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.nz

Domain



Name

Research

Perceptions, Awareness and Use

Conducted November 2012 by Colmar Brunton
on behalf of .nz Registry Services

Introduction

1.0_

The November 2012 annual NZRS survey of domain name awareness showed the overwhelming popularity of .nz domain names with 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 were heavy Internet users and **much preferred .nz websites** while New Zealand businesses had yet to fully embrace the idea that Consumers search for products and services online.
- Businesses and consumers have similar perceptions of .nz and .com domain names. Both groups perceive **.nz as local, friendly, trusted and familiar**, whereas both groups see .com as more global, exciting and mature.
- The consumer preference to use .nz over .com indicates the value of using a .nz domain for businesses that see New Zealand as a target market.

- The majority of businesses without a domain name use an **ISP provided or free address for email**. They say they would be most likely to register a .nz domain name for the website and email address, however half of them do not know how to do this.
- Over one third of **consumers specifically search for .nz domain names** on the Internet all of the time.
- Four out of five consumers prefer to use a .nz website when searching or buying products and services online.
- Consumers are significantly more likely to look at first, prefer to use, and trust a .nz website than all other top level domains, such as .com.
- Over half of consumers say that a **.nz domain name makes a website trustworthy**, and that .nz is the most local and most trusted domain name.
- When compared with .com sites, almost all (97%) consumers expect .nz sites to ship at reasonable cost, be easy to contact and to have legal cover.

C nsurers

2.0_

CONSUMERS PREFER .NZ DOMAIN NAMES

The survey showed that consumers are highly connected to the internet and rely on it heavily for sourcing information, products and services.

Websites that use a .nz domain name factor strongly when it comes to identifying with local, trusted and relevant content. New Zealanders show a strong preference for websites that use .nz. When using websites Consumers have specific expectations of .nz websites in terms of pricing in NZ dollars, being easy to contact, having legal protection and representing a company based in NZ.

Reasons why New Zealanders trust .nz

(Verbatim comments)

‘Because I assume its local and is going to be more trustworthy, and accurate in detail.’

‘Because the legal framework in NZ is more trustworthy than nebulous overseas addresses.’

‘More likely to be governed by New Zealand law. Easier to relate to and follow up if there is a problem.’

‘I prefer New Zealand websites because I am usually after NZ content and there is so much out there on .com that it is hard to find the good/reliable stuff.’

‘Because I am a New Zealander and have more trust in NZ companies.’

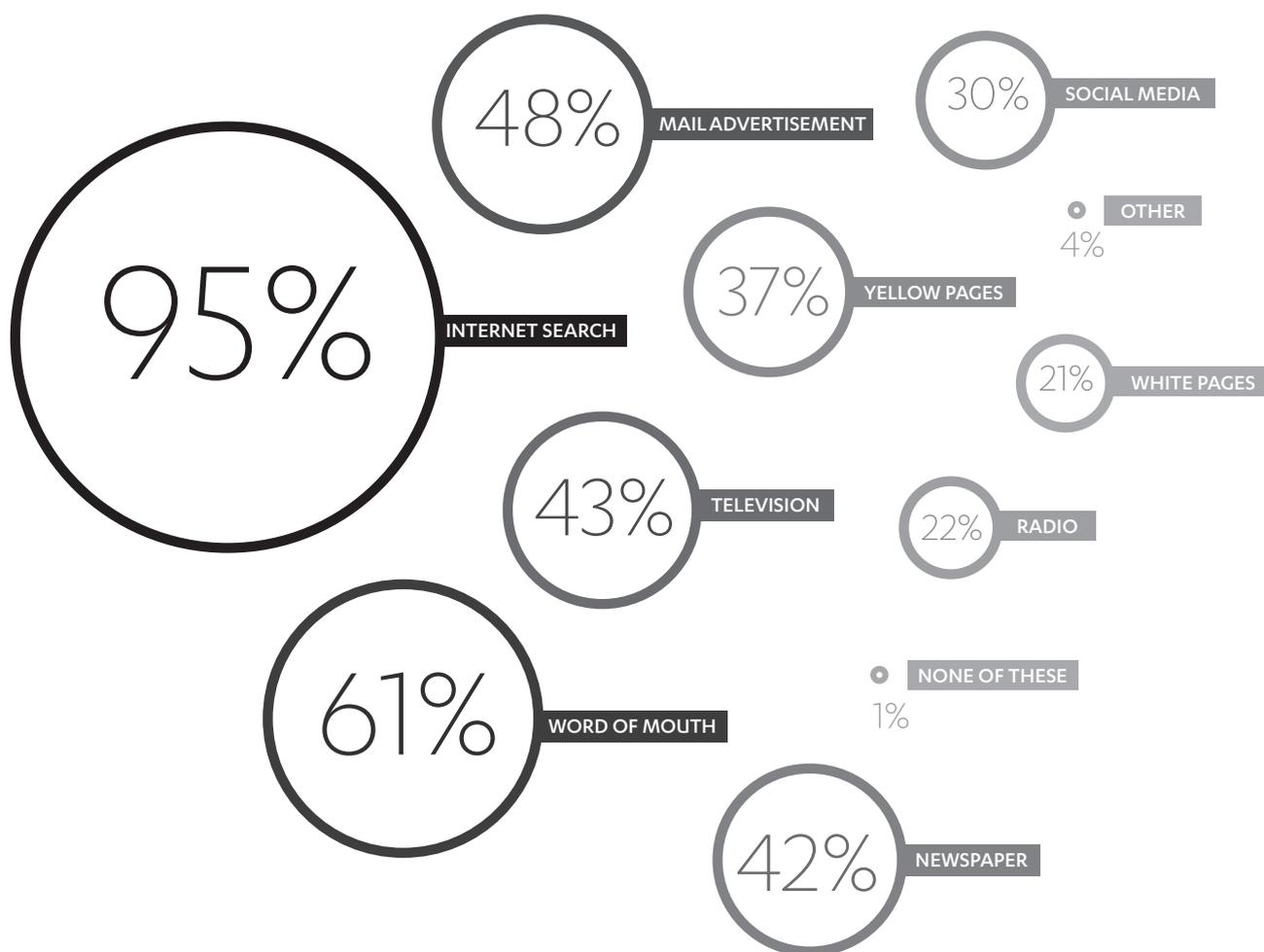
‘Because they are generally relevant to NZ.’

