.au Survey
2013
Establishing a baseline for the .au namespace
Results

A complete set of survey tables summarising all survey results are available by contacting info@ausregistry.com.au.

Feedback

To provide feedback or comment on this report, please email info@ausregistry.com.au with the subject heading '.au Survey 2013'.

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<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive summary</td>
<td>4</td>
</tr>
<tr>
<td>Background</td>
<td>7</td>
</tr>
<tr>
<td>History of .au</td>
<td>7</td>
</tr>
<tr>
<td>Policy</td>
<td>9</td>
</tr>
<tr>
<td>Methodology</td>
<td>14</td>
</tr>
<tr>
<td>The setup</td>
<td>14</td>
</tr>
<tr>
<td>Who responded?</td>
<td>14</td>
</tr>
<tr>
<td>Differences between populations</td>
<td>15</td>
</tr>
<tr>
<td>Survey findings</td>
<td>18</td>
</tr>
<tr>
<td>Holding of domain names by age and gender</td>
<td>18</td>
</tr>
<tr>
<td>User groups</td>
<td>19</td>
</tr>
<tr>
<td>User perceptions of .au</td>
<td>21</td>
</tr>
<tr>
<td>New gTLDs</td>
<td>24</td>
</tr>
<tr>
<td>Conclusions</td>
<td>27</td>
</tr>
<tr>
<td>Recommendations</td>
<td>30</td>
</tr>
<tr>
<td>Tables list</td>
<td>32</td>
</tr>
<tr>
<td>Charts list</td>
<td>33</td>
</tr>
<tr>
<td>Abbreviations</td>
<td>34</td>
</tr>
<tr>
<td>Definitions</td>
<td>35</td>
</tr>
</tbody>
</table>
Executive summary

This report is a joint initiative of AusRegistry Pty Ltd (AusRegistry) and .au Domain Administration Ltd (auDA), based on the results of a survey conducted over three months, aimed at profiling the .au user—specifically their online behaviour and interaction with the .au domain name industry. The survey examined the holding of domain names as well as respondent’s domain name industry knowledge and experience.

Survey results and subsequent findings will form a baseline, which will enable annual benchmarking activities and help shape valuable marketing and education campaigns, as well as support for future policy direction.

Conducting the survey

The survey was conducted over a three month period which commenced on 22 February 2013 and concluded on 31 May 2013. The survey received 10,284 responses.

The groups of respondents (further detailed in section ‘2 Methodology’) comprised of:

- 9,039 General Network Respondents who sourced the survey from a public website not associated with the domain name industry; and
- 1,245 Industry Network Respondents who sourced the survey from an industry based website, such as those of AusRegistry, auDA and participating Registrars.

To survey a sizable cross-section of population, Effective Measure (a leading provider of media planning and audience profiling solutions) was engaged to host the survey on their network of websites, and to collect the survey responses.

Style of report

Following analysis of the survey data, four broad categories of enquiry were identified which became the focus of this report. These categories are as follows:

- Demographics of domain name holders
- Traits of domain name holder groups
- User perception of the .au ccTLD
- New gTLDs

Valuable findings emerged from each category.

Language: There are a number of abbreviations and industry terms used throughout this report which are defined in the ‘Definitions’ section. Importantly the use of the word hold (and its derivatives), are terms that have been used throughout the report to denote the act of licencing a domain name.
Survey findings

The survey results provided fresh insights and confirmed previous understandings of the way Australians interact with the Internet in general and the .au ccTLD in particular.

Survey responses differed considerably with respect to four distinct population defining variables:

- General Network Respondents and Industry Network Respondents
- Holders of a domain name and non-holders of a domain name
- Holders of a .au domain name and non-holders of a .au domain name
- Those identifying a potential need for a domain name and those without a perceived need

While a noticeable variance among the populations existed, a number of findings were applicable across all variables. Findings are summarised below with greater detail provided in the report's body:

- The .au brand is highly recognised and understood
- .au is the primary choice of Australian domain name holders
- Females are underrepresented in the holding of domain names
- The .au governance level is satisfactory
- Online services drive the holding of domain names
- .au is not at saturation point

Findings supported current .au administration and technical operations.

Recommendations

The large number of survey responses provided substantial information regarding Australian Internet usage, behaviour and domain name industry engagement; however this also highlighted areas where further investigation may be beneficial.

The survey findings prompted a number of recommendations regarding potential research initiatives. A summary of these recommendations, which will be considered by both AusRegistry and auDA, follows:

- Conduct ongoing surveys
- Investigate how barriers to more females holding domain names may be overcome
- Investigate the holding of domain names in the regional and rural community
- Investigate Australian domain name holders that do not hold .au domain names
- Investigate Australian Internet users who state they do not need a domain name
- Examine Australian business ownership in relation to the holding of domain names
- Investigate the reasons for the limited knowledge of the .au secondary market
- Monitor the impact of new gTLDs
Background

The IANA root zone database currently lists 329 delegated TLDs including ccTLDs, gTLDs and IDNs.


In late 2013 the first of an anticipated 1,350 new gTLDs will enter the marketplace, creating unprecedented choice for domain name consumers. How this event will change the Internet landscape is unknown, but it is likely that the significant increase in the number of gTLDs will change user interaction and influence buyer behaviour, resulting in some impact on existing ccTLDs and gTLDs.

While the .au ccTLD has historically achieved significant domain name growth supported by open and transparent governance, and superior technical performance, the forthcoming changes are prompting deeper investigation into the behaviour of Australian Internet users, Australian domain name holders, and specifically .au domain name holders.

auDA uses a variety of advisory panels, committees (standing and ad hoc) and other consultative groups to assist it with the development of policies and practices, that are appropriate for the Australian environment and responsive to user needs. However, maintaining a rich understanding of those interacting with the .au ccTLD is imperative to forming a baseline for comparison with further research initiatives. The results of this survey will contribute significantly towards establishing a suitable baseline.

History of .au

The .au ccTLD was first established in March 1986, following the approval of the University of Southern California’s Information Sciences Institute. The .au delegation was originally assigned by IANA to Robert Elz of the University of Melbourne.

