

Agenda

Third Industrial Revolution – driven by digital

Internet changes – Mobile, Social, ‘Things’

gTLDs – more than just a name

Key characteristics of gTLD registries

Mapping CXO concerns and gTLD capabilities

Project plan to launch – big questions to be answered

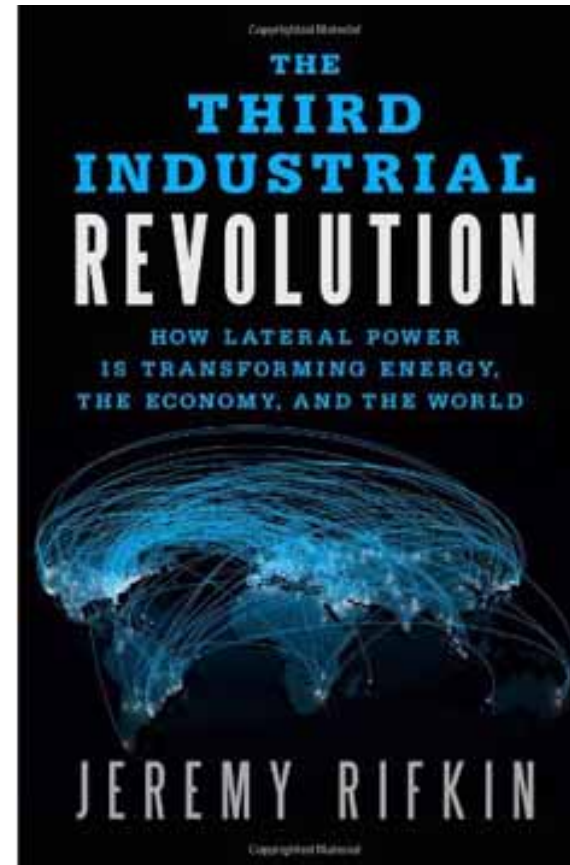
Project plan to launch – areas for consideration

gTLD brand benefits

Closed, Restricted Open and Open gTLDs

Domain industry considerations

Broadening opinion and evidence we are in a third industrial revolution..



..and digital is driving this third industrial revolution

First

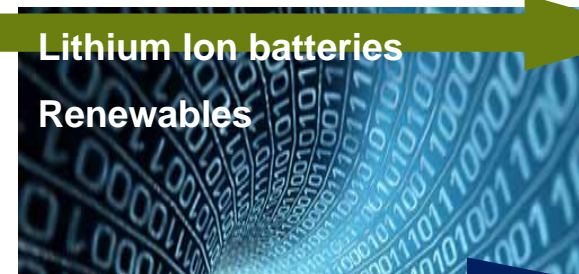
(late 18th century)

Second

(late 19th/early 20th century)

Third

(late 20th/early 21st century)



