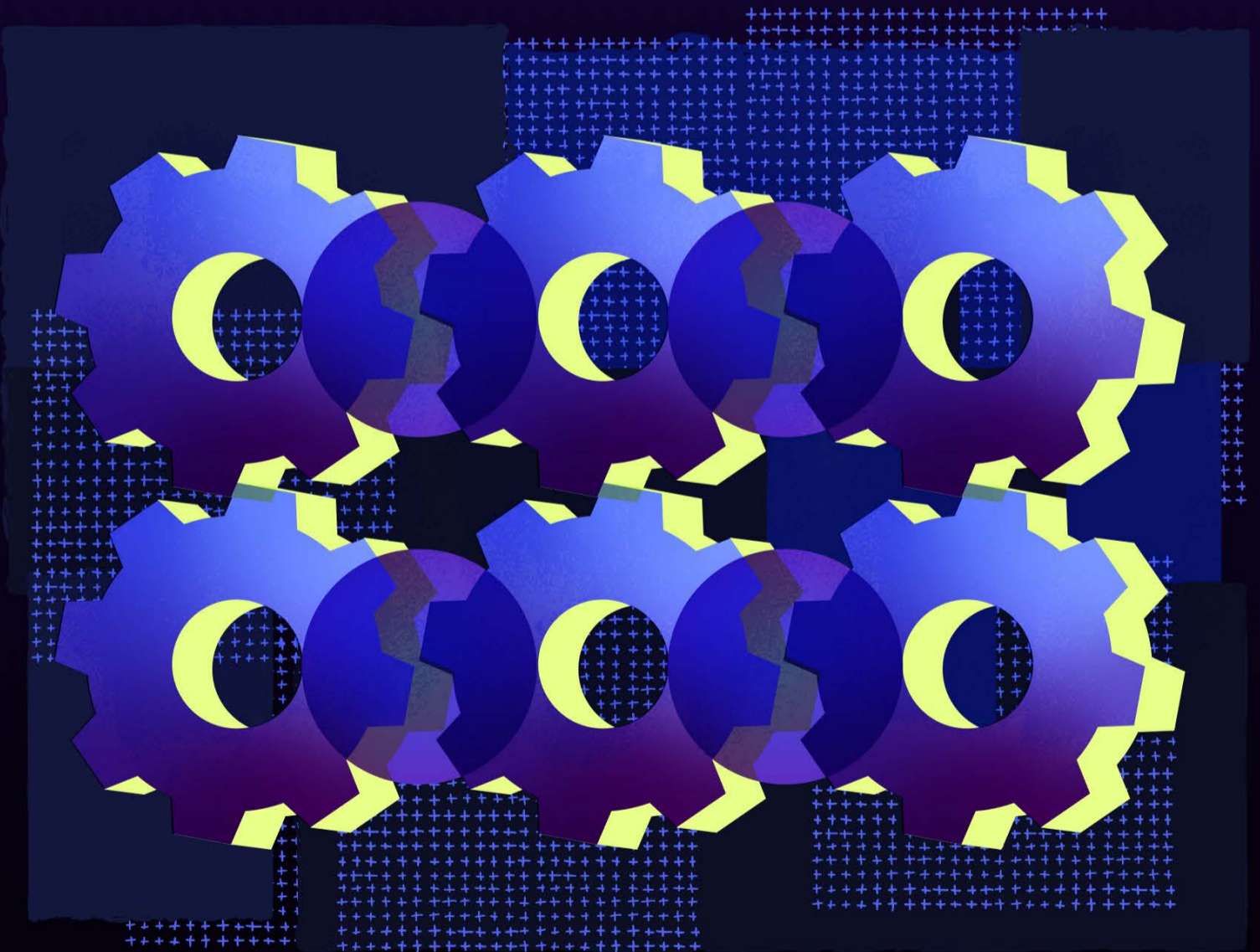2024

State of SaaS Integrations

Survey results from 100 SaaS companies on how they build, promote, and drive growth from their integration strategies.

Report by ◑ **PartnerStack** × ⬚ **Paragon** × ◈ **PARTNER FLEET**

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By Brian Yam, Forrest Herlick, Kelsey Johnson, Daniel Lam and Chloe Tse

Introduction

As B2B SaaS buyers continue to opt for fewer "all-in-one" solutions and instead choose "best-in-class" products, the modern tech stack is growing. These buyers increasingly demand that their solutions integrate seamlessly, a trend we expect to see grow in the coming years.

So, how are B2B SaaS companies living up to these buyer expectations? What should **product** and **engineering teams**, **partnerships professionals** and **leadership** be prioritizing in 2024 and beyond to better serve prospects and customers the integrated solutions they require?

What can be learned from enterprise corporations who are accelerating growth by scaling their integration ecosystems? How can we modify our integrations and partner strategy to get ahead of the competition?

Frankly, there was almost no publicly available data to help answer these questions. So, Paragon, PartnerFleet and PartnerStack stepped in to fill the gap.

The claim

After surveying leaders at more than a hundred B2B SaaS companies, with participants across product management, tech partnerships, exec leadership and more, it's clear that integrations may be key to scaling growth in 2024.

According to original data collected by PartnerStack, Paragon and PartnerFleet, we consistently found that integrations drive revenue through reduced churn, increased ACVs (Annual Contract Value), and improved win rates. Additionally, bigger companies tend to work with partners who build integrations and companies of all sizes are increasingly adopting integration platforms to accelerate the development process.

Key takeaways from the report

The survey was conducted in 2023 and included data and insights across B2B SaaS. Some highlights include the following.

State of SaaS Integrations 2024

Customers and prospects of B2B SaaS companies want integrations
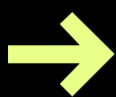
→ Integrations help reduce customer churn.

→ Integrations increase sales win rates and customer upsells.

B2B SaaS companies can execute their integration strategies better

→ It takes most companies three months or longer to build a single integration in-house.
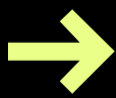
→ A significant percentage of companies are leveraging embedded iPaaS and unified APIs to build integrations faster.

→ Companies aren't maximizing the go-to-market opportunity for their integrations.

Bigger companies are leading the way for integrations

→ They support far more integrations.

→ A higher percentage of their integrations are built by partners.

Some questions to ask yourself as you dive into this research:

? - - - - - - - - - - - - - - - What's the standard for building, tracking and promoting integrations?

? - - - - - - - - - - - - - - - Is your company on track, ahead of, or behind your peers in terms of the investment and progress of your integration strategy? You should consider not only the number of integrations your product provides, but how you're measuring usage/adoption and their impact on revenue, your tech partnerships strategy and your go-to-market strategy.

? - - - - - - - - - - - - - - - What are larger SaaS companies doing differently? How can you drive growth in your business to mimic the enterprise companies that have scaled their integration ecosystem and use?

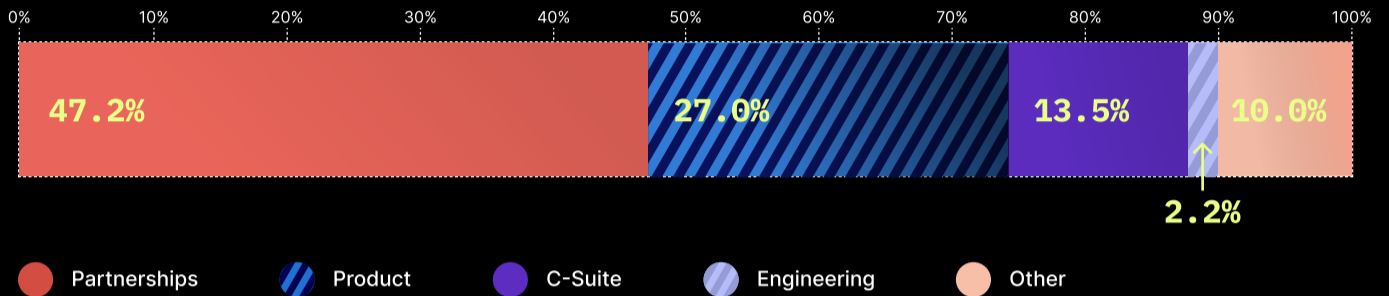# Ready? Let's dive into the data.

