

The Global Domain Name Market in 2023



Afnic Studies

July 2024



www.afnic.fr | contact@afnic.fr

X / Twitter : @AFNIC | Facebook : afnic.fr

CONTENTS

- CONTENTS2**
- Definitions..... 5**
- Introduction7**
- 1. Executive summary 9**
- 2. Global trends.....13**
 - 2.1 An upturn that gained hold in 2023.....13
 - 2.2 Performances affected by .COM.....14
 - 2.3 nTLDs, market drivers?15
 - 2.4 Continued decline of .COM in 202316
- 3. Legacy TLDs in 202318**
 - 3.1 Leaders in a slump18
 - 3.2 Create operations in Legacy TLDs..... 20
 - 3.3 Improved retention rates 23
- 4. ccTLD (Country-Code Top Level Domains).....25**
 - 4.1 ccTLD creations in 2023..... 25
 - 4.2 The regional dynamics of ccTLDs..... 26
- 5. nTLDs.....33**
 - 5.1 Global change in the stock of “new TLDs” 33

| | | |
|-----------|--|-----------|
| 5.2 | Definition of “new TLD” “segments” | 34 |
| 5.3 | Performance of “new TLD” “segments” | 35 |
| 5.4 | Distribution of new TLDs in volumes of domain name registrations | 37 |
| 5.5 | Change in retention rates by segment..... | 41 |
| 5.6 | The “Penny nTLD” phenomenon..... | 43 |
| | 5.6.1 Retention Rate | 44 |
| | 5.6.2 Creation Rate | 46 |
| | 5.6.3 Identification of Penny nTLDs in 2023 | 48 |
| 5.7 | “Leaders” still fragile..... | 51 |
| 5.8 | Market share of the major back-end registry operators | 55 |
| 6. | Breakdown of domain names in the world at year-end 2023 | 60 |
| 6.1 | Overview | 60 |
| 6.2 | Weight of segments in Africa..... | 61 |
| 6.3 | Weight of segments in Latin America..... | 62 |
| 6.4 | Weight of segments in Asia-Pacific..... | 64 |
| 6.5 | Weight of segments in Europe..... | 65 |
| 6.6 | Weight of segments in North America | 66 |
| 6.7 | Summary tables..... | 67 |
| 6.8 | Lessons learned..... | 69 |
| 7. | Highlights of 2023 and early 2024..... | 72 |

- 7.1 A TLD market that is still active..... 73
 - 7.1.1 Changes in delegates/registries..... 73
 - 7.1.2 Back-end operators..... 73
- 7.2 Mergers and acquisitions: continuous consolidation, accompanied by financiers..... 74
- 7.3 New services 76

- 8. Conclusions and outlooks 77

Definitions

APTLD: Asia Pacific Top-Level Domain Association.

CENTR: Council of European National Top-Level Domain Registries.

ICANN: Internet Corporation for Assigned Names and Numbers.

TLD (Top-Level Domain): a domain at the highest level in the hierarchical Domain Name System of the Internet after the root domain. .FR and .ORG are top-level domains.

ccTLD (country-code Top-Level Domain): top-level domain corresponding to a territory or country. The ccTLD for France is .FR, but there are other French ccTLDs such as .RE (Réunion), .PM (Saint Pierre and Miquelon), etc.

gTLD (generic Top-Level Domain): a generic TLD, not attached to a particular country or territory. .COM, .NET and .ORG are gTLDs.

Legacy gTLD: generic TLD created before 2014. Examples include .COM, .NET, .ORG or more recently (2001-2004) .INFO, .BIZ, .MOBI, etc.

nTLD (new Top-Level Domain): generic TLD created after 2014. nTLDs are divided into several sub-segments such as geoTLDs (regions, cities, etc.), community TLDs (community-based), .brand (TLDs corresponding to major brands) or generic nTLDs (common dictionary terms).

Penny TLD: TLD that is free or sold at a very low price and/or with a very high creation rate combined with a very low renewal rate.

Annualised creation rate: total number of create operations over the last 12 months/stock end of period

Annualised maintenance rate: (Stock end of period – creations over the last 12 months)/stock start of period (12 months earlier)

Introduction

The publication at the beginning of April 2024 of ICANN statistics for the year ended 31 December 2023 allows a quantified assessment of 2023.

The data on which this study is based come from ICANN reports (Transactions - registries), from information provided by registries in certain frameworks such as the Council of European National Top-Level Domain Registries (CENTR) or the Asia-Pacific Top-Level Domain Association (APTLD) or via their websites, and from research conducted by Afnic. In some cases, we have also relied on specialised sites such as <https://ntldstats.com>.

Our figures may vary slightly from those reported by other sources, in particular due to the lack of precise data for certain country code Top-Level Domains (ccTLDs).

A supplement to the annual review of the French domain name market

This study supplements our annual review of the French domain name market published at the beginning of each year. It helps put into perspective the specific trends of the French market by comparing local data with global data.

By way of reminder:

- growth of the French market as a whole was 1.1% in 2023 compared with 1.3% in 2022 (for the .FR TLD the respective figures were 3.4% in 2023 and 2.9% in 2022);
- - the market shares of the various segments in France were, at the end of 2023, 40% for .FR, 44% for .COM, 10% for “Other Legacy”, 3% for French-owned foreign ccTLDs and 3% for “new TLDs”.

We refer the reader to this document for more information on the French market. It can be downloaded free of charge from the Afnic website:

- In French:

<https://www.afnic.fr/wp-media/uploads/2024/03/Le-FR-en-2023.pdf>

- In English:

<https://www.afnic.fr/wp-media/uploads/2024/04/The-FR-in-2023.pdf>

1. Executive summary

At the end of 2023, the global domain name market represented some 368 million domain names, including:

- 163 million .COM names, a slight drop of -0.7%;
- 31 million “Other Legacy TLD” names (.NET, .ORG, .BIZ, .INFO, etc.), up slightly by 0.5%;
- 36 million “new TLD” names created from 2014 onwards, strong growth of 16%;
- 138 million names under ccTLDs (so-called “geographic” domains), moderate growth of 3.1%.

2023 saw the domain name market grow by 3.7%, compared with 1.4% in 2022. This performance is misleading however, as it was due to a small number of TLDs posting very significant changes.

.COM recorded its worst year yet with three negative quarters, particularly Q4, a situation which may not bode well for 2024. This mediocre performance can be attributed to negative price elasticity in terms of current fees.

nTLDs gained 1 pp of market share, contributing to the net balance of 38% compared with 69% for ccTLDs (due to the negative contribution of the .COM TLD). Other Legacy TLDs were ahead slightly thanks to .ORG which gained 1% and to the .ASIA and .PRO “small” Legacy TLDs which were very dynamic in 2023.

ccTLDs made headway in all of the world’s regions, the top two most dynamic being Asia-Pacific (+6.6%) and Africa (+6.5%). Both these regions made progress at the expense of Europe which, with growth of just 1.3%, lost 1.1 pp of market share. The case of .AI (Anguilla) is

somewhat unusual, as several hundred thousand names were registered with this TLD due to its potential other interpretation (“Artificial Intelligence”).

ccTLD create operations by the CENTR in 2023 were in the medium range, between that of 2019 and that of 2020, demonstrating the existence of a genuine phenomenon of a lasting “digital transition” in the different countries (with naturally contrasting situations).

ccTLDs continue to thrive best in Europe: out of 30 ccTLDs with over a million names, 17 are in Europe, 6 in Asia-Pacific, 3 in Latin America and the Caribbean, 2 in North America, and 2 in Africa.

Among the nTLD segments, Generic nTLDs gained 16% in stock and 28% in create operations. Community TLDs lost 59% in stock (a consequence of the +268% spike in their create operations in 2022). Geographic TLDs lost 8% in stock and saw their create operations soar (+94%). Lastly, .BRAND TLDs gained 21% in stock and 133% in create operations.

Retention rates are very high among .BRAND TLDs (84%) and are down among Geographic TLDs (67% compared with 86%). Open .BRAND TLDs remain strong (81%), while Community TLDs have deteriorated sharply (32% against 78%) and Generic TLDs are slightly down (44% against 47%). The changes recorded, however, often depend on variations caused by several large-volume TLDs, and need to be considered in the long term.

59% of new TLDs other than .BRAND had fewer than 10,000 names in portfolio, while only 1% had more than 500,000. For many of them (other than the .BRAND domains), these low volumes constitute a serious impediment to breaking even and financing their development, and this reinforces the trend towards consolidation of portfolios of nTLDs

“Penny nTLDs” represent 37 TLDs (compared with 16 in 2022) and 22 million domain names (as against 15), i.e. 0.1% of nTLDs and 64% of the overall nTLD stock. These figures highlight the high volatility of nTLDs in 2023.

The market for back-end registry operators acting on their own account or on behalf of third parties is dominated by a few players, the three biggest of which are Identity Digital, GoDaddy and Team Internet (ex-CentralNic), with respectively 39% (+4), 19% (-) and 9% (-) of the nTLDs managed for name volumes representing 18% (-1), 10% (-2) and 46% (+17) of all the names registered as nTLDs. This segment is thus highly concentrated with 68% of nTLDs managed by the three leaders, for 74% of domain names registered in nTLDs.

The study of the distribution of domain names in the various ICANN regions (by holders' countries) shows that ccTLDs are still leaders in every region except North America, which is dominated by the .COM domain. The .COM domain lost ground overall in 2023 but with varying fortunes depending on the region. North America remains its focus region and the region in which it is the undisputed leader.

Other Legacy TLDs and nTLDs are still very much in the minority, even in North America where their market shares are most significant.

The concentration process continued in 2023 both horizontally and vertically. The major players are also looking to position themselves on markets related to domain names, while players that have developed outside of this market are successfully making their mark.

The date now announced (2026) for the 2nd ICANN round may have a structuring impact on stakeholders' strategies as they will be looking to get things shipshape now that they have a relatively reliable schedule. New mergers are therefore likely, with the big players seeking to absorb mid-sized players, in addition to one or two IPOs. Numerous partnerships will also be concluded to incorporate a complete value chain within complex offerings, from registry operator to the network of registrars, encompassing strategic reflections and assistance with ICANN dossiers.

As regards the registries, work was mainly focused once again on services linked to the fight against abuse via the DNS and processes to identify holders using digital identity

certificates (two subjects which are closely connected). But a new scope also opened up to market players fuelled by the strong development of blockchain-based identity systems. Numerous initiatives emerged in late 2023 and early 2024 with a view to creating back-end gateways between domain names and “web 3.0 identity”, which could lead to problems during the 2nd ICANN round between holders of “crypto-TLDs” and applicants for these TLDs in the ICANN root server.

2. Global trends

The domain name market (excluding Penny TLDs) represented approximately 368 million names worldwide at end 2023, up by 2.2% from 2022. This uptick in the growth dynamic continues to follow the trend observed in 2022 following several years of slowdown.

2.1 An upturn that gained hold in 2023

The graph below shows that the overall trend was one of recovery in 2023 for ccTLDs, which went from average growth of around 0% at the end of 2022 to growth of 2% at the end of 2023. nTLDs are not shown on graph 1 but their average growth was 16% as against 7% in 2022. Lastly, Legacy TLDs are in the red, mostly due to the weakness of the .COM TLD.

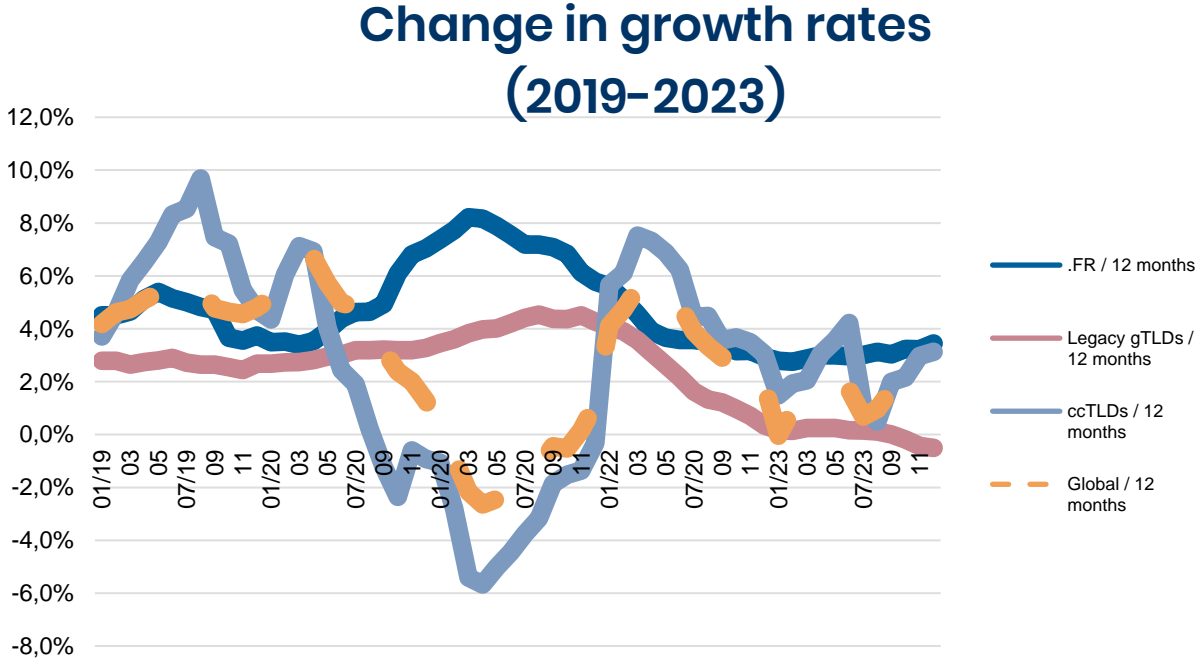


Figure 1: Change in growth rates (2019-2023)

2.2 Performances affected by .COM

The table below shows the main indicators for each market segment between 2021 and 2023.

| | Stock (m NDD) | | | Variations (%) | | | Market share (%) | | |
|----------------------------|------------------|------------|------------|-----------------|--------------|-------------|-------------------|------|------|
| | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| .COM | 164 | 164 | 163 | 5,8 % | 1,1 % | -0,7 % | 47 % | 46 % | 44 % |
| Other Legacy TLDs * | 32 | 31 | 31 | -0,7 % | -0,8 % | 0,5 % | 9 % | 9 % | 8 % |
| nTLDs | 29 | 31 | 36 | -9,4 % | 7,2 % | 16 % | 8 % | 9 % | 10 % |
| Total gTLDs ** | 225 | 226 | 230 | 3,7 % | 1,2 % | 1,8 % | 64 % | 64 % | 62 % |
| ccTLDs *** | 125 | 134 | 138 | -3,8 % | 7,1 % | 3 % | 36 % | 36 % | 38 % |
| TOTAL | 350 | 360 | 368 | 0,9 % | 1,4 % | 3, % | | | |
| Penny ccTLDs **** | 27 | 34 | 7 | -33,5 % | 25,3 % | -78,2 % | | | |

Table 1: Performance indicators for the major segments (2021 – 2023)

M DNs: year-end data expressed in millions of domain names.

* Other Legacy TLDs: generic TLDs created before 2012, such as .AERO, .ASIA, .BIZ, .NET, .ORG, .INFO, .MOBI, etc.

** Total gTLDs: measures all the domain names managed under a contract with ICANN. This includes the new TLDs, some of which are not, strictly speaking, "generic".

*** ccTLDs or "country code Top-Level Domains", i.e. domains corresponding to territories, such as .FR for France.

The data presented do not include "Penny TLDs" i.e. ccTLDs retailed at very low prices, if not free of charge. These ccTLDs are subject to very large upward and downward movements that do not reflect actual market developments and distort aggregate data.

**** Penny ccTLDs: estimated volume of names filed in these "low-cost" or free domains.

With 163 million names, the .COM TLD remains the leader but lost 2 pp of market share, falling to 44%.

“Other Legacy” TLDs regained stock in 2023, but their market share continued to decline.

New TLDs posted a significant gain in stock of 16%, and the recovery observed since summer 2021 gained momentum.

Country TLDs (ccTLDs) ended the year with growth of 3%, close to their year-end 2022 levels.

These developments put a strain on the market share of .COM and Other Legacy TLDs to the advantage of nTLDs which reached 10%, while ccTLDs came close to 40%.

Lastly, “Penny ccTLDs” saw their stock fall drastically and become marginal in 2024 due to the withdrawal of Freenom from the domain name market.

We will now look in more detail at how each segment performed over 2023.

2.3 nTLDs, market drivers?

The chart below shows a quarterly view of the change in market share of the various segments over the past five years.

