CloudLinux™

IMUNIFY 360

Web Hosting Trends & Innovations 2025



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Dear Friends,

The CloudLinux team is excited to bring you Web Hosting Trends & Innovations 2025, our annual report packed with insights into the world of web hosting.

As a leader in secure and optimized Linux solutions for hosting providers, we surveyed professionals in the web hosting space to uncover the biggest trends, challenges, and innovations shaping the year ahead.

From shifts in VPS adoption to the growing role of AI and security advancements, this report breaks down the key forces driving the hosting industry forward.

We've analyzed expert insights on what's changing, what's staying the same, and what's next for hosting providers worldwide. Some trends have continued to gain momentum, while others may surprise you.

Here's what you'll find inside:

The State of Hosting — We explore where the industry stands today, from market shifts to evolving customer demands and the impact of emerging technologies.

The VPS Boom — VPS hosting is growing faster than ever. This section examines what's fueling the demand, how providers are positioning their offerings, and the competitive landscape.

The Battle for Safer Hosting — Security remains a top concern, with providers rolling out new defenses to combat rising cyber threats. We dive into the latest security trends, challenges, and the most common security measures being implemented.

AI-Powered Hosting — AI is no longer just a buzzword. It's becoming a key tool for automation, security, and customer experience. This section covers how hosting providers are – and aren't – integrating AI, as well as what's next for AI-driven web hosting.

What's Next in Hosting — We wrap up with the industry's outlook and preparedness for where the industry is headed.

This year's findings paint a vivid picture of an industry that's changing rapidly, with businesses adapting to new technologies, security challenges, and customer expectations.

We hope this report provides valuable insights to help you navigate the hosting landscape in 2025 and beyond.

A huge thank you to everyone who contributed to this research – your insights help shape the conversation and drive innovation in the hosting space.

We invite you to dive into the report, explore the trends, and join the conversation as we look toward the future of hosting together.

Sincerely,

Your Friends at CloudLinux

Web hosting providers aren't just playing defense against disruptions — they're setting the pace for what's next.



From AI breakthroughs to security shake-ups, hosters are proving they can adapt to it all.

SECTION 1
The State of Hosting

What are the most impactful trends and notable challenges that hosting providers face?

Are customers demanding higher performance?

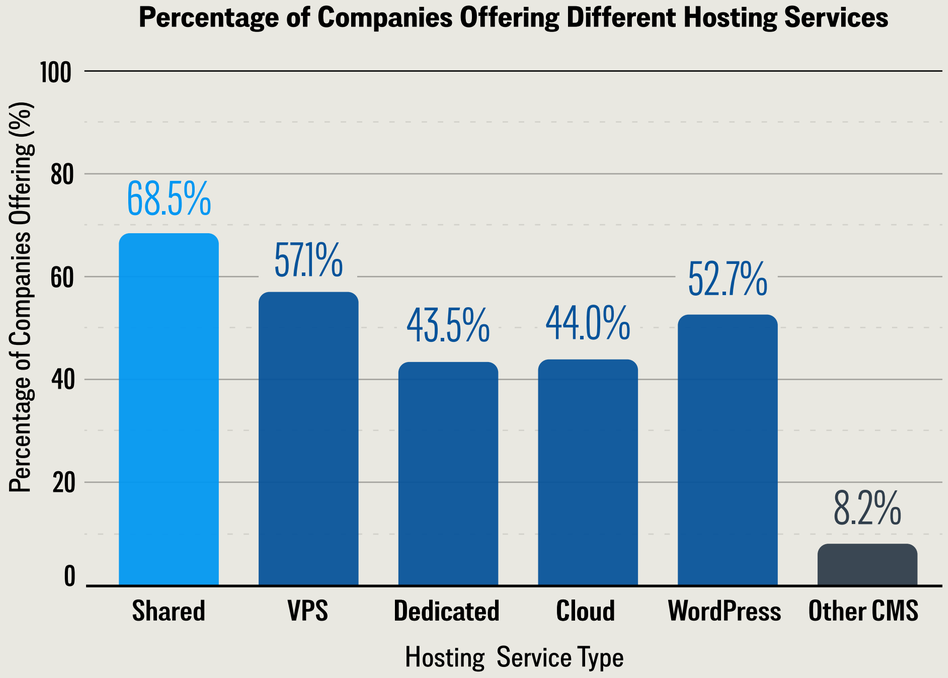
Which processors, storage solutions, and other components of hosting do providers prefer to work with?

Have VMware price changes impacted operations across the industry?

What is the growth outlook of the hosting sector from the eyes of providers themselves?

Most hosting providers are offering shared hosting services and — to a lesser extent — VPS and WordPress hosting.

Over half of hosting providers surveyed are offering shared hosting (**68.5%**), VPS hosting (57.1%), or WordPress hosting (52.7%).



Dedicated hosting and **cloud hosting** are still both popular offerings, selected by **43.5%** and **44.0%** of respondents.

Meanwhile, **other CMS hosting** is the least popular – with just **8.2%** delivering this type of hosting service.

Why is shared hosting the most common offering?

Shared hosting remains a widely used and accessible option, taking the number one spot likely due to its affordability and ease of management.

VPS hosting is more popular than WordPress hosting

A significant portion of companies offer VPS Hosting, suggesting a strong demand for more control and scalability compared to shared hosting.

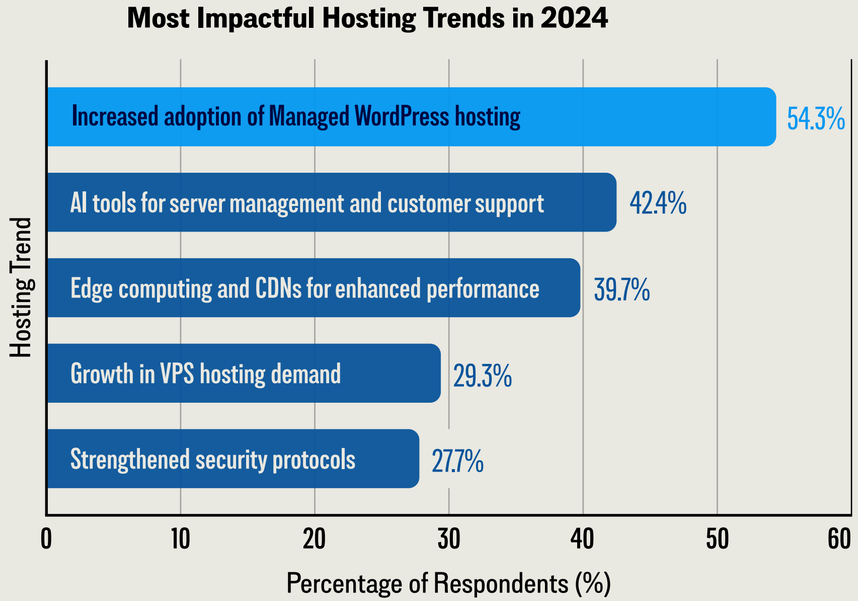
Despite WordPress hosting being the third most common hosting service, the increased adoption of managed WordPress hosting is seen by hosters as ***the most impactful trend of 2024.***

This indicates a potential shift toward ease of use and optimized performance.

Growth in VPS hosting demand and *strengthened security protocols* are **the least impactful trends** — selected by less than a third of hosters.

With only **27.7%** of respondents selecting it, *strengthening security protocols* is likely the least impactful trend because security features are now considered standard rather than a defining industry trend.

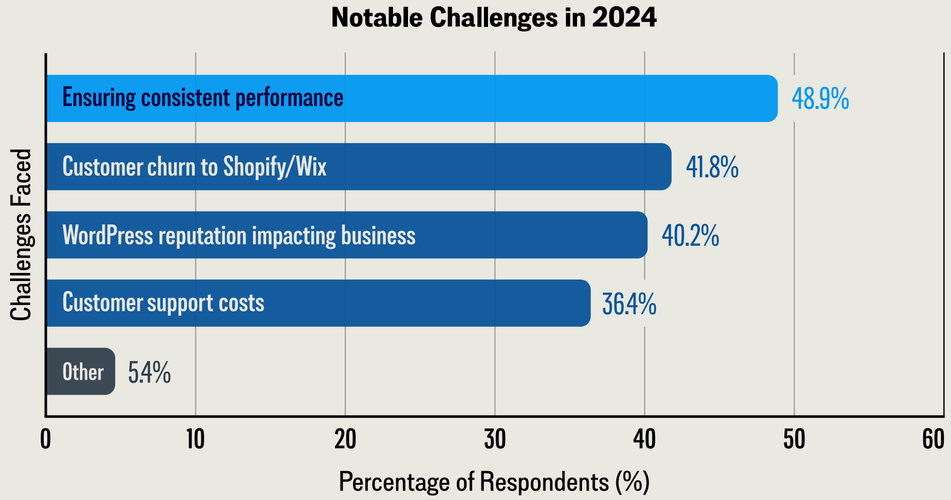
However, *VPS hosting demand* continues to rise in this space, as businesses move away from traditional shared hosting to more flexible, scalable options.



Ensuring Consistent Performance is the top challenge hosting providers are facing

... with **48.9%** of hosting providers selecting it — indicating that maintaining reliable, high-performance hosting services is a major pain point.

This phenomenon suggests that providers are struggling with uptime, speed, or resource management, especially as customer expectations rise and websites get more complex.



Customer churn to competitors like Shopify/Wix is noticeable

Many respondents noted losing customers to platforms like Shopify and Wix, highlighting competitive pressures.

These platforms' ease of use and integrated features might be drawing users away from traditional hosting, especially those who value simplicity over customization.

High customer support costs are another prominent challenge

36.4% of survey respondents indicated this challenge as notable, reflecting high costs of resources needed to manage customer inquiries, troubleshooting, and maintaining satisfaction — possibly pointing to opportunities for efficiency gains, like AI-driven support solutions.

The reputation of WordPress is impacting business

Despite WordPress's dominance, providers could be facing challenges around convincing customers of its benefits versus perceived drawbacks.

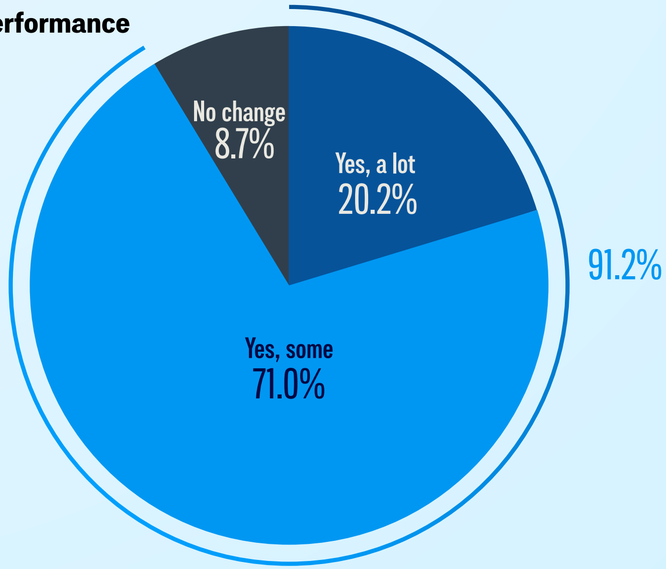
Other challenges exist, but are less defined

The "Other challenges" category had the fewest mentions. This might imply that the hosting industry's main pain points are fairly well understood, with fewer unexpected obstacles cropping up.

