ICANN69 | Virtual Annual General - The Domain Name Business: Everything You Want to Know, Ask or Discuss
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OZAN SAHIN.   ....transcription, click on the closed caption button in the Zoom tool bar. Interpretation for the session which will include Arabic, Chinese. French, Spanish and Russian. And they will be conducted using Zoom and remote simultaneous interpretation operated by Congress Rental Network. ... for all participants in the session you may make commence in the chat, to do so please use the drop down menu in the chat and please select respond to all panelists and attendees to allow everybody to read your comments. Please note that private chats are only possible among panelists in this format and a message sent by a panelist to another standard attendee will be seen by the sessions co-hosts and other panelists. With that, I will hand the floor over to Donna Austin.

DONNA AUSTIN: Thank you very much, Ozan. So welcome everybody to this first plenary session I think it is for ICANN69 at the domain name business and everything you want to know ask or discuss. The reason we're having this session today is about 12 months ago Graeme Bunton, chair of the registrar stakeholder group did a

similar preparation to the ICANN Board and received some really good feedback from the Board about how useful it was. Obviously with the year we've had we had hoped we would be doing something similar earlier this year in Cancun. But that hasn't happened but we did recognize that it is still important to do this session for the community and that is why we are having it here today. So the proceedings of today we will have Jonathan Robinson from the registered stakeholder group and geographic name will give us an overview of the registries and the registrar markets. Kurt appropriates ... and from the Geo TLD group will provide us with an overview of just some different business models for the gTLDs and geographic name and prudence digital provide the same for the registrars and we will have time for Q and A at the end. So we've got a reasonably busy schedule but hopefully you can bear us with as we transition through the different speakers. One thing we would like to note is that a healthy and vibrant domain name industry is important for those of us who participate in ICANN and the reason I say that is because if you have a look at ICANN's budget you'll see that a large proportion of the revenue comes from registries and registrars and I'm not going to get into an argument about whether that's you know -- whose actually paying these fees but it's important for the community to understand that if we have a vibrant healthy domain name industry then that is good for ICANN, and the community because it supports the work that we

do here at ICANN in these meetings. So bear that in mind and if you're wondering why we're important to ICANN, that's one good reason it start with. So with that I'm going to hand over to Jonathan Robinson and he will provide us with -- give us the background and then we will get into the registry and registrar market and follow on with some examples of registries and registrars. So with that Jonathan over to you.

JONATHAN ROBINSON: Thank you everyone, and welcome to this contracted parties, how registries and registrars stakeholder group. Webinar and plenary session at ICANN69. My name Jonathan Robinson, the chair of the stakeholder group and I represent ALILIAS within the stakeholder group and, of course, there are no many of you. I've been in the domain name industry more than 20 years I'm also embarrassed to admittedly. Including pre ICANN and so I will present the first part of the slides and talk you through key background and market overview points so if we could have the next slide please. Many of you will be aware of course that ICANN was formed back in the late 90's. And critically at that point there was no registry and registrar separation. The very familiar TLD's, COM net and all with a single operator and there was a global distribution of emerging and nays and... domain name sales were direct from registries, so end customers were able to

go direct to registries in some cases or through perennial businesses such as the one I was involved with back in knows days that linked with end customers combined domain name registration was value added services and sold those no the market. Of course, as above ICANN was then brought into being for a whole number of reasons that I won't go into now. But that included a key component which was to enable competition in the marketplace. And introduce and promote competition in domain names. Something which is still in sidelined in ICANN's core -- mission and and, core values. Competition was introduced in 1999 through a number of key parameters and a few of which I've listed here. First of all there was a contractual agreement framework which by the registries and registrars entered into agreements with ICANN and one another and that's why we refer to them today as contracted parties. It's nothing more and nothing less other than those are businesses contracted to provide domain name services within this important or critical industry which as Donna said we rely on for a number of reasons including the business component. So the separation of gTLD into registries and registrars was a key early component of competition into the marketplace. As it was in addition to that a commitment by ICANN to introduce successive rounds of new gTLDs. Next slide, please. The registrars were introduced initially as 5 circled test bed registrars a test of the introduction of competition in 1999 and they were joined by a

number of others during the latter course of 1999. But really large scale introduction of competitive registrar market continued and really took off during 2000 so from the early days you had a highly competitive and diverse registrar market which we see today, Graham will talk to you about later. The a little after this new gTLDs were introduced in a cautious and staged approach we refer to as rounds. 2001 we had the initial round which introduced by now familiar names like BIZ. .pro and some of the sponsored TLDs such as arrow, air co-op and museum. The market was permitted to stabilize for a period at which point in 2004 a round of upon toward TLDs came in and there you see a list of them again now relatively familiar .Asia .jobs and so on. And, of course, all that have led up after those test initial rounds of TLDs to what we could loosely refer to as a big bang introduction in 2012 when over 1000 new TLDs were bought into life by virtue after complicated and sophisticated application process and ultimately their addition to the Rootzone. They became live on the Internet. We refer to those now probably most generically as the new gTLDs although arguably new gTLDs go back as far as 2001, but generally the market refers to the 2012 big bang round as the new builds. Next slide, please. So the contracted parties which I touched on a moment ago all have contracts with ICANN. That's what defines them. And there's the 3 really key agreements that we refer to here on the registry agreement which is the registry operators have with ICANN. The

