

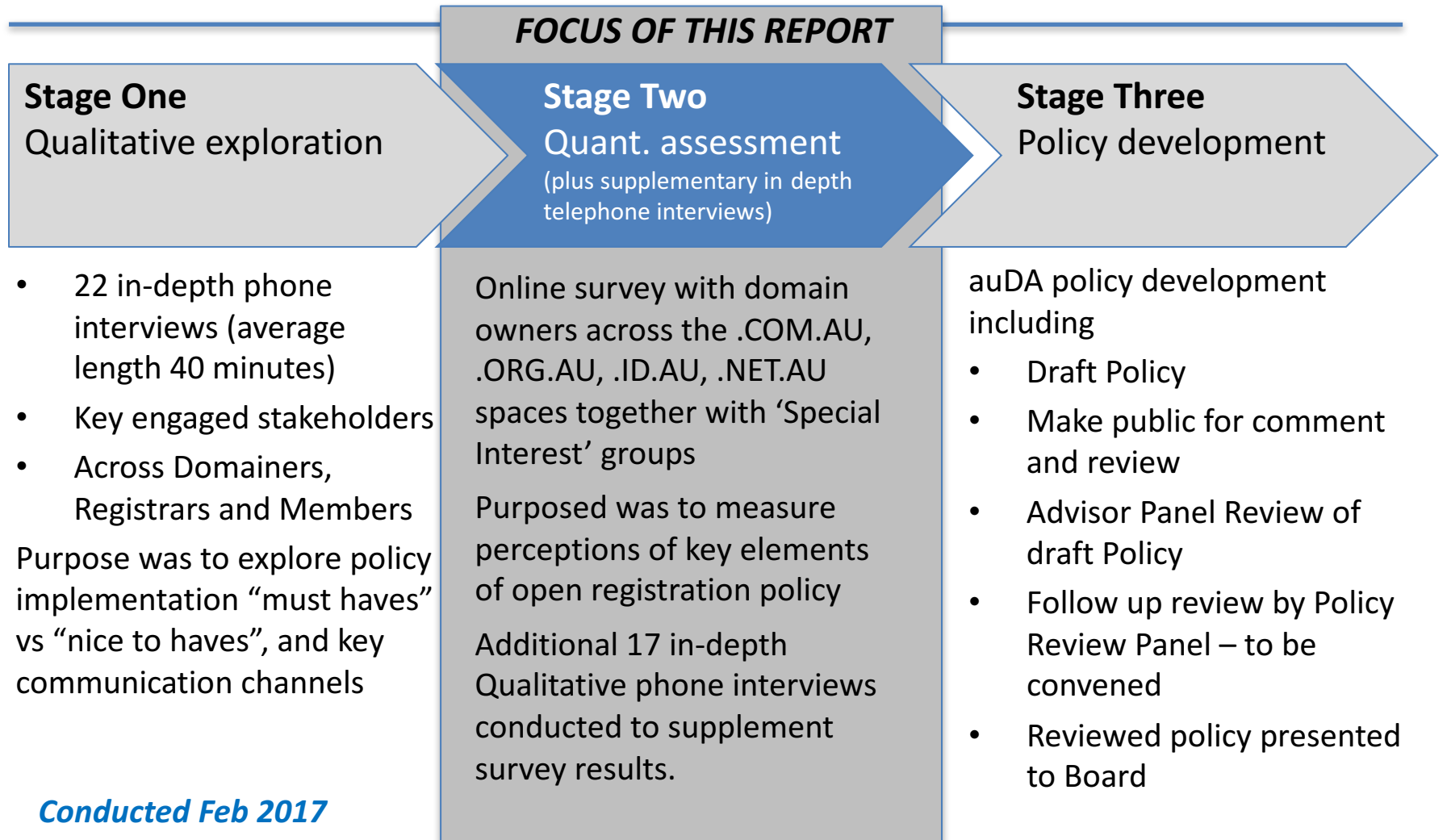


*Awareness and perceptions of
direct registration*

QUALITATIVE AND QUANTITATIVE INSIGHTS

May 2017

1. Project approach



1.1. Profile of in-depth interviews (Stage 3)

In Stage Three consisted of 17 in-depth phone interviews with Regulators and other interested Stakeholder groups (as defined and sourced by auDA).

As with the initial interviews conducted during Stage 1, the interviewee sample definitions were somewhat arbitrary as many had multiple roles across different organisations (eg. Registrars and Members). This phase also included Regulators across various Industry types.

Overall, again the respondents were positive, with most pleased to be engaged in the process. Interviews were initially proposed to be 20 minutes but most were longer – averaging around 30-40 minutes, reflecting the level of involvement and passion many have with the proposed changes in policy direction.

	Domainers	Registrars	Members	Regulators	TOTAL
Phase 1	5	6	11	0	22
Phase 3	0	2	7	8	17

1.2 Online survey methodology

Six online surveys conducted in parallel from April 28 – May 15.

Segment	Distribution sample	Time frame for response	Responses received	Response rate	Margin of error**
.COM.AU owners	191,600	April 28 - May 8	2113	1.1%	+/- 2%
.NET.AU owners	7,750	April 28 – May 10	97	1.2%	+/- 8%
.ORG.AU/ .ASN.AU owners	4,500	April 28 – May 8	99	2.3%	+/- 8%
.ID.AU owners	1,200	April 28 – May 8	161	1.3%	+/- 6%
Special interest respondents	Social media and website	April 28 – May 15	192	NA	NA
.edu.au owners*	4,000	April 28 – May 10	1	0	NA

**Only one response was received from the .edu.au database which was insufficient for quantitative analysis to be conducted. Qualitative interviews were used to discuss their perspective.*

***The margin or error has been calculated at a 90% confidence level. The number of responses received for each of the key segments has delivered a robust basis for the analysis contained in this report.*

2. Summary of findings

Low awareness of the proposed move toward direct registration

- The vast majority of participants in the survey were unaware of any planned changes to domain name registration within Australia. Even when prompted, there appears to be very little awareness of the proposal for direct registration of domain names in Australia.
 - Awareness of the changes was concentrated amongst the ‘Special Interest’ cohort of survey participants (who completed the survey via a link that was published by auDA on Twitter and LinkedIn as well as the auDA mailing list of 7,000). Their awareness of the proposal generally originated from industry websites and the auDA newsletter.
- There appears to be a moderate level of awareness of direct registration elsewhere in the world (specifically in the United Kingdom and New Zealand).
 - Awareness of direct registration elsewhere ranged from a peak of 60% amongst the ‘Special Interest’ cohort to a low of 29% amongst .ORG.AU owners. Awareness amongst .COM.AU owners is at 35%.

No clear majority position on proposed changes – but most respondents either supportive and/or unaware of the changes

- A solid base of support for direct registration is apparent – ranging from 40% among .COM.AU and ID.AU owners through to 33% amongst .ORG.AU owners.
- The ‘Special Interest’ cohort had the strongest level of opposition at 36%, however a larger proportion of the ‘Special Interest’ cohort also support the policy (44%).
- While opposition to the policy is generally in the minority, a significant proportion of stakeholders refrained from an opinion on the policy, predominately because they hadn’t heard of it prior to the survey and had limited information to take a stance.
- Interestingly at a later point in the survey when more questions had been asked about elements of the proposal and respondents indicated which domains, if any, should be protected from the changes, both support and opposition to the policy increased (in very similar proportions), while the proportion with ‘no opinion’ declined (on average by 12%).
- It is possible that as more information about the proposal is disseminated, response is further polarised as stakeholders identify potential advantages (and disadvantages) of the change.

Support for proposal centred on simplicity and choice, whereas opposition to proposal focused on cost, complexity and equity

- The survey results indicate that supporters of the policy typically think the shorter names under the direct registration model are more appealing for domain owners.
 - Qualitative participants in favour of the policy focused on it providing greater opportunity for choice as well as creating a new momentum within the Domain Industry.
- Opposition to the policy stems most broadly from the risk of unnecessary confusion about the domain name entity. Around two thirds of .COM.AU owners and .NET.AU owners are concerned about the potential confusion, increasing to around 80% amongst of .ORG.AU and .ID.AU owners.
 - This result was supported through the qualitative interviews where those against the change in policy believed it will lead to unfair outcomes for many existing Domain Owners and significant cost implications. They also raised concerns about it not being a necessary or consumer lead change in direction.

High levels of support for limiting direct registration to Australian residents & businesses, and protecting .GOV, .EDU and .ORG names

There is widespread support for eligibility of .AU domain names to be confined to Australian residents or businesses only with responses ranging from 94% among .ID.AU owners through to 84% among the 'Special Interest' cohort.

- In addition, the vast majority of domain owners and stakeholders (in excess of 66% of all stakeholder segments except the Special Interest cohort) would like to see .GOV.AU and .EDU.AU protected under a direct registration policy.
 - The qualitative research identified strong support also for .ORG.AU domains to be protected. The survey indicated support in excess of 50% to protect .ORG.AU (so less than .GOV.au and .EDU.au) however this result could potentially be undermined by the fact that over 40% of survey participants did not in fact know that .ORG.AU domain names are limited to Not For Profit organisations.
- In both the qualitative and quantitative research, widespread support was also evident for:
 - Existing domain owners to be prioritised in the allocation of new .AU domain names - ranging from 69% of .COM.AU owners through to 57% of .NET.AU owners
 - Priority to be given to the longest continuous registration in the event of any conflict – ranging from 70% of .ID.AU owners through to 54% of .ORG.AU owners/ managers.

Implementation timeframe of 6-12 months is considered reasonable by around half of those who completed the survey

Responses to preferred time periods and windows reflected a broad array of agendas across the stakeholder groups. By focussing on the preferences of the *largest proportion* of survey participants however the survey findings show that:

- A timeframe of 6-12 months is considered reasonable for implementation by around half of those who completed the survey.
- The strongest support is for a 6-12 month window following the policy announcement for domain owners to register the .au domain name equivalent. Support for a 6-12 month window – ranged from 45% of .ORG.AU owners/ managers through to 32% of ‘Special Interest’ cohort.
- The clear majority of domain owners and managers support options for flexible licence periods ahead of the existing fixed two year licence period – with support ranging from 64% of the ‘Special Interest’ cohort through to 54% of .ORG.AU owners/ managers.

3. Detailed Findings

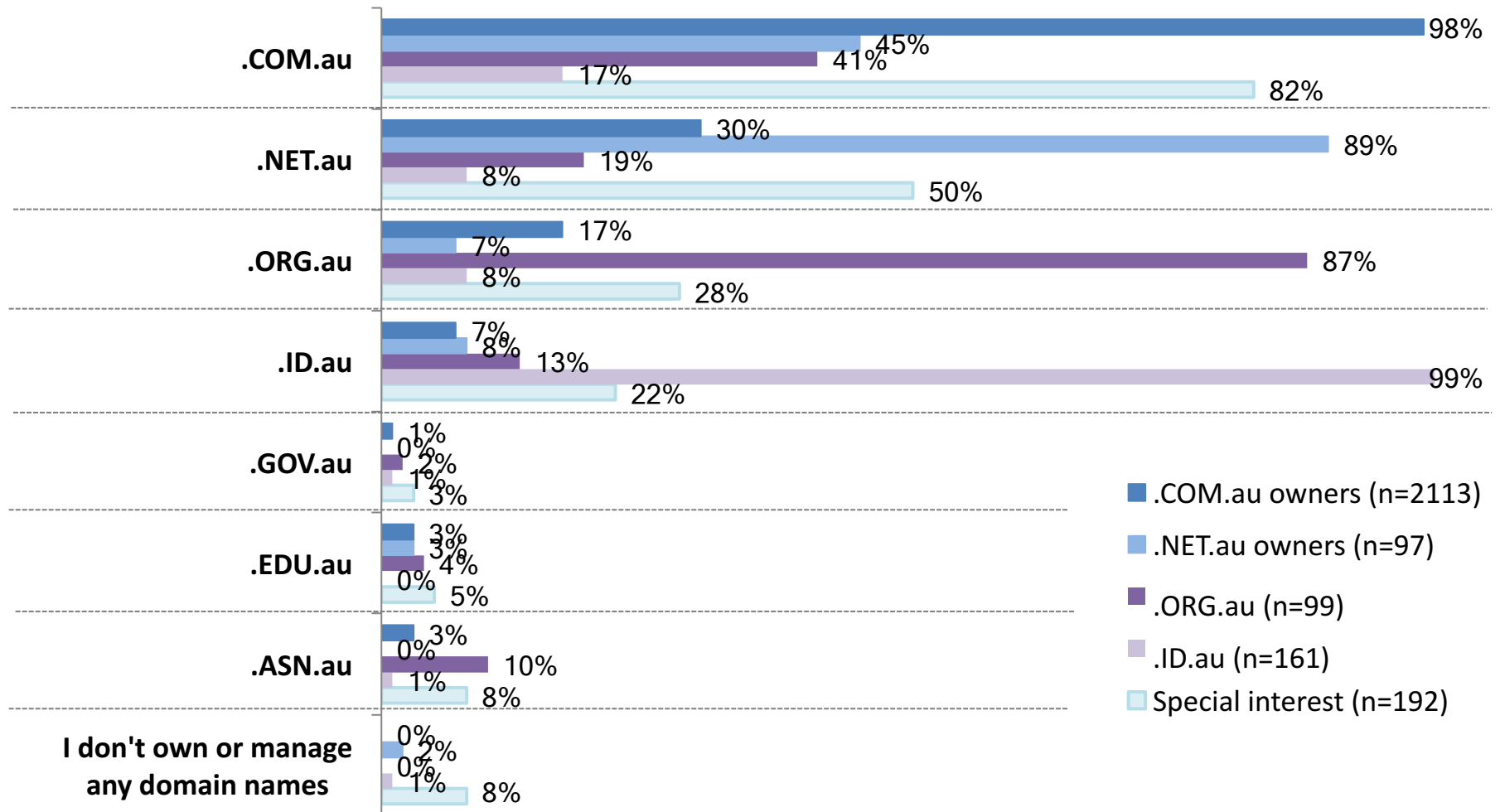
3.1

Current industry perceptions

Domain names currently owned or managed.

Significant levels of 'cross-ownership' exist amongst different domain types.

