gTLD Marketplace Health Index: Advisory Panel Meeting

26 April 2017

Agenda

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Timeline

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'Marketplace Stability' Category Definition

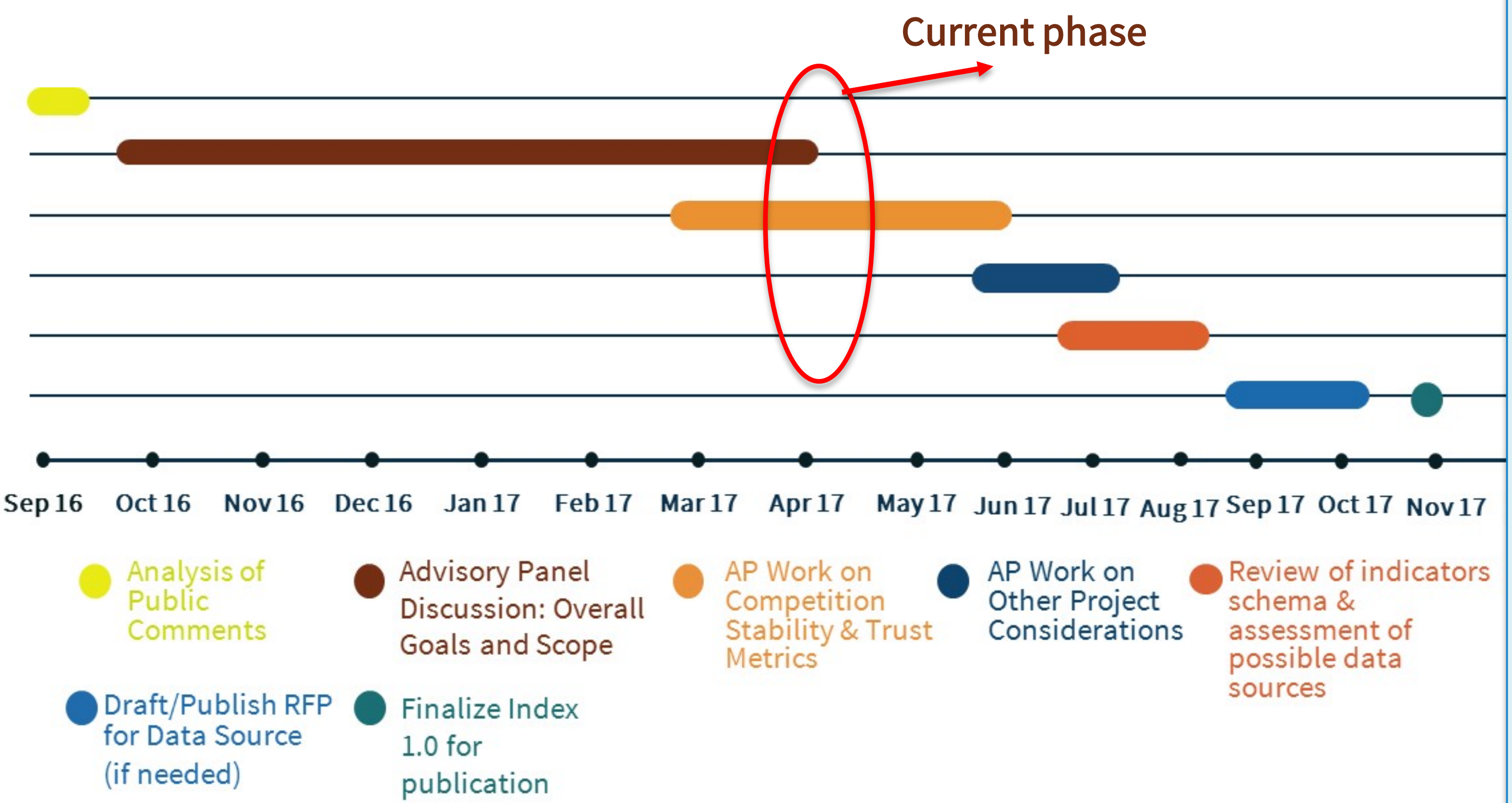
3
'Trust' Category Definition

4
'Robust Competition' Category Definition

5
Existing 'Beta' Metrics in light of Category Definition Revisions

6
Next Steps

gTLD Marketplace Health Index 1.0: Proposed Timeline



- Upcoming meeting planned for 4th week of May
- Doodle poll on ideal dates/times forthcoming
- Beta report providing coverage of 2H 2016 data planned for release mid-2017

Revisiting Overall Scope (Today's Discussion Areas)

Goal: track progress on ICANN objective 2.3, "Support the evolution of domain name marketplace to be robust, stable and trusted."

- Coverage: Look to include ccTLD data, where available and relevant
- Initiative Name: Rename project to Domain Name Marketplace Indicators
- Almost done — Revisit metrics category definitions for 'robust competition', 'marketplace stability' and 'trust'
- WORK IN PROGRESS — Revisit continued relevance of beta metrics. Explore other relevant, recurring, reliable and rigorous datasets.

Others: Revisit considerations on publication frequency, report design and language, academic review, evaluate extent to which indicators can be delivered via ICANN's Open Data Initiative. etc.

Definition for 'Marketplace Stability'

Original Category Definition used in Beta Report	Revised Definition (As of 2017-4-26)
#1: More gTLD registrars and gTLD registry operators are entering the gTLD marketplace than are leaving.	-deleted-
#2: Service providers are reliable, setting consistent expectations and meeting levels of service for: gTLD registrants, Internet users and the global community (including gTLD registry operators, gTLD registrars, law enforcement and intellectual property holders).*	#1: Registries and registrars consistently deliver against their contractual obligations, and do not introduce market instability through their business practices that would result in harm to registrants.

*The gTLD Marketplace Health Index (Beta) did not include metrics for these.

Refer to Tracking Doc, Section 9

Definition for 'Trust'

Original Category Definition used in Beta Report	Revised Definition (As of 2017-4-26)
#1: Service providers, gTLD registry operators, gTLD registrars and gTLD registrants are: a) Compliant with their contractual obligations	#1: Demonstrated by operational success of domain name industry safeguards for registrants, Internet users and the global community (including law enforcement and intellectual property holders)
b) Perceived to be trustworthy*	-deleted-
Other suggestion:	#2: Users can register and use a domain name in any TLD within widely-distributed web browsers and mobile apps, and when setting up online accounts, can use any email address for service and use any name server regardless of the written script, length, and newness of the TLD.

*The gTLD Marketplace Health Index (Beta) did not include metrics for these.

Refer to Tracking Doc, Section 10

Definition for 'Robust Competition'

Original Category Definition used in Beta Report	Revised Definition (As of 2017-4-26)
#1: Diversity exists in the choice of a service provider, including: a) Geography b) Scripts offered c) Languages offered* d) Service model*	#1: Registrants should have a choice for which domains they can purchase and where they can purchase them, characterized by: a) Geographical spread of registrants b) Domain names are available across languages and character scripts c) Suppliers' terms & conditions are available across languages and character scripts d) Variety of payment methods
#2: The commercial marketplace is thriving – demonstrated by growth in new gTLDs and across all gTLDs.	#2: Demonstrated by registrant adoption of new TLDs and across all TLDs
#3: The marketplace is open to new players.	#3: The TLD marketplace is open to new providers, including back-end technology service providers, registries, registrars, and resellers
#4: Marketplace competition is perceived to be fair.*	-deleted-
#5: The marketplace is not dependent on one or a small number of players.*	#4: The TLD marketplace as a whole is not excessively controlled by a small number of providers, including back-end technology service providers, registries, registrars, and resellers

The gTLD Marketplace Health Index (Beta) did not include metrics for these.

Refer to Tracking Doc, Section 8

Continued Relevance of Existing ‘Beta’ Metrics

- ICANN staff circulated an online survey on Feb 28^{th} to members of the Advisory Panel (AP) to obtain input on the continued relevance of published ‘beta’ metrics in light of changes made to the category definitions.

- AP volunteers had the option to indicate whether they recommended maintaining, removing, or remained unsure of the relevance of 'beta' metrics. Opportunity to indicate any further questions was also made available.

- Fifteen AP volunteers provided their feedback.

- Survey results being presented as a basis for further discussion.

