

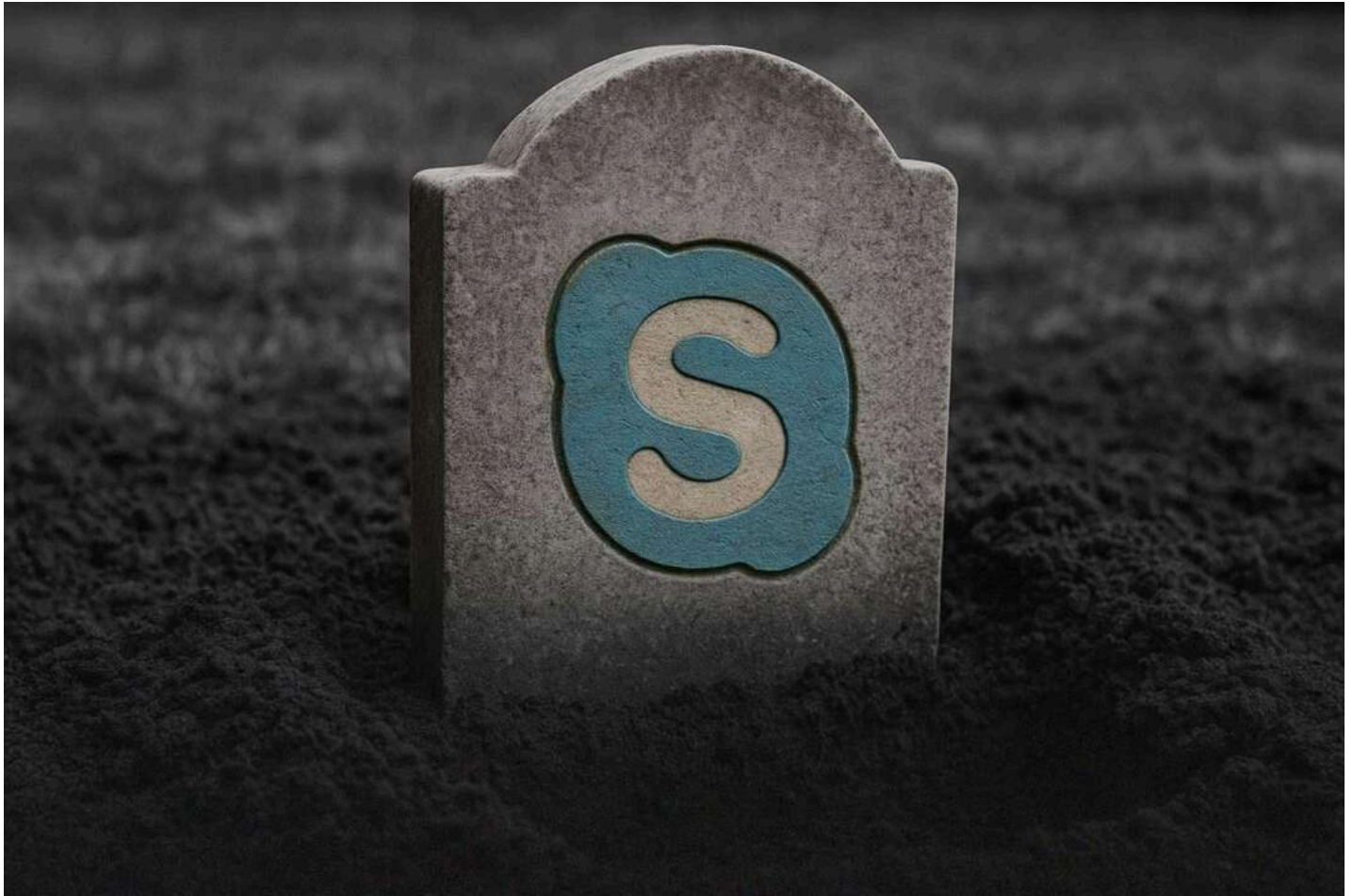
Skype, RIP

The video calling pioneer that lost its way.

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Commentary

So farewell to Skype, which has just been retired by its [parent company Microsoft](#). I'll admit I'd used it less and less frequently in recent years, but I'd had an account since university. There was a time when "Skype" was used in conversation in the same way that "Zoom"

is now, to refer to any video call. And for a while in the aughts, Skype was the main video call game in town.

Founded by two Scandinavian developers, [Niklas Zennström](#) of Sweden and [Janus Friis](#) of [Denmark](#), the beta version was first released in 2003. In the pre-smartphone days, it was revolutionary.

Suddenly, anyone with internet access could video call abroad for free. No complicated server arrangements; just log in. College dorms were full of students calling their family back in their home countries, or a friend just across the quad. Employers started using it for remote interviews. Conference presenters Skyped in, shaky video and all. Skype was such a big deal that just two years later, in 2005, eBay bought it for \$2.6 billion.

And Skype was not just about video calls; it was widely used for its instant messaging service. In May 2011, Microsoft bought Skype for \$8.5 billion and used it to replace their [Windows Live Messenger](#).

Skype offered other services, too. You could add cash to your account and call telephone numbers for a very small fee, much lower than most international rates at the time. I used Skype for this when I was in different countries where I either didn't have roaming service, or calls would have cost a fortune. (I still have a few dollars of credit in my account, which, according to Microsoft, I can still use for something.)

Skype enabled cash transfers between users and file sharing. Between 2009 and 2017, it [even offered hotspot WiFi](#). This meant people with Skype accounts could log into WiFi for a tiny fee.

This was a groundbreaking, multi-tool application with millions of users around the world (it still had [35 million daily users](#) as of 2023). But despite its popularity, it never seemed to receive the care or integration one might expect from its owners. It did not feel like a part of the Microsoft product suite.

In the last decade, its market share had been chewed away on multiple sides. Smartphones became ubiquitous, meaning that messaging shifted to WhatsApp or FaceTime. Video call competitors had leapt past Skype in their offerings.

And when everything shut down in the spring of 2020, and everyone *needed* virtual meetings, Skype was no longer the name on everyone's lips. I don't think I was invited to a single Skype call during the pandemic. Zoom predominated, but there was also Google Meet, Microsoft Teams, something called Blue Jeans, and a couple of others I've probably forgotten: Skype not at all. Skype can be remembered

both as a pioneer and the product that failed to rise to the challenge at the moment it was most needed.

A parallel in a way could be made with Sears, which had the infrastructure for national delivery thanks to their catalog operation, and yet failed to benefit from the arrival of online shopping. They should have been positioned to beat out any newcomers to the field, and yet somehow Sears and other old mail-order retailers were caught napping, and Amazon ate their lunch.

Skype was left to languish by its corporate owners, and the winner wasn't even their own product (Microsoft Teams), but a competitor from the other side of the world. And this year, Skype account holders (many of whom had probably forgotten they ever used the site) received an email telling them that the blue logo would be shut off forever. Its two decades of life saw the world go online, and eventually no longer need it.

Call ended.

From the [Foundation for Economic Education \(FEE\)](#)

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