

The Evolving Virtual Network Operator (VNO) Market

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What is Next for the [MVNO](#) Market?

Are there too many companies chasing too few customers? Do MVNO's need to micro specialize? What is the next wave of virtual network operators, strictly content VNO's?

Parties interested in developing a [MVNO Business Plan](#) have a lot to consider.

How will [IMS](#) play into the VNO model? Content-only VNO's? [LBS](#)-oriented VNO?

There are new business models to be explored since new technologies will enable new entrants to offer robust data and content services to end users with little or no infrastructure investment by serving as Virtual Network Operators (VNOs). New business models based on the effective distribution of content across multiple networks and integrated with personal, customized services generates many varieties of VNOs with more range and scope than traditional "Resellers" or "MVNOs" presently in the industry.

From: [IP Multimedia Subsystem \(IMS\): Driving New Business Models & Opportunities](#)

The emergence of convergence and new IMS technologies will shape and reshape the strategies of industry participants across the mobile and fixed-line industries. Due to the flexibility of the technology and shifting trends on customer behavior, one type of market player in particular, the Virtual Network Operator or VNO, is developing as an interesting business model. As a result of many shifting market influences, the presence of these VNOs will lead to new battles for control of the mobile customer.

"The balance is shifting away from the mobile network being the focus of the business plan to a model where mobile networks are just one element of a broader media distribution strategy, which is likely to span across multiple networks – mobile, internet and video."

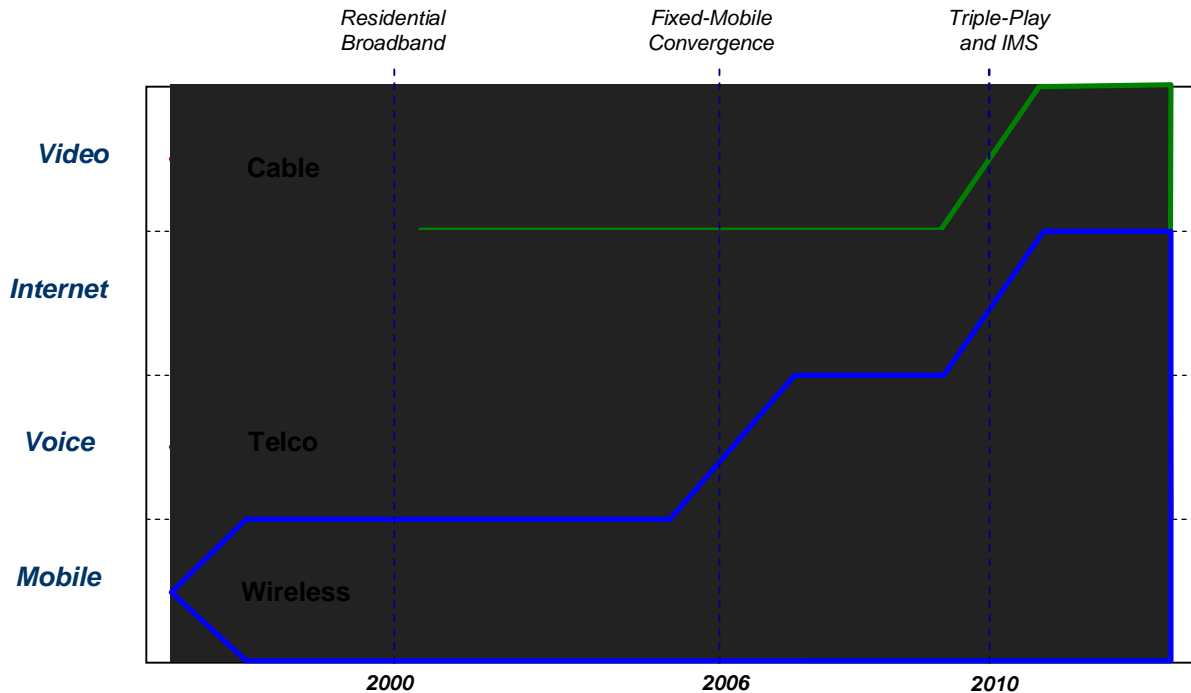
Major brand-name VNO's will look less like mobile operators and more like an extension of their overall brand distribution; providing their content in a flexible, personalized manner, wherever the customer is and whenever they want. This means that the most efficient network for delivering content may not be available at the exact time that the customer wants it. The ability to scale or manipulate content to adapt to whichever network must be used for this immediate customer demand requires full adoption of QoS standards as well as uniform mapping of those QoS standards across wireless and fixed networks. Further, VNO's must be positioned to have their content readily accessible in formats personalized to the customer's preferences. Third-party applications through IMS servers will provide the adaptation services per session.

The dynamic nature of delivering customized content across multiple networks is what sets VNOs apart from current-generation MVNOs. Most mobile service content today is independent from on-line content - even closely related on-line content. Since the customer's subscription is with the mobile carrier, the delivery of content to their mobile is limited or restricted by the content the mobile provider makes available.

Virtual Network Operators are the most recent step in the evolution of the wholesale element in the wireless industry. The progression of this class of operator in the mobile space has evolved over the years once network coverage became national and national brand names have entered the space. Some elementary data content has also been made available in the latest offerings. The below figure compares some of the main traits marking the advancement of Resellers and MVNOs with the trends for future VNO operators:

	Mobile Reseller	Mobile Virtual Network Operator - MVNO	Virtual Network Operator - VNO
	1990's	2000's	2010
Geographic Scope	Regional	National	National
Business Model	Wholesale purchase of discounted bulk MOU capacity; resell consumer voice usage; profit on higher consumer margins	Wholesale purchase of discount bulk MOU capacity; usually targeted to promote a national presence with an already established Brand Name. Wireless offering is integrated with other Brand Name distribution. Examples: Disney, ESPN	Driven by technology that offers personalized services, more feature rich content across multiple networks and multimedia.
Customer Ownership	Reseller controlled wireless number, billing, customer care, and marketing	MVNO owns the customer relationship through marketing, billing and customer care functions, some of which are outsourced. Local Number Portability (LNP) reduces carrier's hold.	Greater ownership of the customer with the mobile carrier more in the role of an outsourced vendor for the access network function. Wireless number ownership shifting away from mobile carriers to 3 rd party administrators.
Features	Reseller completely dependent on host carrier for all features and services (almost exclusively voice and voice mail).	Voice features are dependent on host carrier; also some superficial data content links to other Brand-related web content.	Overlap between mobile and internet networks for web and streaming content; same content delivered across multiple devices and multiple networks.
Other Offerings	Bundled offerings with other messaging services, i.e. paging	Cross marketing of other Brand Name content or products.	IMS platforms which provide personalized services and interaction between services, including presence and location-based services.

Progression of Overlapping Markets in Telecommunications



IMS platforms offer the personalization and cross-network access that enables VNOs or any carrier to take the full pan-network approach to content deliver.

Convergence of wireless and wireline networks is a key enabler of this VNO model. Access from one device across multiple WLAN and 3G networks provides ubiquity of access to reach content in any wireless environment. Executing this convergence introduces several prerequisites of IMS networks....

For more information, go to:

http://www.mobilein.com/reports/MC/IMS_Driving_NewBusinessModels.php

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