

The Good, Bad and Ugly of Webhosting



In this article, we'll explore many of the issues that result in customer churn in the web hosting industry, focusing on those services related to VPS and dedicated servers, so you won't see any discussion of unlimited bandwidth and space,

or kiddie hosts.

What you will read about are issues related to billing, unprofessional live chat, oversold services, unacceptable response on support tickets, poor communications and sub-par provisioning. Each of these, singularly, are critical enough to either lose prospective clients or send existing clients who had been with that provider for years – running for the hills and migrating elsewhere.

First up – billing issues and suspensions

TOS

Nothing irritates people more than feeling cheated when it comes to paying for any type of product or service, regardless of whether they should have known better. In web hosting, providers typically spell out their billing policies in their Terms of Service (TOS). Some providers have Terms of Service that look like they were written by a team of lawyers, while others barely cover the basics, and some not even that.

First, very few prospects scroll to the footer on a prospective web hosting provider's website and click on their TOS, and even fewer read the entire agreement – big

mistake. That TOS comes back to bite many clients on the backside when issues arise, especially when it involves billing.

One issue of contention is usually the variance in the provider's marketing material as compared to the wording in their TOS. For example, some marketing materials will include phrases giving the impression that they offer an unconditional money back guarantee (for a specific time frame), but hang on. That "unconditional" guarantee has exclusions in their TOS.



DMCA

One of those could cover suspensions due to DMCA complaints, which would supersede the guarantee. And while it seems fairly straight forward that copyright infringement should not be allowed on a provider's server, generally the client is given the opportunity to either contest the infringement or remove it. We just read of a case on a web hosting forum whereby the client was not given the opportunity to respond and instead their account was taken offline. This bears the question, "What if the DMCA complaint was not justified?" What recourse does the client have when the provider's legal department stops responding, and the account is locked?

Subscriptions

Another issue of consternation relates to PayPal subscriptions. Quite a few web hosting providers use WHMCS as their billing system and offer PayPal as their payment

gateway, however issues sometimes arise when clients cancel their servers according to the provider's guidelines in the TOS, but forget to cancel their subscription in PayPal, resulting in double payments.

There is no invoice to match to the payment as the service was cancelled by the client (by properly notifying the provider) and then by the provider in WHMCS, however additional payments were processed by PayPal (according to the client's subscription) and deposited into the provider's bank account. At issue is who is responsible for cancelling the PayPal subscription, and what happens if this goes on for a couple of years? Obviously, the client feels cheated, but both the provider and the client share responsibility for improperly managing and auditing their financial records. The end result is usually customer churn regardless of how this issue is handled by the provider or by the wording in their TOS.

Live Chat Issues

Sales or Service based?



A good number of web hosting providers offer Live Chat services for prospects and clients alike and quite a few are advertised as 24/7, meaning that staff from the provider's side is available around the clock to answer queries.

At issue in the industry is whether that live chat staff should be able to address support tickets as well as sales queries. We'll go on the fence here and say that the

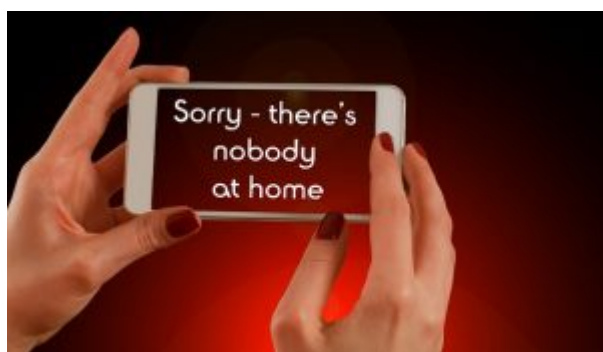
majority of live chat operators are employed to only address sale questions and have no access to support tickets.

Why? The overwhelming percentage of live chat conversions revolve around sales queries and service technicians are not adept nor trained to handle those and vice versa with sales representatives. We see declarations from time to time by prospects on web hosting forums saying they won't do business with a host that doesn't offer live chat 24/7 if they don't address support issues, and that's unfortunate because the majority of hosting providers offer excellent support via their ticket system.

Trolls and unprofessional conduct

Unfortunately, we read a good number of threads on various web hosting forums where upset members rant and rave about how their provider treated them on live chat, only to find out later when both sides have aired their version of events, that the original poster (OP) was either a troll or completely unprofessional in their live chat interaction.

Of course, the same applies in reverse as we've seen plenty of screen captures of provider's making absurd statements, and then attempting to rationalize their actions. Our stance is that you should always be professional, regardless of the issue. We know that can be difficult at times when things are falling apart at the seams, but being aversive solves nothing.



Really? 24/7?

How many times have you initiated a live chat session, to

only wait and wait and wait for an operator on the other end to respond, and that never happens? Or when live chat is advertised as 24/7 and the status on the provider's page says, "Not available."

When live chat sessions are missed, more likely than not, sales are missed and that directly affects the provider's bottom line. It also says to the prospect, maybe this isn't the host I should be entrusting my mission critical data to, and they consequently move on to one of thousands of other provider's websites and sign on with them.

Think of the lifetime asset of one missed account. If your profit margin, for example is \$24/month on a specific hosting service and your expected birth to cradle loyalty averages 34 months, then you've lost \$816 in profits – just because you didn't respond to a live chat request, for whatever reason. Multiply that times how often it occurs each month. These are numbers that can make or break a company.

