ICANN 60
ANNUAL GENERAL
ABU DHABI
28 October–3 November 2017

gTLD Marketplace Health Index:
October 2017 Advisory Panel Working Meeting

Mukesh Chulani
Global Domains Division
ICANN60 – Abu Dhabi, UAE

28 October 2017

ICANN

Agenda

1 Review Progress against Timeline and Scope

2 Recap: Draft V1.0 Marketplace Indicators Schema
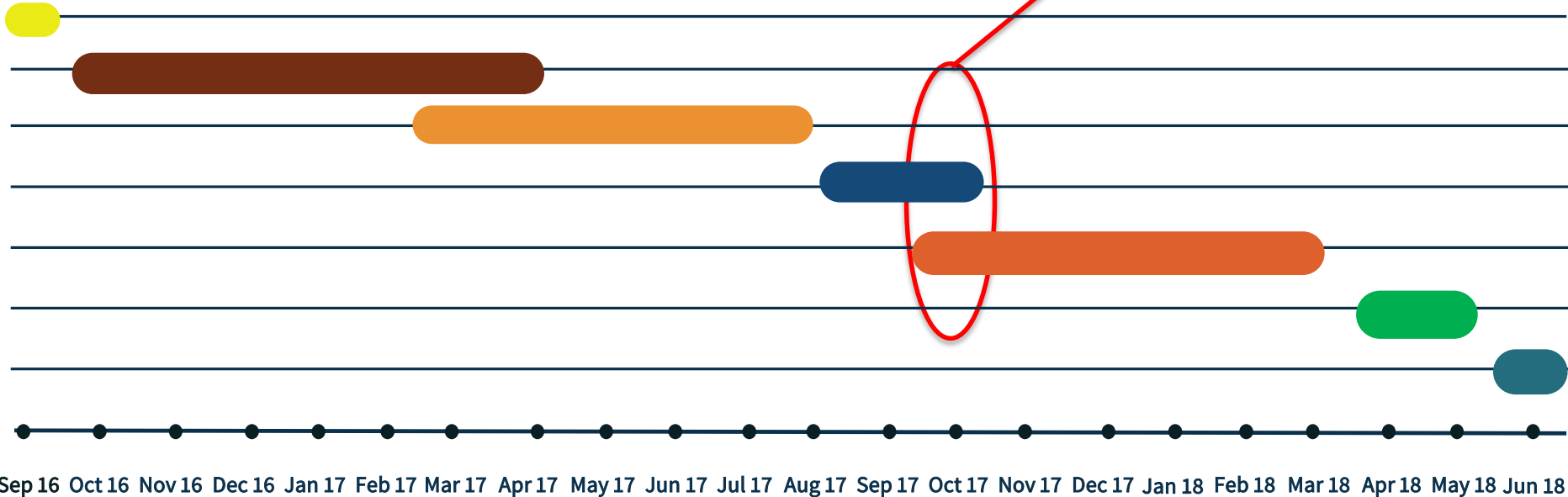
3 Discuss Considerations for Indicators Output

4 Next Steps

Review Progress vs. Timeline and Scope

Project Timeline

Current phase

Sep 16 Oct 16 Nov 16 Dec 16 Jan 17 Feb 17 Mar 17 Apr 17 May 17 Jun 17 Jul 17 Aug 17 Sep 17 Oct 17 Nov 17 Dec 17 Jan 18 Feb 18 Mar 18 Apr 18 May 18 Jun 18

- Analysis of Public Comments
- Advisory Panel Discussion: Overall Goals and Scope
- AP Work on Competition Stability & Trust Metrics
- AP Work on Other Project Considerations
- RFP launch, vendor selection, independent review of draft V1 indicators schema & possible data sources
- Draft and publish RFP for data sources (if required)
- Finalize Index 1.0 for publication

Revisiting Scope & Today's Discussion Items

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

✓ Revisit metrics category definitions for 'robust competition', 'marketplace stability' and 'trust'

Identify and shortlisted appropriate metrics
✓   a) Re-evaluate metrics already published in 'beta' report

✓   b) Evaluate metrics previously suggested but not published in 'beta' report

✓   c) Identify other relevant metrics to capture for factors not yet covered

WORK IN PROGRESS Revisit considerations on publication frequency, level of commentary, evaluate extent to which indicators can be delivered via ICANN's Open Data Initiative. etc.