Continued Relevance of Existing Robust Competition ‘Beta’ Metrics

CATEGORY 1: ROBUST COMPETITION

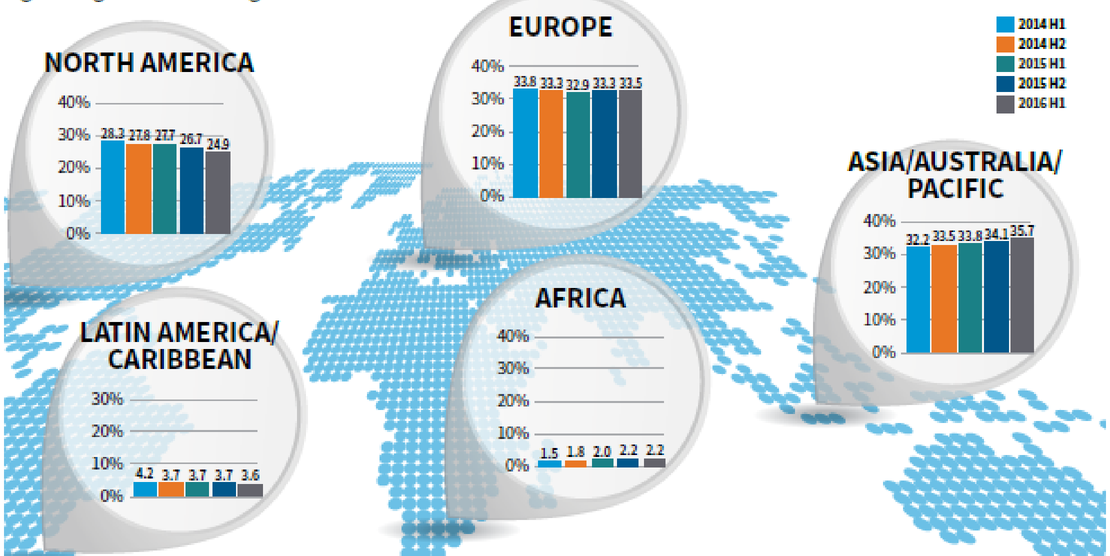
Registrants should have a choice for which domains they can purchase and where they can purchase them, as characterized by:

'Beta Definition': Geography

Revised Definition: Geographical spread of registrants

Continued Relevance of Existing Robust Competition 'Beta' Metrics

Percentage of Distinct ICANN-Accredited gTLD Registrars, by ICANN Region
This metric tracks the percentage of distinct ICANN-accredited gTLD registrars having a primary contact address in the identified ICANN region. In calculating this metric, each gTLD registrar family with a primary contact address in the region is counted once, then added to the number of independent gTLD registrars in the region.



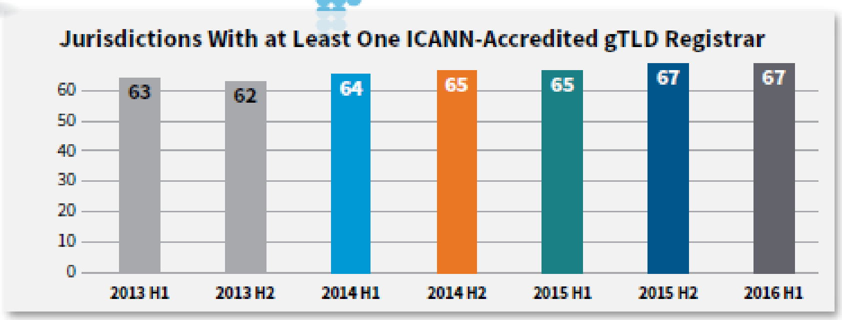


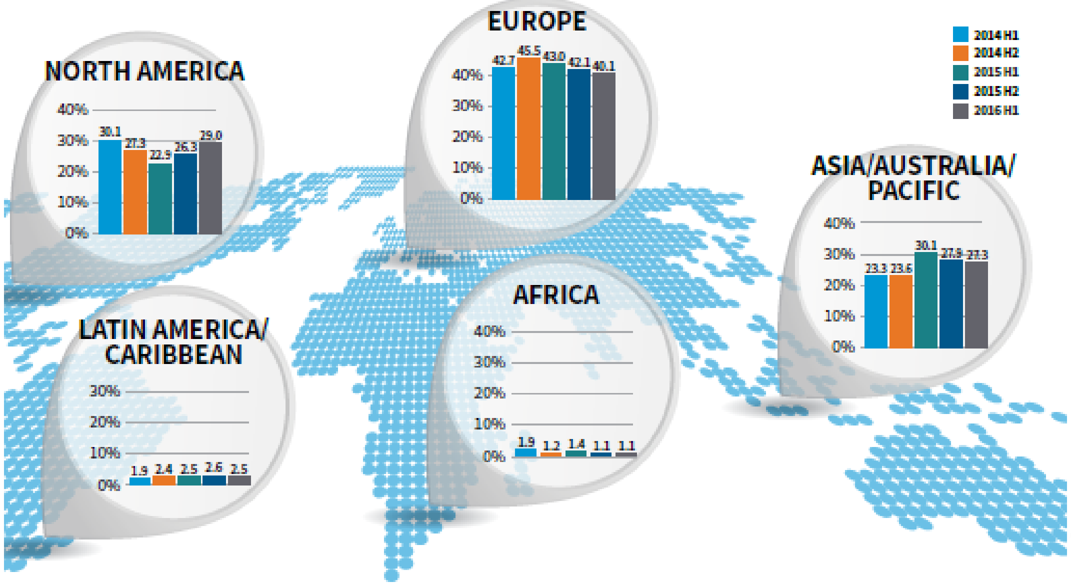
Figure I

Recommend Maintaining	9	60%
Recommend Removing	5	33.3%
Unsure/Have further questions*	1	6.7%

Recommend Maintaining	7	46.7%
Recommend Removing	7	46.7%
Unsure/Have further questions*	1	6.7%

Continued Relevance of Existing Robust Competition 'Beta' Metrics

Percentage of Distinct ICANN-Accredited gTLD Registry Operators, by ICANN Region
This metric tracks the percentage of distinct gTLD registry operators having a primary contact address in the identified ICANN region. In calculating this metric, each gTLD registry operator family with a primary contact address in the region is counted once, then added to the number of independent gTLD registry operators in the region.



Recommend Maintaining	8	53.3%
Recommend Removing	6	40%
Unsure/Have further questions*	1	6.7%

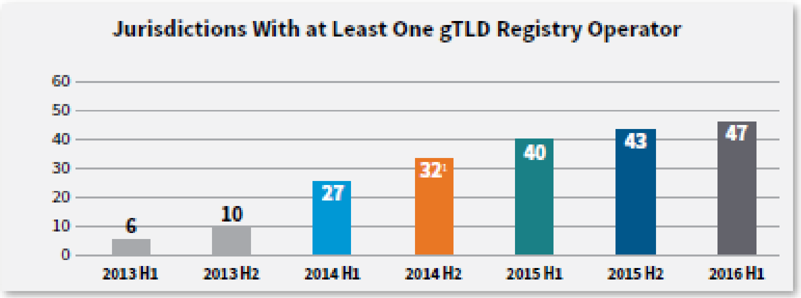


Figure 2

Recommend Maintaining	6	40%
Recommend Removing	8	53.3%
Unsure/Have further questions*	1	6.7%

Continued Relevance of Existing Robust Competition ‘Beta’ Metrics

- ICANN regions don't mean anything to those outside ICANN and registries/registrars hence the emphasis on geographical spread by jurisdiction rather than ICANN region. Best keep things simple so that the metrics can be understood by the widest possible audience.

- Points 1 and 3 (which corresponds to Percentage of Distinct Registrars/Registry Operators by Region) are sufficient to describe geography. The absence of a registry or registrar operation may be a scope of technological (and business) development and outside the scope of this panel.

- Heading says spread of "registrants" but the questions are about Registrars!

- We discussed making this more about registrant distribution, not geographic distribution of registrars. String availability should be the key.

