



CENTR

Analysis of factors of demand for ccTLDs

Peter Van Roste

General Manager

CENTR

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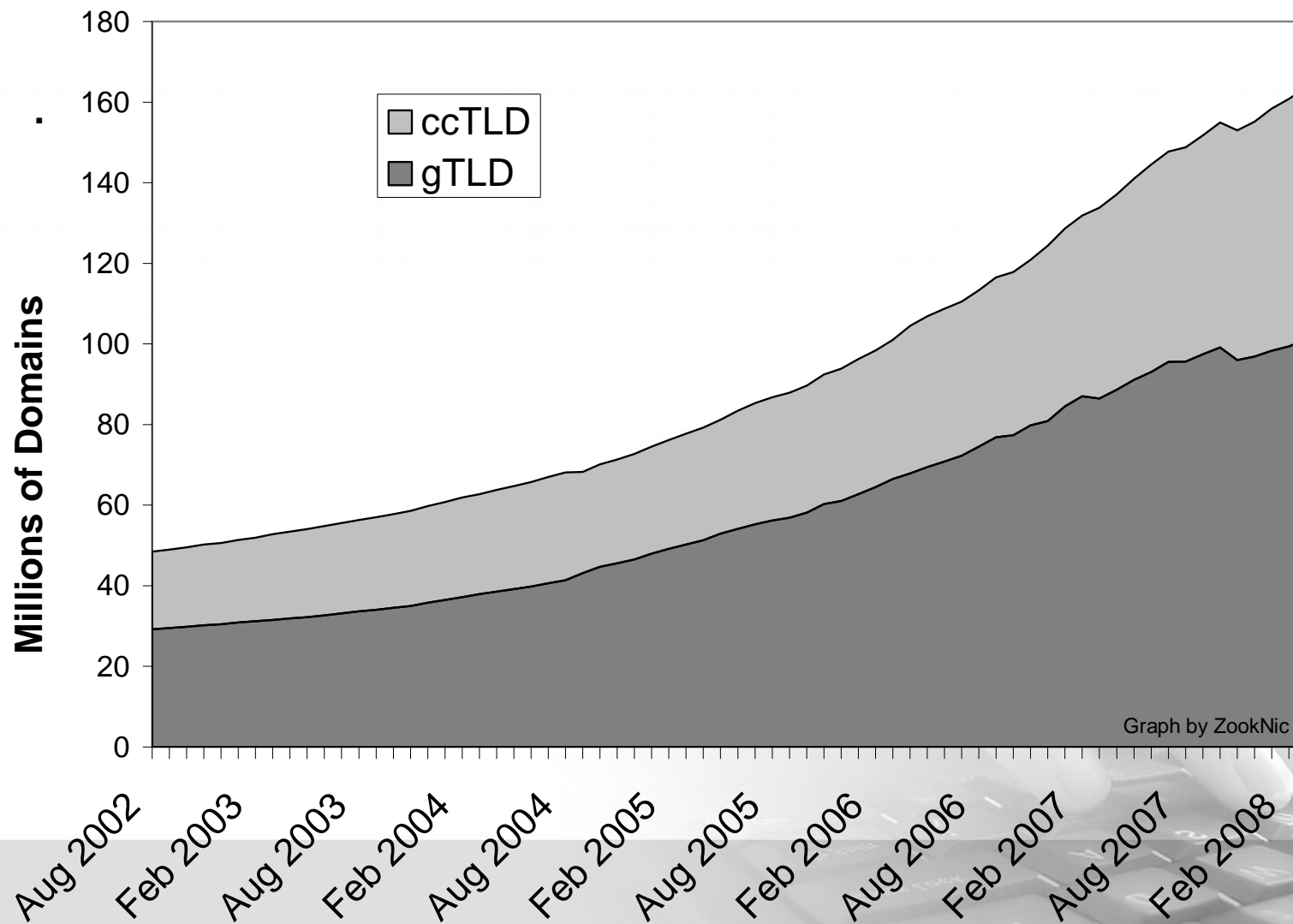
Overview

