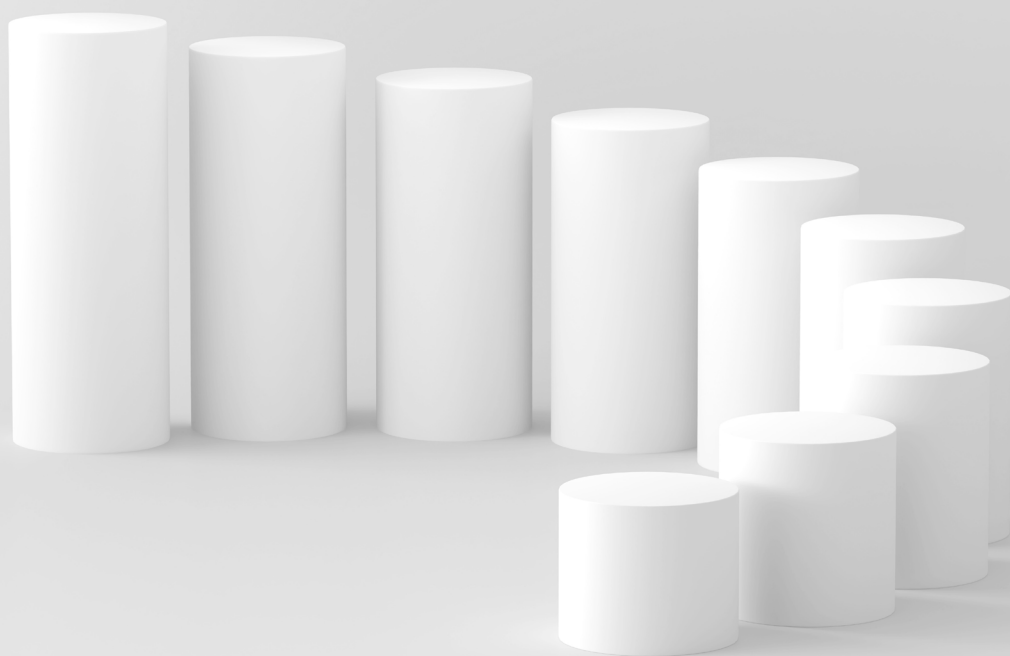


2024

# State of Product Integrations



# Contents

## INTRO

Background on the study 3

## SECTION 1

How companies are building product integrations 4

## SECTION 2

How companies benefit from product integrations 8

## SECTION 3

Why companies struggle to build and maintain product integrations 12

## SECTION 4

How organizations plan to build product integrations in 2024 16

## SECTION 5

An overview on third-party tools to build, manage, and maintain product integrations 22

## SECTION 6

Meet your integration ambitions in 2024 with Merge 25

# Background on the study

Merge partnered with [Atomik Research](#), an online market research agency, to survey 260 product managers and engineers.

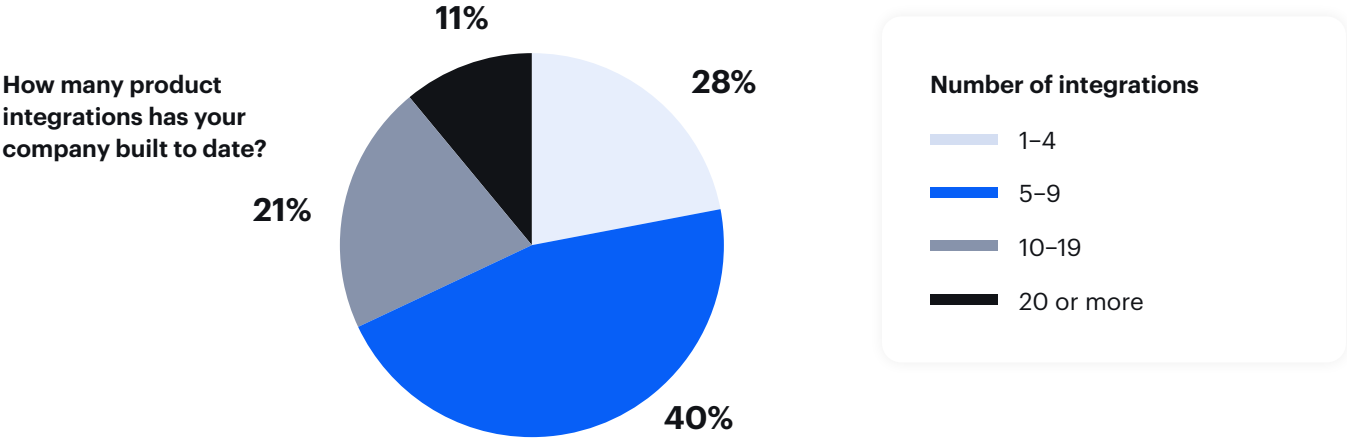
Atomik Research selected the survey panel independently and fielded the survey in early October, 2023. Out of all the respondents surveyed, 67% work in product management, 33% work in engineering, and roughly 1 in 8 (12%) work in a leadership role within product management (director level and above).

