



WHITE PAPER

# The Brand MVNO Advantage

Pioneers Combine Mobile Connectivity,  
Customer Loyalty, and Brand Strategy

*Global Insights with a South African Perspective*

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## EXECUTIVE SUMMARY

The global telecommunications landscape is undergoing a fundamental shift. Brands across retail, financial services, insurance, and media are discovering that launching a Mobile Virtual Network Operator (MVNO) is one of the most powerful strategies available to deepen customer loyalty, unlock new revenue streams, and build lasting competitive advantage.

This white paper examines the strategic rationale for brand-owned MVNOs, drawing on global case studies and the rapidly evolving South African market. The evidence is compelling: when deployed correctly, a branded MVNO does not simply add a telecoms product to a company's portfolio. It creates a persistent, daily touchpoint with customers that reinforces brand affinity and drives measurably higher retention, cross-sell, and lifetime value.

The global MVNO market was valued at **USD 98.74 billion in 2025** and is projected to grow to **USD 195.08 billion by 2034**, exhibiting a compound annual growth rate of 7.8% (Fortune Business Insights, 2025). In South Africa, the MVNO subscriber base surged 51% year-on-year to reach 4.3 million SIMs in 2025, with the market valued at USD 505 million. The BMIT SA MVNO Report 2025 projects subscriber numbers will exceed 12 million by 2029, while Mordor Intelligence estimates the market will reach USD 750 million by 2030.

Yet the opportunity is not simply about market size. It is about what mobile connectivity enables at the intersection of brand strategy and customer engagement. The brands that have succeeded in this space share a common insight: connectivity is not the product. Connectivity is the vehicle through which deeper, more valuable customer relationships are built.

*Connectivity is not the product. It is the vehicle through which deeper, more valuable customer relationships are built.*

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## THE STRATEGIC CASE FOR BRAND MVNOS

For decades, customer loyalty programmes have operated on a simple exchange: spend more, earn more points. But the limitations of this model are increasingly apparent. Points accumulate in dormant accounts. Engagement is episodic, tied to individual transactions rather than ongoing relationships. And in a world where consumers carry their smartphone everywhere, the gap between the brand and its customer is the gap between interactions.

A brand-owned MVNO closes that gap. By providing mobile connectivity, a brand becomes embedded in its customer's daily life. Every call placed, every message sent, every gigabyte of data consumed is a moment of engagement with the brand. This is not a theoretical benefit. Research by McKinsey has shown that companies that build ecosystems around their core offerings see 15 to 20 percent uplifts in average revenue per user through more personalised engagement strategies.

### Key Insight

Companies that build ecosystems around their core offerings see **15 to 20 percent uplifts** in average revenue per user. The existing customer relationship is the asset no pure-play telecoms provider can replicate.

## From Transactional Loyalty to Ecosystem Loyalty

The most successful loyalty models in the world are ecosystems, not programmes. Consider the evidence: subscribers to Amazon Prime renew at a rate of 93% after the first year and 98% after two years. Prime members spend roughly USD 1,400 per year compared to USD 600 for non-members. The reason is not any single benefit. It is the cumulative weight of an ecosystem that touches entertainment, delivery, shopping, and daily convenience.

Brand MVNOs operate on the same principle. A retailer that provides mobile connectivity alongside grocery rewards, banking integration, and digital content creates a web of interconnected value that makes switching away from the brand genuinely costly. Not because of contractual lock-in, but because the customer's daily life is woven into the brand's ecosystem.

McKinsey's analysis of MVNO success factors identifies five pillars for sustained competitive advantage: brand exploitation and market segmentation, marketing excellence, sales and customer excellence, operational efficiency, and a differentiated wholesale agreement. Of these, the first is the most critical for brand-owned MVNOs. The existing relationship with the customer is the asset that no pure-play telecoms provider can replicate.

## The Data Advantage

Mobile connectivity generates an exceptionally rich data stream. When a financial institution or retailer also serves as a customer's mobile provider, the insights multiply. Spending patterns can be correlated with app usage. Location data can inform store placement decisions. Usage trends can predict churn weeks before it happens.

This is not speculative. MVNOs with strong analytics capabilities are already using predictive models to identify at-risk customers and intervene with targeted retention offers. The cost of acquiring a new telecoms customer is six to seven times higher than retaining an existing one. Brands that invest in data-driven retention see materially better unit economics than those competing on price alone.

