

AlloyAutomation

The Integrations Report for Ecommerce Partnership Experts

Foreward from Will Taylor , Partnerhacker

You wake up. It's the 2010s. The world is seemingly more connected than ever - with things like social media and the advancement of the internet. And yet... technology is still primarily sold as "suite" services by the tech giants.

Fast forward 10 years and you'd think there would be more connectivity with the evolution of technology, but you still find companies operating in silos, alone. With the traditional belief that they need to build all the features, buy all the ads, and dominate the market, alone. Pause.

The world is halted. The B2B awakening stirs. We're **forced** to connect in a more virtual world —with working from home becoming normal, online communities skyrocketing, and businesses scrambling to adapt as quickly as possible to survive.

It is now a survival mechanism to be interconnected. In fact, those who will thrive into the future will be the supernodes in the ecosystems in which they operate.

Trust is the currency of business. More than attention. More than data. In our collaborations with other businesses, we establish trust within the ecosystem. By connecting, and partnering up, with others, we enable trust sharing between us. All in an effort to deliver increased client value that is mutually beneficial for all parties involved.

Think of it this way: For every business you connect to, you receive an increase in exposure and trust in the market that you would otherwise have to pay for.

Now consider connecting to ten other businesses. Now 100. The increase in exposure becomes hard to quantify, but it is definitely larger than what a business can do alone.

And it's not your friendly neighborhood partner person touting this—it's everyone. VCs, industry-leading analysts (like <u>Jay McBain</u>), exanalysts, current Salesforce and Hubspot execs, media personalities, and more.

When the people with decades of experience in the market AND those people with capital are telling you to pay attention, your ears should perk up.

But with great power comes great responsibility. So if you're a partner person reading this, send it to your product team and engage them in the conversation!

Just as Morpheus said: "You take the [traditional B2B] pill, the story ends, you wake up in your bed and believe whatever you want to believe. You take the [partner] pill, you stay in Wonderland, and I show you how deep the rabbit hole goes." (Or something like that.)

In this report, you'll learn about stats and why integrations and inter-company connectedness are your tickets to a thriving business.

Because let's be real: No one has made a software purchase in the last decade without thinking "How will this connect with what I already have?"

We are inherently lazy (i.e. efficient) animals. We love automation. We love integration. So it's time we learn to PartnerUp.

There's a trend across partnership teams everywhere

Partnership teams are tasked with one of the most difficult jobs within companies: they're expected to drive revenue while also forging and retaining relationships with the most important business partners in the industry.

They're sales experts, they're events experts, they're marketing experts—plus so much more.

When successful, your partnerships org can be the number one driver of new business for your platform. Yet, folks in these roles often don't get access to the resources they need to establish the partner ecosystem they dream of. That includes building integrations with other important apps that end-users rely on.

That's why we ran a mix of quantitative and qualitative surveys with partnership leaders across various apps in the ecommerce industry, including loyalty, reviews, email and SMS, subscriptions, 3PLs, returns, and more. Each business varies in size: from teams of less than 10 to teams of over 4,000.

