



PUBLIC PERCEPTION RESEARCH: BUSINESS RESULTS

A Colmar Brunton Report
September 2017

Background and Methodology



The .nz registry service (NZRS) is the operator for the .nz domain space.

In 2012 NZRS first commissioned research to better understand perceptions of the .nz domain space among businesses and consumers.

This document reports the results for the fifth wave of this survey for the businesses customers.



Consistent with previous years the survey was conducted online using Colmar Brunton's business research panel. In total 1,100 businesses took part. Of these, 624 have a domain name and 476 do not. These groups are weighted to represent businesses in New Zealand by size and region, as well as to reflect the incidence of domain name registration among New Zealand businesses.

The maximum margin of error on the total sample size $n=1,100$ is $\pm 3.0\%$, on businesses with a domain name $n=624$ it is $\pm 3.9\%$, and on businesses without a domain name $n=476$ it is $\pm 4.5\%$.



The survey was conducted between the 21 August and 3 September 2017.

- To understand perceptions of a .nz domain name in the New Zealand business market, in particular:
 - awareness and perceptions of .nz compared to other domain names, specifically .com
 - the perceived benefits to businesses of using a .nz domain name
 - businesses' experience registering their .nz domain name
 - the perceptions of the annual cost of purchasing a domain name
 - the importance to businesses of having a website that is compatible with mobile devices such as tablets, ipads and smartphones.



Key outtakes

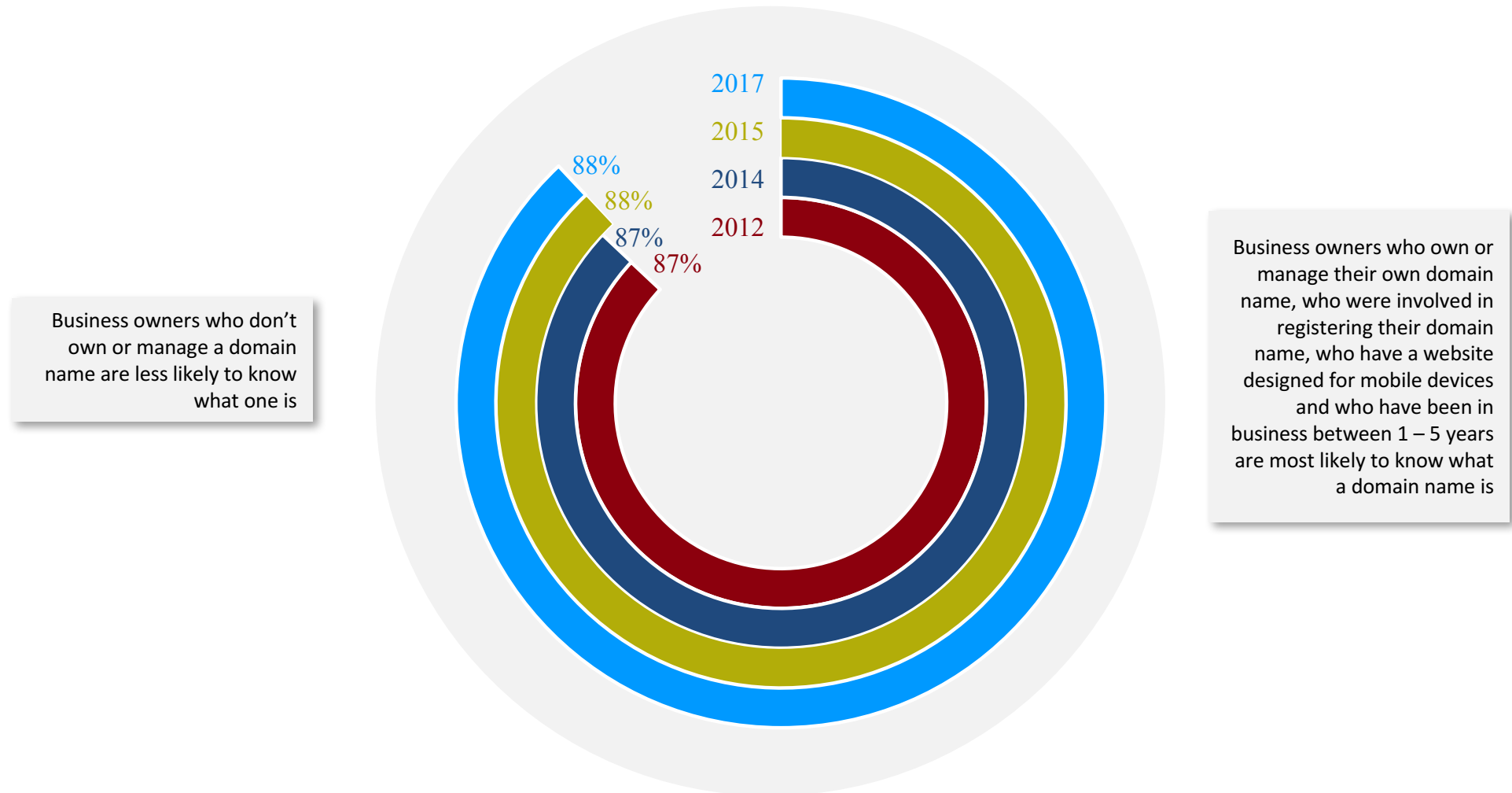
Key outtakes

- Awareness and use of domain names is very stable over time and the majority of New Zealand businesses prefer a .nz domain name.
- The tenure of domain name ownership is increasing, over a quarter of businesses have had their domain name for over 10 years.
- Perceptions of websites and domain names is becoming more positive, there is an increased in perceived benefits and a reduction in perceived barriers among businesses who do not currently have a domain name.
- Positive perceptions of a .nz domain name have improved over time, particularly for increased revenue from lead generation and ability to reach more customers.
- The biggest barrier to setting up a domain name is the perceived lack of technical know how, coupled with businesses not knowing where to go to register.

Awareness and use of domain names

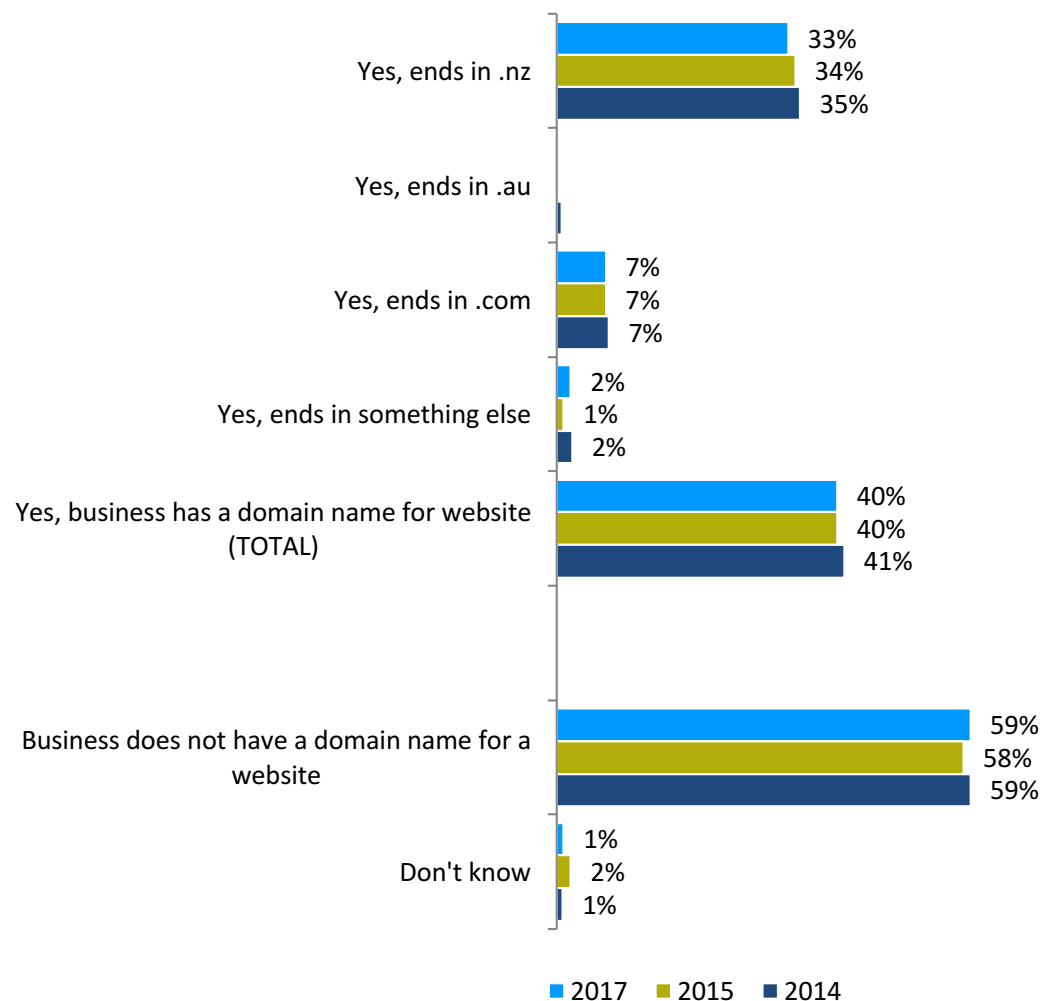


Nearly nine out of ten businesses know what a domain name is, awareness is very stable over time



S1. Before we begin, can you tell us whether you know what a domain name is?
Base: All businesses 2017 n=1,100; 2015 n=1101; 2014 n=1,100

Domain name ownership is also very stable with two out of five businesses owning or managing their own domain name. This is most likely to be a .nz



Businesses with a .nz address are more likely to have employees, be based in Auckland, and have a website designed for mobile devices.

Businesses without a domain name are most likely to be sole traders.

S2. Does your business own or manage its own domain name for use with a website? For example, Colmar Brunton has its own domain name: colmarbrunton.co.nz.

Base: All businesses 2017 n=1,100; 2015 n= 1,101; 2014 n=1,100

On average businesses who own or manage a domain name have...

1.1

.nz domain names (1.5
in 2015, 1.3 in 2014)

0.2

.com domain names
(0.4 in 2015, 0.3 in 2014)

0.1

.au domain names (0.1
in 2015, 0 in 2014)

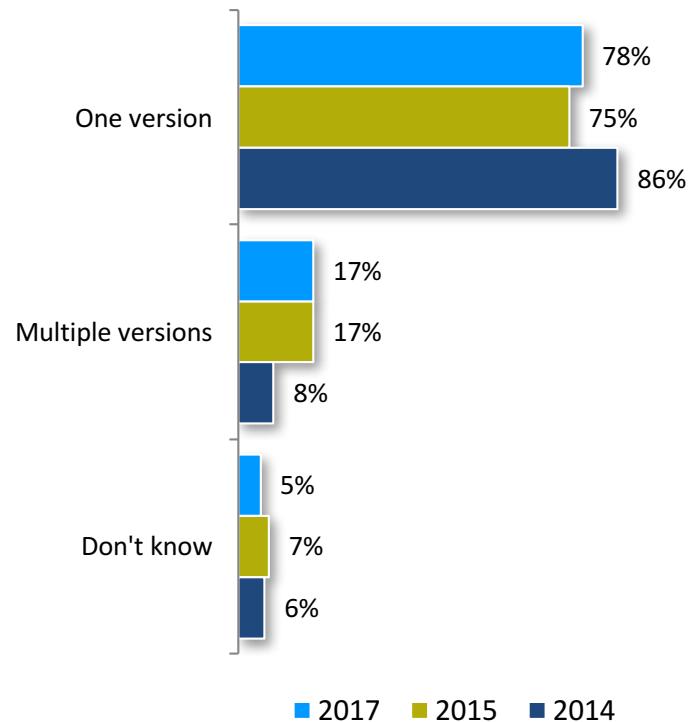
0

Other domain names
(0.1 in 2015, 0.1 in 2014)

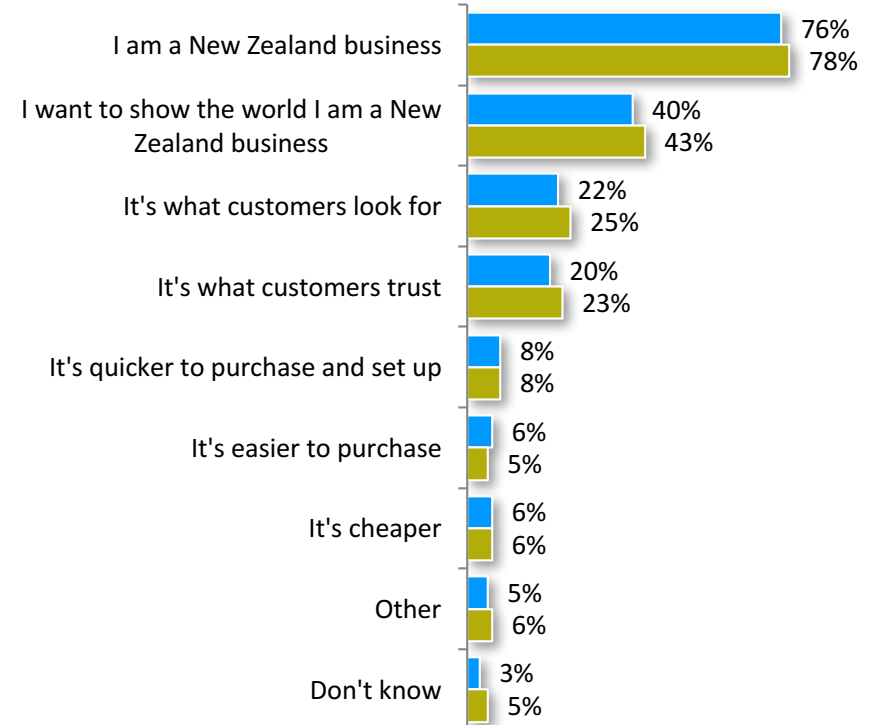
As the average would suggest businesses are most likely to have only registered one version of their .nz domain name. They choose .nz to reflect they are a NZ business

Of the **1.1** .nz domain names on average ...

...most have only one version registered...



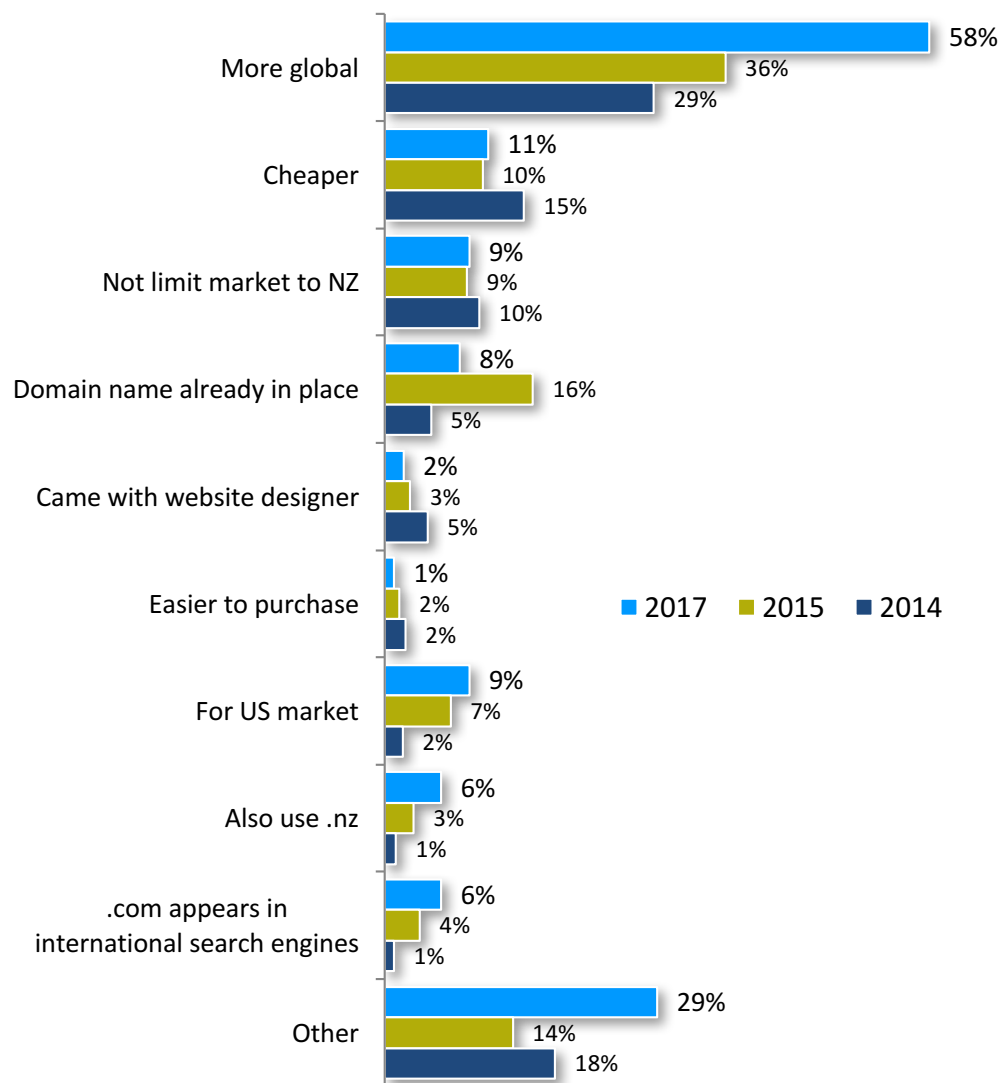
...and choose a .nz address to reflect they are a NZ business.



Q8. When you registered your current business's .nz domain name(s), did you register multiple versions (e.g., .co.nz, .net.nz, .org.nz), or only one version? Q8a. And what is the main reason your business chose to use a domain name that ends in .nz?

Base: Businesses who own or manage a domain name ending in .nz 2017 n=511; 2015 n=379; 2014 n=492

Businesses who choose a domain name other than .nz want the international presence...



