



# The new keyword, 'Smart Communications'

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**Legislator**

**The National Assembly of the Republic of Korea**

# **ICT status in Korea**

# Korea's rankings in global ICT indices

# 1

UN E-government development index as of 2010

☞ Capacity & willingness in using e-government for ICT-based national development

# 1

UN e-participation index as of 2010

☞ Online participation of citizens on national issues and policies

# 3

ITU ICT development index as of 2010

☞ Development of information society including information divide

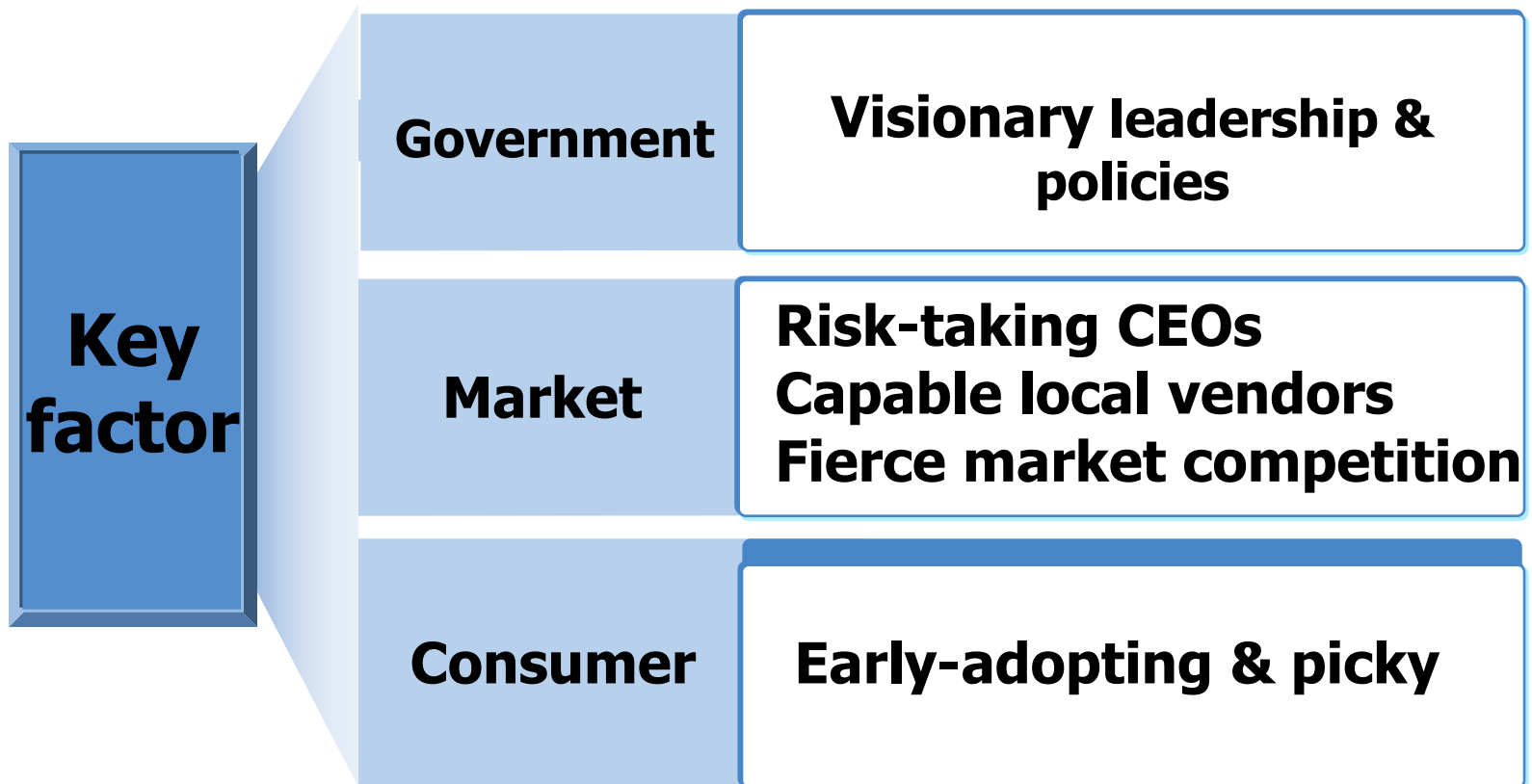
# 1

Household internet penetration rate among OECD nations as of 2009 (ITU)

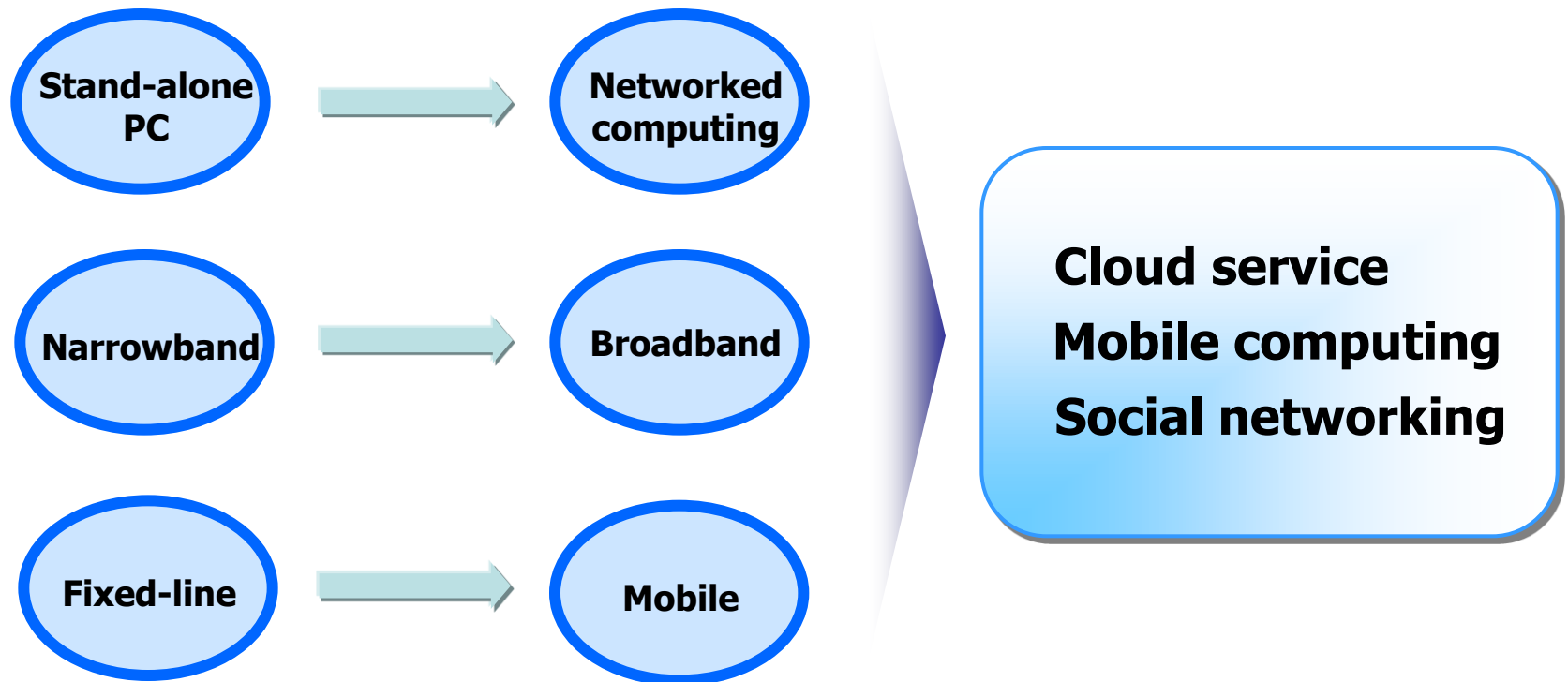
# How much Korea is connected

- **16 million broadband subscribers (pop. 48m)**
- **77.2% of internet usage rate**
- **18 million DMB users (8 TV, 11 Radio)**
- **49 million mobile phone users**
- **2.6 million IPTV subscribers**

