



# **The Evolving gTLD Environment: Challenges and Opportunities**

14 February 2008



# Objectives of this workshop

- Intended to provide information on the gTLD space to those less familiar with this area
- Will review the current gTLD space and upcoming developments, including:
  - The anticipated introduction of new gTLDs
  - Ongoing IDN developments
  - The impact of these developments on the marketplace, with a particular focus on the Asian region
  - New opportunities brought about by these developments
  - The registry-registrar model and marketplace

# Agenda

## **Part I: Introduction to the gTLD space**

Description of the historic evolution of ICANN and the gTLD space

## **Part II: The gTLD marketplace today**

Overview of the current structure and nature of the gTLD environment

## **Part III: Evolution of the gTLD environment**

Overview of upcoming impact and opportunities

# **Introduction to the gTLD space**

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# What is a gTLD?

- gTLD = generic top-level domain
  - “generic” refers to openness for registration on a global basis
- gTLDs under contract with ICANN operate on a registry-registrar model

# What is a registry?

- Registries maintain the database of domain names registered in the TLD and are responsible for the technical operations of the TLD.
  - Typically interact with registrars rather than end customers.
  - ICANN currently has 16 gTLD registries under contract.

# What is a registrar?

- Registrars sell domain names to registrants.
  - Registrars must be accredited by ICANN to register names in gTLDs.
  - ICANN currently has over 900 accredited registrars under contract.
- Registrars are enabled to perform registration transactions through the Shared Registration System (SRS) of each registry.
  - Registrars complete operational testing and obtain access to the SRS, enabling them to add or modify domain name records within the registry.
- Registrars may decide which TLDs they wish to offer.

# Formation of ICANN

## November 1998

ICANN identified as the entity to oversee the transition to competition in domain name registration services.

Responsibilities included development of an accreditation procedure for registrars and procedures that subject registrars to consistent requirements designed to promote a stable and robustly competitive DNS.



# Registrar Accreditation Policy

- Statement of Registrar Accreditation Policy adopted by ICANN Board in 1999
  - Grew out of publicly posted Draft Guidelines and the comments received.
  - Board resolved to implement a program for registrar accreditation for the .COM, .NET, and .ORG top-level domains consistent with the Statement of Registrar Accreditation Policy.
- [http://www.icann.org/registrars/policy\\_statement.html](http://www.icann.org/registrars/policy_statement.html)

# Introducing Registrar Competition

- Throughout 1999, ICANN accepted applications from entities seeking to participate as one of the five domain name registrars in the SRS Testbed Program.
- ICANN has continued to accept applications for registrar accreditation and has now accredited over 900 businesses, in addition to the original five Testbed Program participants.
- Diversity of registration service providers has resulted in lower prices for domain name registrations and increased choice for consumers.

