



Strategies for growth

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Strategies for growth

Introduction

Hello and welcome to Strategies for growth, an eBook by MVNO Nation.

It's no understatement to say that there's never been a more exciting time for MVNOs. The market was valued at US\$70.3 bn in 2022 and is predicted to reach a remarkable US\$147.7 Bn in 2032 ¹. Competition, therefore, is rife, with 90% of operators identifying this as their biggest risk. Today, consumers are willing and able to switch brands that don't meet their expectations and there's a growing demand for operationally efficient mobile network services that are flexible and provide full control to the consumer.

In this eBook, we've sought advice from the best of the best on how to grow and scale your MVNO, and crucially, how to provide your customers with what they are looking for from you. Read on to discover hints, tips and strategies on how to stand out from the crowd, expand, innovate and even eventually exit your business.

Enjoy!

¹ <https://www.futuremarketinsights.com/reports/mvno-market>

Looking down the MVNO line

Three ways to find growth – and stand out from the crowd

Our panel of experts share their top tips for finding a growth path in a competitive market.

1. Look beyond demographics

Home in on behaviour, attitudes and what customers are looking for. Whether your target audience is in their 20s or their 70s, the chances are that, ultimately, they're looking for the same thing: simple, easy-to-use solutions from companies that help them to manage their daily lives hassle-free.

It's simply not true that it's just Gen Z or Millennials looking for fully digital app-based solutions. Today, the majority of people want to avoid calling hotlines and waiting to talk to someone. Instead, what they want are straightforward services at their fingertips.

Benjamin Grimm, Head of Carrier Relations, **freenet**

2. Don't rely on stable, go-to niches

The pandemic accelerated the drive into online research and purchase behaviour – and this included digitally native customers and those who are less so. Then came the cost of living crisis, which has opened up the market to all providers as long as they can offer enough value. As such, we believe that specific niches won't necessarily continue to be stable go-tos. And even if you could identify a niche today, the same one probably won't be there in two years' time.

This in my opinion means that we need proper market segmentation. If you start with that, you can conduct some really great proposition placement targeting work off the back of it. The behavioural and attitudinal profiles of the discrete segments need to be your absolute number one priority. This will lead to understanding the customer needs that you want to try and help with, and you can base your proposition design on that.

When you're part of a portfolio of brands, which is sometimes known as being a light MVNO, this can also help define which brand does what for each group; what problems you can solve and how to avoid as much overlap as possible in order to get to the greatest aggregate value.

This approach means that you only really start talking about demographics once you've found the customer need that you want to help with and once you've found the size of the audience. Then and only then should you find and create lookalike audiences, as well as your digital and other targeting touchpoints.

Matt Kennedy, Chief Commerce Officer, **giffgaff**

3. Explore new business spaces for opportunities to disrupt

We've certainly seen a couple of interesting growth areas recently. In the UK, we're on the

procurement frameworks in the public sector, an area historically held for the MNOs. We've been incredibly successful as a disrupter brand within that specific sector because, ultimately, they want choice and they're becoming more cost conscious. We were fortunate because our host operator in the UK, Three, wasn't on those frameworks. But because we provide other business services to them, it was quite an obvious place for them to look. This is a business space worth exploring in my view.

My other advice would be to look at market opportunities where there's displacement technology. We have PSTN switch off happening across Europe – this means that a significant portion of that base is open to MVNOs. People aren't going to want fixed phone lines and fixed broadband lines anymore, which makes this an opportunity to be tapped into.

Mike Mills, Director of Cloud & Infrastructure Partners, **Gamma**

Key takeaway: Forget traditional target audiences and demographics. Instead, focus on behaviours, attitudes and what it is that customers – regardless of age, gender and job title – are looking for.

From B2C to B2B – how Circles Asia made the leap



Mehul Vora, VP of Sales, Pareteum MVNE

Mehul Vora, VP of Sales, Pareteum MVNE, talks us through the evolution of Circles Asia and offers top tips for digital differentiation.

Phase one: launching Singapore's first B2C MVNO

Circles.Life, as it is commonly known, was founded in Singapore in 2014. In this point in time in Singapore, there was very little innovation and very slow progress in the telco market.

Customer service didn't come first or even second. In fact, it probably came fifth or sixth on the list of priorities. There were lock-ins, lengthy queues and lack of digitalisation.

