

Embargoed until 1am UK time Tuesday 22 November

Savvy entrepreneurs set to profit from new web address system

Research reveals commercial potential of the new Top-Level Domain program

22 November, 2011: Savvy entrepreneurs around the world are poised to make multi-million dollar annual returns from the fast-approaching new Top-Level Domain program, according to new research out today. The findings identified significant revenue potential for entrepreneurs to own industry-specific Top-Level Domains such as .shop, .law or .hotel and commercialise them by on-selling second-level domains to relevant businesses (e.g. retailername.shop or lawfirm.law).

The new Top-Level Domain program was given the go-ahead in Singapore on 20 June by ICANN, the global governing body for internet addresses. The monumental shake-up will see domain names move beyond the increasingly saturated .com space to a large number of generic domains, with some calling it the “.anything boom.” ICANN’s application window opens in less than two months on January 12.

Commissioned by ARI Registry Services, the new study was led by Dr. David Neal, director of Empirica Research, and aimed to identify whether small and medium sized businesses (SMBs) will buy into the new program. Dr. Neal said: “Surprisingly, nobody had stopped to ask if restaurant owners would actually buy a domain within .restaurant, or whether lawyers will buy one within .law. The survey findings suggest that a high percentage of them will, even if this means paying a premium over their current web address.”

In the survey of 200 SMBs across a range of industries, findings indicated high potential to monetise new Top-Level Domains:

- 49 per cent of SMBs describe themselves as likely to register a web address under a new Top-Level Domain related to their business
- SMBs are willing to pay substantial premiums to own an industry-specific web address, stating they’d pay 47 per cent more than what they pay annually for their current address
- Had the opportunity existed when they were starting their business, 44% of SMBs said they would have bought one at the time

Adrian Kinderis, ARI Registry Services CEO, who is helping companies and entrepreneurs apply for new Top-Level Domains, said: “These results are encouraging considering it’s a new concept and awareness is still low among businesses. The findings demonstrate a strong demand in the market for new Top-Level domains.”

SMBs perceived the most significant value in industry-specific web addresses to be the possible advantage within search engines, the ability to better match a domain name to their business and the potential to increase purchases from international consumers.

Mr Kinderis said: “In today’s digital economy there’s an increasing amount of consumers buying goods and services online and businesses are keen to differentiate themselves - this creates a market of highly interested customers willing to pay a premium price for more relevant domains.

“It’s disappointing to see that with less than two months to go until the application window opens, less than 15 per cent of businesses are aware of the program.

“Domains like .shop will have huge global appeal – so selling web addresses to small businesses is just the start of the revenue opportunities. If you included the sale of premium, highly sought-after names like malls.shop or bookings.hotel which could be auctioned for tens of thousands of dollars, you’re talking multi-million dollar annual revenues from a global customer base,” Kinderis concluded.

SMBs also showed interest in Internationalised Domain Names (IDN) which will allow domains in non-Latin languages such as Chinese or Arabic. Fifty-four per cent of SMBs who have customers that do not speak English said they were interested in owning an IDN. Chinese IDNs were nominated by 90 per cent of SMBs.

Additional research was conducted via in-depth interviews with renowned entrepreneurs, including Jake Winebaum, former President of Disney Online, and Tony Chow, an Asian expert in digital media and creative entrepreneurship. For more information please see the research summary in the link below. For more information please [click here](#) to download a summary of the research whitepaper.

Example - the .shop business model

Using data collected during this research and census data from governments, the following hypothetical business model for a .shop new Top-Level Domain within the Australian market demonstrates the potential revenue opportunity:

There are 219,000 retail stores in Australia and 20% of them are likely to register a web address within a .shop new Top-Level Domain. This yields a potential customer base of 43,800 retail stores willing to pay \$126.5 AUD per annum – resulting in a total annual revenue of \$5.54 million AUD for a .shop new Top-Level Domain - generated from Australian retail stores alone.

Adding Singapore and Hong Kong’s retail stores to the business model results in a potential annual revenue in the order of USD \$7 million.

ENDS

Notes to editors

Media contacts

Michael Korjen
Public Relations Coordinator
ARI Registry Services
Email: michael.korjen@ariservices.com
Ph: +61 3 9866 3710

Research methodology

The research was conducted in September 2011 with 200 small and medium sized businesses based in Singapore, Australia, and Hong Kong. Survey respondents were all owners, CEOs and Managing Directors and represented a broad cross-section of industries.

About Empirica

Empirica Research is an international social and consumer research firm based in Melbourne Australia. Founded by academics, Empirica specialises in applying scientific rigor and the most advanced research methods to business and social research.

About ARI Registry Services

ARI Registry Services (formerly AusRegistry International) is one of the top companies globally with the technology and expertise to activate, implement and manage new Top-Level Domains. Leveraging 10 years of experience as a TLD registry operator, ARI Registry Services will provide new Top-Level Domain applicants with the same software and consulting services that currently drive the .au (Australia), the .ae (United Arab Emirates), the .qa (Qatar) and .om (Oman) country codes. Additionally, ARI Registry Services is the first TLD registry to operate non-Latin, country code Top-Level Domains and a global leader in the continued innovation and expansion of the Domain Name System.

Visit www.ariservices.com or find out more about the new Top-Level Domain program here: www.beyonddotcom.info