**Introduction of Low-Cost Subsidiary Brands by Incumbent Mobile Network Operators in OECD Countries**

This note documents for each OECD country whether incumbent mobile network operators (MNOs) introduced low-cost subsidiary brands, and if so, when.

In some cases, we indicate a public source for the information. In other cases, we obtained the data by consulting proprietary databases or discussing with industry experts from these countries, and therefore we cannot point to a specific public source.

For each MNO in each OECD country, we checked if it owns a subsidiary brand, distinct from its premium brands (or if it has in the past), and if so, whether the subsidiary brand targets (or targeted) the low-cost segment.

**1. Australia**

* There are three MNOs in Australia: Telstra (largest one), Optus (second largest) and VHA (Vodafone Hutchison Australia, the third largest).
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + In 2013, Telstra launched a low-cost brand called Belong.
  + Optus used to own an MVNO low-cost brand “Virgin Mobile Australia” (bought in 2006), which was the largest MVNO in Australia, but it was phased out in 2018, and all consumers were moved to Optus plans.
  + Other than that, there are several MVNOs in Australia, and there is currently a merger proposal between VHA (Vodafone) and TPG (a major MVNO).

Source:

* [https://www.accc.gov.au/system/files/ACCC%20Communications%20Market%20Report%202017–18—February%202019.pdf](https://www.accc.gov.au/system/files/ACCC%20Communications%20Market%20Report%202017%E2%80%9318%E2%80%94February%202019.pdf)
* <https://en.wikipedia.org/wiki/Telstra>
* <https://en.wikipedia.org/wiki/Virgin_Mobile_Australia>

**2. Austria**

* There are currently three MNOs in Austria: A1, T-Mobile and “3”.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + A1 operates two low-cost subsidiary brands: “Bob” launched in 2006, and “RedBull Mobile” launched in 2008 in cooperation with RedBull.
  + “3” owns three low-cost subsidiary brands: “eety” which was launched in 2006 and bought by “3” in 2015, and “Yesss!” which was launched by Orange in 2005 and is now owned by “3” as a result of the takeover of Orange by Hutchison (“3”). Orange launched “Kwikki” in 2011, which is now owned by “3”.
  + T-Mobile also owns a low-cost subsidiary brand, tele.ring, which was a former MNO and was bought by T-Mobile in 2006, and is currently run as a “low-cost” brand.

Source:

* <https://de.wikipedia.org/wiki/Yesss>
* <https://de.wikipedia.org/wiki/%C3%96sterreichischer_Mobilfunkmarkt>
* <https://de.wikipedia.org/wiki/Tele.ring>
* <https://de.wikipedia.org/wiki/Bob_(Mobilfunk)>

**3. Belgium**

* There are three MNOs in Belgium: Proximus (the largest), Base-Telenet (who merged in 2016, and is the second largest), and Orange Belgium (the third largest).
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Proximus owns a low-cost brand called Scarlet, which proposes the cheapest plans in Belgium. It is an MVNO, bought by Proximus in 2008.

**4. Canada**

* There are three MNOs in Canada: Rogers Wireless, Bell Mobility, and Telus Mobility.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Chatr Mobile (founded in July 28, 2010) is an MVNO owned by Rogers Communications targeting entry-level customers.
  + Public Mobile (launched on March 18, 2010) was one of several new Canadian cellphone providers that started in 2009–10 after a federal government initiative to encourage competition in the wireless sector. Public Mobile was acquired by Telus in October 2013.
  + Lucky Mobile (founded in December 2017) is a Canadian prepaid MVNO and a subsidiary of Bell Mobility. Like Chatr, Lucky Mobile offers a limited selection of low-end smartphones for sale outright.

Source: Wikipedia.

