

Deloitte.

Together makes progress



Generating revenue through cloud marketplaces

Key considerations for XaaS providers

Contents

| | |
|--|----|
| Introduction | 3 |
| Cloud marketplace sales motions | 4 |
| Cloud marketplace operational capabilities | 6 |
| Marketplace implementation considerations | 9 |
| Conclusion | 14 |

Introduction

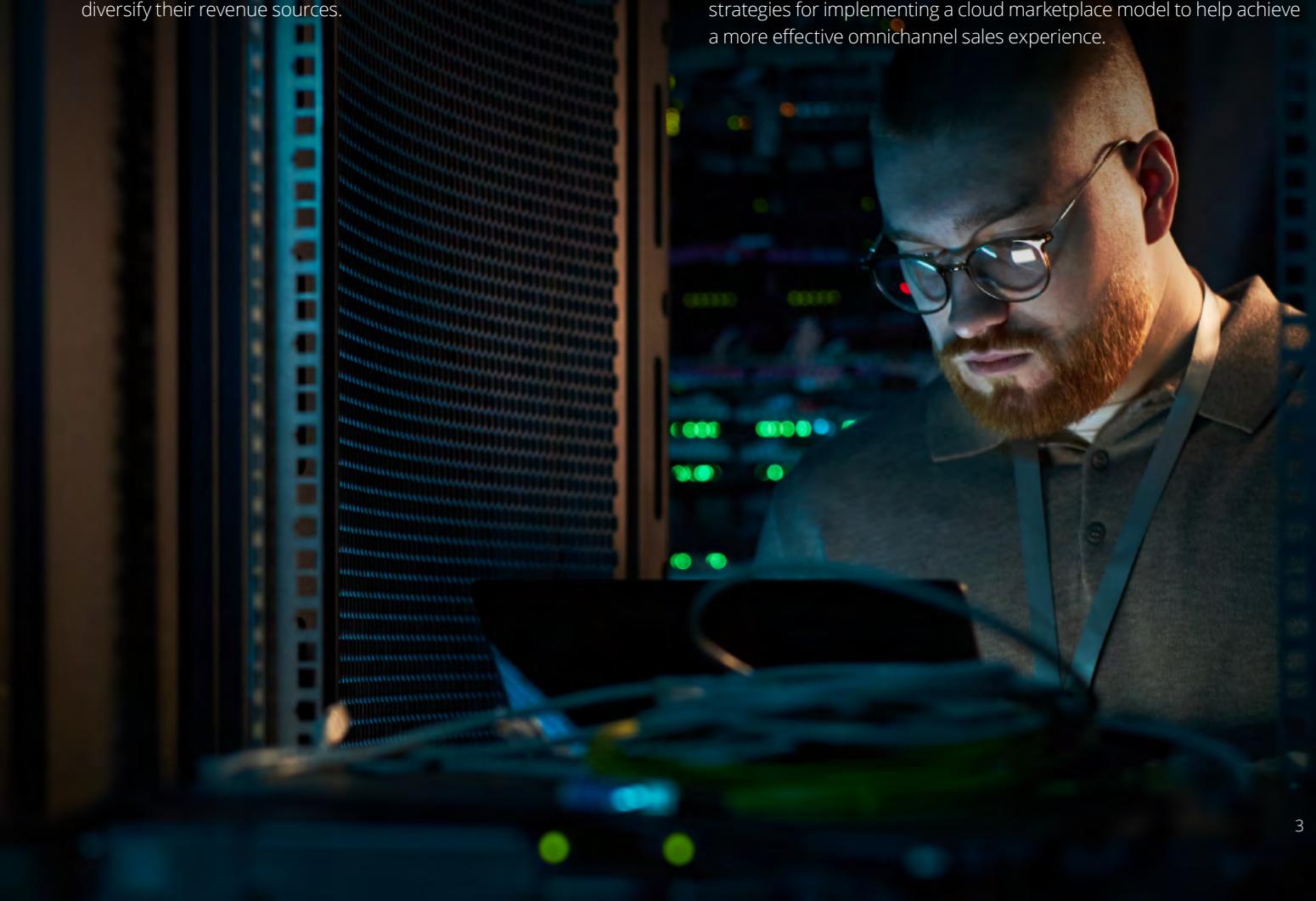
Marketplaces have historically been held in public squares and bustling streets, where busy providers and eager customers could browse, try, and purchase a variety of goods. The fundamental principles of marketplaces, like local farmers markets, have remained consistent since the inception of mercantile trade.

In the digital age, cloud marketplaces retain the intrinsic characteristics of traditional marketplaces. The growing use and adoption of cloud marketplaces offer software companies imperatives to present their products and services to a broader audience. This ease of access is reshaping the creation of new revenue streams and expansion into diverse customer segments.

Software startups can particularly benefit from mature cloud marketplaces with extensive customer bases, which is accelerating rapid launch of offerings and revenue growth. By integrating a cloud marketplace with a channel partner sales strategy, companies can diversify their revenue sources.

