January 2019

Consumer perceptions of domain name extensions

Client contact
John Swinson
Chair, 2017 Policy Review Panel
.au Domain Administration Limited

OmniPoll

Background to the study

- OmniPoll was engaged by the Policy Review Panel to conduct a Consumer Sentiment Survey into the possible introduction of direct registration of domain names in Australia .

- The Panel requested particular focus on measuring consumer awareness, perceived consumer choice, experience and trust related to .au and the current domain names commonly available in the Australian market. For the purpose of this Request for Proposal, ''consumers'' included businesses, government, educational institutes, community organisations and individuals.

- In this initial study, the broad community was surveyed with the understanding that all stakeholders formed part of the community and that, at first, _separate_ cohorts of _all_ potential stakeholders would not be required. A separate cohort of business Decision Makers likely to have a role in domain name extension choices for business were identified and compared to the balance of the community

- The Scope of Works was as follows:
  - ·Design and execute a survey assessing aspects of consumer trust and perceived consumer choice in the Internet domain name system in Australia;
  - Create meaningful baseline data on consumer attitudes;
  - Capture and evaluate metrics for the proposed introduction of direct registration in Australia including data on market demand;
  - Ensure the survey is representative of geographic region, age, business and categories of consumers.

- OmniPoll understood that in commissioning this work, the Policy Review Panel wanted a meaningful baseline of data on consumer attitudes regarding competition, consumer trust and choice in the Australian domain name system.

- This research should be considered in the context of auDA's imperative to improve the utility of the .au country code top level domain (ccTLD) and ensure that direct registration, if implemented, is perceived as a positive development.

OmniPoll

Main findings

Brand attributes in line with .net.au
Apparent latent demand among business decision makers for .au

- .au stands in equal third place with incumbent .net.au on virtually all key measures taken
  - .au seems familiar to most people (Decision makers 77% Balance of community 78%) compared to (86%/85%) for .net.au
  - Trustworthiness is surprisingly high for a newcomer brand (47%/33%) compared to (46%/39%) for .net.au
- Given newness of brand, attractiveness is good and in line with incumbent .net.au
  - Attracting Australian customers (60%/43%) – versus (65%/49%) for .net.au
  - Showing a site is in Australia (66%/70%) – versus (75%/73%) for .net.au
  - Attracting O/S customers on par with other .au brands (45%/33%) versus (54%/39%) for .net.au
  - Memorability is good and comparable to major incumbents such as .net.au (65%/62%) versus (58%/61%)
- Latent demand is suggested by the high level of likely trial by business (43%)
- Latent demand supported by evidence of preference among decision makers
  - (24%) prefer .au equally or more than .com.au now
  - Multi registration strategies can be anticipated
- Highly likely to be chosen if .com.au is unavailable (58%)

OmniPoll

Impact of introducing .au

No negatives revealed by study

Latent demand would be satisfied

- The familiarity, trust, attractiveness and memorability levels measured across both Decision makers and the balance of the Community suggest that there are no lurking negatives associated with the introduction of the .au extension.

- The high level of expected trial among Decision Makers and the current preference levels of this newcomer brand suggest that some latent demand will be satisfied on the introduction of the .au extension.

- The relatively high scores we measured for .au and the absence of any apparent brand impediments lead us to conclude that, upon marketing to communicate the benefits of .au, greater acceptance, trial and preference for .au can be expected.

OmniPoll

Methodology

Conducted on the OmniPoll national online Omnibus

- Sample
  - Conducted nationally among 1,290 respondents aged 18 years and over.
  - Respondents were drawn from the online consumer panel managed by Lightspeed Research, OmniPoll's online partner.
  - Strict sample quotas reflective of Census populations were set for each state, city and regional area, along with sex and age.

- Questionnaire
  - Two questionnaire paths were followed.
    - A group of 169 respondents, who identified as potential Decision makers in relation to domain name choice in their work situation, received all nine key questions.
    - The greater proportion (1129 respondents not identifying as potential Decision makers) received a sub-set of six key questions.
  - To eliminate possible confusion between the proposed .au domain name extension and existing .com.au, net.au, and .gov.au extensions, all extensions were always visible together when respondents were answering questions.

- Fieldwork
  - Conducted over the period 17-22 January 2019.

- Weighting
  - To help reflect the overall population distribution, results were post-weighted to Australian Bureau of Statistics data on age, highest level of schooling completed, sex and area.

OmniPoll

About the participants

Based on a cross section of the Australian community over 18 years of age

- This survey was conducted using the OmniPoll monthly Omnibus.

- The Omnibus is designed to reflect the overall adult community.

- Within this study a number of respondents identified as decision makers who we deemed likely to have an influence over the choices of Australian businesses in their marketing and domain name choices.

  – We identified decision makers using the following question:

  – "Thinking now about your job. Which one of the following best describes your occupation? *(Select one answer)*"

1	Self employed
2	Owner/manager/CEO of a business
3	Manager engaged in marketing
4	Manager engaged in IT
5	Other manager
6	Operations/production/retail
7	Trades
8	Clerical
9	Government employee/public servant
10	Other employment

- Respondents identifying in the first four categories were deemed to be potential Decision Makers and were asked additional questions regarding likely uptake of .au.

