Case Study Integrations

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**Please note this is an example project - all data has been anonymized and modified, representing no real individuals or events*

Agenda

- What do we know about recent integration usage trends?
- Do integrations matter for our customers?
- Initial recommendations based on the data
- What do we investigate next?

Data Assumptions

- Assumed the employee size of the company was the most recently gathered size from Jan 2021
- Assumed the data sets were the entirety of the data that existed
- Assumed we are reporting this in Feb 2021, so Jan 2021 is the most recent month of data we have

Executive Summary

- Recent trends have **integration use for customers on the rise**
- The **most popular integrations are "custom"** ones, which highlights an opportunity for Hubspot to better cater to customer needs by aligning its offerings more closely with what they are looking for
- We see that customers with more integrations have a **higher value** and **retain their value longer** on the platform
- Recommendation to **keep investing in integrations** and encouraging our customers to use them

What do we know about recent integration usage trends?

Key Statistics:

- **5.8** is the avg # of integrations per customer ***
- **96%** of customers had integrations***
- **CUSTOM** integrations are the most popular integrations***
- **+$53*** is the correlated increase in value for a customer that every extra integration is associated with**
- **+.1%*** is the correlated increase in C$R for a customer that every extra integration is associated with**

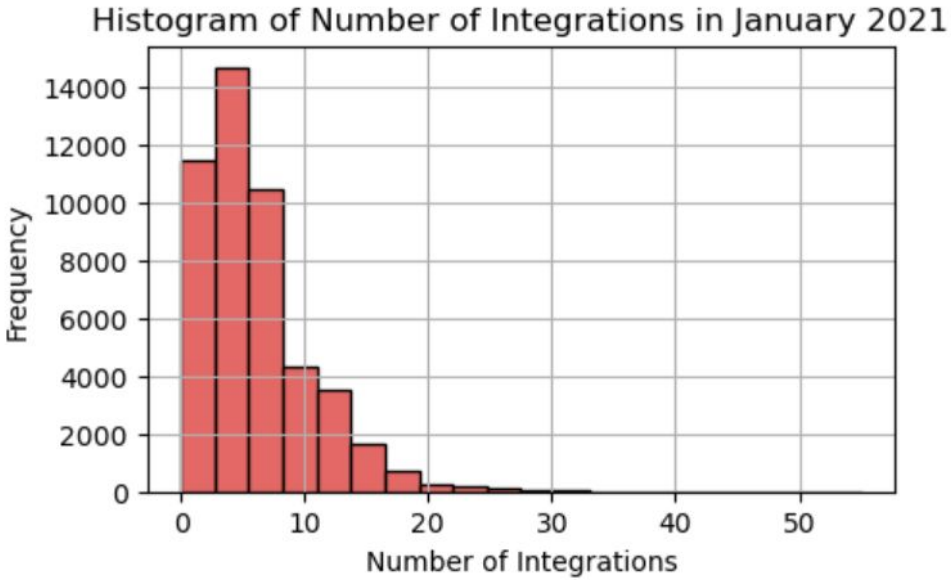
**For full regression analysis refer to the appendix*

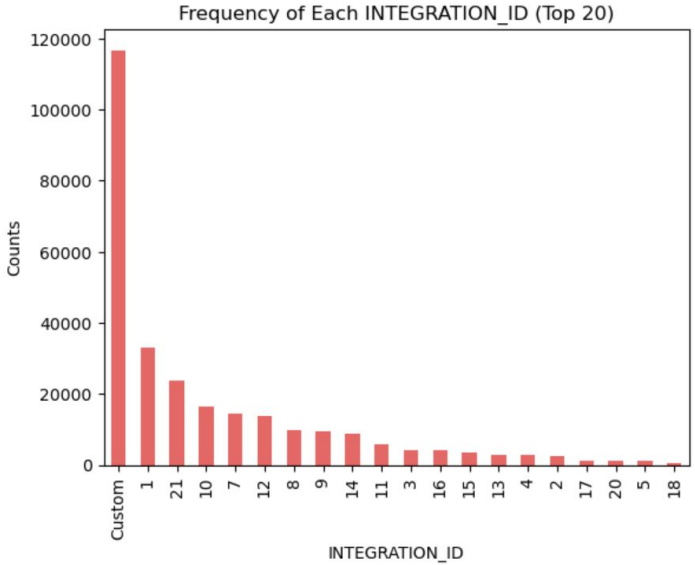
***P values of 0.00 denoting statistical significance*

