

Digital Disruption, Legacy Cost Commitments and Financial Resilience: Comparative Evidence from Astro and Media Prima

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ABSTRACT

Established media firms can expand their digital presence while remaining financially vulnerable because revenue migration and resource adjustment do not necessarily occur at the same rate. This paper examines how revenue exposure and inherited cost commitments help explain the different financial paths of Astro Malaysia Holdings Berhad and Media Prima Berhad. The study uses a comparative longitudinal case design and draws on audited financial statements, annual and integrated reports, Bursa Malaysia announcements and official corporate disclosures covering 2015 to 2025. Financial trends in revenue, profit attributable to owners and net margin are analysed alongside directed coding of disclosed commitments, impairments, restructuring actions and digital initiatives. The findings show that both companies expanded digital activities, but their financial trajectories differed. Astro experienced a prolonged decline in revenue and profit while material programme and financing commitments remained. Media Prima recognised substantial impairment and restructuring losses before returning to profitability at a smaller revenue base. The comparison identifies a timing mechanism in which financial pressure intensifies when legacy contribution falls before committed resources are adjusted and before new activities generate sufficient replacement contribution. The paper connects asymmetric cost behaviour with organisational resilience by operationalising legacy cost adaptability through traceable indicators. The two-case, document-based design supports analytical rather than statistical generalisation; it does not estimate cost stickiness or causal effects, and differences in reporting periods and inconsistent platform-level disclosure limit direct comparison. Within these boundaries, the study shows why digital reach should be evaluated together with resource-adjustment timing and the contribution earned by new activities.

Keywords: Digital disruption, Legacy cost commitments, financial resilience, Management accounting, Media incumbents

INTRODUCTION

Digital platforms have changed how audiences discover, purchase and consume media. On-demand access, flexible cancellation, multi-device viewing and personalised recommendations have weakened the value proposition of scheduled television and bundled pay-TV packages. For incumbent media firms, the resulting challenge extends beyond adding a streaming application. Digital transformation requires changes in value creation, revenue architecture, organisational routines and resource allocation (Hanelt et al., 2021; Vial, 2019; Verhoef et al., 2021).

The accounting consequences of this transition deserve closer attention. Incumbents often retain programme-rights agreements, transmission infrastructure, production facilities, employee capacity and financing obligations that were designed for a larger traditional revenue base. These resources may remain useful, yet subscriptions or advertising income can fall before the related commitments are reduced. Research on asymmetric cost behaviour shows that managers and adjustment costs can delay resource reductions when activity declines (Anderson et al., 2003; Banker & Byzalov, 2014; Chen et al., 2012). This creates a management accounting problem: firms need to know whether the new business is replacing lost contribution quickly enough to support resources carried over from the old model.

Malaysia offers a useful comparative setting. Astro Malaysia Holdings Berhad developed around subscription income, exclusive content and satellite distribution. Media Prima Berhad relied more heavily on advertising and operated a broader portfolio that included free-to-air television, print, radio, outdoor media, content production and digital businesses. Both companies faced fragmented audiences and global streaming competition, but their revenue concentration and inherited cost commitments differed.

Their financial trajectories also diverged. Astro reported revenue of RM5.613 billion and profit attributable to owners of RM624 million in FY2017. By FY2025, these figures had declined to RM3.076 billion and RM129 million. Media Prima reported revenue of RM1.428 billion and profit attributable to owners of RM138.7 million in 2015. It then recorded substantial losses during 2016-2017, including major impairment charges, before restoring profitability at a lower revenue base. These patterns expose a practical weakness in common transformation metrics. Platform launches, audience reach and digital engagement can improve while margins remain under pressure. A single-company narrative cannot explain why firms exposed to the same technological shift display different patterns of decline, restructuring and recovery.

The analysis covers 2015 to 2025 and asks how differences in revenue exposure and inherited cost commitments help explain the financial paths of Astro and Media Prima. It examines movements in revenue, profit and selected cost indicators, the responses reported by each company, and the timing of resource adjustment relative to the decline in traditional income. The purpose is analytical generalisation from two theoretically selected cases, not estimation of an industry-wide average effect.

