

gTLD Statistics & Business Implications

.TBA



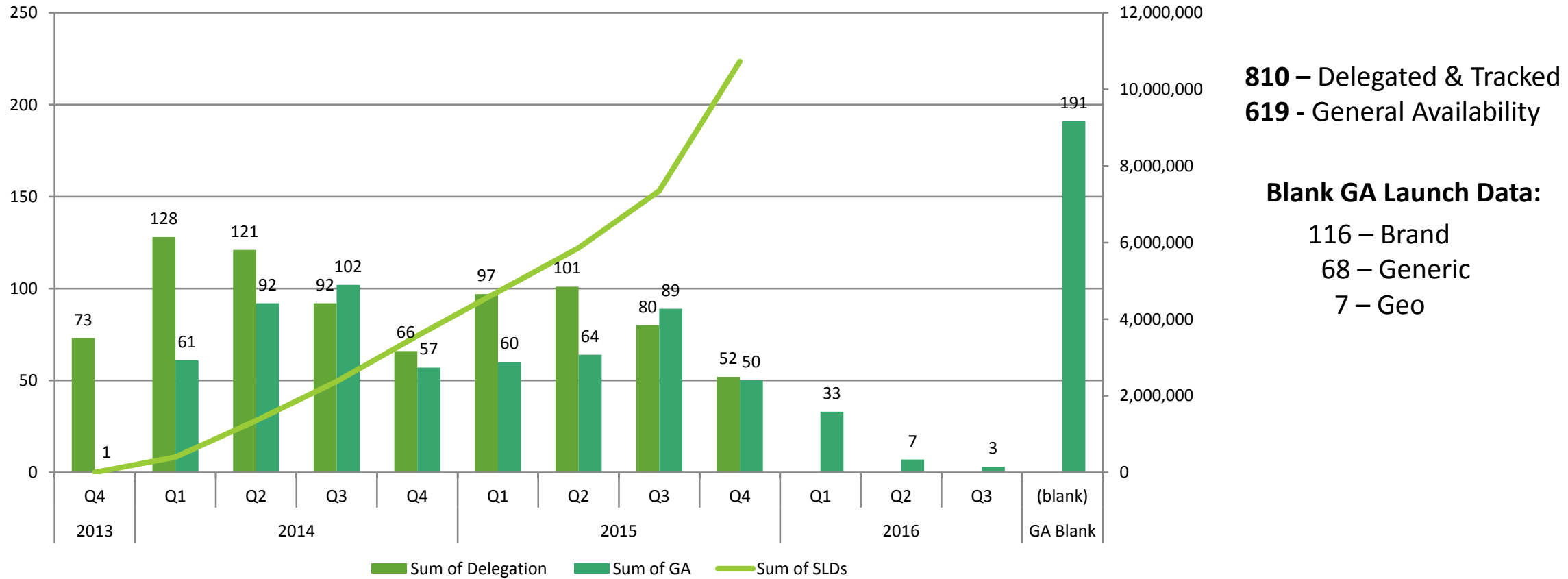
2015

Year in Review & 4th Quarter Stats

Circa 2012 -gTLDs

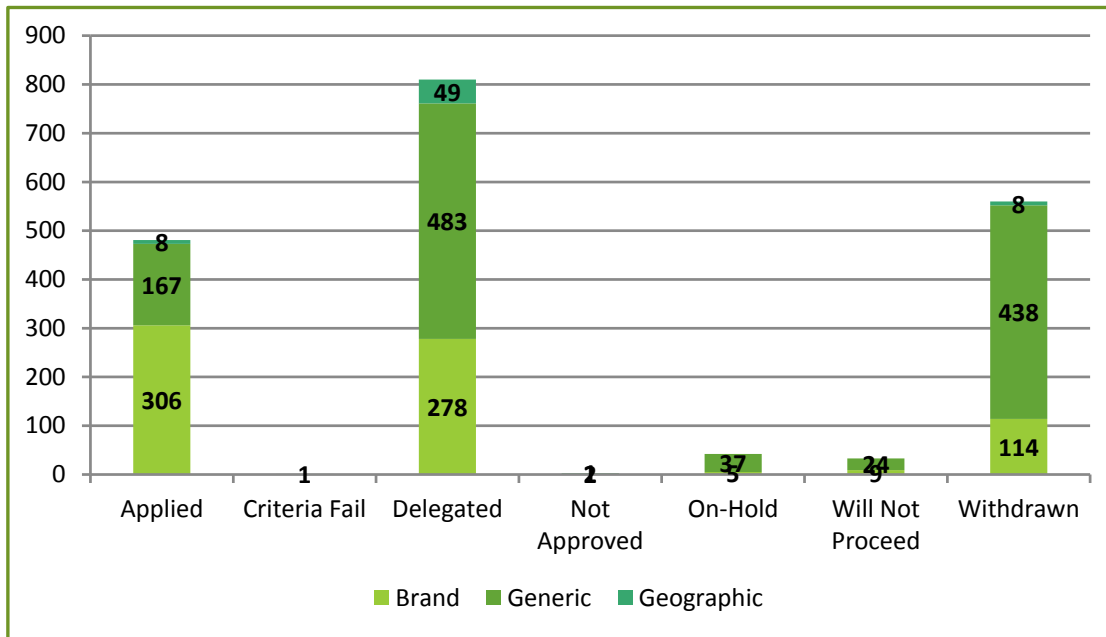


Launch Activity by SLDs

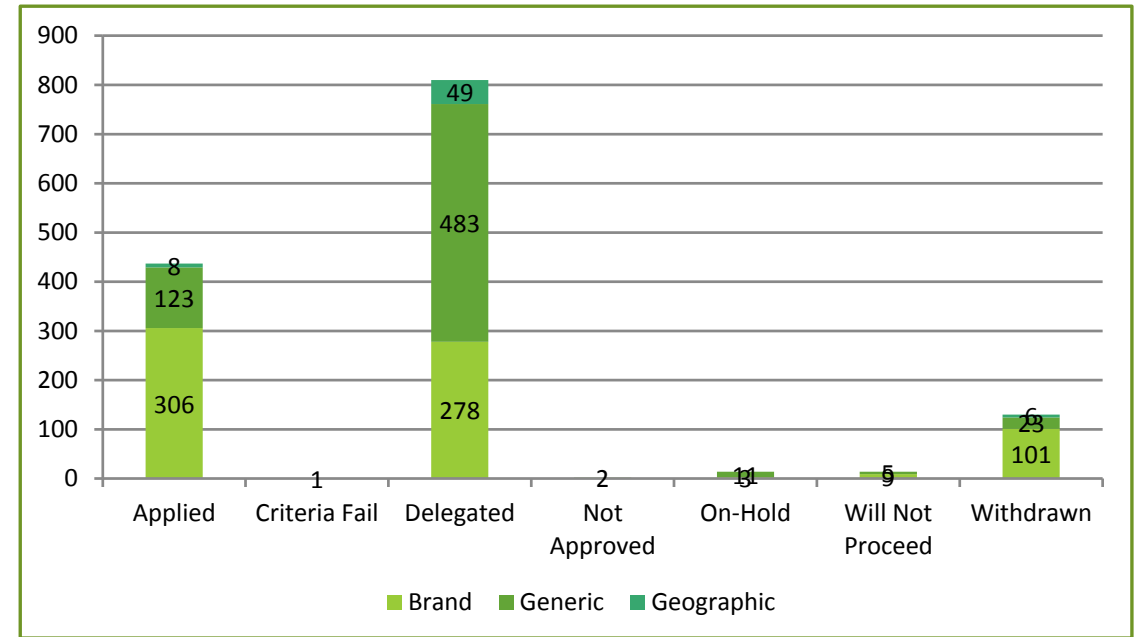


gTLD Application Status

Application View – 1,930 Total



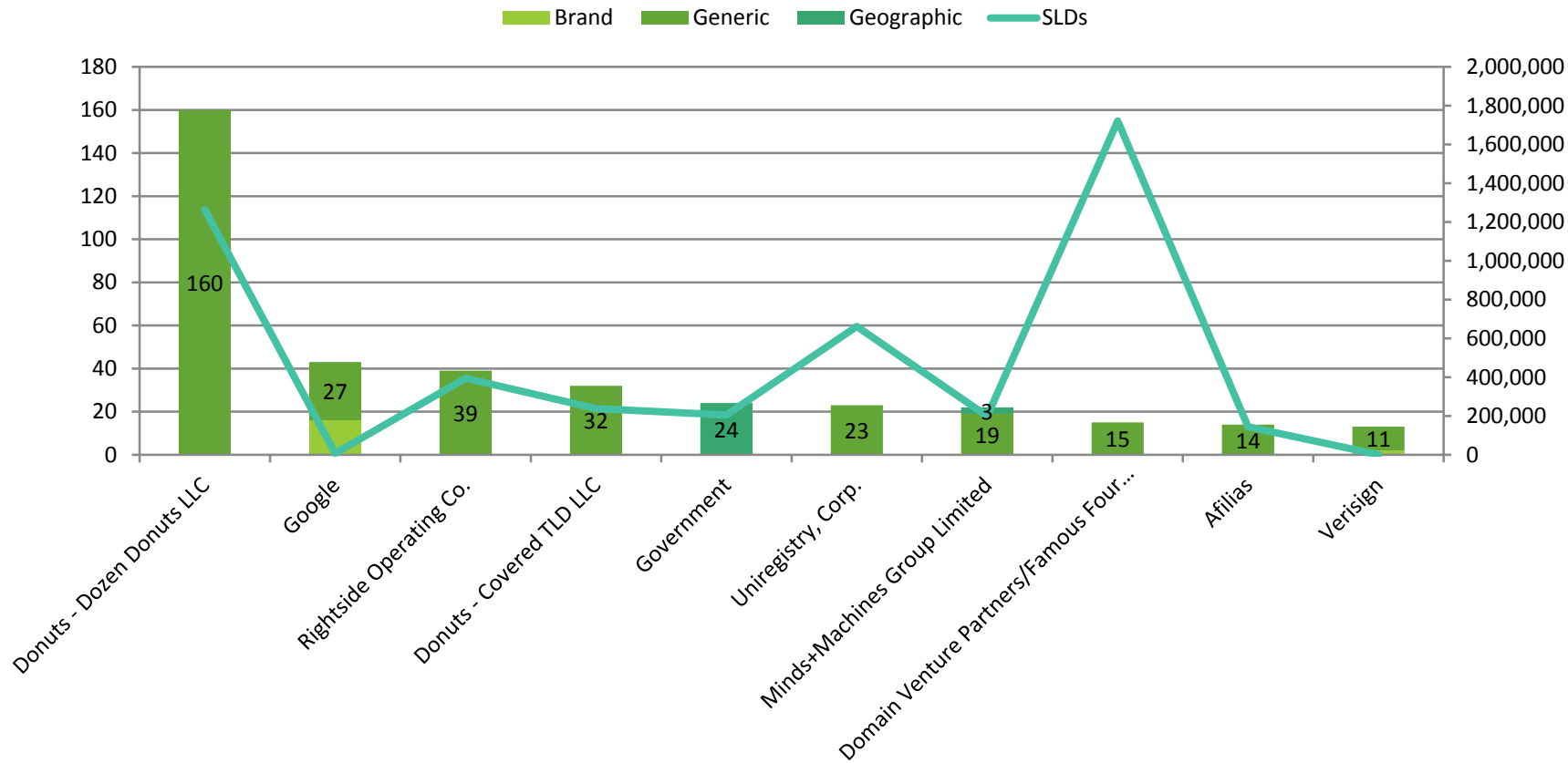
Unique String View – 1,408 Total



- Applied = pending settlement
- 1,236 Ry Agreements signed per ICANN
- 853 Delegated per ICANN
- 556 Applications pending

- 465 Strings pending

Top 10 Registry Operators by Qty

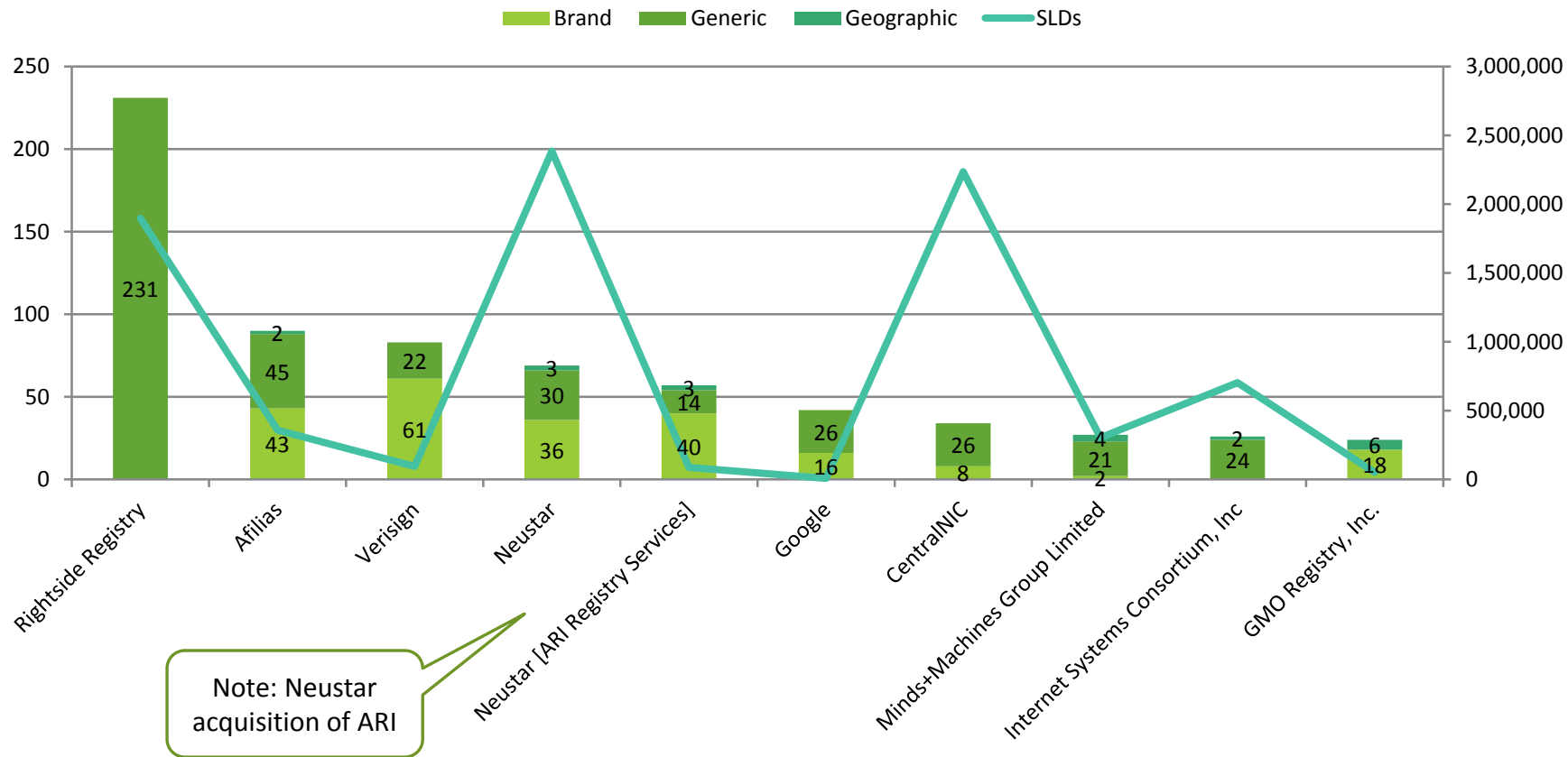


Registry Operators represented here are based on the parent organization and not necessarily the company that signed the Registry Agreement.

Chart is ordered by number of gTLDs acquired from the application round.

These figures are based on gTLDs processed from the 2012 application round and that are now delegated in the rootzone and processed in TLDWatch systems.

Top 10 Registry Service Providers



Registry Service Providers provide the backend systems support for Registry Operators.

Chart is ordered by number of gTLDs supported.

These figures are based on gTLDs processed from the 2012 application round and that are now delegated in the rootzone and processed in TLDWatch systems.

