



The DNS marketplace in Latin America and the Caribbean

Daniel Fink | 30 April 2017

Where is the study???

<https://www.icann.org/news/blog/publication-of-the-lac-dns-marketplace-study>

<https://www.icann.org/en/system/files/files/lac-dns-marketplace-study-13mar17-en.pdf>

Details

ICANN Blog

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13 Mar 2017

Publication of the LAC DNS Marketplace Study

[in](#) [f](#) [t](#) [e](#) [m](#) [+](#)

The Internet Corporation for Assigned Names and Numbers (ICANN) announces the publication of the [final report](#) [PDF, 3.9 MB] on the Latin American and Caribbean DNS Marketplace Study. The LAC DNS Study was completed after receiving feedback from the [Public Comments](#) process.

Commissioned in January 2016, the study investigates the current state of the Internet and domain name industry, explores best practices for the uptake of domain names and analyzes the ecosystem. It recommends new business potentials based on global benchmarks and proposes a way forward for the region.

Overall approach

- Phase 1 – Facts
 - Current state of domain name industry in LAC region
 - Regional web content, growth trends
 - Registrar and reseller markets, global benchmarks
 - User experience, uptake of domains, premium domains
- Phase 2 – Analysis
 - Growing the region's domain name market
 - Regional web ecosystem, benchmarks and best practices, market potential
- Phase 3 – Conclusions
 - A proposed way forward for the region
 - Business potential, industry development recommendations

Focus countries: geographic, cultural and socio-economic diversity

Sub-Region	Country/territory name
South America	Argentina
	Brazil
	Chile
	Colombia
	Peru
	Paraguay
Central America	Guatemala
	Panama
Caribbean	Belize
	Dominica
	Dominican Republic
	Trinidad & Tobago
Mexico	Mexico

Methodology and sources

- Quantitative data
 - Domain name registrations, IDNs, growth (past 5 years)
 - Use of privacy proxy registrations
 - Content and hosting analysis
- Qualitative data
 - Interviews with industry players and key stakeholders in the region (LACTLD and EURid)
 - Consistent question sets, for ease of comparison
- Sources
 - gTLD open zone files
 - Third party WHOIS queries (commissioned)
 - Supplemented with LACTLD's regional data (ccTLD and gTLD), Historic data (2009-2015), published sources

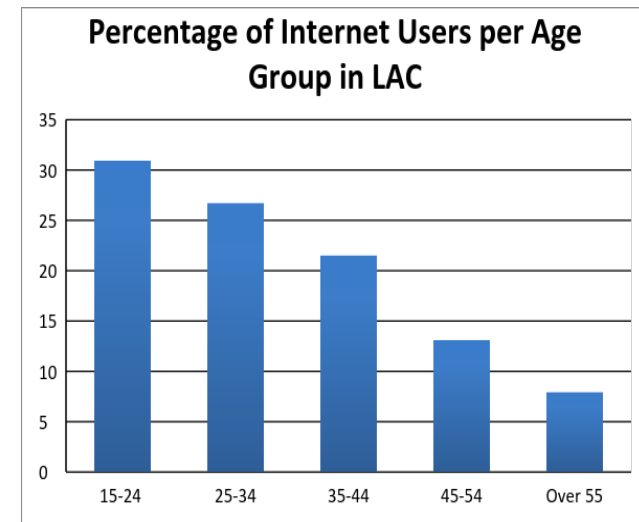
Findings

A highly diverse region – the Internet environment

- Relatively high internet penetration; costs not bad
 - Penetration rates from 23-72%
 - Costs not prohibitive, but could be more affordable
 - Low awareness of domain names among end users
- Mobile broadband
 - Mobile broadband penetration (33%) is usually double that of fixed broadband
 - Accessing the Internet through mobile devices reduces interaction with domain names
- Local regulations
 - Can affect Internet penetration, ease of doing business, and user skills
- Language – Lack of local content creates a barrier to adoption

How do people use the internet?

- 78% of LAC internet users are social network users (global: 64%)
- Top internet uses are
 - Instant message (WhatsApp, FB) in Brazil
 - Social networks (Mexico)
- But top 5 also include email, search and shopping
- Ecommerce sites reach 67% of internet users, but only 2% of retail trade is e-commerce
 - Access, payment, information gaps, and regulatory aspects contribute



