

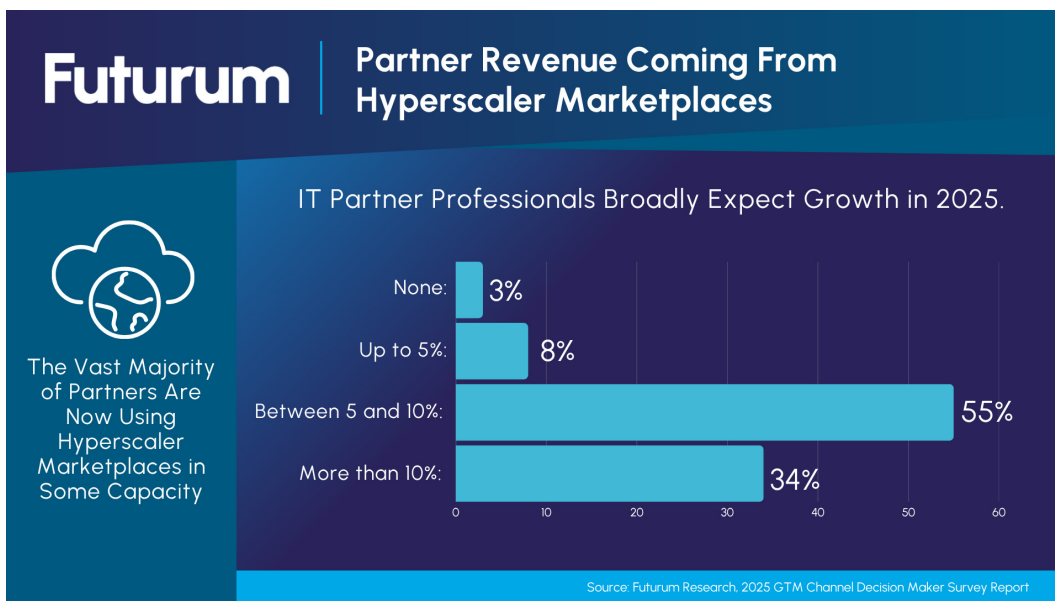


Scaling Smarter: How Google Cloud Marketplace Is Reshaping Partner Sales and GTM Strategy

Executive Summary

Google Cloud Marketplace has been on a strong growth trajectory. In 2024, it reported 170% growth in gross transaction value resold through channel partners, as well as 160% increase in the number of listings that were available on the marketplace. This represents over 2,000 new solutions across both existing independent software vendors (ISVs) and net new ones.

Cloud marketplaces have established themselves as some of the fastest-growing routes to market for ISVs. In an independent Futurum Research study of 705 technology partners (including resellers, MSPs, systems integrators), 86% of respondents indicated that they see customers frequently purchasing from cloud marketplaces. Furthermore, 97% of those partners indicated that some portion of their revenue is associated with cloud marketplaces. So why is the software landscape gravitating toward marketplaces? What are some of the benefits that ISVs are gaining from leveraging these platforms such as those offered by Google Cloud, and what types of results are they seeing?



To answer these questions, Futurum Research conducted an independent study with the Google Cloud Marketplace team. In our discussion with 30 highly active marketplace partners, both on the ISV side and on the channel side, we were able to identify critical benefits that these partners were finding in working with Google Cloud. Four key learnings came from this study when seeing how ISVs and channel partners engaged with the Google Cloud Marketplace:

1. Both ISVs and channel partners* tended to see larger deal sizes.
2. Customers were more likely to engage in longer, multi-year agreements.
3. Procurement cycles were faster, saving weeks of time.
4. Retention rates improved, making accounts stickier.

Furthermore, there were key observations that demonstrated how Google Cloud is taking a slightly different approach in the way it has constructed its marketplace proposition when compared to other cloud marketplaces, particularly the way in which it leverages channel partners. Like any new concept, this brings both unique advantages and also some challenges. Understanding these dynamics is a critical part of the overall marketplace journey. The industry is on this journey together, and we are still in the early stages of this exciting transformational sales motion.

[*A short glossary of definitions for ISV, channel partners, and Partners is at the end of this report, for reference.](#)



Larger Deals, Longer Agreements, Faster Procurement Cycles, Stickier Accounts

ISVs and channel partners that are leaning into cloud co-sell motions through the marketplace are seeing strong returns in their businesses. Nearly every partner that participated in the study had seen their revenue grow through the marketplace. But the benefits are multi-dimensional, and highlight why more companies are turning to this motion.

