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Magic Quadrant for API Management

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APIs provide the foundation for digital transformation, modernization and digital business ecosystems. However, widespread use of APIs introduce management and governance challenges. Here, we assess 17 API management vendors to help software engineering leaders select the most-suitable vendor.

Market Definition/Description

Gartner defines the application programming interface (API) management market as the market for software to manage, govern and secure APIs.

Organizations use APIs to modernize their architectures; APIs provide access to systems, services, partners and data services. API management software enables organizations to plan, deploy, secure, operate, version control and retire APIs, regardless of their size, region or industry.

Mandatory Features

- **API portal:** Provides a self-service interface for API consumers to discover and try APIs. An API catalog is necessary for registration of APIs.
- **API gateway:** Provides, or integrates with, gateways for runtime management, security, policy enforcement, throttling, operational control and usage monitoring for APIs.
- **Policy management:** Provides style enforcement, API mediation, usage limits, throttling and security configurations.

- **Governance:** Manages API versions, access control, publication and operation.

Common Features

- **API design:** These capabilities deliver a meaningful developer experience and tools to design APIs, and to enable API usage for existing systems.
- **API testing:** Provides a range of testing capabilities, from basic mock testing to advanced functional, performance and security testing of APIs.
- **Monitoring and analytics:** Ability to produce, collect and report operational metrics and meaningful statistics for API consumption.
- **Security:** Ability to protect APIs from malicious activity; enforce identity and access management rules; enforce design time and operational security.
- **Gateway federation:** The ability to manage multiple instances and form factors of gateways, including third-party API gateways.
- **API mediation:** Features to implement composite services, service mediation, and protocol mapping and translation.
- **Service mesh:** Ability to integrate with or mediate traffic to and from service mesh solutions.
- **Monetization:** The ability to implement pricing models, billing strategies, chargeback methods as well as to commercialize and market API products.
- **AI capabilities:** Aimed at improving developer experience, productivity and operational rigor (generate API specifications, document APIs, obtain usage analytics, optimize traffic, etc.).

Magic Quadrant

Figure 1: Magic Quadrant for API Management

Vendor Strengths and Cautions

Amazon Web Services

Amazon Web Services (AWS) is a Challenger in this Magic Quadrant. It offers the Amazon API Gateway, which is frequently used alongside AWS Lambda and other AWS services. AWS offers two separately priced options for Amazon API Gateway — REST APIs and HTTP APIs — the latter being a less-expensive alternative with limited features. REST APIs provide richer features such

as API keys, usage plans and web application firewall (WAF) support. AWS focuses on the API gateway portion of API management; however, it also provides an open-source, serverless developer portal. AWS's offering can only be deployed as SaaS.

AWS' customers and operations are geographically distributed. Its clients are organizations of all sizes.

Strengths

- **Marketing strategy:** AWS positions Amazon API Gateway as a tool that enables AWS customers to effectively manage APIs. It clearly articulates the benefits for customers who use AWS, including its product's ability to optimize for APIs created in AWS Lambda and integrate with other AWS solutions, such as CloudWatch.
- **Operations:** AWS claims to have processed more than 100 trillion API requests in 2023. AWS' ability to support high-performance environments, including its scalability and availability, exceeds that of other vendors.
- **Pricing:** Amazon API Gateway's pay-as-you-go approach with volume-based discounts provides customers with more flexibility than the tiered pricing models or other forms of committed consumption that some vendors use. This pricing model appeals to customers that favor paying only for the traffic they create.

Cautions

- **Market understanding:** Most organizations need to manage APIs across a range of cloud platforms, but Amazon API Gateway primarily focuses on managing APIs created in other AWS services. Customers with heterogeneous environments may prefer an alternative solution that supports API management across multiple cloud platforms.
- **Innovation:** AWS' API management features show relatively little innovation, compared with other vendors in this Magic Quadrant. Amazon API Gateway lags competing offerings in terms of its API design, testing and portal capabilities, and its improvements primarily focus on the runtime characteristics of the gateway.
- **Product strategy:** AWS relies on third-party solutions for capabilities such as API monetization, API portals and gateway federation, which could complicate enterprises' purchase and implementation of API management solutions. AWS' support of two similar

gateway products — HTTP APIs and REST APIs — can be confusing to some customers, because they are priced separately and have different sets of features.

Axway

Axway is a Leader in this Magic Quadrant. It offers Amplify Platform, which includes Amplify API Management, Amplify Enterprise Marketplace and Amplify Integration. Amplify API Management provides API Gateway, API Portal, API Builder and agents for discovery, subscription, traceability and analytics. Amplify Platform supports APIs deployed across multiple runtimes, including third-party API gateways. It can be deployed on-premises and in private, public and hybrid clouds. It is also available as a SaaS offering.

Axway's operations are mainly in Europe and the Americas. Its clients tend to be midsize and large enterprises.

Strengths

- **Product:** Amplify Platform offers the strongest set of capabilities for distributed API management, enabling users to manage and govern APIs across multiple cloud environments and platforms. It provides functionality for the discovery, subscription, traceability and productization of APIs deployed in third-party API gateways, such as AWS and Microsoft Azure and other vendors in this Magic Quadrant.
- **Customer experience:** Axway complements its API management product capabilities with the expertise of its Catalyst strategy team. Axway's frequent customer engagements help organizations implement and advance their API strategies.
- **Sales execution:** Axway's API management segment returned to profitability and growth in 2023. It is effectively attracting customers by continuing to expand its already-broad product capabilities, especially with its recently introduced Amplify Enterprise Marketplace.

Cautions

- **Marketing execution:** Axway's mind share among software engineers and developers remains limited, compared with some of its competitors. Axway has not effectively expanded awareness of its offering in developer communities because it relies on its existing brand reputation as a vendor focused on managed file transfer and traditional B2B integration.

- **Operations:** Most of Axway's clients are running its product on-premises, despite Axway's ongoing focus on migrating its customers to its SaaS offerings. Prospective customers should evaluate Axway's cloud and hybrid offerings to ensure they align with their cloud strategies.

- **Geographic strategy:** Axway has not yet established a strong presence outside Europe and the Americas in terms of sales, revenue and operations. Customers in other regions should evaluate whether Axway can provide local sales and support for their organizations.

Boomi

Boomi is a Niche Player in this Magic Quadrant. It offers Boomi API Management as part of the Boomi Enterprise Platform, which also includes integration platform as a service (iPaaS), master data management (MDM), workflow, data catalog, event streams and low-code development capabilities. It supports hybrid and multicloud, private cloud and on-premises deployments of its Boomi runtime with cloud-based administration.

Boomi's operations are geographically distributed. Its clients tend to be mostly large and midsize organizations.