The paper connects asymmetric cost behaviour with organisational resilience. It argues that digital initiatives are more likely to support resilience when resource adjustment and contribution from new activities keep pace with the loss of legacy contribution. The paired cases show how this timing differs between two incumbents operating under the same broad market disruption. For management accountants, the comparison draws attention to the period in which old and new cost bases overlap and to the need to distinguish digital audience activity from the contribution that digital operations actually earn.

LITERATURE REVIEW

Digital disruption and incumbent transformation

Digital transformation is an organisational response to disruption created by digital technologies. Vial (2019) describes it as a process in which digital technologies trigger strategic responses and structural changes that alter value creation. Verhoef et al. (2021) distinguish digitisation and digitalisation from transformation; the latter requires business-model change rather than isolated technology adoption. A systematic review by Hanelt et al. (2021) similarly shows that digital transformation affects organisational structures, strategies and external relationships.

Incumbents face a specific tension because the established business continues to generate cash while its systems and routines can obstruct the new model. Dynamic capabilities explain adaptation through sensing changes, seizing opportunities and transforming the resource base (Teece, 2007). Warner and Wäger (2019) show that digital transformation depends on capabilities for digital sensing, rapid prototyping and business-model adaptation. Gooderham et al. (2023) add that legacy removal is itself part of transformation. Their case evidence identifies escaping, shrinking and terminating legacy arrangements as distinct approaches. This insight is relevant to media firms because legacy extends beyond information technology to content rights, distribution assets, workforces and revenue contracts.

Platform entry can produce both substitution and complementarity. Digital platforms may weaken an incumbent product while also creating aggregation, distribution and customer-data opportunities. The effect therefore depends on how the incumbent reorganises value creation and capture. A visible digital product is not sufficient evidence of successful transformation when its contribution does not offset losses from the traditional model.

OTT adoption and the pressure on traditional media

Research on over-the-top video identifies convenience, entertainment, navigability, content quality and perceived value as important drivers of adoption and continued use (Menon, 2022). Evidence from Malaysian viewers indicates that content quality and accessibility influence hedonic value and attitudes, which then affect satisfaction and continuance intention (Lo et al., 2024). Price and package flexibility are also relevant where traditional subscriptions are perceived as expensive or restrictive (Udoakpan et al., 2020).

Household-level evidence supports meaningful substitution. Malone et al. (2023) find that households increased internet use after dropping traditional television and that some acquired additional OTT subscriptions. The effect is not complete in every market because sports, local-language programmes, live events and broadband bundles can support coexistence. For incumbents, the strategic question is whether aggregation and local content preserve sufficient contribution while customers migrate to more flexible viewing arrangements.

Cost asymmetry and legacy cost commitments

The traditional fixed-variable distinction does not fully describe cost adjustment during structural decline. Anderson et al. (2003) show that selling, general and administrative costs may increase more when sales rise than they decrease when sales fall. This asymmetric pattern, commonly termed cost stickiness, arises when managers retain committed resources because reducing and later rebuilding them is costly. Subsequent research links asymmetry to managerial incentives, governance, expectations and resource-adjustment costs (Banker & Byzalov, 2014; Chen et al., 2012; Kama & Weiss, 2013).

Digitalisation may alter cost behaviour in opposing ways. Better information and process redesign can reduce adjustment costs, but technology investment can also add new commitments before legacy resources are removed. Recent large-sample evidence reports that digital transformation can reduce cost stickiness through lower adjustment costs and changed managerial expectations (Chen & Xu, 2023). This effect should not be assumed for every firm. Incumbents may temporarily carry both legacy and digital cost bases, especially when customer migration is gradual.

This study does not estimate a cost-stickiness coefficient. It uses legacy cost commitments as a document-based construct for obligations and organisational resources that remain material while traditional revenue declines and that cannot be adjusted immediately without contractual, operational or strategic consequences. Observable indicators include programme-rights commitments, content amortisation, transmission and distribution expenditure, employee costs, asset impairments, borrowings and finance costs. The construct is narrower than total fixed cost and broader than legacy information technology. Any link to asymmetric cost behaviour is interpretive and does not substitute for a formal sticky-cost test.

