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Friend or foe? Examining the relationship between news portals and newspaper sites in Taiwan

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Newspapers worldwide often serve as content providers for news portals, but portals outperform most newspaper sites in audience share. Whether this is a zero-sum game or a win-win scenario deserves scholarly attention, because the phenomenon constitutes a unique case of intra-media competition. Based on empirical data collected through a large-scale survey, this study systematically examines the delicate relationship among and between news portals and newspaper sites in Taiwan. The results document non-competitive relationships among most news sites, with the exception of Yahoo! News. Such counter-intuitive findings carry theoretical and strategic implications for the study and practice of online journalism.

Keywords: online news; portals; newspapers; competition; Taiwan

Newspaper companies worldwide have been experimenting with online news delivery for more than a decade, devoting substantial resources to their Web operations. However, the performance of their online editions has fallen short of expectations in audience and advertising share (Chyi & Lewis, 2009; Newspaper Association of America, 2011).

While newspaper sites struggle with both inter- and intra-media competition (Chyi & Lewis, 2009), portal news sites have gained ground. In the US, for example, the most frequently visited news sites are Yahoo! News, CNN.com, Google News and MSN, most of which are news portals and aggregators not affiliated with a print newspaper (Pew Research Center for the People and the Press, 2010). The relationship between newspaper sites and news portals is ambiguous. In some cases, newspapers form partnerships with portals, providing content in exchange for audience reach or revenue. However, newspaper sites have also perceived the tremendous success of news portals as a threat. For example, some believe Yahoo! has become “a bottomless well of cheap advertising inventory that has helped create a climate where general news is a low-value commodity” (Johnson, 2009). Rupert Murdoch also accused Google of “stealing” copyrighted content from news media sites (Smillie, 2009).

The structure of Taiwan’s online news market bears similarities to the situation in the US. The most visited news site in Taiwan is Yahoo! News (http://tw.news.yahoo.com/), which is not a newspaper site that produces original content. Resembling its

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counterpart in the US, the Taiwan version of Yahoo! News also aggregates content produced by news organizations in the market. However, the predominance of this news portal has also prompted several newspapers to rethink their partnership with Yahoo! (Su, 2010). Newspaper sites face a dilemma; they hope to stay visible, but the partnership with news portals may result in further losses of audience and advertising share.

Because advertising follows the audience, competition over audience share is the main factor underlying the tension between news portals and newspaper sites. This study explores the competition dynamics of Taiwan’s online news market. Using empirical data collected through a large-scale survey, this study systematically examines the relationship among and between portal news and newspaper sites in Taiwan.

Literature review

Online news typology

Traditional journalism research has often focused on news media and their audiences. Media-centric research has examined how institutional and organizational constraints shape the construction of news (e.g. Reese & Ballinger, 2001; Tuchman, 1978), whilst recent audience-centric studies have found that news audiences actively interpret, and thus shape the news they receive, introducing substantive challenges to theoretical models that view journalistic work as discrete from its consumption by news audiences (e.g. Katz, Blumler, & Gurevitch, 1974; Power, Kubey, & Kiousis, 2002). Technological advancements in news presentation have forced a rethink over news functions in the face of rapidly developing frameworks (Carlson, 2007; van der Wurff, 2008). One major change is the great variety of websites resulting from new tools for news production and new platforms for news distribution. Alongside newspapers, radio stations, and television channels, a multitude of news sites have emerged as newcomers to the market, coexisting alongside traditional news outlets.

