DUBLIN – Competition, Consumer Choice and Consumer Trust Review: Data Workshop
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KAREN LENTZ: Good morning, everybody. I'm very impressed that you all made it here on time for an 8:00 session. We're glad to have you.

This is the Competition and Consumer Choice and Consumer Trust Survey and Data Workshop. This gives us an opportunity to look at some of the studies and analysis that have been done, really intending to be part of the consideration of the review team that will look at the areas of competition, choice, and trust, but also I think of interest to a number of stakeholders and initiatives going on within ICANN.

We have with us, at the second from the end, Greg Rafert from Analysis Group, who conducted the phase I Economic Study. Next to him is Dave Dickinson from Nielsen, who will talk about the Global Registrant Survey that was published recently. Brian Aitchison, next to me here, will talk about some of the internal metrics that we've collected in recommendation from the community, actually from a group that was led by Jonathan Zuck over here. Margie Milam, to my right, will talk about the CCT review itself and how the plans for that are gearing up.

We'll wait just a minute.

Just in terms of the agenda and how we'll go about it, as I said, Margie will kick it off by talking about the context of the CCT review. We have it broken up into three sections.

Brian will discuss metrics, and we'll have about ten minutes of comments and discussion on that, and then for each of the survey and study we'll go through the presentation on this, and then have a chunk of time after that for questions and comments.

Are we ready? Thank you.

MARGIE MILAM: Good morning, everyone. I'll be talking to you about how we're going to kick off the review team starting in January. This is the review of the New gTLD Program, just to give you guys background for those of you who may not be aware of what's going on.

Next slide please. Next. Next. There we go.

Essentially, one of the important mechanisms we have to take a look at the ICANN programs and really examine how we're doing is under the Affirmation of Commitments, where there's a commitment that ICANN made to examine the extent to which

the New gTLD Program promoted competition, consumer trust, and consumer choice.

This review team will also look at the effectiveness of the application and evaluation process, and then the safeguards to mitigate issues that were involved in that expansion. As we knew this was going to be kicked off, it's been about two years since we've actually started some of the work in preparation for this, realizing that doing this examination would mean that the review team would want to have access to specific metrics and data to help support how the program has expanded in those areas.

As Karen mentioned, there was community work that was done. Jonathan Zuck was the head of that group where there were 66 metrics that were recommended as part of that work. As soon as those metrics were identified and agreed upon, ICANN staff had been developing the data and collecting it both from external sources and internal sources.

Then right away, we realized that there were probably some big amounts of work that needed to look at the consumer aspects and the competition and the economic aspects. On the slide, you see the links to the reports, and you'll actually hear from Dave and from Greg about the outcomes from those surveys.

Those surveys really were intended to set a benchmark so that we could see how the program affected competition immediately, but really, we were interested more in what's going to happen in about a year from now. Both of those surveys will be followed up in about a year to see how things have changed.

The purpose of publishing those surveys now were to essentially establish a benchmark so that people could be aware of what it was like right at the onset of the program, and then we'll have a lot of data in about a year to examine to see what changes have happened.

Now in terms of the timing, we have a call for volunteers for this review team. It's open through October. That means that essentially the group is probably going to get kicked off in January of next year, and we're anticipating about a year's worth of work.

But that's not a fixed date. It could take longer. These are complex issues, but we're hoping that the group can develop a work plan that will enable them to get their work done in a year, which would put the report at December of 2016.

Then typically what happens in these review teams is that the report goes to the board of directors, and the board of directors

decides whether they want to accept the recommendations, and that in turn kicks off either an implementation process or it could even kick off another policy development process if the review team makes recommendations about things in policy that should be changed.

So just so you understand what can happen from a review team, that's certainly happened in the past when we had, for example, the WHOIS Review Team. There were policy development initiatives that were kicked off as a result of those recommendations, such as the privacy proxy work that some of you have been involved with. That happened to get kicked off because of the WHOIS Review Team recommendations.

Just so you understand that the timeline is fairly long in the sense that even if the work gets done in December of 2016, there may be additional work related to the implementation or the policy development work that may follow. Next slide please.

As I mentioned, this is the timeline. We have currently the call for volunteers open. It'll close on October 30th.

We are looking for both volunteers that would serve as representatives of SOs and ACs, the Supporting Organizations and Advisory Committees, and we're also looking for independent experts that don't necessarily have to be

representatives of those groups. In order to determine who might be a representative of an SO or AC, we will be publishing the list of applicants on November 2nd, and that will give the organizations time to develop endorsements.

If, for example, you want to represent the GAC, your name will appear and it'll say which group you want to be affiliated with, and then the GAC has the opportunity to endorse you or GNSO or the CCNSO. There's certainly the ability to get endorsements from these SOs and ACs.

The Affirmation of Commitments specifies that the ICANN CEO and the GAC Chair determine who will be members of the review team, and so Fadi and Thomas will take those recommendations and consider them. We expect that the review team will be announced in December because that'll give them about a month to get the endorsements.

Then in December, that group will be announced, which means effectively that the group will probably start their work in January. As I mentioned, it could be about a year's worth of work, so this is really a rough estimate that the group would be finished at the end of the year in 2016. Next slide please.

I'm not going to read these criteria, but I think if you're considering applying for the group, one of the things that Fadi

and Thomas will have to consider is that the review team is a fixed group. It's not an open group. They want to make sure that the members can collectively address all of the issues that may arise in this review team. So you're looking at people that have familiarity with the New gTLD Program.

We want some expertise with consumer protection. Because rights protection mechanisms were very important in the New gTLD Program, we want at least some members with expertise in intellectual property matters, as well as mitigation of DNS and security threats.

Because it is looking at competition, if we can get individuals with experience with competition law or anti-trust, that would be useful, as well as really having an expertise with qualitative analysis and information systems, since we're going to have a lot of data to work with in order to determine how the New gTLD Program has impacted competition, trust, and those sorts of things.

What we're hoping for is at the end of this process, that we'll have recommendations that are fact based and also implementable and feasible. I think that's really important that once the group finishes its work, that it's something the staff can quickly take under consideration and adapt the program accordingly. Next slide please.

With that, I'll pause. Should we do questions now on this, or wait until Brian is done? Anyone have any questions about the selection process or the review team itself? Jonathan?