To assure no confusion between 'com.au' and '.au'

Domain name extensions .com.au and .au were always visible together

PROG NOTE: ASK ALL RESPONDENTS
Now we would like you to think about domain name **extensions** used on the Internet. A domain name extension is the last part of a web address after the website name. For example, if you visit 'company**.com.au'**, the domain name extension would be '**com.au**'.
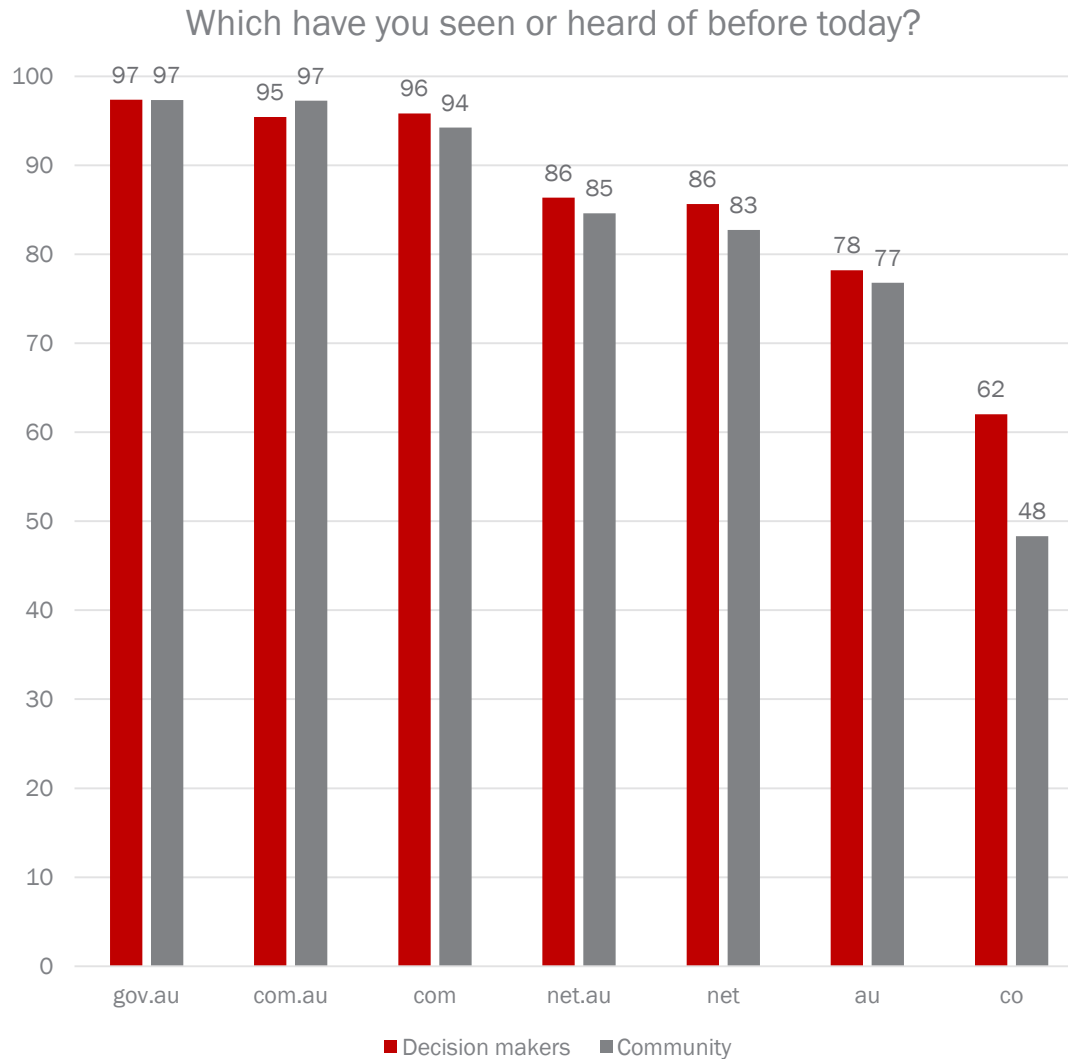
Which, if any, of the following types of domain name extensions have you seen or heard of before today? (*Select one answer per row*)

PROG NOTE:
•**SINGLE RESPONSE PER ROW**
•**RANDOMISE A-G MAINTAINING ORDER A-B AND C-D**

		Yes/ heard of	No/ not heard of
A	.com	1	2
B	.co	1	2
C	.com.au	1	2
D	.au	1	2
E	.net	1	2
F	.gov.au	1	2
G	.net.au	1	2

OmniPoll

Awareness of domain name extensions

Which have you seen or heard of before today?

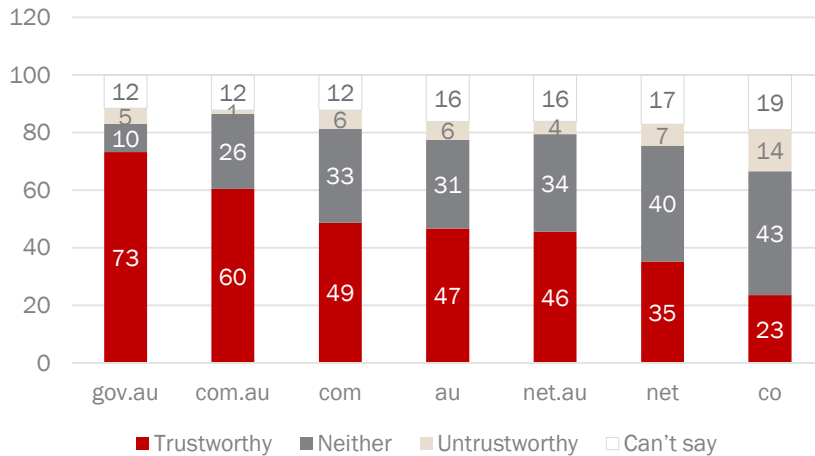|	gov.au	com.au	com	net.au	net	au	co
Decision makers	97	95	96	86	86	78	62
Community	97	97	94	85	83	77	48