Oversold services

There is nothing inherently wrong with oversold services unless they start to detrimentally affect a provider's services as overselling has successfully been implemented in the hosting industry for a couple of decades, but VPS services (in particular – OpenVZ) are sometimes oversold by "budget" providers, trying to cram as many accounts as they can onto a **cheap dedicated server** – resulting in poor performance.

At issue is accountability as most VPS providers never disclose the full specifications of their servers, nor do they reveal how many accounts are provisioned on each. If, as a consumer, if you're contracting for 1vCore and 2GB of RAM, do you know how many cores and how much RAM is really available on the server where your site resides? Probably

not!

If your websites are running slow, are you running to GTmetrix or other online tools to determine the issue? Maybe it's not how many plugins you have enabled on your WordPress site (although that could be an issue) and maybe it's not the code in the theme slowing things down. Maybe it's the server where your site is hosted. Do you really know how optimized your provider's VPS or **dedicated server hosting** solution is, and if you asked live chat, would the sales representative be able to relay that to you? Probably not.

Let's not throw every VPS provider under the bus though, as there are outstanding providers in this industry, and we see evidence of that in the glowing reviews we read of day in and day out on the forums. Our recommendation is to look for a balance of competitive price and outstanding performance. When you start cutting corners, specifically in price, something has to give, and that's normally the quality of the server or the infrastructure backing it up (including customer support).

Support ticket response

Phone support



It's rare that any single web hosting client will NEVER experience some kind of issue that requires the provider's

assistance. Typically, clients can either enter a support ticket by logging into their client area, emailing support@theirprovidersdomain.com or via phone when available.

An alarming trend, as seen by many in the industry, is the phone only option offered by a number of EIG brands. As a client, would you be willing to sit on hold for extended periods of time while a support representative investigates whatever issue you're experiencing? Probably not, given that you've almost assuredly waited 10, 20, 30 minutes or longer just to talk to a support representative in the first place!

Poor response times

Issues will arise even if you have the **best dedicated server** that money can buy. That's simply Murphy's Law. When that happens, clients expect their providers to respond to support tickets in a reasonable period of time, even if resolving the issue takes somewhat longer than expected. It's always best to answer tickets as quickly as possible and then keep clients informed throughout the process of investigation, especially if the resolution becomes prolonged.

What happens all too frequently in this industry are tickets that sit in limbo for hours at a time before any support representative opens them. This can happen for any number of reasons, the first being that the provider is understaffed and unable to handle the volume of incoming support tickets in a timely manner.

When a level one technician hangs on to a ticket that should be escalated to level two or level three support, that backs up the support queue as well.

Poor resolution times



While some providers answer tickets in a matter of minutes, that doesn't tell the whole story. If my server is down, what I want from my provider is for my server to be back online as soon as possible. What good does a two-minute response time do if a provider takes hours, days or weeks to get my server back online? Again, even if you've contracted for the **best dedicated server** on the market, if your provider is unable to mitigate a sustained DDoS attack, what good does that do you?

How to differentiate support between providers?

Outstanding providers not only respond to tickets quickly, but they're also properly staffed and trained to be able to resolve most issues expeditiously. What sets them apart is attitude, their willingness to help, plus go the extra one percent to ensure their clients are not only happy, but become raving fans.

Outages

Outages can occur for any number of reasons in the web hosting industry, more often than not though they're related to infrastructure failures or DDoS attacks. We see reports on hosting forums all the time of outages by various providers where there's a breakdown in communication and no

one knows what's going on.

If you've purchased a **cheap dedicated server**, the odds are that something went by the wayside for the provider to offer that service so lowly priced, and that is normally either infrastructure or customer support. It really doesn't matter though what service you have or how long you've been a customer, when an outage occurs and your server is down, the last thing you want is for your provider to be unresponsive. When that happens, clients often flock to the forums to validate if it's just their server, or if other members are experiencing the same issues.

People start looking up email addresses and phone numbers on WHOIS records, then search for posts on their provider's Facebook or Twitter accounts for status updates. And while many providers have network status pages on their websites, often those sites are down as well, leaving their clients in the dark.



Outages are to be expected. That's just the way the web hosting industry is, but how those outages are handled by a provider is what sets a sub-par host apart from an

outstanding host. Providers that understand communication is key to their success find ways to keep their clients continuously informed, either via forum posts, Facebook or Twitter updates.

Provisioning

While many providers offer nearly instantaneous provisioning of various hosting services on pre-packaged plans, some installations invariably take longer than others. For example, a server order that includes a custom configuration or extra IP addresses could take longer to provision. An

issue arises when the client is not kept abreast of the install process, especially when the installation becomes prolonged. No one likes to be kept in the dark.

What's worse is when a server is provisioned NOT as ordered and the provider remains silent about it. Occasionally this happens by mistake and is quickly corrected by their provider, but as we've seen on various web hosting forums, it's sometimes the client that had to prove this to their provider to get them to take action.

Given that it's so much easier to upsell an existing client than it is to procure a new client, it behooves providers to ensure provisioning of new orders goes smoothly, not so much on their end, but to the satisfaction of their client. Perception is key. If the client perceives you're competent and is working hard to provision their server as quickly as possible, they'll often wait longer than they anticipated.



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