

# As huge cloud bills hit recession-wary companies, Amazon promises change

Article

**The news:** Amazon Web Services (AWS) is increasing its efforts to help customers reduce spending so they'll remain loyal and spend more over the long term, [per](#) Insider.

- An advisory team reportedly speaks with over 1,000 companies each year to help them cut costs. One such company, **Airbnb**, has a multiyear AWS contract worth at least **\$1.2 billion**, per Insider.
- AWS is one of several major cloud providers in talks to join **FinOps**, a **Google**-backed, nonprofit, cloud-finance-management firm that lets companies view their spending from all cloud providers in one **Mega-bill**.

**How we got here:** Reports have been swirling this year about cloud customers getting slapped with **astronomical bills** from the top three providers—AWS, **Microsoft Azure**, and **Google Cloud**. The rise of **economic uncertainty** is making cutting cloud costs a top business priority, threatening Big Cloud’s bottom line.

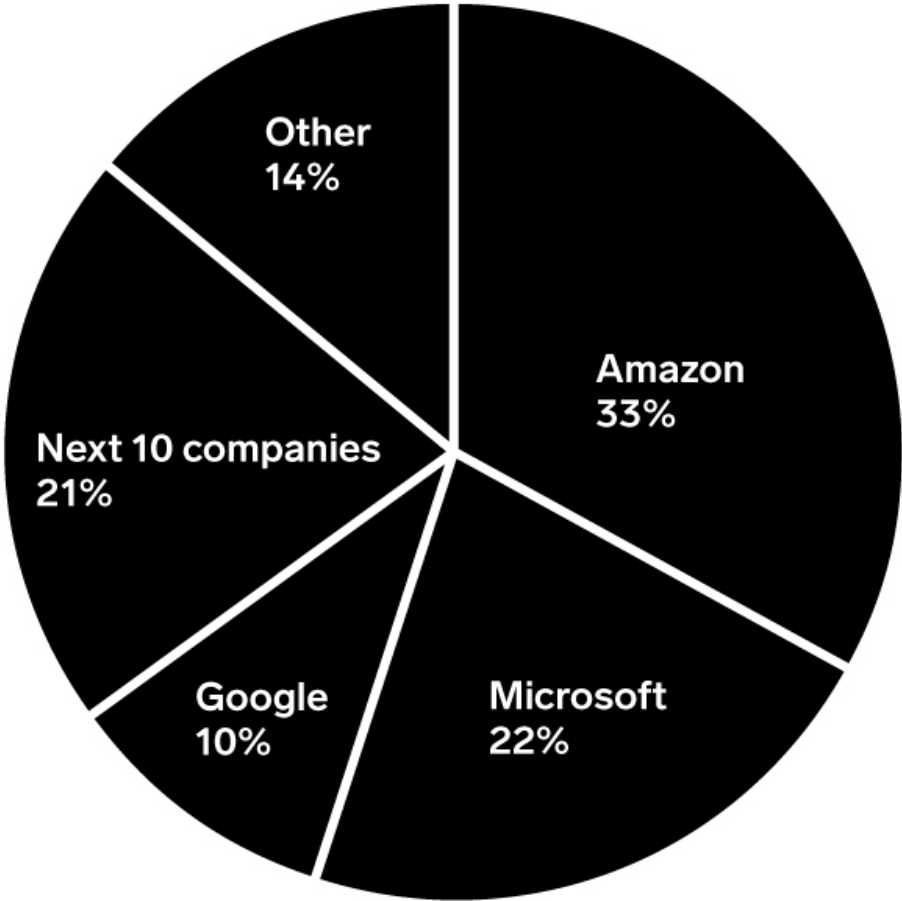
- Amazon, which has the largest share of the cloud market at **38.9%**, per Insider, is a focal point for cloud-spending troubles.
- “The cloud vendors do not make it easy to figure out, ‘**My bill just skyrocketed from \$10,000 to \$100,000 this month. Why?**’” said **Joe Duffy**, CEO of **Pulumi**, a cloud startup that primarily uses AWS.
- Such billing surprises, in addition to high-priced contracts they’re locked into, have prompted companies to **build** their own infrastructure or shop around for better **cloud deals**.

**Actions speak louder:** Customers ultimately care about the contents of their monthly cloud billing statements, not lofty promises made by providers. A better strategy for cloud providers is to give all customers cost-saving deliverables.

- One such method is to offer real-time billing forecasts throughout the month that also provide an easy-to-understand spending breakdown.
- Another potential strategy is to focus on offering innovative cloud tools that help companies justify the ROI of cloud spending.
- If those locked into contracts feel they’ve been overpaying, they may discontinue the service once the contract expires. Providers can preempt churn by offering incentives while contracts are still active.
- Partnering with third-party cloud-management firms can help customers trust that their bills are accurate.

# Cloud Services Market Share Worldwide, by Brand, Q1 2022

% of total



Note: Q1 2022 revenues=\$52.7 billion  
Source: Synergy Research Group, May 2, 2022

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