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WHY MVNO'S ARE ESSENTIAL TO DRIVING COMPETITION IN THE AFRICAN MARKET?

THIS MONTH'S NEWS AND UPDATES:

**Building successful
brands by
delivering great
integrated
customer
experiences**

I recently attended [MVNO World Congress](#) in Amsterdam, and it was great to see all the new developments in this market and how mature it is in Europe and US.

The development of the [eSIM](#) and associated customer care issues were a big part of the conference from a B2C, B2B, and IOT perspective. Global experts also discussed the developing regulations in established markets.

It was also great to see how other emerging markets like Latin America are adopting fast and growing and to hear from a South African MVNO about their growth in niche segments.

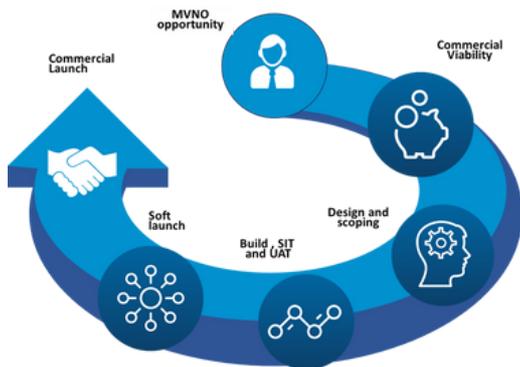
I founded [MVNE](#) in January 2013, so it has been over 10 years now that we have been educating the market. The journey has been filled with challenges, but great things are worth the pain and patience, and we have amazing projects throughout the continent which we are super excited about.

We act as the glue between the MNO (initially not receptive even though later they realise that this is more profitable as it fills their network and helps them sweat their assets) and the MVNO (which everyone assumes is an easy business, but it is actually quite complex with a very high mortality rate).



IMVNE is a technology and services company that helps large consumer-facing brands design, build and operate their own MVNOs, ultimately giving them more control over the entire mobile customer experience, access to rich customer information, and a means for non-comparative, sustainable proposition differentiation.

Our MVNE mitigates the risk through a consulting framework that we developed and unique business modeling tailored for our MVNO customers. We offer comprehensive services essential for MVNO's success, like getting the right customer value proposition to differentiate and win market share through business model innovation.



Despite some of the early challenges in educating the market and having to learn to be patient with the regulators and MNOs, we knew that the growth in this market was inevitable as MVNOs drive competition and Africa needs them to offer niche segment customer value propositions.

The African market has less than 1% MVNO market share, whereas the Netherlands has the highest market share in Europe at 42%. Germany is the fastest-growing market, with over 140 MVNOs and a growing market share. Despite a very competitive market in Europe, the market is still growing at 5.8 % CAGR by 2030.



We work with the regulators, who often play a crucial role in stimulating this market as they want to see fair competition. MVNOs do not have any spectrum assigned but acquire wholesale mobile telephony services from mobile operators and resell them to end users.

The regulator does not insist on acquiring an MVNO license in some markets like South Africa. In contrast, in markets like Namibia, Kenya and Nigeria, the regulator insists on a license for the MVNO.

Regulation is essential and could continue to promote competition and assist in driving MVNO strategy to benefit the industry and end consumers.

The Mobile Operators should be required to publish their terms and conditions to offer MVNO access, and these terms and conditions should be reasonable, equitable and applied in a non-discriminatory manner.

MVNOs would also need to comply with consumer requirements such as KYC (Know Your Customer) or what is known in South Africa as RICA. The Regulation of Interception of Communications and Provision of Communication-Related Information Act (RICA) is a South African law that regulates the interception of communications and associated processes, such as applications for and authorisation of interception of communications.



In an increasingly digital world and fragmented telecommunications industry, mobile virtual network operators (MVNOs) are on the rise, applying emerging technologies, exploring new verticals and offering value to both consumers and existing mobile network operators (MNOs).

In fact, many MNOs have set up an MVNO or acquired their MVNO customers to innovate faster, create their own competition, and meet customer demands for exceptional customer service.

The Subscriber acquisition cost in the wholesale business for an MNO is zero, and the Average Revenue per User (ARPU) in the wholesale business is only slightly inferior to the ARPU of the retail industry for the MNO. As a result, the ROI on the wholesale business is significantly higher due to the reduced complexity and the ability to grow due to the niche focus of MVNO's strategy.

MVNOs are wireless services providers that do not own the wireless network infrastructure but instead buy network capacity from existing MNOs to offer services to their users. With mobile virtual network enablers (MVNEs) providing the required technology, people and related services to MVNOs, MVNOs allow carriers to expand into new revenue streams and offer unique features and products, increasing connectivity and responding to niche consumer demands.

