ICANN81 | AGM – GNSO: RySG - The Potential of New TLDs-Challenges and Opportunities
Monday, November 11, 2024 – 13:15 to 14:30 TRT

SUE SCHULER: Hello, and welcome to the session on The Potential of New gTLDs: Challenges and Opportunities. My name is Sue, and I'm the participation manager for the session. Please note that the session is being recorded and is governed by the ICANN Expected Standards of Behavior and the ICANN Community Anti-Harassment Policy.

We ask that you please hold all of your questions until the end of this session. If you would like to speak during that time, please raise your hand in Zoom. When called upon, virtual participants will be given permission to unmute in Zoom. Onsite participants will use a physical microphone to speak. Please state your name for the record and speak at a reasonable pace. I will now hand the floor over to Andrew Allemann.

ANDREW ALLEMANN: Thank you. My name is Andrew Allemann, and I write domainnamewire.com. I'm excited to have this panel today to talk about new top-level domain names. We have a large panel, and I want to give each person lots of time. So let's dig right into it. We have people representing different aspects of, let's say, different types of top-level domains here.

So I want to start with Jeff Sass currently with .ART and previously with .CLUB. So you've worked on a couple of different single top-level domain companies where you were focused just on one top-level domain. Tell me about what that's like as an experience and what it's allowed you to do.

JEFF SASS: Thanks, Andrew, and thank you, everyone. I think you mentioned the keyword and that's focus. When we have just one single string to worry about, one child to take care of, we're able to focus all of the company's resources and attention on that particular domain. And from .ART's perspective Ulvi, the founder of .ART, his vision from the beginning was much broader than just being the domain name registry, and really being an infrastructure for the art community at large and helping them bring their work to the digital world. So beyond just the domain name registry, we also have done things like our patented WHOIS additional fields. So we have additional rec fields in the WHOIS records where information about the providence of a work of art can be added. We were one of the early TLDs to synchronize with Web 3.0 so that you could use the same .ART domain normally in the DNS world, but also attach it to a crypto wallet or something in the Web 3.0 world.

So really giving a broad view and having that ability to focus lets us really innovate. So everything we do supports our charitable effort, which is the art therapy initiative. So we take a portion of our revenue to support spreading the word about the healing powers of art. We funded a fellowship in graduate studies in art therapy at GW University. We publish a magazine that's written by and features all

.ART users. So there's a lot of focus we can do that I think you can't do when you have a portfolio for each of your strings.

ANDREW ALLEMANN: Excellent. Thank you, Jeff. Directly to your right, taking a different approach, Neha Naik with Radix. So .TECH, .FUND, .ONLINE. What? Ten top-level domains, I think?

NEHA NAIK: Yeah, that's right, 10.

ANDREW ALLEMANN: So tell me what that's like, running a portfolio of domains as opposed to just one?

NEHA NAIK: I think slightly different schools of thought between what Jeff was just saying and where we come from. Radix is a portfolio registry. We have 10 top-level domains that we manage, including .STORE, .ONLINE, .FUN. So relatively broader and more generic ones. And I think what we've learned over time is the biggest advantage of being a portfolio registry is the economies of scale that you get with running operations across so many TLDs, not just from the teams that you hire, but also from an operations point of view, right? Whether that's compliance, whether that's managing abuse, just keeping your name space clean. So there's a lot of advantages from a pure cost and efficiency and operations perspective. But the other two aspects that I'd like to cover, one is basically that you get to learn so much from one TLD that you can quickly then apply to all the other TLDs that you manage. So the amount of data that you have access to and the quick learnings that you can get from one and apply to the other has really been very, very helpful to us. And the other aspect, I'd say, is that it also allows you to—all of us here, to a large extent, are dependent on the channel of registrars, resellers, hosting companies to offer our TLDs. So having a portfolio also allows you to offer more from a partnership and investment perspective to actually be more valuable to that audience, obviously subject to the kinds of TLDs that you have, but I'd say that the opportunity to build a much larger partnership is probably a little more solid when you have more to offer than maybe just a few.

ANDREW ALLEMANN: Great. Thank you. Okay. Let's go on to Crews Gore. Crews, you are the president of the Brand Registry Group, and then at Fox, helping to run .FOX. So I'm curious when it comes to .BRAND domain names. First of all, what are some of the benefits to companies to operate their own top-level domain?

CREWS GORE: Thank you so much. Having your own TLD at a brand really gives you the chance to innovate within your organization to really set up an infrastructure the way that you would like, put together a marketing campaign the way you might like. There's no one size fit all for a .BRAND. Every organization is going to have a different strategy, but it gives you this flexibility of using a TLD in the way that your organization would like to. It provides security benefits that we'll talk about later, that you really can lock down and make sure that if it's not on your zone and your TLD, it's something that you may not own. And so it's about building trust to your customers, trust with your employees, and then security across that platform.

ANDREW ALLEMANN: Great. So all the way down at the end, we have Sophia Feng with ZDNS. ZDNS is an RSP for a number of IDNs, and you also manage your own top-level domain IDN. Tell me what that is. And then I'm really curious your experience, IDNs—I hear a lot about Universal Acceptance. I'm curious what the environment, specifically in China, but maybe more general is for IDNs.

SOPHIA FENG: Thank you, Andrew. I think it's always good to know some numbers. We just not talk very much in ICANN community. I think in the first round, we have 90 IDNs was applied. And among them, 52 are Chinese IDNs. And at a moment, with all the IDN TLD that operates, I think we have 160,000 domains under management with these TLDs. Although it's not a very messy number of registrations compared with the ASCII domains. So the operation of the Chinese IDNs has its own unique characteristic. First of all, I also observed that we have seen most of the Chinese IDNs adopt very high price model through direct sales channel distribution, which is probably outside of the regular Chinese registrar channel. Average wholesale price is around $300 USD. So it's quite a high price model. So mainly it's registered and used by brands for IDNs. So as a result of this business model, it leads to a very high renewal rate as well, which is about 57%. While the average renewal for new gTLD over the last six quarter is about 20%. Most of the IDN registry realized that with this renewal, with this usage is very crucial to maintain this usage to let the registrant and brands to use their IDN's demands in order to continuously grow. So Building IDN TLD awareness is through intensive marketing and event campaign and showcases became evident choices for most of the IDN registry. Basically, we have major industry events in China such as Chinese Domain Name Forum, which was hosted by Knet for seven consecutive years, has become a platform to promote the Universal Acceptance and brand awareness of IDNs. So basically, there's a lot of practices going on, but still a lot of things need to be done to actually promote that awareness still in the region. Thank you.