# Key success factor



# Keywords of the Current Market



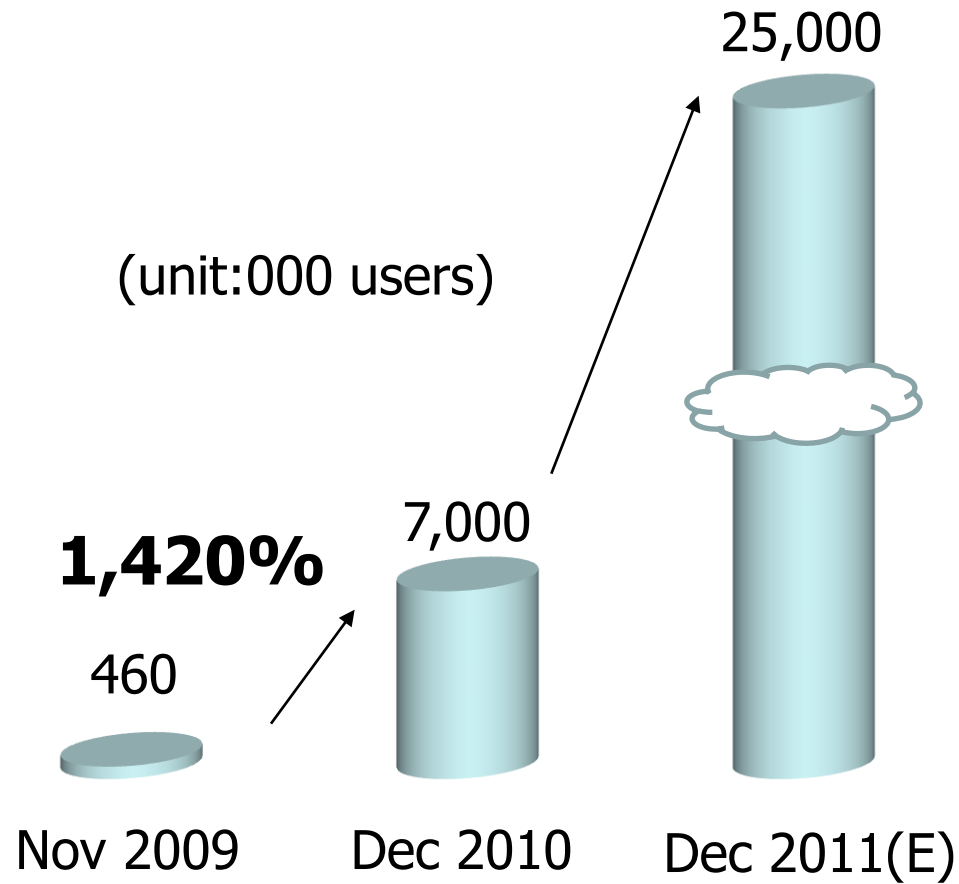
**Smart-phone  
Tsunami  
in Korea**

# November 2009 in Korea

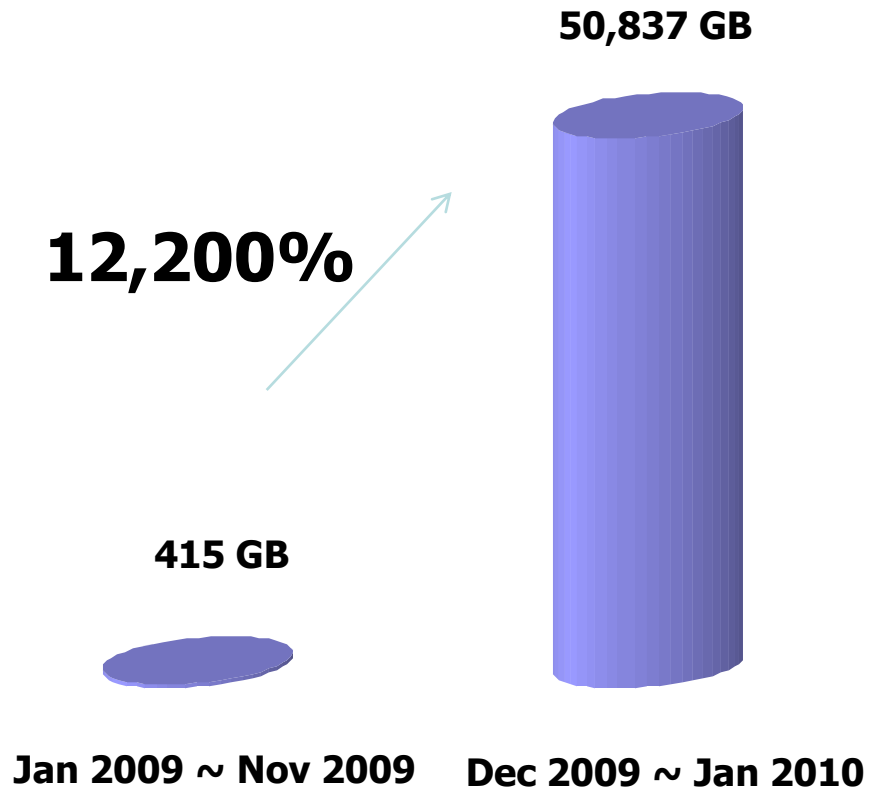




# Smart-phone wave



# Data traffic explosion



Note : Data traffic from smart-phone users

Source : [www.digieco.org](http://www.digieco.org)

# No.1 in mobile data traffic (/user/mo)

**Korea**

**271  
MB**

**Japan**

**199  
MB**

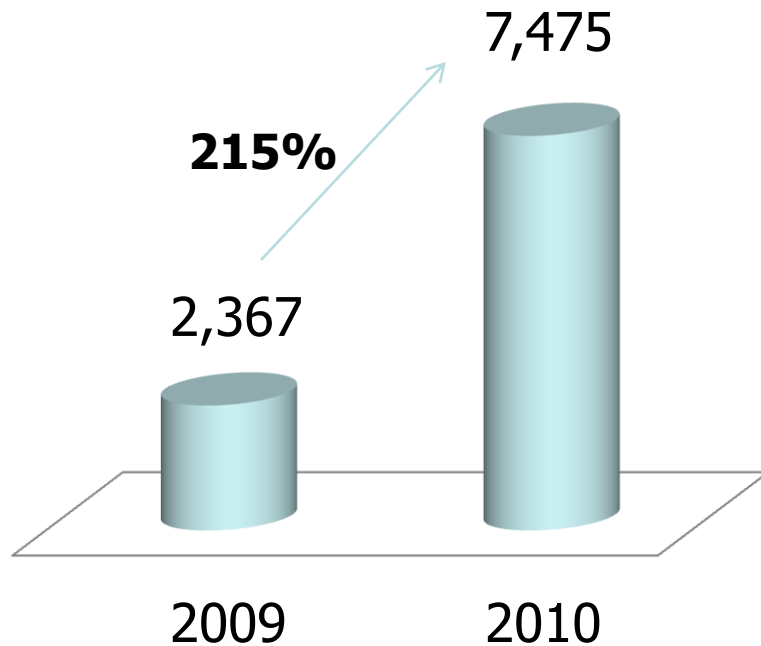
**World  
average**

**85  
MB**

Note : ATPU (average traffic per user/per month)

