

Domain Name Marketplace Indicators

Version 1.0 Indicator Schema



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About This Document

The objective of the Domain Name Marketplace Indicators initiative is to track the progress of ICANN's Strategic Goal 2.3, which is to “support the evolution of domain name marketplace to be robust, stable and trusted”.¹ This document outlines the category definitions and the full set of indicators that form part of the Domain Name Marketplace Indicators Version 1.0 schema,² along with a rationale for their inclusion. These indicators are going to be released in waves, as ICANN obtains the datasets required to produce them.

To guide in the selection of appropriate metrics that would provide meaningful measures of marketplace evolution, ICANN collaborated closely with a volunteer Advisory Panel to deliberate upon each of the stated goal's components: “robust competition,” “marketplace stability,” and “trust.”

Leveraging the vast experience of Panel members, the group took an iterative approach toward considering prospective dimensions of the stated goals and indicators, including but not limited to: discussing the rationale for their inclusion or exclusion, proposing specific language to define these, evaluating various methodological considerations, and raising any prospective limitations. ICANN considered the feedback provided by the Advisory Panel and developed a draft indicator schema, which was then further refined by an independent expert on domain name marketplace metrics with oversight and guidance from both ICANN and the Advisory Panel.

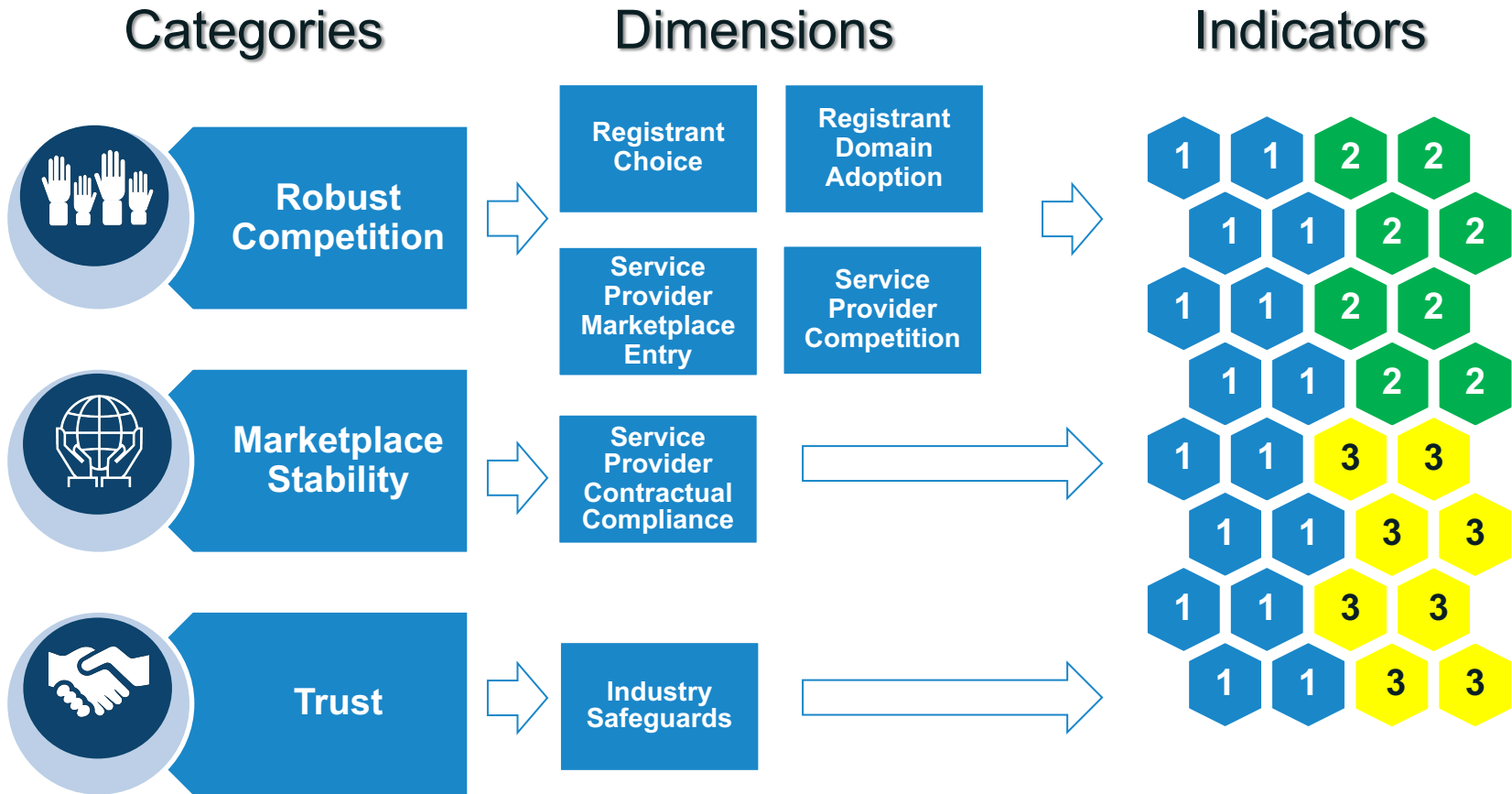
Concurrent to the release of these Version 1.0 metrics, ICANN will continue to work with the Community and the project's Advisory Panel to evaluate additional improvements that might be incorporated into this initiative in the future.