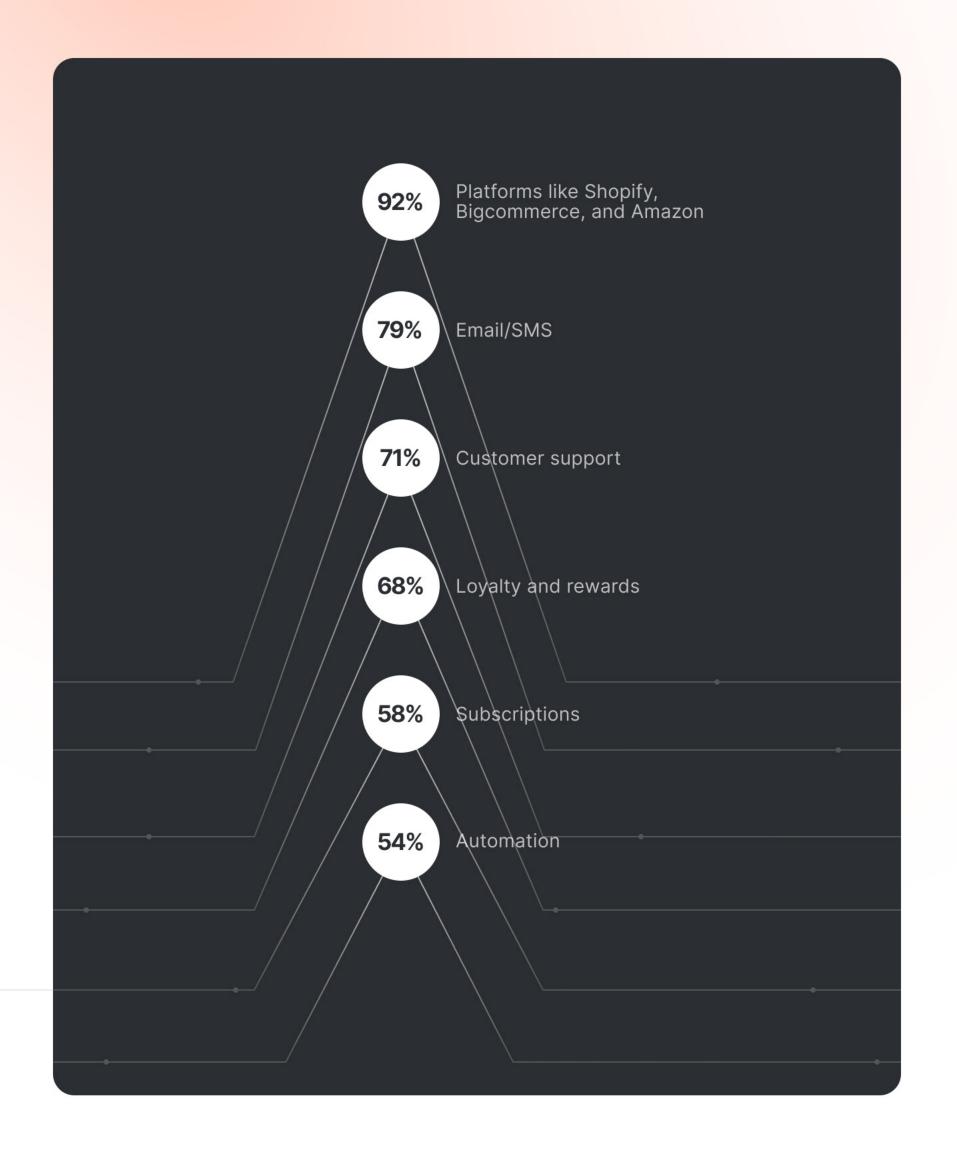
We asked questions about how important integrations are, the pain points partner folks face, and the shared experiences they have using integrations to build a partner ecosystem.

Of those interviewed, 58% of partnerships people say they're somewhat involved in scoping and choosing integrations for their company, and 33% said they're very involved.

What did we discover? There's a trend across partnership teams. You'll have to read on to find out what it is.

