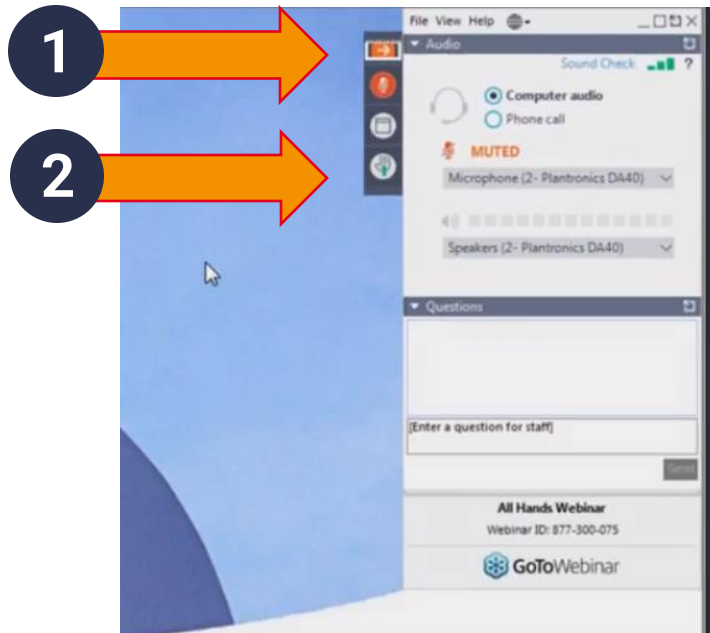


Network APIs: A new revenue opportunity for telcos

What are network APIs and how to commercialise them?

15 June 2023

GoToWebinar



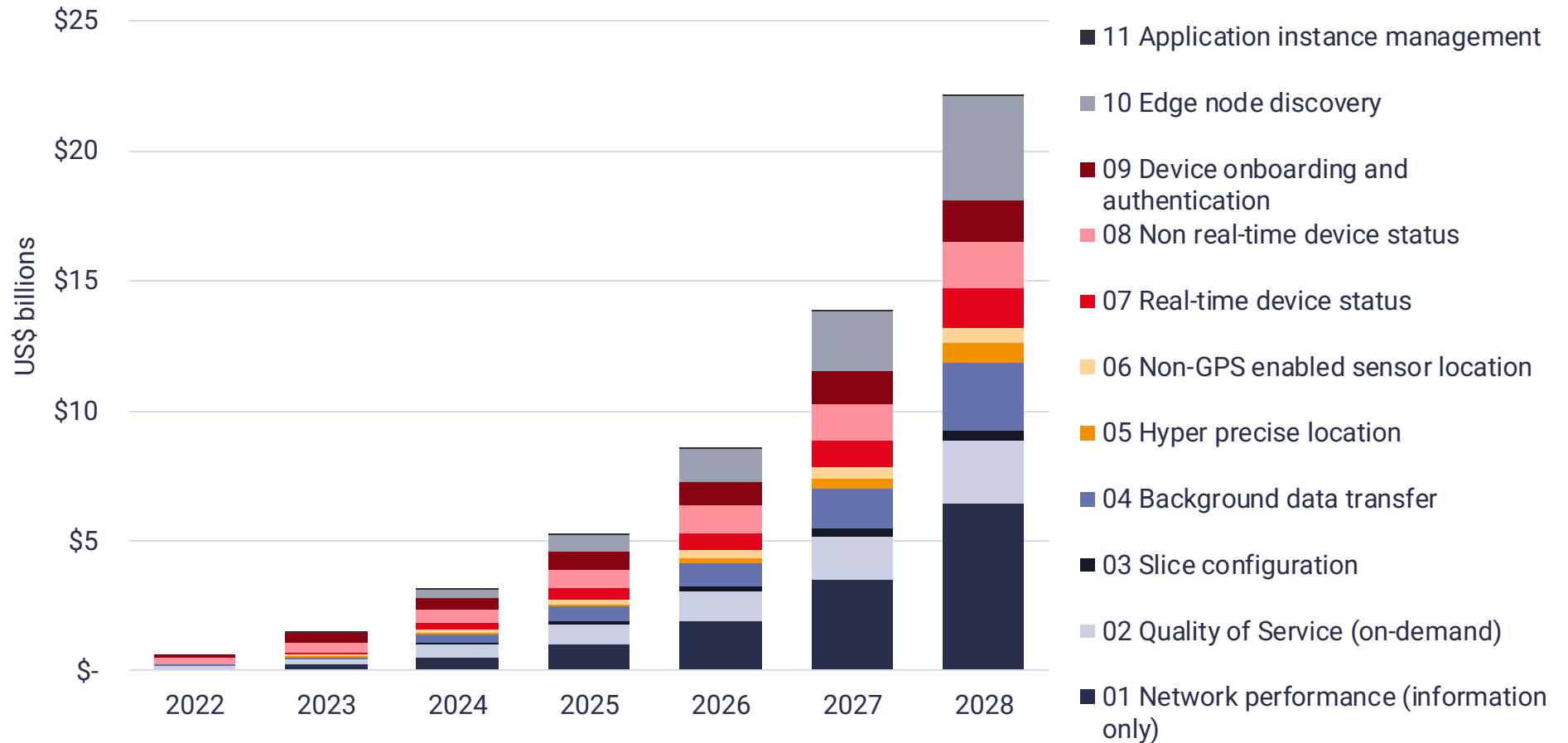
- You're in listen only mode
- If you need us, please type a comment
- Feel free to type questions throughout the session for Q&A – if your question isn't addressed in the panel discussion, you will receive a Q&A document in our follow-up
- We'll send you the slides and a recording shortly after the session - do share with colleagues
- On Twitter? Tweet us @STLPartners
- To know more check our telco cloud hub: <https://stlpartners.com/telcocloud/>

