

Elliot's Blog

Advice From the Most Successful Domain Owners of All Time

Over the past several years, I have had the opportunity to meet with and learn from some of the most successful domain investors, domain developers, domain monetizers, and others involved in the domain industry. Recently, I reached out to many of my friends and colleagues, and **I asked them for one piece of advice they would give to a part-time domain investor looking to build his business.** I believe there are quite a few people who are part time domain investors, and I also believe just about anyone involved in the industry can apply some of this advice to their own business models.

I really appreciate all of the contributions from the industry leaders who contributed, and I hope the advice contained within is helpful to you now – or will be helpful to the growth of your business in the future. As an FYI, I intentionally did not put these posts in any particular order.

Frank Schilling, [Name Administration](#):

I clearly remember walking to the grocery store in the rain, years ago with my wife, doing some fingertip-math, coming to the realization that if I kept repeating what I was doing, I would soon be making \$75,000 a month selling traffic. Three times what I was making at the time. I had acquaintances back then, also in this business, who are gone today. They sold out, capped out, got sidetracked by sideshows and shopping and booze and drama. They could have done the exact same thing, but they lost their focus.

You need to keep envisioning that goal, that thing you want to attain and strive for, the next deal, the next acquisition or pick-up. If you can dream it, you can do it. In tandem with that, but no less important I also remember getting that first big name. I got it on a drop. In today's environment, whether you buy it undervalued, or trade for it or even pick it up on a fluke is irrelevant. It wasn't even that valuable a name in retrospect, but it was priceless at the time because I believed it was valuable. I thought I could build a business to live off this one name. It was one of those names that made me "feel" rich: "Don't you know what I've got here?!? This is like the best name on Earth! I could sell it to anyone with one phone call for \$100,000 easy!!".

Okay, well maybe I was wrong. It was alright, but not that great. But it felt great at the time and it gave me courage, and enthusiasm to 'focus' on the next deal. Keep that enthusiasm for whatever it is you're doing, because the truth is YOU'RE RIGHT if you

believe you are, and that enthusiasm will keep you focused on moving forward to find the next transaction, deal or acquisition.

Most of the successful people I've met (in any field) allow this simple piston-engine like chain reaction to happen in their lives. Allow it into yours and you're unstoppable.

Merlin Kauffman, True Magic, LLC:

Take a bigger risk instead of a lot of small ones. By this, I mean that instead of buying ten domains worth \$100 each, buy 2 domains worth \$500 each, or 1 domain worth \$1,000. Bigger risks usually have bigger rewards.

Monte Cahn, [Moniker](#):

My advice would be to look for a diversified approach. By this I mean, to look for names that have good meaning that are brandible as well as names that generate a revenue stream. Look also to use the domains in different ways, some for parking, some for micro sites, some for affiliate networking and lead generation. As everyone knows, some domains generate more money just parked...just like billboards sit usually on undesirable pieces of real estate but make more money showing ads. Some are better for full fledge deep content websites, however that requires commitment and work to maintain, and to improve. Working with affiliates offers some additional options as you can steer traffic to CPA or lead generation sites that pay based on conversion, sign ups, or even CPC.

Always look to sell domains for decent multiples. Most domainers look at a domain sale where you make 20% – 100% profit as not worth their time. If you buy a domain for \$59 and sell it for \$120, you just doubled your money...I do not see that happening in any industry right now. So take money off the table and diversify that money into other types of investments...do not hold everything, look to sell when there is good profit, try to retain a piece of the upside where ever you can. For example, if you sell a higher priced domain, you can negotiate in stock, warrants, options, profit sharing, retain percentage of ownership so that if it does become more valuable in the future, you have upside.

Look to do creative financing and lease to own deals. We are seeing more and more lease to purchase, multi month and year domain purchase transactions using our escrow services. This is a great way to buy in and offer others to buy with flexibility rather than all money down all at once.

Work also with a company that is aligned with your interests, secures and protects your domain assets, one that makes money when you do so that they are incented to work harder to help you be successful.

Brett Lewis, [Lewis & Hand](#):

Do the right thing. Don't build a business on registering trademark domains, because it will get you sued. Some of those guys make money and some of them get sued. Honor

your agreements. Don't sign agreements unless you plan to follow through on them. In other words, do the right thing!!

David Castello, [Castello Cities Internet Network](#):

Domain Investor (non-Developer)

- 1) Only invest in dotCom or Top 10 ccTLDs until you really know what you're doing (or usually win at roulette in Vegas).
- 2) Target names that have high end-user potential (most of them will also have high SEO potential).
- 3) Do not buy a name simply because you think other domainers will want it. Most of them are broke anyway 😊
- 4) Read DNJournal.com's weekly sales report.

Domainer/Developer

- 1) Only invest in dotCom or a ccTLD (if your business is based that country). Yes, you can possibly make money with dotTV, dotME or DotCM, but I don't believe in working ten times as hard for the same revenue. Furthermore, dotTV does not stand for television, dotME is not about you and dotCM is not typosquatter heaven. They are the ccTLDs for Tuvalu, Montenegro and Cameroon – and if you think that will never matter down the road think again.
- 2) Target names that also have direct navigation and built in SEO potential. Steer clear of catchy names with no meaning (for more insight into this read about most IPOs from 1999-2000 – for every Pets.com there were a hundred more you can't remember because the names didn't mean anything to begin with).
- 3) Learn WordPress or Dreamweaver (or you'll end up working and taking direction from your webmaster instead of the other way around).
- 4) Read DNJournal.com's weekly sales report and every other blog out there by a Domainer/Developer (like Elliot's Blog).

Mike Mann, [Grassroots.org](#):

Do extensive research on each investment, use all the technology available, invest a lot.