### The Retention Equation

Acquiring a new telecoms customer costs **6 to 7 times more** than retaining an existing one. Brands with strong analytics capabilities use predictive models to identify at-risk customers and intervene weeks before churn occurs.

## GLOBAL CASE STUDIES: WHAT WORKS

The evidence base for brand MVNOs spans multiple continents, sectors, and business models. Three categories of success have emerged: retail-led, financial services-led, and lifestyle brand-led MVNOs. Each demonstrates a different facet of the loyalty engine. Critically, each also offers transferable lessons for the South African market, where the conditions for brand MVNO success are, in many respects, even more favourable than those in the markets where these models originated.

### Tesco Mobile (United Kingdom)

Tesco Mobile, launched in 2003 on the O2 network, is the archetype of a retail-led MVNO done well. With close to 6 million mobile customers, it now commands approximately 7% of the total UK mobile market and roughly 50% of the UK MVNO market. In January 2024, Tesco Mobile renewed its partnership with VMO2 for a further ten years, reflecting the sustained commercial value of the venture.

The integration with Tesco's Clubcard loyalty programme is the engine of this success. Tesco's Clubcard now reaches 23 million of the UK's 28.3 million households, and 82% of Tesco's total sales are driven through Clubcard transactions. Members exhibit an 85% repeat purchase rate, roughly double the industry average, and Tesco attributes an additional GBP 1.5 billion in annual revenue to targeted upsells driven by Clubcard data. In 2024 alone, Tesco delivered 289 million personalised vouchers to

7.6 million customers. Tesco Mobile customers earn Clubcard points on mobile spend, which they redeem on groceries, creating a virtuous cycle where mobile spending funds grocery rewards and grocery engagement sustains mobile retention.

### Application to South Africa

The Tesco model maps directly onto the South African grocery retail landscape. Pick n Pay's Smart Shopper programme, with 11 million members, and Shoprite's rapidly growing digital ecosystem are structurally similar to Clubcard. The lesson is that the MVNO should not be positioned as a standalone telecoms product but as a feature of the loyalty programme itself. South African retailers that integrate mobile rewards into existing loyalty cards, as Pick n Pay has begun doing with its 1MB-per-R1-spent mechanic, are replicating precisely the model that has sustained Tesco Mobile for over two decades.

### Aldi Talk and Lidl Connect (Germany)

Germany offers a compelling case study in discount-retail MVNOs operating at massive scale. Aldi Talk, launched on the Telefonica network, grew to an estimated 8 million subscribers, making it the market leader among German MVNOs. Lidl Connect, operating on Vodafone's network, followed a similar trajectory. Both services leverage one decisive advantage: a vast physical retail footprint that doubles as a distribution network. Customers purchase SIM cards alongside their weekly groceries, eliminating the traditional friction and cost of telecoms-specific retail.

In 2025, Lidl Connect introduced unlimited tariffs starting at EUR 9.99 for four weeks, directly challenging MNO pricing while maintaining healthy margins through its negligible customer acquisition cost. The Aldi and Lidl model proves that even without sophisticated loyalty programme integration, the sheer distribution power of a grocery retailer with high-frequency foot traffic can sustain a large-scale MVNO.

### Application to South Africa

South Africa's grocery retailers have an even more compelling distribution advantage than their German counterparts. Shoprite Holdings operates over 3,300 stores across Southern Africa, with foot traffic measured in hundreds of millions of visits annually. The K'nect Mobile proposition, selling SIMs and airtime at the till alongside groceries, replicates the Aldi Talk playbook in a market where physical retail remains the dominant channel for consumer engagement. For value-conscious South African consumers, the ability to purchase mobile services at the same counter where they buy essentials removes a significant barrier to adoption.

## Woolworths Everyday Mobile (Australia)

Woolworths, Australia's largest supermarket chain, operates Everyday Mobile as a Telstra MVNO, covering over 98.8% of the Australian population with 4G and 5G access. The strategic integration is tight: Everyday Rewards members receive up to AUD 50 in monthly grocery savings linked to active phone plans, and plan holders receive 10% off an in-store shop once per month. The MVNO effectively subsidises its own cost through increased grocery basket size.

