the strong promotion of an open market policy in the hands of Western elite society. In fact, globalisation of media products through several economic agreements started the overflow of Western programming into India and many other Asia nations, including Malaysia (Thussu, 1997: 393).

6.2.1. Local and Imported TV Programmes in MPB TV Networks

The adoption of Western entertainment–based programmes remains the key product strategy of local private television programming. This fact is supported by various studies in Malaysia, including those by Khattab (2006:348), Pawanteh et al. (2009) and
Shafie (2007), which found that entertainment-based programmes remain dominant in the local private television stations due to a high dependence on imported entertainment programmes. The case has been the same in other private television channels, especially satellite television and cable TV, since a decade after TV3’s inception. Prior to 8TV’s consolidation, its television programming was skewed to the urban Chinese audience who are exposed to international television content, particularly from the Far Eastern nations. This study validates the notion that 8TV’s station positioning is the result of a detailed study of its target market’s preferences, which include great interest in international programming. Therefore, foreign programming remains high in 8TV.

The reason for being as such is that our target markets are very used to watching international shows... The target audience that we are going for in 2003, these people would not want to watch any local shows, because they want to watch American films, Taiwanese films, Chinese films. They do not want to watch local. Because, to them, their perception is that local means low quality (AIO, MPB personnel).

This explains the rationale for showing a higher level of imported programmes on 8TV, as highlighted by an informant (mentioned in Chapter 5) who identifies audience perception and exposure as amongst the challenges to developing local TV production in Malaysia’s multicultural and multi-ethnic context. The Malaysians have been exposed to international and Western cultural content since TV3’s inception 25 years ago. Evidence from the content analysis approach confirms the strong interest in Western programming, as 60 per cent of the imported programmes on MPB TV networks comprises English language programmes. Programmes that use Chinese as the medium emerged as the second largest content category (16.4 per cent) and the
Malay-based content forms 8.9 per cent. A combination of other languages comprises 8 per cent of the imported programmes, whilst Tamil and Hindi language programmes account for only 5.3 per cent. The television programming trend in private television has proved that globalisation of television content has continued to influence local audience interest. Although TV3 has managed to reproduce international versions of programmes through adaptation and localisation, the influence of the Western hegemony remains apparent. The popularity of Western television programme formats and trends as an economic imperative has been the television networks’ strategy to ensure high programme ratings. Adaptation and localisation are two approaches that most MPB television stations employ to satisfy the local audience.

TV3 had also done it too, ‘One in a Million’, which they bought from Endemol. They bought the rights and that is called ‘bring-in-format’... They made it localised. They use principle’s format (MNJ, independent TV producer).

Using the principle’s format or the key producer’s format engaged the foreign experts with the local producer in a learning-based platform for adaptation. Imitation of imported television programmes is one of the methods of programme hybridisation among television producers which inculcates new ideas simply by exposure to other programmes or even adopting a specific format in a new programme. As a result, MPB’s television network, TV3, has managed to reproduce a new form of reality TV singing contest known as ‘Mentor’. The programme is an hour-long entertainment format based on the imitation of popular Western reality TV features. Evaluation of a contestant’s performance is based on three professional judges’ opinions and an audience vote. Professional singers are employed to train and prepare the contestants
through a one-to-one mentoring concept. Every contestant showcase their performance weekly. Evidence from this study confirms that reproduction of imported programmes is one of the major approaches to localising foreign television programmes. In the process of reproducing foreign content, hybridisation occasionally occurs, breeding new programmes out of various types of Western popular content using local elements.

‘One in a Million’ is formatted. ‘American Idol’ is also formatted - ‘Malaysian Idol’. ‘Mentor’ is not formatted, but they just took some ideas here and there, and made it as a programme. So that is creative, which you did not ever think of but actually you can do it (MNJ, independent TV producer).

Along with adapting foreign programmes to the local environment, TV3 had used the same strategies to reproduce its popular programmes overseas. The ‘Jejak Rasul’ series, a programme in the documentary/religion genre, was exported to the Arab nations. The programme was sold successfully as it showcased strong content of ancient Arab history which relates to Islam and Muslim society. This strong cultural relationship and proximity is the rationale for the Arab countries’ acquisition of ‘Jejak Rasul’.

Evidence from the interview approach also confirms that television stations’ trends in marketing products have been based on the economic features of a liberal market orientation since their inception. A growing number of TV stations are setting up their own research and development sections to study individual and group habits and needs with the aim of satisfying audience requirements. These are blended into
advertising packages that observe current trends of TV programming focusing on consumerism and economic objectives.

Despite the higher amount of foreign content on local television stations, findings from the interview data also reveal that an increasing amount of locally produced programmes are being broadcast by TV stations involved in the consolidation overall. Data from the content analysis approach (illustrated in Table 4 below) verify the interview data, suggesting an increasing amount of local programmes under MPB TV stations in comparison to foreign content, although this output is limited to just one TV station (TV3). There is a higher total amount of local programmes across all MPB TV stations at 63.2 per cent, whilst imported programmes top the TV programming schedule of NTV7 (61.8 per cent), 8TV (57.8 per cent) and TV9 (49.6 per cent). This trend verifies the notion that the globalisation of cultural products such as television programmes has successfully penetrated the non-Western nations. Distribution of foreign television formats is still highly demanded by local viewers and has remained strong in Malaysia for the past 25 years.

<table>
<thead>
<tr>
<th>MPB TV Station</th>
<th>Local (%)</th>
<th>Import (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV3</td>
<td>63.2</td>
<td>34.7</td>
</tr>
<tr>
<td>8TV</td>
<td>41.5</td>
<td>57.8</td>
</tr>
<tr>
<td>NTV7</td>
<td>31.3</td>
<td>61.8</td>
</tr>
<tr>
<td>TV9</td>
<td>43.1</td>
<td>49.6</td>
</tr>
</tbody>
</table>

(N=5138)

The increasing amount of local programming shows the efforts MPB TV stations have made to fulfil industry guidelines which give more encouragement to made-in Malaysia than to foreign content. TV3’s inception certainly offers alternative
entertainment for local audiences, but it has apparently failed to attract the non-Malay audiences, particularly the Chinese. According to Struabhaar’s cultural proximity theory (in Moran and Chung, 2008:3), proximity of content is one of the vital elements to attract local audiences. Nevertheless, the unpopularity of local content amongst Chinese society illustrates the lack of unity in Malaysian society. Efforts were made to promote local content to the Chinese communities prior to MPB conglomeration, through the establishment of Metrovision. Nevertheless, conglomeration offers the best opportunity for positioning 8TV and NTV7 for the Chinese audiences. The merger seems to have been a success which appears to have generated new economic resources for the local TV content industry, although cultural prosperity is deemed to be at risk. One of MPB’s attempts to improve Chinese ethnic confidence includes the collaborative platform with Singapore’s Media Corporation.

MPB saw that Media Corp was good in terms of their Chinese content. Their Chinese dramas are excellent. That is why they established the collaboration. The majority of the collaboration is on Chinese drama which is cheaper if they do it in Singapore rather than with Hong Kong or even China (MNJ, independent TV producer).

The above evidence indicates that collaboration is a strategic way of acquiring resources from selected suppliers of cultural and geographical proximity, which eventually saves on product acquisition costs. On the other hand, providing a content solution through an economic imperative that primarily benefits MPB is not the best way of reducing the risks to cultural prosperity within a multi-ethnic society. Instead, it is likely to create an individualistic community devoted to its own culture, without attempting to understand others or to respect other cultural values.
The results from the content analysis of four MPB TV networks’ programming (in Table 5) reveal that the highest number of local programmes produced are in the News and Current Affairs format (98.9 per cent), Magazine/Documentaries/Travelogue (65.1 per cent), and Talk shows (85.5 per cent). The most popular imported format broadcasts are Cartoon/Animated (96.3 per cent), Drama (73.3 per cent) and Musical/Variety/Entertainment (59.8 per cent). The large number of imported programmes produces major concerns over the issue of national identity among the multicultural groups, particularly the children.

Table 5: Amount of Local and Imported Content According to TV Format

<table>
<thead>
<tr>
<th>TV Format</th>
<th>Local (%)</th>
<th>Import (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>News and Current Affairs</td>
<td>98.9</td>
<td>9</td>
</tr>
<tr>
<td>Magazine/Documentaries/Travelogue</td>
<td>65.1</td>
<td>34.7</td>
</tr>
<tr>
<td>Drama</td>
<td>26.2</td>
<td>73.3</td>
</tr>
<tr>
<td>Talk show</td>
<td>85.5</td>
<td>14.5</td>
</tr>
<tr>
<td>Cartoon/Animated</td>
<td>3.3</td>
<td>96.3</td>
</tr>
<tr>
<td>Musical/Variety/Entertainment</td>
<td>35.7</td>
<td>59.8</td>
</tr>
</tbody>
</table>

(N=5138)

The local content appears to be important subsequence of foreign content to garner higher programme ratings. A majority of the informants, particularly in Group A, stated that the stations have experienced positive business growth since consolidation. This is apparent from their television viewership ratings and group revenue. Despite the flourishing business growth, there are other factors contributing to the lower amount of imported content. For example, 8TV reports that it has increased local programming from 18 per cent during the early stage of consolidation to around 50 per cent today.
The growing local content is believed to be the outcome of a twofold strategy. Firstly, it relates to government policy which encourages informative media content to promote the knowledge economy (K-economy) amongst citizens, while the other relates to MPB corporate strategy that targets the development of local TV content. The incorporation of these relationships appears to have begun to produce positive results for the industry.

Despite the market model system in the domestic broadcasting industry, the government has periodically established guidelines or quotas to limit the penetration of foreign cultural products. The Malaysian government initially intended up to 80 per cent of television programming to consist of local content (Wang, 2009), an aspiration never achieved by the commercial media system. While the guidelines are implemented by government channels only, the private television stations present their commercial reasons for disobeying government guidelines. Although television stations have argued that they are already following industry guidelines, a government officer indicates that the amount of local content is rather limited. It needs constant government monitoring, particularly to fulfil the K-economy target.

Actually it is not many, about 10 to 20 per cent only. When we encourage them they will do it. If we don’t, they produce will more entertainment (HJS, government).

Despite the popularity and cost-effectiveness of imported content, transmitting local content is vital for audience attraction due to cultural proximity (Moran and Chung, 2008:3). This has been the key approach highlighted by Kunz (2010:320) in terms of promoting local elements in programmes. Operations-wise, higher total viewing
figures elevate the rating of a particular programme, thus inviting advertisers to invest in the programme. Therefore, although imported programmes are highly popular, a television station manager does not address the situation by maximising imported content in a television station. In fact, it is the station manager’s responsibility to ensure a balanced volume of imported programmes and local content to attract local viewers, with profit generation in mind. This study also illustrates that attracting local communities in a multi-racial nation is a crucial task, as the participation of non-Malays in local content is rather limited. Since the greater part of the local television market is Malay, television stations need to consider and transform their television programming to cater for the largest target audience, which includes the Malay communities. Malays form the largest section of the Malaysian population, with the Chinese in second and the Tamils in third place. As a pluralistic nation, the formula for creating balanced programming is rather challenging. The formula for promoting unity and harmony varies and has been an experiment of the utmost importance despite various content industry policies since independence.

So first, to attract them we have to have our local nearly the same level, even though we have only 5 per cent of the funding. We need to have a look that is nearly the same. So what we did for the first year, we kept nurturing new style filmmakers and new scriptwriters in all languages - Malay, English and Chinese. So we got people from broadcasting school, we got people from art school and we got people just to keep them and keep giving them small jobs to hone their skills at making shows. Once we were confident enough, then we started with Malaysian Idol. And then we started ‘One in a Million’ and we started all the other shows. All the Chinese shows as well, to slowly bring them up. So from 18 per cent we are very proud to say it is now 50 per cent [of local content]. So we moved it up (AIO, MPB personnel).
Despite the hardships, 8TV’s local programmes are popular among the local audience and are nominated in many award presentation events. The reality TV show ‘One in a Million’, for example, is a singing competition that nurtures the Malaysian ideology of promoting harmony across a pluralistic society. The programme was formed from a combination of other elements of reality TV. ‘Malaysian Idol’ is the local version of ‘American Idol’ and illustrates the advantage mentioned by Kunz (2010:32) that localised and adapted imported programmes in a foreign country will achieve higher revenue.

The first year we shot season 3 of ‘American Idol’ at 8TV, it had about 150,000 viewers, for example, average. When you show ‘Malaysian Idol’ the quality is not up there to the ‘American Idol’. But because it is local, it was 1 million viewers. So you can say that it’s about eight times more roughly (AIO, MPB personnel).

Although the importing of popular Western-oriented programming is vital as an alternative attraction for a television station, the adaptation and localisation of popular foreign programmes is an income generator for better revenue. The income factor drove the group to form Primeworks Studio and produce hybridised local content internally for the mass market. Since the post-conglomeration period, there has been an increasing amount of imported programmes. The popularity and success of imported programmes ease local television’s burden in research and development whilst guaranteeing programme success. This situation was similar to findings from a study on television content adaptation in India. Zee TV’s initial development was rather similar to TV3 in terms of the import of foreign programming and station positioning. Zee TV represents an example of the adaptation and hybridisation of major imported programming from English to Hindi (Thussu, 2006:176). Thomas and
Kumar (2004:137) highlighted that higher advertising revenue and TV ratings were often used as an excuse for the cloning of programme formats, be they licensed or unlicensed.

We show ‘Lost’ and we show ‘Desperate Housewives’, which are amazing American shows. We get 150 thousand to 200 thousand viewers. We show ‘Ghost’, with 600 thousand viewers. Even though the level is the same and probably not as glamorous and glimpse and sexy as ‘Desperate Housewives’, still you can get the amount (AIO, MPB personnel).

The above situation is what Doyle (2002:9) refers to as ‘the non-expiry status’ and the ‘content value’ of television programme economy that travels and hybridises in another culture. Doyle (2002:12) also regards a television programme as a commodity that involves only a one-shot production cost in its initial production stage. The commodity is repeatable at zero or minimal cost for the next run in any given market. The low-cost feature is one of the reasons television stations buy syndicated programmes which are mostly imported, as this balances the programme procurement budget. An independent television producer reveals his perception of the rising number of syndicated programmes on a television station.

If you look at a TV guide, you can see that requirements for syndicated programmes are between 20 to 30 per cent, depending on the TV station. For 8TV, they go for more syndicated programmes, only a small amount for local. The same goes for NTV7. Recently, when I was talking with a friend, nearly 90 per cent was syndicated, only 10 per cent was local, because they have already checked with their audience that they prefer watching imported films that have high quality (MNJ, independent TV producer).

Apart from the low-budget cost, the interview evidence reveals that non-Malay ethnic people, particularly from the Chinese community, appreciate watching foreign content
rather than the local content due to its quality. The perception of the low quality of local content has been disturbing industry members for a long time. MPB, in this regard, has already embarked on efforts to uphold local content by increasing internal production. However, further research is needed to identify the elements that these non-Malay communities prefer watching on television.

The same trend is also being observed in the government channels which broadcast syndicated programmes as a competitive tool. The higher Western-oriented programming trend forces government broadcasters to project more imported programmes, especially in TV2’s programming.

In terms of local content, we are looking previously during Tok Mat’s time, its 80-20. 80 local content, 20 is the overseas. Now we are trying to work on between 70-30. We think we also need the imported content as a reference for us to learn. If we go totally on local, people will not watch us, so we must have a good programme coming up already. But we are progressively trying to achieve our 70-30 (DNI, government TV personnel).

The state of current competitive content makes adopting global market trends a matter of urgency in the government TV stations. Evidence from this study reveals that imported programmes function as a means of attracting viewers’ attention.

Evidence from the content analysis approach also reveals that all four MPB television stations have improved their overall programming in terms of local and imported programmes. Significant improvement is apparent, which sees growing local content and decreasing imported content in the post-conglomeration period in three television stations – TV3, NTV7 and TV9. NTV7 and TV9 have recorded major programme
changes since conglomeration. NTV7 has increased its local programming from 20.8 per cent to 40.8 per cent and has reduced the amount of imported programmes from 70.8 per cent to 53.6 per cent. The evidence portrays MPB’s efforts to achieve the group’s objective and elevate local content to a better platform. This has occurred in parallel with the objective of Primeworks to generate a higher standard of television content products. It is also evident that MPB is making significant efforts to uphold local content standards by multiplying local content in its programming according to industry quota guidelines, particularly on TV3.

### Table 6: Transformation of Local and Imported Programmes Since Conglomeration

<table>
<thead>
<tr>
<th></th>
<th>Pre-conglomeration</th>
<th>Post-conglomeration</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>TV3</td>
<td>8TV</td>
</tr>
<tr>
<td>Local (%)</td>
<td>56.7</td>
<td>-</td>
</tr>
<tr>
<td>Import (%)</td>
<td>40.0</td>
<td>-</td>
</tr>
</tbody>
</table>

Apart from the profit maximisation objective, another vital aspect of efforts to reduce the number of imported programmes and increase local content is believed to relate to building the national identity by offering a healthier television programming menu and building the nation. The following discussion will highlight the amount of informative and entertainment programming in MPB since conglomeration.

### 6.2.2. Informative and Entertainment Programmes in MPB TV Networks

TV3 is seen as dominant in news and current affairs programmes as a result of its long-established popularity in news (i.e. Buletin Utama) and magazine-based programmes (i.e. Majalah 3). Apart from its popularity in information-based programmes, TV3’s
programming garners many followers of entertainment shows in particular (MPB Annual Report, 2009:80). Being the pioneer and trendsetter of the private television industry, TV3’s programming style discloses the local audience’s programme tastes since privatisation. Apart from the capital generation intention, TV3 was established to supplement the lack of entertaining and alternative features in government television programming in the early 1980s. As a result of this intention, a higher volume of entertainment and Western-based programming is apparent which has eventually attracted a larger audience to the channel. TV3’s programming success has been imitated by other new TV stations that have emerged since then. Such conditions have since created stiff competition in the local television industry. Nevertheless, the government still promotes general guidelines in terms of programme quotas; these require a rather steady amount of specific TV formats, particularly of information-oriented content.

Evidence from the content analysis approach in this study reveal that TV3 retains a substantial amount of informative content in its programming compared to other private television stations. The station broadcast 43.1 per cent of information-based programmes out of its total programme transmission. This was followed by NTV7 at 34.7 per cent, 8TV at 32.4 per cent and TV9 at 24.2 per cent. Although there have been significant achievements in local informative content following the popularity of TV3 and its home-made programme content, the Malaysian audience still watches more entertainment programmes (Pawanteh et al., 2009). A large amount of information-
based programmes are unappealing to the local audience, who have been commonly exposed to Western programming since television privatisation.

If we do a talk show then the next show will be drama. So people will wait. If we do talk shows, only heavy talk shows, in the end people will run away. So we make sure that they already have heavy drama there. If we put on too many talk shows, people would not watch us (DNI, government TV personnel).

It is apparent that entertaining elements are still the key to television content success. Entertainment features are widely incorporated in the local content programming in various ways to ensure that it works successfully. Western programming remains a key content in all MPB TV networks programming. In the case of TV9, despite the television station’s recognition of informative programming, the economic challenges encourage the station to broadcast entertainment in parallel with educational programming as niche content.

We have drama, we have cartoons. We have long hours of cartoon programming in the afternoon from 2pm to 5pm. And we have on prime time a variety of programmes in the form of drama, entertainment, quizzes and family too. We are focusing on programmes that deliver entertainment in the form of comedy. That is our positioning in terms of content as a whole (BCM, MPB personnel).

Evidence from the semi-structured interview approach reveals that MPB broadcast a large amount of entertainment programming in comparison to informative programming on TV3, NTV7, 8TV and TV9. 8TV tops the list, broadcasting 90 per cent entertainment programmes. Metrovision was evidently exhibiting the same trend prior to its closure in 2000. The rebranding of Metrovision to 8TV has not changed 8TV’s
programming. It continues to cater for the same audience market which greatly favours entertainment-based programmes.

For 8TV it’s mostly entertainment. I would say 90 per cent entertainment, 10 per cent informative, but that’s because of the skew of the target audience. That’s not to say entertainment as blind entertainment. It’s actually possible to have informative messages in the entertainment (programme). This guides it as entertainment. But if you take it by technical entertainment definition, then it’s 90 per cent entertainment and 10 per cent informative (AIO, MPB personnel).

