Themes

• **Market** landscape in UK
• **Pricing** to fuel investment in marketing and customer service
• **Size, segment and target** niche segments of growth
• **Engage new partners** to reach new markets
• **Build a full marketing mix** of campaigns and promotions
Slower growth era for domains

- **Changing landscape:**
  - The market is maturing; more crowded and competitive
  - .UK new registrations growth rate has slowed

- Market share and domains under management (DUM) have held steady (10.6M)
- Domain growth likely to continue to slow in the future
- Over 95% of Nominet’s revenue from domains; we are diversifying
Marketing strategy

• A broadly saturated market but pockets of growth exist
• Size the market, segment to identify growth areas
• Select target markets where they meet three criteria: size, addressability and digital readiness
• Create a marketing programme mixing awareness, increase preference and sales promotion
• Develop great new content
• Seek out and make partnerships that address targeted growth areas
• Engage and partner with registrar channel for fulfilment
• Move fast, be creative and commercial, show courage, be accountable, analyse and measure
• Repeat if working or stop and push elsewhere
PRICE RISE – THE OBJECTIVES AND RATIONALE
The .UK wholesale pricing landscape

- Price for multi-year registrations was last changed in 1999, when it was reduced from £20 to £5 for two years
- Introduction of single year registrations in 2012 brought in £3.50 price point
- In 2015 the Board requested a major pricing review
- In November 2015 the Board decided to change the price of .UK domains to £3.75, harmonising pricing across registration periods
- A period of consultation
- Broadly positive feedback from the majority of members (those who operate retail model selling to businesses). Less positive feedback from speculative domain traders who carry large volumes for potential onward sale over the longer term
Factors influencing the need for change

• Market pressures demand a competitive response
• As the UK registry we want to use promotions to keep .UK visible at point of purchase/decision point, while optimising R.O.I.
• Our cost investments have increased and going forwards we want to ensure we can continue to invest in .UK over the long term providing excellent service and support
• Our pricing approach has to be strategic and has to respond to the changing market environment
.UK must be visible and relevant

• We want to run a registry that is recognised, valued, safe and trusted
• We believe that registrants are better off with .UK due to our unparalleled service, our commitment to providing registrant support, and proactive attitude to tackling cyber-crime
• We want to attract new registrations to the namespace
• To achieve this, we must be visible at the point of purchase /decision

A strong .UK is our prime public benefit deliverable
Pricing objectives

• Market share – ensure pricing enable .UK to be competitive and relevant
• Market based – set benchmark level for wholesale .UK pricing v the market
• Channel engagement – incentivise the channel to promote .UK domains
• Margin – deliver a reasonable operating margin to fuel marketing investment and R&D, while ensuring we continue to invest in a .UK that is trusted, valued and high quality
Why £3.75?

- An increase of £0.25p to £3.75 (per annum) represents good value for money and is a market leading price point for a great, trusted, safe domain.
MARKETING STRATEGY—SEGMENT, TARGET, PARTNER, FULFIL
Business Market segmentation

Some SME sectors are underdeveloped

Seven segments have low digital adoption in the UK

Target verticals by digital sophistication

Source: Lloyds Banking Group Business Digital Index 2014
## Consumer / Individuals - market segmentation

### Three addressable consumer segments identified

The addressable volume in the three target consumer segments comprise 32% of the population (25.9 m people)

<table>
<thead>
<tr>
<th>Target group</th>
<th>Total size ‘000</th>
<th>Addressable size</th>
<th>Addressable size ‘000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>% (based on digital profile)</td>
<td></td>
</tr>
<tr>
<td>16-24 age group (students)</td>
<td>6,000</td>
<td>50%</td>
<td>3,000</td>
</tr>
<tr>
<td>65+ age group</td>
<td>11,000</td>
<td>25%</td>
<td>2,750</td>
</tr>
<tr>
<td>Young families</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Families</td>
<td>8,000</td>
<td>25%</td>
<td>2,000</td>
</tr>
<tr>
<td>• Births</td>
<td>0.700</td>
<td>50%</td>
<td>0.350</td>
</tr>
<tr>
<td>• Marriages</td>
<td>0.262</td>
<td>50%</td>
<td>0.131</td>
</tr>
<tr>
<td></td>
<td>25,962</td>
<td>32%</td>
<td>8,231</td>
</tr>
</tbody>
</table>
Partnerships are key to growth

- Priority partnership types and target organisations have been identified
- We are engaging with the channel to maximise these opportunities

Target partners are based in our core target markets with a focus on small businesses.
Providing registrars with collateral to effectively promote .UK

Campaign banners
• Digital assets
• Generic and targeted banners

PR & content
• 30 stories of the UK Domain space
• .uk case study films
• ‘Domain Family’ consumer films

Toolkits
• .uk 1st birthday
• BOGOF
• Free RoR
• Generic
Questions