→

Data and insights from B2B SaaS professionals

Here are some demographics about the survey respondents:

CHART

Leaders by department

47.2%	27.0%	13.5%	10.0%

2.2%

- ● Partnerships
- ● Product
- ● C-Suite
- ● Engineering
- ● Other

CHART

Company size by employees

13.5%	31.5%	30.3%	10.1%	14.6%
1-10	11-100	101-500	501-1000	1000+
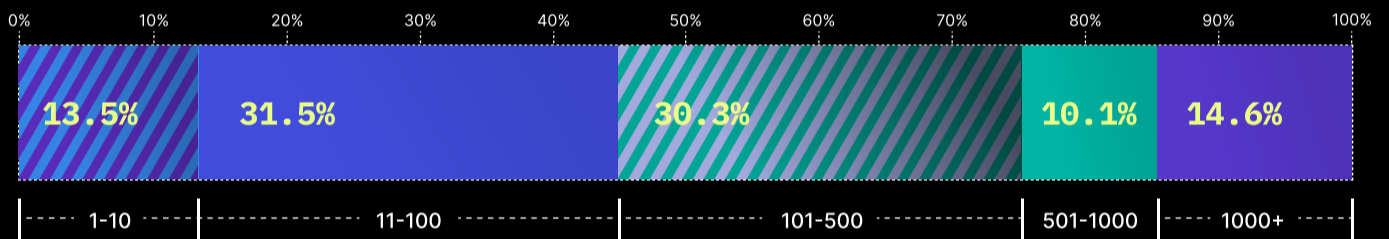
CHART

Number of respondents by SaaS category

Marketing · Sales · Productivity · iPaaS · Finance · Other · HRIS · Business Services · CX · ERP · E-commerce · EdTech · Data

NUMBER OF RESPONDENTS
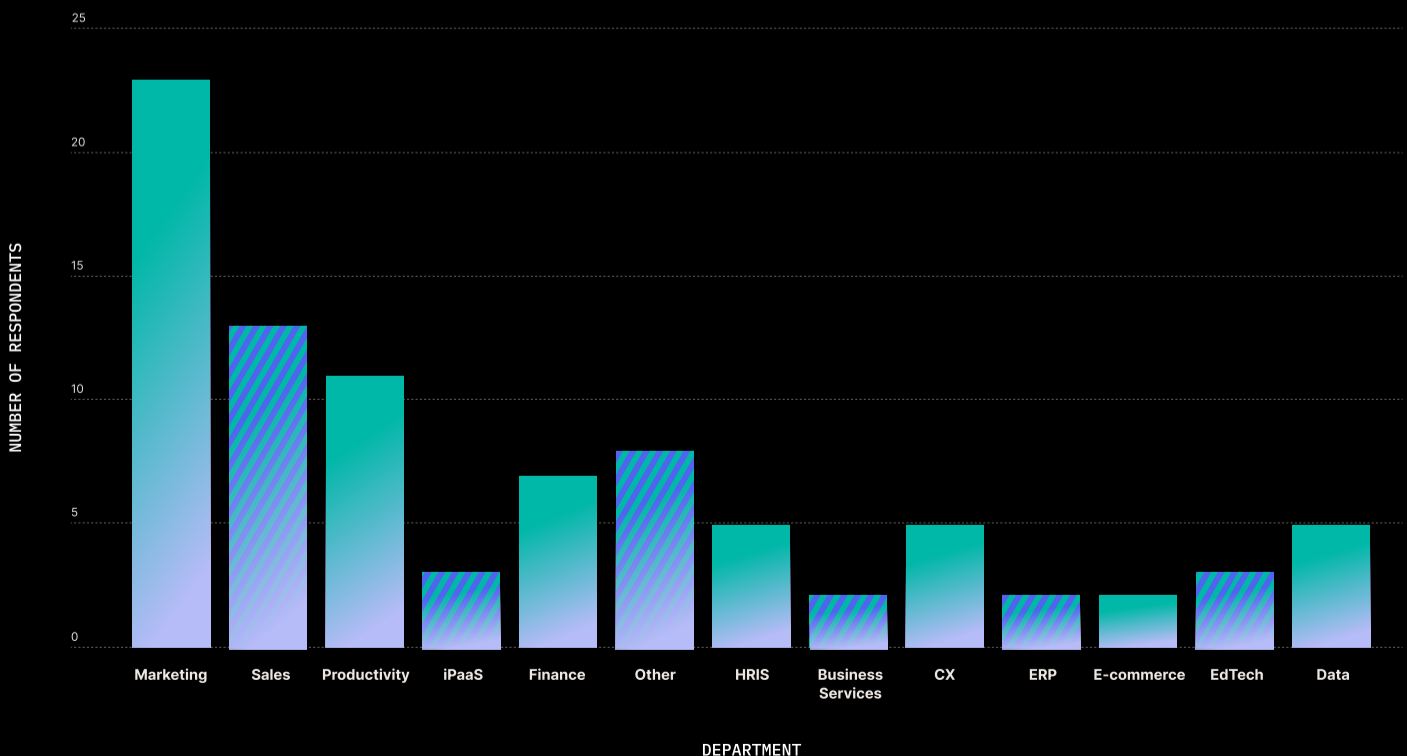
DEPARTMENT

Department

The majority of our respondents are in partnerships (**47%**), product (**27%**) and executive leadership (**14%**).

Company size

This report required us to collect data from every segment of the market, to get segment-specific insights as well as to compare trends across company stages. This data tells us that **45%** of our respondents are SMBs or startups (1-100 employees), **40%** of respondents are from mid-market companies (101-1000 employees) and **15%** are from enterprises (1000+).

SaaS category

Respondents come from B2B SaaS companies across categories, from marketing, sales, productivity, finance, sales, human resources (HRIS), CX, to many others. Marketing, sales and productivity SaaS make up 51% of the responses, which may be reflective of the sheer number of companies in these categories compared to the rest.

Now let's dive into what you're here for — the insights.

Customers and prospects of B2B SaaS companies want integrations

Integrations are brought up in **60%** of all sales deals.

To measure the importance of integrations, we had to look at it from two angles:

1 - - - - - - - - Value for prospects and customers

2 - - - - - - - - Value for the SaaS company

It's clear that customers seriously value integrations

The data overwhelmingly shows that integrations are a key consideration to B2B SaaS customers:

→ **84%** of respondents said integrations were "very important" or a "key requirement" for their customers.

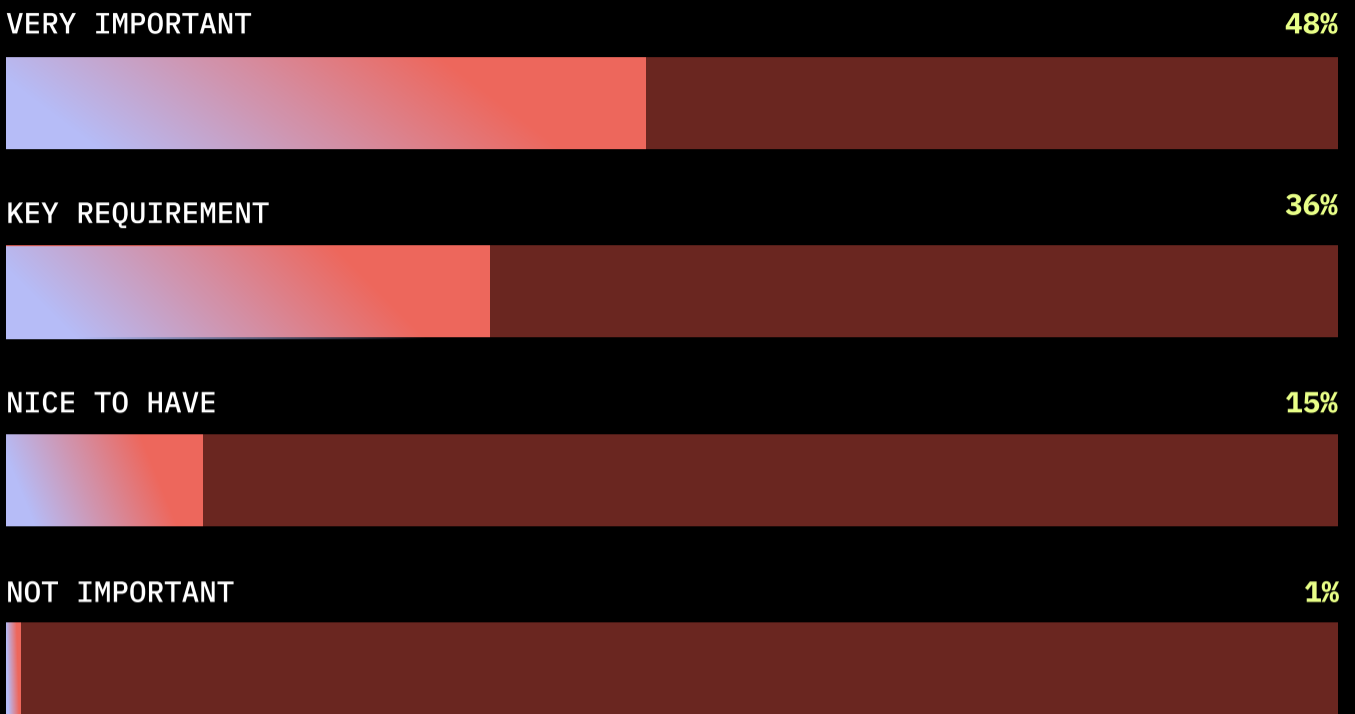→ Only **1%** of respondents said integrations aren't important for their customers.

