

Why Ken Hansen Left .NYC for the Co.com Registry

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Everyone wants a domain name that ends in .COM. There is a brand new registry launching before most of the new gTLDs, and it also ends it .COM. It could be a great opportunity for you and your business. Stay tuned to learn more.

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Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how

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to become a successful domain name investor and entrepreneur directly from the experts. As I mentioned in the introduction, everyone wants a domain name that ends in .COM. It is the universal domain name extension and the .COM Registry has more domain names registered than all others combined I believe. And there is a brand new registry launching before most of the new gTLDs, and it also ends in .COM. Joining us to help us understand this registry is Ken Hansen, CEO of CO.COM LLC. Ken, welcome to the show.

Ken Hansen: Thank you for having me, Michael.

Michael: Ken, CO.COM is not a typical registry where a new top level-domain is added to the domain name system route, like the generic top-level domains that are coming out soon. Is my understanding correct?

Ken: Yes, CO.COM is what some refer to as a second-level domain (SLD). What that means is, in some case, we have additional flexibility that most of the gTLDs do not have. We can come to market very quickly. We can get out before the new gTLDs go to market. We can accept registrations for country names, for example. So, China.co.com. We will follow most of the ICANN policies, especially those that are designed to protect trademarks. We will be a responsible citizen, but it gives us a lot of flexibility in terms of working with registrars, getting to market quickly, and offering additional services. So, we are excited about that and excited to be able to get on the playing field and play the game.

Michael: So, typically, when I refer to second-level domains, I refer to DomainSherpa.com is a first-level domain in the top-level domain, and a second-level domain might be Live.DomainSherpa.com. The 'Live' is actually the third-level domain on my DomainSherpa, which is the second-level domain. So, Co.com is a second-level domain. It is a regular domain name registration. It is like DomainSherpa, but you have Co for the domain name.

Ken: Yeah. So, Co, of course, is very generic. It is very broad. It is global in nature. As you know, many country codes - over 61, in fact, have Co.CountryCode name spaces. This is really no different than that. We will be working with a backend registry provider. We will be accepting

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registrations through registrars. Everything will work in terms of registering a name and renewing a name the same as it might work with a gTLD.

Michael: So, is Co.com officially a registry, or are you a registry, but not an ICANN approved registry? What is the official title to it?

Ken: We are a registry just like any other registry. We will be accepting registrations through registrars. We will be maintaining a global database of all the Co.com names. We will be pushing out a zone file to the global constellation of DNS servers. We will be renewing names. We will be promoting the names. We will be selling through the registrar distribution channel. But really, very little difference between what we are doing and what Verisign is doing with .COM.

Michael: Okay. What is the difference between what you are doing with Co.com and what Verisign is doing with .COM?

Ken: Well, .COM is a top-level domain, so it is at the top of the global route. And names, of course, are registered at the second level within .COM. Really that is the only difference.

Michael: Okay. So, technically speaking, should I refer to the registry as .CO.COM or do you internally call it CO.COM Registry? I am just trying to get my vernacular correct.

Ken: Internally we call it CO.COM Registry.

Michael: CO.COM Registry, okay. So, how did the CO.COM Registry come together? Let's start with: who are the principles and what was the initial idea for it?

Ken: Okay. As you know, previously I had been working with NewStar on a .NYC generic top-level domain. And it was very difficult for me to make the decision to leave NewStar. I was working for a good company. I had a good job. I was working on, what I consider and what many consider, the best new gTLD that is coming to market. So, I had to be convinced to leave .NYC, to

join CO.COM, and I did become convinced that this is an even bigger opportunity than the .NYC opportunity.

Michael: How do you define that? What makes it a bigger opportunity, Ken?

