

The .FR in 2023



March 2024



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Definitions

TLD (Top-Level Domain): a domain at the highest level in the hierarchical Domain Name System of the Internet after the root domain. .FR and .ORG are top-level domains.

ccTLD (country-code Top-Level Domain): a TLD specific to a country or territory. The ccTLD for France is .FR, but there are other French ccTLDs such as .RE (Réunion), .PM (Saint Pierre and Miquelon), etc.

gTLD (generic Top-Level Domain): a generic TLD, not attached to a particular country or territory. .COM, .NET and .ORG are gTLDs.

Legacy gTLD: generic TLD created before 2014. Examples include .COM, .NET, .ORG or more recently (2001-2004) .INFO, .BIZ, .MOBI, etc.

nTLD (new Top-Level Domain): generic TLD created after 2014. nTLDs are divided into several sub-segments such as geoTLDs (regions, cities, etc.), Community TLDs (community-based), .BRANDs (TLD suffix corresponding to major brands) or generic nTLDs (common dictionary terms).

Preamble

As registry for the .FR TLD, Afnic is well placed to observe the adaptation of French society to these exceptional conditions, particularly from the standpoint of the digital transition process.

Looking just at the domain names market in France, the consolidation of certain gains of the digital transformation was confirmed in 2023. The all-time record for the number of create operations established in 2020 (793,000) was thus broken (801,000).

This report details the activity of .FR over the past months. It also throws some light on how to read the more general trends while attempting to anticipate how they might evolve in 2024.

Summary

At 31 December 2023, the .FR domain had 4,133,832 names in stock, compared with 3,996,245 at 31 December 2022.

Its growth went from 2.9% in 2022 to 3.4% in 2023, with create operations up by 6.4% and delete operations up by 7.0% (i.e. twice the growth in stock in 2022).

These changes are the medium-term consequences of the very sharp acceleration of the digital transformation during the COVID-19 crisis, which led numerous VSEs/SMEs to develop their activities online. Following a “return to normal” in 2021/2022, 2023 was marked by a slight increase in growth which still deserves to be confirmed, in a particularly uncertain economic environment.

The market share of .FR in France continued to grow, reaching 40.3% in 2023 compared with 39.4% in 2022.

The retention rate, however, deteriorated slightly, to 83.4% from 83.5% in 2022. The ageing structure of .FR domain names has hitherto contributed to their stability, but the delete rate for names reaching expiry for the first time (at the end of the first year) is lower than usual (66% as opposed to 68–70%). This could presage a change in the qualitative composition of the portfolio of .FR names accompanied by stronger volatility. In any case this observation has to be seen in perspective, given the gains made by the .FR TLD in terms of market share: the phenomena affecting the .FR domain are also affecting its rivals, if anything more strongly.

The “deconcentration” of the .FR domain continues, with create operations being less concentrated than the stock of names. However in 2023 create operations showed an uptick in concentration, as if the market’s return to normal benefited the leaders which had not managed to adapt to the special circumstances created by COVID-19.

The regional dynamics still reflect 'catch up' of some rural regions in terms of growth, although the weight of the regions in the portfolio of .FR names registered varies little and is linked to the presence of big urban and economic centres. Over the long term, Île de France (the Greater Paris Region) is the big loser, even though it is still the region with by far the greatest number of .FR names (28% of the stock).

The increase in business failures reflects a readjustment following the anomalies of the period 2020–2021 as well as the difficult current economic situation. This may weigh on renew operations, but also on create operations, by discouraging plans to invest in or develop businesses' online presence. Conversely, the economic difficulties could act as an incentive for businesses to consider new channels through which to generate prospects and distribute products and services, particularly through the Internet.

1. Growth of the .FR TLD

Growth of the .FR TLD stood at 3.4% in 2023 following three atypical years: 2020 (impact of COVID-19, +7%), 2021 (gradual return to normal, +5.8%) and 2022 (end of return to normal, +2.9%). With this return to growth, 2023 could mark the start of a new period of development of the .FR domain.

Growth of this TLD has always been higher than that of the French market as a whole (all TLDs), which grew less in 2023 than in 2022, largely due to the drop in the .COM domain (+1.1% as against +1.3% in 2022 and +3.6% in 2021).

Growth in the ccTLDs of the European Union (not including .UK) showed the same dynamic as that of .FR, with a slight recovery (+1.8% in 2023 compared with +1.6% in 2022).

Lastly, growth of the world market continued on its upward trend, thanks above all to nTLDs (up by an estimated +2.7% in 2023, in the absence of definitive figures for the year, as against +1.9% in 2022 and +0.5% in 2021).

After highly contrasted years, we saw the growth of the different segments converging in 2022 towards the 2%-3% bracket. In 2023, all segments posted increases, albeit to differing extents, the overall French market being atypical, as already indicated, due to the slowdown in the .COM TLD in France.

Change in annual growth rates

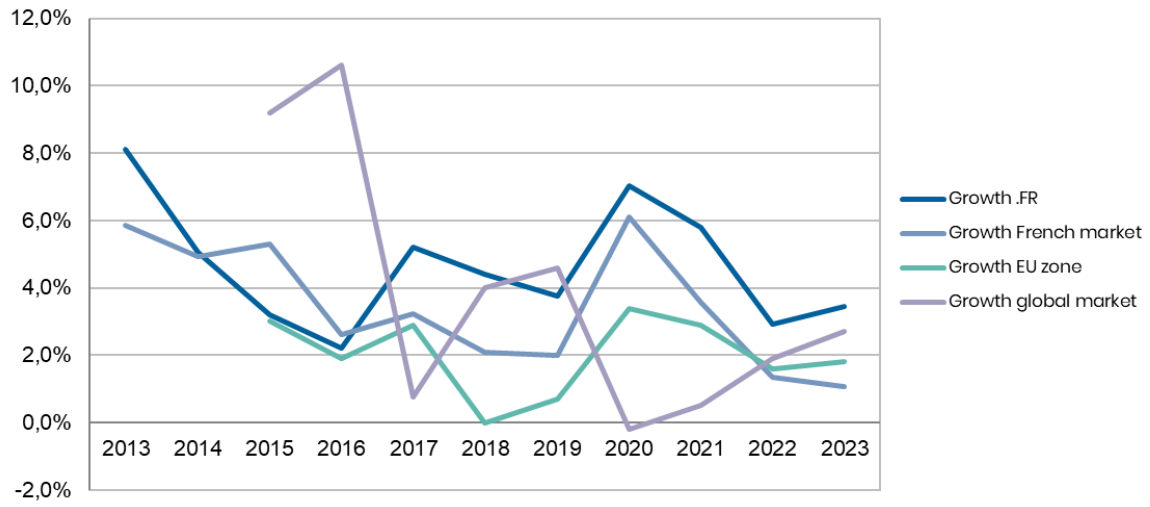


Figure 1: Change in annual growth rates (2013 – 2023)

(Numerical table for Figure 1)

2. Market share in France

Having grown faster than its local market in 2023 (see Figure 1), the market share of the .FR domain stood at 40.29% at the end of 2023 (compared with 39.36% at the end of 2022). This market share constitutes a new all-time high for the .FR TLD.

The gain in market share was thus 0.9 of a percentage point (pp) in 2023, whereas the .COM TLD for its part lost 0.8 of a pp. The differential between the two TLDs continued to evolve in favour of .FR in 2023.

	2019	2020	2021	2022	2023	Total
.FR	0.5	0.3	0.8	0.6	0.9	+3.1
.COM	0.6	-0.6	0.6	-0.5	-0.8	-0.7
Other Legacy TLDs	-0.8	-0.3	-0.3	-0.3	-0.2	-1.9
Other ccTLDs	-0.2	-0.4	-0.2	-0.1	0.0	-0.9
nTLDs	-0.1	1.0	-0.9	0.3	0.1	-0.4

Table 1: Changes in market share in France (2018 – 2022)

Table 1 shows the gains and losses in market share over the past five years. During this period, the situation of the .FR TLD improved constantly with a total gain of 3.1 pp. The .COM domain for its part lost 0.7 pp, Other Legacies lost 1.9 pp, Other ccTLDs lost 0.9 pp and nTLDs lost 0.4 pp.

In 2023, the solidity of the .FR domain in its market was confirmed, whereas the .COM TLD continued the declining trend that had started in 2022. Following a poor year globally in 2022 (first decline in stock of names registered in more than 20 years), the .COM domain looks to have ended 2023 at break-even or just slightly in the red. This lacklustre performance favours gains in market share by the ccTLDs, turbo-charged by the acceleration of the digital transition (the case of the .FR domain being no exception).

In any case these multi-annual data show a constant preference over time in France for the .FR domain.

The declining market shares of the other segments could be explained by the same factors as in previous years: registrations made for defensive purposes, 'Other Legacies' suffering from 'portfolio clear-outs' not offset by a strong volume of create operations.

nTLDs, for their part, follow two quite different rationales. On the one hand, there are the low-cost nTLDs attracting bargain create operations with subsequent low retention rates. And on the other hand, the more "classic" nTLDs, compelled by the fixed charges imposed by ICANN and by their relatively low volumes to charge rates that make them less competitive while at the same time not allowing them to obtain sufficient margins to finance the promotional operations they would need to carry out in order to make themselves widely known to their targets.

Figure 2 below shows that over a long period, the reality of the market is that of use, and that the great challenge for secondary TLDs such as "Other Legacy TLDs", or newcomers to the market such as nTLDs, is how to anchor themselves in real use.

Changes in market share in France

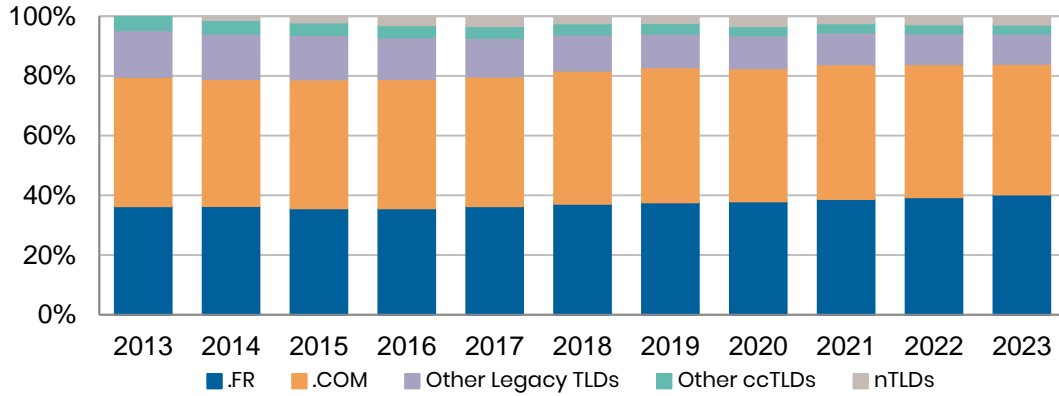


Figure 2: Changes in market share in France (2013 – 2023)

(Numerical table for Figure 2)

Data for TLDs other than .FR are estimates provided by ZookNIC.