ANDREW ALLEMANN: Nacho directly to my right, Nacho Amadoz. Is that pretty good? Okay, excellent. So .CAT and as well as the geoTLD group that you chair. I'm really curious, when it comes to Geo domains or ones to a tightly knit linguistic community, you have to have buy-in, I would say, or engagement with that community. Tell me about the importance of that.

NACHO AMADOZ: Thank you, Andrew. As probably all of you know, .CAT was established 20 years ago in the round prior to the previous one. And what gave sense to that idea was that it was giving a sense of representation and identity on the Internet for the Catalan speaking people of the world, basically, in and around our area, Catalonia, and the surroundings. That kind of created or shaped the model for others that came after to try to make that representation for their own communities. And we have now in the geoTLD group cities, regions, all the languages represented. And the idea behind the geoTLD group, which does not match necessarily the definition of Geographic Names in ICANN's book, is a group of people that are being represented by that identity that focuses on the local establishment, and that's what we've been doing. We talk often about our metrics of success that does not equate necessarily to hundreds of thousands of domain names, but about the level of engagement with the local community and the content that you can see on those TLDs. And this is, I would say, the most distinctive feature of the group.

ANDREW ALLEMANN: So saving the best for last here, Craig Schwartz with fTLD Registry. You run very restrictive community top-level domains, .BANK and .INSURANCE. I'm curious about what some of the challenges are of choosing that model.

CRAIG SCHWARTZ: Thanks, Andrew, and good to be here today. Some of the challenges of the model are the fact that it has a very defined community, so our registration numbers are always going to be small. Attracting registrars to support our TLDs has been challenging, although we do have a few that have been stand out successes. To echo some of the words that Jeff and Crews said, for us, it's all about security and trust and authenticity. I think TLD operators that came in the early 2000s and thought, "If you build it, they will come," most learned that that is not the case. So we actually spend the bulk of our time focusing on helping banks and insurers switch to our TLDs versus being more sales-oriented, which I think is typical of an open and unrestricted TLD.

ANDREW ALLEMANN: Right. Because I would think most companies are trying to get new, I guess, startups and companies to use their domains. In the case of a bank, you've got massive kind of infrastructure based on this one particular domain. So it is truly a switching proposal, right?

CRAIG SCHWARTZ: Correct. And when banks have been around for 25 and 30 and 35 years, and they've only ever known one TLD, convincing them about the merits of moving is a lot of labor, but we have seen continued growth month over month. We're at about 18% of the banks in the U.S. have now switched, and we're starting to work a little bit more on our global footprint as well.

ANDREW ALLEMANN: Excellent. Let's go back to Jeff Sass. I want to talk a little bit about the channel here. Most top-level domains are going through the traditional registrar channel, but you kind of have to stoke that demand somewhat, right? You need to get people there. So I'm curious, .ART specifically, what you're doing to make that happen.

JEFF SASS: Thank you, Andrew. When thinking about your TLD, it's important to understand who really is your customer in terms of the end user. Of course, your customer is the registrar in many cases, but the end user, and with .ART just by looking at our data, we could see that a large percentage of our registrations are first name, last name, .ART. And that's because in the art world, there's no centralized body to certify you. If you're an engineer, you can be certified. If you're an artist, it's self-declared. So knowing that we want to reach out to artist communities and do things that are going to bring attention to artists who are trying to do that. So one of the things that we do, we attend a lot of events in the art world, and we also got a lot of biennales around the world, galleries, museums who use the .ART domain, and that exposes them to the people who are interested in art and artists. We support our Art Therapy Association by being members of the American Art Therapy Association. We attend their conference. And as it turns out, almost everyone who practices art therapy is an actual artist themselves. So that's a great community. And we're members of things like the American Alliance of Museums and attend their events and really engage a lot with the art community to create that demand. We do webinars. We published the magazine. We did online conference the end of October on International Artist Day that was extremely successful and had six very well known artists talk about their craft, talk about what it means to be an artist. So really reaching out to engage with the community.

ANDREW ALLEMANN: Speaking of generating some of that demand, Neha, Radix has done a lot of different types of marketing. Can you talk about some of the programs that you've done?

NEHA NAIK: Sure. Before I get into the programs, because we are a portfolio registry and focus is important, like Jeff mentioned, the way we're structured on our side is that every TLD has a brand manager internally, and that brand manager is responsible for driving the business for that TLD. So for .ONLINE, there is a business manager, a brand manager, and we figured that obviously the SMB market is what we want to go after. For .STORE, it's the e-commerce market. For .TECH, it's the startup and the developer market, right? So for each one of these, we have built out brand awareness campaigns that would eventually lead to more demand for our TLDs with the actual end user who's the customer, who's buying the domain from our registrar partners.

So some of the interesting things that we've done over time, I think one of the most recent campaigns was for .STORE with an influencer named Mr. Beast. I don't know how many of us here are familiar with him, but he's the largest YouTuber out there with over a billion views on all his YouTube videos. He relaunched his merch store on a Mr. Beast .STORE. And our idea was to normalize the use of a .STORE to sell something online with someone that has as much reach as Mr. Beast. So the video collaboration that we had with him was about him relaunching his store, and that today has about 200 million views since it launched in August last year, and that is probably higher or similar to, let's say, what you'd get over a Super Bowl ad, right? So it's an innovative way of trying to find the audience that will resonate most with your TLD, and doing it through partnerships that might be outside the traditional channel, but still building awareness for something like .STORE.

Similarly, with .TECH, because it is focused on the startup and developer audience, we sort of partnered with Jason Calacanis, again, he's a large influencer online, runs his own podcast, has invested in several businesses. So the idea there is that we actually take startups that are already on a .TECH to get visibility on his podcast so that they can raise more funding for the business that they have. So we're trying to find ways that will build awareness by aligning with that audience, but as a registry that we do have to fight the awareness battle that is out there, which means that people still don't know about our TLDs, we've taken the stance of building that awareness directly and in partnership with the channel partners that we have.

ANDREW ALLEMANN: Well, I have to admit, I realized I was getting older when I first heard about the Mr. Beast promotion and I had to google it because I wasn't familiar with him. Let's go back to Crews. I want to understand a little bit more. You said earlier, there's security benefits to owning a .BRAND, so I'd love to hear about that. Then I also want to understand what sort of buy-in you have to get within an organization to launch a domain like that.