.com for international presence; .biz, .net etc mainly to protect the name

.com is more recognisable worldwide

Because much of my customer base via social media is generated overseas. .nz doesn't mean as much to overseas customers as .com

If the business needs to expand internationally it would be easier to do without a .nz domain name

We use .org to show a more international scope to our contacts

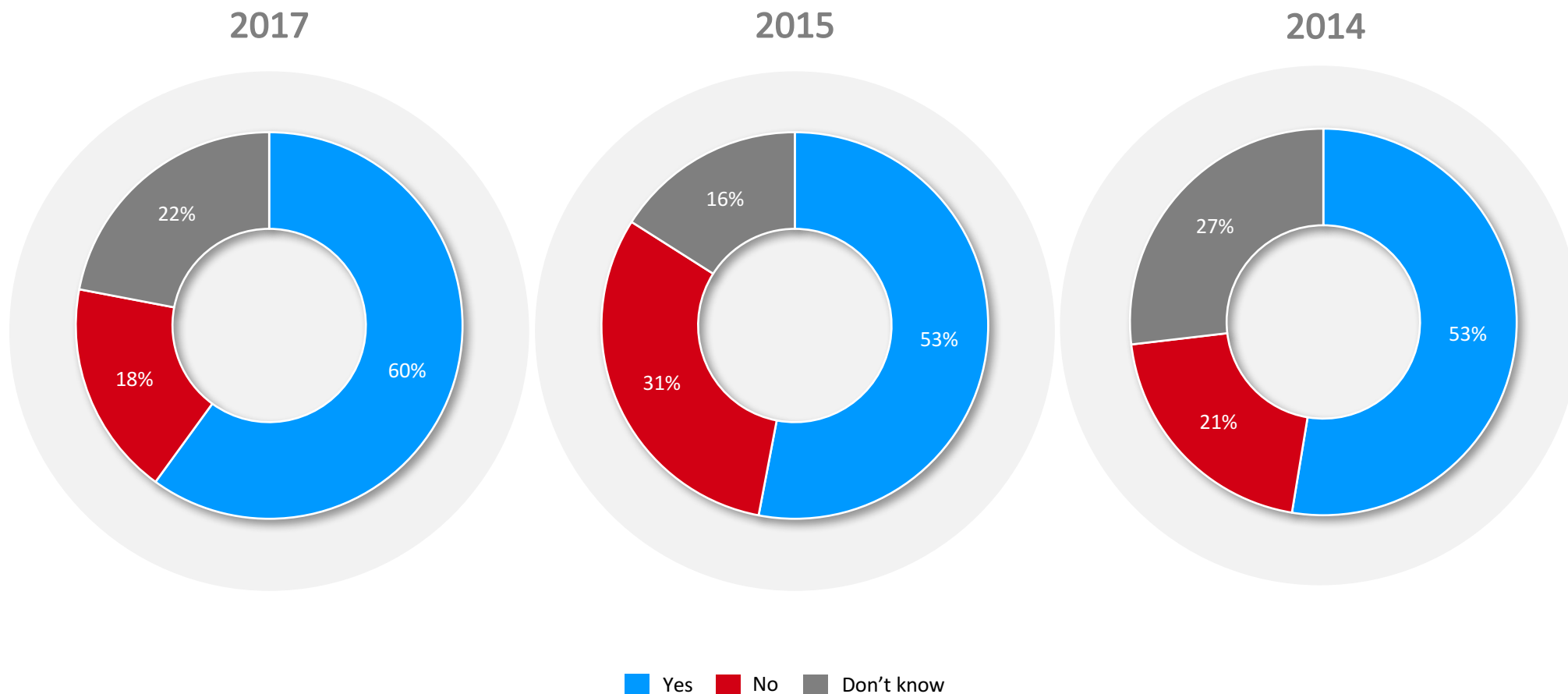
Many of our clients are overseas and it sounds more professional

To make sure, even though we are a NZ business we don't lose out on people in other countries that don't know NZ exists or thinks we are part of Europe

Q9. Why has your business chosen to use a domain other than one that ends with .nz?

Base: Businesses who own or manage a domain name other than .nz 2017 n=145; 2015 n=123; 2014 n=95

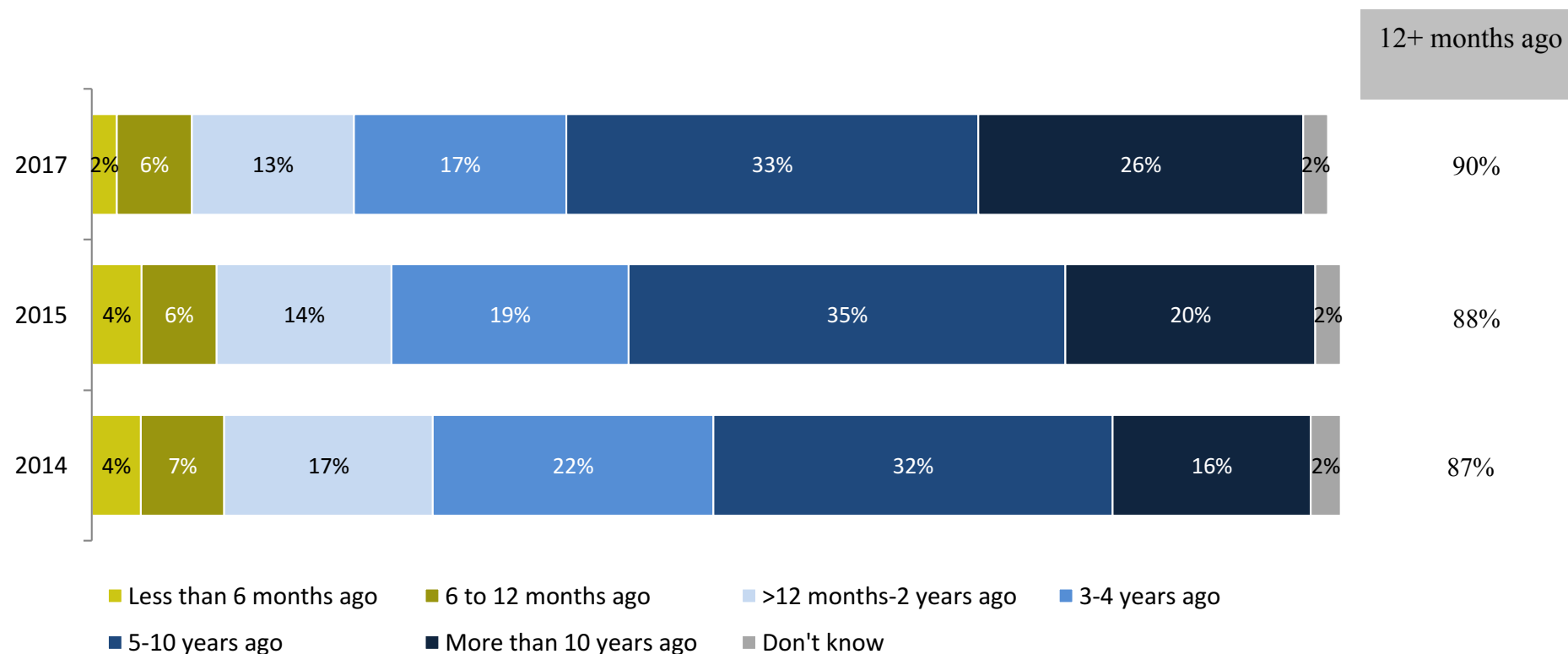
...but the majority would still consider using the .nz version of their domain in the future



Q10. Would your business consider using the .nz version of your business's domain name in the future (assuming that it is available)?

Base: Businesses who own or manage a domain name other than .nz 2017 n=145; 2015 n=123; 2014 n=95

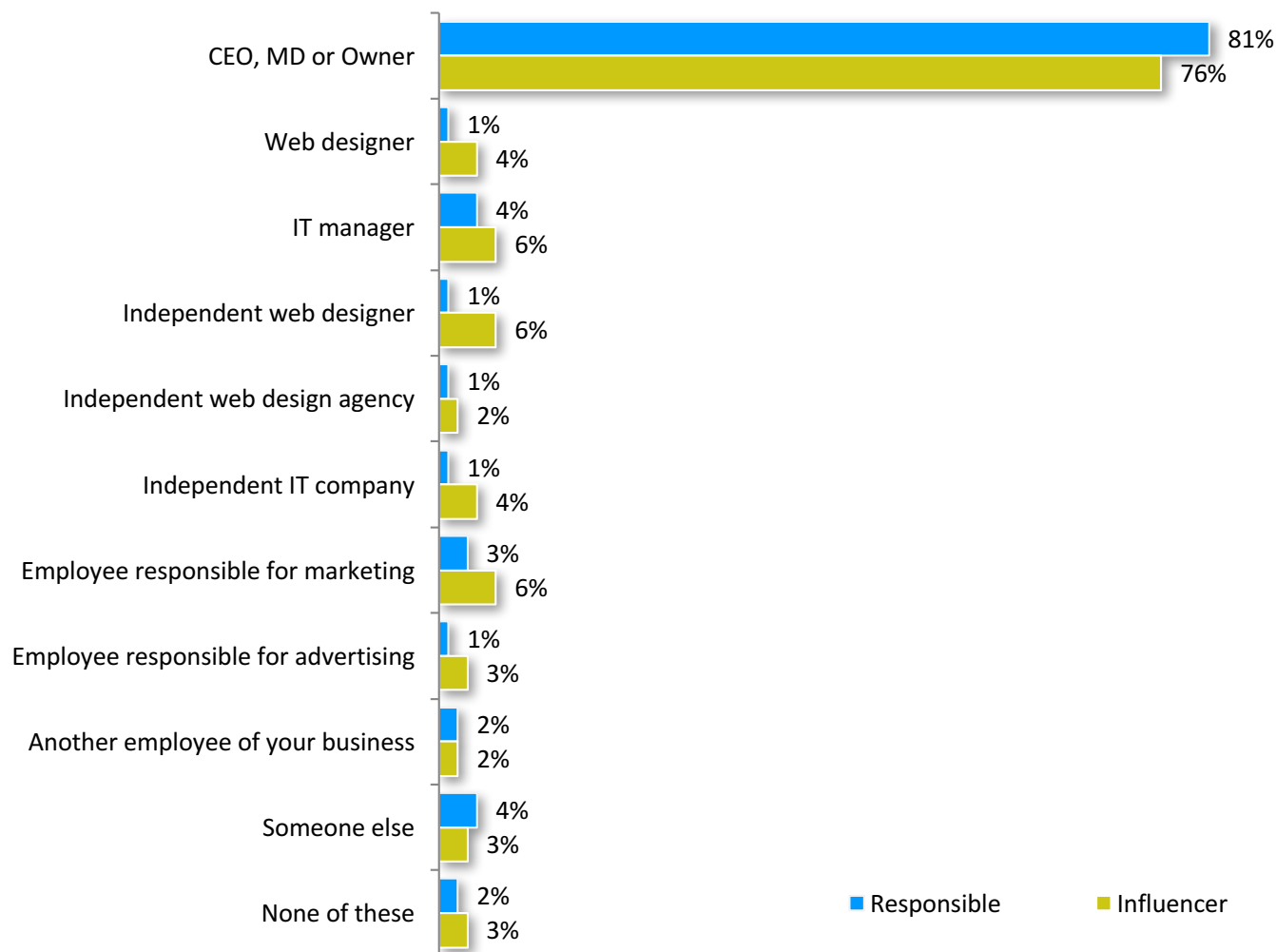
Nine out of ten domain names were registered more than 12 months ago, and a quarter have been registered for more than 10 years. The trend in the last three years would indicate the tenure of domain name ownership is increasing



Q40. How long ago did your business register your current domain name?

Base: Businesses who own or manage a domain name 2017 n=624; 2015 n=596; 2014 n=587

The CEO, Managing Director or Owner of a business is the person most likely to be responsible for, and influence, the decision about the business domain name



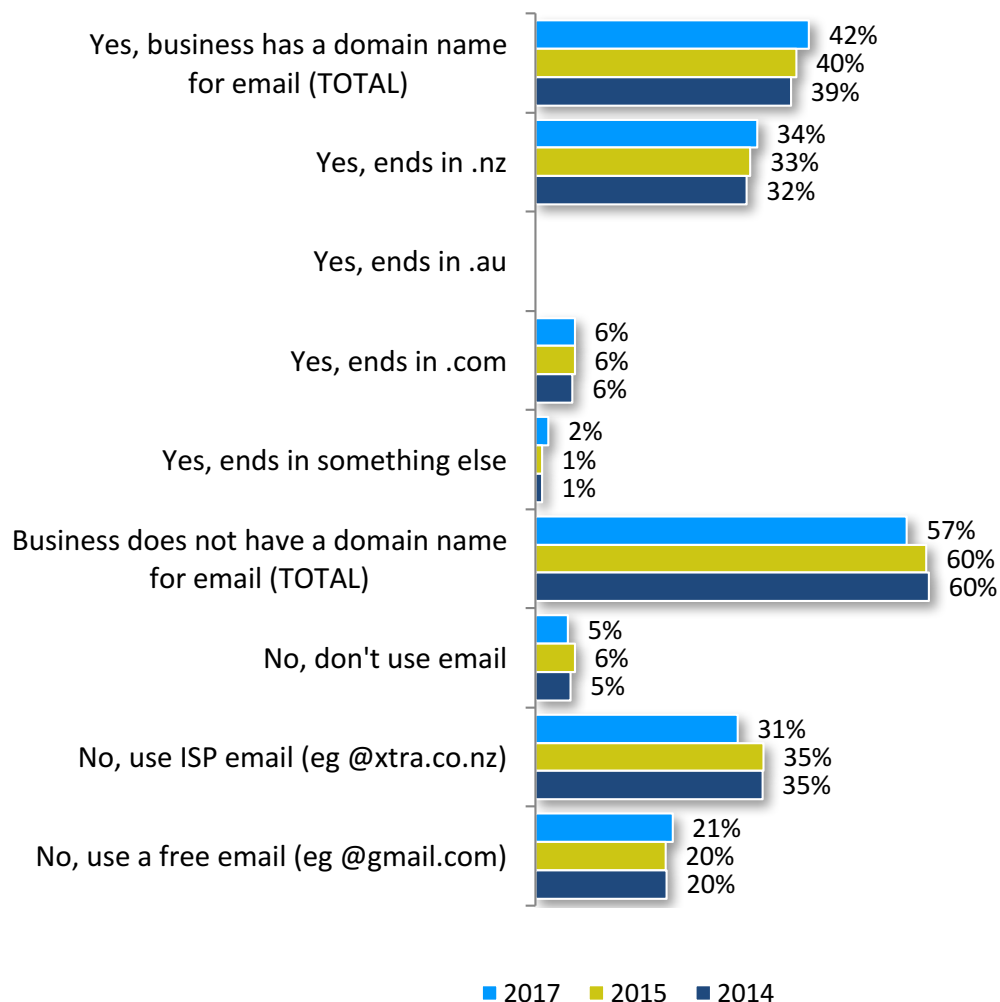
Q6. Who, in your business, is ultimately responsible for making decisions about your business's domain name (for example to buy a .nz domain name)? If you are responsible, please indicate your role in the business. Q7. And who, in your business, is responsible for influencing and advising the decision make about your business's domain name?

Base: Businesses who own or manage a domain name n=624



Business use of email addresses

Domain name ownership for email is at similar levels to domain name ownership for websites as expected



* At the overall level the incidence of domain name ownership for use with a website amongst businesses is weighted to reflect 2015 MYOB data, which may also affect the email use data.

Q2. Does your business own or manage its own domain name for use with email? With a domain name, we mean a name that is specific to your business. For example, Colmar Brunton has its own email addresses that end with @colmarbrunton.co.nz.

