

# At-Large gTLD Marketplace Health Index Proposal: Call for Comments and Volunteers 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
08 Jan 2016	<a href="#">gTLD Marketplace Health Index Proposal: Call for Comments and Volunteers</a>	ADOPTED 9Y, 0N, 0A	Main penholder: <a href="#">Olivier Crepin-Leblond</a>  Assisted by: <a href="#">Alan Greenberg</a>	24 Nov 2015	08 Dec 2015	14 Dec 2015	18 Dec 2015	21 Dec 2015	Amy Bivins <a href="mailto:amy.bivins@icann.org">amy.bivins@icann.org</a>	AL-ALAC-ST-1215-03-00-EN

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- [Comments Forum](#)

## Brief Overview

**Purpose:** ICANN seeks community input to facilitate the creation of a gTLD Marketplace Health Index. This Index will analyze the overall health and diversity of the global gTLD marketplace.

**Current Status:** ICANN has developed a set of candidate concepts for community discussion to inform its creation of the gTLD Marketplace Health Index. These concepts are set forth in detail below, and focus on (i) robust competition, (ii) consumer trust, and (iii) non-technical stability.

**Next Steps:** The gTLD Marketplace Health Index will be finalized by staff, in consultation with community Advisory Panel volunteers, in light of public comments received.

## Section I: Description, Explanation, and Purpose

ICANN seeks community input to facilitate the creation of a gTLD Marketplace Health Index. This Index will analyze the overall health and diversity of the global gTLD marketplace.

The gTLD Marketplace Health Index will be one piece of a broader, cross-organizational [ICANN Key Performance Indicator \(KPI\) Dashboard](#), now in beta (<https://www.icann.org/progress>). In line with ICANN's values of accountability, transparency, and operational excellence, this KPI Dashboard will be a living management tool to track progress on ICANN's five strategic objectives and the related 16 goals.

The KPI Dashboard is intended to:

- Provide clarity on how strategies will be achieved;
- Focus on what's essential and requires attention; and
- Enable improvements via monitoring progress toward targets.

The gTLD Marketplace Health Index, currently in development, will further ICANN's goal of supporting the evolution of the gTLD marketplace to be robust, stable, and trusted.

ICANN has developed a set of candidate concepts for community discussion to inform its creation of the gTLD Marketplace Health Index. These concepts are set forth in detail below, and focus on (i) robust competition, (ii) consumer trust, and (iii) non-technical stability.

These proposed concepts are intended to facilitate community discussion about what it means for the global gTLD marketplace to be "healthy." This community discussion is expected to produce measurable factors to serve as key performance indicators for the gTLD marketplace.

## gTLD Marketplace Health Index Goals

The goal of the gTLD Marketplace Health Index is to evaluate the health of the gTLD marketplace using discrete, measurable criteria.<sup>1</sup>

ICANN must be able to efficiently and cost-effectively collect and analyze data underlying these KPIs so that ICANN can continually measure and report to the community on the health of the global gTLD marketplace through the KPI Dashboard.

ICANN's staff and community will be able to use the gTLD Marketplace Health Index to identify areas where ICANN should focus its work—be it through additional outreach, education, policy work, contractual changes, or other means.

## Proposed Key Performance Indicators and Data Sources

The following are candidate concepts intended to generate community discussion about what it means for the global gTLD marketplace to be "healthy," as well as proposed data sources and interpretive criteria:

## 1. Robust and Competitive gTLD Marketplace

Proposed KPI	Data Source	Interpretive Criteria
a) Number of countries with at least one ICANN-accredited registrar	ICANNdata	A larger number of jurisdictions where registrars are located could demonstrate a more robust and diversegTLD market. Conversely, a smaller level of geographical diversity might indicate barriers to entry exist that could be addressed.
b) Average number of registrars offering each gTLD	Monthly registry reports	A larger number might indicate greater technical, operational, legal, etc., accessibility of gTLDs by registrars.
c) Number of registrars offering IDN registrations	Registrar or registry surveys	An increase in the number of registrars offering IDN registrations could demonstrate an increasingly diverse and robust market for IDNs.
d) Ratio of registrars to registrar "families"	ICANNdata	A smaller registrar-to-registrar family ratio (i.e., there are either more distinct, unrelated entities who own registrars or fewer registrars who share a common controlling interest) might tend to indicate greater diversity in the marketplace. A greater registrar-to-registrar family ratio would indicate that existing registrar families have acquired more accreditations.
e) Ratio of registries to registry "families"	ICANNdata	A smaller registry-to-registry family ratio might tend to indicate greater diversity in the marketplace as it suggests more distinct, unrelated entities are running more gTLDs.
f) Innovation and introduction of new services	Registrar and possibly reseller surveys, RSEPdata	The introduction of new and innovative services would tend to indicate a more competitive marketplace.
g) gTLDrenewal rates	Registry surveys and monthly reports	A greater ratio of renewals to deletions of second-level gTLDs might reflect greater actual use or intent to use domains and a greater perception of those domains' intrinsic value by registrants.

