

**Comment of the Non-Commercial Stakeholders Group on
the Draft 2016 African Domain Name System Market Study**

The Non-Commercial Stakeholders Group (NCSG) welcomes the opportunity to comment on the Draft 2016 African Domain Name System Market Study (ADNSMS). We thank the authors for their work in delivering this baseline report, and we support ICANN in this initiative to better understand the domain name market in Africa. Indeed, we encourage ICANN to pursue more work in understanding the domain name markets throughout the world.

Methodology

This is a first attempt to present a snapshot of the African domain name market. The report sets out clearly the challenges that hampered analysis in conducting this research, and we express our thanks to the authors for this honest assessment of the challenges that were encountered and lessons which have been learned for future studies.

We encourage the authors to provide a full discussion of the study's methodological deficiencies and lessons learned in an annex to support the next iteration of the ADNSMS.

General Comments:

Firstly, at the beginning of the document, the research team could have discussed the parameters which can define weaknesses or strengths in a DNS market and then translate them into the case of Africa. Why did they choose this set of parameters over another one? What is it about this framing that leads the researchers to identify it as directly influencing the ecosystem?

Secondly, conducting surveys generally has two intentions: one for descriptive analysis, the second for inferential statistics. In the first case, strong justifications of the parameters should be given, e.g. how they best describe the targeted subject/population/market. That was not the case here, but rather, the researchers simply opted for the selected criteria. In the second case, the sample size for the survey should be chosen according to a desired quality (confidence interval). There was no demonstration that good conclusions can result from the number of the interviewees per category. It is often useful in research projects such as this one to offer an hypothesis before conducting the survey that would justify and frame the criteria for selection.

In studying the African DNS market, it would be helpful to include an economic analysis which leads to conclusions that could help to develop a sustainable market. This document always focuses on the offer, but not on the demand. What do consumers actually need? If the demand is low, appropriate recommendations should also focus on ways to stimulate it. Here some statistics would be helpful.

Specifically:

1. It would be useful to define what a “good” DNS ecosystem is by examining and comparing with other markets, and correlating fields which can influence outcomes). Indeed, by taking into account the underlying infrastructure, the internet penetration, national GDP and many other economic values, one can determine that the African DNS market is a healthy one as opposed to other continents, i.e using relative KPI may reveal different conclusions than absolute values (which, in turn, clearly reveal that Africa is behind). For instance, Africa has one of the highest rates of mobile penetration and even mobile Internet penetration but this somehow does not lead to high use (volume) of the Internet and utilization of domain names. Is that considered an issue? If so, what are the reasons causing this phenomenon? What are possible solutions in the context of the continent as a single market?
2. The DNS index is a good attempt but without a strong interrelation with other economic KPI, it will be very difficult to evaluate its usefulness. Most of the contents of the documents are “state of the art” but may not be useful as qualitative analysis leading to an accurate prediction of the future.

Section 5 - Africa Rising

General Comments:

1. In order to make cross-country comparisons more realistic it may be useful to look at the size of a given country’s economy and population in comparison to its existing DNS market. This is done for webpages on pages 85 & 86.
2. Much of the information in this section can be found in other sources and could be put in an annex. The slimmed down version included in the main report could focus on ‘value addition’ to the main arguments and make use of the excellent summative graphics, some of which are striking in their originality.

Section 6: Key Features of the African DNS Market

General Comments:

1. This section provides useful background information but it could benefit from some more rigor in making its economic arguments. These include the analysis of demand (section 6.3) and the valuation of the African DNS industry (section 6.5). In the first instance, more specific cases should be given to support the arguments given for changes that would increase demand, e.g. improved local hosting infrastructure. In the second instance, valuing simply on the prices that have been fixed for service does not take into account the multiplier effects within the economy. Given the advice to drop prices and the lack of evidence of the resulting increase in uptake in all country markets, the current approach could result in reduced valuation. This is just to point out that the approach may benefit from a review.
2. Actually, the key success factors pointed out by the document would have been easily guessed at the beginning of the survey: most of them are all known as good indicators of a healthy DNS ecosystem. Perhaps it would have been useful to have figures demonstrating how much we should increase infrastructure? Market penetration ? Training ? etc. For instance, a recommendation could state that, bringing infrastructure from the actual level (in value of capacity, access, availability, reliability) to a future level (value judged to be sufficient) would be necessary to lead to a sustainable and healthy DNS ecosystem in Africa. We recommend using those key success factors to set up the proposed model of a **“good” DNS ecosystem profile** and then compare the Africa DNS market to that profile, in order to find the ways to fill the measured gap.
3. The recommendations should have focused also on each of the key success factors ranking them in terms of priorities for a long term run development of the DNS ecosystem in Africa. This would allow the researchers to find the most critical weaknesses that must be addressed in the order of priority . Instead, we have many recommendations but without priority ranking, and no interrelation between the parameters, making it very difficult to find out how to leverage one parameter to positively influence another one.
4. The detailed information on certain countries is one of the best features of this study. It may be useful to present a country profile for each African country, a kind of summary flash card that would allow us to appreciate where information is lacking and which indicators will need to be tracked in each context.

Section 7 Analysis of Domain Name Uptake Across the Region

Comment:

1. Please see above request for country profiles for all countries
2. The table presenting the rankings in section 7.2 should be repositioned as it is currently split between 2 pages.

Section 8 Key Success Factors Registries

Section 9 - Growth Outlook

The part of this study that needs to be given more substance relates to the business models that will grow the African Domain Name System Market. It is important that the study includes an in-depth treatment of this linked to key factors at the country context.

The observatory is clearly necessary but the terms of reference for the study not only focused on the observation of what is happening but the deliberate intervention to speed growth. The study lists out factors but these are not put in the form of business models adapted to specific starting points.

“The goal of this study is to identify and define the strengths and weaknesses in the industry ecosystem within the Africa region and develop recommendations on how to advance the industry and bring it closer to the opportunities available.” From Section 1 in the ICANN request for comment.

Overall, the study is an impressive piece of work given the void it comes to fill. It should inspire many others to conduct systematic research on these issues.

