

The Business Value of Google Cloud Marketplace for Acquiring Third-Party Software



Frank Della Rosa
Research Vice President, SaaS, Business Platforms, and Industry Cloud, IDC



Matthew Marden
Research Vice President, Business Value Strategy Practice, IDC

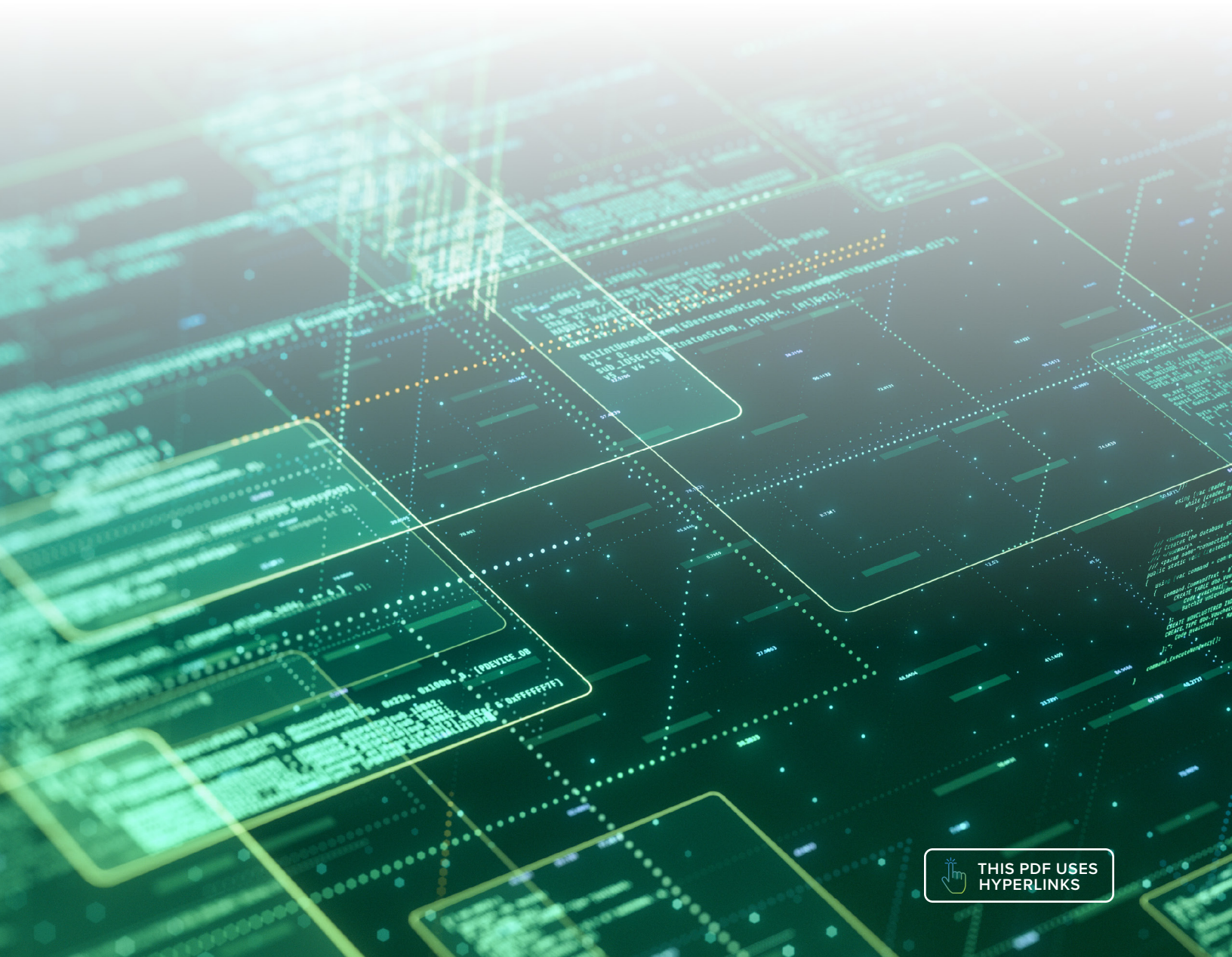


Table of Contents

Business Value Highlights	3
Executive Summary	3
Situation Overview	4
Google Cloud Marketplace	5
The Business Value of Google Cloud Marketplace for Third-Party Software	6
Study Demographics	6
Choice and Use of Google Cloud Marketplace.....	7
Business Value and Quantified Benefits of Google Cloud Marketplace for Third-Party Software.....	8
Third-Party Software Cost Savings.....	8
Software Procurement and Deployment Efficiencies	10
Operational Efficiencies Related to Software Purchasing	12
Business-Related Benefits.....	15
ROI Summary.....	15
Challenges/Opportunities	16
Challenges for Buyers Using Google Cloud Marketplace	16
Opportunities for Google Cloud Marketplace to Address These Challenges	16
Conclusion	17
Appendix 1: Methodology	18
Appendix 2: Quantified Benefits of Google Cloud Marketplace for Acquiring Third-Party Software	19
Appendix 3: Additional Customer Quotations	20
Appendix 4: Supplemental Data	22
About the IDC Analysts	23
Message from the Sponsor	24

BUSINESS VALUE HIGHLIGHTS

Click any link and look for the ► symbol on the corresponding page. Use the Return to Highlights button to return this page.

