



Tier1Research

Parallels hypervisor provides path to cloud and virtual infrastructure for hosters

Enterprise and Mass-Market Hosting

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In our recent commentary on **Parallels**, we discussed how the company is closing in on a release of its hypervisor-based virtualization technology. This was recently made official with the launch of Parallels Server 4 Bare Metal. Bare Metal, as we have discussed, enables creation of multiple virtual machines running different operating systems in a single hardware environment. Furthermore, Bare Metal is built to support container-based virtual instance running alongside hypervisor-based virtual machines. Bare Metal also features a number of important features that allow service providers to provision and de-provision services, migrate virtual machines between physical servers, snapshot virtual machines for backups and support for image templates. The pricing is positioned to be a lower-cost alternative to **VMware**, which will be key for Parallels as it tries to carve out market share.

Targeting hosters

As always, Parallels will be moving its virtualization technology through the service provider channel, where it has a strong history. As T1R readers know very well, Parallels has for many years supplied hosters with container-based virtualization that powers the virtual private server (VPS). Parallels Bare Metal brings another enablement technology to the mix that will enable hosters to diversify beyond virtual private servers and build offerings that accommodate a wider range and more intensive applications and workloads.

Needless to say, this will have a positive impact and could not come at a better time. There continues to be growth in the infrastructure requirements of today's hosting customer. Their content sees more traffic, applications do more and workloads are much more intense. The VPS is a nice fit for many scenarios, but it's not a one-size-fits-all kind of solution. A hypervisor, and better yet, one that can accommodate container-based virtualization at the same time, enables hosting infrastructure more ideally suited for requirements not necessarily suitable for the VPS environment. The hypervisor is also designed to allow hosters to offer cloud-like services with a billing piece baked in to facilitate utility-based billing. Parallels will be pushing this aspect of its technology hard – positioning itself as a pathway to easily and cost-effectively rolling out cloud infrastructure services – an important challenge facing today's hosters.

Pricing

We have not confirmed the pricing details officially with Parallels (a query is in), but it is a good bet that the pricing will be very competitive, allowing hosters to offer an affordable alternative to VMware-based offerings. This is key for much of Parallels' hosters, as they serve a demographic that is much more price-sensitive. For service providers, Parallels appears to be billing the hypervisor based on each virtual machine and container.

T1R quick take

While it is far from certain how far up-market Parallels can take this product, it is a very good bet that it will resonate in the hosting/service provider space where hosters are clamoring for ways to deliver cloud-like infrastructure and accommodate new and every-expanding workloads and requirements. Bare Metal is a sensible way for hosters to widen the scope of their offerings, attract new customers, and importantly, provide a migration path for growing customers – all within a reasonable budget and time frame. While there are other ways to move in this direction with **Microsoft's** Hyper-V and open source options like Xen, T1R sees Parallels having strong differentiation and added value with the billing and management automation pieces, along with the ability to run container and hypervisor-based virtual infrastructure in a single environment.

Overall, this is a critical new product launch for the company. The hosting sector remains a driving force behind Parallels' revenues and Bare Metal is a way for it to keep its bread and butter competing and growing in the face of competition that has the advantages of scale and resources. Not to be overlooked, along with the product benefits, hosters stand to gain from the operational efficiencies virtualization can deliver – maximizing hardware utilization within the datacenter.