



Piran Consulting Limited
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For immediate release

Future of UK MVNO market revealed in new research

- **Collaboration and presence driving growth in B2B market**
- **Historic underperformers tipped to rebuild market share**
- **Opportunities identified in poor credit score segments**

The future for the MVNO market is bright but traditional models must evolve for long-term sustainability, according to research released today.

In the first ever annual report of the UK's vast and growing MVNO market, Piran Consulting has announced that a relentless focus on understanding the customer, a strong distribution capability and a means of creating true loyalty, allied to a network partnership model, are the critical factors for success.

Since the launch of the first mobile virtual network – Virgin Mobile in December 1999 – UK MVNOs have taken an ever increasing market share.

In its report, Piran estimates that 15.6% of the mobile market is now served by some 248 MVNOs, accounting for 12.4% of the UK's £15.9 billion mobile revenues.

While one in four MVNO entrants fail, the last three years has seen an upsurge in the number of B2B-focused MVNOs, international long-distance MVNOs (such as Lebara and Lycamobile) and machine-to-machine MVNOs. And Piran believes the market, now more than ever, is ripe for growth and unlocking new revenue streams.

Traditionally sought after by bigger brands that are looking to scale and diversify by entering the telecoms market, it is the business-to-business arena that is currently seeing the most growth in MVNO, as large enterprises now invest in dedicated mobile phones for their employees. And prompted by the advent of fixed mobile convergence, unified communications (as typified by Microsoft's Lync product) and tablet computing, businesses are increasingly seeking providers who can provide a complete single source service at a lower cost.

In addition, opportunities have been identified in the shift from Pay-As-You-Go to post-pay, providing the challenge of thin or poor credit history can be overcome, as well as those MVNOs promoting richer, multi-media, multi-channel propositions.

With over a million customers estimated to be rejected every year having failed mobile operators' credit checks, high street retailers with MVNO operations have been pinpointed as best placed to expand into this market and exploit new revenue streams, alongside historic underperformers which have been tipped for a resurgence through transition to triple and quad-play offers.

Erick O'Connor, Director, Piran Consulting, said:

"MVNOs that have stood the test of time have done so by continuing to evolve their service offers and by maintaining reputations that are centred round value, customer service, and rewarding loyalty, and also by diversifying the breadth of their offering through a movement to bundled products.

"Undoubtedly it is the strong, those equipped to adapt to the quickly evolving consumer demands, that will thrive and grow and as the market evolves towards high speed data and unlimited tariffs the traditional MVNO model will need to evolve to be sustainable businesses.

"A supportive mobile network operator partner is also key but ultimately having a simple proposition that solves customer needs is what counts, backed by a strong distribution capability and excellent customer service."

For further information please contact Miles Cheetham on 07966 505661.

About Piran Partners

Our mission is to provide clear, practical and straightforward advice to clients in the converging payments, mobile and retail sectors. We approach consultancy engagements from a wholly commercial perspective, implementing solutions that solve problems, create deeper customer relationships and drive results through commercial value.