■ Decision makers ■ Community

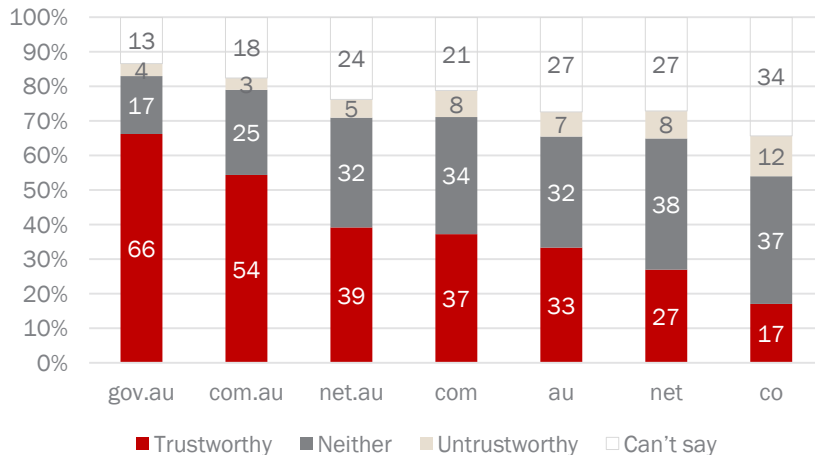## Less awareness in pre-availability stage

- Incumbent Australian domain name extensions have almost universal recognition among our online consumer panel.
- The as yet unlaunched .au domain name extension also seems familiar to 8/10 respondents (77% to 78%).
- This measure can be expected to rise as marketing and use of the domain name extension progresses.

OmniPoll

How trustworthy are websites with these extensions?

Decision makers

	gov.au	com.au	com	au	net.au	net	co
Can't say	12	12	12	16	16	17	19
Untrustworthy	5	1	6	6	4	7	14
Neither	10	26	33	31	34	40	43
Trustworthy	73	60	49	47	46	35	23

■ Trustworthy   ■ Neither   ☐ Untrustworthy   ☐ Can't say

Community

	gov.au	com.au	net.au	com	au	net	co
Can't say	13	18	24	21	27	27	34
Untrustworthy	4	3	5	8	7	8	12
Neither	17	25	32	34	32	38	37
Trustworthy	66	54	39	37	33	27	17

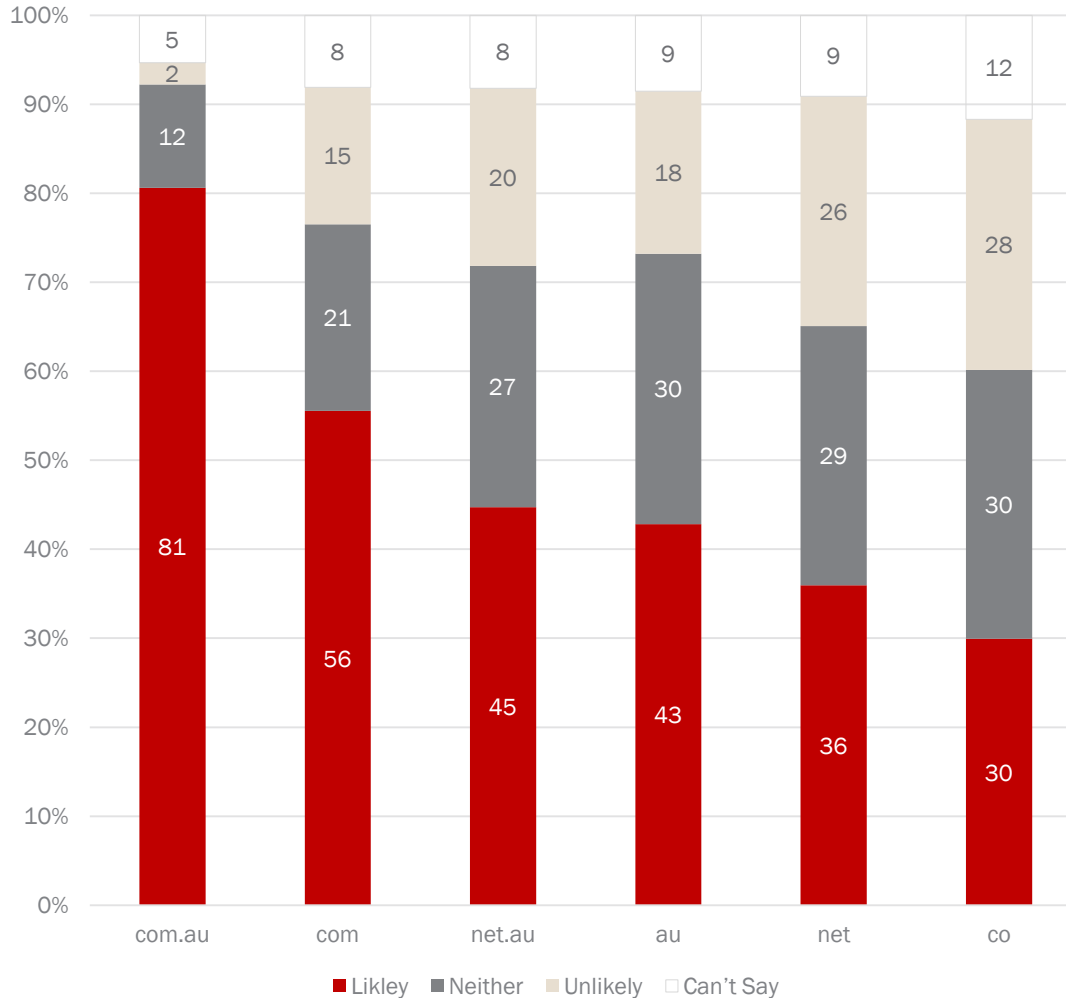■ Trustworthy   ■ Neither   ☐ Untrustworthy   ☐ Can't say

Trust is at a good level for the pre-market stage

- As with all brands, this market newcomer should begin with lower trust than existing brands in the market.
- This difference is observed. However:
  - The proportion <u>not</u> trusting is just 6%
  - Trust is not statistically different to .com or .net.au.