Circa 2012 gTLD Tiers Business Implications

The Data Set Caveats

The data set used in the analysis includes:

- TLD in General Availability > 60 days
- Registry registrations may inflate the number of true, arms-length third-party registrations
- Average retail prices are determined using four registrars. If a TLD was not found on any of these three, another registry offering the TLD was used

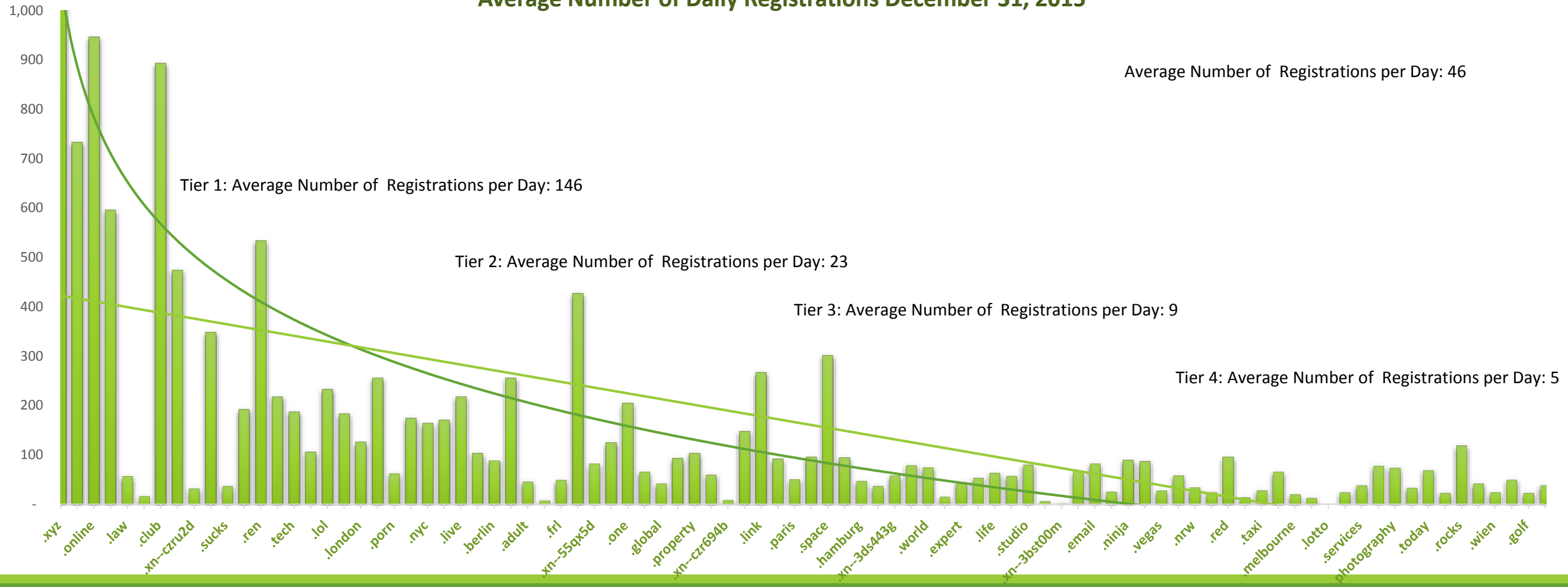
The data set used in the analysis excludes:

- TLDs with almost free pricing. This can be a viable business plan but for comparison purposes have been eliminated
- Almost free with a renewal period are included
- Registries who provided Registrar rebate programs (data is not known)
- TLDs that have entered into General Availability within the last 60 days (eliminate initial registration upswing)
- All exclusive registrant, brands (.delta, .microsoft)



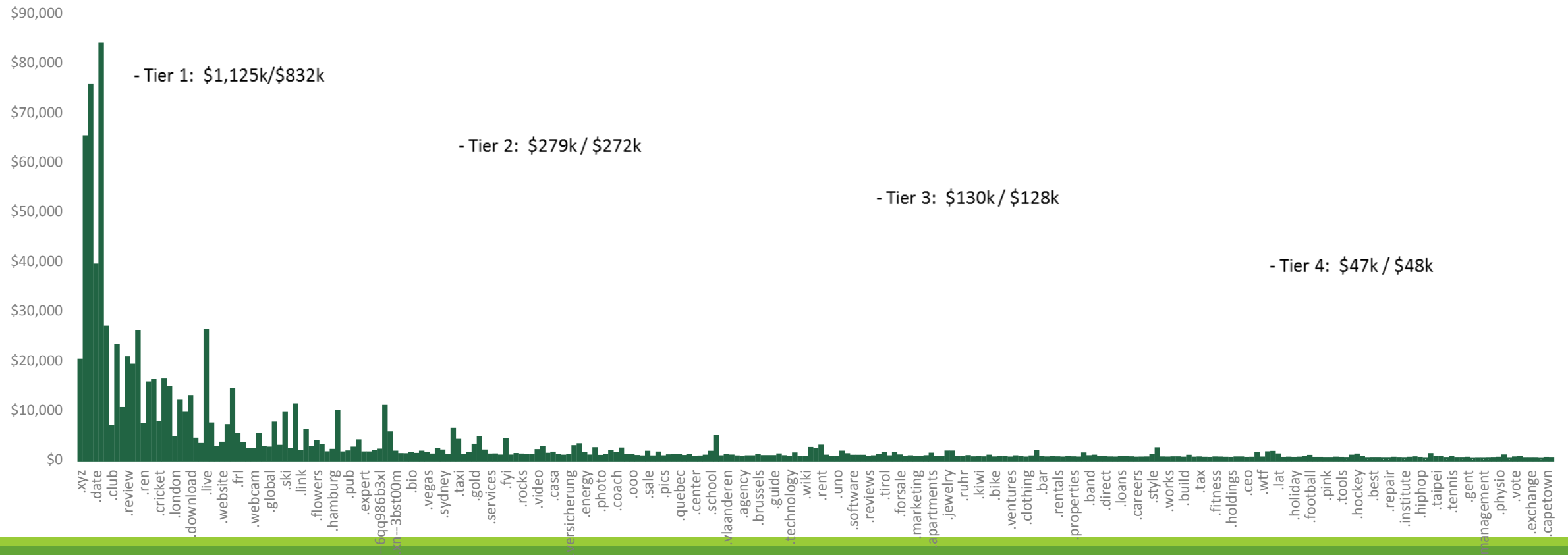
gTLDs in Terms of Volume

Average Number of Daily Registrations December 31, 2015



gTLDs in Terms of Revenues

Average/Median Revenues per Day
Extrapolated to Year by Quartile



Top 25 gTLDs by Actual Registrations & Average Retail Revenues to Date

Rank	TLD	Avg Price	Retail Revenues	Rank	TLD	Avg Price	Retail Revenues
1	.xyz	\$ 10.72	\$ 11,549,139	14	.sucks	\$ 273.33	\$ 3,662,374
2	.club	12.22	3,981,508	15	.xn--55qx5d	39.95	1,259,975
3	.loan	36.00	9,625,489	16	.review	29.49	3,750,608
4	.xn--czru2d	325.00	3,825,097	17	.site	22.49	3,887,595
5	.ren	15.99	3,112,504	18	.webcam	25.24	1,196,298
6	.date	32.99	7,167,252	19	.guru	26.99	958,207
7	.online	27.74	9,581,374	20	.link	10.17	1,057,839
8	.berlin	47.74	1,668,098	21	.law	324.00	6,697,951
9	.london	45.24	2,070,304	22	.global	70.75	1,095,289
10	.bid	27.74	1,719,323	23	.xn--cزر694b	323.39	992,965
11	.bank	850.00	5,068,505	24	.faith	35.49	2,816,139
12	.nyc	30.74	1,834,223	25	.xn--3ds443g	39.00	903,847
13	.cricket	61.00	2,350,058				

***Retail revenues are based on the average retail values obtained from: GoDaddy, United Domains and 101Domains. Data from other registrars were used if pricing was not available at one of these three sources. TLDs have to be in GA for 60 days to eliminate initial sales bump. Excludes Premium Name revenues.*

