



**.ART**

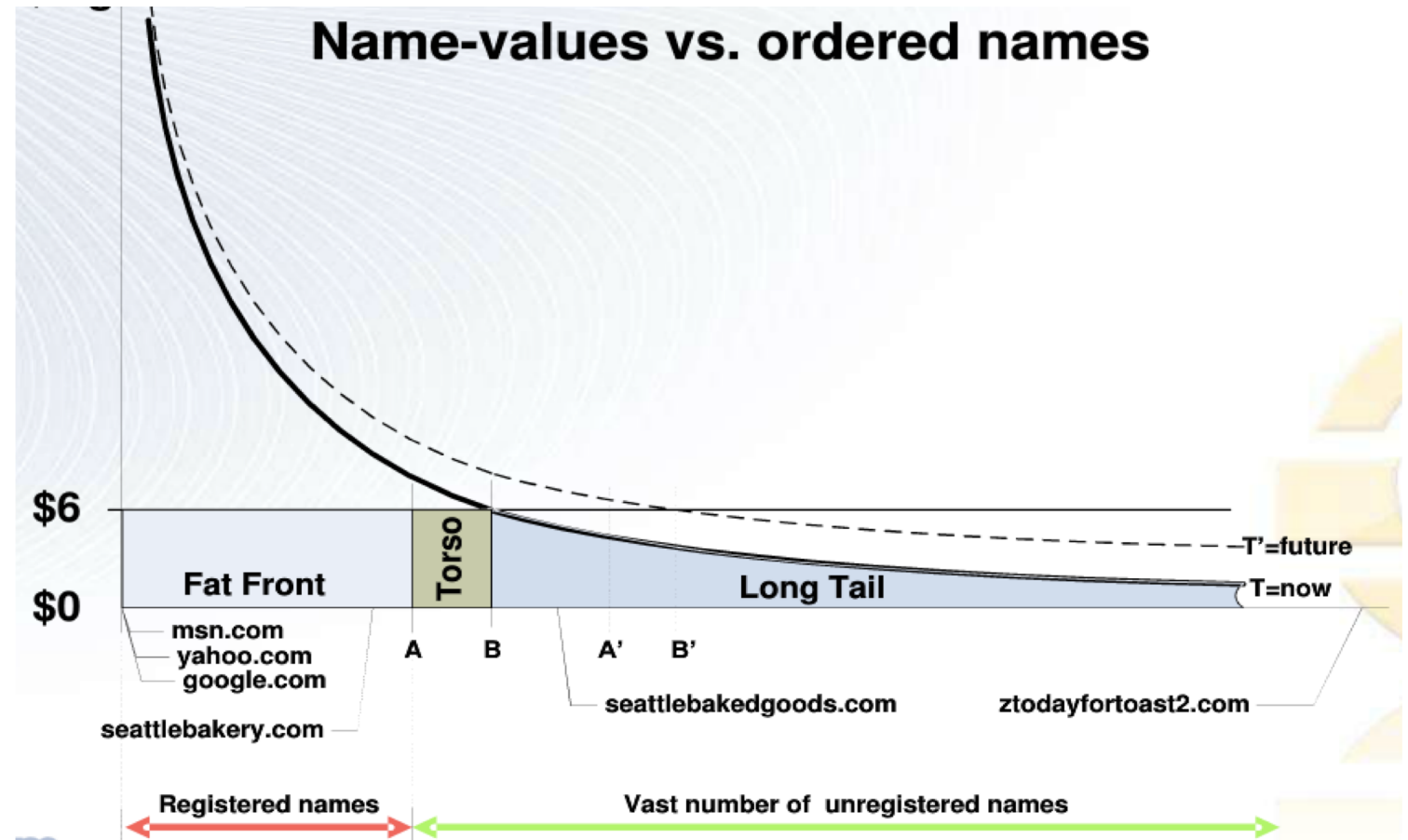
**.ART IMPLEMENTATION OF «LONG TAIL»  
BIGDATA PRICING MODEL**

- Registry identify a number of words as "premium" domain names and either sell them at a higher price or reserve them for later sale (thousands or even tens of thousands in number ).
- All the names not at the premium list are priced at the same "**base rate**".