1. Larger deals: ISVs saw a 112% increase in deal size

- Partners were able to access enterprise-scale accounts that were engaged in cloud commitment contracts. Accessing these spending commitments remains one of the core benefits for partners to engage on the marketplace. Several partners were proactive in this area, engaging with Google Cloud Field Sales Representatives earlier in the enterprise sales cycles to help factor in their solution offerings as part of the wider Google Cloud conversations.
- These larger deals contributed to the overall growth of partners working in the marketplace. In 2024, 90% of partners (across both ISVs and channel partners) saw their revenue grow through the Google Cloud Marketplace. The majority (65%) also saw high double-digit growth in their marketplace business.
- Some channel partners also cited the benefit of winning a new deal because marketplace was an option, while also being able to expand their wallet share in a customer account by selling additional ISV solutions that were available on the marketplace. These flywheel benefits also attributed to the strong growth numbers that channel partners were achieving on the cloud marketplace.

"Year 1 we dipped our toes with some smaller deals. Year 2 we did our largest deal ever through the marketplace." - Channel partner



112% increase in deal size

2. Longer agreements: 70% of ISVs and channel partners cited multi-year deals as more common due to Google Cloud Marketplace

- With enterprise cloud commit agreements tending to be structured as multi-year deals, this also leads to an increase in multi-year marketplace deals for ISVs and channel partners. Increasingly, partners are proactively structuring multi-year deals or upsells to help customers draw down cloud commits.
- Even partners that are not proactively selling multi-year deals as their natural motion are landing more multi-year deals. Several ISVs highlighted how several deals transitioned to multi-year agreements at later stages in the sales cycle due to customers wanting to apply cloud commit funds. This also allows for more upsell opportunities, and allows an ISV to become a more established part of long-term planning.

"This was going to be a one-year [deal] and it became a three-year [deal] because of Google Cloud Marketplace. The customer could leverage it [the partnership] and burn down their commit. I've seen more of that happen." - ISV partner



70%

of partners seeing more
multi-year deals due to
Marketplace

3. Faster procurement cycles: ISV partners saw deals close 2-4 weeks faster when using Google Cloud Marketplace

- ISVs affirmed that it is easier to navigate customer procurement processes through the Marketplace once customers become embedded with the process. The consensus is that it eliminates red tape associated with vendor onboarding and contracting. All ISVs (100%) agreed that selling through Google Cloud Marketplace shortens the sales cycle or at least removes some steps in the closing process.
- This led to a reduction in up to four weeks of the sales cycle. For some partners, this represented up to 50% in time savings in the sales process.
- Time saved was due to a reduction in paperwork, security reviews, and negotiations. While customers still need to conduct their own due diligence with vendors, most ISVs have cited how some of these processes were expedited through the Marketplace. Much of this procurement phase simplification was attributed to customers' pre-existing agreements with Google Cloud.
- ISVs also saw the added benefit of payment predictability given that either Google Cloud or a channel partner was responsible for invoicing the customer.

"Procurement is definitely easier when the customer is set up for Marketplace. It's embedded into their workflow. Things go fast." - ISV partner



Up to 50% time savings

4. Sticker accounts: ISVs saw a 14% improvement in customer retention rates

- Marginal improvements are also seen from a customer retention perspective. With multi-year agreements in place and once procurement teams are familiar with marketplace processes, customers become less likely to leave an embedded solution.
- These go-to-market-related alignments are in addition to the product-related alignments that already exist between Google Cloud and many of these ISVs. Numerous integrations with Google Cloud technologies were highlighted, including Google Cloud BigQuery, Cloud Storage, Google Kubernetes Engine, and Identity & Access Management solutions to name a few.

"Once the customer is set up, they'll just do it again through the Marketplace." - Channel partner



Partners Demonstrate Investment in Marketplaces

Partners are at different stages of their journey with Google Cloud Marketplace, so the level of familiarity and operational maturity varies by organization. However, a number of common traits were seen throughout the partner base, pertaining to their investment in marketplaces.

- Nearly all partners had a dedicated cloud team. Larger partners had dedicated teams for each of the leading cloud vendors they worked with while smaller partners had, at minimum, a dedicated cloud team responsible for all of their leading cloud relationships. These groups were key for the operational success of marketplaces, as well as evangelizing the benefits internally and working with sales teams through specific opportunities.

