
ELEEZA AGOPIAN:

It looks like we have six of our team members on, so I think this might be a good time to get started. Thanks everyone for joining. Hopefully you all had a chance to take a look at this memo which I sent around to you last week right after our meeting. Also, to take a look at Stan's comments that he emailed around to the ground, which I thought were helpful. It might be a good starting point for discussion. I was hoping that we could use this time to talk a little bit more about if there are any further streams of analysis we'd like analysis groups to take on. We would like to have them get started on doing this work sooner rather than later.

One thing I want to note, I was talking to Stan about this earlier, Greg [Rafer] who did this presentation on the study for you all a few weeks ago, is actually going to be in Marrakech because of the trademark clearing house review which ICANN has also contracted with Analysis Group to conduct. He will have some time on Wednesday or Thursday to meet with this group, which I think would be good to at least get to meet face to face.

That being said, that's still a week away, so we'd like to get them some feedback soon. I'm not sure if you all would like to go through the memo point by point here, or maybe talk about Stan's comments that I sent around. I leave it up to the group. Waudu suggested we do both. Why don't we start with the memo since I have it in front of us here. I think you should be

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able to scroll through it yourselves, but I've also emailed it out to the group.

We'll start with number one. It looks like Analysis Group can do this calculation as suggested, and may be able to incorporate it into their report. So I think that one has been captured. Was there any other comments on this point?

On number two, Stan, I know you had some comments on this.

STANLEY BESEN:

Yeah, basically in their first report, they calculate market shares for registrars, essentially for all TLDs combined. And it seems to me that, consistent with the idea that we should be considering alternative markets, which they do, by the way, with respect to products. They have a table at which they group TLDs that they speculate might be direct competitors. I think we can do the same thing for registrars.

I sort of kept hoping, but I don't think this is going to turn out to be true, that there'll be so much competition among registrars for every TLD that we don't have to worry about it. But it turns out, that if you look at the Analysis Group report, they report a very wide range of retail markups for different gTLDs, suggesting that competition differs among gTLDs.

What I had in mind here is to sort of look at how much competition there is among registrars for individual TLDs or groups of TLDs. That's what I suggested in my earlier e-mails.

Coming to work today, I had this idea, which I sent out this morning, which is there's a straightforward thing which they could do, which is to see if there's a relationship between the markups they calculate and how much competition there is among registrars for a given gTLD. Straightforward piece of analysis, the literature has lots of examples of that. It seems to me they could do it. I'm not entirely sure why they're resistant to it. Maybe if I can talk to them in Marrakech I'd convince them.

ELEEZA AGOPIAN:

Okay. Jordyn, I see your hand raised.

JORDYN BUCHANAN:

I understand where Stan's coming from. I think it would be interesting to have access to this information. I can understand why the Analysis Group might come to the conclusion that each TLD is not its own market, and not want to imply that that's the case in their work product that they're signing.

I do think it would be reasonable to ask them to just lay out the data in an appendix or something to the report, or maybe just a data dump that they publish along with it. This will still be aggregated. I think this is public-ish data that ICANN has, in any case, what the number of registrations per TLD by registrar is.

It seems like from that, someone could just put that in a spreadsheet, and calculate the HHIs from that. It seems like it

wouldn't be a very complex endeavor. If somehow we could just get the data published somewhere, then we, as our own analysis team could decide what we thought were the relevant markets, or what calculations we wanted to do without necessarily having Analysis Group put their name on some particular definition of market that they're not comfortable with.

ELEEZA AGOPIAN:

All right, Stan?

STANLEY BESEN:

I agree with everything Jordyn just said. The only point I would make is that with respect to product markets, they've already done some grouping. They actually have a table in theirs. It wouldn't be hard without them committing. They didn't commit to those as markets. They could do that. They could do a similar calculation of the sort that I'm describing without necessarily committing to a particular market definitely. Jordyn's right. These are not hard calculations to do. We could do them ourselves.

ELEEZA AGOPIAN:

Yeah, exactly. To that point, as Jordyn said, we do have this down, and I think I noted this in my message to you guys yesterday. As part of the monthly transaction reports, which we have provided to Analysis Group, each TLD reports on

registration by registrar. ICANN can even calculate that for you, depending on what fits in. I'll take this back to Analysis Group as a point to include or at least to gather the data. Stan, go ahead.

