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Unlocking Revenue: API Monetization is a Golden Opportunity for Telecoms

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Monetization is imperative for the telecom sector. Despite telcos investing nearly \$1 trillion in network upgrades since 2018, they still need help monetizing 5G effectively. Many analysts have commented on the potential revenue telcos have lost to OTT (over-the-top) services in recent years, and roughly [75 percent of operators](#) have been vocal about their concerns over those missed OTT opportunities. This is why generating revenue from 5G is vital to operators. They've invested in costly infrastructure, learning lessons over the past two decades, and are rightly looking for their slice of the action.



There is a market for basic, connectivity-driven 5G monetization. One McKinsey survey found that [14 percent of 18 to 24 year olds](#) would be willing to pay for things like 5G booster packages, and roughly 20 percent of subscribers would happily pay more for “business class” 5G plans. That’s encouraging, but the real value in network application programming interfaces (APIs) lies in creating services and applications that aren’t directly tied to speed or bandwidth.

Insights such as usage patterns or roaming data can open up lucrative opportunities beyond traditional service options that play into modern consumers' real-world needs and expectations. If these network APIs can be developed and made available to enterprises and developers, it would unlock a new generation of 5G-driven applications in which telcos would play a central, driving role. Cloud providers and API aggregators are already looking to disrupt this space. So, the time for telcos to act is now. Otherwise, they risk repeating the frustration they’ve endured over the past two decades.

Thanks to initiatives like the [global telco API alliance CAMARA](#), telcos are re-evaluating how they define and approach network APIs. They’re no longer viewed as just technical components built for functionality. They’re now seen as substantial business assets that can drive innovation and offer distinct competitive advantages.

For instance, telcos could provide travel agencies with roaming data to offer tailored services to frequent travelers or supply banks with secure, timely, customer location and device data to prevent fraud. These scenarios underscore APIs' broad applicability and potential profitability in generating new revenue streams through innovative, cross-industry applications rather than merely making connections faster and more reliable.

The CAMARA network, which facilitates easy access to APIs for operators, includes API projects on everything from device location and connectivity status to carrier billing and network access.

Understanding Network APIs and Monetization

Simply put, network APIs allow telcos to interact with their network and data systems programmatically, ultimately offering this access and capability as a service to external developers. By surfacing some of the vast repositories of data that telcos passively gather from SMS, voice, location, data usage, and user behavior and making that data available through APIs, they can create platforms where third-party developers can build applications that leverage these insights, expanding the utility and reach of their networks.

Much of this capability, however, will hinge on their digital architecture. Legacy platforms and cumbersome business support systems (BSS) may act as a barrier to entry for larger telcos. However, smaller mobile virtual network operators (MVNOs) – whether independent or subdivisions of larger operators – should have the flexibility and scalability to pivot to more modern systems.

These modern systems, often cloud-based and cloud-native, should have the agility to allow for the flexible integration of new services and API initiatives. This not only facilitates easier access and broader usage of their APIs, but it also enhances the ability of telcos to manage and monetize API interactions more efficiently. As industry standards evolve, adopting such digital architectures will allow telecom operators to not only keep pace with technological advancements but also lead in creating innovative services that cater to a diverse client base, ranging from individual app developers to large enterprises looking for robust data solutions.

Opportunities and Challenges

To capitalize on API monetization, telcos must reconsider how they do business, thinking of themselves as software innovators rather than simply network service providers. Some operators are already well on their way to achieving this cultural mindset. According to MarkWide Research, the rising demand for enhanced customer experiences, personalized mobile services, and real-time billing and charging solutions is already [fueling massive growth in the BSS market](#).

Another key factor fueling BSS growth is the need for more established and accommodating partner ecosystems, including vendors, developers, and content providers. With the right technology and ecosystem in place, the potential to capitalize on API exposure could extend into sectors as diverse as travel, banking, healthcare, and entertainment, where real-time data of all kinds can dramatically enhance customer experiences and service levels.

The primary hurdle is interoperability across different networks, which is crucial for developers who require their applications to function seamlessly on any carrier. Like the evolution of international roaming standards, telecoms must collaborate to establish common API standards that ensure compatibility and reliability across borders and systems. Standardization is essential for operational harmony and fostering a developer-friendly ecosystem that encourages telco APIs' adoption and creative use.

The Critical Role of BSS

The role of BSS in API monetization is crucial. It will serve as the backbone that supports and manages the transactional aspects of API services, from orchestrating API billing and service provisioning to customer management, enabling operators to monetize their API offerings effectively. With a robust BSS, operators can implement diverse monetization models, such as [charging based on API call volume](#),

data consumed, or even the number of seats accessing the service.

This flexibility is vital for creating tailored pricing strategies that can accommodate the varied needs of different developers and businesses, maximizing revenue opportunities while maintaining competitive service offerings. The effectiveness of BSS in managing these complex transactions also ensures that telcos can scale their API services without sacrificing service quality or customer satisfaction.

For example, as APIs become a new revenue stream, BSS platforms can help manage and optimize the lifecycle of each API service, from initial deployment and usage tracking to revenue recognition to settlement and reporting. This detail-heavy management capability is essential for maintaining operational efficiency and providing the transparency and reliability that developers expect when investing in API products. By leveraging advanced BSS capabilities, telecom operators can transform their API offerings into reliable and lucrative business ventures that attract a wide range of external developers and enterprises, fostering a dynamic ecosystem where technology and business growth go hand in hand.

The telecom sector may have been a passenger in the content monetization boom, giving way to a fast and agile OTT market. But when it comes to forging a new API ecosystem to build 5G-driven services, they have a golden opportunity to grab the wheel and drive.

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