The model demonstrates a principle that is often overlooked: the MVNO does not need to be profitable in isolation. When the mobile service drives measurably higher spending across the parent brand's core business, the MVNO's value is captured in the consolidated P&L, not the telecoms line item alone.

### Application to South Africa

This insight is directly relevant to South African retailers evaluating MVNO economics. A Spar or Pick n Pay MVNO that costs R15 per month to subsidise but drives an additional R200 in monthly grocery spending is not a loss-making telecoms venture. It is a highly efficient customer retention investment. South African retailers should evaluate MVNO performance against total customer value, not standalone mobile revenue, precisely as Woolworths Australia does.

## Red Bull Mobile (Middle East)

Red Bull Mobile represents the lifestyle brand approach. Launched in partnership with Zain in the Middle East, the service reached one million subscribers within 16 months, making it the fastest-growing MVNO in the region. Subscribers could convert unused data into a proprietary currency called "Gigacoin," redeemable for exclusive experiences such as Formula 1 meet-and-greets, extreme sports events, and VIP concert access.

The lesson from Red Bull is that connectivity does not need to be the hero of the proposition. For a brand with strong cultural capital, mobile is the bridge to experiences that deepen emotional loyalty in ways that points-based programmes cannot.

### Application to South Africa

South Africa has no shortage of lifestyle and media brands with passionate followings. A broadcaster like MultiChoice, a sports brand, or an entertainment platform could replicate the Red Bull model by packaging connectivity with exclusive content access, event tickets, or fan experiences. In a market where data costs are a persistent consumer concern, offering connectivity as the gateway to culturally relevant experiences creates a value proposition that transcends price competition entirely.

## Rakuten Mobile (Japan)

Rakuten Mobile illustrates the ecosystem play at its most ambitious. By connecting mobile subscriptions to the broader Rakuten ecosystem, which spans e-commerce, payments, banking, and media, Rakuten has created a rewards architecture where mobile usage amplifies value across every touchpoint. The service has surpassed 8 million subscribers, and recent surveys indicate that 48% of Japanese respondents find the Rakuten plan attractive, a figure that has grown by nearly 20 percentage points in two years.

Rakuten's model demonstrates that the lifetime value of a customer increases non-linearly when mobile sits at the centre of a broader commercial ecosystem. Each service reinforces the others, creating a compounding loyalty effect that competitors find exceptionally difficult to disrupt.

### Application to South Africa

Capitec is already building the South African version of this model. With banking, insurance, and now mobile connectivity under one brand, Capitec is constructing a financial services ecosystem where each product reinforces the others. The 78% year-on-year growth to 2.1 million Capitec Connect subscribers by August 2025 suggests the compounding effect is already taking hold. Other South African conglomerates with multi-product portfolios, such as Discovery (health, insurance, banking, vitality rewards) or Naspers/Prosus (media, e-commerce, fintech), have the structural ingredients to build similar ecosystem plays around mobile connectivity.

## Opensignal Research: The Quiet Growth of Brand MVNOs (2025)

Opensignal's April 2025 report, the first dedicated analysis of brand-affiliated MVNOs, provides independent validation of the loyalty thesis. Across seven markets including the UK and US, Opensignal found that brand MVNOs are consistently gaining more subscribers than they lose, in contrast to MNOs in several of those same markets. Brand MVNO subscribers represented approximately 3.7% of total mobile subscriptions as of December 2024, a modest but steadily growing share.

Critically, the report found that cost-consciousness is the primary driver of MVNO adoption, particularly in the US, where MVNO customers are significantly more price-sensitive than MNO subscribers. However, brand-affiliated MVNOs retain customers more effectively than pure-discount MVNOs, because the brand relationship provides value beyond price. This finding aligns with the central argument of this paper: connectivity plus brand ecosystem creates a retention advantage that price alone cannot.

### Application to South Africa

In a market where data affordability is a national conversation and regulatory attention is focused on reducing the cost to communicate, the Opensignal findings suggest that South African brand MVNOs

are entering at precisely the right moment. Price-sensitive consumers are predisposed to try MVNOs, and brand-affiliated offers retain them more effectively than generic discounters. The implication is clear: South African brands that can offer competitive pricing within an ecosystem of broader value will capture subscribers that pure-play discounters cannot hold.