**** In Jan 2021*

Integration Usage Trends

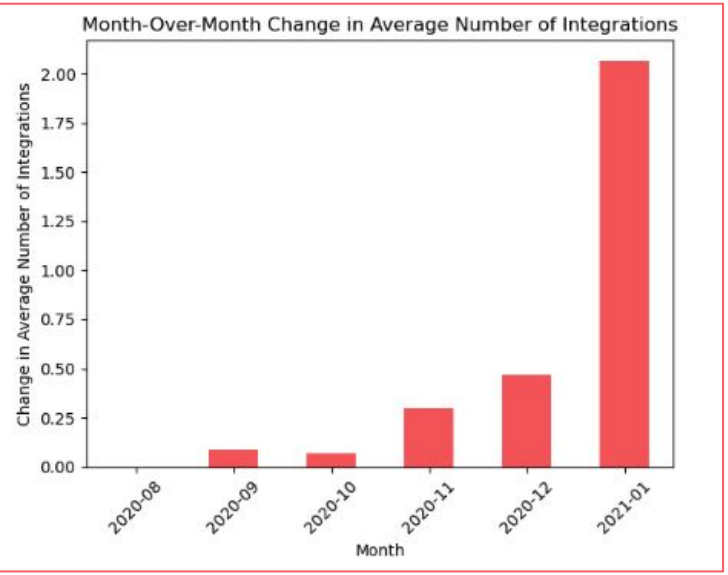
Takeaway: Custom integrations are most popular, and most customers have 1-8 integrations