Customers are demanding better website performance

91.2% of respondents say that there has either been *“some”* or *“a lot”* of increased demand for better website performance, suggesting that businesses and website owners are prioritizing faster load times, better uptime, and enhanced reliability more than in previous years.

Increase in Demand for Better Website Performance in 2024



Only a small percentage of respondents believe demand has remained unchanged

But if the **91.2%** of providers who reported an increased demand align with the market as a whole, providers who fail to prioritize performance improvements risk falling behind.

Performance optimization is a top priority

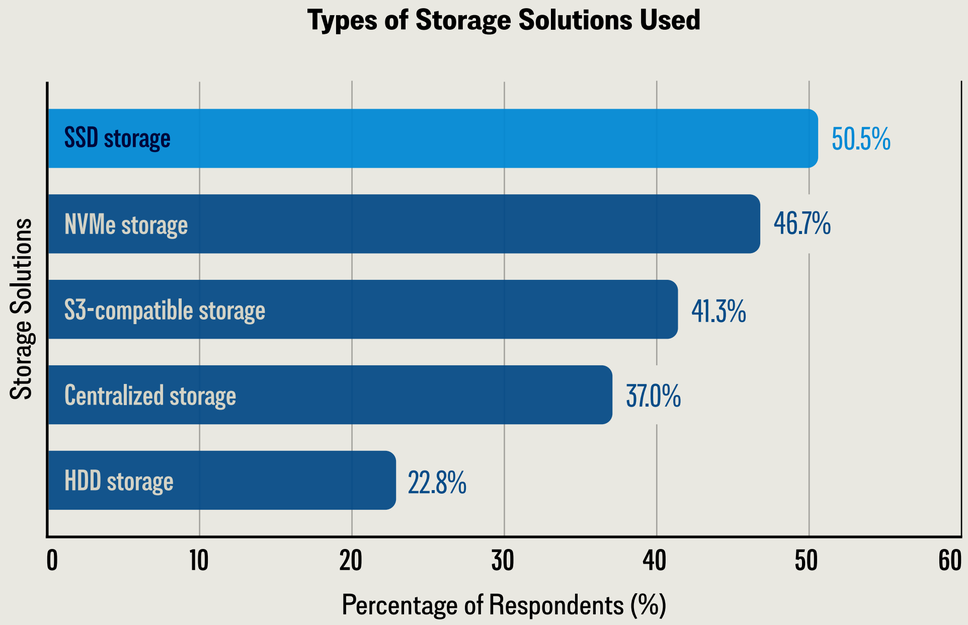
Hosting providers need to invest in *better infrastructure, caching, and edge computing* to meet growing expectations.

The shift toward faster websites is industry wide

However, the extent of urgency varies — some companies feel immense pressure, while others are seeing a more gradual change.

SSD storage reigns supreme, while HDD storage has the weakest usage

50.5% of hosting providers use SSD storage as their storage solution, followed closely by NVMe storage with **46.7%**.
With just **22.8%** of respondents, HDD storage is the least commonly used storage solution.



The majority of respondents use SSD storage, reinforcing that solid-state drives have become the standard for hosting infrastructure due to their speed, reliability, and efficiency.

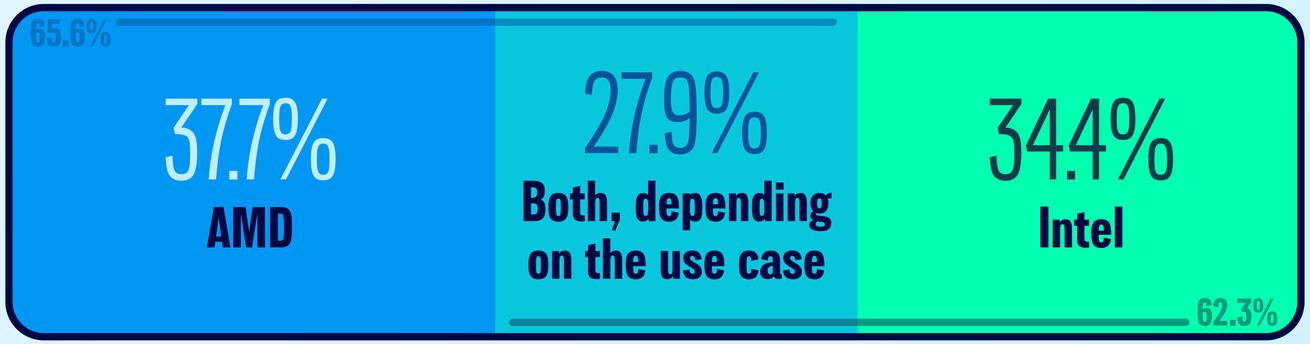
A significant percentage of respondents also use NVMe storage, which is a faster alternative to traditional SSDs. Perhaps their strong usage can be attributed to the fact that high-performance hosting providers are shifting toward NVMe for superior I/O speeds and lower latency, likely to support demanding applications and databases.

HDDs are still in use but declining, primarily serving cost-sensitive or archival purposes.

Turning to processor preferences, both AMD and Intel have strong market shares

When it comes to processors, the battle between AMD and Intel has been going on for years. Both brands have their strengths – Intel is known for its reliability and single-core performance, while AMD has gained a reputation for offering more cores at competitive prices. But which one do hosting providers actually prefer?

For New Server Deployments, Do You Deploy AMD or Intel Processors?



AMD leads slightly in new server deployments with **65.6%** using AMD either exclusively or in tandem with Intel processors for new server deployments.

Intel still holds a sizable share of the market with **62.3%** using it either exclusively or in tandem with AMD processors.

Virtualization at a Premium:
Hosting Providers Face VMware's Price Hikes

This shift included moving from perpetual licenses to subscription-based models, leading to substantial cost increases for many customers. Reports indicate that some organizations experienced price hikes ranging from 500% to as high as 1,250%, with AT&T alleging a proposed 1,050% increase in their VMware costs.

These pricing adjustments have placed considerable financial strain on hosting providers, many of whom rely heavily on VMware's virtualization solutions. The sudden and steep cost escalations have disrupted budget forecasts and operational plans, forcing providers to reassess their infrastructure strategies. The increased expenses have led some to consider passing costs onto their clients, while others are exploring alternative virtualization platforms to maintain competitive pricing. The abrupt nature of these changes has also raised concerns about vendor lock-in and the challenges associated with migrating to different solutions.

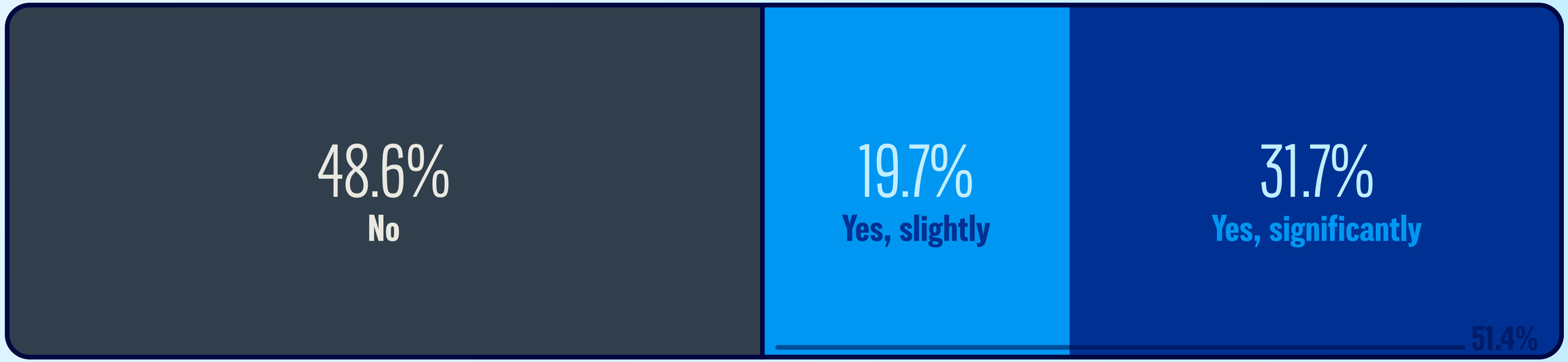
In response to these challenges, hosting providers are actively seeking ways to mitigate the impact of VMware's pricing strategy. Some are evaluating open-source virtualization platforms and other competitors to reduce dependency on VMware. Additionally, there is a growing interest in managed service providers that offer more predictable and cost-effective solutions. This period of transition highlights the importance for hosting providers to diversify their technology stacks and remain adaptable in the face of evolving vendor landscapes.

Sources:
https://arstechnica.com/information-technology/2024/10/broadcom-tried-to-jack-vmware-prices-by-1050-percent-att-claims/
https://vertilocity.com/vmwares-price-increase-what-it-means-for-your-business/
https://peasoup.cloud/news/vmware-price-increase-what-you-need-to-know-and-how-to-mitigate/

*Slightly more than half of hosting providers (**51.4%**) have experienced impacts in their operations as a result of VMware price changes*

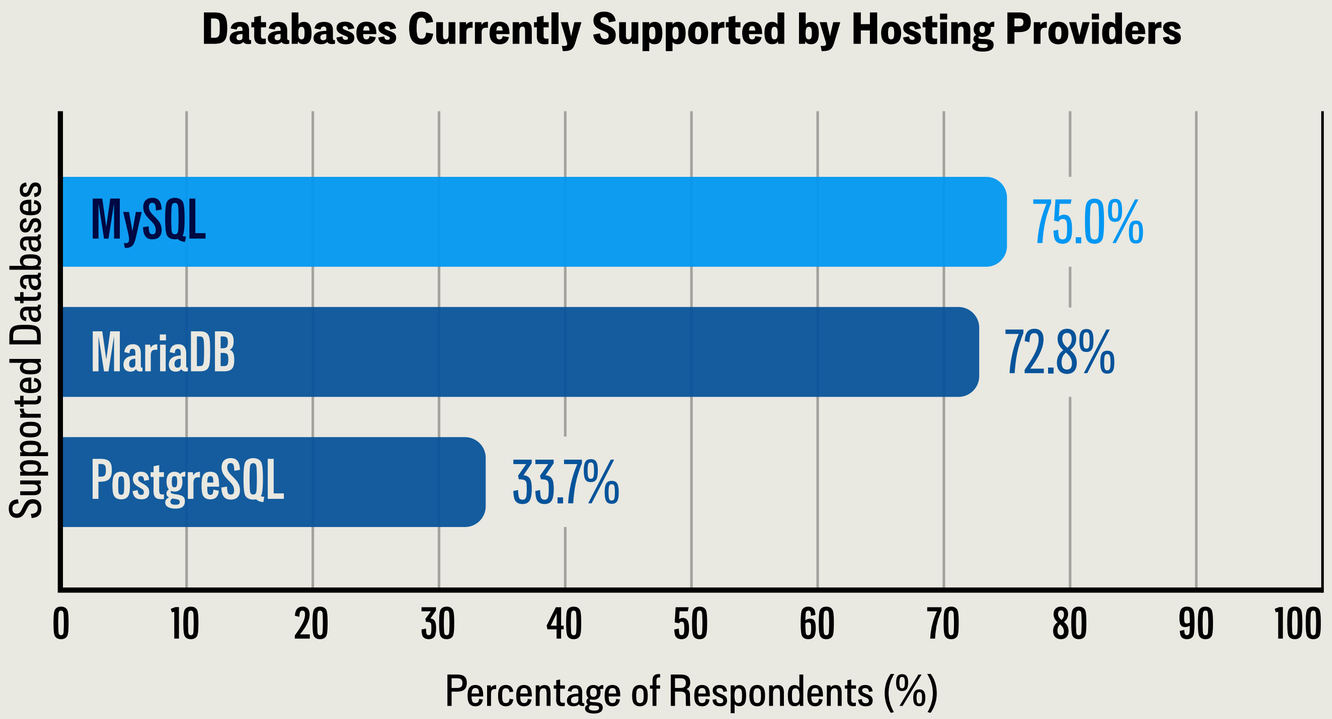
... though only **31.7%** reported a significant impact.

