Global Business Oriented ccTLD registries

Critical Success Factors
Experiences of the .eu

Sharm-El-Sheikh, 14-11-2009

History of EURid

- Created to answer the request for expression of interest by the European Commission
- EURid is a not-for-profit organization
  - Founding members
    - DNS BE (.be)
    - IIT (.it)
    - ISS (.se)
  - Other members from the start
    - NIC CZ (.cz)
    - ARNES (.si)
  - New members
    - ISOC ECC
    - Business Europe
**Contractual relationship**

**European Citizens**
- Council of the European Union
- European Parliament

**Stakeholders**
- EC 733/2002
- EC 874/2004
- Concession Contract
- EURid
- Strategic Committee
- ISOC

**Defined by EC and member states**
- Concession Contract
- Defined by EC and member states
  - Defines principles:
    - Who can register which names?
    - Who are the registrars?
    - Phased registrations
    - Alternative Dispute Resolution (ADR)
    - Bona Vacantia
    - Registration procedures (1st come 1st served)

**Provisions for phased registrations (« sunrise »)**
- Establish ADR
- Geographical and/or geopolitical names
- Reserved / Blocked lists
- Provisions for phased registrations
- Bona Vacantia
- Registration procedures (1st come 1st served)
- Allow holders of certain rights to register their names upfront

**Timeline of .eu**

- Sep 2002: Request for expression of interest
- May 2003: EURid chosen to manage .eu
- Apr 2004: Publication of PPR
- Oct 2004: Contract with EC
- 7 Dec 2005: Landrush
- 7 Apr 2006: Start of sunrise
Status

- 9th largest TLD in the world
- More than 3,000,000 names (more than 1,000,000 in the first day)
- First successful sunrise
  Copied by all new TLDs since then
- High renewal rate (80%+)

Evolution of ccTLDs

- Trend towards more “commercial” attitude
  - Customer/registrar oriented
    - Focus on quality
  - Advertising
- While keeping the TLD clean
  - UDRP / ADR procedures in place
  - Big focus on security
  - Fighting abuses (cybersquatting, phishing, ...)
- Technical evolutions
  - Many (not all) implemented IDN
  - DNSSEC is in the plans
  - IPV6
Evolution of ccTLDs

- Enlarge market from Business to Individuals
  - Initial customers: businesses
  - Expansion comes from the end-users
- Price is not an issue

Price elasticity
Conclusion on price

Price has little impact on volumes
You do not always control the end-user price
Quote from a registrar:

“I increased the price and I sold more domain names”

Don’t discredit the product by pricing it too low

Lowering the price works ...
If you have the image of a low price cy

Lowering the price does not work ...
If you have the image of an value added service provider

REGISTRARS MUST CHOOSE: DON’T OFFER BOTH

→ Implement Alternative programs
Research:

Level of Liberalisation

Number of domain names
  “me too”

Timing of liberalisation

Availability of cheap connectivity

Education and tools
Critical Success factors

- Policy
- Technical Infrastructure
- The distribution channel
- Promoting the TLD
- Staff

CSF 1: Policy

- Well defined target market
  - EURid: Every European business or citizen should be able to express their European identity on the internet

- A clear and well defined (liberal) policy for the target public

- Start-up: sunrise or land rush?
**EURid Policy**

- **.eu**
  - For every company, organization or citizen based in the EU
  - 1 year term
  - Automatic renewals
  - Reserved and blocked lists
  - 2 letter names representing cc are not allowed
  - F-C-F-S
  - Pre-payment system

- **2 phased sunrise**
  - Phase 1: Trademarks and governments
  - Phase 2: all other rights
  - Introduction of a “validation agent”
    - Checks for validity of an application
    - Principle used in all subsequent launches of new TLDs

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**Sunrise results**

- Rejections: 218456
- Validations: 124876
- Activates: 128766
- Non validated: 127762

- **January**
  - Rejections: 12873
  - Activates: 12873

- **February**
  - Rejections: 20776
  - Activates: 20776

- **March**
  - Rejections: 19059
  - Activates: 19059

- **April**
  - Rejections: 21727
  - Activates: 21727

- **May**
  - Rejections: 30548
  - Activates: 30548

- **June**
  - Rejections: 17430
  - Activates: 17430

- **July**
  - Rejections: 13827
  - Activates: 13827

- **August**
  - Rejections: 17465
  - Activates: 17465

- **September**
  - Rejections: 16538
  - Activates: 16538

- **October**
  - Rejections: 16538
  - Activates: 16538

- **November**
  - Rejections: 16538
  - Activates: 16538

- **December**
  - Rejections: 16538
  - Activates: 16538
Sunrise results

EURid Policy (cont’d)