After several years of industry consultation, auDA was formed in April 1999 to take over the management of the .au ccTLD from Robert Elz. Following auDA’s formation, the Australian Government formally endorsed auDA as the appropriate body to administer the .au ccTLD in December 2000. The Australian Government holds reserve powers in relation to domain names under the Telecommunications Act 1997.

In October 2001, the Internet Corporation of Assigned Name and Numbers (ICANN) recognised auDA as the operator of the .au ccTLD under a Sponsorship Agreement; and in December 2001, on the basis of a Request for Tender, auDA announced AusRegistry as the Registry Operator for the open Second Level Domains (2LDs) including asn.au, com.au, id.au, net.au and org.au. As part of this process AusRegistry also became the Registry Operator for two closed 2LDs, edu.au and gov.au.

On 1 July 2002 the new .au regime, incorporating a competitive distribution model, went live with eight participating Registrars. From this point, AusRegistry has comprehensive statistics of domain name registrations and this data has been drawn on extensively in compiling this report.

Growth

In July 2002 the combined total domains in the open 2LDs was 282,632. Since that time the .au ccTLD has experienced substantial growth. In July of 2013, 11 years following the commencement of the new regime, the number of domains had increased nine-fold to 2,691,413.
Table 1 outlines the growth experienced in the .au ccTLD and the individual 2LDs.

<table>
<thead>
<tr>
<th>Open .au 2LDs</th>
<th>.au</th>
<th>.com.au</th>
<th>.net.au</th>
<th>.org.au</th>
<th>.asn.au</th>
<th>.id.au</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2002</td>
<td>282,632</td>
<td>255,783</td>
<td>13,580</td>
<td>9,555</td>
<td>2,865</td>
<td>849</td>
</tr>
<tr>
<td>July 2013</td>
<td>2,691,413</td>
<td>2,325,209</td>
<td>289,176</td>
<td>59,863</td>
<td>3,998</td>
<td>13,167</td>
</tr>
<tr>
<td>Percentage growth</td>
<td>852%</td>
<td>809%</td>
<td>2,129%</td>
<td>526%</td>
<td>39%</td>
<td>1,450%</td>
</tr>
</tbody>
</table>

Table 1
.au ccTLD domain growth from July 2002 to July 2013

By international comparison, at the end of 2012 .au ranked as the ninth largest ccTLD in the world and had the sixth highest rate per capita holding of domain names in the world. Excluding Tokelau and only using the top 20 ccTLDs.


The continually high growth figures experienced in the .au ccTLD have been influenced by a number of contributing factors, most significant being:

- Policy
- Pricing
- Registrar channel (competitive marketplace)
- Marketing and education

These factors are elaborated in this report.

Maturity

By 2012 the .au ccTLD had entered a period of maturity in which the rapid expansion experienced in the preceding years had ceased, due to factors such as changes to policy, a more competitive landscape, a dramatic rise in the prevalence of e-commerce, as well as the introduction of speculators, after-market players and those participating in domain name monetisation. The namespace reached a plateau in terms of accelerating growth but continues to grow at a steady rate.

As a comparative standpoint, the .uk ccTLD, a namespace of broadly similar industry structure regarding years in existence and Internet adoption per capita, has experienced a similar pattern. Chart 2 provides this comparison.
The .au ccTLD’s growth rate is consistent with growth rates in other established TLDs including .de, .ca, .com and .net, and remains positive. Such rate of growth reflects an industry approaching maturity and entering sustainable growth. Much of the past growth was driven by existing businesses developing a web presence—the Australian Bureau of Statistics (ABS) reported only 6% of Australian businesses had a web presence in 1998, rising to 22% in 2000–2001 and 45% in the most recent 2011–2012 survey. With such a rate of growth unlikely to be sustainable, future growth in domain names is likely to primarily be driven by new businesses. Future surveys, to build on the benchmark established with this survey, should help measure this potential trend.


Policy

One of the principle purposes of auDA is to develop and maintain a policy framework for the development and administration of the .au ccTLD.

Since 2002 a number of auDA policy initiatives were responsible for significant increases to domain name numbers; these initiatives were either new policies or a modification to existing policies. Substantive change to the .au ccTLD framework and therefore the .au domain name industry has been the result of a thorough consultative process with industry and other stakeholders, generally including a variety of advisory panels, committees (standing and ad hoc), and other consultative groups.

The following are the most significant policy initiatives to have influenced domain name growth.

<table>
<thead>
<tr>
<th>Year</th>
<th>Policy</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Abolition of the one domain name per entity restriction, and introduction of the ‘close and substantial connection’ rule in the Domain Name Eligibility and Allocation Policy Rules for the open 2LDs.</td>
<td>Allowed prospective Registrants to register multiple domain names for a variety of purposes.</td>
</tr>
<tr>
<td>2006</td>
<td>Release of new 2LDs in .au for each state and territory (wa.au, vic.au, nsw.au, nt.au, sa.au, qld.au, tas.au, act.au).</td>
<td>Gave community groups access to geographic domain names.</td>
</tr>
<tr>
<td>2006</td>
<td>Domain monetisation clarification of the ‘close and substantial connection’ rule. Incorporated into the Domain Name Eligibility and Allocation Policy Rules for the open 2LDs in December 2012.</td>
<td>Allowed those participating in domain name monetisation to enter the .au market.</td>
</tr>
</tbody>
</table>

Table 2
Significant historic policy initiatives that have influenced domain name growth

Pricing

Prior to the new .au regime in 2002, the average retail fee for a .com.au domain name was $140.00 (inclusive of GST) for a two year registration. In 2013, the lowest retail fee for a .com.au domain name is $19.95 (inclusive of GST).

In 2002 auDA set the wholesale fee to Registrars for a .com.au domain name at $50.00 (inclusive of GST)—comprising an auDA domain name fee of $11.00 and Registry Operator fee of $39.00. This low price, coupled with a newly competitive marketplace and a significant change in the eligibility policy was instrumental in driving growth.

While not all Registrars offered low registration fees, the market segmented quickly and discount retailers emerged, resulting in domain names becoming more affordable, and thus within reach of most people.

The wholesale fee for .au domain names has reduced several times since 2002, according to a reduction in the auDA domain name fee and a series of Registry Operator fee reductions based on an increasing namespace.