The top 6 integration categories for ecommerce apps

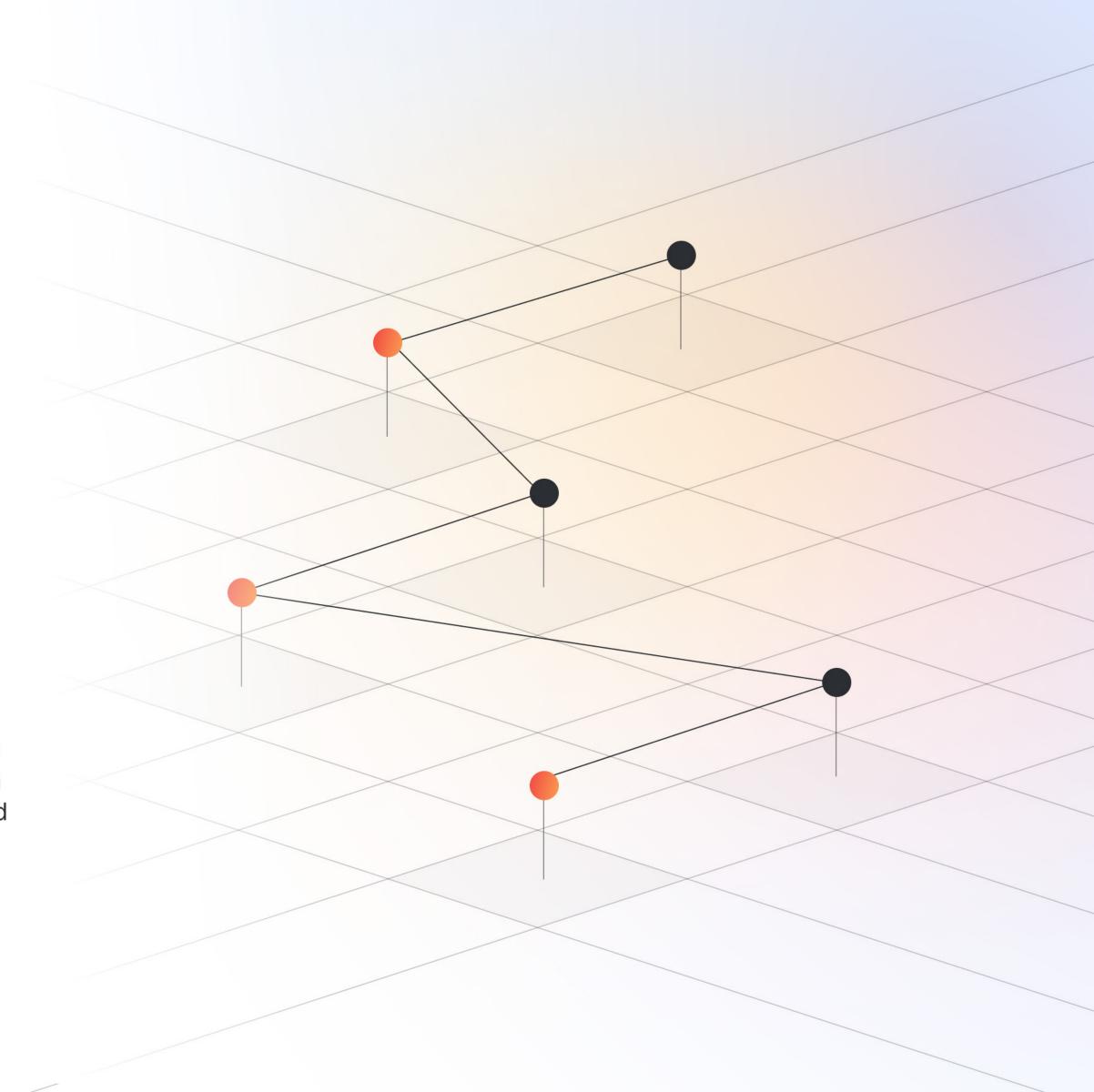
We asked each partnership manager to share which app categories their businesses are already integrated with. The results show these six are the most common integrations among respondents:



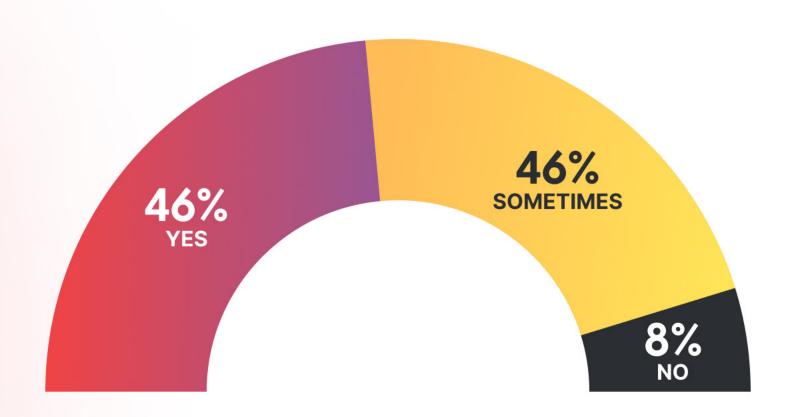
What does this mean for you?

Platforms being the most common integration category isn't surprising. However, for the rest of the categories listed, at a minimum, you should be integrated with apps in these areas. As a partnership expert, this category list is likely the biggest opportunity to forge strategic partnerships that drive revenue, retain referred customers, and guarantee co-marketing opportunities.

Plus, end-users expect their tech stack to be integrated with these categories—and there's a good chance your competitors are already offering them. These six integration categories indicate what should be included in your upcoming roadmap.



Do engineering timelines and integration roadmaps block partnership managers from being able to build more strategic partnerships that drive revenue?



