

# Apigee Edge API Monetization

## Extending the value of your digital strategy

**Apigee Edge API Monetization** delivers the unique capabilities needed to enable you to generate value from the usage of your digital assets. In the digital world, app developers are your distributors and resellers leveraging your APIs. Your digital success depends on how successfully developers' apps drive value with your APIs—monetization is how you make this happen.

The concept of monetizing digital assets is rapidly gaining momentum across industries. The use cases are not limited to just external partner developers or open API programs, but they're internal too, with chargebacks from business units that are leveraging the company's APIs for employee apps.

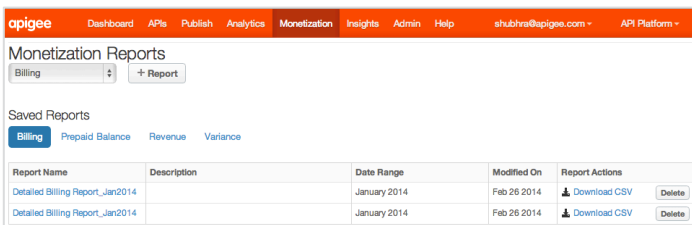


Fig. 1: Monetization reports in Apigee

The monetization capabilities offered in Apigee Edge are next to impossible to implement in legacy enterprise systems without expending major time and effort.

## API providers: flexible, adaptable business models

The business needs of an enterprise are complex and ever changing, whether these API providers are small businesses or large enterprises. They need the flexibility to handle all their varied scenarios and being able to easily adapt when needed is critical. Apigee makes it simple to implement the most suitable business models, or try a few different models before the API provider finalizes the mode of commercial interaction.

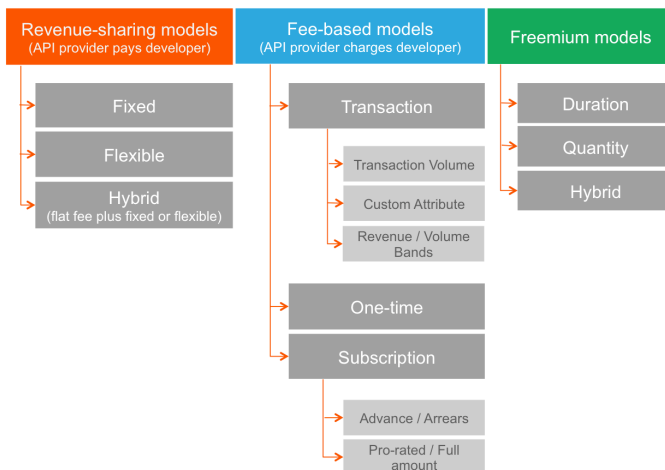


Fig. 2: A variety of monetization models to meet business needs

- **Revenue-share business models:** These incentivize developers for driving revenues by consuming your APIs in their apps in a few different ways.
  - **Fixed:** The API provider shares a fixed percentage of the net or gross revenue generated in each sale made via the API with the app developer.
  - **Flexible:** The API provider shares a variable percentage of the net or gross revenue generated in each API-driven sale with the app developer. The percentage could be a function of total revenue generated across API transactions over a specific period of time.

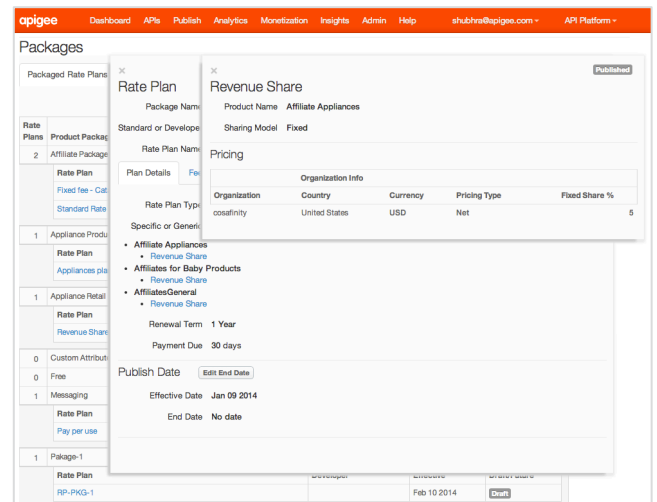


Fig. 3: Setting a flexible revenue share rate plan in Apigee

- **Hybrid (flat fee plus fixed or flexible):** The API provider charges a flat fee per API transaction and also shares a fixed or variable revenue share percentage of the net or gross revenue generated in each sale with the app developer.
- **Fee-based business models:** With fee-based models, the developer pays you—the API provider—for API usage. The fee-based models are:
  - **Transaction fees:** These types of fees can be by API transactions or some other custom attribute that the API provider designates:
    - **Transaction volume:** The developer is charged based on the volume of API transactions.
    - **Custom attribute:** The developer is charged based on the quantity of custom attributes within a transaction.
    - **Revenue or volume bands:** The developer is charged on a scale based on ranges of revenue or volumes.
  - **One-time fees:** The provider can charge the developer an upfront, set up, or joining fee.
  - **Subscription fees:** The provider can also charge the developer a recurring fee that is charged on an ongoing basis at a preset frequency.
    - **Advance or arrears:** For advance, fees are charged up front at the beginning of the billing period; for arrears, they are charged at the end of the billing period.

- **Pro-rated or full amount:** The fee can be pro-rated based on the developer's plan purchase and termination dates; otherwise the full fee is charged, irrespective of start/end dates.

Fig. 4: Setting transaction fee based rate plan in Apigee

- **Freemium business models:** As the name suggests, in freemium models you offer an initial set of usage for free. These can be of the following types:
  - **Duration:** The API provider can set a free period over which the developer will not be charged; the fee-based plan kicks in at the end of this initial free duration.
  - **Quantity:** The API provider can set a free quantity for which the developer will not be charged.
  - **Hybrid:** The API provider can set duration and quantity elements; the developer will start being charged once the first threshold is crossed, irrespective of element type.

## API providers: easily handle enterprise needs

Complex business needs can be managed with Apigee Edge:

- Monetize with not just individual developers, but with groups of developers that may be partner company employees.
- Plans can be related to all or specific API products.
- Implement holding company, corporate group, operating and subsidiary company scenarios.
- Manage taxes based on product and geography needs through Apigee Edge integration with a tax engine.
- Integrate with payment gateways for easy monetary transactions.
- Configure, generate, and manage billing documents and invoices.
- This functionality can also be integrated with enterprise financial systems.

## API providers: optimize with actionable insights

As the API provider, you have visibility into the monetization performance of your digital assets. This allows you to have the information needed for better monetization business decisions and adapt these based on actual business results.

## Developers: scale value with monetization self-service

- Easy access to view catalogs, compare, and purchase API products right from the developer portal.

Fig. 5: Developers can purchase API products and share revenue via the developer portal

- Complete monetary transactions and leverage integrated payment gateways for sending and receiving money.
- Gain visibility into value generated with reports and stay on top of your purchases with notifications.

Fig. 6: Developers view prepaid balance reports, top-up balances via the developer portal

## Results

- **\$157 billion growth projected in global revenues by 2018** with API opportunities for network operators.
- **6X growth in spend for in-store sales** driven by developer revenue-share business models for a large drug retail chain.

**Edge API Monetization** helps derive internal value from your digital assets and grow revenue with external developers and business partners who leverage your APIs.