

New gTLD Statistics & Business Implications



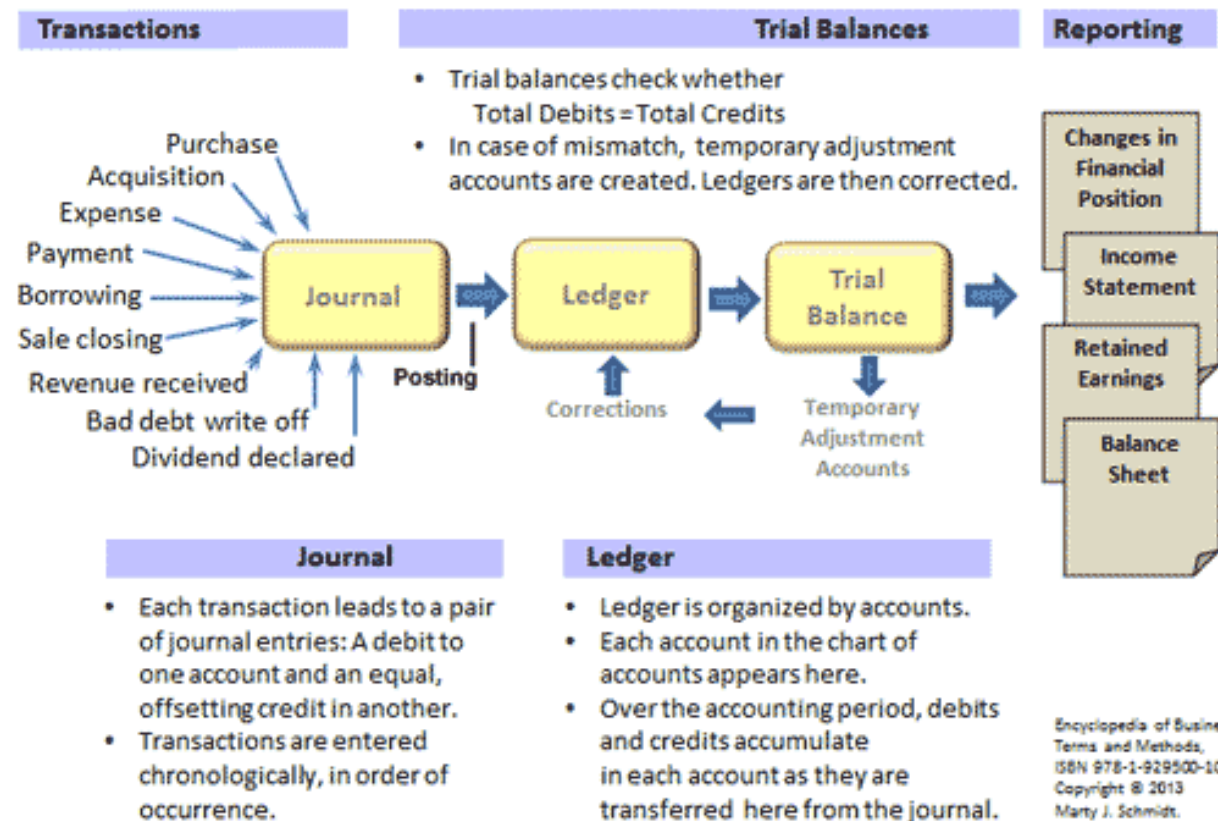
CHRISTA TAYLOR



BERRY COBB

Historical Significance of the Journal Entry

The Accounting Cycle



.LAME

Overview

What We Learned From 2014

- 2014 Legacy & New gTLD statistics
- Most Successful gTLDs

New gTLD Tiers

- Volumes & Values new gTLDs can expect
- Correlation between Prices, Volumes, etc.
- Impact on registry financials
- Business models considerations – additional value adds/value proposition over registrations