Adam Strong, [Domain Name News](#):

ALWAYS SHOW UP TO THE AUCTIONS

If you don't go/attend/watch you may miss out on a great deal. I've been to many auctions and scored a deal I wasn't expecting to get. I either thought the domain was going to go higher or had a higher reserve. I may have not seen the possibilities behind the domain until that day or known about some of the revenue/traffic/potential of the domain until that day. Auctioneers lower prices mid-auction now. At live events auctioneers are now giving insights in to the domain you might not have known. . . traffic, revenue, etc. New domain inventory gets added last minute. There's all sorts of

reasons to show up. I see it on the forums all the time . I hear it from my colleagues all the time. . . “WOW that was a steal ! I wish I’d have been bidding ”

I’ve been going to auctions outside the domain realm for over 20 years and the same thing applies. . . you just never know what’s going to happen until you show up for the auction.

Chad Wright, WebQuest.com, Inc:

Find out who makes the big money in this business, then copy them.

Rob Sequin, RobSequin.com:

If I had one piece of advice to offer a part time domain investor I would suggest that you know the difference between investing and speculating:

Investing:

- * Purchase quality domains from a trusted source
- * Purchase .com domains (with some exceptions)
- * Buy and hold with plans to develop
- * Buy and hold domains that have natural type in traffic

Speculating

- * Hand registering quantities of domains based on a longer term investment strategy.
- * Buying non .com domains (with some exceptions)
- * Any traffic or revenue would be a bonus
- * Fine if you plan to simply sell domain names
- * Fine if you plan to develop a domain or domains to cover a niche you know and like.

Either way, I would suggest that you focus on keywords or industries that interest you.

Andy Botzer, LZ Domains:

Be remarkable. That’s it. In anything you say or do keep that your mantra.

Rick Schwartz, RicksBlog.com:

Don’t quit your day job.

Don’t buy crap.

Don’t settle for trading low quality domains.

Don’t buy to double your money. Buy to make 10x minimum. If the domain you are buying is not worth 10x what you paid, don’t buy it.

People lie, numbers don't.

Rick London, [National A1 Advertising](#):

Try and buy the best. Instead of buying 20 domains for 1K each try and purchase one for 20K.

JBlack

Vince Lombardi, arguably the most successful football coach of all time, placed constant emphasis on fundamentals, not complex strategies. There is a reason why he started off with the opening line, "Gentleman, this is a football" in the movie. That line stresses the point of fundamentals, to start from the beginning. He knew intuitively that basics, honed to precision by relentless emphasis, then applied win over all other methods. Today, our world is full of distractions like never before in history. But when one filters the noise and examines successful companies and individuals the common denominator always is the persistent application of fundamental principles.

In that vein, if I had to offer a single piece of advice it would be define in precise terms where you want to be. I see this basic necessity, this fundamental, being ignored almost across the board. Many jump into domains with no end state planned. Its my view that one has to write the objective down, be specific, and describe it in sufficient detail as to provide a navigable roadmap to the destination. When you take the time write your plans down you start to become serious rather than a dabbler. When you become serious you learn and apply proper business applications like incorporation, intellectual property, law etc. Only when the objective is written out do the holes and assumptions make themselves apparent.

Writing compels one to think, to fill those holes and address the assumptions with plans and action. (The planning method also greatly helps select which domains should be bought and which domain names should be sold or advanced well beyond parking or notional development.) The detailed, written goal that includes a final valuation figure provides the tangible anchor point which almost prohibits one to veer off course with endeavors that do not lead to the singular goal. ("Gentleman, this is your goal".)

Most seem to start in domains with an ill-defined but implied objective of "being successful" or to "make a lot of money". Ok, but how successful, by what measure, by what date, by what final net value? Without these questions being adequately answered one does not just risk but is guaranteed to end up exactly where they planned, in an undefined, unfulfilled, lost place.

Michael Sumner, [MiniSites.com](#):

I think the best piece of advice for someone starting out is to learn how to appraise a domain before investing a dime. People should read DNJournal sales reports from start to finish every week, and go through NameBio.com data on a daily basis to get a feel for

what domains sell for, this should help fine-tune their instincts. Until they have good instincts, they should check exact search volume using the Adwords Keyword Tool, check CPC using the little-known Adwords Traffic Estimator Sandbox, look for businesses who might be interested in the domain, check comparable sales at NameBio, etc.

I have found that if you're really good at appraising a domain, you rarely get yourself into trouble, and when you do get into trouble the damage is minimal. That was the approach I took for the first four months after I found domaining, I read everything I could get my hands on trying to figure out how to value domains and rarely bought anything. Then I jumped in head-first with a friend of mine flipping relatively high-value domains, and within our first year we had sold almost \$350k in domains and only lost money on one deal, and the loss was very small.

Fred Mercaldo, Scottsdale.com:

Although I own over 300 generic domain names, I am primarily a geodomain .com investor and developer. When looking at a potential purchase, numerous things come to mind: in my opinion, is this domain undervalued? Even if it is not undervalued, what can I do with it? If properly developed, what is the conservative potential for monthly/yearly income? Is there an end user out there that can benefit from this name? My main goal is to monetize the domain on a yearly basis for what I have purchased it for, after development.

For example, I purchased www.nofeecreditcard.com for \$3300, and am only making \$300 per year; however I have simply used a second party provider and we did not develop it internally...I believe we will develop it in-house in the coming year. I purchased www.FountainHills.com for \$14,000 and we are making \$60,000 per year on it; these are 2 examples of the "so-so" return versus the "home run" return.

