



Godaddy Annual Report 2020

Form 10-K (NYSE:GDDY)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2019
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 001-36904

GoDaddy Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

46-5769934

(I.R.S. Employer Identification Number)

**14455 N. Hayden Road
Scottsdale, Arizona 85260**

(Address of principal executive offices, including zip code)

(480) 505-8800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.001 per share	GDDY	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

As of June 30, 2019, the aggregate market value of the registrant's Class A common stock held by non-affiliates, based upon the closing sales price for the registrant's Class A common stock as reported by the New York Stock Exchange, was \$12,377,121,842. For the purpose of calculating the aggregate market value of shares held by non-affiliates, we have assumed that all outstanding shares are held by non-affiliates, except for shares beneficially owned by each of our executive officers, directors and 5% or greater stockholders. In the case of 5% or greater stockholders, we have not deemed such stockholders to be affiliates unless there are facts and circumstances indicating that such stockholders exercise any control over our company. This determination of affiliate status is not necessarily a conclusive determination for any other purpose.

As of February 14, 2020, there were 173,549,763 shares of GoDaddy Inc.'s Class A common stock, \$0.001 par value per share, outstanding and 1,347,434 shares of GoDaddy Inc.'s Class B common stock, \$0.001 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement relating to the Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. Such Definitive Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended December 31, 2019.

GoDaddy Inc.
Annual Report on Form 10-K
Year Ended December 31, 2019

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including the sections titled "Business," "Risk Factors," "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, involving substantial risks and uncertainties. The words "believe," "may," "will," "potentially," "plan," "could," "should," "predict," "ongoing," "estimate," "continue," "anticipate," "intend," "project," "expect" and similar expressions conveying uncertainty of future events or outcomes are intended to identify forward-looking statements. These statements include, among other things, those regarding:

- our ability to continue to add new customers and increase sales to our existing customers;
 - our ability to develop new solutions and bring them to market in a timely manner;
 - our ability to timely and effectively scale and adapt our existing solutions;
 - our dependence on establishing and maintaining a strong brand;
 - the occurrence of service interruptions and security or privacy breaches;
 - system failures or capacity constraints;
 - the rate of growth of, and anticipated trends and challenges in, our business and in the market for our products;
 - our future financial performance, including our expectations regarding our revenue, cost of revenue, operating expenses, including changes in technology and development, marketing and advertising, general and administrative and customer care expenses, and our ability to achieve and maintain future profitability;
 - our ability to continue to efficiently acquire customers, maintain our high customer retention rates and maintain the level of our customers' lifetime spend;
 - our ability to provide high quality Customer Care;
 - the effects of increased competition in our markets and our ability to compete effectively;
 - our ability to grow internationally;
 - the impact of fluctuations in foreign currency exchange rates on our business and our ability to effectively manage the exposure to such fluctuations;
 - our ability to effectively manage our growth and associated investments, including our migration of the vast majority of our infrastructure to the public cloud;
 - our ability to integrate acquisitions;
 - our ability to maintain our relationships with our partners;
 - adverse consequences of our substantial level of indebtedness and our ability to repay our debt;
 - our ability to maintain, protect and enhance our intellectual property;
 - our ability to maintain or improve our market share;
 - sufficiency of cash and cash equivalents to meet our needs for at least the next 12 months;
 - beliefs and objectives for future operations;
 - our ability to stay in compliance with laws and regulations currently applicable to, or which may become applicable to, our business both in the United States (U.S.) and internationally;
 - economic and industry trends or trend analysis;
 - our ability to attract and retain qualified employees and key personnel;
 - anticipated income tax rates, tax estimates and tax standards;
 - interest rate changes;
 - the amount and timing of any payments we make under tax receivable agreements (TRAs) or for tax distributions;
 - the future trading prices of our Class A common stock;
-

NOTE ABOUT FORWARD-LOOKING STATEMENTS (continued)

- our expectations regarding the outcome of any litigation;
- the amount and timing of any repurchases of our Class A common stock under our share repurchase programs;

as well as other statements regarding our future operations, financial condition, growth prospects and business strategies.