# «Long tail» pricing model – Historical Note

The long tail is not a new concept to domain valuation. It was first developed in 2005-06 by Paul Stahura and others as a way to calculate revenue opportunities for registries, domain investors and ICANN.



ART has taken a different, innovative approach, employing big-data analysis and a sophisticated algorithm to determine pricing. Among other sources, the pricing model takes into account:

- RUKCI global research of names related to art, art subjects, paintings, and artist names
- static sources such as dictionaries, encyclopedias and art reference volumes
- dynamic resources such as Google Adwords, Wikipedia, Social Media and other keyword sources
- a comprehensive history of domain sales and offerings



# Step 1: Identify Data Sources

## 250 Data Sources



### UKCI Research Files (145)

- Art Subjects
- Top 1,000 Paintings
- Top Art Generic Names
- 
- 
- .com Zone Files
- .net Zone Files



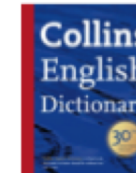
### Static Sources (69)

- Encyclopedias (34)
  - en.wikipedia.org
  - ru.wikipedia.org
  - Encyclopedia Britannica
  - World Encyclopedia of Classical Art
  - World Art Directory



### Dictionaries (35)

- Collins English Dictionary
- Collins Thesaurus
- Acronyms Dictionary
- en.wiktionary.org