Continued Relevance of Existing Robust Competition ‘Beta’ Metrics

CATEGORY 1: ROBUST COMPETITION

Registrants should have a choice for which domains they can purchase and where they can purchase them, as characterized by:

'Beta Definition': Scripts offered

Revised Definition: (a) Domain names are available across languages and character scripts (b) Suppliers' terms & conditions are available across languages and character scripts

Continued Relevance of Existing Robust Competition 'Beta' Metrics

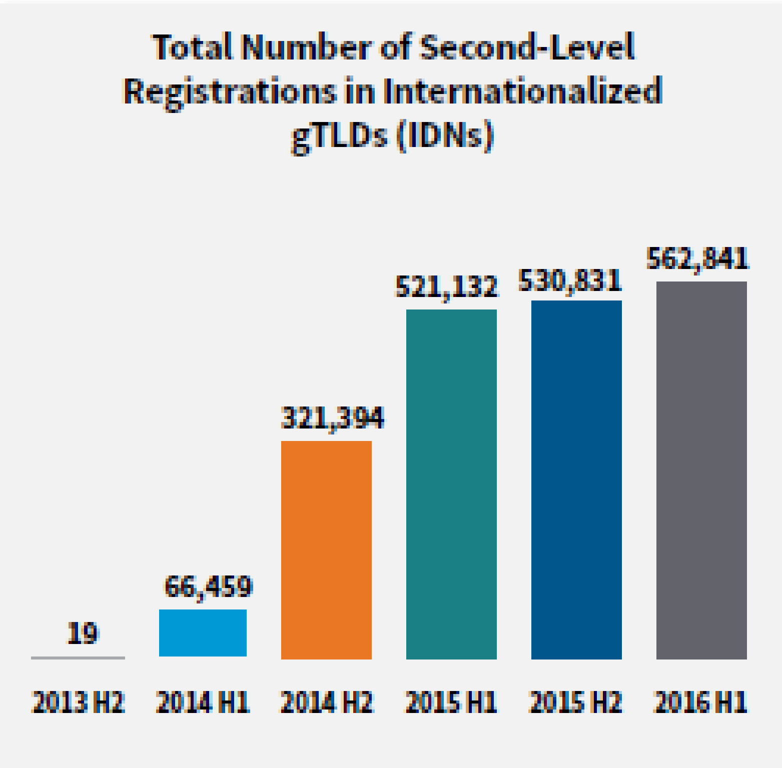


Figure 9

Recommend Maintaining	**10**	66.7%
Recommend Removing	**4**	26.7%
Unsure/Have further questions*	**1**	6.7%

Total number of registrations is an insufficient measure. Especially if the category is dominated by a few registrants.

Continued Relevance of Existing Robust Competition ‘Beta’ Metrics

'Beta Definition': The commercial marketplace is thriving--demonstrated by growth in new gTLDs and across all gTLDs

Revised Definition: Demonstrated by adoption of new TLDs and across all TLDs

Continued Relevance of Existing Robust Competition ‘Beta’ Metrics

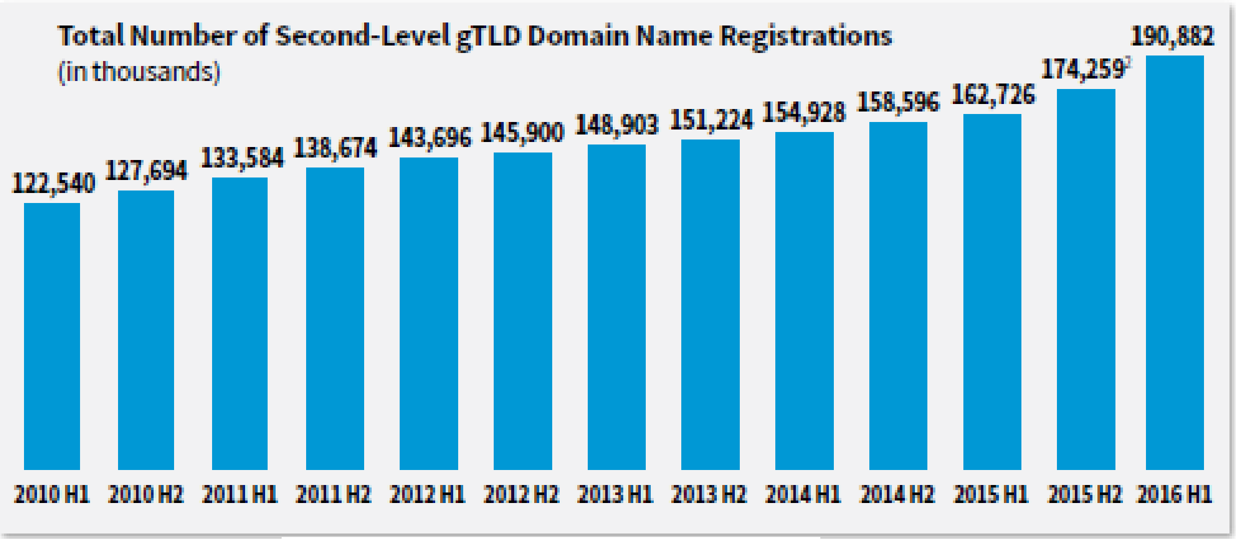


Figure 7

Recommend Maintaining	9	60%
Recommend Removing	3	20%
Unsure/Have further questions*	3	20%

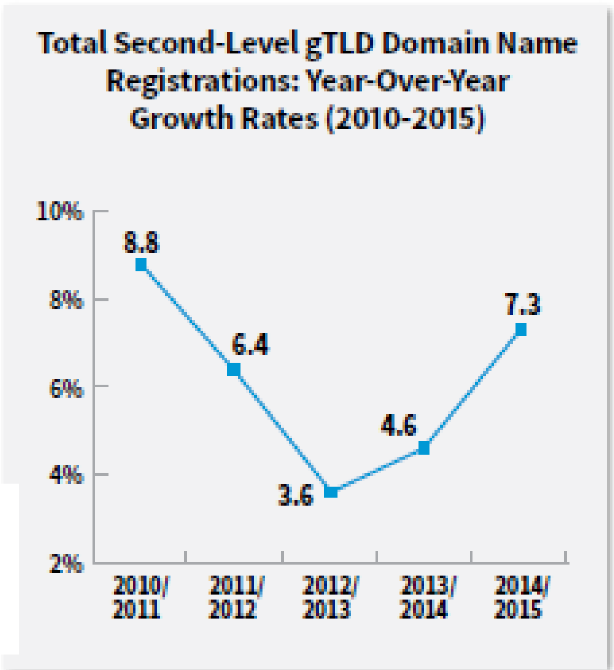


Figure 8

Recommend Maintaining	11	73.3%
Recommend Removing	1	6.7%
Unsure/Have further questions*	3	20%

Continued Relevance of Existing Robust Competition 'Beta' Metrics

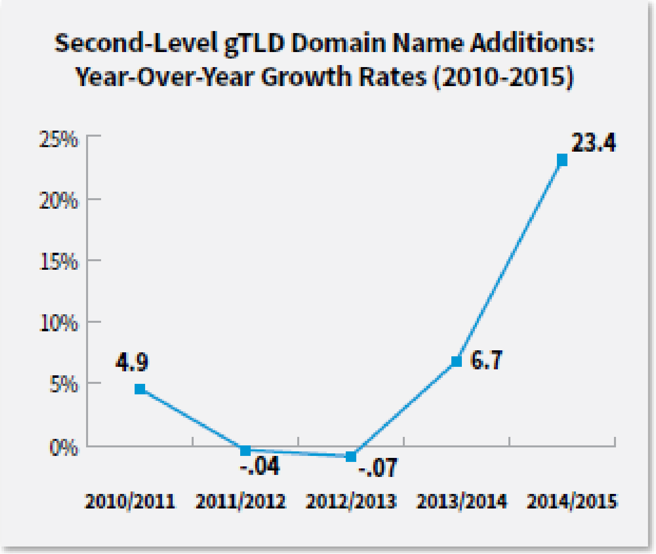


Figure 10

Recommend Maintaining	11	73.3%
Recommend Removing	1	6.7%
Unsure/Have further questions*	3	20%

