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Internet Advertising:
Problems and Prospects in Malaysia

Introduction

The current progressive development of the Multimedia Supercorridor (MSC) in Malaysia has seen a drastic change in the culture and way of life of the Malaysian community specifically. It has also been identified to be one of the potential technologies which influence the majority of the socio economic activities of the human race through five different basic dimensions; computer, telecommunication, information, content, and micro-electronic technologies.

The information technology is predicted to be able to enhance a complete revolutionary social change through its capacity as a revolutionary technology and mechanism which is able to manipulate the processing in information and understanding to stipulate growth and development.

In any developed society, the possession of information haw now become fairly easy without the obstruction of distance, time, and boundaries. In such an instance, the information is virtually at the tip one's fingertips. The introduction of advanced and sophisticated state-of-the art multimedia electronic technologies has resulted in the emergence of the era of "Information Technology."

In the past, the computer was primarily used for administrative purpose, such as processing information in the organisation, typing, storing data and other related activities. However, with the emergence of the internet, the utilisation of the computer has drastically change beyond just processing in information to message dissemination and information gathering from all the four corners of the earth. Information

is sent and received in a matter of seconds. This has made possible the concept of the paperless office; and effort to minimise the use of paper in the organisation although practically and in reality, paper is still very much in use in the office and organisation.

Since 1990, the internet is merely used as an educational discussion forum among academicians and active users of the internet. Today, the internet is largely used for obtaining various information pertaining to thousands of subject matter. The internet has remarkably expand its reach to over 90 countries world-wide and connected to about 30 million computers, enabling the exchange of information across the boundaries of culture and countries (Shamsul Bahri, 1995:56).

Definition of Internet

Internet is not a stranger to most people and is actively utilised by majority of society, especially the younger generation. However, most people do not have a clear understanding of the world "internet". Most people associate the internet with information super highway, like a information bank which contains endless information and sources. In other words, whatever information one is seeking can be easily obtained in the internet. Therefore, what exactly is the internet?.

In its general term, internet, short form of the words "International Networking", is actually an interlinked computer system connecting computers world-wide in offering information-bases system or library to its user (Herb Tyson, 1995:2). The interconnection of all the computers in this system brings about the term "Information Superhighway". In other words, it is actually a collection of over 25,000 servers accessible by other computers world-wide from all the four corners of the globe (Capron, 1996).

Internet can also be viewed as the connection of a networking of computers via coaxial or fibre optic wires which enable these computers to "communicate" with other computers within the same network. This form of network includes the internal network better known as LAN (Local Area Network) and the external network of Wan (Wide Area Network). The process of interconnection of these different networking systems by telephone wires or Integrated Services

Digital Network has resulted in the emergence of the term Internet (William Stallings, 1990:207).

The drastic advancement of the internet is creating a huge networking of computers from over 150 countries world-wide providing millions of information and reference sources (Computimes Shopper Malaysia, April 1996). According to the Head of MIMOS, YBM Tengku Datuk Mohd Azzman Shariffadeen, the internet can be regarded as a highly democratic connection medium in the world since the free flow of information in unregulated (Redy Jeffry Mohamad Ramli, 1996:14). However, the unregulated control of information posted on the internet can create problems and implications resulting from the unregulated control of information on the internet is discussed in detail in the later part of this paper.

The Development of Internet in Malaysia

Most organisations in Malaysia, primarily in private organisations and financial institutions have started utilising the computer system to facilitate in the operation of the organisations activities. The development of organisation and the increase usage of computers have given rise to the need for teleprocessing of information to enhance communication. In the 1970s and early 1980s, the processing of data communication system was done using Public Telephone Switch Network which was capable of connecting the system base with computes with dissemination speed of not more than 9600 bit per second.

The difficulty of processing complex information in 1980s have given rise to the need for an effective and sophisticated data communication system. In August, 1983, Telekom Malaysia introduced the DATEL system, primarily for data communication in the capacity of disseminating information at the maximum speed of 2400 bit per second. In November 1984, Malaysia has advanced one step further with the introduction of the MAYPAC system which enables computer systems in Malaysia to obtain data bases overseas, such as from the United States of America and Europe (Zaini Md. Jana, 1990:6-7).

