

The Telco API Comes of Age: New Models For Voice and Telephony Mashups

In January 2007, Opus Research's annual "what to expect" advisory included a section called "Make Way for Mashups" in which we described opportunities to bring together content, information and status indicators from a variety of sources to deliver utility and novelty to phone users. We also said, "the most successful market participants are those that create revenue opportunities for their technology and marketing partners." In this report, we revisit those observations and make more detailed observations surrounding what APIs and related resources serve the developer community well while building a multi-billion business.

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Key Findings

Application Programming Interfaces (APIs) are key to Recombinant Communications. They make it possible for developers to build new solutions from existing Web services. As the growing ranks of developers become more sophisticated (aka "needy"), API aggregators have adapted by adding more documentation, community support, sample code and marketplaces with links to revenue-generating resources:

- **Key to Recombinant Communications** – API's have morphed from conduits between Web service hosts to the software (code), documentation, terms and conditions that enable third-party developers to "mashup" content, features and applications from another party's Web site (E.g. eBay, Google Maps or Facebook)
- **And for a multi-billion dollar set of opportunities** – The telephony API will be key to speech processing and telephony functions to mobile apps and self-service workflows
- **API aggregators play much broader role** – The original companies in this category include: Mashery, Programmable Web, Engine Yard and others bring together. In addition to managed APIs they added community forums, code sharing, contests, "hack-a-thons", job listings to foster creativity, productivity and (perhaps) quality
- **So do developer platforms** – Competition is heating up among "cross-platform" development environments, exemplified by Appcelerator and NetBiscuits, as they add tools to simplify Web services development and a clearer path to monetization sites (meaning App marketplaces)
- **Role of Telcos is an open question** – Network operators are in the unique position of having APIs that "expose" important factors (like subscriber location) as well as links to a billing system and relationship, but that has not consistently placed them in the critical path between app providers and customers.
- **Developers benefit from "all that came before"** – There's a multiplier effect as popular Web sites (and even enterprise IT departments) publish API's to define how other Web-based services can access and use their content and resources.
- **A splendid time is guaranteed for all** – API aggregators, including telcos, have stepped up to the larger role of resource management, community building and promotion that is more characteristic of the publishing industry – sort of like social directors at developer camps.

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