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From Hype to Revenue: How API Marketplaces Can Transform Telco Monetization

By Deshbandhu Bansal, Chief Operating Officer-RevTech Business, Comviva

There's no denying that the telecom sector is abuzz with the promise of network APIs. With the global telecom API market forecasted to leap from $50.9 billion in 2024 to a staggering $159.5 billion by 2029, the excitement is palpable. Initiatives like GSMA's Open Gateway have only fanned the flames, with 49 operators, representing 65% of global market share, already adopting these APIs. Yet, for all this momentum, the financial windfall remains elusive. It's a classic case of the "API gold rush", everyone's staking a claim, but few are striking it rich.

The Enterprise-Telco Disconnect

At the heart of the challenge is a persistent disconnect between what enterprises need and what telcos are currently able to deliver. Enterprises are looking for seamless, standardized APIs that can power everything from secure connectivity to real-time location services, all while enhancing their own customer experiences. Unfortunately, telcos often present a fragmented picture: APIs are inconsistent, integration is cumbersome, and the developer experience is anything but smooth. A 2024 Network APIs Strategy Report underscores this gap, revealing that only 51% of telcos consider their systems API-ready, a sobering statistic that highlights just how much work remains.

Structural and Technical Barriers to Monetization

Why is it so hard for telcos to turn

APIs into profit? The answer lies in a web of structural and technical barriers. Many telcos are still grappling with legacy infrastructure that doesn't play well with modern API standards. This leads to inconsistent implementations, which in turn frustrate developers and slow down enterprise adoption. The situation is further complicated by divergent backend technologies across telcos, resulting in unpredictable API behavior and making it hard for enterprises to scale solutions globally.

Security and authentication also pose significant hurdles. Despite CAMARA's push for OAuth 2.0 standards, many telcos still use their own protocols, forcing developers to build multiple authentication solutions, an expensive and risky proposition. Add to this the challenges of versioning, regulatory compliance (think GDPR and CCPA) and performance variability, and it's easy to see why enterprises are hesitant to fully embrace telco APIs.

The Developer Experience Dilemma

Perhaps one of the most overlooked aspects of API monetization is the developer experience. Poor documentation, lack of onboarding support and inconsistent updates make it difficult for developers to integrate telco APIs efficiently. In industries like fintech and cloud computing, developer-centric ecosystems have been the cornerstone of success. According to IDC, companies that prioritize developer experience see 20-30% faster time-to-market for new services. Telcos have yet to fully internalize this lesson and it's costing them both time and revenue.

API Marketplaces: The Game Changer

This is where API marketplaces come into play. More than just a storefront for APIs, a robust marketplace acts as a bridge between telco capabilities and enterprise needs. By offering standardized, well-documented APIs in a unified environment, marketplaces dramatically reduce integration friction. They also enable faster go-to-market for new services, thanks to pre-tested APIs and streamlined onboarding processes.

Some marketplaces are already demonstrating how this model can drive scalable revenue streams. By focusing on the developer experience and providing flexible monetization tools, these platforms help telcos move beyond one-off integrations to build thriving, repeatable revenue ecosystems. The success of Communications Platform as a Service (CPaaS) providers like Twilio and Vonage, who have built billion-dollar businesses on the back of easy-to-use APIs, shows just how powerful this approach can be.

Collaboration and Standardization: The Road to Success

The path forward for telcos is clear: embrace collaboration and standardization. Strategic partnerships with technology providers can help telcos align their APIs with global standards, simplify integration with legacy systems, and ensure regulatory compliance. At the same time, investing in intuitive developer portals and robust support will make telco APIs more attractive to enterprises and developers alike.

Competition from aggregators and digital-native platforms is heating up, so telcos must decide whether to enhance their own marketplace or collaborate with these ecosystem enablers. Either way, building trust and interoperability will be key to thriving in the API economy.

Turning Potential into Profits

The potential for telco API monetization is real, but realizing it requires more than just hype and hope. By addressing the core challenges of interoperability, standardization, and developer engagement—and by leveraging the power of API marketplaces—telcos can finally turn the promise of APIs into sustainable, profitable business models. The journey won't be easy, but for those willing to adapt and collaborate, the rewards are well worth the effort.

Deshbandhu Bansal

Deshbandhu Bansal is the Chief Operating Officer for the RevTech business at Comviva, where he plays a pivotal role in shaping strategic direction, driving profitability, and envisioning the product roadmap. The RevTech portfolio under his leadership includes Communication Stack, CNPaaS, 5G API Monetization, and OTT Monetization for Telcos, scaling to serve over 100 Telcos and processing over 1 trillion annual transactions. Desh holds a Master of Business Administration (MBA) from the Indian School of Business and a Bachelor of Technology in Electronics from Nirma Institute of Technology. He is renowned for his strategic acumen, analytical mindset, and dedication to driving business growth through innovative, customer-centric solutions. He cultivates a culture of collaboration and continuous innovation within the RevTech business at Comviva.