"DOMAIN NAME INVESTING 101"

Introductory guide to Domain Name buying & selling!

A DomainInsider.in publication.

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TABLE OF CONTENTS

	Foreword & About Author
	Introduction – Domain Name
1	What is Domain Name Investing?
2	Can You Make Money Buying, Selling, Leasing or Trading Domain Names?
3	How to Effectively Monetize Domain Name Inventory?
4	Some of My Domain Name Sales
5	Advice from Best in Domain Name Business

FOREWORD

By Ron Jackson, Editor & Publisher, DNJournal.com

I look back on the day I discovered the domain business in the spring of 2002 as one of the luckiest days of my life. It is a business that would eventually change my life for the better in countless ways. However, that didn't happen overnight. When you want to hit a target, the proper sequence is Ready! Aim! Fire! Well, I got it backwards - I fired first, buying domains when I had no idea what I was doing! Then I aimed for a way to get back at least some of the money I had spent (after six months I hadn't made a single sale)! Last but not least, I did what I should have done first - got myself ready to invest in domain names by arming myself with knowledge!

Believe me when I tell you there is no substitute. Once I did that my fortunes changed dramatically and I went on to sell and monetize thousands of domains after that first year. However, over the past 14 years I have seen countless newcomers make the same mistakes I did. Yes - the domain business is a great business with countless opportunities - but none of them will do you any good unless you go into it with a grasp of the basic principles it takes to succeed. Don't be in a hurry to give your money away. There will be countless opportunities in this business tomorrow too, so educate yourself first - read every reliable resource you can find and network with as many experienced, successful domain investors as you can - only then should you start investing in domains.

That's why I am delighted to see Manmeet Pal Singh, Founder of India's DomainX conferences, release Domain Name Investing 101, an excellent primer on the basic tenets of domain investing - tips that will help get you started on the right foot. I also think it is important to see this work come from someone based in one of the world's fastest growing markets. As more and more businesses and individuals around the world get online they will need domain names of their own and that will create unique opportunities for people who live in - or at least pay close attention to - what is happening in the regions enjoying the highest rates of growth.

FOREWORD

Foreword continues...

The Internet was invited in my homeland (the USA) so we had a big head start, but the market is maturing here. A decade ago some brilliant entrepreneurs in Central and South America, who had seen the Internet explode in America, realized the same thing would happen in their regions. They invested early in relevant Spanish language domains and made a fortune. More recently we have seen domain sales suddenly go through the roof in China. Every country is different but Internet use in India will continue to experience tremendous growth and where there is great growth there will be great opportunities. I could cite many other rapidly growing countries and regions but you get the idea.

The beauty of domain investing is that it is a truly global business that doesn't require a lot of money to get started. That easy accessibility will continue to attract thousands of new investors worldwide year after year but, like any other profession, only those who take the time to learn their craft are likely to succeed. The fact that you have picked up this publication means you are on the right track. So take the first step now - start reading and get yourself ready to enter one of the world's most interesting and potentially profitable industries. Before long you will know where you need to aim and will have a much better chance of hitting that bullseye when it's time to fire!

ABOUT AUTHOR

Manmeet Pal Singh, President - Domain Name Owners Association of India™

Manmeet is a Domain Name Consultant, Serial Internet Entrepreneur and Business Development Head at Soofi Group, a private group of companies. He also heads Soofi Web Services under the Soofi Group umbrella, where a team of passionate technology and design geeks are creating simple yet thoughtful innovations for the world.

Manmeet is a full time domain name investor, holds a premium portfolio of over few hundred top category, and few thousand generic domain names in different verticals.

Being the President of Domain Name Owners Association of India™ and founder of DomainX™ Events (Workshop & Conference), he has created a platform for domain name investors in India to join forces and bring investment, monetization and general awareness towards the domain name industry.

Manmeet has provided consulting to several Fortune 500 clients and companies to acquire premium keyword domain names for their business. He also manages a portfolio of websites with an exclusive advertising partnership with Google Inc.

His achievements in the domain name industry: Instrumental role in selling 143.com for six figures. CreateResume.org was acquired by Job.com Inc. in 2011 for high four figures. He also sold AYK.com for mid five figures and Tuly.com to a Canadian Company for four figures. VisitHimalayas.com to Travel Boutique Online which is India's largest B2B Travel Portal, and many more. Not only domain names, he also played a key role in selling @bhangra twitter account for low five figure sum to the ABC Digital Distribution, a United Kingdom based company representing the largest portfolio of Bhangra music in the world.

