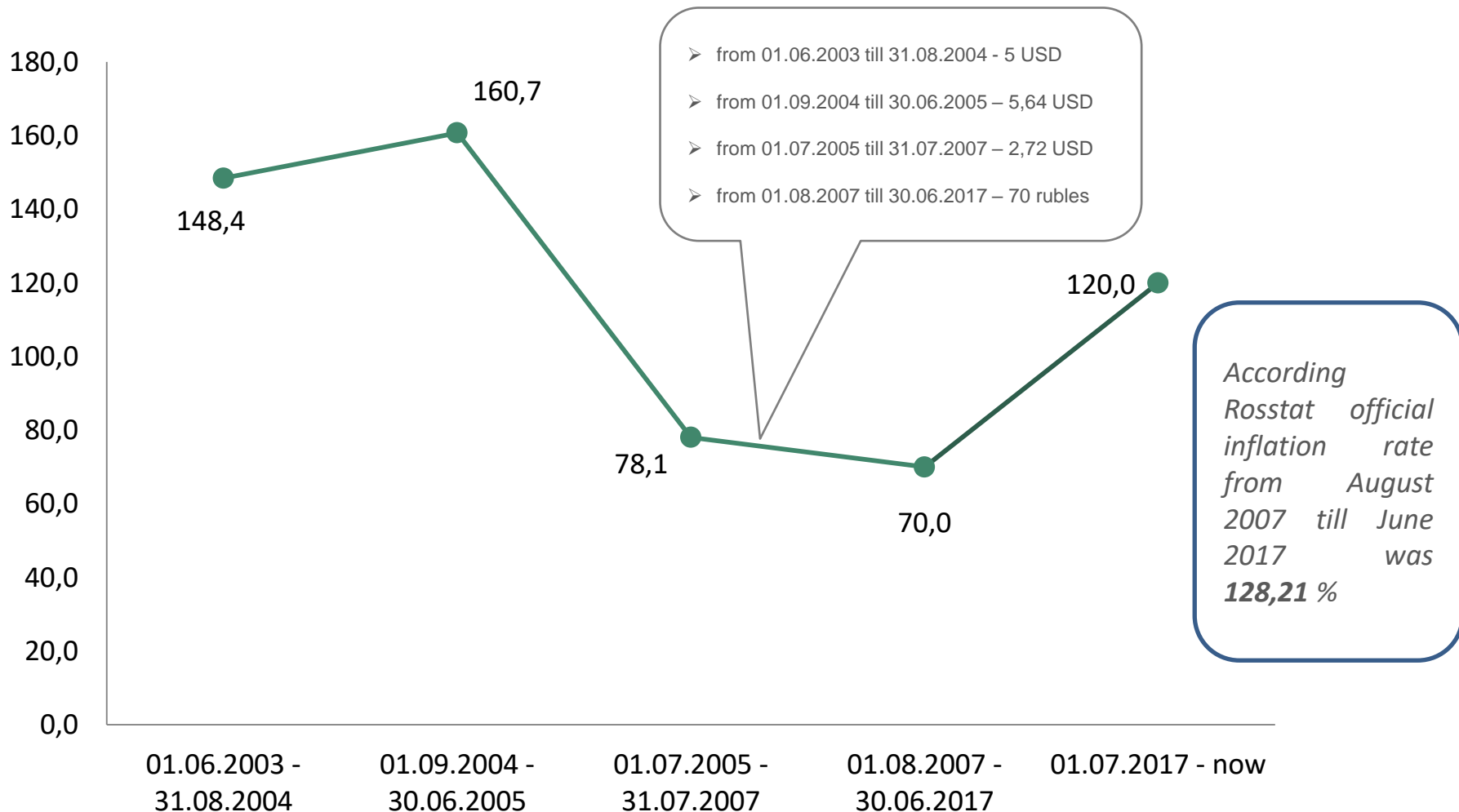


Price Increase for .RU/.PΦ

**Irina Danelia for
ccNSO meeting at ICANN 61
San Juan, 14 March 2018**



Fee for 2nd level domain name registration/renewal for registrars was stable since 2007



