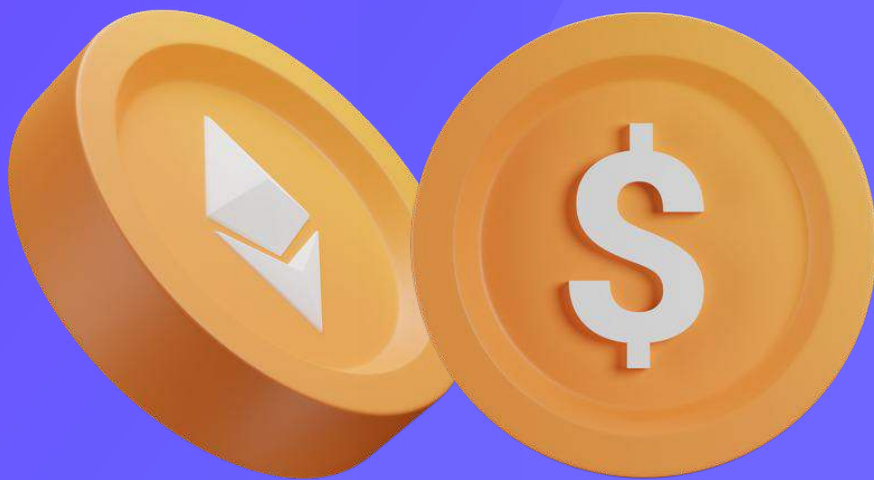CoinAPI.io

12 things to check when choosing a crypto data provider

Introduction

Whether you're trading crypto, building the next big blockchain app, or diving deep into crypto research, your success hinges on one thing: solid data. And if you need data from many crypto markets, you have one option: choose the right market data provider (unless you want to spend days, weeks, or even months trying to connect to hundreds of crypto exchanges on your own).

It takes only one simplified API integration and you access historical and real-time data right at your fingertips. However, choosing the right provider is a strategic decision that impacts your business and determines your success. Fortunately, this e-book comes in handy.

In this guide, we're going to walk you through 12 key things to look out for when choosing a crypto data provider. By the end, you'll know exactly how to find a solution that fits your needs like a glove.

12 key factors

We believe that when choosing between different crypto data providers, you should look at 12 key factors to assess whether a company is providing the right service for you. The future success of your business may depend on these factors.

1. Key API features

When comparing different providers of crypto APIs, it's important to consider all of the features they offer. Some offer more options than others, and some of these options may be crucial to your business.

Before making a final decision, it's important to **know what features belong to which plan, and if they will be available to you.**

a) Standardized data

If you work with data, you must've have come across its inconsistency. It happens often, when different exchanges use different names for the same cryptocurrencies or use other timestamps formats. It's time-consuming and exhausting to clean up this data manually.

Solution? **Data standardization.** Providers can make things easier by standardizing the entire API abstraction layer. This means one API that works with different protocols.

b) Low latency

Low-latency APIs enable the creation of automated trading bots for optimal trade execution and are vital for traders' strategies. They also assist in performing advanced analysis and preparing reports for investor due diligence, making them ideal for micro-investments and short-term trading.

Users can make **quicker, more accurate decisions** and create market trend visualizations.

> Monitoring the uptime of a data API is crucial, but so is watching its latency. In some industries, latency is a greater risk than downtime.

c) Server redundancy

It ensures the constant availability of services by providing backups for critical systems, and as a result, eliminating single points of failure. Choosing an API partner with server redundancy is critical for maintaining business continuity. Some providers offer server redundancy with automatic failover to the nearest region in case of failure, ensuring clients can always access services seamlessly.

> It's important to have servers strategically located worldwide to guarantee the highest service level.

d) High-quality order books

Order books are super important for trading. They show all the buy and sell orders for an asset in real time. A good quality order book has lots of orders at different prices, which means it's easy to buy or sell without affecting the price too much.

> **"At CoinAPI, we're proud of our high-quality order books. We provide a complete view of the market with real-time updates, and you can choose the level of detail you want, from the top 5 levels to the top 50 levels."** Artur Pietrzyk, CEO & Founder @ CoinAPI

e) Detailed data

It's important for API providers because it offers the most detailed information, including every transaction. This detail is vital for high-frequency trading and in-depth market analysis.

> "CoinAPI gathers up to 200GB of compressed data daily, which is then 10x compressed. We've been doing it since 2015. This vast dataset allows for easy statistical analysis." Marika Szczawińska, Head of Customer Experience @ CoinAPI

g) Market coverage

It refers to the number of markets that the data is provided for. The more markets covered, the more comprehensive and useful the service is for its users.

> "CoinAPI's Market Data API provides data for over 20,000 different cryptocurrency markets, from more than 380 exchanges worldwide. This extensive coverage ensures that our users have access to the data they need, no matter which markets they are interested in." Anya Patrzek, Crypto API Expert @ CoinAPI

h) Data security

It's important to keep sensitive data secure by using strong authentication protocols to minimize cyber threats. Some companies (CoinAPI included) use advanced delivery methods, like cross-connects or VPC peering with platforms such as Equinix, AWS, or GCP, to further enhance security.

2. The ecosystem of crypto APIs

It's better to work with one vendor instead of several. That way, you can use their data sources to develop your project further, making it easier to navigate and integrate different types of assets into your product. **Using different APIs requires more time, resources, and expertise.**

3. Data accuracy

Accurate and real-time data is crucial for making the best market decisions. Make sure data is current and delivered reliably before taking any action. **Historical market data** is the key to cryptocurrency analysis and trading strategies. It helps interpret future price movements and enables reliable long-term analysis.