Ken: Well, first, of course, I am the owner of the company, so I am building something for my family and for myself. So, that was important, and then, as you said before, I am working with some icons in the domain name industry. I am working with Gregg McNair. I am working with Paul Goldstone. So that was attractive to me as well. But then, when you look at the sizing of CO.COM, the potential market size, it becomes, I think, very interesting and compelling. And in terms of market sizing, we have 61 countries that have Co.CountryCode name spaces. That is over 11 million existing registrations. The existing base of .COM has over 111 million. And every year, 30 million .COM domain names are registered. In other words, the demand for .COM names has been and remains very strong. The problem is there are not a lot of .COM domain names available. So, what we are doing is we are coming to market and saying, "We can meet the demand for short, memorable domains that end in .COM."

Michael: So, somebody who might be in Japan that has a .CO.JP domain name, for example, that wants to go global and does not want to just operate in the Japan top-level domain name space anymore could buy a .CO.COM and expand their exposure potentially.

Ken: Exactly. The country codes serve a very specific and useful purpose. They are for companies that market primarily in those particular countries. That is where their customer base or potential customer base is, whereas a more generic name, like a CO.COM, is global in nature, so it is very complimentary. If a company has both in-country marketing and in-country customer base, and also has a potential global market and wants to go after that, they can use their CO.COM for that purpose.

Michael: And so, you mentioned Paul Goldstone and Gregg McNair are the other two principles within the company. What kind of staff are you envisioning you are going to need in order to run the CO.COM Registry?

Ken: We are keeping the staff relatively small. Right now, the operating staff is Paul Goldstone and I. Obviously we are going to be contracting with an existing registry provider. In fact, we are in final negotiations now. You can expect an announcement sometime in the next couple of weeks. They have substantial resources and connectivity to the existing registrar distribution channel, so we will be leveraging their resources. We will keep our on-staff relatively small.

Michael: Sounds good. And as a registry, I do not know how much of a staff you actually need. It is not like you are the registrar, doing the sales and doing the customer service. Do I understand that correctly? I am not sure what actually goes into running a registry, to be honest with you.

Ken: Okay. Well, in that type of an arrangement, we are primarily responsible for marketing and business development. Most of the day-to-day operations. All of the technology is provided by the backend provider. So, we just came from Buenos Aires. We met with every registrar we could talk to down there. We got a very positive reception, and so those are our business development activities. We are working on our marketing strategy and a marketing plan. We are creating. We will be launching a website. We will be putting together digital assets that the registrars will use in marketing CO.COM - the messaging, email templates - and we are talking to the registrars about how they could optimize and maximize the CO.COM opportunity.

Michael: Who owned the domain name? Do CO.COM Registry acquire the domain name from a third party?

Ken: Paul Goldstone has owned Co.com since, I think, 1997. Paul has a story he tells about transferring the name to him when he acquired it. Apparently, back then, transfer was a manual process, so he actually had to do a delete and then an add. So, of course, when he deleted it, several seconds went by before he added it, and if there had been a drop-catcher, such a thing back then, someone could have picked up the name when he was transferring it over and reregistering it. So, thank goodness it did not fall through the cracks and he has owned it since then. He really has not been using at all. It has been

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wild-carded and monetized using parking, but now he has made a decision, rather than sell it outright, to launch the CO.COM Registry.

Michael: Great. And does he still own it personally, or is it now part of the assets of CO.COM Registry?

Ken: It is now part of the assets of the company, and both Paul and I are owners of that asset and the company.

Michael: Okay. And so, when somebody wants to start a second-level domain, like CO.COM, that is not a small task to do. I have had people come on the show to talk about selling email addresses, and they have the terms and conditions that say we can take it back whenever we want or refund you the difference, but that is a big take-back. To give somebody an email address like Ken@NYC.com, and then for you to use it personally and become your personal brand, and then to take it back, I think, sets you up for a lot of customer dissatisfaction to begin with, and then maybe some legal issues. But Paul and you are going even further by contributing part of the ownership of the domain name to this registry, and people are going to register domain names and tie it up, potentially, indefinitely. How do people know that what they register will be theirs for as long as they renew it?