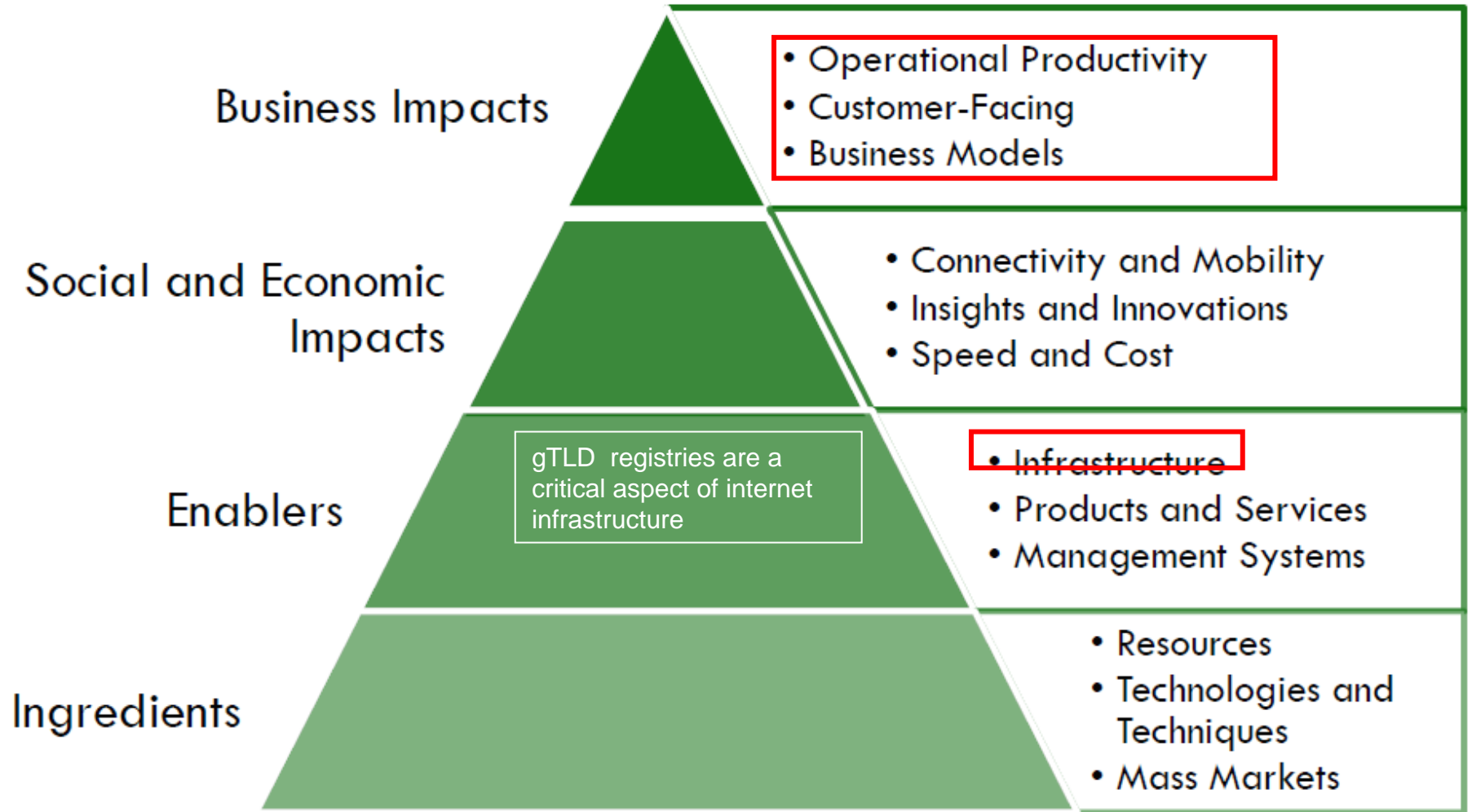
Standards:

General purpose machinery

Scientific management

**Communications
Data transportation
Knowledge exchange**

The Digital Revolution



Source: Digital Strategy Consulting; Kennedy Consulting Research & Advisory

Internet changes: Mobile, Social, 'Things'

Mobile



Has surpassed desktop internet access.

Over 1 billion people already using smartphones and tablets

Estimate 3 billion more people on Internet – mobile will be first preference of access

Analyst estimates 10B computing devices by 2020 – mostly mobile

Characteristic: Portable and wearable devices

Economic impact > \$3.7 trillion to \$10.8 trillion by 2025 (McKinsey)*

Internet changes: Mobile, Social, 'Things'

Social media



User generated content, peer recommendations etc. on easy to use social networks and platforms

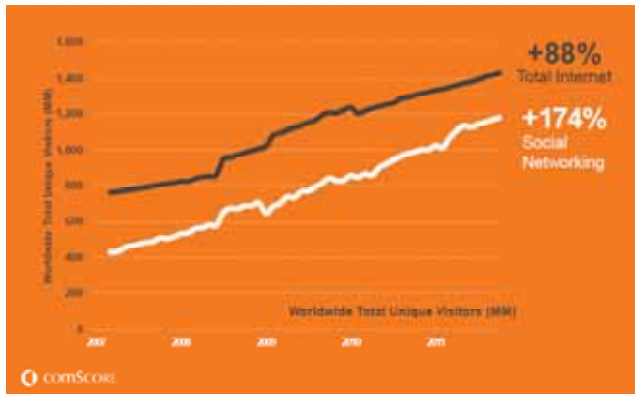
Most popular activity on the internet

Has acted as powerful information disruptor – real time, 'citizen journalism', trusted peer recommendations and endorsements

Nobody needs domain names to create their personal social spaces

Characteristic: Human interaction

Social technologies being widely applied within enterprises > driving significant knowledge and productivity gains



Internet of Things



Ubiquitous connectivity > low cost sensors embedded to anything + near field communications and RFID

Uniquely identifiable 'smart' objects that actively participate in business processes

Enables remote monitoring > real time data insights driving operational efficiencies and process optimization

Each thing could have a unique gTLD DNS entry – verification for data transfer, enhanced security etc. > A 'Uniform Resource Identifier'