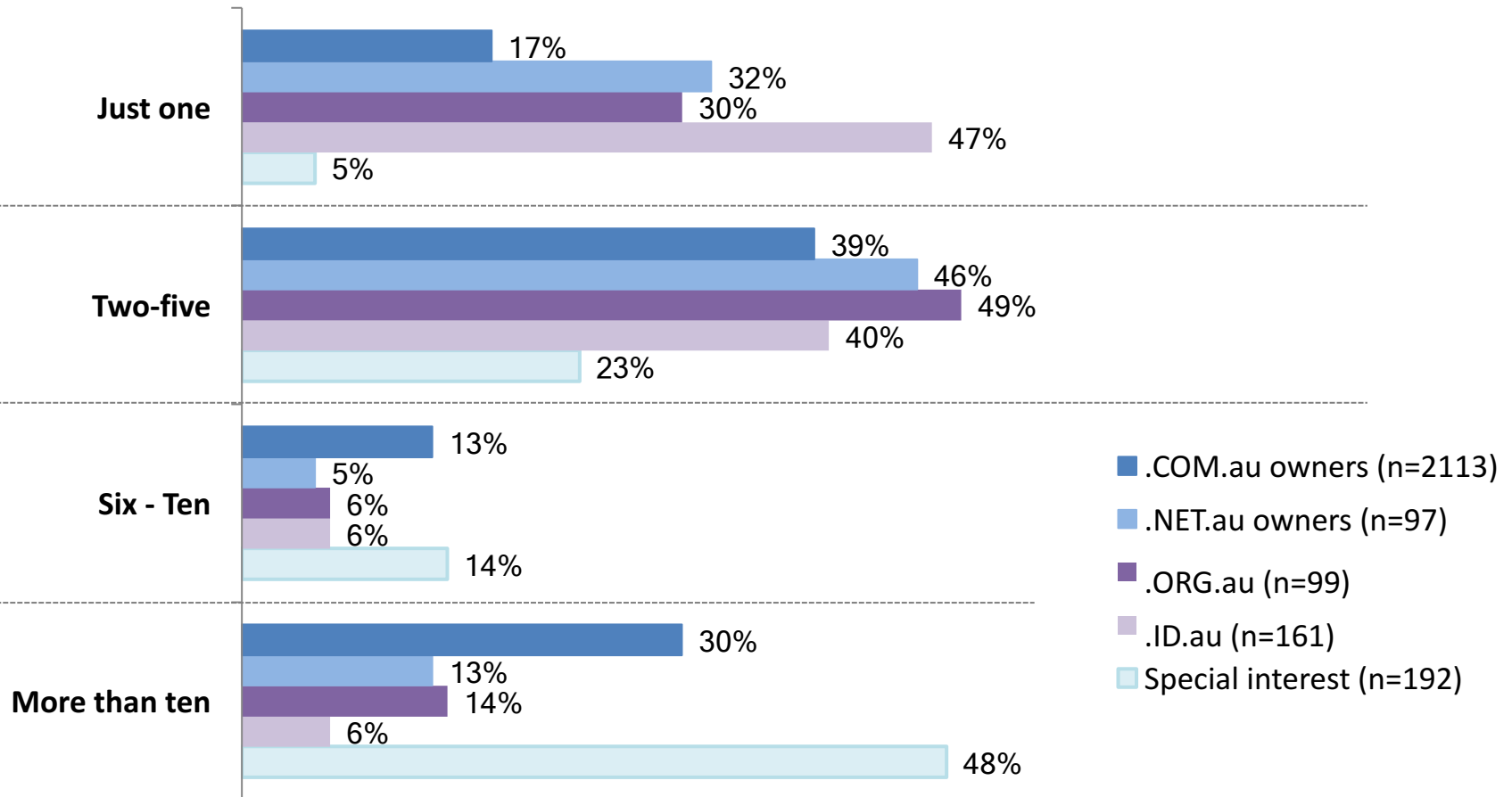
Q. Can you please indicate which of the following domain name types, if any, you currently own or are responsible for?



Number of domain names owned or managed.

The majority of the .COM.AU owners and the 'special interest' segment who participated in the survey owned multiple domain names (including almost 30% of .COM.AU owners and 48% of the 'special interest' segment who own more than 10 domain names).

Q. Currently, *how many* different domain names do you own or manage?



Qualitative participants valued “Australian” Domain space

Qualitative participants had various levels of engagement with auDA. Some were in regular communication regarding various policies and their application, others only on a “needs to” basis or for specific policy issues, with some only inactive bystanders reading auDA communications but having minimal direct relationship.

Regardless of their background, nearly all of the stakeholders believed that the current .AU domain space **overwhelming represents Australian entities/ organisations and provides an element of trust** and credibility.

auDA’s role in this has, and continues to be, important. auDA is perceived to provide a safe and trusted set of hands and ensuring the Domain Industry remains monitored and structured.

“There is a customer preference for recognised Australian domain/ entity” – Regulator

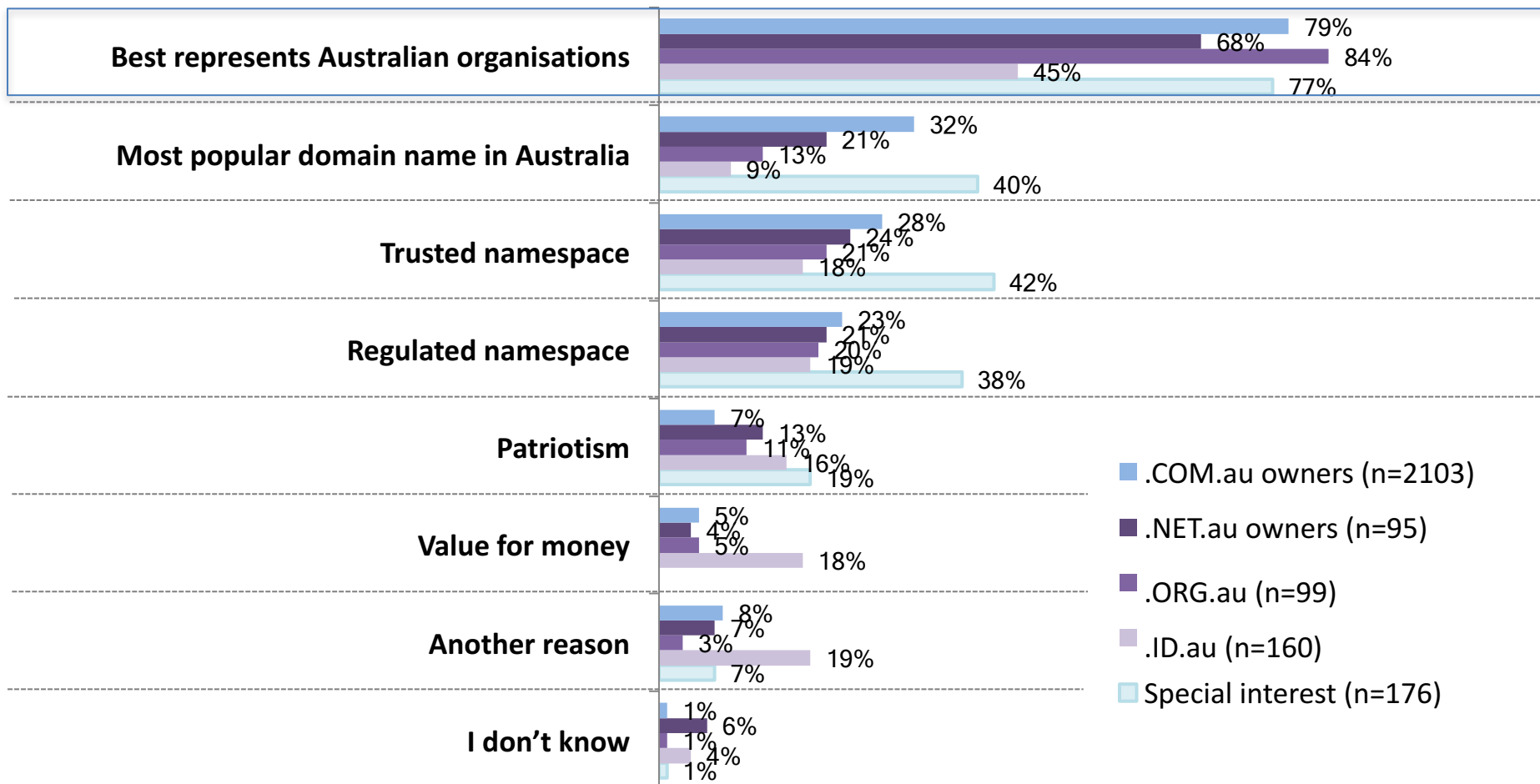
“Within the current .AU space, generally everything works reasonable well. The policies are quite good, the application process is also good, the dispute resolution process works really well. auDA ...does deal well with keeping the .AU safe and secure and ensuring everything is working.” -

Member

Reasons why people register a .AU domain name

The **easy identification** of a .AU domain name as an Australian organisation underpins the choice of that style of domain for most owners.

Q. You have indicated that you currently own or manage a .au domain name. Why did you or your organization choose a .au domain?



Some Stakeholders value the additional ‘status’ that the current domain system provides

Beyond indicating ‘Australian’ for the majority of stakeholders, the current closed/open domain system has a number of benefits including:

- Allows businesses/owners to own multiple domains, protecting their current and prospective brand space.
- Provides a level of certification/status of various entities/organisations for consumers and their owners – particularly for .GOV, .EDU and to a lesser extent .ORG. Can be important even to some .COM.AU owners who can feel exposed to broader industry.
- Provides an additional level of credibility, protection and control around the industry. Particularly important to closed domains (e.g. protection of generic domain names which could be confused with educational institutions).

“It gives smaller providers an opportunity to trade in their small space and protect it – not competing with multi-national who own .COM” – Regulator

“It gives credibility to the little boys – .ORG.AU protects small providers and says something about that organisation” – Regulator

“The way domain names are divided, people know if you are looking for a Government or a University, they go to a .GOV.AU or .EDU.AU, and if it’s a non profit organisation, they can go to a .ORG.AU. The good thing about the way that this space works, is that its clear what everyone does. We have really strong eligibility criteria, we don't see that many bad registrations, because we have this. It’s a real benefit.” - Member

While others question the benefits and current consumer usage

While the general consensus was that .EDU.au and .GOV.au were the most recognised domain names (and therefore most important to protect), understanding and recall of other domain name types (including .ORG.AU and .COM.AU) was mixed. Others believe that the tipping point of recognition around awareness of all second level domain name meanings has only just happened - the result of decades of 'branding work'. These individuals questioned the benefits of open registration now.

Other stakeholders interviewed believed that domain names are generally becoming increasingly irrelevant as consumers' online search behaviour has changed. That is, the use of search engines (e.g. Google, Facebook) has significantly increased to the point where it would be more common for these to be used, rather than directly typing website(s) URLs.

Ultimately, most stakeholders felt that the end users have a preference for second level domain names which guide their level of trust (particularly .EDU.au and .GOV.au – but also .ORG.AU) – but could be more open to a shorter/less specific domain name when this is less relevant.

“There is credibility with being assigned an .EDU domain as the eligibility criteria is clear” –
Regulator

Ultimately, drawbacks of current system are limited

Although there were mixed perceptions of the current usage of second level domains, there were very few perceived limitations of the current system generally. Some limitations included:

- There was a perception that the availability of names is getting limited – particularly for prospective .COM.AU owners. This caused a re-think for some owners as they considered their potential brand positioning. However, opening domain registration is not necessarily going to impact on this.
- Some interest in shorter domain names.
- Domain owners squatting on multiple domain names.
- Mixed perceptions on consumer understanding of the .ORG.AU domain.

Other limitations were more specific to industry such as:

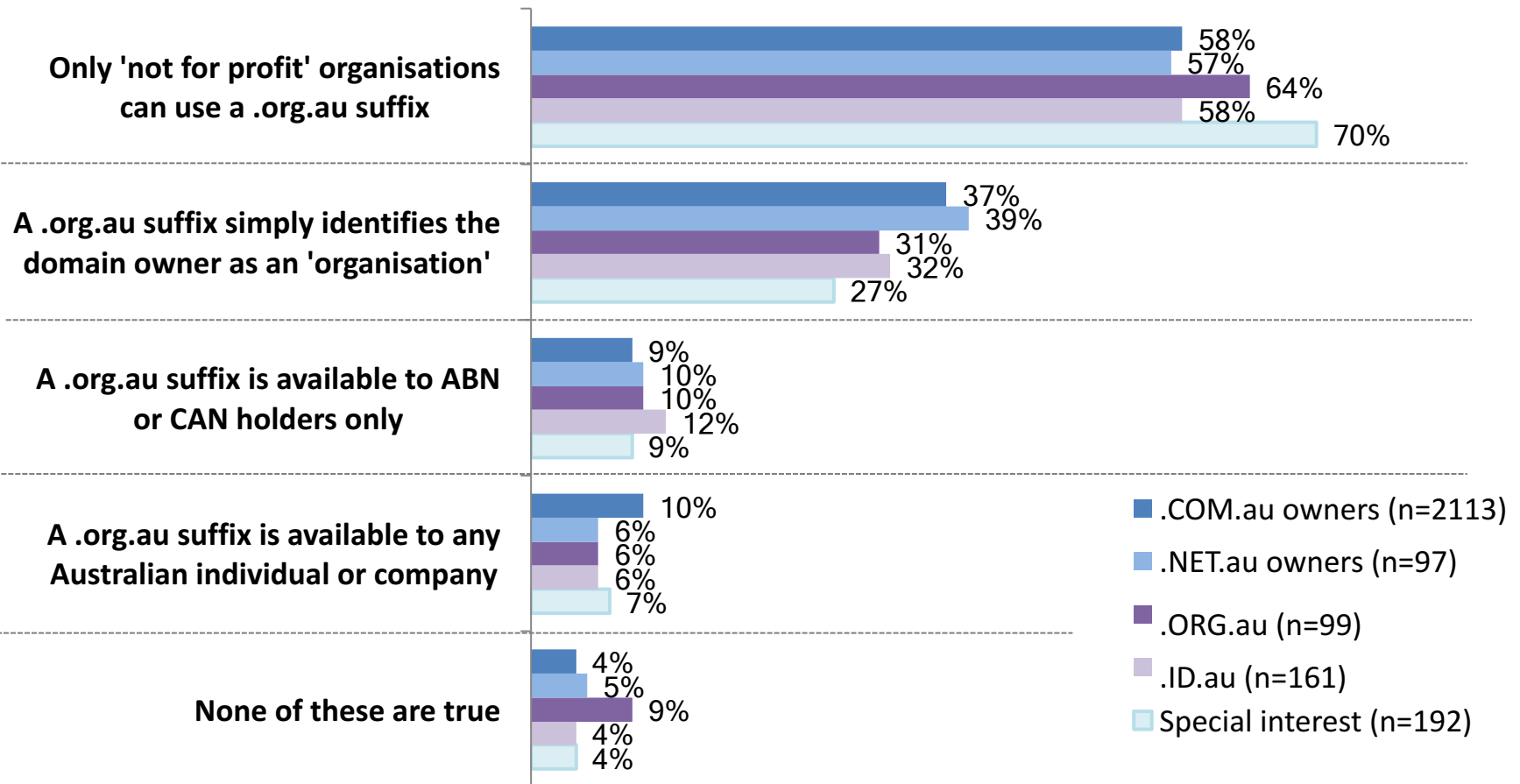
- Perceived limited consumer understanding of how business name, trademark and domain names work independently of each other.
- Limited awareness of current registers.
- Dispute resolution processes and perceptions of over regulation.