In June 2024, Boomi acquired APIIDA's federated API management business, as well as TIBCO Mashery. At the time of this assessment, Boomi was still in the process of integrating these acquisitions into the Boomi Enterprise Platform and their capabilities were not assessed. Organizations considering Boomi should review and assess this integration's progress.

Strengths

- **Sales execution:** Boomi is attracting new customers with short- and long-term free trials and pay-as-you-go pricing for lightweight use. These approaches, along with Boomi's reputation for providing strong integration capabilities, enabled the vendor to grow its revenue for API management at a faster-than-average rate in 2023 (based on Gartner's estimates).

- **Market understanding:** Boomi has a new leadership team that is focused on growth across all markets. Boomi understands its market, and has the ambition and resources to develop or acquire new API management capabilities that can attract new customers.

- **Geographic strategy:** Boomi has a strong global network of partners, and continues to build more partnerships in Europe, the Asia/Pacific (APAC) region and Japan. Some of its larger partners have built ecosystems around Boomi's product, which helps bring new customers onto its platform.

Cautions

- **Business model:** Boomi is quickly reshaping its strategic direction, as evidenced by the acquisitions of APIIDA and Mashery. This shows a commitment to improving Boomi's API management solution; however, Boomi is also focused on developing its integration-focused generative AI (GenAI) capabilities (iPaaS continues to be its core business segment). Prospective customers should monitor the evolution of Boomi's long-term plan to ensure it aligns with their API management needs.

- **Product strategy:** Boomi's recent acquisitions have created uncertainty in its API management product offering until it finalizes the details of its new roadmap. Although the acquisitions can help Boomi expand its API management capabilities, its preacquisition offering is limited in its ability to manage APIs built or used outside of the Boomi Enterprise Platform.

- **Customer experience:** Boomi API Management uses the same SaaS control plane as Boomi Enterprise Platform. The Boomi API Gateway is available as managed cloud, customer managed cloud, private cloud or on-premises. Customers have stated that the software updates lag the rest of the platform.

Google Cloud (Apigee)

Google Cloud (Apigee) is a Leader in this Magic Quadrant. It offers Apigee API Management, a SaaS product on Google Cloud; Apigee Advanced API Security, which is an add-on product with Apigee API Management; Google Cloud API Gateway, a serverless API gateway for managing API calls to Google Cloud; and Google Cloud Endpoints, a distributed API gateway based on Envoy.

Apigee API Management is widely available across Google Cloud regions, including the Americas, Europe, Australia, New Zealand, India and the Middle East. Google also provides a

hybrid deployment option, called Apigee Hybrid, which is a container-based runtime supported on Kubernetes.

Google Cloud's operations are geographically distributed. Its clients include organizations of all sizes.

Strengths

- **Innovation:** Google Cloud has embedded Google Gemini into its Apigee products to provide customers with AI support, leveraging API hub for API design, API discovery, and the identification and definition of API products.
- **Product strategy:** Apigee Advanced API Security leverages Google Cloud's AI capabilities for anomaly detection, which enables customers to detect harmful API use. Its anomaly detection capabilities compare favorably with dedicated API security products, so customers may not need to purchase separate products.
- **Pricing:** Google Cloud offers subscription-based and pay-as-you-go pricing for Apigee, which is based on API traffic volume rather than the number of APIs. Although pricing is typically higher than comparable products from other cloud providers, it may suit organizations that require enterprise API management and have a large number of APIs.

Cautions

- **Sales strategy:** Google Cloud's primary sales strategy focuses on Apigee X, its SaaS offering on Google Cloud. In Gartner client inquiries, customers report that it is pushing Apigee customers to migrate from on-premises or other cloud platforms to Google Cloud Platform (GCP). Google Cloud's focus on promoting Apigee X instead of Apigee Hybrid can cause dissatisfaction for customers who wish to remain on-premises or on other cloud platforms.
- **Market understanding:** Apigee is primarily designed for strategic API management requirements, rather than developer-driven scenarios that focus on lightweight API gateways and GitOps-style deployments. Customers with tactical API management needs may prefer simpler alternatives.
- **Vertical/industry strategy:** Google Apigee is focused on general-purpose API management. Although it offers some industry API accelerators, including Apigee Open Banking APIx, Google Cloud has not made any significant enhancements to these offerings.

Gravitee.io

Gravitee.io is a Leader in this Magic Quadrant. It offers Gravitee.io, a platform that includes API Design, API Access Management, Alert Engine, API Developer Portal, API Gateway and API Management. Users can access a limited, open-source version of Gravitee.io or purchase the commercial product, which is available as a SaaS, on-premises and hybrid deployment.

Gravitee.io's operations are primarily in Europe and North America, and its clients are organizations of all sizes.

Strengths

- **Market understanding:** Gravitee.io recognizes that many customers want to use one API management solution for multiple API protocols and API gateways, leading to its integration with AWS API Gateway and Solace for events.
- **Product strategy:** Gravitee.io's offering provides consistently strong capabilities across multiple aspects of API management, which sets it apart from most other vendors. Its platform is among the best at supporting design-first APIs and event-based APIs, and it provides a customizable, out-of-the-box API portal.
- **Pricing:** For on-premises deployments of Gravitee.io's commercial offering, customers pay based on the features and the number of production gateways they use. Customers may prefer this straightforward pricing model, because it is more predictable than paying based on the number of API calls.

Cautions

- **Marketing execution:** Gravitee.io is a relatively small vendor that has not yet established a mind share equal to the larger vendors in this market. As a result, it is less likely to appear on customers' shortlists when evaluating products. This indicates that Gravitee.io is not effectively reaching new prospective customers to generate awareness of its product.
- **Geographic strategy:** Gravitee.io's operations and customer base are primarily in Europe and North America. Prospective customers outside these regions should verify that Gravitee.io can provide sufficient service and support in their area.

- **Vertical/industry strategy:** Gravitee.io lacks a vertical strategy. Therefore, it does not offer industry-specific content or accelerators. Prospective customers with industry-specific requirements, such as for open banking or healthcare, should determine whether Gravitee.io is suitable for their needs.

IBM

IBM is a Leader in this Magic Quadrant. It offers IBM API Connect, which helps organizations enable clients to create, manage, secure and share their APIs. It is available as a SaaS service, as a customer- or IBM-managed deployment in a hybrid environment, and as a part of IBM Cloud Pak for Integration.

IBM's operations are geographically diversified, and its customers tend to be midsize and large organizations.

In July 2024, IBM acquired webMethods from Software AG. Because the acquisition occurred after our research cutoff date, Software AG and webMethods are evaluated separately from IBM in this research.

