Working Meeting: gTLD Marketplace Health Index

22 February 2017

Agenda

1 Proposed Timeline

2 Review 'Robust Competition' Category Definition

3 Review 'Marketplace Stability' Category Definition
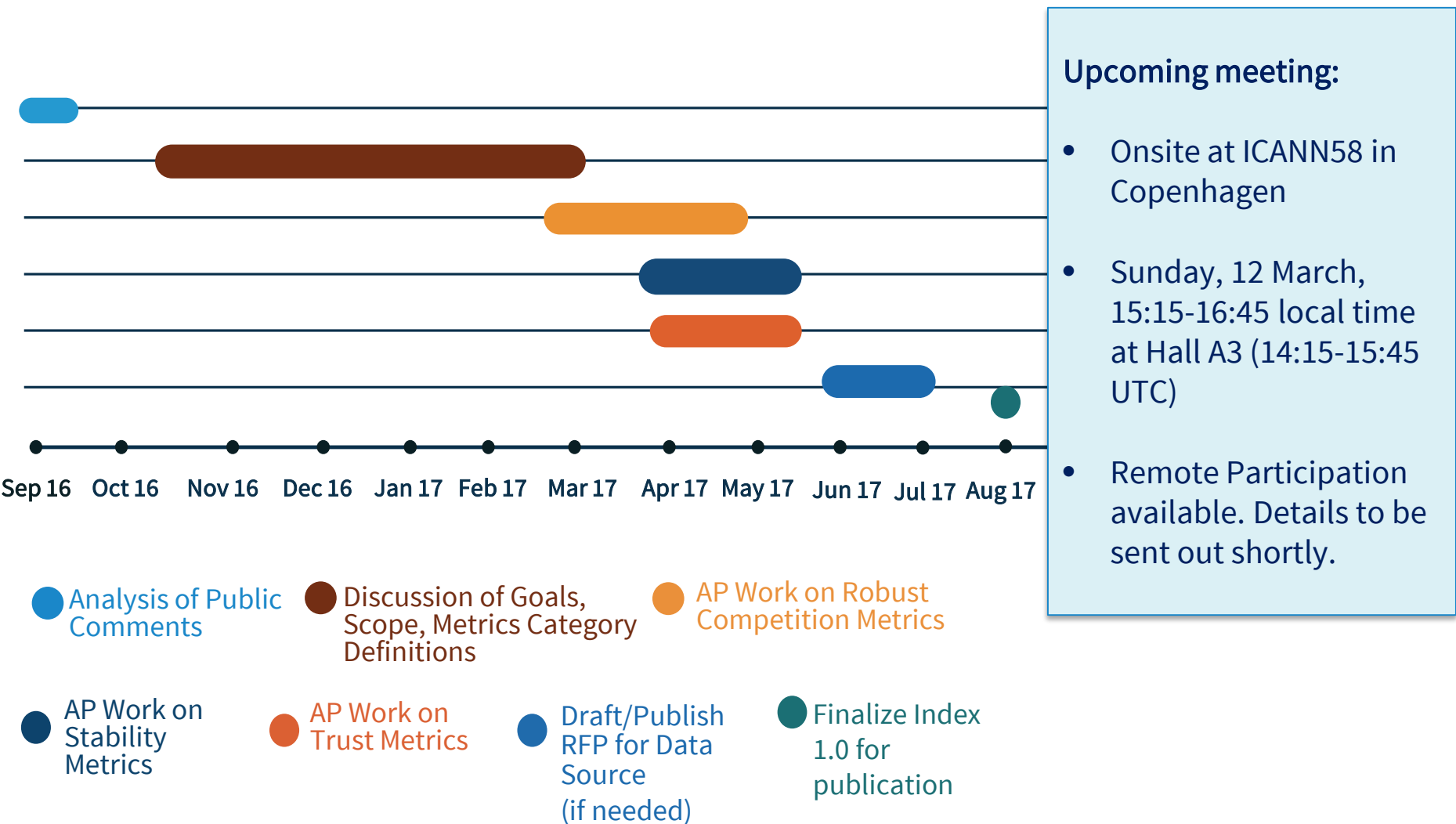
4 Review 'Trust' Category Definition

5 Review Relevance of 'Beta' Metrics given Category Definition Revisions

6 Next Steps

gTLD Marketplace Health Index 1.0: Proposed Timeline

Upcoming meeting:

- Onsite at ICANN58 in Copenhagen

- Sunday, 12 March, 15:15-16:45 local time at Hall A3 (14:15-15:45 UTC)

- Remote Participation available. Details to be sent out shortly.