## 2. Trusted gTLD Marketplace

Proposed KPI	Data Source	Interpretive Criteria
a) Decisions against registry operators arising from Registry Restrictions Dispute Resolutions Procedure (RRDRP)	ICANNCompetition, Consumer Trust, and Consumer Choice (CCT) metrics project	A smaller number of decisions against registry operators under the RRDRP could indicate a more healthy and trusted marketplace.
b) Relative incidence ofUDRP and URS decisions against registrants	CCT metrics project	A smaller number of decisions against registrants under the UDRPand URS could indicate greater reputation and trust of gTLDs by Internet users.
c) Relative incidence ofICANN breach notices issued to registries and registrars.	ICANN data	A smaller number of breach notices could indicate fewer noncompliant registries and registrars, and therefore, a healthier and more trustworthy marketplace.
d) Quantity and relative incidence of complaints regarding inaccurate, invalid, or suspect Whois records	ICANN data	A smaller number of Whois accuracy complaints could indicate greater reputation and trust of gTLDs.

## 3. Stable gTLD Marketplace

Proposed KPI	Data Source	Interpretive Criteria
a) Number of data security breach reports made toICANN (as required by the 2013 RAA).	ICANN/registrar data.	A smaller number of security breach reports could correlate to a stronger perception of marketplace stability among consumers.
b) Total number of unique phishing reports	Anti-PhishingWorking Group quarterly phishing attack trends (or other) reports <sup>2</sup>	A smaller number of phishing reports could correlate to a stronger perception of stability in the gTLDspace.
c) Number of registry service-level compliance issues perTLD detected per calendar month <sup>3</sup>	ICANN's SLA monitoring system	A smaller number of service-level compliance issues detected could correlate to a stronger perception of marketplace stability among consumers.

## Community Questions

ICANN requests community input on any item in this proposal and, specifically, the following:

1. Are there any additional concepts not identified in this proposal that are vital to a healthy and diverse global gTLD marketplace?
  - a. If yes, what are they?
  - b. How should ICANN measure these additional concepts?
  - c. How can ICANN efficiently collect the data required to measure these additional concepts?
2. Are there any concepts identified in this proposal that are not indicative of gTLD marketplace health and should not be included in the gTLD Marketplace Health Index?
  - a. If so, what are they?
  - b. Why is/are these factor(s) not indicative of gTLD marketplace health?
3. Should ICANN track the impact of resellers on gTLD marketplace health?
  - a. If so, what factors related to resellers should ICANN track?
4. Are there additional data sources that ICANN should consult in addition to or instead of the sources identified above?
5. How frequently should ICANN update this data?

## ICANN Seeks Advisory Panel Volunteers

ICANN needs your help to design a successful gTLD Marketplace Health Index.

If you are interested in volunteering for the gTLD Marketplace Health Index Advisory Panel, please email [amy.bivins@icann.org](mailto:amy.bivins@icann.org) by the end of the public comment period to sign up. Experience in the global domain name industry, economics, and data analytics will be particularly helpful to the Advisory Panel's work. Perspectives from diverse regions and backgrounds will help ensure that the gTLD Marketplace Health Index presents a holistic view of the global domain name marketplace.

ICANN will consult with the Advisory Panel following the close of this public comment period. The Advisory Panel will be asked to assist ICANN in finalizing the list of KPIs for the gTLD Marketplace Health Index and in setting proposed benchmarks for measuring domain name marketplace health in each of the final KPIs.

## Next Steps

ICANN will analyze comments received during this public comment forum in consultation with the gTLD Marketplace Health Index Advisory Panel. Public input will be used to develop a project roadmap. ICANN plans to publish the first gTLD Marketplace Health Index by 30 June 2016.

