

## Kakao is sweet for S. Korean smartphone users

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Kakao Talk, a Korean mobile messanger is a smartphone application that allows users to send messages, pictures, soundbytes and even video via the Internet, unlike traditional Short Message Service (SMS) that use phone lines.

South Korean student Hwang Jin-Joo no longer sends text messages to his extensive circle of friends, he "KaTalks" them.

Kakao Talk, a mobile messenger smartphone application, has enjoyed



phenomenal success since it was launched 16 months ago and has spawned similar apps in the world's most wired nation.

"Almost everyone I know uses the service, and it's so economical that now I can't imagine how I'd keep in touch with so many friends without it," said Hwang, 21.

Many Kakao devotees say they have stopped sending Short Message Service (SMS) texts since they downloaded the app, which allows users to send messages, pictures, soundbites and even video via the Internet.

The application is free to download, and sending and receiving material in wi-fi zones is also free.

Even outside the zones it is relatively cheap because it uses a <u>mobile data</u> payment plan rather than phone company connections such as SMS.

The company makes part of its revenue from a commission on gifts which users can send to friends via Kakao.

"The application grew much faster than we expected because the mobile environment and paradigm is changing rapidly," Lee Jae-Beom, CEO of Kakao Talk, told AFP in an interview.

He said the application has been downloaded 18 million times worldwide in just 16 months, with 500 million messages being exchanged daily.

Early this year Kakao also launched the application in English and Japanese.

"Mobile messengers...not only substitute for SMS, but also create a new communications culture, where users can actually chat even without a computer and have a group conversation," said Lee.



The CEO said a new phenomenon has emerged in which people who don't use Kakao Talk feel excluded from their peers.

The experience of Kim Lee-Soo, 21, seems to bear that out.

"I have started to reduce contact with friends who don't use smartphones because I only send SMS messages when it is necessary, and I also try to keep them short to stay within the word limit," said Kim.

Businessman Park Tae-Hoon, 32, uses Kakao Talk for almost 70 percent of his text-style communications. "It's nice since I can invite my friends to chat at the same time. It's simply convenient," Park said.

With the market share which Kakao Talk has secured, Lee said the company will try to "connect to everything", including social commerce, contents and other applications -- to become the ultimate hub for smartphone users.

South Korea, a nation of 48.6 million, took to smartphones relatively late but has quickly caught up.

The number of smartphone subscribers hit 15 million last week, less than four months after the number had passed 10 million.

"As long as my friends use smartphones and the application, I can contact them for almost free, anytime and anywhere in the world...and that's why I will continue to use the service," said businessman Gwak Yeoun-Ju, 43.

Other companies are also cashing in on mobile messenger fever.

Daum, the nation's second largest portal, launched a free mobile messenger called "My People" in June last year.



It offers free Internet phone calls using a mobile voice-over-Internetprotocol service and says it hit 10 million downloads this month.

Naver, the largest portal, plans to launch "Naver Line" this month.

"The market...is still fairly nascent, so I believe that adoption and usage of these applications will continue to grow as smartphone penetration grows," said Pamela Clark-Dickson, a British senior analyst with Informa Telecoms and Media.

"Will mobile messengers end texting?" asked one South Korean newspaper recently. Analysts, however, say it's premature to write off SMS.

"I don't think these...will eventually totally cannibalise the SMS market," said Clark-Dickson.

"SMS is the only truly interoperable messaging medium across mobile devices from low end right through to the most advanced smartphone," she told AFP.

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