SaaS Integrations Market Report Performance and Scalability

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Content

Introduction

Helping SaaS businesses develop their solutions with features that are in demand.

SaaS solutions are undeniably booming. According to a forecast by Valuates Reports, **the global Software as a Service market size is projected to reach USD 307.3 Billion by 2026, from USD 158.2 Billion in 2020**, at a compound annual growth rate of 11.7% during 2020-2026.

With factors such as the increasing usage of mobile devices, hybrid cloud solutions, corporate outsourcing, the growing gig economy, and the spike in remote working since the pandemic, SaaS solutions are here to stay. With that, the competition for SaaS is also growing as companies strive to meet the global demand for SaaS solutions.

This means companies and individuals looking for SaaS solutions have more choice today than ever. An end-user can easily be enticed by the increasing number of competitors singing praises on how their SaaS offers better features than the other guy.

This begs the question: **how do you know if your SaaS solutions are providing end-users with the features that will make them stick with you?** We could take a wild guess, but that's like putting all your development funds and resources into a casino roulette and hoping the ball will land in your favour.

To take out the guesswork, we've put together this report to give SaaS developers valuable intel that will help them develop their solutions with features that are in demand.

Specifically, the report focuses on SaaS integration features. Why did we choose to focus our study on integration features?

With SaaS solutions now becoming a common, everyday solution in people's lives, every individual SaaS product no longer lives in a bubble. End-users will typically use a number of different SaaS products to manage their tasks and daily lives, from personal to professional.

As a consequence, there has been a rising trend for end-users wanting the flexibility to link up the different SaaS they use in an automated workflow manner.

However, is this demand a crucial factor to make end-users choose a SaaS solution? Will it really impact the bottom line? What kind of integration features are end-users looking for? What are the industry benchmarks of implementing SaaS integrations?

These are the questions we aim to answer with this study of SaaS integrations in the marketplace.

With this report, we aim to provide SaaS developers with the intel they need to grow and scale their business.
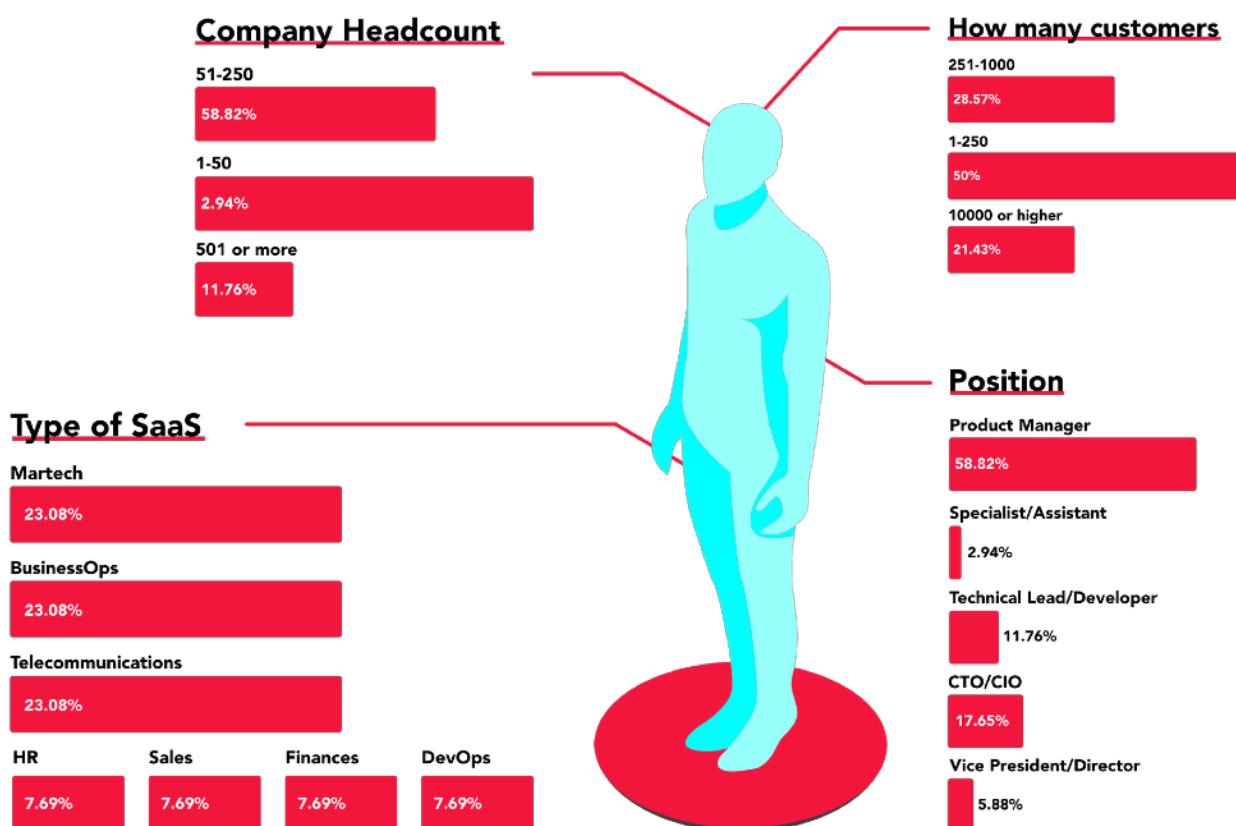
Who took the survey?

