

THE DOMAIN NAME INDUSTRY BRIEF

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THE VERISIGN DOMAIN REPORT

AS A GLOBAL LEADER IN DOMAIN NAMES AND INTERNET SECURITY, VERISIGN REVIEWS THE STATE OF THE DOMAIN NAME INDUSTRY THROUGH A VARIETY OF STATISTICAL AND ANALYTICAL RESEARCH. VERISIGN PROVIDES THIS BRIEFING TO HIGHLIGHT IMPORTANT TRENDS IN DOMAIN NAME REGISTRATIONS, INCLUDING KEY PERFORMANCE INDICATORS AND GROWTH OPPORTUNITIES, TO INDUSTRY ANALYSTS, MEDIA AND BUSINESSES.



VERISIGN[®]



EXECUTIVE SUMMARY

The first quarter of 2016 closed with a base of approximately 326.4 million domain name registrations across all top-level domains (TLDs), an increase of approximately 12 million domain names, or 3.8 percent over the fourth quarter of 2015. Registrations have grown by 32.4 million, or 11 percent, year over year.¹

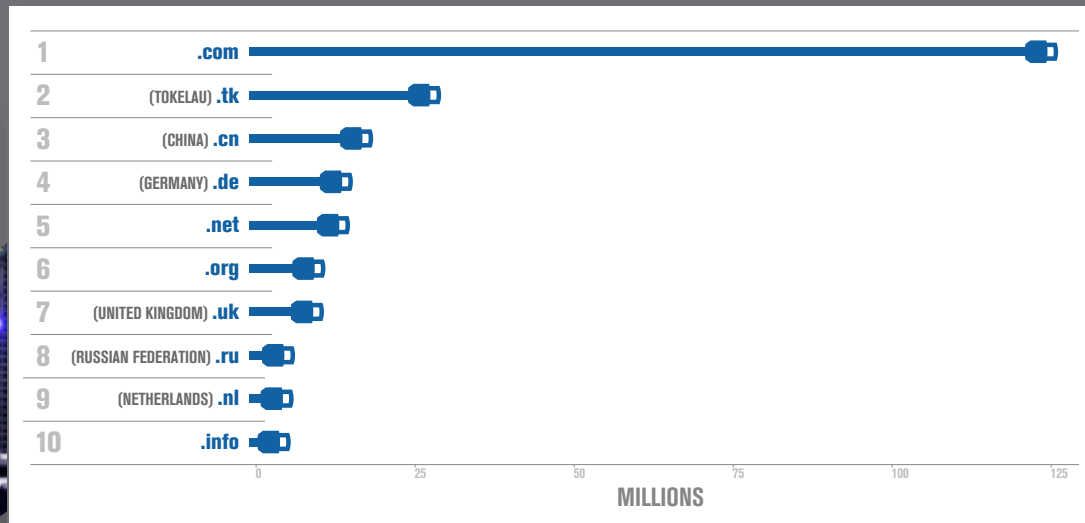
Total country-code TLD (ccTLD) registrations were 148.2 million domain names, a 2.6 percent increase quarter over quarter, and a 8.2 percent increase year over year.

The .com and .net TLDs experienced aggregate growth, reaching a combined total of approximately 142.5 million domain names in the domain name base² in the first quarter of 2016. This represents a 7.1 percent increase year over year. As of March 31, 2016, the base of registered names in .com equaled 126.6 million names, while .net equaled 15.9 million names.

New .com and .net registrations totaled 10 million during the first quarter of 2016. In the first quarter of 2015, new .com and .net registrations totaled 8.7 million.

TOP 10 LARGEST TLDs BY ZONE SIZE

Source: Zooknic, Q1 2016; Verisign, Q1 2016; Centralized Zone Data Service, Q1 2016



The largest TLDs in order by zone size were .com, .tk, .cn, .de, .net, .org, .uk, .ru, .nl and .info.³

The average sale price for the top 10 .com domain names reported by DN Journal as sold in the aftermarket in Q1 2016.⁴

\$315,800
USD



Growth of .com and .net domain names redirecting to popular global social media and e-commerce sites compared to Q1 2015:⁵

AMAZON.COM
25%

ETSY
30%

FACEBOOK
27%

LINKEDIN
35%

TWITTER
23%

WEIBO
49%



1 The generic top-level domain (gTLD) and ccTLD data cited in this report are estimates as of the time this report was developed, and is subject to change as more complete data is received. Total includes ccTLD Internationalized Domain Names.