STANLEY BESEN:

Yeah, just one more quick thing. They report market shares for registrars. Implicitly, in those calculations, there is just one big market. It seems to me an equally unreasonable assumption than the one that says each TLD is a market. It's not as if they're completely clean on this score, but we'll leave this until later.

ELEEZA AGOPIAN:

I think I at least have a starting point for the conversation, and we can certainly expand on that in Marrakech. On number three, any comments here? Jordyn, go ahead.

JORDYN BUCHANAN:

Once again, this is data that ICANN has anyways, right? I think what they're proposing here sounds find. If they want to do some initial analysis, and see if it seems interesting or not. If they don't get to it, it seems like either ICANN or the review team, or some additional entity that we want to engage could do this fairly easily, since this should just be part of the report data that you guys get.

ELEEZA AGOPIAN: Agreed. Anything else on number three? Moving down to number four. Stan, go ahead.

STANLEY BESEN: Yeah, I don't think this is a major effort. I suspect not enough time has passed for anybody to exit. And as soon as anybody exits, we'll know about it. I'm not really worried about this.

ELEEZA AGOPIAN: Okay. Jordyn also agrees in the chat. If there are no other comments, we'll move down to number five. Again, it looks like they'll take a look at this analysis, and determine whether or not to incorporate it into the report. Jordyn said it looks good. I hear no other comments, so I'll move down to seven. Jordyn, go ahead.

JORDYN BUCHANAN: Yeah, so I'm very interested in the answer to number seven. I know that there are others on the review team that are as well. I can see how this would be a pretty big change in scope for the particular report that the analysis group is putting together, though. I think this may be an area where we want to consider, A, how feasible it is to actually address this question in the limited time that we have as a review team, and B, how we might approach even looking at this problem. I think it's a challenging one to understand and probably requires a bunch of data gathering that hasn't even been done yet.

ELEEZA AGOPIAN: Stan.

STANLEY BESEN: Yeah, is this something that Nielsen's going to ask about in its consumer survey?

ELEEZA AGOPIAN: Not in the consumer survey. In the registrant survey, there are some questions related to this, but I don't think as specific as we would want to get at this question. It's something that could be added in the registrant survey. The other thing to consider is there was a group of metrics, and this was included actually in the group of metrics that the Competition and Choice group will be looking at, which suggested looking at basically social media numbers, and how prevalent that is, or how much of a competitive threat, you could say, it poses to the domain name market.

There were some metrics that kind of got to this, but obviously the data exists, but we would have to purchase it. I think that's kind of a separate conversation to have, and it may be something we could pursue outside of the Analysis Group's work. Although, obviously, it's complimentary.

STANLEY BESEN: I was actually going to have something slightly different. I mean, the question I posed [inaudible] which is does the proliferation of TLDs, has that caused more people to do things? It's not quite the same is it? To use search engines more than the way they navigated in the past. That's sort of related to this, I guess. Is that something that Nielsen's going to ask about?

ELEEZA AGOPIAN: Yeah, that is in the survey. I mean, we do ask how do people find websites. One of the responses is using search engines and so forth, so there is that.

STANLEY BESEN: That's good. We have the earliest surveys. We may be able to see whether there's been any change over time.

ELEEZA AGOPIAN: Right. Dan, your hand is raised?

DAN: No, I'll put it down.

ELEEZA AGOPIAN: Any other comments on number 7 in terms of next steps with Analysis Group? It sounds like we do want to try to capture this data in some format, but this may not be the best venue, seeing as how I agree. I think this would really draw us out of the scope

of their current work. Dan says, "I think at least third-level domain must be included."

JONATHAN ZUCK: Hi, this is Jonathan, I just got on. Can you hear me?

ELEEZA AGOPIAN: Yes, but you're pretty faint, Jonathan.

JONATHAN ZUCK: Is that better?

ELEEZA AGOPIAN: A bit, yeah.

JONATHAN ZUCK: [inaudible] the volume switch or not. Are we talking about the social media issue in the third-level of domains?