Exclusively companies from the SaaS market participated in this survey. More than half of those surveyed were product managers (58.82%) who play an active role in the development, launch, and marketing of their company's SaaS solutions. The next highest categories were CTOs or CIOs (17.65%) followed by technical lead or developer personnel (11.76%).

More than three-quarters of the companies surveyed are at the startup phase with 1-250 and (50%) 251-1,000 paying customers. There were no companies that fell in the growth phase of 1,001-10,000 paying customers. While 21.43% of the companies surveyed were in maturity at over 10,000 paying customers.

The top three types of SaaS companies surveyed were MarTech, BusinessOps, and telecommunications, each tied at 23.08%.

Company Headcount

51-250
58.82%

1-50
2.94%

501 or more
11.76%

How many customers

251-1000
28.57%

1-250
50%

10000 or higher
21.43%

Position

Product Manager
58.82%

Specialist/Assistant
2.94%

Technical Lead/Developer
11.76%

CTO/CIO
17.65%

Vice President/Director
5.88%

Type of SaaS

Martech
23.08%

BusinessOps
23.08%

Telecommunications
23.08%

HR
7.69%

Sales
7.69%

Finances
7.69%

DevOps
7.69%

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Are built-in integrations a common SaaS feature?

Market Situation

The age-old law of supply and demand in market economy theory describes how supply and demand are inextricably linked through push and pull forces. Thus, one is usually a reflection of the other.

By looking at the features of what SaaS companies are supplying their end-users, it can be seen as a reflection of the market demand or market trends.

That's why the first part of the survey investigates whether or not SaaS integrations are considered an important investment by the market suppliers.

Summary

Almost all of those who participated in the survey offer integrations to their end-users (93.75%). This is a strong indication that end-users want their SaaS to have integration features, and have probably even come to expect integration features to be a standard SaaS offering.

Of those who offer integrations, two-thirds have opted for built-in app integrations over third-party tools integrations. **The minority (6.25%) who do not currently offer integrations have expressed a desire to opt for built-in app integrations soon.**
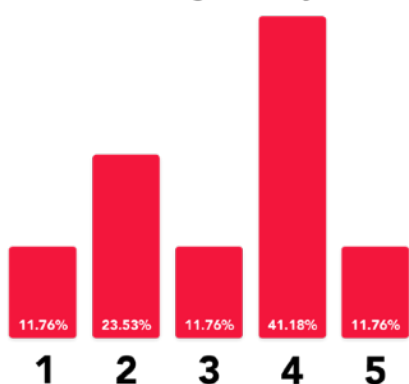
Key Takeaway

Integration features certainly seem to be what end-users want or at least expect from a SaaS solution. As for SaaS developers, the trend leans towards implementing built-in app integrations, probably due to the control, security, and flexibility it offers.

