
HYDERABAD – Competition, Consumer Trust and Consumer Choice Research Results

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ELEEZA AGOPIAN:

...discussions and they saw big gaps in knowledge that they required to make their analysis. So one of those is how effective the application and evaluation process was. Once again, we turn to our friends at Nielsen who are very good at surveying people and asked them to reach out to all the new gTLD applicants. That survey is open and underway now, and Dave will give you a preliminary look at what their responses are so far.

But we're still looking for more responses so, if you're in this room or listening in and you are a new gTLD applicant and didn't receive an invitation or maybe it got lost in your spam, let us know and we can send you a link and make sure you participate. We want to hear from as many applicants as possible.

In addition to that, the team is really interested in why there wasn't more take up from underserved regions, or what we're calling the global south. So we turned to Andrew Mack and his firm AMGlobal to do that study, and Andrew's going to talk about that today.

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And then, finally, the Safeguards and Consumer Trust Sub-Team has been interested in the impacts of abusive and malicious behavior online, so ICANN put out a RFP recently and will soon be beginning a study of DNS Abuse. So that's kind of a big high-level picture of all the different pieces of research that are underway.

What I'd like to do today in this session, because there are such varied topics – obviously, there are linkages after each one of our presenters talks about their research – we'll pause and take questions on that topic before we move on to the next topic.

But before I ask Catherine and Greg to begin their presentation, Jonathan, it would be great if you could say a few words about the review team and how you've worked with these folks and what you've been looking for in the data that you've seen so far. Thank you.

JONATHAN ZUCK:

Thanks, Eleeza. I'll do my best to regain my thunder after you've stolen it here. I'm from the CCT Review Team, and I was also involved in an early working group and implementation advisory group that was looking at what kind of data ICANN as an organization should begin collecting so that by the time that the CCT Review began, there would already be some before data, if

you will, so that we could begin to look at some of the deltas associated with the trends created by the new gTLD Program.

As Eleeza mentioned, we asked ICANN to commission two pairs of surveys, end-user and registrant – a sort of before and after – a year apart, and also an economic survey that was attempting to look at pricing and issues of that sort before and after the study period so then when the review team convened, we would at least have more data to work from.

So we view these efforts as inputs into what we're doing, and so in many instances we're looking at a number of different inputs into trying to understand some of the questions that we're asking. For example, why weren't there more applicants from the global south? Via the Nielsen Survey, we're looking at applicants who maybe withdrew their applications – to try and understand why they did that.

Whereas the AMGlobal Study is looking at folks that didn't apply in the first place and what the rationale for that might have been. So our job is to kind of look at a number of different inputs to try and answer some of the questions we're asking about the behavior, if you will, of the global south in the application process.

These research efforts all stand on their own and will get made use of in a number of different contexts such as the Healthy

Domains Initiative and others that are looking for the same type of data. So, personally, I'm just very excited that we're engaged in so much quantitative and evidence-based work in the course of these reviews because I think that that's a good precedent going forward.

I think what you'll find, as you hear back from each of these study organizations, that some level of ongoing research and data collection would really be in order for the organization to better understand the health of the overall DNS and the gTLD marketplace.

We're excited to have been working with these folks and have begun to incorporate their findings into our findings, and we're all available for questions after you've had a chance to hear about each of these studies. I'm going to hand it over to Greg.

CATHERINE TUCKER:

Okay. Wonderful. Well, I'm afraid you're not getting Greg. You're getting me. Who am I? I'm a professor of management science at MIT Sloan. I teach pricing. I also do research on intellectual property in the digital age. That's why I've been involved, and I've been working with Greg who is Vice President of the Analysis Group. He's been leading this wonderful team who've done a lot of the laborious data collection for us.

Now, what are we actually doing in this? Well, we've actually been working on this quite some time. In that, as Jonathan just mentioned, we've been really looking to see, well, how do these new gTLDs affect competition in the form of pricing for the domain name marketplace.

We sort of have done two studies. The first study we released under the innovative name of Phase 1 in September 2015. That was looking just really at the initial period when these were launched. Now we're proud to say that we have another new title – which is now called Phase 2 of our report and we just released that – which gives an [inaudible], only 50 pages long, got a lot of tables and numbers in it.

Now what we do in this report is we look at the 14 legacy TLDs and 139 new gTLDs. Though I'm going to be reporting today on where we actually have a baseline or benchmark from our Phase 1 work. So we're going to look at the new gTLDs that we have comparison data for.

The first thing to say is there has been considerable registration growth in the new gTLDs. If we go back all the way to November 2014, we can see that they were just 2% of all TLD registrations. But now, they're 9% of all registrations, at least, in our latest data which was March 2016. What we're going to do now is – that's sort of big headline news. We're now going to get some of

the pricing results, and the way you should view these bar charts is that they are –

On the Y-axis is going to be a price and then because we're nerds, we're going to always report both the average and the median, just so you know where the distribution of the data is.

Now what you can see here is that there's some good news in that it seems that what we've seen in the periods we've been studying is a general decline in retail prices. You'll see that that's relatively consistent over legacy gTLDs and the new gTLDs as well. Is it large? It depends how you think of around an over 10% change. But it looks – in the world of pricing, that is quite a large change, so it's reasonably exciting.

The other thing to say about this graph, if you're like me and you worry a lot about distributions, you might be like, "What's happening with the legacy gTLDs over there? Why is the average different from the median?" That can be explained by the fact – remember there's just 14 legacy gTLDs in our data. The average is being bumped up by the fact that the dot-travel is so expensive.

First piece of news in general, we're seeing a decline in retail prices. Now let's go and look at one my most exciting slides which is where we then go and say, "Well, are we worried just about retail prices? No." What we're also interested in is

markups. Because, in some sense in economics, we always think of markups as being a good way of measuring how much competition there is or competitive pressure there are on firms to reduce prices rather than try and potentially gain a surplus from consumers.

If we look at these markups, what you can see is actually pretty consistently good news in that we can see a decline across the board to around 70%. What's particularly distinctive to me is that a lot of the decline in markups that we've seen is actually coming from the legacy gTLDs.

There has been a decline for the new gTLDs, too, but we're seeing a decline for the legacy gTLDs which is more pronounced. Now of course, we can't say that is causal, but that is at least quite interesting and at least suggestive of some increase in competition across the board.

Here's another slide which I think we should be feeling relatively happy about, which is where we went and investigated not just prices, but who dominated in which market. The first place we looked was – well, we looked at the really big guys. If you go to the biggest guy – verisign.com, [whosincharge].com – then what we see is a decline in their market share of 6.2% in the period between 2014 and 2016. We see the evidence of somewhat of a decline or diffusion in competition for the top registry.

The other thing which is really interesting to me, though, is not just what's going on at the top. Instead, what's interesting is also if you just look at the general pattern across the board. So you can see here I have two charts where basically what we do is we look to see who was top in 2014 and how did their market share change in the short period that we're measuring.

If you look at these changes, you will see that they're really quite pronounced. It's very unusual in a market to see us go, say, if we look at the top 15 registry operators, to see a decline in their market share in this short period of around 40%.

Also, then, if we go and look at the registrars we see similarly large, I would say, declines in terms of their market shares. What we're seeing, we characterize in the report as basically a lot of volatility and certainly no evidence of entrenched operators in a sense. For me, quite good news.

If we look at existing legacy gTLDs, we see some decline or diffusion in market share. And if we look at the new gTLDs, what we see is a lot of volatility, a lot of shifts, which generally we think of in economics as being quite consistent with a competitive marketplace. So those are all positive views.

I think where we didn't have much news to report, was really where it came to the wholesale prices. What we have here is another bar chart comparing wholesale prices across legacy

gTLDs with new gTLDs. Now you can see, really, there's not much of a shift we're measuring here.

I must apologize that there's basically two explanations of this. First of all, it may be that there's just no real shift. The other reason is, is that we only have data on the wholesale price caps rather than the wholesale prices for the legacy gTLDs.

Of course, as an economist, in some sense, a cap is only meaningful if it actually binds, so we might think of that as representative of something. But on the other hand, it's based on cap data so I'm going to be a little bit cautious about how I interpret it. But at least, if we look at that we're not seeing anything so significant in the way of shifts.

The last thing I want to tell you about – and I don't know if the gentleman's is in the room, the Dutch rep who was talking about the diffusion of international competition among registries and registrars – but we have here, I think, quite a nice graph which shows, for me, very large shifts in this period that we're studying in that we see over 100% increases in numbers if you look at Asia Pacific, Europe, and North America.

So one way, potentially, of interpreting this is that competition is obviously complex in this market and maybe what we're seeing is more geographical diffusion in the way the competition works. Still, these are quite startling numbers if you remember

we're just comparing November 2014 with March 2016 to see this much change.

So with that, I get to say, "Thank you," and Greg and I are very much looking forward to your questions.

ELEEZA AGOPIAN:

As I said at the beginning of our session, we'd like to focus the questions around each of the presentations. If you have questions for Catherine and Greg now, I invite you to join us at the microphone or if you're remote. I think I see a question coming so I'll pause here.

JONATHAN ZUCK:

Is there one coming online, Eleeza? Otherwise, I can ask you a question. Just in hallway conversation, Greg, we were talking a little bit. What do you think the impact of the price caps on legacy gTLDs has had on your ability to analyze the competitive impact of the gTLDs, and what are the implications for that going forward.

GREG RAFERT:

I think one implication that, to the extent that legacy gTLD operators would have liked to have charged more than their price cap both before and after the entry of new gTLDs, it can

make it difficult to discern whether or not there were any downward pricing pressures. That's at least one that stands out to me, Catherine. I don't know if there are others.

CATHERINE TUCKER: Yes. I would concur with that. The trouble I've always had with thinking about the caps from an economics perspective is that if they didn't bind, that is if they don't really limit behavior, there's no point in having them. Therefore, we have to assume that they are limiting behavior to a certain extent, and the moment you have restrictions on price and behavior, the more difficult it is to trace out any underlying change in competitive pressures, at least through pricing data.

JONATHAN ZUCK: Thanks. We have a remote question from John McCormick of HosterStats. The question is, “Does the volatility have anything to do with the burst in Chinese registrations in Q3/4 2015 and Q1 2016?” Also, “European registry growth may be due to registries using Irish taxed domiciled companies.” And he's qualifying, or correcting, Q3/Q4 2015.

GREG RAFERT: With respect to your question about Chinese registries and registrars, the answer is yes. It plays a really big role in the

volatility that you see in the tables that Catherine was talking about.

CATHERINE TUCKER: Anything on the Irish registrations?

GREG RAFERT: We can certainly look into it. It would not surprise me. I guess I should also note that if you go to the report, we provide pretty detailed information on who the registries and registrars are with their respective shares. That can give you a little bit of a sense for the extent to which Chinese registries or registrars are driving some of the results.

CATHERINE TUCKER: Yes. We have these amazing series of tables from A to F. They go on and on, but if you're interested in the names on how you're doing or how you're ranked, that's actually a really good source. So you can see that certainly that some of the volatility of what we've seen is the shift towards what we might think of as Chinese domain names.

STEVE DELBIANCO: With respect to the price caps, you got me thinking when you mentioned how their presence makes it difficult to discern other

affects. So is there a historical experience where price caps end up meaning that artificially low prices make it difficult for a new entrant to charge what they believe is a price that covers their costs – especially a new entrant that doesn't have much scale? So the new detail of the operators being unable to charge sufficiently high prices to make their business model work because they're competing with one who's prices are capped at a much level.

CATHERINE TUCKER:

The reason that Greg and I were smiling is because we both have economic Ph.D.'s, and certainly we're showing our age. And when we were being educated, all we talked about was a similar situation in the energy industry, right, where you had price caps. And basically, most of regulation, or what we might think of as innovation, was all surrounding them.

Now for me, there are interesting differences in this industry that if we think about the energy industry, wow, our economies of scale and scope important. Whereas, here I have a little bit more optimism that at least, relative to energy or infrastructure style industries which is where we usually see price caps being used, there is more of a potential for a nimble entrant, I think, to enter. Greg, do you want to chime in?

GREG RAFERT: I would chime in, but I actually thought you did a really good job.

JONATHAN ZUCK: You did also conclude that, on the whole, the pricing was higher among the new entrants, so that would at least suggest that that price was based on some cost basis and not just a straight market analysis. And to the extent to which you're seeing a decline in pricing by the new entrants, it would suggest that there's some downward pressure on their prices through competition. That competition could be coming from these legacy TLDs that have these artificially small prices, right? I mean, I guess, I'm just trying to piece together different things that you've said along the way.

UNIDENTIFIED MALE: If I could follow-up on your energy comparison, energy production was almost always a combination of fixed costs and significant variable costs per barrel, per kilowatt hour. Not so here. This is all about fixed costs. There really is an infrastructure setup, generic marketing that's done. But on the incremental basis, adding another registration is practically zero.

So while that marginal cost is zero, you can see the struggle that a TLD operator would have, having sunk costs of what it costs to win, ongoing fixed costs to run it. And they have to assess how

big of a market can they address and what can they charge to see whether they can even begin to cover their fixed costs.

So the comparison to energy is a missed one, and your notion that a nimble entrant could potentially overcome that – I think that the volume of their addressable market ends up saying that they need to charge more per name – because they're going to sell fewer names – and they pretty much know going in what they need to realize on an annual basis to cover fixed costs.

CATHERINE TUCKER:

I think my reflection about nimble entrants really comes from the amount of what I was calling volatility, but we could also call nimbleness – in terms of that there are many entrants who seem to have taken at least this leap of faith that they can make it work given the cost structure. So given what we've observed in the data in terms of new entry, I'm probably a little bit less worried than you, though I like the clarification about cost you've offered.

UNIDENTIFIED MALE:

Yeah. Just going off of what Catherine was saying, I think one thing that gives me some comfort that the price caps aren't at least significantly reducing entry is that you have seen a lot of new gTLDs enter into the marketplace. And of those that have

entered, I think we've only seen one that's officially gone out of business, which is suggesting that maybe the fixed costs aren't really that high.

UNIDENTIFIED MALE: ...ask a question? Obviously, we're very focused on global south kinds of things. And I'm going to put China in a slightly special category because it is, in some ways, global south, but in some ways very much global north. But as you're looking at this, did you see any particular effects that deal with the parts of the Internet world that are newer to this – so global south thinking, Latin America, Africa, less developed Asia – in terms of the way that they are more price sensitive, less price sensitive, that kind of thing?

CATHERINE TUCKER: So I'm bringing a slide up again because in some sense you can see that if we were to look at Africa and Latin America, we're dealing with very few data points, right? So though we can describe what has happened there, it's more – if I look at this, you can still characterize it, but it's based on very few observations which you may think of as reflective of the problem you're trying to solve.

I mean, you could still say Latin America doubled, but three to six is not—

UNIDENTIFIED MALE: And is all of the growth in Asia Pacific almost all China?

GREG RAFERT: I'm not 100% sure, but my guess would be that a lot of it is.

UNIDENTIFIED MALE: So that would have an impact on a country like India, for example.

CATHERINE TUCKER: That's a nice point.

[KAILI KAN]: May I say something?

UNIDENTIFIED MALE: Yes.

[KAILI KAN]: Kaili Kan of ALAC and also of the CCT-RT. At the CCT-RT, I think, we have found out that the existence of backend service providers and also a large population of registrars they both significantly lowered the fixed cost of new registries.

So, first of all, I agree with the gentleman talked about the fixed cost being the most significant cost compared to, maybe, energy. That mean variable cost is relatively low, but on the other hand, in this industry, the backend service provider and a large number of registrars they help to significantly lower the fixed cost.

So how do these two factor compare, I think, so far for our CCT-RT? We are still have to see for a long-term viability of new registries, new gTLDs with a very small volume. And exactly what is the viable, minimum valuable scale? We still don't know yet, but can be maybe observed after a few years. But I think this is more of a complete picture of both the fixed costs and variable costs. Thank you.

CATHERINE TUCKER:

I think that's a very nice point because, as economists, we look at what we describe as volatility, nimbleness entry. We think about as good things for competition. But you're raising the shadow that maybe what we've actually observed could be excess entry. That would be interesting to study in the long-term. But as Greg says, in our current data we haven't seen evidence of it yet, which leaves us to be somewhat optimistic.

ELEEZA AGOPIAN: Thank you. Thanks, everyone, for your questions. We can move on now to Andrew Mack's presentation.

ANDREW MACK: I run a consulting firm based in Washington called AMGlobal. We specialize, amongst other things, in work with the global south. As Jonathan mentioned, our task was to do something that, in some ways, utterly impossible, which is to prove a negative – or at least examine something that didn't happen and try to explain why it didn't happen. And so I'm going to walk you through that process.

It was a tremendously interesting project that I think leads us to a lot of really good and important questions as we think of the future of the new gTLD Program and, specifically, what it means for the ICANN Community and its relationship with the global south.

I've entitled the presentation, “New gTLDs in the Global South – Understanding Limited Demand and Options Going Forward”. Limited demand, I think you all know. There wasn't great demand from most parties in the global south. Of the 1900 or so [top over] domains that were requested, just a hand full – well under 50 – were from Africa, Latin America, and the Middle East. So it's important for us to understand that.

This is in many ways the future of the internet. There are a billion people in Africa. There are many hundreds of millions in Latin America and other places, so if we're going to capture that domain and capture those – do what we say we're interesting in doing for those populations – how did this program reach them or not reach them? We looked at this and we started off with a couple of key questions.

First, if you think about it, what were the factors that influenced the decisions or people in the global south that caused them not to apply? And the second one is, what might ICANN and we as a broader ICANN Community consider doing to increase global south participation in future rounds?

So what caused them not to apply? Obviously, it's a very difficult thing to sit down on the phone and talk with people and say, "This thing that you didn't do, why did you not do it?" But we made our best efforts to it.

So we created an approach, first of all, to test what was the hypothetical. Started off by identifying counterparts equivalent from the global south to the applicants that applied in the global north. Now, what do we mean? Who applied in the global north? Well, we had a series of brands, financial houses, associations, different interest groups.

So what we did was we looked at Africa, Latin America, Middle East, and Asia outside of China and tried to come up with what would be rough equivalence to those. We looked at the kinds of organizations, the kinds of brands, the kinds of companies, and the kinds of people within those organizations that would be the decision makers with an eye on who are we going to talk to and how do we know they're the right kind of folks. Then we conducted in-depth, in-language interviews to build data to help evaluate and prioritize future actions.

One of the things that Jonathan mentioned was that we're trying to go beyond just our sense as a community of what happened, to really dive in and try, to the greatest extent possible, to drive data. Obviously, it's difficult to do in the short period time and with a small number of data points, and we had the same challenges that you did. But to the greatest extent possible to have good conversations, but to draw data out of it, actual hard data.

So our initial task was to look at at least 30 interviews from different decision makers around the world. We ended up, we are pleased to say, with 37 different kinds of people and I'll explain who they were. Then on the basis of these conversations and the data that we pulled out, what kind of recommendations could we have and what does it mean for ICANN?

So this is a list of the kinds of people that we looked at, and on a sectoral and organizational basis, our goal was to go as wide as we possibly could. We wanted to have as much different kinds of groups represented as possible within this small sample size.

So you'll see a number of the ones that you might expect – academia, the tech sector, associations, banking and insurance, transportation – and we were really very pleased. These are not in any way geographically determined, so this is the whole group of 37 around the world.

On the right-hand side, what you'll see is our geographical distribution – 3% Middle East, South Asia, Asia, Africa. We made an important decision to focus in on Latin America for the bulk of our interviews, and there were two reasons why. One reason why is because we had connectivity in that space. It is, as you can imagine, exceedingly difficult... imagine yourself trying... we reached out through a series of online surveys and things like that, you know. We reached out through e-mail.

But imagine yourself talking to someone on the phone and saying, "Hi. You are the CIO of an important company. We'd like you to talk to us about something that's already taken place that you may or may not have heard about." It's very, very difficult to get people on the phone.

So one of the things that we were very focused on is, can we get a critical mass of people whose experience we can compare and, also, who will give us the time. A typical interview for us lasted anywhere from a half an hour and an hour and 15 minutes, so we really went into some detail with people, which was great. But that is one of the reasons why we focused in so much on Latin American – is to get comparable experience.

The other thing is, I wanted to compliment Vanda Scartezini who is part of our team who has amazing connectivity in Latin America. So a combination of our team and hers gave us the chance to reach out to a number of people in a short period of time.

So what were the big issues? Big Issue Number One, not going to surprise too many people, inadequate awareness of the new gTLD Program. If you do not know that this is happening, you won't apply, right? So very base of knowledge, an awful lot of people had no knowledge of the program. A number of them also had no knowledge that ICANN exists. That's obviously going to limit their uptake.

A significant number of people that we spoke to also had very incomplete knowledge. And the things that they described were experienced where they said, “Yes. I've heard a little bit. I've heard rumors. I've heard inklings of this, but the information

that I have is incomplete and much of it is fairly confusing.” You’re not very accessible. You really needed to know what you were talking about.

A third factor that we found that was extremely important, especially in Latin America, was time. It was something we hadn't thought initially when the research got started, but if you think about it, if you're working, with especially a conglomerate or a city or a government entity, the time that it takes to both discuss this idea and then to socialize it, okay.

So I may be in the IT Department and I may decide that this is something I'd like to push forward. I then have to sell it to my management. Management has to discuss it. They have to come up with a plan around it. It can take six months or longer. A lot of people that we spoke to said they just didn't have enough time, in the context of the program, to socialize and to evaluate the possibility of a new gTLD. The lack of information was cited as the most significant constraint.

The second thing was the lack of clarity around business model or business uses of the new gTLD. Now, what do I mean? What I mean is, obviously, how are you going to take the... what's the thing that causes this to be of value to you? Nearly every single interviewee that we spoke with, 31 out of 33 – almost everyone – said that this was a significant factor for them.

They didn't have it in their head how this was going to be something that they must do. They were unclear of how it would add to their existing brands. Many of them had a strong assumption that the name that they might apply for was their company name or their association name or their group name.

And they said, "You know, this is great, but how is this different from what we already have?" There was a significant concern about sensitizing customers and the public at large. Will this just confuse our constituents? It was interesting because one of the things we talked with a conglomerate owner, or a CEO of a conglomerate in Pakistan, and he said, "This is great, but what will my marketing budget be to explain the shift to my new gTLD?" So they were already thinking in terms of is there a cost associated with it?

Also, "Is our market ready? Will people who might be our constituents or our customers know that this exists out there and then know what to do with it if we get a dot-our name, for example?" There was limited understanding of the idea of a new gTLD as an investment – as a generic or a category, a dot-lawyer a dot-fruit – something that might be used across different geographies.

And there was some real concern about whether or not someone from the global south could make an economic success out of

launching something that was more global because they weren't as connected in with the broader international sales channel community. And then all of this led to the sense that, "We're not sure if this is a must-do. Maybe we should wait."

The last piece – and it was something that was interesting to us around price and process complexity – when I worked on the Joint Applicant Support Group back before the launch of this round, we were very, very concerned about the whole question of price. Was price going to be a barrier?

And without question, we got a tremendous amount of feedback that price was a significant thing. I remember talking with one interviewee who said, "Yes. For \$185,000 in my country, you can do an awful lot." So it's not necessarily that they couldn't afford it, but rather that the opportunity cost of what they could do with that money instead.

Process wasn't plug n' play. They complained that it was complex. They said that price is significant. It wasn't most people's first concern, but it was a significant concern. Also, it was a significant concern in their ability to sell it up the line within their organizations.

So a few recommendations humbly submitted. First of all, in terms of improving outreach, one of our goals was to engage the interviewees in a real conversation. We said to them, "Please

give us advice as a community. How would you go about trying to improve the outreach?" So more and better outreach, obviously. Clearer communications won't surprise anyone.

More focus on reaching the general public, not just on reaching the applicants themselves. And I thought that was a very interesting piece. If you think about the different parts of the marketplace, you have the executives who may spend five minutes on this, who might have very little knowledge of the applicant process and maybe have very little knowledge of the new gTLD opportunity – maybe their technical staff, their marketing staff, and then the general public.

We were told by a lot of our interviewees that on both ends – on the executive decision-maker end and on the general public end – there just wasn't enough information. Then there were some other vectors like trade associations, like conferences, like lawyers and professionals and advisors that our interviewees suggested we could do much more with and that we should in the next round if we want to reach the global south.

The second thing is about key messages that need to be strengthened. We heard over and over again, “What does success look like? Is there a business model for this in the global south? If I got a new gTLD, what would that look like and how can I see where this has worked in other places?”

So a strong suggestion was to try to bring together that [inaudible]. Second thing, that the global south applicants can do this. And thirdly, what kind of support can they expect from ICANN? What kind of support would be available?

Terms of recommended actions: outreach tools, clear to non-expert audiences allowing more people who might be proponents of the program. Second of all, more fully explain these different uses for gTLDs answering questions about business model. A long-term program of consistent outreach.

It was strongly recommended to us that when we think about a next round of whatever sort, that we begin the process that much earlier so that people from the global south can see it, can take part in it, can ask questions. And last, other possible assistance, including price support, consultant registries, sales general information and the like.

But it all comes down to answering three really more fundamental questions, and I throw them out without an answer but I think that they're going to be important for us as we go forward. The first is, how committed is our community to promoting gTLDs in the global south? The second thing is, what would success look like if we were to promote them more fully? And, why is this important for ICANN and the ICANN Community? Thanks.

ELEEZA AGOPIAN: Thank you. Now we can take some questions for Andrew.

UNIDENTIFIED MALE: We have one question from the remote participation pod from John McCormick at HosterStats. “Did any of them bring up the position of the local ccTLD in their target market as a reason for not applying for their own new gTLD?”

ANDREW MACK: It's a good question. We actually had that come up in a couple of conversations. It was not considered a major driver, although there was very much – a lot of what people knew about the gTLD space, they knew about through their ccTLD. There were a couple of conversations that we had where there was some suggestion that perhaps we could work more in conjunction, actually, with the ccTLD and a potential new gTLD applicant.

ELEEZA AGOPIAN: Thank you.

HADIA EL-MINIAWI: I'm the manager of the Domain Name System Entrepreneurship Center, which is a partnership between ICANN and TRA of Egypt. I just wanted to comment on what you just mentioned, the

question. That most probably, I don't know about Latin America, but if we talk about Africa and the Middle East, most probably you will find that registrations under the ccTLDs are very weak. It's not only the gTLDs, but it's, in general, domain name registrations.

I think there was a survey or a study that said that the number of domain name registrations is 1 per 172 Internet users versus, I think, 1 to 29 or 27 worldwide. So it's not only about the gTLDs, but it's domain name registrations in general.

ANDREW MACK:

Thank you for the comment. We interviewed a person from Egypt who does a bunch of consulting work and we got a similar kind of response from him that part of this is about how ready the market is, how much uptake there is, and how much this has been socialized within the broader economy. And it's clearly not taken off yet on the cc level or on the g level, so I think what you're saying makes good sense.

STEVE DELBIANCO:

Andrew, good job on the study. For those who indicated the application fee – which you were calling price – was a significant impediment, did they give you any indication as to what level of

support or subsidy would have been appropriate to switch them to a yes?

ANDREW MACK:

That's a great question, Steve. You know, it's a funny thing. We were kind of looking for that [inaudible] smoking gun kind of thing. But the truth of the matter is that for the vast majority of people with whom we spoke really it was more of a binary, "Am I in? Do I get it or not?" The amount of money was perceived as significant, so that was kind of a psychological barrier.

Interestingly, of the – I'm recalling from memory – I think of the number of people who responded, nine of them also said that they were concerned about the annual running costs of a new gTLD.

But here's an interesting thing. When we spoke to – for example, one of the people that we interviewed in the Caribbean said, "Cost is a big issue for us," (price, cost, whatever you want to call it, application). And I said, "Great, how much was the price?" And they said, "Oh, it well over \$1 million. I don't remember how much, but it was well over \$1 million to do this."

And I said, "Was it?" because we didn't want to lead them too much, right? So it's not just a question of price, but also

perception of price, perception of complexity, and things like that.

I think that one of the biggest lessons that we learned is we've got to get clearer information out there, and if we can connect it well enough to the business case... We interviewed an investor in Kenya who said, "Look, we've got plenty of people in Nairobi who could make this investment, but they've got to see that this is a worthwhile investment."

Now at the margins, is that still a lot of money? Sure it is. But we didn't get someone coming back to us and saying, "\$185,000 or \$250,000 all in with consulting is too much. \$100,000 would have been fine." It was more that, "In the absence of real hard knowledge about how we're going to make this pay for itself and what the business model looks like, this sure seems like a lot of money and before I'm going to lean forward on it, I want to know more."

SEUN OJEDEJI:

Thank you very much. I'm from Nigeria. I'm speaking on my personal behalf. You mentioned something about connectivity, I assume you're referring to connectivity in terms of person, not Internet connectivity

Sorry. Can you hear me now? You said something about a lack of connectivity in Africa. I assume you were referring to person, not necessary Internet. In terms of that, if I recall correctly, [I've seen] you in some of the events in Africa, Internet-related events, where you can actually meet people who could actually help in providing feedback for you.

So I think, yes, it may be difficult to reach some of them, but you could get quite a number of them in those venues to provide... I'm not really glad that you were able to do little interviews in Africa. It would have been good to get more feedback from Africa as well. But, perhaps, I should also note that the recommendations you made are actually very much applicable to Africa, and it should be that those recommendations also puts into consideration for the African region as well and not just ALAC.

The other thing I wanted to mention is during your interview, during your questioning, did you – apart from the fact that some may think around 85K is a challenge – did any of them also raise the fact that, “If I'm able to get it around 85K, do I still get a TLD?” because there would be competition.

I mean, somebody signs up for one TLD. Someone in the developed country signs up for the same TLD. They soon go for auction and then the [ISB] that gets it, indirectly it's still a loss

for them. So what is the guarantee that a developed country will be able to get [inaudible] the better TLDs in the long run? Thank you.

ANDREW MACK:

Some great questions. Thank you very much. A bunch of different things to take out of that, so let me see if I can do them one at a time. First, when I'm talking about connectivity, I wasn't talking about the actual connectivity of individuals on the content, for example, in Africa.

Although, it is striking. There are 185 or 190 million Nigerians and, yet, I don't believe there was a single application from Nigeria or aimed at the Nigerian community. One of the things that it does say is we may still be a little bit ahead of the curve in terms... There wasn't a dot-Hausa, for example. There wasn't a dot-Yoruba or something that might have been specific to a large Nigerian community where there are plenty of constituents that might have been interested.

People still, I think – going to the commenter from Egypt – they don't yet still see the domain name as the tool that we do, I think, in the United States, Europe, and other places. I think it's happening, but it will take time.

We're now at a point where there is more than one cell phone for every Nigerian and, within the next five years, I envision that at least 75% of those will be web-enabled. So we will see a different Internet, but it will be much more present in places like Nigeria.

We did have a number of commenters who talked about this idea of certainty and also the idea of competition, so let me talk a tiny bit about that.

In terms of the idea of certainty, there was a real concern that if we in the global south get into a competition with another applicant from the global north for a similar string, that we will lose or we will face a difficulty because it may be our second language. It may be we're farther away from the consulting resources. A whole group of different constraints were mentioned as concerns.

I do think that that's a real perception. It wasn't obvious, based on the conversations, that they had one single thing that they suggested – "We definitely need this to level the playing field," if there is a need for more level playing field. There was, on the other hand, a very strong sense from at least three or four interviewees that I remember where that they said, "Okay. Let's say we get something like a dot-Swahili. Can we get it out to..."

Or there was an example in the Caribbean, dot-Carnival. "Can we get out through the international sales channel so that

people beyond just Kenya or beyond just Jamaica will see this as an economic opportunity and will join in? Or do we really need to be more closely connected to the existing sales channel which is much more global north focused?”

And I think that is something for us to consider. Africans often talk about the lack of ICANN-accredited registrars and the difficulty of getting new product out onto the continent. And I know it firsthand, having worked with a number of new gTLDs aimed at the continent. It is a legitimate challenge, for sure.

ELEEZA AGOPIAN:

Thank you. Any more remote questions? Jonathan, go ahead.

JONATHAN ZUCK:

I know I'm the one who asked you to perform this study and it sort of falls under that category that if all you have is a hammer, does every problem become a nail? And I wonder if we're looking at the questions you have on the screen right now about making a commitment to the global south.

And if I was asked, would I rather see that the number of applicants for new strings went from 5 to 15 as a metric or I would like to see registrations go from being 1 in 172 to being 1 in 100, a part of me feels like that later number seems more important and more sort of impactful for the economies in

question than this barely sort of small number – even in the best case, the relatively small number of applicants for new strings.

ANDREW MACK:

Very legitimate question and a good one. I tried to keep my big underlying questions as broad as possible, in part because I think that there are a number of paths to success and I am hoping that we as a community will try to move along all of them a little bit simultaneously.

I couldn't agree with you more that having 15 or 20 additional strings applied for won't change the world in a huge way. However, I remember and – I don't know who, Waldo, I think you were in the room and there may have been others who were in the room here. Last year I spoke at the Africa DNS Forum, I think, in Nairobi.

We talked a lot about, and the title of my presentation was about, why Africa isn't making money from the DNS, remember? I gave a presentation and one of the first things I did is said, “Everybody who's ever heard of a new gTLD or ever registered one or ever thought of applying for one, stand up.” There were two people out of 250 who stood up, right?

So what we need to do is kind of simultaneously look at all the possibilities. Yes, it would be worthwhile to provide this as an

opportunity but, for sure, that's not the silver bullet. Yes, it would be worthwhile to get more people potentially using domains. And, yes, even outside of, but alongside, the whole domain industry, there are other economic opportunities that will again create a positive cycle.

What I think we don't want to do, my personal opinion – and I'm not speaking on behalf of ICANN or even necessarily even giving advice – but just my reflection is, what we don't want to do is assume that the existing way of doing things, the existing channel will necessarily serve African consumers for the future. Because, number one, nobody knows Nigeria better than the Nigerians, right. That is a fact. And I think that that's one we want to own.

