

Nigerian Telecom Market's MVNO Revolution: PortaOne on the Future of Connectivity

Our Founder, Akim Benamara, and Andriy Zhylenko, CEO of PortaOne discussed the challenges and opportunities the MVNOs face in the Nigerian telecom market, opened up by the NCC to break the dominance of incumbent MNOs, leading to increased competition and new service offerings, along with how PortaOne's solutions can assist them in navigating regulations, differentiation, and technology to succeed in the evolving landscape.



INTERVIEW BY:

Akim Benamara

Founder of TechAfrica News



Why is the situation with MVNO development in the Nigerian market so unique?

Just this past June the Nigerian Communications Commission (NCC) made good on its promise to open up the Nigerian telecom market to MVNOs—up until now, the country's communications market had been dominated by five incumbent MNOs. This new licensing framework has enabled dozens of new, independent MVNOs to start selling all kinds

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CEO

of different services, and to give the people of Nigeria a range of price and product choices they never had before. The potential for growth can be seen already: the NCC initially provided 25 new licenses under five tiers, and that expanded to 31 in just a couple of weeks.

So now, all at once, you suddenly have six times the number of telecom businesses in the Nigerian market, all starting from scratch and all scrambling to compete and find a successful niche, whether that's in product type, business model, marketing style, and (perhaps most importantly) their mix of technology platforms. Really, nothing like this has happened before in Africa, in terms of creating a brand-new competitive landscape in an emerging market. It's a unique opportunity for all of us to learn from—it's almost like a lab experiment where you

can see different variables and discover what thrives. I think the whole telecom world is going to be watching to see which models work and which don't. The lessons we take from this could help define how the telecom industry helps to support and develop emerging economies in the future, and that includes consumer products, business telephony, and infrastructure.

From your perspective, what are the main challenges they are likely to face in establishing themselves?

The first challenge, of course, is going to be competition: you have all of these horses coming out of the gate at the exact same time, and they all have to race to gain market share. That will be a challenge for each MVNO, but I think it is going to benefit the entire industry as they kick off a kind of a “great Nigerian MVNO



they need yet? It could be a mini cloud contact center, or an e-SIM based virtual office telephony system, or something else entirely. On the consumer side, you have to be willing to experiment to find out what might make your product something that is more than just a commodity that they can dump in an instant for a cheaper competitor. What could you integrate into your connectivity that they won't want to let go of—like a micro-loan service, or free streaming entertainment, or priority event passes delivered digitally? A huge, unwritten page like this is an opportunity, but it can also be a challenge to create a new idea almost out of nothing.

How can PortaOne's solutions and expertise assist Nigerian MVNOs in overcoming these

race" that will drive innovation and new product ideas. It's also kind of the opposite of the problem they have faced to date, which is that they have been largely blocked from the market by these large incumbent players.

The second big challenge is going to be differentiation: What

markets are not being filled? What specific group of people, or what specific business type, or what specific market should I be designing my business for? Say you choose to design a service for small businesses—then you have to ask: What kind of service could I create that they don't even know



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We at the Commission are on the forefront with policies that facilitate innovation, such as being the first to license and deploy 5G technology in West Africa.

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challenges and maximizing their success?

In terms of expertise, it so happens that just last year we released a free [MVNO checklist](#) for entrepreneurs who want to start a new business in this sector but aren't sure how to get started—it provides a feasibility test, tells you what questions you will want to ask the MNOs that are providing the infrastructure, lists what you need to get started, and so on.

When it comes to our solutions, we've always offered [flexible](#),

[open-source platforms](#) that are very well suited to the agile world of the MVNO. And now, as we enter the era of workflows and API-based integrations, we're embracing that too. So if an MVNO sees an opportunity for a partnership, or their customers are asking them for some new feature or level of customization, they have lots of pathways to create those new products quickly. The key here for Nigerian MVNOs is to do most (or all) of that work using in-house resources, and not to rely too much on the engineering capacity of external vendors, which adds

cost and introduces delays. So, a new MVNO can use low- or no-code API integrations, they can release a minimum viable product quickly and improve it using live customer feedback, and then, when they need to, they can hire our engineers to help their team to develop the required integrations. And when they really need something adjusted within the "core" of their customer management or charging system, we can help them deliver that very soon thanks to our seven-week release cycle.

