

Background

The Internet Corporation for Assigned Names and Numbers (ICANN) who are responsible for administering and distributing domain names, have now confirmed that their proposed offering of new generic top-level domains (gTLDs) has been cleared to proceed. In addition to the existing *.com*, *.org*, *.edu*, and *.gov* top-level domains, the new gTLDs will be highly customizable and could feasibly be anything, from a corporate domain (*.Apple*), to a brand (*.iPhone*), to a business category or industry (*.music*).

Details

This is the first major domain name shake up since *.com's* introduction in 1984 and will provide companies and organisations with the opportunity to re-think and re-design how their customers experience their web site.

- **When:** Applications accepted by ICANN from 12 January 2012 to 12 April 2012, with these domains expected to go live by the end of 2012.
- **Cost:** It will cost \$185,000 (£114,000) to apply for the suffixes, with an annual fee of \$25,000.
- **Application:** Completion of a 350 page application form, stating why you have a legitimate claim to the domain name you wish to purchase.

Implications

Generally speaking, brands will choose to apply for a gTLD for defensive or offensive purposes, with the changes no doubt presenting a major disruption to existing online branding and brand protection strategies.

Brand owners considering the change will need to perform a risk analysis, asking themselves what the risk will be that a competitor applies for and owns a gTLD which is identical or similar to their brand, industry or vertical? For many brand owners, the sharing of their brand names with other companies is a real problem (eg: *.polo* could sit with Volkswagen, Nestle or Ralph Lauren), and is one that will again rear its head in this instance, so having a first mover advantage via application in the first round may result in significant long term benefits.

From a technical stand point, operating a gTLD is a completely different process to being the registrant of a second level *.com* domain name. Essentially, brand owners applying for a *.brand* gTLD will become a registry operator in charge of the entire technical and operational platforms necessary to run a gTLD – something that could prove even more difficult for a brand operating in multiple markets and with a number of different web properties. As such, brand owners who are considering an application will need to either recruit the additional talent needed to oversee these tasks, or outsource to industry experts, which will no doubt come at a significant cost to the business.

Most notably, a brands SEM and SEO efforts will no doubt be impacted by such changes to their current URL structures. At this early stage however, it is unlikely to have a dramatic effect, particularly across the SEO landscape. For the majority of brands, it is recommended that from an SEO/SEM perspective, the focus of their search activity remain on the best practices that search practitioners are working towards today. Search engines and the hundreds of variables that comprise their ranking algorithms are still geared towards quality content and enriched link portfolios as key drivers to visibility and rank. One of these variables – the age of a brands domain – is still very much relevant, so it makes sense that a new gTLD would need time to garner equity before a search engine like Google assigns it appropriate value. In addition, with more than 95 million active *.coms* populating the Web (and millions more websites housed under the other current gTLDs), it's safe to say that the value of having a *.com* or *.net* isn't likely to change in this regard anytime soon.

Summary

No matter how successful the new gTLDs become, at the end of the day their unveiling will be most beneficial for big fortune 500 type businesses. Companies that don't have large sums of money set aside for a rainy day will find it difficult, if not impossible to leverage such an opportunity. As appealing as it sounds to have a brand name appearing to the right of the dot in a URL, there's no guaranteed ROI and no way to tell when or even if, web users are going to move away from typing *.com* and toward a *.yourbusinessname* or even *.yourvertical*. Couple this with the fact that it is still very much up in the air as to whether the search engines will adopt the new gTLDs, and it makes it questionable as to the value the gTLDs will provide many brands during the early adoption stage. Brands should however remain diligent in monitoring progress of the new gTLDs, if for nothing else than to ensure a third party does not violate their rights, and assess the opportunity on a case by case basis.