



API Monetization: Unlocking the Value of Your Data

Tap Into Your Data Potential



The application economy has forced businesses to transform. To capture new growth opportunities, enterprises are opening up and sharing select data and applications with developers, partners, mobile devices, the cloud and the Internet of Things (IoT). One of the byproducts of this transformation is the discovery that legacy data has value in the application economy—so much so that new revenue opportunities emerge as this data is used in new ways.

But how do you realize your untapped data potential? The answer? Through API monetization—the ability to charge for APIs that access your business data.

With the right API management platform, you can securely expose your APIs and charge for access while providing developers with the information they need to create applications against them.

Why Monetize?

APIs extend the reach of an organization's core assets, allowing them to be shared, reused and sold as new revenue streams.

It should come as no surprise that exposing business data outside of the enterprise creates a range of new security and management challenges. API Management solutions make it simple for even the most security-conscious organization to open their information assets without impacting data security or the performance of backend systems. So in the end, you can focus not on the risks of API monetization, but rather, on the rewards.


How have companies reaped the benefits of API Monetization?

They've ...

... **Extended their reach.** Through the use of APIs, comparison shopping destinations, like Shopping.com, extend the reach of thousands of premier brands and online stores. Both parties benefit through revenue sharing.

... **Extended their brand.** By distributing a free API, Google has enabled developers to offer the power and convenience of Google Maps in Web and mobile applications. The pay-off is increased brand exposure—maps tie to Google Search→Google Search ties to advertising→advertising ties to revenue.

... **Created direct revenue opportunities.** APIs can be tied directly to revenue. Consider this example: Using PayPal's API, developers enable their customers to easily pay for an item while PayPal takes a direct percentage of each sale.



Choosing the Right Monetization Model

Monetization models can be simple or complex, but generally, they fall into one of the following categories:

Free (or Freemium)

In this model, there's no charge for developers to access the API – or there's no charge until a threshold is hit. Google Maps, Microsoft Bing™ and Yahoo Maps are examples of this. Developers are free to integrate mapping into their application to deliver a better value to their customer.

Developer pays enterprise

In this model, the developer pays the enterprise to use the API – usually to obtain a competitive edge. Amazon Web Services is a very common example of pay-for-usage.

Enterprise pays developer (or enterprise pays enterprise)

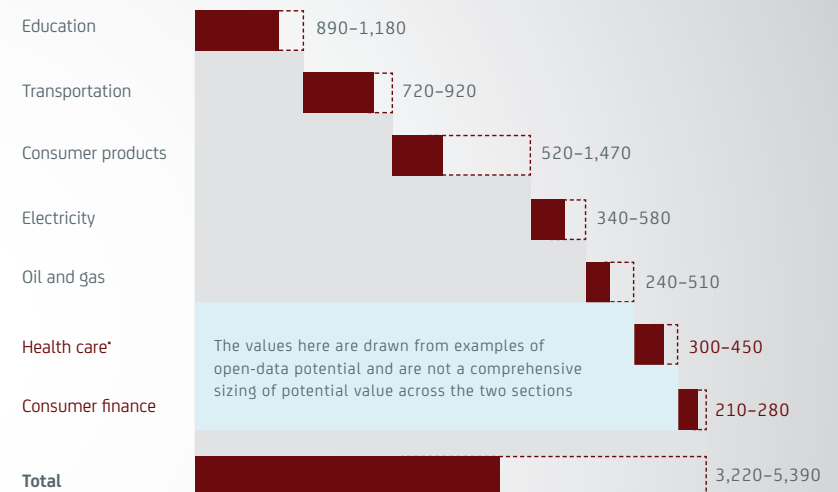
This is one of the most common models. Typically, this is revenue sharing. Electronic commerce enterprises (Amazon, eBay, Best Buy, etc.) make their APIs available to developers. When a consumer uses that app to purchase an item from the electronic commerce enterprise, the developer will get a percent of the revenue. Expedia is an excellent example of this, earning approximately \$2 billion per year through their API.

