

HOSTAFRICA SMB Insights Lab

South Africa Country Insights

HOSTAFRICA in collaboration with

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South African Market Overview / Who are our Customers?



Overview about the survey objectives and geographical response distribution

Key Characteristics

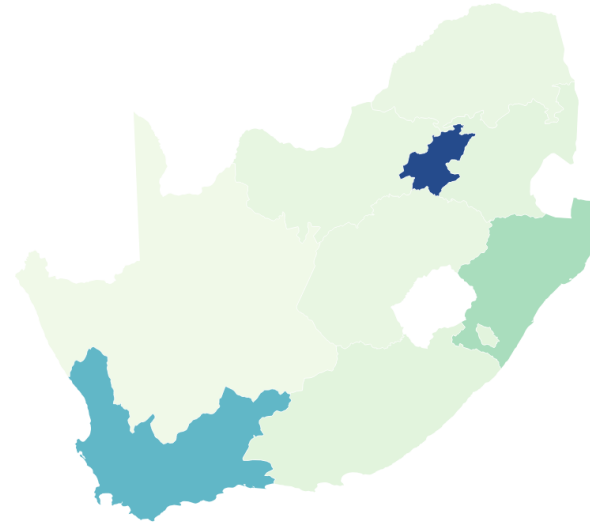
Survey Sample N=934

54%
of customers are
located in Gauteng

23%
of customers are
located in Western Cape

12%
of customers are located
in KwaZulu-Natal

South Africa SMME Distribution



Study Objective



Aim:

To provide a representative view about the South African market and the business needs for companies within it



Methodology:

We distributed a survey among central customer basis to evaluate their business characteristics

Understanding HOSTAFRICAS customers' core business activities



What best describes what you do?

