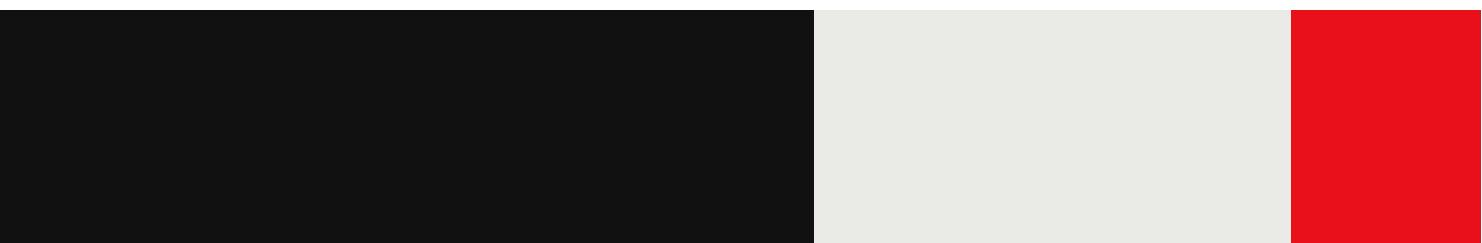


Amazon, Microsoft, and Google cloud business sinks in April

Article



The news: The top three public cloud providers experienced losses in the cloud this spring as the downpour of economic uncertainty showed no signs of moving on.

- Spending on **Amazon Web Services (AWS)**, **Microsoft Azure**, and **Google Cloud** fell in April compared with Q1 due to business customers cutting costs, [per](#) Insider.

- AWS, with a **38.9%** market share, dropped by about **4 percentage points** in April, while Microsoft, with **21.2%**, fell by **2 percentage points**. Google, which has **7.1%** of the market, lost **8 percentage points**.
- Companies like [**Coinbase**](#), which laid off **18%** of its employees last week, have announced cloud spending cuts.
- However, some forecasters say the public cloud will become more attractive to enterprises over the next year, with cloud providers spending **25%** more on data center infrastructure in 2022, [per](#) The Register.
- The top four cloud providers, which includes [**Alibaba Cloud**](#), are expected to expand services to as many as 30 new regions this year.

Cloud costs aren't cheap: Many companies are spending thousands of dollars a month, and some, like **Airbnb** and **Snapchat**, are spending millions. When looking at areas to cut costs, some may view the cloud as an easier area to trim versus core operations or overhead.

- Recent cloud [**rate hikes**](#) and [**cryptic billing**](#) strategies have likely prompted companies to scrutinize their cloud spending. But with many locked into cloud contracts, a certain amount of spending will be necessary.
- Some enterprises could consider building their own on-site infrastructure and moving their data away from the cloud, but it probably won't be the main trend.
- Such infrastructure also comes with costs, and at a time of [**layoffs**](#) in the tech world, companies may not want to hire new talent to build and maintain it.

The bigger picture: The slip in cloud spending is a symptom of broader [**economic contraction**](#). While it has hit the tech industry hard, it doesn't spell the end of cloud growth.

- Higher computing demands associated with AI, ML, complex simulations, and the metaverse will keep public cloud demand afloat.
- But major cloud providers will have to work harder to retain customers and attract new ones with discounts and incentives.
- The economic uncertainty also bodes well for cloud cost-management platforms like [**Finout**](#) that help companies reduce wasteful spending.
- We'll likely see more multicloud approaches as customers shop around for the best rates for select services.

Public Cloud End-User Spending Worldwide, by Service Category, 2021-2023

billions

	2021	2022	2023
Cloud application services (SaaS)	\$152.18	\$176.62	\$208.08
Cloud system infrastructure services (IaaS)	\$91.64	\$119.72	\$156.28
Cloud application infrastructure services (PaaS)	\$86.94	\$109.62	\$136.40
Cloud business process services (BPaaS)	\$51.41	\$55.60	\$60.62
Cloud management and security services	\$26.67	\$30.47	\$35.22
Desktop as a service (DaaS)	\$2.07	\$2.62	\$3.24
Total	\$410.92	\$494.65	\$599.84

Note: numbers may not add up to totals due to rounding

Source: Gartner as cited in press release, April 19, 2022

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