CREWS GORE: Yeah, absolutely. That's a really key factor with a .BRAND where other TLDs may have channel partners with registrars. My partners are those business units that I'm working with and making contacts within the organization and trying to educate them about .FOX and the benefits of it and getting buy-in from those different business units. So it's really important to identify key individuals within your organization and set up some form of Alliance or understanding of your .BRAND and how it can benefit your organization. Luckily, that was something that we were able to do at Fox. And from that, you're able to put together some pretty unique security features. If you're setting up infrastructure at your company, you're able to lock down or you have a better awareness of when you have a .BRAND domain name that you're resolving to or having your customers or your employees resolve to, you're providing that trust there that that is your domain name and not some third party domain name, you're able to do SSL security features where you're able to validate the entire domain extension when you're validating with a certificate authority. So whenever we're issuing a new certificate, .FOX has already been verified, so we don't have to do a text record or any kind of e-mail verification for those, they're automatically deployed.

Another security feature, I know Craig has talked about this, but DMARC at the root level, that's something that you're able to implement on your own TLD and you can set that up right from the beginning on your .BRAND. Same with HSTS preload which is browser encryption, which forces HTTPS on your domain name and doesn't allow HTTP. So these are all security features that you're able to offer with your .BRAND or implement with your .BRAND and set yourself up and your organization up with the best security around it possible.

ANDREW ALLEMANN: One of my favorite .FOX names, haven't had to use it, but I think it's like wayfinder.fox or something like that. What does it do again?

CREWS GORE: That was an early one that we did. At the lot at Fox and studios in Los Angeles, to find your way around the studio lot, you'll see big signs when you go through the security gate is check out wayfinder.fox. And from there, you're able to determine what stage is it? Where's the food at? Where's restroom at? So it's pretty cool.

ANDREW ALLEMANN: Sophia, I want to get back. I know you touched on Universal Acceptance, but I think this is a big, big deal when it comes to IDNs. So I'm curious what you think still needs to be done there from making sure that names work across platforms, across social media, across e-mail being one of the biggest challenges, and what you think the industry and ICANN needs to do there.

SOPHIA FENG: Thank you, Andrew. I think everybody knows the UA adoptions issues. We talk a lot in ICANN community. I would like to introduce what exactly is the collaboration effort we made in our region actually to improve the level of UA readiness. There's a strong collaboration initiative which was started in 2020, and so this Chinese Domain Name Initiative initiated by Internet Society of China and China Academy of information Communication Technology, and also the China Advertising Association, and also with some big browser company like Baidu, Sogou, that's in a region, there's about 28 institutes, organizations, including in this initiative and organization, and with the aim to promote the full support of the identification and display and resolution of the Chinese domain names in all kinds of Internet applications such as browsers, mail systems, search engine, mobile applications, and so on. So with the leadership of CDNI and also the support of ICANN and the UASG and we have three regional Chinese UA ambassadors, we host a lot, a series of outreach and trainings and industry engagement sessions with the stakeholders that were carried out to actively promote UA readiness.

So until now, the support of Chinese domain names by the Internet application is varied. So according to our latest test reports by the CIDN, the overall support rate for the UA for Chinese domain name have reached 35%. So specifically, the support rate for browsers has made very big progress. The PC browser support reached about 92% and the mobile browsers reached about 80%. So you see the UA readiness of the browser keep improving. However, the UA readiness of a search engine is currently only about 61%. So it's still lower than the other parts.

Also, some technical support has been realized. But in actual application, they are still somehow very low inclusion and transcoding display rates. So we see a lot of challenges still remains, but just like all the IDNs, collaboration and experience sharing are very vital to explore new application scenarios and enhance the visibility and utilization of Chinese IDNs, and also for the other IDNs. Thank you.

ANDREW ALLEMANN: Thank you. Let's switch gears. I want to talk a little bit about abuse now. I think, Nacho, you'd be a good place to start this conversation. geoTLDs, is there a difference in abuse, would you say, as opposed to more generic or broader top-level domains? And how do you attack that?

NACHO AMADOZ: Thank you, Andrew. This is, again, one of the points that we usually raise, not because we think there's such a high level of abuse across the Board on the industry, which it is not, but because of the way we are devised, we are very well suited to prevent that abuse for two reasons. Maybe one is pricing because we geoTLDs are usually a bit more expensive than other open standard English word TLDs. And the second one is something that we could also share with some other people, which is the policy enforcement that we have in place. So we are very careful to draft policies in line with the kind of support that we have from local authorities, so that we tie the use of the domain name not to a concrete or particular content, because this is something we are not going into, but with provisions in place so that when we see something happening, we can react quickly because we have that mandate from the authorities that supported the introduction of the TLD to be the steward of that community. And in that regard, it works, because people learn from that, and then they don't usually come to you to try to use your domain name for that. So in that regard, yeah, this is one of the metrics that we highlight more frequently because we think it's a very good one to show why Geos are relevant and why they provide a good service to the communities and to the Internet at large.

ANDREW ALLEMANN: Craig, I imagine also for you. I mean, your whole goal is a zero abuse type of zone, right? It's critical to what you're doing. How does how does .BANK do that? How does fTLD do that?

CRAIG SCHWARTZ: We do that in a couple of ways. One is we do pre-registration verification, which I think very few TLDs do. And not only do we do it before we award a domain name, we do it annually thereafter. We also do it when the organization, the name or the e-mail address of the registrant has changed. So if a name is going through a lot of different cycles within the organization, it could get verified several times a year. That's part of it.

The other pillar to the security and having no abuse in our TLDs are the security requirements that we mandate. So whether it's related to SSL certificates or e-mail authentication, we require DNSSEC. Not only do we require it, but we monitor it daily for compliance.

So every day, I think we monitor about 70,000 hosts. And if we see that something is not in compliance with one of our requirements, we send an e-mail to the registrar because they're often providing services to a registrant. And we also send a notice to the registrant themselves. I think we're running at about a 97% compliance rate, and the 3% is usually made up of new registrants that are just coming into the space that need to get compliant with, for example, the algorithm that we specify for SSL certificates. So it's the registrant verification and the security monitoring that gives us the clean spaces that we have.

ANDREW ALLEMANN: But before a bunch of people run out there and create domains with restrictions on them, I assume registrars don't really appreciate this, do they?

