Network X: Central European operators show how market constraints can sharpen innovation

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Analysys Mason attended Network X 2026 in Vienna, Austria, in October 2026. Our discussions with A1 Hrvatska, O2 Slovakia and Turknet at Network X at the event showed how market constraints can sharpen operators' strategic choices in relation to their core offerings. Rather than spreading investment across multiple initiatives, these operators are focusing on reliable connectivity, customer experience and opportunities that offer clear value for both customers and the business.

Telecoms operators in Central and Eastern Europe (CEE) have mature customer bases, face intense price competition and have limited scope for price increases. Most operate in relatively small markets, leaving little room for expensive diversification strategies. These constraints do not necessarily encourage innovation, but they do force operators to be more selective about where they invest: improving connectivity and customer experience, simplifying operations and prioritising initiatives that deliver measurable value.

Operators in CEE must generate more value from their existing customer bases and assets

Analysys Mason's data shows that core fixed and mobile service revenue in CEE grew at a nominal CAGR of 3.6% during 2020–2025.[1] However, inflation-adjusted revenue declined at a CAGR of 4.8% over the same period, leaving operators to manage costs tightly simply to maintain margins.

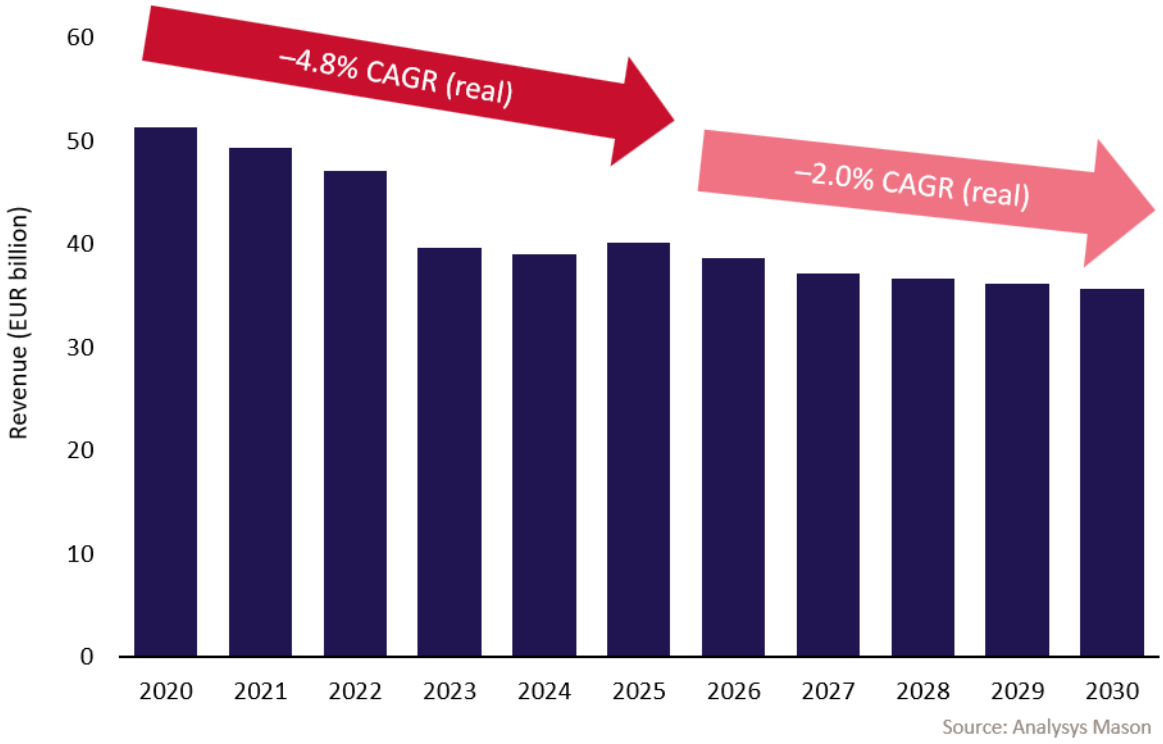
Our *Central and Eastern Europe telecoms market: trends and forecasts* report projects a further real-terms revenue decline of 2% per year for the fixed and mobile markets during 2026–2030 (see Figure 1).

The number of mobile handset connections will grow only marginally in the most saturated markets in CEE, while broadband services offer greater scope for growth through fibre migration and higher-value packages. However, our forecast indicates that price increases and upselling will not fully offset inflation.

[1] For more information, please see Analysys Mason's DataHub.