Top 25 gTLDs by Volumes to Date

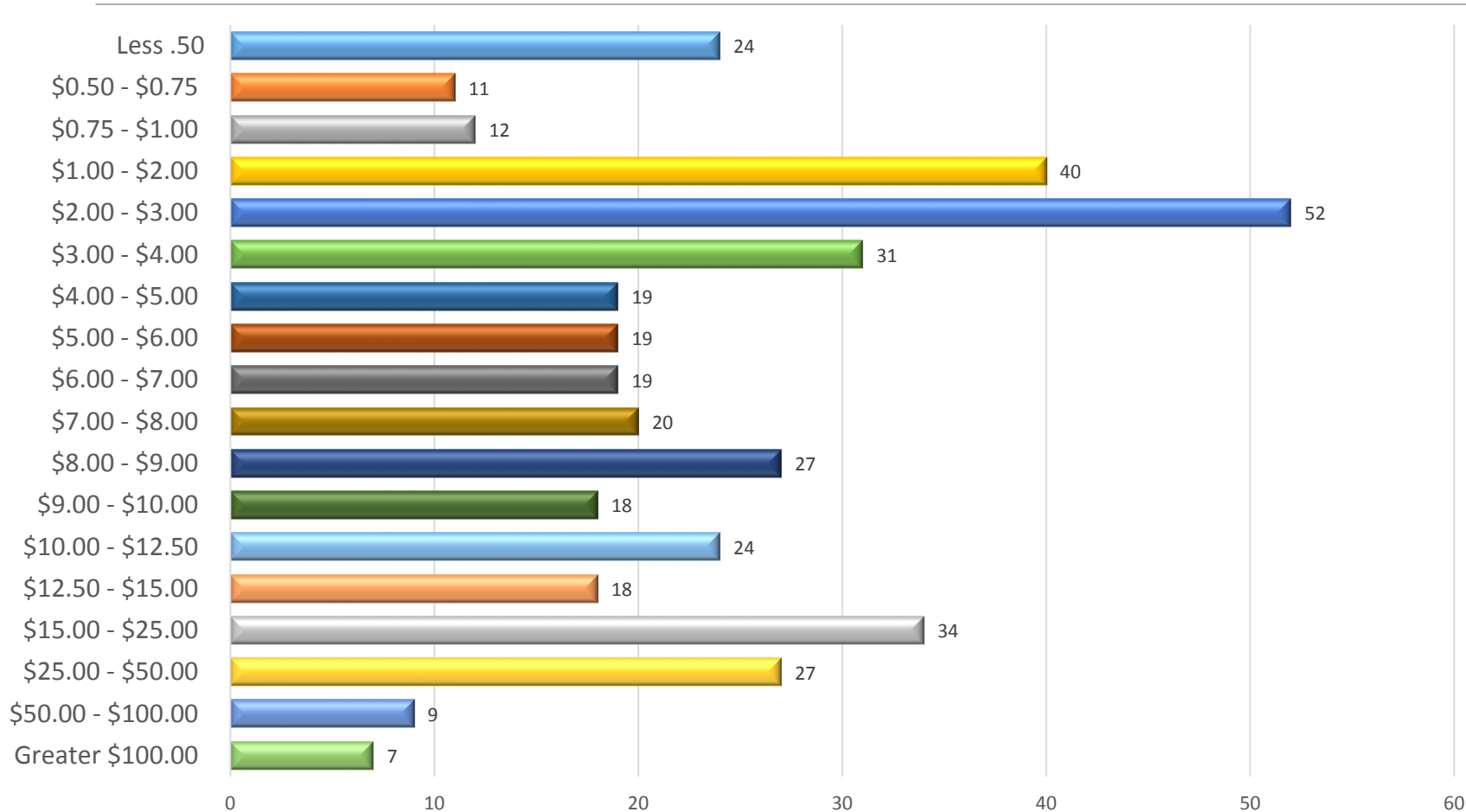
Rank	TLD	Total Volume	Rank	TLD	Total Volume
1	.xyz	1,703,488	13	.nyc	73,395
2	.club	538,381	14	.webcam	70,909
3	.ren	235,717	15	.guru	65,426
4	.click	171,053	16	.review	63,760
5	.link	166,569	17	.rocks	60,416
6	.online	120,180	18	.london	59,927
7	.website	120,117	19	.red	59,164
8	.date	108,917	20	.berlin	57,707
9	.loan	108,430	21	.email	52,868
10	.space	101,631	22	.ninja	51,932
11	.bid	96,808	23	.photography	50,617
12	.site	80,036	24	.xn--55qx5d	48,322
			25	.today	46,899

gTLD Results Top Revenue & Volume

	Registration Revenue	Registration Volume
Top 10 TLDs:	33% <i>Up from 19% in Q3</i>	37% <i>Up from 18% in Q3</i>
Top 25 TLDs:	<i>Up from 36% in Q3</i> 50%	<i>Up from 37% in Q3</i> 47%
Top 10%	61%	56%
Top 20%	75%	72%
Average per TLD:	\$ <i>Up from \$365k in Q3</i> 482,475	<i>Up from \$13k in Q3</i> 16,710

ICANN Average Registry Fee per Domain

TLDs by ICANN Fee per Domain Year Registration

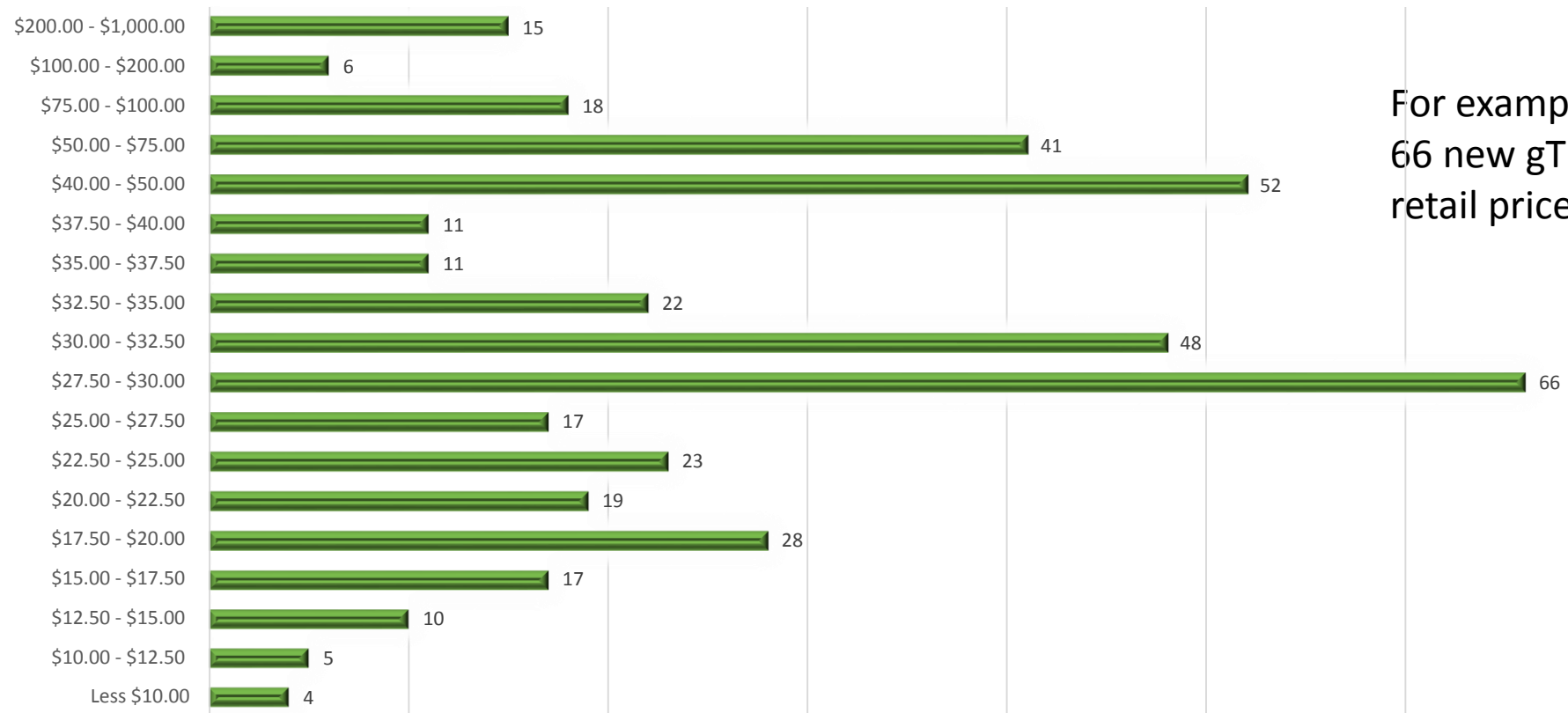


Based on projected daily registration volumes, the ICANN average Registry Level transaction fee per domain name registered will apply to 40 TLDs in the \$1 to \$2 range

The average Registry Level Transaction fee earned by ICANN for each domain name sold (based on projected yearly volume) \$13.46

How Many new gTLDs are Selling within a given Price Range?

