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## Stochastic Game Formulation for Competition among Cloud Providers

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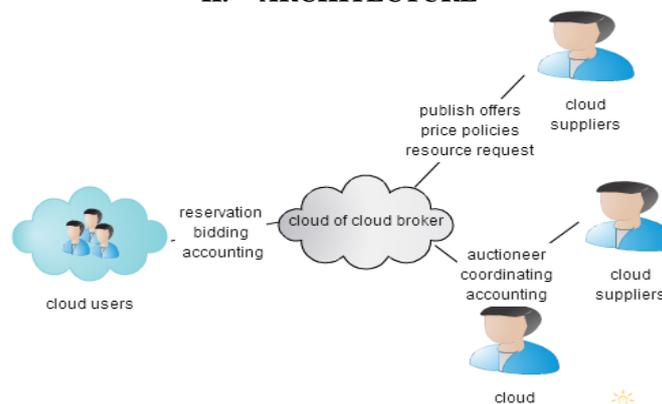
**Abstract**— a dire interest in cloud market among industries leads to the competition among cloud providers to attract the cloud consumers. This happens on both new and existing cloud customers. The cloud suppliers introduce a most desirable pricing scheme to hold the existing client and to magnetize neophytes to boost the final gross income. In this paper we are exploring a solution to avoid the problem in cloud market. According to service contract accepted by the clients a cloud provider can share the client's data with their partners to improve their gross income in parallel to decrease the process price and to reduce the race between cloud providers. The game is implemented as a markov decision process whose solution is markov perfect equilibrium.

**Keywords**— Cloud computing, Gross profit, Competition, Stochastic game, distinct optional method, Markov equilibrium.

### I. INTRODUCTION

Cloud computing has acquired a vital investment in the industry in the past few years. Numerous cloud suppliers taking part in the market is referred as multi-suppliers and multi-client to compete with each other. Suppliers and clients refers cloud doer. We provide a distinct optional method to represent in accordance with the profit utilized by the client. This method helps to predict the liability of a client selecting to be provided by specific providers. Hence the race between the providers is implemented as stochastic game this helps the providers to please the client's requests directly by the nearby provider or through an assured supplier. This solution aims that no providers particularly turn to earn more profit formulas and algorithm are accomplished to estimate the efficiency of the implemented game [1]. Needed take into consideration many elements like the choices associated with users, useful resource capabilities and also probable levels of competition coming from different providers. Some sort of provider naturally needs to create a better selling price to secure a greater profit; nevertheless, within doing this in addition, it bears the risk associated with frustrating requirement down the road [2]. However, in addition they hunt for the method for interact personally along with different companies to scale back the functioning charge and so strengthen their final gross income. In this paper, all of us review the two complications with the latest foreign industry: levels of competition and cohesiveness involving companies. Each time a service ties the market, it implicitly participates in the reasonably competitive activity proven through present companies. As a result, optimally enjoying this activity aids companies to not just make it through available in the market, but additionally increase their profits[3] To give companies a means to resolve this problem, we all formulate your competition being a non-cooperative stochastic activity. The sport can be modelled like a Markov Conclusion Practice whoever point out room can be limited and calculated through the submission of customers amid companies[4]At every step in the game, companies simultaneously offer completely new price procedures with regards to the existing procedures of different competitors in ways that their own earnings are maximized. Based on people price procedures, customers can make a decision which often provider they will select to be able to ask for means. And also this ascertains if this marketplace can move to the latest point out as well as not. The solution in the game is usually a Markov Excellent Equilibrium in ways that nothing of companies can easily improve their own earnings by means of unilaterally deviating on the stability eventually.

### II. ARCHITECTURE



### III. RELATED WORK

#### A. Active pricing levels of competition

Active costs within impair possesses gained significant focus from both equal market and also academic. Amazon EC2 launched a “spot pricing” characteristic because of its resource situations where the position cost will be dynamically adjusted in order to indicate the balance costs in which arises from resource desire and offer font types may be used if needed for special purposes.

#### B. Game theory

Activity theory has been broadly employed in fiscal scientific tests with regard to dynamic rates levels of competition. Inside dynamic processing, game theory has been used on research distinct concerns: scheduling and learning resource allowance, dynamic rates and earnings optimisation. Inside a game-theoretic learning resource allowance criteria offers recently been suggested to minimize the force intake though promising this control deadline and system necessity.