We operate in very competitive and rapidly-changing environments, and new risks emerge from time-to-time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report may not occur, and actual results could differ materially and adversely from those implied in our forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Neither we, nor any other person, assume responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements for any reason after the date of this report to conform such statements to actual results or to changes in our expectations, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Unless expressly indicated or the context suggests otherwise, references to GoDaddy, we, us and our refer to GoDaddy Inc. and its consolidated subsidiaries, including Desert Newco, LLC and its subsidiaries (Desert Newco).

Part I.

Item 1. Business

Overview

Our vision is to radically shift the global economy toward independent entrepreneurial ventures. Our mission is to empower entrepreneurs everywhere, making opportunity more inclusive for all. We champion everyday entrepreneurs by empowering them with sage guidance set in seamlessly intuitive experiences to name, create, grow and manage their ventures. We do this all while activating the exponential power of our community at global scale to deliver profitable revenue growth. Our 19.3 million customers are passionate everyday entrepreneurs with vibrant ideas, who are determined to make their way in the world and to transform their ideas into something meaningful.

We are a leading provider of cloud-based solutions, delivering simple, easy-to-use products, services and outcome-driven, personalized guidance to small businesses, individuals, organizations, developers, designers and domain investors. This enables our customers to name their venture, build their website, establish and manage their online marketing, and get branded email. This often starts with the most intimate of brand considerations—their domain name—and expands through our website building, hosting, social media, security, productivity and other services offerings. As our customers grow through their entrepreneurial journey, we provide applications and access to relevant third-party products and platforms helping them connect to their customers and manage and grow their businesses.

What it means to be online has evolved from having a static website to a mobile-ready, responsive website integrated with social channels, search engines, reputation platforms and e-commerce marketplaces. Our customers need to integrate dynamic information across all of the places they engage with their audiences, including things like appointment availability, retail inventory, digital subscriptions and social media presence.

At GoDaddy, we believe our customers should have both great technology and great customer support. Engaging with our customers in a proactive, consultative way helps them knock down the technology hurdles they face, through personalized guidance via phone and digital experiences. Through the thousands of conversations we have with our customers every day, we receive valuable feedback enabling us to continually evolve our products and solutions and respond to their changing needs.

Our people and unique culture have been integral to our success. We live by the same principles that enable our customers' ideas to survive and thrive: hard work, perseverance, conviction, an obsession with customer satisfaction and a belief that no one can do it better. We take responsibility for driving successful outcomes which we believe has been a key factor in enabling our customer and revenue growth. We believe we have one of the most recognized Internet brands in the U.S. and our international awareness continues to rapidly increase as we've entered into new markets.

Our stable and predictable business model is driven by efficient customer acquisition, high customer retention rates and increasing lifetime spend. In each of the five years ended December 31, 2019, our customer retention rate exceeded 85%, and in 2019, our retention rate for customers who had been with us for over three years was approximately 92%. Additionally, as of December 31, 2019, we had 1.3 million customers who each spent more than \$500 a year. We believe the breadth and depth of our product offerings and the high quality guidance and responsiveness of our GoDaddy Guides builds strong customer relationships and are key to our high customer retention rate. In 2019, we generated \$3,401 million in total bookings, up 12.9% from \$3,011 million in 2018, and we generated \$2,988 million of revenue, up 12.3% from \$2,660 million in 2018.

Our Opportunity and Advantages

Our Opportunity—Empowering the Everyday Entrepreneur

Our customers represent a large and diverse market which we believe is largely underserved by other Internet companies. According to the U.S. Small Business Administration, there were approximately 30.8 million small businesses in 2016. Based on data from the 2016 U.S. Census Bureau and the U.S. Small Business Administration, over 90% of small businesses have fewer than five employees and approximately 25 million, or over 76%, of small businesses were non-employer firms. Furthermore, the Kauffman Index of Entrepreneurial Activity Report estimated that in 2017 there were approximately 540,000 new business owners created each month in the U.S. Around the world, there are more than 500 million micro, small and medium enterprises, according to a study performed by the International Finance Corporation and McKinsey Company (defined as one to 250

employees) worldwide. We believe our addressable market extends beyond small businesses and includes individuals and organizations, such as universities, community organizations, charities and hobbyists.

