



THE DOMAIN NAME MONEY GAME

**Setting Up Your Own
E-Business With
Domain Names**

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The Domain Name Money Game

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1

Introduction

If you are trying to make money on the World Wide Web (WWW), you will probably start to look up businesses that allow you to sell some product or service online. People who begin to research such businesses usually end up starting out with survey companies, or some sort of community profit sharing for advertising revenues. Literally, you end up working your butt off for a few measly pennies. Part of that is because you don't have full control over the business model, unlike domain name businesses.

Another reason is that you don't understand how people make money on the Internet and how little they really pay anyone who works as a subcontractor instead of when you are your own business owner. You don't understand how they make money, so you don't understand how much money there really is to be made. So, take heart, when you decide to do it on your own, the rewards are much greater and whatever you learn, you keep, adding to your potential for future success.

Let's go over the basics in money management here that you will need to run a successful domain name business. You will find out quickly that there are a few things that are needed to have success with Internet businesses: low inventory needs, good demand, and an understanding of issues relevant to your niche. Remember, that what you are endeavoring to do

with any online activity is to generate business income, not have a potential time-sucking hobby. So, let's concentrate on making money!

HOW DOES ONE MAKE MONEY?

Let's cut right to the chase, okay? The only reason you might be interested in a domain name business is to make money. Making money in capitalistic approaches is very simple, even though few do it well. First, you must have a product or service that other people want. Then, you must learn how to market that product or service to people who are willing to buy it. And, most importantly, you want the return on your investment to be high. If the capital you fronted to start the business returns less than what a money market account is paying, you are in the wrong business.

The whole idea is to make a profit that beats any other forms of investment while generating sustainable income opportunities over the long-term. So, whether you like the business you are in or not, the bottom-line ends up being the dollar signs. With domain names, you park or buy, trade or sell, and then profit. Wash, rinse, and then repeat. Ka-ching!

In that respect, domain names are not a fuzzy, feel good, business. However, they are a profitable business. You can

have fun with them and be creative while making a good living, but they aren't going to save the world or give you any extravagant recognition for being the best in your business. They are a product and they sell well. That's what you are doing to make a good profit, rather than working at home for pennies. So, forget the surveys and emailing programs that don't generate a good return on your time investment. Focusing on something like a domain name business will teach you more about Internet marketing and provide you with a much more substantial income. The key is to be persistent, and to follow the example of those that have gone before you.

THE PRODUCT: DOMAIN NAMES

A domain name is any name you type into the URL address locator in any web browser. It is usually prefixed with a www extension to signify that it is used in the World Wide Web (WWW). While the www prefix is part of the domain name, in actuality, only the actual domain name after the www and period are actually registered. No one owns the right to the www prefix. For instance, if you have a domain name called www.thisismydomainname.com, the actual registered name is thisismydomainname.com. There are a number of different suffixes available for domain name: .com, .net, .org, etc. The most recognizable are .com suffixes that specify a commercial enterprise.

When domain names first came on the scene it, there was a lot of confusion as to how they would be used in a free market and what sorts of legal issues might arise from the use of a domain name. It quickly became clear that a domain name is very much a trademark and so the types of laws that could apply for improper registering and use of a domain name are laws that deal with trademark infringement. So, even if you register a domain name, if it is someone else's trademark, you don't get to keep it or ransom it to the proper owner of that trademark.

Initially, there were many opportunists who did try to register large, brand name, and domain names of multinational companies and then try to sell the domain name back to the company for a large sum of money. This is now referred to as the "cyber-squatting" and is illegal under trademark infringement laws. We will discuss how to avoid getting into trouble with trademark laws in **Chapter 7** more in-depth.

What Makes For A Good Domain Name?

So, the product you are selling is specifically the name that you either buy from someone else or create and register on your own. The best domain names are those that are easy to remember and highly marketable. **Chapter 3** will tell you exactly how to choose a good domain name, but for now, the best domain names have the same types of characteristics:

- **Consist of one or two words**

One-word domain names are all pretty much taken, but two word ones can be a good place to start.

- **Use search words**

People search for particular things on the Internet. Get a domain name with some of those highly searched terms and it can be perceived as being more valuable.

- **Multiple meanings**

Words that have multiple marketing niches or meanings might be more marketable.

- **Marketing ring**

Those words that have a snappy ring to them are more easily sold than boring terms.

- **Take advantage of misspelled words**

Typos are your friend in the domain name business. They can lead to a very profitable site that attracts visitors who consistently type in the wrong domain name address.

As you can see, getting a good domain name is as simple as having a bit of flair for marketing terms. **Chapter 4** will give you some fun ways to find or create valuable domain names. The secondary market for domain names is alive and bustling with activity. You can use it to buy domain names and flip

them, or you can create your own. But, that's not the only way to make money off domain names. **Chapter 2** discusses each of the top three ways to make money from domain names, which is further expanded in **Chapter 6**.

