

HostGator.com

200,000 Web Hosting Clients and Climbing

[This is taken from a September 10, 2009 posting to the HostGator.com blog by owner Brent Oxley]

HostGator recently reached 200,000 active customers and we are on pace to break 300,000 within a year.

I remember when I'd be out celebrating if HostGator managed to get two signups in a week. Now, we're seeing thousands of signups a week. Back in the day, my celebrating consisted of nothing more than dropping the Ramen noodles or the tuna can I had in my hands and grabbing some sushi for an hour before scrambling back to work. At the time, I was a poor college student who invested every penny I had back into the business I was building.

The HostGator.com domain was registered on October 10, 2002 and here are some statistics about how many active customers we've had at a few points since then.

- 2/1/2003: 112 active customers
- 2/1/2004: 1,031 active customers
- 2/1/2005: 6,892 active customers
- 2/1/2006: 21,434 active customers
- 2/1/2007: 50,213 active customers
- 2/1/2008: 92,752 active customers
- 2/1/2009: 157,432 active customers
- Today: 200,000+

How HostGator Came To Be:

I've been an entrepreneur since I was a kid. In sixth grade, I sold candy at school and had all the kids in my neighborhood working for me. When I was 14, my cousins and I had a business where we sold watermelons from a truck on the side of a road. The deal we offered was simple, but effective: "2 for \$5."



[Ain't no Glory in Selling Watermelons](#)

It wasn't until I was a sophomore in high school that I got hooked on trying to make money on the Internet. What sucked me in was the paid to surf programs such as AllAdvantage, Bepaid.com, Cashfiesta, and the like. These companies claimed they would pay you to surf the Internet while looking at ads. I created my first website on a service much like GeoCities and was able to generate over 50,000 referrals between all the programs I was enrolled in. One by one, I learned that all of the programs were a scam. I made \$65 when I was entitled to over a million.

After the paid to surf venture failed, I decided to create real web sites and sell my own advertising inventory. The network that I created was called The Freak Network and consisted of scfreak.com, dfreak.com, and wcfreak.com, all of which were named after best selling Blizzard Entertainment games (Starcraft, Diablo, and Warcraft, respectively).

My network was making me about \$40 a day, which was impressive given that all of my pimple covered friends had to get real jobs and make less money. Everything was going great until the .com bubble bursted and my advertisers began to cheat me out of money. I was left with no choice but to find alternative sources of income and that's when I had the epiphany to start selling web hosting on the side. My network of websites was receiving tens of thousands of page views per day and I already had the servers, so selling web hosting seemed like the perfect plan. Freakwebhosting.com was born. My plan was to use the traffic from my gaming websites to gain customers.



[Freak Web Hosting](#)

I built Freak Web Hosting to just shy of a hundred customers that consisted mostly of gaming sites. The problem was that I wasn't a system administrator and that I wasn't that technical. This resulted in poor security which lead to hackings, horrible uptime, and a never ending series of technical issues that kept me from running a successful business. I hated being a webhost at the time! I was able to get the business but no matter how hard I searched I couldn't find someone to take care of the technical issues at a price I could afford.

I spent years trying to make my network a viable business and another year trying to get my web hosting venture running smoothly . The final straw was when the Data Center claimed that my server was "compromised and outgoing malicious traffic." To alleviate this problem, they ordered OS reload after reload, which drove me to a point just short of insanity and a state in which I felt life was over. (In hindsight, I believe the datacenter lied to me about the malicious traffic in order to get me to leave due to the amount bandwidth my sites were using. The deal they gave me at the time was too good to be true and that's exactly what it ended up being.)

I could have kept on fighting, but it would have been a futile effort. I was left with no choice but to scale down operations. I did the right thing by refunding everyone's last month of hosting and even refunded those that prepaid for a year in advance. At the time there were three annual customers that I didn't have enough money to repay, so I contacted them to let them know my intentions and eventually paid them back a few months later.

By the time The Freak Network and Freak Web Hosting failed, high school was coming to an end. I didn't have much time before I would have to decide what to do with my life. I felt like a complete failure and had nothing to show for all my years of work.