The telecommunication system and technology is increasingly expanding in accordance with the era of new

information technology expanding in technology is compatable with the development of the community. For example, telebanking system has been made a reality in the Malaysian society. Banks today are able to provide various financial services via computer technology and telecommunication for communication with other banks and clients in Malaysia and overseas. Financial institutions are able to "communicate" with and between other financial institutions both locally and internationally to provide better services to customers. It is also now possible for hospitals and other medical institutions to discuss about clients' medical history and record over the computer. Likewise, majority of people are now able to shop through the computer, ordering and purchasing products, plan journeys, obtain information pertaining to the weather and political situation of foreign countries and even settle bills over the phone, facsimile and email. These changes and development has raised the standard of living of Malaysians in par with other developed countries all over the world.

The innovations and development of information technology has reached its climax in Malaysia with the introduction and active utilisation of the internet in the mid 1990s. The total number of internet user is constantly increasing from time to time. It is estimated that there are about 9.35 million internet users in the United States of America (Glossbrenner & Glossbrenner, 1995; Ellesworth & Ellesworth, 1995; Kantor & Neubarth 1996). According to the DNS (Domain Name System) data report, the number of internet user is increasing drastically by the day. For example, in 1994, there were a total of 26 million internet users and this figure is predicted to rise to about 1.66 billion by the end of the year 2000 (John S. Quaterman, 1994:5-7).

This impressive trend is also very visible in Malaysia pertaining to the internet usage, with the drastic rise from 2,000 in 1994 to 8,000 in 1995 and to more than seven times in 1996, totalling to almost 60,000 users with and increase of about 22% users each month (Azharin Khamis, 1996). These figures prove the wide and extensive usage of the internet in Malaysia and this figure will definitely rise in the next millennium.

In its effort to ensure a progressive growth in the development and succes of the implementation of the internet in Malaysia, the Malaysian Government has established the

Malaysian Institute of Microelectronic System (MIMOS) as the only specific body in the country that offers the services relating to the internet. MIMOS, placed under the administration of the Ministry of Science, Technology and Environment, is responsible for the interconnection of computers for the purpose of regulation in the "Internet Zone" as well as the international gateway for connection to other similar servers in different parts of the world.

The Joint Advanced Research Integrated Networking, or better known as JARING, is actually and internet server in Malaysia and is under the administration of MIMOS. Users are capable of accessing JARING and eventually the internet via phone lines, or digital/analogue cable system (Massa, 1996:17). Besides that, MIMOS also offers the JARING Access Service Providers (JASPs) and users can obtain information on promotions, members' registration, installation of computer softwares, consumers services and technical support on matters relating to the internet (Ang Beng Lee, 1997:22).

With the high demand on internet usage among users which has reached over 120,000 subscribers as of August 1997, Telekom Malaysia is now offering the Tmnet system as an international gateway in Malaysia (Star, 18 August 1997:4). This system will make it even easier for users in Malaysia communicate with international internet users world wide, and vice-versa.

The successful launch of the Malaysian first national satellites, MEASAT I and II in Kourou, France Guina has seen an absolute need to increase the communication channel in the cyber space as well as in space. The emergence of high-tech technology innovation such as telemedicine, telebanking, telecommunication and internet-services-television (Sept-Top-Box), has resulted in the increase of internet usage in Malaysia (Theang Kok Kui, 1997:5).

Research Overview in Internet Advertising

The first advertisement on the internet appeared on 27 October, 1994. The advertisements were advertised via HotWire which comprised on advertisements from 14 different companies such as AT&T, Sprint, and Volvo.

The emergence of these advertisements has created history in the advertising industry as the advertisements were the first

on the World Wide Web in the form of banners. The succesful introduction of advertising using banners has resulted in more and more advertisements on the internet existing in the form of banners where users are able to get more information by clicking on the banners. Information pertaining to the products advertised, information on the company manufacturing the product such as address and contact number of the company, and the cost of the advertised products can be obtained easily from the banners. Users can also get other related information by clicking on the link connection to the homepages of other participating advertisers advertising similar products of product having connection with the advertised products.