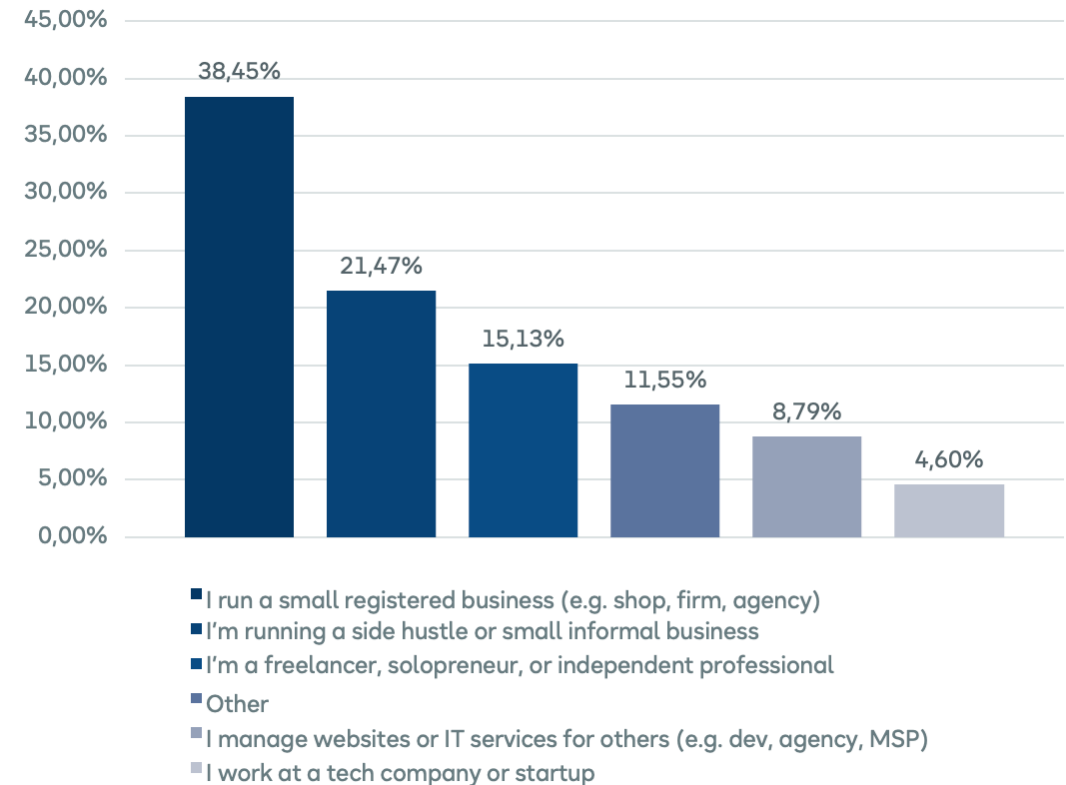
Reported Business Activity

Most respondents (38,45%) operate a small registered business, such as a shop, firm, or agency, making this the most common business type among HOSTAFRICA's customers in South Africa.

Around 21,47% are running a side hustle or informal business, while **15,13% identify as freelancers or independent professionals**.

Smaller segments include those managing IT services or websites for others (8,79%), and employees in tech companies or startups (4,60%).

This distribution highlights a customer base dominated by entrepreneurial and small-business users.



Distinguishing solo operators from SMEs and larger tech teams

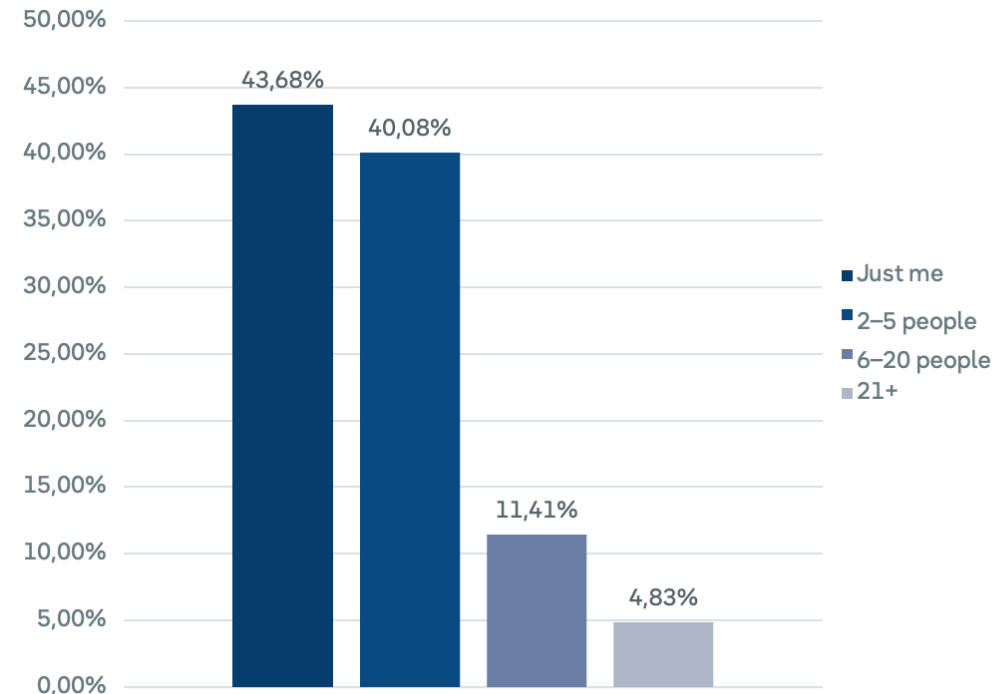


How many people are involved in your business or project (including you)?

Company Characteristics

Nearly half of respondents (43,68%) operate their businesses independently, while another **40,08% work in small teams of 2–5 people**. This highlights that the majority of users represent solo operators and small enterprises.

Larger organizations are less common in South Africa: 11,41% report teams of 6–20 people, and only 4,83% are part of teams with more than 21 members, indicating that the customer base is primarily made up of smaller-scale operations.