Assessing the Value of Your Data

By unlocking your data and making it available to third parties via one of the aforementioned monetization models, you have the potential to generate significant economic value. To understand how much, consider the impact of open data—machine readable information, particularly government data, that’s made available to others at no charge. According to a recent McKinsey report, an estimated \$3 trillion in annual economic potential could be unlocked across seven domains. Many enterprises and startups have begun leveraging these open APIs to not only decrease costs within their organization, but to also generate new revenue opportunities.

Open data can help unlock \$3 trillion to \$5 trillion in economic value annually across seven sectors.

Potential value in open data, \$ billion



*Includes US values only.

Source: McKinsey Global Institute analysis



Unlocking Value—Customer Relationship Management (CRM)

So, what's possible? Take a look at several real-world monetization models in use today, and how enterprises have leveraged these models to realize revenue.



What—Salesforce Customer Data

Salesforce is one of the largest CRM solutions in the world, used by many enterprises to manage their customer relationships. While Salesforce has provided a very robust SaaS solution, enterprises still need to deliver this valuable data to its customers across multiple channels as well as integrate them with other data sources in their environment.

Why—Extending the Value of CRM

Salesforce has made select APIs available to customers, partners and developers to enhance and extend the value of that data. With Force.com, Salesforce has created an additional ecosystem for customers to download apps. The result is a win, win, win—Salesforce delivers a solution that extends its capabilities, independent software vendors get access to new customers and the customer gets more value from their data.

How API Management Makes It Possible

By making select APIs available to customers, partners and developers, Salesforce has created an ecosystem that connects data to mobile users and cloud platforms with the ability to monitor and monetize those APIs based on policy management.



Unlocking Value—Transportation



What—Crowd-Sourced Data

In an emerging transportation market, data available through public and crowd-sourced APIs has resulted in mobile apps like Waze and Beat the Traffic.

Why—Improved Transformation Models

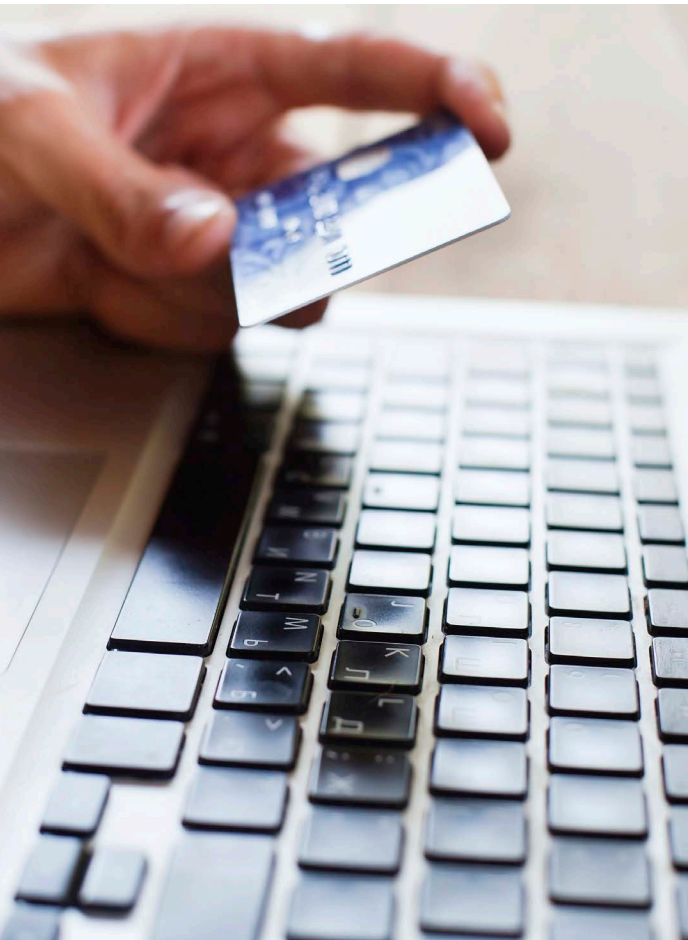
These, and other innovative apps, provide real-time updates of traffic flows, often proposing alternative routes. The end result is an easier drive to a destination, providing a more pleasing user experience. By utilizing data in new, innovative ways, enterprises can penetrate new markets and realize fresh monetization opportunities.

How API Management Makes It Possible

Using the right API management solution, developers can connect enterprise data to mobile apps, cloud platforms and the IoT while providing a satisfying end-user experience.