Number of TLDs by Average Retail Price



For example, there are currently 66 new gTLDs with an average retail price between \$27.50 - \$30

of TLDs by Price Point

***Retail revenues are based on the average retail values obtained from: GoDaddy, United Domains and 101Domains*

Pricing

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

Q4 2015 Tiers	Average Retail Price	Median Price
1	\$ 91.27	\$ 34.74
2	\$ 51.03	\$ 29.99
3	\$ 64.88	\$ 32.00
4	\$ 31.62	\$ 28.74
Overall	\$ 59.70	\$ 31.24
Q3 2015 Tiers	Average Retail Price	Median Price
1	\$ 68.65	\$ 33.49
2	\$ 45.45	\$ 35.24
3	\$ 83.82	\$ 35.99
4	\$ 35.16	\$ 31.74
Overall	\$ 58.30	\$ 34.74

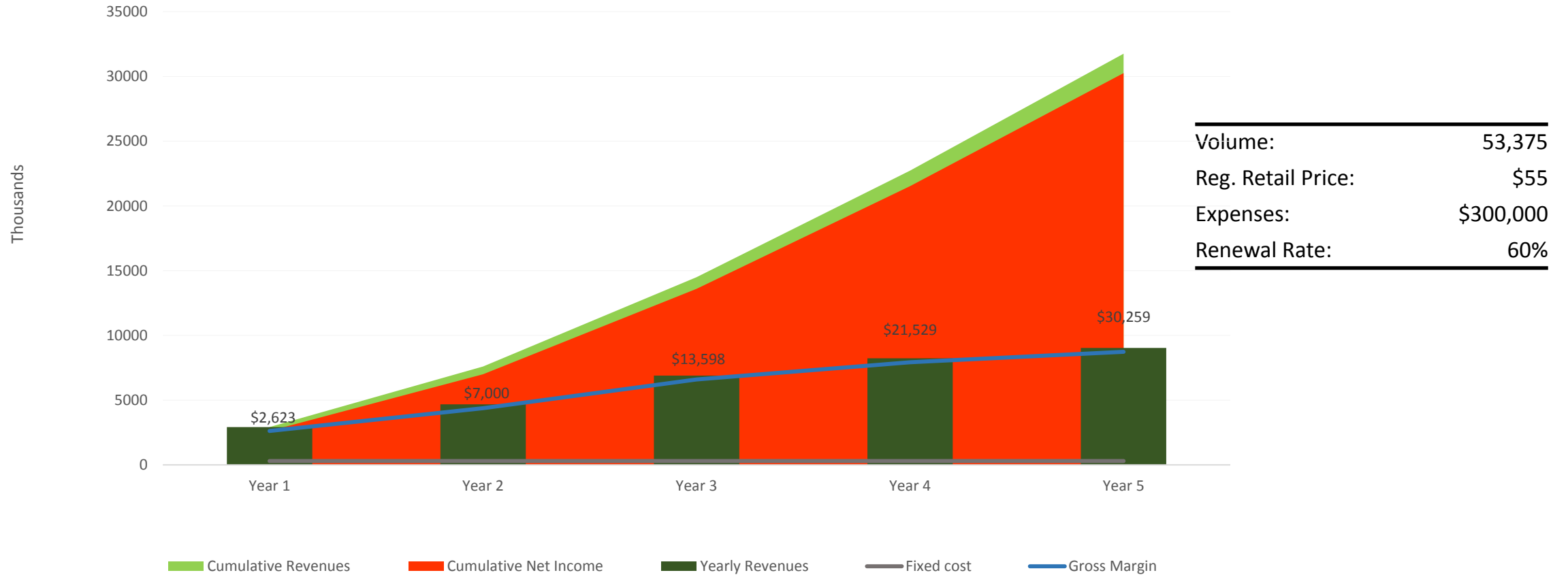
Annotations: A red oval highlights the Q4 2015 Average Retail Price of 64.88, with a red arrow pointing to the Q3 2015 Average Retail Price of 35.16, labeled "23% decrease". A blue oval highlights the Q4 2015 Average Retail Price of 31.62, with a blue arrow pointing to the Q3 2015 Average Retail Price of 58.30, labeled "10% decrease".

Is there a Correlation between Price & Volume?

Period	Correlation	Significance
Q4 2015 – Overall	-0.04	No or Negligible relationship
Q4 2015 – Tier 1	-0.10	Weak negative relationship
Q4 2015 – Tier 2	-0.31	Moderate negative relationship
Q4 2015 – Tier 3	-0.21	Weak negative relationship
Q4 2015 – Tier 4	-0.32	Moderate negative relationship
Q3 2015 – Overall	-0.09	No or Negligible relationship
Q4 2014 - Overall	-0.23	Weak negative relationship

Financial Implications: Tier 1 Today

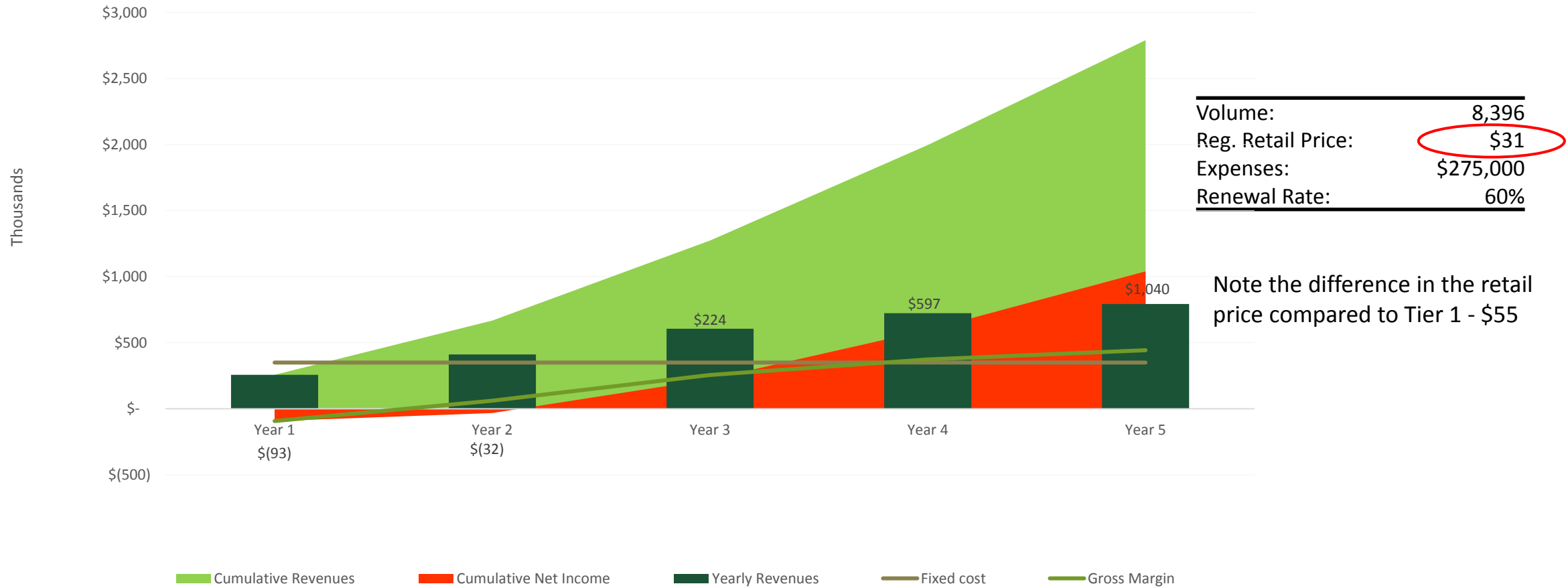
Tier 1: Today



The price and volume is unique to its own tier along with the associated projected expenses