Ken: Sure. So, we will lock the name. It will be a ten-year registration. There are services like Super Lock, where it will take multiple levels to transfer the name, so it would be impossible for someone to transfer the name during our term of ownership. We are contractually committing to the backend registry we are working with not to transfer the name and not to redirect the name in any way. So, they can have extreme confidence that we are going to run this in a very responsible manner. I mean I have been involved in running registries since 2000, when NewStar pursued and won .BIZ and .US with the Department of Commerce, and then a number of new spaces like .CO and .TEL and .TRAVEL. My reputation is on the line as well. I can tell you that we are very committed - all of us, Paul and Gregg included - in running this in a very responsible way. We are selecting a registry provider who has that same commitment and reputation for stability.

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Michael: Okay. When I think of different top-level domains, I think about the missions of the top-level domains. For example, .COM is clearly commercial. If you have a commercial entity, you want to try and get in the .COM top-level domain. If you are a not-for-profit, .ORG makes sense. Now, anybody can register a .ORG, but Red Cross is on .ORG and the Philippines Help is on a .ORG. And if I look at .CO, which is a country code top-level domain, I think the .CO Registry has done a phenomenal job rebranding it and going after the startup space and getting startups to think about .CO if they cannot get the .COM. What is the mission of CO.COM Registry?

Ken: So, we think of CO.COM as a very broad, generic TLD, just like .COM. So, any company or organization potentially could register a CO.COM domain name, and there is some low-hanging fruit. For example, the 61 countries that I had mentioned before that have CO.CountryCode domain spaces. We will certainly target those. There is the existing base of .COM registrants. 111 million plus of those. Every year, 30 million plus new adds in .COM. What we are suggesting to registrars is when users search for a domain name, particularly if they do not send a strong signal for one of the new gTLDs, that they show them a CO.COM, or if the .COM is not available, show them the CO.COM. Let's say the .COM is available. When they are checking out, offer them the CO.COM. But in general, we see this as an opportunity for those who want a good, short, memorable name in the .COM space. They want the benefit of that global brand that is well known and familiar to users that they have an opportunity now to get a better, short, and memorable name in the CO.COM space.

So, the overall mission of the company is in our tagline. It is: "Get the .COM name you have always wanted."

Michael: Okay, so get the .COM domain you have always wanted, but you do have to have a .CO before the .COM.

Ken: Yeah, it is a domain name that ends in .COM. It is the way we like to say it. And I did not even mention of course there is an opportunity in the premium name space as well. Any generic word you can think of, .CO.COM is going to become available, including some of the most valuable generics

you have seen sell for tens of thousand and hundreds of thousands or even millions of dollars in .COM over the past several years.

Michael: Right. Okay, I want to ask you about those premiums and how that is going to work. So, you see the domain as being a global generic domain, so startups, companies, anybody. You do not think it is going to be associated with Columbia because it has a .CO in there, because almost every country has a .CO.CountryCode in there.

Ken: People who live in Columbia, I think, will always associate .CO with Columbia, and there is a market there for .CO.COM. But as you said earlier, the .CO guys have done a great job of repositioning .CO. It is not considered, I think, and viewed by most as a global name space. And to some degree, we are standing on their shoulders. We do not believe the public will consider it to be Columbia. In fact, I recall they did a survey at one point and very, very few people, when they heard .CO, thought of Columbia. They thought of company or community, or something of that nature, with the majority, of course, associating it with company.

Michael: Great. How will you verify that potential customers actually want this domain extension?

Ken: Well, that is a good question. The research, in this case, has already been done for us. I mean the market has already spoken, right? They have given the number of existing .COM names and how well it is known. And I will give you some statistics I actually pulled off the Verisign site. I think they make the point. 75% of globally registered domains are .COM names. 97% of the top 100 brands have registered a .COM. 87% of the highest traffic websites in the US are .COM websites. If that is not enough for you, how about this one? A new .COM name is registered every six seconds. So, the demand for domain names the end in a .COM is already well documented and it is that demand we intend to meet.