>10:1

ROI over three years

\$204,000

three-year discounted benefits per software solution purchased

21.2%

lower spending on third-party software

45%

faster software purchasing cycles

50%

faster software deployment cycles

68%

more software purchasing requirements met

25%

finance team productivity gains

Executive Summary

This IDC study explores the value and benefits of organizations acquiring third-party software on Google Cloud Marketplace. Interviewed Google Cloud customers emphasized the value of having a unified platform for acquiring third-party software, which simplifies processes, reduces administrative overhead, and creates opportunities to save on software costs.

Taken together, IDC quantifies the annual average benefits for study participants of acquiring third-party software on Google Cloud Marketplace at \$1.70 million per organization (\$85,000 per software solution purchased) in the following areas:

- **Optimization of third-party software costs** by avoiding unnecessary purchases, minimizing duplicative and unnecessary spending, and achieving savings through committed spending discounts
- **Procurement and deployment efficiencies**, resulting from acquiring software on a unified platform that is well integrated with broader Google and software environments

- **Efficiencies for finance, procurement, and compliance teams** by having ready access to purchasing information, integrated cost reporting through the Google Cloud console, and the ability to leverage pre-negotiated contracts to facilitate compliance processes

Situation Overview

Cloud marketplaces are revolutionizing how organizations procure and manage software and services, acting as dynamic hubs that empower buyers to discover, compare, evaluate, and purchase cloud-based solutions with unprecedented ease. As these platforms gain traction, they are rapidly eclipsing traditional procurement methods, showcasing various benefits, including greater efficiency, scalability, and swift time to value — all critical in today's fast-paced digital business environment. Buyers drive the surge in cloud marketplace adoption by seeking frictionless processes and the flexibility to leverage large cloud budgets across a broader range of offerings. However, as speed becomes paramount, robust governance remains essential. In response, cloud marketplaces have implemented stringent controls to ensure compliance with industry standards and specific business requirements. Recent research from IDC reveals that cloud marketplaces are outpacing other software purchasing channels, such as direct sales and distribution, indicating a clear trend toward their continued dominance in the procurement landscape. As organizations increasingly embrace digital transformation, the strategic advantages that cloud marketplaces offer will redefine the future of software acquisition.

Cloud marketplaces have transformed from fundamental digital catalogs into dynamic transaction ecosystems. Initially limited to basic listing and transaction capabilities, these platforms now support intricate procurement processes, diverse subscription and consumption pricing models, and tailored pricing through private offers. The surging demand for public cloud services and the imperative to streamline IT and procurement operations drive this evolution.

Cloud marketplaces empower businesses to adapt quickly to changing market conditions by offering various products and services.

Some of the more recent marketplace innovations include:

- Optimized committed cloud spend
- Streamlined procurement processes
- Flexible billing models
- Enterprise-curated marketplaces
- Simplified setup and deployment of applications

- Enhanced security verification
- Free trials
- Custom pricing with private offers
- Ability to buy solutions through a chosen channel partner
- Support for diverse product types (SaaS, containers, services)
- Workflow automation
- Integration with procurement systems
- Enhanced discovery

Cloud marketplaces have become indispensable platforms that empower businesses to access software and services that drive innovation.

Google Cloud Marketplace

Google Cloud Marketplace is a comprehensive digital platform that facilitates the discovery, evaluation, deployment, and management of various software solutions, including GenAI, data management, security, business applications, and application development tools that run on Google Cloud. The platform gives users access to pre-configured, fully vetted software applications and deployable solutions with minimal setup time. By leveraging Google Cloud's robust infrastructure, businesses can quickly integrate these solutions into existing workflows to enhance operational efficiency and reduce complexity often associated with software deployments. Organizations can speed up their digital transformation efforts, minimize time to value, and achieve smooth integration with their current Google Cloud infrastructure by utilizing these pre-configured solutions.

For buyers, Google Cloud Marketplace simplifies procurement and deployment processes. The marketplace offers pre-tested and optimized solutions for Google Cloud, ensuring reliability and performance. The marketplace offers flexible pricing models, including pay-as-you-go options, subscriptions, and negotiated private offers, allowing businesses to align IT spending with operational needs. The centralized billing and unified management console enhance operational efficiency, providing a single control point for all purchased solutions.

Security and compliance are paramount in Google Cloud Marketplace. Each offering undergoes rigorous assessments to meet Google's stringent standards, ensuring buyers can trust the integrity of the applications they deploy. Recent innovations in Google Cloud Marketplace have focused on enhancing the user experience and expanding functionality.

Notably, the launch of the private marketplace has allowed customers to curate pre-approved applications for purchase and use by their organizations. The ability for customers to purchase third-party solutions on the marketplace through chosen channel partners, which the platform launched in 2024, simplifies the process for enterprises that buy through the channel, enabling them to continue this practice. Partnerships with third-party suppliers have enhanced Google Cloud Marketplace offerings, including recent announcements with AI21 Labs, Anthropic, Broadcom, Dun & Bradstreet, Equifax, Oracle, SAP, and Workday.

