
From .com to .brand

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Early next year, ICANN will be accepting applications for the creation of new gTLDs (generic Top-Level Domains), which will allow companies to take ownership of branded domains such as .coke or .ibm, or more generic, but relevant domains such as .money or .food. The shift from a .com-centric to a .brand-centric domain architecture carries the potential to dramatically alter the online landscape, leading to expectations that hundreds of new gTLDs will be registered over the course of the next year.

For brands' online presence, the new domains represent a transformative opportunity. However, to successfully take advantage of this opportunity, brands must be strategic in their approach. Before brands even begin navigating the complex application process, they must first understand exactly what owning a gTLD means for them as well as consider a number of questions such as: "Should I register my brand name just in case?" or "How will this play a role in my overall brand architecture?"

In this paper, we will provide an overview of the shift toward the new gTLDs. We'll address how gTLDs can be registered and what it means to operate one, we take a look at the exciting opportunities they provide brands, and we show how Ogilvy can help brands make the most out of the gTLD shift.

New gTLDs: The Facts

After years of lobbying from organization for specific gTLDs, ICANN decided to open up the market and adopted policies for the issuing of these gTLDs. With some of the rules around the process of applying for a domain still under way, ICANN has released a handbook that details in great length what is expected from applicants. This is what you need to know.

Applying for a gTLD.

How the process works

Applications submitted during the first quarter of 2012 will go through a multi-stage evaluation process that will approximately last between nine and 20 months. During this time, the applied-for domains will be published online, allowing the public to review and submit objections

Costs

Brands looking to purchase a gTLD should anticipate the cost of the application process. ICANN's initial application fee for new gTLDs totals \$185,000, together with yearly domain maintenance costs of \$25,000 per year. These costs do not include a brand's internal expenditures such as the cost of staff to administer registrations and ensure policy compliance, or the cost that could arise from an auction in case multiple parties are vying for the rights to a domain, as explained below.

Trademarks

A big fear of a brand might be, "Will someone register my brand name as a gTLD, leaving me empty handed?" There is however, a program in place similar to those operated for current domain name registrations (e.g. registering brand.com) to mitigate this risk. A list of all proposed gTLDs will be published after the application period has finished. An objection-based process will then enable brands to declare that a specific application would infringe upon their trademarks. If the brand is successful in objecting, the application will not proceed.

Vision for the gTLD

ICANN does not plan to give out gTLDs just to anyone who is willing to pay the fees as mentioned above. In their vision, an applicant for a new gTLD is not just registering that domain, but also is applying for creating and operating a full-on registry business, which supports that specific domain name and the Internet's domain name system in general. Running a registry involves a number of significant responsibilities because the operator of a new gTLD is running a piece of visible Internet infrastructure.

ICANN expects all new gTLDs to be operational, which means that companies cannot “reserve” a domain. This requirement allows for competition and innovation in the marketplace, one of the primary goals of the new gTLD strategy and ICANN’s mission overall. Applicants will be required to provide a detailed plan for how they are going to launch and operate their proposed gTLD(s). The rule is that their gTLD must be operational within one year of signing a registry agreement with ICANN.

Community domain names versus open domain names

ICANN makes a distinction between ‘community’ gTLDs and ‘open’ gTLDs. A community domain addresses a clearly-defined community that is operated for the benefit of a restricted population. In order to qualify for a Community-Based gTLD, the applicant must demonstrate an ongoing relationship with a defined community, it must have applied for a gTLD string that is strongly and specifically related to that community, it must have proposed dedicated registration and use policies for registrants, and have its application endorsed by an established institution representing the community. For example, while global food conglomerates like Unilever and P&G would be highly interested in claiming .food, ICANN could decide to grant the gTLD to the USDA, who has been an educational body for everything food-related for over a 100 years.

While any company can apply for the ownership of category domains such as “.money,” “.food”, or “.book.”, registering a generic gTLD like that will most likely result in having to battle with groups claiming that that specific gTLDs should be considered a community type domain. Previously, ICANN has consistently demonstrated a strong community bias; its charter and mission practically require it to do so.