registrar accreditation agreement which is the registrars have with ICANN and a contract which refers to the agreement between the registries registrars. One thing to my mind is unique to this industry but certainly is an outstanding point is all of those contracted parties agree to not only abide by whatever the current consensus parties developed within the broader community but also to be bound by future consensus public policy. So you have the public policy developed within the GNSO the supporting organization which works on gTLD policies of the GNSO council manage that is a structured and well documented and highly organized process known as the policy development process an and then ICANN bylaws define what can and cannot be part of the subject consensus policies. That's a critical construct because to the extent that one is in business as a contracted party you need to know that parameters of what portion of your contract may or may not be changed over time or at any given point in time so that line that bright line which is the subject which is defined within the ICANN bylaws contracted parties referred to as the ... beds and at the onset of any PDP a check is made with legal to see if that fits within the construct. That's critical on provide a base-line of business certainty on which it be upon which gTLD registries and registrars operate and rely. So in addition to the gTLDs we've obviously got ccTLDs and it is worth looking at that. It's not the subject of this discussion but the ccTLD market measured by domain names

under registration is almost 50% of the global market. Around 45% of SLD or second level domains. And there is no comparable contractual agreement with ICANN for better or worse. Those ccTLDs are not subject to the same consensus policies and have not constrained themselves to the construct of those consensus policies in the same way as the gTLDs have. Next slide. So we like to categorize the gTLDs into abroad set of categories. There is some bleed or overlap. They are not absolutely defined and certain categories. But in general, as I've intimated before there are pure generics. These with no registration restrictions. There are -- such as the ones you see and the slide in front of you. There are generic names where there is either inferred meaning by virtue of the extension, and registrants have an affinity with or with the inferred meaning, and then there are some more niche and vertical markets which refer to very specific target virtual market -- vertical markets and some of the presentations later or some of the discussion we can have as a round how that works. Then into verified TLDs where the registered author makes an effort to verify in detail the nature of the registrants to a variety of reasons so they are able to comply with the operating guidelines or restrictions. We refer to brand TLDs and you will hear from a brand later in this plenary session. And the brand TLDs are subject to a particular prohibition which is in our industry to date was or to the point of this -- the introduction was relatively unusual. And that is that

those registries commit to not have their domain names sold through third parties but are constrained to within the walls of that brand itself. And then finally in this slide you've got Geo TLDs those TLDs associated with a specific geographic region, territory or city and as part of the new gTLD application process those Geo TLDs were required to obtain a letter of non-objection from a government and may have a nexus requirement. In other words, the registrant must comply with being a citizen or have some form of geographic link to the region associated with the TLD. Next slide. So we see diversity in types of TLDs and also diversity of business models and this is positive. This is what we would have hoped to see by the introduction of competition and choice in the market. So there's a number of different business models as a result. Primarily of the 2012 new gTLD program and out of that is emerged certain entities that might hold multiple TLDs within a specific specific company and all of the operational benefits and SIB I are injuries that come with that. There are number of operators that provide their own registry infrastructure -- while many engage in a third party provide services that we refer to that as a registry service provider. A small number of providers relative to the number of TLDs and supporting the bulk of TLDs and many of those registry service providers operate their own registries. Brand TLDs of course and others adopt add whole variety of approaches to using their TLD and some innovation and some interesting examples have come

out of that and it's encouraging and very positive to see one change possibly accelerate something not only is there organic development of the businesses also acquisition driven change in the industry and that's resulted in consolidation of registry and registrar businesses for plain and simple scale, but also business models the most dramatic of which is the integration in some cases of a registry and registrar business within the same or same over all corporate entity and that is known as vertical integration.   Something   originally   prohibited   when   the introduction of competition in the separation of registry and registrar took place. So to think about the diversity in the third level as to what the key indicators are how we measure successor not we certainly don't have only measure it as domains under management. In other words, the number of SLD or domains under any TLD. We can okay at renewal. Continued growth in the market. How public luckily visible the TLD is or whether they are powerful and specific keystone domain names registered within any given TLD and the resulting or associated customer awareness with that. There could be measured on are perceived value to the particular TLD and issue such as how well adopted that is by the specific brand owner in the case of a brand. Other forms of innovation taking place and, of course, realizing the original vision behind the TLD including the commercial viability and profitability. I take you through 3 graphic slides which illustrate some key components of the

market development before I then hand over to Graham to talk you through the registrar side of things. When you look at this it's worth noting that on the vertical scale it begins at 125 million and so it's not -- it doesn't start at 0, and so emphasizes the gray area on the top. The top band which is the new gTLDs. And encouragingly you can see from around 2015 this was substantial and accelerated growth by virtue of domains under registration and ongoing good and positive growth particularly in new gTLDs and in what is broadly at least in an overall measure and by virtue of the number of TLDs of SLDs in the market a growing market. So in this slide you've got the new gTLDs on top, the sponsor TLDs in Orange in the middle. And the lowest layer is the legacy TLDs. Next slide. Of course, when we put a pie chart and top and look at it by TLD itself. What's striking is that the legacy TLDs or represent if you add up COMM, net and org by virtue of these you have over 80% of the market sitting with a legacy TLDs so whilst in many cases there is a really encouraging performance of the new gTLDs if you look at it simply by number of domains under management the market is substantially skewed in favor of by volume at least the legacy TLDs. Next slide, please. And this slide graphically illustrates what I talked to you about a while earlier when you bring the ccTLD so over all TLDs throughout that are available to registrants throughout the world you've got -- you can see quite quickly that you have -- that represents the size of the ccTLD

market and how substantial both the sort of 50 or 45, 50 plus I talked to you about before and I would say probably most significantly from the slide the take away is in the top left-hand corner, you'll see other TLDs as representing around 30 million or around 8% of the global market in TLDs. So very good progress. Fantastic diversity and choice. But some challenges remaining in terms of market share and developing the market. Next slides. And with that I will hand you over to Graham Bunton.