Takeaway: For most teams, there's a disconnect between a partnership team's needs and engineering priorities. It's important for partnership teams to have a strong leader who can build the bridge between products and partnerships—this will ensure partnership requests get prioritized in the product roadmap.

Additionally, one idea to explore is a dedicated partner engineer whose sole responsibility is to enable partnership teams.

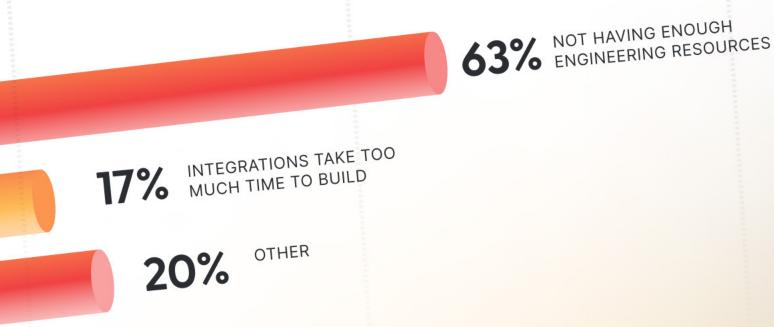


I'm surprised that engineering and dev resources are that much of a blocker unanimously—this potentially speaks to a disconnect between partnerships and development within respondents. I'm curious if any partner programs actually have a dedicated development team, or does every integration end up being a negotiation?





Why are partnership teams getting blocked?



Other blockers that were mentioned by respondents include

- → Not having the right technical folks or support to build integrations
- → Integrations are too difficult and timely to maintain
- → Product teams choosing other roadmap priorities

This is true for companies with less than 20 employees to those with 1,000+. Lack of resources is always an issue for partnership teams.



I'm not surprised at all by this. Partnerships are beholden to other internal teams, Engineering being one of the most impactful. We either thrive or die depending on the buy-in and support from these teams to achieve common goals.



MARCO DE PAULIS, DIRECTOR OF PARTNERSHIPS AT WHIPLASH

Product and engineering timelines sometimes block partnership efforts because partnership programs do not work on sprint/roadmap models, meaning by the time a partnership department decides on a strategic partnership, the product roadmap is already built 3-6 months in advance. So this disconnect between the timeline in which product and partnership operate leads to a perpetual backlog of potential integrations just waiting for a successful GTM to happen (and we all know only 10-20% of those will come to fruition!)

CHRIS LAVOIE, TECHNOLOGY PARTNERSHIPS
LEAD AT GORGIAS

You need to be able to quantify the value that the potential integration creates for the business. Building a convincing business case based on your program's historical revenue contributions is the best way to increase the resources allocated toward building new integrations.



ALICIA THOMAS, HEAD OF BRAND, COMMUNITY, AND PARTNERSHIPS AT POSTSCRIPT



92% of partnership managers say getting integrations built faster would enable them to succeed more

The survey respondents were asked how many integrations they believe a company needs in order to have a "successful marketplace."

58% of respondents said you need to have more than 22 integrations.42% said at least 7-21 integrations.

Additionally, 92% of partner managers said they believe getting integrations built faster would enable them to succeed more in their role.

Yet, 63% said they've lost out on a partnership opportunity because their team couldn't put resources toward building a native integration.