Have VMware Price Changes Impacted Your Operations?



Database support is a critical factor for hosting providers

... as businesses and developers rely on robust database management systems to power their applications. MySQL, MariaDB, and PostgreSQL are among the most widely used open-source databases, each offering unique strengths in performance, scalability, and compatibility.

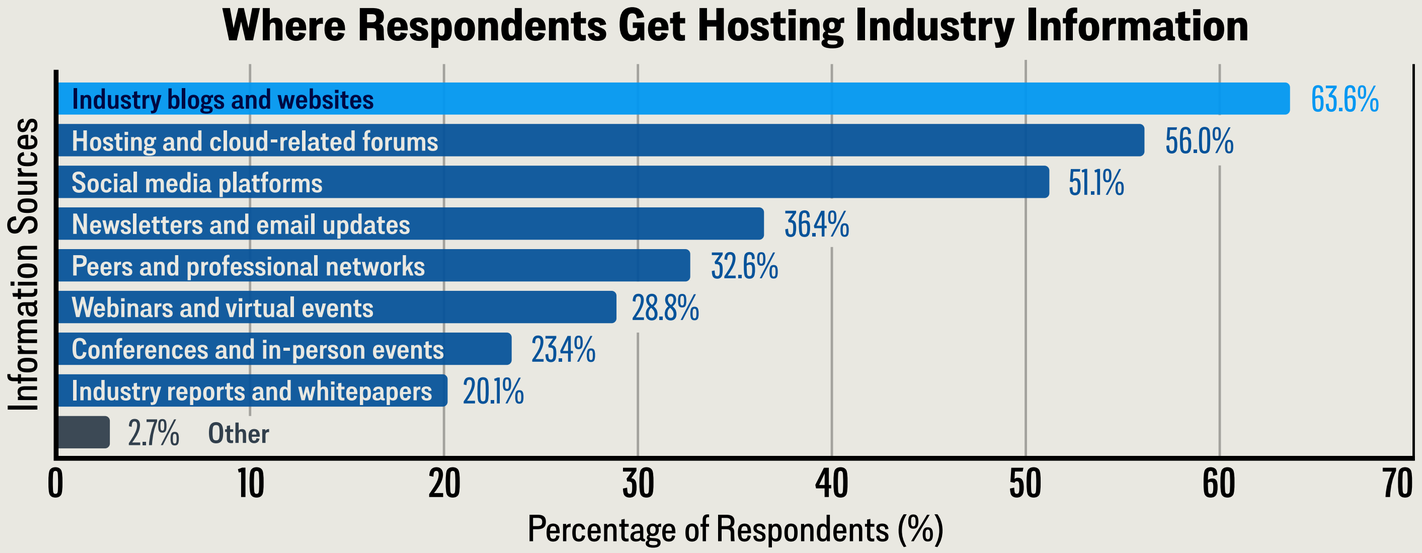


Despite being supported by about a third of hosting providers surveyed, PostgreSQL boasts the weakest popularity when it comes to databases currently supported.

MySQL and MariaDB are neck and neck, with **75.0%** and **72.8%**, respectively — both over twice as popular as PostgreSQL.

Hosting providers are getting their industry insights from (mostly) expected sources

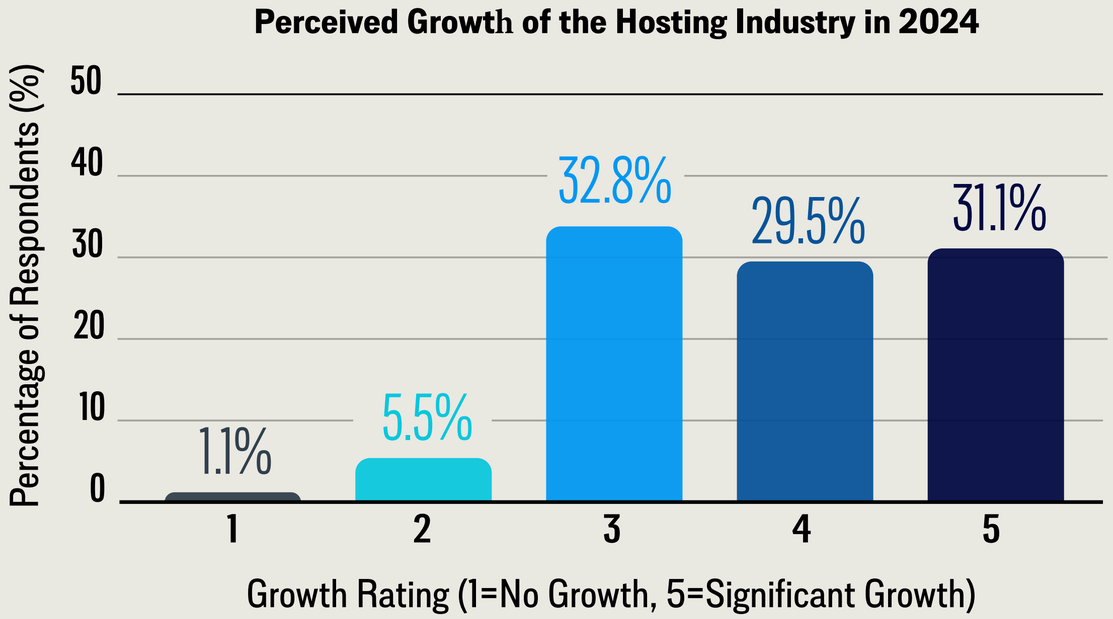
The most popular sources for hosting industry trends and developments are industry blogs and websites (**63.6%**), hosting and cloud-related forums (**56.0%**), and social media platforms (**51.1%**). This suggests that professionals rely heavily on *online content and community discussions* for industry updates.



Industry reports and whitepapers are one of the least popular information sources, alongside conferences and in-person events.

*The industry's outlook on growth is looking up, with **60.6%** rating the hosting industry's growth in 2024 as a **4** or **5***

Because many view 2024 as a strong growth year for the hosting industry, there appears to be a generally optimistic outlook on industry expansion. This could be due to cloud adoption, AI-driven hosting solutions, increased VPS demand, or WordPress hosting expansion.



Few Hosting Providers Rated Growth as Minimal or Nonexistent

Ratings 1 and 2 have the lowest percentages, meaning **very few respondents** across the board believe the hosting industry has seen no or minimal growth — implying that stagnation is **not a widespread concern** among industry professionals.

SECTION 2

The VPS Boom

How many hosting providers are offering VPS hosting, and how successful have those offerings been?

What are the dominant use cases, and are VPS hosters specifically targeting them?

Which challenges are the hardest for VPS hosting providers to deal with?

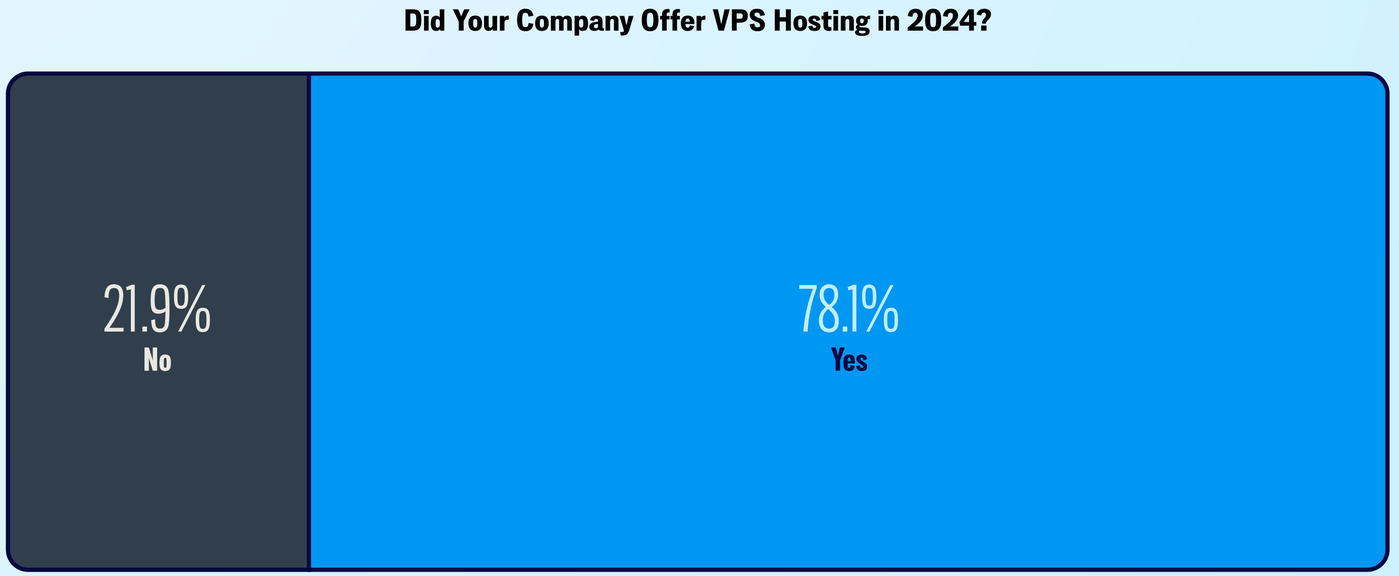
What percentage of VPS hosters are considering changing their infrastructure, and which providers are they considering as a replacement?

VPS hosting has experienced rapid growth in the web hosting sector, driven by the increasing need for scalable and cost-effective hosting solutions. Businesses and developers are moving away from traditional shared hosting in favor of VPS, which offers greater control, security, and customization without the high costs of dedicated servers. This shift has been particularly beneficial for small to medium-sized businesses, e-commerce platforms, and developers who require a balance between affordability and performance.

The rise of cloud-based VPS solutions has further accelerated this growth, allowing users to scale resources on demand while benefiting from improved reliability and uptime. Many hosting providers now offer managed VPS plans, making it easier for businesses to leverage the advantages of virtual servers without requiring extensive technical expertise. As more companies prioritize flexibility, performance, and security, VPS hosting is expected to remain a dominant force in the web hosting industry for years to come.