Market Landscape



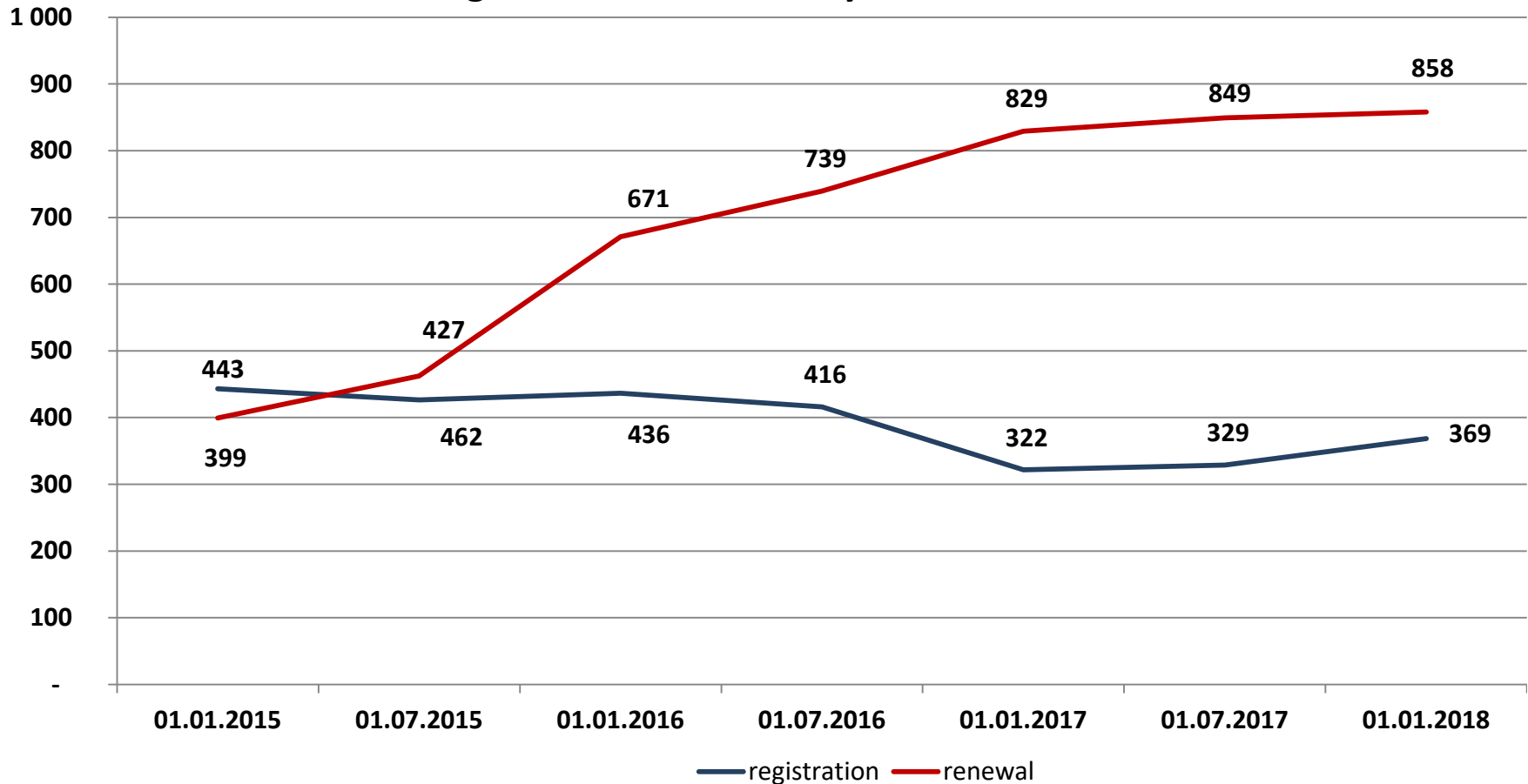
Russian TLDs (excl VAT, rubles)

