

DNS Study for the Middle East and Adjoining Countries

Overview – Dublin, 20 October 2015



Background and scope



- MEAC region: 22 Arab states plus Iran, Afghanistan, Pakistan, and Turkey
- Identify strengths and weaknesses in the industry ecosystem within the region
- Develop recommendations on how to advance the industry

Meet the team

■ EURid

- .eu registry and active participant in CENTR
- International registrar and registry contacts
- Development of best practices and benchmarks
- MoU with ICANN to develop local expertise in the DNS sector in Africa and Middle East
- EURid UNESCO World Report on Internationalised Domain Names
- Trainings at Middle East Entrepreneurship Centre

■ Oxford Information Labs

- Big data specialists
- Statistical analysis (including zone file crunching) for World Report on IDNs

■ Emily Taylor

- Lead author World Report on IDNs
- Long-term participant in international DNS environment

■ Abu-Ghazaleh Intellectual Property

- Regional partner and accredited registrar
- Leading participant in IGF and ICANN from region

Methodology

- **Registry survey (12 countries)**
 - Registry type, fees, registration model, services, marketing and promotional activities, policies
- **Registrar survey (30 registrars plus interviews)**
 - Experiences of the region: availability of TLDs, prices, promotions, feedback
- **Registrant survey (700 users, 15 countries)**
 - Internet usage and language preferences, hosting choices, domain name experiences
- **Desk based research**
 - Regional ecosystem, key measures from respected publications
 - Payment gateways
 - Premium domains

Methodology – quantitative analysis

- **Open zone file analysis June 2015**
 - 156 million entries
 - Avoid mass WHOIS lookups unless no alternative
- **Record metrics for each domain**
- **Create regional subset**
 - Country of hosting in the region
 - Script of domain is Arabic
 - Content of web pages contains Arabic characters
 - Popular websites in the region (source: Alexa.com)
- **Add ccTLD data**
- **Identify proxy and privacy registrations**
- **Keyword analysis – density of popular keywords by country and region to indicate web usage**

Findings



Understanding the region's Internet ecosystem

- **A diverse region:**
 - Populations from 2 million (Qatar) to 182 million (Pakistan)
 - Gross Domestic Product per capita from \$659 (Afghanistan) to \$97,000 (Qatar)
 - Literacy from 32% (Afghanistan) to 100% (Lebanon)
 - Linguistic and cultural homogeneity varies from low (UAE, Qatar) to high (Iran)
- **Basic Internet access still a challenge for many**
 - Internet penetration ranges from 6 % (Afghanistan) to 88 % UAE)
 - People pay more for broadband than in developed countries
 - Low level of Internet Exchange Points across region

WEBSITES IN THE REGION

English dominates as the language of web content in the region.



The region has a full range of web content – news, entertainment, educational, retail, governmental and blogs

INTERNET INFRASTRUCTURE AND USAGE

- Some countries in the region struggle with basic Internet infrastructure



of users in the region spend



or fewer per day online

- Internet literacy is still low because of sociological, cultural and political factors

HOSTING

- The market for hosting services in the region is weak.



5% of the region's popular sites are hosted locally

- Legislation and regulation can affect users' choice of hosting country

LANGUAGE AND CONTENT

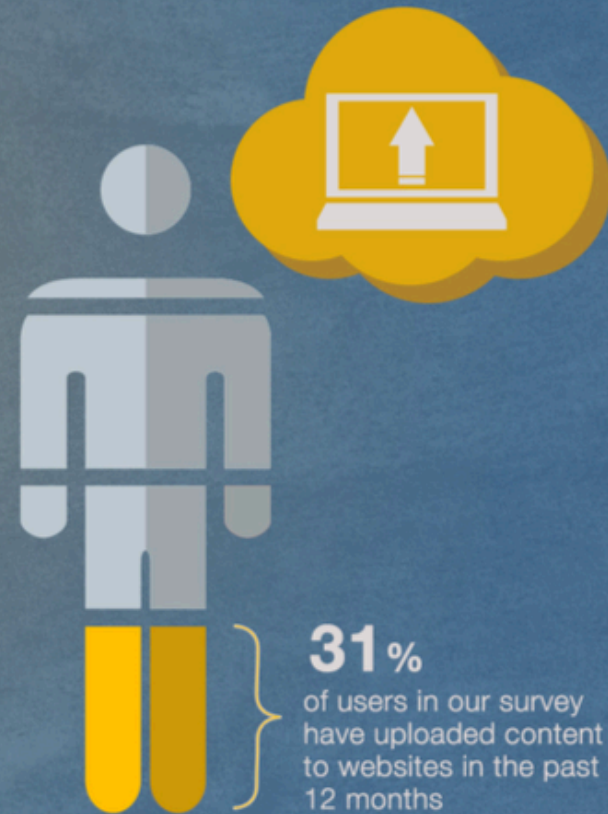


English and French remain key languages for a large part of the population

Users switch language online, according to context

Strong preference for using local languages (eg Arabic, Farsi, Urdu) when interacting with friends and government

Websites are preferred to social media when interacting with business and governments



EURid



REGISTRAR MARKET



Competition in local registrar markets is weak, resulting in poor choice and pricing for end users.



