

THE DOMAIN NAME INDUSTRY BRIEF

VOLUME 13 – ISSUE 4

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 third quarter of 2016 closed with approximately 327.0 million domain name registrations across all top-level domains (TLDs), an increase of approximately 1.8 million domain name registrations, or 0.6 percent over the second quarter of 2016.^{1,2} Domain name registrations have grown by 32.3 million, or 11.0 percent, year over year.^{1,2}

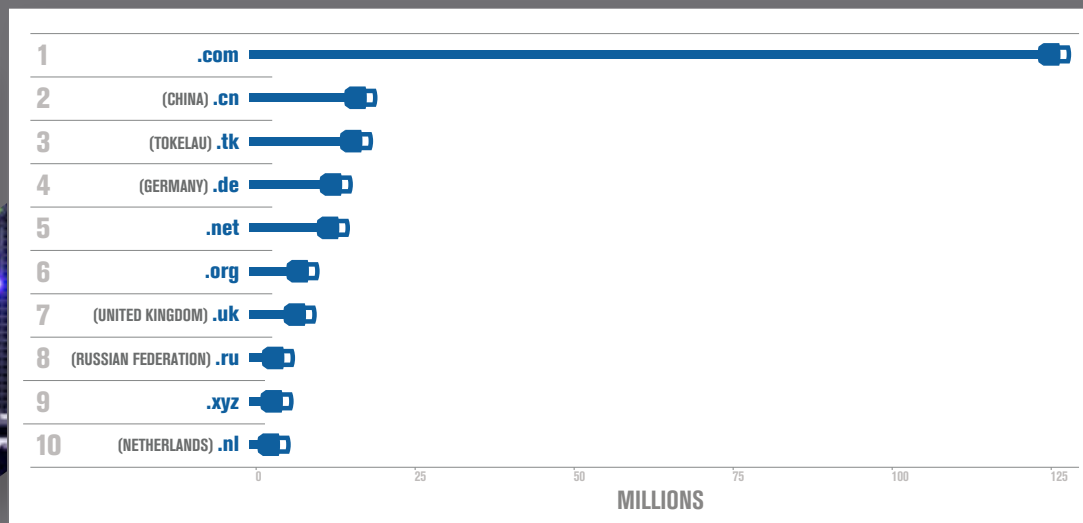
Total country-code TLD (ccTLD) domain name registrations were approximately 140.1 million, a 0.3 percent decrease over the second quarter of 2016, and a 5.2 percent increase year over year.^{1,2}

The .com and .net TLDs experienced aggregate growth, reaching a combined total of approximately 144.1 million domain name registrations in the domain name base³ in the third quarter of 2016. This represents a 6.6 percent increase year over year. As of Sept. 30, 2016, the .com domain name base totaled 128.4 million domain name registrations, while the .net domain name base totaled 15.8 million domain name registrations.

New .com and .net domain name registrations totaled 8.3 million during the third quarter of 2016. In the third quarter of 2015, new .com and .net domain name registrations totaled 9.2 million.

TOP 10 LARGEST TLDs BY NUMBER OF REPORTED DOMAIN NAMES

Source: Zooknic, Q3 2016; Verisign, Q3 2016; Centralized Zone Data Service, Q3 2016



As of Sept. 30, 2016, the largest TLDs were .com, .cn, .tk, .de, .net, .org, .uk, .ru, .xyz and .nl.¹

1. .tk is a ccTLD that is provided for free to individuals and businesses worldwide (<http://www.businesswire.com/news/home/20131216006048/en/Freenom-Closes-3M-Series-Funding#UxeUGNJDv9s>). The zone size for .tk was last estimated by Zooknic in Q4 2014 and this zone size was subsequently used in the Q4 2014 through Q2 2016 DNIBs. In Q3 2016, Zooknic reported a significant decline in the .tk zone and restated the estimated zone size of .tk for each quarter from Q4 2014 through Q3 2016 using a proprietary methodology. As a result, for comparative purposes of this DNIB to the Q2 2016 DNIB and the Q3 2015 DNIB, Verisign has applied an updated estimate of the total zone size across all TLDs for Q2 2016 of 325.2 million and Q3 2015 of 294.3 million and an updated estimate of the total ccTLD zone size for Q2 2016 of 140.5 million and Q3 2015 of 133.1 million.