Michael: Yeah. Well, I think it is documented, Ken, that the demand is for a .COM, not for a domain name that ends in .COM necessarily. So, I see the leap, and that is the question that I am asking you. Have you gone to business owners in the United States and said, "If we offered you Pizza.co.com or

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SeattlePizza or NewYorkPizza.co.com, would that be more valuable to you than your current NicksPizzaNY.com?"

Ken: We have not done that kind of research. I think what I am saying is, and I am certainly not saying the demands are the same - that they are identical, but I think when you put a .CO.COM next to a .COM and the name is shorter and more memorable that some users will pick the .CO.COM over the .COM. A small number, but in most cases, the .COM will not be available at all. And because the registrants are familiar with .COM, they know their customers are familiar with .COM. They are familiar with it. They are comfortable with it. Very often, they will choose the shorter, more memorable name in .CO.COM, especially if the .COM is not available and has long been registered.

Michael: Sure. So, I could see why the registry entity is so important, because you need to set the tagline that people will remember. You need to set the marketing materials. You need to provide that collateral to the registrars, which I did not realize before I started doing these interviews on Domain Sherpa that that was the purpose of the registry. You need to set the direction, provide those assets, make sure that the registrars have everything they need to promote and sell more of your domain names. And so, messaging is going to be important. How do you envision being able to help the registrars cut through all of the noise of the top-level domains and help them educate end users - the real businesses that are buying domain names - to figure that .CO.COM could be a shorter, better .COM-ending top-level domain for their business?

Ken: Well, we are positioning .CO.COM as one of the newly available name spaces. Just like a new generic top-level domain, it is new. It is coming to market now. It is one of the choices that businesses will have. The fact that all this noise will be occurring and all this money is pouring in, the promotion will be done, promoting the fact that there is lots of choices. When users are driven to registrar websites, they will have (Unclear 21:36.3) .CO.COM. So, to some degree, we are riding that wave. On the other hand, we intend to get to market before all these new gTLDs do and the noise level gets turned up. So, we intend to launch in the first quarter of next year. Most of the new TLDs, especially the broader, more generic TLDs like our SLD, will not

come to market for another year and a half to two years, maybe even longer. .WEB and .BLOG have multiple applicants. There have to be options. There may be other obstacles to overcome before they can actually get to market. So, we have got a huge head start on those more generic, broadly applicable, global spaces that are coming to market.

Michael: Makes sense. Ken, most, if not all, people in the domain name industry know you and your background. You have recently held a position of Senior Director of Business Development at NewStar - a technology and directory services provider. Just over the past couple of years, NewStar's revenue has grown from, I think, 500 million to about 830 million, and profits have grown on a comparable basis. It looks like a phenomenal stock to own. Why was this opportunity great enough to convince you to leave NewStar and, in your own words, and I would concur, the .NYC top-level domain, which could be the largest, most successful new gTLD to launch? Why was it so great, besides the fact that you were becoming an owner in something whose future is questionable in a lot of eyes?

Ken: I had a great job at a great company, and I am still passionate about .NYC. I believe it will be very successful. It may not be the biggest TLD, but I think there is a significant market there and it serves a very useful purpose as to a lot of the new city gTLDs. I am very passionate about that. I became convinced this is a larger opportunity when I looked at the addressable market, which is global in nature, when I looked at the number of .COM names that are there, the number of existing .CO.Country names that are available, and some of the simple blocking and tackling tactics that we could employ from a marketing perspective and the names that will become available from a premium name perspective. I was convinced that this is, in order of magnitude, a multiple of the .NYC space in terms of the number of registrations that were possible.

Michael: Do you still own a lot of stock in NewStar, Ken?

Ken: I do not think anybody would consider it a lot, especially NewStar. I do have some shares, and I walked away from some shares. I had stock options in the company. It is a great company. I believe in it. It has a great future. There are a lot of great people there that I enjoyed working with. But at heart,

I am an entrepreneur. I like starting and growing businesses. I have done that before in my career. This is an opportunity for me to do that, and I am working with people like Paul Goldstone and Gregg McNair, who are both positive and enthusiastic people with accomplishments of their own in their careers. We had a lot of fun in Buenos Aires and in our meetings with registrars. I was convinced before I went to Buenos Aires, obviously, but our meetings with registrars went extremely well. They are very enthusiastic and supportive of what we are doing. They understand the story. Most of them, I believe, will carry .CO.COM and most of them will promote it.