New gTLD Projections for 2015/2016

- Forecasts & Predictions

New gTLD 'Drafting' Plan

- Impact on the industry
- Tier 3 & Tier 4 Today / Tomorrow

What We Learned In 2014

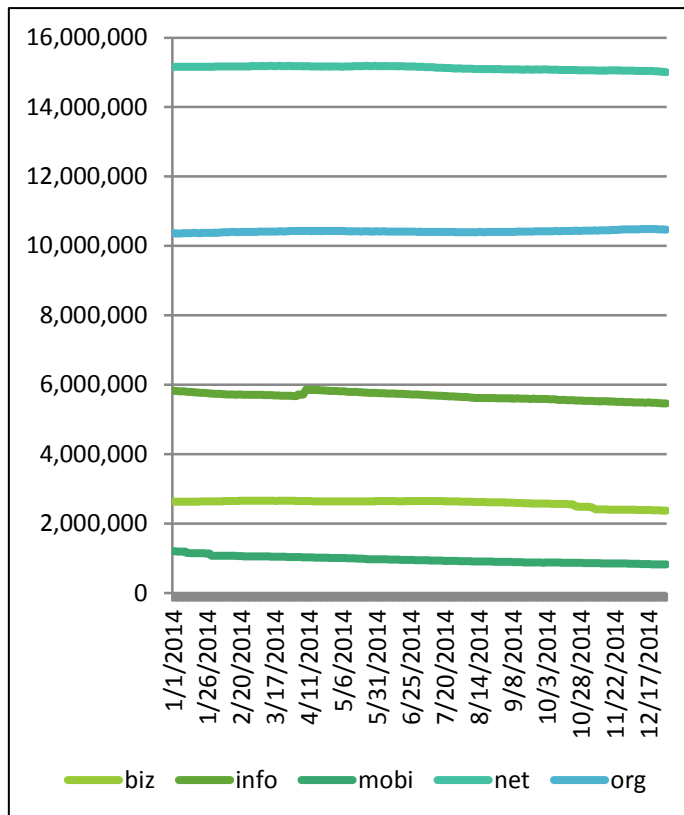
2014 - Legacy gTLD Stats

.com

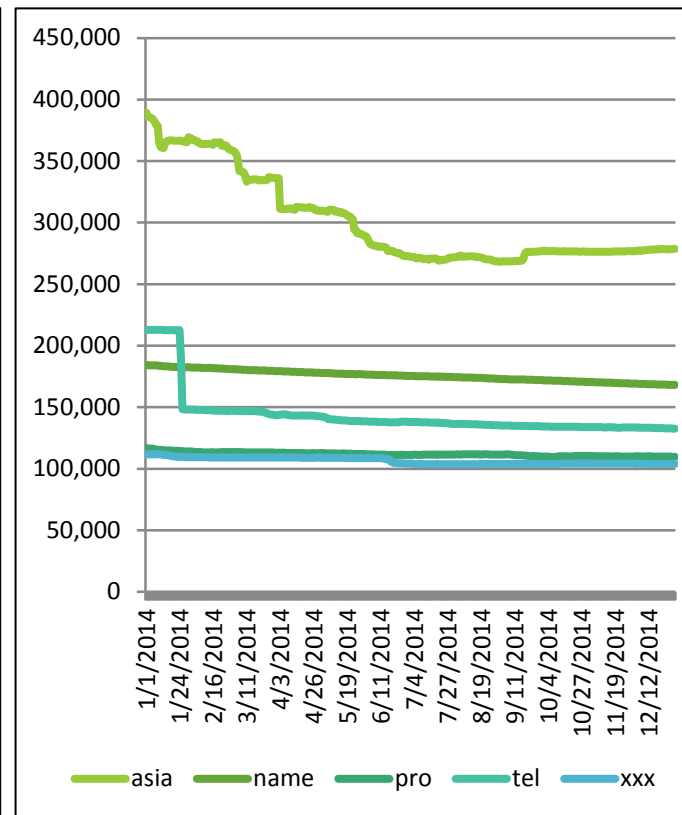
Jan - 111,843,404
Dec - 115,312,494

+3.1%

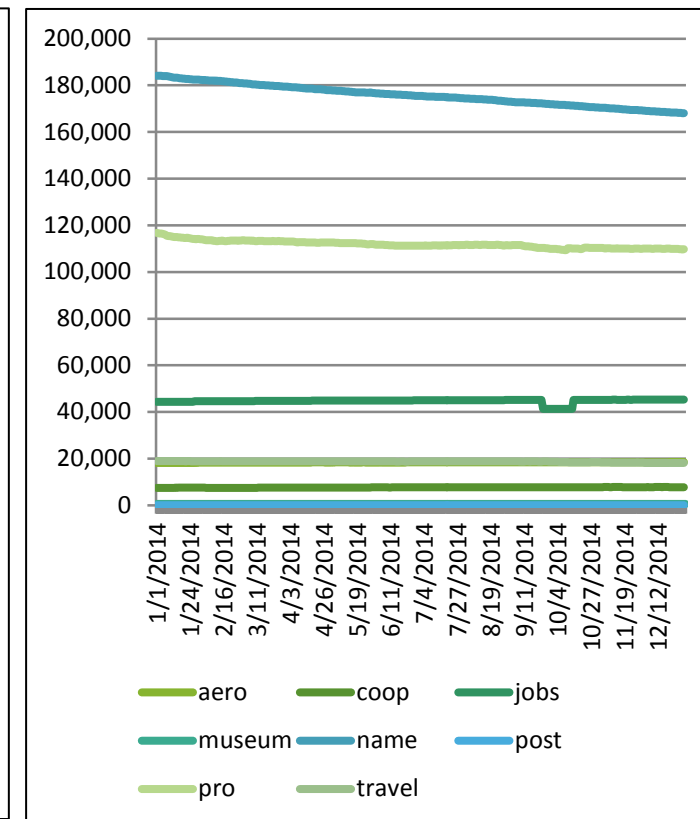
Group 1



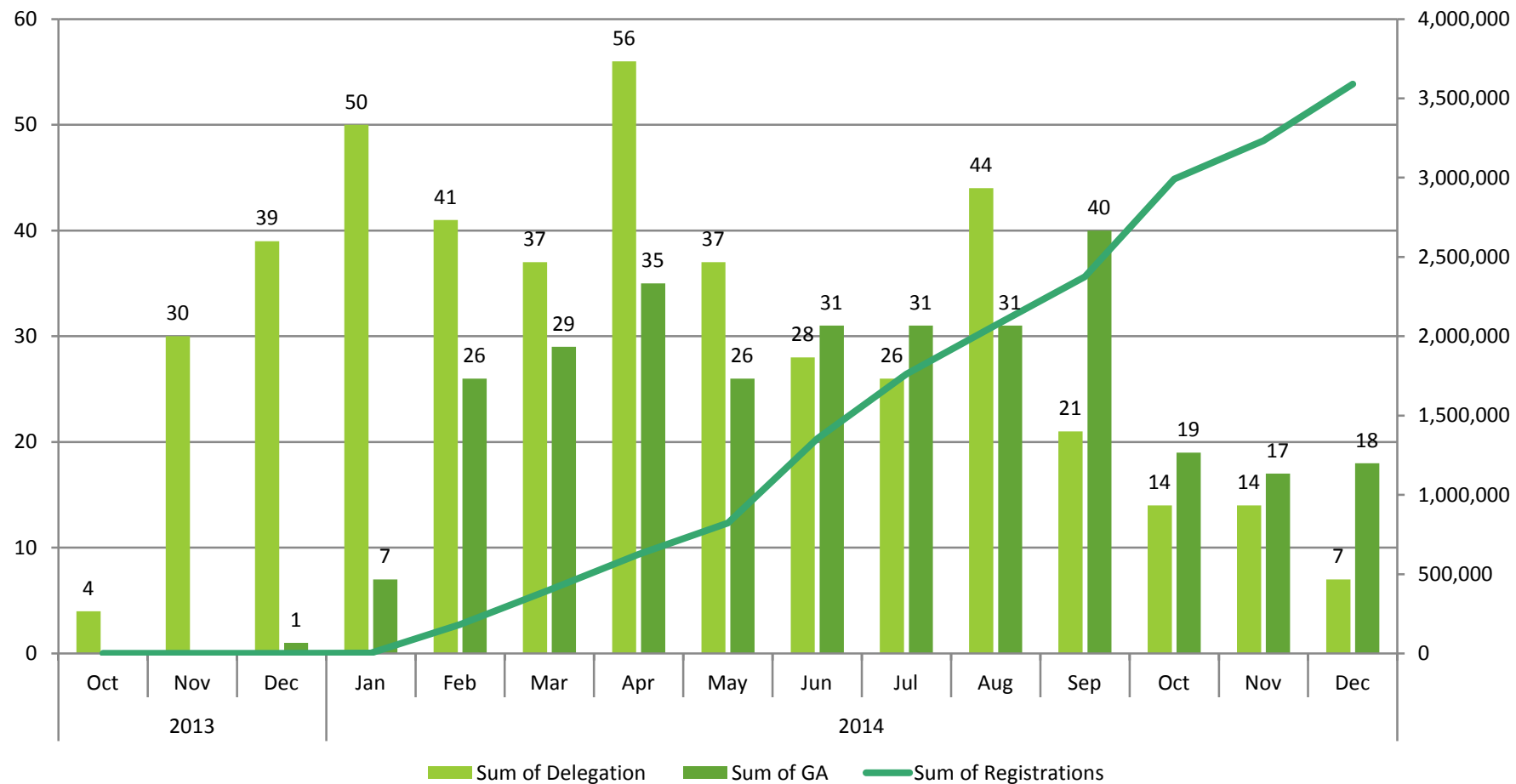
Group 2



Group 3



2014 - New gTLD Stats

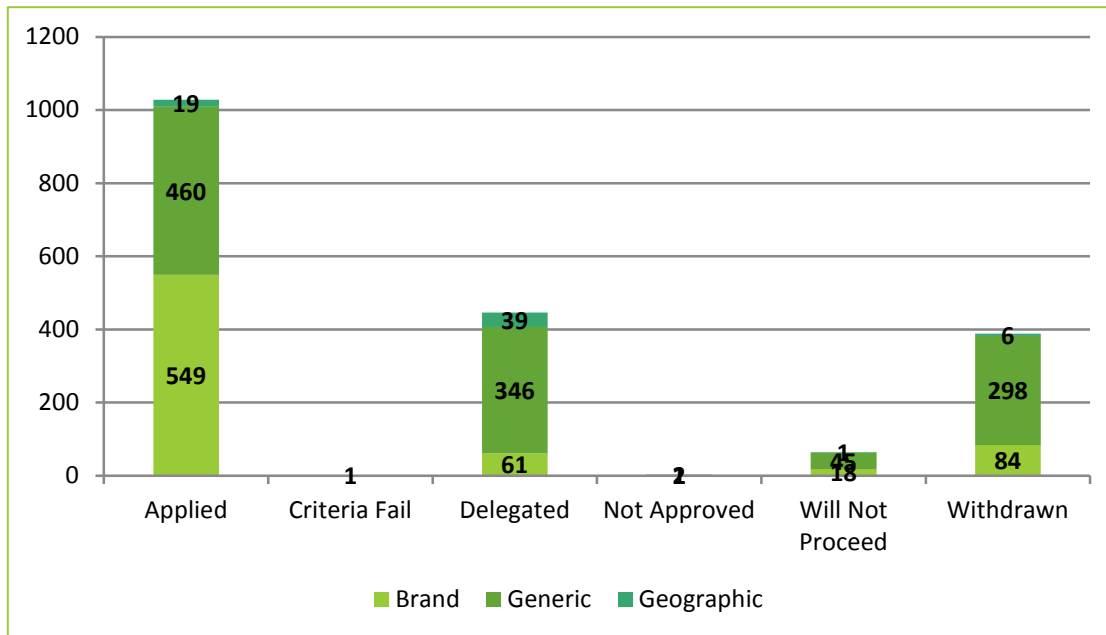


No 2014 GA Launch Data:

46 - Brand
40 - Generic
6 - Geo

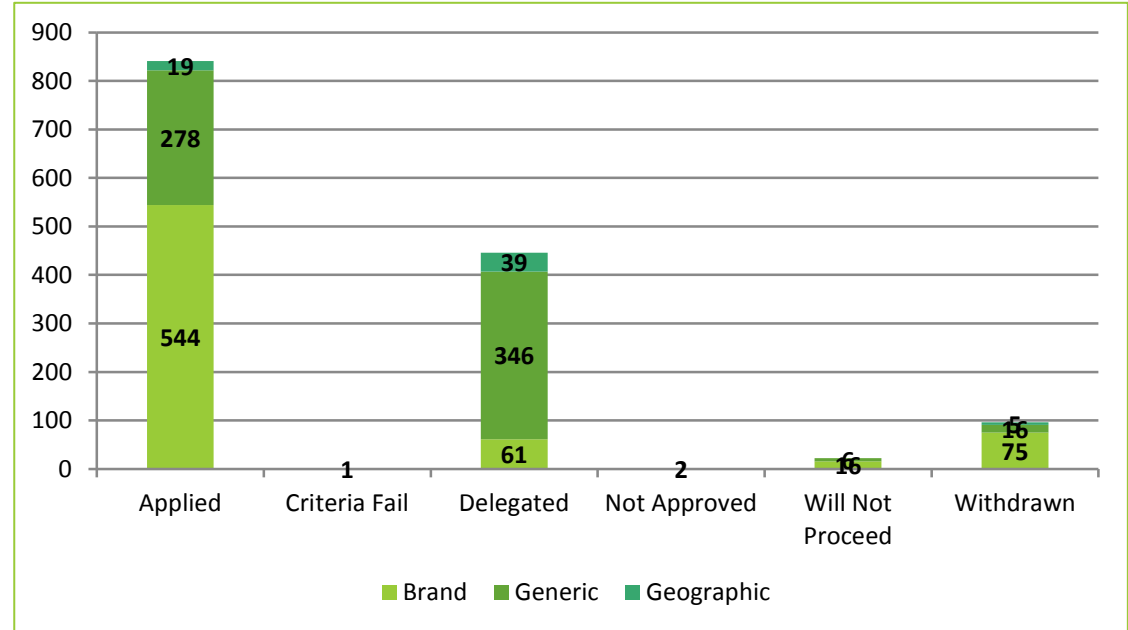
2014 gTLD Program in Review

Application View



*Applied = yet to be settled
**471 Delegated as 4 Jan per ICANN
***162 applications in contention

Unique String View



*87 unique strings in Contention (includes .corp, .home, .mail)

Most successful New gTLDs

- Too early to tell
- We're not picking favorites
- Execution is key

Primary Criteria:

- Quantity of Registrations
- Total Revenue / Profit
- Use
- Alexa Ranking
- SEO results
- Renewal Rates

12/20/2014

	Dozen Donuts LLC	Covered TLD LLC	United TLD	Total
Original Apps (01 Jan 2014)	200	107	26	333
Original App Withdrawn	26	24	3	53
Original App Will not Proceed (WnP)	5	8	0	13
Xfer from Covered to Rightside	0	-16	16	0
Delegated (20 Dec 2014)	138	20	32	190
Remaining Apps	31	39	6	76
% Complete	84.50%	63.55%	76.92%	
TLDs in Contention	21	29	6	56
% Contention to Remaining Apps	67.74%	74.36%	100.00%	

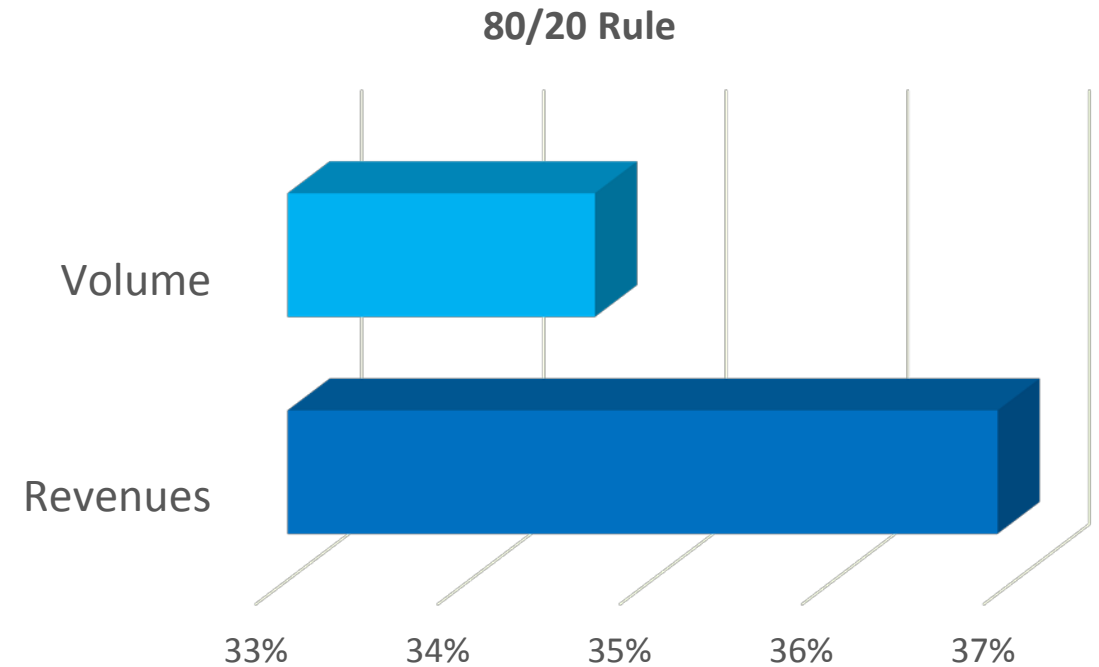
New gTLD Tiers

The Caveats

- .XYZ, .BERLIN, .OVH have free registrations
- 'Free' registrations can be a viable business plan but as we have no viable, reliable renewal statistics they have been excluded from any calculations
- Expectation that renewal rates from free registrations will vary be from regular paid registrations
- Many registries have registered their own names thereby inflating the number of true, arms-length third-party registrations
- Legitimate reasons for registries to do this include increasing the ability for potential registrants to find and purchase premium names
- TLDs that have recently launched have been excluded to eliminate the landrush upswing