1 The gTLD Marketplace Health Index project complements other data-collection and monitoring efforts at ICANN, including the Competition, Consumer Trust and Consumer Choice (CCT) Metrics Reporting project, <https://www.icann.org/resources/reviews/cct/metrics>, and the Service-Level Agreement Monitoring System. The goals of the KPI, CCT, and SLA projects are distinct, but in some cases their data sources could overlap. This proposal suggests using some sources of data that are already being harnessed for the CCT and SLA projects, where practicable, to avoid duplication of data-gathering efforts.

2 Anti-Phishing Working Group reports are available at <http://www.antiphishing.org/resources/apwg-reports/>

3 Specification 10 of the new gTLD base agreement includes Service-Level Requirements (SLR) for Registry Operators. If the registry does not comply with the specified SLR, ICANN may designate an Emergency Back-End Registry Operator. ICANN's Service-Level Agreement monitoring system will measure the compliance of registries with the specified SLRs. The SLA monitoring system will monitor registry compliance with 11 SLRs related to the Domain Name System, including service and name server availability. More information about these SLRs is available in Specification 10 of the new gTLD base registry agreement, <https://archive.icann.org/en/topics/new-gtlds/agreement-specs-clean-19sep11-en.pdf> [PDF, 4.5 MB].

## Section II: Background

## Section III: Relevant Resources

[gTLD Marketplace Health Index Proposal](#) [PDF, 5.13 MB]

## Section IV: Additional Information

## Section V: Reports

## Staff Contact

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## FINAL VERSION TO BE SUBMITTED IF RATIFIED

Please [click here](#) to download the PDF document below.

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## FINAL DRAFT VERSION TO BE VOTED UPON BY THE ALAC

The Affirmation of Commitments Section 9.3 mandates a review of the new gTLD program and its impact on promoting competition, consumer trust and consumer choice. Overall, since the creation of a gTLD Marketplace Health Index will serve to help analyze the overall health and diversity of the global gTLD marketplace, the ALAC welcomes this initiative.

The current KPI dashboard ( <http://www.icann.org/progress> ), now in beta, offers a helpful set of immediately recognizable metrics. The difficulty comes in choosing and explaining the make-up of the indexes that are displayed. Any ambiguity might qualify this exercise as being simple box ticking. If not implemented carefully, this is indeed the implied risk of the gTLD Marketplace Health Index.

The proposed Key Performance Indicators and Data Sources are mostly based on the work undertaken by successive working groups on Consumer Trust and Confidence. As they are a follow-up to community work, the ALAC supports all of the candidate concepts listed in the three categories:

1 Robust and Competitive gTLD Marketplace

2 Trusted gTLD Marketplace

3 Stable gTLD Marketplace

### Community Questions

1 *Are there any additional concepts not identified in this proposal that are vital to a healthy and diverse global gTLD marketplace?*

- a. *If yes, what are they?*
- b. *How should ICANN measure these additional concepts?*
- c. *How can ICANN efficiently collect the data required to measure these additional concepts?*

From the perspective of FINAL USERS, one of the basic Indicators of health of the DNS should be if the Domain Name is not only legally secure, but also alive and ACTIVE.

One of the basic metrics should track:

1. how many domain names are just parked and/or for resale,
2. how many domain names are live in a server, but not actually used (no WWW nor MX records),
3. how many domain names have an active webpage and what level of traffic do they generate, and
4. how many domain names just redirect to a domain name in a legacy TLD

This data is readily available from various third party analytical companies, such as Nielsen Reports.

Domains that are parked and/or for resale are particularly important as they are the very reason why a domain name is not readily available for a new customer to register at a reasonable price.

2 *Are there any concepts identified in this proposal that are not indicative of gTLD marketplace health and should not be included in the gTLD Marketplace Health Index?*

- a. *If so, what are they?*
- b. *Why is/are these factor(s) not indicative of gTLD marketplace health?*

The ALAC believes that the concepts indicated are all indicative of gTLD marketplace health, plus the ones suggested by the ALAC in Question 1.