Usability Filter

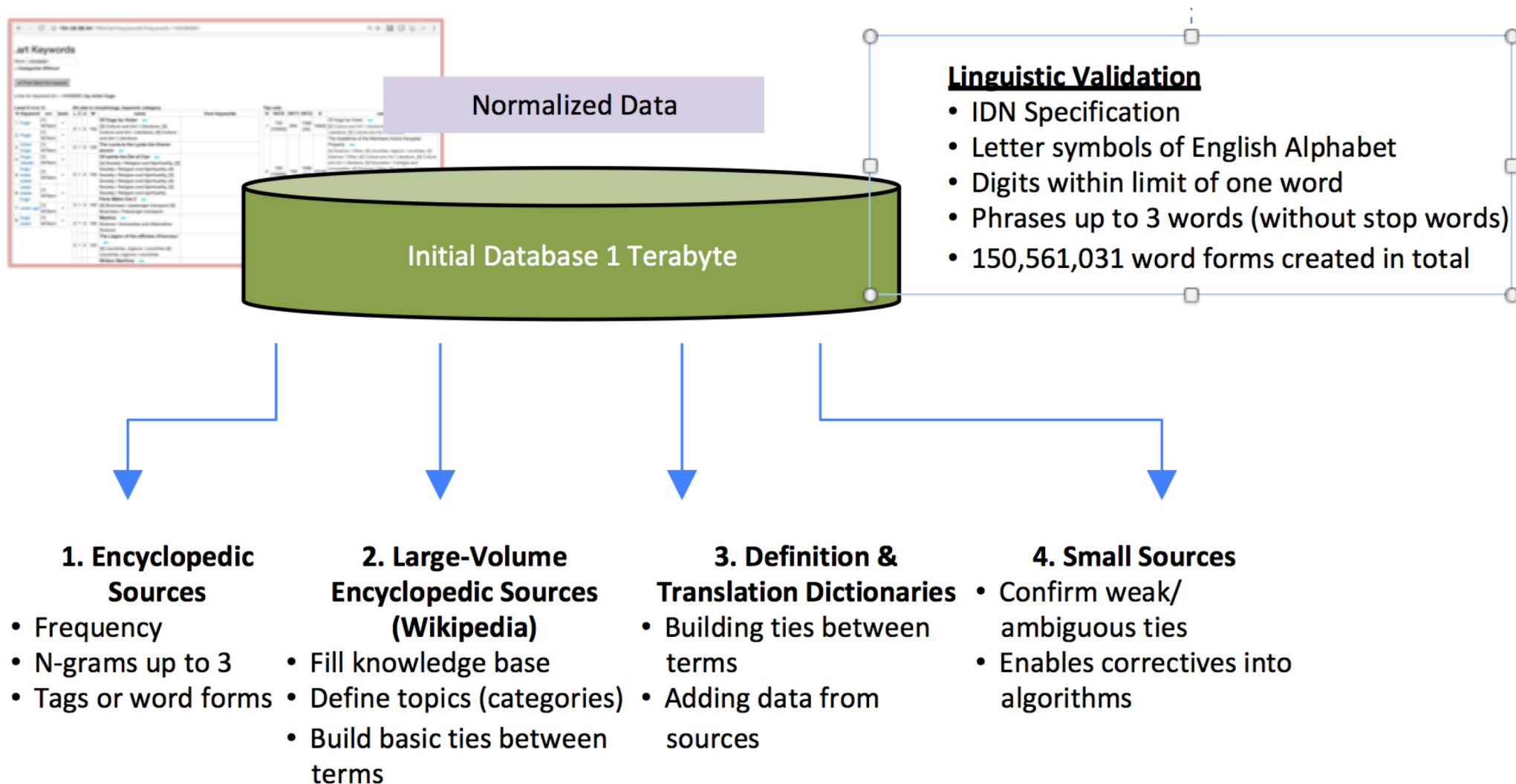


### Dynamic Sources (6)

- Adwords.google.com
- Wordstat.yandex.ru
- Keywords bing.com
- Wikipedia trends
- Translate.yandex.ru
- Translate.google.com



# Step 2: Collecting The Data



# Step 3: Normalize Data

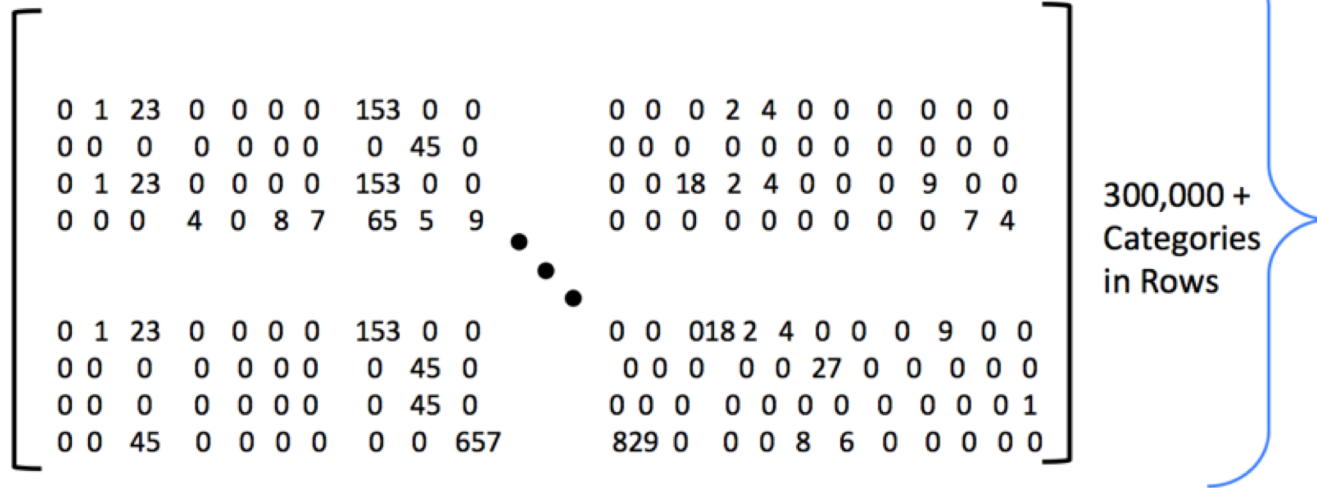
en.wikipedia.com  
 Category Hierarchy used  
 as Master Logic Structure