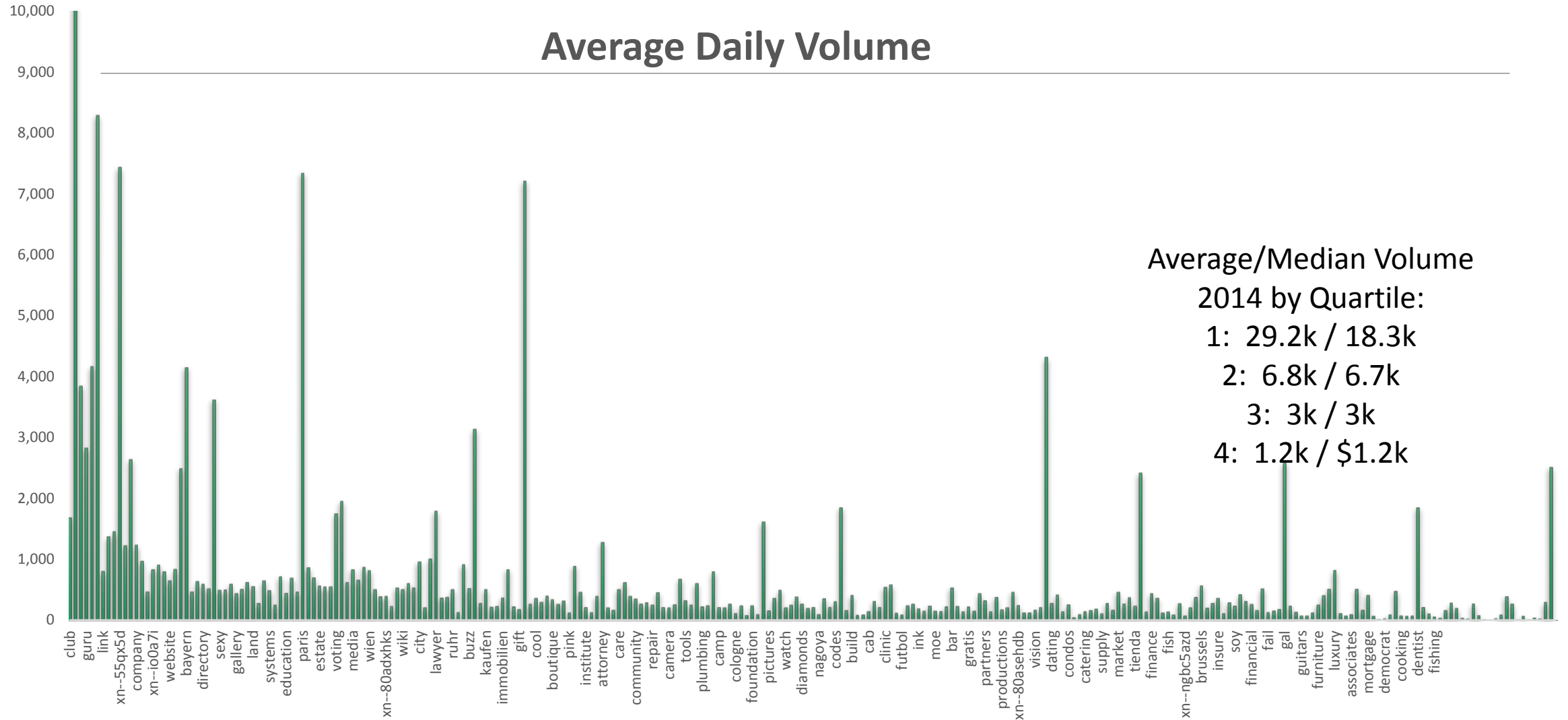
gTLD Results based on Tiers

- The 80/20 rule doesn't quite apply.
- As there are significant insight to be gained by looking at the new gTLDs in four tiers.
- 2014 ended with 472 delegated new gTLDs
- TLDs in General Availability at the end of December is 271 with an average registration volume of 9,414
- Average daily registration volume of 45



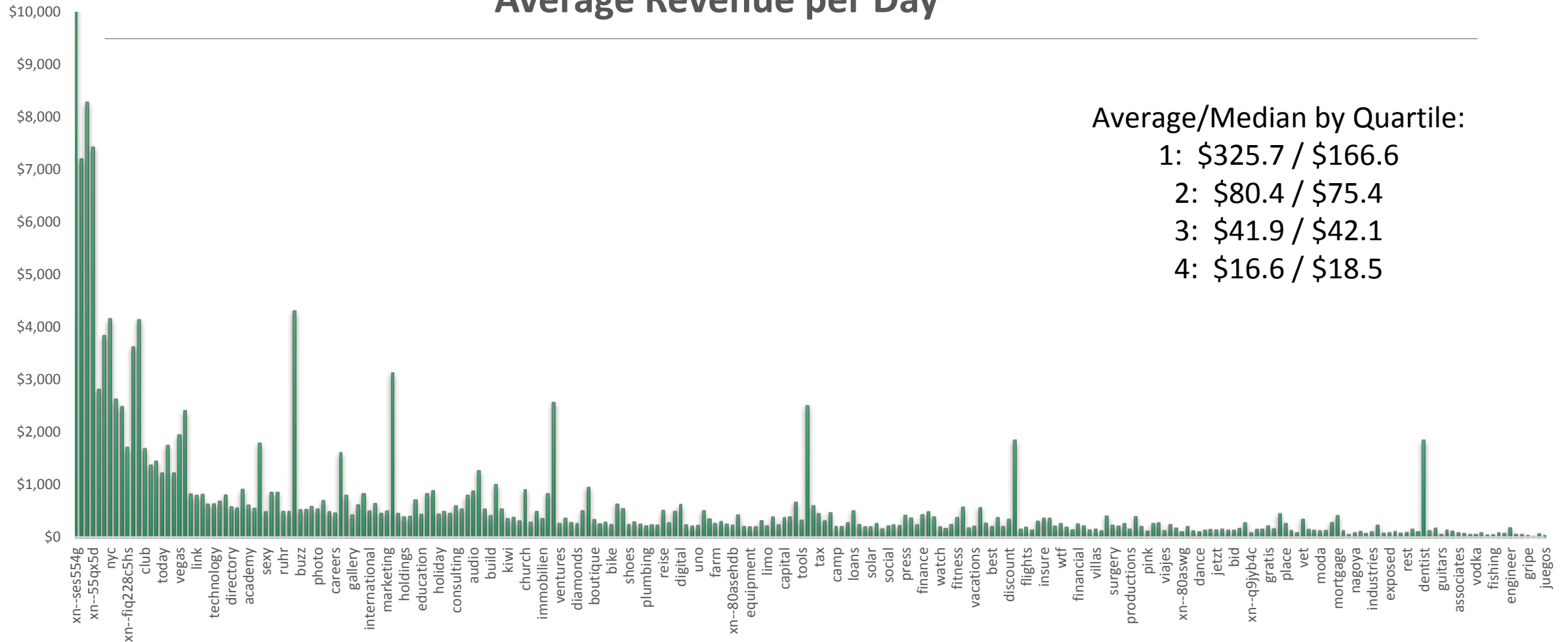
TLDs by Volume

Average Daily Volume



TLDs in Terms of Revenues

Average Revenue per Day



Correlation between Price & Volume?

TLD	Price	Volume	Revenues @60%	Daily Revenue
rich	\$ 1,899.00	56	\$ 63,806	\$ 245
xn--3bst00m	\$ 789.00	133	\$ 62,962	\$ 2,518
xn--czru2d	\$ 325.00	7,442	\$ 1,451,190	\$ 7,220
luxury	\$ 279.99	1,277	\$ 214,528	\$ 822
versicherung	\$ 199.99	2,213	\$ 265,547	\$ 2,414
hiv	\$ 179.99	314	\$ 33,910	\$ 271
reise	\$ 99.99	1,236	\$ 74,153	\$ 511
creditcard	\$ 99.99	540	\$ 32,397	\$ 266
eus	\$ 99.00	2,541	\$ 150,935	\$ 4,312
gal	\$ 99.00	1,521	\$ 90,347	\$ 2,581
career	\$ 92.99	1,101	\$ 61,429	\$ 480
best	\$ 76.10	1,027	\$ 46,893	\$ 213
ceo	\$ 74.00	1,851	\$ 82,184	\$ 287
investments	\$ 69.99	1,666	\$ 69,962	\$ 514
loans	\$ 69.99	1,322	\$ 55,516	\$ 514

