

# Pricing Models for Server Hosting

What pricing model gives you the best value in dedicated server hosting? There is monthly billing and hourly billing, and each of those is available in either all-inclusive or a-la-carte formats. In this report we will discuss the various pricing models available, and how you can avoid surprises on your monthly bills.

## Hourly vs Monthly Billing

The introduction of cloud servers has led a number of providers to switch their offerings to hourly billing<sup>[1]</sup>. While this appears to represent great value at first glance, once you look a bit closer, you'll often find it doesn't work as well<sup>[2] [3]</sup>. Many of us have experienced this with the billing on our phones.

Forty eight cents an hour may not seem like a lot of money, but it adds up to three hundred and forty five dollars per month. You can get quite an impressive server for that amount. By framing pricing in an hourly model, some providers are simply hiding high prices and hoping you don't notice<sup>[4]</sup>.

## All Inclusive vs. A La Carte

Another common pricing model has you paying for each upgrade to the basic server. These often include additional hard drives, memory and IPs. The alternative is to configure servers adequately and charge for the whole package, usually monthly. The first model results in a low sticker price, but the second model often results in greater value and lower prices in the end<sup>[5]</sup>. If your needs are very rudimentary, and you can make your website work on a server with minimal specifications, then the a-la-carte model may actually result in lower costs. If your requirements are anything beyond the most rudimentary, you will find yourself paying significantly more.

This difference is even more pronounced if the a-la-carte upgrades are billed hourly<sup>[6]</sup>. For example, an IP that costs one cent per hour ends up costing over seven dollars per month.

## Bandwidth Charges

For bandwidth, some providers charge by the byte and some include it in the monthly fee. This can represent a huge cost, not just to high bandwidth users, but to anyone who occasionally

experiences high bandwidth events<sup>[7]</sup>. For instance, if you get flooded or attacked, your bandwidth numbers will skyrocket for that period. If you're paying per byte, you are actually paying to be attacked. This can result in unexpected bills in the thousands of dollars.

## Summary

eSecureData has settled on a no-surprises approach to pricing. We offer monthly billing for servers that are powerful enough to handle real-world tasks. We charge low monthly fees for servers and server upgrades, and we offer unmetered bandwidth with all our servers.

If you are interested in a secure hosting environment with a no-surprises pricing model, take a look at the eSecureData website at [www.esecuredata.ca](http://www.esecuredata.ca).

## You May Also Be Interested In

"How to Choose a Web Host Provider" by David Gewirtz, April 18 2018, CNET, <https://www.cnet.com/how-to/how-to-choose-a-web-hosting-provider/>

"10 Tips for Choosing the Right Web Hosting Company", Genia Stevens, Business.com, February 22 2017, <https://www.business.com/articles/10-tips-for-choosing-the-right-web-hosting-company/>

"More on Bandwidth Caps and Price Discrimination," by Timothy B. Lee, Forbes, May 26 2012, <http://www.forbes.com/sites/timothylee/2012/05/26/more-on-bandwidth-caps-and-price-discrimination/>

"How to choose the best web hosting service," by David Howell, TechRadar.com/Pro, August 8 2012, <http://www.techradar.com/news/world-of-tech/roundup/how-to-choose-the-best-web-hosting-service-1091527>

"The Benefits of Choosing Dedicated Server Hosting," by Correy Weimer, [ColorLabsProject.com](http://ColorLabsProject.com), October 10 2013, <http://colorlabsproject.com/blog/the-benefits-of-choosing-dedicated-server-hosting/>

## Footnotes

[1] Jack Clark, "Linode raises Hourly Billing flag against Digital Ocean pirates," [The Register](http://www.theregister.co.uk/2014/04/09/linode_digital_ocean_billing/), April 9 2014, [http://www.theregister.co.uk/2014/04/09/linode\\_digital\\_ocean\\_billing/](http://www.theregister.co.uk/2014/04/09/linode_digital_ocean_billing/)

[2]"Cloud Computing Price Comparison Engine," [Cloudorado.com](http://blog.cloudorado.com/2011/08/cloud-hosting-pricing-explained.html), August 3 2011, <http://blog.cloudorado.com/2011/08/cloud-hosting-pricing-explained.html>

[3] Greg Ferro, "Networking costs swell pay-per-use public cloud bills," [SearchCloudComputing.TechTarget.com](http://searchcloudcomputing.techtarget.com/feature/Networking-costs-swell-pay-per-use-public-cloud-bills), February 2014, <http://searchcloudcomputing.techtarget.com/feature/Networking-costs-swell-pay-per-use-public-cloud-bills>

[4] Trevor Jones, "IT unknowns pose a stumbling block to cloud cost savings," [SearchCloudComputing.TechTarget.com](http://searchcloudcomputing.techtarget.com/news/2240220837/IT-unknowns-pose-a-stumbling-block-to-cloud-cost-savings), May 16 2014, <http://searchcloudcomputing.techtarget.com/news/2240220837/IT-unknowns-pose-a-stumbling-block-to-cloud-cost-savings>

[5] "Doubling SaaS Revenue by Changing the Pricing Model," [Kalzumeus.com](http://www.kalzumeus.com/2012/08/13/doubling-saas-revenue/), August 13 2012, <http://www.kalzumeus.com/2012/08/13/doubling-saas-revenue/>

[6] "MSP Pricing Models, Guides and Tips for 2014", [MSPMendor.net](http://mspmendor.net/blog/msp-pricing-models-guides-and-tips-2014), December 23 2013, <http://mspmendor.net/blog/msp-pricing-models-guides-and-tips-2014>

[7] Michael Morris, "WAN Carriers Need Better Bandwidth Pricing Models for Enterprises," [NetworkWorld.com](http://www.networkworld.com/article/2230400/cisco-subnet/wan-carriers-need-better-bandwidth-pricing-models-for-enterprises.html), April 11 2010 <http://www.networkworld.com/article/2230400/cisco-subnet/wan-carriers-need-better-bandwidth-pricing-models-for-enterprises.html>