I look at domains as potential "businesses" rather than just names, and here is why....and let's take a hypothetical example....Domain "A" purchased for \$30,000....spent \$10,000 developing it....presently making \$30,000 per year. I now have a "package"...meaning "domain name PLUS yearly income" that is arguably worth 3 to 7 times income...plus the inherent value of the domain name itself...meaning I can sell Domain "A" for anywhere between \$90,000 to \$210,000...a great return on my original investment, however I had to develop it properly, and obtain advertising partners to monetize it.

I firmly believe an end user or investor will pay \$200,000 for a domain that is bringing in \$30,000 per year presently than pay \$80,000 for the same domain name that is both undeveloped and non performing. Why? Because it a proven entity and already has a financial return attached.

As you can see, my strategy is completely based upon buying, developing and monetizing, and not just buying and reselling. My advice for the new domain investor? You need to decide on a specific strategy and become an expert at it. Like real estate,

where there are many kinds of specialties...shopping center investors, land speculators, residential development, commercial development, apartment developers...all of these real estate specialists have different skill sets and talents; same in our industry. The person that buys and develops is so different than the investor that buys and flips, and so on. Decide on 1 or 2 strategies and stick to it; don't try to do a little bit of everything. I would also recommend quality over volume...one good name is better than 100 mediocre names.

Mike Cohen, WannaDevelop.com:

Do not register all those unnecessary gTLD's and ccTLD's in addition to your primary domain(s)!! If you are into domain investment, you gotta be careful with what types of domains you acquire during bulk purchases because the fees can quickly add up to large sums before you realize this. If you want to be successful in this business, you need to be real picky and not carry any extras or duplicates, in other words real long shots that aren't going to make you a whole lot of money no matter what angle you look at it.

Forget buying the .net, .org, .info, .biz and all those other second tier names if you have a .com domain because they are simply worthless for the most part. Domain registrars such as GoDaddy will always try to upsell you all those gTLD's and ccTLD's in addition because that is how they make their profits but do not fall for it even if they have offer special discounts. Register only one domain per topic / idea... Because if you register 5 or 10 identical keyword domains, but in various other extensions... You will end up getting stuck with them all. Instead you should diversify x5 or x10 different other topics / ideas. It's a numbers game... 😊

Patrick Ruddell, ChefPatrick.com:

My number one piece of advice is to buy niche domain names. I've been able to take my personal real estate experiences and register hundreds of good domains. On top of the "insider" information I had for registering domain names of quality I also had a source to sell them. Now, if the new investor is not lucky enough to have the already established connections then they should still pick a niche. Having a single niche makes it easier to create those contacts (buyers list) and give potential buyers options. Make yourself the authority in a niche like dental domain names. If you create a ton of contacts in the dental industry (example) then other domain professionals would be wise to broker the name with your help.

Craig Rowe, WhyPark.com:

Focus on quality over quantity. Too many new domainers get caught up on building a large portfolio. For the same cost, focus on buying a few good names from auctions or drop catching services and set clear goals for each of those names (development, ongoing revenue, flipping, etc.) After achieving those original goals, buy more quality names or go after a small number of even better quality names. Owning a smaller portfolio will be

easier to acquire, manage and ultimately sell or develop. There is no lack of bargains out there these days, so it's the perfect time to work on building a quality portfolio.

Howard Neu, [World Association of Domain Name Developers](#):

Best advice I can give – get a category-killer domain and develop it.

Thunayan Khalid AL-Ghanim, [Future Media Architects](#):

Never hesitate.

Have a long term plan.

Take a risk, that can be handled.

and just go with the flow.

Make sure you are enjoying what you are doing.

Ted O'Keefe, [Internet Venture Holdings](#):

We started domain investing out of frustration with stock investing. In the past fifteen years the stock market has been through some very tumultuous times. With rapid corporate fraud from Worldcom to Enron to Citibank. We didn't want all of our money tied up in stocks and real estate. This has been great foresight with the unseemly mortgage backed securities debacle destroying stock and bond portfolios over the past few years.

Domain investing offered a different type of appreciating asset that had some liquidity, minimal expenses, and the potential for high returns which made it attractive. There was significant legal risks but varying ways to minimize this risk with development which was becoming very easier with the varying tools available for non-technical people.

The approach to domain investing should follow the same principles as stock investing except, a new investor should only invest in domain names with the 'true' speculative portion of their portfolios. Think of this as the mad money portion of your portfolio except it's not for fast trading. We believe domain investing is still a buy and hold strategy. Some have had success flipping higher quality domains and if this is your strategy be sure you have a buyer or else it's like owning a rental home with no renters.

We've seen random offers for some of our domains increase five fold in just a few years. That tells us we've made good investments. When a better investment comes along we'll know it's time to sell.

The same rules should apply as stock investing; 1) Don't put all your eggs in one basket 2) Diversify 3) Know what you're buying.

A good rule might be not to invest more than five percent of your overall portfolio and certainly not more than you can afford to lose. As the domain investor develops more confidence in the industry they can gradually expand this portion of their portfolio. If you

have some early successes you might decide to make domains twenty-five percent or more of your overall portfolio. Early success are not unheard of – early on we made thirty thousand on a domain we owned less than a year. The buyer had success in online commerce with other ventures so in buying our domain investment he had a business already planned behind the purchase. We opted to immediately invest these funds back into other good domain names.

A good rule of thumb when domain investing that we continue to live by. Don't buy a domain that you could not sell yourself via auction for the same price. If at any time you need to liquidate for any reason you want to minimize the downside. By owning the domain hopefully, you were able to enjoy a monthly dividend by parking your domain with advertisements so you still made money.

