

THE DOMAIN NAME INDUSTRY BRIEF

VOLUME 13 – ISSUE 3 – SEPTEMBER 2016

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 second quarter of 2016 closed with approximately 334.6 million domain name registrations across all top-level domains (TLDs), an increase of approximately 7.9 million domain name registrations, or 2.4 percent over the first quarter of 2016. Domain name registrations have grown by 38.2 million, or 12.9 percent, year over year.¹

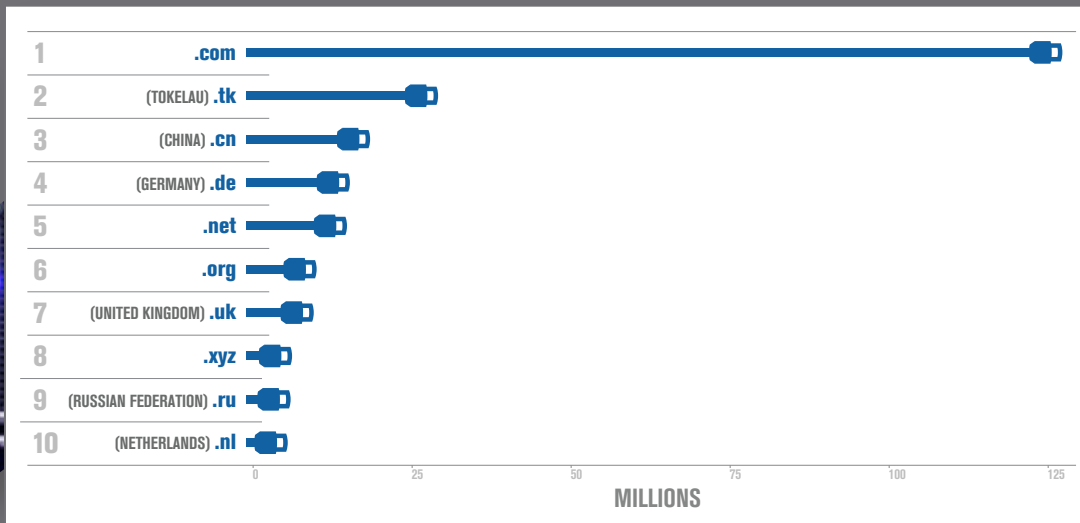
Total country-code TLD (ccTLD) domain name registrations were approximately 149.9 million, a 1.0 percent increase over the first quarter of 2016, and a 8.5 percent increase year over year.¹

The .com and .net TLDs experienced aggregate growth, reaching a combined total of approximately 143.2 million domain name registrations in the domain name base² in the second quarter of 2016. This represents a 7.3 percent increase year over year. As of June 30, 2016, the .com domain name base equaled 127.5 million domain name registrations, while the .net domain name base equaled 15.8 million domain name registrations.

New .com and .net domain name registrations totaled 8.6 million during the second quarter of 2016. In the second quarter of 2015, new .com and .net domain name registrations totaled 8.7 million.

TOP 10 LARGEST TLDs BY NUMBER OF REPORTED DOMAIN NAMES

Source: Zooknic, Q2 2016; Verisign, Q2 2016; Centralized Zone Data Service, Q2 2016



As of June 30, 2016, the largest TLDs were .com, .tk, .cn, .de, .net, .org, .uk, .xyz, .ru and .nl.³

The average sale price for the top 10 .com domain names reported by DN Journal as sold in the aftermarket in Q2 2016.⁴

\$340,321.40
USD



Growth of .com and .net domain names redirecting to popular global social media and e-commerce sites compared to Q2 2015:⁵

AMAZON.COM
43%

ETSY
22%

FACEBOOK
19%

LINKEDIN
30%

TWITTER
35%

WEIBO
31%



¹ The generic top-level domain (gTLD) and ccTLD data cited in this brief are estimates as of the time this brief 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/Freedom-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 Aug. 5, 2016) <http://www.dnjournal.com/ytd-sales-charts.htm>.

