

Registries Promotions – Registrar's Prospective

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Understand that Registries run promotions to boost registration numbers

Registrars are profit oriented organization, definitely welcome registries promotion. However, the success of any registries' promotion is also dependent on the effort of the registrars. (resellers)

Registrars consideration:

1. Existing operation model
2. Attractiveness of the Promotion
3. Ease of participating – Technical / administrative / Financial etc)
4. Promotion Period (1 month / 3 month / 6 month / TFN)
5. Flexibility
6. Competitive edge over competitors
7. Current Registration Trend for particular extension

Case 1 - GTLDs Volume Plus Program

Promotion Mechanism:

1.Reduction of Cost Price (from NP of USD8 to USD7)

2.Further reduction if new registration per month is

More than 100 – Rebate USD0.75 / name

More than 250 – Rebate USD1.00 / name

More than 500 – Rebate USD 1.25/ name

More than 750 – Rebate USD1.50 / name



More than 10,000 – Cost per domain = USD2.50

3. Promotion Period: 6 month

4. No changes in registration process.

Registrar Perceptive: (Case 1)

: Beneficial to larger registrar

: Larger registrar able to offer lower pricing to create leadership position.

: Larger registrar who are financially / cash flow strong to able to offer below cost price while waiting for registry rebate.

: Smaller registrar may just participate in this promotion but do not offer promotional price to their customers. Taking the initial discount themselves to improve their margin.

Successfulness of such promotion is then very dependent on the larger registrar. If they buy in such promotion, and reduce their price to push volume for the registry, otherwise, they may also reduce their price slight to enjoy better margin.

Case 2 - GTLDs Growth Reward Program

Promotion Mechanism:

Participating Registrar to received USD0.50 per incremental Net New Registration compared to the corresponding month of previous year. Minimal incremental growth must be greater than 5%

Example:

June 2008 new registration - 2,234

5% growth = 2,346

June 2009 new registration - 2,756

Reward Domain 2756 – 2346 = 410

Rebate = 410 x USD0.50 = USD210

Promotion Period : 6 month

Registrar prospective: (Case 2)

Promotion based on Growth. More than 5% growth compared to previous corresponding month. No advantage edge to large registrar, fair to all registrars

Incentive Rebate of USD0.50 per domain not attractive. Only domain in excess of the 5% growth entitled to rebate. After calculating, effective rebate would be less than USD0.08 per domain.

Registrar may not reduced their price to boost new registration, as the rebate of USD0.50 is too little to ensure high possibility of attaining more than 5% growth to ensure rebate entitlement.

Complicate in calculating incentive. Registrar may adopt a lukewarm approach and not aggressive in promoting.

Registries promotion need to be really attractive to ensure registrar are excited and actively promoting it. Simple to understand

Case 3 - GTLDs New Unit Rebate Program

A **GTLDs incentive program** to spur registration growth.

Participating Registrar need to register certain % of growth compared to previous quarter. Promotion period is Quarter 1, % growth compared to Quarter 3 last year

Incentive payout Scheme:

The higher the % of achievement, the higher the rebate for registrar

Example:

Target base 90% - rebate of 20% of cost of the incremental volume

Achieve 100% - rebate 25% of cost of the incremental volume

Achieve 110% - rebate 30% of cost of the increment volume

Maximum Payout possible – 40% of cost rebate

Promotion Period:

3 month (1 Quarter)

Registrar's Perception: (case 3)

A good and fair promotion - It is based on respective registrar's past performance. Registrar initiative to grow volume will be rewarded accordingly. Large and small registrars compete on same ground.

Registrar more likely to reduce price to boost registration volume. Reducing initial margin to push more volume as the incentive rebate may be much more attractive.

All registrar are able to compete on equal ground, thus, creating a hype in the market, when all registrars / resellers is promoting such extension.

Case 4 - ccTLDs Growth program

Promotion mechanism

Participating registrar are automatically entitled to 50% of normal price.
If record growth of 15% - a further rebate is offered
If record growth of 30% - a steeper rebate is offered

Example :

Normal price – USD20

Promotion Rate to registrar – USD10

If 15% growth – additional USD3 rebate per name

If 30% growth – additional USD6 rebate per name

Registry special request: Retail price offered to End-User **MUST NOT** be **lower** than recommended Price.

Promotion Period – 3 month

Registrar Prospective: (case 4)

Immediate price cut to enable reduce offer price. Registrar can easier offer 40-50% discount to create excitement of this ccTLDs.

Flexibility – Registrar can bundle with other services with the saving

Price reduction, not rebate, thus does not hurt Registrar's cash flow.
(initial 50% off)

Fair to all registrars regardless of their network size. Additional rebate if there is 15% or 30% growth. – true reward to hardworking registrars.

Easy to implement. No customization to registrar system or progress flow.

Case 5 - ccTLDs Volume Based Pricing Program

Promotion Mechanism:

Participating Registrar to enjoy rebate per net new create based on number of net new create per month

Example:

No. of Net new Create	Rebate
1-49	nil
50-100	USD1.50
101-200	USD1.75
201-300	USD2.00
Etc	

Promotion Period : 6 month

Registrar Prospective: (Case 5)

Straight forward and easy to understand promotion.

Beneficial to larger registrars with already stable registration volume per month.

Unlikely to further reduce price to boost registration.

Smaller registrar likely to treat the rebate as bonus. May highlight such extension availability but not reducing price (foregoing margin).

Case 6 - ccTLDs promotion

Promotion Mechanism:

Registrar offered special mark-up down rate via rebate basis with a ceiling rate fixed by the registry. Registrar is not allow to sell at a higher rate.

Additional requirement apply. (example: Registrant contact)

Promotion Period: 1 month

Registrar to submit list of entitled domain names to claim for Rebates.

Registrar perceptive: (case 6)

Selling price fixed, little margin to make. However, expected good demand as the price is already heavily discounted. Lower margin but replaced with higher volume.

Cash flow strained. High demand for such extension would mean that registrars need to maintain huge credit (funds) with Registry and only collect little from customers.

Registrar at the losing side if the many registrations was later found not complying to Registry promotion rules, where the registrar may not be entitled to the rebate.

Creation of daily administrative work to check daily if the registrant is entitled to such promotion. More communication work between registrar and registrant to modify contact or deletion action by registrar

Conclusion:

Any promotions registries initiate, ensure that :

It will be well received by all registrars. To be as fair as possible. A % growth of past corresponding period would be a good performance target.

Ensure that the incentive given are generous and worth the registrar time, efforts and resources invested.

Avoid special handling, rules that registrar would need to customize their system or make changes to their existing progress flow.

Avoid rebate to reduce Registrar staining their cash flow.

Provide registrar monthly performance report, so that they can track their achievement.

Thank You!