2. The generic top-level domain (gTLD) and ccTLD data cited in this brief includes ccTLD Internationalized Domain Names, is an estimate as of the time this brief was developed, and is subject to change as more complete data is received.

3. 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.

4. Source: DN Journal (accessed Oct. 15, 2016) <http://www.dnjournal.com/ytd-sales-charts.htm>.

5. Source: VeriSign, Inc. data.

The average sale price for the top 10 .com domain names reported by DN Journal as sold in the aftermarket in Q3 2016⁴

\$493K
USD



Growth of .com and .net domain names redirecting to popular global social media and e-commerce sites compared to Q3 2015:⁵

INSTAGRAM
96%

AMAZON.COM
27%

LINKEDIN
23%

FACEBOOK
18%

ETSY
17%

YOUTUBE
16%



Largest ccTLDs by Number of Reported Domain Names

Source: Zooknic, Q3 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 140.1 million in the third quarter of 2016, a decrease of approximately 432 thousand domain name registrations, or a 0.3 percent decrease compared to the second quarter of 2016.^{1,2} ccTLDs increased by approximately 6.9 million domain name registrations, or 5.2 percent, year over year.^{1,2} Without including .tk, ccTLD domain name registrations increased approximately 511 thousand in the third quarter of 2016, a 0.4 percent increase compared to the second quarter of 2016 and ccTLDs increased by approximately 12.6 million domain name registrations, or 11.5 percent, year over year.



The top 10 ccTLDs, as of Sept. 30, 2016, were .cn (China), .tk (Tokelau), .de (Germany), .uk (United Kingdom), .ru (Russian Federation), .nl (Netherlands), .br (Brazil), .eu (European Union), .cc (Cocos Islands) and .au (Australia).^{1,2}

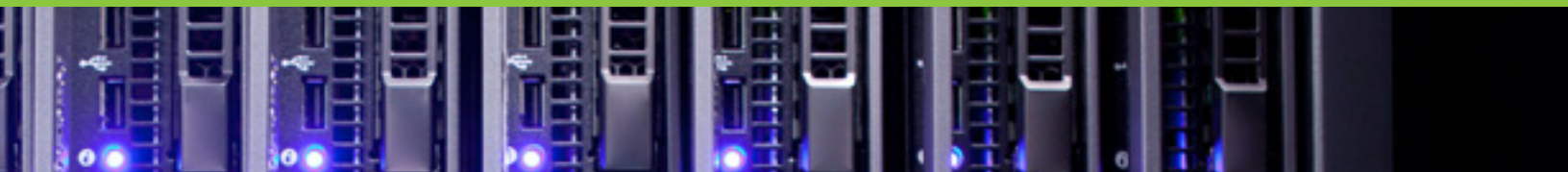
As of Sept. 30, 2016, there were 293 global ccTLD extensions delegated in the root, including Internationalized Domain Names (IDNs), with the top 10 ccTLDs composing 64.8 percent of all ccTLD domain name registrations.^{1,2}

TOP 10 TRENDING KEYWORDS IN .COM AND .NET IN Q3 2016:

This chart represents the top 10 trending keywords registered in English in .com and .net domain name registrations for the third quarter of 2016 and reflects the keywords in .com and .net domain name registrations with the highest percentage of registration growth relative to the preceding quarter.

Verisign publishes a monthly blog post highlighting domain name registration keyword trends.