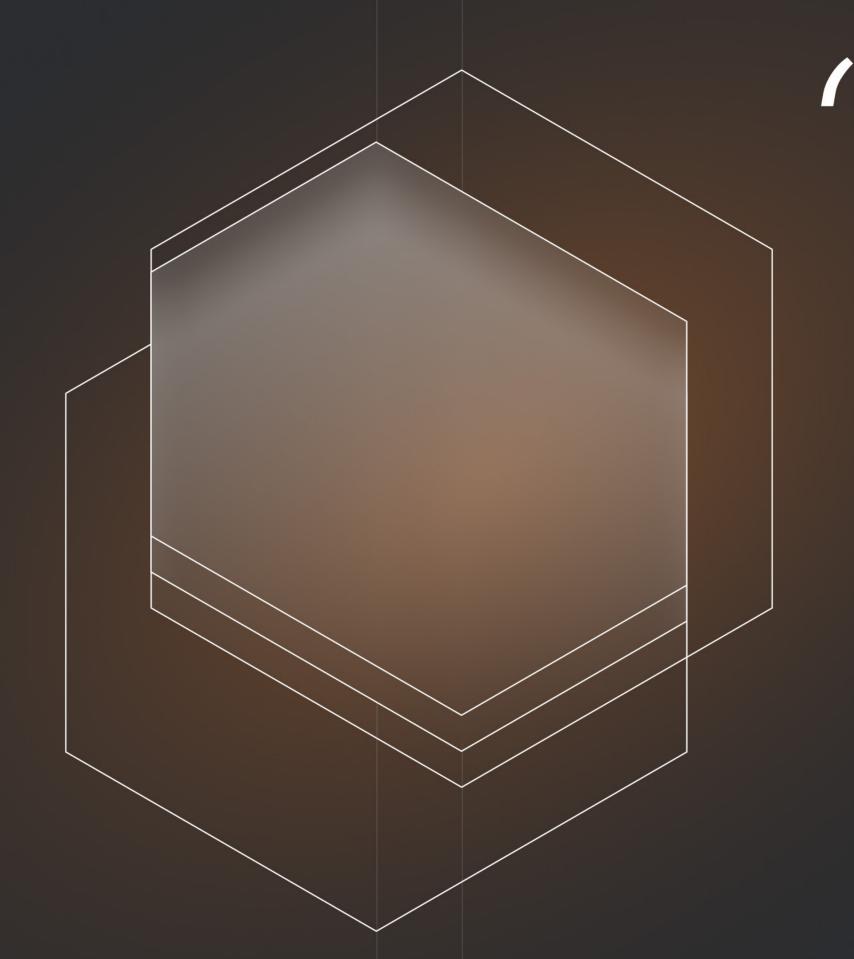
Advice from Marco De Paulis , Director of Partnerships at Whiplash

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Make sure you have buy-in with your internal teams like Product/ Engineering. If you don't have the support of the team lead and a few champions actually building the integrations, you won't succeed. They are the ones directly impacting your ability to form and maximize partner opportunities which directly impacts your ability to compete in the market against other competitors.

02

Once you have buy-in and support, work with Product/Engineering to leverage best-in-class tools like Embedded IPaaS or other solutions to improve speed to market while reducing cost and resource constraints. This will allow you to start to make traction with integration partners and build up momentum as it takes a lot of work to launch and scale new feature usage with a large partner program or ecosystem.



What I learned quickly about partnership and technical partnerships more specifically is that it's not uncommon for you to not be fully aligned with your product roadmap. It's natural to have mis-alignment on how your team chooses to prioritize but as a partner manager it's my responsibility to advocate for what our customers are asking for. My job is to find partners to build the 20% of our product (referencing the 80/20 rule) we don't specialize in and if you can find customer stories to back that up, thats where there is magic.