‘Because it denotes NZ ownership/authority. .com is so common, but I don’t trust purchases made from any site other than .co.nz.’

graph 2.0_

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?

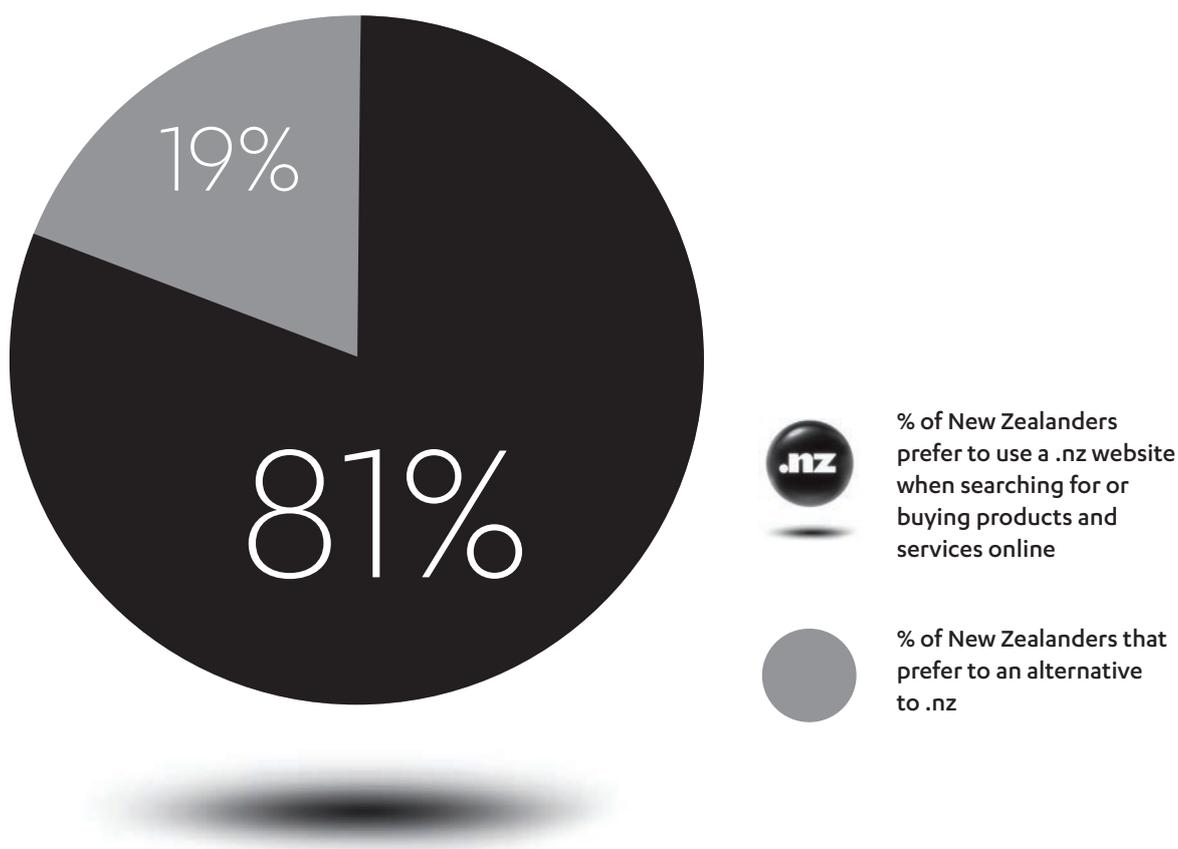


Analysis: The survey showed that nearly all of online New Zealand (95%) relies on the Internet as the primary way to find products and services. The figure dwarfed other methods such as word of mouth (61%) and traditional media, with fewer than half of respondents using television (48%) and newspapers (42%) and less than a quarter using radio (22%).