Financial resilience

Organisational resilience concerns the capacity to anticipate, cope with and adapt to adversity (Duchek, 2020). Financial resilience is treated here as the ability to absorb revenue pressure, maintain liquidity and financing capacity, and restore sustainable profitability while reorganising the business model. A return to profit alone is insufficient if it depends on temporary gains, and revenue growth alone is insufficient if margins and cash generation continue to weaken.

Recent evidence in Management and Accounting Review shows that cost stickiness can weaken firm resilience even when a strategic governance mechanism supports resilience at another level (Haryanto et al., 2026). This separation between strategic intent and operational cost adjustment is important for digital transformation. Existing research identifies the relationship, but gives less attention to the sequence through which an incumbent carries legacy commitments, restructures resources and develops replacement contribution. The present study examines that sequence in a paired media setting.

Resilience is examined through trends in revenue, profit attributable to owners, net margin, leverage-related disclosures, impairments and evidence of restructuring. This multi-indicator approach is appropriate because two cases cannot support population-level causal inference. The objective is explanation building: financial patterns are considered together with the timing and nature of organisational responses.

Analytical framework

The framework proposes that digital disruption first places pressure on traditional subscriptions or advertising. Financial resilience then depends on the alignment of three rates: the decline in legacy contribution, the adjustment of committed resources and the generation of replacement contribution. Revenue concentration increases exposure to the first rate, while legacy cost adaptability determines the second. Digital transformation affects the third only when new activities generate contribution rather than reach alone. The framework guides evidence collection and cross-case comparison; it is not presented as a tested mediation model.

Table 1. Analytical framework and observable evidence

Construct	Expected mechanism	Observable evidence
Digital disruption	Changes audience access, price expectations and consumption routines	Traditional revenue trends, audience disclosures and references to OTT competition
Revenue exposure	Concentration increases sensitivity to deterioration in the core source	Subscription and advertising dependence, segment mix and diversification
Legacy cost adaptability	Committed resources are resized or redeployed in response to declining legacy contribution	Rights amortisation, programming commitments, employee and transmission costs, impairments, restructuring and finance costs
Adaptive response	Digital products, aggregation and restructuring create or protect contribution	Platform launches, bundles, portfolio changes, cost rationalisation and asset restructuring
Financial resilience	The firm absorbs pressure and restores viable profitability and financing capacity	Revenue, PATAMI, net margin, borrowings, liquidity and return to profit

Source: Developed by the author from Anderson et al. (2003), Duchek (2020), Gooderham et al. (2023), Teece (2007) and Vial (2019)

Table 2. Operational criteria for legacy cost commitments

Criterion	Decision rule	Evidence retained
Persistence	A disclosed commitment or cost category remains visible during at least two periods of declining revenue	Annual financial trend and dated disclosure
Materiality	The item is quantified or described by the company as a major operating, contractual, asset or financing exposure	Reported RM amount, note or management discussion
Adjustment evidence	The company reports resizing, impairment, restructuring, disposal, renegotiation or redeployment	Dated action and subsequent financial pattern
Triangulation	Interpretation is supported by an audited figure and a separate corporate disclosure or later comparative	Source, page and cross-reference in Supplementary File 1

Source: Developed by the Author. These rules operationalise a case-study construct and do not estimate statistical cost stickiness

