

COORDINATION CENTER  
FOR TLD .RU/.RF

# Domain name appraisal methodology for .RU/.RF domains on secondary market

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cctld.ru | кц.рф





# Why have we developed the methodology?

- large secondary domain market of .RU and .PH domains
- absence of any standard to appraise the value of RU/.PH domain names
- demand from market participants and registrants



# Milestones of development



## 1. Analysis of domain's offers for sale

- About 100 000 offers for sale from open sources
- Factors affecting domain price identified

## 2. Analysis of real sales

- About 20 000 real sales were analyzed
- Affecting factors were refined
- Models of appraising domain name were determined

## 3. Methodology development

- Describing the models and affecting factors
- Forming the domain name appraisal methodology

# Methodology: main principles

## Factors affecting domain price

Semantic parameters	Technical parameters
<ul style="list-style-type: none"><li>▪ Domain name includes an existing word (in Russian or in English or transliterated word) - semantic component</li></ul>	<ul style="list-style-type: none"><li>▪ Top-level domain (.RU vs .PΦ)</li><li>▪ Number of symbols</li></ul>
<ul style="list-style-type: none"><li>▪ Additions (other symbols beside existing word)</li></ul>	<ul style="list-style-type: none"><li>▪ Percentage of digits in domain name</li><li>▪ Percentage of vowels in domain name</li></ul>
<ul style="list-style-type: none"><li>▪ Domain name matches trademark</li></ul>	<ul style="list-style-type: none"><li>▪ Hyphen(s) in domain name</li></ul>
<ul style="list-style-type: none"><li>▪ Population quantity and income level (for geographical names)</li></ul>	<ul style="list-style-type: none"><li>▪ Quantity of search queries that match domain name in both Russian and English in search engine</li></ul>
	<ul style="list-style-type: none"><li>▪ Exposition period (since submitting domain name to secondary market)</li></ul>

# Methodology: main principles

## Factors not affecting domain price\*:

- Domain age since its initial registration (domain history)
- Active site hosted on domain
- Traffic to web-site hosted on domain
- Search ranking of domain
- Domain presence in spam lists