As a result, the durability and the success of a TLD are less measurable by the volumes of stocks or the creation dynamics than by the use actually made of the names. This aspect is unfortunately also one of the most difficult to assess, and for the time being we are not in a position to present reliable data on the subject.

3. Activity of the .FR

In 2023, activity of the .FR domain was marked by a significant increase in the number of create operations (+6.4% following the contractions of 2021 and 2022). A new all-time record was reached, with 801,427 create operations, the 800,000 threshold for the number of create operations in a year being passed for the first time.

Delete operations for their part increased by 7% (as against 13% in 2022), with a resulting deterioration in the retention rate, which went from 84.6% to 83.5% in 2022 and 83.4% in 2023 for an average of 83.6% over the period 2019–2023.

The good level of create operations proves that the phenomenon of acceleration of the digital transformation has become permanent through sustained website creations. Even so, the increase in the number of delete operations, which exceeded the growth in stock in 2022, could be an indication of higher volatility of creations, which are renewed less frequently after the first year as we shall see presently.

Beyond the “disappointments” of the digital transition, the economic context may explain this phenomenon (significant increase in business failures).

Table 2 shows the differences by type of flow.

Flows	2022	2023	Change (abs.)	Change (%)
Create operations	753,412	801,427	+48,015	+6.4%
Net delete operations ¹	639,367	683,867	+44,500	+7.0%
Net balance	113,757	117,560	+3,803	+3.3%

Table 2: Flows of .FR activity in 2022

Figure 3 presents the trends in .FR flows since 2013 and shows the habitual levels of create and delete operations and the net balance.

¹ Net delete operations correspond to gross delete operations less operations to “restore” names deleted then kept by their holders, plus the delete operations carried out at the initiative of Afnic, notably in the context of verification operations.

Change in .FR activity

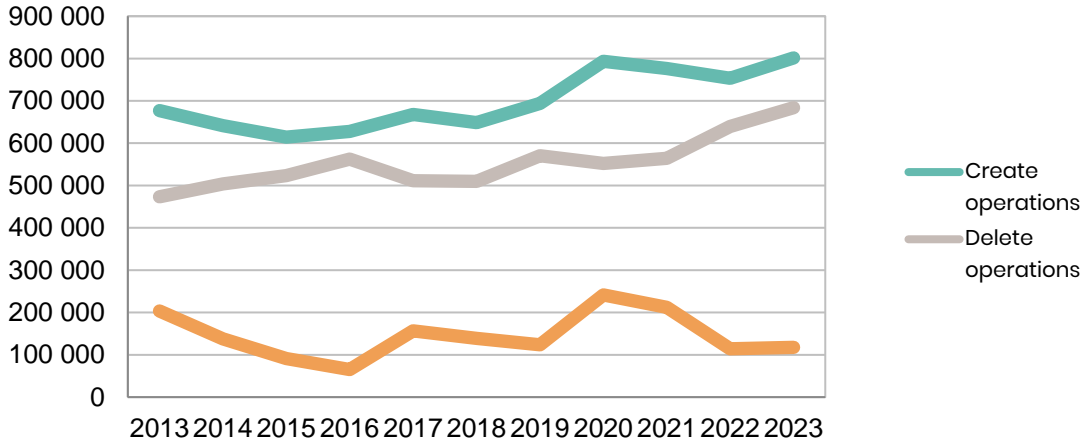


Figure 3 : Change in .FR activity (2013 – 2023)

(Numerical table for Figure 3)

Following a peak in 2012, create operations fluctuated between 600,000 and 700,000 per year from 2013 to 2019. They exceeded 700,000 in 2020 and remained above this threshold in 2021 and 2022, before passing the 800,000 mark in 2023.

Delete operations, meanwhile, were in the range of 500,000 to 600,000 a year between 2013 and 2021, with two peaks in 2016 and 2019 associated with specific one-off incidents. The 600,000 delete operations level was surpassed in 2022, with a lower retention level compared to 2021 (83.5 as against 84.6²). In the 2023 figures, we see a trend towards

² The retention rate is calculated using the following formula: $(\text{Stock 1 Jan. 2024} - \text{Create operations 2023}) / \text{Stock 1 Jan. 2023}$. It therefore measures the proportion of names present at 1 January 2023 that were still present at 1 January 2024. Purists distinguish between this retention rate and the renewal rate, which measures the number of names renewed as a proportion of all those expiring in the period considered. For reasons of benchmarking, we prefer to use the retention rate, which can be calculated without having expiry dates for renewed names.

acceleration, which leads us to believe that the 700,000 deletions bar could be crossed in 2024. If this pessimistic thinking were to be confirmed, the retention rate of the .FR domain would plateau at 83.1% in 2024.

4. Structure of the .FR net balance

A study of the components of the net balance and their changes highlights the dynamics underlying the performance characteristics discussed above.

Figure 4 shows the variations in domain name renew and create operations from one year to another, their addition forming the net balance.

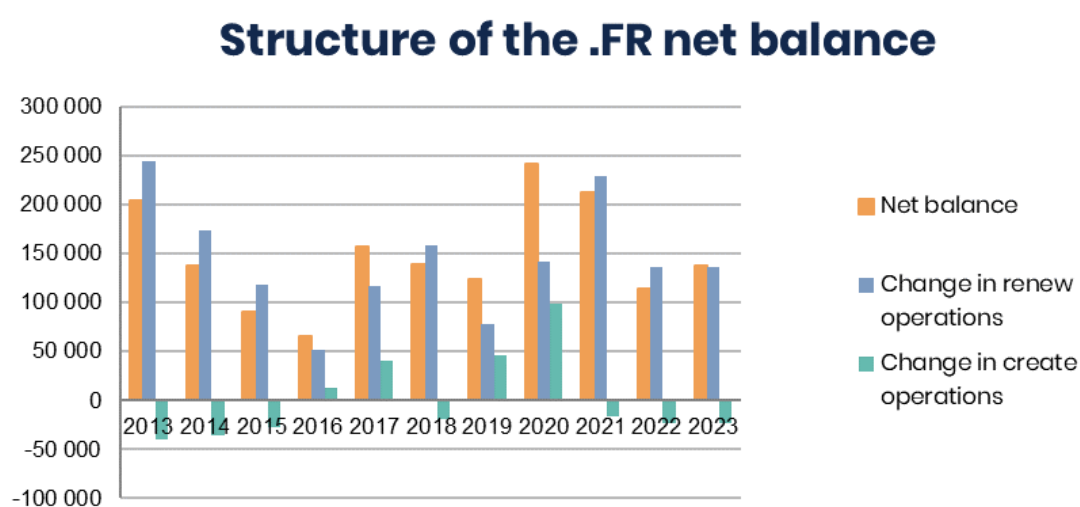


Figure 4: Structure of the .FR net balance (2013 – 2023)

(Numerical table for Figure 4)

The variation in renew operations was positive in all years from 2012 to 2023, reflecting the fact that the absolute number of domain name renewals continued to grow (2021 being the first year in which more than three million .FR names were renewed, a figure that rose to 3,332,395 in 2023.)

Following an exceptional year in 2021 with nearly 250,000 names renewed, this volume trended downwards in 2022 and 2023, the increase of 50,000 in 2023 being offset by the number of delete operations.

The net balance for 2023 is within a reasonable average (towards the top of the 100,000 to 150,000 name range, which covers seven of the 11 years presented in Figure 4).

A study of the key parameters of the .FR TLD helps to explain these factors and to illustrate the reasoning behind activity forecasts.

5. Key parameters of the .FR

5.1. A recovering creation rate

The creation rate represents the percentage of names created during the year in stock at year-end.

The “younger” or more “dynamic” a TLD, the higher its creation rate. This rate tends to reduce over time, since the stock of names increases from year to year and the effort needed in terms of create operations (in absolute value) in order to maintain a similar rate from one year to the next is therefore automatically ever greater.

Figure 5 shows that the creation rate of the .FR lost 4 pp in 2013–2015 before levelling out in 2016–2017, falling in 2018 and recovering in 2019 and 2020. This trend did not continue in 2021 and 2022, with a .FR creation rate falling to around 19%. The exceptional level of create operations in 2023 allowed it to rise above 19% once again.

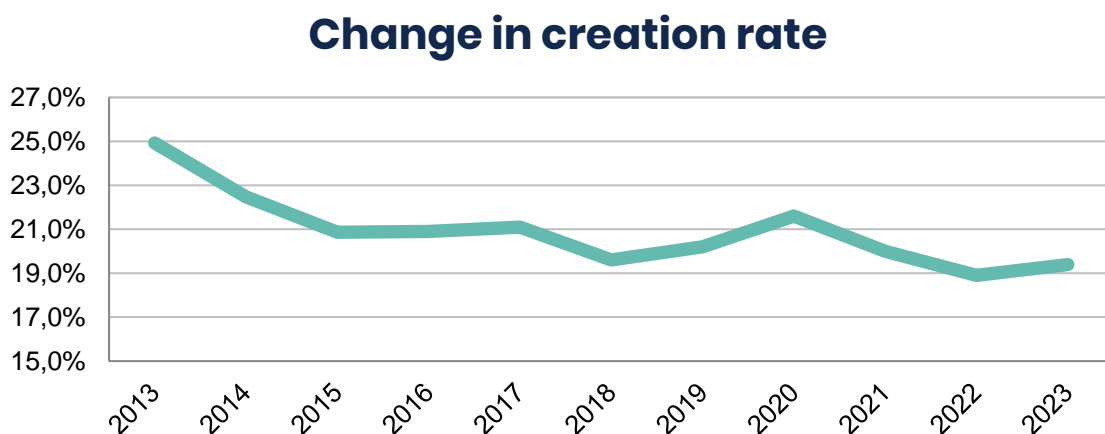


Figure 5: Change in creation rate

(Numerical table for Figure 5)

We are now in a position to evaluate the relevance of the scenarios referred to in terms of possible future developments over the next two years. Two possibilities were put forward:

- **an optimistic scenario in which the digital transformation initiated in 2020 continued, sustaining the dynamic of create operations;**
- **a pessimistic scenario in which the economic crisis reduced investment and discouraged potential project promoters from starting up new businesses.**

Performance for the year shows that the .FR domain was clearly on an optimistic path in 2023, which does not mean however that this can last for ever. Holding the retention rate at around 19% in 2024 would be a success in itself.