Base: All businesses 2017 n=1,100; 2015 n=1101; 2014 n=1,100

Businesses who don't have their own business specific email address either do not need it or have another email solution – usually their personal address



Business is too small we don't want to over complicate things

I use my own personal email address as most people know that I have had it for years

We use the email provided by our franchise website but also have our own website and domain name

We are too small and don't need to use a separate email other than our personal

The age of clients dictates that most don't have a computer

Don't have a use for it

Not needed for my business

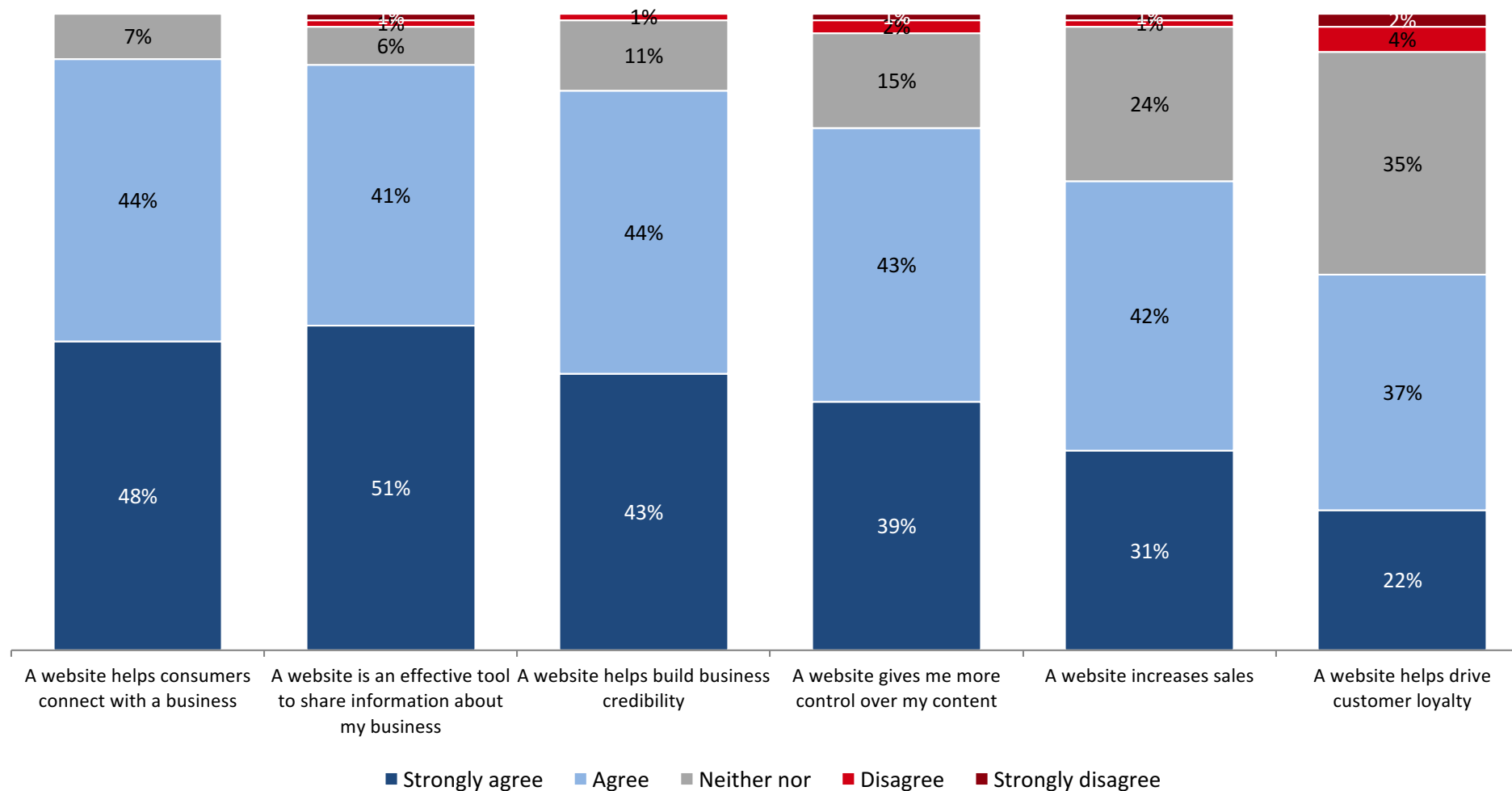
Long standing business face to face with customers, email not needed

Sole charge – only email is personal

Perceptions of websites

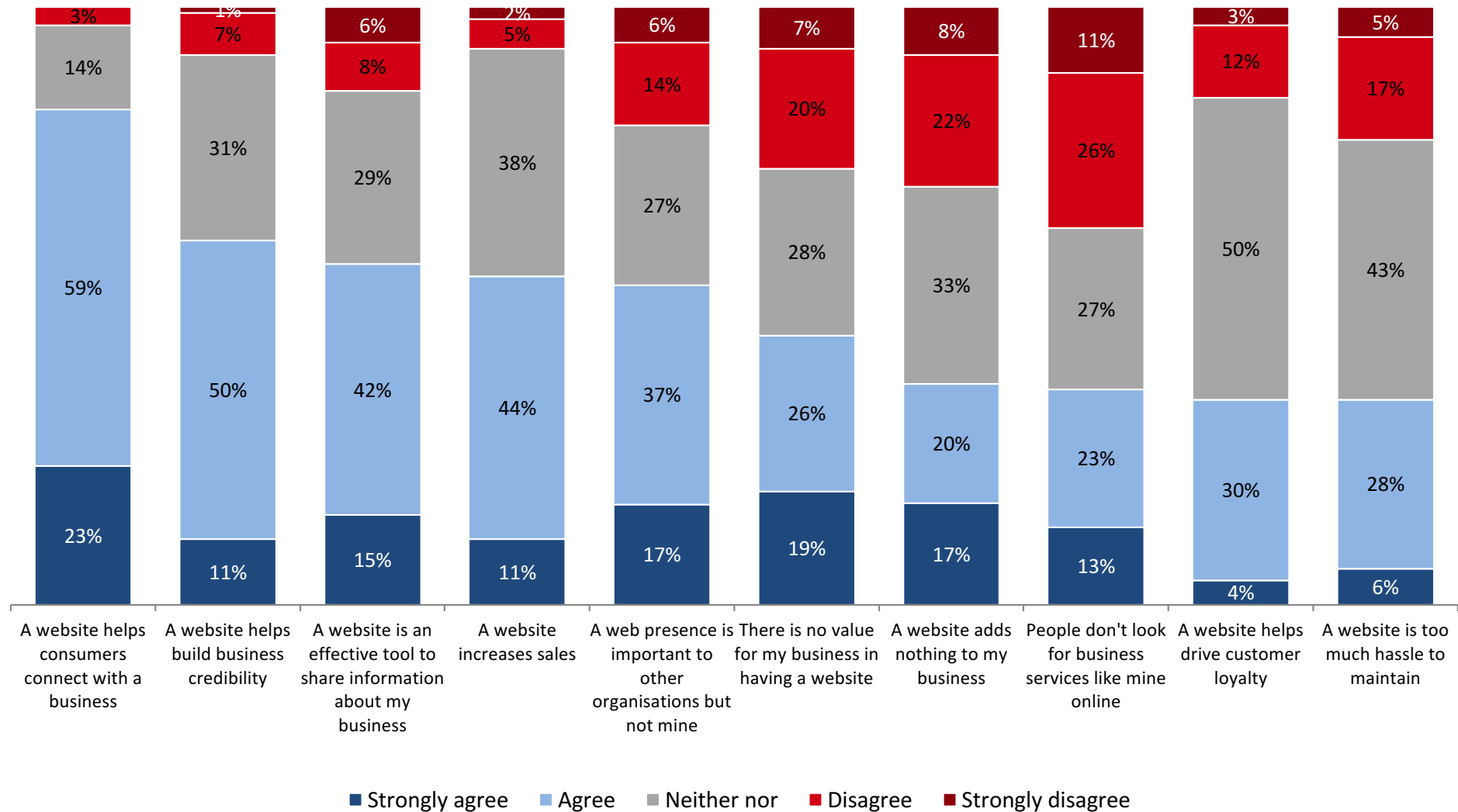


Businesses with a website are very positive about the benefits they bring to their business. They are most likely to say that websites help consumers connect with a business and that it is an effective tool for sharing information



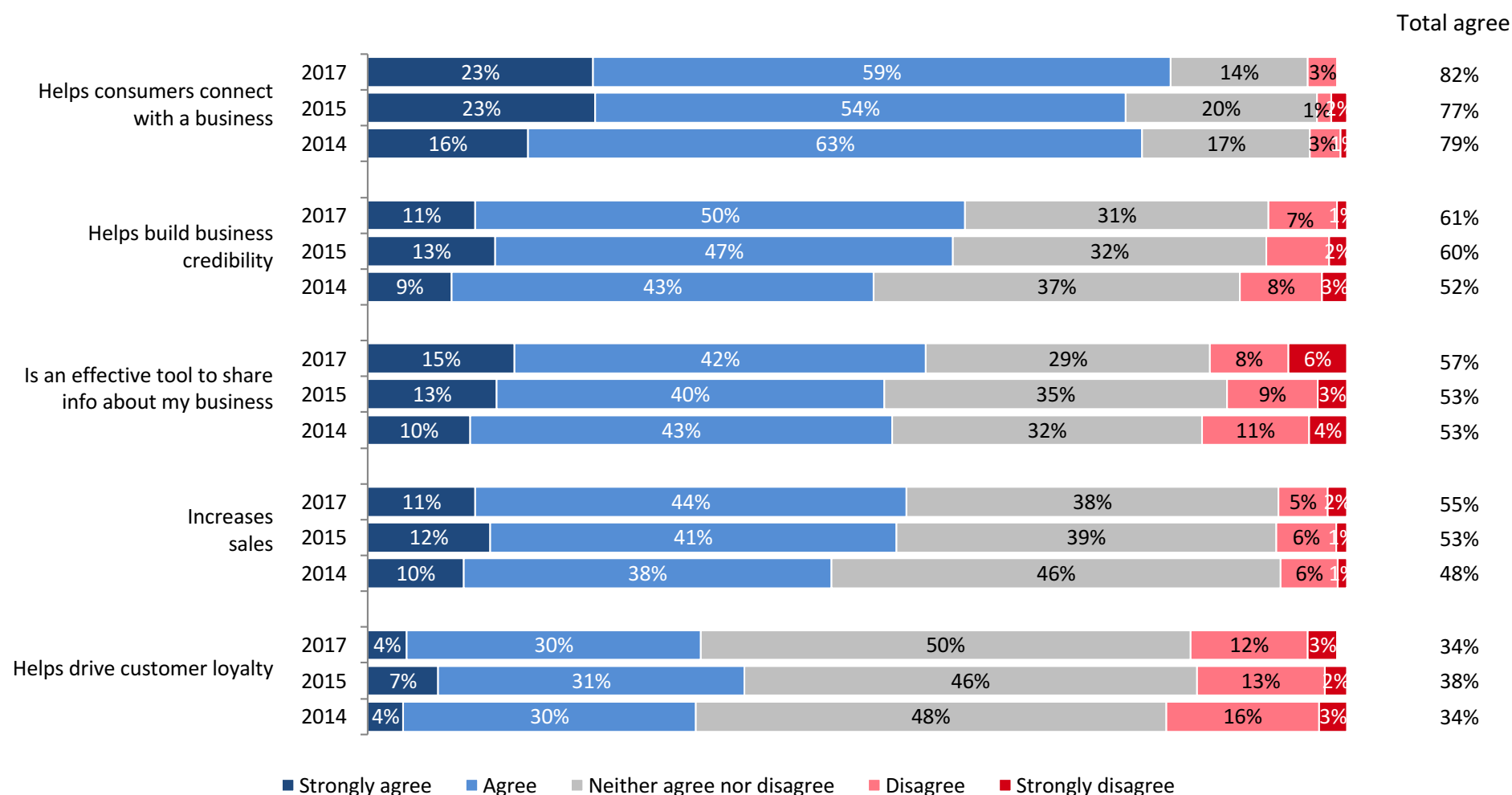
Q67. Below is a set of statements about business attitudes towards websites. Using the scale provided, please indicate how much you agree or disagree with each statement.
Base: Businesses with a domain name (excl don't know) n=624

Businesses without a domain name are unsurprisingly less positive about the benefits of websites, however over four out of five still agree that it a website helps consumers connect with a business



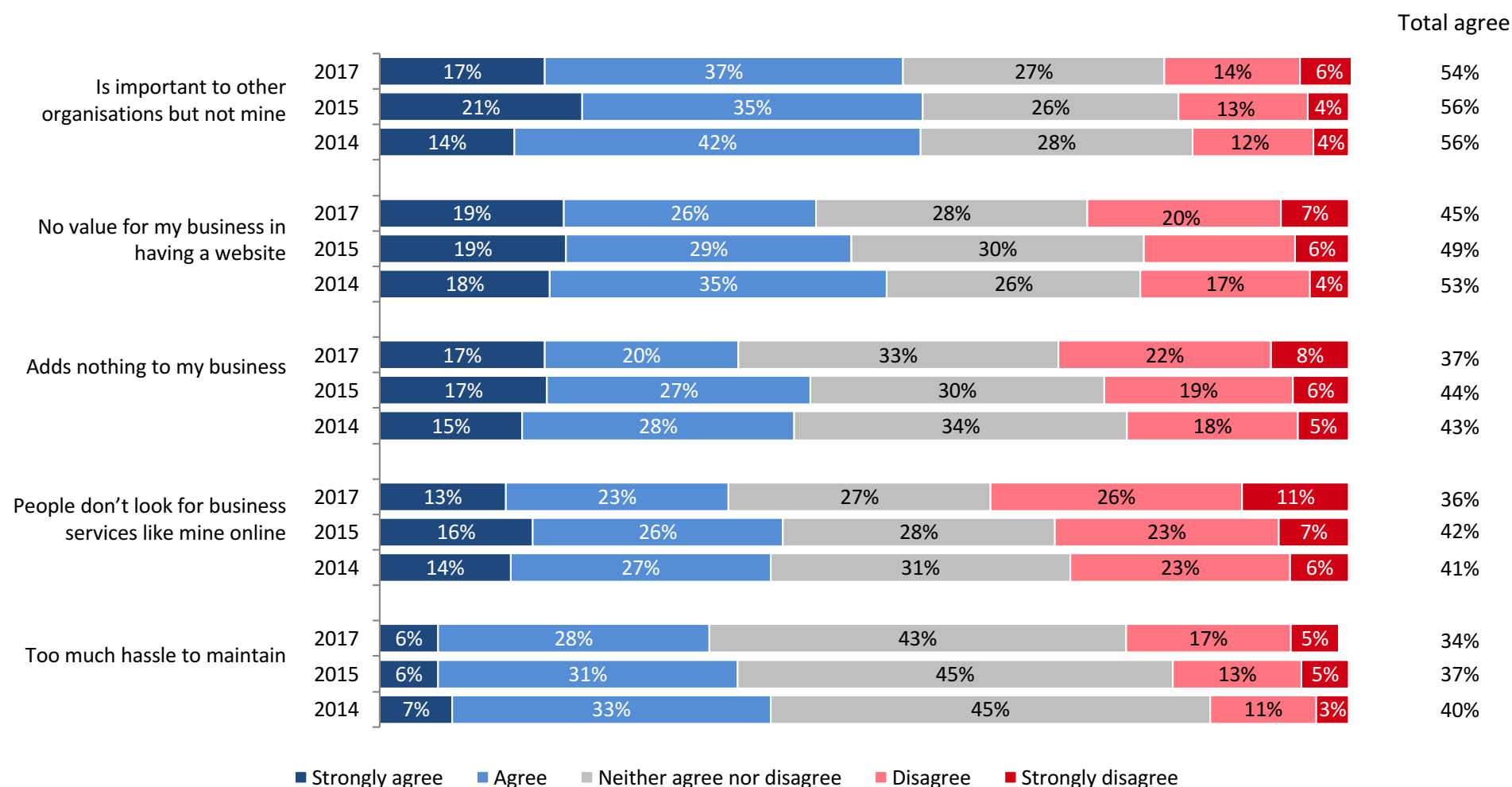
Q61. Below is a set of statements about business attitudes towards websites. Using the scale provided, please indicate how much you agree or disagree with each statement.
Base: Businesses without a domain name (excl don't know) n=476

The perceptions of the benefits of websites among businesses without a domain name have become more positive over time, the most notable changes since 2014 are increases in agreement that a website helps build business credibility and increases sales



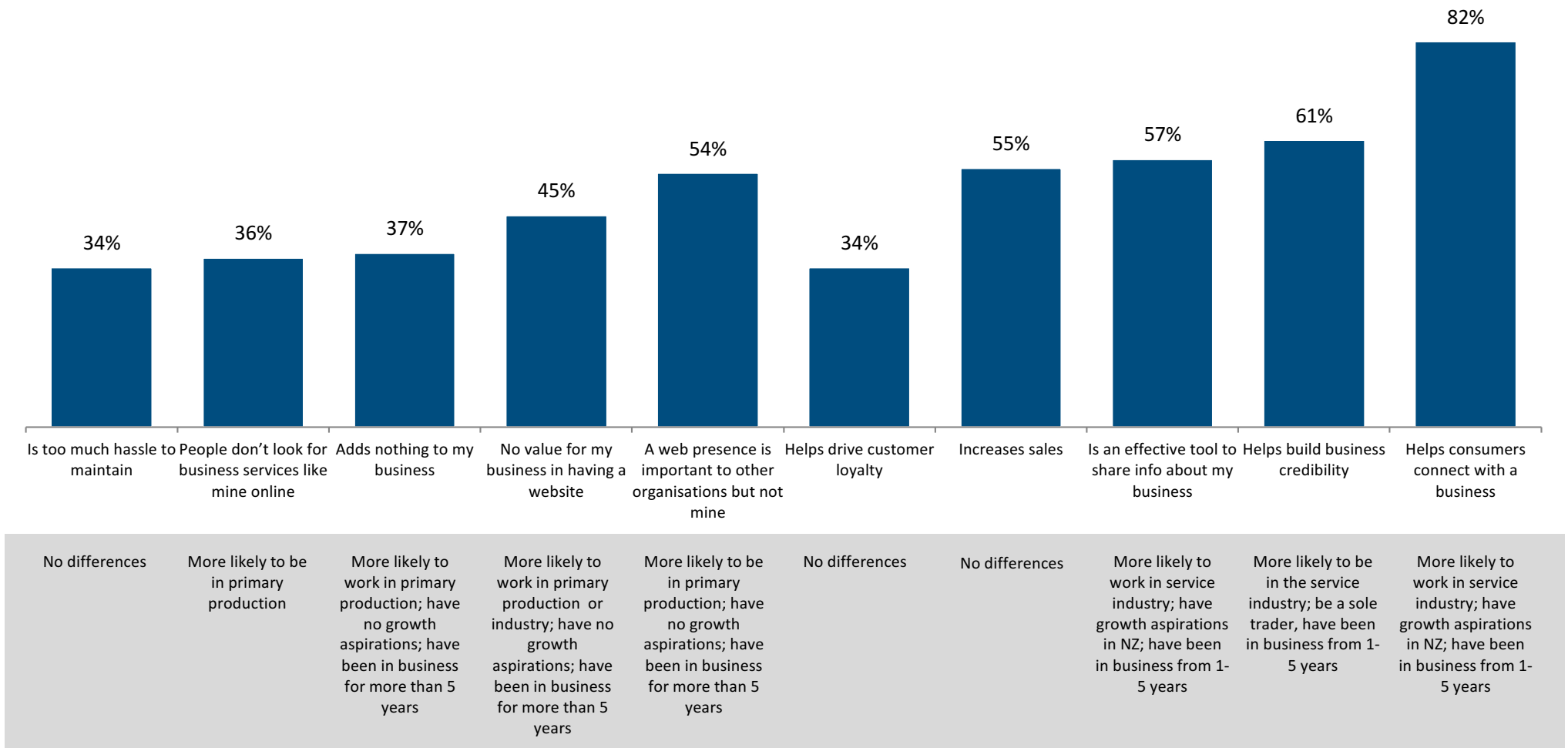
Q61. Below is a set of statements about business attitudes towards websites. Using the scale provided, please indicate how much you agree or disagree with each statement.
Base: Businesses without a domain name (excl don't know) 2017 n=476; 2015 n=505; 2014 n=513

There is a slight reduction in all the perceived barriers to websites among businesses without a domain name. Perceptions that there is no value for my business in having a website shows the largest decline since 2014



Q61. Below is a set of statements about business attitudes towards websites. Using the scale provided, please indicate how much you agree or disagree with each statement.
Base: Businesses without a domain name (excl don't know) 2017 n=476; 2015 n=505; 2014 n=513

