

---

## Subject: What Is OverSelling And How It Can Ruin Your Business

Posted by [admin](#) on Thu, 30 Jul 2026 08:56:29 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

225|218|7||1675179644|||0| <https://webhostingmedia.net/wp-content/uploads/2016/12/what-is-web-hosting-overselling.png>

What exactly is overselling?

Overselling is a marketing ploy used by many hosting companies in which they promise more (often significantly more) resources than they have available in order to entice clients to use their servers. These providers are known for offering massive amounts of disk space and bandwidth for extremely low prices in order to convey value.

If you've recently gone looking for a hosting plan, you've almost certainly seen an ad or two (or a thousand) promising the moon "\$2 per month! 500 GB of storage space! Two terabytes of bandwidth! Unlimited Domain Hosting! "or some other outrageous offer. This is the epitome of overselling.

### The Anatomy of an Oversell

A new hosting provider charges \$150 per month to lease a dedicated server with 2 GB of RAM, a 120 GB hard drive, and 500 GB of monthly bandwidth.

Assume this host intended to sell hosting packages for \$3 that included 100 GB of disk space and 500 GB of bandwidth (which, by the way, is nowhere near the extremes that some hosting plans go to).

Anyone who understands basic math understands that if the host actually allowed just one user to use the resources he or she has purchased, he would have nearly used up his entire hard drive and accounted for all of his monthly bandwidth on the server he is leasing. All for a monthly fee of \$3.

To achieve any reasonable level of success in the business, this hosting provider must now pack as many clients as possible onto this server (often up to 500 or more are put on a single server) in the hopes that the clients never actually use the resources they have purchased.

### What Does Overselling Reveal About the Host?

Overselling can (and should) raise a number of red flags for those looking for a hosting plan, including:

- o That they are only involved in hosting for a limited time (or possibly even as a hobby during summer break). In the hosting industry, the entry barrier is very low. Anyone with a budget, a reseller account, and a website can pose as a legitimate business. These hosts, who know nothing about hosting services, believe that by setting up shop and offering the moon for \$3, they will be on their way to riches. A more likely scenario is that they will vanish at the end of the summer, leaving you with no account (and more importantly, your data).

- o Service quality is not a priority. Many hosts that oversell must cram as many clients as possible onto a single server or reseller account in order to make a profit. With so many people competing

for the server's RAM and processing power, poor service quality is unavoidable. Clients are frequently forced to endure this low level of service for months (if they haven't already) until the host can save enough money to purchase an additional server. Even then, they'll probably start crowding that one as well.

o Customer service is not a top priority. A host that can attract a large number of new clients by offering low-cost plans now faces a new dilemma: how to support a large user base with any level of quality. Long response times to help tickets, as well as responses that do not solve the problem but only buy the host time, should be avoided. "We're looking into this issue," is a common response used by hosts to keep you waiting for a few more hours.

What Effect Can Overselling Have on Your Hosting Experience?

1. Account Suspension/Termination: An overseller expects you to never use the resources you've paid for. It is critical to their business. If your blog, forum, or online store becomes popular and your traffic significantly increases, your hosting provider may suspend or terminate your account so that they are not required to live up to their advertised offers.

2. Frequent Migrations: If your site becomes popular or your ecommerce site experiences an increase in transaction volume, you may be asked to pay more or leave. In other words, if you actually use the resources you were promised, you will most likely be kicked out.

3. Slow Site Performance: As previously stated, servers can easily bog down and become unresponsive when competing for valuable resources with hundreds of other sites. If you don't have a solid support and monitoring system in place, you could be stuck in this situation for days.

4. Exposure to Malicious Users: Low-cost hosting (particularly those with 30-day money-back guarantees) is very appealing to spammers and other users with less-than-honorable intentions. The ability to get in on the cheap, run their scripts, and leave with little (if any) accountability is ideal for this crowd. Many hosts will attempt to protect against this type of behavior, but if you are not constantly monitoring activity, you may not notice them until they have done their damage.

What You Can Do to Prevent an Overseller Nightmare?

Ignore the Sales Pitch: Forget about the size of the resource allocations. In reality, you are not receiving all of these resources. Other indicators of value include: software and tools included with your account, tutorials (if you're new to hosting), the host's reputation on forums and message boards, account transfer services, a comprehensive knowledgebase, a busy company forum, multiple ways to contact the company, and so on.

Pay Attention to Response Times: Send a sales inquiry or a technical question to the company helpdesk and keep track of the response time and quality. You can often tell if a host is serious about their business by how quickly they respond to you and how well they answer your questions.

Inquire About the Company's Operations: If a host owns their own equipment and has invested significantly in their operations, they are more likely (though not always) to go the extra mile and provide a higher level of service quality.

Is the Company Organized as a Formal Business Entity? : The use of a formal business entity

(corporation, LLC, partnership, etc.) can indicate how serious the owners of a hosting company are. This process takes time and money to complete properly, and most "fly by night" hosts skip this step.

Are there hosts who do not oversell but provide poor service? Sure. Can you have some of the same experiences as described above with a large corporation? Without a doubt. Overselling is a regrettable aspect of today's hosting industry that is unlikely to disappear anytime soon. Doing your own due diligence when looking for a host is one thing you can and should do to avoid a hosting nightmare, and remember that with hosting (as with so many other things in life), you ultimately get what you pay for. The next time you see an unbelievable hosting deal that seems too good to be true, it most likely is.

---