JONATHAN ZUCK: I'll just make a quick comment. This is a little bit tied up in the CCWG accountability because there was initially a recommendation that a new round should wait until the implementation of the recommendations of the CCT Review Team, and there was pushback on that.

The compromise position that was found is that the review team is probably going to come up with bifurcated recommendations: those that need to be implemented prior to a new round and those that can be implemented during or after the start of a new round. That's just one thing that will affect the timeline of other things, to some extent.

MARGIE MILAM: Thank you. Anyone else?

SÉBASTIEN BACHOLLET: Sébastien Bachollet from At-Large. My question is, how will we publicize more than this review team because it's not a working

group? It's really one of the review team from the Affirmation of Commitment.

I don't think ICANN is doing enough about publicizing that largely. I don't want to end up like the result of the gTLD program with no one from some regions that are not well served today. Then it's very important that ICANN take time to – and when I say, "ICANN," of course, staff needs to do, but the other group within ICANN needs to do it also. It's very important that we publicize it very largely.

I hope that even if you are asking for some knowledge, that it will not be the same suspects shooting once again from one working group to another to another to another because we also need a fresh view on this issue. It's not just people who have the best knowledge of how the program was built, but also how we will project in the future. Thank you.

MARGIE MILAM: If I can respond to that, we have the same concerns, as well. I've done an analysis. I have this information in our session later today that we're having on the affirmation of review commitments. The past ones that the statistics are we haven't had very good representation across the globe in past review teams.

What we've done is we've worked with our Global Engagement Team, and they've been pushing out the information through their newsletters. The vice presidents of the various regions are aware of this program and trying to get the word out through their communities to try to solicit more volunteers from the various regions.

We also made a pitch to the India Stakeholder Group that had a meeting earlier in the week about trying to get people with this sort of expertise from India to see if anyone would have interest, as well. We're definitely aware, Sébastien, of that.

But we'll take it back to our [Acom] team to make sure we continue the effort to get the word out.

SÉBASTIEN BACHOLLET: Here's another point. Some of you will see that I am re-coming with the same thing, but do you, somewhere, taking into account what's happened in the first run of New gTLDs, 2000, 2004?

MARGIE MILAM: I think that's information that can be shared with the review team, but I don't know if we have any specific statistics about the past rounds. I don't think we've done anything on that.

KAREN LENTZ:

Well, there were some evaluation exercises done previously, and that's certainly information that would be important for the review team to have access to, obviously.

I think it was in the economic study terms of reference, too, in the discussions with the group, they were interested in not just looking at the present state, but looking at what work that had been done in that area previously, so that's something that is good to keep in mind.

Can we go to Brian to go into some metrics?

BRIAN AITCHISON:

Yeah. Thanks, Karen, and thanks, Margie. I'm just going to talk to you a bit more in-depth about the CCT metrics and the CCT metrics page and show you a sampling of what's available on that page.

I think Margie covered this history pretty well. But you can see that this whole process really got its start back in December 2010. I won't re-cover what Margie already talked about, but I'll just say if you've ever been involved in any kind of quantitative data gathering or studies, you know that numbers are often

messy and difficult to find, so it can be quite a long process to get all this done.

While I have the time, I just want to send a shout out to Anna Loup, who is one of our hardworking interns who is listening right now, and she's been working very hard at cleaning up all the metrics and making it presentable for this page. Next slide please.

The metrics are gathered from a number of sources. Most of them are publicly available. You can see our gTLD application page, arbitration provider databases for rights protection metrics, the trademark clearinghouse databases, and ICANN and IANA databases, which many of are internal.

A lot of the metrics are incorporated from the efforts of Nielsen and Analysis Group. Dave and Greg will talk to you about that. But the ultimate goal is to build a data set to inform the work of the CCT Review Team. Next slide please.

It's broken down by category. The metrics are compliance, registries, registrars, domain name registrations, domain name navigation, and rights protection mechanisms.

The page is now available. Just a caveat that we do update the page with the latest data, but sometimes the data can be a

couple months old, as certain sources that we take the data from don't update as often. Next slide please.

We'll move into a few examples of the kind of information you can find. This particular metric is from our compliance category, and it serves as one of our proxies for consumer trust.

Compliance has a complaint ticketing system that tracks complaints by category, but this shows the amount of overall complaints that have been submitted to ICANN. It takes into account everything from WHOIS information, IP address issues, spam, viruses, and website content.

We have other metrics that track more specific compliance complaints. For example, on WHOIS. That's one of the metrics that's actually just been updated.

I should note now that it was this morning/last night that the metrics page was significantly updated. I just saw it as I was coming virtually into this presentation, so have a look at it if you're interested. There's a lot of new stuff up. Next slide please.

This one is quite straightforward. It's in our registry category, and it serves as a proxy for competition. It shows the total number of gTLDs before and after expansion of the DNS as a result of the New gTLD Program. So you see, it's quite a jump from 16 to 738. Next slide please.

This shows the number of new entrants that have entered the marketplace to run a New gTLD, and this serves as a proxy for competition, as well. These are companies that didn't operate a gTLD prior to expansion, but you can see there's also quite a jump there.

Also, just to be clear, we're talking specifically about registry operators, those who've signed an agreement with ICANN. We're not talking about registry service providers. There is a separate metric for that on the page. Next slide please.

Here we have metrics. That's one of our proxies for consumer choice, and it shows how many IDN TLDs are out there. As many of you may know, in the applications, registries had to indicate both language and script type, so there's obviously a strong correlation between the two charts.

Also note that Latin script has 677. I didn't include that in the chart, as it would make everything else look really small, but it can give you an idea of what's happening. You can see that most new IDN TLDs are in the Chinese language and Hans script at 38. Next slide please.

This metric shows the number of registrations in IDN TLDs as compared to the total number in New gTLDs, and it's a measure

of consumer choice, as well. Note also that these are cumulative numbers.

I realized as I was reviewing this this morning that the charts may be a bit confusing in terms of scale. The left chart shows the total number of New gTLD registrations. It's in millions, as you can see, so it's good.

But on the right, you have total registrations in IDN TLDs, and it's in the hundreds of thousands. You can say that over the first six months of 2015, roughly 10% of the registrations have been in IDN TLDs, more or less.