The change in weekly create operations shown in Figure 5.1 explains why the number of create operations was higher in 2023 than in 2022. From January to May/June 2023, weekly create operations remained much higher than they had been in the same period of 2022, following the trend of H2 2022 (except for December). This characteristic had already been observed in the first few months of 2021.

Subsequently, from June to December, the level of create operations remained overall higher than in 2022 but following the seasonal tendency more closely: declining until the end of August then recovering strongly from September and with a pronounced dip in the last few weeks of December (the holiday period).

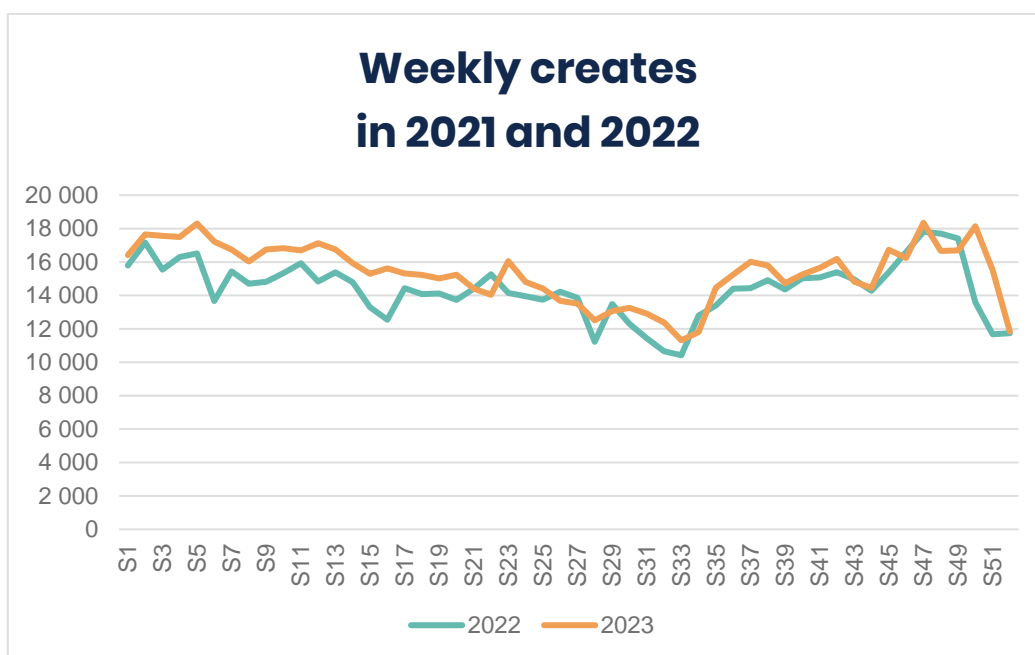


Fig. 5.1 – Comparison of levels of weekly create operations in 2022 and 2023

(Numerical table for Figure 5.1)

5.2. A falling retention rate in 2023

The retention rate is calculated by subtracting the number of create operations during the year from the stock at year-end and comparing that balance with the stock at the beginning of the same year. It therefore measures the proportion of names in the portfolio at the start of the year that were still there, i.e. had not been deleted, at year-end.

This retention rate decreased in 2022 and 2023 due to the number of delete operations increasing more quickly than the stock of names.

Change in Retention Rate

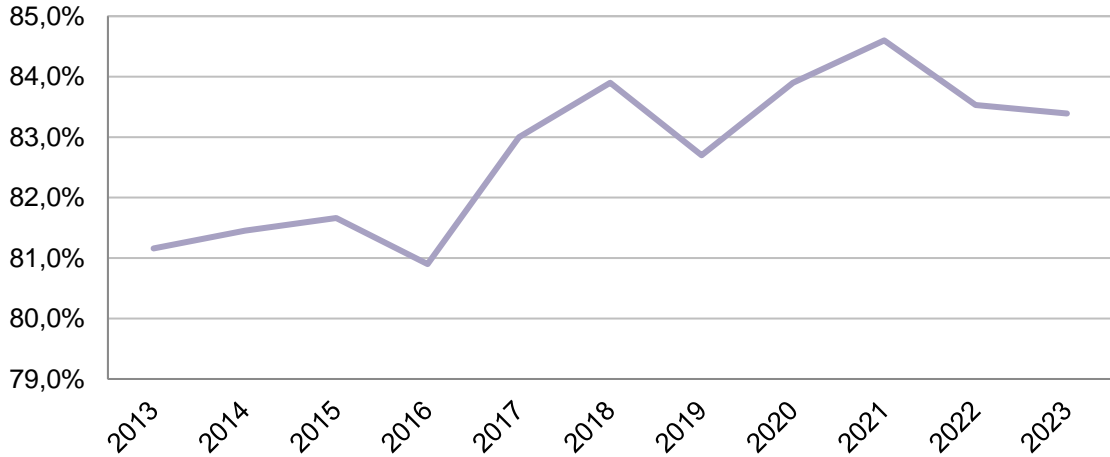


Figure 6: Change in retention rate

(Numerical table for Figure 6)

Figure 6 shows that this rate has grown appreciably over a long period (+3.5 pp between 2013 and 2021) with some fairly violent jolts linked to specific events (the putting in place of automatic renewal systems by certain large registrars, deletions of ineligible “domainers” portfolios, consequences of filings made during the COVID-19 crisis, etc.

The sustained deletions of 2022 and 2023 weighed on the renewal rate, which returned to the 83%-84% range, the range it moved in between 2017 and 2020.

In 2024, economic conditions (and in particular business failures) could continue to weigh on this renewal rate, as could Afnic’s stricter policy on fighting abuse.

Lastly, the large volume of create operations in 2023 constitutes a challenge in itself, since a particularly high or low name renewal rate after the first year would also affect the overall renewal rate.

The ageing structure of the .FR portfolio is therefore a key factor in understanding the mechanism.

5.3. Distribution of .FR names by age, an explanatory factor

Figure 7 hereunder shows the distribution of extant .FR domain names by age at 31 December 2023. Names created in 2023 are 0 years old, those created in 2022 one year old and so on.

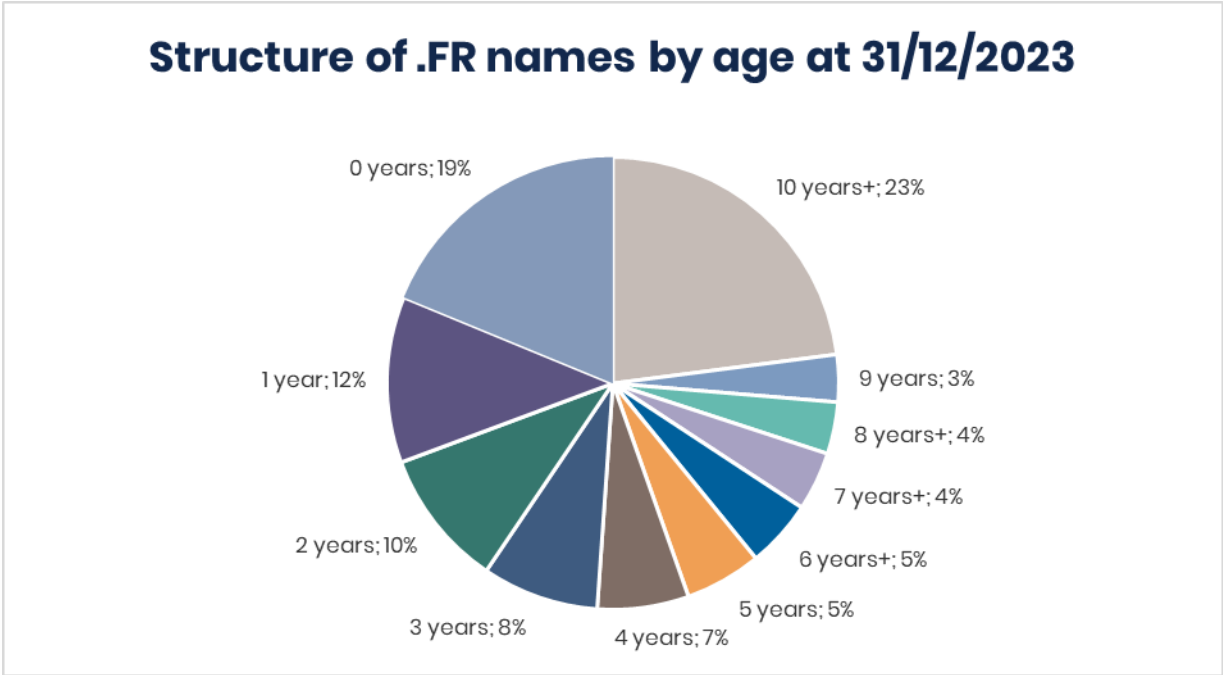


Figure 7: Structure of .FR names by age at 31 December 2023

(Numerical table for figure 7)

This structure has remained very stable over time, names created during the past year generally representing just under 20% of the stock (corresponding to the creation rate). Three tiers can be distinguished: names created in the past two years (31% as against 32% at year-

end 2022), names that are from two to six years old (35% as against 36%) and those that are seven or more years old (34% as against 32%).

The weight of “old” names thus increased slightly, which had a stabilising effect on the renewal rate

given that the age structure of .FR names has a direct impact on the TLD’s retention rate, since this rate varies with the age of the domain names (see Figure 8).