The respondents all work at B2B companies that consist of 50 or more employees, and every respondent is at least familiar with (if not actively involved in) their employer's approach and plans for building and maintaining product integrations. Finally, every respondent's employer offers at least 1 product integration, though this number is typically much higher.

While the survey only took a few minutes to complete, it gives us a complete picture of how organizations currently build customer-facing integrations, benefit from them, plan to implement them in 2024, and much more.

# How companies are building product integrations

# Companies are failing to build product integrations at scale

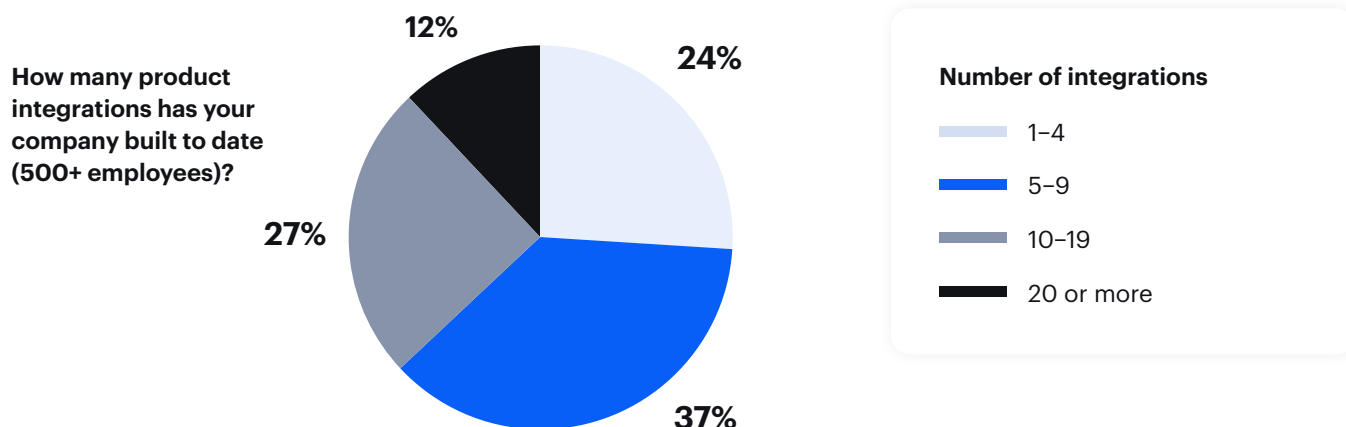


The majority of organizations (68%) offer less than 10 customer-facing integrations—which comes at a high cost.

Organizations are likely supporting a small share of clients’ integration needs, leaving the majority of clients to either build them on their own or simply operate without them.

Organizations are also likely neglecting prospects’ integration demands. This can lead organizations to lose deals to rivals that offer the integrations prospects want.

# Larger companies also struggle to build integrations

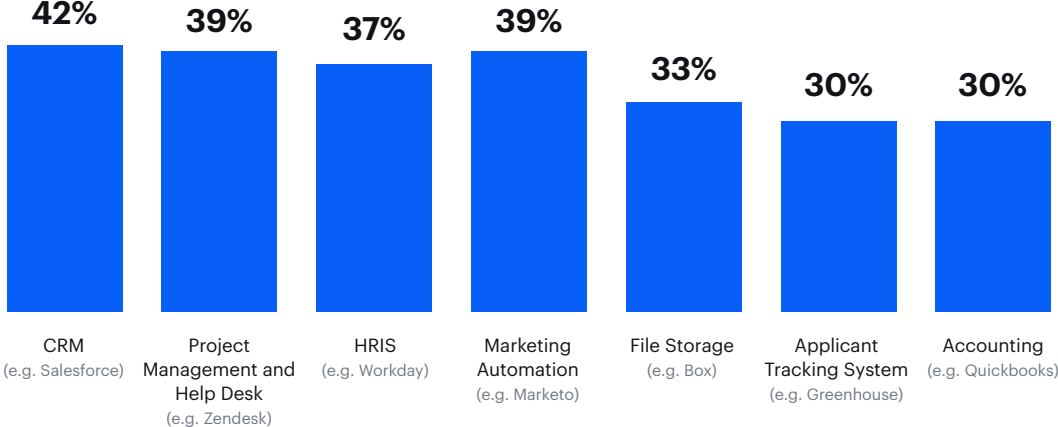


The situation is even more bleak for larger organizations; more than 3 in 5 (61%) have failed to build 10 or more integrations. Given that larger organizations generally serve more clients and target more prospects, they're leaving even more money on the table by neglecting product integrations.

It also appears that larger organizations haven't prioritized integrations historically. Since product managers and engineers at larger organizations report especially strong business benefits from integrations (more on that later), the lack of investment may ultimately come down to a lack of executive buy-in.

# Organizations usually have to build integrations with several software categories

Which software categories has your company built product integrations with?



