

—  
.nz

Domain



Name

Research

2014

---

**Perceptions, Awareness and Use**

---

Conducted October 2013 by Colmar Brunton  
on behalf of .nz Registry Services

# Introduction

---

## 1.0\_

**The annual NZRS survey (October 2013) of domain names awareness shows the overwhelming popularity of .nz domain names among New Zealand consumers and businesses.**

*The survey was conducted in two parts:*

1. A survey of **consumer** perceptions, awareness and use of domain names
2. A survey of **business** perceptions, awareness and use of domain names

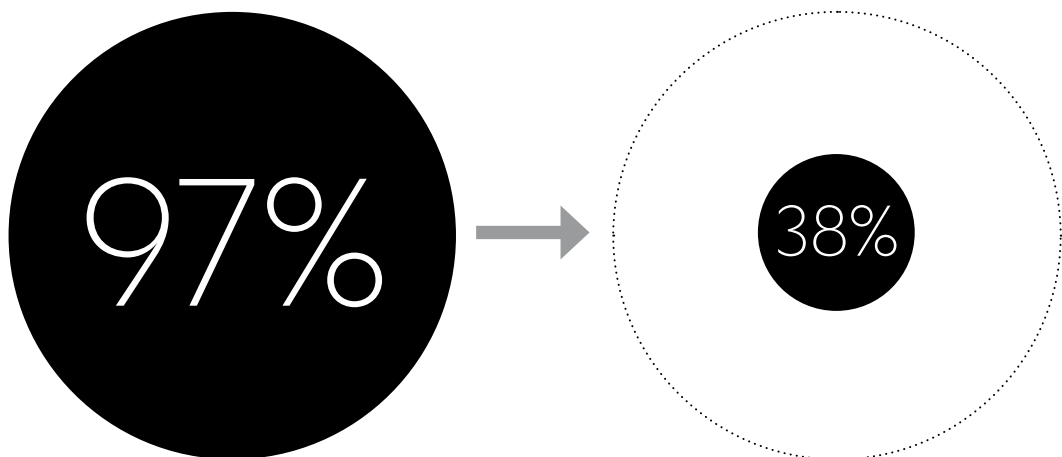
### **Insights:**

- Consumers are heavy Internet users and **much prefer .nz websites** to others such as .com, while only 38% of businesses have a website, which puts them in front of customers searching for their products and services.
- **Trust of .nz domains** remained a key driver of New Zealand consumers' online behaviour.
- A large number of businesses **feel they do not need** an Internet presence because of their size and/or the nature of their business.
- By contrast, almost all consumers (97%) **search for information, products and services online**, the vast majority (81%) of whom prefer to look for and buy from .nz websites.

- Nearly all New Zealanders (89%) look for .nz domain names all or some of the time.
- More people (79% up from 71% in 2012) filter their searches to get New Zealand results.
- Half of businesses without domain names (51% of sole traders and 44% of enterprises) have no Internet presence at all.
- Consumers trust .nz websites mainly because they are local.
- Consumers (77%) and businesses (74%) increasingly use mobile and tablet devices to access the internet.
- Businesses have underestimated the positive effects that websites designed to be used on mobile devices have on consumer behaviour. Most consumers say they would leave websites that did not work well with mobile devices, and are less likely to buy goods and services from them, too.
- Few businesses have designed their websites with mobile devices in mind, despite most consumers believing this is important.
- All consumers expect .nz sites to ship at reasonable cost, be easy to contact and to have legal cover, compared with .com sites.

**graph 1.0\_**

**Businesses are missing an opportunity**



**97% of consumers search the Internet for products and services.**

*Source .nz Colmar Brunton Survey  
October 2013*

**BUT**

**Only 38% of businesses have a website.**

**62% of businesses are missing out.**

*Source MYOB Business Monitor,  
September 2013*

# C nsurers

---

## 2.0\_

### CONSUMERS PREFER .NZ DOMAIN NAMES

The survey shows nearly all New Zealanders rely on the Internet as the main way to find products and services (97%, up from 95% in 2012). The figure again dwarfs other methods such as 'word of mouth' (unchanged at 61%) and traditional media where less than half of respondents use television (43%, down from 48%), newspapers (unchanged at 42%) and radio (26% up from 22%).

The number of people who look to mail advertising fell from 48% in 2012 to 42% in 2013, while the use of social media has increased from 30% to 39% from 2012 to 2013.

---

*Consumer survey quotes*

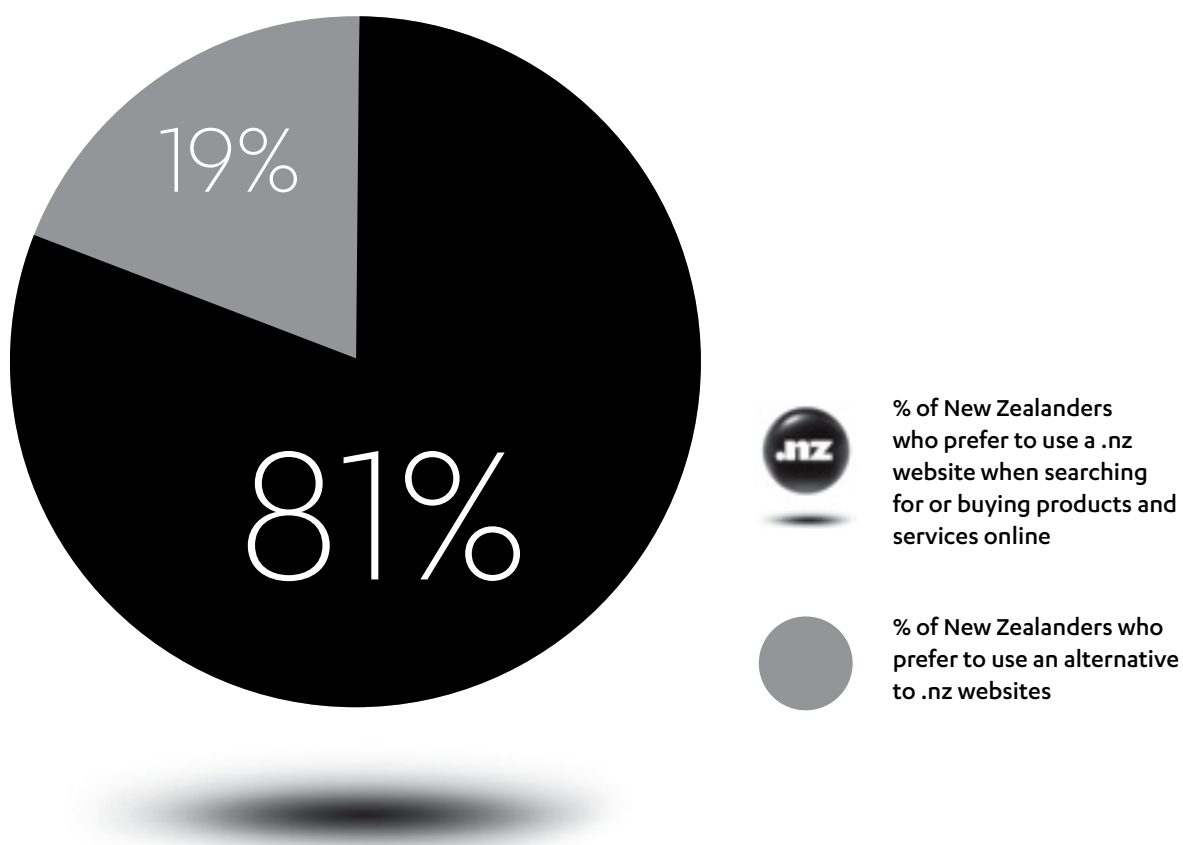
“There is a perception that [.nz] websites have a base in New Zealand and so would be physically accessible, be relevant to New Zealanders and that the people running the website would have similar values and comply with New Zealand law.”