## Virgin Mobile (Global Pioneer)

Virgin Mobile, established in 1999 as the world's first major MVNO, validated the core premise that a strong brand could compete in telecoms without owning network infrastructure. The company signed approximately 2.5 million UK customers within three years and subsequently expanded across multiple international markets. Virgin's success was built on a clear brand identity, a focus on younger consumers, and an operating model that kept costs low by prioritising customer experience and straightforward pricing.

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## THE SOUTH AFRICAN MVNO LANDSCAPE

South Africa has emerged as one of the most dynamic MVNO markets in the developing world. MVNO SIM connections surged 51% year-on-year to reach 4.3 million in 2025, with the market valued at USD 505 million (Mordor Intelligence, 2025). The BMIT SA MVNO Report 2025 projects subscriber numbers will exceed 12 million by 2029, while Mordor Intelligence estimates market revenue will reach USD 750 million by 2030, representing a compound annual growth rate of 8.25%.

The market infrastructure has expanded rapidly. Three host networks now underpin the MVNO ecosystem. Cell C was the pioneer, migrating to a Virtual RAN construct that leverages approximately 28,000 MTN and Vodacom tower sites. Of the country's active MVNOs, 13 operate on Cell C's infrastructure and 9 on MTN's network. In September 2024, Vodacom entered the wholesale space, with Mr Price Mobile as its first MVNO client. This tripling of host network options has fundamentally shifted the negotiating dynamics in favour of brands seeking to enter the market.

## Banking-Led MVNOs: The South African Success Story

South Africa's banking sector has produced the country's most successful MVNOs, demonstrating the power of combining financial services with mobile connectivity.

<b>4.3M</b> Total MVNO SIMs (2025)	<b>51%</b> YoY SIM growth	<b>2.1M</b> Capitec Connect (Aug 2025)	<b>R165M</b> Connect net income (H1)
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Capitec Connect, launched on Cell C's network, reached 2.1 million active subscribers by August 2025, a 78% increase year-on-year, establishing it as South Africa's largest MVNO by a significant margin. The service delivered R165 million in net income for the six months ending August 2025 alone, and clients consumed 15,000 terabytes of data and 311 million voice minutes during that period, with both data and voice usage increasing by more than 200% (Capitec H1 FY2026 Interim Results). The growth trajectory illustrates what happens when a brand with deep customer trust deploys connectivity as an extension of its core value proposition.

Capitec's advantage is data asymmetry. As a bank, Capitec has unparalleled insight into what its customers can genuinely afford to spend on mobile services. This enables pricing and packaging decisions that conventional telecoms operators cannot replicate. The bank's non-expiring data proposition, for example, was not born from telecoms benchmarking. It was born from understanding that their customers, many on tight budgets, need flexibility above all else.

FNB Connect, launched in 2015, had approximately 997,000 active SIMs by December 2024. Standard Bank Connect operates in the same space. Together, banking MVNOs dominate the South African MVNO landscape in both subscriber numbers and revenue, proving that financial institutions possess the trust, distribution channels, and data intelligence to succeed in mobile.

## Retail-Led MVNOs: Loyalty at the Checkout

South Africa's major grocery retailers have recognised the MVNO opportunity with notable momentum in 2024 and 2025.

Retailer MVNO	Network Partner	Launch	Loyalty Integration
Pick n Pay Mobile	Vodacom	2020	Smart Shopper rewards: 1MB per R1 spent in-store
Shoprite K'nect	Cell C	2024	Integrated with Shoprite ecosystem
Spar Mobile	MTN	2025	Data rewards on promotional grocery purchases
Boxer Mobile	Cell C	2024	Targeting value-conscious consumers
Mr Price Mobile	Vodacom	2024	First MVNO on Vodacom MVNE platform

Pick n Pay Mobile, connected to the retailer's 11-million-member Smart Shopper loyalty programme, illustrates the cross-pollination model. Customers earn mobile data by shopping in-store, creating a feedback loop where grocery spending funds mobile usage and mobile engagement drives return visits. In 2025, Pick n Pay relaunched its MVNO with a new app offering eSIMs on demand, signalling

continued investment in the channel.

