

European mobile operators must quickly adapt to plug Eurotariff revenue gap

The clock is ticking, but MNOs and MVNOs can still compete and protect themselves from huge roaming bills – and their customers from unwanted price hikes

London, June 15, 2017 – Mobolize, the mobile data orchestration company, calls on Mobile Virtual Network Operators (MVNOs) and Mobile Network Operators (MNOs) to act swiftly to address the revenue gap created by today's introduction of the Eurotariff.

The Eurotariff, which comes into force today, is the result of the European Commission's demand that European Union providers offer mobile roaming across Europe without any premium. The regulation ensures European consumers can “roam like at home” with no extra cost. However, this means lower revenues for many operators who still face significant roaming fees, particularly with the explosion of video use. The impact of this – if not proactively managed – could reduce competition and increase monthly tariffs.

A recent report from mobile specialists Strand Consult warned that the abolition of retail roaming charges is, “a ticking bomb under the MVNO industry. While the roaming policy will be hard for the entire industry which has suffered declining ARPU for more than a decade, MNVOs are least equipped to adapt to the Commission’s heavy-handed rules on roaming.”¹

Some operators fear that they could see their margins wiped out by wholesale data roaming charges which significantly outstrip the cost of domestic data.

"While travellers across Europe embrace free roaming today, MVNOs and small operators will be only too aware that an end to retail roaming charges does not mean an end to wholesale roaming costs," said Philip Mustain, Chairman & CEO of Mobolize.

"As video continues to drive data consumption up by around 60 percent annually, many operators face a stark choice when their customers roam: absorbing the additional cost, losing their price advantage, or crudely throttling data at the cost of customer experience. Mobolize puts the service provider back in control of roaming experience and costs, levelling the playing field."

Content compression technologies can significantly reduce the bandwidth required for streaming video, but require MNOs to install expensive equipment into their network infrastructure. MVNOs, who are at the mercy of their MNO partners, are unlikely to benefit from these solutions – even where available – as the MNOs goal is to increase data revenue.

Mobolize’s new white paper, EU Roaming Cap: [Can “Roam Like At Home” be Profitable?](#)² outlines how device-based data and video optimization can eliminate as much as 80 percent of mobile data usage, with no capital expenditure, to help mobile operators minimize the impact and maximize the opportunity from the new roaming regulations.

“European consumers are best served when there is healthy competition from challenger MNOs and MVNOs,” added Mustain. “Technologies like device-based optimization can help those operators adapt and thrive in the new regulatory environment.”

MOBOLIZE | Optimize helps MNOs and MVNOs:

- Control the bitrate at which streaming videos are delivered to the phone – cutting data consumption by as much as 80 percent;

¹ <http://www.strandreports.com/sw7434.asp>

² <http://www.mobolize.com/wp/wp-content/uploads/2017/06/mobolize-wp-eu-roaming-cap.pdf>

- Configure how much to pace video – choosing between higher bitrates that deliver some savings and lower bitrates that deliver maximum savings, all with less buffering and stuttering; and
- Cache content to save money for non-video content.

Optimize is deployed on the phone, not the network, making it more cost effective, and easier to deploy. It scales without limit, so operators don't need to keep expanding equipment and bandwidth as data usage grows.

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About Mobolize

Mobolize's software enables telecommunications operators to See, Control and Monetize all the data on users' mobile devices on any cellular or Wi-Fi network. Mobile Network Operators (MNOs), Mobile Virtual Network Operators (MVNOs) and third-party developers use Mobolize's mobile data orchestration solutions to enhance customer experience and increase revenue. To learn more, go to www.mobolize.com