2 The domain name base is the active zone plus the number of domain names that are registered but not configured for use in the respective Top-Level Domain zone file plus the number of domain names that are in a client or server hold status.

3 tk is a free ccTLD that provides free domain names to individuals and businesses. Revenue is generated by monetizing expired domain names. Domain names no longer in use by the registrant or expired are taken back by the registry and the residual traffic is sold to advertising networks. As such, there are no deleted .tk domain names <http://www.businesswire.com/news/home/20131216006048/en/Freenom-Closes-3M-Series-Funding#UxeUGNJDV9s>. The .tk zone reflected here is based on data from Q4 2014, which is the most recent data available.

4 Source: DN Journal (accessed June 29, 2016) <http://www.dnjournal.com/ytd-sales-charts.htm>.

5 Source: VeriSign, Inc. data.

Largest ccTLDs by Zone Size

Source: Zooknic, Q1 2016

For further information on the Domain Name Industry Brief methodology, please refer to the last page of this report.

Total ccTLD registrations were approximately 148.2 million in the first quarter of 2016, with an increase of 3.8 million domain names, or a 2.6 percent increase compared to the fourth quarter of 2015. ccTLD registrations increased by approximately 11.3 million, or 8.2 percent, year over year. Without including .tk, ccTLD quarter-over-quarter growth was 3.3 percent and year-over-year growth was 10.4 percent.



The top 10 ccTLDs, as of March 31, 2016, were .tk (Tokelau), .cn (China), .de (Germany), .uk (United Kingdom), .ru (Russian Federation), .nl (Netherlands), .eu (European Union), .br (Brazil), .au (Australia) and .fr (France).

As of March 31, 2016, there were 291 global ccTLD extensions delegated in the root, including Internationalized Domain Names (IDN), with the top 10 ccTLDs composing 67.4 percent of all ccTLD registrations.

TOP 10 TRENDING KEYWORDS IN .COM AND .NET: Q1 2016

Here are the top 10 trending keywords in .com and .net domain name registrations for the first quarter of 2016.

Verisign publishes a **monthly blog post highlighting domain registration keyword trends**, which reflects trends from the previous month. Using the same methodology, this list reflects the keywords with the highest percentage of registration growth relative to the preceding quarter.

This method is intended to highlight the new and changing keywords seen in .com and .net domain name registrations.

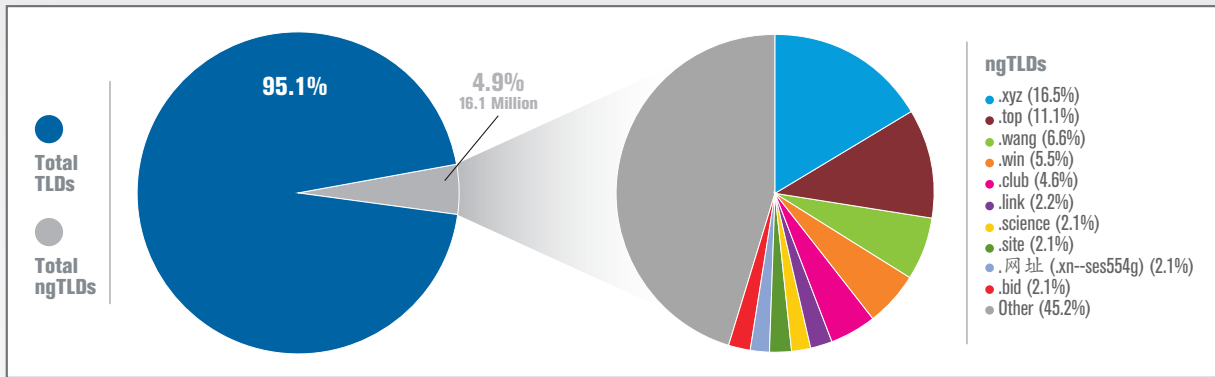
Rank	.com	.net
1	virtual	inter
2	building	trump
3	trump	deli
4	lock	attorney
5	break	bot
6	tory	sydney
7	reality	vacation
8	signs	reality
9	through	doors
10	lawn	lawn



