

Bristol MBA - Information for Postgraduate Education

Historic View on Skype

Author: A.Wiederhold

When Niklas Zennström and Janus Friis founded Skype as young entrepreneurs they were not unknown to the community of computer users nor the media. They had been in the news several times for their business debut called Kazaa. Kazaa was a peer-to-peer filesharing service which had soon become the choice of the world's software, movie and music pirates. A public relations disaster was imminent.

Instead of managing the crisis and working on their reputation they ignored the ever-growing concerns from the media industry until Kazaa was synonymous with illegal downloads. With public pressure in their backs the two eventually lost interest in Kazaa and sought for new adventures in the virtual world. They organized the programmer team from Kazaa and produced Skype based on the same successful peer-to-peer technology. As much as this model is a unique step forward in terms of voice processing and networked computing the implications for their new company were daunting. The media sensed a story and didn't fail to remind everyone of the roots of Skype.

Skype offers encrypted calls which was meant as a positive development to win back public opinion. Unfortunately nobody knows how the software works as the programmers have not agreed to make the code public. Users would have to trust in the technology and the good intentions of the makers. And that is the point where the shadows of Kazaa fall on Skype.

Users were able to comment on an article about Skype by Sylvia Carr [2004] on the internet, and the problem of trust is reflected in those comments: "I was also having some doubt [...] is Skype safe? "...my IT department will not allow Skype until it has been proven to be safe", "Bad feelings over Skype I'm afraid", "They would need to improve their support before it was taken seriously"

Compiled from online resources by A.Wiederhold, 2004