

Hetzner receives Frost & Sullivan Market Leadership Award

Based on its recent analysis of the web hosting market, Frost & Sullivan has recognised Hetzner with the 2014 South African Frost & Sullivan Market Leadership Award for excellence in capturing the highest market share within its industry.



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Hetzner consolidated its market leadership position with a 19% share in the .co.za domain space on the strength of its mass-market hosting solutions. The company continues to build on this success by expanding its 183,000 .co.za active domains with associated hosting products, such as co-location hosting and root server hosting, to achieve its long-term growth target in the South African market.

To place Hetzner's success in context, its closest competitor only has approximately 52,000 .co.za active domains.

"While competitors diversified into consumer internet products, such as asymmetric digital subscriber line, Hetzner continued growing in the web-hosting market with associated hosting products, attracting higher investments," said Lehlohonolo Mokenela, Information and Communication Technologies Industry Analyst of Frost & Sullivan Africa. "This uncompromising business model led to market consolidation, which poised the company for long-term gains, with a 20% increase in 2014 and a projected year-on-year growth of 25% in 2015."

The business model that keeps the company focused on its core competency not only ensures internal operational efficiency, but also enables it to consistently deliver high-quality service at competitive rates.

Best price/performance ratio

Hetzner has achieved the best price/performance ratio for 5 gigabyte disk space, unlimited traffic, 5 mySQL databases, 1 ftp, 100 mailboxes, 10 sub domains, 10 multiple domains, pre-installed applications, customers pay R99. This may be R34 more expensive than the closest market rival's equivalent package, but the competitor's package can only host a single website whereas Hetzner's package allows for the hosting of multiple websites and up to 10 domains. With regards to functionality, Hetzner is rated best in class as its custom management console is user-friendly and less cluttered or complex.

Hetzner leverages its position as a market leader to negotiate fair prices with network providers and, thereby, launch products such as the new co-location full rack at R5700 per month, which is 40% cheaper than what competitors charge. The company further differentiates itself by establishing month-to-month contracts without a drawn-out sales process.

Significantly, acknowledging the importance of standardising its daily operations, Hetzner automated its processes to facilitate troubleshooting, either with its internal systems or the servers it hosts for customers. In a country in which electricity prices have increased by 80% in the last five years, the company responded to data centres' need for greater energy efficiency by employing an economical, free cooling method. This system simultaneously minimises customers' energy costs and carbon emissions.

Interactive website

Hetzner has an interactive website that contains innovative features, such as the co-location calculator, which allows customers to calculate the average power usage of servers that they would like to have hosted in the Hetzner energy-efficient Data Centre Park.

"Importantly, Hetzner excels at offering the best end-user experience through ease-of-transaction and uncomplicated service delivery. Its platform ensures excellent customer support through effective feedback mechanisms tailored to customer needs. Overall, Hetzner's ability to create and sustain brand loyalty through outstanding solutions and services has made it richly deserving of the 2014 South African Market Leadership Award," added Mokenela.

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Industry analysts compare market participants and measure performance through in-depth interviews, analysis and extensive secondary research to identify best practices in the industry.

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