## N-Dimensional Sparse Matrix

### Top Level Categories

- [2] Culture
- [2] Geography
- [2] Health
- [2] History
- [2] Math
- [2] Nature
- [2] Philosophy
- [2] Reference Works
- [2] Science
- [2] Sociology
- [2] Technology

150,561,031 Tags or Terms or Word Forms in Columns



300,000 +  
 Categories  
 in Rows

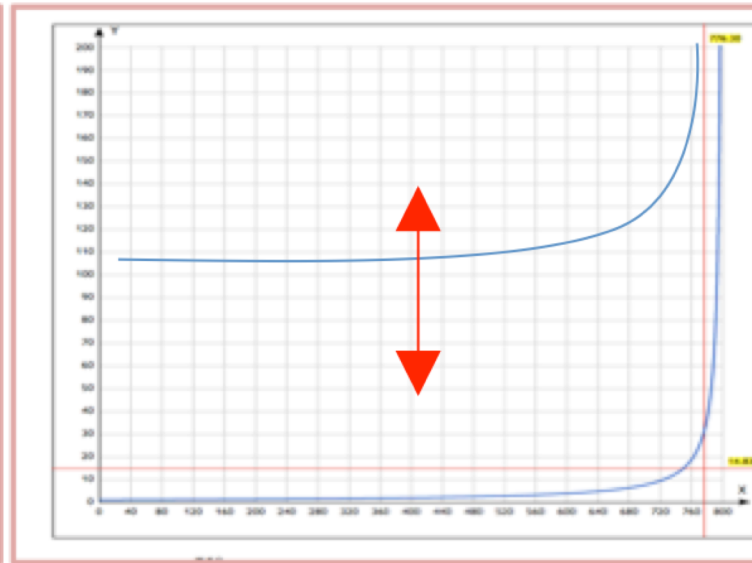
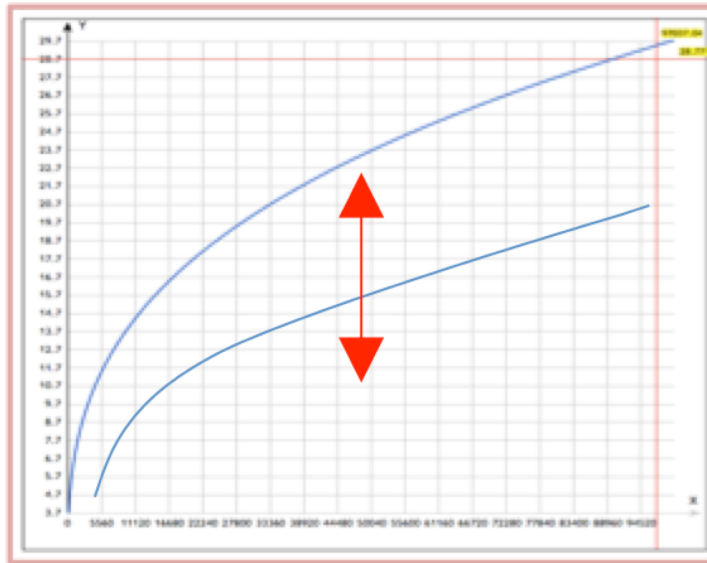
- [3] Arts
- [4] Artists
- [5] Artists by Century
- [6] 16<sup>th</sup> Century Artists
- [7] 16<sup>th</sup> Century Painter
- [8] 16<sup>th</sup> Century Italian Painter

List of Keywords  
 at every Category  
 Level

- Parameter Tallying
- Creation of preliminary subject relevance formula
- Inter-correlation of indicators for optimal results
- Formula to tally terms' frequency & multi-linguality
- Data structure to enable taking data samples
- Formula for a final list ranking algorithm
- Algorithm for manual weight
- Recalculation for discovered values