The Business Value of Google Cloud Marketplace for Third-Party Software

Study Demographics

IDC conducted in-depth interviews with organizations using Google Cloud Marketplace as a primary platform for acquiring third-party software to understand the impact on their software costs and procurement and deployment activities. Interviews aimed to understand the impact of Google Cloud Marketplace in these areas in quantitative and qualitative terms.

IDC interviewed seven organizations across various industries, including manufacturing, business services, communications, retail, technology, and transportation, with geographical headquarters in North America, EMEA, and APAC. Study participants vary in size but have an overall enterprise profile with an average employee count of 13,250 (ranging from 2,750 to 45,000) and annual revenue of \$3.46 billion (ranging from \$1.5 billion to \$5.2 billion). For additional details about interviewed Google Cloud customers, please see **Table 1** (next page).

TABLE 1
Demographics of Interviewed Organizations

	Average	Median
Number of employees	13,250	7,000
Number of IT staff	1,010	150
Annual revenue	\$3.46B	\$4.00B
Countries	United States (3), Germany, India, Switzerland, United Kingdom	
Industries	Manufacturing (2), business services, communications, retail, technology, transportation	

n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

Choice and Use of Google Cloud Marketplace

Study participants described common reasons for using Google Cloud Marketplace to acquire third-party software, including the value of having a unified, user-friendly platform for software acquisition and cost benefits that result from avoiding unnecessary spending, leveraging committed spending, and providing streamlined procurement. They appreciate the seamless integration and deployment capabilities Google Cloud Marketplace provides for purchased software and the strong search functionalities that make it easy to find and compare software solutions. They also noted as advantageous the ability to consolidate purchases into a single invoice and the support from Google Cloud account teams. One study participant commented on the ease of identifying and finding the right software: *“The search feature within Google Cloud Marketplace, the ‘areas of interest’ on the left-hand side, allows us to drill down into specific areas — it is well divided and easy to use.”*

Table 2 (next page) provides an overview of how study participants use Google Cloud Marketplace to acquire third-party software. On average, they spend \$8.32 million annually on Google Cloud services, allocating \$4.79 million to third-party software solutions they acquired through Google Cloud Marketplace. The number of procured third-party software solutions ranged from five to 75, with an average of 20 solutions per organization. On average, 88 employees on teams such as finance and procurement groups directly use Google Cloud Marketplace, while 2,739 employees use the software acquired through the platform.

TABLE 2

Google Cloud Marketplace Use by Interviewed Organizations

	Average	Median
Committed spend, Google Cloud Marketplace	\$10.42M	\$6.25M
Spend per year, Google Cloud Services	\$8.32M	\$5.00M
Spend per year on third-party software, Google Cloud Marketplace	\$4.79M	\$2.50M
Number of third-party software solutions currently procured	20	10
Number of employees directly using Google Cloud Marketplace	88	36
Number of employees using software purchased through Google Cloud Marketplace	2,739	400

n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

Business Value and Quantified Benefits of Google Cloud Marketplace for Third-Party Software

The most significant benefits study participants reported of using Google Cloud Marketplace to acquire third-party software include simplified procurement processes, cost savings, centralized management, and enhanced governance capabilities. They described Google Cloud Marketplace as providing a one-stop shop for comparing vendors and software, which eases purchasing processes and reduces the need for extensive legal and procurement reviews. This streamlined approach enables teams that support software acquisition to focus on core activities and accelerates the deployment of new solutions.

IDC calculates that interviewed Google Cloud customers will realize benefits worth an annual average of \$1.70 million per organization (\$85,000 per software solution purchased on Google Cloud Marketplace) by acquiring third-party software on Google Cloud Marketplace in the areas of value described in this study.

Third-Party Software Cost Savings

Study participants highlighted cost savings on third-party software as a major benefit of Google Cloud Marketplace. They cited several key drivers behind capturing these

cost efficiencies. They explained that they can access flexible pricing via Google Cloud Marketplace, including pay-as-you-go and subscription-based models, which help them optimize spending and avoid unnecessary costs. Interviewed Google customers commented that they could more effectively track and allocate costs, which helped them better understand software expenses and usage while laying the foundation for making decisions that optimize their costs and use.

On average, study participants reported spending 21.2% less on third-party software products by acquiring them on Google Cloud Marketplace, amounting to \$1.29 million in annual savings per organization.

Study participants linked these cost savings to common areas of positive impact, including:

- **Reducing unnecessary software spending** by avoiding unneeded purchases, better understanding previous software purchases, and minimizing duplicative purchases. IDC calculates that study participants will save \$665,300 per organization (\$33,300 per third-party software solution) per year with Google Cloud Marketplace.
- **Applying discounts** from using committed spending with Google Cloud Marketplace to buy third-party software to avail discounts in some cases. IDC estimates these savings as worth an annual average of \$471,400 per organization (\$23,600 per third-party software solution).
- **Saving other costs** by leveraging different business and pricing models available through Google Cloud Marketplace. IDC puts the value of these cost savings at an average of \$151,500 per organization per year (\$7,600 per third-party software solution).

