

Friday, 8 March 2019

Mobile Virtual Network Operators taking market share from Mobile Networks

Australia's Mobile Virtual Network Operators (MVNOs) are continuing to take market share from the traditional Mobile Network Operators (MNO) in the prepaid mobile market.

Mobile Virtual Network Operators are resellers of network bandwidth from one of the main players such as Telstra, Optus and Vodafone. Although the majors still have their network used they are disadvantaged by the rise of MVNOs because they lose direct contact with the customer and therefore lose the ability to add value by charging higher prices and increasing margin which is taken by the MVNO.

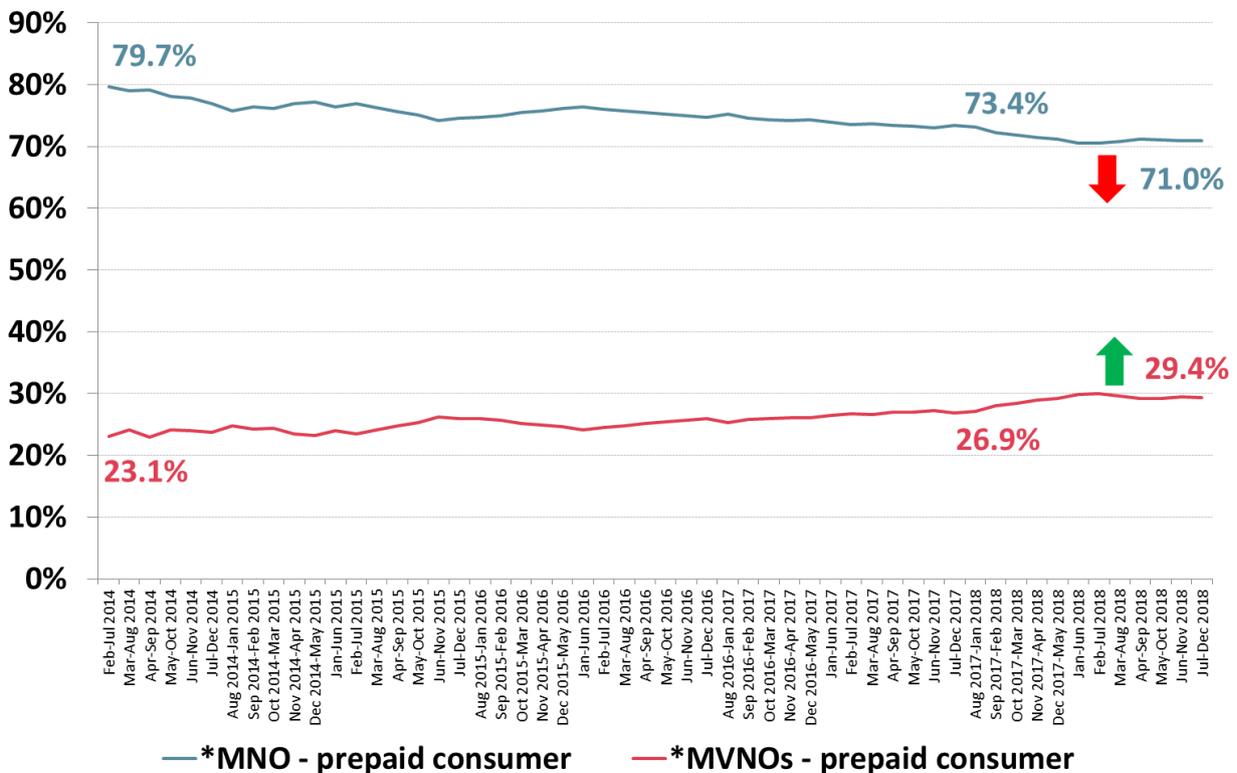
Over 6.7 million Australians (32.6%) now have a prepaid mobile phone and a rising share of these prepaid mobile phones are bought via a Mobile Virtual Network Operator such as those operated by the likes of Aldi Mobile, Amaysim, Kogan, Boost, Lebara, Lycamobile and others according to the latest research conducted by Roy Morgan in the six months to December 2018.

Mobile Virtual Network Operators are now used by nearly 2 million Australians or 29.4% of consumers who have a prepaid mobile phone. This market penetration for MVNOs is up a significant 2.5ppts in the last year alone and up by 6.3ppts from four years ago in the six months to July 2014.