Most of the international registrars who have modern platforms for end-users are not present in the region. They are discouraged to include the region TLDs in their worldwide registration platforms because of the administrative barriers to register domain names. Requirements in local ccTLDs deter international registrars from participating in the markets.



Local registrars often complain about the lack of dialogue with the registry that remains impassive to the request for modernising the TLD management.



REGISTRANT MARKET



Domain names compete with much faster channels to be online such as social media.



Users complain about lack of local providers.



Most users couldn't name their registrar.



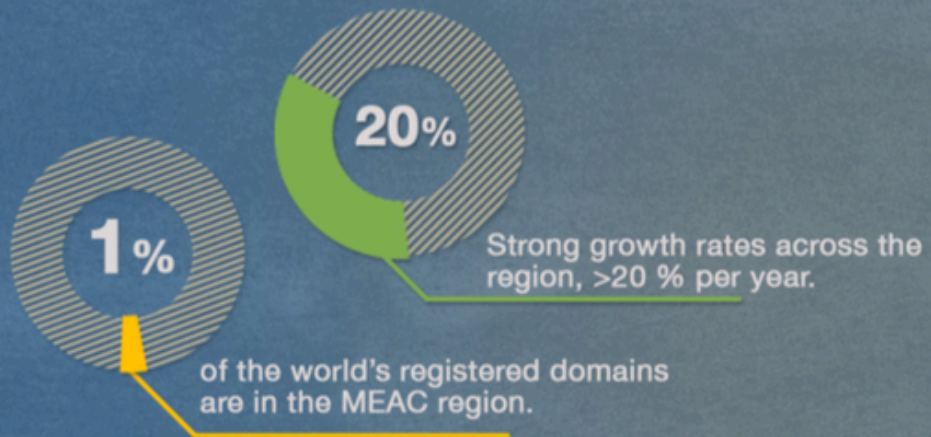
Most users said they didn't buy value add services when buying their domain.



Choice of payment systems for registering domains is limited, and does not include innovative services for the unbanked.

DOMAINS

There are **2.9 million** domain names associated with the region in 2015.



21000
IDNs
across the region, of which half are under **.tr** (Turkey – Latin script).

Users from the region are more likely to do direct navigation than are global users.

Nearly all users check the domain name before clicking on search results.

REGISTRIES

Domain name penetration throughout the region is low.

- Only **3 ccTLDs** in the region have higher than **10 domains** per 1 000 inhabitants. Comparator countries have between **100 - 300 domains** per 1 000.

Most ccTLDs in the region remain confined to their territory with strict and/or complex policies and procedures both for registrar accreditation and for domain name registration.

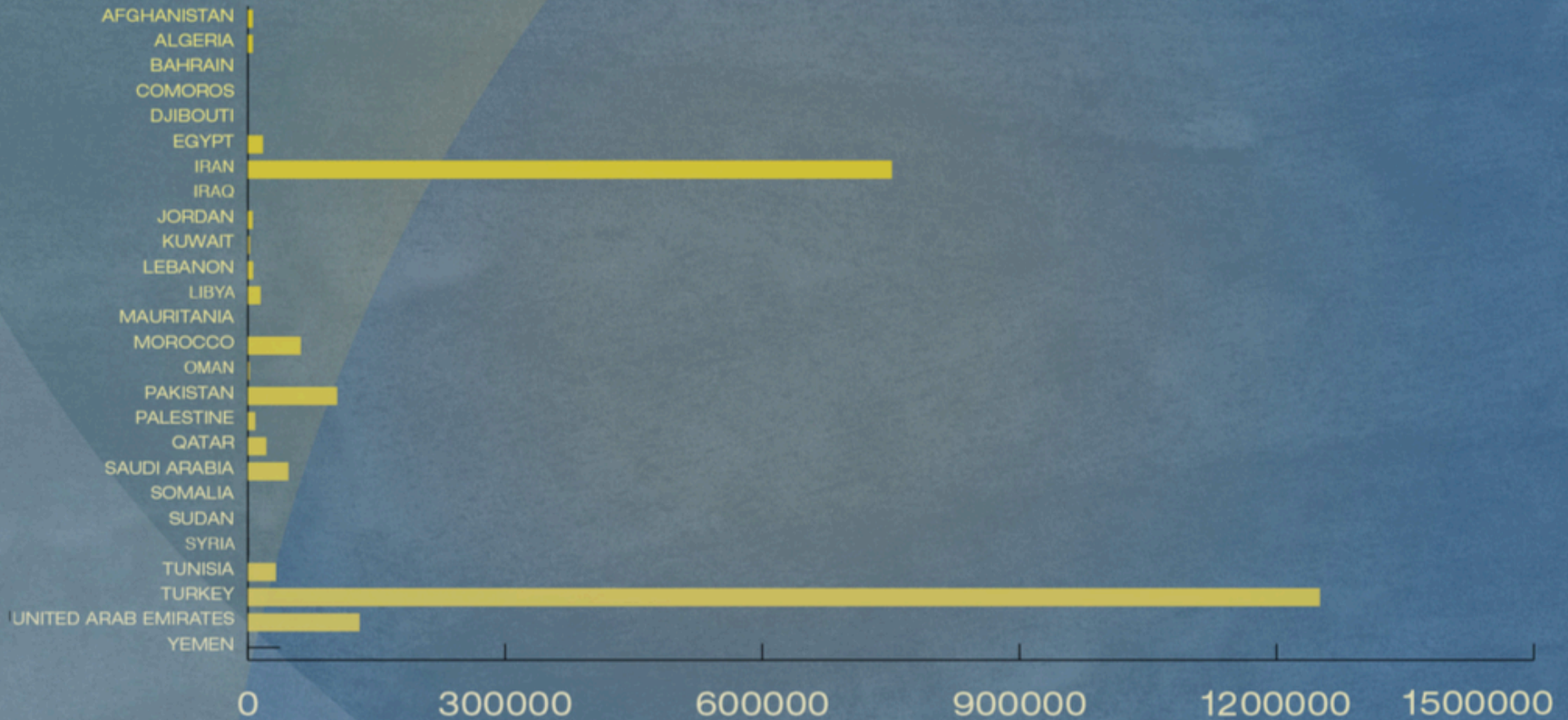
- Historical facts that resulted in the delegation or redelegation of the registry operator are still influencing a healthy registry development