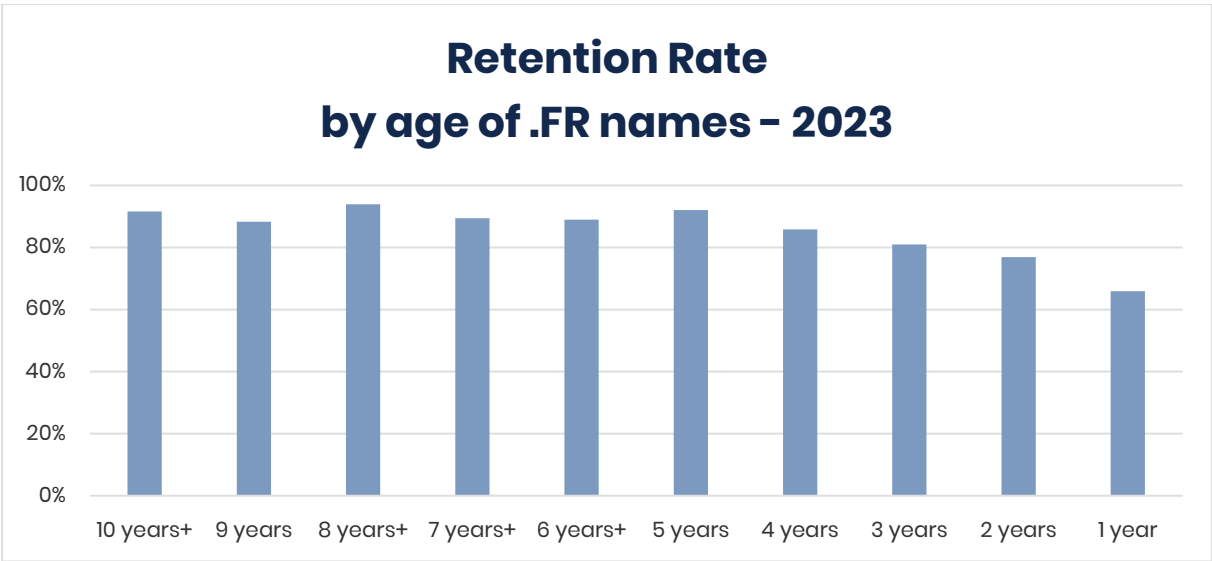


Figure 8: Retention rate by age of .FR names in 2023

(Numerical table for Figure 8)

The retention rate in year 1 (first renewal) was 66% in 2023, increasing as the age of the domain name increases to 80% and over. A domain name retained for several consecutive years has an ever-greater probability of being retained in the future. For names five years old and more, the maintenance rate is equal to or more than 90%.

The low retention rate in year one at end 2023 (66%, as against an overall rate of 83.4%) shows that registrars could conduct effective loyalty campaigns at the time of this first anniversary when the expectancy of gain (renewal of names) is at its highest.

The retention rate is never 100%, reflecting the existence of a phenomenon of natural erosion, which decreases as the names age. In any case, the regular increase in the proportion of names that are five or more years old goes some way towards explaining the structural increase in the overall retention rate of .FR names. In 2023, this proportion reached 45%, and although the pace is very slow, it suggests that it could reach 50% in five years' time, around 2028.

This indicator tells us that the retention rate of the .FR TLD should either stabilise at 83%-84% or continue to increase slightly as the large volumes of names created prior to 2019 attain ages at which retention rates are of the order of 90%.

Conversely, it is important to keep watch on the development of the maintenance rate in the first year, which is traditionally lower and structurally concerns 20% of the portfolio.

Historically, this rate has never exceeded 70% since at least 2016, and has been in the 68%-70% range since 2017. It fell significantly in 2023 as a result of more volatile creations in 2022 and particularly with private individuals (maintenance rate 59%, compared with 72% for legal persons).

5.4. Change in the number of .FR names since

1998

Figure 9 highlights the impacts of the various waves of openings (2004, 2006 and 2011) and of the pandemic (2020/2021) on the growth of the .FR TLD.

Change in the number of .FR names

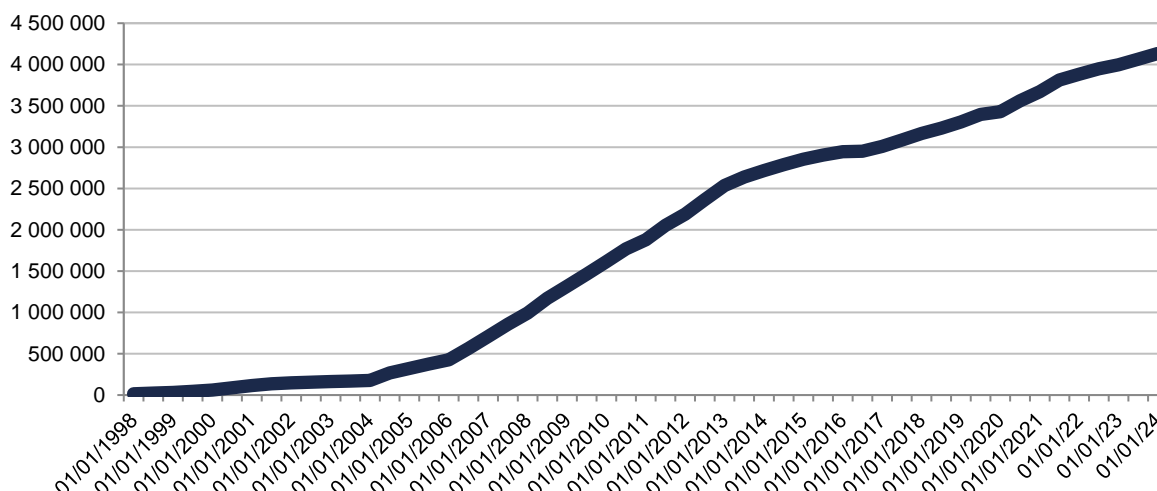


Figure 9: Change in the number of .FR names, 1998 – 2023

(Numerical table for Figure 9)

Note that the easing of the “right to the name” in May 2004, i.e. the abandonment of the requirement to substantiate a right to the name filed, was the first factor in the acceleration of growth.

However, the determining factor was the opening in 2006 to private individuals, the two “openings” combining their effects until 2013, with the opening up to the European Union in 2011 not having any substantial effect.

From 2013 onwards, growth slowed and we had to wait until the beginning of 2017 to pass the 3 million mark for the .FR TLD. The pace remained strong in 2018 and 2019 and stepped up again in 2020 due to the pandemic and the lockdowns; the 3.5 million mark was passed in the second half of 2020.

In 2021, the gradient remained strong albeit with an appreciable inflection. The 4 million mark was passed in December 2022 for .FR names before a block of delete operations caused the stock to fall to 3,996,245 .FR at 31 December 2022.

In 2023, the stock increased by 3.4%, reaching 4,133,832 names for 801,421 create operations.

6. .FR market concentration

The concentration index for the .FR domain is calculated by taking the sum of the squares of the market shares of the top 10 registrars (using the HHI or Herfindahl-Hirschmann Index).

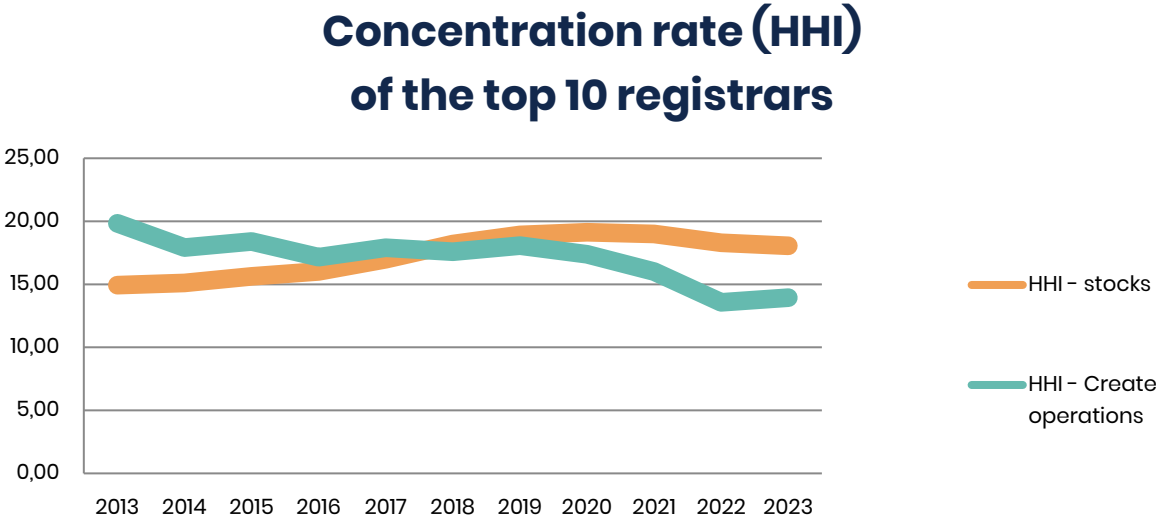


Figure 10: Concentration rate (HHI) of the top 10 registrars (2013 – 2023)

(Numerical table for Figure 10)

Figure 11 shows the changes in the concentration of the .FR market since 2013.

At present, in terms of the HHI nomenclature, the .FR TLD is still considered a moderately concentrated market. However, it could be considered to be significantly concentrated if the index moves beyond 20.

The HHI Stock curve increased up until 2019, stabilised in 2020/2021 and declined in 2022 and 2023 under the effect of the evolution of the HHI Create Operations index. This index fell below the Stock index as of 2018, but the stall really began in 2020 and lasted until 2022. The index seems to resume its upward trend in 2023. We are thus still in a market deconcentration phase, the HHI Stock index reacting slower due to the names registered that in practice constitute ‘entrenched positions’ for registrars, the share of names moving from one registrar to another remaining marginal (see Figure 12).

This proportion never exceeded 2.5% between 2014 and 2019, reaching a one-off record of 3.5% in 2020 before reverting to its usual levels (2.3% in 2021, 1.9% in 2022 and 2.3% in 2023).

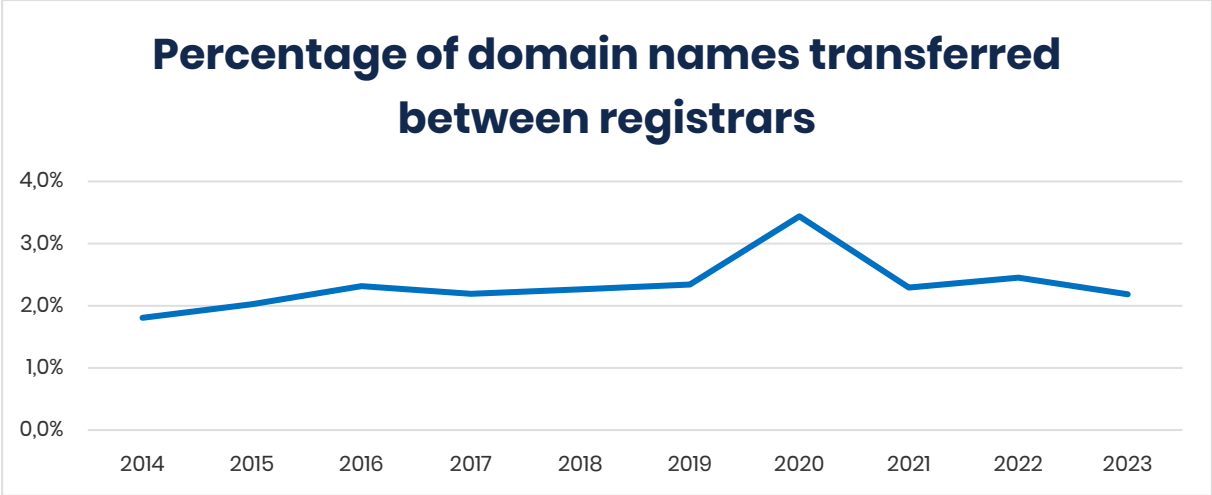


Figure 11: Percentage of domain names transferred between registrars (2014 – 2023)

(Numerical table for Figure 11)

The portfolios are therefore very stable, changes being dictated, as far as registrars are concerned, by the combined effects of create operations and renewals more than by the flow of customers won or lost.