Table 3 illustrates the .au wholesale fees in 2002 and 2013 (inclusive of GST). The timing and extent of each price reduction for .com.au is shown in Chart 6.

<table>
<thead>
<tr>
<th>2LD</th>
<th>1 July 2002</th>
<th>1 July 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>.com.au</td>
<td>$50.00</td>
<td>$18.15</td>
</tr>
<tr>
<td>.net.au</td>
<td>$50.00</td>
<td>$18.15</td>
</tr>
<tr>
<td>.org.au</td>
<td>$11.00</td>
<td>$9.35</td>
</tr>
<tr>
<td>.asn.au</td>
<td>$32.00</td>
<td>$9.35</td>
</tr>
<tr>
<td>.id.au</td>
<td>$25.00</td>
<td>$14.85</td>
</tr>
</tbody>
</table>

Table 3 Comparison of wholesale fee to Registrars between 1 July 2002 and 1 July 2013

Registrar channel—increasing competition

The number of .au ccTLD Registrars has grown from eight in July 2002 to 41 in just over 11 years, with 25% being based overseas. As shown in Chart 4, the market has moved from a monopoly (over 90% of domains under management held by Melbourne IT in July 2002) to an oligopoly of decreased dominance for any single player but with approximately 70% of domains under management still held within the top five Registrars.

The identity of the top Registrar and the members of the top five Registrars in this group have changed only four times in ten years, indicating the oligopolistic trend has continued despite increases in the number of competing Registrars.
While the members of the top five Registrar group remain virtually unchanged for domains under management, healthy competition exists within the new domain name (creates) market. Since 2003, 15 Registrars have featured in the top five group with movement in and out of the top five group occurring 41 times.

The opportunity for new registrars to become a member of the top five group demonstrates a competitive marketplace—a strong indicator of a commercially robust namespace. The number of international Registrars competing in the .au space, four of which feature on the top 10 Global Registrar list, is evidence that they consider the .au ccTLD to be a worthwhile inclusion in their TLD portfolio.

**Reference:** Top Domain Registrars by total Domains (http://www.webhosting.info/registrars/top-registrars/global/).

Competition readily exists in a ‘creates’ market due to the value new domain name customers bring to a Registrar—customers are likely to purchase additional online services. Significant investment is made by Registrars to attract new customers, and Registrars are aware that once customers are acquired, retention is high. Of domain names created on or after 1 January 2008 that have been renewed at least once, 71% remained with their original Registrar through all renewals to 1 September 2013.

The rise in Registrar numbers overall and shifts in the create market reflects a healthy namespace where competition delivers some consumer diversity in services available, at market driven prices.

Registrar competition has introduced a variety of services and business models to consumers. Some examples of these models include:

- Discount oriented Registrars focusing on high sales rates and volumes.
- Wholesale Registrars that sell domain names to smaller non-accredited web industry based businesses.
- Service oriented Registrars, selling at higher prices with specialised customer care.
- Intellectual property and trademark specialist Registrars protecting online interests.
- Auction oriented Registrars that catch and auction expired domain names, or auction existing domain names in the aftermarket.

Over time the impact of such market dynamics has translated to the current situation where the lowest available retail price (generally from a discount retailer) is often only slightly above the Registry wholesale fee. This is indicated in Chart 6.
Marketing and education

Following the launch of the new regime in 2002, both AusRegistry and auDA have focused on marketing and education to generate awareness of the .au ccTLD.

Considerable investment has been made to achieve appropriate brand recognition and to educate users about the benefits of holding a domain name. Part of the education process is aimed at demystifying the industry and promoting the role of the regulatory authority, while the marketing focus of the Registry Operator has been centred on activating business to get online with a .au domain name.

This consistent and ongoing messaging has proven a successful contributor to the growth of the .au ccTLD since 2002.

Chart 6
Lowest available retail price and competition
Methodology

The survey was launched on 22 February 2013 and concluded on 31 May 2013.

AusRegistry and auDA developed survey questions to identify the characteristics of .au users, their usage patterns and perceptions, as well as the perceptions held by the general public regarding the .au ccTLD.

The setup

To ensure a large cross-section of the Internet population was reached, AusRegistry and auDA engaged Effective Measure, a leading provider of media planning and audience profiling solutions. Effective Measure provided access to 118 websites across its network and assisted AusRegistry and auDA to select appropriate demographic profiling questions. Effective Measure was also consulted to determine an appropriate survey length for maximising engagement results.

In distributing the survey, Effective Measure survey tags were installed into 118 general network websites as well as eight industry network websites, as detailed below.

Who responded?

The survey appeared as a ‘slide up’ to visitors who interacted with selected general network or industry network websites. To ensure that only completed data was collected, survey data was only sent to Effective Measure when all survey questions were completed. Users who opted to not do the survey were not prompted about the survey again after returning to the same website.

Survey respondents were drawn from two populations:

- General Network Respondents who sourced the survey from a public website not associated with the domain name industry.
- Industry Network Respondents who sourced the survey from an industry based website such as the websites of auDA, AusRegistry and participating Registrars.

General network respondents

The population of General Network Respondents consisted of Internet users who encountered the survey by browsing one of the 118 Effective Measure tagged websites. This approach returned 9,039 responses.

The survey was placed on Australian and international websites to obtain a broad cross-section of Australian respondents.

Comment: The list of 118 Effective Measure tagged websites is available as part of the complete set of survey tables that summarise all survey results. To request a copy of the survey tables, please contact info@ausregistry.com.au.
The websites were chosen based on traffic, relevance and diversity, and included but were not limited to the following genres:

- Communication
- Culture
- E-commerce
- Entertainment
- Environment
- Fashion
- Food and cooking
- Homes and gardens
- Health and wellbeing
- Information technology
- News
- Sports
- Travel
- News

Industry network respondents

To gain a better understanding of the respondent population that engages with the .au ccTLD, a number of industry network websites hosted the survey:

- auDA’s website
- AusRegistry’s website
- Five participating .au accredited Registrars’ websites

AusRegistry issued an open invitation to all .au accredited Registrars (http://www.ausregistry.com.au/registrars) to host the survey on their website and/or extend to existing customers. The five participating .au Accredited Registrars are detailed in Table 4.