- This pattern is common to both Decision makers and Community members. However:
  - Fewer Community members are able to give an opinion on this measure.
  - Decision makers (whom we assume are more likely to be aware of the pending introduction of the new brand) are more likely to rate .au higher on trust.

- In the case of both groups, increasing familiarity can be expected to help build trust in the, as yet, untried brand.

OmniPoll

Likelihood of choosing extensions for your business

Decision makers

Chart data:

Extension	Likely	Neither	Unlikely	Can't Say
com.au	81	12	2	5
com	56	21	15	8
net.au	45	27	20	8
au	43	30	18	9
net	36	29	26	9
co	30	30	28	12

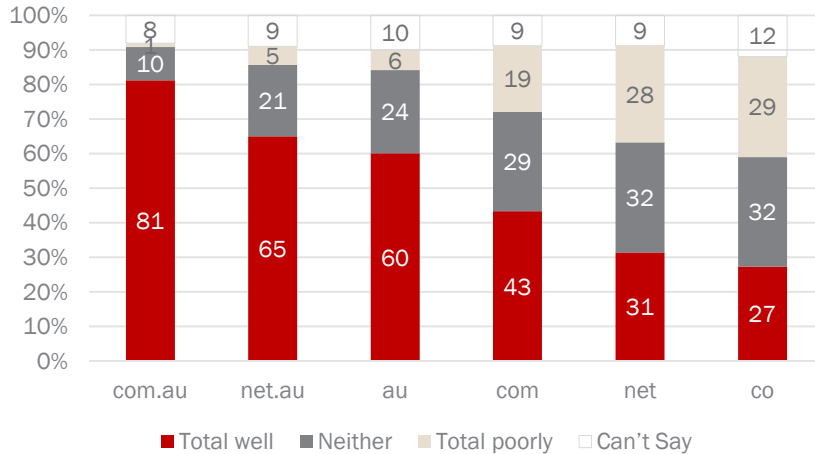Legend: ■ Likley ■ Neither ■ Unlikely □ Can't Say

Significant trial can be expected

- While .au is yet to be released, just under half of Decision makers say they are likely to choose .au as (one of) their domain name extensions.
  - It's clear from this question that Decision makers consider multiple extensions.

- Likely use is not statistically different from likely use of .net.au making .au equal third likely to be used in spite of its pre-market state.
  - Some of this remarkably high acceptability may be attributed to the possibility that Decision makers are aware of the pending availability of the new brand.

OmniPoll

How well do extensions attract Australian customers?

Decision makers

	com.au	net.au	au	com	net	co
Can't Say	8	9	10	9	9	12
Total poorly	1	5	6	19	28	29
Neither	10	21	24	29	32	32
Total well	81	65	60	43	31	27

Community

	com.au	net.au	au	com	net	co
Can't Say	18	22	23	23	26	29
Total poorly	2	5	6	12	17	22
Neither	16	24	28	37	40	38
Total well	64	49	43	28	17	12

Legend: Total well · Neither · Total poorly · Can't Say

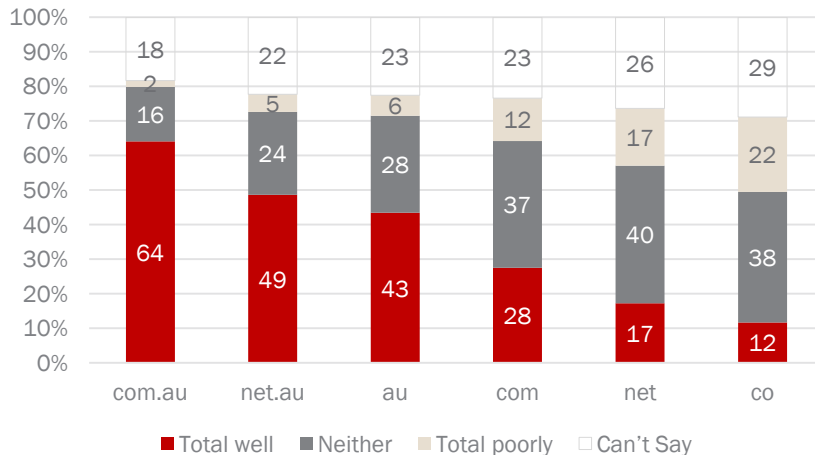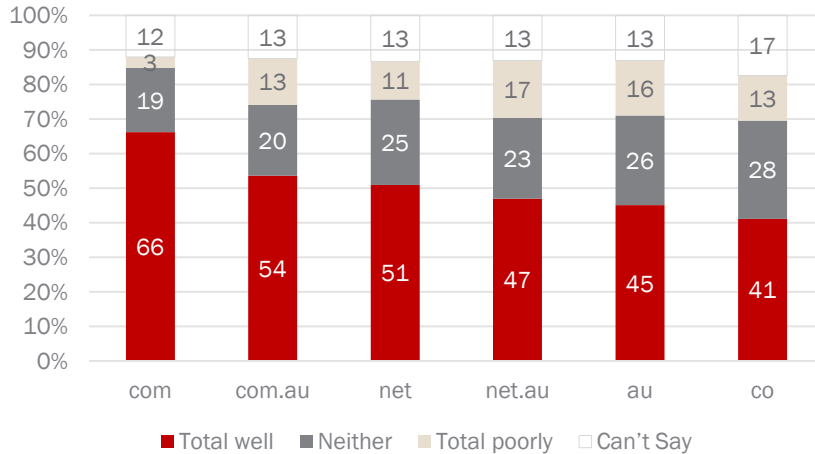## Strong pre-marketing identification

- Readers should recall that .com.au and .au were always visible together in the survey to avoid brand confusion between the two.

