

Indalytics Advisors

MVNO Market Strategies for SMEs

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- Competitive Intelligence
- Benchmarking
- Market Entry Strategies
- Newsletters

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Executive summary

Mobile virtual network operators (MVNOs) across the world are targeting small and medium enterprises (SMEs) to market their products. Targeting SMEs help MVNOs to cross sell their products offerings and increase revenue. It also gives them a stable revenue stream in terms of rentals.

MVNOs use different strategies to differentiate themselves from their competitors and attain competitive advantage. Their strategies range from providing basic services at minimal costs, to providing bundled services and targeting niche customers with specialized services. In order to reach their customers, MVNOs also form alliances with other companies that compliment with their services and complete the value chain.

Key customer types of MVNOs

- **Customer types**
- **Product offerings**
- **Strategies**
 - **Low cost services**
 - **Bundled services**
 - **Specialized services**
 - **Partnerships**

MVNOs generally targets niche markets by providing differentiated products. MVNOs provide the following services, catering to specific needs of their customers:

Customer Type	Service Provided	Example
Businesses/ SME	Custom made products and services to businesses. Services include wireless and broadband services	ValueFirst, Futur Telecom and IEElement
Cost-centric customers	Discounted vanilla services to customers that focus more on costs. The services include only call services and no value-added features.	Virgin Mobile and EasyMobile
Lifestyle customers	Services focus on specific niche market demographics.	Boost Mobile and AMP'D in the US, and Hello_MTV and ID&T Mobile in Europe
Community based customers	Services related to a specific community. These generally help the communities in providing inexpensive calls to their home country. MVNOs provide services such as documentation and customer service in community languages	Lebara Mobile and FRIENDi Mobile

Source: Indalytics Advisors

Product offerings to SME

➤ **Customer types**

➤ **Product offerings**

➤ **Strategies**

➤ **Low cost services**

➤ **Bundled services**

➤ **Specialized services**

➤ **Partnerships**

MVNOs target their SME customers through following services:

Services	Description
Telephony services	Outbound Calls Customized phone numbers IP phone services Other services such as voice mail and call forwarding
Broadband	Broadband services for internet access, telephony, IP CCTV, etc Services include data, voice and other applications such as POP3/IMAP email
Mobile internet	Mobile email services Mobile broadband

Source: Indalytics Advisors

Marketing strategies — Low cost services

- Customer types
- Product offerings
- Strategies
 - Low cost services
 - Bundled services
 - Specialized services
 - Partnerships

One of the major marketing strategies of MVNOs is providing services to SMEs at economical rates. MVNOs provide vanilla services that are without any frills at low costs. These help SMEs in attaining cost efficiencies.

MVNO	Services provided
Virgin Mobile (UK)	Virgin Mobile provides small business service to help SMEs run their ventures more efficiently and cheaply. The company's SME offerings come with minimal monthly line rental, and offers free group billing. It also gives loyalty rewards to SMEs that spend more than a minimum prescribed amount on calls and text messages.
XLN Telecom	XLN focuses on providing economical line rentals and calls to approximately 125,000 SME clients. The company provides no-frills vanilla business services, which it claims are approximately 50 percent cheaper than its competitors.
MAXroam (Cubic Telecom Limited)	MAXroam provides services to SME's for their traveling employees. The company has voice deals with more than 700 carriers in over 213 countries and data deals in approximately 139 countries. This helps its clients achieve savings of approximately 80 percent, while roaming with their traditional mobile carriers.
Talkmore (Telenor)	Talkmore operates within the low-price segment of the Norwegian mobile market. The company provides broadband, calling and messaging services to SMEs at economical rentals.

Source: Indalytics Advisors; xlntelecom.co.uk; maxroam.com; talkmore.no; mobilenewscwp.co.uk

Marketing strategies — Bundled services

- Customer types
- Product offerings
- Strategies
 - Low cost services
 - Bundled services
 - Specialized services
 - Partnerships

MVNOs also market their products as service packages. They bundle their service offerings and sell them to SMEs as a complete package.