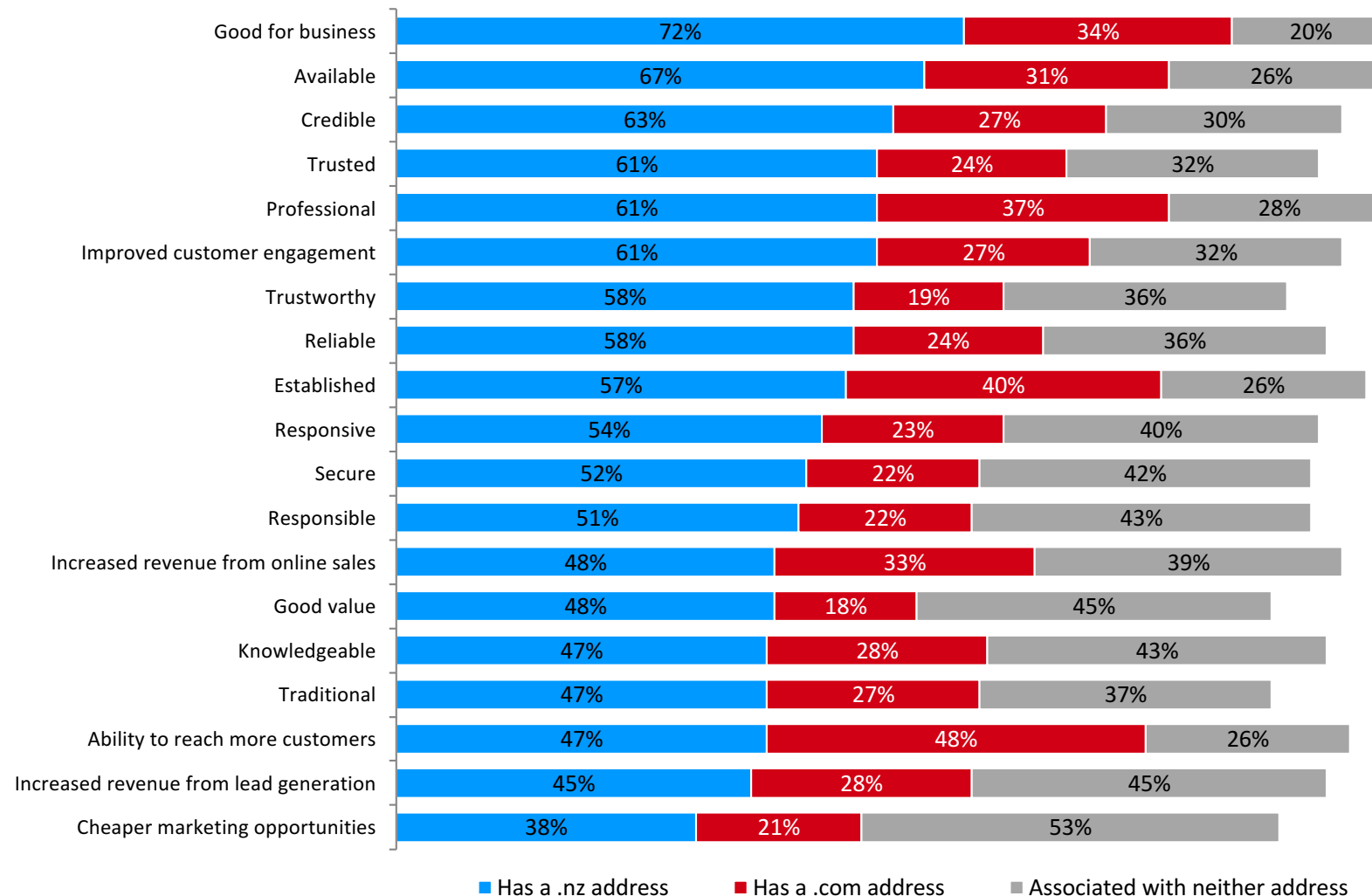
Differences in businesses by their attitude towards websites...



Q61. Below is a set of statements about business attitudes towards websites. Using the scale provided, please indicate how much you agree or disagree with each statement.

Base: Businesses without a domain name (excl don't know) 2017 n=476

A .nz website is more favourably perceived across all measures than a .com apart from its ability to reach more customers where the benefit is equally associated with .nz and .com. The benefits least likely to be applied to either website are cheaper marketing opportunities, good value and increased revenue from lead generation



Q23. Regardless of whether you have a domain name or not, which of the following benefits do you think apply to a business who owns a .nz or a .com address?
Base: All businesses n=1,100

Perceptions of .nz have increased favourably across all comparable measures from 2015, particularly for increased revenue from lead generation and ability to reach more customers

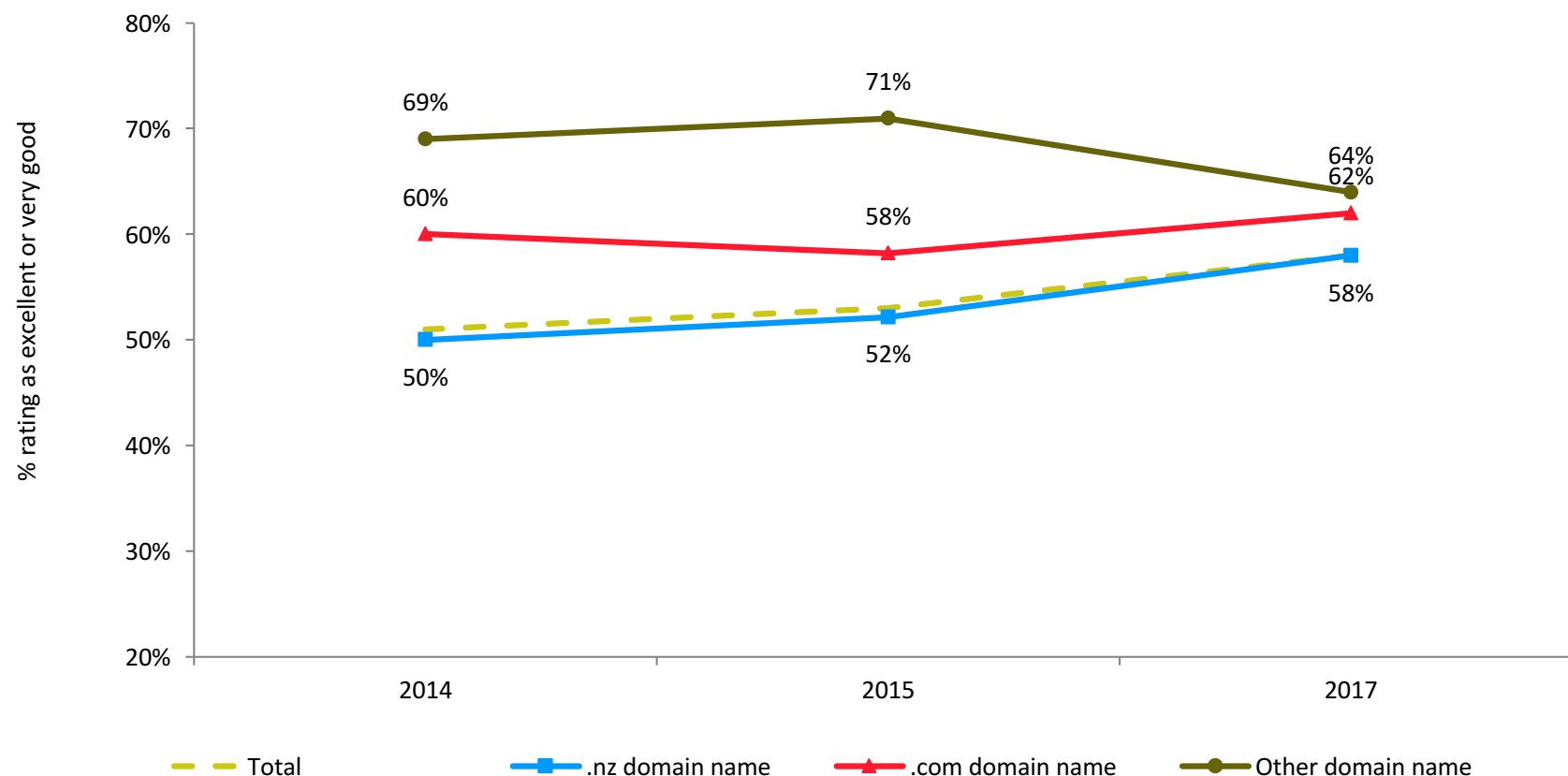


Q23. Regardless of whether you have a domain name or not, which of the following benefits do you think apply to a business who owns a .nz or .com address?
Base: All businesses 2017 n=1,100; 2015 n=1,101



Setting up their domain name

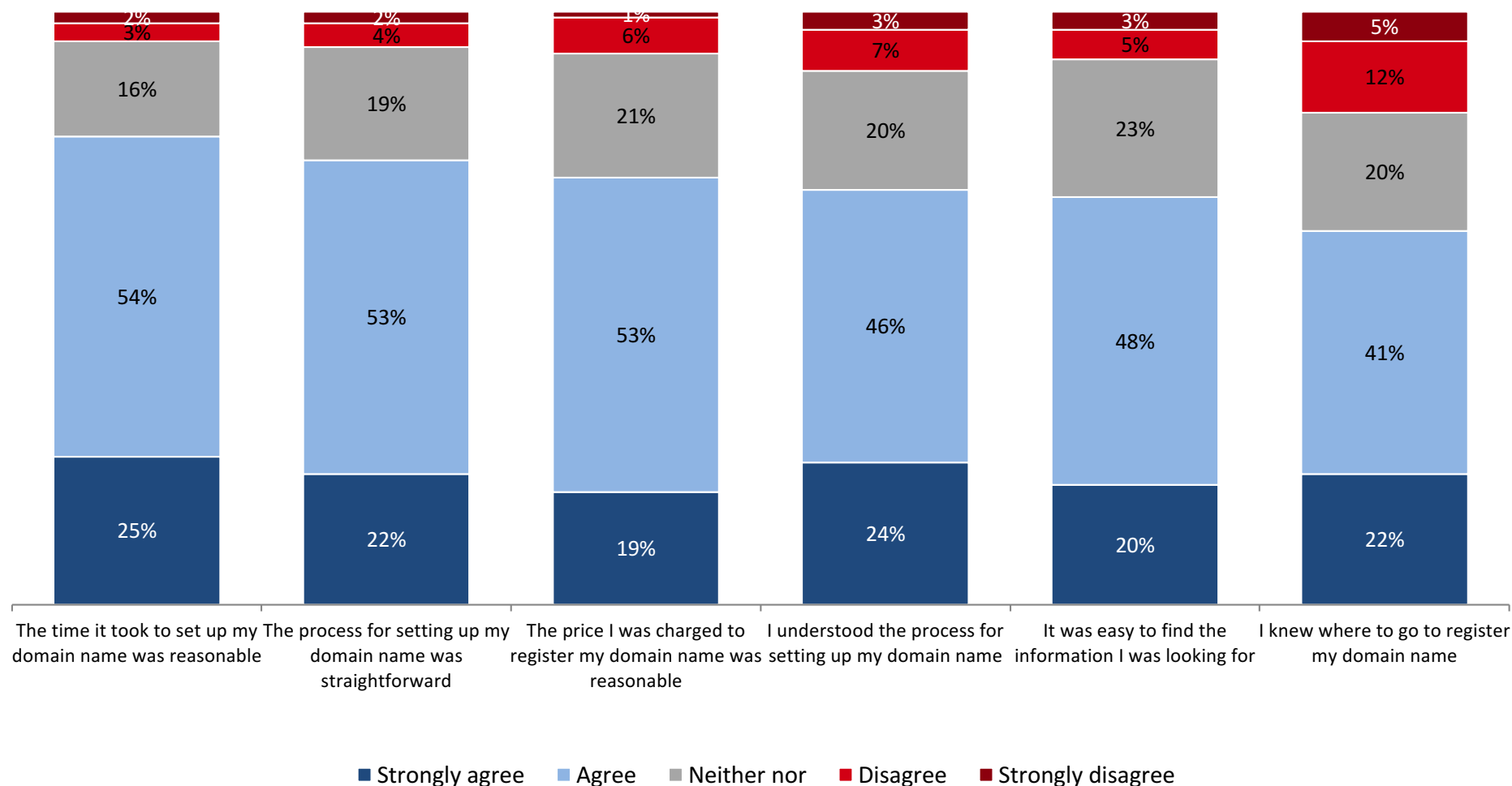
There is a lot less differentiation between the experience of registering different domain names in 2017 than in previous years. Ratings of the experience of registering a .nz continue to improve over time



Q43. Overall, how would you rate your experience registering your domain name?

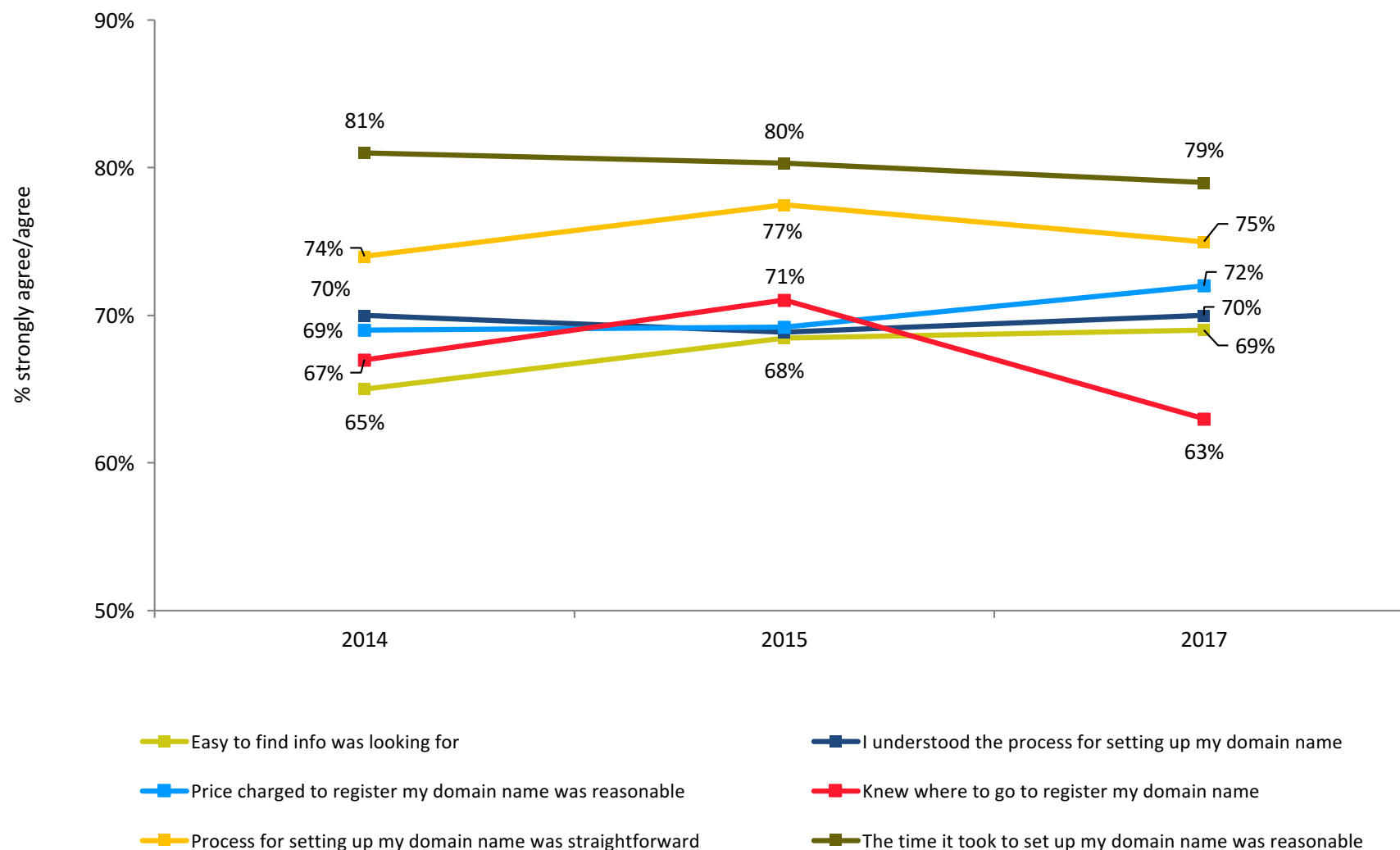
Base: Respondents who were involved in registering their business domain name (excl don't know) Total n=421

Over half of people who were involved in registering their businesses domain name rated all aspects favourably. Nearly one in six people did not know where to go to register their domain name



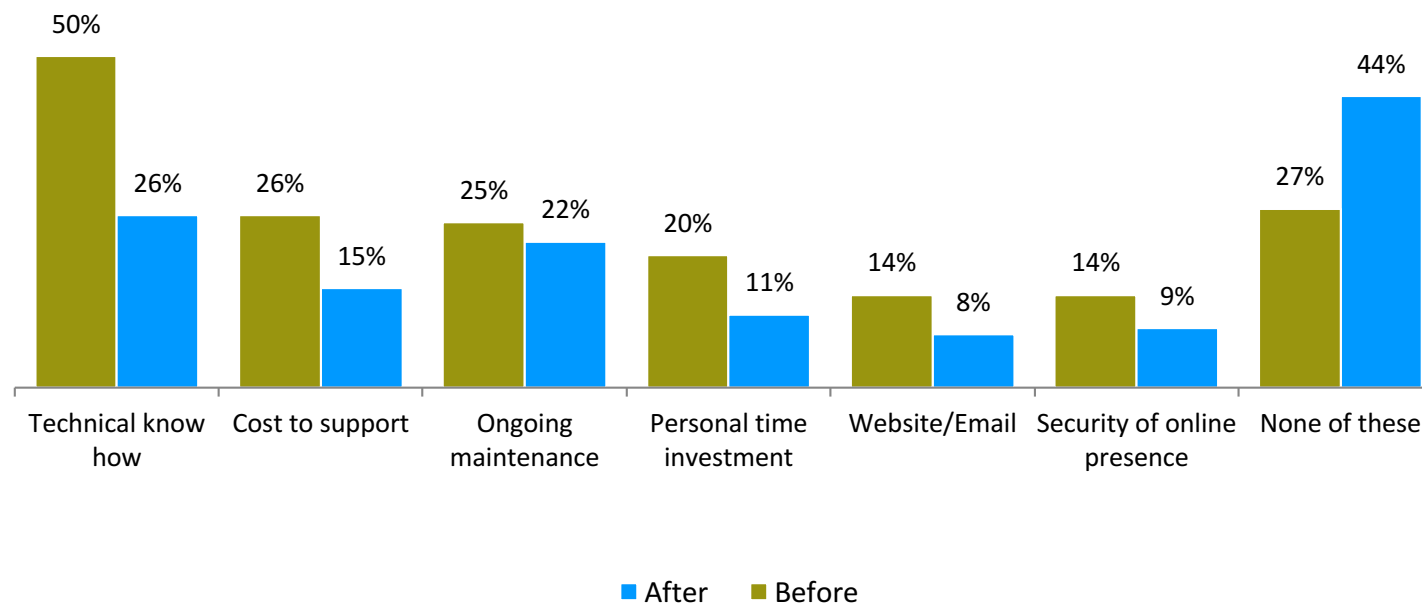
Q42. Below is a set of statements about setting up and registering your domain name. Using the scale provided, please indicate how much you agree or disagree with each statement.
Base: Respondents who were involved in registering their businesses domain name (excl don't know) n=421