Cloud marketplaces are no longer optional distribution channels; they are fast becoming the growth engine for software-as-a-service (SaaS) providers. Transactions through AWS, Azure, and Google Cloud marketplaces are on a near 40% annual growth path—set to expand from \$16 billion in 2023 to more than \$85 billion by 2028.¹ The SaaS providers that will embed marketplaces at the core of their operating model—integrating sales, entitlement, billing, and customer success—will capture disproportionate share.

This article provides an in-depth overview of cloud marketplaces, the various methods of conducting marketplace transactions, and strategies for implementing a cloud marketplace model to help achieve a more effective omnichannel sales experience.



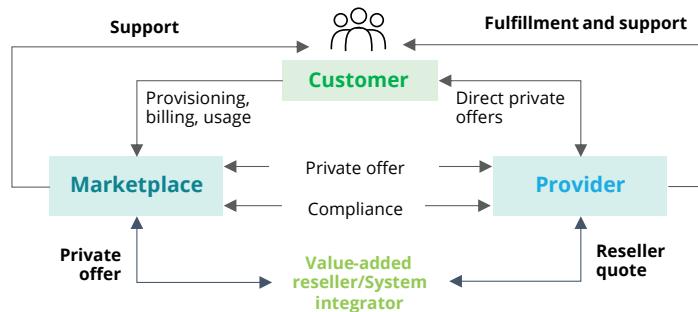
Cloud marketplace sales motions

Organizations enable their cloud marketplace sales motion either through their own marketplace (first party) or by participating in a third-party marketplace.

A first-party marketplace allows providers to maintain full control over marketplace features, customer experience, pricing, and transaction processes. This model typically supports the sale of solutions built on the provider's own technology or platform.

In contrast, a third-party cloud marketplace enables multiple independent software vendors (ISVs), developers, and partners to list, market, and sell their solutions to a broader customer base. Most enterprises today are leveraging third-party cloud marketplaces—such as AWS Marketplace, Azure Marketplace, or Google Cloud Marketplace—to capitalize on the hyperscalers' brand credibility, market reach, and integrated billing relationships, thereby accelerating revenue growth and expanding channel presence.

Figure 1. Marketplace interactions



| | Marketplace | SaaS solution provider | Channel partner | Customer |
|-----------------|---|---|---|---|
| Roles | <ul style="list-style-type: none"> Provider onboarding and management Marketplace rules Marketing support Provider payout Quality control | <ul style="list-style-type: none"> Offering development and listing Quoting Order fulfillment and provisioning Customer support | <ul style="list-style-type: none"> Extend indirect private offers to prospects offline or as a contracted private purchase offer (CPPO) Partner-facing quotes and marketplace authorization | <ul style="list-style-type: none"> Purchase and transact in marketplace Offering rating and feedback |
| Benefits | <ul style="list-style-type: none"> Enhanced product offerings Product innovation fostered by growing ecosystem Control over partner offers/solutions Customer data insights | <ul style="list-style-type: none"> Increased market access Storefront and associated marketing support Insights into listing performance | <ul style="list-style-type: none"> Increased market access Increased channel throughput Scale channel sales | <ul style="list-style-type: none"> Access to diverse solutions Trust and quality Flexible billing options Update on latest technology and access to free trials |

To successfully launch and manage cloud marketplace operations, alignment across multiple stakeholders is critical. As illustrated in figure 1, each stakeholder—ranging from marketplace provider to SaaS solution provider, channel partner, or customer—must clearly understand their roles and responsibilities throughout the marketplace life cycle. The engagement model should account for the distinct nuances associated with public offers and private offers.

Establishing clear ownership, defined processes, and shared key performance indicators across these functions helps streamline marketplace onboarding, pricing, contracting, and billing operations—ultimately driving efficiency and scalability in this sales channel.

Public offers

Public offers refer to standardized products or services that are openly available for purchase through a cloud marketplace. These offers typically feature fixed pricing, predefined subscription terms, and limited customization options. The transaction process is streamlined and customers can discover, purchase, and deploy solutions with minimal interaction between the buyer, the marketplace, and the provider. This model enables frictionless transactions and accelerates time-to-value, making it ideal for smaller or repeat purchases that do not require contract negotiation.