- This being the case, there is a strong, expected Australian customer appeal inherent in the .au extension.

- As for other measures, it seems that Decision makers have higher ratings of all brands than do Community members .
    - In the case of both, .au sits immediately behind the well known market incumbents and above non .au extensions.

- The actual proportions of 60% and 65% (among Decision makers) and 49% and 42% (among Community members) are not statistically different at this sample size.
    - This means that it is valid to say that perceived appeal of .net.au and .au are equal second to .com.au.

OmniPoll

How well do extensions attract customers outside Australia?

Decision makers

Extension	Total well	Neither	Total poorly	Can't Say
com	66	19	3	12
com.au	54	20	13	13
net	51	25	11	13
net.au	47	23	17	13
au	45	26	16	13
co	41	28	13	17

Community

| Extension	Total well	Neither	Total poorly	Can't Say
com.au	46	25	7	21
net.au	39	28	9	25
com	35	31	9	26
au	33	32	10	25
net	24	36	12	28
co	18	37	14	31

.au is not significantly less attractive than .com.au

- Among both Decision makers and Community members, .com is the unsurprising winner on this question.

- Statistical analysis shows that .au is not significantly different from .com.au on this measure at this sample size among Decision makers.
  - In the event that marketing efforts to improve the cachet of Australian domain names were to take place, improvement in this rating for all brands with .au in them can be expected.
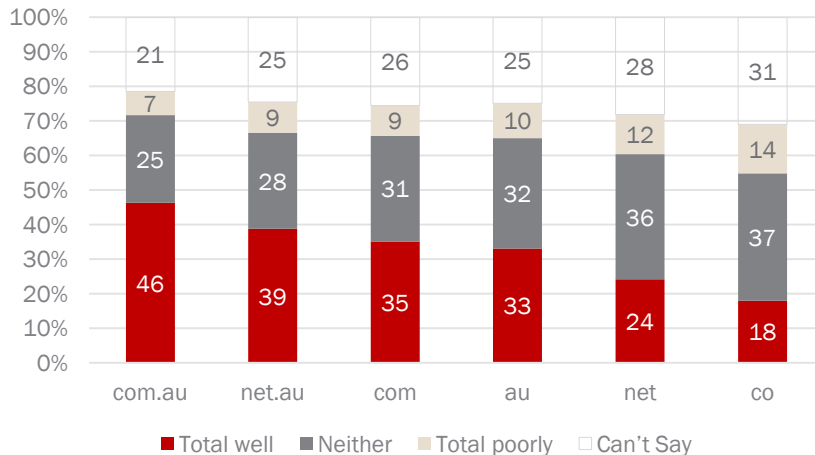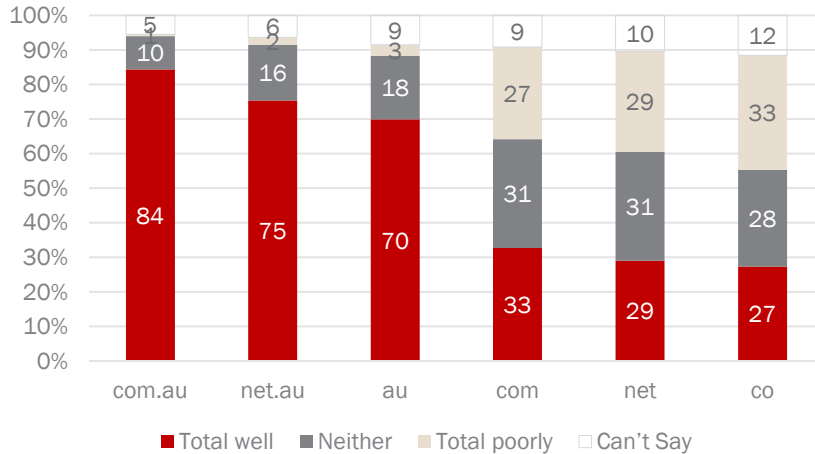
- There is a point at which the cachet of an Australian brand may be seen as attractive to customers from countries outside Australia.
  - In this context, the similarity of rating between .au and the existing .com.au and .net.au ratings can be seen as a positive.

