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Domain Name Marketplace Indicators:

October 2018 Advisory Panel Working Meeting

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Agenda

1

Review Progress
against Timeline
and Scope

2

Snapshot of Domain
Name Marketplace
Indicators v1.0
Schema

3

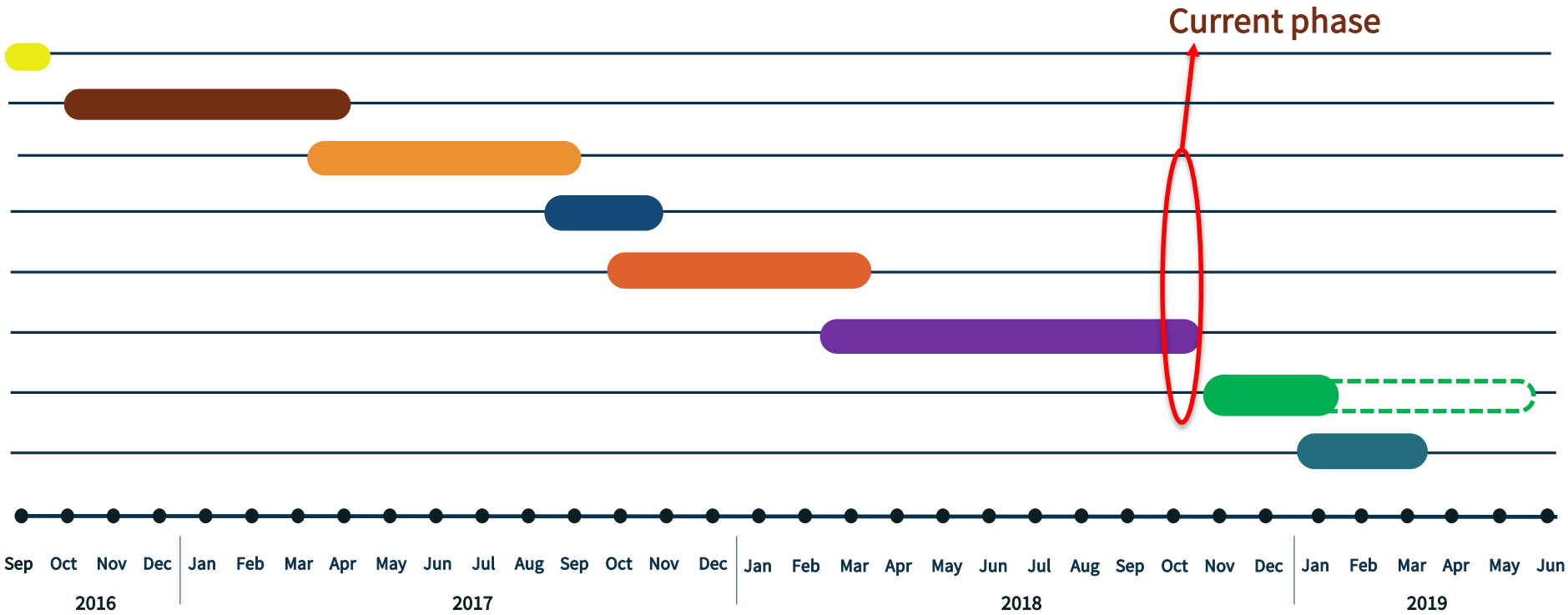
Discuss Remaining
Considerations to
Finalize Schema

4

Next Steps

Review Progress against Timeline

Project Timeline



● Analysis of Public Comments

● Advisory Panel Discussion: Overall Goals and Scope

● AP Work on Competition Stability & Trust Metrics

● AP Work on Other Project Considerations










● Draft V1 indicators schema assessment RFP launch and vendor selection

● Independent review of draft V1 indicators schema & possible data sources

● Procure external data sources (draft RFP, if required)

● Domain Name Marketplace Indicators (wave 1) release

Third Party Independent Review Timeline

Activity/Deliverable	Estimated Timelines	Status
1. Internal project kickoff	26 March 2018	
2. Design approach and methodology document	16 April 2018	
3. Working session on design approach and methodology	23 April 2018	
4. Delivery of draft schema assessment report	4 June 2018	
5. Working session on schema assessment	13 June 2018	
6. Delivery of draft taxonomy report	17 July 2018	
7. Working session on taxonomy report.	30 July 2018	
8. Due diligence on acquisition of recommended indicators	12 October 2018	
9. Working session on final clarifications to taxonomy	21 October 2018	
10. Finalize all deliverables	End of October 2018	

Snapshot of Domain Name Marketplace Indicators v1.0 Schema

What's changed from the 'Beta'?

Criteria	gTLD Marketplace Health Index 'Beta' Schema	Domain Name Marketplace Indicators v1.0 Schema
Categories	<ul style="list-style-type: none"> • 3 • (Robust Competition, Marketplace Stability, Trust) 	<ul style="list-style-type: none"> • 3 • (Robust Competition, Marketplace Stability, Trust)
Dimensions / Factors	<ul style="list-style-type: none"> • 9 • (5 under Robust Competition, 2 under Marketplace Stability, 2 under Trust) 	<ul style="list-style-type: none"> • 6 • (4 under Robust Competition, 1 under Marketplace Stability, 1 under Trust)
Indicators	<ul style="list-style-type: none"> • 28 • (21 under Robust Competition, 2 under Marketplace Stability, 5 under Trust) 	<ul style="list-style-type: none"> • 45 (+ 3 Normalization Variables) • 13 carried over from the 'Beta' Metric Schema • (31 under Robust Competition, 6 under Marketplace Stability, 8 under Trust)
Coverage Highlights <i>(not meant to be an exhaustive assessment)</i>	<ul style="list-style-type: none"> • Contracted party focus (registries and registrars) • Exclusively covering gTLDs • Datasets sourced from within the ICANN organization 	<ul style="list-style-type: none"> • Registrant focus + wider coverage of service provider ecosystem • Inclusion of ccTLDs • Datasets from both within and external to the ICANN organization

Note:

The full 'Beta' metric schema can be accessed via: <https://www.icann.org/resources/files/1208121-2017-07-06-en>

The v1.0 schema is included as an Appendix to this presentation.

What does the new v1.0 Schema look like?

Illustrative only, not meant to be an exhaustive assessment.

Retained from 'Beta' Metric Schema

- Domain name registration volume & change
- Contracted party consolidation, accreditation and termination trends
- Uniform Domain Name Dispute Resolution Policy (UDRP) and Uniform Rapid Suspension (URS) complaint volume & decisions

Incremental in V1 Metric Schema

- Registrant geographic & language diversity
- Service provider language & payment method diversity
- Domain renewal activity, churn, & use category/adoption
- Service provider ecosystem breadth and marketplace concentration
- Contracted party ICANN Contractual Compliance complaint funnel
- Contracted party WHOIS services uptime
- ...

Note:

The full 'Beta' metric schema can be accessed via: <https://www.icann.org/resources/files/1208121-2017-07-06-en>

The v1.0 schema is included as an Appendix to this presentation.

Discuss Draft Indicators Taxonomy Report

**Shared with Advisory Panel
via email on 12 October**

Overview

- ⦿ 45 metrics + 3 metric normalization variables reflecting (1) feedback from July 30th conference call and (2) review of possible data sources.
- ⦿ Taxonomy document outlines Metric Definitions, Rationales, Interpretive Notes, Calculation Methods, and Methodological Notes.
- ⦿ This presentation provides an overview of key outstanding concerns rather than a metric by metric review.

Data Sources

- ⦿ 29 metrics are based completely on internal ICANN sources.
- ⦿ 3 normalization variables based on readily available external sources
- ⦿ 16 metrics draw at least partially from external data vendors.
 - Clusters within the 16 metrics share datasets.
 - Potential data vendors for most metrics have been identified.
- ⦿ **4 main areas require input from the Advisory Panel.**

Resellers

- ⦿ Impact on RC_3.7, RC_4.4, RC_4.9; as well as parts of RC_1c.1 and RC_1d.1
- ⦿ Because tracking resellers is not within ICANN's current remit, there is no set definition resulting in considerable variation between vendor datasets.
- ⦿ Two main approaches:
 1. Relying on a field within WHOIS records that is populated for a relatively small number of gTLD domains (< 20%). The use of this field is not random and so would produce a biased sample of resellers.
 2. Relying on the hosting records and nameservers for domains to identify clusters of domain holdings. This captures the full population of gTLDs but remains challenging to disambiguate between clusters of domain holdings that are resellers versus other activities.