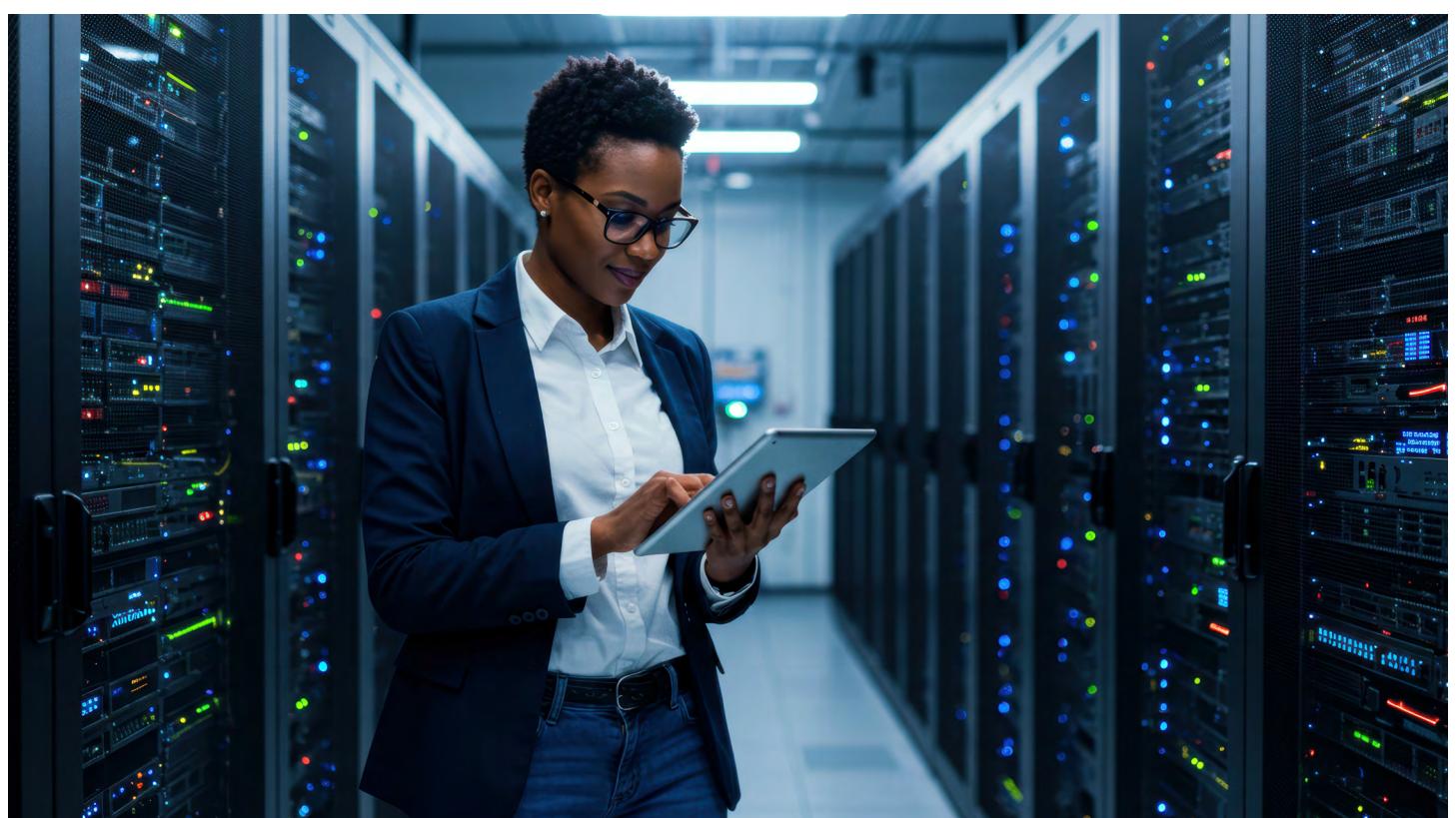
Private offers

Private offers, or contracted private purchase offers (CPPOs), are exclusive agreements that are accessible only to specific customers. These CPPOs are typically necessary to accommodate large-enterprise resellers who often negotiate their terms due to the significant business volume they provide to the provider. CPPOs help enable providers to deliver customized services or pricing models to individual clients, thereby enhancing customer loyalty and retention while addressing the unique requirements of large enterprises.

There are two primary categories within CPPOs: indirect and direct private offers. Gaining an understanding of these variations can assist companies in strategizing a targeted approach to help optimize their reach and profitability.

- **Direct private offers:** Direct private offers occur when the provider directly engages with the end customer to negotiate terms. This can allow for more flexibility in pricing and terms, and it often results in a closer relationship between the buyer and provider.
- **Indirect private offers:** Indirect private offers are typically facilitated through a third-party distributor or reseller. The reseller purchases the product from the provider and then sells it to the end customer, potentially adding their own services or support.

Understanding the nuances between public and private offers enables organizations to develop targeted go-to-market strategies, optimize sales operations, and align commercial models to maximize marketplace performance and profitability.



Cloud marketplace operational capabilities

Selling and managing software solutions on hyperscaler marketplaces demands cross-functional excellence across the entire customer and product life cycle. Success in this channel hinges on the seamless integration of capabilities spanning customer experience, product management, quote and order management, finance, and customer service.

Excellence in these domains enables organizations to:

- Deliver a frictionless customer journey from discovery to renewal, enhancing trust and satisfaction.
- Ensure product readiness and compliance, with optimized listing structures, transparent pricing, and aligned marketplace requirements.

- Maintain efficient quote-to-cash processes, enabling faster transaction cycles and accurate revenue recognition.
- Provide financial visibility and operational control through automated billing, tax compliance, and reconciliation workflows.
- Offer responsive and value-added customer service, driving loyalty and long-term retention.