Michael: Now that you are with CO.COM Registry, I do not want to ask you too many questions about .NYC, but I want to ask you one for comparison, Ken, and I am not sure if it is public information. So, if it is not, just let me know. What is it ever public how many registrations .NYC was anticipating after the first and second year of being live?

Ken: It is not public, but I can tell you a little bit about the market size, which is obviously public information. They are north of 100 existing business. In New York City, there are 8 million citizens, so that is the addressable market. Having been born in New York myself, being a New Yorker, I also know how passionate New Yorkers are about the city. I actually moved from New York over 20 years ago, but I still call myself a New Yorker. Businesses in New York like to associate themselves with the city, as well you see that when you walk through the streets of New York. So, the addressable market is not huge compared to .COM or something that is broader and more generic, but I think very compelling from a branding perspective.

Michael: Definitely.

Ken: So, I see a bright future for .NYC. I think they will have a substantial number of registrations.

Michael: Yeah. And I do not want to ask you for the exact number, because you are no longer with that and it is confidential information, but in comparison then for .CO.COM, how many registrations do you anticipate by the end of the first year, second year, third year?

Ken: I think, looking at the existing base, the number of registrations in .COM every year, we do not have to have a high degree of penetration to get to a big number. Since there are 30 million new adds in .COM every year, we capture just one percent of those, that would be 300 thousand names. So, for every one percent, 300 thousand names. I can easily see us getting to certainly hundreds of thousands of names, and if the registrars show a .CO.COM when .COM is not available, when users search, if we can convince them of that, this could be in the millions or even (Unclear 28:07.3) millions.

Michael: Sorry Ken, we were breaking up right there. So, you are saying that if you can show a .CO.COM domain name when somebody is registered a .COM, they will either register it in addition to or register instead of the .COM. You think you might be able to take one percent of those?

Ken: Yeah. I am saying for every one percent we can capture, we will get 300 thousand registrations. So, given that, I am very confident we are talking about at least hundreds of thousand of registrations. If the registrars do show a .CO.COM when the .COM is not available, or offer it up in addition to the .COM at checkout, that is where I think we have the potential to get into low, single-digit millions of registrations.

Michael: Yeah. And do you anticipate that there is going to be a large quantity of defensive registrations by companies with registered trademarks as well? If I look at .XXX, for example, they had an enormous number of registrations at a high-dollar amount, and I believe that their registry has pretty much plateaued. They do not see the same growth that they saw during the first year, which accounts for a lot of universities and businesses just wanting to keep the .XXX out of the public domain.

Ken: I think .XXX is a completely different animal. A lot of those defensive registrations were not so much about the desire to protect the trademark, but not to have the trademark presented in a way that the brands would rather not see it presented. So, no brand wants an adult site with their brand .XXX. So, I think that was the motivation for a lot of those registrations. We, of course, will have a sunrise period. There will be an opportunity for trademarks to get their .CO.COM name registered first. They will have that opportunity. But

we do not see that as the major opportunity for .CO.COM. I think the bigger opportunity are small businesses who were not online when .COM was available. For the most part, larger businesses got the best, most memorable names. So, this is a second chance for small businesses around the world to get a domain name that ends in .COM.

Michael: So, what the schedule of major events that entrepreneurs should be aware of? You mentioned launch in first quarter 2014. I assume that means general available. Is that correct?

Ken: We will be launching the sunrise period in January of 2014, and that will run for about 30 days, and then we will move to our land rush period, which we are currently thinking will run for 90 days. So, we are talking about land rush sometime in February. And then, general availability will be sometime around May.