Advertising on the internet has received the support of more and more advertisers and has expanded immensely and is becoming an extremely active on-line multi-million dollar business industry on the internet. The financial expenditure of internet advertising for the months of January through September, 1997 has amounted to an astonishing 571 million US dollars, an increase of about 263 percent as compared to the same time period in 1996 (Advertising Age, 27 December 1997).

The capacity of the internet as an extremely effective advertising medium today has resulted in numerous companies spending millions of dollars to advertise on the internet. These companies include Microsoft Corporation AT&T and other huge companies and organisations which may or may not be directly related with computers. Table 1 illustrates a list of top and leading companies which have spend huge amount of money to advertise on the internet on July, 1996.

As shown in Table 1, the internet is being utilised widely and actively by huge international organisations world-wide. Companies in Malaysia are also using the internet for the purpose of message dissemination and information gathering. It is estimated that where are more than 60 government agencies and private sectors which actively utilise the Internet in Malaysia. These agencies and and sectors include Petronas, Department of the Environment, Koko Board of Malaysia, Bank Negara Malaysia, Malaysian Airlines System, Commercial Bank, Holiday Inn On The Park, Unilever, World Youth Gathering, and Institutions of High Learning (Massa, 1996:13).

The revenue gained from internet advertising is illustrated in Table 2 which proves that there is high potential to advertise effectively on the internet. The figures indicated in the table are very likely to increase drastically as more and more companies are relying on the internet as a part of their campaign for advertising and message dissemination.

Rank	Company	Expenditure (in $'000)
1	Microsoft	709.7
2	AT&T	657.2
3	Netscape	561.0
4	Infoseek	516.7
5	IBM	479.6
6	McKinley Group	455.6
7	Excire	444.3
8	Lycos	425.5
9	Yahoo!	416.7
10	Nynex Big Yellow	314.4

TABLE 1. Expenditure on the Internet by Large International Organisations

Source: Jupitor Communications: Web Track AdSpend Record, October 1996.

Rank	Company	Revenue (in $'000)
1	Netscape	2,503.2
2	Yahoo!	1,650.5
3	Infoseek	1,451.3
4	Lycos	1,010.0
5	Excite	995.0
6	CNET	807.0
7	WebCrawler	750.0
8	ESPNET SportsZone	701.7
9	ZDNet	653.6
10	CMP TechWeb	519.3

TABLE 2. Revenue from the Internet by Large International Organisations

Source: Jupitor Communications: Web Track AdSpend Record,October 1996.

Problems of Internet Advertising

The internet as a marketing 'vehicle' is still very young. Even in the United States of America, there was very little marketing done on the internet before 1995, and in Europe and Asia the internet is just starting to be known as a marketing medium in understand the relative differences between advertising on the internet as compared to the traditional forms of advertising on print and electronic media. The traditional media's generally viewed as having the capacity to disseminate information while the internet is capable of both obtaining and disseminating information, primarily obtaining information. In other words, regulation on the process of communication on the internet is literally in the hands of the users (Barker & Groenne, 1997). For example, television viewers who are not interested to view advertisements on television will have to physically avoid the advertisements on television by either switching channel or fine something else to do. On the other hand, internet users will have to physically do something in order to view the advertisements on the internet. This shows that the advertisements on the internet will have to be unquestionably attractive, creative, and unique to attract the attention of the internet users.

Despite having a profound reputation for being one of the best communication medium, there are still some problems and setbacks to advertising on the internet which may, if not attended to promptly, jeopardise the potential capability of the medium. This amazing medium could be dissolved in time if no solutions are introduced to problems and implications pertaining to internet advertising. Following are some issues and implications which need the immediate attention of the relevant organisations/bodies to enhance the development of internet advertising in Malaysia.

Ethical Implications

Advertisers who wish to advertise their products effectively in the internet will have to take into consideration users' perception of the internet as a source to advertising since consumers' perception towards media has direct impact on the advertisements (Alwitt & Prabhaker, 1994; Baucer & Greyser, 1968; Becker et.al., 1976; Grotta, et. al., 1976; Larkin, 1979; MacKenzie & Lutz, 1989).