<table>
<thead>
<tr>
<th>Organisation name</th>
<th>Designation</th>
<th>Website address</th>
</tr>
</thead>
<tbody>
<tr>
<td>AusRegistry</td>
<td>Registry Operator</td>
<td><a href="http://www.ausregistry.com.au">www.ausregistry.com.au</a></td>
</tr>
<tr>
<td>.au Domain Administration</td>
<td>.au Country Code Regulator</td>
<td><a href="http://www.auda.org.au">www.auda.org.au</a></td>
</tr>
<tr>
<td>Netregistry</td>
<td>Domain name Registrar</td>
<td><a href="http://www.netregistry.com.au">www.netregistry.com.au</a></td>
</tr>
<tr>
<td>TPP Wholesale</td>
<td>Domain name Registrar</td>
<td><a href="http://www.tppwholesale.com.au">www.tppwholesale.com.au</a></td>
</tr>
<tr>
<td>PlanetDomain</td>
<td>Domain name Registrar</td>
<td><a href="http://www.planetdomain.com">www.planetdomain.com</a></td>
</tr>
<tr>
<td>ZipHosting</td>
<td>Domain name Registrar</td>
<td><a href="http://www.ziphosting.com.au">www.ziphosting.com.au</a></td>
</tr>
<tr>
<td>VentraIP</td>
<td>Domain name Registrar</td>
<td><a href="http://www.ventraip.com.au">www.ventraip.com.au</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.ventraipwholesale.com.au">www.ventraipwholesale.com.au</a></td>
</tr>
</tbody>
</table>

Table 4 Industry network websites tagged with the survey

Differences between populations

The domain name holding rates were qualitatively different between the General Network Respondents and the Industry Network Respondents. Therefore, the overall sample is biased towards domain name holding relative to the general Australian population. Inferences about the overall holding rate in Australia should only be reached with reference to the survey source.
Further investigation revealed other differences between the two populations, and where required, tables and graphs are shown split by survey source to illustrate these differences. Total figures stemming from combining the results from both populations should be viewed judiciously, and are not indicative of the general Australian population where the sub-populations had markedly different responses.

Chart 7 provides a breakdown of total survey respondents with respect to holding domain names. Separate results are displayed for General Network Respondents and Industry Network Respondents.
Survey findings

The survey findings were broad with various demographics such as education, language, income, location, gender and age, being examined.

Age and gender in particular were selected for further examination, along with the identification of three distinct user groups and their online integration, uses for their domain names or reasons for not having a domain name.

The perceptions of 2LD .au domain name holders regarding ease of registration, zone trust, governance and customer satisfaction were also examined, as well as the impact of new gTLDs.

Holding of domain names by age and gender

On examining a range of demographics, gender identified as the most significant factor for variation in holding a domain name.

The survey results revealed that males are almost twice as likely to hold a domain name compared with females, and this applied across all age groups.

Younger respondents reported less holding of domain names, indicating potential for domain name growth via this demographic as they transition into older age brackets where the holding of domain names becomes more prevalent.

<table>
<thead>
<tr>
<th>Respondent age</th>
<th>Female domain name Holdings</th>
<th>Male domain name Holdings</th>
<th>Combined domain name Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Total</td>
</tr>
<tr>
<td>Under 18</td>
<td>11</td>
<td>155</td>
<td>166</td>
</tr>
<tr>
<td>18–24</td>
<td>42</td>
<td>547</td>
<td>589</td>
</tr>
<tr>
<td>25–34</td>
<td>151</td>
<td>928</td>
<td>1,079</td>
</tr>
<tr>
<td>35–44</td>
<td>207</td>
<td>996</td>
<td>1,203</td>
</tr>
<tr>
<td>45–54</td>
<td>219</td>
<td>1,012</td>
<td>1,231</td>
</tr>
<tr>
<td>55–64</td>
<td>137</td>
<td>564</td>
<td>701</td>
</tr>
<tr>
<td>65 and over</td>
<td>49</td>
<td>225</td>
<td>274</td>
</tr>
<tr>
<td>Unknown</td>
<td>9</td>
<td>46</td>
<td>55</td>
</tr>
<tr>
<td>Total</td>
<td>825</td>
<td>4,473</td>
<td>5,298</td>
</tr>
</tbody>
</table>

Table 5
Domain name holdings by age and gender

Age

The age groups between ages 35–64 are the leading age groups for holding of domain names, with over a quarter (26–27%) of the survey respondents in these ages holding a domain name.

Gender

Of male respondents, 32% held a domain name, which is double that of female respondents (16%). Chart 8 shows the disparity of domain name holding between males and females in both respondent groups. This may be due to the general historical gender bias in the information technology industry, but possibly also the higher proportion of male small businesses owners, which is a key driver of domain name sales.

In 2012, the ABS found 11.5% of employed males are owner-managers of unincorporated enterprises (i.e. micro-businesses), compared to 5% of females.
However, ABS statistics also indicate that over time the gender split in Internet access has decreased, indicating that the Internet is becoming less gendered and thus a rise in female domain name holding is possible. Future surveys and benchmarking will be required to confirm this.

**Reference:** Australian Bureau of Statistics: 6359.0 *Forms of Employments, Australia 2012* and 8146.0 *Household Use of Information Technology 2010-11*.

**Overall holding rate**

Survey results indicated an overall domain name holding rate of approximately one-quarter among survey respondents. However, as covered in section ‘2 Methodology’, domain name holding for Industry Network Respondents was significantly more common—equating to more than four times that of General Network Respondents.

Three-quarters of domain name holders held a .au domain name, and within the domain name holding population, the Industry Network Respondents were considerably more likely to hold multiple domain names in portfolios.

**User groups**

The survey data identified three distinct user groups:

- Those choosing to hold a .au domain name specifically.
- Those choosing not to hold a .au domain name, because they hold an alternative domain name instead, or they have been discouraged from holding a domain name.
- Those without any domain name and perceiving no need for holding one.

The user group choosing to have a .au domain name displayed the highest online integration compared to the other user groups. Of the other groups, those who chose not to have a .au domain name displayed greater online integration than those without a perceived need for a domain name―being even less likely to use other online services. This result indicates that greater engagement to the online world, increases desire for obtaining domain names.