Source; Informa Telecoms & Media Nov. 2010

# Korean smart phone apps



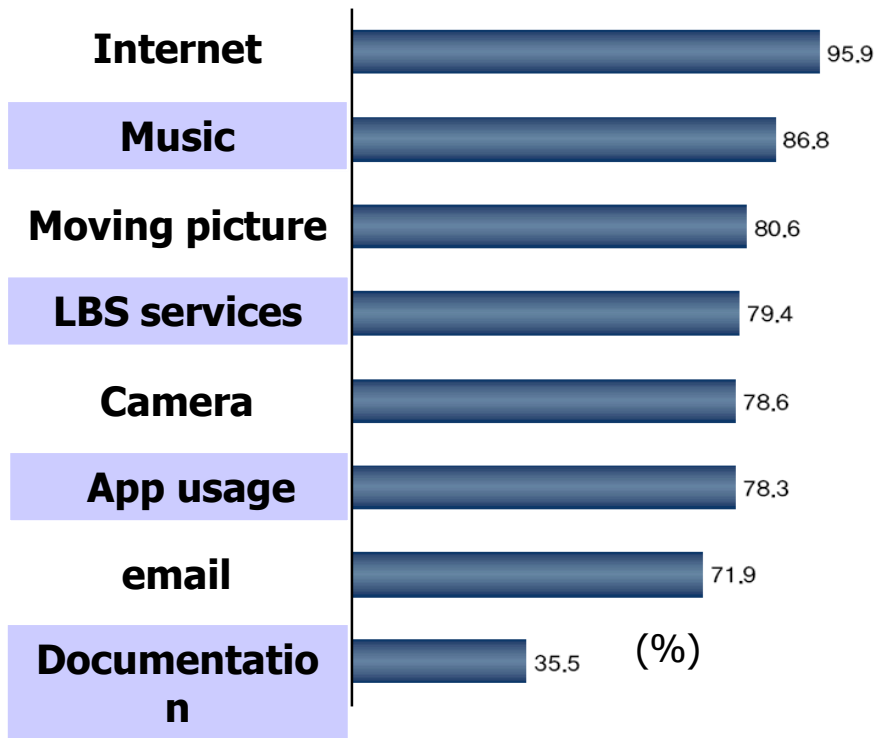
**23.1** apps per user on average

**58.1%** smart-phone users have at least one paid-app

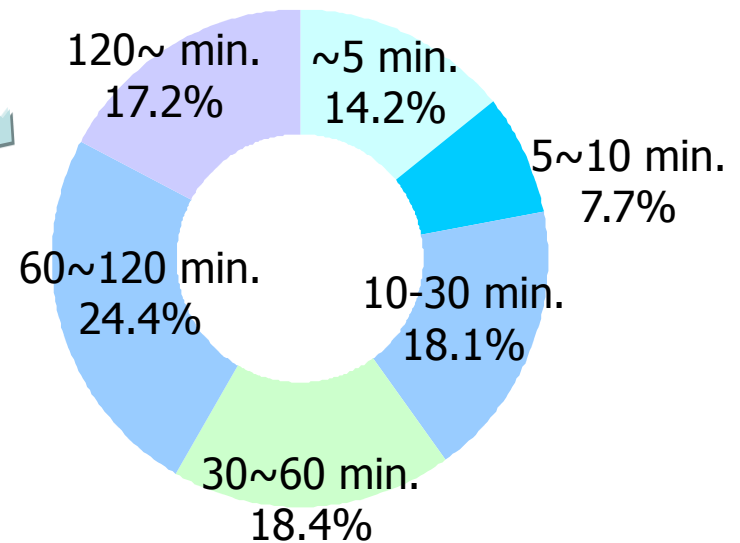
**29.5%** paid-app users spend more than \$ 10 per month

# Spend 59.4 minutes accessing Internet

## Smart-phone usage



## 41.6%, over 60 min.

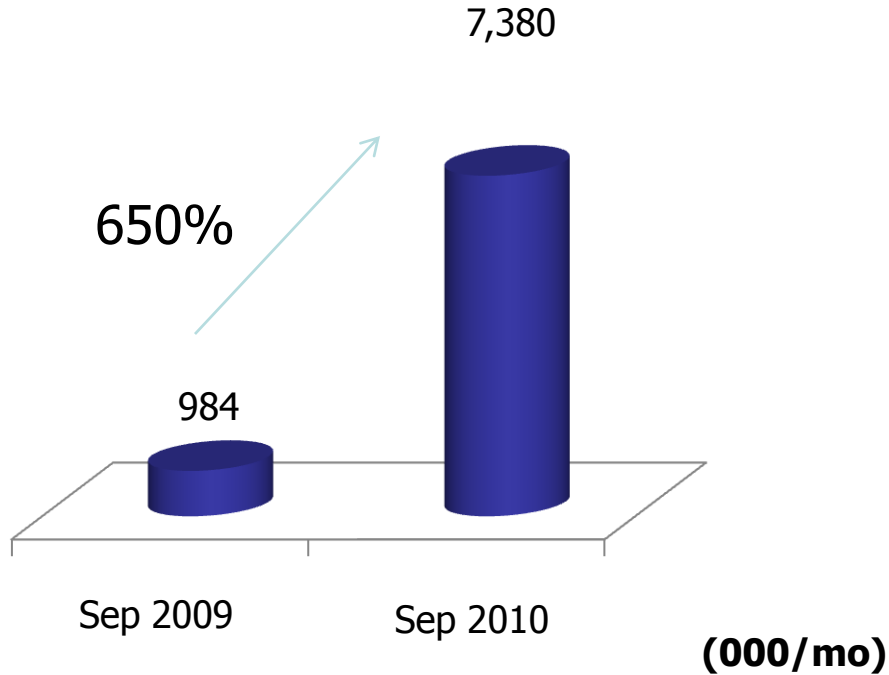


Note : Only internet connection duration counted

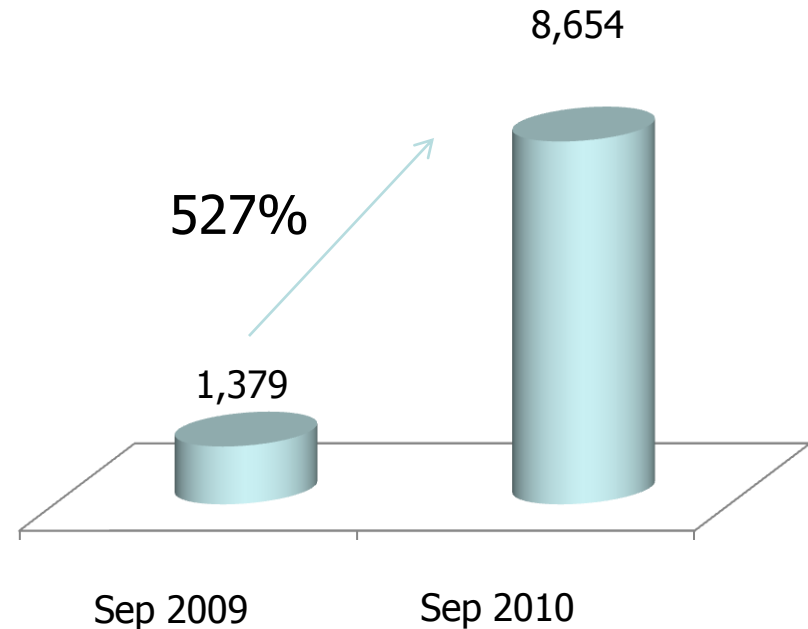
# Skyrocketing SNS visitors



**facebook**



**Twitter**



Note : 2.5 million FB users & 2.4 million twitter users as of Jan 2011

Source; Metrics, The Segye Daily Newspaper Jan 2011

# Smart-phone widows?



# One of the success factors

## Affordable package prices

	i-slim	i-light	i-medium	i-premium
Monthly charge(\$)	35	45	65	95
Voice	150 min	200 min	400 min	800 min
SMS	200	300	300	300
Mobile data	100MB	500MB	1GB	3GB
i-phone 3GS	\$396	\$264	\$132	free

Note : \$1=\1,000(Korean won) assumed., 2year-subscription

Source : KT 2009 price table



# Flat rate being a curse?

# \$50 / mo

# “unlimited data usage”

## (21.6% of total subscribers\*)

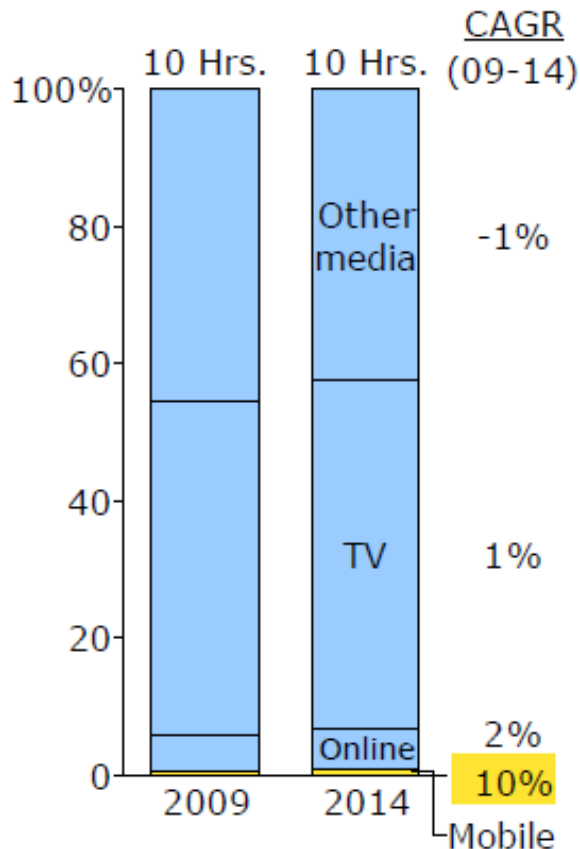
<b>Daily limit</b>	\$50/mo – 75Mbytes
	\$60/mo – 100Mbytes
	\$70/mo – 150Mbytes
	\$90/mo – 300Mbytes

**What does this  
all mean?**

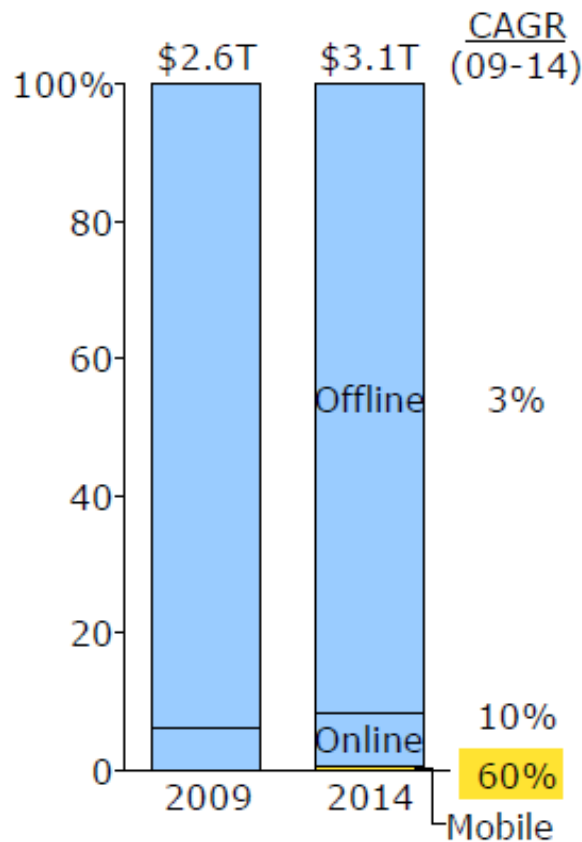
**Truly mobile**  
**Always-on**  
**Strictly personal**

