

An analysis of the affordability of domain names based on the structure, price and utilization of the ccTLD

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More than a decade ago, the then-proposed privatization of domain name administration initiated extensive discussion on what is now known as Internet governance. Who should administer the domain name system and the rest of the Internet, and how, has been what Internet governance is all about to date.

The country-code top-level domain (ccTLD), among other issues and concerns, presents a unique perspective on Internet governance, since it is operated as if each ccTLD is a half-independent entity. Policy issues and decisions on the generic top-level domains (gTLD) are discussed within the framework of the Internet Corporation of Assigned Names and Numbers (ICANN), whereas each ccTLD is awarded independence and self-determination, often disguised as 'sovereignty', and is engaged in policy making at ICANN only voluntarily.

However, as the new Affirmation of Commitments states it, the Internet is 'a single and interoperable network', and what is good to some part of the Internet may not necessarily be that way to the rest. In principle, the managers of the ccTLD are requested to "perform a public service on behalf of the Internet community". The ccTLD manager is also expected to behave as "the trustee of the TLD for both the nation ... and the global Internet community." (ICP-1)

One test whether the ccTLD meets the expectation is to examine the affordability of domain name registration, i.e. whether it effectively serves the community that it is supposed to serve. For this objective, the authors has conducted a comprehensive survey on how the ccTLD is operated across the Internet, and, in particular, how it is structured, priced and utilized.

The authors suggest the weighted-mean registration fee as an indicator for comparison across ccTLDs. The result of the survey brought about several findings. ccTLD registration fees in nominal terms tend to concentrate towards a specific price point. But what they mean in real terms to local registrants vary depending on the income level. In other words, domain name registration is a commodity to some, but it is a luxury to others. The registration fee and the number of domain names seem to be correlated to some extent. In addition, when this correlation is examined more closely, one may find out that correlation between price and domain name usage is slightly higher in a high-income quadrant of ccTLDs than in a lower-income quadrant.

One interpretation of this is that as domain name market develop, domain names are marketed to the local community while when domain name market is less developed, domain names tend to be marketed to external community with more purchasing power. It has a longer term policy implication that the ccTLD administrator that are now serving more to international registrants will need to ensure there are open and unregistered names left available to domestic registrants even after the domestic market has developed.