

AWS Marketplace Pricing Models: Subscriptions, Contracts, and Metered Billing Explained

One of the most consequential decisions you'll make when listing on AWS Marketplace isn't about your product — it's about how you charge for it. AWS Marketplace supports several distinct pricing models, and the one you pick shapes how enterprise buyers purchase your software, how revenue flows through AWS, and how easy (or hard) it is to close large deals. This guide explains each model in plain terms and helps you figure out which one is right for your SaaS.

\$15B+

transacted through AWS
Marketplace in 2023

3

primary pricing model types
available to SaaS listings

\$50K+

typical minimum annual
value of AWS Marketplace
contracts

Why Pricing Model Choice Matters More Than You Think

Most founders focus on getting their product listed on AWS Marketplace. That's the right priority early on. But the pricing model you choose on that listing determines something more fundamental: *how your product fits into how enterprise buyers actually spend money.*

Enterprise buyers at large companies have AWS budgets — committed spending they've already negotiated with AWS, sitting there waiting to be used. When your SaaS is available on AWS Marketplace under the right pricing model, buyers can draw down that budget to pay for your software. The right pricing model removes the friction of a separate procurement process, budget approval cycle, and legal review. The wrong model leaves your listing technically available but practically inert.

Here are the three pricing models you need to understand: SaaS Subscriptions, SaaS Contracts, and SaaS Contracts with Consumption (metered billing). There's also a free trial option that can layer onto any of these.

Model 1: SaaS Subscriptions

How it works

A SaaS subscription on AWS Marketplace is the closest analog to a standard monthly or annual SaaS billing model. The buyer subscribes to your product, gets charged a flat recurring fee (monthly or annually), and the payment flows through AWS. You set a publicly visible price per unit — typically per seat, per instance, or per tier.

When a buyer subscribes, AWS handles the billing. You receive payment from AWS on a monthly basis, minus AWS's Marketplace listing fee (typically 3–5% for SaaS transactions). Your product is responsible for provisioning the buyer once subscription is confirmed.

Who it's right for

SaaS subscriptions work best when:

- Your pricing is simple and predictable — a per-seat model, or a flat monthly fee for tiered access
- You're primarily targeting SMB or mid-market buyers who don't need custom contract terms

- Your deal sizes are smaller (under \$25K/year) and buyers are comfortable with self-serve purchasing
- You want to test the Marketplace channel with minimal setup complexity

Watch out: SaaS subscriptions use public pricing only. There's no way to negotiate a custom price for a specific buyer under this model. If a prospect asks for a discount or custom terms, you'll need to move to a Private Offer using SaaS Contracts instead.

Subscription pricing dimensions

AWS lets you define up to 24 pricing dimensions per listing. In practice, most SaaS subscriptions use 1–4 dimensions. Common examples:

- **Per user per month** — \$15/user/month, billed monthly
- **Per tier (flat rate)** — Starter at \$299/month, Growth at \$799/month, Enterprise listed separately
- **Per deployment unit** — \$0.50/API endpoint/month for infrastructure products

Model 2: SaaS Contracts

How it works

A SaaS Contract is an upfront commitment. The buyer agrees to purchase a specific quantity of your product for a defined duration — usually 1, 2, or 3 years — and pays the full amount (or annual installments) through AWS Marketplace. Once a contract is in place, the buyer is locked in at the agreed price for the contract term.

From a revenue recognition standpoint, this is different from a subscription: the contract amount is committed at signing. If a buyer signs a \$120,000/year contract for 3 years, that's \$360,000 committed revenue, paid annually through AWS.

Why enterprise buyers love SaaS Contracts

This is the pricing model that unlocks enterprise procurement. Here's why:

- **Committed AWS spend drawdown.** Many enterprise buyers have AWS Private Pricing Agreements (PPAs) or Enterprise Discount Programs (EDPs) — commitments to spend \$X with AWS over a period. Purchasing through a Marketplace contract counts against that commitment. A \$120K Marketplace contract helps the buyer hit their AWS target, which matters to their procurement team.
- **Single procurement process.** Enterprise buyers who already have a Marketplace buying vehicle set up can purchase new software without starting a new vendor approval from scratch.
- **Predictable costs.** Finance teams prefer committed contracts over variable subscriptions for planning purposes.

