

Anything Goes with New Domain Names: A Brand Boom or Bust?

By [Nancy Pekala](#)

By now you've heard the news.

This is the dawning of the age of "dot .anythings." The dot.com domain bubble has officially burst, making way for a new domain-buying branding bonanza.

ICANN (Internet Corporation for Assigned Names and Numbers), the agency that assigns names and numbers, announced June 21, 2011 that it will now allow top-level domains (TLDs) to compete with .com, .net, .org and country codes like .ca and .mx. Currently, there are more than 300 domain name suffixes including about 250 country codes, 21 generic domain names such as ".com", ".edu", ".gov", and ".org", more than 50 test, proposed and infrastructure names. The change will open the floodgates to hundreds and eventually thousands of domain names. The decision comes after six years of debate from the Corporation's members.



For the Global WWW Good

Why are the existing domain suffixes no longer enough? ICANN suggests that the change is all about the global good—building a more equitable Internet. The new top-level domains can use characters other than ASCII text (those letters and numbers on English-language keyboards), thus opening the doors for URL support in dozens of other international scripts including Arabic, Chinese and Japanese.

Upon announcing the domain change, ICANN President and CEO Rod Beckstrom explained, "ICANN has opened the Internet's naming system to unleash the global human imagination. Today's decision respects the rights of groups to create new Top Level Domains in any language or script. We hope this allows the domain name system to better serve all of mankind."

ICANN Chairman Peter Dengate Thrush added, "Today's decision will usher in a new Internet age. We have provided a platform for the next generation of creativity and inspiration."

It'll Cost You

Brands and organizations looking to take advantage of this brave new world of domains need to start budgeting now because it's going to cost them---in time and money---to add a vanity domain name to their Internet portfolio. To start, there's the \$2,750 initial filing fee, the \$185,000 application fee, \$25,000 annual maintenance fee, other miscellaneous fees, plus the cost of producing a 200+ page application document. ICANN is acknowledging the hefty price tag with the announcement of a \$2 million program to subsidize applications from developing countries.

Navigating the Application Process

The application process for obtaining a new top-level domain name is not for the faint of heart. It

is a lengthy and comprehensive process. Organizations looking to get on the TLD bandwagon need to be prepared to not only complete a complex application document but also clearly demonstrate they possess the technical expertise to support the domain. The application process also requires a detailed business plan.

ICANN will accept applications between January and April 2012. Applications will be carefully reviewed and made public by ICANN so that objections may be heard before the domain is awarded. Organizations applying for the domain names need to be prepared for their application to be contested. In cases where multiple organizations apply for the same or similar domain, the name will be auctioned and sold to the highest bidder. Recent reports have suggested that we can expect bidding wars to reach in the tens of millions of dollars.

The new system arrives "despite lingering doubts and objections from many trademark owners and brand managers," acknowledges Janet Satterthwaite, a trademark and domain name attorney at Washington-based law firm [Venable](#) in Washington. "This new system is stirring considerable controversy, first because many believe that ICANN has failed to justify the sheer need for new top-level domain names, especially given the significant costs and potential for confusion and even chicanery with so many new business addresses created for banks, retailers and merchants."

She added, "There is a legitimate fear that an explosion of new registries will threaten Internet security. The system is certain to create major headaches for companies because of the need for increased monitoring of all the new domains, and the real potential for cybersquatting and creation of bogus addresses."

For marketers and brands alike, the change has created the need to address a myriad of issues. Satterthwaite offers advice in helping branded companies make sense of the new system:

- **Will someone register my brand as a top-level domain?**
Not likely. The high cost to apply to be a registry as well as the need for applicants to show a large amount of technical expertise and capability to run a domain name registry are two critical considerations for organizations. Those who do not have the expertise will need to hire a service provider at great expense to run the system. This will not be an escapade for the casual cyber squatters. In the unlikely event that someone applies to register a top-level domain that is closely similar to your brand, you will have an opportunity to oppose it.
- **Should I register my brand as a top-level domain?**
For many companies, the cost of doing this may not be worth the perceived value to the brand. You should plan to budget as much as \$500,000 to get such a program up and running over the

Existing Generic Top Level Domains

- **.com** : companies, now broader
- **.edu** : educational institutions
- **.gov** : government institutions
- **.int** : international organizations, e.g. Interpol
- **.mil** : military organizations
- **.net** : networking technologies, now broader
- **.org** : non-profit organizations
- **.arpa** : first ever domain, now technical use
- **.aero** : air travel industry
- **.biz** : business alternative to .com
- **.coop** : co-operatives
- **.info** : information, but open for general use
- **.museum** : museums
- **.name** : personal names - johnsmith.name
- **.pro** : professionals, e.g. doctors
- **.asia** : Asian websites
- **.cat** : Catalan language
- **.jobs** : employment websites
- **.mobi** : mobile phones
- **.post** : postal services
- **.tel** : telecoms
- **.travel** : travel

Source: Icann

first couple of years. In addition to the filing fee, there will be consultant fees, attorney fees, and registry service-provider fees.

- **Will I need to deal with cyber squatters?**

Unfortunately, yes. Once top-level domains are set up, you will need to take them into account and possibly modify your policing and registration strategy. For example, if you have defensive registrations, you may continue to buy your brand(s) as domain names unless and until the number of top-level domains makes this prohibitively expensive. There are no reports yet on how many entities plan to apply.

Want to Learn More?