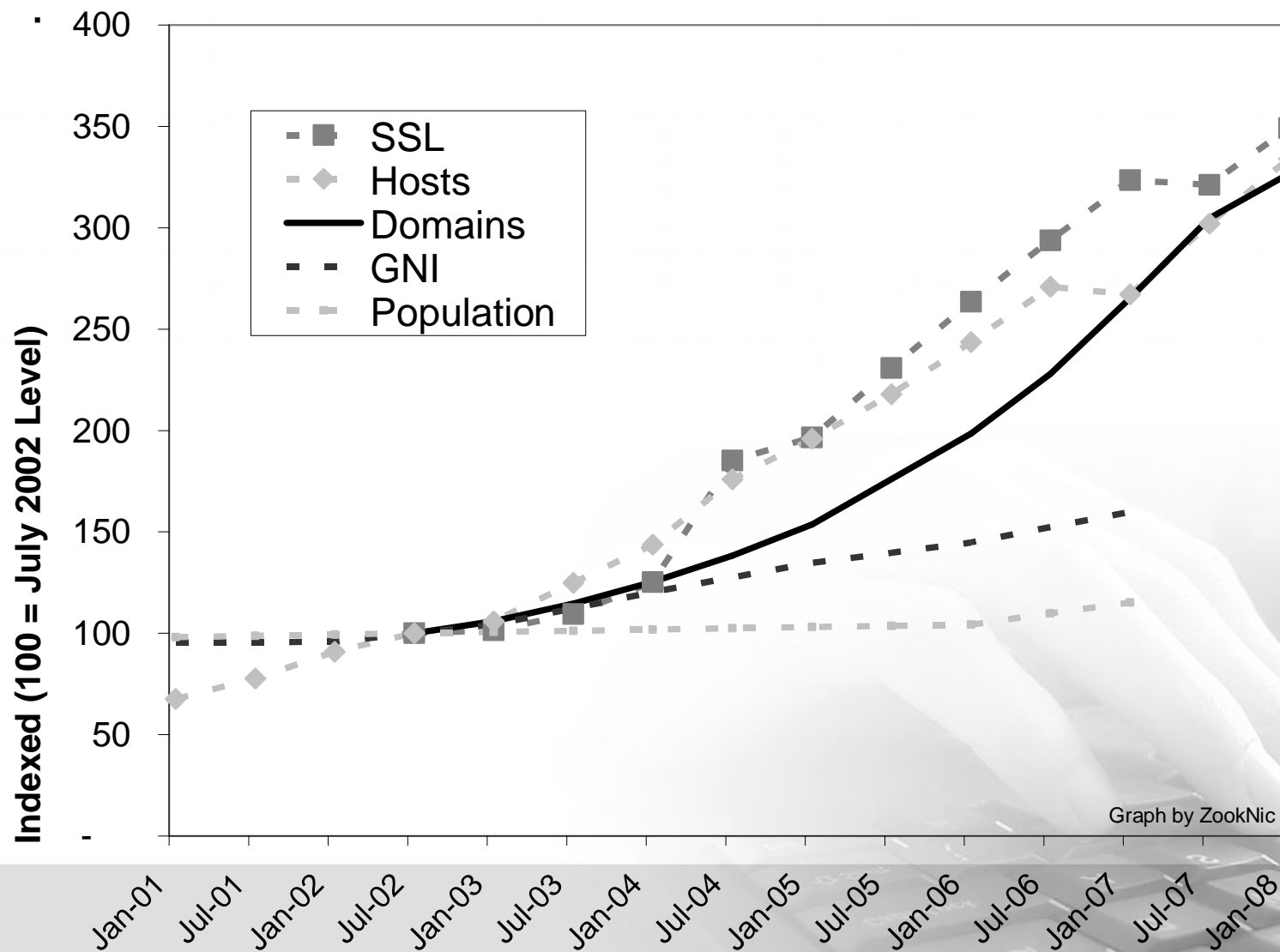
- Project description
- Methodology
- Conclusions