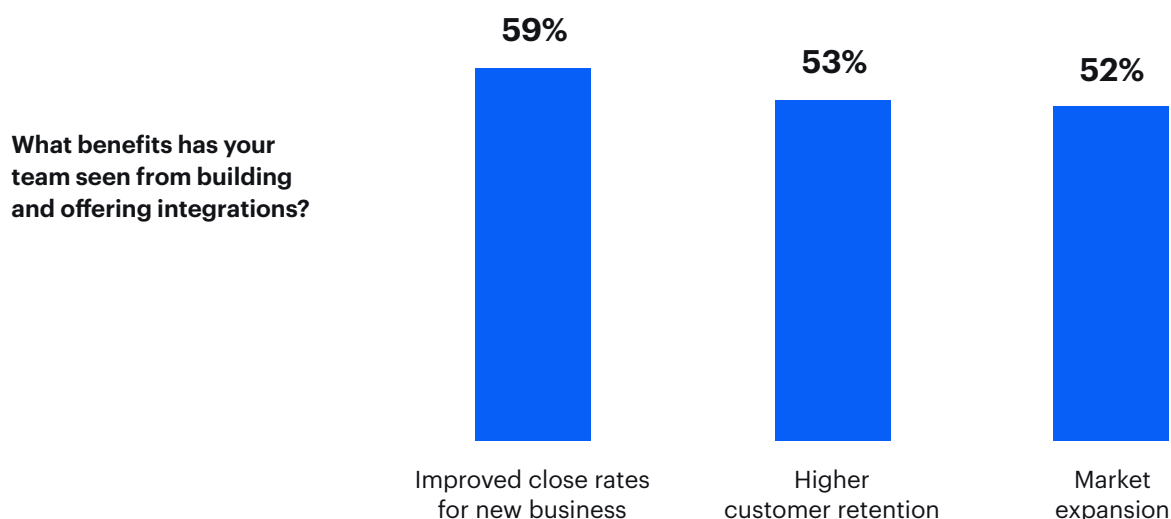
Given that the applications across most of these categories act as single sources of truth for specific types of data, it's perhaps little surprise that they came out on top.

It's also clear that organizations need to integrate with a wide range of systems. This underscores the issue of building just a few integrations. For instance, if organizations are building 10 integrations and they need to build across 4 software categories, then they're only offering 2 or 3 integrations per category—which likely ignores many of the integrations their clients care about.

# How companies benefit from product integrations



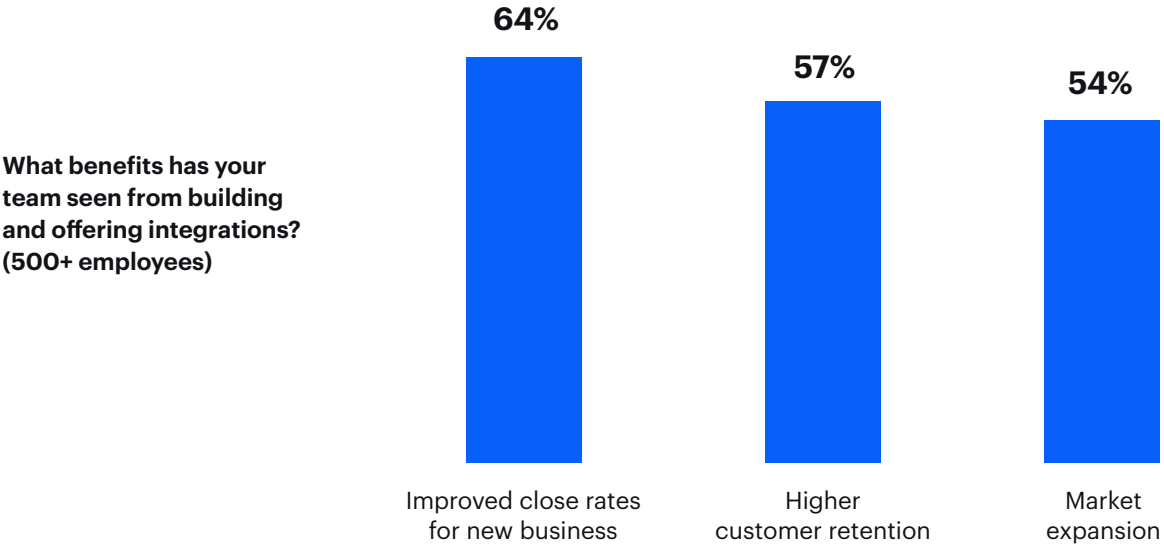
# Integrations enable organizations to grow in a way that's sustainable



Product integrations offer a variety of benefits to organizations' bottom lines. This includes everything from increasing close rates for new business to improving customer retention to enabling market expansion.

At a time when marketing budgets are still tight and headcount growth is still largely limited, integrations, evidently, offer a unique path for many organizations to improve their performance.

# Larger organizations have even more to gain from integrations



These benefits only get amplified at larger organizations (500 or more employees). In addition, nearly half of these larger organizations (48%) cite moving upmarket as another key benefit of product integrations.

When you couple the fact that larger organizations benefit from integrations the most and have made small investments in building them so far (61% of larger companies have built less than 10 integrations), it becomes clear that larger organizations are, by and large, ignoring a massive business opportunity.

