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AT-LARGE ADVISORY COMMITTEE

ALAC Statement on the gTLD Marketplace Health Index Proposal

Introduction

Olivier Crepin-Leblond, Chair of the European Regional At-Large Organization (EURALO), developed an initial draft of the ALAC Statement.

On 22 November 2015, the first draft of the Statement was posted on the [At-Large gTLD Marketplace Health Index Proposal Workspace](#).

On 24 November 2015, Alan Greenberg, Chair of the ALAC, requested ICANN Policy Staff in support of the ALAC to send a Call for Comments on the Statement to all At-Large members via the [ALAC-Announce Mailing List](#).

On 14 December 2015, a version incorporating the comments received was posted on the aforementioned workspace and the Chair requested that Staff open an ALAC ratification vote on the proposed Statement.

On 21 December 2015, Staff confirmed that the online vote resulted in the ALAC endorsing the Statement with 9 votes in favor, 0 vote against, and 0 abstention. You may view the result independently under: <https://www.bigpulse.com/pollresults?code=5293LDhrMn4hyeNPc5Er9U3p>.

ALAC Statement on the gTLD Marketplace Health Index Proposal

The Affirmation of Commitments Section 9.3 mandates a review of the new gTLD program and its impact on promoting competition, consumer trust and consumer choice. Overall, since the creation of a gTLD Marketplace Health Index will serve to help analyze the overall health and diversity of the global gTLD marketplace, the ALAC welcomes this initiative.

The current KPI dashboard (<http://www.icann.org/progress>), now in beta, offers a helpful set of immediately recognizable metrics. The difficulty comes in choosing and explaining the make-up of the indexes that are displayed. Any ambiguity might qualify this exercise as being simple box ticking. If not implemented carefully, this is indeed the implied risk of the gTLD Marketplace Health Index.

The proposed Key Performance Indicators and Data Sources are mostly based on the work undertaken by successive working groups on Consumer Trust and Confidence. As they are a follow-up to community work, the ALAC supports all of the candidate concepts listed in the three categories:

1. Robust and Competitive gTLD Marketplace
2. Trusted gTLD Marketplace
3. Stable gTLD Marketplace

Community Questions

1. *Are there any additional concepts not identified in this proposal that are vital to a healthy and diverse global gTLD marketplace?*
 - a. *If yes, what are they?*
 - b. *How should ICANN measure these additional concepts?*
 - c. *How can ICANN efficiently collect the data required to measure these additional concepts?*

From the perspective of FINAL USERS, one of the basic Indicators of health of the DNS should be if the Domain Name is not only legally secure, but also alive and ACTIVE.

One of the basic metrics should track:

- 1) how many domain names are just parked and/or for resale,
- 2) how many domain names are live in a server, but not actually used (no WWW nor MX records),
- 3) how many domain names have an active webpage and what level of traffic do they generate, and,
- 4) how many domain names just redirect to a domain name in a legacy TLD

This data is readily available from various third party analytical companies, such as Nielsen Reports.

Domains that are parked and/or for resale are particularly important as they are the very reason why a domain name is not readily available for a new customer to register at a reasonable price.

2. *Are there any concepts identified in this proposal that are not indicative of gTLD marketplace health and should not be included in the gTLD Marketplace Health Index?*
 - a. *If so, what are they?*
 - b. *Why is/are these factor(s) not indicative of gTLD marketplace health?*

The ALAC believes that the concepts indicated are all indicative of gTLD marketplace health, plus the ones suggested by the ALAC in Question 1.

The ALAC does, however, note that across the proposed concepts, some normalization of data is needed. For example, the "number of Registrars per country" does not reflect reality: for instance a country with a population of 3.5 million people can be very well served with two (2) Registrars, while a country with 200 million would be very badly served with two (2) Registrars. Although a person can register a domain using any registrar anywhere, it would be more beneficial and convenient for a person to use a registrar within his/her resident country or location due to the registrar's familiarity of and experience with local languages, business practices, transaction methods, legal and regulatory issues, and other matters. Hence, the ALAC's suggestion is to have an index related to population, for instance "number of registrars per 100,000 inhabitants, or similar. This index could reflect the levels of DNS market penetration, consumer choice, and consumer support in a country/location.

Second, the ALAC would appreciate clarification on the term "relative incidence" used in the trusted gTLD marketplace section of the report (2b, 2c, 2d); three KPIs begin with "relative incidence". What does "relative" mean in this context - relative to what?

3. *Should ICANN track the impact of resellers on gTLD marketplace health?*
a. *If so, what factors related to resellers should ICANN track?*

The ALAC believes that Resellers are key component parts of the domain name sales channel. They should be subjected to the same tracking as Registrars, for the purpose of this Marketplace Health Index Proposal. The ALAC notes that customers purchasing domain names mostly do not know the difference between a Registrar and a Reseller, hence the categorical need for Reseller performance tracking that is identical to Registrar performance tracking.

In light of the fact that ICANN does not have direct contracts with resellers, one way of obtaining this information would be to ask Registrars to collect this data since they hold the contracts with their resellers. Registrars would therefore contribute to the accuracy of this metric.

4. *Are there additional data sources that ICANN should consult in addition to or instead of the sources identified above?*

One data source is shown as ICANN Competition, Consumer Trust, and Consumer Choice (CCT) metrics project. The ALAC believes that other concepts should also consider recommendations from this group regarding sources of data. Nielsen reports are one such source but there are plenty of others that provide data that is readily usable.

5. *How frequently should ICANN update this data?*

This data should be updated yearly or at least at intervals no longer than those proposed in the Affirmation of Commitments Section 9.3

Conclusions and Recommendations

The ALAC is pleased to see the proposals for a Marketplace Health Index and has suggested further concepts that are vital to a healthy and diverse global gTLD marketplace.

However, the ALAC notes that this Health Index is restricted to the market purchasing, sale and resale of domain names under the new gTLD extensions. The ALAC reminds ICANN that users of the DNS are not

solely restricted to "Consumers" as "domain name buyers and sellers". Users of the DNS total the 3.6Bn people using the Internet. They vastly outnumber domain name registrants.

As a result, the ALAC **Advises** ICANN that the gTLD Marketplace Health Index falls short of satisfying the need for a wider **DNS Health Index** that would produce a set of KPIs about Internet End Users, the stability of the Name System itself and its perception by Internet End Users. ICANN should **not** consider that the creation of a Marketplace Health Index completely satisfies the requirements laid out in the relevant sections of the Affirmation of Commitments. The gTLD Marketplace Health Index is a step in the right direction but does not go far enough.