In contrast, the market share of the traditional Mobile Network Operators such as Telstra, Optus and Vodafone has dropped to 71% of the consumers who have prepaid mobile phones. This is down 2.4ppts from a year ago and down 8.7ppts from the period of the six months to July 2014.

The combined market share in the prepaid mobile phone market is greater than 100% which is because there are several consumers who have multiple mobile phones. These are the latest findings from Roy Morgan's Single Source (Australia) which is based on a survey of over 50,000 consumers per annum.

Prepaid Mobile Market Shares – Mobile Networks (MNO) cf. Mobile Virtual Networks (MVNOs)



1. Australians 14+ 2. Respondents may have more than one phone, with more than one provider **Source:** Roy Morgan Single Source. February to July 2014 through to July to December 2018. Average n=6,398. *MNO = Mobile Network Operators such as Telstra, Optus and Vodafone. MVNO = Mobile Virtual Network Operators such as Amaysim, Aldi Mobile, Lebara, Lycamobile, Kogan, Dodo, Boost etc.

FOR IMMEDIATE RELEASE

Michele Levine, Chief Executive Officer, Roy Morgan says the increasing market share taken by the Mobile Virtual Network Operators (MVNOs) in the prepaid mobile phone market is driven by a multitude of factors:

“The prepaid mobile phone market in Australia has increased by over 400,000 in the last year up from under 6.3 million at the end of 2017 to over 6.7 million in the six months to December 2018.

“The majority of these new users of prepaid mobile phones are opting to choose a Mobile Virtual Network Operator such as Aldi Mobile, Amaysim, Lebara or Lycamobile rather than a traditional Mobile Network Operator such as Telstra, Optus or Vodafone.

“Over the last year an extra 280,000 Australians signed up to use an MVNO for their prepaid mobile phone while around half as many, 140,000, signed on to one of the traditional Mobile Networks for their prepaid mobile phone.

“The biggest beneficiaries of this trend are the leading MVNOs including Aldi Mobile which increased its market share of the prepaid mobile phone market to 5.9%, up 0.8ppts in a year, and Amaysim which increased its market share to 5.4%, up 0.3ppts in a year. Lebara has a market share of 1.8%, up 0.6ppts and is now just behind Lycamobile on 2.2% market share.

“For the traditional Mobile Network Operators the biggest winner in the prepaid mobile phone market was Vodafone which increased its market share to 16.8%, up 0.7ppts in a year to over 1.1 million. However, Vodafone still trails both Optus, with over 1.5 million prepaid mobile phone users, and clear market leader Telstra with over 2 million users.

“Driving the increasing adoption of these MVNOs are a number of trends including Australians looking for a better deal and ‘switching’ providers to find a good deal as well as younger Australians entering the mobile phone market for their first time and taking advantage of competitive deals on offer from the likes of Aldi Mobile.

“In addition the Roy Morgan data shows there are many international students and young Asian Millennials from countries such as India and China are attracted to familiar international brands such as Lebara and Lycamobile.

“The attraction of a prepaid mobile phone is also supported by the flexibility a prepaid mobile phone offers. Users of prepaid mobile phones aren’t tied to a monthly plan that may last for two or more years and can be on the lookout for an even better deal that might come along at any time.”

For comments or more information about Roy Morgan Research’s telecommunications research and Helix Personas, please contact:

For comments or more information about Roy Morgan’s [Mobile Phone Service Provider](#) customer profiles for leading Australian mobile networks including [Telstra](#), [Optus](#), [Vodafone](#), [Virgin Mobile](#) and customer satisfaction data, please contact:

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*Mobile Virtual Network Operators (MVNOs) are smaller operators which use a larger network to provide their mobile service. These include: Optus: Amaysim, Coles Mobile, Dodo, Southern Phone, iiNet, Vaya & Virgin Mobile. Telstra: ALDImobile, Belong, Boost, Lycamobile, Woolworths mobile. Vodafone: Kogan Mobile, Lebara, and formerly TPG – which has now set up its own dedicated network.

The Roy Morgan Customer Satisfaction Awards highlight the winners but this is only the tip of the iceberg. Roy Morgan tracks customer satisfaction, engagement, loyalty, advocacy and NPS across a wide range of industries and brands. This data can be analysed by month for your brand and importantly your competitive set.

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About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
10,000	±1.0	±0.9	±0.6	±0.4
50,000	±0.4	±0.4	±0.3	±0.2