

Emerging Technologies: Digital Solutions to Enable Ecosystems and Marketplaces

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Initiatives: [Emerging Technologies and Trends Impact on Products and Services](#)

Ecosystems can increase revenue and retention, but deriving this value from them takes considerable investment. Product leaders can improve ecosystems' time to value and success by buying, not building, solutions that provide the necessary infrastructure and enforce best practices.

Overview

Key Findings

- Ecosystems come in several forms with different capabilities to implement them successfully. Technology providers offer digital solutions that provide these capabilities.
- For ecosystem orchestrators, partners can serve as resellers, service providers, business consultants or product developers. The roles that dominate affect the requirements for ecosystem management software.
- Partners who develop products based on an ecosystem orchestrator's APIs can go to market on their own or as a participant of the ecosystem. These differences also affect the requirements for ecosystem management.

Recommendations

Product leaders capitalizing on ecosystem value should:

- Reduce their ecosystem's time to value and increase its effectiveness by investing in an ecosystem management solution best suited to their ecosystem type instead of building a completely custom solution.
- Identify the best-suited ecosystem management components by determining whether partners predominantly will act as resellers, service providers or application providers.
- Identify the best-suited ecosystem management solution by determining whether the orchestrator intends to sell these applications through a marketplace, If partners produce applications based on the ecosystem orchestrator's APIs.

Analysis

As an indication of the importance of ecosystem, in the Gartner Technology and Service Provider 2025 Survey, 46% of surveyed technology providers have created their own ecosystem, and 46% participate in another provider's ecosystem (see Note 1). Ecosystems are often described as a "flywheel" in that the faster it spins, the less energy it takes to keep it spinning. However, starting the ecosystem flywheel spinning requires significant time and money since the ecosystem orchestrator must take a number of steps to ensure success (see [Emerging Technologies: Partner Ecosystems: Look Before You Leap](#)). Partners must be identified, recruited, supported and retained (see [3 Steps to Achieve Your Ecosystem Goals Through Proactive Partner Identification and Targeting Methods](#)). Product offerings must be published, governed and presented to customers.

With all of these steps to take, time in particular can jeopardize the successful implementation of this business model. As a result, product leaders cannot afford to spend the months and money just to create the infrastructure needed to begin the ecosystem-building process.

The good news is that digital solutions do exist to make it easier to deploy ecosystem infrastructure and manage participant relationships. The bad news is that these solutions do not neatly fit into a single category in which to evaluate and compare the providers.

Are All Digital Solutions for Ecosystems the Same?

In the role of ecosystem orchestrator, the digital ecosystem solution in which you need to invest will depend on the type of ecosystem you desire. What you offer and whether your customers and partners will buy that offering through a marketplace or another route to market also affect the requirements for the solution (see Figure 1).

Figure 1: What Is the Focus of Your Ecosystem?

What Is the Focus of Your Ecosystem?



Source: Gartner
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- In a platform ecosystem, an ecosystem orchestrator enables partners to offer applications that complement its own capabilities. These ecosystems rely on APIs to integrate partner applications with the orchestrator's platform, but the orchestrator focuses on monetizing the platform rather than on monetizing the APIs. The orchestrator typically provides an application marketplace that enables customers to discover and buy partner solutions. Examples include Salesforce AppExchange, Sage Business Cloud Marketplace, SAP App Center and Microsoft AppSource.
- API marketplaces, by comparison, revolve around the offering of APIs as products. This model applies to API-centric SaaS (see [Accelerate Digital Transformation With an API-Centric \(Headless\) Architecture for Enterprise Applications](#)), but it also applies to technology providers that increasingly must offer programming interfaces in addition to their user interfaces (see [Emerging Technology Analysis: Productize APIs to Increase Product Value, Adoption and Innovation](#)). API management solutions can provide simple API marketplaces, but some technology and service providers can elevate the user experience and commerce capabilities. API marketplaces can serve both internal customers and external pay-for-use customers. Ideally, the API marketplace allows partners to provide, not just consume, APIs. Examples of API marketplaces that include APIs from multiple providers include RapidAPI and ProgrammableWeb.
- Many application providers rely on partners to promote and sell their application and to deliver professional services around it. Partner relationship management (PRM) solutions support marketing and sales efforts between the application provider and its partners, but these solutions are evolving to better support partner ecosystems, which emphasize collaboration among partners and improved engagement. For PRM solutions, see [Market Guide for Partner Relationship Management Applications](#) and [Toolkit: Choosing the Right Partner Relationship Management Vendor](#) to better understand the market space and which solutions best fit your needs.
- Some companies want to sell physical goods and services instead of applications or APIs. Solutions to create enterprise marketplaces work with digital commerce solutions, but they typically cannot meet the needs of application marketplaces such as software entitlements and crediting partners. Enterprise marketplaces are outside of the scope of this document, but see [Create Enterprise Marketplaces to Accelerate Digital Business](#) for details on the features they have and who provides them.