- [ICANN Top Level Domain Announcement](#)
- [Top Level Domain Information Overview](#)
- [ICANN Top Level Domain Applicant Guidelines](#)
- [Top Level Domain Application](#)

There will be sunrise periods reserved for brand owners before the registrations are open to the general public. There is supposed to be a trademark clearing house where you can register your marks once instead of having to submit paperwork to each separate registry. All new top-level domains will be subject to a Dispute Resolution procedure as .com and other top-level domains are now. On the other hand, new registries may be located outside the United States and thus not within reach of the U.S. Anti-cybersquatting Consumer Protection laws.

- **I am in the hotel, sport, or ski business. Will a competitor register .hotel, .ski or .sport and refuse to let me have a domain name registration such as myname.hotel?**

It depends. The current draft Applicant Guidebook, which is still subject to amendment, provides that a registry may or may not have eligibility or use requirements. The agreement has to be negotiated with ICANN. As such it is not possible to guarantee anything.

The Branding Value of a TLD

Despite the significant costs and headaches associated with this new system, is the branding value gained worth it for B2B organization? Certainly, possessing your own .brand domain name provides valuable branding opportunities in the way of shorter, more memorable domain names and better SEO. The new system allows B2B organizations the utmost in creativity when it comes to creating brand domain names and sub-domains.

The new TLDs would afford global B2Bs consistency in domain names across all countries and provide others the opportunity to create a strong brand presence for sub-brands within their portfolio of products and services. For example, IBM could run a campaign for its cloud services with a “cloud.ibm” domain.

In addition, the new vanity domain name system provides B2B organizations with the opportunity to maximize their relationships with partners, resellers and distributors via personalized domains.

The organizations that win control of the generic Top Level Domains (gTLDs) will become registrars of their own new networks of name extensions (e.g., events.marketing). The second-level domain opportunity is huge: if you owned dot-banks, for instance, you could sell off country names (switzerland.banks, canada.banks), functions (FX.banks, merchant.banks), e-commerce opportunities (online.banks), supplier relationships (chequeprinting. banks) or job prospects (careers.banks).

Edwin Thompson, Director of Demand Generation for the [Pedowitz Group](#), noted that “There seem to be safeguards in place to protect a brand from being registered as a gTLD (i.e., .coke). However, each new gTLD is responsible for being a registrar of their own domains, so it is unclear what safeguards are in place to protect “coke.something” from being registered. While a high-profile brand like Coke may seem an obvious example what about smaller companies without the legal muscle to police their brands globally?”

ICANN fully expects this change in the system will alter users' search behavior. It believes Internet users will access information on industries or topics via these vanity top level domain names. Dot.coms won't go away, but they'll likely lose their primary position to these more targeted TLDs.

One thing is for certain. ICANN's decision to open up the domain name floodgates to ".whatever" names will cause companies the world over to rethink their name strategy and branding.

[Paul Gillin](#), a long-time technology journalist and founding editor-in-chief of [TechTarget](#), suggested that "There is considerable debate over whether domain name extensions do you any good in the one place where it really counts: search engine results. The consensus seems to be that search engines are, at best, neutral on domains like .biz and .info and probably give preference to .com when all other things are equal. There is no reason to believe that adding new domains will change that."

He added, "If you can't get a popular domain with a .com extension, it doesn't cost much to register with a different extension. Try it and see if it helps. My sense is it won't, however. This would appear to be an effort to generate some additional revenue for ICANN, and I wish them luck. However, the last major domain name expansion a decade ago has had no meaningful impact that I have seen on the way people find websites. People long ago stopped typing domain names into browser bars and began navigating via search. If Google decides that vanity domains merit special attention, then these expensive domains may have some value. Personally, I'd wait and see."

[David Neff](#), author of the [Future of Nonprofits](#) and digital strategy consultant suggests that despite all the buzz, the new TLDs are not worth the price tag, especially for nonprofits. "At the end of the day, the most important thing for nonprofits worried about this should be how their SEO is working. Is their site optimized to show up well in Google and other search engines? Instead of spending budget on this they should spend that on great content and making sure their sites are search engine optimized."

Neff also suggested that ICANN's announcement to change the domain name system won't significantly alter consumers' Internet search behavior. "The main way people search will still be search engines even 10 years from now," he said. "Google has no plans to rank any extension higher than any other extension. It's still all about the content on your site. No one remembers the name of your nonprofit; they just search for key terms. We have to all get better about showing up for those key terms."

Whether your organization plans to pursue a new gTLD or not, it's clear that change is on its way that will impact every user of the Internet. [Stephan Spencer](#), author of [The Art of SEO](#) and founder of Netconcepts which was acquired last year by Covario, acknowledged that when the new gTLDs become live, it will "definitely shake things up."

Spencer, who is an instructor for the AMA's training series on [Search Engine Optimization](#) explained, "The crazy amounts of money that are being spent now on domains won't be nearly as valuable once you can register domain names based on keywords."

Currently, there is a fair amount of traffic that's generated based on users entering a keyword with a .com or .org and hitting the enter command. "From an SEO perspective, allowing new domain names won't change how people search," Spencer said, "but it may change how they type in domain names which could create shifts in traffic."

"We're in the gold rush days now," Spencer said. "This is the gold rush all over again. In the 1990s, people were scared to buy up too many domain names and secured only one domain for their company. If they knew then what we know now! Entrepreneurs will see this as a huge opportunity."

[Nancy Pekala](#) is the AMA's Director of Online Content. Continue the conversation about top-level domain names in the Interactive Marketing group in [AMAConnect™](#), the AMA's online community.