NOMINET

Nominet Stakeholder Committee Meeting
13th December 2016

Attendees: Timothy Barnes; Lorna Gradden; Carolyn Kimber; Simon Rice; Dave Thomas

Apologies: Colin Griffiths; Richard Hyde; Gilad Rosner; Duraid Silarbi; Antony Walker

Nominet Policy Team: Elaine Quinn; Richard Plater

Guests: Neil Dagger, Senior Product Marketing Manager, Nominet

Cigdem Sengul, Senior Researcher, Nominet

Welcome & Introductions

The Nominet Team noted that a recent internal restructure had placed the policy function in a new Corporate Affairs team. Elaine Quinn, who heads up the Corporate Affairs Team, joined the meeting.

Marketing Strategy Update: Working in partnership to explore areas of growth

Presented by Neil Dagger, Senior Product Marketing Manager, Nominet

Neil presented an overview of the company's marketing strategy designed to drive take-up of domain names. He noted that external research suggests that around 49% of UK SMEs do not currently have a website. Nominet has built on this starting point through research designed to:

- Identify business sectors which are reachable by marketing and are digital early adopters
- Identify business sectors amenable to getting online with support
- Identify barriers to online adoption experienced by businesses and individuals
- Test new marketing and partnership initiatives aimed at supporting digital adoption

The committee supported this approach noting that business start-ups in their entirety represents the broad end of the funnel. Marketing approaches are likely be more productive if they avoid targeting those not yet open to digital adoption while also not preaching to the converted. Key to this is identifying amenable market segments and capturing the point in the development of these businesses when domain names are chosen. Thought can then be given to finding channels to target sector appropriate .UK messaging at these nascent businesses.

Neil echoed these views and noted that market segments identified as potential targets include students, who understand the value of a personal website, and tradespeople in the construction, accommodation, and food services sectors. He also noted that domain name ownership increases in-line with the age of businesses and revenue levels. This suggests that while business start-ups are an important target, mature businesses that remain offline should not be overlooked.

One striking finding is that 93% of businesses who have created a website report benefits as a result, including more customers and better brand awareness. This finding leads to some powerful marketing messages and begs the question, why does any business remain offline?

Nominet research has found that barriers businesses perceive to having an online presence include concerns over cost, time requirements, or the need for technical knowledge. In addition, some business simply see no need believing that they have enough trade already. While some businesses signal a clear unwillingness to be persuaded, it's encouraging that there is an openness for many businesses to get online with the correct support.

The group discussed these findings and considered partnership opportunities that could allow Nominet to create effective marketing messages. Digital Catapults and student entrepreneur initiatives were noted as worth considering. The committee added that thought should be given to which partnership channels will reach specific business types best. Neil echoed this view noting that Nominet testing had found that the IOD has more reach with large mature businesses, while the FSB has better reach with businesses earlier in their development. In terms of marketing activities, the Bacon and Web Café was discussed. It was noted that greater value could be gained from this type of event by considering if extending the event to cover different times of day will give opportunities for the same activity to target different market sectors.

Regarding domain name preferences and trust, Nominet research highlights strong awareness and trust for .UK domain extensions. Nominet's 2016 research found that 73% of UK consumers would click first on a website ending in .UK when shopping online compared to other established domain endings. In response to questions raised by the committee in June, consumer perceptions of businesses that use social media have been investigated. Consumers place a higher level of trust in businesses that have their own website in addition to a social media presence. This effect is more marked when businesses use their own domain name to create a professional email address as well as a website.

Finally, regarding trust in Nominet directly, recent research suggests that potential domain name registrants see value in the fact that Nominet is UK based and operates under UK law. Nominet now plans to use this to generate new marketing messages for our own consumer facing website.

The committee noted that trust should be a strong selling point for .UK given the values traditionally aligned with brand UK. It was also suggested that consumers will increasingly look to understand where businesses are based and what that means in terms of where any data they share is stored and the regulatory framework under which it is used. These factors could translate into useful marketing messages for .UK, although Brexit impacts remain an unknown. Some businesses may seek to divest themselves of a UK identity, while others may do the opposite.

Neil thanked the committee for their input. He noted that key to the 2017 marketing programme is a re-launch of Nominet's .UK consumer facing website at www.theukdomain.uk. In response to

committee member questions Neil noted that the choice of domain name was made after market testing a number of options.

- Action: Policy Team to circulate presentation slide to committee members
- Action: Policy Team to follow-up partnership opportunity suggestions

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Privacy in the Internet of Things: Regulation vs Innovation

Presented by Cigdem Sengul, Senior Researcher, Nominet

Cigdem presented an overview of her recent research into privacy options for IoT systems. Some aspects of her research have been published here. She noted that IoT has promised a lot but is in danger of developing a bad reputation, with privacy being a key public concern. Developers are aware of these concerns, however, and Nominet has issued some guidelines noting that IoT systems should:

- Prepare: By minimising and being transparent about the data they collect
- Control: By pseudonymising data and putting access controls in place
- Put users in the loop: By ensuring consent has been given and offering users control

Cigdem noted that by asking the right questions, developers can ensure that minimising the data collected to that required is part of any new IoT device's design. Proper evaluation of the privacy risks that relate to different data types is also important.

The work of standardization groups such as the IETF ACE[1] working group or the Kantara UMA[2] working group were highlighted. These groups are investigating whether or not some form of standardised user authorisation protocol can be developed. Such user-driven authorisation could be enabled, for example, by a separate provider that holds a database of user privacy preferences.

The committee asked where Nominet see its business interest in this work. It was noted that the research may lead to calls for a database of IoT user privacy preferences, which in turn could translate into a business opportunity for Nominet. In the meantime, the work serves to help broaden awareness of Nominet's IoT capabilities.

The committee noted that giving consumers control of their data improves customer relationships and that businesses are increasingly recognising this as a commercial imperative. It was noted, however, that any centralised store of consumer data could create a 'honeypot' effect for hackers. Cigdem suggested that while a central provider could collect all the data, it need not all be stored in one place. Finally, it was noted that any such system will need to ensure interoperability with varied IoT devices. Cigdem acknowledged this challenge, but noted that it can be managed by asking manufacturers to provide suitable device descriptions when signing up to the framework.

- Action: Policy Team to circulate presentation slide to committee members

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Nominet Update

Criminal Use Suspensions

The Nominet Team briefly presented a summary of the recently published criminal use suspensions report, for the period Nov 2015 – Oct 2016. It was noted that:

- The number of suspensions has roughly doubled compared to the previous year
- There has also been an increase in the number of requests not resulting in a suspension

The Nominet Team noted that the latest figures are only the second full year set of figures and it is too early to assess if any trend is developing. One view is that better understanding of the process by the relevant law enforcement agencies has resulted in improved collaboration between them and consequently more requests. The Nominet Team added that the effectiveness of the process will continue to be monitored.

Finally, the Nominet Team confirmed that suspension reversals are nearly always because the enforcing agency has confirmed that the offending behaviour has subsequently stopped. This year saw a change in legislation making some formerly legal highs illegal. A number of suspensions related to websites with links to newly illegal products and these suspensions were lifted once the relevant links were removed.

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AOB

None.

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Notes:

1 - Internet Engineering Task Force's Authentication and Authorization for Constrained Environments working group

2 – The Kantara Initiative's User Managed Access working group