ELEEZA AGOPIAN: Yes, we're on number seven of the memo.

JONATHAN ZUCK: Yeah, I'm on a phone.

ELEEZA AGOPIAN: Oh, I'm sorry. Yeah, it is the social media component, you're right.

JONATHAN ZUCK: Certainly the next survey will go into a little more detail about why people aren't registrants. One of the [inaudible] that we discussed was having a branch off of the qualifying [inaudible] at the additional questions that might be applicable [inaudible] detail to understand the role of that market as playing as an alternative to gTLDs.

ELEEZA AGOPIAN: It sounds like we do want to capture this data, but I'm not sure how we can ask analysis groups to incorporate this into their work. I see a conversation in the chat about ccTLDs, and the importance of that too, which I agree with. But data there can be a bit more difficult to get. Jordyn, I saw your hand raised.

JORDYN BUCHANAN: Yeah, I mean, I would [inaudible] that rather than trying to get Analysis Group to incorporate this particular element into their report. That we note that it's something that we're going to want to take a look at, and try to capture it either through some combination of the Nielsen surveys, through third parties, or for additional data sources, or perhaps with some new data collection that we need to engage upon. This doesn't feel like

something that's going to be easily addressable within the scope of the Analysis Group report.

ELEEZA AGOPIAN:

Are there any objections to that approach?

JONATHAN ZUCK:

I support that approach. I think leaving it out of this report isn't the same as leaving it out of our review by any means. It won't be the last word on market definition or anything like that. I think it may be a separate study altogether.

ELEEZA AGOPIAN:

Okay, great. Then we'll take that back. Thank you. Moving down into the data section of the memo. Stan says he can't hear you, Jonathan. Yeah, you are still very faint. I can just barely hear you as well. Jordyn suggests that you're a very quiet person, which we know is not true.

JONATHAN ZUCK:

Is this better?

ELEEZA AGOPIAN:

A little.

JONATHAN ZUCK:

Yeah, it could just be a bad headset, sorry. I'll try to speak up.

ELEEZA AGOPIAN:

I can kind of make out what you're saying, and hopefully I can translate that back for Stan. I'm going to move down to the section on data. Jonathan, for your benefit, since you're on the phone, this was the section that talks about controlling for string value when comparing prices. Analysis Group offered three ways of doing this. I won't read the whole thing back here, but was there any comments on this for our next step? Jordyn, please go ahead.

JORDYN BUCHANAN:

Yeah, I mean, my reading of the response is that they were very overconfident of their ability to do something with a large set of data on this topic. If we suddenly had every transaction available at the retail level, I think controlling for string value would still be incredibly difficult. It may be harder than the way I've been thinking about this problem, which is just to – I think they can do some sampling of their own [inaudible] manually collected retail prices by going and looking at registrar sites.

I don't know what numbers they would have to do in order to get this to be statistically meaningful, but you could imagine saying, "I want to register this string. I have a new store name it's going to be called New York Coffee Company, and I would like to register it in various TLDs. What's the cost of that particular string?" And just go and look at that across various different TLDs using the same manual techniques that they've

used in the past, and do that with 100 domains or something like that.

Then you would be able to compare results across TLDs to see if the results that you got by using the same string different meaningfully from when you just looked at wholesale prices. That could include all of those elements of availability, including secondary markets. If it's .com, it's probably already registered, so maybe it's just unavailable, in which case the price is infinity or something like that. Or just it's not there. Maybe it's on the secondary market, in which case you'd get the price from the secondary market. Some of the new TLDs, it probably is available, and so you get a price there.

And then you could come up with a more obscure string. Type in eight random characters, that would probably get you a pretty close to wholesale price across, or at least a consistent baseline price across everything. There may be other things that fall into premium buckets.

I would imagine doing that manually with some well-selected strings across maybe even a subset of the TLDs would give us some interesting insights into what the actual experience for a registrant, and what the price difference for someone trying to register a given name, and thinking about these TLDs as potential alternatives would be a lot more likely to yield useful results than to suddenly have this huge data dump and see that rainboots.com was sold on the secondary market for \$8,000, and rain.boots was sold for some amount, and rain.seattle was

sold for another. They're going to get random things registered in different places, even if they have the transactional data. Trying to figure out what were the meaningful results of those would be, I think, incredibly challenging even if they had the data.