**5. Chile**

* There are four MNOs in Chile: Movistar, Entel, Claro and WOM.
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**6. Czech Republic**

* There are four MNOs in Czech Republic: Telefónica O2, Deutsche Telekom (T-Mobile), Vodafone and Nordic Telecom (U:fon).
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**7. Denmark**

* There are four MNOs in Denmark: TDC, Telia, Telenor and 3DK.
* Each incumbent MNO owns a low-cost subsidiary brand:
  + TDC operates a low-cost brand called Telmore. This brand was partially owned by TDC in 2003 and it has been fully owned since 2004. Telmore started selling mobile broadband services in 2008.
  + Telia operates a low-cost brand called “Call Me” (bought in 2007).
  + Telenor owns a low-cost brand called “CBB” (bought in 2004).
  + 3DK owns a low-cost brand called “Oister” (launched in 2008).

**8. Estonia**

* There are three MNOs in Estonia: Telia, Elisa and Tele2.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Telia operates two brands: “Telia”, which is the “premium” brand and “diil”, which is the “low-cost” brand (launched in 2004).
  + The other incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**9. Finland**

* There are three MNOs in Finland: Elisa, Telia, DNA.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Elisa bought in 2005 a large MVNO, Saunalahti, which had created turbulence in the Finnish market. Saunalahti still continues as Elisa's low-cost brand, quite successfully.
  + Telia (used to be called TeliaSonera until 2017) had a separate low-cost brand called Tele Finland until 2017 when they finally merged it under Telia (now called Telia Helppo = Telia Easy subscription). TeliaSonera launched Tele Finland in 2004 as a subsidiary.
  + DNA bought in 2019 one of its MVNOs called Moi Mobiili which now continues as a low-cost brand of DNA.

Source:

* <https://en.wikipedia.org/wiki/Elisa_Saunalahti>
* <https://en.wikipedia.org/wiki/Elisa_(company)>
* <https://fi.wikipedia.org/wiki/Tele_Finland>

**10. Germany**

* There are three MNOs in Germany: Telekom (a subsidiary of Deutsche Telekom and branded as T-Mobile between 2002 and 2010), Vodafone, and Telefónica Germany (branded as O2).
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + O2 moved first with a cooperation with coffee roaster Tchibo in 2004.
  + e-plus (founded in 1992, now merged with O2) started deploying in 2005 discounted brands "Simyo", "base" and a cooperation with food retailer Aldi (“alditalk”).
  + Deutsche Telekom started its subsidiary Congstar in 2007.
  + Vodafone had his first discounted brand in 2010 with Otelo.
  + Some of these initial brands do not exist anymore.

Source:

* <https://de.wikipedia.org/wiki/E-Plus>
* <https://en.wikipedia.org/wiki/Simyo>
* <https://de.wikipedia.org/wiki/Congstar>
* <https://de.wikipedia.org/wiki/Mobilfunkprovider>
* A current list of low cost brands is available here: <https://de.wikipedia.org/wiki/Liste_der_Mobilfunkprovider_in_Deutschland#Eigenmarken_von_Mobilfunknetzbetreibern>

**11. Greece**

* There are three MNOs in Greece: Cosmote, Vodafone and Wind.
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**12. Hungary**

* There are three MNOs in Hungary: Telekom, Telenor, and Vodafone.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Bee used to be a low-cost brand of Pannon GSM (incumbent at the time, later bought by Telenor), between 2001 and 2004.
  + Djuice used to be a low-cost brand of Telenor, between 2010 and 2014.
  + Today, there are no low-cost brands that are subsidiaries of an incumbent (as far as we can say).

**13. Iceland**

* There are three incumbent MNOs: Síminn, Sýn and Nova.
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**14. Ireland**