CRAIG SCHWARTZ: Yes, I'd say the larger, more popular registrars are not interested in carrying TLDs like ours. The volume is small. They require more service, but there are a handful of registrars out there that have built their business servicing niche registries, and so we're obviously grateful for them. I'd say maybe to go back to one of the first questions you asked about the challenges of running a restricted TLD, and that is because you have so few registrars, we really do the lion's share of the marketing to end users. So it's the communication, it's the education and awareness. There are very few registrars, even of our own, that do much of that. There are more order takers. Our TLDs are expensive to run because of the marketing piece, because of the verification piece, and obviously because of the security piece.

ANDREW ALLEMANN: So I heard Nacho talk about measuring domains, domains under management not being the only measuring stick. Obviously, in your case, you're not trying to get millions of names. I'm curious with everyone else, what you think are the key metrics to measure your success by? Anyone want to jump in on that? Crews?

CREWS GORE: Yeah, for .BRANDs, success can be built on one domain or two domains. We know corporations that just have two of their .BRANDs running, but it's for all their internal websites, and they're using just those two and then bunch of sub domains off of that. So it's going to be defined differently for every organization. So that's a tough one for brands to define success on.

JEFF SASS: I think, for a TLD—and a really important metric, of course, is usage. With .ART, over half of our domains are in actual use, and when usage happens, it supports several things. Number one, of course, it supports renewals. If someone's using a domain, they're going to be more likely to renew the domain. But also, it becomes an important part of your marketing, because when people see other people using a .ART domain, when Sharon Stone, the actress, who now is pushing herself as a painter, uses sharonstone.art, all of her fans are being introduced to the fact that that .ART exists. So having that community of usage, especially usage by people that have large followings in communities, is a really important metric that drives success. It also reduces abuse. Again, the more usage, the less abuse there's going to be. So usage is probably one of the most important metrics, I think.

NEHA NAIK: Let me add to that. Usage, no doubt, and the more the active use cases. It's more validation for the fact that it's a genuine business or entity on that extension. I think for us, because it's a portfolio registry and we have so many TLDs under what we manage, our biggest metric of success is the number of renewals we're putting through year over year and whether that is on an uptrend. DUMs are great and it is obviously a reflection of how popular your TLD is, but there are multiple ways that DUMs can move up and down, which may not really be representative of quality usage. So for us, the biggest metric to track has always been how many renewals we're seeing and is that number growing year over year?

ANDREW ALLEMANN: Anyone else want to chime in?

CRAIG SCHWARTZ: I would echo Jeff's sentiments about usage and also what was just said about renewal rates. We track at about a 94% renewal rate, and that number has increased year over year, which shows the commitment and dedication of our users. DUMs is definitely not the metric for us.

ANDREW ALLEMANN: Right. Well, I like that metric you gave earlier. What did you say? 17% of banks now have a .BANK or something like that?

CRAIG SCHWARTZ: In the U.S., about 40% of the banks have a domain, and about 18% of those have—

ANDREW ALLEMANN: Of those. Great. It reminds me when we talk about usage of how Hotmail grew so much, which was that little message at the bottom of every e-mail saying, “Hey, get your own free e-mail account.” I wonder why more top-level domains haven’t like offered free e-mail addresses on domains, because every single time they send out an e-mail, it’s an impression. I’m curious if any of you have worked with e-mail providers or anything. Nacho, why don’t you talk about that?

NACHO AMADOZ: Many of the members of the group have tried or are doing that. But managing mail is a lot. So when you are running a small TLD with few people on board trying to do other activities, like social projects to engage with local community and create content, and you have mail to that, that becomes a lot. You also don’t want to, I don’t know, step into the registrar’s ground by doing something that could affect their business so you try to work with them. And sometimes it works, and sometimes it is too much.

ANDREW ALLEMANN: Anyone else on that? Neha?

NEHA NAIK: Interestingly, just tying back to the point on usage, some of the statistics that we have from partners who obviously sell domain names to end customers is that if a user actually activates e-mail or adds an MX record within the first X days of registering the domain, the probability of renewal jumps significantly. And it all ties back to usage. I just say, from a registry perspective, we don't retail directly to end users, and so we're dependent more on the channel to do that, but a lot of partners, registrars, resellers, hosting companies do actually offer e-mail along with the domain name, and is something that the market is looking at already.

ANDREW ALLEMANN: Let's take that and build on that a little bit, which is working with registrars. We've talked about how everyone here, the channel is through the registrars. I'm curious what some important things are to keep in mind when working with that channel, and also how you think things might be different in this next round of new top-level domains. Does anyone want to start? Nacho?

NACHO AMADOZ: I have a thought. So it's not easy. Usually it is, except when it isn't. I understand that we come from a moment where the rationale was that the registry was the monopoly, right? So the registry had to treat registrars equally. And I don't think that's the case anymore. I think that the registrars now are the monopoly because that's the gatekeepers for people to enter into your services. So therefore, maybe registrars should try to engage with registries in an equal footing. I understand that it is complicated, and I understand that you have only so much real estate in your website to offer domain names, but sometimes for small TLDs, it is complicated to reach the audience.

ANDREW ALLEMANN: Others? Jeff?

JEFF SASS: I think from the registry perspective, because the registrars are responsible for the bulk of the sales, co-marketing with them is really important, keeping them informed of what you're doing and what you're accomplishing, and sometimes providing them with data, because even though they have access to the data, they're dealing with so many TLDs that they may not take the time to get your data. So, for example, we often will tell our registrars about high profile users that registered their domains at their registrar that they can be promoting or that we're promoting in social media and tagging the registrar. So they know this is their customer. So providing them with that kind of data, providing them with data on some of their users that may have art related SLDs and other extensions and things like that or things that we can do. And then also recognizing that in some of the other marketing activities you're doing, having that registrar as the call to action can be beneficial. So I mentioned earlier, we've been doing a series of webinars, meet the .ARTists, where we feature artists using a .ART domain. And we've recently done some where we're partnering with a registrar. So the call to action behind the scenes of that webinar is you can get your .ART domain too at participating registrars. So finding those opportunities to provide data to the registrars to help you and also co-marketing with them.