These relatively flat inter-registrar transfer rates indicate that the French domain names market is still a growth market, in which competitors' efforts are focused much more on creations than on other registrars' existing clients.

As the market enters its mature phase (which seems to be still some way off) the inter-registrar transfer rate is likely to increase, reflecting increased competition for existing clients, the objective of some registrars being to gain market share by enticing their competitors' clients away.

However, this strategy would come up against a number of obstacles: domain names are often associated with various online presence services, which changing registrar may affect, so this would be a brake on any decision to transfer.

In a context of heightened competition, aggressive pricing policies would lead to an increase in the cost of client acquisition, which could only be offset by selling service packages including domain names or by charging higher renewal rates relative to the initial transfer rate, which in turn would increase the volatility of the portfolio (increase in potential abandonments) and fuel the inter-registrar transfer dynamic.

Placed as they are at the very heart of online presence, domain names in themselves are not yet subject to very intense competition among players, as is shown by an analysis of inter-registrar transfer flows.

2023	Incoming transfers			
Outgoing transfers	3 leaders	Others	Total	%
3 leaders	16,204	22,750	38,954	43%
Others	18,528	32,865	51,393	57%
Total	34,732	55,615	90,347	
%	38%	62%		

Table 3: Inter-registrar transfers

In 2023, out of 90,347 transfers between registrars, 34,732 (38% as against 45% in 2022, 42% in 2021 and 30% in 2020) were to one of the three leaders, whereas these same leaders lost 38,954 names (43% of the total, as against 39% in 2022, 37% in 2021 and 25% in 2020) to other registrars.

The net balance of transfers therefore came to 4,222 names to the detriment of the three leaders (4.7% of the total) for the first time in three years.

Flows of exchanges among these three leaders represented just 16,204 names (18% as against 19% in 2022, 16% in 2021 and 11% in 2020), whereas those between other registrars accounted for 36% of the total (as against 35% in 2021 and 2022 and 56% in 2020).

So it was that, in 2023, for the first time in years the leaders lost out in terms of flows of transfers, with flows among their rivals at double the rate of flows among the three.

This phenomenon may be isolated, but could also be a sign of weakness showing that the leaders' offerings are being threatened by challengers that are more aggressive commercially, or more innovative in terms of services.

Not all registrars offer the same type of services to the customers that they target, and not at the same rates. In theory, competition in terms of transfers is played out among registrars

sharing the same business model and offering similar ranges of services at fairly similar prices. A key account customer is thus unlikely to transfer to a registrar targeting the public at large and VSEs/SMEs, just as private individuals or VSEs are unlikely to be attracted by the high charges that include services they do not need.

The phenomenon of transfer flows also sheds light on the growing stakes linked to reseller networks, which can transfer from one to another the domain name portfolios that their customers have entrusted them to manage.

Although they do not account for a majority of inter-registrar flows, the three leaders are nonetheless a force to be reckoned with in the .FR market. Even so, we observe that their overall market share is tending to be eroded, in the context of the gradual deconcentration of the .FR market.

Figure 13 hereunder shows the trends since 2013 in the market shares of the top three players, in terms of stock and create operations. It shows that the phenomenon of deconcentration (where the concentration of create operations is below that of the stock) began for these three in 2017, with the concentration of stock continuing to grow although gradually slowing (+3.1 pp in 2017, +0.9 pp in 2018 and +0.4 pp in 2019) before declining in 2020 (-0.4 pp), 2021 (-0.6) 2022 (-1.4) and 2023 (-1.1 pp), the rate of decline seemingly stabilising.

This evolution is relatively similar to that seen for .FR as a whole, demonstrating that this trend is indeed determined by the performances of the three leading registrars.

These data also confirm the idea that it is not the major leaders that benefited most in relative terms from the effects of the acceleration of the digital transformation. The sharp differential between creations (53%) and stocks (62%) highlights the relative slowdown of the three leaders in the most competitive market segment, that of creations. Despite their significantly more modest size, their challengers probably managed to come up with offer profiles better adapted to the current conditions in terms of pricing, services, etc. In the

medium and long term, these offers also influence the retention rates, impacting the market share of the three leaders in terms of stock. The stabilisation of concentration observed in 2023 could be interpreted as the leaders taking advantage of the return to pre-COVID ways of operating.

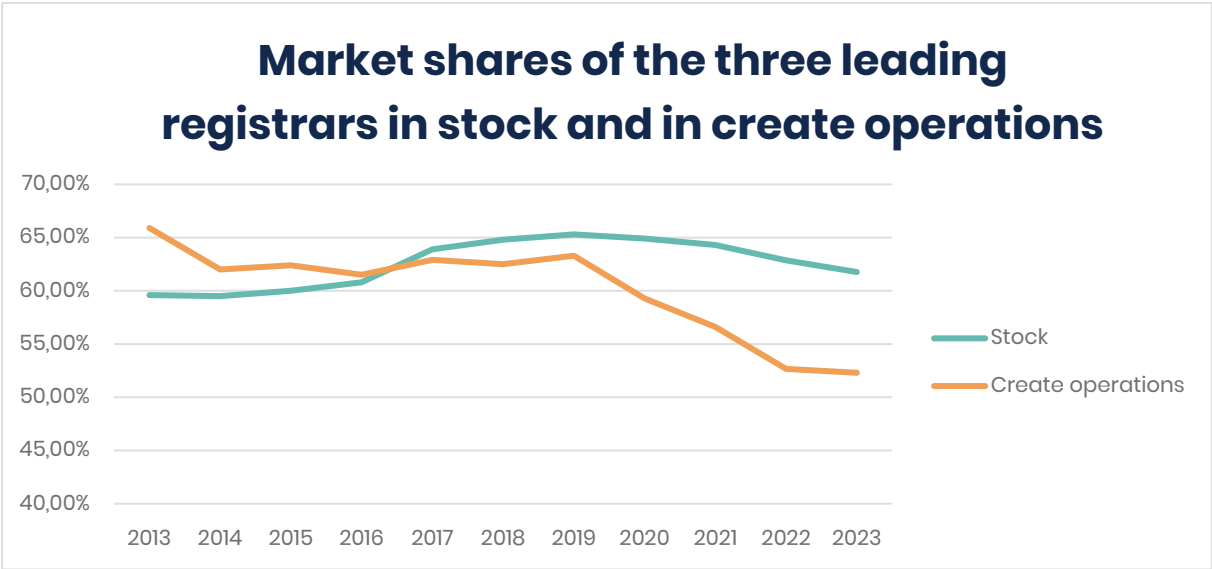


Figure 12: Market shares of the three leading registrars in stock and in create operations (2013 – 2023)

(Numerical table for Figure 12)

The weight of these three players (which together account for nearly two thirds of the .FR domain) in .FR activity remains considerable in view of the number of registrars active in this TLD. But if their share of creations were to fall below 50%, it would send a strong signal announcing a profound change in the key success factors of the .FR domain names market in France.

7. Geographical distribution of .FR nationwide

Table 4 shows that the disparities between regional dynamics were still in place in 2023, even though performances were lower in terms of growth.

This ranking demonstrates that the 'catch-up' phenomenon experienced by a certain number of regions since COVID-19 continued in 2023, the Île de France Region presenting the paradoxical situation of being both the strongest in terms of market share (28%) and the weakest in terms of growth (0.8%).

Region	2023	Var. 2023	Mkt Share	Var. (*)
			2023	
Grand-Est	225	3.8%	5%	-0.31
Nouvelle-Aquitaine	284	3.0%	7%	+0.26
Auvergne-Rhône-Alpes	482	2.4%	12%	+0.21
Bourgogne-Franche-Comté	102	3.2%	2%	-0.07
Brittany	145	6.3%	4%	+0.08
Centre-Val de Loire	94	3.0%	2%	-0.06
Corsica	12	0.8%	0%	-0.01
Ile de France	1,159	1.8%	28%	-3.97
Occitanie	319	3.1%	8%	-0.87
Hauts-de-France	202	2.7%	5%	-0.37
Normandy	115	2.8%	3%	+0.08
Pays de la Loire	186	3.1%	5%	0.00
Provence-Alpes-Côte d'Azur	311	3.0%	8%	-0.25
Overseas Territories	47	17.1%	1%	+0.26

Table 4: Breakdown of the .FR TLD by holder region in 2023

(*) Change:: change in percentage points of market share in each region over a long period (2014-2023)

The weights of the different regions correspond to the existence of big urban and economic centres: Auvergne-Rhône-Alpes is in second position with 12%, Provence-Alpes-Côte d'Azur and Occitanie in third with 8% each, Nouvelle-Aquitaine in 5th with 7%, etc. The more rural regions, Normandy, Corsica, the French Overseas Territories, Centre-Val de Loire, Brittany, Bourgogne-Franche-Comté and Grand-Est are further behind, even though we see that some of them (particularly Brittany) are also the strongest in terms of growth.

Since the figures do not vary greatly from one year to another, it seems more to the point to observe the long-term trend. Between 2014 and 2023, the region losing most weight was Île

de France (-3.97 pp) although it remains by far the leader in terms of market share. Nouvelle-Aquitaine, the Overseas Territories and Auvergne-Rhône-Alpes were the most dynamic challengers.

But part of the growth of the .FR TLD was obtained thanks to holders located abroad.

8. Foreign holders

The .FR TLD was opened to the rest of the EU in 2011, with a limited impact on growth momentum. The percentage of .FR domain names registered by foreigners has nonetheless increased continuously ever since, rising from 4.9% in 2013 to 10.9% in 2023. There was only one year in which it decreased, namely 2018.

