

## Effectiveness of the Application and Evaluation Process

In addition to exploring the consumer welfare impact of the New gTLD Program, the CCTRT was charged with evaluating the “effectiveness” of the Application and Evaluation process.<sup>1</sup> Obviously, this is a potentially overbroad mandate, especially given the concurrent PDP on subsequent procedures. Therefore, instead of focusing on the possible inefficiencies of the application and evaluation process, the CCTRT decided to focus on possible inequities in the process. These include the potential for the process to favor some communities over others, some regions over others, or simply produce inconsistent and unpredictable results.

## Applications and the “Global South”

One of the questions that the CCTRT ~~addressed asked~~ was whether the application and evaluation process was effective in serving the needs of previously otherwise underserved regions or communities. ~~Referred to~~ sometimes referred to as the developing world or “Global South”. ~~In particular,~~ the CCTRT endeavored to determine if these communities had special needs that were not met or resource deficiencies that were insufficiently supplemented to create a level playing field among for all potential applicants. For purposes of this review, the Global South was defined to include Africa, Latin America, the Caribbean, India, and South East Asia, excluding China.

Commented [1]: Should this term be capitalized?

Of course, the only “hard” data on applications from the Global South was their paucity. In total, there were only X applications from the Global South and only X continued made it all the way to delegation<sup>2</sup>. To better understand the challenges faced by those applicants, the CCTRT commissioned a survey of applicants, conducted by Nielsen.<sup>3</sup> Unfortunately, low participation in the survey meant that only two respondents were from the gGlobal sSouth<sup>4</sup> but these nonetheless identified some still there were general insights from which to glean special problems that were faced by underserved applicants from the Global South might have faced.

<sup>1</sup> ICANN, *Affirmation of Commitments* (September 2009), accessed [insert date], <https://www.icann.org/resources/pages/affirmation-of-commitments-2009-09-30-en>

<sup>2</sup> Need reference

<sup>3</sup> Nielsen, *ICANN Application Process Survey* (December 2016), accessed [insert date], <https://community.icann.org/download/attachments/56135378/2016%20ICANN%20Application%20Process%20Report.pdf?version=1&modificationDate=1482246915000&api=v2>

<sup>4</sup> Nielsen survey

A perhaps trickier task was to determine why there were so few applications for new strings from these regions. There were a number of possible explanations: insufficient outreach by ICANN, insufficient funds for applicants, insufficient technical expertise, or possibly insufficient market confidence. Given the low penetration of ccTLD registrations in the gGlobal sSouth<sup>5</sup> it might simply have been rational ~~for potential applicants~~ to adopt a wait and see posture ~~with regards to new gTLDs.~~ Moreover, ~~to the extent that promotion of the new gTLD program by ICANN would be considered part of the “application and evaluation” process, it is certainly useful to understand what kinds of information were available to the potential applicants from pool in the gGlobal Ssouth, had available.~~

To that end, the CCTRT commissioned a study by AMGlobal<sup>6</sup> which included evaluating the characteristics of those entities from the gGlobal N+orth ~~that had who~~ applied for new strings, identifying similar entities in the Gglobal Ssouth ~~that had not applied,~~ and ~~finally~~ conducting a phone survey of a sample of those entities to better understand their reasons for non-participation ~~in the new gTLD program.~~ ~~Although While~~ it was not feasible to conduct a statistically valid survey of potential applicants, the anecdotal data (largely from Latin America) suggest a number of areas for improvement in outreach and facilitation efforts ~~by ICANN in any future rounds.~~ ~~In particular, the CCTRT wanted to explore the program outreach and applicant support both financial and non-financial.~~