Our customers are consumers themselves, which makes them keenly aware of the need to have an impactful online presence. While our customers' needs change depending on where they are in their journey, the most common customer needs we serve include:

- **Showing up, looking great.** Our customers want to develop an online presence by finding a name that distinctly identifies their business, hobby or passion. We believe their digital identity includes not just an elegant, mobile-enabled website, but the ability to get found across various search engines, social media platforms and vertical marketplaces. And while our customers' online identities start with creating and managing these points of presence, their identities are amplified through content generation and the ability to engage and transact online with their customers and audience.
- **Getting found in all the right places.** What it means for our customers to be online continues to evolve. Today, having an effective online presence often means having a combination of: (i) a secure and content-rich website viewable from any device; (ii) presence on social media channels (e.g. Instagram, Facebook, WhatsApp and WeChat); (iii) search engines (e.g. Google) and an increasing number of horizontal marketplaces (e.g. Yelp and Eventbrite); (iv) vertical marketplaces (e.g. Zillow, OpenTable and HomeAdvisor); and (v) e-commerce platforms (e.g. Amazon, eBay, Etsy).
- **Interacting with customers as they grow their business.** Our customers need to communicate with their existing customers and find new ones across a landscape that is fragmented in both form and function. They have distinct needs in (i) branded email communication, originating with domain registration and email creation through an email client; (ii) online marketing in a variety of content types and channels; (iii) online commerce with reservation and scheduling, product catalogs and e-commerce and payment processing capabilities; (iv) messaging capabilities across SMS, Facebook Messenger, WhatsApp and others; (v) email marketing for audience engagement; and (vi) telephony, for inbound and outbound voice communication. Surrounding these channels and tactics, our customers also need easy-to-use tools to run their businesses.
- **Technology that is reliable, secure, performant and evolves with their needs.** Our various customer types need a simple platform and set of tools enabling their domain, website, marketing and other solutions to easily work together as their ideas grow and become more complex. The right platform can meet the needs of entrepreneurs, who may not be technologically savvy, and our Partners, who have more complex requirements, as well as all the customers in between that have a range of needs and sophistication. All the while, our customers expect reliable products and want to be confident their digital presence is secure, even as they insert customization that can create vulnerabilities. Our customers work on their ideas whenever and however they can and need solutions fitting their lifestyle and schedule.
- **Connecting with a real person when they need help.** Our customers sometimes need guidance to set up a website, launch a new feature or try something new. They need real people who are available 24/7/365 and in the manner that works best for them, whether by phone, by chat or in community forums. In addition to guiding our customers along the way, we also provide support by handling the most difficult and arduous tasks for them through a collection of managed service offerings.
- **Affordable solutions.** Our customers often have limited financial resources and are unable to make large, upfront investments in the latest technology. Our customers need affordable solutions to level the playing field with the tools to look and act like bigger ventures.

Serving these customer needs creates a deep relationship, where we are looked to as not just a solution provider, but also a guide and partner to their entrepreneurial journey. This makes for a favorable business and economic model, aligning the interests of GoDaddy and our customer.

Our Advantages

Our customers have many roles in their venture; they simultaneously run marketing, accounting, service delivery operations, customer service, people operations and many other tasks. Time is their most valuable resource and complexity is their hindrance; they want an impactful online presence, but may not have the time and skills to make that happen. Our goal is to be a trusted partner to these entrepreneurs, bringing together the technology, ease of use and care necessary to bring their ideas to life online. Therefore, we believe the following strengths provide us with competitive advantages in serving their needs:

Seamlessly Intuitive Experiences. Our customers often self-identify as non-technical and inexperienced in a variety of areas like marketing, content creation and customer management. This often manifests in our customers not having the expertise to take full advantage of powerful tools, due to complexity and an over-abundance of functionality. Combined with the great degree of fragmentation of experiences, channels and mediums on the Internet, our customers can often be overwhelmed as they attempt to bring their idea online.

