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30/09/2002

Second Level .au Domain Names – 2nd Submission

Dear Ms Lim,

Thankyou for considering this submission by the Australian Retailers Association.

- Retailing is Australia's largest employing industry with around 12% of the workforce or 1 in 8 Australians making a living in its ranks.
- It employs one in five females, and is by far the largest employer of Australia's young people (its future); with one in every two Australians in the work force engaged by a retailer.
- It is in this category that retailers play a huge role for the economy in employing the group that is most vulnerable to unemployment.
- Where would the youth unemployment figures be without retailing?
- However retailers by the provision of part time and casual work for secondary and tertiary students are in essence providing scholarships to assist those students to undertake their studies.
- Retailing is also the largest employer in regional Australia.
- Quite often the only jobs available for young people leaving school in country towns (if they want to stay in that town) is a job in the local retail store [Interestingly the retail industry makes all these magnificent contributions to the economy and well being of Australia on an average industry net profit of around 3 cents in the dollar]
- Retailing, with millions of customers visiting its stores (and websites now) daily is easily the industry with the most regular contact with every day Australians.
- Although retailing comprises some of Australia's most well known household names as major retailers, it also is the home for some 90 000 small retailers which each day compete amongst themselves, with larger retailers and with other providers of consumer products and services.

The Australian Retailers Association is a reflection of the profile of the retail industry it represents.

Of its 12 000 members which operate over 40 000 stores across the nation, there are included the well known household retail names and another 140 or so medium to large retail groups which together account for about 50% of the nation's retail sales.

However over 90% of ARA's members are small businesses employing less than 20 staff. Together our members provide jobs for about 700 000 Australians and transact 70% of the nation's retail sales.

Of the 40 000 tenancies in the shopping centres of Australia around half are operated by ARA members thus providing the key and impetus to the success and profits of Australia's retail shopping centre industry.

2nd Level Domain Name Issues

Introduction:

As outlined in the ARA's previous submission, the Association supports and is advocating the ability of Industry bodies (such as the ARA) to create unique second level domain names for its representative members (and related organisations).

The ARA would seek to create a closed second level domain name *retail.au*. This domain would be for the exclusive use of retailers (and retail related organisations). The *retail.au* domain would not be restricted to ARA members; however the ARA as the peak retail body would administer the domain.

The ARA has attempted to address each of the issues as outlined in the discussion paper.

1. Preservation of integrity and usability of .au domain space.

The ARA believes that given the prominent nature of retailers in the commercial landscape, a retail specific domain would assist the public in easily identifying retail businesses on line. While it is true that the .com.au domain is the most commonly recognised and used business domain in Australia, it does not tell the end user anything other than the business is of a commercial nature.

Retailers may want to distinguish themselves from manufacturers, service providers, etc and clearly state through their domain name that they are, in fact, a retailer.

The retail.au domain also lends itself extremely well to the "guessability" of on line addresses for retailers, as it is unambiguous and easily remembered. This sacrifice of a slightly longer (than three letters) name would be worth it for that reason alone.

As mentioned in the previous ARA submission, while there is currently confusion in the marketplace about domain names, this confusion is generated by the generic nature of these domains. For example, there is no point in our view to the .biz domain space. What benefit does it provide? It crosses over into the **exact same space** as the .com domain. This seems like a simple revenue raising exercise, which has created more problems than it has solved.

A retail.au domain actually has a purpose, because it brands the retailer's business. We believe the introduction of this second level domain would actually help to reduce the confusion, not exacerbate it.

2. DNS hierarchy issues.

It would be naïve to suggest that the creation of a new domain would not in some way promote multiple registrations of names by, in this case, businesses. However, given that the controls placed on the existing .com.au domain space (eg ABN number requirements) have largely been successful at preventing cyber-squatting (unlike the "mish-mash" of the .com space), the ARA believes that one of two things will happen with closed domains.