Here's more on how these benefits work in practice:

### **Improved close rates for new business**

By offering the integrations your prospects need, you're giving them one less reason to pick a rival over your solution. And if you offer integrations that your rivals don't, you'll—all else equal—stand out as the strongest solution.

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### **Higher customer retention**

Product integrations allow your clients to avoid copying and pasting data between applications; the relevant data is synced between your product and 3rd-party applications in real-time or gets refreshed at a frequent cadence, automatically.

This not only helps your clients save time by avoiding the tedious task of keying in data but it also ensures that your application operates to its full potential (e.g. syncing specific fields in real-time can initiate automated workflows in your product on time).

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### **Market expansion**

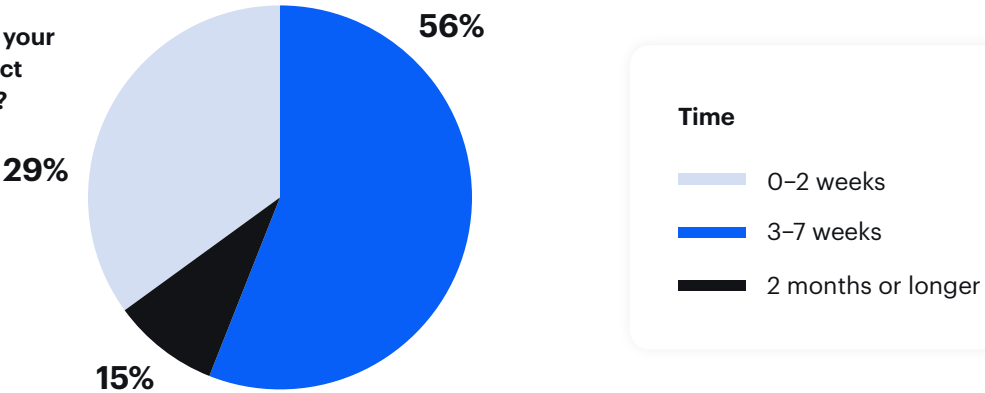
Organizations in specific regions tend to use certain applications within a given software category (e.g. specific HRIS applications may differ in popularity across regions). Offering integrations with applications that are popular in a region you're looking to expand to can, therefore, help you get traction.

# Why companies struggle to build and maintain product integrations

# Organizations take several weeks at best (if not months) to build a single integration

(and they invest even more time on managing and maintaining the integration after it's built!)

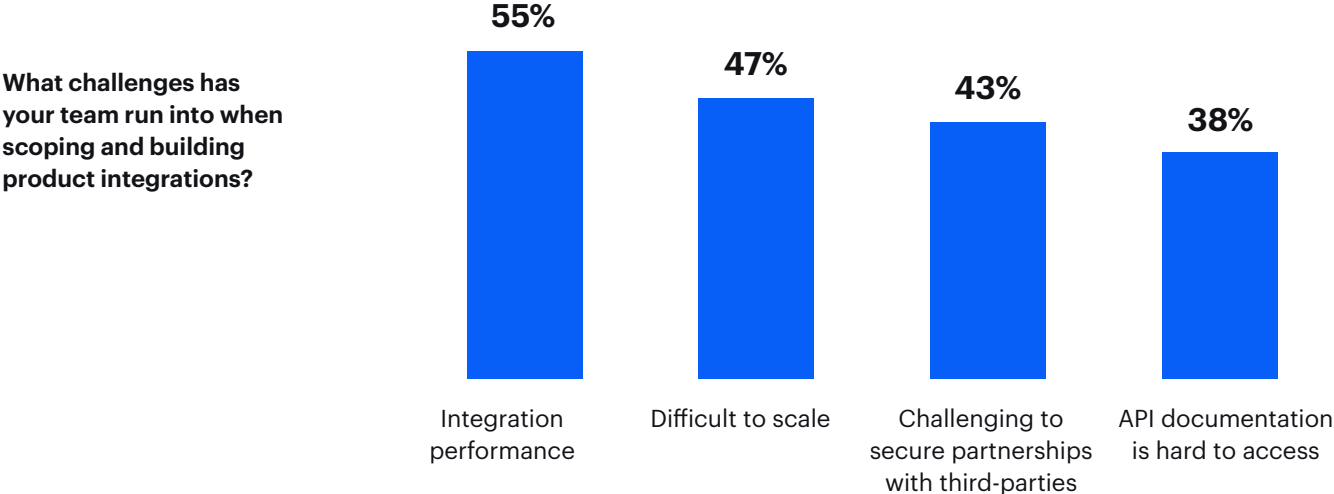
How long does it take your team to bring a product integration to market?



Despite their benefits, organizations aren't shipping out product integrations at the pace they want and need. The majority of companies (71%) take at least three weeks to bring a *single integration* to market. And while that might not seem like a problem, many companies (as we'll soon cover in more depth) want to build 30 or more integrations in 2024.

If organizations are serious about meeting their integration targets, they'll either need to allocate more engineers toward integration projects and/or invest in third-party tooling.