However, there have to date been few studies examining these online news sites and their characteristics. The Pew Research Center’s Project for Excellence in Journalism (2012) has published “The State of the News Media” report for years, and classifies online news sites into legacy media sites and online-only sites. Deuze (2003) classified news websites along two specific criteria (i.e. content-connectivity and moderated-unmoderated) and distinguished four categories of news sites: (a) mainstream, (b) index and category, (c) meta and comment, and (d) share and discussion. An index and category site is often attributed to certain search engines and portals which do not produce original editorial content but offer areas for comments and opinions. Based on Deuze’s classification, Smyrnaios, Marty, and Rebillard (2010) constructed seven categories of news sites: (a) news media digital outlets, (b) press agency websites, (c) webzines, (d) participatory journalism websites, (e) weblogs, (f) portals and (g) aggregators. Webzines are news sites without an offline counterpart that employ professional journalists. Slate.com and the Huffington Post are two prominent examples. The difference between news portals and news aggregators is that portals outsource their news pages to other media and press agencies (e.g. Yahoo! or MSN), whereas aggregators package and deliver deep links to news content on third-party sites (e.g. Google).
Some studies have identified differences in content orientation across different types of online publications, such as professional publications versus amateur weblogs (Reese, Rutigliano, Hyun, & Jeong, 2007), or online newspapers versus citizen journalism sites (Carpenter, 2010). Others have documented the difference in audience share between news portals and local newspaper sites in multiple local markets in the US (Chyi & Lewis, 2009). These studies have helped to differentiate various types of online news sites, but none has systematically examined the delicate relationship between different types of news sites.

**Competition in the online news market**

Despite the less than satisfactory performance of most newspapers’ Web operations, newspaper companies were early adopters of online technologies (Farhi, 2008), distributing content through the Web platform since the mid-1990s (Boczkowski, 2004). Yet the online operations of US newspapers account for only 11.8% of their total advertising revenue (Newspaper Association of America, 2011), and the size of their online readership in the local market is less than a quarter of that for their print counterparts (Chyi & Lewis, 2009). Research has also shown that, although online news use has been increasing, use of local newspaper sites has not. Additionally, whereas some “brand name” newspapers have seen increased Web traffic, traffic to local newspaper sites, particularly those affiliated with mid-size metro newspapers, has either remained unchanged or declined (Joan Shorenstein Center on the Press, Politics and Public Policy, 2007).

The online operations of any newspaper face two types of competitive dynamic. First, because of the extensive amount of content sharing between a print newspaper and its online edition, an online newspaper is engaged in inter-media competition; that is, competing with its print counterpart and other traditional media for reader attention. In addition, an online newspaper simultaneously competes with other online publications offering similar content, engaging in intra-media competition (Chyi & Sylvie, 1998).

Inter-media competition refers to the competitive relationship between various media. Intra-media competition refers to competition within an industry, which occurs among different organizations operating on the same medium. Because of high product substitutability, intra-media competition often constitutes the most intense form of competition (Picard, 1989, 2002).

The relationship between newspaper sites and portals should be examined in the context of intra-media competition because both operate on the Web, with news portals and aggregators outperforming newspaper sites as the most popular online news destinations at both local and national levels (Chyi & Lewis, 2009; Pew Research Center for the People and the Press, 2010). For example, based on the comScore Media Metrix market research data, gathered from 67 local markets in the US, Chyi and Lewis (2009) reported that local newspaper websites on average reached only 15% of local Internet users within their local market. They also trailed Yahoo! News, MSNBC and AOL News as a source for online news in the great majority of local markets. At the national level, the 2010 Biennial Media Consumption Survey by the Pew Research Center asked respondents to indicate the online sources they used for news. Yahoo! was mentioned by most news users (28%), followed by CNN.com (16%), Google (15%), and MSN (14%). Some 11% of respondents mentioned local
news sites, 6% mentioned NYTimes.com and 2% mentioned online editions of the Wall Street Journal or USA Today (Pew Research Center for the People and the Press, 2010). These empirical studies have documented the superior performance of news portals over newspaper sites in gaining audience share.

The delicate relationship between news portals and media sites

The intra-media competition literature often defines competition as the relationship between multiple suppliers offering substitutable products on the same platform. Yet this “portals vs. media sites” relationship constitutes a unique, complex case, and is certainly worthy of scholarly research. First, news portals aggregate content from, but also compete with, media sites that produce original news content. For example, users may read the same story produced by the Washington Post on Yahoo! News and on washingtonpost.com. Google News, a news aggregator, takes a different approach by linking to media sites without hosting the entire article on its own site. Second, both news portals and newspaper sites may feature content produced by news agencies. For example, Yahoo!, Google, and MSN all have licensing deals with the Associated Press for using content on their websites (E&P Staff, 2010; Liedtke, 2010). Third, portals and newspaper sites may form advertising partnerships. For example, the “Yahoo! Newspaper Consortium” is a strategic alliance formed between Yahoo! and hundreds of US newspapers. Because of the dominance of news portals at both local and national levels, and the tension between news portals and national/local newspapers, it is essential to systematically examine the competitive dynamics between news portals and newspaper sites.

