

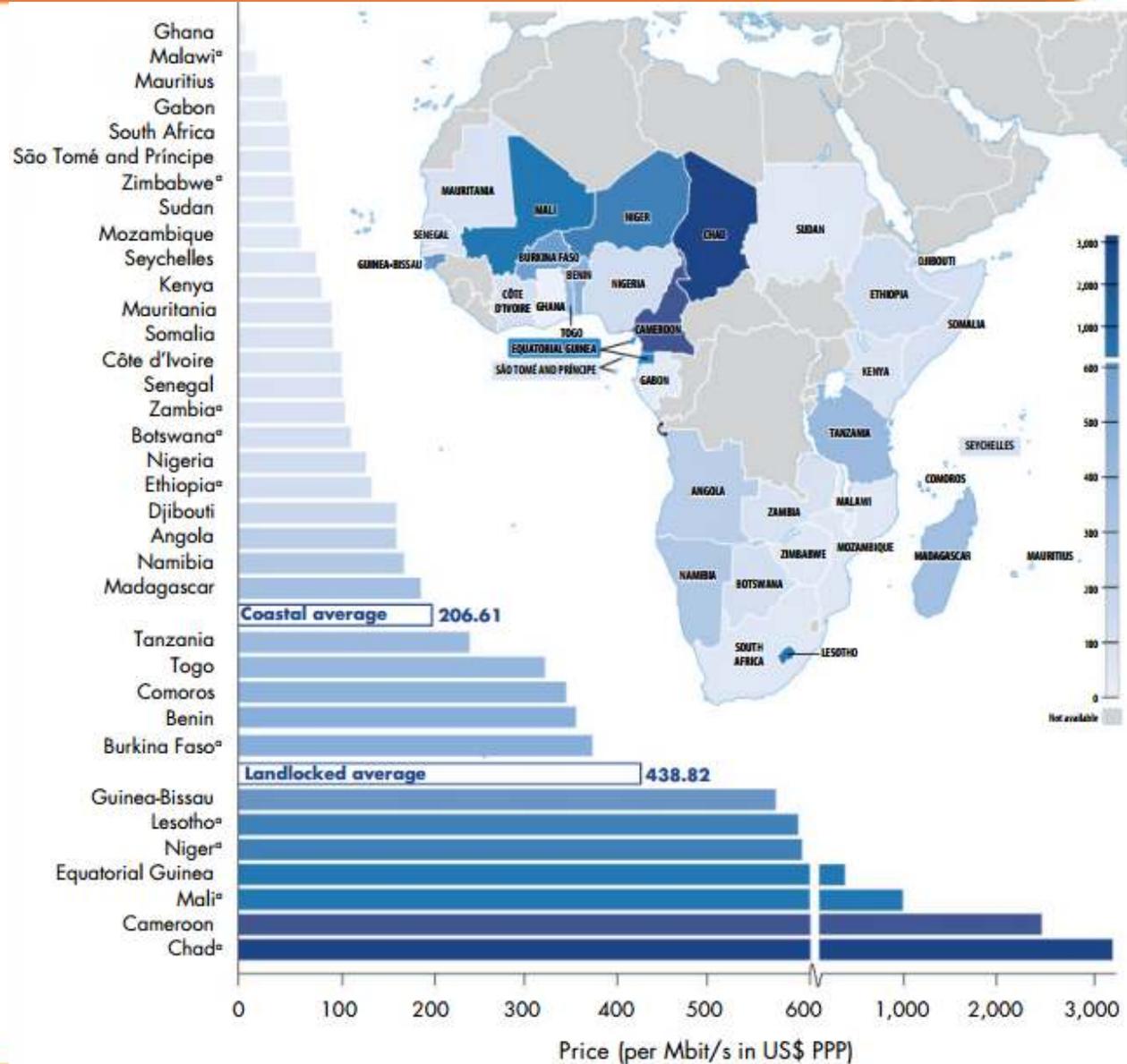


African Domain Name System Market Study 2016



Background and Scope

- 54 African countries, including 6 Indian and Atlantic Ocean Islands
- Identify strengths and weaknesses in the industry ecosystem within the region
- Develop recommendations on how to advance the industry
- Explore options for establishing a DNS observatory



Meet the Team



- Highly qualified team of experts, possessing over 70 years of experience in the domain name market industry in Africa
- The team has worked throughout the African continent providing research-based in-depth analysis and recommendations on a number of Information Communication Technology (ICT) based projects
- Multilingual and includes members based in Southern and West Africa

Methodology

Online Survey:

- **4 Languages (English, French, Portuguese and Arabic)**
- **6 Different questionnaires:**
 - Registry
 - Registrant
 - Registrar
 - Reseller
 - Regulator
 - IXP Manager

Methodology 2

- **Zone File Analysis**
 - ccTLD and gTLD zone file analysis
 - Significant websites identified
 - Web site hosting location analysed
 - Web site language identified
 - No WHOIS lookups were required
- **Interviews**
 - ICT representatives and key role players

Methodology 3

- **Desktop research**

- Regional ecosystem, key measures from respected publications
 - Population, income, literacy, cost to communicate
- Premium domain names
- Payment gateways
- ccTLD processes
- Registrars – local and international
- Pricing
- Infrastructure

Methodology – Quantitative Analysis

- **Record metrics for each ccTLD & gTLD domain**
 - Website location, language, IPv6, DNSSEC
- **Create regional subset**
 - Websites hosted in-country, in Africa and overseas
 - Analysis by region
 - Analysis by language

FINDINGS

Understanding Africa's Internet Ecosystem

- A very diverse region
 - Income, literacy, language, culture, development, infrastructure, all vary widely
- Lagging in Internet access
 - Africa: 28.9% average, rest of world 54.2%
 - 1% to 80% penetration by country
- High cost of internet access
 - For only 500 MB of monthly data the average African pays 15% of income versus 1% for the average European
- Few local hosting facilities
- The majority of access is via smartphones