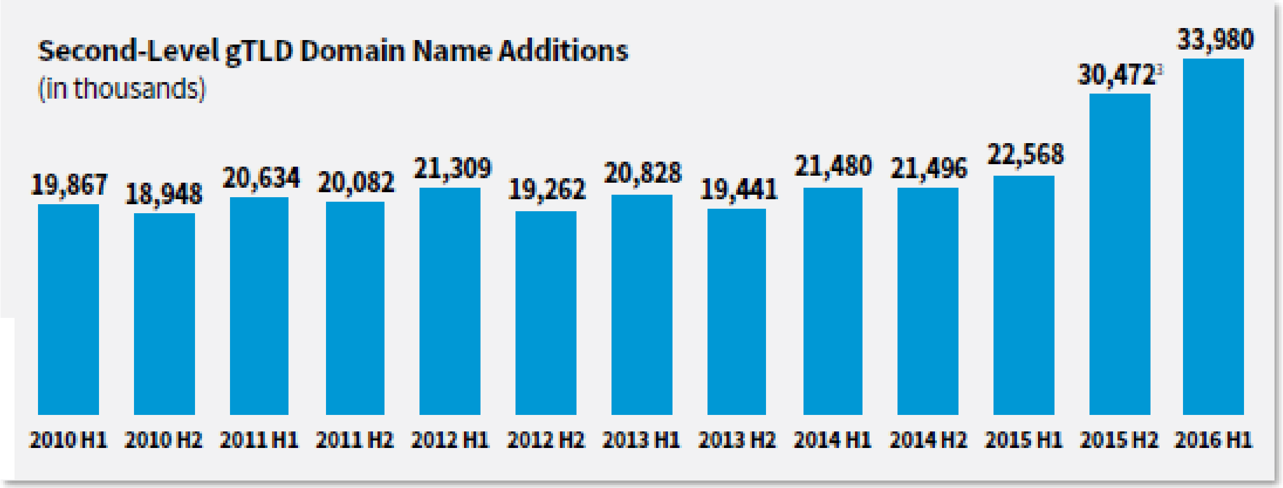
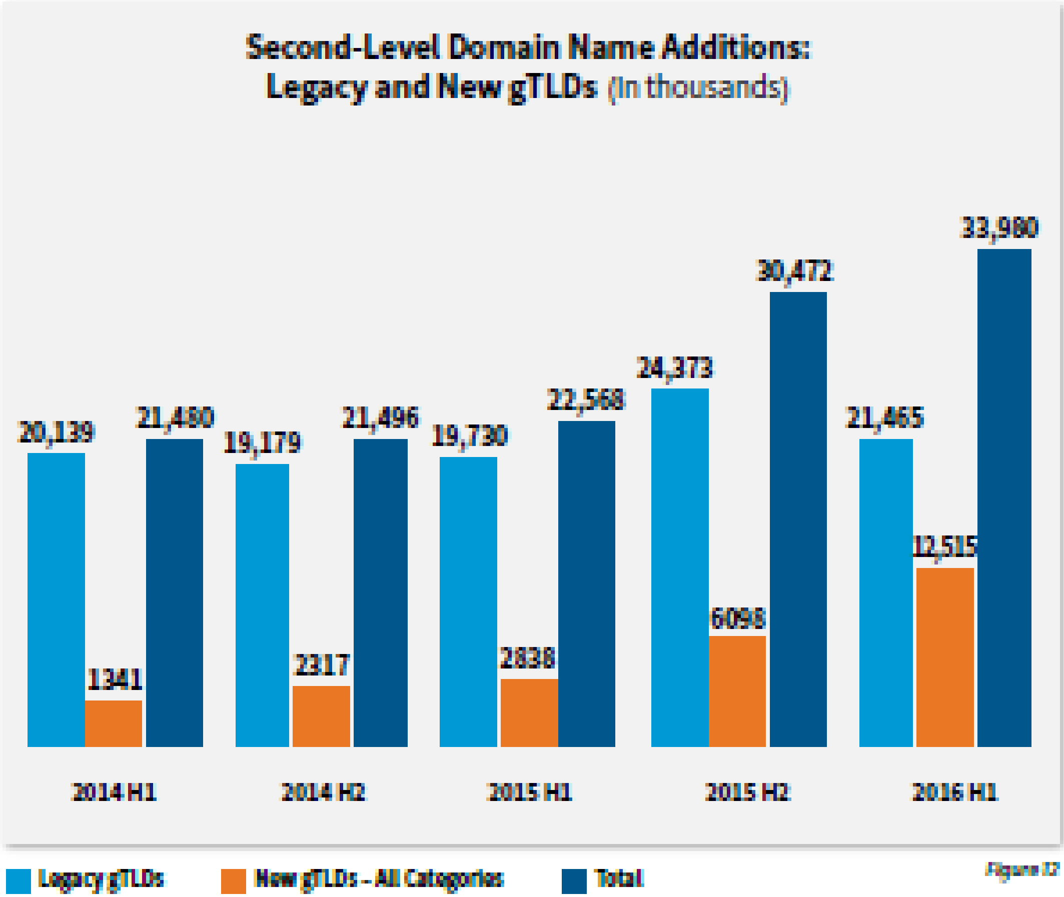
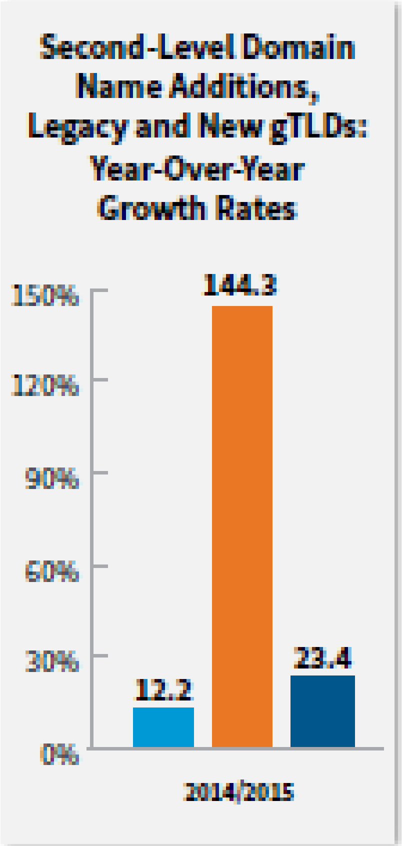


Figure 11

Recommend Maintaining	8	53.3%
Recommend Removing	4	26.7%
Unsure/Have further questions*	3	20%