Maturity of these operational pillars, as shown in figure 2, establishes a foundation for scalable growth, streamlined marketplace operations, and competitive differentiation in an increasingly dynamic digital ecosystem.

Figure 2. Marketplace operational capabilities

| Customer experience | Product management | Quote and order management | Finance | Customer service |
|-----------------------------|--|--------------------------------|------------------------|-----------------------------------|
| Content pages and marketing | Product hierarchy and taxonomy | Quoting | Billing and invoicing | Order support |
| Product search | Product data, attributes, and metadata | Order management and tracking | Payment capture | Incident tracking |
| Product listing and details | Product approval | Order fulfillment/provisioning | Financial settlement | Self-service and online resources |
| Checkout integration | Pricing and promotion engine | Order cancellation | Tax | |
| Customer data and analytics | Product recommendations | Renewals | Controls and reporting | |
| | | Commission management | | |

Complexity level High Medium Low

Lead-to-revenue operations

To fully capitalize on the potential of cloud marketplaces, organizations must establish integrated end-to-end business processes that connect the front and back office through unified systems architecture. This integration enables seamless management of the lead-to-support life cycle, ensuring that every stage—from opportunity identification to billing and customer success—is efficiently executed and data-informed.

Capturing sales through cloud marketplaces not only accelerates transactions but also generates valuable customer insights. These insights can be retained and analyzed to inform future sales strategies, renewals, and relationship management, helping providers build long-term customer value.

Marketplace operations act as the connective tissue between the cloud marketplace and the provider's internal systems. By integrating with customer relationship management (CRM) platforms, organizations can ensure that customer data, interactions, and deal information flow consistently across systems. When supported by configure, price, quote (CPQ) solutions, companies gain the ability to manage product catalogs, pricing structures, and deal configurations with greater accuracy and agility.

In environments where partner communities or self-service portals exist, customers and resellers can directly engage with marketplace listings, request private offers, and manage renewals—empowering them with greater control over their experience while reducing internal administrative burden.

The cloud marketplace also provides critical metering and usage data for the products and services sold through its platform. Providers can integrate this data into their billing and invoicing systems to automate revenue recognition and financial reporting. With well-orchestrated architecture, providers can:

- Aggregate and reconcile usage across multiple products and services;
- Generate consolidated invoices for marketplace transactions; and
- Ensure accurate, compliant, and auditable billing processes.

A tightly integrated lead-to-revenue operations model thus creates a single operational backbone—enabling visibility, scalability, and efficiency across sales, finance, and customer success functions.

Cost and commission considerations

A key factor in operating successfully within cloud marketplaces is understanding the direct costs and commissions associated with listing and selling products. Most marketplace providers impose a combination of hosting, transaction, and service fees that vary depending on factors such as the product type, pricing model, contractual terms, and sales volume. These charges may include:

- Listing fees for onboarding and maintaining product visibility on the marketplace;
- Subscription or usage-based fees tied to product consumption; and
- Transaction commissions—typically a percentage of each sale—payable to the marketplace operator.

Organizations must develop a comprehensive cost model that accounts for these expenses and aligns them with their pricing and profitability strategies. Failure to accurately model marketplace costs can lead to margin erosion, particularly when combined with customer discounts or partner incentives.

Beyond the direct costs, companies should also assess indirect and opportunity costs. Many marketplaces encourage or require co-marketing investments to improve product discoverability, visibility in marketplace search results, or inclusion in featured listings. These marketing expenditures—along with potential costs for enhanced analytics, promotional campaigns, or managed service offerings—can materially impact overall return on marketplace participation.

By proactively incorporating these financial considerations into their go-to-market and pricing strategies, businesses can maintain healthy margins, ensure long-term sustainability, and maximize the profitability of their marketplace channel.

Marketplace saturation and competitive positioning

Another critical factor influencing success in cloud marketplaces is the level of marketplace saturation and the degree of competition that a company's products may face. Cloud marketplaces often host a diverse portfolio of software and service offerings from multiple vendors, which presents both opportunities and challenges.

On one hand, being listed alongside established and reputable brands can enhance a company's credibility and discoverability, as customers often view marketplaces as trusted ecosystems. This exposure can drive greater visibility and help position the company within a recognized marketplace category.

On the other hand, high marketplace density also leads to intense competition. Offerings are frequently compared side by side—based on features, pricing, performance, and user reviews—against potentially more established or lower-cost alternatives. This heightened transparency can make it difficult for new or smaller providers to stand out.

To succeed in such an environment, businesses should conduct comprehensive competitive and category analysis to identify gaps, benchmarks, and opportunities for differentiation. Key strategies to strengthen competitive positioning include:

- Clearly articulating the unique value proposition (UVP) within listings and marketing collateral.
- Leveraging customer reviews, ratings, and testimonials to build trust and credibility.
- Continuously optimizing product listings with compelling messaging, targeted keywords, and visual assets.
- Providing exceptional customer support and responsiveness, which can become a key differentiator in customer retention and renewal cycles.