“Because it's local, if anything went wrong you would think it would be easier to chase up.”

## graph 2.0\_

**New Zealanders prefer .nz**

**Question:** Imagine you were searching the Internet for information on products and services. Assuming that the information that appeared in your browser from all the websites was similar and that you want to buy a product or service; which website would you prefer to use?

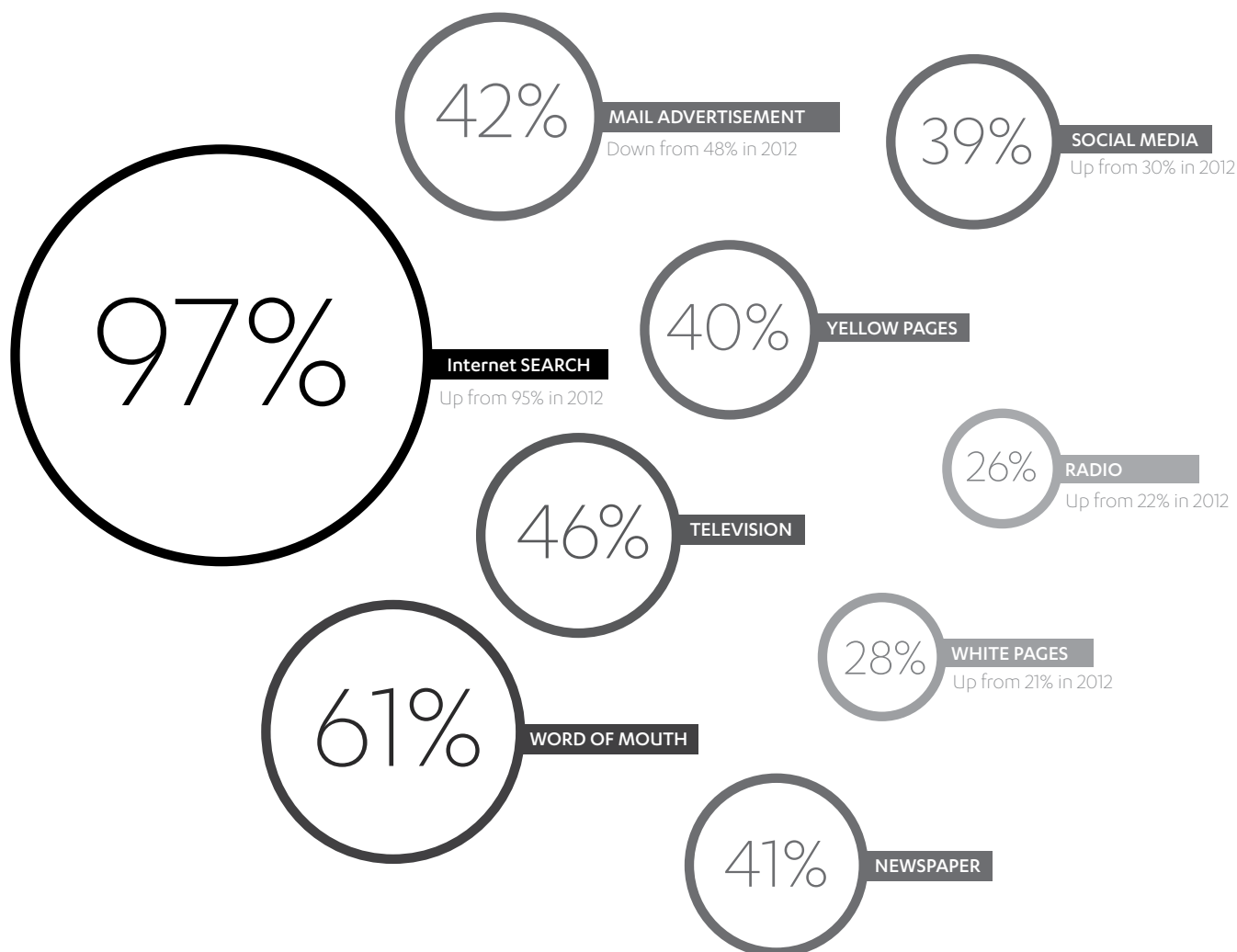


**Analysis:** Most New Zealanders (81%, unchanged from 2012) prefer to use a .nz website for searching and buying products and services.

graph 2.1\_

### Preferred Resources for Searching for Products and Services

**Question:** Which of the following resources do you currently rely on when you're searching for products and services?

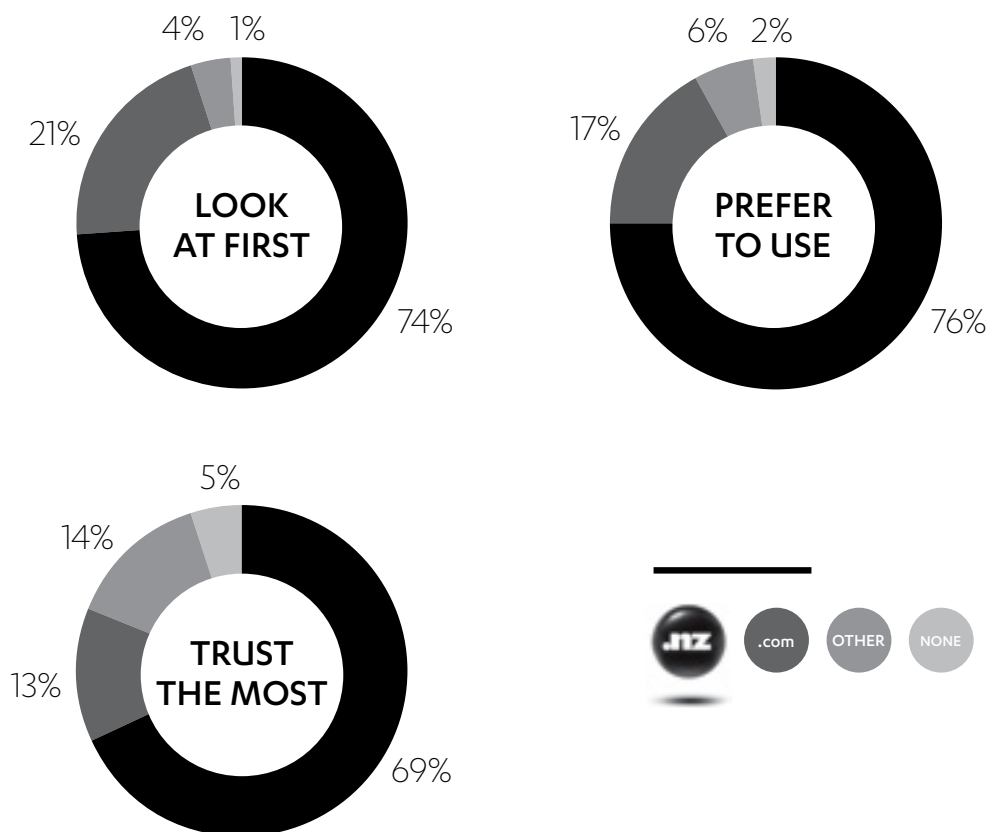


**Analysis:** People are most likely to use the Internet when searching for products and services. They are also likely to rely quite heavily on word-of-mouth. The most notable increases and decreases comparing 2013 and 2012 data are indicated in the above graph.