\* Effect of these factors on domain price was not confirmed by statistics



# Methodology: main principles

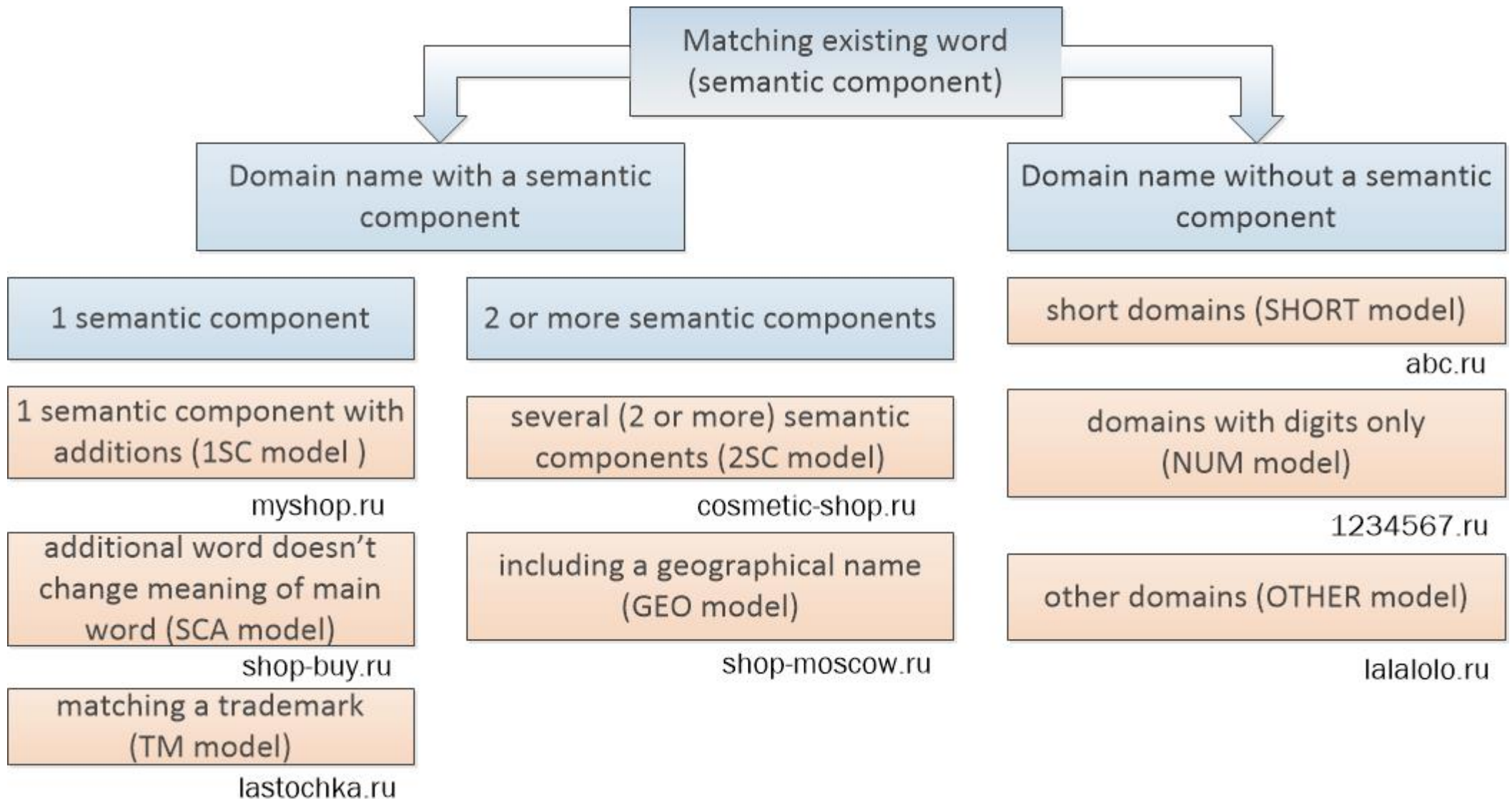
## Main steps of the appraisal algorithm

1. Analysis composition of domain name:
  - semantic component (existing word)
  - additions besides existing word
2. Type definition of domain name and selection of appropriate appraisal model
3. Calculation of domain price using appropriate appraisal model



