

Professional Internet game players in Korea
can earn more than US\$100,000 a year.



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Postcard from Korea



ISSUE 03

WELCOME TO KOREA, WHERE EVERYONE IS ONLINE

by Jenny Lee



Meet Kim Sung Soo. He is 27 years old, single, works in a Korean conglomerate ("chaebol"), and lives at home with his parents in Seoul. The Internet is a big part of Kim's life – he uses it to keep in touch with friends and chat with them, and he spends a lot of time and money on his own "mini hompy" (or mini homepage). He regularly updates his hompy with photographs, comments and downloads, and buys avatars, skins, icons, music, etc. to make it more attractive. He reads blogs everyday and has been trying his hand in writing his own. In a Western country, Kim might be considered a reclusive uber-geek; in Korea, he is just a regular guy.

Kim's hompy is part of a uniquely Korean phenomenon, possibly qualifying as a national obsession. Consider this: A staggering 13 million Koreans have their own mini hompies on Cyworld, the most popular e-community portal. In fact, 80% of all Koreans in their twenties have a Cyworld mini hompy! One in three of 33 million Internet users in Korea read blogs, and one in ten write their own blog.

HOW LIFE HAS CHANGED

Community sites like Cyworld and Daum's Planet have changed the lives of young Koreans like Kim. For many of them, their lives revolve around their online presence. They chronicle their daily lives through blogs. In order to increase traffic to their hompies, they have to update them frequently and decorate them not just with personal material like photographs and diary entries, but also with purchased content like graphics (such as skins and icons) and music.

Cyber-money (known as "dotori"), the currency for transactions on e-community portals, has now gone mainstream – people present their friends and family with gifts of "dotori". People visit their friends' hompies – to leave messages to invite them to visit their own – much more frequently than they visit their homes.

continued overleaf



USEFUL PHRASE

Thank you - Gam Sa Ham Ni Da

감사합니다.



CULTURAL QUIZ

You go out for dinner with a few Korean friends. You have ordered your favourite Korean dish. What next?

- A) Enjoy it! And then pay for what you ordered.
- B) Enjoy it! And then bring out the calculator to split the bill evenly.
- C) Share it! And then pay for what you ordered.
- D) Share it! And then bring out the calculator to split the bill evenly.

(Answer on page 2)

CRAZE OF THE MONTH



Anycall (Samsung) SCH-B250 satellite DMB phone

This is a Digital Multimedia Broadcast (DMB) phone. Simply, you can watch live TV on this baby. What's more, you can insert a Moneta chip, a widely supported payment standard in Korea, turning the phone into a credit card or a travel card for public transportation.

Over 80% of Korean households have broadband connections of 20mbps or more – good enough for high-definition television.



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Jenny's mini hompy on Cyworld

HP Photosmart mini hompy

HOW BUSINESS HAS CHANGED

Such is the influence and presence of Cyworld in the Korean society, it is no wonder it is emerging as a powerful marketing tool. Major brands are clamouring for a piece of the action, riding on the Koreans' propensity to create and spread consumer-generated content.

More than 50 branded Cyworld mini hompies targeting at young women in their twenties, for big-names like Clinique and Shiseido, have been launched. Other major international brands with hompies include Motorola and HP. Many of these hompies attract traffic with "dotori" or free digital content. Others, like the FILA hompy on Daum, which drew 46,000 visitors on its first day, use pop idols and celebrity endorsements. Visitor numbers are so good, marketers gladly pay fees of between USD50,000 and 100,000 for a three-month exposure.

HAPPY ENDING?

Within a single year, the market has reached saturation. Cyworld's population, for example, has reached a plateau. The focus now is on attracting teens and those in their thirties, and to do that, the development of this sector has come a full circle – new users are encouraged to start participating in group communities ("cafés"), rather than plunging straight into the world of personal homepages and blogs.

Some Koreans feel that Friendster-style social networks, like those hosted by Naver and Empas, are boring because the intimacy fostered in these networks leads to familiarity and they have limited options to decorate their own pages! Ultimately, the intense competition amongst the e-communities is leading to increasing homogeneity, as they adapt each other's ideas and benchmark each other.

Despite their runaway success in Korea, blogging and hompy are not without problems. There have been several ugly incidents where personal information and even salacious pictures have been posted. The viral nature of an e-community ensures a wide audience. Hompies are also subject to sabotage and by nasty postings from rivals. As a result, many people have had to take down their hompies.

Still, as soon as one hompy is taken offline, another is born. After all, this is Korea, where everyone has to have an online persona. Preferably a colourful one!

CULTURAL QUIZ

Answer is: C

Koreans traditionally value the collective above self. Food, like BBQ and Jun-Gol (stew in a casserole), is enjoyed by everyone at the table. Even if you order food separately, it's common to share the main dish(es).

But if you are in the company of close friends, the bill may be split, but without much consideration for how much each person has consumed or if the portions are even.

SUCCESS STORY

Starbucks Korea

New stores in Korea are the fastest in all Starbucks markets to break even. Starbucks have a few special tricks up its sleeve here.

Everyone knows that skipping breakfast is not good for health, and in Korea, Starbucks has become a popular place to grab a quick breakfast.

To create a more relaxed and intimate environment, the staff (so-called "baristas") are trained to engage friendly banter with customers, while brewing coffee for them. A breath of fresh air in a country of aggressive salespeople!