# Mobile power in the US

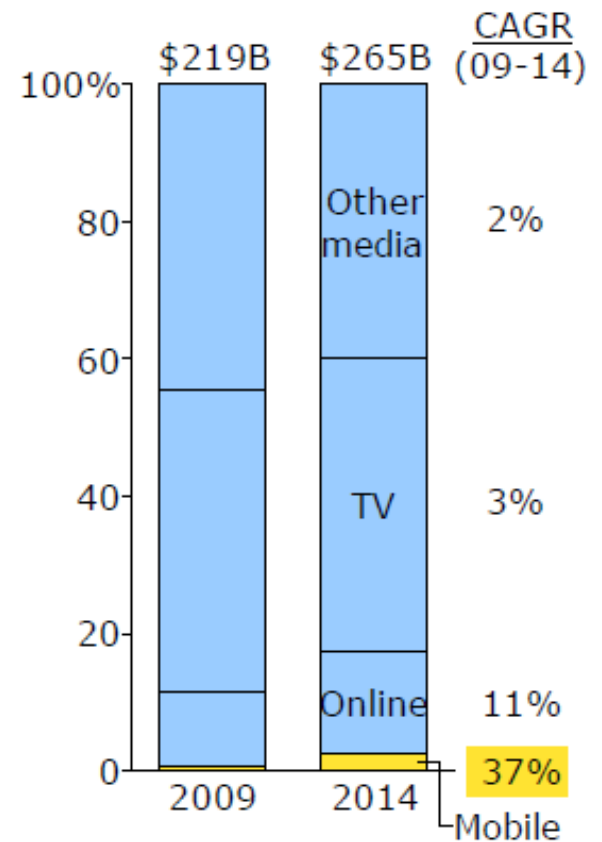
Time spent with media per day (US)



Commerce annual gross transaction value (US)

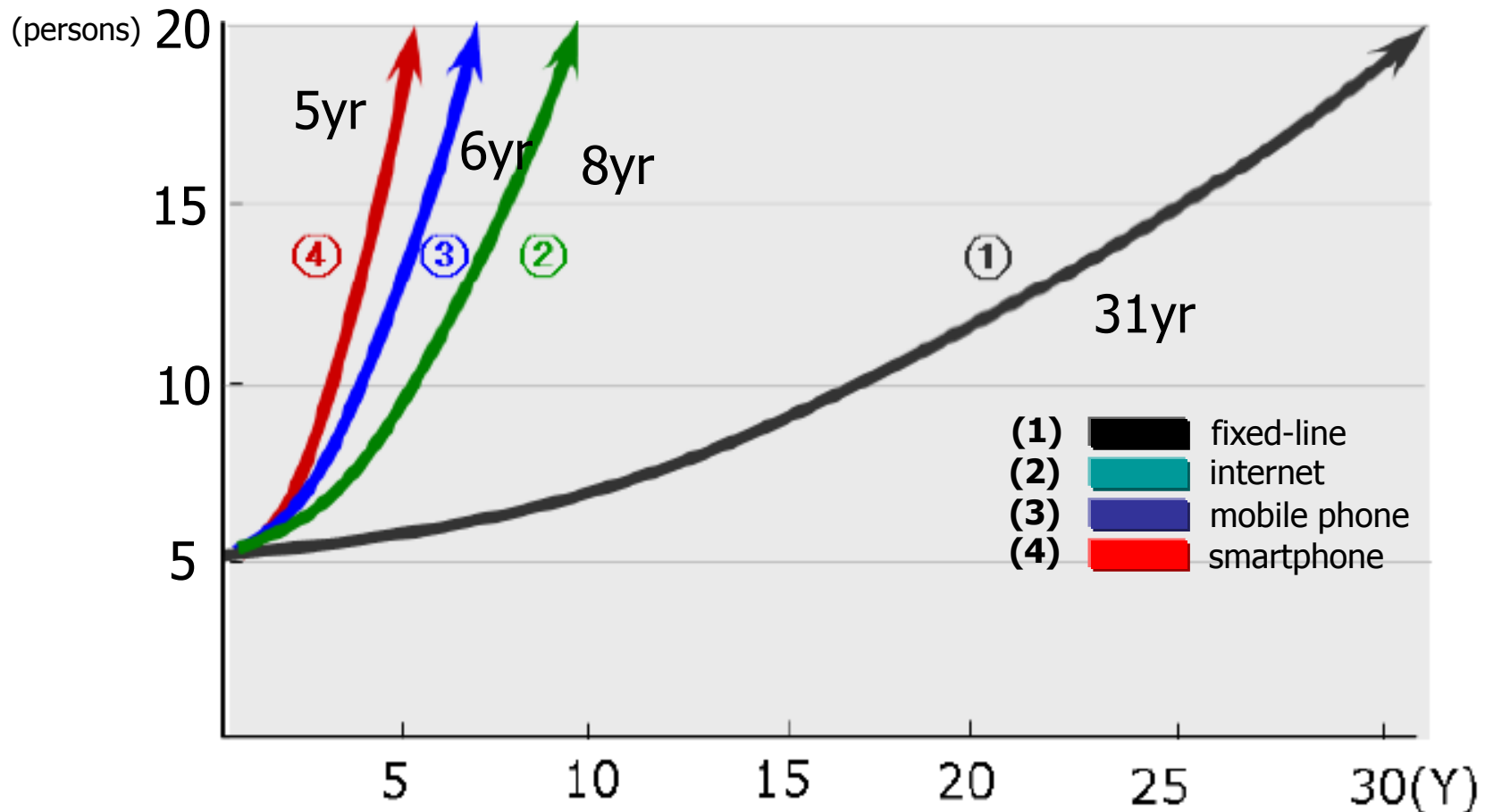


Annual advertising spend (US)