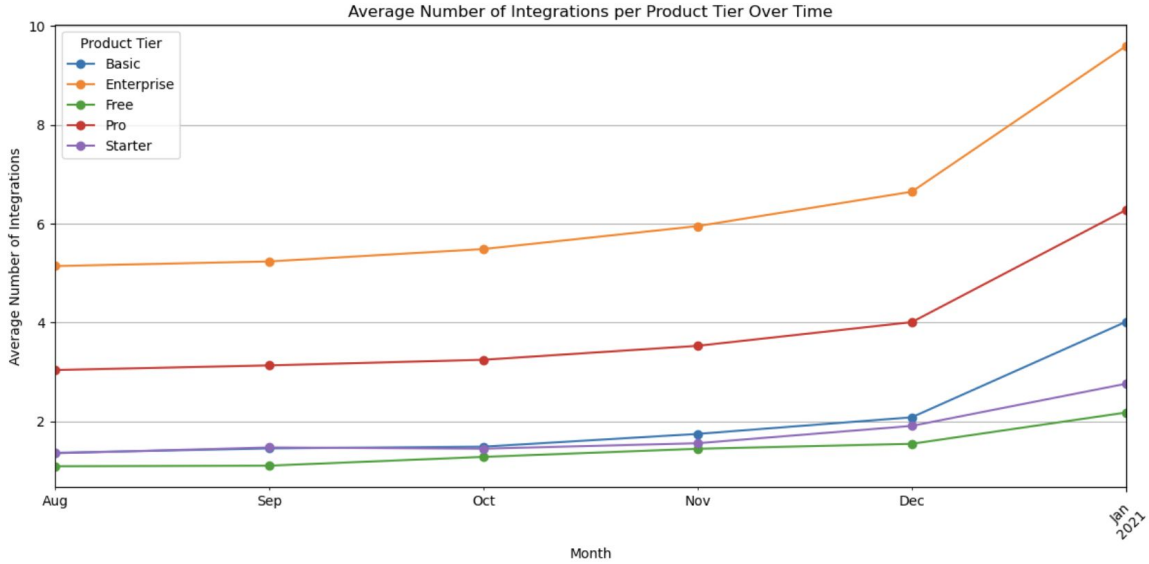




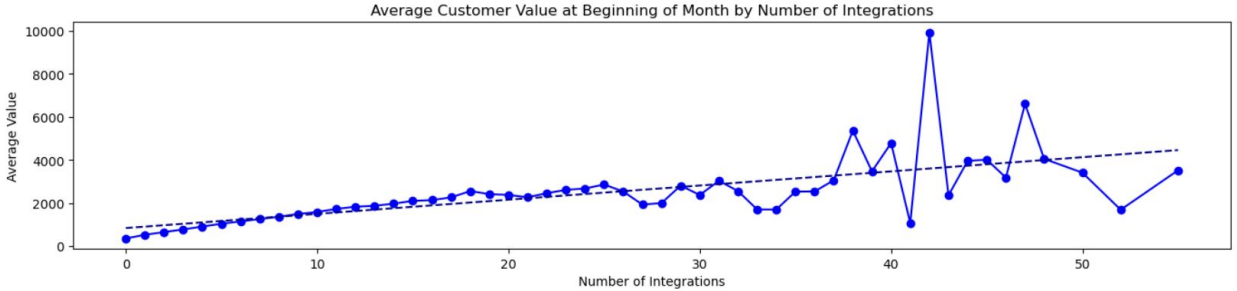
Integration Usage Trends

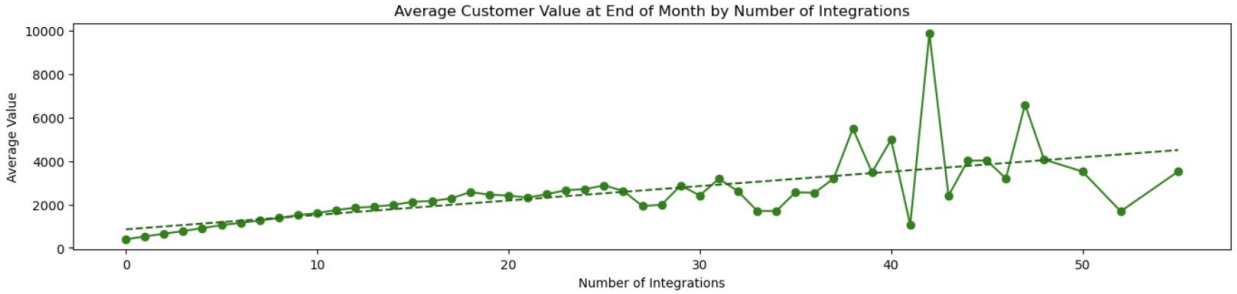
Takeaway: Integration usage is going up every month in every product tier