GRAHAM BUNTON: I'm going to go through at a relatively high level the registrar business for the moment what. That landscape and marketplace looks like. And then a little later on I'll do a deeper dive into what our retail and wholesale registrar looks like. Thank you, Jonathan, for the introduction and did you a really good job of introducing the history so I won't go through that in depth. But it's important to remember here that registrars were created to allow registrants to register and manage domain names. And they are created to as Jonathan was saying to develop and promote competition innovation, market growth, and too meet local needs. So registrars are this conduit between the registries that Jonathan was talking about and the end users. The people buying domain names. All of those domain

names for gTLDs have to be purchased through a registrar. Next slides. So registrars come in 3 major categories. There is retail registrars so brands like GoDaddy.name.com. High China. Wholesale and reseller based registrars. Companies like… my own. Realtime and key systems … and CSC and then we have some interesting alternate ones that specialize in things like drop catching and the after market. Atypical TLDs like snap names and CIRCA of we are not going to go into the alternate categories today. Just because we have a finite amount of time and a lot of content to get through. Next slide please. So there are -- so Jonathan was saying there are contracts between registrars and ICANN we talk about registrar accreditation in the business. This is relatively recent data I think in the last couple of months. There are 2451 accredited ICANN registrars. But the -- and those belong to 426 different registrar families and that's where one registrar owns multiple sets of credentials. The largest family owns over 1200 accreditation answer use those mostly for drop catching of next largest has about 500. If we look at that 2,451 you can subtract about 1700 from that and you're close to the real number of unique registrar businesses or entities. There's about 64 registrar was more than one credential. 8 with more than 10. For most of those that aren't engaged in the drop catching which is catching -- registering expiring domain names, those multiple credentials are gained through acquisition. My company has 4 credentials we got all 3

of those aside from the first from acquiring other registrars. The geography is diverse, and we will go through that. Broadly speaking registrars are responsible for 35% of ICANN's revenue. That comes via registration fees, so we pay a fee to ICANN for each domain registered for accreditation fees, and application fees. Next slide. This is a map of registrar geographic diversity. The U.S. has the most -- I have for audit a he collapsed that's down to the unique registrar families. Otherwise the U.S. would have difficult or take 1700 -- you can see there's some pretty big gaps in the map however. There aren't any in South America. And while there's a few in Latin America quite a few in the Cayman Islands and pan ... central Asia as well. And so there's room for improvement there. We can come back to that I think in a moment. Next slide please. I can see a question in the chat, and I can try and answer that a little bit briefly here which was why are there so few in South America and Africa? And I'm going to dig into this a little bit in the retail portion of my talk a little bit later but it's complicated and it requires scale. And so for a pay attention for that to come up in a little bit. So registrar market share. This is a list I think of the top 15 or so registrars. You can see clearly that GoDaddy is by far the largest. And much like COMM on the registry side GoDaddy is on the registrar. Name cheap is next and my company Tucows, but my company owns TUCOWS and ENOM. High China and Alibaba belong to the same company so that's number 5 and number 7, I think and so as you

go down this list there's quite a few that actually are the same company or the same parent company. And again this is the sort of consolidation in the industry that we've seen as companies gain credentials. And we see the market begin to mature again because this is a business of scale we're seeing more and more consolidation with the marketplace. So slowly decreasing diversity inside the registrar space. Next slide. This is an interesting one because registrars and registration as united. And I think that's largely true on a policy side of things but on a commercial -- in a commercial context there actually is quite a bit of tension. And that's where we have divergent business interests. And so those divergences show up in places of priority often which is there are now thousands of new gTLDs belonging to hundreds of different registry operators and there are tens of registry services or back end providers and so for a registrar to sell a domain name, every registry will have to treatise equally, which is sensible. But we all have our own priorities of what we want to try and sell and how we want to build and run our business. While at the same time registries do too. But for us there are now hundreds of these, all with their competing priorities and because registries have to sell to registrars they really want our attention. And for us to you know sell their product prominently through our services and that becomes tricky because sometimes our interests diverge from theirs, and there's a finite amount of room. And that's led to some difficulty

in getting all of that work done, and that's where we see some interesting innovation on the registry side, where registries are trying new and different things but where those new and different things require work from registrars we need to plan prioritize and get that in a queue to have some engineers write some code on make that possible. And so ensure that you're -- that is worth our time can be tricky. Making sure to work is prioritized can be trick and I causes some tension between registries and registrars. And so you know put those registry priorities in a context of there are changing technical and regulatory requirements and policies in ICANN to be worked in, you know contracts market dynamics things like you know privacy laws changing stuff like that. All that have requires work and change from a registrar at the same time as trying to accommodate registry changes. Ends up resulting in gentle conflict. Next slide. Okay. I'm going to pass it back I think to Kurt is going further on the registry side

KURT PRITZ: Sure, I'm happy to take it. I'm Kurt appropriates I work with the .org domain name registry. L' have the first slide. Next slide. So the .RTLD experienced moderate growth. Growth rate is turning from linear to exponential as we learn the marketplace and business. There are currently over 09000 domains registered in

155 countries by 137 registrars. 50% of those sales are concentrated in top 4 registrars as Graham described that part of the marketplace. We have a good renewal rate. It dips below 70% when we participate in $1 flash sales but otherwise's closer to 75%. And the renewal rates is expected to increase new that the first year is over. Our price our whole sale prices just probably under the average compared to most new gTLDs. We have a large inventory we call it our premium domains but those are also priced lower than comparable new TLDs. We have many notable first adopters or early adopters among the art community fan you go to art .art there's cool videos of them there. Looking at the market and during somewhat Graham said registrars like to create simple categories refer to .art at a niche TLD but it's freaking big niche. There are 55,000 museums, 600,000 art organizations in the world all with many members. 4 million high profile art professionals as described in the study by Deloitte. 30 million people in the CCI industry and amateur artists art lovers. Families assume .art names for themselves and their kids. It's a large market out there for us that identify quickly with the word art. Notably … KASIMOF our .art founders has been recognized in the observer. Art power 50. The 50 most important people in the art world of there is a good indication that interest in domain names that .art raised in interest in domain names which up to now is focussed on block chain as the key technological tool. To get to challenges you know … you

