

Parallels® Virtuozzo Containers

Customer Success Story

HostGator speeds a profitable VPS offering to market with Parallels Virtuozzo Containers, launching a fully integrated solution in 45 days acquiring 5000+ customers in first 6 months.

About HostGator Inc.

Established in 2002, HostGator is a world leading provider of shared web hosting, reseller hosting, dedicated servers and virtual private servers based in Houston, TX. A privately held company, HostGator has grown from a small hosting company with three servers into a world leading and industry recognized service provider with more than seven thousand servers under management. As of the writing of this case study, HostGator ranks in the top 5 largest web hosting companies in the United States with over 4.5 million domain names, which accounts for approximately 2% of the world's Internet traffic.

With over 225,000 customers and increasing daily, HostGator provides web hosting services to freelancers, small and medium sized businesses, and Fortune 500 companies in more than 140 countries around the world. In 2008, HostGator was recognized by Inc. Magazine as one of the fastest growing private companies in America. According to Inc. Magazine, HostGator is the 21st fastest growing private company in America, the second fastest growing private company in the "business services" sector and the fastest growing private company in Texas.

Business Challenge

In 2009, hundreds of thousands of web sites were already running on the HostGator environment. As customers began to increase in sophistication so did their requests for more capabilities from HostGator. Responding to these customer demands the business and technical teams investigated the addition of virtual private servers to the service mix. The team wanted to offer a new service that was a bridge between shared hosting and dedicated servers. The team also knew that a successful VPS offering needed to provide the same ease of use and hands free management that was found in the HostGator shared hosting plans.

Early in 2009 the HostGator team considered building their own VPS solution but the time demands of the business didn't allow them to take on the project. The team then turned their attention towards commercial and open source solutions. As the HostGator team evaluated different solutions the list of must have capabilities included:

- Ability to integrate with back end billing systems
- Automation of service provisioning and service changes
- Maximization of server hardware balanced with superior VPS performance
- Centralized management of "gold images"
- Simplified day to day administration
- Web interface for customers to manage their VPS

In addition to the technical requirements, HostGator was concerned about customer churn. Without a VPS offering in the market the team worried that they would begin to lose customers to competitors. The need for a quickly deployed solution was evident and the business opportunity was prime.



HostGator Quick Facts:

- Established in 2002
- More than 9,000 physical servers under management
- Hosting over a million domains
- 225,000+ customers in over 140 countries
- Inc. Magazine fastest growing company 2008
- 450+ employees

Parallels Virtuozzo Containers

Parallels Virtuozzo Containers is an operating system virtualization solution that maximizes the investment of existing server hardware. Parallels technology provides 2X – 3X more virtual servers than hypervisor solutions providing greater utilization from server infrastructure.

Selecting Parallels Virtuozzo Containers

HostGator selected Parallels Virtuozzo Containers to power their virtual private server offerings. Within 45 days of selection, the HostGator team had completely integrated and automated the delivery of VPS services with their existing back end system going live in November 2009. Within the first six months of availability of their VPS offering, HostGator reports that they have acquired over 5,000 VPS subscriptions. They also have reported a monthly growth rate of greater than 30% demonstrating the success of their ongoing program.

The choice of OS containers for HostGator enabled the team to accomplish the mission of providing an easy to use environment for shared hosting customers. The templating capabilities and centralized management found in Parallels Virtuozzo Containers enables a small number of system administrators to manage a large number of servers and VPS instances. Templates enable HostGator to manage entire farms of VPS instances as easily as managing a single server, limiting administration sprawl and reducing personnel costs.

HostGator's expertise and one of the keys to their success is great attention to architecture, fail over and system stability. The design of the VPS solution was required to uphold these principles. The team utilized the Parallels Virtuozzo Containers API and the command line interface to build this scalable, world class VPS offering.

Reducing customer support requirements was also a key element of ensuring a profitable offering. The Parallels Virtuozzo Containers solution provided the web based interface that put the right level of control into the hands of the customer. HostGator customers are able to use the web to directly interact with their VPS. They can start, stop, reboot, manage individual services within the VPS, backup and restore, completely re-install and review actions logs.

Resulting Benefits for HostGators Customers

HostGator's customers can completely customize their VPS to match their hosting needs. Customers may upgrade their VPS anytime as their site grows. This enables customers to start small and scale up very quickly. The VPS service gives HostGator customers who have custom needs a new option similar to a dedicated server without the price. The environment is designed to be capable of running applications that require complete application stacks like Ruby on Rails, and other custom software. Customers choose the HostGator solution due to many of the benefits derived from the underlying Parallels Virtuozzo Containers solution. These customer benefits include:

- **Rapid provisioning** – VPS environments are available to the customer within a few minutes of ordering. Parallels Virtuozzo Containers are nearly “instant on” when provisioned; there is no Operating System boot up time.
- **On-Demand Upgrades** – VPS resources can be changed on the fly. Parallels Virtuozzo Containers don't require a re-boot to grow.
- **Web based VPS control** – Customers can directly interact with their VPS instances via a web based control panel. Parallels Virtuozzo Containers includes this VPS management system called the Parallels Power Panel.
- **Fully Managed Support** – HostGator eliminates the burden of managing the operating system, applications, patches and security fixes for their customers. Parallels Virtuozzo
- **Root Access** – Customers have root access to their VPS instances which allows customization and the installation of applications. Parallels Virtuozzo Containers enables root access for each individual VPS while maintaining centralized administration.

HostGator provides a semi-managed offering as well as a fully managed offering for their VPS services. Semi-managed offerings start at \$19.95 per month while fully managed offerings start at \$39.95 per month. With the fully managed offering, HostGator will handle just about any issue or configuration request to help ensure the successful utilization of the VPS.

“The ability to scale our VPS offering with minimal touch was critical in our decision on a technology platform”

— David Collins, CTO HostGator.

Contact Parallels

For more information about Parallels and services, call Parallels Hosting Sales at **+1 (425) 282 6400**.

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