graph 2.1_

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?*

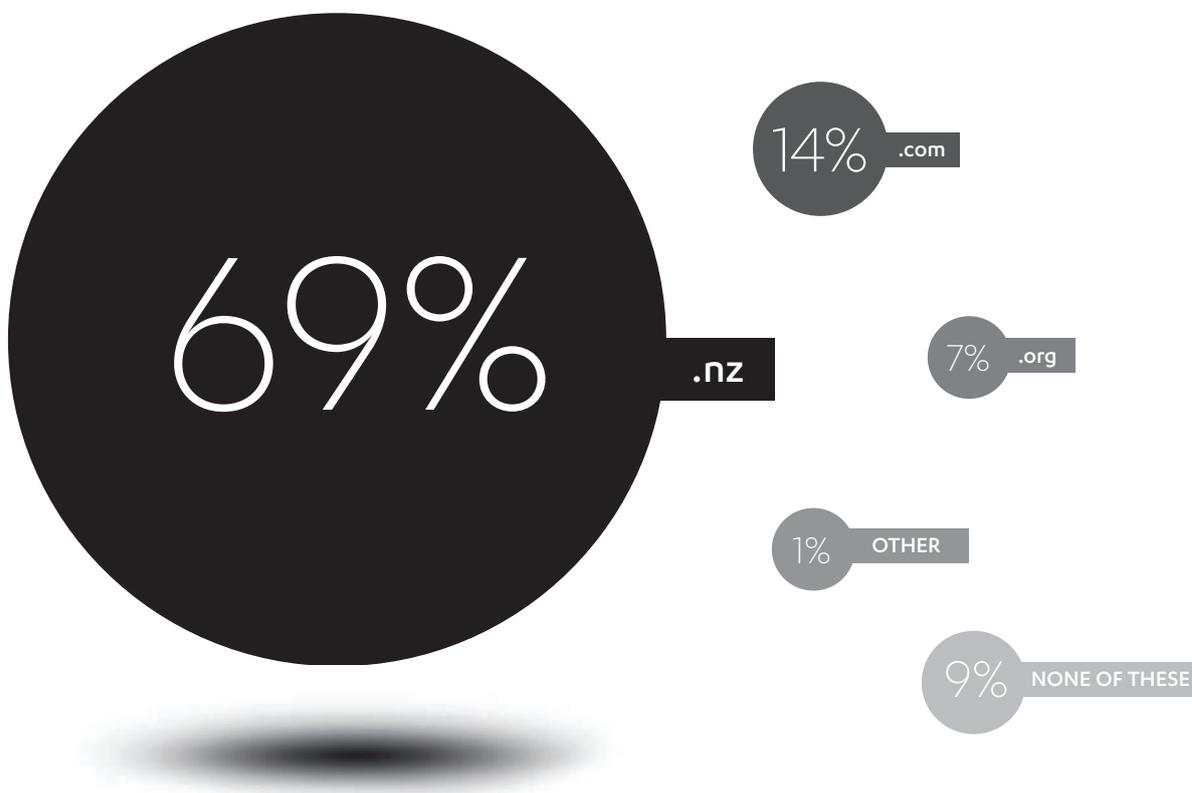


Analysis: Once online, most New Zealanders (81%) preferred to use a .nz website. Of those, nearly three quarters (72%) looked for .nz websites first, compared with the 20% looking at .com sites.

graph 2.2_

New Zealanders Trust in Domain Names

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



Analysis: Consumers believed that, in general, .nz website addresses were the most trustworthy (69%) compared with other addresses, such as .com (14%). Most people (77%) said they preferred to use .nz websites over any other, with 17% preferring .com sites.