Qualitatively there were very few reasons not to own an .AU domain name beyond global intentions and entitlement.

Understanding of the .ORG.AU suffix.

The majority of survey participants DO KNOW that only 'not for profit' organisations' can use a .ORG.AU suffix

Q. Which of the following do you believe to be true of organisations with a domain name ending in .ORG.AU ?
Please select all that you believe to be true.

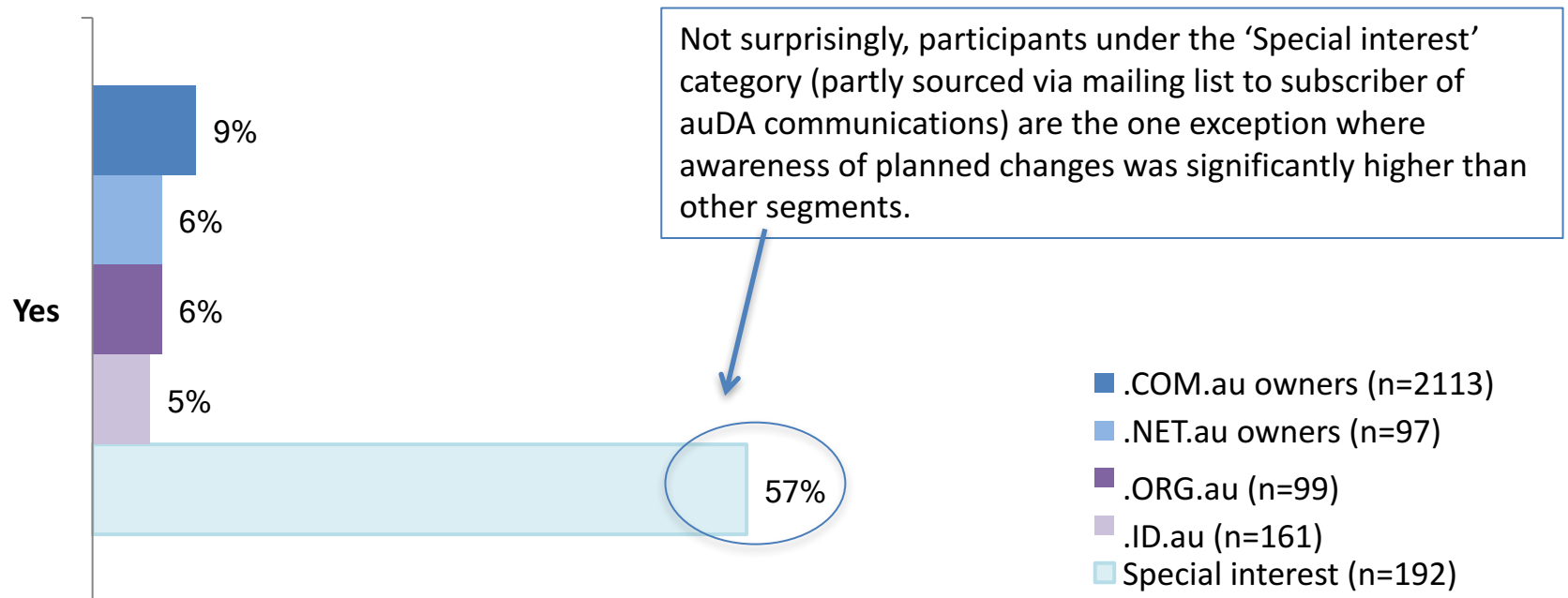


3.2.

Awareness of direct registration

The vast majority of participants in the survey were **unaware** of any planned changes to domain name registration.

Q. Are you aware of any planned changes to .au domain name registration in Australia?

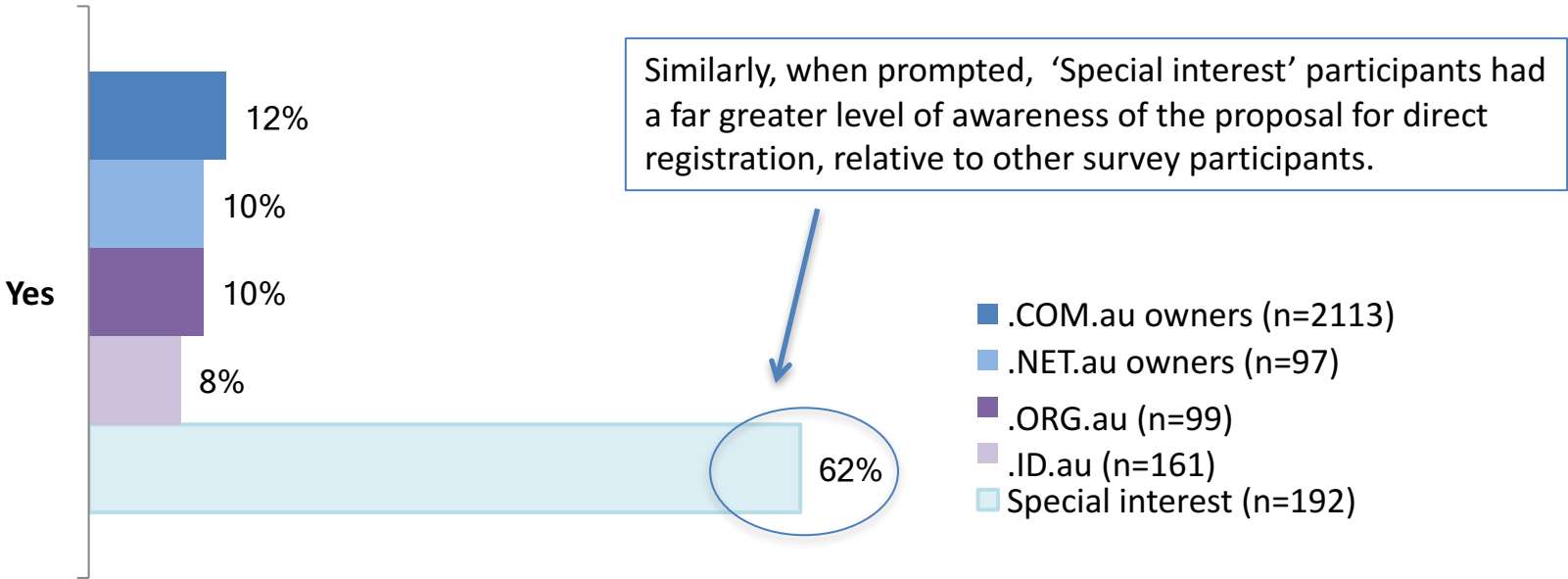


Even when prompted, there appears to be very little awareness of the proposal for direct registration of domain names.

.au Domain Administration Ltd (auDA) is the policy authority and industry self-regulatory body for .au domain names. Currently, all .au domain names must be registered under a second level domain – for example, yourname.COM.AU OR yourname.NET.AU and so on.

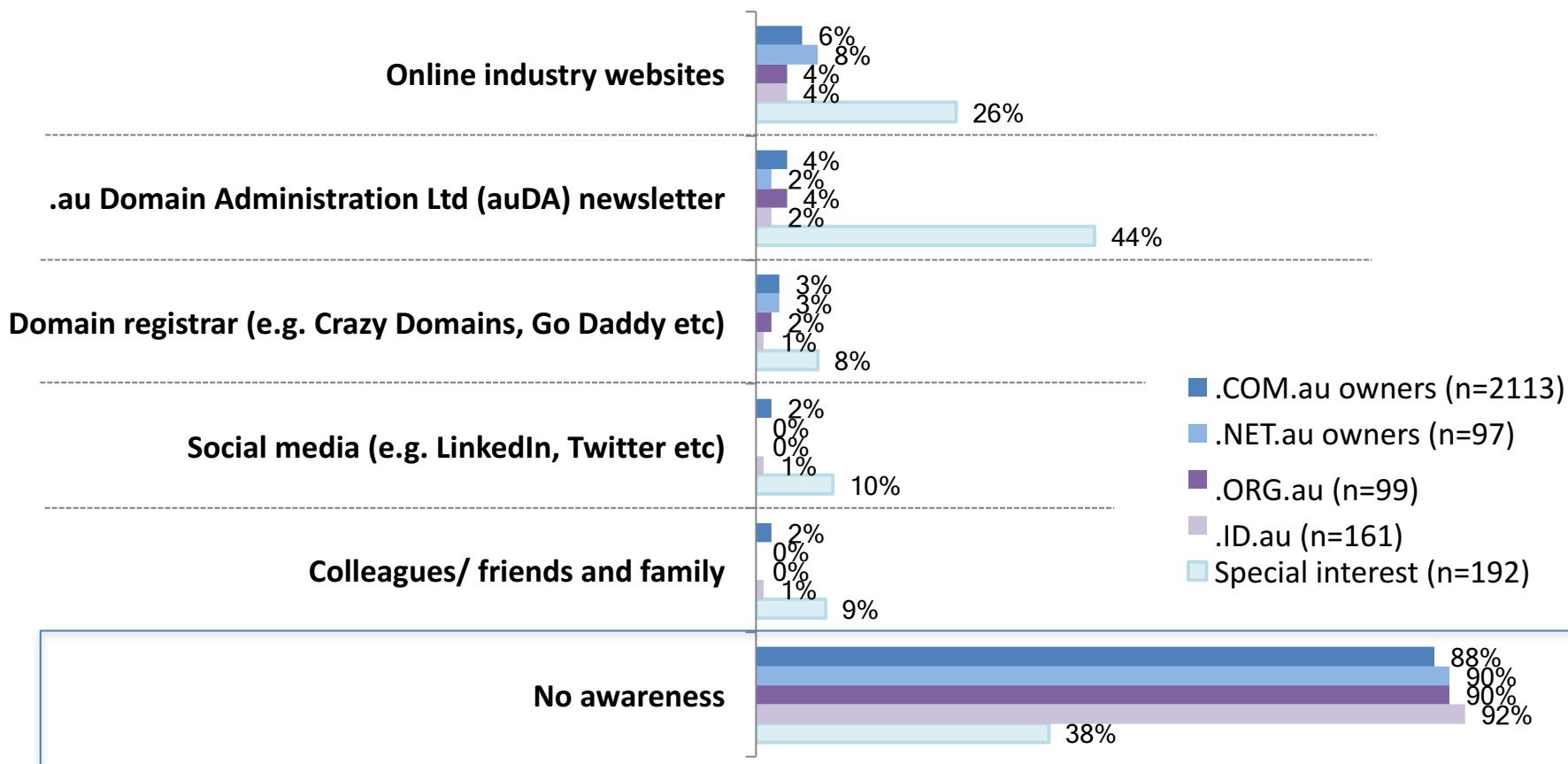
auDA is considering introducing changes which would allow people to register directly under .au – for example, yourname.au . In this example the proposed change would mean that there would be no ‘.com’ required before the ‘.au’.

Q. Had you heard of any plans to make these changes prior to receiving this survey?



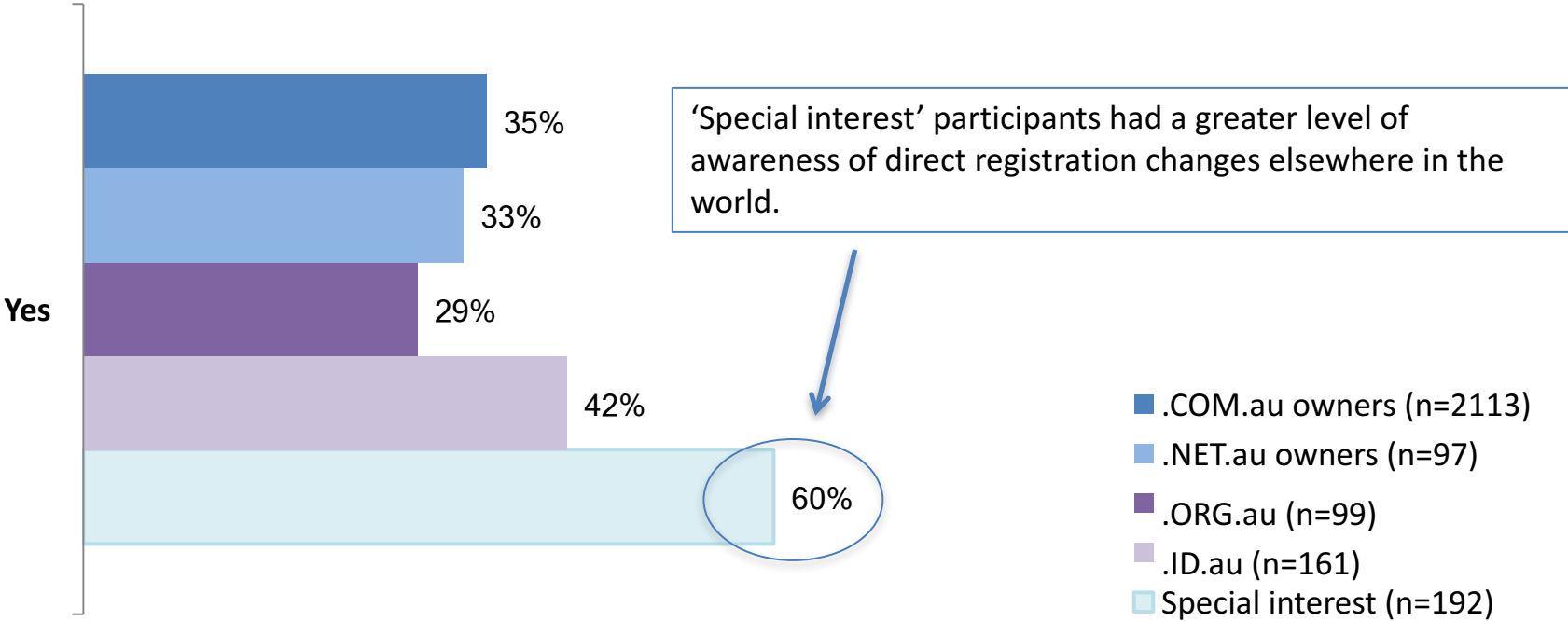
Awareness of the changes (concentrated amongst the 'special interest' cohort), generally originated from industry websites and the auDA newsletter.