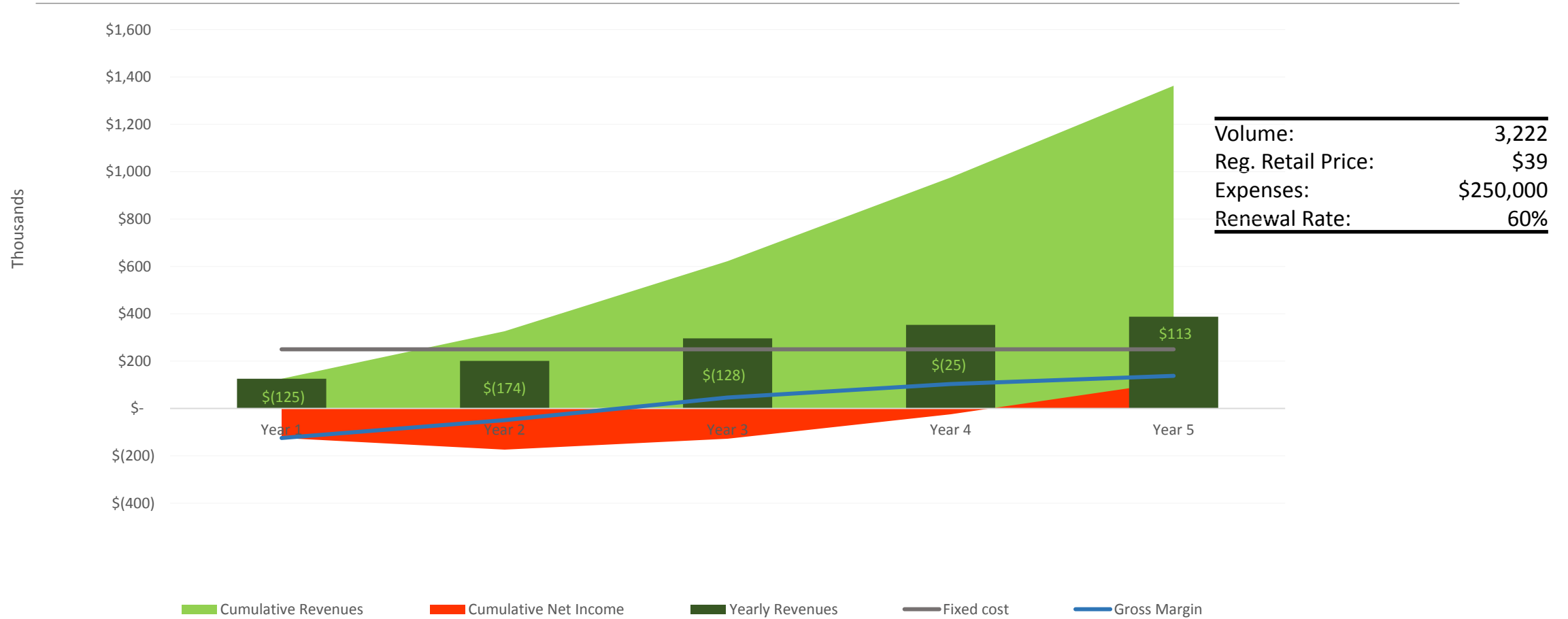
Financial Implications: Tier 2 Today

Tier 2: Today



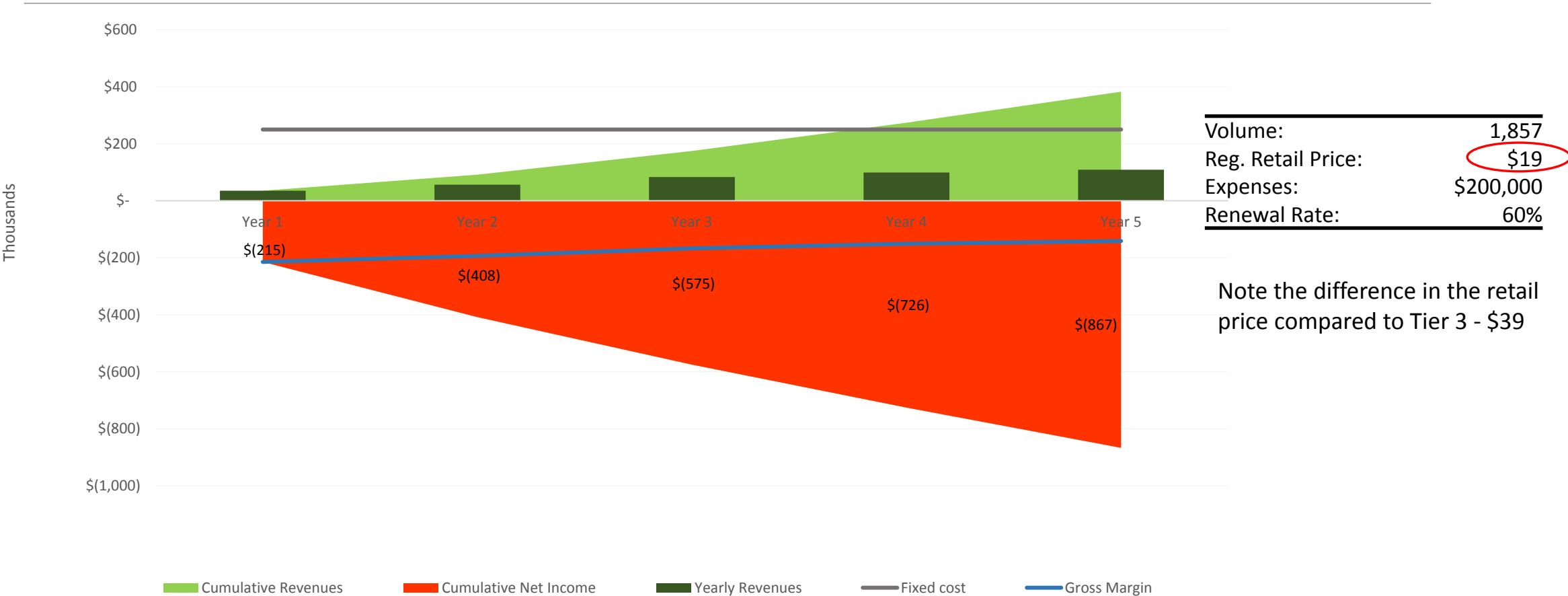
Financial Implications: Tier 3 Today

Tier 3: Today



Financial Implications: Tier 4 Today

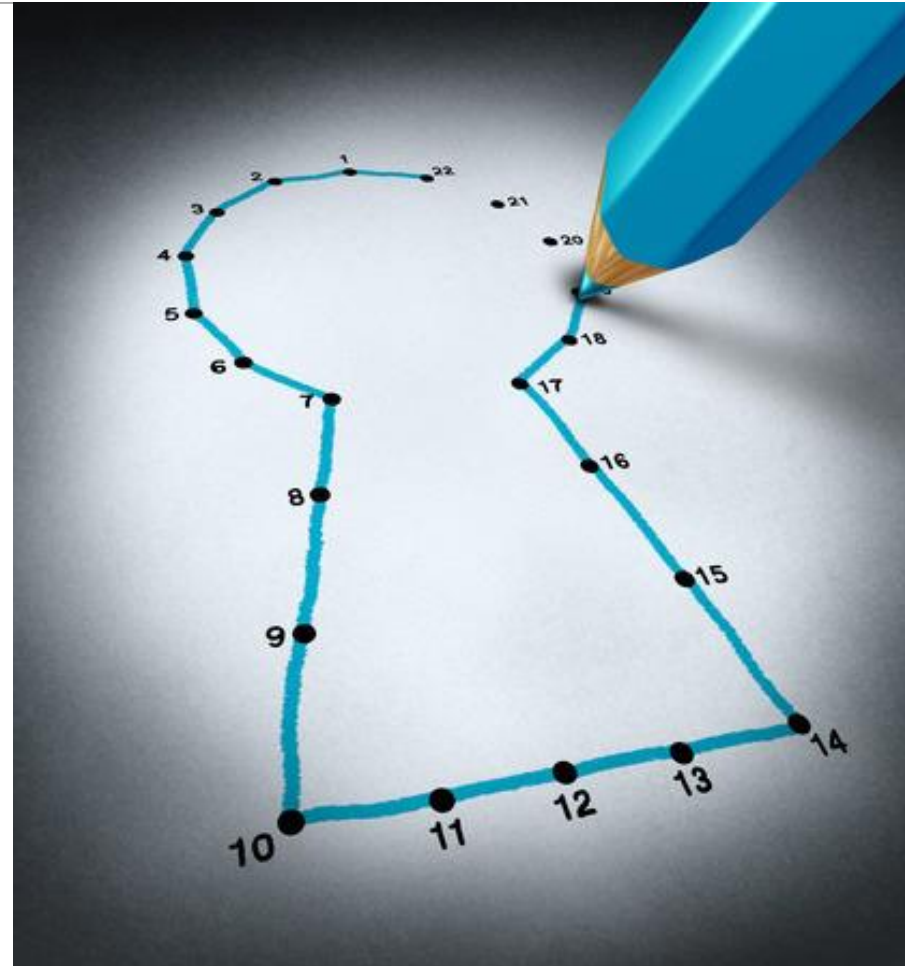
Tier 4: Today



Volume:	1,857
Reg. Retail Price:	\$19
Expenses:	\$200,000
Renewal Rate:	60%

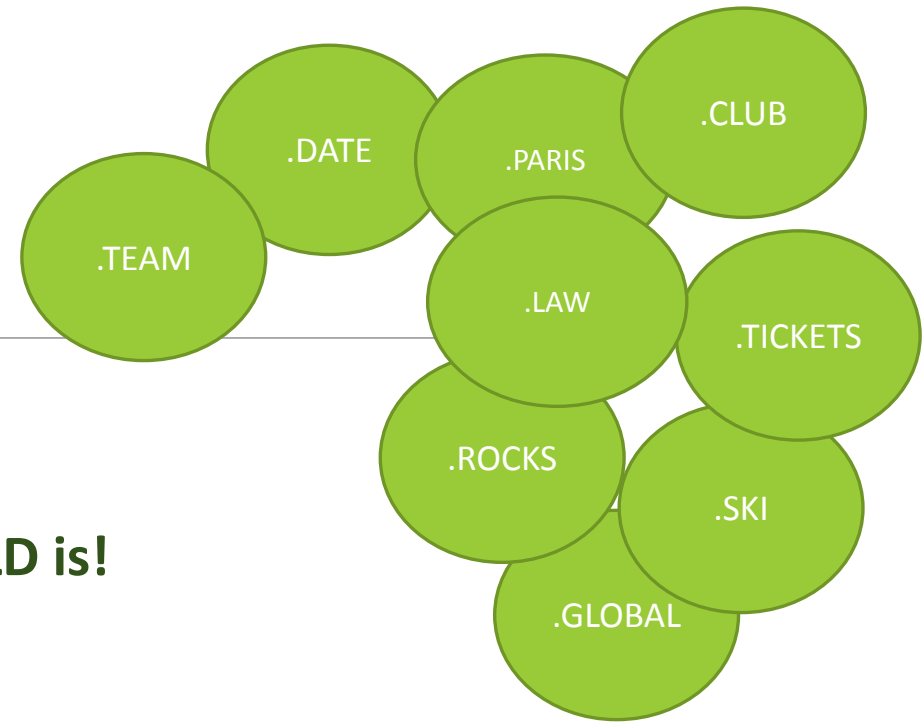
Note the difference in the retail price compared to Tier 3 - \$39

Pulling it all together...



Tier 1: Trailblazers

- Average Retail Price Ranges: \$90.04; \$8.09 .click to \$1,899 .lotto
- Average daily volume 146.2; Yearly registration volume 55k
- **Price is not propelling the volume, the caliber of the TLD is!**
- Registrants will choose and pay for a meaningful, relevant TLD
- Projected yearly volume has increased quarter-over-quarter
- Average and median revenues consistently increased throughout 2015 and the only group to increase in Q4 with an average increase of ~50% and median of 20%
- Overall strong registration volume along with price (higher average and median retail price in Tier 1)
- Portfolio companies are least likely to be in Tier 1
- Surmise: Strong TLDs are understood by registrants and/or have promoted the TLD so Registrants recognize it. This tier will continue to grow and will receive the biggest (and most deserved) benefits from industry growth.



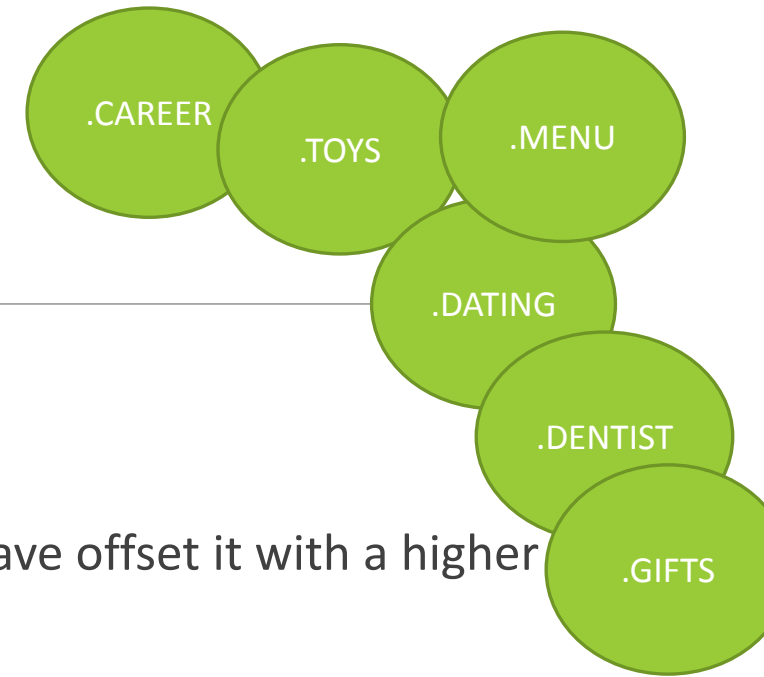
Tier 2: Path Finders



- Average Retail Price Ranges: \$10.95 .xn--80adxhks to \$1,049 .pharmacy