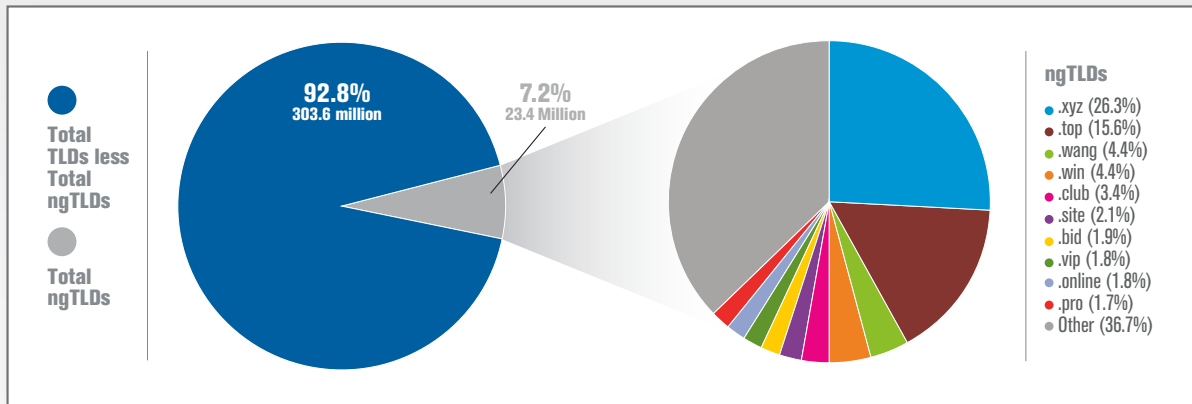
Rank	.com	.net
1	pokemon	go
2	drone	pokemon
3	page	expert
4	aerial	options
5	leaf	driver
6	matter	videos
7	drones	driving
8	lives	matter
9	treatment	charter
10	driver	genes



New gTLDs as Percentage of Total TLDs

Source: Centralized Zone Data Service, Q3 2016 and Zooknic, Q3 2016

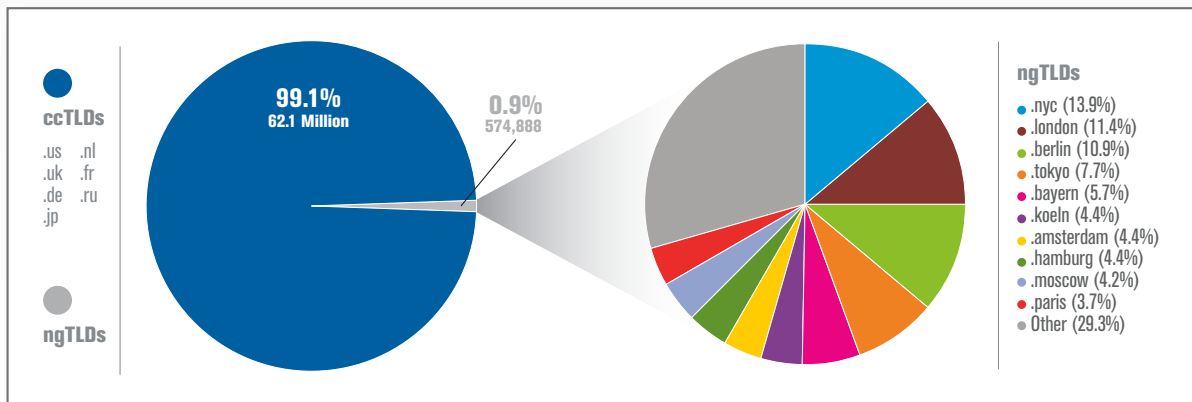
As of Sept. 30, 2016, new gTLDs (ngTLD) totaled 23.4 million domain name registrations, which represents 7.2 percent of total domain name registrations. The top 10 ngTLDs represented 63.3 percent of all ngTLD domain name registrations. The following charts show ngTLD domain name registrations as a percentage of overall TLD domain name registrations, and also the top 10 ngTLDs as a percentage of all ngTLD domain name registrations for the third 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 Sept. 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 chart on the left below summarizes the domain name registrations as of Sept. 30, 2016 for the listed geographical ngTLDs and the corresponding ccTLDs within the same geographic region. In addition, the chart on the right highlights the top 10 geographical ngTLDs as a percentage of the total geographical ngTLDs.



DNS QUERY LOAD

During the third quarter of 2016, Verisign's average daily Domain Name System (DNS) query load was approximately 128 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 decreased 1.2 percent and the peak decreased by 0.3 percent. Year over year, the daily average query load increased by 7.1 percent, and the peak decreased by 69.8 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 293 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.