Q. Where had you read or heard about these changes to domain name registration? Please choose all that apply.



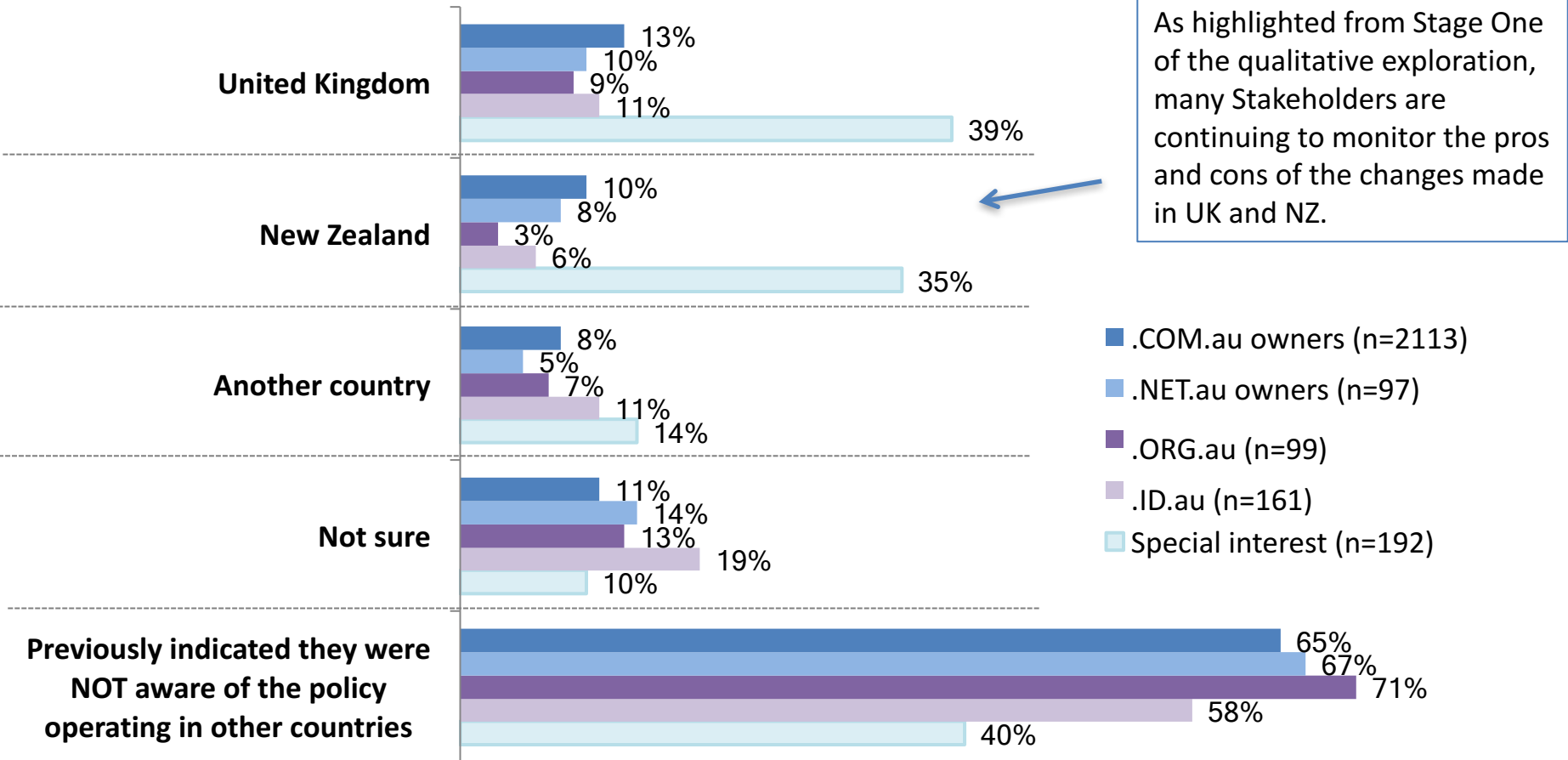
Moderate levels of awareness of direct registration elsewhere in the world.

Q. Are you aware of this type of policy change being implemented elsewhere in the world?



A lot of **uncertainty** about *where* direct registration is implemented although the 'special interest' cohort is better informed.

Q. Which countries are you aware of this change in domain name policy registration occurring?

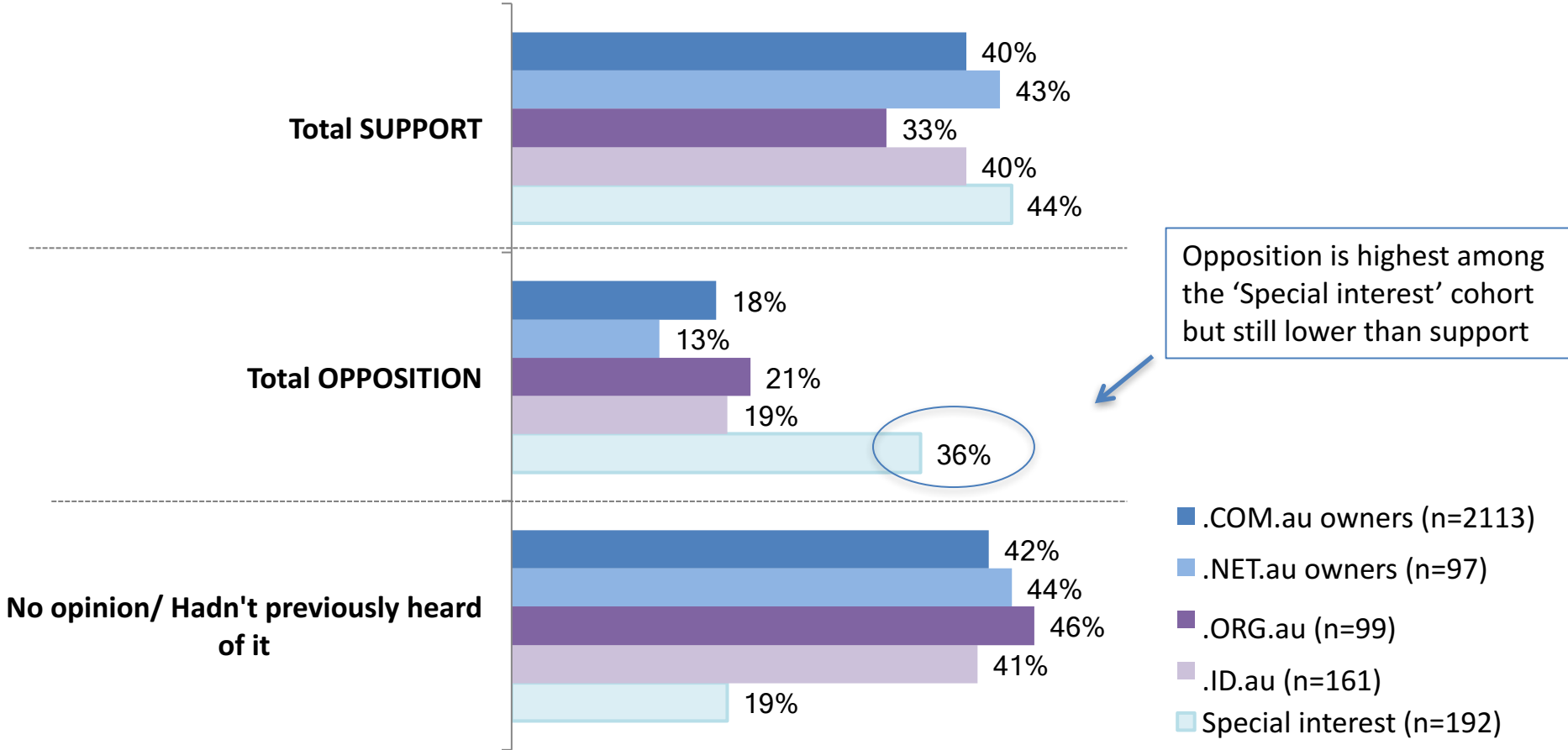


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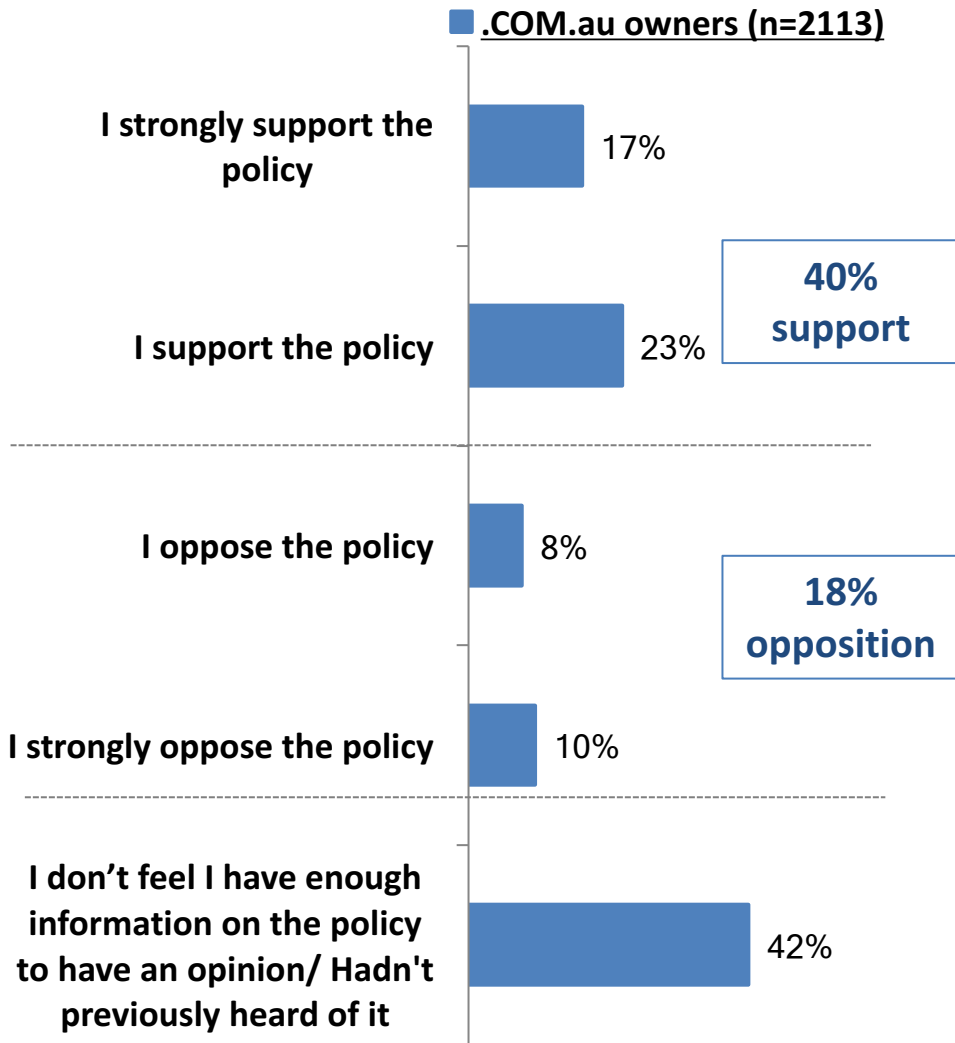
Overall sentiment about direct registration

Quantitatively, a solid base of support for direct registration, however a similar proportion have no opinion at this stage.

Q. Firstly, how do you feel about the proposed policy to allow domain names to be registered directly under .au?



.COM.AU owners are generally in support

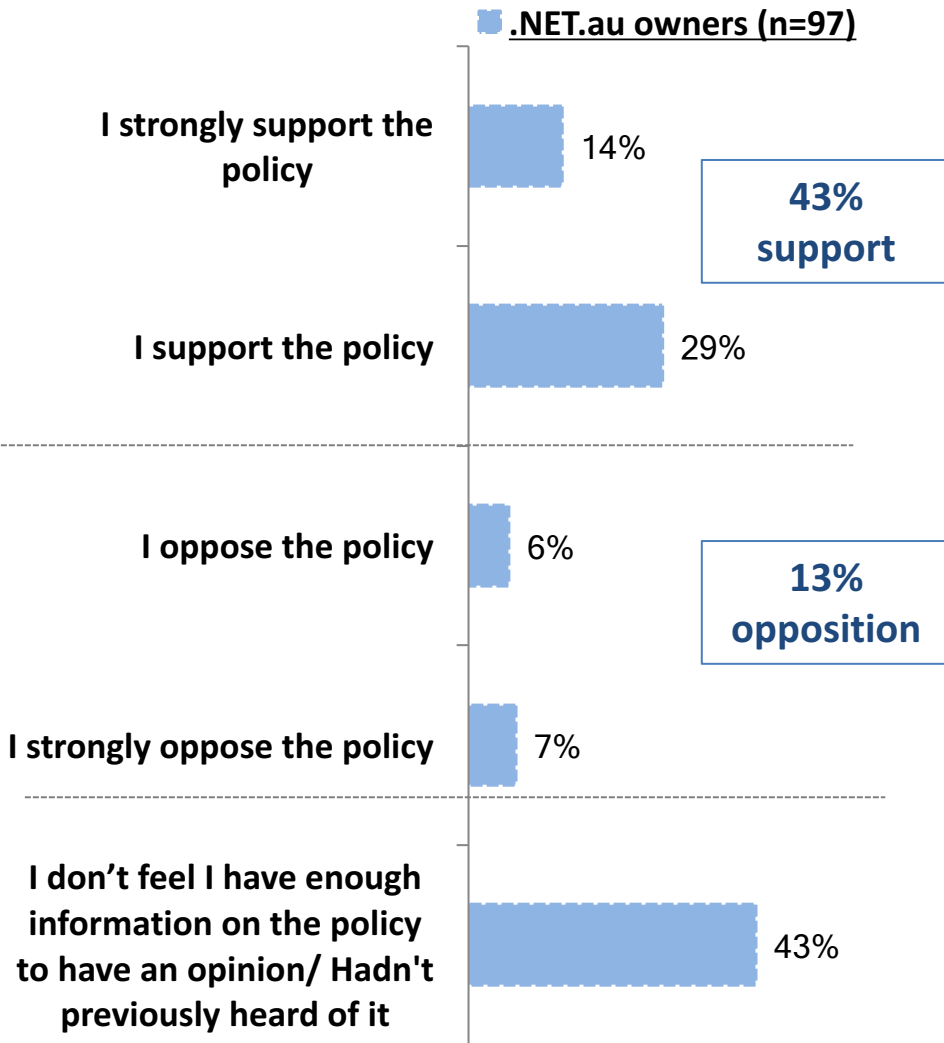


Qualitatively it is clear that support is likely to be driven by opportunity for greater choice in shorter domains and brand options while **opposition** is anchored in concerns about **eligibility** and the time/ effort to change.