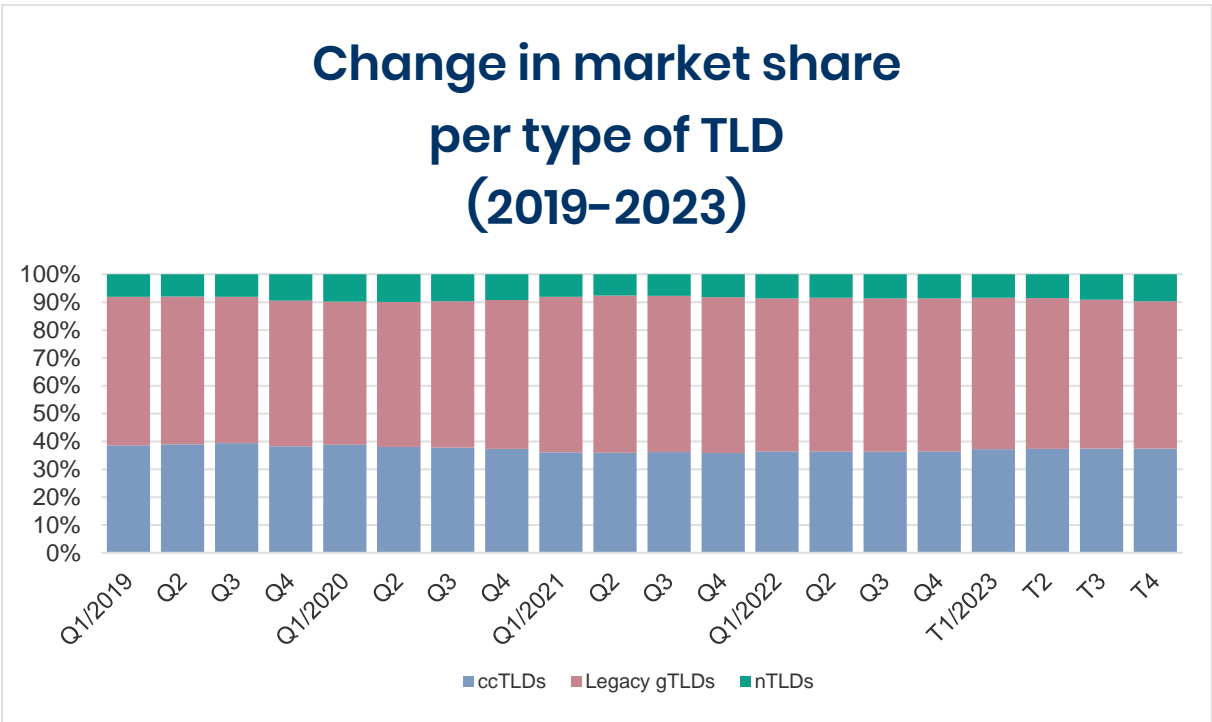


Figure 2: Changes in market share per type of TLD (2019–2023)

nTLDs regained the 10% market share achieved in mid-2020 thanks to their strong growth in 2023. Their +5 million name variation represents 38% of the aggregate net balance of +13 million recorded in 2023.

After two stable years at 36%, ccTLDs regained 2 pp of market share in 2023.

The 20/80 rule (and even the 5/95 rule) applies more than ever, however: a small number of TLDs accounted for the bulk of the net balance (positive or negative), thus masking the performances of the other TLDs.

2.4 Continued decline of .COM in 2023

The same data expressed as net balances highlight the weight of the different segments in the overall performance of the market in 2023.

Having provided the bulk of the positive net balance in 2020 and 2021, in 2023 the .COM domain lost 1 million names in 2023.

Other Legacy TLDs are stable overall. nTLDs (+4.8 million) and ccTLDs (+4.2 million) were the market drivers in 2023.

The situation suggests that the momentum in nTLDs, and especially ccTLDs, could be capitalising on the weakness of the .COM TLD and vice versa, as if there was a “connected vessels” phenomenon in a market where the volume of new create operations is limited and is scattered between different segments.

| | Net balances (millions of DNs) | | | Weight in the total | | |
|-------------------------------|-----------------------------------|-------------|------------|---------------------|------------|------------|
| | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| .COM | 8.2 | 0.9 | -1.2 | 200% | 8% | -15% |
| Other Legacy TLDs | -0.2 | -0.2 | 0.2 | -5% | -2% | 3% |
| nTLDs | -3.5 | 2.1 | 4.8 | -85% | 18% | 60% |
| <i>Total gTLDs</i> | <i>4.5</i> | <i>2.8</i> | <i>3.8</i> | <i>110%</i> | <i>24%</i> | <i>48%</i> |
| ccTLDs (excluding “Penny”) | -0.4 | 8.9 | 4.2 | -10% | 76% | 53% |
| TOTAL | 4.1 | 11.7 | 8.0 | - | - | - |

Table: Net balances of the major segments (2021 – 2023)

These data give us some idea of the relative positions and dynamics of the major market segments - Legacy TLDs, ccTLDs and nTLDs - but they do not explain them. Now let us take a closer look at each of these three segments to try to better understand the phenomena at work in 2023.

3. Legacy TLDs¹ in 2023

3.1 Leaders in a slump

The stocks of Legacy TLDs vary considerably, from the few names of .POST to the 163 million of .COM. In order to present relevant summary tables and indicators, we shall distinguish only the six biggest in volume terms, aggregating the other 12 under “Others”.

¹ There are now 18 “Legacy TLDs”, or “traditional” domains created before 2012: .AERO, .ASIA, .BIZ, .CAT, .COM, .COOP, .INFO, .JOBS, .MOBI, .MUSEUM, .NAME, .NET, .ORG, .POST, .PRO, .TEL, .TRAVEL and .XXX.

| | Stocks (thousands) | | | Create operations (thousands) | | | « R » (thousands) ² | | |
|--------------|--------------------|----------------|-------------|-------------------------------|---------------|-------------|--------------------------------|-------------|-------------|
| | 2022 | 2023 | Var. % | 2022 | 2023 | Var. % | 2023 | R Rr 2023 | R Rr 2022 |
| .BIZ | 1 435 | 1 311 | -9 % | 265 | 204 | -23 % | 1 107 | 77 % | 79 % |
| .COM | 164 412 | 163 262 | -1 % | 37 521 | 36 775 | -2 % | 126 487 | 77 % | 78 % |
| .INFO | 3 967 | 3 962 | 0 % | 967 | 1 005 | 4 % | 2 957 | 75 % | 73 % |
| .MOBI | 295 | 267 | -9 % | 27 | 23 | -17 % | 244 | 83 % | 83 % |
| .NET | 13 503 | 13 409 | -1 % | 2 454 | 2 510 | 2 % | 10 899 | 81 % | 81 % |
| .ORG | 11 170 | 11 299 | 1 % | 1 677 | 1 900 | 13 % | 9 399 | 84 % | 86 % |
| Others | 934 | 1 214 | 30 % | 239 | 499 | 109 % | 715 | 77 % | 76 % |
| TOTAL | 195 715 | 194 724 | -1 % | 43 150 | 42 916 | -1 % | 151 808 | 78 % | 78 % |

Table: Performances of the major Legacy TLDs (2022 – 2023)

In 2023, the overall stock of “Legacy” TLDs fell from 195 to 194 million, while create operations fell from 43.2 to 42.9 million.

² “R” refers to the number of domain names retained in 2023. This number is obtained using the following formula:

$$R = \text{Stock at 31/12/2023} - \text{Create operations 2023.}$$

This is because the stock of a TLD at the end of 2023 is mathematically constituted by the names of the stock at 31 December 2022 retained in the portfolio to which have been added the domain name creations of 2023. It is therefore possible to deduce a retention rate [%R] based on data sent by the various registries to ICANN for the names that were in stock at the end of 2022.

$$R \text{ Rr } 2023 = R / \text{Stock } 2022$$

This retention rate should not be confused with the Renewal Rate, which only concerns the names that were up for renewal during the year in question. Names filed for several years are “retained” but not “renewed”.

The table shows the importance of .COM in this segment, and the extent to which the situations are contrasted. The “Big 6” all lost stock with the exception of .ORG, while some “Other” TLDs have posted strong growth, such as .ASIA (+52%) and .PRO (+55%), doubtless thanks to their aggressive promotional campaigns or “domaining” waves. Overall, the table reflects a reasonable degree of stability, with stock and create operations down slightly, offset by a relatively stable retention rate at 78%, although this does not disguise the decline of .COM from 78% to 77%.

It still seems as if users are relatively uninterested in these domains which were presented, at the time of their creation in 2001, as alternatives to the approaching “saturation” of the .COM domain. In these conditions, create operations are a particularly revealing key indicator.

3.2 Create operations in Legacy TLDs

As already mentioned above, .COM saw its create operations fall by 1% in 2023 following a spectacular 10% decline in 2022. Stabilisation may therefore emerge in 2024, but it is too early yet to be sure.

Breaking down the performance into quarters makes for a better understanding of the dynamic of the .COM domain. Between January and September, create operations remained at their usual level, fluctuating at around 9.5 million per quarter. But Q4 was a particular low, down one million names, reflecting a deterioration of the creation rate.

At the same time, delete operations were relatively moderate in Q1, but rose significantly over the last three quarters, combined with negative net balances into the bargain in Q4 in particular.

The retention rate is at a historic low, falling below 77%.

| .COM In millions | 2023 | | | |
|-----------------------------|-------|-------|-------|-------|
| | T1 | Q2 | Q3 | Q4 |
| Stock end of period | 165.3 | 165.2 | 164.5 | 163.3 |
| Quarterly create operations | 9.5 | 9.7 | 9.2 | 8.4 |
| Quarterly delete operations | -8.6 | -9.8 | -9.9 | -9.6 |
| Quarterly net balance | 0.9 | -0.1 | -0.7 | -1.2 |
| Q4 Retention Rate | 77.6% | 77.3% | 77.0% | 76.9% |
| Q4 Creation Rate | 22.6% | 22.8% | 22.8% | 22.5% |

Table: Quarterly indicators for .COM activity in 2023

This sluggishness cannot be explained by the “post-COVID” situation: the explanation should rather be found in the impact of the repeated fee increases since 2021, the latest of which came into force on 1 September 2023 and which without doubt affected performances in Q4.

The graph below compared the create operations of the .COM domain with those of Other Legacy TLDs and ccTLDs on a monthly basis.

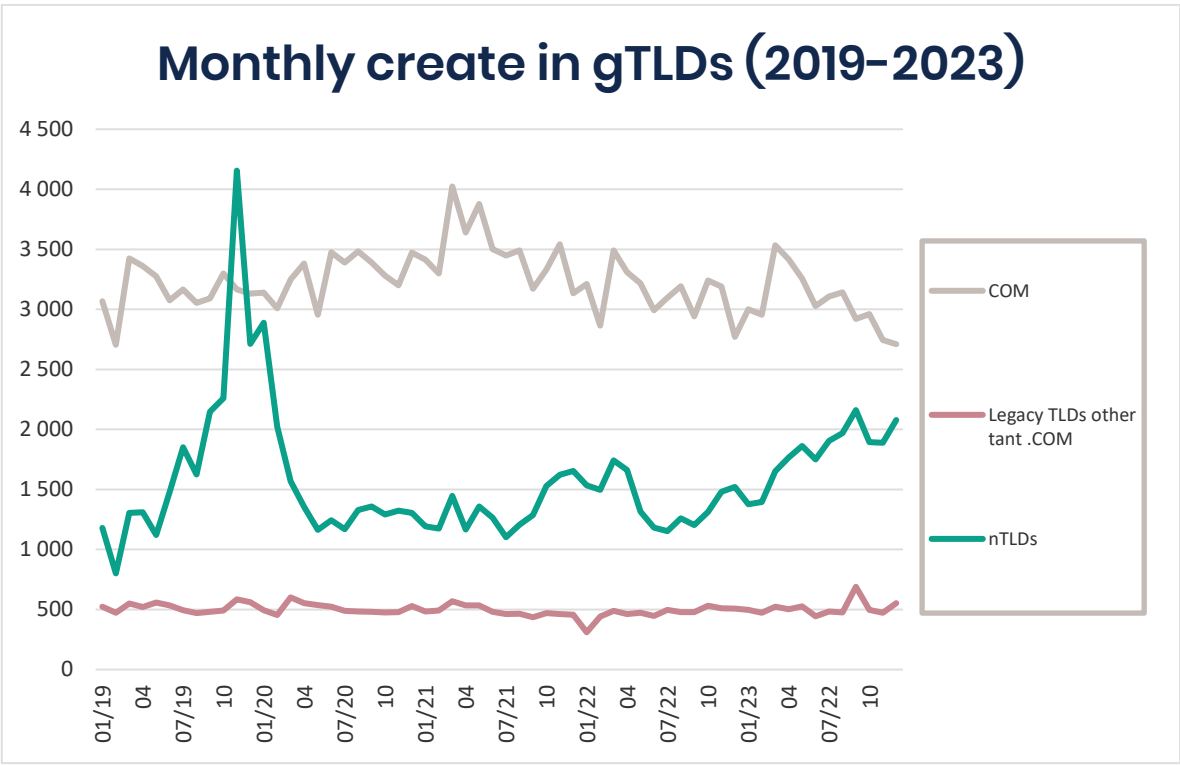


Figure 3: Monthly creations in gTLDs (2019-2023)

It clearly shows the downward trend in .COM create operations following the peak of 4 million in spring 2021. The level attained at the end of 2023 is comparable to that of early 2019, but the trend suggests a downward slope. The question, therefore, is whether create operations will continue to decline under the lasting effect of negative price elasticity.

As for Other Legacy TLDs, create operations have remained very stable, at around 500,000 a month since at least 2019. This phenomenon is interesting in that it shows that, even though these TLDs cannot hope to “conquer the world”, they have evidently found a market that continues to “feed” them new registrations. As we have seen above, this observation is based on an average and does not reflect the specific situation of each particular Other Legacy TLD.

nTLDs, meanwhile, saw create operations fall sharply in Q1 2022 before rebounding in Q2. This recovery continued throughout 2023, stabilising at around 2 million at year-end.

The prognosis for 2024 seems to be a continuation of the negative trend in .COM and stability for Other Legacy TLDs, as well as a stabilisation of nTLDs at around 2 million or at a slightly lower level if creation waves dry up.

3.3 Improved retention rates

The retention rate is a key indicator for a TLD. On the one hand, it reflects the “loyalty” of the domain name holders, providing clear information on the durability of the TLD. On the other hand, the financial solidity of a registry depends essentially on the invoicing of renewal fees.

For a well-established registry, these annual fees generally account for more than 80% of its total revenues. The growth dynamic comes from create operations, but the basis of the registry activity is formed by renewals.

There are close links between the quality of create operations for a given year and the retention rate for the following years. A “highly successful” free campaign can lead to mass delete operations one year later. These rates must also be considered over time, endeavouring to smooth out the variations linked to one-off events.

| | 2019 | 2020 | 2021 | 2022 | 2023 | Var. 22/23 (in pp) | Avg. 19-23 |
|--------------|-------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
| .BIZ | 58,4 | 74,0 | 82,7 | 78,7 | 77,1 | - 1,6 | 74,2 |
| .COM | 78,1 | 77,9 | 78,3 | 77,6 | 76,9 | - 0,7 | 77,8 |
| .INFO | 63,9 | 69,2 | 73,9 | 73,3 | 74,6 | 1,3 | 71,0 |
| .MOBI | 79,1 | 77,8 | 77,4 | 82,5 | 83,0 | 0,5 | 80,0 |
| .NET | 79,0 | 81,1 | 80,6 | 80,6 | 80,7 | 0,1 | 80,4 |
| .ORG | 81,9 | 83,9 | 84,9 | 86,1 | 84,1 | - 2,0 | 84,2 |
| Others | 72,0 | 68,4 | 72,7 | 77,4 | 77,7 | 0,3 | 73,6 |
| TOTAL | 77,7 | 78,2 | 79,2 | 78,1 | 77,6 | -0,5 | 78,2 |

Table: Change in Retention Rates for Legacy gTLDs (2019 – 2023)

The above table shows the profiles of the strategies adopted by the registries.

If we concentrate on the 6 major Legacy TLDs between 2019 and 2023, we can see that .INFO (71%) and .BIZ (74.2%) are the two domains with the lowest retention rates. These domains were the subject of aggressive promotion campaigns that ended the following years with equally massive deletions resulting in a discernible deterioration in the Retention Rate. The .INFO registry likely ended this practice, which explains the continued improvement of its retention rate since 2019. .BIZ, meanwhile, seems to have persevered, its retention rate having declined since 2021.

.ORG under performed in 2023, which is consistent with its sustained creation rate. This phenomenon is set to continue in 2024, but for now the TLD has the best “loyalty” performance among its holders, at 84.2%.

.MOBI also posted an improvement in 2023, managing to stabilise its rate at 83%. This could mean that following years of losses, this TLD has reached a threshold at which the only remaining names are mostly either actually used or registered defensively.

4. ccTLD (Country-Code Top Level Domains)

Taken as a whole, ccTLDs gained 3.1% in stock in 2023, losing momentum compared to 2022 (+7.1%). However, the overall figure does not reflect the reality experienced by most ccTLD registries in 2023 as it is skewed by the weight of certain major TLDs.

4.1 ccTLD creations in 2023

A study conducted by CENTR of a sample of the biggest ccTLDs indeed shows that in 2023, create operations returned to a range of 700,000 to 1 million names a month compared to 600,000 to 800,000 names prior to COVID. This no doubt reflects the fact that the acceleration of the digital transition brought about by the lockdowns has now acquired a certain permanence.

Movements were, on the other hand, relatively contrasted across the year: calm in the first half of the year, an uptake then sharp fall, and recovery at year-end. The initial data available for 2024 shows a sustained level between 800,000 and 900,000.