And now we are also at the point where nearly all of our software solutions can be delivered via the cloud, meaning there is no need to invest up-front in a lot of hardware or on-site software installations, or in the highly trained and highly expensive software engineers you would need to staff to manage that infrastructure. In fact, we just recently updated our Dual Version PortaSwitch to allow



for migrations between an on-premise installation and the cloud (and back again), making it easier for smaller businesses to update their software or to move off of outdated hardware.

In your experience, what are some successful strategies employed by MVNOs in other markets that Nigerian operators can learn from and potentially adopt?

I think the companies that win in Nigeria will be the ones that can establish very flexible and easy-to-adjust operational systems. And maybe more importantly, that are able to keep those systems under in-house control, rather than lease some pre-packaged software that they can't develop or add to on their own terms or schedule. That will help them keep their costs down and get new products to Nigerian people and businesses quickly.

It is very important to be able to offer customers something more



Any new MVNO player in Nigeria must have a clear route to market and be properly resourced to compete effectively. Experience, funding and strong MNO-MVNO relationship will be key success factors.

OSAYI IZEDONMWEN
 CEO, IMOSE TECHNOLOGIES

than just, say, "package A: 1GB of data for 10,000 naira" as compared to your competitor's "package B: 1GB of data for 9,999 naira"—that creates that commodity problem I mentioned, where your customer will leave you if they find a cheaper offer. You have to offer something more, to make yourself hard to leave.

On the same lines, staying ahead of the technology is also going to be very important: keeping an eye on innovations outside of the traditional telco space, like in IoT or something no one has thought up yet. In IoT, for example, every product, whether it's a smart agricultural sensor or vehicle tracking, requires mobile connectivity at the very least. But MVNO operators can create a more nurturing environment for new IoT companies, providing them with [ready-to-deploy IoT device kits](#) and additional services such as edge computing to increase their success rate and shorten their go-to-market time. And for every IoT service you help to launch in your network, that means more revenue for you as you continue

to sell that connectivity and data processing power. If you are agile, and can keep an eye on these trends (meaning, where the revenues will come from next), you can go wherever they take you.

And finally, I think that the successful MVNOs are going to be the ones that use the latest technology pieces to keep things simple and frictionless for their customers and for themselves. Adopting e-SIM can drastically simplify the logistics of customer onboarding and eliminate the need to go to the store. There's AI, too—companies are using it to enhance their customer assistance and for optimizing back-end processes such as analytics and churn prevention. And through integration you can create a customer journey that is easy and immediate for consumers, and that doesn't require you to hire a lot of admin staff: many of our PortaOne customers have online signup portals where consumers and even enterprises can create an account, manage all the settings, add features, pay, order and



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CEO

provision hardware or e-SIMs and set up recurring billing, all without the need for any manual entry or oversight on the telco side at all. If you can create a model like that, you have a low-cost operation and a happy customer who is going to brag about you on social media.

Are there any specific considerations that Nigerian MVNOs need to be aware of, and how can PortaOne support them in navigating these requirements?

We have been actively working in the South African market for a few years now and we have come to know it quite well—and I think there are some lessons there that can apply to this new Nigerian market, too. There’s an old saying that goes “nothing is certain except death and taxes,” and one thing our experience has taught

us is that this proverb can now be extended with a third certainty: “government regulations in the telecom space.”

Let me give you an example: a few years ago ICASA (the South African government authority that oversees the communications industry) mandated that all operators have to follow certain rules regarding how top-ups of extra megabytes or minutes are handled, and those rules go right down to specifying exactly how many notifications a customer should receive about their funds being depleted. You can be running your business, and then suddenly a regulation like this will appear with little to no warning, and you have to react quickly. There’s no way to know what the next sudden regulation will be in Nigeria—or anywhere, really—but PortaOne has made sure that our customers are always prepared to face this challenge using our short, agile development cycle of just seven weeks and through having the ability to quickly do integrations inside and around our

system to adjust its functionality or connect to government services as needed, say for things like identity verification.