By combining strong market intelligence with proactive positioning and customer engagement, organizations can effectively navigate marketplace saturation and establish a sustainable competitive edge.

Fluctuations in demand

Demand for software solutions sold through cloud marketplaces can fluctuate significantly due to a variety of factors, including market trends, seasonal cycles, competitive activity, and shifts in customer behavior. To sustain growth and profitability in such a dynamic environment, businesses must remain agile and data-driven in adapting their marketplace sales and operational strategies.

To effectively anticipate and respond to demand fluctuations, organizations need to design:

- Dynamic pricing strategies that allow flexibility to adjust pricing in response to competitive pressures or market changes.
- Targeted promotions, free trials, or limited-time offers to stimulate interest during periods of lower demand.
- Continuous product innovation and feature enhancement guided by real-time customer feedback and usage analytics.

Accurate demand forecasting in cloud marketplaces requires a robust analytical framework. Leveraging marketplace analytics and data integration tools can provide valuable insights into buyer behavior, consumption trends, and market signals. These insights enable proactive decision-making around product positioning, inventory (for hybrid offerings), and marketing investments.

Furthermore, businesses should ensure their technical and operational infrastructure—including cloud hosting, customer support, and billing systems—can scale effectively to handle demand surges without degrading service quality or customer experience.

By combining predictive analytics, agile operations, and scalable infrastructure, providers can mitigate risks associated with demand variability while ensuring consistent performance and customer satisfaction.

Marketplace implementation considerations

Launching a marketplace solution requires careful planning around how the cloud marketplace will integrate with a company's existing systems, processes, and commercial architecture. Two primary implementation approaches can be considered, depending on the organization's digital maturity, technical capabilities, and go-to-market priorities:

1. Integration of existing e-commerce with third-party APIs

Providers offering anything-as-a-service (XaaS) solutions can enhance their existing e-commerce platforms by integrating directly with hyperscaler marketplaces through APIs. This approach allows providers to:

- Leverage their current back-end infrastructure—including billing, revenue recognition, and payment systems—to streamline the order-to-revenue process.
- Maintain greater control and flexibility over pricing, catalog management, and customer data.
- Reduce implementation complexity by reusing established internal systems while extending their reach through the marketplace ecosystem.

This model is often preferred by organizations with a mature digital commerce backbone that seek to expand to marketplace channels without a full platform rebuild.

2. Implementing a new marketplace platform

An alternative approach involves building a new marketplace solution by leveraging hyperscaler-native technologies and marketplace integration frameworks. In this model, the organization implements a comprehensive marketplace platform, which may include a new e-commerce suite, product catalog, and integration layer built on top of hyperscaler capabilities. Key benefits of this approach include:

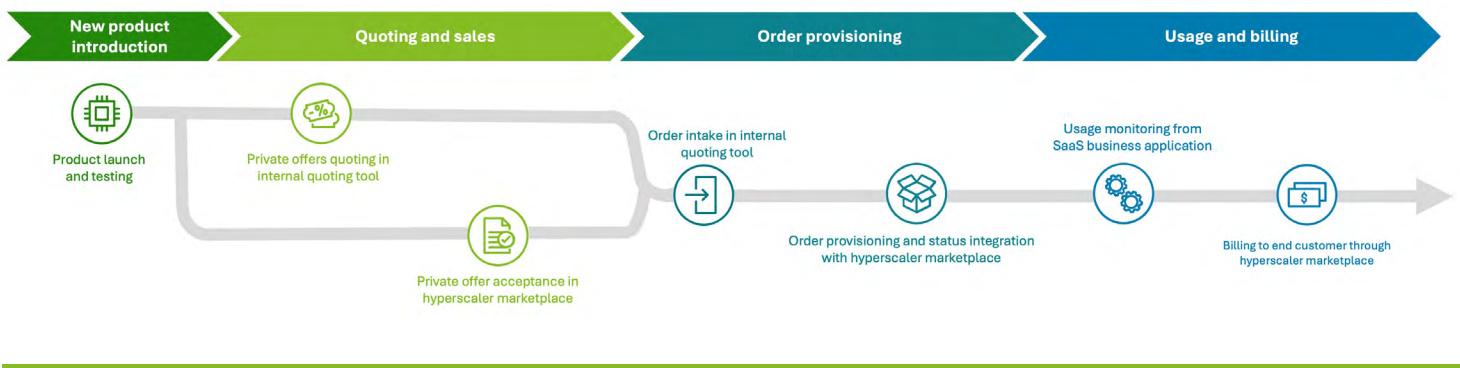
- Improved efficiency and scalability in managing listings, subscriptions, and transactions.
- The ability to consolidate operations across multiple marketplaces into a unified architecture.
- Seamless integration with hyperscaler ecosystems to support end-to-end digital commerce, from product onboarding to billing and analytics.

This option is ideal for organizations pursuing a multi-marketplace strategy or seeking to establish a centralized, modernized digital commerce platform as part of their long-term growth agenda.