¹: ICANN Strategic Plan for Fiscal Years 2016 - 2020, <https://www.icann.org/en/system/files/files/strategic-plan-2016-2020-10oct14-en.pdf>.

²: A detailed description of each indicator, including suggested means of calculation, is outlined in a separate taxonomy document.

Version 1.0 Schema at a Glance

The Version 1.0 Schema is made up of three overarching categories that are aligned with ICANN's strategic goal 2.3. These categories are further described in six dimensions and tracked by over thirty indicators that will be gathered and released in waves.³



³: Graphic presented for visual representation purposes only; does not fully capture the detail in dimension language, indicator count, distribution across dimensions, and projected release waves,

Robust Competition Category Dimensions and Indicators

Robust Competition Category Dimension



RC1

Registrants can choose across TLD categories and purchasing options.

- A) Domain names are registered in all ICANN regions.
- B) Domains can be registered across languages.
- C) Service providers present registration services in a variety of languages.
- D) Service providers accept multiple payment methods.



RC2

Registrants are adopting domains across all TLDs.



RC3

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



RC4

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

Robust Competition (RC1) Indicators

Indicator ID	Definition	Rationale for Inclusion
RC_1a.1	Number of domains by ICANN region in gTLDs and ccTLDs.	Provides basic information about the geographic spread of registrant demand for TLD categories. Value expected to vary over time as demand for types of TLDs varies. Variation over regions indicates changed patterns of market demand.
RC_1b.1	Number of IDN second-level domains in gTLDs and ccTLDs (by script).	Provides basic information about registration of domains across IDN scripts. Variation shows extent to which scripts registrants are choosing IDN second level domains
RC_1b.2	Net change in IDN second-level domains in gTLDs and ccTLDs (by script).	Provides information about the change in registrant demand for domains in IDN scripts. Tied to registrations at the scale of specific scripts and time periods. Variation shows change in registrant demand for IDN domains.
RC_1b.3	Compound annual growth rate (CAGR) of IDN second-level domains in gTLDs and ccTLDs (by script).	Provides information about the growth rate of domains in IDN scripts. Tied to registrations at scale of specific scripts over multiple years. Variation shows rates with which registrants are choosing IDN domains in different scripts.
RC_1b.4	Number and Percentage of distinct gTLD registrar entities with IDN gTLD domain registrations (by script).	Shows choice of registrars by registrants for domains in IDN scripts. Increasing percentages of registrars in relevant scripts indicates an expansion of market actors involved in registrations within IDN gTLDs.
RC_1c.1	Percentage of gTLD registry operator and registrar websites with domain name registration terms and conditions in multiple languages.	Shows availability of information about the terms for key registration services in multiple languages. Tied to availability of services offered by registrars, registries in languages in addition to the online lingua franca, English. Increasing value indicates the ability of registrants to find resources in languages with which they are familiar.
RC_1d.1	Percentage of gTLD registrar websites offering multiple payment methods for domain name registrations.	Shows breadth of payment options for registrants. Tied to domain registration payment methods offered by registrars. Value increasing indicates greater choice in payment method and increasing likelihood that registrants' preference is available.