.SU	211,86
.MOSCOW/.МОСКВА	220,3
.РУС	375,00

gTLDs (USD)

.COM	9.05
.ORG	9.68
.ОРГ	8,25
.ОНЛАЙН	20
.САЙТ	20

Average price for 2nd level domain name registration/renewal for registrant in 2015-2017 years, rubles



Source: registrars' web-sites (publicly available data)

- Proposal: increase from 70 rubles to 87,5 rubles (excl VAT)
- Ground:
 - negative growth in Mar-Oct 2014
 - negative fcst for 2015
- Proposal hasn't been approved by Council of Coordination Center for TLD .RU/.PФ
- Outcomes
 - Cut in expenses, mostly – advertising and funding of industry events

Period: November-December 2016

140 scenario-based interview (12 registrars, 28 resellers, 100 registrants)

- *It became evident during the interviews that respondents understand that price increase might happen sooner or later and that Coordination Center has the reason for such an increase, i.e. growing operation costs*
- *Scenario of price increase up to 100-120 rubles is considered as most probable. Bigger registrars are ready for such an increase. Most negatively reacted the registrars dealing with domainers and dropcatchers.*
- *Price 150 rubles was considered “sharp” or “many-fold”*
- *Price increase up to 150 rubles or higher almost all respondents perceive negatively*
- *Most respondents predict 10-15% drop in renewals in case of price increase up to 100-120 rubles, mostly due to the domainers segment. Price 120-150 rubles may cause the increase of end-user price and drop in renewals in the private user segment.*

