

Market Challenges & Opportunities of MVNOs

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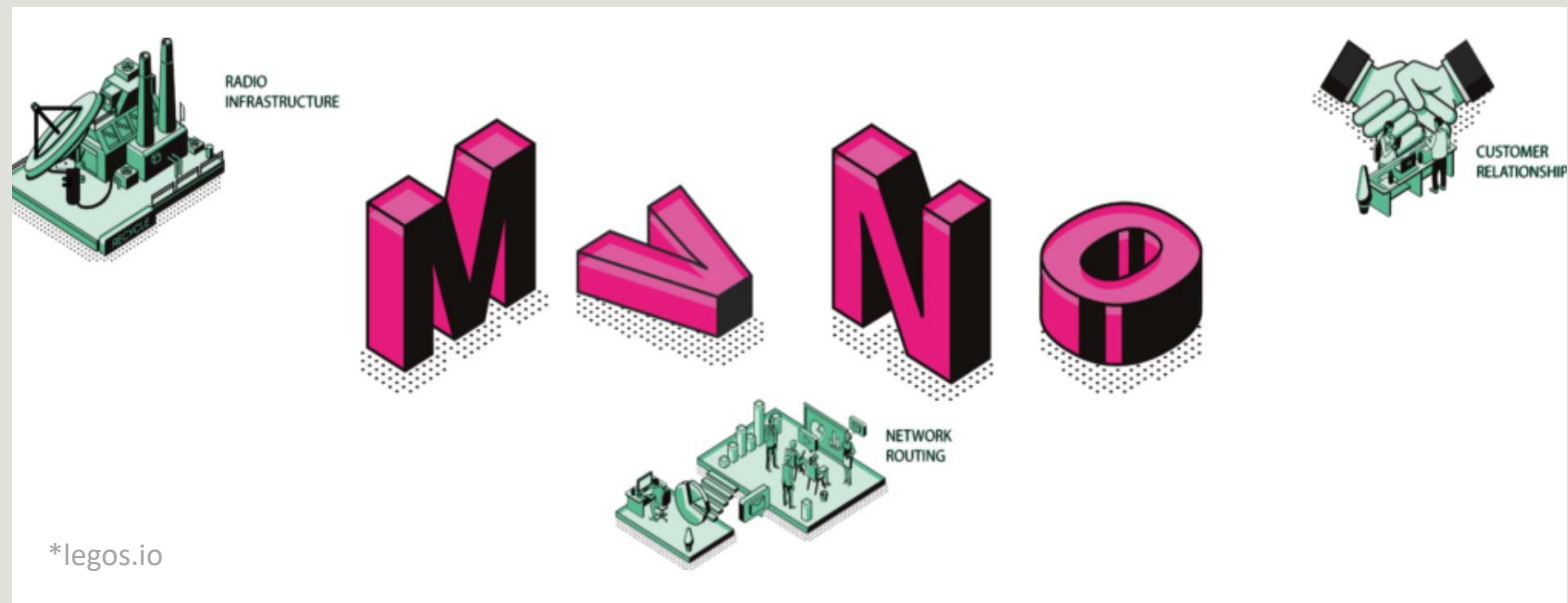
Trends for MVNOs

- ❑ MVNOs are addressing specific market segments and value propositions
- ❑ MVNOs are embracing innovation and transformation
- ❑ New technology enablers drive new opportunities for MVNOs
- ❑ 5G could enable a new generation of MVNOs
- ❑ MVNOs contributes to better society



