Five myths about MVNOs (and the facts that bust them!)

1. Small market size

2. Higher flexibility levels

3. Low technological awareness

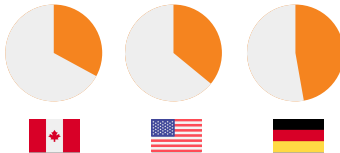4. Market segmentation

5. Low expected ARPU

Myth #1: Small market size

"The MVNO market is a **small niche** segment where it is **hard to compete** with traditional MNOs."

FACTS

MVNOs account for a third of subs in Canada, 36% in the US, and nearly a half in Germany.

There are nearly 2K MVNOs worldwide, with half located in Europe.

By 2026, MVNOs will serve 340M subscribers worldwide.

The global MVNO market was valued at $66B in 2023 and is expected to expand at 6.75% annually, reaching $92B by 2028.

Myth #2: Higher flexibility levels

"MVNOs are **less regulated** and can do almost anything."

FACTS

Except in regards to frequency spectrum, MVNOs and MNOs share much the same level of government regulations:

- Data protection

- Quality standards

- Market competition

In truth, MVNOs face *more* constraints, as they must:

- Accept a pricing structure from a single MNO

- Follow very specific technical requirements for system interconnectivity

- Rely on infrastructure they do not control

Maintaining a close relationship with your MNO and a deep understanding of the regulatory framework is a key success factor for MVNOs.
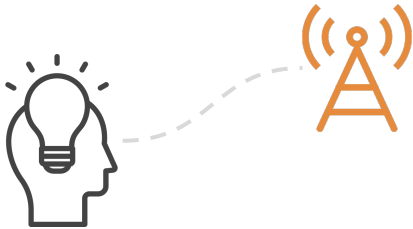
Myth #3:
Low technological awareness

"Since MVNOs focus on sales, distribution, and marketing, **we don't need to know much** about the technology."

FACTS

Success requires a thorough understanding of how telecommunication works.

MVNO systems must integrate with the core mobile network of the MNO (e.g., HLR/HSS), and also with third-party systems (e.g. CRM, KYC, BI, payment GW, ticketing, etc.).

Operational efficiency and an effective customer journey (e.g., UX and UI) require ongoing engineering innovations.

Myth #4: Market segmentation

"MVNOs are only for **individual residential subscribers**."

FACTS

In 2022-23, NCC issued 40+ new MVNO licenses: if even ⅓ of those MVNOs are able to launch commercially in 2024, they will compete for the same audience and become an instant commodity unless they can find a differentiator.

Onsim was able to differentiate by using eSIMs to take business telephony mobile and provide its customers with a deskphone-free cloud PBX service.

PortaOne is helping MVNOs with market differentiation and customer retention by offering **IoT Mill**, a platform to quickly launch IoT devices, products, and services.

Myth #5: Low expected ARPU

"MVNOs may target only **budget-conscious** consumers."

58% of MVNO customers cited lower costs as the primary reason for choosing an MVNO

FACTS

A PortaOne MVNO customer in the US offers **near-the-shore mobile connectivity** to luxury yachts.

A European prospect is launching a roaming MVNO for business customers combining **call recording and CRM integration**.

A prospect in Asia plans to build an MVNO for pet owners: **tracking devices, vet assistance, and pet store promotions** in a single service package.