Spar Group's 2025 entry, backed by MTN, follows the same logic: shoppers earn free mobile data by purchasing selected promotional items. For a retailer, this is not simply a loyalty tactic. It is a mechanism for driving promotional compliance, increasing basket size, and generating mobile-enabled engagement data that feeds back into merchandising strategy.

## Insurance and Education Sectors

The MVNO model in South Africa has also expanded beyond banking and retail. Old Mutual Connect entered the market in October 2024 as an insurance-sector MVNO, following Clientele Mobile. Stadio Connect launched as the first education-sector MVNO, targeting students with connectivity packages designed around their academic needs. These entries demonstrate that the MVNO model is sector-agnostic; the common thread is an existing customer relationship that mobile connectivity can deepen.

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# THE LOYALTY ENGINE: HOW MVNOS DRIVE RETENTION

The central thesis of this paper is that a well-executed MVNO creates a loyalty engine that outperforms traditional retention mechanisms. The evidence supports this across several dimensions.

## Daily Brand Presence

A mobile service is used, on average, dozens of times per day. Every unlock, every notification, every data check is a moment of subliminal brand exposure. For a retailer or bank whose physical touchpoints may be weekly or monthly, mobile connectivity transforms the frequency of brand interaction by an order of magnitude. This repeated exposure builds habitual association and top-of-mind awareness that conventional advertising cannot achieve at comparable cost.

## Ecosystem Lock-In Through Value, Not Contracts

The most effective loyalty strategies create switching costs through accumulated value rather than contractual penalties. When a customer earns grocery rewards through their mobile plan, banks with the same provider, and receives personalised offers based on integrated data, the cost of switching becomes the loss of an entire ecosystem of benefits. This is qualitatively different from the traditional telecoms model of device subsidies and contract terms.

### Ecosystem vs. Programme

Amazon Prime members renew at **93% after year one** and **98% after year two**, spending USD 1,400 annually versus USD 600 for non-members. The lesson: interconnected value, not any single benefit, drives retention.

## Reduced Acquisition Costs

Brands that launch MVNOs leverage their existing customer base, distribution network, and marketing channels. The cost of acquiring a mobile subscriber through an existing banking app or retail loyalty programme is a fraction of what a standalone telecoms operator would spend. McKinsey research indicates that MVNO profit margins can reach 20% when operational excellence is combined with low-cost customer acquisition through established brand channels.

## Cross-Sell and Up-Sell Multiplication

MVNO subscribers are demonstrably more valuable across the parent brand's product portfolio. Tesco Mobile customers spend more at Tesco. Capitec Connect users are more engaged with Capitec's broader financial products. The mobile subscription acts as an adhesive that binds the customer more tightly to the brand, increasing the probability and frequency of purchasing across all product lines.

## Churn Intelligence

Mobile usage data provides early warning signals for customer disengagement across the broader brand relationship. A decline in data usage or a shift in recharge patterns can signal financial stress or waning loyalty weeks before it manifests in reduced store visits or banking activity. Brands with sophisticated analytics capabilities can use these signals to intervene proactively, with targeted offers or outreach, before the customer is lost entirely.

# THE ROLE OF THE MVNE: ENABLING BRAND SUCCESS

For most brands, the barriers to launching a mobile service are not strategic but operational. Telecoms infrastructure is complex. Regulatory requirements are exacting. Network integration, billing systems, SIM provisioning, and number portability demand specialist expertise that sits outside the core competencies of retailers, banks, and consumer brands.

This is where the Mobile Virtual Network Enabler (MVNE) becomes the critical partner. An MVNE provides the complete technical and operational backbone that allows a brand to launch and operate an MVNO without building telecoms infrastructure from scratch.

## What an MVNE Provides

Capability	Description	Brand Benefit
Network Integration	Pre-negotiated connections to MNO infrastructure	Months saved in launch timeline
BSS/OSS Platform	Billing, charging, and customer management systems	No capital expenditure on telecoms IT
SIM Management	Provisioning, activation, and lifecycle management	Seamless customer onboarding
Regulatory Compliance	Licensing, number management, and legal frameworks	Reduced risk and complexity
Analytics Engine	Usage data, churn prediction, and revenue optimisation	Actionable customer intelligence
API Integration	Connection to brand's existing apps and loyalty systems	Unified customer experience

The MVNE model fundamentally changes the risk profile of entering the mobile market. Rather than committing tens of millions in capital expenditure and years of development time, a brand can launch a fully operational MVNO in weeks. The MVNE handles the technical complexity while the brand focuses on what it does best: engaging its customers.

