2017 - A decisive year for the domain industry? A ccTLD perspective...

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Problem Statement
The new global TLD market
Registrations: growth, adds/renews/deletes, market shares
Impacts from new gTLDs and Chinese investment
Problem Statement:

Maintaining long term revenue sustainability in a market of declining to stagnant growth
A long long time ago, in a namespace far, far away....
1.7 billion active Facebook accounts & 300 million domain names

At least 1.4 billion Facebook users not likely to have a domain name....
ccTLDs by Region

Total ccTLD domains by region

- **Africa**: 2.3M domains over 58 ccTLDs
- **Asia Pacific**: 39.0M domains over 96 ccTLDs
- **Europe**: 69.3M domains over 55 ccTLDs
- **Latin America/Caribbean**: 8.9M domains over 48 ccTLDs
- **North America**: 4.3M domains over 5 ccTLDs
European ccTLDs

- 69.6 million domains
- Median growth 2016: 3.5% *(long term trend decline)*
  - High growth in 2016: .am (Armenia), .ee (Estonia), .pt (Portugal)
- Av. Wholesale price 7.0 EUR *(convergence to median)*
- Median retention rate: 85% *(stable)*
- Average ccTLD market share in country: 51% *(stable to small trend up)*
First new gTLD delegation (Oct 2013)

Fastest declines in ccTLD median growth (2012-2014)

Stabilisation of ccTLD growth (2014+)

New gTLD applications opens (Jan 2012)
Median Growth
35 ccTLDs, 5 legacy gTLDs, top 300 new gTLDs

Monthly Trend: Domain Growth

European ccTLD Median
What has driven the stabilisation...
Drivers to Stabilisation

1. Less deletes in 2015
2. New adds stabilised in 2015-2016

Issue: Long term adds trend heading toward churn ratio intersection while Retentions rates are mostly flat.
Market Trend
Decreasing new adds, small increase in Retentions
- Average local market share 51% to ccTLDs (stable)
- Low average new gTLD market share.
- Since 2015, small percentage decline in legacy gTLDs in favour of new gTLDs.
• Long term add growth declining toward churn intersection
• Renewals are flat
• Local ccTLD market share stable with limited volume impact from new gTLDs
• Limited impact from boom in Chinese investment
Long term growth is stagnating
(new domain growth slowing, flat renewals)

Increasing pressure to cost/revenue margin

Possible options to ccTLDs
Price adjustment?
Look for new market segments (SMEs)?
  Cost cutting?
  Diversification?
Thank you

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