The founders of Circles.Life set off to reinvigorate the Singaporean telco market. They had long thought about how to go about doing that, and concluded that best thing to do was to deliver an experience that also gave flexibility and control back to the users.

We've all heard Steve Jobs' keynote speeches and know that he always used to say that

whenever he was designing a new product, he didn't start with what was the art of the possible at the time. Instead, he looked at the service or the experience that he wanted the users to have and he worked backwards.

This isn't dissimilar to what Circles.Life founders did. They started with what would be an ideal service experience and then worked backwards from there to assess what a telco stack should look like to be able to deliver those experiences.

That approach resulted in them developing a digital telco SaaS platform called Circles X. With that platform, in 2016, they launched the first B2C MVNO in Singapore.

Phase two: developing an ecosystem of digital offerings

This MVNO was very, very successful. So hot on the heels of that they launched two more MVNOs in Taiwan and Australia. And over a period of time what Circles X has evolved into is a very successful ecosystem of digital offerings that comprises financial services, entertainment and many other non-mobile services.

It's simply no longer enough to just do telco very well – that's very much what is expected. If you are going to innovate in the telco space, most users are going to want you to do more, and better.

What truly differentiates you from everyone else who is doing the same thing in the market is not just the what, but also the how, and that how translates into increased RPU, better customer retention or even better lifecycle value of the subscriber.

The Circles X platform is full of bells and whistles. It's a data platform, with analytics, delivery and operation all bundled together and integrated in a very nice end-to-end fashion.

A strong platform should allow users to do basic things better, for example – bundle different services and offerings together. And not just basic telco service layers but also add-ons, rewards and non telco services.

Once you've done that you also have to look at acquiring additional subscribers. The number of subscribers acquired is how most MVNOs measure success – for example, how big they've become over a period of time. The other metric used is the net promoter score, which is a reflection of the satisfaction that the MVNO is able to deliver to the customers.

Phase three: making the leap to B2B

Having run a B2C MVNO business, and having got to the bottom of what the challenges and interests are, we could deliver all those learnings to our B2B MVNO partners. We launched the first B2B MVNO in Japan in 2020 and a second one in Indonesia in 2021. The idea here was simply to disrupt telco markets by continuing to provide the best-in-class digital user experience:

• Hyper personalisation

These promotions can be market specific and segment specific, but they can also be super personalised. To give a simple example, you might know through cookie-based behaviour that the customer has visited an app or a website of a competitor. You know that they may be thinking of churning away and, therefore, you can deliver a targeted promotion for, for example, a digital streaming subscription in order to try to retain them.

• Loyalty via reward features

Everybody likes to be rewarded and to be acknowledged, and it's no different in the telecom space. This is where having a platform that allows you to integrate rewards in an end-to-end way pays dividends.

• High value digital service segments

If you're an MVNO and you if you want to drive your RPU's forward, you need to identify your specific segments and niches and earmark

them. This means running campaigns and creating promotions that directly targets those sets.

How to acquire subscribers and build a net promoter score

Targeting

Different groups of people may be aware of a new MVNO and genuinely interested in it. They are considering moving from an MNO or another MVNO. There is intent, but depending on the stage of interest of the different individuals, it's important to make sure that you're targeting them through different channels.

Retargeting

How many times have you received a text or email that is very interesting and that you have every intent of doing something with, but it gets forgotten? It's for this reason that the retargeting of prospects at the right time and via the right channel is crucial. This is a make or break matter – conversion rates jump up 25% on the second retargeting.

Promotion = rapid time to market

Promotions change services from being an acceptable one to something much more desirable. We all spend insane amounts of money on the latest Apple and Samsung phones. And why is that? Because they are desirable. What does desirability mean? It

means paying for something that delivers value or pleasure. Value is delivered by offering promotions that are super specific to the users, and by being able to do this and to be able to do that in seamless fashion.

Key takeaway: It's simply no longer enough to just do telco very well – this is very much expected of you. If you truly want to innovate and stand out, you have to do much more in a better and more distinct way than your competitors.



Where next? How to scale from start-up to multinational MVNO



Jignesh Dave, Founder & CEO of Next360

Jignesh Dave, Founder & CEO of Next360, outlines his company's journey to multinational cellular operator, with a footprint in 31 countries.