Agenda

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| 1 | Intro to network APIs | Tim Otto |
| 2 | The long term telecoms vision | Amy Cameron |
| 3 | Panel discussion | All |

The market for all mobile network APIs (including MEC) will be US\$22 billion by 2028

Global mobile network API revenue opportunity





By 2028, this will represent **2.3%** of predicted mobile services revenue

MEC-specific API revenue will equal **24%** of forecast edge connectivity revenues in 2028

However, developers have mixed views on the current value of network APIs...

Examples

 BOSCH Hybrid V2X connectivity control unit can select the most stable connection	 samsara IoT devices that can identify and connect to the strongest network
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Some developers see value in the programmability of 5G networks...

But some are yet to be convinced for a variety of reasons:

Still trying to **understand the value** of 5G

...as a means of **competitive differentiation**

Happy with "best effort" connectivity and do not want to invest in 5G yet

...as an enabler for **new and upcoming services**

Still see 5G as "just a faster pipe"

We spoke to 24 developers

70% see value in 5G generally

50% see value in network APIs

17%
Would pay for these

17%
depends on the model

17%
Not willing to pay

The sweet spot for 5G and MEC APIs are public MEC use cases that require both real-time insights and response

1 Focus on PN and on-prem edge

- For more local, mission-critical use cases that need real-time analysis, this tends to be a stronger play for private networks or fixed connectivity (e.g. ethernet), and on-premise edge compute or traditional local compute.
- This diminishes the need and value for 5G and MEC APIs.

Real time

3 Sweet spot for 5G/MEC APIs

- Typically involves use cases that require ubiquity (in coverage of the network and/or edge locations) and flexibility in where the application workloads are run
- 5G and MEC APIs are seen as much more valuable to enable these kinds of use cases – to provide greater certainty, consistency in customer experience
- These APIs are even more critical for apps that are more ‘dynamic’, i.e. need to respond in real-time to changing conditions.

Wide area

2 Best efforts is good enough, more network awareness is just a nice to have

- Given latency is not an issue for real-time insight, data processing often happens in the cloud, rather than needing it at the edge.
- Many applications that fall into this category tend to have found ways to work around potential connectivity issues (e.g. making other types of inferences) so that any issues don't impact application performance.