The incidence of businesses not knowing where to go to register their domain name has increased since 2015 (shown by a decrease in agreement with the statement). Other measures are stable from 2015



Q42. Below is a set of statements about setting up and registering your domain name. Using the scale provided, please indicate how much you agree or disagree with each statement.
Base: Respondents who were involved in registering their businesses domain name (excl don't know) 2017 n≈421; 2015 n≈411; 2014 n≈399

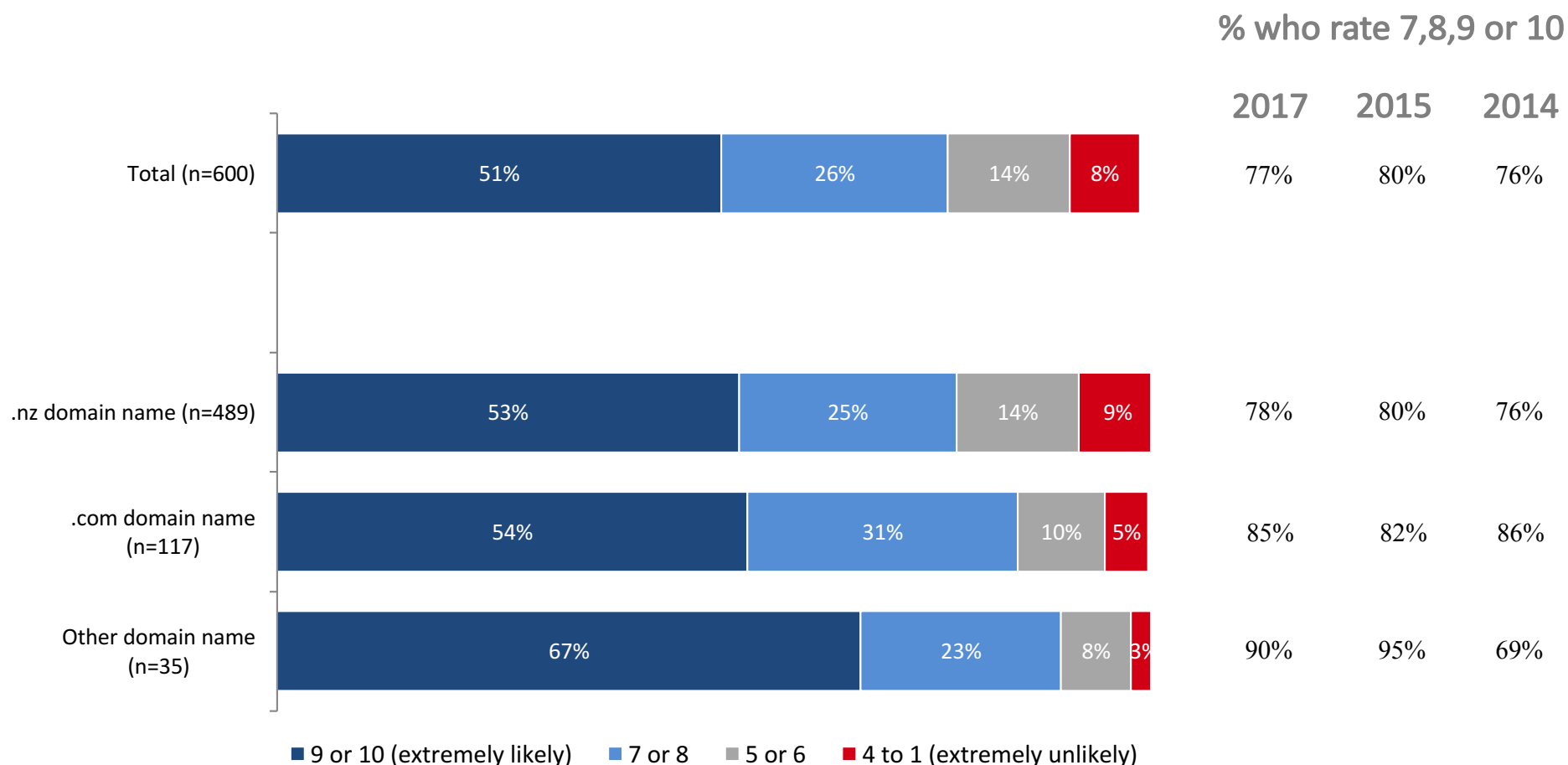
The biggest perceived barrier prior to registering a domain name is the technical know how, followed by the cost and the ongoing maintenance. Subsequent to registration the incidence of these decline apart from ongoing maintenance, indicating that this is a going concern for domain name owners



Q55. Which, if any, of the following did you perceive as barriers before purchasing a domain name? Q56. Which, if any, of the following did you find to be real barriers after purchasing a domain name?

Base: Respondents who were involved in registering their business domain name (excl don't know) n=421

Three-quarters of businesses with a domain name are likely to recommend setting up a website to businesses that don't currently have one



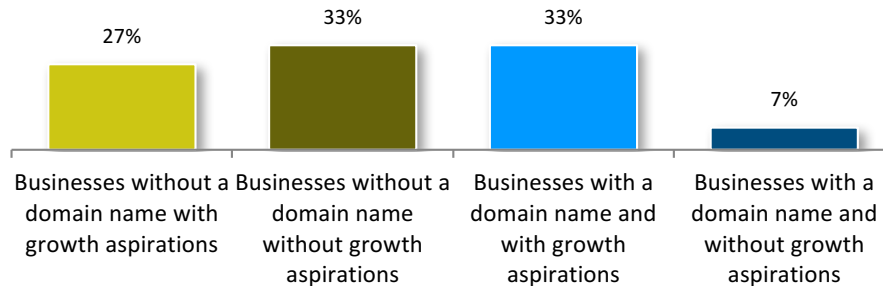
Q57. On a scale of 1 to 10, where one means extremely unlikely and 10 means extremely likely, how likely are you to recommend setting up a website to businesses that don't currently have one?
Base: Businesses who own or manage a domain name (excl don't know)



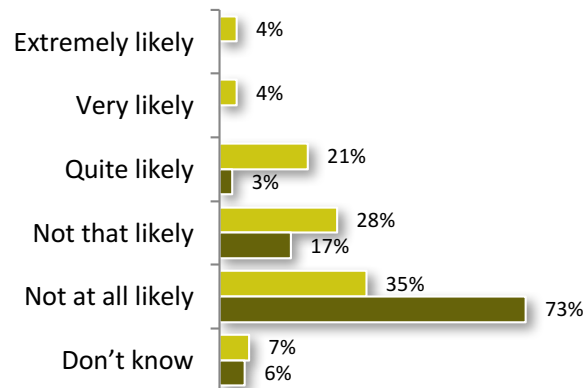
Businesses without a domain name

Businesses without a domain name are more likely to be a sole trader without growth aspirations

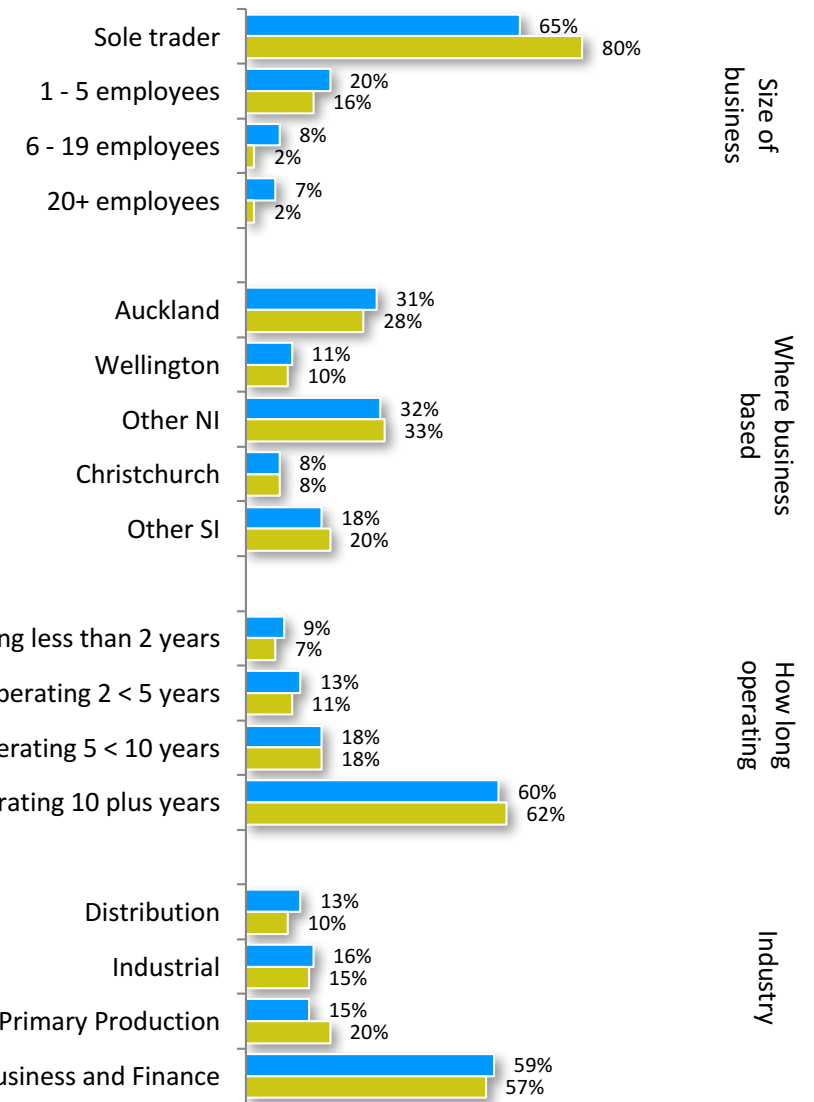
Breakdown of NZ businesses by their growth aspirations



Likelihood to purchase a domain name in the next year

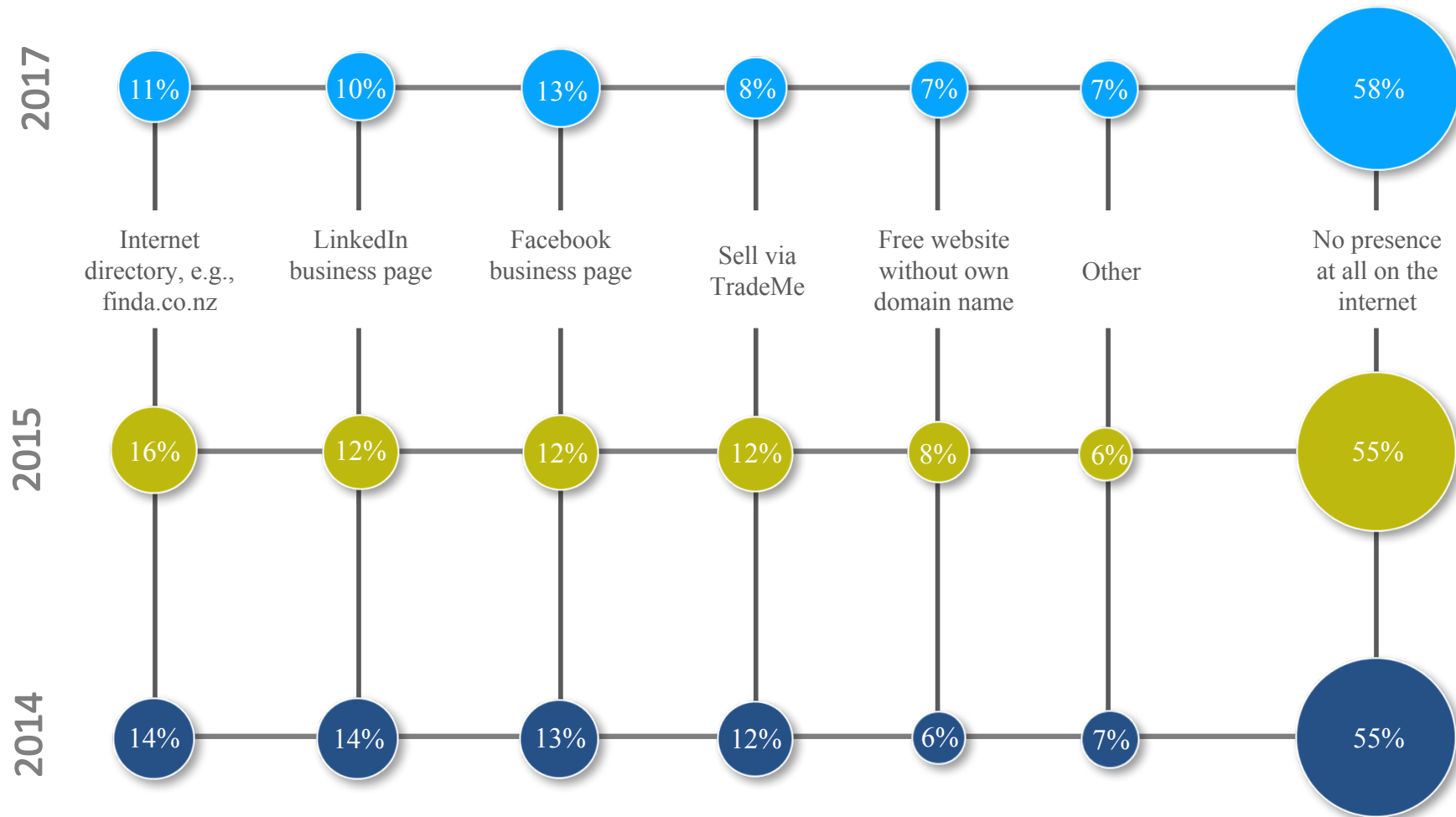


■ Growth aspirations (n=215) ■ No growth aspirations (n=261)



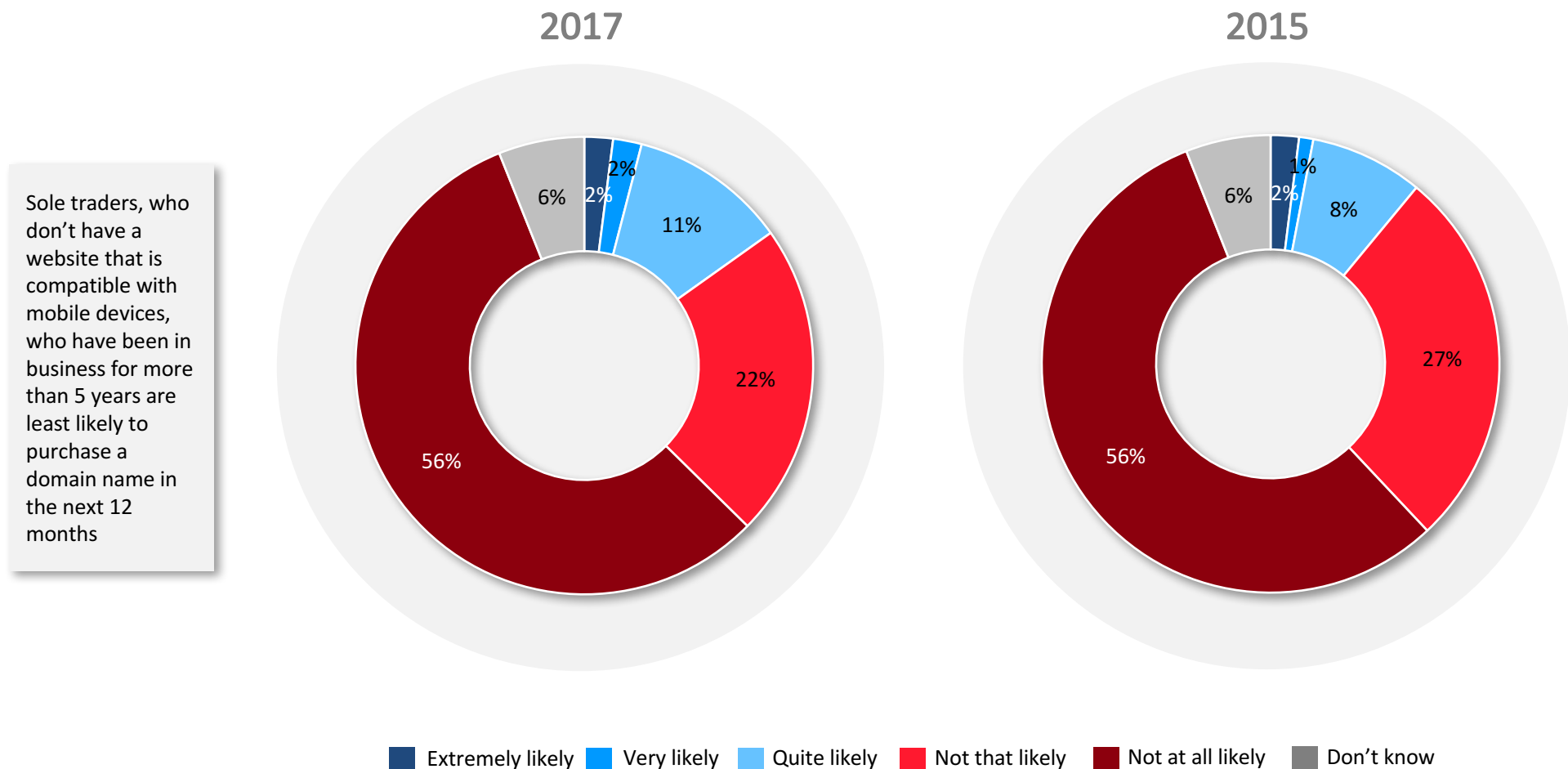
■ All businesses (n=1,100) ■ Businesses without a domain name (n=476)