The online news market in Taiwan

The media environment in Taiwan is among the freest in Asia. The dynamic and diverse press serves the country’s 23.1 million residents by reporting on political affairs and commenting on the performance of government officials (Freedom House, 2009; Wang & Lo, 2000). According to the latest survey on media use, more than half of the respondents aged 13 and above reported television as their main source for news (57.3%), followed by the Internet (21.6%), newspapers (10.6%), radio (2.1%) and magazines (0.1%); in terms of news credibility, research shows that the Internet is perceived as being just as credible as newspapers, but less so than television (Rainmaker XKM, 2011).

The first Taiwanese news site, chinatimes.com, was launched in September 1995 by China Times Inc. (Wu, 2006). Thereafter, most news media also established an online presence. A high-profile news site, udn.com, affiliated with another major newspaper, The United Daily News, went online in 1999, and had been the leading news media site in the market (Su, 2010). Two other major newspapers, the Liberty Times and Apple Daily, also have an online presence.

As of 2010, at least 15 Taiwan-based news sites have gained substantial market share in terms of audience reach (InsightXplorer, 2009), and can be classified into five categories based on the typology developed by Smyrnaios et al. (2010): (a) news media digital outlets, (b) press agency websites, (c) webzines, (d) portals and (e) aggregators. Among these categories, news sites, portals, and news media digital outlets have
dominated Taiwan’s online news market for years. Indeed, news portals such as Yahoo! News, MSN News, and news media digital outlets such as the online editions of the United Daily News, Apple Daily, the China Times, and the Liberty Times have been among the top 100 most popular sites in Taiwan (Luo, Yang, & Zhao, 2011). According to an online news survey of 1485 respondents, 79.6% of Internet users obtained news from portal sites, whereas only 18.1% accessed news directly from newspaper sites. More critically, a quarter of those who received news from portal sites did not visit newspaper sites at all (Brain.com, 2009).

Portal sites in Taiwan, in common with their counterparts in the US, do not produce journalistic content, but aggregate news from a wide range of news media. Taiwanese portal sites purchase news content from mainstream newspaper sites and from news agencies (Taiwan’s Yahoo! News Director, personal correspondence, 21 May 2010; Taiwan’s MSN News Director, personal correspondence, 16 May 2011). As a result, newspaper sites are faced with a dilemma: partnering with portals increases exposure and generates additional revenue (Li, 2009); however, it also sacrifices direct audience access and content exclusivity. Apple Daily, a top-selling newspaper in Taiwan, had chosen not to supply portal sites with news but changed its strategy at the end of 2010. At the time of the study, almost all newspaper sites in Taiwan were partnered with one or more portal sites, serving as their content providers.

Research questions

As indicated in the previous section, empirical research conducted in the US market has documented the superior performance of news portals over newspaper sites in terms of audience share (Chyi & Lewis, 2009; Pew Research Center for the People and the Press, 2010), but whether Taiwan’s online news scene is also characterized by such dynamics remains unclear. Therefore, this study first seeks to compare the size of online audiences reached by news portals and newspaper sites, addressing the following research question:

RQ1. What is the audience size of news portals and newspaper sites?

This study also seeks to analyze the competition dynamics within and between various types of news sites. In other words, it addresses the issue of whether an increase in online newspaper use is associated with a decrease in other types of online news site use. This study takes the media economics approach, in that it incorporates the “all other things being equal” premise; controlling for variables that may override the results when examining the relationship within and between newspaper sites and news portals. As to the issue of what factors should be controlled for, previous research has indicated demographic variables as having a great influence on news consumption. For example, the existence of a gender gap of news consumption is widely known; men are more likely than women to be users of both traditional and online news media (Poindexter, 2008). Age has also been identified as a major factor affecting online news use (Chung, 2008; De Waal, Schoenbach, & Lauf, 2005; Riffe, Lacy, & Varouhakis, 2008). Therefore, this study controls for gender and age when addressing the following research questions:

RQ2. Is the relationship between different news portals competitive or non-competitive, all other things being equal?
RQ3. Is the relationship between different newspaper sites competitive or non-competitive, all other things being equal?