JEFF NEUMAN: Thanks. The IDN TLDs, that excludes also the IDN ccTLDs, as well?

BRIAN AITCHISON: I believe so, yes. Actually, that's a good segue into questions, Jeff. That's all I have for my portion of the presentation, so I'll open it up.

JEFF NEUMAN: I asked if it excluded, and they said, "Yes. It did exclude." But it doesn't say that there.

KAREN LENTZ: Right. It should be IDN gTLDs. It's looking at New gTLD registrations, the total population, and then of those, if you take the set that's IDN, that's the chart on the right. That should have been more specific. Thanks.

CHRISTOPHER WILKINSON: I recall that the preparatory group did actually ask for ccTLD data to be included, and I thought we agreed that it would be. But from a statistical point of view, it would be quite simple for staff, between now and the next edition, to update those charts to include the IDN ccTLDs.

KAREN LENTZ: Thank you, Christopher. That's correct. There was a lot of interest obviously in ccTLD data as part of looking at the overall landscape. I'll tell you that it's more challenging to get ccTLD registration data than it is to get what we get from registry reports. That's something they can continue. Did you have a question, Jonathan?

JONATHAN ZUCK: Yeah, just a quick question. It could be that this is just too early in the morning for me, but the two slides you showed before

were the number of gTLDs before and after and the number of registry operators before and after.

I'm confused at how the number of registry operators could have been bigger than the number of gTLDs. I would think it would be less. Some of them have more than one. VeriSign's got .net and .com.

KAREN LENTZ: Can you go back a couple slides?

JONATHAN ZUCK: Maybe I'm just not understanding what you're showing. See? Legacy registry operators is 20, but if you go back a slide, the legacy gTLDs is 16. That seems illogical to me, unless I'm missing something.

KAREN LENTZ: Yes. You're right. We'll take a note of that. Thank you.

Any other questions on this section?

JORDYN BUCHANAN: In that same data set of registry operators, especially looking at new ones, it doesn't look like you're making any attempt to

distinguish entities where there is common ownership. Donuts is being counted as one per TLD, as opposed to because they have a lot of subsidiaries …

UNIDENTIFIED MALE: Those are being tracked.

JORDYN BUCHANAN: Oh. They are being tracked separately. That data is just not in this presentation. Okay, great.

KAREN LENTZ: Any other questions on these metrics? If not, we can go to the next section. Greg?

GREG RAFERT: Thank you, Karen. As Karen said earlier, my name is Greg Rafert. I'm with Analysis Group. Next slide. Next slide please.

This work is joint with Catherine Tucker, who is an economist and professor at MIT Sloan School of Management. She wishes she could be here, but she's teaching a lot these days.

We were retained by ICANN to assess and understand the competitive effects associated with the New gTLD Program, with

an eye towards both the past, current, and the future with much more of an eye, as Margie indicated earlier, to looking towards the future because the New gTLD Program is still relatively young.

Also, as Margie mentioned, this report is really designed to establish a baseline for comparison from approximately a year from now where we can see, hopefully, how competition has changed as a result of the rollout of the program. Next slide please.

In thinking about competition, at least in the report, we've primarily focused on competition among registrars and registries on two primary factors, so both on prices – and you'll see some data on that – but also on non-price factors.

These are kind of squishy, but you could think about things that allow registrars or registries to try and differentiate themselves from other registrars or registries: product differentiation, add on products that are offered when you go to register your website, things of that nature.

To that end, we sent requests to both registries and registrars for a sample of New gTLDs. It was for 109 New gTLDs, and then 14 legacy TLDs. The New gTLDs in particular, the sample was designed to sample from those that had been historically

popular, but also more recently popular. When I say, "Popular," I'm just saying a mean number of registrations.

I'll just note – and we'll see this in a little bit – that we were careful to make sure that at least some of the New gTLDs that we were selecting represented each of ICANN's five regions, and also that some of them included IDN in the string itself.

We sent these data requests. Unfortunately, we didn't quite have the responses that we had hoped for. Registries were quite responsive. We received a fair amount of wholesale data from the registry operators.

Registrars, unfortunately, didn't provide much in the way of information, so we ended up going to the actual websites of the registrars and collected publicly available information from them on both the prices for a one-year registrations, but also for any add-on offerings as well while we were there. Next slide please.

I think, before we start diving into some of the initial baseline results, it's important to understand some of the study limitations. I had mentioned that we had high hopes for some of the data we might get. In particular, one of the things we wanted were really detailed transaction level data to answer questions, such as, do consumers view a given legacy TLD as a substitute

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for a New gTLD, or do you see substitution across New gTLDs for consumers?

For this, we really would have liked to have received transaction-level data. We didn't. We're still holding out hopes, but we'll see if that comes in.

Then I think there are historical reasons and also current reasons why there are some limitations that we can't really address in the study. For example, legacy TLDs are subject to price caps. There are different costs in terms of getting into the market. Those types of factors might play into interpreting some of the results that you see today, but also that you'll see a year from now. Next slide please.

Before we dive into a summary of the results, I just want to give you a little bit of a sense for the data that we ended up using in our study. If you look at that top row way up there, you'll see that I didn't lie to you when I told you that we were hoping to collect data for 14 legacy TLDs and 109 New gTLDs.

Then we collected a variety of information. You can see that there's information on sunrise prices, wholesale prices. When I say, "Wholesale," we're thinking about the price that registries charge to the registrars.

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Retail prices, that's the prices, at least as we've termed them, that the registrar is charging to the ultimate consumer. Then finally, registration volume data, which we obtained from monthly transaction reports.

In each of those panels, there's a percentage that shows up in the second row. What that gives you a sense for is, for example, for sunrise prices, you'll note that we obtained data for five legacy TLDs, but it encompasses only a really small percentage. In fact, it rounds to zero here of total registrations. But then when you look at wholesale prices, for example, you can see, we have much better coverage in terms of our sample. Next slide please.

Then just to give you a little bit of sense for some of the geographical breakdown, this looks at the location of the registry, and you'll note that we certainly have more registries in Asia, Europe, and North America, although we do have a couple in Latin America and in Africa. Next slide please.

