

What is MVNO?

MVNO stands for Mobile Virtual Network Operator. A mobile virtual network operator *MVNO* is a company that provides mobile phone services but does not have its own licensed frequency allocation of radio spectrum, nor does it necessarily have all of the infrastructure required to provide mobile telephone service.

MVNE stands for Mobile Virtual Network Enabler, which is a company that provides services to mobile virtual network operators such as billing, network element provisioning, administration, operations, support of base station subsystems and operations support systems, and provision of back end network elements, to enable provision of mobile network services like cellular phone connectivity.

An MVNO in reality is a reseller of mobile products and services from an actual operator but under a different brand.

For example, there is an operator A having all the infrastructure including network, switches, billing systems, provisioning system and customer care systems, etc. Now if someone wants to start a telecom business by doing some minimum investment, then MVNO is the option to proceed.

An MVNO will buy services in bulk from a well-established operator and change the brand name as per their convenience and market those products and services as an operator. Actual operator would remain transparent from the end customer and customer will have feeling like to be an end customer of MVNO.

Depending on the situation, an MVNO can buy one or more infrastructure components from an operator and pay them accordingly. For example, an MVNO may like to use only network from the operator or an MVNO can use network and charging system from the operator and rest of the components like customer care, provisioning, etc., can be set up by the MVNO.

MVNO's have full control over the SIM card, branding, marketing, billing, and customer care operations.

The first commercially successful MVNO in the UK was Virgin Mobile UK,[3] launched in the United Kingdom in 1999 and now has over 4 million customers in the UK.

MVNO Services:

MVNOs typically do not have their own infrastructure, but some leading MVNO's deploy their own mobile IN infrastructure in order to facilitate the means to offer value-added services. MVNO's can treat incumbent infrastructure such as radio equipment as a commodity, while the MVNO offers its own advanced and differentiated services based on exploitation of their own intelligent network infrastructure.

In this way, each MVNO and the network operator could focus on their own niche markets and form customized detailed services that would expand their customer reach and brand.

Most of the MVNOs come in the market to target only pre-paid customers and provide them only pre-paid services like voice, SMS, MMS, data, broadband, etc., with some nice value-added services.

MVNO Billing:

Assuming an incumbent operator sells their infrastructure to an MVNO, there could be different business models and agreements between incumbent and MVNO. Following are the most commonly used:

- MVNO can brand their services and sell them in the market and MVNE will help in providing those services to the end customer. Here, a fixed percent of commission will go to the MVNE.
- MVNO can buy products and services in bulk at special discounted prices and then brand

them with their name and sell in the market.

- MVNO sells the products and services, and based on the usage generated by the end customers, MVNO pays an amount to the MVNE.

In all the cases, MVNO may be required to pay some amount of security deposit to the MVNE and then monthly settlement happens using simple reports generated by the MVNE.

An MVNE can add an MVNO in their billing system as a corporate customer as long as MVNO is providing post-paid services and can add all the products and services provided to MVNO. By the end of every month or usually after every two weeks, invoice can be generated and collection can be followed up.

But usually, most of the MVNOs provide pre-paid services, which are handled in Pre-Paid system. In such case, MVNO functionality is achieved either using built-in functionality in the pre-paid system or by simply defining a separate service class. All the usage CDRs and other information is dumped into data warehouse from where reports can be generated to prepare invoice.

Loading [MathJax]/jax/output/HTML-CSS/fonts/TeX/fontdata.js