Continued Relevance of Existing Robust Competition 'Beta' Metrics

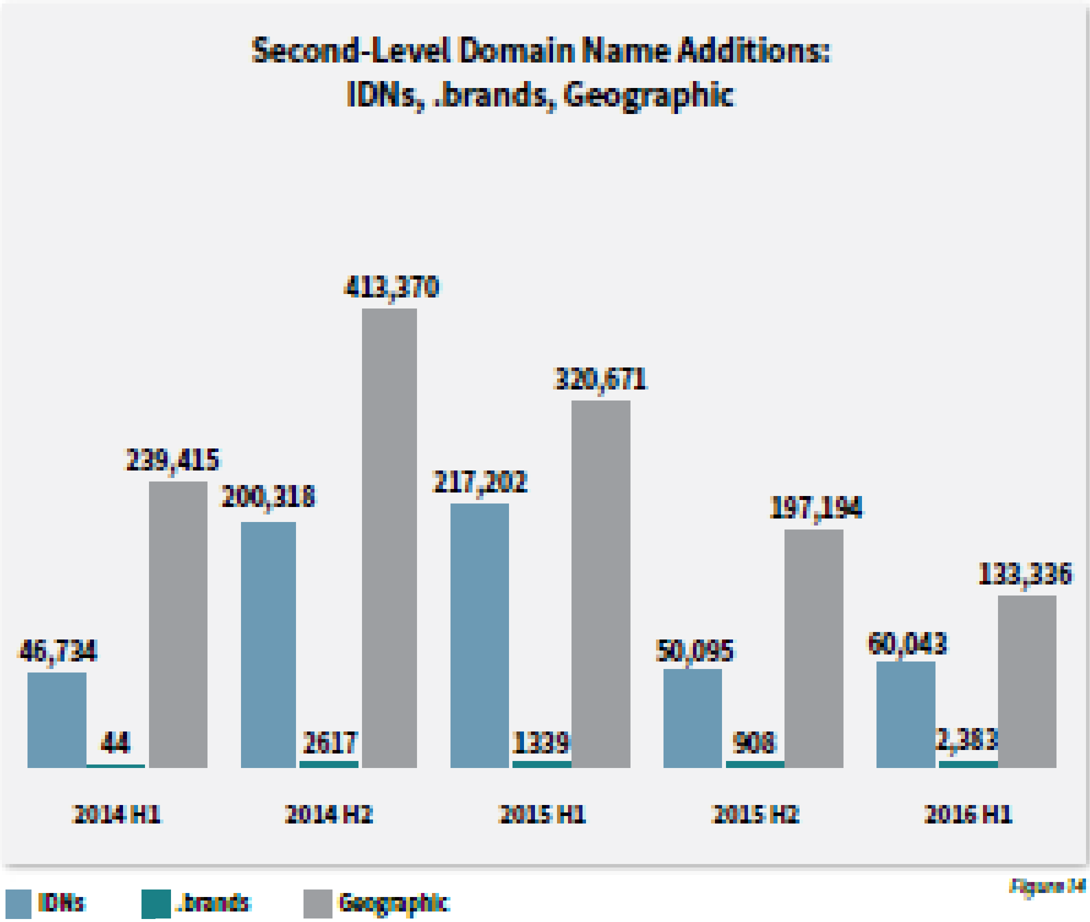


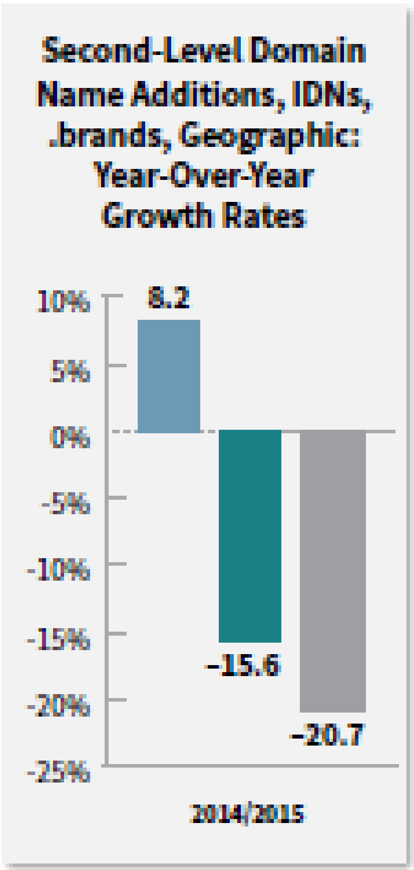


Recommend Maintaining	**10**	66.7%
Recommend Removing	**1**	6.7%
Unsure/Have further questions*	**4**	26.7%

Recommend Maintaining	**11**	73.3%
Recommend Removing	**0**	0%
Unsure/Have further questions*	**4**	26.7%

Continued Relevance of Existing Robust Competition 'Beta' Metrics





Recommend Maintaining	10	66.7%
Recommend Removing	1	6.7%
Unsure/Have further questions*	4	26.7%

Recommend Maintaining	11	73.3%
Recommend Removing	0	0%
Unsure/Have further questions*	4	26.7%

Continued Relevance of Existing Robust Competition 'Beta' Metrics

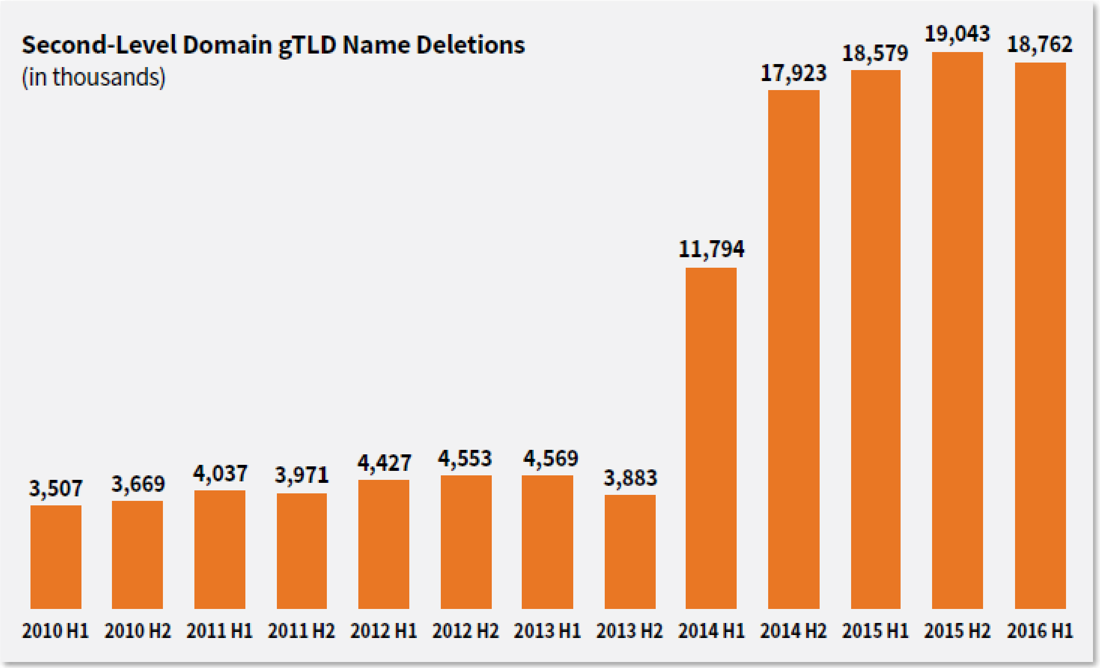


Figure 16

Recommend Maintaining	9	60%
Recommend Removing	4	26.7%
Unsure/Have further questions*	2	13.3%

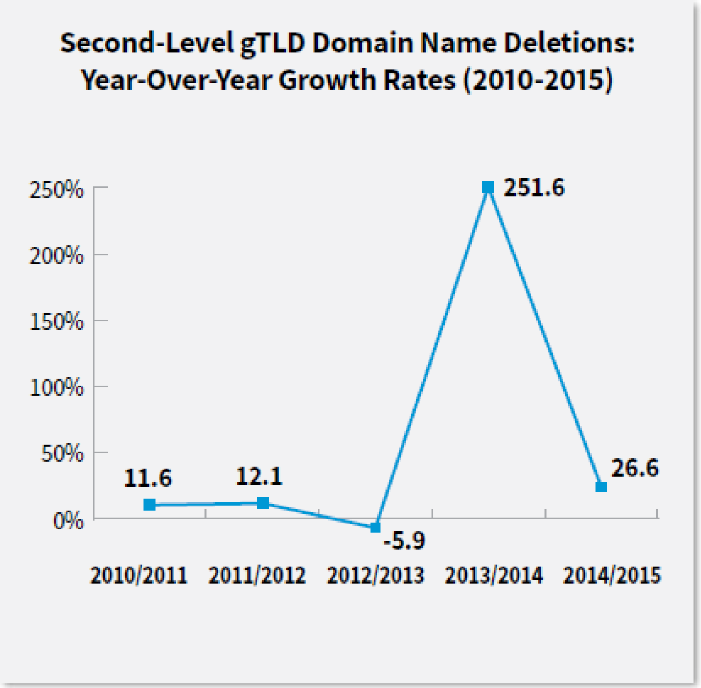
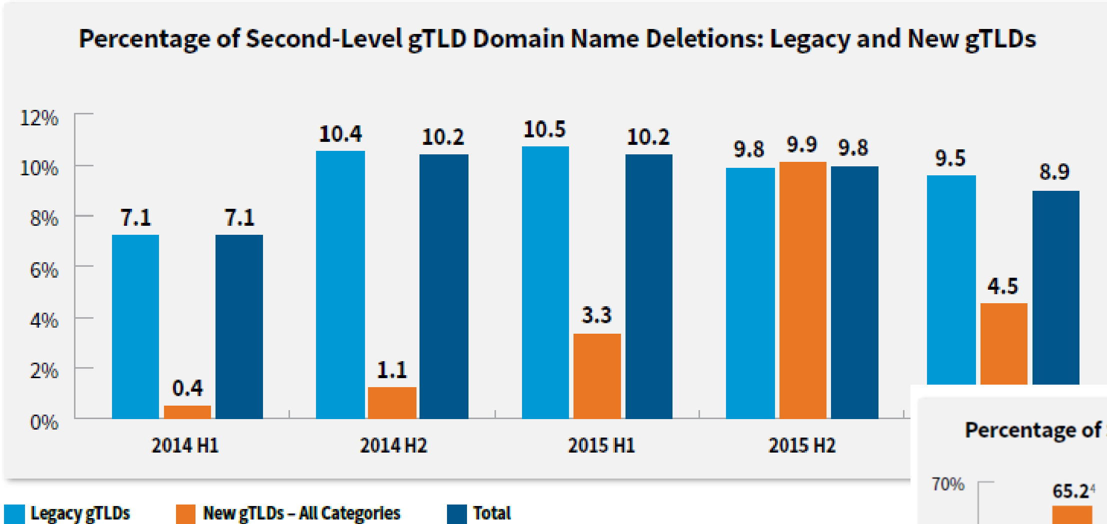