Just to give you a summary of the results – and if you were at the panel on Monday, you've already seen this, but we'll go through it for those of you that weren't able to attend. We first find that registration shares across both registries and registrars are more dispersed for New gTLDs as compared to legacy TLDs, and we'll see a table that gets at this in a little bit.

We see that New gTLD wholesale prices are on average higher than those for legacy TLDs. But in thinking about that result, you want to think about this idea of the price caps that exist.

We also see that new gTLDs have a little bit more price dispersion as opposed to legacy TLDs. We'll see some examples of this.

Then finally, when you think about add-on products and their price relative to the price of registering a domain name, the add-on prices are typically a fair amount higher than what you would have to pay if you registered the domain name itself.

There's a little caveat here, and I think we've addressed this to some extent. But it's important to note that the results we're seeing and we'll talk about today, you can't look at them and say, "Oh, there's high levels of competition," or, "There's low levels of competition."

There's other explanations, and this last sentence on this slide provides some, which is to the extent that a set of gTLDs are really able to differentiate themselves from others, they may be able to, for example, charge higher prices than they would otherwise be able to charge. Next slide please.

Unfortunately, this table is a little small and hard to read. I apologize for that. But this goes to the first result that I

mentioned, which is registration shares across registries. If you look at that middle column, you'll see the share of legacy TLD registrations for a set of registries. VeriSign is up right at the top, which probably won't surprise too many people.

There's a set of the top registries in this table, and if you go all the way down to the last row, you'll see all others. It's .2%. Most of the registrations are accounted for by a relatively small percent of registries.

If you then go to the last column, here we're looking at the share of New gTLD registrations. You see it begin to disperse a little bit more, and you'll also note that the All Others column at the bottom has really jumped up. It's suggesting there's more of a right tail in the distribution of registration shares. It seems like there's a little bit more dispersion. Next slide please.

This is a slide for registrars, so we've changed now. Once again, the story is pretty similar. GoDaddy has a pretty significant share of the legacy registrations. But once you move to the gTLD registrations, their share drops down, and you see others beginning to come in.

Once again, the All Others row at the very bottom in the second column moves from 20% to 46%, once again, suggesting there's a little bit more of a right tail there. Next slide please.

Now we're moving to some of the price data that we were able to collect. This chart plots legacy TLD wholesale prices over time. I'll just note that we excluded .travel because its wholesale price was quite high. I think it was $80, if I remember correctly.

I think there's a couple things to note here. The first is that you see slight price increases over time, although nothing significant.

The other is if you notice the Y-axis, the prices at the end of the period range from about $6 to maybe $8.50. There's not a lot of dispersion amongst wholesale prices for the registries. Next slide please.

This is a continuation of that point. There are two side-by-side plots here. The first looks at wholesale prices. That's the left one. Then the second one looks at retail prices or registrar prices. That's the second one. Just to orient you, the yellow bars are basically New gTLDs. The legacy TLDs are represented by the blue bars. It's just to get a sense for where the mass of prices is located. What you can see is that for legacy TLDs – ignoring one outlier, which is .travel – in general, the prices are pretty concentrated or not dispersed. Yes?

UNIDENTIFIED MALE: When you're doing wholesale prices, I understand you excluded the sunrise, but did you also exclude launch programs, either early access programs or others, where as you're launching, the price is – obviously, even wholesale is a lot higher than the steady state general availability?

GREG RAFERT: I believe we did, but I would have to check for sure.

Go ahead.

CHRISTOPHER WILKINSON: On that point, I'm also conscious of the few registries in effect charging zero for preselected registrars, and I wondered if you've been able to abstract that syndrome from the data. Naturally, these zero charges relate to business relationships or cross-ownership.

GREG RAFERT: My understanding is that we have, but once again, I would just need to double check. But I'm pretty sure that we did.

I'll just note that as coming from an economist background, we're quite accustomed to questions during our talks, so feel free to just keep peppering me with questions while I'm talking. I

feel weird talking and not getting lots of questions. Next slide please.

Then finally, I had mentioned the concept that when you look at add-on prices, the add-on prices compared to the cost of registering a domain name are relatively high relative to the price of the domain name. This just gives you a little bit of a sense for some of the data that we collected with respect to add-on prices from registrars. Once again, these were only publicly available from the registrars' website, and there's a fair amount of distribution even within, I think, relatively narrowly defined categories, in part just because the offerings that registrars provide are quite diverse. Next slide please.

In terms of next steps, we've published the baseline report. It's available on ICANN's website, as Margie mentioned earlier.

In terms of going forward, what we're going to do – and we'll probably be seeing many of you less than a year from now – is we'll be updating the report. We'll be collecting additional data. We'll be sending additional requests out to registries and registrars. We'll continue to hope and pray that the registrars decide to provide transaction-level data or if we can get any from secondary market facilitators, as well.

I think that's it. Are there any other questions? Yes?

JEFF NEUMAN: Phase II, I think one thing that's really important is renewal rates. I think that's key because the total number of registrations, as Mr. Wilkinson has said, there were some registries that gave away large quantities of registrations for free, and to see what happens upon renewal, and not only what happens upon renewal, in terms of number of registrations, but what those registries have to do upon renewal to entice renewal rates.

Did those that offered free registrations also offer free renewals? Or did they go to their steady state price? Or did they discount in order to get additional renewals in?

GREG RAFERT: I agree. It's something that's definitely on our mind, and we'll be collecting data on that.

JONATHAN ZUCK: Thanks. What's interesting watching this presentation – and thank you for it – is that we begin to ask ourselves what the questions we're going to ask of the data and what impact things had. One of the things that struck me was your geographic distribution, for example, and that was a forced distribution on

your part, a sampling distribution. It didn't reflect any natural distribution of registrants or anything like that. So it's a question of trying to get a couple from Africa and where else? I forgot there was another place where there was a couple from.

GREG RAFERT: Latin America.

JONATHAN ZUCK: Latin America, as opposed to that being reflective of anything, right? That was just your choice to do that.

GREG RAFERT: You're pretty close, I think. The only tweak I would add is, developing the sample, we really based the sample on both historical registrations of gTLDs and more recent registrations. Then once we had done that, we then went back and said, "Okay. Well, do we have all of ICANN's regions covered? If so, check."