“Small businesses won’t know what it means. They do not have sophisticated marketing teams – the time and energy to do this – they are very time poor” – Regulator

*“A businesses URL is vital! Peoples’ whole livelihood depends upon their domain name, and its success/ranking. If this change is implemented, what would that mean, would a company’s whole marketing strategy need to change, a new website developed...what would the costs be for that? I’m very worried!
- Member*

.NET.AU owners exhibit the highest levels of support but similarly high levels of ambivalence.

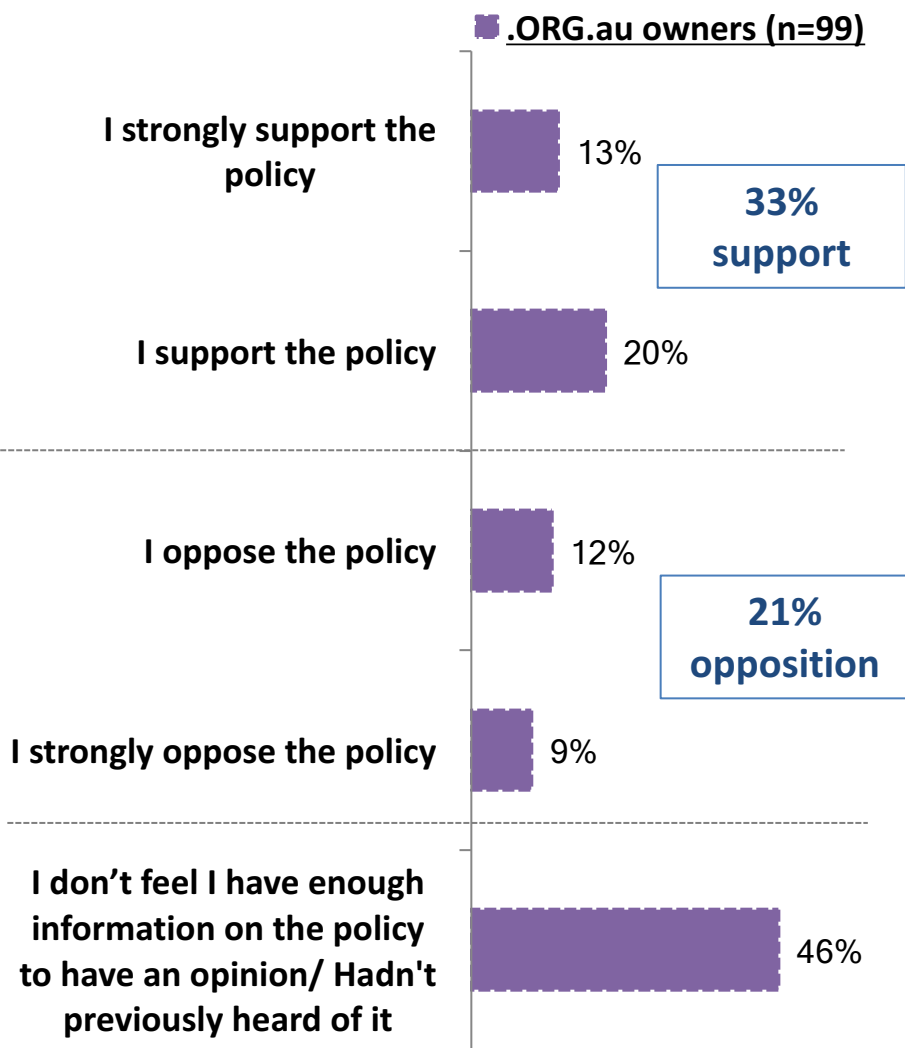


Qualitatively it is clear that support and concerns are likely to be driven by similar reasons as .COM.AU owners.

- Opportunity for **greater choice** in shorter domains and brand options vs. concerns about **eligibility** and the times/ effort to change.

"I can see that it has the potential to offer more flexibility, however I'm going to reserve judgment in the sense that its difficult to say definitively without seeing the final policy." - Member

.ORG.AU owners exhibit the lowest levels of support but also very high ambivalence.



Qualitatively we know that opposition is likely to be anchored in concerns about **eligibility** and possibly loosing their NFP status/ protection.

Many NFP's are also unlikely to understand the full ramifications of open policy registration – with limited resources allocated to marketing and protection of Domains.

“.ORG.AU should be treated like .GOV.AU and .EDU.AU...I see them as being in a similar boat, but often they are worse off, as they have a smaller voice. They are generally owned by smaller companies, with not a lot of money, resources, time or knowledge. So can't properly stand up for themselves.” - Regulator

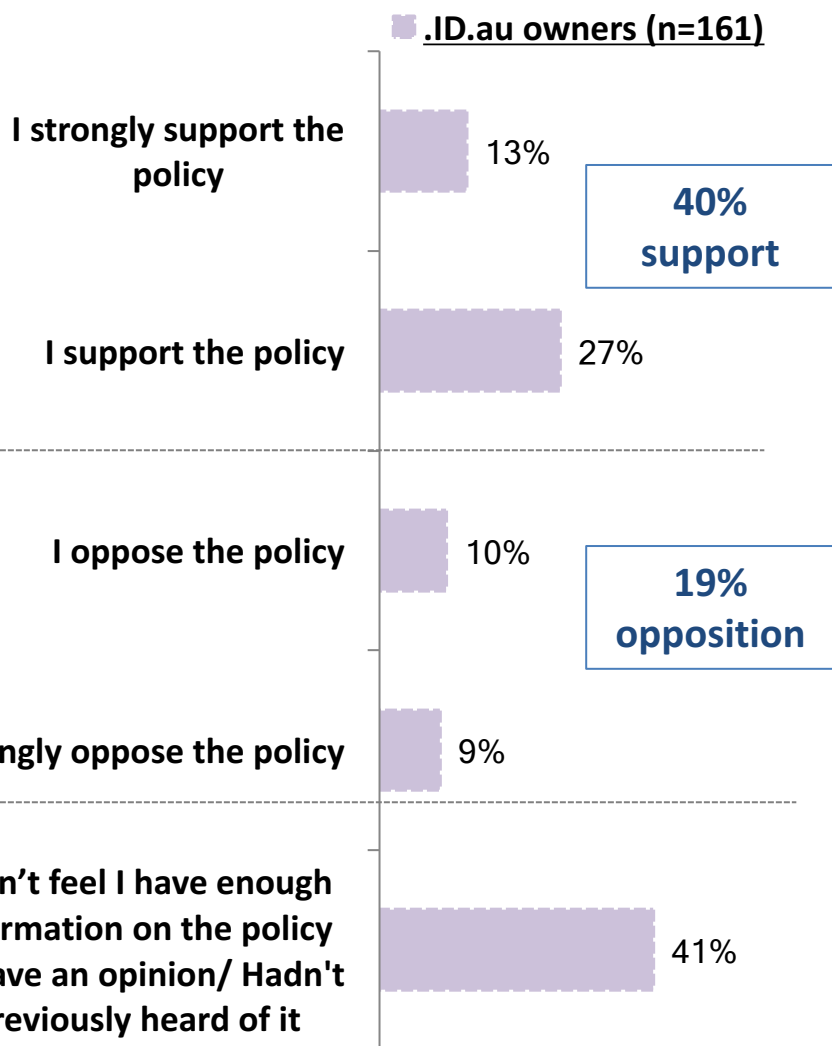
Similar to .COM.AU owners, the .ID.AU owners are generally in support

Qualitatively we know that support and concerns are likely to be driven by

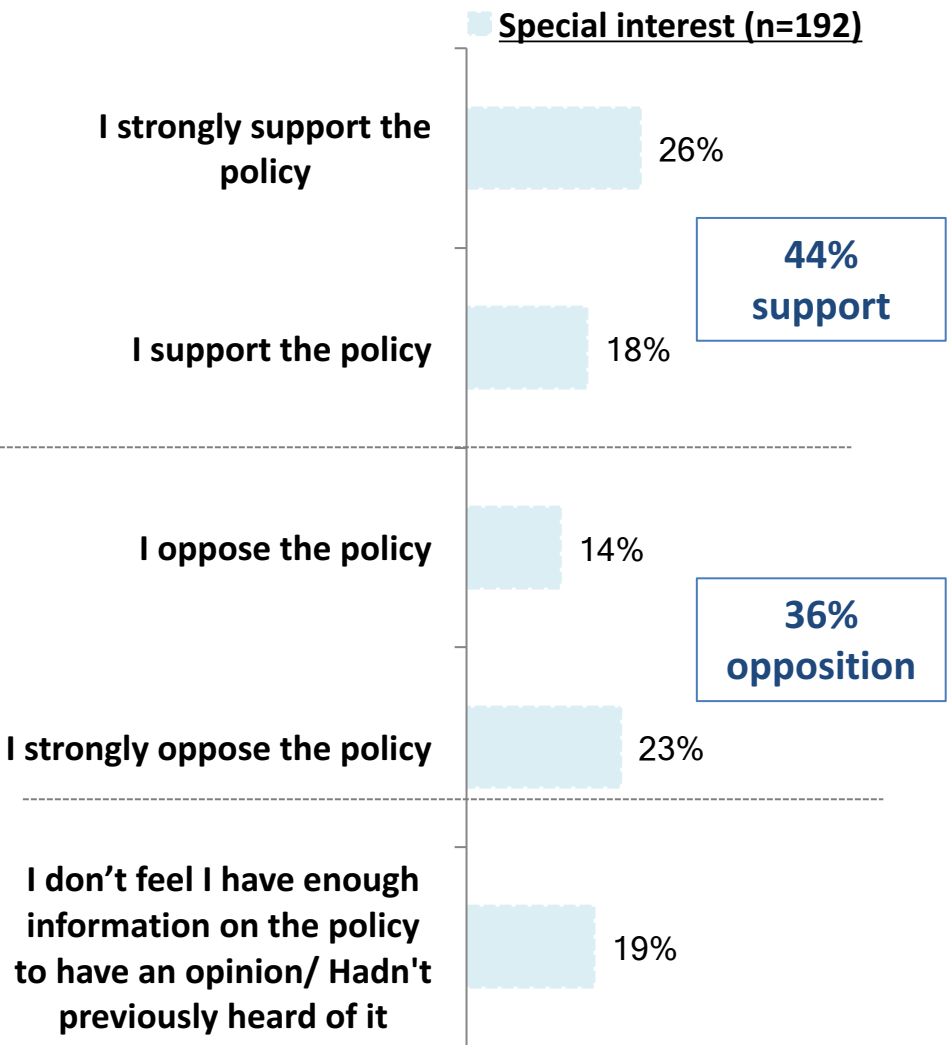
- Opportunity **for greater choice** in shorter domains, brand options and more attractive generally to individuals (without the unnecessary ID) vs. concerns about **eligibility**.

“It is hard to quantify but people are interested in shorter, more memorable domain names.” – Member

“Business will have a shorter name to utilise, and individuals will have an opportunity to register themselves...so, see a massive benefit for individuals. However, a lot depends upon what model is introduced and the fairness of the process.” - Member



The 'special interest' cohort are the segment most likely to have an opinion on the policy and exhibit the highest levels of opposition.



Qualitatively we know that opposition is likely to be anchored in concerns about eligibility.

Although sourced from a variety of places, we know that this group are also likely to be more invested in the current domain name industry.

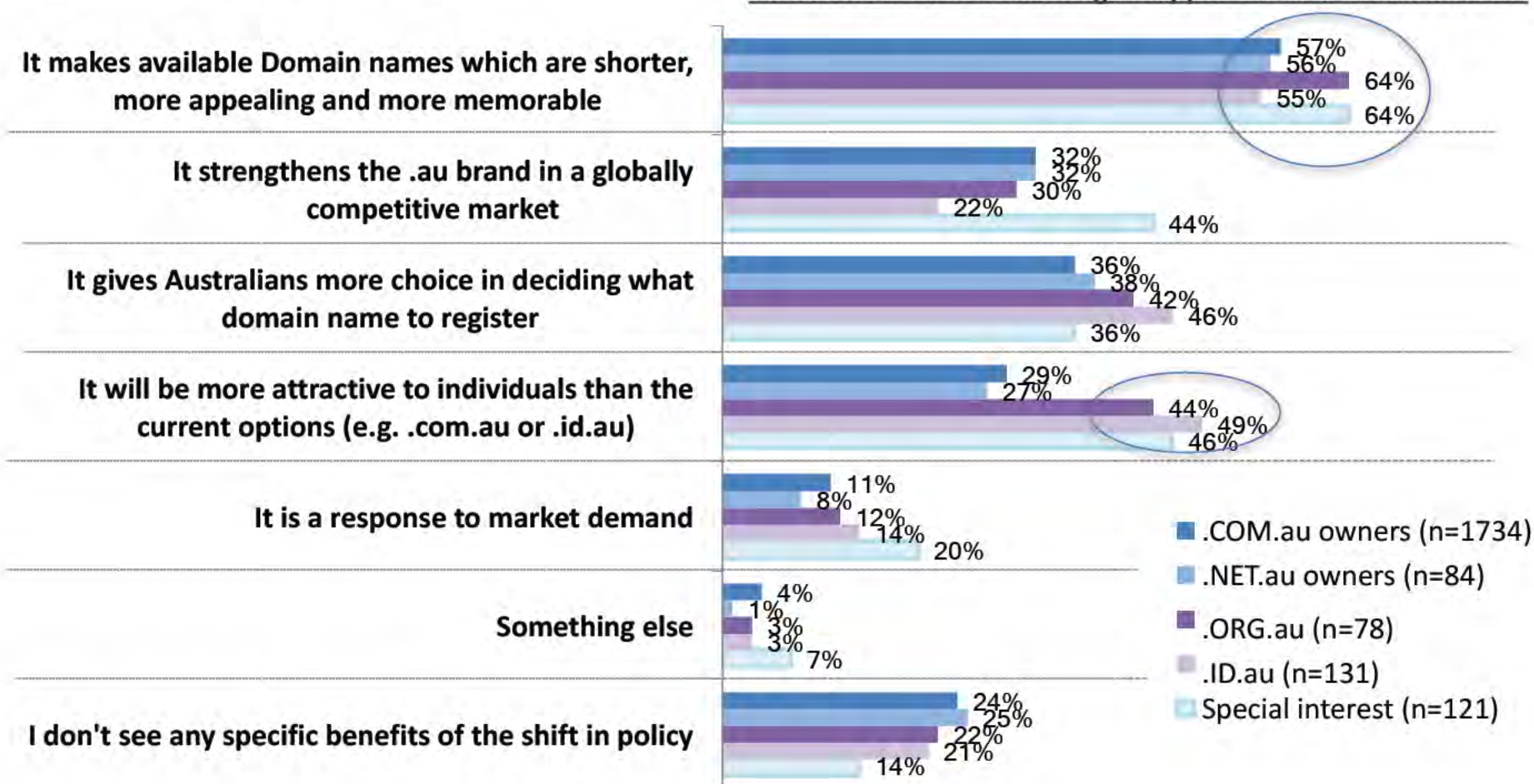
They are also likely to be the group most concerned / vocal about the change in policy.