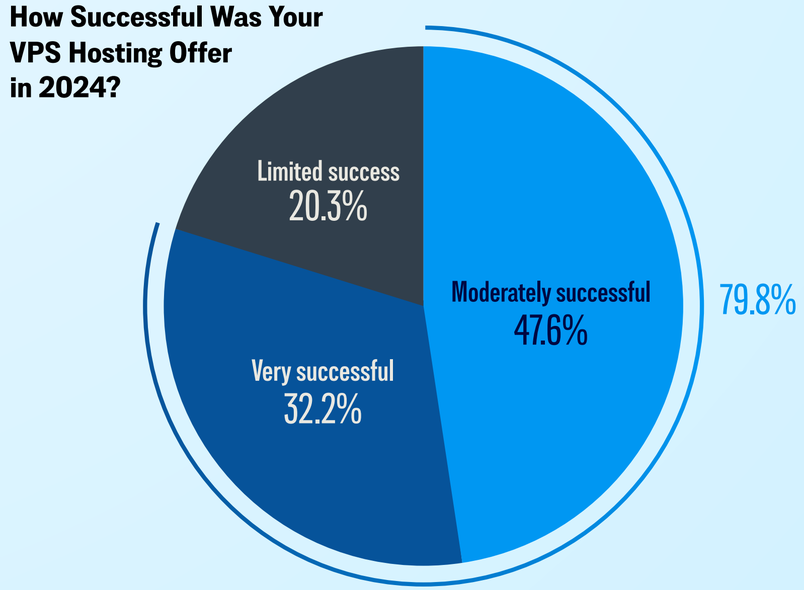
The vast majority of hosting providers are offering VPS hosting

Only **21.9%** reported not offering VPS hosting in 2024.



This indicates that VPS hosting remains a widely adopted service, likely due to it striking a balance between cost, flexibility, and resource allocation — making it ideal for businesses needing customization and reliability without the high cost of dedicated hardware.

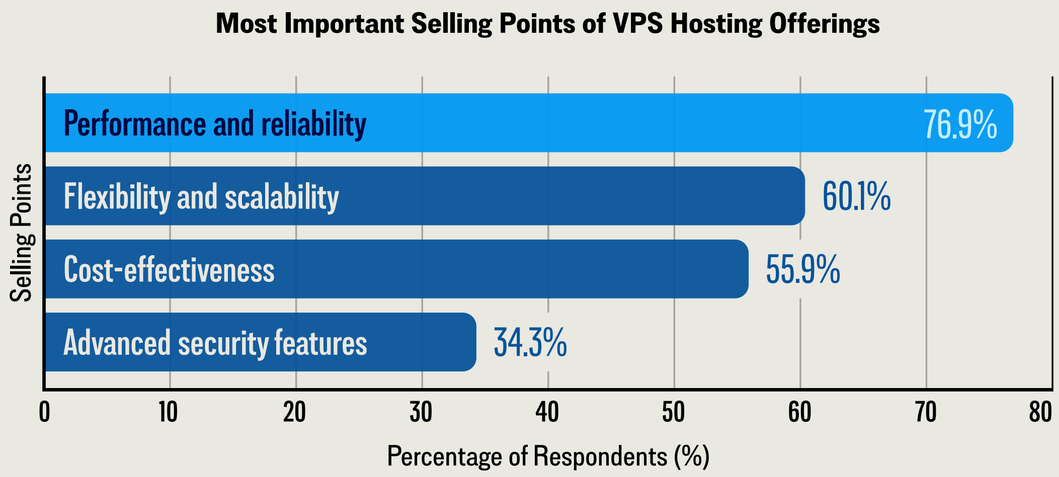
The vast majority of hosters with VPS hosting offers rated those offerings as at least moderately successful



Most VPS providers consider their services to be successful, with **47.6%** rating them as moderately successful and **32.2%** as very successful. However, **20.3%** reported only limited success, indicating that — while VPS hosting remains a strong and competitive market — some providers may struggle with challenges like differentiation, pricing strategies, or customer acquisition.

Performance and reliability are twice as important as advanced security features when selling VPS hosting offerings

Most respondents put performance and reliability at the top of their priority list, showing that speed, uptime, and consistency are the real game-changers in the VPS market. Simply put, customers care more about a rock-solid, high-performing server than anything else — because no one wants a slow or unreliable website.



Cost is still a big factor for many, though it comes in second to performance and flexibility

VPS users demand a good balance of price and value, but it appears as though they're often willing to spend a little more if it means getting better performance and scalability.

Flexibility and scalability are highly valued

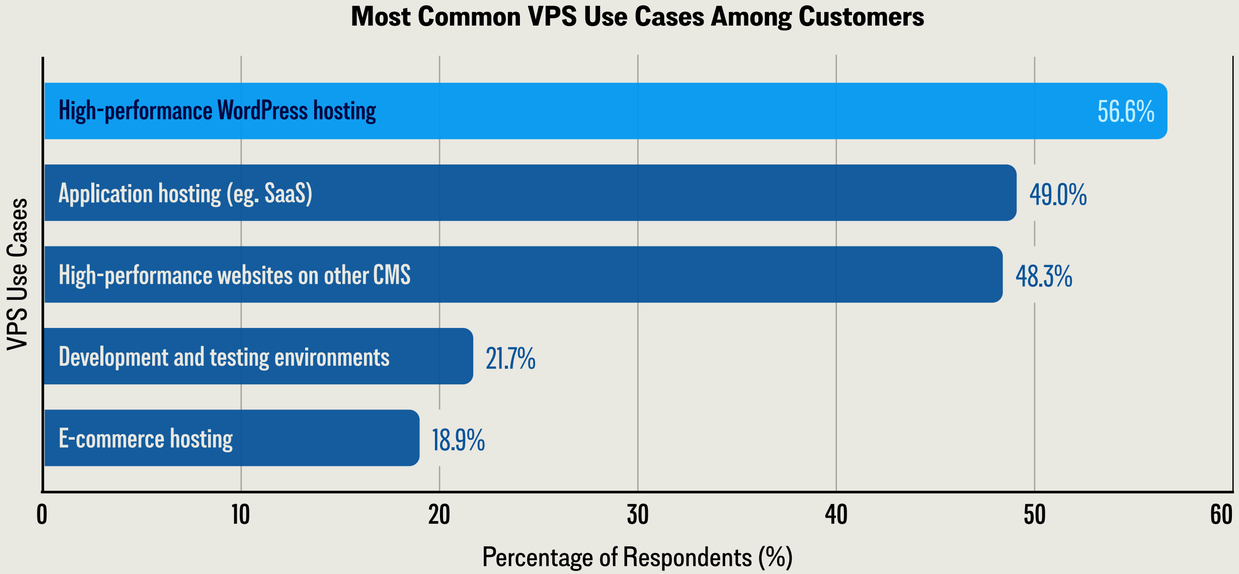
Nearly two-thirds of respondents (**60.1%**) see flexibility and scalability as big selling points, suggesting that VPS users really want the option to scale resources whenever they need them. This highlights the growing demand for cloud-style, flexible VPS solutions that can adapt as businesses grow.

Security on the Backburner

Security ranks the lowest, which may be attributed to the fact that shared hosting providers already do a very good job at providing security thanks to the isolation and general security approach they offer — so many customers are likely to be less concerned with additional advanced security features that VPS hosting providers could deliver.

High-performance WordPress hosting is the dominant use case

This reiterates WordPress's ongoing dominance in the VPS hosting space, with businesses seeking scalability, speed, and dedicated resources that go beyond what shared hosting can provide.



SaaS and CMS Hosting thrive on VPS

SaaS and application hosting also emerged as strong VPS use cases, showing that businesses are increasingly turning to VPS for custom software deployments, cloud applications, and hosted services. Additionally, many providers noted that high-performance hosting for other CMS platforms, such as Joomla and Drupal, is a major use case, suggesting that CMS-based hosting demand isn't limited to WordPress alone.

Developers love VPS for development and testing

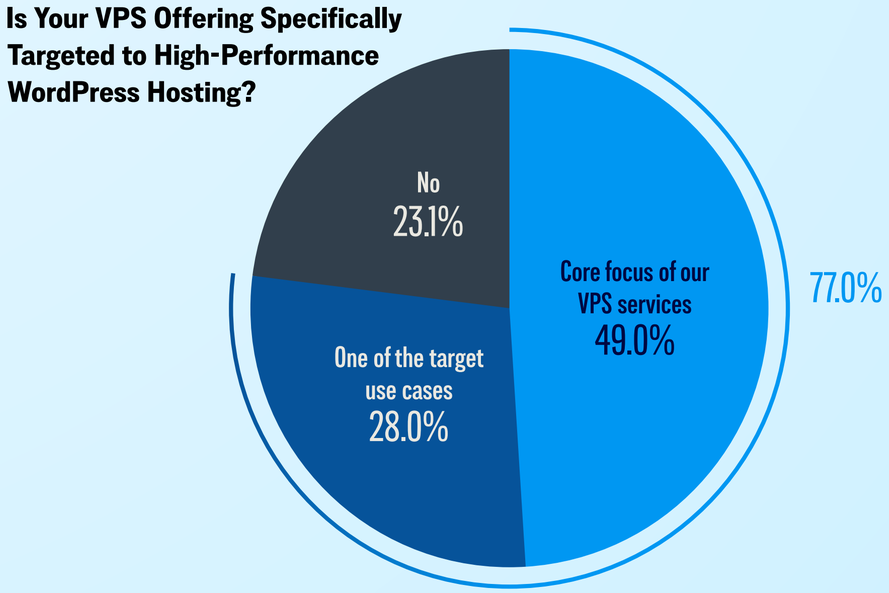
A sizable percentage of VPS customers use instances for development and testing environments, likely because they need isolated, scalable, and configurable test servers. This highlights that developers, agencies, and enterprises rely on VPS for staging and QA purposes before moving projects to a live environment.

E-commerce is a strong presence, but not the top priority

While e-commerce hosting is still a notable VPS use case, it doesn't rank as high as WordPress, SaaS, or development/test environments. This could indicate that some e-commerce businesses prefer specialized hosting solutions, like Shopify or Magento cloud hosting, rather than using VPS for their needs.