We believe that the antidote to this complexity is to radically simplify our solutions and services into seamlessly intuitive experiences. GoDaddy has the two leading website building content management systems (CMS) with Websites + Marketing and Managed WordPress. With Managed WordPress, we dramatically reduce the complexity in provisioning, managing and customizing the WordPress CMS. We do this by wrapping the WordPress CMS with our own security tools (web application firewall (WAF), content delivery network (CDN) and secure sockets layer (SSL)), design tools, plugin pre-installs at initiation and automatic, managed updates. In Websites + Marketing, our own captive CMS, we incorporate seamlessly intuitive experiences by uniting marketing, content, commerce and customer management tools into single experiences.

We also seek to leverage data and insights to personalize the products and experiences of our customers as well as tailor our solutions and marketing efforts to each of our customer groups. We are constantly seeking to improve our website, marketing programs and Customer Care to intelligently respond to where customers are in their lifecycle and identify their specific product needs. This allows us to interact more frequently with our customers. We intend to continue investing in our technology and data platforms to further enable our personalization efforts.

Sage Guidance. Our customers deeply value expertise and know-how, which has been part of the GoDaddy DNA through our GoDaddy Guides since our founding. Our customers' needs are highly individualized and tailored to their ventures, which makes operating a guidance experience – at scale – a substantial form of differentiation.

In recent years, we've extended this competency into a number of new interfaces and subject matters, which are taking the insights gained from inbound calls and inserting them tactically into places that are driving higher engagements with GoDaddy. For example, within our Websites + Marketing platform, we are now creating custom, tailored action plans for our customers as they seek to market their business in a number of different channels based on the type of venture they have and their geography. Additionally, our Websites + Marketing platform has recently launched an in-editor chat experience with our GoDaddy Guides, who are able to strategically assist our customers through aesthetic decisions and help them when they hit speed bumps. And finally, we have significantly increased the passively-engageable content available to our customers, through a number of different content forms and across platforms like YouTube and Instagram.

Activating our Community. GoDaddy is one of the largest aggregations of paying small businesses and ventures in the world, with a wealth of diversity across verticals, life stages, sophistication and geographies. Our customers gain a lot when they're able to learn from one-another's experiences and benefit from each others' skills, but the challenge is that the exchange of information is cumbersome. We aim to activate our community and lower the barriers for connection, for the betterment of our customers. This occurs in discreet areas of our business today – such as in our domain aftermarket and GoDaddy Websites + Marketing's InSight platform – and it is something we're investing behind for the future.

The GoDaddy Platform

We built GoDaddy to serve our customers by providing elegant, easy-to-use cloud-based products on a single technology platform wrapped with personalized guidance. Our goal is to be a trusted partner to our customers, bringing together the technology, ease of use and care necessary to bring their ideas to life online.

Our Customers

We serve three customer populations: Independents, Partners and Domain Registrars and Investors. While the products we provide to these populations overlap, we also seek to address the meaningful differences in their journeys, what they value, their ultimate goals and how they communicate with the rest of the world.

Our largest population are Independents, which are vastly micro-businesses and non-commercial endeavors. Independents have an entrepreneurial spirit, strong work ethic and, above all, passion for their ideas, yet their specific needs vary depending on the type and stage of their ideas. Independents range from individuals who have an idea and those thinking about starting a business, to established ventures needing help attracting customers, growing their sales, managing their presence or expanding their operations. Most Independents have fewer than five employees and most self-identify as having little to no

technology or design skills. They need our help to create a unique and secure digital identity, especially the more technical aspects of their presence. While our customers have differing degrees of resources and technical capabilities, they all share a desire to find tools to help them bring their ideas to life, enhance connections with their audience and find new customers.

