

## LesEchos

### French Telecoms Launch E-Payment System To Rival Paypal

Three rivals in France's telecommunications market, Orange, SFR and Bouygues, join forces to form 'Buyster,' an e-payment system that aims to compete with US giants Paypal, Google and Apple.



SFR is one of three leading French telecoms ([gilks](#))

Solveig Godeluck

LES ECHOS/Worldcrunch

**PARIS** - It's no longer an *entente*, but a sacred union. Rival French telecommunication operators Orange, SFR and Bouygues Telecom have agreed to work together to create a new Internet payment system to rival the likes of Ebay's Paypal.

The move comes none too soon as Google and Apple also muscle into the e-payment scene, eager to obtain customer bank details and position themselves as the new masters of online billing, just like the telecom operators.

High stakes and high investment. Orange, SFR and Bouygues Telecom have created a joint, company, with 2.8 million euros (\$3.8 million) of capital, called Buyster. The project was launched last May under the codename MNOP (Mobile Network Operator Payment).

Each partner holds a quarter of the capital. The rest is owned by Atos Origin, an IT provider with essential expertise in online financial transactions. The company's CEO Eric Gontier is a former consultant at Vertone who previously worked with the operators on their marketing strategies.

A team of 15 people is already working on the system which is scheduled to be operational before the summer. In the meantime, the company is seeking approval from the Bank of France to operate as a payment institution.

The new service will enable Internet users to pay via Buyster from any connected terminal: computer, smartphone, tablet, connected TV. The one necessity will be a mobile phone – any handset, it doesn't have to be the latest model. After being authenticated by giving a mobile number and entering a password, the user will receive an SMS with a code enabling transactions to go through.

In an interview with *Les Echos*, Eric Gontier laid out the project's big ambitions. "We want to become the leader for remote payment via mobile phone, and the number two player via fixed Internet in France." It is even easier to make purchases via a smartphone, because the operator already knows your number (so there is no need to enter it again).

Not surprisingly, "m-commerce" ("m" for mobile) is considered a sector with quite a bright future. The online business grew 24 percent in France last year and was worth 31 billion euros (\$42.6 billion). Within five years this figure is expected to double, with 10 percent of online payments likely to be made via the mobile phone.

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Gontier has his sights on six billion euros (\$8.2 billion) worth of transactions. But for now, the fledgling Buyster has to sign up as many Internet users as possible – its marketing budget has not been revealed. At the same time, it must also enroll so-called “e-tailers.” French retailers Aquarelle, Rueducommerce, Darty and Brandalley have already agreed to propose online payment via Buyster, in addition to Mastercard, Visa and other credit card brands.

Atos Origin brings with it a network of 30,000 retailers, banking partner BNP Paribas another 5,000, but the user has to sign new contracts in order to use Buyster. The new company will also probably have some difficulty being accepted on eBay, which not surprisingly will probably prefer that clients use its subsidiary Paypal. Other international players, such as Amazon, may also have little enthusiasm for a payment system that only works with retailers based in France.

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