Chapter 5 reports a high volume of entertainment formats in the local commercial television stations as they are usually employed to attract people’s attention. Evidence from the content analysis approach appears to support the semi-structured interview findings which also reveal that there were more entertainment programmes than informative programmes. All MPB TV networks broadcast a greater amount of entertainment programmes than informative programmes. 8TV is the most dominant television station, showcasing 67.6 per cent entertainment programmes for its audience. This is followed by TV9 (62.7 per cent) and NTV7 (57.8 per cent). TV3 shows the fewest entertainment programmes at only 52.3 per cent. Nevertheless, the evidence shows that entertainment programmes comprise more than half of these television stations’ programming. This evidence supports Malaysian government policy that encourages the offering of alternative entertainment-based programmes to the local audience, particularly the non-Malays. Media privatisation has diluted information-based programmes for the neo-liberal paradigm that worships Western entertainment-based programmes to maximise profits.
Practically, a television producer normally uses popular artistes or personalities as the focal point of the programme to win audience interest and create sensationalism. Entertaining elements are also used for icebreaking in an intended situation, at the beginning of a story, before inserting certain messages. In magazine-based programmes or even talk shows, video clips of a singer or a dramatised situation are used to trigger the audience’s thoughts on a particular issue. A TV host or scripted narrative will then be used to move on to the main story. The sensational approach has been the key to increasing the television programme ratings of talk shows, reality TV and variety formats as underlined by Croteau and Hoynes (2006:166) and Kraidy (2005). Evidence from this study identifies that much TV content is based on entertainment formats, namely musical/variety/entertainment and drama.

Television programming with entertainment programmes fulfils television stations’ economic purposes. Through deregulation and privatisation the neo-liberal economy has presented opportunities for wider distribution of television content from the Western countries to the developing nations. Globalisation of television content distribution further increases the penetration of television content into new markets worldwide. One of the pieces of evidence emerging from this study suggests that the economic values of television content can be seen in Malaysia through the reality TV programmes. Reality TV is the latest television format which creates astronomical revenue.

Maybe it is because people say that it is real and most people assume that I can relate to this. It seems as if it is not being acted. But still it is acting. So maybe people can relate to that, but it is a global trend with many reality programmes being
produced and it has already come here (Malaysia) (ABPW, MPB personnel).

Although high production costs usually discourage the establishing of fresh programme production, the reality TV genre seems to have worked from the beginning as it triggers a new form of excitement for the audience. Popular international reality TV programmes such as ‘American Idol’, ‘Dancing with the Stars’, ‘La Academia’ and ‘The Amazing Race’ were broadcast on the local channels, especially TV3. The popularity of this format has inspired local television stations and local production companies to adapt and localise the foreign format. ‘American Idol’ is reproduced as ‘Malaysian Idol’, ‘Dancing with the Stars’ is localised as ‘Sehati Berdansa’, ‘La Academia’ is known as ‘Akademi Fantasia’ and ‘The Amazing Race’ becomes ‘Explore Race’. Despite their popularity, lately the production of reality programmes appears to have been limited domestically due to high costs.

Actually the obstacle for reality programme is cost. That is why there is a great desire to produce reality programmes... Many ideas involve reality, but due to high cost they cannot be produced (ABPW, MPB personnel).

High production costs remain a challenge for local producers in producing successful programmes that have an impact on the local audience. One of the identified strategies for producing a popular format with high production costs is to establish joint ventures or collaborations with production companies that enjoy a higher capacity and reputation. However, reputable media companies are rather limited in Malaysia. The scarcity of credible media companies reduces the opportunities for smaller media production companies to embark on better projects and excel in the industry. Only those who have better networking gain greater business opportunities.
These are the challenges that small production houses are facing, hence the growing need to explore and establish networking overseas. Only those who outshine the competition domestically are able to establish collaboration and financial support. On the other hand, local production companies can also develop their ability and capacity to work on a valuable project that might be economical and worthy, but which is also rich in spreading positive values and messages.

Despite the popularity of entertainment programmes, television stations are advised to broadcast balanced programming that blends together the entertaining elements with knowledge-based values through informative content. Prior to this study, many media content studies in Malaysia have highlighted the implications of entertainment programmes, placing the blame on TV stations’ business strategies. Although there is a platform for channelling public criticism regarding television content under MCMC regulations, the critics appear to have achieved very little. In fact, due to the economic constraints on television programming, television station managers often set out specific station policy as the best solution for balancing and fulfilling the market environment. They insist on transmitting entertainment programme elements that blend with the other features of a positive lifestyle.

It is the responsibility of a broadcasting station to guide, to educate and provide value to the societal life, towards audiences. It is not just an ‘empty’ entertainment programme, entertainment programmes that are extreme, programmes that have not provided any added value or good values to our lives (BCM, MPB personnel).

The discussion above has highlighted clear evidence of the significant influence of entertainment formats in the television scheduling of all nations. It explains the
psychological relief and relaxation features that trigger the interest of viewers in the television screen. Whilst the content analysis approach provides numerical evidence, the interview approach discovers various constraints that have prevented the industry from achieving positive development. The following topic will further discuss the issues influencing MPB television programming.

6.3. Factors Influencing MPB Television Programming

Malaysia’s small population and market size limits the local industry’s further development in line with neighbouring nations such as Thailand. However, Singapore is an exceptional case. Realising its limited capacity for building a local media industry, the Singapore government has strategised and established itself wisely as a media hub centralising many international media platforms in the nation. In contrast, in Indonesia, the large population enables the country to develop its content industry effectively, marketing it to foreign countries, especially those in the South East Asian region. These two situations, population and strategic policy, are amongst the challenges that Malaysia has to face in developing and strategising its own content industry.

We saw that, number one, our population is not that many. And we have so many stations beside Astro. So our population is one and the cake is that small. So how do you do it? It is not easy. It is a very hard business, unless your population is like Japan; then you will not worry (DNI, government TV personnel).

In the rush to improve domestic capacity and skills within a small industry as part of the internal effort, MPB has established massive collaborative projects with high-potential local and regional television programme suppliers, particularly in the South
East Asia Nations (ASEAN). Collaboration and joint ventures provide both parties with economic advantages in terms of costs and facilities. In fact, such an understanding increases opportunities for knowledge transfer and skills that the domestic industry is lacking. Knowledge transfer is one of the key economic catalysts that the nation is focusing on skilled human resources. The importing of syndication programming is vital, not only for cost-efficiency but also for benchmarking against local programming.

The apparent weakness in terms of human resources within the domestic industry is a situation that the government must address to increasing the potential of domestic television content. Limitation in terms of infrastructure is another contributing factor to television stations’ limited audience reach and limited budgets, eventually resulting in competitive disadvantage.

During that time, their transmissions are not many, so it is quite hard. Our transmissions are also not many. We have about 9 transmissions. So we actually do not cover many. For TV3 they have 24 (DNI, government TV personnel).

This reveals that the Malaysian government has already installed key infrastructures and facilities for developing the television content industry and local television programme production. Nevertheless, the infrastructures are rather limited and expensive for a modest television station with restricted funds. The small-scale market audience can hardly generate enough income to cover the high cost of television operation. Weaknesses in strategic TV programming formulae, high production costs and limited local content resources are increasing the financial pressure. These were among the burdens pressuring Metrovision, NTV7 and Channel 9 prior to the merger and acquisition implementation. One of the solutions to the problem was to encourage these stations to join the satellite TV platform which enables larger audience coverage.
The decision has pressurised the terrestrial channels into paying specific fees to ASTRO. It also means that the audiences are now being charged by the satellite channel in order to watch programmes from MPB TV networks. The trend of television-watching in Malaysia is no longer through free access but through a pay satellite channel that has become the medium of transmitting the terrestrial channels.

In relation to building a comprehensive content industry, funding and incentives are already in place in the system, thus portraying the government’s support in developing the content industry. Nevertheless, evidence from the interview approach reveals that the facilities and support system built by the government have yet to satisfy local market members, particularly in the small production companies. Funding and its delivery system and infrastructure are among the unsatisfactory elements. Members of other Asian content industries had already sought significant achievements through strong multiple industrial-based policies. In Korea, for example, a strong support system provided by the government and private sectors as well as limited business restrictions had established strong cooperation between the industry and the policy-makers to promote the Korean content and cultural industry internationally (Kang, 2008:27). It has been revealed that the Malaysian government has greater responsibilities for addressing key issues in developing the national infrastructure overall than addressing issues of the creative content industry. This has resulted in the constraints and limited development in the industry which are particularly related to funding and human resources. As leaders of a developing nation, the Malaysian government remains focused on developing sectors that relate to the key
infrastructure development, which is seen as vital for national development as a whole rather than just the creative industry. As a nation with a majority Muslim population, the local public has a somewhat sceptical perception of the creative industry which is seen as being against the entertainment, arts and cultural heritage industry. As a developing country and in its preparation for achieving Vision 2020, Malaysia has experienced great economic challenges and is still progressively generating a greater balance of income and expenditure in order to develop the nation. These factors have proved to be contributors to the limited financial allocation and support for the industry.

Our government is not like other governments in countries like Singapore, Korea and Japan in which they provide large funds for the content producers to produce films and contents. And they have strong agencies for marketing and other things... our priorities are still the bread and butter matters (HJS, government officer).

With the rising government awareness of the contribution of the cultural industry, such a limited space for content and cultural development may, on the other hand, discourage positive improvement. Apart from the constraints in capital and development planning, strong political influence is another factor that restricts smooth industrial development. Political intervention is unfavourable, especially if the media are owned by the governing political party.

There’s too much politics and our political will is not strong to help the content industry... We have not reached the level in which priority is given to the industry and funds given to develop content industry... because our priorities are still on the bread and butter matters (HJS, government officer).
The constraints encourage the government to adopt a market model policy for the communication industry. However, as MPB is a government-linked organisation that receives government assistance in various ways, the link offers the organisation a specific support system that acts as a back-up during emergencies. The market model system encourages the local commercial television industry to seek independently ways of financing and improving their operational systems. One of the main paths is to uphold the commercialisation approach across all media platforms, blending in various entertainment elements to generate higher revenue.

What they can do is first offer lots of entertainment. When they already have a lot of viewers and advertisers enter the market, then only can these broadcasting stations use a portion of their profit to produce content that is knowledge-based (HJS, government officer).

Although the open model strategies are wide open to global market penetration, such as Western imperialism, the government remains in favour of upholding the nation’s unique national identity. This is one of the main reasons for the regulated media content industry through the media censorship policy and quota system. While the media censorship policy in Malaysia filters all media content that features specific forms of violence, horror, sexuality and counter-culture aspects, the quota guideline ensures balanced media content of specific formats, particularly through the media electronic platform. Both of these guidelines are essential in building national unity encompassing the multi-racial society.

Theoretically, television programming is closely related to the business of a television station as it functions as the platform for marketing and branding products for the
public and advertisers. Television programming also functions as the corporate image of a TV station through the popularity of its programmes. As corporatisation is increasingly becoming the predominant formula in the business, this study finds that television stations are under strong pressure to fulfil the advertiser’s business agenda. The ‘double-product’ values of television programmes indicate that it is vital for television stations to closely gratify the advertiser’s needs as far as possible in every matter. This has been the case in MPB. A majority of the interview informants admit that advertisers are influential in the media business. The influence is significant and powerful but limited to communication for production purposes that will eventually ensure successful commercialisation. For example, the penetration of advertisements in television news is one of the indicators of hyper-commercialism, particularly in commercial stations under MPB. A news editor describes the importance of television commercials in today’s television news.

In terms of advertisements we have to slot them because it contributes to our income. So news also needs to have a target so that the advertisers will come in... We have to provide some space, we had to sacrifice and provide spaces. Every week we have a segment. PUNB has a segment about successful entrepreneurs, that’s every week. Then now we have ‘Perodua’ every day. The slides and promo, it is full every day. That means throughout the 366 days (LH, MPB personnel).

In addition, most television stations, especially those of the commercial networks, are profit-oriented, and maximising revenues is among their prime objectives. In other words, a television station creates ‘wining’ business slots for advertisers, ensuring their investment in TV programming. In the case of TV9, it has been revealed that advertisers’ influence impelled station managers to revamp their production, branding
and programming. The advertisers were reported to have been unhappy with the programme listings and the initial positioning of the station, as the target audience limited the potential for marketing products.

They said they could not relate to this market. They said this market was poor, conservative people who are probably not willing to spend money on products that we are going to advertise. So we will not put our advertising money into TV9. We will put it into TV3 instead (NAI, MPB personnel).

Although some of the programmes record high viewing figures, high ratings do not guarantee the advertiser’s investment in the programme if the programme theme is irrelevant to the advertiser’s marketing objectives. In its early days, TV9 was popular for its educative-religious programme format as it tried to establish awareness of knowledge-based content. However, the strategy was withdrawn due to advertisers’ negative perception of religious content and the traditional audience market. As a result, TV9 rejuvenated and refreshed its content, favouring entertainment-oriented programming. This case confirms Boyle’s (2002) view that entertainment programmes have become the formula of the media business.

Nevertheless, it does not conform to Croteau and Hoynes’ (2006:159-160) notion that popularity is the indicator for programme reproduction and indicates the potential for higher revenue. At least, this is not the case with TV9, where the religious programme genre is unpopular among advertisers but popular among audiences. With limited stock but impactful religious programmes, the format has been a source of income. TV3 has managed to market its documentary programme, ‘Jejak Rasul’, around the globe, particularly to the Arab region, before and after conglomeration.
The effort offers vital credibility for the local content industry overall, especially for TV3 and MPB. However, the policy remains problematic in regard to increased generation of capital in the local industry, particularly for the small-scale television production companies, as it reduces the opportunities for these companies to obtain greater income resources. This study reveals that MPB’s monopoly over the television rights of content supplied by local television companies further limits production companies’ opportunities to generate alternative income resources to support their business activities. The situation should inspire the government to provide systematic financial solutions to fill the gap in financial support.

Here, at the moment, they buy all the rights. That means they bought terrestrial as well as foreign rights. So that means now they are the ones who would sell overseas. So where can people do their business? This is why our local production houses cannot raise the standard. It is because they don’t have the means… the budget is really small and they cannot sell and make money out of that programme (ZGB, market member).

Despite the monopolistic environment, the strategy appears to be working as most local television production companies lack of the capital and networking capability that would have given them better opportunities to market their product themselves. For this reason, MPB’s policy of buying TV content products from smaller production houses is likely to save them from the stream of strict industry competition. The government intends to generate more Malay entrepreneurs across all industries, but a lack of business skills in the media industry has discouraged them from fulfilling the government’s target. In this case, as a GLC, MPB is seen to have been playing a significant role in assisting and outlining the local television industry platform.
However, the industry faces greater challenges in the future as further development will need vital attention from the government. One of the roots of the problems in Malaysia’s television content industry identified in this study originated in the production of content itself. The following topic will further discuss two main features that influence television programme production – the environment and the capacity to express ideas in television production, particularly in the post-conglomeration era.

6.4. Freedom of Expression in Television Production

In striving to realise their greatest projects, creative thinkers will never be successful working entirely alone. It is necessary to have a production line working as a team as a large number of creative people are involved in terms of content and technology. At the producer level, managing creative ideas means working through every stage from the raw idea to its transformation as a packaged product ready for transmission. The interview evidence reveals that all ideas are subject to the consent of a superior who monitors subject content in television production.

When the boss agrees with the paperwork we will come out with the new concept and we will present it and we will discuss about the new set, maybe we want to change the host dressing. So it involves creativity and teamwork from the team (MNJ, Independent production company).

Although the situation seems liberal, supervision is usually imposed from the initial stage of a production where a producer is expected to perform according to specific guidelines. The guidelines are developed based on factors related to media ownership, policies and media industry regulation. It is believed that the total freedom promoted by Western civilisation does not exist in reality in most Asian societies. Freedom exists
only in our minds. The powerful function of television as an educative form renders the media a propagation tool in Malaysia. For the local printed media, for example, Loh Kok Wah and Mustafa K. Anuar underline three means of press control in Malaysia: corporate ownership, government regulations and policies, and the ‘practice of responsible development journalism’ (Hilley, 2001:119). In fact, one of MPB’s personnel states that the current level of freedom has been equal within every platform as the media industry is being regulated under various policies.

The means of control is firstly influenced by the ownership of media organisations by the ruling coalition party, especially UMNO, through its many proxy companies. Media Prima is one of the government-linked companies (GLC) and it receives funding from UMNO. The situation consolidates both parties in a prolonged committed relationship. Evidence from this study indicates that the political party’s ownership has largely influenced MPB to exercise political constraints. Ownership of primary media platforms enables the authority to ensure the dissemination of government policies in various platforms, especially in news. Such a relationship conforms to Mosco’s (1996:26) political economy understanding that a powerful inter-relationship between an organisation and the state produces effective resources support. A news editor illustrates how the newsroom functions to fulfil the needs of its mentor. MPB offers the platform for political debate. Nevertheless, the controlling space depends on the authority’s administration trend.

As for Najib, he has a bit of control. There’s control. This means there are some of his people - the editors - that can provide the message as policy.... It means, as media practitioner that is under our mentor. We have to transmit this message for the
citizens as clearly as possible. Other media may not be too critical. But we have to in terms of policy (LH, MPB personnel).

The newsroom gatekeepers are usually strictly bound to fulfil the owner’s requirements and intentions. Ownership of television stations allows for the direct and/or indirect involvement of the owners in the daily tasks of a media organisation through specific appointments in the editorial group of the organisation. The manager usually monitors the overall content of the channel, particularly that of the newsroom. The appointment produces specific content censorship in the television station.

Normally, when it’s direct involvement, they will call the editor... So he will say, ‘You have to cover this’. So we have to deploy [the crew] although it is not on the assignment board. The indirect is the involvement in the editorial meeting.... They give briefings on what they don’t want, inform us what’s for TV3 and what’s for other channels (LH, MPB personnel).

Apart from strict censorship in the news production unit, this study discloses that non-news programme production units have a larger degree of freedom in comparison to the news production team. Non-news programmes are less constricted by the politics of news content for economic reasons, such as profitability which is of greater consideration. Producers and team members are given greater freedom to impart the message through individual effort and creativity.

Sometimes the boss will just release it if he already knows your capabilities - ‘Ok, I agree, proceed, but make sure this, this and this.’ Ok, done. So we will have meetings and make the story like this, this and this (MNJ, independent production company).

This situation explains the vital responsibilities of each member of the production team and their justification and self-censorship in the formation of ideas, structuring and content refinement for specific needs. It is believed that greater freedom in the
television production process and proper guidance would generate greater ideas and better programme output. Nevertheless, nurturing great ideas and creativity does not depend entirely on the organisational environment itself. Apart from individualistic features, the market environment and regulatory polices remain the key to overall industry success.

It’s a small market, so everything we do has to go by the book. There’s no other way for me to say that because every year we have to renew our license. Every day we have to ensure that whatever we do... is in line with what you are allowed to do. There is freedom to produce whatever we want to produce, but that freedom comes with a sense of responsibility, to make sure that everything is in line with government aspiration with the rules and regulation that we have (AHA, Pay TV Network).

Nevertheless, the constraining conditions have gained a balanced response from most media practitioners involved in this study. Some view the situation as an obstacle that discourages human development in the industry. On the other hand, there are those who believe that people’s abilities and expectations range beyond any stringent conditions. Whatever the case, the outcome will strongly influence the quality standard of a creative product and a television station’s programming.

I cannot see that the local producers will have constraints for publishing (berkarya) and supporting of government agenda. We try to include anything on any government agenda. For example, Media Prima was asked by the Ministry, please ensure that every one of your programmes has the values of 1Malaysia. You can do it subtly. You don’t have to tell that it has 5 principles and all that, no (MNJ, Independent TV Producer).

Most informants in this study regard creativity as the best way to shine in the local television content industry. It is important to state that creativity is a vital way of enhancing television programme standards as television is in the business of providing
information; if one packages the information in a creative and attractive manner, it will generate income. It is also clear that limitation and authority are indirectly affecting the TV content business, but both are also factors that contribute to the tensions and challenges in television production and the television content business. What challenges are faced in producing creative ideas in MPB as well as in other production companies overall? This study explores this issue in the following section of this chapter.

6.5. Nurturing Creative Ideas in MPB

Television production is a process heavily dependent on the generation of ideas and the transformation of those ideas into specific forms of product. In this regard, the thesis refers to television programmes and content. A television programme is formed based on the strategic generation of ideas and is packaged based on specific characteristics offered to a specific audience. Many people regard generating ideas as an easy path. Some people perceive that having good ideas helps television producers to produce high-quality products. However, of greater importance is not only the standard of ideas but also the art of managing the ideas in a way that stimulates people’s interest. The idea must also be supported by many supporting systems that uphold the product.

Developing a creative setting or a creative production team is inadequate unless it is tracked by elements that nurture the potential abilities. One can have specific or various ways of inculcating creativity or even enhancing the development of ideas. This
is one of the resources that Malaysia is lacking in terms of building a robust creative industry. In many instances, creativity relates to the notion of feelings, exposure, environment and experience as well as the management of the notions. Evidence from this study suggests that exposure to varieties of media is a vital tool for enhancing creativity.

Don’t limit your exposure... Watch as much as you can although in different languages... it might produce new ideas for us, give some inspiration and others. We always encourage them to read books, read magazines, watch movies. You just have to know how to bring it out, that’s all. So when an individual’s experience is wider, the possibility of providing something different from the norm is higher (ABPW, MPB personnel).

