GTLD MARKETPLACE HEALTH INDEX PROPOSAL

November 2015

Background

ICANN seeks community input to facilitate the creation of a gTLD Marketplace Health Index. This Index will analyze the overall health and diversity of the global gTLD marketplace.

The gTLD Marketplace Health Index will be one piece of a broader, cross-organizational ICANN Key Performance Indicator (KPI) Dashboard, now in beta (https://www.icann.org/progress). In line with ICANN's values of accountability, transparency, and operational excellence, this KPI Dashboard will be a living management tool to track progress on ICANN's five strategic objectives and the related 16 goals.

The KPI Dashboard is intended to:

- Provide clarity on how strategies will be achieved;
- Focus on what's essential and requires attention; and
- Enable improvements via monitoring progress toward targets.

The gTLD Marketplace Health Index, currently in development, will further ICANN's goal of supporting the evolution of the gTLD marketplace to be robust, stable, and trusted.

ICANN has developed a set of candidate concepts for community discussion to inform its creation of the gTLD Marketplace Health Index. These concepts are set forth in detail below, and focus on (i) robust competition, (ii) consumer trust, and (iii) perceived (non-technical) stability.

These proposed concepts are intended to facilitate community discussion about what it means for the global gTLD marketplace to be "healthy." This community discussion is expected to produce measurable factors to serve as key performance indicators for the gTLD marketplace.

gTLD Marketplace Health Index Goals

The goal of the gTLD Marketplace Health Index is to evaluate the health of the gTLD marketplace using discrete, measurable criteria.[1]

ICANN must be able to efficiently and cost-effectively collect and analyze data underlying these KPIs so that ICANN can continually measure and report to the community on the health of the global gTLD marketplace through the KPI Dashboard.

ICANN's staff and community will be able to use the gTLD Marketplace Health Index to identify areas where ICANN should focus its work—be it through additional outreach, education, policy work, contractual changes, or other means.

Proposed Key Performance Indicators and Data Sources

The following are candidate concepts intended to generate community discussion about what it means for the global gTLD marketplace to be "healthy," as well as proposed data sources and interpretive criteria:

I.   Robust and Competitive gTLD Marketplace

Proposed KPI	Data Source	Interpretive Criteria
a) Number of countries with at least one ICANN-accredited registrar	ICANN data	A larger number of jurisdictions where registrars are located could demonstrate a more robust and diverse gTLD market. Conversely, a smaller level of geographical diversity might indicate barriers to entry exist that could be addressed.

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[1] The gTLD Marketplace Health Index project complements other data-collection and monitoring efforts at ICANN, including the Competition, Consumer Trust and Consumer Choice (CCT) Metrics Reporting project, https://www.icann.org/resources/reviews/cct/metrics, and the Service-Level Agreement Monitoring System. The goals of the KPI, CCT, and SLA projects are distinct, but in some cases their data sources could overlap. This proposal suggests using some sources of data that are already being harnessed for the CCT and SLA projects, where practicable, to avoid duplication of data-gathering efforts.

Proposed KPI	Data Source	Interpretive Criteria
b) Average number of registrars offering each gTLD	Monthly registry reports	A larger number might indicate greater technical, operational, legal, etc., accessibility of gTLDs by registrars.
c) Number of registrars offering IDN registrations	Registrar or registry surveys	An increase in the number of registrars offering IDN registrations could demonstrate an increasingly diverse and robust market for IDNs.
d) Ratio of registrars to registrar "families"	ICANN data	A smaller registrar-to-registrar family ratio (i.e., there are either more distinct, unrelated entities who own registrars or fewer registrars who share a common controlling interest) might tend to indicate greater diversity in the marketplace. A greater registrar-to-registrar family ratio would indicate that existing registrar families have acquired more accreditations.
e) Ratio of registries to registry "families"	ICANN data	A smaller registry-to-registry family ratio might tend to indicate greater diversity in the marketplace as it suggests more distinct, unrelated entities are running more gTLDs.
f) Innovation and introduction of new services	Registrar and possibly reseller surveys, RSEP data	The introduction of new and innovative services would tend to indicate a more competitive marketplace.
g) gTLD renewal rates	Registry surveys and monthly reports	A greater ratio of renewals to

Proposed KPI	Data Source	Interpretive Criteria
		deletions of second-level gTLDs might reflect greater actual use or intent to use domains and a greater perception of those domains' intrinsic value by registrants.