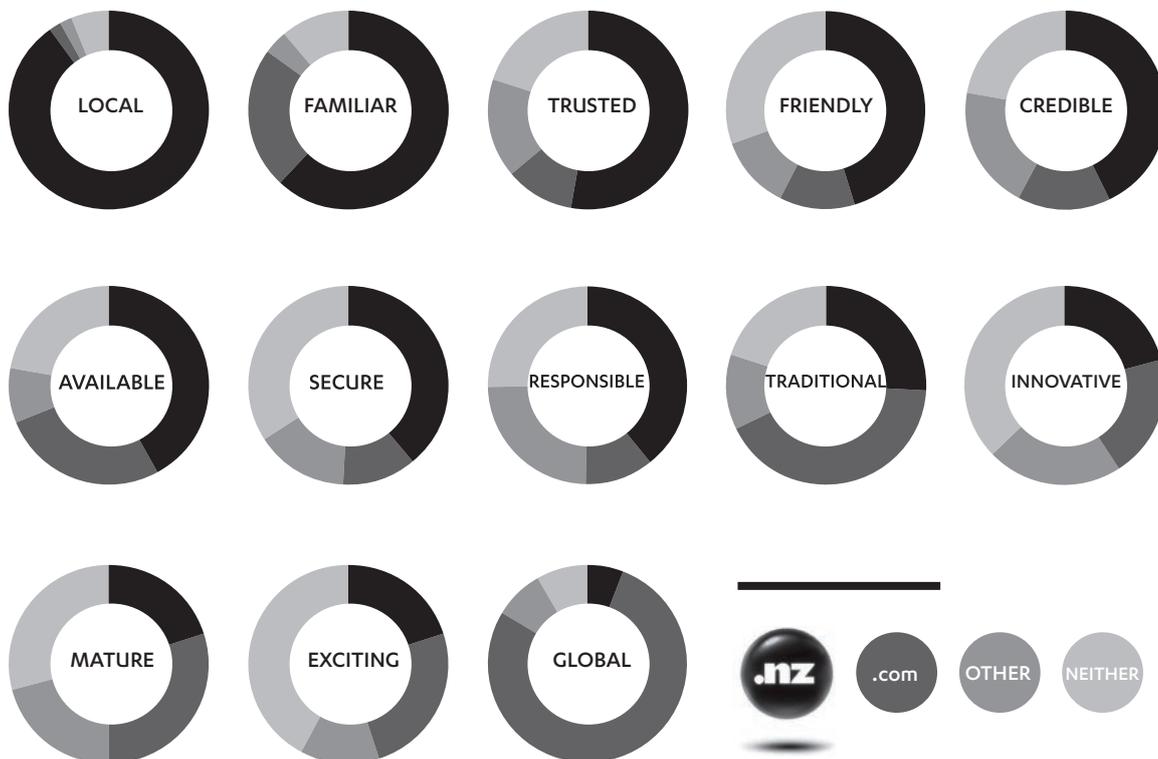
That trust was reflected by consumers trusting .nz the most when it came to searching online (72%), purchasing online (71%) and reading news (71%).

Despite having easy access to well-resourced websites around the world, consumers' overall attitudes towards .nz were highly favorable.

graph 2.3_

Perceived Attributes of Domains

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



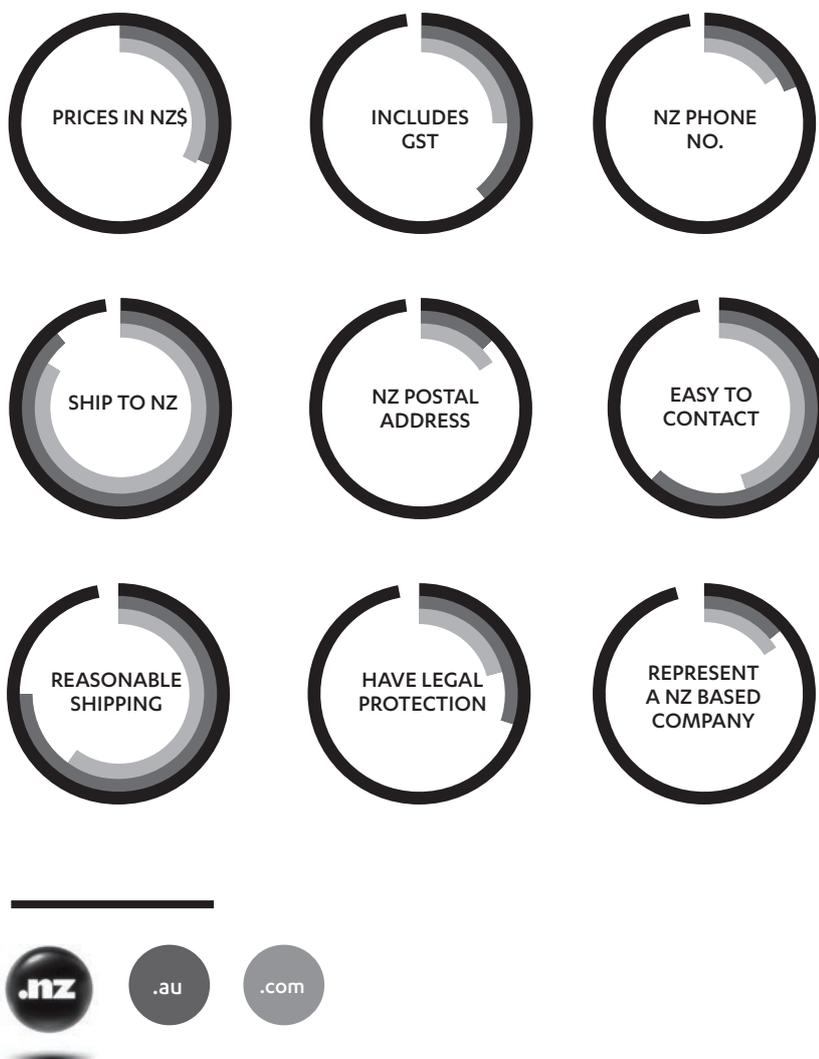
Analysis: .nz sites were seen as far more local than .com sites (by 90% of respondents compared with 2%), as well as familiar (62% to 23%), friendly (45% to 12%), trusted (53% to 11%) and credible (43% to 15%). Consumers saw .com websites as global, traditional, mature and exciting.

