

Perform all calculations using data for both all registrants and all registrants of active domain names (“non-parked”). Why leave out the parked, explain. To me a parked domain is a sold domain, which is not active in the web (no webpage or “redirected”-??????)

### **Project 1 (Basic “Market Share” Calculations)<sup>1</sup>**

Using the most current data calculate: agreed to use of nldstats.com data; these are benchmarks we will be setting? I agree with the importance of the 4 ratios in reaching conclusion

- (1) Number of Registrants in *New* gTLDs/Number of Registrants in All gTLDs<sup>2</sup>
- (2) Number of Registrants in *New* gTLDs/Number of Registrants in All gTLDs + Number of Registrants in All ccTLDs
- (3) Number of Registrants in *New* gTLDs/(Number of Registrants in *New* gTLDs + the *Increase* in the Number of Registrants in Legacy gTLDs Since Start of Entry of *New* gTLDs)

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<sup>1</sup> In principle, some of these calculations could be performed using data available to ICANN but, because these data would apparently be available to us only with a three month lag, it may be preferable to use more current, but possibly somewhat less accurate, data available from nldstats.com. More generally, we will apparently have to rely on nldstats.com for other data, e.g., park registrations and backend providers and registrars for each TLD. *We could compare both sources. I assume there is a rush over the early months of any new delegation, but over time, and as recommendation for future Reviews ICANN data should be enough.*

<sup>2</sup> Summit Strategies International [hereafter “SSI”], *Evaluation of the New gTLDs: Policy and Legal Issues*, July 10, 2004 found (at 96) that the new gTLDs that were introduced in 2002 had a combined market share of about 7 percent after about 2 years of operation. Note that M.L. Katz, G.L. Rosston, and T. Sullivan, “An Economic Framework for the Analysis of the Expansion of Generic Top-Level Domain Names,” June 2010 (henceforth “KRS I”) suggest (at 46) collecting “Data regarding the effects of past gTLD introductions on the number of aggregate second-level domain names.”

- (4) Number of Registrants in *New* gTLDs/(Number of Registrants in *New* gTLDs + the *Increase* in the Number of Registrants in Legacy gTLDs Since Start of Entry of *New* gTLDs + the *Increase* in the Number of Registrants in *ccTLDs* Since Start of Entry of *New* gTLDs )
- (5) Number of Registrants in *New* gTLDs/Number of Registrants in all ccTLDs
- (6) Number of Registrants in *New* gTLDs/Number of registrations of all ccTLDs less the open ccTLDs<sup>3</sup>
- (7) Number of Registrants in *New* gTLDs/Number of registrations in all ccTLDs since start of new gTLD program
- (8) Number of Registrants in *New* gTLDs/Number of registrations in all ccTLDs less the open ccTLDs since start of new gTLD program
- (9) What is the proportion of new gTLD applicants who signed the RA but exceeded the 12-month deadline to go live? This can give an indication of the propensity for defensive applications

## **Project 2 (Basic Registry Market Structure Calculations)**

Using the most current registrant data calculate:<sup>4</sup>

- (1) 4-Firm and 8-Firm Concentration Ratios and HHIs for *New* gTLD Registries
- (2) 4-Firm and 8-Firm Concentration Ratios and HHIs for All gTLD Registries
- (3) 4-Firm and 8-Firm Concentration Ratios and HHIs for Registrars in *New* gTLD Registries
- (4) 4-Firm and 8-Firm Concentration Ratios and HHIs for Registrars in All gTLD Registries

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<sup>3</sup> .cc, .tv, .co, .fm, .am, .ws, .me

<sup>4</sup> Combine domain shares of registries, registrars, and backend providers that operate in multiple domains.

(5) 4-Firm and 8-Firm Concentration Ratios and HHIs for Backend Providers for *New* gTLD Registries

(6) 4-Firm and 8-Firm Concentration Ratios and HHIs for Backend Providers for All gTLD Registries

### **Project 3 (gTLD Registry Price Analysis)<sup>5</sup>**

Calculate:

(1) Percentage change in the price of each legacy gTLD registry price since start of entry of new gTLDs. Indicate whether the legacy gTLD is subject to a price cap and whether the price cap changed since start of entry of new gTLDs.<sup>6</sup>

(2) Mean, median, top quartile, and bottom quartile prices of new gTLD Registries.

(3) Mean Price of new gTLD Registries – Mean Price of legacy gTLD Registries

### **Project 4 (Registrar Competition within Registries)**

Calculate:

(1) 4-Firm, 8-Firm, and HHIs among Registrars for each legacy and new gTLD.

(2) Correlations between mean and median registrar markups and each measure of registrar concentration.<sup>7</sup>

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<sup>5</sup> Apparently these data are available to the Analysis Group but not to the review team so we will have to rely on AG to perform these calculations.

<sup>6</sup> This will show no change if the price caps were binding both before and after the entry of New gTLDs.