NEHA NAIK: I think the other thing that might be different from, let's say, the previous round to the next round of TLDs that come out is feel like in the previous round, registrars did on board a lot of TLDs. As we go ahead and with some of them that have been launching slightly later, the market is becoming a lot more choosier about what they sell. So as new TLD applicants, I think that is one thing to keep in mind, especially if you are dependent on the channel to carry your TLD. At least from our perspective, we feel like—and I'm guessing that's true for everyone—but partnerships will work if your TLD is genuinely adding value to your partner's business. In many cases, domains are one part of everything else they do, right? They're offering hosting, they're offering site builder services, e-mail services, and a lot else. So how does your TLD actually work when they're trying to put the whole gamut of services together and is actually helping them do more in the market out there? So striking that balance between the value that your TLDs can add to your partners, I think, is going to be super important.

Has always been, but it's going to be more and more important as we get into the next round, as I feel like partners will be more choosy about what they onboard.

ANDREW ALLEMANN: So it's not just getting good shelf space. It's getting any shelf space at all going forward. When I go to the grocery store, I know you see the NCAPs and a lot of that's pay for play. I know there's already a lot of pay to play in a registrar side, like bidding, basically advertising, kind of like Google AdWords for registrars. Do you think, though, that in the next round, we're looking at maybe even saying, "Hey, Registrar ABC, I want to be on your platform," and they say, "Okay, this is how much it's going to cost." It's happening already. Okay. So if you're applying, you need to budget for that as well.

Now, obviously, some models are a little bit different. I think, Craig You mentioned you're not on all registrars, but also you're going a lot more to building awareness with banks and having them go to one of the registrars you work with, right?

CRAIG SCHWARTZ: Correct. Right. We have 37 registrars for .BANK and some are retail, some are corporate. Some have developed very well-priced, sophisticated security packages. So when a bank goes to the specific registrar and they need a specific kind of DNS or they need a specific kind of e-mail service, the registrar has the capacity to do that. So not every registrar is obviously going to do that. But if you need more than the domain name registration, you might approach a registrar that has a broader service offering.

ANDREW ALLEMANN: I told you I was going to put you on the spot with one question today. It's time for that. But the nice thing is, I'm going to let you choose who goes first, and I'm sure everyone else will build off of that. This next round, how many applications for new top-level domains do you think there will be? Prize to the closest, which you'll find out in 10 years, if you are the correct one. Sorry, two. Who wants to go first?

JEFF SASS: We just do an over/under on the last round, whether it's going to be more or less—

ANDREW ALLEMANN: What was the last round? How many applications were there?

CRAIG SCHWARTZ: 1900, something like that.

ANDREW ALLEMANN: So let's say 2000. You can tell me, yeah, over/under. But if you can get a little bit more specific, a lot under, like 1000 or 3000, I'd be curious too.

SOPHIA FENG: Actually, I have very high expectation maybe three years ago. At that time, there was a rumor. This was opening in 2002 or something, right? Actually, we anticipated a very high number, and then we start also doing kind of awareness building within China region because it's been 10 years, and it's only a handful of TLD that operates in China mainland. We've actually done a lot of events. We also go to, for example, like China Trademark Association, building relationship with some trade association to actually promote the awareness of TLDs. And then now, if I look back, our expectation at the time was really high. We thought it's going to be a thousand TLDs from China mainland. Yeah. We thought it's going to be 1000.

ANDREW ALLEMANN: In the first round?

SOPHIA FENG: The second round.

ANDREW ALLEMANN: In this coming round, okay.

SOPHIA FENG: In the first round, we only have from the China home mainland is only 50. So we thought we'd go after 10 years and there will be much more demands, you know, a thousand. And maybe in the world, it will be 10,000. We have very high expectations. So, in practical, when we really see the interest, I think maybe from China more than 100 will be very good.

ANDREW ALLEMANN: Okay. So 100 maybe in China. And you think maybe instead of 10,000 worldwide.

SOPHIA FENG: Worldwide, I don't know. Maybe double, 4000.

ANDREW ALLEMANN: Okay, all right. No, I appreciate you. I got to give you credit for jumping out here first. Because everyone over here is like… These guys are negotiating what they're going to say here. I don't know what's happening.

CREWS GORE: The negotiation, what we were talking about is over/under 1000. And from my perspective, I think it's going to be clear over 1000, probably around that 2000 range, what we saw before. There's a lot of open questions that we have. From those applications, I know 40% of those TLDs were .BRANDs. And brands, they kind of hold their cards close to their chest. They're not talking about if they're going to apply or not. There are brands that have launched new brands that want to apply for those brands that weren't around. But there's also now a bunch of use cases out there, so I don't think we're going to see as much just, "Oh, I have a trademark. I'm going to go out there and get my TLD and we'll see what happens." I think it's more you're going to have applications where people see how they want to actually use it. But in the generic space, I see it going up. Just thinking about the crypto names, that's a decent number. And then just the different ways that other registries have shown their business models, I do think it's going to be around 2000.

ANDREW ALLEMANN: 2000? Okay. I'm going to give the other people here another minute to think. Because I do want to ask you about that, Crews. I mean, you've told me, you said, "Hey, there are a lot of brands that are going to apply in this next round." But when I look at the space, I see Fox has done a lot with it, but then I see all these companies that haven't done anything with theirs. I guess convince me that there is this pent-up demand for .BRANDs.

CREWS GORE: That's a tough one. I would want to say that there's pent-up demand, and I know from brands that are willing to share that there is interest. It's just hard to talk with brands about their strategy because they hold that so close. A lot of trademarks, another company has the exact same trademark in a different jurisdiction but they're thinking about applying for that as well. So there's no way that they would share that they're going to be applying or not. So I think that's a tough one. It might be a little bit lower than last round because I do think there's going to be less of those just registering—

ANDREW ALLEMANN: Defensive, essentially. Defensive registrations, okay. All right. Jeff, if you're eager, you jump in. Everyone's eager now. No one was eager at the beginning. Now everyone wants—

NACHO AMADOZ: It's easier now. Crews said one thing that made me think. Yeah, it's difficult to go to people and say, "Hey, plan ahead. Keep your money. We're doing this unless you have a guidebook to work with." You cannot just go to people. People have been coming over, and sometimes they ask about the next round. One year ago, you couldn't say, "This is going to happen two, three years on the road." No, you couldn't say anything. You could say, "Well, we understand that this is going to be cheaper than the previous round, for sure, because how this is going to be more expensive?" Because we got it figured out 10 years ago, but now it's more expensive. And that doesn't make it easier. So the sell becomes more difficult.