Consumers have the right to be sceptical about the advertisements on the internet. There have been many reported cases where information pertaining to products advertised on the internet may not be completely true as compared to the actual products. In this respect, advertisers should abide to certain set of guidelines or basis for advertising on the internet.

It is very important to be ethically inclined to disseminate right and accurate information, especially through the internet. This is because internet users may not necessarily be residing within close distance of the company advertising the products. Which mean, if the users are interested in purchasing the products, they may have to travel quite a distance to get the products. There are many cases where products are purchased are not internet by consumers from other parts of the country. If the purchased products are not within the expectation of the consumers, it may be a problem to return to products back to the manufacturing company for redemption/exchange due to the distance. It is therefore vital to ensure that the products sent to the consumers are idential to the products advertised on the internet.

Objective claims for products or services should also be given serious consideration when advertising on the internet. These claims, represent either explicitly or by implication that the advertiser has reasonable basis supporting them may very well be material to consumers. That is, consumers would be less likely to rely on claims for products and services if they knew the advertised products and services did not have a reasonable basis for believing them to be true. Therefore, the advertiser's failure to prosess and rely upon a reasonable basis for objective claims constitutes an unfair and deceptive act or practice in the ethical consideration of internet advertising.

Lack of Clear Identification of Web Advertising

There seems to be on consensus as to what constitutes web advertising. On the one hand, web advertising could be considered only the posting (link) of the web page on another web site, such as online mall, search engine, or commercial service. In this case, the organisation's actual web site would not be considered advertising but rather an electronic store front, or presence. The rationale behind this view is that the

electronic presence functions much the same way an organisation's actual building with its logo on display, in the real world.

On the other hand, the organisation's actual web site itself, in addition to any postings on other web sites, could be considered web advertising since it provides information about the companies' products.

One explanation for this apparent difficulty in defining web sites is that web sites vary significantly with regard to their content. Some sites are more like electronic brochures while other allow consumers to access the companies database directly, such as FedEx. The FedEx site allows consumers to track packages directly from an internet connection.

Lack of Publicity

Some webmaster only register their web site in overseas indexes, expecting international visitors to flock to their site. This is just as naive as putting one's address in the phone directory and considering it enough marketing to attract lots of business. No wonder they are dissappointed and then discredit the online market when the respond to their advertisement on the internet was very poor. In reality, the international market is quite vast and needs to be budgeted for accordingly. Actively marketing a website involves ongoing activity in press releases, strategic linking and banner advertising.

It is also very important to ensure that users are made aware of the existence of certain sites/webs on the internet. In relation to this, adequate publicity is required to educate and inform users regarding the availability of such sites. There is no point in having very unique and attractive advertisements if users do not even realise the existence of these advertisement. Unlike television advertisements which are very likely to be viewed by the viewers, users of the internet may have to 'hunt' for certain advertisement if they are very interested in getting more information on the products. To access a particular advertisement, the users may have to click through a series of different sites and this may result in the users giving up their search after some time. It is therefore very important to ensure that users can access the advertisements in as minimal effort and time consumption as possible.

Language of the Advertisements

A word about non-English-language banner advertising which, surprisingly could be the most effective way of advertising on the internet. Since most of the advertisements on the internet are targeting to users residing within the community of the advertiser, it is therefore likely that certain products will be advertised in the native language. For example, there are advertisements in Dutch, French, German and etc. The implication to the use of foreign language in internet advertisement is that people who do not understand these languages will not be able to understand the advertisement.

This will result in the reduction of the potential internet consumers. Although advertisements on the internet has the capacity to reach all the four corners of the earth and being accessed by people of different countries, religions, races, speaking different languages, however majority of the advertisements on the internet are still being advertisement in the English language since the English language is regarded as the universal language.

Lack of Sufficient Space

With a glut of space to sell, media outfits on the internet are fighting for viewers and advertisers. Only the most ingenious sites will survive. Unlike the traditional print and electronic medium which provide bigger and wider advertising space, the space allocated for internet advertising is limited to within the boundaries of the screen of the computer. This may be disadvantageous to advertisers. As mentioned before, advertisements on the internet will have to be unquestionably creative, interesting, attractive and unique to attract the attention of the users. It is rather difficult to attract to user's attention if the internet advertising space is limited to within the boundaries of the computer screen.

