



What's in a Domain Name?

The Value of a .Asia Domain Name

July 2007, DotAsia Organisation

The value of domain names has steadily risen to staggering new heights in the last few years. At the height of the Internet bubble, Korea.com sold for US\$5M while tom.com fetched US\$2.5M. Since then, CreditCards.com took in US\$2.75 million in 2004; Vodka.com sold for US\$3 million, while Diamond.com went for US\$7.5 million in 2006.ⁱ Earlier this year, Porn.com was sold for US\$9.5M, and the highest-price domain reported to date, Poker.com took in more than US\$27M.ⁱⁱ The action is not restricted to “.com” domains either. Poker.de reportedly auctioned for close to US\$1M earlier this year. If the sceptic in you is still not convinced of the value of domains, a look back at history may offer some insight. Only eight years ago, during the Internet bubble in 1999, two far-sighted entrepreneurs spent US\$7.5 million dollars for a domain, “Business.com”. It is now estimated to worth from US\$300 million to US\$400 million dollars.ⁱⁱⁱ

This growth is also reflected as much in the volume of registrations as the increasing worth of high profile domain names and domain portfolios. In 2006 alone, 10.1 million new domain names were registered every 3 months, representing a 32 percent increase over 2005.^{iv} At a recent live auction, a record-breaking US\$10.9 million worth of domain names changed hands at one seating.^v

Corporations Taking Notice: The Value to Complement Brands

This trend of increasing valuation holds especially true for domains consisting of commonly used words or generic terms connoting relevant information to end users, or which have a keyword to attract searches and generate traffic. Approximately one in six Internet searches never goes to a search site but rather through direct navigation.^{vi} The significance of this is that a good domain name is as important as search optimization. A good and relevant domain also helps boost your page ranking on search engines.

Accompanying the growth in domain sales is a parallel shift of marketing dollars from traditional media to online advertising, with expenditures of the latter forecast to nearly double in five years, according to Jupiter Research, from US\$19.9 billion in 2007 to US\$35.4 billion in 2012.^{vii} What this means is increased importance of reeling in visitors to your websites. That is where good domain names that accompany your brand become invaluable. Domain names are channels or passageways to your website.

Global companies are already recognising the value of domains and have incorporated portfolios to achieve brand consistency and to occupy a larger piece of the cyber real estate. For instance Campbell's Soup owns MySoup.com, Nintendo owns

TouchGenerations.com, MasterCard owns Priceless.com, and American Express owns MyLifeMyCard.com.^{viii} Recently Apple Inc purchased iPhone.com for an estimated US\$1 million dollars. HSBC has retained theworldslocalbank.com, meanwhile Nike of course occupies justdoit.com.

A New Industry Reborn: Domain Investment and Monetisation

Did you know that each time you surf the Internet, you could be contributing to a multibillion dollar industry? What's more, to reap financial gain from this economy one does not have to be a savvy webmaster, a talented graphic designer or a trained engineer. Those in the know call themselves "domainers" or "domain investors", leaving behind the often less tasteful moniker of "cybersquatters" and engaging in genuine businesses.

Domain names, like real estate and stocks, have become valuable assets, and have become negotiable. Bank of America has started accepting domain names as collateral for loans. Forbes, CNN, The Wall Street Journal and Business Week are taking notice as well, as more and more articles are written on domain names and their cyber success stories. Recent articles expose only the tip of the iceberg of this fast paced industry.

Vocabulary in the trade involves PPC (Pay-per-click), domain development, monetization and optimization. Massive portfolios of domain names representing different silos of concepts and Internet activities are maintained by the domainers. The optimization of these sites allow them to cast a wide net on the web that reels in large volumes of visitors who then clicks off to relevant content through strategically placed ads – i.e. monetization.

As a natural type-in word "Asia" represents significant value for the industry. Overture website reports that the word "Asia" (or "Asian") was searched for many more times than for example "Europe" or "EU". Surveys have consistently found that the majority of online searchers use two-word phrases. A domain "Something.Asia" would therefore turn up as a complete match for the "Something Asia" search.