RQ4. Is the relationship between news portals and newspaper sites competitive or non-competitive, all other things being equal?

Method
The data used in this analysis were collected by InsightXplorer (IX), an Internet research and consulting firm, which operates a national panel of more than 177,000 Web users in Taiwan. The IX panel was recruited through major portals, Internet service providers, content and service sites, e-commerce sites, and other websites. The online survey of 7,706 respondents was conducted in June 2009 to examine Web users’ responses to online and print newspapers. Respondents of the survey were randomly selected from the IX panel and participation was solicited via email. Each panelist was asked to enter his or her account number and password before participating in the survey to ensure the sample included no duplications. The response rate was 4.1%, and the completion rate was 98.6%. Compared with Random Digit Dialing (RDD), the response rates of online surveys tend to be low, but allow respondents to choose when and where to complete the survey, lower the intrusiveness associated with telephone surveys, eliminate interviewer bias and reduce the social desirability effect (Fisher, 2005). The overall size of the sample contributed to the stability of the results (Shih & Fan, 2009).

The survey took an average of five minutes to complete and focused on the use of online and print news media among Web users in Taiwan. The use of newspaper/portal sites was measured by asking respondents the following question: “Which of the following news sites did you browse during the past week?” Variables of interest included news portal usage, newspaper site usage, and respondent demographics.

Competition dynamics, defined as the relationship between the use of one website and that of another website on the “all other things being equal” basis, were measured by the partial correlation between the uses of two websites, controlling for gender and age. A competitive relationship was defined by a negative correlation between the uses of two websites, meaning the likelihood of visiting one news site was negatively associated with that of visiting the other news site, all other things being equal.

Because the sample size was relatively large, the significance level was set at a conservative level of .001 throughout the study.

Results
Profile of the weighted sample
The survey sample of 7,706 Web users was compared with the Internet population of Taiwan for gender, age, and occupation. People aged between 20 and 34 years old are over-represented, and people under 19 years old and over 40 years old are under-represented. Therefore, the data were weighted to age, ensuring that the demographic characteristics of the survey sample closely matched the demographic characteristics of the Internet population in Taiwan.
Table 1 compares the weighted and unweighted sample distributions to the population parameters on gender, age, and occupation. The weighted sample (N = 7707) is reasonably representative of Taiwan’s Internet population. The margin of error is ± 1.1 percentage points at a 95% confidence level.

**Audience size**

RQ1 sought to compare news portals and newspaper sites for audience size. The results are presented in Table 2. Yahoo! News is the dominant online news service in Taiwan, outperforming all the other news sites, at the time of the survey having reached 77.8% of respondents during the previous week. MSN News is a distant second among the news portals, reaching 15.7% of Internet users in Taiwan. Among newspaper sites, the online edition of the *United Daily News* has the highest penetration (17.7%), followed by *Apple Daily* (13.9%) and the *China Times* (11.5%).

**Relationship among news portals**

RQ2 sought to examine whether the relationships among portal news sites in Taiwan were competitive or non-competitive. Table 3 presents the results. Overall, the partial correlation analysis, after controlling for age and gender, yielded positive correlations between most portal news sites. The correlation coefficients (r) range from .052 to .191. The only non-significant relationships are between Yahoo! News and three other news portals (Google News, HiNet News and Sina News), suggesting that, in most cases, visiting one news portal is positively associated with visiting other news portals. Because no negative correlations were found, there is a non-competitive relationship among different portal news sites.