Table 1 summarizes the focus of digital solutions, when to use them, what they need to do to help implement the associated ecosystem and some sample solution providers.

Table 1: Ecosystem Use Cases and Representative ProvidersViewing partial table. [Click here to view full table](#)

<i>Solution Focus</i>	<i>When Do You Use This?</i>	<i>Required Capabilities</i>	<i>Representative Solution Providers</i>
Platform ecosystems	To provide partner applications that add to the ecosystem orchestrator's capabilities, improve retention and increase revenue	■ Application marketplace to discover and buy partner applications ■ Pricing/billing/invoicing ■ Partner relationship life cycle management ■ Partner application governance	AppDirect, BearingPoint//Beyond, Constellant, OpenChannel
API marketplaces	To offer APIs with which customers, partners or internal developers can build applications, ideally including APIs provided by partners	■ API developer portal ■ API life cycle management ■ API usage policies (e.g., rate limits) ■ API monetization	RapidAPI, MuleSoft Anypoint API Community Manager, Constellant

Source: Gartner (March 2021)

Platform Ecosystems Increase the Value of Your Product

Platform ecosystems can benefit from a marketplace that is run by the ecosystem orchestrator and populated by participating partners who build applications that add value to the ecosystem orchestrator's offering. Platform ecosystems can address economic uncertainty and the fear of competitors by delivering the following benefits that improve the orchestrator's key performance indicators (KPIs) (see [Drive Subscription Success With 3 KPIs](#)):

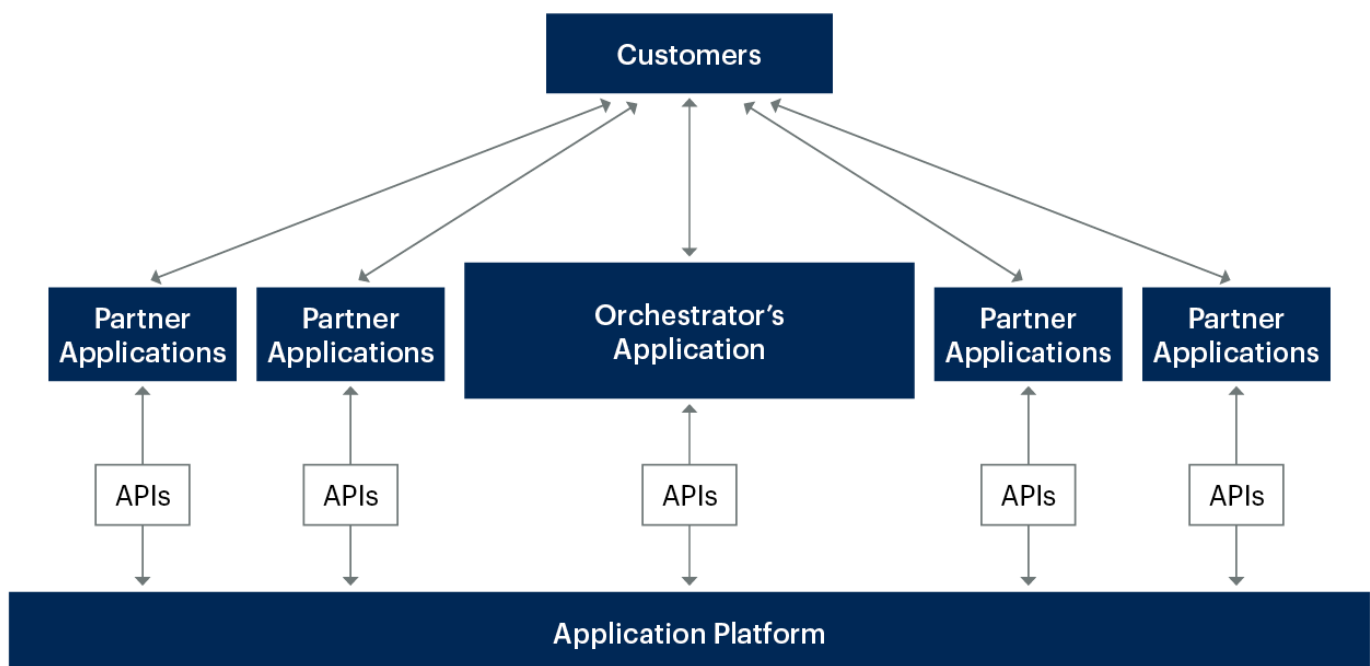
- **Lifetime value (LTV)** by supplying a new, recurring source of revenue from the sale of partners' applications
- **Retention** by ensuring greater customer stickiness through a larger application footprint and investment