Now, coming to numbers and trying to focus only on Geos, I think that if we have 50 Geos, it's going to be a huge success because it's not easy to organize a grassroots campaign. It's not easy to talk with local governments. Anything is easy, I know. But our experience here shows that some of the bids took four or five years to prepare with some details that were already clear. And in this case, it's becoming more difficult to enlist people and to tell them, "Hey, this is relevant for you. This matters." We have the examples of the Geos that are successful by the other metrics that we were commenting on. So we have the context, but then we have to have the certainty, and then we have some difficulties as to why this is more expensive than it was in the past.

ANDREW ALLEMANN: So you're not going to give me a top line number? Is this what I'm hearing?

JEFF SASS: I'll give you a number. I think it'll be less than the last round. I'll say it's going to be 12047.

ANDREW ALLEMANN: I like it.

JEFF SASS: The world has changed a lot. It's kind of funny. I was thinking back when we would have these discussions in round one, everyone said, "Well, apps are going to kill domain names," right? "So don't get into this business because everyone's going to apps. You won't need domains anymore." Of course, that never happened. Now we have AI, which is very new, no one knows yet the impact that's going to have. You have the obstacle of the price being a bit higher. And not just the application fee being higher, but as we alluded to earlier, the cost of onboarding and releasing your new TLD is likely to be more complicated than it was when we did this back in 2014 and 2017 and other dates.

Then the other obstacle that's been created or something that was removed, which I think is, personally, I think it's positive, is the notion that there won't be private auctions, so we won't have a wave. If that was going to be allowed again, then I would have given a much higher number because we've now hopefully removed the wave of speculators who really aren't interested in becoming a registry operator but saw this as an interesting business opportunity.

So I think the underlying theme here in all of our discussion for people looking to apply for TLD in the next round is it's a lot of work. It's not set it and forget it. No matter which model you pursue, a single or portfolio, restricted, a Geo, it's a lot of work to run a registry and it takes time to gain the momentum to turn it into a profitable business. But if you do that, it's a great business.

ANDREW ALLEMANN: All right, who's holding out of me? All right, Neha? Sorry.

NEHA NAIK: I think it would be a little around the 1000 mark.

ANDREW ALLEMANN: All right. I know when I talked to Sandeep, the CEO of Radix, he says something along the lines of the good strings were taken in the first round. So I think there's probably some agreement around that. But let's see. Craig?

CRAIG SCHWARTZ: I was going to say around 1000 too. Considering about 20% of the brands have let their TLDs go and giving them back to ICANN, I don't see a ton clamoring for new Brand TLDs, although I know there are a lot of consultants in the room and they would like to think that that is going to be the case. Also, a lot of the good generics are gone. So I was right around the 1000 mark as well.

ANDREW ALLEMANN: All right. So that's everyone, right? Okay. Oh, Nacho, that's right. I still need your—

NACHO AMADOZ: Follow-up question, how many applicants will there be?

ANDREW ALLEMANN: Individual applicants. Okay. Does anyone want to jump on that?

NACHO AMADOZ: The portfolio applications where you have 300 from the same applicant. How many applicants? That is relevant, too.

ANDREW ALLEMANN: Well, how many did we have in the last round? Do we know unique applicants? Roughly? Well, you pose a question, you've got to answer.

NACHO AMADOZ: I have to give the answer. I hope it's as many applicants or applications, but I think that there's going to be a concentration on occasions coming from the same sources.

ANDREW ALLEMANN: We've already seen at least announcements from a lot of these companies that have created, let's call them alt root blockchain names. We won't say domains at this point, but a lot of them saying they're going to apply for these in the next round. They're kind of somewhat like brands in a way, in that they're saying, "We're going to focus on a community," right? So .APE, for example, which D3 I know has mentioned that sort of thing. So that's where it's interesting. I would have thought 1000 was high until about 6 to 12 months ago, talking to some of these companies and hearing about their plans, and I'm surprised at how many people are saying that they will apply for in this next round. So it'll be interesting. But it'll be closest of you. I'll buy you a drink or a coffee.

CREWS GORE: Am I way up? Should I play like Price is Right?

ANDREW ALLEMANN: Yeah, it's not closest without going over here. I'm not sure, you're not going to be eligible because I don't think you ever gave me a final number.

NACHO AMADOZ: 1000.

ANDREW ALLEMANN: 1000, all right. You see, I'm going to have to buy like two or three people—

NACHO AMADOZ: 900.

ANDREW ALLEMANN: Okay, all right, 900. Great. All right, excellent. I want to talk about the idea of innovation as well, because I remember before the last round, everyone was saying, "Oh, innovation, innovation. This is what's going to come out of this next round of top-level domains." And it seems to me that the extent of that innovation has been pricing innovation. Just kind of how domains are priced and that sort of thing. So I'm curious if any of you can make the case that no, we have seen kind of innovation in domains in this last round. Jeff?

JEFF SASS: Well, certainly on .ART side—and I mentioned it briefly at the beginning—we innovated on the WHOIS records by having a patented process to add additional fields to the WHOIS records that can store and record additional information, apart from the registrant information and information that's publicly visible so it's not redacted by GDPR or anything, and then that can be used to add additional information about the website. We initially envisioned it, and it's often used for providence information about a work of art. But the reality is, those fields are open and we see some interesting use cases where people are using it for other information, almost turning the WHOIS records into a little text preview of what one could expect to find on their website. You can add links or other registry numbers for something, or product ID numbers. So there's a lot of utility behind the WHOIS records, which is interesting, because in many ways, it's almost like a blockchain before the blockchain existed because it's really not owned by any one particular party. It's an open database with 30 years of history behind it, so it's a very good place to store that information.

CRAIG SCHWARTZ: Yeah, I would say too. It also defines on how you define innovation. So, for us, it's all about security and trust and creating these online gated communities where you know your neighbors and you know the people down the street. So we think that we have done something innovative, not just in mandating certain types of security but actually proactively monitoring it and reporting on it on a daily basis. It adds value to our registrants when we can tell them you have this vulnerability and here's how you remediate it. So it's not just saying you must do, it's telling them when they're not and how to fix things.

CREWS GORE: Yeah, I would argue that the last round was innovative, especially for .BRANDs, just being able to offer TLDs for brand's security perspective. All of our organizations have big cybersecurity budgets, and so given the opportunities that .BRANDs have, like you're signing an RRA with just one registrar, and so when you have that domain name in your account, you don't have to fear, all the organizations do that. What happens if the registrar gets hacked, they take my domain and transfer it away. That can't happen with the .BRAND. We've only signed an RRA with one registrar so domain stays there. So just having that flexibility with the .BRAND is innovative.