II.   Trusted gTLD Marketplace

Proposed KPI	Data Source	Interpretive Criteria
a) Decisions against registry operators arising from Registry Restrictions Dispute Resolutions Procedure (RRDRP)	ICANN Competition, Consumer Trust, and Consumer Choice (CCT) metrics project	A smaller number of decisions against registry operators under the RRDRP could indicate a more healthy and trusted marketplace.
b) Relative incidence of UDRP and URS decisions against registrants	CCT metrics project	A smaller number of decisions against registrants under the UDRP and URS could indicate greater reputation and trust of gTLDs by Internet users.
c) Relative incidence of ICANN breach notices issued to registries and registrars.	ICANN data	A smaller number of breach notices could indicate fewer noncompliant registries and registrars, and therefore, a healthier and more trustworthy marketplace.
d) Quantity and relative incidence of complaints regarding inaccurate, invalid, or suspect Whois records	ICANN data	A smaller number of Whois accuracy complaints could indicate greater reputation and trust of gTLDs.

III. Stable gTLD Marketplace

Proposed KPI	Data Source	Interpretive Criteria
a) Number of data security breach reports made to ICANN (as required by the 2013 RAA).	ICANN/registrar data.	A smaller number of security breach reports could correlate to a stronger perception of marketplace stability among consumers.
b) Total number of unique phishing reports	Anti-Phishing Working Group quarterly phishing attack trends (or other) reports[2]	A smaller number of phishing reports could correlate to a stronger perception of stability in the gTLD space.
c) Number of registry service-level compliance issues per TLD detected per calendar month[3]	ICANN's SLA monitoring system	A smaller number of service-level compliance issues detected could correlate to a stronger perception of marketplace stability among consumers.

Community Questions

ICANN requests community input on any item in this proposal and, specifically, the following:

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[2] Anti-Phishing Working Group reports are available at http://www.antiphishing.org/resources/apwg-reports/

[3] Specification 10 of the new gTLD base agreement includes Service-Level Requirements (SLR) for Registry Operators. If the registry does not comply with the specified SLR, ICANN may designate an Emergency Back-End Registry Operator. ICANN's Service-Level Agreement monitoring system will measure the compliance of registries with the specified SLRs. The SLA monitoring system will monitor registry compliance with 11 SLRs related to the Domain Name System, including service and name server availability. More information about these SLRs is available in Specification 10 of the new gTLD base registry agreement, https://archive.icann.org/en/topics/new-gtlds/agreement-specs-clean-19sep11-en.pdf.

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?

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?

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

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

5. How frequently should ICANN update this data?

ICANN Seeks Advisory Panel Volunteers

ICANN needs your help to design a successful gTLD Marketplace Health Index.

If you are interested in volunteering for the gTLD Marketplace Health Index Advisory Panel, please email amy.bivins@icann.org by the end of the public comment period to sign up. Experience in the global domain name

industry, economics, and data analytics will be particularly helpful to the Advisory Panel's work. Perspectives from diverse regions and backgrounds will help ensure that the gTLD Marketplace Health Index presents a holistic view of the global domain name marketplace.

ICANN will consult with the Advisory Panel following the close of this public comment period. The Advisory Panel will be asked to assist ICANN in finalizing the list of KPIs for the gTLD Marketplace Health Index and in setting proposed benchmarks for measuring domain name marketplace health in each of the final KPIs.

Next Steps

ICANN will analyze comments received during this public comment forum in consultation with the gTLD Marketplace Health Index Advisory Panel. Public input will be used to develop a project roadmap. ICANN plans to publish the first gTLD Marketplace Health Index by 30 June 2016.