The open gTLD classification

Any application that has not been designated as “Community-Based” will be considered as an Open gTLD. Open gTLDs can be used for any purpose consistent with application and evaluation criteria. An Open gTLD may or may not have a formal relationship with an exclusive registrant or user population. This would apply to companies registering their brands as a gTLD.

Brands that are already thinking about this process have begun to chart their gTLD naming strategy. According to a study by Melbourne IT Digital Brand Services, which surveyed 150 organizations that have expressed an interest in applying for a new gTLD, 92% indicated their preferred choice would be their core brand name: a .brand. (For example: Canon has publicly stated they will apply for .canon).

The results of this study reveal that brands are clearly split in their strategic intentions - with 48% indicating their primary intention is to protect against brand infringement, and another 45% indicating that their primary intention is to create competitive advantage for their business.

Duplicate applications

In the event there are two or more applications for the same string (the combination of letters and characters that form the gTLD) or confusingly similar strings, the so-called String Contention procedures would come into effect. The String Contention is a three-step procedure that begins with an automated system, which will determine whether applicants have submitted duplicate or very similar gTLDs, based on algorithms. After that, a panel will take a closer look at the duplicates and decide if the strings proposed in two applications are so similar that they are in direct string contention.

In the final stage of the procedure, contention sets must be resolved. There are a couple of ways this resolution could take place. For applications where at least one of the applicants involved is community-based (see 'community domain names' as explained above), and has expressed preference for comparative evaluation, the following two steps will precede the auction that is the final option for all types of string conflicts:

- 1) *Voluntary Agreement* - One of the parties agrees to drop their application, or parties decide to form a partnership. This partnership will not replace the formal applicant in the sense that still only one of the parties will be granted the rights to the gTLD in question. This party will then be able, based on the agreement with the other party or parties involved, to operate the gTLD.
- 2) *Comparative Evaluation* - The comparative evaluation is an independent analysis in which applicants will be asked to respond to a set of additional questions. A panel will review and score the applications against criteria like the nexus between Proposed String and Community, dedicated Registration Policies and community establishment and endorsement.

Then, as the final step for community based applications, and the first and last step for all others:

- 3) *Auction* - The gTLD will be auctioned off through an online ascending-clock type auction with successive rounds for increasing price brackets. This process implies that applications will exit successively as the bidding level in a round exceeds their respective exit bids.

After the gTLD is Granted

Operating a gTLD

So, after either a straightforward process, or a slightly more intense procedure in which other interested parties were successfully battled, the gTLD is granted. As a first step, the applicant will need to enter into an agreement with ICANN and pass some technical tests before the new gTLD can be set up. The applicant then has one year to put everything in its plan around operating the domain into place. That means that both the internal organizational structure and certain technical elements like a registry have to be prepared to be operational. After this period, and only if the applicant intended to do so according to their business plan, third parties can now register their domain names on the new gTLD.

Registration phases and trademark protection

There are two phases in which domain name registrations take place on the newly launched gTLD: a Sunrise Phase, which is the first 30 days of when the registration of domain names on the gTLD in question will be allowed as a pre-launch, followed by a Landrush Phase, the next 60 days in which registration is open to the general public.

Every registrar that operates a gTLD is obligated to have several mechanisms in place that should prevent infringement of trademark rights during these phases. These infringements are based on ICANN's Trademark Clearinghouse, which is a repository of all word marks that are registered, court-validated or protected by statute or treaty.

In the Sunrise Phase, notice must be provided to all trademark holders in ICANN's Trademark Clearinghouse if someone is seeking a sunrise registration. In the Landrush Phase subsequently, Trademark Claims services must be offered.

Implications for Brands

The new gTLD program will offer brands a chance to register brand names or generic terms 'after the dot', which opens a world of possibilities.

With the trademark protection methods in place, registering a gTLD merely for the sake of preventing competition from snatching up that domain won't be necessary. For rights holders of brand names that several companies or organizations use across various categories (think 'Apple'), it might be worth looking into either owning the gTLD, or forming one applicant in cooperation with other interested parties.