graph 2.2\_

**A .nz domain is the highest rated across all aspects related to searching for information on the Internet.**

**Question:** When searching for information about products and services, the domain that New Zealanders...

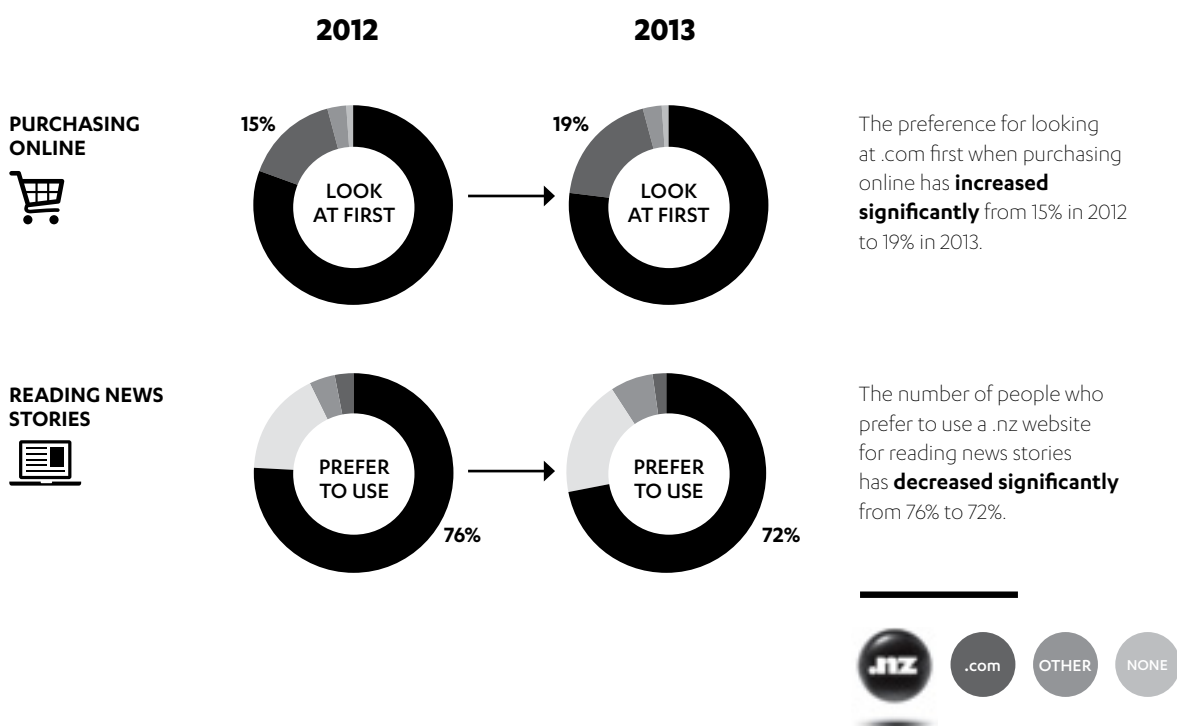


**Analysis:** Around three quarters of consumers looking online for information about products and services look first at (74%), prefer to use (76%) and have most trust for (69%) .nz domains.

There were some changes from 2012 in the preferences consumers show towards different domain names. Most New Zealanders (81%, unchanged from 2012) say they prefer to use a .nz website for searching and buying products and services.

graph 2.3\_

**Significant changes from the 2012 results for domain name preferences**



**Analysis:** Nearly three quarters of consumers prefer to search .nz sites first when looking for information (74%, up from 72% the previous year). However, the number of consumers who prefer looking at .com domains first when purchasing online has increased this year from 15% to 19%.

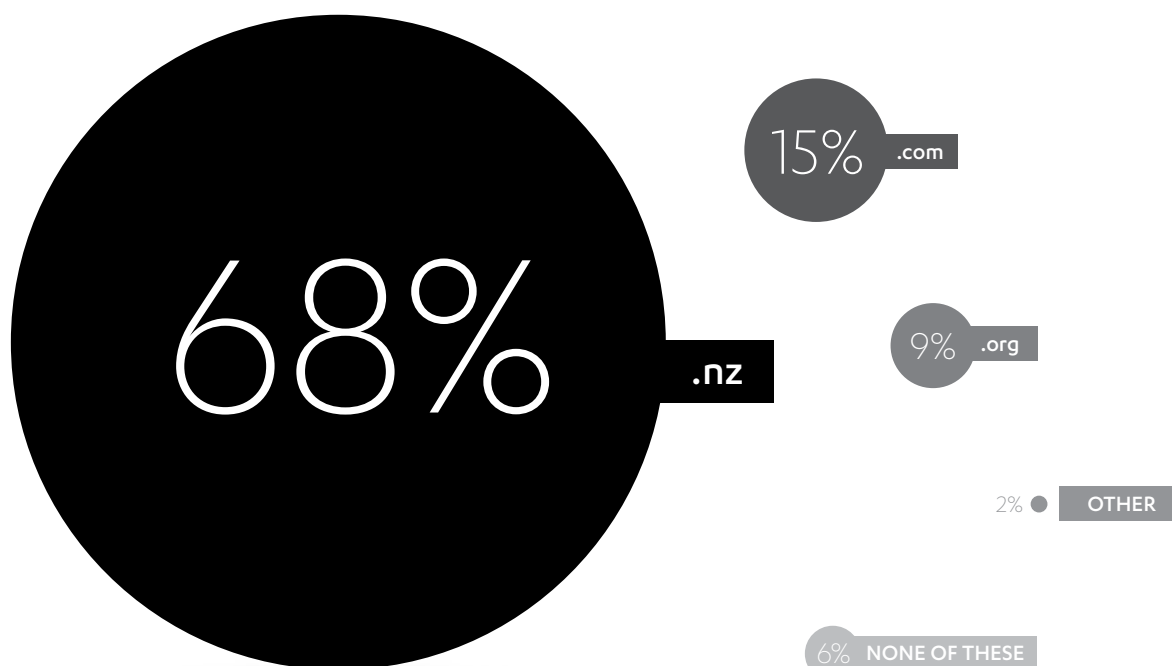
In addition, the number of consumers who turn to .nz sites for news first has fallen from 76% in 2012 to 72% this year, while the number who looked at .com news sites first has risen from 17% to 19%.



## graph 2.4\_

**New Zealanders continue to trust a .nz domain name the most**

**Question:** Thinking generally about websites, which type of website address do you trust the most?



.nz sites remain by far the most trusted by respondents compared with .com sites. Consumers also believe that, in general, .nz website addresses are the most trustworthy (by 68%) compared with other addresses, such as .com (15%).

Consumers say they trust .com websites because they are global and the most common, but a third (32%) aren't sure why they trust them. Of the characteristics that consumers look for in a trusted site, security remains the highest (by 64% of people), followed by a site having a .nz domain name (by 53%).

However, having regularly maintained content is significantly less of a reason to judge the trustworthiness of a website in 2013 than in 2012 (a fall to 45% from 50%). Most consumers expect New Zealand websites to be more relevant and to be able to sort out problems better than overseas sites.

graph 2.5\_

**Perceived Attributes of Domains**

**Question:** Here is a list of words. For each word, please indicate which website address it best describes.



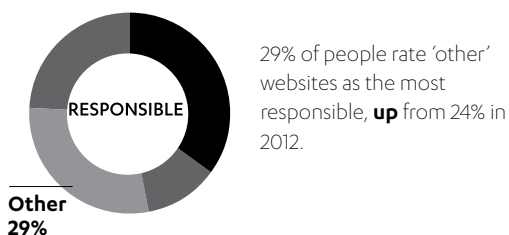
**Analysis:** Consumers’ overall attitudes towards .nz remain highly favourable. In 2013, .nz sites are seen as far more local than .com sites (little changed at 89% compared with 3%). However, .com sites are seen as more familiar in 2013 than 2012 (up from 23% to 25%).

