

CHALLENGES AND OPPORTUNITIES AT THE LEADING EDGE OF WORLD CLASS SUPPLY CHAIN MANAGEMENT

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Proceeding**The 10th UBAYA International Annual Symposium on Management****CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT**

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FOREWORD

This proceeding is a compilation of papers submitted for **The 10th International Annual Symposium on Management** (Insyma) conducted by the Department of Management, Faculty of Business and Economics, Universitas Surabaya. This year's theme of the symposium is **Challenges and Opportunities of the Leading Edge in World Class Supply Chain Management**.

In this opportunity, we would like to share our grateful to the institutions (National and abroad) who send their lecturer or researcher to our symposium. This symposium is to provide a sharing forum for researcher, academics, and practitioners engaged in basic and applied research in Supply Chain Management. This theme represents an emerging and highly challenging and opportunities area of research and practice. One of the most significant paradigm shifts of modern business management is that individual business no longer compete as solely autonomous entities, but rather as supply chains. Business management has entered the era of internetwork competition. In this emerging competitive environment, the ultimate success of the single business will depend on management's ability to integrate the company's intricate network of business relationships. The supply chain is not a chain of businesses with one-to-one, business-to-business relationships, but a network of multiple business and relationships. SCM deals with total business process excellence and represents a new way of managing the business and relationships with other members of the supply chain. Successful supply chain Management requires cross-functional integration must play a critical role. The challenge is to determine how to successfully accomplish this integration.

This symposium aims to bring together different points of view from academics, business practitioners, government agencies, and international institutions with the ultimate goal to share and disseminate various ideas and practices in Supply Chain Management.

Finally, we hope that this compilation of papers, ranging from a conceptual work to an empirical research, can enrich our perspective in supply chain management and its application in creating higher level of competitiveness.

Bali, March 16th, 2013

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INDONESIAN READERS' MOTIVATIONS AND ATTITUDE TOWARDS DIGITAL PRESS

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ABSTRACT

Internet technology has ghastly impacted the way newspaper readers searching information. Internet also changes the information access, production and circulation. www.alexa.com showed 100 Top sites of Indonesia, there is Detik.com on 9th rank and Kompas.com on 13th rank. Detik.com and Kompas.com had an increasing percent of traffic on August 2010. There are motivations and attitude of digital newspaper readers that are interesting to be study.

This research examined the effect of knowledge current issues, search for updated news, and search for specific information, entertainment, and habit on attitude toward Indonesia digital newspapers. This study uses Structural Equation Modeling technique with LISREL to examine the hypothesized relationships. Sample on this research consisted of one hundred and fifty (150) digital newspaper readers in Indonesia.

This study reveals that search for specific information, search for updated news, and entertainment had a positive effect on attitude toward digital newspapers. Knowledge current news and Habit had not significant effect on attitude toward digital newspapers.

Keywords: knowledge current news, search for specific information, search for updated news, entertainment, habit, attitude to digital newspaper.

Introduction

The growth of the internet for years means major changes in business relationships and the processes of communicating and transmitting information between organizations and their customers. Thus, newspaper publishing is one of the activities that is most affected by the development of the new medium or internet. Also, internet technology is rapidly changing the way and the aims with which readers consult newspapers.

The Internet involves enormous advantages for journalistic services in terms of both supply and demand. According to these advantages, there is a rise of electronic newspapers and these are among the services most keenly sought by internet users (Carlos Flavia'n and Raquel Gurrea, 2009)

The use of online communication system is different speed in delivering news to readers, low-cost distribution of information, and the opportunity to engage and interact directly with readers. Digital media can quickly update news and network, shows other information sources.

In addition, media combines the advantages of the three media, namely radio, newspaper and television. The media is seen as more refreshing than the radio, presenting information more widely and deeply than newspapers and TV. These various advantages presented by digital newspapers causes tremendous growth, and the development of the Internet in Indonesia led to newspapers began using the internet. Now, there are 73 online newspapers in Indonesia (<http://datapendidik.blogspot.com/2012/>).