METHODOLOGY

Research design and case selection

The study adopts a comparative longitudinal case design. Case studies are suitable when the research seeks to explain how and why organisational outcomes emerge from interacting events and contextual conditions (Eisenhardt, 1989; Yin, 2018). Astro and Media Prima were selected through theoretical sampling. Both are Malaysian listed media incumbents exposed to digital competition, but they entered the transition with different revenue models and portfolios. This similarity and contrast support a most-similar-context comparison focused on mechanisms. The two cases are not intended to represent all Malaysian or regional media firms; their role is to develop a traceable explanation that later research can test in larger samples. The principal period is 2015-2025. Astro reports financial years ending 31 January, whereas Media Prima historically reported to 31 December and later changed its year end to 30 June. Financial-year labels therefore follow each company's reporting convention and do not represent identical calendar periods. To avoid false precision, the analysis emphasises within-company direction, magnitude and event sequence rather than treating same-labelled years as synchronised observations. Media Prima's 18-month period ended 30 June 2023 is identified separately and excluded from like-for-like annual trend interpretation. Astro FY2026 is discussed only as a post-period update because a matching audited Media Prima period was not available.

Data sources

Primary evidence comprises audited financial statements, annual or integrated reports, Bursa Malaysia announcements and official corporate disclosures. The annual reports provide financial figures, segment information, commitments, accounting policies and management commentary. Peer-reviewed research supplies the theoretical context. Social-media posts and unattributed online commentary are excluded from the evidence base. No interviews were conducted; accordingly, the study examines disclosed actions and reported outcomes but does not claim access to undocumented managerial intentions, internal deliberations or decision rationales.

Table 3. Data sources and purpose

Evidence	Period	Use in analysis
Astro annual and integrated reports	FY2015-FY2026	Revenue, PATAMI, subscription exposure, programme rights, commitments, borrowings and strategic responses
Media Prima annual reports	2015-FY2025	Revenue, profit attributable to owners, impairments, operating cost categories, segments and restructuring
Bursa and official corporate releases	2015-2026	Event dates, reporting-period changes and material corporate developments
Peer-reviewed journal articles	Primarily 2019-2026, with foundational studies	Construct definitions, theoretical reasoning and comparison with prior evidence

Source: Developed by the Author

Measures and analytical procedure

Financial figures were standardised to RM million and checked against comparative figures reported in subsequent annual reports where available. Revenue growth and net margin were calculated from reported values. Profit attributable to owners was used consistently in the comparative table; where a corporate release reported group profit after tax instead, it was used only as contextual evidence and labelled accordingly. Impairments remain within reported profit because removing them would replace the audited outcome with an adjusted measure. Their amount and timing are disclosed separately so readers can distinguish operating pressure from asset remeasurement. Because the financial year ends differ, no pooled statistical test or direct month-for-month comparison is performed.

Document analysis followed a directed coding approach (Bowen, 2009). Disclosures were classified as disruption pressure, revenue exposure, legacy commitment, adjustment response or adaptive response. The operational criteria in Table 2 were applied before an item was interpreted as evidence of a legacy commitment. A chronological matrix records the company, financial year, event, amount, evidence type, interpretation, source document, page and URL. Supplementary File 1 also contains the financial series and calculation rules. Platform-level digital revenue or contribution was retained only when explicitly disclosed and comparable; missing amounts were not inferred from audience or usage metrics. Because one coder performed the analysis, the study does not claim inter-coder reliability.

Each company was analysed separately before the cases were compared. Trend analysis identified persistent changes and unusual years, while ratios and percentage changes traced how movements in revenue appeared in profit. Coded disclosures were then used to interpret resource commitments and reported responses. The final comparison used pattern matching and explanation building (Yin, 2018). Events that occurred in the same period were treated as supporting context, not as proof that OTT competition caused a reported accounting outcome.

Credibility and limits of comparability and inference

Several safeguards were used to reduce interpretive bias. Financial amounts were drawn from audited statements and checked against later comparative figures where available. Every material claim is mapped to a source and page in Supplementary File 1. Claims about strategy or commitments required an identifiable corporate disclosure, and the cross-case explanation was retained only when it was consistent with both the financial trend and the event chronology. Negative evidence was also considered, including years in which restructuring did not produce an immediate improvement in profit. Comparability rules were fixed before interpretation: analysis is primarily within company, the 18-month Media Prima period is flagged and excluded from annual-rate comparisons, and Astro FY2026 is treated only as a post-period update.