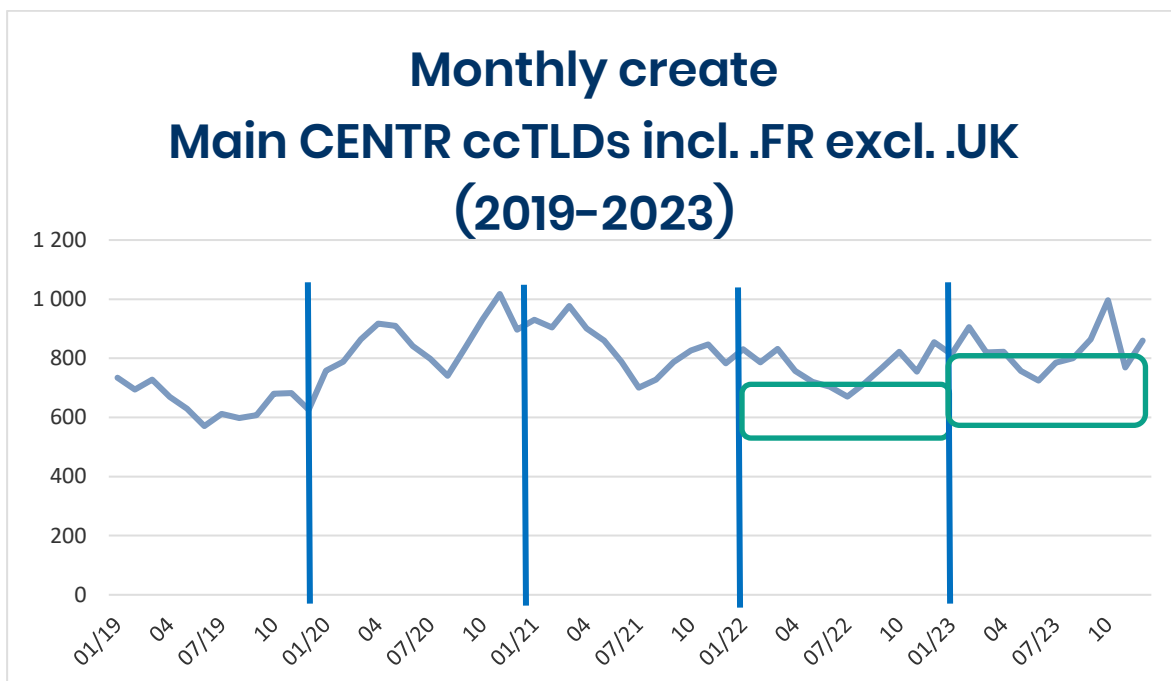


Figure 4 : Créations mensuelles des principaux ccTLD (2019-2023)

4.2 The regional dynamics of ccTLDs

The regional dynamics of ccTLDs were less disparate in 2023 than they had been in 2022, with a tendency to converge towards the average.

Asia-Pacific continued to gain in value and market share, but at a slower pace than in 2022, closely followed by Africa with growth at over 6%. Latin America and North American form the second group (+2.9% and +2.4%), while Europe comes in last at +1.3%.

These developments have consequences in terms of market share: in two years (2021-2023), Asia-Pacific gained almost 4 pp at 30% while Europe lost an equal number at 55%. The changes in the other regions were more modest: -0.1 points for North America (4%), -0.3 points for Latin America (9%), +0.2 points for Africa (2%).

| Data excl. "Penny" ccTLDs | Stock (millions) | | | Variations (%) | | Market share (%) | | | |
|------------------------------|------------------|--------------|--------------|----------------|-------------|------------------|-------|-------|-------|
| | 2021 | 2022 | 2023 | 2022 | 2023 | 2021 | 2022 | 2023 | 22/23 |
| North America | 5.0 | 5.2 | 5.4 | 5.1% | 2.4% | 4.0% | 3.9% | 3.9% | - |
| Latin America | 11.5 | 11.9 | 12.2 | 3.7% | 2.9% | 9.2% | 8.9% | 8.9% | - |
| Africa | 2.8 | 3.0 | 3.3 | 8.8% | 6.5% | 2.2% | 2.3% | 2.4% | 0.1 |
| Asia-Pacific | 30.9 | 38.1 | 40.6 | 23.4% | 6.6% | 24.7% | 28.5% | 29.5% | 1.0 |
| Europe | 74.7 | 75.5 | 76.5 | 1.0% | 1.3% | 59.8% | 56.4% | 55.3% | -1.1 |
| TOTAL | 124.8 | 133.8 | 137.9 | 7.1% | 3.0% | | | | |

ccTLD performances by ICANN region (2022 – 2023)

Detail by region

We will now highlight the most pertinent variations for each region (generally over 100,000 names) and explain the reasons for the variations noted above, while at the same time showing the extent to which the market continues to depend on a small number of TLDs.

| North America | Stock (millions) | | Var. (%) | Var. (M) |
|---------------|------------------|------------|-------------|-------------|
| | 2022 | 2023 | 2023 | 2023 |
| .CA | 3.3 | 3.4 | 1.4% | 0.1 |
| .US | 1.9 | 2.0 | 4.0% | 0.1 |
| Others | 0 | 0 | 5.4% | - |
| TOTAL | 5.2 | 5.4 | 2.4% | +0.2 |

The leading ccTLD in North America is the .CA domain (Canada) with 3.4 million names. Growth of this TLD slowed in 2023 (1.4% as against 3.4% in 2022). The .US domain, with its 2 million names, is cast in the role of challenger, but its growth also slowed (4% as against 8.3% in 2022). These two TLD are the region's drivers. They account for the vast majority of names registered.

| Africa | Stock (millions) | | Var. (%) | Var. (M) |
|----------------------------------|------------------|------------|-------------|------------|
| | 2022 | 2023 | 2023 | 2023 |
| .ZA (South Africa) | 1.4 | 1.4 | 1.3% | 0.0 |
| .IO (British Indian Ocean Terr.) | 0.9 | 1.0 | 12.6% | 0.1 |
| Others | 0.8 | 0.8 | 6.7% | 0.0 |
| TOTAL | 3.1 | 3.3 | 6.5% | 0.2 |

The uncontested leader in the African region is the .ZA (South Africa) domain, with growth of 1.3% as against 3% in 2022). It is followed by the .IO (British Indian Ocean Territory) domain, which grew by 13% as against 18% in 2022. The .IO domain, however, forms part of the “quasi-ccTLDs”, in other words it is sold as a generic TLD, the more so as there are no longer any inhabitants in the territory concerned. All the other African ccTLDs have relatively low volumes but considerable growth (+7% against 11% in 2022).

| Latin America & Caribbean | Stock (millions) | | Var. (%) | Var. (M) |
|---------------------------|------------------|-------------|-------------|------------|
| | 2022 | 2023 | 2023 | 2023 |
| .BR (Brazil) | 5.0 | 5.2 | 4.7% | 0.2 |
| .CO (Colombia) | 3.4 | 3.3 | -3.4% | -0.1 |
| .MX (Mexico) | 1.3 | 1.3 | 0.9% | - |
| .AI (Anguilla) | 0.1 | 0.3 | 157% | 0.2 |
| Others | 2.0 | 2.0 | 0.3% | - |
| TOTAL | 11.9 | 12.2 | 2.9% | 0.3 |

The three leading ccTLDs in the Latin America and Caribbean region are .BR (Brazil) (+5%, compared with +3% in 2022), .CO (Colombia) (-3.4%, compared with +6% in 2022) and .MX (Mexico) (+1% compared with +4% in 2022). Joining this trio in 2023 is .AI (Anguilla) which is causing a sensation as a “quasi-gTLD” due to the increasing attention on artificial intelligence.

The .CO domain is also a “quasi-gTLD” since it is sold as an alternative to the .COM domain (and so far has not obtained the success hoped for). In 2022, the biggest contributions to

the region’s positive net variation came from the .BR and .AI domains, the .CO domain showing a slight decline.

| Asia-Pacific | Stock (millions) | | Var. (%) | Var. (M) |
|-------------------|------------------|-------------|-------------|------------|
| | 2022 | 2023 | 2023 | 2023 |
| .CN (China) | 20.1 | 21.7 | 7.8% | 1.6 |
| .AU (Australia) | 4.2 | 4.2 | 1.5% | - |
| .IN (India) | 2.8 | 3.0 | 5.7% | 0.2 |
| .JP (Japan) | 1.7 | 1.7 | 2.0% | - |
| .IR (Iran) | 1.5 | 1.6 | 7.8% | 0.1 |
| .KR (South Korea) | 1.1 | 1.1 | 0.4% | - |
| .ID (Indonesia) | 0.7 | 0.9 | 28.4% | 0.2 |
| .TR (Turkey) | 0.5 | 0.7 | 53.9% | 0.2 |
| .TW (Taiwan) | 0.5 | 0.5 | -6.0% | - |
| Others | 5.0 | 5.2 | 4.0% | 0.2 |
| TOTAL | 38.1 | 40.6 | 6.6% | 2.5 |

The biggest ccTLD in Asia-Pacific is the .CN domain (China), variations in which, positive or negative depending on the year, turbocharge or greatly depress the performances of the region. Yet the figures for .CN are merely estimations since the CNNIC has stopped updating its official statistics. According to our estimates, there were approximately 22 million names in the .CN domain at the end of 2023, as against 20 million at the end of 2022. This 1.6 million increase in names forms the bulk of the regional variation. The other noteworthy changes in the region are in .IN (India), .ID (Indonesia), .TR (Turkey) and .IR (Iran).

| Europe TLD > 2M DNs | Stock (millions) | | Var. (%) | Var. (M) |
|------------------------|------------------|-------------|-------------|-------------|
| | 2022 | 2023 | 2023 | 2023 |
| .DE (Germany) | 17.4 | 17.6 | 1.3% | 0.2 |
| .UK (United Kingdom) | 11.1 | 10.7 | -3.3% | -0.3 |
| .NL (Netherlands) | 6.3 | 6.3 | 0.2% | - |
| .RU (Russia) | 4.9 | 5.4 | 10.1% | 0.5 |
| .FR (France) | 4.0 | 4.1 | 3.4% | 0.1 |
| .EU (European Union) | 3.7 | 3.7 | -0.4% | - |
| .IT (Italy) | 3.5 | 3.5 | 0.8% | - |
| .CH (Switzerland) | 2.5 | 2.6 | 1.6% | 0.1 |
| .PL (Poland) | 2.5 | 2.5 | 1.4% | - |
| .ES (Spain) | 2.0 | 2.1 | 4.6% | - |
| Others | 17.6 | 18.0 | 2.3% | 0.4 |
| TOTAL | 75.5 | 76.5 | 1.3% | 1.0 |

Europe is the region with the biggest number of large-volume ccTLDs. Its two leaders are .DE (Germany) and .UK (United Kingdom), both of which have over 10 million domain names. Its growth may be relatively modest (+1.3%), but .DE contributes almost 20% to the region's net balance, .UK being down 3% this year. Of the ccTLDs with over 2 million names, .RU posted the strongest growth in 2023 (+10%) followed by .FR (+3.4%). Other than the .UK TLD, .EU lost stock (-0.4%) but the 2022 situation where several other ccTLDs were also in a loss position seems to have been relegated to the past.

Although the European ccTLDs often have high volumes of names in stock (which is why only those managing over 2 million names are presented here), their fluctuations remain minor (lower than 100,000 names).

Breakdown of ccTLDs by volume bracket

The following table shows the distribution by volume bracket of ccTLD domain names in the various parts of the world. We have taken account of all ccTLDs except “pennies” and IDNs, breaking them down into the same brackets as the nTLDs (see this section) in order to facilitate comparison.

ccTLDs in IDN (internationalised domain name) format, that is to say in non-ASCII characters, generally have confidential or zero volumes, with the notable exception of the .PΦ domain (Russian Federation in Cyrillic script) which has several hundred thousand. It is the only IDN ccTLD that we have included in our table.

| Volumes | AF | LAC | AP | EU | NA | Total 2023 | % 2023 | % 2022 |
|----------------------|------------|------------|------------|------------|-----------|------------|--------|--------|
| 1 million or more | 2 | 3 | 6 | 17 | 2 | 30 | 12% | 12% |
| 500,001 to 1 million | - | 2 | 5 | 7 | - | 14 | 6% | 5% |
| 100,001 to 500,000 | 3 | 3 | 13 | 11 | - | 30 | 12% | 13% |
| 50,001 to 100,000 | 1 | - | 7 | 3 | - | 11 | 4% | 4% |
| 25,001 to 50,000 | 4 | 5 | 5 | 7 | - | 21 | 8% | 9% |
| 10,001 to 25,000 | 10 | 7 | 8 | 3 | - | 28 | 11% | 11% |
| 5,001 to 10,000 | 15 | 9 | 8 | 2 | 2 | 36 | 14% | 14% |
| 5,000 or fewer | 24 | 19 | 28 | 7 | 1 | 79 | 32% | 33% |
| TOTAL | 59 | 48 | 80 | 57 | 5 | 249 | | |
| % | 24% | 19% | 32% | 23% | 2% | | | |

Breakdown of ccTLDs by volume range (2023)

This table clearly shows the inequality among the regions, with Europe accounting for more than 50% of ccTLDs with more than a million names (17 out of 30) and only 8% of those with fewer than 5,000 names (7 out of 79).

Although the “millionaire” category is stable, the 500,001 to 1 million bracket gained 1 point to the detriment of the 100,001 to 500,000 names bracket. The less than 5,000 names bracket accounts for under a third of ccTLDs.

The median stands at around 10,000 names, with the two least favoured categories (less than 10,000 names) weighing 46% in 2023 compared to 47% in 2022. The three most favoured categories (more than 100,000 names) represented 30% of ccTLDs as in 2022. The remaining 24% fall into the between 5,000 and 100,000 names bracket. This breakdown varies from one region to another.

| Volumes | AF | LAC | AP | EU | NA | % 2023 |
|------------------|-----------|------------|-----------|-----------|-----------|-------------------|
| 100,001 and more | 8% | 17% | 30% | 61% | 40% | 30% |
| 5,001 to 100,000 | 51% | 44% | 35% | 26% | 40% | 39% |
| 5,000 or fewer | 41% | 40% | 35% | 12% | 20% | 32% |

Breakdown of ccTLDs in % by volume range and by region (2023)

The Europe region has the highest percentage of “large” ccTLDs over 100,000 names. Conversely, the Africa and Latin America regions have the most ccTLDs with 5,000 names or less as a percentage. We will come back to the distribution of domain names in the world later in the study with some explanatory elements.

5. nTLDs

The only thing new TLDs have in common is the fact that they are “new”... post-2012. Grouping them into relevant segments allows for a nuanced approach to performances, criteria for assessing performance being quite different from one segment to another. That is why, having presented the overall trends in nTLDs, we will study each of these segments in detail in order to gain a better understanding of their dynamics.

5.1 Global change in the stock of “new TLDs”

The historic peak in nTLDs in May 2020 at 35 million names was surpassed in December 2023 in the wake of the continued rise in global stock since early 2023.

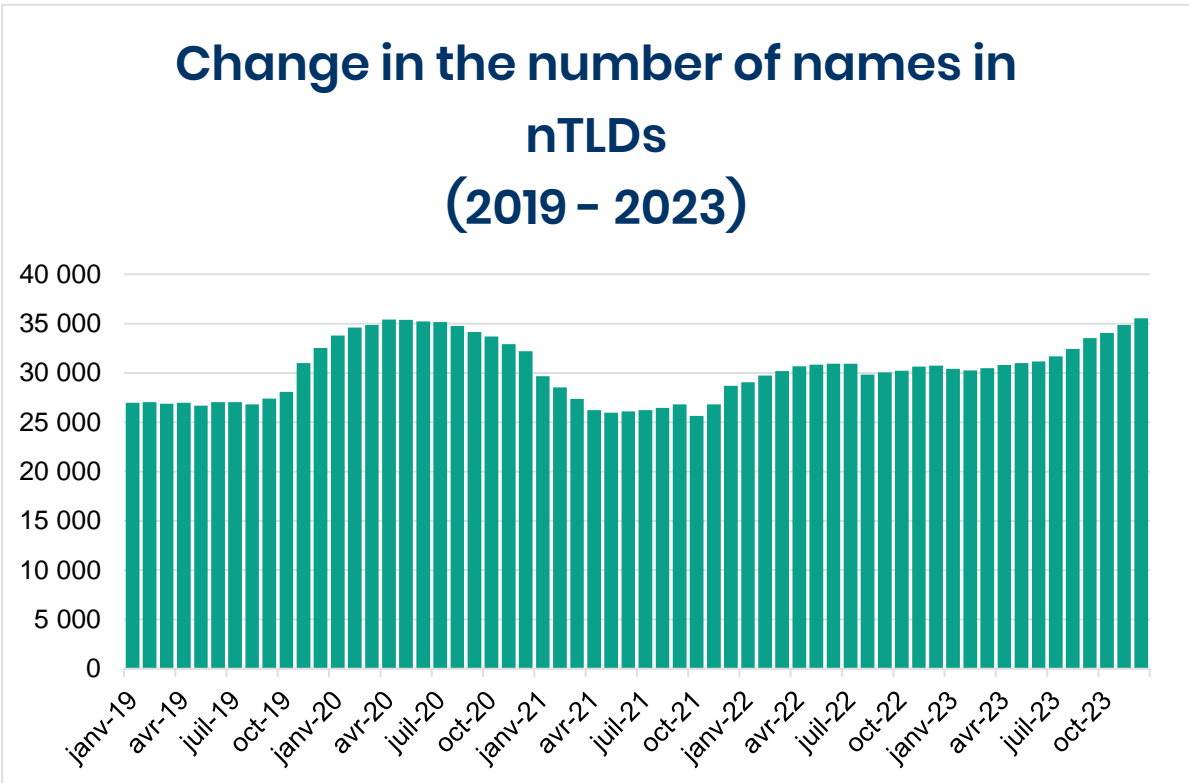


Figure 5: Change in the number of names in nTLDs (2019-2023)

This segment is rendered volatile by periodic waves of create operations followed the next year by large-scale delete waves: .XYZ in 2015/2016 and .ICU in 2019/2020, and again in 2023 for the TLDs identified below.