Recap: Draft V1.0 Domain Name Marketplace Indicators Schema

What's Changed from the 'Beta'?

Criteria	gTLD Marketplace Health Index 'Beta' Schema	Domain Name Marketplace Indicators Draft V.1 Schema
Categories	• **3** • (Robust Competition, Marketplace Stability, Trust)	• **3** • (Robust Competition, Marketplace Stability, Trust)
Dimensions/Factors	• **9** • (5 under Robust Competition, 2 under Marketplace Stability, 2 under Trust)	• **6** • (4 under Robust Competition, 1 under Marketplace Stability, 1 under Trust)
Metrics/Indicators	• **28** • (21 under Robust Competition, 2 under Marketplace Stability, 5 under Trust)	• **38** • 16 carried over from the 'Beta' Metric Schema • (25 under Robust Competition, 5 under Marketplace Stability, 8 under Trust)

Note:
The full 'Beta' metric schema can be accessed via:
https://www.icann.org/resources/files/1208121-2017-07-06-en
The draft V.1 schema is included as an Appendix to this presentation.

What does the new Draft V.1 Schema look like?

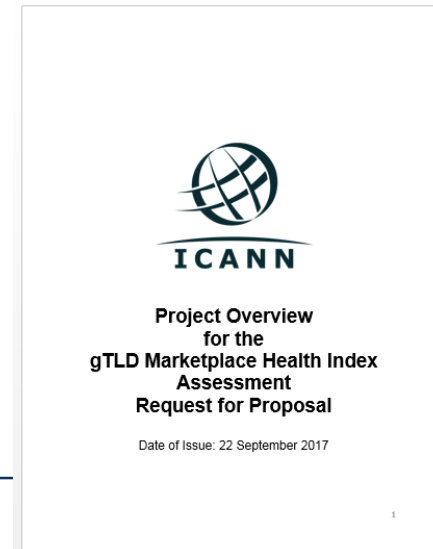**Breakdown of Indicators, Draft V.1 Indicator Schema**
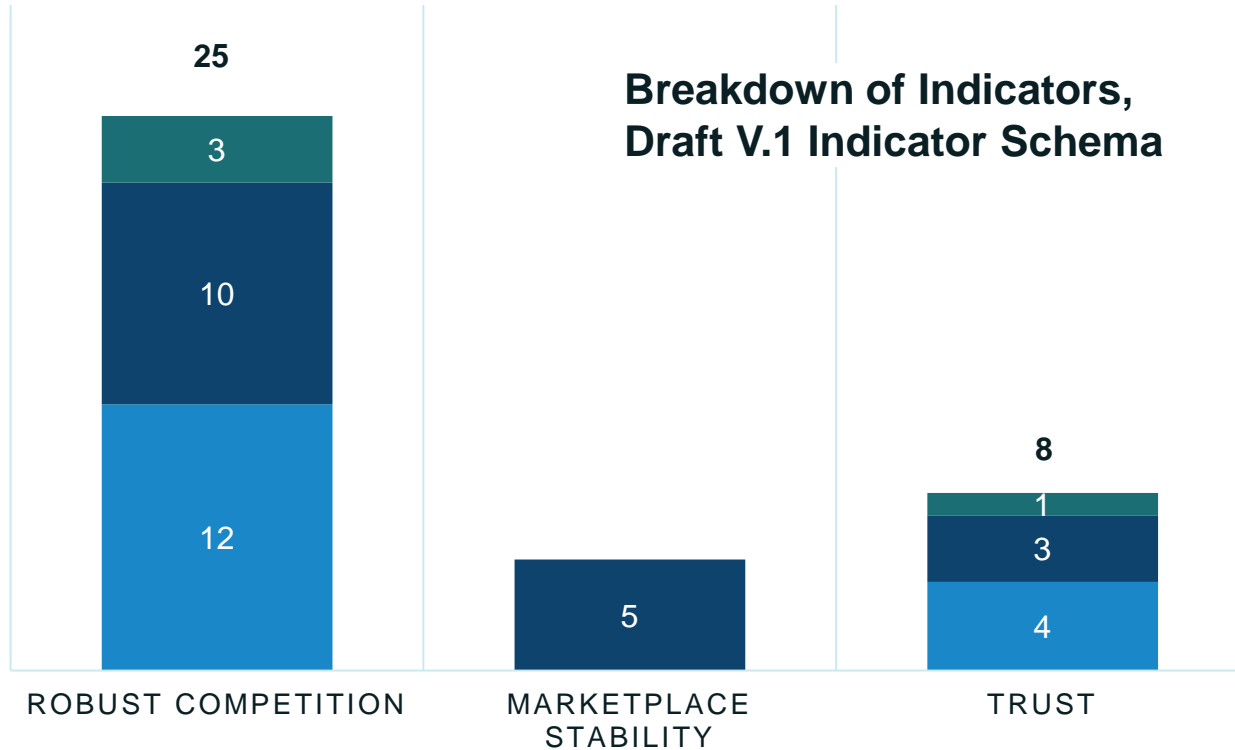
- ■ Published in 'beta' report
- ■ Recommended in 'beta' report
- ■ New suggestion from Advisory Panel