Strengths

- **Market understanding:** IBM demonstrates a strong understanding of customer needs for API management. It provides customers with deployment flexibility, including strong support for hybrid, multicloud and on-premises deployments. IBM has also delivered innovative new features for API discovery, as well as embedding AI in API Connect.
- **Geographic strategy:** IBM has customers from all regions, industries and sizes, including a sizable share of large global enterprises. It has sales and support teams in every region and leverages its expansive global partner network to provide localized services.
- **Product:** IBM API Connect offers strong capabilities for designing, testing and productizing APIs. Its API design interface is tailored to distinct design personas, enabling diverse users to design and manage APIs. IBM's partnership with Noname Security (which was acquired by Akamai Technologies in June 2024) provides real-time threat detection and prevention capabilities. IBM API Connect Essentials provides native GraphQL support. IBM API Connect is integrated with other IBM products so users can design and build APIs in those products.

Cautions

- **Product strategy:** IBM's acquisition of webMethods in July 2024 adds complexity to its API management product strategy. It offers two products — IBM API Connect and webMethods — that have overlapping capabilities. In addition, IBM previously acquired Red Hat, which provides 3scale API Management. Prospective customers should ask IBM for product roadmaps that delineate its plans for integrating and enhancing these products.

- **Marketing strategy:** IBM's messaging focuses on broad, cross-industry initiatives, with little emphasis on individual products. As a result, customer awareness of IBM's API management offering lags some of its competitors. Customers also perceive that IBM is best-suited for the complex needs of large enterprises. Customers in midsize and small organizations looking for just API management may overlook IBM.

- **Customer experience:** On Gartner Peer Insights, clients state that the complexity of deploying IBM API Connect can make it difficult to upgrade. IBM is aiming to simplify this with new features, such as Config Sync, a high-availability replication feature. However, potential customers should evaluate deployment models and version upgrade support.

Kong

Kong is a Leader in this Magic Quadrant. It offers Kong Konnect for SaaS customers and Kong Enterprise for self-managed customers. Its key components are Kong Gateway, a commercial version of its open-source API gateway based on NGINX and OpenResty; and Kong Insomnia, an open-source-based API design, testing and documentation tool. Kong supports on-premises deployments, vendor-managed cloud deployments and service mesh deployments through Kong Mesh.

Kong's operations are geographically distributed. Its clients tend to be midsize and large organizations.

Strengths

- **Innovation:** Although most vendors have a strategy around AI enablement, Kong's AI Gateway sets it apart from other API management vendors. This innovation enables customers to address AI-specific use cases, such as access to multiple large language models (LLMs).

- **Market understanding:** Kong's platform features reflect a strong understanding of developer needs. It is built on an open-source foundation, has flexible deployment options, provides extensibility via plugins and delivers high performance, all of which appeal to developers.
- **Marketing execution:** Kong continues to improve its visibility in the market through advertising and events, commonly appearing on customers' vendor shortlists, based on Gartner client inquiries. It has also raised its profile and availability through partnerships and by leveraging the major cloud providers' marketplaces.

Cautions

- **Pricing:** In Gartner inquiries, Kong customers have expressed concerns about the relatively high cost of its solution, as well as confusion about what counts as a service in its service-based pricing model. Customers have also mentioned that Kong charges separately for some features, such as plugins, portals and analytics.
- **Offering strategy:** Kong offers several separate products for an API management solution, such as Kong Insomnia for design and testing, Kong Mesh, and its new AI Gateway. Customers may struggle to choose from its open-source, on-premises, SaaS and dedicated API gateway offerings.
- **Vertical/industry strategy:** Kong lacks vertical-focused product features or customized solutions that would appeal to specific industries. Prospective customers with industry-specific requirements should determine whether Kong is suitable for their needs.

Microsoft

Microsoft is a Challenger in this Magic Quadrant. It offers Azure API Management (APIM), its core API management solution, which is part of Microsoft's Azure Integration Services. Azure APIM offers a fully managed gateway hosted on Azure and supports self-hosted API gateways on Kubernetes, enabling a hybrid model.

Microsoft also offers separate products that are part of its overall API management solution. These include Azure API Center, a centralized API catalog for design-time governance; Defender for APIs, an AI-powered security tool integrated with Microsoft Defender for Cloud; TypeSpec, an API design and linting tool; and Kiota, a tool that generates client libraries for calling APIs.

Microsoft's operations are geographically distributed. Its clients include organizations of all sizes.

Strengths

- **Market understanding:** Azure APIM provides several features that appeal to developers. Its management API and command line tooling, as well as its intuitive user interfaces (UIs), demonstrate a clear understanding of developer needs.
- **Pricing:** Azure APIM is available in multiple pricing tiers, including a free tier. For the paid tiers, customers pay a fixed fee per hour, based on factors such as maximum throughput, SLA and cache size. This pricing model can be significantly less expensive than other options, particularly for high-traffic APIs.
- **Geographic strategy:** Azure APIM's Premium tier supports multiregion deployments. Azure API Management is offered across all Azure regions and availability zones. The Azure portal is available in 18 languages and provides documentation in more than 50 languages. This makes it appealing to large enterprises with globally distributed operations.

Cautions

- **Product strategy:** API management with Microsoft Azure may involve using à la carte complementary services, including Azure APIM for runtime and API Center for API portal functionality, as well as tools for SDK generation and security. While this approach can offer flexibility and cost-efficiency for some customers, these benefits may also risk customer clarity.
- **Marketing strategy:** Microsoft's marketing for Azure APIM is strategically aligned within the broader Azure ecosystem. This integrated marketing approach can result in less distinct visibility for APIM compared to competitors with more focused thought leadership, evangelism and stand-alone marketing strategies for API management.
- **Vertical/industry strategy:** Azure APIM lacks vertical-focused solutions, such as prebuilt policies and API definitions for banking, healthcare and other industries. Prospective customers with industry-specific requirements should assess whether Azure APIM is suitable for their needs.

Postman

Postman is a Visionary in this Magic Quadrant. It offers the Postman API platform, which includes Postman Collections, Postman Workspaces, Postman Flows, Postman Vault and Public and Private API Network(s) as capabilities for users to organize, design, consume, test, and collaborate on APIs. It provides API design and testing capabilities and enables developers to create API portals. Postman does not offer its own API gateway, but provides these capabilities via partnerships with other API gateway providers. The Postman API platform is available as SaaS on AWS.

Postman's operations are primarily in the U.S.; Europe, the Middle East and Africa (EMEA); and the APAC region. Its clients include organizations of all sizes.