Over half of businesses without a domain name have no presence on the internet. Those who do are most likely to manage their presence through Facebook, an Internet directory and LinkedIn



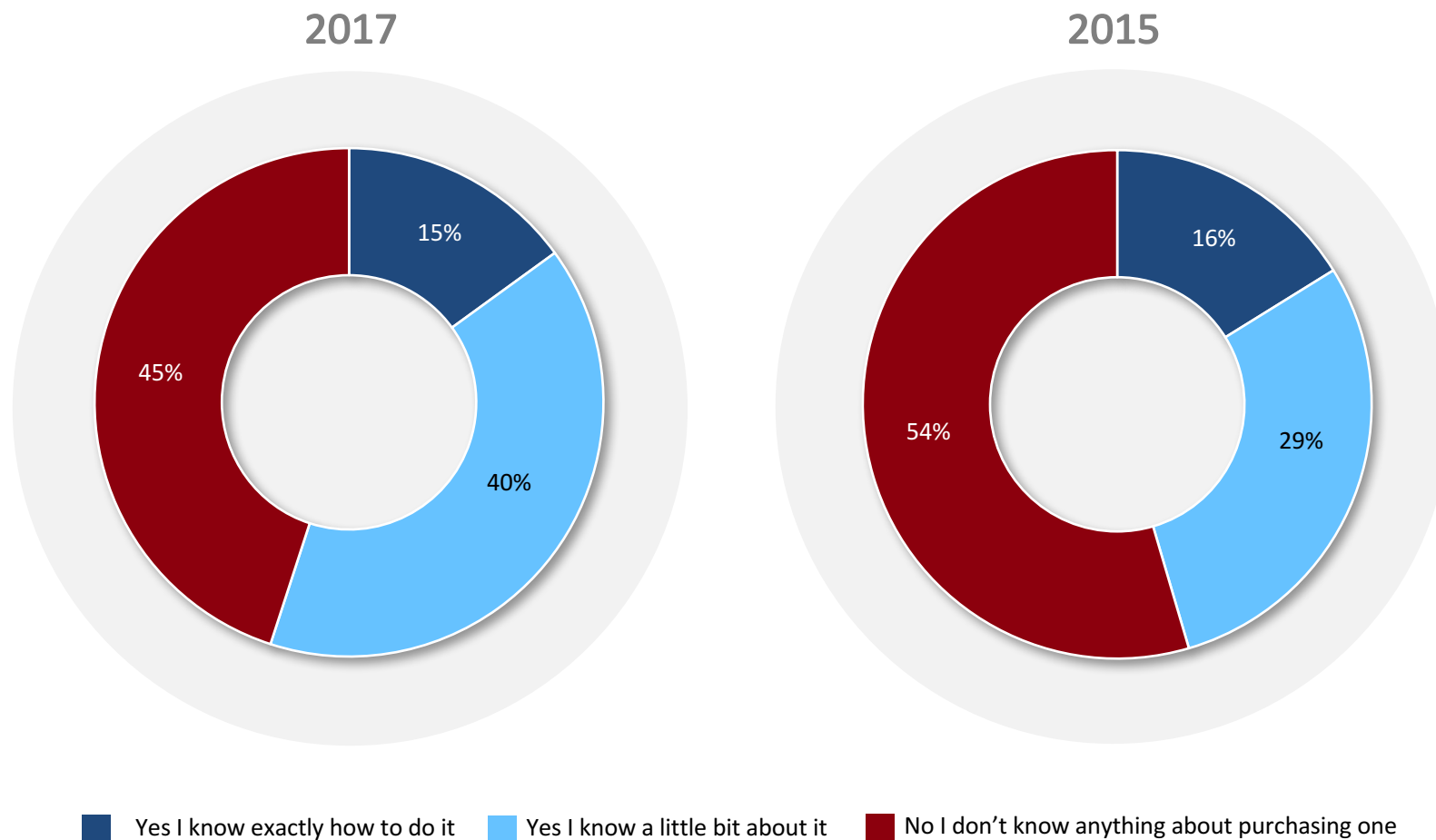
Q45. Which of the following do you use to manage your business presence on the internet?
Base: Businesses don't own or manage a domain name 2017 n=476; 2015 n=505; 2014 n=513

One in six businesses without a domain name are likely to purchase one in the next 12 months, a slight increase from 2015



Q18. How likely is your business to purchase a domain name in the next 12 months?
Base: Businesses who don't own or manage a domain name 2017 n=476; 2015 n=505

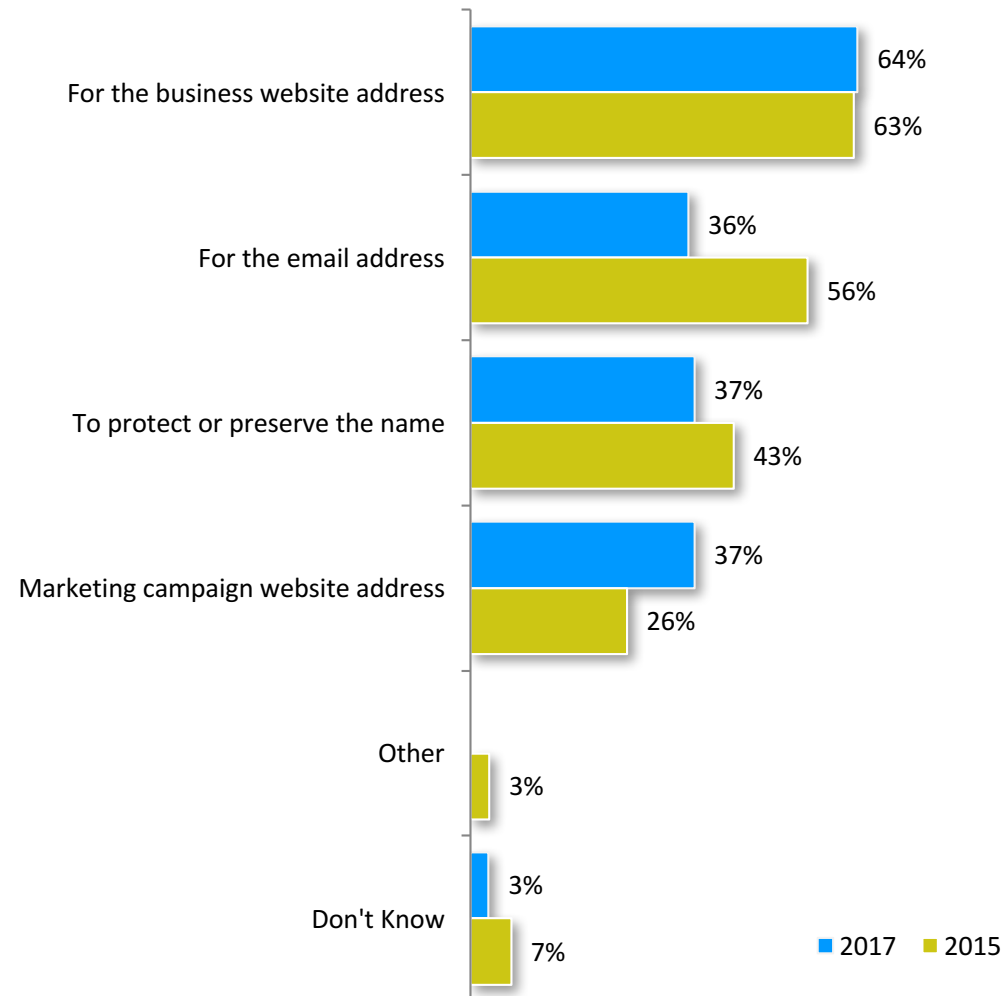
Among those who are likely to purchase a domain name, just over half know how to do it...



Q14. If your business was to consider buying a domain name, do you know how to purchase one?

Base: Businesses who don't own or manage a domain name and are extremely/very/quite likely to buy one in the next year 2017 n=78; 2015 n=61.

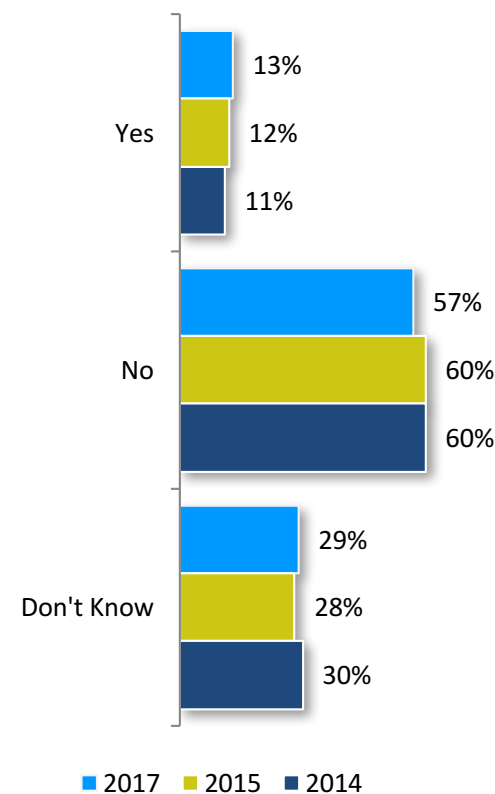
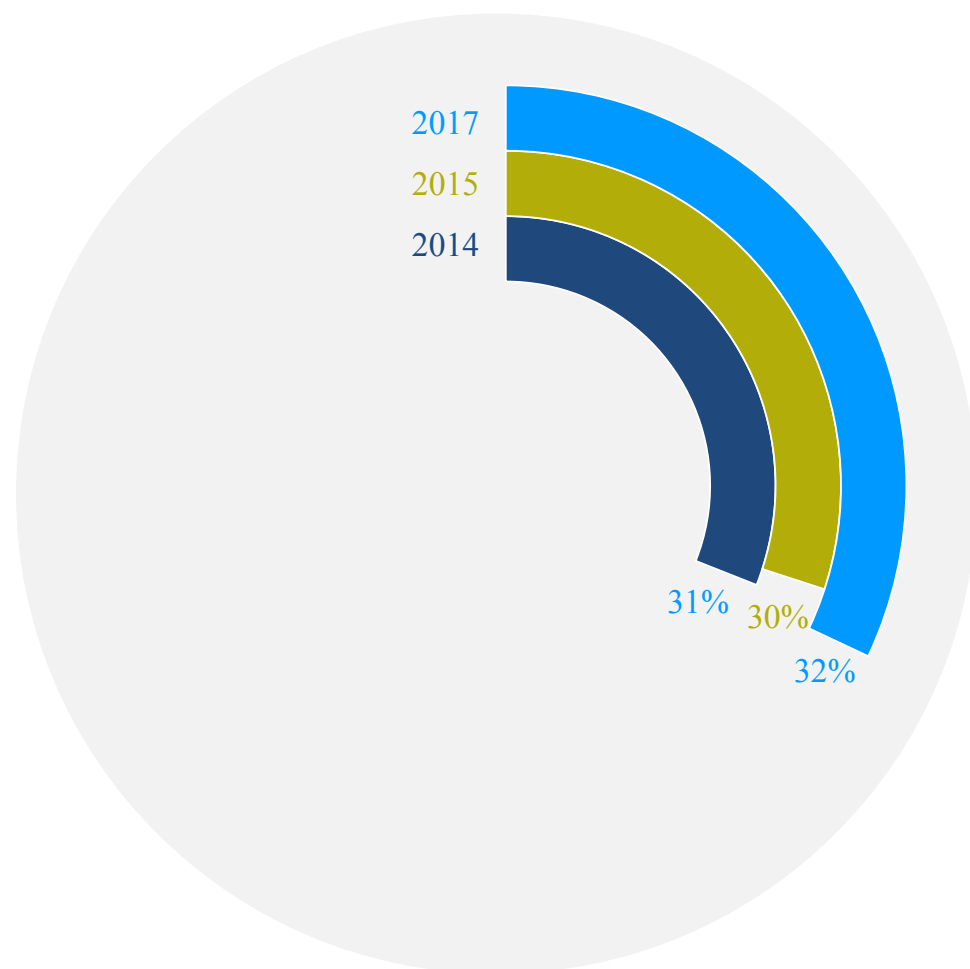
...and they are most likely to do it for the website address



Q15. For what reasons would your business buy its own domain name?

Base: Businesses who don't own or manage a domain name and are extremely/very/quite likely to buy one in the next year 2017 n=78; 2015 n=61.

One third of businesses are aware that you can set up a domain name to point to an existing online presence, and one in 10 think this is something their business would be interested in doing



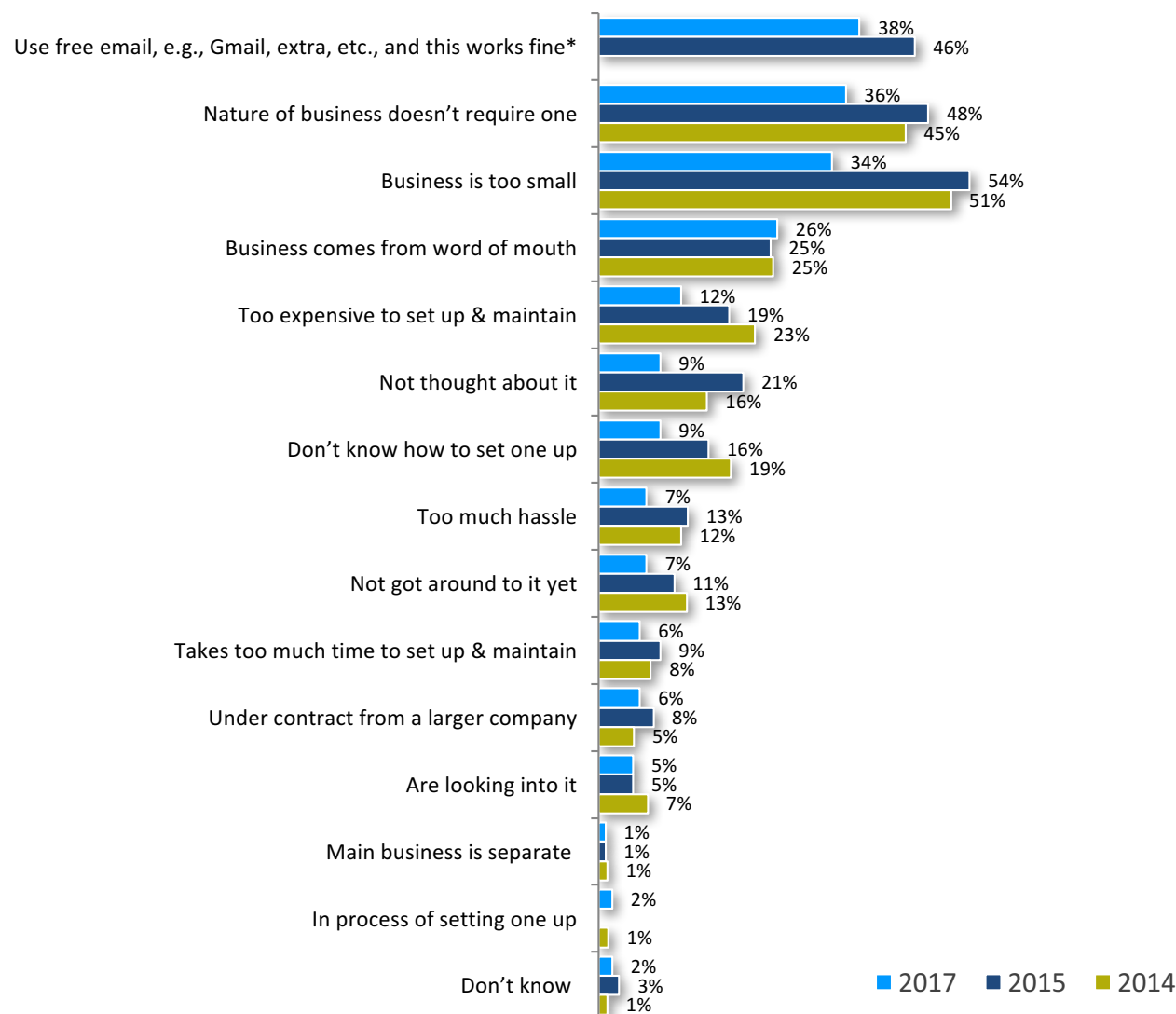
Q62. Did you know you could invest in a domain name and set it up to point to an existing online presence hosted by another service, such as a Facebook page? Q63. Is this something your business would be interested in doing?

