

Publication: Mobile News
Date: 20th April 2009
Publication Type: Online
Circulation: N/A

mobile news

Home | Blogs | Archive |

James: Lyca's boomtime
April 21, 2009
By James Blackman

Ethnic market supplier shows how to win friends and alienate people in the MVNO space

Lycamobile, the ultra-aggressive ethnic market MVNO, is closing on one million customers within nine months after launching in the UK with Orange.

That's pretty huge so far as acquisition rates go, even for prepay. It appears to outstrip its great rival Lebara Mobile, which announced 600,000 customers in December. And it sets a furious pace for incumbent MNOs too.

All the ethnic market providers should be congratulated for opening up a new market, and a new revenue stream for their bearer networks.

As with all successful MVNOs, they succeed by virtue of their strong brands and distribution engines. In the ethnic market, Lycamobile is king because of its deep pockets, its well-oiled distribution engine and its brand familiarity, carried over from the calling card market.

But its aggressiveness divides the market, with rival MVNOs and MNOs claiming to have been burnt by its actions already. Lycamobile won't

Mobile News Awards 2009

Related Articles

- Ian: Moto's Aura of desperation
- MarvLou: What point BEREK?

SEARCH

Go! Advanced

CASH BONUSES ON SIGN-UP

Focussed on Service

To advertise here call 020 7324 3523

James: Lyca's boomtime

Ethnic market supplier shows how to win friends and alienate people in the MVNO space

Lycamobile, the ultra-aggressive ethnic market MVNO, is closing on one million customers within nine months after launching in the UK with Orange.

That's pretty huge so far as acquisition rates go, even for prepay. It appears to outstrip its great rival Lebara Mobile, which announced 600,000 customers in December. And it sets a furious pace for incumbent MNOs too.

All the ethnic market providers should be congratulated for opening up a new market, and a new revenue stream for their bearer networks.

As with all successful MVNOs, they succeed by virtue of their strong brands and distribution engines. In the ethnic market, Lycamobile is king because of its deep pockets, its well-oiled distribution engine and its brand familiarity, carried over from the calling card market.

But its aggressiveness divides the market, with rival MVNOs and MNOs claiming to have been burnt by its actions already. Lycamobile won't mind that at all, so long as it is adding customers at a profit.

However, its new set-up in Holland suggests problems. There, it has signed with Vodafone, and will work with it alongside its original partner network T-Mobile.

Clearly, Lycamobile has got better commercial terms with Vodafone. It is also highly likely Vodafone has allowed its "full MVNO" status, giving it full view of its customer base and the ability to port customers at will. (The reason Vodafone signed it is to gain 1.2 million in prepay traffic).

Alarm bells will surely ring out at Orange in the UK now, with which it does not have "full MVNO" status and with which it is already jostling for better terms.