

THE DOMAIN NAME INDUSTRY BRIEF

VOLUME 14 – ISSUE 1

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.



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EXECUTIVE SUMMARY

The fourth quarter of 2016 closed with approximately 329.3 million domain name registrations across all top-level domains (TLDs), an increase of approximately 2.3 million domain name registrations, or 0.7 percent over the third quarter of 2016.^{1,2} Domain name registrations have grown by 21.0 million, or 6.8 percent, year over year.^{1,2}

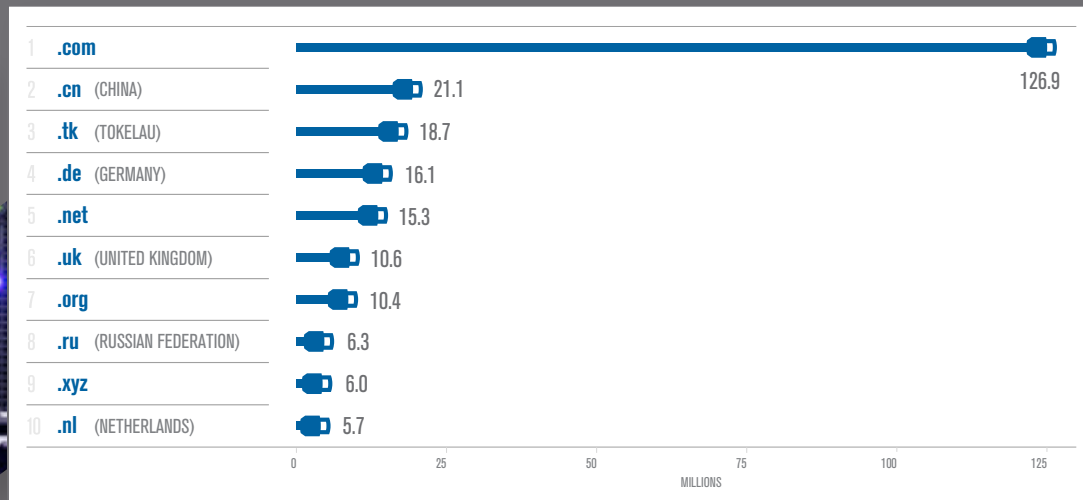
Total country-code TLD (ccTLD) domain name registrations were approximately 142.7 million, a 1.8 percent increase over the third quarter of 2016, and a 3.1 percent increase year over year.^{1,2}

The .com and .net TLDs had a combined total of approximately 142.2 million domain name registrations in the domain name base³ in the fourth quarter of 2016. This represents a 1.7 percent increase year over year. As of Dec. 31, 2016, the .com domain name base totaled 126.9 million domain name registrations, while the .net domain name base totaled 15.3 million domain name registrations.

New .com and .net domain name registrations totaled 8.8 million during the fourth quarter of 2016. In the fourth quarter of 2015, new .com and .net domain name registrations totaled 12.2 million.

TOP 10 LARGEST TLDs BY NUMBER OF REPORTED DOMAIN NAMES

Source: Zooknic, Q4 2016; Verisign, Q4 2016; Centralized Zone Data Service, Q4 2016



As of Dec. 31, 2016, the largest TLDs were .com, .cn, .tk, .de, .net, .uk, .org, .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/Freedom-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 Q3 2016 DNIB and the Q4 2015 DNIB, Verisign has applied an updated estimate of the total zone size across all TLDs for Q3 2016 of 327.0 million and Q4 2015 of 307.7 million and an updated estimate of the total ccTLD zone size for Q3 2016 of 140.1 million and Q4 2015 of 138.1 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 Jan. 20, 2017) <http://www.dnjournal.com/ytd-sales-charts.htm>.

5. Source: VeriSign, Inc. data.

The average sale price for the 8 .com domain names reported by DN Journal as sold in the aftermarket in Q4 2016.⁴

\$938K
USD



Growth of .com and .net domain names redirecting to popular global social media and e-commerce sites compared to Q4 2015.⁵

INSTAGRAM
81%

AMAZON.COM
41%

LINKEDIN
23%

YOUTUBE
23%

FACEBOOK
20%

ETSY
18%



Largest ccTLDs by Number of Reported Domain Names

Source: Zooknic, Q4 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 142.7 million in the fourth quarter of 2016, with an increase of 2.6 million domain name registrations, or a 1.8 percent increase compared to the third quarter of 2016.^{1,2} ccTLDs increased by approximately 4.3 million domain name registrations, or 3.1 percent, year over year.^{1,2} Without including .tk, ccTLD domain name registrations increased approximately 2.1 million in the fourth quarter of 2016, a 1.7 percent increase compared to the third quarter of 2016 and ccTLDs increased by approximately 8.0 million domain name registrations, or 6.9 percent, year over year.