"All changes are hard at first, messy in the middle, but beautiful at the end."

Hard at first...

This summer, in the northern hemisphere, we decided that Covid was something that we were all starting to live with and that it was time to get back to business.

We started selling SIM cards in our distribution market and we saw two extremes. One was WBT – way before technology – which is another way of saying that people wanted physical SIMs. But in the forums that we were running, people were asking for eSIM.

Continuing on the theme of extremes – we had grandparents travelling from markets like India to Europe who had no idea what eSIM is. They aren't, understandably, clued up about technology or connectivity. At the other end

of the scale are the millennials who sit on the same table, connecting but not actually talking to each other!

We also learnt a very solid lesson about the importance of focusing on the need of the consumer rather than thinking from the producer perspective. With this in mind, we had a challenge in that we needed both the millennials and the older generations to adjust their own respective journeys.

Messy in the middle...

Next360 was founded in 2017, so we were only active for a few years before the pandemic, when travel of course stopped meaning that our business came to a standstill. Our vision is to make life simple for a global traveller, and there were virtually no global travellers during Covid.

Like an aircraft, business has to go up, right? Business has to take off. When we were trying to scale, we were trying to balance a number of factors – being valuable as well as unique and difficult to imitate – as well as running a business. This involved focusing on who our key partners were, the key resources that we needed and the key activities that we had to undertake in order to achieve that multi-country MVNO level where we could create an integrated solution for a traveller. And then there was desirability, too. So, forexample, how did we want to build our customer relationships? What channels and segments did we want to

focus on? Should we go digital, or down the unorganised retail route. Should we use travel ecosystem or go online with the Booking.com and Experians of the world? Finally, we had viability. Was cost effectiveness something that we needed to focus on, or should we be looking at a high RPU?

In terms of further scaling strategies, we were of course targeting global travel and adding new networks. The countries that people travel a lot to were crucial to us, so we conducted market mapping into our distribution. We also analysed and figured out which networks we needed to add in in the future.



... beautiful at the end

We expanded our distribution presence in various markets. We have Asia covered, we're in Africa and we're getting into the UK market for distribution in terms of travellers. We also started allowing the travel ecosystem to use our infrastructure and provide those connectivity products to their customers, thus enabling an aggregation for exponential growth.

Because of Covid, we launched our domestic market in South Africa, which became a very solid proof of concept for us and now we are taking that same model to other markets that we've identified. This means we will be launching domestic markets in a number of other geographies.

Key takeaway: When you're trying to scale, you'll have to balance being valuable, unique, desirable and difficult to imitate with the actual day-to-day running of your business. In order to do all of this effectively, ensure you have trusted partners in place that you can lean on for support.



Top innovation tips

Five world-renowned experts provide insight into how to revolutionise your offering to offer your customers the service they are craving.

Make it 100% hassle free

Today, we have customers who want to do things for themselves, which means that their journeys have to be not just fully digital but also exceptional. They need to be hassle free the whole way because if it's not, then they will want to talk to someone, which means forcing a switch in their behaviour.

When we started, we designed something like 240 customer journeys. We looked at all of the different interactions within these, what the different needs would be and how to make them digital end-to-end – because if they weren't, there was no value in them and the whole purpose from the end user perspective would just get ruined. Digitalising the backend to support has also been key for us.

Martina Klingvall, CEO, **Telness**

Learn lessons around legacy

I want to focus on the big advantage that we have over MNOs and that is that we don't have their legacy. If you talk to IT people in MNOs, they'll tell you it's crazy how much legacy they have to deal with. This means that if we want to

move into digitisation, we can do so a lot faster than MNOs. But what I've learnt is that there's nothing more difficult than making things simple, and the whole digitisation process is quite hard. This is why it's crucial to get insights from people who really understand simplicity in this space. Simplicity is, in my opinion, the most important part of this process.

Frank Bekkers, CEO, **Mobile Vikings**

Perfect the art of personalisation

“What is key for me is focusing on what really differentiates your experience. This includes the plans you put out, your journey and how simple you're making it, how well you manage your infrastructure and the ideas that you have. It's about how you make the most of your data insights, and by this I mean personalisation. With these, you have the opportunity to say, “Hey Danielle, I've noticed you've been looking at Netflix more often. Did you know that we have a deal with Netflix and we can change your plan to bundle that in?” Or, “I noticed you just went to Spain and that you're travelling a lot right now – here's some data.” You can access all this information about where people are going, how they are using the network etc – and these can provide personalised insights that make customers go in and get better deals.”

