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## Minitel Hangs On in Internet Age

**Brad Spurgeon** International Herald Tribune  
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### French Videotext System Provides Dot-Com World Some Pointers

**PARIS** Reports of the Minitel's death are, as Mark Twain might have said, an exaggeration. As France's national videotext system marks its 20th year, some 5 million Minitel terminals are still in use, and France Telecom SA is still churning out new models in the face of the Internet invasion. Although down from its 1996 peak in popularity, the Minitel still attracts 7,000 businesses that use it to offer services to customers.

Its creators are not only happy to keep it alive and making money, but they want to use it to teach a lesson in e-commerce to the dot-com world.

"I think that the Minitel will be condemned in the coming years," said Olivier Bon, the director of France Telecom's Minitel and Internet Kiosques division, "but we want to slow down its fall in order to allow the Internet and mobile markets to create their own economy."

France Telecom's latest moves in that direction are an attempt to develop a similar payment system for business on the Internet and efforts to promote its recently released i-minitel "browser."

The ubiquitous Minitel, which is a closed network that charges for services by the minute, is as associated with France as the high-speed train, red wine and the baguette. But to many, the Minitel is also a symbol of a French resistance to change.

What was known two decades ago as videotext took off here like nowhere else. The Prestel videotext system in Britain and the Bildschirmtext in Germany failed in the 1980s as costly disasters. But the Minitel caught on, and when the rest of the world discovered the personal computer and the Internet, it kept its grip on France.

"Still 85 percent of people who are 50 years or older use the Minitel," Mr. Bon said. "So there's still a population of people who are used to using the Minitel."

Among the most popular services today are the telephone directory, which is free for the first three minutes; the ticket-ordering service of the national railway, and the unemployment claims service.

Trying to pinpoint exactly what makes the Minitel tick on in the Internet era is as difficult as understanding any other French paradox.

"The French are attached to their traditions," said Felipe Igual, who owns a magazine store in a suburb of Paris. "The Minitel falls into that category."

Mr. Igual recently set up an iMac and an Internet connection to order stock from his distributor through a professional Web site. He could also order through the Minitel, but Mr. Igual said it was more expensive.

That is not the case for everything. The Argus, the French guide to car prices and repairs, is cheaper on the Minitel than on the Internet, for instance.

Signs of a Minitel pullback are clear. As both personal computers and Internet connections have become cheaper, Minitel use has decreased. Time spent online - and, therefore, sales - fell 9 percent in 1999 and 11.4 percent last year. France Telecom estimates that it will fall a further 20 percent this year. The number of dedicated terminals fell by 5 percent last year, but there are still 5 million in use, about 2.2 million fewer than in 1996.

About 20 percent of French households have a Minitel, compared with the 34 percent that have a personal computer. France Telecom says there are about 15 million Minitel users today, and other sources say there are about 11 million French Internet users.

A large percentage of users log on at their workplace on company-paid machines. Mr. Bon said that while personal use is going down, company use remains stable.

Last year, France Telecom had 5 billion francs (\$709.8 million) in revenue from the Minitel. Roughly 70 percent of that went to the businesses offering their services on the Minitel. France Telecom does not break out its profit figures by divisions or operations.

But the Minitel's growth is still taking place on the PC. For several years, software programs have been widely available that mimic the functions of a Minitel machine on a PC screen. In 1994, there were 600,000 such emulation programs, and by last year there were 3 million in use, a 2 percent increase from 1999.

Those numbers added up for AltaVista Co., the Internet search engine, which is now accessible on the Minitel, and for Yahoo Inc., which last month began its own Minitel service called 3615 Yahoo. Anyone who sets up a Yahoo e-mail address can now send and receive electronic mail via Minitel.

The marriage of the Stone Age videotext service and the cutting-edge Internet portal raised a few eyebrows at first, according to Clotilde de Mersan, the head of business development at Yahoo France. But she said the move was part of Yahoo's global strategy called "Yahoo! Everywhere" that intends to spread the service to other media, such as mobile phones and personal digital assistants.

Mrs. de Mersan said Yahoo was also studying Minitel's e-business techniques.

"We are trying to figure out ways to diversify our sources of revenue," she said, "notably in making our users pay for added-value services.

"The Minitel is quite interesting for the kinds of questions it

allows us to study on the billing methods, on micropayments. Should we charge a small payment, a time payment, etc.? It's not 'back to the past,' but part of our strategy oriented toward the future."

France Telecom has always been interested in the Internet as well as the Minitel. It is now working with iPIN, a start-up company based in Belmont, California, on developing a method of charging for services on the Internet the same way it charges on the Minitel.

Separately, the phone giant introduced i-minitel in October with a massive advertising campaign. The PC software, which is far more effective than previous emulators, uses a modem and phone line to connect to the Minitel network in France at high speed, using the Internet's TCP protocol.

France Telecom reports half a million downloads of i-minitel since October, and the company says it has 200,000 regular users with 40,000 connections daily. The goal is to make i-minitel account for 10 percent of the total traffic within a year.

"It's not a killer application," said Dominique Bultez, the i-minitel project manager, "but it helps with the image - it makes the Minitel a little younger."



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