Our second largest population are our Partners, who are website designers and developers building websites on behalf of businesses and non-commercial organizations. We estimate that half of all website builds occur through a third party, such as our Partners, on a do-it-for-you basis. Our Partners are often freelancers, moonlighters or part of small website design agencies and often have website design as one of multiple streams of income. Our Partners generally have more technical acumen and look for tools that provide greater amounts of flexibility, such as the WordPress CMS. While Partners have a need for technical depth and flexibility, they also benefit from our simplicity and guidance as tools to increase their throughput and maximize the use of their time, including client-management tools. We help our Partners in a number of ways beyond our product suite and services, including tools for Partners to help them save time, make money and exceed client expectations. These client management applications make it easier for designers and developers to manage their clients' websites at any host, or on GoDaddy products such as Managed WordPress. Partners can easily manage their overall business with capabilities such as client billing, administrative access and shopping features, making it easier to buy and manage multiple products for their clients, as well as enhanced technical support and discounts for reselling GoDaddy products. We support a variety of control panels and content management tools favored by Partners including cPanel, Plesk, Drupal, Joomla and more. As the largest global host of WordPress sites, many of our recent investments have focused on extending our reach into the WordPress community.

Our final population is Domain Registrars and Investors. Domain registrars are organizations that have their own domain registration offerings, such as Amazon Web Services (AWS), but who use our domain registration and management platform. These commercial arrangements provide for strategic relationships with many key platforms, as well as enable further scale of our domain registration technology and insights. Domain investors are individuals and organizations who manage a portfolio of registered domains for the purpose of selling via secondary markets. These investors bring a unique and valuable resource to our business in the form of liquidity and the ability to help our other populations (Independents and Partners) successfully find the name they prefer.

Our Solutions

We have designed and developed an extensive set of easy-to-use cloud-based technology products enabling our customers to establish a digital presence, connect with their customers and manage their ventures. We understand our customers' needs vary depending on the type of customer and stage of their idea, which is why we offer our products both independently and bundled as suites of integrated products designed for specific activities. Crucial to our product philosophy is to provide value well in excess of the price we charge (known as "consumer surplus"), which often puts our products in a position of strength on functionality and at an affordable cost.

Our domain name registration products enable us to engage customers at the initial stage of establishing a digital identity and often is an on-ramp for our other products. We believe our hosting and presence and business applications products significantly improve our value proposition to customers, increase our revenue and margin growth opportunities, can serve as starting points for our customer relationships and improve customer retention. We have made significant investments in the localization of our service offerings, as 45% of our customers are located in international markets (notably Canada, India, the United Kingdom (U.K.) and Australia). And, while not a standalone product, our GoDaddy Guides consist of nearly 7,300 specialists worldwide who are available 24/7/365 and provide care to customers who have different levels of technical sophistication.

Domains

Every great idea needs a great name and GoDaddy is the leading global naming service. Staking a claim with a domain name is an integral part of establishing an idea and presence online. When inspiration strikes, we are there to provide our customers with high-quality search, discovery and recommendation tools as well as the broadest selection of domains to help them find the right name for their idea. Securing a domain is a key component to creating a complete digital identity and our domain products often serve as the starting point in our customer relationships. We are the global market leader in domain name registration, with more than 79 million domains under management as of December 31, 2019 and, based on information reported in VeriSign's Domain Name Industry Brief, we held over 22% of the approximately 360 million domain names registered worldwide as of September 30, 2019. As of December 31, 2019, approximately 90% of our customers had purchased a domain from us, and as of December 31, 2019, we had more than 79 million domains under management. In 2019, 2018 and 2017, we generated approximately 45%, 46% and 47% of our total revenue, respectively, from sales of our domain products.