“We have a whole cloud marketplaces team that handles pricing, approvals, and coordination — the reps bring the opportunity.” - Channel reseller

- Internal training was commonplace, and seen as critical to driving marketplace success activities. This includes structured enablement programs such as marketplace-specific onboarding sessions, quarterly training webinars, and internal FAQs or playbooks that explain how to route deals through marketplaces and how to identify eligible customers (especially those with committed spend). Several partners also rely on marketplace “champions” or deal desk subject-matter experts to assist sales representatives in the field.
- Crucially, virtually all of the partners (96%) had compensation-neutral programs for their sales organizations as it pertains to Google Cloud Marketplace sales. This means that sales teams were recognized for the gross value of the transactions sold on marketplaces, and were not negatively impacted by marketplace fee costs. Essentially, the companies treated these fees as a cost of doing business. This shows a commitment from the ecosystem to invest in the Google Cloud Marketplace, and not putting any compensation deterrents to sales teams for selling through this route. In the case of one ISV, they were even incentivizing their sales teams to sell via the Google Cloud Marketplace with a dedicated marketplace incentive.

“We actually also apply a 15% over base kicker to our sellers for any deals that they push through the marketplace because we see what it means to our business.” - ISV partner

- A few partners also mentioned co-hosting field events or customer briefings focused on marketplace education (e.g. how customers can use their Google Cloud commit to purchase third-party solutions). These efforts often target customer procurement teams, cloud budget owners, and finance contacts within customer accounts.

“We’ve run some marketplace-specific customer sessions to show how commit usage works.” - Channel partner

- The biggest channel advocates out there were even evangelizing on behalf of Google Cloud Marketplace with their ISV partners, with the understanding that the more ISV options that existed, the better the opportunities they would have when working with their customers. Several partners were proactively reaching out to ISVs to encourage them to get listed on the marketplace, to enable a resale motion, and to align sales efforts with existing commit opportunities

"We're pushing our ISV partners to get marketplace-enabled. If they're not in there, we can't transact, we won't hit our goals." - Channel partner



73%

of ISVs rated Google Cloud Marketplace as very important to company overall GTM strategy

Marketplace Is the Primary Route by Which Google Cloud Goes-to-Market with Partners

The Google Cloud Marketplace is more than a transaction vehicle. Conceptually, it is the foundational mechanism through which Google Cloud establishes partnerships with ISVs across the landscape, and increasingly, with its channel partners too. But simultaneously, the marketplace is a part of a wider go-to-market partnering strategy within Google Cloud. The best alignment occurs when Google and its partners are engaged in multiple facets. This is essential to fostering a successful co-sell strategy.

- **Alignment with Google Cloud Field Sales Reps:** Proactively working with Google Cloud's field sales reps to ensure that they are familiar with ISV solutions when discussing long-term planning requirements of their own customers.
- **Leveraging Google Cloud Account Intelligence:** Where possible, Google Cloud provides insights to help partners co-sell together. This includes Marketplace propensity-to-buy scores, which helps qualified partners build pipeline by targeting accounts based on various indicators.
- **New Logo Sales Focus:** Google Cloud is investing in capturing new customers, and partners can indirectly benefit from these programs and initiatives too. For example, Marketplace Customer Credit Programs, which provide customers with additional incentives when purchasing net new workloads via Google Cloud Marketplace, which in turn helps a partner that is working on those opportunities.
- **Alignment with Partner Business Managers:** Partners should leverage their Google Cloud alliance relationships for planning including customer events, enablement (training) sessions, and other collaborative opportunities.



A Newer Marketplace with Fresh Ideas

The Google Cloud Marketplace is certainly one of the youngest in the industry, compared with other cloud and SaaS marketplaces. Google Cloud has quickly gone from pilot to wide-scale production in the last few years, and partners that have been part of that journey widely acknowledged that the Google Cloud Marketplace has come a long way.

More than being a fast follower, Google Cloud has made a few decisions regarding its approach that differentiate it from other marketplaces. One of the key ones is the way in which it leverages channel partners as part of the program, which was formalized in 2024 through the launch of the Marketplace Channel Private Offer (MCPO) program. Through this program, many channel partners will own the top-line marketplace revenue with customers, and be responsible for billing and invoicing those customers. This program ensures that channel partners remain a strategic component of the Google Cloud Marketplace engine, providing a mechanism to keep partners in front of customers for sales support and to identify other opportunities. Google Cloud continues to innovate with partners, such as expanding the ability to sell professional services through the platform.

But the MCPO program has not been without its challenges. Being a different model to how other prominent marketplaces were constructed, there have been relearning curves required for established marketplace professionals. Likewise, for many ISVs that did not have established channel motions elsewhere in their organizations, this was a very new engagement model. Some of the biggest successes on the Google Cloud Marketplace have been with ISVs that have embraced the channel-centric model. For example, Palo Alto Networks, which publicly announced that it had surpassed \$1.5 billion in cumulative sales through Google Cloud Marketplace as of April 2025, was consistently praised by channel partners as having strong channel motions through the Google Cloud Marketplace. Its sales trajectory showcases the potential power of aligning a marketplace strategy with a channel strategy, and is a good template for other ISVs to consider.