However, some exciting opportunities exist beyond merely corporate or brand names. In the next section, we will cover a few of these opportunities, as well as our vision for owning a generic or brand gTLD.

The Opportunities of the New gTLDs

While there is still much unknown about how users will react to new gTLDs, we did identify several opportunities that the introduction of new gTLDs offers both brands and business. In this section we will highlight some of these exciting opportunities.

Generic domain names

We foresee two primary ways that a company receives value in owning a generic or category name. The first is that a company can claim brand ownership of a category (as Kleenex is to “facial tissue,” Google is to “search,” and arguably as “app” is to Apple). Taking control of an established category in this way requires significant marketing investment and won’t be achieved solely through the acquisition and ownership of a domain.

The second way a company can see ROI on the purchase of a category domain is when they license the gTLD. While licensing could have the potential for revenue generation, it is a new business model that would require the domain owner to operate in a new capacity and acquire new capabilities that could potentially open up the organization to risk.

Brand focused domain names

The true .brand

Acquiring a branded domain name (like .coca-cola) has many potential benefits and is the primary reason so many brands are excited about this move by ICANN. For all brands, the introduction of the gTLD allows for fully branded URLs and opens the door for more memorable websites, campaigns, and social media applications. A branded gTLD would tie together various elements of the brand architecture beautifully.

Linking product with masterbrand

For brands like Unilever, Coca-Cola, Nestlé, and DuPont, which have a number of sub-brands living under the umbrella of a masterbrand, the challenge of linking master and sub brand together in the minds of consumers is often a difficult one. While masterbrands typically attempt to reinforce the sub-brand/masterbrand association with TV end tags, print ads, and product packaging, the association is often overlooked. gTLDs can help to solve this problem. Those masterbrands, which venture to purchase a .brand gTLD, gain the opportunity to create a direct link between themselves and their sub-brands by crafting sub-brand URLs that feature the sub-brand.masterbrand format. By integrating these

sub-brand.masterbrand URLs into all elements of a brand's communications matrix and making the "sub-brand.masterbrand" URL the sub-brand's digital home, the association between the two brands becomes stronger. For brands with a suite of complimentary products that are not often associated with one another in the minds of consumers, this branding can be a particularly attractive option. For example, Nestlé would gain the ability to craft URLs such as californiapizzakitchen.nestlé, häagen-dazs.nestlé, leancuisine.nestlé, stouffers.nestlé, and wonka.nestlé, which unite sub-brands with one another via a masterbrand. For brands like Nestlé, whose reputation for offering quality products is often an impetus for purchase in both domestic and international markets, this association can translate into significant ROI as a closer sub-brand/masterbrand association will likely translate into increased sales.

gTLDs can strengthen the link between sub-brands and masterbrands not only for traditional manufacturers, but also across other categories such as the entertainment sector. For example, film studios can increase masterbrand awareness and notoriety by registering their individual films in the sub-brand.masterbrand format. For a brand like Paramount, creating URLs such as thegodfather.paramount, iloveyouman.paramount, and truegrit.paramount, leverage the brand equity inherent in the Paramount brand, as well as the equity of its past work (such as The Godfather), to bolster the stature of new releases (i.e., likecrazy.paramount, missionimpossibleghostprotocol.paramount, etc...).

Creating a brand platform

For brands that have invested a great deal in creating a global brand platform for themselves, a platform-centric gTLD could prove to be a significant amplifier to their branding and marketing efforts. A brand like Coca-Cola, whose global brand platform, 'Open Happiness', is ubiquitously associated with its flagship Coke brand, could benefit from registering a .happiness gTLD. For Coca-Cola, a company that is as much invested in brand stewardship as it is in the manufacturing of its products, this gTLD presents an opportunity to truly own the concept of happiness in the digital space. Owning this unique gTLD, would allow Coca-Cola to leverage its platform across its suite of sub-brands. According to the brand's architecture, these sub-brands (including Diet Coke, Coke Zero, Fanta, Dasani, etc.) are designed to live beneath the umbrella of the 'Open Happiness' platform and URLs such as dietcoke.happiness, cokezero.happiness, fanta.happiness, and dasani.happiness could serve to reinforce that concept.