Top 100 sites in Indonesia (www.alexacom) showed that detik.com was ranked the 9th, and kompas.com at rank 13. Growth of percent of site traffic kompas.com on early August 2010 is 15,2% and on mid August 2010 is 18,6%. The increase in the percentage of readers of online newspaper websites showed that there are motivations that encourage or particular needs of the reader to the online newspaper, thus the motivation and attitude of online newspaper readers are interesting to investigate further.

Carlos Flavia'n and Raquel Gurrea (2009) mentioned five factors that encourage the preference attitude toward online newspaper, namely 1) *knowledge of current issues*, 2) *search for specific information*, 3) *search for updated news*, 4) *leisure-entertainment*, and 5) *habit*.

Based on the phenomena and facts related to one's attitude toward digital newspaper on above, then the problem is the identification of factors that influence the attitude toward the digital newspaper. Therefore, the formulation of the research problem is: *Is there any effect of knowledge of current news, search for specific information, search for updated news, entertainment and habit on the attitude to digital newspapers?*

This research objective to analyse the motivation factors of online newspaper readers toward the readers' attitude to online newspaper. Independent variables are knowledge of current news, search for specific information, search for updated news, entertainment and habit. Dependent variable is attitude to online newspapers. The study concludes by providing a number of useful conclusions and recommendations for press business practices and further research .

Theoretical Approach and Hypotheses Development

Attitude to digital newspapers

Schiffman and Kanuk (2007, p,232): "*Attitude is a learned predisposition to behave in a consistently favorable or unfavorable way with respect to a given object*", and Vijayasathy (2004) dalam Flavia'n and Gurrea (2009): "*Attitude as the individual' belief that a product, service or concept is a good idea*". Based on these two definition, *attitude towards digital newspapers is a learned predisposition to behave in a consistently favorable or unfavorable way with respect to a digital newspapers*.

Motivation

Schiffman and Kanuk (2007): *Motivation is the driving force within individuals that impels them to action*. Solomon (2010) said *Motivation refers to the processes that lead people to behave as they do*. Kotler and Armstrong (2008): "*A motive (or drive) is a need that is sufficiently pressing to direct the person to seek satisfaction of the need*"

Flavia'n and Gurrea (2009) identified five key motivations for reading a newspaper.

1. Knowledge of current issues news.

The newspaper reading is motivated by the readers' intention for knowing current news. Consequently, reading a newspaper becomes a way to know information and acquire culture. Moreover, reading news lead readers to talk about them with friends or family.

2. Search for specific information

The internet is playing an important role in search processes. It is possible to note the possibilities a new digital medium for searching specific data, such as the existence of search engines. Besides, many of the readers interviewed in the qualitative study affirms that they sought specific or precise data in the newspaper, such as stock prices, sports results, and so on.

3. Search for updated news

Another reason for reading a daily newspaper is the desire to keep abreast of breaking news (i.e. the latest events), or to follow current affairs. This phenomenon was clearly demonstrated by the pattern of internet use in the wake of recent world events.

4. Leisure-entertainment

In the newspaper sector, many of the readers interviewed mention that they would frequently begin reading current information in the newspaper motivated by the need for entertainment or to pass the time.

5. Habit.

Kang and Atkin (1999) explain the role of the habit for the use of the electronic channel. In the press business, the authors have found that a significant segment of newspaper reader consider themselves to be motivated by a habit acquired ever time and generally associated with a given time a day. When they will read or leaf through the newspaper almost systematically.

Flavia'n and Gurrea (2009) said "In the internet, users are even more pragmatic and active. Consequently, the need of knowing users' key motivations is increasing. Thus, Lin (1999) suggests the following motivational dimensions: relaxation, companionship, habit, pass time, entertainment, social interaction, information/ surveillance, arousal and escape". Ferguson and Perse (2000) explained four motivations using internet; entertainment, passing time, relaxing and social information. Furthermore Eigmey and McCord (1998): "investigate users of commercial web sites and propose that entertainment values, personal relevance and information involvement are the main motivational factors". Papacharissi and Rubin (2000): "remark the interpersonal utility, pass time, information seeking, convenience and entertainment".