Non-real time



Cloud gaming: Need for consistency in multi-player gaming experiences



Video analytics: Need to support legacy CCTV infrastructure to offload compute



Video distribution: Need to place workloads closest to different users

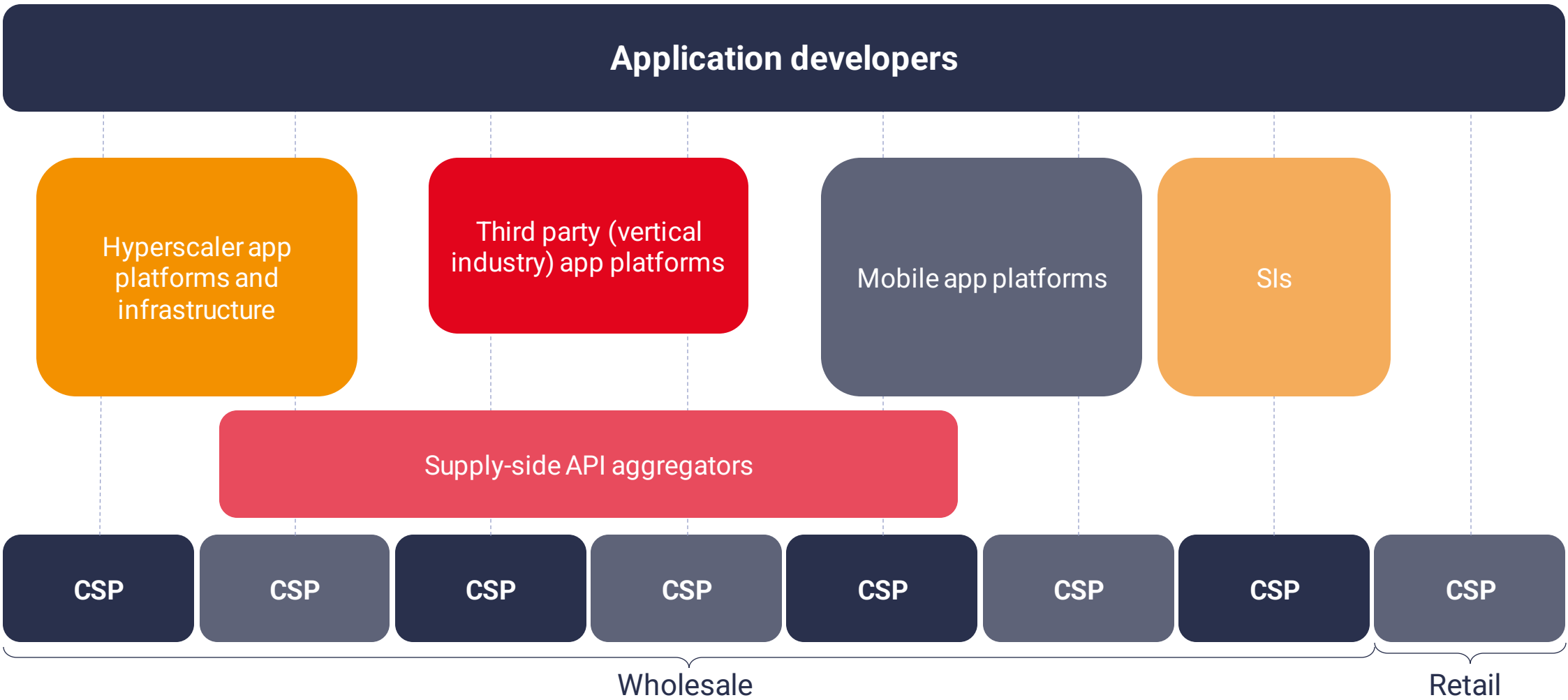


Drone navigation: Need to support multiple levels of compute and locations



Immersive experiences: Need to be able to support low latency apps

CSPs will need to develop a multi-channel GTM strategy to maximise the revenue opportunity for NaaS and MEC

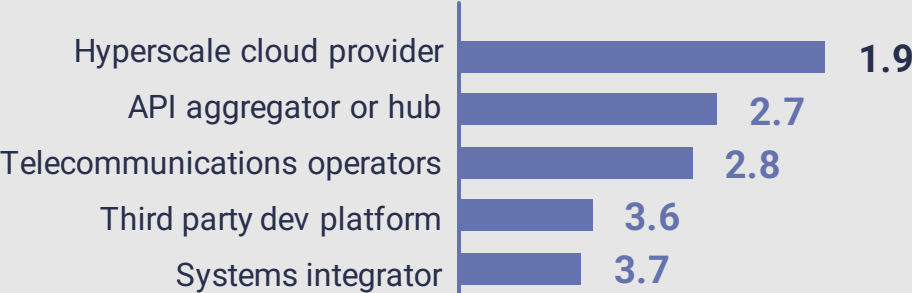


The hyperscalers are seen as the strongest demand-side distribution channel by developers

Application developers

For the developer community as a whole, rank which partners you think will be the most important in providing connectivity APIs?