Study participants provided examples of how they have saved on third-party software costs by buying on Google Cloud Marketplace:

Visibility of costs:

“Google Cloud Marketplace does a great job of breaking down the minutiae of software charges. We have a presence with other public clouds — Google far and away makes it easier to see what things will cost and doesn’t require sending vendor quotes to try.”

Greater control over purchases saves money:

“With Google Cloud Marketplace, our employees can’t just open a contract with a partner like they were able to before. We have been able to put certain controls into place, which saves millions of dollars per year.”

Table 3 (next page) shows the substantial impact that acquiring software on Google Cloud Marketplace has had on spending on third-party software for study participants, with average savings of 21.2%, generating \$1.29 million in annual savings.

▶ TABLE 3

Third-Party Software Cost Savings

	\$ Savings per Year per Organization	\$ Savings per Year per Third-Party Software Solution	% Cost Savings, Third-Party Software Spending
Savings, reducing unnecessary software spend	\$665,300	\$32,300	11.0%
Savings, committed spend discounts	\$471,400	\$23,600	7.8%
Other third-party software cost savings	\$151,500	\$7,600	2.5%
Total savings per year, third-party software	\$1.29M	\$64,400	21.2%

n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

Software Procurement and Deployment Efficiencies

Study participants named efficiencies in making decisions about third-party software purchases and subsequent deployments as another key benefit of Google Cloud Marketplace. Due to several factors, participants have become more efficient at purchasing third-party software through Google Cloud Marketplace, allowing them to streamline purchase timelines. Centralization of procurement and invoicing on Google Cloud Marketplace has streamlined purchasing processes and allowed for common management of more software purchases. Consolidation reduces the complexity and time required for procurement and means fewer contracts and invoices. Additionally, simplified contracting processes mean that legal and procurement teams spend less time negotiating and reviewing contracts, speeding up the purchasing cycle.

On average, study participants reported making third-party software purchases 45% faster with Google Cloud Marketplace, reducing the typical cycle time from three weeks to 1.7 weeks. One study participant noted how Google Cloud Marketplace facilitates easier software sourcing: *“The Google account team is very helpful in directing us to the partners*

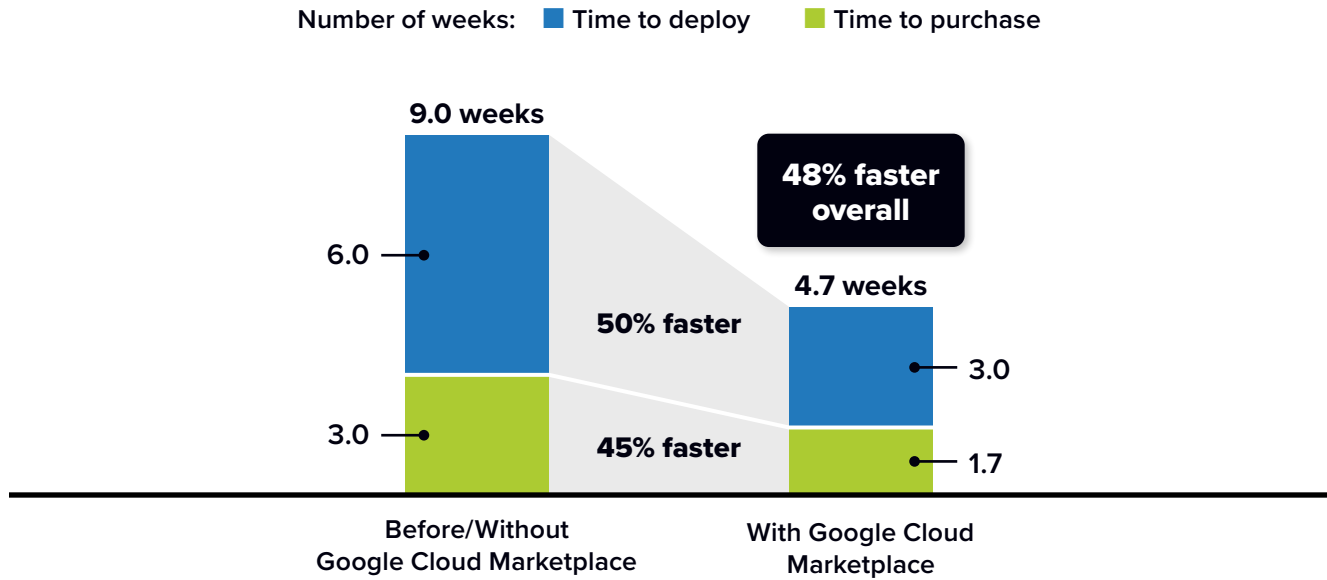
to purchase these services through Google Cloud Marketplace. Sourcing does less legwork in terms of identifying the alternatives; we can buy services from a partner of Google instead of going out and figuring out what those alternatives are.” As a result, study participants can move from purchasing considerations to implementing software functionality that has practical benefits for their employees and end customers.