An avid tech-reader and super-bike lover, Manmeet enjoys riding his Harley Davidson Iron 883 while travelling with his family during time off from work.

Introduction - Domain Name

A domain name, for instance "example.com", is an identification string that defines a realm of administrative autonomy, authority or control on the Internet.

...definition per Wikipedia

In short, domain name is a web site address!

Chapter One WHAT IS DOMAIN NAME INVESTING?

WHAT IS DOMAIN NAME INVESTING?

Introduction to buying & selling of domain names.

Domain names are considered an alternate asset class, and the domain name investment industry is one of the fastest growing in the world. Domain name investing is the buying, selling, leasing or trading of domain names.

Domain name investing is quite comparable to financial investment in that selecting a name within a specific top-level domain (TLD), such as ".com", ".net", or ".org" as an investment, is much like picking a stock or commodity to invest in.

There are no easy paths or short-cuts, nor are there "silver bullets" to successful domain name investing, as most professional domain name investors would agree.

While there is no uniform process for choosing a profitable domain name, one can definitely improve upon the chances of success by understanding research work involved and by developing a good understanding of the domain name marketplace.

- Research: The act of actually registering a domain name is only one part of domain name investing that should come only after conducting substantial research. Appropriate research includes looking into domain name length, keyword relevancy, TLD preferences, exact match domain names, etc.
- Understand the Market: ".com" domain names account for over half of all domain name sales on Sedo.com's "aftermarket" platform. Knowing which TLD's are most popular, sell fastest, and sell at the highest prices is a key advantage for a domain name investor. Reviewing market reports and other relevant data provides important insight into the state of the domain name market.
- Latest News & Trends: There's no better way of mastering the domain name investing game than when one stays on top of the latest domain name news stories and trends. What's hot, and what's not! ©



If the Internet is a virtual world, domain names are its real estate.

Frank Schilling

Founder – Uniregistry.com

Chapter Two CAN YOU MAKE MONEY BUYING, SELLING, LEASING OR TRADING DOMAIN NAMES?

CAN YOU MAKE MONEY BUYING, SELLING, LEASING OR TRADING DOMAIN NAMES?

Mastering the art of domain name by successfully buying, selling, leasing or trading domain names, can potentially make you a lot of money!

It really boils down to your efforts in conducting critical research combined with a good knowledge of the current market, and then hand-registering or buying a domain name that someone will want and then re-selling it for a profit. On the other hand, if you do not conduct appropriate research or if you do not adequately understand the current market, you may end up losing your investment.

There are plenty of domain name investment stories around which involve investors hand-registering or purchasing domain names for a low price years ago, and then subsequently being sold for millions of dollars. Of course, this leads to the more adventurous question; "How can I do this today?".

Let's see if we can help you with some tips, and point you in the right direction to buy or sell a domain name for profit.

- <u>Focus on your Niche</u>: It is much easier to sell a domain name you know would be valuable to someone in your particular niche industry. Understand your target audience, and money from a successful domain name sale will follow.
- <u>Finding Domain Names</u>: From thorough research, compile a list of commercially viable keywords in your particular niche and then check for their availability in a corresponding domain name. If a domain name on your list is already taken, try to purchase it from aftermarket within your budget.
- <u>Price Valuation</u>: There's no better way of determining the potential sale price of your domain name than by going through DNjournal.com's weekly sales report and reviewing NameBio.com regular sales updates. ©
- <u>Sales Platform</u>: A well-known and trusted sales platform, such as Sedo.com, with maximum exposure to the marketplace I is important for selling a domain name. Buying a domain name can often be done via a sales platform, or even privately by contacting the domain name owner.
- Ask Questions: You may make mistakes during your initial learning period.
 Nevertheless, do not hesitate to ask questions of those who are more experienced in domain name investing and try to network by participating in discussion groups and online forums. In addition, use these networking opportunities to keep abreast of industry trends.

Chapter Three HOW TO EFFECTIVELY MONETIZE DOMAIN NAME INVENTORY?

HOW TO EFFECTIVELY MONETIZE DOMAIN NAME INVENTORY?