# Registrar Accreditation Process

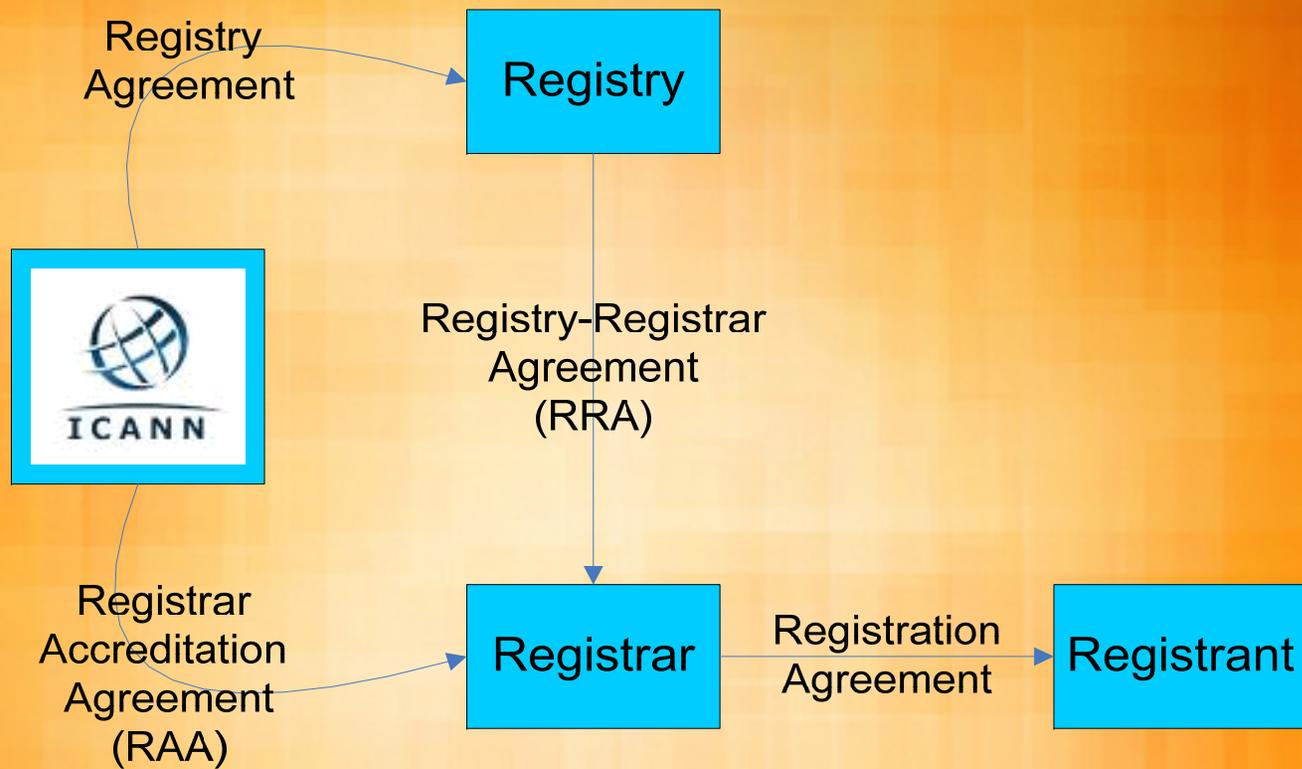
ICANN accepts applications for registrar accreditation on a rolling basis.

- No limit on the number of companies that can become accredited registrars.
- No deadline for ICANN registrar accreditation applications.

<http://www.icann.org/registrars/accreditation.htm>



# Contractual Relationships



# 16 gTLDs under contract

- .AERO
- .ASIA
- .BIZ
- .CAT
- .COM
- .COOP
- .INFO
- .JOBS
- .MOBI
- .MUSEUM
- .NAME
- .NET
- .ORG
- .PRO
- .TEL
- .TRAVEL

# Thank You

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For more information, please visit:

<http://icann.org>



# **gTLD Marketplace**



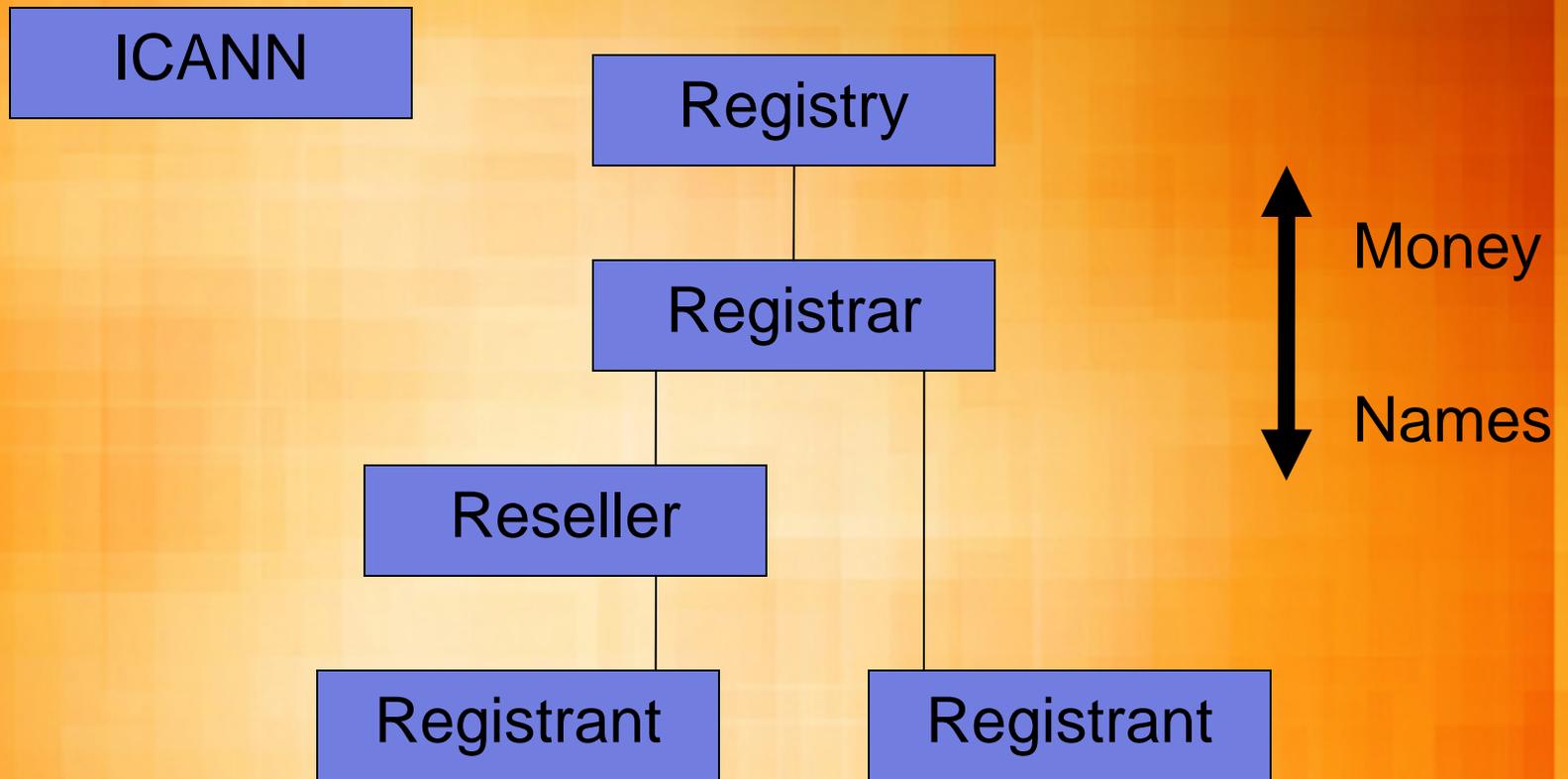
# Topics

- Evolution of registrar marketplace from few to many registrars
- Registry, registrar, reseller relationships
- Competition
- Open subjects such as structural separation between registries/registrars
- Future of the registrar model
- What is expected to change with introduction of new gTLDs