Danielle Royston, CEO and Founder, **TelcoDR** & Acting CEO, **Totogi**

If it's not simple, shelve it

“When we built our native digital experience, we didn't try to reinvent the wheel, but we did take inspirations. We looked at Spotify, Away and Lemonade Insurance – then sought to create experiences for the end user. We had very strict design KPIs and at times stayed non-competitive to others because we couldn't simplify something.

“For example, we had this vision of building Roam Like Home from the US when you travel abroad. So, if you have a \$30 plan and you go to Europe or you go to Asia, you just use your \$30 plan. The way to do that was to use the local eSIM in the local country so that you're on a local tariff. We tested it and built the backend for it. We spent maybe 10, 11 months building the whole solution out and it was working great. But we realised that it wasn't that simple. Things were certainly taking more than just three clicks. So we shelved it. It's there, it's built, we made the investment – but we never launched because we couldn't simplify it. And if it's not simple but is in fact clunky we're just not going to put it out.”

Harjot Singh, CEO, **Reach Mobile**

Identify and innovate

“Nubank led the charge with banking in LATAM because they reinvented the entire experience – that’s why the bank became so popular. We need to bring telco to that level. Let’s look at balances – people should be able to see what theirs is in real time. You should be able to open an app, push a button and get this information. But it was actually taking 48 hours. That’s like something from 25 years ago that’s not been replaced. These are the opportunities where MNVOs can innovate and really raise the bar.”

Nicolas Girard, Founder & CEO, **Oxio**

Key takeaway: Simplify, simplify, simplify!



Business expansion and new services: what to keep front of mind

Now that you're firmly established, it's time to start branching out beyond your bread and butter in order to achieve growth. We ask five experts for their advance.

The data dilemma

"Privacy is one of our top values. One of the difficulties of telco today is that the data exists, but exposing it potentially exposes the users, and some users don't want to be tracked. This means that we have to be able to do everything from super personalisation to looking after building systems for companies that don't want to be tracked at all. The way to do this at the end of the day is to just ask the user for an opt-in. You have to very simply explain the value-add and that if they don't want to sign up, they don't have to."

Nicolas Girard, Founder & CEO, **Oxio**

KISS (keep it super simple)

"We have been working for the last 12 months or so on this project that we have yet to name. We still call it Rinse and Repeat – but we have to find a better name at some point. The thinking behind the project is that within 72 hours, you should be able to launch a brand-new service – let's just say a mobile service for now. The idea is that if you are moving into any new vertical where you have distribution and have to have a relationship with the consumer,

you just go into the CMS system and you push a few buttons. Instead of tweaking 2,000 parameters you can tweak, say, 20 – ones that we think are worth tweaking. What this ultimately means for companies is that they can decide that they want to create a mobile service, go into the system, configure their service and have an up-and-running, fully-fledged MVNO in no time at all. This means that companies can start off doing something else but opt to add in mobile."

Harjot Singh, CEO, **Reach Mobile**

The danger of getting it wrong

"I use Verizon in the United States and they were clearly experimenting with personalisation a few years ago. I know this because during the back half of 2021, I was getting tons of offers that weren't really personalised but kind of close to it. It wasn't hitting the mark, and you can really erode your brand by getting it wrong. My tips are starting out slow and telling people what you're doing so that they can opt in or opt out. You've got to respect their decisions but at the same time you can't afford to not experiment."

Danielle Royston, CEO and Founder, **TelcoDR** & Acting CEO, **Totogi**

Globally local

"When you're an MVNO, you're in the same position as the end user in that data and calls cost you something. In our case, it's the biggest cost in the company and I think it's the same level as the end user. That's quite an interesting situation and it's one where you can take advantage of in terms of how you can use technology and digitalisation to disrupt. There are a lot of technologies out there and everything is moving to the cloud. Take our PBX for example, we're routing calls on a local basis in 62 countries and we haven't set up any local servers or any local agreements because we are using cloud providers. The world is going global – so consider how you can use the opportunity of not being local to launch a different kind of global service."