NEHA NAIK: Obviously, the registry is here and some of those that have shared, there's been innovation. I think one thing is an industry that we would have all liked to see more of would be more use cases for domain names. And I think while there have been strides made in that direction, I think there's a lot more to be done there. So I guess with .LINK and the folks on that side, they've tried to expand short links to those that may not want websites but might want some other way to be found online, and therefore expanding the scope of how domains get used. So I think that's a great use case out there, but there still is a lot more scope for what can be done. The only thing for applicants coming into the next round is exactly what we've covered here is that fine balance between innovation and channel support, and that's where you need to decide where you lie. If you rely on the channel, remember that they are selling 1000 other TLDs in a very specific way that their websites and their customers are used to. So where do you fit into that is the balance that you need to strike. But yeah, I think we're all still waiting for that big innovation moment, moment in terms of how domains can be used beyond, let's say, websites and e-mails and links.

ANDREW ALLEMANN: So in the next round, I'm going to apply for .ANDREW. I just decided this right now. So I know one of the things I need to do, I guess I could hire one of the many consultants sitting here in the room, but is I'm going to need to pick an RSP, a registry service provider, to manage the technical side there. And so I'm curious what I should ask them, how I should figure out if they're the right one for me. And so maybe we'll start, if you're okay, Sophia, since your company actually offers RSP services to companies, and then anyone else who wants to chime in with thoughts.

SOPHIA FENG: I think there's different types of RSPs also in different regions. I think, as experience, we put our clients to working with the different RSPs, and you have to take into consideration, of course, the cost, and different cost for different RSPs. Also, now, I believe, is more leverage because we have seen there's also few big RSPs that are doing the business have leveraged the pricing in a way. Because we have TLD clients from all different regions, so we also have to consider the time differences that when you do your TLD operations, you need to find the RSP that can support you within the good hours to make sure that your customers are being supported, partners being supported as well. And the third consideration will be whether these RSPs and also your consultant partners will be able to provide the professional advisory to you. Maybe you're new to the industry, maybe you already have some experiences, but you want to manage multiple TLDs. There's also a lot of challenges. So ours will be dealing with a lot of our customers. They do have expertise, so do ask them questions. Tell your requirements, tell your needs, to see whether they can provide a consolidated solution to you to be able to help you to make the process more simple and cost-saving.

ANDREW ALLEMANN: All right. Who else?

JEFF SASS: I think when you apply, Andrew, you need to understand what you want to do and what your team is going to look like at .ANDREW. Because if you're planning to operate it yourself, then you may want to ask the RSPs what other services they provide. Because some of them can provide marketing support, some of them can basically outsource most of your business to them, whereas others may be more focused on the technical requirements. So if you're going to build a big team around .ANDREW and have a marketing department and all that stuff, that might lean you in one direction, but if you want to be a one-man show and outsource a lot of stuff, that's a question to ask.

ANDREW ALLEMANN: I'm planning on stealing you from .ART and hiring you away for .ANDREW.

NEHA NAIK: One more thing that I think would be very helpful is to understand how many registrars are already integrated into those RSPs, because if they are integrated, then your launch and your channel will basically be more or less set up because registrars have already made that effort to integrate with those partners. So that could be another one to check for.

ANDREW ALLEMANN: So if my registrar and registry are integrated, do you guys think that means I'm definitely going to get on that registrar platform?

NEHA NAIK: No, still not that easy, but you're at least a little ways further than someone that's not.

ANDREW ALLEMANN: Okay. Anyone else have thoughts? These are excellent answers, but other things I should ask an RSP before I hire them?

CRAIG SCHWARTZ: Depending on how sophisticated .ANDREW is going to be, we have the need for a lot of data out of our registry operator, and so it's really important for us to have API access. Some registries offer it, and some don't. So you want to make sure that you're getting the services that you need out of the candidates you're considering.

ANDREW ALLEMANN: Great. All right, I'm ready, ready to launch. Now I just need to get the money together, so if anyone wants to contribute.

So we have about 10-15 minutes? 13 minutes. All right, we're very specific here, just like the 12047 that Jeff gave me for the total number of applications. I want to ask you if there's one thing you wish you knew going in in the last round. I mean, this has been a long time ago now, that you wish you knew then, that you know now about top-level domains or running one.

NACHO AMADOZ: I can speak for .CATs that was there before the previous round.

ANDREW ALLEMANN: You've had even longer.

NACHO AMADOZ: What we saw was that people were really lost when they were getting into the ICANN world.

ANDREW ALLEMANN: Really lost when getting to the ICANN world?

NACHO AMADOZ: To the ICANN world. I guess that's shared, right? I guess that what the Geo Registry Group tried to provide the solution to was that. And then we got together, and it evolved, and it keeps working, and we are doing different things. But at that moment, it was a loose group of people that needed to be together to understand what was going on in the ICANN world.

ANDREW ALLEMANN: For everyone else, it went just as you expected, right? Crews?

CREWS GORE: I wasn't a part of the .FOX application, but I think many registries would say that, like Jeff said before, it's not a sprint, it's a marathon. You're not just going to get to that application and just be like, "Okay, I'm done. Let's start making money." It's a lot of work, and it's continuous, and you just got to keep at it.

ANDREW ALLEMANN: Let me ask a slightly different question. What if we're at an ICANN meeting, what would your wish list be for kind of this next round, like if we could change something? I'm not sure. We were speaking earlier, you mentioned something on that.

NACHO AMADOZ: I think that's part of ICANN's job here would be to cooperate with the registries and the registrars and the world at large to do some outreach. Now, that doesn't mean that they have to go beyond their remit. That doesn't mean that they need to spend more money than that. But I think that the kind of cooperation and engagement that needs to happen for that outreach can be improved.