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#### Program Outreach

Limited awareness of the new gTLD program and unfamiliarity with ICANN appeared to be a key factor limiting participation ~~from the Global South.~~ Fewer than half of the interviewees described having moderate to high levels of awareness of the program ~~in general (although and many said that despite having some information, they felt they did not have needed details).~~ Almost one-third all interviewees said that they had almost no knowledge of the program or had never heard about the program at all. Many interviewees who had heard “something” noted they had no understanding of the ~~P~~program’s connection to ICANN, and about a third of all interviewees had no knowledge of ICANN at all. Given the newness of the idea of new gTLDs in many emerging markets, this lack of ~~information context~~ was a significant issue.<sup>7</sup>

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<sup>5</sup> need reference

<sup>6</sup> AMGlobal Consulting, *New gTLDs and the Global South: Understanding Limited Global South Demand in the Most Recent New gTLD Round and Options Going Forward* (October 2016), accessed ~~[insert date]~~, <https://community.icann.org/pages/viewpage.action?pageId=56135383>

<sup>7</sup> AMGlobal, *New gTLDs and Global South* (2016).

ICANN carried out a promotional campaign for the new program that included online advertising and outreach through their regional centers. These included live presentations, live consultations, and webinars.<sup>8</sup> It chose to eschew what might be considered “sales” in favor of general information arguing that it was not in its remit to convince the market to apply for strings but rather to make it known that applications were being accepted.<sup>9</sup> Many in the community believed that these outreach efforts were insufficient<sup>10</sup> and the responses from the AMGlobal survey appear to bear that out.

One barrier to entry, especially in Latin America, was the limited time window ~~between the provision from the availability~~ of information to the close of the new round. While many in the ICANN community have been waiting ~~on pins and needles~~ ~~???~~ for the start of new gTLD round, it was news to many in the gGlobal South. A number of interviewees admonished ICANN for providing information too late, thus providing inadequate time for decision-making. This seemed to have especially ~~affected impacted~~ decision making at large conglomerates and government entities, ~~whiche~~ suggested that they might need six months or more to fully explore, socialize, and win approval for a new gTLD initiative. As a number of Latin American respondents suggested, it could take time to find the right home or champion within a large organization for an initiative as new as a new gTLD. Time issues were cited by nearly 19 of the 37 respondents, with 11 citing this as their #1 constraint to participation. Many interviewees either heard ~~about the program~~ too late, or said they simply did not have enough time to fully explore the idea.<sup>11</sup>

#### Applicant Informational Support

Many ~~respondents~~ who were aware of the program cited a lack of complete information and/or clear communication as key constraints to participation. Communications around the program were described by interviewees as “complicated” and “dense”, and “more for insiders than for me or the general public”.<sup>12</sup> Information around program deadlines, application costs, and longer-term

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<sup>8</sup> ICANN, “New gTLD Program Global Consultation and Outreach Events,” accessed [insert date], <https://archive.icann.org/en/topics/new-gtlds/consultation-outreach-en.htm>

<sup>9</sup> Program Outreach plan document

<sup>10</sup> Avri Doria, “The need for a remedial gTLD program for #newgtlds,” accessed [insert date], <http://avri.doria.org/post/74920388723/the-need-for-a-remedial-gtld-program-for-newgtlds>

Constantine, “Role of influencers and media in ICANN’s TLD global awareness campaign: How ICANN can create a strong value proposition with new Top-Level Domain extensions to benefit the Internet,” accessed [insert date], <http://mytld.com/articles/3018-influencers-media-icann-top-level-domains-tld-benefits-internet.html>

<sup>11</sup> AMGlobal, *New gTLDs and Global South* (2016).

<sup>12</sup> AMGlobal, *New gTLDs and Global South* (2016).

costs were all cited as areas where information was either hard to understand or ~~poorly mis~~understood. Inadequate information ~~about on the program of the~~ program was mentioned by 30 of the 37 respondents as a constraint, with 10 of them ranking the lack of information as their #1 concern.<sup>13</sup> The Nielsen survey of applicants revealed a general insufficiency of information from ICANN with only 49% of applicants saying they got enough information from ICANN.<sup>14</sup>

Given the high propensity (62% of applicants) to use some form of consulting services<sup>15</sup> it stands to reason that such services would be in even higher demand in underserved markets. WHAT IS THE IMPLICATION OF THIS? IT DOES NOT SEEM TO FIT.