* The Irish market was a 4-player market up until 2015, when Hutchison Whampoa (“3”) bought Telefónica O2 Ireland.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Most of the sub-brand and MVNOs were up until 2015 launched by O2 (which no longer exists).
  + In 2007 Tesco Mobile was launched in the Irish market. It was a 50:50 JV between Tesco and O2. It was the first mobile reseller agreement in Ireland. The background was that the Irish regulator had tried to prove the existence of joint-dominance in the Irish market and O2 believed that launching an MVNO would put a full-stop to any attempts by the regulator to regulate the mobile access market. The commercial reason was that the O2 brand in Ireland was seen as very corporate, and Tesco Mobile allowed O2 to tap into market segments that its brand didn’t allow. Tesco Mobile is now wholly owned by Tesco and makes up for the bulk of the MVNO customer base in Ireland.
  + In 2010 O2 launched a sub-brand called “48” targeted at 18-24 year olds. It is similar to giffgaff in the UK that it is a low-cost, internet-only provider. The reason O2 launched it was similar to Tesco Mobile, namely to sell to a market segment that the O2 brand couldn’t reach. 48 is the only real sub-brand in the Irish mobile market and is currently managed by 3.
  + Eircom, the main incumbent in Ireland, operated two mobile brands for a long time. Meteor and eMobile. The latter was more focussed on business customers, whereas Meteor was a real consumer proposition popular with a young clientele. eMobile as a brand never took off, and two years ago eircom decided to rebrand all services under the “eir” brand. The Meteor and eMobile brands no longer exist.
  + In October 2019, Eir has launched a sub-brand called GoMo to capture the youth market. In the past eir operated two brands (Meteor and eMobile) and Meteor had a lot of youth appeal. Since they rebranded to eir, they lost a lot of younger customers to Vodafone (better coverage) and 3 (unlimited data). GoMo is an attempt -inspired by their French owners- to do something aggressive in the market to regain some of the younger customer base.

**15. Israel**

* There are five major network operators in Israel: Cellcom, Partner, Pelephone, Hot Mobile and Golan Telecom.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + 012 Smile Telecom (acquired by Partner in 2010)
  + YouPhone started as a virtual MVNO operator subsidiary of Alon Blue Square Israel, but since 2015 it has been owned completely by Pelephone and also merged its operations with Pelephone.
  + "Hii-Mobile" launched by Pelephone on April 11, 2016, to target “young people, soldiers and students with attractive offers and packages for this target audience”.

**16. Italy**

* There are four MNOs in Italy: Telecom Italia (TIM), Vodafone, Wind Tre and Illiad.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Kena, low-cost operator of TIM, entered on March 2017.
  + Ho mobile, low-cost brand of Vodafone, entered on June 2018.
  + Wind Tre did not launch a low-cost brand (3mobile is already perceived as a low-cost operator).

In May 2018, the French operator Iliad entered the Italian mobile market as the fourth MNO. Iliad adopted an aggressive pricing strategy, aiming to obtain a 10% market share by 2021. As a result, competition in the market intensified significantly in 2Q 2018 and 3Q 2018, but showed signs of stabilization in 4Q 2018. Incumbent mobile network operators are trying to slow down the decline of revenue, mainly by launching new plans with higher tariffs and a larger number of services and/or bigger data allowances. For instance, Vodafone launched a fully unlimited plan (called ‘Unlimited RED+’) in 4Q 2018, which includes unlimited data, unlimited minutes and unlimited text for EUR59.99 per month (reduced to EUR39.99 if the customer pays the monthly tariff via a credit card or bank account).

Source:

* <https://technology.ihs.com/605604/italian-mobile-operators-respond-to-iliad-threat>

**17. Japan**

* There are four MNOs in Japan: NTT DoCoMo, KDDI (“AU”), Softbank Mobile and Y!mobile.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + KDDI and Softbank have both low-cost MVNOs, UQ Mobile (launched in August 2007) and Y!Mobile (acquired in 2014) respectively.

**18. Korea**

* There are three MNOs in Korea: SK Telecom, KT and LG U+.
* MNOs own subsidiary MVNOs:
  + SK Telink (SK Telecommunication)
  + KT M Mobile (KT)
  + MEDIALOG (LGU+)

**19. Latvia**

* There are three MNOs in Latvia: LMT (Telia), Tele2 and Bite.
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**20. Lithuania**

* There are three MNOs in Lithuania: Telia Company, Tele2 and Bite.
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**21. Luxembourg**

* There are three MNOs in Luxembourg: Post Luxembourg, Tango Luxembourg and Orange Luxembourg.
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**22. Mexico**