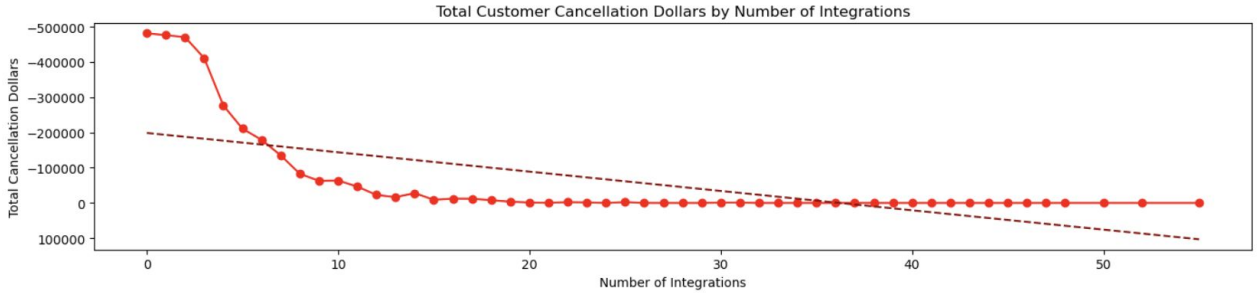




Integration Usage and Value

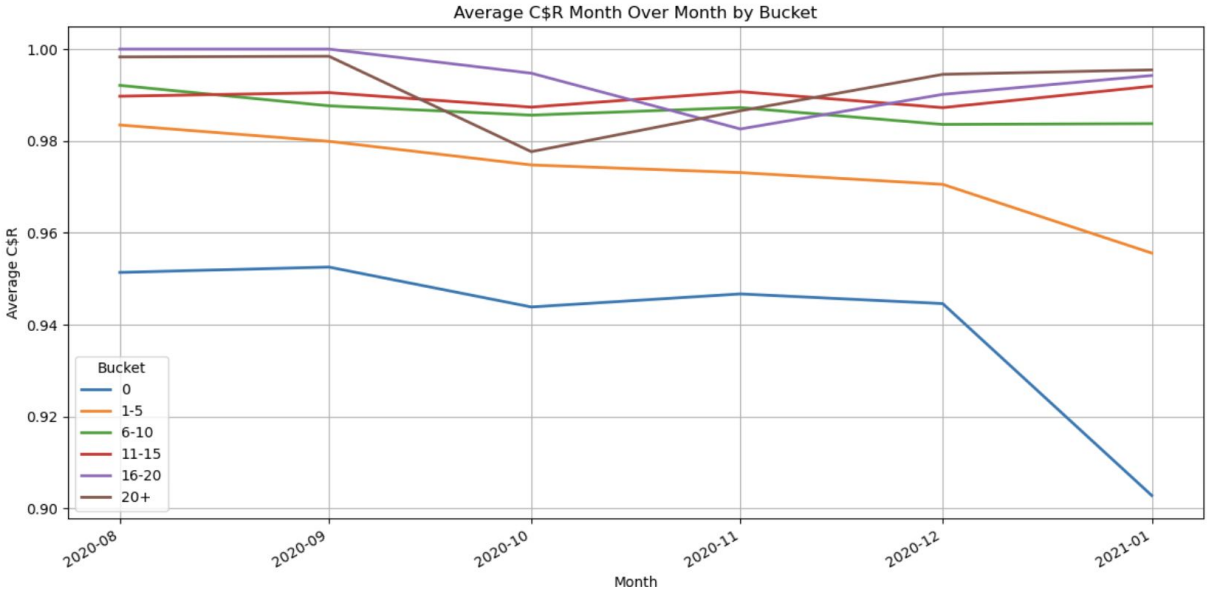






Takeaway: As the number of integrations go up for a customer, there is a correlation of EOM and BOM value going up, and Cancel $ going down

Integrations Usage and Value



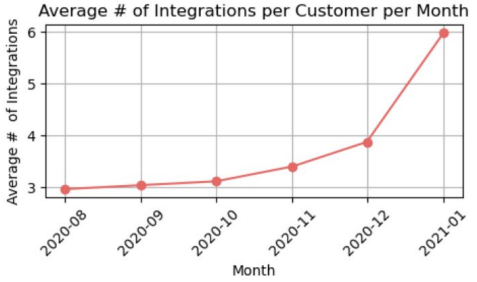
Takeaway:

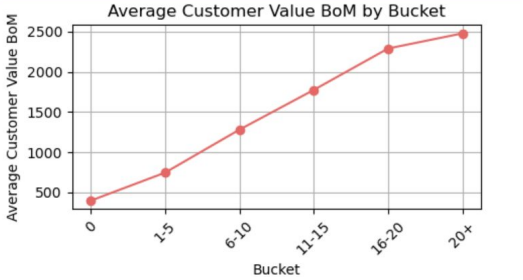
While it's clear that customers with more integrations have a higher value relative to each other, we can also see that the customers with a higher number of integrations also ***retain*** their value better than customers with a low number of integrations

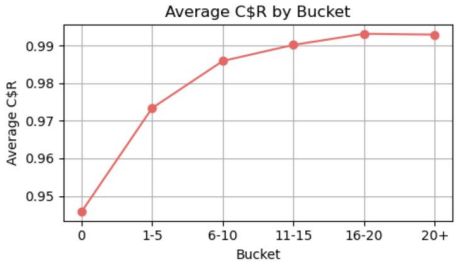
C$R = (Beginning of the month value - cancellation $ for that month) / Beginning of the month value

Do Integrations Matter for our Customers?

- In every product tier customers are using integrations more and more every month
- Customers who have more integrations tend to have a higher value than customers with a low number of integrations
- Customers who have more integrations have a higher retention rate than customers with a low number of integrations







Recommendations and Next Steps

Keep investing in integrations for our customers

Customer Success:

- Segment the data further (clustering, cross segments, etc) to figure out how smaller groups of customers use integrations. Bring in other data like GEO, Hub, and UUS. Ability to target groups with low integration usage via marketing or CSMs
- Look into specific integrations and see if there is higher retention for certain integrations (or groups) of integrations
- Look into which editions/segments are using specific integrations, do editions have any integrations limits? Option to upgrade customers to the next edition
- Target customers with lower # of integrations to encourage more integrations - suggest products that peers/sectors use to improve business to increase retention and reduce cancelation risks and thus maintain GRR

Integration Marketplace PM

- Seeing as most integrations are “custom” right now, there is a huge opportunity to invest in developing those integrations through Hubspot or a native Hubspot product
- Opportunity for some qualitative market research to see what customers are saying about certain integrations - do we want to build a full feature into hubspot versus offering an integration? (Ex: Processing payments through Hubspot versus integrating with Stripe)
- Opportunities for A/B testing: In marketing emails and landing pages if we mention specific integrations, which ones lead to the most sign ups/interest?
- What caused our uptick of integration usage in Jan 2021? Was this a certain play by Hubspot, do we have data to look into to see what was successful?
- “Survival Analysis Model” to see how integrations affect the “survival rate” of a customer, aka if a customer cancels or not

Thank you!