An analytical grid taking account of the models and specific features of the nTLDs remains, however, essential in order to understand what is going on.

5.2 Definition of “new TLD” “segments”

For lack of an “official” ranking, we have created different segments corresponding to the most frequent approaches in specialist circles, based on the type of TLD and their eligibility conditions:

- Community: domain name registrations reserved for members of a community, and if applicable, with use being community-centric.
- Geographic: nTLDs of a geographical character designating a city or region.
- Generic: nTLDs consisting of open access generic terms.
- Brands: TLDs corresponding in general to flagship brands, registered by private entities for internal use or extended to their customers and partners.
- “Open” brands: TLDs corresponding to brands, registered by businesses owning these brands and open to holders other than the business, its subsidiaries or partners. These TLDs are few in number (two after revision of the list in 2021: .CPA and .OVH) but the volumes registered make this a fully-fledged segment, comparable with that of generic TLDs.

5.3 Performance of “new TLD” “segments”

The differences in dynamics observed for each of our segments show that the typology used is still relevant.

| | Stocks (thousands) | | | | Create operations (thousands) | | | Retention | |
|--------------------|--------------------|---------------|--------------|------------|-------------------------------|---------------|------------|---------------|------------|
| | 2022 | 2023 | Var. abs | Var. | 2022 | 2023 | Var. | R. 2023 | % R. 2023 |
| Generic | 29652 | 34,538 | 4,886 | 16% | 16,714 | 21,420 | 28% | 13,118 | 44% |
| Geographic | 947 | 875 | -72 | -8% | 125 | 243 | 94% | 632 | 67% |
| Open brands | 71 | 74 | 3 | 4% | 13 | 18 | 38% | 56 | 79% |
| Community | 44 | 18 | -26 | -59% | 9 | 4 | -56% | 14 | 32% |
| Brands | 38 | 46 | 8 | 21% | 6 | 14 | 133% | 32 | 84% |
| TOTAL | 30,752 | 35,550 | 4,799 | 16% | 16,867 | 21,699 | 29% | 13,851 | 45% |

Performance of nTLD segments (2022 – 2023)

Generic TLDs gained 4,886,000 names in stock, representing a 16% increase and accounting for most of the positive variation in nTLDs. Generic TLDs also saw their creations increase by 28% in 2023 (4.7 million names) with a consistently high creation rate (62% compared with 63% in 2022). Their retention rate, however, is slightly down (44% from 47% in 2022). Below we examine the individual performances of the leaders in the Generic TLD segment.

Geographic TLDs lost 8% in stock despite the substantial increase in their create operations (+94%), a sign of a high deletion rate confirmed by the fall in the retention rate (67% as against 86% in 2022). The creation rate fell from 28% as against 13% last year, no doubt reflecting one or several particularly aggressive promotional campaigns in this segment.

Open .BRANDs are stable and have posted a substantial increase in their create operations.

Community TLDs lost 59% in stock, unsurprising following the strong wave of create operations in 2022. Creations are falling sharply and the retention rate is now halved (38% as against 78% in 2022).

Lastly, .BRAND TLDs gained 21% in stock and 133% in terms of create operations, but this may be due to the upsurge of .BOT which will likely be reclassified as a generic TLD in 2024.

Change in the number of TLDs in each segment

The table below shows the change in the number of TLDs in each segment over the past five years.

| | Number in | | | | | Variations (net balance) | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------|------------|-----------|------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2020 | 2021 | 2022 | 2023 |
| Community | 12 | 12 | 12 | 12 | 12 | - | - | - | - |
| Geographic | 62 | 62 | 62 | 61 | 61 | - | - | -1 | - |
| Generic | 517 | 524 | 526 | 528 | 528 | 7 | 2 | 2 | - |
| Brands | 594 | 573 | 554 | 549 | 519 | -21 | -19 | -5 | -30 |
| Open brands | 2 | 2 | 2 | 2 | 2 | - | - | - | - |
| TOTAL | 1,187 | 1,173 | 1,156 | 1,152 | 1,122 | -14 | -17 | -4 | -30 |

Change in the number of nTLDs by segment (2019 – 2023)

Abandonment of nTLDs in 2023 exclusively concerned .BRANDs, which is unsurprising given that this nTLD segment is most vulnerable to the vicissitudes of business (changes in the digital strategies of the groups concerned, change in flagship brands, or simply defensive creations ultimately neglected).

5.4 Distribution of new TLDs in volumes of domain name registrations

The distribution in volume of domain name registrations does not reflect the number of TLDs in each segment, as shown in the two figures below. With 528 TLDs (47% of the total), Generic TLDs represent 97% of domain name registrations; .BRAND domains represent only a marginal percentage of names registered with 519 TLDs (46% of the total).

Distribution of nTLDs by type (2023)

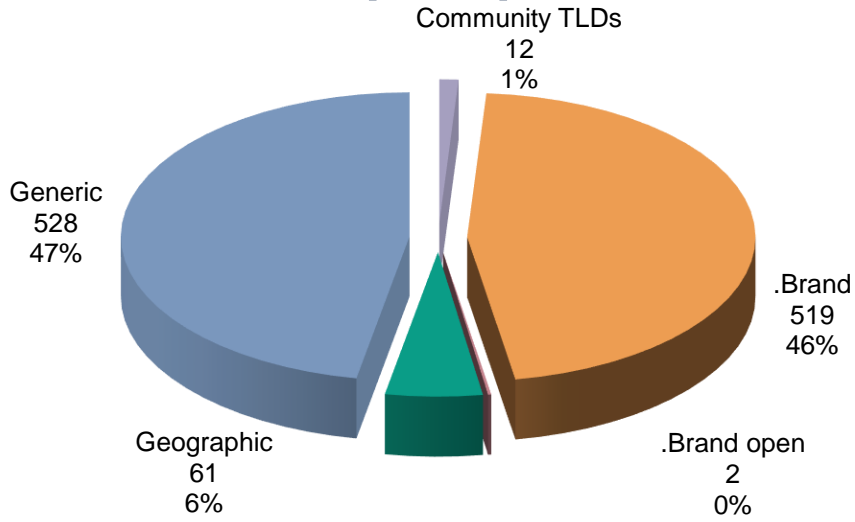


Figure 6: Breakdown of nTLDs by type (2023)

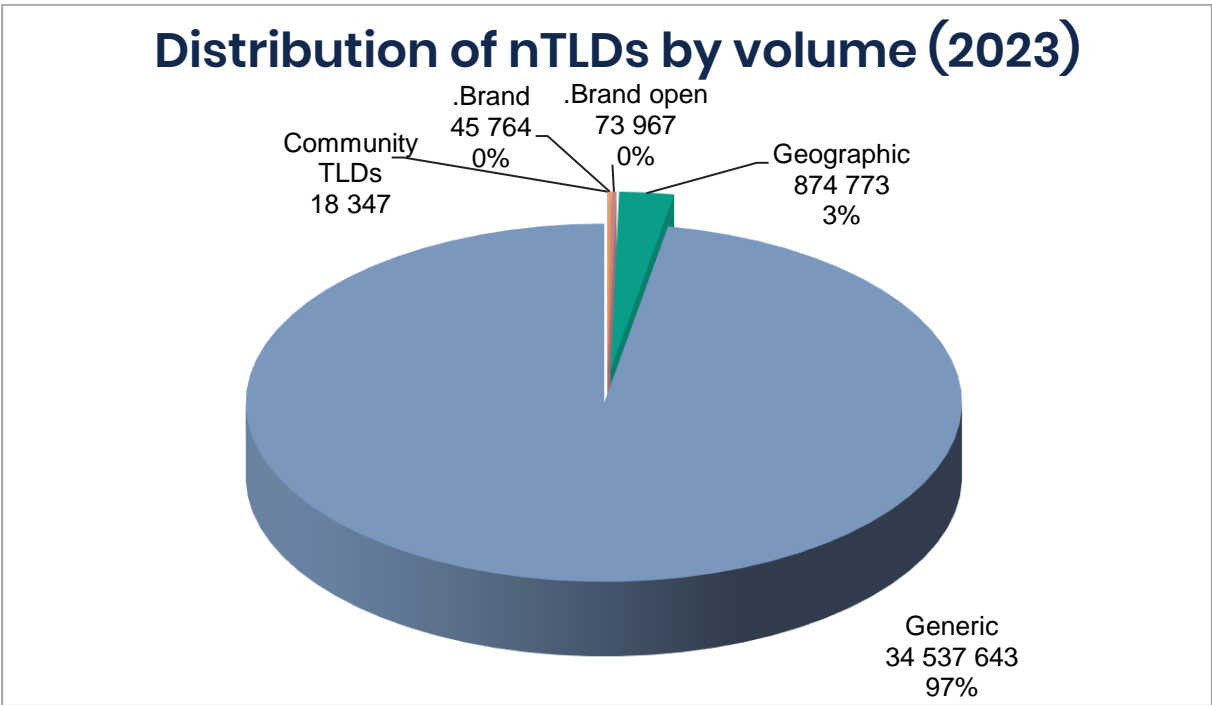


Figure 7: Breakdown of nTLDs by volume (2023)

These two diagrams sufficiently illustrate the variety of business models and strategies of each segment. .BRAND names generally respond to internal needs, while the Community and Geographic nTLDs target customers meeting membership or location criteria. Finally, Generic TLDs can either develop global ambitions or focus on niche markets (or both at once), depending on the potential represented by their terms. “Open” .BRAND names for their part present characteristics in terms of volumes very similar to those of the generics, even though they have eligibility conditions attached to them which set them apart from the latter.

Breakdown of nTLDs by volume range

The graph below shows the breakdown of nTLDs by volume range. We can see that the “Less than 5,000 names” represent a little more than 70% of the total, while the “More than 500,000” represent only 1%. These proportions have not significantly changed since 2014, but we can nonetheless note a gradual downward trend in the “Less than 5,000 names” and a regular increase in the 5,001 to 25,000 names brackets (19% in 2023).

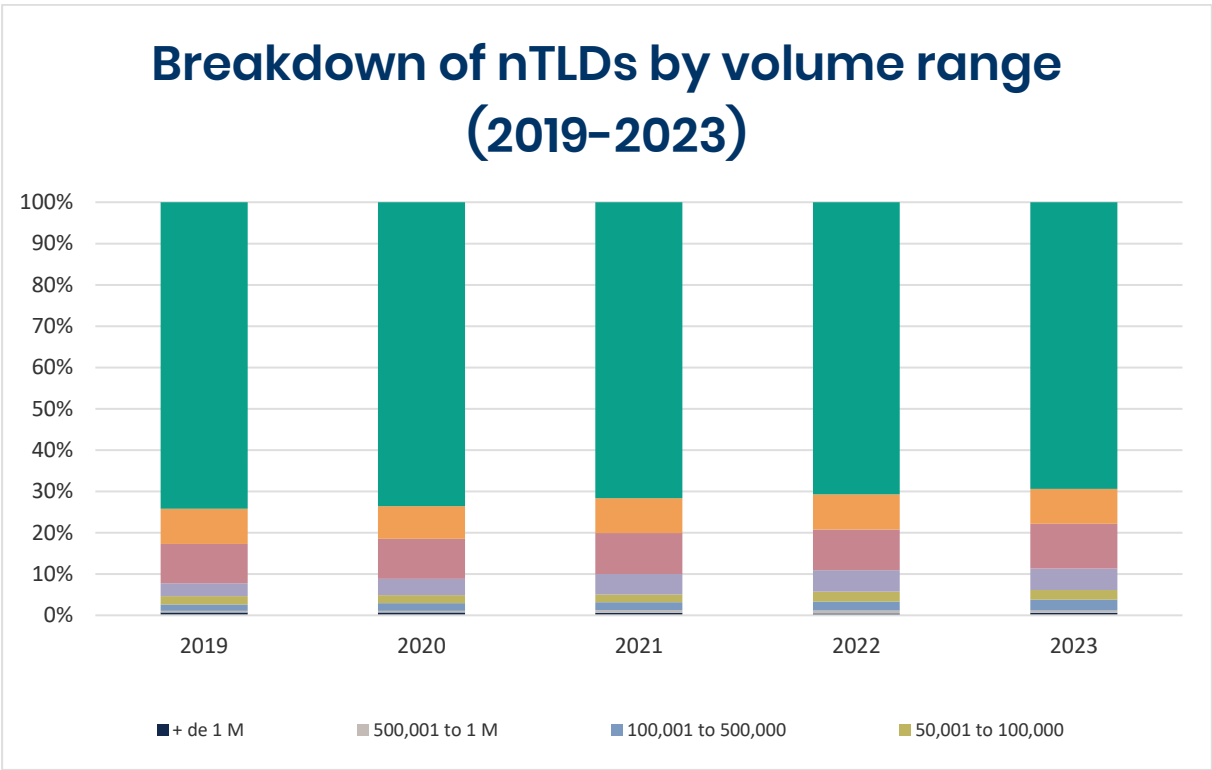


Figure 8: Changes in the breakdown of nTLDs by volume bracket (2019–2023)

If we take into account ICANN’s fees (\$25,000 minimum fixed cost) and the various costs related to the management of a TLD (staff, back-end operator, promotion, etc.) and we estimate an overall minimum average budget of \$100,000 a year, it can be seen that the break-even point for a TLD marketing its domain names at around \$20 is 5,000 names (10,000 for a \$10 fee close to that of .COM). It is therefore essential to analyse the distribution of nTLDs by type and by volume bracket in order to evaluate the health of this segment.

| Volumes | COM M | GEO | GEN | OBR | BR | Total | % | 2022 |
|---------------------------|-------------|------------|------------|------------|-------------|--------------|------------|------|
| 1 million or more | - | - | 7 | - | - | 7 | 1% | 0% |
| 500,001 to 1 million | - | - | 6 | - | - | 6 | 1% | 1% |
| 100,001 to 500,000 | - | 2 | 28 | - | - | 30 | 3% | 2% |
| 50,001 to 100,000 | - | 1 | 24 | 1 | - | 26 | 2% | 2% |
| 25,001 to 50,000 | - | 4 | 54 | - | - | 58 | 5% | 5% |
| 10,001 to 25,000 | - | 17 | 105 | - | - | 122 | 11% | 10% |
| 5,001 to 10,000 | 1 | 13 | 76 | 1 | 3 | 94 | 8% | 9% |
| 5,000 or fewer | 11 | 24 | 228 | - | 516 | 779 | 69% | 71% |
| TOTAL | 12 | 61 | 528 | 2 | 519 | 1,122 | | |
| % <10,000 names | 100% | 61% | 58% | 50% | 100% | 78% | | |
| % - 2022 recap | 92% | 62% | 59% | 50% | 100% | 79% | | |

Breakdown of nTLDs by type and by volume range at 31 December 2022

Excluding .BRAND names which obey very different forms of logic and objectives, we obtain 263 TLDs of less than 5,000 names (or 44% of TLDs excluding .BRAND compared with 50% in 2018) and 354 TLDs with less than 10,000 names (59% of TLDs excluding .BRAND, compared with 66% in 2018).

The situation is therefore improving over time, but if we take 5,000 names as the “survival threshold”, almost half of nTLDs excluding .BRANDs remain financially fragile. This is what lies behind the move towards concentration, particularly marked by the accumulation of large portfolios such as that of Identity Digital and Team Internet.

5.5 Change in retention rates by segment

Retention rates are a key element for analysing the success of a TLD and its chances of lasting, the more so as a growing number of nTLDs rely on this parameter more than on their create operations to ensure their survival.