Being the primary use case in this space, it makes sense that ***77.0% of VPS hosting providers specifically target high-performance WordPress hosting as a use case***

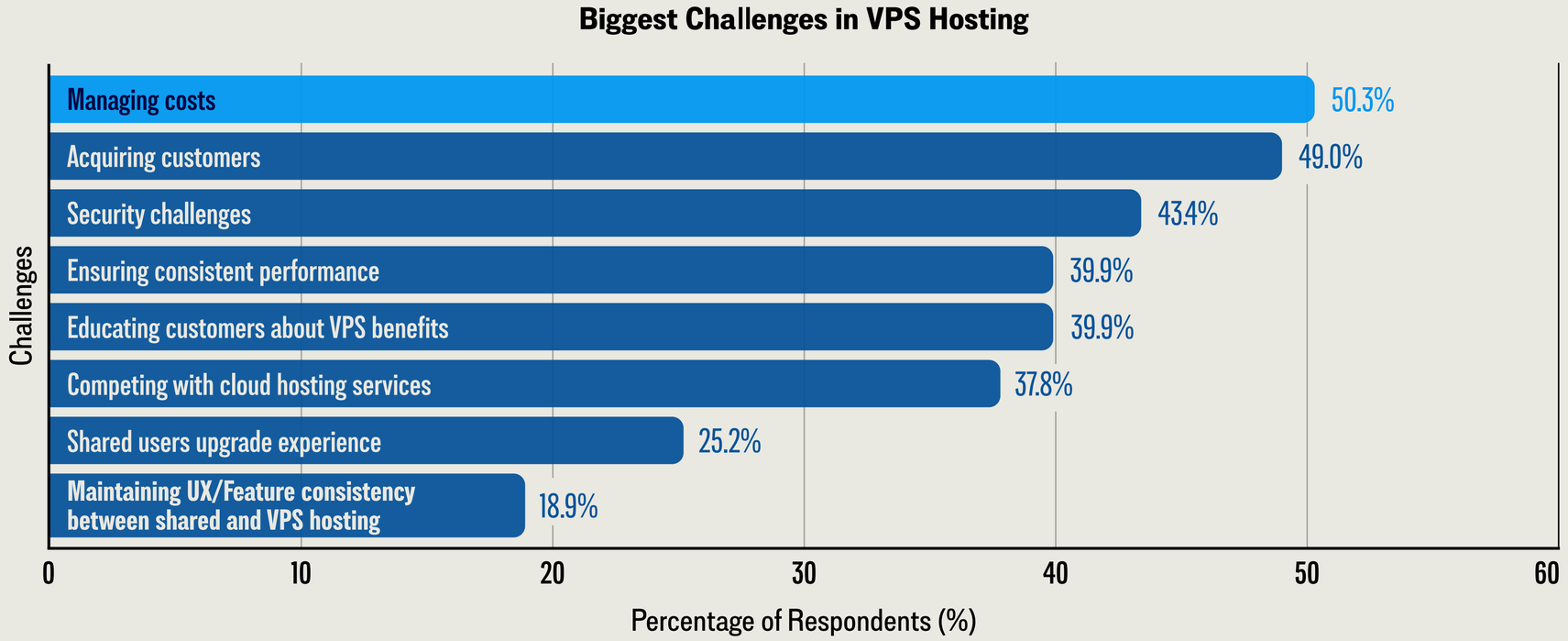
However, for about half (**51%**) of VPS hosting providers, it is not the core focus of their VPS services.



Though WordPress clearly remains a major driver of VPS demand, not all providers focus exclusively on it — diversifying their offerings. Providers who do not focus on WordPress likely cater to general-purpose cloud hosting, application hosting (SaaS), or other CMS platforms.

Managing costs and acquiring customers are the biggest challenges that companies face with VPS hosting

... with about half of respondents reporting it as a hurdle.



The biggest challenge for VPS providers is managing costs — pricing competitively while staying profitable is tough. They're also finding it hard to attract customers, with competition, standing out in the market, and making customers aware of their service being key hurdles. This could be due to pricing pressures, the rise of cloud services, or gaps in customer education.

CONTINUED

Managing costs and acquiring customers are the biggest challenges that companies face with VPS hosting



Security challenges are important, but not the top concern

While security is a key challenge for VPS providers, it ranks third among the biggest issues, with **43.4%** of respondents highlighting it. This suggests that while security is always a priority, other factors like cost, performance, and customer acquisition are currently taking the lead in the minds of providers. Still, with growing concerns about data breaches and cyber threats, security remains an area that can't be overlooked.

Keeping performance steady is a constant challenge

39.9% of VPS providers see performance consistency as a major concern. With the technical complexities of managing VPS environments, making sure everything runs smoothly with minimal downtime and optimal resource use is no easy feat. Keeping things stable and reliable is crucial for staying competitive in the market.

Educating customers: Making VPS simple and clear

A lot of VPS providers find it tough to explain why their service is a better choice than shared hosting or dedicated servers. It's clear that a more customer-friendly approach is needed — better marketing, clearer messaging, and content that breaks down the benefits of VPS in a way that's easy to understand.

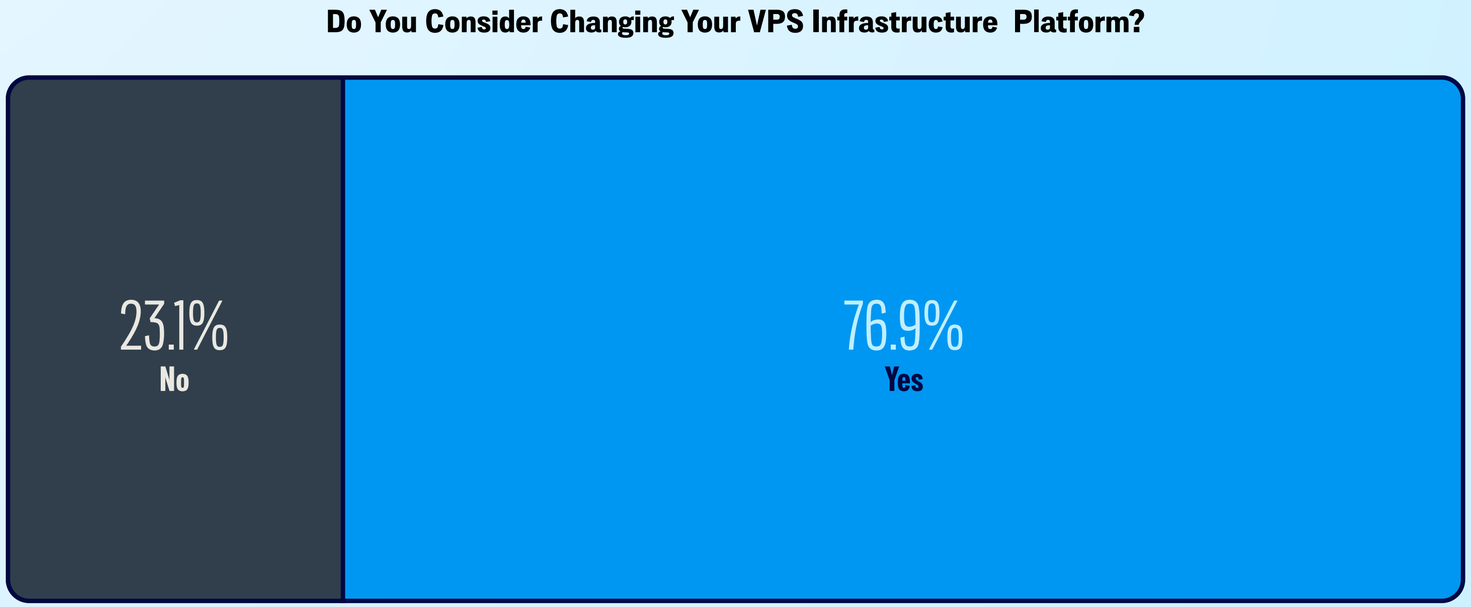
The cloud hosting threat is a growing concern

Cloud hosting has become a major competitor to VPS, thanks to its scalable solutions and user-friendly features. VPS providers are feeling the pressure, with managed cloud services stealing the spotlight. To stay relevant, traditional VPS offerings may need to step up their game and integrate some of those cloud-like advantages.

Security and UX: Challenges, but not deal breakers

While security, user upgrades, and consistent user experience (UX) are still important to VPS providers, they aren't the biggest concerns on the table. Most have solid security measures in place, but standing out from shared hosting and improving the overall user experience and upgrade paths remains an ongoing challenge.

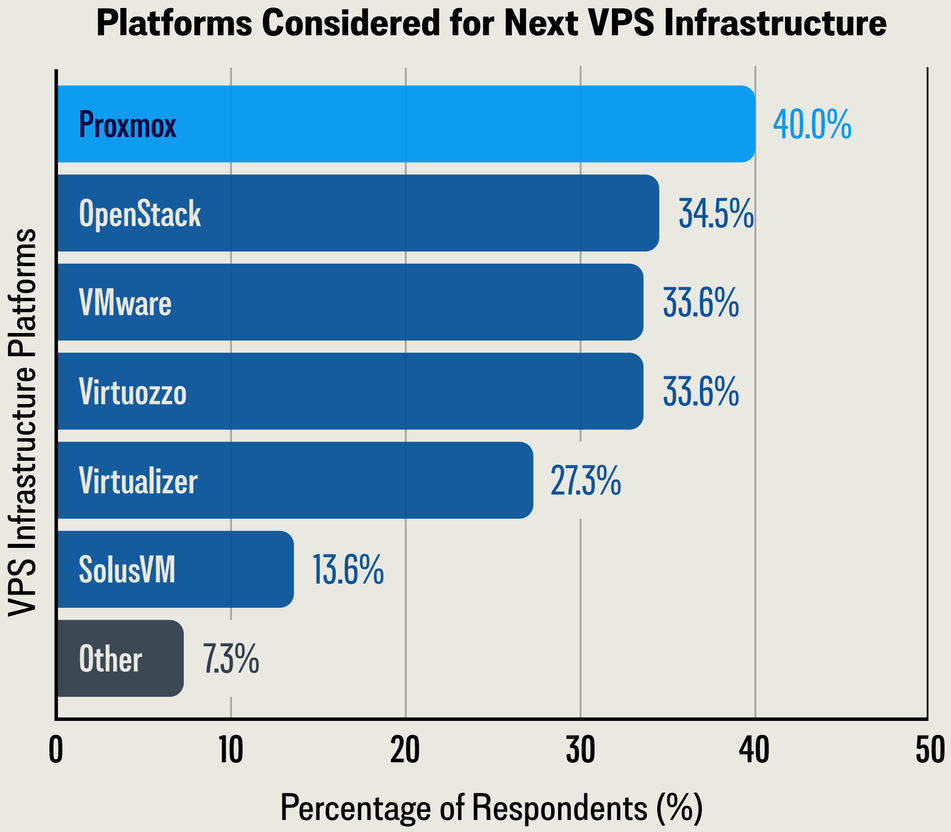
Most hosters consider changing their VPS platform



Only 23.1% do not consider changing their VPS infrastructure platform

This suggests that many providers are actively looking for better solutions to improve performance, scalability, or cost-efficiency. The search for the best VPS infrastructure remains an ongoing priority for most hosters.

Among VPS hosters considering a change to their infrastructure platform, ***Proxmox*** *is the favorite potential alternative*



Proxmox and *OpenStack* are the top choices for VPS infrastructure migration, likely due to cost efficiency and flexibility.

Virtuozzo and *VMware* remain relevant with about a third of VPS hosters selecting each as a potential next VPS Infrastructure provider, likely companies that prefer commercial support and stability.

Older options like *SolusVM* (**13.6%**) and *Virtualizer* (**27.3%**) aren't getting as much love lately, probably because they lack the scalability and modern features that users have come to demand.

A good number of providers are checking out custom or alternative platforms, showing that more flexible infrastructure strategies are on the rise.

SECTION 3

The Battle for Safer Hosting

What are the biggest threats facing hosting providers?

What are the top security priorities that hosting organizations are focused on?

To what extent are hosting providers implementing new security measures?