### Table 1. Comparison of the sample and Taiwan’s Internet population.

<table>
<thead>
<tr>
<th></th>
<th>Internet population* (%)</th>
<th>Sample (unweighted)(%)</th>
<th>Sample (weighted)(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>53.7</td>
<td>41.6</td>
<td>43.9</td>
</tr>
<tr>
<td>Female</td>
<td>46.3</td>
<td>58.4</td>
<td>56.1</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 19</td>
<td>24.7</td>
<td>10.8</td>
<td>24.7</td>
</tr>
<tr>
<td>20–24</td>
<td>12.3</td>
<td>24.2</td>
<td>12.3</td>
</tr>
<tr>
<td>25–29</td>
<td>15.1</td>
<td>25.3</td>
<td>15.1</td>
</tr>
<tr>
<td>30–34</td>
<td>13.1</td>
<td>19.4</td>
<td>13.1</td>
</tr>
<tr>
<td>35–39</td>
<td>11.6</td>
<td>10.2</td>
<td>11.6</td>
</tr>
<tr>
<td>40 or above</td>
<td>23.3</td>
<td>10.2</td>
<td>23.2</td>
</tr>
<tr>
<td><strong>Occupation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>35.0</td>
<td>31.0</td>
<td>34.7</td>
</tr>
<tr>
<td>Employed</td>
<td>52.4</td>
<td>47.8</td>
<td>45.6</td>
</tr>
<tr>
<td>Other</td>
<td>12.6</td>
<td>21.2</td>
<td>19.7</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td></td>
<td>7706</td>
<td>7707</td>
</tr>
</tbody>
</table>

*Source: A stratified random sample of 1800 Taiwanese conducted by Ipsos Taiwan.*
Relationship among newspaper sites

RQ3 sought to examine whether the relationships among different newspaper websites were competitive or non-competitive. Table 4 presents the results. The partial correlation analysis, after controlling for age and gender, revealed positive correlations between any two newspaper sites. The correlation coefficients range from .202 to .374, the strongest correlation being between the United Daily News and China Times ($r = .374, p < .001$). In other words, visiting one newspaper site is positively associated with visiting other newspaper sites. The positive correlations again suggest a non-competitive relationship between newspaper sites.

Relationship between news portals and newspaper sites

RQ4 explored the relationship between news portals and newspaper sites, asking whether they were competitive or non-competitive. To obtain the overall relationship picture, we first created two index variables, the portal site use index and the newspaper site use index, and conducted partial correlation analysis to identify the relationship between these two index variables, controlling for gender and age. To understand the specific relationship between each newspaper site and each portal news site, we also looked into the partial correlations between each portal site and newspaper combination, controlling for gender and age.

With seven news portals and four newspaper sites, the portal index variable ranges from 0 to 7, with 0 indicating that a user had not visited any news portals during the past week, and 7 indicating that a user had visited all listed news portals during the past week. The newspaper site index variable ranges from 0 to 4, with 0 indicating that a user had not visited any newspaper site during the past week and 4 indicating that a user had visited all four newspaper sites during the past week. Results indicate that an average Internet user had visited an average of 1.3 news

Table 2. Audience size of newspaper sites and news portals.

<table>
<thead>
<tr>
<th>Media Name</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Newspaper sites</strong></td>
<td></td>
</tr>
<tr>
<td>United Daily News</td>
<td>17.7</td>
</tr>
<tr>
<td>Apple Daily</td>
<td>13.9</td>
</tr>
<tr>
<td>China Times</td>
<td>11.5</td>
</tr>
<tr>
<td>Liberty Times</td>
<td>8.0</td>
</tr>
<tr>
<td><strong>News portals / aggregators</strong></td>
<td></td>
</tr>
<tr>
<td>Yahoo! News</td>
<td>77.8</td>
</tr>
<tr>
<td>MSN News</td>
<td>15.7</td>
</tr>
<tr>
<td>PChome News</td>
<td>10.0</td>
</tr>
<tr>
<td>Google News</td>
<td>9.4</td>
</tr>
<tr>
<td>Yam News</td>
<td>7.7</td>
</tr>
<tr>
<td>HiNet News</td>
<td>7.0</td>
</tr>
<tr>
<td>Sina News</td>
<td>2.9</td>
</tr>
</tbody>
</table>

N = 7707.
Note: Responses to the question “Which of the following news sites did you browse during the past week?”
Table 3. Partial correlations among portal news sites: non-competitive.