Note:
The draft V.1 schema is included as an Appendix to this presentation.

RFP for Draft V.1 Schema Assessment

◉ This proposed engagement will include the following objectives:

1. Conduct a detailed assessment of the draft "Version 1.0" gTLD Marketplace Health Index schema;

2. Create a detailed taxonomy document that describes and outlines the proposed method(s) of calculating each of the final recommended metrics; and

3. With respect to metrics for which the ICANN organization does not maintain data, identify and recommend data sources covering both existing "off the shelf" sources and, where relevant, recommendations for primary data collection.

Note:
The RFP Overview document includes a more detailed timeline and is available via: https://www.icann.org/news/announcement-2017-09-22-en

ICANN

**Project Overview
for the
gTLD Marketplace Health Index
Assessment
Request for Proposal**

Date of Issue: 22 September 2017

Expected Timelines for Draft V.1 Schema Assessment

- ⊙ 22 Sept 2017:   RFP published
- ⊙ 30 Oct 2017:   Participant proposals due
- ⊙ 31 Oct to 20 Nov 2017:   Evaluation of responses
- ⊙ 21 Nov to 22 Dec 2017:   Final evaluations, contracting and award
- ⊙ 15 Jan 2018:   Project kickoff
- ⊙ 29 Jan 2018:   Working session to discuss assessment frameworks
- ⊙ 16 Feb 2018:   Working session to discuss schema assessment
- ⊙ 01 Mar 2018:   Working session to discuss schema assessment & taxonomy
- ⊙ 15 Mar 2018:   Working session to discuss suitable data sources for metrics
- ⊙ 31 Mar 2018:   Final deliverables

Note:
The RFP Overview document includes a more detailed timeline and is
available via: https://www.icann.org/news/announcement-2017-09-22-en

Discuss Considerations for Indicators Output

Frequency of Release

⦿ The release of updated indicators is obviously contingent on whether the underlying data itself being utilized has been refreshed. With which frequency should we aim to release updated indicators if we wish to meet the goal of effectively tracking progress on ICANN objective 2.3, to "support the evolution of domain name marketplace to be robust, stable and trusted"? Thoughts?

⦿ Prior feedback has included:

○ *"We suggest that the Index be published more frequently than twice per year, given the importance of this information in monitoring marketplace trends and identifying possible areas of concern." (INTA)*

○ *"We note that the intended frequency of publishing is twice each year until v1.0. The BC is interested in knowing the intended frequency ongoing, and again suggests targeting 'quarterly' as the desired frequency of reporting." (BC)*

Level of Commentary

- ⊙ ICANN has previously indicated its intent to simply present marketplace indicators at face value without commentary, and then allow the community to directly digest, interpret and debate these. Would you agree? Thoughts?

- ⊙ Prior feedback has included:

  - ○ *"We note that the report is a presentation of mainly graphics, charts, figures—and is somewhat light on clarifying statements, explanations, definitions. We look forward to seeing more explanatory text in future versions. Also, figures will benefit from more explanation of inputs, calculations, and results."*

  - ○ *"I would like us to revisit our description of the effort to 'publish' new versions of the Indicators report. We are not 'publishing', but rather . promising to make updates to a dataset that will be accessible to anyone. Essentially, this is adding another row which is fully visible to anyone. I want to click on something and download it in Excel, something which I can then use on my own."*

Linkage with ICANN's Open Data Initiative (ODI)

⊙ ICANN's ODI initiative has the goal of making eligible 'ICANN org' datasets available for easy public discovery and access. To what extent should the domain name marketplace indicators leverage ICANN's ODI? How should we handle third-party owned datasets? Should this project eventually be folded into the wider ODI effort? Thoughts?

⊙ Prior feedback has included:

  ○ *"One of the most important things to garner trust in this Marketplace Indicators effort is for people to be able to reproduce the information by having open access to the underlying data."*

  ○ *"If we obtain data from a third-party, could we then trust data that cannot be accessed in its raw form? Caution should be applied before buying data. Buying data should be put on as a second tier to-do, i.e. only if there are very clear priorities that cannot be dealt with with internal data because there is potentially an issue with trust which comes through the (lack of) reproduce-ability"*

Next Steps

Next Steps

- ⊙ 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

- ⊙ RFP process for Draft V.1 Schema is ongoing.

  - ⊙ **ICANN:** Evaluate proposals and select vendor.

  - ⊙ **Advisory Panel:** Watch out for announcement.

- ⊙ Once assessment project is kicked off, we aim to have a series of working sessions with Advisory Panel members to discuss draft project outputs.

  - ⊙ **ICANN:** Update AP on estimated timing and send out relevant material(s) along with meeting invites.

  - ⊙ **Advisory Panel:** Watch out for announcements and provide inputs.

Thank You and Questions

ICANN

One World, One Internet

Visit us at **icann.org**

@icann

facebook.com/icannorg

youtube.com/icannnews

flickr.com/icann

linkedin/company/icann

slideshare/icannpresentations

soundcloud/icann

Appendix A: Draft Version 1.0 Category Definitions and Metrics

'Robust Competition' Category Definition

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. Demonstrated by registrant adoption of new TLDs and across all TLDs

3. The TLD marketplace is open to new providers, including back-end technology service providers, registries, registrars, and resellers.

4. The TLD marketplace as a whole is not subject to control by a small number of providers, including back-end technology service providers, registries, registrars, and resellers.

'Robust Competition' Metrics

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.

Shortlisted Metric #	Metric Description
1a.1	Registrant Distribution by Geographic Region
1b.1	Total number of second-level domain names registered in Internationalized gTLDs/IDNs.
1b.2	Net change in number of second-level domain names registered in Internationalized gTLDs/IDNs (showing gross adds & deletions as a further level of detail in appendix)
1b.3	Compound annual growth rate (CAGR) of second-level domain names registered in Internationalized gTLDs/IDNs.
1b.4	Percentage of gTLD registrars offering registrations in Internationalized gTLDs/IDNs
1c.1	Percentage distribution of languages available in gTLD service provider (gTLD registrar, gTLD registry operator, reseller) website terms and conditions pages
1d	Acceptance of multiple payment methods by registrars and resellers

Legend:

Published in 'beta' report   Recommended in 'beta' report   New suggestion from Advisory Panel

'Robust Competition' Metrics

2. Demonstrated by registrant adoption of new TLDs and across all TLDs

Shortlisted Metric #	Metric Description
2.1	Total number of second-level domain names registered in Legacy gTLDs, New gTLDs, ccTLDs, .brands, geographic gTLDs
2.2	Net change in number of second-level domain names registered in Legacy gTLDs, New gTLDs, ccTLDs, .brands, geographic gTLDs (showing gross adds & deletions as a further level of detail in appendix)
2.3	Compound annual growth rate (CAGR) for second-level domain names registered in Legacy gTLDs, New gTLDs, ccTLDs. , .brands, geographic gTLDs
2.4	Percentage renewal rates of second-level domain names
2.5	Marketplace churn and burn rate for TLDs (i.e. grand total number of domains registered in a TLD and the subset of currently active domains versus deleted domains over the same period, using a normalized timeframe)

Legend:

Published in 'beta' report   Recommended in 'beta' report   New suggestion from Advisory Panel

'Robust Competition' Metrics

3. The TLD marketplace is open to new providers, including back-end technology service providers, registries, registrars, and resellers.

Shortlisted Metric #	Metric Description
3.1	Percentage of gTLD registrars that are distinct entities (counting one per family).
3.2	Average number of gTLD registrar accreditations per registrar family.
3.3	Percentage of gTLD registry operators that are distinct entities (counting one per family).
3.4	Average number of gTLD registries held by each gTLD registry parent company.
3.5	Number/percentage of unique gTLD resellers by ICANN region
3.6	Percentage of gTLD registry operators that are also affiliated with a gTLD registrar
3.7	Number of back-end technology service providers

Legend:

| Published in 'beta' report | Recommended in 'beta' report | New suggestion from Advisory Panel |

'Robust Competition' Metrics

4. The TLD marketplace as a whole is not subject to control by a small number of providers, including back-end technology service providers, registries, registrars, and resellers.

Shortlisted Metric #	Metric Description
4.1	Number of Registrars Accredited and De-accredited (Voluntary and Involuntary)
4.2	Number of Registries Accredited and De-accredited (Voluntary and Involuntary)
4.3	Average number of gTLD registrars that offer each gTLD (average across all gTLDs and segmented by category)
4.4	Percentage of second-level domain name registrations by resellers
4.5	gTLD registry operator and gTLD registrar market share
4.6	Concentration index (e.g. Herfindahl Hirschmann Index) for back-end technology service providers, registry operators, registrars, and resellers

Legend:

| Published in 'beta' report | Recommended in 'beta' report | New suggestion from Advisory Panel |

'Marketplace Stability' Category Definition

1. Registries and registrars consistently deliver against their contractual obligations and are not responsible for marketplace instability that would result in harm to registrants.

'Marketplace Stability' Metrics

1. Registries and registrars consistently deliver against their contractual obligations and are not responsible for marketplace instability that would result in harm to registrants.

Shortlisted Metric #	Metric Description
1.1	Volume of registrar and registry-related complaints received, closed before 1st inquiry, or processed by ICANN contractual compliance, across types of activity
1.2	Number of second-level domain names in gTLDs suspended for valid abuse
1.3	Number of gTLD registrar security breaches reported to ICANN
1.4	Availability of gTLD registrar, registry, and reseller services (e.g. uptime of website, uptime of WHOIS service, services are reachable and responsive)
1.5	Survey data (from gTLD registrants, Intellectual Property holders, law enforcement and others) indicating improvement in levels of service provided by registry operators, registrars, and resellers

Legend:

Published in 'beta' report   Recommended in 'beta' report   New suggestion from Advisory Panel

'Trust' Category Definition

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)

'Trust' Metrics

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)

Shortlisted Metric #	Metric Description
1.1	Number of involuntary gTLD registrar terminations, related to accreditations revoked involuntarily
1.2	Number of involuntary gTLD registry terminations, related to accreditations revoked involuntarily
1.3	WHOIS Accuracy rates detected by ICANN WHOIS Accuracy Reporting System.
1.4	Number of UDRP and URS complaints decided against second-level gTLD registrants - annual total plus percentage of cases filed.
1.5	Number of valid issues with gTLD registry services detected by ICANN SLA Monitoring (SLAM) system
1.6	Percentage utilization of DNSSEC for second-level gTLDs
1.7	Percentage of second-level gTLD domain names that utilize privacy or proxy registration services
1.8	Reasons that registrars and registries are involuntarily terminated

Legend:

Published in 'beta' report   Recommended in 'beta' report   New suggestion from Advisory Panel