OmniPoll

Decision makers

	com.au	net.au	au	com	net	co
Total well	84	75	70	33	29	27
Neither	10	16	18	31	31	28
Total poorly		2	3	27	29	33
Can't Say	5	6	9	9	10	12

Legend: ■ Total well ■ Neither ■ Total poorly □ Can't Say

Community

	com.au	net.au	au	com	net	co
Total well	79	73	66	12	9	8
Neither	11	15	18	32	34	31
Total poorly	1	2	5	40	40	41
Can't Say	8	10	11	16	18	19

Legend: ■ Total well ■ Neither ■ Total poorly □ Can't Say
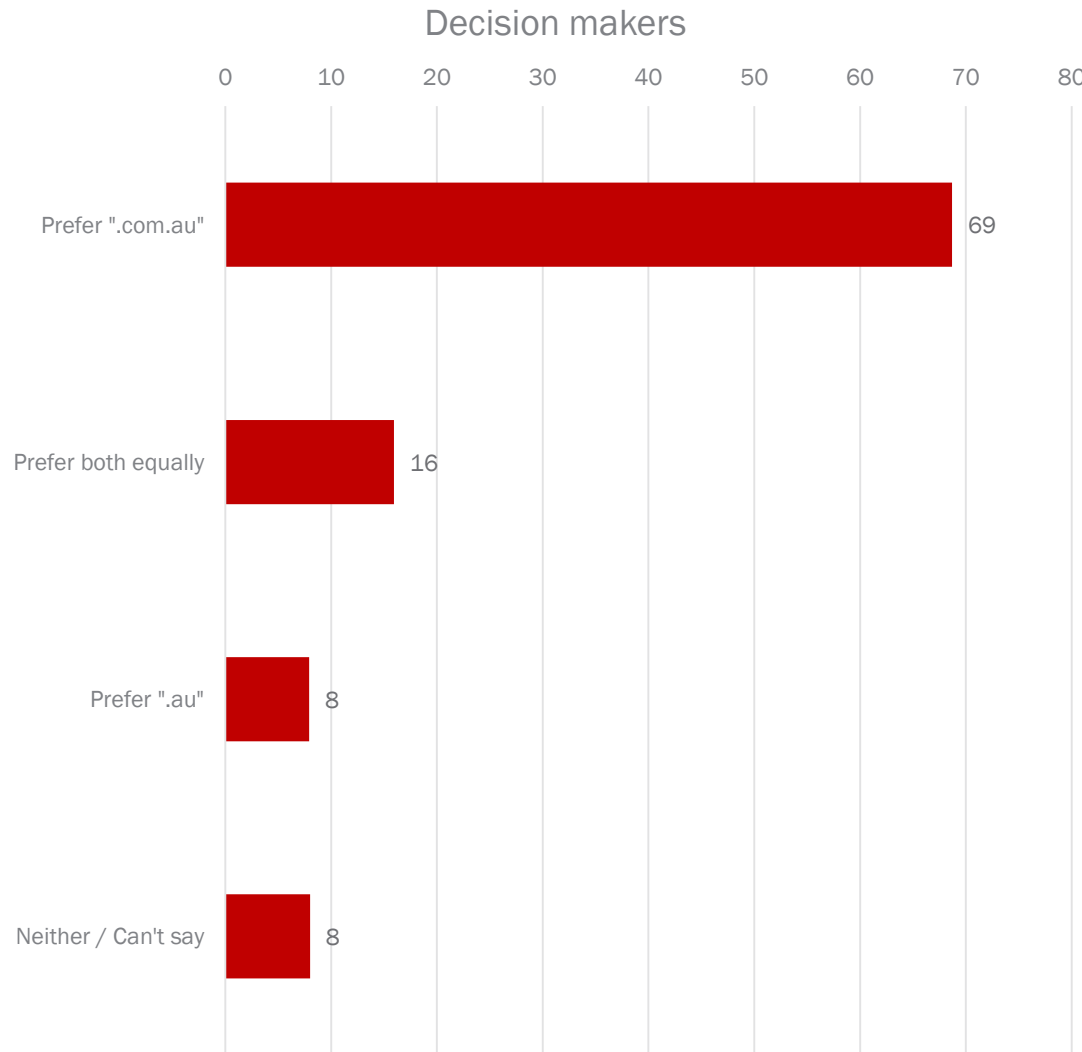
.au is equal to .net.au

- The very familiar incumbent .com.au is the clear winner among both sub-groups on this question.
  - This is unsurprising given the perceived intent of the domain name extension.

- What may be surprising is that at this sample size, .au is not statistically different to .net.au on this measure.

- This is true among both Decision makers and Community members .

- While this question might be regarded as self-fulfilling, the important conclusion is that the .au domain name extension does not have a downside on this perceptual measure.

OmniPoll
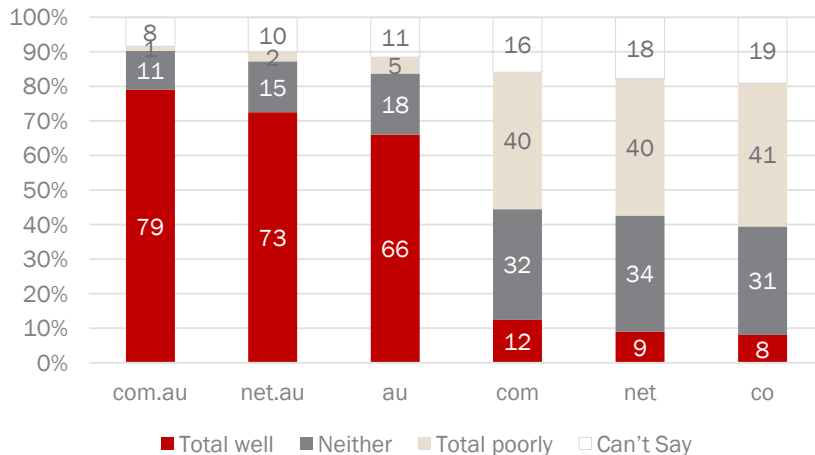
Which extension Decision makers prefer at same cost