This is a good indicator of customer preference right now and going forward.

A product feature that's a key requirement or very important is considered a deal breaker if you don't have it. The fact that product integrations are deal breakers for 84% of business' customers is a huge indicator of customer needs.

How important are integrations for your customers?

Turns out, it matters quite a bit.

VERY IMPORTANT   **48%**

KEY REQUIREMENT   **36%**

NICE TO HAVE   **15%**

NOT IMPORTANT   **1%**

KEY METRIC

62%

respondents said integrations are brought up in the sales process more than half the time

KEY METRIC

24%

respondents said integrations were brought up in **90+%** of deals

It's *not* just customers — prospects want integrations too

On average, integrations are brought up in approximately **60%** of all sales cycles, which is probably no surprise to your product team given all the requests they likely get from sales.

Breaking this down, **62%** of respondents said integrations are brought up in the sales process more than half the time while **24%** of respondents said integrations were brought up in 90+% of deals.

We wanted to see if customers' demands varied across categories, however, the data demonstrates that the trend is consistent across the board. This comes as no surprise because we have all become accustomed to the integrated experiences that industry leaders such as Slack, Jira or HubSpot now offer.

The percentage of deals involving integrations by SaaS category
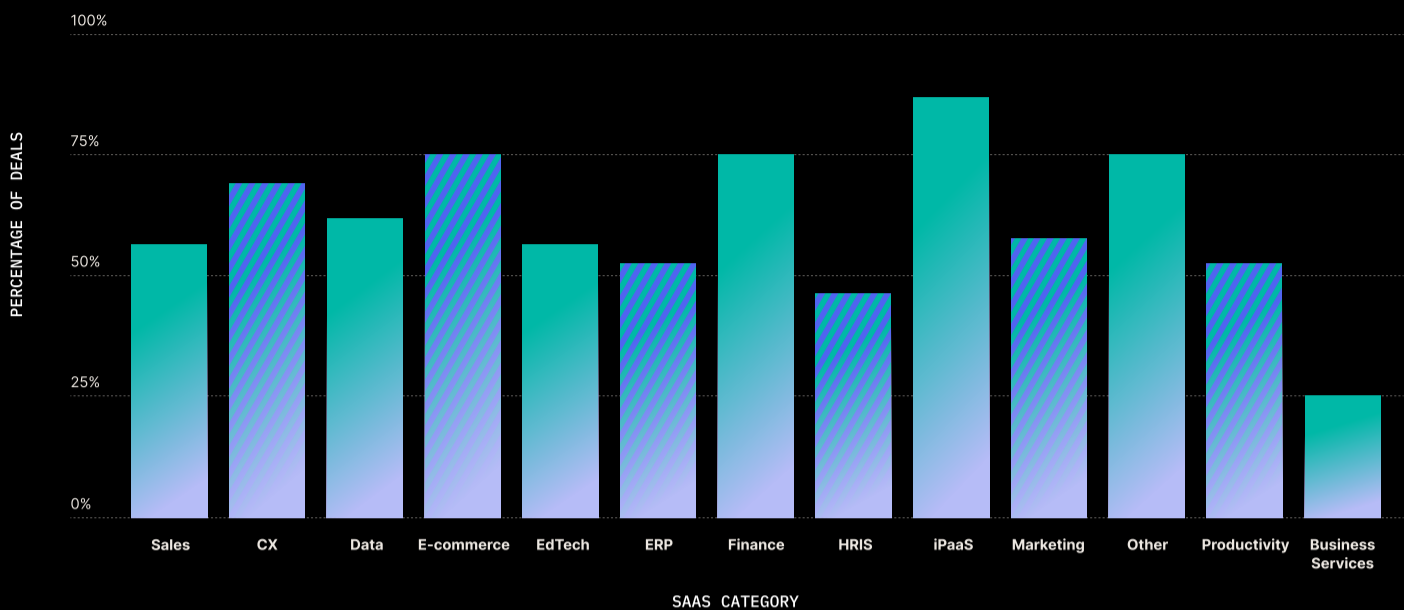
The fact that integration requirements are coming up in the majority of sales conversations shows that integrations aren't just an afterthought or a 'nice to have' for buyers. Buyers understand the efficiency and value of having an integrated tech stack and they're keeping it top of mind as they evaluate SaaS platforms.

The impact on your core SaaS business metrics

We just validated that your buyers want and expect integrations, but what's in it for you? There are benefits for your SaaS business if you're going to invest months of engineering to develop these integrations.

Two of the most important metrics for every SaaS business are new ARR (annual recurring revenue) growth and NRR (net revenue retention) growth — or, put simply: closing new customers and retaining and upselling existing customers. Let's look at what the data tells us about the impact integrations have on these two metrics.

Integrations lead to lower churn

Of the respondents that had insight on the impact their integrations had on churn, an overwhelming **92%** of them shared that customers who have enabled integrations are less likely to churn.

After all, the more integrations you offer, the more processes and dependencies your customers will build on top of your application.

Ripping out your application from their stack (or churning) would require a painful transition period and potentially a lot of operations work to ensure it does not disrupt their day-to-day workflows.

Are customers with integrations less likely to churn?

Note: *30% of the respondents didn't know if integrations had an impact on churn, which shows an opportunity for organizations to become more data-driven when driving integrations and tech partnerships decisions.*
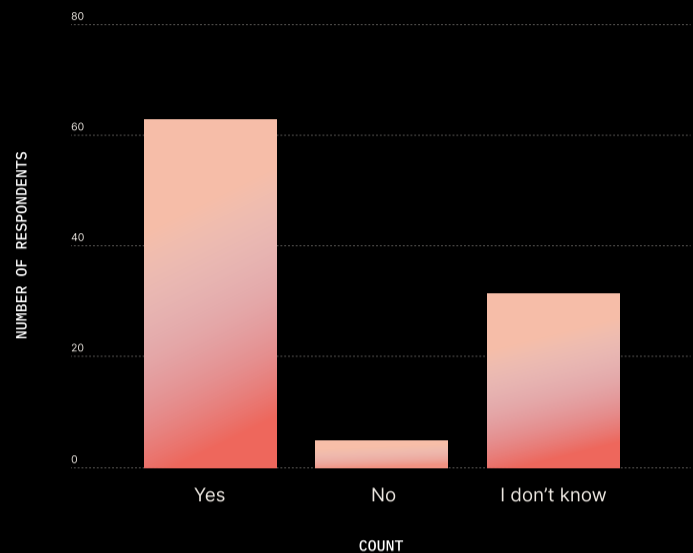
Integrations also drive expansion and upsells

Retaining a customer is just the start. The best SaaS companies achieve net revenue retention (NRR) upwards of **140%**, which means for every dollar their customers pay them today, a year from now, those same customers will be paying them an additional **40%**.