Revealing whether Customers are End-Users or Service Providers



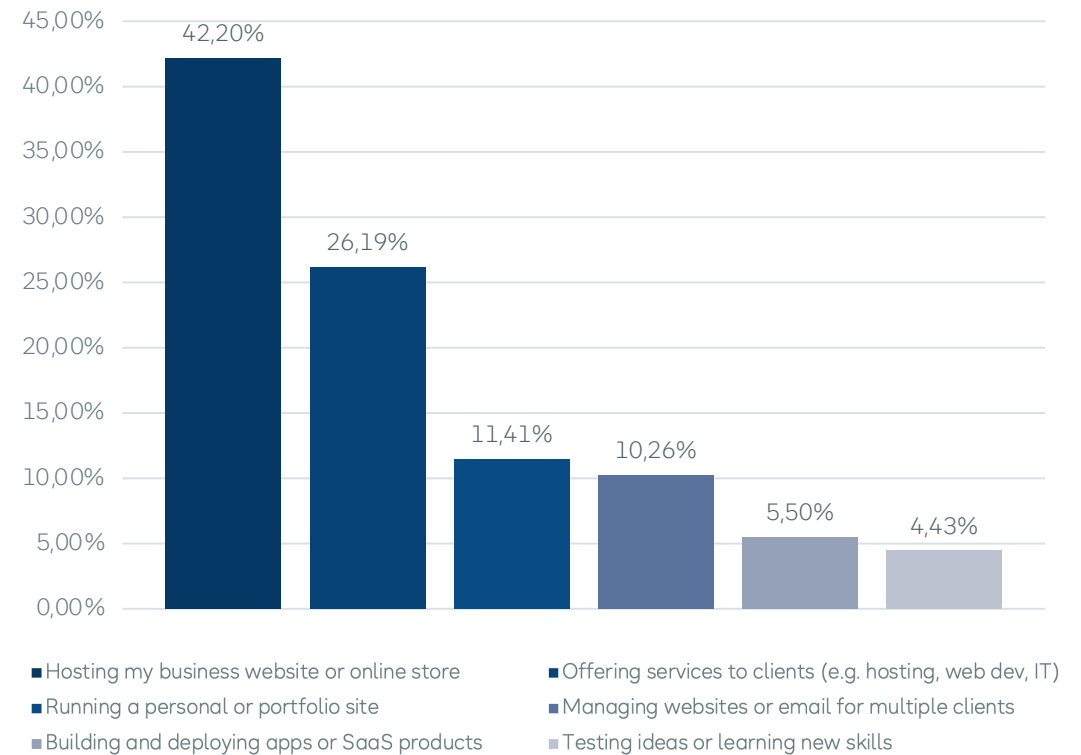
Which of the following best describes your main goals with our services?

Characteristics

The largest share of respondents in South Africa (42,20%) use HOSTAFRICA's services primarily for hosting their business website or online store.

Another 26,19% focus on offering services to clients, such as hosting, web development, or IT. 11,41% use the services for running personal or portfolio sites, while 10,26% manage websites or email for multiple clients. A smaller portion of customers engage in building and deploying apps or SaaS products (5,50%) or testing ideas and learning new skills (4,43%).

Together, these insights show a mix of both end-users and service providers, with a strong emphasis on business-oriented hosting needs.