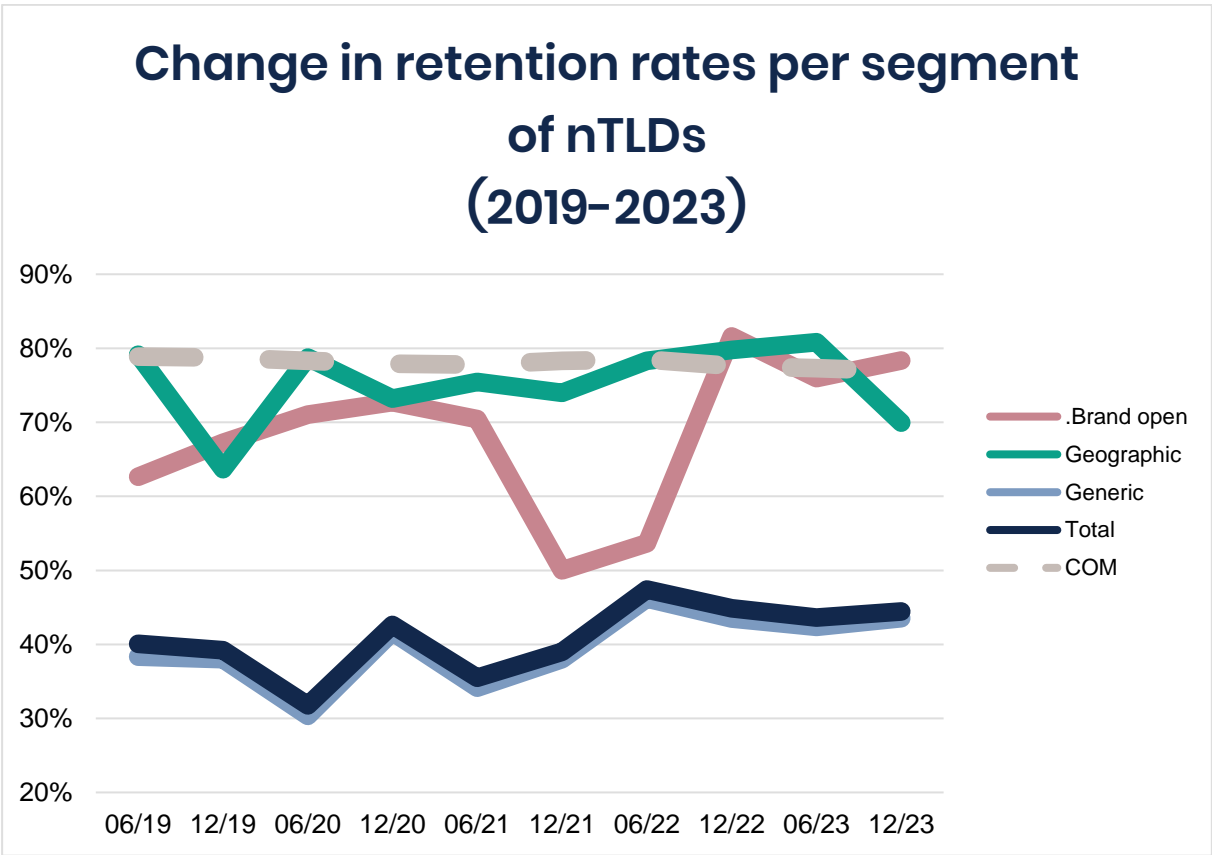


Figure 9: Change in retention rates of nTLDs by segment (2019-2023)

(The .COM rate is added as a comparison.)

The rate for Generic TLDs remains the lowest, showing a slight decline in 2023 (44% compared with 47% in 2022). This deterioration is likely to continue in 2024 given the strong creation rate in 2023.

The open .BRAND rate is also down slightly, but remains close to 80%.

Geographic TLDs lost 10 pp, though this is in all probability a one-off occurrence.

5.6 The “Penny nTLD” phenomenon

“Penny nTLDs” are marketed aggressively by their registries through free or almost-free policies, for new creations at least.

For 2022, we have repeated the study carried out since 2019 to try to isolate those of the nTLDs that best match this profile. The objective is to continue to quantify the phenomenon (how many nTLDs, proportion of names registered in nTLDs), but also to see whether the composition of this category is stable over time or whether it varies from one year to the next.

The characteristics of these TLDs are well known: after one year, the high volumes of creations resulting from low or symbolic prices translate into high volumes of deletions, either because renewal charges are much higher than creation charges or because holders who registered large numbers of “almost-free” names have not achieved their goals (sales or monetisation of traffic) and let them lapse when they expire.

How to identify them among the nTLDs?

The methodology used consists in selecting the generic nTLDs with at least four years of activity at 31 December 2023 (launched before 31 December 2019 and still in existence at 31 December 2023) so as to avoid as far as possible the “side effects” associated with the opening phases, which usually see high creation rates combined with rather low retention rates in the following year.

In order not to have data biased by TLDs with only a few names in stock and with no commercial activity, we have also eliminated from our sample group all TLDs whose stock was fewer than 200 names at 31/12/23.

The usual life cycle of a TLD sees its creation rate decrease as stock increases and the retention rate increase in line with how long ago the names were registered. The pertinent thresholds for classifying the situation of a TLD were defined by the quantitative analysis carried out in 2019 of all the nTLDs meeting our criteria. We have retained them in 2023 so as to allow comparisons over time.

5.6.1 Retention Rate

The analysis of retention rates of nTLDs in our sample allows us to obtain the following table.

This grid allows all registries to compare themselves with TLDs of the same type, while positioning their category of nTLD relative to the whole. Thus, 86% of Geographic TLDs (50/58) have a retention rate of 76% or more, as against just 36% for Generic TLDs (171/474) (and this taking account only of the TLDs themselves, not of the volume of domain names registered in each of them).

| Rate brackets | COMM | GEO | GEN | M-O | Total | % 2023 | % 2022 |
|---------------|----------|-----------|------------|----------|------------|------------|--------|
| 86% and over | 2 | 31 | 49 | 1 | 83 | 15% | 21% |
| 76% to 85% | 2 | 19 | 122 | 1 | 144 | 27% | 34% |
| 66% to 75% | 2 | 3 | 179 | - | 184 | 34% | 29% |
| 51% to 65% | - | 2 | 77 | - | 79 | 15% | 10% |
| 50% and under | - | 3 | 47 | - | 50 | 9% | 7% |
| TOTAL | 6 | 58 | 474 | 2 | 540 | | |

Breakdown of generic TLDs (Legacy and nTLDs) by Retention Rate

nTLDs excluding .BRAND having had more than 200 names in stock at 31/12/23

The overall change in retention rates is reflected in the weights of the various rate brackets. The indicator fell once again in 2023, with 42% of nTLDs between 76% and 100% compared with 55% in 2022.

So how should these levels be interpreted?

Above the 86% threshold we find TLDs with a high proportion of used and/or defensive names that are renewed on a regular basis, and registries whose policies are not to delete anything.

The TLDs within the 76% to 85% bracket are well established within their respective fields of activity, with high usage and holder “loyalty” rates. This category was hit the hardest in 2023, as in 2022.

Between 66% and 75%, domains find it difficult to stabilise their holder base. A transitional step to the next category up, in principle, but periods of regression were seen in 2023 (29% to 34%, as in 2022).

The same observation can be made, a little more severely, for TLDs in the 51% to 65% bracket. This situation is generally the result of dynamic marketing strategies focusing on

new creations to the detriment of building loyalty (the .PL ccTLD for Poland has long been used to illustrate such a scenario). This category gained 5 pp in 2023.

Finally, below the 50% renewal threshold, we find a small proportion of TLDs (9% in 2023) that may either be experiencing major setbacks caused simply by losing customers or which have implemented very aggressive marketing strategies that have ultimately resulted in significant deletions. This category gained 2 pp in 2023.

Our Penny nTLDs are among the 50 TLDs of this last category (33 in 2022). Generally speaking, the developments noted demonstrate a weakening of nTLDs and greater volatility.

5.6.2 Creation Rate

In the grid below, the most dynamic TLDs have a high creation rate, while the TLDs attracting the fewest new creations have a low creation rate. The creation rate measures the inflow of new domain names to the stock. This rate is 100% at the time a TLD is created and 0% if it has registered no names in the past year.

| Rate brackets | COM M | GEO | GEN | M-O | Total | % 2023 | % 2022 |
|---------------|----------|-----------|------------|----------|------------|------------|-----------|
| 51% and over | - | 1 | 83 | - | 84 | 16% | 8% |
| 36% to 50% | - | 1 | 62 | - | 63 | 12% | 14% |
| 26% to 35% | 1 | 3 | 127 | 1 | 132 | 24% | 32% |
| 16% to 25% | 3 | 14 | 129 | - | 146 | 27% | 27% |
| 15% and under | 2 | 39 | 73 | 1 | 115 | 21% | 19% |
| TOTAL | 6 | 58 | 474 | 2 | 540 | | |

Breakdown of generic TLDs (Legacy and nTLDs) by creation rate

nTLDs excluding .BRAND having had more than 200 names in stock at 31/12/23

The “normal” (cruising speed) value can be considered to lie within the 16% to 25% bracket, with the 15% and under category concerning TLDs that are at risk of suffocation due to a lack of sufficient demand. This category grew marginally in 2023 (+2 points) while the 16 to 25% category remained stable. The 51% and over category, meanwhile, doubled, reflecting the aforementioned impulsion of create operations in 2023.

Creation rates of over 51% mean that more than half of the names have been registered over the course of the past 12 months in a given portfolio and at a given date. This rate is typical of a classic scenario in the two years following a market launch and is highly indicative of aggressive promotional strategies if sustained for over 3 years. The other two categories (26% to 35% and 36% to 50%) contain TLDs that have conducted successful and/or sufficiently recent marketing campaigns to have a significant proportion of newly created names in their portfolio.

Our Penny nTLDs are therefore among the 115 domains (40 in 2022) with a creation rate of over 51%.

5.6.3 Identification of Penny nTLDs in 2023

Low-cost TLDs are among those with a very high creation rate (51% and over) combined with a very low retention rate (50% and under). The table hereunder shows the distribution of the nTLDs studied by brackets of creation and retention rates, all segments together (except .BRAND).

| R. rate / Cr. rate | 15% and under | 16-25% | 26-35% | 36-50% | 51% and over | Total | % | % 2022 |
|--------------------|---------------|------------|------------|------------|--------------|------------|------------|--------|
| 86% and over | 70 | 6 | 3 | 2 | 10 | 91 | 17% | 21% |
| 76% to 85% | 40 | 80 | 26 | 5 | 4 | 155 | 29% | 34% |
| 66% to 75% | 3 | 48 | 81 | 28 | 16 | 176 | 33% | 29% |
| 51% to 65% | 1 | 7 | 20 | 23 | 17 | 68 | 13% | 10% |
| 50% and under | 1 | 5 | 2 | 5 | 37 | 50 | 9% | 7% |
| TOTAL | 115 | 146 | 132 | 63 | 84 | 540 | | |
| % | 21% | 27% | 24% | 12% | 16% | | | |
| % 2022 | 19% | 26% | 32% | 14% | 8% | | | |

Breakdown of generic TLDs (Legacy and nTLDs) by creation rate

nTLDs excluding .BRAND having had more than 200 names in stock at 31/12/23

X-axis: Creation Rate; Y-axis: Retention Rate

This breakdown shows that irrespective of the aspects linked to the profitability threshold, the proportion of TLDs in a truly critical situation is inconsequential. We may consider a situation critical when the Creation Rate is 15% or less and the Retention Rate is 50% or less. Only 1 TLD meets both these criteria.

We also see an interesting visual phenomenon, observed since 2019: for each bracket of Retention Rates there is a “favoured” Creation Rate, and vice versa (the highest number of each line or column, respectively, in bold). These intersections form a diagonal which highlights the strong correlation between the Creation and Retention rates. It seems that there is a “normal” profile corresponding to each strategy and that nTLDs decrease in

number as they move away from this profile. This grid can allow registries to evaluate their performances and situation compared with their projections.

Above this diagonal line, the TLD is outperforming on one or other of the criteria, or both; below it, it is underperforming. A registry (and even a registrar if they take into account incoming and outgoing transfers) can therefore judge the effectiveness of its strategy based on the internal causes (campaigns, etc.) that produced these results. By cross-referencing this matrix with those detailing the breakdowns by type of TLD (Geos, Generics, etc.), it is possible to form a fairly accurate idea of a domain's or player's strategic position.

The "theoretical diagonal" can clearly be seen in 2023, with one small exception (the 28 nTLDs in the "36-50% creation rate, 66-75% retention rate" scenario). The weighting of the different brackets demonstrates a decline among the upper brackets in terms of retention rates ("66 and over", i.e. 79% compared with 84% in 2022) and mid-level brackets ("36% to 50%") in terms of creation rates (36% compared with 48% in 2022).

Overview in volumes of names concerned

What are the volumes of names concerned by each category?

The following table is exactly the same as the previous one except that it expresses the nTLDs in volumes of names registered (thousands):

| R. rate / Cr. rate | 15% and under | 16-25% | 26-35% | 36-50% | 51% and over | Total | % | % 2022 |
|---------------------------|----------------------|---------------|---------------|---------------|---------------------|---------------|------------|---------------|
| 86% and over | 633 | 37 | 2 | 13 | 196 | 881 | 2% | 4% |
| 76% to 85% | 503 | 937 | 945 | 74 | 85 | 2,544 | 7% | 9% |
| 66% to 75% | 4 | 546 | 2,469 | 1,380 | 295 | 4,694 | 13% | 12% |
| 51% to 65% | 14 | 13 | 607 | 1,722 | 2,245 | 4,602 | 13% | 13% |
| 50% and under | 3 | 94 | 64 | 201 | 22,414 | 22,777 | 64% | 62% |
| TOTAL | 1,157 | 1,627 | 4,087 | 3,390 | 25,235 | 35,496 | | |
| % | 3% | 5% | 12% | 10% | 71% | | | |
| % 2022 | 4% | 7% | 12% | 15% | 63% | | | |

Breakdown of generic TLDs (nTLDs excluding Legacies) by creation rate

nTLDs excluding .BRAND having had more than 200 names in stock at 31/12/23

X-axis: Creation Rate; Y-axis: Retention Rate

The total number of names shown as registered here is 35.5 million, compared with a grand total of 35.6 million nTLDs. The difference is due to the nTLDs omitted because they were .BRAND and/or they had less than four years' activity.

The “diagonal” described above can be seen here again, still slightly biased for the 51 to 65% and 76 to 85% brackets in terms of retention rates. The volume of domain names in critical situations from a strategic point of view represents 3,000 domain names.

Unsurprisingly, the Penny TLD category is the one with the most names: 22.4 million compared with 15 million in 2022, i.e. 63% of the names registered under the nTLDs selected and of all of the names registered under nTLDs.

5.7 “Leaders” still fragile

Having looked at the dynamics at work in the nTLD segment, it is interesting to study the performances of the leaders in more detail, since their variations largely determine those of the segment as a whole.

These leaders were of necessity selected on the basis of volume: the reference sample group includes all nTLDs with 500,000 or more domain names in stock at 31 December 2022 and at 31 December 2023.

Some leaders from previous years have seen their stock drastically collapse and can no longer be considered leaders. They thus vanish if they do not meet our criteria.

As the table below shows, these leaders are largely TLDs marketed using aggressive or low-cost marketing strategies, which explains why some of them have collapsed after surpassing 500,000 names. These cases are interesting to follow in order to identify possible strategies for regaining lost ground.

The table highlights the fact that the 16 TLDs selected accounted for 63% of the 1,122 nTLD names registered at 31/12/23 (compared with 62% in 2022) and 72% of the names created in these same nTLDs over the past year (compared with 74% in 2022).

The stocks of the two categories, whether in the sample group or not, followed sharply different trends in 2023. The leaders gained 17% (and would have gained more if it was not for the -18% of .XYZ), while the other nTLDs gained 14% in stock. The contrast is starker for create operations, at +25% and +38% respectively, and for retention rates (35% for the “dynamic” leaders and 62% for the others). Once again, strong commercial momentum is combined with high volatility, resulting in lower retention rates.

Two “populations” thus coexist: on the one hand, “hyperactive” nTLDs corresponding more or less to Penny TLD profiles (high creation rates, low retention rates), and on the other hand, less dynamic nTLDs that nonetheless follow the “normal” development of domains that have existed for several years with lower creation rates but high retention rates.

| | Stocks (thousands) | | | Create operations (thousands) | | | Creation rate | | Retention rate | |
|---------------------------------|--------------------|---------------|------------|-------------------------------|---------------|------------|---------------|------------|----------------|------------|
| | 2022 | 2023 | Var. | 2022 | 2023 | Var. | 2022 | 2023 | 2022 | 2023 |
| .XYZ | 4,563 | 3,730 | -18% | 3,197 | 2,508 | -22% | 70% | 67% | 32% | 27% |
| .ONLINE | 2,346 | 3,314 | 41% | 1,492 | 2,318 | 55% | 64% | 70% | 40% | 42% |
| .TOP | 2,124 | 3,038 | 43% | 1,489 | 2,376 | 60% | 70% | 78% | 38% | 31% |
| .SHOP | 1,528 | 2,488 | 63% | 1,056 | 1,771 | 68% | 69% | 71% | 43% | 47% |
| .SITE | 1,297 | 1,794 | 38% | 910 | 1,316 | 45% | 70% | 73% | 31% | 37% |
| .STORE | 963 | 1,526 | 59% | 628 | 1,166 | 86% | 65% | 76% | 44% | 37% |
| .CFD | 155 | 1,134 | 630% | 148 | 1,101 | 646% | - | 97% | - | 21% |
| .VIP | 706 | 901 | 28% | 318 | 495 | 56% | 45% | 55% | 46% | 58% |
| .APP | 640 | 695 | 9% | 195 | 236 | 21% | 31% | 34% | 37% | 72% |
| .CLICK | 323 | 646 | 100% | 261 | 524 | 101% | - | 81% | - | 38% |
| .LIVE | 696 | 646 | -7% | 384 | 331 | -14% | 55% | 51% | 51% | 45% |
| .CLUB | 704 | 637 | -9% | 288 | 276 | -4% | 41% | 43% | 39% | 51% |
| .TECH | 458 | 502 | 9% | 222 | 252 | 13% | - | 50% | - | 54% |
| .BUZZ | 689 | 423 | -39% | 369 | 302 | -18% | 54% | 72% | 57% | 17% |
| .ICU | 992 | 418 | -58% | 800 | 367 | -54% | 81% | 88% | 32% | 5% |
| .CYOU | 903 | 350 | -61% | 683 | 238 | -65% | 76% | 68% | 60% | 12% |
| Total Top 500K | 19,087 | 22,242 | 17% | 12,440 | 15,577 | 25% | 65% | 70% | 38% | 35% |
| Others | 11,665 | 13,308 | 14% | 4,433 | 6,122 | 38% | 41% | 46% | 78% | 62% |
| Total nTLDs | 30,752 | 35,550 | 16% | 16,873 | 21,699 | 29% | 56% | 61% | 39% | 45% |
| % Top 500K / total nTLDs | 62% | 63% | | 74% | 72% | | | | | |

Performance of the main nTLDs (2022 – 2023)

Source: ICANN reports

Sample group composed of nTLDs with more than 500,000 names in their portfolio at 31 December 2022 and/or at 31 December 2023.

