MEAC DNS Study

Fahd Batayneh | MENOG 16 | Istanbul | 23-24 March 2016

ICANN

Background and Scope

- Middle East and Adjoining Countries (MEAC) region consists of the 22 Arab States, Iran, Afghanistan, Pakistan, and Turkey
- Identify strengths and weaknesses in the industry ecosystem within the region
- Develop recommendations on how to advance the industry

Meet the Team

EURid

- .eu registry and active participant in CENTR
- International registrar and registry contacts
- Development of best practices and benchmarks
- MoU with ICANN to develop local expertise in the DNS sector in Africa and Middle East
- EURid UNESCO World Report on Internationalized Domain Names
- Trainings at Middle East Entrepreneurship Centre (DNS-EC)

Oxford Information Labs (OxIL)

- Big data specialists
- Statistical analysis (including zone file crunching) for World Report on IDNs

Emily Taylor Consultancy

- Lead author World Report on IDNs
- Long-term participant in international DNS environment

Abu-Ghazaleh IP (AGIP)

- Regional partner and accredited registrar
- Leading participant in IGF and ICANN from region

Methodology

- Registry survey (12 countries)
  - Registry type, fees, registration model, services, marketing and promotional activities, policies
- Registrar survey (30 registrars plus interviews)
  - Experiences of the region: availability of TLDs, prices, promotions, feedback
- Registrant survey (700 users, 15 countries)
  - Internet usage and language preferences, hosting choices, domain name experiences
- Desk based research
  - Regional ecosystem, key measures from respected publications
  - Payment gateways
  - Premium domains

Methodology – Quantitative Analysis

- Open zone file analysis June 2015
  - 156 million entries
  - Avoid mass WHOIS lookups unless no alternative
- Record metrics for each domain
- Create regional subset
  - Country of hosting in the region
  - Script of domain is Arabic
  - Content of web pages contains Arabic characters
  - Popular websites in the region (source: Alexa.com)
- Add ccTLD data
- Identify proxy and privacy registrations
- Keyword analysis – density of popular keywords by country and region to indicate web usage

Findings

Understanding the Region's Internet Ecosystem

- A diverse region:
  - Populations from 2 million (Qatar) to 182 million (Pakistan)
  - Gross Domestic Product (GDP) per capita from USD 659 (Afghanistan) to USD 97,000 (Qatar)
  - Literacy from 32% (Afghanistan) to 100% (Lebanon)
  - Linguistic and cultural homogeneity varies from low (UAE, Qatar) to high (Iran)
- Basic Internet access still a challenge for many
  - Internet penetration ranges from 6% (Afghanistan) to 88% (UAE)
  - People pay more for broadband than in developed countries
  - Low level of Internet Exchange Points (IXP) across region

WEBSITES IN THE REGION

English dominates as the language of web content in the region.

71% English

55% Globally

The region has a full range of web content – news, entertainment, educational, retail, governmental and blogs

INTERNET INFRASTRUCTURE AND USAGE

- Some countries in the region struggle with basic Internet infrastructure

31% of users in the region spend 3 hours or fewer per day online

- Internet literacy is still low because of sociological, cultural and political factors

HOSTING

- The market for hosting services in the region is weak.

5% of the region's popular sites are hosted locally

- Legislation and regulation can affect users' choice of hosting country

LANGUAGE AND CONTENT

English and French remain key languages for a large part of the population

Users switch language online, according to context

Strong preference for using local languages (eg Arabic, Farsi, Urdu) when interacting with friends and government

Websites are preferred to social media when interacting with business and governments

31%
of users in our survey have uploaded content to websites in the past 12 months

REGISTRAR MARKET

Competition in local registrar markets is weak, resulting in poor choice and pricing for end users.

Most of the international registrars who have modern platforms for end-users are not present in the region. They are discouraged to include the region TLDs in their worldwide registration platforms because of the administrative barriers to register domain names.t/requirements in local ccTLDs deter international registrars from participating in the markets.

