

Discover the Golden Ratio of Price-to-Performance in Cloud Computing



With the proliferation of cloud technologies, companies tend to overlook that even when they deploy the same workload with different providers' equivalent services, performance still can vary, impacting cost. Cloud computing's promise to be cost-effective only can be achieved by **effectively matching workloads with the right cloud service.**

<p>\$289.1 BILLION</p> <p>Worldwide public cloud services market in 2021.</p>	<p>3x</p> <p>Market size and growth of the cloud services industry compared to overall IT services through 2022.</p>	<p>14.4%</p> <p>Compound Annual Growth Rate (CAGR) of the worldwide public cloud services market between 2019 and 2022.</p>
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Compromising Cost Efficiency

Despite the cloud's benefits, visibility into total cost remains a top challenge. Price-performance focuses on what it costs to deliver specific units of work. Assessments enable IT leaders to align their workloads with the optimal cloud service type and select the vendor offering the highest return on investment.

<p>30%</p> <p>Global cloud decision-makers believe they waste close to one-third of their cloud spend.</p>	<p>23%</p> <p>Average amount organizations are over budget on their cloud spend.</p>	<p>17%</p> <p>Two-year drop in compute prices from the top five hyperscalers.</p>	<p>317%</p> <p>Increase in the range of VM sizes since 2015.</p>
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As compute and storage prices continue to drop, hyperscalers like AWS, Azure, and Google Cloud Platform are creating less-performant product tiers while charging a premium for better experiences.

4,500

Estimated number of price cuts in one year for storage services.

Price Gotchas



Free Credits

Sign up for a free trial? Remember: The bigger the trial, the bigger the bill you'll likely get. Manage free trials as if they were paid-for cloud resources and shut them down if you're not going to use them after the trial ends. Always read the fine print!

Lock-in

There are hundreds of proprietary tools that might make things easier and faster in the short term, but can have a long term impact on your flexibility and add to your cloud costs. Alternative cloud providers leverage third-party and free open source tooling, which lowers overall costs and makes moving to a multi-cloud environment easier, reducing the fear of being locked-in to one cloud provider.

Replace	With
<p>AWS Lambda</p>	or <p>APACHE OpenWhisk</p>
<p>AWS ElastiCache</p>	or <p>Memcached</p>
<p>Replace AWS ElasticSearch Service and CloudSearch</p>	<p>Elasticsearch</p>

Data Center Costs

Your customers are global, so why pay different costs to reach them? Real estate, utilities, and labor costs vary depending on regions, but your cloud provider shouldn't pass those costs on to you. Consider a cloud vendor that offers the same pricing across every data center.

Network Transit Costs

Some cloud providers throttle performance based on utilization and still charge you for the transfer you think you bought. Regulating network traffic robs you of what you're paying for. Plug the holes in the leaky bucket with 100% free incoming traffic and free bundled outbound transfer with warnings rather than surprise bills when you're getting close to going over.

Performance is Not Created Equal

Hyperscalers and alternative cloud providers use high-quality server components like AMD and Intel high-performance CPUs and NVIDIA GPUs. Beware of cheap cloud providers that use substandard hardware and don't have the peering relationships that result in high latency, poor customer experience, and downtime.

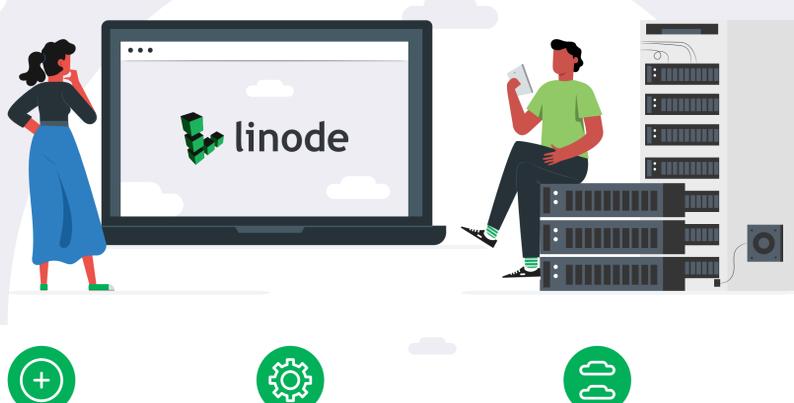
<p>32%</p> <p>One out of three heavy adopters of the public cloud state monitoring performance as a top challenge.</p>	<p>3x</p> <p>When comparing Linode Shared instances running the AMD Rome offers three times the price-to-performance per dollar.</p>	<p>2x+</p> <p>When comparing Linode NVIDIA GPUs to Tesla V100s from Google Compute Engine, AWS, and Azure, Linode offers more than two times better price-performance per dollar compared to the hyperscalers.</p>
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It's also important to understand workload requirements that will impact costs and operations. Consider additional costs associated with licensing software, data transfer, and persistent storage.

Predictable Pricing and the Alternative Cloud

Companies that want to get the most out of their cloud investments should opt for a fixed-price model that bundles CPU, RAM, storage, and transfer fees into one monthly cost. Since 2003, making cloud computing simpler and more affordable has been core to alternative cloud provider Linode's mission, optimizing server, hosting, and compute services to deliver the performance you demand at a price you love.

<p>Simple and Predictable Pricing</p> <p>Easy to understand pricing based on a flat fee, not usage. No hidden fees. Just pay as you go. Fearlessly scale up or down without penalties.</p>	<p>More Competitive</p> <p>Pricing that beats AWS, Azure, Google Cloud Platform, and others for comparable services without sacrificing reliability and security.</p>	<p>Same Price, Regardless of Data Center</p> <p>Universal pricing based across all data centers worldwide. Unlike other cloud computing providers, you won't be charged more for specific regions.</p>
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<p>Every Plan Includes Free Extras</p> <p>Monitoring, unfiltered API access, generous transfer, Kubernetes, integrations and plugins—all for free—with every Linode plan.</p>	<p>Best Price-to-Performance in the Market</p> <p>Hardware specifically crafted to give you the best deal for your plan. Routine hardware upgrades with no price plan changes, passing the value onto you.</p>	<p>Smarter Multicloud Deployments</p> <p>Combine other providers with market-leading price-to-performance for a smarter multicloud strategy. Save cost while maintaining quality and performance.</p>
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“ The message of simplicity from alternative cloud providers resonates with developers and SMBs who prioritize price, performance, and access to technical support. Though we describe this category of cloud providers as ‘alternative’ in relation to hyperscalers, in many cases, businesses may see them as a possible better fit on a per-workload basis. ”

Liam Eagle, Research Director and Head of Voice of the Enterprise (VotE) and Voice of the Service Provider practices, 451 Research

See how much you can save without sacrificing performance, reliability, or support with the Linode Cloud Estimator at www.linode.com/estimator

Migrating from on-premises or between cloud providers for hosting, cloud storage, or cloud computing? Try the Linode Total Cost of Ownership Calculator at www.linode.com/cloud-pricing-calculator

