

Cloud Marketplaces

Best Practices for Growing
Channel Sales through the
Hyperscaler Marketplaces



Cloud Marketplaces - The \$250B B2B Sales Channels You're Missing Out On

AWS is another example of a vendor operating a major channel ecosystem, defining the category of 'Cloud Marketplaces'.

The [AWS Marketplace](#) provides a new sales channel for ISVs and Consulting Partners to sell their solutions to AWS customers.

It looks quite different now than it did [ten years ago](#).

Jointly with the [AWS Partner Network \(APN\)](#), it helps ISVs and Consulting Partners to build, market, and sell their AWS offerings by providing valuable business, technical and marketing support.

The marketplace caters for multiple categories of vendor solutions, such as by service type like [Business Applications](#) and [Professional Services](#), by capability like [Migration](#) or [DevOps](#), and by industry including [Media](#) and [Government](#).

State of the Cloud Marketplace

In [this SaaStr webinar](#) John Jahnke, CEO of Tackle.io, and Nicole Wojno-Smith, VP of Marketing, highlight some of the most important conclusions from the Tackle.io report on the [State of the Cloud Marketplace](#). This was as a result of compiling data from hundreds of B2B software customers and suppliers.

The Tackle Cloud Marketplace Platform enables a zero-engineering approach to listing, integrating, and managing your Cloud Marketplace business.

Cloud marketplaces provide enormous potential for software vendors to sell more and more quickly. No matter what stage you are in, you may use these sizable and untapped sales channels as part of your go-to-market plan.

Cloud Marketplaces - The \$250B B2B Sales Channels You're Missing Out On

Transforming Enterprise Software Sales

From 2m:49s John takes over to explain how Tackle is positioned to reflect the transformation of selling enterprise software. Cloud Marketplaces are a new, more efficient way of selling.

Tackle makes it simple to list on these new markets such as the AWS Marketplace, guiding customers like Hashicorp, Druva and New Relic among many others, through the process. It represents B2B app stores where cloud customers can buy third-party software to run alongside their cloud infrastructure and have it go directly on their cloud bill.

With the high number of marketplaces that exist, their focus is on the three hyper-scale cloud providers which are Microsoft, AWS and Google. These marketplaces accommodate the ability to sell complex software with simple click to deploy options. A rapidly accelerating percentage of their customers are starting to use the marketplace to transform software procurement.

The Way Marketplaces Work

Marketplaces are not only for developers. More features have evolved to support transactions of all different sizes.

Cloud Marketplaces - The \$250B B2B Sales Channels You're Missing Out On

These marketplaces support almost all software business models. Your marketplace doesn't have to be 100% self-serve. The marketplace now supports all different types of complex software, and now instead of checking if your competitors are on the marketplace, instead check if your buyers have a relationship with one of the cloud providers. Buyers are used to buying digitally for B2C therefore buying through marketplaces is very convenient.

Marketplaces (6:54) are a win-win channel for both buyers and sellers. They accelerate, direct and channel sales efforts that you already have in place. For sellers, the marketplaces are going to offer an efficient path to customers. They provide access to new budgets and revenue. They are going to accelerate your sales cycle and help get cloud sellers paid as well.

On the buyers' side marketplaces are going to allow you to quickly procure and deploy software and consolidate all your spend into one single bill.

Factors Driving Digital Buying

Major factors driving the evolution of digital buying include the shift to remote work, caused by the pandemic. This pushed 80% of the sales cycle to the digital setting. Other drivers include the rapid acceleration of cloud migration: Cloud-first mandates and more searches on the marketplaces have led the shift to Digital Buying.

Marketplaces offer a faster and easier buying experience to cater for these trends. Buyers like buying in the marketplace because they want to save their time and money, they relieve the headache with procurement teams when purchasing software by already having a contract with your organization. Cloud marketplace allows you to get the software you need and you still get to consolidate all payments into a single billing contract.

At 9m:24s Nicole highlights the top factors buyers report for using marketplaces:

Cloud Marketplaces - The \$250B B2B Sales Channels You're Missing Out On

1. **68%** – Simplifies procurement.
2. **54%** – Fast access to tools.
3. **50%** – Consolidate IT spend.
4. **20%** – Burn down committed Cloud spend.

Digital Selling is the New Frontier

From 10m:45s Nicole hands back to John who explains the overall landscape for Cloud sellers, highlighting the distinction between heterogeneous markets where apps could be deployed across multiple Clouds, versus the vendor specific marketplaces like Salesforce.com or SAP where services are tightly coupled to those markets.

Ultimately the dynamic for sellers is a simple one: Sellers want to sell where buyers want to buy, and the trends described above are what is driving this.

This shift presents challenges for organizations that traditionally have sold direct – How will they transform their sales operations, embracing more of a content-led engagement? Many lack the time or resources to take on this new model and more crucially, lack the strategic insights required to translate their business model to the marketplace scenario.

