

SmartBear seems to be cornering the API testing market

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In Q3 2014, SmartBear Software launched its API testing platform, Ready! API, and just recently released a plug-in that enables users to import APIs from developer portals managed by 3scale Networks. 3scale offers a SaaS API management platform that enables developers and enterprises to securely expose, manage and monetize their APIs to third-party developers and business partners. 3scale is among the latest of SmartBear's growing list of partners that specialize in API management. More will follow shortly, which makes SmartBear a company to watch.

The 451 Take

Overall, API management vendors are building out their platforms to address as many of the capabilities required to manage API lifecycles as possible (e.g., design, develop, test, integrate, deploy, manage, monitor and retire/archive). Testing is not glamorous, but it is essential to enable quality code, especially under the range of use cases to which various APIs will be subjected - e.g., Web services, mobile devices, hybrid cloud architectures, social media and analytics, and the Internet of Things (IoT). That means testing calls for unique capabilities and skills that API management vendors don't have the time, resources or capital to duplicate. That's why many are partnering with third parties to enable high-quality API testing. SmartBear's skills in application quality management, and its unique focus on API testing in particular, make it the 'go to' vendor for such purposes - for now.

Context

SmartBear Software offers management software that supports the application-delivery processes of development, testing, API readiness and user-experience monitoring across desktop, Web and

mobile platforms. Founded in 1999, the Somerville, Massachusetts-based vendor (recently relocated from Beverly, Massachusetts) is backed by Insight Venture Partners and Toba Capital (the total capital invested was not reported). It employs more than 250 people across offices and development facilities in Austin, Texas; Coconut Creek, Florida; Galway, Ireland (European headquarters); Stockholm; and Tula, Russia. SmartBear reports annual revenue as roughly \$50m. It says it is operating profitably and is not seeking incremental capital. SmartBear reports that 40% of business comes from application testing, 25% from user-experience testing and 35% from API testing. It reports seeing much new opportunity among DevOps and mobile teams in enterprises.

Strategy and products

SmartBear's product portfolio includes tools for application development (code review, performance profiling); automated testing (platform testing, test management and load testing); and operations (applications quality and performance monitoring, application performance management). In September 2014, SmartBear added the Ready! API to its portfolio. While the API testing platform is new, SmartBear is not new to API testing. Ready! API is built around SoapUI – an open source technology for service-oriented architecture (SOA) and REST-based Web services testing. It was initially released to the SourceForge open source community in September 2005. A commercial version, SoapUI Pro, was developed by Eviware Software, which was acquired by SmartBear in 2011.

Prior to the launch of Ready! API, SmartBear greased the market skids a bit. Earlier in 2014, it released plug-ins for SoapUI Pro that provided support for Swagger 2.0 (API description language) service descriptions and Apiary's API Blueprint (another API description language) service descriptions. Ready! API became reality because SmartBear observed that API management vendors were serving the market with a set of non-integrated point tools for different phases of the API lifecycle. The company believed that this complicated API development processes, slowed time to market and reduced API quality. SmartBear also noticed that some necessary core capabilities, such as service virtualization (handy for broad ranges of testing), were too pricey for many developers. With the expanding need for APIs and the explosion of new use cases, SmartBear concluded there was a need for better-integrated, lower-cost frameworks that include high-quality testing capabilities for a broad range of unpredictable conditions.

Ready! API is being positioned by SmartBear as an integrated, affordable API readiness platform to help teams build reliable, scalable and secure APIs. It has several components, each of which can be purchased separately. They include ServiceV Pro (for creating, managing and sharing virtualized services); SoapUI NG Pro (the next generation of SoapUI); LoadUI (for load testing of APIs to ensure they meet high-performance demands); Secure (for conducting security scans against APIs);

Monitoring (SoapUI NG tests are used as production monitors in AlertSite UXM – SmartBear's application-quality and performance-monitoring tool); and VirtServer (to share virtual services). Ready! API also includes services such as a plug-in manager, a reporting engine and metrics, and script support.

A notable capability of Ready! API (and a valuable feature needed for API testing) is found in ServiceV Pro. It creates a sandbox within which virtual versions of APIs that behave differently can be tested under varying conditions. It simulates conditions for APIs without affecting development or production platforms. It's part of SmartBear's 'secret sauce' that makes the platform attractive to API management vendors.

Pricing

Tools available for free download from SmartBear include CodeReviewer (compare, defect tracking), LoadComplete (load testing) and SoapUI (functional testing). SoapUI NG (next generation) is \$499 per user, per year (includes LoadUI); and ServiceV is priced at \$999 per user, per year (includes LoadUI). Pricing for Ready! API starts at \$499.

Customers

Overall, SmartBear states that more than two million developers and more than 25,000 organizations in 90 countries use its products to build, test and deliver software applications. These numbers include freeware versions (e.g., open source SoapUI, and users from the Eviware acquisition). Customers of note include the American Red Cross, which uses SmartBear to test, monitor and measure the performance of its Microsoft SharePoint sites; and MachineShop (IoT API middleware) uses Ready! API to automate testing for the variety of conditions, parameters and data sources used by its customers to connect the IoT.

API management vendors announced publicly to be using SmartBear for API testing include Apiary, MuleSoft and 3scale. We are aware of several other such vendors that use SmartBear for testing, but they requested not to be mentioned publicly.

Competition

SmartBear reports that its typical rivals for application quality testing and performance management include Keynote Systems, AppDynamics and New Relic. The vendor also says it competes with HP, CA Technologies and IBM, but likely because they are incumbent vendors of integrated development environments and SOA application development platforms. Other vendors

more likely to compete with SmartBear for API testing include Parasoft and Runscope.

SWOT Analysis

Strengths

SmartBear levered its experience in application development and testing and applied it to the API management market, which sorely needed a sophisticated set of testing tools to address the unpredictable uses and conditions under which APIs must perform.

Opportunities

SmartBear was, indeed, wise to make API testing a priority. Certainly, it has impressed the API management vendors enough for many of them to include it as part of their API lifecycle management platforms.

Weaknesses

The tools and techniques to support collaboration for the development and testing of APIs and Web services can use some new thinking and capabilities.

Threats

We suspect that SmartBear's market lead will narrow this year as its rivals awaken to the opportunity and begin to include such specialization as part of their application quality and performance management offerings. For now, though, SmartBear seems to be the go-to vendor for API testing.

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