

AWS Marketplace 101: The Revenue Channel Most SaaS Founders Overlook

There is a marketplace where 300,000 enterprise customers are actively looking to buy software — using budget they have already committed to spend on AWS. Most early-stage SaaS founders have never seriously considered it. This guide explains what AWS Marketplace is, why enterprise buyers love it, and how to evaluate whether it belongs in your go-to-market strategy.

\$6.8B

in software sold through
AWS Marketplace in 2024

300K+

active enterprise customers
browsing and buying on the
marketplace

2–4×

faster sales cycles reported
by SaaS vendors who sell
through AWS Marketplace

What AWS Marketplace Actually Is

AWS Marketplace is Amazon's digital storefront for business software. It sits inside the AWS console — the same place enterprise companies manage their cloud infrastructure — and it lets buyers discover, evaluate, purchase, and deploy third-party software without ever leaving their AWS environment.

Think of it as the App Store, but for enterprise software, and backed by Amazon's billing and procurement infrastructure. When a company buys software through AWS Marketplace, the charge shows up on their AWS bill alongside their EC2 and S3 costs.

That single, consolidated bill is a bigger deal than it sounds — and we'll get to why shortly.

AWS Marketplace currently lists over 12,000 software products across categories including security, data, DevOps, machine learning, and business applications. The fastest-growing category is SaaS — software that customers subscribe to rather than install.

Who actually sells there? A mix of large vendors (Snowflake, CrowdStrike, Datadog) and hundreds of early-stage SaaS companies. AWS actively recruits early-stage software companies to list — the marketplace helps AWS increase the stickiness of their platform by making it the hub for everything a customer needs.

Why Enterprise Buyers Love Buying Through AWS Marketplace

This is the part most SaaS founders underestimate. The value of AWS Marketplace is not primarily about discoverability — it is about removing friction from the enterprise buying process. And enterprise buying is *painfully* slow without it.

1. It burns down committed spend

Most enterprise companies negotiate large upfront commitments with AWS — often millions of dollars per year — in exchange for discounted rates. These are called AWS Enterprise Discount Program (EDP) commitments. The catch: the company must spend that committed amount within the contract period or lose the discount.

Software purchased through AWS Marketplace counts toward that commitment. So when your enterprise buyer has \$2M of EDP to burn by end of quarter, buying your \$50,000 software through Marketplace is genuinely attractive to them. It clears their commitment without requiring a separate procurement process or new vendor approval.

2. It bypasses procurement hell

Signing a new vendor contract at an enterprise company typically involves legal review, security review, finance approval, and a purchase order — a process that can take 60 to 120 days. AWS Marketplace dramatically compresses this. Because AWS is already an approved vendor at most enterprise companies, buying software through the Marketplace often bypasses the full new-vendor onboarding process. The legal and security review has already happened — for AWS.

3. It consolidates invoicing

Enterprise finance teams love a single bill. Instead of managing invoices from dozens of SaaS vendors, everything billed through Marketplace appears on one AWS invoice. For a CFO trying to reduce vendor sprawl, this is a meaningful quality-of-life improvement.

4. It enables instant deployment

For software products that integrate with AWS infrastructure, Marketplace purchases can be deployed directly into the customer's AWS environment with a few clicks — no lengthy implementation, no IT ticket, no waiting for an account to be provisioned.

Three Ways SaaS Companies Generate Revenue on AWS Marketplace

1. SaaS Subscriptions

The most common model. Customers subscribe to your software at a monthly or annual rate, billed through their AWS account. AWS handles billing, collection, and remittance. You get paid on a monthly cycle, minus AWS's transaction fee (typically 3–5% of revenue, declining as volume grows).

This works exactly like selling a subscription directly — except the customer sees it on their AWS bill and it counts toward their committed spend.

2. Contract Pricing

For larger enterprise deals, you negotiate a custom price with the buyer and deliver it as a Private Offer through AWS Marketplace. The buyer sees a custom

contract with agreed-upon terms, clicks accept, and the deal closes through Marketplace billing. Private Offers are how most six- and seven-figure deals get done on the Marketplace — the public listing price is just a starting point.

3. Metered / Consumption Billing

For products where usage varies — API calls, processed records, active users — Marketplace supports metered billing. You define the billing dimensions (e.g., per 1,000 API calls), report usage to AWS, and they handle billing accordingly. This model is well-suited to data products, AI/ML APIs, and infrastructure tools.