There is a weak
negative relationship
-0.23

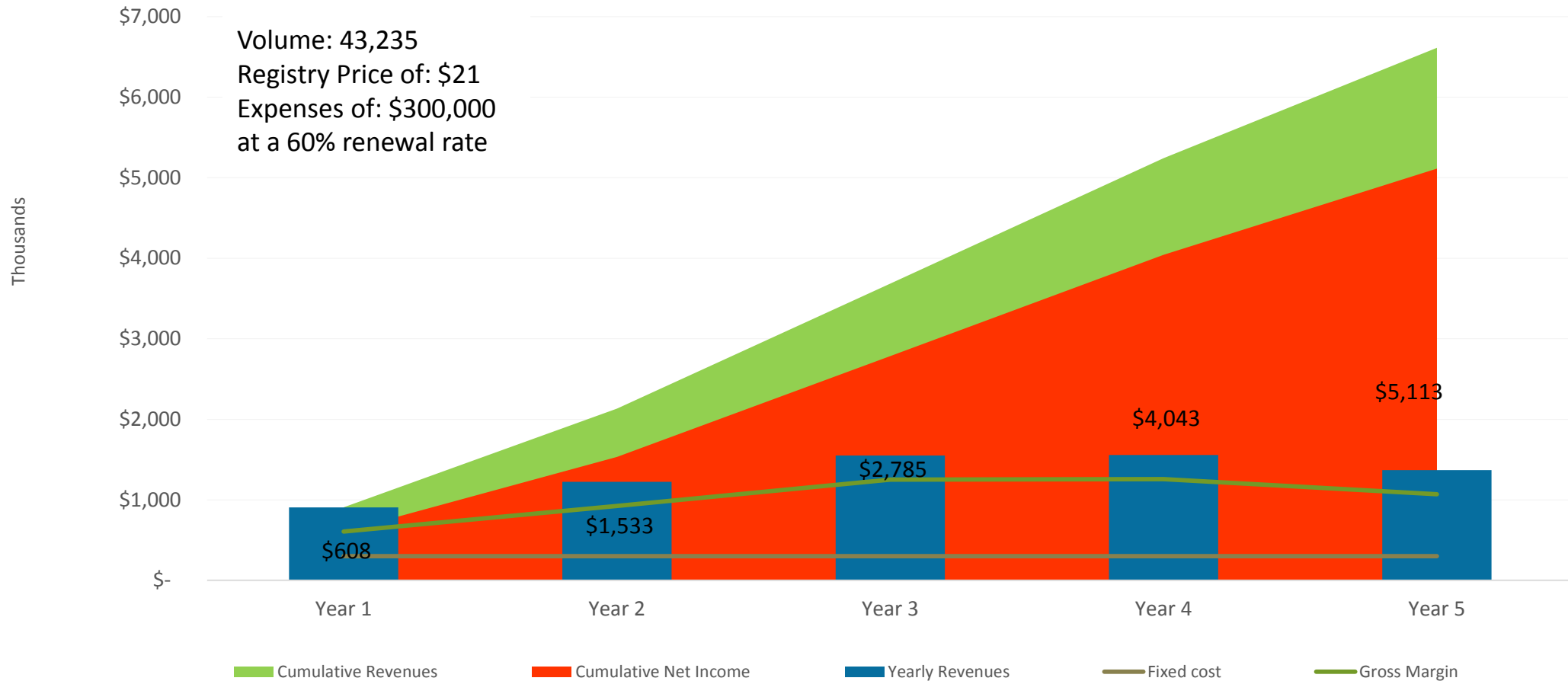
Pricing

To date, the new gTLDs with the highest volumes and values have not improvised by being cheaper.

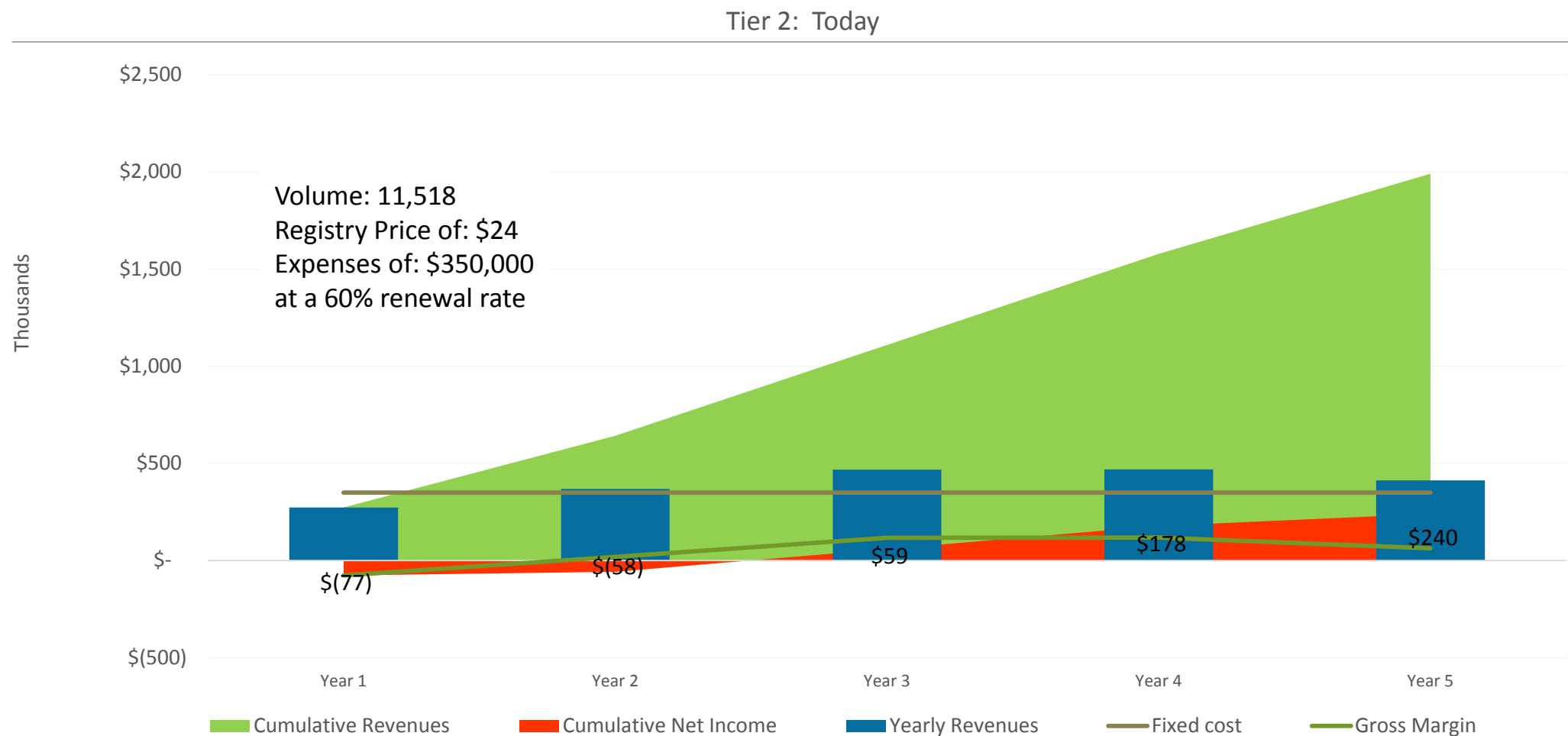
Quartiles	Retail Price		Median Price	
1	\$	35.18	\$	19.99
2	\$	39.81	\$	19.99
3	\$	29.58	\$	19.99
4	\$	18.53	\$	19.99