⁵ Source: VeriSign, Inc. data.

Largest ccTLDs by Number of Reported Domain Names

Source: Zooknic, Q2 2016

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

Total ccTLD domain name registrations were approximately 149.9 million in the second quarter of 2016, with an increase of 1.4 million domain name registrations, or a 1.0 percent increase compared to the first quarter of 2016. ccTLDs increased by approximately 11.7 million domain name registrations, or 8.5 percent, year over year. Without including .tk, ccTLD domain name registration growth quarter-over-quarter was 1.2 percent and growth year-over-year was 10.7 percent.



The top 10 ccTLDs, as of June 30, 2016, were .tk (Tokelau), .cn (China), .de (Germany), .uk (United Kingdom), .ru (Russian Federation), .nl (Netherlands), .br (Brazil), .eu (European Union), .au (Australia) and .fr (France).

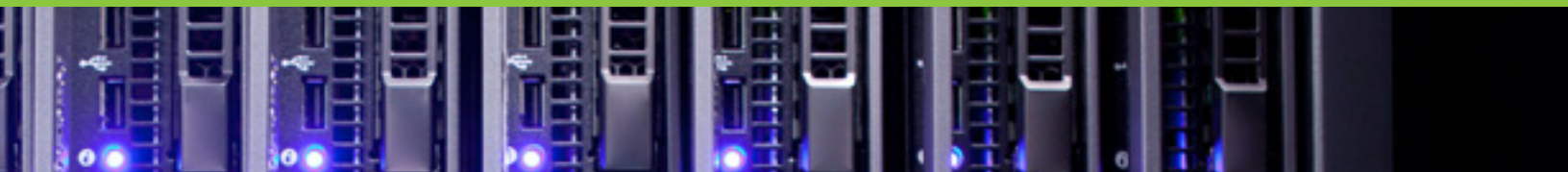
As of June 30, 2016, there were 292 global ccTLD extensions delegated in the root, including Internationalized Domain Names (IDNs), with the top 10 ccTLDs composing 67.3 percent of all ccTLD domain name registrations.

TOP 10 TRENDING KEYWORDS IN .COM AND .NET: Q2 2016

This chart represents the top 10 trending keywords registered in English in .com and .net domain name registrations for the second quarter of 2016.

Verisign publishes a **monthly blog post highlighting domain name registration keyword trends**. Using the same methodology, this chart reflects the keywords in .com and .net domain name registrations with the highest percentage of registration growth relative to the preceding quarter.

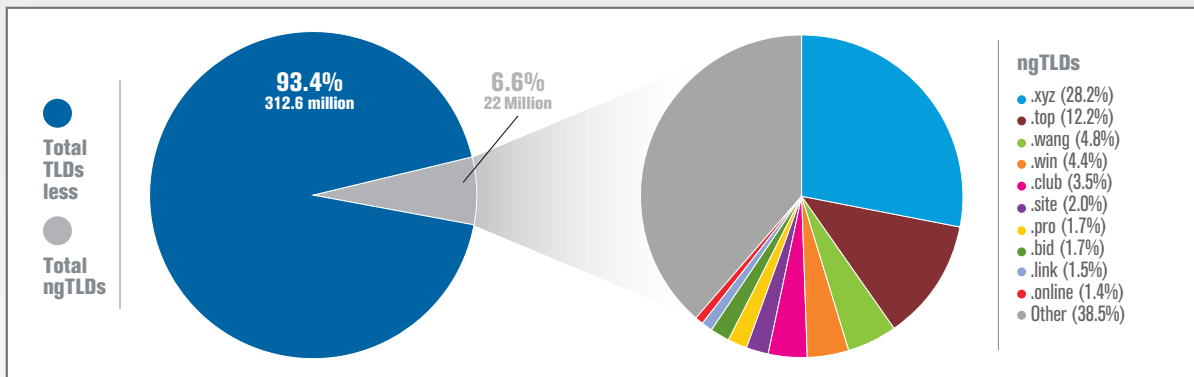
Rank	.com	.net
1	research	net
2	bot	research
3	worlds	work
4	gram	csgo
5	prince	tshirt
6	vibe	medicine
7	tesla	prince
8	poke	gram
9	mosquito	hearing
10	brexit	forums