But also because I think that an awful lot of countries are looking to the world of domains and apps and online commerce as the future of their economy, and the idea that it could be serviced from Washington D.C. only to some extent.

I think that there is a lot of value in having a presence on the ground and having all of the things that you described happen and getting Africans or getting Latin Americans or getting Asians involved, getting Egyptians involved in creating the content and creating the value there.

JONATHAN ZUCK: The czar of politically correct vocabulary now need to expand or include "north-splaining".

ELEEZA AGOPIAN: Thanks, Jonathan and Andrew. I think now we can move onto Dave Dickinson from Nielsen who's going to talk first about the consumer and registrant surveys, and then we'll talk a bit about the early results from the applicant survey which would have dove-tailed nicely with this, but we went with this order this time.

DAVE DICKINSON: Yeah. We'll make you bend your brains back to the applicants in just a minute. But we'll... All right. And now I have to learn how to use the technology. All right. First, we will go through the registrant and consumer surveys. This was a research program that was done to support the entire development program. We wanted to assess awareness, experience, choice, trust within the new gTLDs as well as with the existing gTLDs and the domain system in general.

What we've got here is basically the equivalent of sound bites. There's over 400 and some slides in the respective reports and I just boiled it down to a few key things, but there's lots of data out there for those of you who like data.

What we did, the consumers – the criteria to be admitted into the survey – is they had to be at least 18 years of age. However, in the second wave, in 2016, we did include a sample of teenagers younger than 18 so that we could look directionally at how maybe the youngest population might be shifting their attitudes. I won't be talking about that today, but it is in that report.

They had to spend at least five hours per week on the Internet, and we distributed it demographically to each region's online population trying to get to about 75% of the global population of Internet users.

For the registrants, a little bit simpler. They had to say that they had registered a domain name at some point and that they were the primary decision-maker for that. It was conducted in 24 countries, administered in 18 languages. The sample sizes are over on the right-hand side in the middle there.

For the consumer survey, we did just over 6,000 in 2015 and about 5,500 in 2016. The registrants was just over 3,300 in both waves. So those are the key methodological things.

I'll summarize the aware trends. I don't expect any of you to be able to see all this mall writing on this, so I want to just point out a few things.

So awareness patterns for the legacy gTLDs naturally fall into sort of three groups. There are those that have very high levels of awareness, then those that have sort of medium levels of awareness, and those who have low-levels — hire.com, .net, .org. The medium or moderate is .info and .biz. And then the low are Mobypro, Telasia, and Coop.

And then we had the new ones, and we had two sets of news. There was one set that one set that was in both waves and then there was a set that was added in the new waves. And what this shows, the lines here connect to the same metrix or the same groups of gTLDs from one wave to the next.

So if you look at that, you see a couple of general things. General trend increasing awareness, most of the lines go upward. There's a few that go down. Those come from the registrant survey. And most significantly, we see a drop in the less commonly aware gTLDs. Dot.com didn't shift, but some of the less common ones do.

You'd need a third data point here to be able say for certain if that was a drop or if the first was maybe a bit high. But the hypothesis might be that some of those mid-range and lower legacy gTLDs are becoming a little less salient to some of the registrants.

Then the last thing, if you're able to detect colors from where you're sitting, you'll see some green and red labels. Those are the groups of new gTLDs that we had, and you can see that they appear in the middle of the pack. So that's relatively good news. They appeared relatively strong compared to a number of the legacy gTLDs.

Another thing that we were looking at here was trust and issues around trust. One of the key things we spent time talking about is whether people expected there were any sort of validation processes or restrictions on who could register domains under each of these gTLDs. We see a couple of things in general. The first bullet here is just talking about trust in general, and it was stable. We didn't see any significant shifts in the reported levels of trust that people have.

Then on the restriction level we see a couple things. One, people generally expect that there will be some level of restriction or validation for people who are registering in these domains. And that increased consistently for both consumers – the large consumer population and the consumer registrants. We see an upward trend there from wave-to-wave for both populations. That was consistent pretty much across all types of gTLDs, though it did vary by specifics.

We also asked what the effect of those restrictions or validation attempts would be and people said, “Yes, that would have an effect. My perception of that has an effect on my sense of trust.” And that also was something that increased consistently from wave to wave.

The other general point to make here is that, overall, those who have registered domains tend to have lower expectations about restrictions than the general population. That's another general dynamic there.

The other trust area was not so much about the gTLDs, but about the industry in general, and overall trust in the industry has stayed strong. We had them compare it to other tech-related industries and come out very strong. The column chart there shows the percent of people who say that they trust the domain name industry much more or somewhat more than other tech industries, and we averaged across the very industries here.

You can see a third to 40%, a little bit more, have a strong perception that they trust the industry more, and that's higher among the registrants than the consumers. We also, when we asked them to associate terms with the industry, you see trustworthiness is the largest word over there. So they have a general sense.

And when we asked them why on an open-ended basis, a lot of things come up, but the biggest one is that it's in your own self-interest to police yourself and make sure that the industry stays reputable. You have a vested interest.

Those are the major themes. Some additional high points from the consumer research. We looked at their comfort level with what they do online and were there any trends there. Generally, very high levels of comfort reported. If you look over on the right-hand side there, 92% said that they were comfortable searching for information. 76% said that they were comfortable doing banking activities.

The area where people are least comfortable is putting personal or family-related information into social media – what activities they doing, those sorts of things. That's where people had the most trepidation.

We also asked them about a range of experience with abusive behaviors – phishing, spamming, those sorts of things. In general, high awareness, high perception of those. A lot of people feel that they've been impacted or touched by those in some way and they have some reasonable fear about those things, but it's not changing their behavior in any significant way.

We didn't see any shifts in either the level of fear or the percentage of people who were altering their behavior to avoid negative outcomes from that. So there's still – the analogy we used the other day is even though there may be more crime reported on their street, they're still walking or driving down that same street every day. They haven't shifted their patterns.

When we look at the comfortable for the new gTLDs versus the legacy gTLDs for some of these specific activities, we set up a series of question where we would show an equivalent domain name with a .com extension, with a ccTLD extension, and then with a potential new gTLD. And we see that their comfort levels are consistently lower with the new gTLDs, but the majority are still comfortable with most of the activities.

One last thing for the consumers is we asked them their perception of if they were aware – not everyone was, obviously – but if they were aware of the new gTLDs, we asked them why these were done? A large group, about 3 in 10 said, "Well, to meet demand. They're running out of domain names. There's a shortage. The Internet's growing. We need more," that sort of thing.

The second most common, 18%, was to provide additional structure – to give some meaning or structure to the Internet.

Then another big group down there, 28% said, "I had no idea why they did this."

We also asked a question about if they perceived there should be a relationship between the new gTLD and the type of registrant for a domain within that. And the blue box is they expect a very clear relationship, so you can see that's 55%. The orange box is they expect some relationship. So 8 in 10 are expecting that there's at least some coherency between the new gTLD and who's registering that. And that just fits with the perception of its adding structure, it's adding meaning.