“There are no benefits that I can think of. I guess more obviously, issues and concerns spring to mind, especially around why this is being implemented and eligibility. Overall, there has been a lack of detail and direction provided.” - Member

Supporters of the policy typically think the shorter names under the direct registration model are more appealing.

Q. Which of the following, if any, do you think might be a BENEFIT of a shift in policy to allow domain names to be registered directly under a .au suffix?

Perceived BENEFITS amongst supporters and the ambivalent

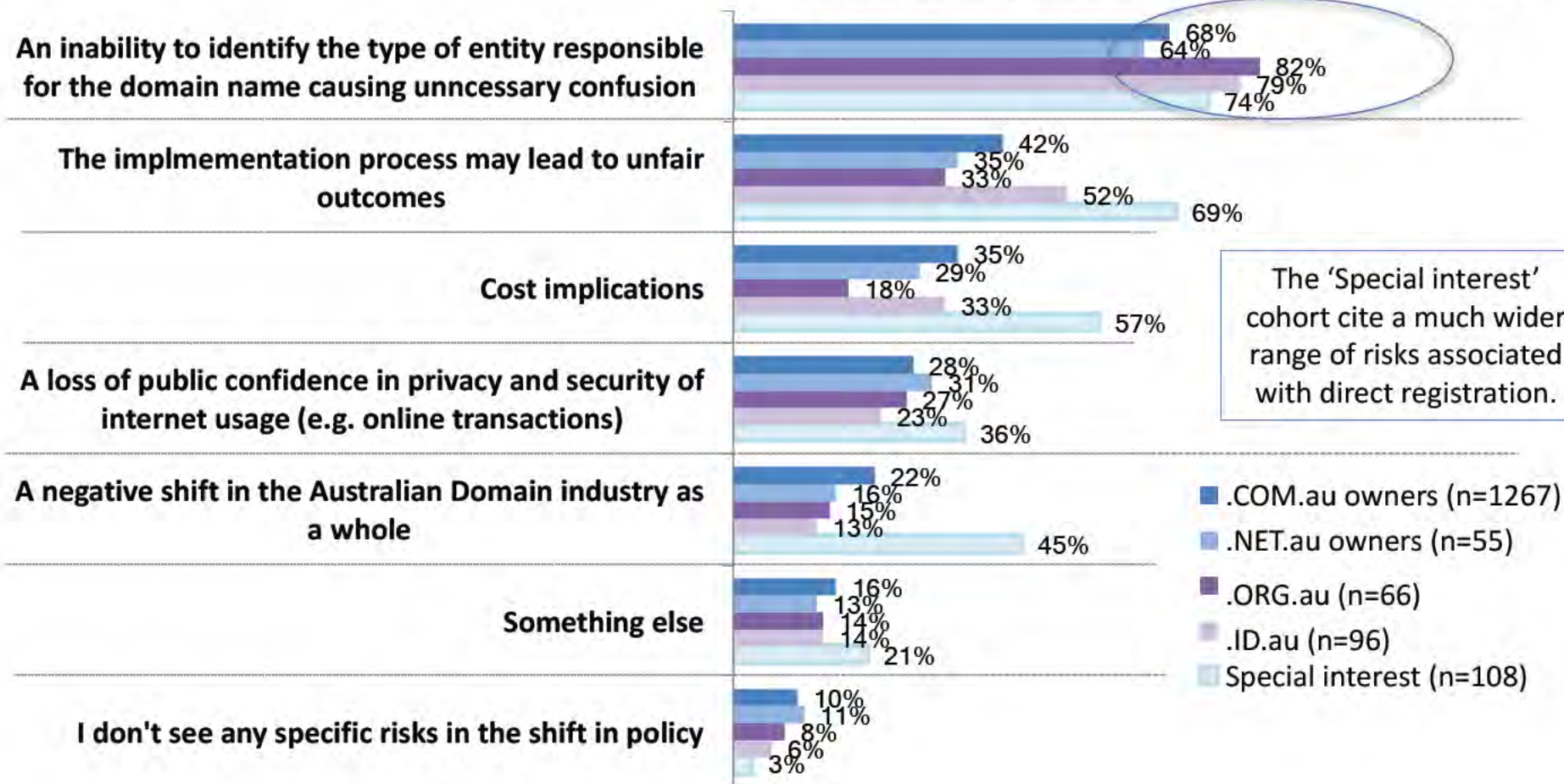


Base: Only those respondents who indicated they SUPPORT the policy or are UNSURE in the previous question

Opposition to the policy stems most broadly from the risk of unnecessary confusion about the domain name entity.

Q. Which of the following, if any, do you think might be a RISK of a shift in policy to allow domain names to be registered directly under a .au suffix?

Perceived RISKS amongst opposers and the ambivalent



Base: Only those respondents who indicated they 'OPPOSE' the policy or are 'UNSURE' in the previous question

3.4.

Sentiment regarding ELIGIBILITY & PROTECTION

Qualitatively most believe there should be limits on eligibility - with Australians prioritised

Qualitatively, eligibility remained the key area of concern and interest for the majority of stakeholders.

Similar to Stage One, most stakeholders focused their thoughts on the space between doing what is fair vs continuing to ensure there is rigour and structure around the Australian Domain Industry.

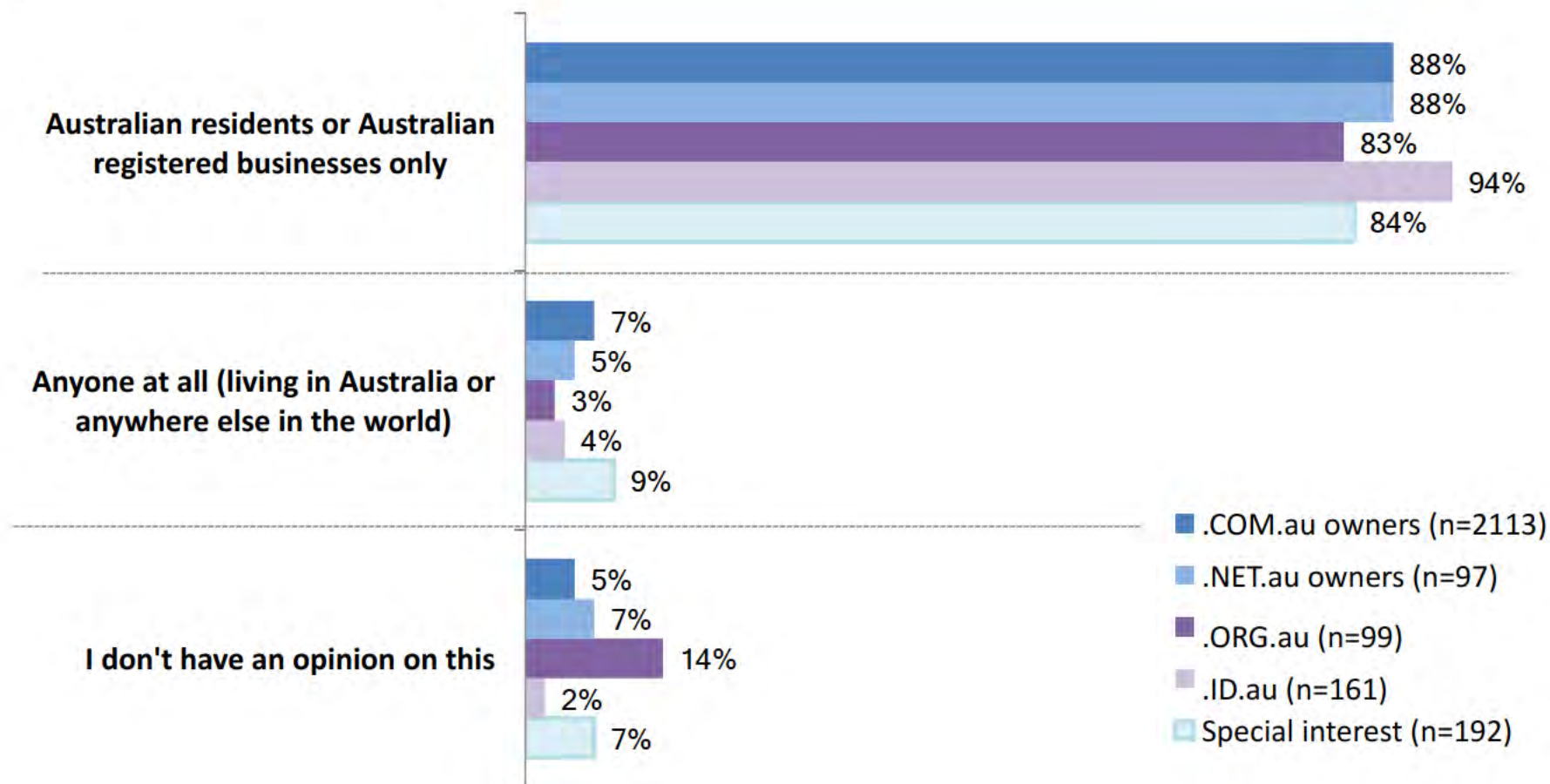
Generally stakeholders agreed on the importance of retaining an element of control of the .AU domain space – ensuring that .AU entities have an Australian attachment or interest. Most considered this a given – not even a question. The current .AU domain space provides a level of trust and assurance that the owner has an Australian interest and this should continue.

“I would assume Australian individuals and businesses first” – Regulator

“Anyone with a link or physical presence in Australia. That is the fair and equitable way to do it, and will mean it retains the integrity and special status .AU currently has, something which has been built up and repeatedly emphasised over the many years.- Member

Widespread support for eligibility to be confined to Australian residents or businesses only .

Q. Who do you think should be eligible to register a NEW domain name with a .au suffix? (i.e. a domain name that has never previously been registered or used).



With a level of protection for closed domains

Nearly all stakeholders assumed there would be some level of protection and control of closed domain names – .EDU.AU and GOV.AU at a minimum. ORG.AU is likely to also require this level of protection.

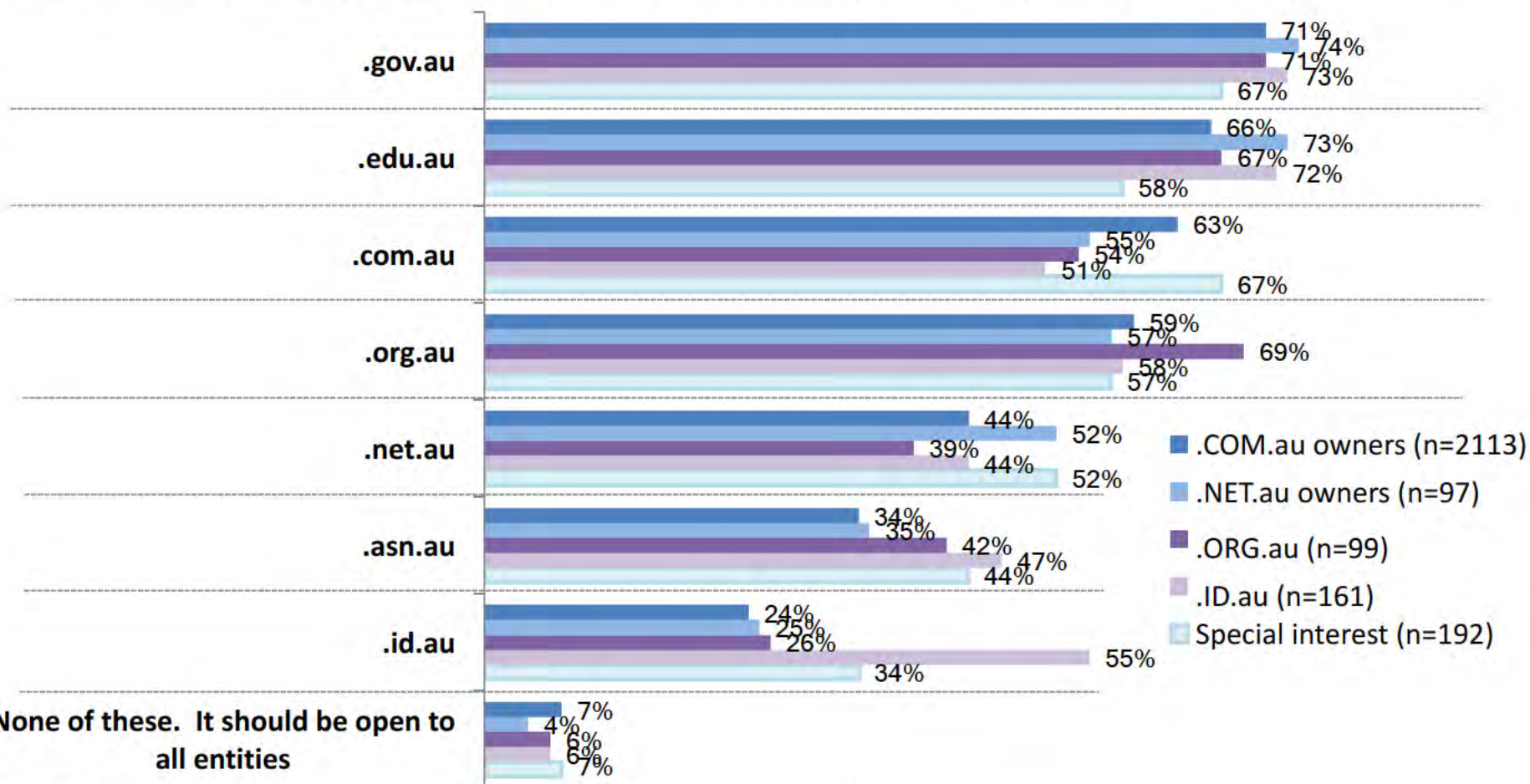
Qualitative participants discussed various possible levels of protection for .GOV.AU and .EDU.AU, and possibly .ORG.AU. At a minimum it was assumed this involved allowing closed domains a ‘first right to refuse’ the .AU equivalent process. However some went further by assuming auDA would reserve all the closed domain equivalents (and .ORG.AU) regardless of whether these entities took up the opportunity to register the .AU equivalent.

In addition many Regulators are looking for auDA to protect generic domain terms and names, connected to closed domains, which could be purchased and create confusion. For instance SCHOOL.AU, MAIL.AU, UNIVERSITY.AU.