The design cannot isolate digital disruption from every other influence on performance. Advertising cycles, the COVID-19 period, macroeconomic conditions, impairment timing and company-specific decisions may also explain part of the observed variation. The absence of interviews limits evidence about managerial motives, while inconsistent platform-level disclosure prevents calculation of a comparable digital-contribution measure. The small sample and short annual series are also insufficient for a credible statistical cost-stickiness model. These constraints are treated as boundaries on the claims, not as evidence that the proposed mechanism has been confirmed. The study therefore identifies a plausible accounting mechanism and its timing; it does not estimate an industry effect, a causal effect of streaming competition or a formal cost-stickiness coefficient.

RESULTS AND DISCUSSION

Comparative financial trajectory

Table 4. Annual revenue profit and margin

FY	Astro revenue RMm	Astro PATAMI RMm	Margin	Media revenue RMm	Prima revenue RMm	Attributable profit RMm	Margin
2015	5,231.0	519.0	9.9%	1,427.7		138.7	9.7%
2016	5,475.0	615.0	11.2%	1,289.0		(59.2)	(4.6%)
2017	5,613.0	624.0	11.1%	1,195.7		(650.6)	(54.4%)
2018	5,531.0	771.0	13.9%	1,185.7		58.6	4.9%
2019	5,479.0	463.0	8.5%	1,106.0		(177.9)	(16.1%)
2020	4,912.0	655.0	13.3%	1,041.6		(18.4)	(1.8%)

2021	4,360.0	540.0	12.4%	1,120.2	55.2	4.9%
2022	4,175.0	461.0	11.0%	997.9	51.9	5.2%
2023	3,800.0	259.0	6.8%	1,431.7*	64.6*	4.5%*
2024	3,436.0	37.0	1.1%	844.0	60.4	7.2%
2025	3,076.0	129.0	4.2%	857.0	21.0	2.5%

Source: Astro and Media Prima annual reports and official results releases; calculations in Supplementary File 1. *Media Prima FY2023 covers 18 months and is excluded from like-for-like annual comparisons

Astro's contraction was persistent after FY2017. Revenue declined by 45.2% from RM5.613 billion in FY2017 to RM3.076 billion in FY2025, equivalent to an approximate compound annual decline of 7.2%. PATAMI fell by 79.3% over the same period. Net margin narrowed from 11.1% to 4.2%. FY2026 subsequently recorded revenue of RM2.795 billion and PATAMI of RM63 million, but these figures are treated as a post-period development rather than part of the matched comparison.

Media Prima became smaller but followed a less linear path. FY2025 revenue was 40.0% below the 2015 level, an approximate annual decline of 5.0%. Profitability was interrupted by losses in 2016-2017 and 2019-2020. The 2017 attributable loss included a material non-current-asset impairment, which changes the timing and magnitude of the reported decline but remains economically relevant because it records the reduced recoverable value of legacy assets. Profit later recovered, reaching RM60.4 million in FY2024 before declining to RM21.0 million in FY2025. The pattern is consistent with restructuring-led stabilisation, but advertising recovery, disposals and post-pandemic conditions remain plausible co-explanations.

The comparison is important because both firms faced declining traditional revenue, yet the timing of adjustment differed. Astro's results show prolonged deterioration from a previously profitable subscription model. Media Prima recognised large losses earlier, reduced the carrying value of assets and later generated profit from a smaller revenue base. This distinction is consistent with cost-asymmetry research: the timing and cost of resource adjustment influence how revenue contraction appears in earnings (Banker & Byzalov, 2014; Kama & Weiss, 2013). Because the companies use different year ends, this inference rests on persistent within-company patterns and the sequence of disclosed events, not on equality between any two same-labelled annual observations. Excluding Media Prima's 18-month FY2023 and treating Astro FY2026 only as a post-period update does not alter the observed contrast between persistent contraction and restructuring-led stabilisation.

Astro and persistent legacy commitments

Astro remained strongly exposed to subscription revenue. In FY2026, subscription revenue represented RM2.270 billion of RM2.794 billion in revenue from customer contracts. The group reported total borrowings of RM2.321 billion and net debt of RM1.793 billion. Film-library and programme-rights amortisation was RM253.7 million, acquisitions of such rights were RM261.9 million, and programming commitments not provided for in the financial statements totalled RM855.4 million.