- a. Businesses will register the one they feel is the best (.com.au or industry specific)
- b. They will register the top two (the .com.au and the industry specific)

Again, the confusion regarding multiple registrations to “cover the bases” has been brought about by the more generic domains and the cross-over in them. The introduction of industry specific closed domains such as *retail.au* will potentially alleviate this problem because end users may search by industry first and generic name second. Alternatively they may try .com.au first, then follow with an industry specific if they know, for example, the business they are searching for is a retailer. The retailer can choose how they brand their on-line business.

3. Purpose of the DNS.

The Panel’s suggestions that perhaps the branding created by specific domain names may be “more appropriately achieved by other means”, does not successfully argue the case for denying new domains:

- a. Portal Website
 - i. The ARA does not need to remind the business community about the trail of portals which are all but a distant memory due to lack of branding ability and the fact they are extremely difficult to make viable. Businesses who participate in portals often struggle to find their own identity and usually end up with long URL’s that they can’t even remember. The question is, how do you find a portal? Answer – the same way you’d find any other website. This is a non-argument.
- b. Improving Search Engine Visibility
 - i. This is an important thing for any website to have, however this does not in **any way** reduce the need for a good (industry specific, easily remembered) domain name. This is especially true given search engines are only one of the methods for finding a website. The other major method is of course, the “guessing” of a domain name. For this argument to be of any relevance, why place any emphasis at all on domain names? If search engines could be used, then we should all dispense with domain names and just use IP addresses. In floating this suggestion as a serious argument against industry specific domains, the Panel is potentially arguing against its own priorities.
 - ii. The ARA believes that search engine listing is just as important whether there are industry specific domains or not. It is one essential strategy. They are not mutually exclusive - not even partially exclusive.
- c. Trademark or Industry Logo
 - i. This idea has some merit; however there has been much debate recently about the validity of logos, stamps of approvals and trademarks (see www.noie.gov.au, www.accc.gov.au) and their value. Again, a logo does not help an end user find a website. It helps them once they are there. The issue then arises of credibility, recognition, etc of that trademark. Even the trademarks of security offered by the banks are merely products of a merchant agreement (essentially a product anyone can buy), which does not provide any real website protection outside payments (and doesn’t even cover the site as a whole, eg data capture forms, cookies etc).
 - ii. On the whole, attempts at logos etc on line have been underwhelming at best. These seals, etc are again part of a greater strategy, and do not negate the need for a strong domain name.

There are benefits to be had in terms of the DNS for industry specific domains, such as on-line directories, buying guides, etc. Also the creation of an identity for specific industries which allow for easy end user recognition of business type would also be of benefit.

4. Precedent Setting.

The Panel's concern about the setting of precedents is a valid one. The ARA believes that closed industry level domains would be the most viable, rather than interest group or open domains. Closed domains do offer greater certainty of control.

5. Commercial Advantage.

The ARA believes it is best suited for the management of a retail.au domain, and it should be operated as a closed domain. The ARA has considered the retail.au as a seal of approval; however we see it more as an opportunity for retailers to differentiate themselves from other industries. The ARA would not exclude members of other associations, nor would it restrict access to members only. We believe an industry level domain name should be for the benefit of the industry. The ARA would gain from enhancing its already solid credibility in the retail industry through the management of the closed retail.au domain. Credibility is what drives the success of industry associations.

6. User Demand.

It must be said that there is, in the ARA's experience, a general lack of knowledge in the community about domain names in general (eg how they work, what the costs are, who manages them, etc). This lack of knowledge is especially concentrated in the small business area (the majority of our members).

The ARA sees the creation of a closed domain for retailers as a way of creating an easy use option for a confused marketplace. We believe that retailers will appreciate the opportunity to register a domain name managed by their peak representative body.

This opportunity will also help to negate some of the re-registration scams and "sharks" which have been preying on small business and their lack of knowledge.

The ARA is yet to conduct qualitative research of its members to discover the potential uptake of a closed domain such as retail.au. However the consultations conducted so far have drawn a positive response. It is important to note however that this is untested and will require significant effort and resources to make successful. The ARA believes the industry benefit will outweigh the risks.

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