Additionally, consumer awareness of domain names is high, particularly for .nz and .com. Awareness of second level domains is also high, particularly for .co.nz and .govt.nz. One in 120 respondents knew of .kiwi.nz which launched in September 2012 (two months before the survey). One in five consumers had a domain name, which was most likely to be .co.nz and they were most likely to have it for email addresses.

graph 2.4_

Expectations of Websites

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

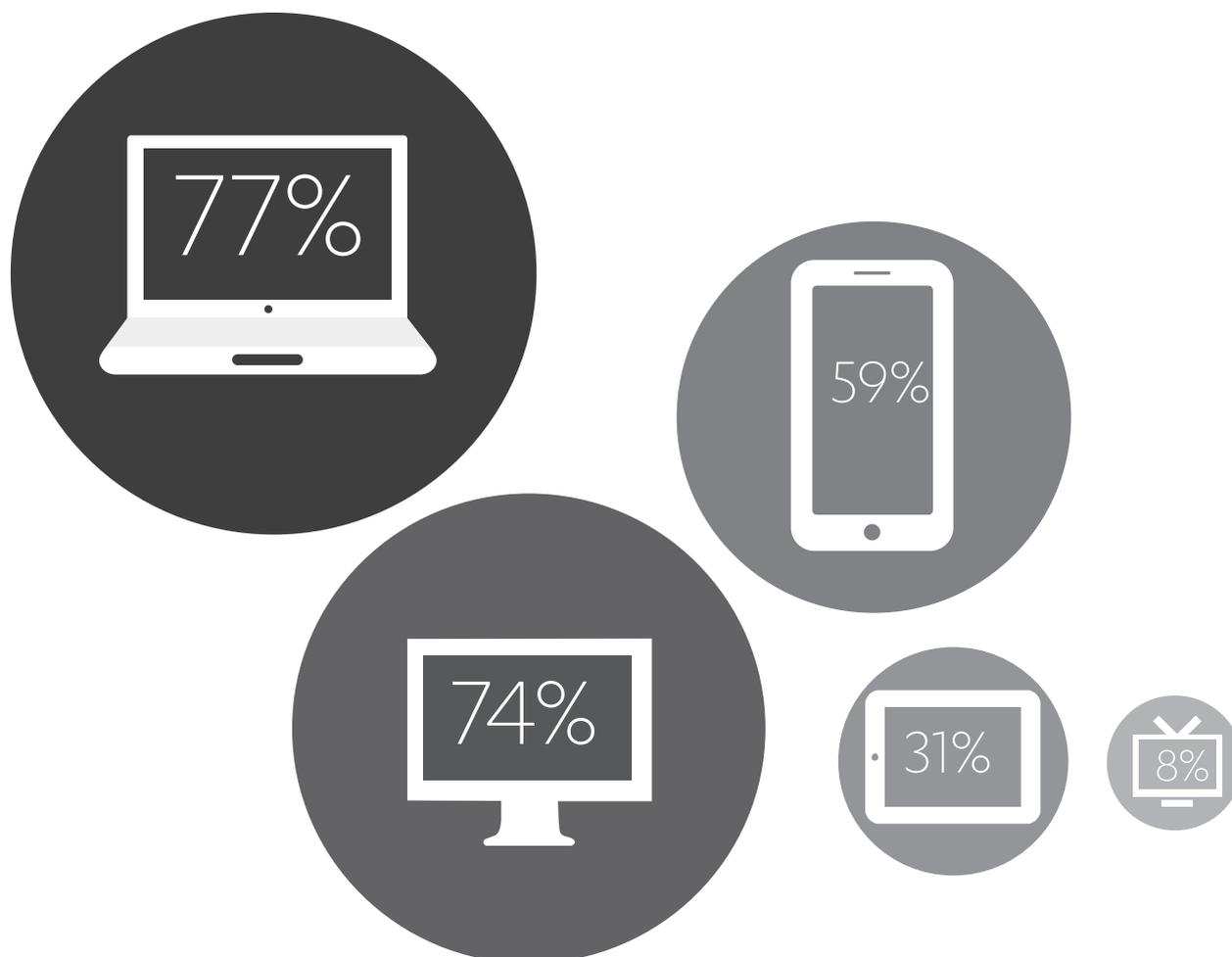


Analysis: All consumers expected .nz websites to show prices in New Zealand dollars, compared with a third (33%) for .com sites. Reflecting the rapid **changes in online shopping trends**, almost all (98%) consumers expected .nz sites to ship to New Zealand addresses, while a significant number (84%) also expected the same service from .com sites, many of which would be based overseas. Almost all (97%) consumers also expected .nz sites to ship at reasonable cost, be easy to contact and to have legal cover, compared with .com sites.

graph 2.5_

Devices used to access the Internet

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



Analysis: With the widespread uptake of smartphones and tablets, the way consumers access the Internet is likely to have changed significantly since this survey was conducted. At the time, around three quarters of consumers accessed the Internet via laptops (77%) and desktop computers (74%) compared with mobile phones (59%) and tablets (31%).