Our primary domains product offerings are:

Primary Registrations. Using our website or mobile application, we offer customers the ability to search for and register available domain names with the relevant registry. Our inventory for primary registrations is defined by the number of top-level domains (TLDs) we offer. As of December 31, 2019, 410 different generic TLDs (gTLDs), such as .com, .net and .org, and 55 different country code TLDs (ccTLDs), such as .de, .ca, .in and .jp., were available for purchase through GoDaddy. Since 2013, hundreds of new gTLDs have been launched, making it easier for companies and individuals to find and register new, easy-to-remember domain names tailored to their ideas, industry or interests. ccTLDs are important to our international expansion efforts as we have found international customers often prefer the ccTLD for the country or geographic market in which they operate. Our primary registration offering relies heavily on our search, discovery and recommendation tools which enable our customers to find a name matching their needs. We also sell domain registrations through relationships with third-party resellers.

Aftermarket. We operate one of the world's largest domain aftermarkets, which processes aftermarket, or secondary, domain name sales. Our aftermarket platform is designed to enable the seamless purchase and sale of an already registered domain name through an online auction, an offer and counter-offer transaction or a "buy now" transaction. Over the last five years, we have acquired more than 750,000 domain names to increase the inventory available to our customers. Our GoDaddy Investor mobile application helps investors watch and bid on domains at auction and stay on top of their current bids, all from their mobile devices. We operate a cross-registrar network that automates transaction execution across registrars thereby reducing the time required to complete a transaction. We receive a percentage of the sales price for each domain sold.

Domain Name Add-Ons. Domain name add-ons are features a customer can add to a domain name registration. Our domain name privacy product allows our customers to register a domain name on an "unlisted" basis helping prevent privacy intrusions, deter domain-related spam and allow our customers to confidentially secure a domain for an unannounced product, service or idea. Domain name add-ons are typically purchased concurrently with domain name registrations and have low costs associated with their delivery.

Hosting and Presence

Bringing an idea to life online requires a presence. GoDaddy Websites + Marketing, WordPress hosting and other GoDaddy offerings enable anyone to create an elegant website or online store, for both desktop and mobile, regardless of technical skill. Our products, powered by a unified cloud platform, enable our customers to get found online by helping to enhance the information on their website and extending their website and its content to where they need to be, from search engine results (e.g. Google) to social media (e.g. Facebook) to vertical marketplaces (e.g. Yelp), all from one location. For more technically-sophisticated web designers, developers and customers, we provide high-performance, flexible hosting and security products that can be used with a variety of open source design tools. We design these solutions to be easy to use, effective, reliable, flexible and at a great value. We offer a variety of hosting and presence products enabling our customers to create and manage their digital identity, or in the case of Partners, the digital identities of their end-customers. In each of 2019, 2018 and 2017, we derived approximately 38% of our total revenue from sales of our hosting and presence products.

Our primary hosting products are:

Shared Website Hosting. The term "shared hosting" refers to the housing of multiple websites on the same server via the use of chroot environments. Shared hosting is our most popular hosting product. We operate, maintain and support shared website hosting in our owned and operated data centers and our leased co-located data centers using either Linux or Windows operating systems. We currently offer several tiers of shared website hosting plans to suit the needs and resources of our customers, a majority of which use industry standard cPanel or Parallels Plesk control panels. We also bundle our hosting plans with a variety of applications and products such as web analytics, SSL certificates and WordPress. WordPress is the most used content management application on our shared hosting platform.

Website Hosting on Virtual Private Servers and Virtual Dedicated Servers. Our broad range of virtual private server (VPS) and virtual dedicated server offerings allows our customers to select the server configuration best suited for their applications, requirements and growth. Our virtual private servers provide customers with a single virtual machine running on a single bare metal server that is running multiple other virtual machines for other customers. Our VPS product is designed to meet the requirements of customers with a need for greater control, more advanced technical capabilities and higher performance than that offered by our shared hosting plans. Our customers have the ability to tailor their virtual dedicated server plan based on a range of performance, storage, bandwidth and operating system needs.