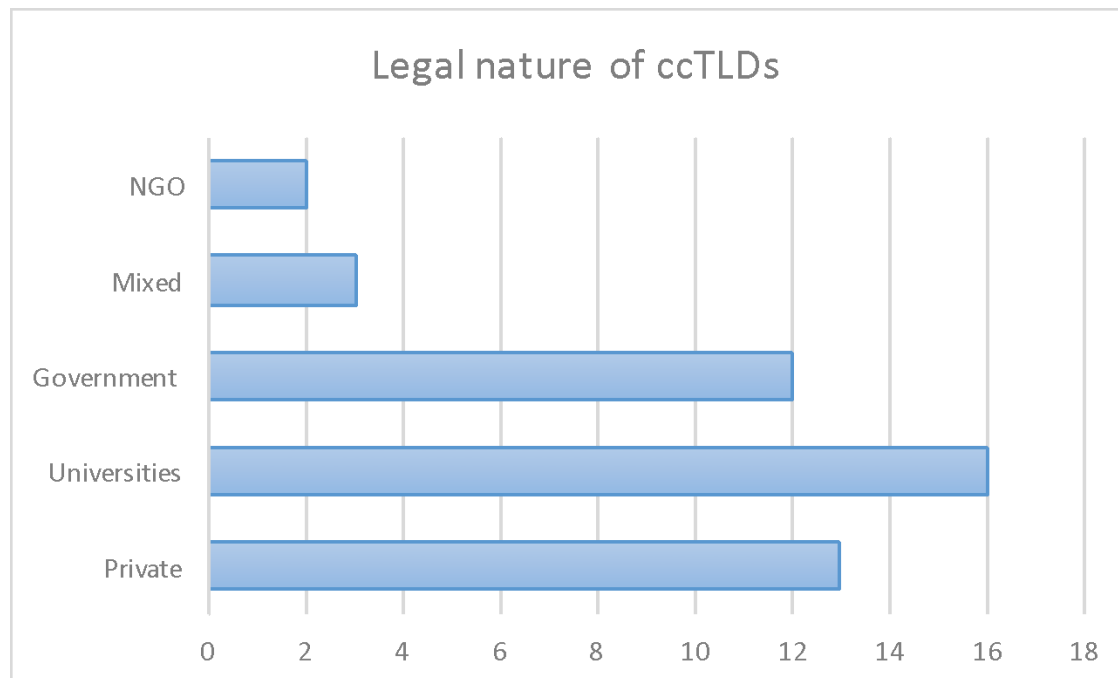
THE LAC DOMAIN NAME INDUSTRY

The region's new gTLD applications

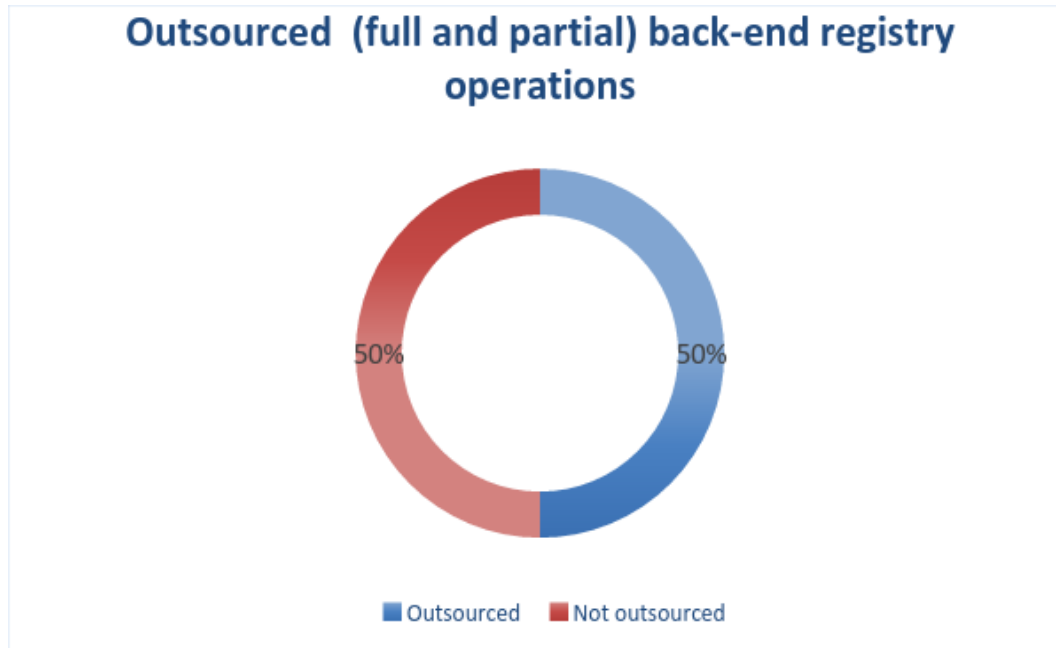
Country	TLD	Type	Country	TLD	Type
Brazil	.bom	General	Uruguay	.lat	Geo
	.bradesco	Brand		.hotel	General
	.final	General		.hoteis	General
	.globo	Brand		.hoteles	General
	.ipiranga	Brand		.passagens	General
	.itau	Brand		.vuelos	General
	.ltda	General		Mexico	.bar
	.natura	Brand	.cafe		General
	.rio	Geo	.rest		General
	.uol	Brand	Panama	.blog	General
.vivo	Brand	.legal		General	
Colombia	.avianca	Brand	.news	General	

ccTLDs from the region (eg .br, .mx) involved in new gTLD applications, eg as backend providers

Only 30% of the region's ccTLDs are private companies



Half the region's ccTLDs outsource back-end registry operations



- Huge variation in registration fees charged by ccTLDs
- More than 70% of LACTLD registries rely 100% on domain registration fees for their organizational revenue.
- Majority of ccTLDs have a direct registration system (60%+).
- Unofficial resellers are a feature of the region.
- Some of the largest ccTLDs recognise official registrars (eg .br, .co, .mx). Others are in transition or considering (.cr, .cl, .do, .hn, .gt)
- Some ccTLDs report that they find it difficult to attract international registrars.
- Only 30% of 18 surveyed registries have their websites in another language other than the official of the country.