The only way to achieve >100% NRR is by upselling existing customers at a faster rate than they're churning. So let's take a look at how integrations play into driving upsells.

On average, integrations drive **35%** of expansions and/or upsells for respondents. In partnerships, this is also true — and more and more partnership integrations are being built and implemented to support the business.

"[Integrations have a] huge impact on customer expansion/upsells. As a data company, integrations are key to our success. While many customers purchase integrations with their initial contract, I'd say about 40-50% of expansion/upsells are tied to integration." — Survey Respondent

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"[Impact on customer expansion/upsells] is hard to quantify. Even if the prospect does not ask for it, they will need it. Today's marketplace does not have room for a silo application." — Survey Respondent

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Revenue insights and takeaways

The impact of product integrations on B2B SaaS businesses is clear.

Integrations are:

1 ------- Important to nearly every buyer, and often a dealbreaker

2 ------- A key driver to reducing churn

3 ------- Requested in over 50% of deals which is consistent across SaaS categories

4 ------- Driving expansions/ upsells for current customers at an average rate of 35%

This largely aligns with why the respondents are investing in integrations at their own SaaS companies. Besides extending product functionality, these are the top three reasons companies invest in product integrations:

KEY METRICS

67%
Improve close rates

63%
Improve retention

30%
Create expansion levers

If building new integrations and driving adoption of those integrations isn't a priority for your business, these findings suggest hat it should be.

With this in mind, make sure your product and partnerships teams have the data infrastructure and processes in place to prioritize integrations effectively. Set up systems and processes to accept integration requests from prospects and customers, talk directly to your customers, sales and success teams and run win/loss analysis to see how specific integration requests correlate to your team winning a specific deal.

# B2B SaaS companies can execute their integration strategies better

With the data showing the value of integrations, it makes sense that B2B SaaS companies would be shipping dozens of new integrations and improvements every year and promoting these integrations to maximize adoption. But we're seeing that it's not that simple.

1 ------- Engineering teams are faced with challenges across the integration development lifecycle, primarily with maintenance.

2 ------- There is a strong adoption of third-party tooling to help abstract away engineering challenges around integrations.

3 ------- Companies are not maximizing the go-to-market opportunities for promoting their integrations.

4 ------- Companies can further build upon their analytics and tracking around integrations.

Let's take a look at each of these insights in more detail.

CHART

Average time to build an integration
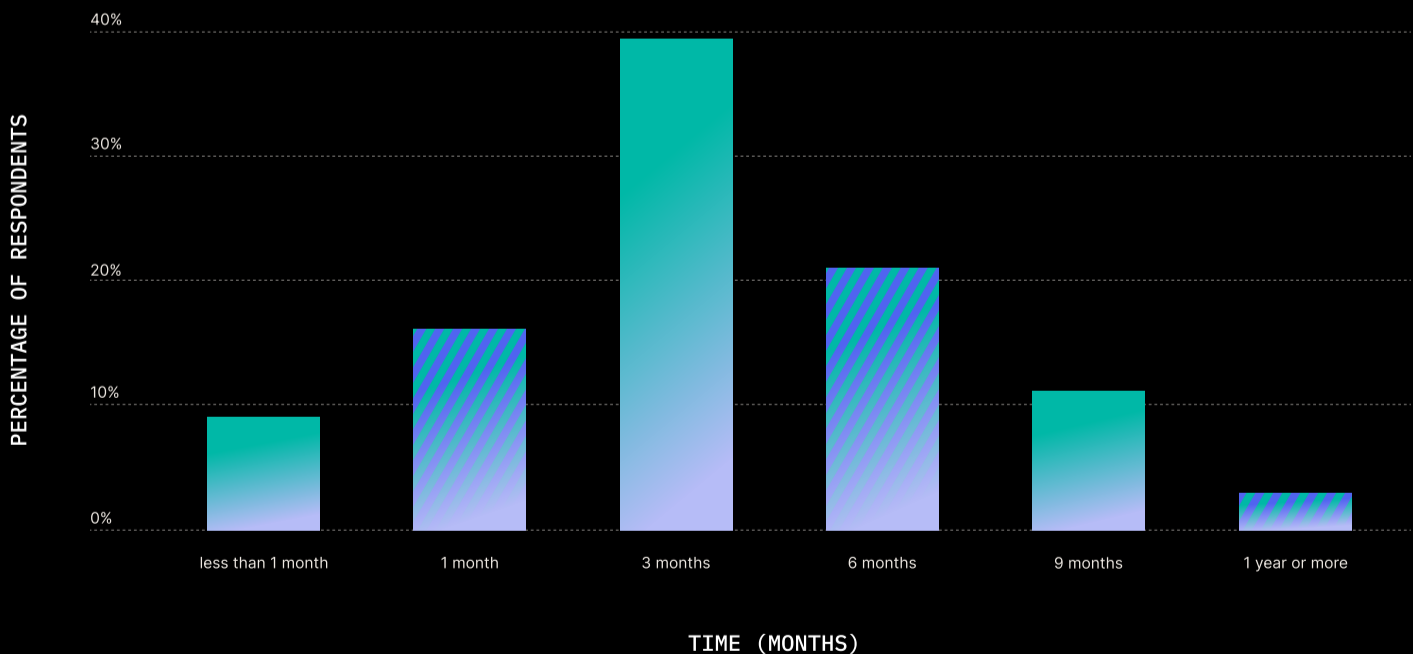
75% of respondents said it takes three months or longer to build an integration.

From researching the third-party APIs to development and testing, this makes sense. But as we prioritize building more integrations, is there a way to accelerate development and testing?

How many employees are allocated to integrations?

First, let's take a look at how much headcount companies are dedicating to their integration strategies.

At an aggregate level, the median headcount allocated to integrations is six and the average for companies with fewer than 1000 employees is 10.

Some respondents broke down the headcount by role as well and consistently most of the headcount fell within engineering.

This ties quite directly into the next insight which is around the biggest pain points companies face when shipping and maintaining integrations for their products.

CHART
### Biggest pain points in shipping and maintaining integrations
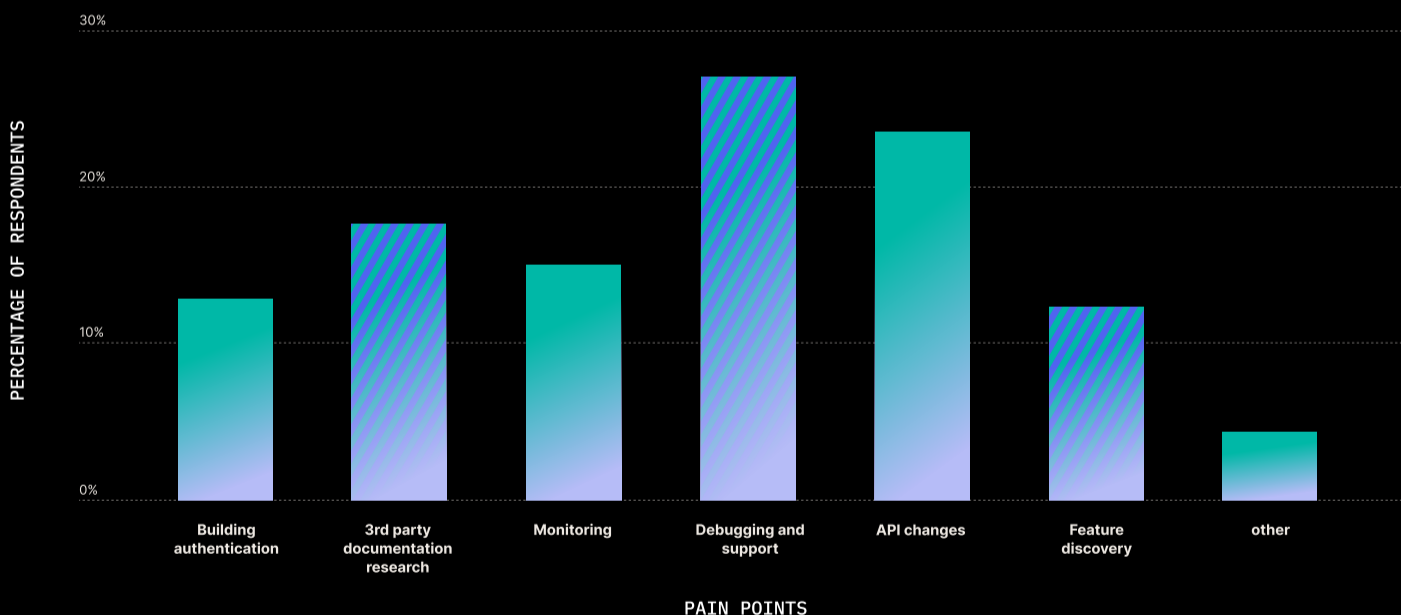
What's interesting is that the top two challenges that respondents shared were both pain points around maintaining their integrations after it is shipped to customers. While building is in some ways a one-time cost, the nature of integrations creates dependencies on third-party applications' APIs. This means that your team needs to handle scenarios when the third-party APIs have downtime or when they release breaking changes to their APIs which can break your integration.

