



Future state of the internet SMB guide

www.gandi.net

Introduction

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The range of internet domain names available is about to become far larger and more diverse. This is great news for small and medium-sized businesses (SMBs) who may be able to finally getting the web address that they always wanted: one that works for them.

The potential internet landscape after liberalisation



The changes will lead to far more choice of names for businesses. This could allow them to secure a domain name with more relevance to their industry, profession or area, and even their brand or company catchphrase.

Larger organisations, or groups of small business joining forces, could create specific domain extensions, such as .lawyer, .taxi, or .gatwick, helping them to target their customers more effectively.

Up until now, domain names have been fairly generic, e.g. .com, .pro, etc. But allowing any new extension could lead to more specific top level domains that could support businesses and their brands. For example if small business if the could link to geographic or trade-based domains, they could gain more credibility with their customers though this association.. However the new domain registries will have to maintain high standards for some of these new extensions to be credible.

We commissioned a report from Futurelab, which surveyed 100 UK businesses and 1000 consumers, to discover their attitudes towards Internet liberalisation. The results were at times surprising, as you will see.

Our intention with this paper is to encourage debate, and help to prepare businesses for the exciting opportunities that customised domains could provide.

If you are interested in learning more about the liberalised Internet, or want to have your say, please join the debate on our lively community at www.gandibar.net.

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1) The Liberalisation of the Internet – What’s the Big Deal?

Next year, the Internet will take its next evolutionary leap.

Alongside .com, .uk and the other 280 top level domains (TLDs), we could find .hotel, .lawyer, .CocaCola and, in fact, .whateveryoulike!

This is because next year the whole domain name system is being ‘liberalised’. Anything and everything will potentially be up for grabs.

More than two thirds of companies are unaware of this happening, according to our research. But the fact remains that TLDs are being opened up, and it will have a profound impact on businesses and individuals.

The aim of liberalising the domain space is to increase choice, promote innovation and spur competition.

For the world’s 1.5 billion Internet users, this means more neighbourhoods, full of prime properties, ideally at affordable prices.

The new domains are great news for businesses. Large companies can apply for URLs ending with .theirbrand - for example, diet.coke, run.nike, and dealers.bmw.

More suffixes will also mean small businesses have a better chance of getting a domain name that reflects their company name and what they do. Think jim.plumber instead of jimtheplumber10293.com.

In addition, new regional domain names will emerge, like .london and .manchester.

Leading the charge for the liberalised Internet is the Internet Corporation for Assigned Names and Numbers (ICANN), the international body that oversees the structure of the Internet.

The organisation will, in theory, allow anyone to apply to operate an extension.

ICANN is expected to start taking applications for new top-level domains between January and March 2010. New suffixes could come to market by summer 2010, with more appearing by the end of the year.

Key advice:

The domain space is about to get a whole lot bigger. But it will happen in stages over the coming years, kicking off early 2010.

2) The Liberalised Internet - Pros and Cons

Liberalising the Internet has both pros and cons for businesses, but many of the ones we surveyed recognised the benefits.

Key advice:

The new domain name universe may have pros and cons. Consider how the new domain names fit into your overall Internet and brand strategy so that you are ready to take action when appropriate.

Four fifths said that liberalisation will allow them to be innovative; with three quarters believing it will be advantageous to them.

Many of them (69%) said that liberalisation would be good news in terms of launching a marketing campaign online.

On the minus side, many of the 1,000 consumers that we surveyed felt that the Internet will become full of pointless domain names.

Over half said the Internet will become messy and confusing. Many said it will become too complex to navigate, or out of control.

However, this could give businesses new opportunities to help consumers understand the benefits of the liberalised Internet.

For example, business could be able to connect more easily with their customers by having good, appropriate web addresses that communicate their brand, field or location. This will help customers to find them more easily.

At the moment, getting a prime piece of real estate on the Internet isn't easy. Many of the most sought-after .com domain names have been taken. If they are up for grabs, they can cost a lot.

But with the new liberalised web, anyone can, in theory, apply to become a registry in their own right, and get .theirname.

But it won't be cheap. ICANN have announced that the 'evaluation' process for new extensions will cost \$185,000. This is likely to be too costly for most SMBs, but might work better for international brands or a group of companies/trade organisation looking to represent a wider group.

3) Identifying New Web Opportunities

Many businesses told us that the new liberalised Internet will be good news for them.

Three quarters said it will be innovative, 70% said advantageous, and 64% said it will be exciting for communication.