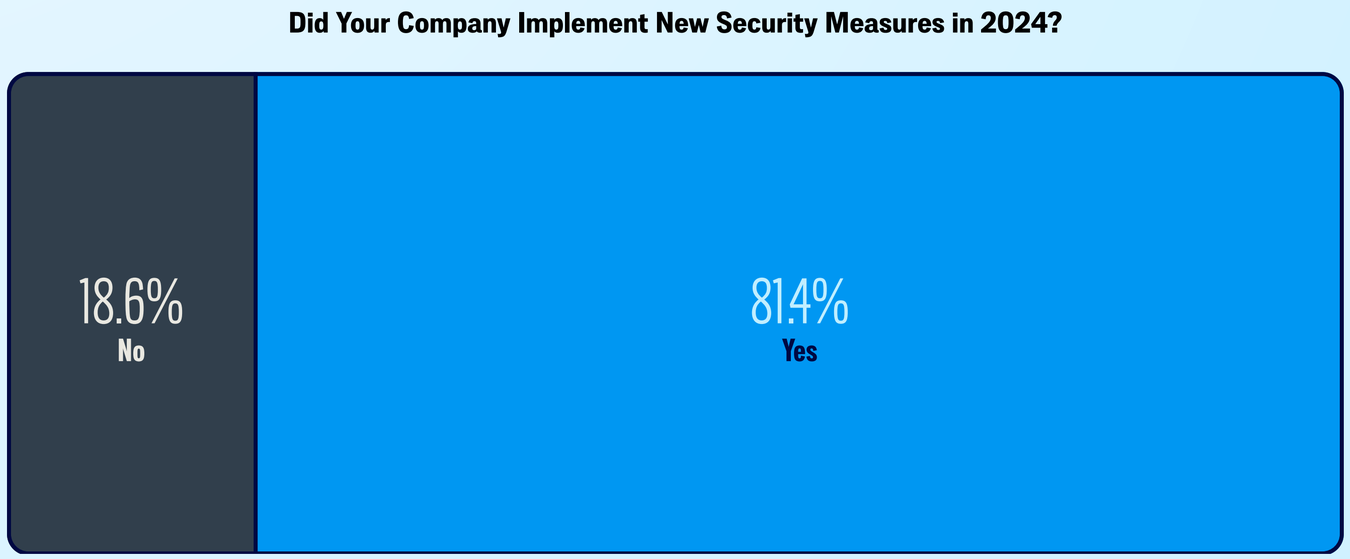
What backup solutions are hosting providers offering?

Cybersecurity is a top priority for hosting providers as cyber threats become more cunning and complex. As cybercriminals get more creative, hosting security strategies need to level up, leading providers to adopt cutting-edge tools and smarter threat mitigation tactics.

To stay one step ahead, hosting companies are ramping up their security game – beefing up server-level protections, speeding up incident response times, and rolling out better customer-facing security features. They're also putting a big emphasis on backup and disaster recovery, offering everything from automated backups to on-demand and full server options. The goal? To keep things running smoothly and protect customer data in a world where cyber risks are constantly evolving.

Security Updates Galore:
Hosting Providers are Leveling Up Their Security Measures

81.4% of hosting providers implemented new security measures in the last year.



This big push for cybersecurity upgrades shows that hosting providers are stepping up their game to tackle rising security threats, tougher compliance rules, and the growing demand for safer hosting environments.

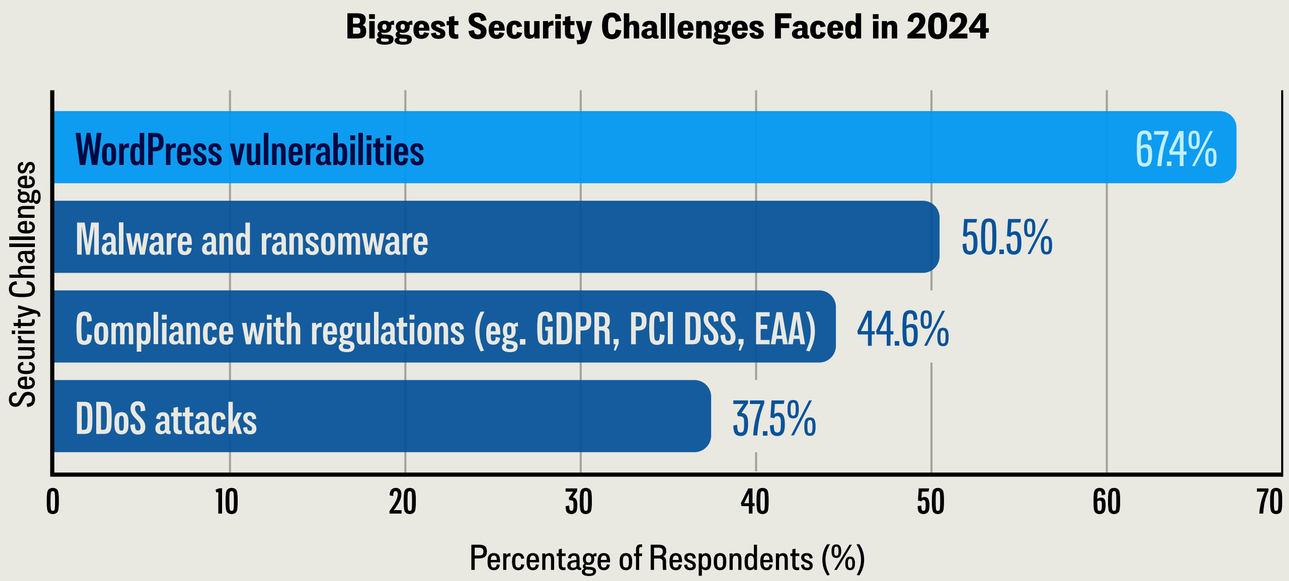
Only **18.6%** of hosters did not introduce new security measures, which may indicate:

- Confidence in their existing security infrastructure
- Budget or resource constraints
- A lack of immediate perceived threats in their specific hosting operations

WordPress vulnerabilities are the biggest security challenge

67.4% of hosting providers reported that WordPress vulnerabilities were their biggest security challenge in the last year — suggesting a demand for better patch management and security hardening for hosted sites.

In second place, about half of respondents (**50.5%**) reported malware and ransomware as a major challenge, driving the need for stronger endpoint security, threat intelligence, and rapid response solutions



Regulatory compliance is a massive challenge

Despite being in third place with **44.6%**, compliance with regulations like GDPR, PCI DSS, and others push hosting providers to need to invest in compliance automation, in-house expertise, security audits, and much more.

DDoS attacks are still a risk, but aren't a priority

The fact that only 37.5% of hosting providers named DDoS attacks as one of the biggest security challenges in hosting suggests that more providers have established mitigation strategies to handle them effectively.

Enhancing server-level protections is the top security priority right now

Followed by strengthening customer-facing security tools.



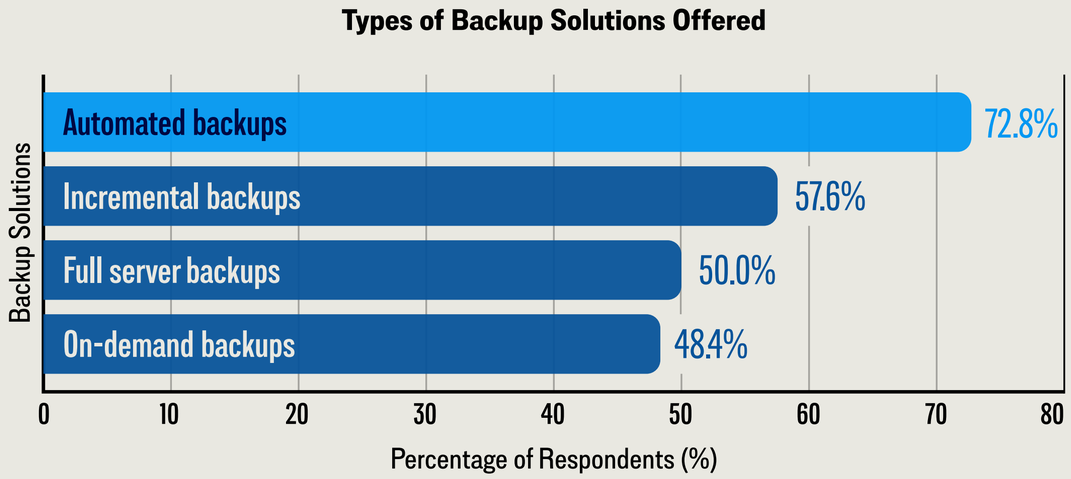
Improving incident response times is only a top priority for **12.6%** of hosting providers surveyed, suggesting that — while security is a major focus — many providers may feel confident in their existing response strategies or prioritize prevention over rapid reaction.

Meeting stricter compliance requirements is an even lower priority in the hosting space, with only **3.8%** of hosters indicating it as a top security priority. As many compliance requirements are often obligations of hosters' customers and not themselves (at least for small-to-mid-sized hosting companies), successful hosting providers focus on security, and compliance is achieved as a byproduct. However, this may not be the case for larger datacenters.

The Backup MVP: Automation Takes the Crown

Data loss is never an option in hosting, which is why backup solutions are a critical part of any provider's offering. With cyber threats, hardware failures, and human errors always a possibility, hosting companies are doubling down on reliable, hassle-free backup strategies.

Our survey data shows that automation is leading the way, ensuring that customer data is regularly saved without manual intervention. But automated backups aren't the only tool in the arsenal — many providers also offer full server and incremental backups, along with flexible, on-demand options to give users more control over their data protection.



72.8% of hosting providers offer automated backups

When it comes to backup solutions, automated backups are the most common offering, suggesting it to be a standard feature in hosting — ensuring regular data snapshots for quick recovery.

Full server backups and incremental backups are both offered by at least half of hosting providers surveyed

Many providers support on-demand backups, indicating that flexibility in backup scheduling is a valued feature

SECTION 4

AI-Powered Hosting

What share of the hosting market have implemented — or are planning to implement — AI solutions in their hosting operations?

How is AI used by hosting providers?

Is AI driving operational improvements after it's being implemented?

Will AI play a larger role in the hosting sector in the coming years?

Artificial Intelligence (AI) is gearing up to shake up the hosting world, but we're still in the early stages. Many hosting providers are starting to experiment with AI, though hurdles like cost and uncertainty are holding some back. But where AI is being used, it's already making a difference – especially in customer support and security. As AI tools get better, expect them to take on even bigger roles, from automating tasks to detecting threats and even creating content.

The buzz around AI in hosting is real, and it's only growing. Providers are already using AI for things like chatbots and automating tickets, and some are diving into AI-driven content creation and security solutions.

The results? Early but impressive improvements in efficiency and service quality. As AI continues to evolve, it's clear that it's not just a trend – it's becoming a must-have. Hosting providers who don't jump on board might find themselves left behind.

Most hosters are at least planning to do AI (though less than half currently do)

Have You Implemented AI Solutions in Your Hosting Operations?