Key insight: AWS Marketplace contracts are one of the most underrated deal acceleration tools available to SaaS founders. A buyer who would normally need 4–6 months of procurement review can often close a Marketplace contract in 2–4 weeks — because the vendor relationship with AWS is already established.

Private Offers and custom contract terms

SaaS Contracts become even more powerful when combined with Private Offers. A Private Offer is a custom, non-public offer you generate for a specific buyer through the Marketplace Seller Console. You can customize:

- Price (including discounts)
- Contract duration
- Payment schedule (annual vs. multi-year lump sum)
- Specific entitlements included

The buyer receives a unique link to accept the offer in their AWS console. Once accepted, the deal is done — billed through AWS, counted toward their committed spend. This is how most serious enterprise deals on AWS Marketplace actually close.

Model 3: SaaS Contracts with Consumption (Metered Billing)

How it works

This is a hybrid model: the buyer commits to a baseline contract (a minimum spend), and then usage above that baseline is billed through AWS's metering service based on actual consumption. You report usage data to the AWS Marketplace Metering Service via API, and AWS handles the variable billing.

Think of it like a cell phone plan: you pay a flat monthly fee for a certain amount of data, and overage is charged by the GB. Applied to SaaS: a buyer might commit to 500 API calls per month at a contracted price, and calls above 500 are billed at a per-call rate you define.

Technical requirements

Metered billing adds integration work. You'll need to:

- Integrate with the **AWS Marketplace Metering Service API** to report usage records (typically hourly or per-event)
- Track consumption accurately and report it reliably — AWS requires usage records to be submitted within 1 hour of the metered event
- Handle edge cases: what happens if your API call to the metering service fails? AWS provides guidance on retry logic, but you own the implementation

Important: Metering API failures can result in missed revenue or compliance issues with Marketplace terms. Before going live with metered billing, test your metering integration thoroughly in the AWS Marketplace staging environment. Do not launch metered billing on a live listing without a tested fallback.

Who it's right for

Metered billing makes sense when:

- Your product's value delivery is genuinely usage-based — API calls, data processed, active users, transactions, or similar
- Enterprise buyers want a committed baseline with burst capacity (common in infrastructure and data products)
- Your average contract value is high enough to justify the additional engineering work
- You already have usage tracking instrumented in your product

Side-by-Side Comparison

FACTOR	SAAS SUBSCRIPTION	SAAS CONTRACT	CONTRACT + METERED BILLING
Buyer commitment	Monthly or annual, can cancel	Fixed term, committed spend	Committed baseline + variable usage
Best for deal size	Under \$25K/year	\$25K– \$500K+/year	\$50K+/year with variable usage
Counts toward AWS committed spend	No	Yes	Yes
Custom pricing via Private Offer	No	Yes	Yes
Engineering effort to integrate	Low	Medium	High
Typical buyer profile	SMB / self-serve	Enterprise / procurement- driven	Enterprise with variable workloads
Revenue predictability	Medium (churn risk)	High (committed)	Medium-high (baseline committed, upside variable)

How to Choose the Right Model for Your SaaS

Here's a practical decision framework. Start at the top and stop when you hit a "yes."

Step 1: Are you primarily targeting enterprise buyers (\$50K+ deals)?

If yes, you need SaaS Contracts. Subscriptions won't allow Private Offers or count toward committed AWS spend — both of which are critical for enterprise procurement. Start with Contracts.

Step 2: Is your pricing genuinely usage-based?

If your product's value scales with usage (API calls, data volume, active users), and you have the engineering capacity to instrument metering, consider Contracts with Consumption. If your pricing is seat-based or tier-based, stick with standard Contracts — don't add metering complexity without a clear buyer need for it.