The survey results show that holding a domain name is complementary to other online services; generally those not holding a domain name do not use other services as frequently as those with a domain name. Facebook and email stand out as the most popular alternative online services, but .au domain name holders still have the highest uptake of those services―indicating that the correlation holds for ubiquitous services as well as those less common.

Chart 9 illustrates the online activity of the three identified user groups.
Group choosing to hold a .au domain name

The user group choosing to hold a .au domain name generally does so for business purposes—with 78% of domain name holders utilising a business website (with or without e-commerce, email, blogs, information, etc), leaving 22% of .au domain name holders holding their domain names for other purposes only. By far the most common alternative usage is email, however domain names are also used for informational/education websites, community based websites and blogs, or are parked for future development.

Uses for .au domain names

A range of answers were provided by respondents when asked what they use their .au domain name for (multiple uses were permissible). Reasons are tabulated in Table 6.

<table>
<thead>
<tr>
<th>Uses</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>.au domain name holders</td>
<td>1,792</td>
</tr>
<tr>
<td>Business website</td>
<td>1,308</td>
</tr>
<tr>
<td>Business website &amp; ecommerce enabled</td>
<td>474</td>
</tr>
<tr>
<td>Information/educational based</td>
<td>390</td>
</tr>
<tr>
<td>Social media enabled</td>
<td>407</td>
</tr>
<tr>
<td>Not for profit, or community based</td>
<td>196</td>
</tr>
<tr>
<td>Blog site</td>
<td>352</td>
</tr>
<tr>
<td>Forums</td>
<td>138</td>
</tr>
<tr>
<td>Inactive (not resolving)</td>
<td>70</td>
</tr>
<tr>
<td>Some are inactive (not resolving)</td>
<td>172</td>
</tr>
<tr>
<td>Email</td>
<td>866</td>
</tr>
<tr>
<td>Monetised</td>
<td>89</td>
</tr>
<tr>
<td>Redirect (URL forwarding)</td>
<td>274</td>
</tr>
<tr>
<td>Investment</td>
<td>101</td>
</tr>
<tr>
<td>Parked (coming soon)</td>
<td>270</td>
</tr>
<tr>
<td>Search engine optimisation</td>
<td>286</td>
</tr>
</tbody>
</table>

Table 6 Reasons for choosing to hold a .au domain name

Group choosing to not hold a .au domain name

The user group choosing to not have a .au domain name comprised 1,660 respondents, who either held an alternative domain name or had been discouraged from obtaining a domain name by other factors.

Chart 10 indicates that a substantial minority of this group is using another TLD for their domain name, while the next most substantive group claims they are unaware of how to obtain a .au domain name. Some respondents report having been discouraged from obtaining a .au domain name while others employ alternative methods for their
Internet presence—similar to non-business owners, who generally do not hold domain names but utilise Facebook and email among other online services.

Less than 10% of this user group indicated being discouraged by cost, therefore price does not appear to be a significant reason for choosing to not obtain a .au domain name. Another 8% of this group identified as having held a domain name previously (either .au or other), but doing so did not yield a return for them.

Research is required to ascertain why the remaining 15% of this user group who nominated ‘other’ as their reason for not holding a .au domain name believes the benefits of a .au domain name do not justify obtaining one. Education should be implemented to help those who do not know how to obtain a domain name.

Within expectation, the Industry Network Respondents were more likely to indicate ‘other’ as a reason for not holding a .au domain name, rather than indicating they ‘don’t know how’.

Group without any perceived need for holding a domain name

A total of 6,832 respondents stated they did not have a need for a domain name. This may be because they are using other options such as Facebook and email for their Internet presence. However it is worth noting that 10% of this user group own a business while 6% host a blog—both of these activities are usually correlated with holding domain names.

Industry Network Respondents’ differences

As expected, the Industry Network Respondents proved more likely to belong to the user group holding a .au domain name—likely because they run a website (generally business-related). As well the Industry Network Respondents have the highest online integration uptake, and use domain names for a greater range of purposes compared to the General Network Respondents.

User perceptions of .au

The most popular reason for selecting .au was because it represents Australia.

The perception of respondents regarding the .au ccTLD’s governance and ease of registration as well as overall satisfaction were favourable towards the .au ccTLD. Generally most respondents felt the level of regulation to be appropriate and the registration process to be straightforward.

Comment: This question was only directed at .au domain name holders.
Governance

For the user group holding a .au domain name, feedback regarding governance suggested that approximately half of this particular group perceive the current amount of regulation as appropriate. Additionally, those believing that regulation is inadequate, are offset by an approximately equal number believing too much regulation exists. This is indicated in Chart 11.

The results from Industry Network Respondents versus General Network Respondents that hold a .au domain name indicate that General Network Respondents are significantly less likely to have an opinion on governance.

Ease of registration

More than half (56%) of .au domain name holders perceived the registration process for obtaining a .au domain name as being easy, with another 27% indicating it to be somewhat easy. Only 5% indicated registration as being difficult. Given the apparent ease of registration, this does not appear to create a barrier to obtaining a .au domain name.

Of the minority of respondents who did find it difficult to register and also provided comments as to why, the most common complaint was eligibility requirements—in particular that the Australian Business Number (ABN) requirement prevented easy registration.

<table>
<thead>
<tr>
<th>Ease of registration process</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very easy</td>
<td>1,012</td>
</tr>
<tr>
<td>Somewhat easy</td>
<td>491</td>
</tr>
<tr>
<td>Somewhat difficult</td>
<td>62</td>
</tr>
<tr>
<td>Very difficult</td>
<td>22</td>
</tr>
<tr>
<td>Don’t know—someone else registered it</td>
<td>205</td>
</tr>
<tr>
<td>Total</td>
<td>1,792</td>
</tr>
</tbody>
</table>

Table 7
Ease of registration of a .au domain name

Zone as a trust factor

Generally Internet users do not consider zone as a factor regarding trust for online credit card usage. However for the 2,323 of all respondents that indicated they do discriminate their credit card usage based on zone, the .au zone was indicated as most trusted, with 70% nominating it as trusted for credit card transactions. This is significantly ahead of the next highest trusted zone, .com, at 43%.