know first there's perceived hurdle I think industry wide of turning a domain name into something useful. It is easy to acquire ooh domain but the task of setting up an e-mail or website are daunting to the considerate community. And the next class of knee registrants can get over the hump. Learning the registrar business is an experience. They are -- they seem to be comfortable working with cash cow. For many TLDs advertising costs are out of reach and have too many year pay back period. In addition it seems there should be something sort of reciprocal level playing field required between registries and registrars to help the market grow. The back end market registry service providers becoming more transparent over time due to competition, but back in 2012 there was some over charging in a sense of lack of control on the part of. New TLDs. You know I should add ICANN the big ICANN to this list. It seems to me that ICANN rightfully did everything it could to create a fertile field for the registrar marketplace to launch 20 years ago. But inclined to take that approach in 2012 for the introduction of new TLDs. I can talk about that at a cocktail party. The final challenge is lack of awareness. How have of the world's understands domain names on protecting IP and ease of use. If we meaning ICANN are the global coordinator of domains we should be championing their adoption. If we don't who will. I will spend the rest of my time talking about innovation. Innovation about art is devoted significant attention and

resources into innovation. One innovation was the domain name algorithm which is a big data algorithm approach to the evaluation of the domain names. So for 6 months we scraped on-line and off line resources inside the art community and outside it for words and word combinations and algorithm valued the word combinations based on 14 attributes. The result is a large inventory of premiums with when weigh think are happy results for example 5% of our art sales are premium names. 65 to 70% of the revenue computers from premiums. Customers seem to be pleased to get their name in the first year price. I'm going to spend the remainder of time describing the .art digital twin another innovation that attaches domain names to art works rather than organizations. As it turns out the DNS a block chain are the perfect decentralized systems for storing and finding critical artwork information. So the raison d'etre for digital twin is convert information about art and cultural objects into value. And to do that digital twin takes advantage of first arts' unique position as a TLD designated in the DNS answer also in the top level of the... name service. We use art identification standards that are already developed by the Ghetty trust and form an object ID. And we use the precepts described in industry 4.0 which is another term for the 4th iteration of the industrial revolution. Digital twin solutions provide a unique domain name for each object rather than an organization where the domain name transfers with the object and provides a form of

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provenance or chain of custody. Digital twin employees additional domain name data fields. What we have done is add additional WHOIS or adopt data fields to that identify the artwork. And pea sides the data field is allows the registrant to store unlimited contend in DNS records. It's domain. Use it however you want and uses block chain transactions to establish a truss worthy chain of custody. How does it work? Next slide. So digital twin, this website a till yeah ... resolves to a website and website owner the artwork owner might include an art certificate, or standard way of organizing information provided by templates or use the domain name in any way he or she she is useful. But if you do a look up on the WHOIS data for that domain more any digital twin you will see the additional WHOIS data fields where the artwork identified information is entered at the time of registration. Next slide. And each domain name registration triggered 2 block chain transactions in sets the digital twin into the block chain. You can go into the domain name look up site which is at ... Domains and it -- ETHEHEUM into the block chain transaction. You can type in a domain rather than a 42-Character ETHEREUM address. When the owner or the identified information changes there's another block chain transaction and. For a reliable artwork prove nuclear weapons. And an important feature is registrants use their own block chain wallet includes a reference number during the domain registration process or the .art. Next slide. S the product

architecture looks like this. And you know what's another feature is it provides flexibility and stand satisfactory. The standardization is in the WHOIS ... it gives flexibility in the registrant is use the domain as a domain storing information that tends to demonstrate the authenticity and value of the art or cultural object. As an aside the same development could be used for digital vintage autos or even people's titles. .art domain name was pleased OOB issued a U.S. patent. It was issued 6 days ago after 3 days of the initial filing. So what's the value proposition? To the artwork own information is what makes artwork value. That's beautiful. I'll give you $10,000 oh it's Rembrandt. I'm give you 10 million dollar. How does the artwork owner present that information as a verbal claim, or a sheaf of documents or maybe a standardized way using at decentralized DNS and block chain. We have individuals and organizations potentially registering tens. Hundreds, thousands or even more domains each and we are demonstrating the utility of the DNS to a whole new customer. The new markets there are 100 million professional art works out there new. 800 million amateurs and a billion objects in museums right now. There are other evaluated applications such as storage of digital information for the preservation of cultural heritage objects or providing access to museum art works that would not otherwise be viewable due to the odd pandemic or because objects are currently in storage and in the on display. So we've launched in

softly at IP .art and our implementation. We have about 150 registration toss date so that's a start based on our efforts on some recent on-line shows.

So thanks very much. And I don't know who to turn it over to so I'll let somebody else tell me who scores the Fox registry

CRUZ: ... different types of registries out there and we are a brand registry. So for people that are not familiar with Fox we are a large media company based outed of the United States. And from being -- that that being a large corporation we found ourselves managing many domain names. And the opportunity came up where you were able to apply for your own domain extension and that's where you know over 8 years ago we applied for .Fox, and I'm happy to show you what we have come to today. So next slide please. Opportunities for .Fox. What's great about a brand TLD is that the domain extension with only be used by your corporation so the .Fox can only be used by Fox. So on the right it an example of a live stream invitation for a live .Fox. This is where we do a lot of communication through and it's nice it see that you can use a short domain name because you own the entire domain space of .Fox you're able to decide whatever domain name you like to use and that gives us so many different opportunities. Because that we are our own