A .nz domain is local, familiar, trusted, friendly, credible, and available. A .com domain name is global and traditional. No one domain name owns the attributes innovative, exciting and mature.

graph 2.6\_

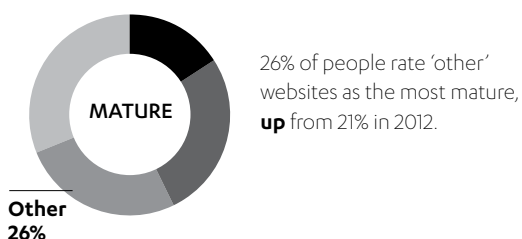
**Significant changes from 2012 in perceived attributes of website domain names**

**2013**



**Other websites include:**

	2012	2013
<b>.biz</b>	1.67%	2.24%
<b>.info</b>	1.67%	2.78%
<b>.net</b>	1.50%	2.06%
<b>.org</b>	18.71%	21.38%



	2012	2013
<b>.biz</b>	3.34%	3.63%
<b>.info</b>	2.32%	1.81%
<b>.net</b>	2.33%	2.99%
<b>.org</b>	11.84%	16.61%

.org is the biggest contributor to the 'other' website category, and shows the biggest increases from 2012 for both attributes. The increase for mature is statistically significant.

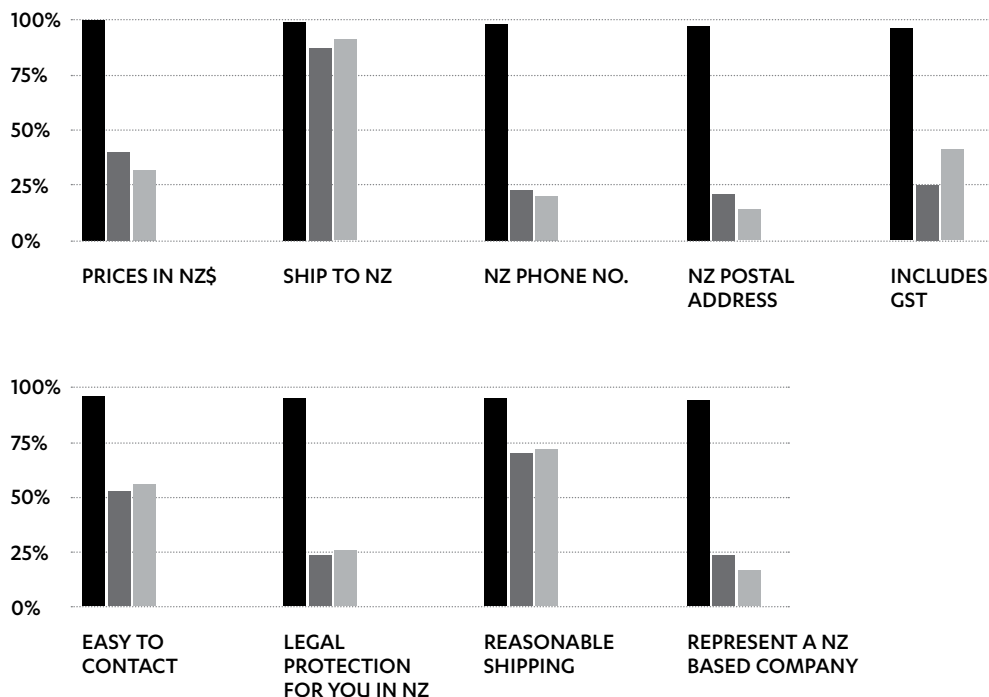


**Analysis:** There are only two statistically significant changes from 2012 in perceptions of website domain names; ratings of 'other' websites for both 'responsible' and 'mature' have increased.

graph 2.7\_

**Expectations of Websites**

**Question:** Imagine that you were buying products or services from a website whose domain name ends with .nz, .au, .com. Do you think that the website would have...?



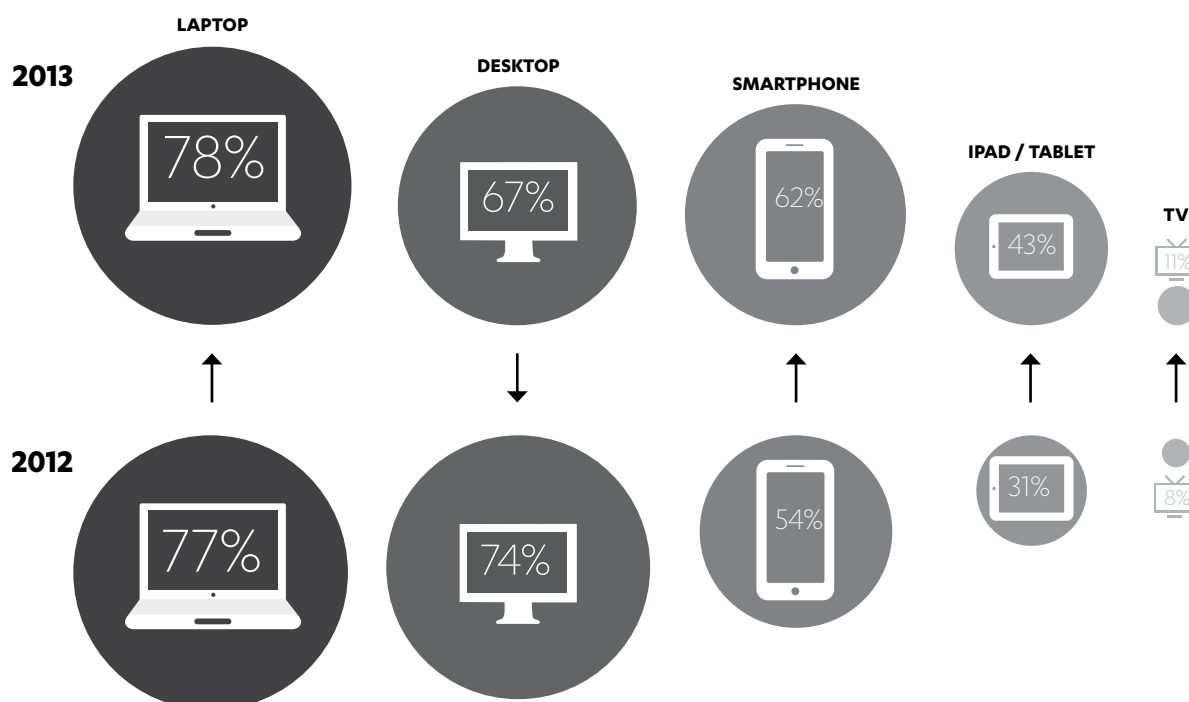
**Analysis:** All consumers expect .nz websites to show prices in New Zealand dollars, compared with 40% of consumers who expect it of .com sites (up from 33% in 2012). This reflects the continuing trend of New Zealanders looking to large offshore websites for good value and improvements in delivery from overseas.