The unlimited scenario helps the individual creative mind to value, interpret and transform the environmental conditions in order to produce good content. The capacity to capture audience interest lies in the expression of ideas and feelings that one packages in an exclusive form and technique for audience satisfaction. In reality, media practitioners are often shackled by constraints on capacities and datelines which prevent them from suggesting excellent ideas in production meetings or brainstorming sessions. Production members usually discuss and sharpen a series of new ideas in finalising important elements for a programme in such sessions.

According to the findings, there is an increasing need to restructure the way in which young people generate creativity. It is expected that local universities will develop a new study syllabus that offers exposure to the media and creative industry. In fact, it is beneficial to encourage individuals to be resourceful and channel their creativity in a proper manner which will generate income and promote educational contributions to
society. The creative industry lacks local people who are passionate about instilling features of ideas that produce strong storylines, blending creativity, innovation and technology. Notwithstanding the glamorous features of the creative industry, it is also timely to raise awareness of the level of contribution that one can offer the local creative industry. Based on the evidence highlighted in Chapter 5, religious programming has been of considerable interest to local television stations due to increasing demand for the format as a result of the repositioning of TV9, which targets a strongly religious niche market. The commercialisation framework causes contradictory perceptions between advertisers and audience. The current trend has impelled the government to set up a new free-to-air television station, TV Al-Hijrah, which promotes domestic and foreign information-based programmes that are mostly based on educational and religious content. With the growing trend in religious programming, there is also a greater need for an adequate supply of human resources from the education and technology sectors. The new trend may change negative perceptions about the creative industries, which have always been associated with the negative values and features of Western civilisation.

This study found evidence that conforms to the theoretical understanding of private media businesses, which emphasise the economic aspects at every level of the decision-making process with the aim of increasing revenues. There also seems to have been great concern over the suitability and success of programmes when television stations make selections for their programme scheduling. In most instances, television stations intend to broadcast the best programme features to increase TV ratings.
Nevertheless, misjudgement of a programme or product displacement may cause great pressure due to the subsequent low audience ratings and the risk of losing income resources.

Displacement is a very, very big concern because displacement means if we have established trend in terms of viewership, in terms of revenue, and suddenly we take out a programme and put in new programme, what guarantees are there that the new programme will maintain the pattern? So sometimes TV stations think in such a way too. That is why, when different new ideas come, they have to really think where to put them in (ABPW, MPB personnel).

Such a challenge encourages television stations to be highly cautious about every aspect of programme placement in the television schedules. This wariness appears to create further constraints on the selection of content, and censorship further limits the production team’s efforts to produce high-quality television programmes. Despite the constraints of the censorship policy, business orientation and industry regulation, evidence from the study also identifies that the majority of television producers regard the positioning of a station as just a minor constraint in the television production process. The market members have to ensure that their business objectives conform to government regulation, policies and concepts, and this will eventually help their business operations to prosper. Thus, every effort is made to fulfil the government’s agenda, for it will influence their business license. In a media organisation context, however, the situation limits freedom of expression, channelling content more towards the niche area of a television station. It is vital to emphasise that bureaucratic and political constraints are amongst the other conditions that influence the freedom of expression of ideas needed to uphold creativity in the Malaysian television industry.
These constraint on the generation of freedom of expression through creative content can be eased by supplying products that employ fewer human-related resources and relationships. This study identifies that one of the most promising prospective products in terms of media content in Malaysia is animation. This type of content genre has greater potential for Malaysia for it overcomes the funding burden and organisational bureaucracy in terms of selectivity and censorship of content as well as political influence. The increasing cost of production is one of the factors hindering local companies from reaching the required standard. In addition, it is quite difficult to find skilled artists, while the standard of the local actors’/actresses’ performances are rather inconsistent and needs to be boosted through experience and long-term training. These artists are heavily dependent on their natural acting skills, and the higher cost of living in Malaysia has been a major reason for higher pay demands.

Platforms for training in the creative industries, namely music and acting schools, are rather limited due to Malay society’s sceptical perception of the arts industries. With these cases in hand, the government has already started to drive the creative content industry towards the creation of converging cultural product and multimedia by setting platforms for future projects and development.

Animation has been successfully carried overseas and has regular clients. The production companies that produce animation are small production companies but were financially supported by certain local parties such as the Multimedia Development Corporation and others (ABPW, MPB personnel).

The potential of animation products in the local and international marketplaces has driven the Malaysian government to introduce specific policies and funding mechanisms to cultivate greater interest and generate the production of the animation
genre as a potential Malaysian product among media members. Animation is a creative hand-drawn art that portrays a series of illustrated movements (Wells, 1998:10). Alternative content that has universal elements and is less controversial in terms of human constraints is easily sold internationally. According to one of the informants, folklore stories are among the potential contents suitable for adaptation into animation products; they reveal aspects of Malaysian culture that are yet to be explored in the international marketplace.

Realistically, however, a scriptwriter or television producer can project their skills and creativity in script-writing and television production through informal or formal educational channels. Development of skills is possible through personal development in generating ideas as well as the transformation of the ideas into structured written documentation. Currently, many higher learning institutions offer formal courses related to mass communication privately and publicly. Most of the institutions contribute greatly to human resources development in the communication and media content industries. However, the focus of the courses is mostly on production and media technology. Apart from the increasing development, this study reveals that it is timely for local institutes of higher education to restructure academic syllabuses to conform to industrial requirements. Evidence from this study reveals that the industry is experiencing shortages of skilled scriptwriters capable of incorporating the ability to think creatively in different media platforms.

To get a director, and get a cameraman, is not an issue anymore which happened in colleges. Done on that. It is a matter of learning. But scripting is not easy. Not everybody can accept it. Like overseas, you can be billionaire writing scripts.
TV scripts and normal scripts are different (DNI, government TV personnel).

The opportunities for commercial scripts and scriptwriters are copious overseas and Malaysians should have taken the opportunity to excel and enhance local content industry growth. As a resourceful nation coloured with a multi-cultural background, Malaysians have great potential to produce content with impact. To fulfil the objective, the current status of mass communication courses in higher learning institutions that focus on media production should be improved.

The concentration is only on production. But what is our knowledge as producers? None. That is why we don’t want the graduates now, even from university. They don’t know because they don’t have additional knowledge besides production. But we need people that have more knowledge (DNI, government TV personnel).

Evidence from this study indicates that there is a great need for the education system to offer programmes that cater for industrial development. The potential of scriptwriting is widely recognised globally, but this is not the case in the local creative industry. Apart from understanding and skill in production, one of the potential abilities that the industry is severely lacking is skills in adaptation and the translation of media content.

There are a lot of stories in a book. How many people can translate it into a TV drama series, for example? No. Look at the industry, about love story novels. There have been loads in Malaysia catching up. There are a lot of writers coming up. How many people can translate them into TV scripts? (DNI, government TV personnel)

The lack of good scriptwriters has led to the production of many stereotyped concepts in the local media content. An informant in this study asserts that the lack of skills and
knowledge prevent the local creative teams from crafting popular and confident content in the local industry. Industry members fail to appreciate the creative teams built by the nation due to these characteristics.

The shortage of scriptwriters has increased acutely as the amount of broadcasting revenue has increased since the government imposed the privatisation policy. The rising number of independent production houses is boosting the need to challenge the television content and scriptwriters. Nevertheless, their welfare and contributions to the industry are not well organised. There are no proper policies or sufficient efforts being made to address the concerns about developing and nurturing ideas, skills and the talent of creative individuals or groups in the industry. Many scriptwriters are operating independently and the industry has yet to find key solutions to future needs, as people working individually will not benefit the industry or the economy.

The incursion of new media platforms in the local media industry has resulted in an urgent need for local scriptwriters using different writing approaches. The establishment of the Multimedia Super Corridor (MSC) illustrates the government’s objective in embarking on new media platforms as the latest contribution to the nation’s economic resources. In fact, the digital revolution has inspired nations globally to embark on investment in digital economy platforms. Support systems and funding opportunities are being developed to ensure a robust creative industry. In 2009 the government began initiatives aimed at industrial improvement. As a result, the National Creative Industry Policy (NCIP) was released in 2011 as a guideline explaining
the vision and development principles of the local creative industry based on eight identified strategies. Key creative industry areas were also identified as the focus of contribution and income generation for the national economy; these comprise creative multimedia, cultural arts and cultural heritage. Amongst the most important developments is the establishment of the Creative Industry Development Fund (CIDF) to encourage Malaysians’ creativity in producing ‘creative, original and marketable multimedia content for local and foreign markets’ (www.skmm.gov.my). Although the effectiveness of the fund has yet to be seen, it is expected to ease the financial constraints that members of the industry face in producing creative products.

On the other hand, this study also highlights the fact that many media practitioners are beginning to blame these creative individuals for their inefficiency. Manipulation of intellectual property rights is one of the contributory factors that disappoint many of the nation’s scriptwriters. To compensate for the lack of saleable scripts, television stations appoint foreign scriptwriters to manufacture stories for local content. These appointments have other implications, such as challenges to national identity and employability, as members of the local industry or individuals are restricted in what they can contribute to the communication industry and national economy.

6.6. Conclusion
The findings from the content analysis highlighted that the transformation of television resources has been significantly positive since MPB conglomeration. Most television stations have increased the number of local programmes and reduced the number of
imported programmes. However, the rising total of local programmes has not satisfied the local administrators and audiences. The reduction of foreign content paves the way for local content promotion in television programming. Nevertheless, foreign programmes remain popular amongst the multi-racial audience as they have already been exposed to various types of international content since television privatisation. The higher demand for foreign content in three MPB TV stations (8TV, NTV7, TV9) is the main reason for the higher foreign programming content in these television stations. The content analysis data also reveal a larger amount of entertainment formats across all MPB TV networks in comparison to informative formats.

Significant issues were raised and discussed from the interview data, identifying key factors influencing MPB TV programming and the rationale for the trend. The bulk of the influence is related to the economic imperatives of an operating television station. Limited market size, funding constraints, political influence, commercialisation and content regulation in regard to copyright are among the weaknesses that influence MPB TV programming. This study also suggests that the popularity of a television programme does not necessarily guarantee its survival on Malaysian private television. Commercialisation prevails over religious television content due to contradictory interests and the perception of the balance between station profit and audience demand.

Uncontrolled television content copyright regulation is potentially harmful to the development of the national economy, which will further limit industrial development.
The findings highlight the importance of funding as the key element to maintain individual firms and develop the industry. The inadequacy of financial resources remains the key issue in the Malaysian television industry despite the long-term economic policies since NEP. This factor has been influencing other aspects of industry development including market competition, television scheduling, television production and educational training for a better future for the industry. These issues will be discussed in further detail in the next chapter, which evaluates the overall implications of MPB conglomerate for the television and content industry.
CHAPTER 7

THE IMPLICATIONS OF MPB CONGLOMERATION FOR TV PROGRAMMING

7.1. Introduction

This chapter highlights the implications of MPB conglomeration with a specific discussion and analysis of the evidence presented in Chapters 5 and 6. The objective of this chapter, therefore, is to further focus on the implications of MPB’s structural transformation and the group’s influence in relation to local television programming. The implications for the local television market are narrowed by looking at the influences of MPB’s structural changes and its credibility as the leading media group domestically and its potential for venturing into overseas markets. The chapter also discusses the impact of MPB TV Network’s consolidation on the TV content industry, specifically on the business aspects of television programming and TV formats for capital generation.

Evidence is derived from semi-structured interviews with MPB personnel representing each TV station in the group, members of the local media market, government officers and media consultants. Content analyses of MPB TV station television schedules, MPB annual reports and government official reports were also utilised to form an in-depth understanding of the issue. Discussion of the findings concentrates particularly on the aspect of media economics relating to the strategic management system of a media organisation: MPB. Discussion of the implications of MPB conglomeration includes
MPB’s influence, the practice of freedom of expression in MPB TV stations and the generation of new ideas in the production process. The implications for television content and product are centralised based on the total amount of entertainment, information, local and foreign programmes on every television station menu. The implications of such evidence are discussed for the benefit of the television industry economy, the regulatory and government policy and the social imperatives of Malaysian television audiences.

7.2. The Implications of Media Prima Berhad Conglomeration

The findings of this study indicate that MPB has successfully increased its influence within the local television market politically and economically. Indicators from respondents show that transformation of the television business from TV3 to MPB has strengthened the structure and performance of the entity. The transformation involves TV3’s diversified business strategy, which has enabled it to evolve into the largest local media corporation, as well as MPB’s integrated business strategy, which focuses mainly on media-related business. Political influence has certainly played an important role for MPB due to its ownership and GLC status with the state authority. This has clearly influenced MPB TV Network’s news content, which is overshadowed by political and business interests. The environment has to some extent reduced news editors’ and reporters’ authority in the portrayal of transparent news. Although there are spaces allocated for genuine news reporting according to journalistic values, commercialism and political vision are obviously the agenda of the day in the current newsroom operational system.
Economically, the privatisation policy and commercialisation have enabled TV3 to produce many talents in the television production industry over the last 25 years. A majority of the programmes receive high ratings and are popular with the local audience. A small number of programmes have also been exported. In the early stages following its inception, TV3 emerged as the sole private TV station for the next decade before the second private channel was established. The initial opportunity was mesmerising as the station was given a monopolised avenue to grow as the market leader. It strengthened itself through vertical integration, a process which saw the introduction of various subsidiaries supporting the main business in TV production. Vertical integration had strengthened MPB’s credibility as a specialised television content producer, thus helping to generate better income. It has established platforms for acquiring and channelling resources. The Malaysia Integrated Media Institute (MIM), for example, is a learning institution that offers various mass communication courses in which students’ internships involve TV3. This guarantees human resource allocation for the television station. Meanwhile, Grand Brilliance is a dedicated film production and marketing tool. The corporatisation of TV3 and its adoption of a market model approach have benefited MPB in charting a strong course from the beginning of its operations.

MPB has gradually increased audience confidence over its takeover of three problematic TV stations. As the leading media group in the market, the market players as well as members of the public are confident in the strong background in media
business. Funding has not been a vital concern for TV3 and MPB as both are owned by the government, which has supported them in many ways, particularly in times of difficulty. During the Asian financial crisis, mainstream media in Malaysia including TV3 were experiencing income losses that pressure the government to intervene and secure problematic television stations. The intervention was done through inception of proxy companies, corporate restructuring and merger. The practises related to the economic crisis were clear evidence of the implications of ownership power. This is also a clear continuation of the NEP objective of ensuring Malay entrepreneurship and the generation of capital resources for the national economy. The strategy remains a key policy in developing a small country such as Malaysia. Malaysia was once rich through its agriculturally-based exports. However, shortages of funds, weaknesses in human skills resources and technological pressures encouraged the nation to embark on manufacturing industry. These factors appear to have exerted pressure on most industries, including the media, to this day. The conglomeration of MPB appears to have represented the government’s attempt to prevent the media industry and the nation’s economy from collapsing. The above situations are clear evidence of the interplay between state and media corporations in developing the local communication industry, as illustrated in the political economy framework by Mosco (2009).

The aftermath of the financial crisis was worrying for many parties, particularly the government, because of funding shortfalls due to currency depreciation, which increases television operation costs. The economic constraints had seriously influenced
Metrovision’s and NTV7’s financial state prior to consolidation. TV3, on the other hand, benefited considerably from the situation, although it had to fight bitterly to hold onto its initial growth planning. Channel 9 had also been facing an unstable financial state since its inception. The financial constraints on the three TV stations gave TV3 the advantage in its expansion plan. The planning was achieved by the establishment of a new media corporation named MPB. It is apparent that economic constraints have concentrated the television broadcasting industry into a limited number of market players. In the Malaysian context, economic constraints have encouraged television stations to manage their resources wisely by adopting strategic operation systems. Some failed, but a few survived. TV3’s strong performance and business model assisted the three problematic stations by managing their finances and bringing them into a better state under MPB. TV3’s strategic television programming and promotion has apparently increased audience interest and confidence, thus increasing advertising revenues since its inception in the 80s. Based on the evidence, MPB implements strategies that keep its production costs minimal, and differentiates and positions problematic TV stations according to specific target audiences.

The corporate transformation has eventually created television programmes that cater accordingly to the TV station’s niche. These three elements are essential for any profit-oriented media corporation in marketing its products or services (Gershon, 2009). The strategic implementation has strengthened TV3’s recovery from the debt crisis and its transformation into MPB. The adoption of commercialism in the business character of
TV3 has clearly blended into MPB and has been essential in ensuring that the local television industry in Malaysia remains competitive.

The expansion has increased MPB Group’s television market share to 40 per cent. Despite the high market share, MPB faces stiff competition from RTM and Astro. The latter achieved a higher market share at 13 per cent in 2007, and the highest ADEX share was recorded by Astro between 2005 and 2009. The main factor in this achievement was the inception of Astro Oasis, the religious Malay channel, in 2006. Conversely, MPB experienced a drop in its ADEX share.

So January to September 2008 is 7.1, 2007 is 8.3, then it went down lower and lower because when we did start TV9 we still didn’t have Astro. We didn’t have Astro Malay channel. Now when Astro came up with 6 Malay channels it hit us very, very badly. So you actually can see that 2007, it is still not there. They actually introduced the 6 Malay channels in 2008 (NAI, MPB personnel).

Astro’s ADEX share accumulated at 11.3 per cent in 2009 and 11.8 per cent during the same period in 2008 (Annual Report 2009:2). The above narrative and statistics are evidence of the stiff market competition in the local television industry. Apart from the local expansion, MPB has established international growth following government intervention in TV3 Ghana. This was undertaken from 1997 through a government bilateral agreement under the Western international trading networking and policy with TV3. The action portrays MPB’s replication of the TV3 business model by setting up subsidiary companies, particularly outdoor advertising and Primeworks (vertical integration). The merger and acquisition of three problematic local TV stations illustrates horizontal integration in MPB’s business growth. Government intervention is
apparent in both contexts. This appears to illustrate that, in Malaysia, state dependency and power dominance remain essential for corporate growth. Another example of state support is illustrated in the latest stage of MPB’s regional growth under its fund investment strategy in the Philippines television station, TV5. Although the strict media ownership policy in the market blocked the expansion project, the incident portrays the importance of state bilateral agreements in smoothing an investment. In the Philippines, foreign nationals are forbidden to own any local media. Legal action was taken against MPB as the owner of Primedia Limited. As a result, MPB withdrew and burdened itself with MYR95.3 million ringgit of debt due to the investment in the Philippines. MPB completed its disposal of TV5 Philippines in October 2009 (MPB Annual Report, 2009:71). The incident highlights MPB’s failure in strategising foreign investment. The prospects and challenges of investing in foreign media outlets should be analysed carefully before commencing a project. The group’s single-handed projection for increasing revenue from the overseas market has been a total failure without government intervention, compared to TV3’s situation when it assisted TV3 Ghana.

Another significant implication of MPB’s failure is the challenging nature of penetrating the regional market to export its cultural products. Although there has been a regional political and economic trading platform under South East Asian Nations (ASEAN), protective media ownership policy in the region has closed the door to foreign owners. Despite policy and regulatory restrictions, attempts at embarking on investment in other regions are restricted by strict media ownership policies, as illustrated by MPB’s
experience in the Philippines. On the other hand, in countries such as Thailand, China, Taiwan, Korea, Japan and the Arab nations, the primary challenge is related to the language barrier. Indonesia is the only other country with a language similar to the Malay tongue. Although Indonesians speak a similar language to Malaysians, the nation limits foreign content in its national media. Doyle’s (2002:164) illustration of such a challenging environment is set out in Chapter 2. She indicates that regulations and policy constraints limit Malaysia’s effort to increase exportation of local cultural television products. The only way of achieving the objective is through diplomatic avenues or any established networking that elevates the opportunities for marketing cultural products internationally. Therefore, in many ways government intervention and monitoring remain essential for developing any industry in the country.

7.3. The Implications for Television Programming and Television Content

Evidence from this study indicates that competition in the local television market is tight between Astro, MPB and RTM. Each of these television stations operates multiple television channels with at least two television networks. Astro is regarded as much more challenging than RTM, as it owns many channels in comparison to RTM. MPB has acknowledged the increasing challenge from Astro in terms of TV subscriptions and trends in viewing figures. Evidence from the interviews shows that there has been a significant increase in TV subscriptions to Astro. TV watching trends have changed due to changes in lifestyle. Therefore, MPB has geared its initiatives to follow the Pay-TV trend, acquiring multiple media channels in order to offer stronger competition. Hence, the organisation has increased its ability to satisfy the preferences of audiences
who watch television based on taste and necessity. These two factors - market competition and changing lifestyle - have encouraged MPB to execute fragmented programming according to audience segmentation. MPB TV stations focus on specific audience demographics in order to generate a greater advantage. It is apparent that there has been an increasing demand for watching satellite TV. This enabled TV3 to expand and capture larger audience segments when it took over 8TV. The expansion enabled the station to increase its audience share, capturing the mass Malay audience and the young Chinese market. From MPB’s point of view, the approach has certainly strengthened the group’s financial status. It also generates more resources for future investment, both domestically and overseas, which will eventually strengthen the national economy.