Interviewed organizations reported they can more readily deploy third-party software solutions they purchased on Google Cloud Marketplace. As a result, they can scale up or down as needed, adding software solutions with ease. Furthermore, integrating new third-party software with existing Google Cloud services ensures seamless deployment and management, reducing the time and effort required for setup and configuration. These deployment-related efficiencies enhance the overall operational agility of organizations using Google Cloud Marketplace. An interviewed Google customer commented: *“We are cutting 50% off the time to deploy new software, and we move faster from a development perspective when we purchase via Google Cloud Marketplace. We’re also able to leverage pre-negotiated contracts to simplify legal and compliance processes and be more flexible and scalable to meet fluctuating demand.”* Another interviewed customer commented on the value of seamless integration: *“We can integrate software purchased through Google Cloud Marketplace seamlessly with what we have running on the cloud already. The more automation we can do with systems that talk to each other, the less work there is. That’s one of the benefits of purchasing within the Google Cloud Marketplace; we can have everything, technically speaking, in one place.”*

Study participants reported reducing the necessary time to deploy a typical software solution by 50% with Google Cloud Marketplace, allowing them to move from purchase to deployment in an average of only three weeks compared to six weeks. This faster cycle time enables earlier use of new software and relevant software functionality for employees and customers.

These improvements with Google Cloud Marketplace reduce the necessary time to move from initial purchasing considerations to deployment by more than four weeks, shaving the time to market for new third-party software by an average of 48% (see **Figure 1**, next page).

► **FIGURE 1**
Impact on Software Purchasing and Deployment Cycles



n = 7; Source: IDC Business Value In-Depth Interviews, October 2024
 For an accessible version of the data in this figure, see [Figure 1 Supplemental Data](#) in Appendix 4.

Operational Efficiencies Related to Software Purchasing

Study participants’ finance, procurement, and compliance teams have become more efficient by purchasing third-party software on Google Cloud Marketplace for several reasons. The centralization of procurement and invoicing has streamlined financial operations, allowing finance teams to manage all software purchases through a single platform. This consolidation reduces the complexity and time required for processing multiple invoices, as direct third-party software purchases can integrate into a single Google Cloud invoice. Additionally, simplified contracting processes mean that procurement teams spend less time negotiating and reviewing contracts, which reduces administrative overhead. An interviewed Google customer commented on the value of simplicity of purchasing: *“Google Cloud Marketplace gives us one place to look at to do our investigations into buying third-party software and simplifies the purchasing process.”*

As shown in **Figure 2** (next page), study participants have realized marked improvements and efficiencies in core procurement and finance-related activities with Google Cloud Marketplace, including requiring 47% less time for invoice activities, handling 33% more procurement requests, and spending 31% less time on vendor management and approval cycles.

FIGURE 2
Procurement and Finance Efficiencies by Activity
 (Percentage improvement with Google Cloud Marketplace)



n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

For compliance teams, using Google Cloud Marketplace has enhanced efficiency by ensuring nearly all purchases meet process requirements without requiring significant manual oversight. Google Cloud Marketplace supports standard and custom terms and conditions that simplify legal and compliance processes. Furthermore, leveraging Google Cloud’s rigorous technical validation process ensures that third-party software meets security and compliance requirements. These efficiencies contribute to more streamlined and effective operations for finance, procurement, and compliance teams.

Table 4 shows the substantial team efficiencies that study participants capture by acquiring third-party software on Google Cloud Marketplace. The gains are most significant across the board for teams involved in purchasing software, with procurement teams benefiting from 39% efficiencies and compliance and finance teams gaining from solid 31% and 25% efficiencies, respectively.

► **TABLE 4**
Finance, Procurement, and Compliance Team Productivity Gains

Average per Organization	Before/ Without Google Cloud Marketplace	With Google Cloud Marketplace	Difference	Benefit
Finance team, productivity in FTEs	17.2	21.6	4.4	25%