The Biggest Unlock: AWS Co-Sell

Listing on AWS Marketplace is the entry ticket. Co-sell is where the real opportunity lives — and it's what separates the SaaS companies growing quickly through the Marketplace from those who listed and got nothing.

Co-sell means AWS's own field sales team actively refers their enterprise customers to your product. AWS has thousands of account managers working with Fortune 500 companies. When an AWS rep sees that their customer has a problem your product solves, they can introduce you directly. You show up in the meeting with an implicit AWS endorsement, and the deal moves through Marketplace billing.

To unlock co-sell, you need to qualify for the AWS Partner Network (APN) at the Select tier or above. This requires meeting certain revenue, technical, and customer satisfaction thresholds. It is not automatic from listing — but it is achievable for most serious SaaS companies within 6 to 12 months of listing.

The co-sell math: AWS reps are compensated, in part, on software sold through AWS Marketplace. They have a direct incentive to introduce their customers to Marketplace-listed products. For a SaaS company, having AWS's sales force as an unofficial channel partner — at zero commission cost — is a meaningful competitive advantage.

What You Need to Get Listed

Getting onto AWS Marketplace is not as complicated as most founders expect. The baseline requirements are:

- **An AWS account** enrolled in the AWS Marketplace Management Portal
- **A product that runs on or integrates with AWS** — or is delivered as a SaaS product (no AWS dependency required for SaaS listings)
- **A product description, pricing model, and support documentation**
- **Acceptance of AWS's standard seller terms**, including their transaction fee structure
- **A fulfillment integration** — for SaaS listings, this means integrating AWS Marketplace's SaaS subscription APIs to handle entitlement verification and customer provisioning

The fulfillment integration is where most early-stage companies get stuck. It requires engineering work to connect your product's provisioning flow to the AWS Marketplace APIs — typically a few weeks of development effort. The complexity depends on how your product handles onboarding today.

Is AWS Marketplace Right for Your Stage?

AWS Marketplace is not the right first move for every SaaS company. Here is a straightforward way to evaluate your readiness:

SIGNAL	AWS MARKETPLACE IS A GOOD FIT IF...
Your buyer	You are targeting mid-market or enterprise companies, particularly those already using AWS heavily
Your deal size	Your ACV is \$10K+ — Marketplace friction is not worth it for sub-\$5K deals
Your sales cycle	You are losing deals or experiencing long delays due to procurement processes

Your product	You can build the SaaS subscription API integration with a few weeks of engineering
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Your timing	You have at least a few enterprise customers and some repeatability in your sales motion
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If most of those signals are green, AWS Marketplace is worth serious evaluation in the next 90 days. If you are still finding your first 10 customers, focus there first — Marketplace amplifies an existing motion, it does not replace finding product-market fit.

One founder's experience: A SaaS security startup spent 18 months in enterprise procurement purgatory — average deal cycle was 110 days. After listing on AWS Marketplace and running their first Private Offer, deal cycle dropped to 38 days for customers with EDP commitments. The procurement blocker effectively disappeared.

The Bottom Line

AWS Marketplace is not a magic distribution channel — you still need to do the selling. But it removes some of the most painful friction in enterprise GTM: the procurement delay, the new vendor approval process, and the budget availability question. For a SaaS company targeting enterprise buyers on AWS, it is worth building into your strategy early rather than bolting on later when you've already lost deals to it.

Key Takeaways

- AWS Marketplace is a \$6.8B+ channel where 300,000 enterprise customers buy software — and it's growing fast as more companies commit large spend to AWS.
- Enterprise buyers love it because purchases count toward their committed AWS spend, bypass new-vendor procurement, and consolidate onto a single

bill.

- SaaS companies can sell through subscriptions, Private Offers (custom pricing), or metered billing — the model depends on your product and deal size.
- Co-sell — where AWS's own field reps refer customers to your product — is the biggest unlock, but it requires qualifying for the AWS Partner Network.
- Getting listed requires an API integration with AWS's fulfillment system, typically a few weeks of engineering work — the barrier is lower than most founders expect.

Ready to explore AWS Marketplace as a revenue channel?

Straightline helps early-stage SaaS companies get listed on AWS Marketplace, manage their co-sell pipeline, and build a cloud GTM strategy that actually moves deals. Get started at usestraightline.com.