Conversely, transmission of fragmented programming for specific segmented audiences also means television stations are catering for local ethnic group preferences. This approach might be benign in countries with distinctive gaps between ethnic groups, but it is critical for Malaysia. In the researcher’s opinion, the fragmentation of television programming to fulfil audience segmentation increases the possibility of widening the gaps between the multicultural races in Malaysia, which will eventually damage the government’s efforts to build cultural unity following independence. Malaysia has, from time to time, promoted national unity in various forms to inculcate and eventually elevate a one-nation society. The government is supplementing the business agenda for development, but is also losing people’s confidence regarding racial harmony.
Satellite TV technology also helps in widening television coverage, especially for new TV stations which need to overcome these constraints due to the limitations of terrestrial television coverage and expensive budgets for TV transmission. However, there is apparent evidence that the inclusion of the FTA television stations as part of a Pay-TV subscription package manipulates consumer spending and TV-watching trends. Firstly, audiences who did not initially subscribe to Astro now have to subscribe to it to watch the channels’ latest programmes. Watching the FTA television stations, which are supposedly ‘free from any charges’ (including licensing), is currently billed at a specific rate. Although the counter-intention is to achieve economic strength, the manipulation of society is totally unfair. It puts pressure on the individual’s income expenditure, increasing physical and psychological tension, particularly when the services are unsatisfying.

7.3.1. MPB TV Programming

MPB has adopted TV3’s business model, which generates strategic branding by setting up audience ‘appointments’ with the station. According to the TV3 Chairman’s statement, TV3 has been generating a new programming strategy that highlights slots catering for audience tastes based on TV formats since 29 February 2000. The approach increases viewer interest in switching on the station for a particular slot. Seven brands were created to cater for the various needs of TV3’s audience at that particular time. The brands - Panorama, Pearl, Colours of Rangoli, Orange It’s Kids TV, Arena and Laugh In - have transformed TV3 programming into easy-identification slots
(TV3 Operation Review, 2000:21). The approach raises station revenue as advertisers take a greater interest in programming segmentation. Fragmentation of television schedules eases the audience’s viewing experience according to their preferred slots, hence facilitating advertisers in product placement strategies. In a review reported as of 31 August 2000, TV3 had recorded a 46 per cent market share and retained its popularity as Malaysia’s favourite television station. The station recorded a 41 per cent market share in terms of viewership for its mass Malay audience.

MPB’s expansion is sustaining the MPB TV network group’s market share up to more than 40 per cent (MPB 2009 Annual Report). The current market share figure is evidence of MPB extending to a wider market demographic to include the Chinese communities. The statistics illustrate the growing influence that MPB has gained from its high market share. The figure indicates a larger audience tuning in to MPB TV network’s programmes. Malaysian Chinese viewers who, following privatisation, rejected local television programmes have begun watching them on NTV7 and 8TV. In the business of television, a channel works extremely hard to market and brand products through television programming. The scheduling displays a variety of programmes to capture audiences’ and advertisers’ interest. MPB’s buyout of NTV7 and 8TV has clearly improved television programming in terms of programme variety, particularly in the case of Chinese-based and English-based programmes. This is clear, for there has been an increase in terms of language medium for these two television stations.
The popularity of a programme is based on audience demand, thus capturing high TV ratings. Higher TV ratings attract a larger audience and, eventually, advertisers will invest in the programmes scheduled in a station’s programming. The larger the audience watching a programme, the higher the audience share achieved. Therefore, a station with highly popular programmes usually achieves a rocketing audience share (Doyle, 2002). Higher advertising investment is achieved as TV stations extend their demographic coverage to a wider audience range. This has been the reason for the inclusion of FTA television in Astro’s subscription package. Consolidation of MPB TV networks has extended their positioning from a mainly mass modern Malay market (TV3) previously, to include a young traditional Malay (TV9) audience. The positioning of TV9 towards the traditional Malay market has increased the volume of religious programming and enhanced the local television programming competition, particularly since the introduction of Astro’s religious channel, Oasis. MPB has also widened its television network’s positioning for the young, adult, English-speaking Chinese audience through 8TV and NTV7. MPB’s approach to introducing cross-media advertising packages on its TV and radio channels is absolutely irresistible to the advertisers. The packages reduce advertisers’ costs, hence boosting MPB’s advertising income. MPB TV network’s annual screening is another platform for product promotion for advertisers. The annual television products screening offers previews of newly-produced and forthcoming products for their TV network.

The additional Chinese television programming increases the total amount of Chinese programmes in the local television programming. It also increases the amount of
media talent and expertise in Chinese programming and local television production. Such a development increases the variety of media practitioners and experts among the mainly Malay majority. The condition increases the number of opportunities for local television to embark on developing local Chinese television programmes. This will gradually increase audiences’ and local market members’ confidence in the quality of local Chinese programming. It is hoped that elevation of and investment in Chinese-based television content will gradually reduce television stations’ dependence on foreign Chinese products. Instead of transmitting China-made Chinese programmes locally, it would be extremely valuable were the industry to produce more Malaysia-made Chinese programmes that reflected local Chinese features within a Malaysian culture and environment. The success of such an inspirational objective is fundamental to the currently-promoted government concept, One Malaysia. MPB has begun efforts to adopt local Chinese programming by establishing collaborative production with Singapore’s dominant media corporation, Media Corp. The concept has been introduced to re-inculcate the multiracial background of communities in Malaysia to embrace citizens from all walks of life as one entity, striving for national prosperity and wellbeing, and thus avoid racial polarisation. Since independence, the effort to manage wealth distribution amongst the Malay, Chinese and Indian communities has been the key agenda across many national policies since the start of the NEP. The Chinese community makes an important contribution to Malaysia’s national economy. Historically, the Chinese have always been engaged in entrepreneurship since their migration from China in the pre-independence era (in Gomez, 2002). Their high
disposable income and purchasing power are among the elements that have supported the advertising industry and national economy.

Evidence from both the interviews and content analysis identifies that MPB TV network’s programming has been transformed from TV3’s programming model, which was based on audience fragmentation, towards a combination of the TV3 and Pay-TV models. Although most of MPB television network’s programming techniques are based on TV3’s audience segmentation approach, the positioning of 8TV and NTV7 for the Chinese audience and TV3 and TV9 for the Malays illustrates the Pay-TV programming model that specifies specific television stations for certain target audiences or themes. The large number of Chinese programmes on 8TV and NTV7 and Malay programmes on TV3 and TV9 illustrate a clear understanding of the Pay-TV model.

7.3.2. Television Production and Development of TV Content Industry

MPB has also increased its influence on television production in many ways. In most cases, the smaller market players seem to be the victims of situations regarding: 1) MPB state monopoly, i.e. television programme copyrights and product prices; 2) the limitation of market size as a result of market concentration; and, 3) higher production costs. The evidence from this study highlights that the group has acquired all copyrights for local television production produced by local independent TV producers. This is considered to have been practised by TV3 since its inception. The station buys locally made programmes, particularly drama and current affairs, from the local
television production houses and later reruns these programmes on TV3 free of charge after a certain period of time. In fact, the station has been able to sell homemade programmes overseas and make an overall profit. Such an environment limits the ability of local TV producers to gain additional profit from the programmes they sell.

Based on the interviews, many complaints were heard from the industry members, but no significant action has so far been taken. Faced with the primary and dominant media player in the industry, few people have had the courage to raise and discuss the matter. Hesitation at voicing their difficulties is related to the risk of being blacklisted by the local media business community. With three large market players, the small-scale television producers face limited space and platforms for marketing their products. Television stations demand goods according to their tastes and priorities.

This study reveals that one of the contributory factors to a gloomy future in the local television industry is the low prices offered by television stations when buying homemade programmes. MPB offers lower prices in comparison to those before the economic recession. The economic pressure has raised the price of goods and services, which influences production costs and eventually firm profitability. Despite complaints from the Association of Malaysian Television Producers, low product pricing is clearly part of the group’s cost-saving strategy, ensuring that they remain in business with limited operational costs. Indicators in this study confirm the commercialisation features of the Malaysian television industry.
These features have been greatly intensified by the dominance of profit motives over artistic and cultural values. The voices of independent producers are rarely heard by the industry players and have gradually disappeared in the course of administrative, political or economic changes. Some may have updated the dominant market players about the constraints. Nevertheless, most discussions have been endless and fruitless, trimming independent producers’ motivation and productivity. With those issues and situations being discussed in the industry and being highlighted in the interviews, the constraints in developing the local market and content industry appear to be both challenging and problematic. Large media dominance and commercialisation are strongly gripping other market members.

The above discussions describe the key causes of funding shortages in the television production industry. The majority of local producers have small production houses that normally focus on production on a specific television genre. However, many of these small production firms are involved in producing drama, which currently entails higher production costs. The reasons for the rising costs include increases in living expenses, high salary demands from artists and upsurges in production costs. Strategic shooting locations, particularly those involving artificial and historical scenes, are inflating producers’ budgets. Every producer has to make new investments in order to achieve such products, hence increasing the overall production costs. This includes transportation, rising petrol prices, raw materials for creating costumes, settings and props. These increasing pressures imply a prolonged gloomy future for the local content industry. It would appear that economic and good governance remains the key
problematic constraint in the industry, as it was amongst the contributory factors in implementing the privatisation policy.

Apart from the physical requirements, the market players have less concern over the value and messages of television content. They regard the free market model as a strategic tool for competitive advantage and profit maximisation. Allocation of television content based on specific format is essential as a standard guideline and general filter to preserve local values. This function is one of RTM’s major roles in imparting content through its broadcasting stations. The information transmitted by television programmes’ content consists of highly valuable symbols, characters and morale for knowledge building. Negligence in carrying and ensuring positive symbols in television content influences the characteristics of building a progressive individual society and nation. Hyper-commercialism is obvious today in television news production in Malaysia. Media practitioners and the government should address such a critical issue, and avoid higher societal emphasis on defective entertainment content.

The new management in the post-Asian crisis era stresses and strategises group visions towards branding products for profit maximisation. The current regulator is perceived to be facing a dilemma between building national television content over market-oriented products. The local media follows foreign television industries’ commercialisation and globalisation trends, which impart ‘low-denominator’ values in television content, as Rampal (2007:35) has stressed. Such a trend burdens the
government effort, which seems to involve endless attempts to secure the success of the knowledge-based promotion of the citizen.

Current standards of television content, particularly of entertainment formats, are muddled between the necessity of station survival and the interest in generating knowledge. Modern living styles impose the importance of material achievements, i.e. assets for survival, whereas traditionally it is the psychological values that shape the spiritual strength of individuals. Evidence from this study shows that there are forms of entertainment in MPB TV programming including the non-entertainment formats such as religious programmes. The extension of entertainment elements in non-entertainment or informative programmes is a great concern of the public including the political economist scholars.

This study identifies that liberalism and capitalism have increased intolerance values in the local society. Modernisation generates a materialistic society in support of capitalism by showcasing a modern environment emphasised in entertainment-based programmes, particularly in drama. It also means that state policies have eventually designed a modern society that worships wealth over moral health. The classical political economy ideology promotes capitalism, which can nurture the modernisation of society. Nevertheless, it is the implication on social structure transformation (Mosco, 2009:26), as in this thesis is of highly concerned. Based on the evidence of this study, entertainment values had already being recognised and embedded by broadcasters to promote religious programmes which previously perceived as old
fashion, unattractive and unprofitable programme. Commercialisation of religious programme may generate positive recognition but it is the implications to the purity of the communicative elements of faith and religion that might differ and develop greater implications to society.

One of the negative aspects of sharing resources in TV news production is that it reduces competition, news reporting quality and the exclusivity of a TV station. The increasing effort to produce distinctive news coverage reduces the passion and motivation for blending writing and creativity in news presentations. Although all four television stations have their own niche markets, ownership under the same media group dilutes the commonly intensified environment in the newsroom. Commercialisation of news production aims for value-for-money news coverage rather than newsworthiness. This includes directive television coverage for businesses, political fulfilment by the media ownership elite and product positioning in television news content and programmes. The television programmes produced are associated with a brand name and its content as part of the storyline. Consideration of national issues in relation to the wellbeing and safety of citizens is less emphasised. Business-oriented news content is a clear filtering strategy towards television news content, as broadcast journalists are assigned based on owner and station fulfilment, thus neglecting societal needs at large. Although the news editors on TV9 still uphold the values of newsworthiness in their news reporting, increasing evidence of commercialisation values in news production and political intervention are widening the gap between the public, commercial and political players. This environment
illustrates the political economic framework that discloses the relationships of power generation between the state and media corporations. It also illustrates capitalism as the driving force of social transformation.

Increasing workloads and work pressure reduce motivation for delivering the best news reporting quality. They also adversely affect artistic values and the style of news content-writing as well as editing. This may also encourage a tendency to produce news coverage for the purpose of job fulfilment instead of job satisfaction. Employees who value job fulfilment usually work for the pay rather than the personal satisfaction that drives an individual to work for recognition. Evidence suggests that technology advancement and profit-oriented decisions place pressure on creativity, skills and overall staff performance. Comments from participants in this project’s interviews also reveal that decisions on news coverage selection are a direct and indirect intervention of the ‘owner’ that strengthens their dominancy in the industry. These situations once again illustrate the political economy paradigm that emphasises the materialistic aspect of the organisation, upholding capitalism and power over moral values. It is apparent that, since privatisation, capitalism has been absorbed across all levels of the state, organisations, society and the individual. However, based on the findings of the interviews from this study, there is clear evidence that editorial intervention has been implemented, but is geared towards the elite group and commercial interests. The issues of clarity and the contextual understanding of messages by a broadcast journalist might be misleading, thus creating ethical concerns. Biased information wins the game, and the winners are often the stakeholders of the media corporation. This
situation is another example of evidence in this study that conforms to the key political economy theory of media, which portrays a clear state and corporate interplay that often constructs influence and a powerful agenda.

The digitalisation and convergence era have clearly encouraged television stations to convert their operational systems as well as engage in multitasking in television production. Production facilities such as video cameras are lighter and can be handled by a single person. Despite strong investment in production facilities, television stations see cost-saving strategies as the best tool for balancing their production costs. Nevertheless, the media professionals in a concentrated market are facing competitive environment to be multi-skills employees regarding industrial requirements. Failure to follow such a trend causes a deficiency in journalistic values and skills among journalists in the controlled and competitive market in Malaysia. Technology promotes the journalists’ multitasking skills and the technical team’s competence. This is vital, as the Malaysian government has already set out its vision in various policies to adopt digital and multimedia technology in the current era of convergence. The establishment of the Multimedia Super Corridor platform and the positioning of MCMC as the monitoring agency portrays the state’s groundwork in addressing globalisation and convergence trends in the communication industry. Further explanation will follow in the next sub-section. As a result of the policy, the emerging convergence trend in cultural products, particularly of television production content, is apparent in this study. The evolution has encouraged both the government and private higher learning institutions to embark on formulating and teaching Mass
Communication courses that integrate the traditional mass communication production with new media technology features in order to fulfil government aspirations of generating competent technology-skilled human resources in the nation. Although technological advancement has improved media professionals’ working processes, they are burdened with a greater responsibility for accomplishing various tasks. The seriousness of the situation will need further investigation to acquire evidence on the extent of the burden, the impact on individual competence, job performance and satisfaction and the rewards they receive.

MPB, on the other hand, demands a high standard of programmes, particularly in the drama format. Drama has been the niche focus and differentiation factor for TV3, thus branding the station as having high drama standards. There are two main reasons for rebranding such a product for the station. According to the findings, TV3 is a mass market-focused station that has been widely successful in attracting a progressive Malay audience. According to this study, TV3’s niche audience group is audiences that are moderate and middle class, especially Malays that are city-dwellers, Western-educated and exposed to a modern living style including entertainment. They welcome new inventions, especially programmes from overseas. As such, drama is one of the winning products of the station that helps to impart information in an entertainment format. The other reason for requiring such a high standard is derived from the government’s strategy of using TV3 as a leading TV station in improving the industry through its business model. As a trendsetter, TV3’s lead encourages local TV producers to move according to the needs and standard quality of television content. It sets a
high benchmark for the station as well as the industry to run in parallel with global television content standards. Global standards and the television content market are the trends in cultural industries, and globalisation has enabled foreign content products to be sold on the global markets. It is hoped that this strategy will set up a solid platform for marketing local products in the international marketplace. Benchmarking a product standard has been one of the approaches to sustaining business as it increases advertiser confidence in the station’s products and programming. Higher advertising confidence means higher investment in the TV programming, thus bringing maximum revenue to the station and group.

Sharing content has, however, resulted in repetition of programmes across the four TV channels as a consequence of the cost-saving strategy. This is one of the implications of radio and television integration, as highlighted by Doyle (2002:31) in Chapter 2, in that it offers opportunities to share content amongst themselves and across various media platforms under the same group. This study reveals that audiences of FTA television stations will usually receive fresh and first-run programming in comparison with the Pay-TV programming approach. In the terrestrial television system, the programmes are usually repeated after midnight or after a very long break following initial transmission, usually within a year. Conversely, media integration offers MPB an advantage in terms of sharing content through a cross-promotion strategy in TV programming (Thussu, 2006:110). Execution of cost-saving strategies also enables MPB to wisely manage the Group’s finances. Conversely, the local audiences are offered older programme content that is being repeated from one channel to another. This
study found that the local audiences do not receive fresh programming on FTA television due to the cost-saving policy that has encouraged television producers to produce and import low-budget programmes on subjects such as entertainment, rather than informative programmes, as highlighted by Kraidy (2005). MPB TV Networks tend to adopt the Pay-TV programming approach due to market competition. In a small broadcasting media market, MPB has little choice but to carefully position their new TV networks: 8TV for the young Chinese group and TV9 for the traditional Malays. Stiff competition emerged in the competitive market environment following Astro Oasis’s establishment. MPB focuses its television networks mainly on two key audience groups – the Malays and the Chinese. In desperation, MPB has turned to the Pay-TV business model for its programming in order to increase its revenue potential. The implication would see a repetition of recycled programmes, especially of low cost entertainment programmes broadcasted for the public. These are some of the factors that have pressured Chinese audiences to avoid watching local television channels.

Economically, when a programme is being shared or sold to another platform under the same group, members of the same media group are able to package their promotion strategies within the same group for potential investors. Advertisers usually prefer such promotional approaches as they save on their investment costs. They are also able to promote their brands in various platforms with cost-effective packages. Nevertheless, television stations might set higher prices for the packages as they offer a better advantage for multiple platforms. This condition will, however, raise barriers
in the market as it discourages small-scale advertisers and television producers from entering the market due to their limited capital. Although a cross-promotion strategy is an avenue for generating income for television stations, it nevertheless increases the barriers to entering a market, challenging small production companies’ income resources as there will be limited opportunities to market products that contribute to the increasing financial constraints on future investments. If this happens, local advertising and TV production companies will discontinue business operations whilst the larger and wealthier media companies monopolise the content business, producing standardised television programmes. Evidence of this study reveals that economic reasons and media ownership often become the main excuses for the private media to escape or gain exemption from the monitoring policies and guidelines.

There is apparent evidence in this study to illustrate the strong competition between MPB and Astro in producing similar content in the same genres. The interview and content analysis approach have confirmed that both stations are increasingly aiming to improve their programming by producing more entertainment-based programmes such as drama and reality TV genres. MPB’s selectivity and utilisation of popular actors and/or actresses in drama indicates the populist approach that the group adopts aims to guarantee higher TV ratings and advertisers’ attention. Croteau and Hoynes (2006:162) have highlighted that this will eventually lead to a commercialisation policy that serves the interests of profit maximisation (Rampal, 2007:35).
7.4. Development of TV Market Policy

Liberalisation and the neoliberal market model of profit-making encourage government-linked individuals to lobby for state projects. Historically, during Mahathir’s premiership, previous government policy enabled the FTA TV content to be embedded into the Pay-TV channels, pressuring the public to pay for a service that supposedly should be free for all. The FTA television system concept is supposed to be free-of-charge service for the public. Consequently in this case, it is a clear evidence of media discrimination whereby the ruling power gave consent to a private media entity for economic reasons that went against democratisation. Favouritism by the state appears to prevail over political intelligence.

This study found that increasing numbers of people are subscribing to Astro to view FTA television channels. This situation seems biased from the market member’s point of view, as Astro had strengthened business out of audience subscriptions and gratification in the local television business, even though there were negative reports of their services. Its GLC status company gave Astro the advantage of operating the media corporation according to its corporate and government interests. Similar to the development in Astro, the government’s direct and indirect intervention is significant in MPB to their business growth. The strong support for MPB and ownership in most mainstream media assures the government’s grip in regard to political stability and national development. One of the key factors of the two-way strong relationship is to assure the implementation of a national policy for the media industry. Astro’s case is similar to MPB. It is more clear evidence of the implication of media corporation’s
relationships with the state from the political economy point of view. Although the conditions are based on economic survival there is clear evidence of discrimination towards the public audience. In order to ensure that MPB remains competitive, the group has positioned its television stations (8TV and NTV7) to cater for specific target markets using a similar operational strategy to that of a satellite TV company. Such a company offers multiple television broadcasting channels that supply a single channel for a specific audience demographic.