“There needs to be some sort of vetting process...even if Melbourne University, doesn’t want melbourneuniversity.au, I don't think another company should be able to get it...to ensure that level of check is in place, will be vital. If someone was able to get that, it would be deception. There is no reason for another organisation to have that name...it would be brand dilution.” -
Regulator

The vast majority of domain owners and stakeholders would like to see .gov.au and .edu.au protected under a direct registration policy.

Q. Which of the following entities, if any, do you think should be protected from the proposed direct registration process (i.e. their existing domain names being quarantined and unable to be registered by another party directly under the .au)?



Longest license holders likely to have first right to refuse

Ultimately the main area of eligibility most open domain owners are keen to understand is the consideration of who should have the “first right to refusal” for the equivalent open .AU domain.

Unlike the general consensus from stage one of the qualitative research, where the majority of stakeholders preferred .COM.AU owners having the first right to refuse – the majority in this stage indicated that it would be fairer for the owners who have the longest licence with that domain name to be first. The main reason for this was a perception of fairness – ultimately someone will loose out – but it is about making it as fair as possible. Longest licence is the most impartial way of moving forward.

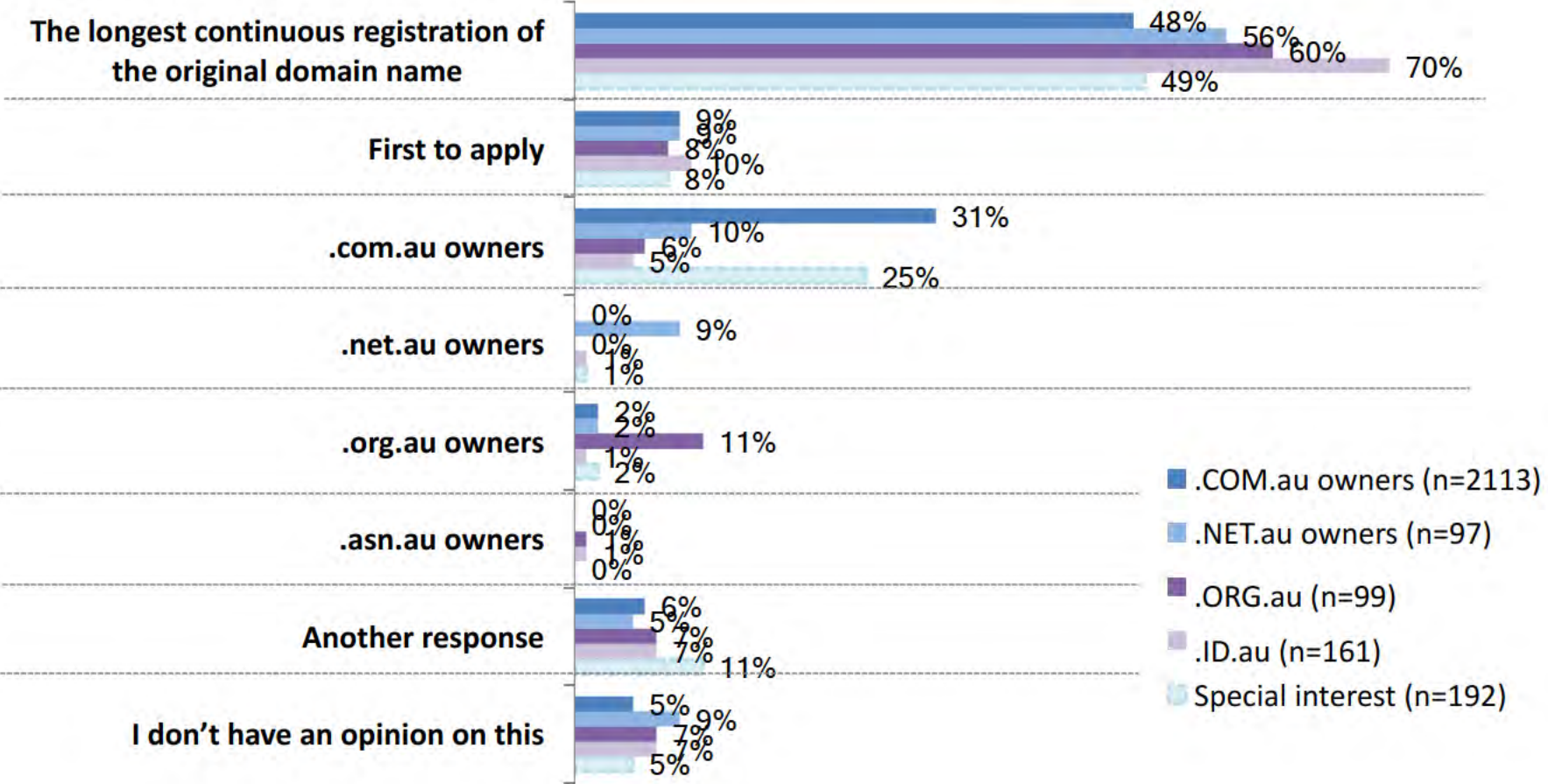
“Ultimately I don’t see a fair way to do it. By protecting certain government entities – it is already not fair, but obviously you have to.” – Regulator

“auDA has always been about what is fair. I would say trademarks first and then longest licence.” – Regulator

“As long as it is fair and equitable. Someone is going to miss out regardless.” - Member

Strong support for priority to be given to the *longest continuous registration* in the event of any conflict.

Q. In the event of a conflict, who do you think should have the FIRST RIGHT to register an existing domain name with the new, direct .au suffix? (for example entityname.COM.AU and entityname.NET.AU both wish to both register entityname.au)



Managing process is key to perceptions of fairness

The majority of stakeholders believed that the process “of first right to refuse” should be undertaken first with existing domain owners and then opened to the market.

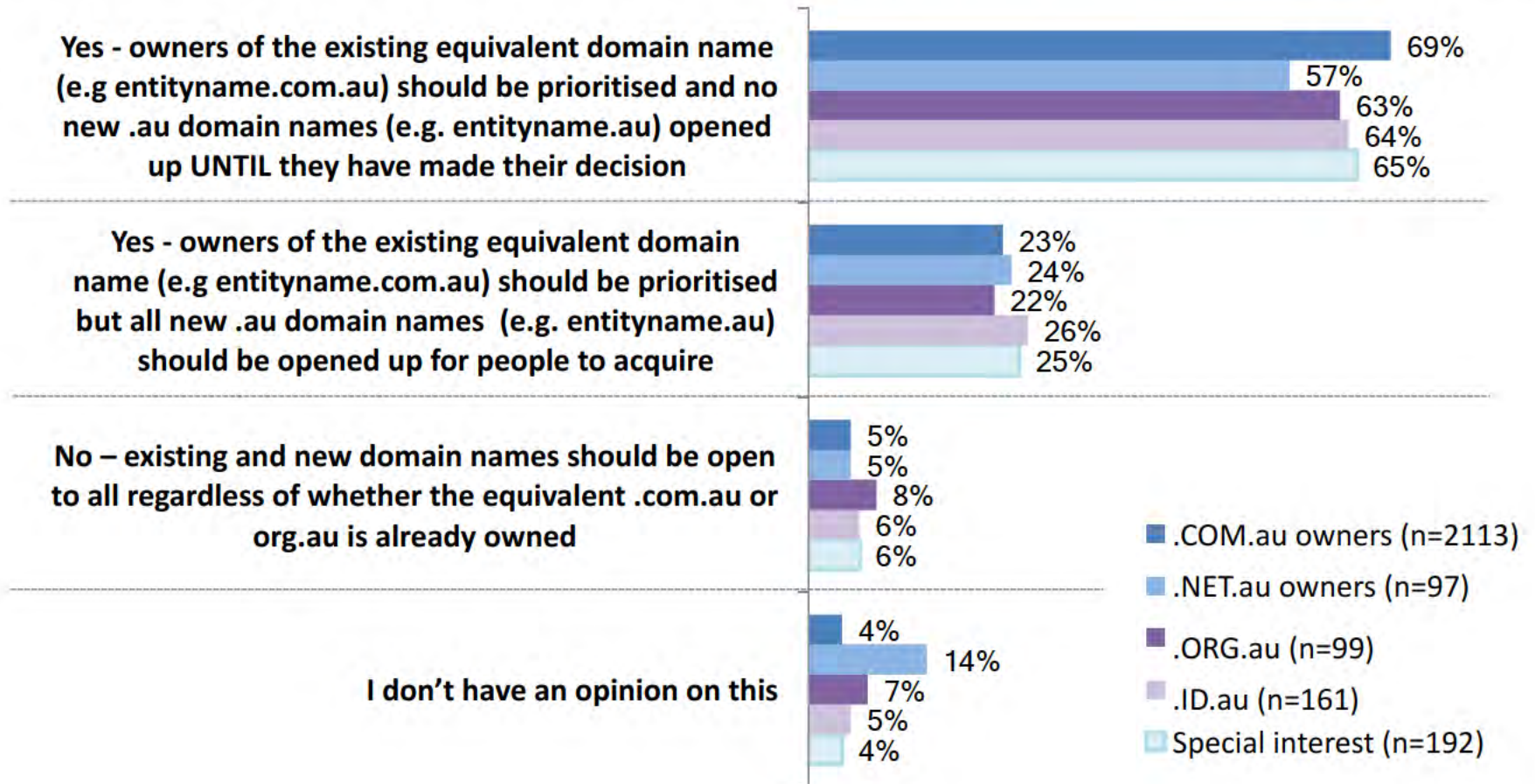
This would allow domain owners/holders time to consider their options and at least in part, empower the process back into their hands. It also ensures auDA retains some level of control/structure around the process.

“It would provide them with an opportunity to reposition themselves and empower them. Something which they have no control over really.” – Regulator

“I’m concerned about how it’s going to be allocated. I think that its highly likely to be a money grab. The fairest way would be for those who currently have the domain, to receive first right of refusal. Another concern is that a lot of people are not necessarily easily contactable, so might not receive timely communications about these changes. The process runs the risk that organisations will let domains lapse, not because they want to, but rather due to an administration error.” - Member

Widespread support for existing domain owners to be prioritised in the allocation of new .au domain names.

Q. Do you believe any groups of domain name owners should have priority in registering a .au domain name under the new policy?



3.5.

Sentiment regarding TIMEFRAMES

The implementation process is going to require some time

Qualitatively, timeframes were considered the second most important area of concern. Beyond the first right to refuse process, the other main considerations around timelines was the amount of time required (a) between the announcement of policy and the start of implementation and (b) the amount of time for domain owners to consider registering equivalent domain names.

Perceptions were generally mixed based on understanding of the complexity of the changes and the level of communication likely to be involved. Some stakeholders felt it may take up to 2 years for the consultation process to be completed, others were keen to see the industry continue to move forward. Similar to Stage One, a period around 12 months for implementation to begin is likely to be the best outcome with a further 6-12 months for existing domain owners to decide whether they wish to register the equivalent domain name.

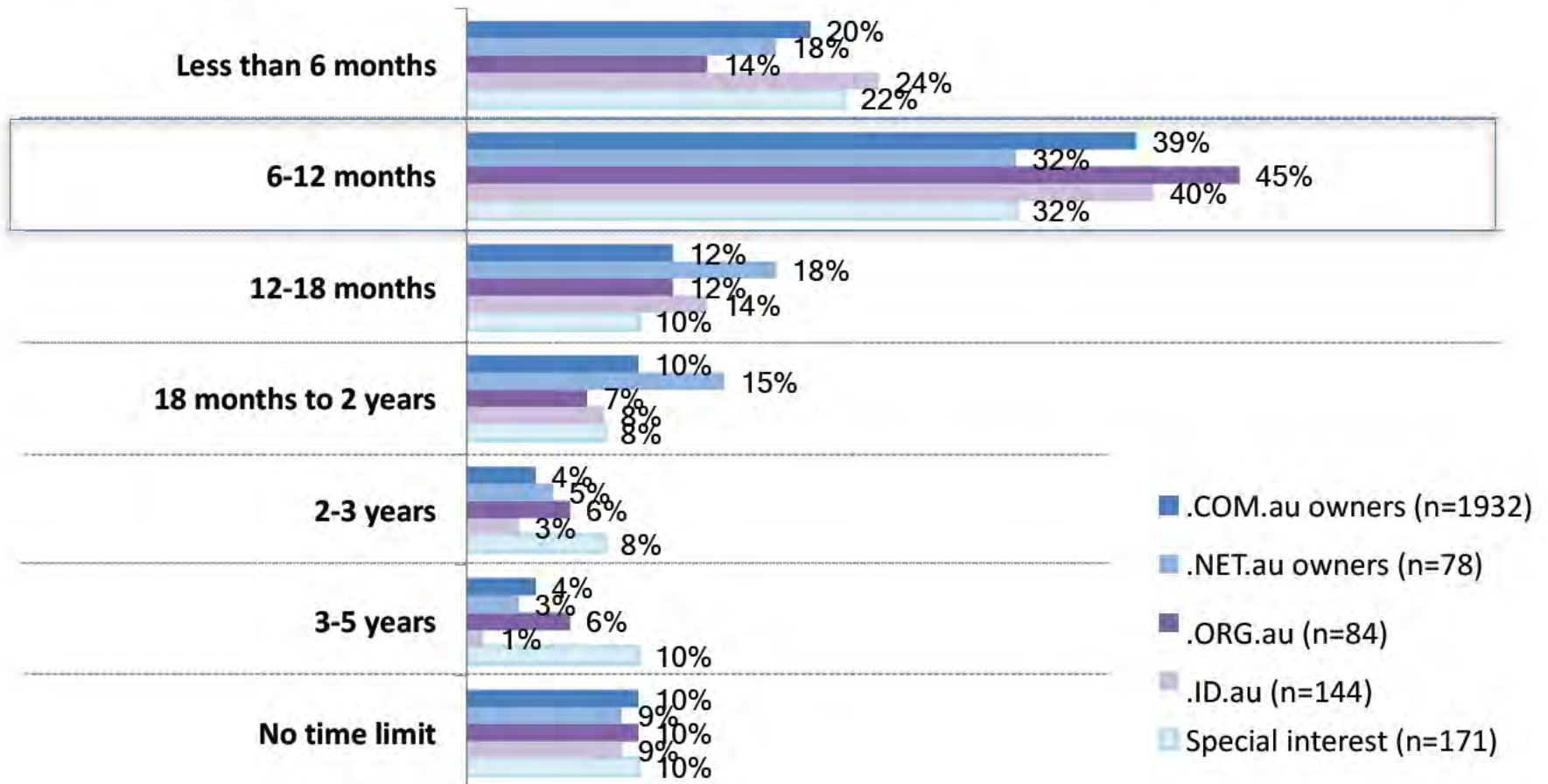
“They need a grace period to consider their options. Suggestion might be the full licence period of 2 years.” - Regulator

“6 months is OK as long as the information and communication is clear and not dribbled out.” – Regulator

“The longer the better as it will reduce squatters holding onto domain and let the space play out over time.” - Regulator

Strongest support for a 6-12 month window following the policy announcement for domain owners to register the .au domain name equivalent.