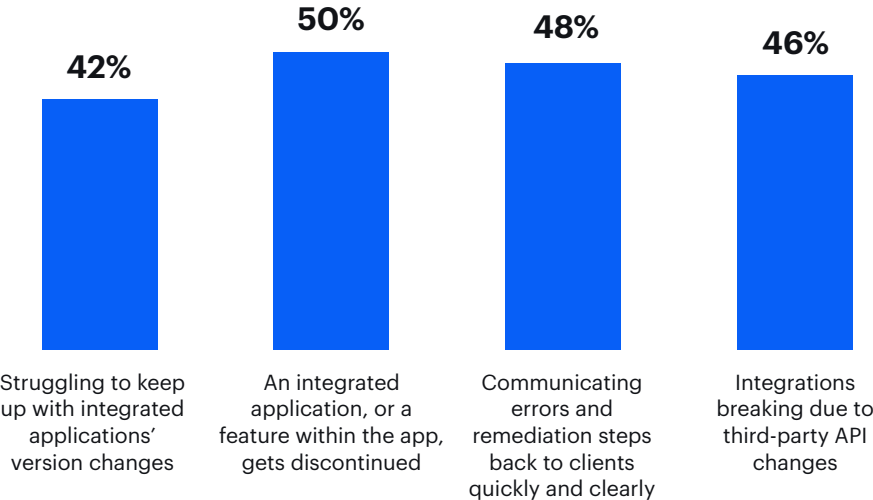
# In-house integration development comes with countless headaches



A variety of factors prevent companies from building integrations quickly, but a common theme is that building each integration in-house is tedious, technically complex, and lengthy. And even once an integration gets built, it often falls short of clients' expectations, whether that's because the data syncs are unreliable, infrequent, prolonged, etc.

# Managing and maintaining product integrations is even more painful

What challenges has your team run into when managing and maintaining product integrations?



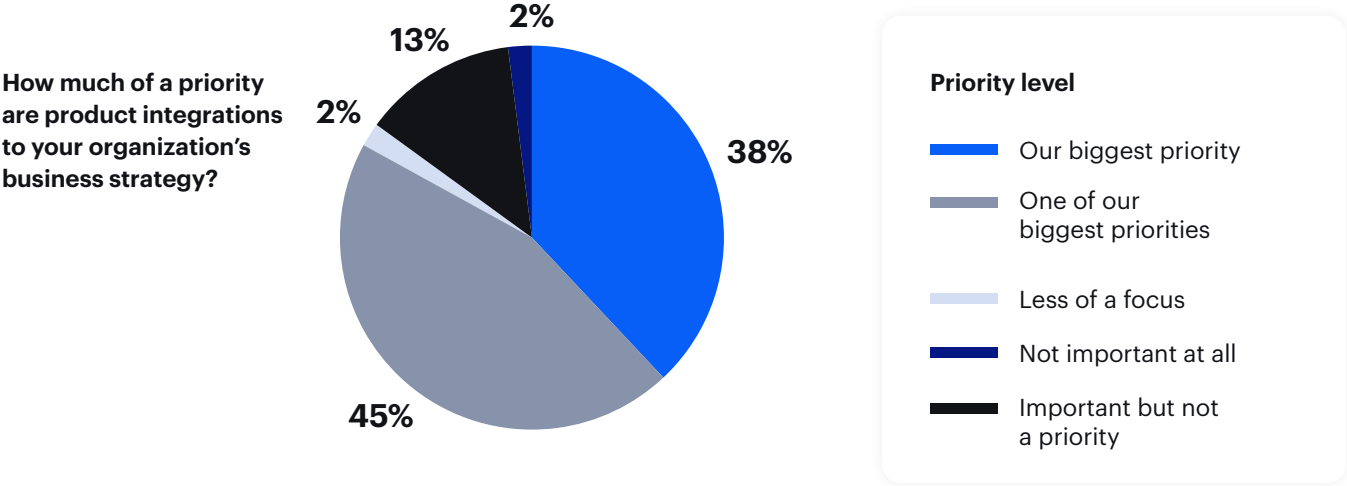
We also asked respondents about the top challenges they face in *managing and maintaining product integrations*, and respondents cited a number of items.

These issues stem from the fact that organizations are relying on a small set of in-house engineers who face competing priorities. When a customer issue arises, customer-facing employees don't have the knowledge or tools to remediate it themselves. They have to rely on engineers, who need to sift through logs to triage and address the issues. As a result of this process, your customer-facing employees are left frustrated, and your clients are upset.

# How organizations plan to build product integrations in 2024



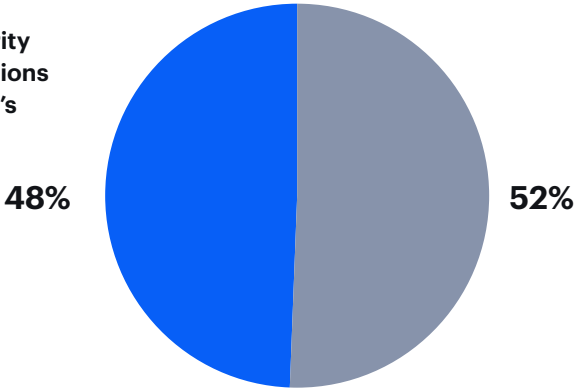
# Product integrations are no longer seen as a nice to have



Given all the benefits that product integrations provide, it's perhaps of no surprise that the vast majority of organizations list product integrations as important to their business strategy in 2024.