I wanted to be a success and make some type of difference in the world and I felt as if I couldn't accomplish this by going to college. I was very close to joining the army and even went to see a recruiter. I believed that if I joined the army, I'd have purpose in my life and be able to make some type of difference. Just days before enlisting, my dad talked me out of joining the army and helped me get into Florida Atlantic University in Boca Raton, Florida.

I spent a few months living on campus and attending classes without deviating too much from the life of a regular student. That's when an old friend contacted me telling me that he started a server company. He knew that if we went into business together I'd have no problem getting the customers. He begged me for a week to get back into hosting and eventually convinced me to partner with him and try hosting again. After failing the first time around, I was against the idea and didn't want to try again unless I was confident I had someone with technical abilities to keep the servers up and running.

The deal we came to orally was that I'd run my own business and I'd give him half the proceeds for keeping the servers secure and up and running. I quickly revived the old Freakwebhosting.com brand and reached out to all my old customers. I managed to convince a majority of them to sign up very quickly and within days, I was once again a web host and once again in the hosting industry.

It only took a couple of months for reality to set in. Servers began having multi-hour outages on a daily basis as a result of the datacenter going offline. I was bringing the business in while my partner was failing to uphold his end of the bargain. The servers weren't up and running; they were failing.

I decided to break the partnership and venture off on my own. I ended up purchasing a few servers from Dedicatednow.com and managed to find a system administrator who would help me as I needed and bill me by the hour. The combination of the new Data Center and system administrator made Freak Web Hosting more stable than ever.

With things running so well and the old Freak Website Network being dead, I knew the company needed a new design and a new name. I searched for days and tried hundreds of domain name combinations before I narrowed it down to two names: HostGator and GatorHost. I was torn on which domain to choose. I didn't know which one sounded better and couldn't afford both domain names. HostGator may sound like a much better name now, but at the time and without all of our branding, they both sounded the same.



[Original Web Site for HostGator](#)

Business was booming and my freshman year of college was coming to an end. By this time, every second of my life was spent in class, doing homework, or taking chats and answering emails on the computer.

I was a 24/7 one-man operation. I was being woken up numerous times a night with phone calls and there wasn't a single class I would make it through without having to leave at least a few times to take a business call. I knew I was on path to be making more than the average college graduate in about six months. I also knew it would have been impossible to finish another year of college while running HostGator, so I decided to drop out of school and follow my dream of growing HostGator into the world's largest hosting company.

Understandably, my family and friends were all very much against my decision to dropout. I had many businesses that failed to pan out and the chances of HostGator succeeding were slim. In the end, everyone expressed their thoughts strongly, but supported me in my decision. To me, it was a no-brainer. If things didn't work out, I'd just go back to school and be miserable. If they worked out, I'd be pursuing my dream.

Things continued to go well for the Gator at the expense of living life, having friends, and never being able to leave the computer. Within minutes of leaving the computer there would always be some type of emergency with a service going offline that would require a restart and I'd have to run back to my computer. More times than not, I'd make it half way to my wherever I was going before getting a phone call or an alert and being forced to turn back to resolve the issue. This was before the iPhone, smartphones, air cards, or any other type of mobile tool. What amazed me is the fact that I was not that technical, but was still able to help most of my customers by simply taking their question and applying common sense or finding a work around.

When HostGator had just started, I hated resellers because they required a large amount of relatively technical service. What's ironic is that as we grew, I saw how easy it was to obtain reseller customers. Before long, obtaining reseller customers is where most of my focus and advertising money went. Ideal timing allowed us to fill the reseller niche while the competition focused primarily on shared hosting. Today, shared hosting is the source of most of our new business, but we continue to remain the worlds' [largest reseller hosting company](#).

If a major issue ever came up, I'd be helpless when it came to actually solving the problem. I was at the mercy of an hourly system administrator who usually had something more important to do than fix my servers. In the early days, HostGator was inadequately prepared for drives failures and similar large-scale issues. When one happened, there would usually be data loss and days of little to no sleep while I helped customers recover. I continued life in my apartment prison for another year before the company grew beyond what I could handle myself and I hired my first full time employee, Ben Welch.