Robust Competition (RC2) Indicators

Indicator ID	Definition	Rationale for Inclusion
RC_2.1	Number of domains (by TLD category).	Shows absolute size of the global marketplace for domain names across broad TLD categories. Tied to registrant demand for domains. Changing values indicates evolving registrant demand for domain name market categories.
RC_2.2	Net change in number of domains (by TLD category).	Shows changes in the absolute size of the global marketplace for domain names across broad TLD categories. Tied to registrant demand for domains across time periods and TLD categories. Value variation indicates shifts in the marketplace between different TLD categories (e.g., ccTLDs, legacy gTLDs and new gTLDs).
RC_2.3	Compound annual growth rate (CAGR) of number of domains (by TLD category).	Shows growth rates in the global marketplace for domain names across broad TLD categories. Tied to registrant demand for domains. Value variation indicates rates of growth across TLD categories and marketplace shifts.
RC_2.4	Domain name renewal activity, for specified periods (by gTLD category).	Shows how demand for domains sustains across years in broad gTLD categories. Tied to registrants' continued used of registered domains. Value maintaining or increasing indicates sustained registrant demand for domains for use; decreasing consistent with reduced adoption.
RC_2.5	Churn and burn rate (by gTLD category).	Shows how registrants choose to use domains across gTLD categories. Tied to decisions by registrants to register and not renew as well as other registrants' decisions whether to re-register the domain. Value increasing indicates gTLDs with shorter-term use of domains; value decreasing indicates gTLDs with longer-term registrant adoption of domains.
RC_2.6	Marketplace concentration of domain names transactions across all gTLDs.	Metrics of marketplace concentration provide insight in understanding competition within complex markets. Tied both to supply (marketing, pricing, availability through registrars, etc.) and demand (registrant preferring domains from particular TLDs).

Robust Competition (RC3) Indicators

Indicator ID	Definition	Rationale for Inclusion
RC_3.1	Number of distinct gTLD registry operator entities (total and new).	Shows the overall number of registry operators masked by a simple count of registries. Tied to ownership patterns and consolidation of registries. Value variation indicates market entries, exits, consolidations, and spinoffs.
RC_3.2	Mean number of gTLD registries per distinct gTLD registry operator entity.	Shows marketplace dynamics for registries. Tied to ownership structures of distinct registry entities and specific relations of registries and managing entities. Value variation indicates market entries, exits, consolidations, and spinoffs.
RC_3.3	Number of distinct gTLD registrar entities (total and new).	Shows the overall number of registrar entities masked by a simple counts of registrars. Tied to ownership patterns and consolidation of registrars. Value variation indicates market entries, exits, consolidations, and spinoffs.
RC_3.4	Mean number of gTLD registrars per distinct gTLD registrar entity.	Shows marketplace dynamics for registrars. Tied to ownership structures of distinct registrar entities and specific relations of registrars and managing entities. Value variation indicates market entries, exits, consolidations, and spinoffs.
RC_3.5	Number of distinct back-end technology service providers (total and new).	Shows the size of market participation in the upstream side of the domain industry. Tied to number of entities in the marketplace. Value variation indicates market entries, exits, consolidations, and spinoffs.
RC_3.6	Percentage of gTLD registry operators that are also affiliated with a gTLD registrar.	Provides information on ownership structure and collaboration across the registry and registrar segments of the domain name marketplace. Tied to affiliations between gTLD registry operators and registrars. Value increasing indicates greater interrelation and consolidation.

