

iPhone's debut in S.Korea means paradigm shift: experts

November 28 2009, by Park Chan-Kyong



Apple's top selling iPhone faces one of its biggest challenges yet when it goes on sale this weekend in South Korea, the world's most wired nation and long accustomed to cutting-edge gadgets.

Apple's top selling iPhone made its debut in South Korea Saturday with experts saying the iconic smartphone is likely to serve as a wake-up call for an IT industry basking in an isolated market.

Hundreds of people lined up overnight outside the Olympic stadium in Seoul to pick up their <u>iPhone</u> as soon as it was launched.

The Internet and multimedia enabled iPhone immediately emerged as the country's most popular smartphone with nearly 60,000 people making online pre-sale orders, according to KT Corp, local distributor of iPhone.



KT Corp, South Korea's second largest mobile carrier, said its deal with Apple will dent the dominance of rival <u>SK Telecom</u>, which has a 50.5 percent share of the local mobile market compared with KT's 31 percent.

KT set the price of the 32-gigabyte <u>iPhone 3GS</u> at 396,000 won (338 dollars) for customers who subscribe with a monthly service fee of 45,000 won. The price is 264,000 won for customers who subscribe with a monthly fee of 65,000 won.

The introduction of the <u>smartphone</u> with its vast range of applications sparked immediate price competition.

<u>Samsung Electronics</u>, one of the world's largest mobile makers, slashed the cost of its most advanced and expensive phone, an eight-gigabyte touch-screen model called Omnia2, by 44,000 won to 924,000 won.

The iPhone has proved to be a massive hit in markets such as the United States and Europe but ran into problems before launching in <u>South Korea</u> due to concerns that location services such as "<u>Google Maps</u>" would breach a privacy law.

Its sale was finally approved in September by telecom regulators who said such services would not encroach on privacy.

South Korean firms have grown under the protection of high trade barriers, which have helped Samsung and LG become the world's second and third largest handset makers.

But local customers pay the highest prices in the world for mobile phones and among the highest for wireless service.

Hongsun Kim of Ahnlab, South Korea's top IT anti-virus and security



solution provider, welcomed iPhone's debut in the country, which he said would bring about a "paradigm shift" toward mobile applications and contents.

"iPhone's philosophy is centred on various applications and contents. Mobile telecommunication is just a part of its software," he wrote on his company's website.

"The key word in IT is global openness but as many bloggers point out, South Korea is becoming like the Galapagos Islands of IT," he said in reference to the country's closed IT market.

"There is no country in the world like South Korea which claims itself as an IT powerhouse. But it is not a right direction for us to lock ourselves in and get satisfied with our own achievement," he said.

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Citation: iPhone's debut in S.Korea means paradigm shift: experts (2009, November 28)

retrieved 24 April 2024 from

https://phys.org/news/2009-11-iphone-debut-skorea-paradigm-shift.html

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