Financial Implications: Tier 1 Today

Tier 1: Today

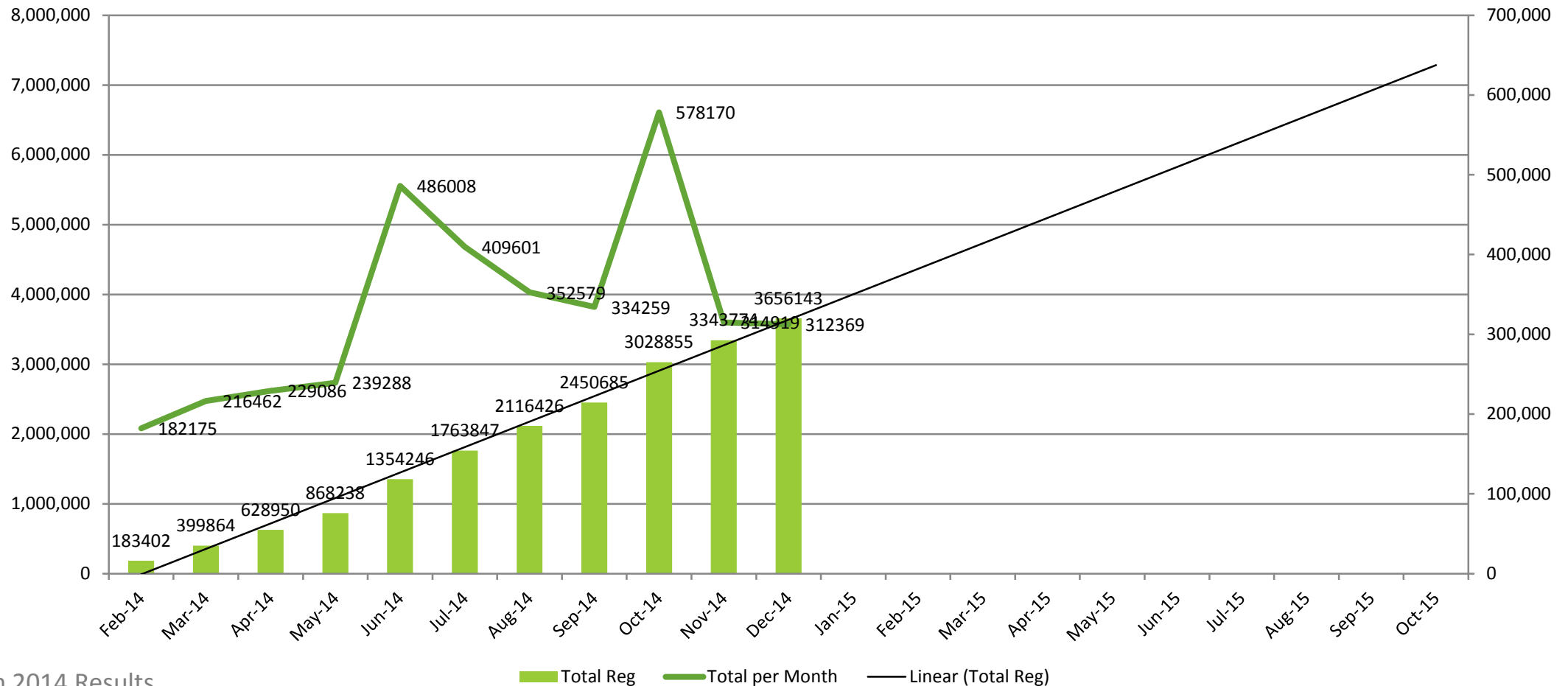


Financial Implications: Tier 2 Today

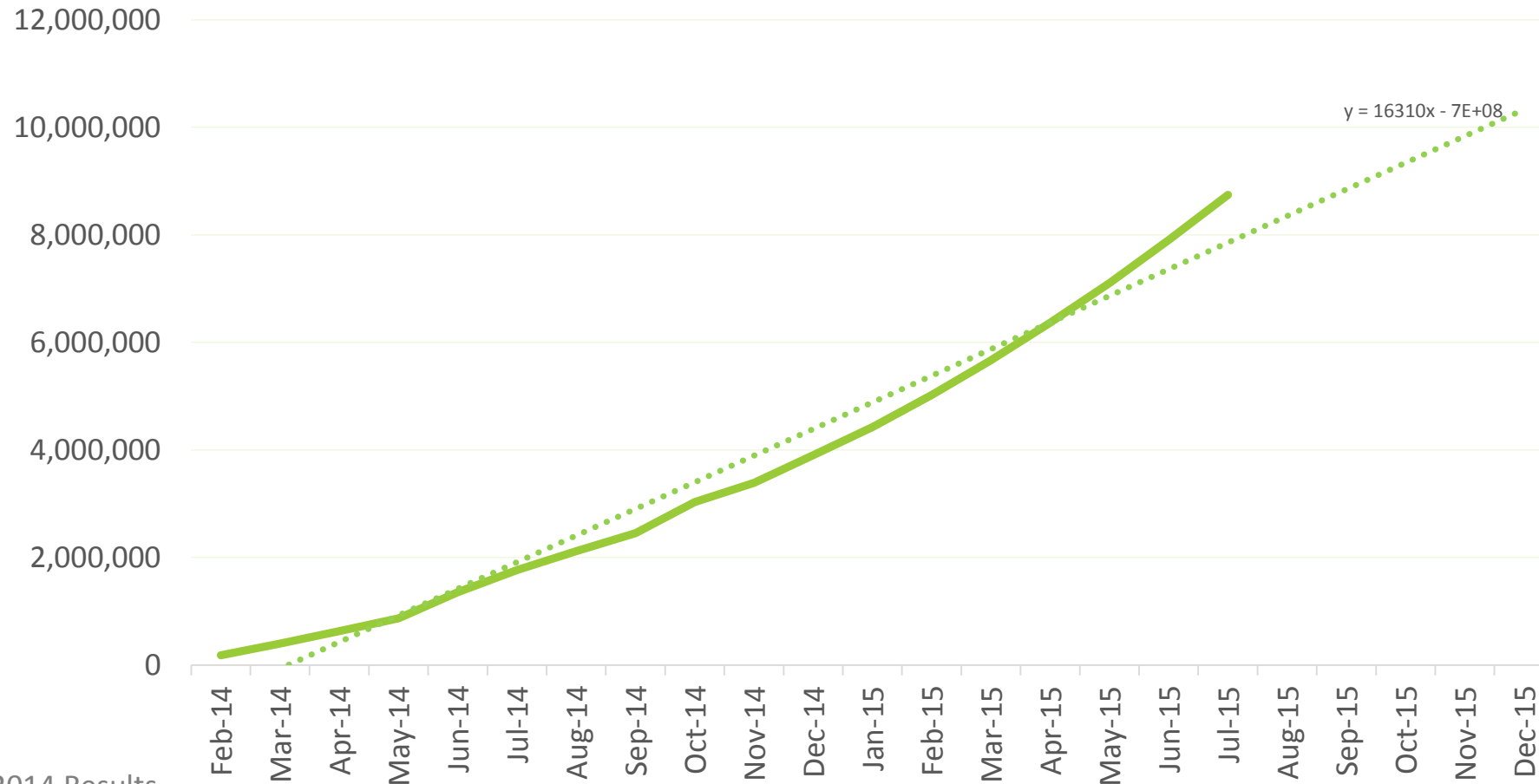


New gTLD Projections for 2015/2016

2015 Registration Forecast - Simple



2015 Registration Forecast - Advanced



Based on 2014 Results

Other Predictions



2015

- Expectation: Registries will advertise in mass once all portfolios have launched their gTLDs
- Renewal rates (optimistic vs realistic)
- Pricing (up or down)
- gTLDs will start to swap hands
- Industry Related Stocks (up or down)