Project Description

- Goal : gain better understanding of the factors that contribute to ccTLD growth
- Cooperation with ZookNic (<http://www.zooknic.com>)
- Factors identified by CENTR WG
- Complete datasets for ccTLD growth (3y/monthly)
 - Raw statistics
 - Pricing campaigns
 - Marketing and educational campaigns
 - Statistical data from ZookNic
- More than 20 ccTLDs participated

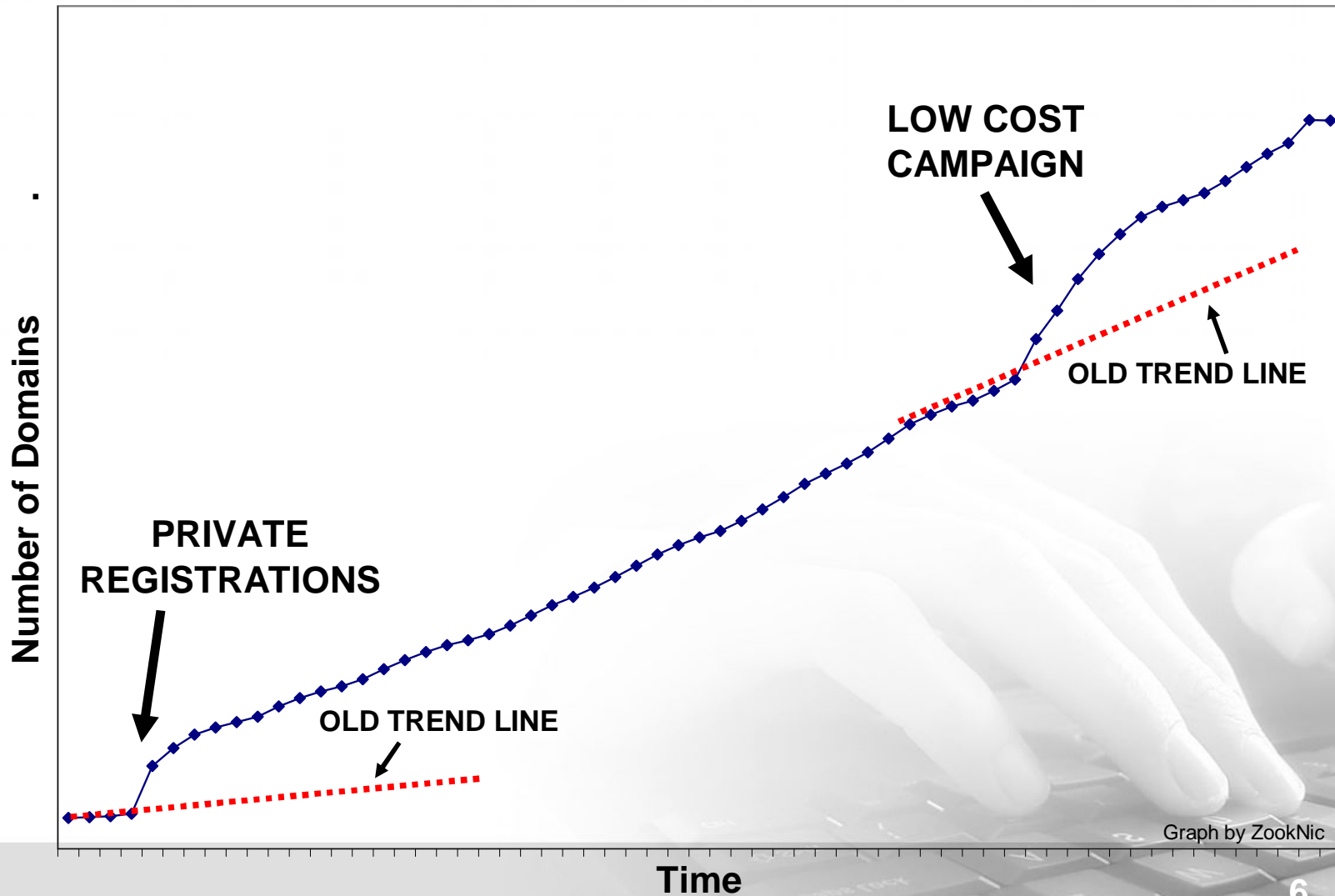




Graph by ZookNic



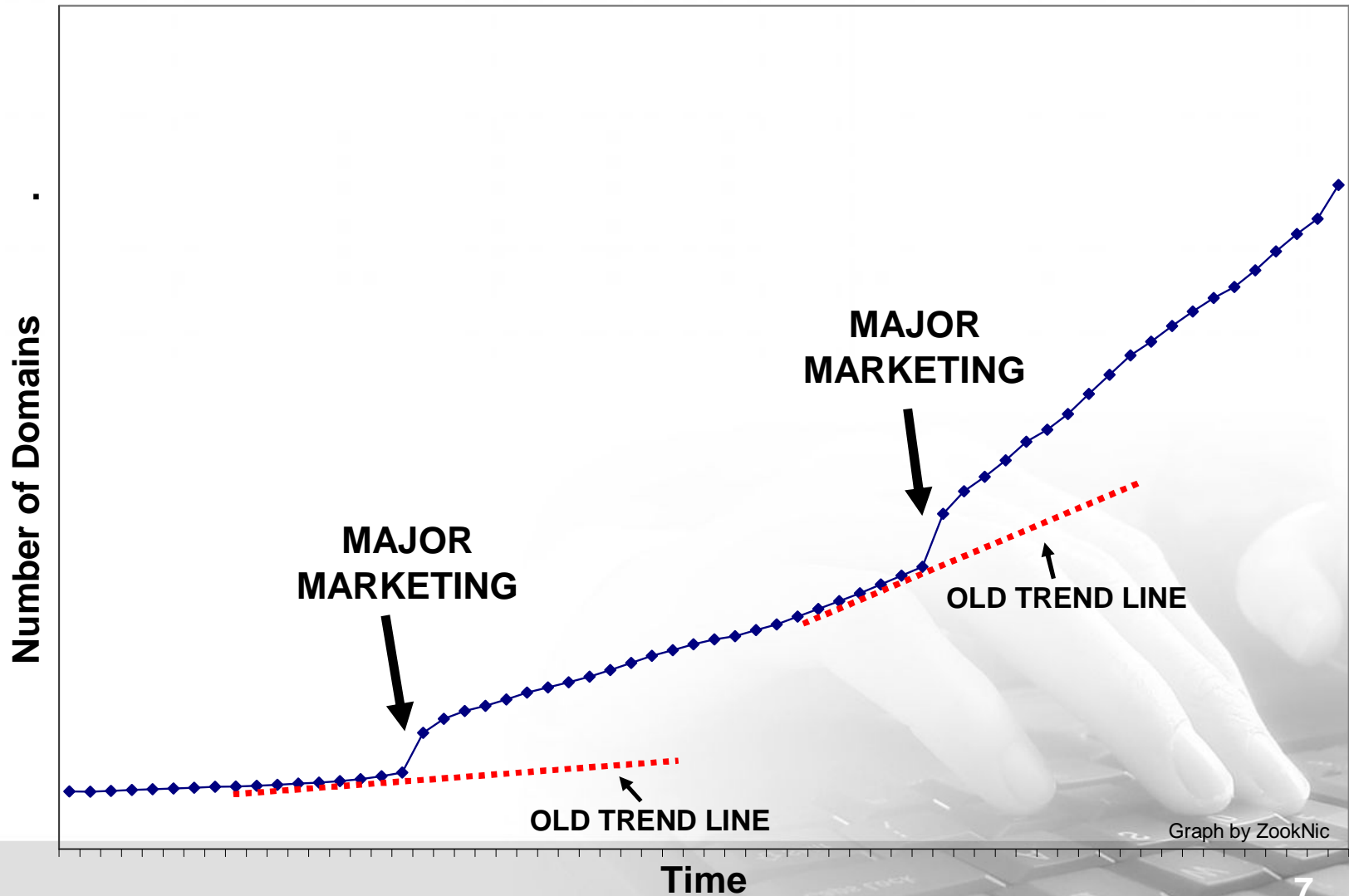
Policy changes : Casestudy A



Graph by ZookNic



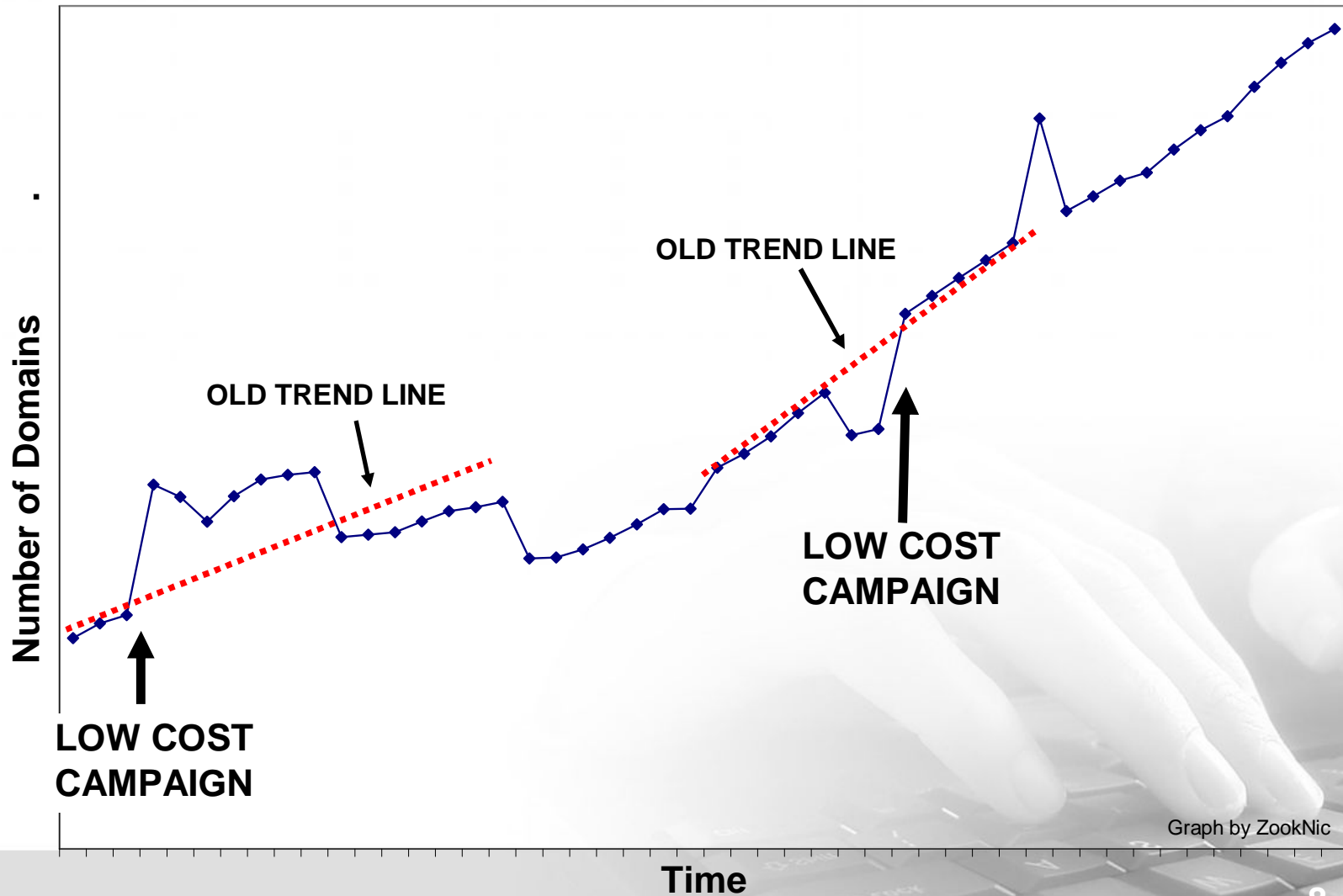
Policy changes : Casestudy B



Graph by ZookNic



Policy changes : Casestudy C



Increasing complex model

TOTAL DOMAINS			NEW DOMAINS		
Num. of Obs.	1109		Num. of Obs.	1025	
F	2718.98		F	342.02	
Adj. R ²	0.991		Adj. R ²	0.922	
Variable	Coef. (β)	t	Variable	Coef. (β)	t
Price	-5,057.86	-7.17 ***	Price	-101	-1.42