registry for .Fox we are of could not going to charge ourselves to register on .Fox domain name so there's no registration cost to ourselves when registering a new name compared to another domain extension you may have.   Another thing how Kurt was speaking about how many registrar partners they have, that would be different for a .brand domain existential where we have only one registrar partner where wove edge... we have a little over 100 .Fox domains registered at this time which I think is a great achievement for us to be table get over that 100 Mark. Because for you it's not all about how many registration numbers that we actually have. It depends on the actual domain names we would like to register. And make sure this they have content or resell into live content. So with .Fox it does boost security and brand awareness. It the call out to action the marketing team loves very much especially because .Fox is a 3 letter extension. It is short. It's unique and people know what it's associated with. And for security what a great thing about owning your own domain space is that it speeds up and... validations. We have a partnership with a large SSL certificate authority. And what we were able to do is know that because we are the owners of the .Fox domain extension all domain names registered in .Fox would be registered by Fox and nobody else. So they are able to authenticate the domain name immediately once it's registered and issue the SSL certificate. So that's just one step that helps out our security teams you know having to

either you know approve an SSL certificate e-mail, or adding a specific DNS record to be able to validate a domain name much it's one step to help validate the domain name faster. One of the challenges that we do have I think for all new TLDs is the new TLD awareness test. Many people out there still do not know that there are these new domain extensions and that they are an actual thing so it's just I remember when the new domain extensions launched and we thought everybody would pick up on them immediately as long as you put a WWW on the front and slowly but surely people are becoming educated but it's taken longer I think than some thought, and it's at continual ongoing process where everybody in the industry to promote new TLDs. Next slide. I showed on the last page the example of live .Fox. Another use case is for our .Fox name we use our owner is verse and we were able to delegate to DNS .Fox so we have... which you can see right in WHOIS information for any of our big websites such as Fox sports.com or others. And then and this picture here is way finder .Fox so this is actually been a project that has been going around at Fox for several years weather forecast we have printed billboards in all the elevators and all around the Fox studio live in Los Angeles where when you walk into the lot you can type in way finder .Fox and figure out what studio you need to go to if you are part of a show or part of the support crew trying to find out where they need to go. This app will be able to show you exactly where to do so on our Fox lot

here in Los Angeles. And a few new or used cases. Mask yourself.Fox of the masked singer is a TV show in the United States that has begun to be popular. It's on a 4th season and the marketing team decided to put up the mask yourself.Fox as the new promotional website where you can actually make yourself look like you are one of the masked singers. It's consume. Activate do the.Fox is something we are working on. This is something that we've been using a shortener for someone who wants to activate their app in maybe you know -- if you want to do activate.Fox.com to activate your subscription we can use shorteners such as activate .Fox and we are doing that about go .Fox that's a new recent one we are doing only within Fox. Now that we know we will only use .Fox domain extensions in e-mails that we send out to our employees. Just to further secure that we know every e-mail that only a .Fox demain name would be used for the redirects. There could be no spoofing or attacks that could happen to any of our employees. And then we do have high traffic redirects. News.Fox or football.fax. We can see with this domain extension their so many things that team are typing in. We have created so many different redirects to forward to the content where people can see what they were searching for. It's one extra way we've been try trying to boost.Fox and make sure the actual viewer is getting to the page they want to get too. Next slide. Oh, and I guess that was my last slide so I will hand it off to the geo TLD group

OTHER SPEAKER: Thank you this is... and we want to present you very briefly 3 cases that show the diversity of the geos within the context of the DNS marketplace. Next slide. Next slide. Yeah, so this is the map of who we are. We members are in red and we are going to be talking about .beam ... all of them based in Europe which is where most of our membership is. Next slide please. Next slide please. Thank you before going there and very briefly. We wanted to present this study that .Amsterdam commissioned last year that touches upon some of the remark that is Jonathan made which is how can we measure the success after gTLD? What should be the key indicators that we should be taking into account because the domain management is one of them but rehave to be aware of many others and in the case of the gTLD this is relevant. Next please. Next slide, please thank you. So this study was commissioned to the determine the success of geo TLDs and the researchers tried to understand what were the proper indicators and with that at that they constructed a new bench mark of Geo TLD to determine the success of the geo TLDs. They looked upon what were motivations for the geo TLDs and the economic one is obvious because... successful business model for a new gTLD to remain active but in the case of our geo TLDs we think the cultural political reasons the for creating that data TLD are also relevant. They have not improved in the benchmark but they are looked by the researchers as to how we could integrate different measures into that benchmark. The

benchmark was based on the domains which are... at the time moment was the only measure that could be objective. And the ... against the GDP of that region or city and the number of -- so the key indicator in the benchmark is the number of domains per billion dollar regional GDP. Next slide. We are going to skip over the benchmark. And going to go to the next slide please. And this is what matters to me the most in this presentation. This session which is how could we get those incompetent Kate ores and extend them and integrate some things that we are considering to measure the success of these geo TLD. Which is actual use and to put that against the context of register names and identifiers how many of those firms are adopting that domain name as their main website. This is something you will be seeing in some of the examples we will present in the next slide please. The first of the cases is .WIEN it is run by a for profit company that has an agreement with the city council of Vienna so the business model and governance model is one that is the usually one we could say. You could go to the next slide, it shows that the growth and the adoption of .WIEN has been steady since the beginning of the number is at an all-time high are 16000 plus registration. Which is not huge by standards of the generic TLDs but these are relevant for the company running this because it makes that company viable and it shows that the adoption... as time goes by. In next slide. The visibility of the domain name is also very very impressive in the city. When we

see here is a trend we are seeing in the industry which is that most... and this is something that you can see in the many examples that we can look in the geo TLD. This is the one about visibility. We can skip this one. We can go to the next one please. And we have to.Stockholm. Another model. We different. This is very interesting. Go to the next slides please. .Stockholm is a single registrant geo TLD. The city the city council domain is the management. Below 100. The city council decided to adopt.Stockholm as the maybe website in parallel with the website renovation. What they could see a point was presented to us by represent of.Stockholm during last year general assembly was something that also has to be considered in how to measure the success that have adoption and that was that the SCL rankings were not lost after very few weeks they were back to normal. You have 2 models of the city running on very different domain names. And business models. Go to the next slide please. This is the last case. And this is something very different from the other two but it present. It is not defined by a boundaries because it represents a cultural language and it's not itself a geo TLD by definition because .EUS represents the Basque language and not a geographical area. The next slight. And here you can see imagine about social adoption of this because the not for profit company which is running a TLD is also looking in how many of these registrants are adopting website that's the main website and how many of them are

using the domain name for what was it was in attended and... 85% of them so you can see here that these kind of metrics are being looked by the geo TLDs and looking at ways to in great into that benchmark so that we can have a wider view that is not openly based on the management. And this is where we are. So if you have any questions we are happy to answer them. Thank you