These figures do not mean that all programme and distribution costs are fixed. They do show that material obligations continued while the subscription base generated less revenue. Astro reduced operating costs and debt and reported compliance with debt covenants. It also expanded Astro GO, sooka, connected boxes, streaming aggregation and broadband bundles. However, the financial evidence indicates that contribution from the newer model did not replace the deterioration in traditional revenue during the study period.

The case therefore meets the document-based criteria for persistent legacy cost commitments. Content, distribution and financing arrangements supported Astro's earlier competitive advantage and could not be removed abruptly without affecting the remaining product. Gooderham et al. (2023) describe a related tension between maintaining income from legacy systems and developing new digital services. Astro's response

resembles gradual shrinking and recombination rather than immediate termination. Pricing, piracy, household income, customer mix and content choices may also explain part of the decline; the evidence does not isolate their effects from streaming substitution.

Media Prima and restructuring-led adaptation

Media Prima's cost base included programming-rights amortisation, internally produced content, transmission and distribution, employee costs, print infrastructure and commerce-related costs. Its 2016-2017 results demonstrate the short-term accounting effect of restructuring and impairment. The subsequent return to profit at a lower revenue level suggests that at least part of the resource base was resized.

In FY2025, the group reported revenue of RM857.0 million and profit attributable to owners of RM21.0 million. Programming-rights and intangible amortisation amounted to RM118.5 million, employee benefits were RM266.3 million, and transmission, technology and distribution costs were RM51.5 million. The company remained exposed to advertising conditions, but its portfolio provided several adjustment and monetisation channels, including digital publishing, outdoor media, content production and audience-based commercial activities.

Diversification did not prevent losses, and the fall in FY2025 profit shows that recovery was not secure. Nevertheless, Media Prima's path differs from Astro's persistent decline. Large impairments recognised the reduced value of legacy assets, while restructuring reduced the scale at which the group needed to operate. This is consistent with a more discontinuous and earlier adjustment of committed resources. It is not conclusive evidence that restructuring caused later profitability because advertising conditions, portfolio transactions and post-pandemic recovery may also have contributed.

Cross-case explanation

Table 5. Cross-case comparison

Dimension	Astro	Media Prima	Cross-case interpretation
Traditional core	Pay-TV subscription and content aggregation	Advertising across television, print, radio and outdoor	Subscription concentration increased Astro's exposure to household migration; Media Prima faced wider advertising sensitivity
Legacy exposure	Programme rights, satellite and distribution arrangements, customer equipment and financing	Workforce, broadcast and print assets, content and distribution	Both firms carried slow-adjusting resources, but their composition and adjustment options differed
Main response	Streaming aggregation, connected boxes, broadband and sooka	Impairment, restructuring, digital publishing and portfolio diversification	Digital product expansion and resource reduction occurred with different timing and intensity
Observed outcome	Persistent decline in revenue, PATAMI and margin	Lower revenue with a return to profit after major losses	Resilience depended on cost adjustment and replacement contribution, not digital presence alone

Source: Author's analysis of company reports

The cases support the argument that digital transformation is a business-model and resource-allocation problem. Both companies launched or expanded digital activities, but visible adoption did not guarantee comparable financial results. Astro's aggregation strategy preserved customer relevance but operated alongside a shrinking subscription base and continuing content and financing obligations. Media Prima's diversified portfolio was costly to restructure, yet it offered more routes for reallocating assets and monetising audiences.

The evidence refines the relationship between digital transformation and cost behaviour. Large-sample research suggests that digital transformation can reduce cost stickiness by lowering adjustment costs (Chen & Xu, 2023). Recent MAR evidence also reports that cost stickiness weakens resilience and may remain disconnected from strategic initiatives (Haryanto et al., 2026). The paired cases identify a boundary condition and a process explanation. When digital operations coexist with content, distribution and financing commitments from the old model, cost flexibility may improve more slowly than revenue deteriorates. Digital investment can therefore produce dual cost-base exposure before it strengthens resilience.