Now here is where domain investing is different from stock investing. We like to invest in domains when we 'find a situation.' Having a direct line to a current domain owner or eventually finding the owner will allow the new domain investor to talk to the owner and get an understanding of the motivation for selling. If the domain investor is not interested in selling don't beg. Often a domain owner will say a price that he/she thinks is high but might pose value to you as a domain investor. Most often negotiations are over the phone so let the domain owner just talk...

Every higher quality domain we've purchased has been one of the following scenarios; business bankruptcies or liquidations, health and or sickness, or just a change in a persons life – need money, moving, job loss, retirement etc. etc. If we don't have one of these situations we walk away or record it for a future phone call. Without motivation to sell the current domain owner is likely in love with his domain and thinks someone is going to come along and give him a million dollars. Not to say this won't happen but he might be holding it for a long time. The great thing about domain investing is there is always another great deal just down the road you just have to find it which is part of the fun.

Another strategy to keep in mind – unique to domain investing, keep your end user in mind. After all dot com stands for 'commerce'. The movement to commerce on the internet is a revolution that is happening rapidly before our eyes. Informational type websites are helpful but they seldom motivate a potential buyer to spend alot of money for a domain. If there is not some type of business plan behind the domain purchase the buyer probably won't spend alot of money which is what your trying to achieve.

Remember that many of the dominant domain investors in this young industry used type writers and went to the library when they were in high school or college. Computers in the home or office were scarce and only few know how to really use them for actual communication. There is still many opportunities in this industry.

Ron Jackson, [DN Journal](#):

LOOK BEFORE YOU LEAP! I think the most common mistake that newcomers make is diving in head first before they know where the dangers below the surface lie. At first

glance, this business looks easy – register a few names that you think sound cool and promptly resell them for 10-100 times what you paid for them. If only it were that simple! Unfortunately, there is a fairly steep learning curve involved and if you start throwing money at domains before you understand what makes certain ones valuable and others worthless, you are going to be throwing your money away. Since many come into this business with limited capital to begin with, leading with your wallet instead of carefully acquired wisdom could be a fatal mistake.

Among other things you have to take time to learn about keywords and which ones have value to the investors or businesses who are going to be your source of income. Generally speaking, you will do best with domains that define a commercial product or service or represent a reasonably sized locale (geodomains). It is those types of domains (especially in .com) that generate type-in traffic because people are always searching for the products, services and locations those domains represent. If you really want to go for the golden ring via full scale development, those kinds of domains also give you a head start because the name defines your business category – they are essentially unforgettable and that is a huge asset for an online business.

There are almost endless resources available today to help you learn about domains. So, take your time and learn from others with a track record of success. Don't start buying things until you understand why they are likely to produce a return on your investment either through PPC, affiliate income, resale or development. Being in a hurry will get you nowhere fast. Take the time to learn what constitutes quality and then buy the best you can. This is even more important if you venture away from .com. There are opportunities in other extensions, but since the pool of buyers you can resell to is smaller it becomes even more important to accept only the best keywords if you decide to diversify into other TLDs. If you do diversify, remember that quality rules with extensions too – first world ccTLDs like .de and .co.uk are proven winners but there is almost no chance of finding buyers for third world ccTLDs like .ws and .cc. I still firmly believe that this is a great business with many paths to success. Though it is a unique business, it also has one thing in common with just about every other industry or investment – those who take the time to study before buying in are the ones who end up making the smartest choices.

Nat Cohen, [Telepathy](#):

My advice would be go for quality. It's the same advice I was given as a kid by an old-timer when I was getting into stamp collecting. Don't spend your budget on several mediocre domains, spend it on the highest quality domain you can afford. The higher the quality, the more sought after it will be. A high quality domain should hold its value better when things are bad, and increase its value most when things are good.

Seabass:

When analyzing domains for parking, only buy domains when you know you are “shooting the fish in the barrel”. What I mean is that some domains are obvious winners

and you already know this when analyzing them. Buy domains like MadridHotels.com or less expensive ones like PearTrees.com.

There are many other domains that look great and your knee-jerk reaction is to think would love to own them. However, you may not know for sure if they are great or not. Pass on the latter domains. These are like MadridHotelDeals.com or PearTreeSeeds.com . These domains may very well make money, but do you know this for sure? Why would you take a chance if you don't have to? Pass on them, there are so many domains in the world to own. You want prime property. Take your time and keep looking.

Great domains will appear eventually at prices you can afford. It will make for a more secure foundation in a domain portfolio in almost all respects. You will also get all kinds of emails from potential buyers while you park these prime properties. All these potential buyers allow for an escape route, or exit strategy, if you should ever decide to leave the business. You don't want to get stuck with tons of unsellable or slow to sell domain properties if you get in a jam.

This method is actually cheaper or equal to what you would spend buying a boat load of mediocre properties. You may have less domains only buying great domains, but you will make more money and have lower monthly renewal fees.

Morgan Linton, Domaininvestors.tv:

Never stop learning. Read every blog, article, and book you can find – the moment you think you know it all is the moment you stop learning!

Eric Borgos, Impulse Communications:

My advice to aspiring domainers would be to try a little of everything and see what works. Too many people come up with a plan, spend weeks or months getting things setup and dreaming of all the money they will make, and then things don't go as they expected. It is not always that their plan is bad, but sometimes other things go wrong, like web hosting problems, website errors, cash flow problems, partnership problems, copyright issues, programmer delays, affiliate program issues, etc.

I would suggest trying a little of everything to see what works for you. Do some minisites, try flipping domains, try putting blogs on your domains, try some SEO, try brokering domains, try hand registering domains, try buying expired domains, try setting up real websites on your domains, or try starting a website about the domaining business or start a service to domainers. What works for you is not always what works for other people.