The 16 leaders do not constitute a homogeneous group. As the table shows, averages can be misleading: .CFD gained 630% in stock, for example, while .ICU and .CYOU were respectively down 58% and 61%. This list of “superheroes” one day are often the ones lagging behind the next.

The nTLD segment therefore needs to be analysed by putting into proper perspective the impact of the leaders, which are subject to strong fluctuations due to their marketing strategies, but do not reflect the underlying development of this segment.

5.8 Market share of the major back-end registry operators

Back-end registries developed with the mass emergence of new TLDs in the 1st ICANN round in 2012–2014. The market shares indicated below solely concern nTLDs, although some back-end registries are also active in the ccTLD and Legacy segments.

The tables below present the 13 back-end registries in the world's top ten in terms of number of nTLDs managed and/or volumes of names in these domains. The breakdown corresponds to the type of nTLD, with the aim of highlighting the strategies of the different back-end registries. nTLD assignment is as known at 31/12/23. Some transactions that may have been made public since 1 January 2024 have not been incorporated if they became effective after this date.

| 2023 | COM | GEN | GEO | CORP | CORP | Total | % | Var. |
|----------------------------|-----------|------------|-----------|----------|------------|--------------|-----|------------|
| Identity Digital | 5 | 281 | 5 | - | 145 | 436 | 39% | 29 |
| GoDaddy Registry | 1 | 73 | 7 | 1 | 131 | 213 | 19% | -6 |
| Team Internet | 1 | 70 | 7 | - | 26 | 104 | 9% | -2 |
| Nominet | 1 | 9 | 2 | - | 54 | 66 | 6% | 1 |
| Verisign | - | 12 | - | - | 53 | 65 | 6% | -51 |
| GMO Registry | - | 1 | 6 | - | 40 | 47 | 4% | - |
| Google | - | 27 | - | - | 18 | 45 | 4% | -1 |
| CORE | - | 5 | 7 | - | 7 | 19 | 2% | - |
| ZDNS | - | 12 | - | - | 7 | 19 | 2% | 1 |
| Tucows Registry | - | 14 | - | - | 1 | 15 | 1% | -2 |
| Afnic | - | - | 4 | 1 | 7 | 12 | 1% | - |
| Beijing Tele-info | - | 6 | - | - | 4 | 10 | 1% | - |
| Domain Name Service | - | - | 4 | - | - | 4 | 0% | - |
| Others | 4 | 18 | 19 | - | 26 | 67 | 6% | 4 |
| Grand total | 12 | 528 | 61 | 2 | 519 | 1,122 | | -27 |

Number of nTLDs managed by the main back-end registries at 31/12/23

Managing 436 nTLDs, Identity Digital (a group formed in 2021 through the successive acquisitions of Afilias by Donuts and of Donuts by Ethos Capital) controls 39% of the nTLDs in existence as at 31/12/23, 53% of which are Generic TLDs and 28% of which are .BRANDs. Afilias contributed the majority of .BRAND domains and Donuts the Generic domains, forming a bipolar group with complementary business models. Indeed, .BRAND domains are generally invoiced at a flat rate and are therefore not dependent on the economic situation, whereas Generic domains, often invoiced on a volume basis, are more subject to income variations.

The second, GoDaddy Registry, manages 213 nTLDs, i.e. 19%, close on the heels of Identity Digital in the .BRAND segment.

Between them, these two leaders manage 58% of nTLDs. The market share of the others rapidly declines, the total for the 13 leaders representing 94% of nTLDs.

Positions vary little from one year to another. Some “accidents”, like Verisign’s decision to abandon this segment create opportunities, but the number of nTLDs changing hands remains limited compared to the total number, and likewise the players remain the same.

Generally speaking, “pure” strategies focusing on a single segment do not exist, often because in 2012 the players did not have a clear view of this market still in its infancy, and because they simply seized the opportunities offered to them. Over time, a phenomenon of specialisation will perhaps emerge based on the services provided for such or such a segment, but this can not yet be seen.

Looking in terms of volume of names managed allows us to compare this information with the strategies of the customers of these back-end registries.

| 2023 - thousands | COM M | GEN | GEO | CORP -O | CORP | Total | % | Var. |
|----------------------------|-----------|--------------|------------|------------|-----------|---------------|-----|--------------|
| Team Internet | 0 | 16,307 | 179 | - | 8 | 16,495 | 46% | 2,133 |
| Identity Digital | 12 | 6,223 | 28 | - | 15 | 6,278 | 18% | 409 |
| GoDaddy Registry | 4 | 3,348 | 101 | 7 | 4 | 3,464 | 10% | -314 |
| ZDNS | - | 3,230 | - | - | 0 | 3,230 | 9% | 894 |
| GMO Registry | - | 2,488 | 136 | - | 1 | 2,625 | 7% | 905 |
| Tucows Registry | - | 1,373 | - | - | 0 | 1,373 | 4% | 704 |
| Google | - | 1,244 | - | - | 1 | 1,245 | 4% | 161 |
| Nominet | 1 | 97 | 22 | - | 9 | 128 | 0% | 51 |
| Afnic | - | - | 37 | 67 | 3 | 108 | 0% | 3 |
| Beijing Tele-info | - | 94 | - | - | 0 | 94 | 0% | 4 |
| CORE | - | 19 | 70 | - | 1 | 89 | 0% | 2 |
| Domain Name Service | - | - | 57 | - | - | 57 | 0% | -115 |
| Verisign | - | 14 | - | - | 1 | 15 | 0% | 1 |
| Others | 1 | 103 | 245 | - | 3 | 352 | 1% | -34 |
| Grand total | 18 | 34,53 | 875 | 74 | 46 | 35,551 | | 4,803 |

Volume of domain names in nTLDs managed by the main back-end registries at 31/12/23

If we look at names managed, the market topology is relatively different to that presented in number of nTLDs. Team Internet (ex-CentralNIC) is the uncontested leader in this area with 46% of market share (and 47% of names registered in Generic TLDs), even though it only manages 9% of nTLDs. It has protected its market share by contributing an impressive 44% of the net volume balance. Back-end registries with large Penny TLD portfolios tend to have their size magnified by the aggressive strategies of their customers, but they also suffer the backlash of these choices in terms of performance and volatility.

Confirming its focus on .COM, Verisign announced its withdrawal from the back-end registry market and is now only represented to a token extent.

GoDaddy Registry is the only main player in this market to lose names in stock (-314,000).

There has been no move towards concentration between the back-end registry operators in 2023, nor any initial public offerings (IPOs). These two phenomena will, however, likely

occur by the 2nd ICANN round announced for 2026 as players seek to expand their resources to prepare for this next phase in the history of the domain name industry.

6. Breakdown of domain names in the world at year-end 2023

The analysis of the development of the major segments of the domain name market, Legacy TLDs, ccTLDs, and nTLDs, can be completed by studying the distribution of stocks of these same segments in the major regions of the world.³

By convention, we have used the ICANN regional nomenclature for general reference, even though it can sometimes be open to discussion.

Since 2018, we have presented the opposite view, that is, the proportion of each major segment in the different ICANN regions.

6.1 Overview

In 2023, the .COM domain was still the market leader with a 45% market share (-1 pp), followed by ccTLDs (excluding Penny TLDs) with 39% (+1 pp). The other two segments, Other Legacy and nTLD, accounted for 8% (-1 pp) and 8% (+1 pp) of worldwide filings, respectively.

³ For the .COM domain, Legacy TLDs and nTLDs, the breakdown of names by holders' regions has been estimated thanks to data provided by ZookNic.

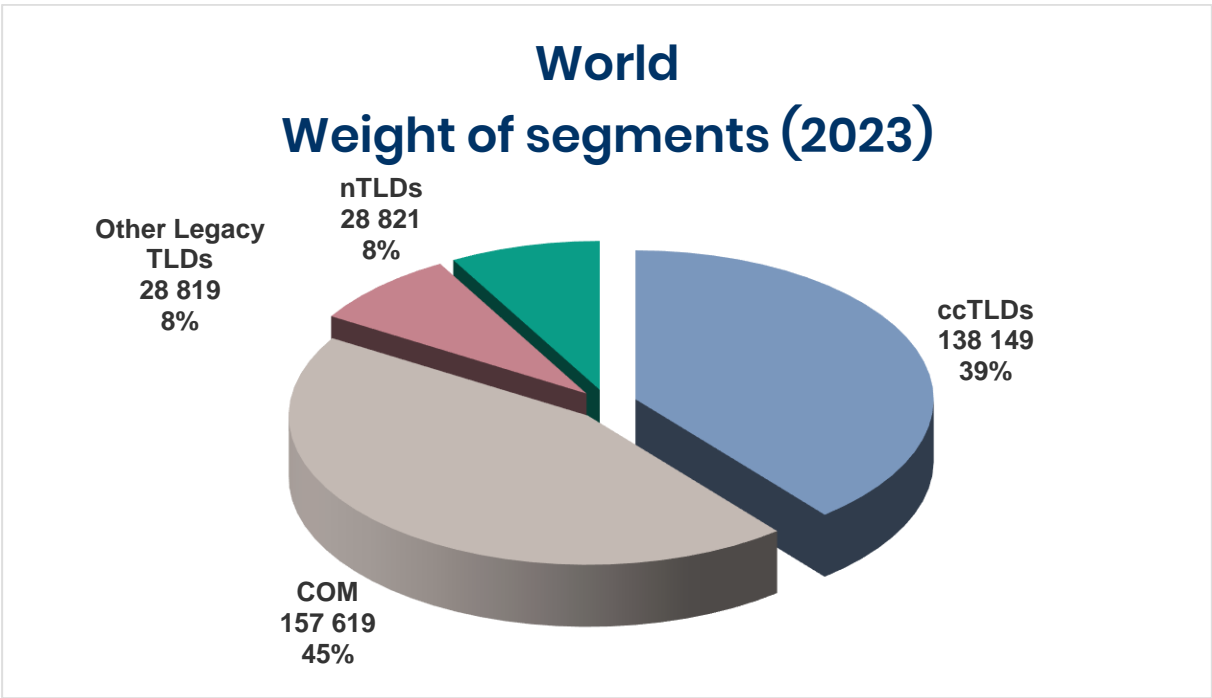


Figure 10: World – Weight of different segments (2023)

As we shall see, these global data conceal significant regional disparities, which change relatively slowly over time since they are structural characteristics of the market in each region.

6.2 Weight of segments in Africa

In Africa, local ccTLDs are the leaders, with a 66% market share (compared with 65% in 2022), while the .COM domain comes in second place with 28% (compared with 29% in 2022). Other Legacy TLDs represent 4% (compared with 4% in 2022) and nTLDs remain marginal with 2% (2% also in 2022).

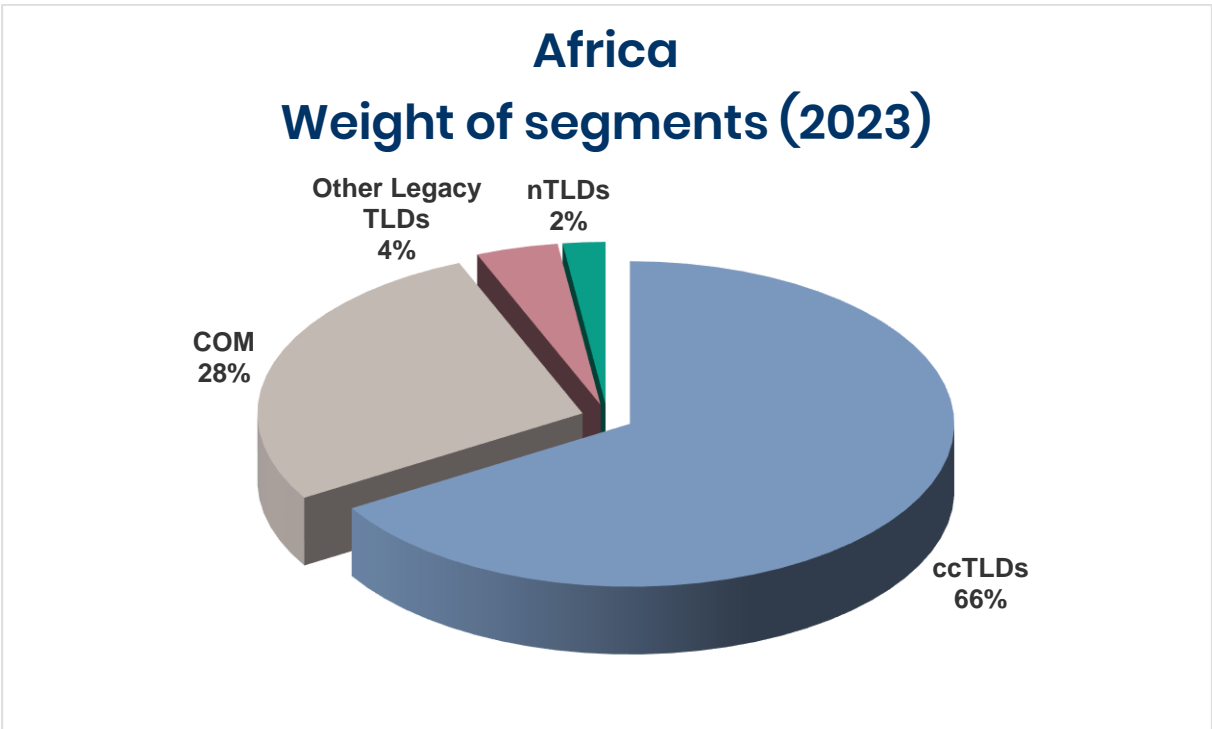


Figure 11: Africa – Weight of different segments (2023)

Studying local dynamics from the point of view of trends reveals that in Africa, ccTLDs are booming (+8 pp of market share in 5 years) while .COM is regularly losing ground (-5 pp in 5 years). This result almost certainly stems from the efforts of African registries to enhance their appeal compared to the .COM TLD, even though some still have difficulty aligning their fees with .COM due to their low volumes.

6.3 Weight of segments in Latin America

ccTLDs corner the market in Latin America and the Caribbean with 71% of market share (compared with 70% in 2022). The .COM domain lost a little ground at 23% (as against 24% in 2022), while the Other Legacy TLDs are holding steady at 3%. nTLDs, meanwhile, are up slightly at 4% (as against 3% in 2022).

It should be borne in mind, however, that the “official” geographic breakdown of names is subject to various bias, notably the existence of large registrars in Panama offering proxy services.

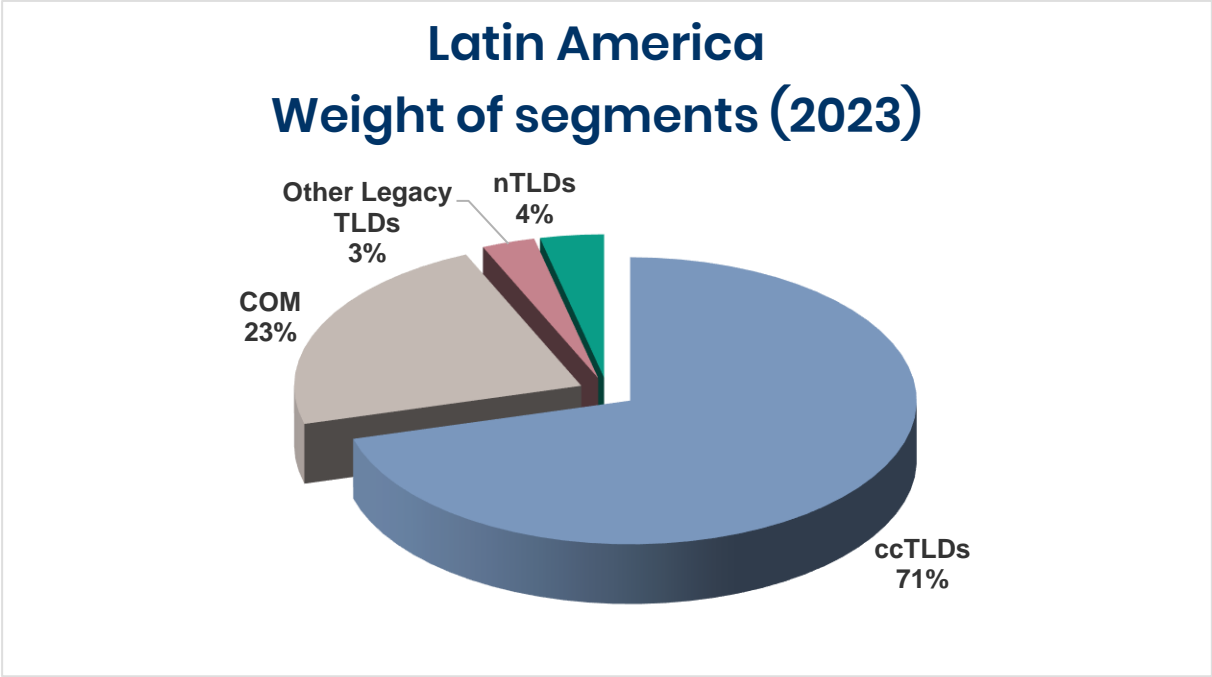


Figure 12: Latin America – Weight of different segments (2023)

There is a strong preference in Latin America and Africa for local ccTLDs, which also benefits regional economies as opposed to the .COM domain and the Other Legacy TLDs whose profits are taken by registries mostly located in the United States.

