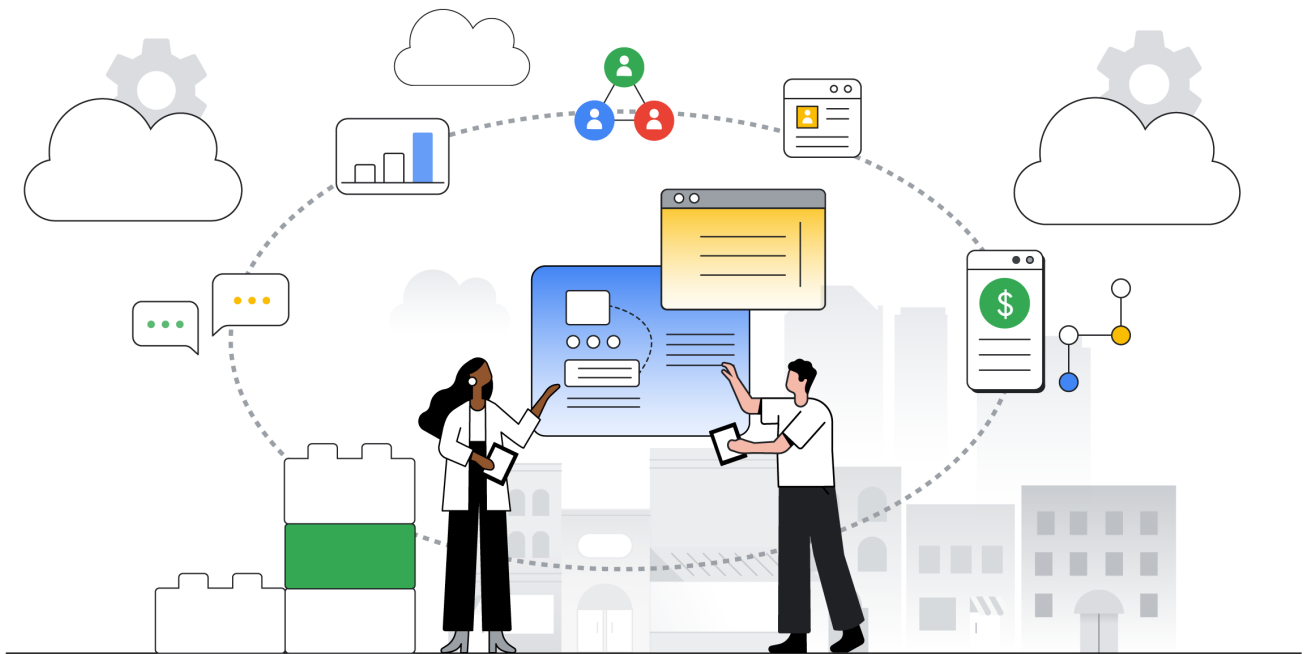


# Fueling App Innovation: Business Ecosystems



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# Introduction

Application innovation is key to business success – and enterprises are only just getting started. For instance, although nine out of ten customers want omnichannel digital experiences – meaning that they can shop and purchase in a contiguous series of transactions using different devices at different times – just 29 percent say companies provide this feature.<sup>1</sup>

Why? For one thing, it's hard to keep pace with the COVID-era explosion in internet use and compete for visibility in an increasingly crowded marketplace while keeping costs manageable. It's difficult, yes – but not impossible.

Application programming interfaces (APIs) help businesses overcome these challenges. These pieces of code bring together not only disparate applications, enabling them to work as one, but also disparate businesses.

<sup>1</sup> Paul Jarman, "Delivering an Excellent Omni-channel Experience," CX Today, January 11, 2019, <https://www.cxtoday.com/contact-centre/delivering-an-excellent-omni-channel-experience>.



Using APIs, you can connect your enterprise with any other in the world. Your developers and those of your connected partners can imagine and create in tandem to devise new ways of attracting, delighting, and serving customers.

By enabling these business-to-business networks – known as “business ecosystems” – APIs can be your key to unlocking more, better, faster innovation; increased profits; and new sources of revenue from around the world.

This ebook explores the vast possibilities and potential that API-led business ecosystems bring to companies of every type and size. Business Ecosystems is one of three pillars in our series on App Innovations, which also includes:

- **Digital Experiences** – Building personalized, omnichannel experiences for customers and partners.
- **Data-Powered Innovation** – Measuring, analyzing, and using the data that your apps and APIs capture to drive innovation.

Like the three legs of a stool, these pillars provide a strong foundation to support your enterprise as you enter the next stage in your digital transformation.

With APIs carrying customers from awareness to engagement to purchase to fulfillment and beyond, no company is an island. To be all things to all people – increasingly the “new normal” for business in the digital age – you need an ecosystem.

## API Ecosystems: The Keys to Your Innovation Kingdom

To create the game-changing experiences your customers want, you need to innovate with a community of brilliant problem-solvers and revolutionary thinkers.

You need interlocking webs of developers – developer ecosystems – working together to create exciting new digital offerings.

You need businesses unlike your own to digitally connect their goods and services to yours – partner ecosystems – to provide your



customers (and theirs) exclusive offers, new services, and never-before-imagined experiences while using your web and mobile apps.

With APIs, you can foment a transparent, collaborative environment in which leading brands and businesses build products and services with your technology at the core. And you can do the same with theirs.

With APIs, you can more deeply integrate your products within other companies' offerings.