Continued on the next page ►

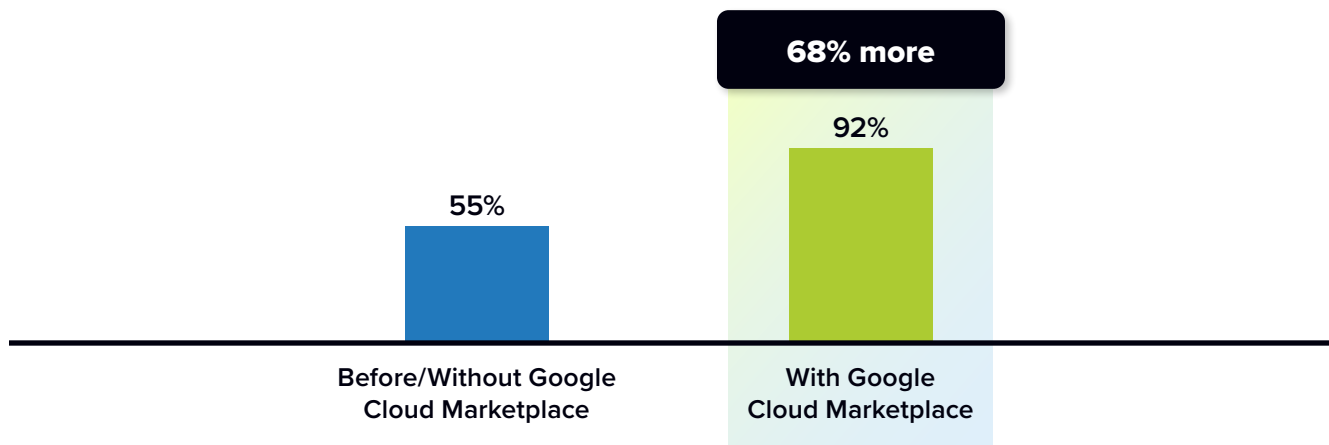
◀ Continued from the previous page

Average per Organization	Before/ Without Google Cloud Marketplace	With Google Cloud Marketplace	Difference	Benefit
Procurement team, productivity in FTEs	1.0	1.3	0.4	39%
Compliance team, productivity in FTEs	4.2	5.5	1.3	31%

n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

Study participants meet organizational requirements much more frequently for software purchases with Google Cloud Marketplace. This reduces risk generated by not following mandated steps and increases cross-organizational visibility into software purchases, contributing to the cost savings this study has already discussed. As **Figure 3** shows, interviewed organizations reported meeting purchase requirements 92% of the time with Google Cloud Marketplace, a 68% increase from their baseline of 55% of other purchases meeting requirements.

► **FIGURE 3**
Impact on Software Purchases Meeting Organizational Requirements
 (Percent)



n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

Business-Related Benefits

The speed to purchase and deploy third-party software solutions has significantly improved with Google Cloud Marketplace, allowing study participants to scale up or down more readily. This flexibility ensures they can rapidly implement new tools and technologies, which is crucial for maintaining a competitive edge. The integration with existing Google Cloud services facilitates seamless deployment and management of new software within their existing IT infrastructure environments, reducing the time and effort required for setup and configuration. These efficiencies collectively enhance businesses' overall operational agility and responsiveness, enabling interviewed Google Cloud customers to better support their strategic and tactical goals.

ROI Summary

Table 5 presents IDC's analysis of the discounted benefits and investment costs for study participants related to acquiring third-party software on Google Cloud Marketplace over three years. IDC calculates that interviewed organizations will realize average three-year discounted benefits worth \$4.08 million per organization (\$204,000 per third-party software solution purchased) compared with three-year discounted investment costs of \$0.35 million (\$17,400 per third-party software solution purchased). With benefits worth more than 10 times investment costs, this would yield an average three-year ROI of 1,074%, demonstrating the substantial value for customers leveraging the Google Cloud Marketplace to acquire third-party software.

► **TABLE 5**
ROI Analysis

	Per Organization	Per Third-Party Software Solution Purchased
Benefit (discounted)	\$4.08M	\$204,000
Investment (discounted)	\$0.35M*	\$17,400
Net present value (NPV)	\$3.73M	\$186,600
ROI (NPV/investment)	1,074%	1,074%
Discount factor	12%	12%

* See Appendix 1: Methodology for additional details.
n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

Challenges/Opportunities

Challenges for Buyers Using Google Cloud Marketplace

- **Integration complexity:**

One of the most pressing challenges buyers face is the complexity involved in integrating and managing multiple third-party solutions within the Google Cloud ecosystem. According to IDC's *Industry TechPath 2024 Survey*, 35% of businesses plan to align workloads with the cloud service that best fits the use case, highlighting the need for continuous integration. However, the lack of standardized integration tools and the necessity for custom configurations can lead to increased operational overhead and potential disruptions.

- **Security and compliance concerns:**

Security and compliance remain significant considerations for buyers. Each solution on the Google Cloud Marketplace undergoes rigorous technical validation assessments, but the responsibility of ensuring end-to-end security and compliance largely falls on the buyers. IDC's research indicates that concerns over data privacy and regulatory compliance are paramount, especially in highly regulated industries. This necessitates additional investments in security measures and compliance audits, which can be time consuming and costly.

- **Transparency in cost management:**

While Google Cloud Marketplace offers flexible pricing models, including pay-as-you-go and subscription options, buyers often struggle with predicting and controlling expenses. IDC's *Future Enterprise Resiliency & Spending Survey* found that nearly 40% of companies believe they are overspending on public cloud services. The complexity of usage tracking across multiple services and the potential for unexpected costs can strain IT budgets, complicating financial planning.

Opportunities for Google Cloud Marketplace to Address These Challenges

- **Enhance integration tools and support:**

Google Cloud can mitigate integration complexities by developing more robust, standardized integration tools and offering enhanced support services. By leveraging AI and ML, Google Cloud can provide intelligent recommendations and automated workflows that simplify integration. Additionally, expanding partnerships with systems integrators can help buyers navigate the complexities of multicloud environments more effectively.

- **Strengthen security and compliance offerings:**

Google Cloud should continue enhancing its security frameworks and certifications, introducing advanced security features, such as post-quantum cryptography and AI-driven compliance monitoring. These steps will provide buyers with greater assurance. Google Cloud can work with partners to offer more comprehensive support services, including free technical consultations and compliance audits, to help buyers meet regulatory requirements.