2016

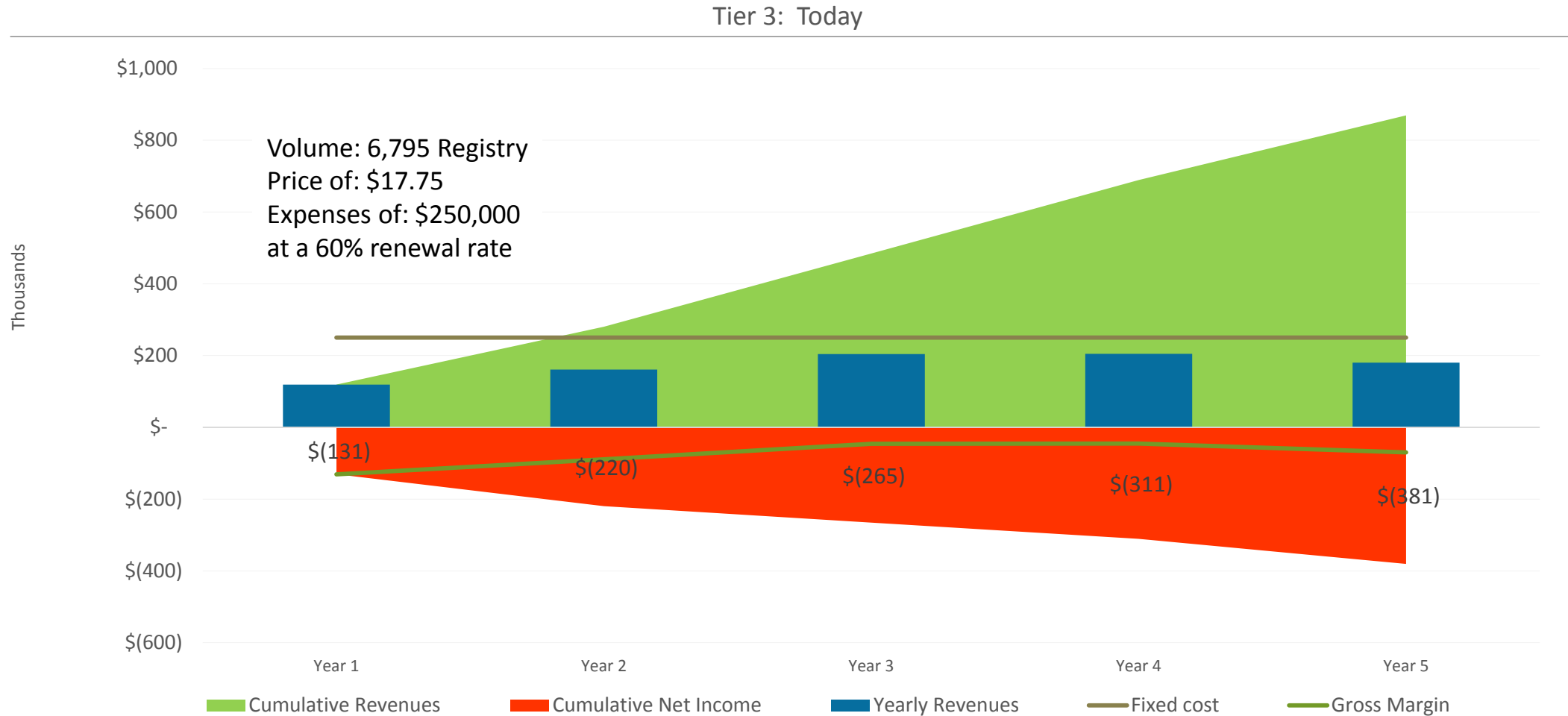
- brands will start to promote the use of their gTLDs - the critical path - when brands start to use their TLDs in advertising is when the common registrant will start to catch on.
- No new round of gTLDs

New gTLD 'Drafting' Plan

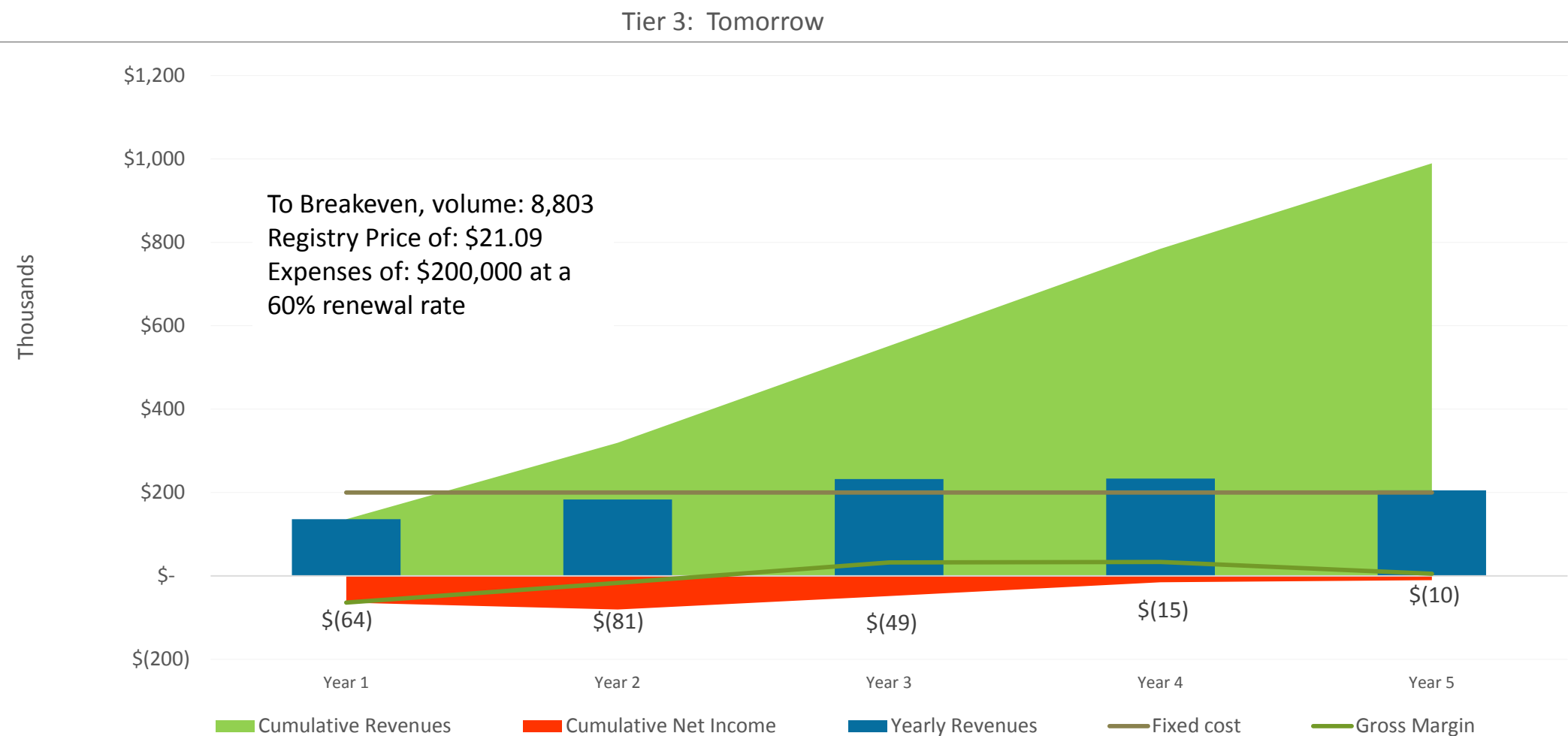
Financial Implications

- Tier 3 and Tier 4 TLDs need to focus efforts on grass roots marketing efforts to increase registrations with minimal expense while waiting for the grass to catch fire
- Once large brands and portfolio companies marketing begins to take hold, it will be important to draft on these large campaigns that drive registrations
- Reducing prices does not result in an increase in registrations as show earlier