Michael: Okay. And what is the difference between land rush for 90 days and general availability?

Ken: The primary difference will be the price. So, the price will be higher during the land rush phase. We are currently thinking about whether or not we have an application process during land rush and options if there is more than one application, or whether we go to a pure first come, first serve during land rush. After speaking to some of the registrars down in Buenos Aires, some of them actually told us they prefer the application process than auctions. It is a decision we will make sometime in the next few weeks, but (Unclear 32:02.7). The only thing that really will change from land rush to general availability would be the price.

Michael: Okay. And so, during the land rush, you may do a higher price or you may do an auction. Is there a possibility you might do both?

Ken: Yeah, so we would likely have a higher price for land rush. That is already decided, but whether there are auctions if there is more than one application is to be determined, so we are in the process of making that call.

Michael: Okay, so what will the pricing structure be for domain names that are not ultra premium? The one that everybody wants, like Sex.co.com and Gambling.co.com and Poker.co.com. You can name all the ones that have the highest value in any name space. Assuming that I did not have a trademark on DomainSherpa, which I do, and not a lot of people would want, what would be the land rush price and what would be general availability price?

Ken: We have not set the sunrise or the land rush pricing yet, but for general availability, and of course the registrars set the retail price, based on the wholesale that we are currently contemplating, I think you will see retail pricing in the \$24.99 to 35-dollar range.

Michael: Okay. And so, you mentioned wholesale and retail, and I think that that is a different concept for people that are unfamiliar with the registry/registrar space. So, you are like a manufacturer of clothing. You develop it and you sell it at a wholesale price to somebody that does the retail sales of it, just like if I were developing clothes, I sell it wholesale to my local shop, and then they sell it for retail. I make some of it on the clothes, and then the retailer makes some of it on the difference between the retail price and the wholesale price. That is the exact same analogy in the domain name space, Ken?

Ken: Exactly. So, registries, like ours, offer domain names at wholesale prices to registrars. They mark it up and offer those names for registration to businesses and individuals, or to resellers who may also then mark it up and offer it to their customers.

Michael: Is there a general rule for the wholesale of domain names? Is it a given that all registries charge about 50% of the retail value of a domain name?

Ken: I know that is true in the clothing industry. It is not true at all in the domain name industry. You will find a very broad spectrum of wholesale pricing in the domain name industry. There are huge differences already between some of the pricing of generic gTLDs and country code top-level domains, for example. The new gTLDs will also have quite a range of pricing. We have already seen some of that. If you look at some of the

registrar sites, you are seeing .LUXURY retail pricing at 1,199 dollars. That is probably the extreme on the price end of the spectrum. There will also be some new registries that follow a low-cost model as well. Perhaps some will even offer domain names for free. So, I think you will see a number of different strategies.

The low-price strategy is one I am not a big advocate for because it generally attracts fishers, farmers, and spammers, who register names and then just move on to another one to continue their activities. I believe that higher-priced domains attract legitimate registrants who plan to develop websites and use them for business purposes. So, we will follow that higher-pricing model, but we certainly will not be anywhere near .LUXURY.

Michael: Yeah. So, is there any way for a regular investor, not the Frank Schillings, Mike Berkens - the people who have large portfolios and actually spend a lot of money before land rush and do a deal with the registry in order to buy the best premium domain names. Is there a way for a regular investor to buy a phenomenal name like Sex.co.com or Gambling.co.com?

Ken: Yes, I mean we are already fielding offers from those interested in some of the better generic names in .CO.COM. We will continue to do that. Anyone interested could just contact me by email at Ken@co.com. We will likely be working with one or more brokers and we will refer them to a broker for the negotiations. That is not something Paul and I are prepared to take on because of the volume we would be likely to experience, so we will have experienced brokers who know how to do that. So, yes, there is an opportunity. Certainly, .CO.COM is not going to sell for the kind of price that a .COM equivalent would sell for. So, they will be available at a fraction of the cost of the .COM, which allows the non-Frank Schillings and non-Michael Berkens to participate at this stage.