Additionally, registering unique platform-centric gTLDs allows a company like Coca-Cola to carve out a niche for the world of happiness digitally. This enables Coca-Cola to create unique and immersive happiness-centric digital experiences within its world of happiness.

Reinforcing a retailer/reseller Relationship

In much the same way that gTLDs offer the potential for brands to reinforce the masterbrand/sub-brand connection, gTLDs can also reinforce the connection between retailers, resellers, and a brand. Brands such as DuPont, which often integrate resellers into their value chains can utilize unique URLs to manage that relationship. Providing a reseller with space within a brand's URL [e.g., reseller.DuPont] can serve as an asset to the reseller as the brand extends the brand halo to the reseller, creating a closer association between the reseller and the brand in the minds of the consumer.

Similarly, gTLDs provide retailers with the opportunity to customize their local and regional store sites. To deliver content relevant to a geographical audience, brands such as Gap can create URLs such as 5thavenuenyc.gap, timesquare.gap, and soho.gap to give each store a virtual location that corresponds with its physical location.

Shorter URLs

As content sharing, microblogging, and mobile proliferate in the digital space, the value of shorter URLs is becoming increasingly clear. The widespread adoption of URL shortening services like bit.ly has served to demonstrate this fact. As digital users continue to look for ways to make their browsing and linking experience more streamlined, the area of URL shortening becomes one in which gTLDs can offer an advantage to brands.

A gTLD can enable brands to economize their URLs while also having them carry a branded appearance. As a result, rather than using a URL such as http://www2.dupont.com/Tyvek/en_US/uses_apps/covers/index.html, DuPont could have its URL look like <http://Tyvek.DuPont/uses>.

Additionally, gTLDs allow for brands to bypass the need to rely on a third-party URL shortener like bit.ly. This can be an advantage as it avoids the risk of having to potentially pay for service from a third-party vendor. Besides that, any third party shortener can decide to change to an ad supported business model at any time, leaving a brand with countless links distributed through various online and offline channels that now all of a sudden feature advertising. In a worst-case scenario, a vendor like bit.ly could decide to delete all previously published links that haven't been visited over a given period of time.

Customer focused domain names

Personalized User Pages

A potentially breakthrough use of gTLDs could be the way in which brands leverage them for individual customer accounts. Brands that offer user services via online portals have the opportunity to customize the customer experience to an unprecedented degree by offering personalized URLs. Taking the form of something like justin.netflix, mike.twc, or ryan.wellsfargo, the custom URL could be adjusted to become each user's individual portal to the digital presence of the brand.

So, instead of visiting WellsFargo.com to log into a customized portal each time a customer Ryan Smith, wants to check his balance or engage in online banking, Ryan could visit ryanbanker.wellsfargo and immediately be immersed in a personalized experience. While he will likely have to enter a username and password to access the confidential information on his page, the customized Wells Fargo page could be tailored to Ryan's unique needs and could cater to them from the moment he arrives on the site. For example, Ryan may be a recent college grad, meaning that his banking needs differ significantly from those of someone his father's age. When he logs onto ryansmith.wellsfargo, he may immediately be greeted with content centered around consolidating student loans with Wells Fargo, or could be prompted to open a new savings account with the bank, presumably as a place for him to keep a portion of his newly-earned income. By contrast his father, John, may log into a similarly personalized page (johnsmith.wellsfargo) and receive content centered around mortgage refinancing.

By customizing the user experience and turning each user's page into a unique experience for visiting a brand's site, gTLDs can drive customers into deeper levels of engagement with brands. This engagement can increase affinity, ease of use, customer service efficacy, and even sales for brands leveraging customized gTLDs.