# Step 4: BigData Analysis



## Correction Correlation Factors:

- Art weight – Nominal curve – 1.0
- Request Constant– 100
- Length Constant – 10
- Trip Advisor Constant – 0.25
- DeGryuter Constant – 0.5
- Zone Constant – 10
- Alexa Constant – 12
- Frequency Constant - 5

## Sources of Price Data:

- Afternic
- NameJet
- SnapNames
- Telderi
- Moniker



## Premium Names For Sale Data:

- 10,673,977 unique domains
- 7,741,051 unique names
- 633 unique TLDs
- Over 36.9B euro total cost



## Premium Names Sold Data:

- 1,506,516 unique domains
- 1,276,620 unique names
- 650 unique TLDs
- Over 5.9B euro total cost



# Step 5 – Pricing



## Sold and ForSail Domain Values by TLD

Price	COM		NET/ORG/INFO/BIZ		New gTLD		Other	
	Sold	ForSale	Sold	For Sale	Sold	For Sale	Sold	For Sale
\$ 95,000	51	146	1	6		89	7	8
\$ 90,000	40	1,164	2	34		16	8	14
\$ 85,000	201	2,828	13	324	6	288	22	254
\$ 80,000	92	1,005	5	39	2	24	8	68
\$ 75,000	69	433	4	15	-	45	11	21
\$ 70,000	97	910	7	23	6	116	20	74
\$ 65,000	159	1,718	13	96	1	146	23	624
\$ 60,000	127	1,006	6	35	1	517	35	22
\$ 55,000	145	1,604	8	69	-	69	22	34
\$ 50,000	220	1,819	23	102	10	294	30	82
\$ 45,000	203	2,179	21	82	1	27,410	51	62
\$ 40,000	548	5,922	40	393	3	4,387	98	615
\$ 35,000	462	7,005	25	227	3	657	99	294
\$ 30,000	532	8,640	70	329	6	81,064	114	355
\$ 25,000	889	14,194	86	608	8	2,654	194	816
\$ 20,000	1,444	164,536	165	17,230	20	76,412	311	3,470
\$ 15,000	2,487	44,640	333	2,377	12	3,280	574	8,247
\$ 10,000	4,624	65,585	667	3,293	81	4,736	1,354	11,948
\$ 9,000	1,079	6,203	178	316	8	3,189	381	360
\$ 8,000	3,490	93,948	535	5,040	54	8,071	757	6,342
\$ 7,000	2,132	34,175	362	1,957	43	4,245	664	2,106
\$ 6,000	2,930	40,427	555	1,927	56	3,065	1,052	1,691
\$ 5,000	3,784	51,578	676	3,310	74	11,813	1,335	2,529
\$ 4,000	9,772	358,255	1,541	19,374	159	24,415	2,353	8,847
\$ 3,000	14,309	444,224	2,455	25,711	85	16,873	2,969	8,854
\$ 2,000	35,948	1,394,340	5,249	51,139	243	65,707	5,920	17,569
\$ 1,000	46,198	1,758,819	12,742	93,733	417	104,200	15,608	198,123
\$ -	951,048	1,825,067	210,168	306,355	4,802	2,881,151	126,862	190,403
<b>Total</b>	<b>1,083,080</b>	<b>6,332,370</b>	<b>235,950</b>	<b>534,144</b>	<b>6,101</b>	<b>3,324,933</b>	<b>160,882</b>	<b>463,832</b>

As a result we identified the **100,000** or so names that will be valued substantially above the base price.

In addition, we also valued many, many more names at values above the base price but within the same order of magnitude. In the end, the .ART inventory name list will number about **3.5 million**.

What is significant is that all but **150,000** of those names are prices under **\$500** and most are significantly lower than that.



