

NEXT STEPS

CCT-RT RESEARCH/DISCUSSION WORKSHEET

HYPOTHESIS:

The new gTLD program improved competition within the “gTLD marketplace”.

OWNER:

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HIGH LEVEL QUESTION:

1. Did the new gTLD program increase price competition?
2. Did the new gTLD program increase non-price competition?
3. Did the new gTLD program increase competition amongst registrars?

FINDINGS:

1. According to analysis performed by analysis group on gTLD registration information provided to ICANN:
 - a. By all standard measures of market concentration, the “new gTLD market” is significantly less concentrated than the “overall gTLD market”.
 - b. Using USDOJ’s interpretation of HHI’s, the new gTLD market would be considered competitive, whereas the overall gTLD market is highly concentrated (the HHI of the overall gTLD market, at 6,360, is extremely high).
 - c. Competition amongst registrars within the new gTLDs is not significantly different than the overall gTLD market. In fact, the 4- and 8-firm concentration methods of measuring market concentration show slightly higher levels of concentration in the new gTLDs versus the overall market while using HHI shows a decrease. In general, these measures show market concentration levels that are considered at the upper end of what we expect for competitive markets.
 - d. The market for registry backend services (for new gTLDs) is relatively concentrated, with an HHI of 1735 and an 8-firm concentration of .95
- 2.

CAUSES:

1. New gTLDs are still quite small relative to legacy gTLDs such as .COM, .NET and .ORG.
2. New gTLDs generally use the same registrars as the legacy gTLDs (and are required to provide the same equal access) so they are unlikely to affect the registrar marketplace.
3. ICANN’s requirements may make it difficult for new backend providers to enter the market.

PRIORITY TO ADDRESS:

Long Term

RECOMMENDATIONS:

NEXT STEPS

REVIEW: