



Project Update: gTLD Marketplace Health Index

26 October 2016

Agenda

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Welcome and
Introduction

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Project Background

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Project Status

4

Advisory Panel
Work

5

Request for Initial
Feedback

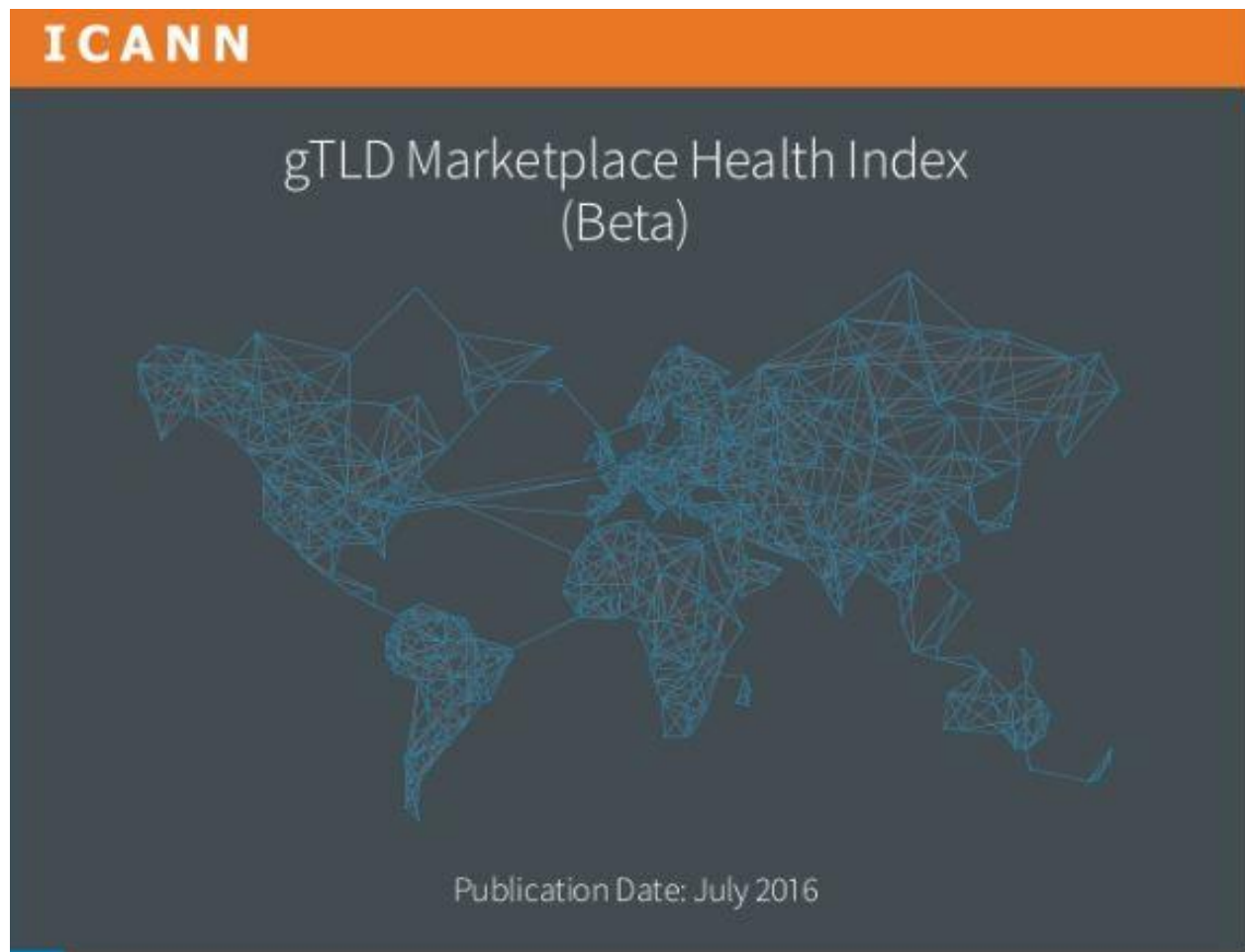
6

Questions/
Comments

Project Background

- gTLD Marketplace Health Index Project launched 2015
- ICANN dashboard is a result of a larger effort to track progress on strategic objectives and 16 related goals
- This project tracks the progress on objective 2.3, “Support the evolution of domain name marketplace to be robust, stable and trusted.”
- Solicited public comment/advisory panel input of proposed metrics, published Beta version in July 2016

gTLD Marketplace Health Index (Beta)



gTLD Marketplace Health Index (Beta)

MS 11011 2015-2015

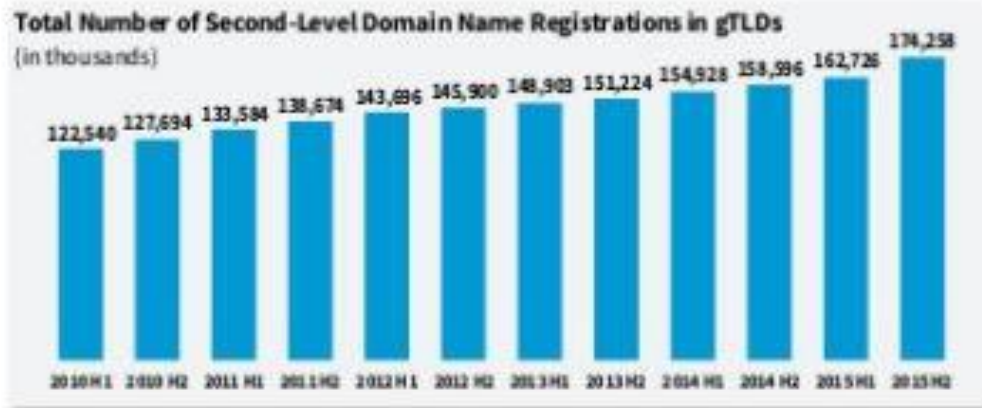


Figure 7



Figure 8

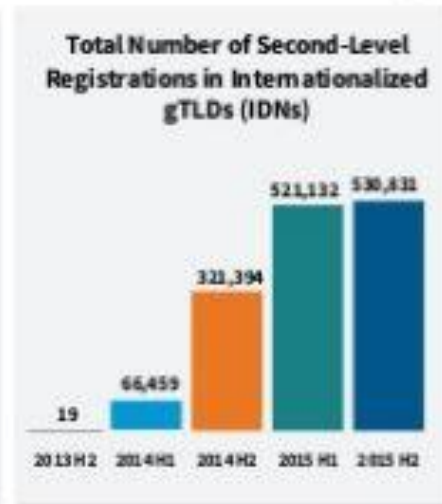


Figure 9

gTLD Marketplace Health Index (Beta)

Second-Level Domain Name Additions:
Legacy and New gTLDs (in thousands)

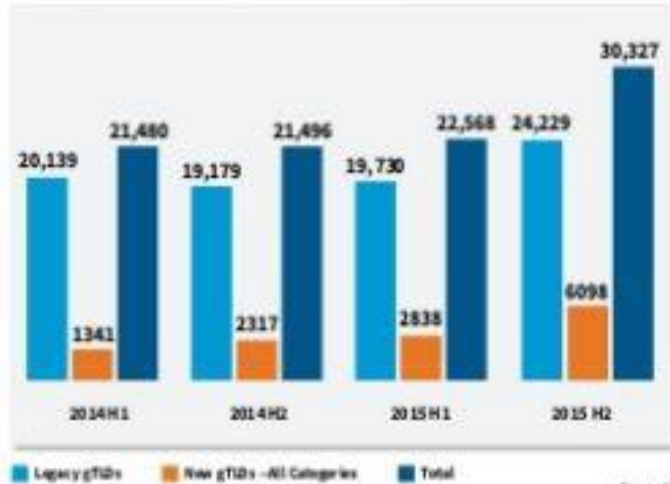


Figure 12

Second-Level Domain Name Additions, Legacy
and New gTLDs: Year-Over-Year Growth Rates

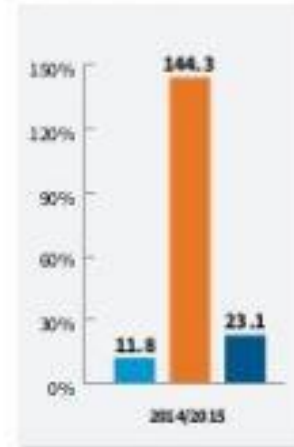
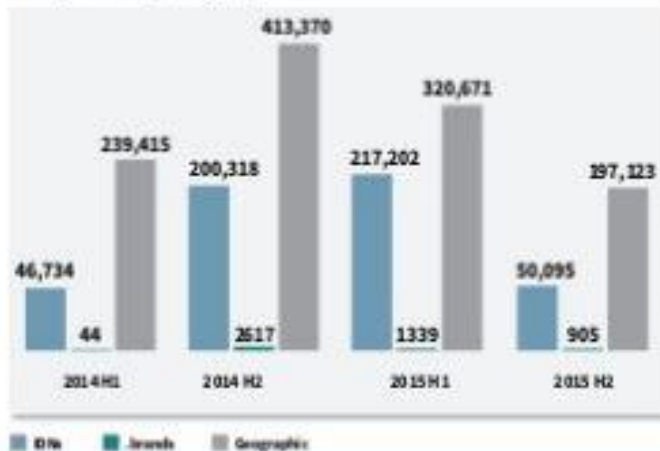
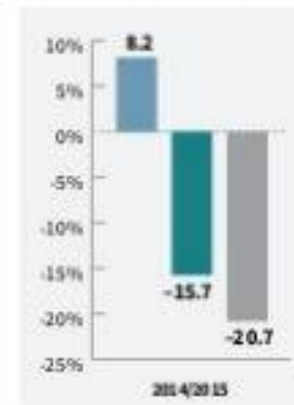


Figure 13

Second-Level Domain Name Additions:
IDNs, .brands, Geographic



Second-Level Domain Name Additions, IDNs, .brands,
Geographic: Year-Over-Year Growth Rates



Sample Metrics in Beta

- gTLD registrar and registry operator physical locations (based on primary contact address)
- Total gTLD registrations, adds and deletes (divided into categories from 2014-present)
- gTLD registrar and registry operator concentration (divided into “family groups” based on ICANN accounts)
- Data sourced from similar ICANN projects—Compliance terminations, WHOIS ARS

Most Recent Public Comments

- Overall process and emphasis on greater community collaboration were key areas of focus by the many commenters
- Design questions regarding beta metrics, specifically related to locations of gTLD registry operators/registrars
- Suggested improvements—include market share data, pricing data, expand to include ccTLD data

Planned Response

- Increase collaboration with Advisory Panel on all aspects of this program
- Incorporate comment tracking tool for transparency surrounding treatment of community input
- Expand Index in consultation with Advisory Panel and broader community, considering additional sources of data

Comment Tracking Tool

Public Comments Issue Tracking Checklist (v3.0)

Forum Title: gTLD Marketplace Health Index (Beta): Call for Comments

Open Date:	19 July 2016	Close Date:	9 September 2016
Name	Submitted by/Affiliation	Initials	
Registries Stakeholder Group	Stephane Van Gelder	RySG	
Rightside	Statton Hammock	RIGHT	
INTA	Lori Schulman	INTA	
Donuts Inc.	Mason Cole	DON	
Business Constituency	Steve DelBianco	BC	
Verisign Inc.	Andy Simpson	VS	
Registrar Stakeholder Group	Graeme Bunton	RrSG	
At-Large Advisory Committee	Policy Staff	ALAC	
John Poole	Domain Mondo	JP	

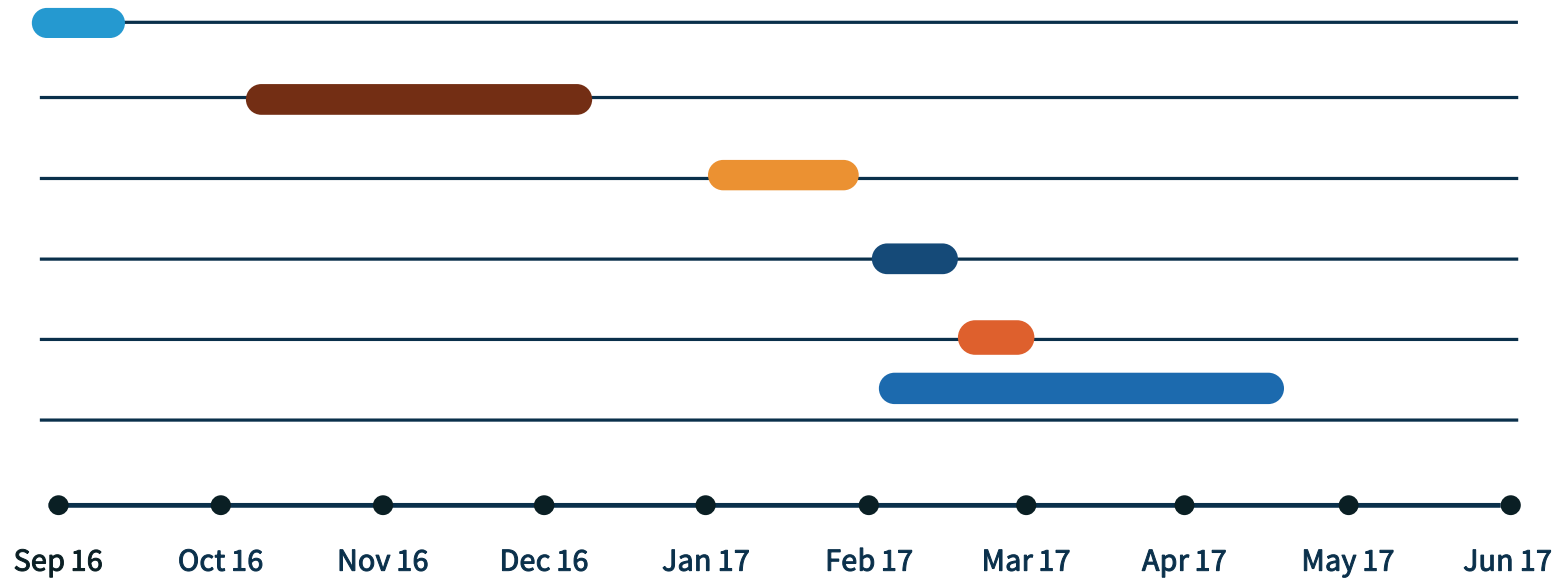
1) Category A: General Feedback			
Issue/Suggestion/Recommendation	Status	Staff-Proposed Response/Comments	Final Disposition
1.1 "Your gTLD Marketplace Health Index (Beta) is severely flawed and should not be used. You have failed to define the "marketplace" properly." (JP)	Active	ICANN has taken note of this input. ICANN will discuss the overall scope of this project and specific definitions therein with the Advisory Panel.	
1.2 "INTA commends ICANN for its role in collecting and promoting the use of objective metrics to help the community study these issues. INTA fully supports the concept of the Index insofar as it can be used to objectively measure consumer trust in the gTLD marketplace and assist the community in identifying ways to improve that level of trust." (INTA)	Active	This comment has been included in the list of discussion topics for consideration by the Advisory Panel.	
1.3 "We appreciate ICANN's efforts toward the development of this Beta report, and recognize that the initiative to establish a gTLD Marketplace Health Index advances ICANN's core mission. The BC supports ICANN's priority attention to the implementation of this Index." (BC)	No Action Required	ICANN thanks the Business Constituency for this feedback. This was not included in the Advisory Panel "discussion topics" document because there was no action item or qualifying statement (ie, some factor that should be emphasized going forward, as was the case in items 1.1 and 1.2 above).	
2) Category B: Metrics Development Process-Beta			
Issue/Suggestion/Recommendation	Status	Comments/Disposition	Final Disposition

Comment Tracking Tool

PUBLIC COMMENTS ISSUE TRACKING CHECKLIST (VS10)

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)	Active	ICANN appreciates this feedback and has included this in discussion topics for the Advisory Panel.	
9) Category I: Marketplace Stability (Scope and Definition)			
Issue/Suggestion/Recommendation	Status	Comments/Disposition	Final Disposition
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. For example, within a six-month period (the frequency proposed for marketplace health updates), it's conceivable that NO provider enters or exits the market, but that gTLD usage still grows steadily. Or that another helpful metric—perhaps penetration in traditionally underserved regions—shows growth. An increase in market participation by providers is a laudable goal, but in isolation, such a metric has the potential to be misleading." (DON)	Active	ICANN appreciates this feedback and has included this in discussion topics for the Advisory Panel.	
10) Category J: Trust (Scope and Definition)			
Issue/Suggestion/Recommendation	Status	Comments/Disposition	Final Disposition
10.1 (Regarding the definition of "trust" in the gTLD Marketplace Health Index (Beta)) "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)	Active	ICANN appreciates this feedback and has included this in discussion topics for the Advisory Panel.	
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)	Active	ICANN appreciates this feedback and has included this in discussion topics for the Advisory Panel.	
11) Category K: Relevance of Physical Address to Marketplace Health			

Marketplace Health Index 1.0: Proposed Timeline



- Analysis of Public Comments
- Advisory Panel Discussion: Overall Goals and Scope
- AP Work on 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

Role of Advisory Panel

- We currently have 40 members in our advisory panel (<https://community.icann.org/display/projgtdmarkthealth/gTLD+Marketplace+Health+Index+Advisory+Panel>)
- Advisory Panel volunteers play a different role than PDP Working Group members, Implementation Review Teams, etc. More of a conversation than a formal engagement process
- Staff will request feedback from Advisory Panel as project proceeds in developing/refining metrics. Advisory Panel meetings will be held regularly, with additional discussion on the email list
- Advisory Panel will not replace any needed community consultation, serves as a starting point for discussions that may be taken to broader community

Revisiting Overall Scope

Goal: Health Index will track progress on ICANN objective 2.3, “Support the evolution of domain name marketplace to be robust, stable and trusted.”

1. Metrics category definitions for ‘robust’, ‘stable’ and ‘trusted’ to be revisited
2. **g**TLD versus overall TLD Marketplace Health Index: should we look to include ccTLD data, where relevant? Or focus exclusively on gTLDs?
3. Beta metrics to be revisited, exploring external sources for relevant, recurring, reliable and rigorous datasets
4. Others: Revisit considerations on publication frequency, report design and language, academic review, etc.

1. Revisiting Category Definitions : Robust Competition

1. Diversity exists in the choice of a service provider, including:
 - a) – Geography
 - b) – Scripts offered
 - c) – *Service model**
 - d) – *Languages offered**
2. The commercial marketplace is thriving – demonstrated by growth in new gTLDs and across all gTLDs.
3. The marketplace is open to new players.
4. *Marketplace competition is perceived to be fair. **
5. *The marketplace is not dependent on one or a small number of players. **

Refer to
Tracking Doc,
Section 8

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

Sample Input provided: Robust Competition

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)

1. Revisiting Category Definitions : Marketplace Stability

1. More gTLD registrars and gTLD registry operators are entering the gTLD marketplace than are leaving.
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).**

Refer to
Tracking Doc,
Section 9

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

Sample Input provided: Marketplace Stability

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)

1. Revisiting Category Definitions : Trust

1. Service providers, gTLD registry operators, gTLD registrars and gTLD registrants are:
 - a) Compliant with their contractual obligations
 - b) *Perceived to be trustworthy**

Refer to
Tracking Doc,
Section 10

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

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)

2. gTLD vs. TLD domain marketplace

- *g*TLD versus overall TLD Marketplace Health Index: should we look to include ccTLD data, where relevant? Or focus exclusively on gTLDs?
- If we include ccTLD data, are there any sources of this data that you would consider to be for relevant, recurring, reliable and rigorous?

Refer to
Tracking Doc,
Section 18

Next Steps and Action Items

Next Steps

- Working session at ICANN 57 on November 8th to gather suggestions on revamping category definitions, and discuss inclusion/exclusion of ccTLD datasets
- Plan for next conference call, ideally to present updated category definitions.
- ICANN aims to finalize next iteration of beta metrics by year's end, and publish updated metrics ideally in the 1H 2017

Actions Requested



Please review the materials provided and attend the working session



Decide on desired frequency of conference calls



Review beta metrics prior to its publication

Questions?

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



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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).