Deutsche Telekom's deal with Vonage for network APIs leaves many questions unanswered

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Ben Taylor

Deutsche Telekom has announced that it will sell Camara network APIs through its new communication-platform-as-a-service (CPaaS) store, powered by Vonage. The deal, announced in September 2023, is not exclusive; Deutsche Telekom could sell Camara or other APIs through other suppliers.

The Deutsche Telekom and Vonage deal is important because it marks the first commercial agreement between an operator and Vonage to sell network APIs. Demand from developers will be watched closely. Dish and Nokia announced their Network as Code platform on 26 September 2023, making Camara network APIs commercially available on Dish's network. We are expecting other operators to sign similar deals soon.

Deutsche Telekom launched three network APIs powered by Vonage, with more to be released in 2024

Deutsche Telekom will use Vonage's CPaaS software branded as MagnetaBusiness Powered by Vonage. The software's front end appears to be identical to Vonage's platform, but Deutsche Telekom can offer unique APIs to its customers.

Customers will also have access to the templates and code that Vonage provides. Before the deal, Deutsche Telekom did not have a CPaaS offer, and Vonage had a modest customer base in Germany, but the Deutsche Telekom partnership will enable Vonage to reach a wider market in Germany. However, the deal is not exclusive; Deutsche Telekom could partner with other CPaaS providers or aggregators or could build its own CPaaS offer.

On 20 September 2023, three Camara Project network APIs were commercially launched on Deutsche Telekom's CPaaS (Powered by Vonage) store; these are the first commercially available network APIs in the world. Deutsche Telekom is expected to launch more network APIs in 2024. The three that are currently available are as follows (Figure 1).

Figure 1: Network APIs offered by Deutsche Telekom and notable features, October 2023

Name	Notable features
Quality on Demand	• Enables the API customer to set technical aspects of the network, such as jitter and latency. • On launch, one target market is German TV broadcasters. • Demonstration prices at the Digital X event in Cologne on 20 September 2023 were EUR50 per 15 minutes or EUR600 per 3 hours for live broadcasting solutions.
Device Location	• Shows whether a mobile phone is within the radius of a specific location. • It is expected to be used as part of a silent verification process (for example, fraud prevention).
Device Status	• Informs the API customer whether a person's mobile phone is on or off.

Name	Notable features
	• It is also expected to be part of a silent verification process (for example, for fraud prevention).

<div align="right">Source: Analysys Mason</div>

Orange is testing seven network APIs on its developer site, including the three that Deutsche Telekom has brought to market commercially. The additional APIs launched by Orange are as follows.

- **One-time Password,** which enables security verification.
- **SIM Swap** to combat fraud.
- **Number Verification** as a form of silent authentication.
- **Carrier Billing** to enable the purchase of digital content on mobile phones via the operators.

APIs with the same functions with a different back end already exist, but the Camara version is under development. Orange has two further Camara APIs "under development, coming soon", which are **Edge Cloud Management** and **Edge Cloud Exposure&Experience**.

The Deutsche Telekom and Vonage deal leaves several commercial questions unanswered

The Camara framework has not standardised pricing. Deutsche Telekom sets the prices for the network APIs that it sells; other operators (for example, Orange) will set the prices of its commercial network APIs.

The Quality on Demand API will initially be sold as a managed service, which must be booked in advance. However, when released to developers, operators must ensure the network does not overload when in high demand. One solution is a variable pricing strategy during peak usage. Operators could set a minimum price for off-peak use (for example, EUR50 per 15 minutes), but API customers could opt in to compete in bidding for prioritised network access during peak demand times, setting an upper limit for how much they are willing to spend to access the network API. This model would further diverge from static pricing towards dynamic pricing for operators.

Deutsche Telekom will initially pursue an end-to-end (E2E) go-to-market strategy, with the pricing aligned with the currently existing alternative solutions. However, for scale, although some E2E-managed services may remain, API will be developed and sold through third parties.

Camara's network APIs initially will not enable new use cases but are intended to provide a simpler and more reliable service than is currently offered. For example, live TV broadcasters typically use satellite connectivity, which requires a satellite dish and support vehicles. RTL Media in Germany switched to Deutsche Telekom's 5G Live Video Production service in September 2023, leveraging the Quality on Demand API (and 5G network slicing); this deal was the first to benefit from Deutsche Telekom's partnership with Vonage.[1]

Access to an API that solely functions on Deutsche Telekom's network is of limited use to developers (or customers). Use cases exist – for example, live TV broadcasting. However, fraud detection will be more

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[1]   For more details on 5G slicing, see Analysys Mason's *Public 5G enterprise services: operator case studies and analysis*.

valuable when available on multiple networks. Deutsche Telekom does not intend to be the only operator offering network APIs; it expects other operators to follow its example and launch their own network APIs.

The commercial decisions made by Deutsche Telekom and the impact on demand will be watched closely by the other network API stakeholders.