These challenges are likely drivers behind the adoption of third-party integration platforms, which brings us to the next point.

How are teams building the integrations?

While building in-house is still by far the most common approach to building integrations, both embedded iPaaS and unified APIs are being adopted across all segments. Note that 50% of the companies leverage more than one approach, generally building in-house and adopting a third-party solution.

KEY METRICS

80%
are building in-house

29%
use an embedded iPaaS

24%
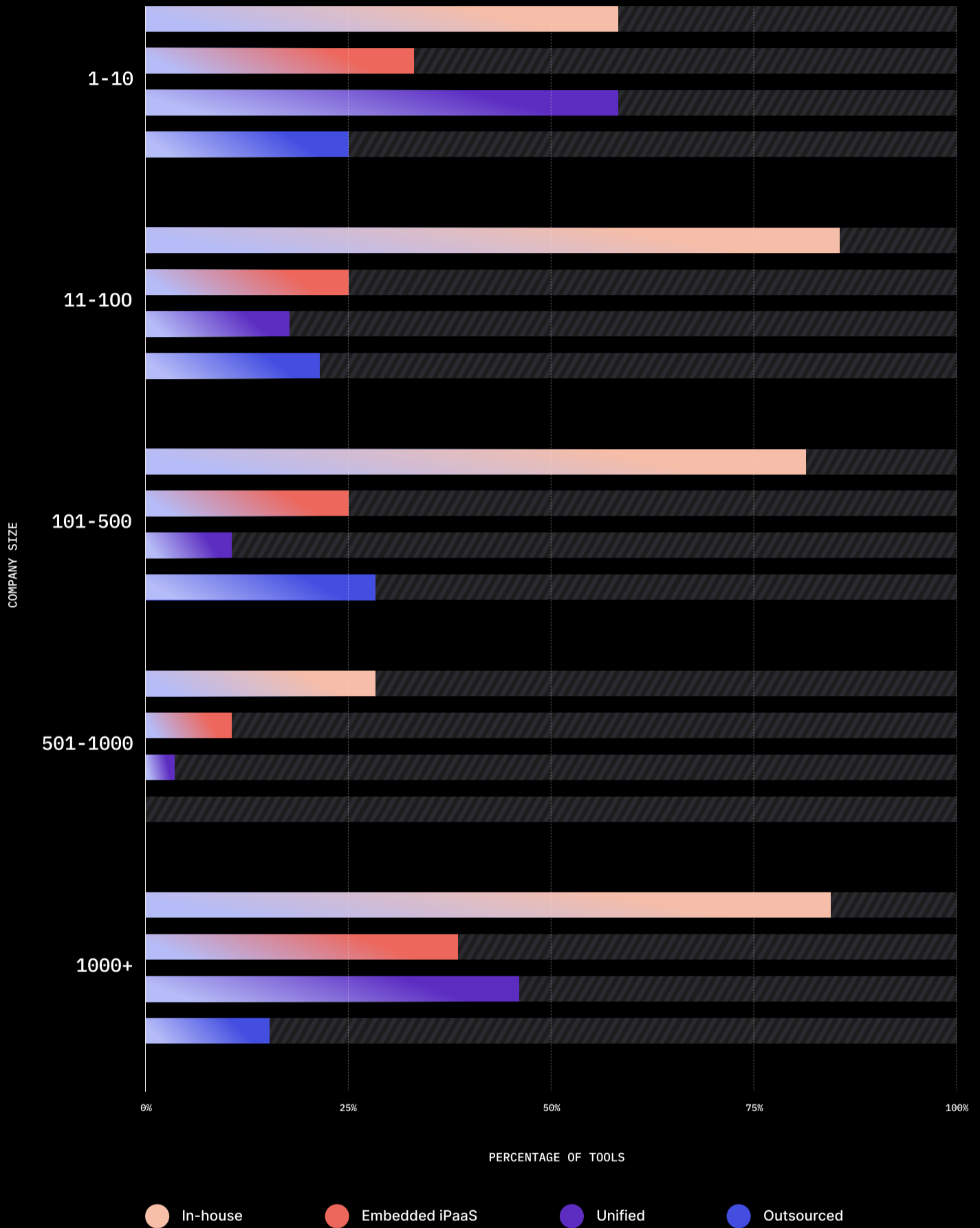use a unified API

21%
use an outsourced dev shop
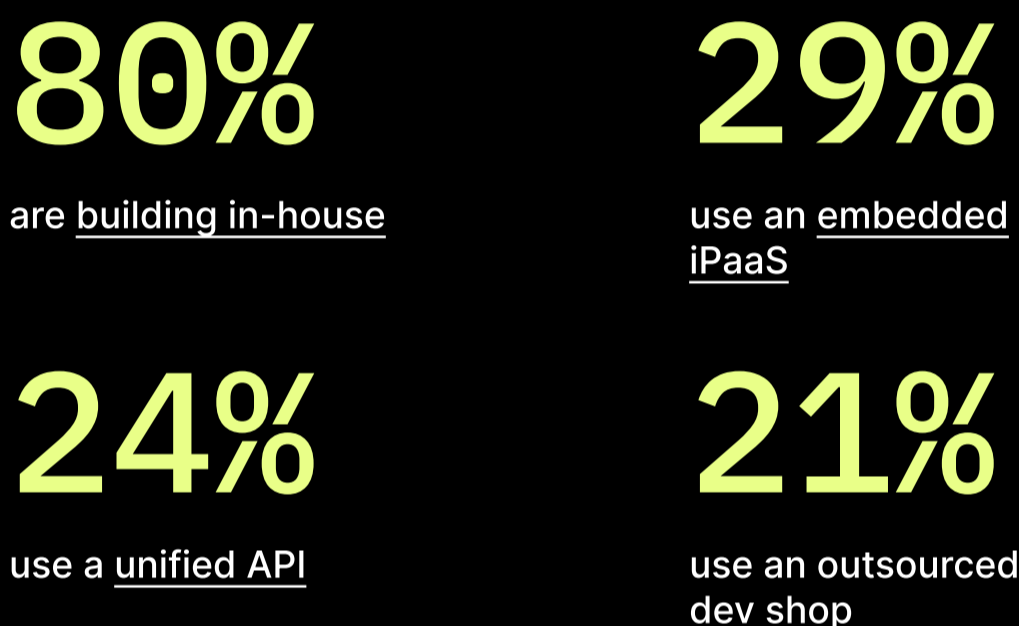
It will be interesting to see how this data shifts over the next few years as both embedded iPaaS and unified APIs have come to market within the last two to years, and have taken the startup segment by storm.

When we look at this data by segment, you'll notice that the adoption of third-party solutions is slightly higher in the startup and enterprise segments.

The rationale for startups is clear — they don't have the bandwidth to build integrations in-house and want to focus their engineers on core product initiatives. These third-party solutions enable them to rapidly ship dozens of integrations with a fraction of the engineering effort, so the ROI is obvious.

As for enterprises, they dedicate more resources in general towards integrations and tend to have a more objective, leadership-driven ROI mindset when it comes to adopting solutions that can help them further expand their ecosystems.