Note:

RC_3.7 Number of resellers by ICANN region.

RC_4.4 Percentage of gTLD domains registered via resellers.

RC_4.9 Marketplace concentration of resellers based on number of domains managed (by gTLD category).

RC_1c.1 Percentage of (1) gTLD registry operators (2) gTLD registrars and (3) gTLD resellers with website terms and conditions in multiple languages.

RC_1d.1 Percentage of (1) gTLD registrars and (2) gTLD resellers accepting payment by multiple methods.

Domain Resolution

- ⦿ Impact on RC_2.7
- ⦿ Categories used within datasets vary between vendors but possible to identify broad characteristics as outlined in the metric.
 - Resolving / not resolving
 - Redirected within / outside of TLD
- ⦿ However, some more nuanced categories (e.g., parking) still require specification by the AP.

Note:

RC_2.7 Percentage of domains by use category, (a) not resolving, (b) resolving within the same TLD (c) redirected to another TLD (by TLD category).

Domains with privacy/proxy WHOIS

- ⦿ Impact on T_1.7
- ⦿ Metric is challenging as definitions are based on proprietary identification of privacy/proxy services rather than a standard indicator.
- ⦿ As a result the numbers will necessarily differ between sources based on differing calculations of vendors.
- ⦿ Differences confirmed by sample data sets

Note:
T_1.7 Percentage of domains using privacy/proxy WHOIS services (by gTLD category).

Percentage of businesses using a TLD-specific strategy for branding

- ⦿ Impact on RC_2.8
- ⦿ Metric requires further refinement. How exactly are businesses to be defined? How is a TLD-specific strategy operationalized?
- ⦿ Some promising data sources that cluster domains by ownership/association, but experimental and focused on single enterprises rather than the market.

Note:

RC_2.8 Percentage of businesses using a TLD-specific strategy for branding (by TLD category).

Next Steps

Next Steps

- ⦿ Capture Advisory Panel inputs on taxonomy report and incorporate necessary updates
-

- ⦿ Finalize taxonomy document and share with Advisory Panel
-

- ⦿ Commence work towards release of Version 1 metrics

- ⦿ **Advisory Panel:** Provide any further feedback by 26 October
- ⦿ **ICANN:** Update tracking document and share with Advisory Panel at the end of October

- ⦿ **ICANN:** Complete any further due diligence required. Finalize and share with Advisory Panel at the end of October.

- ⦿ **ICANN:** Review outcome with ICANN project steering, Legal, etc. (incl. with Open Data Initiative) to coordinate next steps
- ⦿ **ICANN:** Commence collection of internal indicators/procurement of required third-party indicators. Target 'Wave 1 release by CY2019 Q1.

Thank You and Questions



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Appendix A: Version 1.0 Indicator Schema

'Robust Competition' Metrics

1. Registrants can choose across TLD categories and purchasing options.
 - a) Domain names are registered in all ICANN regions.
 - b) Domain names can be registered across languages.
 - c) Service providers present registration services in a variety of languages.
 - d) Service providers accept multiple payment methods.

Metric #	Metric Description
RC1a.1	Number of domains by ICANN region (by TLD category).
RC1b.1	Number of domains in IDN gTLDs and IDN ccTLDs (by language).
RC1b.2	Net change in domains for IDN gTLDs and IDN ccTLDs (by language).
RC1b.3	Compound annual growth rate (CAGR) in IDN gTLDs and IDN ccTLDs (by language).
RC1b.4	Percentage of distinct gTLD registrar entities with IDN gTLD domain registrations (by language).
RC1c.1	Percentage of (1) gTLD registry operators (2) gTLD registrars and (3) gTLD resellers with website terms and conditions in multiple languages.
RC1d.1	Percentage of (1) gTLD registrars and (2) gTLD resellers accepting payment by multiple methods.