# Product leaders see integrations as mission-critical

How much of a priority are product integrations to your organization's business strategy?

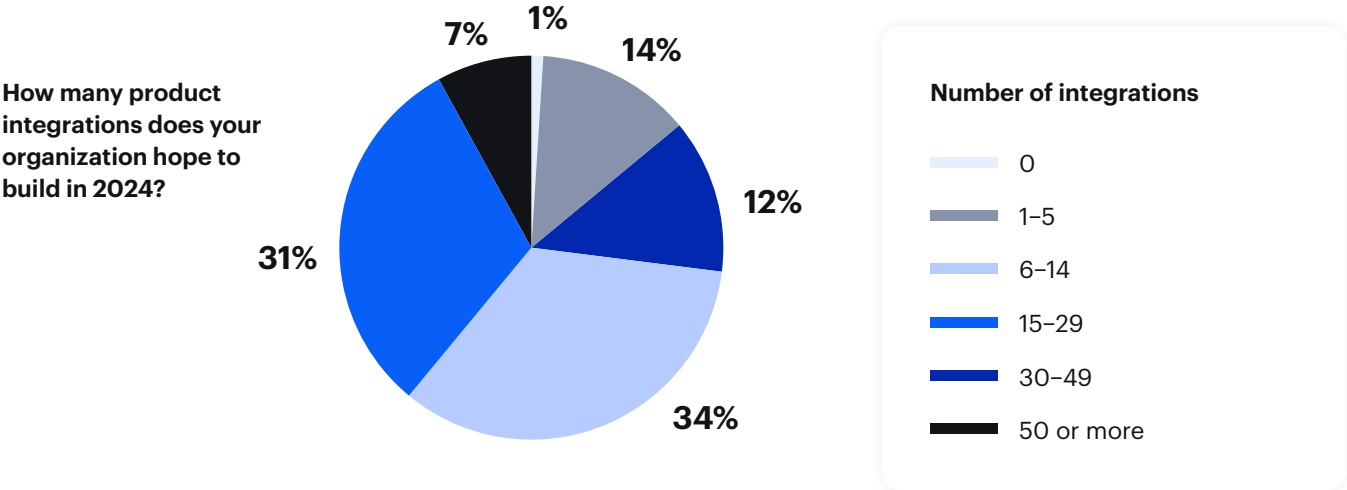


**Priority level**

- Our biggest priority
- One of our biggest priorities
- Less of a focus
- Not important at all
- Important but not a priority

The feedback from product leaders was even more pronounced. Every single product leader (director level and above) agrees that product integrations are at least one of their biggest priorities.

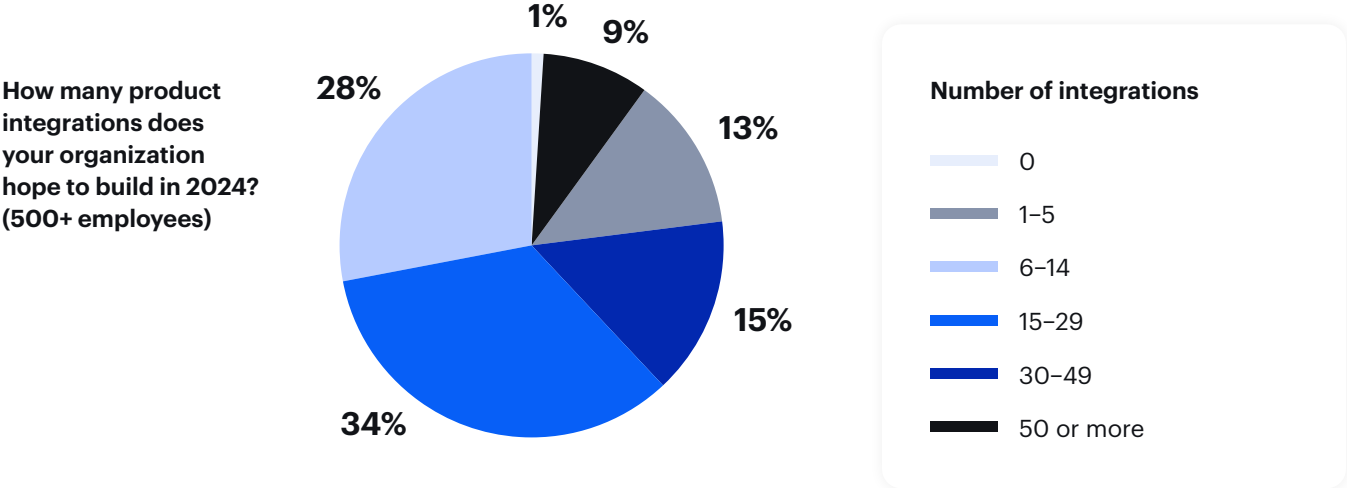
# Despite economic headwinds, integration goals in 2024 are aggressive



The majority of organizations are building less than 10 integrations (68%), but that’s something many companies are looking to change. Half of organizations want to build 15 or more integrations in 2024, and nearly a fifth (19%) want to build 30 or more integrations.

