

South Africa MNO - MVNO - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The South Africa MNO - MVNO Market size is estimated at USD 90.91 million in 2025, and is expected to reach USD 132.34 million by 2030, at a CAGR of 7.8% during the forecast period (2025-2030).

Key Highlights

- Amid a digital transformation and a diversifying telecommunications landscape, mobile virtual network operators (MVNOs) are gaining prominence in South Africa. They are harnessing advanced technologies, venturing into new market segments, and delivering added value to consumers and traditional mobile network operators (MNOs). Recently, the South African MVNO market has seen a transition in its competitive landscape. The focus has moved away from mere pricing strategies to a more nuanced emphasis on value-added services and product distinctiveness. This shift is primarily a response to the dominance of MNOs in the affordable cellular services segment, spanning both developed and developing urban centers across South Africa.
- The expansion of the MVNO market in South Africa is driven by increased smartphone penetration and growing mobile internet usage, which have created a demand for affordable and flexible mobile services. MVNOs are capitalizing on this by offering cost-effective and tailored packages that attract price-sensitive consumers.
- Moreover, regulatory support from the Independent Communications Authority of South Africa (ICASA) has fostered a competitive environment. ICASA's efforts to promote competition and reduce barriers to entry have encouraged the proliferation of MVNOs. Also, partnerships with established mobile network operators (MNOs) enable MVNOs to leverage existing infrastructure without the high costs of building and maintaining networks. This allows them to focus on innovative service offerings and customer experience.
- The diverse population in South Africa provides an opportunity for MVNOs to target niche markets with customized solutions, such as services tailored for specific communities or businesses. The MVNO market in South Africa is experiencing robust growth fueled by technological enhancements and a shift toward digitalization. This shift has empowered MVNOs to introduce

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value-added services like mobile banking, IoT connectivity, and e-commerce platforms, bolstering their attractiveness for consumers and businesses. In essence, MVNOs are adapting to the changing needs of the South African telecommunications industry.

- The growth of the South African MVNO market is expected to be attributed to the entry of new players and the roll-out of new services. Presently, many trials are being conducted in the country with respect to the deployment of 5G technology, which may allow MVNOs to prosper in the country.

- In June 2024, MTN and Huawei signed a memorandum of understanding (MoU) for strategic cooperation on Net5.5G. Through this MoU, the two sides will jointly promote the large-scale application of key capabilities of Net5.5G, such as 400GE, SRv6, slicing, and Network Digital Map, to continuously improve MTN's service experience and network availability in the consumer and B2B fields and improve its O&M efficiency.

- However, the growth of the MVNO market in South Africa is restricted by high competition from established MNOs, limited network coverage in rural areas, and low consumer awareness. Additionally, the high cost of network leasing and operational challenges also impede market expansion.

South Africa MNO - MVNO Market Trends

Increasing Smartphone Penetration Expected to Drive Market Growth

- The increasing adoption of smartphones among South Africans is driving notable growth in the mobile virtual network operator (MVNO) market in South Africa. With a rising number of smartphone users, the overall demand for mobile data and internet services surges, setting a conducive stage for MVNOs to flourish.

- Smartphones empower users with access to a plethora of digital services, spanning social media, streaming, mobile banking, and e-commerce. MVNOs leverage this by providing cost-effective, adaptable data plans that cater to the varied needs and requirements of smartphone users. Consequently, their competitive pricing draws in a wide customer demographic, encompassing budget-conscious individuals often underserved by conventional mobile network operators (MNOs).

- Smartphones play a pivotal role in driving the uptake of value-added services offered by mobile virtual network operators (MVNOs). These services, ranging from mobile wallets and IoT solutions to tailored customer support, elevate the user experience, thereby amplifying the appeal of MVNOs among consumers looking for holistic mobile offerings.

- Furthermore, the rise in smartphone adoption in South Africa is enhancing digital literacy and awareness. As individuals grow accustomed to mobile technology and its advantages, they are increasingly open to considering alternative providers, such as MVNOs. These providers frequently present innovative and cost-effective solutions, enticing the tech-savvy consumer base. Increasing smartphone usage is fueling data consumption, compelling MVNOs to enhance their infrastructure and customer service to cater to the surging demand. Consequently, this bolsters their market standing, drawing in a larger subscriber base.