Since the introduction of the Multimedia Super Corridor (MSC) project in 1996 the government has been actively promoting content development for the broadcasting and digital content industries. Many non-government agencies are promoting their assets toward the development of convergence and its promising future. Thus, the government has been strategically planning national development towards the digitalisation of the broadcasting industry. Support systems and funds are overwhelmingly geared towards developing the digital content and creative multimedia industry. This study has identified issues of transparency, inefficiency and fund distribution for media members. This situation apparently showcases that governance and resources issues have remained critical since privatisation although the broadcasting industry was set up more than 20 years ago.

For example, the findings highlighted that monitorisation and expertise were improperly placed. Regulatory policies for the local broadcasting industry were unstandardised and inefficient in relation to private and government channels. The
private and government television stations were also regulated under different ministries which left them open to many inefficiencies and unstandardised decisions. Following a general election, the private television industry was regulated under the Ministry of Energy, Water and Communications whilst, the Ministry of Information administers the government television channels.

Lack of expertise has resulted in the government having to set up a monitoring tool for the telecommunications industry in Malaysia. The MCMC was introduced as a governance tool to monitor the television players as part of the nation’s agenda in the era of information and communication technology and convergence. In fact, there is not a single policy that regulates or monitors the national content industry except for the National Film Policy, which has been concerned mainly with the film industry since the 1970s. The guidelines and regulations for the film industry are, however, shared with the television industry, particularly in terms of censorship and licensing. It is time for the government to set out detailed but comprehensive guidelines for the industries, in order to achieve greater success in both fields. FINAS’s role is mainly focused on the development of the local film industry, rather than of the television industry and its content. I suggest there should be a credible and respectable government or non-government body that will be able to manage content industry development. General and specific guidelines for the content industry members should be introduced for industrial growth and members’ welfare. These guidelines should be used as a tool to regulate and become the catalyst for the positive development of the broadcasting industry.
Apart from the highlighted weaknesses, positive moves have also been carried out. The new Minister of Information, Communication and Culture has put forward various initiatives to uphold and improve the local content industry. The first National Creative Industry Policy was introduced in 2010 while this study was still in progress in the United Kingdom. The policy has outlined many guidelines, incentives and objectives to elevate the local creative content industry. It is still vital to have a strategic and successful implementation process that needs to be garnered, monitored and smoothened out in order to develop a progressive creative industry. The researcher believes that the challenges of developing the industry still pertain mainly to the issues of racial unity, promotion, funding and governance.

These economic and social issues are somewhat old and are have been raised from time to time. In the previous chapter, the researcher highlighted that the government has already established a strategic framework, building infrastructure and generating funds to develop the content industry, due to various constraints in terms of human resources and employment, political influence and industrial commercialisation. Although there has been increasing demand for information-based content, entertainment-based content remains significant for the industry as a result of the liberal market approach and audience demand. As a result of these convergence trends, greater demands are being generated by the government through the Multimedia Development Corporation (MDEC) for the promotion of multimedia-based content, namely animation, games and visual effects (www.mdec.com.my). MDEC has
been established to drive the multimedia content industry within specific niche areas, including animation, as part of the government’s vision of becoming the hub of the creative content industry in Malaysia.

As the constraints in developing the local content industry relate to human resources and capacity, the human-less perception of an animation product, for example, helps to ease controversies surrounding content in various electronic media platforms. Replacing human with animated characters in a story would ease the perceptions in relation to cultural and religious sensitivities. The approach would also reduce financial constraints involving employment of talents, their performance, shooting locations, sets and attire, particularly when it involves historical stories. Malaysia is a multiracial nation with a rich multicultural heritage that would have been saleable in local and international marketplaces had specific strategies been set up to elevate the content industry as one of the contributors to the global marketplace. Based on evidence from this study, content related to folklore and local cultural heritage are among the stories with potential, but they have yet to be explored mainly due to constraints in terms of capital and infrastructure.

Malaysia had already begun setting out the key policies and infrastructure to gear the local telecommunication industry towards the convergence of ICT with the mass communication industry through the establishment of the Multimedia Super Corridor project. Hence, the physical atmosphere should have been ready for future development. The only challenge comes from the human resources aspect, as the key
indicator is the task of nurturing the people who will administer the industry. It is also important for the government to establish policies that will fully guide and support the development of the creative content industry. At the moment, MCMC has approved a funding platform, the Creative Industry Development Fund, with an estimated budget of RM100 million ringgit (around £500 million) to encourage Malaysians’ involvement in producing various forms of creative and multimedia content and support the country’s vision of being a hub for multimedia information and content services internationally. Despite the government’s progressive vision, technical consultation on the software and hardware of the animation genre is critical. Investment in human capital and support systems by private industry to nurture the creative team is essential for building a robust information society and skilful workers in the animation field.

If the Malaysian government is serious about improving the television content industry via more funds to facilitate the setting up of better platforms and facilities for the benefit of the market players, the researcher believes that MPB is playing that role at the moment. Evidence from the interview reveals that the government was convinced that MPB, through its competitive business model, will assist in upholding the industry. MPB is a government tool that generates income that assists the government in national development projects through a determination process during the early inception days of privatisation (Nain and Anuar, 2000:173). As a GLC, it is MPB’s corporate obligation to fulfil their business agenda towards profit maximisation. However the concern is the behaviour of media corporations that leaps over the limit
in fulfilling its agenda. At times, they often challenge the current monitoring policies particularly in terms of the content quota and multiple cultural values embedded in programmes, as discussed earlier in this chapter.

On the other hand, such an effort to assist the government in developing the local creative industry should not be mainly the responsibility of this group. As a GLC, it is the duty of MPB to organise its mentor’s mission and vision. It is actually the role of each market player to unite and compile efforts through any available means for developing the industry, ensuring that it remains competitive locally and internationally. Acquiring a reputation like that of DreamWorks is the ultimate aim of the group, enabling it to stand in line with global transnational media corporations.

It seems acceptable if MPB’s intention is to buy all television content copyrights as a strategy to assist potential independent TV producers to market their products overseas. This has been the situation since TV3’s inception and it is to be hoped that the ‘aid’ will one day cease totally. Nevertheless, in order for the corporation to step back, the smaller industry players, particularly the production houses, will have to establish a strong production output. Currently, the most constraining conditions relate to the unification of the market players and systematic execution tools within the regulatory framework; furthermore, communication between the two media groups (MPB and Astro) is putting pressure on efforts to develop the local television and content industries.
In order to remain competitive and continue to grow, MPB sets targets to focus on its internationalisation strategy, in order to expand its interests overseas. The mission has encouraged MPB to form Primeworks Studio – a team of creative people who work hard to generate creative content for customers regardless of organisation, locally and internationally. Primeworks has an advantage in terms of specialised skills and capacity of operation and wants to be perceived as another production house. Nevertheless, the size, capacity and behaviour of the company denote that Primeworks is attempting to monopolise the production and distribution of television content within the local television industry. There are several reasons for the limited capacity of small production houses in competing with Primeworks. Firstly, it influences size and capacity. Primeworks consists of skilled workers with many years of experience in TV content. Although they have only six staff members, the department is supported by staff from various departments of the four television channels whenever they are needed.

The second factor relates to facilities and competence. The greater amount of specialised labour enables Primeworks to capture better projects in comparison with the smaller independent producers. Suggestions to limit the amount or value of the projects Primeworks handles are likely to be unsuccessful. The suggestion is seen as likely a disadvantage to these smaller companies as they can hardly be involved in large projects. For the time being there are critical challenges for the local TV producers to fulfil demand for TV products for the local TV stations as well as to compete internationally. Inexperience and lack of capacity to compete with MPB due
to weaknesses in networking, resources, skills and capital are among the vital issues. In this regard large companies have the capacity to establish themselves in larger business projects and larger firms (Croteau and Hoynes, 2006: 121), hence hindering the small-scale companies in their attempts to enter the local market.

Another way of strategising the industry might be to set up a rotational system of working through joint ventures with MPB or any of the three media groups. In fact, there needs to be a consortium of TV producers from larger and smaller companies to establish long-term investment and cooperation. The attempt will ensure a higher standard of television content, an improvement in networking and the development of skills among industry workers.

A consultation system is the third constraint for better competition. This system can be developed as an agreement between a large media group and the smaller production houses under a monitoring tool. A non-government agency should be put in place to ensure that the system is implemented accordingly. Suggestions can also be made to strategise Primeworks’ positioning in the local television production industry in order to increase business opportunities for small-scale television production companies. Instead of aiming to do business in the local landscape, Primeworks should be conducting more than 30 per cent of its business opportunities with the international market players. Such a condition would help to elevate the local industry penetration strategy to the international marketplace. Therefore, the small-
scale production companies would have a greater capacity to generate revenue from the local market.

In a country where capital is absolutely vital for national development, the private members of the television industry have independently sought additional financial assistance to support their own TV stations’ operations. Capital has been the main issue since independence, and upholding the spirit of NEP since its introduction remains vital, not least for improving wealth creation among the Malay communities as the owners of the land.

Implementing economic development policies has been one of the key strategies for building and fostering economic growth in Malaysia, thus driving the structuring process of large corporations. NEP is the most important set of policies introduced to eradicate poverty and balance wealth generation across every ethnic group in Malaysia. The spirit of NEP has since blown into various economic and social policies implemented in the nation. Money is regarded as an important matter in Malaysia in every aspect of life. Therefore, the free market model concept has been employed as the platform for generating capital in order to bolster political, economic and social harmony. To ensure continuous financial injections, the government has appointed various potential corporations. Those who have shown great potential are offered government aid and support in fulfilling individualistic achievement in line with national achievement for the sake of a better economic environment.
7.5. Framing the Implications of MPB Conglomeration on Television Programming

This thesis intends to study the transformation of media organisations in Malaysia and the implications on media content through the debate of the political economy of media and the globalisation of media content. The objectives of this study are to look at the aftermath of MPB’s structural transformation since the 1998 economic crisis and the transformations that occurred in the local broadcasting and content industries. This study also intends to identify the forms of transformations within the process of media production in terms of the space for freedom of expression and the development of new ideas, both of which are meant for the growth of the local broadcasting industry. This thesis also tries to identify the implications of MPB transformation on its content, particularly the television programming of its four television stations.

This study was significant for several reasons. Most studies on media conglomeration and implications were focused on established television markets. These markets are prominent regional markets in the US, Europe, India, Japan and Korea (Thussu, 2006; Hafez, 2007). However, there are limited studies in small broadcasting markets (Chambers, 2003). Although Chambers (2003) argued that deregulation of small media markets may reduce market competition, the implications in a small market might be of greater challenge compared to large media markets.

This study investigates three main research questions. The first was identifying what kinds of transformations have taken place in the local television and content industry
since MPB conglomeration? This study demonstrates that MPB corporate expansion was assisted by its government-link status in managing the scarcity of various resources in Malaysia’s broadcasting industry. The key findings from the interview analysis showed MPB experienced structural transformation, which was driven by economic factors. Privatisation is the foundation to the development of broadcasting industry in Malaysia and the corporatisation of MPB. MPB’s transformation was driven by commercialisation and economic tension during the 1998 economic recession. Diversification of non-media related entities and integration of media-related entities enabled MPB to strengthen the business as a corporation (Mosco, 2009; Allan, 1996). MPB diversified business in education, properties, integrated radio, television and newspaper assets. The expansion had increased MPB’s strength in Malaysia broadcasting industry as it widens their business portfolio (Wasko, 2005:33) and elevates efficiencies (Gershon, 2009:35). Cost-saving strategy, shared resources and streamlining management were the formulas for long-term corporate survival and growth. These formulas were the key business advantages for the ‘sharing of production content and transmission across platforms’ (Doyle, 2002:31). This study also identifies how MPB’s consolidation concentrated the Malaysian television industry. The local television industry was transformed from an oligopoly market to an integrated market that developed stiff competition between three large integrated media corporations. The transformation caused a reduction of market players, similar to Doyle’s (2002:8) perception of market concentration. Apparently, in this case, the concentration of the deregulated media market did not reduce market competition, which contradicts Chambers’ (2003) argument. Instead, limited market players in
Malaysia had contrarily intensified the pressure to produce the best successful content among these large integrated media corporations. MPB bought three problematic television stations for economic survival and repositioned them under the same roof to bolster its corporate growth sustainability.

MPB’s structural transformation had also altered the programing of two out of four MPB TV stations via repositioning. This study conforms to the communication means of market structure transformation (Gershon, 2009:6). It does however, slightly differ from Kunz’s (2009:637) evidence that a shift in policy triggers a re-organisation of media ownership. MPB’s case differs in the sense that it is the economic pressure that challenged the government to suggest the re-organisation of media ownership in Malaysia. This case visualises Noam’s (2009:15) definition of media organisation and how it performs ‘environmental adjustment and adaptations’ in managing media organisations, particularly during a crisis. The Malaysian broadcasting industry has been driven by socio-economic factors than politics since the early inception of private television. Historically, technological pressure, spill over of content from neighbouring nations and unsatisfactory local programming impelled the government to improve television content (Rahmah Hashim, cited in Yasin, 2000). Arguments in this study had identified similar causes of poor resources and how they remain crucial to the progressive development of the local broadcasting industry. Economic factors were the key objectives to rescue MPB business empires and the local broadcasting industry. MPB was established out of de-merger and restructuring processes in the 1998 economic recession with government consent. Nain and Anuar (2000:173)
portrayed the situation as being non-liberal but with government intervention. This economic impediment requires government intervention through the enforcement and introduction of new policies that strengthens their weaknesses. These cases showcase that there is freedom for elevating creativity and new ideas but that the implementation has to go through certain parameters underlined by the governing bodies.

The content analysis approach revealed that MPB’s television programming is dominated by foreign and entertainment content, which conformed to Varis’s (1993:8) argument that imported programming distribution has been elevated since privatisation. This thesis shows that foreign programmes in MPB television stations were higher in the pre-conglomeration period than during the studied period after the post-conglomeration of MPB. This thesis confirmed that foreign content mostly came from the US-based syndicators during the pre-conglomeration period. Nevertheless, a variety of the US-based syndicators and regional-based producers filled up MPB programming in the post-conglomeration period particularly in the programming of the repositioned TV stations TV9 and 8TV. This evidence confirms that, apart from broadcasting local programmes, foreign content functions as a supplement to television station programming. Foreign content is vital as it is functioned to balance with the expensive local content. The evident conforms to Steemers’ (2004:24) notion that foreign content is necessary for balancing the procurement of content resources. However, while this study did not successfully look into the resources of programme
importation, Western media syndicators’ content is evident in the list of imported content.

Findings from the interviews highlight that importation of programmes was high because of a shortage of resources in terms of experts, limited facilities and capital, and limited skillful manpower. Governance and transparency challenges, and the instability of government policy, are other forms of weakness that have been highlighted. Weak enforcement of content quota policy and inefficient industry monitorisation tools had occasionally encouraged the ignorant attitude of market players towards television content guidelines. This apparently shows the importance of improving existing monitoring tools, regulations and policies that shield the public audience from the negativities of television station operations that prioritise commercialisation, particularly in terms of issues related to entertainment. This is one of the aspects of evidence that is highly concerned with the implication of media from the political economy paradigm. Political economists of communication pay serious attention to the implications of media development in society. Evidence from the interviews highlights cases of attitude and a lack of awareness of how private television stations can meet content guidelines and government regulations.

Foreign content has been the major attraction in the commercialisation of television stations since privatisation. The market system offered programme alternatives from the government stations for the local public. It reduces economic and political pressure on the local broadcasting industry through the liberalisation of a ‘monopolistic and
authoritarian approach’ (Karthigesu, 1994). Privatisation improved the non-Malay interests in local television programming. It was implemented mainly to increase the viewership of the non-Malay ethnic groups especially the Chinese due to unattractive and low quality local television programmes. This study found that negative perceptions towards the local programming still existed. The Chinese were highly exposed to international entertainment content from Hong Kong and Taiwan (Yasin, 2004) and the inception of TV3 as the first private station was set to focus on entertainment content as well as increase content varieties in the local television programming (Yasin, 2000). Their exposure to Chinese content was significantly related to the globalisation of Chinese movies (Zhao, 2004) and cultural diaspora studies in India (Thussu, 2006), which enabled the local Chinese ethnic groups to extend various communications means via their origin traditions. Nevertheless, based on the result of the interview, the repositioning of two television stations for a Chinese niche audience had increased Chinese viewership on MPB TV programming. The content analysis approach of this study confirmed the high amount of international Chinese programmes in 8TV and NTV7. The findings conformed with Yasin (2004) and Zhao (2004) notions of high Chinese international entertainment content. These means that the Chinese were given greater access to strengthen their connections to their traditions and stay better informed of current issues. As one of the issues of government patronage, MPB’s business strategies fulfilled the political pressure towards the government with the aim of providing a balance informative platform for the key races in Malaysia. With the majority of the citizens being Malays, and non-Malays mostly represented by the Chinese and Indians, the local television viewing
patterns have been a combination of local and international content since privatisation was mostly focused at Malay, Chinese and Indian programming under one television station. This means that the socio-economic factor had also pressured MPB to dedicate two television stations for the Chinese due to their strong disposable income.

This study had revealed that economic factors are key to the development of the broadcasting and content industries in Malaysia, particularly in dealing with the scarcity of resources. Content for television programming was sought through various economic means by trading global cultural products and international bilateral cooperation. The findings conformed to the globalisation of the cultural product paradigm that develops new geo-regional media centres and eases the distribution of media products in various countries (Mosco, 1996; Hafez, 2007). Mosco (1996:179) stressed that globalisation pressures international media organisations to export cultural products and set up new marketplaces overseas. The penetration of international content increases the localisation of foreign content as television stations often adapt this content in order to gain greater income. Findings found through interviews highlight localisation as the key approach of the adaptation of foreign content in local programming. The content analysis data confirms the existence of the programmes in MPB TV programming.

Collaborative efforts within the East Asian regions established beneficial policies that diversified local TV content. Regional trade collaboration such as bilateral agreements and economic alliances enhanced the penetration of cultural products and their
exchange activities between regional Asian nations. ASEAN is a coalition that engages the South East Asia countries with various socio-economic policies and forms strong international networking including in the broadcasting industry (Zanudin, 2009; Rahim, 2011). The coalition set up multiple exchange programmes to nurture mutual understanding among the members. Entertainment programmes were often established to engage members of ASEAN countries in order to strengthen mutual understanding as well as form cohesive relationships between different cultures, religions and nationalities within the region. Television programmes is one of the platforms that exposed Malaysians to more influences as they contain varieties of cultures and values from the ASEAN members along with other economic strategies to boost the economies of ASEAN members. Although language is one of the barriers that can make it difficult for media content to penetrate oversea markets (Doyle, 2002) the impact of linguistics is rather limited in ASEAN countries. Strong government bilateral relationships through multiple political and socio-economic platforms had increased the exchange of resources related to the media industry namely in terms of content, cultures, experts, manpower, talents or even as an economic model. These factors had diversified the international identity in Malaysia television programming in relation to how it contributes to the higher percentage of foreign programming in Malaysia. The interview and content analysis approach adopted in this study confirms the active broadcasting of regional content in the local TV programming. The majority of the programmes are of an entertainment format imported from Indonesia, Singapore, Thailand, Brunei and the Philippines. The multicultural coalition within Asian nations had apparently improved the diversity of cultural values in the local TV programming.
The strong bilateral relationship of ASEAN also means that the reduction of barriers through strategic economic alliances can be one of the factors that eases penetration of multi-cultural media content into the local television industry. This situation was portrayed by Thussu (2006:166), who stated that the liberalisation of national policies and transnational exports of cultural products eased the in-flow of foreign products to developing countries. This trend forced transnational media conglomerates to set up regional hubs (Thussu, 2006:166) in order to foster effective promotion and market distribution. These are the factors that added a greater international pattern of the local media content industry in Malaysia. Nevertheless, the barriers in terms of corporate deals for content penetration remain strong, as in the case of MPB’s business ventures into the Philippines’ broadcasting industry. Evidence in this study found that MPB had failed to expand its business ventures overseas. It attempted international expansion through media consultation and ownership in the Philippines. Unfortunately, strict ownership regulatory restrictions hindered MPB from extending its first international corporate venture post-conglomeration.

This study has also identified that there was evidence of corporate internationalisation of local content overseas in the pre-conglomeration period. It was somehow constructed through government-initiated collaborative projects with international trade agencies like the WTO, as in the case of TV3’s internationalisation case in Ghana, where TV3 offered consultation and localised Malaysian content. Evidence from the interview approach found joint-venture initiatives with international syndicators in
Singapore. Whilst, the limited local popular religious and entertainment content were exported to selected Arab nations. This thesis highlights that there have been limited internationalisation opportunities by MPB since the structure transformation. Nevertheless, interview evidences claimed that TV3’s business model is currently the most successful model in the Malaysia broadcasting industry.