Understanding the Industry Context to refine the Segmentation



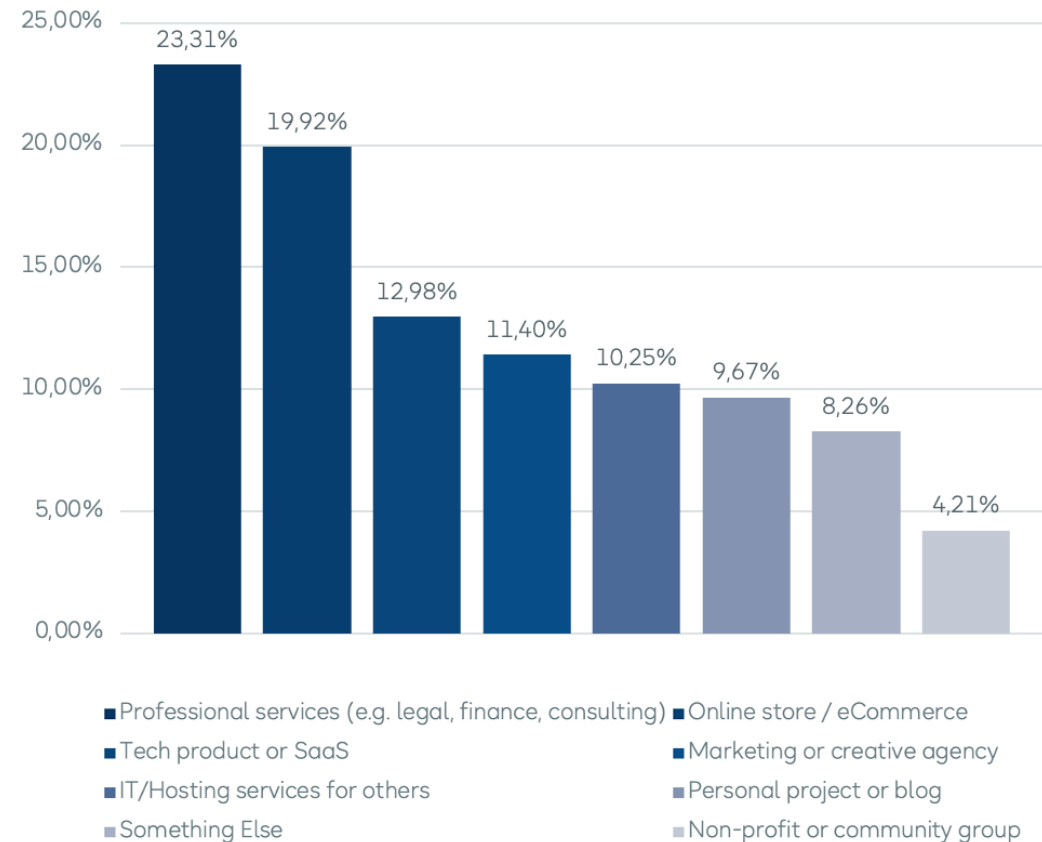
What best describes the type of business or project you're working on?

Characteristics

The largest share of respondents (23,31%) work in professional services, such as legal, finance, or consulting sectors. This is followed by **online stores or eCommerce businesses (19,92%)** and **tech products or SaaS companies (12,98%)**.

Other notable groups include those in **marketing or creative agencies (11,40%)** and **IT or hosting services for others (10,25%)**. Smaller segments consist of **personal projects or blogs (9,67%)** and **non-profit or community groups (4,21%)**, while 8.26% selected something else.

The data shows a strong representation from service-oriented and technology-driven industries.