The diagram and process outline in figure 3 describe the end-to-end transaction life cycle for cloud marketplace operations—from transaction initiation and private offer negotiation through to order fulfillment, billing, and revenue recognition. This integrated approach

aims to automate complex data and process flows between hyperscaler marketplaces (such as AWS, Azure, or Google Cloud) and internal business systems, ensuring a seamless and transparent experience for customers, sales teams, and finance operations.

Figure 3. Private offer marketplace operations cycle and key considerations



| Capability | Product launch | Private offer quoting | Offer acceptance | Order intake | Order provisioning | Usage monitoring | Billing |
|--------------------------------|---|--|--|---|--|--|---|
| Foundational experience | <ul style="list-style-type: none"> Launch marketplace products Product configuration and pricing strategy New product testing | <ul style="list-style-type: none"> Direct sales quoting for private offer flow. | <ul style="list-style-type: none"> Customer acceptance of private offer Customer registration Integration with sales system to create/update account contract | <ul style="list-style-type: none"> Order Integrations Virtual PO flow Entitlement create/update integrations | <ul style="list-style-type: none"> Sales order fulfilment process Licensing generation and provisioning | <ul style="list-style-type: none"> Usage metering and reporting to marketplace | <ul style="list-style-type: none"> Payment distribution to vendor by marketplace |
| Key considerations | <ul style="list-style-type: none"> Identify the products for marketplace SKU mappings between systems Product compliance with marketplace policies | <ul style="list-style-type: none"> Pricing waterfall definition inclusive of margins eligible to marketplace Enable quoting for private offers through internal quoting tool | <ul style="list-style-type: none"> New customer validation Compliance check initiation | <ul style="list-style-type: none"> Automated customer acceptance and order creation and tracking Auto credit checks Order validations and exception handling | <ul style="list-style-type: none"> Order fulfilment automation License schedule generation License activation workflows | <ul style="list-style-type: none"> Automated integrations for usage reporting, invoicing, entitlement updates, etc. | <ul style="list-style-type: none"> Invoice-level reconciliation Additional reporting for order-level visibility |

Transaction initiation, order acceptance, and fulfillment

- 1. Private offer request:** A customer initiates a private offer request directly from the hyperscaler marketplace. This request automatically triggers an opportunity in the provider's SaaS business application (CRM/CPQ platform).
- 2. Quote negotiation and validation:** The sales representative negotiates offer terms—such as pricing, discounts, and duration—and validates them through the internal quote management life cycle.
- 3. Private offer publication:** Once finalized, the negotiated quote is published as a private offer back to the hyperscaler marketplace for the customer's review.
- 4. Offer acceptance and EULA execution:** The customer reviews and accepts the offer within the marketplace, electronically signs the end-user license agreement (EULA), and submits an order.
- 5. Quote-to-order conversion:** The customer's acceptance triggers an automated conversion from quote to order within the business application. Additional validations—such as credit checks, compliance verification, and entitlement review—are performed at this stage.
- 6. License activation and contract creation:** Once validations are complete, the hyperscaler marketplace is updated with license activation, and corresponding contracts and subscriptions are generated internally to initiate usage tracking and provisioning.

Billing and reporting

- 1. Monthly data extraction:** Billing and usage reports are extracted monthly from the hyperscaler marketplace using API integrations to consolidate transaction data.
- 2. Usage analytics:** A reporting and analytics layer aggregates usage metrics by customer, product, geography, and other dimensions, providing actionable insights for revenue tracking and performance analysis.
- 3. Consolidated invoicing:** The provider's billing application consolidates billing data across all customers and generates invoices to the hyperscaler marketplace, ensuring consistency and auditability.
- 4. Revenue recognition and compliance:** Billing information is integrated with the revenue recognition system to support accurate financial reporting, compliance with accounting standards (e.g., ASC 606/IFRS 15), and end-to-end revenue life cycle management.

Marketplace integration stack considerations

To maximize investment and ensure seamless end-to-end transaction management, service providers must design a robust integration stack that connects their internal systems with cloud marketplace platforms. Each integration point plays a vital role in supporting the customer life cycle—from product launch to billing and analytics—enabling scalability, transparency, and operational efficiency.

Key integrations to plan as part of a scalable cloud marketplace architecture include:

Product launch

Upon launching a new product, it should be automatically published to the cloud marketplace, with synchronized details such as descriptions, terms, and pricing for both public and private offers. This ensures accuracy, visibility, and consistency across sales channels.

Customer registration

End customers should be registered across selling platforms to enable unified tracking of interactions, transactions, and support cases. This integration builds a 360-degree customer view, enriching engagement and retention.

Entitlement

The subscription license and entitlements must be provisioned directly through the marketplace, granting appropriate access to services and facilitating self-service support for active offers.

Order management

Integrating order management ensures customers receive real-time updates on order status, improving transparency and the overall purchase experience.

Usage

Accurate usage data tracking is essential for subscription-based billing and visibility into consumption. This ensures third-party providers can invoice accurately and customers can monitor usage thresholds, credits, or overages in real time.

