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Comments on the Cloud Services Market Investigation

Wasabi Technologies appreciates the opportunity to respond to the CMA's investigation into the public cloud infrastructure competitive market in the UK, and to share our vision for the future of cloud adoption.

Wasabi was founded on the belief that the cloud should be an affordable utility accessible to everyone, and we are actively paving the way to make this a reality. As a company that serves some of the UK's most well-known brands and supports their industry-leading innovation through our London storage region, we are greatly interested in the CMA investigation into the public cloud infrastructure market in the UK. We have seen first-hand that data is the lifeblood for organizations striving to innovate and outpace their competition, and yet current models are making this unaffordable. Budgets are eaten up with fees, and bills often times reflect more spend on accessing their data than simply storing it. In fact, our research shows that 47% of cloud storage billing is allocated to fees (including API calls, operations, egress, retrieval, etc.)¹

We believe that unlimited and accessible data storage is the key to unlocking true business potential, so we made data storage simpler, more affordable, predictable, and secure. These principles have remained unchanged since our inception.

As we collectively work toward a truly competitive and customer-centric cloud storage environment, we emphasize three critical beliefs: the importance of transparency, the necessity for customers to maintain control over their data, and the predictability in cost and performance as the key to widespread cloud adoption.

1. Transparent Models are Essential for Fair Competition

At Wasabi, we believe that data should flow freely without complex pricing bundles or incurring additional costs. Egress fees in particular, which are charged when customers move their data out of a cloud provider's system, can create artificial barriers and unfairly penalize customers for their data mobility. This practice not only hampers competition but also stifles innovation by

¹ Wasabi 2024 Global Cloud Storage Index, February 2024.

<https://wasabi.com/company/newsroom/press-releases/90-of-enterprises-globally-plan-to-increase-public-cloud-storage-budgets-in-2024>

discouraging customers from using their data, and/or exploring alternative solutions, also referred to as “vendor lock-in.”

Further, customers shouldn’t need to complicate their infrastructure with complex data storage tiers that force them to categorize their data by an arbitrary level of importance. Every piece of data holds value that could change over time. With a simple and transparent storage model in which all data is easily accessible when and how the organization needs, innovation can flourish with real time data analysis and easier, more frequent collaboration. This approach ensures that companies do not have to make difficult choices about which data is more important, allowing them to leverage the full set for maximum benefit.

By allowing easy data export and transfer, Wasabi supports a more dynamic and competitive market where customers can make informed decisions based on performance, cost, and service quality rather than being constrained by a provider.

Our approach is to provide a predictable and transparent model where egress is free, empowering customers to manage and leverage their data without financial constraints. Customers are free to select the best-of-breed cloud infrastructure options that best suit their needs. This promotes greater competition, fosters innovation from emerging cloud solutions providers, encourages channel collaboration, and empowers customers to make data decisions without worrying about hidden fees or stifling complexity.

2. Customers Should Always Maintain Full Ownership over their Data

At Wasabi we strongly believe that the core principle of data ownership and control is vital for fostering trust and competition within the cloud storage sector. Data ownership is a fundamental right that underpins the relationship between cloud storage providers and their customers. This principle is not merely a policy but a core aspect of our commitment to customer service and market integrity.

Our approach ensures that customers have the unrestricted ability to access, manage, and utilize their data as they see fit. This means customers are not only able to retrieve their data promptly but also have the flexibility to organize, analyze, and use their data according to their operational needs. By providing tools and interfaces that facilitate seamless data management, we empower our customers to integrate their data into their workflows without unnecessary barriers.

It is crucial that data storage providers respect and uphold this fundamental principle. We advocate for policies and practices that ensure our customers have freedom to use their data, including the ability to easily access, manage, and transfer their information. Customers who have confidence in their control over their data are more likely to engage fully with cloud services and explore new opportunities. This, in turn, fosters a more vibrant and competitive market landscape.

3. Predictability is Key to Widespread Cloud Adoption

Wasabi believes that predictable pricing is crucial for encouraging wider adoption of cloud technologies and promoting a more competitive landscape. When customers are met with overly complex pricing structures, and the inability to accurately predict their monthly costs, it can deter them from fully adopting cloud technologies. Transparent pricing structures should be designed to eliminate surprises and allow customers to plan and budget more effectively. This is essential for enabling organizations of all sizes to confidently adopt and benefit from cloud solutions. To address this, Wasabi offers a straightforward, flat-rate pricing structure designed to provide clarity and predictability.

Conclusion

All vendors, whether hyperscaler or specialist, should be working toward the same goal - widespread cloud adoption. We urge the CMA to consider the above factors as part of its investigation and support measures that enhance transparency, ensure customers have control over their data, and promote fair practices and predictability. Addressing these factors is essential to fostering innovation and promoting the necessary competitive and fair market environment in the cloud storage sector in which all can benefit from the cloud. We are committed to contributing to a fair and competitive marketplace and are available for any further discussions or clarifications. Thank you for considering our perspective.