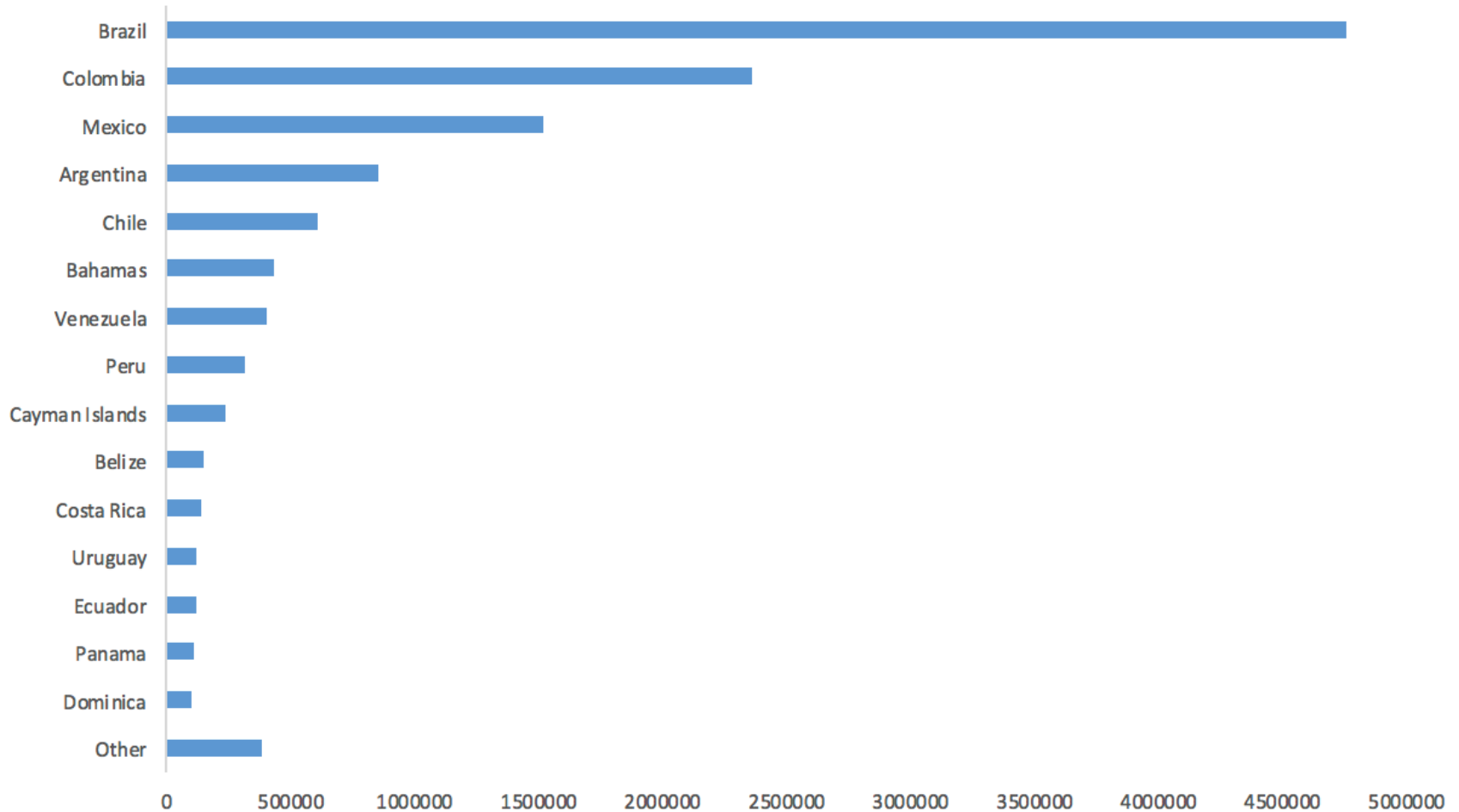
- First-come, first-served is the standard
 - Some residency requirements (eg .ar, .br)
- Many ccTLDs have implemented UDRP
- A few engage in price promotions
 - .cr double digit growth following a ‘Black Friday’ promotion 2015.
 - .co and .mx (details confidential)
- Majority engage in awareness raising, trade-shows
- Social networks increasingly being used as a communications channel

- Interviews indicate lack of general awareness in region.
- new gTLDs do not have a strong role in secondary market in region
- Examples of offerings:
 - .rio assigns premium names from public service perspective
 - .bar and .rest (Punto2012) half of value proposition relies on premium names
 - Some new gTLDs have a pool of parked domains for potential future exploitation

- 18 international registrars interviewed.
- 13 offer at least one ccTLD (.co); 4 offer all the region's ccTLDs.
- Low presence of LAC ICANN accredited registrars, numbers that are diminishing every year since the RAA 2013.
- International registrars listed prices primarily in USD and EUR, with only one registrar accepting a local currency (MXN).
- International registrars expressed a very positive view of the LAC region's market potential, seeing many SME's appearing and strong business prospects.