As adoption of Internet-based technologies and hand-held devices accelerates among businesses and consumers alike, the upcoming 2013 survey will show whether these attitudes have changed over the past 12 months.

Business

3.0_ **BUSINESS AWARENESS YET TO MEET DOMAIN TAKE UP**

The survey showed that while the business community is highly aware of .nz domain names, and shares with consumers the belief that they are local, friendly, trustworthy and familiar, it remained reticent about obtaining one. Two thirds of New Zealand businesses had yet to obtain a domain name at the time of the survey*.

While the Internet is the first place most consumers look to find products, services and information, many businesses have yet to seize the opportunity that comes with having their own unique presence online.

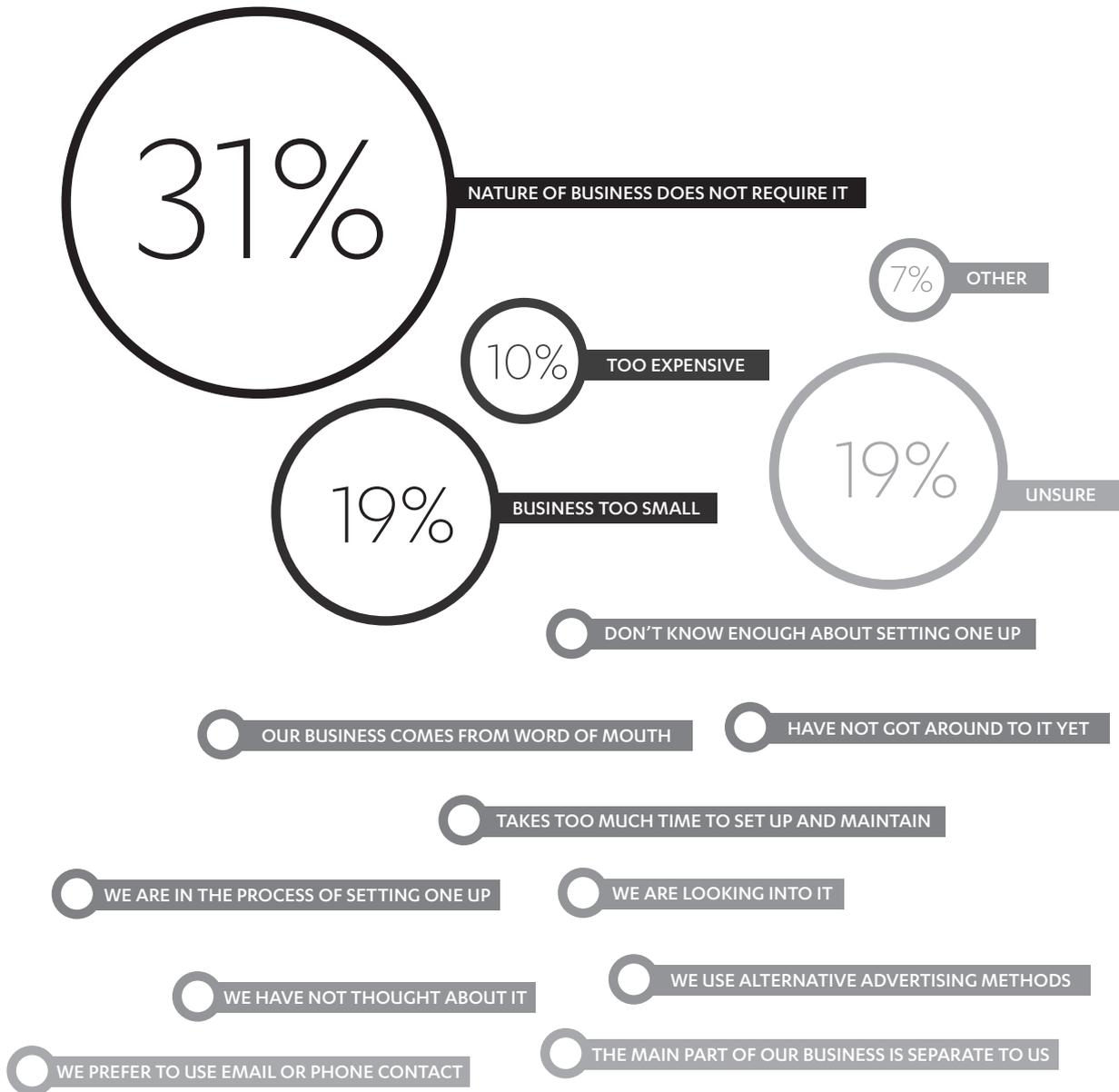
The survey found more than half of businesses did not have a domain name for email, with the majority of these using an ISP instead. Three-quarters of businesses that had a .nz domain had just one version of it, generally .co.nz. Of those businesses without domain names, half said that either the industry they were in, or their company, was too small to warrant getting one. One tenth said they thought the process to set up a domain name would be too expensive and fewer than 2% had not thought about doing so.

