

# Revolution!

March 2006

## The Web hosting Report



Sponsored by





# It's easy to forget about hosting

One thing's for sure, last year saw a marked change in the way in which web hosting is perceived. That is set to continue, particularly in the marketing sector, during 2006.

Hosting has always been seen as a bit of a commodity. It has often been thought of or purchased at the last stage of a project. More often than not, it's an afterthought, with people scrambling around to find or purchase server capacity to house an initiative that's due to go live imminently.

However, with rapid change in the marketing sector and evolving techniques at the disposal of marketers, hosting has evolved to become a key enabler in, if not a critical piece of, the marketing jigsaw.

With the rising success of activities like search, viral and email marketing and microsites, coupled with the fact that traditional campaigns are driving people to interact more with

businesses online, the need to ensure that sites and online shops deliver an excellent user experience is crucial.

Ultimately, if you're not online when a prospect wants to interact with you, or they can't do what they expect, you've lost an opportunity and it could even damage your brand. Although most customers would never know it, it's the hosting infrastructure behind the web site they're visiting that often makes the difference between a good or bad experience.

It is vital for businesses – and the advertising, marketing and design agencies that serve them – to plan what hosting infrastructure is needed when embarking on campaigns or developing sites. There is an emerging trend for agencies to partner hosting providers, but they must assess them carefully and look at factors like quality of hardware, reliability of content delivery, availability, support, price and speed of implementation. This will ensure the host can meet the needs of both the business and its customers.

During 2006, marketing communications to prospects and customers will become more interactive. How marketers ensure they deliver the required brand experience is entirely dependant on whether web hosting is integrated early enough in the process of developing and delivering campaigns.

Neil Barton is managing director at Hostway



**Ultimately, if you're not online when a prospect wants to interact with you, or they can't do what they expect, you've lost an opportunity and it could even damage your brand**

**Neil Barton  
Hostway**

**Revolution**  
www.revolutionmagazine.com

**68 Advanced hosting**  
Hosting has evolved to meet greater demands from clients

**73 Guardian Unlimited**  
How one of the world's most popular news sites copes on a big story day

**HOSTWAY**  
THE HOSTING COMPANY

Revolution is published by Haymarket Business Publications Ltd, 174 Hammersmith Road, London W6 7JP, United Kingdom. Copyright 2006 by Haymarket Business Publications Ltd. ISSN: 1460-5953. The views expressed by contributors and correspondents are their own and responsibility for the contents rests solely with the editor. Tel: 020 8267 4730, Fax: 020 8267 4696





**With web savvy users expecting a richer online experience, hosting companies are having to offer more sophisticated services, discovers Mark Mayne**

Consumer appetite for the latest online media technologies, from RSS feeds and blogging to podcasting and video-over-IP, appears to be limitless. According to the British Market Research Bureau, seven per cent of the UK's 26 million home internet users (around 1.6 million) have created blogs, while four million have viewed them.

Online publishers and content providers are scrambling to meet users' rising demands for richer, more interactive experiences online. Web hosting is literally at the back of this. Without sophisticated storage and networking infrastructure, the revolution would not reach our screens.

So, how is the hosting market adapting to cope with these rapid changes? Jim Mullen, director of digital at Arc Worldwide,



**ISPs weren't mature five years ago. Clients used to simply buy 'space' on a server. They weren't aware of savings like shared servers and bandwidth**

**Jim Mullen**  
Arc Worldwide

says the market has undergone dramatic change. "ISPs weren't mature five years ago. Clients used to simply buy 'space' on a server. They weren't aware of savings like shared servers and had no clue what bandwidth was," he says. "Shared servers are accepted as de facto for smaller implementations and there is a far greater understanding of the technology."

### **Advanced services**

Dan Norris-Jones, co-founder of technology consulting firm Priocept, agrees. "A key point is the commoditisation of web hosting technologies," he says. "It is far easier now to put together a list and hand it to your chosen hosting/technology company. Five years ago it was much harder, although many of the basic technologies are similar."

But, with that list growing constantly, hosting providers are expected to provide more advanced services. Blogs and podcasts require sophisticated, technical flexibility on behalf of the web host. Nick Mailer, co-founder of Positive Internet, says that a few years ago, only a few media outlets and mega-sites required this level of interactivity. "Now, it is de rigueur and woe betide the hosting provider who is not up to the task of providing such new technologies as they become popular."

It's not just the technology that has changed. "The biggest difference is the sheer volume of content now," points out





**A key point is the commoditisation of web hosting technologies. It's far easier now to put together a list and hand it to a hosting company**

**Dan Norris-Jones**  
**Pricecept**

Philip Cheek, managing director of Globix UK, which provides web infrastructure services.

Five years ago, companies wanted a web presence, but that was often a basic shop window or corporate site. Today, many rely on the web as a core revenue stream, and even companies that don't sell online recognise its importance as a marketing channel for raising brand awareness.