### Speed to Market

With the right MVNE partner, a brand can go from concept to live MVNO in **weeks, not years**. The enabler handles network integration, billing systems, SIM provisioning, regulatory compliance, and analytics, while the brand focuses on customer engagement.

In South Africa, the maturation of the enablement ecosystem has been a key driver of market growth. The expansion of host network options, with Cell C, MTN, and Vodacom all actively supporting MVNO partners, has collectively lowered the barriers to entry for brands considering the mobile path.

The choice of MVNE partner is arguably the single most important operational decision a brand will make in its MVNO journey. The right partner brings not only technical reliability but strategic counsel: guidance on pricing architecture, go-to-market sequencing, network quality management, and the integration points between mobile services and the brand's existing customer ecosystem.

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## PITFALLS TO AVOID: WHY FOUR IN FIVE MVNOS FAIL

The MVNO landscape is littered with failures. Industry data suggests that four out of five MVNOS fail within their first year of operation. Understanding why is essential for any brand considering this path.

### Competing on Price Alone

The most common failure mode is attempting to win market share through lower prices. Price-led MVNOS face a structural disadvantage: their wholesale costs set a floor that limits how aggressively they can discount, and they lack the network quality differentiation that MNOs can offer. In South Africa, early "price arbitrage" MVNOS that competed solely on cost did not survive. The lesson is unambiguous: connectivity must be embedded within a broader value proposition that gives customers reasons beyond price to stay.

### Underestimating Operational Complexity

Telecoms operations involve real-time billing, number portability, network fault management, and regulatory compliance. Brands that attempt to build these capabilities in-house, rather than partnering with an experienced MVNE, frequently encounter delays, cost overruns, and service quality issues that erode customer trust before the MVNO has a chance to scale.

## Failing to Integrate with the Core Brand

An MVNO that operates as a standalone product, disconnected from the parent brand's loyalty programme, app ecosystem, and customer service infrastructure, misses the entire strategic point. The value of a brand MVNO lies in integration. If a customer must manage their mobile account through a separate app, deal with a separate support team, and see no connection between their mobile spend and their broader brand relationship, the loyalty engine never starts.

## Neglecting the Customer Experience

Churn rates among MVNOs are already 1.5 times higher than those of MNOs in mature markets. Customer experience is the primary lever for closing that gap. Digital onboarding, self-service account management, transparent pricing, and responsive support are not optional. They are the foundation upon which loyalty is built. Brands that invest in customer experience from day one see materially better retention outcomes than those that treat it as a secondary concern.

### The Failure Rate

Four out of five MVNOs fail within their first year. The primary causes: competing on price alone, underestimating operational complexity, failing to integrate with the core brand, and neglecting customer experience. A strong MVNE partnership mitigates all four risks.

# A STRATEGIC FRAMEWORK FOR BRAND MVNO SUCCESS

Based on global evidence and the specific dynamics of the South African market, we propose a five-pillar framework for brands considering the MVNO opportunity.

## 1. Start with the Customer Relationship, Not the Technology

The most successful brand MVNOs begin by asking: what does mobile connectivity enable for our existing customers? The answer should be specific and measurable. For a bank, it might be providing affordable data to customers who manage their finances primarily through mobile apps. For a retailer, it might be linking mobile rewards to shopping behaviour to increase visit frequency. The technology follows the strategy, not the other way around.

## 2. Choose the Right MVNE Partner

The MVNE is the operational foundation of the entire venture. The right partner brings proven technology, reliable network integration, regulatory expertise, and the flexibility to support the brand's unique value proposition. Speed to market matters: in a competitive landscape, the ability to launch in weeks rather than months can be the difference between capturing early-mover advantage and entering a crowded field.

## 3. Integrate Deeply with the Brand Ecosystem

Mobile must not be a silo. It must be woven into the brand's existing loyalty programme, app experience, customer data platform, and service infrastructure. The customer should perceive their mobile service as a natural extension of their brand relationship, not as an unrelated product that happens to carry the same logo.