Limited Outreach

As compared to advertising on other mediums, advertising on the internet may attract only a small percentage of the total users of the internet. Unlike advertising on television during

live important football matches which will receive maximal viewing audience, advertising on the internet may only be viewed by small percentage of certain group of people. This group of people may be those who are only seriously interested about the advertised products. For example, advertisement on fishing gear may only attract serious fishing enthusiasts. Taking into account this fact, internet advertising may loose a large fraction of the entire internet population, including children, housewife, senior citizens and etc. Depending on the nature of the products advertised, it is very unlikely that majority. Therefore, it is vital for advertisers to understand their potential consumers on the internet before advertising the products.

Poor Accessibility

One of the disadvantages of advertising on the internet is that users may not able to access the advertisement whenever they wish to. This is primarily due to the occasional power failure as a result of bad weather or technical malfunctions. When this happens, the users will not to able to access the internet at all, let alone accessing the advertisements on it.

Users are also often frustrated when they are denied access to the internet when the internet system is down. Ironically, in a fast developing country like Malaysia that is very much into the super high-tech are, this problem of malfunctioning of the internet is fairly common. Having backup power generator will minimise this problem. Most countries and large organisations do have power generator backup to ensure continuous utilisation of the internet. This is extremely important when dealing with crucial information pertaining to medical-related matters, banking, travel information, stocks, economy and etc.

Consumers, and advertisers would definitely benefit if there are adequate internet booths in shopping centres and malls. These are strategic places to reach potential consumers. Having internet booths will enable the consumers to search for certain advertised products and immediately make the purchase, if the products are available in the same shopping centres/malls where the booths are located. However, at the moment there seems to be lack of these internet booths in the local shopping centers/malls.

There are also new internet users who are unfamiliar with the internet system. Without the proper and effective guidance, these users may easily give up their attempt to search for information on the intenet. It is therefore essential to provide adequate steps/guidance for new internet users to access the advertisement on the internet. It will be most effective if these steps/guidance are provided on the internet booths in shopping complexes and malls.

Suggestions

Although the internet is an extremely selective and cost effective medium of advertising as compared to the traditional print and electronic medium, the utilisation of the medium, if implemented effectively, may even exceed the potential capacity of the traditional print and electronic medium in its capability to reach out to the consumers. One of the main advantages of the internet is that it is in operation 24 hours a day and potential consumers may view certain advertisements at any time of the day. It is also possible to order certain products via the internet immediately after viewing the products advertised on the internet. These are some of the wonders of the internet technology.

As the new millennium approaches, there will definitely be an increase in the usage and utilisation of the internet as a whole. This will definitely result in an increase of the advertising capacity, style, and attractiveness. The quality of the advertisement in the future will, very likely be more effective and attractive than the present.

As discussed in tha main body of this paper, internet advertising has a very strong potential to reach out to the potential consumers. However, it is essential that problems and implications related to internet advertising be resolved promptly to ensure the ongoing development of the internet. Problems identification stage is crucial in order to accurately list down the problematic areas that need attention. These problems, once solved, will make surfing the internet for whatever purpose more fun, exciting and fruitful.

Conclusion

Today, information is seen as a source of development and will benefit the humanrace in the perspective of politics, economy, and social. The information era has seen the emergence of information development ; the combination of computer utilisation, the dissemination of data and the capability of telecommunication. The content and amount of information accumulated and disseminated will increase tremendously.

The cognitive development of the community with respect to understanding the internet should be given top priority. This will enable the community as a whole to be interested to venture into the prospects of the new information technology. The community should be trained to be able to analyse information obtained from the internet from different perspectives and view points and ti evaluate the content of the message accordingly.

One of the main implications of the internet is the unreadiness of the community as a whole to accept and implement the use of this technology to disseminate and obtain information. For those who refuse to accept the emergence of the new information technologu, it is time that they realise that the information technology, specifically the internet is here to stay!.

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