Companies in many sectors will gain from owning a domain name linked more closely to their particular sector. It will certainly beat having a generic .com, .uk or even .biz web site.

Instead, imagine having yourfirm.lawyer, yourfirm.builder or yourfirm.pharmacy.

Businesses will be also able to brand more powerfully using domains such as carrera.porsche, bigmac.macdonalds, or handbags.prada.

Branded top level domains will benefit the whole spectrum of industries, from retail to manufacturing, IT to education, and finance to hospitality.

The key benefit for larger companies will be to increase the visibility of their brand by putting it centre stage.

Branded domains seem to resonate with consumers polled in our survey, with one in five saying an extension such as .nike or .microsoft would be memorable than .com.

Branded top level domains will also enable innovative businesses to run clever marketing campaigns, using catchy phrases, or multiple landing pages linked to their brands.

Even smaller firms, that can't afford to pay the fee for a branded TLD, can benefit from the liberalised Internet. For example, they will gain more opportunities to secure a domain name that reflects their company name - such as mikes.pizza, loftconversions.brighton, or joe-the.plumber.

They could also work together as an industry grouping or trade associations to register a TLD that is mutually beneficial to all members.

Key advice:

consider which new extensions could be useful for your business. Keep on top of the ICANN application process to see what's coming down the line.

4) The Consumer's View

Consumers have given a mixed reaction to the prospect of gaining a whole new spectrum or web addresses.

Key advice:

SMBs have a role to play in helping consumers to overcome their various concerns by pioneering and innovating the new domain name space. You could make it even easier for their customers to find you, whilst having some fun with your web site addresses.

Our survey found that 65% of people think the Internet will become full of pointless domain names. More than half said it will become messy and confusing, with 46% saying it will be too complex to navigate, and out of control (41%).

Sally from Gloucester sums up the views of many, saying, "I don't really understand why these new domains are being introduced. Haven't we got enough alternatives already?"

Consumer also believe that their experiences will be impaired by online advertising (56%), including things like banner ads, rich media ads and pop-ups. People are also concerned that spammers (82%) website touts and phishing sites (81%) and domain squatters (65%) will ruin their emailing and Web browsing.

But despite the suspicion, we also found some very positive comments about the Internet liberalisation.

"I think that it is quite an exciting opportunity for the future Internet, but companies are likely to suffer as it could easily become much harder to find the right address or extension," says Patrick from Dublin.

Stuart from Stafford comments, "If I had my own blog I think a .blog address would be ideal, similarly .london, or in fact any geography could be really interesting for a local community. It's a nice way to bring a community feel to the Internet."

We also discovered that consumers like the possibility of communities, with 46% of the consumers polled using social networking tools such as Facebook and MySpace. The new TLDs will help to support the community spirit, as consumers band together around shared interests and activities.

5) The Role of Businesses

Consumers are generally wary about the new liberalised Internet, according to our research.

But this could give business an opportunity to help them to see the benefits that more targeted, and more inventive addresses can provide.

Two thirds of consumers polled said that the liberalisation of domain name extensions will change the way they use the Internet - but not for the better.

However, businesses recognise that they stand to benefit if their customers can find them more easily, and this is something that the new domain names will enable.

The liberalised Internet is likely to change consumer behaviour in subtle ways. Some consumers will make more use of search engines like Google and Yahoo! to find the legitimate sites. So, it is important for companies to continue to optimise their web addresses for search engines.

Other consumers will ignore the search engines and go straight to .hotel, .shop, or .plumbers.london, for example, if they think they can guess the right web site. So, it will be useful for businesses to be a step ahead, so they can be found easily on the web.

Many will rely on more localised domain names. A third of consumers surveyed think the Internet will become localised, allowing cities and towns to create virtual spaces that promote the local area and connect communities.

This is great news for SMBs that are active in their local business communities, because having a more localised address could provide another route for customers to find them.

Key advice:

consumers need to be supported in knowing which new domains are legitimate and how they can help them find what they want. Every business can play its part in educating their customers.

6) Helping Your Customers to Stay Secure

Businesses have a responsibility to secure sensitive information, and encourage their customers to practise safe surfing.

You can reassure your customers that your site is safe by demonstrating that your domain name can be explicitly linked to you.

You can do this by using Secure Socket Layer certificates (SSL), issued by a trusted third party, such as Verisign, Thawte or Comodo. These guarantee that the domain is owned by a particular company, and that it is a safe and secure site.