Almost all (99%) consumers expected .nz sites to ship to New Zealand addresses (up from 98% in 2012), while an increasing number (87% up from 84%) expect the same service from .com sites. Slightly fewer consumers expect .nz sites to ship at reasonable cost than in 2012 (94% down from 97%).

graph 2.8\_

## Devices used to access the Internet

Question: Which devices do you use to access the Internet?



**Analysis:** The way New Zealanders access the Internet is changing rapidly with the widespread uptake of new technology. Consumers accessing the Internet with a desktop computer fell from 2012, while access with tablet and smartphone rose.

The number of consumers accessing the Internet via laptops has remains high (78%) while access through desktop computers dropped (67% in 2013 from 74% in 2012). That compares with significant rises in smartphone (62% from 54%) and tablet (43% from 31%) usage online, strongly suggesting businesses need to gear their websites to mobile users as well as the more traditional access via personal computers and laptops.

# Business

## 3.0\_ **BUSINESSES UNDER-REPRESENTED ONLINE**

The survey shows that although consumers increasingly search for products and services with their smartphones and tablets, businesses have yet to capitalise on this opportunity optimising sites for mobile devices.

It also highlights the fact that while the business community is highly aware of .nz domain names and shares with consumers the belief they are local, friendly, trustworthy and familiar, they remain reticent about obtaining one. Many sole traders continue to believe they do not need a domain name despite consumers preferring to look online for small business goods and services.

In the Business Survey, sole traders and enterprises are shown separately. For the purposes of this report the following definitions apply:

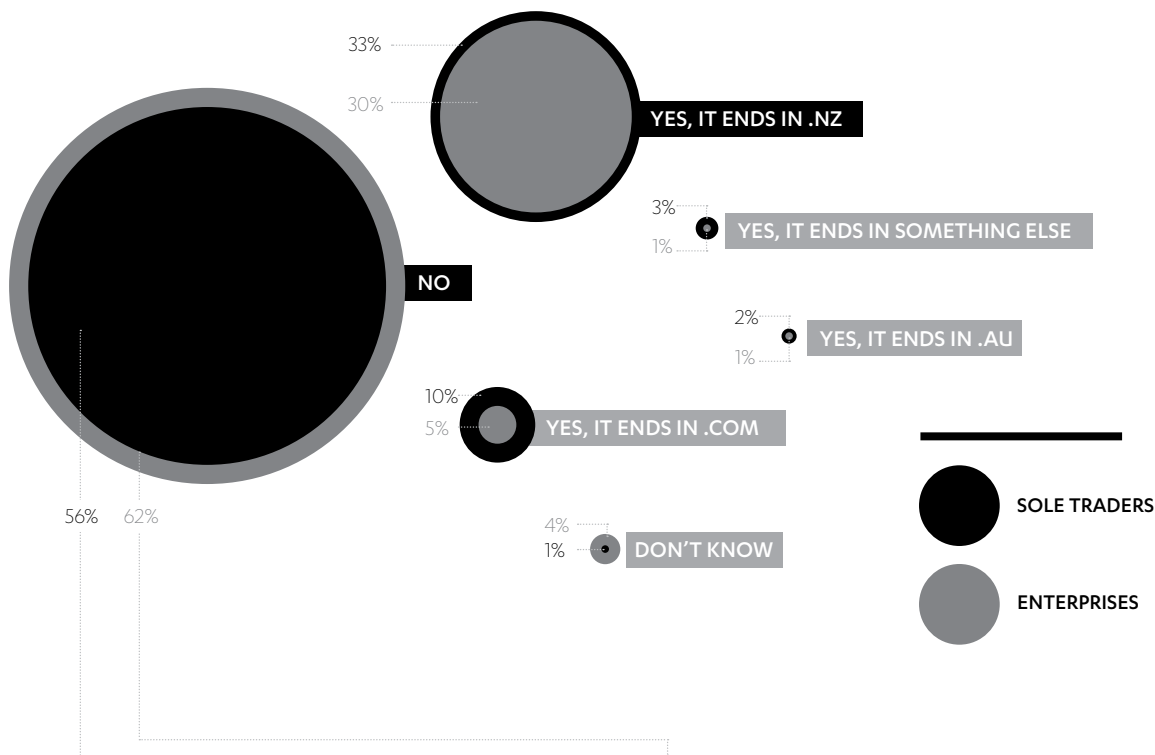
**Sole trader:** a business with only one person working in the business;

**Enterprise:** a business with one or more employees.

graph 3.0\_

**Domain name ownership among Businesses**

**Question:** Does your business own or manage its own domain name for use with a website?



**Sole traders** without a domain name.  
The top ten industries:

Other (Industry not specified)	17%
Construction	14%
Agriculture, forestry and fishing	11%
Scientific and technical services	9%
Health care and social assistance	9%
Info. media and telecoms	7%
Rental, hiring and real estate services	7%
Education and training	6%
Retail trade	5%
Accom. and food services	5%

**Enterprises** without a domain name  
The top ten industries:

Agriculture, forestry and fishing	20%
Construction	17%
Admin and support services	12%
Other (Industry not specified)	11%
Retail Trade	10%
Scientific and technical services	9%
Accom. and food services	7%
Transport, postal and warehousing	5%
Wholesale trade	5%
Education and training	5%

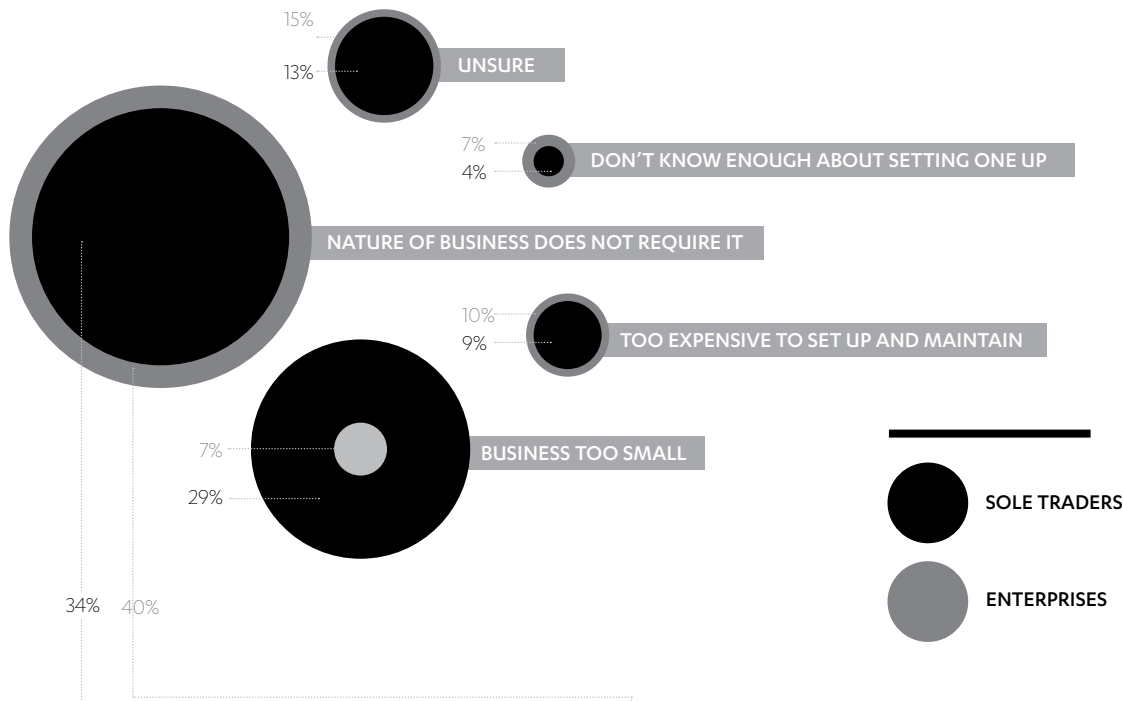
*NB. The incidence of domain name ownership among enterprises is weighted to reflect MYOB data (34%). Domain name ownership among sole traders is unweighted.*