Hyphoteses

According to Flavia'n and Gurrea (2009) "First, it is an evident fact that the reading of a newspapers is a consequence of the readers' intention to gain knowledge about current news. (Mc.Quail, 1987; Kaye and Johnson, 2004; Lin. 2002). Taking into account this premise, the results of the qualitative studies show that the majority of readers, who want to obtain knowledge about current events and news, are focusing their attention and attitude to the digital newspaper more and more".

H1. The motivation Knowledge of current news influences positively the readers' attitude toward digital newspapers.

Flavia'n and Gurrea (2009) mentioned "In this light, this research proposes that search for specific information is one of the motivations for reading the press online".

H2. The motivation Search for specific information influences positively the readers' attitude toward digital newspapers

Flavia'n and Gurrea (2009) stated "another goal associated with reading the digital rather than the traditional press for those who have access to the internet is the interest in the latest or updated news items".

H3. The motivation Search for updated news influences positively the readers' attitude toward digital newspapers.

Flavia'n and Gurrea (2009) stated "Entertainment would not have a positive and significant influence on reading digital newspapers, but would be likely to motivate reading the traditional physical press".

H4. The motivation Entertainment influences negatively the readers' attitude toward digital newspapers.

Flavia'n and Gurrea (2009) said "Similarly to what happens in the case of reading for leisure, reading a newspaper is usually relaxed and detailed. Moreover, the readers usually look over the full newspaper. Thus, this motivation to reading newspapers in the digital medium but rather with reading traditional newspaper".

H5. The motivation Habit influences negatively the readers' attitude toward digital newspapers.

Research Model

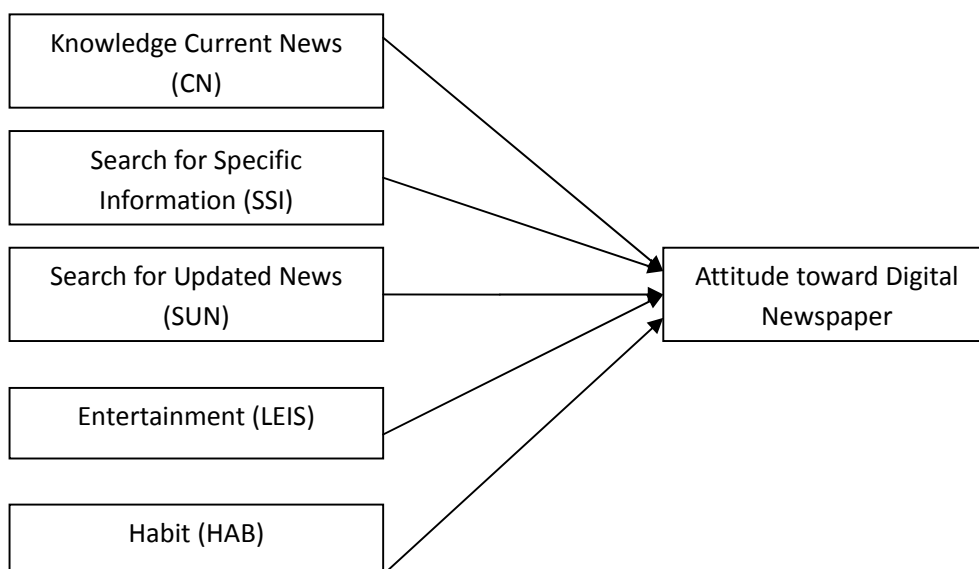


Figure 1
Research Model

Methodology

Research type is causal research and according to Malhotra (2004) “Causal research is used to obtain evidence of cause-and-effect (causal) relationship”. Research also used survey method to examine the effect of independent variable on dependent variable. The study used a sample of 150 readers of digital newspapers and the sample profile are digital newspapers readers within least 3 months and over three years’ experience with computers and internet use.