Martina Klingvall, CEO, **Telness**

Back to front

"I think too often, we're busy selling our packages but we could be busy with what's at the front of our offerings. There are MVNOs putting entertainment first, and at least one putting the environment first. If we put these offerings at the front and our telco service more towards the back, then people might need to use the MVNO's services and offerings more."

Frank Bekkers, CEO, **Mobile Vikings**

Key takeaway: Experimentation is key, but getting things sorely wrong can do more damage than good and could even erode your brand.



How to prepare for an orderly exit



Nicholas Constantinopoulos,
Advisory, Parlem

Nicholas Constantinopoulos, Advisory, Parlem outlines four exit options – with some quick tips on how to prepare.

1. Acquisition

“The most natural exit for an MVNO is to be acquired by their hosting MNO. This can be tricky. The ownership changes. You need an excellent lawyer and an exceptionally strong agreement in place. But if this works, then the money is very good.”

2. IPO

“Financing plus exit, or an IPO, is where you use money from investors to keep your company running, but after a few years you and your shareholders sell everything. Mobile Vikings in Belgium started like this. Simio in Germany is another example – they expanded internationally this way.”

3. M&A transactions

“A merge could see an MVNO with fantastic ideas come together with an MNO to help meet their needs. Because MNOs are of course always looking for more and more customers.

We’ve seen two of these take place in the last few months alone. The first was Mobile X. Mobile X is essentially owned by the founder of Boost Mobile Australia. He is in the States and had launched Mobile X over there in a beta mode. But because he was so eager to expand internationally, he merged with a company on the Nasdaq. We also had Boost Mobile. Boost was bought by Dish, with a view to putting it on the stock market.”

4. Placing your company on the stock exchange

“I worked on the preparation of the exit of Parlem – a regional operator in Spain. They, over the course of six years, did a really good job. They undertook some crowd funding and secured some family funds and slowly started to attract private equity. Eveready, who also invested in Mass Mobile, was one of the main investors. This means Eveready had two ‘children’, and they sold one to KKR and put the other on the stock exchange. They brought in me and the whole exercise was to prepare the company one year in advance for the exit. This meant cleaning the company inside and out and starting to consider all of the questions that the investors and the stock exchange committee might have.”

Preparation is key

“When I started working with Parlem I found that they had this pizza menu-like offering. They

had 75 different plans mixed with fibre, with fibre only, with television, with fixed telephony – I could go on! And the pricing was very similar. It was very close and confusing. What we needed was a clear picture of what was selling best, what was delivering the most profit; what they should push and what they should cut. They had all these legacy plans, but cleaning, which I was brought in to do, means killing legacy. We had to transfer the customer base from these old products to new and/or existing ones, and cancel the ones that weren’t profitable. It was a vital part of the process.”

Key takeaway: Spend time investigating and assessing the right exit strategy for you and your business, and then enlist the help of experts to effectively prepare.



Summing up

While there's never been more opportunities for MVNOs, there's never been more competition, either. Standing head and shoulders above your peers is a necessity today, but, as we've seen, there's a wealth of ways that you can do so.

We heard about why we should start looking beyond demographics, and that it might be time to stop relying on stable, go-to niches. We were told about the need to explore spaces where you can disrupt, and the importance of hyper personalisation, high value digital service segments, timely promotions and the right partners. We also heard time and time again about how simplicity is absolutely vital, as is creating hassle-free user journeys that are aligned with consumers' preferred behaviours.

Our customers may be getting more demanding, and we may be facing more challenges than ever before – but these are exciting predicaments and ones that, when addressed correctly, can lead to growth that you might previously have only ever dreamed of.



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MVNO Nation – A bit about us

MVNO Nation is a new type of community. One that brings together global MVNOs and partners, and was devised around your needs for one single purpose: to grow your business and expand your network.

Our focus is on actionable content. Meaningful networking is also at the heart of our offering. Both of these are delivered in new and impactful event formats, tailor-made to the virtual environment as well as information whitepapers such as this.

We want your voices to be heard, to enable you to learn from each other, to help each other solve common problems, and to inspire the development of new business models that benefit the whole MVNO industry.

We hope you'll join us on our journey.

For more details, visit, <https://www.mvnonation.com>



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