Local registrars often complain about the lack of dialogue with the registry that remains impassive to the request for modernising the TLD management.

REGISTRANT MARKET

Domain names compete with much faster channels to be online such as social media.

Users complain about lack of local providers.

Most users couldn't name their registrar.

Most users said they didn't buy value add services when buying their domain.

Choice of payment systems for registering domains is limited, and does not include innovative services for the unbanked.

DOMAINS

There are **2.9 million** domain names associated with the region in 2015.

20%

Strong growth rates across the region, >20 % per year.

1%

of the world's registered domains are in the MEAC region.

21000 IDNs across the region, of which half are under **.tr** (Turkey – Latin script).

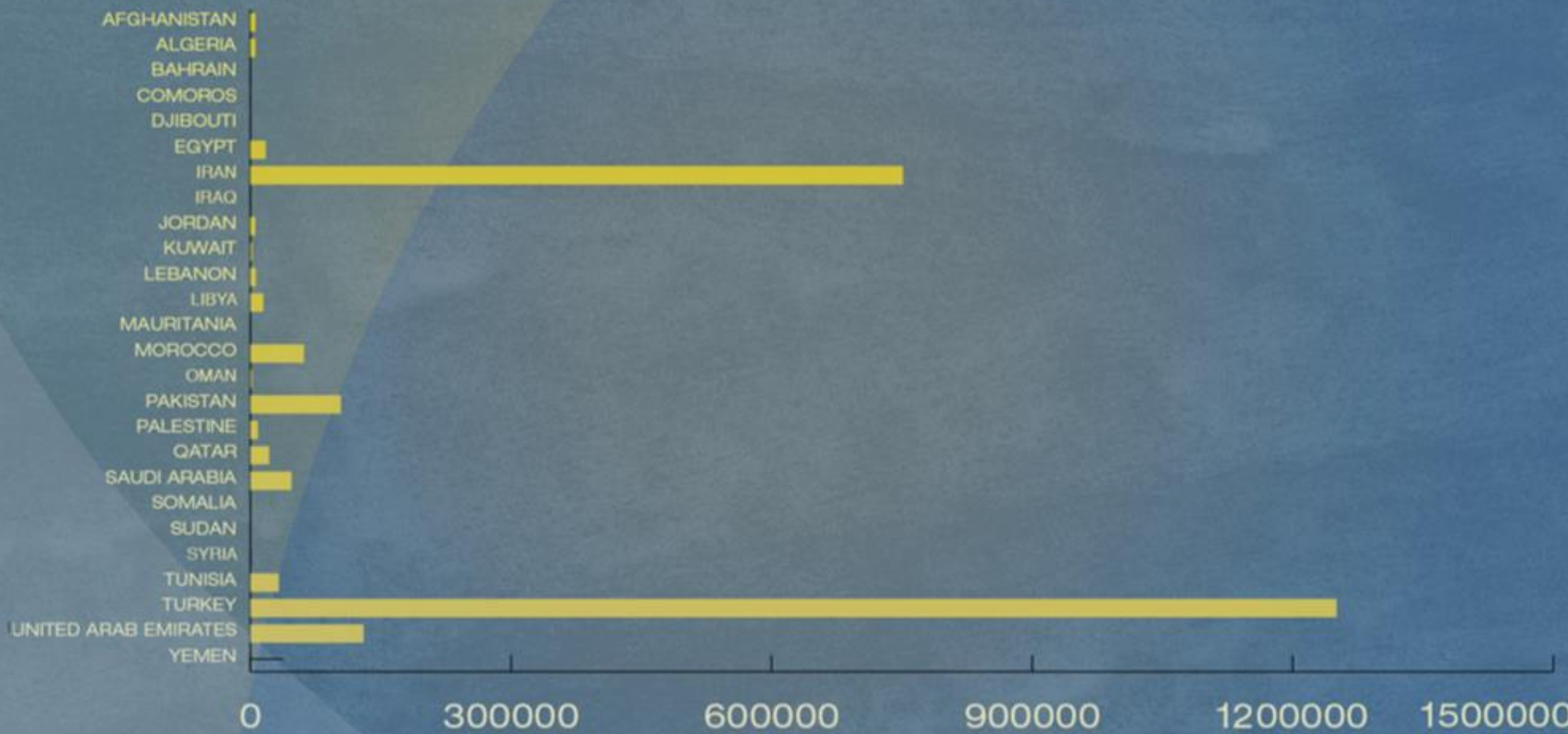
Users from the region are more likely to do direct navigation than are global users.

