

At-Large gTLD Marketplace Health Index (Beta) Workspace

Comment Close Date	Statement Name	Status	Assignee (s)	Call for Comments Open	Call for Comments Close	Vote Open	Vote Close	Date of Submission	Staff Contact and Email	Statement Number
2016/09/09	gTLD Marketplace Health Index (Beta)	ADOPTED 10Y, 0N, 1A	Olivier Crepin-Leblond	2016/08/27	2016/09/02	2016/09/09	2016/09/15	2016/09/09	Amy Bivins amy.bivins@icann.org	AL-ALAC-ST-0916-01-01-EN

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Brief Overview

Purpose: ICANN seeks 1) Community input on the "gTLD Marketplace Health Index (Beta)" and, 2) Additional community volunteers for Advisory Panel that will work with staff to refine/expand metrics in gTLD Marketplace Health Index (Beta).

Current Status: "gTLD Marketplace Health Index (Beta)" published for public comment.

Next Steps: ICANN will work with community volunteers (advisory panel) to refine/expand metrics to track the evolution of the gTLD Marketplace.

Section I: Description, Explanation, and Purpose

The gTLD Marketplace Health Index originated from the cross-organizational [ICANN Key Performance Indicator \(KPI\) Dashboard](#). The "gTLD Marketplace Health Index" will further ICANN's goal (number 2.3) of supporting the evolution of the gTLD marketplace to be robust, stable and trusted. The index analyzes the overall health and diversity of the global gTLD marketplace.

ICANN seeks community input to expand and refine the ["gTLD Marketplace Health Index \(Beta\)"](#) [PDF, 2.37 MB]."

Section II: Background

ICANN solicited community feedback in 2015 on a set of candidate concepts for gTLDmarketplace metrics focused on (a) robust competition, (b) marketplace stability, and (c) trust.

ICANN then worked with a group of community volunteers (the Advisory Panel) and an outside consultant to refine the list of potential concepts in response to public comments. The "gTLD Marketplace Health Index (Beta)" comprises these concepts and their current data points. ICANN hopes that this set of preliminary data will spark continued collaboration on the initiative and ground abstract discussions surrounding gTLD marketplace health into concrete, implementable concepts.

The initial set of metrics is listed below (organized by category). The current plan is to report on these in six-month increments, unless otherwise noted.

Robust Competition

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.

Marketplace Stability

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

Trust

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).

The "gTLD Marketplace Health Index (Beta)" includes anonymous, high-level data about gTLD registry operators, registrars and registrants, which ICANN collects for business purposes. There are many other potential sources of data to consider as ICANN and the community collaborate in developing additional metrics that can be used to quantify the health of the marketplace. We hope that the "gTLD Marketplace Health Index (Beta)" [PDF, 2.37 MB] and our set of proposed discussion topics regarding additional metrics included in the report will serve as a basis for further discussion.

Following the close of the public comment period, ICANN will continue to work with the Advisory Panel, convened in early 2016, to refine and expand these metrics in response to community feedback. ICANN anticipates convening regular meetings with the Advisory Panel throughout the development process for the next iteration of gTLD Marketplace Health Index. If you are interested in becoming a panel member, visit <https://mm.icann.org/mailman/listinfo/gtldmarketplace> to subscribe to the Advisory Panel's email list.

Section III: Relevant Resources

- [gTLD Marketplace Health Index \(Beta\)](#) [PDF, 2.37 MB]
- Bhargava, H. (2016). *An Economic Evaluation of gTLD Performance Metrics* [PDF, 351 KB].
- [gTLD Marketplace Health Index Proposal: Call for Comments and Volunteers](#) (2015)

Section IV: Additional Information

Section V: Reports

Staff Contact

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FINAL VERSION TO BE SUBMITTED IF RATIFIED



AL-ALAC-ST-091...6-01-01-EN.pdf

FINAL DRAFT VERSION TO BE VOTED UPON BY THE ALAC

The ALAC welcomes the publication of this first set of gTLD Marketplace Health Index. This is a natural progression based on the work of ICANN Community into Competition, Consumer Trust and Consumer Confidence in new gTLDs.

The ALAC proposes a number of additions/improvements; some of these are listed already in the section on pages 14 and 15.

Robust Competition

All in all, consumers (registrants) are the factors that move the market – the ones who pay – so we should find ways to get more insight on their needs and behaviours. This should be taken into account for future developments.

Geographic Diversity

Both metrics presented for registrars and registries appear to be focussing specifically at the offering (how many suppliers there are), rather than the market take-up. Focussing on the offering does not allow for detection of undue market domination.

Registrars

The current graphs show a simple metric of geographic diversity of registrars across regions and their development against time. The metric itself shows neither a conclusive growth nor a reduction in offering. It does show an ongoing imbalance worldwide – and this is helpful.

However, this metric appears to lack differentiation among the registrars. Indeed, the Generic Top Level Domain offering varies greatly across Registrars. It is a trivial way to compile these statistics by treating a registrar that exists as a service to its own clients of other services in the same manner as a general registrar that derives most of its income from registering domains.

See under “Competition” for suggestions on more metrics.

Registries

The same comment can be made for registries. Again all registries are treated in the same way, whether they are catering to a community, a brand, a service, a generic name, a geographic location, etc. There needs to be more detail for this metric to be useful.