The cases motivate a proposition involving three linked rates: the decline in legacy contribution, the adjustment of committed resources and the growth of replacement contribution. Replacement contribution is not disclosed consistently and is not measured in this study. It denotes the contribution earned by new activities relative to contribution lost from the established business. The proposition is that margins weaken when legacy contribution declines faster than commitments can be adjusted and new activities can replace it. This is a testable explanation for later studies, not an observed ratio or causal estimate in the present cases.

The comparison also qualifies simple claims about diversification. Media Prima's portfolio created impairment exposure and coordination costs, but it later provided several channels for adaptation. Astro's focused subscription model historically generated stronger profit, but concentration increased vulnerability when household preferences changed. Diversification is therefore useful when activities provide genuine revenue and resource flexibility rather than additional complexity.

Alternative explanations and remaining uncertainty

The financial paths should not be read as a controlled test of two business models. Media Prima's impairments changed the timing of reported losses, and its later profits may also reflect advertising conditions, asset sales, portfolio decisions and post-pandemic recovery. Astro's decline may reflect pricing, customer mix, piracy, content choices and financing decisions alongside streaming substitution. Public reports do not allow these effects to be separated with precision, and they reveal less about managerial reasoning than interviews or internal records would. The interpretation is therefore limited to actions, commitments and outcomes that the companies disclosed.

The cross-case claim is narrower. In both companies, revenue pressure occurred while material commitments remained, and the timing of impairment, restructuring and new revenue development differed. That pattern is consistent with the proposed cost-adjustment mechanism, but it does not establish that one response caused the later financial outcome. Treating the mechanism as an explanation to be tested, rather than a causal estimate, reduces the risk of drawing more from the two cases than the evidence can support.

Theoretical contribution and boundary conditions

Cost-stickiness research explains why resources may adjust asymmetrically when activity falls, while resilience research examines how organisations absorb and adapt to disruption. Reading the two together places timing at the centre of the explanation. The cases indicate that financial resilience reflects the relative movement of legacy contribution, committed resources and contribution from new activities. A firm may develop credible digital capabilities and still remain financially vulnerable when resource adjustment and new contribution lag behind the decline in its established business.

Legacy cost adaptability is the mechanism that links transformation activity to financial outcomes. It does not require every legacy resource to be eliminated. Resources may be resized, redeployed or retained when they support replacement contribution. The relevant distinction is between strategic retention and delayed adjustment. This extends the transformation literature by explaining why similar digital responses can yield different accounting outcomes and extends cost-behaviour research by placing resource adjustment within a multi-period business-model transition.

The mechanism is most relevant to incumbents with a declining core business, material contractual or asset commitments and a period in which legacy and digital operations coexist. It may be less explanatory for

digital-native firms, firms with highly variable cost structures or disruptions that do not erode the established revenue base. These boundary conditions make the contribution testable in larger samples and other industries.

Implications for management accounting

Management accounting systems should separate digital activity from digital contribution. Subscriber counts, downloads and viewing hours do not show whether a platform covers content acquisition, technology, marketing and customer-service costs. Where segment data permit, managers could compare contribution generated by new activities with contribution lost from the legacy business. The present study does not calculate this ratio because the companies do not disclose consistent platform-level revenue and contribution data. This disclosure gap is itself relevant to external assessment, but it cannot be treated as evidence that digital contribution was either strong or weak.

Commitment registers should connect contracts and resources to downside scenarios. Programme-rights agreements, distribution capacity, employee commitments and financing terms can be stress-tested against reductions in subscriptions or advertising. Management should also monitor the commitment-adjustment lag between a sustained decline in activity and the resizing or redeployment of related resources. These measures distinguish capabilities retained for future value from resources preserved mainly because adjustment is costly or delayed.