6.4 Weight of segments in Asia-Pacific

The situation in Asia-Pacific is about the same as in Africa and Latin America: ccTLDs are the market leaders (52% market share as against 48% in 2022), followed by .COM which fell 4 pp to 32% (36% in 2022), Other Legacy TLDs (5% as against 6% in 2022) and nTLDs which are stable at 10%.

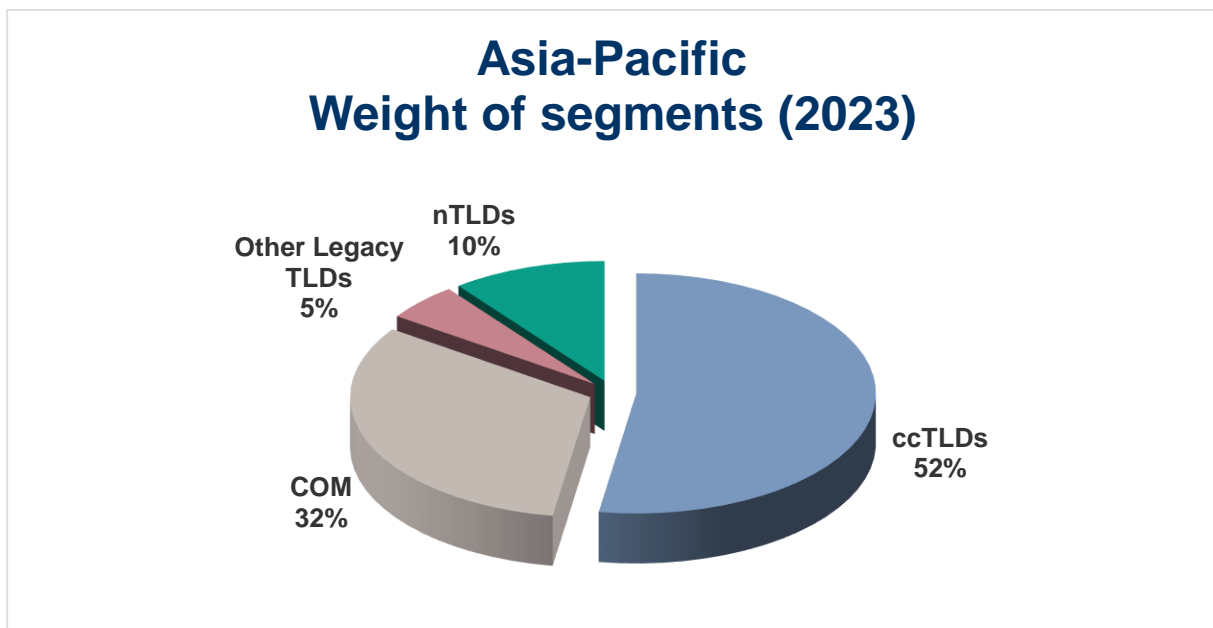


Figure 13: Asia-Pacific – Weight of different segments (2023)

6.5 Weight of segments in Europe

It is in Europe that ccTLDs hold the biggest share, a long-established position, at 62% in 2022 (compared with 61% in 2022). .COM recorded a slight loss (28% as against 29% in 2022), while Other Legacy TLDs also flagged (6% compared with 7% in 2022), and nTLDs gained 1 pp at 4%.

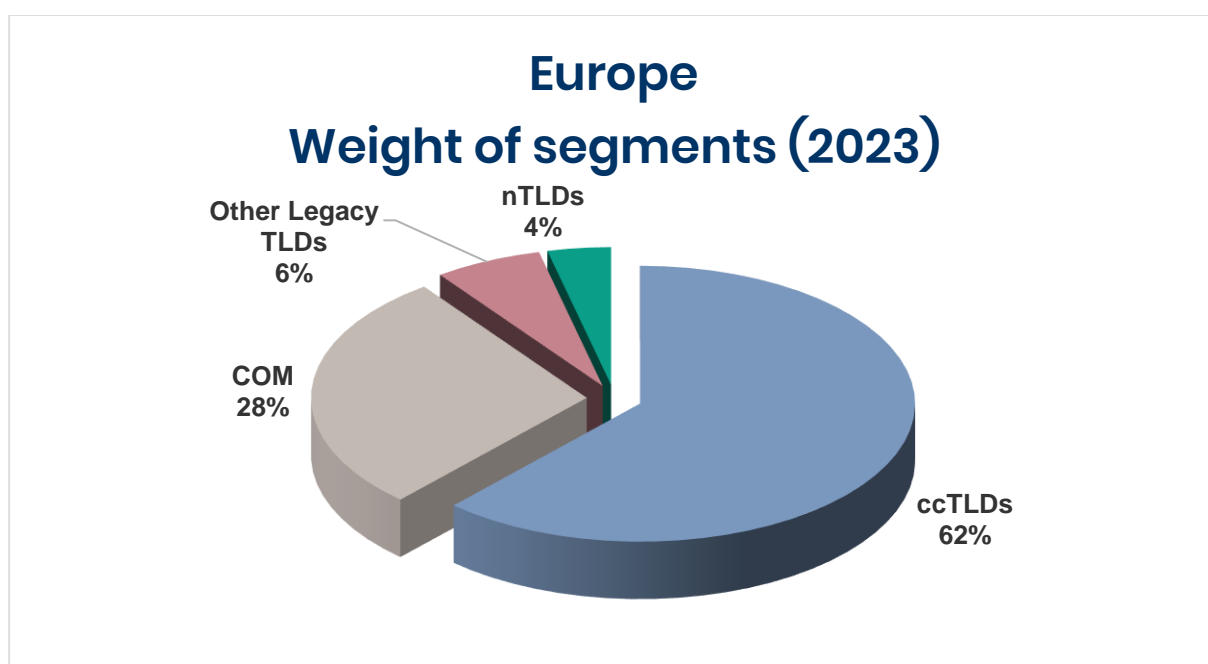


Figure 14: Europe – Weight of different segments (2023)

The landscape of the European market shows a clear preference on the part of the region's users for their national ccTLDs, the .COM domain representing just under one-third of names registered. But Other Legacy TLDs and nTLDs remain marginal – 10% between them – and there are no signs of any breakthrough.

This is also a reflection of the power of distribution networks and their own cultural prisms (as registrars naturally promote what they think clients will buy, which favours TLDs well known to the public and disadvantages new entrants).

6.6 Weight of segments in North America

How can we explain that .COM is world leader when it is “only” a challenger of ccTLDs in all the regions we have studied? The answer is simple: with its weight (71% in 2023 as against 73% in 2022) it crushes the other segments in the North American region, which accounts for 37% of the world market (38% in 2022) compared with 35% for Europe (36% in 2022), 22% for Asia-Pacific (20% in 2022), 5% for Latin America and the Caribbean (stable) and 1% for Africa (stable). The figures show that in 2023, the weight of North America and Europe declined, to the benefit of Asia-Pacific.

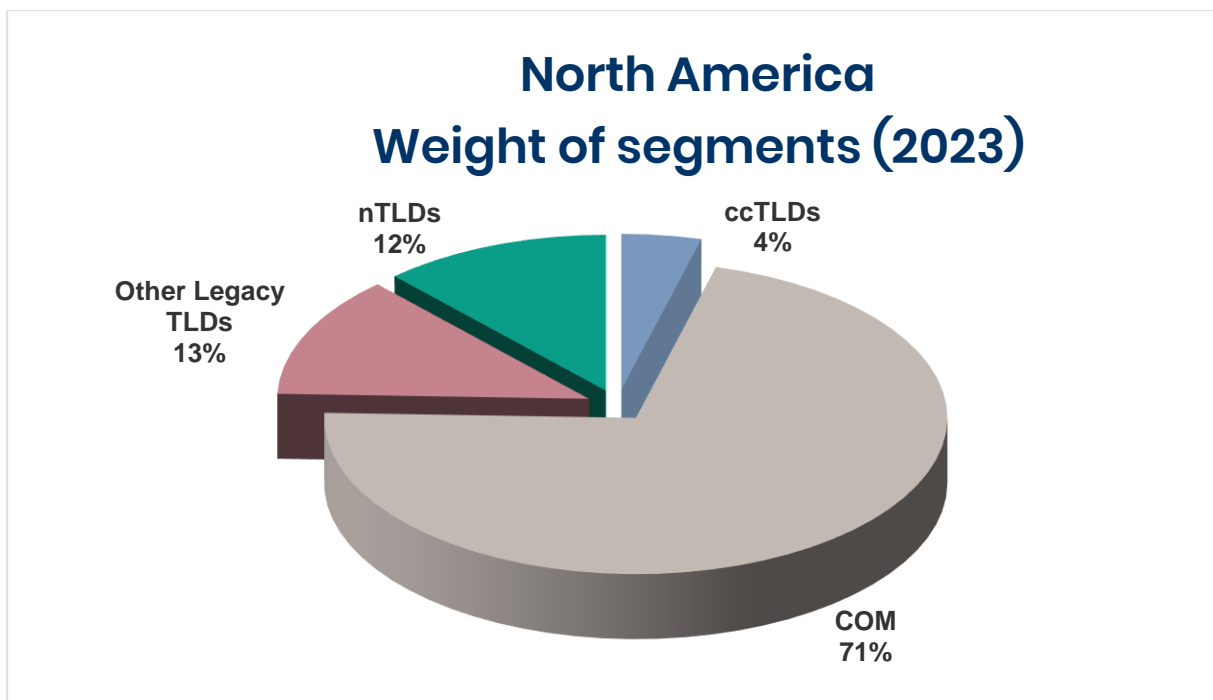


Figure 15: North America – Weight of different segments (2023)

While the national preference is for ccTLDs in four of the ICANN regions, they are marginal in North America (and, of course, especially in the United States) with just 4% of market share. The .COM domain holds three-quarters of the market and the Other Legacy TLDs have a

market share of 13% (stable), significantly above their weight worldwide. Lastly, nTLDs are constantly growing at 12% (as against 10% in 2022).

Thus, just as North America is the region that weighs most for the .COM, the latter is the most vital TLD for North America, although it is appropriate to qualify this conclusion by mentioning a non-negligible bias factor: domiciliation of proxy services. Just as in the case of Panama, certain big US registrars (particularly GoDaddy and Tucows) automatically domicile all their clients in North America, particularly since the GDPR came into force. It is therefore undeniable that a certain number of domain names associated with the North America region are in fact held by owners located in other parts of the world.

This state of affairs hampers our estimates of market shares, which must therefore be considered in orders of magnitude only.

6.7 Summary tables

The tables below summarise the data on the distribution of TLD segments per major ICANN region, as we have been able to consolidate them based on our various sources. They are designed to give the reader as many statistics as possible.

| (*) | ccTLDs | .COM | Other | nTLDs | Total | Total | Var. |
|---------------------------|----------------|----------------|---------------|---------------|----------------|---------|------------|
| Africa | 3,346 | 1,386 | 206 | 107 | 5,045 | 4,879 | 3% |
| Latin America & Caribbean | 12,266 | 3,938 | 520 | 623 | 17,347 | 17,084 | 2% |
| Asia-Pacific | 40,706 | 24,867 | 3,885 | 8,082 | 77,540 | 68,694 | 13% |
| Europe | 76,463 | 34,822 | 7,842 | 4,600 | 123,727 | 122,820 | 1% |
| North America | 5,368 | 92,606 | 16,366 | 15,409 | 129,749 | 128,165 | 1% |
| TOTAL | 138,149 | 157,619 | 28,819 | 28,821 | 353,407 | 341,643 | 3% |
| TOTAL 2022 | 128,819 | 158,581 | 29,043 | 25,200 | 341,643 | | |
| Var. 2023 | 7% | -1% | -1% | 14% | 3% | | |

Distribution (in thousands) of domain names of different TLD segments per ICANN region (2023)

(*) Excluding Penny TLDs. There may be some discrepancies with the data cited above, due to the existence of names for which the country of the holder is not known (for example, 157 million .COM names instead of the 165 million announced by the ICANN report).

| | ccTLDs | .COM | Other | nTLDs | Total |
|---------------------------------|------------|------------|-----------|-----------|-------------|
| Africa | 66% | 27% | 4% | 2% | 100% |
| Latin America and the Caribbean | 71% | 23% | 3% | 4% | 100% |
| Asia-Pacific | 52% | 32% | 5% | 10% | 100% |
| Europe | 62% | 28% | 6% | 4% | 100% |
| North America | 4% | 71% | 13% | 12% | 100% |
| TOTAL | 39% | 45% | 8% | 8% | |
| TOTAL 2022 | 38% | 47% | 9% | 7% | |
| Var. (in points) | 1 | -2 | -1 | 1 | |

Weight of each segment in the regional total (2023)

| | ccTLDs | .COM | Other | nTLDs | Total | Total | V. |
|---------------------------|-------------|-------------|-------------|-------------|------------|-------|----|
| Africa | 2% | 1% | 1% | 0% | 1% | 1% | - |
| Latin America & Caribbean | 9% | 2% | 2% | 2% | 5% | 5% | - |
| Asia-Pacific | 29% | 16% | 13% | 28% | 22% | 20% | 2 |
| Europe | 55% | 22% | 27% | 16% | 35% | 36% | -1 |
| North America | 4% | 59% | 57% | 53% | 37% | 38% | -1 |
| TOTAL | 100% | 100% | 100% | 100% | | | |

Weight of regions in the total of each segment (2023)

6.8 Lessons learned

Among the lessons drawn from this 2023 study of the regional dynamics for all TLDs taken together, we would highlight the following:

- The nature of the biases identified (proxies) is revealing in itself. Due to the dematerialisation of the market, the country of origin is difficult to discern precisely, especially for gTLDs (Legacy, Others and nTLDs). This situation may be set to change, though, given the substantial efforts employed to combat abuse by better identifying holders;
- The Asia-Pacific region made up the most ground in 2023 with 2-figure growth, after having under-performed in 2022. This performance is largely linked to that of the .CN domain which acquired over 1.5 million names;
- Europe continues to post moderate growth (+1%), joined by North America.
- Latin America and the Caribbean also continue to grow moderately (+2%), as does Africa.

- ccTLDs remain dominant in all of the world's regions with the exception of North America, where the .COM domain is the uncontested leader.
- In 2023, the world market was driven by ccTLDs (+9.3M) and nTLDs (+3.6M), while .COM (-1.0) and Other Legacy TLDs (-0.2) posted a slight decline.
- Regional differences are reflected in creation and retention rates that show varying levels of maturity and dynamics, but also distinct preferences for ccTLDs, Legacy TLDs or nTLDs.
- The topology of the registrar networks is based around user preferences, which it tends to cement in return; the difficulties experienced by many nTLDs are the consequence of this lack of market fluidity.
- .COM is an example of a leader facing various difficulties. Its main strength lies in the fact that it can draw on the huge market represented by North America (USA) for which the .COM TLD is a default choice, whereas approaches are much more nuanced in the rest of the world. The slightest competition caused by fee increases renders the TLD more vulnerable in regions where ccTLDs are the preferred choice. The domain presumably continues to suffer from a distribution network (ICANN registrars) with few large registrars outside of the North American continent. This position, which Verisign cannot readily influence, prevents it from acquiring sufficient market power to inundate certain countries. The .COM domain is therefore largely dependent (and will continue to be increasingly dependent) on the North American market, which itself is reaching maturity and remains subject to the US economic context. Geopolitical factors can also contribute to weakening its attractiveness outside of the US zone of influence (there is no doubt that the Russian and Chinese markets have begun to close themselves off to .COM since 2022). It is possible, therefore, that its situation is in fact bleaker, strategically speaking, than it first appears. The fee increases introduced in 2021 and continued

in 2022, 2023 and confirmed for 2024 will likely be a decisive factor in the development of the .COM TLD in coming years.