Characteristic: Embedded

Economic impact > \$2.7 trillion to \$6.2 trillion by 2025 (McKinsey)*

Operating a gTLD registry

Not just a name

Key characteristics of a gTLD registry

Project plan to launch

Names, names, names

Much of the discussion and debates during the development of the gTLD application process was dominated by:

domain industry actors – registries and registrars alike were excited about a liberalization process that they primarily viewed as a massive expansion of the *existing* market space i.e. sell lots more domain names

brand legal counsel – concern on trademark protection. Initially hostile to gTLD liberalization due to this narrow view, but have successfully ensured a range of trademark protection mechanisms have been developed

Security and stability – ensuring expansion had no negative impact to internet infrastructure

Not surprisingly much of the discussion on gTLDs and brands was focused on names – ownership of ‘high value’ terms, brand association, ease of addressing for customers, search engine optimization

Hardly anyone was talking about brands running a key element of internet infrastructure...

Not just a name..

Cognizant of the disruptive impact that Internet technologies have had of many industries and business models, KPMG conducted an in-depth Feasibility Study (82 pages) which considered:

- **An environmental analysis (73 slides)**
- **Financial, legal, operational and long-term impacts**
- **Benefits, Risks and Concerns – in particular Strategic benefits, Competition and differentiation, Security and risk reduction, Value for money, Innovation, International Domain Names (IDNs) and descriptive terms, Use Case, Concerns about applying and What to apply for.**

KPMG did not apply to ICANN for its own domain name

KPMG applied for the right to operate a secure gTLD registry database at the world root of the Internet

Key characteristics of gTLD registries

Super fast servers at world root of internet



Although most brand registries will (initially) be resolving queries of lower magnitude than the millions of queries per second against .com registry

Massively scalable database



Proven ability to host hundreds of millions of unique entries

More secure point-to-point communications via DNSSEC



Enhanced security of internet communications. Additional layers of verification can be added e.g. Verisign encryption with dot bank

Platform for innovation



Disruption to business models e.g. new/greater utilization of records fields in DNS

Unique addressing



Commonly cited brand domain benefits: clear addressing, brand attributes, authentication, IP protection, SEO..

CXO concerns and gTLD capabilities

Area	Concerns	gTLD registry
Customer Revenue Growth	<ul style="list-style-type: none"> Customer relationships Product/services innovation Brand(s) New products and services within existing business models More marketing investment Prioritizing investments Innovation through product development Adapt to changing customer and stakeholder behavior Improve marketing/sales efficiency 	<ul style="list-style-type: none"> Innovation in digital delivery of customer services Customers signal brand affinity through unique domain Supports shift to internet-centric business processes and models
Operating Effectiveness	<ul style="list-style-type: none"> Innovation (New technologies; culture; alliances) R&D, intellectual property Reduce enterprise costs Deliver operational results Improve enterprise efficiency Improve business processes Lower operating costs Improve product/process quality Improve ability to innovate Improve business flexibility Reengineer business processes 	<ul style="list-style-type: none"> Integration with existing ERP systems for operational efficiencies Signal authentic IP Possible reengineer existing business processes

CXO concerns and gTLD capabilities

Area	Concerns	gTLD registry
Transformation	Prepare for major business model changes Business model innovation Framing and/or adapting strategy	Internet IaaS – scalable, platform for innovation – for applicants only!
Technology Change	Cloud computing (SaaS, IaaS, PaaS) Implement or expand use of collaboration capabilities Social media/Web 2.0 Pursue apps or infrastructure outsourcing Expand use of mobile/tablet (not laptop PCs) Creating of unique new products, services, or business models dependent on cloud solutions for delivery Embedded computing (e.g., smart sensors) to automate or control internal processes or systems	gTLD registries are outsourced IaaS and could readily evolve to SaaS gTLD platform for innovation – services and even business models

CXO concerns and gTLD capabilities

Area	Concerns	gTLD registry
Data Analytics	Data and analytics to improve business processes or customer engagement Increase use of business intelligence and decision-support tools and services Converging data architectures (un/structured data) Location-based models of complex data	Improved insight and control of information flows Innovative use of DNS record fields for geo-targeting & verification of services
IT Management	Reduce IT costs Information privacy/security and cybersecurity Developing or managing a flexible infrastructure Improving IT management and governance Improving business alignment and relationship Consolidating IT operations and resources Improving the IT organization and workforce Significantly upgrade disaster recovery and business continuity capabilities	Outsourced IaaS Enhanced security: DNSSEC, additional certification and encryption Disaster recovery: zone files at world root of Internet

Project plan to launch

Is there clear understanding across the business of what operating a gTLD registry entails (not just a domain name!)?

