

iPhones everywhere in China ahead of launch

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A man displays an iPhone in a Beijing street. Countless Chinese people are using fake iPhones that are virtually indistinguishable from the real thing, some of which come pre-loaded with the popular QQ instant messaging system as an added bonus.

At a Shanghai electronics market, row after row of iPhones -- real and fake -- are on display, as vendors cash in ahead of the official launch this week of Apple's trendy smart phone in China.

"The 'high imitation' iPhones sell much better than the smuggled ones," said one 20-something salesman, sitting behind his small counter piled high with handsets.

His candid words are not good news for mobile operator [China Unicom](#), which on Friday will officially start selling the iPhone in the world's biggest cell phone market, more than two years after the gadget's US

launch.

Unicom and Apple announced a multi-year deal in August to offer the touch-pad iPhone here in a bid to turn around weak performance against rivals China Mobile and China Telecom by attracting customers with high-end tastes.

Unicom says it hopes to sell five million handsets in three years, but experts and customers question how realistic that goal is when tech-savvy consumers have been snapping up cheaper fake and smuggled models for months.

Shaun Rein, head of the Shanghai-based China Market Research Group, said two million of China's nearly 720 million [mobile phone](#) users are already using authentic iPhones purchased here or abroad, and demand may already be met.

"When the iPhone came out in the United States in 2007, there was a huge demand here, and a lot of people were going to the United States, buying handsets, cracking the code and selling it here," Rein said.

"Almost everyone who wants an iPhone already has one."

On top of that estimate, countless more Chinese are using fake iPhones that are virtually indistinguishable from the real thing, some of which come pre-loaded with the popular QQ instant messaging system as an added bonus.

Hai Bin, a 32-year-old employee at an auction website, said he was doubtful the official handset would make much of a mark in China.

"I've had the iPhone since 2008 -- one of my friends bought it in Hong Kong when he was on a business trip," he said.

"I don't think China Unicom's launch is meaningful -- the prices of stand-alone iPhones they offer are much higher than smuggled ones for a start."

China Unicom, the country's second-largest mobile operator by subscribers, said earlier this month that it would offer eight iPhone subscription packages costing between 126 and 886 yuan (18.5-130 dollars) a month.

But in China, most people use pre-paid mobile packages, in part because subscription contracts require an employer guarantee or government documents such as a residence permit that can be hard to get in major cities, Rein said.

Unicom will also sell stand-alone handsets, but at a high price, with the cheapest at 4,999 yuan, according to Beijing-based high-tech consultancy BDA -- totally out of range for the average Chinese consumer.

A survey on popular web portal sina.com, which had attracted 120,739 respondents by the weekend, said just 2.1 percent were willing to pay that much.

China Unicom received more than 10,000 advance orders for the [iPhone](#) during the week-long October 1 holiday, but BDA cautioned that not all orders would be converted into actual sales.

The company, contacted repeatedly for comment on the price issue, did not respond.

Beyond the hefty price tag, the first batch of official iPhones will come without WiFi -- an important selling point both in China and globally.

"If Unicom offered the 'complete version' and the WiFi function was not disabled, people might want to buy them. But with WiFi disabled, there will not be many buyers," Hai said.

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