Domain Names in the Region

Number of domains by country (ccTLD and gTLDs)



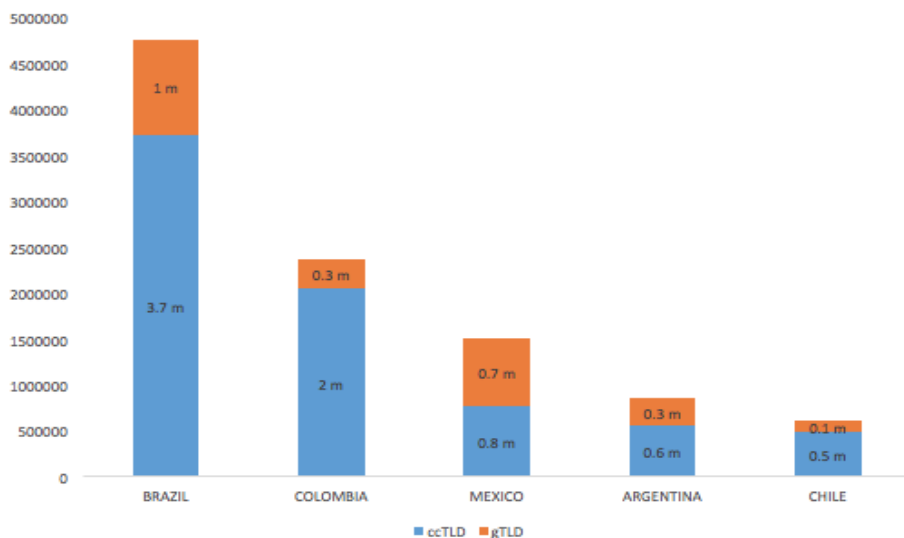
12.5 million domains 8 million ccTLDs 4.5 million gTLDs

4% of the world's domains 8.5% of the world's population

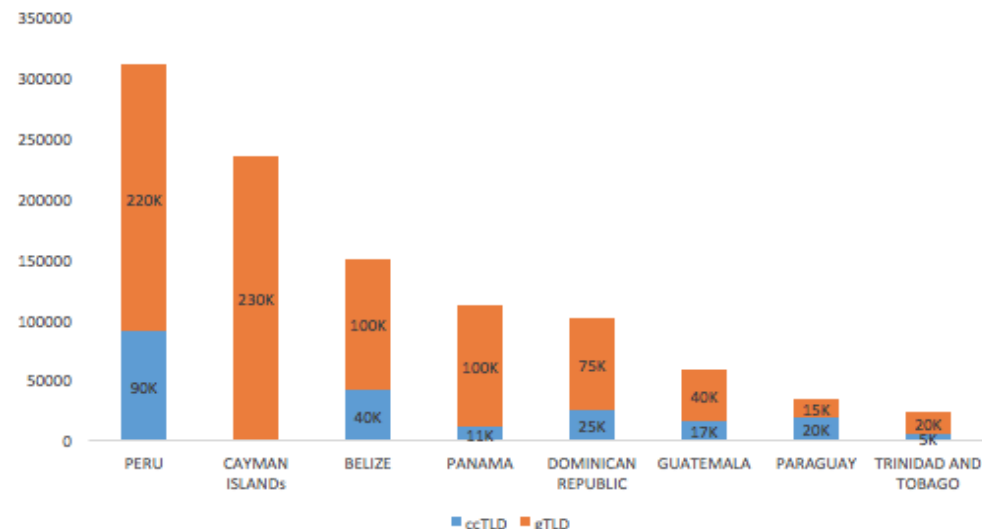
In the major population centres, ccTLDs are more popular than gTLDs

