EURid Insights

Customer Perceptions of Top level Domains in Europe

Study

Respondents

.com

.city

gTLDs

.new

.eu

3500 TLD Buyers

.fr

LOCAL TLDs

.de

.es

C-D MAPPING

**Cities + Towns
Unconventional**

**.EU + Legacy gTLDs
Aspirational**

**New gTLDs
Peripheral**

Mainstream

The methodology

.eu Powered by EURid

ею предоставен от EURid

The Centrality-Distinctiveness Model

by Niraj Dawar and Charan Bagga

RESEARCH QUESTIONS

• What are buyer perceptions, considerations and choice processes of Top-Level Domains in Europe?
• What are strategic implications about the nature of position opportunities for TLDs?

METHODOLOGY

3,500 TLD buyers and Internet users in Europe were surveyed about their TLD brand perceptions. These perceptions were translated into the Centrality-Distinctiveness (C-D) Mapping Methodology developed by Professors Niraj Dawar (Ivey Business School and Principal of the Brand Strategy Group Ltd.) and Charan Bagga (Haskayne School of Business) and published in the Harvard Business Review, with examples from the car industry (June 2015).

CENTRALITY

How representative brands are

DISTINCTIVENESS

The degree to which brands stand out from others

The Centrality-Distinctiveness matrix links consumers' perceptions about brands with their business performance. Brands are positioned in a four-quadrant graph based on their "centrality" (how representative brands are) and "distinctiveness" (the degree to which brands stand out from others).

What do the four quadrants mean?

PERIPHERAL

Brands in the peripheral are low on Centrality and Distinctiveness. They offer little reassurance compared to mainstream brands and lack the distinctiveness of unconventional brands. Instead, they offer value for money. They occupy a precarious position in the market (either as a new entrant or a brand about to exit).
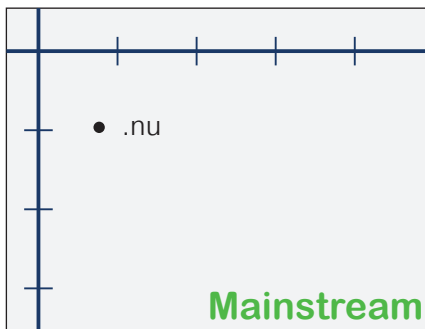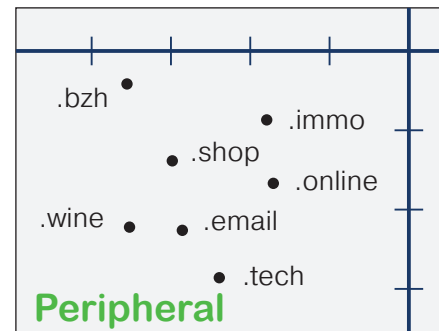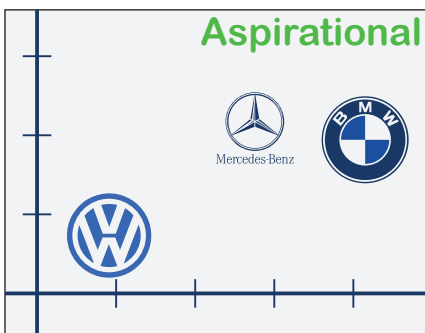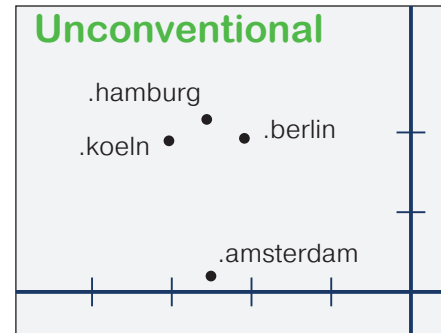

MAINSTREAM

Brands that are highly Central, but not very distinctive. The brand does not stand out but provides reassurance. Customers get more than expected without the Brand being extravagant. Mainstream brands occupy the middle of the market and carry the largest market share without price premiums.

UNCONVENTIONAL

Brands that are highly distinctive in their category, but not very central. These are innovative brands that rely on their technology or design to make them distinct. They are valued by a niche group of customers and design their business models to be viable at a low volume. These brands command a price premium, but share a relatively small market share.

Unconventional
.hamburg
.koeln .berlin
.amsterdam

Aspirational

Aspirational
.local*
.com
.eu

*.local is a placeholder for country codes, eg .fr in France and .de in Germany

ASPIRATIONAL

Brands that are highly central and highly distinctive. A brand that is closely identified within the product category and stands out among other brands. Aspirational Brands command a premium price relative to other brands, but must spend resources to understand customers' needs and innovate.

How does the centrality-distinctiveness framework apply to the domain name market?

• Well-established TLDs (such as .com) and ccTLDs (such as .de and .fr) which dominate the market were in the Aspirational quadrant. They tend to be the default choice users turn to when registering their domains, accessing websites, and remembering website addresses.
• Although a relative newcomer, .eu already made it to the aspirational quadrant positioned with .org, .net and .info.
• Some of the new gTLDs (typically the.city ones) appeared in the unconventional quadrant, perhaps because they are new and have engaged in marketing activities to establish themselves as Aspirational TLDs.
• The Largest cluster of TLDs appeared in the Peripheral quadrant. This cluster was made up of mostly new gTLDs or niche TLDs. It is unclear whether they are in the Peripheral quadrant by intent or because they have been unable to stand out in a crowded field.
• There are almost no TLDs that are viewed as mainstream. This suggests the presence of a bi-modal market, where the TLD is either in (Aspirational) or out (Peripheral) of the buyers' mind.

STRATEGIC MARKETING IMPLICATIONS

• Since the market is Bi-Modal, there is an opportunity to create TLD brands that are mainstream or unconventional, which are presently relatively vacant.
• Few TLDs are considered Aspirational, suggesting an opportunity to occupy this quadrant with highly differentiated or innovative Aspirational TLDs.

Example: Illustrative Centrality-Distinctiveness Map for Car Brands

Unconventional	Aspirational
Tesla · Mini ·	· Porsche · BMW · Audi
· Scion · Mini	· Ford · Dodge
Peripheral	Mainstream

distinctiveness

Unconventional

Aspirational

.hamburg
.koeln .berlin
.local
.com

.eu

.amsterdam

.bzh
.immo
.shop
.online
.wine .email
.nu
.tech
.xyz
.win
.bid

Peripheral

Mainstream

centrality