Nearly all users check the domain name before clicking on search results.

REGISTRIES

- Domain name penetration throughout the region is low. Only 3 ccTLDs in the region have higher than 10 domains per 1 000 inhabitants. Comparator countries have betwe-en 100 - 300 domains per 1 000.
- Most ccTLDs in the region remain confined to their territory with strict and/or complex policies and procedures both for registrar accreditation and for domain name registration.
- Historical facts that resulted in the delegation or redelegation of the registry operator are still influencing ta healthy registry development
- There is clear lack of consistent and regular registry involvement in the international TLD environment, including the regional TLD organisations, which are the cradle of best practices.

DOMAIN NAME REGISTRATIONS BY COUNTRY, 2015



Turkey

Turkey in Numbers

- Population of 79 million inhabitants with 45 million of them online (~ 57%)
- GDP per capita of ~ USD 20,000
- ccTLD is .tr
- Literacy rate of more than 90%
- Has a high linguistic and cultural homogeneity

Internet Industry

- The second largest ccTLD in the region after Iran with close to 400,000 registrations under .tr
- The largest domain name market in the region with 1.3 million domain name registrations under all TLDs (including .tr)
  - Most domain names are registered under .tr, .com, and .tk
  - Domain Name to Total Population Ratio of 1.67%
  - Appr. 12% of domain names registered are under Private (Proxy) WhoIS
- Largest IDN market with more than 11,000 domain names registered under .tr in Latin
- 8 ICANN Accredited Registrars
- 2 New gTLD applications originated from Turkey; .ist and .istanbul

…cont. (Internet Industry)

- A very strong hosting market as a result of a strong domain name market
  - More than 50% of the popular sites hosted in the country
  - Appr. 755,000 websites hosted in the country with 67% of them having content while the remaining 33% are parked
  - Appr. 48% of web content is in the Turkish language
- More than 4,000 New gTLD registrations
  - Accommodates for more than 90% of New gTLD registrations in the region
  - Registrations are under 190 different New gTLDs

Conclusions and Recommendations

Conclusion

- One size does not fit all – a highly diverse region
- Currently, competition in local DNS markets is weak, resulting in poor choice and high prices for end users
- Lack of local providers, value add services, limited choice in payment options
- Multiple factors contribute to domain name patterns
- Feedback from registrars on fees, policies, and operations

Recommendations - Wider Environment

- Basic Internet access issues need to be given priority
- All stakeholders need to work on strengthening local hosting markets
- A focus on ways to enhance local language content will benefit at least 50% of users who prefer to use their local languages online
- Policies and investment should focus on supporting ecommerce

Recommendations - Domain Name Market

- Room for diversity in business models and registry structure
- Local operators need to set clear strategy, measurable goals
- Liberalizing policies can drive growth, but a sustained approach is needed
- Establishing strong circle of trust with key stakeholders is essential
- Rebranding can revitalize and support change of strategy for TLD
- Participation in regional ccTLD organizations or DNS centers can benefit emerging registries
- Cooperate with other service providers to facilitate universal acceptance of IDNs

Recommendations - Domain Name Market

- Registrar relationships are key:
  - Consider starter programmed and incentives for new registrars at the local level
  - International registrars can intensify local competition, lower prices, and improve uptake
- Testimonials and registrar marketing schemes can drive uptake
- Enhance role of ccTLD in the local community
- Registrars should consider promoting domains together with value-add services

Study Report Online

http://bit.ly/1Qa9liz

Engage with ICANN

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