MVNO	Services provided
People Telecom	<p>People Telecom provides Optus 3G & GSM mobile and Wireless2Go wireless broadband services to SMEs.</p> <p>The company serves SMEs with a complete range of business grade services including data services, mobile services, fixed wire services, voice conferencing, and billing and online eservices.</p>
Firstcom	<p>Firstcom provides services to SME sector through a portfolio of products ranging from national and international calls with a prefix number, to all-in-one solutions for high-volume customers.</p> <p>Its services also include VOIP and CRM solutions for SMEs.</p>
Abica	<p>Abica provides a portfolio of services including landline, data and mobile products (including its flagship product CommuniCore) to SMEs.</p> <p>It also offers customized range of contracts, tariffs and account management tools designed to help SMEs run their telecoms flexibly and efficiently.</p>
Yes Telecom	<p>Yes Telecom provides a range of mobile solutions to SME customers.</p> <p>Company's mobile solutions include applications, broadband, email, and BlackBerry internet solutions.</p>

Source: Indalytics Advisors; peopletelecom.com.au; firstcom.dk; cdrator.com; abica.co.uk; yestelco.com

Marketing strategies — Specialized services

- Customer types
- Product offerings
- Strategies
 - Low cost services
 - Bundled services
 - Specialized services
 - Partnerships

As MVNOs target niche market segments, they focus on identifying and addressing the audiences in need of their services. They target these customers by providing specialized services. However, due to this, they often lack in volume as compared to large wireless carriers.

MVNO	Services provided
ValueFirst	ValueFirst focuses on the mobile data needs of enterprises. The company provides SMS-only MVNO offering to SMEs. Company's business model creates significant value for SME due to low Total Cost of Ownership (TCO) of its solution. It also focuses on customer stickiness and recurring revenue stream.
Futur Telecom	Futur Telecom markets its IT and telecom solutions specifically to SMEs. The company provides telephone and broadband services that focuses on the business needs of SMEs.
IElement	IElement Corporation provides telecommunications services to SMEs in the US. The company focuses on broadband data, voice, and wireless services. It provides customizable business solutions for voice (VOIP), data, wireless, and Internet. It also provides secure communications channels between the customer's offices, partners, vendors, customers, and employees without the use of a firewall or encryption devices.
MAXroam (Cubic Telecom Limited)	MAXroam provides MVNO services to Dopplr's, an online service for smarter travel that helps the world's most frequent travelers meet up with their trusted friends and colleagues around the globe. Under the service, MAXroam provides special offers on products and services to Dopplr travelers to make their travel better.

Source: Indalytics Advisors; news.ecoustics.com; futurtelecom.com; iccineternet.com; dopplr.com; patphelan.net

Marketing strategies — Partnerships to increase service offerings

- **Customer types**
- **Product offerings**
- **Strategies**
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MVNOs have partnership agreements with various service providers in order to provide complete range of solutions to SMEs, covering all parts of the value chain. They also go for co-branding of their services with the Mobile Network Operator (MNO).

MVNO	Services provided
Gamma Telecom	<p>Gamma Telecom has an MVNO wholesale deal with 3 UK to provide business mobile voice and data service using the 3 network.</p> <p>The service addresses the need of SME customers via Gamma's channel of more than 300 independent resellers.</p> <p>The service, which is a mix of Gamma Telecom's mobile service and 3's voice and data network, also offers mobile broadband through 3's nationwide 3G and HSDPA 'Turbo' data network to SMEs.</p>
Orange (France Telecom)	<p>Orange is working with mobile virtual network aggregator (MVNA) Transatel, to help sign up new MNVOs.</p> <p>These MVNOs will help SMEs to target niche communities with mobile propositions. The MVNOs will use Orange's GSM network and Transatel's MVNA services.</p>

Source: Indalytics Advisors; mobileeurope.co.uk; orange.com

Companies mentioned

3 UK

Abica

AMP'D

Boost Mobile

Cubic Telecom Limited

Dopplr

EasyMobile

Firstcom

France Telecom

FRIENDi Mobile

Futur Telecom

Gamma Telecom

Hello_MTV

ID&T Mobile

IElement

Lebara Mobile

MAXroam

Orange

People Telecom

Talkmore

Telenor

Transatel

ValueFirst

Virgin Mobile

XLN Telecom

Yes Telecom

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