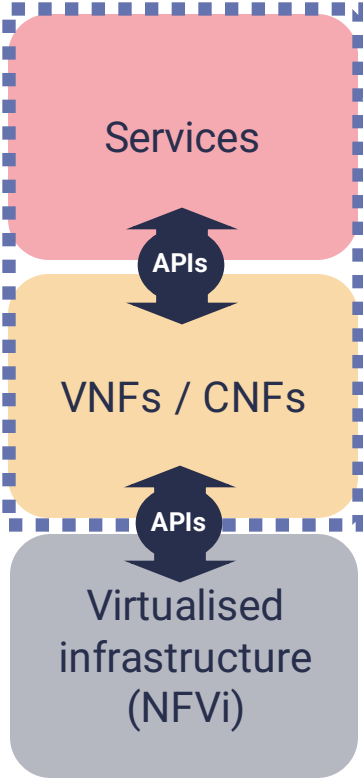
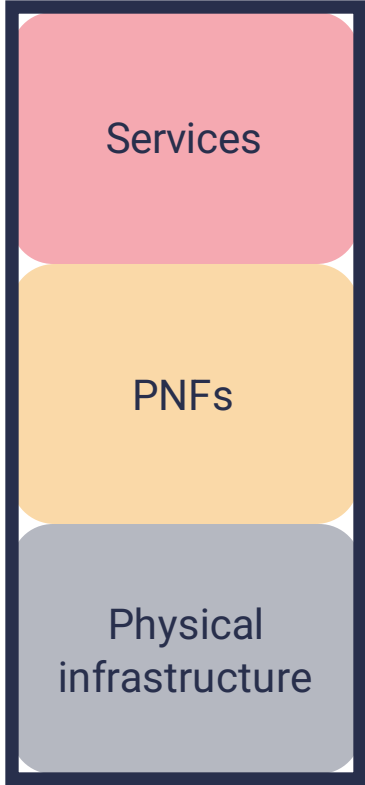
Average score (1 is most, 5 is least)



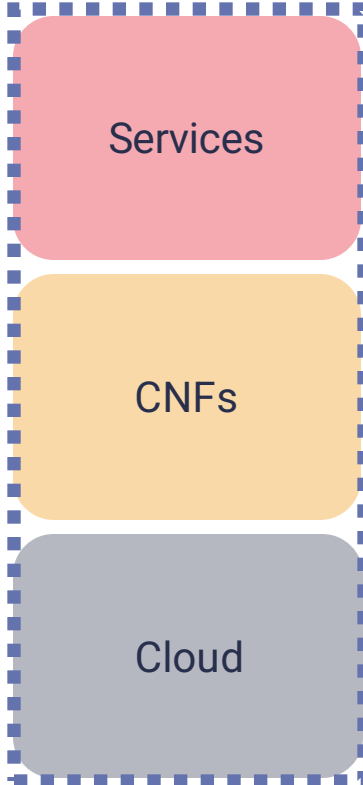
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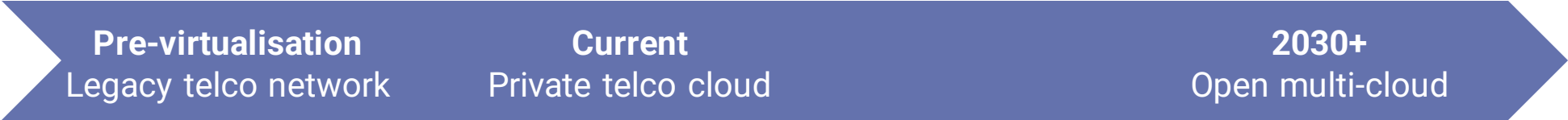
NaaS: From programmable networks to network-as-an-app



NaaS 1.0: Telco walled garden
 App developers, edge compute providers, enterprises, etc. can access the telco's existing deployed NFs and cloud platform to deliver network services customised around needs of the application