Robust Competition (RC4) Indicators

Indicator ID	Definition	Rationale for Inclusion
RC_4.1	Number of gTLD registrars accredited and terminated (total and new).	Provides basic information about status of gTLD registrars. Tied to registrars seeking accreditation and ICANN terminations. Value variation indicates maturing market.
RC_4.2	Number of gTLDs/RAs contracted and terminated (total/new)	Provides basic information about registries. Tied to policies of marketplace expansion and rare but potentially disruptive exit events. Value expected to remain low and stable as new registries are primary established as the result of ICANN policy initiatives.
RC_4.3	Percentage of distinct gTLD registrar entities with registrations (by gTLD category).	Shows TLD level indication of choice of registrars by registrants for domains. Increasing percentages of registrars in gTLDs and gTLD categories indicate an expansion of market actors involved in managing these domains.
RC_4.4	Marketplace concentration of distinct gTLD registry operators based on number of TLDs managed (by gTLD category).	Metrics of marketplace concentration provide insight in understanding competition within complex markets. Tied to registry operators business decisions (M&A, spinoff, etc.).
RC_4.5	Marketplace concentration of distinct gTLD registry operators based on number of domains managed (by gTLD category).	Metrics of marketplace concentration provide insight in understanding competition within complex markets. Tied to registry operators business decisions (M&A, spinoff, etc.), supply side factors (marketing, availability through registrars, etc.) and demand side factors (registrant selecting domains from particular TLDs) factors.
RC_4.6	Marketplace concentration of distinct gTLD registrar entities based on number of domains managed (by gTLD category).	Metrics of marketplace concentration provide insight in understanding competition within complex markets. Tied both to supply side factors (marketing, promotions, pricing, etc.) and demand side factors (registrant preference).
RC_4.7	Marketplace concentration of distinct back-end technology service providers based on number of TLDs served (by gTLD category).	Metrics of marketplace concentration provide insight in understanding competition within complex markets. Tied to registry operators decisions (based on price, provider preference) and back-end technology service providers decisions (M&A, spinoff, etc.).

Marketplace Stability Category Dimension and Indicators

Marketplace Stability Category Dimension



MS1

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

Marketplace Stability (MS1) Indicators

Indicator ID	Definition	Rationale for Inclusion
MS_1.1	Total number of gTLD registry operator and gTLD registrar related complaints.	Shows how registrants view contract fulfillment by registrars and registries. Tied to registrant decisions to file complaints after registry/registrar interaction. Value varies as registrars and registries deliver on obligations.
MS_1.2	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.	Shows how registrants experience the complaint process. Tied to filed complaints and timeline of resolution process. Varying values indicate timeliness of complaint resolution.
MS_1.3	Number of formal enforcement notices sent to registry operators and registrars.	Provides information about contract fulfillment by registrars and registries. Tied to failure to meet obligations outlined in contracts. Value increasing significantly indicates potential marketplace instability.
MS_1.4	Mean registration period for domains (by gTLD category).	Provides information on registrant decisions to commit to domains across gTLD categories. Tied to registrant decision regarding length of period of domain name ownership. Value variation indicates changes in registrant confidence over time.
MS_1.5	Average uptime for WHOIS services for gTLD registries (by gTLD category).	Provides information on a key market resource for identifying the responsible parties for a domain. Tied to uptime for WHOIS services. Value decreasing significantly indicates reduced access.