Security benefits

gTLDs offer an opportunity for brands to limit security risks posed by scams based on fraudulent .com identities. .com-based URLs are subject to risk as they are available for general purchase, meaning that essentially anyone with a credit card can own them. This creates risk as .com URLs with close spellings to brand name URLs can be purchased and put to fraudulent use, tarnishing a brand's reputation. By contrast, a brand-owned gTLD can avoid this risk because any page carrying a .brand URL allows a brand to fully control a gTLD, building it into a trusted network/platform. This approach could be particularly useful for financial institutions like American Express or TD Ameritrade because it offers a high degree of assurance for the consumer, especially for those visiting the personalized section of a brand's site (such as ryansmith.wellsfargo) as the high cost of entry and large degree of control featured on these pages make them far less likely victims of fraud.

Tracking Codes/Customer Service

Brands within the logistics and travel industries face a unique opportunity to change the way they do business by turning their tracking codes into personalized URLs. Rather than prompting customers to enter a tracking code through a portal within its site, a company like UPS, for example, could provide its customers with a unique URL, which allows them to check on the status of their package with little effort (ie: 23923843984.ups). Easily accessible from any internet-enabled device, this unique tracking URL allows customers to have access to their package's location at anytime. Travel brands face a similar opportunity. Brands like British Airways could deploy unique, branded URLs, such as flight398.britishairways to allow customers to track flights in real time.

Collaborations

Sponsoring Charitable GTLDs

gTLDs offer a significant opportunity for non-profit organizations and initiatives to collaborate with one another within a central online platform. A gTLD such as .curecancer, .americanheart, or .redcross has the potential to benefit relevant non-profit organizations both in terms of their brands and in terms of their functionality. However, the cost of applying for, winning, and operating a gTLD can be prohibitively high for these organizations. As a result, an opportunity arises for brands with a commitment to corporate social responsibility to step in and lend a hand. Brands who take an active role in sponsoring and facilitating the maintenance of these charitable gTLDs could enjoy the halo effect of their association with the cause.

Rewarding Customers (ultimate badge)

One of the more innovative ways that brands can leverage gTLDs is in the realm of rewarding customers. Many brands operate loyalty programs via their current .com TLDs and naturally, any brand migrating to a gTLD would be wise to migrate its loyalty program as well (like American Express' Membership Rewards). Additionally, along with the opportunity to personalize portions of a brand's website, personalized loyalty program pages should play a role in any brand's gTLD.

Another exciting opportunity for brands to take advantage of a gTLD-based loyalty program is by collaborating on a unique gTLD that offers membership (and rewards) to only the most loyal customers. In much the same way that the American Express Black Card has become a symbol of elite status, a unique rewards gTLD could become the status symbol for customers who reach a certain threshold of loyalty. A suggested gTLD could take the form of .vip and could offer members a unique portal only if they reach the upper tier of a given brand's loyalty program. A .vip gTLD could be operated by a consortium of complementary brands (ie: American Express, British Airways, Shangri-La Hotels, etc...) who offer their most loyal customers a suite of rewards and services via a personalized .vip page (ie: johnsmith.vip). Similar to a virtual VIP lounge, each invitee's personalized .vip site could be tailored to her unique tastes and needs. Once a loyal customer has been offered a personalized .vip site, it would remain available to her for the rest of her life.

Implications for Brands

By altering the format of TLDs and enabling brands to own a unique gTLD, a myriad of opportunities arise. Owning a .brand can make a world of difference in the way brands communicate their online properties, but can also create new virtual worlds in which they tie products closer to a masterbrand, or reinforce the relationship with resellers and retailers.

Customers can be served more intuitive service platforms with the security benefits that come with the requirements that ICANN places on applicants in terms of financial means and visions around operating a gTLD. Finally, collaborations to operate one gTLD in conjunction with other parties opens the door to new, broadly supported online programs.

Whatever the most apt opportunity for a brand might, the new gTLD program represents a significant investment, both financially and in internal and external resources. Understanding just what role a gTLD can play in a brand's overall marketing strategy becomes an imperative.