- Asia-Pacific has the most evenly divided situation, ccTLDs representing just half of names and the various generic TLDs dividing up the rest between them. Users' spontaneous preference for ccTLDs in this region is combined with a focus on nTLDs among large domainers, which makes this region a high-potential market for new entrants but also one in which, according to available data, there is high volatility.

7. Highlights of 2023 and early 2024

The fundamental findings reported since 2015 remain true in 2023:

- Uncertainties with regard to the future leading to external growth strategies (acquiring critical mass, spreading risks, decreasing dependency) or innovation (new key success factors, diversification).
- The role of financiers in providing outside capital to the market remains crucial: in comparison to Verisign and its copious margins, the major registrars sometimes struggle and are only able to finance major acquisitions through recourse to the market. This situation will be accentuated with the approaching 2nd ICANN round for new TLDs.

The two key developments in 2023/2024 were:

- on the one hand the weakness of the .COM TLD, which posted a stock loss for the first time in its history due to the above-mentioned factors;
- and on the other hand, the development of “web 3.0 identity” and “blockchain domains” that could be seen as either threats or opportunities by the “traditional” domain name market players.

7.1 A TLD market that is still active

7.1.1 Changes in delegates/registries

Buyouts of nTLDs were commonplace in 2023. We have identified the following transactions, but this list is based on press articles and nTLDstats.com data and may not be exhaustive, in the absence of official data published by ICANN.

| New Delegates | Old Delegates | No. | nTLDs |
|--|-------------------------|----------|--|
| DotGift, LLC | UNR Corp. (Tucows Inc.) | 1 | .GIFT |
| Emergency Back-End Registry Operator Program - ICANN | Desi Networks LLC | 1 | .DESI |
| Home Depot Product Authority, LLC | Homer TLC, Inc. | 1 | .HOMEDEPOT |
| Internet Naming Co. | UNR Corp. (Tucows Inc.) | 5 | .CLICK, .HIV, .PROPERTY, .SEXY, .TRUST |
| Registry Services, LLC | UNR Corp. (Tucows Inc.) | 1 | .PHOTO |
| GRAND TOTAL | | 9 | |

7.1.2 Back-end operators

The back-end registry changes identified in 2023 via press sources and nTLDstats.com are as follows:

| New back-end | Old back-end | No. | nTLDs |
|--------------------------|------------------|-----------|---|
| CIRA | Verisign | 1 | .CROWN |
| GoDaddy Registry | Tucows Registry | 2 | .BLACKFRIDAY, .PHOTOS |
| | Verisign | 1 | .WINDOWS |
| Identity Digital | Google | 1 | .NEXUS |
| | Verisign | 38 | Details not provided due to space constraints |
| Nominet | CentralNic | 1 | .DESI |
| Team Internet | Tucows Registry | 1 | .HELP |
| Tucows Registry Services | GoDaddy Registry | 1 | .CLOUD |
| ZDNS | Identity Digital | 1 | .ICBC |
| GRAND TOTAL | | 47 | |

A total of 47 nTLDs changed back-end registry operator in 2023, the majority accounted for by the group transferred from Verisign to Identity Digital.

7.2 Mergers and acquisitions: continuous consolidation, accompanied by financiers

Mergers and acquisitions, which have proliferated in our market for some years, are largely made possible by the flow of capital resulting from financial groups taking equity interests. This phenomenon continued in 2023/2024.

Registrars

- **United internet AG** listed its subsidiary **Ionos** on the stock market. The structure also encompasses **Sedo, InternetX, Strato, United Domains, Arsys** etc. in addition to **Ionos (ex I&I)**. **Ionos** generated 1 billion euros in revenues.
- The French registrar **Gandi** merged with the Dutch **TWS** to form **Your.Online**.

- Singaporean registrar **Gname** specialised in drop catching created 100 subsidiaries which each obtained ICANN registrar status. These 100 subsidiaries are in addition to the 50 already registered with ICANN.
- **Alphabet** sold the **Google** domain name activity to **SquareSpace** for \$180 million.
- The domain names managed by the registrar **Freenom** were taken over by **Gandi**.

Registries

- **CentralNic** rebranded itself as **Team Internet**. In 2024, it began trading on OTC markets (TIGXF) in addition to the London market (TIG). The company completed two acquisitions in 2023/2024: **Adrenalads** for \$2.4M and **Shinez I. O. Ltd.** (company managing 40 content sites) for \$42M. The goal of the second operation is to decrease the dependency of **Team Internet** on **Google** when it comes to monetising its content.
- **CIRA** and **SIDN** partnered to jointly manage a new registry platform. In practice, **.NL** will be migrated to the Canadian platform **FURY**, ownership of which will be transferred by **CIRA** to a Canadian structure co-owned by **CIRA** and **SIDN**.
- **CZNic** joined a consortium that will work on the concept of an “**EUDI Wallet**” (EU Digital Identity Wallet)
- **LACTLD** made a WHOIS search engine common to several of its members available to the public. <https://buscador.lactld.org/index-en.html>
- The European ccTLDs formed a structure to strengthen resilience to cyber-attacks: **European Top Level Domain Information Sharing and Analysis Centre (European TLD ISAC)**.

7.3 New services

Confronted by a certain sluggishness in their economic environment, the players in the domain name market have continued their efforts in terms of innovations and the search for diversification paths, many of which are connected with the fight against abuse via the DNS, in particular:

- **GoDaddy Registry** and **Identity Digital** introduced with great fanfare a “blocking” service under the name **GlobalBlock**, covering 650 gTLDs and ccTLDs.
- **MarkMonitor** launched a new service to snag expiring domains for its **DomainDefend** customers. The company’s holding is **Newfold Digital**, which controls a number of long-standing major registrars (Network Solutions, Register.com, etc.) as well as SnapNames.

The subject of “Blockchain Domains” and crypto-TLDs has become increasingly relevant in 2023/2024, although confusion remains for certain players between “web 3.0 identity” and domain names. In any case, the interest in creating one or more gateways between the two is lost on no-one, and initiatives to this effect are becoming more numerous, in general led by start-ups that have raised funding. Examples include:

- The Swiss start-up **Freename.io** which raised \$2.5M for the creation of “TLDs” in the blockchain.
- The start-up **D3 Global** (Los Angeles) which raised \$5M to apply for “fTLDs” in 2026. It is also considering proposing web 3.0 “interoperability” services.

8. Conclusions and outlooks

2023 was marked by a rebound of ccTLDs, solid growth of nTLDs led by a few leaders, and the persistent weakness of .COM, likely caused by its price levels that have become difficult to keep up with for holders of large portfolios, first and foremost domainers and rights holders. The political and economic context is without doubt also unfavourable to the development of the .COM TLD in some of the world's regions.

Generally speaking, the effects of the “acceleration of the digital transition” seem to be fairly permanent among ccTLDs, nTLDs having returned to their pre-2020 behaviour, fluctuating between strong create waves and strong delete waves. Other Legacy TLDs are stabilising, and their continued creations at usual levels demonstrate that the largest of them have found and managed to retain their markets. It remains to be seen if 2024 will be a difficult year for .ASIA and .PRO which posted exceptional creation rates that could result in high levels of deletions when the first expiry dates come around.

The trend towards concentration set to continue

The move towards concentration continued in 2023 and will be ongoing in 2024 among TLDs, back-office registries and registrars alike. The cause is a dual phenomenon set to last: on the one hand, interest in the domain name market from financiers; and on the other, the vital quest for critical mass and, short of that, absorption by a larger player under the best possible conditions.

A process that will only intensify as the 2nd ICANN round approaches.

Stock market developments dictated by financial health rather than growth

Changes in the market capitalisations of the main listed market players is proof that, in 2023, against a backdrop of slowed growth in turnover, investors tended to penalise the groups posting losses. Those whose growth levels have fallen too sharply are also those suffering from concerns among investors confronted with market outlooks that are hard to read (

| | 2021 | 2022 | 2023 | Capit. Var. % 2023 | Rev. Var. % 2023 | Net profit / Income 2023 |
|---------------|------|------|------|--------------------|------------------|--------------------------|
| Team Internet | 0.4 | 0.5 | 0.4 | -17% | 15% | 3% |
| GoDaddy | 12.5 | 10.9 | 13.7 | 26% | 4% | 33% |
| Ionos | - | 2.6 | 2.7 | 6% | 10% | 12% |
| OVH | 3.0 | 2.4 | 1.8 | -26% | 14% | -4% |
| SquareSpace | 4.1 | 3.0 | 4.1 | 36% | 17% | -1% |
| Tucows | 0.8 | 0.3 | 0.3 | -23% | 6% | -28% |
| Verisign | 24.7 | 20.2 | 18.9 | -6% | 5% | 55% |

Estimated market capitalisation of some of the main market players as at 31/12, expressed in billions of euros

Today’s big challenges

The efforts made to combat abuse, following the consolidation of the legal framework, in the form of NIS 2 for example, have led innovations to emerge, but within a relatively limited scope which tends more to optimisation than expansion. In some ways, these efforts respond to a reasoning far removed from economic concerns, when they are not perceived as pure threats by some players worried about seeing their costs soar while some “good customers” leave them for their competitors offering greener grasses.

The 2nd ICANN round is scheduled for two years' time – enough time for players needing to find new markets, but not long enough to secure the conditions for success. That said, the question remains as to the “fantastical” nature of this 2nd round, when we consider what came out of the first one. The fundamental weakness of a potential oversupply is, of course, that, under equal conditions, it will not be matched in the future any more than in the past by equally abundant demand. Users often continue to be unaware of the existence of nTLDs ten years on from their creation, and the big groups that obtained their .BRAND generally struggle to place it at the core of their digital strategy, with a few noticeable exceptions.

In search of sources of growth, the domain name market cannot ignore the phenomenon of “web 3.0 identity”. Will it be able to catch a second wind as part of an alliance with “web 3.0”, in turn providing its years of experience and (relative) stability? This is perhaps the biggest question for the coming months, and the most structural element in the medium and long term.

Forecasts for 2024

Two phenomena are set to persist in 2024: the sluggishness of the .COM domain (or even its relative decline), and the development of ccTLDs.

The .COM TLD is crippled by rising fees (the fee increase on 1 September 2024 has already been confirmed by Verisign) and the “campaigns” announced by its registry are unlikely, in the medium-term, to erase the fact that current price levels are a disincentive.

In this context where the leader, fixated on its financial results, is causing itself harm on a strategic front, its main competitors – ccTLDs – should make the most of the wider possibilities for development thanks to a more favourable price effect.

The same observation applies to nTLDs based on “classic” models, with fees not counted in cents but rather tens of euros. The wider trends in the nTLD segment are more difficult to predict as they are governed by the performances of a handful of large players. We can take it as read that deletions will spike following the strong creation rates in 2021, but we do not yet know if the level of creations in 2024 will offset these or not. It is unlikely that they will remain at the same level as 2023, with a balance that should be close to equilibrium.

“Other Legacy” TLDs should, for their part, suffer higher deletion rates (on .ASIA and .PRO) while continuing their slow decline.

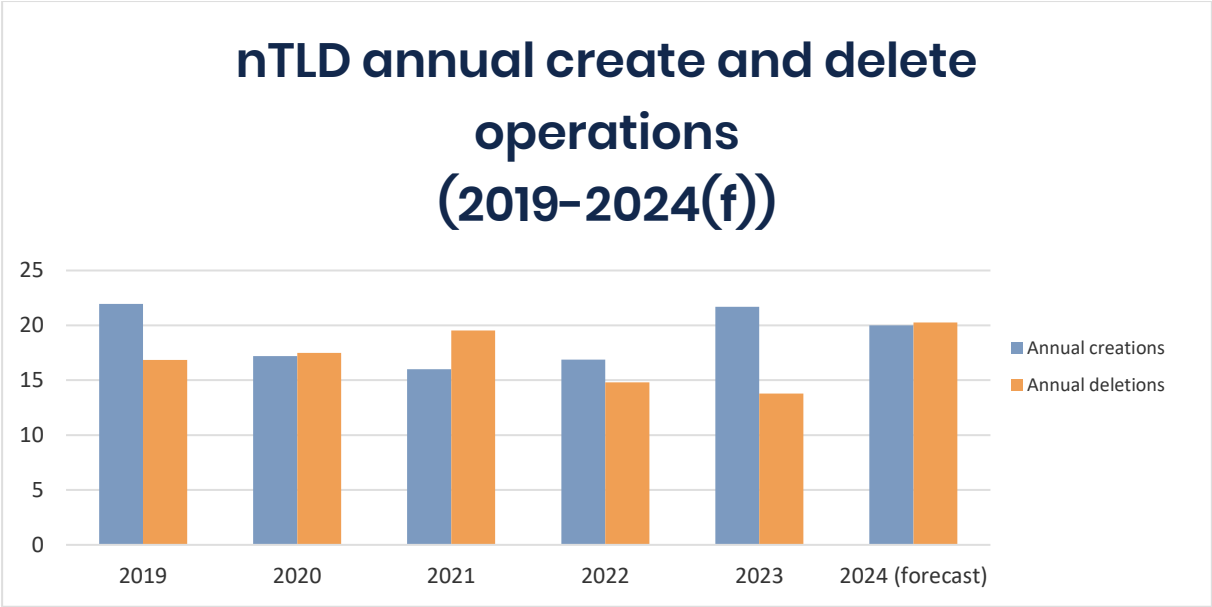


Figure 16: nTLD annual create and delete operations (2019-2024 [trajectory])

These different possibilities result in the projections shown in the graph below.

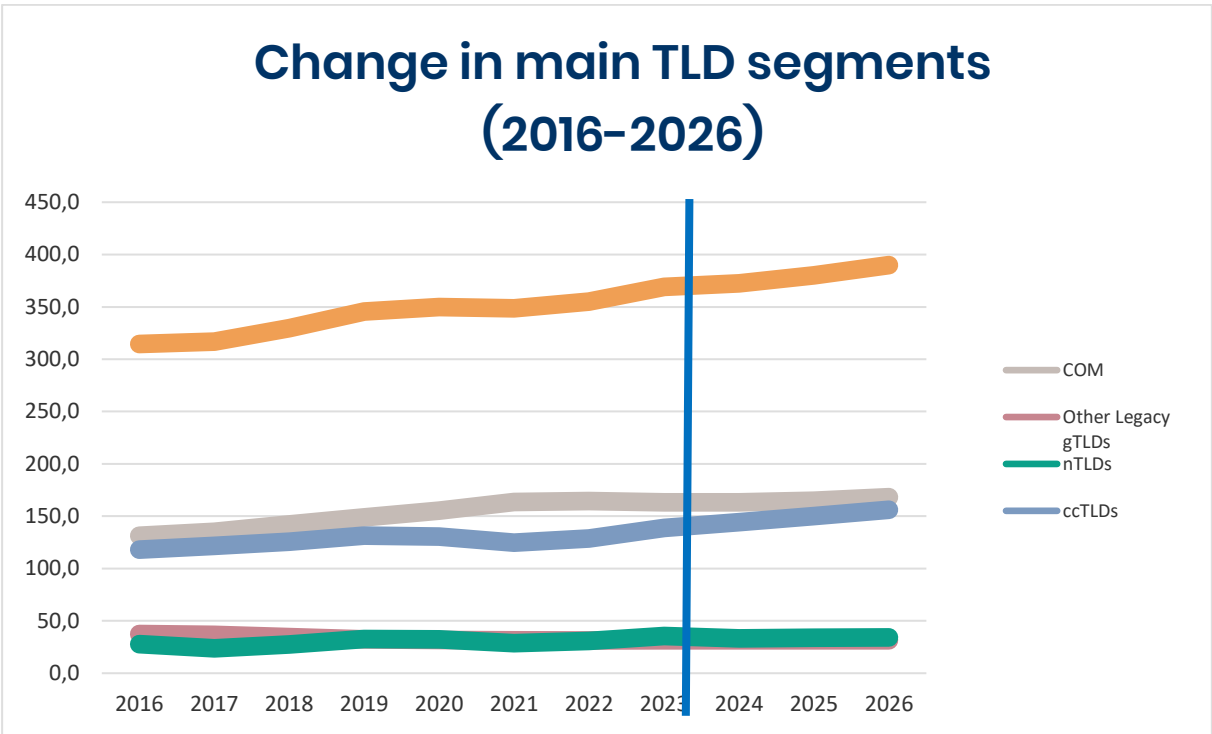


Figure 17: Change in main TLD segments (2016-2026)

Our “forward-looking” conclusions from 2021–2023 remain globally unaltered in 2024.

Faced with these complicated market conditions, which are difficult to interpret in terms of their medium- and long-term implications, the two underlying trends, which are the concentration of players and the search for innovations in themes connected with domain names (Data, Cybersecurity, IoT, digital identities, etc.), will remain topical.

But the landscape of the market itself will evolve as the “pure players” become ever fewer and the process of alliances, mergers and acquisitions with other players in the “online presence” value chain moves on.

The 2nd ICANN round comes somewhat late, but will have a structuring effect in coming years, firstly because of the preparation it entails, and secondly because it will create a welcome breath of fresh air in a market that is struggling to evolve.

The players in the domain name market need to take advantage of this to reinvent themselves, broadening their horizons and optimising their value chain. They have the means and the expertise, but must not waste time faced with the alternatives slowly emerging around them.

“Web 3.0 identity” is the most poignant example of these potential alternatives, which can currently be viewed equally as threats or opportunities.