For boards and investors, restructuring should be assessed over several reporting periods. Early impairment can make one year appear unusually weak while improving the relevance of later asset values. Conversely, delayed adjustment can preserve short-term presentation while increasing exposure to continuing revenue decline. Transparent disclosure of digital revenue, platform contribution and legacy commitments would improve evaluation of transformation progress.

CONCLUSION

Astro and Media Prima experienced the same broad shift towards digital media but followed different financial paths. Astro's revenue and profit declined persistently while material programme and financing commitments remained. Media Prima experienced severe impairment and restructuring losses before restoring profitability at a smaller scale. These outcomes show that technological disruption does not produce a uniform financial result. Differences in revenue exposure and the timing of commitment adjustment provide a credible interpretation of the two financial paths. The evidence further motivates, but does not measure, a replacement-contribution proposition: resilience should be stronger when committed resources and new contribution adjust before the decline in the established business causes prolonged margin pressure. This distinction explains how digital reach can expand while financial vulnerability remains without treating reach as proof of financial contribution.

For management accounting research, the cases bring the transition period into view. Replacement contribution, the delay before commitments are adjusted and the temporary overlap of two cost bases can be developed into measures for larger studies. Managers may also find these measures more informative than platform activity figures when assessing whether a digital business is becoming financially self-sustaining.

The conclusions remain subject to important limits. Two theoretically selected cases cannot support statistical generalisation or establish causality, and document analysis cannot recover undisclosed managerial reasoning. The companies also use different reporting year ends and segment structures; Media Prima's FY2023 covers 18 months, while platform-level revenue and contribution are disclosed inconsistently. The proposed measures are therefore analytical ideas rather than tested metrics. Future research should examine a larger panel of Southeast Asian media firms, estimate asymmetric cost behaviour using quarterly or segment-level data, standardise digital-revenue and contribution measures, and use interviews with finance and operating managers to explain why resources are retained, redeployed or removed.

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Conflict of Interest Statement

The author declares that the research was conducted in the absence of commercial, financial or personal relationships that could be construed as a potential conflict of interest.

Author Contributions

The sole author was responsible for conceptualisation, methodology, data curation, formal analysis, investigation, visualisation, writing the original draft, and reviewing and editing the manuscript.

Declaration of Generative Ai in the Writing Process

OpenAI ChatGPT was used during drafting to help reorganise sections, improve sentence clarity and format the manuscript. The author reviewed the resulting text, checked the cited sources and financial figures, and accepts responsibility for the final content.

Data Availability and Supplementary Materials

The study uses publicly available annual reports, audited financial statements and corporate disclosures. Supplementary File 1 contains the structured evidence matrix, source links, page references, annual financial series and calculations used in the analysis and is submitted with the manuscript.

Ethics Statement

This research did not involve human participants or animal subjects. It relied exclusively on publicly available corporate documents and published literature; institutional ethics approval and informed consent were therefore not applicable.

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APPENDIX A DATA DEFINITIONS AND VALIDATION RULES

Table A1. Data treatment rules

Issue	Treatment
Different year ends	Financial-year labels follow each company's reporting convention and are not interpreted as identical calendar periods.
Media Prima FY2023	The 18-month period is labelled and excluded from like-for-like annual trend interpretation.
PAT and PATAMI	Profit attributable to owners is used where available; terminology follows the relevant annual report.
Astro FY2026	Presented only as a post-period update because a comparable audited Media Prima period was unavailable.
Causality	Patterns and mechanisms are evaluated; OTT is not treated as the sole cause of reported changes.
Source hierarchy	Audited reports and official disclosures take precedence over news reports and social-media claims.
Two-case scope	Findings support analytical generalisation about a proposed mechanism, not statistical generalisation to the media industry.
Documentary evidence	Claims are limited to disclosed actions and outcomes; managerial intentions are not inferred without interview or internal-record evidence.
Cost stickiness	Legacy commitment indicators are interpreted qualitatively; no formal cost-stickiness coefficient or causal effect is claimed.
Digital segment data	Platform-level revenue and contribution are used only when explicitly disclosed and comparable; missing values are not inferred from reach or usage.

Source: Developed by the Author