While the governance of .au may promote trust, another likely influence is that most survey respondents (95%) indicated a strong connection between .au and Australia. It is therefore challenging to determine the relevance of governance compared to the level of comfort and trust due to interacting with ‘local’ Australian businesses.
Customer satisfaction—why .au?

The most popular reason for holding domain names in the .au ccTLD beyond any other TLD is because it represents an Australian organisation. The .au ccTLD is also popular because it is a trusted/regulated namespace, and those seeking to hold domain names desire to be part of the most popular namespace in Australia. Many respondents indicated they had multiple reasons for choosing the .au ccTLD—as shown in Table 9.

<table>
<thead>
<tr>
<th>Reason for .au</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents holding a .au domain name</td>
<td>1,792</td>
</tr>
<tr>
<td>Best represents Australian organisations</td>
<td>727</td>
</tr>
<tr>
<td>Trusted/regulated namespace</td>
<td>459</td>
</tr>
<tr>
<td>Most popular domain name type in Australia</td>
<td>423</td>
</tr>
<tr>
<td>Forms part of a portfolio (i.e. a group of domain names)</td>
<td>218</td>
</tr>
<tr>
<td>Patriotism</td>
<td>122</td>
</tr>
<tr>
<td>Value of money</td>
<td>112</td>
</tr>
<tr>
<td>Someone else registered it for me</td>
<td>106</td>
</tr>
</tbody>
</table>

Table 9 Reasons for choosing to hold a domain name in the .au ccTLD

Comment: Respondents holding a domain name were allowed multiple responses to this question.

Secondary market

A small majority (56%) of the .au domain name holding survey respondents were unaware of the secondary market. Of the respondents who do hold a .au domain name and are aware of the secondary market, only 28% had bought and/or sold on the secondary market.

<table>
<thead>
<tr>
<th>Respondents’ awareness of the secondary market</th>
<th>.au domain holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>795</td>
</tr>
<tr>
<td>No</td>
<td>997</td>
</tr>
<tr>
<td>Yes percentage</td>
<td>44%</td>
</tr>
</tbody>
</table>

Table 10 Respondents’ awareness of the secondary market for those holding .au domain names

As detailed in Table 11, of the 56% of respondents who were not aware of the existence of the secondary market, 40% indicated a willingness to buy on the secondary market, while 35% suggested they would sell on the secondary market. These figures suggest that an increase of awareness to build market participation would benefit the secondary market.
Survey

Respondents who are unaware of the secondary market

<table>
<thead>
<tr>
<th>Would you buy on the secondary market?</th>
<th>Yes</th>
<th>No</th>
<th>% Respondents who would buy/sell on the secondary market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>396</td>
<td>601</td>
<td>40%</td>
</tr>
<tr>
<td>Would you sell on the secondary market?</td>
<td>346</td>
<td>651</td>
<td>35%</td>
</tr>
</tbody>
</table>

Table 11
Respondents who are unaware of the secondary market for those holding .au domain names

New gTLDs

The global DNS landscape has undergone significant growth and change since its inception in the 1980s. Increased Internet adoption around the world has seen total global domain name registrations reach over 250 million at the end of 2012.


TLDs are now available in different scripts, known as IDNs, enabling Internet users to access domain names in their own language. User adoption of free email, search engines, social networking sites such as Facebook and Twitter, e-commerce stores such as eBay, the use of QR codes, and smartphone applications, have redefined the marketplace and shaped the evolution of the Internet.

Beyond these changes, another impact to the Internet will be the introduction of new gTLDs over the next 18 months.

Introduction of the new gTLD program

In recent years the international Internet community and stakeholder groups have worked with ICANN to create a program for the development and release of new gTLDs.

In 2011 this program was approved, leading to 1,930 application submissions for new gTLDs in July 2012. At the time of writing, 1,346 new gTLDs are potentially eligible for delegation over the next two years.

Customer awareness of new gTLDs

As Chart 12 indicates, the majority of survey respondents are not aware of the new gTLD program. Presently only one in six respondents are aware that new gTLDs are coming, however for domain name holders this ratio improves by a factor of two, to approximately one in three.

This significantly low new gTLD awareness can be expected to change over the next few years, following the rollout and consequent global marketing of the new gTLDs.

Australian new gTLD applicants

Two new Australian geographic gTLDs (.sydney and .melbourne) have been applied for. Some well-known Australian companies and brands have also applied for new gTLDs, such as .afl and .tab. With many generic TLDs such as .restaurant, .menu, .web and .fashion crossing
geographic borders, the potential impact on .au remains difficult to predict. Future .au benchmarking activities will continue to monitor and assess the impact over time.

New gTLDs impact on the .au ccTLD

Competition is not new to the .au ccTLD with .com, amongst other TLDs, having long been available to Australian registrants. A report released by HosterStats.com speculates that there are 2.4 million alternative TLDs hosted in Australia as of May 2013. With just over 2.7 million .au domain names currently registered in the .au ccTLD, this represents a near one to one ratio.

While the number of new gTLDs to be introduced is substantial, the competitive impact on the .au ccTLD may be less so. Registrants in .au are not expected to turn away from .au simply due to greater choice, because the survey highlights the recognition of the .au brand, and 95% of respondents identifying .au with Australia.

Most respondents do not view domain names as a commodity but rather as their representation on the Internet. More choice may be enticing for those who were unable to register their first choice of domain name in .au, however it will remain important for Australian businesses and individuals to maintain their relationship with the market in which they operate. Therefore it is expected that the new gTLDs will be complementary to existing TLDs, and will assist Registrants to enhance their online identity and brand.

Initially, the decision to purchase a new gTLD domain name may occur out of curiosity. Proof of success will be measurable via subsequent domain name renewal rates.

<table>
<thead>
<tr>
<th>Country</th>
<th>gTLDs</th>
<th>.com</th>
<th>.net</th>
<th>.org</th>
<th>.biz</th>
<th>.info</th>
<th>.mobi</th>
<th>.asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2,408,266</td>
<td>1,985,608</td>
<td>215,802</td>
<td>88,872</td>
<td>20,068</td>
<td>45,746</td>
<td>12,830</td>
<td>39,340</td>
</tr>
</tbody>
</table>

Table 12
HosterStats showing Australia domain name holdings across various TLDs

* HosterStats uses only the top 1,000 hosts for gTLDs and estimates that this covers 80% of the total. However, they also note that PPC monetization hosts based in Australia (along with a handful of other countries) may lead to an artificial inflation of the figures. Considering these two factors operate in opposite directions, there is no reason to adjust the 2.4 million figure—however it is only an estimate.
Conclusions

The following conclusions are drawn from the findings presented in this report. The conclusions presented are not all encompassing, rather a representation of the main trends observed. The conclusions support the recommendations which are detailed in section ‘5 Recommendations’.