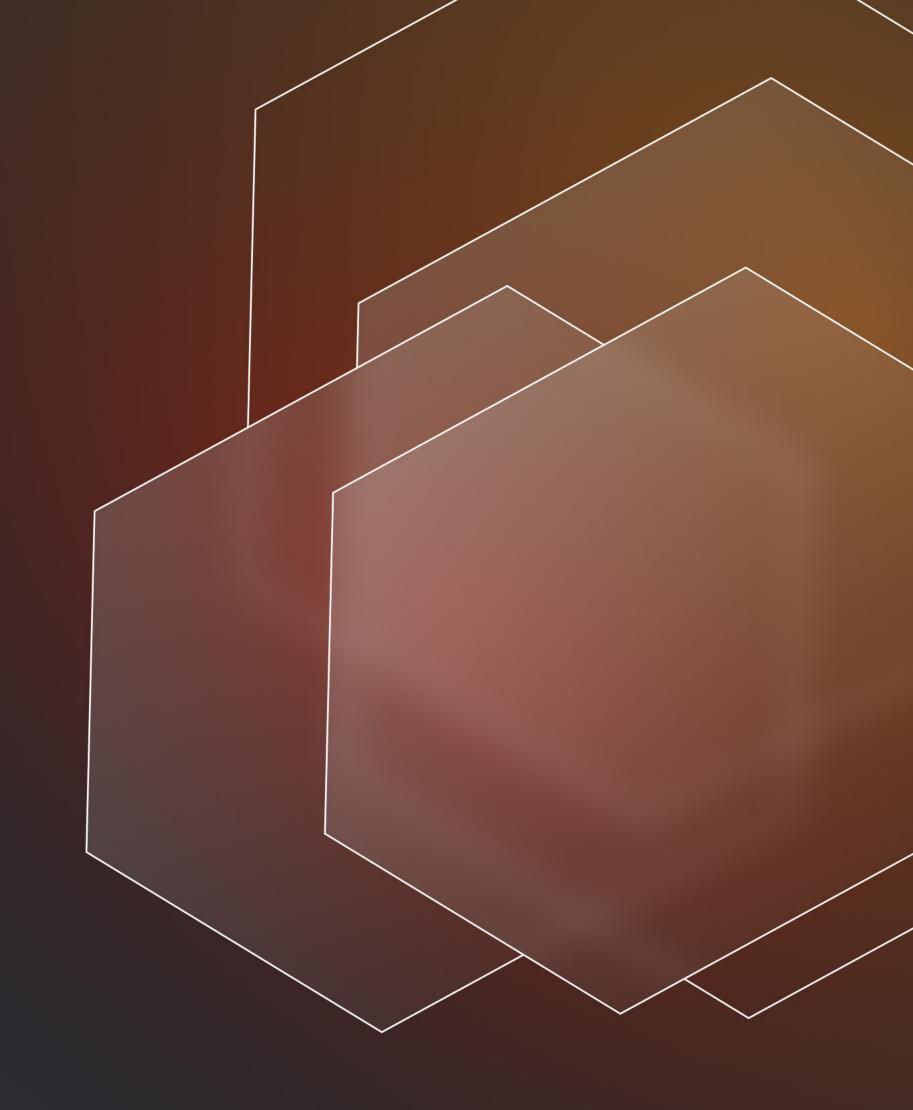


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I agree getting integrations built faster is a key component to fueling partnership success, but what really seems to bog down programs (including our own) is actually what comes right after an integration is built: driving adoption, researching to understand the value, and building public and internal-facing product marketing campaigns. Unless you have sufficient partnership and product marketing resources, adoption of your integration will be 'organic-like,' thereby putting a true GTM into the distant future.







Using an Embedded IPaaS to build your integrations wishlist

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Despite being able to expedite a team's integrations roadmap, 79% of partnership teams are not using an embedded integration platform (IPaaS).

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Why?



The **Embedded IPaaS**

market is still fairly new, and businesses aren't fully aware of what these platforms are and what they can offer.

So, what is an embedded integration platform?

a cloud-based platform that allows independent software vendors (ISVs) to manage their entire integration process from a single platform. These vendors can white label—or "embed"—an existing product's capabilities into their own.

Essentially, once the software development kit (SDK) is implemented within yours codebase, you're enabled to build integrations between any number of applications.



The goal?

Expand integrations without needing to build processes and infrastructure from scratch. You can then add features and functions to your product easily, without the need for lengthy and expensive development.

Read more

End-users request integrations often

On a weekly basis, partnership teams get new integration requests from end-users. While the majority see less than 25 requests, there are still businesses getting more than 25 requests every week.

75% OF APPS SEE LESS THAN 25 REQUESTS PER WEEK

25% OF APPS SEE 25+ REQUESTS PER WEEK

From scoping to full release, 58% of partnership managers said it takes 3-6 months for their team to build an integration. 17% said 6 months to a year.

Note: Even on the lower end, one request per week means 52 requests per year. With a single integration taking an average of 3-6 months to create, there's no way engineering timelines can keep up with the needs of partner teams.