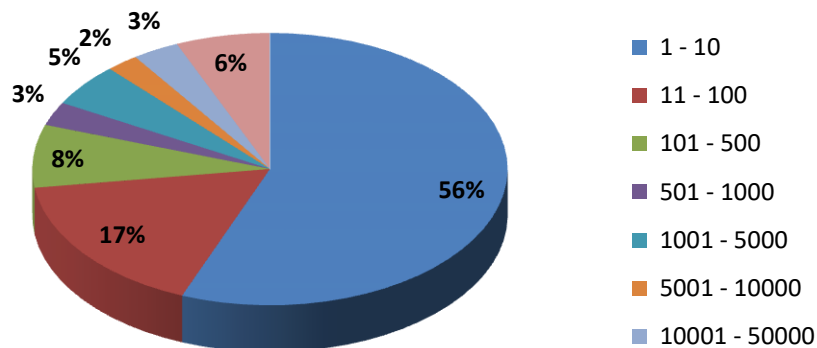
70 → 120

Fee for registration/renewal/transfer from 01 July 2017

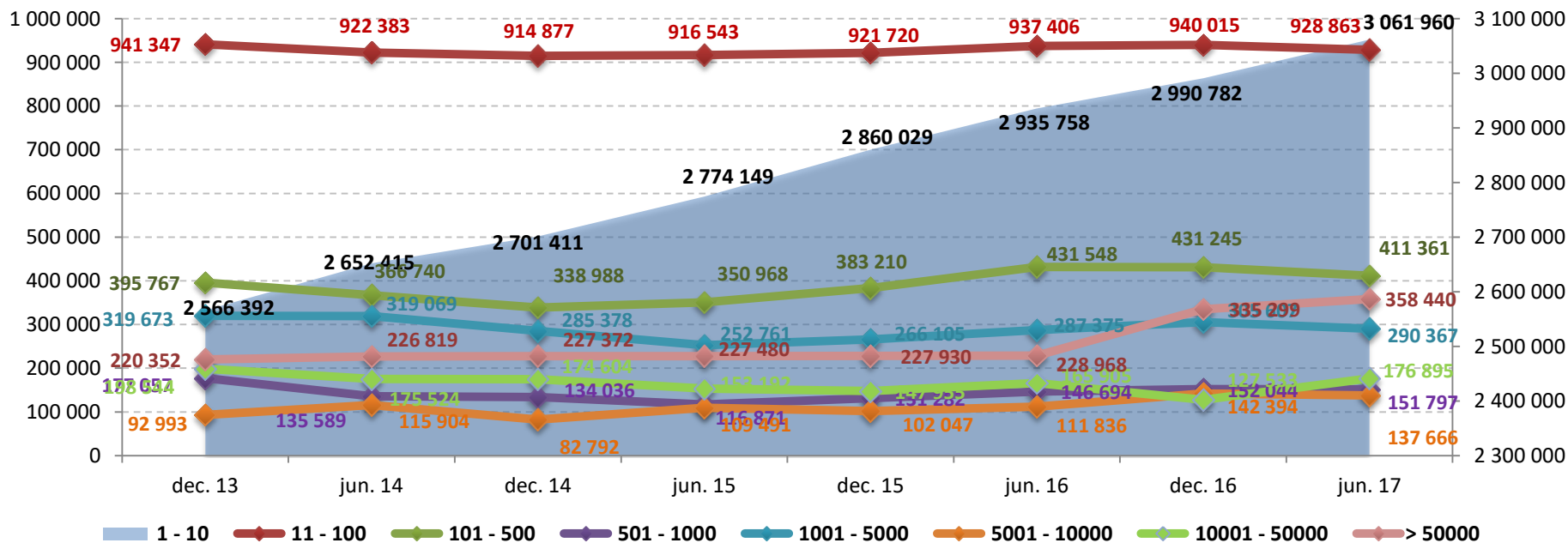
The increase of the registration/renewal fee gives the Coordination Center the opportunity to fund the broad-scale projects focused, as defined in the statute, on development of domain names registration system, facilitating the security of the Internet usage, broadening the use of global network to the benefit of users, business and state.

Model for Forecast

Domain names in .RU by registrant category



Quantity of domains by category



- Forecast assuming no price change: new registrations & renewals by segment. Total growth in 2017 **+2,7%**
- Adjustment by segment (vs 'no change' forecast):
 - New registrations **-10%**
 - Renewals **-5%...- 25%**
- Total growth 2017 fcst: **-1,7%**
 - 2017 EOP fcst: .RU 5,344,000 domains, .PΦ 868,000 domains
- Stress test: drop **20%**

- Feb 2017 – silence
- End of March 2017 – letter from registrars to Council and Board of Founders of Coordination Center for TLD .RU/.PФ
 - Voting results:
 - 120 rub is OK - 5 registrars (market share 45%)
 - Price increase should be less - 6 registrars (market share 43%)
 - No price increase - 28 registrars (market share 18%)
 - Forecast: drop 11% in 2018 & 25% in 2019

Some domainers predicted that .ru will drop below 5 bln this winter

- May 2017 – open public consultations
- End of June 2017: 9 registrars sent complain to Federal Antimonopoly Service. Still under investigation
- July,1 – price increase came into force