# User diffusion speed

## Time to reach 20 users from 5 users/100

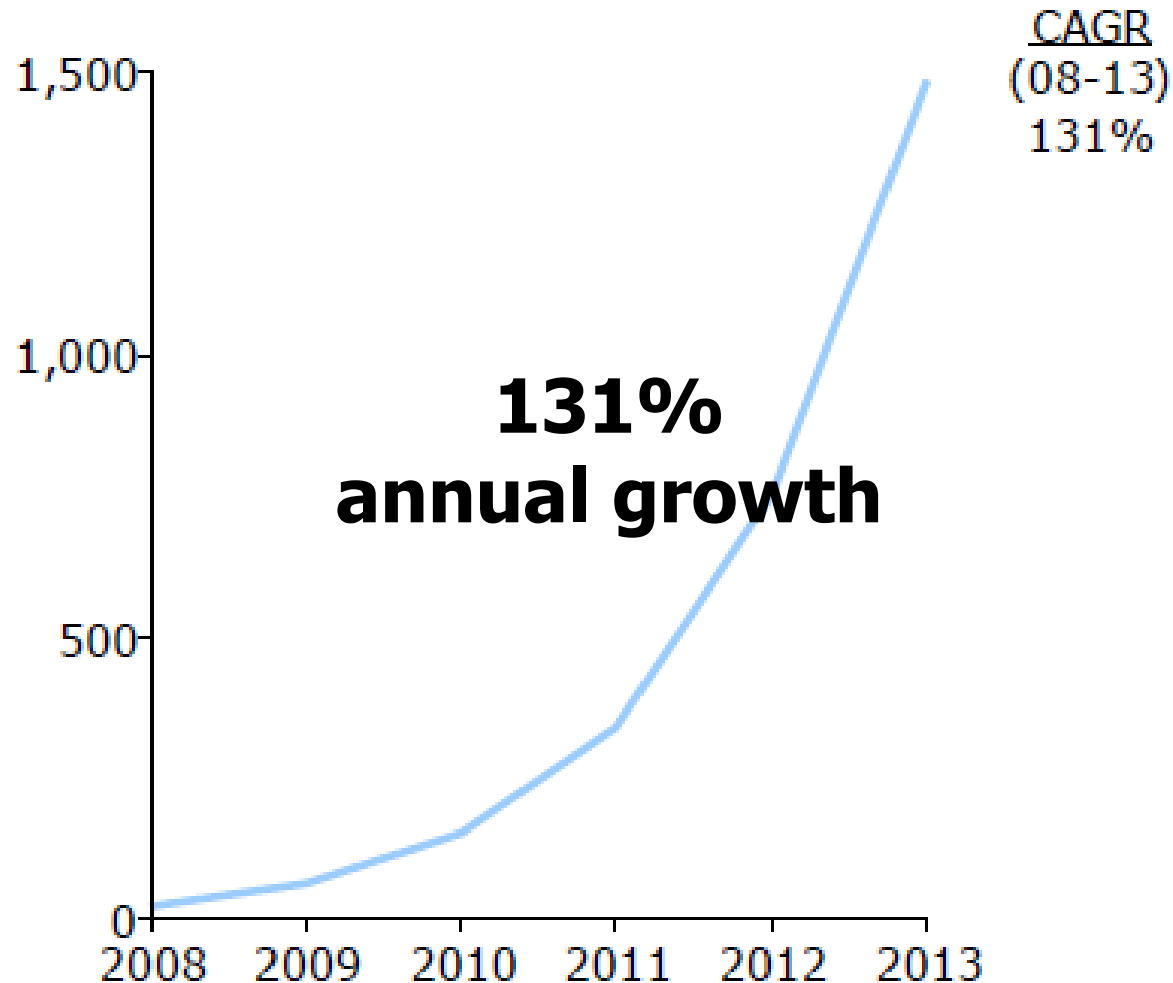


Note : How long it takes to reach 20 from 5 users among 100 people

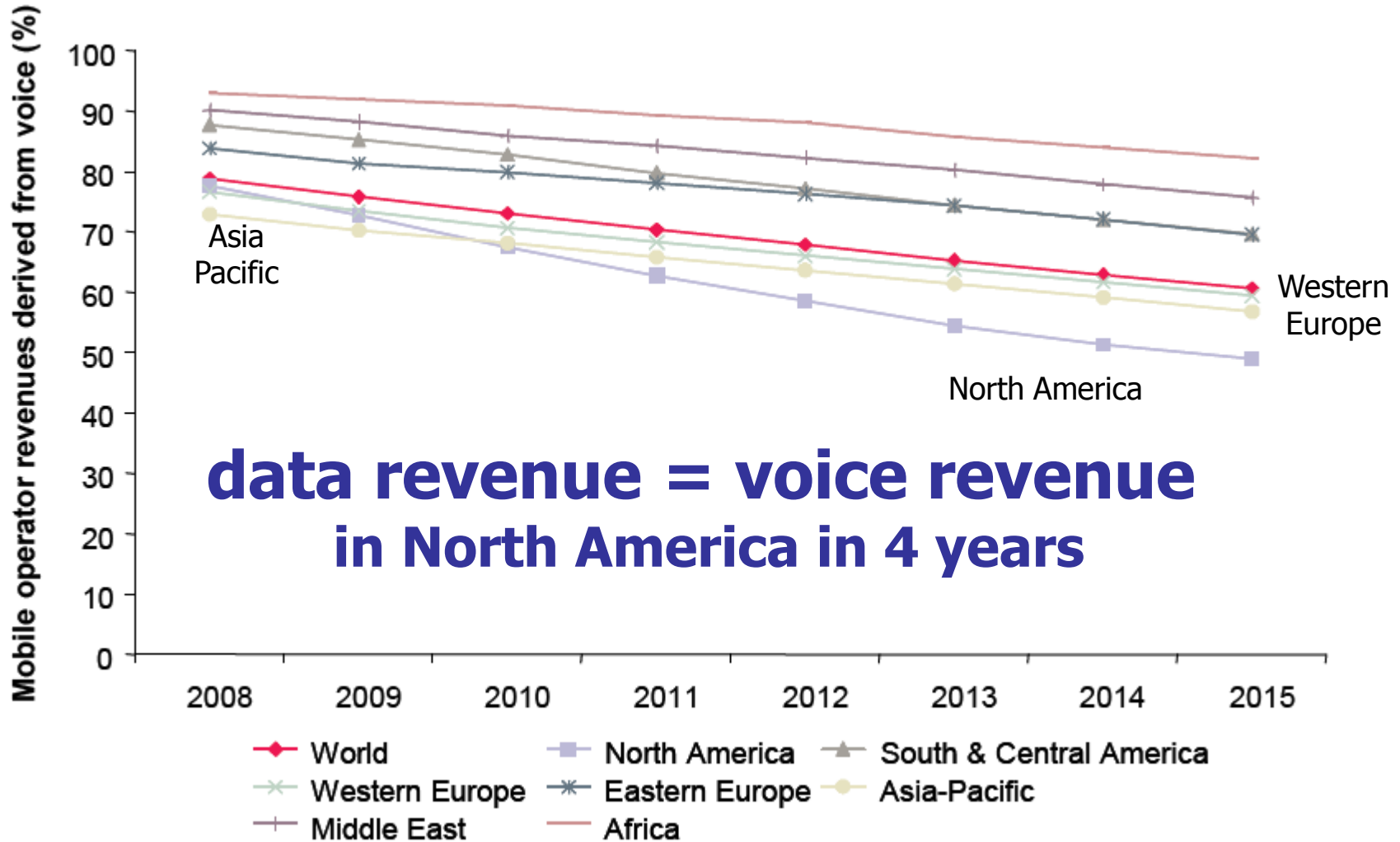
Source : SERI, June 2010

# Global mobile traffic forecast

MB/mo/sub.



