

Parallels® Virtuozzo Containers and Parallels Cloud Server

Customer Success Story

Hosting provider ViUX Systems improves retention of high-value customers by creating a natural upgrade path powered by Parallels software

Partner Summary

Founded in 1997 as “Perfect Web Hosting,” ViUX Systems offers web hosting and related services to customers around the world. Today, ViUX provides shared hosting, virtual private servers (VPS hosting), dedicated servers, and cloud hosting, along with other related services including domains and SSL certificates.

Since 2006, ViUX has used Parallels products to support its web hosting infrastructure. These include Parallels Plesk Panel, Parallels Virtuozzo Containers, and Parallels Business Automation Standard.

Business Challenges

In 2008, ViUX began to notice the loss of some of its most valuable customers. In an attempt to identify the cause, the company began to conduct exit interviews.

“We found our customers who were planning growth and expansion could not see an upgrade path within our offerings,” says J.T. Smith, Managing Director at ViUX Systems. “They began to experience performance issues as they exceeded the capabilities of a VPS and often required multiple containers. Some customers wanted to upgrade to a dedicated server, but did not think we offered the level of service they needed, so never even contacted us to inquire. We needed to create a service that was the natural upgrade for the customers who used the most hardware power, making it easier to upgrade with us rather than turn to our competitors.”

Having enjoyed a good working relationship with Parallels for several years, J.T. reached out to the Parallels team.

“Our relationship with Parallels started in 2006, when we discovered Parallels Plesk Panel in our search for a Linux and Windows-compatible control panel,” says J.T.. “We soon saw how the whole Parallels suite could support our entire business, and developed a good relationship with the Parallels team. In a casual conversation about our issues with customer retention, Parallels told us about a low cost, one container license for Virtuozzo. Using this, we could offer the hardware resources of an entire dedicated server, with the flexibility and familiarity of a VPS, using the integrated suite of products we already had.”

The Solution

ViUX proceeded to launch its new Dynamic Dedicated Servers (DDS) offering by leveraging Parallels Virtuozzo Containers, technology that ViUX was already familiar with. As the company prepared to launch Dynamic Dedicated Servers, Parallels provided extensive support and assistance. This process included advice on migrating containers effectively from one server to another and using application templates to speed up the fulfillment process and maintain the scalability that customers demand from virtualized hosting.

“We wanted our customers to have the ability to start using their servers immediately, without waiting for our datacenter partners to provision hardware,” says J.T. “With the help of Parallels, we were able to provision Dynamic Dedicated Servers on a staging platform, and then migrate these containers to customized hardware when it became available. Launching new servers and making major hardware configuration changes are as simple as pushing a container from one server to another.”

Following the launch of Dynamic Dedicated Servers, ViUX was able to retain customers by offering a streamlined upgrade path. In addition, ViUX could provide a unique value proposition that delivered the benefits of a virtual machine with the power of a dedicated server.



Partner Profile

ViUX Systems is a privately held web hosting company based in North Carolina. The company offers a wide range of hosting services, including shared hosting, VPS hosting, and dedicated servers, and has launched a high-end platform in the cloud that offers unparalleled hardware power, high availability, and the flexibility of a virtual server.

Business Problem

When customers felt they were outgrowing ViUX, they took their business to companies who could provide more powerful dedicated servers. To retain these valuable customers, ViUX needed to create a natural upgrade path that offered a greater level of stability and performance.

Solution

ViUX used Parallels Virtuozzo Containers with a single container license to create a new form of dedicated server. Customers are given all the resources of a dedicated server, with their account still provisioned in a virtual container. As a result, customers can upgrade their hardware resources without downtime, and continue to work in the same way without the need to manage a dedicated server.

Following the success of Dynamic Dedicated Servers, ViUX launched a new Virtual Datacenter offering. The Virtual Datacenter is a customizable environment that uses Parallels Cloud Server-based Dynamic Dedicated Servers, managed by Parallels Plesk Automation, Parallels Virtual Automation, and Parallels Business Automation Standard.

“Using Parallels Virtuozzo Containers to launch Dynamic Dedicated Servers has stopped what could have been a catastrophic loss of our largest and most valuable customers,” says J.T. “We are not talking about large numbers of customers upgrading to DDS, but the fact is they are our highest revenue customers. Losing one of them is like losing 200 shared hosting customers, so they are very important to our bottom line. Since we launched DDS, we have only lost three customers at that level, and none as a result of our products or service.”

The launch of Dynamic Dedicated Servers offered a natural upgrade path for ViUX customers and brought churn of these high-value customers to nearly zero.

The Results

After the success of Dynamic Dedicated Servers, ViUX decided to launch a cloud-based solution that offered high availability at a lower cost than multiple servers, software, and networking devices. This new “Virtual Datacenter” targeted high-level customers and growing resellers, creating yet another upstream offering above and beyond DDS.

Prior to launching the new cloud-based solution, ViUX examined several alternative platforms including VMWare, Microsoft’s HyperV, and OnApp. While OnApp was seriously considered as a way to eliminate single-server hosting and improve uptime, the features of Parallels Cloud Server and its Cloud Storage function compelled ViUX to remain within the Parallels suite.

In the same way that ViUX worked to give customers a natural upgrade path, the cycle of product development at Parallels gave ViUX an upgrade path of its own. “We did not want to switch billing systems or deal with compatibility issues,” says J.T. “At the same time, our history with Parallels comes with comfort that they are in our corner and care about our success. When we heard of the coming features of Parallels Cloud Server, we held off making any moves with other potential partners.”

Helping ViUX to turn its vision of a Virtual Datacenter into a reality, Parallels offered extensive support and assistance.

“Short of flying in and setting up shop in our office, Parallels could not have done more to aid us with our Parallels Cloud Server deployment,” says J.T. “We received ongoing help including email, Skype, and WebEx sessions, and when we encountered issues with our storage, Parallels advised us on recommended replacement hardware, migrated the containers, and rebalanced the Cloud Storage Cluster on our behalf.”

When customers order the Virtual Datacenter offering, multiple Parallels platforms work together. Parallels Cloud Server runs the Dynamic Dedicated Servers, while hosting automation and management systems including Parallels Virtual Automation, Parallels Plesk Automation, and Parallels Business Automation Standard make it an easy solution to monitor, manage, and bill.

ViUX deployment of Parallels Cloud Server uses Dell PowerEdge Cloud servers, which deliver excellent performance and reliability. By giving valuable customers a complete upgrade path toward a powerful, customizable Virtual Datacenter, ViUX expects to improve retention and new sales even further.

“We expect our Virtual Datacenter offering to be very popular with existing and new customers,” says J.T. “It is great for resellers selling high level hosting in an automated way, or those with multiple business critical sites and applications to host. As with Dynamic Dedicated Servers, our new upgrade path gives customers more reason to stay with ViUX for the long-term. It has all been made possible using platforms and assistance from Parallels.”

Benefits

- Provides a unique service that attracts new customers
- Provides a natural upgrade path for growing businesses
- Enables easy monitoring and management for users and administrators alike
- Creates an integrated environment using the Parallels suite

Parallels Products Used

Parallels Virtuozzo Containers
Parallels Cloud Servers
Parallels Cloud Storage
Parallels Virtual Automation
Parallels Plesk Automation
Parallels Business Automation Standard

“I have considered other systems, but moving away from Parallels has never made sense. We have created a well-functioning environment based on Parallels systems, and we greatly value our long-standing partnership with Parallels.”

— J.T. Smith,
Founder and Managing Director,
ViUX Systems

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