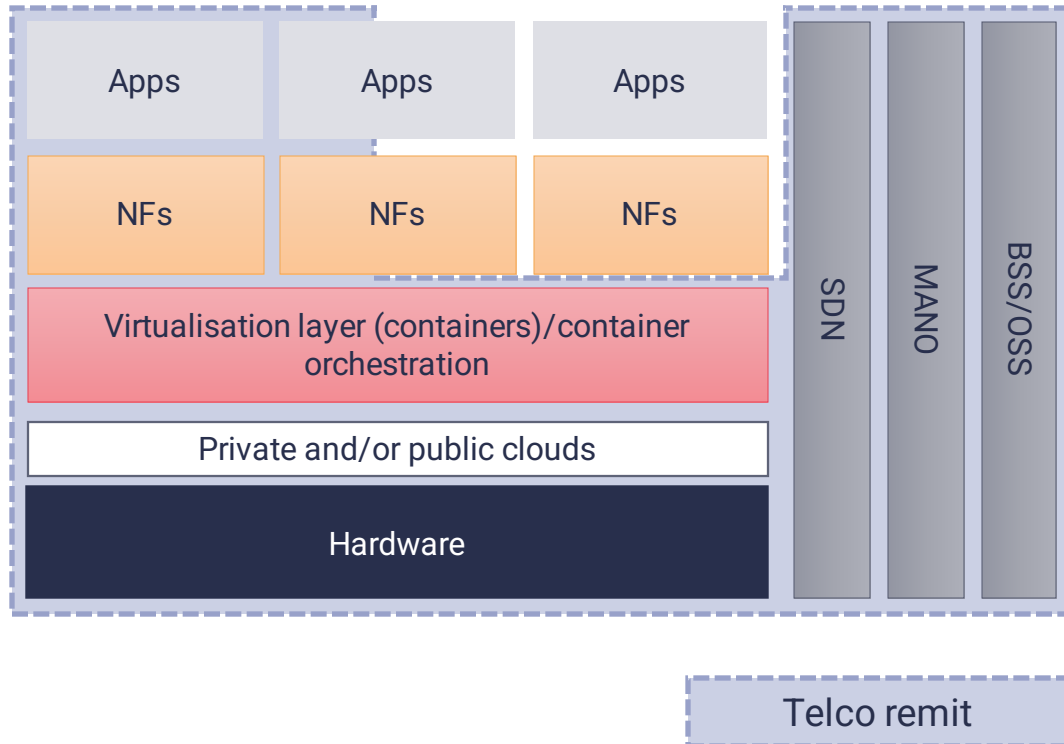


NaaS 2.0: Networking Wild West
 Any player can create, consume or deliver on-demand/ as-a-service any part(s) of the stack, and offer it/them directly to customers (B2x) or to other players in the value chain (B2B2x)

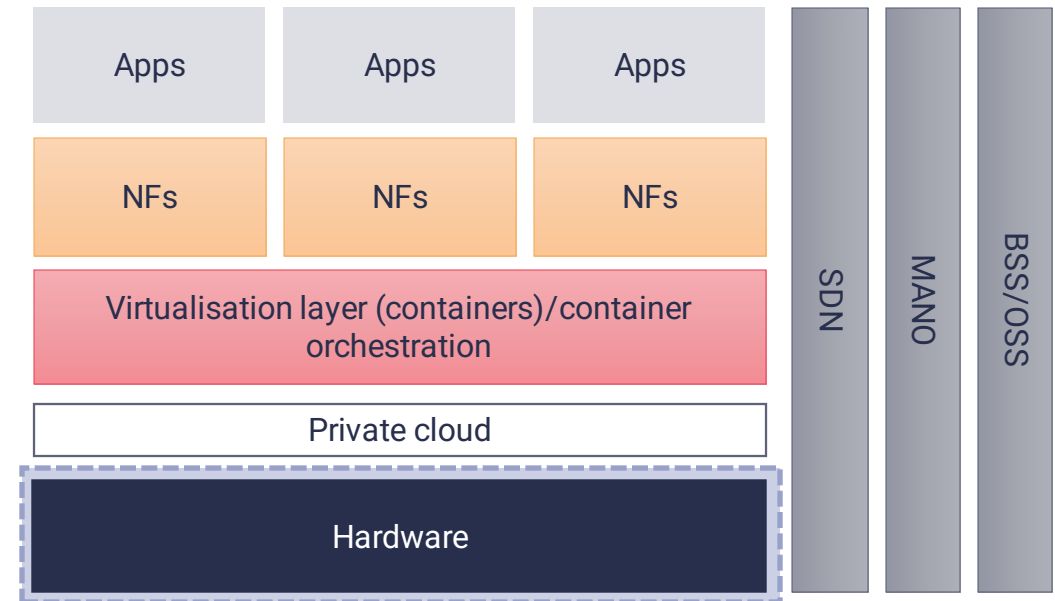


Telcos' investments into telco cloud & software skills over next 2-5 years will determine their long term opportunities

Become co-creators of high value applications that are enabled by highly programmable and automated networks...



... or provide underlying physical infrastructure to third-parties



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