Base: Businesses who don't own or manage a domain name 2017 n=476; 2015 n=505; 2014 n=513

Barriers to owning a domain name



Over one third of businesses without a domain name use a free email, believe the nature of their business doesn't require a domain name, and think their business is too small for one

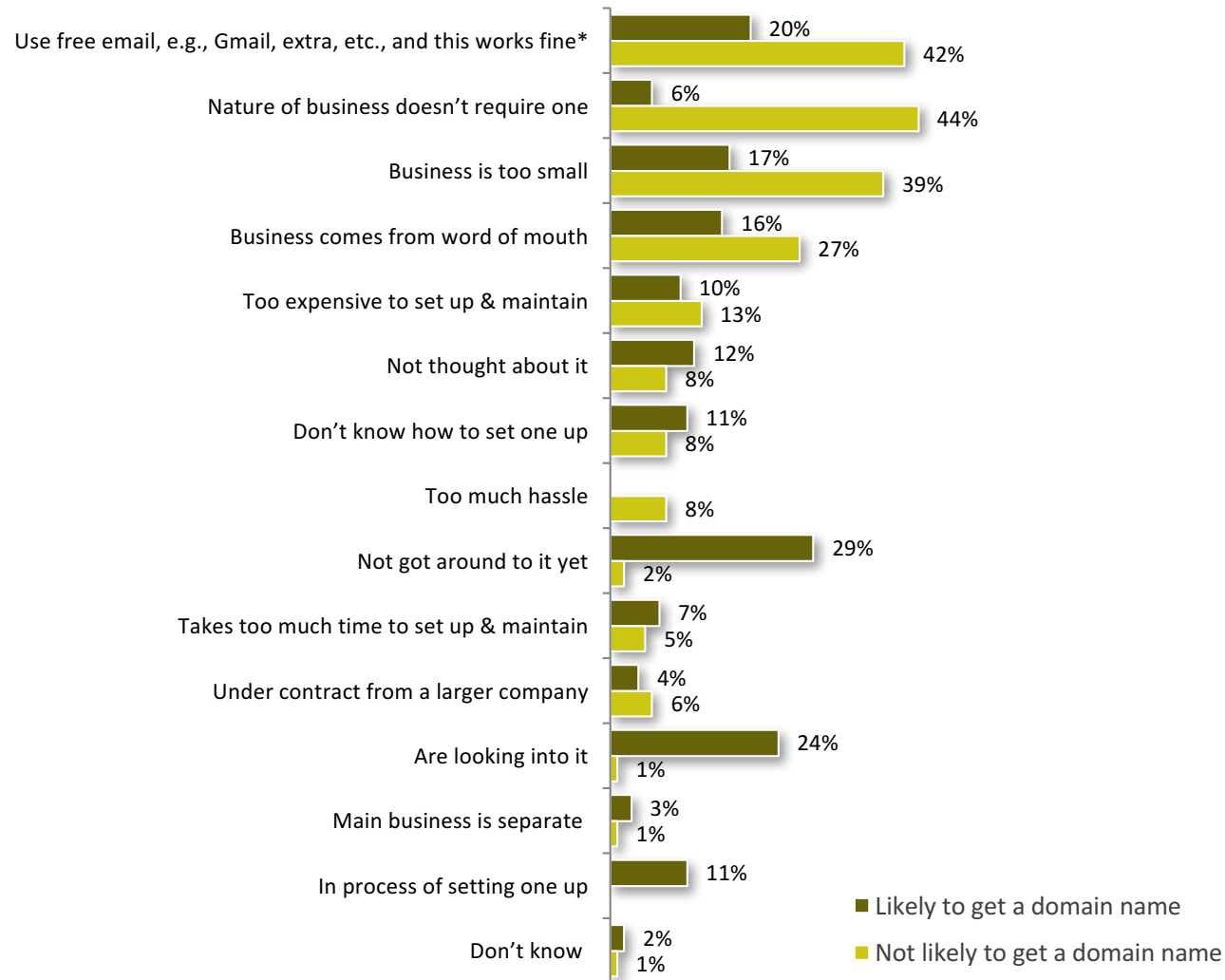


* New statement in 2015

Q13. What are the main reasons your business does not currently own a domain name?

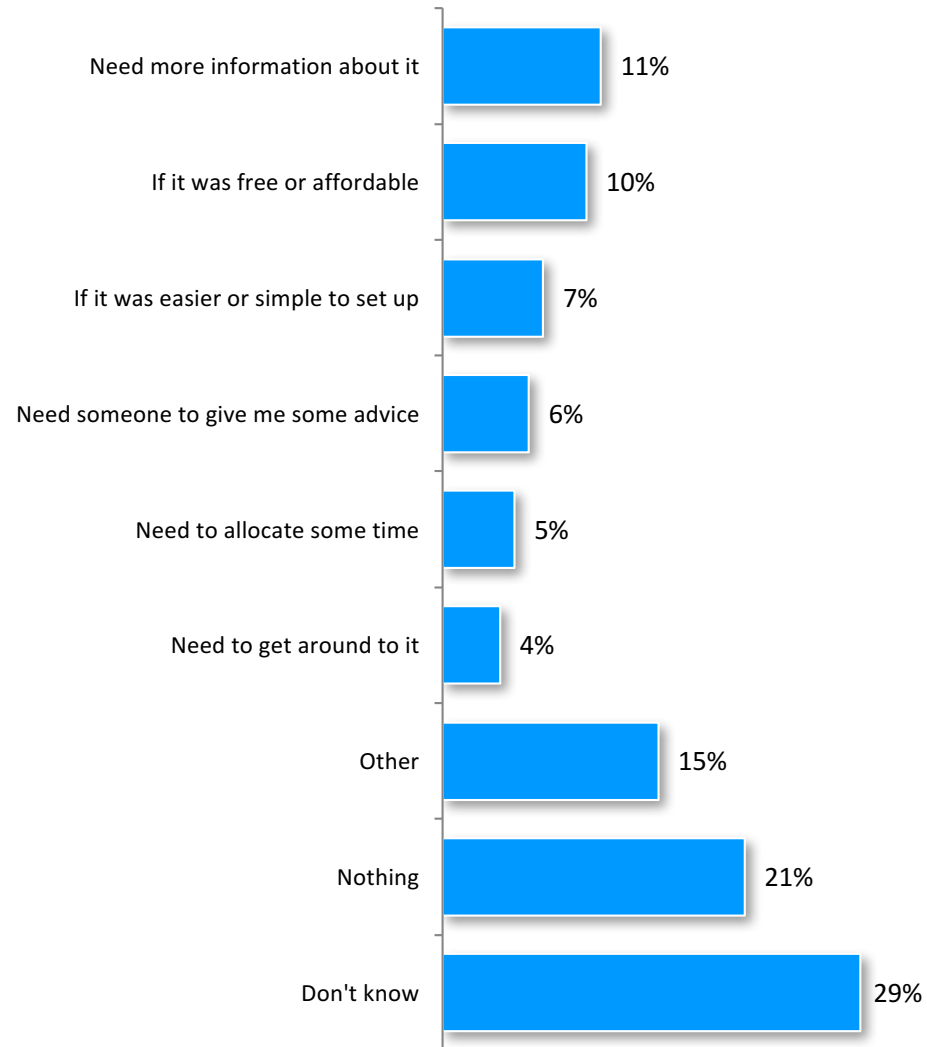
Base: Businesses who don't own or manage a domain name 2017 n=476; 2015 n=505; 2014 n=513

These perceptions are stronger among those who are not likely to get a domain name. For businesses likely to get a domain name their primary barrier is they have not got around to it yet....



Q13. What are the main reasons your business does not currently own a domain name?
Base: Businesses who don't own or manage a domain name Likely n=78; Unlikely n=366

...and they need more information



A simple low-cost solution would help

As it's just me in the business, it's more a matter of getting myself organised. My business is quite new and there is always so much to do and I'm still getting my head around everything. If I could find a reasonably priced package, that would provide everything I need to set up my website as well as support and information that would make life way easier. That's what I've been looking for but haven't got around to making any decisions around it yet because I've been busy juggling!

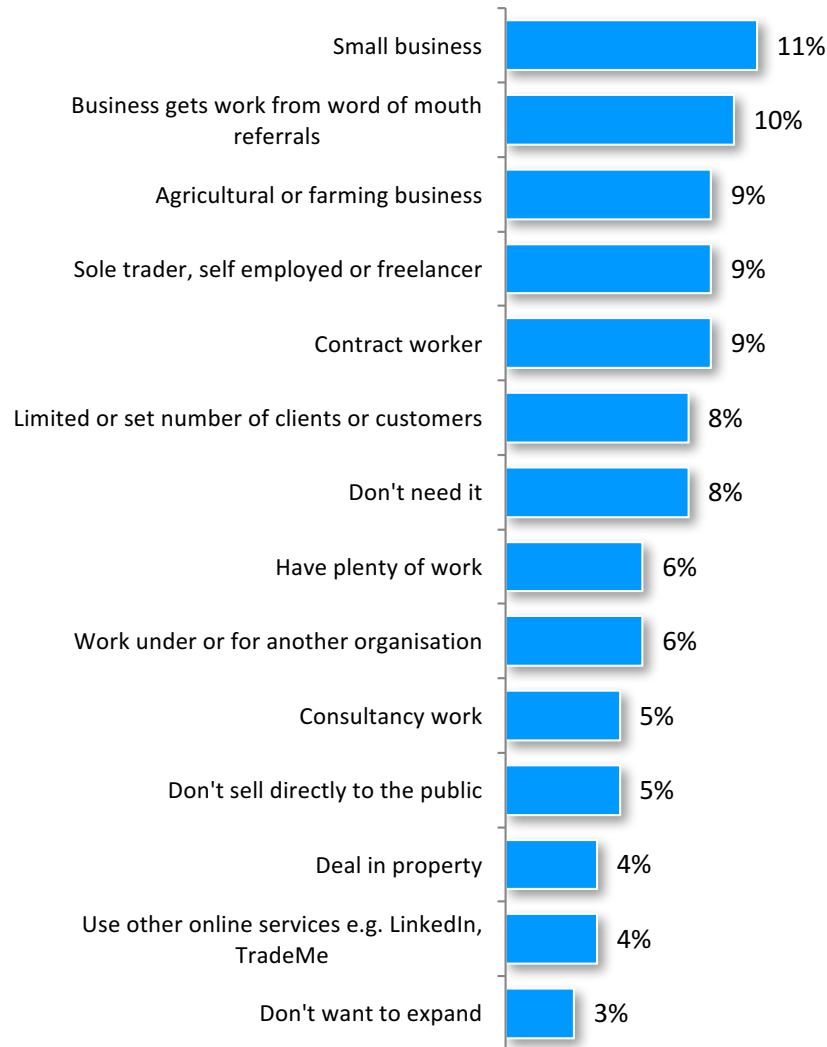
Easy to access information about how to, what's available and pricing

Cost free and easy linkage to current email address so I don't have to throw out or amend dozens of business cards

Understanding how, what the costs are, how it is maintained. Basically the ins and outs of having one

Q59. What could be done to help you get around to registering a domain name?
Base: Businesses looking into setting domain name up but haven't done it yet n=86

Businesses who say the nature of their business doesn't require a domain name get work from word of mouth referrals, work in the agricultural industry, or work for themselves as a sole trader or contractor



Business consulting and corporate governance – work on referrals only. The business is identified on a third party business website and that website is on our business cards

A small café that only offers takeaway food that is prepared fresh daily and varies daily. All activity can be seen via social media

Very small niche industry with word of mouth contacts and professional network generating business enquiries and contacts

We are selling a regular service and once our week is full it's full

Tuition services for a small number of students. Business thought recommendation and word of mouth. I do not want more clients

The business is specialised and has a narrow focus/niche. We are contracted with another business that generates most of our business for us

Note: Only reasons mentioned by more than 2% of businesses are shown

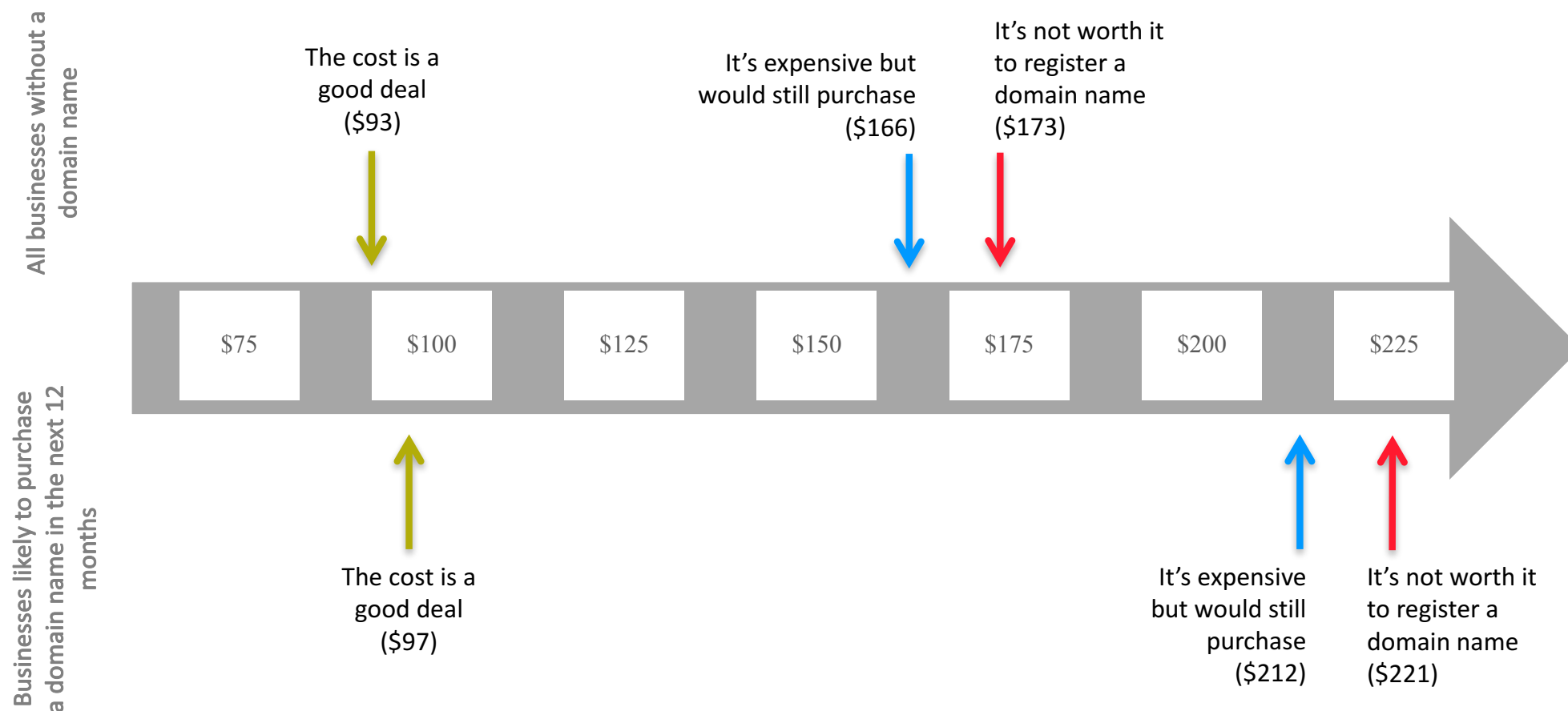
Q58. What is it about the nature of your business that means you don't require a domain name?

Base: Businesses saying that the nature of their business was the reason for not having a domain name n=238

Cost of domain names



Between \$93 and \$166 a year is the optimal price for domain name registration. Businesses who are likely to register in the next 12 months have a slightly higher expectation of what it might cost



The mean cost is calculated in each category, after the outliers in the data were removed.

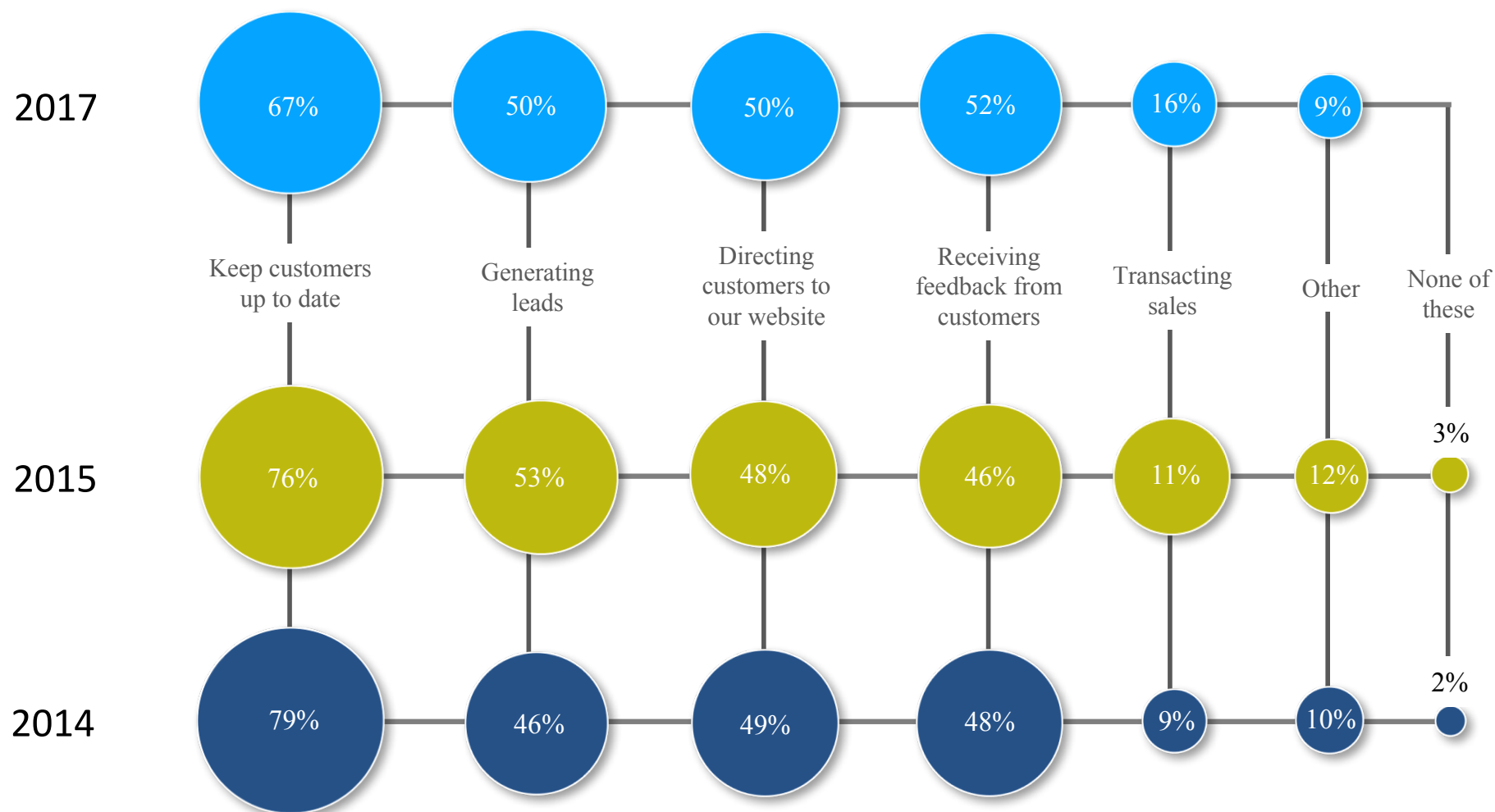
Q46. Thinking about the annual cost associated with registering a domain name for your business, what annual price would you consider to be so expensive that you would think it is not worth it to register a domain name? Q47. What annual price would you consider to be expensive but you would still probably go ahead and register a domain name? Q48. What annual price would you consider the cost of a domain name to be a good deal?