By using SSL technology, the user will see a padlock icon in their browser window, or 'https://' at the beginning of the web address. This will signify they are on a secure web site and any transaction they carry out will be safely encrypted.

Safe Surfing

Businesses are in a good position to help customers to act in a safe and responsible way when accessing the Internet. Here are ten ways to help consumers to protect themselves and their identities online.

1. Encourage them to use 'strong' passwords that include numbers and letters.
2. Suggest that they refrain from sharing their web passwords.
3. Request that they only open email attachments from reliable sources.
4. Ensure they install the latest version of a web browser, to get the highest level of in-built protection against Internet attacks.
5. Make sure they keep a keen eye for misspellings in the website address, which is the major means for criminals to misdirect unwary consumers.
6. Encourage customers to have updated and reliable antivirus software; and to run regular scans.
7. They should also use antispam software to catch spam which could contain malicious code or links to hacker web sites.
8. Anti-phishing software can detect financial hacking techniques, and is included in most good security suites.
9. A firewall program can monitor the user's Internet connections and alert them to any suspicious activity.
10. Encourage them to use social networking web sites responsibly, and not make their personal information easily available to criminals.

Key advice:

make sure your site is secure and give this assurance to customers visiting your site that you are who you say you are.

7) Securing your Trademarks and Brands

As cybercrime continues to increase, liberalisation of the Internet could provide new opportunities for cybersquatters, phishers and other cybercriminals.

Many may try to cash in on liberalisation by registering all the best domain names to sell onto companies, or use them to drive visitors to their own advertising or harmful web sites.

Businesses could also face the prospect of brand and trademark theft. Domain name copycats could use URLs that resemble trademarks in order to launch phishing attacks or lure users to illicit sites.

The onus will be on businesses to secure their trademarks using domain name extensions, as soon as possible.

This will limit the risk of squatters and advertisers benefiting by selling the domain back to the company, or worse.

Unfortunately, with a potentially limitless number of domain name extensions on the horizon, securing your brand could be expensive, if not impossible to do completely.

However, the businesses that we surveyed appreciated the penalties of the new domain name system, with the majority claiming that liberalisation is likely to be expensive and could be challenging when managing e-commerce activity.

Spying the cost and security implications on the horizon, businesses - including Microsoft, Time Warner and Rupert Murdoch's News Corp - have all objected to ICANN's original proposals.

Time Warner told ICANN back in December that unless controlled properly, "bad actors such as cybersquatters, typosquatters and unscrupulous domain name speculators will capitalize upon the brands of others in the new TLD space".

If this happens, liberalisation will lead to "weakening, dilution and blurring of established brands."

Key advice:

liberalisation could lead to an increase in trademark violation, but existing laws can still be used to dispute infringements.

8) Marketing in the New Liberalised World

As the Internet gains more innovative and varied web addresses, marketing your online presence effectively will become even more important.

Here are some guidelines on how to catch and keep consumers on your website.

Do

Get a good address

Securing a domain name that relates to your business, field, location or expertise will go a long way to attracting the right customers and clients.

Don't

Buy up every web address under the sun, linked to your name, brand or industry. It will be costly. Instead, invest in marketing fewer more targeted and relevant domains.

Do

Optimise for searches

Good domain names with relevant extension – home.insurance, hotels.london, or hiphop.music, will be attractive for branding, and will also improve search engine optimisation.

Don't

Have a web site that is boring, wordy or unattractive! Be creative, be original and use key words that come up in web searches.

Key advice:

you need to concentrate on both keeping your site fresh and promoting it online. Good content does generate visits without effort, and visits to old/irrelevant content doesn't generate sales.

Do

Use branded TLDs to run effective marketing campaigns. Branding on your company name, slogan and product will help to establish your brand in the mind of the consumer.

Don't

Don't make your site visitors search hard for information, or you will lose them to the competition. Make sure they can find everything they need as quickly as possible.

Do

Target different customer groups, using customised domains. So, if you are a law firm, you could have corporate.lawfirm, employment.lawfirm, and divorce.lawfirm.

Don't

Don't neglect the web site infrastructure. Your customers will leave quickly if they can't finish a vital transaction, fill in a form easily, or find what they need without the web site timing out.

Do

Optimise your web sites for search engines. As the number of domain names proliferates, many consumers will rely even more on search engines to find the right web sites.

Don't

Don't forget to update the site frequently with news, new product features, your blog, or just a site redesign every so often. Even repeat visitors need something interesting to keep them coming back.