A few additional things from the registrant surveys. One of the things we probed on was the effect that what we called alternative IDs were having on registration. So we defined alternative IDs as social media accounts, Facebook, those sorts of things; third-party provided website – something you might get as a part of a service that wouldn't have a unique domain name; or a third-party like review sites or sourced – vacations, referral sites, those sorts of things.

And the general thing is we're seeing that registration practices are being affected by both the new gTLDs and the alternative promotion methods. So the new gTLDs, they've got a limited affect at the present time because for the most part, people were saying they were registering those for protective reasons.

However, there was a substantial portion, almost two-thirds, who had registered a new domain and they reported that they replaced or let go at least one other domain that they had. And of those respondents who have alternative IDs as we define them, one in four use them in lieu of registering – instead of registering additional domain names. And one in six said that they chose not to renew a domain name in favor of starting to use one of these alternative IDs.

They have an expectation that that will become more prevalent in the future. They would be more likely to do that in the future. So we see some potential impacts on domain registration from both the new gTLDs and the alternative IDs.

Why they're using these alternative IDs? Common reasons were they're cheaper, they're easier to set up, it's easier for people to access them, and I can target my communications more effectively through them.

We also looked at some rationales around why go to the new gTLDs? If I hadn't registered one, we asked, “Had you considered?” One in four said they'd considered and might still switch to one. 17% said that they had considered and said that they decided not to do it. And 58% said that they hadn't even considered it yet. So a substantial group out there that, as

awareness gets stronger, as the market position gets stronger, could be impacted by the new gTLDs.

Why did they register or why were they interested? They're more modern. You can target better. It's better focused on specific topics versus just general use. A perception they'll be more effective.

And why not do it? Satisfied with what you already have. It's not a high enough business priority for us at this point in time. Or, they're not proven yet. It's too new. We're going to wait and see.

So that's the summary of the four waves – the two general programs, consumer and registrant. And we'll pause here for questions and then go onto the applicant research.

ELEEZA AGOPIAN:

I just wanted to note. We only have about 15 minutes left in this session, and if there aren't any pressing questions right now, maybe you can get through the last of your slides and we'll take any questions at the end.

ANDREW MACK:

Works for me.

ELEEZA AGOPIAN:

Great.

ANDREW MACK:

This is a survey for talking to people who had applied and were listed as the contact person in the ICANN database, applied to operate a new gTLD. The point here is, once we culled the list down –

We originally had 1,130 names. That worked out to 512 unique applicants. Of those, only 45, as of the 31st, had applied to the survey.

We still have the survey open and, as was mentioned earlier, if you're in this camp or know somebody who's in this camp, please ask them to check their e-mail records and look for one of the five invitations to take the survey – and please do so.

We had 16 registries, 11 corporate brands, 5 non-profits, 3 consultancies, 3 registrars, 1 backend service provider, and 6 others in our sample – 15 from the U.S., 19 from Europe, 8 from Australia, and 3 from [LATAM], all from Brazil. So, a small sample size, so you have to be careful. The 45's pretty good for directional information on the overall process, but we can't really look at any of these sub-samples with reliability.

Some general facts. 47% applied for one gTLD, 40% – 2 to 5, and 13 – 6 or more. Their experience, three-quarters had never before operated a gTLD, so they were new to this business.

Their status: 87% had at least one of their applications delegated, 22% withdrew at least 1, and 12% were still in process or unresolved. That adds up to more than a 100 because of multiple applications.

Types: 47% were applying for a brand gTLD, 33% generic, 24% geographic, 20% community, and 11%. And, again, over 100 because of multiple applications.

And nearly two-thirds used a consultant or outside firm to help them do their application. Evenly split, primarily for technical assistance or for just general assistance in fulfilling the application.

Regarding the process, 31% said that they went into a contention [inaudible] – overwhelmingly because of an exact match in what was being filed for, applied for. The minority got GAC early warning or GAC advice around 10% for each. 31% incorporated voluntary public interest commitments in their application. And we asked them if the exact same process, the same rule book, was used would they file again in the future. Just over half said they would. So if over half said they would, that means half said they wouldn't.

And you'd have to parse that out by whether or not they felt they had a business need. But just hypothetically, 56% said that they would.

Oh, wait. Was I just talking about the wrong thing? No, I'm sorry. I was just talking about the wrong thing.

We asked about staging in rounds. So we said, “Hypothetically, if people go forward, is issuing in rounds an effective way of doing that?” and that number, that 56 was saying, “Yeah. Rounds is an effective way of doing it.”

Satisfaction with the process: 49% said that they received sufficient guidance from ICANN. A slightly lower percent said insufficient, and the balance, around 10%, said they weren't sure.

This is the number I was just talking... two-thirds said they would apply again under the same process.

Because numbers only tell so much of the story, we've been reaching out to people. In the survey we asked if they'd be willing to be re-contacted for a little bit longer, more qualitative discussion. 21 of the 45 said that they would do that, and I've managed to talk to 10 of them so far.

The general sense is that the process was seen as onerous, difficult, bureaucratic, and it was marred by some technical malfunctions. As such, getting a “very satisfied” response is unlikely. We only had 1 in 45 people say that they were very satisfied with the overall response. And the reason is, it's a

difficult process. It's painful, and so it's hard to be very satisfied about something like that. As one participant said, "For this process, being somewhat satisfied is a pretty good mark."

There was also some note that what was done here was beyond the scale of what ICANN had done previously, so some people said problems were to be expected. It's a first time and it was a massive scale.

So, here's satisfaction with the overall process on the left. 42% said they were very or somewhat satisfied. That's almost all "somewhat". Then 33% said they were dissatisfied. And the orange is "neither".

When we look at the evaluation of the application process specifically – so not the overall process, but just the evaluation of the application – same satisfaction, the same blue box, little bit more neutrality there. And when I talked to people, some of the dissatisfaction was stronger about the technical or procedural issues and not the impartiality or the perception of the evaluation process per se.

Then for those who did get delegated, a much smaller number – 18 there – people say that went very easily. So, high satisfaction ratings for the delegation process.

And again, very small numbers, but this is – again, looking at the overall satisfaction of the process. The numbers on the left-hand side are the ones that I showed you on the previous slide.

The next column that's split 50-50 there are those who are still in progress, and so higher dissatisfaction levels for those who are in process. Those who are completed, more like the overall average. And then those who withdrew their applications, again, higher dissatisfaction levels.

So if I've gotten through to completion, I'm a little more satisfied. If I'm still stuck or I had to withdraw or chose to withdraw, I'm less satisfied.

Similar pattern for the evaluation process specifically.

Some additional things from the qualitative interviews. There were technical problems. There was an outage. There was the digital archery process. Things like that are mentioned then. Those technical problems did not put ICANN in a good light.