Appendix

Data Assumptions

- Since the size of company can change, and I did not see any duplicate customer_id values in the size data, assumed the employee size of the company was the most recently gathered size from Jan 2021
- Assume the data sets were the entirety of the data that existed
- Assumed we are reporting this in Feb 2021, so Jan 2021 is the most recent month of data we have

Appendix: Value Regression

OLS Regression Results

Dep. Variable:	CUSTOMER_VALUE_END_OF_MONTH	R-squared:	0.566
Model:	OLS	Adj. R-squared:	0.566
Method:	Least Squares	F-statistic:	1.556e+04
Date:	Sun, 21 Apr 2024	Prob (F-statistic):	0.00
Time:	17:06:54	Log-Likelihood:	-2.0865e+06
No. Observations:	262046	AIC:	4.173e+06
Df Residuals:	262023	BIC:	4.173e+06
Df Model:	22		
Covariance Type:	nonrobust		

	coef	std err	t	P>|t|
const	111.8321	11.728	9.535	0.000
NUM_OF_INTEGRATIONS	53.5130	0.419	127.698	0.000
CUSTOMER_CANCELLATION_DOLLARS	-0.5128	0.012	-43.209	0.000
C$R	262.2831	9.899	26.495	0.000
EMPLOYEE_SIZE_201 or Above	446.8258	4.625	96.619	0.000
EMPLOYEE_SIZE_26 to 200	253.5209	3.099	81.797	0.000
EMPLOYEE_SIZE_Undefined	15.7436	6.740	2.336	0.019
CUSTOMER_SEGMENT_International High-touch	1531.5488	24.368	62.850	0.000
CUSTOMER_SEGMENT_International Low-touch	-436.5603	5.225	-83.557	0.000
CUSTOMER_SEGMENT_International Partner	-28.3013	6.409	-4.416	0.000
CUSTOMER_SEGMENT_NAM Direct	80.5395	5.244	15.358	0.000
CUSTOMER_SEGMENT_NAM High-touch	-35.8983	5.948	-6.035	0.000
CUSTOMER_SEGMENT_NAM Low-Touch	-430.5493	4.213	-102.190	0.000
CUSTOMER_SEGMENT_NAM Partner	-241.1696	5.924	-40.708	0.000
CUSTOMER_SEGMENT_NAM Unowned	-351.0728	33.981	-10.331	0.000
PRODUCT_TIER_Enterprise	1580.2694	6.503	243.008	0.000
PRODUCT_TIER_Pro	298.6143	4.962	60.174	0.000
PRODUCT_TIER_Starter	-38.4276	5.940	-6.470	0.000
SNAPSHOT_MONTH_2020-09-01 00:00:00	4.9020	4.839	1.013	0.311
SNAPSHOT_MONTH_2020-10-01 00:00:00	5.4932	4.779	1.149	0.250
SNAPSHOT_MONTH_2020-11-01 00:00:00	-7.2541	4.775	-1.519	0.129
SNAPSHOT_MONTH_2020-12-01 00:00:00	-27.2050	4.774	-5.698	0.000
SNAPSHOT_MONTH_2021-01-01 00:00:00	-129.2005	4.914	-26.294	0.000

Takeaway:
Every extra integration a customer has is correlated to an extra ~$53 of value at the end of the month.

Appendix: C$R Regression

OLS Regression Results

Dep. Variable:	C$R	R-squared:	0.264
Model:	OLS	Adj. R-squared:	0.264
Method:	Least Squares	F-statistic:	4279.
Date:	Sun, 21 Apr 2024	Prob (F-statistic):	0.00
Time:	17:07:14	Log-Likelihood:	1.4925e+05
No. Observations:	262046	AIC:	-2.985e+05
Df Residuals:	262023	BIC:	-2.982e+05
Df Model:	22		
Covariance Type:	nonrobust		