Since the majority of organizations (71%) take 3 weeks or longer to build a single integration, implementing 15—let alone 30—integrations in 2024 will be a challenge.

# Larger companies have even loftier integration goals

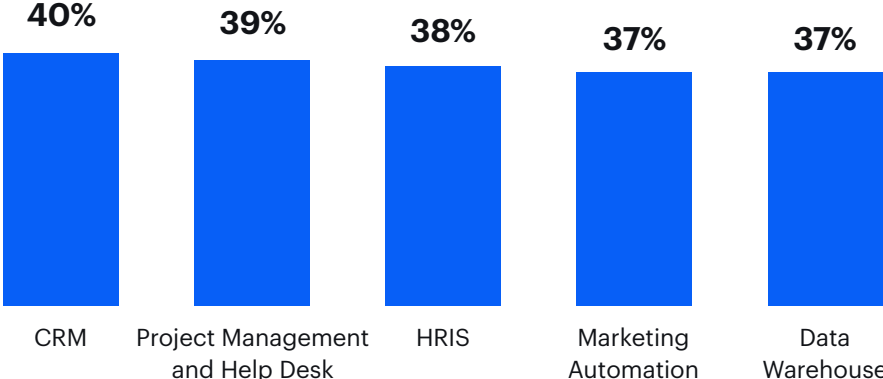


Larger organizations (500 or more employees) have even bigger ambitions: nearly a quarter (24%) want to implement 30 or more integrations, and roughly 3 in 5 (58%) want to implement 15 or more. The question of how they can meet these aggressive objectives, however, is unclear. Like smaller organizations, they are building at too slow of a clip. In addition, maintaining and managing tens of integrations in-house can easily become a burden for their in-house engineers over time.

Outsourcing their integrations to a third-party (which we'll cover more soon) may ultimately be their best option.

# Organizations are expanding to new categories to keep pace with the market

Which software categories does your organization plan to build product integrations with in 2024?



Organizations plan to build integrations in numerous categories, with CRM, HRIS, marketing automation, project management and helpdesk, and data warehouse leading the way.

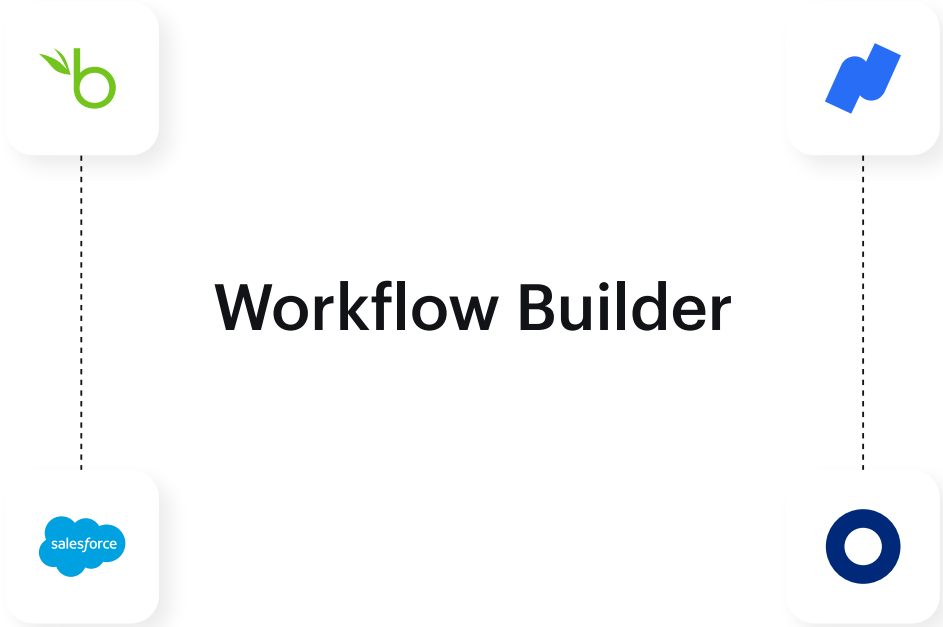
The rise in demand for integrating with data warehouse systems—it isn't a top category currently—reflects how they've become such an important part of how organizations collect, store, and act on information.

# An overview on third-party tools to build, manage, and maintain product integrations

If you, like our respondents, need to build more integrations in 2024 and have found that building them in-house isn't a scalable approach, you'll likely need to start evaluating third-party solutions.

We'll help guide you through your options by breaking down different software categories in the space.