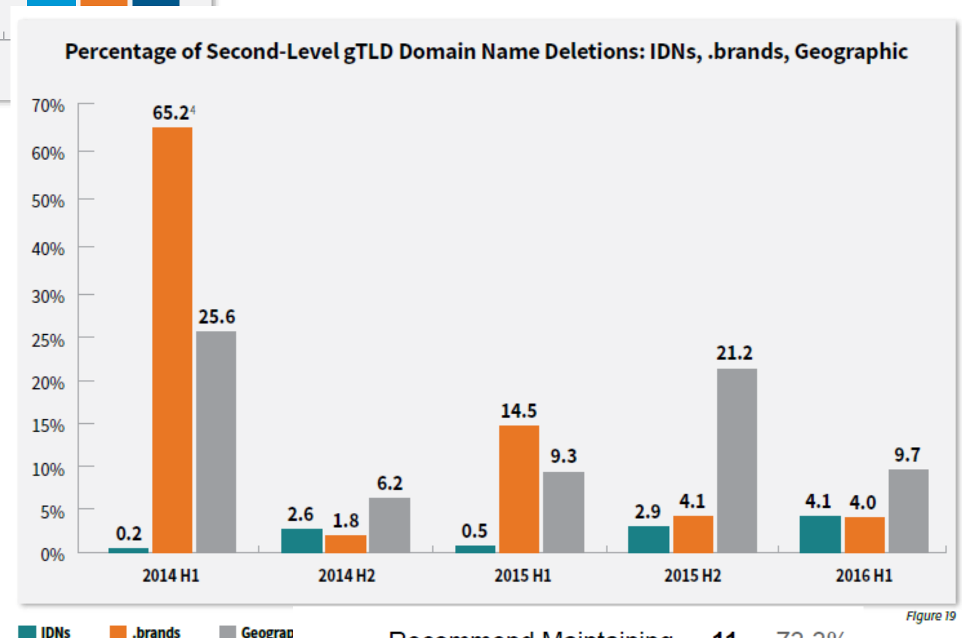
Figure 17

Recommend Maintaining	10	66.7%
Recommend Removing	3	20%
Unsure/Have further questions*	2	13.3%

Continued Relevance of Existing Robust Competition ‘Beta’ Metrics



Recommend Maintaining	**10**	66.7%
Recommend Removing	**3**	20%
Unsure/Have further questions*	**2**	13.3%



Recommend Maintaining	**11**	73.3%
Recommend Removing	**2**	13.3%
Unsure/Have further questions*	**2**	13.3%

Continued Relevance of Existing Robust Competition ‘Beta’ Metrics

- I would strongly recommend adding end-user adoption rates.
- I'm still confused by the new definition. ‘New TLDs’ to me means something very specific - TLD launched post 2012.
- Unclear what the objectives would be for each of these data points to consider them "metrics." More sophisticated "concentration" calculation probably better.
- The word "adoption" in the definition is too non-specific to say that any metric actually fulfills it.

Continued Relevance of Existing Robust Competition 'Beta' Metrics

'Beta Definition': The marketplace is open to new players

Revised Definition: The TLD marketplace is open to new back-end technology service providers, registries, registrars, and resellers

Continued Relevance of Existing Robust Competition ‘Beta’ Metrics

Recommend Maintaining	11	73.3%
Recommend Removing	2	13.3%
Unsure/Have further questions*	2	13.3%

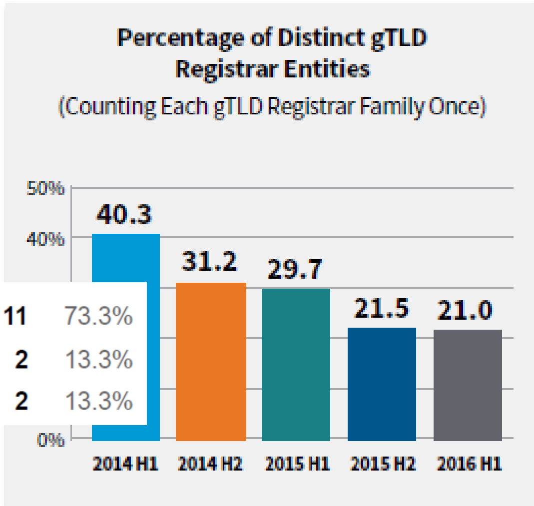


Figure 3

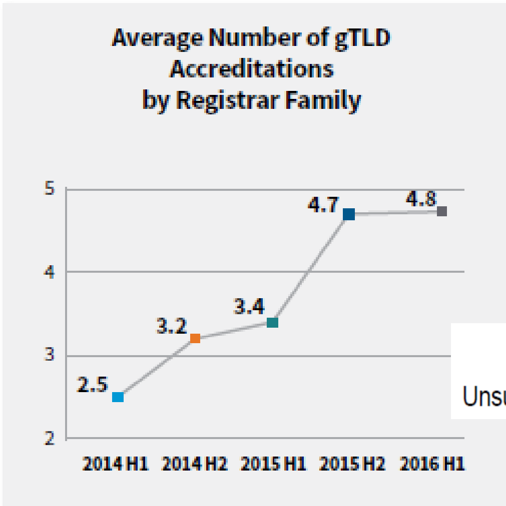


Figure 4

Recommend Maintaining	9	60%
Recommend Removing	3	20%
Unsure/Have further questions*	3	20%

Recommend Maintaining	8	53.3%
Recommend Removing	5	33.3%
Unsure/Have further questions*	2	13.3%

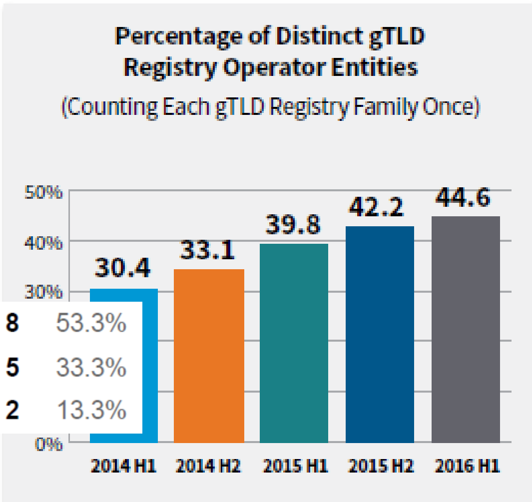


Figure 5

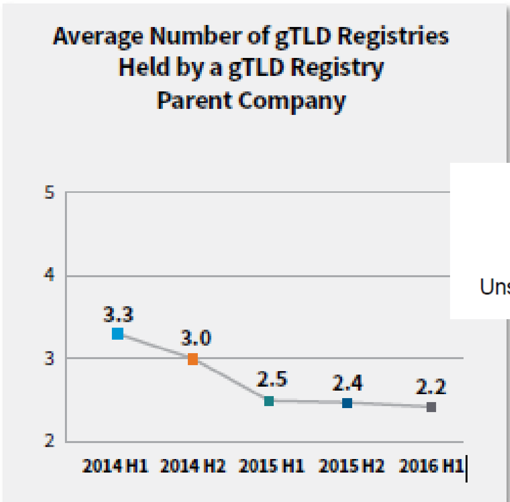


Figure 6

Recommend Maintaining	9	60%
Recommend Removing	5	33.3%
Unsure/Have further questions*	1	6.7%

2014 H1 2014 H2 2015 H1 2015 H2 2016 H1

Continued Relevance of Existing Robust Competition 'Beta' Metrics

- Figure 4 (which corresponds to Actual Number of gTLD Accreditations by Registrar Family) can be affected by actual market concentration (registrars buying registrars) or specific conditions such as drop catch registrars. Recommend removing.
- "Fig 4: "by registrar family" is unclear for me
- Not sure volume speaks to market friction. Need some other measure.
- Sorry, what does "percentage" mean in this case?