Another economic factor that adds to the variety of cultures in Malaysian TV programming relates to the ‘Look East’ policy. This study identifies that the ‘Look East’ policy nurtured local entrepreneurs and public interest towards Eastern markets and reduced product dependency on the West. Under this policy, the Malaysian government encouraged business cooperation within ASEAN and East Asia countries, particularly with Korea, Taiwan and Japan (McDaniel, 1994:81), which increased trade agreements among ASEAN alliances that included content exchange for the local television industry. The Look East policy elevated a greater penetration of Japanese and Korean programmes into Malaysia media markets. This study identified that Malaysia also imports a significant number of programmes from ASEAN nations due to competitive audience demand, based on high TV ratings for specific drama series from ASEAN. Sinetron or Indonesian drama slots, for example, are an important segment in local television programming since the importation of human resources for domestic industries.

Chinese, Indian and Indonesian language programmes were among the imported content supply sought from regional business deals. This thesis has found that the
recent MPB structural transformation significantly increased the importation of Chinese programmes from Asian exporters, mainly from Hong Kong, Taiwan and Singapore. Repositioning of NTV7 and 8TV towards Chinese niche audiences elevated the demand for Chinese-language content in the local television programming. This importation trend confirmed the ‘contra-flow of cultural distribution’ paradigm that Thussu (2006) emphasised. This study confirms Thussu’s view that the distribution of cultural products is no longer monopolised by the West, particularly the US, but that some key Asian nations, mainly India, China, Korea and Japan became a significant marketplace and supplier of media content. This means that Malaysia’s imported television programming is dominated by both syndication and Asian content.

Similar to the conditions in Malaysia, low-budget programmes are also highly in demand in China because of product scarcity (Zhao, 2004:191). In China, these contents were primarily imported from the West and regional markets and reproduced according to local tastes (Keane, Fung and Moran, 2007). Malaysia initially imported Western content due to market demand and product scarcity. Nevertheless, additional factors involving the limitation of experts, a cost-saving strategy, content innovation, infrastructure and a lack of creativity were still apparent in the local broadcasting industry since privatisation and conglomeration, which increased industry tension. This is one of the greatest challenges for Malaysia to set herself the vision to be an animation hub, as underlined in the National Creative Industry Policy. Strong government and private company support is vital for realising the development of creative industries with Malaysia gearing up towards specialisation in animation.
This study proves that economic constraints have pressured television stations to seek replacement US content by importing Asian cultural products, from Hong Kong, Japan, India and Korea. Repositioning television stations and balancing production costs turned the local station toward these regional markets. These are mostly centres that have grown as Asian transnational media hubs for product development and the distribution of cultural products for the region, as Lim (2004) highlighted, except for Indonesia. Apart from economic cooperation, Malaysia imports products because of cultural proximity, particularly linguistics and traditional values. In the case of Malaysia and Indonesia, language is a tool of bridging cultural proximity in a regional context (Hassan and Ahmad, 2009:101). Both countries shared similar values that intensified the cultural economies of both nations, which increased Indonesian drama, popularly known as ‘sinetron’, in MPB programming through content exchange and cooperation.

Adaptation and localisation are evident in Malaysian broadcasting stations. This study proves that format adaptation is one of the approaches that can fulfill market demand. This study found that the localisation of foreign content is apparent in local television programming. Localisation of media content enables the adoption and transformation of foreign elements into local programmes, similar to Wahab’s (2010:27) notion of Malaysia TV programming, which contains ‘adapted and domesticated programmes for local consumption’.

Importation of TV programmes to Asian countries develops the localisation of television content practices among broadcasters, which has hybridised the formula for
TV content production based on the Western formula. In the process, transformation occurs in the path by searching for the successful ways of producing a fresh adapted local programme for the local communities. It absorbs the originated first country culture to the second country through localisation, which will reformulate the Western model programme genre. This formula and culture can then later be transferred to another country through programme importation. The first localisation phase re-model and re-modernised the understanding of the imported nation. Importation of the re-formulated and re-modernised content of the second nation by the third country will repeat the re-formulation of the first and second countries culture into the third nation. This is what Hafez (2007) mentioned as ‘dynamic cultural development’, which has an indirect impact on society. With such re-modernised culture, Malaysian societies do not only expose themselves to the traditional Western and Asian cultures. They are further exposed to modern transformed cultures that are merely a modern hybridised culture created by the media. However, the findings in this study are insufficient to verify the assumption of the re-modernising state of Asian cultures.

Evidence from this study claims that content quota policy pressured private television stations to adopt localisation in order to meet government policy requirements. This means that, instead of creating fresh productions, localisation has been another strategy to increase local programmes in MPB TV programming. According to Thussu (2006), localisation is usually done through the subtitling and dubbing of a foreign product. In Malaysia, these approaches have been evident since the inception of TV3. Evidence in this study shows that syndicated programmes were localised by making
changes in terms of engaging local hosts and participants in a local environment. A similar localisation approach was also practised in other countries, particularly in the Chinese-speaking nations namely China, Hong Kong and Taiwan (Keane et al., 2007) Lee explains that localisation in Hong Kong can be divided, wholly adopted or partially adopted (Keane, 2007:77). Dong Jon Lee identified 3 types of adaptation in South Korea (Keane et al., 2007:75) with similar categories. Homogenised programmes were also evident in MPB TV programming through content franchisors from Western transnational media content syndicators.

In terms of policy, government perceptions towards creative industries as an economic sector that would significantly contribute to the national economy should be altered confidently. Media industry people have been deluged with commercialism over the last three decades, which has influenced their awareness and interest in developing creative industries that promote greater knowledge and experts that suit national objectives. This indicates that television producers and TV station owners to a certain extent have failed to promote collective multicultural values in Malaysia in the long run. I see that multicultural values and mutual understanding is unique in Malaysia and that preservation of multicultural heritage is the key formula for the Malaysia content industry. Although there has been effort placed on in emphasising the television format quota as a monitorising tool, governance flaws have seen Malaysia risk its traditional values and cultural heritage in the attempt to gain access to commercialisation opportunities. In my opinion, the imposition of format quota may physically control the penetration of foreign content but does not prevent the in-flow
of foreign values into local programmes and communities. In fact, Thussu (2006) warns on the social impact of hybridization that could extend Western hegemony in a society.

The idea of television content quota was introduced as a tool to control the amount of foreign TV formats and promote local programme production in the local television industry. These are however mainly a physical appearance of programmes in local TV programming in the form of figures. The main concern is largely focused on the content of a programme which would influence audience behaviour and decisions. These are the concerns highlighted by Mosco (1996) on the implication of programme content that would change people’s perceptions about the world. Greater concern should be raised concerning the ingredients, formula and origin of resources, as it will define the type of implication that media has to a society. Media producers often adopt entertainment elements to increase the popularity and ratings of a programme. I suggest that media producers should also filter the origin of the values, the elements in such value, its suitability and the implication on local societies. Self-filtration with ethical elements will enhance a greater sense of responsibility among members of the broadcasting industry and will channel credibility that will eventually improve TV ratings. As this thesis looks at the political economy framework it is therefore of the utmost importance to highlight the implication of media content on society by carefully analysing the process of producing it.

The implication of the Western or Eastern values, a combination of both or of transformed cultural values may vary. Marwan Kraidy (2005) refers the transformed
values as hybridised culture. Hybridity carries the transformed values that contain changes and promote the new values to the receiving society, which raises the perception of the promoted message.

Putting these conditions in a cultural study perspective, unsystematic governance and commercialisation allows adoption and imitation of homogenised and localised content which will further transform the values of Western and Eastern societies (Hafez, 2007). This I suggest produced the hybridisation of integrated cultural values in Malaysia media content. Although the current total of foreign programmes gradually subsided, the local television industry and society remained exposed to international values both directly and indirectly. This explains the popularity of foreign programmes in MPB’s TV programming. As a corporate business entity, enforcement to follow the content quota policy was merely a compulsory choice, which portrayed the government’s obligation to safeguard the local content from foreign threats.

This study identified that although there are clear weaknesses in management, the economic and political issues continue to hinder the progressive development of the media and content industry in Malaysia. With these challenges in hand, development of the local media markets face greater obstacles to market its locally-produced content for the international marketplace. The government in the latest strategic objectives under the Communications and Multimedia Act 1998 (Communication and Multimedia Commission, 2011) had strategised to become an international centre for communication and multimedia information and content services. Setting up an
internationally recognised centre requires a strong support system and comprehensive transformation of the key management resources. Without good governance practice and sufficient resources, Malaysia requires a longer time or foreign assistance or a combination of both efforts in establishing the centre.

The second research question intends to identify the different types of programming since MPB and its structural transformation in terms of imported and local programmes and their implications. This study identifies that imported content has dominated MPB TV programming since privatisation. The findings support the arguments on higher foreign content since privatisation given by Nain (in Thussu, 1997) and Pawanteh (2009). Foreign content is also used as a tool for business competition as it can generate fresh and innovative content. Most imported content was of successful programmes overseas that attracted local television stations because of local audience demand, which usually helps television stations to identify sufficient resources for TV programming. This study identified that the formula was adopted in the repositioning of two television stations under MPB for the survival of new TV stations. The domination of imported content occurs outside of the consequences of the repositioning of NTV7 and 8TV since MPB’s structural transformation. Importation of cultural products was vital to resolve the limitation of resources for media content production, particularly in relation to Chinese programmes. Domination of imported programmes from the Asian nations in NTV7 and 8TV television programming was caused by station repositioning with the aim of focusing at the Chinese audience. Whilst, MPB’s shared resources strategy resulted in Western content dominating TV9’s
programming. Programmes that were previously shown on other MPB channels were broadcast on TV9 and other stations under the MPB group.

This study highlights that the pattern of programming in terms of language has slightly changed, giving greater opportunities to Chinese-language programmes particularly on 8TV and NTV7. Evidence from the content analysis portrayed that since the post-conglomeration, English-based content has become the highest imported content in MPB TV programming whilst the Chinese content is the second highest. The Malay content is placed third. Such a commercial strategy developed a fragmented audience market based on ethnicity in Malaysia, focusing on the Malay and the Chinese audiences mostly through an English medium. The findings further support the arguments on the impact of globalisation of cultural product distribution by international media conglomerates (Croteau and Hoynes, 2006:160-161). Adoption of popular elements to improve sales and attract audience attention is evident in Malaysian television programming and is similar to Hollywood’s strategy in television production (Rampal, 2007:35). This importation is vital for the industry’s progressive development as it generates knowledge transfer, which cultivates new ideas and creativity as the nation still lacks experts, including those for Chinese productions. Therefore, the localisation of Chinese content in Malaysia is made through subtitling and translation in order to ease the pressure, as highlighted previously. Additionally, findings from the interviews had identified collaboration efforts through joint-venture projects, which had also adopted a localisation approach in television production. The
portrayal of local talents and locations or a combination of both techniques were observed especially in reality TV projects.

The third research question seeks the difference of programming in terms of entertainment and informative programming and its implications. This study identified that commercialisation has also been the factor behind the dominancy of entertainment content in most MPB TV programming. Entertainment content is exceptionally high in 8TV and NTV7. Informative content is slightly lower than entertainment but has been progressively improving in TV3 and TV9 programming since conglomeration. The evidence supported the arguments by Khattab (2006:348), Pawanteh et al. (2009) and Shafie (2007), which found that entertainment-based programmes remain dominant in Malaysia television programming. The majority of the importations have entertainment-based content, mostly drama series and musicals. Based on studies in Thailand (Somkiat, 1998) and Singapore (Lim, 2004), entertainment-based content gains high ratings. These content formats are also popular in China (Keane, Fung and Moran, 2007:30). This suggests that the Chinese prefer watching entertainment content compared to other genres. Evidence suggests that the popularity of Chinese programmes has also intensified in non-Chinese speaking countries within Asian regions, including Malaysia. Consequently, it proves the dominancy of entertainment programming in Chinese niche audience television stations, namely NTV7 and 8TV. The popularity of Chinese content apparently encouraged TV stations to dedicate specific TV programming to Chinese-based programmes.
This study also reveals that religious programming has become apparent since the repositioning of TV9 towards a traditional Malay audience. The format offers more informative content such as talk shows and documentaries that discusses faith and religious issues. Nevertheless, hybrids of religious-entertainment content are apparent since the repositioning of TV9, which is mostly based on the reality TV format. Evidence in this study claims that these reality TV shows were developed based on syndicated programmes within the local media content parameters. Entertainment elements that incorporate Islamic entertainment guidelines were embedded into the religious content in order to foster higher ratings. Its commercial value is evidently the best formula for attracting an audience and enhances programme ratings (Rampal, 2007:35). Hybridisation of religious-entertainment television content, however, contains limited ‘low-denominator’ elements that Rampal (2007) claims are usually embedded into media content that prioritises commercialisation, as it contradicts with religious teachings. The values may be dominant in entertainment programming but it is restricted for religious content. Portrayal of popular figures in religious content, however, is approved in order to garner TV ratings.

The thesis is a study on media conglomeration in Malaysia concerning the expansion of MPB, which is a reflection of the political economy of media and the globalisation of a cultural products paradigm in Asia. From the Asia and East Asian region contexts, the evidence in this study reveals some similarities between corporate development and media content in regard to the studies of cultural industries in India (Thussu, 2006),
Japan (Iwabuchi, 2004; Kawatake and Hara, 1994), Korea, China and Taiwan (Keane, Fung and Moran, 2007). These are content markets that had gained from either or a combination of supportive government policies, strong domestic market consumption and promotions. Malaysia is a small market that has adopted diversified approaches in managing economic resources through government patronages, and is based on multi-ethnic preferences that encompass stiff market competition. Globalisation of cultural products has eased the in-flow of Western cultural content that develops ‘Westernisation culture in receptive nations’ (Thussu, 2006) like Malaysia. Nevertheless, the development of these Asia media markets also elevates the ‘contra-flow of cultural products’ (Thussu, 2006) with attentive traditional and linguistic programmes for the Asian markets themselves. This has increased television stations’ tendency to seek alternative content within Asian markets.

This study identified that economic and policy constraints have been the ultimate factors that pressured Malaysia television stations toward greater improvements through station repositioning and the rescheduling of television programming. Privatisation had apparently intensified the importation of American content before conglomeration. Imported content, which mostly consists of entertainment programmes, were the main source to resolve the constraints on the scarcity of resources in TV programming since privatisation. Malaysia’s dependency on imported content was prolonged for decades and gradually subsided until television stations performed business readjustments to cater for the present economic needs and regulatory environment. Eventually, economic disputes cultivated the locals’ interest
in greater transmission of Chinese and religious programming. This thesis found that US-based content is an important ingredient in MPB’s television programming and has become influential content since the early commencement of the television station. Nevertheless, the media will undertake commercial decisions for business survival. But any form of adjustments present other forms of implications. The political economy research framework concerns in regard to the implications of the media’s expansion and behaviour (Mosco, 2009). Evidence in this study highlights the implications of the repositioning of television stations and their programming.

We now understand that MPB’s television stations opted into Asian media resources in order to get alternative content at an affordable cost. However, these Asian market products also mostly contained localised and hybrised content, which in some forms are glocal versions of Westernised content (Hafez, 2007:95). Evidence of this study shows that content imitation is also evident in Malaysia with similar forms of localisation in most Asian markets (Iwabuchi, 2004; Keane, Fung and Moran, 2007). Evidence in this study also suggests that imitation is a normal practice by television producers as it is the most economic mean for local consumption and brings guaranteed high ratings. In a Malaysian context, the localisation process includes imitation of ideas through licensing and syndication. This study’s interview data highlights that content producers’ freedom in creative development is moderate as corporate freedom is dependent on local administrative parameters. The thesis also reveals that foreign programmes have been beneficial for media practitioners and the government as they offered guidance to catching up with latest technological
advancement and how to generate greater initiatives for local creative content industry development. Despite many arguments on the negativity of foreign programmes from media imperialism and cultural studies standpoints, foreign programmes still contribute to society as a reference for innovation and idea generation. Watching foreign programmes exposes and improves one’s perception about the world and nurtures new ideas and creativity in future programmes. This has been the ‘business’ factor that most media aimed for and contributes to a higher consumption of foreign and entertainment content in MPB’s television programming.

Evidence in this study shows that imitation develops the hybridisation of television programmes with integrated elements of Asian and syndicated programmes originating from the US. Localisation via linguistics, which occurs merely through translations dubbing and adoption of a local host, is the norm among Malaysian broadcasters. This type of localisation practice is similar to other cases in the Asia region namely in Chinese-language nations, India and Japan (Thussu, 2007:21). English, Malay and Chinese are the languages that offer the most hybridised content. The assumption would be that the importation of foreign programming from East Asia and the West in local programs illustrates the re-modeling of modern Asian integrated cultures, which Hafez (2007:97) warned was an ‘indirect effect of the import sector upon production of entertainment culture’ and on ‘dynamic cultural development’.

It can be concluded that the implications of media conglomeration on television programming in the small Malaysia market are similar in many ways to the cases in the
larger media markets. This has been the case, mostly for economic reasons due to the adoption of similar market systems and platforms that promote the deregulation and privatisation of media.

A political economic framework based on spatialisation identified MPB as the largest media corporation in Malaysia and a government-link company. MPB has performed a structural transformation in order to survive economically in the Malaysia broadcasting industry. The transformation concentrated on the local media market, reducing the total amount of markets from seven to only three. The transformation however increased market competition within a small market creating stiff competition within large media corporations (RTM, Astro and MPB). MPB performed horizontal integration when they bought three problematic television stations. The integration strengthened MPB’s competitiveness and they continued to be influential as the market leader in the local content and television industry. Freedom of expression and opportunities for new ideas in television production are limited to local regulatory and ownership parameters. Structural transformation also influenced their television programming. Results from the content analysis highlights that imported and entertainment programming are key content in Malaysia.

Globalisation of cultural content intensified business deals and channelled greater options for nations with limited resources with bias business packages being offered by the Western media conglomerates. The development of regional media centres eased the penetration of unlimited in-flow and contra-flow of the cultural products. MPB’s
conglomeration had also transformed its TV programming. Evidence in this study highlighted that imported content is greater than local content, whilst entertainment programmes rate higher than informative programmes. The imported programme resources consisted of the Western and regional content. The evidence conformed to Thussu’s (2006:166) notion of the regionalisation of cultural products sought from the Asian region as alternative content. Although the Indians is the third largest community in Malaysia, findings from the interview approach perceived that Indian programmes are uneconomical and receive limited demand.

One important distinctive finding of this study is that Chinese and religious content has been elevated in MPB’s TV programming post-conglomeration, having been very limited in the pre-conglomeration period. Importation of foreign programmes from the Eastern and Western media markets allowed programmes containing international cultural values in Malaysia to develop, which illustrates the multicultural society’s tastes for local television programming. Adaptation and localisation occurred as an economical method to fill TV content gained from various countries.

7.6 Conclusion
The pre-conglomeration period saw a more competitive television market as it consisted of a limited number of market members, each with multiple resources. TV3 was a strong market leader due to its integrated size, capacity and market performance in various media and non-media platforms, domestically and internationally. The Asian financial crisis weakened the income resources of many
television stations in Malaysia, hence the government’s intention to safeguard the industry from collapse. Media ownership increased government intervention and has enabled the government to manage TV3 and NSTP integration under MPB, as the simplest solution for saving the local television industry. The solution has been swift due to the imposition of TV3’s business model on the new media corporation, MPB. Adoption of TV3’s business model strategy for MPB’s growth seems to have been successful due to several strategised approaches:

1) Execution of horizontal and vertical integration.
2) Differentiation of problematic TV stations based on audience segmentation.
3) Fragmentation of television programming.
4) Implementation of strict cost-saving strategies and the sharing of resources amongst television stations under the same entity.
5) Streamlining the television production divisions under a platform, Primeworks Studio.
6) Fostering international investment in a regional market – the Philippines.

The adoption of TV3’s business strategy has been timely as it represents clear evidence of a strategic business plan for a television station that has been implemented successfully. Therefore, the conglomeration of the MPB group has increased its influence in the local television market and television content industry overall.

Results of the content analysis of television programming indicate that the entertainment format remains popular in all TV stations. It is the leader in three out of
four television channels due to their high dependence on imported and syndicated programmes. High entertainment content elevates the local exposure of international cultures and alternative content from various nations.