# Result: Big Data approach Unlocks «Long Tail Value»



Price	Normal		Soft		Hard	
	Count	Sum	Count	Sum	Count	Sum
\$ 15,000	1	\$ 15,000	1	\$ 15,000	1	\$ 15,000
\$ 14,500	1	\$ 14,810	1	\$ 14,810	1	\$ 14,810
\$ 14,000	2	\$ 28,630	2	\$ 28,630	2	\$ 28,630
\$ 13,500	4	\$ 55,660	4	\$ 55,660	4	\$ 55,660
\$ 13,000	35	\$ 461,650	35	\$ 461,650	35	\$ 461,650
\$ 12,500	90	\$ 1,143,370	90	\$ 1,143,370	69	\$ 878,970
\$ 12,000	123	\$ 1,506,240	122	\$ 1,494,130	61	\$ 745,010
\$ 11,500	134	\$ 1,572,960	130	\$ 1,526,260	94	\$ 1,103,660
\$ 11,000	151	\$ 1,697,530	148	\$ 1,663,950	102	\$ 1,146,610
\$ 10,500	169	\$ 1,815,020	165	\$ 1,772,100	122	\$ 1,310,600
\$ 10,000	189	\$ 1,935,300	183	\$ 1,873,730	143	\$ 1,463,500
\$ 9,500	211	\$ 2,054,980	203	\$ 1,976,590	158	\$ 1,538,110
\$ 9,000	235	\$ 2,171,480	230	\$ 2,125,440	169	\$ 1,561,790
\$ 8,500	265	\$ 2,316,030	259	\$ 2,263,710	190	\$ 1,659,920
\$ 8,000	301	\$ 2,480,240	290	\$ 2,389,310	213	\$ 1,754,680
\$ 7,500	344	\$ 2,662,380	328	\$ 2,537,810	236	\$ 1,825,910
\$ 7,000	396	\$ 2,866,330	381	\$ 2,757,390	264	\$ 1,910,460
\$ 6,500	462	\$ 3,113,210	440	\$ 2,964,600	326	\$ 2,195,530
\$ 6,000	546	\$ 3,405,690	511	\$ 3,187,460	379	\$ 2,363,550
\$ 5,500	652	\$ 3,740,790	603	\$ 3,459,490	435	\$ 2,495,030
\$ 5,000	794	\$ 4,157,680	751	\$ 3,931,880	572	\$ 2,992,420
\$ 4,500	988	\$ 4,678,710	920	\$ 4,357,500	667	\$ 3,159,020
\$ 4,000	1,260	\$ 5,334,900	1,144	\$ 4,846,050	845	\$ 3,581,640
\$ 3,500	1,665	\$ 6,215,130	1,503	\$ 5,612,440	1,080	\$ 4,034,810
\$ 3,000	2,296	\$ 7,417,870	2,041	\$ 6,592,250	1,449	\$ 4,676,730
\$ 2,500	3,342	\$ 9,116,750	2,957	\$ 8,067,850	2,096	\$ 5,718,960
\$ 2,000	5,322	\$ 11,834,540	4,644	\$ 10,336,730	3,194	\$ 7,113,170
\$ 1,500	9,695	\$ 16,642,840	8,153	\$ 14,001,770	5,325	\$ 9,163,710
\$ 1,000	22,594	\$ 27,198,500	17,807	\$ 21,504,010	10,993	\$ 13,281,430
\$ 500	93,046	\$ 62,430,340	58,272	\$ 39,647,930	42,065	\$ 28,183,740
\$ -	3,416,720	\$ 530,102,650	1,316,317	\$ 232,340,550	1,238,801	\$ 212,697,020
TOTAL	3,562,033	\$ 720,187,210	1,418,635	\$ 384,950,050	1,310,091	\$ 319,131,730
\$500 & Over	145,313	\$ 190,084,560	102,318	\$ 152,609,500	71,290	\$ 106,434,710

**10%**

Inventory names in sales

**70%**

Of Revenue

**< \$1000**

Average Inventory price



A close-up photograph of a person's hands typing on a laptop keyboard. The image is heavily overlaid with a semi-transparent purple color. A red rectangular box is centered over the text 'it@nic.art'. The Apple logo is visible on the right side of the laptop lid.

it@nic.art