JEFF SASS: I think, Andrew, too, one of the things that wish we knew. I think those in the industry went into this thinking that consumers, end users, were going to be all excited about all these new TLDs, and that when they registered one, they were going to get up on the top of the mountain and scream, “Hey, I just got a .ART domain. Isn’t this wonderful?” I think the reality is, at the end of the day, the consumer cares about getting the right domain name. And if they find a domain name they’re happy with, they’re happy, and they’re not really thinking about, “Oh, this is one of the new TLDs,” or “Oh, this is something different.” They’re really thinking about what’s the right domain for them. So I think that, as an industry, awareness is still a problem, where 10 years later, and still awareness, as was mentioned earlier, is still very low across the board for all of the new TLDs. So I think as an industry, we haven’t done enough together to really make the general public understand what their opportunities are and what’s available. So hopefully, with the next round, maybe they’ll be better.

ANDREW ALLEMANN: Let me push back a little bit. So some is awareness. But wouldn’t you also say that demand? I mean, we look at the top line number, there are only so many people that need websites, which, right now, we’d argue our e-mail is the primary use of domain names. And we’ve seen the top line number kind of peak here, right? And it’s growing very slowly. Do you think that it’s just an awareness issue?

JEFF SASS: No, I think demand is there when awareness happens, right? Because there’s a lot of different ways to use domains, as was mentioned earlier, even pointing them to your Instagram page, etc. We find with

.ART, when someone who's interested in art realizes that there's the opportunity to have their name .ART, the demand is there. They didn't know they had that opportunity before. So it's our job to make more of them aware that the opportunity exists. So I think when awareness happens, demand follows, in many cases, especially with a TLD that speaks to a very specific or a certain audience.

ANDREW ALLEMANN: Sophia?

SOPHIA FENG: I have one thing to add. From the IDN perspective, I think the second round, if I'm in the second round, I'll apply more. Because last round, all the Chinese good names are still available. So I think it's a chance for the registry to think about good IDN names and find niche industry with a good channel and be able to build a business there. So I think for the IDNs, there are still chances to get a good name. Also, we work with some brand registry as well. So I think what we need to take into consideration is I think I would wish ICANN's process in the second round were much faster than the first one. Well, with the SubPro working processes and all the IRT topics and implementations, I think we will get there. But I definitely think that's very crucial for the brands, actually, to use the names they registered and applied. In first round, in my opinion, a lot of brands didn't use them because it took them three or four years, even five years, to get their brands sorted out. And to be honest, the decision-maker in a company, in the corporates already probably changed three times. So that actually is really a default whether they cannot use their brands. And that leads to, at the moment, when we talk to brands, the value proposition and when we talk to them is they will ask the question why the Brands TLD are not used very widely. So it's all consequential. So in the end, we really hope that ICANN can streamline the processes, make sure the second round will be much faster than the first round, and we will see much more usage for the organization Brands as well. Thank you.

ANDREW ALLEMANN: Thank you. Crews?

CREWS GORE: I was going to say, and just offering that predictability, that the next round is actually going to happen in April 2026 and not, we hear, in a month or two months. It's going to be delayed a few months.

ANDREW ALLEMANN: So my next question over/under—no. I won't ask you when is this going to happen. Yeah, it's a good point. I saw there might have been a question that came in online. Was it good? I saw who it was, so I can mess around with it.

SUE SCHULER: We had a question come in from Page Howe. They said that the first question was answered, but now they just put a second question. What do each of you see as the role of the domain investor or non-operating holder and was expected to be low, but ended up being high. In some ways, it was the collectors that represent a high number of registrations collect for the future use or resale. How does each see that constituency?

ANDREW ALLEMANN: This is a really good question. Let me just ask it a little bit higher, kind of the role of the domain investor, let's say, which I know it doesn't apply to all of you but applies to some, and the level of demand that they have for domains. I guess I'm curious how that played into your business model at the beginning and how it actually ended up being overall. Does anyone want to comment on that? Neha?

NEHA NAIK: For us, we have a premium name model built into the TLDs that we have. So there are some names set aside that are valued differently and they are EPP premiums, which is obviously quite different from what the market was used to in terms of the secondary market. So I think that was a shift. But I think for there to be domain investor demand in your TLDs, you need to, again, get the usage and awareness out there. So, for example, with .TECH right now, it is the highest used nTLD among startups. So if you look at CrunchBase and a few others, and there are a bunch of those that are actually getting invested in. So they have Series A, Series B funding actually going into that. And that then adds up to the value that the market would see in it. So I think there's still investor demand for the TLD, but it's created more because they see other people using it and other people wanting it, and therefore think it's worth investing in.

JEFF SASS: I think domain investors are an important part of the whole ecosystem. With that .ART, we've seen some really nice aftermarket sales. Someone who registered voice.art for about $500 sold it for $40,000 in the aftermarket. And those investors become ambassadors for your brand too, because they're out there promoting the names that they're holding. And so that is another form of marketing for the demand. We actually built a site called name.art where you can play in domain investing without having to actually purchase the domain. So you can create a token for an unregistered domain, and when it gets sold, you get paid a commission on that domain. So I think they become ambassadors for the brand, and it's just part of that ecosystem that helps. But I think it's balanced, right? If you had a TLD and the only registrants were domain investors, it would be problematic, as Neha said, there needs to be usage. So you need to have a balance of real registrants and real usage, and also some interest from the domain investor community.

NACHO AMADOZ: What I'm going to say here applies only to .CAT, not to the members of the Geo group, but at .CAT, we strongly discourage domain investment in .CATs.

ANDREW ALLEMANN: You want only people who plan to use them and having connection. It's been interesting to watch as someone who would call themselves a domain investor, the market, and at the beginning, and I think there was this high expectation of how many domains would be hoovered up by domain investors. And then I would say there's reality of how much money there was to spread a cost 1000 top-level domain names. But also, I think, Neha, you mentioned the premiums and it's almost like new top-level domain operators became the investors in a way, which was an interesting development.

NEHA NAIK: Obviously, this model was created by other registries as well and has been in market for a while now. The way we'd look at it or we looked at it at that point is that it's a new TLD. It needs to break through fighting some of the incumbents. And by introducing a model like this where a premium name could be as expensive as $100 a year, it's not all in 10s and 20,000 or 100,000s, right? Are we then able to reduce the barrier to entry for a business that wants to set up online? They can't maybe afford 10 or $20,000 up front, but maybe they can spend $100 or $500 while they try it out and see how it scales. So that was really the rationale behind that model. But yeah, it is a shift from what the market was used to.

ANDREW ALLEMANN: All right, excellent. Well, we are out of time, so I'd like to thank all of our panelists for coming today. I've learned a lot. So thank you all.

SUE SCHULER: We can end the recording.

[END OF TRANSCRIPTION]