



Mobile Market Development

Project Fi and Other Threats to MNO Customer Ownership

Program: Maximising Wireless Profit

Price: 2500.00 EUR

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Description: Mobile Network Operators have always had to compete in a difficult market. The combination of regulators and multiple players per market and the need to deploy expensive technology at the leading edge of development in order to meet demand has ensured that those that prospered have become excellent at managing and re-inventing the network. However, most of the threats to date have come from within the sector, as licence conditions and the very scale of infrastructure investment required have tended to discourage entrants from adjacent sectors. New threats are now emerging that may disintermediate MNOs. Global digital players and local niche players are able to offer services to the core MNO client base that include basic connectivity without the necessity to involve the MNO in the customer relationship. MVNOs have long been in this position, but have acted more as a means to extend the MNO footprint to a wider customer base than as a competitor for mainstream profitable client groups. Wi-Fi calling and services based on multiple network hosts, as well as services built around non-MNO specific SIMs can all enable competitors from adjacent sectors to address the connectivity needs of clients directly. If the MNO community does not respond to these threats, it may risk losing control of its customer relationships, leading to potential loss of revenues and margin that could in turn lead to consolidation in the sector. This report explores the potential for disintermediation and possible strategies available to MNOs to protect their positions. It concludes with concrete recommendations that MNOs should consider as a matter of urgency.