Strengths

- **Innovation:** Postman's early implementation of AI has delivered unique features such as Postbot, its AI assistant for designing and testing APIs. Postman Vault provides an innovative solution for storing and managing API keys, and Postman's API network can be extended outside an organization to enable collaboration with partners and external developers.
- **Product strategy:** Postman positions its platform as an enabler of API creation and consumption, emphasizing its strong support for API testing and design, and internal and external API portals. This strategic focus resonates with API developers and product managers.
- **Market responsiveness:** Postman swiftly responds to customer feedback by releasing new features every month, along with a major release each year. It has a track record of releasing features based on user input, including real-time security and design linting; support for more API types (GraphQL, gRPC, WebSocket); and version control across development, testing and production environments.

Cautions

- **Sales strategy:** As Postman continues to invest in its commercial product, its sales team is pushing users of its free offering to start paying for the commercial product. Postman's focus on enterprise deals may lead some users on its free plan to seek alternative solutions because they had not budgeted for a paid version of its platform.

- **Product:** Postman does not provide its own API gateway. Instead, it enables users to publish API definitions to multiple third-party gateways. Postman customers must separately source a gateway and delegate responsibility of gateway runtime execution and operational administration to gateway vendors.
- **Deployment flexibility:** The Postman API platform is only available as a SaaS offering. Customers who are seeking a hybrid or on-premises offering will need to look for alternative solutions.

Salesforce (MuleSoft)

Salesforce (MuleSoft) is a Leader in this Magic Quadrant. Its API management offering is part of the Anypoint Platform, which includes Anypoint Flex Gateway (based on Envoy), Anypoint API Manager, Anypoint API Designer and Anypoint API Governance. It also features Anypoint API Experience Hub, a sophisticated API portal, and Anypoint Exchange, a central hub for sharing APIs and integration- and automation-related assets.

MuleSoft's operations are geographically distributed. Its clients tend to be midsize and large organizations.

Strengths

- **Sales strategy:** MuleSoft uses the global influence and reach of its parent company, Salesforce, to target a wide range of customers. Its suite of services for MuleSoft implementation, consulting and training, along with its Center for Enablement teams, provides a smooth onboarding process for new customers.
- **Product strategy:** Anypoint Platform's capabilities go beyond API management, extending to integration, automation and data management. This broader portfolio enables customers to address various use cases because of the strength of MuleSoft's iPaaS capabilities.
- **Business model:** MuleSoft combines its strong product capabilities with the broader Salesforce ecosystem of services, creating a compelling option for customers. MuleSoft had the largest market share by revenue in 2023, demonstrating its ability to deliver value to its customers.

Cautions

- **Pricing:** The Anypoint Platform remains one of the more expensive API management offerings, although MuleSoft is making efforts to ease price-related barriers for small and midsize customers with its consumption-based pricing and simplified pricing meters. Organizations should evaluate the pricing structure to ensure it fits their budgets.

- **Innovation:** MuleSoft has focused on improving its distributed API management. Although the company is responsive in delivering these capabilities, its new features may be perceived as more reactive than innovative.

- **Product:** MuleSoft's capabilities for API monetization, gateway federation and API testing lag the capabilities of other Leaders in this market, although MuleSoft's overall API management product is very competitive compared to its peers.

SAP

SAP is a Challenger in this Magic Quadrant. It offers API Management, a component of SAP Integration Suite that is part of the SAP Business Technology Platform (SAP BTP). API Management includes Cloud Integration, Graph, SAP Business Accelerator Hub, Event Mesh, B2B messaging, integration and migration assessment, and Open Connectors.

SAP's API Management is a managed multicloud environment hosted by Alibaba Cloud, AWS, GCP, Microsoft Azure and SAP NS2. It also supports hybrid deployments of API gateways at the edge of on-premises networks and in private clouds.

SAP's operations are geographically distributed. Its clients tend to be midsize and large organizations.

Strengths

- **Product strategy:** SAP's API Management is well-integrated with other SAP offerings, which provides SAP customers with a significant advantage. Customers can use it in conjunction with SAP Build for low-code and pro-code application development, SAP BTP for integration, SAP Subscription Billing for API monetization, and SAP Analytics Cloud for monitoring and API access to SAP applications.

- **Pricing:** SAP supports a wider range of pricing models for API Management compared with most of its competitors. Customers have the flexibility to select a pricing model that fits their budgeting needs, including free, pay-as-you-go, BTP credits and subscription options.

- **Geographic strategy:** SAP operates in many countries and has a worldwide partner network, enabling it to provide customers with a greater level of local expertise than most other vendors.

Cautions

- **Offering:** SAP API Management relies on original equipment manufacturer (OEM) agreements for its API gateway (Google Cloud's Apigee), messaging and events (Solace), and Open Connectors (UiPath's Cloud Elements). Customers should be aware of these dependencies and the level of control that SAP provides over those pieces of its solution.
- **Innovation:** SAP responds to market demands, but typically releases features that are already available among competing vendors. SAP does not have a track record of introducing API management capabilities that are innovative in this market.
- **Marketing strategy:** SAP primarily targets existing SAP customers with its messaging about API Management, which focuses on its ability to manage APIs in the SAP ecosystem. Although SAP's API Management offers general-purpose API management capabilities, prospective customers that do not use other SAP products are either unaware of SAP's offering or perceive it as an SAP-centric solution.

Sensedia

Sensedia is a Niche Player in this Magic Quadrant. It offers Sensedia API Platform, which provides API design tools, an API portal, monitoring and other features to support the full life cycle of APIs. The platform is available in SaaS and hybrid deployment models, but most customers use the SaaS option.

Sensedia's operations are primarily in South America, with some presence in North America and a growing presence in Europe. Its clients are organizations of all sizes.

Strengths

- **Market understanding:** Sensedia demonstrates a good understanding of developer needs and market trends in its product roadmap. It has recently added gateway and developers' portal federation and embedded AI into the platform. It plans to continue to enhance these solutions.

- **Vertical/industry strategy:** Sensedia has built a sizable customer base in the banking and financial services markets. It provides support for multiregion Open Finance and Open Banking Standards compliance, Payment Services Directive 2 (PSD2) in Europe, Financial Data Exchange (FDX) in the U.S. and Colombia, and insurance in Brazil.

- **Market responsiveness:** Sensedia frequently updates its API platform based on market demands. Since 2023, it has released numerous updates and features, including an AI assistant, multigateway support and additional support for Open Banking use cases, which is tailored to meet the regulatory needs of more countries.

Cautions

- **Geographic strategy:** Sensedia's customer base and operations are mostly in South America, although it is beginning to expand into North America and Europe. Prospective customers outside South America should confirm that Sensedia can provide localized operations, expertise and support.