- **Customer acquisition cost (CAC)** by delivering a more complete solution, thus improving competitive positioning
- **Innovation** in different areas of expertise by fostering a competitive environment among partners
- **Insight** into customer needs and market trends by monitoring interest and buying behaviors in the marketplace
- **Providing** industry-specific solutions to increase the platforms use across multiple markets

In this type of ecosystem, the orchestrator typically implements a marketplace that enables customers to discover what the partners have to offer, and the provider may take a percentage of the revenue in the process (see Figure 2). For example, Vodafone, a mobile phone carrier, generates significant revenue and strengthens customer relationships by selling office productivity and security software via a marketplace.

Figure 2: What Does a Platform Ecosystem Look Like?

What Does a Platform Ecosystem Look Like?



Source: Gartner
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Representative Solutions and Capabilities

AppDirect

- Ability to start simple — Scale from a simple referral marketplace to complex multichannel enterprise scenarios.

- Use IT systems — Integrate easily with existing systems (CRM, CPQ, billing and ERP) to gain efficiency and value.
- Use a prebuilt developer portal — White-label AppDirect's Developer Center and Network Catalog with prebuilt integrations with thousands of existing SaaS and IaaS applications.

BearingPoint//Beyond

- Automation and orchestration — A single platform for complex sell, fulfill and monetization processes of internal and external partners
- Advanced digital experiences — Self-service capabilities for end customers, partners and product managers
- Supports four key ecosystem strategies — Joint offerings with customers (B2B2X), joint offerings with partners, selling solutions across lines of business, and selling through channel partnerships

Constellant

- Ecosystem management as a service — Manages the life cycle of the ecosystem, including identification, recruitment, showcasing and retention
- Managed ecosystem management as a service — Serves as an extension of a customer's team for strategy, assessment, administration and support
- Supports multiple ecosystem types — Single platform for multiple, related ecosystems — developer ecosystem, partner ecosystems and customer-facing marketplaces

OpenChannel

- Headless access — Allows a company to build its own experience via APIs, including open-source UI templates, or use a fully hosted app store
- Tiered pricing — Offers a no-cost level; costs grow based on the number of apps managed and added capabilities
- Dashboards — Owners can set up and configure all marketplace settings; review, approve or reject submissions; view usage analytics; developers can submit apps, view submission status and performance metrics

Recommended Actions

- Treat the ecosystem as a product by prioritizing investments such as a marketplace, a partner community, APIs, software development kits and training materials.

- Attract and retain partners by investing in recruiting, promoting, certifying and curating ecosystem participants.
- Communicate increased product value by marketing to customers the completeness of solution and innovation that the ecosystem offers.

API Marketplaces Present APIs as Products

Technology providers are expected to deliver APIs to their customers, whether they are API-centric SaaS (i.e., an application that may offer only APIs) or a traditional application that must add APIs to support customers' integration and application development needs. Either way, the provider must treat the APIs as a product or set of products in terms of roadmap, enablement, support and monetization (see [Choose the Right API Monetization and Pricing Model](#)).