At 13m:15s he lists the top reasons sellers want to sell via marketplaces:

- **64%** – Streamline contracting and simplify procurement.
- **64%** – Advance partnerships with Cloud partners.
- **63%** – Gain access to buyer's pre-committed Cloud spend.
- **62%** – Accelerate deal velocity.
- **60%** – Unlock co-sell opportunities with Cloud providers.

Co-Selling Through the AWS Marketplace: Building and Executing a Cloud Go To Market Strategy in the Era of Partner Ecosystems

As the [SiliconAngle](#) writes, Jerry Chen of Greylock describes the opportunity and importance of selling through the AWS marketplace, especially for startups.

“The Marketplace is becoming the channel for startups,” Chen stated. “A lot of large customers have deals with Amazon through the Marketplace. So startups can sell through the marketplace to customers.

A lot of CFOs are doing no new vendors. It's getting harder to get approved as a startup. So the Marketplace becomes a bigger, bigger deal.”

Of course the opportunity isn't limited only to startups, indeed for all IT suppliers it is a critical channel that must now form part of their go to market strategy in this era of partner ecosystems.

The [AWS Marketplace](#) provides a new sales channel for ISVs and Consulting Partners to sell their solutions to AWS customers. It looks quite different now than it did [ten years ago](#). Jointly with the [AWS Partner Network \(APN\)](#), it helps ISVs and Consulting Partners to build, market, and sell their AWS offerings by providing valuable business, technical and marketing support.

The marketplace caters for multiple categories of vendor solutions, such as by service type like [Business Applications](#) and [Professional Services](#), by capability like [Migration](#) or [DevOps](#), and by industry including [Media](#) and [Government](#).

You deploy your solution as [SaaS](#), [AMI](#), [Container](#), or [Data](#) and make it available for customers around the globe or [certain countries you specify](#). Their [seller guide](#) provides a complete overview of all the product types supported on AWS Marketplace.

Co-Selling Through the AWS Marketplace: Building and Executing a Cloud Go To Market Strategy in the Era of Partner Ecosystems

It enables you to focus on building your product while the AWS Marketplace manages [metering, billing, collections, and payment disbursements](#), and supports numerous [pricing options](#) for your software including bring your own license (BYOL), pay-as-you-go and long-term commitment plans.

AWS provides a comprehensive program of support to accelerate your GTM (Go To Market) strategy, with standardized and custom demand generation packages and [flexible GTM support](#). You can build your GTM foundation using self-service [AWS Marketplace Seller GTM Academy](#) to develop and execute campaigns and scale your growth with [programmatically access](#) to GTM investments, resources and AWS-led campaign inclusion.

Ecosystem Co-Selling Strategies for Cloud Marketplaces

Listing on the marketplace should be combined with AWS co-selling practices, as marketplaces alone don't address the full scope of customer engagement and selling that is still needed. They streamline the procurement but there is still as ever the requirement to build brand, capture and excite attention and ultimately drive adoption.

Tackle.io is a vendor specializing in accelerating the Cloud marketplace onboarding journey and helping with this approach, what they describe as a '[Cloud Go To Market Strategy](#)'.

Co-Selling Through the AWS Marketplace: Building and Executing a Cloud Go To Market Strategy in the Era of Partner Ecosystems

First they set the overall scene in this blog [An Ecosystem Primer](#), explaining how Cloud marketplaces exist within the overall trend of the emergence of partner ecosystems. They describe their history, strategic context, how they will impact ISVs and how best to successfully embed them into your partnering sales campaigns.



In [this blog](#) they provide a detailed introduction to co-selling with AWS, where they decompose the process and identify the stakeholder engagement patterns.

“84% of ISVs said driving co-sell with the Cloud Providers is important or very important to their business priorities in the next 12 months, and 74% said that unlocking co-sell opportunities was the number one reason for listing on a Cloud Marketplace.”

In [this Netskope case study](#) provide an example of how this opportunity has been prosecuted, where their engagement with Tackle doubled their growth in the third quarter of 2022 on AWS Marketplace.

CRM Integrations

They highlight that the primary program and tools that AWS utilize is 'ACE' (APN Customer Engagements), with integrations to this being a key foundation of co-selling successfully with them. For example recently AWS announced [a connector for Salesforce](#).

Co-Selling Through the AWS Marketplace: Building and Executing a Cloud Go To Market Strategy in the Era of Partner Ecosystems

A vendor specializing in this capability is Workspan, where **their integration** enables seamless opportunity synchronization between your sales CRM and this ACE system. WorkSpan provides a SaaS platform for efficiently managing your co-sell business with AWS, helping you automate and streamline co-sell processes so you can increase your referral volume with AWS, accelerate deal cycles, and scale your co-sell business with speed.