How Ogilvy can help

For brands considering applying for a customized domain, understanding the communications implications, the potential effects on your brand, and the ways in which a gTLD can grow your business will help you make a go/no go decision. And, Ogilvy is here to be a partner to brands as they navigate this new domain frontier. We can lend the insight that will allow brands to fully maximize their domain potential.

The Ogilvy gTLD Strategy

Ogilvy can leverage our broad range of expertise across the different disciplines to deliver you a full on strategy, in which we lay out client and brand-specific recommendations on how to leverage the opportunities from the new gTLD offering. The gTLD strategy document addresses three areas: Opportunity Analysis; gTLD Naming Architecture and Ecosystem; and Brand Impact Evaluation.

Opportunity Analysis

To determine whether a gTLD provides an opportunity for a brand, we will look at the business opportunity within the context of the landscape. We will look at how any changes regarding gTLDs will help to further the established business goals of the brand. A scan of the competitive set will create an understanding of the landscape, which is an important piece in determining whether an offensive or defensive strategy is the best approach.

We will then focus on establishing the whitespace. The outcome will help determine whether a branded gTLD, a generic gTLD, or both is the best way to move forward and whether a community-based gTLD makes sense or not. By understanding the opportunities down each path, a brand will be in a better position to take advantage of their gTLD.

gTLD Naming Architecture and Ecosystem

In order to ensure that the newly defined opportunity works with existing online properties and communications, we will determine how the gTLD naming can be used to support brand messaging, content, current or future campaigns, and existing or potentially new online properties.

Outlining the gTLD ecosystem will shed light on how customers will interact with the new naming structure across online properties and how any new assets would work within the brand's overall online strategy.

Brand Impact Evaluation

Although initial costs to implement can be a barrier, we believe that a gTLD may prove to be a worthy investment. To determine this, we leverage a set of tools that can determine what the potential impact of the domain on the brand could be.

Through this process, we will help brands gain insight into the exciting opportunities that might be out there for them with the launch of this new gTLD program. We believe in new technologies and developments in the online marketplace as a part of grounded strategy and are excited to help you take advantage of this opportunity.

Appendix

What is ICANN?

The Internet Corporation of Assigned Names and Numbers is the not-for-profit public corporation that manages the technical coordination of the Domain Name System to ensure that the Internet operates as a stable, interoperable and global network.

What are domain names?

As computers connected to the internet are recognized by their IP addresses (kind of like phone numbers), a system was needed to make it easier for people to connect to those computers – without the need of remembering the IP number, which might look like 216.27.61.137. Thus, a system was set up that links easy to remember domain names, like www.google.com, to those IP numbers.

What are TLDs?

Top-Level Domains (TLDs) are the names at the top of the DNS naming hierarchy. They appear in domain names as the string of letters following the last (rightmost) “.”, such as “net” in “www.example.net”.

What are the various types of TLDs?

Generic TLDs: Known as gTLDs, these domains are three or more characters in length. Some gTLDs have been created for a specific community such as .EDU (for the education community), .ORG (for the non-profit/association community), and .COM. (for the private sector). Other gTLDs such as .INFO, .PRO and .BIZ can be used by any person or organization. A complete list of existing gTLDs is available at <http://www.iana.org/gtld/gtld.htm>.

Country-Code TLDs: Known as ccTLDs, these are the two-character codes established for over 240 countries and territories (for example, .US, .AU, .FR). Each country has the autonomy to administer their ccTLD as they see fit. For example, in the United States, businesses, consumers and the government can all buy “.US” domain names. In the country of Tuvalu, their ccTLD, “.TV” is sold for mainly for commercial purposes and is not used as to identify the country’s domain names. A listing of existing ccTLDs is available at <http://www.iana.org/root-whois/index.html>.

How are TLDs managed and distributed?

The responsibility for operating each gTLD (including maintaining a registry of the domain names within the gTLD) is delegated to a particular organization. These organizations are referred to as “registry operators” or “sponsors.” For example, VeriSign is the registry for the gTLD “.COM”. DNS businesses such as Register.com or GoDaddy.com are registrar companies, which buy domain names from a registry like VeriSign and re-sell them to consumers.