Market Expectations

What are the decision-making processes and insights behind developing integrations for a SaaS product? In the next part of the survey, we explore the factors influencing the usage of built-in integrations for SaaS.

How important is it for your company to offer built-in integrations to your users?

| 11.76% | 23.53% | 11.76% | 41.18% | 11.76% |
| 1 | 2 | 3 | 4 | 5 |

How important is it for your company to use/invest in custom/built-in integrations?

| 11.76% | 23.53% | 5.88% | 47.06% | 11.76% |
| 1 | 2 | 3 | 4 | 5 |
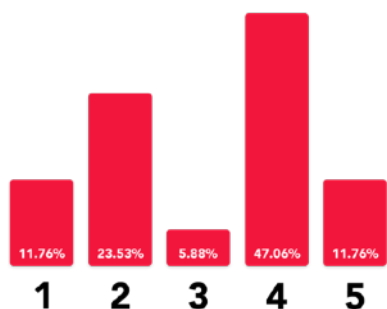
Key Takeaway

Built-in integrations require investment. This may be one of the key barriers preventing companies from offering built-in integrations, even if they believe it's important to offer it and even if it could give them a competitive advantage.

Summary

On a scale of one to five, 52.94% gave a ranking of four or five when it came to how important it was to offer built-in integrations to users. This is a lower number to the percentage that is already offering built-in integrations (62.5%) from the previous questions. This could indicate that a small percentage of those companies offering built-in integrations are driven by external circumstances rather than an internal belief that it was important to do so.

A clue to what these external circumstances may be could be deduced from what they expect to achieve by offering more native integrations to their users. **The highest group expects it will make their product more competitive (35.85%),** which once again supports the idea that end-users make their decisions based on integration offerings of SaaS.
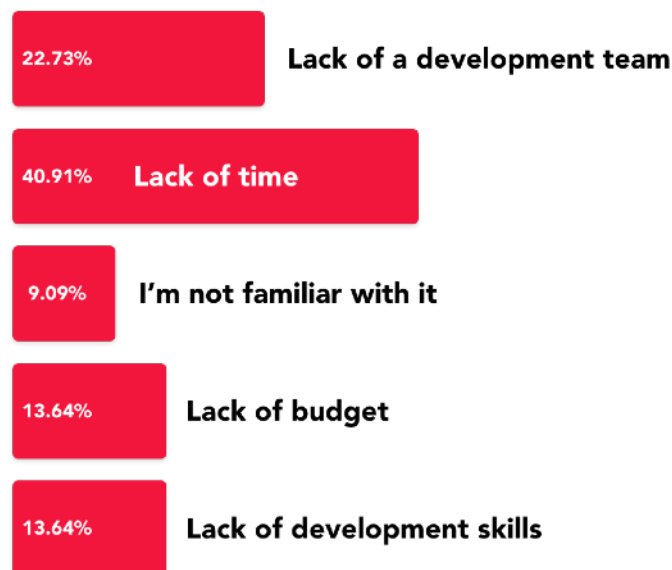
Meanwhile, 68.76% feel it is important for their companies to invest in built-in integrations. This higher number could reflect the addition of those who are not offering built-in integrations yet but have a desire to do so soon.

What are the industry benchmarks of SaaS integrations?

Challenges, Resources & Offerings

How much development time does a company invest to develop and maintain built-in integrations? What are the challenges? What is the end offer to their users? These are the kinds of insights that can shed light on what to expect when making the decision to move into or improve upon existing built-in SaaS integrations.

What challenges does your business have when trying to add more built-in integrations to your product?

- 22.73% — Lack of a development team
- 40.91% — Lack of time
- 9.09% — I'm not familiar with it
- 13.64% — Lack of budget
- 13.64% — Lack of development skills

How many hours per month do you spend on building and maintaining custom integrations between platforms, SaaS, and microservices?