TABLE I MATHEMATICAL ASSUMPTION

NOTATIONS	DESCRIPTION
N	Number of cloud suppliers
M	Number of resource types
K	Number of cloud clients
k	Index of cloud clients
$\Omega$	State space of stochastic game
$\beta_i$	Separate state of the suppliers
$\gamma$	Deduction factor
$\lambda$	Benefit provided
i	Index of the provider
j	Index of the resource
$C_i$	Total operation cost

Inside a user-oriented work, percentage scheme have been produced as being a non-cooperative game to minimize your estimated price tag connected with users’ tasks. The perfect solution is often a Nash sense of balance which can be received utilizing distributed criteria. However, probably none of those is effective regarding user’s decision behaviour, although some of them believe which methods tend to be had through distinct managers.

#### C. Suppliers’ collaboration

Cooperation between providers with cloud research may be thoroughly examined having two research methods: cloud federation and also coalition al sourcing dependant on coalition al game concept. The concept of federating devices has been at first offered with regard to grid calculating. The writers applied cloud federation approach for more calculating methods to be able to implement significant size programs in the spread grid natural environment. The usage of federation approach inside cloud was recommended within the TANK venture. On the other hand, the aforementioned performs aimed simply upon aggregating as much methods as you possibly can to fulfil users’ request. They would not consider the fiscal difficulty which usually is among the built-in characteristics of cloud calculating, they offered a good fiscal model as well as a federated scheduler that enables a new service, running in the federated cloud, to raise the ultimate income by means of protecting funds along with operations costs.

Depending on coalition al activity idea researched the problem involving encouraging self-interested vendors to sign up the established side to side active cloud federation system along with the issue involving determining the amount of means for being used on this federation. The creators of these studies involving utilised this coalition al activity procedure for kind cloud federations as well as talk about this attained income between coalition customers rather. However, this specific do the job failed to take into account the procedure charge involving vendors which can be key factor in the monetary model. In this particular document, we take into account the realistic circumstance of the existing cloud marketplace where vendors may have various procedure costs. Cooperation between vendors may reduce the procedure charge and therefore increase the closing income.

#### D. Consumers’ Request

We suppose that , in total, k users disperse his or her source needs amongst N vendors. User k places any request for a pack of data instead of separate item which could be the regular circumstance in the cloud surroundings. For that reason, this source is associated with user k is actually represented with a vector (equation). For consumer k we additionally define  $b_k$  as his cost concern. The amount that the clients have to pay for utilizing the data’s provided by the supplier i is represented as (equation).

Table II Equations

S.NO	EQUATIONS
1	$C_i^{10}(\beta_i) = \sum_{j=1}^M C_{ij}^0 a_{ij}^{1+\log_2 \phi_i} / 1 + \log_2 \phi_i$
2	$C_i^{10}(\beta_i) = \sum_{j=1}^M C_{ij}^0 (\psi_{ij} \cdot a_{ij})^{1+\log_2 \phi_i} / 1 + \log_2 \phi_i$
3	$C_i(\beta_i) = \sum_{j=1}^M C_{ij}^0 a_{ij}^{1+\log_2 \phi_i} / 1 + \log_2 \phi_i + \sum_{j=1}^M C_{ij}^0 (\psi_{ij} \cdot a_{ij})^{1+\log_2 \phi_i} / 1 + \log_2 \phi_i$
4	$R_i(\beta_i, p_i) = \sum_{k=1}^K \beta_{ik} C_{ki} - \sum_{j=1}^M C_{ij}^0 a_{ij}^{1+\log_2 \phi_i} / 1 + \log_2 \phi_i - \sum_{j=1}^M C_{ij}^0 (\psi_{ij} \cdot a_{ij})^{1+\log_2 \phi_i} / 1 + \log_2 \phi_i$
5	$P_{ki} = \text{Prob}(\eta_{ki} < \eta_{ki+1} \cup \eta_{ki} < \eta_{ki-1}, \forall i \neq i)$
6	$P(\omega   \omega, P_1, \dots, P_N) = q(\omega   \omega, P_1, \dots, P_N) / \sum_{\theta \in \Omega} q(\theta   \omega, P_1, \dots, P_N)$