Operators therefore cannot rely on market expansion to deliver revenue growth. They must demonstrate tangible benefits to customers and generate better returns from existing assets.

Figure 1: Decline in core fixed and mobile service revenue, CEE



Operators in CEE are taking different approaches to innovation

The three operators below have adopted different models, but each has linked its technology choices to a focused commercial proposition.

Figure 2: A1 Hrvatska, O2 Slovakia and Turknet: challenges, actions and reported outcome

Operator	Challenge, actions and outcome
A1 Hrvatska (Croatia) An established challenger with its own fixed and mobile networks.	• **Challenge:** a small, price-sensitive market with extreme seasonal demand weaken the business case for widespread network expansion. • **Actions**: a 5G-first strategy combining customer premises equipment, Wi-Fi and service assurance to improve in-home performance, supported by better devices and network quality at annual contract renewal. Clear performance indicators and early security and compliance checks are needed. • **Reported outcome:** simpler, more reliable service and fair customer treatment has built greater trust and has helped to grow the customer base.

Operator	Challenge, actions and outcome
O2 Slovakia A mobile challenger that became the market leader and expanded into fixed broadband by acquiring UPC.	• **Challenge:** a small, four-MNO market where customers expect the same experience, 5G, cyber-security, innovation and AI-enabled services as those available in larger markets. • **Actions:** partners with CETIN NETWORKS for shared mobile infrastructure. It launched fully digital brand, acquired fixed reach through UPC and developed customer-facing capabilities in house. Its agentic, transaction-capable customer-care assistant handles billing, technical support and service changes with human oversight. • **Reported outcome:** a rapid nationwide network rebuild was completed in 22 months; 5G population coverage exceeds 99.8% and a rise from third to first place in the market by active SIMs. The digital brand's AI resolves more than 70% of end-to-end journeys and can arrange payments or cancel products.
Turknet (Turkiye) A digital-first fibre challenger with a contract-free offer.	• **Challenge:** competes in a highly competitive fixed broadband market. • **Actions:** a shop-free, direct-to-consumer model that targets digitally native consumers and communities through digital channels, with transparent pricing, online sign-up and cancellation, and no contractual commitment. Turknet also invested in its own fibre-to-the-home network, offering symmetrical gigabit speeds. • **Reported outcome:** the number of subscribers increased by almost sixfold, from 250 000 in 2019 to nearly 1.5 million in 2026, making Turknet Türkiye's the fourth-largest fixed broadband provider by number of subscribers. Removing contracts had no adverse effect on churn, while retention improved.

Operators across Europe can learn from CEE operators' disciplined approach to innovation

The common lesson from all three operators was not a particular technology or business model, but a disciplined approach to deciding where to invest and, just as importantly, where not to invest.

- **Use market constraints to narrow the strategic agenda.** Smaller-market operators prioritise connectivity, customer experience and operational efficiency rather than diversifying into multiple adjacent markets. The lesson is not to focus exclusively on connectivity, but to ensure that every investment delivers clear customer value.

- **Simplify before automating.** Applying AI to overly complex processes risks making existing inefficiencies worse, so operators should simplify products and processes before introducing AI. Turknet's product model and O2 Slovakia's partnerships illustrate how to reduce organisational complexity before introducing automation.

- **Measure outcomes that customers value, not just deployment milestones.** Successful operators track in-home experience, network quality, acquisition and retention rather than

treating technology deployments as an end in themselves. A1 Hrvatska, for example, judged 5G success by whether customers experienced better in-home connectivity during peak seasonal demand, not by the number of sites deployed. Innovation programmes should start with a clear customer problem and commercial objectives, then measure progress against both.

- **Reduce the distance between decisions and execution.** O2 Slovakia benefits from shorter reporting lines and faster decisions, enabling rapid testing, launch and refinement. Larger operators can achieve similar agility by giving local teams clearer authority, faster approvals and greater accountability for results.

The lesson to be learned is not to copy Turknet, A1 Hrvatska or O2 Slovakia, but to recognise that constraints can force greater strategic discipline. As revenue growth becomes harder to achieve, operators that concentrate investment and management attention on the few initiatives that customers genuinely value may outperform those that pursue the largest number of opportunities.

Analysys Mason's European Core Forecasts, European Country Reports and European Quarterly Metrics combine research and data to help clients understand the challenges and opportunities in the technology, media and telecoms sectors. Our regional market modules provide deeper insight into the challenges and opportunities specific to individual markets and regions.