Ammar Kubba, Thought Convergence:

Four words: Go With Your Gut!! This is especially true for “part-time” domain investors, as they have the luxury of having a “day job” to support their domaining habit. In this

regard, part-time domainers have both an advantage and a disadvantage. Their advantage is that they don't spend all of their time in the industry, thereby giving them an invaluable outsider perspective on potential opportunities within the space, one which full-time domainers may be missing. On the other hand, part-time domainers may not fully understand the many intricacies and machinations of our complex industry, thereby causing them to miss out on potential opportunities that they may unknowingly already have access to.

This "Go With Your Gut" philosophy also helps in getting past all of the naysayers that we've all encountered along the way... people that don't understand our industry will never understand or support the seemingly risky investments in "virtual real estate" that we routinely make every day. It goes without saying that we've all made mistakes along the way... some more than others, but we've ALL had to learn through trial and error. Without a strong constitution and an iron will, most of us wouldn't be here today. This same requirement holds true for current part-time domainers that are looking to make the transition to the big leagues.

Alan Hack, [Names Plus Marketing](#):

My advice would be to have patience and faith in yourself and your vision. Too many people give up if they don't have success in a short period of time. I would also advise that people network with and learn from others who are succeeding in the business. One great idea or contact can make a significant difference in your business.

Alan Dunn, [Newfound Names, LLC](#):

Do not consider yourself an expert on anything – there is always someone who knows more and will teach you things any "expert" should know.

Always listen more than speak.

Do not follow trends. Trends are usually short lived and not a means to long term financial security. If you can ride a wave then bring a good board but know when to head back to the beach and look for another wave.

Stop reading domain blogs. Check in once a week, very little news will ever make you any money. Focus on developing.

Only believe 20% of what Rick says. This 20% is more than enough to help you understand the industry – the other 80% is just going to help you become a better car salesman ... peace, Rick 😊

Stop thinking in cents – anybody can make a buck.

Warren Royal, Bobbleheads.com:

DEVELOPING? PICK THE RIGHT DOMAIN NAME

I developed my first website in 1994 and have developed many since then. I am a big proponent of developing domains, and I think this is the best way to create revenue. If you have a business, or are looking to create one, buying a great domain name is one of the best investments that you can make. But make sure to get the right one, at the right price. The key is to pick the right name. Here's a checklist that I use when considering investment opportunities for a project:

1) Is it .COM?

Stick with .COM if you can afford it. If you develop a domain in any other extension, your target audience will confuse your site with the .COM version. For example, I developed Trivia.net over 10 years ago, and developed significant unique content for it, but many of my customers will still confuse it with the .COM version, and will mistakenly visit that site instead of mine.

2) Do I have a clear plan?

Have a crystal-clear development plan in mind. If you have to strain to come up with a plan that "kinda/sorta" fits the name, you probably should move on to a better candidate. For example, the domain names Bobbleheads.com and NorthGeorgia.com are perfect matches for the websites they represent – but I have many others that I have really struggled with to come up with the right development plan.

3) Does it pass a reality check?

Ask some friends (who AREN'T in the domain industry) these questions: "What would you expect to see at the website _____ .com? What would you be looking for, if you go there? Would you ever go there?" If their responses match your answer to #1, and they would go there, that's good. If their response is "Gosh, I don't know – what does _____ mean?", then you should move on.

4) Does it have type-in traffic?

If the name passes the test in #3, then it is probably a name that people would type-in hoping to find the product or service that you're planning to provide. If that's the case, then the traffic numbers should confirm that this is the case, and it also makes it much easier to obtain sales. In the case of Bobbleheads.com, it was getting several hundred type-in visitors each day, even though there was no site present. That made it very easy for me to start getting sales, as I had visitors – and customers – from day one.

5) Can I confirm the value?

Ask some trustworthy friends (who ARE in the domain industry) what they think about the price. They will have less emotional investment in the name, and should help you to determine if the price is in line or not.

6) Can I really afford it?

If you buy the name, and then the development effort doesn't work out, can you afford to lose half or all of your investment, or keep the domain for many years without selling it? Or, if you build the site, but your sales never materialize, can you afford to continue to operate it? It's possible that you may be able to resell the domain, but it's also possible that you can't. You should only buy domains that you can afford, whether they are a "good deal" or not.

7) Do I have the right resources to develop it?

If you have the right plan, and the perfect name, but don't have the technical ability or contacts to actually implement the concept, that's a problem. I have purchased names with a crystal-clear plan in mind, but then found that I don't have the right technologies, development resources, or time to get the job done. That's a problem.

If you can answer all these questions affirmatively, then you're on the right track for success, and you should move ahead. Otherwise, you should probably look for another opportunity.

Shaun Stafford, [Domain Graduate](#): and [ComWired](#)

To a part-time domain investor I say this: Read, research, and then read again. Education is important in all things and domaining is no exception. You are not going to register a few domain names and make a killing. You will make a killing through important timing and from investments that are carefully thought out. Don't go overboard and spend money just because you have it. Spend money because it will make you money. And before you spend your money on domains, spend your time reading about domains.

Stephen Douglas, [SuccessClick.com](#):

Buy an ebook on domain investing to learn the basics. There are about five good ones out there. Domain Graduate is a good start.

Do NOT go on a domain buying spree because you think you found a niche nobody else has discovered. Buy one or two, then ask around for help on the domain forums without revealing your domains.

Don't buy domains with hyphens or numbers, unless the numbers are common sequentials such as "365", "123", "247" "360" and maybe "4".

Don't use a registrar that charges you more than \$10 per domain for a new registration.

Read [Elliot'sBlog.com](#) for great tips on getting started. Make sure you address Elliot by his proper title, "El Silver!"