The above mentioned equations are used to calculate the operational cost of the resource utilized by the user. The operational cost is calculated based on the ideal instances available and it is represented by vectors and when there is a maximum number of ideal instances offered by the provider. The total operational cost of these instances can be calculated by equation [1]. The first ideal instances are considered as the operational cost of the provider *i*. The gross income is calculated by the price policy and individual state of the provider [3]. The combination of gross income and the operational cost gives the final revenue of the provider *i* [4]. Thus the above table helps in implementing the game model. This helps in getting the gross income and final revenue of the providers.

### E. User benefit role and Choice chances

In this cloud marketplace, suppliers might have various reference capacities and also operations supervision procedures. This kind of causes various operations prices between suppliers. The learning contour style presumes in which while the quantity of production products are generally doubled, the actual limited expense involving production lessens by way of preset component. A single less this particular component is usually known as understanding component. The actual service which has a increased understanding component has got to pay out a higher operations expense when compared with in which of the service which has a reduced understanding component when working a similar. The total operation cost for present instances is [2].

### F. Gross income of the suppliers

Given the deduction policy  $p_i = (p_{i1}, p_{i2}, \dots, p_{iM})$  and the unique state  $\beta_i$  of supplier *i* the total profit of supplier *i* is represented as [4]. In the current cloud market place, people can potentially review resource prices of most companies as well as analyse your purchased power prior to figuring out to be supported by the a number of service. Understanding your user's choice actions might help companies for you to fortify their own cut-throat advantage. Discrete choice models have been popular to describe your user's choice actions as well as obtain the choice chance from your principle connected with utility-maximization. In this report, many of us employ your multi-nominal logit (MNL) design depending on their extensive usage. Regarding much more talk on the MNL design utilised in marketing and advertising research literary works.

### G. Algorithm

Input: The game is currently at the end of period *t* - 1. State of market is  $\omega$ , the unique state of provider *i* is  $\beta_i$  and state of all other than *i* is  $\beta_{-i}$ .  $\beta_{-i}$  is observable to provider *i*.

Output: New price policies

1. To increase the price the user will send the resource request to the providers in the next period *t*.
2. Depending on the providers, price policies, users then decide which provider they will be served by. The market moves to state  $\omega$  at period *t*.
3. Provider *i* will receive a total revenue of  $R_i^t$
4. Price policy  $P_i = (P_{i1}, P_{i2}, \dots, P_{iM})$
5.  $R_i^{\text{gross}}(\beta_i, P_i) = R_i^{\text{gross}}(f(\omega, i), P_i)$
6. Combine the gross revenue with total operation cost, we obtain the final revenue of provider *i*.
7. For  $i = R_i^t$  do

Repeat the process

$$R_i(\beta_i, p_i) = \sum_{k=1}^K \beta_{ik} C_{ki} - \sum_{j=1}^M C_{ij}^0 a_{ij}^{1+\log_2 \phi_i} / 1 + \log_2 \phi_i - \sum_{j=1}^M C_{ij}^0 (\psi_{ij} \cdot a_{ij})^{1+\log_2 \phi_i} / 1 + \log_2 \phi_i$$

End.

## IV. CONCLUSION

With the current economic very competing fog up market place, many suppliers are generally struggling with a couple of major troubles: finding the ideal prices intended for methods in order to appeal to a common swimming pool of probable end users even though maximizing their particular income from the presence of some other opponents, along with deciding regardless of whether in order to interact personally with their particular opponents to gain increased

income immediately after acquiring their own users' reference requests. We show a game theoretic way to tackle the actual previous concern. We all included the actual discrete decision type, which in turn details the actual user's decision behavior in line with the user's power, to permit suppliers in order to gain the actual probability to be picked by way of individual. By modeling the actual stochastic game as a possible MDP, the actual statistical effects demonstrate the actual lifestyle associated with an MPE that suppliers are not able to unilaterally deviate to improve their particular profits. The criteria, which in turn computes the actual harmony prices, is usually proven to converge rapidly by the version of this template.

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