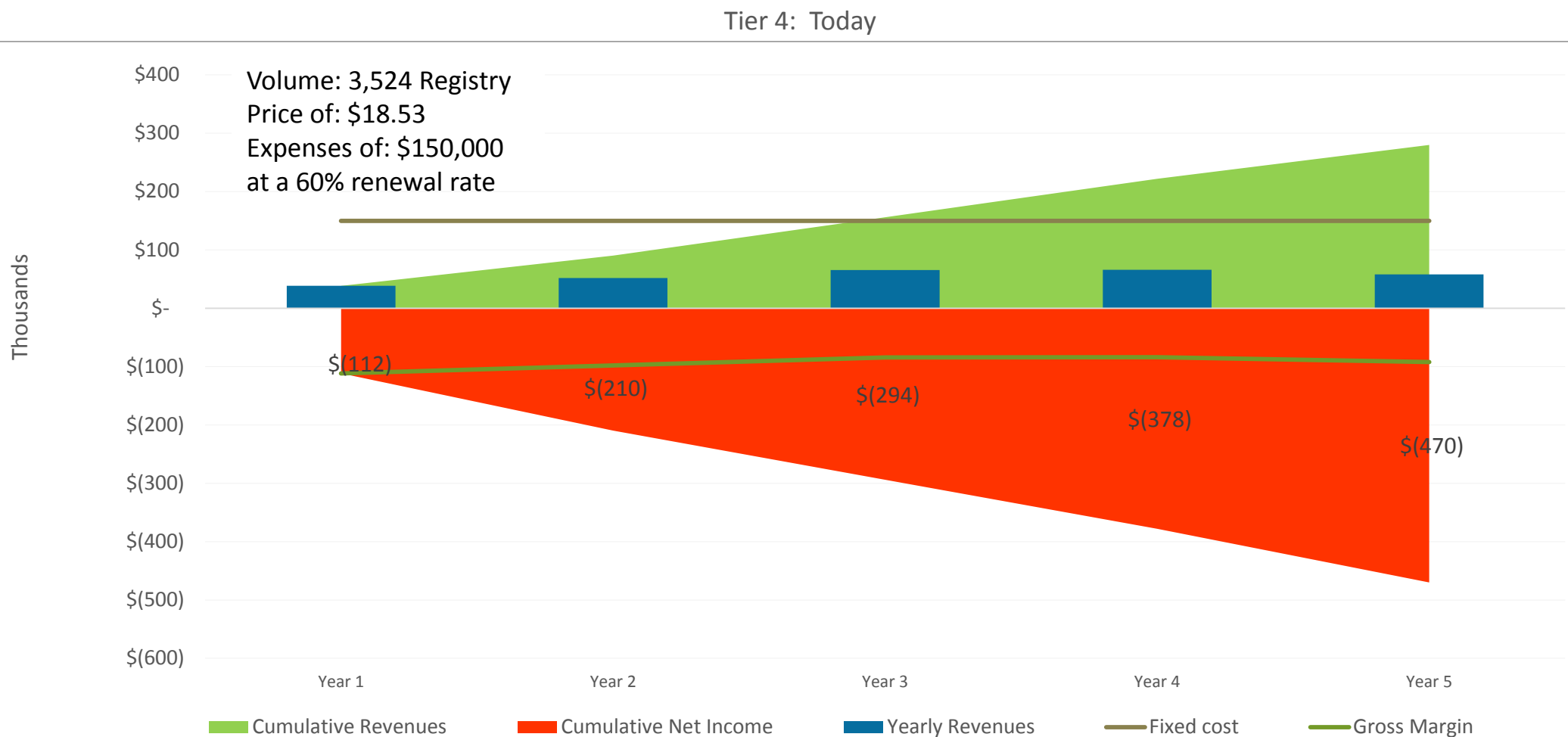
Financial Implications: Tier 3 Today



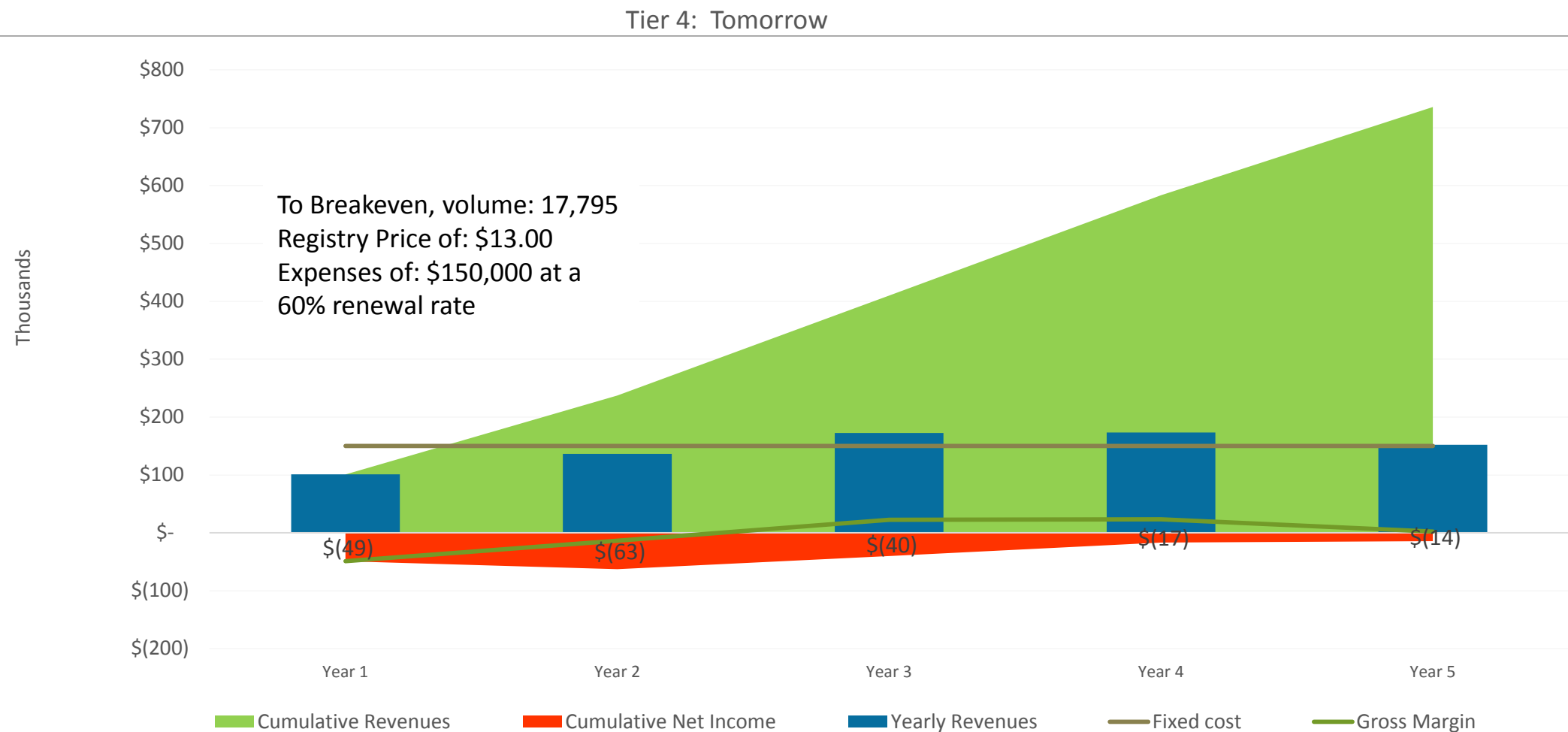
Financial Implications: Tier 3 Tomorrow



Financial Implications: Tier 4 Today



Financial Implications: Tier 4 Tomorrow



We're off...