Domain name monetization is one of the easiest and most profitable ways of making money with your inventory of domain names. Monetization of domain names typically involves buying a bunch of domain names (hand-registered or aftermarket purchases) and then either selling, leasing, trading or simply parking them, for profit.

Profit margins through domain name monetization usually depends on the domain investor's future plans, quality of portfolio. and ability to market the domain names for maximum return on investment.

A domain name can be effectively monetized using various methods, some being more difficult than others, and some involving a higher degree of investment risk. Some of the main types of domain monetization are:

- <u>Domain Name Parking</u>: If you aren't planning on using the domain name(s) in the near future, this type of monetization is highly recommended and extensively used by domain name investors. Parked domain name can also be put up for sale while displaying many targeted advertisement links based on specific keywords.
- Buy & Sell Domain Names: With thorough research, identify an opportunity to buy domain names and sell them for a profit at the right time. Based on the keyword length and business relevancy, a domain name's value can increase exponentially over time.
- <u>Affiliate Marketing</u>: It's not always important to select a niche related domain name for an affiliate marketing website, however it can help search engine placement and rankings if your domain name is relevant to your chosen niche. You can earn profits from commissions arising from when visitors click or purchase advertised products.
- **<u>Domain Name Leasing:</u>** One relatively easy way of earning profit from domain name is by renting/leasing your digital asset to interested parties or advertising publishers.
- <u>Domain Name Development</u>: Last but not the least, domain name development is usually a 'full-time job' where you require a premium domain name, a thriving business model with distinctive features, an engaging website, and unique content, to be successful and generate a profit.

Chapter Four SOME OF MY DOMAIN NAME SALES

SOME OF MY DOMAIN NAME SALES

Just like any other story out there, I have also had a fair share of interesting enduser domain name sales stories to narrate. Read to know how things actually unfold behind the scenes.

- 143.com Per my records, the domain name was sold for \$150,000 to a seasoned domain name investor of United Kingdom and deal closed on Thursday, May 21, 2015 at 1:35 PM IST which was exactly after 10 days of acquiring from a Chinese domain name investor for \$104,000. Interesting in this domain name was number 4 which was detested by most others, however the buyer had vision and flipped it right after for more. FYI, number 4 is considered unlucky in Chinese culture because it is nearly homophonous to the word "death".
- LasVegasArena.com So I completed my daily research of dropping domain names and backordered few dozen at Pheenix.com as usual. By the time I was getting ready to sleep on Fri, Dec 26, 2014 at 1:33 AM IST, I receive an email notification from Pheenix that I have won the auction of LasVegasArena.com for \$18.95 which was backordered by only 2 people. I ended up selling it for \$7000 plus escrow fee after some back and forth negotiation to the second person in auction who reached out to me within 5 hours of acquisition once whois data updated.
- Tuly.com It was one of my first enduser sale back in the days where a Toronto based web design agency named "macroblu.com" representing a client reached with an offer of \$4000 for Tuly.com domain name which was acquired for mere \$350 few months ago ☺
- CreateResume.org I was able to successfully reach out to the owner of Job.com and strike a deal for my domain name; CreateResume.org back in days sometime in 2010 for a whopping sum of \$5900.
- LasvegasAirFreight.com I reached out to the owner of AirFreight.com after reading an interview of AirFreight.com owner in order to gauge his interest as I had read that he has many other domain names in his portfolio. After a year long negotiations, we eventually closed the deal of a domain name which was secured for mere \$18.95 from the drops. *Unable to share sale price per NDA*.

SOME OF MY DOMAIN NAME SALES

Domain Name Sales continues...

- CapitalMetals.com I was able to flip this domain name for \$3000 within a month of acquiring it for \$18.95 through backorder. Client reached out using "Godaddy Domain Buy Service" which is an indicator of buyer with deep enough pockets, however do not get greedy or they might just cancel negotiations and move on to their next available choice.
- TechDay.in I am lucky to have had 1000's of enduser domain name sales and TechDay.in is one of those where a New Zealand company reached out to acquire and secure their brand in the domain name form in the Indian ccTld. They didn't had huge budget however I was still able to move a \$5 domain name for \$500 within a month of hand-registering.
- @Bhangra Twitter Handle Not only domain names, I was also lucky enough
 to sell my Twitter handle @Bhangra for 2,750 British pounds (or \$4,279 dollars
 in current exchange rates) to ABC Digital, a UK-based record distribution label
 which represents the largest portfolio of Bhangra Music in the World from
 100+ Record Labels. One of their executive reached out with a low initial offer
 and negotiations closed at 2,750 British pounds.

