

# Google tries to coax cloud database users away from Amazon and Oracle

## Article

**The news:** Continuing efforts to raise its status among leading cloud providers **Amazon Web Services (AWS)** and **Microsoft Azure**, **Google Cloud** has unleashed its **AlloyDB**.

- During the annual [I/O](#) conference Wednesday, Google announced its new cloud database service **AlloyDB**, [per](#) Insider.

- The service is based on the open-source database management system **PostgreSQL** and geared to help motivate enterprises to move their databases from data centers and “legacy” vendors like **Oracle** and Microsoft SQL servers to Google Cloud.
- A preview version of AlloyDB is currently being tested in the financial services and retail industries, with full availability slated for later this year.
- In addition to Google’s claim that AlloyDB is twice as fast as AWS’s similar product, **Aurora**, it’s also trying to distinguish itself by promising not to charge for data input, output, or IOPS, which AWS customers do pay for.

**How we got here:** In recent years, Google has been pushing to achieve profitability and boost market share for its cloud division as it still lags considerably behind [Amazon](#) and [Microsoft](#). Among other moves, the tech giant sees targeting the database arena as a way to tap into a potentially huge customer base.

- AWS currently commands **40.8%** of the cloud market share and Microsoft **19.7%**, while Google holds **6.1%**, [per](#) Insider. Despite trailing the pack and a lack of profitability, Google Cloud grew to **\$5.8 billion** last quarter, up **44%** YOY.
- Database functions represent a prime area of interest for enterprises’ cloud migrations. But the technical expertise needed to make such migrations successful are a barrier for many companies.
- Oracle, which holds **20.6%** of the database management system market, has been criticized by Google and AWS over its long-term contracts and license fees that pose obstacles for future migrations.
- Meanwhile, Oracle reportedly described AWS’s data transfer fee pricing as “hostile,” [per](#) Insider.
- Google is attempting to present its AlloyDB as a more flexible database option compared with Oracle’s legacy model while also offering pricing that competes directly with AWS’s Aurora.

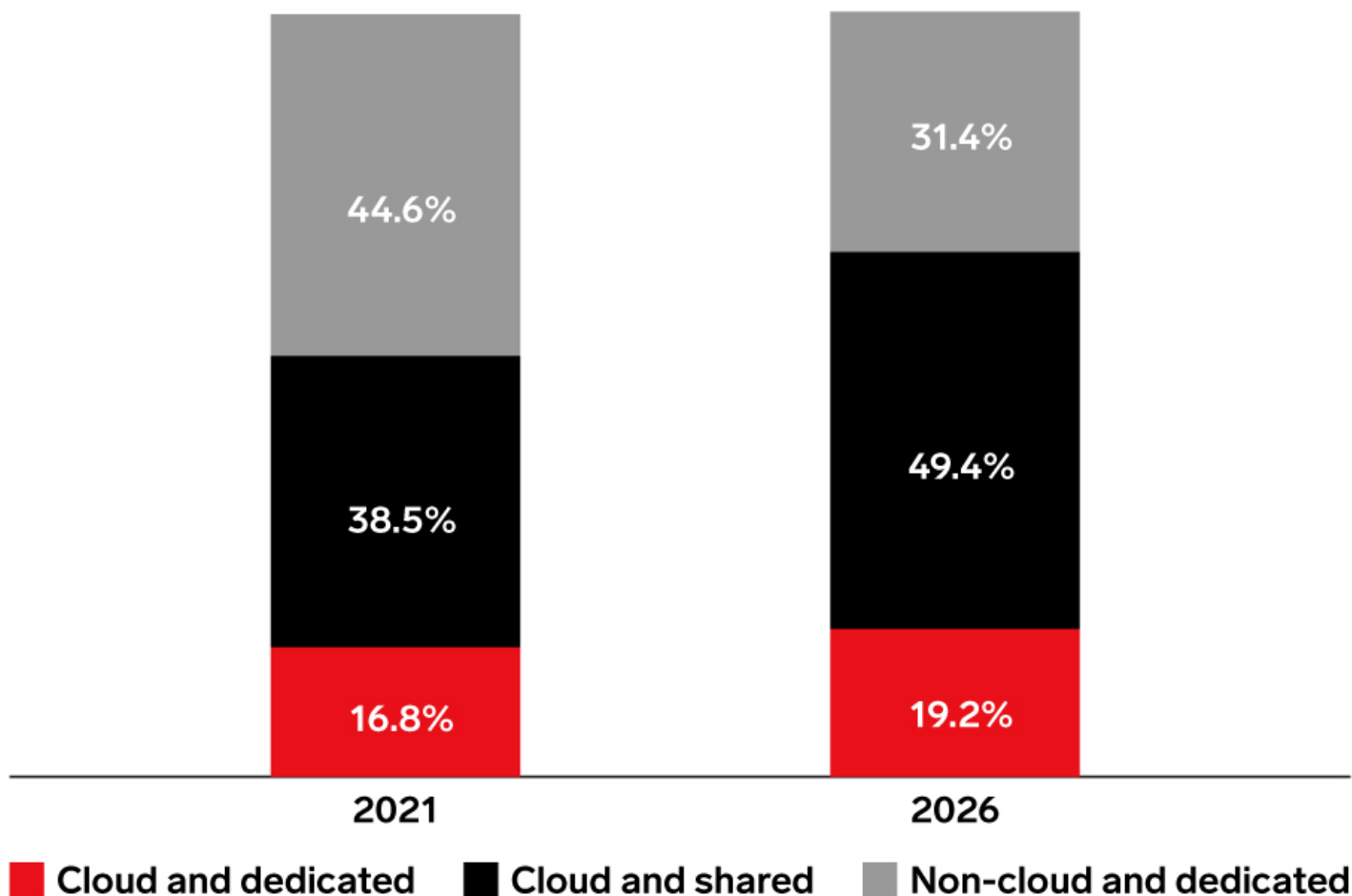
**The opportunity:** Despite robust interest in cloud services, the burden is on providers to foster confidence in their products, considering the daunting task of migration.

- Assurances of “friendly” pricing and predictable billing for AlloyDB are timed well considering widespread concern about shady [cloud billing](#) practices.

- If AlloyDB performs as promised, it could serve as a stepping stone for companies to adopt other cloud products.
- Although Google Cloud's planned rate hike for other cloud services will take effect this fall, offering discounted bundles for AlloyDB along with other services could help attract new customers.

## Cloud Infrastructure Spending Share Worldwide, by Segment, 2021 & 2026

% of total



Note: cloud infrastructure spending in 2021=\$73.9 billion and in 2026=\$133.7 billion

Source: International Data Corporation (IDC), "Worldwide Quarterly Enterprise Infrastructure Tracker: Buyer and Cloud Deployment" as cited in press release, March 31, 2022

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