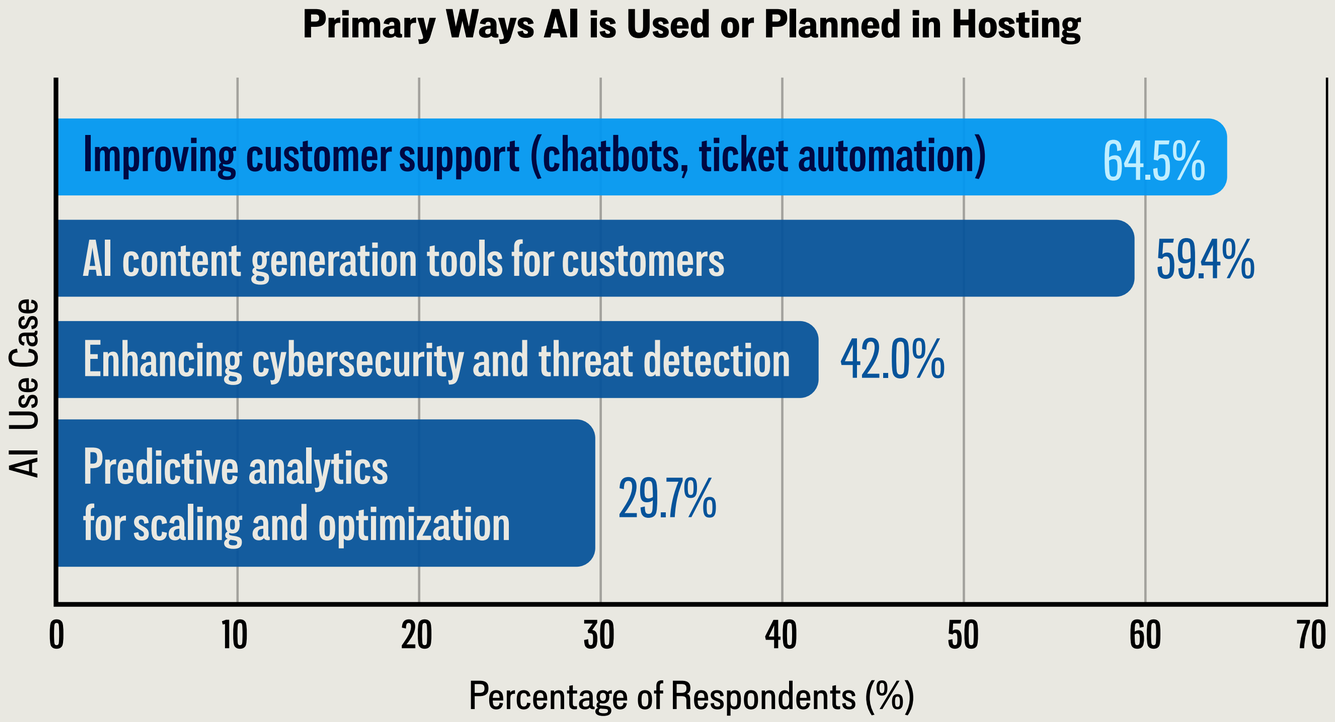


AI adoption in hosting is still in early stages, with many companies yet to implement AI-driven solutions.

As AI-driven automation and security solutions improve, adoption rates are likely to increase, making AI a key focus for future hosting innovations.

Cost, expertise, and uncertainty may be barriers preventing hosting providers from adopting AI at scale.

And when it comes to how they use (or will use) AI, customer support is the most popular use case

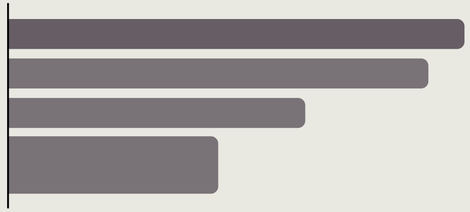


AI customer support solutions are quickly becoming a must-have in the hosting world, transforming how providers interact with customers. Hosting companies are tapping into AI-powered ticket automation and chatbots to tackle everything from server questions to billing issues, freeing up their teams to focus on the trickier stuff.

These bots can even provide 24/7 support, so customers get answers fast, no matter the time of day. As AI continues to get smarter, it's becoming an essential tool for hosting providers to speed up responses, reduce wait times, and keep customers happy – all while boosting efficiency behind the scenes.

CONTINUED

And when it comes to how they use (or will use) AI, customer support is the most popular use case



AI content creation is gaining serious momentum

59.4% of hosting providers offer or plan to offer AI-powered content tools. From generating websites to writing blogs and creating marketing content, AI is proving to be a valuable asset for hosting companies looking to offer cutting-edge services. As these tools become more refined, expect hosting providers to make content creation smoother, faster, and more tailored to customers' needs.

AI is the new guard dog for cybersecurity

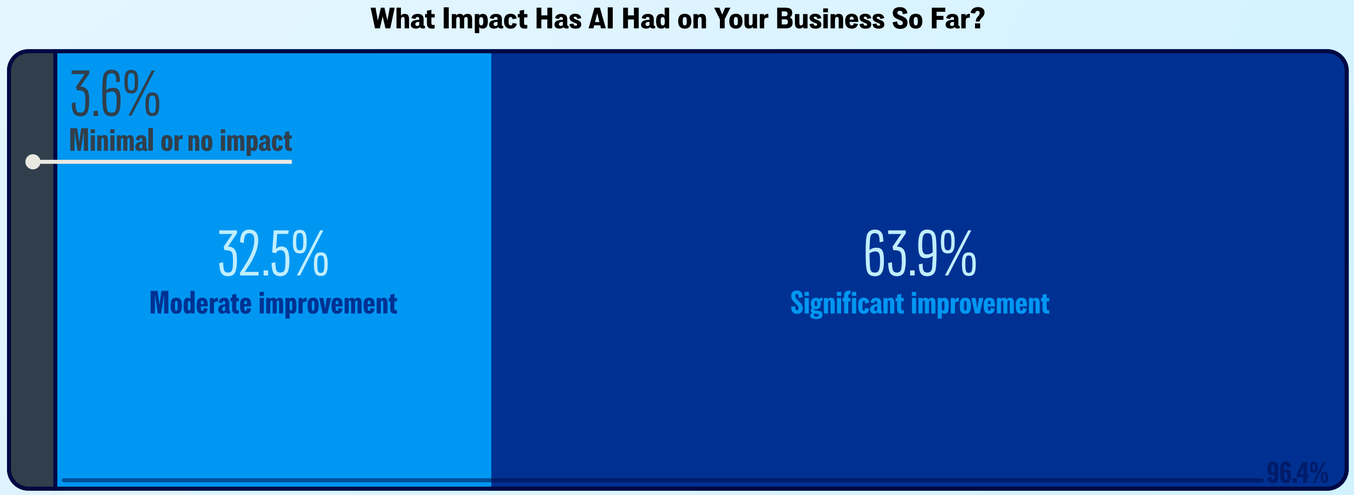
42.0% of hosting providers are using AI to boost their cybersecurity efforts, spot potential threats, and automate responses to attacks. It's clear that AI-powered security solutions are becoming a must-have, helping providers stay one step ahead of cybercriminals and protect their customers from harm.

Predictive analytics powered by AI has established its footing in hosting

In last place, only **29.7%** of providers are exploring AI's potential for scaling infrastructure and optimizing resources. While it's not as widely adopted as AI-driven support or security tools just yet, it's a use case for nearly a third of providers. As more providers dive into predictive analytics, we can expect AI to play an even bigger role in managing resources and improving hosting efficiency down the line.

One thing is for sure: AI is driving major operational improvements to those who implement it

63.9% of hosting providers have used AI to generate significant improvements in operations.



With so many hosters reporting significant improvements, it seems that AI adoption has positively impacted efficiency, automation, and service quality.

This suggests that AI-powered customer support, security enhancements, and infrastructure optimization are delivering real benefits to hosting providers

Moderate improvements are also common

A significant portion of respondents noted *"Some improvement,"* meaning that, while AI is helping, its full potential may not yet be realized. This could indicate that some companies are still in the early stages of AI integration or are facing challenges in scaling their AI-driven solutions.

A small number see minimal or no impact

A smaller percentage of respondents reported *"Little to no impact"*, suggesting that AI adoption may not be yielding immediate benefits for some businesses. This could be due to limited implementation, improper AI use cases, or difficulty in measuring AI-driven improvements.

There are high expectations for AI's growing role in hosting

90.2% of hosting providers see AI as playing a bigger role in the hosting industry in the next few years.

Nearly half (**45.4%**) of hosters believe AI will be transformative in the coming years.

Do You See AI Playing a Bigger Role in the Hosting Industry in the Next Few Years?



AI's big future in hosting looks bright

Most hosting providers are all in on AI, with many believing it'll take a bigger role in the industry soon. From automation to better security and smarter infrastructure, confidence is building in AI's ability to transform how hosting works.

A few skeptics still on the fence

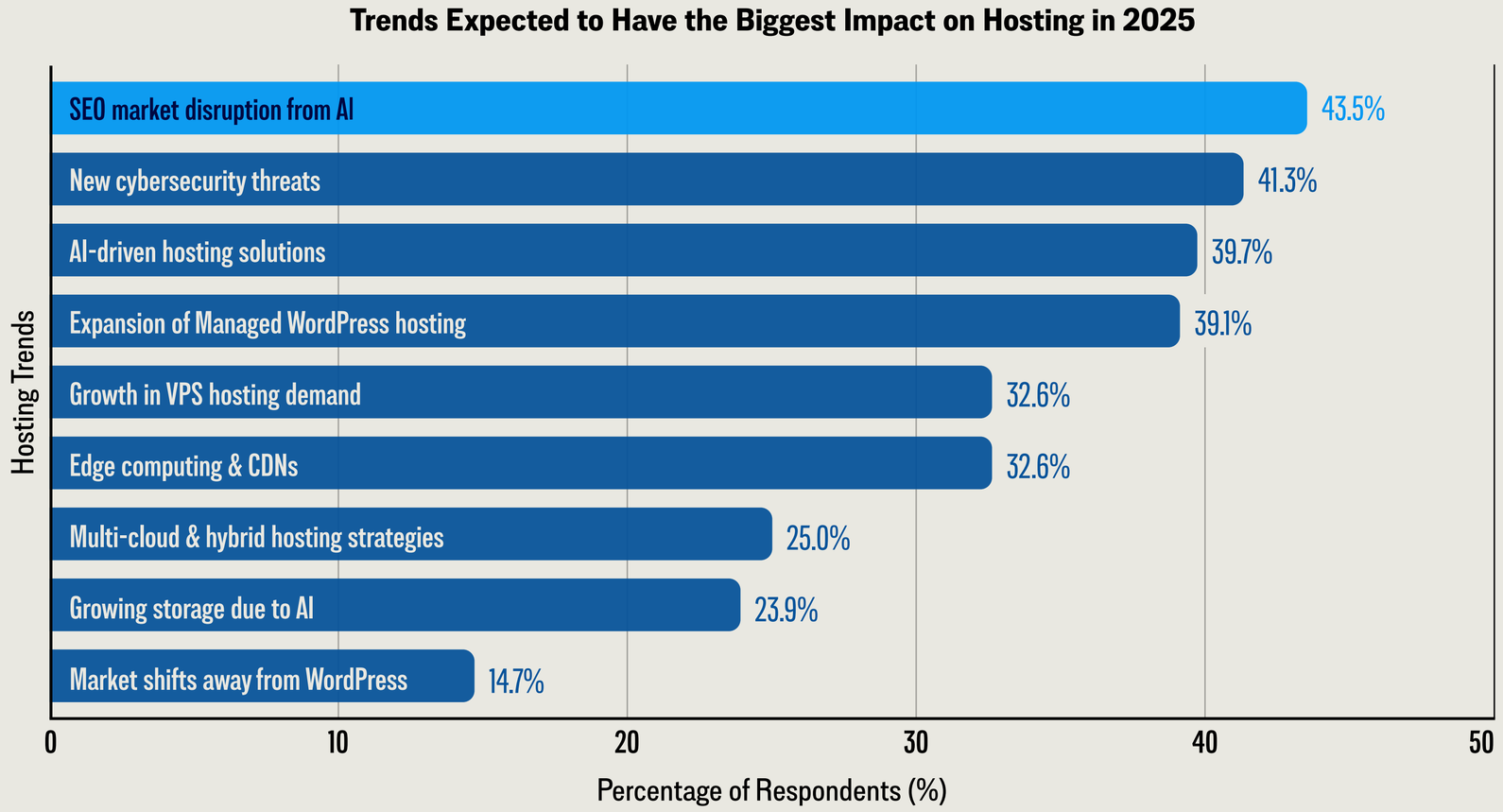
Only 9.8% see AI as having limited impact in the space in the next few years. These providers are likely unsure, worried about costs, complexity, or not seeing the full return on investment. But with so many others already diving into AI, it's possible that those who don't jump on the bandwagon soon may find themselves left behind.