The growth in the number of names registered by foreigners in 2023 was greater than that of the .FR TLD as a whole: +15.6% compared with +3.4%. These data show how attractive the .FR TLD is to foreign businesses wishing to sell their products and services on the French market.

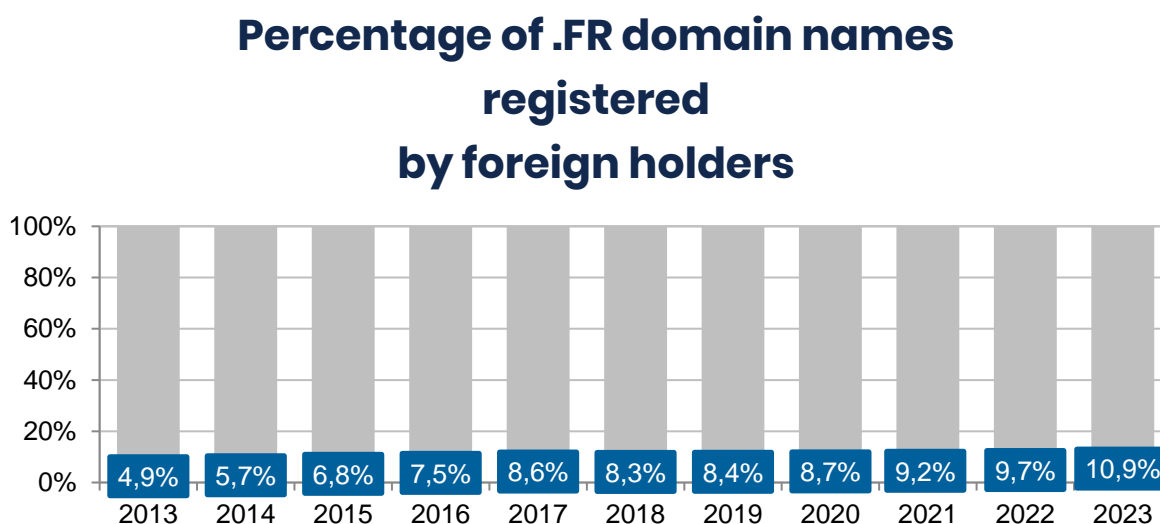


Figure 13: Percentage of .FR domain names registered by foreign holders

(Numerical table for Figure 13)

Foreign holders are still primarily located in the Netherlands, in first place in 2023 as in 2022 (139,000 as against 93,000 in 2022), Germany (81,000 as against 79,000), Switzerland (47,000 as against 39,000), Belgium (42,000 as against 43,000) and Spain (22,000 names as against 20,000). The strong growth observed in the Netherlands over the past several years could be the consequence of sustained domaining activities among this country's players, through specialist registrars.

9. DNSSEC

The proportion of .FR DNSSEC-signed domain names increased from 3.8% in 2013 to 19.9% in 2023, an eightfold increase in volume from 103,000 to 824,000 names.

This is due to an active policy on the part of certain major registrars which have adopted procedures aimed at signing new names registered with DNSSEC, for example. An initial surge was observed in 2021, and a second one in 2023.

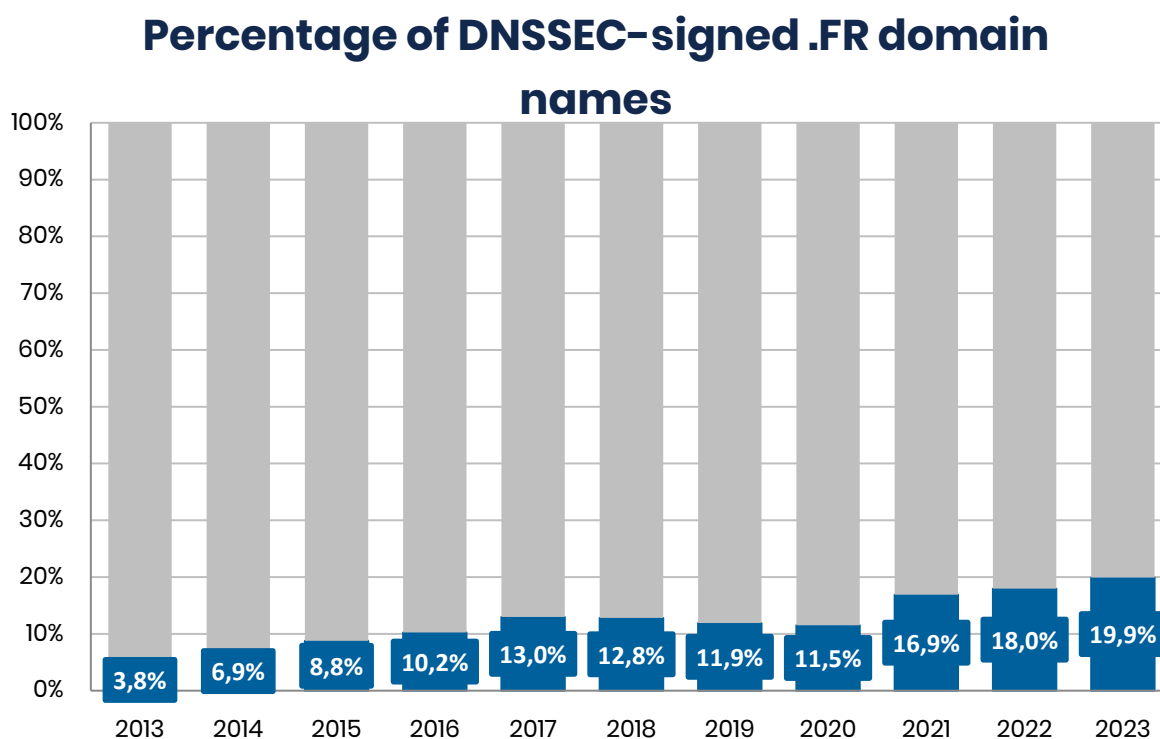


Figure 14: Percentage of DNSSEC-signed .FR domain names

(Numerical table for Figure 14)

Although this change is encouraging, this rate still remains fairly modest in view of those of other European TLDs.

The appearance in 2020 of a new type of attack dubbed SAD, which poisons the DNS cache by making it accept false responses which it then distributes to its clients, added further weight and currency to DNSSEC, which is the only reliable solution to these attacks. The more sustained development observed since 2021 can no doubt be attributed to this

10. Internationalised domain names under the .FR TLD

The proportion of .FR names in the IDN format, i.e. containing special characters (accents, etc.), remains low at 0.8%. The trend has been very slightly upward since 2019, following a period of decline in 2013-2018.

This has to be seen in the context of the increase in the total number of names in stock: the number of IDNs under .FR grew by 7.1% in 2023 to 31,364.

These figures are anecdotal at the level of the .FR TLD, no doubt including a large number of defensive names (brands containing accented characters) and some speculative names (common names containing accented characters). The lack of convincing use explains the low percentage and the sometimes virtuous, sometimes vicious circle that closely links the flows of domain names and the use made of them.

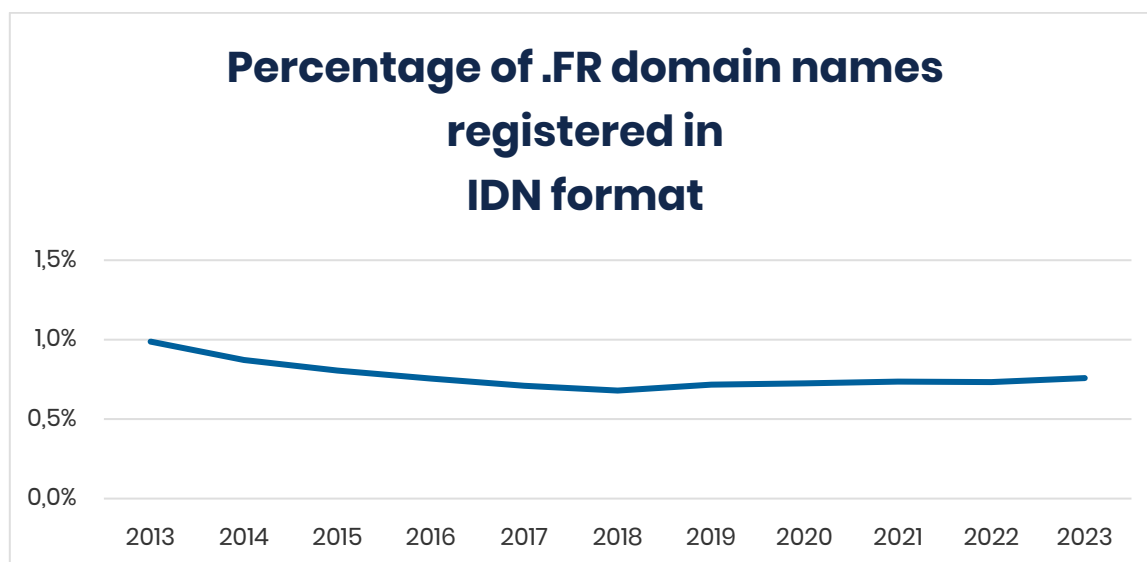


Figure 15: Percentage of .FR domain names registered in IDN format

(Numerical table for Figure 15)

11. Multi-year registrations

The registration and renewal of .FR domain names for periods of over one year (and up to 10 years) has been possible since 30 March 2015. Yet although this possibility has existed for nearly nine years, the proportion of .FR domain names registered or renewed for periods greater than one year remains marginal. However it increased appreciably in 2023, back to above the 7% mark.