Ben would arrive at my house while I was sleeping and immediately get to work taking calls, chats, and tickets. When I woke up, I'd head over to bedroom and get to work with him. At approximately the same time, I hired an Indian outsourced support company. The support volume was more than Ben and me could handle alone and it was impossible for us to man all of the stations all of the time.

I don't believe in outsourcing, but at that point, outsourcing was the only way I could have 24/7 coverage of email and chat support that I could afford.

In hindsight, outsourcing was a big mistake. Choosing to outsource our supported resulted in the loss of customers, a damaged reputation, and low caliber support. As soon as we could afford an office, we rented a 1,600 square foot office in Boca Raton, Florida and began replacing our outsourced employees with in-house employees. We learned our lesson with outsourcing and have had 100% in-house support for several years now. There's absolutely no chance of us switching to outsourced support in the future – it just isn't worth whatever we'd save in the short run.

When we first moved into our first office, I thought that it was overkill and I wasn't sure how (or if) we'd ever fill it. In no time, sales and growth caught fire. We had people working in closets, hallways, and I had to share my office with another employee. The office wasn't that bad of a place, but there was one major problem. We had a single stall co-ed restroom for over 24 employees to share and nobody to clean it. If you had to go, you'd usually end up holding it or driving home.

I continued to wake up numerous times a night to take support calls and contribute to our service and support as much as possible. This took a toll on me, though. At the ripe old age of 22, I began to develop a very serious case of carpal tunnel syndrome. It slowly progressed until I was at the point where tapping any finger on either hand would feel like needles piercing me to the bone. I ended up trying a few alternatives to typing, including holding pencils in the palms of my fists and hiring someone to type and move the mouse for me. Typing with pencils only helped so much and hiring someone to communicate what to do ended up being a nightmare.

Eventually, the pain worsened to the point where it affected everything I did. If I went to a movie, all I could think about was my hands hurting. If I drove home, the pain would be so intolerable that I would have to alternate sitting on my hands so they would fall sleep to allow the pain to temporarily go away. Technology began to improve and I soon learned of Dragon Naturally Speaking speech recognition software. This was a lifesaver for me and while it wasn't perfect, it did allow me to continue to perform my duties, just less effectively. I ended up using Dragon for a few years before my hands recovered to a point where I'm no longer in pain and I'm able to type without any discomfort. I'm sure if my old lack of sleep and constant typing routine came back, my problems would as well.

Eventually, we ran out of closets in our Boca Raton office and had to find a new location. We were also severely understaffed and couldn't find the people we needed to keep up with our rapid growth. Boca Raton is where people go to retire not find a job. It's so bad that the locals would always joke that Boca was "Heaven's waiting room."

We initially searched for office space in South Florida, but found the prices to be astronomical for the size we needed to maintain growth. We began looking in Dallas, Texas for a new office and somehow ended up looking in Houston. Soon after, we found and purchased the 30,000 square foot office building that we're currently located in. The office was perfect for us since 16,000 square feet was available for use and the rest was leased out. We currently occupy around 18,000 square feet of the building and I anticipate that we'll be filling the rest in a little over a year .

When we first moved into the [new building](#), me and a few other employees took up residency throughout the building. There was very few employees at first and nothing but empty space. Many people that I met had no idea what web hosting was and were convinced that I was a drug dealer. They believed this because I was so young, successful, and living in an empty building with a bunch of young adults in what resembled a frat house. It also didn't help at the time I had just gotten back from Brazil to open [HostGator Brazil](#).

The Future of HostGator:

I still haven't reached my goal of HostGator becoming the world's largest hosting company, but as one of the world's largest and with how well things have been going, I can definitely see it happening within the next eight years. In order to achieve this, we'll need to go more mainstream. This includes launching a brand to compete with GoDaddy, more billboards, starting TV commercials, and hiring many, many more high quality employees to continue supporting our customers.