* There are three MNOs in Mexico: Telcel (the largest one, historical), Movistar (second largest) and AT&T (AT&T entered only in 2015 with an aggressive pricing strategy).
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**23. Netherlands**

* There are three MNOs in Netherlands: KPN, Vodafone and T-Mobile.
* Low-cost subsidiary brands launched by incumbent MNOs:
  + T-Mobile (re-)launched Ben in 2008 as a low-cost subsidiary brand (Ben was created in 1999) with a SIM-only approach.
  + Simyo acquired in March 2002 by KPN, a low-cost brand (10 euros/month for 1h + 1Go)
  + Vodafone Netherlands currently operates one low cost sub-brand using its network called hollandsnieuwe (launched in January 2011).

Source:

* <https://en.wikipedia.org/wiki/Ben_NL>

**24. New Zealand**

* There are three MNOs in New Zealand: 2degrees, Spark New Zealand and Vodafone New Zealand
* Low-cost subsidiary brands launched by incumbent MNOs:
  + Spark launched a low-cost subsidiary brand, Skinny Mobile, in January 2012. Only Spark among the incumbent MNOs launched a low-cost subsidiary brand.

Source:

* <https://www.skinny.co.nz/about/>
* <https://www.telegeography.com/products/commsupdate/articles/2012/01/13/skinny-launch-takes-rivals-by-surprise-nz-price-war-anticipated/>
* <https://www.gpforums.co.nz/threads/438835-Skinny-new-mobile-network-company-launched-today-in-NZ>

**25. Norway**

* There are three MNOs in Norway: Telenor, Telia and ICE.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Telenor operates a low cost brand called “Talkmore” (created in 2004).
  + Telia operates a low cost brand called “OneCall” (created in 2004). OneCall was created by Tele2, and Tele2 was acquired by Telia in 2015.

**26. Poland**

* There are four MNOs in Poland: Orange, Plus, T-Mobile and Play.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Orange launched a low-cost subsidiary brand called "nju mobile" in 2013 which has about 500 thousand active SIM cards which is maybe 1% of market or less.

**27. Portugal**

* There are three MNOs in Portugal: MEO(Altice Portugal), Vodafone and NOS.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Low-cost brands ("fake MVNOs") were launched in Portugal in June 2005: first "UZO" (means "uso" = "I use") by TMN, the mobile operator of Portugal Telecom a week later "rede4" (network 4) by Optimus, the smallest mobile operator, belonging to Sonaecom.
  + What happened, seemingly, is the Optimus had difficulty in growing and therefore devised the new brand as being an alternative to the existing three mobile networks (TMN, Vodafone, Optimus). This idea somehow leaked, and TMN launched a service with an identical (!) offer a few days in advance. Vodafone then responded quickly by launching its own low-cost offer (identical to UZO and rede4) under the "Vodafone Direct" brand. Idea: signal to customers that switching operator was pointless.
  + The UZO brand still exists, but the others are gone.

**28. Slovak Republic**

* There are four MNOs in Slovakia: Slovak Telekom, Orange Slovensko, O2 Slovakia and SWAN Mobile (brand name: 4ka).
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**29. Slovenia**

* There are four MNOs in Slovenia: Telekom Slovenije (historical operator), A1 Slovenija, Telemach and T-2.
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**30. Spain**

* There are four MNOs in Spain: Orange, Movistar, Vodafone and Yoigo.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Movistar launched a low-cost brand, O2 in 2018. Before this, Movistar had launched another low-cost brand (Tuenti), in 2010, which tapped into the pull of social networking sites and quite clearly targeted younger users, but it seems that O2 is replacing it.
  + In 2012, Orange took the forefront with a two-pronged move. Firstly, it took over control of the MVNO Simyo (until then operated by the Dutch firm KPN). Secondly it pulled off a big surprise by launching amena.com, thus reviving its old brand and cashing in on some of its marketing investments during the early years.
  + At the end of 2012, Vodafone launched Vodafone YU, which seemed to have some elements of a secondary brand without really being one. It had a different image but stuck too closely to the Vodafone brand and was limited by being exclusively prepay. Vodafone therefore ended up with fewer possibilities than its competitors, and the failings brought to light over recent years are now to be put right, apparently, with Lowi.
  + Vodafone operates now two low-cost brands: Vodafone Bit (an intermediate product which includes media) and Lowi (low cost).