- **Sales strategy:** Sensedia sells its platform primarily through direct and partner channels, and is available in AWS and Oracle Cloud marketplaces. However, it has a limited sales and reseller partner network outside its home region. Customers cannot sign up for a free trial directly on its website. This approach limits Sensedia's ability to generate sales opportunities worldwide.

- **Innovation:** Sensedia has delivered few differentiating API management features that are new to the market, other than its compliance support for banking and finance markets. Though Sensedia is looking to change that and revamp its development, prospective clients should review Sensedia's product roadmaps and strategy to determine whether it aligns with their current business needs.

SmartBear

SmartBear is a Leader in this Magic Quadrant. SmartBear packages its API management-related products into an offering called SmartBear API Hub, which includes SwaggerHub and Stoplight for API design, ReadyAPI for testing, SwaggerHub Explore, and PactFlow for contract testing. SmartBear primarily focuses on API development and incorporates open-source API design and testing tools based on the open-source communities Swagger, Pact, SoapUI, Spectral, Prism

and Elements, which it sponsors. Its products are offered on-premises and as SaaS, but many customers use the SaaS option. SmartBear does not offer its own API gateway, but provides these capabilities via partnerships with other API gateway vendors.

SmartBear's customers are geographically distributed, and its clients are organizations of all sizes.

Strengths

- **Innovation:** SmartBear has led work on the new Arazzo Specification, as part of the OpenAPI Initiative under the Linux Foundation. This specification defines a mechanism for describing sequences of API calls and is applicable to AI scenarios such as consumption of multiple APIs by AI agents. This standard's innovation is in addition to product innovations brought to market by SmartBear, such as Pact and Reflect through acquisition.
- **Market understanding:** SmartBear understands developers' needs for managing the API life cycle. Its products meet customer needs with capabilities that include design and code-first API definitions, linting, mocking, governance and contract testing.
- **Marketing execution:** SmartBear demonstrates thought leadership by delivering webinars that address significant API management challenges, such as governance, productization and monetization. This educational content also helps prospective customers become aware of SmartBear's capabilities.

Cautions

- **Product strategy:** SmartBear offers numerous individual products that are still being brought together into a single API management hub. As it stands, customers may experience separate user experiences, and may struggle to navigate SmartBear's product portfolio and select the right products for their needs.
- **Vertical/industry strategy:** SmartBear does not provide accelerators or solution packages tailored to specific industries. Prospective customers with industry-specific compliance requirements should review SmartBear's suitability for their needs.
- **Geographic strategy:** SmartBear's SaaS offering runs in a limited number of regions. Customers with specific data residency requirements should evaluate private cloud or on-premises models. Additionally most of SmartBear's products and documentation are

available only in English, which may pose a challenge for customers looking for localization features.

Software AG

Software AG is a Niche Player in this Magic Quadrant. It offers webMethods API Gateway, webMethods Developer Portal, webMethods Control Plane, webMethods Microgateway and CentraSite (an API repository). Software AG focuses on enabling API-based integrations. Its platform is available as a stand-alone or a SaaS offering, both of which are often used in conjunction with Software AG's integration products.

Software AG's operations are geographically distributed. Its clients tend to be large enterprises.

In July 2024, IBM acquired webMethods from Software AG. Because the acquisition occurred after our research cutoff date, Software AG and webMethods are evaluated separately from IBM in this research.

Strengths

- **Market understanding:** Software AG demonstrates a good understanding of developer needs for API management, offering a platform that is especially well-suited for distributed API management and integration. It is easily configurable and appeals to direct customers and partners looking for product flexibility and customization options.
- **Product:** Software AG's products provide strong support for API design and implementation, versioning and governance, security, consumption, and microservices. It also offers monetization and gateway federation.
- **Sales execution:** Software AG has established a sizable base of large-enterprise customers across multiple regions. It augments this targeted sales focus with strong customer support and localization features.

Cautions

- **Business model:** IBM's acquisition of webMethods from Software AG in July 2024 adds complexity to its API Management product strategy. Prospective customers should review IBM's strategy and webMethods roadmap during this transition to ensure continued alignment with their organization's needs.

- **Marketing execution:** Software AG positioned its API management products under its Super iPaaS category launch in late 2023. While webMethods API Management continued to be marketed and sold as a stand-alone product, Super iPaaS marketing and branding overshadowed the stand-alone webMethods API Management offering.

- **Sales strategy:** Software AG's focus on acquiring large enterprise customers has led it to miss out on the growing demand for API management among small and midsize organizations. Despite its ability to gain new large enterprise customers, its competitors are attracting more customers at a faster rate.

Solo.io

Solo.io is a Visionary in this Magic Quadrant. It offers the Gloo platform, which includes Gloo Gateway, an Envoy-based API gateway with an integrated GraphQL server; Gloo Mesh, an enterprise service mesh; and Spotlight Developer Platform, an internal developer portal based on Backstage.io. Solo.io primarily focuses on API management in Kubernetes environments. Solo.io is offered as installable software.

Solo.io's operations are primarily in North America, Europe and the APAC region, and its clients are organizations of all sizes.

Strengths

- **Product strategy:** Solo.io provides a Kubernetes-native API gateway and ingress controller with strong support for continuous integration/continuous delivery (CI/CD). This focus appeals to developers who build APIs in Kubernetes environments. Solo.io's open-source foundation and cloud-native approach is popular among developers and cloud platform teams who manage API gateways.

- **Business model:** Solo.io's API management products are built on an open-source foundation and have a free, open-source community version. Prospective customers can obtain time-bound licensing for commercial Solo.io products at no charge during proof of concept (POC) exercises or product investigations.

- **Market responsiveness:** Solo.io is an active and frequent participant at developer conferences, especially Kubernetes-focused events. Solo.io was one of the leading

contributors to the open-source initiative for Istio Ambient Mesh. Solo.io applies insights from these engagements effectively to align its product strategy with customer demands.

Cautions

- **Market understanding:** Solo.io does not offer a SaaS option, despite market demand for subscription-based offerings. Gloo Gateway primarily targets customers who build APIs in Kubernetes environments. Although Gloo Gateway can route to services in non-Kubernetes environments, it may be less suitable for API design and development in those environments.
- **Marketing strategy:** Solo.io's messaging emphasizes the capabilities of its API gateway and service mesh. Although this focus resonates with developers, it does not effectively appeal to business users and API product managers in organizations that are seeking to monetize APIs.
- **Vertical/Industry strategy:** Solo.io does not provide accelerators or tailored solutions for verticals such as healthcare and banking. Prospective customers requiring industry-specific features should assess whether Solo.io is suitable for their needs.

