

The cloud you can't escape

User lock-in, value erosion, and the hyperscaler playbook

Introduction: From digital paradise to financial dependence

Ever get the feeling you're paying more but getting less?

Maybe it's your streaming provider: once, you had access to every movie in the world; now, you're paying for five different subscriptions, and waiting for a new episode to drop each week. Or maybe it's a ridesharing app, which used to be fast and fun, but is now slower and more expensive than a regular taxi. Or it's that food delivery service, packed with hidden fees and last-minute tips that double the price of a meal.

Back in 2017, Netflix told customers, "love is sharing a password." But apparently you can put a price on love, because in 2023, password sharing cost \$7.99. The company hooked users with amazing price and value and then, systematically, started chipping that value away. These things don't happen by accident. They're part of a predictable playbook that vendors use to lure you in, lock you down, and extract maximum profits while destroying the services you loved. Author Cory Doctorow calls this Enshittification: A strategy that starts out great for customers and ends up feeling like being stuck in an expensive, declining ecosystem.

It's a universal pattern with three parts:

- **Stage 1: The Hook.** To attract a massive user base, the product or service is incredibly good to its users. They offer you low prices, generous features, and a great experience to build market share and create a "sticky" ecosystem.
- **Stage 2: The Squeeze.** Once users are locked in, the platform begins to abuse them to benefit its business customers (like developers, advertisers, or creators). Features are put behind paywalls, and organic reach is throttled to encourage paid promotion.
- **Stage 3: The Harvest.** Finally, having locked in both users and businesses, the platform turns on everyone. Sometimes known as rent-taking, this stage exploits customers' inability to move by funneling all surplus to its shareholders until the platform becomes a frustrating, barely-usable shell of its former self.

Once you see it, you recognize it everywhere. And if you're in enterprise IT, it probably sounds familiar. That's because the largest cloud computing providers, known as hyperscalers, have been running this playbook for the last decade. It's not an accident—it's their business model. It's why CIOs cite cost overruns, slower support response times, and complex billing as growing concerns—and why migrating away from proprietary platforms can become an expensive, complex project.

An example: Financial engineering at the customer's expense

Here's a simple example of financial engineering masquerading as operational improvement. Starting in 2020, hyperscalers started quietly extending the lifespan of servers on paper. They told Wall Street this was possible because of operational excellence—but the reality was, critical workloads were being hosted on increasingly aged infrastructure.

- **Amazon Web Services (AWS)** systematically extended its server depreciation schedules from 3 years to 4 years (2020), then to 5 years (2022), and finally to 6 years (2024), boosting its operating income by \$2.3 billion in 2020 alone.
- **Microsoft Azure** followed the same playbook, extending its server depreciation schedule from 4 years to 6 years in 2023, adding \$3.7 billion to its fiscal year profits.
- **Google Cloud** also extended its schedules from 3 years to 6 years, saving \$3.4 billion in 2023.

AWS CFO Brian Olsavsky claimed that the company had, “refined our software to run more efficiently on the hardware” which “lowers stress on the hardware and extends the useful life.” But academic and industry data paint a starkly different picture: Hardware fails more often as it ages. Server failure rates climb from 5% in year one to 11% by year four and 18% by year seven. The cost of maintaining that hardware increases by 148% by year five and 300% by year seven—costs that get passed on to customers.

So what did AWS do when performance actually mattered to them? In 2025, the company reversed course for its AI hardware, shortening the depreciation schedule from 6 years back to 5. It was an admission that the accounting fiction was unsustainable for high-performance workloads, resulting in a \$700 million hit to operating income and a \$920 million charge for retired equipment.

This practice, known in accounting as “sweating the assets”, is just one example of the value degradation playbook in action. While you paid the same or higher prices, the underlying infrastructure was becoming older and less efficient by design. Hyperscalers can only do this because they've locked you into their ecosystem, making it prohibitively hard for you to take your business elsewhere. The cloud promise of portable, elastic workloads turned out to be a long-term dependency.

When lock-in becomes dependence

Once a platform has attracted enough users, its next priority is to make it incredibly difficult for them to leave. Hyperscalers have perfected this art through two primary mechanisms: high exit costs and deep technical integration.

The digital tollbooth: Egress fees

Data egress fees are, simply put, a penalty for moving your own data out of a cloud provider's network. They're a departure tax—one that's been declared illegal in some jurisdictions. While it costs next to nothing to upload data, downloading it or transferring it elsewhere comes with a hefty price tag. A comparison reveals just how non-competitive these fees are:

Provider	Cost per Gigabyte (GB)
Google Cloud	\$0.12
AWS	\$0.09
Azure	\$0.0087
Alternative Providers	\$0.01

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