

Understanding Three Ways to Run n8n

Before we dive into the technical setup, let's understand your options for running n8n.

In the next videos, I'll show you exactly how to set up both VPS (Hostinger) and locally on your own machine using Node.js.

Setting up and managing your own VPS (especially on Hostinger) is pretty straightforward - you get all the benefits of self-hosting with manageable complexity.

However, setting up credentials when running n8n on your local machine can be quite complex due to OAuth redirects and webhook requirements.

Credential complexity increases significantly from Cloud → VPS → Local with local installation requiring the most technical workarounds.

That's why we recommend starting with either n8n Cloud for beginners or VPS hosting for those who prefer to host it on their own server, save money, and have more control right away.

! Important note: In this course, we teach how to build AI Agents and AI Automation using n8n Cloud (paid) and self-hosting on VPS! The local installation is covered for completeness, but our main focus is on the two most practical approaches for more production-ready solutions.

Here's a complete comparison to help you decide:

n8n Hosting Options Comparison

Aspect	n8n Cloud (Paid)	VPS Self-Hosting (Hostinger)	Local Installation
Cost	~\$50/month (Pro: 15 workflows, 2,500 executions)	~\$5-20/month (unlimited workflows/executions)	\$0 (but highest setup complexity)
Workflow Limits	5 (Starter) / 15 (Pro)	Unlimited	Unlimited
Community Nodes	❌ Not available	✅ Full access	✅ Full access
Maintenance	✅ Zero maintenance	❌ Server maintenance required	❌ Manual updates needed
Availability	✅ 24/7 from anywhere	✅ 24/7 from anywhere	❌ Only when computer is on
Data Control	❌ Hosted by n8n	✅ Full control	✅ Complete privacy
Custom Code	⚠️ Limited restrictions	✅ No restrictions	✅ No restrictions
Setup Complexity	✅ Instant setup	✅ Easy with Hostinger	⚠️ Node.js installation required
Credential Setup	✅ Easiest: Pre-configured OAuth, just click "Connect"	⚠️ Simple guided setup	❌ Most Complex: All VPS challenges PLUS ngrok/tunneling required
Support	✅ Professional support	❌ Community only	❌ Community only
Scalability	⚠️ Limited by plan	✅ Scalable resources	❌ Limited by computer specs
Security	✅ Managed security	⚠️ Your responsibility	⚠️ Exposing localhost creates risks

Credential Setup Complexity Breakdown

Integration Type	n8n Cloud	VPS Self-Hosting	Local Installation
Google Sheets	Click connect → authenticate →	Create Google Cloud project → enable APIs	Create Google Cloud project → enable APIs → set up

	done	→ configure OAuth with server URL	ngrok tunnel → configure OAuth with ngrok URL → restart tunnel = reconfigure
Slack	Pre-configured app → instant connection	Create Slack app → configure redirect URLs → manage credentials	Create Slack app → set up public tunnel → configure with dynamic URLs → reconfigure on tunnel restart
Webhooks	Automatic webhook endpoints provided	Configure webhook endpoints with public server URL	Need ngrok/localtunnel to make localhost publicly accessible
OAuth Services	Pre-configured for popular services	Manual OAuth app creation for each service	OAuth app creation + tunnel management + dynamic URL handling

Decision Matrix




Choose This If...	n8n Cloud	VPS Self-Hosting	Local Installation
Experience Level	New to n8n and automation	Comfortable with basic server management	Prepared for complex credential setup
Workflow Needs	Need fewer than 15 workflows	Need unlimited workflows	Learning and experimenting
Budget Priority	Prefer predictable monthly costs	Want long-term cost savings	Extremely tight budget
Data Requirements	Cloud storage acceptable	Data control and privacy important	Complete privacy required
Availability Needs	Need reliable 24/7 uptime	Need 24/7 automation	Occasional use only
Integration Complexity	Want easiest credential setup	Can handle moderate credential complexity	Patient with most complex setup

Technical Requirements

Requirement	n8n Cloud	VPS Self-Hosting	Local Installation
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Technical Skills	None required	Basic command line knowledge	Terminal/command prompt usage
Server Knowledge	Not needed	Server administration basics	Understanding of localhost concepts
Networking	Not needed	DNS and domain configuration	Additional tools like ngrok required
Security Management	Handled automatically	SSL certificates, security patches	Patience for complex credential configurations
OAuth Understanding	Not needed	OAuth and webhook concepts	Tunnel management and dynamic URLs

Real-World Credential Example: Google Sheets

Step	n8n Cloud	VPS Self-Hosting	Local Installation
1	Click "Connect to Google Sheets"	Create Google Cloud Console project	Create Google Cloud Console project
2	Authenticate with Google account	Enable Google Sheets API	Enable Google Sheets API
3	 Done - Ready to use	Create OAuth 2.0 credentials	Create OAuth 2.0 credentials
4		Configure redirect URI with server URL	Install and start ngrok tunnel
5		Save credentials in n8n	Configure redirect URI with ngrok URL
6		 Ready to use	Save credentials in n8n
7			 Restart ngrok = reconfigure credentials