- 28% — I'm not familiar with it
- 24% — Up to 20 work hours
- 28% — 20-50 work hours
- 12% — 50-100 work hours
- 8% — More than 100 work hours

Summary

The most common challenges of adding more built-in integrations to their SaaS product is lack of time (40.91%) and lack of a development team or expertise (22.73%). In terms of how much time they are currently spending to build or maintain custom integrations, most companies are spending 20-50 work hours per month (28%). The next highest group spends less than 20 work hours a month (24%).

Those who spend 50-100 and 100 or more work hours a month come to a combined total of 20%.

In terms of how many tools their product supports with built-in integrations, a large majority offer 1-3 tools (40%). On the other end of the scale, only 15% offer support for more than 50 tools.

Key Takeaway

The fact that the majority of built-in SaaS integrations only offer support for 1-3 tools could be because end-users do not require so many tools to integrate. However, it is possibly more likely to be because of the fact that businesses are challenged by time and lack of expertise when it comes to adding more built-in integrations to their product.

It is also probable to conclude that the 15% who offer support for more than 50 tools with built-in integrations overlap with the 20% who spend 50-100 or 100 or more work hours a month to develop and maintain custom integrations.

How many tools does your product support with built-in integrations?

|				
40%	20%	15%	15%	10%
1-3	4-10	> 50	21-50	11-20
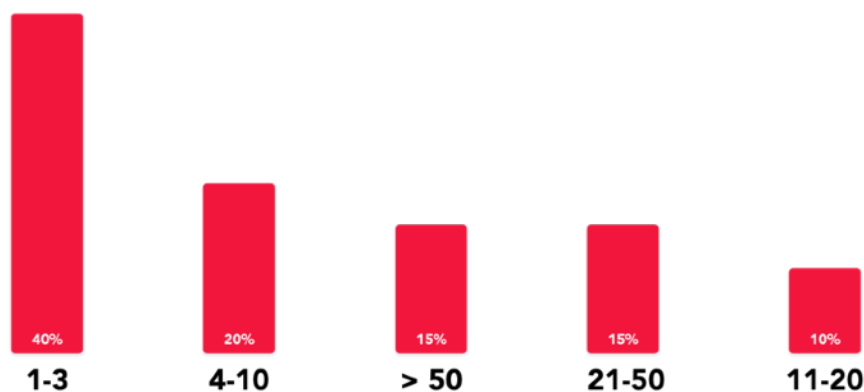
Development Platforms

The platforms used to develop built-in integrations for SaaS can influence the time and expertise needed to support more tools with built-in integrations.

iPaaS (Integration Platform as a Service) provides a set of tools for connecting software applications. Typically, an iPaaS platform provides pre-built connectors, business rules, middleware, utilities and transformations that facilitate the building and maintenance of integration flows. They provide a toolkit that makes it easy to develop, maintain and monitor integrations. Without iPaaS, vendors build one-to-one integrations for each application they want to connect to. This becomes unmanageable and unscalable with each new integration.

iPaaS provides a middleware that allows you to develop an integration once and then re-use it in different scenarios. Moreover, the iPaaS middleware is a perfect place to introduce business logic, rules, schedulers, and automations.

Here, we investigate how familiar SaaS companies are with using iPaaS to aid the development of built-in integrations.

Do you know what an iPaaS is?

55.17%	No
17.24%	Yes, but I'm not using it
27.59%	Yes, I'm using it
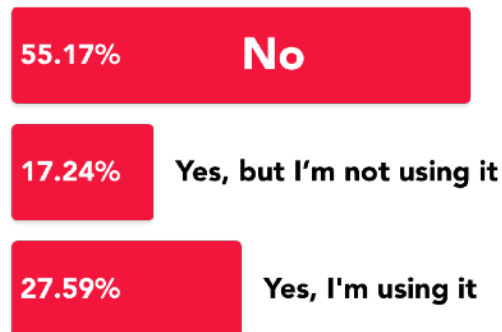
Summary

Considering how an iPaaS platform can aid in making it faster, easier, and more scalable to develop built-in SaaS integrations, it's surprising to see that more than half (55.17%) do not know what an iPaaS is.

This could be a contributing factor to why the majority who offer built-in integrations are challenged by lack of time or expertise when it comes to supporting more tools through built-in integrations.