Michael: Yeah. Is it fair to assume that Gregg McNair's brokerage firm, called Igloo.com, is going to do the brokerage of those premium domain names?

Ken: I certainly think they have done a great job with Igloo. They have had some great sales recently. They have had some headline sales with IG.com,

which sold for over 4 million dollars. They have KK.com, which was, I think, 2.2 million dollars recently. And that was just one in a string. I mean Tessa is fantastic. I have relationships with just about all of the major brokers, and our interest is maximizing the revenue for the company, for CO.COM, but finding the broker who knows a retailer buyer who would be interested in a specific name. So, I doubt we will be concentrating all of the names on a single broker. We will spread the wealth, but it is not just about that. It is really about maximizing the selling price by finding the right retail buyer. No one broker could find the right buyer for every name.

Michael: Yeah, definitely. Will CO.COM Registry offer a founder's program, where building out websites are encouraged over trying to maximize the retail price that you can generate from a premium domain name?

Ken: Getting early adoption of .CO.COM and use is critical to the long-term sustainable business model of any name space. So, yes, we will have a founder's program and we will be open to making good generic words available to those who plan to develop websites and promote them, because there is this virtuous cycle, and someone builds a website and they promote it in advertising and marketing. Others will become aware of .CO.COM and will register a .CO.COM name themselves.

Michael: Right. So, how will that founder's program work, Ken, and at what point in time during sunrise, land rush, and general availability might founders who want to invest in the development of a domain name be able to establish a deal with you?

Ken: Sometime in the next 30 days, we will be coming out with the details of our founder's program. So, it will include the process and the criteria by which we will evaluate proposals that we receive. So, your viewers, your listeners can expect to see something sometime within the next 30 days.

Michael: Okay, so get over to Co.com and sign up for the newsletter, and that is one way that they can be notified that founder's program is now available.

Ken: That is right.

Michael: Okay. There is a lot of concern on how Google and other search engines will treat the new top-level domains and how long it will take them to update their algorithms, browsers to update their identification of those top-level domains? Is it a top-level domain or is it just a period in a sentence that is out of place? I know this was the case when .CO came out that when they rebranded it to the startup top-level domain rather than a country code for Columbia, Google and other search engines did not realize that it was a general domain name and should be treated as such. They were treating it as just a country code. How do you think that Google will treat third-level domains registered on .CO.COM?

Ken: Well, of course they are already handling third-level domains. Not only .CO.CountryCode domains, but third-level domains in particular. When it comes to search engines, I think they are going to do whatever is necessary to deliver the freshest, most compelling, most interesting and engaging content they can to their end users. For them, it is all about relevancy. So, whether you have a .CO.COM or you have a .COM or you have a .ORG, content is what is going to get you traffic. And it needs to be non-duplicate traffic. It needs to be fresh traffic. It needs to be interesting and engaging. And if you do that and it is very relevant to users, you are going to end up on that first page. And so, I do not necessarily think it has anything to do with what domain you have. Obviously, if you could have your choice, you would get a .COM name, but if you put a .COM name next to a .CO.COM name, (Unclear 42:19.3), compelling, interesting, engaging and relevant content, the .CO name will win every time. If the search engines are true to their mission, which I believe they will be, they will show the .CO.COM.

Michael: Okay. So, if I take a step back and look at the new TLDs in general, not just .CO.COM, what are your thoughts on the customer adoption curve? How long will it take, given the ignorance of the TLDs that exist in society, before they are generally accepted like .COM, .NET, and .ORG?

Ken: Yeah, I think this time is different. When I say this time, I am referring to the earlier introduction of .BIZ and .INFO, .TEL and .TRAVEL, etc. And what makes it different is the participation of the brands. So, brands are getting their own generic top-level domains. Many of them will use that in their own advertising and marketing. When people are sitting at home,

watching primetime television, and they see one of the major drug companies use something other than .COM, .NET, and .ORG, they are going to become trained and going to become aware that something other than .COM might come to the right of the dot.