- **Improve cost management solutions:**

Google Cloud can enhance its reputation for cost transparency by offering advanced cost management tools and simplified pricing models. Implementing AI-driven cost optimization features that provide real-time insights and recommendations helps buyers predictably manage expenses. Additionally, Google Cloud can introduce more flexible billing options and provide detailed usage reports that enable buyers to track and forecast their spending accurately. By addressing these challenges, Google Cloud will enhance the buyer experience and solidify its leading cloud marketplace provider position.

Conclusion

Cloud marketplaces transform how organizations procure software by allowing them to easily and readily discover, compare, evaluate, and purchase cloud-based software solutions. Because cloud marketplaces often offer a more efficient, scalable, and faster way of acquiring and deploying software, they are becoming increasingly popular in comparison with traditional software procurement. Google Cloud Marketplace allows organizations to acquire and manage third-party software via Google Cloud, seamlessly integrating the software into their existing workflows. By providing flexible pricing models and centralized billing, Google Cloud Marketplace appeals to organizations seeking to optimize software costs and make procurement processes more efficient.

This IDC study assesses the impact of organizations acquiring third-party software on Google Cloud Marketplace. Study participants reported achieving significant benefits in terms of cost savings and operational efficiencies with Google Cloud Marketplace. They have optimized and reduced third-party software costs by taking advantage of flexible pricing options and committed cloud spend discounts while increasing visibility into their organizations' software needs. Moreover, they streamline software acquisition by simplifying procurement processes, centralizing software management, and improving governance, generating significant efficiencies for teams responsible for these facets of software acquisition. Based on interviews with current Google Cloud Marketplace customers, IDC projects that they will realize benefits in cost savings and staff efficiencies worth more than 10 times their investment costs, resulting in an average three-year ROI of 1,074%.

Appendix 1: Methodology

IDC utilized its standard Business Value/ROI methodology for this project. This methodology gathers data from organizations that purchase and acquire third-party software on Google Cloud Marketplace.

Based on interviews with organizations using Google Cloud Marketplace, IDC performed a three-step process to calculate the ROI and payback period:

- 1. It gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of acquiring third-party software on Google Cloud Marketplace.** This study's benefits included software cost savings and staff efficiencies/productivity gains.
- 2. It created a complete investment (three-year total cost analysis) profile based on the interviews.** Investments go beyond the initial and annual costs of using Google Cloud Marketplace to acquire third-party software and can include additional costs related to migrations, planning, consulting, and staff or user training. For this study, IDC assumed an ongoing investment cost of an average of 3% for buying third-party software on Google Cloud Marketplace.
- 3. It calculated the ROI and payback period.** IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of Google Cloud Marketplace over a three-year period. ROI is the ratio of the NPV and the discounted investment. The payback period is when cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on several assumptions, which are summarized as follows:

- IDC multiplied time values by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings. For this analysis, IDC has used its standard assumptions of an average fully loaded salary of \$100,000 per year for IT staff members and an average fully loaded salary of \$70,000 per year for non-IT staff members. IDC assumes employees work 1,880 hours per year (47 weeks x 40 hours).
- IDC calculated the net present value of the three-year savings by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for the assumed cost of money and rate of return.

- Because IT solutions require a deployment period, the full benefits of the solution are unavailable during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

All dollar figures in this White Paper are in \$ USD.

Appendix 2: Quantified Benefits of Google Cloud Marketplace for Acquiring Third-Party Software

Table 6 shows how study participants achieved value by acquiring third-party software on Google Cloud Marketplace. IDC calculates that they will realize benefits worth an annual average of \$1.70 million per organization.

TABLE 6
Annual Average Benefits per Organization

Category of Value	Average Quantitative Benefit	Calculated Average Annual Value
Cost savings on third-party software	21.2% overall spending savings worth \$1.29M per year	\$1.29M
Procurement team productivity gains	39% productivity gain, worth 0.4 FTEs, salary of \$70,000	\$25,300
Finance team productivity gains	25% productivity gain, worth 4.4 FTEs, salary of \$70,000	\$296,900

[Continued on the next page](#) ►

◀ Continued from the previous page

Category of Value	Average Quantitative Benefit	Calculated Average Annual Value
Compliance team productivity gains	31% productivity gain, worth 1.3 FTEs, salary of \$70,000	\$89,600
Total average annual benefits	\$1.70M per organization	

n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

Appendix 3: Additional Customer Quotations

Below are additional quotations from interviewed organizations about their use of Google Cloud Marketplace for acquiring third-party software:

Discounts on committed spend, simplicity of contracting:

“Google Cloud Marketplace spend on third-party software goes toward our committed spend, which provides a discount on consumption. We also liked the simplicity of contracting.”

Ease of operations, financial benefits:

“We use Google Cloud Marketplace because of ease of operations. Second, we have financial benefits through our Google Cloud contract — we have credits. Third, we can see all solutions available in the ecosystem and the best ones.”

Seamless from a budgetary perspective:

“We found processes with Google Cloud Marketplace to be seamless, quick, and clean from a budget perspective. No more contracts all over the place, finding out about last-minute or late contract renewals that we’ve inherited.”

Ease of use, strong search capabilities:

“The biggest driver for our continued use of Google Cloud Marketplace is that it is super helpful in how it is laid out and how the search engine works.”