Eric Rice, DomainsForMedia.com

No matter what else you do strive to end up with at least one great domain like we have with www.snowboards.com which you can build a long term, stable business on no matter what happens. In most cases my advice would be a domain that you can run ecommerce on.

Pete Lamson, [NameMedia](http://NameMedia.com):

Treat all purchase inquiries – no matter how low – seriously and with your complete respect given to the buyer.

I can't even begin to tell you how many seemingly unqualified \$10 offers BuyDomains has converted into solid 4 figure (or higher) domain sales.

Low ball purchase offers generally occur for one of three reasons:

1. The buyer is unfamiliar with the domain industry, especially the aftermarket
 - a. This often occurs with SMB “end users” who are professionals within their own industry – but not the domain industry
 - b. If the buyer has the budget to acquire your name, but needs a domain industry overview to justify the purchase, take the time to do so. The 15 minutes you spend educating the buyer will be well worth your time
2. The buyer is low balling the seller in search of a favorable price, and is perhaps doing so anonymously
 - a. In most cases buyers of this type are willing to negotiate to a higher price point
 - b. Remain professional – but also firm. Negotiate to a common ground that will allow both of you to “win” the negotiation
3. The buyer's initial low offer may be all they can afford
 - a. We've all received these. High school kids, rock bands, etc. People with no ability or intention to increase their initial low ball offer. Once you know this to be the case, politely decline their offer and move on (and yes, remain professional and polite even if they flame you with profanity laced emails).

The key is to determine into which of these three groupings your purchase inquiry falls. This usually cannot be done with beginning a dialogue with the prospective buyer. Phone is always the best method as speaking with the buyer allows you to build a relationship and pick up on nuances that are often missed through email.

Remember, your prospective buyer may only have interest in one of the names you have registered, but he/she likely has many other options available to them.

If you do not respond to an inquiry – or respond unprofessionally – you run the risk of missing out on profitable sales from buyers who may be in one the first two groups described above.

Respond to all offers – and watch the \$\$ roll in.

Dan Pulcrano, [Boulevards](#)

Pick a domain and use it to build a brand that offers value.

Alan Macomber, [Girls Coats](#):

Don't spread yourself thin, pick a niche and stay focused.

Focus on a niche and begin to acquire the generic .com domain names related to the niche. In many cases the names are owned by non-domainers and are available at a reasonable price if you approach the owner as a person. Remember these are names that are owned by non battle hardened domainers where manners and respect go a long way.

You'd be amazed at what you can buy for \$250, \$500 or \$1,000. Learn how to pick up a super generic .com for \$250 directly from the original owner and you'll slowly build your domain empire. Over a period of months you'll know who owns each and every generic .com in your niche and you'll be prepared to acquire them if they become available.

Lastly, in a private sale never ever disclose your triumphant purchases. You are going to feel like telling the world you picked up a particular name for \$500 and get a bunch of pats on the back from your fellow domainers. Fight the urge, you're the only one that needs to know lest you want domainer competitors in your niche.

Andrew Allemann, [Domain Name Wire](#):

If I were to give one piece of advice to a part-time domain investor, it would be to invest in what you know and like.

I often times see people start development projects or start registering/buying a particular type of domain name because they think it's where the money is. But if you don't understand that particular niche, or aren't enthusiastic about it on a personal level, you are less likely to succeed.

This is particularly true with development. If you develop a web site on a topic you like, you'll enjoy yourself and end up making money. If you develop a site because you think there's a lot of money in the niche, you'll hate the process and make less money in the end.

Tim Chen, [Thought Convergence](#):

Unless you are very lucky, the real value of your domain transactions will be created when you build out a website and/or sell the domain, not when you buy it. So be very careful and very honest in assessing just how much value you will commit to add. Everybody I know has bought a domain with the intent to develop it, and sold it later on

untouched. Or bought one thinking they could 'strategically sell it to end users' and then sold it at auction when they failed to lift a finger to do so. Some of those people lost money because they overvalued what they brought to the table.

Owen Frager, [Frager Creative Group](#):

Get free wordpress or blogger, roll up your sleeves and get your hands dirty. Get a basic understanding of what it takes to find content, get it ranked, keep it current and keep it up, build traffic and monetize it all. You'll learn more from basic coding you pick up, to tracking back stats. And then you can decide if you really want to do this, because at this point in time, it's not an easy ride that will get you rich quick.

Richard Douglas, [TooManySecrets.com](#):

1. For beginners, the best bang for the buck today is to buy/register keyword rich cctld's such as .co.uk, .com.au, .co.nz, etc. Sign up for drop lists, look around, there are plenty of deals out there, you just need to spend the time to look for them.

2. Don't be lazy.

3. After you get some keyword rich cctld's in profitable niches, build 100 pages of unique content and launch the site. Then, add a page of new content each week. I'd use Wordpress with a clean [permalink structure](#) and no [duplicate content problems](#).

4. Don't be lazy.

5. Build two back links per day using a well researched [keyword matrix](#). Remember that a link is a link. That means no-follow, blog comments, images, twitter, bookmarking sites and article sites all count as links.

6. Don't be lazy.

7. After 6 months you'll have traffic and rank in the cctld search engines with keyword rich domains in profitable niches that have unique content and back links. You'll have to decide to monetize or sell the domains.

Rick Latona, [Rick Latona, LLC](#):

When I first got in the business I was a bit schizophrenic, dumping money into every venture I thought had a chance at success. I registered thousands of names, bought high-end names, sold some names cheap, held out for big money on others, started a loan company and eventually started the newsletter and auction company. It worked, only because I dumped so much cash into it. Something was bound to stick.