Tyk

Tyk is a Challenger in this Magic Quadrant. It offers the Tyk platform, which includes Tyk Gateway (an open-source API gateway), Tyk Developer Portal, Tyk Dashboard, the Tyk console (an infrastructure management tool) and Universal Data Graph (a GraphQL interface). Tyk focuses on enabling cloud-native microservices, governing APIs across diverse development teams and integrating API-based data using GraphQL. Tyk's platform is offered as SaaS or self-managed deployments.

Tyk's operations are geographically distributed. Its clients tend to be midsize and large organizations.

Strengths

- **Market understanding:** Tyk focuses on providing a simpler, more cost-effective solution than most of its competitors. It recognizes that not all developers and enterprises want expensive, comprehensive API management platforms, and it effectively positions its product as a solid alternative.

- **Pricing:** Tyk provides customers with flexible pricing options. For SaaS customers, it offers a consumption-based pricing model based on the number of API requests. For self-managed customers, Tyk offers fixed pricing for unlimited gateways and API calls. Enterprise customers pay for additional deployed regions.

- **Marketing strategy:** Tyk contributes consistently to market education through blogs and its free API platform engineering fundamentals course. This thought leadership boosts its visibility and credibility among prospective customers.

Cautions

- **Marketing execution:** Tyk's marketing efforts primarily target developers, and business users have limited awareness of its offering. Although Tyk's mind share among developers continues to grow, it has not generated the same level of visibility as most of its competitors.

- **Business model:** Tyk's network of technology partners is smaller than that of other vendors, which may give customers less choice of service providers to promote, implement and support Tyk deployments.

- **Vertical/industry strategy:** Tyk focuses on broad adoption across industry sectors, and it does not offer industry-specific accelerators or expertise. Customers with industry-specific requirements should assess whether Tyk is suitable for their needs.

WSO2

WSO2 is a Visionary in this Magic Quadrant. It offers WSO2 API Manager, an open-source solution, and Choreo, a cloud-based, internal developer platform with a SaaS subscription model. Both products combine integration and API management capabilities and act as API platforms, including the use of Kubernetes for hosting services that are exposed as APIs. WSO2 API Manager offers a unified control plane for managing its own data plane along with open-source WSO2 API Platform for Kubernetes (WSO2 APK) data plane.

WSO2's operations are primarily outside the U.S., and its clients are organizations of all sizes.

Strengths

- **Product strategy:** WSO2 provides an attractive option for organizations that require broad functionality of an API management solution along with that of an integration platform.

Organizations with strong technical expertise and willingness to implement a developer-focused platform can benefit from its broad product capabilities.

- **Vertical/industry strategy:** WSO2 continues to provide a strong set of industry-specific solutions, especially for healthcare, banking and financial services, government agencies, and telecommunications.
- **Geographic strategy:** WSO2 has integration and reseller partners in more than 75 countries. Its broad geographic footprint helps generate awareness and sales opportunities for its API management products in multiple regions.

Cautions

- **Business model:** In August 2024, WSO2 was acquired by EQT, a Swedish private equity firm. This acquisition formed a new board of directors, with its founder and CEO slated to continue in that role. At the time of this assessment, any impacts of this acquisition on WSO2's future trajectory are not known. Prospective customers should monitor WSO2's product roadmaps and long-term business plans to ensure alignment with their needs.
- **Sales strategy:** WSO2's sales messaging lacks clarity around its SaaS offering, Choreo, unlike its on-premises and private cloud versions of its open-source WSO2 API Manager offering. WSO2 also requires technically strong presales engineers to effectively explain its capabilities to prospects; people with this skill set can be difficult to find and retain.
- **Marketing strategy:** WSO2 remains a highly technical solution, and this positioning primarily appeals to developers or to systems integrators (SIs). Its technical focus may not resonate with business users or strategic enterprise buyers seeking to productize APIs.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

- Sensedia

Dropped

- **Broadcom:** Broadcom did not meet the criteria of having a comprehensive, general-purpose offering that is not specific to one industry or limited to an adjacent market (such as iPaaS or application security).
- **Stoplight:** SmartBear acquired Stoplight in 2023 and no longer offers it as an independent, general-purpose offering.
- **TIBCO Software:** TIBCO Software exited the API management market after Boomi acquired its API management offering in June 2024.

Inclusion and Exclusion Criteria

To qualify for inclusion in this Magic Quadrant, vendors had to:

- Actively market, sell and support products that provide capabilities, as defined in the Market Definition for API Management.
- Have made the qualifying offering generally available as of June 2023.
- Have a comprehensive, general-purpose offering not specific to one industry or limited to an adjacent market (such as iPaaS or application security). This offering has to be available either directly from the vendor or via publicly announced agreements with partners.
- Have generated revenue of at least US$45 million (constant currency) from API management in 2023. Vendors of an open-source or open-core product had to have generated at least US$6 million in revenue (constant currency) per year from API management.
- Have had at least 120 paying customers for API management in 2023.

Honorable Mentions

Gartner tracks more than 80 vendors that offer products for API management. We recognize five vendors with Honorable Mentions. Although they did not meet the inclusion criteria for this Magic Quadrant, they offer API management products that may solve unique challenges for some customers. The vendors are:

- **Ambassador —** Ambassador offers Ambassador Edge Stack. Built on the open-source Envoy proxy and the enterprise version of Emissary-Ingress API gateway, it provides traffic management and ingress control for Kubernetes environments. Ambassador Edge Stack includes security and rate-limiting integrations and supports API development and advanced testing (telepresence). Ambassador has a new service offering, Blackbird API Development Platform, that was recently launched. Ambassador did not meet the inclusion criteria for revenue and number of paying customers.

- **Digital API Craft —** Digital API Craft offers DAC ServiceHub for API management and governance, DAC API Marketplace for monetization and sandboxes, and DAC Analytics. DAC ServiceHub provides API catalogs across multiple third-party gateways, with support for REST, GraphQL, AsyncAPI, gRPC, and SOAP APIs. DAC API Marketplace offers prebuilt APIs and industry-specific content for banking, healthcare and telecommunications, and AI features to auto-generate API documentation and testing SDKs. Digital API Craft did not meet the revenue criterion for inclusion in this Magic Quadrant.

- **Nevatech —** Nevatech's product is Sentinet API Management and Governance, which includes an API gateway, management portal, an API portal and a service catalog. Sentient can be deployed and used in the cloud, on-premises or hybrid architectures. Nevatech's platform is built on Microsoft's technology stack and may offer some built-in native integrations to customers using similar technologies. However, the use of Microsoft technologies is not a requirement for using Sentinet. Nevatech did not meet the inclusion criteria for revenue and number of paying customers.