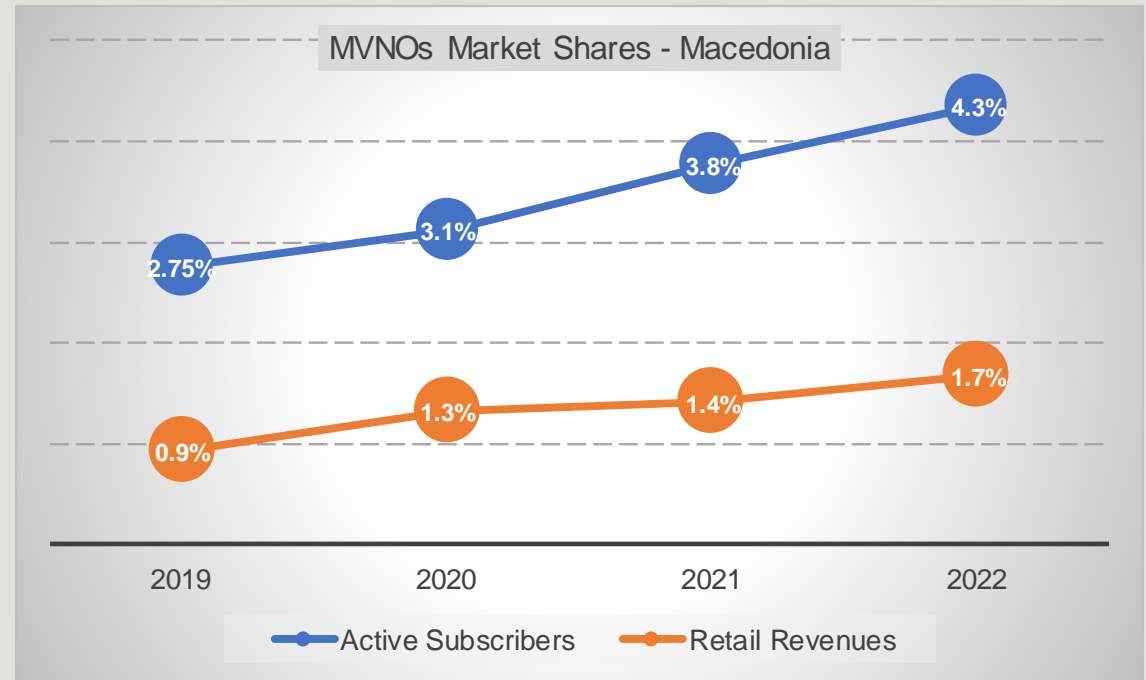
“Fighting” with the “Virtual”

- ❑ No matter if the MNVO is “skinny”, “thin” or “thick”, it is all about the End-User’s:
 - ❑ Perception
 - ❑ Benefits
 - ❑ Satisfaction
- ❑ Comparison is regularly done against the MNOs



MVNOs in the region

- ❑ Macedonia is leader in the region by No. of MVNOs (4)
- ❑ The rest of the Balkans, all together (~ 5)
- ❑ Still, the total market share is less than 5%, with insignificant contribution per single MVNO
- ❑ Unlike MNOs, not all MVNOs are having 5G, nor capable to offer unlimited data offers



Challenges

- ❑ MVNO mainly “works” for the hosting MNO
- ❑ ~75% of the MVNO expenditures relates to MNO Fees
- ❑ Still, MVNO contributes to network investments by overpaying the wholesale services from MNOs
- ❑ MVNO can “breathe” as much as hosting MNO and other MNOs allows
- ❑ There is insufficient margin left to return more to the end-users
- ❑ Radio Access Technology Neutrality is not evenly available
- ❑ Full MVNO investing the most, has less favorable conditions than reseller or hybrid MVNO?!
- ❑ The importance of prompt Ex-Ante Regulation is crucial:
 - ❑ Regular Market Analysis
 - ❑ In the era of unlimited data offers, “Eat as you can” would be preferable model for Full MVNOs
 - ❑ Establishing criteria for dynamic adjustment of the regulated wholesale access offers against MNOs offers



Opportunities

- ❑ Identifying new profitable investment opportunities, e.g. through IoT, AI, ML
- ❑ The IoT MVNO ecosystem has and will continue to grow strongly and will reach a global total of 220 million connections provisioned worldwide by 2026
- ❑ For an MVNO, IoT could be one of the many services it would have to monetize and deliver in exciting offering
- ❑ The technology landscape around IoT MVNOs continues to evolve and that process should be followed prudently
- ❑ Therefore, an investment into the Convergent Charging Platform (CCP) and Online Charging System (OCS) becomes even more important
- ❑ All in all, MVNOs need to strive for innovation and nondiscriminatory competition in the European telecom and IoT markets



Thank You!