**Analysis:** Despite being in the minority, almost all the New Zealand businesses that own websites (33% of sole traders and 30% of enterprises), own .nz domain names, compared with .com (10% of sole traders and 5% of enterprises).

graph 3.1\_

### Sole traders and enterprises: Reasons for not having a domain name

**Question:** What are the main reasons your business does not currently have a domain name?



**Sole traders** who think the nature of their business does not require a domain name.

The top five industries:

<b>Construction</b>	17%
<b>Other (Industry not specified)</b>	16%
<b>Health care and social assistance</b>	13%
<b>Agriculture, forestry and fishing</b>	13%
<b>Rental, hiring and real estate services</b>	11%

**Enterprises** who think the nature of their business does not require a domain name.

The top five industries:

<b>Agriculture, forestry and fishing</b>	32%
<b>Construction</b>	15%
<b>Other (Industry not specified)</b>	14%
<b>Scientific and technical services</b>	7%
<b>Transport, postal and warehousing</b>	7%

**Analysis:** Both sole traders and enterprises with domain names are equally likely to have a .nz domain for their email. However, sole traders are more likely (21%) to use a free email service such as gmail compared with larger enterprises (13%).

Geographically, larger enterprises (with 20 or more employees) in manufacturing and financial and insurance services based in Auckland or Tauranga are most likely to own a domain name.

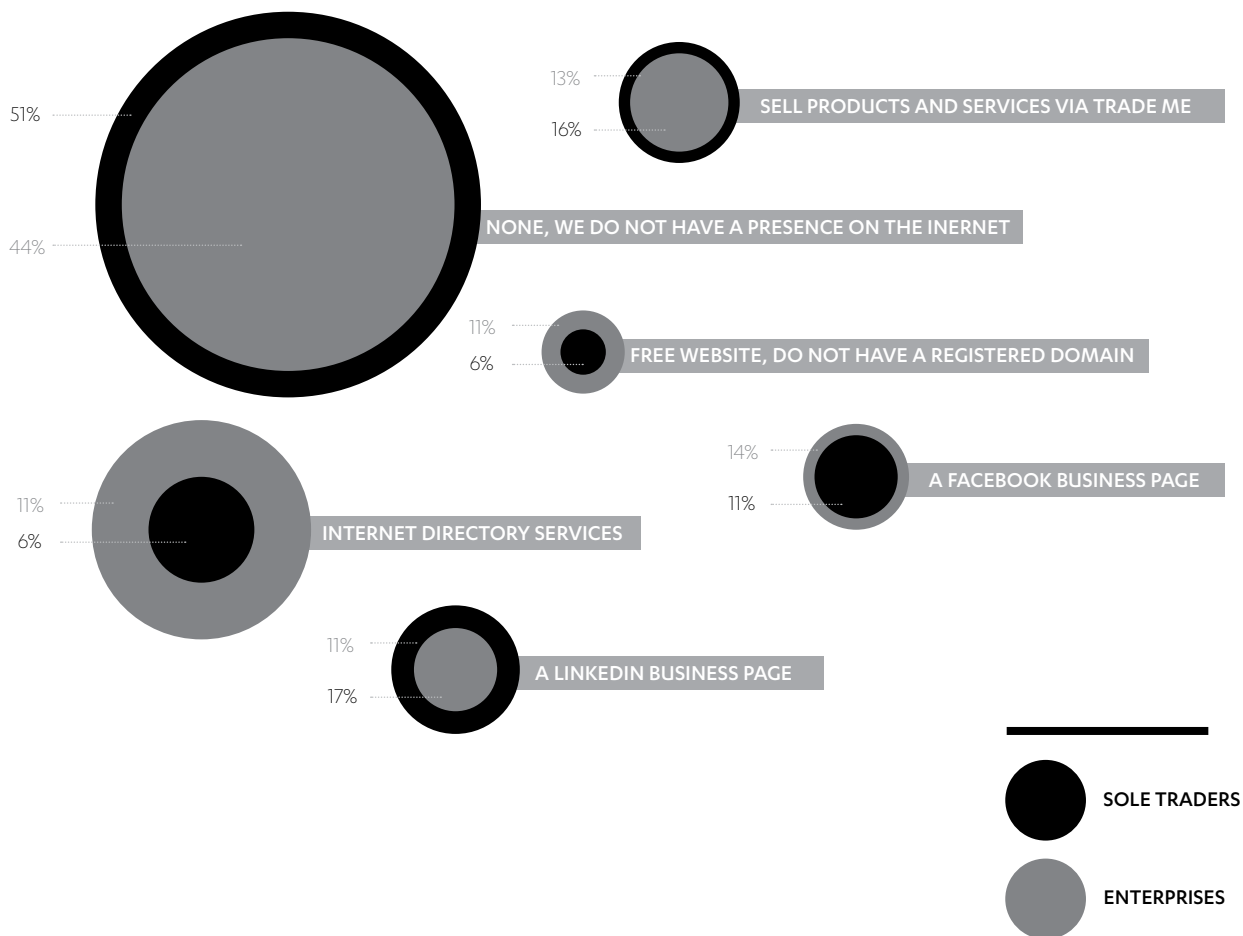
For businesses without a domain name, nearly half have no Internet presence and a quarter (24%) of enterprises and more than a third (35%) of sole traders see no reason to buy a domain name. Less than one in 10 sole traders (8%) say they are likely to obtain a domain name in the next 12 months, although the majority (81%) are likely to obtain a .nz name if they did so.



graph 3.2\_

**Businesses without a domain name:  
Sole traders and enterprises: Presence on the internet**

**Question:** We asked businesses who do not have a domain name if they have a presence on the Internet and if so what type of presence.