Are there clearly articulated business use cases? Prioritization & Phasing? Timescales?

How can a gTLD registry database support CXO business concerns?

Is your organization clear on its responsibilities to ICANN?

Project plan to launch

Area	Considerations
Governance	<ul style="list-style-type: none">- Identify an overall Executive Sponsor- Steering Group comprised of senior business units leads- Implementation Group comprised of operational functions responsible for launching, operating and developing the registry
Contracts	<ul style="list-style-type: none">- Back-end registry provider – done- ICANN contract – possible specific brand gTLD contract + organizational specific negotiations-Registrar(s) – RFP: Scale, stability, security, sophistication of technology, SLAs, compliance mechanisms, technical compatibility etc- Other third parties (e.g. managed services based on gTLD registry)
Resources	<p>Need to clarify – who is doing what?</p> <p>RACI model: IT, Legal, Procurement, Marketing, Communications, Security and Risk, eCommerce, gTLD consultants, Registry Service Provider, Registrars</p>
Budgets	<p>Understand minimum committed costs (ICANN, RSP etc)</p> <p>Central budget vs distributed cost centres</p> <p>Ensure integration to budget forecasting</p>

Project plan to launch

Area	Considerations
Management process and systems	<p>Ensuring and reporting on compliance with policies and security (ICANN and internal) and legal (e.g. data protection)</p> <p>Back end systems compatibility with eco system of providers: RSP and registrar(s)</p> <p>Analytics and reporting, customer and operations insights</p> <p>Support staff and processes to support business as well as providers</p> <p>Systems integration e.g. CRM, stock inventory etc.</p>
Internal comms and stakeholder engagement	<p>Educating the business – new organizational capability, exciting on vision & strategy</p> <p>Policies, process, contacts and compliance</p> <p>Change management plan and resources</p>
External launch: from communications to promotions	<p>Branding and marketing strategy</p> <p>Transition planning – akin to brand migration plans</p> <p>Campaigns – educate and entice customers</p>

Brand benefits – name space

Enhance your brand – Innovative, technically savvy organization

Greater degree control of your brand in digital channels – who's in, who's out

Brand affinity and promotion:

- Customers willing to signal their brand affinity
- Educated and enticed to do so e.g. special promotions, exclusive offers
- Established precedent – social media engagement

Domain name a contributing factor to SEO – but there are over 100 criteria in Google's ranking algorithms!

Analytics and insight from customer/client activity in your gTLD registry

Review new approach to Brand Protection:

- Consolidate tools, budgets and resources (+registrar providers) to create integrated, always-on approach
- Image/logo monitoring, Fraudulent association, Passing off, Malware
- DNS: Traffic Diversion, Brand and Trademark Infringement
- Review new gTLDs - identify and prioritize areas for actions (protection, defensive, opportunity) – registrar ‘watch list’ service?

Your obligations to other brands (+ICANN)

Your options for your brand - educate internally on new top level rights protections mechanisms (RPMs):

- Trademark Clearing House
- Sunrise registration
- Uniform Rapid Suspension (URS)
- Post Delegation Dispute Resolution Procedure (PD DRP)
- Registry Restriction Dispute Resolution Procedure (RR DRP)

Closed, Open Restricted, Open gTLDs

Closed*	Restricted Open	Open
Selective allocation of domain names according to business objectives	Allocating lots of domain names to customers – brand affinity primary objective?	Selling lots of domain names to public
Incentive to innovate - exploiting gTLD registry capabilities	Incentive to promote – educate and entice customer base	Incentive to promote – sell lots of domain names
Only need one registrar -looking for trusted relationship and capability -financial stability -technological sophistication -security	One or all? -looking for scale and capability -financial stability -technological sophistication -security	Market channels scale: ecosystem of registrars - what's your sales 'pitch'? - Branding and marketing - credit policies - more complicated systems integration - policing bad faith registrars