SECTION 5

What's Next in Hosting

What trends are going to have the biggest impact?

SEO disruption, cybersecurity threat evolutions, and AI competition lead the way.



SEO Disruption From AI Content Generation is the Top Trend to Watch

This trend shows hosting providers expect major changes in how search engines rank websites, with AI-generated content reshaping digital marketing and how easily sites are found online.

Cybersecurity Threats Are Stoking Fears

Cybersecurity is a top concern for **41.3%** of providers, highlighting that new and more sophisticated cyber threats — like ransomware and AI-driven attacks – are pushing for stronger security measures.

CONTINUED

What trends are going to have the biggest impact?

SEO disruption, cybersecurity threat evolutions, and AI competition lead the way.



VPS Hosting Demand Is Still on the Rise

Noted by 32.6% of hosting providers surveyed as a trend, businesses are clearly still flocking to VPS hosting for its scalability and customization, with cloud-like VPS solutions gaining popularity for their added flexibility.

Only a Quarter of Hosters See Multi-Cloud and Hybrid Hosting As Trends to Watch

Hybrid hosting is on the rise, but most providers aren't fully diving into multi-cloud strategies just yet, showing that the shift is still in the early stages.

AI Content Growth Isn't Creating Major Storage Worries

Though AI-generated content will increase data storage needs, hosting providers aren't too worried about scaling storage just yet, with just **23.9%** selecting this trend as notable — suggesting it's not a pressing issue for now.

Edge Computing and CDNs Aren't Making a Splash

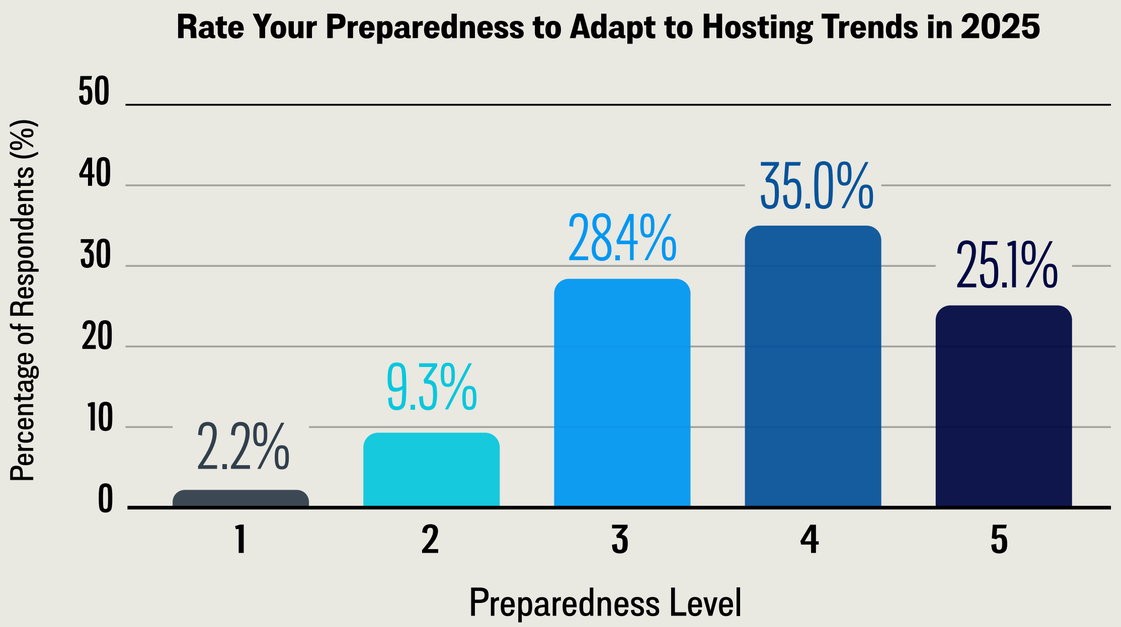
While edge computing and CDNs improve performance, they aren't seen as big disruptors for 2025, as a little less than a third of hosters selected it as a trend — suggesting that, while helpful, these innovations won't drive major industry shifts.

Very few hosters are worried about a shift away from WordPress

Only **14.7%** of respondents said that this was a big concern, making it the least anticipated major trend in hosting for 2025. This indicates that while alternative CMS platforms exist, WordPress still holds strong industry dominance. However, recent happenings in the WordPress world have unfolded that may lead to this trend growing between now and next year's report — stay tuned.

*The industry appears to be (mostly) prepared for 2025: **60.1%** of hosting providers feel at least somewhat ready to adapt to the coming trends*

... but only about a quarter of hosters feel highly prepared.



Meanwhile, only 11.5% of hosting providers feel somewhat or very unprepared

Some hosting providers are feeling ready for these trends, while others admit they've got some catching up to do — especially with AI shaking things up. The industry is quickly adapting to new challenges, but staying ahead will mean investing in AI, beefing up cybersecurity, and keeping SEO strategies fresh to stay competitive.

CONCLUSION

What's Next Is Still Unfolding



The hosting space is shifting fast, with AI, security threats, and new infrastructure trends shaking things up.

AI is making waves, but how far will it go? Confidence in traditional hosting models is wavering as competition heats up and customer demands evolve. Providers are stepping up with smarter security and performance-driven solutions — but is it enough?

The next big moves are taking shape, and those who adapt will thrive. The question is: who's ready for what's coming next?

Web Hosting in 2025: *What We Learned*

The hosting industry is in the fast lane, fueled by skyrocketing demand for security, performance, and flexibility.

With cyber threats evolving at breakneck speed, hosting providers are stepping up their game – fortifying security, refining infrastructure, and rolling out cutting-edge protective measures. Meanwhile, VPS hosting continues to steal the show, giving businesses a sweet spot between affordability and performance. And let's not forget AI – the game-changer that's reshaping everything from customer support to cybersecurity.

VPS Hosting: The Star Player

VPS hosting is on a winning streak, with nearly 80% of providers offering it and seeing solid returns. Businesses are making the switch for better control, reliability, and scalability – without the wallet-crushing costs of dedicated servers. WordPress hosting still leads the charge, but SaaS, CMS hosting, and dev/test environments are hot on its heels.

Yet, it's not all smooth sailing. VPS providers are navigating fierce competition, cost pressures, and the ever-present challenge of standing out in a crowded market. Performance and uptime are top priorities, trumping even advanced security features in customers' eyes. Infrastructure shifts are also happening, with Proxmox and OpenStack rising as go-to solutions for modern VPS platforms.

Security: The Never-Ending Arms Race

In a world where cyber threats are lurking around every corner, hosting providers are pulling out all the stops. A solid 81.4% have upped their security game in the past year.

The biggest headache? WordPress vulnerabilities, followed closely by malware and ransomware attacks. Compliance with regulations like GDPR and PCI DSS remains a challenge, but it's not the biggest priority — most providers have already jumped through those hoops.

The focus now? Locking down server-level protections and rolling out beefier security tools for customers. On the backup front, automation reigns supreme — 72.8% of providers offer automated backups, ensuring seamless, hands-off data protection and disaster recovery.

AI: The Hosting Industry's New Powerhouse

AI is transforming the industry, reshaping how hosters handle security, support, and infrastructure. Providers are tapping into AI to streamline customer support, strengthen security, and fine-tune infrastructure management. Chatbots and AI-driven ticketing systems are slashing response times and cutting workloads, while AI-powered cybersecurity solutions are sniffing out threats before they can strike. Predictive analytics is also gaining momentum, helping optimize resource allocation and infrastructure scaling.

Despite its potential, AI adoption is still in its early days. Cost, expertise, and uncertainty are holding some providers back. But those who've jumped in are seeing serious results – 63.9% report significant operational improvements, and a staggering 90.2% believe AI will play an even bigger role in hosting's future.

The takeaway? AI isn't just a trend; it's a powerful tool that hosters are taking advantage of where it benefits them most. Providers who ignore it risk being left in the dust.

What Comes Next: Staying Ahead of the Curve

Hosting providers are at a crossroads, juggling security, performance, scalability, and AI-driven innovation. VPS hosting will continue to thrive, but providers need to differentiate themselves and manage costs wisely. Security will remain a high-stakes battle, demanding continuous investment in cutting-edge defenses. And AI? It's set to redefine the industry, boosting efficiency, fortifying security, and revolutionizing customer interactions.

The future of hosting belongs to those who embrace change – investing in smarter infrastructure, bulletproof security, and AI-powered solutions that push the limits of what's possible. In an industry where the only constant is evolution, the winners will be those who stay agile, innovative, and ready for whatever comes next.

All the best,
The CloudLinux Team

As we conclude this year's report, we take a moment to highlight the full range of CloudLinux products that empower enterprises, hosting providers, and developers with security, stability, and performance.

CloudLinux™ OS

Shared Pro

Advanced version of the standard OS that includes advanced automation, deep-look performance analytics, and centralized monitoring tools.

Admin

Operating system for agencies, SMBs, and professionals with up to 5 hosting accounts. Greater flexibility for VPS and dedicated servers.

Solo

Operating system for your single-user account. Includes website monitoring, performance detection, and performance optimization tools.

Legacy

Stable version of the standard OS, designed for shared server security, density, and reliability, but no longer receiving new feature updates.

IMUNIFY SECURITY

Imunify360

Comprehensive and fully automated security suite designed to provide robust, multi-layered protection for web hosting environments.

ImunifyAV+

Advanced malware detection and automated cleanup solution that expands on the capabilities of ImunifyAV.

ImunifyAV

Free, lightweight antivirus solution designed for web hosting environments, offering essential malware detection capabilities.

ImunifyEmail

Email protection add-on for Imunify360 that blocks outgoing spam to protect your IP reputation and ensure email deliverability.

More CloudLinux Products

VPS Bundles

Unmatched performance and top-tier security for your VPS offerings.

MAx Web Server

35x faster WordPress hosting with seamless .htaccess and cPanel compatibility.

AccelerateWP

The first data-driven, automated tool for WordPress optimization.