

Domain Pricing: Market Trends, Hints and Cases

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Trend

Pricing model where cheap initial registration
is followed by expensive renewal
becomes more widespread

(thanks to New gTLDs)

Benefits of the Model

More initial registrations hence better base for subsequent renewals

Cheap price makes a string more attractive to a potential registrant (as it looks affordable)

Better customer awareness (thanks to high registration volumes and attractiveness owing to the affordable pricing)

Lacks of the Model

In many cases registrants do not know they will have to pay much higher price for the renewal (hence lower renewal rates and negative customer experience)

Higher potential for abuse (when the initial registration cost is too low)

Points #1 and #2 above may damage the overall image of a string

Hints

Low price only does not make most customers happy
(except domainers and those who seek a name for fraud)

The TLD must have some meaning for registrants
in order to be successful
(relevant strings may be well-demanded at a high price,
non-relevant are not even when offered almost for free)

Dropping high regular price almost to zero
within promos (esp. long-term or frequent) may
dissolve the string's value

Premium Name Pricing: Main Strategies on the Market

No premiums

(in fact all names are premium — since regular price is very high; e.g. .AUTO)

Premium registration price / regular renewal price
(e.g. .CLUB)

Premium registration price / premium renewal price
(e.g. Radix — .SITE, .ONLINE etc.)

Premium Lists/Prices Vary Greatly among Registries/TLDs

Lists — from several thousand (.ONLINE)
to tens of thousands (.CLUB, .BLOG)
and even millions (.ART)

Prices — in some strings may reach a point
of a hundred thousand US dollars

Principles for lists' composition and prices' allocation remain unclear

How the demand for premiums is estimated in a particular TLD in order to define the right size of the list and proper pricing?

**Case: How It Was Done
for .MOSCOW and .MOCKBA**

List Composition

Keywords from dictionary (potentially demanded by local businesses, no variations) and 1-sym, 2-3-letter names (as short, most valuable ones)

Total number: ~3k names in each string + 1-sym, 2-3-letter domains

The goal was to leave good options with regular pricing

Prices' Allocation

Based on data from secondary market
(auction, etc.)

Result: five tiers,
range RUB 1,000 — RUB 10,000
+ separate tier for 1-sym names (RUB 35,000)

Moderate pricing comparing to other registries
(>60% of names have tier 1)

Registration fee = renewal fee

Results

600+ domains sold since December

~50 names per month

30 2-letter names
(the most expensive tier excl. 1-sym)

Daily sales in junior tiers



Thank you!

Questions?