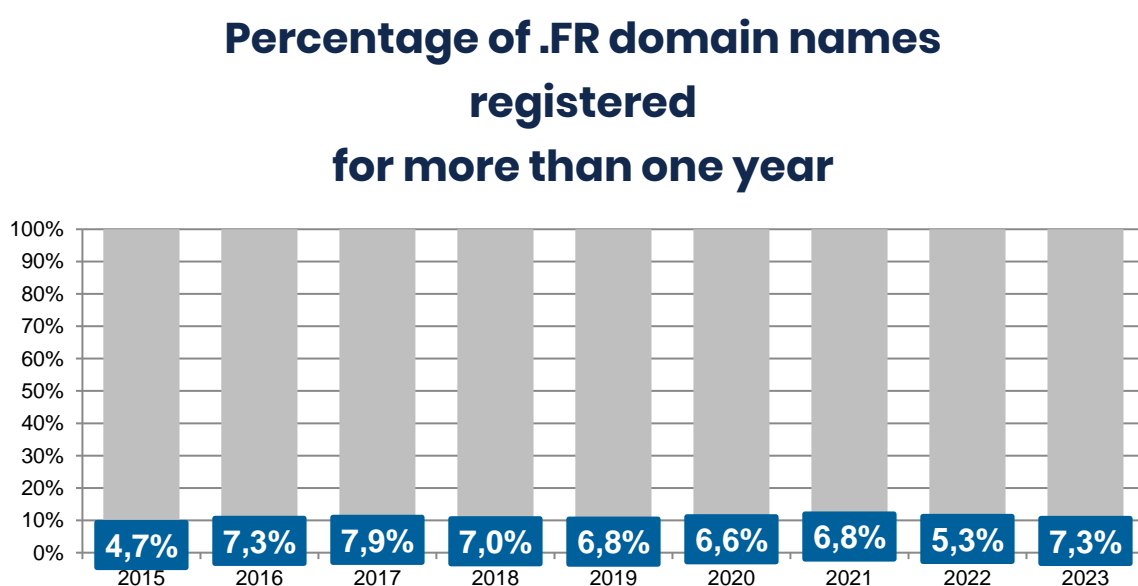


Figure 16: Percentage of .FR domain names registered for more than one year

(Numerical table for Figure 16)

At 1 January 2024, 299,848 .FR domain names had been registered for two years or more, representing an increase of 41.5% and of 2 pp of the total number of .FR names.

The downward trend seen between 2017 and 2022 could be explained by the implementation of automatic renewal systems by various large registrars, which made the multi-year option less attractive. The increase in 2023 could be linked with the leaders' relative slowdown noted

above, benefiting dynamic challengers that had not put automatic renewal systems in place and that therefore offered multi-year plans.

The maturity structure (from 2 to 10 years) shows that the bulk of the multi-year registrations expire in two years (68%), with the other maturities declining. This structure is overall stable over time.

12. The .FR and business creation

.FR create operations are carried out by:

- businesses that have existed for some time, in the context of their activity;
- newly created businesses;
- project promoters registering their domain names personally in the absence of a legal structure;
- private individuals with needs of a professional or private nature leading them to register a .FR name.

It is therefore not possible to expect a situation in which .FR create operations are entirely due to newly created businesses, especially since newly established businesses or those being created do not exclusively register .FR domain names.

Nevertheless, we thought it interesting to compare trends in .FR create operations and in business start-ups, on the basis of data provided by the French National Institute of Statistics and Economic Studies (INSEE).

Figure 17 hereunder shows that there is a link between the dynamics of the .FR TLD and business creation, particularly the creation of individual enterprises or sole proprietorships rather than of businesses with the legal form of a company.

This link is particularly visible over the period 2013–2017, when the annual figures were fairly stable, and in 2019–2020 when both kinds of creation increased. The .FR domain seems to have benefited somewhat less from business start-ups in 2021 and 2022, perhaps because the newly created businesses in these years created an Internet presence less promptly than in 2020. In 2023, growth of the .FR domain seemed to be more directly associated with that of sole proprietor start-ups, with company formations in decline (the definitive full-year figures from the INSEE having yet to be published, these data are merely indicative).

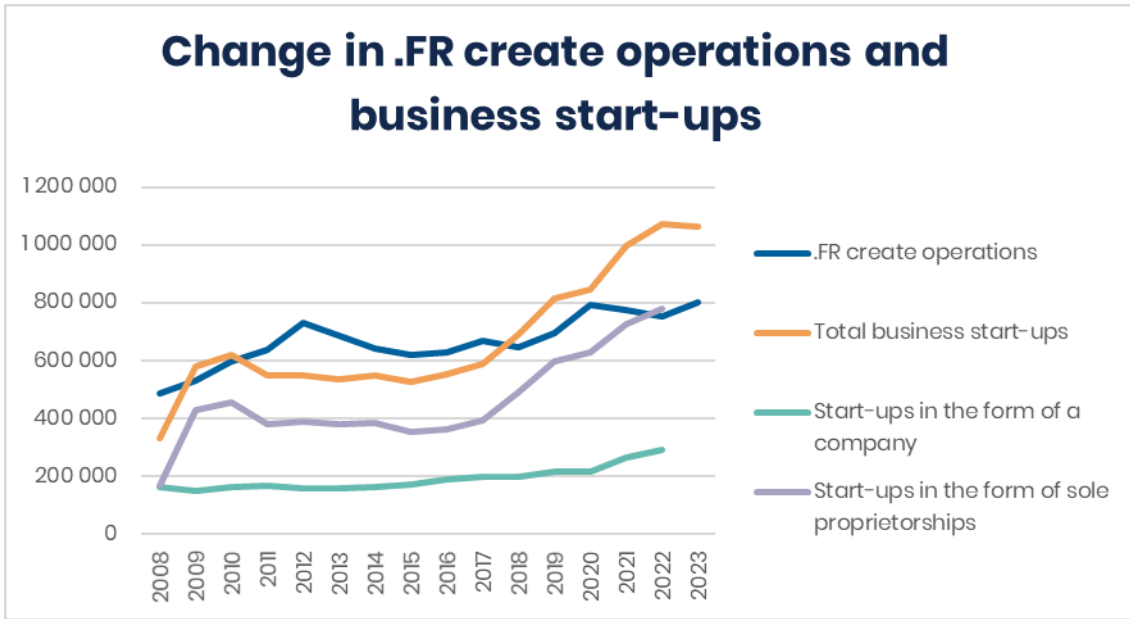


Figure 17: .FR create operations and business start-ups

(Numerical table for Figure 17)

In view of the large number of parameters involved, it is difficult to offer any definitive explanations for these variations. The trend observed in 2020–2021 suggests, however, that newly created businesses tended, more than in previous years, to adopt a digital presence, something that was less prominent in 2022.

In 2023, the number of sole proprietor start-ups rather increased, which ties in with the trend in the .FR domain. The slowdown of the .COM TLD over this same period would seem to imply that real preference was accorded to the .FR domain.

The trend in business failures also warrants study since it constitutes a factor that may influence the level of .FR delete operations.

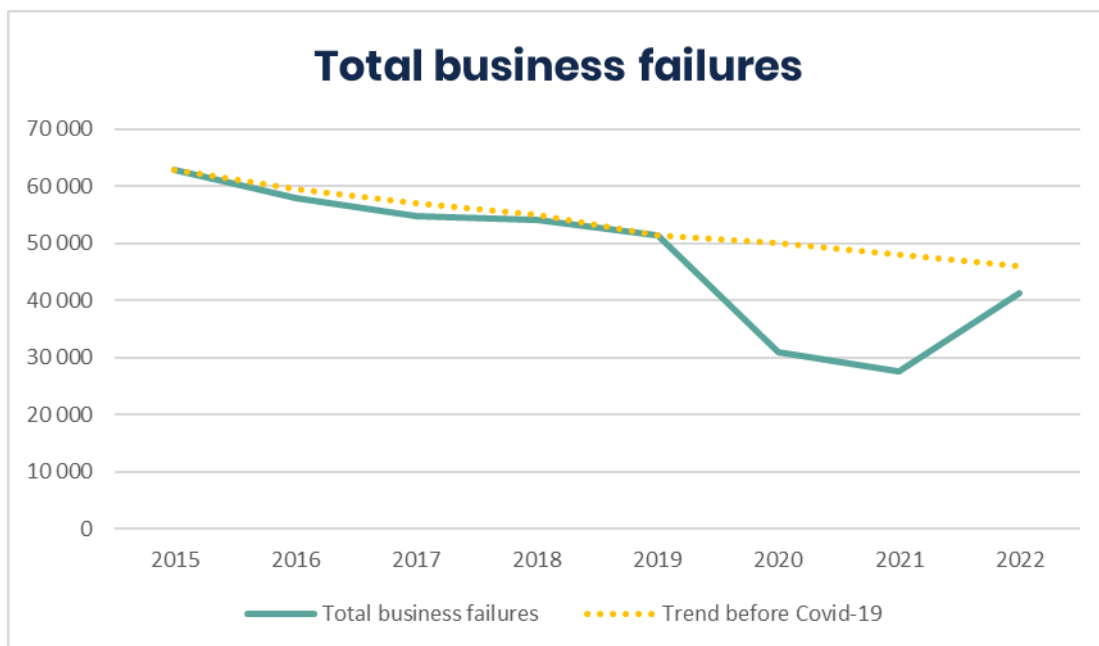


Figure 18: Total number of business failures

Source: INSEE. Last updated 25 October 2023, data to August 2023.

The figure for 2023 is a projection based on the historical weights of each month between 2015 and 2022.

(Numerical table for Figure 18)

The visible dip in 2020/2021 is probably attributable to the government aid which protected businesses from failure linked to the health crisis while at the same time allowing some that would normally have gone bankrupt to survive.

The volume of businesses concerned can be estimated at around 20,000 in 2020 as in 2021. This gave rise to a pool of fragile businesses likely to fail once government aid (some of which now has to be repaid by some of these businesses) is discontinued.

In 2022, the number of failures increased substantially (+50%) but it was still around 4,000 fewer than the number that would have been expected if the pre-COVID trend had continued. In 2023, this catch-up was followed by a 29% increase in the number of business

failures (projections based on INSEE data available to the end of August). It thus exceeded by 11,000 the number of delete operations that should have taken place *ceteris paribus* since 2019.

The pool of fragile businesses, which we estimate at around 40,000, has therefore not yet been drained (differences of 4,000 plus 11,000 total 15,000): the trend is expected to continue in 2024, no doubt exacerbated by the effects of the economic situation.

The impact of the increase in business failures by 12,000 in 2023 had a marginal influence on the .FR retention rate which declined by 0.3 pp (for a market share of around 40%).

13.2024 outlook for the .FR

For the .FR domain, the year 2023 was marked by an exceptional dynamic in create operations, which tends to confirm the view expressed as long ago as 2022 that the effects of the acceleration of the digital transformation have become lastingly entrenched among French VSEs and SMEs.

However, this may also be a sign of renewed vigour of the .FR domain or of the effects of extensive “domaining” targeting a stable, very well-known TLD recognised in its market.

In parallel, however, we also observe a rising trend in the number of delete operations and in the volatility of new registrations (retention rate after one year lower than usual).

This trend is partly systemic, in that higher volumes of create operations lead to higher volumes of delete operations in subsequent years. It is also partly due to the difficult economic context and the long-term consequences of the COVID-19 pandemic.