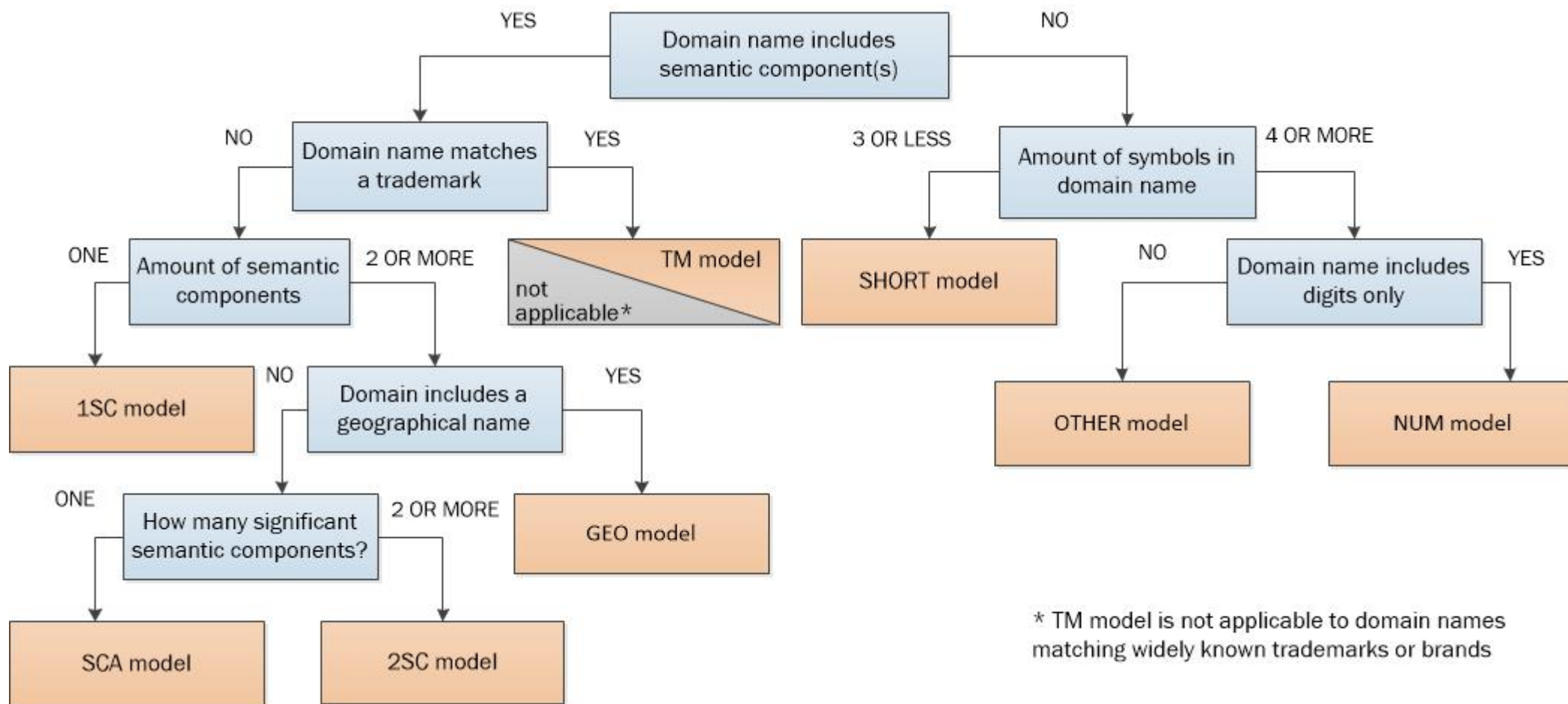
# Methodology: main principles

## Final appraisal models



# Appraisal algorithm

## Model selection





# Application of appraisal models

## Examples

### Model with 1 semantic component: corrective coefficients

Num. \ Denomin.	Clear	Error	Good Addition	Addition	2Addition	3Addition	2Num	2Dash
Clear	1	2,53	1,87	2,35	2,62	2,66	5,78	4,23
Error	0,40	1	0,74	0,93	1,04	1,05	2,28	1,67
Good Addition	0,53	1,35	1	1,26	1,40	1,42	3,08	2,26
Addition	0,42	1,08	0,80	1	1,11	1,13	2,46	1,80
2Addition	0,38	0,96	0,71	0,90	1	1,02	2,20	1,61
3Addition	0,38	0,95	0,70	0,88	0,99	1	2,17	1,59
2Num	0,17	0,44	0,32	0,41	0,45	0,46	1	0,73
2Dash	0,24	0,60	0,44	0,56	0,62	0,63	1,36	1