- There is clear lack of consistent and regular registry involvement in the international TLD environment, including the regional TLD organisations, which are the cradle of best practices.

MEAC STUDY



DOMAIN NAME REGISTRATIONS BY COUNTRY, 2015



Keyword results

Hosted anywhere	Hosted in region	Hosted in region (exclude Turkey)
Web	Web	Allah
Net	Escort	Company
Year	Ankara	Designing
Escort	For sale	Goods
Ankara	Service	The web
For sale	The weather	Iran
Service	Special	Sales
The weather	Wild	Almighty
Special	Property	Web
Wild	Code	Buy
Property	Area	Year
Code	Father	Pray
Period	Turkey	Parallels
Area	For rent	Location
Father	Parallels	Net

Tech	News	Tourism	Commerce	Property	Religion	Public sector	Education	Social / blog
web.	article	ankara.	for sale	property.	allah.	transportation.	scholarships	cam.
net.	the weather	turkey.	Service	for rent	satan.	housing.	education.	social.
code.	news.	antalya.	Company	land.	zeal.	health.		follow.
the web.	weather.	istanbul.	Product	lease.				author.
parallels.	sports.	hotel.	Quality					chat.
systems.		iran.	Prices					write.
technical.		japan.	Goods					comment.
domain.		izmir.	Business					
hosting.		aeu.	Price					
system.			Corporate					
hostname.			Products					
computer.			Trade					
cloud.			advertisement.					
Internet.			Sales					
phone.			professional.					
mail.			Cheap					
			Flower					
			Bosch					
			Carpet					
			Customer					

Conclusions and recommendations



Conclusions

- One size does not fit all – a highly diverse region
- Currently, competition in local DNS markets is weak, resulting in poor choice and high prices for end users
- Lack of local providers, value add services, limited choice in payment options
- Multiple factors contribute to domain name patterns
- Feedback from registrars on fees, policies, and operations

Outlook for the DNS market

- **Good outlook from user perspective:**
 - Direct navigation
 - Uploading content to websites
 - Prefer interacting with government and business websites
- **Competitive environment for registries is hardening**
 - Worldwide, volumes have been flattening in past 3 years
 - Wider market, ccTLDs have tended to deregulate
- **DNS market in the region**
 - Strong percentage growth, especially in deregulated ccTLDs
 - Market is not saturated (low penetration of domains per 1000)
 - Preferences for local languages signal potential for IDN growth, but universal acceptance is essential

Recommendations – wider environment

- Basic Internet access issues need to be given priority
- All stakeholders need to work on strengthening local hosting markets
- A focus on ways to enhance local language content will benefit at least 50 per cent of users who prefer to use their local languages online
- Policies and investment should focus on supporting ecommerce

Recommendations – domain name market

- Room for diversity in business models and registry structure
- Local operators need to set clear strategy, measurable goals
- Liberalising policies can drive growth, but a sustained approach is needed
- Establishing strong circle of trust with key stakeholders is essential
- Rebranding can revitalise and support change of strategy for TLD
- Participation in regional ccTLD organisations or DNS centres can benefit emerging registries

Recommendations – domain name market

- Cooperate with other service providers to facilitate universal acceptance of IDNs
- Registrar relationships are key:
 - Consider starter programmes and incentives for new registrars at the local level
 - International registrars can intensify local competition, lower prices, and improve uptake
- Testimonials and registrar marketing schemes can drive uptake
- Enhance role of ccTLD in the local community
- Registrars should consider promoting domains together with value-add services

Questions?