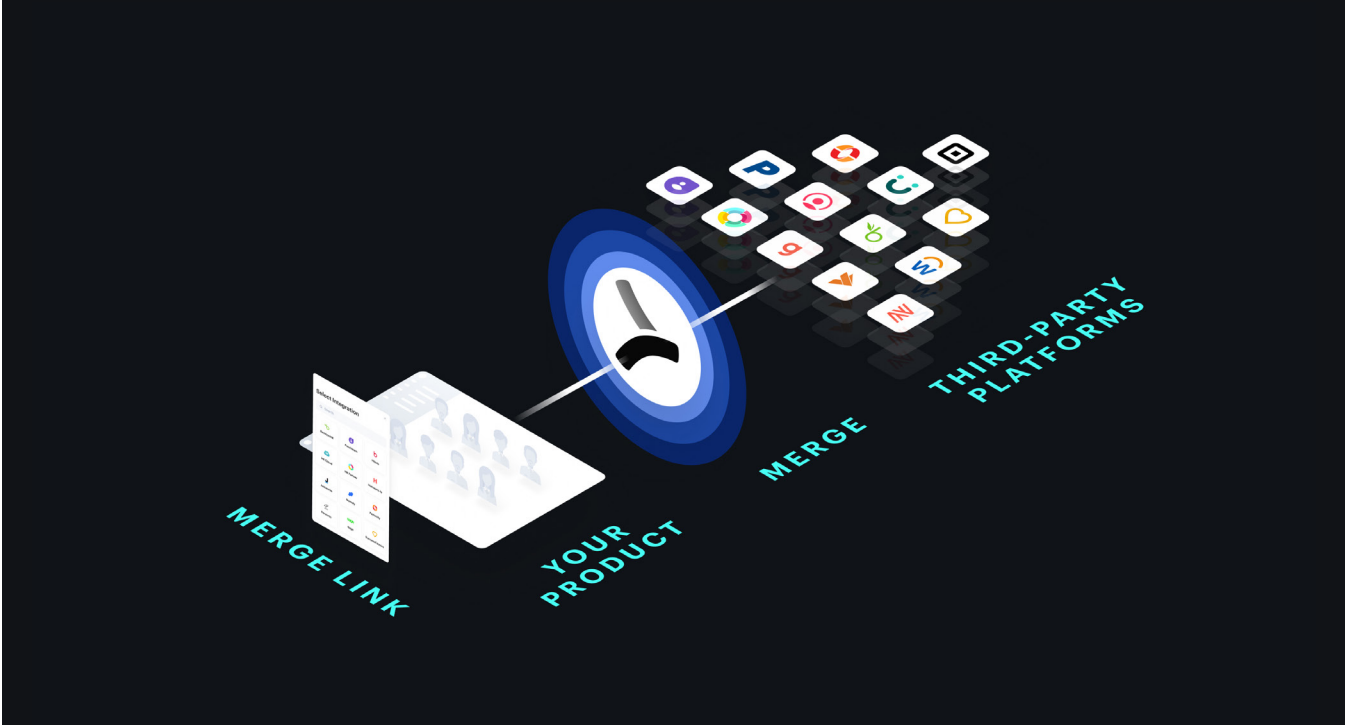
# An embedded iPaaS platform



An embedded iPaaS solution is a third-party, cloud-based, integration platform that allows you to embed its platform directly into your product.

While an embedded iPaaS accelerates integration development when compared to building integrations natively, the solution forces you to build one integration at a time. Also, it requires technical expertise to use. Taken together, it's clear that the solution makes it difficult to scale product integrations.

# A unified API solution



A visual overview on connecting your product to Merge’s HRIS Unified API

Unified APIs allow developers to integrate once to one data model to add hundreds of integrations into their products. Unified APIs normalize hundreds of APIs into one data model, streamlining the work of connecting to multiple systems within a similar software category, such as HR and payroll, accounting, ticketing, or file storage. Given the nature of how it works, a unified API platform is likely the most effective solution for scaling your customer-facing integrations.



# Meet your integration ambitions in 2024 with Merge

Merge offers unified APIs across key software categories, from HRIS to CRM to file storage, that let you offer hundreds of third-party integrations.



Merge helps you build, manage, and maintain integrations.

Merge's platform provides comprehensive Common Models for each unified API, ensuring you're able to read and write a wide range of data; and for any edge cases, Merge offers advanced features—Field Mapping, Authenticated Passthrough Request, and Remote Data—that allow you to access specific custom objects and fields that aren't supported by our Common Models.

Merge also offers Integrations Management, which provides a robust set of features that lets your team track integration activities, identify errors, and pinpoint solutions to any errors. This enables your customer-facing employees to not have to rely as much on engineers and enables them to deliver best-in-class support to clients.

Finally, Merge handles maintenance activities with 3rd-party API providers on your behalf (e.g. troubleshooting broken integrations due to unexpected API responses). More specifically, we've built out a partner engineering team that has deep expertise in APIs and that's split into different software verticals (e.g. CRM). Through their expertise, we're able to build robust integrations for specific software categories and respond to issues quickly, successfully, and proactively.

You can learn more about Merge by scheduling a demo with one of our integration experts at [merge.dev/get-in-touch](https://merge.dev/get-in-touch).