<table>
<thead>
<tr>
<th>Media Name</th>
<th>Yahoo! News</th>
<th>MSN News</th>
<th>PChome News</th>
<th>Google News</th>
<th>Yam News</th>
<th>HiNet News</th>
<th>Sina News</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yahoo! News</td>
<td>–</td>
<td>.110***</td>
<td>.069***</td>
<td>.035</td>
<td>.052***</td>
<td>.015</td>
<td>.001</td>
</tr>
<tr>
<td>MSN News</td>
<td>–</td>
<td>–</td>
<td>.140***</td>
<td>.169***</td>
<td>.128***</td>
<td>.138***</td>
<td>.103***</td>
</tr>
<tr>
<td>PChome News</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>.165***</td>
<td>.182***</td>
<td>.152***</td>
<td>.123***</td>
</tr>
<tr>
<td>Google News</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>.149***</td>
<td>.127***</td>
<td>.145***</td>
</tr>
<tr>
<td>Yam News</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>.173***</td>
<td>.191***</td>
</tr>
<tr>
<td>HiNet News</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>.103***</td>
</tr>
<tr>
<td>Sina News</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

*** $p < .001$.

Note: Controlling for gender and age.
portals ($SE = 1.02$) and .5 newspaper sites ($SE = .88$) during the past week. Specifically, 16.1% of the respondents did not visit any news portals; 53.8% had visited one news portal; 19.4% had visited two; and 10.7% had visited three or more news portals during the past week. In contrast, 67.9% of the respondents had not visited any newspaper sites during the past week; 19.5% had visited one newspaper site; 7.7% had visited two; 3.3% had visited three newspaper sites; and 1.5% had visited all four newspaper sites during the past week. The partial correlation analysis, after controlling for gender and age, shows a positive correlation between portal site index and newspaper site index variables ($r = .224, p < .001$). In other words, the use of news portals relates positively to the use of newspaper sites, controlling for gender and age.

Table 5 presents the partial correlations between each news portal and each newspaper site. After controlling for gender and age, all portal news sites, except Yahoo! News, have positive correlations with all newspaper sites. The positive correlation coefficients range from .045 to .154 ($p < .001$). However, Yahoo! News has a significant negative correlation with Apple Daily ($r = -.046, p < .001$), and although Yahoo! News has no significant relationship with the other three newspaper sites (United Daily News, China Times, and Liberty Times), the correlation coefficients are also negative. Therefore, it is clear that Yahoo! News stands out as something of a

### Table 4. Partial correlations among newspaper sites: non-competitive.

<table>
<thead>
<tr>
<th>Media Name</th>
<th>United Daily News</th>
<th>Apple Daily</th>
<th>China Times</th>
<th>Liberty Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Daily News</td>
<td>–</td>
<td>.237***</td>
<td>.374***</td>
<td>.213***</td>
</tr>
<tr>
<td>Apple Daily</td>
<td>–</td>
<td>–</td>
<td>.223***</td>
<td>.202***</td>
</tr>
<tr>
<td>China Times</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>.259***</td>
</tr>
<tr>
<td>Liberty Times</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

*** $p < .001$.
Note: Controlling for gender and age.

### Table 5. Partial correlations between news portals and newspaper sites: largely non-competitive.

<table>
<thead>
<tr>
<th></th>
<th>United Daily News</th>
<th>Apple Daily</th>
<th>China Times</th>
<th>Liberty Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSN News</td>
<td>.082***</td>
<td>.070***</td>
<td>.081***</td>
<td>.045***</td>
</tr>
<tr>
<td>PChome News</td>
<td>.074***</td>
<td>.101***</td>
<td>.108***</td>
<td>.102***</td>
</tr>
<tr>
<td>Google News</td>
<td>.111***</td>
<td>.100***</td>
<td>.154***</td>
<td>.102***</td>
</tr>
<tr>
<td>Yam News</td>
<td>.105***</td>
<td>.098***</td>
<td>.115***</td>
<td>.137***</td>
</tr>
<tr>
<td>HiNet News</td>
<td>.079***</td>
<td>.096***</td>
<td>.147***</td>
<td>.081***</td>
</tr>
<tr>
<td>Sina News</td>
<td>.101***</td>
<td>.089***</td>
<td>.126***</td>
<td>.124***</td>
</tr>
</tbody>
</table>

*** $p < .001$.
Note: Controlling for gender and age.
unique case, all the other news portals having a non-competitive relationship with newspaper sites.

