

Helping DreamHost Meet the Growing Demand for Better Web Hosting

About

When four friends began building websites out of their dorm room at Harvey Mudd College in the mid-1990s, little did they know their efforts would grow into a successful web hosting business that serves more than 400,000 customers in over 100 countries and hosts more than 1.5 million websites.

Founded in 1996, DreamHost is a Los Angeles-based technology firm that was among the first to offer integrated website hosting, domain registration and application hosting to individuals and businesses.

DreamHost stands out for their commitment to online customer success. They've built a platform that allows their customers to truly own their online presence using open technologies that empower their teams to build world-class customer experiences and with privacy-minded policies that respect their content.

With a focus on providing expert guidance to its many small business customers, DreamHost has been able to look to its own growth journey as a source of valuable insights for the many thousands of small businesses that use their services.

The challenge

As DreamHost's revenue and customer base expanded, the company's banking and cash management needs increased in both complexity and strategic importance. As demand for their services continued to grow, company leaders sought a partner who brought economies of scale to help it manage transaction cost, mitigate fraud risk and protect recurring revenue streams.

DreamHost's subscription business model enables customers to securely store payment card credentials in their account profile to facilitate recurring payments for their web site hosting and domain registrations as well as ad hoc services. With hundreds of thousands of recurring payments processed monthly, the company had an expanding need to grow and protect revenue streams while balancing transaction costs and fraud risk.

Recognizing the strategic importance of payments, the company's leaders sought to engage a payment processor with an agile digital payments platform that could scale with DreamHost.



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The solution

What started as a core banking relationship with J.P. Morgan in 2011 was expanded in 2019 to include processing of DreamHost's customer payments. J.P. Morgan helped DreamHost deploy a digital payment solution that aligns to the unique needs of a subscription-based provider of digital services - today and in the future.

Additionally, J.P. Morgan provided the advice, insights, and tools necessary to lower DreamHost's cost of payments while simultaneously trying to maximize authorization rates.


To lower cost of payments, J.P. Morgan implemented Level 2 and Level 3 processing to help DreamHost take advantage of interchange savings on business card transactions and enabled Electronic Check Processing which offered an additional cost saving opportunity.

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- Ho Yun, DreamHost Vice President of Finance

J.P. Morgan recognizes that every decline is a potential lost subscriber for our merchants. To maximize good authorizations, J.P. Morgan consulted on a retry strategy that enabled DreamHost to automatically retry a declined or failed charge at specific intervals identified as the most likely times to approve a transaction by J.P. Morgan's data science team. J.P. Morgan also implemented our Account Updater product which updates new account numbers, expiration dates, and brand changes to maximize card approval rates, protect recurring revenue, and reduce customer service disruptions.

Account Updater helps to keep customers' Visa and Mastercard account information current when new cards are issued to replace lost or expired cards, enabling DreamHost to maximize card approval rates, protect recurring revenue and reduce customer service disruptions.



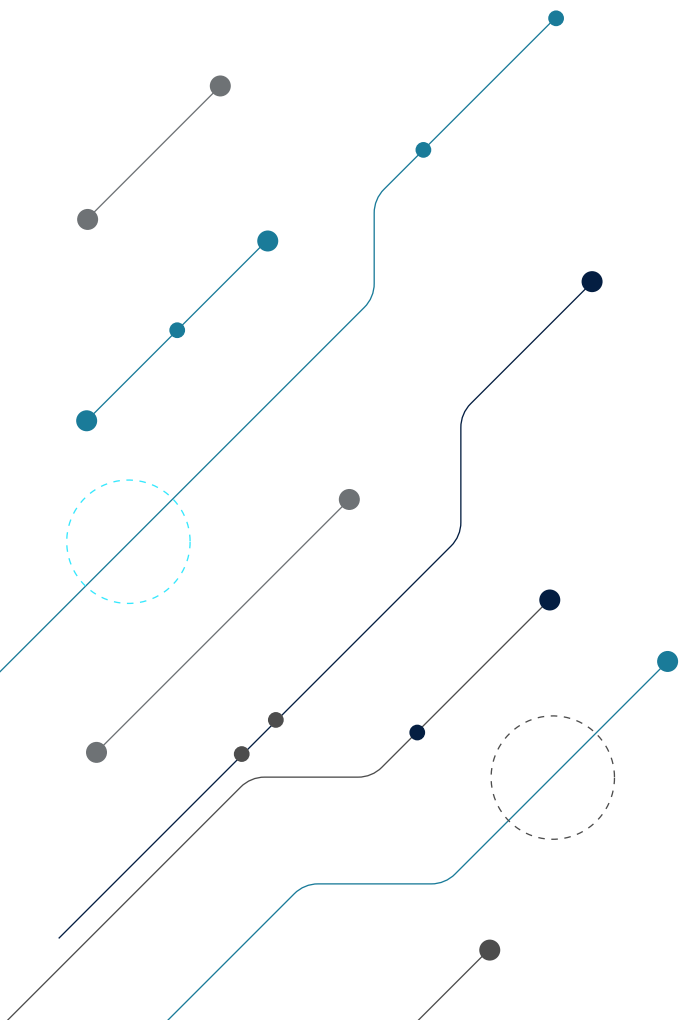
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The results

With J.P. Morgan's digital payments platform now processing DreamHost's subscription payments, the company has strengthened its ability to protect existing revenue streams as it continues to attract and grow customer relationships. J.P. Morgan's relationship management team proactively advises DreamHost on ways to optimize subscription payment acceptance, including controlling interchange fees, maximizing transaction approval rates and mitigating payment fraud.

"One of the things that drew us to J.P. Morgan was the number of solutions the organization could offer," says Ho Yun, DreamHost's Vice President of Finance. "We are buying into the J.P. Morgan roadmap of new solutions they are developing. We've already seen significant savings in merchant fees and are looking to implement ChaseNet in the future for additional savings."

Exceptional customer service and operational excellence differentiate DreamHost and help them provide a growing customer base with superior value. These same attributes informed their selection of payment processor and the company is well positioned to meet the growing demand for better web hosting solutions.





To learn more about how we can support your business, please contact your J.P. Morgan representative.

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