Another “ace in the sleeve” that PortaOne customers may have is that they are not fighting the “Battle Royale” with other MVNOs entirely on their own—our customer base is actually a global community that supports each other in many ways. One of the key pillars of that is our [PortaOne Add-On Mart](#), which is a cloud marketplace for low- and no-code VAS (Value Added Services) integrations that have been developed either by us, or by one of the telcos and MVNOs in our customer base. If one of our customers creates a new functionality (for instance, an integration to resell and bundle Netflix to subscribers, or a mobile app to make calls using WiFi while abroad), they can list that innovation on the Add-on Mart, and other providers around the world can subscribe to it in just a few clicks. So lots of MVNOs in different markets



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Imose mobile seeks to provide significant value added services to underserved customers; freedom to choose well priced bundles and value added services will be our core contribution.

OSAYI IZEDONMWEN

CEO, IMOSE TECHNOLOGIES

(and therefore lots of people in different countries) get access to these new services and features, and the MVNOs that invent them get that recurring subscription revenue.

What role do advanced billing and customer management systems play in the success of MVNOs, and how does PortaOne address these needs?

The traditional telecom model of buying an expensive “black box” platform from a large global vendor just isn’t going to work in this new competitive landscape. As these MVNOs test the Nigerian market and figure out what people and businesses want and need, what gaps exist, what works and what doesn’t, they are going to have to act very fast to adjust to what they learn. You could come in with an excellent price on a monthly plan, for example, only to discover that the market in your region only wants pre-paid month-to-month services—or it could be customer self-service, or family plans, or whatever it turns out your market wants. Or maybe you find an opportunity to partner with a popular local business that could boost your visibility, and you have to figure out a way to charge for those value-added products before that window closes.

If you are leasing a big-brand, all-in-one billing and charging platform that you can’t make changes to, you would have to

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put in a request to the vendor for new features and capabilities that could help you take advantage of these gaps, and then it could be months or years before you see those updates come about. By then, it’s too late—your competitor has already closed that gap, or the technology has even moved on. With [PortaBilling](#), we provide the source code, we provide the APIs that will allow you to integrate our

platform with your CRM, with your sales funnel, with other types of external systems, and we have our Add-on Mart for even more easy-to-access integrations. So, if an MVNO sees an opportunity—in the consumer market, in the enterprise market, or even in IoT or other kinds of subscription based services—they can grab it before their competitors do.

Looking ahead, what is your prediction for the future of the Nigerian market, and how can industry stakeholders prepare for upcoming opportunities and challenges?

In the end I think this MVNO market experiment will be very good for the people of Nigeria, because they will have more access—and, importantly, cheaper access—to more advanced communications services. Obviously, going from five to three dozen telecom providers in one month is going



to bring a lot of new choices to a population that has had limited options up until now.

My hope is that it does more than bring choice, however—I have already been talking to companies like Wireless Technology Labs that are leveraging the opening of the Nigerian market to bring new hardware and infrastructure to the Nigerian middle market.

Until now, the country has been a bit trapped between unaffordable solutions for big “old school” telco vendors and Chinese alternatives, where what seems like an attractive low initial investment strikes back later with extra fees and dependency on the vendor’s professional services later on.

And recently, groups like TMForum have been advocating for a shift to the idea that telecom systems should have well-defined interfaces, so that an operator can pick the “best of breed” option for a given specific area,



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How do you see the landscape changing in the next 5 years? MVNOs will mature and there would be failures along the way; the few standing will be those that have learned how to navigate the emerging competitive landscape.

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such as getting your an online charging system from vendor A, and PCRF (the component that handles network policies and quality-of-service) from vendor B. I am a proponent of this, too: it’s an opportunity to build telecom systems that are perfectly suited for a given operator’s business model and processes, and still keep those custom systems at a reasonable cost.

In the end, my biggest piece of advice for businesses and industry observers inside and outside of the country is to pay

smart attention to what happens in Nigeria. The next few years are going to be a living business laboratory of sorts, from which we can all take lessons. What do consumers in emerging markets want most? What earns loyalty? What does the enterprise community need so that telcos and businesses can thrive together? There are new models that are going to be formed here, and I’ll be interested to see what finds success.



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