# Proportion of mobile operators voice revenue



# Challenges



# Challenges



**Privacy,**  
strict guard or show off?



**Security,**  
'always-on': hackers' playground



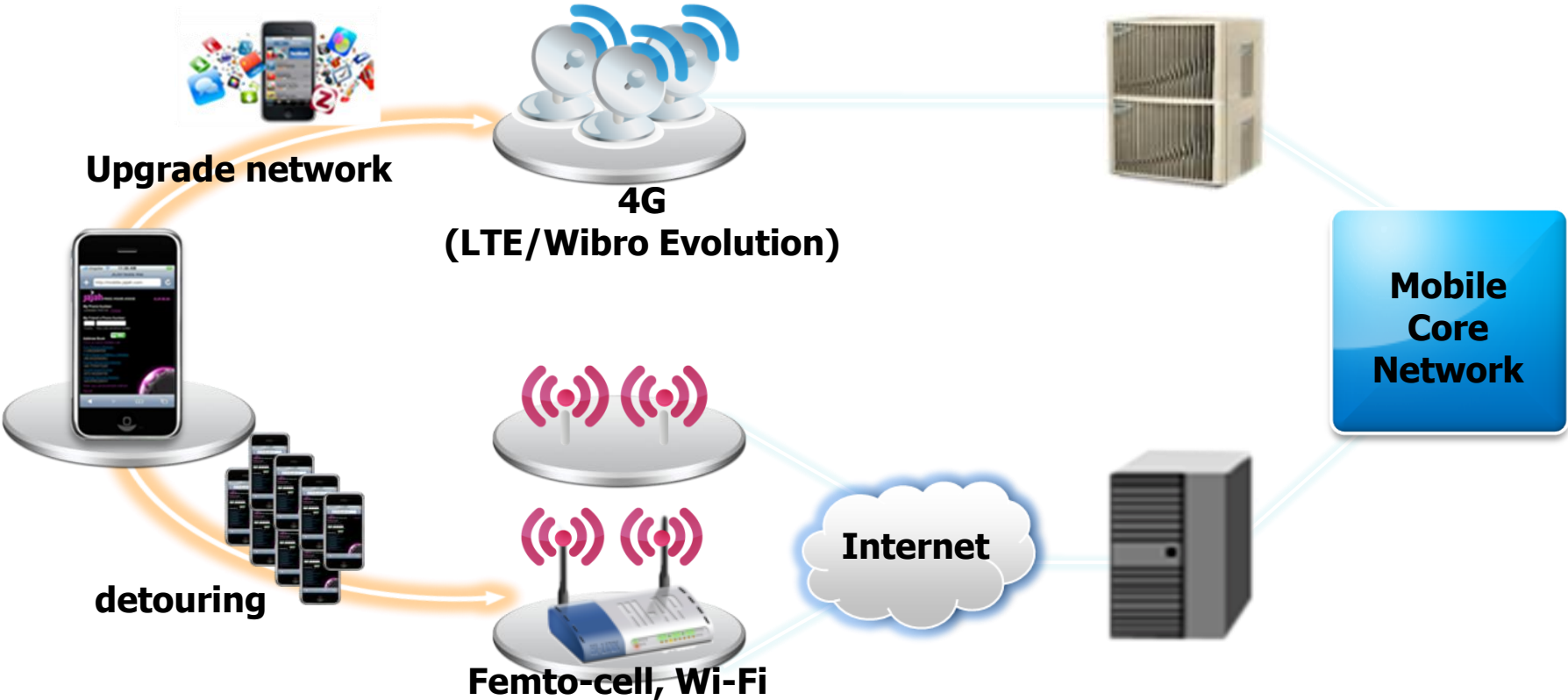
**Smart-divide**



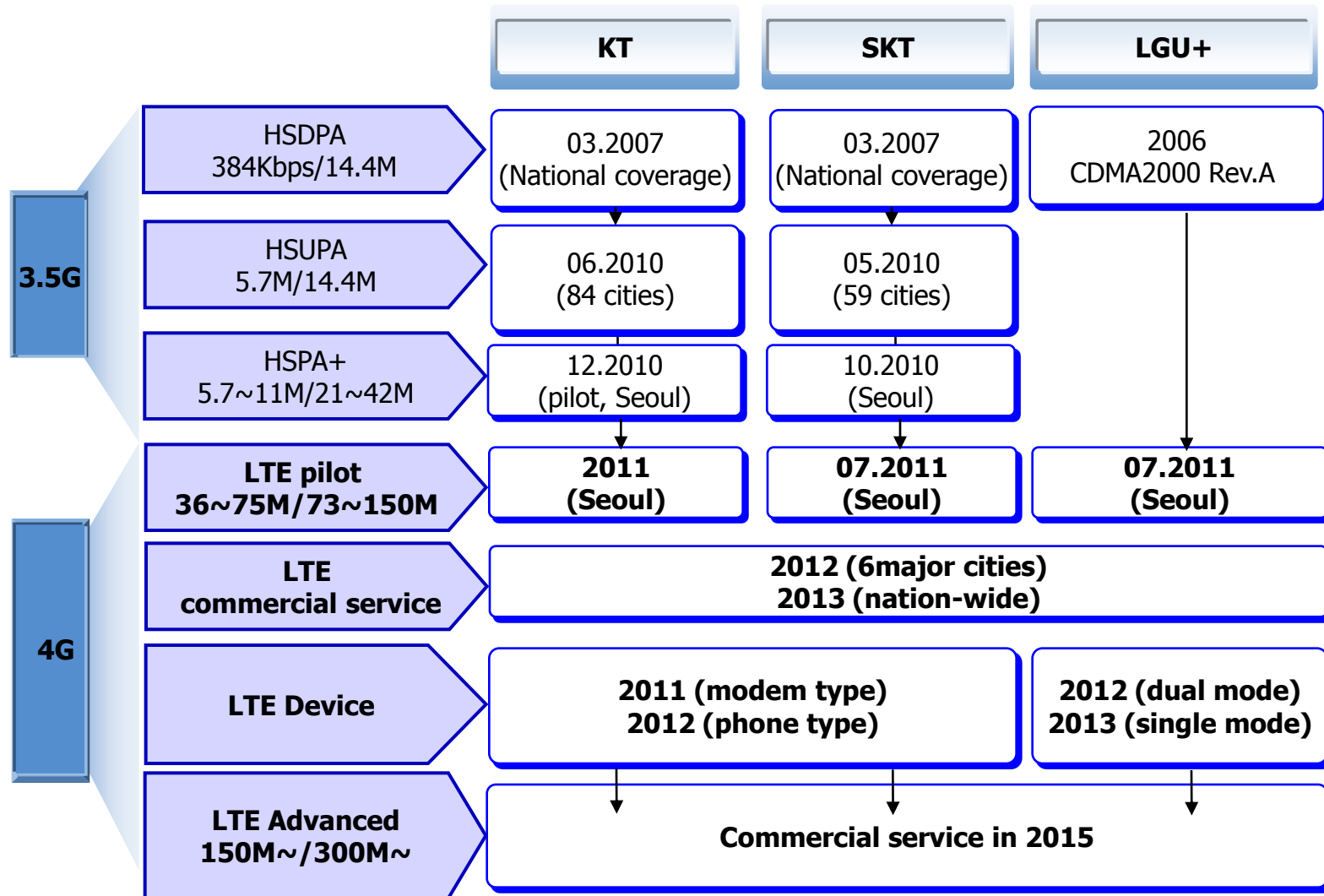
**Network,**  
who pays for it?