"We do a lot of work with Palo Alto Networks on the marketplace. They really know what they're doing when it comes to reseller motions." - Channel partner

PRESS RELEASE: Palo Alto Networks Surpasses \$1.5 Billion in Sales on Google Cloud Marketplace

What's Next: The Agentic Marketplace of the Future

As the technology industry turns toward AI, marketplaces will undoubtedly play an increasingly critical role. Just as they have become growing routes-to-market for SaaS solutions, they will help customers discover, deploy, and adopt AI, and especially, Agentic AI solutions.

Google Cloud has not only invested in its AI technological stack, but has also made partnerships a central part of its agentic AI strategy. Two critical releases have already been made to kick-start this agentic AI ecosystem journey:

- **AI Agent Marketplace:** A dedicated section within the Google Cloud Marketplace focused on AI agents. This will help with discovery and surfacing some of the latest agentic solutions that are coming to market. Currently, there are over 130 offerings available and, interestingly, a large proportion of them come from the channel partner community, specifically large systems integrators. This demonstrates that the opportunities around agentic AI are not just limited to traditional ISVs, but rather to the whole technology ecosystem. Over time, Futurum expects marketplaces to evolve to support expanding business models around agents, which may increasingly include outcome-based pricing models.
- **Agent2Agent (A2A) Protocol:** As we move toward a multi-agentic world, it will become increasingly important for agents to have frameworks and guardrails for interacting with other agents. The industry will need to align on specific protocols, and Google has taken a leadership role in this space with its A2A protocol. There are currently over 60 companies that have become partners of A2A, including large software companies such as Microsoft, SAP, Salesforce, and ServiceNow.

Recommendations for Google Cloud Marketplace Partners

Every technology company should have both a view and a strategy around marketplaces. They will be increasingly important tools in the GTM toolbox of any organization.

ISVs need to go beyond the foundational task of listing their solution, and invest in sales resources and sales enablement to get the organization familiar with this GTM motion. This includes many of the attributes identified within successful partners such as dedicated cloud teams, training and enablement programs, sales incentives, and engaging in customer education activities. For ISVs joining the Google Cloud Marketplace, dedicated co-sell readiness programs exist to help develop some of that capability. ISVs should also seek to learn from leading companies in the industry that are further ahead on this journey and showcasing strong returns and sales growth. This includes processes around working with channel partners, and incentivizing them to be proactive selling and implementation partners (rather than reactive transactional ones).

Channel partners need to ensure they have multi-marketplace strategies that mirror their multi-cloud strategies. Leading partners are finding that they are becoming more like FinOps specialists, helping customers optimize both their cloud and software environments, and capitalizing on their spending commitments in the most efficient way. While the Google Cloud Marketplace is one component of the relationship that a channel partner has with Google Cloud, it is an increasingly important platform that will unlock future opportunities with the wider Google Cloud ecosystem. As is always the case for channel partners, services will become increasingly important differentiators and ways in which partners can demonstrate their importance to the wider ecosystem. Google Cloud has built a platform that ensures many channel partners will have a seat at the table, and many partners will capitalize on that opportunity through services and product cross-sell initiatives.

Glossary of Terms

- **Independent Software Vendor (ISV):** The developers who create the software applications, services, or tools that are offered through the Google Cloud Marketplace.
- **Channel Partner:** Companies authorized to resell software, services, and solutions listed on the Google Cloud Marketplace.
- **Partner:** Encompassing term to refer to both ISVs and channel partners collectively
- **Cloud Marketplace:** An online platform where customers can discover, purchase, and manage software and other cloud-based services from various vendors, often with streamlined procurement processes.

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ABOUT GOOGLE CLOUD MARKETPLACE

Google Cloud Marketplace is a digital platform that streamlines the discovery, procurement, and deployment of third-party software solutions on Google Cloud. It enables businesses to quickly access a wide array of enterprise-ready applications, from security tools to AI and data analytics, that are pre-integrated with Google Cloud infrastructure. Google Cloud Marketplace offers incentives and programs to support co-selling with partners, including the ability for customers to draw down on cloud commit obligations. For ISVs and partners, it provides a scalable go-to-market channel with simplified billing, usage tracking, and accelerated deal cycles.

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