Tools to build integrations by company size

COMPANY SIZE

- 1-10
- 11-100
- 101-500
- 501-1000
- 1000+

0% 25% 50% 75% 100%

PERCENTAGE OF TOOLS

● In-house　　● Embedded iPaaS　　● Unified　　● Outsourced

How to action now

Instead of accepting the long development cycles building an integration in-house requires, product and engineering teams should at a minimum, take the time to evaluate Embedded iPaaS and Unified API solutions as it may save them significant engineering resources and enable them to go-to-market with new integrations faster moving forward.

There are plenty of resources out there that help with the build versus buy decision and the most optimal solution could be a combination of tools and building in-house, as the data above indicates.

Go-to-market opportunities

The impact that integrations have on churn and upsells can only be experienced if customers are made aware of the integrations and adopt them. That's why go-to-market strategies for integrations are extremely important — yet they're overlooked.
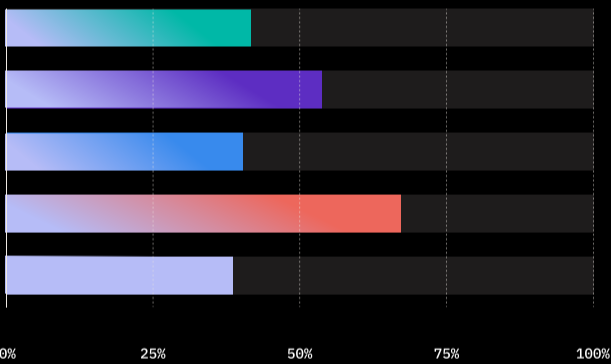
Across the board, we see that companies are not leveraging as many channels and mediums to launch new integrations as they should. Never dismiss the opportunity to partner up.
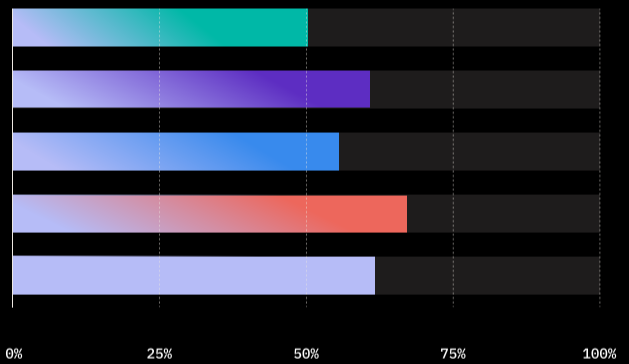
CHART

Marketing channels used to promote integrations
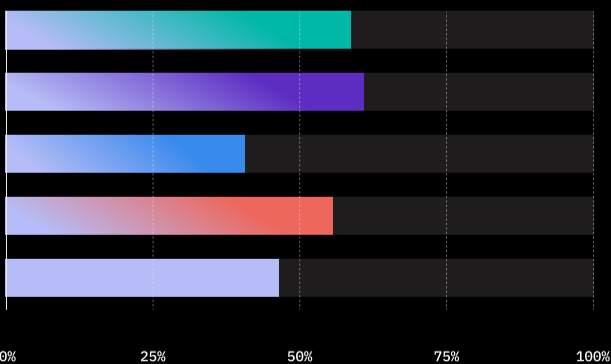
● 1-10   ● 11-100   ● 101-500   ● 501-1000   ● 1000+
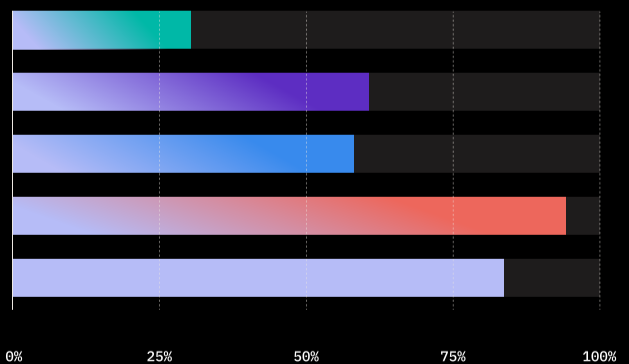
BLOG

SOCIAL MEDIA

EMAIL

MARKETPLACE

Marketing channels used to promote integrations (cont'd)

● 1-10   ● 11-100   ● 101-500   ● 501-1000   ● 1000+

PAID ADS

IN-PRODUCT EXPERIENCES
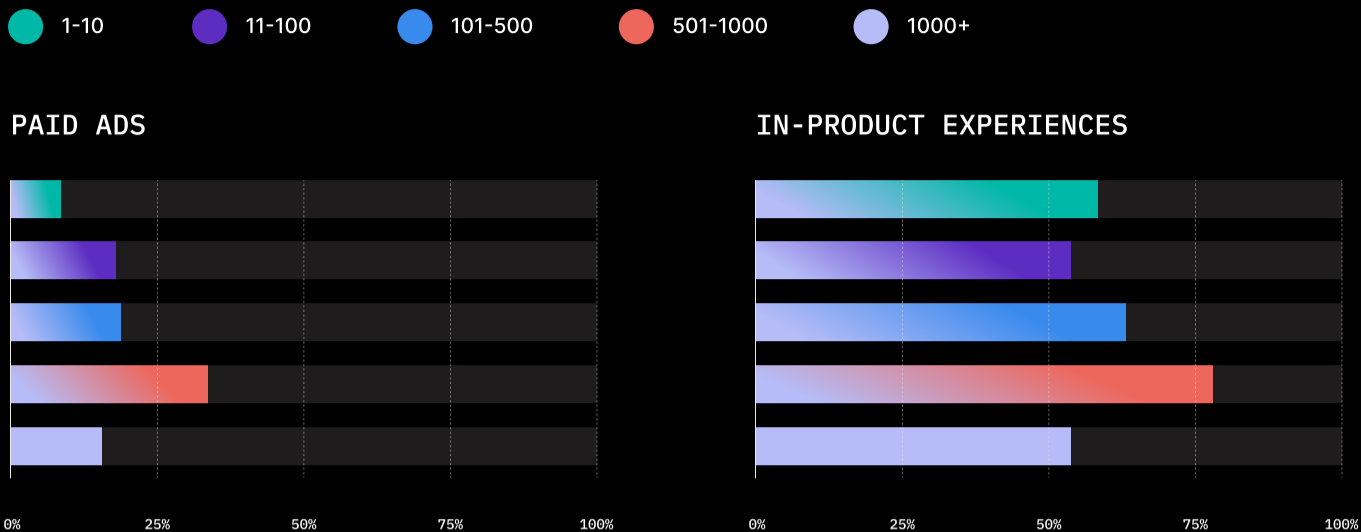
In-app experiences

56% of companies leverage in-app experiences to promote new integrations. This is likely due to their product teams' ownership of the end-to-end experience for discovering and enabling integrations within their applications. Even then, that means nearly half of the companies are not promoting the integrations actively amongst their most active users.

Social and Email

Besides in-app experiences, social is the most leveraged channel, followed by email. More than half of the companies are sharing the launch via their social media channels, likely due to the lower lift required and general practices around posting frequencies. Interestingly, SMBs are leaning into email more so than the other segments, likely due to it being their primary channel for communicating product updates to both leads and customers.

Marketplaces

Adoption of marketplaces is much higher amongst the mid-market and enterprise segments. This comes hand-in-hand with their partnerships strategies, which we'll get into later in the study.

That said, in 2024, companies know that most buyers are doing research on their own through companies' websites. That's why even SMB and mid-market companies that may have relatively low marketing bandwidth are starting to leverage marketplaces as a marketing tool for their integrations.

Content

Articles or blog posts are not being leveraged as much as some of the distribution channels which indicates that companies are investing more in announcing that an integration is available than educating users on why an integration is valuable — which is what this type of longer-form digital posts are best suited for.

Paid ads

This is by far the lowest utilized channel due to it requiring a budget to run. Companies are likely only using this channel if they have a very specific, targetable audience of prospects for the integration, otherwise, the benefits will not justify the ad spend.

How to action now

Before the integration is even built, make sure to have close cross-functional collaboration across product and marketing to ensure that:

1 ------- The specific segment of customers for which the integration is relevant is clear.

2 ------- Core messaging around the value of the integration is created.

3 ------- All relevant channels and mediums (from above) are included in the launch plan.