Timeline axis: Sep 16, Oct 16, Nov 16, Dec 16, Jan 17, Feb 17, Mar 17, Apr 17, May 17, Jun 17, Jul 17, Aug 17

Legend:
- Analysis of Public Comments
- Discussion of Goals, Scope, Metrics Category Definitions
- AP Work on Robust Competition Metrics
- AP Work on Stability Metrics
- AP Work on Trust Metrics
- Draft/Publish RFP for Data Source (if needed)
- Finalize Index 1.0 for publication

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 this project to Domain Name Marketplace Indicators

1. Metrics category definitions for 'robust competition', 'marketplace stability' and 'trust' to be revisited

2. *Beta metrics to be revisited, exploring external sources for relevant, recurring, reliable and rigorous datasets*

3. *Others: Revisit considerations on publication frequency, report design and language, academic review, etc.*

Revisit Definition for 'Robust Competition'

Original Category Definition used in Beta Report	Revised Definition (W-I-P; As of 2017-2-21)

#1: Diversity exists in the choice of a service provider, including:
  a) Geography
  b) Scripts offered
  c) *Service model**
  d) *Languages offered**
	#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 and terms & conditions are available across languages and character scripts
	  c) Variety of payment methods
	  d) Variety of pricing options

#2: The commercial marketplace is thriving – demonstrated by growth in new gTLDs and across all gTLDs.	#2: Demonstrated by adoption of new gTLDs and across all gTLDs.
#3: The marketplace is open to new players.	#3: The marketplace is open to new 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 marketplace is not dependent on a small number of back-end technology service providers, registries, registrars, and resellers.

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

Refer to Tracking Doc, Section 8

Revisit Definition for 'Marketplace Stability'

Original Category Definition used in Beta Report	Feedback Received to-date
#1: More gTLD registrars and gTLD registry operators are entering the gTLD marketplace than are leaving.	"An increase in market participation by providers is a laudable goal, but **in isolation, such a metric has the potential to be misleading."** (DON) **"There is no reporting of marketplace dependencies and vulnerabilities."** (BC) **"Market entry/exits should be of no concern** for as long as registrants and users enjoy uninterrupted quality of service and continued choices of business terms, etc. **Consolidation happens as markets mature. Should this definition be included**?" (AP volunteer 18 Jan call)
#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).*	"...**While service providers generally do consistently set and meet expectations for service levels**, beyond tools such as service level agreements (which are very specific and technical in nature), **it's unclear how (if at all) ICANN could either point to or develop measurements that would be a reliable representation of "stability" in this context."** (DON) "...**almost a 'Trust' issue than a 'Marketplace Stability' one**. Well, it is more in the compliance/IP/breach category than stability." (AP volunteer 18 Jan call) "**This is getting at the impact on registrants, which is exactly what we want to measure.** Could we document through the nature of complaints or ICANN compliance actions - where registrants indicate they are not getting the quality of services, e.g complaints, investigated complaints, complaints that lead to notices, breach warnings from actions impacting QoS to registrants and users, etc." (AP volunteer 18 Jan call)

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

Refer to Tracking Doc, Section 9

Revisit Definition for 'Trust'

Original Category Definition used in Beta Report	Feedback Received to-date
#1 Service providers, gTLD registry operators, gTLD registrars and gTLD registrants are: a) Compliant with their contractual obligations	*"The definitions for both trust and stability need to be defined relative to the audience that needs to trust the marketplace and perceive it to be stable. **Evaluating metrics as they relate to trust and stability without a clear audience defined is not possible and will not yield meaningful or reliable data.**" (VS)*
b) Perceived to be trustworthy*	*"Donuts repeats its **reservation about perceptions**. Donuts agrees that compliance with contractual obligations is a useful and necessary metric (though it's **doubtful that this is a metric indicative of trust outside the industry—consumers and end-users generally are not literate with ICANN contractual compliance matters**)." (DON)* Members of the Advisory Panel present on the 5 December call seemed to support the removal of "perception" (survey-required) metrics from this project. If at all kept this should be limited to only track changes in perception over time.