Legend:



Published in 'beta' report

New metric

'Robust Competition' Metrics

2. Registrants are adopting domains across all TLDs.

Metric #	Metric Description
RC2.1	Number of domains (by TLD category).
RC2.2	Net change in domains (by TLD category).
RC2.3	Compound annual growth rate (CAGR) in number of domains (by TLD category).
RC2.4	Domain name renewal activity, for specified periods (by gTLD category).
RC2.5	Churn and burn rate (by gTLD category).
RC2.6	Marketplace concentration of domain names transactions across all gTLDs.
RC2.7	Percentage of domains by use category, (a) not resolving, (b) resolving within the same TLD (c) redirected to another TLD (by TLD category).
RC2.8	Percentage of businesses using a TLD-specific strategy for branding (by TLD category).

Legend:



Published in 'beta' report

New metric

'Robust Competition' Metrics

3. The TLD marketplace as a whole is open to new service providers.

Metric #	Metric Description
RC3.1	Number of distinct gTLD registry operators (total and new).
RC3.2	Mean number of gTLD registries per distinct gTLD registry operator.
RC3.3	Number of distinct gTLD registrar entities (total and new).
RC3.4	Mean number of gTLD registrars per distinct gTLD registrar entity.
RC3.5	Percentage of gTLD registry operators that are also affiliated with a gTLD registrar.
RC3.6	Number of distinct back-end technology service providers (total and new).
RC3.7	Number of resellers by ICANN region.

Legend:

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New metric

'Robust Competition' Metrics

4. The TLD marketplace as a whole is not dominated by a small number of service providers.

Metric #	Metric Description
RC4.1	Number of gTLD registrars accredited and terminated (total).
RC4.2	Number of gTLD registry operators with delegated TLDs and terminated registry agreements (total).
RC4.3	Percentage of distinct gTLD registrar entities with registrations (by gTLD category).
RC4.4	Percentage of gTLD domains registered via resellers.
RC4.5	Marketplace concentration of distinct gTLD registry operators based on number of TLDs managed (by gTLD category).
RC4.6	Marketplace concentration of distinct gTLD registry operators based on number of domains managed (by gTLD category).
RC4.7	Marketplace concentration of distinct gTLD registrar entities based on number of domains managed (by gTLD category).
RC4.8	Marketplace concentration of distinct back-end technology service providers based on number of TLDs served (by gTLD category).
RC4.9	Marketplace concentration of resellers based on number of domains managed (by gTLD category).

Legend:



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New metric

'Marketplace Stability' Metrics

1. Registries and registrars consistently deliver against their contractual obligations and do not contribute to marketplace instability that would result in harm to registrants.

Metric #	Metric Description
MS1.1	Total number of gTLD registry operator and gTLD registrar related complaints.
MS1.2	Number of gTLD registry operator and gTLD registrar related complaints (1) closed (2) closed before 1st notice (3) 1st notice sent (4) 2nd notice sent and (5) 3rd notice sent.
MS1.3	Number of cured and uncured breach notices to registry operator and registrar.
MS1.4	Mean registration period for new domains (by gTLD category).
MS1.5	Average uptime for WHOIS services for gTLD registries (by gTLD category).
MS1.6	Average uptime for WHOIS services for gTLD registrars (by gTLD category).

Legend:



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New metric

'Trust' Metrics

1. Domain industry demonstrates operational success in safeguarding Internet community interests including registrants, intellectual property holders and law enforcement.

Metric #	Metric Description
T1.1	Number of involuntary gTLD registrar terminations.
T1.2	Number of involuntary gTLD registry terminations.
T1.3	Number of UDRP complaints and percentage of UDRP complaints decided against registrants (by gTLD category).
T1.4	Number of URS complaints and percentage of URS complaints decided against registrants (by gTLD category).
T1.5	Percentage of ccTLDs with a functional registration services webpage (by ICANN region).
T1.6	Percentage of ccTLDs with bouncing email contact information (by ICANN region).
T1.7	Percentage of domains using privacy/proxy WHOIS services (by gTLD category).
T1.8	Number of EBERO threshold events with registries detected.

Legend:

Published in 'beta' report

New metric

Metric Normalization Variables

To provide meaningful comparison between regions.

Metric #	Metric Description
N1.1	Number of internet users (by ICANN region).
N1.3	Population (by ICANN region).
N1.3	Population by language (offline and online).