Europeans and Asians are very familiar with this. They pay attention to that because they have seen all kinds of extensions over the years. Americans - not so much. But I think once the brands sensitize them to the fact that there can be other extensions to the right of the dot, they will pay attention.

Michael: Okay. I have yet to hear a registry talk about their marketing plans in specific terms, and I recently became aware that registries will incentivize registrars, like GoDaddy or Name.com or NameCheap, to do the marketing on their behalf through a co-marketing budget or a bonus at the end of the year of new registrations that are done. Are those the types of initiatives that CO.COM Registry is going to put in place as well?

Ken: Well, from a marketing perspective, first, our strategy - I will give you some of the tactics we are employing. First, we get to market quickly, before there is too much noise in the market from the new gTLDs. Position .CO.COM as a broad, generic extension, as a domain name ending in .COM. That is why the tagline is: "Get the .COM you have always wanted." Get wide distribution in place by partnering with the registry that already has wide distribution. Make it easy for registrars to participate. In other words, no complex pricing structures or processes that require training on the part of registrars or registrants. We will make it as simple as we possibly can.

But really, the biggest opportunity for us it to convince registrars to show .CO.COM names when users are searching for a domain. So, if there is not a strong signal for one of the new gTLDs, they should show a .CO.COM. If the .COM is not available, they should show a .CO.COM. If someone registers a .COM, at checkout they should show the .CO.COM. Just the same as country code, a .CO.CountryCode name. If they name is not available, they should show them a .CO.COM. So, if those tactics are employed, we think that will drive significant revenues and significant volumes of registrations.

This all sounds very simple and straightforward, and that is one of the reasons I was attracted to .CO.COM. We are not trying to create a new brand. The .COM brand is what we are promoting. It is well known. It is global. It is what users are familiar with. So, we do not have that same hurdle that a lot of the new gTLDs have. And we will also look to build credibility and we will build credibility by being a responsible citizen. So, we will follow UDRP. We will follow URS. We will follow the best practices that are currently being followed by registries around the world. We will have high quality marketing materials and a website, and we will just behave in a very responsible way.

Michael: Makes sense. I noticed that Paul Goldstone is listed as the President and you are listed as the CEO of the company. It seems like you are both at the top of the pyramid with not a lot of other people underneath you, because you are going to be outsourcing most of the operations to the backend service provider and then, of course, the registrars are going to do the sales. What do you see as the difference between the roles of Paul and yourself in the organization?

Ken: Okay. Well, Paul's background is primarily in the registrar and domain investment space. He has been running a registrar himself for years. So, helping us to understand the needs of the registrars, and what works and does not work with registrars. Having been immersed himself in that environment I think is going to be very helpful to our efforts. Paul is very well known and well liked. He has strong relationships throughout the industry, so we are going to take advantage of that. He has been very active in the registrar constituency as well. For me, I mean I have been not on the registrar side primarily, but on the registry side of the business for over ten years. So, my contribution will be we will build on all the experiences I have had in the years launching new TLDs, bringing them to market, and working with the registrars.

Michael: All right, excellent. This is the point of the interview, Ken, where I ask if people have specific questions for you that they do not feel comfortable asking online. Is there a way for them to get in contact with you to discuss something about a partnership or buying and staying in touch with you

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regarding the CO.COM Registry? You mentioned Ken@co.com. Is that the best way to reach you?

Ken: That is the best way to reach me, yes. Thank you.

Michael: All right. And if people have general questions that they want to ask you, Ken, they can post them in the comments sections below the video and then I will notify you to come back and answer as many of them as you can.

Ken Hansen, CEO of The CO.COM Registry. Thank you for coming on the Domain Sherpa Show and sharing your information about your new registry offering, and thanks for being a domain sherpa.

Ken: Thank you, Michael. I appreciate it.

Michael: Thank you all for watching. We'll see you next time.

Watch the full video at:

<http://www.domainsherpa.com/ken-hansen-codotcom-interview/>