**Traffic needs**

Historically, a company would decide to 'get on the internet', and the decision-makers would come up with a brief before getting the IT department to handle the development and hosting. This traditional, linear approach has changed, partly because the majority of companies already have a web presence. New projects tend to be site revamps or marketing-related projects such as the creation of short-term, media-rich microsites and viral campaigns, aimed at attracting large amounts of traffic over a limited period of time.

Mailer believes the web site has become the "primary conduit of the brand" for many companies. This has led to hosting moving higher up the chain of command within organisations, as well as a shift in terms of which department is responsible for managing it.

Bill Henry, chief executive officer at Star, says: "Five years ago, the techies were in charge. Now, marketing teams drive the hosting process. Non-IT job functions have become more IT-literate and the marketing strategy dictates what companies do with the technology, rather than the other way round. I think job roles in this area have become more blurred, and marketing people are increasingly involved in business decisions as more companies sell and do serious business over the web."

Others agree that marketing departments now hold the key. Dominic Monkhouse, managing director of web-hosting firm Rackspace, says: "It's never the IT department coming to us these days. It's always marketing. IT departments just don't move fast enough. For example, O<sub>2</sub> wanted to attract more traffic to its site, so it decided to build a handset-rating tool, along with a download area of old phone manuals (they can churn over 30 handset models a month). This was entirely conceived of, planned and executed by the marketing department."

One of the outcomes of this shift from IT to marketing is that hosting is increasingly being outsourced, particularly in the case of campaign microsites, which often have to be turned around quickly.

However, there are pros and cons to outsourcing hosting. While marketers know what they want to see, they don't necessarily know what technology they need to deliver it, points out

Norris-Jones. "Marketing departments need quick solutions, but they don't necessarily know the pitfalls and can end up getting it wrong. I think the process of choosing a technical solution should be more formalised, as in good IT practice."

There can be serious data-protection issues when outsourcing, particularly with microsites, warns Mullen. "You can fit multiple microsites on to a single server, but a brand undertaking this needs to be aware of the risks involved, and recognise how sensitive the data they gather is." If it proves to be very sensitive, Mullen recommends that clients use their internal servers if possible, increasing their ownership of the data.

Despite this, Monkhouse predicts that the trend towards outsourcing will continue. "Increasingly, hosting will become much like obtaining cars for your workforce; buying them outright is nonsense, so you'll lease them," he says. "Outsourcing will increase because buying hosting as a service makes sense. However, if you're looking for the bottom line, watch out for outsourcing too far abroad as you have to have the same quality of service."

One of the biggest benefits of outsourcing web hosting to a third-party is that you don't have the headache of managing bandwidth, which industry experts predict will become increasingly difficult as more interactive features are added to sites.

The biggest bottleneck occurs at the network, especially when companies are working with new, rich-media technologies, such as streamed video, audio or file downloads, says Mullen. He recalls a time when Madonna arranged to stream her concert from the Brixton Academy as an example of bad bandwidth management.

"Millions attempted to access the stream – certainly far more than the hosts accounted for – and the stream failed, leaving thousands disappointed," he says. "People need to think about this very carefully. If a campaign is more successful than expected, it can lead to increased costs and do huge damage to a brand if the technology fails. Many hosts have a set bandwidth and then charge per megabyte for usage above that – this cost can add up very quickly."

A more recent example is the Ricky Gervais podcast. The site attracted 451,000 downloads in its first two weeks, more than seven times the traffic anticipated. To put that in perspective, that's 6.2 terabytes or 6.5 million megabytes of downloads. "A podcast suddenly becomes very popular, and your little backwater of a web site becomes a raging torrent," says Mullen. "Some organisations react with strict bandwidth capping, ▶



**Now, interactivity is de rigueur and we betide the hosting provider who is not up to the task of providing new technologies as they become popular**

**Nick Mailer**  
**Positive Internet**

**BRITBLOG.COM**  
 THE BRITISH BLOGGERS DIRECTORY

SEARCH [input] 2007 11 14 11:44 AM Daily, 3 February 2008

HOME NEW BLOGS TOP BLOGS BLOG DIRECTORY MYPROFILE BLOG LINKS HELP

Home » SiteMap » Top of the Blogs

**Top of the British Blogs**

The British Blog Ranks are based on data gathered by the new blog ranking service **technorati**. This ranking service is currently experimental so the **results may not be quite what you expect!** However, we're working closely with **technorati** while they tune their methodology.

**Update:** The charts about to start incorporating blog traffic data into the results. In order for this to work, you must have the **technorati:trackimg** code on your blog. You will need to be signed in to get this code.

See the **rules below** for more.