API marketplaces provide a site from which to discover, try and buy API products. They can serve external or internal customers who might use the APIs to integrate with other applications, or partners, who might use the APIs to create applications that they will sell. However, an API marketplace also can serve internal consumers who use the APIs to build internal applications or products. API marketplaces may offer APIs created by a single provider organization or from multiple providers.

The composable business, in which customers build custom user experiences using capabilities offered by technology providers, is built on APIs (see [Use Gartner's Reference Model to Deliver Intelligent Composable Business Applications](#)). To support this model, product leaders must deliver packaged business capabilities, typically as a set of APIs, and this requires an API marketplace to expose those capabilities and allow customers to purchase them (see Figure 3).

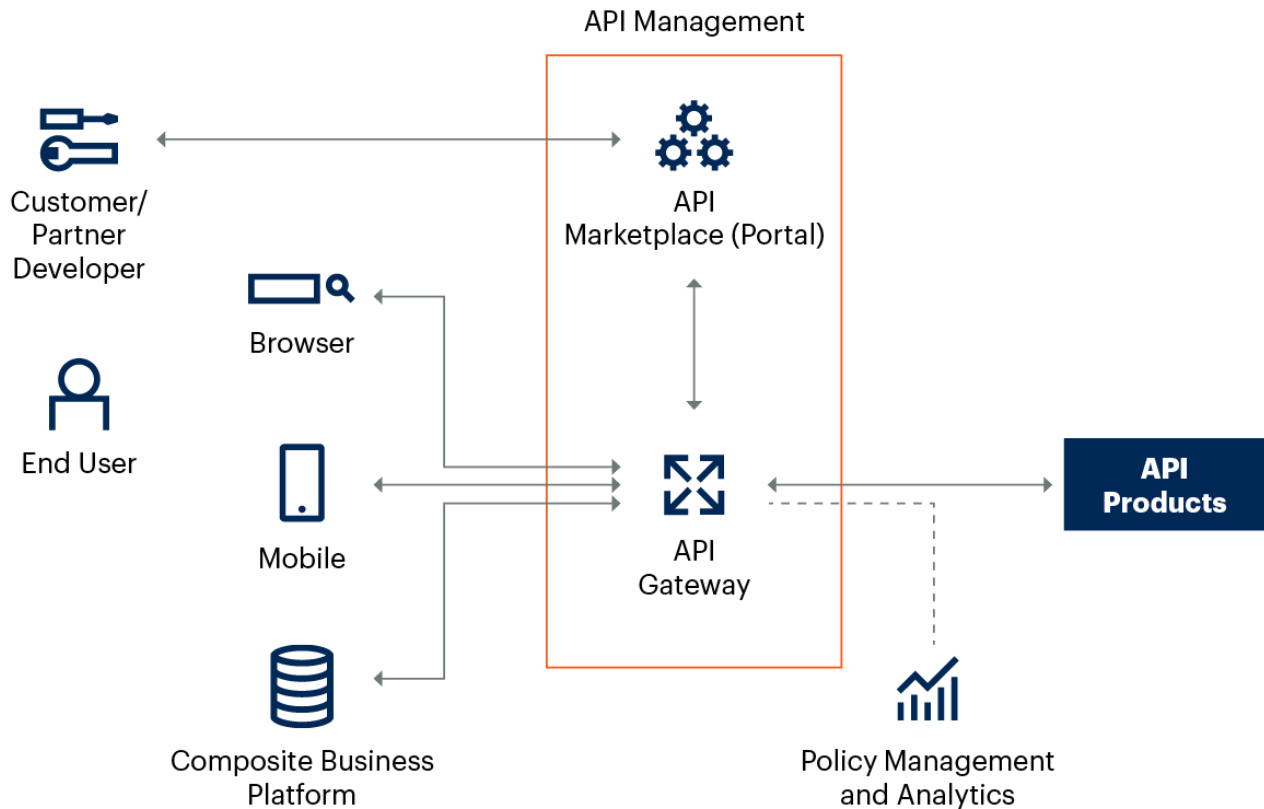
API management solutions offer many of the features needed to implement an API marketplace (see [Critical Capabilities for Full Life Cycle API Management](#)). An API marketplace should provide the following capabilities:

- API catalog — to capture APIs implemented by different development teams or providers
- Developer portal — to display the available APIs and their interfaces (see [Create API Portals That Drive API Adoption Among Internal and External Developer Communities](#))
- Governance — to manage API publishing and versioning
- Usage policies — to specify who can access which APIs and limit the number and frequency of calls to which consumers are entitled
- Analysis — to gain insight into which APIs customers call, performance statistics and relevant KPIs (see [How to Use KPIs to Measure the Business Value of APIs](#))
- Search and discovery of APIs

- Monetization, including pricing plans and billing

Figure 3: API Management Solutions Can Provide an API Marketplace

API Management Solutions Can Provide an API Marketplace



Source: Gartner
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Some technology and service providers (TSPs) build on the capabilities of API management solutions to provide a richer API marketplace. For example, companies like Pronovix and Constellant will build custom developer portals that provide a more productive interface than the out-of-the-box experience for API management portals. These custom portals may better integrate with billing and enablement systems, but they require additional cost, development effort and maintenance by the organization providing the API marketplace.

Representative Solutions and Capabilities

RapidAPI

- API hub — Provides a centralized white-labeled marketplace to discover, manage, connect to and govern APIs internally across the organization or as an external marketplace; supports monetization through pricing plans, billing and subscriptions

- Design and testing — Enables the design of API specs and automated testing of APIs that get published to the API hub/marketplace
- API gateway integration — Works with and federates multiple gateways or provides its own gateway capability

MuleSoft Anypoint API Community Manager

- Developer portal — Enables self-service by API consumers: discovery and test
- Usage and payment policies — Limits calls per unit time; integrates with CPQ, specifies subscription billing, pay-per-use and usage tiers
- Developer community — Offers forums, metrics and case management

Recommended Actions

- Create APIs for customers and partners by identifying product capabilities to which they need programmatic access.
- Treat these APIs as a product by assigning a product manager with a focus on roadmap, pricing, developer experience and support (see [The Evolving Role of the API Product Manager in Digital Product Management](#)).
- Ensure a high-quality developer experience by delivering an API marketplace that makes it easy to discover and consume your APIs.

Partner Ecosystems Enable Customers to Gain Greater Business Value

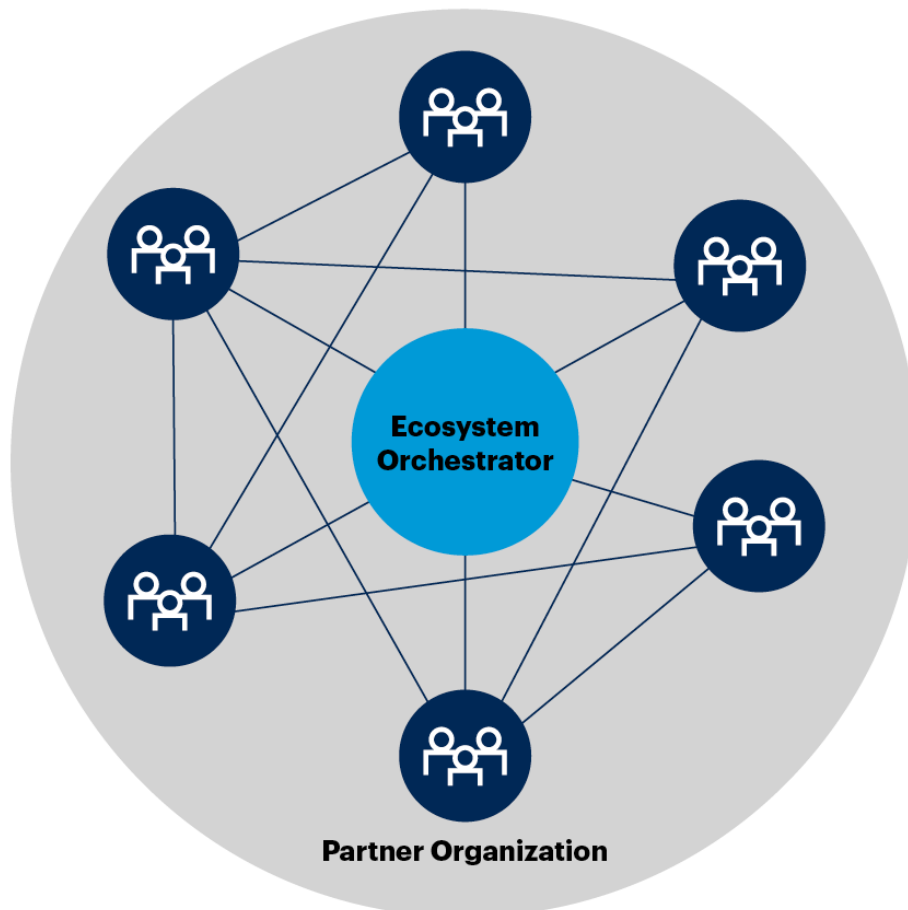
Selling digital business solutions is proving time-consuming, complex and rarely successful using traditional indirect channel models. As a result, traditional models don't scale well in this situation. Product leaders need to take a more disruptive approach to partner program design to sell digital business solutions. Disruption is created by developing an agile approach to partnerships instead of using the formulaic approach in traditional partner engagement. Instead of hub-and-spoke relationships with partners, ecosystem orchestrators can benefit from partner-to-partner collaborations to deliver greater value to customers.