ELEEZA AGOPIAN:

Stan, I see your hand up.

STANLEY BESEN:

I agree with Jordyn. It would be incredibly hard, interesting but very hard. I guess I'm not entirely clear how closely it fits to our mandate. As Jordyn says, suppose there's a really high secondary market price for something for some reason. In case you read about speculators cashing in on that. Is that really something that ICANN ought to worry about?

ELEEZA AGOPIAN:

Well, it was recommended that we look at the secondary market in this study, and to the extent that they've been able to gather some data, Analysis Group was planning on doing that type of analysis. Just recognizing that it is part of the marketplace for names.

STANLEY BESEN:

Many of it is going to be very idiosyncratic transactions. It's sort of inherently [inaudible] analyze those. Jordyn, go ahead.

JORDYN BUCHANAN:

Yeah, so Stan, I personally think it would be very helpful to have some sort of insight into I am a registrant. I would like to register a particular domain. What does the range of choices actually look to me, and what does the cost look like? Currently, the Analysis Group data basically looks exclusively at base wholesale price, which is a bizarre and uninteresting comparison to me, I think. In that we're looking at, on the one hand, we're looking at a price capped effect for legacy TLDs. For New TLDs, we're looking at a price that is generally going to be reflected. Well, what I previously thought was generally going to be reflecting relatively higher quality registrations than would be available in the price capped TLDs. Although I've heard some things, subsequently, that make me doubt that hypothesis on that part.

In any case, we're basically comparing registering something like rainbootsstore3.com versus rain.boots. I don't think the fact that rain.boots costs more than rainbootsstore3.com one of them is that the New TLD is more expensive than the old TLD, or the Legacy TLD tells us anything particularly interesting, because the strings that are being registered in the New TLDs are going to be much shorter, more valuable, more generic. Also, many of the most valuable strings in New TLDs will be in the premium lists, which Analysis Group has acknowledged, but hasn't particularly grappled with either.

Creating a relatively small data set as opposed to looking at transactional history would probably be the most useful approach here, which is just to say, “Hey, I want to register a given domain name. What are the options available to me? How much do they cost?” Which is really looking at it from the point of view of the registrant.

The [inaudible] data sets are also interesting. They give us better statistical power, but they don’t necessarily very accurately reflect the viewpoint of any given registrant for any given transaction.

STANLEY BESEN:

You said the retail prices are not capped, even for the old domains. So that provides some information, although it’s obviously affected by the price caps. Look, I just think this is very hard. Working with a sample of data would probably be interesting, but I’m sort of skeptical about how easy it would be to draw inferences from it, but I could be wrong.

JORDYN BUCHANAN:

Yeah Stan, I view this more as informative. Like you say, I think there will be inferences to be drawn from it. If we see that even though on average, if we look and say even though on average, the New TLDs wholesale prices are higher than the Legacy TLDs wholesale prices – even if that’s true at the retail level as well. Then we look and see for any sort of reasonable registration

that a registrant might want to perform, that's not the case because of premium lists, or because of availability or whatever.

Then that would tell us that even though that it's true from a sort of theoretical wholesale perspective, we're not actually getting at the registrant experience. My thinking was originally that of course the New TLDs are pricing their names higher because they don't have price caps. And they're selling the prime portions of their inventory, where as .com's at this point, selling the remnants. Of course the New TLDs are higher. I've heard some things recently that a lot of people are registering the New TLDs despite the fact that the .com might be available, which changes my thinking. In any case, actually seeing some data on this might be instructive.

Maybe there's other ways to approach it, but I think just understand what does a registrant see? What does .com look like versus other things when they're actually trying to register a particular domain I think would be really helpful as opposed to just looking at the [inaudible] that we have a view into right now.

STANLEY BESEN:

I think that's right. I guess what makes this hard to analyze is that we have firms that are selling products. You can't identify the price because they're not selling homogenous products, which inherently makes this thing more difficult to analyze. That's all I'm saying.