**Incidence rate sourced from the MYOB Business Monitor (June, 2012)*

graph 3.0_

Reasons for not having a domain name

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

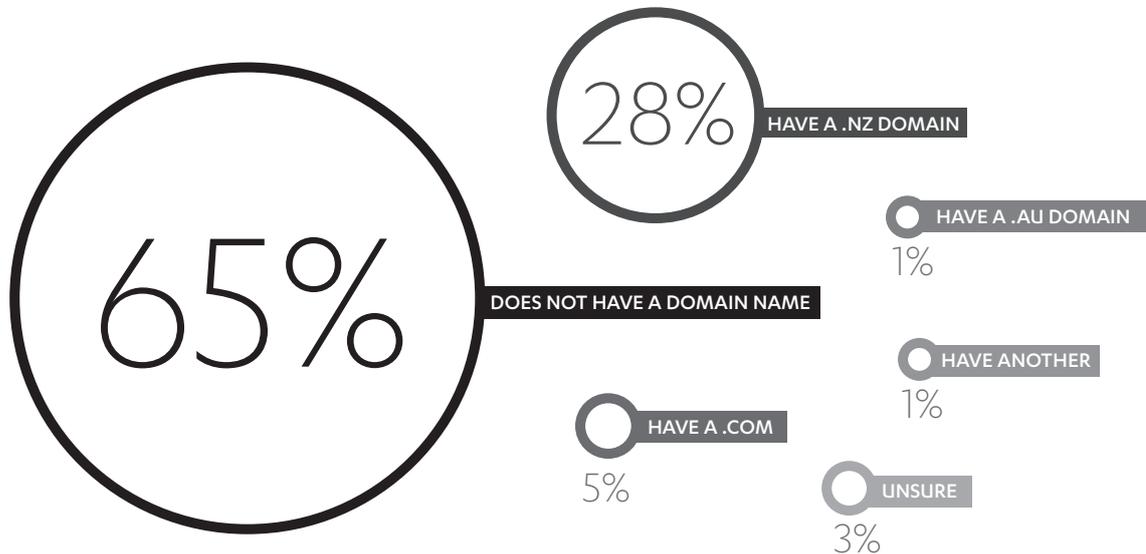


Analysis: The reasons for not having a domain name (and by implication a website and email address based on that domain) are quite varied, but the three top reasons are: the nature of the business does not require it (31%), business too small (19%) and unsure (19%). Given the dependance consumers have on the internet for finding information, products and services it is surprising to see the quantities of businesses that have yet to see value in developing an online presence with a domain name.

graph 3.1_

Businesses that have and do not have a domain name

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



Analysis: Around two thirds of New Zealand businesses do not manage their own domain name for use with a website, indicating that a large proportion of businesses have yet to see the value in establishing their own branded presence online.

Additionally, more than half those surveyed (57%) said they did not know how to get a domain name, with a third (34%) saying they had some idea and just 9% saying they knew exactly how to obtain one.