Info	Blog title (hover for description)	Location/Category
1.	Poppy's Diary	City of London Arts & Entertainment
2.	things magazine	London Design & Photography

*Britblog.com: seven per cent of home users have created blogs*





"Five years ago, a company would just throw up a server. Now they need firewalls. Denial-of-service attacks are on the up and virus threats are more sophisticated

Bill Henry  
Star

throttling, and so on. But, these are reactions, not solutions. While they might save the hosting company some money in the short term, they destroy customer confidence in the medium term and the hosting company's brand in the long term."

Another example is a recent campaign from telecoms brand 118118. Paul Halfpenny, product manager at Hostway, says: "That was an astonishing campaign in terms of the sheer scale of its offering. The idea was that consumers would visit the site after seeing the TV campaign and download clips of past TV ads. Of course, after each TV airing, the web site bandwidth requirements went through the roof."

### Richer campaigns

Online advertising has also changed and even the humble banner has been extensively redesigned. "All our clients are looking for better advertising methods, such as rich-media ads and animated banners, incorporating streamed and RSS (Really Simple Syndication) feeds. However, this drive is also raising costs – rich media costs more to host and then there are affiliate content licensing costs as well," adds Mullen.

It's worth remembering the steep adoption curve of consumer broadband. Five years ago, only medium-sized businesses needed a 2MB line; today, many people have more bandwidth than that at home. As a result, consumers are far less tolerant. With dial-up, it was harder to spot if a web site problem was down to the visitor or the site owner, but now it's obvious.

"Clients now expect near-as-possible 100 per cent uptime and a very high-quality service. Their customers now expect an excellent experience every time and there is far less patience with technical problems," says Globix's Cheek.

The dark side of the web is also more sophisticated. Hacker threats, denial-of-service attacks and viral threats are more of an issue now, especially as brands invest more trust in their online offerings. "Five years ago, a company would just throw up a server," says Henry. "Now they need firewalls and other security

Brixton-academy.co.uk: much improved since Madonna stream

features. Denial-of-service attacks are on the up and virus threats are becoming more sophisticated."

Cheek agrees: "Companies that rely on web commerce, such as our gaming clients, have to deal with serious threats to their revenue. It's not a case of paying protection money on the high street. We have worked with Scotland Yard's hi-tech crime unit to catch Eastern European hackers. It's a very serious issue."

### New devices

So, where do the experts see the hosting market going in future? Mullen is excited about new mobile devices: "User-created content will be huge, taking advantage of new distribution methods such as podcasts and new devices, like the PSP. Imagine the kinds of campaigns that could be run on the latter – a full-colour, graphics-rich gaming device. Consumers will be downloading video content, with embedded rich-media ads. iPods and similar devices will also become increasingly significant. Overall, though, it will be about social trends, rather than technology per se."

Halfpenny believes "blogging is going to become increasingly relevant to marketers. It has become way bigger than expected, and research shows many people are beginning to use blogging sites for product information, as they are seen as a less commercialised proposition. They are still seen as a bit techie, but that will swiftly change."

On the technology front, Norris-Jones is looking to advanced server technology to bring down prices. "Virtual servers (where software allows one box to host many different platforms at once) will save time and money, and allow easy scaling at the touch of a button. The efficiency savings will be huge too."

Mailer reckons the future will be more consumer-focused: "People like interactivity and responsiveness. Five years ago this was just a theory, but now brands like Amazon have proven its worth (with items like reader reviews). More companies will offer this. In the past, companies tried to marginalise areas like these, but now people are looking to their community to build brand loyalty as never before."

One thing's for sure. As the internet becomes more pervasive, media-rich and encompasses multiple high-speed delivery platforms, web-hosting companies will have to work even harder to fulfil ever-sophisticated marketing briefs, aimed at increasingly savvy consumers. Technologies new and old will have to be deployed and used as effectively as possible, and demand on infrastructure can only increase. ■

## Web hosting: past and present

### 2000

Five years ago, a typical hosting project would be made up of a server with 256MB RAM, 40-80GB hard disk and a Linux kernel, run on a network with 10-20MB bandwidth.

The site would usually contain brochure-type information, a contact form, several email accounts and perhaps a microsite with limited data-collection tools.

There may also have been a product catalogue and a

shopping cart. Flash-based front-ends, such as basic animations and games, were also popular.

The cost, depending on the support level required, varied from £1,000-7,000 per year.

### 2005

Today, for roughly the same amount of money, you can get a specification about 10 times better. A box with 2GB RAM, one terabyte disk and multiple gigabyte connections to the network is standard.

The site is likely to contain internal and external blogs and wikis, and especially a support/technical help wiki.

The audio-visual capability is superior, possibly including 3D animations of products and streamed video/audio.

Overall, there are many more feedback channels for users. Whereas the concept of community-driven brand loyalty was just a theory five years ago, that's all changed.

Source: Positive Internet