It actually turned out that just by the sampling procedure that was based off of registrations only, we ended up with that distribution of registries across regions, if that makes sense.

JONATHAN ZUCK: So you didn't have to shove a couple in there at the end?

GREG RAFERT: We did not.

JONATHAN ZUCK: It fell out naturally. That distribution may change over the course of the year?

GREG RAFERT: It might.

JONATHAN ZUCK: What implications would that have on the [deltas] that we'd be trying to look at?

GREG RAFERT: That's a good question. We'll have to give some thought to that.

One of the things that we'll definitely be doing in the follow-up phase II report is adding additional New gTLDs to try and reflect what happens between now and then. But to the extent that we want to make sure that we're over-sampling or getting a different distribution from different regions, that's something that we should consider.

MARGIE MILAM: Greg, could we go back to that slide with the geographic regions? I don't know which slide that is. My question – and I'm not sure I know the answer to it – is that's just of the registries that were in your sample, or was that of all registries at the time?

GREG RAFERT: Yeah, you're right. You're right. I was completely and totally wrong.

MARGIE MILAM: The sample did include an analysis that you wanted to make sure there were all regions covered, but for this particular slide, we wanted to make sure we looked at all, not just the ones that were in the sample.

GREG RAFERT: Yeah, that's right.

JONATHAN ZUCK: Then I guess I don't understand. Maybe I don't understand the answer to that question then. Is this indicative of all, is what you're saying?

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GREG RAFERT: This is where all registries are currently located.

JONATHAN ZUCK: It doesn't add up to enough, though.

GREG RAFERT: Yeah. Apparently, any table that involves actually tabulating registries is having a hard time today. Yeah. We'll go back and check.

UNIDENTIFIED MALE: Jonathan, I'd assume that you would [inaudible].

JONATHAN ZUCK: No. Karen is.

GREG RAFERT: One thing I was going to add is I think it would be helpful within our sample to show the geographical breakdown of the registries.

JEFF NEUMAN: Unless that's unique registries because that was the second – family of registries. Donuts, in essence, would be counted as one North American.

GREG RAFERT: Yeah. That's certainly a good explanation.

JONATHAN ZUCK: On the competition level, that's definitely a factor on choice. I think we're also interested in how things like the joint applicant support program worked in encouraging registries to pop up in other places, and so those raw numbers would be useful, as well.

Again, it comes down to the questions that we would be asking of the data. It's almost like we need to make a fake version of it a year out and then see if we can ask the right questions from the study. But it'll take more thought.

CHRISTOPHER WILKINSON: First of all, you need to look at the effect of cross-ownership and vertical integration on this because I'd rather assume that GoDaddy has a portfolio, and one of their strategies would certainly be to make sure that the members of their portfolio were not competing with each other.

Here, I'm surprised that 65 for Europe. I would assume, unless you correct me, that that includes a significant portfolio in Gibraltar, which by and large are certainly not European companies. They're tax haven operations.

I think that in terms of the geographical distribution, you need to be a little bit more subtle as to where you think these registries are coming from.

GREG RAFERT: I guess, as you're saying, taking into account either this horizontal or – I think in this case, it's horizontal integration.

CHRISTOPHER WILKINSON: In some cases.

JEFF NEUMAN: I think these are the ICANN regions, as opposed to any kind of taxation because I don't think they're accounting for, let's say, Uniregistry in the Cayman Islands. I think it's just literally the ICANN regions, as opposed to any kind of taxation structure.

CHRISTOPHER WILKINSON: No. But coming from [inaudible].

UNIDENTIFIED MALE: [inaudible]

KAREN LENTZ: Thank you.

JEFF NEUMAN: Actually, that's interesting because there's also assignments that happen too. An application may have started in Europe, but then now has been assigned to North America, so you have to look at the geographic distribution as it settles.

CHRISTOPHER WILKINSON: Location and ownership. Just cross-reference.

KAREN LENTZ: Thank you. We typically use the ICANN regions for most of the statistical things that we do. But I take the point that we can add some of the underlying data that will help interpret that. Are there any other questions on the economic study before we move on?

JORDYN BUCHANAN: Yes. I have two questions. One is about price data and one is about substitutes.

On the price data, I think you mentioned the public session -- maybe not here -- that one of the effects that we're probably seeing is the effect of price caps on the legacy TLDs, which aren't present in the new ones. But one thing that might be interesting to look at in order to try to normalize for some of that effect at least would be if we could compare similar strings registered across the legacy versus New gTLDs.

For example, there's premium prices set in the New gTLDs. In particular, I think what we're seeing, if you were to go out and try to buy, let's say, shoes.com or something like that, that would be already registered. You might have to buy it on the aftermarket or something like that.

The wholesale price isn't actually very relevant from a registrant perspective at that point, versus if you want to get shoes.store or something like that. I don't think store is delegated, so you can't do that. But that may be a lot cheaper actually from a registrant perspective in terms of actually being able to acquire that domain today.

If you take some specific strings and look at availability across different TLDs and what the price point would be, either in the

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aftermarket or the primary market, it might be interesting to understand what the range of consumer options actually looks like.

GREG RAFERT: Yeah, and I totally agree. It's why we've really been pushing to get some of that either secondary market data or transaction-level data from registrars.

JORDYN BUCHANAN: Right. The other question is on other types of substitutes. Is there any attempt to look at other types of identifiers and how domain names – now people are using apps or maybe people have Twitter identifiers or Facebook accounts or something like that. Are these other types of things meaningful substitutes for the way people are using domain names?

That gets much harder, but it's probably more of a qualitative study initially. But then maybe once you do some qualitative look, you could then try to go look and see if there's some quantitative analysis that you could do to back that.

GREG RAFERT: That's a really good suggestion. Thanks.

CHRISTOPHER WILKINSON: I'd just like to support the first part of that comment because a great many of the New TLDs, although they appear at first sight to be generic, they are designed to create an identifiable if not an exclusive market, which is not competing with anything else.

In the extreme case, take the ones that, I suppose I would have to say, are candidates for the PICs (Public Interest Commitments). I would exclude those from this. .bank is .bank. It's not going to be competing with .shoes or dot something else.