- Average daily volume 23.1; Yearly registration volume 10.9k
- Price is a factor in driving volume with a 'moderate' correlation
- Question is, can it be offset with increased promotions to become a T1 and get past the price hurdle?
- As a group, the length of the TLD in average number of characters is 6.0 (up from 5.6 in T1)
- Similar TLDs are more likely to be in tier 2 with over 2/3 having a higher volume at a lower retail price i.e. .accountant/.accountants, .gift/.gifts, .market/.markets
- 66% of similar TLDs with a shorter length will have a higher registration volume i.e. .gift/.gifts, .review/.reviews, .market/.markets
- Average volume is almost the same as in Q3 with the average & median revenues declining 13% & 11% respectively

Tier 3: Campers

- Average Retail Price Ranges: \$15.21 .pink to \$2,260 .rich
- Average daily volume 8.7; Yearly registration volume 4.3k
- Niche TLD Registry's appear to have projected the lower volume and have offset it with a higher price. Average retail price in T3 is \$83.82
- 14 Q3 Tier 4 TLDs moved to Tier 3 including .tennis, .lgbt, .physio, .irish, .alsace, .saarland, .football, .Taipei, .auction, .garden, .cymru, .vote, .ngo, .how – with 85% having a higher Tier 4 price - these TLDs did not reduce price to increase volume (price decrease 0.7% \$0.24)
- Registration volumes has decreased over Q3
- Average retail prices declined by 22% along with median retail prices at 11% yet have higher than average and median retail prices over Tier 2 and Tier 4
- Portfolio companies have the largest number of TLDs in Tier 3