**Discussion**

The relationship among different media platforms is contingent upon a variety of market factors that include, but are not limited to, market size and the number of players in a given market. This study sought to examine the relationship between different news sites operating in the Taiwan market. Through a systematic analysis of large-scale survey data collected by InsightXplore, this research examined intra-media competition among and between news portals and newspaper sites. The results suggest that online news sites in Taiwan generally do not compete with one another, with Yahoo! News, the dominant news site in the market, being the only exception.

The absence of competitive relationships

The most prominent pattern identified in this study is the non-competitive relationship among most news sites, given that the partial correlation analyses generated mostly positive and a few non-significant correlations. Although the economic theory of intra-media competition speculates that competition among organizations operating in the same industry tends to be intensive (Picard, 1989), this fundamental dynamic may not be applicable in the domain of online news.

The observed non-competitive relationship among most news sites may seem counter-intuitive. Yet a number of studies on news use have suggested that news consumers use different news outlets simultaneously. For instance, online news users were more likely to be print newspaper readers than non-users (Stempel & Hargrove, 1996; Stempel, Hargrove, & Bernt, 2000; Tewksbury, 2006). Other researchers adopting a more specific approach identified the simultaneous use of the same newspaper’s online and print editions (Chyi & Huang, 2011; Chyi & Lasorsa, 2002; Chyi, Yang, Lewis, & Zheng, 2010; Gentzkow, 2007). A recent survey also reported that in order to stay informed, 34% of Americans go to two news sites daily, followed by 26% relying on three sites and 24% on four sites or more; that is, 84% of Americans visit more than one news site every day (Ongo, 2011). The cost of switching from an online news source to another is minimal. When people consume news online, if their information needs are not met on one site, they may utilize other sites to fulfill such needs. In other words, consumer sovereignty among online news consumers may be high; people know where to go and what to read, so they visit different news sites to satisfy specific needs. Against this backdrop, the overall non-competitive relationships uncovered by the present study may not be so surprising.

Yet the non-competitive relationship among newspaper sites does warrant further discussion. Given the somewhat transparent political position of newspapers in Taiwan, one would expect that readers of the Liberty Times might exhibit an ideology that differs from readers of the United Daily News and the China Times, but such ideological differences are not reflected in the positive relationships among newspaper sites. This may be due to the fact that online users of newspaper sites are generally younger than print readers, so the influence of political ideology on their site choice is not as strong as it is on the choice of print readers. Perhaps the ideology of online users is relatively mild compared to readers of print newspapers, and perhaps online
users are not heavy readers of political news. In order to verify these theories, future research should investigate the political orientation of online news users.

The exception: Yahoo! News

This study found Yahoo! News in Taiwan to be very different from other Taiwanese news sites. First, Yahoo! News has the highest user penetration in Taiwan, reaching 77.8% of the respondents. In contrast, all other news sites reach less than 20% of online users. The prevalence of Yahoo! News can be attributed to the popularity of Yahoo!’s portal service in Taiwan. According to InsightXplorer (2009), Yahoo! reached more than 90% of Internet users every month and ranked as the top domain in Taiwan. Not surprisingly, Yahoo!’s news service also enjoyed a high market share.

In addition, Yahoo! News stands out as a unique case because of its atypical relationship with other news portals and newspaper sites. For example, it has the weakest correlations with other news portals (Table 3) and negative correlations with Apple Daily, as well as negative correlations (albeit not statistically significant ones) with the other newspaper sites (Table 4). This suggests that users of Yahoo! News are not as likely to visit other news sites. The phenomenon may suggest a lock-in or network effect, which makes customers dependent on one vendor for products and services (Keung, Picard, & Towse, 2008).

The negative relationship of Yahoo! News with Apple Daily is the only statistically significant competitive relationship identified in this study. The results indicate that people who visited the Apple Daily site were less likely to use Yahoo! News, and vice versa. Of particular interest is that, at the time of the survey, Yahoo! News did not have a partnership with Apple Daily. In other words, Apple Daily’s content was not available on Yahoo! News. One possible explanation for the competitive relationship between Yahoo! News and Apple Daily is that on the Yahoo! News site there was no hyperlink leading to the Apple Daily site. In contrast, Yahoo! News was partnered with the other three newspaper sites. Perhaps the hyperlinks placed on the top of each story directed traffic from Yahoo! News to the newspaper site that created the content, thus easing the negative correlations between Yahoo! News and the other newspaper sites.