.au

Of all survey respondents, 95% strongly identify with the .au ccTLD as being representative of Australia. This coupled with the high proportion (74%) of respondents who held domain names using .au suggests that .au is a popular domain name in Australia, with most users choosing .au as a trusted and well regulated ccTLD.

Australian domain name holders

The .au ccTLD is preferred by Australian domain name holders, with 74% of respondents who hold a domain name indicating it as .au domain name.

Domain name by gender

A discrepancy exists in the uptake of domain names between genders, with females underrepresented in holding .au domain names. Data suggests that amongst Industry Network Respondents (as defined in section ‘2 Methodology’), 83% of males hold a domain name—this is in contrast to 53% of females within the same category. The pattern repeats among the General Network Respondents for which data indicates that 20% of males and 13% of females hold domain names.

.au governance

The survey results show that the governance factors of regulation and ease of registration are both currently appropriate for the .au ccTLD. Of the respondents holding a domain name, 84% indicated registration was easy, 11% said they didn’t know how to perform registration, while 5% indicated registration was difficult. For those respondents who base credit card usage trust on zone, the .au zone had the highest level of trust.

Online services versus domain name holding

Online services and domain name holding have a direct correlation. The survey suggests that online services integration and innovation, aided by social media, drives domain name registration in the .au ccTLD. The survey revealed that 70% of all domain name holders engaged with social media in the form of Facebook, Twitter or both.

An opposite trend was observed among those who have identified that they do not require a domain name. In this group only 48% of the respondents engaged with one of the two main social media.

Uptake of domain name holding

The .au ccTLD continues to grow and was the world’s ninth largest ccTLD at the end of 2012.

Further growth is possible—84% of General Network Respondents did not hold a domain name, indicating potential for new markets and lack of saturation.
Secondary market awareness

Domain name holders have limited knowledge of the secondary market, however results suggest that engagement in buying and selling domain names would increase if there was greater awareness of the marketplace.

New gTLDs

The survey clearly showed that respondents were not aware of the new gTLD program. Only 17% of overall respondents (and 34% of domain name holders) were aware of the introduction of new gTLDs.
Recommendations

This report outlines the key findings of the survey, which confirm satisfactory engagement with the .au ccTLD but also show that the .au ccTLD would benefit from additional research initiatives.

Therefore, a number of recommendations related directly to these findings are presented.

Conduct ongoing surveys

While this survey yielded a reasonable range of useful data, some of which will be published in future publications, the survey should undergo continued expansion and as a minimum be conducted annually. Future surveys will be more targeted and address individual populations and user groups.

Investigate how barriers to more females holding domain names may be overcome

Because the survey has identified a substantially smaller uptake of holding a .au domain name among female participants, it is recommended that an examination be conducted to better understand the reasons for this, with a view to improving overall engagement and addressing barriers to holding within this group.

Investigate the holding of domain names in the regional and rural community

The survey was limited regarding the identification of people in regional and rural communities and an understanding of their domain name usage and requirements. Therefore it is recommended to conduct a separate survey to engage this group.

Investigate Australian domain name holders that do not hold .au domain names

Current data indicates Australian domain name holders generally opt to register their domain names in the .au ccTLD, but a small proportion opted to register their domain names in competing TLDs. In view of this, future surveys should attempt to drill down further into the reasons why Australians choose to hold other TLD domain names. This will be particularly important in relation to the introduction of new gTLDs.

Investigate Australian Internet users who state they do not need a domain name

The survey shows that 76% of overall survey respondents did not hold a domain name, and 87% of these indicated they did not perceive a need for holding a domain name. Further research should be conducted into these groups, in particular the 10% of these respondents who are also business owners.

In light of the high percentage of respondents who do not hold a domain name, it is recommended that further research be conducted so that the needs and barriers to entry for these groups can be better understood.

Examine Australian business ownership in relation to the holding of domain names

Although business ownership appears to drive the holding of domain names, why some business owners opt to not have an Internet presence, or why they choose to use options other than a domain name remains unclear. Therefore investigating the reasons some business owners are reluctant to hold domain names is another area for future research.
Investigate the reasons for the limited knowledge of the .au secondary market

A thriving secondary market indicates a buoyant namespace, because investors see value in the domain names and registrants have an opportunity to hold a domain name more specifically suited to their requirements. The survey results suggest that an opportunity exists to increase the level of awareness in the .au secondary market. Therefore it is recommended that information about the secondary market be more readily available to .au domain name holders.

Monitor the impact of new gTLDs

While knowledge of the new gTLD program among survey respondents was low, it is important to monitor the impact of new gTLDs on the .au marketplace. The recommendation is that research of this nature be carried out in approximately two years, following the completion of the new gTLD delegations.
.au ccTLD domain growth from July 2002 to July 2013  Table 1

Significant historic policy initiatives that have influenced domain name growth  Table 2

Comparison of wholesale fee to Registrars between 1 July 2002 and 1 July 2013  Table 3

Industry network websites tagged with the survey  Table 4

Domain name holdings by age and gender  Table 5

Reasons for choosing to hold a .au domain name  Table 6

Ease of registration of a .au domain name  Table 7

Trust in online transactions using a credit card within zones  Table 8

Reasons for choosing to hold a domain name in the .au ccTLD  Table 9

Respondents’ awareness of the secondary market for those holding .au domain names  Table 10

Respondents who are unaware of the secondary market for those holding .au domain names  Table 11

HosterStats showing Australia domain name holdings across various TLDs  Table 12
### Charts list