PRM solutions typically include a partner portal and database that covers customers' and partners' enablement. The most common use cases for PRM products are for distributor/reseller, dealership, franchise management, financial services and supply chain management. PRM applications support the alignment of a producing organization (an organization that produces a physical or nonphysical product) and its sales partner(s) in joint go-to-market strategies. PRMs come with many prepacked applications to support the management of resell partners.

However, a partner ecosystem represents a more evolved set of relationships among partners, providers and customers. Not only can a partner ecosystem enable customers to find partners that can help them get more value from an enterprise application, but a partner ecosystem also enables partners to find other partners with whom they can collaborate to create and deliver customer solutions. This differs sharply from the typical PRM solution's purpose of managing its reseller partners one by one. The resulting hub-and-spoke approach assumes that reseller partners are assigned to different territories, thereby eliminating the need for partners to cooperate with each other (see Figure 4). Moreover, with these relationships, the orchestrator might not want partners to see each other for fear that they would compare market development funds, deals and territories.

Figure 4: Partner Ecosystems Enable Collaboration Among Partners

Partner Ecosystems Enable Collaboration and Sharing of Opportunities Among Partners



Source: Gartner
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Representative Solutions and Capabilities

WorkSpan

- "Peer partners" — Enables collaboration among partners to create packaged solutions

- Selective sharing — Each partner owns its data and shares selectively to collaborate
- One network — Sell with partners, build with partners, and discover partners

Webinfinity

- Experience automation — Streamlines access to systems and tools by creating a unique portal experience based on the specific profile of the user
- Targeted communication — Delivers calls to action based on partner/user profile
- Best-of-breed integration — Instead of requiring a single vendor's solution or custom integration, partners with leading software companies; for example, for CRM, pipeline management or collaboration tools

Recommended Actions

- Optimize your partners' engagement and collaboration opportunities and success by selecting a digital solution that supports partner ecosystems that may provide support beyond the traditional PRM solutions.
- Support your resell partners through partner ecosystems to develop enhanced features and services from which customers can benefit.

Note 1: Gartner's TSP 2025 Study

This study was conducted to understand big step changes that the TSP business is starting to go through and help gauge what will be the future of TSP. Results will be used to help TSP clients understand how their peers view the future and what actions they are taking to prepare.

The research was conducted online from October 2020 through December 2020 among 260 respondents from North America (57%), Europe (20%) and APAC (23%) across all technology and service provider verticals. Of this, 40 respondents were from end-user industries which also sell technology products and services.

Respondents were required to be in product leader roles and have associated responsibilities with respect to the portfolio of technology and service products of the organization.

The study was developed collaboratively by Gartner analysts and the Research Data and Analytics team. Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

Recommended by the Authors

[Market Guide for Partner Relationship Management Applications](#)

[Toolkit: Choosing the Right Partner Relationship Management Vendor](#)

[The Global Recession Will Accelerate the Need to Reimagine Partner Programs](#)

[Create Enterprise Marketplaces to Accelerate Digital Business](#)

[How to Derive Value From APIs Using API Marketplaces](#)

[11 Imperatives When Building an Enterprise Marketplace](#)

[Navigating Online Marketplaces: Executive-Level Guide](#)

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