New gTLDs as Percentage of Total TLDs

Source: Centralized Zone Data Service, Q1 2016 and Zooknic, Q1 2016

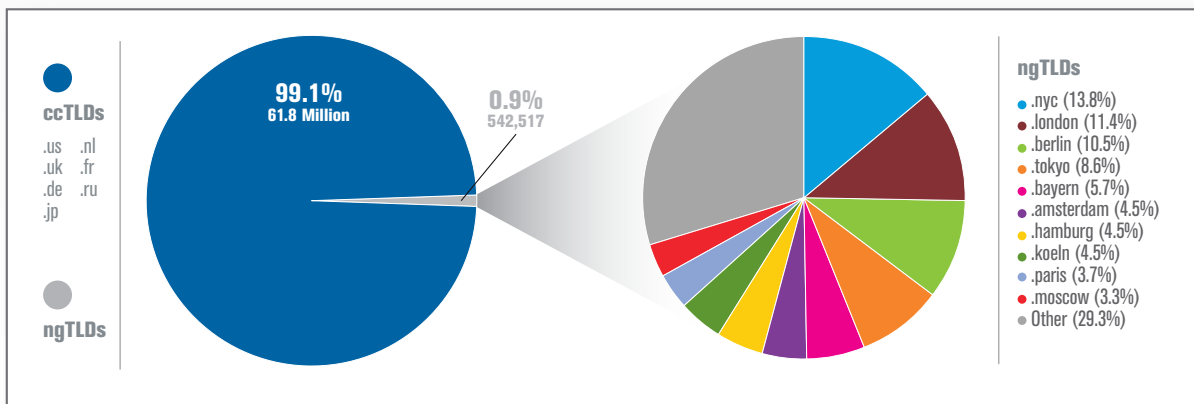
As of March 31, 2016, new gTLD (ngTLD) registrations totaled 16.1 million, which represents 4.9 percent of total domain name registrations. The top 10 ngTLDs represented 54.8 percent of all ngTLD domain name registrations. The following charts show ngTLD domain name registrations as a percentage of overall TLD domain name registrations, and also the top 10 ngTLDs as a percentage of all ngTLD domain name registrations for the first quarter of 2016.



Geographical New gTLDs as Percentage of Total Comparable Geographical gTLDs

Source: Centralized Zone Data Service, Q1 2016 and Zooknic, Q1 2016

Among the delegated ngTLDs that have a geographical focus, 36 have had more than 1,000 registrations since entering general availability (GA), as of the end of the first quarter of 2016. The first graph below summarizes the registrations as of March 31, 2016 for these geographical ngTLDs and the respective ccTLDs within the same geographic region. In addition, the second graph highlights the top 10 geographical ngTLDs as a percentage of the total geographical ngTLD registrations.



DNS QUERY LOAD

During the first quarter of 2016, Verisign's average daily Domain Name System (DNS) query load was approximately 124 billion queries per day across all TLDs operated by Verisign, with a peak of nearly 189 billion. Quarter over quarter, the daily average query load increased 0.5 percent and the peak decreased by 2.7 percent. Year over year, the daily average query load increased by 3.5 percent, and the peak increased by 14.2 percent.

LEARN MORE

To subscribe or access the archives for the Domain Name Industry Brief, please go to Verisign.com/DNIB. Email your comments or questions to domainbrief@verisign.com.

ABOUT VERISIGN

Verisign, a global leader in domain names and internet security, enables internet navigation for many of the world's most recognized domain names and provides protection for websites and enterprises around the world. Verisign ensures the security, stability and resiliency of key internet infrastructure and services, including the .com and .net domains and two of the internet's root servers, as well as performs the root-zone maintainer function for the core of the internet's Domain Name System (DNS). Verisign's Security Services include intelligence-driven Distributed Denial of Service Protection, iDefense Security Intelligence and Managed DNS. To learn more about what it means to be Powered by Verisign, please visit Verisign.com.

METHODOLOGY

The data presented in this report for ccTLDs, including quarter-over-quarter and year-over-year metrics, reflects the information available to Verisign at the time of this report and may incorporate changes and adjustments to previously reported periods based on additional information received since the date of such prior reports, so as to more accurately reflect the growth rate of the ccTLDs. In addition, the data available for this report may not include data for all of the 291 ccTLD extensions that are delegated to the root, and includes only the data available at the time of the preparation of this report.

For gTLD and ccTLD data cited with Zooknic as a source, the Zooknic analysis uses a comparison of domain name root zone file changes supplemented with Whois data on a statistical sample of domain names, which lists the registrar responsible for a particular domain name, and the location of the registrant. The data has a margin of error based on the sample size and market size. The ccTLD data is based on analysis of root zone files. For more information, see ZookNIC.com.