JORDYN BUCHANAN:

Yeah, agreed.

ELEEZA AGOPIAN:

Sorry, Jonathan's had his hand raised for a while. Jonathan, you want to go ahead?

JONATHAN ZUCK:

Yes, can you hear me better now?

ELEEZA AGOPIAN:

Yep, that sounds great.

JONATHAN ZUCK:

Okay, great. I guess there's two things. One is, I think the data to which Jordyn's referring on registering in new domains despite the availability in the .com space, was actually a study that Donuts did of their registrations where they found that 60% of the registrations were available as [inaudible] in .com. Jonathan.photography was purchased even though jonathanphotography.com was available. That's an interesting amount of data points for us, and we'll probably look at that study. I guess the question is whether or not that data is of any use to the analysis group. The stuff that Donuts has done, or the stuff that [Ceedo] has done, etc. in the aftermarket. Where some of the work of data collection's already happened.

It could be that we just look at that data alongside the analysis group report. But it might be worth, then, seeing if there's a way to incorporate some of those data gathering exercises into their own work instead of doing all primary research.

ELEEZA AGOPIAN:

Okay. I see Jordyn agrees with you. Any other comments? Then perhaps our feedback to the Analysis Group will be insofar as any of this data is accessible to, maybe they can look at [inaudible] sorry I'm getting feedback, I think, from either Jonathan or [inaudible]. Yeah, I think it's Jonathan, oh, there we go, thank you.

What I was suggesting is we'll go back to Analysis Group. I know that they are looking at some secondary market data, so there might be some of this available and included in their report. But that the team itself will look to other sources as well to draw their own conclusions on this topic. Is that right?

JORDYN BUCHANAN:

I would just say just [inaudible] this still remains an area of interest for us. If they can do something here, it would probably be helpful. I think that Jonathan's right. Maybe we can point them at other data sources, and/or just continue. This might be a good area to have a conversation about in Marrakech.

ELEEZA AGOPIAN:

Okay, great. Sounds good. I think that was it. Just on the last item in the memo, we talked about there was interest in seeing the data that Analysis Group is using. As we mentioned, a lot of this is pricing data that is coming directly from the registries, which ICANN does not even have access to. We can certainly talk about seeing data in the aggregate, and then past that, I'm still not sure what's the best way to provide access to data that certainly has confidentiality restrictions. I think that's a way we can continue to discuss, and try to figure out the best way forward. In terms of other data that's publically available, for example, the transaction reports, registration numbers, that's certainly something that they can share with you.

JONATHAN ZUCK:

I guess whether we saw [inaudible] for this or not is an open question. But the notion of confidential data is probably something that we need to come up with a working solution for. I think that's probably something we're going to confront to some non-insignificant degree over the coming year. We probably need to figure out what sort of NDAs might work or something like that. We shouldn't treat that as a barrier to us looking at data, because that'll be a barrier far too often if we don't come up with a viable solution, at least in most cases.

ELEEZA AGOPIAN:

Right, and I was referring specifically to this, because pricing data which this isn't even data that ICANN has access to. But

insofar, as there's other data that we may hold, that may be confidential, we are looking into using electronic data rooms as a way for team members to be able to see confidential data. We're kind of looking at all the different options, and actually Pamela's been researching this.

The short answer is yes we are looking at the different options because we know that this is an issue that will come up, I think, probably, in the very near term. That's certainly something we're working to address.

I think that was all with the memo. I think I have a good sense of answers I can send back to Analysis Group, so they can at least begin on some of their work. I will set up with Greg Rafer for this subteam in Marrakech on one of the days. Jordyn?

JORDYN BUCHANAN:

Yeah, I was just going to address the last point in the memo, which is that they're happy to work with the subteam. I'm just going to suggest, maybe if we have future calls on the subteam, we invite them to participate directly as well.

ELEEZA AGOPIAN:

I think that's a great idea. The only reason we didn't today is Greg is already on his way to Marrakech. Yes, we'll definitely make sure you guys are all together, and have some time together to talk next week. Is there anything else we should cover today? All right, well thank you everyone for taking the

time. We're really looking forward to seeing you next week.
Have a safe trip.

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