- Registrars
  - Technically competent interface to customers
  - Subscribe to EURid policy
  - Not limited to Europe
  - No obligation to be ICANN accredited (← new gTLDs)

- landrush
  - EURid : F-C-F-S
  - Fair system
Landrush performance

8.416 tr/min = 140 tr/sec

Situation @ 24:00
3,030,614 transactions
1,057,212 new doms

Landrush performance – first 100 seconds

successful applications after 1 second
Landrush performance – first 15 minutes

successful applications after 1 minutes

CSF 2: Proven technical infrastructure (EURid)

- A robust and secure registration system
  - Based on standards (EPP)
  - Simple to use
  - Offering IDNs – all characters used in an official languages in EU

- Technical security:
  - Anycasting
  - DNSSEC (testbed launched)
  - IP origin checking
  - Limiting accesses/second

- Procedural security:
  - Validation system
  - Trade and transfer control
  - No update of owner → monitored update
  - Registrar failure → domains taken over by registry
  - Lock on transfer/trade
  - ADR + on hold system
  - Domain Name Monitoring (WHOIS plus)
**CSF 3: building the distribution channel**

New TLDs have to follow the registrar model = EURid
Registrar must be ICANN Accredited ↔ EURid

**What creates profitability?**
- Easy registration
- Simple procedures
- Margins
- Same procedures in all TLDs
- Cheap first registration

Focus on (short term) profitability

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**CSF 3: Building the distribution channel**

Accredited registrars only support a limited number of TLDs
293 accredited registrars / 93 in Europe

| DE  | 23 |
| FR  | 15 |
| UK  | 13 |
| ES  | 13 |
| SE  | 6  |
| NL  | 5  |
| IT  | 5  |
| AT  | 4  |
| DK  | 1  |
| FI  | 1  |
| HU  | 1  |
| IE  | 1  |
| LV  | 1  |
| LT  | 1  |

Number of TLDs supported

- DE: 23
- FR: 15
- UK: 13
- ES: 13
- SE: 6
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### Distribution channel EURid

**Market share of registrars per category**

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>+100000</td>
<td>3%</td>
</tr>
<tr>
<td>50000-99999</td>
<td>14%</td>
</tr>
<tr>
<td>10000-49999</td>
<td>9%</td>
</tr>
<tr>
<td>5000-9999</td>
<td>32%</td>
</tr>
<tr>
<td>1000-4999</td>
<td>22%</td>
</tr>
<tr>
<td>500-999</td>
<td>17%</td>
</tr>
<tr>
<td>1-499</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Top 10 have** 34.5%
**Top 22 have** 50%
**Top 78 have** 75%

### CSF 3: building the distribution channel

- EURid has its own accreditation procedure
  - Easy
  - No membership fee or yearly fee / only pre-pay
CSF 4: Promoting .eu

Know.eu
Information: Website / Ads / Flyers / Congresses

Registrant: Ask.eu
Registrar: Recommend.eu

Register.eu

Use.eu
Promotion through champions and testimonials

ADD (emotional) VALUE
Style / image
Ads
Acc Mgt
Easy procedures / Tools
Requirements panel
Campaigns (credits)

Direct contacts
Ads / Website
Emotional Value

CSF 4: Promoting the .eu

• Registrar oriented approach
  ▪ Procedures: advisory panel
  ▪ Technical systems: requirements panel
  ▪ Credit systems
  ▪ Co-marketing & co-funded marketing

• Awareness
  ▪ Fairs
  ▪ Targeted ads

• Improving is all about trying new ideas and keeping what works and throwing away what does not work
I know that half of my marketing budget is wasted, I just don’t know which half

Lord Leverhume
Founder of Unilever

Change or perish

- Thriving on chaos
  - Live with an imperfect world
  - An organisation without some level of chaos is too static, doesn’t live

If everything seems under control...
... you’re not going fast enough

Mario Andretti
CSF 5: Staff

- Knowledge
- Empathy
- Enthusiasm

Success depends on the whole organisation

Everybody in the company is in the marketing department

Seth Godin
The whole organisation

... has to collaborate to improve our offering

New ideas are constantly needed related to

→ Product
→ Service
→ Quality
→ Communications

...