Clearly identifying Resellers and MSPs among Customers



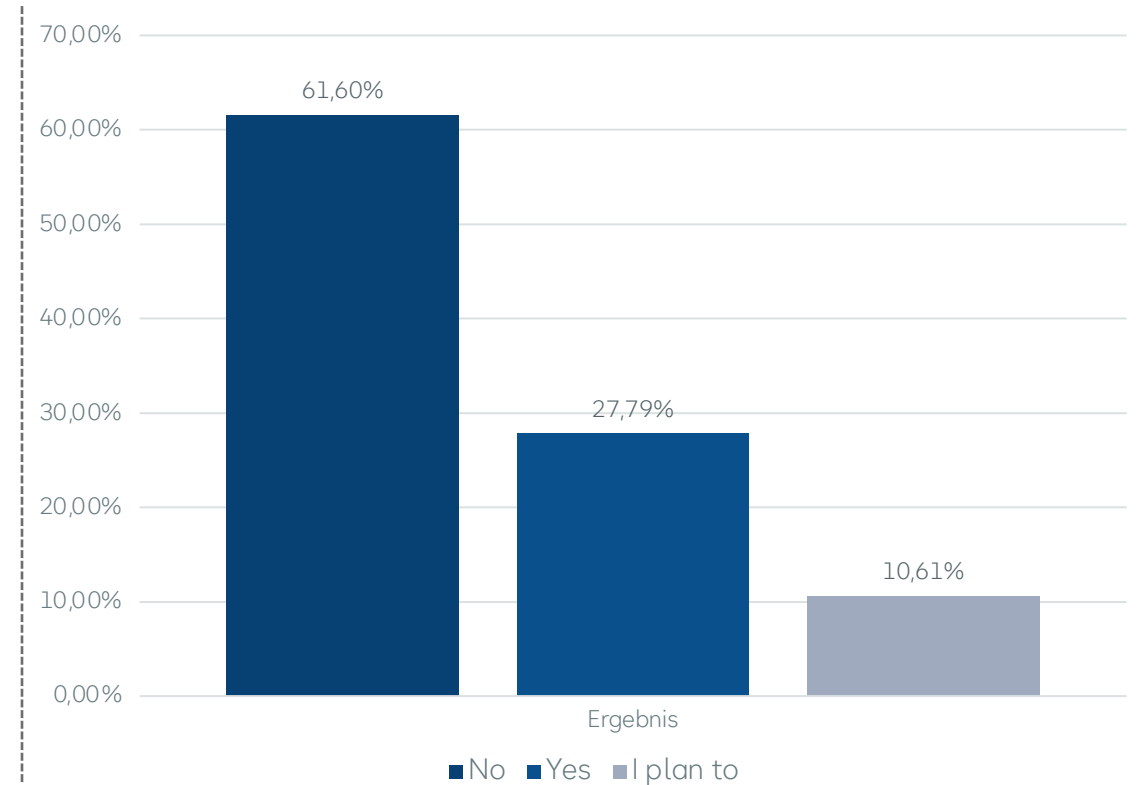
Do you resell hosting or offer services using our infrastructure?

Characteristics

The majority of respondents (61,60%) do not currently resell hosting or offer services using the company's infrastructure.

However, **27,79% already act as resellers or managed service providers (MSPs)**, indicating a solid portion of business users who integrate hosting into their service offerings.

Additionally, **10,61% plan to start reselling in the future**, suggesting further potential growth in this segment.



Deep Dive: Hosting Business Customer Segmentation



Out of all questions, we derived a customer segmentation including five significantly different segments

<u>Segment 1:</u> Individual Website Owners with Basic Business Sites	<u>Segment 2:</u> Business Websites with Light Personal Use	<u>Segment 3:</u> Smaller Agencies & Customer Managers	<u>Segment 4:</u> Professional Agencies & Reseller Segment	<u>Segment 5:</u> Experimenters & Learners
239 participants (24%)	319 participants (32,03%)	73 participants (7,33%)	180 participants (18,07%)	185 participants (18,57%)
90,3% Hosting personal website or online store usage 2,5% Reselling Mostly solo entrepreneurs and consultants Implications: • Classic website owner segment within S.A. • Use hosting services for their own business and only have little technological demand	88,4% Running personal or portfolio sites 71,5% Hosting business website 6% Reselling Implications: • Users host business and private websites through HostAfrica • Besides core business used for experimentation with e.g., app development	80,8% Offering services to clients 40% Hosting business website 86,3% Reselling Mostly solo entrepreneurs or 2-5 people businesses Implications: • This segment contains mostly smaller agencies that focus on services to clients but also have a significant share of hosting personal websites	87,2% Offering services to clients 66% Managing client websites 87,7% Reselling Predominantly companies with 6-10 people and larger Implications: • Highly professional reselling and agency segment in S.A with high multiplication potential • A core business part is on offering services to clients	82% Running a personal website 60% Testing ideas / learning Only 17% Hosting business websites Predominantly individual people using hosting service Implications: • High share of people learning web hosting / SaaS implementation • High potential for future hosting services, if the operations are expanded

In case of further questions feel free to contact us



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