- **Traefik Labs —** Traefik Labs offers Traefik Hub and open-source Traefik Proxy to provide ingress control, API gateway, and API life cycle management capabilities. It also offers Traefik Enterprise, which provides ingress control and an API gateway with a centralized control plane. Traefik Labs appeals to organizations looking to modernize their operations into a cloud-native, fully declarative operating model. Traefik Labs did not meet the revenue criterion for inclusion in this Magic Quadrant.

- **Zuplo —** Zuplo API management platform is a managed service offering that includes an API gateway, API portal, policy management and analytics, and API monetization. Zuplo offers both a fully managed edge-based offering, targeting multicloud deployment models, and a recently launched self-hosted version. Zuplo provides a GitOps workflow model for ease of deployment across multiple environments. It provides strong documentation and monetization features. Zuplo did not meet the inclusion criteria for revenue and number of paying customers.

Evaluation Criteria

We used the following criteria to assess each vendor's Ability to Execute.

Product or Service

For API management, we evaluated the providers' capabilities for mandatory and common features. The mandatory features, as laid out in the Market Definition, are:

- API portal
- API gateway
- Policy management
- Governance

Overall Viability

For each vendor, we considered:

- Its relative size in terms of customers, revenue, and the scale, strength and resilience of its ecosystem
- The impact of past acquisitions and the potential for future acquisitions
- The financial stability and continuity of its offerings in this market
- The ability and effectiveness of its partnerships to improve viability
- The size and quality of its active user community relative to its target market

- The availability and effectiveness of professional and consulting services

Sales Execution/Pricing

For each vendor, we considered:

- Revenue and customer growth
- The number of projects implemented and their business impact, and whether (and how) professional and consulting services have eased implementations
- The clarity and predictability of pricing models — on-premises, cloud, multicloud and hybrid — and their changes over time
- The ability to handle large and complex deals, including support and flexibility for volume growth, seasonality and predictability
- Its product-led growth initiatives

Market Responsiveness and Track Record

For each vendor, we evaluated its ability to:

- Quickly adapt and offer meaningful solutions in light of the dynamic nature of API programs and the fast pace of change that digital transformations increasingly demand.
- Respond to rapidly evolving conditions and deliver superior alternatives that align with competitive trends (even if they do not lead those trends).
- Support clients during unforeseen business disruptions and geopolitical events.

Marketing Execution

For each vendor, we assessed the degree to which it has:

- Captured mind share, demonstrated thought leadership and gained a solid reputation in the market
- Effectively devised and executed go-to-market strategies with substantial results
- Appeared on competitive shortlists for API management bids

- Executed marketing and partnership programs to expand its influence

Customer Experience

For each vendor, we considered:

- The specificity and quality of domestic and international support contracts and SLAs for the availability of its API management offerings
- Its track record of resolving customer issues
- The customer experience offered through acquisitions and partnerships
- Support outside the vendor's home region
- The reach and availability of service implementers, and efforts to expand these, such as training and certification programs

Operations

For each vendor, we considered:

- Its track record of meeting SLAs and its privacy certifications
- The scale of its workforce and data centers
- Reliability in relation to its hosted service platforms (for cloud offerings), and scalability and adaptability in relation to its software platforms (for on-premises deployments)
- Use of, and adherence to, metrics for efficiency, speed of change and implementation of new features

Ability to Execute

Ability to Execute Evaluation Criteria

Evaluation Criteria	*Weighting*
Product or Service	High

Evaluation Criteria	*Weighting*
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Medium
Marketing Execution	Low
Customer Experience	Medium
Operations	Medium

Source: Gartner (October 2024)

Completeness of Vision

We used the following criteria to assess each vendor's Completeness of Vision.

Market Understanding

We assessed each vendor's understanding of:

- Present and future customer priorities, use cases and challenges, and the evolution of such priorities
- The role of APIs and API management in software development; modernization; composable, cloud-native and resilient architectures; and productization
- The maturity of API management, governance and complexity
- The impact and opportunities of AI on the production and consumption of APIs
- General, geographic and industry-specific market opportunities

Marketing Strategy

We assessed each vendor's strategy for:

- Clear articulation of an offering's value proposition in the context of the customer's business
- Top-line and differentiated messaging by buyer persona
- Competitiveness
- Growing developer mind share and communities
- Thought leadership, evangelism, conferences, industry leadership and partnerships

Sales Strategy

We assessed each vendor's strategy for:

- The right balance of direct and indirect sales vehicles
- Sales in specific geographies and to specific industries, such as the financial services, healthcare and insurance sectors
- A sound business plan and an effective strategy that uses presale work, API champions, activities that demonstrate thought leadership, and professional and consulting services
- Focus on the benefits of API management
- The degree to which it capitalizes on developer mind share and product-led growth

Offering (Product) Strategy

We assessed:

- Offering plans and roadmaps (with target dates)
- Track record, future maturity and completeness
- The offering's overall design concept and architecture
- Seamless and effective use of partner offerings (where applicable) to extend and enhance the vendor's offerings

Business Model

We examined:

- How the vendor targets or maintains profitability
- Alignment and positioning, packaging and pricing strategies to sell cloud, multicloud, hybrid or on-premises offerings
- Partnerships and their effectiveness and viability in offering a comprehensive solution to customers
- The vendor's professional and consulting services, how it recognizes revenue and capitalizes on investments in research and development, and its growth strategies across regions (including mergers and acquisitions)

Vertical/Industry Strategy

We examined:

- The industries that the vendor focuses on, the industry-specific solutions (if any) that it offers, and how successful or differentiating these solutions are (or are likely to be)
- Industry-specific blueprints, accelerators, support for API standards and starter kits (if any)
- Leadership in developing API standards for specific industries or groups, and interoperability
- Support for specific industries where active, regulatory or business transformations are occurring around the world

Innovation

We assessed:

- How the vendor plans to innovate in terms of technology, business, industry and customer service
- How effectively and systematically innovative ideas are filtered and funneled through product development
- Specific, planned use of AI to improve the offering and its customer-facing features

- The vendor's track record of anticipating or leading new trends in the market
- Novel and unique approaches, solutions and products resulting from, or likely to result in, transformative change in the market

Geographic Strategy

We assessed each vendor's ability to:

- Identify and engage with the most promising locations for its capabilities.
- Expand into geographies not explicitly addressed at present.
- Fulfill nondomestic projects via support centers, sales offices and partner networks.
- Support complex international requirements and features, such as regional-specific compliance with local laws and regulations.

Completeness of Vision Evaluation Criteria

Evaluation Criteria	*Weighting*
Market Understanding	High
Marketing Strategy	Low
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Low
Innovation	High

Evaluation Criteria	*Weighting*
Geographic Strategy	Low

Source: Gartner (October 2024)

Quadrant Descriptions

Leaders

Leaders are vendors that execute strongly, leading and influencing the market. Recent entrants to this market that have a limited record of execution are less likely to be Leaders; the same applies to strongly executing vendors that are overly risk-averse or do not effectively exploit innovation trends.