Lastly, some of the businesses that had gone online to confront the lockdowns decided to revert to the old ways of doing things once the crisis had passed, rather than persevering with their digital efforts. This too may have led to additional delete operations.

Against this gloomy economic backdrop, the perception of return on investment is still key: other Afnic studies such as that conducted as part of Réussir avec le Web [Succeed with the Web] show that it is indeed this perception that is currently lacking. Putting in place a website, but also updating and publicising it, is an ongoing investment in terms of time and money as well as skills acquisition, and one which can appear not particularly cost effective to a certain number of businesses (a feeling that also applies to social networks).

2024 starts in an uncertain economic context and with a dual challenge for the .FR domain. On the one hand, will it be able to match or exceed the already exceptional level of create

operations of 2023? On the other hand, will it be able to maintain or even bring down the number of delete operations, which could become a problem for the growth of the domain if they continue to grow?

Faced with these two major challenges, growth of the .FR domain in 2024 should be around 2%, more or less in line with that of the other European ccTLDs.

As we noted in 2023, a major challenge for the French digital economy in 2024 is to continue fostering the acquisition of digital 'best practices' by businesses of all sizes, while supporting those that have already taken on board these new tools and reaching out to those tempted to give up on these efforts; this in order to avoid the creation, or re-creation, of a 'digital divide' between businesses.

Not all businesses have the same needs when it comes to digital tools and an Internet presence, but there are very few that would derive no benefit at all.

Afnic's continued efforts aimed at VSEs and SMEs, such as "Réussir avec le web" and the "Je passe au numérique" [I'm going digital] and "Tous en ligne maintenant" [All online now] initiatives, form part of the possible responses.

More than ever, Afnic is a key player in the development of the Internet in France and a privileged partner for public authorities and private structures alike, first and foremost VSEs and SMEs.

14. Annex: Source data for graphs

Figure 1: Change in annual growth rates (2013 – 2023)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Growth .FR	15,6%	14,7%	8,1%	5,1%	3,2%	2,2%	5,2%	4,4%	3,7%	7,0%	5,8%	2,9%	3,4%
Growth French market	19,1%	4,1%	5,8%	4,9%	5,3%	2,6%	3,2%	2,1%	2,0%	6,1%	3,6%	1,3%	1,1%
Growth EU zone					3,0%	1,9%	2,9%	0,0%	0,7%	3,4%	2,9%	1,6%	1,8%
Growth global market					9,2%	10,6%	0,8%	4,0%	4,6%	-0,2%	0,5%	1,9%	2,7%

(Back to graph 1)

Figure 2: Changes in market share in France (2013 – 2023)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
.FR	32,3%	35,9%	36,4%	36,4%	35,7%	35,7%	36,4%	37,2%	37,7%	38,0%	38,8%	39,4%	40,3%
.COM	46,2%	43,0%	43,3%	42,6%	43,2%	43,3%	43,4%	44,6%	45,2%	44,6%	45,1%	44,6%	43,8%
Other Legacy TLDs	16,9%	16,3%	15,7%	15,2%	14,9%	14,0%	13,0%	12,1%	11,3%	11,0%	10,7%	10,4%	10,1%
Other ccTLDs	4,7%	4,8%	4,7%	4,6%	4,2%	4,1%	4,0%	3,7%	3,5%	3,2%	3,1%	3,0%	3,0%
nTLDs				1,3%	2,1%	3,0%	3,3%	2,4%	2,3%	3,3%	2,4%	2,7%	2,8%

(Back to graph 2)

Figure 3: Change in .FR activity (2013 – 2023)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Create operations	628 258	717 434	676 946	641 304	614 259	627 626	667 948	648 563	694 063	793 441	776 514	753 412	801 427
Delete operations	332 066	395 346	473 336	503 716	523 261	562 471	511 386	509 602	570 408	551 994	564 245	639 367	683 867
Net balance	296 192	322 088	203 610	137 588	90 998	65 155	156 562	138 961	123 655	241 447	212 269	114 045	117 560
Renew operations	1 561 893	1 794 805	2 038 903	2 212 133	2 330 126	2 381 914	2 498 141	2 656 503	2 734 888	2 876 957	3 106 127	3 243 035	3 332 395

(Back to graph 3)

Figure 4: Structure of the .FR net balance (2013 – 2023)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net balance	322 088	203 610	137 588	90 998	65 155	156 562	138 977	123 885	241 447	212 269	114 045	137 587
Change in renew operations	232 912	244 098	173 230	118 043	51 788	116 227	158 362	78 385	142 069	229 170	136 908	136 908
Change in create operations	89 176	-40 488	-35 642	-27 045	13 367	40 322	-19 385	45 500	99 378	-16 927	-23 102	-23 102

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Figure 5: Change in creation rate

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Creation Rate	28,7%	28,6%	24,9%	22,5%	20,9%	20,9%	21,1%	19,6%	20,2%	21,6%	20,0%	18,9%	19,4%

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Figure 6: Change in retention rate

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Retention Rate	82,5%	81,9%	81,2%	81,5%	81,7%	80,9%	83,0%	83,9%	82,7%	83,9%	84,6%	83,5%	83,4%

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Figure 7: Structure of .FR names by age at 31 December 2023

	10 years+	9 years	8 years+	7 years+	6 years+	5 years	4 years	3 years	2 years	1 year	0 years
31/12/23	23%	3%	4%	4%	5%	5%	7%	8%	10%	12%	19%

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Figure 8: Retention rate by age of .FR names in 2023

	10 years+	9 years	8 years+	7 years+	6 years+	5 years	4 years	3 years	2 years	1 year
2023 Retention Rate	92%	88%	94%	89%	89%	92%	86%	81%	77%	66%

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Figure 11: Percentage of domain names transferred between registrars (2014 – 2023)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of .FR at 1 January	2 715 849	2 853 206	2 944 403	3 009 527	3 166 105	3 305 296	3 428 951	3 670 372	3 882 488	4 133 832
Number of .FR transferred from one registrar to another	49 046	57 776	68 201	65 996	71 648	77 389	113 675	84 167	73 421	90 347
%	1,8%	2,0%	2,3%	2,2%	2,3%	2,3%	3,3%	2,3%	1,9%	2,2%

(Back to graph 11)

Figure 12: Market shares of the three leading registrars in stock and in create operations (2013 – 2023)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Stock	59,60%	59,50%	60,00%	60,80%	63,90%	64,80%	65,3%	64,9%	64,3%	62,9%	61,8%	-1,1%
Create operations	65,90%	62,00%	62,40%	61,50%	62,90%	62,50%	63,3%	59,3%	56,6%	52,7%	52,3%	-0,4%

(Back to graph 12)

Figure 13: Percentage of .FR domain names registered by foreign holders

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
%	4,9%	5,7%	6,8%	7,5%	8,6%	8,3%	8,4%	8,7%	9,2%	9,7%	10,9%
% French	95%	94%	93%	92%	91%	92%	92%	91%	91%	90%	89%
Number of domain names registered by foreigners	132 539	161 654	199 480	226 738	270 758	272 861	286 656	318 798	355 256	388 914	449 496
Number of .FR	2 715 849	2 853 206	2 944 403	3 009 527	3 166 105	3 305 296	3 428 951	3 670 372	3 882 488	3 996 245	4 133 832
Of which EU	126 353	154 912	191 886	219 558	263 394	265 523	278 496	310 656	323 803	362 489	429 471
% EU / Foreigners	95,3%	95,8%	96,2%	96,8%	97,3%	97,3%	97,2%	97,4%	91,1%	93,2%	95,5%

(Back to graph 13)

Figure 14: Percentage of DNSSEC-signed .FR domain names

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
%	4%	7%	9%	10%	13%	12,8%	11,9%	11,5%	16,9%	18,0%	19,9%
% non DNSSEC	96%	93%	91%	90%	87%	87%	88%	88%	83%	82%	80%
Number of DNSSEC-signed domain names	102 898	196 807	258 321	308 459	410 651	423 625	408 871	422 621	656 054	718 232	823 867
Number of .FR	2 715 849	2 853 206	2 944 403	3 009 527	3 166 105	3 305 296	3 428 951	3 670 371	3 882 488	3 996 245	4 133 832

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Figure 15: Percentage of .FR domain names registered in IDN format

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
%	1,0%	0,9%	0,8%	0,8%	0,7%	0,7%	0,7%	0,7%	0,7%	0,7%	0,8%
Number of domain names with IDN characters	26 828	24 878	23 717	22 724	22 467	22 467	24 580	26 605	28 568	29 286	31 364
Number of .FR	2 715 849	2 853 206	2 944 403	3 009 527	3 166 105	3 305 296	3 428 951	3 670 371	3 882 488	3 996 245	4 133 832

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Figure 16: Percentage of .FR domain names registered for more than one year

	2015	2016	2017	2018	2019	2020	2021	2022	2023
%	4,7%	7,3%	7,9%	7,0%	6,8%	6,6%	6,8%	5,3%	7,3%
% not M-Y	95%	93%	92%	93%	93%	93%	93%	95%	93%
Number of domain names registered for more than one year	139 278	220 137	251 225	232 967	233 929	242 761	263 722	211 906	299 848
Number of .FR	2 944 403	3 009 527	3 166 105	3 305 296	3 428 951	3 672 371	3 882 488	3 996 245	4 133 832

(Back to graph 16)

Figure 17: .FR create operations and business start-ups

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
.FR create operations	489 374	531 449	597 725	638 095	728 807	688 302	641 346	619 659	627 626	667 948	648 563	694 063	793 441	776 514	753 412	801 427
Total business start-ups	331 439	580 193	622 039	549 805	549 975	538 185	550 794	525 091	554 031	591 267	691 283	815 257	848 164	995 519	1 071 881	1 064 725
Start-ups in the form of a company	161 808	152 303	163 659	166 674	159 529	158 875	165 764	171 998	188 843	197 899	201 087	218 426	218 054	267 075	293 384	274 957
Start-ups in the form of sole proprietorships	169 631	427 890	458 380	383 131	390 446	379 310	385 030	353 093	365 188	393 368	490 196	596 831	630 110	728 444	778 497	789 768

(Back to graph 17)

Figure 18: Total number of business failures (source INSEE)

	2015	2016	2017	2018	2019	2020	2021	2022	2023(t)
Total business failures	62 806	57 959	54 687	54 012	51 502	31 010	27 526	41 316	53 179
Trend before Covid-19	62 806	59 500	57 000	55 000	51 500	50 000	48 000	46 000	42 000

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