The .Asia domain, as an extension that is also a natural word, can therefore be utilised in creative ways to bring additional value to a business by attracting end users and potential customers to relevant information.

Emergence of the Asia Internet Marketplace

The 400 million Internet users in Asia account for only 10 percent of the region's total population. Internet traffic from and around Asia has also outpaced all other markets. Based on the statistics reported at alexa.com, among the Global Top 10 websites, more visitors are originating from Asia (25.5%) than from the US (17.7%) or the EU (12.7%). This is true also for the Big 3: Yahoo, Google and MSN, where 13.6% of traffic comes from Asia, compared to 12.5% from US and 7.7% from EU.

We believe that the opening of the ".Asia" domain will help fuel the growth of the Internet

in the region by creating a new cyberspace infrastructure that offers breeding ground for online businesses. The ".Asia" name is a natural word used in everyday language and already found in numerous brands and company names. A Google search returned about 1.5 million results for the term "Asia Ltd." The amazon.com site listed more than 900 entries when searching for "Asia" in magazines, and over 200,000 entries in books. Whether it is the local company expanding to the region, or a multinational setting up a regional headquarters, ".Asia" provides value that does not dilute a brand, while connoting a stronger sense of affiliation to the community.

The .Asia top-level domain provides value that complements local country-code domains and other generic domains. A good analogy could be drawn from the media industry. There are the global media channels such as CNN and BBC World and the Time Magazine, regional channels such as CNN Asia, BBC Asian Network or Time Asia; and, there are locally focused media news stations, magazines and newspapers such as JapanTimes or the Bangkok Post. Each has its space and value. ".Asia" endeavors to serve this niche regional audience and market.

Some of the areas we believe a .Asia domain adds value includes:

- Websites with information for or from Asia: Work.Asia, Backpacking.Asia, Music.Asia
- Domestic companies expanding regionally: IndiaTimes.Asia, Baidu.Asia
- Global companies with Asia focused sectors: Apple.Asia, Toyota.Asia, LouisVuitton.Asia
- Regional exhibition or conferences related websites: ITU Telecom Asia, CommunicAsia,
- Regional focused promotional events or advertising: Advertising on Asia magazines, campaigns or sponsorship for the Asian Games, Asia Cup or other Asia events

The significance of .Asia is that "Asia" as a term is an identifier for the scope of origin, or for the target audience. And a .Asia domain name enables a business to make the most of this fact. But what's most valuable about a .Asia domain is its potential – it allows individuals and companies to target the largest Internet community in the world as well as people looking for relevant information about Asia, from Asia, and for Asia.

Media queries please contact:

Amanda de Silva or Cherry Velarde at Upstream Asia, Tel: (852) 2973 0222.

Email: amanda.desilva@upstreamasia.com/ cherry.velarde@upstreamasia.com

ⁱ DNJournal <http://www.dnjournal.com/archive/domainsales/2006/ytd-sales-charts-2006.htm>

ⁱⁱ NameRSS <http://www.namerss.com/>

ⁱⁱⁱ AOL money & finance, 2007-06-22, "Domain Name Could Fetch Up to \$400 Million"
<http://money.aol.com/news/articles/a/domain-name-could-fetch-up-to-400/20070622085609990001>

^{iv} The Domain Name Industry Brief Volume 4 - Issue 1 - March 2007
http://www.verisign.com/Resources/Naming_Services_Resources/Domain_Name_Industry_Brief/page_002553.html

^v DNJournal <http://www.dnjournal.com/cover/2007/july.htm>

^{vi} Pressman, Aaron, Business Week, June 25, 2007, "The Domains Of The Day"

^{vii} Online Media Daily, June 19, 2007, “JupiterResearch: Online Ad Spending To Reach \$35.4 Billion in 2012”

<http://publications.mediapost.com/index.cfm?fuseaction=Articles.san&s=62553>

^{viii} <http://searchdomainsforsale.com/creative-domain-marketing.htm>