GREG RAFERT: I think your point is well taken. One of the things that we didn't include in the presentation but we do in the report is we do – and something that we'll be looking at especially in the subsequent report – is we group sets of gTLDs into sets in which there might be some level of competition, and we'll be tracking them over time to see both what happens in terms of the registration shares, but also in terms of their pricing.

SAM LANFRANCO: This is an economist asking an economist a question. All the complications around price and quantity here for a very heterogeneous product are extremely important for the

industry. Is there any evidence in here that would be relevant for anti-competitive behavior in terms of public policy? Are there any risk areas that get flagged?

GREG RAFERT: We haven't identified any yet. I think the approach was to establish a baseline in this case, and then to address or at least certainly think about what you're mentioning right now with respect to anti-competitive behavior and how it might be identified or noted. Yeah.

CHRISTOPHER WILKINSON: I've already commented on that matter in relation to the preparation for the study, so I won't bore you with it now. May I just draw your attention to a more political procedural aspect of this study?

I've been in different meetings during the week, and one extreme, there are a group of people who responsibly consider that there should be no New gTLD Program at all until the full consequences of this analysis and the conclusions have been drawn. There is another group, which was quite vocal in the board meeting with the registries and registrars, who say that they want to have a New gTLD Program as soon as possible and

have no interest whatsoever in studies that might delay the process.

I just draw your attention to the fact that the eyes of all wait upon you, oh, Lord, and don't waste time. Thanks.

GREG RAFERT: Thank you.

JEFF NEUMAN: On that note, I think that that's the two extremes. I think most people would probably be somewhere in the middle. You're always going to have the extremes.

I think there's yet others that are calling for a limited round that wouldn't necessarily depend on the study. There are some that argue, for example, that there should be brand TLDs that could come out, and it doesn't really matter how the competition study comes out because they don't view themselves as competing in the TLD market. There's lots of different dynamics at play.

CHRISTOPHER WILKINSON: First round, whatever those dynamics were, they were broadly ignored, and the program was completely open to all comers. You got what you wanted.

KAREN LENTZ: Thanks for the discussion. Let's move on to Dave. Sorry. I didn't realize there was another question. [Cristina].

[CRISTINA FLORES]: It's a question from Edmund. He just wanted confirmation on the slide, whether the legacy TLDs include ccs or not.

GREG RAFERT: They do not include ccTLDs. We were not able to obtain pricing data from them.

[CRISTINA FLORES]: Thank you.

KAREN LENTZ: We'll move now to the Global Registrant Survey. Dave?

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DAVID DICKINSON:	Thanks, everyone. As with Greg, I am happy to field questions as we go along. Thankfully, I didn't have to tabulate any registries for this.
	Background – this is looking a little different. This was part of a community driven – well, I'll read what's up here. The goal here was to assess the current TLD landscape, as well as to measure factors, such as awareness, experience, choice, and trust with New gTLDs and the domain name system in general.
	So we did two groups. They seem to be missing there, but one of them was consumers and end users and the other one was registrants. The consumer survey was presented earlier this year. This is the registrant component. The content of the surveys is very similar, and in fact, the results have a lot of similarity between them. If you're familiar with the earlier consumer survey, you'll see a lot of similarity here.
	We can go on to the next slide, which is missing all the content. I'll just speak off of my version here then.
	Who was in the study? They had to be 18 years of age or older. They had to have registered a domain name previously, and they had to have been the primary decision maker for that domain name.

We conducted a total of 3,357 interviews across 24 countries and in 17 different languages. Those are all spelled out on the actual slide.

As we go through the report today, you might be able to see little red or green dots that signify the significance. Those are computed against the global average. If it's green, it's significantly higher. Red is significantly lower.

I'll hold here for a minute just to see if we get the display working.

JONATHAN ZUCK: It's weird. It's light colored.

DAVID DICKINSON: No. It's shifting the location on the slide, as well.

For anyone who is listening, we're having trouble with the display here in the room, and we're just trying to get it resolved.

JONATHAN ZUCK: How was most of the data collected? Was it phone interviews or web surveys?

DAVID DICKINSON: Online web survey.

JONATHAN ZUCK: Was that pushed or self-selected?

DAVID DICKINSON: A sample source came partly from ICANN who provided a sample and partly from – Nielsen maintains a large database of global Internet users, and so part of it was fielded through the Nielsen database. We had two sample sources.

On the registrant sample, they were invited to join via e-mail, and there's a similar process for the Nielsen sample. There are people who, on the Nielsen side, have opted in previously and been validated.

That one looks pretty good.

KAREN LENTZ: The first few only have that problem. If you keep going, they'll get better.

DAVID DICKINSON: That's all the background. We can go into the results, which would be the next slide.

We'll start off talking about awareness of the New gTLDs. There's probably three points to make or maybe four.

One, we obviously couldn't test awareness of every New gTLD, so a subset was chosen, and that was consistently presented to respondents. You see those results in bubbles on the right hand side.

65% of the sample was aware of at least one of the gTLDs in the set. The largest was for .email, and the second largest was for .link, then we saw .club, .guru, and .photography in that order. .xyz and .realtor were the least well recognized.

Another one of the things to note here is that consistently in the consumer data and in this data, we tend to see that extensions that seem interpretable or seem familiar get higher results. That perceived familiarity is something that we'll want to obviously look at. This forms a baseline. We'll be wanting to look at the momentum in those. We also think it's one of the potential advantages of the New TLDs.

The second thing is you'll see as a question was asked in the general session that awareness levels in general terms are higher in Asia and in South American than they are in North America, Europe, or Africa. That was particularly true in Asia for the top three there and also South America for .link. But in

general, when you look at that top number, overall awareness was higher in those geographic areas.

Again, I think the point is here that this forms a baseline. This is where people say they have awareness now. What we'll really be looking forward to is seeing the momentum in that as we go to the next wave.

The next slide shows average awareness and visitation, which is interesting to look at. On the left-hand side, we have the legacy gTLDs, and you can see the top three. .com, .net, and .org had an average awareness level of 81%. For the group that contains .mobi, .pro, .tel, .asia, and .coop, that drops down to 19% average awareness. Then the geographically targeted TLDs, the awareness within their regions jumps way back up, so those have relatively high awareness within their regions.