Decision makers

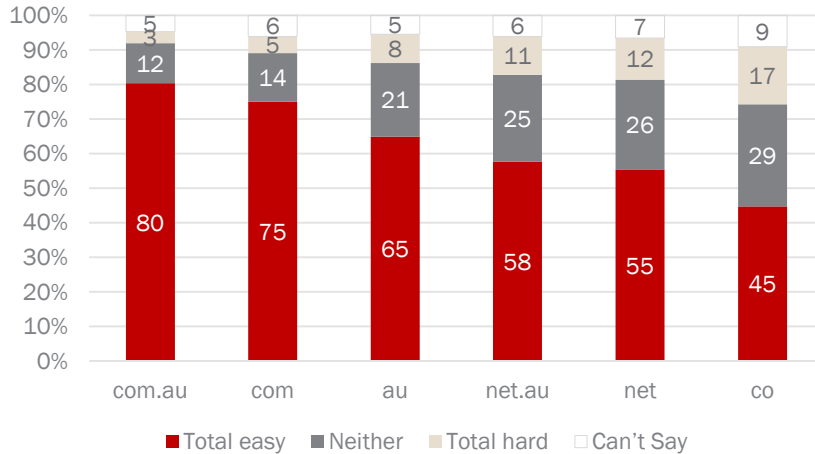| Category	Value
Prefer ".com.au"	69
Prefer both equally	16
Prefer ".au"	8
Neither / Can't say	8

Familiarity breeds content

- Decision makers clearly prefer the current incumbent brand .com.au.
- 24% either prefer .au equally or more than .com.au.
  - This supports our earlier finding that significant numbers of Decision makers are likely to consider .au when it becomes available.
- It should also be remembered that brand preference is strongly correlated to familiarity in most brand models.
  - Given this, it is not unreasonable to expect that preference will grow as .au is marketed as available.
- This preference measure should be included in future tracking.

OmniPoll

How easy are extensions to remember?

Decision makers

	Total easy	Neither	Total hard	Can't Say
com.au	80	12	3	5
com	75	14	5	6
au	65	21	8	5
net.au	58	25	11	6
net	55	26	12	7
co	45	29	17	9

Community

	Total easy	Neither	Total hard	Can't Say
com.au	80	12	2	6
com	70	18	5	8
au	62	21	8	8
net.au	61	20	11	7
net	52	26	12	10
co	41	28	19	11

.au in second group for memorability

- Current dominant incumbents .com and .com.au are clear leaders in memorability for both Decision makers and Community members generally.

- While the .au domain name extension sits in apparent third place, it is not significantly different from .com on this measure because, at this sample size, 65% is not significantly different from 75%.
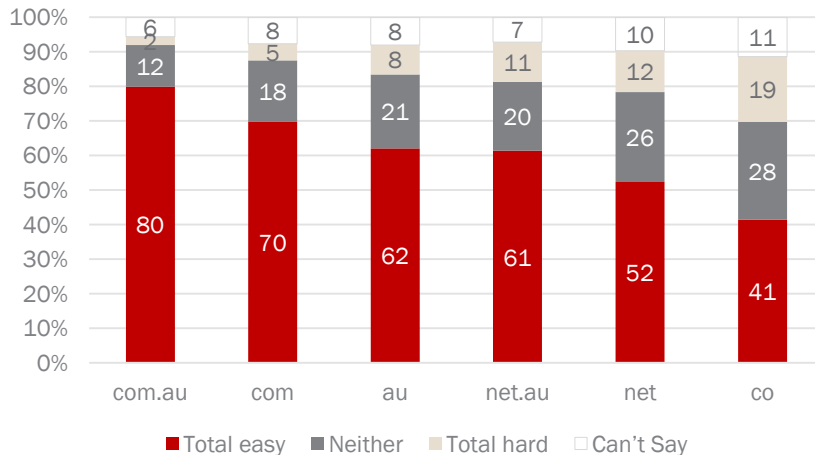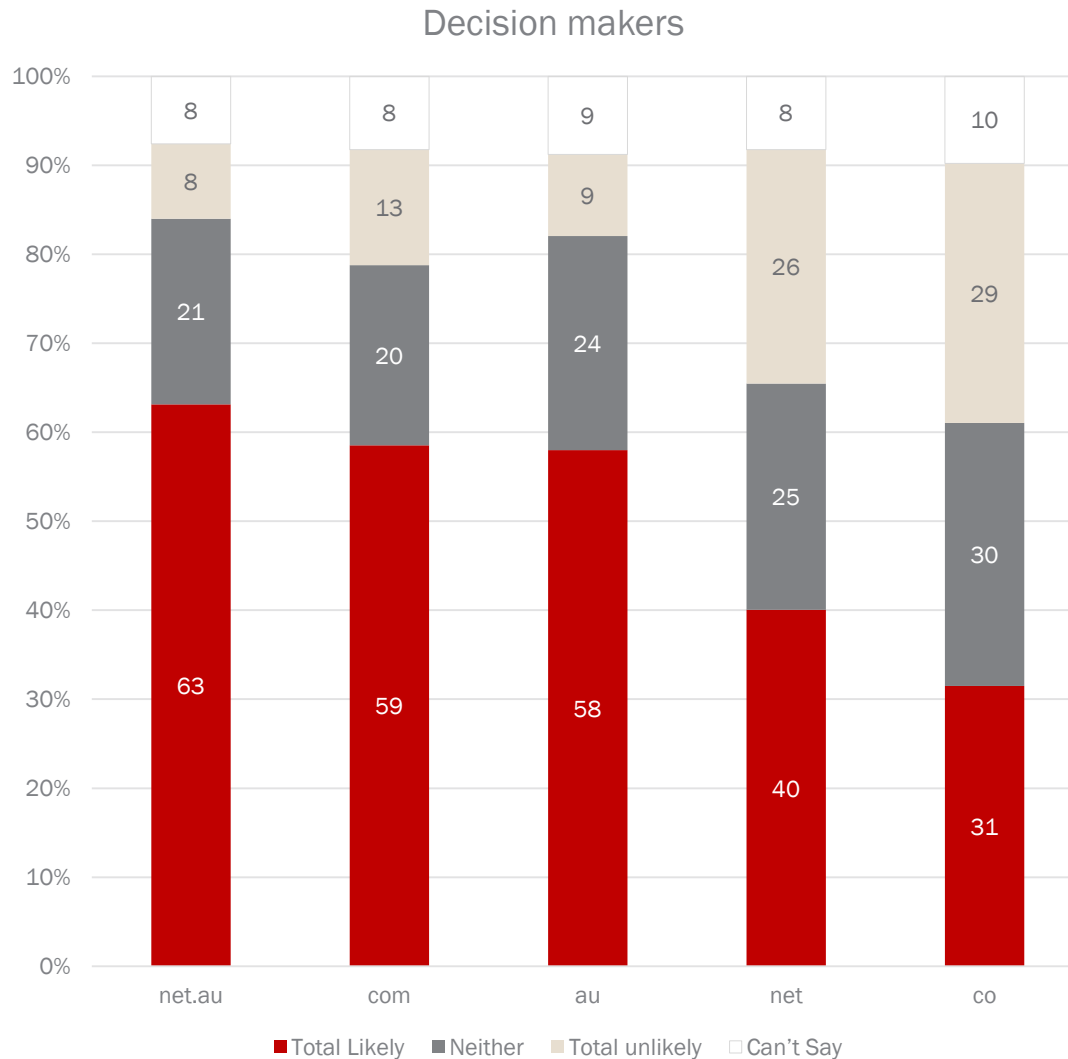
- Accordingly, while it is reasonable to say that .au is in third place, the gap between first, second and third place in this measure is quite small.