New gTLDs as Percentage of Total TLDs

Source: Centralized Zone Data Service, Q2 2016 and Zooknic, Q2 2016

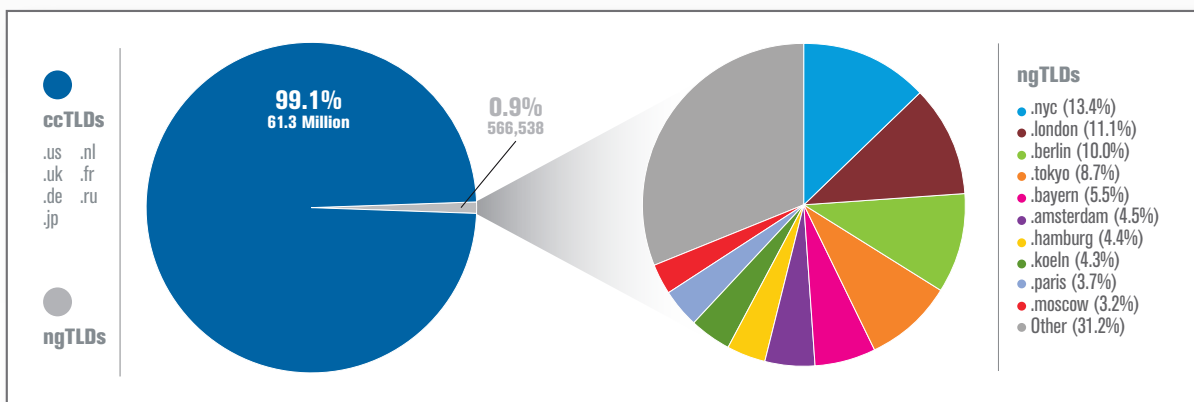
As of June 30, 2016, new gTLDs (ngTLD) totaled 22.0 million domain name registrations, which represents 6.6 percent of total domain name registrations. The top 10 ngTLDs represented 61.5 percent of all ngTLD domain name registrations. The following charts show ngTLD domain name registrations as a percentage of overall TLD domain name registrations, and also the top 10 ngTLDs as a percentage of all ngTLD domain name registrations for the second quarter of 2016.



Geographical New gTLDs as Percentage of Total Corresponding Geographical gTLDs

Source: Centralized Zone Data Service, Q2 2016 and Zooknic, Q2 2016

As of June 30, 2016, there were 37 ngTLDs delegated that have a geographical focus and more than 1,000 domain name registrations since entering general availability (GA). The first graph below summarizes the domain name registrations as of June 30, 2016 for the listed geographical ngTLDs and the corresponding ccTLDs within the same geographic region. In addition, the second graph highlights the top 10 geographical ngTLDs as a percentage of the total geographical ngTLDs.



DNS QUERY LOAD

During the second quarter of 2016, Verisign's average daily Domain Name System (DNS) query load was approximately 130 billion queries per day across all TLDs operated by Verisign, with a peak of nearly 179 billion queries. Quarter over quarter, the daily average query load increased 4.9 percent and the peak decreased by 5.0 percent. Year over year, the daily average query load increased by 17.0 percent, and the peak decreased by 1.5 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 brief for ccTLDs, including quarter-over-quarter and year-over-year metrics, reflects the information available to Verisign at the time of this brief 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 domain name registrations of the ccTLDs. In addition, the data available for this brief may not include data for all of the 292 ccTLD extensions that are delegated to the root, and includes only the data available at the time of the preparation of this brief.

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.