The ALAC does, however, note that across the proposed concepts, some normalization of data is needed. For example, the "number of Registrars per country" does not reflect reality: for instance a country with a population of 3.5 million people can be very well served with two (2) Registrars, while a country with 200 million would be very badly served with two (2) Registrars. Although a person can register a domain using any registrar anywhere, it would be more beneficial and convenient for a person to use a registrar within his/her resident country or location due to the registrar's familiarity of and experience with local languages, business practices, transaction methods, legal and regulatory issues, and other matters. Hence, the ALAC's suggestion is to have an index related to population, for instance "number of registrars per 100,000 inhabitants, or similar. This index could reflect the levels of DNS market penetration, consumer choice, and consumer support in a country/location.

Second, the ALAC would appreciate clarification on the term "relative incidence" used in the trusted gTLD marketplace section of the report (2b, 2c, 2d); three KPIs begin with "relative incidence". What does "relative" mean in this context - relative to what?

3 *Should ICANN track the impact of resellers on gTLD marketplace health?*

- a. *If so, what factors related to resellers should ICANN track?*

The ALAC believes that Resellers are key component parts of the domain name sales channel. They should be subjected to the same tracking as Registrars, for the purpose of this Marketplace Health Index Proposal. The ALAC notes that customers purchasing domain names mostly do not know the difference between a Registrar and a Reseller, hence the categorical need for Reseller performance tracking that is identical to Registrar performance tracking.

In light of the fact that ICANN does not have direct contracts with resellers, one way of obtaining this information would be to ask Registrars to collect this data since they hold the contracts with their resellers. Registrars would therefore contribute to the accuracy of this metric.

#### *4 Are there additional data sources that ICANN should consult in addition to or instead of the sources identified above?*

One data source is shown as [ICANN Competition, Consumer Trust, and Consumer Choice \(CCT\) metrics project](#). The ALAC believes that other concepts should also consider recommendations from this group regarding sources of data. Nielsen reports are one such source but there are plenty of others that provide data that is readily usable.

#### *5 How frequently should ICANN update this data?*

This data should be updated yearly or at least at intervals no longer than those proposed in the Affirmation of Commitments Section 9.3

### **Conclusions and Recommendations**

The ALAC is pleased to see the proposals for a Marketplace Health Index and has suggested further concepts that are vital to a healthy and diverse global gTLD marketplace.

However, the ALAC notes that this Health Index is restricted to the market purchasing, sale and resale of domain names under the new gTLD extensions. The ALAC reminds ICANN that users of the DNS are not solely restricted to "Consumers" as "domain name buyers and sellers". Users of the DNS total the 3.6Bn people using the Internet. They vastly outnumber domain name registrants.

As a result, the ALAC **Advises** ICANN that the gTLD Marketplace Health Index falls short of satisfying the need for a wider **DNS Health Index** that would produce a set of KPIs about Internet End Users, the stability of the Name System itself and its perception by Internet End Users. ICANN should **not** consider that the creation of a Marketplace Health Index completely satisfies the requirements laid out in the relevant sections of the Affirmation of Commitments. The gTLD Marketplace Health Index is a step in the right direction but does not go far enough.

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## **FIRST DRAFT SUBMITTED**

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- 1 Robust and Competitive gTLD Marketplace
- 2 Trusted gTLD Marketplace
- 3 Stable gTLD Marketplace

### **Community Questions**

#### *1 Are there any additional concepts not identified in this proposal that are vital to a healthy and diverse global gTLD marketplace?*

*a If yes, what are they?*

*b How should ICANN measure these additional concepts?*

*c How can ICANN efficiently collect the data required to measure these additional concepts?*

[ OCL: Can anyone suggest additional concepts? ]

2 Are there any concepts identified in this proposal that are not indicative of gTLD marketplace health and should not be included in the gTLD Marketplace Health Index?

a If so, what are they?

b Why is/are these factor(s) not indicative of gTLD marketplace health?

[ OCL: I believe that the concepts indicated are all indicative of gTLD marketplace health. Can you point any that you feel are NOT indicative of gTLD marketplace health? ]

3 Should ICANN track the impact of resellers on gTLD marketplace health?

a If so, what factors related to resellers should ICANN track?

The ALAC believes that resellers are key component parts of the domain name sales channel. They should be subjected to the same tracking as Registrars, for the purpose of this Marketplace Health Index Proposal. The ALAC notes that customers purchasing domain names mostly do not know the difference between a Registrar and a reseller, hence the categorical need for reseller performance tracking.

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