On the basis of Flavia’n and Gurrea (2009), the operational variables are measured as follows.

1. *Knowledge of current issues news (CN)*

Readers digital newspaper is motivated by the intention to gain knowledge of the latest news, including (1) When I read the newspaper, my main goal is to know current news.; (2) When I read the newspaper, my main goal is to feel me informed.; (3) I think that reading newspapers lead to gain culture.

2. *Search for specific information (SSI)*

People read newspapers to find specific news such as stock prices, scores of game and so on. Finding specific information statements include (1) When I read the newspaper, my objective is to find specific information; (2) When I read the newspaper, my main motivation is to find concrete data or news; (3) When I read the newspaper, I am especially interested in some specific section.

3. *Search for updated news (SUN)*

Readers read digital newspapers because of the desire to get a number of the latest news or follow the latest developments. It includes (1) When I read the newspaper, my objective is to

find breaking news; (2) When I read the newspaper, my main motivation is to find constantly updated news items; (3) I am interested in the immediacy with which information can be obtained; (4) When I read the newspaper, I am interested in highly current news items.

4. Leisure – entertainment (LEIS)

Readers often begin to read newspapers because of the need for entertainment or to pass the time, including (1) When I read the newspaper, one of my objectives is entertainment; (2) When I read the newspaper, my main motivation is to spend some free time; (3) I believe that reading the newspaper is a pleasant pastime; (4) I like to read the newspaper in my free time.

5. Habit (HAB)

Readers often due to the habit of reading newspapers and read them systematically. Habit statements include (1) I routinely like to read the newspaper everyday very often; (2) I like to spend the same time every day reading the newspaper; (3) I like to read the newspaper every day at approximately the same time; (4) I like to read the newspaper in a tidy way, almost systematically.

Attitude towards digital newspapers (ATT) is a person's tendency to like or dislike the digital newspaper / online as a result of learning that can be measured through a) I am interesting in reading news online, b) Reading newspaper on the internet is attractive, c) I consult newspapers on the internet quite often, d) I have decided to read news through the digital newspapers.

The individual is asked to grade from 1-7 their level of agreement or disagreement with those statements.

Data analysis used structural equation modeling (SEM), is defined a family of statistical models that seek to explain the relationships among variables. Validity test by confirmatory factor analysis and variance extracted, for reliability test by construct reliability. Within maximum likelihood estimation technique, minimum sample sizes are 100 to 150. This research used 150 respondents.

Validity is defined extent to which a measure or set of measures correctly represents the concept of study. Validity is concerned with how well the concept is defined by the measures whereas reliability relates to the consistency of the measures (Hair et al. 2006: 776-778). Convergent validity is the items that are indicators of specific construct should coverage or share proportion of variance in common, and it is showed by value of variance extracted that can be calculated by standardized loadings. Construct reliability value is often used in conjunctions with SEM models. Ideally standardized loading factor $\geq 0,5$ and construct reliability $\geq 0,6$.

Research Results

Male respondents 53.6% and female 46.4%, age between 25 and 45, with a high level of education and 100% respondents are digital newspapers readers within least 3 months and over three years' experience with computers and internet use. Percentage of digital newspapers that is read Detik.com (20%), Kompas (18,7%), Okezone (10,9%), Jawa Post Daily News (8,8%), Media Indonesia (6,5%) and Bisnis Indonesia (5%).

Confirmatory analysis of reliability

In order to guarantee the proposed scales' reliability and validity, the researchers carry out a series of confirmatory analyses, according to the methodology of confirmatory model development (Hair et al., 2008). Confirmatory factor analysis (CFA) is a way of testing how well measured variables represent a smaller number of constructs. Using the statistical LISREL 8.7, with Robust Maximum Likelihood as an estimation method, since it affords more security in samples which pass multivariate normality tests.