In an attempt to define their relationship with Yahoo! News, different newspapers have experimented with different strategies. By the end of 2010, Apple Daily had dropped its non-cooperative strategy. As of 2011, its news content has become available on Yahoo! News. This provides a great opportunity for future studies to re-examine the competitive relationship between Yahoo! News and Apple Daily and to evaluate the importance of hyperlinking between news portals and newspaper sites. The United Daily News, which currently provides content to Yahoo! News through an exclusive license, did not have such a partnership with Yahoo! during 2008–2010, suggesting that a certain degree of tension exists between newspaper sites and news portals at the level of business operation. As evidenced by the economic calculations made by newspaper management, it is clear that the current relationship between newspaper sites and news portals is not a completely reciprocal one.

From a managerial perspective, newspaper companies need to build a realistic and profitable relationship with portal news sites (Yang & Chyi, 2011), particularly if the eventual dominance of portal news sites in the online news market is inevitable. The following analogy may point out a possible relationship between news portals
and newspaper sites. News portals are like department stores (online or offline) such as Macy’s or Sogo, whereas newspaper brands, such as Gucci and Coach, may sell their products either by partnering with department stores or by running their own shops (online or offline). Just as some people prefer buying products in a department store and others prefer stand-alone shops, so people visit different types of news sites based on their individual preferences and situations. This study clearly documents the preference of online users for consuming news from an established “department store”, that is, Yahoo! News, suggesting that a creative business model is essential to the long-term cooperation between newspaper sites and news portals, mirroring that between department stores and stand-alone shops.

Limitations and future research
Our empirical approach was limited by its methodology. Because this study was based on secondary data, the authors had no control over the design of the questionnaire. The data collected only allowed for control of respondent demographics. Future studies may tap into respondents’ news interests, frequency of use of news sites, and preference for each news source, to reflect more accurately the reading experiences of respondents. The response rate was also low; however, this is not uncommon among panel-based online surveys conducted by market research firms (Baker, 2010). As mentioned, in order to improve the representativeness of the sample, the authors weighted the data. Finally, to examine market competition through demand-side data alone oversimplifies market activities. Yet before comprehensive access to financial or business data concerning news websites is available, data from readers or users are still the optimal choice for market analysis.

The current study has examined the relationships among different news sites in the Taiwanese market. Even though economic theory suggests intra-media competition to be the most intense form of competition, results from the online news market in Taiwan show that the dynamic is largely non-competitive. Future studies should continue monitoring the relationships among online news sites, as news sites are constantly developing different market strategies (e.g. paywall adoption or social media marketing), and such strategies may change the relationships among different types of news websites. The online news landscape is evolving rapidly, and the relationship between different players in the online domain needs to be clarified before news companies can develop effective content and marketing strategies.

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Notes
1. It started with seven newspaper chains (representing 176 newspapers) in 2006 (Helft & Lohr, 2006; Saba, 2006) and has expanded to include nearly 800 local papers, or 32% of the US daily newspaper circulation (The Newspaper Consortium, 2011).
2. The four major newspapers are characterized by their different political or content orientations. The China Times and the United Daily News support the view that Taiwan should develop closer ties with Mainland China, while the Liberty Times does not. Apple Daily, on the other hand, features tabloid journalism and sensational content (Feng, 2010).

3. As of August 2011, Yahoo! News has partnered with 42 media sites in Taiwan, MSN News with 23, PChome News with 46, Yam News with 37, HiNet News with 24, and Sina News with 33. Google News, however, is an automated news aggregator. The United Daily News chose to partner with Yahoo!; Apple Daily with Yahoo!; PChome and the Liberty Times with Yahoo!, Yam, and HiNet; and the China Times with Yahoo!, MSN, Yam, and HiNet.

4. Altogether, these sites reach 99% of Web users in Taiwan.

5. Correlation coefficients below .20 suggest slight correlations (Poindexter & McCombs, 2000).

6. Correlation coefficients between .20 and below .40 suggest low correlations (Poindexter & McCombs, 2000).

7. For example, even the Liberty Times, with a strong political orientation, produces a substantial amount of entertainment news.

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