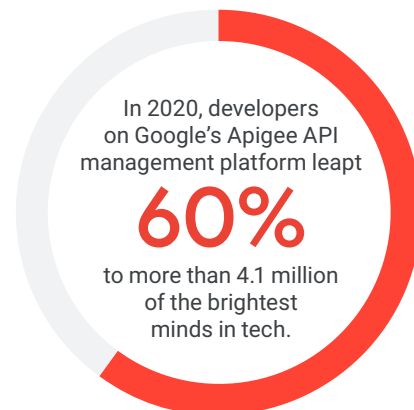
You can crowdsource innovation, and add crowd-pleasing features at a dizzying pace. In 2020 alone, the number of developers on Google's Apigee API management platform leapt 60 percent, to more than 4.1 million of the brightest minds in tech.<sup>2</sup>

APIs are the technology that allows the season's hottest fashion designers to connect to a network of third-party logistics providers and flip the switch on next-day delivery. They're the technology that makes buying concert tickets online so easy that most teenagers have never been to a box office. They're the technology that enables every restaurant to offer "takeout" via delivery services such as DoorDash.

Businesses of every stripe are reinventing themselves by opening their APIs to third-party integrations. In the process, they're changing the way the world shops, banks, dines, drives, dresses, entertains itself, and so much more.

Almost any integrated digital experience you can name likely happens because of an API-connected business ecosystem. APIs enable businesses to innovate at unprecedented levels, and to rapidly integrate and automate services by tapping into a global network of developers, partners, and customers.

More than half of companies (52 percent) report that, by using APIs to collaborate and cooperate with other businesses, they're coming up with more creative ideas than ever before. API business ecosystems are not only improving business applications; they're transforming the world.



<sup>2</sup> "How Digital Business Ecosystems Drive Efficiency and Innovation in a New Era," Oxford Economics and Google Cloud, [https://drive.google.com/file/d/1JXCWLjeLyx1C0zS9HorTMA6J\\_rWnMhIk/view](https://drive.google.com/file/d/1JXCWLjeLyx1C0zS9HorTMA6J_rWnMhIk/view).



## Powering an energy company's customer experiences

Australian Energy Market Operator (AEMO) previously needed to ask consumers a long series of questions about their energy use before recommending energy retailers with the best rates for their needs.

Opening its APIs to third-party developers changed everything. AEMO partnered with Victorian Energy Compare and similar companies, and streamlined the comparative-shopping process. Now, consumers need to answer just one question. AEMO's API takes care of the rest. The service is fast and easy – a great experience for customers. Hear [their story](#) to learn more.

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# How APIs Enable Profitable Business Ecosystems

The benefits of sharing APIs and business with other developers and organizations extend far beyond expanding your customer base and retaining existing customers. The data and capabilities your APIs generate may be so valuable that you can monetize the APIs themselves.

AT&T API Marketplace, for instance, offers APIs that allow companies to add voice, video, and messaging communications to their applications. Organizations pay nothing to incorporate the APIs, but they do pay AT&T each time they're used.<sup>3</sup> Developers, meanwhile, can add communication capability to their apps using AT&T's APIs without having to do the coding.

By offering your APIs as products, you can create a mutually beneficial ecosystem with a virtually unlimited array of business partners and developers. As owner of your APIs, you retain control and security of the data you share through the platform. At the same time, your partners view and analyze the information the APIs provide about how their customers use them.

"Monetization was a key selling point of Apigee. Being able to get started with Apigee, sign up, break out our APIs into set packages, and have developers come in and purchase – it's been a great tool for us," Mark Iannelli, Senior Technical Account Manager at AccuWeather, says.

This visibility and authority over the ecosystem makes it easier for API owners to deliver user-friendly experiences to customers and partners. It allows you to securely share data and information with them, and – critically – measure the performance of specific applications and processes. You can identify problems and opportunities earlier and respond to them faster, increasing the uptime, reliability, and overall attractiveness of your services.

<sup>3</sup> "Self-service APIs: Make human connections part of your applications," AT&T API Marketplace, <https://apimarket.att.com/self-service-apis>.



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It's no wonder that **61 percent** of high-maturity enterprises prioritize creating a developer ecosystem,<sup>4</sup> and that digital business ecosystem leaders report higher annual revenue growth.<sup>5</sup>

4 "The State of API Economy 2021 Report," Google Cloud.

5 "How Digital Business Ecosystems Drive Efficiency and Innovation in a New Era," Oxford Economics and Google Cloud.

## Enabling a logistics company to scale during a pandemic

When the pandemic sent demand through the roof for third-party logistics and delivery services in retail and restaurants, Metapack, a delivery management software company, became inundated with new partners rapidly onboarding and existing partners expanding their API usage.

But because the company manages its APIs using Google's Apigee platform, Metapack's engineers can analyze how its partners and their customers are using its APIs, and plan and build solutions with customer and business needs in mind. Metapack's development plans have gone from being reactive to proactive based on anticipated growth, supporting its goal of becoming a more product-focused business with APIs at its core, with tailored plans offered for each customer's needs.

"Having these insights is so powerful: understanding usage, understanding where you have rate planning, where you have limits, understanding what kinds of customers are hitting the limits and why. Because if you get that right, you become the ecosystem," Steve Homan, Apigee customer and Chief Technology Officer at Metapack, says.



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# Apigee Makes it Easy to Build and Scale API Ecosystems

APIs are made to connect. It's what they do best. And as business relationships grow stronger, more diverse, and increasingly widespread, so do the technologies that connect them.

With Apigee, you can manage those connections with clarity, so you can transform and scale your business ecosystem (and thus, your business) with confidence.

Google's API management platform allows you to create dynamic, profitable digital ecosystems that enable you to increase transparency and deepen business relationships, think beyond traditional partnerships to unlock new opportunities and revenue streams, and tap into a worldwide community of developers to accelerate application innovation and increase market share on a global scale.

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Business Ecosystems is the second of three App Innovation pillars. Ready to learn more about how these pillars fuel application innovation – and how your organization can, too? Visit the [Fueling App Innovation page](#) to discover how you can take your own applications further, faster, with APIs.