With this aim, those items which do not meet the criteria of strong convergence would eliminate those indicators that are not substantial, and those whose standardized coefficient is less than 0.5.is eliminated. There were three indicators eliminated, including x3 (I think that reading newspapers lead to gain culture); x9 (I am interested in the immediacy with which information can be obtained); x21 (I consult newspapers on the internet quite often).

Table 1 showed the variance extracted and construct reliability.

Tabel 1
Variance Extracted and Construct Reliability

Latent Variables	Observed Variables	Factor Loading	t-values	Construct Reliability	Variance Extracted	Conclusion																																											
CN	x1	0,7	8,44	0,681	0,516	Valid and Reliable																																											
	x2	0,73	8,79											SSI	X4	0,82	10,83	0,8	0,58	Valid and Reliable	X5	0,81	10,82	X6	0,65	8,23								SUN	x7	0,84	11,7	0,78	0,55	Valid and Reliable	x8	0,79	10,79	x10	0,58	7,21			
SSI	X4	0,82	10,83	0,8	0,58	Valid and Reliable																																											
	X5	0,81	10,82																																														
	X6	0,65	8,23																																														
SUN	x7	0,84	11,7	0,78	0,55	Valid and Reliable																																											
	x8	0,79	10,79																																														
	x10	0,58	7,21																																														

LEIS	x11	0,81	11,37	0,84	0,51	Valid and Reliable
	x12	0,80	14,01			
	x13	0,78	6,61			
	x14	0,80	9,93			
HAB	x15	0,76	10,86	0,89	0,64	Valid and Reliable
	x16	0,92	14,37			
	x17	0,95	15,13			
	x18	0,62	8,22			
ATT	x19	0,87	12,76	0,84	0,64	Valid and Reliable
	x20	0,89	13,39			
	x22	0,61	7,83			

Source: data edited

Table 1 showed that variance extracted are above 0.5 and reliability construct are above 0.7, so these represented adequate convergence and good reliability. The CFA fit provides a useful baseline to assess the structural or theoretical fit and measurement model validity depends on goodness-of-fit for the measurement model. The absolut fit measures of goodness-of-fit showed GFI 0.81 (marginal fit); RMSEA 0.082 (marginal fit), and the incremental fit measures showed NFI 0.89 (marginal fit); CFI 0.92 (good fit); TLI 0.90 (good fit), it can be considered as a good fit model.

The next stage is specifying the structural model by assigning relationships from one construct to another based on the proposed theoretical model, to represent structural hypotheses of the model. This research used 10% for the α , because of the sampling technique was online and offline. The t-value is 1.65. The result for hypohtheses test is shown table 2 below.

Tabel 2
Hypotheses Test

The relationship between	T hitung	Conclusion
CN→ATT	-0,52	Rejected

SSI→ATT	3,24	Not rejected
SUN→ATT	3,95	Not rejected
LEIS→ATT	1,86	Not rejected
HAB→ATT	0,4	Rejected

Source: data edited

Figure 2 is the structural model with t-value.