Everyone will need to invest in marketing and communications to drive adoption 

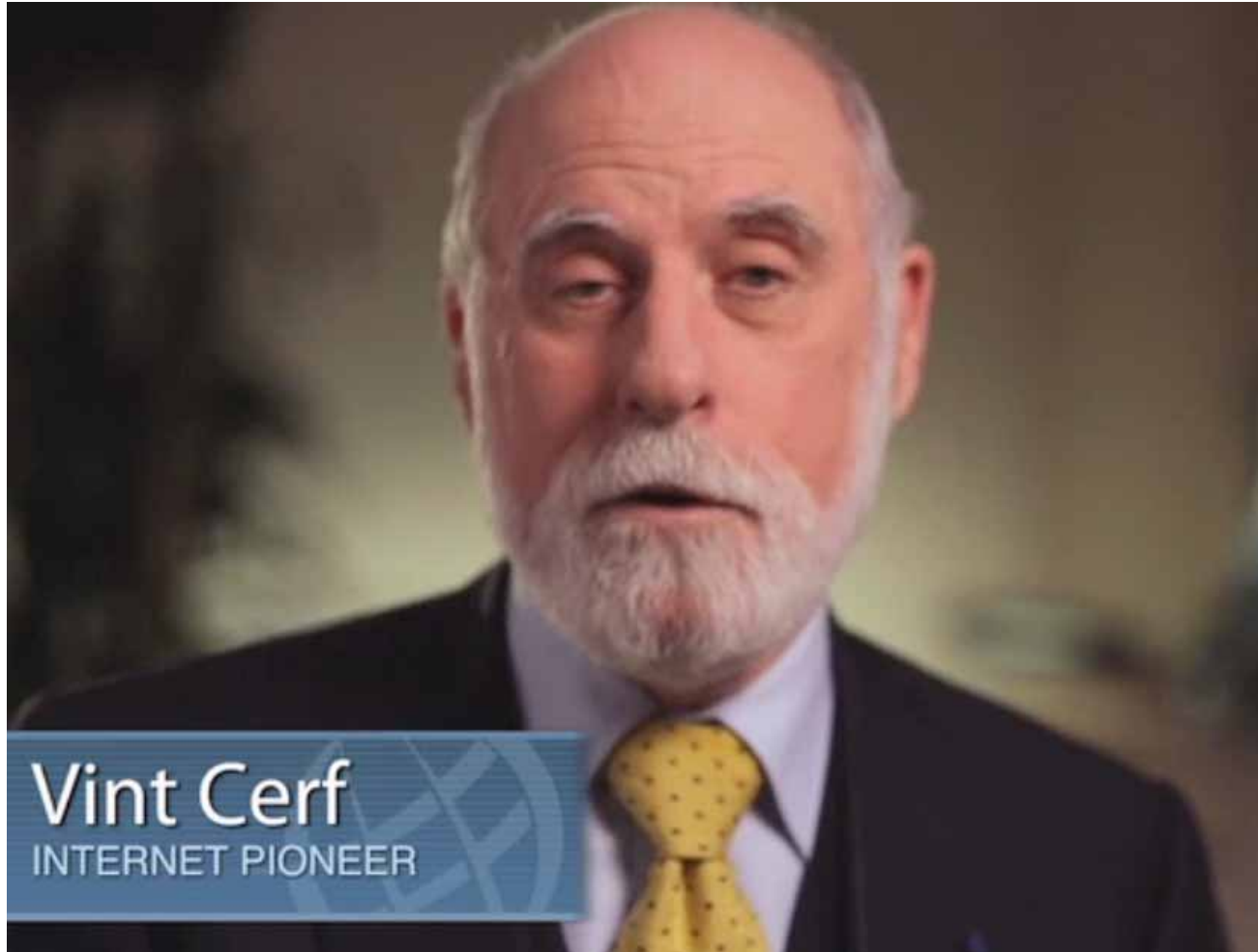
*GAC – closed generics must be operated as open gTLDs



Domain industry considerations

Opportunities

ICANN video – Opportunities for the domain industry



Stratification of registrars (and registries?)

Those that diversify to provide the DNS services needed by large corporate brands:

- Registry DNS operations and enhancements
- Value-added managed services based on the gTLD (e.g. secure social network)

Those that focus on DNS registrar resell and registration

Regionalisation (by geography and language e.g. city gTLDs and IDNs)

Existing open gTLDs will be impacted > increased competition will force focus on operational efficiencies, registrar relations, marketing, innovation (incl. new services to brand and closed registries)

Bigger secondary markets – reselling domains

Domain industry considerations

Domain industry – need to be more trust worthy – e.g. WHOIS data files

Domain industry – (obscure) technical and policy issues do not resonate with business and the public

Will need greater flexibility and agility

We need more pluralistic ecosystem of registry providers! – greater competition injected to registry market

Focusing on IaaS may be more lucrative/attractive to some registry providers

ICANN now have a very different constituency to liaise with – brands and registries with no interest in selling domains

There will be new business models and new ways of using DNS not seen before

Thank you

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