There was a common perception that processes and timelines changed midstream, and that was very frustrating for those who felt they had played by the rules. As one quote, "If you had worked hard to meet the deadline and someone else does not, that should be to your advantage."

There were rule or process changes or shifting guidance that undermined the credibility of ICANN for some people – whether or not plurals were going to be allowed, whether or not linguistic reviews occurred as promised. Those sorts of comments. No one of those was an overwhelming, but there were a lot of mention about things like that that had an impact on the credibility.

There was a perception held by a number of the folks that I talked to that ICANN does not respect the business or financial implications that their delays have on applicants – that there's real money out there and real costs that are being incurred while the clock is ticking.

There were comments that the process was about procedures and not substance of the application. So, did you check all the boxes right versus did your application have merit. And that appears – a very small sample size – appears qualitatively to be more for folks who are applying for community gTLD.

The letters of credit and bank transfers were seen as variously described as onerous, non-standard, potentially illegal, or inappropriate for certain parties like government entities and that ICANN needed to have a better understanding of those eventualities.

There was an understanding that the communication methods were designed to convey impartiality, but not everyone believed that that impartiality was maintained.

And lastly, there were a variety of ease of use issues separate from the technical glitches, just general ease of use with the technology. It's a clunky user interface, one person described. Or one person I spoke to said, "I don't get up every morning and the first thing I do is go to the portal to see if anything has changed. I should get an e-mail notification when there's activity." It was missing some ease of use functionality like that.

So that's it.

ELEEZA AGOPIAN: Thank you. Any questions? We have a few minutes left.

UNIDENTIFIED MALE: Who were the sample population considered for the [inaudible]?

ELEEZA AGOPIAN: Can you say that again?

UNIDENTIFIED MALE: Who were the sample population considered for the [inaudible]?

ELEEZA AGOPIAN: Who was the sample population?

UNIDENTIFIED MALE: Yeah.

ANDREW MACK: Oh, for the applicants?

UNIDENTIFIED MALE: Yeah.

ANDREW MACK: For the applicant survey? It was from the database we took—

UNIDENTIFIED MALE: Can we have the demographics of the sample?

ANDREW MACK: We didn't record demographics, individual demographics in terms of age or those sorts of things. But at the start, we gave you the demographic that we... essentially, the demographics we had, what they applied for, what their experience level for, what types of gTLDs? And we have up here where they were located. Under the survey line down there you can see the

geographic locations where they came from. Beyond that, we didn't ask any demographics like gender or age.

UNIDENTIFIED MALE: Maybe demographics like age group, and that would give a different perspective looking at these things. Age group?

ANDREW MACK: Yeah. No, we didn't ask these folks for their individual ages or any personal demographic information. It was only about the type of company they were or the reasons why they were applying for it.

UNIDENTIFIED MALE: Dave, I've got a quick question. Really interesting stuff, and a lot to dive in. I was going to go back to the first part of your presentation because one of the things that we found in our interviews was that there were a lot of people who were taking a bit of a wait-and-see attitude. So I was wondering if your data showed, maybe I didn't pick it up, were there people who looked at this and said, "In addition to a legacy, I'm also going to have a new gTLD"? And, if so, how are they going to use them?

Or was it more of the sense that there was this binary, “If I leave one, I'm going to go into the other”? I can there being an argument for both. Thank you.

DAVE DICKINSON: Yeah. No, it generally wasn't binary, “I'm going to do one or the other.” When we asked people what they wound up doing, it was usually a mix – “I may have dropped one, but I kept one...I added on.” The majority of folks were parking them for future use, so that's consistent.

A lot of the folks were small businesses or whatnot, so they may only have one or two. But once you moved beyond that, it was clearly a portfolio management kind of impression that you got.

JONATHAN ZUCK: We have a question from the remote chat from Phil Buckingham. “Did you ask why applicants withdraw?”

DAVE DICKINSON: I'm trying to remember. It's fresh off the press so, I don't believe we have an open-end about why they withdrew. I can quickly check some data, but from my talking to people, they withdrew either because they had multiple applications and they were

proceeding well on one so they withdrew from another, or it just got too onerous to keep going on one.

Those were the kinds of things I heard most commonly. And in the report, when it comes out, if there's more detail about withdrawals, but it was a small number.

The timeline for finishing the applicant report was the question there. And it kind of depends on how long we leave it open to try and get the numbers up. But if we leave it open for, say, another ten days, then we should be done certainly by the end of next month, if not before.

ELEEZA AGOPIAN:

Thanks. I think we can take one last question.

SEUN OJEDEJI

Thank you. Were you able to also check the distribution. [inaudible] surveys, were they actually from the same organization? For instance, an organization can apply to multiple TLDs, so do you have records on that? And then secondly, for the registration, do you have data on whether the number amongst the new gTLDs that's actually carried most of the registration, do you have data on that as well? I hope I'm clear about that. Do I need to repeat?

DAVE DICKINSON: No. I might. But your first one was about the applicant study. Is that correct?

SEUN OJEDEJI: Yes, exactly.

DAVE DICKINSON: Repeat that one again, please. Just remind me what the question was?

SEUN OJEDEJI: Yeah. The first one was about the 45 applicants that filled the survey.

DAVE DICKINSON: Oh, that's right. We started off with 1,900 and some records, and we consolidated those to remove duplicates. So we had 512 as our sample. Those were unique organizations who were filing. Each organization could have made multiple applications, but each one was a unique organization. So each one's only represented once in that survey.

And so now your second one was about the registration survey, I think, yeah.

SEUN OJEDEJI: Yeah. The second one was about registration survey. I just wanted to know which of the new gTLDs actually carried most of the registrations?

DAVE DICKINSON: It's pretty broadly distributed from the self-reported data. None of them got above 30%. Most of them were in single or low double digits, and I would caution on that. I would look at actual registrations because – I didn't mention this, but in the first time we presented the consumer data, we talked about this. Things that seem familiar to people tend to get inflated numbers. You always have to be careful about this.

Memory's an inexact thing, and if it sounds like something I had heard or seen –

So this isn't registration, this is just visitation. But even there, some of the things that seem more noticeable might get us some inflated comments. So we always recommend that you look at the actual registration data for those numbers. What I would say from this is that there wasn't any dominant. It tended to be broadly distributed.

SEUN OJEDEJI: Thank you.

DAVE DICKINSON: The percentages are in the report.

ELEEZA AGOPIAN: Thank you. I think we're now over time. So thanks very much. Can we take the question offline because we're already past time?

UNIDENTIFIED FEMALE: It's not a question. I just wanted to ask about the presentations. Do you have them online?

ELEEZA AGOPIAN: Yes, the slides are uploaded on the schedule page.

UNIDENTIFIED FEMALE: Okay. Thank you.

ELEEZA AGOPIAN: Sure. And I also wanted to note that the Phase 2 Economic Study is open for public comment now, which is on ICANN's Public Comment page, and it's open until December 5th. So, please take a look at that. And thank you very much for attending.

[END OF TRANSCRIPTION]