Leaders tend to have a vision and a market understanding to address diverse API use cases, multiexperience architecture, integration using APIs, internal API management, productizing APIs and distributed API management.

Vendors can become Leaders in this market by acquiring another well-positioned vendor, integrating its technology into a wider application infrastructure offering and keeping up with the pace of API management innovation. Additionally, they should address digital transformations, regulatory demands and modernization initiatives and their challenges head-on, with thought leadership and product functionality. Finally, they can become Leaders by offering widely deployable, well-supported API management solutions for a number of industries and geographies.

Leaders understand the market trends that will benefit them and their clients' business strategies by enabling them to restructure their business operations or advance digital transformations. Leaders see the business potential of API programs, communicate this potential to business units and help their clients realize that potential.

Challengers

Challengers generally execute the types of work for which they offer functionality well, but they have a lagging or incomplete view of the market's direction, sometimes due to a lack of innovation, marketing and sales focus on API management.

The future of these providers depends on how aggressive and proactive they are in addressing their current shortcomings. If they innovate to fulfill the pressing requirements of today's API programs and market their offerings effectively, they will likely become Leaders. Otherwise, they may become Niche Players or Visionaries, or they may drop out of the Magic Quadrant. They may also remain Challengers, but this market's strong dynamics and fast evolution over the past 18 months indicate that even maintaining their current position will require them to evolve.

Visionaries

Visionaries approach this market from an innovative angle. They are typically smaller in terms of revenue and market share compared to Leaders and Challengers, and they may offer an incomplete set of functionalities. However, they have the power and mind share to grow their capabilities, often in a different way from established Leaders.

Results of this Magic Quadrant iteration show 2024 is an active year of change and growth for some Visionaries, as they improved their ability to execute and became Leaders and Challengers, while others receded to become Niche Players.

Visionaries generally make good acquisition targets for established, larger players that want to buy their way into the Leaders quadrant. Acquisitions are likely and will continue to play a vital role in the market dynamics in the coming years.

Niche Players

Niche Players focus on a segment of the market. That segment is typically defined by a specific application or application infrastructure ecosystem, or by another characteristic, such as industry, client size and spending power, geographic area, or open-source orientation. Niche Players have either an effective strategy but a focus on a particular market niche, or shortcomings in terms of execution or innovation.

Niche Players may trail in market understanding and innovation because of less investment or because they deliberately occupy a niche within the market. Their execution is limited by size or a deliberate segment.

Niche Players' Ability to Execute is limited to their focus areas and is assessed accordingly. Their ability to innovate and survive in this market is limited by their narrow focus, but they often tend to move much faster than vendors in other quadrants. Niche Players can progress to other quadrants by improving their marketing strategy and fostering innovation.

Context

API management is a fundamental capability organizations of all sizes, shapes and industries need. APIs are widely used as the building blocks for modern software architectures, to integrate systems and partners, and as digital products. Software engineering leaders must develop a systematic approach to manage and govern the use of APIs across their organization by using the right API management offering(s). API management platforms can help address challenges arising from modernization initiatives, cloud computing, microservices, and the ongoing security challenges.

Overall, the vendor solutions and choices in the market are considered to be more mature compared to the prior year. The market does provide a strong set of baseline features for driving API strategies. However, the rise of artificial intelligence, especially generative AI, has added a new wave of requirements for API management. Several API management vendors have added capabilities to support AI enablement. Organizations adopting AI initiatives must evaluate the suitability of such features against their specific requirements as the support varies widely between vendors and these features are fairly new.

Sourcing for API management features from different vendors is rising in this market driven by distributed architectures — for instance, to support multicloud computing architecture. While choosing best-fit solutions to support specific aspects of API management (such as API design, API testing or API monetization) is beneficial, doing so creates new challenges to manage and govern APIs. For example, enforcing uniform operational governance across all APIs can be particularly challenging if they are operationally distributed in different third-party API gateways.

Software engineering leaders should carefully evaluate their technical and sourcing requirements and use this Magic Quadrant to find the right vendor to shortlist.

Market Overview

The API management market generated $3.3 billion in revenue in 2023 and grew at a rate of 13.7% (see **Market Share Analysis: API Management, Worldwide, 2023**). While this rate of growth is slower than prior years, the sustained double-digit growth of this market indicates that more organizations are recognizing API management as a must-have capability.

Market Trends

Since 2023, the API management market has changed in three significant ways:

- More customers are opting for “unbundled” API management capabilities rather than a “full life cycle” product, leading them to seek out multiple best-of-breed products from different vendors.
- More customers need distributed API management — the capability to support API deployment and operations across multiple gateway instances. This demand has prompted vendors to improve their support for this capability and has also created opportunities for new vendors to enter the market.
- More customers are pursuing AI initiatives that require greater API consumption, security and data protection, which drives demand for API management and leads vendors to release new features and products that enable AI API access.

Market Dynamics

API management remains a dynamic market, with numerous mergers, acquisitions and rounds of investment funding since 2023. A few significant acquisitions include:

- Boomi acquiring TIBCO Software’s Mashery assets
- WSO2 acquisition by EQT, a private equity firm
- IBM acquiring Software AG’s webMethods assets and Hashicorp
- SmartBear acquiring Reflect.ai, an AI-based testing tool

With these changes, customers can expect more viable partnerships in the near future as they look to revamp their API strategies and API-based business models.

What Customers Need to Know

Not all vendors support every stage of the API life cycle. For example, some vendors do not offer an API gateway, instead supporting integration of third-party gateways that customers must purchase separately. Some vendors provide only nominal API portals and offer weaker support for API design and testing (see **Critical Capabilities for API Management**). Buyers must pay closer attention to product details and assess fitness to their specific use cases.

API management vendors target their offerings to serve four different customer segments. Vendors tailor their products to one or more of the following segments:

- Organizations looking to pioneer or advance their digital strategies by adopting API products and business models based on APIs
- Organizations looking to build foundational capabilities by addressing legacy, system, process and business integration
- Organizations looking to use APIs to build microservices, service mesh and event-driven architectures
- Organizations looking for distributed API management capabilities

Each customer segment requires a different set of API management capabilities, but vendors do not always make these distinctions clear in their marketing messages. As a result, customers find it difficult to assess which offering best suits their needs, especially when their organization falls into more than one of these four segments.

To select the most suitable API management offering, customers must develop a good understanding of their API strategy, identify their specific use cases and gain consensus among stakeholders in their organization before doing detailed vendor evaluations.

⊖ Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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