Unlocking Value—Retail



What—Extending Reach

As sellers like Best Buy, Amazon, Walmart and eBay look to extend their reach beyond their own websites, they have released APIs to developers.

Why—Revenue

Shopping aggregators like Nextag and Shopping.com have used these APIs, developing applications that allow consumers to view a desired product from multiple sources simultaneously. The seller extends their reach, the developer gets a cut of the sale and the consumer gets the product that they want at the right price.

How API Management Makes It Possible

Using an API management solution, enterprises can connect all things digital (including data) and apply the end-to-end security necessary for financial transactions. The result? New market opportunities, an extended reach, improved customer retention and a user experience that consumers love.



Unlocking Value—Modern Communication



What—Embedded Communication

Other developers have examined new ways to monetize—one example is secure communications. Twilio has developed APIs that developers can embed in their application for email and VoIP.

Why—Communication Without Fear

eHarmony uses the Twilio API to allow their customers to place calls or send email to other eHarmony subscribers without revealing personal information. eHarmony builds the cost of this into their subscription and Twilio receives direct revenue based on actual usage.

How API Management Makes It Possible

By using an API management platform, companies like Twilio can leverage recurring API revenue while providing the security layer that their users expect and demand.

API Monetization Best Practices

As these examples prove, there are many different ways to create new revenue streams for the propriety data and unique services within your enterprise. But to enable these business models, you'll need to **establish the right strategy** ...

Step 1: Identify data that has external value

Step 2: Expose data via API and market its value

Step 3: Determine the appropriate monetization model and establish a billing method

Step 4: Leverage analytics to measure API success

Step 5: Manage Service Level Agreements on both sides to ensure customers get the API service they need, but only the API service they paid for

... and leverage the **right API Management technology**.

In order to realize the full value of APIs and avoid the safety and privacy pitfalls of exposing backend systems, it is vital to invest in an API Management platform that delivers the full range of functionality for service composition, security, identity and access, performance optimization, lifecycle management and developer engagement.

Introducing API Management From CA Technologies

Using API Management from CA Technologies, you can provide all the components required for effective, enterprise-level API control, including an API gateway designed to simplify all key API security and management processes as well as an API portal that enables effective developer onboarding and management.

Data Integration

- Expose data through APIs, allowing consumption in new ways
- Integrate digital projects into one platform for easier management
- Develop a flexible, future-proof platform to adopt new technologies and standards for monetization

Accelerate App Development

- Provide developers new ways to use data, providing additional monetization opportunities
- Manage developers through onboarding, collaboration and testing

End-to-end Security

- Protect with end-to-end, military-grade security from app to API
- Guard against the risk of business data compromise through exposed APIs
- Address strict compliance and regulatory standards

Monetization

- Analyze which apps and APIs are performing the best against business goals and to create API packages and plans
- Revenue planner that models and deploys monetization plan details
- Integrate with a cloud-based billing system

Learn More

[Data Sheet: CA API Management](#)

[Make API-based information sharing safe, reliable and cost effective](#)

About API Management Solutions

The API economy is exploding, mobile devices are proliferating across the workplace and large organizations are moving critical IT infrastructure to the cloud. This is creating the need for technology able to securely connect with external developers, mobile apps and cloud services. CA Technologies is at the cutting edge of this red-hot market.

CA Technologies' industry-leading gateway products make it simple for enterprises to share data with customers, mobile apps and cloud services. Delivered as hardware networking appliances, virtual appliances or as software, our products are helping large organizations open up to the Web, mobile networks and the cloud without jeopardizing security or performance.

In August 2014, CA API Gateway was recognized as a Leader in the API Management space by top analyst firm Forrester Research in its The Forrester Wave: API Management Platforms report. API Management is a key component of the solutions that CA Technologies provides for enterprises that need to secure and manage complex IT environments to support agile business processes.

Learn more at ca.com/api.

CA Technologies (NASDAQ: CA) creates software that fuels transformation for companies and enables them to seize the opportunities of the application economy. Software is at the heart of every business, in every industry. From planning to development to management and security, CA is working with companies worldwide to change the way we live, transact, and communicate – across mobile, private, and public cloud, distributed and mainframe environments. Learn more at ca.com.

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