From the consumer side, MVNOs can provide more competitive offerings, which means lower costs without compromising service. Utilising network capacity without owning it frees up costs that are then passed down to the consumer.



MVNOs can also offer a more tailored-made service when compared with MNOs, which provide more of a generic service that suits the masses.

Through segmenting the market, offerings can be tailored for different consumer needs, such as better large data bundles for streaming services. This allows MVNOs to use unique value propositions to differentiate themselves from competitors.

MVNOs also typically provide a better customer experience since they focus primarily on providing a service rather than maintaining networks.

While the benefits of MVNOs are clear, the path to a successful launch isn't always.

MVNO startups can see initial success, but managing the complexity of the technology, while remaining competitive and scaling wisely – all while remaining profitable – can sometimes create challenges.

One crucial element in an MVNO being successful is the ability to be agile and adaptable.

As the mobile market and opportunities change, so does the MVNO need to re-invent its customer value proposition.

Take the MNO market, which has been sluggish in adapting its business model, which has directly impacted MVNOs capitalising on the market left open by MNOs. Thinking future-forward, MVNOs need to give serious consideration to agility.

MOBILE VIRTUAL NETWORK ENABLEMENT FOR BEST SUCCESS

One of the wisest things MVNOs can do when entering the market is to partner with a Mobile Virtual Network Enablement (MVNE) provider.

MVNOs can partner with MNOs to launch a brand, but the MNO offering is only partial to what an MVNO needs to be successful, lacking flexibility, expertise and the agility to bring an MVNO to market quickly.

MVNEs have emerged as an interface platform between the MVNO and the Host MNO, bringing efficiency to the supply chain by optimising MVNO launching (implementation costs and time-to-market) and the subsequent operational processes.

An MVNE provides MVNO multi-tenancy, scalability, security, transparency, operational efficiency, low operating costs, and carrier capability without lock-in, ensuring all parties enter a win-win collaboration.



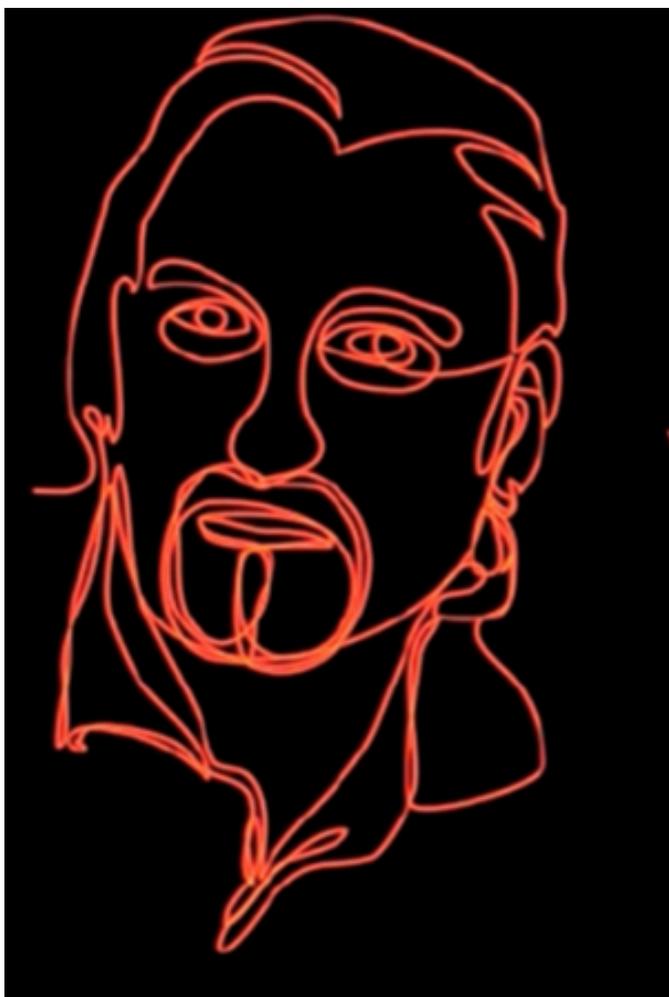
AN MVNE HELPS AN MVNO DIFFERENTIATE AND THE MNO TO PROVIDE SUSTAINABLE WHOLESALE SERVICES.

An MVNE should offer pay-as-you-grow business models that provide flexibility and agility in an ever-evolving market that will separate MVNOs as competition becomes saturated.

MVNE services offer a wide range of value adds to support the overall customer experience.

Deliver services built and hosted on a network-independent, multi-tenant MVNEplatform.

They offer a network that provides stability, scalability, redundancy and control, management, and monitoring of the entire operation of provided services 24/7.



Yaron Assabi

♥ [#DoingSomethingGreat](#) is capitalising on the fast-changing mobile environment to offer a unique customer value proposition for customers that combines your core business value with mobile.