For rest of region, gTLDs tend to outnumber ccTLDs

Proportion of ccTLDs and gTLDs per country
The top 5

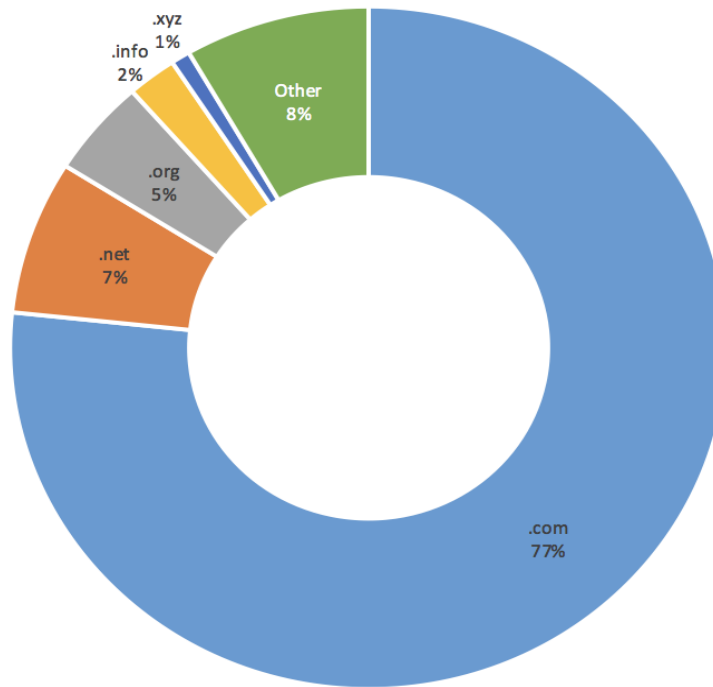


Proportion of ccTLDs and gTLDs by country
Rest of region



.com is the region's most popular gTLD

