

To: CCT Review Team
From: Analysis Group
Date: February 18, 2016
Re: Summary of, and Responses to, CCT Comments from 2/10/2016 Call

On February 10, 2016, Analysis Group (“AG”) presented an overview of Phase I results and Phase II plans to the CCT Review Team. This memo outlines committee members’ principal comments as well as AG’s initial responses. Discussion items have been categorized as potential new analyses, data that would ideally be obtained, and how the CCT Review Team will coordinate working with AG moving forward.

Potential New Analyses

- 1) It was suggested that AG examine registration shares for legacy TLDs as of the earliest date prior to the first new gTLD release date (as an alternative baseline).
 - AG Response: We will calculate such shares using monthly transaction reports and, depending on the results, may incorporate findings from this analysis into the Phase II report.
- 2) Related to the above suggestion, it was suggested that AG calculate an HHI for each individual TLD (based on registrar shares). This analysis could show the distribution of HHI’s across TLDs.
 - AG Response: Because the current scope of the project is to analyze competition in the market for registrations, we feel that analyzing individual TLDs as their own markets falls outside of the project scope. In particular, we are concerned that this analysis would create the impression that we define individual TLDs as their own markets, given that HHI is a measure that depends on market definition.
- 3) Instead of looking at the distribution of total domain registrations across TLDs, it was suggested that AG could consider examining the distribution of newly created domains across TLDs. Newly created domains would be identified by the “New Adds” columns in monthly transaction reports. AG could also compare the distribution of new registrations to that of renewals. This would help to illustrate how legacy TLD registrations have changed as a result of the launch of new gTLDs.
 - AG Response: Due to the time and budget constraints of the Phase II study, it may be difficult for us to incorporate this analysis along with all other suggested analyses. That said, we will undertake several quick analyses in this vein, and if they show promising results, we will consider adding these results to the Phase II report.
- 4) It was suggested that AG could examine whether any TLDs have exited the market. This would be identified by (A) total domains registered in a TLD falling below a threshold value and/or (B) the disappearance of the TLD from monthly transaction reports.
 - AG Response: Due to the time and budget constraints of the Phase II study, it may be difficult for us to incorporate this analysis along with all other suggested analyses. That said, we will undertake several quick analyses in this vein, and if they show promising results, we will consider adding these results to the Phase II report.
- 5) In analyzing add-on offerings, it was suggested that AG may be able to utilize the Nielsen survey results to develop a standardized market basket.

Commented [EA1]: This would be appreciated.

Commented [EA2]: The team is still interested in seeing registration counts by TLD per registrar to see the distribution across registrars. These numbers should be available in the monthly transaction reports. Could you add this analysis?

Commented [EA3]: Insofar as you can capture some of this analysis with data already available to you, the team would be interested in seeing the results.

Commented [EA4]: The team will also look for this data themselves, insofar as it exists.

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- AG Response: AG will review these survey results and, dependent on the results and feasibility, incorporate this analysis into the Phase II report.
- 6) To inform the analysis of historical wholesale price movements of legacy TLDs, it would be useful to incorporate information about legacy TLD price caps.
- AG Response: We will require legacy TLD price cap data from ICANN. If we can receive these data, we will be able to proceed with this analysis and, depending on the results, incorporate it into the Phase II report.
- 7) It was suggested that AG could examine the prevalence of substitution from webpages to social media sites (e.g., Facebook and blogs).
- AG Response: In order to pursue this analysis, AG would need data on social media account registrations and activity, as well as other third-level domains, which are not currently available to us. Because the current scope of the project is to analyze competition in the TLD space, analyzing alternative forms of web presence falls outside of the project scope.

Commented [EA5]: For 5 and 6, the team would appreciate any results as available and feasible.

Data

- 1) There was substantial interest in controlling for string-value when comparing prices. This could potentially be addressed in several ways, depending on what data can be made available to AG:
- a) Transaction-level data – AG would use transaction-level data to observe prices associated with specific domain names. While it is unlikely that these data would be made available by registrars, some CCT members mentioned they may be able to help obtain some of these data.
 - b) Secondary Market Data – Especial interest was placed on obtaining secondary market data with the intent of comparing prices for strings in new gTLDs against legacy TLDs in the secondary market. The CCT offered to help in obtaining such data.
 - c) Premium Domain Names – If registries provide data on premium domains and prices, AG may be able to compare same-string prices across TLDs for those premium strings, although we would only be able to pursue this analysis at the wholesale level. Our ability to pursue this analysis will depend on how registries respond to the data request for premium domain names and prices.
 - AG Response: Our ability to pursue these analyses is reliant on the data that we are able to obtain from registries and with the CCT's help.
- 2) The CCT was also very interested in obtaining the analysis data that underlies AG's results.
- AG Response: We will not be able to provide all data used for the study due to confidentiality restrictions. However, AG will provide publicly available data that was gathered for the study.

Commented [EA6]: The team recognizes this may be a large undertaking and thus may not be feasible to incorporate into your report. That said, they are interested in the data available here and may endeavor to capture some of this on their own. If we use outside resources to do so before your report is complete, we may be able to share that with you.

Commented [EA7]: The team is still very much interested in this analysis and will help with data as available. Greg, they'd like to discuss this with you in more detail in Marrakech.

CCT-AG Coordination

- 1) The CCT indicated that they would form a sub-group to work directly with AG. Our understanding is that the sub-group would work to help obtain data (as discussed above) and may also suggest additional analyses that they would like AG to conduct.
- AG Response: We are happy to coordinate with a CCT sub-group moving forward.