

The Domain Name Game

Meryl Batchelder of PDMS Advanced Systems Group

March 2000

www.bbc.co.uk is becoming almost as familiar as BBC Television Centre, Shepherd's Bush, London. We see Internet addresses like this daily, through the media, on personal and business correspondence and even whilst reading the cereal packet at the breakfast table. These addresses are known as 'domain names' and they tell you where a company lives in cyberspace. The address directs you to their Web site for marketing, customer service, product information and sales, it also forms the basis of their e-mail addresses, e.g. watchdog@bbc.co.uk.

All computers connected on the Internet have a unique reference number called an IP address. Although this is ideal for enabling computers to communicate, the string of nine numbers and dots is neither intuitive nor memorable. 212.58.224.31 does not bring to mind the BBC, hence the number has a simple alias; www.bbc.co.uk. A well chosen name will provide a professional presence on the Internet, once registered it is unique and recognised worldwide.

The 'gold-rush' for catchy .com addresses within the past few months was preempted by some astute investors a couple of years ago. Many domain names registered for a nominal fee in the mid-1990's are now worth millions of dollars. For example, \$3m was recently paid for Loans.com by BAC bank. The name was sold through online auction house GreatDomains.com on behalf of a computer consultant who registered the name for a few dollars in 1994. To date the highest price paid for a domain name was \$7.5m for Business.com. Offers in the region of \$30m are currently being accepted for America.com. It is estimated that 97 percent of words in Webster's dictionary have already been registered at .com addresses.

One reason for the increase in domain name value is the importance a name plays in the ability for a Web site to be found and recognised. Although it is a virtual rather than an actual location, the property value of a good address can therefore be of a similar magnitude as an address in Central London. A company domain name should have a mnemonic factor as more visitors will arrive at the site if the name sticks in their minds. Experienced users will often try to anticipate a site by typing in a plausible Internet address rather than using a search engine to find where the site is hosted.

To describe the structure of a domain name we can use the PDMS site as an example; the top-level domain (TLD) is the .com section of an Internet address. A second level domain would be the PDMS of pdms.com and using a sub-domain may lead to ebusiness.pdms.com. Once a company has registered a second level domain it can set up as many sub-domains as it wants. E-mail addresses such as meryl@pdms.com also rely on the domain name for delivery.

Dot-com is the most prestigious and recognisable top-level domain and it inherently suggests that the company has been playing the e-commerce game for some time. Therefore, they are now the most difficult to obtain. All the other top-level domains (e.g. .net, .org) generally work just as well but do not necessarily have the same instant branding or accessibility. If you can not find the name you want under .com, new generic domains are due to be released later this year. These will include .firm, .shop, and .web.

Country codes are based on the International Standards Organisation e.g. .uk for the United Kingdom and .jp for Japan. Some countries have been assigned potentially profit making TLDs, such as .tm for Turkmenistan, the international symbol for TradeMark. Tuvalu, a small island nation located in the Pacific has .tv.

Country codes allow companies to protect their name and establish their identity around the world. The market place for country code domain registration is complex. Of the 191 countries that accept registrations, over 80 are unrestricted. Some countries require that you have a registered company before you can have a TLD with their country code; Spain, .es, is one example.

There are a great many companies on the Internet that will register a domain name for you. Chose between selecting a new registration, buying a previously registered name or bid in an online auction. The most cost-effective method is to use the search tool on sites such as GreatDomains.com or DomainNames.co.uk to find a new name (e.g. yourname.com or yourcompany.co.uk). Costs do vary, but to pay for registration and two years subscription should be between £75 and £125.

Any alphanumeric character or a hyphen can be used in a domain name. They are not case sensitive and must be less than 26 characters but no spaces or other characters are allowed. Theoretically you can register anything, in practice there are restrictions if the name you have chosen is already registered or copyrighted elsewhere.

If your first choice has gone, secure a variation that is still relevant to your company; e.g. Touch Wood Limited could use touchwood.com or touch-wood.com. If there are no suitable .com addresses that are affordable or unregistered try to register an address using .co.uk or the Isle of Man TLD e.g. touchwood.co.im. In reality, the nearest you can get to the most obvious address for your customers the better.

Good marketing allows businesses to succeed without simple names that directly identify their products. For example, Yahoo.com, a leading Web guide or Amazon.com, a name with no hint of books, music or movies, are two of the most visited sites on the Internet. The name should be used in all advertisements and correspondence so that the address becomes a branding symbol. Finally, be warned, the gamble of registering domain names does not always pay; fivenationsrugby.co.uk is currently on offer at a knockdown price!

Published in Money Media, March 2000