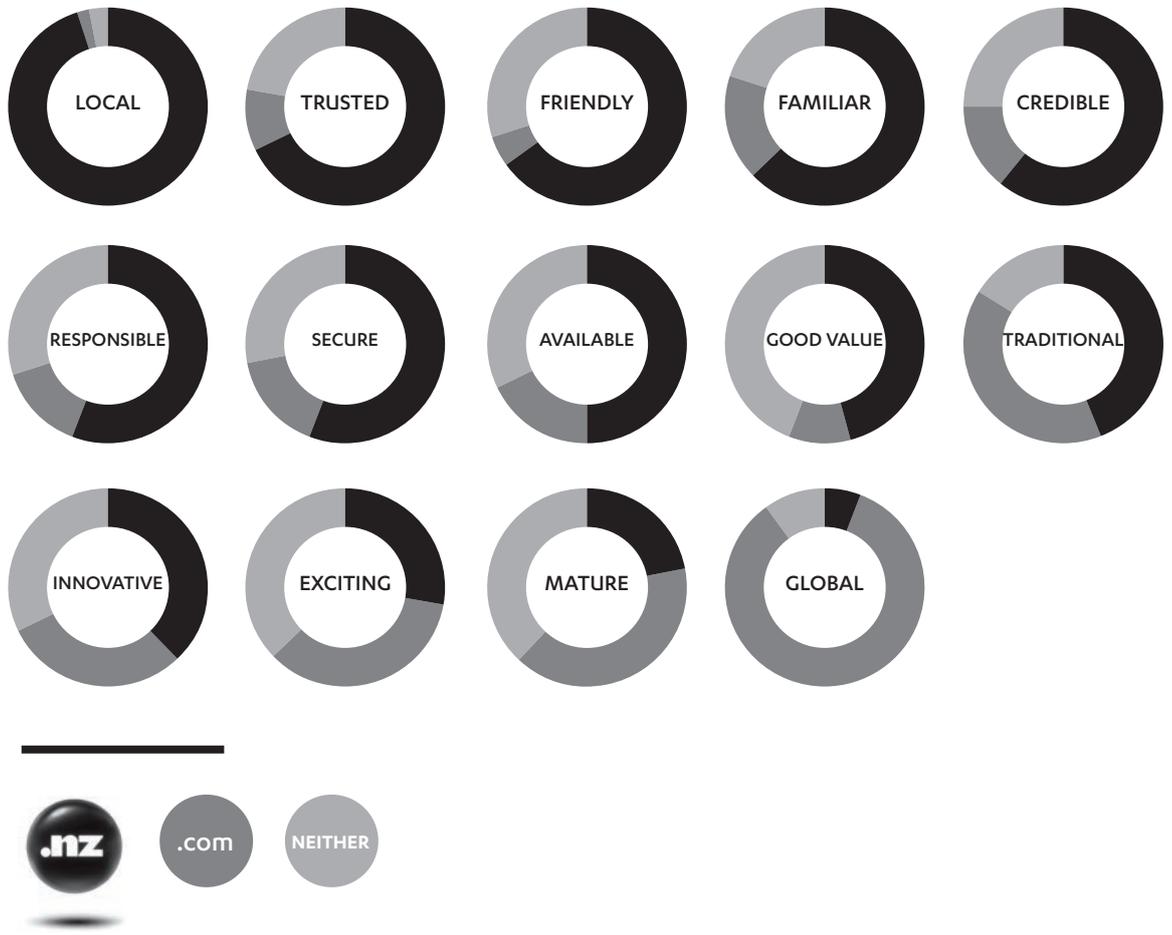
Understandably, .co.nz was by far the most popular of the second tier .nz domain names among business people (85%) compared with the next most popular, .org.nz (4%).

In terms of benefits associated with domain names, most business people (55%) thought .nz sites improved customer engagement, and more than a third (35%) said that they offered better-value marketing opportunities. A quarter (26%) felt they would improve online sales, but not as much as a .com site would (47%). In addition, .com sites were perceived to be far better at reaching more clients than .nz sites (72% compared with 16%) and for helping to expand a business (63% compared with 19%).

graph 3.2_

Attributes of different domain names

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%).

conclusion_

The business survey results are in stark contrast to highly connected consumers that search extensively online and seek out NZ businesses. Many NZ businesses are yet to realise this opportunity to engage with their customers and leverage a .nz presence to be found and develop trust online.

Methodology

4.0_

Colmar Brunton conducted the online survey between 19 November and 2 December 2012 to measure what business people and consumers knew and thought about .nz domain names. They recruited 1,001 respondents from the Fly Buys online consumer panel and 517 business people from the Fly Buys online business panel. Of the business people surveyed, 266 had a domain name and 251 did not.

These groups were weighted to reflect the incidence of domain name registration in New Zealand businesses (32%*) and to be representative of the NZ population. The maximum margin of error for a simple random sample of this size is $\pm 3.1\%$ for the consumer survey and $\pm 4.4\%$ for the business survey, at the 95% confidence level.

**Incidence rate sourced from the MYOB Business Monitor (June, 2012)*

About ut .nz Registry Services

4.1_ **.nz Registry Services (NZRS*) is 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 david@nzrs.net.nz

If you would like more information about getting online with .nz then please visit 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

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

** New Zealand Domain Name Registry Services Ltd*

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



FROM HERE WE
CAN GO ANYWHERE.