Base: Businesses without a domain name (excl don't know) n≈476, Businesses likely to register a domain name in the next 12 months (excl don't know) n≈78



Social media

Two-thirds of businesses who use social media use it to keep their customers up to date, as well as managing the relationship with their customers

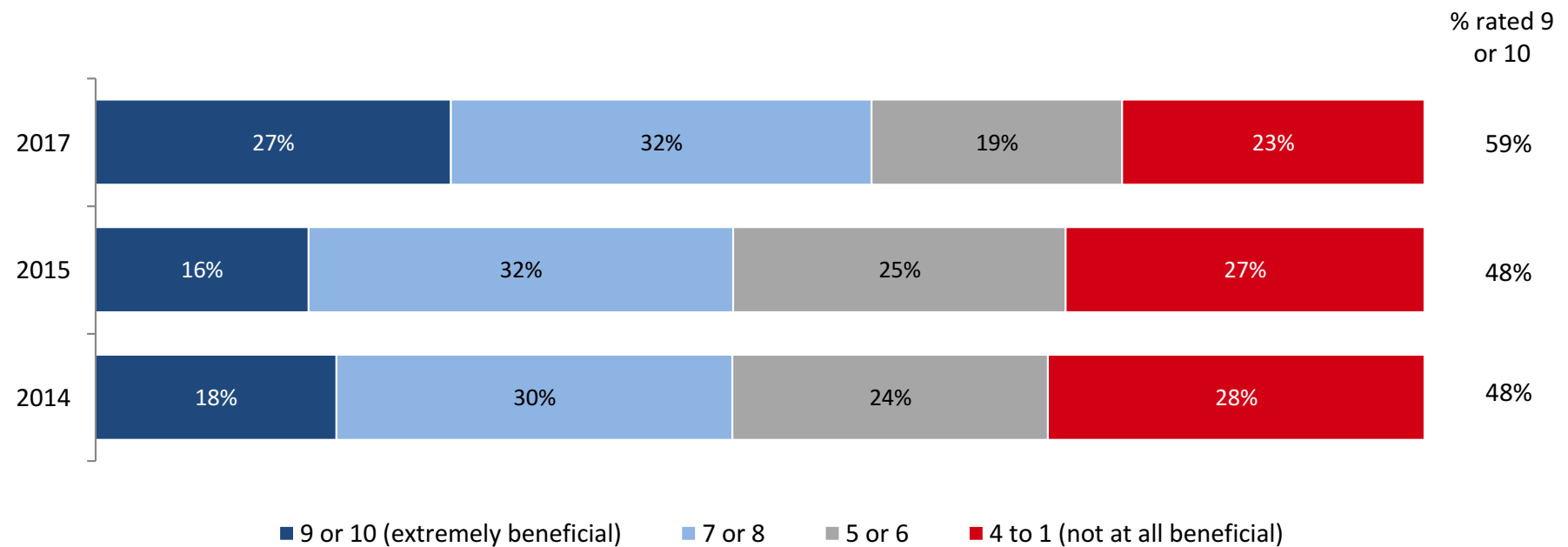


Note: Question wording change in 2017

Q4. Does your business use social media? If so, please indicate below all of the reasons you use social media, if your business doesn't use social media please select the option at the end of the list.

Base: Businesses who use social media 2017 n=549; 2015 n=324; 2014 n=303

The perceived benefits of social media have increased from 2014 and 2015, over one quarter of customers now rate it as extremely beneficial



Q4a. How beneficial, or not, do you think social media is to your business? Please use a scale of 1 to 10, where one means not at all beneficial, it's a waste of time, and ten means it's extremely beneficial and definitely worth the time.

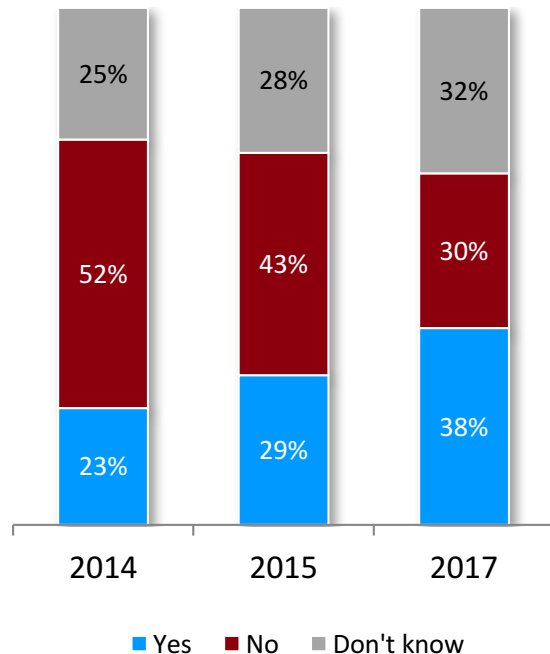
Base: All businesses who use social media (excl don't know) 2017 n=540; 2015 n=316; 2014 n=298



Accessing the internet via mobile devices

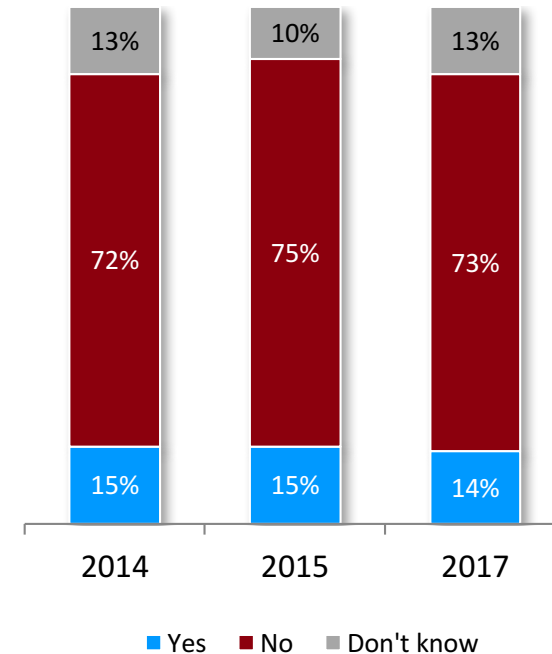
Business website compatibility with mobile devices has increased over time, over one third of websites are now compatible. Among those who are not, three-quarters have no plans to change

Business' website designed to be used on mobile devices



Q51. Now thinking about how your customers use your website, is your business' website designed to be used on mobile devices, such as mobile phones, ipads and tablets?
Base: All businesses 2017 n=1,100; 2015 n=1101; 2014 n=1,100

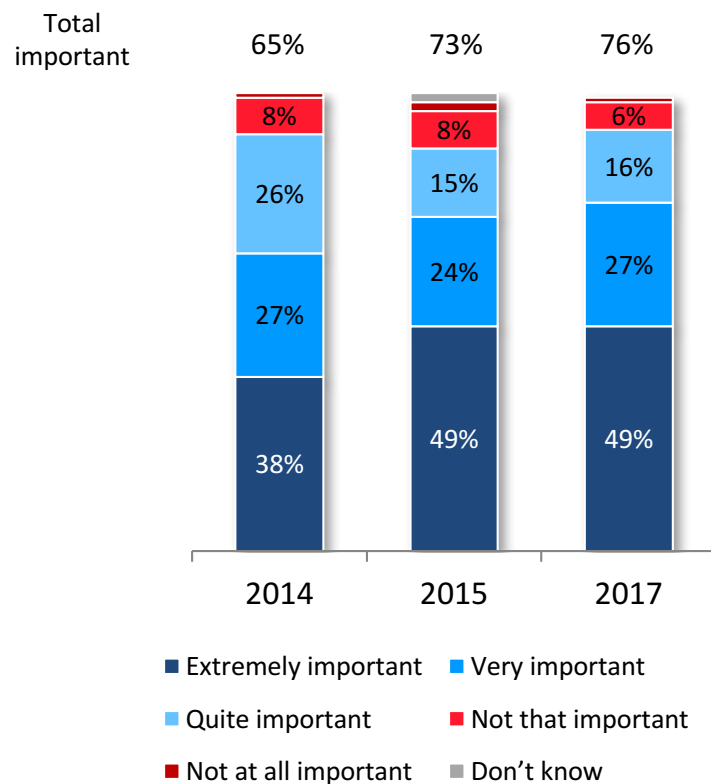
Considering updating for mobile devices in next year



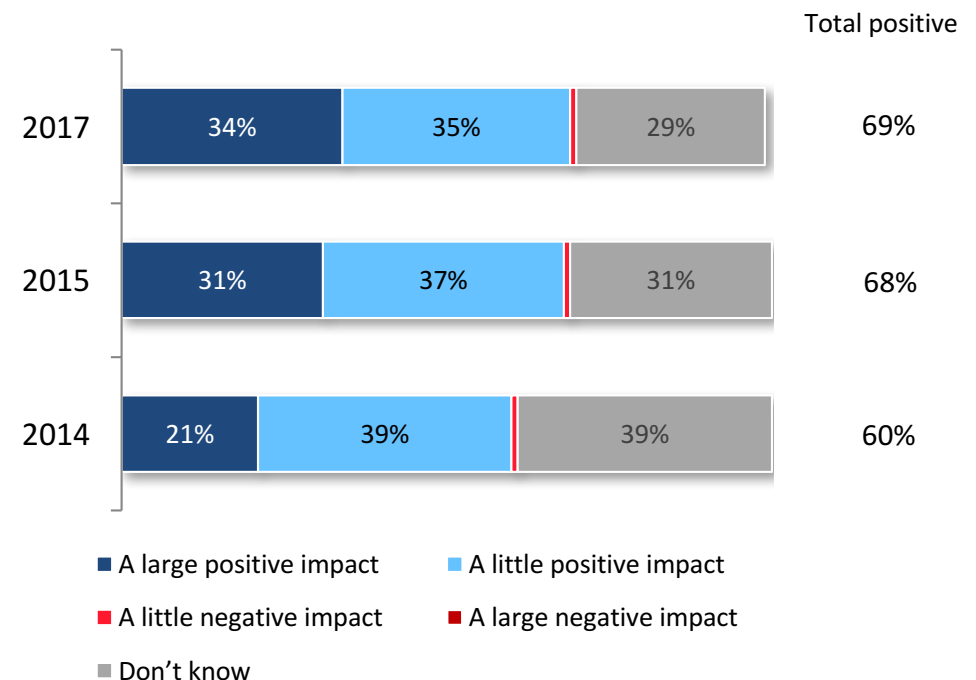
Q52. Is your business considering designing your website for use by your customers on mobile devices in the next 12 months?
Base: All businesses whose website isn't currently set-up to be used on mobile devices 2017 n=309; 2015 n=449; 2014 n=535

Two-thirds of businesses think having a website that is compatible with a mobile device has a positive impact on their business

Importance website can be used on mobile devices




Impact of having a mobile device compatible website on business



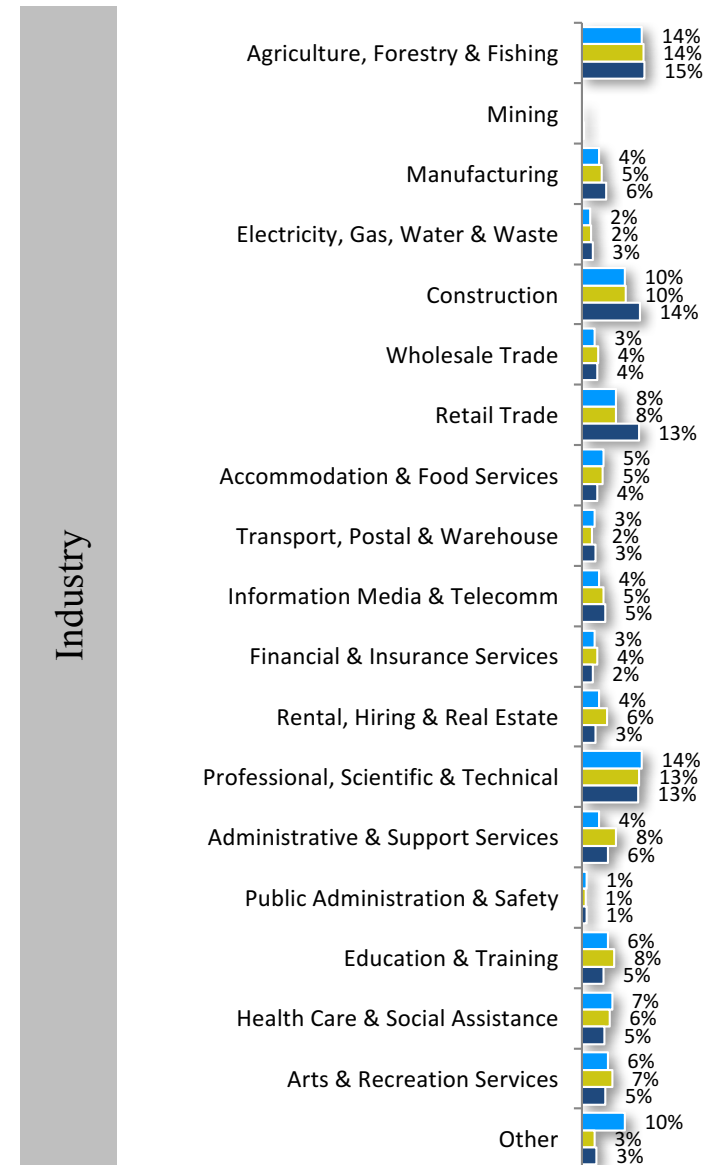
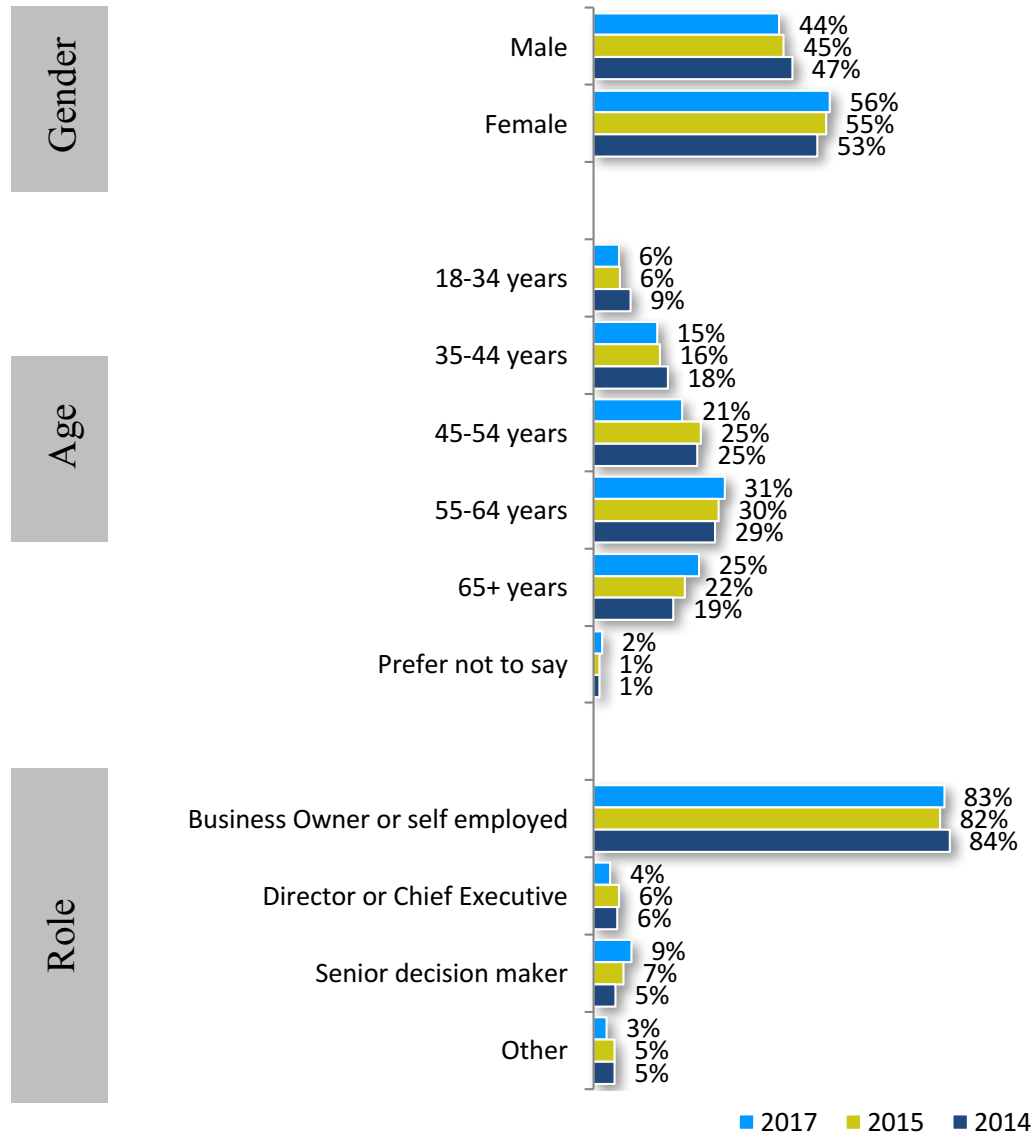
Q53. How important is it to your business that your website is able to be used on mobile devices by your customers? Q54. Has making your website compatible with mobile devices had a positive or negative impact on your business?

Base: All whose website is set-up to be used on mobile devices 2017 n=515; 2015 n=391; 2014 n=304



Business demographic information

1,100 business respondents



Base: All (2015 n=1101; 2014 n=1,003). May not add up to 100% due to rounding.

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