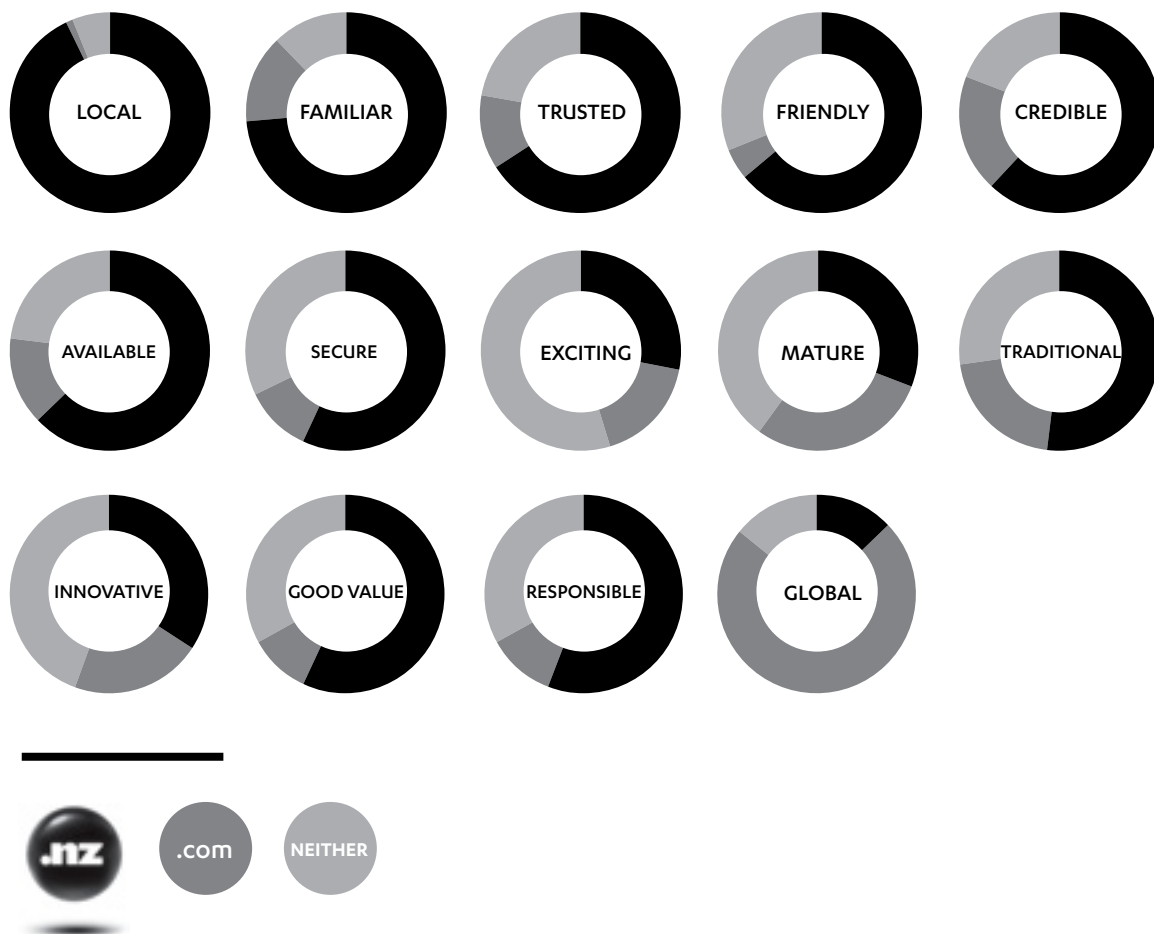


**Analysis:** More than half the sole traders (51%) and two fifths of enterprises (44%) without domain names lack any presence on the Internet. The remainder limit their online operation to TradeMe (16% of sole traders and 13% of enterprises), Facebook (11% and 14% respectively), LinkedIn (11% and 17% respectively) and other, mainly free services.

graph 3.3\_

**Attributes of different domain names for businesses**

**Question:** Here is a list of words. For each word, please indicate which website address it best describes.



**Analysis:** Most business people strongly associated .nz domains with being local (92%), trusted (69%), friendly (67%), credible (61%) and secure (55%). The .com domains, meanwhile, scored higher on being global (by 87%) and mature (41%).

Sole traders and larger enterprises both believe that .com owns the benefit of being global. Neither .nz or .com are seen as exciting, mature or innovative.

# Mobile Devices

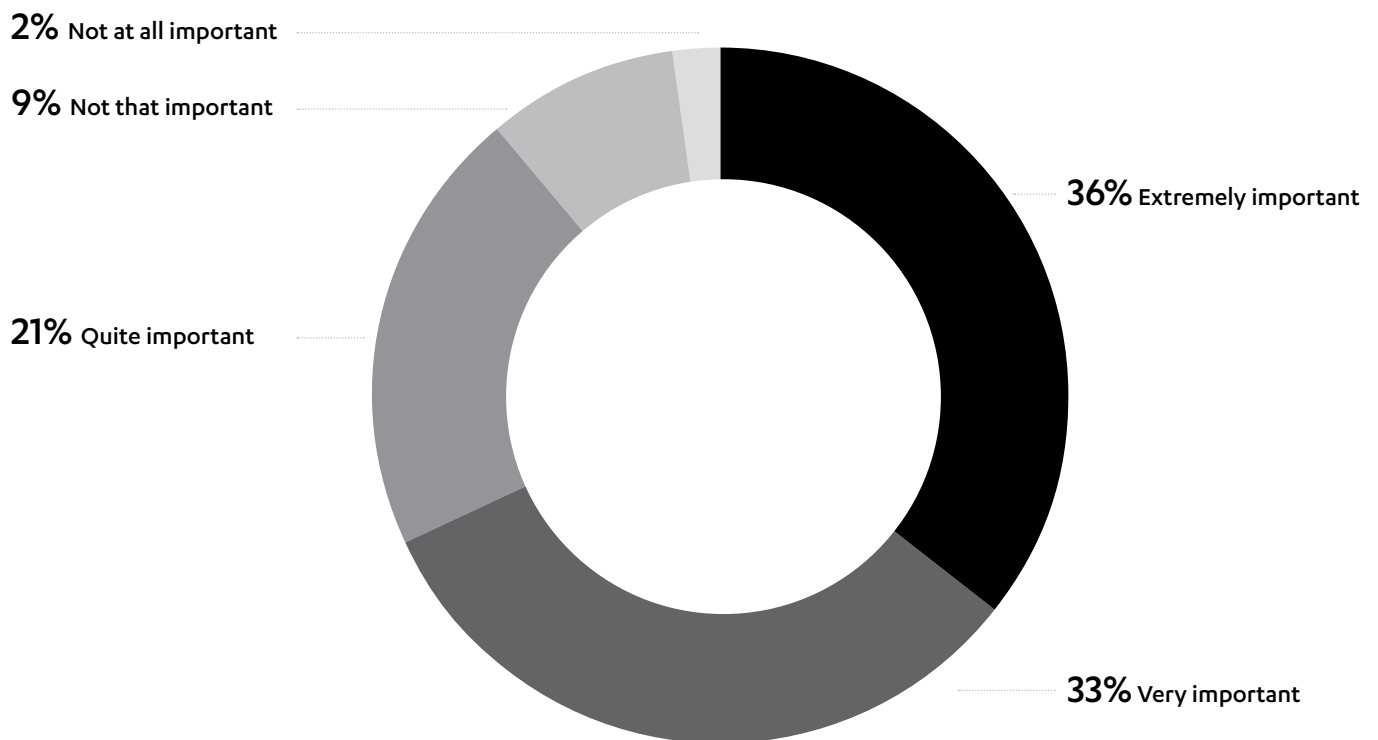
## **4.0\_ MOBILE EXPERIENCE IS INCREASING IN IMPORTANCE**

The figures tell a simple, yet intriguing story. More and more people not only prefer to use mobile devices such as tablets and smartphones to browse the web, but increasingly to shop. New Zealand businesses have a huge opportunity to capitalise on this. But, so far, it's one that many companies have yet to grasp by gearing their websites (if they even have one) for mobile device users.

## graph 4.0\_

**The importance to consumers of websites being designed to be used on mobile devices**

**Question:** Thinking now about the websites you visit using your mobile phone, iPad or tablet. How important is it to you that these websites are designed to be used on mobile devices as well as computers or laptops?



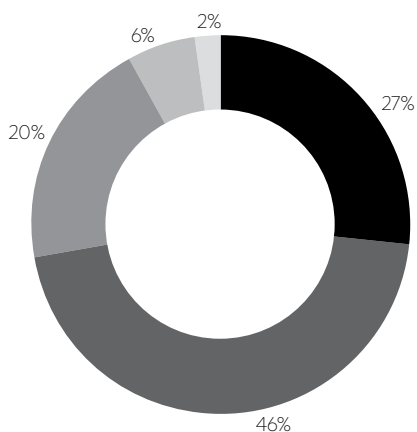
**Analysis:** Over two thirds of people say it is either extremely important or very important that the websites they visit on their mobile, iPad or tablet are designed for this purpose. A further third say it is very important.