Addition = 0,42 \* Clear

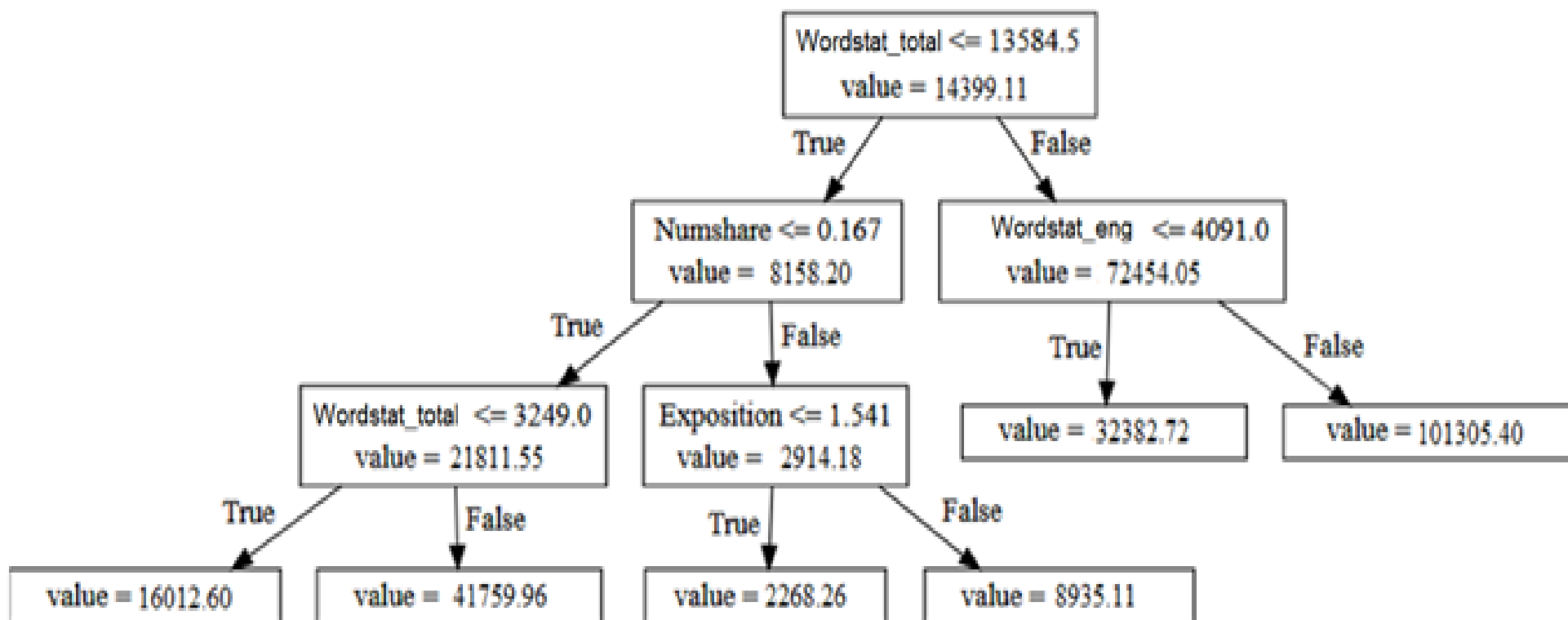
Clear: example.ru

Addition: 5example.ru, nexample.ru, etc.

# Application of appraisal models

## Examples

### Model for short domains: algorithm of price calculation



Wordstat\_total – quantity of search queries matching domain name in both Russian and English, search engine, last month

Wordstst\_eng - quantity of search queries matching domain name in English, search engine, last month

Numshare - percentage of digits in domain name

Value – forecasted market value of domain name (rubles)

# Awareness campaign

- publication of the Methodology on the Coordination Center site <https://app.cctld.ru/>
- publication of the Methodology on the appraiser's communities sites  
[http://sroroo.ru/press\\_center/news/3326610/](http://sroroo.ru/press_center/news/3326610/)  
<http://www.fsosro.ru/01.01.08.04/403.aspx>
- publication of articles in professional magazines on appraisal
- reports at the meetings of the appraisers and the domain sphere specialists

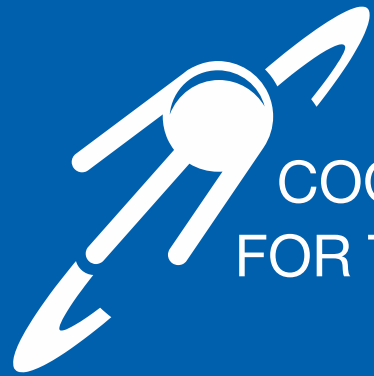


# Summary for today

- The Methodology is the important step towards a civilized and transparent secondary domain name market
- Interest in domain appraisal services has grown: new services of registrars
- Appraisers: questions, requests for more elaboration of data for the Methodology

# Next steps?

- Improving the domain appraisal Methodology: need more data
- Developing standards for appraising .RU/.PФ domain names –  
for convenience and unified approach to the appraisal of domain names on the secondary market



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# Thank you!

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