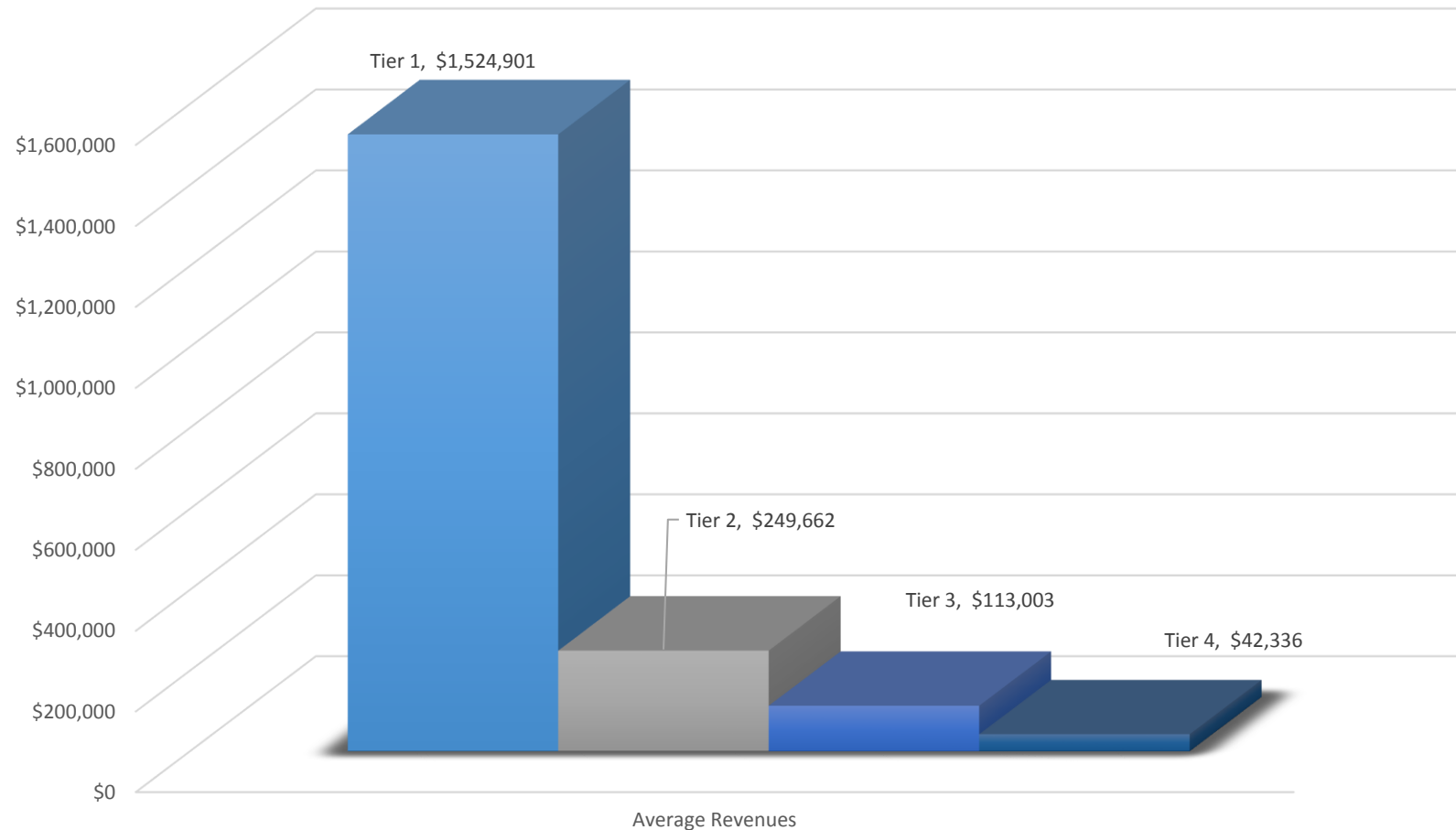


Tier 4: Hikers

- Average Retail Price Ranges: \$8.75 .ong to \$99 .whoswho
- Average daily volume 5; Yearly registration volume 2.5k
- Lowest average retail price of \$31.62 & median price of \$28.74 with a moderate price to volume correlation
- A few clusters of TLDs:
 - Political: .democrat, .republican, (lower than average T4 prices) and .voto, .voting (higher than average T4 prices) yet vote has moved into Tier 3
 - Military: .army, .navy, .airforce (lower than average prices in T4)
- Registration volume has decreased over Q3 along with average retail prices
- Biggest tier jumpers from Q3 to Q4 are from Tier 4 to Tier 2: .plus, .jewelry, .style and .show
- 48% of IDNs are in Tier 4 (38% in Tier 1, 10% in Tier 2 and 5% in Tier 3)

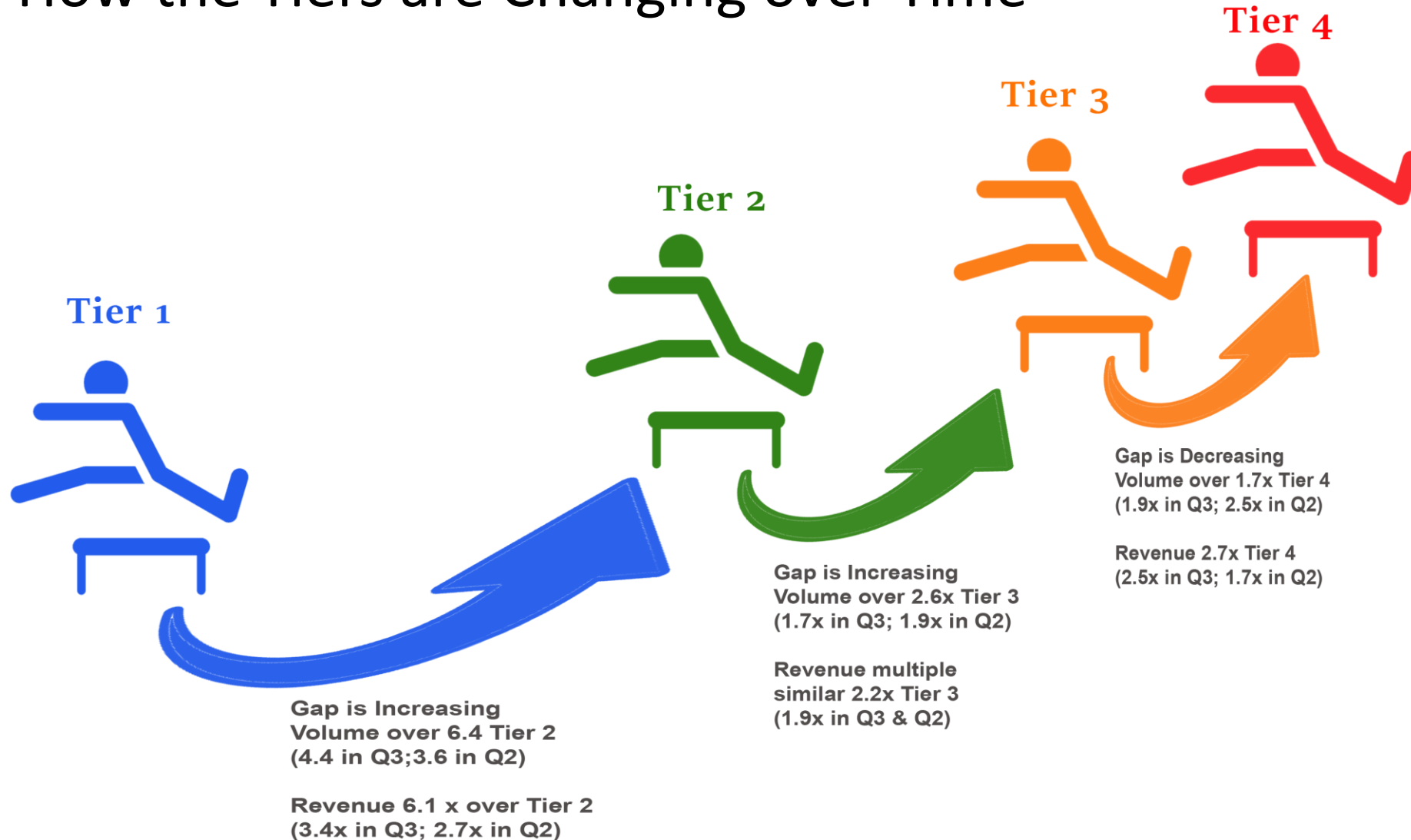


Average Retail Revenues by Tier



Average TLD Revenue
in Q4 \$482,475

How the Tiers are Changing over Time



Going Forward

- Average volumes begin to grow even with the increased number of TLDs
- Revenues & Volumes continue to increase
- Tier 1 Trailblazers continue to increase the gap from Tier 2 in revenues and registration volumes
- Tiers 2 to 4 will have difficulty increasing volumes with some of the bigger new gTLDs still to come
- Volume of premium domain name sales will increase but the prices will remain consistent
- 75% of TLDs will be operating at a loss for the next year with the current volumes & prices
- Moving in the right direction with Q4 having the biggest jump since the launch of new gTLDs
- Still need to build a bigger bridge to the outside world

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