...and many more!!

Chapter Five

ADVICE FROM BEST IN DOMAIN NAME BUSINESS

ADVICE FROM BEST IN DOMAIN NAME BUSINESS

The road to success is usually bumpy with turns and forks, however one never knows when success is just around the next corner. With focus and a little bit of guidance, you can enjoy prosperity through domain name investing in no-time.

In fact, most successful domain name industry leaders are on top because they had a vision and took advice from the best in the business.

Here's a list of some of the best in the Domain Name business, followed by what they have to share with you as an important piece of advice.

- Nat Cohen from <u>www.Telepathy.com</u>
- Deepak Daftari from www.eSiksha.com
- Ali Zandi from www.Zandibot.com
- Jon Yau from www.StockPhoto.com
- Joe Styler from <u>www.Godaddy.com</u>
- Shane Bellone from <u>www.DnPages.com</u>
- Kevin Kopas from <u>www.PIR.org</u>

LEGAL ADVICE

Zak Muscovitch from <u>www.DNAttorney.com</u>



In evaluating a domain, I look to see if it could make a strong brand or identity. A domain that is short and memorable is ideal, especially if it also conveys information about a company's product or service. There are very few domains with these qualities, particularly when compared to the enormous demand for such domains, as every company wants a powerful, memorable name.

Brands represent the value and promise of a company to its customers. The choice of brand can make or break a company. By offering a domain that has the potential to be a powerful brand, the domain investor is offering a rare asset that can command a premium price.

Nat Cohen
Telepathy.com



Don't be UN-Ethical. Be Honest. Network, Network!

Look for deals, buy and flip for profits at least some of the domain names you buy and rinse and repeat the process.

Make a dedicated list/pool of Buyers and sellers who can feed your inventory. Always keep an eye on your cash flows.

Be Prudent NOT Arrogant. Have an open mind to listen to new ideas. Be nimble and agile as a start-up to change and rectify your investment directions along with the changing dynamics of the market.

Always try to have a cash war chest for all those distressed sales which always seem to pop up when you don't have the money to buy them. Invest in quality domain names.

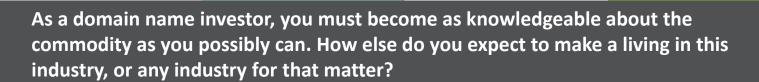
1or 2 word .com keywords will always be in demand.

Always look for bargains in the expired and pending delete space.

Be Humble!

Deepak Daftari

eSiksha.com



You cannot succeed in any business unless you look at is as trade, an art form, a craft that you must constantly work towards perfecting all the while knowing that you will never truly perfect it. You must remember that domain names are not lottery tickets, and you will not strike it rich out of pure stupid luck... that mindset needs to be tossed out of the window. You must approach this industry much like you would any other serious career path.

Do you think people become doctors overnight? They magically know how to perform open heart surgery? No way. They spent years perfecting their craft.

Why should the domain industry be any different? Take the cotton out of your ears, put it in your mouth, keep your head down, nose to the grindstone, and spend your every waking moment trying to understand every single thing you possibly can about this industry... and then, when you think you know it all, repeat the process... because if you're in this for the long haul, and if you want it to be your main source of income, then you must hustle like your life depends on it. As I like to say, don't just pursue your dreams... chase them down like an eight hundred pound gorilla and beat them into submission.

Ali Zandi
ZandiBot.com







Beginner domain name investors should start with the end in mind. Domain names are marketing tools. Tools to help gain, convert and retain customers. Their value lies in their ability to do so (and the value of those customers). If a domain name can do that, then it's worth something. If it can do that for a high-value product or service - it's absolutely crucial.

- Yes, customer preferences change.
- •Yes, new products will emerge.
- •Yes, shorter names are easier to remember.
- Yes, sometimes the prices of certain domain name types (like numeric's) will sky rocket.
- •Yes, you can use a hybrid approach like brand-able domain names where you supplement the cost of the domain name with other marketing spend (like advertising and link building)."