The Applicant Support Program (ASP) is a program that was conceptualized by the Joint Applicant Support Working Group (JASWG) in order to provide assistance to gTLD applicants in underserved regions and communities to ensure worldwide accessibility and competition within the New gTLD ~~P~~program. Entities interested in the ASP had three options:

- Access to pro bono services for startup gTLD registries through the Applicant Support Directory- New gTLD applicants, particularly from developing countries ~~were able to obtain , may avail~~ financial and technical information or assistance from members of the ICANN community who ~~had agreed to~~ provide financial or non-financial pro-bono services.
- Apply for financial assistance- Reduced evaluation fees ~~were will be~~ provided to qualified applicants
- The Applicant Support Fund- A \$2,000,000 seed fund ~~was has been~~ set aside by ICANN to help needy applicants.<sup>16</sup> DEFINE "NEEDY".

The non-financial support part of the Applicant Support Program<sup>17</sup> ~~ICANN~~ called for community volunteers to provide pro bono services ~~to potential applicants~~. In total, 20 entities volunteered to provide these services.<sup>18</sup> Approximately 40 potential applicants expressed interest in pro bono support, ~~with half of these potential applicants which appear to be from underserved markets~~ the Global South.<sup>19</sup> Unfortunately, efforts by the CCTRT ~~Review Team~~ to obtain ~~information feedback~~ from either the volunteers or applicants for support ~~about these efforts~~ were

<sup>13</sup> AMGlobal, *New gTLDs and Global South* (2016).

<sup>14</sup> Nielsen, *ICANN Application Process Survey* (2016).

<sup>15</sup> Nielsen, *ICANN Application Process Survey* (2016).

<sup>16</sup> ICANN, "Understanding the Applicant Support Program," accessed [insert date], <https://newgtlds.icann.org/en/applicants/candidate-support>

<sup>17</sup> "Understanding the Applicant Support Program."

<sup>18</sup> ICANN, "Applicant Support Directory," accessed [insert date], <https://newgtlds.icann.org/en/applicants/candidate-support/non-financial-support#organizations-offering-support>

<sup>19</sup> "Applicant Support Directory."

unsuccessful. Consequently, the efficacy of this program cannot be evaluated and better coordination and data collection in subsequent procedures is called for.

Despite the availability of such services, the AMGlobal research revealed concerns centered around the lack of an obvious business plan for a new gTLD [for potential applicants from the Global South](#). This issue was cited by [the vast majority nearly every single respondent across regions and sectors](#)—31 out of 37 [of respondents](#)—although others, (citing time or information concerns, which were often the first issues raised), ranked this issue as a somewhat lower priority concern than? (only 9 respondents said this was their primary or secondary driver).<sup>20</sup>

A number of applicants across different regions – and especially in Asia and the Middle East – also cited concerns about customer confusion as a major constraint to [submitting moving forward with](#) an application. They wondered if customers would understand and use a new gTLD and expressed concern about the impact of a new gTLD on search engine optimization (SEO).

#### New gTLD Application and Program Costs

Another concern for potential applicants in developing economies was cost, both of the application process itself as well as running a new gTLD. Accordingly, the JASWG also specified a discounted application fee of only \$47,000<sup>21</sup> However, there were only 3 applicants for financial support<sup>22</sup> so it is difficult to assess the effectiveness of the support program.

Price and longer-term running cost were important issues [expressed by to](#) many interviewees [in the AMGlobal Report](#)<sup>23</sup>. Although many of the interviewees said they believed their organizations could probably afford the kind of investment needed, almost none had a clear sense of the real costs involved in applying for or running a new gTLD and many felt the cost was just too high for them or potential applicants like them. Consequently, it is difficult to assess the role of cost in decisions not to apply. It seems as though uncertainty surrounding costs was as big an issue as the costs themselves, especially the application fee.

