Retail Domain Pricing

Richard Merdinger,
VP Domains, GoDaddy

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Domain Pricing

We’ve Come a Long Way

Considerations

Traditional vs Emerging TLD Pricing Trends

Operational Implications of New Trends

Recommended Practices
We’ve Come a Long Way
(primarily a gTLD perspective)

• **Where We started**
  • Centrally controlled wholesale pricing
  • Limited price points
  • Limited options
  • Little competition

• **Where We Are Now**
  • Large numbers of Wholesale outlets
  • Large numbers of Retail outlets
  • Variable pricing for domains
  • Healthy Aftermarket

Example: in 1997, .COM domains were available through Network Solutions at $35 USD per year with a 2-year minimum registration

Example: in 2017, .XYZ domains are available through hundreds of Registrars at price points specific to individual domain tiers.
Retail Pricing Considerations

Registrant Profiles

• Entrepreneurs
  • Fast purchase paths
  • Price sensitive for “in the moment” purchases
  • Less price sensitive to get the “right” name

• Small Businesses
  • Price sensitive
  • Focus on value

• Established Businesses
  • Less price sensitive
  • Not as likely to go for Premium names

• Domain Investors
  • Price sensitive – always
  • Very value conscious
Traditional vs Emerging Pricing Trends

**Traditional**
- Same price for all names
- Names Create and Renew at same price
- Easier for Registrars to support
- Leads to stable price points
- Popular with Domain Investors

**Emerging Price Trends**
- Tiered pricing within a TLD
- Renewal price may not equal Create price
- Operational issues to overcome
- Tiered pricing leads to “price tweaking” by reallocating domains
- Not at all popular with Domain Investors
Operational Implications of New Trends

Unique Operational Needs

• Supporting Variable pricing requires
  • Enhancements to EPP
  • Tight coordination with Registrar Channel
  • Higher cost to integrate with Registrars

• Lower price will yield higher volumes, but also operational overhead and abuse mitigation requirements

• Higher price will limit growth, but may improve “cleanliness” of namespace
Recommended Practices

Depends on What You Want to Accomplish

• Domain Under Management growth?
• Global Expansion?
• Tightly controlled space?

• Keep pricing low enough to engage your target Registrant Profile

• If you implement variable pricing:
  • Coordinate with Registrar channel beforehand
  • Be rational with pricing
  • Price renewals low to promote renewal and use
Questions?