However, there are increasing amounts of locally produced programmes in the group, particularly on TV3. The post-MPB conglomeration has seen Chinese programming emerge since the re-positioning of 8TV and NTV7 under MPB. This new development has increased the number of Chinese programmes, particularly those domestically produced. This effort has seen increasing confidence in the standard of the television production on Chinese programmes, thus creating a better future for Malaysia-Chinese programme production exports. Although the government is promoting informative programme content, the commercialisation objective is failing to inspire a significant contribution from informative programmes in the local television programming under MPB TV Networks. The positioning of TV9 and Astro Oasis, which cater for the traditional Malay audience market, has also seen a growing demand for religious programming. In other words, MPB’s conglomeration has intensified religious programming internally, whilst the pressurised environment has encouraged Astro to introduce Oasis, thus seeking a competitive advantage in the local television industry. The emerging trend of religious and Chinese programming offers local production experts the opportunities to produce programmes with greater impact, which are then marketable both locally and abroad.
Although there is room for media expression in television production, the space for freedom of expression is rather limited in the drive for political and commercial hegemony. Such content will hardly be capable of penetrating most media markets overseas, as its exclusivity will not appeal to other cultures. The researcher believes that this is one of the realities that local television stations will have to accept. The local television industry needs to establish a specific TV format as the niche for content development that reaches international standards particularly in terms of gaining the interest of the non-Malay communities, who have a better perception of international content than the locals, as well as for made-in Malaysia content exportation. Despite several government incentives, strict execution of the free market model seems to be failing to meet the government agenda of elevating the local creative content industry overall.

This study also reveals that encouragement for new ideas is effective when there are greater working flexibility with the leniency of time and space for creative expression. The evidence appears to be unbalanced, however, as it does lack opinions from the media professionals involved in the process of television production. Samples of this study were limited to media producers with production and management experience and only a limited number of directly involved production practitioners were selected. Hence, further investigation that includes TV production crews is necessary to foster a better understanding of the provision of creative expression and the challenges found in television programme production among media practitioners.
CHAPTER 8

CONCLUSION

8.1 Introduction

This final chapter contains the concluding remarks of the study on the political economy of conglomeration and its impact on television programming, a case study in Malaysia. Discussion in this chapter will include a summary of the main research findings, recommendations for the television industry as well as for the government, and some suggestions for future research.

8.2 Summary of Main Findings

This study mainly analyses organisational behaviour and the social consequences of MPB conglomeration. The political economy approach enables identification of key policies and strategies influencing MPB and how it navigates itself in the local media industry. The research aim was to understand the development of Malaysia’s local television industry by taking MPB as a case study, focusing on MPB conglomeration and its implications since the aftermath of the 1998 financial recession. The implications of MPB conglomeration were examined by focusing on the transformation of the Group’s television stations’ programming. The study’s central concerns were to understand MPB’s influence in the local market, the contribution for content industry development, space for creativity in TV production and the emerging trend of specific television formats in four MPB TV networks before and after conglomeration. Based on
the research problems and personal motivation, the study sets out the following research questions:

1) What are the transformations that have taken place in the local TV market and content industry since MPB conglomeration?

2) How do media practitioners employ freedom of expression in television production?

3) How do media practitioners generate new ideas for the production of content?

4) Has there been any difference in terms of local and imported format in MPB TV programming? What are the implications?

5) Has there been any difference in terms of informative and entertainment format in MPB TV programming? What are the implications?

Two research methods were adopted to answer these research questions. The research uses semi-structured interviews as the primary method and content analysis as the secondary approach to calculate and evaluate the MPB TV Network’s television programming. Discussion of the main findings is grouped according to the research questions.

8.2.1 MPB Influence in the Malaysian Television Market

Evidence from this study highlighted that the Malaysia television market had been concentrated due to economic constraints, following the Asian financial crisis. As I mentioned in Chapter 5, the crisis burdened the local television industry with greater debts and transformed the competitive media market structure into a concentrated
market. This pressuring environment transformed the local television market structure, as highlighted by Gershon (2009:6). Noam (2009:35) pointed out the three key factors that push media firms towards concentration: economy of scale, reduction of entry barriers and convergence. In contrast, the case in Malaysia is somewhat different. Malaysia’s version of market structure transformation stemmed from the need to protect the television industry itself from turmoil in the aftermath of the 1998 economic recession. Since TV3 was the only media channel that had been able to sustain business during the economic hardship, its business model was used to support and turn around the problematic industry during this period. The recession had concentrated the Malaysian TV industry from a single market competition to a multiple platform group competition between MPB, RTM and Astro. MPB is currently the largest and most dominant media group in Malaysia due to its influence as one of the government-linked companies, an economic strategy set up since independence to generate Malay capitalism with greater involvement in entrepreneurship and, particularly, to generate higher income (Torri, 1997). MPB was set up and has functioned as an income-generating tool for the leading Malay political party, UMNO (Khattab, 2006:355); in this case study, it has demonstrably assisted the government in addressing the financial debts of three problematic television stations. The government suggested that TV3 take over three problematic television stations to save them from collapse, whilst at the same time safeguarding the communication industry as one of the key contributors to the national economy. The influence of government in ‘managing the household’ issues of the television industry during the economic hardship in Malaysia best illustrates Mosco’s political economy definition of the
political economy study of wealth that involves managing the individual, society or the nation (Mosco, 2009:22).

This study has taken Mosco’s orientation of the political economy of media (Mosco, 2009) along a spatialisation path as the theoretical framework through which to examine the development of MPB since the aftermath of the financial recession and its implications for the four MPB television networks’ programming. The concentration has shrunk the number of local private television stations from seven individually-owned stations to only three, forming an oligopoly market, each owning multiple media platforms which reflect MPB’s greater dominance in the local television market (Doyle, 2002:8). This dominance has been achieved through several mergers and acquisitions among the key resolutions for driving media growth (Mosco, 2009). The economic constraints offer MPB the opportunity of greater control through horizontal integration of four television stations under the same entity. The structural transformation has expanded MPB’s media assets from mainly television and print to include radio and new media platforms, as mentioned in Chapter 5. The development illustrates a horizontal integration feature based on the perception of three key political economy scholars, Mosco (2009), Noam (2009) and Wasko (2009). A horizontal integration occurs when a media firm buys a firm from the same media sector, from an unrelated media sector or in the form of a buyout between media and non-media sectors.
The adoption of TV3’s commercial business model swiftly developed MPB’s business operation and growth in a short period through corporate restructuring. Prior to MPB conglomereration, TV3 was the local market leader, adopting a vertical and horizontal integration, diversification and internationalisation strategy of various domestic and international media and non-media assets. These forms of merger are the types of concentration that Mosco (2009:158-159) highlighted in his conceptual framework of political economy. TV3’s business expansion conforms exactly to Mosco’s view of how a media organisation navigates itself in organisational expansion.

Despite the extensiveness of TV3’s media asset ownership and its monopoly strategy highlighted in Chapter 3, the station is still not comparable to other international media conglomerates of the West such as Disney, Time Warner and Viacom or the Asian media conglomerate Sony Corporation. The standard remains the same as MPB incorporated TV3 and NSTP under the group during its inception stage. On the other hand, incorporating TV3 and other media assets in television, radio, outdoor advertising and new media platforms under one roof has absorbed TV3’s long-successful performance in the television business into MPB’s image branding. As a result, MPB has managed to strengthen group income and audience share for its television platform through the adoption of cost-saving strategies, sharing of resources and overheads and cross-promotion. The adoption was based on the liberalisation of media and market model strategies with a view to maximising revenue. These approaches perfectly conform to Mosco’s (2009: 160-161) view that corporate concentration generates greater opportunities to improve control, production,
distribution and product exchange, thus widening competitive advantage. The merger between ‘close competitors’ (initially known as NTV7, Channel 9 and Metrovision), as highlighted by Sweeting (2010), influenced MPB’s decision to employ product positioning, and its strategy of differentiating itself from other television stations enables it to remain progressive and competitive in the industry. As a result, NTV7 and 8TV are skewed towards Chinese adults and young audiences, while TV9 is focused on the traditional Malay audience, somewhat similarly to TV3’s appeal to a mass audience and modern Malays. Conglomeration strategises MPB’s TV Networks according to their specific niche market. TV3 is for the mass market, 8TV is for the young urban Chinese audience aged under 35, NTV7 is targeted at modern Chinese adults aged over 35 and TV9 is positioned to cater for the traditional Malay market. With such a small market size, the positioning approach manages to avoid stiffer competition among television stations, thus stealing a larger portion of the market share (Sweeting, 2010). Cross-media promotion has benefited MPB in increasing group income. The strengthening of MPB’s liquidity offers better investment opportunities for local content development.

MPB’s consolidation has salvaged the local television industry and restored corporate liquidity. But there are various implications of media concentration in Malaysia. MPB’s greater influence since concentration has influenced its television business operation and industrial development in various forms, including dominance within the industry, and setting media content production quality standards and selling prices.
This study has identified that MPB has successfully increased its control or dominance over the television industry market. This dominance has offered MPB opportunities to set specific expectations and guidelines that, at a certain stage, have become the industry’s standard practices. Evidence from this study has highlighted that state influence coupled with MPB’s local and international business performance enables MPB to set the benchmark for the quality of television content in specific television formats. The television networks have also set product-pricing for television producers, including designing attractive multiple cross-platform advertising packages for advertisers and local producers. Setting the advertising price level, on the other hand, controls price competition for television advertising; this is apparently another way in which MPB seeks dominance (Waterman, 1993:23). Conglomeration has restricted television stations from offering extensive discount rates to advertisers. The strategy saved and strengthened the media corporation financially, in terms of infrastructure and assets, hence enabling MPB to become the largest media group in Malaysia.

Another implication of market structure transformation is the increase in entry barriers (Croteau and Hoynes, 2006:19). In the local context, media concentration in Malaysia has affected small-scale production companies in terms of opportunities. This study has highlighted that independent and small-scale producers have experienced severe financial constraints due to the limited number of projects and low product prices offered by MPB. Furthermore, the streamlining strategy that centralises MPB television networks’ content production unit under Primeworks Studio is another
threat to these producers as it strengthens MPB’s ability and capacity to supply content products for its multiple platform media entities. This environment will, in the long run, jeopardise the content industry, in which only those with sufficient capacity will survive. The setting up of the Primeworks Studio indicates MPB’s vertical integration approach, particularly for profit maximisation and greater control over the production process. The strategy realises Mosco’s (2009:160) and Noam’s (2009:40) visions of vertical integration merger, which involves improvement of a production line of related media industries, eventually elevating market dominance. The strategy offers various advantages, including production supply, savings on production costs and greater financial liquidity than MPB’s competitors (Mosco, 2009:177 and 1996:176). MPB has bought outdoor advertising companies and set up Primeworks Studio to strengthen its capacity and performance in media production. The local television producers are constrained by having limited alternative market buyers and distributors, leaving them with no alternative for marketing their products despite their low prices. Their constraints increase with MPB’s approach of buying all local and overseas rights or content producers to market their products locally and internationally. This strategy is unlikely to differ from the standard copyright guidelines practised overseas.

With such advantages, MPB has also attempted to expand investment overseas in a regional context, specifically in the Philippines. Although the internationalisation attempt failed, the experiences indicate that regional nations have set up specific guidelines and regulations to safeguard their media industries and the promotion of
their cultural products. Although MPB owns a media entity in Ghana, the ownership was gained through a bilateral agreement based on a consultative objective guided by a global funding organisation, the WTO. Such an ownership approach does not really illustrate the actual ability and capacity of MPB in the media business. On the other hand, the consultation assists Ghana in media organisation management and production content. Although MPB is unlikely to be perceived as a transnational media entity, either regionally or globally, the action fulfils the features of business expansion domestically and internationally, as Mosco (1996:179) underlined.

International growth needs strategic implementation due to strict foreign investment policies in most countries, particularly in the Asian region. Foreign investment and product export are best channelled through diplomatic platforms under bilateral agreements offering strategic penetration that will open a country up to other cultural products and services. This has been the approach used by the US and the global organisation elites. These global entities are built to provide financial consultation for member nations, facilitating national development. These entities are platforms that assist countries across the globe with exchanges of information, helping them find the best ways to help the national economy, build mutual understanding and develop the exchange of trade as a result of the penetration of a liberal ideology that promotes an economic system based on the open market and democracy (Hague, 1999:203). The promotion is a strategic approach by the Western economic elites in their attempt to achieve market penetration and product distribution in non-Western countries, particularly in the developing nations. Implementation of Malaysia’s deregulation and
commercialisation policies in the 1980s indicated the adoption of the neo-liberal ideology in Malaysia as a tool for generating greater economic development (Hague, 1999:204). Political economy theory views Malaysian capitalism as adopting the neoliberal system to develop the nation through the management of key resources to gratify a multiracial society, which is reflected in MPB’s practice of managing resources in the stages of production, distribution and consumption (Mosco, 2009:24). We now move on to look at the implications of MPB conglomeration for media content and audience welfare.

8.2.2 TV Programming
Deregulation of Malaysia’s broadcasting industry opened the opportunity for the privatisation of television stations and the penetration of the global trade of cultural products in Malaysia. Privatisation enabled the adoption of commercialisation strategies that elevated the flooding of imported programmes, which are mostly entertainment-based, into the local private television industry. This study identifies that privatisation has led to greater Western-based imported programmes but multiple economic policies factors had added Asia regional content to the local TV programming.

Exposure to international content has been high since privatisation, which inculcated the local audience to prefer foreign programmes than local ones. Evidence from the interview approach revealed that international programmes are perceived of higher quality than homemade ones. The insufficiency of content, low programme standard,
unskilled manpower, weaknesses in governance and limited capital were reasons for the content importation.

With such local impressions on homemade programmes, local broadcasters had no choice but to increase the importation of recognised foreign programmes in their programming. This situation in Malaysia conforms to Gershon’s perception that imported content is an important tool to fulfil audience demand, thus, filling television scheduling, which guarantees viewership and TV ratings (Gershon, 2009). Although the Malaysian broadcaster seemed to retain their dependency on imported content to maintain business, the proportion of foreign programmes originating from the Western nations is however lower than those during the early stage of television privatisation.

This study highlighted that most of the imported content that originated from the West was mostly from the US. However, there was also a significant amount of imported content that originated from Asian countries, which was merely to balance with programme production budget. Local programme production is argued as being more expensive than imported programmes. Imported Asian content was the alternative as it had a cheaper production budget, particularly since the economic recession. Cultural and religious proximity were revealed as other supporting factors concerning broadcasters’ programme procurement decisions since the inception of regional Asia media markets. The inception of Chinese-language based television station increased the importation of regional programmes from Chinese majority
nations. Although theoretically language seemed to be a barrier for business deals, especially for a multi-languages region, it has apparently facilitate in terms of enhancing knowledge transfer and product innovation. This factor apparently became the main reason for importing cultural content from neighbour countries.

Greater importation of media content is predicted to unconsciously transmit various implications, with one of the effects, as Croteau and Hoynes (2006) mentioned, being on social consequences. Malaysian media scholars (Rahim and Pawanteh, 2010; Wahab, 2010) have highlighted their concerns over the social impact of entertainment programming and how it develops Western hegemony in local societies. Fragmentation of the audience and the segmentation of television programming by corporate media is seen to have patterned the local audience viewership towards individualism.

Adaptation has been the mechanism in generating innovative local content with foreign features. Imported and cheap programmes were the strategic tools for economic efficiency during the inception of new television stations. Adaptation and imitation were heavily utilised in order to localise popular international content by television channels that face economic constraints when producing fresh local productions.

Chinese programming has become significant since the structural transformation of MPB’s television station and the repositioning of NTV7 and 8TV. Religious
programming has grown as a result of TV9’s repositioning exercise focusing on traditional Malay communities. Increasing demand for religious programming increases the hybridisation of religious content. The local media practitioners adopted some key Western formulas to produce successful content by embedding entertaining elements and popularity (Boyle, 2002). Nevertheless, constraints on human resources, innovation and capital remain as Malaysia’s dependency on importations of Chinese content from the geo-linguistic markets in Asia continues to meet programming demand through direct and in-direct bilateral agreements related to politics and economy.

Malaysia executes economic development policies that boost the progressive growth of local media industries. The ‘Look East policy’ intensified the importation of Asia-based programmes from regional media markets in Japan, Hong Kong and Korea. Globalisation of cultural content also increased the importation of programmes from India (Thussu, 2006; Kavoori and Punathambekar, 2008).

Quota and content guidelines are the monitoring tools that can promote nationhood spirit in a multiracial society and preservation of the national identity. Media concentration has shrunk the local television market with limited competition within the three large media corporations but produced intense competitive forces amongst multi-channel media corporations in Malaysia. These integrated media corporations own subsidiaries that ease economic efficiencies in content production. They saved production costs through the adaptation and reproduction of new programmes by
utilising a careful monitorisation approach, imitating and diversifying each other’s ideas that apparently develop hybrised content.

Adaptation strengthens local programming popularity but remains challenged by hybrid entertainment content, mainly from the US markets. Importation of Asia’s regional programmes was adapted through subtitling and dubbing by broadcasters in which some of those programmes are a hybridised version of Western ones. The Chinese-skewed TV stations were dominated by strong regional content from the Chinese-majority nation markets like Hong Kong and Singapore. Whilst, the Malay dominated stations were popular with Western syndicators’ content and regional content from namely Japan, Korea, Indonesia, Thailand and the Philippines due to strong bilateral government agreements and national policies. Based on the evidence, I stated that the current adaptation trend draws a significant account of successful Asian content rather than the Western content. Although popular Western content is the key for business sustainability in some television stations, viewing regional content has become another popular trend for multi-cultural audiences in Malaysia. In terms of viewership, the situation explains the necessity and reasons for programme varieties and the popularity of multi-cultural content in Malaysian TV programming.

Modernisation has also reduced the East Asian values in Malaysia’s multi-cultural society. Importation of Asian regional TV content apparently highlights Asian values that seem to be increasingly Westernised due to the globalisation of integrated Asian and Western values in the local TV programming. This study suggests that Malaysians
are experiencing both the direct and indirect influence of Westernisation of media content, directly from the syndicated programmes that come from the US and indirectly from the importation of Chinese-based content that went through localisation processes before being distributed to imported countries. We may believe that turning to alternative media content markets reduce the impact of Western hegemony in regional content imports. Unfortunately, Western hegemony somehow became stronger (Thussu, 2007:27), extending their cultures and values into the regional ‘subaltern cultures’ in India and China. MPB is mainly a small media corporation that adopted strategic communications for business survival through significant government ties in media ownership.

8.2.3 Freedom of Expression and Ideas Generation

Despite the corporate transformation and television industry concentration, channels for creative expression in the process of television production in MPB are quite open within limited parameters. The informants noted that staff members were also encouraged to generate new ideas at various stages. Nevertheless, freedom of expression remains related to the local politics and commercialism that seem to limit the cultivation of creativity in cultural production. Political networking appears to produce television content for the political and commercial objectives of the state and corporate stakeholders, particularly in news. Constraints in terms of television guidelines are rather stricter for programmes than for the newsroom environment. Apart from the political and commercial interest in news production, freedom of expression in the Malaysian media is rather limited due to strict regulations. Whilst
commercialisation carries satisfactory business content, manipulation of content or individualism are apparent. The generation of ideas often occurs through forms of gatekeeping in the editorial and production processes. Such exclusive content is hardly ever exported overseas due to its foreign features and relevancy in Malaysia. Universal content with common issues, such as human interest, to which global audiences can relate, comprehensible and shareable, is usually marketable. In terms of generating new ideas, the evidence reveals that encouragement comes in the form of space for creative expression, company visits and flexible working hours. The limited creativity motivation does not seem to stimulate a greater degree of creative intellectuality.

In conclusion, this study of MPB conglomeration conforms with Mosco’s political economy perspective on the management of a media corporation: how the established relationship between MPB management and the government interconnected and assisted each other in fulfilling their economic objectives and eventually fulfils the social requirements through the establishment of policies and regulation. As a result, MPB is consolidated through vertical and horizontal integration and Malaysia’s television industry has been transformed into a concentrated environment.

The evidence in this study confirms Eli Noam’s (2009:35) and Dennis Mueller’s (1969:643) justification of the impact of market concentration. The evidence shows that market concentration has enabled MPB to gain market power, higher profitability and economy of scale. Technological advances have pressurised MPB and allowed it to
embark on a media convergence strategy. As a result of the pressure and financial constraints, MPB establishes partnerships with local and overseas content providers to fulfil its local television programming. These processes have eventually seen greater cooperation between local companies, along with regional and global partnerships. MPB consolidation has produced new media entities under new media platforms (www.tonton.com.my, alt media, and gua.com), an advertising wing and radio as part of its corporate expansion plans to own multiple media platforms. Nevertheless, MPB conglomeration in a liberal yet regulated market has not reduced entry barriers, as predicted by Noam (2009) and Mueller (1969). The government remains the regulator that monitors the industry in many forms, mostly through ownership, licensing and policies. The current status and size of MPB as a GLC entity that integrates radio, television, print media, content creation avenues, and outdoor advertising as a new form of resource and platform, as well as new media platforms, has apparently prevented new firms from entering the industry.

Furthermore, the government’s discontinuation of its TV licensing tender has sent a clear message of its domination of the industry in an oligopolistic market. The purpose of the licensing halt is somewhat unclear and needs further investigation. However, the establishment of a strong state – corporate relationship that preserves the local television industry from alienating elements has been the most vital decision. This also means that entry barriers remain intact in the local television industry, thus restricting dynamic market competition. Market competition is limited in such an environment, as noted by Guillaume Roger (2009: 134). A biased industrial policy has further
increased the pressure on each of the local television market players: the government, the terrestrial and the satellite channels. When imported programmes dominates the terrestrial TV and satellite TV programming, the proportion of imported materials is massive. Only government channel address the local content. But how local is a local content if the production idea is adapted from foreign programming? Findings from interview suggest ideas are sought by observation, watching foreign movies and other from of media. When international media becomes local players’ key reference and preferences, I believe that the programme outcome will in many ways mirror the original copy. This situation is the reality of the local television industry with apparent constraint for skilful workforce and potentially interesting to be studied on the extensiveness of adaptation and its varieties.