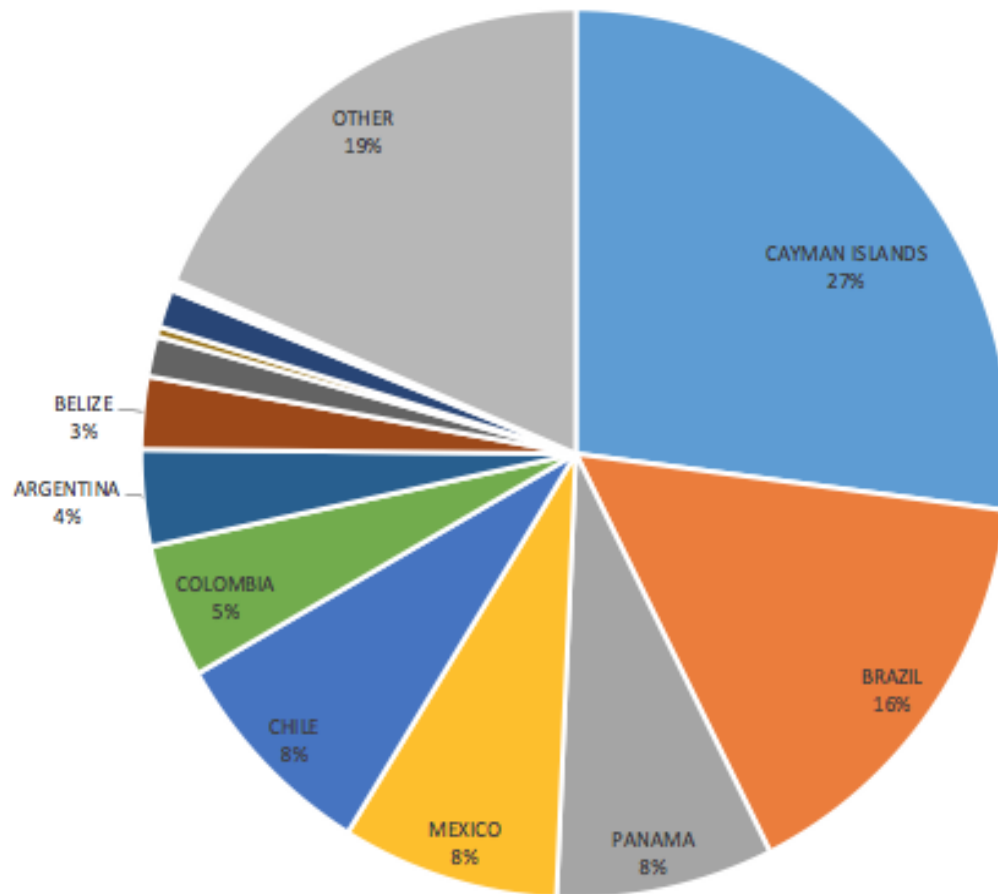
The region's most popular gTLDs



One new gTLD (.xyz) is within the top 5 gTLDs in the region

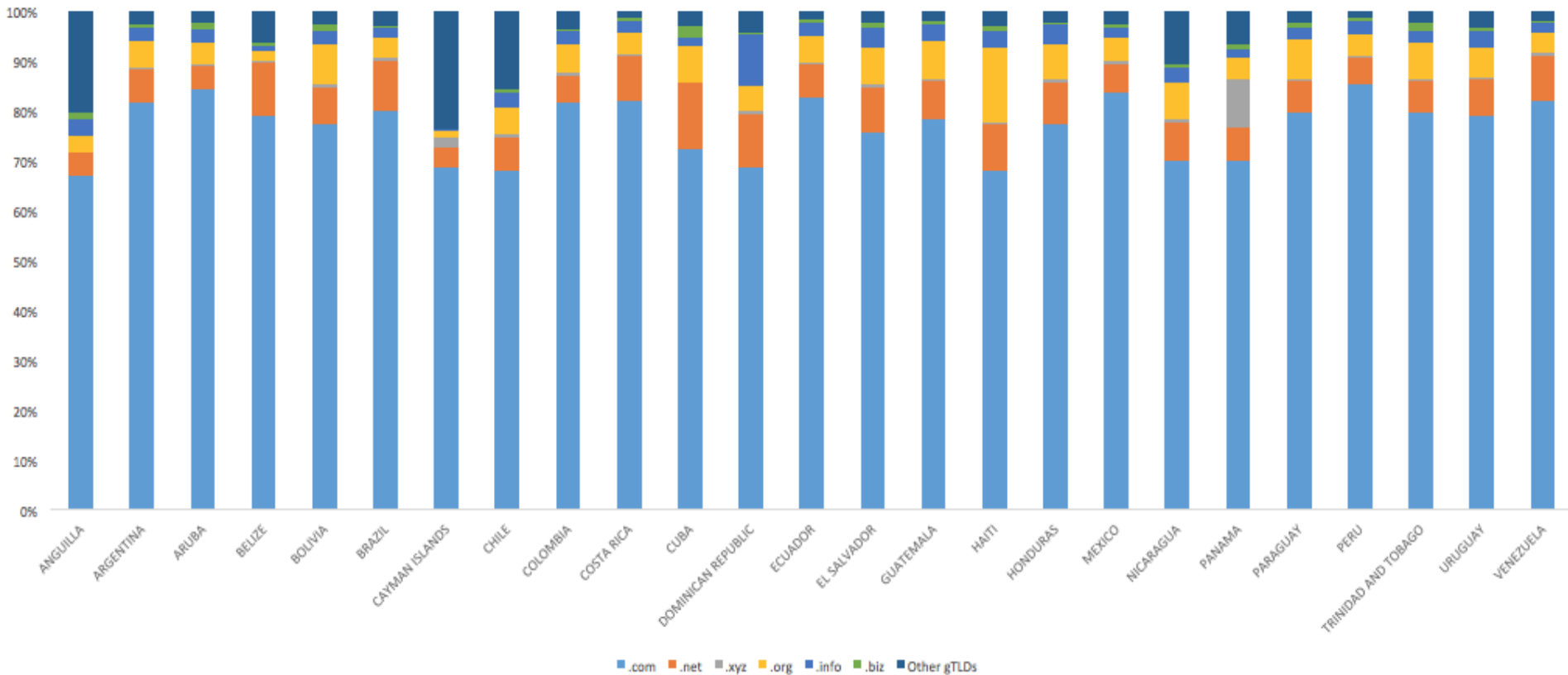
There are 225,000 new gTLD registrations