<table>
<thead>
<tr>
<th>Chart</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.au ccTLD and select 2LD domain name growth from 1 July 2002 to 1 July 2013</td>
</tr>
<tr>
<td>2</td>
<td>History of the maturing of the .au ccTLD and .uk ccTLD</td>
</tr>
<tr>
<td>3</td>
<td>Relationship between retail price and registration numbers of the .au ccTLD</td>
</tr>
<tr>
<td>4</td>
<td>Market share of domains under management</td>
</tr>
<tr>
<td>5</td>
<td>Market share of creates</td>
</tr>
<tr>
<td>6</td>
<td>Lowest available retail price and competition</td>
</tr>
<tr>
<td>7</td>
<td>Domain name holding by population</td>
</tr>
<tr>
<td>8</td>
<td>Domain name holding by gender and population</td>
</tr>
<tr>
<td>9</td>
<td>Activity by user group</td>
</tr>
<tr>
<td>10</td>
<td>Reasons for not choosing to hold a .au domain name</td>
</tr>
<tr>
<td>11</td>
<td>Views on amount of regulation of those holding a .au name</td>
</tr>
<tr>
<td>12</td>
<td>Awareness of new gTLDs</td>
</tr>
</tbody>
</table>
### Abbreviations

<table>
<thead>
<tr>
<th>Term</th>
<th>Abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second level domain</td>
<td>2LD</td>
</tr>
<tr>
<td>.au Domain Administration Ltd</td>
<td>auDA</td>
</tr>
<tr>
<td>Country code top-level domain</td>
<td>ccTLD</td>
</tr>
<tr>
<td>Domain Name System</td>
<td>DNS</td>
</tr>
<tr>
<td>Generic top level domain</td>
<td>gTLD</td>
</tr>
<tr>
<td>Internet Assigned Numbers Authority</td>
<td>IANA</td>
</tr>
<tr>
<td>Internet Corporation for Assigned Names and Numbers</td>
<td>ICANN</td>
</tr>
<tr>
<td>Internationalised domain name</td>
<td>IDN</td>
</tr>
<tr>
<td>Top level domain</td>
<td>TLD</td>
</tr>
</tbody>
</table>
Definitions

.au Domain Administration Ltd
auDA
The policy authority and industry self-regulatory body for the .au domain space.

AusRegistry Pty Ltd
AusRegistry
The Registry Operator for the open 2LDs (asn.au, com.au, id.au, net.au and org.au); the community geographic 2LDs (act.au, nsw.au, nt.au, qld.au, sa.au, tas.au, vic.au and wa.au); and two closed 2LDs (edu.au and gov.au).

Country code top level domain
ccTLD
A TLD that is used to represent a country or external territory. Some examples of ccTLDs are '.uk' for the United Kingdom, and '.au' for Australia.

Domain name / Domain
An identification string that defines a realm of administrative autonomy, authority, or control on the Internet. Domain names are formed by the rules and procedures of the DNS. Any name registered in the DNS is a domain name.

Domain Name System
DNS
A hierarchical distributed naming system for computers, services, or any resource connected to the Internet or a private network. It associates various information with domain names assigned to each of the participating entities. Most prominently, it translates easily memorised domain names to the numerical Internet Protocol (IP) addresses needed for the purpose of locating computer services and devices worldwide.
| **General Network Respondents** | General users and suppliers of services via the Internet, who are based in Australia—sourced from public websites. |
| **Generic top level domain** | Most TLDs with three or more characters are referred to as generic TLDs, or gTLDs. They can be subdivided into two types; ‘sponsored’ TLDs (sTLDs) or ‘unsponsored’ TLDs (uTLDs). For the most part a uTLD operates under policies established by the global Internet community directly through ICANN, while an sTLD is a specialised TLD that has a sponsor representing the narrower community that is most affected by the TLD. |
| **Hold / Holding / Held (a domain name)** | Hold and its derivatives are terms that have been used throughout this report to denote the act of licencing a domain name. As per auDA’s *Domain Name Eligibility and Allocation Policy Rules* for the Open 2LDs (2012-04) there are no proprietary rights in the domain name system (DNS). A registrant does not “own” a domain name. Instead, the registrant “holds” a licence to use a domain name, for a specified period of time and under certain terms and conditions ([http://www.auda.org.au/policies/auda-2012-04/](http://www.auda.org.au/policies/auda-2012-04/)). |
| **Industry Network Respondents** | Industry users and suppliers of services via the Internet, who interact with the .au ccTLD—sourced from auDA, AusRegistry, and participating Registrar websites. |
| **Internationalised domain name** | A domain name that includes characters from scripts other than the 26 letters of the Latin alphabet (a–z). An IDN can contain Latin letters with diacritical marks, or may consist of characters from non-Latin scripts. |
**Internet Assigned Numbers Authority (IANA)**
A department of ICANN, which oversees global Internet Protocol (IP) address allocation, autonomous system number allocation, root zone management in the DNS, media types, and other IP-related symbols and numbers.

**ICANN (Internet Corporation for Assigned Names and Numbers)**
The global DNS administrator, formed in 1998, is a non-profit public-benefit corporation with global participants dedicated to keeping the Internet secure, stable and interoperable. It promotes competition and develops policy on the Internet’s unique identifiers.

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**Registrant**
An entity or individual that holds a domain name licence.

**Registrar**
An entity that registers domain names for Registrants and in the case of the .au ccTLD, is accredited by auDA.

**Root zone**
The top-level DNS zone in a hierarchical namespace using the DNS for computers. Most commonly it refers to the root of the largest global network, the Internet.

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**Secondary market**
The market of mutually agreed transfers of previously registered domain names and ‘second-hand’ domain names, as well as the parties involved in these transactions.

**Second Level Domain (2LD)**
The alphanumeric string before the dot and the TLD. AusRegistry is the Registry Operator for the open 2LDs (asn.au, com.au, id.au, net.au and org.au); the community geographic 2LDs (act.au, nsw.au, nt.au, qld.au, sa.au, tas.au, vic.au and wa.au); and two closed 2LDs (edu.au and gov.au).

**Survey tags**
Tags added to all content pages of a website and loaded each time a page is loaded in a browser.
TLD  
Top Level Domain  
The name at the top of the DNS naming hierarchy. It appears in domain names as the string of letters following the last (right-most) ‘dot’, such as ‘net’ in ‘www.example.net’.

Zone  
A portion of the namespace in the DNS for which administrative responsibility has been delegated.