# To cope with data traffic explosion

## Short-term ; Upgrade & detouring

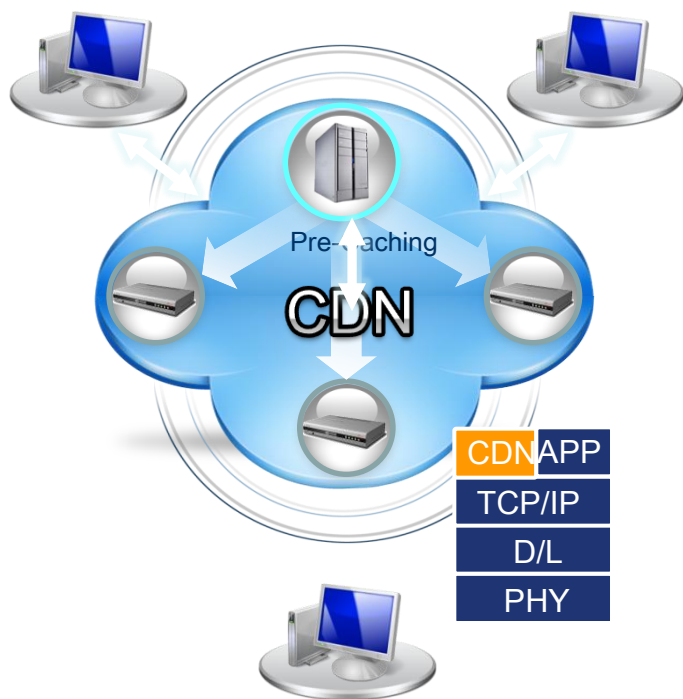


# Network evolution roadmap (Korea)

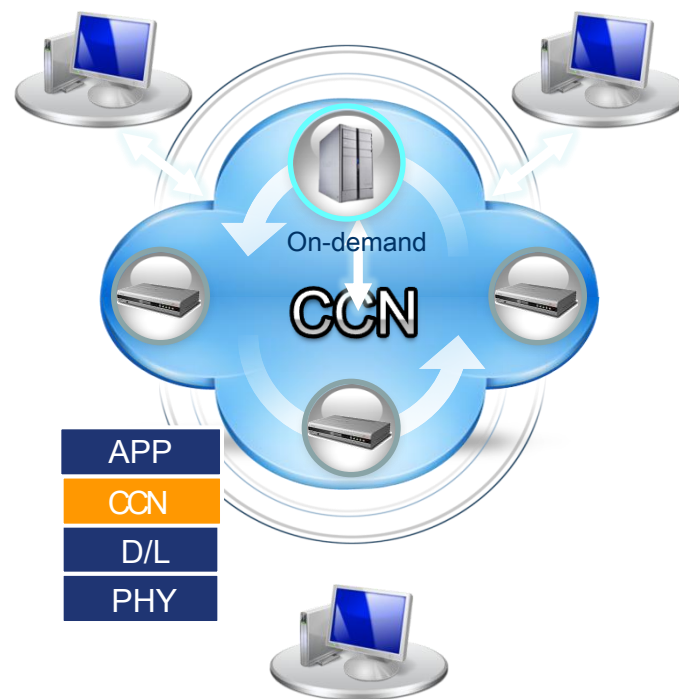


# To cope with data traffic explosion

## Long-term; Migration from CDN to CCN



**Add-on network**

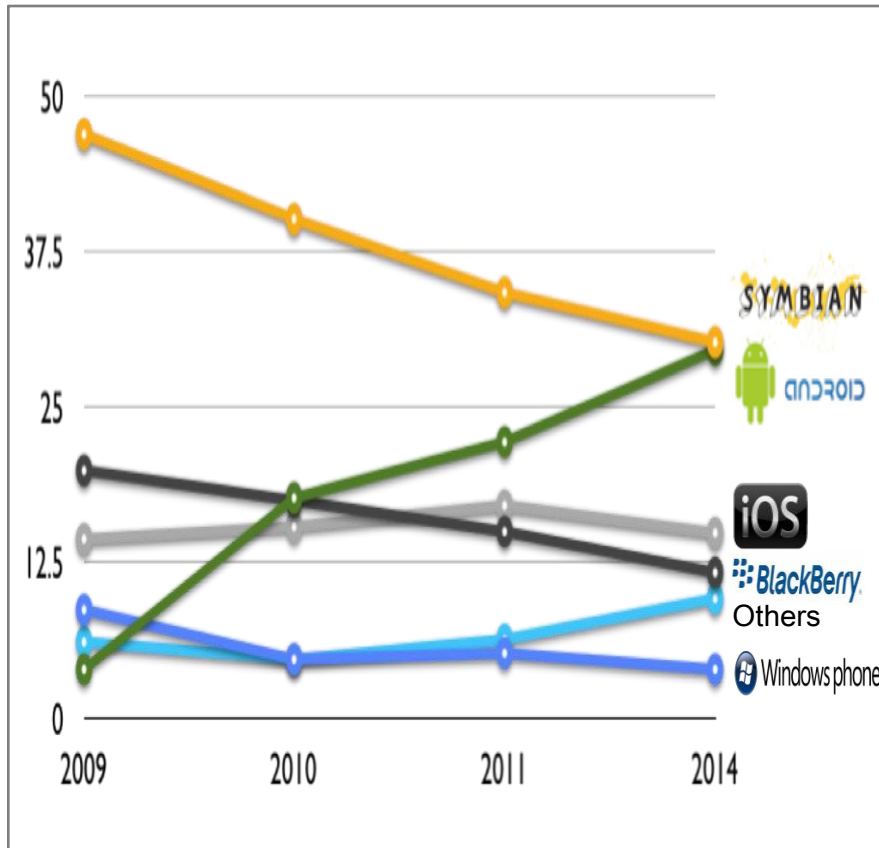


**Architecture integration**

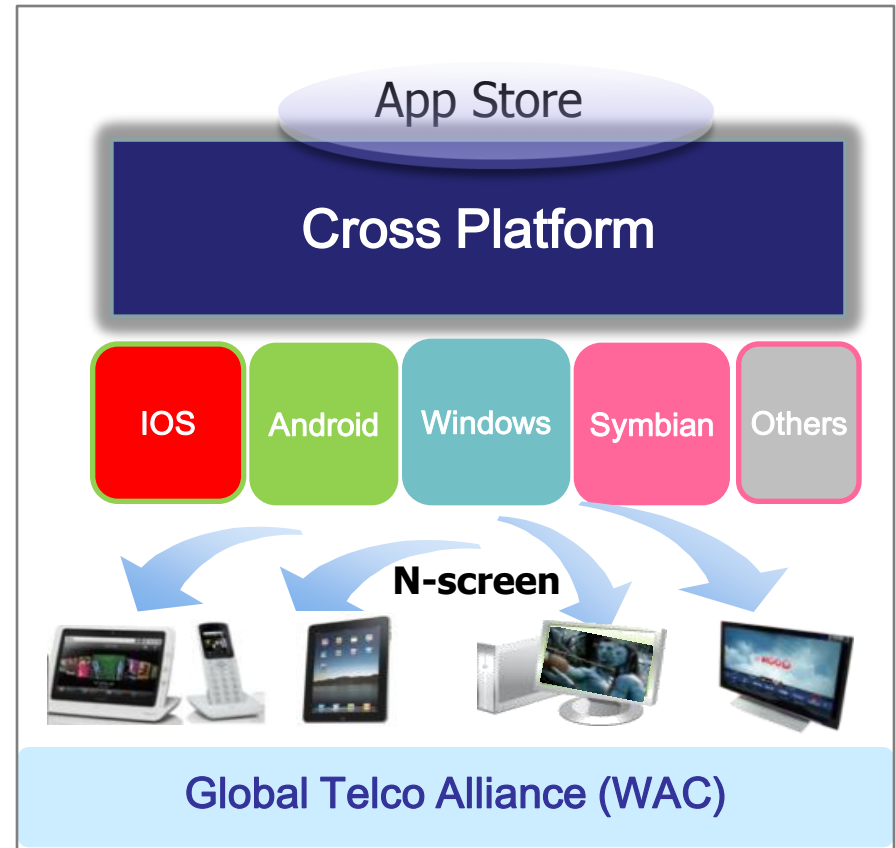
Note : CDN (Contents Delivery Network),  
CCN (Contents Centric Network)