Continued Relevance of Existing Robust Competition 'Beta' Metrics

'Beta Definition': The marketplace is not dependent on one or a small number of players.*

*While the two metrics below were not originally included under this category within our 'beta' report, the advisory panel has suggested that perhaps they might be more suitable under this category. We are therefore testing both metrics here.

Revised Definition: The TLD marketplace as a whole is not dependent on a small number of back-end technology service providers, registries, registrars, and resellers.

Continued Relevance of Existing Robust Competition 'Beta' Metrics

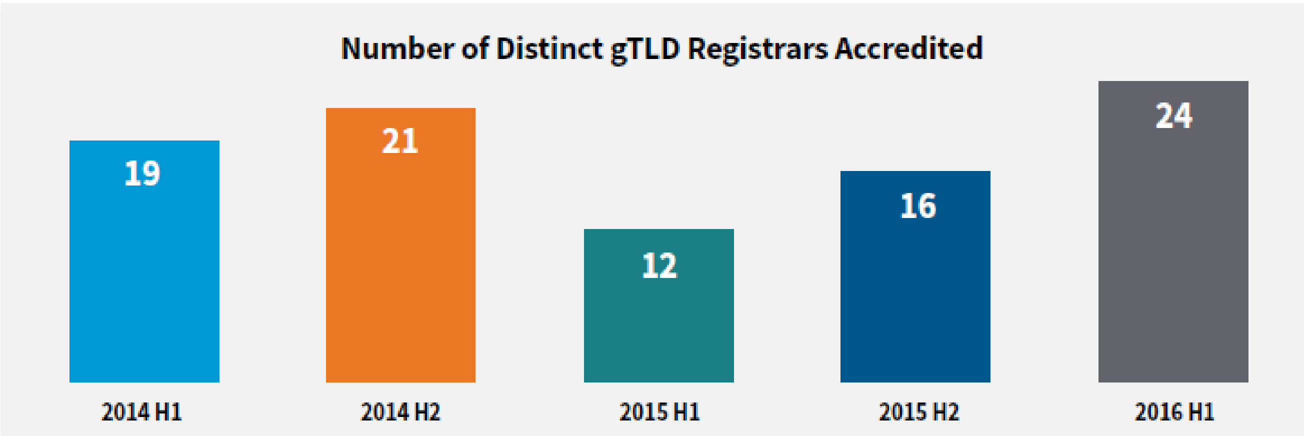


Figure 20

Recommend Maintaining	**9**	60%
Recommend Removing	**1**	6.7%
Unsure/Have further questions*	**5**	33.3%

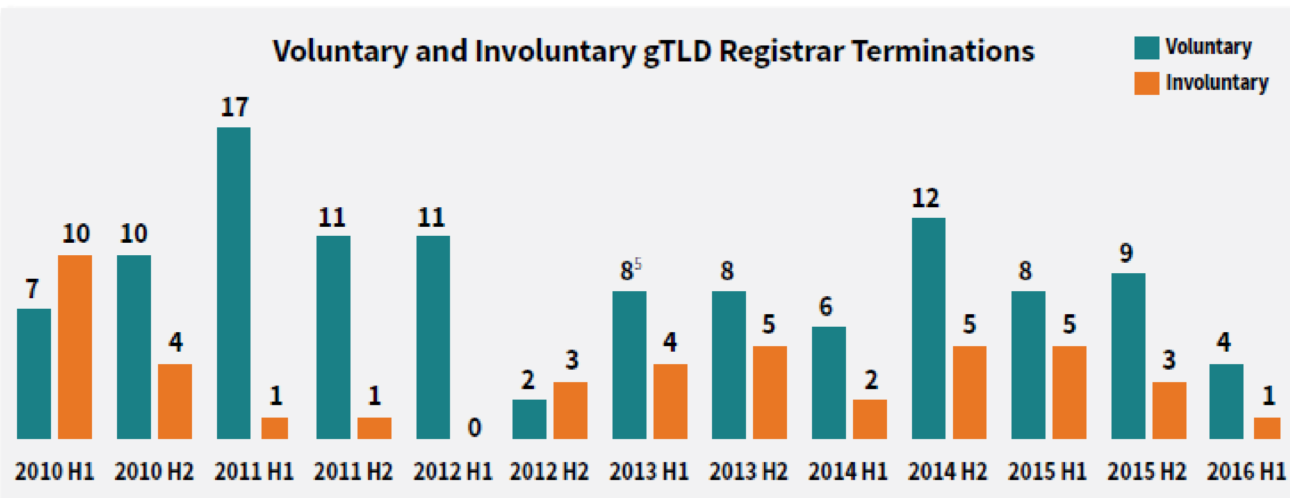


Figure 21

Recommend Maintaining	**10**	66.7%
Recommend Removing	**2**	13.3%
Unsure/Have further questions*	**3**	20%

Continued Relevance of Existing Robust Competition 'Beta' Metrics

- The figures proposed are inadequate to cover the revised definition. I only see registrars.
- Would this include gTLD Registrars that are part of the same Group (as a fully or partly owned subsidiary)?
- Figure 20 should be "gTLD Registrar Families - Newly Accredited" so it's not impacted by drop catch registrar accreditations. Figure 21 could be either families or individual registrars, but symmetry suggests using families as well.
- Without knowing the reasons, difficult to attribute to market dynamics (as opposed to compliance violations, etc.)
- It is not immediately obvious that these metrics will fulfill the stated goal.

Continued Relevance of Existing Marketplace Stability ‘Beta’ Metrics

CATEGORY 2: MARKETPLACE STABILITY

Input received thus far suggested completely striking out or potentially moving the existing ‘beta’ metrics under this category elsewhere in the report. Accordingly, there are no existing ‘beta’ metrics to evaluate under this category.

Continued Relevance of Existing Trust 'Beta' Metrics

CATEGORY 3: TRUST

'Beta Definition': Service providers, gTLD registry operators, gTLD registrars and gTLD registrants are compliant with their contractual obligations

Revised Definition: Demonstrated operational success of domain name industry safeguards for registrants, Internet users and the global community (including law enforcement and intellectual property holders)

Continued Relevance of Existing Trust 'Beta' Metrics

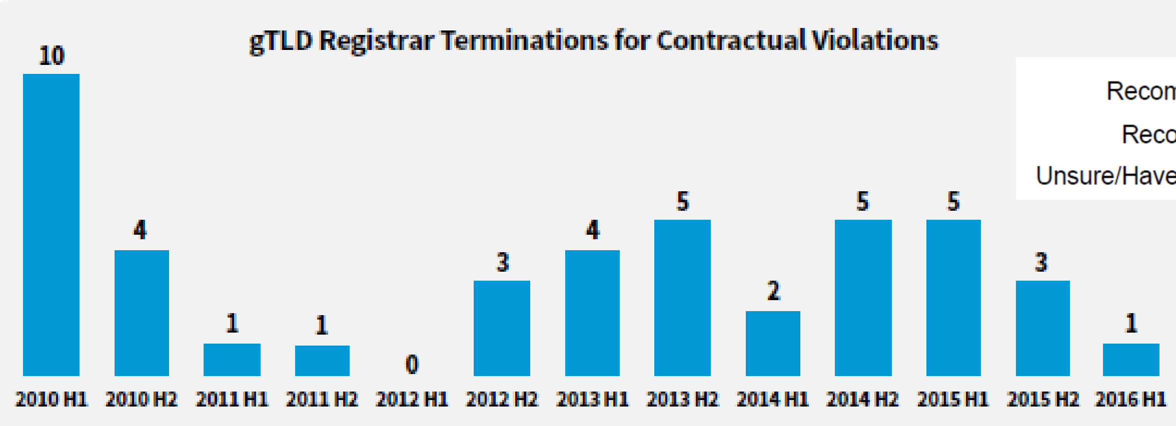


Figure 22

Note: During the beta reporting periods, there were no terminations of gTLD registry agreements due to compliance violations to report. Should any such instances occur, and if this metric is retained as part of the final set of marketplace indicators, such information will be included for presentation in future report editions.

