Customer Perceptions of Top level Domains in Europe

3500 TLD Buyers

C-D MAPPING

Cities + Towns
Unconventional

New gTLDs
Peripheral

.EU + Legacy gTLDs
Aspirational

Mainstream

The methodology
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).

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.
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 .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

- Aspirational
  - Porsche
  - BMW
- Mainstream
  - Ford
- Unconventional
  - Tesla
  - Mini
- Peripheral
  - Scion
  - Dodge

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