Trust Category Dimension and Indicators

Trust Category Dimension



T1

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

Trust (T1) Indicators

Indicator ID	Definition	Rationale for Inclusion
T_1.1	Number of involuntary gTLD registrar terminations.	Provides information on operational success of safeguards to ensure compliance. Tied to high level of registrar noncompliance resulting in contract termination. Value increasing significantly indicates potential impacts in marketplace trust.
T_1.2	Number of involuntary gTLD registry terminations	Provides information on operational success of safeguards to ensure compliance. Tied to high level of registry noncompliance resulting in contract termination. Value increasing significantly indicates potential impacts in marketplace trust.
T_1.3	Number of UDRP complaints and percentage of UDRP complaints decided against registrants	Provides information on IP conflicts. Tied to complaint filings and subsequent decisions. Value increasing indicates more potential squatting or more aggressive actions by IP holders.
T_1.4	Number of URS complaints and percentage of URS complaints decided against registrants	Provides information on IP conflicts. Tied to complaint filings and subsequent decisions. Value increasing indicates more potential squatting or more aggressive actions by IP holders.
T_1.5	Number of EBERO threshold events with registries detected.	Provides information on registry-level safeguards of the community interest of well-functioning systems. Tied to threshold events of critical registry functions. Value increasing significantly indicates potential suboptimal registry operations.

Indicator Normalization Variables

A select number of indicators will be normalized in order to provide a more meaningful basis for comparison. The normalization variables that will be utilized are:

Indicator ID	Definition	Rationale for Inclusion
N1.1	Number of Internet users (by ICANN region).	To provide meaningful comparison by regions.
N1.2	Population (by ICANN region).	To provide meaningful comparison by regions.

Appendix

Indicator Standard Definitions

A number of standardized categories are used in the indicator definitions. It may be helpful to refer to these when reviewing indicators.

- ICANN Regions: North America, Latin America/Caribbean, Europe, Africa, Asia.
- gTLD Grouping: Legacy gTLDs, New gTLDs, IDN gTLDs, .brand gTLDs, Geographic gTLDs.
- TLD Grouping: Legacy gTLDs, New gTLDs, IDN gTLDs, .brand gTLDs, Geographic gTLDs, ccTLDs, IDN ccTLDs.
- Languages: Languages in which website terms and conditions are available.
- Back-end technology service provider: Company providing technical services for operating registries and registrars.
- Service provider: Registries + registrars + back-end technology service providers.
- Distinct gTLD registrar: An organizational grouping* referred to as “registrar families” comprised of multiple registrar seats.
- Distinct gTLD registry operator: An organizational grouping* referred to as “registry operator entities contracted as the operator to multiple gTLDs.

Glossary (1)

- **.brand gTLD.** In the New Generic Top-Level Domain Program (New gTLD Program), a designation for a TLD that is operated by and for an entity under its trademarked name as outlined in the entity's Registry Agreement with ICANN. To qualify as a brand TLD, a registry operator must apply for the brand TLD designation and the brand's trademark must be recorded in the Trademark Clearinghouse.
- **Country code top-level domain (ccTLD).** The class of top-level domains reserved for use by countries, territories, and geographical locations identified in the ISO 3166-1 Country Codes list. ccTLDs can base their names on the two-letter country codes defined by the ISO 3166-1 standard (e.g., .jp for Japan, .fr for France, .ke for Kenya), or they can represent a country or territory name in a script other than US-ASCII characters.
- **Domain:** A unique name that forms the basis of the uniform resource locators (URLs) that people use to find resources on the Internet (e.g., web pages, email servers, images, and videos). The domain name itself identifies a specific address on the Internet that belongs to an entity such as a company, organization, institution, or individual.
- **Generic top-level domain (gTLD).** The class of top-level domains that includes general-purpose domains such as .com, .net, .edu, and .org. This class also includes domains associated with the New Generic Top-Level Domain Program (New gTLD Program), which includes names such as .futbol, .istanbul, and .pizza, and names in other alphabets and languages. Some gTLDs, known as sponsored gTLDs, represent a specific community of Internet users. In these cases, the community's sponsor develops the rules and policies specific to the gTLD. Examples include .aero, .coop, and .museum.
- **Geographic gTLD.** New gTLDs qualifying for ICANN classification as "geographic."
- **Internationalized Domain Names (IDNs).** An internationalized label for a domain in the root zone (a top-level domain). The current Label Generation Rules require an IDN TLD to conform to the Internationalized Domain Names in Applications (IDNA) protocol.
- **Legacy gTLD.** Known list of 18 gTLDs: .aero, .asia, .biz, .cat, .com, .coop, .info, .jobs, .mobi, .museum, .name, .net, .org, .post, .pro, .tel, .travel, .xxx.
- **Mechanical Turk:** Refers to a crowdsourcing platform by which remotely located humans can be engaged to perform a range of discrete on-demand tasks.
- **New gTLD.** A program coordinated by ICANN to enable the expansion of the Domain Name System (DNS). The final part of a domain name (e.g., .com, .net, or .org) represents a top-level domain (TLD). Under the New gTLD Program, entities can register TLDs with names such as .futbol, .istanbul, and .pizza, along with names in other alphabets (e.g., Arabic and Cyrillic) and languages (e.g., Chinese, Japanese, Korean).