## graph 4.2\_

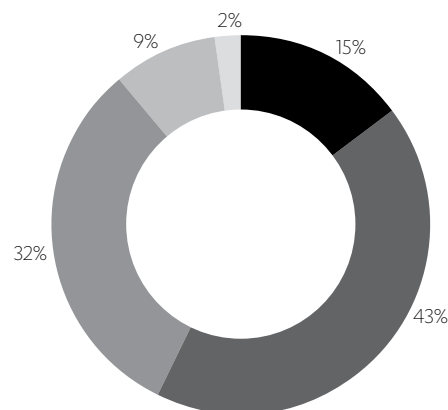
---

**How consumers react to websites on mobile devices**

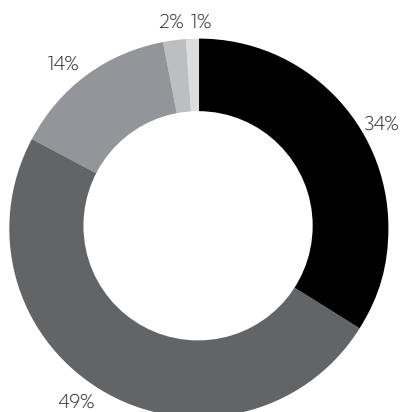
**Question:** If a website does not function well on my mobile device I will move to a site that does:



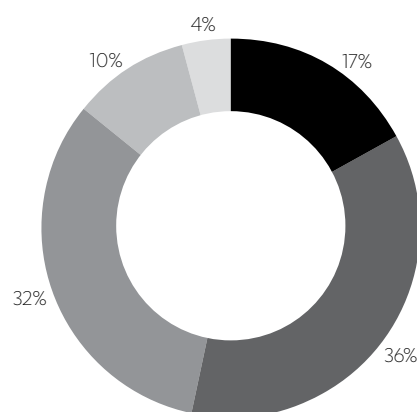
**Question:** Mobile design affects my perception of a business and the services they offer:



**Question:** Mobile design shows that the business thinks about my needs as a user:



**Question:** Mobile design increases the likelihood that I will purchase products or services from a business:




---

**STRONGLY AGREE**

**AGREE**

**NEITHER NOR**

**DISAGREE**

**STRONGLY DISAGREE**

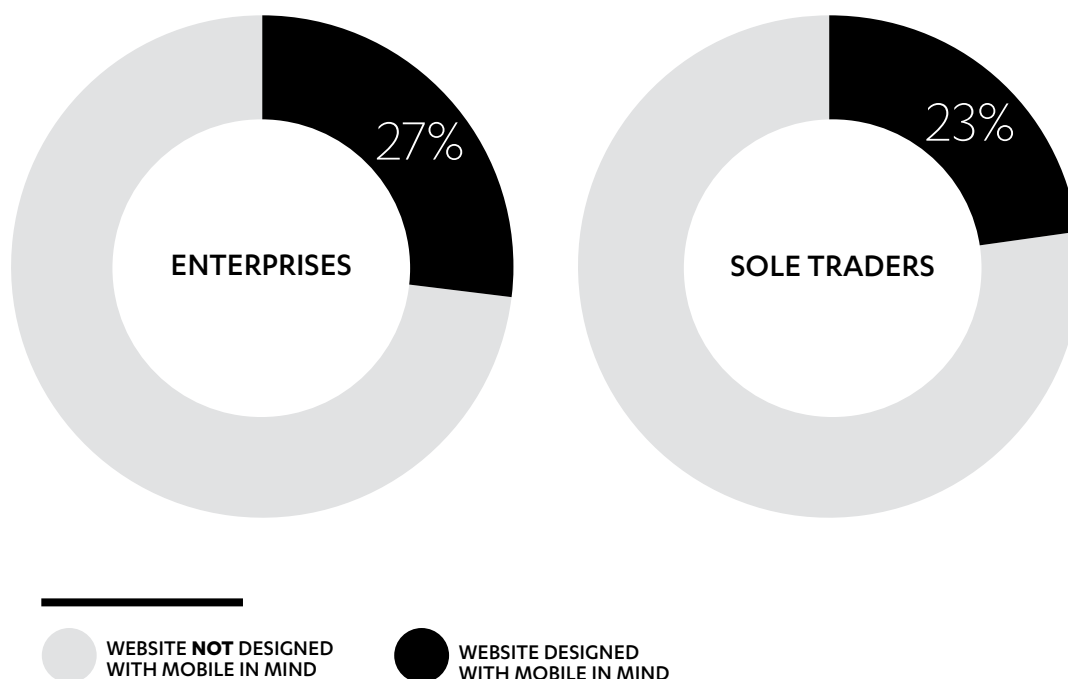
**Analysis:** The importance of website design for mobile is reflected in what consumers will do as a result — three quarters will move from the website if it does not function, and over half agree it affects the likelihood they will make a purchase.

There was little intention among businesses that did not have mobile-compatible websites to rectify that issue, despite overwhelming evidence that consumers increasingly shop for goods and services with their smartphones and other portable devices.

graph 4.3\_

### Business websites that are compatible with mobile devices

**Question:** Now thinking about how your customers use your website, is your business' website designed to be used on mobile devices such as smartphones, iPads and tablets?



**Analysis:** The survey shows two-thirds (65%) of sole traders and three-quarters (74%) of businesses use mobile devices to access the Internet, but just one quarter of these businesses (27% of enterprises and 23% of sole traders) design their websites with mobile usage in mind. In addition two thirds of companies with mobile-compatible websites place great importance on it and believe it has had a positive effect on their businesses.

# Methodology

## 5.0\_

In total, 1,003 respondents were recruited from the Colmar Brunton online consumer panel and 1,101 business people for the business panel.

The maximum margin of error for this sample size is  $\pm 3.1\%$  at the 95% confidence level for the consumer survey and  $\pm 3.0\%$  at the 95% confidence level for the business survey. The data is weighted by age, gender and region to reflect the New Zealand population.

Both surveys were conducted between 23 September and 7 October 2013.

Enterprise data (i.e. all businesses that are not sole traders) is weighted by incidence of domain name ownership (34% as determined by MYOB, 2013), as well as by business size, and industry to reflect the New Zealand population. Results for sole traders are unweighted and are reported separately.

# About ut.nz Registry Services

**6.0\_ .nz is managed by .nz Registry Services (NZRS\*), the wholesale provider of .nz domain names to a retail channel of registrars who offer .nz domain names to the public.**

If you would like more information on our role and activities then please contact **[info@getyourselfonline.co.nz](mailto:info@getyourselfonline.co.nz)**

If you would like more information about getting online with .nz then please visit **[www.getyourselfonline.co.nz](http://www.getyourselfonline.co.nz)**

NZRS is wholly owned by InternetNZ (Internet New Zealand Inc.) which is the charitable open membership organisation dedicated to protecting and promoting the Internet in New Zealand. For more information about InternetNZ please visit **[www.internetnz.net.nz](http://www.internetnz.net.nz)**

The .nz domain name market is regulated by the Domain Name Commission Limited (DNCL). For more information about DNCL please visit **[www.dnc.org.nz](http://www.dnc.org.nz)**

*\* New Zealand Domain Name Registry Services Ltd*

Images:  
The moon, by Adam Wyles  
The sky, by Doug Bowman



FROM HERE WE  
CAN GO ANYWHERE.