9) Who Will Regulate the Liberalised Internet?

In less than two decades, the Internet has gone through explosive growth.

The majority of businesses now rely on the Internet for their day to day running, and around 1.5 billion people are online – far more than ever before.

Added to this, more registries and registrars are operating a larger number of domains, linked to almost 80 million addresses.

Criminals are also becoming smarter in their attacks when it comes to the Internet.

As a result, the Internet infrastructure, and domain names in particular, need regulating. A clean namespace is critical for both consumers and businesses.

But achieving this requires a more mature approach to governance.

Key organisations like ICANN will play a significant role in future regulation of the Internet domain space.

In fact, a quarter of the businesses we surveyed asked that ICANN take the lead. Another quarter wanted the British government (24%) to govern the Internet.

A tenth said that regulation comes down to website server hosting companies, and a tenth to people and society.

The reality going forward will be that governance will come from everyone involved. This means governments, the internet industry, and consumers, businesses and communities that use the internet.

One think tank, the Technology Policy Institute (TPI), has suggested that ICANN allow free entry into the domain space, to bring the benefits of a competitive Generic TLD (gTLD) market to consumers.

This will only work for businesses if ICANN can create policies to protect trademark holders.

By setting a high entry fee, ICANN has ensured that fly-by-night characters are less likely to apply for extensions, and that it has the necessary resources to correctly assess each application for potential misuse.

Key advice:

ICANN will remain the overall standard setting and regulator of the domain space, but co-ordinated international action is needed to support this.

Help and Guidance

ICANN

www.icann.org

ICANN was formed in 1998 as the global body with the responsibility of masterminding and managing Internet addresses. The organisation has a whole host of helpful resources on its web site.

Gandi

www.gandi.net

Gandi is one of the largest domain name registrars in Europe and has a lively community of domain name professionals at www.gandibar.net.

WIPO

www.wipo.int

WIPO, The World Intellectual Property Organization, is part of the United Nations responsible for global intellectual property issues. It has good resources on domain name intellectual property matters at www.wipo.int/amc/en/domains.

CircleID

www.circleid.com

CircleID is a useful web resource full of news and comment on domain name and Internet-related issues.

Nominet

www.nominet.org.uk

Nominet is global Internet registry firm which also maintains the register of .uk domain names. It offers news and information on the domain name market.

The W3C

www.w3.org

The World Wide Web Consortium (W3C) is an organisation that develops global web technologies. Its web site has a forum for information, commerce, communication, and collective understanding about the web.

Whois Information

www.internic.net/whois.html

WHOIS services provide public access to data on registered domain names, which currently includes contact information for Registered Name Holders.

Conclusions and 'starter for 10' action plan for small businesses

The liberalisation of the Internet holds a lot of promise for businesses of all sizes, despite potential potholes.

These potholes include opportunistic cyber-squatters, domain name confusion, and trademark problems.

But on the plus side, businesses, particularly smaller ones, have more chance of getting a more appropriate domain name at an affordable price.

Whole industries, types of businesses and geographic areas will be able to get a web address that reflects their company name and what they do.

As a result, there will be more powerful branding opportunities for proactive and entrepreneurial businesses.

Here is a 'SMB starter for 10' action plan, to help you make the most from the new liberalised domain name system.

1. Consider the freedom that the new relaxed domain name regime will give your company when it comes to registering new domains for the business.
2. Think creatively about how your company name might fit with a specific industry, town or city suffix.
3. Also think about how your brands or marketing phrases could be used in a new set of domain names.
4. Develop marketing campaigns that will help to put your brand and business at centre stage, using a new domain name.
5. Weigh-up whether your business wants to register and pay for an \$185,000 top-level domain. Remember that there may be revenue opportunities in selling web addresses linked to that TLD. Or would your industry benefit from a single top-level domain, which could potentially be led and purchased by your main industry association?
6. If you require a top level domain, for example .yourname or .yourbrand, then you can start to discuss this with ICANN now and download their application guide book.
7. Most of the new domain names could start to come onto the market from next summer. So, once you have decided on the domain names you require, make a date to see whether the top-level domains are available for you to register using the suffix.
8. Get ready to market your new domain names and branded web addresses in traditional and creative ways.
9. Optimise your web site for search engines using appropriate keywords, frequently updated content, links and search engine site promotion.
10. Consider getting SSL Certificates for your web sites and then tell your customers about your security features, so they know your site is safe to use.