Recommend Maintaining	**11**	73.3%
Recommend Removing	**2**	13.3%
Unsure/Have further questions*	**2**	13.3%

Accuracy of WHOIS Records

Syntax Accuracy

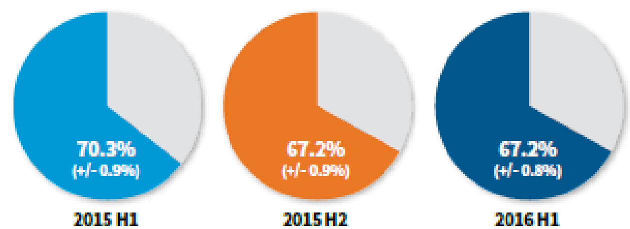


Figure 23

Operational Accuracy

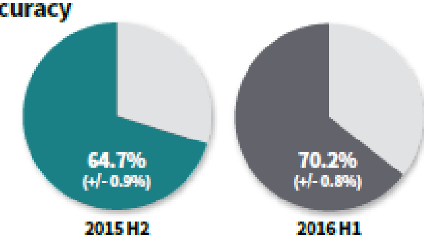


Figure 24

Recommend Maintaining	**12**	80%
Recommend Removing	**1**	6.7%
Unsure/Have further questions*	**2**	13.3%

Continued Relevance of Existing Trust ‘Beta’ Metrics

UDRP and URS Decisions Against gTLD Registrants

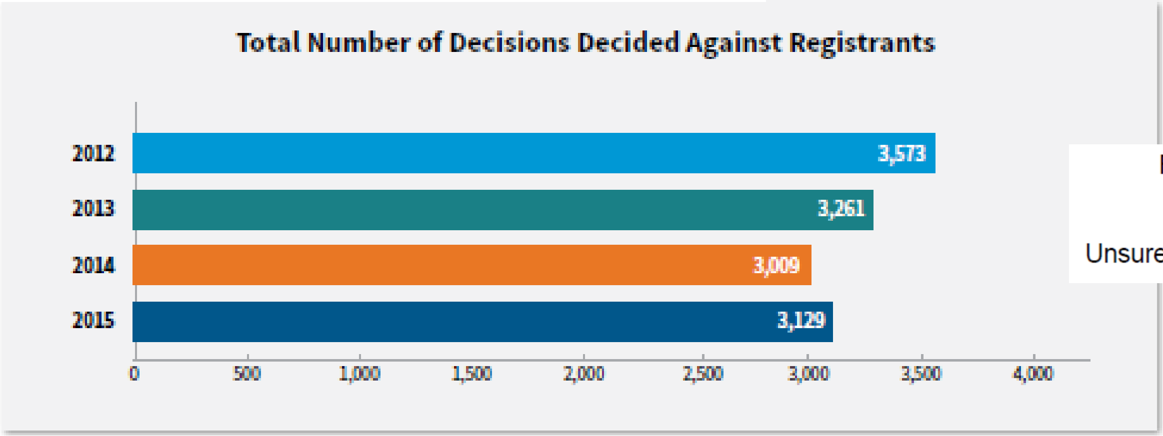


Figure 25

Recommend Maintaining	**10**	66.7%
Recommend Removing	**3**	20%
Unsure/Have further questions*	**2**	13.3%

Note: Annual totals for 2012 and 2013 include only UDRP decisions decided against registrants. Totals for 2014 and 2015 include both UDRP and URS decisions decided against registrants.

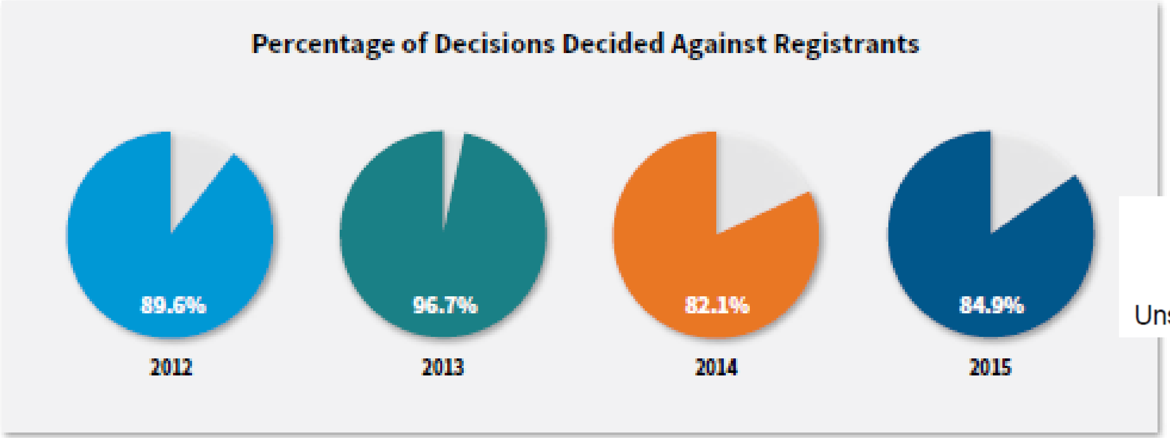


Figure 26

Recommend Maintaining	**12**	80%
Recommend Removing	**1**	6.7%
Unsure/Have further questions*	**2**	13.3%

Continued Relevance of Existing Trust 'Beta' Metrics

- The term safeguards is one that might mean something different than what these metrics measure. There are safeguards that the GAC has been proposed (some accepted by the board and others rejected) and there could be more evolution of safeguards as a result of the compliance department hiring a director for consumer safeguards.

- It is not immediately clear whether or not these metrics properly align with the stated goal.

Next Steps and Action Items

Next Steps	Actions
Capture inputs arising from session today.	**ICANN:** Update tracking document with inputs received and circulate to Advisory Panel **Advisory Panel:** Review and provide any feedback prior to next meeting
Lock down category definitions	**ICANN:** Share final category definitions via mailing list **Advisory Panel:** (Breathe a sigh of relief) Factor these definitions into input provided on suitable metrics.
Continue to discuss relevance of existing and previously suggested beta metrics	**ICANN:** Create online poll for metrics previously suggested but not included in the Beta report (as noted in report Appendix) **Advisory Panel:** Provide inputs

Questions?

ICANN

Engage with ICANN

Thank You and Questions

Email: Mukesh.Chulani@icann.org
Amy.Bivins@icann.org

Please submit feedback on metrics to gtldmarketplace@icann.org

twitter.com/icann

gplus.to/icann

facebook.com/icannorg

weibo.com/ICANNorg

linkedin.com/company/icann

flickr.com/photos/icann

youtube.com/user/icannnews

slideshare.net/icannpresentations

Appendix—Robust Competition Metrics in Beta

1. Percentage of distinct ICANN-accredited gTLD registrars, by ICANN region.
2. Number of jurisdictions with at least one ICANN-accredited registrar.
3. Percentage of distinct ICANN-accredited gTLD registry operators, by ICANN region.
4. Number of jurisdictions with at least one ICANN-accredited registry operator.
5. Percentage of gTLD registrars that are distinct entities (counting one per family).
6. Average number of gTLD registrar accreditations per registrar family.
7. Percentage of gTLD registry operators that are distinct entities (counting one per family).
8. Average number of gTLD registries held by each gTLD registry parent company.
9. Total number of second-level domain names registered in gTLDs.
10. Year-over-year growth rates in second-level domain names registered in gTLDs.

Appendix—Robust Competition Metrics in Beta (cont.)

11. Total number of second-level domain names registered in Internationalized gTLDs (IDNs).
12. Total second-level domain name additions in all gTLDs.
13. Year-over-year growth rates for second-level domain name additions.
14. Second-level domain name additions, broken down into the following categories: legacy gTLDs, new gTLDs, IDNs, .brands, and geographic gTLDs, plus year-over-year growth rates for each of these categories.
15. Second-level domain name deletions in gTLDs, plus year-over-year growth rates for second-level domain name deletions.
16. Second-level domain name deletion percentages in gTLDs (the percentage of total second-level domain names deleted) broken down into the following categories: total gTLDs, legacy gTLDs, new gTLDs, IDN gTLDs, .brands, and geographic gTLDs.

Appendix—Marketplace Stability Metrics in Beta

1. Number of gTLD registrars newly accredited.
2. Number of gTLD registrars disaccredited (divided out by voluntary and involuntary accreditations revoked)

Appendix—Trust Metrics in Beta

1. Number of involuntary gTLD registrar terminations (related to accreditations revoked involuntarily).
2. WHOIS Accuracy rates detected by ICANN WHOIS Accuracy Reporting System.
3. Number of UDRP and URS complaints decided against second-level gTLD registrants (annual total plus percentage of cases filed).