Seamless integration:

“We can integrate software purchased through Google Cloud Marketplace seamlessly with the software we’re already using.”

Fast deployment, greater flexibility, and scalability:

“We move faster in development when we purchase via Google Cloud Marketplace. We can leverage pre-negotiated contracts to simplify legal and compliance processes and be more flexible and scalable to meet fluctuating demand.”

Access to better pricing:

“We’ve been able to challenge quotes and put in custom quote requests with Google Cloud Marketplace, and that gives us better pricing with minimal effort ... Our team members like the free trials as well; it is very helpful to try before you buy.”

More informed purchase decisions and smooth renewals:

“An example of making more informed purchase decisions with Google Cloud Marketplace is for a data search and analytics tool we use ... We don’t get surprises compared to surprise bills from other cloud marketplaces.”

Ability to track and allocate costs:

“It’s easier to track costs with Google Cloud Marketplace. Overspend and underspend are much easier to see because they are out of a single budget pool, and we can address them monthly.”

Flexibility in purchasing leads to cost savings:

“Cost savings with Google Cloud Marketplace are about having the flexibility to bring in things like BYOD, bring a license, pay as you go — having the flexibility and being able to facilitate flexibility is a value.”

Ease of making buying decisions:

“With Google Cloud Marketplace, it takes only two people and a single meeting to agree to spend on a third-party software solution. This compares with needing four people to get a deal done otherwise.”

Less documentation facilitates a fast purchasing cycle:

“Our software purchasing cycle is faster with Google Cloud Marketplace because there is less documentation required and fewer internal approvals needed.”

Value of fast deployment and configuration:

“We’re able to quickly deploy and configure with Google Cloud Marketplace, whereas before, we had to wait around. With contractors doing installs and rollouts, they twiddle their thumbs, waiting for the red tape to get processed prior to deployment. With Google Cloud Marketplace, we just log in, load, and are good to go.”

Appendix 4: Supplemental Data

This appendix provides an accessible version of the data for the complex figure in this document. Click “Return to original figure” below the table to get back to the original data figure.

FIGURE 1 SUPPLEMENTAL DATA

Impact on Software Purchasing and Deployment Cycles

	Time to Purchase	Time to Deploy
Before/Without Google Cloud Marketplace	3.0	6.0
With Google Cloud Marketplace	1.7	3.0
Total	4.7 weeks	9.0 weeks (48% faster overall)
Difference	45% faster	50% faster

n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

[Return to original figure](#)

About the IDC Analysts



Frank Della Rosa

Research Vice President, SaaS, Business Platforms, and Industry Cloud, IDC

Frank's core research focus provides in-depth analysis, strategy, and guidance to both technology suppliers, and mid-market and enterprise buyers on various aspects of cloud computing, including hybrid cloud and multicloud adoption, strategy, buyer behavior, and trends across vertical markets, business application categories, and geographies. Frank also provides analysis on ISVs' journey to SaaS, enterprise adoption, SaaS management, cloud maturity, market forecasts, supplier market shares, and cloud marketplaces. In addition to these topics, planned research will cover the proliferation of SaaS platforms, changing buyer demographics, and SaaS-embedded innovation accelerators, such as AI, machine learning, and extended reality. Based on his extensive experience in buyer personas, Frank's research also includes an emphasis on the broadening impact of SaaS and cloud services on IT and line-of-business buyer behavior.

[More about Frank Della Rosa](#)



Matthew Marden

Research Vice President, Business Value Strategy Practice, IDC

Matthew is responsible for carrying out custom business value research engagements and consulting projects for clients in a number of technology areas with a focus on determining the return on investment of their use of enterprise technologies. Matthew's research often analyzes how organizations are leveraging investment in digital technology solutions and initiatives to create value through efficiencies and business enablement.

[More about Matthew Marden](#)

Message from the Sponsor



Google Cloud is the new way to the cloud, providing AI, infrastructure, developer, data, security, and collaboration tools built for today and tomorrow.

Google Cloud offers a powerful, fully integrated and optimized AI stack with its own planet-scale infrastructure, custom-built chips, generative AI models and development platform, as well as AI-powered applications, to help organizations transform. Customers in more than 200 countries and territories turn to Google Cloud as their trusted technology partner. Google Cloud also offers Google Cloud Marketplace, a universal catalog of solutions from Google and our partner ecosystem for customers to easily discover, try, buy, and use.

[Learn more at cloud.google.com/marketplace](https://cloud.google.com/marketplace)

IDC Custom Solutions

IDC Custom Solutions produced this publication. The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis that IDC independently conducted and published, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies. This IDC material is licensed for external use and in no way does the use or publication of IDC research indicate IDC's endorsement of the sponsor's or licensee's products or strategies.



IDC Research, Inc.
140 Kendrick Street, Building B, Needham, MA 02494, USA
T +1 508 872 8200

[idc.com](https://www.idc.com)

[in @idc](https://www.linkedin.com/company/idc)

[X @idc](https://twitter.com/idc)

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives.

©2025 IDC. Reproduction is forbidden unless authorized. All rights reserved. [CCPA](#)