Still, as the ICANN staff implementation review notes, “given the low number of applications submitted, consideration should be given to exploring how the Program can be improved to serve its intended purpose.”<sup>24</sup>

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<sup>20</sup> AMGlobal, *New gTLDs and Global South* (2016).

<sup>21</sup> Applicant Support ref

<sup>22</sup> ICANN, *Program Implementation Review* (January 2016), accessed [\[insert date\]](#), <https://www.icann.org/en/system/files/files/program-review-29jan16-en.pdf>

<sup>23</sup> AMGlobal, *New gTLDs and Global South* (2016).

<sup>24</sup> ICANN, *Program Implementation* (2016).

## Recommendations

A number of factors appear to have contributed to the low participation in the new gTLD round by actors in the [Gglobal Ssouth](#). These include insufficient programmatic information, market uncertainty, and financial uncertainty. While the need for better programmatic clarity and more substantial outreach [may be is](#) necessary [to increase participation in future rounds](#), the ICANN community must determine whether increased participation is the ultimate goal. Given the low participation in the DNS itself in the [Gglobal South](#), reflected in registrations in existing TLDs, some caution should be exercised in the promotion of subsequent procedures in underserved regions. [DATA SHOULD BE CITED HERE OR AT LEAST SOME REFERENCES NEED TO BE PROVIDED](#). Some have called for “capacity building” to lay the necessary groundwork for new registries<sup>25</sup> but, absent market demand for domains in general, effort might be better placed elsewhere. [EFFORT TO DO WHAT?](#)

One caveat to that is that [several respondents](#) in the AM Global survey indicated interest in applying for a string in a future round<sup>26</sup>. [with better information and coaching so some kind of balance should be struck](#). This suggests that the provision of more and better information by ICANN might increase the number of applicants. [WHY IS THIS A “CAVEAT”?](#)

**Commented [2]:** Comment from Carlton: Would it be useful to reduce this to a percentage or hard number?

## Improved Outreach

Beginning the communications process earlier was a common refrain [expressed by respondents to](#) the AM Global [survey research](#).<sup>27</sup> This would allow information about the applicant process to find its way to less technical decision makers and perhaps even the public. Of course, a more extensive public outreach program would represent a considerable commitment by ICANN but the added time might lead to a greater number of applications. In addition, expanded participation in conferences and events where the audience already exists, for example, by targeting conferences of professional associations, might have a similar effect.

## Informational Content

Another reported deficiency in the outreach efforts concerns the content that was provided. This might have been unavoidable given the newness of the program but an emphasis on risk mitigation in outreach efforts seems designed [more](#) to put already engaged interests at ease rather than [to](#) broadening the appeal [of the program](#).<sup>28</sup> Instead, content focused on successful case studies and business model

**Commented [3]:** Comment from Carlton: I think we also identified some of the channels and modes of delivery as inadequate to objective. At least my memory of the JAS WG Assessment says so.

<sup>25</sup> Avri Doria blog ref

<sup>26</sup> AMGlobal, *New gTLDs and Global South* (2016).

<sup>27</sup> AMGlobal, *New gTLDs and Global South* (2016).

<sup>28</sup> Philip Corwin, “ICANN Road Show Opens on Broadway to Mixed Reviews,” accessed [\[insert date\]](#), <http://www.internetcommerce.org/icann-road-show-opens-broadway-mixed-reviews/>

templates might embolden more tentative players to explore their options.<sup>29</sup> Recognizing that this is challenging (given the need for ICANN as an institution to remain neutral in the competitive landscape), the [AM Global survey suggests research shows](#) that there [may be is a](#) real demand for collateral [???](#) around success cases that can be shared with the potential applicant community. The information needs to be straightforward and aimed at audiences with different levels of technical expertise, with a goal of answering one simple question: if our group, association or organization decides to go forward, what path(s) can we take and what would we get out of it? This is one of most important issues mentioned across numerous markets, and if at all possible, one we [WHO IS "WE"?](#) need to address.