	coef	std err	t	P>|t|
const	0.9746	0.001	743.207	0.000
NUM_OF_INTEGRATIONS	0.0009	8.51e-05	10.923	0.000
CUSTOMER_VALUE_END_OF_MONTH	1.019e-05	3.84e-07	26.495	0.000
CUSTOMER_CANCELLATION_DOLLARS	-0.0006	2.04e-06	-289.582	0.000
EMPLOYEE_SIZE_201 or Above	0.0035	0.001	3.744	0.000
EMPLOYEE_SIZE_26 to 200	0.0062	0.001	10.061	0.000
EMPLOYEE_SIZE_Undefined	-0.0069	0.001	-5.228	0.000
CUSTOMER_SEGMENT_International High-touch	0.0088	0.005	1.817	0.069
CUSTOMER_SEGMENT_International Low-touch	0.0038	0.001	3.643	0.000
CUSTOMER_SEGMENT_International Partner	0.0072	0.001	5.665	0.000
CUSTOMER_SEGMENT_NAM Direct	0.0026	0.001	2.516	0.012
CUSTOMER_SEGMENT_NAM High-touch	0.0049	0.001	4.210	0.000
CUSTOMER_SEGMENT_NAM Low-Touch	-0.0063	0.001	-7.452	0.000
CUSTOMER_SEGMENT_NAM Partner	0.0034	0.001	2.946	0.003
CUSTOMER_SEGMENT_NAM Unowned	-0.1333	0.007	-19.920	0.000
PRODUCT_TIER_Enterprise	-0.0056	0.001	-3.924	0.000
PRODUCT_TIER_Pro	0.0010	0.001	0.976	0.329
PRODUCT_TIER_Starter	-0.0331	0.001	-28.293	0.000
SNAPSHOT_MONTH_2020-09-01 00:00:00	-0.0011	0.001	-1.159	0.247
SNAPSHOT_MONTH_2020-10-01 00:00:00	-0.0056	0.001	-5.933	0.000
SNAPSHOT_MONTH_2020-11-01 00:00:00	-0.0044	0.001	-4.702	0.000
SNAPSHOT_MONTH_2020-12-01 00:00:00	-0.0035	0.001	-3.746	0.000
SNAPSHOT_MONTH_2021-01-01 00:00:00	-0.0088	0.001	-9.120	0.000

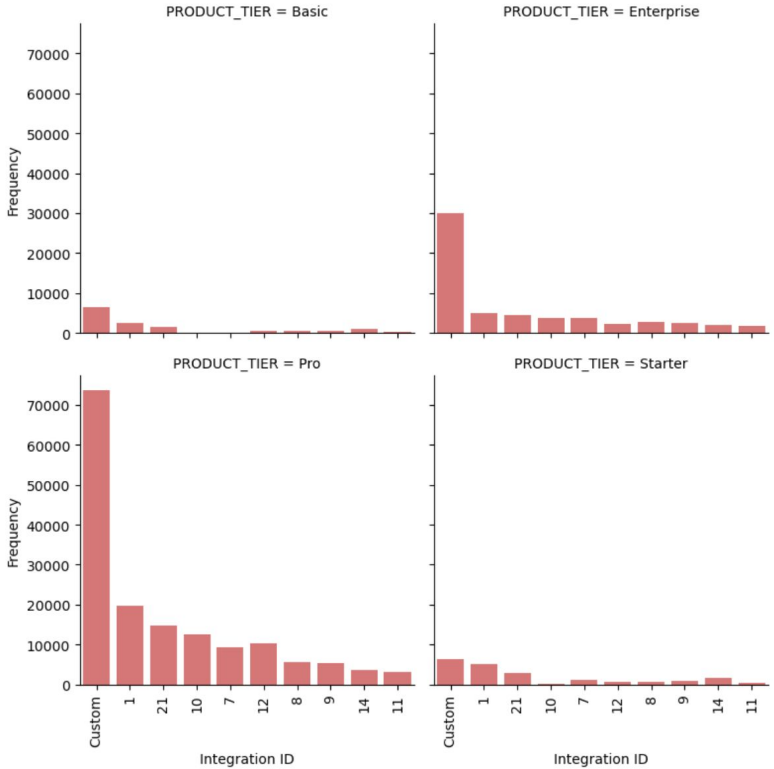
Takeaway:

This takes what we saw in the previous slides line chart and puts it into regression terms:

"For every 1 more integration a customer has, it's associated with a C$R increase of .1%"

C$R = (Beginning of the month value - cancellation $ for that month) / Beginning of the month value

Appendix: Product Tier and Integration ID



Takeaway:

We see the same patterns for each product tier in regards to which integration ID they are using, so in the main presentation, it is presented as a whole. Could dig into other segments as well to see if the trend stays the same