Who suffers most from Rakuten's launch? It's not who you'd think.

By Chris Hoare | June 24, 2019

Rakuten's launch as a 4th MNO in Japan is among the most widely anticipated near term events in global telcos. But the impact is not well understood in our view. Market dynamics are opaque, and as a result many investors are overemphasising the anticipated turmoil among the established incumbents in our view. In order to try to clarify the likely impact we carried out a proprietary survey of 1,000 Japanese mobile users. We conclude two things: disruption (at least initially) is probably not particularly substantial and the company most likely to be affected in our view is DOCOMO. Softbank looks well protected, and has multiple levers to pull to continue to grow profits and the dividend through the initial launch phase.

Whilst we published the results of our survey in 3 separate notes (HERE, HERE and HERE) in this short blog we wanted to draw our conclusions together from these pieces.

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Full 12-month historical recommendation changes are available on request

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