However, don't forget end users only buy domain names if they are sure they can get at least the same amount of value back. If you're working on gut feel (and recent sales history) when pricing a domain, then you're in trouble. Then you need to ask for help.

Jon Yau StockPhoto.com



Domain Name Investing can be very profitable but like any other investment it is important to understand the risks associated with it.

One of the biggest risk is buying domain names for resale which you will not be able to sell. Knowing which domains can be used profitably by you or other end users is paramount when deciding what to invest in.

When we get customers who are interested in purchasing domain names as investments, we urge them to understand the basics of the market before making any purchases and to ask a lot of questions to help them make sound choices when buying domains.

A primer on domain investing basics is important for both the novice and expert as the market is constantly evolving.

Joe Styler
Godaddy.com







Another year gone. What have I learned? A lot.

Truthfully, 2015 was a crazy year for me. I bought 110 premium NNNNNN.com's (N means numeric) back in May 2015 and sold short. How short? Roughly \$45,000 short. This weighed on me as I hopped on to the next trend, hoping to make up for what I thought I lost. This time it wasn't a trend, it was a flash in the proverbial pan.

I jumped in and out of NNNNN.com's rapidly, which did in fact make me money — a lot of money. However, I got greedy and thought I could continue flipping these domains quickly. Boy was I wrong. I got stuck with around 500 of them, which I ended up selling for below registration fee.

While I made money, many did not. I got lucky.

This brings me to my point: Do not get caught up in the hype. Invest in what is proven to work. Do not try to get rich quick or prove everyone wrong. This is the difference between investing and gambling.

Shane Bellone DnPages.com



Firstly, read. Read everything you can about future trends, where industries are going and where you can invest to be ahead of the curve, news from other countries, etc. Six years ago when I worked at Moniker as a domain broker I remember someone sending me a list of names all around 3D printing. At that time it was too early to sell the names but now that that market has grown that domain owner is in a great place to develop and sell his great 3D printing names.

Secondly, don't put all of your eggs in one basket. That is, if you see one industry that is going to explode don't invest all of your capital into one area. Diversify.

Thirdly, discipline yourself with a routine and stay on top of all of your domains. Make sure that contact details are readily available on each site, know when names are expiring (no one likes finding out that one of their names expired then went to auction for a large sum), have a set budget (weather it's daily, monthly or more) know how much you are going to spend on a name and try to stick to it. Stay disciplined in all aspects of the game.

And finally I would say that you should look at names in areas where you are passionate. If you care about what you are investing in you will 'probably' make smarter choices, trust your gut more and come out ahead in the end. This is not to say that you will fail going in blind or into areas where you aren't familiar, but if you are investing in industries that you care about, know about and stay up to date with you have a higher chance of success!

Kevin Kopas PIR.org



Many beginner domain name investors mistakenly believe that successful domaining involves cyber-squatting. Cyber-squatting is generally, when someone registers a domain name corresponding to a trademark, in bad faith, in order to take advantage of the trademark owner. In fact, the most successful domain name investor studiously avoid registering trademark infringing domain names by registering "generic" domain names and by checking to see if there are any potential trademark infringement issues. A good place to start such a trademark search, is WIPO'S Global Brand Database (http://www.wipo.int/branddb/en/), and also searching on Google. Registering a cybersquatted domain name can result in a loss of the purchase price or registration fee, either by arbitration (UDRP) or court proceedings. Many beginning domain name owners are also under the misapprehension, that if the domain name is "available" for sale by the domain name registrar, that this somehow legitimized the purchase or registration of a cyber-squatted domain name. In fact, the registrar (and often a seller) makes no promise that the domain name can be lawfully registered or used. Many beginning domain name investors also make the mistake of believing rumours that a famous company like APPLE paid "millions of dollars" for a cyber-squatted name. These rumours are usually false and in any event, such big purchases by trademark owners are very rare.

It is also important to bear in mind, that just because a domain name corresponds to an existing registered or unregistered trademark, does not mean that the domain name should not be registered. It is often permissible for two or more brands to co-exist using the same trademark, for example with DELTA airlines, and DELTA faucets. Accordingly, sometimes it is OK to register a trademarked domain name, provided that it is registered and used in good faith for a legitimate non-infringing purpose. Such "advanced" selection of domain names however should not be taken by beginner domain name investors without seeking qualified legal advice from a domain name lawyer.

Zak Muscovitch

DNAttorney.com