Month Trend	-1,964	-1.77 *	Month Trend	-234.77	-2.73 ***
Hosts	0.127	15.37 ***	Hosts	0.0033	4.45 ***
Users	0.048	6.07 ***	Users	0.0016	3.41 ***
GDP per capita	-380,650	-3.53 ***	GDP per capita	17,065	2.77 ***
Population	-284,132	-11.82 ***	Population	-10,582	-5.38 ***
SSL	59.31	11.70 ***	SSL	2.10	7.52 ***
.com domains	-0.160	-7.71 ***	.com domains	-0.005	-4.54 ***
Pvt. Reg.	-151,985	-3.29 ***	Pvt. Reg.	10,617	2.80 ***
IDN Reg.	183,582	6.11 ***	IDN Reg.	4,009	1.98 **
LowCostPromo	6,777	0.39	LowCostPromo	10,469	2.92 **
Maj. Marketing	-33,186	-1.05	Maj. Marketing	3,630	1.27
Registrar Mod.	-100,662	-2.62 ***	Registrar Mod.	1,084	0.51
# of Registrars	150.612	5.73 ***	# of Registrars	-1.027	-0.65
Constant	5,911,139	5.43 ***	Constant	-74,644	-1.35

* 90 % significance
 ** 95 % significance
 *** 99 % significance



Conclusions I