- This applies to both Decision makers and Community members generally.

- The main thing to learn here is that .au does not start from behind on this measure.

OmniPoll

If .com.au unavailable, which would you be likely to use?

Decision makers

Chart legend: Total Likely | Neither | Total unlikely | Can't Say

Category	Total Likely	Neither	Total unlikely	Can't Say
net.au	63	21	8	8
com	59	20	13	8
au	58	24	9	9
net	40	25	26	8
co	31	30	29	10

.au is behind main incumbents but no obvious negative

- This slightly artificial test allows us to understand how familiarity dictates preference among Decision makers.
  - In the absence of the dominant .com.au brand, a new hierarchy arises.
  - The most familiar brands, .com and.net.au move into top spot while the newcomer brand achieves an impressive third place.

- Statistically, .au is equal to both .com and .net.au at this sample size.

- Accordingly, while it is correct to interpret the chart as presented, it is also valid to say that as many Decision makers would include .au in their preference list as would include .com and .net.au.

OmniPoll

The .au domain name extension should enter the market with a number of advantages and without negative connotations

- These advantages are:

  - High perceived awareness of the .au extension. 77% to 78% of respondents say they are aware of .au which is high for a brand at pre-launch phase. Main incumbents .com.au and .gov.au have 95% to 97% awareness.

  - High expected trust for websites using the .au domain name extension for a product yet to be launched. 47% of Decision makers and 37% of Community members say those websites would be trustworthy.

  - High trial can be expected as four in ten (43%) of Decision makers say they are likely to use the .au domain name extension as part of their marketing repertoire – only 18% say they are unlikely to use.

  - The greater proportions of both Decision makers (60%) and Community members (43%) say that .au will do well or very well in attracting Australian customers.

  - Decision makers say that .au will do as well as main incumbent .com.au at attracting customers from outside of Australia.

  - 70% of Decision makers say that the .au domain name extension shows that a company is located in Australia either well or very well. This is statistically the same as second placed .net.au (75%) and not far behind main incumbent .com.au (84%).

  - Current preferences reflect current availability and incumbency when comparing preference for .au or .com.au among Decision makers. 69% of Decision makers currently prefer .com.au while 16% prefer both equally and 8% prefer .au alone. (Noting that 43% of Decision makers have indicated an intention to use .au in an earlier question).

  - The .au domain name extension is rated easy to remember by Decision makers and Community members (65% and 62% respectively) given that the brand is not yet in the market, this compares well to .com.au and .com on 80% and 70%-75% respectively.

  - If the .com.au domain name extension was not available, 58% of Decision makers say that they are likely to use .au. This is behind incumbents .net.au and .com but is a very good number for a brand that is new to the market.

OmniPoll

Normal marketing effects should increase familiarity, positive attitudes and intention to use the .au domain name extension

- When we apply normal marketing theory to the questions we have just analysed, we will see a few familiar trends
  - Main incumbent brands (.com.au, .net.au and .com) are better known, more trusted, more preferred and more often chosen than newcomer .au.
  - Decision makers are more likely to be aware of the pending entry of .au to this market and, accordingly generally scored the brand higher on the measures we took.
  - It appears from the answers given that multi branded domain strategies are being contemplated in which .au will have a place along with the other extensions.

- Applying marketing theory to what will happen next…
  - The new brand starts with a number of obvious advantages and no negative connotations.
  - The introduction of this new brand should expose more people to it, improving familiarity and other scores.
  - Marketing aimed at familiarising the two target markets with the brand should also lead to increased scores for the marketing measures of awareness, trust, attractiveness, memorability, and association with Australia.
  - Growth in these measures should lead to an increase in preference for the brand and likelihood of using .au.

OmniPoll