I'm going to skip the visitation. We'll talk about that in a second.

The New gTLDs, both the generic and the geographically targeted extensions have lower average awareness. As we go forward, we'll consider how interested we actually are in average awareness because many of the New gTLDs are inherently more affinity oriented and getting to the level – a very high level of average awareness may not be something that we'll really expect to see.

It's this data on the next slide that shows the combined awareness, if I'm aware of any of them. Over all the sample, 99% were aware of at least one of the gTLDs that we tested. I don't know who the other 1% was, but probably just measurement error.

The high group – .com, .net, .org – 94% said they were aware of at least one of those, and then you see how that drops down, and then pops up again for the geographically targeted TLDs.

For the New gTLDs, that combined awareness is 65%, which mostly comes from the reference set of generic extensions: .email, .photography, .link, .guru, .realtor, .club, and .xyz. The geographically targeted, which were a few IDN, and also things like .berlin, .london, have lower overall awareness. Again, it's because one, I think that it's earlier for them, and that they have relevance within their local area, but not more broadly.

JEFF NEUMAN: What's a geographically targeted legacy gTLD?

DAVID DICKINSON: I'll tell you. Well, the specific ones aren't listed here, but I think it would be something like .uk. No?

EN

JEFF NEUMAN: Those are ccTLDs. That's okay if it's just not…

DAVID DICKINSON: ccTLDs were what? Are geographically targeted, weren't they?

KAREN LENTZ: I think it depends on which data set this is meant to reflect because we did have – in the survey show some ccTLDs. I think we also, in the case of regions, showed some relevant IDNs in the New gTLD sample. So I think we were trying to find a term that would combine both of those types of TLDs that wasn't really long. I think that's what we meant. But I think it's not clear from the headings on the slide which group we're reporting in those percentages. We'll look at that slide. Thanks.

CHRISTOPHER WILKINSON: It was specifically in relation to the awareness that we did ask to include the comparison with the local ccTLD, which in many countries is the most aware legacy.

DAVID DICKINSON: I can easily pull that. It's not on my notes on this slide. I can easily pull that up and answer it. It'll just take me a few minutes to open a file, which I can do at the end.

JONATHAN ZUCK: This is registrants, right?

DAVID DICKINSON: Correct.

JONATHAN ZUCK: These are all people who have in fact registered a domain name?

DAVID DICKINSON: Self-reported.

JONATHAN ZUCK: Was one of the questions which domain they registered in? Do we know?

DAVID DICKINSON: I don't believe we have that information. I remember that we asked if they had multiple registrations, but I can't remember specifically if we asked. Karen, do you remember? Did we ask that?

KAREN LENTZ: I thought we had, but I'm not [inaudible].

DAVID DICKINSON: I can open up the full report and look at it in just a moment. Next slide.

This is the comparison of the awareness of the New gTLDs between the consumer and the registrant samples. You can see that the combined awareness is about 20 points higher for the registrants than the consumers, and as you go down each of the individual extensions, it was included in the reference set. You can see it's consistently higher across the board.

This group, in general, as you look at the characteristics of this sample, they're a bit more informed about the processes, a bit more savvy in general terms, if you will, higher awareness levels. Next slide.

Just a quick point to make. We had the same finding from the consumer survey that visitation rates tend to follow very closely. If I'm aware of a gTLD, I tend to have visited it, so visitation follows closely on the heels of awareness.

What that reflects in part is there's a dynamic of why people – they're looking for something, which is how they become aware of a domain. It's obvious that most of them are going to have learned of that in that process, and so have an intent to go there for some reason. Next slide.

There are three points here. We start to get into trust. We're out of awareness and visitation, and into trust levels.

The level of perceived familiarity tends to correlate strongly with the level of trust. The more I feel familiar or feel that I'm aware of a gTLD, the more I'm likely to trust it.

We looked at some other issues in terms of trust. One was there's this dynamic that we saw on both studies that there's a general aversion to extensive restrictions on purchase of gTLDs or domains. But there's an acceptance that if I know that there are some purchase restrictions for that, I tend to have a little more confidence or trust in that.

We might say that the general takeaway is that they want a light hand, but they still recognize there's value in those restrictions.

The other interesting thing is that, as I said, this is a somewhat more sophisticated group than the general online consumer group. But they are actually more likely to say they have modified their online behaviors because of concerns about bad behavior on it. So they're more likely to say that they have individually modified their online behavior in order to avoid problems.

Trust levels down below and the bars, you can see, for the legacies fairly high trust levels in general. Lower for the New

gTLDs, but that's not surprising since they are newer to the market, less familiar, less well known. Next slide.

We also looked at trust in the domain name industry. What we find is that while the registrants are even more likely to say they've come across some form of bad behavior out there, largely, their overall perceptions are similar to the consumers. They actually tend to – even though, they've had more exposure to the bad behavior, they have less fear about it.

Again, we think knowledge lessens fear, and that's what we're seeing here. That fear, however, is still widespread and fairly strong, and they're not necessarily sure, they're not really any better at knowing what's going to help protect them or what steps they should take if they do observe bad behavior than the consumers were. So there's still an education option there for what to do.

We didn't find any strong correlation between awareness of abuse or experience of abuse with their trust in the domain name industry. Whether I've seen those behaviors or not, I still have the same general level of trust in the industry as a whole. If I fear the abuse, I'm actually more likely to trust the industry. We're not quite sure why that is other than just a general reflection that you're out there and keeping an eye on things, I suppose.

The trustworthiness between consumers and registrants is on the next slide, pretty similar. A little bit higher trust level for some of the less well recognized new extensions among the registrants, but overall fairly close.

On the next slide, we did ask this. Sorry. Gosh, it's early in my time. It's what TLDs they had registered. .com, the largest; .net and .org following; .info, .biz, and then these are the legacies, which ones there had been registered.

Again, you see a stronger prevalence of .com and .net in North America. Those are relatively lower in other parts, particularly in Europe. Next slide.

We asked them what factors drove their decision about what gTLD to purchase. The perception that it was well known is the dominant factor, followed by price.