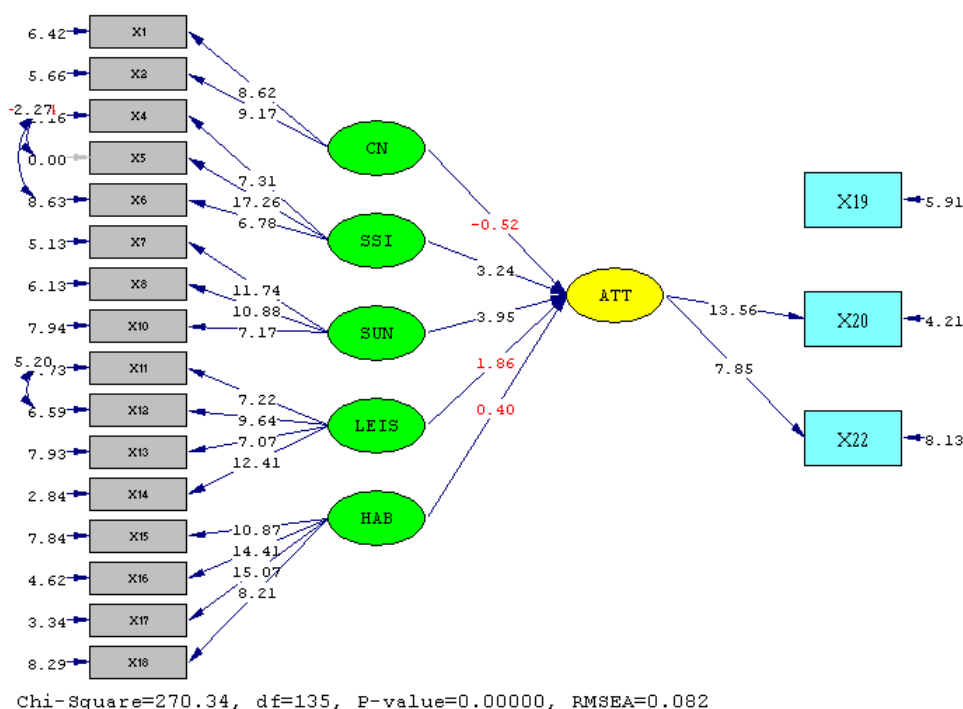


Figure 2
t-value model

According to hypotheses test, there are three construct that positively significant influence the attitude toward digital newspapers, including SSI (search for specific information); SUN (search for updated news); and LEIS (entertainment). There are two construct that not significant influence the attitude to digital newspaper, including CN (current news) and HAB (habit).

Figure 3 showed the effect of each relationship. The highest influence of Indonesian readers' motivation on the attitude toward digital newspapers is search for updated news (SUN), and the lowest influence of Indonesian readers' motivation on the attitude toward digital newspapers is search for specific information (SSI).