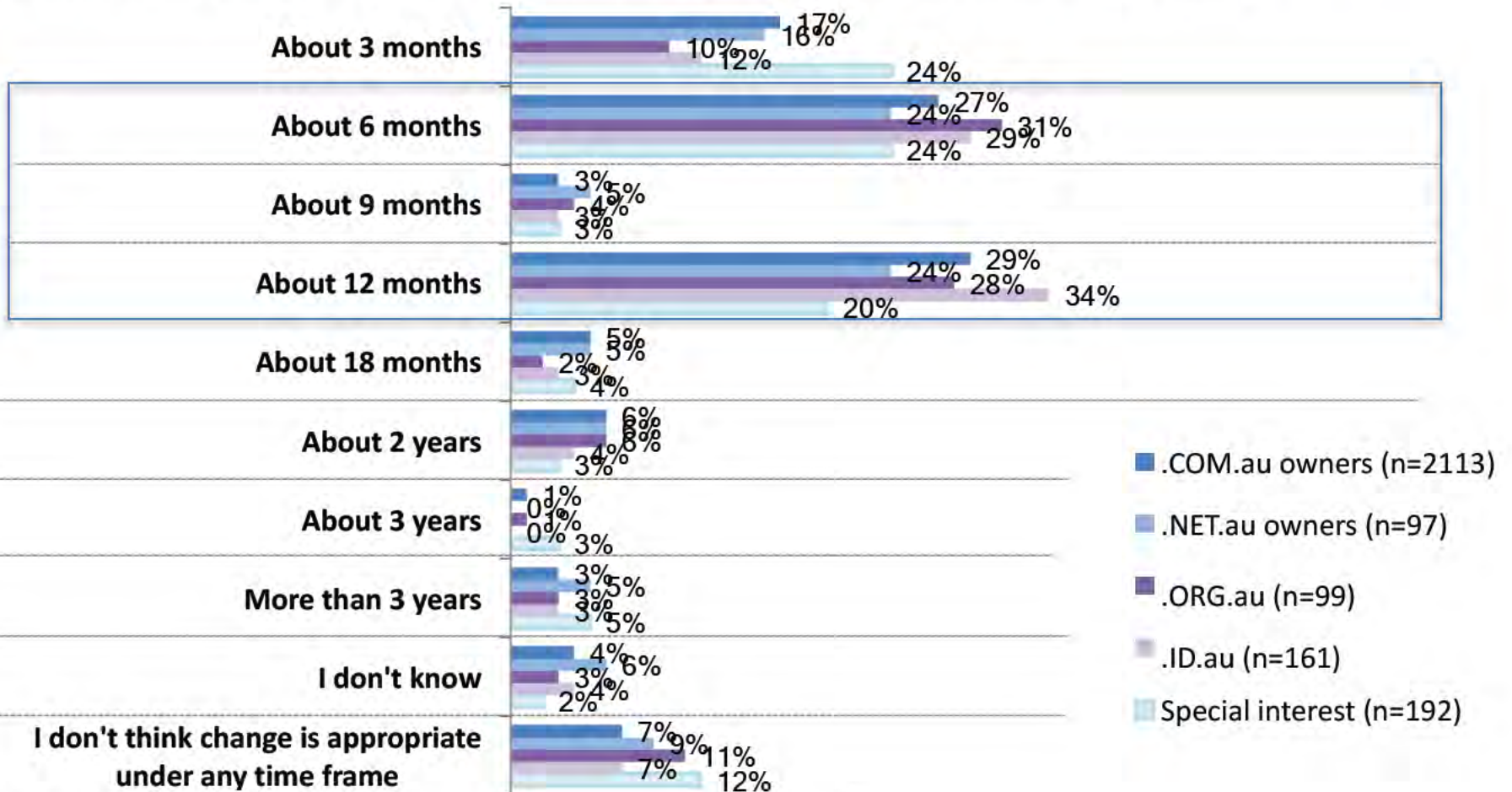
Q. How long after the policy is announced do you believe existing domain owners should have to register the .au domain name equivalent before the name is made available to all other interested parties? .



Base: Only respondents who believe in 'first right to refuse' as indicated in the previous question

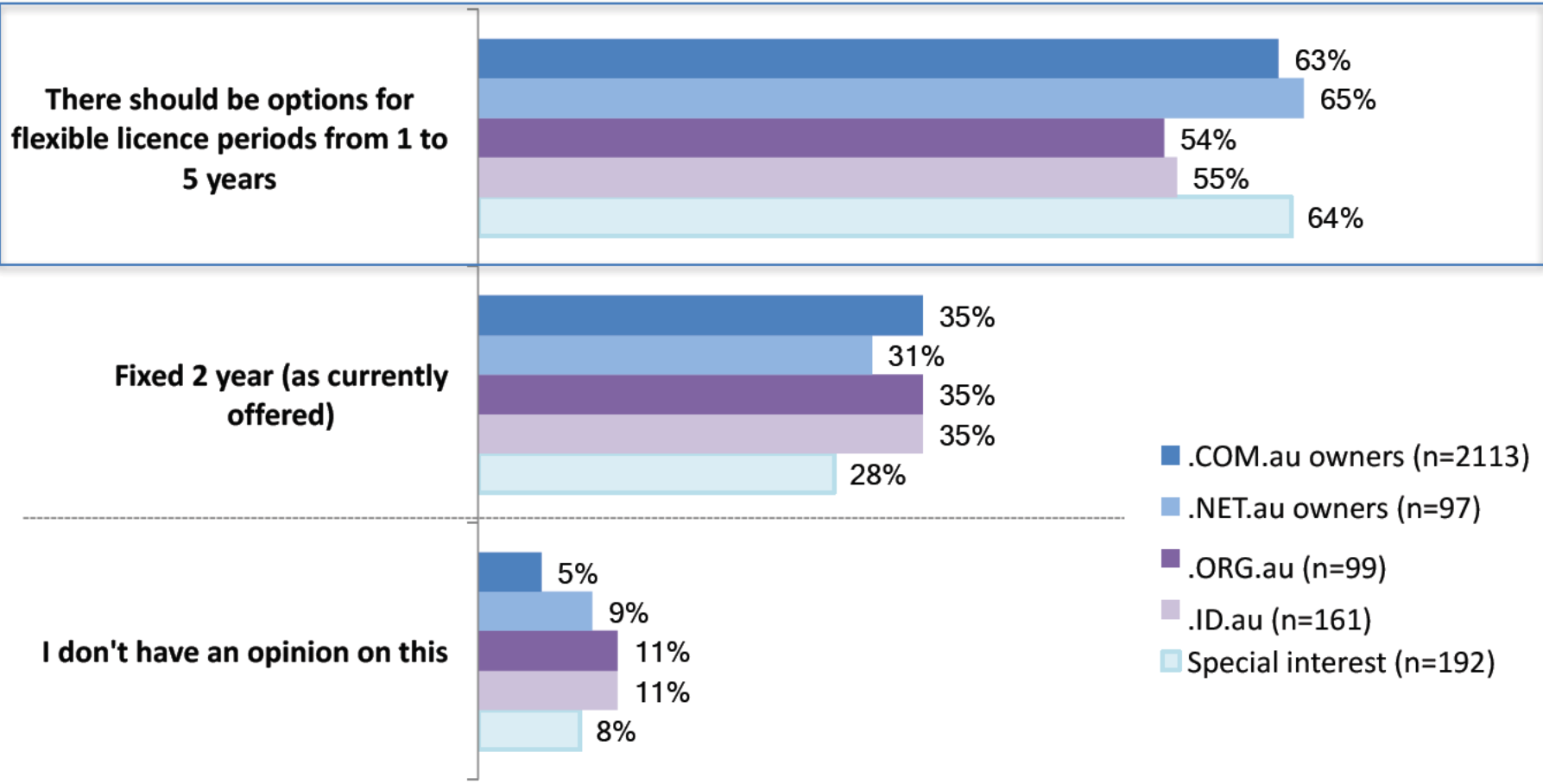
A timeframe of 6-12 months is considered a reasonable timeframe for implementation by around half of those who completed the survey

Q. Assuming a change in policy to allow direct registration of domain names goes ahead, what do you consider the appropriate time frame would be between announcement of the change and implementation of the policy?



The majority support options for flexible licence periods ahead of the existing fixed two year licence period.

Q. How long do you think the new licences for .au domain names should be licensed for (before they are due to be renewed again)?



3.6.

Sentiment regarding COMMUNICATION

The communication challenge is significant and likely to be polarising

Up until now auDA has managed to keep its public profile fairly low but with this change in policy many stakeholders raised concerns that the profile will need to be raised.

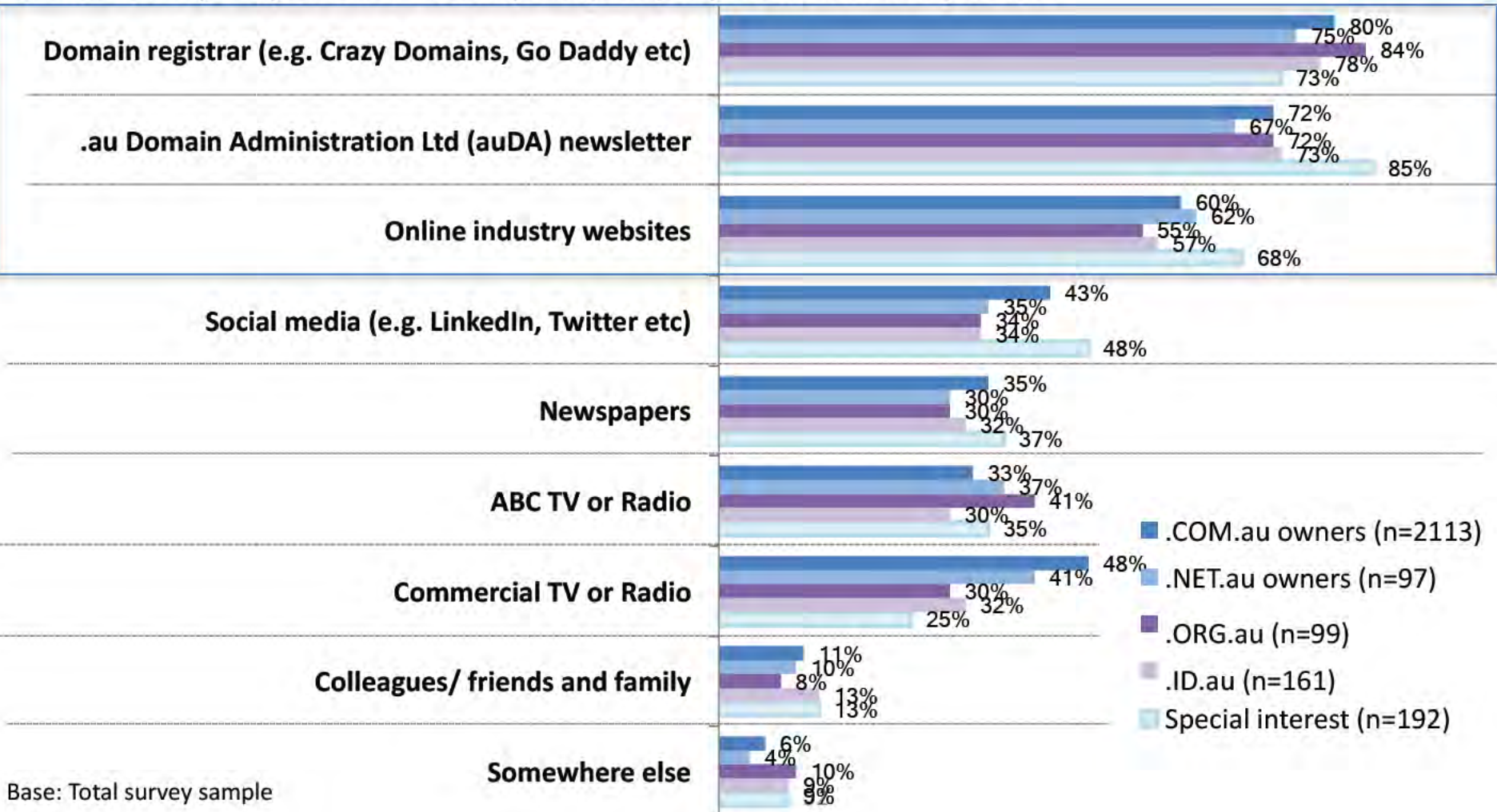
Now is the time to be really clear on:

- Who auDA are and what your role is?
- Why the change is being made?
- Who it affects and how?
- Process for consultation and implementation?
- If issues/questions regarding the implementation what channels are available?

Generally all of the qualitative participants read various auDA communications/newsletters and visited the website. In particular there was some concern among a few stakeholders that information is not currently front and centre of communications (home page, etc).

Effective communication about changes in domain name registration policy will rely heavily on targeted industry channels (particularly domain registrars) as opposed to mainstream media.

Q. Where would you expect to hear about any changes in policy in domain name registration?



Base: Total survey sample

Additional communication needs beyond just channel

Other suggestions included

- Step by step kit for what to do and timelines to follow
- Case studies – example of what a business might do and what might happen if they don't act
- Anticipatory emails – i.e. change is coming, this is what it involves
- Registrar emails to database
- Example media kit for Regulators
- Easily navigated website from auDA with home page links
- Clear timelines and up to date requirements
- Easily accessible channels for those with issues/questions.

“Empower them so they know the best way to act. What to do and where to get assistance if they need it. People will get their backs up if the implications are not communicated well.” – Regulator

“auDA need to move the information front and centre on the website... instead of down multiple levels. The information about the current open registration policy is not where it should be.” – Regulator

Finally, provide opportunities for questions and interactions

Many Regulators, members and interested stakeholders will be seeking opportunities for face to face meetings/ presentations with auDA representatives so that questions can be asked personally. Regulators as well as the general public are likely to require clear contact details at auDA for questions as they come. Consideration should be given to establishing an individual, or team of individuals, who become known as the go-to people for questions, advice and support, providing a personalised service for this implementation process.

There is also likely to be a continued consultative process with Regulators as you move forward to implementation policy ideas and drafts. Throughout this process Regulators will be seeking up to date information on where the process is at and what opportunities for feedback are being sought.

They are also keen to invite auDA to speak at regular meetings to inform their members and senior leadership team.