# Smart-phone OS competition & Telco's strategy

## OS competition



## Telco's cross platform strategy



**Take away**

# The world is different now

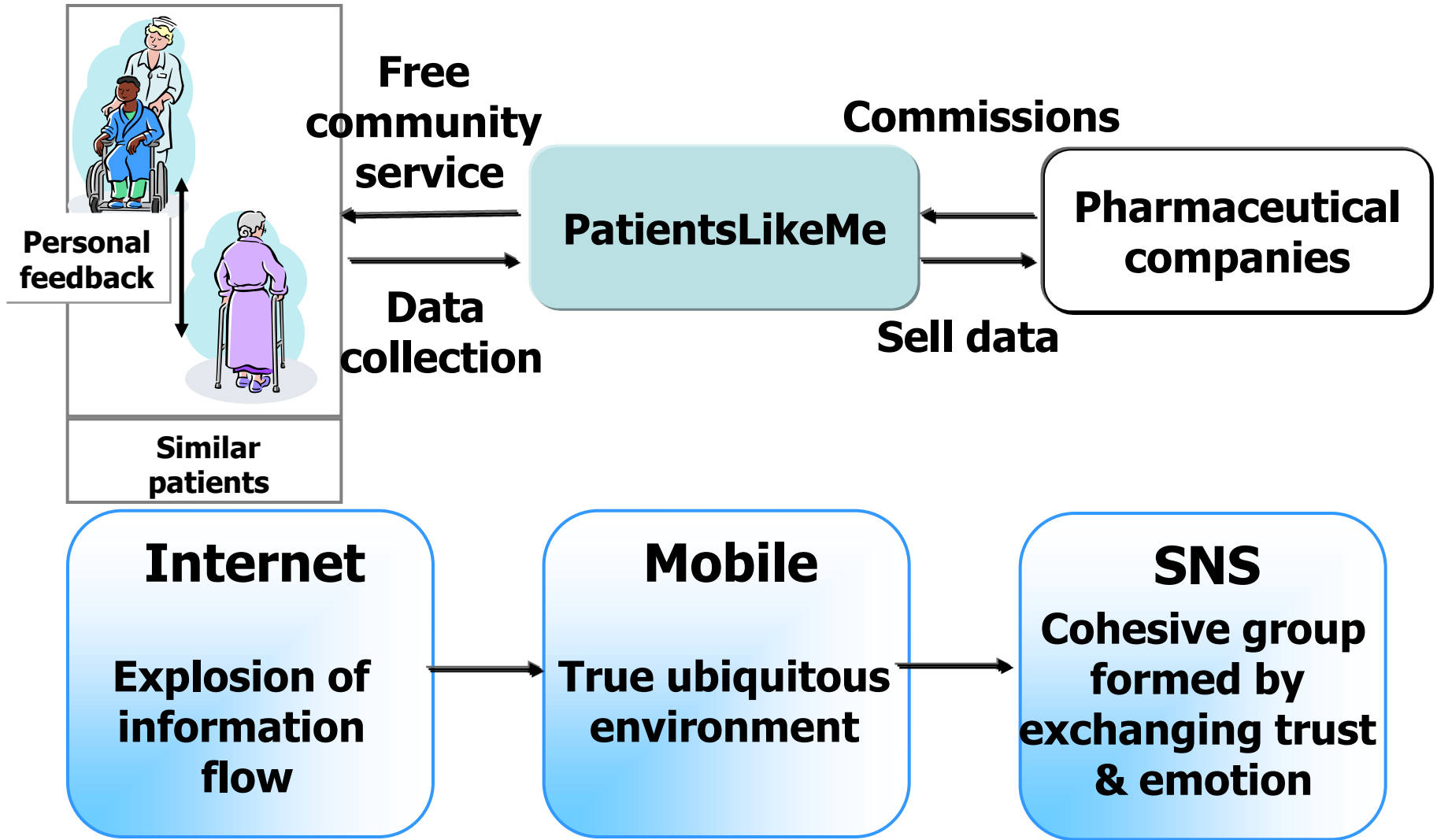
**Be prepared for 'mobile economy'!**

**Utilize mobility to enhance productivity**  
**- Mobile office (Korail case)**

**Seize new business opportunities**  
**- LBS service, contents mash-up**

Note : Korail provided 6,500 staff with smart-phones to monitor subway systems

# PatientsLikeme.com





# **Governments should be reminded**

**Timely, timely, timely**

**Pave way to boost mobile economy**

- **Find measures to support the industry**

**If not sure, let the market move ahead**

- **Ex ante regulation should be avoided**

- **Leave the private sector in the driver's seat**

**Strengthen global collaboration**

- **Privacy & security, no longer domestic issues**

# Power of social media

Knowing social media wins power



Market

Customer  
power



Government

Citizen  
power



Individual

Network  
power

Social networks

=

Multiply influence

X

Real-time

=

Multiply information



**Thank you**

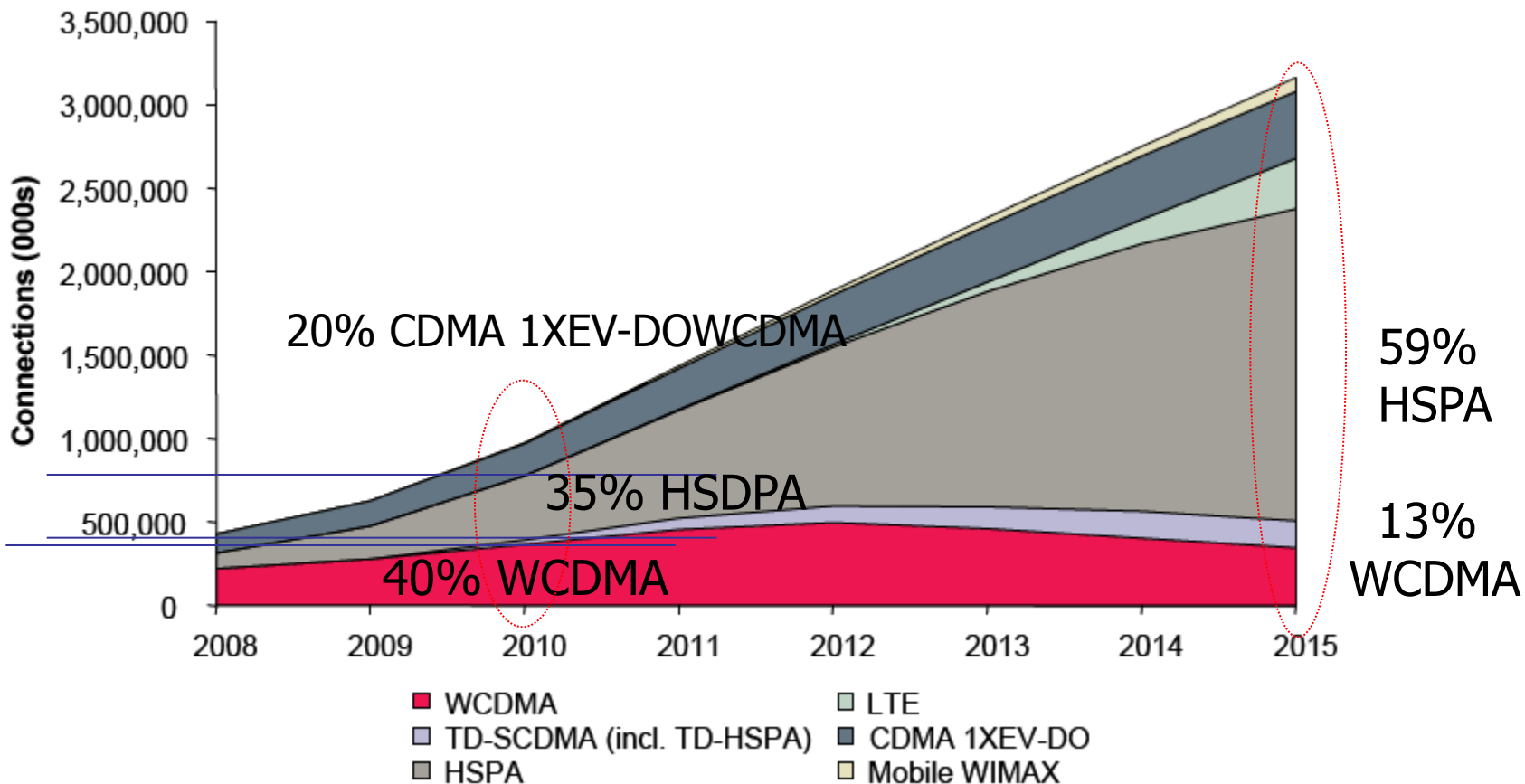
**[yklee@paran.com](mailto:yklee@paran.com)**

# IPTV(live/on demand)+internet+phone=\$38

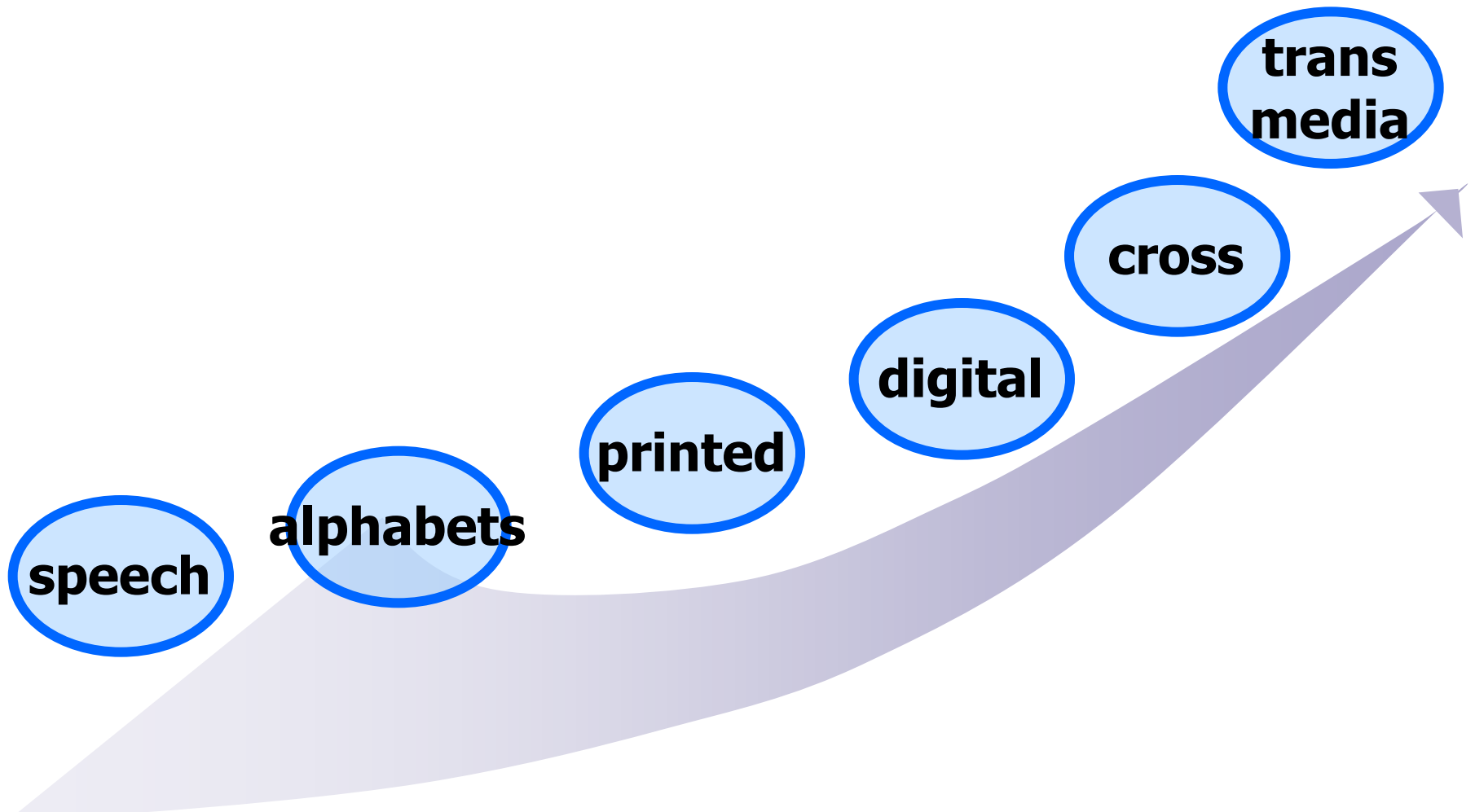
Service	Subs- cription	QOOK	Modem	QOOKTV	STB	Phone	Total
		Base	Rental	Base	Rental	Additional	
100M internet  LiveTV 32ch on demand	3 yrs	\$27	-	\$7	-	\$4.6	<b>\$38.6</b>
Phone	None	\$34	\$8	\$9.7	\$7	\$5	<b>\$64</b>
100M internet  Live TV 50 Ch On demand	3 yrs	\$27	-	\$8.6	-	\$4.6	<b>\$40.2</b>
Phone	None	\$34	\$8	\$11	\$7	\$5	<b>\$65</b>
100M internet  Live TV 70 Ch on demand	3 yrs	\$27	-	\$11	-	\$4.6	<b>\$42.6</b>
Phone	None	\$34	\$8	\$15	\$7	\$5	<b>\$69</b>

Note : \$1=\1,000(Korean won) assumed

# Network proportion by technology



# Media evolution



# At dates: attracted more to smart phones