**31. Sweden**

* There are four MNOs in Sweden: Telia, Tele2, Telenor and 3.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Telia acquired Halebop in 2001, a company founded in 2000.
  + Tele2 has used Comviq as a subsidiary brand since 1997 (Comviq was founded in 1981 and later merged with Tele2 in 1997). In 2009, Comviq brand was re-launched as a very price competitive prepaid SIM card brand, also now including fixed-priced, no binding contract postpaid subscription plans.
  + Telenor launched Wimla in 2014.
  + 3 introduced Hallon in 2013.

**32. Switzerland**

* There are three MNOs in Switzerland: Swisscom, UPC (Sunrise), Salt.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + Wingo bySwisscom (launched in April 2015).
  + Yallo by Sunrise (launched in March 2014).
  + Tele2 by UPC (acquired on 29 September, 2008).As of 1 November 2011, license rights expired on the name "Tele2", and it was changed to "Tele4U".

**33. Turkey**

* There are three MNOs in Turkey: Turkcell, Vodafone and AVEA.
* The incumbent MNOs have not launched any low-cost subsidiary brand to date (as far as we can say).

**34. UK**

* There are four MNOs in the UK: EE, O2, Three, and Vodafone.
* Low-cost subsidiary brands launched by the incumbent MNOs:
  + UK MNOs have not tended to launch low cost sub-brands, at least until recently, so much as partner with MVNOs.
  + T-Mobile (as OnetoOne, a predecessor company) was the first to host an MVNO in the world, back in 1999. That was a 50:50 JV between Virgin and OnetoOne.
  + The model was copied by the other MNOs: for example, Tesco Mobile was a 50:50 between Tesco and O2/Telefonica although there were a lot of other fully independent MVNOs as well (mainly supermarket retailers and brands targeting ethnic groups). There are probably 50 in the UK, but only Tesco and Virgin are of any significance.
  + The first proper sub-brand was ‘giffgaff’, launched by O2 in 2009. That is a genuine low cost, internet-only provider, very popular with students and young people. Giffgaff have an interesting ‘bitcoin’ type strategy- see <https://www.figarodigital.co.uk/case-study/giffgaff/>.
  + Vodafone was late but launched Voxi in 2017. Users had to be under 25, but the age limit has since been lifted.
  + We are not aware that Orange ever had a sub-brand, nor that EE or H3G have any. H3G has never supported MVNOs either.

“In general the MNOs did not pursue sub-brands, with the exception of O2 in 2009, because hard to reach or budget conscious groups were already well served by MVNOs and MNO prices were quite low in any event. Speaking from experience, MNOs with expensive retail stores and high overheads have found it very difficult to operate ‘low cost’ models themselves in a way which is profitable. They made more money by allowing someone else to do it and taking wholesale revenue.” (Richard Feasey)

**35. US**

* There are currently four MNOs in the US: AT&T, Sprint, T-Mobile and Verizon.
* All the major carriers have low-cost brands (which were almost all former MVNOs):
  + AT&T runs Cricket Wireless (founded in 1999 and bought in 2014 by AT&T, see <https://en.wikipedia.org/wiki/Cricket_Wireless>).
  + Sprint runs Boost (created in 2001 and bought by Sprint in 2005, <https://en.wikipedia.org/wiki/Boost_Mobile> ) and Virgin (founded in 2001, bought by Sprint in 2009, <https://en.wikipedia.org/wiki/Virgin_Mobile_USA>).
  + T-Mobile owns Metro (founded in 1994, bought by T-Mobile in 2013, <https://en.wikipedia.org/wiki/Metro_by_T-Mobile> )
  + Verizon owns Visible (was launched by Verizon in 2018).