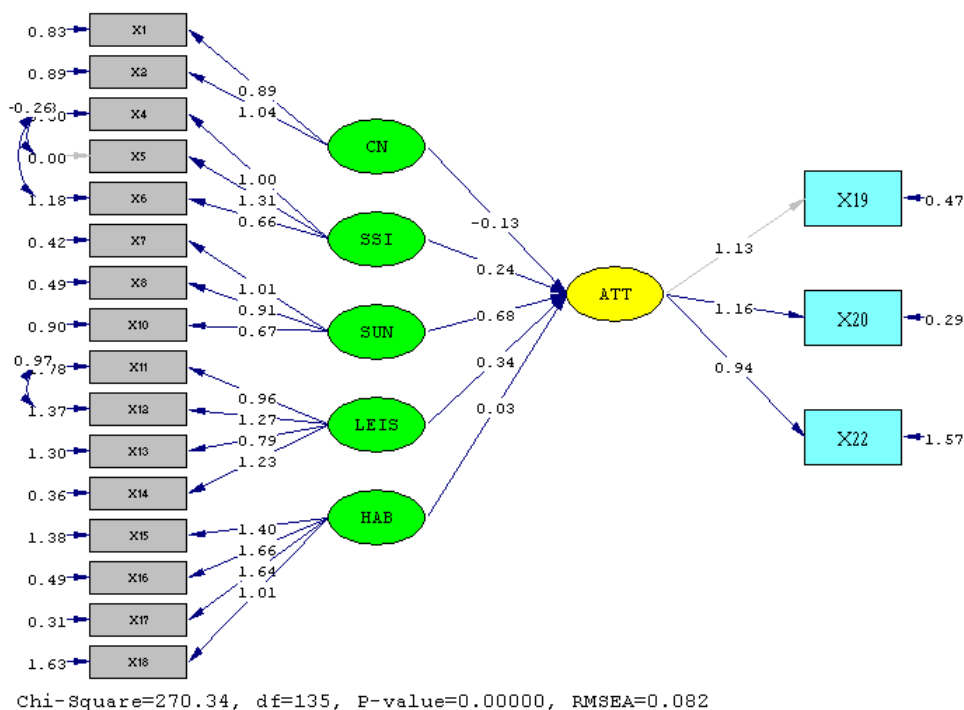


Figure 3
The Estimate Vaue of Constructs

In this result showed that Indonesian readers in reading online newspapers to keep up hot news, to looking for specific information and to find the general news. The searching of recent news still rely on offline media, but when the news has become a hot topic of conversation among the community, then most readers seek to update of the news in online media. This can be understandable because the online media can contain a lot of news without having constrained by the number of pages. Thus, the continuation of the news can be written in a streak in the online media. While in offline media this is not possible due to the limited number of pages that must be given to other news.

The results also showed that online media is used to search for specific information. Someone who search the specific information will prefer to use online media, because with today's technology is possible to search the required information fast. Someone who has high motivation to seek specific information will likely enjoy using online media.

Online newspapers readers also have the motivation to look for general or entertainment news. The higher of the desire to seek entertainment news, the higher of the preference for online media. This is understandable because the online medium allows the display of information in various forms of audio and visual at the same time. It is related to descriptive analysis that

frequently sites opened by readers are detik.com, kompas, dan okezone. Especially detik.com and okezone.com show many information, vary information from hot to entertainment news. The progress of media give displayed in various formats such as video and interactive news. The higher a person's desire to have leisure it will be more like the online media.

The results showed that reading online newspapers has not become a habit for Indonesian readers. It seems that online news readers will access online news sites if there are hot topics in society. Readers seem to obtain the latest news from offline media, and then look for a continuation or updated news from online media. This is relevance to the effect of current news is not significant on the attitudes toward digital newspapers.

Conclusions, Implications and Recommendations

Conclusions

The hypotheses one is rejected, because of the motivation to get current news is not significant influence the attitude toward digital newspapers.

The research could investigate the causal relationship between motivation to search for specific information and the attitude toward digital newspapers, therefore hypotheses two is can not be rejected.

This research also prove the causal relationship between motivation to search for updated news and the attitude toward digital newspapers, therefore hypotheses three is can not be rejected.

Research result showed there is positively relationship between entertainment motivation and the attitude toward digital newspapers. In the other words, higher motivation to search entertainment news can improve the attitude toward digital newspaper. The fourth hypotheses is can not be rejected.

Research result can not prove the relationship between habit and the attitude toward digital newspapers. The fifth hypotheses is rejected.

Implications

The propositions said that *knowledge of current issues news, search for specific information, search for updated news, leisure-entertainment* and *habit* influence on the attitude toward digital newspaper is contextual relevance. Indonesian readers have positive attitude toward digital newspapers are motivated by the need for searching specific information, updated news and looking for entertainment or leisure news.

Indonesian readers do not use online media for knowledge of current news, because of the internet infrastructure in Indonesia is different from internet infrastructure in Europe and America. According to the research results that positively relationship between search for entertainment or leisure and the attitude to digital newspaper, therefore digital newspapers in Indonesia can be used for searching entertainment in a leisure time. In the future it can cause the habit to read digital newspaper.

Research results conclude that the habit does not significant influence the attitude toward digital newspapers, in the other word, Indonesian readers do not have a routine habit to read digital newspapers.

Recommendations

Press business practices in Indonesia should update the news in order to be liked by Indonesian readers. The improvement in internet infrastructure need to motivate Indonesian society liking to read digital newspapers in order to search updated news.

Based on the highest influence of searching updated news on the attitude toward digital news, so press business practices have to complete updated news in serial and details, therefore readers can get updated news completely. It will impact to increase the readers' attitude toward digital newspapers.

Further research can reach other countries such as at Southeast Asia, because of the similarities of internet infrastructure between Indonesia and Southeast Asia.

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