Domestically, the private television market is witnessing head-to-head competition between FTA television (MPB) and pay-TV (Astro). Each appears to be monopolising the market respectively. MPB’s dominance allows the group to be selective in terms of the quality of television content, as each of these larger media corporations have in-house production companies that ensure programme supply. Their products will be dominating the market, hence reducing product diversity. In the face of the competition, small-scale media firms tend to follow the content of the dominant media. The efforts include imitation of output, eventually flooding the industry with homogenised products as the easiest approach to winning a larger audience share. With such an environment and industrial constraints, Malaysia’s television industry has
somewhat limited potential to nurture creative ideas that can generate greater success for its television programmes.

MPB’s dominance in buying all copyrights increases the discouragement of local firms from bridging business deals with foreign firms in collaborative and joint ventures. Cooperation, should there be any, is usually established with government support as this will be the only platform promoting industry collaboration, either domestically, regionally or globally. However, the challenges are huge. Although market liberalism is being adopted in these regional markets, in most nations the broadcasting industry is safeguarded by policies that blanket their own television and content industries. Therefore, Malaysia government will have to make a great effort to fulfil industrial and national objectives to improve local television and its content industry. Such a challenge confirms Gershon’s (2009:35) notion that ‘foreign direct investment policy is the key to assist local markets for embarking on new business platforms overseas’ in which establishing networking is vital for any form of foreign investment and market penetration. Such a collaborative approach through joint ventures will support the domestic companies’ efforts to penetrate foreign markets in long-term relationships that eventually discourage self-dependence. This will gradually build a progressive culture that strives for self-satisfaction and a successful future.

On the other hand, this also denies the participation of small-scale production companies due to favouritism which originated from individuals’ lack of political influence and resources to market their products independently. The constraints see firms with limited resources and influence seeking alternative markets to market their
products in different market locally or overseas, or else gradually going bankrupt. There are a few successful cases of local content providers such as KRU Productions that have marketed their films through international cooperation in the US and Europe. Nevertheless, with the current domestic environmental constraints related to market policy and resources, the complaints from the local content provider are crucial if Malaysia is serious in setting itself up as a multimedia content hub. Capital, human resources and technology are essential in setting up a creative content hub in Malaysia, particularly in animation and multimedia. As I have already stressed earlier in Chapter 7, the Malaysian government has already made various efforts in the form of policies, funding and key infrastructure towards reaching the objective. However, the implementation process for disbursement of financial support and awareness in the industry is somewhat limited and unclear. Negative perception on local content should be addressed positively for racial unity and economic stability assurance. Scepticism is one of the challenges that the government has to address to convince various parties - from individuals to content provider companies and financial institutions - to support a progressive development of a creative content industry.

Media concentration in Malaysia is considered high, with all mainstream media being owned and/or related to the ruling government in free-to-air television, satellite television, government television and multimedia content. However, television programming broadcast programme varieties in order to fulfil multi-racial viewers through stiff competition between the key mainstream television stations. The environment is similar to Germany’s media industry in terms of concentration trend
(Czepek and Klinger, 2010:832). The convergence trend is strongly adopted in Malaysia and in most cases of media corporation growth in the US, Europe, Japan and China with limited contradictory cases, such as the situation in Germany. In fact, the government had already set out and geared specific policies, namely the MCMC and the Multimedia Super Corridor, towards fulfilling the objective.

8.3 Recommendations for the Local Authorities

This study has revealed that the conglomeration of MPB has generated media concentration that downsized the total number of players in the television industry. MPB gained strong dominance domestically, as the corporation is just a small-scale and progressive media corporation due to its limited capacity of resources. Hence, there are various forms of improvement that can be implemented to gear up the industrial development and performance.

Unity of every member of the creative industry must be strengthened and a council or an association or any suitable agent should be appointed or introduced as the platform and centre that manages key aspects and needs of the industry members. The association should consist of elected people, who gained the trust from members of the industry, involve credible individuals from multiple backgrounds that may assist in developing strong, reliable and credible association. It should be run by neutral members and non-members from the industry to avoid any form of conflict of interest. This association should play key role in preparing, generating and strengthening members’ welfare including knowledge sharing and physical development that enable
the creative industry sector to achieve the objectives of the National Creative Industry Policy. The strategy includes an educative platform that may enhance members credibility by introducing innovative personal enhancement courses or coaching that can contribute to the general wellbeing of the members. Commercialisation consideration should be loosen at times where there is a need for assistance for market members.

There should be an established strong networking between the industries with every institution of higher education in Malaysia, especially of those offering courses related to the creative industry. These two parties should be trustful and be respectful by members and must share innovative knowledge that would allow the kick-off of the circuits of knowledge within the members, industry, government and global market. Although the industry has FINAS as one of the platforms for knowledge transfer and funding tools, the government agency still faces constraints related to political intervention and conflict of interest that loses its credibility among industry market players and members.

Research and development activities should be geared and intensified and be able to update members of the industries with latest innovative and cutting-edge information for future planning. Therefore, impactful amount of research grants should be offered by the association, the government or even by any of the media corporations based on their capacity and government objectives. Research and development culture should be well accepted for improvement and sustainability of the industry. A progressive
minded way of thinking, an open-minded and move-forward individual, would encourage members of the industry to involve in various researches positively. The practise will assist everyone in the industry to the draw the potentials and drawbacks in cultivating industrial and national wealth.

A knowledge culture should be drawn that moves everyone towards the desire to cooperate and find the best formula in integrating and unifying the cultural values of the multi-racial feature of Malaysian citizens. The current situation highlights the private media system does not entirely support the government in strengthening the socialisation of Malaysians towards a mutual understanding of each group’s values and traditions. Instead, by following the market model formula the private media has actually widened the gap between these cultures that contradicts with the government agenda in inculcating national harmony amongst Malaysians. Perhaps, it may be timely to re-evaluate the restrictions in regard to television content quota or formulate specific ingredients of content that not only represents the unique quality of Malaysian societies as well as building a strong circuit of understanding within the multiculturalism society. To ensure the success, the government has to improvise the channels and methods in promoting the objective of a one-Malaysia concept, and identify a platform and objective that these multi-racial communities may compromise.

Economically, the health and wealth of local market economy remain an important structure. This study has identified that despite of Malaysia’s independence and the
transformation leap that Malaysia had experience from agricultural to manufacturing based economy, the main essence of an economy remains the nation’s key challenge. Capital, human resource, technology, governance, infrastructure, education and innovative development across multi-disciplines require improvement. The government has to strategically identify the ranges of cultural industry in which Malaysia has potential, identify nations’ product advantages and impose strategic plans to develop the vision. The transformations include plans to improve financial assistance from a variety of resources, not merely relying on government funding, but also private entities like GLC’s and their implementation. The negative perception of the financial system in Malaysia should also be identified to find greater collaborative understanding that would create greater opportunities for the financial institution as well as smaller production houses. Though there is growing public funding generated for these production houses, most need some refinement in terms of requirements. Financial institutions managing the loans outline requirements of standard banking procedures that hinder small production from getting the opportunities and eventually decelerate the economy circuits of local television productions.

From a micro perspective, the scale of liquidity in the television industry is likely to have increased since the reduction of the advertising discount amongst television stations. In this case, the industry and government should give top priority to television content development. The research and development tasks are aimed at improving the overall standard of TV content, particularly of home-made programmes. Although there have been strong challenges to the local TV content’s ability to
compete with overseas products, local programmes are still credible for the domestic market due to proximity values. Therefore, it is vital for the government and market players to invest in developing local content and this has to be done with great trust. The local television industry needs to set specific TV formats as the benchmark for content development that will reach international standards. Although there appear to have been several government incentives, strict execution of the free market model seems to be falling short of the government’s agenda of elevating the local creative content industry overall.

The market players and government should monitor and concern at the welfare of smaller independent television production houses and individuals that seem to be the victim of media concentration and corporate expansion. There should be a mechanism to assist these players to recovering plan of their business. These small-scale businesses could offer fair market competition to sell their products to a limited number of buyers through a strategic approach, to both parties’ satisfaction.

Balanced opportunities should be offered to the small production companies in terms of generating wealth among the industry players of all sizes. Television stations should consider increasing the product price of specific content to improve small scale content providers’ business capital. At the same time, every industry player must strive to produce good content that is valuable and of a higher standard. Producing a higher standard of television programmes will attract bilateral relationships across nations that elevate communication and investment platforms in foreign markets.
MPB’s strong credibility due to its links with the state should be balanced by a responsibility to contribute to national development. Firstly, MPB should assist smaller production houses with entrepreneurial skills, content production and networking by establishing workshops, exhibitions or hands-on skills by bridging joint venture projects. The collaboration should be fair and open to all progressive members of the industry. The large media corporations, including MPB, should always broadcast unbiased information, avoiding the manipulation of content, whether in news or other content formats. With the government gearing up efforts towards developing a creative content industry and the objective of setting Malaysia as a creative content hub, this groundwork effort is crucial to generate a greater amount of skilful human resources in creative and multimedia content within the local industry. This has to be implemented at the secondary and tertiary educational levels.

In terms of industry policy, initially there is no specific broadcasting policy to guide the television industry’s operation and business imperatives. Liberalism has ensured that market ownership remains open, but reserved for various domestic parties. This has enabled private television stations to strategise their business based on their corporate visions and market trend. But does it satisfy the audience? Does it assist in building positive values in society? The public interest model, by Croteau and Hoynes (2006), offers essential guidelines for the government’s policy consideration on the implications of a concentrated market and content industry development. Monitorisation of market competition is vital to avoid any indicators of increase in
market monopoly. Healthy competition should always be promoted to ensure that the industry remains progressive and productive. Government intervention is vital particularly when there are genuine cases of misbehaviour by any members.

While this research is still in progress, the government in 2010 had introduced a rather comprehensive policy covering almost all of the creative industry disciplines. The policy is currently used as key guideline in governing the components of creative industries in Malaysia, which hopefully shed some light with promising improvements for the industry.

8.4 Future Research

Based on the interviews in this study, there were many arguments and complaints from small-scale content providers or production houses, indicating that some form of weaknesses are occurring in the current industry environment. Since the key problem relates to funding issues, it is vital to implement a study identifying the financial support and form of challenges that the market members are currently experiencing. This will further look at the effectiveness of the disbursement system in assisting small companies to fulfil the government’s agenda. It would also be beneficial to look at the openness and contribution of the private sector in supporting the development of the creative industry in Malaysia including the integrity of grants, government incentives or loan applications. These studies would assist the government to identify and improve any defects occurring within any part of the process.
Considering Malaysia’s lack of creative media professionals and talent, it would also be significant to execute a study that emphasises methods to stimulate creative ideas for content development for both traditional and new media. Suggestions of beneficial training that tally with industry development should be encouraged. This study highlights that commercialisation and government policies were the challenges of generating creative ideas that hinder creative media content from the perspectives of media managers through interviews. It would be impactful that future studies adopt a survey or focus group approach to reveal the constraints on how to nurture and develop creativity. To ensure successful progress, a gradual educational process of stimulating creative thinking should be nurtured from the early stage of the Malaysian education system, from primary and secondary schools until tertiary education level. Supportive efforts from the government, non-government agencies, the arts industry and parents are vital in ensuring the success of this mission. For the time being, a short-term effort should be implemented generously under a collaborative platform by both media scholars and professionals.

There have been many academic studies on the implications of television programming especially in terms of private entities. In most of these studies, major concerns have been placed on the implication of the content and the amount of entertainment and foreign programmes on TV. However, these findings do not drive us to an impactful action towards the betterment of the society so far. At present there has not been any new model for media business in Malaysia. We currently have two established media business models - private entities and public service broadcasting -
(PSB) (Croteau and Hoynes, 2006), and both approaches underline many advantages and disagreements according to a nation’s preferences. With this in mind, Malaysia adopted privatisation model can encourage greater economic strength within its multi-cultural society. To my understanding, privatisation is not the ultimate best model for the nation but neither is the PSB model. Malaysia offers both media systems and they had significant contribution to the national development, developing industries, generates income and improved life quality. We might see many new models but one thing that one shall concern is the influence of those models to the society. Malaysia had faced better times and occasionally had significant challenges in managing resources and addressing the variety demand of its multi-culture citizens. The political economy paradigm adopted in this study enable one to understand the management aspects of MPB and its navigation in dealing with various parties, issues, and resources. Putting the framework of spatialisation of political economy (Mosco, 2009) in this study, shun some lights on generating corporate wealth. Nevertheless, the creation of wealth should not be limited within the corporate elites and the states but extended also towards the health and wealth of the public.

It will be beneficial to therefore study how to identify the best formula to uphold the one-nation vision among multi-racial citizens and identify what are the negotiable platforms that these ethnic groups are willing to compromise across in Malaysia. The result can later be translated strategically into policies that are set up to support the development of national identity that represents Malaysia’s multiracial ethnic group in
terms of media content. This I believe will develop a global view of the mutual understanding and assimilation of multicultural nations.

It is also interesting to further identify the forms of television content adaptation in Malaysia. Evidence from the content analysis of television programming in this study are rather limited based on a quantitative approach. I believe it would beneficial for Malaysia’s authorities to understand further how adaptation in Malaysia is being developed that may contribute to and influence both media practitioners and society.

What are the popular approaches of localisation in Malaysia and how was it made? Were there additional factors that contributed to the localisation of foreign content? These are some of the queries that need to be addressed from the perspectives of cultural studies that draw the background information of the current programming in Malaysia and their implications. These studies would distinguish the similarities and differences within specific format, across local media corporations, regionally and globally. What are the consequences of localisation of imported content from the West with the importation of Asian content in Malaysian television? The study may help the Malaysian media market to identify the best formula of adaptation that can be used as a model to produce successful television content. This also means that the future study should be tools that may assist media practitioners to reduce the impact of culture hegemony and pluralism that contradicts local societies’ traditions and beliefs. Another form of study related to localisation is the identification of cultural elements. This study identifies that the localisation of imported programmes develops
integrated cultures that extends both Western hegemony and Asian culture in the programmes. A detailed study using a qualitative content analysis approach would verify and identify these elements that may assist with the marketing and promotion of local creative industries.

It was evident in this study that religious programming slightly balances the entertainment content with informative content more than in the pre-conglomeration era. Religious programming had never interested advertisers but a further study of the hybridity of local content in Malaysia would illustrate the diversity of programmes across platforms and formats. Future study on Chinese programming would also be beneficial as it could reveal the appealing factor that would attract Chinese and other ethnic groups to watch local content.

8.5 Epilogue

We have witnessed that MPB’s inception and growth have been highly influenced by political and economical agendas, with the intention of using it as a tool for generating revenues for the government and advancing its political agenda. MPB is the most dominant media corporation in the local television industry in terms of assets and audience share. Despite this dominance, MPB has limited capacity - financially and in terms of resources, assets and profits - in comparison to larger Asian media corporations, namely the Media Corporation in Singapore, TVB in Hong Kong, Zee TV in India and the Sony Corporation in Japan. Nevertheless, MPB has adopted various development strategies similar to the business approaches implemented by key global media conglomerates as its examples in building a media business empire in Malaysia.
The key success has been the takeover of TV3 and NSTP, two long successful mainstream media in Malaysia. MPB adopted horizontal integration in the aftermath of the 1998 recession to get a stronger grip on the television business and other media related platforms. MPB has attempted to internationalise its product through consultation and content promotion in the Philippines, but has been challenged by regulatory constraints in that country. The only successful attempt was established by TV3 in Ghana through a bilateral agreement under the WTO. This illustrates the neo-liberal ideology adopted by most developing countries such as Malaysia for economic development solutions through deregulation and privatisation of the media industry (Zanuddin, 2009; Hague, 1999:203). As a result, a market model has been the key system implemented in the Malaysian media industry, based on a commercialisation ideology that is driven by profit maximisation goal.

Adoption of commercialisation has resulted in MPB setting targets to maximise corporation profits throughout its business operations. This includes seeking key resources for its business objectives. This study identifies that MPB has implemented saving-cost operations and the sharing of resources - including content, infrastructure, asset and facilities - in order to remain competitive and profitable since its inception in 2003. Audience fragmentation and the positioning of the television station have been the key strategies for MPB’s survival in the industry since the merger of the three problematic television stations. As a result, the programming of television is skewed towards a specific target audience, mainly the modern and traditional Malay and
globalisation has influenced the import of media content in Malaysia, which has seen more imported and entertainment programmes, particularly for the Chinese audience (8TV and NTV7). The trend means the Malaysian television industry is increasingly dependent on cultural content imported mainly from the West and East Asia since privatisation to include Chinese, Korean and Japanese cultural products.

Although neo-liberalism has been the key success for national development in major industries in Malaysia, the amount of imported content, particularly of entertainment format, is of great concern, as it has the potential of challenging government objectives in generating a knowledge-based society as well as limiting the negotiation platforms for national harmony among multicultural society. The convergence era, which is influenced by technological adoption, had also seen MPB increasing capacity by setting its multimedia and online media content to remain competitive to fulfil the audience’s interest in the local marketplace.
APPENDICES
### Appendix 1:

**The Coding Schedule: ‘Conglomeration’s Impact on MPB’s TV Programming’**

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Television Station: [TV STN]</td>
<td>1- TV3  2- 8TV  3- NTV7  4- TV9</td>
</tr>
<tr>
<td>2.</td>
<td>Transmission date <em>(day/month/year)</em>:</td>
<td>[TX DATE]</td>
</tr>
<tr>
<td>3.</td>
<td>Actual Transmission Time:</td>
<td>[TX TIME]</td>
</tr>
<tr>
<td>4.</td>
<td>Title of Programme:</td>
<td>[P. TITLE]</td>
</tr>
<tr>
<td>8.</td>
<td>Programme Language: [P. LANGUAGE]</td>
<td>1- Malay  2- English  3- Chinese (Cantonese/Mandarin/Hokkien)  4- Tamil/Hindi  5- Others: __________________________ (i.e. Korean, Indonesian, Thai, Tagalog, Arabic, Spanish, Japanese, etc)</td>
</tr>
<tr>
<td>9.</td>
<td>Comparison of TV Format: [COMPARISON]</td>
<td>1- Entertainment  2- Informative  3- Others</td>
</tr>
</tbody>
</table>
## Appendix 2:
### Dates Forming Four Composite Weeks of TV Programming Study

<table>
<thead>
<tr>
<th>TV Station</th>
<th>Year of Study</th>
<th>Dates of study</th>
<th>Year of Study</th>
<th>Dates of Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>8TV</td>
<td>1998</td>
<td>Unknown</td>
<td>2006</td>
<td>Unknown</td>
</tr>
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</table>
Appendix 3: Interview Questions

1. Where do you position your company within the local media market? Why was the station involved in a merger? What is your opinion of the company’s (station’s) current development compared to before the takeover?

2. Do you think your rivals or smaller firms are being pressured by MPB’s move/expansion? Why?

3. What is the rationale for the consolidation from the government point of view?

4. Have there been any constraints/restrictions that your station normally faces in the daily operational routine in regard to TV content?

5. How free are you in terms of making decisions to produce TV programmes? How do you orientate your station regarding situational issues and changes of government policies? How do you react to cases such as programmes that have sensitive elements?

6. How did you encourage your staff to offer new inputs to improve the station’s content?

7. Do you think that conglomerations have led to the overall improvement in the television programme quality of your station? Why? How?

8. Have there been any changes of programming trend or types of programmes that your station currently focuses on with the one before merger? Why?

9. What is the ratio of imported programmes compared to locally-produced programmes in your TV station, before merger and after merger? (Please support your answer with actual figures on this) Why is this so?

10. Having gone through the consolidation process, has the action taken improved the quality and quantity of the locally-produced programmes overall? Has the takeover resulted in an increase or decrease in the informative or entertainment programmes your station offers?

11. What is the ratio of entertainment programmes compared to informative programmes offered by your station before and after merger? (Please support your answer with actual figures on this). Why is this so?

12. The Malaysian government encourages our TV content to impart and be sensitive to local features (i.e. religion, cultures). However, most of the domestically produced programmes have the flavour of Hollywood. Why does this happen? How does your station ensure that these issues are catered for accordingly and at the same time inculcate/nurture Malaysian character?

13. How do you put yourself (company) in the current era of convergence and new media?

14. Recently MPB has joined a regional alliance with Asian media networks. Can you explain the rationale of the move?

15. As a policymaker, please explain about the television content quota guideline on entertainment and imported programmes. To what extent has it been enforced on the private channels?

16. What is the government’s stand on media ownership in Malaysia. What are the challenges of implementing policies regarding the content industry, especially for television?
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