**ALAC Statement on the gTLD Marketplace Health Index (Beta)**

The ALAC welcomes the publication of this first set of gTLD Marketplace Health Index. This is a natural progression based on the work of ICANN Community into Competition, Consumer Trust and Consumer Confidence in new gTLDs.

The ALAC proposes a number of additions/improvements; some of these are listed already in the section on pages 14 and 15.

**Robust Competition (Page 2 -3)**

Geographic Diversity

Both metrics presented for registrars and registries appear to be focusing specifically at the offering (how many suppliers there are), rather than the market take-up (the rate of acceptance of market offering). Focusing on the offering does not allow for detection of undue market domination.

Registrars

The current graphs show a simple metric of geographic diversity of registrars across regions and their development against time. The metric itself shows neither a conclusive growth nor a reduction in offering. It does show an ongoing imbalance worldwide – and this is helpful.

However, this metric appears to lack differentiation among registrars. Indeed, the Generic Top Level Domain offering varies greatly across registrars. By treating a registrar that exists as a service to its own clients of other services the same as a general registrar that derives most of its income from registering domains, these statistics are compiled in a trivial manner.

See under “Competition” for suggestions on more metrics.

Registries

The same comment can be made for registries. Again all registries are treated in the same way, whether they are catering to a community, a brand, a service, a generic name, a geographic location, etc. There needs to be more detail for this metric to be useful.

Competition (Page 4)

The metrics presented on page 4 of the report are very helpful. However, the ALAC believes that more can be done when it comes to tracking competition, especially when it comes to market influence and control.

True competition in a market is not solely a measure of the market offering but it also revolves around the share of market from the leading competitors. An example of such statistic, solely for new gTLDs, is shown on <https://ntldstats.com/registrar>

Large competitors have more advertising power to reach a wider audience, hence this metric would be very important. When it comes to registrars, they also have a significant say in the success of a top level domain.

Looking at the overall domain name market, a metric tracking share of market, such as the one shown on <http://www.domainstate.com/registrar-stats.html> is much more suitable to show whether competition among registrars is being stimulated. It appears that so far the vast majority of the market is dominated by one major player. When it comes to the domain registrations on a per country basis, the statistic shown on <http://www.domainstate.com/top-country-registrars.html> speaks for itself.

The ALAC recommends that the trends shown on the above examples should be tracked in addition to the metrics showing the number of registrars in each country and region.

When it comes to metrics about registries, whilst there is some worth in compiling the metrics presented, a better metric would be to track the market share of gTLDs, as on <http://www.domainstate.com/registrar-tld-breakup.html>

For Registries, it is worth noting that only like-for-like gTLDs tend to compete against each other. For example, brand gTLDs do not broaden competition. A health related gTLD does not compete with a gambling related gTLD. So the true extent of competition is really amongst the more generic gTLDs, plus those that compete on a like-for-like basis in a specific trade.

The graphic displaying the growth of the overall domain name market on page 5 is helpful in showing whether the market is healthy, as growth indicates health. It might be interesting to compare this growth with the total growth in registration of second-level domain names, including those in Country Code Top Level Domains (ccTLDs). The growth in registrations in ccTLDs shall be put on the same graph too.

The graphics showing the second-level domain name additions and deletions in gTLDs on pages 6 to 9 are helpful. The ALAC proposes that a single graph should show additions and deletions using the same axis (Figure 11 and Figure 16).

**Marketplace Stability**

The metric presented are very useful and the ALAC has no further suggestions for more metrics in this category.

**Trust**

The metrics shown on pages 11 and 12 are useful.

Accuracy of WHOIS Records

Rather than a pie chart, a line/bar graphic showing the ongoing accuracy on a quarter by quarter basis would be more helpful. Furthermore, it would be interesting to see WHOIS accuracy trends on a per top level domain basis, thus showing which top level domains are more likely to be trusted.

A line/bar graphic showing the ongoing accuracy on a quarter by quarter basis, rather than as a pie chart, would be more helpful for the Number of UDRP and URS Decisions against gTLD Registrants.

The ALAC absolutely supports the further proposals of metrics on page 14 and 15 of the report.