If I had to do it again and do it on a tight budget, it would be much different. Far too many of the things I tried failed; enough to make a grown man cry from the loss of

capital. My lessons and the lessons that others are sharing in your series can help people avoid those pitfalls. You don't have to make the same mistakes.

If I had to pick one thing, and one thing only, I'd say choose not only the battles worth winning but the battle you can win. If you think you have an idea or a line on a name you could purchase that could make a huge return, think hard on exactly what your plan is to see the light in the end. Can you win the battle? Or is it more likely you'll be stuck in the name for a long time with no capital to develop it and no one to sell it to.

I've been stuck with far more assets than I care to think about. Big money is made when you can rotate your capital rapidly. It's not enough to just buy low and sell high. You have to do it a lot. The faster you can turn the money the more money you'll end up with at the end of a year.

People often underestimate the time-value of money. Understanding this simple theory can help you know when you are better to take an offer today or hold out for a bigger offer tomorrow. Often the bigger offer tomorrow isn't more money at all when the time is factored into the equation.

You've got to know you can win the battle and win the battle in a reasonable amount of time. Have a back-up plan if you can't. For example, these days, I rarely buy names I'm not willing to own and develop if I'm unable to flip them. I think about my father not buying land unless he can sell the timber on it to make the mortgage payment in the rare case he can't flip the land to a developer. It's the same thing.

Most of the names I'm stuck with are names that don't have a clear business model to them and can't be easily developed. I bought them just because I thought I could flip them, didn't flip them, now its tied up capital that gets more expensive every day I hold onto them due to the time value of money.

All domainers who want to know more on this should [read this book](#) (I've memorized every formula inside).

Skip Hoagland, [DomainsNewMedia.Com LLC](#):

My advice for this person would be to try and put their asset in the right hands of someone who is in this business full time and has the ability to develop what their domain represents. I would either lease the name, or sign a management agreement with this company. I would offer them 70% of all revenues after a certain gross revenue number based on your domain name business model potential and 100% of the first revenues up to a certain number again based on your domain revenue potential. By working on a Gross number versus net everyone is protected. Like the internet this is a new and better way of doing business.

What I would not do is a PPC site which has no upside. If you can not run a real business around your domain full time or find someone to develop and run it for you, I would sell

the asset and hopefully you will make a nice profit by doing so. So many people out there own great names with great potential, but they are simply going nowhere and destroying the name and making the Google Guys much richer by not fully developing what they have.

Rob Grant, WebMediaProperties.com & RealEstateDirectory.com:

All it takes is one good domain.

The rest will follow.

Today, our domain space has become increasingly cluttered with domain litter...useless extensions and obscure country codes that blow around in the wind like trash in a vacant lot... followed by domain investors running wildly around chasing all this garbage.

Don't chase the litter. Don't buy the garbage.

Stay focused. Save your money and wait. The moment to grasp one good dot com domain has arrived.

You can thank the worst recession in our country's history for this remarkable opportunity.

I would rather own one good dot com for \$100,000. than a large portfolio filled with useless extensions.

Size means nothing in this market. Only quality matters.

When I look back to my early years in this industry – back to 1996 -when the domain stone age was unfolding and just a few dinosaur domainers were roaming around the earth buying domains and bitching about Network Solutions - Even then, the mantra was always the same.

All it takes is one good domain.

Nothing has changed – even after 13 long years...except the amount of litter that has piled up in the neighborhood.

Joel Ohman, [Domain Superstar, LLC](http://DomainSuperstar.com):

Treat domain investing just like a regular “offline” business/job and avoid being both dumb and lazy. Many people are attracted to domain investing because they think for some reason that it is easy money that almost anyone can get a hold of – even dumb and lazy people.

The most important thing to remember is that making money online (whether it is domain investing, web development, blogging, etc.) is exactly the same as making money “offline” in that the exact same principles for success apply.

You have to be disciplined, motivated, smart, hard working, and more (or just very lucky in the case of some) to be successful as a domainer. There is no magic elixir that one find out about just by starting an “online” business that guarantees lots of money for lazy dumb people.

It is worth noting that you are usually allowed the luxury of being able to be either lazy or dumb and still be able to be at least marginally successful online because the growth and opportunities are still so great with the various online business models still in relative infancy – you just can’t be both dumb AND lazy and expect to be even remotely successful.

Treat domain investing just like you would treat any other business/job – work extremely hard, learn as much as you can, and if you find yourself just waiting around doing nothing then ask yourself if you are enough of a genius to be able to get away with being

lazy while still thinking that you will make a lot of money. Chances are – you’re not 😊

Franky Tong, BowlingLanes.com:

I think the one advice I’d give a new comer would be: don’t fool yourself into believing there’s easy money in domaining. It’s a lot of hard work, in researching, finding deals, experimenting etc. To a lot of people domainers may seem to have an easy life but it’s only because the hard work was already done years ago. If anyone wants to succeed in this at this stage of the game, be prepared to put in a lot of work and dedication.

Jessica Bookstaff, PigeonForge.com:

1. Focus – Have a plan and a clear goal and stick with it. It is very easy to get sidetracked.
2. Invest in the BEST dotCom you can afford and DEVELOP it with heart. If you can’t develop it with passion then you either need to sell it or start lying to yourself. 😊
3. Ask questions! We are a huge industry of successful entrepreneurs who for the most part are willing to provide information, support and guidance.

Jamie Zoch, Dot Weekly:

A domain name purchase should never be an impulse buy. Just because a domain name looks or sounds cool does not mean it holds value. Every domain purchase should be researched for term popularity, be free of trademarks or potential issues and easily display potential ways to profit from the domain before you even consider buying. Making a great investment often means purchasing something others would consider crazy, so taking some risks often pays off. Quality is much more important than Quantity with domain names!