UNIDENTIFIED SPEAKER: Thank you. So thank you very much to Kurt, Cruz and NACHO for clear and interesting and diverse presentations. I hope we achieved there what we wanted to which is to illustrate the scope of some key examples and to me brings home clearly the point that new gTLDs do introducer the competition of choice we are seeking to do and there are of course very different types and business models that have emerged since 2012. And, of course, the point that's been made a few times now that domains under management are not the only success measure. But new gTLD registry operators face significant challenges. I don't think we want to shy away from that. Of course there's the base level of simply complying with the ICANN contract and all of the obligations to go with that but then you have a heard how awareness and acceptance are so significantly challenging to get through that and there's other operational and practical barriers

including as Graham spoke to working with the registrars and I think for me a key point Baugh it's business point and an ICANN community point I think the contracted parties are generally seen, or often seen as a unified unit that have a successful financially profitable and organized presence within the ICANN community but in truth there are more subtle layers to the situation which prove commercial tensions operation at difficulties and other challenges and, of course, for some of the smaller TLDs a fixed cost base is a real challenge and that includes the fees paid to ICANN so I won't stay any longer on this. It is I will make a reminder. Please put your questions into the pod. We want it to be interactive. We appreciate your engagement and want to hear from you and we will do our best to answer the questions in the chat in the Q and A. -- sorry please the Q and A and we will come back to those that aren't answered at the end. Back to†--

GRAEME BUNTON: Thanks, Jonathan. I talked with tension between registries and registrars and a key example is them using up far too much time and leaving us 8 minutes for the components. So I will try and move through this quickly. On the retail answer whole sale side and then we are doing a little bit from prudence on the corporate registrar side and then we will try to get to questions.

So the main registration as a product which is the fundamental business of being a registrar is basically the same across all registrars. There's some minor variations in user experience of that so like you can make it clean and simple or complicated and fool of features. And that has some variation by by and large it's the same thing. What can you compete on as a recommending start. You can compete and price. Of course your whole sale price is the same for all registrars. So you've got some limitations there. You know how low a margin are you able to tolerate and run your business on? You can have a more expensive product but compete on customer service and customer experience. You can compete on the availability of TLDs that you sell so you can sell just a couple or you can sell as many as you can possibly integrate. Many companies actually compete on selling additional services like e-mail and Web hosting and website builders and SSL and, in fact, this is probably the most important thing for all this registrar component is that by and large most registrars don't make money selling domain names. Even GoDaddy, the largest -- if you look at the financial statements they make less than half the revenue -- and James correct me -- from domain names much it's not the bulk of the revenue. They get that from the other services hike hosting and e-mails. And you can also be competing on local knowledge so had serving a particular vertical Mark better than you think someone else can. Next

slide. Scale this is really important. And I think I was alluding to this earlier. Domain names let's say they cost $8 from the registry and you're selling for 10. Air making $2. If you want an engineer in Toronto a junior engineering is goer to cost you $08,000 a year. You would need to have 40,000 domain names either new or renewed a year to pay for the engineer. So that's a lot. 40,000 names is a lot of names. When you hear some registries talk about their size their small. They are like 100. This is a he difficult to build a business off that small a thing. So you also need to factor in you know your ICANN fees. Other regular industry fees. Your in struck management overhead. And when all of that meets together is that justifying or maintaining an ICANN accreditation requires significant scale on a business that has extremely small margins. And that also makes it interestingly justifying the cost in ICANN pretty difficult. So many most registrars don't participate. The registrars stakeholder group has about 100 members of the 6 or 700 available possible registrar families to join. And that's the case because many of them are quite small. And for better or for worse they can leave the activity of participating space to the larger registrars who can afford to participate because by and large the interests align. This looks complicated and it's a lot of numbers. But it's really important because this is essentially the fundamental math of the DNS industry. In the top box we have the survival lifetimes of 100 domains over ten years based and a

renewal rate. That he is vertical columns are renewal rates. If you follow from the 60% you start with 100 domains and by year ten you have one left. If you have an 80% renewal rate at the end of your ten you've got 13 left. Now, hypothetically you've got to domain name that you're paying the registry $8 for. And you're selling it for 10 so normally you would make $2 a name. But in order to acquire customers you discount the name and sell the first year at a loss he. So let's say the first year discount is $5 so you're selling it to the public for $5. You're whole sale cost is 8 so you're losing $3 a name. If you're renewal rate is 60% you're going to lose $3 at the end of those ten years. You don't make any money long-term off that initial selling at a loss. You only start to make money in your renewal rate hits 70% so the -- this is the sort of fundamental economics, how you run a registrar. Which is can you find a way to acquire new customers at a rate that allows you to keep making money long-term. And so it's a really -- there is more complications the longer a customer is with you the longer they will be with you. So this survival curves aren't entirely accurate but it's close. And so there's really a piece here which is if you are acquiring customers too aggressively your a net going to make money on they will on the demain name and these where you'll make money off the other services and that's fund manically why most companies that sell domain names don't make the bulk of the revenue after the domain registration. I'm happy to talk about this in another