## 4. Invest in Data and Analytics from Day One

The data generated by a mobile service is among the most valuable assets the MVNO creates. Brands must invest in the analytics infrastructure to capture, process, and act on usage data in near real time. Churn prediction, personalised offer engines, and cross-sell propensity models should be core capabilities, not future aspirations.

## 5. Play the Long Game

Brand MVNOs are not short-term revenue plays. The initial subscriber growth phase requires sustained investment in marketing, customer experience, and operational refinement. Capitec Connect's trajectory is instructive: the business required several years of investment before reaching the scale at which unit economics turned materially positive. Brands that enter with realistic timelines and a commitment to continuous improvement are far more likely to succeed than those seeking immediate returns.

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## THE OPPORTUNITY AHEAD

The convergence of several trends makes this an exceptionally attractive moment for brands to enter the MVNO space.

**eSIM technology** is eliminating the physical barriers to onboarding. A customer can activate a branded mobile service directly from an app, without visiting a store or waiting for a physical SIM card to arrive. This reduces activation friction to near zero and enables instant conversion of existing loyalty members into mobile subscribers.

**5G network rollouts** are expanding the value that MVNOs can offer. Higher speeds and lower latency unlock new use cases in content streaming, real-time engagement, and connected commerce that were not feasible on previous network generations. In South Africa, Cell C's Virtual RAN construct already provides MVNO partners with access to 5G-ready infrastructure across approximately 28,000 sites.

**Artificial intelligence and machine learning** are giving MVNOs capabilities that were previously available only to the largest MNOs. AI-powered personalisation, predictive churn analytics, and automated customer service can be deployed at a fraction of the historical cost, enabling even small-scale MVNOs to deliver a premium customer experience.

**Regulatory environments** in markets like South Africa are increasingly supportive of MVNO competition. The growth in host network options, with Cell C, MTN, and Vodacom all now actively courting MVNO partners, gives brands greater negotiating leverage and commercial flexibility than ever before.

### The South African Opportunity

MVNO subscribers in South Africa are projected to grow from **4.3 million in 2025 to over 12 million by 2029**. With three host networks now actively courting MVNO partners, brands have more negotiating leverage and commercial flexibility than ever before.

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## CONCLUSION

The question for brands is no longer whether MVNOs can drive loyalty. The evidence from Tesco Mobile, Red Bull Mobile, Rakuten, Capitec Connect, and a growing roster of South African entrants has answered that question conclusively. The question is whether your brand can afford not to explore this opportunity.

Mobile connectivity is the most intimate and persistent touchpoint available to any consumer brand. It sits in the customer's pocket. It travels with them throughout their day. It mediates their relationship with information, entertainment, commerce, and communication. A brand that becomes part of that daily fabric achieves a depth of engagement that no advertising campaign, loyalty programme, or promotional offer can match on its own.

The MVNE model has removed the operational barriers that once made this opportunity accessible only to the largest corporations. Today, a brand with a clear strategic vision, the right enabling partner, and a commitment to customer-centric execution can launch a mobile service in weeks and begin building the loyalty engine that will define its competitive advantage for years to come.

**The brands that move now will not simply be adding a product to their portfolio. They will be building the infrastructure of their next decade of customer relationships.**

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## Everything Your MVNO Needs, Under One Roof

*Most enablers hand you a platform. We deliver a complete, managed service that covers every stage of the MVNO lifecycle.*

### 01

#### CONSULT & DESIGN

Business modelling, strategy development, CVP design, and wholesale agreement negotiations. We build the foundation before a single line of code.

### 02

#### BUILD & LAUNCH

Platform integration, systems architecture, marketing proposition design, and go-to-market execution. From SIM to storefront.

### 03

#### OPERATE & GROW

Turnkey MVNO operations, omnichannel customer care, revenue assurance, CVM, and value-added services. We run it so you can focus on your brand.

## Ready to Turn Connectivity into Your Next Competitive Advantage?

Whether you are exploring the MVNO opportunity for the first time or looking to optimise an existing mobile service, our team is ready to help you build a connectivity strategy that deepens loyalty and drives measurable growth.

Get in touch: [hello@mvne.co.za](mailto:hello@mvne.co.za)

Visit us: [www.mvne.co.za](http://www.mvne.co.za)

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