Success Drivers of New gTLD Applications

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Being approved by the Internet Corporation for Assigned Names and Numbers (ICANN) as the owner of a new generic top-level domain (TLD) extension requires considerable analysis before the application is submitted. You must understand the sources of risk, gauge your risk tolerance, and you must obtain an estimate of the value of your proposed TLD's future revenues (with the effects of potential competitors factored in, a step too many applicants ignore).

Acceptance takes more than paying the application fee or even hiring an expert to help you fill out the form. And if ICANN says no, expect your application investment to vanish.

Do your homework and you won't apply for unprofitable TLDs. Lose and at least you will have done your best. The victor will have overbid and/or they will have a better TLD value forecast because of a superior forecasting methodology or a better vision for the use of the TLD. .

New gTLD revenue is driven by the size of the market for the TLD, your market share of registrations, and the price you charge for registrations under your gTLD. Revenue can be estimated by using prediction markets and/or statistical methods.

No matter what estimation method you use, the risks include uncertainty about demand. Thus, depending on your risk tolerance and budget, you might consider applying for multiple TLDs or join an investment fund that pools together interested investors.

You should keep in mind that some of the new gTLDs can compete with .com and that you should seriously consider differentiations by being socially responsible. A list of proposed TLDs can be found at AboutDomains.

In conclusion, you must analyze gTLD revenue and the associated risks before you apply for a new gTLD. ∎