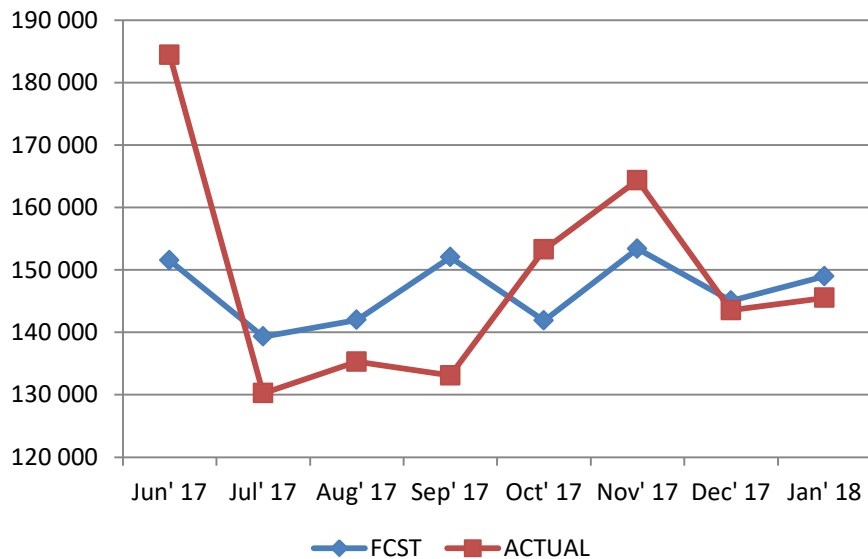
- Side effect: growth in new registrations & renewals in June 2017
- Minimal increase of registrars' price for end-user customers
- Main category of registrants (1- 10 domains per registrant) continues to grow
- 2017 actuals better than forecast
- Side effect: strong discussion regarding transfer (change of registrar)

Stats (as of Feb, 1 2018)

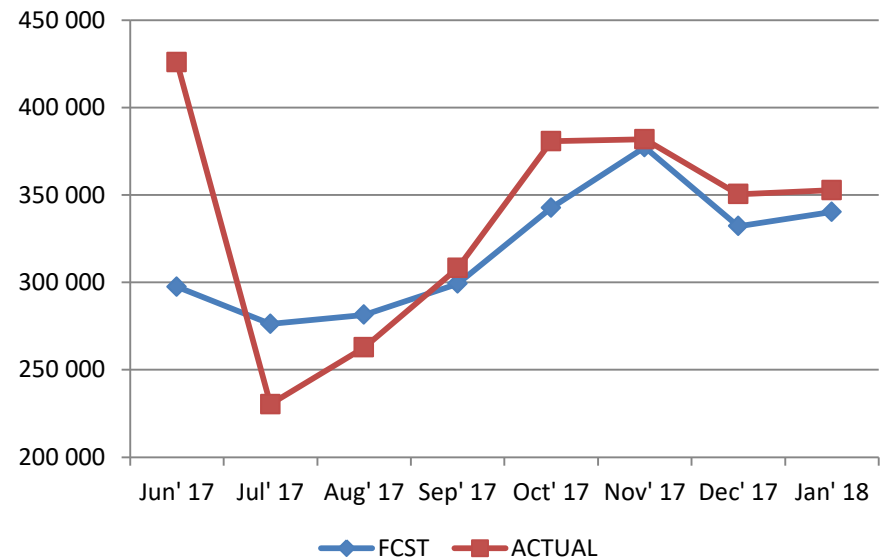


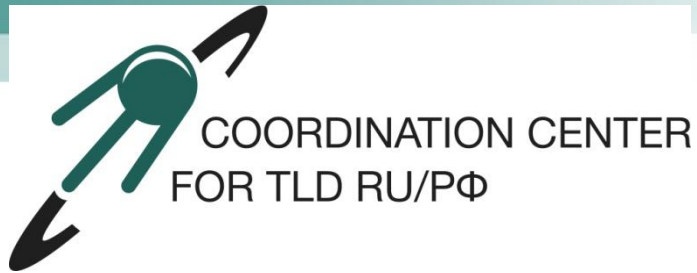
	Jun' 17	Sep' 17	Dec' 17	Jan' 18
Total domains (.RU + .PΦ)	6 410 808	6 353 434	6 239 355	6 183 973
New registrations in .RU + .PΦ (actual vs fcst)	21,72%	-12,46%	-1,04%	-2,32%
Renewals in .RU + .PΦ (actual vs fcst)	43,22%	3,01%	5,51%	3,67%

New registration in .RU + .PΦ



Renewals in .RU + .PΦ





**Thank you for your
attention!**

Any questions?

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