

## NEXT STEPS

### CCT-RT DISCUSSION PAPER WORKSHEET

**HIGH LEVEL QUESTION:** Has the new gTLD program increased price competition?

**OWNER:** Waudu Siganga

**SUB-QUESTIONS:** Is there increased price competition among registrars within registries?

#### INDICATORS:

The metrics that confirm or dispel the existence of increased competition among registrars within registries include:

1. Low average mark-ups for registrations, renewals and transfer prices
2. Low average retail price dispersions for registrations, renewals and transfer prices
3. Low average HHIs of registrars within registries

The test for *increased* competition requires the comparison of current measurements of the above metrics with earlier benchmark measurements. In the case of renewal pricing the time-span must be at least a year.

#### FINDINGS:

Price competition within specified registries can be established using available online tools<sup>1</sup> that compare price offerings from competing registrars.

What is required:

a-sample of 10 new gTLDs and 2 legacy

b-obtain wholesale prices per gTLD

c-establish (using online tool) current registrar retail purchase, renewal and transfer prices for typical domain name in TLD

d-calculate average mark-up and price dispersion within TLD

e-Calculate average mark-ups and price dispersion for all the sample GTLDs aggregated

f-Repeat steps (a-e) for the benchmark period (in the case of renewals, at least one year back)

g-if the mark-ups and price dispersion obtained in step (e) are lower than those obtained at the end of step (f) then this will be an indicator of increased price competition among registrars within registries.

As regards HHIs, the total number of registrars contracted for each of the 12 sample registries above will be aggregated to compute HHI and compared to the HHI computed in the same way at the benchmark date. If the HHI as a measure of concentration will have gone down then this will be a further indicator of increased price competition (the economic assumption here is that price competition increases with an increase in the number of competing firms).

#### CAUSES:

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<sup>1</sup> In our case we will use the tool available for public use at DNPrice.es

**NEXT STEPS**

**PRIORITY TO ADDRESS: TBD**

**RECOMMENDATIONS: *TBD***

**REVIEW: TBD**