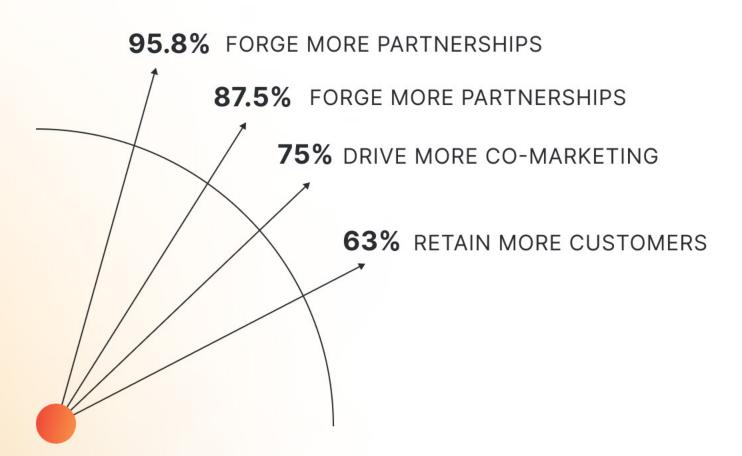
Integrations are the lifeblood of a true ecosystem. Without them, partnerships are less dynamic and are one-dimensional. This limits the strategic opportunities and impact for partners.



MARCO DE PAULIS, DIRECTOR OF PARTNERSHIPS AT WHIPLASH

The result of faster integrations

If partnership teams could get integrations built faster, they believe it would enable them to achieve the following:





I'm not surprised that a majority of partnership professionals believe integrations will help drive more revenue for their business. I would certainly say that the results align with my own experience being that the gold standard for a partnership is an integration. Knowing this creates an incentive for us to collaborate together to provide value to our clients and solve the challenges we both face in our roles while proving collaborative results that generate ROI. Eventually, this will lead to buy-in from our respective ground-level employees and leadership teams!



DEREK BOOTH, DIRECTOR OF STRATEGIC PARTNERSHIPS AND BUSINESS DEVELOPMENT AT JUSTUNO

Highest priority integrations for the next 12 months

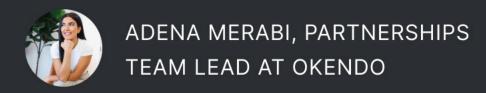
We asked respondents to share the highest priority integrations for their teams over the next 12 months. These were the top seven most agreed on:

Email/SMS	54%
Loyalty/rewards	54%
Subscription	50%
Platform	42%
Returns	42%
UGC/reviews	42%



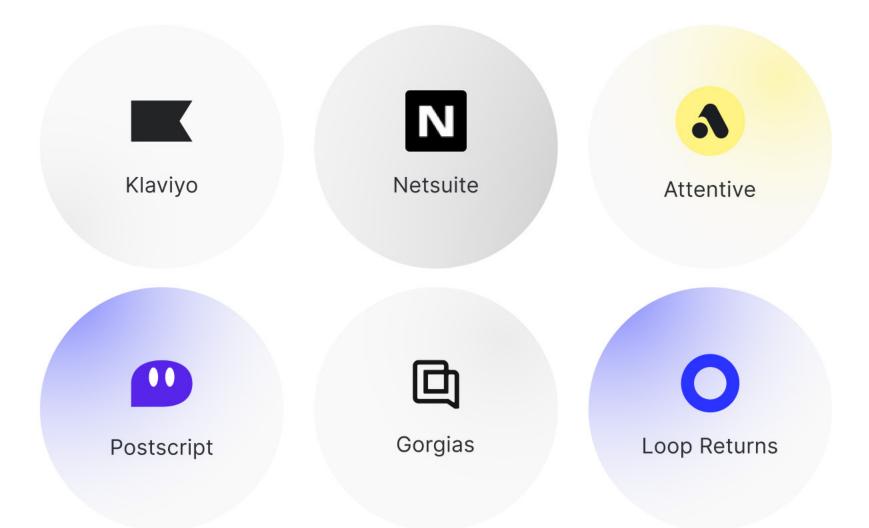
One thing I'd say that's shocking to me is that loyalty and rewards rank higher on the priority list than Reviews. Reviews from the outset help merchants increase onsite conversions. When you have social proof on your products, new shoppers will feel more comfortable purchasing from you because they can align their purchasing decision with people that look like them.