Key Takeaway

Those who feel challenged by a lack of time or expertise to develop built-in integrations can explore iPaaS platforms to ease the challenges.

iPaaS or Embedded iPaaS?

While iPaaS enables enterprises to resolve their internal integration problems, Embedded iPaaS is aimed at SaaS vendors that want to deliver integration and workflow automation capabilities within their products.

Embedded IPaaS allows you to install these solutions directly into your product, providing ready-to-use and extensible software components seamlessly to help SaaS vendors in delivering integrations fast and in a scalable and maintainable manner.

If you were to choose one of the following new features for your integration, what would you choose?

45.83%

Drag-and-drop workflow automation builder with business logic and multiple connectors

33.33%

More native integrations

4.17%

Both

16.67%

Connectivity and integration

Desired Features

If companies did not face any challenges to develop built-in integrations for their SaaS, what would be the desired features that they feel would improve their product for their customers?

Summary

A large majority (40%) desire drag-and-drop workflow automation builder with business logic and multiple connectors.

This feature would reduce the expertise required to create workflow automation, as very minimal coding knowledge is required. It would also save a lot of time.

This is followed by the desire for more native integrations (33%), which indicates that the next desired trait is to have control, security, and flexibility.

Key Takeaway

Ease-of-use and saving time is a top priority when it comes to integrations that support workflow automation, followed by having a sense of higher control, flexibility, and security. This indicates the importance of built-in integrations when it comes to offering the workflow automation end-users desire.

How are SaaS solutions offering workflow automation?

What automation tools are you planning to buy?

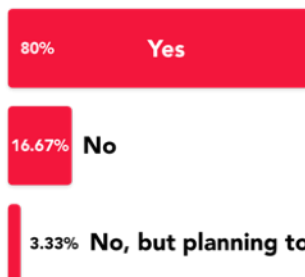|	
18.18%	None
18.18%	Zapier
36.36%	Integromat
27.27%	Tray.io

Workflow Automation

Another trend that we've noticed in our survey is the rising demand in workflow automation. How are SaaS companies meeting this demand to provide additional value to their end-users?
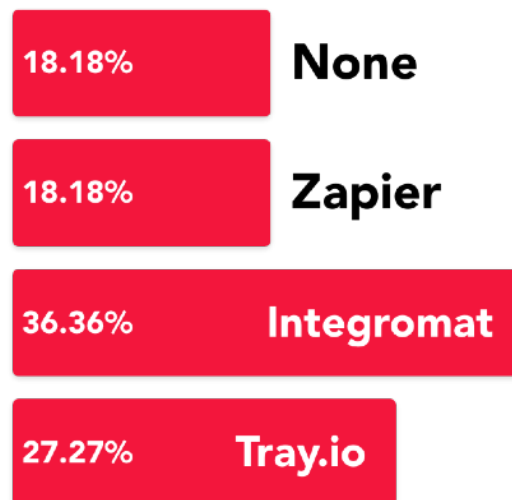
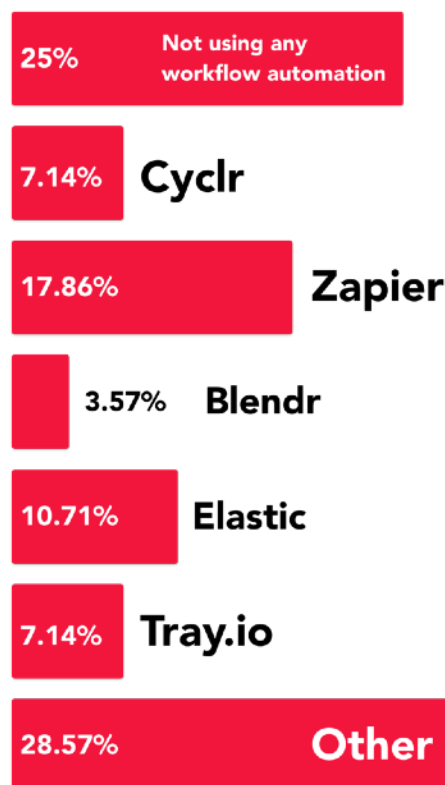**Do you offer your users a visual workflow automation builder to set up their own automations inside your tool?**

Yes 71.43%	No 28.57%

Do you offer processes automation solutions to your customers?

80% Yes
16.67% No
3.33% No, but planning to

What processes automation tools are you using?

25%	Not using any workflow automation
7.14%	Cyclr
17.86%	Zapier
3.57%	Blendr
10.71%	Elastic
7.14%	Tray.io
28.57%	Other

Summary

The majority of SaaS companies (80%) are offering process automation solutions to their customers. This indicates a clear market demand for workflow automation in SaaS products.

There is also a clear demand for ease-of-use, with 71.43% offering a visual workflow automation builder.

Most companies believe that improving their workflow automation and integrations system will help their company obtain or sustain a competitive advantage (87.1%) while a combined total of 50.01% believe that their competitor's products are better due to better workflow automation features and native integrations.

Despite this, almost half of those who believe it can give a competitive advantage have not made workflow automation their main priority.

Do you feel some competitors offer a better product than yours because of better integration and workflow automation features?

20.59%
I don't know

29.41%
No, better integration and automation features do not influence purchase decisions

29.41%
Yes, they have a better workflow automation builder with business logic and multiple connectors

20.59%
Yes, they offer more native integrations

Do you believe improving your product's workflow automation and integrations system will enable your company to obtain or sustain a competitive advantage?

20.59%
Yes, but it's not one of our main priorities

29.41%
Yes, definitely

29.41%
No, this doesn't concern me

Key Takeaway

It is clear that workflow automation features in SaaS products provide value to end-users and most companies believe it will lead to a competitive advantage. Yet, a large portion does not want to or are unable to make it a priority.

Summary: What are the next best steps?

From this summary, it can be seen that there is a clear gap between what SaaS developers want to deliver and believe will give their products a competitive advantage, with what they are able to deliver or focus on.

The key barriers causing this divide are challenges related to development resources and time.

Since more than half of those surveyed are not aware of how an iPaaS platform can help them overcome these challenges and close this gap, our recommended next step is to explore which iPaaS platforms can help you develop built-in integrations to meet the workflow automation demands of your consumers.

Here is a summary of the key takeaways:

o   The survey clearly indicates that workflow automation features in SaaS products provide value to end-users.

o   The survey also indicates the importance of built-in integrations when it comes to offering the workflow automation end-users desire.

o   Despite the belief that workflow automation will give them a competitive advantage, a significant portion of companies do not want to or cannot make developing the built-in integrations for workflow automation a priority.

o   The majority of built-in SaaS integrations only offer support for 1-3 tools. This is more likely to be because of the fact that businesses face challenges when it comes to adding more built-in integrations to their product to support more tools.

o   Some of the top challenges faced by companies when it comes to developing built-in integrations are a lack of time or expertise. Yet, more than half do not know what an iPaaS platform is or how it can help reduce development time and resources.

Would you like to know how Appmixer can help **your product**?

Then request a demo from our industry experts who will be able to help you understand the benefits of Appmixer for your business.
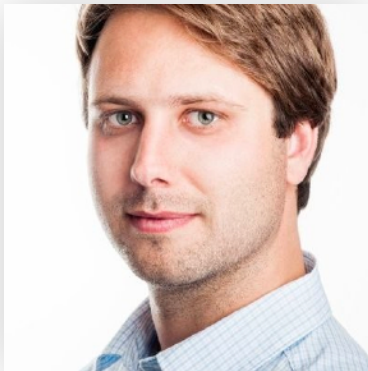
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Let us help you grow your SaaS product.

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David Durman is the CEO @client IO, the vendor behind Appmixer Embedded iPaaS and Rappid, HTML 5 diagramming framework. He has been developing software since he was 13 years old. Following his MSc. degree in artificial intelligence and modelling and simulation, Durman held multiple leading jobs in the Software R&Dand founded client IO—a company specializing in visual and workflow automation technology to help people be more creative and productive. He is also a passionate cider maker.

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