4 ------- Create a marketplace where customers and prospects can find, buy, and install integrations.

Now we arrive at the last piece of the puzzle: measuring success.

Trends for integration analytics

We've noticed that companies' abilities to prioritize investing in integrations generally comes down to whether or not executive leadership is bought in. That's why it's critical that your team has the data to quantify not only the revenue opportunity that shipping new integrations could bring, but also the adoption of existing integrations and the impact they've had on core business metrics.

Based on the responses, we see an opportunity for companies to increase the coverage of their analytics on integrations.
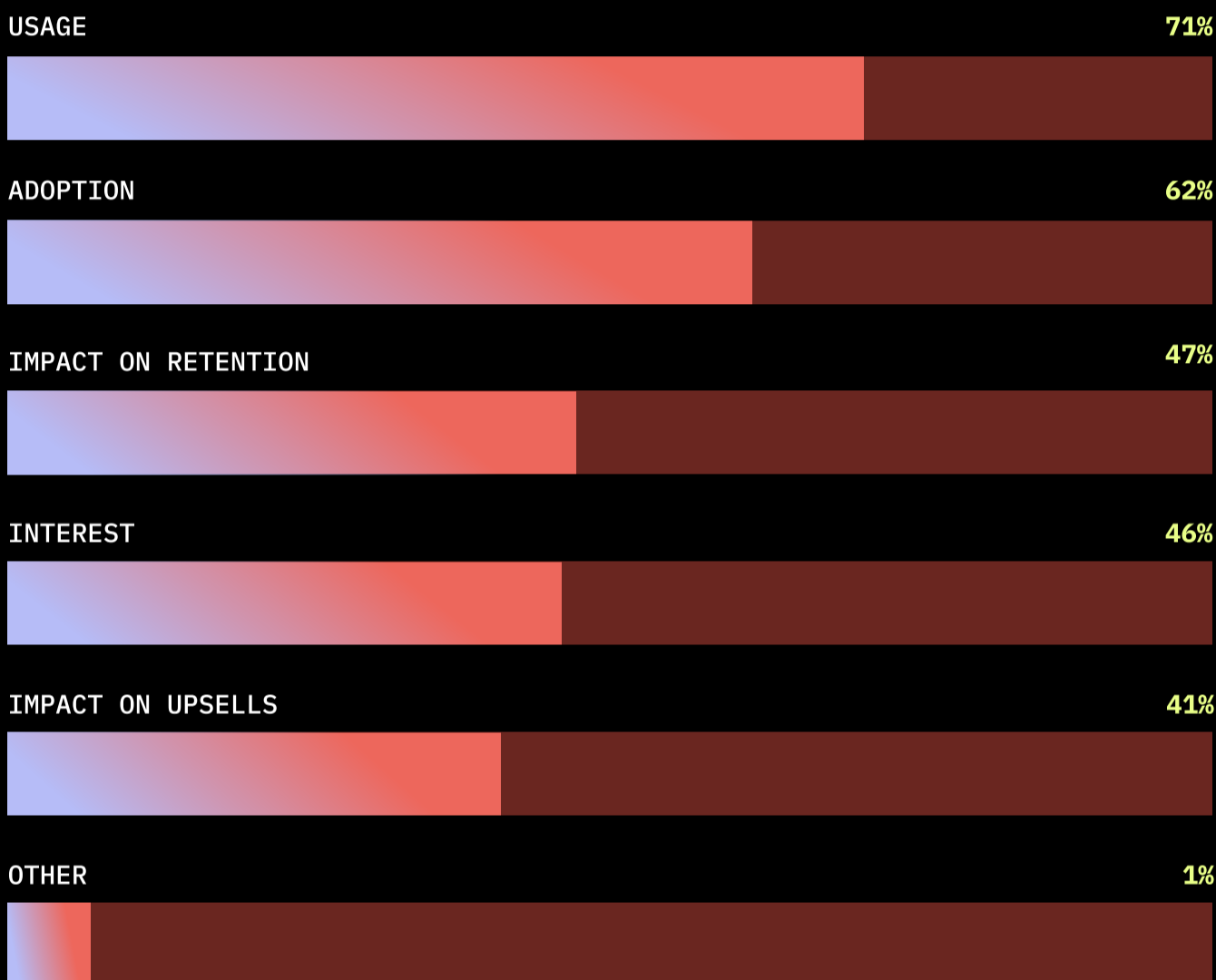
What metrics are being tracked?

The top three metrics currently being tracked are integration usage (**71%**), adoption (**61%**) and the impact of integrations on retention (**47%**).

Integration metrics that are currently being tracked

Usage and adoption top the chart.

USAGE   **71%**

ADOPTION   **62%**

IMPACT ON RETENTION   **47%**

INTEREST   **46%**

IMPACT ON UPSELLS   **41%**

OTHER   **1%**

What metrics are being tracked?

To prioritize integrations on the roadmap effectively and maximize the ROI on existing integrations, B2B SaaS companies need to continue investing in their analytics infrastructure.

Tracking integration interest will help quantify the potential impact on sales, tracking adoption will help go-to-market teams optimize the launch strategy, and measuring the impact on upsells and retention will help build a case for investing further in additional integrations.

Having this data available will not only drive better decision-making, but also help uncover insights to present to leadership that can lead to more investments in companies' integration strategies.

Bigger companies are leading the way for integrations

When we look at what the larger SaaS companies are doing differently, it boils down to these two key takeaways:

1 - - - - - - - They provide their customers with significantly more integrations.

2 - - - - - - - The majority of their integrations are built by partners.

Let's drill into the details.

50%
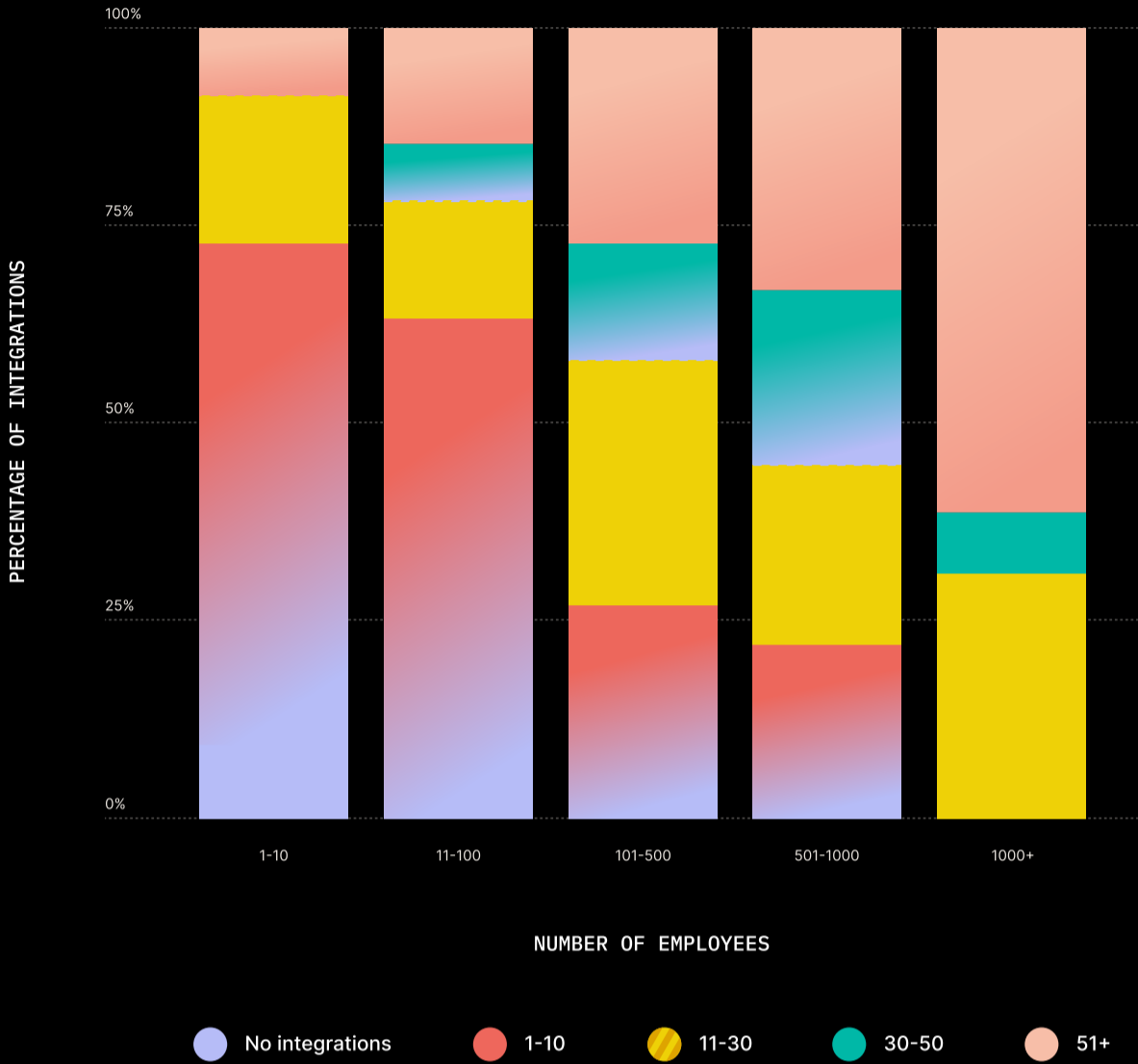of enterprise companies have 51 or more integrations.