<sup>7</sup> Calculate the markups both in absolute terms and as percentages of the total price. The registrar price data that are needed for these calculations are available from <https://namestat.org/live> or <https://namestat.org/live>.

### **Project 5 (Registry Market Segmentation Analysis)**

(1) Update Analysis Group Table 12 with additional Registry Groups and additional Registries included in the Analysis Group groupings and calculate HHIs for each group. I would settle for the AG groupings, they appear adequate to make conclusions and their data is readily available in the AG report; generally it appears that there is no standard way of coming up with groupings

(2) Perform the same calculations as in (1) for language and geographic groups.

Calculate:

(3) Correlation between average group price and group HHI.<sup>8</sup>

### **Project 6 (Projects that Depend on Responses to the Nielsen Registrant Survey)**

(1) What proportion of the registrants in the new gTLDs were previously registrants in a legacy gTLD but gave up their registrations when they registered in a new gTLD? This will provide some indication of the importance of *switching costs*.<sup>9</sup>

(2) What proportion of the registrants in the new gTLDs had not previously been registrants in any gTLD? This will provide some indication of the extent to which the introduction of new gTLDs *expanded* the number of individual registrants.<sup>10</sup>

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<sup>8</sup> This is likely to be meaningful only if the number of groups is relatively large.

<sup>9</sup> KRS I suggest (at 54-55) “a study [that] could examine the extent of switching when prices of new gTLDs have changed, for example, at the introduction of .info and .biz....” Note that *switching* rates are different from *renewal* rates since some registrants that fail to renew may not register in a different domain.

<sup>10</sup> SSI (at 100) found that about one-fifth of respondents to a 2004 survey of registrants in .biz, .info, or .name had not previously registered a domain name in any gTLD. However, the percentages varied among the then-new gTLDs with, for example, about 13 percent of .biz

(3) What proportion of the registrants in the new gTLDs are entities that continued to have registrations in legacy gTLDs? This will provide some indication of whether registrations in legacy and new gTLDs are *complements* as opposed to *substitutes*.<sup>11</sup>

(4) What proportion of the registrants in the new gTLDs registered primarily: (a) for *defensive* reasons, i.e., they felt compelled to register in a new gTLD because they existed but obtained no benefits from doing so and what proportion registered primarily (b) for the *benefits* that they received, perhaps because doing so permitted them to reach users that would have otherwise been inaccessible? This will provide some indication of whether, on balance, the introduction of new gTLDs resulted in net costs or net benefits to registrants.<sup>12</sup>

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respondents, about 12 percent of .info respondents, and about 31 percent of .name respondents reporting that were first time registrants. [Calculated from Table 8.]

<sup>11</sup> F. Krueger and A. Van Couvering [“An Analysis of Trademark Registration Data in New gTLDs,” Minds + Machines Working Paper 2010-02] surveyed 1,043 brand names of Fortune 500 companies and found the following registration percentages: (1) 100 % in .com; (2) 76% in .org; (3) 84 % in .net; (4) 69% in .info; (5) 65% in .biz; and (6) 57% in .mobi. These results are reported in KRS I (at 42). I have been unable to obtain a copy of the original study. J. Zittrain and B. Edelman [“Survey of Usage of the .biz TLD”] found that, 6 months after open registration in .biz began, 91 percent of a sample of .biz domain names were also registered in .com, 63 percent were also registered in .net, and 49 percent were also registered in .org. SSI (Tables 11 and 12) report the extent of duplicate name registrations and the presence of the same registered name holder between four of the then-new and three legacy TLDs. M.L. Katz, G.L. Rosston, and T. Sullivan, “Economic Considerations in the Expansion of Generic Top-Level Domain Names, Phase II Report: Case Studies, December 2011 (hereafter “KRS II”) analyzed the overlap in domain registrations for 200 of the top 500 global brands as ranked by Brand Finance and found (at 61) “that a very high percentage of them were registered in the different TLDs” that they examined. [These domains were .com, .net, .org, .biz, .info, .mobi, and .us.] However, they also found “a big range in the share of registered domains with content” and that the percentage of active sites “was quite low” except for .com.

<sup>12</sup> KRS I suggest (at 58) “examining the extent to which registrants register the same domain names in different gTLDs...[and] then [estimating] the number of duplicate registrations that are empty or redirect to another website, as opposed to offering original content.”

(5) What are the characteristics of the new gTLDs that attracted registrants primarily because of the benefits that they offered? This will provide some indication of the *sources* of the benefits that the new gTLDs provided, e.g., new allowable characters, service to a specific community, higher levels of security or customer service, ability to offer domain names to non-competing entities.<sup>13</sup>

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<sup>13</sup> SSI reported that approximately 11 percent of the respondents to its survey indicated that their first choice for a domain names was not available in another gTLD. KRS I suggested (at 62) that case studies of “past introductions of gTLDs may provide insight into how different business models might affect competition and the benefits flowing from new gTLDs.”