Refer to Tracking Doc, Section 10

Next Step: (Contingent on 'Close-to-Final' Category Definitions) Obtain Input on Continued Relevance of Existing 'Beta' Metrics

Given changes made to category definitions, ICANN will be circulating a survey shortly to obtain input on the continued relevance of our existing published 'beta' metrics. We will obtain your input on suggested new metrics in a separate poll.

For instance, under Robust Competition:

'Beta' category definition:
#3: The marketplace is open to new players.

Revised category definition:
#3: The marketplace is open to new back-end technology service providers, registries, registrars, and resellers.

Please indicate your recommendation for each of the 'beta' metrics previously published under this category definition:

'Beta' Report Figure # / Metric Name		Recommend maintaining	Recommend removing	Unsure/Have further question(s)	Please indicate your question(s) here…
Fig 3	% of gTLD registrars that are distinct entities	●	●	●	▬
Fig 4	Avg. no. of gTLD registrar accreditations per registrar family	●	●	●	▬
Fig 5	% of gTLD registry operators that are distinct entities	●	●	●	▬
Fig 6	Avg no. of gTLD registries held by each gTLD registry parent company	●	●	●	▬

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

- Develop 'close-to-final' category definitions

ICANN: Share category definitions via mailing list for any final comments.

Advisory Panel: Review and provide feedback prior to next meeting

- (Contingent on 'Close-to-Final' Category Definitions) Obtain feedback on suitability of existing beta metrics as basis for further discussion

ICANN: Circulate survey to Advisory Panel for input

Advisory Panel: Provide inputs expediently

Questions?

Engage with ICANN

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.

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)

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).

8.1 *"Donuts has reservations about attempting to assign metrics to such subjective matters, particularly those that involve perceptions instead of quantifiable data or demonstrable fact.* **Upon what criteria, for example, can a perception of fairness be established?"** *(DON)*

8.3 *"The stated goal in the beta report is to determine if "***The commercial marketplace is thriving" and the assumed definition of what this looks like is "growth in new gTLDs and across all gTLDs." This has not been established as an effective measure for measuring the health of the marketplace and is easily influenced by many factors** *not captured by the index today as noted by Professor Bhargava." (VS)*

11.1 *"You are measuring such metrics as* **"geographic diversity" which may be irrelevant or invalid** *for reasons I discussed in my earlier comment and which your "expert" Professor Hemant Bhargava also cited. We live in a global economy." (JP)*

9.1 *"As to the [draft metric definition "More gTLD registrars and gTLD registry operators are entering the gTLD marketplace than are leaving"], Donuts does not believe this is necessarily an indicative metric.* **An increase in market participation by providers is a laudable goal, but in isolation, such a metric has the potential to be misleading."** *(DON)*

9.2 *"…***While service providers generally do consistently set and meet expectations for service levels,*** beyond tools such as service level agreements (which are very specific and technical in nature),* **it's unclear how (if at all) ICANN could either point to or develop measurements that would be a reliable representation of "stability" in this context."** *(DON)*

23.1 *"We note that marketplace stability is reported as a measure of the number of gTLD registrars accredited and de-accredited over multiple periods.* **There is no reporting of marketplace dependencies and vulnerabilities."** *(BC)*

Appendix - Sample Input provided: Trust

10.1 *"Donuts repeats its **reservation about perceptions**. Donuts agrees that compliance with contractual obligations is a useful and necessary metric (though it's **doubtful that this is a metric indicative of trust outside the industry—consumers and end-users generally are not literate with ICANN contractual compliance matters**).*" (DON)*

10.2 *"**The definitions for both trust and stability need to be defined relative to the audience that needs to trust the marketplace and perceive it to be stable. Evaluating metrics as they relate to trust and stability without a clear audience defined is not possible and will not yield meaningful or reliable data.** The ambiguity of the current definition allows one to conclude that the metrics are measuring whether ICANN has created a stable set of vendors that it can trust. If the desired goal is to evaluate the perspective of any others in the marketplace, such as domain name users, then the metrics need to be changed to be far more comprehensive."* (VS)

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