Bigger businesses provide more integrations — here's what we can learn from them

How many integrations do B2B SaaS companies have on average?

On average, the businesses we surveyed had 29 integrations, but what's more interesting is the undeniable correlation between a company's size and the number of integrations they have.

The larger the company, the more integrations they have.

Percentage of integrations by company size

Y-axis: PERCENTAGE OF INTEGRATIONS

Y-axis values: 100%, 75%, 50%, 25%, 0%

X-axis categories: 1-10, 11-100, 101-500, 501-1000, 1000+

X-axis label: NUMBER OF EMPLOYEES

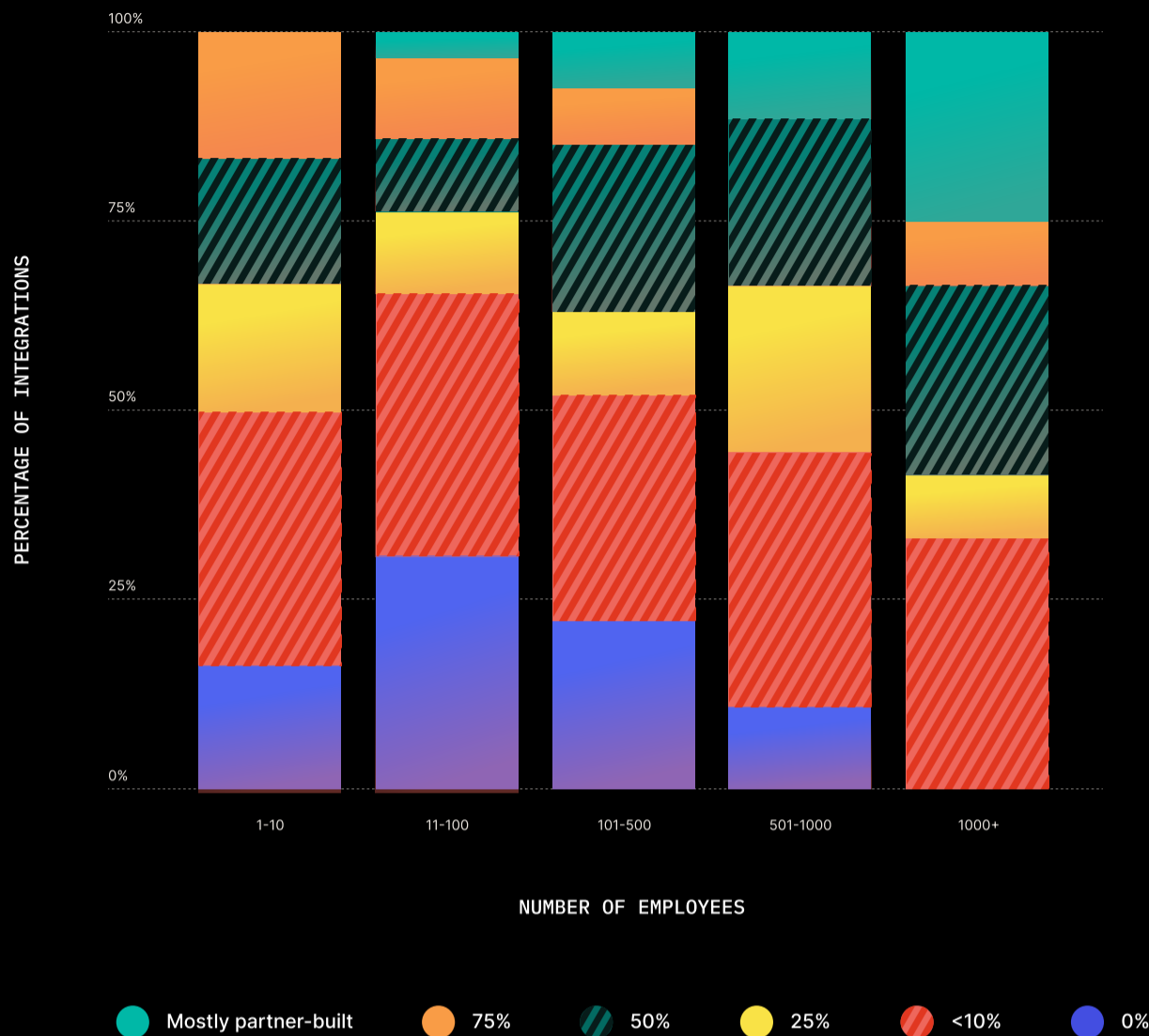**Legend:** No integrations | 1-10 | 11-30 | 30-50 | 51+

Over 50% of enterprise companies have more than 51 integrations, whereas that number falls to approximately 10% for SMBs under 100 employees.

This doesn't come as a surprise — larger companies have larger product and engineering teams which in turn allows them to ship more integrations. However, that's not the only reason behind their expansive integration catalogs.

Their partners are doing the heavy lifting

Naturally, as a company grows their ecosystem and customer base, there are more incentives for other SaaS companies to build integrations 'towards' their APIs. This is the second reason why bigger companies can provide so many more integrations — they're not building the integrations themselves.

Partner-built integrations by company size.

PERCENTAGE OF INTEGRATIONS (y-axis)

NUMBER OF EMPLOYEES (x-axis): 1-10, 11-100, 101-500, 501-1000, 1000+

Legend:
- Mostly partner-built
- 75%
- 50%
- 25%
- <10%
- 0%

In fact, for the majority of enterprise companies, more than 50% of their integrations are built by their partners. This is in line with what we've observed with the leaders in SaaS — they are rarely releasing new integrations themselves and dedicate their efforts to their marketplace strategy.

Instead, the majority of their integration efforts are dedicated towards partner-enablement, to make it easier for other companies to integrate with them and provide co-marketing and/or co-selling opportunities.

How to action now

Smaller companies who are catching up should recognize that as you grow, other SaaS companies will naturally begin to ask to integrate. Start investing in your own API strategy as early as possible. The easier it is for other companies to build on top of your API, the more likely they'll become an avenue of partner-sourced revenue through an integration that they build.

Conclusion

This original data collected by PartnerStack, Partner Fleet and Paragon aims to support the good work industry folks are doing every day in the B2B SaaS space. It's clear that integrations may be key to the growth many of us are after in 2024. After all, integrations continue to drive revenue, reduce churn, increase ACVs and improve win rates within your partner ecosystem.

The Researchers

3 companies that were hungry for data on integrations and technology partnerships came together to bring you this report.

Paragon

Embedded iPaaS for Developers

Enabling SaaS engineering teams to ship white-labeled, native integrations in weeks, not months, with 70% less engineering.

Learn more

PartnerStack

Partner Ecosystem Platform

PartnerStack is an ecosystem platform with the largest B2B SaaS Network.

Learn more

PARTNER FLEET

White-labeled Partner Marketplace

Turn your partnerships into trackable revenue with a custom-built, out-of-the-box marketplace.

Learn more