Billing

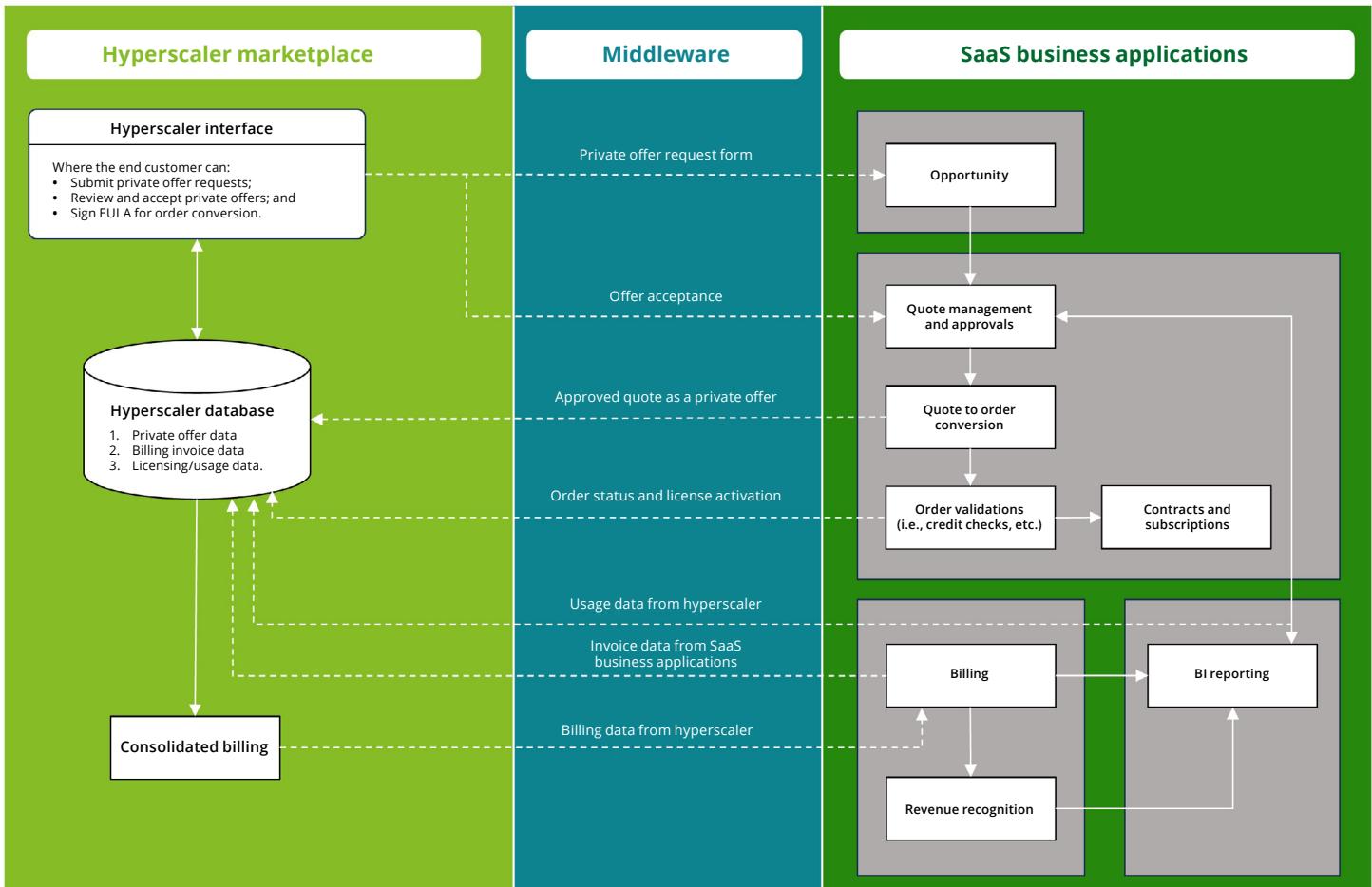
Billing and collection events should align with corporate finance and revenue recognition policies, ensuring compliance and financial accuracy. This integration supports end-to-end quote-to-cash automation.

Reporting and analytics

Reporting integrations enable providers to leverage marketplace data and customer insights for churn analysis, upselling, and cross-segmentation strategies. This helps drive customer retention and identify new growth opportunities.