New gTLDs by country

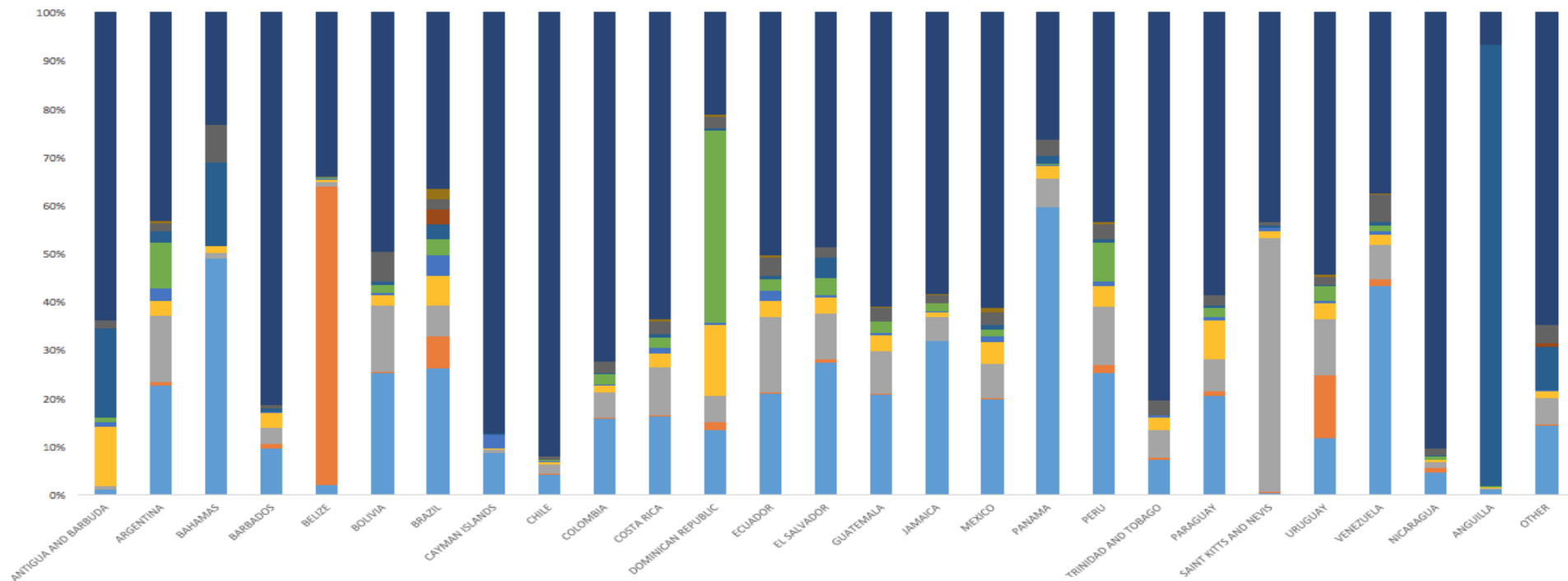


New gTLDs have yet to make an impact in most countries

Distribution of gTLD registrations by country



The region's Top 10 new gTLDs, distribution by country

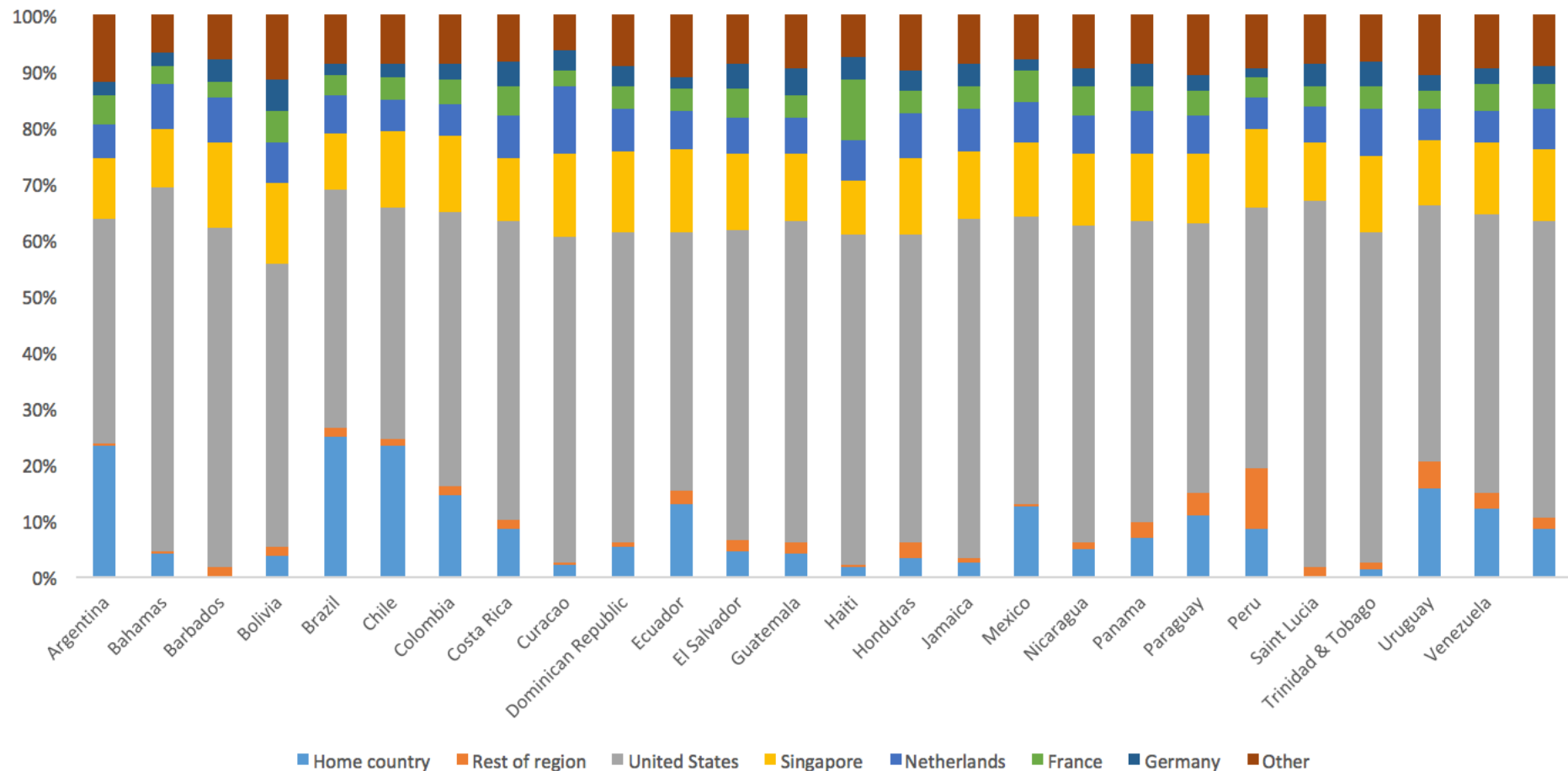


■ .xyz ■ .top ■ .club ■ .online ■ .click ■ .work ■ .site ■ .rio ■ .website ■ .one ■ Other