#### *Programmatic Costs*

There appears to be efforts already underway to reduce application costs and inefficiencies generally. [However, the](#) Applicant Support Program, while well intentioned, appears to have missed the mark either in its design or execution. [This suggests that some](#) greater study on how to subsidize participation from underserved markets is necessary, perhaps, as the staff evaluation suggests, by looking at existing programs from institutions such as the World Bank.

That said, cost was rarely given as the primary rationale for [the failure to participate/abstention](#). Instead, [even](#) cost appears to [have been](#) be primarily an informational issue. With a clear business model and sufficient assistance in navigating the [byzantine](#) application process, [it is possible that there will be its probable we'll see](#) greater participation [in future rounds by applicants](#) from the [gGlobal sSouth](#).

#### Recommendations

**Recommendation:** Set objectives for applications from the [gGlobal sSouth](#)

**Rationale/Related findings:** Applications were few but there was no concerted effort to encourage them.

**To:** Subsequent Procedures Working Group

**Must be completed prior to subsequent rounds:** Yes

**Consensus within team:** Yes

**Details:** The subsequent procedures working group to establish clear goals for the [gGlobal sSouth](#) in terms of number of applications and even number of delegated strings.

**Success Measures:** Increased participation by the global [south](#).

**Commented [4]:** Comment from Carlton: Is it possible to have a numerical target for this one?

**Recommendation:** Expand [and improve](#) outreach into [the gGlobal sSouth](#)

**Rationale/Related findings:** Low understanding of new gTLD program in [the gGlobal sSouth](#)

**To:** ICANN Organization

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<sup>29</sup> AMGlobal, *New gTLDs and Global South* (2016).

**Must be completed prior to subsequent procedures:** Depends

**Consensus within team:** Yes

**Details:** Outreach to the [gGlobal sSouth](#) requires a more comprehensive program of conference participation, thought leader engagement and traditional media. This outreach should include cost projections [and](#), potential business models ~~and resources for further information~~. Further, it is recommended that the outreach program begin significantly earlier so as to facilitate internal decision making [by potential applicants](#).

**Success Measures:** Ideally, success would be measured in appreciable growth in applications from the global south. In the absence of such growth, ICANN should again survey entities in the [gGlobal sSouth](#) to determine [the sources of the difficulties that continue to be faced by potential applicants](#). ~~if there had been greater penetration and the resistance to apply lies elsewhere.~~

**Recommendation:** [Coordinate](#) the pro bono assistance program.

**Rationale/Related findings:** Despite the registration of both volunteers and applicants, there is no evidence of interaction.<sup>1</sup> ["INTERACTION"? TOO CRYPTIC.](#)

**To:** ICANN Organization

**Must be completed prior to subsequent rounds:** Yes

**Consensus within team:** Yes

**Details:** Ideally, the pro bono assistance program would be ~~coordinated~~ managed by ICANN staff to ensure that communication is successful between volunteers and applicants.

**Success Measures:** Both volunteers and applicants should be surveyed by ICANN staff on the success of the interaction [between them](#) so that future reforms can be based on [better information](#) ~~feedback~~.

**Recommendation:** Revisit the Applicant Financial Support Program

**Rationale/Related findings:** Only three applicants for support

**To:** Subsequent Procedures Working Group

**Must be completed prior to subsequent rounds:** Depends

**Consensus within team:** Yes

**Details:** The total cost of applying for a new gTLD string far exceeds the \$185k application fee. Beyond efforts to reduce the application fee for all applicants, efforts should be made to reduce the overall cost of application including additional subsidies and dedicated support for underserved communities.

**Success Measures:** Greater participation in the applicant support program.