The top 10 ccTLDs, as of Dec. 31, 2016, were .cn (China), .tk (Tokelau), .de (Germany), .uk (United Kingdom), .ru (Russian Federation), .nl (Netherlands), .br (Brazil), .eu (European Union), .au (Australia) and .it (Italy).^{1,2}

As of Dec. 31, 2016, there were 293 global ccTLD extensions delegated in the root, including Internationalized Domain Names (IDNs), with the top 10 ccTLDs composing 64.7 percent of all ccTLD domain name registrations.^{1,2}

TOP 10 TRENDING KEYWORDS IN .COM AND .NET IN Q4 2016

This chart represents the top 10 trending keywords registered in English in .com and .net domain name registrations for the fourth 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.

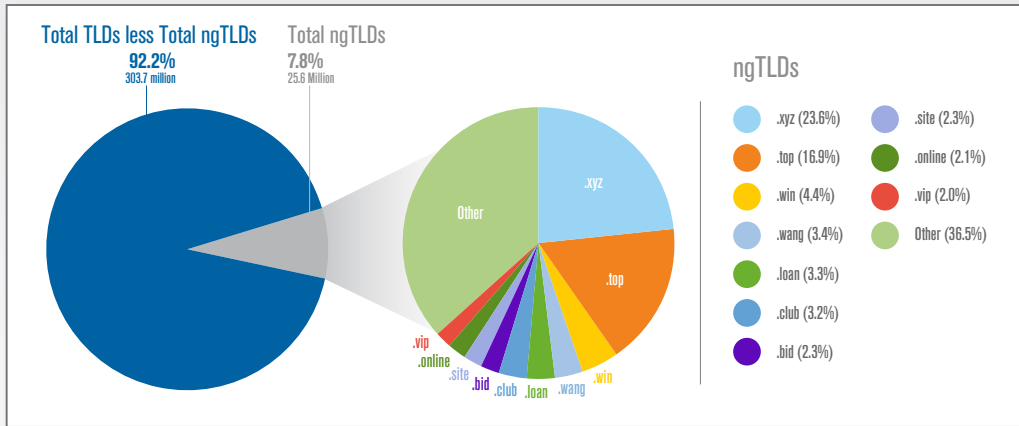
Rank	.com	.net
1	trump	shop
2	cannabis	tech
3	marijuana	art
4	weed	web
5	gain	ting
6	near	mark
7	pot	cloud
8	Christmas	travel
9	corporation	insurance
10	Donald	fit



New gTLDs as Percentage of Total TLDs

Source: Centralized Zone Data Service, Q4 2016 and Zooknic, Q4 2016

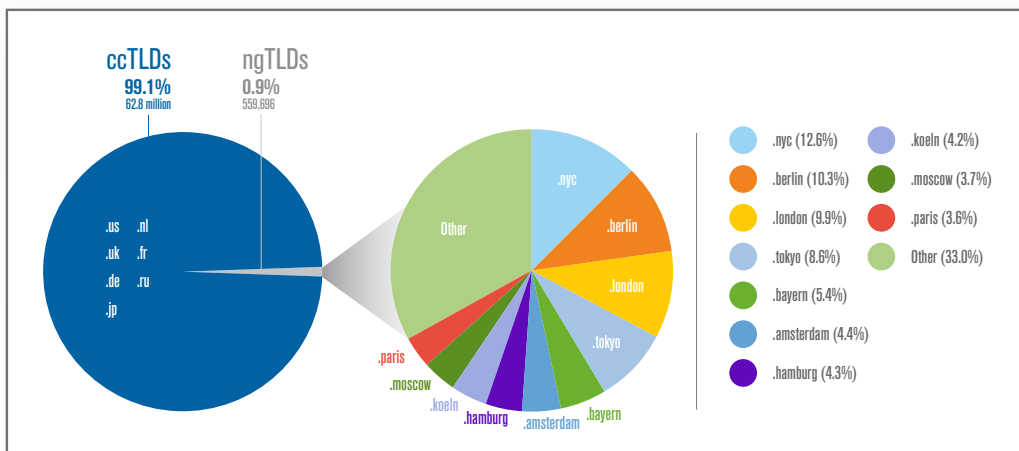
As of Dec. 31, 2016, new gTLDs (ngTLD) totaled 25.6 million domain name registrations, which represents 7.8 percent of total domain name registrations. The top 10 ngTLDs represented 63.5 percent of all ngTLD domain name registrations. The following charts show ngTLD domain name registrations as a percentage of overall TLD domain name registrations, and also the top 10 ngTLDs as a percentage of all ngTLD domain name registrations for the fourth quarter of 2016.



Geographical New gTLDs as Percentage of Total Corresponding Geographical gTLDs

Source: Centralized Zone Data Service, Q4 2016 and Zooknic, Q4 2016

As of Dec. 31, 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 Dec. 31, 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 fourth quarter of 2016, Verisign's average daily Domain Name System (DNS) query load was approximately 143 billion queries per day across all TLDs operated by Verisign, with a peak of approximately 398 billion queries. Quarter over quarter, the daily average query load increased 11.4 percent and the peak increased by 122.5 percent. Year over year, the daily average query load increased by 16.0 percent, and the peak increased by 105.1 percent.

LEARN MORE

To subscribe or access the archives for the Domain Name Industry Brief, please go to Verisign.com/DNIBArchives. 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.

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