.top is popular in Belize
.work in the Dominican Republic

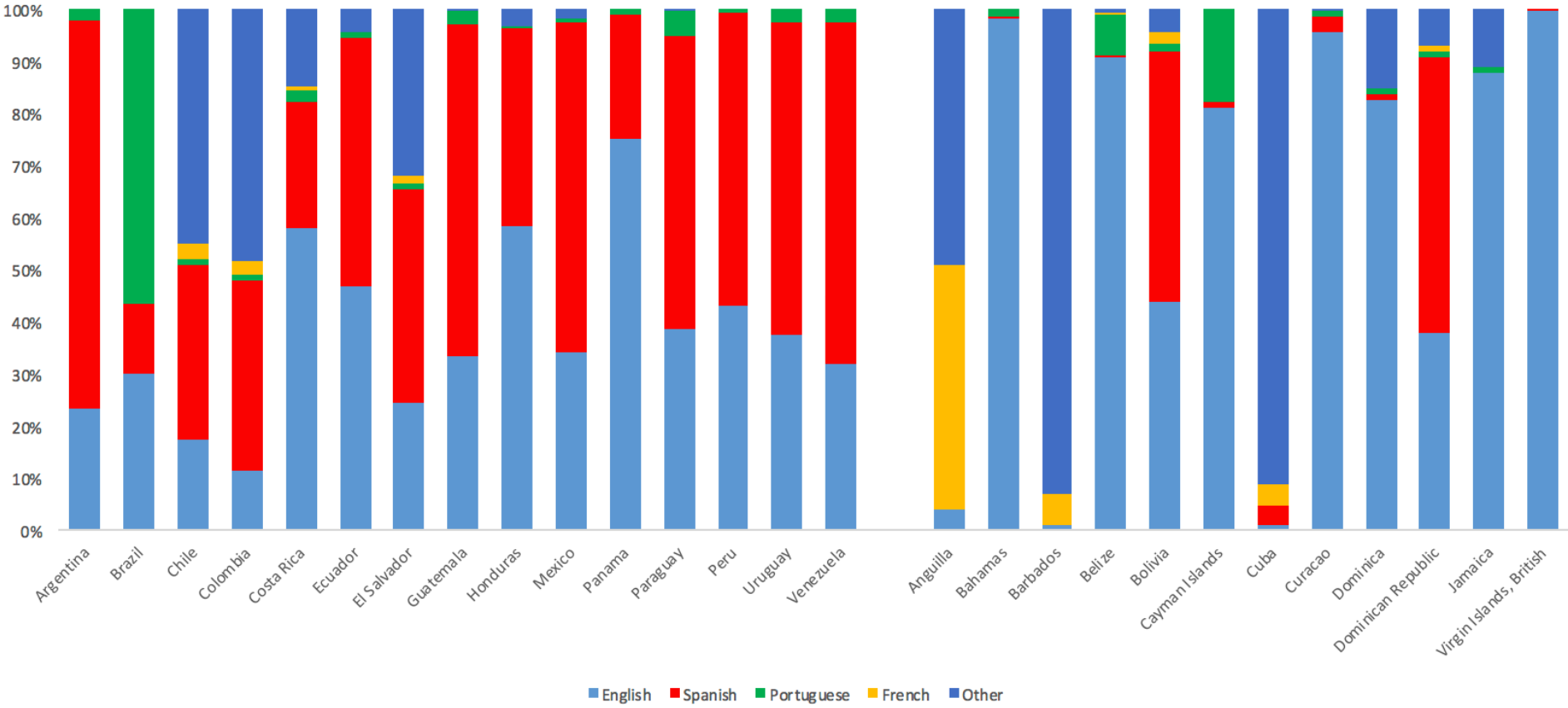
Hosting country: only 10% of popular sites are hosted in the region

Hosting country of Alexa top 500 sites by country



Language: 60% of web content is in English, but results by country reflect local languages

Language of web content by country (gTLD analysis)



Recommendations from LAC DNS Report

1

Demand gap

Lack of relevance of the uses and content, absence of skills to take more effective use of the online environment.

2

Value of the web and DNS

Competing technologies.
Providing educational and informational material.

3

Sales channel

Lack of ICANN accredited Ra.
Need to have agreements with resellers, some sort of presence in the region, and be online with facilities in local languages

4

Promoting awareness

There should be a dedicated website aimed at informing the end-user and the intermediaries with a simpler format, in an accessible tone, and in the languages appropriate to the region.

5

Youth Engagement

Over 30% of all users are aged 24 or below and over 55% of all users are aged 34 or below.

6

General Biz Engagement

Only 40% of the businesses in the region have their own website and that a large proportion of SMEs still do not use email to communicate with their clients and suppliers.

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Value

Comp
Provid
inform

The digital skills required to perceive the value of a domain name and to acquire one, are different from those users who access the Internet through mobile phones.

Engagement

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In the Caribbean, the ICT Roadshow and the ICANN Roadshow have raised awareness as to why the DNS is important.

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Recommendations from LAC DNS Report

Demand gap

For new TLDs in the region, the development of a diversified registrar ecosystem that challenges some of the existing market is a priority that should be addressed with strategies that foster level playing field conditions in the ICANN environment.

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Many who were interviewed for this study have mentioned that .com is still the default option, and this needs to be changed with information campaigns to registrants.

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Educating them about the benefits of domain names, how they can obtain their own, how they can do business and become entrepreneurs or even how they can become involved in policy making will help grow the DNS market in the region and increase user awareness.

Recommendations from LAC DNS Report

1

Demand gap

Lack of relevance of the uses and content, absence of skills to take

ICANN should increase its involvement in business fairs, trade-associations' communication outlets, and Trade Ministries in the region to promote website and domain name uptake. These also represent key opportunities for ICANN to share information about its work with the regional LAC community. Educating users about ICANN and how they can become involved in the international DNS framework will increase awareness and foster community involvement.

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Thank you! Questions?



Share the report !



**Translations to PT and ES
Coming soon!**



Shall we keep studying?



**Stay tuned, keep in touch
daniel.fink@icann.org**