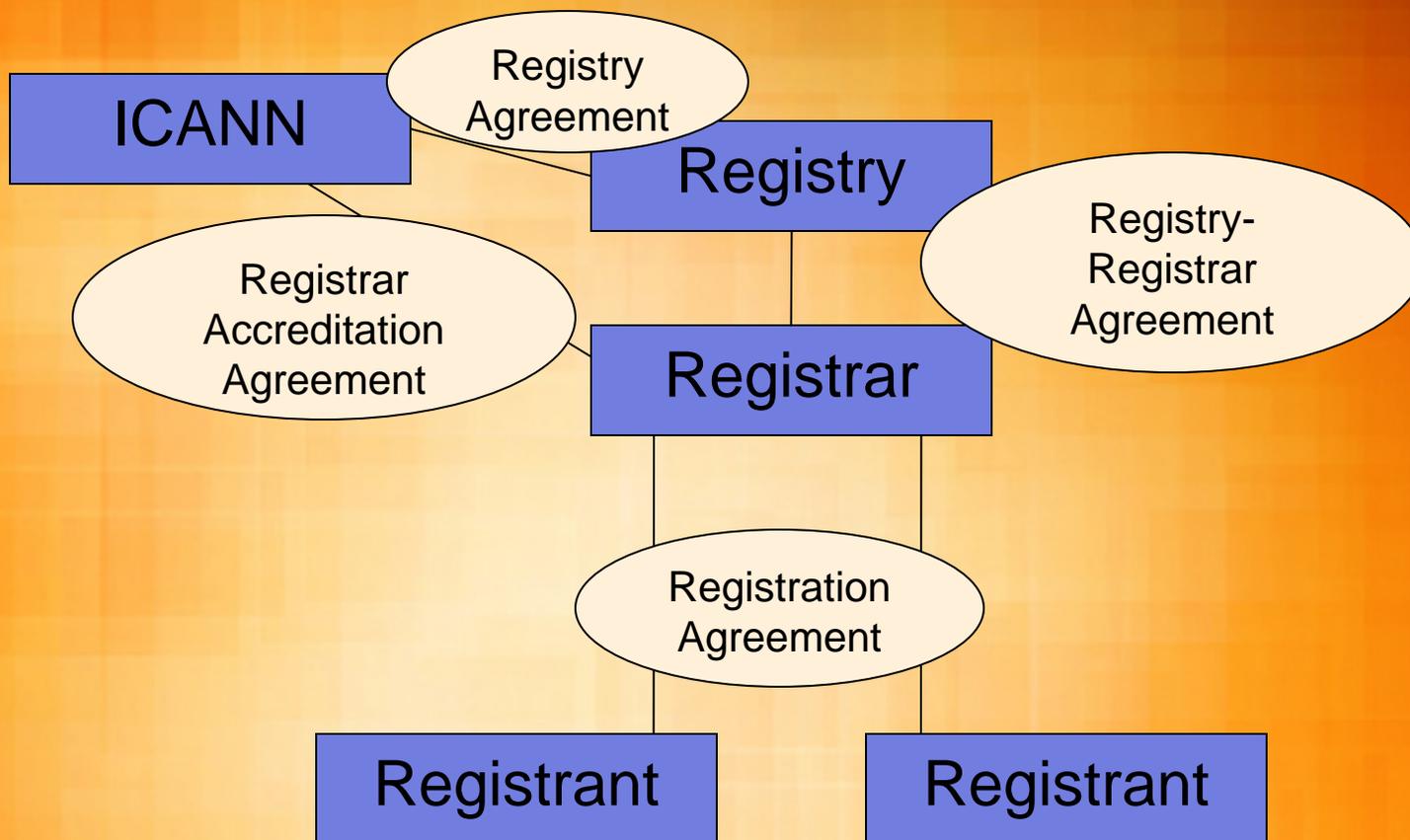
# Was few, now many, registrars

- Reasons for accreditation
  - To address specific market: geographical, vertical, etc.
  - Bundling: hosting, email providers
  - Perceived domain portfolio security
  - Access to cheaper names: resellers
  - Access to data: Google?
  - Access to names: drop

# Registries, Registrars, Registrants Sales Chain



# Contract Chain



# Competition Among Registrars

- Competition is fierce
- Transfers are the basis of competition
- Transfer clauses are in RAA
- A reason for requiring registries to use ICANN accredited registrars exclusively
  - Without this requirement, registrants could be “locked-in”

# Open issue: Ry/Rar ownership

- Should a registrar be owned by a registry, or visa versa?
- Registry could sell names without owning a registrar - by being a reseller. Economics are the same as owning a registrar.
- Economic incentive is for registries to sell names. Why “undercut” registrars by selling direct, when registrars pay full price?
  - Not to undercut, but to address a market the registrars are not addressing
- Contract with itself: two entities, same owner.

# Future of registry/registrar model

- Open issue: up to community
- My Guess:
  - Registrar requirement: Changing Registry-Registrar model will probably not increase competition. Its already fierce, transfers work, and registry could be reseller, so requirement for gTLD registries to use ICANN registrars will stay.
  - Registry/Registrar ownership: Economics/incentives are the same either way, so there will be no prohibition regarding common ownership

# What is expected to change?

- Not sure, but...
  - Increased number of registries, registrars, registrants likely
  - Increased competition at both registry and registrar levels, and between registries and registrars
  - Registry/Registrar model unchanged
- For sure: It will be interesting, as usual.

# Thank You!

For more information, please visit:

<http://icann.org>

