

Skype buys smartphone video star Qik

January 6 2011, by Glenn Chapman



A view of the Skype internet phone program. Skype on Thursday closed a deal to buy Qik, a California startup that specializes in letting people use smartphones to stream video to Internet-linked friends in real time.

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Skype chief executive Tony Bates announced the deal on the opening day of the big <u>Consumer Electronics Show</u> in Las Vegas but wouldn't reveal financial details.

The acquisition comes with surging popularity of video chat using smartphones, tablets and desktop computers.

"Mobile and video are becoming the way to communicate," Bates said.



"We really think we've reached a tipping point with video."

<u>Skype</u> handled 24.7 percent of all minutes spent on international phone calls last year and 40 percent of calls between Skype users were video, according to the executive.

"Qik is a complement to what we do," Bates said.

Qik in 2008 launched the first public version of its software that lets people share video between smartphones and even through websites such as <u>Facebook</u>, <u>Twitter</u>, and <u>YouTube</u>.

"Qik has worked very hard to solve complex problems that allow millions of people everyday to take advantage of sharing their lives with those people who are most important to them," said Qik chief executive Vijay Tella.

Skype will be able to provide Qik resources and reach to beef the service up and introduce new features for the global market.

Acquiring Qik, meanwhile, saves Skype from having to build its own video chat service from the ground up.

Skype also launched at CES group services that allow people to make group video calls using desktop computers or <u>mobile devices</u> linked to the Internet.

Group video calling was available for a monthly subscription of 8.99 dollars as part of a premium Skype service.

Bates said Skype is also continuing its push into living rooms, expanding the line of televisions embedded with its Internet telephony service and even infusing the software in a Blu-ray player made by Panasonic.



Skype is also working with developers to put Skype software into a range of devices from Pandachip "nanny cams" used to watch over children to OnStar in-car navigation, communication and safety systems.

Skype, which recently announced it plans an initial public stock offering, said its goal is to reach "everyone on the planet, on whatever device."

As Apple and Google enhance video chat capabilities of smartphones and tablet computers based on their software, Skype will focus on letting people connect with each other despite using rival devices.

<u>Video chat</u> services such as Face Time only allow calls between users of Apple gadgets.

Skype announced in August that it plans the sale of an unspecified number of American depository shares on the Nasdaq exchange in an initial public offering.

Online auction giant eBay in 2009 sold Skype for some two billion dollars to an investment group that includes the two founders of the Web communications company.

The deal valued Skype at 2.75 billion dollars.

The firm, which has its headquarters in Luxembourg, bypasses the standard telephone network by channeling voice and video calls over the Internet.

It allows users to call others free of charge and provides the ability to connect with land lines or mobile devices at low rates.

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