Step 3: Are you primarily targeting SMB or self-serve buyers?

If your buyers are smaller companies purchasing without a formal procurement process, SaaS Subscriptions are the right entry point. They're simpler to set up and easier for buyers to act on quickly.

Step 4: Can you support both?

Many mature Marketplace sellers list both a public subscription tier (for self-serve buyers and discoverability) and a private Contract offer (for enterprise deals). This is the most common pattern for SaaS companies with a mixed buyer base. You're not required to pick just one — but start with the model that matches your primary go-to-market motion and add the other later.

Common Mistakes Founders Make with Marketplace Pricing

Mistake 1: Listing only a subscription when most buyers are enterprise

If your sales motion is primarily enterprise, a public subscription listing signals "self-serve" to buyers who are looking for a contractual vehicle. You'll appear in search results but buyers won't see how to close a deal the way they're used to.

Mistake 2: Setting public prices that undermine your direct sales team

Your public Marketplace price becomes visible to everyone, including prospects who found you through direct channels. If your Marketplace list price is lower than what your sales team is quoting, you'll create pricing confusion and negotiation problems. Align with your sales team before going live.

Mistake 3: Not offering annual contract options

Monthly billing is intuitive for SaaS, but enterprise finance teams often prefer annual invoicing for budget simplicity. AWS Marketplace Contracts support annual payment schedules natively. If you're not offering annual contracts, you're making it harder for buyers to say yes.

Mistake 4: Treating the Marketplace listing as "set and forget"

Pricing models and dimensions can be updated after your listing is live. Many founders list with simple pricing to get started, then add more sophisticated contract options — including metered dimensions — as they learn how enterprise buyers want to purchase. Don't over-engineer your listing before you've had your first Marketplace deal.

A note on free trials: AWS Marketplace supports free trial periods for both subscriptions and contracts. Offering a 14- or 30-day free trial can meaningfully improve conversion, especially for self-serve buyers. Free trial usage is clearly marked in the buyer's AWS account, and you control what happens at trial end (buyer must actively subscribe or let it lapse). This is worth enabling if your product has a strong time-to-value story.

Pricing Model and Your AWS Committed Spend Story

One of the most powerful things about getting your pricing model right is what it unlocks in co-sell conversations. When an AWS account manager is talking to an enterprise customer who has \$2M in uncommitted AWS spend before their EDP renewal, and your product is available as a Marketplace Contract, your software becomes a direct solution to the buyer's budget utilization problem.

That's not a hypothetical. AWS field reps actively look for partner software to bring to accounts that need to hit committed spend targets. A subscription-only listing is invisible in that conversation. A Contract listing is a tool AWS can use to help their customer while also moving your deal forward.

The pricing model you choose isn't just a billing detail — it's a signal to AWS about how seriously you're set up to close enterprise deals through the channel.

Key Takeaways

- AWS Marketplace offers three primary SaaS pricing models: Subscriptions (recurring flat fees), Contracts (committed-term agreements), and Contracts with Consumption (baseline + metered usage).
- SaaS Contracts are the unlock for enterprise deals — they count toward AWS committed spend, support Private Offers with custom pricing, and move through enterprise procurement far faster than standard software purchases.
- Metered billing adds real engineering complexity and should only be adopted when your product is genuinely usage-based and your team can reliably instrument the AWS Metering API.
- Most mature Marketplace sellers run both a public subscription tier and enterprise Contract offers — start with the model that fits your primary GTM motion and add the other as you scale.

- Your pricing model choice directly affects your co-sell potential: Contract listings are tools AWS field reps can use in committed-spend conversations; subscriptions are not.

Ready to explore AWS Marketplace as a revenue channel?

Straightline helps early-stage SaaS companies get listed, manage their co-sell pipeline, and build a cloud GTM strategy that moves deals — including helping you pick and implement the right pricing model from day one.

Get started at usestraightline.com.