Then secondary lower level concerns. Everything else that I wanted was already registered, so it's what was left to me. That sort of thing, and that it's new, that it's different, relatively small influence. However, we did see that pop up in Asia, a general sense that newness was an advantage. Next slide.

This looks at – the term I've been using is bad behavior. This looks at the bad behaviors that we had them report about, and then specifically, what they did to try and counteract these bad

behaviors. You can see in both categories, registrants and consumers, for all of these, the number one action is to purchase antivirus software, whether or not that's actually going to help them against some of these things.

Then the second is that they changed their Internet habits. That's particularly strong for things like phishing and stolen credentials. The pink boxes, which aren't showing up there, sorry. The registrants are a little bit less likely to have said that their answer was they purchased anti-virus software for phishing and cyber squatting. That makes sense, but it's not a big difference. They're more likely to have said that they changed their Internet habits, purchased an identity protection plan, or stopped making online purchases altogether. A relatively small number of people gave that response, but it is higher among the registrants than among the general consumers.

I apologize for the display problems, but that's the end. There's much more data in the report. I can open up the full report and provide the answers of which – ccTLDs legacy what was in that group. Any other questions?

KAREN LENTZ: Thank you, Dave. We're actually at the end of our time, but I'll leave a couple moments open in case there are any questions. We'll be around afterwards, as well.

JONATHAN ZUCK: A quick question. A lot of reason we asked for this survey was around this issue of trust. One hypothesis is that TLDs with some kind of a public interest commitment, like .bank or some of the pharmacies, etc., might help make people feel more trusting of the DNS generally. I'm curious, because it feels like where that would show up is in your trustworthiness of the gTLDs, and if it's not part of your sample, that could be a problem.

The other is the modification of behavior, like I only bank with somebody that has a .bank or something like that. I know that the review team will be interested in whether or not PICs had an impact on trust in the DNS.

DAVID DICKINSON: Yeah. I think that's likely a line of questioning to look at incorporating into the next wave once the New gTLDs are more established and we see more adoption of that. Those dynamics would be good to explore.

[CRISTINA FLORES]:	There's another question from the chat pod, I think probably for Karen.
	It's from Patrick Myles. "Does ICANN have any way to get data on gTLD registrant location breakdown by country? Is this, or would it ever be, a public data resource?"
KAREN LENTZ:	Thank you. That's actually one of the metrics that Brian discussed earlier in the presentation. It's not one of the ones that we talked about here, but that was actually one of the ones that was recommended. I think it was looking at the New gTLD registrant population geographically, and so we are looking at some data sources to try to obtain that, which would be on that page that's listed in the slides. Edmon?
EDMON CHUNG:	I have two questions on the trust part. The first one is the first slide that you had, is it trust for the registry or trust for registrations within the TLD? That seems to me a very big difference there.
	The second question also is interesting. You mentioned in passing that even though they met issues, their trust for the industry actually is inversely related. I think that is a very

important point, in fact, and shouldn't be mentioned in passing. It may mean what exactly you speculated on, is that they thought there were problems and issues, they had an experience, and they saw how well it was handled by the people in the industry. So just those two points.

DAVID DICKINSON: To the first one, we asked both. We asked them what their level of trust was. There's a lot of data that's not shown today. We also asked them a variety of factors that influence their trust level in individual domains.

Then we also asked about their trust level in the domain name industry in general relative to other parts of the technology sector. To that piece, you do as well or better than any other part of that sector, so that's the good – online marketers are in there, those sorts of things.

The general thing that we also didn't show is that when they think about the bad behavior, they don't think that it's really the domain name industry's or ICANN's role to police that. They tend to say that that's the job of consumer protection agencies or law enforcement agencies. It's almost that they don't really associate that as the industry's job to police, so it's really an independent thing.

I think that bit about those who have fear are more trusting, again, I think we see that there's a pattern that they've taken steps and they're just more confident in how to navigate.

JORDYN BUCHANAN: With the visitation data, is there any plan to supplement the self-reported visitation data with instrumented user behavior data, looking at what people actually navigate to?

DAVID DICKINSON: Yeah. At that point in time, that hasn't been discussed, and for the second wave of this survey, it would be to look at changes in the self-reported behavior. But certainly, an instrumented version will generally provide you with – one's recall and best memory versus actual behavior, and those are never the exact same thing.

CHRISTOPHER WILKINSON: Again, I join Jonathan in thanks and best wishes for the next phase of the work. It's difficult. It's complex. I'm sure I'll have some more questions when I've re-read your slides, which are not very legible here, and re-read the whole report. As for asking questions, I think there's some of us in the room who don't think the data about which websites we visit should be available.

DAVID DICKINSON: Well, yeah. That's beyond my remit here.

Just quickly, examples of the geographically targeted domain names. They were basically the country specific: .mx for Mexico, .ca for Canada, etc. We looked at, within each of the countries, whether or not they were aware of those, had visited those. When you narrow that down towards the area of relevance, both the trust levels and the awareness levels are way up for the legacy ones, not yet for the new ones.

SÉBASTIEN BACHOLLET: First, a comment. I think it's very important that we label exactly what it is because we spend a lot of time about knowing if it's gTLDs, is it ccTLDs, or is it all TLDs? The legacy TLD, you may explain why you choose to have just 16. There are 21 or 22. If you want to have the reality of the world, .gov and .mil are gTLDs. We can say what we want, but they are gTLDs. We can say that we exclude them from the study for X, Y reasons, but it needs to be clearly [said].

My second point is that do we have any intention to public all those data in open data format? Thank you.

DAVID DICKINSON: The full report is already made public in open data. Do you mean you want access to the actual data files so that you could run your own?

UNIDENTIFIED MALE: [inaudible]

DAVID DICKINSON: Raw data.

KAREN LENTZ: The data tables are actually published online, along with the report on our website. It's 500 pages or something of data tables of all the answers.

DAVID DICKINSON: I think they're asking for something like a CSV file or an SBSS file or something like that.

KAREN LENTZ: Yeah. We could look at that. Any other questions?

All right. Well, we appreciate you bearing with us with the slide difficulties. We'll go back to the one that's posted and clean it up so that it's more readable and useful. But we really appreciate

everybody's comments and attendance and discussion at this session. We'll be around for any other questions. Thank you.

[END OF TRANSCRIPTION]