

A Study on the Trend and Strategy of Korean B-ISDN Market

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Abstract

In order to integrate the various network and transmit the more information, telecommunication operators(TOs) have being developed the B-ISDN technologies. Though the basic concept of broadband technology is to expand the transfer capability of TOs, the region of broadband market has been expanded due to the persistent efforts to develop broadband technology. However, in comparison with technology development, it seems that the growth of broadband market size does not have increased rapidly as had been expected. Nowadays, the success in the market is more important than the success in technology itself. Therefore it is important to consider market environment in the process of technology development. In this point, this paper summarized the trend of broadband market in Korea and suggests a strategy for market development.

The starting point to analyze the broadband market trend is how to segment them. The determination of market segment has influence directly upon the scope of study on market trend. Many studies on the analysis of broadband market, the scope of research have been focused on the market of broadband service. The market segment that only considered the service cannot include the some important market such as the appliance market for broadband service into the study scope of market analysis. Generally telecommunications industry is classified into three parts - network, appliance, service(that is contents) industry - on the basis of its functionality. Because the harmonious development among three parts is essential to increase the demand volume, the market analyses of three parts has to be included in the scope of the market analysis on the broadband market.

Considering the segment of broadband market in this study, customers exist in two categories; residential and business customers. The market segment is divided network, appliance and service industry on the basis of information functionality. The main role of network market is to convey various communication signals. Appliance part comprised the servers and terminals for providing broadband service on the basis of network provider. The provision of enhanced information service to specific group of users such as public and private enterprises are the main role of service market. The relationship between two axes; customers and market, can be understood as the relationship between demand and supply. The harmony of demand-supply is important to expand the market volume of B-ISDN. This paper provides the B-ISDN market trend and the strategy to develop the B-ISDN market on the basis of these segmentation.

In the market of broadband network, the market trends of LAN, Frame Relay and broadband public network are investigated in this paper. Among them, the market of LAN is very active currently and very important as initial ATM demand factor. In the case of Frame Relay market, the number of subscriber is continuously increase every year. In particular, the change of the demand propensity from low speed to high speed makes the prospect of future ATM network market promising. Because of the immature of market, the business of public broadband network seems be not active until 2000 in Korea. In the market of appliance, the trend of appliance for multimedia market is dealt. As the various faculties such as the functions of TV are added into multimedia PC, multimedia PC is expected as the future appliance for broadband applications. In the market of broadband service, the advent of actual market is possible about in the year of 2000. The effort to find the propensity to demand is active currently. The easiness and convenience to use the service is appeared as the most important factors for the diffusion of broadband services.

The broadband market basically consisted of two dimensions; demand and supply. Therefore it is important to consider the relationship between them in order to diffuse the broadband market. The relationship between demand and supply may be converted the relationship among network, appliance and service region. In the case of success of telephone business, though network business is also important, the appliance and service easy to use are critical to explode the market volume. Therefore the strategy to develop three parts concurrently must to be established before the actual market activities.