Highest priority integrations for the next 12 months

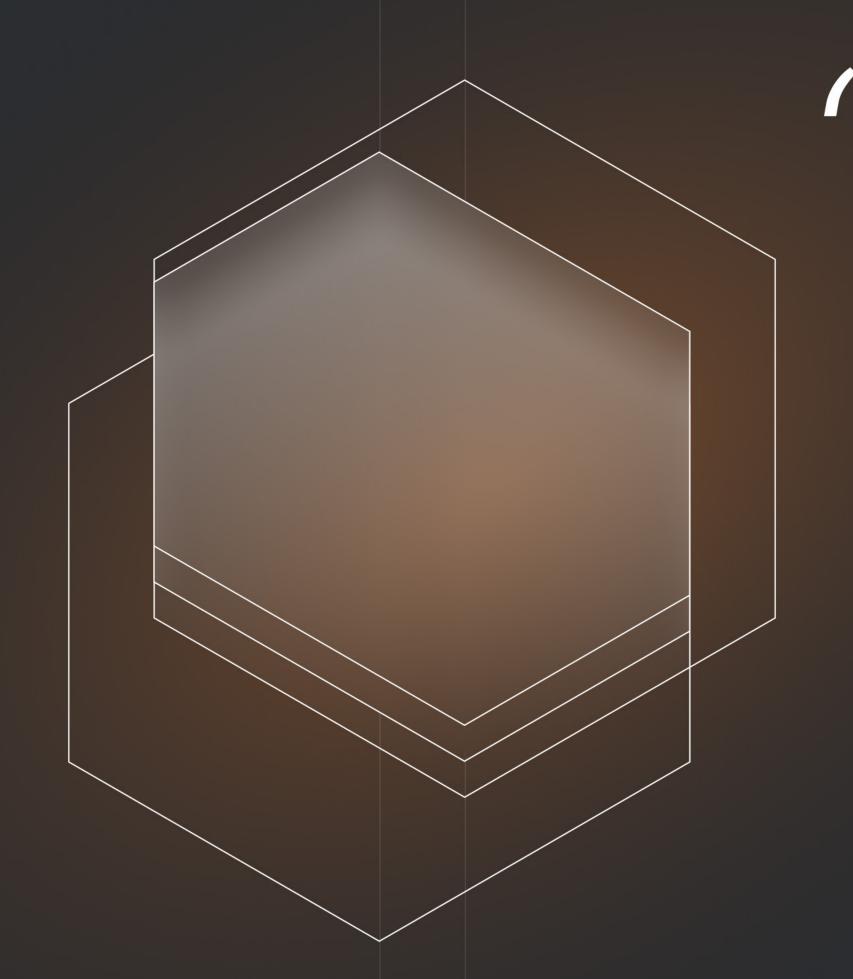
Respondents were also asked which specific apps their end-users request most often. The most common among respondents are the following:



Key takeaway

The integrations you build obviously depend on the goals of your team (and the type of app you work at), but this is a good indicator of what partnership folks are focusing their time on over the next year.

Right now, platforms like Shopify and BigCommerce are the most common integration among ISVs, but they don't have any plans to build out more integrations in this category. This likely means most folks in the space already have these integrations built (so a double reminder for you to prioritize platforms if you haven't done so yet).



While an integration is key, it's useless without a business plan to support. Having a build-in is incredibly valuable, but for the time and investment needed to build a native integration, it would be wasteful to not also develop a go-to-market plan that really maximizes the value of that integration. (And hey, it might also help the greater engineering team understand the value of prioritizing integrations to drive business!)



MEGAN BLISSICK, HEAD OF GLOBAL AGENCY PARTNERSHIPS AT SIGNIFYD

Final thoughts

Traditionally, app integrations are a huge undertaking—which is why they don't often make it into the product roadmap. You can pitch the idea to product managers as much as you want, but at the end of the day, there are always higher-priority tickets (like building core product features and fixing bugs).

These data points expose the fact that there's a disconnect between partnership teams and product teams.

However, as shown in the data, there are several benefits to the business if integrations are prioritized:

- Building partnerships with SaaS platforms in other industries opens up a doorway for your company to venture into new markets.
- Having more integrations helps your business stay ahead of competitors who are also prioritizing their own ecosystem.
- Customers will likely stick with your brand long-term when the integrations you provide improve their experience with your product.

Integrations drive acquisition and retention.

That's why more partnership teams are exploring embedded IPaaS tools, helping them build out their partner ecosystem, quickly go to market with strategic partners, and quicken time-to-value for every partnership.

Build cost-effective integrations without the maintenance



AlloyEmbedded

Alloy Embedded offers your product team the tools they need to quickly build integrations, so you don't have to wait to create your partner ecosystem.

Share Embedded with your product and engineering team so they can get started implementing soon.

