

Document:	Officiating Speech by Datuk Seri Tajuddin Atan CEO of Bursa Malaysia
Event:	Official Launch of StarBiz Premium
Date:	22 November 2017 (Wednesday)
Time:	2.30pm - 5.00pm
Venue:	Grand Ballroom, The St. Regis KL

Assalamualaikum Warahmatullahi Wabarakatuh

A very good afternoon to you all.

Let me begin by acknowledging:

1)	Datuk Seri Wong Chun Wai Group Managing Director & Chief Executive Officer, Star Media Group Berhad
2)	His Excellency Mr Vanu Gopala Menon High Commissioner of Singapore to Malaysia

Members of the media industry

Respected Speakers

Distinguished Guests

Ladies and gentlemen

1. I would first like to thank The Star Media Group for inviting me here today. Let me start by congratulating the Star Media Group on the launch of StarBiz Premium. This event marks another important digital milestone for the Group, since it established Malaysia's first news website 'The Star Online' in 1995.

Ladies and gentlemen

2. The digital revolution is transforming businesses and how business is done across all industries. The landscape is constantly changing with the entry of new players and it is interesting to observe how this has affected the media industry.
3. As you know, the media industry has gone through a major structural transformation brought about by a combination of factors such as, the rise of digital channels like Google and social media, changes in media-consuming habits of customers and a break-away from traditional business models that rely on advertising revenue for growth.
4. With 2.07 billion users on Facebook¹ and 1.5 billion monthly users on YouTube², advertisers are now relying less on traditional media for reach, preferring to advertise on more cost effective digital platforms, which is evident in declining advertising revenues of traditional media companies.
5. As a result, most traditional media companies have been forced to revisit their business strategies to stay afloat and to deliver news to readers in a more cost efficient way. But, at what price?

¹ Statista – As at 21 Nov 2017

² Youtube – As at June 2017

Will this mean a drop-in quality and quantity of content just for the sake of attracting advertisers?

6. As such, I would like to commend Star Media Group for its on-going progressive efforts to adapt to the new digital age, and by that I mean, the best way is to “*take the bull by the horns*” to cope with these changing trends. Adopting a paywall model allows the company to fall back to its roots and do what it does best, which is to deliver strong news content through independent and responsible journalism, whilst reducing dependence on advertisers.
7. As a matter of fact, a paywall model may even attract more advertisers in the future because, subscription based news sites tend to have a solid base of loyal and qualified audiences as a result of stronger news content; an attractive proposition to advertisers.
8. Furthermore, access to up-to-date, accurate and insightful business related data and information is something that decision makers continue to place great value on. They demonstrate this through a willingness to pay for such access, and it was the business papers who led the way, such as the Wall Street Journal, who were the first to set up a paywall in 1997. Similarly, Bloomberg Terminals are a mainstay of all capital

markets and prove that informed investors are willing to pay a premium to stay one step ahead of the crowd.

Ladies and gentlemen

9. The digital revolution described earlier is no different in our capital market. At first, many of us were guarded and defensive, believing these digital disrupters are a key challenge to the market. The reality is that digital disruptors have become vital players in creating a more competitive environment. You will find that the most successful organisations are those that have capitalised on the competitive advantages offered by digital innovations and leveraged on them as market differentiators.
10. In fact, many are now aware that digital innovations can clearly address industry needs and inefficiencies inherent in legacy structures with perennial issues of duplication, overlap and waste.
11. Blockchain, Regtech, Big Data, Robo-Advisors are some examples of Financial Technology or FinTech emerging in global capital markets. Essentially, these digital platforms are designed to make financial systems more efficient, transparent robust and safe.

12. As such, we are slowly starting to see capital market players forging partnerships and collaborating with FinTech companies in an effort to expand their portfolio of services, offer more customer-centric and innovative products and services and improve operational efficiency.

Ladies and gentlemen

13. I would like to think that the message is clear, in fact there is a specific term for this situation: The Innovators Dilemma³. While innovators are out there **continually thinking of ways to disrupt existing business models** with new emerging technologies, the established players that do not innovate and embrace these technologies find themselves falling behind as these new entrants move ahead.
14. Hence, let's embrace this digital revolution for it will be the key in helping our companies grow, capture new opportunities and remain relevant in the fast-changing global economic landscape.
15. If I may share Bursa Malaysia's own experience in the innovation and digital space, we launched a virtual one-stop online marketplace called Bursamarketplace.com in 2014.

³ The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail – Clayton Christensen – Professor of Business Administration at Harvard Business School.

16. The objective of Bursa Marketplace is to level the playing field for retail investors by democratising access to accurate and objective financial information and investment knowledge. This includes providing free access to market data and analytical tools such as the Alpha Indicator, a powerful quantitative tool developed by Thomson Reuters and normally only used by institutional investors.
17. Further to this, I am pleased to share that Bursamarketplace.com has to-date attracted **979,478** unique visitors, which is a **320%**⁴ increase since 2014. There has also been **12.1 million** page views and the platform has collected **45,536** research articles which are accessible to anyone who wants to become a more informed investor.
18. Moving forward, Bursa Malaysia will continue to find new ways to leverage on the digital space to develop exciting and engaging initiatives aimed at **growing financial literacy** amongst Malaysians.

Ladies and gentlemen

19. The future holds endless possibilities. Who would have imagined a **2-way collaboration between a stock exchange and media companies?** Two seemingly unrelated industries.

⁴ 2014 - 232,130 unique visitors

20. This idea will soon come to fruition with the establishment of the world's first exchange to trade advertising contracts by Nasdaq⁵, thanks to blockchain technology. This shows that the future is truly without borders and boundaries, encouraging us all to collaborate with the people you can learn from.

Ladies and gentlemen,

21. Let me close by once again congratulating Star Media Group on its launch of StarBiz Premium and for being the first among traditional media companies in Malaysia to embark on this journey of digital subscription. By continuing to expand on your digital offerings, the Group continues to remain ahead of its competitors in establishing itself as one of the top local English news portals in the country.

I wish you all the best in your efforts.

Thank you.

⁵ Nasdaq – March 2017