context if people went to dig into it more. Next slide please. And so renewals are the core of a registrar's business. You acquire customers and hope to get the renewals year after year because that's where the money can be found. Because acquiring a customers as we all know is way harder than keeping a customer. And there's a piece there that's really important to registries as well which is usage is a key fact it are in renewal. You want to keep the customers and so you you want to encourage this e-mail to use those domain names. And the things that make domain names and the services sticky are those other services. It's things like oh, boy, my e-mail is attached to this domain. I can't let that go. Or my website or something like that. So usage is generally really important to registrars. Next slide, please. Whole sale. Okay so my company TUCOWS is primarily a wholesale registrar. We are selling to resellers who are then selling onto the end user. The general public who are buying the names. The fundamental reason it is allows a reseller to focus on the core business, which is might be selling domain names but likely isn't. Most commonly has been hosting companies but often times it's a whole bunch of different verticals. It could be real estate or advertising. It could be Web developers. Feels like we saw one that was a company selling tire sales places that was all they did. But really the point there is that it allows someone to build a business that incorporates domain names in some aspect that have business

but where it's not the core function. It allows them to function on what they do best.   And so the other key point of this is that the vast majority.   Vast vast majority of companies that sell domain names are not actually a credited registrars. They are resellers. TUCOWS has something like 36,000 on our platform and there are a number of other large whole sale resellers as well. And so that's important to remember. Now majority of domain names sold are by registrars of the majority of companies that sell domain names. Not registrars. Next slide please. So there's interesting challenges with being a whole sale registrar. Is that you want to be able to appeal to the broadest amount of companies as possible so integrate as many TLDs as possible.   My company TUKOWS bought ASKIO and..., 2 European registrars over the past -- 8 years or so.   That's primarily because of the strength in integrating different TLDs. And so you want to make sure you've got your covering as many many as possible. There's some interesting pieces here about our resellers are able to meet local needs and geographic diversity in a which that registrars typically can't. We have resellers in just about every single country in the world with some notable exceptions. And so there is a mechanism there where a reseller can sell into an underserved market. They can speak the language. They can sell domains to people who would otherwise be unable to use them for a registrar outside their country. That also allows a reseller to gain scale. This he can

start small. Build up. When they have enough domains under management to make it worthwhile they can accredit directly for a TLD at a time and slowly become an ICANN accredited registrar rather than trying to do that from scratch and I this I that is the sort of ladder into being a full-fledged registrar. Wholesale typically competes on the price to resellers. Also API quality is a big one. You want a you know, API it's new and fast and good and fully featured and doesn't go down all the time. And that's like a key comparator between whole sale registrars and also the other additional services you might sell through your channel e-mail and hosting and things like that. Great I will pass from there onto prudence.

PRUDENCE: I am a member of the government and industry relations team at MarkMonitor. We are the corporate registrar. Next slide please. So Graham has kindly explained about whole sale registrars and retail registrars and what their services entail and how it works. Today what I'm hoping to discuss is the corporate registrar landscape. What you can expect from the corporate registrar service provider, and the kind of subtle difference and nuances with being with a corporate registrar. Next slide, please. So as you can imagine with a reregistrar it's slightly different than the a corporate registrar.   Retail registrars tend to look at the

individuals or small to medium-sized enterprises and the … corporate work with multinational. Sometimes exclusively multinational organizations or legal companies as well. Law firms which comprise of different satellite offices and as such it's kind of a different beast that essentially we have to make up how we provide the service in a different way because a corporation is different than individual. When you find individual registrant to wants to set up a business and register one or maybe 5 or 6 domains … is that the corporation is wanting to launch grand or product or service around the globe. And as such what we want to do or what we tend to find is that we need accreditations in every country to deal with that type of expansion. And as such that means that we have direct accreditations in lots and lots of extensions to deal with the nuances of kind of a global beast such as a corporation. Also as well because we're dealing with a corporation a very different way of managing the registration process. So we have an individual that had an idea, and in the idea comes to fruition with going and registering a domain name. With a corporation by the time they've come to you to register the 40 domains all over the globe for this brand there's a series of meetings and background over the period of time in order to that are to happen. So for example, they will be already business meeting to co-ordinate which… to extend in. There will be approvals and there will be budget area approvals as well that happens. And we have to be aware and converse earth with

a chain of command when dealing with registrations. Also as well. With corporations as a client because of this we have to have a more high level approach because... intellectual property or also influence domain name portfolios and one thing we tend to do at corporate registrars is we need to be able to be aware of our client's intellectual property and back their trademarks and names to match one another. All work together. Oh, sorry. I'll speak closer to the microphone. Yes, so that's another he will e-mail as well. So being able to develop registration strategy as well and a registration policy for corporations. So when they are ready to do go lives for the domain registrations they can do so with guidance for the registrar in order to help them navigate through the extensions... this is another element of our corporate registrar service providers. We have a consultative approach. And I'll talk more about that as well. Now in order to make sure that we're providing the most efficient service we provide additional registration tools to help our clients so as I've mentioned and alluded to before we have our clients have been intellectual property portfolios we will utilize the intellectual property the trade, to use things such as trademark clearing-house and blocking services so our clients can register domains during sunrise periods and use the trademarks to have exclusive registrations but also to block their plans and block their trademarks against multiple extensions. This is like another thing that corporate registrars do do use the trademarks

to... so, due to the kind of -- as you can tell the nuanced nature of working with corporations and the different types of registration projects that we need to do such as plan... and product launches across the global at coordinated times when we fine is we are a corporate registrar unlike the retail register tar the self service model where an individual will go to the portal and place the register or register the domain name shall with the corporate registrar because there is so many complexities involved and the different landscape what we will tend to provide is one dedicated support person or an account manager, and that will be a consultative kind of approach that's tailored to the company's needs. At... we call our support people CSMs and the CSM will have extensive experience of say registration requirements for those different he can tensions around the globe and in tension to that they are technically efficient as well so this we are able... such as SSL certificates and things of that nature. So another kind of primary difference for corporate registrars and retail registrars or wholesale registrars is the portfolios we have are different so sometimes you will have an individual. And they will have a portfolio of 10 or 20 domains. With corporations because they have a number of different brands, a number of different products they have thousands and thousands of domain names portfolios, thousands of domain names have intrinsic value because they solved active couldn't ten or changing sites with high volumes of traffic going through