Michael Castello, [Castello Cities Internet Network](#):

Start your development on something you like and can get your arms around. Nothing to big. Spent one hour every day putting unique content into site and have patience.

George Kirikos, [Leap of Faith Financial Services](#):

My only piece of advice to others would be to read classic literature. Everything one needs to learn about life, including business and investing, can be found by thinking deeply about ideas and words written hundreds or even thousands of years ago.

For example, Act 1, Scene 3 of Hamlet contains a famous speech by Polonius giving advice to his son which certainly is eternal wisdom:

<http://shakespeare.mit.edu/hamlet/hamlet.1.3.html>

*And these few precepts in thy memory
See thou character. Give thy thoughts no tongue,
Nor any unproportioned thought his act.
Be thou familiar, but by no means vulgar.
Those friends thou hast, and their adoption tried,
Grapple them to thy soul with hoops of steel;
But do not dull thy palm with entertainment
Of each new-hatch'd, unfledged comrade. Beware
Of entrance to a quarrel, but being in,
Bear't that the opposed may beware of thee.
Give every man thy ear, but few thy voice;
Take each man's censure, but reserve thy judgment.
Costly thy habit as thy purse can buy,
But not express'd in fancy; rich, not gaudy;
For the apparel oft proclaims the man,
And they in France of the best rank and station
Are of a most select and generous chief in that.
Neither a borrower nor a lender be;
For loan oft loses both itself and friend,
And borrowing dulls the edge of husbandry.
This above all: to thine ownself be true,
And it must follow, as the night the day,
Thou canst not then be false to any man.*

Deconstructing and thinking deeply about that speech, one can learn about being careful with leverage, for example. Or that one should be a great listener. One should be true to oneself. And much, much more (one can write books about the meaning and implications of that single speech, not just for business but for one's life). Great truths are contained throughout Hamlet, throughout Shakespeare's other plays, and throughout the greatest works of literature.

I certainly cannot improve upon that guidance and the lessons one can discover through ongoing education.

Kevin Leto, [Big Ticket Domains](#):

Kevin's Words of Wisdom

1. The key to success on the Internet is innovation.
2. Never ever quit until you accomplish your goals and objectives. Persistence is the key. Every NO takes you one step closer to a YES.
3. Dream big and know anything your mind can conceive you can achieve.
4. Always share the capital risk in new business ventures. When you get into business markets you haven't been in before, nor know anything about, be sure to have partners who do.
5. Networking is everything. Your most valuable asset is your rolodex.
6. Never stop learning. Knowledge is the ultimate Power! The more you know the more valuable you are.
7. Save, save, save for rainy days. No matter how successful, wealthy, or brilliant you think you are, shit happens and you can lose it all one day.
8. Take good care of your pennies and they'll create dollars and take good care of you. Spend your profits prudently and remember the best investment you can make is what got you rich in the first place, YOU!
9. The wealthier you get and look the more people will try to overcharge you for things. Stay lowkey and you'll save lots of money.
10. The most important skills to master in business are selling and closing.
11. Don't bank on FOREVER! This is the biggest mistake entrepreneurs make. Nothing is forever! We live in a dynamic world where tomorrow a single new technology can destroy your business. Ask any tech CEO what their biggest fear is and they'll all tell you the same thing, waking up and turning on the news and seeing a new innovative product or service just came out that revolutionizes the entire marketplace.

And realize, domains are not forever either. One day in the future the Internet will be totally changed from what it is and how it works today and domains will no longer be in the equation of things. We're safe for now and in the near future, but not forever.

12. Never think the biggest players in domaining are any smarter than you. Most were just in the right place at the right time, saw the opportunities ahead and made the right acquisition decisions. Nothing more, nothing less.

13. Either go with the strategy of building lots of small sites or focus on a few big site projects. Either way can work, but do go beyond just buying and selling domains and get into building and creating. It's way more challenging, with greater rewards, and much more exciting each day!

14. Always give back to your community some of your time and wealth and help others less fortunate than you to succeed and prosper too.

Tommy Butler, Glasgow.com:

Plan what you are aiming to do focus on that domain or domains that can make it for you.

Go with your guts and if you have the buzz with the name then you know its right. Look at the development potential of the name as thats where it is at the moment forget parking its dead.

Use Pool and Snapnames for those \$ 60.00 drops you would be surprised what you can pick up and flip for 10 to 20 times the cost.

picked up many \$60.00 drops then sold them for \$12.000 to \$18.000 one mans junk is another mans goldmine.

Donna Mahony, Domain Boardroom:

If I could only give one piece of advice, it would be to build relationships. Grow your own network.

Take the time to read the boards and blogs and see who is well respected and always helpful. Grab on to their coattails and follow their example.

Stay clear of the those who need to always be confrontational.

If somebody needs help, step up to the best of your ability and don't be afraid to ask for help either. Most of those successful domainers remember when they needed a hand and are quick to extend theirs.

Your reputation will follow you forever in this digital world. Keep it clean!

Shaun Pilfold, Jobs.ca & Kelowna.com:

One Piece of Advice (okay a few)

- Buy the best quality domain(s) that you can afford to. The starting point for me would be .com and then next, ccTLD's that have fairly wide commercial usage in that country.

- It is not about quantity, but quality.

- Avoid wasting money on domains that are nothing more than lottery tickets and pipe dreams.

- Diversify your domain business. There is a whole world out there besides PPC, including affiliate programs, lead generation programs and small and larger scale development.

- Spend less time reading and talking about the domain business and more time actually moving your Internet business forward.

The most important advice I can give is;

- Don't listen to stupid people.

- Get control of the cash register and get everyone else's hand out of your wallet.