Competition

The metrics presented on page 4 of the report are very helpful. However, the ALAC believes that more can be done when it comes to tracking competition, especially when it comes to market influence and control.

True competition in a market is not solely a measure of the market offering but it also revolves around the share of market from the leading competitors. An example of such statistic, solely for new gTLDs is shown on <https://ntldstats.com/registrar>.

Large competitors have more advertising power to reach a wider audience, hence this metric would be very important. When it comes to registrars, they also have a significant say in the success of a Top Level Domain.

Looking at the overall domain name market, a metric tracking share of market, such as the one shown on <http://www.domainstate.com/registrar-stats.html> is much more suitable to show whether competition among registrars is being stimulated. It appears that so far the vast majority of the market is dominated by one major player. When it comes to the domain registrations on a per country basis, the statistic shown on <http://www.domainstate.com/top-country-registrars.html> speaks for itself.

The ALAC recommends that the trends shown on the above examples should be tracked in addition to the metrics showing the number of registrars in each country and region.

When it comes to metrics about registries, whilst there is some worth in compiling the metrics presented, a better metric would be to track the market share of gTLDs, as on <http://www.domainstate.com/registrar-tld-breakup.html>.

For registries, it is worth noting that like-for-like gTLDs tend to compete against each other. For example, brand gTLDs do not broaden competition. A health related gTLD does not compete with a gambling related gTLD. So the true extent of competition is really amongst the more generic gTLDs, plus those that compete on a like-for-like basis in a specific trade.

The graphic displaying the growth of the overall domain name market on page 5 is helpful in showing whether the market is healthy, as growth indicates health. It might be interesting to compare this growth with the total growth in registration of second level domain names, including those in Country Code Top Level Domains (ccTLDs). The growth in registrations under ccTLDs should be included on the same graph too.

But just counting the number of registrations in gTLDs is not enough. For instance, other metrics like "Information Density of a TLD" or "Domains with DNS" may offer a more complete view. One really needs to dig a level deeper that tracks the actual use of a TLD. How do registrants use the domains? Are they in parking, for sale, without DNS? Are they used by individuals, associations, companies, or government agencies?

The graphics showing the second level domain name additions and deletions in gTLDs on pages 6 to 9 are helpful. The ALAC proposes that a single graph should show additions and deletions using the same axis (in other words, merging Figure 11 and Figure 16).

Stats about growth and deletions on pages 6, 7, 8 and 9 have to take into account pricing and market policies. Some registries offer domains for free or a very reduced fee. This significantly affects statistics and should be stated too.

Marketplace Stability

The metric presented are very useful. However, as seen in the "Competition" section, it is not just how many new players do we have (registries and registrars) but the market share of each one, for different TLDs or families of TLDs. And symmetrically, the count of the number of TLDs should include their market share too. In addition, statistics per country/region would be welcome in Figure 19.

Trust

The metrics shown on pages 11 and 12 are useful.

Accuracy of WHOIS Records

Rather than as a pie chart, a line/bar graphic showing the ongoing accuracy on a quarter by quarter basis would be more helpful. Furthermore, it would be interesting to see WHOIS accuracy trends on a per top level domain basis.

A line/bar graph, rather than a pie chart, would be more helpful for the percentage of UDRP and URS Decisions against gTLD Registrants.

Furthermore, it would be interesting to note why registrars are, voluntarily or involuntarily, deaccredited. Was that due to high ICANN fees, noncompliance/legal issues, technical incompetence, lack of interest, etc?

The ALAC absolutely supports the further proposals of metrics on page 14 and 15 of the report.

SECOND DRAFT SUBMITTED

The ALAC welcomes the publication of this first set of gTLD marketplace Health Index. This is a natural progression based on the work of ICANN Community into Competition, Consumer Trust and Consumer Confidence in new gTLDs.

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Both metrics presented for Registrars and Registries appear to be focussing specifically at the offering, rather than the market take-up. Focussing on the offering does not allow for detection of undue market domination.

Registrars

The current graphs show a simple metric of geographic diversity of Registrars across regions and their development against time. The metric itself shows neither a conclusive growth nor a reduction in offering. It does show an ongoing imbalance worldwide – and this is helpful.

However, this metric appears to over-generalise the nature of a Registrar. Indeed, the Generic Top Level Domain offering varies greatly across Registrars. Treating a Registrar that exists as a service to its own clients of other services, with a general registrar that derives most of its income from registering domains is a trivial way to compile these statistics.

See under “Competition” for suggestions on more metrics.

Registries

The same comment can be made for Registries. Again all Registries are treated in the same way, whether they are catering for a community, a brand, a service, a generic name, a geographic location, etc. There needs to be more detail for this metric to be useful.

Competition (Page 4)

The metrics presented on page 4 of the report are very helpful. However, the ALAC believes that more can be done when it comes to tracking competition, especially when it comes to market influence and control.

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Large competitors have more advertising power to reach a wider audience, hence this metric would be very important. When it comes to Registrars, they also have a significant say in the success of a Top Level Domain.

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Further Metrics on page 14 and 15 of the report are absolutely supported.

Conclusion

A good start to the statistical gathering and analysis, that is welcome by our Community, but more needs to be done.