

# The Global Web Hosting Market



The first host-to-host connection was made in 1969. In 1995, GeoCities became the first hosting provider on what was then called The World Wide Web. Today, businesses and individuals can choose from more than 330 thousand hosting services that offer a dizzying array of features. It's an industry suited for the times. Global ecommerce spending keeps rising and is expected to top 8 billion dollars by 2026. And the online component of every business needs a server on which to reside.

The change in consumer habits also includes an expectation for more than a transactional process. Despite the innovative nature of technology, people retain the old-fashioned need for personalized service and engagement. This requires technology solutions that deliver speed, the ability to handle concurrent requests, and the backing of a tech support and service team that pays equal attention to problem-solving, customer satisfaction, and retention.



## ***Did you know***

- About **175** new websites are created every minute
- The global industry will reach **\$170** in the next few years
- More than **350 million** domain names are registered worldwide

The industry's growth comes amid a sharp decline in the number of data centers that operate. Some of this is driven by the rise in cloud computing. Some is a reluctance among companies to build their own facilities, choosing to prioritize technology spending toward other areas. With a multi-cloud environment, companies do not rely on a single provider. When the average cost of downtime is more than \$300,000 per hour, that's not a bad strategy.



## *Where the industry is headed*

A crowded marketplace can be good or bad. Consumers tend to benefit when an industry has more competition, as that affects pricing, and companies battle each other over which can offer the most compelling features. It can be bad because there are so many choices that decision-making paralysis can occur. As problems go, that beats having too few providers serving a market. Other than pricing and feature sets, trends include:

- **Niche market targeting:** there is no one-size-fits-all provider or solution. Even companies that cater to a range of businesses typically have one or two areas where they are particularly strong. Understanding who your customer is also means you're not competing with every single provider, just the ones courting the same type of customer.
- **Green hosting:** a server farm is energy-intensive in terms of powering equipment and keeping it from overheating. Various methods of carbon offsetting are being deployed along with the use of renewable sources to the extent that those are reliable and efficient.
- **DIY site-building tools:** with apologies to web designers and hosting providers themselves, drag-and-drop site creation does not require in-depth programming knowledge, nor does the host have complete coding control. Many hosting providers offer site-building tools as an add-on service.
- **Managed hosting:** this is very much like outsourcing – the hosting company handles the site and all things technological while the owner concentrates on day-to-day business affairs. This is also beneficial in staying abreast of technological change and compliance rules, which the hosting provider handles, at a price. This option is not for bootstrap operations.

Hosting providers have typically offered their customers various value-added services, from email marketing to SSL certificates. This will continue as part of the price wars, which are probably more accurately characterized as value wars.



## *The challenges ahead*

Customer expectations tend to congregate around a few issues: speed, uptime, and reliability. Conquer those and any hosting provider is in good standing. Fail and the opposite is true. An uptime of 99.9% is the industry standard, even within the unstable Internet ecosystem. If you're doing the calculations in your head, 99.9% equals about ten minutes of downtime per week, and that's usually for planned maintenance that is done during times when site visitor loads are at their lowest.

People primarily notice speed when it's absent, and slow-loading sites are enough to turn off visitors after a single attempt to connect. The workaround is redundant servers around the globe, wise investment in quality hardware, and an IT team that keeps operations humming smoothly. Occasionally, things happen; it's inevitable in any industry. But servers going down is not something that can happen often. Beyond these points, industry challenges include:

- **Providing scalability:** this is mostly a matter of managing existing resources and replacing outdated infrastructure before doing so becomes necessary. A reliable host will have multiple backbone providers and enough bandwidth to avoid chokepoints that cause sites to load slowly or lock up.
- **Lock-down security:** this is true across all technology-driven enterprises, given ongoing cyberattacks that compromise data or result in ransomware demands. The loss of sensitive data is akin to losing money, more so for the customer whose site is impacted, while the provider suffers from bad publicity, a tarnished reputation, and potential finds.
- **Inflexible service plans:** most packages specify the amount of disk space a customer gets, along with databases and email accounts that can be supported, but needs are subject to change over time. What worked when the client first signed up may not work a few months or years later, and providers must have seamless upgrade paths to accommodate customer growth.

Providers should strive to be transparent in what plans offer and what they do not entail so that customers understand what their money is purchasing. Timely notices about maintenance that will create a bit of downtime are imperative, as are clearly-outlined feature sets of different service plans.



## *How we fit*

We have supported hosting companies and other tech-based firms since going into business in 2002, helping clients to resolve some of the challenges listed in this document. One client's platform supports 10 million websites and applications, and the company has used our expertise in SaaS to improve customer satisfaction and user retention. Other examples include:

- A provider who hired us in 2002 with a 20-agent team. Today, that relationship includes several hundred personnel who provide tech support, network engineering, and software development services. This client's umbrella covers some of the industry's leading names, whose combined reach touches millions of end-users and tens of thousands of websites.
- We delivered a 1,700% increase in per-contact sales for a second client. That's not a typo. Tech support agents were asked to add a sales role to their day, and from a modest start of 76 cents per customer contact, the bar rose to more than \$14 per interaction. The service team paid for itself and became a revenue-generating arm for the client.

GlowTouch is privately held and is certified as an NMSDC Minority Business Enterprise (MBE) and a WBENC Women's Business Enterprise (WBE). Founded in 2002, we provide personalized, omnichannel contact center, business processing, and technology outsourcing solutions to clients worldwide. Our thousands of employees deliver operational excellence every day with high-touch engagement. Their work has earned recognition from independent bodies such as the Everest Group, International Association of Outsourcing Professionals, and the Stevie Awards. GlowTouch is headquartered in Louisville, KY, with a global footprint that includes onshore contact centers in Louisville, Miami, and San Antonio. There is also a nearshore presence in Santo Domingo, Dominican Republic; offshore locations in Mangalore, Bangalore, and Mysore, India; and Manila, Philippines. To learn more about GlowTouch, visit [www.GlowTouch.com](http://www.GlowTouch.com), or email Tammy Weinstein at [Tammy.Weinstein@GlowTouch.com](mailto:Tammy.Weinstein@GlowTouch.com).