Result: low demand for domain names 9

Understanding the Region's Internet Ecosystem

“Africa Rising”

- Internet penetration increased from 11% to 29% in 5 years
- Smartphones doubled to 226 million over the last 2 years
- More than 2/3 of African countries had 10 or more years of uninterrupted economic growth this century
- Amongst the world's fastest growing economies
- 314 Innovation Hubs in 42 African countries
- 80 Tbps of international submarine capacity already operational

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Understanding the Region's Internet Ecosystem

- **Backbone fibre networks**
 - All coastal countries except Guinea Bissau & Eritrea have submarine fibre. Landlocked countries have access to submarine fibre via terrestrial fibre
 - Over 1 million km terrestrial fibre installed – almost all countries will be connected to their neighbours by fibre by 2018
- **Local Access**
 - Some FTTx, and Wi-Fi, but the majority use mobile access which is very expensive in most parts of Africa
- **IXPs and data centres**
 - 36 fully operational IXPs in 26 countries
- **IP Resources**
 - 2% of IPv4 and 1% of IPv6 out of the total global usage

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Understanding the Region's Internet Ecosystem

- Policy, Regulation and Governance
 - Separation of Policy Maker, Regulator & Registry is very important
 - Recognise and engage with ISP Associations
 - The trend of interrupting the Internet during elections and unrest is against human rights and costly to the economy
- Content
 - 75% of 400 million indexed pages are in 7 African countries
- E-commerce and e-government
 - These are key drivers for Internet and DNS adoption

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African DNS Market

- Registries
 - 51 functioning ccTLDs
- Registrar Market
 - 26 countries have only one Registrar: usually the Registry
 - 13 countries have a fully competitive Registrar market
- Registrant Market
 - Over 5 million African domains (ccTLD & gTLD)
 - 4.4 domains / 1000 population
 - Value of \$52 million p.a.

Key Success Factors

- 1) Infrastructure to facilitate affordable access to the Internet
- 2) Digital Awareness with sufficient literacy
- 3) Conducive Policy, Regulatory and Governance Framework
- 4) Payment Gateways to ensure easy payment of fees
- 5) Price
- 6) Ease of Registration
- 7) Confidence & Critical Mass

CONCLUSIONS AND RECOMMENDATIONS

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Conclusions

- Highly diverse region – with much poverty and instability
- African DNS Market very small @ 4.4 domains / 1000 people, compare with >100 elsewhere
- But the market is growing fast in some places
- Far too many hindrances to growth
- Need to simplify, automate and expedite domain registration processes
- Some need to lower the cost of ccTLD registration
 - Average cost is \$84 compared to ~\$10 for a .COM domain
 - The countries with the highest revenue have the lowest (non zero) prices.
- Some countries have got it right

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Recommendations: Wider Environment

- Internet access issues must be addressed
 - Cost, Availability & Performance
- Policies and investment to support e-commerce
- Countries without local hosting need to build
 - IXPs, data centres and fibre networks and ensure that network operators are prepared to peer with each other
 - Cross-border fibre is vital to all
- Government to offer range of services online
- Ensure freedom of expression online as it encourages content creation and acts as an industry driver

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Recommendations: Domain Name Market 1

- Low / Cost recovery (but not zero) fees for registering a domain
- Rules which do not require domain registrants to have a legal presence in the country
- Rules which do not require domain names to match the business or personal name
- Functioning and easy to use registry landing pages
- Automatic procedures for registration **fulfilment** and **payment**, usually using EPP and an online payment gateway

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Is Price Really Important?

- KE and ZA are the two most successful countries in Africa according to the Country DNS Success Index
- Similarities
 - Both use EPP and are simple to purchase
 - Both have more than 100 accredited Registrars
 - Both have a vibrant Internet market
 - Both are early adopters of IXPs
 - Both have a population of about 50 million
- Differences
 - Internet Penetration, KE=80% (46M), ZA=50% (55M)
 - .COM to ccTLD ratio, KE=5:4, ZA=1:4
 - KE charges five times as much as ZA
 - ZA has sold 20 times as many ccTLD Domains

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Recommendations: Domain Name Market 2

- An effective business model and marketing / consumer awareness strategy
- Appropriate regulatory and governance mechanisms
- Use the 3R Model
 - Registry, Registrar and Registrant
- A sufficient number of Registrars - at least 20 – to ensure adequate competition
- A simple, quick and cheap dispute resolution system – commonly called an ‘Alternative Dispute Resolution’ (ADR) system must be in place

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Registrars Must Add Value

When a Domain is created, add value:

- Add localised e-mail services
 - Users are reluctant to change their e-mail addresses but can see the value in advertising their own Domain Name as opposed to a Gmail or Yahoo address
- Add a basic (one page) Web site
 - Having a website designed takes time and money. Provide a simple, automated website builder with contact information and just a few other details that the user can edit and immediately use at no charge. This encourages hosting of the website, which is a revenue stream, as is proper website design

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Setting up a DNS observatory in Africa

The Report recommends that a DNS Observatory be established to track changes in the use of the DNS system in Africa using the following approach: -

- Augment the online questionnaire tool with a data collection server that allows ccTLD zone managers to configure automated Zone Transfers to the collector.
- Periodically analyse zones according to requirements.
- Data collection will require very little maintenance while automatically generating up-to-date data, graphs and tables showing the development of domain names on the continent.
- Augmented by periodic surveys making use of the online questionnaire platform.
- Will require ccTLD (AfTLD) Registry buy-in
- Will offer AnyCast Secondary to participating ccTLDs

Thank you

Mercie

Obrigado

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