4. Customer support

Great customer support helps you to get in touch with the data provider if you have any concerns about data handling or if you're having trouble with the connection. If something feels off to you, it's definitely worth reaching out to the support department.

With such a highly-technical product some things can go wrong from time to time. Data providers with the best customer support are worth investing in.

5. Data aggregation

"We do the work of processing and aggregating data from various exchanges so that our customers don't have to spend their time and energy on this task." Artur Pietrzyk, CEO & Founder @ CoinAPI

Aggregated data helps you analyze long-term trends in the overall market performance. It can help you decide when to buy or sell to maximize profits.

The best data providers gather data from various exchanges and calculate an average rate because each exchange has its price.

6. Length of data history

Data history refers to the record of how long a cryptocurrency has been tracked. It's important to confirm a cryptocurrency's legitimacy and track its consistent value over time. A cryptocurrency that has been tracked for a longer period is usually more established.

The length of crypto data history can range from as little as a month to several years. By monitoring the history of crypto data, we can help reduce risks and build trust between institutions and participants in the crypto economy.

7. Different data types

Crypto exchanges often use different cryptocurrency data types e.g.:

- trades
- quotes
- exchange rates
- order books
- OHLCV
- raw data
- tick-by-tick data

The thing is that not all providers give out all the types of data. It's worth checking it before investing.

8. Data access

An access to both live data feeds and historical data APIs is a big benefit. It can be used to provide real-time insights into products, services, and markets. By integrating live data feeds with specific APIs, a company can deliver timely and actionable information to customers in the form of a feed or timeline.

Historical data can be used to create visualizations or timelines that help businesses understand their past and current state.

9. Crucial factors

If you want to manage your cryptocurrency assets, you need to find a crypto API endpoint. It's a place where you can make or receive payments, view transaction history, and more.

Before you choose one, make sure you understand their policies. Check if they support the coins you want and how quickly they process transactions. If you plan to buy altcoins with Bitcoin, make sure it's available before agreeing to anything.

Choosing a good hosting provider is crucial for success in the cryptocurrency market.

> It's important to consider factors such as reliability, security, and cost when choosing a data provider servers' location.

10. API calls limits

APIs have limits on how many times you can access them within a certain period. This is called a rate limit, and it might be publicly available. Some APIs may restrict your usage based on your account type.

> For example, a free account may have a limit of up to 10000 calls per month or 1000 calls per day.

The main idea behind rate limiting is to make sure that the API is available to everyone who wants to use it, without one user or bot hogging all the resources.

It's like a traffic light that controls the flow of cars on the road. Rate limiting is important for both security and quality control.

It can ensure that the API remains stable and responsive even when user numbers increase.

To achieve this, API owners and operators set rules that determine how much access each user can have. These rules ensure that the API can handle traffic spikes and maintain good performance.

Without rate limiting, a sudden increase in traffic could cause the API to crash or slow down, making it difficult for people to use.

11. API docs

Some providers simplify the process of defining things in the API, saving clients a lot of time.

With the open API spec, documentation became easy to store and generate simultaneously with other code.

This way, you can **focus on your business instead of worrying about infrastructure and data volume issues** that you might not even be aware of.

12. SDK

Having a good, comprehensive Software Development Kit defines whether integration will take 1-2 weeks and be simple and fun, or whether it will take you a few months and mean involving an expert programmer for a specific language.

A good SDK includes all the necessary components that a developer needs to develop new applications for a specific product and its ecosystem.

Some SDKs also provide an example or basic test project to help developers start working quickly.

Conclusion

It is important to have a reliable, customizable, and scalable crypto market data provider that you can use to deliver accurate market data to your customers and clients.

APIs allow you to quickly automate your application. Their usage is growing, and at the same time, it is not as common as it should be for businesses.

In order for APIs to be successful, you need to:

- **Have some idea about the requirements, capabilities, and parameters of the API**
- **Know what type of data it provides**
- **Think of APIs as a kind of digital hub, and use this hub to integrate the data you need with all the other data that is already on the network**

APIs are the go-to solution for connecting your software to the outside world. They provide access to data on demand, automate processes, and save you money. You can't use an API if you don't know what it is or how to use it. That's why it's important to have an experienced API partner in your corner.

APIs solve three of the most pressing issues facing businesses today:

- scalability
- interoperability
- data management.

With millions of computers connected to the Internet, the vast amount of data being created every day is causing a serious problem. Businesses need to find ways to manage this information and make better decisions.

This is where the benefits of crypto market data APIs become clear.

APIs help you save time and money while also opening up new opportunities.

Better more accurate data you get via API allows you to get the best crypto market insights.

CoinAPI

CoinAPI provides a comprehensive set of APIs, enabling developers, traders, and businesses to access reliable cryptocurrency market data for analysis, trading, and building financial applications. We offer developer-friendly and user-friendly products that deliver the most accurate real-time and historical cryptocurrency market data, allow users to trade across different cryptocurrency exchanges using a single interface, and maintain cryptocurrency nodes for easier blockchain data access and management.

We aim to be a one-stop solution for cryptocurrency needs, eliminating the usage of multiple vendors. **Our products stand out for their:**

- **Detailed documentation**
- **Low latency**
- **Easy integration**
- **Great support**
- **Amazing SDKs**

With years of experience, a robust platform, and access to high-frequency, aggregated data, CoinAPI is the go-to choice for those involved in the crypto world.

> "We are absolutely delighted to be partnered with CoinAPI. It is a company that is driven by engineering and is highly focused on creating products. Their primary target is to offer the simplest and most convenient APIs to software developers and tech-savvy investors. If you are looking for real-time information sourced directly from all exchanges, then CoinAPI is the way to go." Mike Nasser, Co-funder @Satstreet → Full case study

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