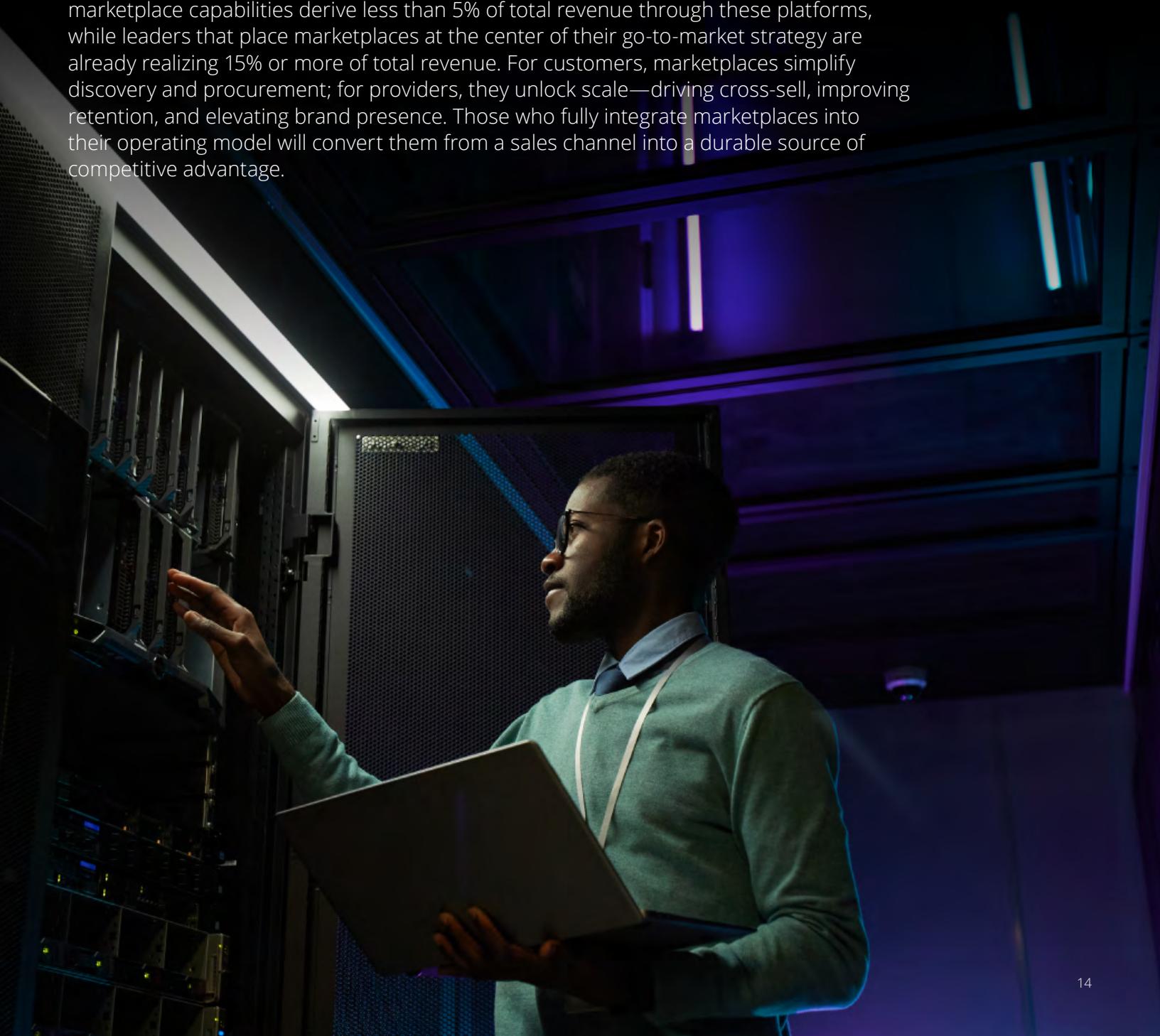
A well-orchestrated integration stack and automated process framework enables:

- Frictionless quote-to-cash operations across hyperscaler ecosystems.
- Real-time synchronization between marketplace transactions and internal systems.
- Improved financial accuracy and compliance through integrated billing and reporting.
- Enhanced customer experience via transparent order status and usage visibility.
- Improves data consistency across systems for timely and accurate decision-making.

Figure 4. Marketplace integration architecture

Conclusion

Cloud marketplaces are rapidly gaining traction as a revenue growth engine for XaaS providers. Deloitte Consulting research shows that SaaS providers with less mature cloud marketplace capabilities derive less than 5% of total revenue through these platforms, while leaders that place marketplaces at the center of their go-to-market strategy are already realizing 15% or more of total revenue. For customers, marketplaces simplify discovery and procurement; for providers, they unlock scale—driving cross-sell, improving retention, and elevating brand presence. Those who fully integrate marketplaces into their operating model will convert them from a sales channel into a durable source of competitive advantage.



Contacts

Jagjeet Gill

Principal
Strategy
Deloitte Consulting LLP
jagjgill@deloitte.com

Kiran Chikkala

Senior Manager
Customer Sales & Service
Deloitte Consulting LLP
kichikkala@deloitte.com

Gio Casilang

Senior Consultant
Customer Sales & Service
Deloitte Consulting LLP
gcasilang@deloitte.com

Ike Nwokoye

Manager
Customer Sales & Service
Deloitte Consulting LLP

Key contributors

Adam Messer, Divy Jain

Endnotes

1. Canalys, "[Hyperscaler cloud marketplace sales to hit US\\$85 billion by 2028](#)," August 30, 2024.

Deloitte.

This publication contains general information and predictions only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

This article contains general information only and Deloitte is not, by means of this article, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This article is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this article.