them and because they're so valuable one of the thing we do as a corporate registrar is we have a really big emphasis on security. So we are always advocating for internal security practices with our clients. So teach them about registration policy is a [inaudible] also we will take a more strategic approach with registries as well. We will have consultation to registries to make sure that they're able to provide the additional supportive services such as registry locks. Make sure they are encourage our clients to use -- that domains are kept as secure as possible. And in addition to that we see decisional services such as SSL certificates and registry locks and [inaudible] one of the things we tend to not do is that we are not going to be providing advertising or promotion necessarily. We will provide tailored services to each corporation because there's never 2 corporations identical per se. They all have subtle differences, say with expansion plans or billing policies and things of that nature much we don't offer domains to the public at large. We will work primarily with companies so if Bob wants to register that domain he won't necessarily be able to do it directly with us. But if Bob is part after larger business and that business wants to register the name then the business can come and work directly with us. So. Again next slide. There is a question slide. Next slide but there's Q and A session so I will skip over this and I'll say thanks. Do you have any questions please feel fool free. Back to Graham.

GRAEME BUNTON: Going all the way back up to Donna.

DONNA AUSTIN: Thanks Graham. The next is a wrap up of the registrar. Did you want to do that.

GRAEME BUNTON: I feel like we've only got a few minutes or questions. People can read the deck if they need to.

DONNA AUSTIN: Thanks. So thanks everybody for your contribution to this webinar. I know we're short on time but if there's any questions from the floor that people would like to ask we have been keeping up with the Q and A pod pretty well, and I also appreciate that we have a number of our colleagues from registries and registrars participate and assisting with questions that are coming up in the chat so thanks for that as well. So do we have any questions, if people would like it raise their hand? I see one hand is up but I don't know who it is. David, did you have your hand up?

SPEAKER: It's Jonathan. Quick comment. I think we need the questions through the Q and A pod so if you can put them up through the Q and A that would be great. And second I mean one thing that struck me during the course of those different points and discussions is how is the economic challenge. For us it's in some ways as operators this is about the business of being in the domain name business and hearing that you know some of the challenges that Graham raised and others raised it's interesting to see both the diversity of the business models, and also the diversity of the sort of economics of how these work when you hear prudence talking about the corporate registrar that's different pause that is very registration focussed. But also with a high touch. ... and a whole different business model that goes with that. And I see there is a question from... in the chat so I'll see if any colleagues want to answer that.

GRAEME BUNTON: This is Graham. I can take the question. The short answer is it's technical challenge typically to migrate customers from one platform to another. You know, especially in a wholesale model you need to maintain both API because you can't force all to switch. API you know you want to encourage that because you want to consolidate because of temple overhead and running multiple accreditations. But it takes an a lot of time and energy

to consolidate. And certainly registrars engaged in acquisition want to do that as quickly as possible. Generally. But it's really just time and energy.

DONNA AUSTIN:	Thanks, Graham. I think you answered a question from Laurie Schuman with drop catch, earlier. But I see there's another one if you can take that as well.

GRAEME BUNTON:	Thanks. This is Graham again. I really don't know too much about the drop catching business. That's probably a weak spot so I don't feel super knowledgeable in this area. I don't know how many are engaged in it. There's certainly a few. And, yeah, I guess I don't feel -- engaged enough on that to answer that that well. Maybe someone else on the chat who is -- in the business can answer it.

DONNA AUSTIN:	Thanks, Graham. So Laurie maybe if you can ask to the broader attendee you might get an answer. So look we're 4 minutes -- Pat Caine, go ahead please.

UNIDENTIFIED SPEAKER: I'm not sure thor participants have access to audio. They can only ask questions through the Q and A pod and we answer as we can.

DONNA AUSTIN: It seems Pat hit the wrong button. So thanks everybody we are 3 minutes out from time and I know we did hope to provide a little bit more time for questions and answers but I think we've kept up with the pod along the way so look I hope everybody has found this session really helpful. It is something that we as contracted parties often talk about, but we don't feel the community understands enough about the industry. We probably you know, I know there was some discussion about this probably holds up as a webinar but I would like to make the point I thinks it' important that we hold this during an ICANN meeting. We do have a pretty good attendance list here. People that we may not necessarily often get to because we're you know there will and competing session or something like that so I hope people have found this interesting from a you know registry and register perspective. If people like to we can do more of it than perhaps we will look to to that in future as well. I think we've all been blind-sided by the fact that we're in the meeting face-to-face on a regular basis, but just at that wrap up look. The registry and registrar businesses are somewhat

independent but I guess it's system biotic relationship. There is some friction in the businesses particularly with the introduction of new gTLDs and, and new gTLD registry operators wanting to do the business a little bit different to how it's done in the past. That creates some challenges for registrars if there is something new and they need to develop solutions for them. So you know it just to make the point and this came across clearly is when you think registry and registrar they're not cookie cutter businesses. They are quite diverse. The margins may not be what people often think that they are, so just so I hope you have a goat a really good spectrum of what happens within the registry registrar industry, markets, and that you know maybe we can pick up this conversation again at another ICANN meeting or perhaps sometime in between if we get the chance. So thanks everybody. Big thank you to the presenters. A lot of work and a lot of effort, and time gone into preparing a presentations. And also a big thanks to Carlos and Marie for getting us on the right track and getting our presentations organized so thank you to staff for that. So thanks everybody. And with that we will call time.

[END OF TRANSCRIPT]