

At-Large Phase 1 Assessment of the Competitive Effects Associated with the New gTLD Program 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
07 Nov 2015	Phase 1 Assessment of the Competitive Effects Associated with the New gTLD Program	No Statement	n/a	n/a	n/a	n/a	n/a	n/a	Eleeza Agopian eleeza.agopian@icann.org	n/a

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Brief Overview

Purpose: The Phase 1 Assessment of the Competitive Effects Associated with the New gTLD Program is one input to be considered by the Competition, Consumer Trust and Consumer Choice Review Team, to be convened in accordance with section 9.3 of the [Affirmation of Commitments](#). The report establishes a baseline assessment of the competitive marketplace in the domain name system and will be used as a point of comparison in a year's time when the Phase 2 Assessment is conducted. That assessment will further consider how the New gTLD Program has impacted competition in the DNS.

Current Status: The Phase 1 Assessment is published to help establish a baseline of competitive forces in the domain name marketplace both prior to and in the initial months of the New gTLD Program, beginning with the first new gTLD to be delegated as part of the New gTLD Program in October 2013. This report considers pricing and registration volume data from a sample of legacy gTLDs (those that existed prior to expansion), new gTLDs and ccTLDs.

Next Steps: Public comments received on this report will be summarized and analyzed, and will help inform the design for the Phase 2 Assessment. The input received on the report will also be provided to the Competition, Consumer Trust and Consumer Choice Review Team along with the report.

Section I: Description, Explanation, and Purpose

The study, conducted by Analysis Group, is in response to three recommended metrics that the ICANN Board adopted in support of the Competition, Consumer Choice and Consumer Trust review of the New gTLD Program, as mandated by the [Affirmation of Commitments](#). Analysis Group reports several key findings:

- Wholesale price dispersion is greater in new gTLDs than among gTLDs that existed prior to the New gTLD Program's expansion of the domain name system.
- When add-on products offered by registrars are considered (such as email and web hosting), the cost of registering a domain name is a relatively small part of the total cost of creating a website.
- Among add-on products, some display very little price dispersion across registrars (e.g., forwarding services) while others have much more variation (e.g., services designed to assist customers in building websites).

The report includes several major analyses of pricing, including in the wholesale and retail markets, as well as Sunrise period pricing. To establish a baseline, Analysis Group has used the following analyses:

- Price dispersion: These evaluations explored dispersion among several dimensions – Sunrise period prices, wholesale prices, retail prices, mark-ups, and add-on pricing.
- Price index: Average prices from a sample of TLDs were used to create a price index, both weighted and unweighted, which allows for broader comparisons across TLDs.
- Registration distributions: Exploring trends in registration volumes allows for insights into the impact pricing has on consumers' buying decisions.

ICANN invites public comments on the report. The comments will be used to guide Phase 2, which will be conducted in a year's time to determine if there are changes or trends in the marketplace.

Section II: Background

As part of the upcoming Competition, Consumer Trust and Consumer Choice (CCT) review of the New gTLD Program, the ICANN Board adopted [66 recommended metrics](#) from an Implementation Advisory Group made up of members from several stakeholder groups. Among the 66 metrics were a subset of three identified as best being measured by an independent economic study.

The ICANN Board [adopted this recommendation](#) to commission an economic study in March 2014 at the ICANN 51 meeting in Singapore to establish a baseline of competitive effects in the domain name marketplace as soon as possible, in advance of the expected start for the CCT review. A second phase study is planned in a year's time to allow for comparisons.

Section III: Relevant Resources

- [Phase 1 Assessment of the Competitive Effects Associated with the New gTLD Program](#) [PDF, 966 KB]
- [ICANN Economic Study FAQ](#)
- [ICANN Global Consumer Research Survey, Phase One](#)
- [ICANN Global Domain Name Registrant Survey, Phase One](#)
- [ICANN Consumer and Registrant Survey FAQ](#)
- [Competition, Consumer Trust and Consumer Choice Metrics](#)

Section IV: Additional Information

Section V: Reports

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FINAL VERSION TO BE SUBMITTED IF RATIFIED

The final version to be submitted, if the draft is ratified, will be placed here by upon completion of the vote.

FINAL DRAFT VERSION TO BE VOTED UPON BY THE ALAC

The final draft version to be voted upon by the ALAC will be placed here before the vote is to begin.

FIRST DRAFT SUBMITTED

The first draft submitted will be placed here before the call for comments begins.