Glossary (2)

- **Registrant.** An individual or entity who registers a domain name. Upon registration of a domain name, a registrant enters into a contract with a registrar. The contract describes the terms under which the registrar agrees to register and maintain the requested name.
- **Registrar:** An organization through which individuals and entities (registrants) register domain names. During the registration process, a registrar verifies that the requested domain name meets registry requirements, and submits the name to the appropriate registry operator. Registrars are also responsible for collecting required information from registrants and making the information available through WHOIS. After registration, registrants can make updates to their domain name settings through their registrars.
- **Registry operator:** The organization that maintains the master database (registry) of all domain names registered in a particular top-level domain (TLD). ROs receive requests from registrars to add, delete, or modify domain names, and they make the requested changes in the registry. An RO also operates the TLD's authoritative name servers and generates the zone file.
- **Service provider.** Generic reference to a gTLD registry operator, gTLD registrar or reseller.
- **Top-level domain.** A domain at the top of the naming hierarchy of the Domain Name System. In a domain name, the TLD appears after the second-level domain. For example, in the domain name icann.org, the characters org identify the TLD.
- **Uniform Domain Name Dispute Resolution Policy (UDRP).** A policy for resolving disputes arising from alleged abusive registrations of domain names (for example, cybersquatting). The UDRP allows trademark holders to initiate expedited administrative proceedings by filing a complaint with an approved Dispute Resolution Service Provider. The UDRP is one of the Rights Protection Mechanisms that help safeguard intellectual property rights in the Domain Name System.
- **Uniform Rapid Suspension (URS).** An expedited administrative procedure that rights holders can initiate for certain types of domain name disputes. The URS procedure is a tool for quickly addressing clear-cut cases of trademark infringement. The URS is one of the Rights Protection Mechanisms that helps safeguard intellectual property rights in the Domain Name System.
- **WHOIS.** Publicly available directory with information about registered domains. Includes contact information for the gTLD registrant and gTLD registrar.

Deferred Metrics

The following is a list of additional metrics that were shortlisted for inclusion in this schema, but deferred for reconsideration in the future.

- Percentage of domains by use category, (a) not resolving, (b) resolving within the same TLD (c) redirected to another TLD (by TLD category).
- Average uptime for WHOIS services for gTLD registrars (by gTLD category).
- Percentage of businesses using a TLD-specific strategy for branding (by TLD category).
- Number of resellers by ICANN region.
- Percentage of gTLD domains registered via resellers.
- Marketplace concentration of resellers based on number of domains managed (by gTLD category).
- Percentage of domains using privacy/proxy WHOIS services (by gTLD category).
- Percentage of ccTLDs with a functional registration services webpage (by ICANN region).
- Percentage of ccTLDs with bouncing email contact information (by ICANN region).



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