- The rapid increase in smartphone usage in South Africa is propelling the MVNO market. This growth is fueled by a surge in the demand for cost-effective data plans, rising interest in value-added services, and heightened digital engagement and awareness among consumers. According to StatCounter, as of October 2023, mobile devices dominated the market among devices that are used to access the internet in South Africa, with a significantly high market share of around 79%. Alternatively, laptops and desktops accounted for slightly over 20% of the web traffic market, with tablets and consoles holding mere shares of 1% and 0.03%, respectively.

Consumer Segment Expected to Grow Significantly During the Forecast Period

- The market in South Africa is witnessing a surge in consumers and subscribers. As the nation's population grows and embraces

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digital connectivity, the demand for mobile services is on the rise. This trend not only presents an opportunity for MVNOs to expand their customer base but also underscores the appeal of their affordable and flexible mobile plans. MVNOs, known for their competitive pricing and tailored offerings, are increasingly becoming a preferred choice over traditional mobile network operators (MNOs) in the country.

- Moreover, increased consumer awareness and marketing efforts by MVNOs help drive market growth. As more people learn about the benefits of MVNOs through advertising and word-of-mouth, the adoption rate rises. Also, the ability of MVNOs to offer niche services, such as mobile wallets, IoT connectivity, and community-specific plans, further drives consumer interest. These value-added services enhance the overall appeal of MVNOs, making them a preferred choice for a diverse range of users.
- Moreover, the rising subscriber base incentivizes MVNOs to innovate and diversify their offerings. To attract and retain customers, MVNOs invest in advanced technologies, improved network coverage, and tailored services like mobile banking, IoT solutions, and entertainment bundles. These innovations not only enhance the user experience but also differentiate MVNOs in a competitive market.
- In May 2024, Vox, an internet service provider, rolled out its 5G service. The service, tailored for high-speed connectivity and top-notch performance, boasts towers capable of linking up to 10,000 users, a significant leap from the 200 to 400 users typical of 4G. Moreover, these towers deliver speeds at least ten times faster than their 4G counterparts. Backed by an expansive network of 5G towers nationwide, Vox is ushering in a new era of affordable, advanced connectivity for South Africans, promising to revolutionize both consumer and business service deliveries.
- Also, under the "Modernization of Network South Africa" (MONZA) initiative, MTN is earmarking significant funds for various endeavors: ZAR 624 million (USD 38.7 million) for the Eastern Cape, ZAR 749 million (USD 46.5 million) for the Western Cape, and ZAR 820 million (USD 50.9 million) split between Limpopo and Mpumalanga. These investments are aimed at increasing network coverage in rural areas, facilitating the roll-out of 5G technology, and repairing damaged infrastructure.

South Africa MNO - MVNO Industry Overview

The MVNO South African market is moderately competitive and consists of a significant number of regional players. Key market players dominate the industry, prioritizing nationwide client base expansions. They are channeling investments into novel services and solutions, alongside other growth strategies, to bolster their market share through the forecast period.

- June 2024: TechAfrica News was appointed as the Official Strategic Media Partner for MVNO Nation Africa 2024, in line with its dedication to driving digital transformation and innovation across the African continent. For the first time in Africa, MVNO Nation Live, a pivotal event in the mobile virtual network operator (MVNO) industry, was to convene at the Mount Nelson, a Belmond Hotel in Cape Town, South Africa. MVNO Nation Africa assembled global telecom leaders to reshape Africa's telecommunications, fostering growth and extending connectivity to underserved areas.
- February 2024: In South Africa, telecommunications giants Cell C, MTN, and Telkom embraced the introduction of two universal network APIs. These APIs are specifically designed to bolster the fight against fraud and digital identity theft across various industries, including banking, finance, insurance, and retail. South African operators are set to roll out the advanced Number Verification and SIM Swap APIs, aligning with the commencement of MWC 2024 under the GSMA Open Gateway initiative.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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