- **Price matters.** Price clearly matters both for short-term demand and for long-term maintenance of domains. However, it is also evident that demand for domains is most sensitive (elastic) when price tends to be relatively high.
- **Currently price is relatively inelastic.** As the average price of domains has declined over the past five years, demand for domains is increasing tied to other factors and for most registries the big gains in terms of growth based on reasonable price reductions have already been achieved.
- **Growth of Internet use is a key foundation for demand.** One clear result from these models is that as countries increase their use of the Internet (particularly commercial utilization), demand for domain names expands alongside this growth.
- **.Com domains exhibit a mild substitution effect.** This dataset shows that .com domains can act as a substitute for ccTLD domains but the effect is rather small, i.e., each .com registration results in 0.5 percent fewer new domains per month.



Conclusions II

- **Policies which "open" the registry show up most strongly in the short term.** Policies that expand the scope of who can register domains and what can be registered generally result in an initial surge or "land rush" as new parts of domain space is occupied. The longer term growth results, however, are mixed.
- **More Registrars Equals More Sales.** A strongly significant policy factor tied to the total number of domain registrations is the number of registrars selling a particular TLD.
- **Findings on Major Marketing Campaigns and Low/Free Registrations are Inconclusive.** While price incentives, such as low-cost or free registrations, can be shown to have a short term effect, the longer term results are inconclusive. This finding, however, does not invalidate these strategies but points to limitations within the dataset.



Thank you!

- My contact details
peter [at] centr.org
+32/495/27/23/06