HOW TO MARKET DOMAIN NAMES

If you are the owner of a produce stand and you are trying to sell your fruit, you know that you want people who like to eat fresh fruit. Anyone who eats healthy and likes fresh fruit would be your customer. However, how does one market a domain name? Obviously, this takes a bit more knowledge than just putting out a stand with a sign that says you have domain names for sale.

That's why this is one of the most important pieces of the puzzle that you have to understand. This ebook will show you how to market domain names and find your customers, something that isn't readily available to anyone who starts off on their own. You have to have some inside knowledge as to where to go to sell your product and how to market it and close the sale so that you hear the ring of that cash register in your head. Ka-ching! That's the type of melody you want to hear after all your work.

For that reason, we will discuss ways to reduce your expenses while maximizing your profits. You will be introduced to

tasting domains in **Chapter 5**. There you learn that you don't necessarily have to buy a domain name to resell it and make a profit. This is important because any good business is interested in reducing expenses while maximizing profits.

Later, in **Chapter 6** we go into the three top strategies for making money off domain names. You can simply park it and generate advertising revenue with traffic. The nice part of parking a domain is that you don't share the ad revenue with other people, unlike some other Internet revenue generating models. You have complete control of the links you put up and you can see what works and what doesn't work, helping you to fine-tune the entire process.

We will also discuss how to flip a domain name, making a very quick profit. Realize that not all domain names are winners. You will have some losers and some winners. The trick is to make the losers eat up the most negligible amount of your profits and the winners be big enough to generate maximum profits with minimal effort.

However, if you want to really get involved with domain names that can turn a hefty sum, you might consider developing a domain name website and selling it as a turn-key operation later. There are markets and buyers for all of these activities, the trick is knowing where to go to sell your wares. We will not only tell you where, but how to do it in **Chapter 8** so that you spend only the amount of time

necessary to produce a quick profit, while avoiding big traps like trademark infringement (discussed in **Chapter 7**). Once the sale is complete, you will be able to learn in **Chapter 9** how to transfer the product, the domain name, without ever purchasing a stamp or an envelope. That is the full beauty of an Internet business: no inventory costs and virtual products.

HOW MUCH MONEY ARE WE TALKING ABOUT?

Now, comes the bottom line. How much money are we talking about? It all depends on the volume of your domain name business. The higher the volume, the more likelihood you will make a bigger profit. That's because each individual domain name that you park or buy is not going to be profit leader. You will have some losers and some big winners. In addition, you will have a lower volume to work with if you are developing the sites instead of just flipping them. That's because it takes more time, but the profit can be more too. It all depends on what model you are using.

The simplest way to make money off a domain name is to flip it. So, say you buy a domain name for \$6.50/year. This pricing is set for volume buyers of domain names. If you are not a volume buyer, you may end up paying a lot more. But, for someone who owns their own domain name business, you can get pricing for \$10 or less per year for each domain name

your register. These are the domain names being registered under the .com, .org, or the .net extensions. You buy the domain name and then you want to sell it. What's a reasonable profit for flipping it? There's no way to tell, actually. The sale price is usually determined by the value buyers perceive the domain name to have. That's why most sales are done in an auction format with multiple bidders. The price of a domain name is completely arbitrary, and some do not sell at all.

The average resale value of domains is less than \$200 for those that sell. If you have multiple no-sells then that eats into that profit. So, you are working a volume business with some domains selling and others not. You can get rid of any domains that aren't selling and try new ones, but you do have to spend to either taste the domain or register it. For the most part, if you sell your \$6.50 for \$13.00, you've made 100% profit. And, that's the way you have to look at your numbers.

You can buy other domains that are worth more like \$200 and flip those, but there's not guarantee those sell either. However, those that do sell, are sure to make a very large return on your investment when you look at the percentage of monies made in comparison to what you spent. There is no other place right now where you can put down money and get such a large rate of return. So, obviously, the risk is that it doesn't sell at all. With a large enough portfolio, those dead

domains don't really affect your overall earnings. Instead, you might want to try a different strategy other than flipping for those to see if they can sell later, or recycle them back into cyberspace after the year is out.

For instance, say you buy 10 domain names for \$10 and only half sell. Your expense was \$100 for the entire year. The half that sold made a profit of 200% on average or \$300. So, now you have pocketed \$200. With the other four you decide to park and make advertising revenue through campaigns and affiliate programs. They generate maybe \$10 per month each. So that's \$40 per month or \$480 per year of additional income. So, now your \$100 investment has netted an annual return of \$680.

But, wait, there's still one domain name left over. It didn't flip, you decided to park it, and the traffic skyrocketed. You decide to develop it into a viable website. You can sell that website later in the thousands of dollars. Your \$100 investment makes several hundred percent for a return on investment. Try doing that with any other type of product or service and you will see that domain names are unique in their ability to generate large sums of money, very quickly.

So, you see, the business model itself is very profitable, but volume, hard work, and some luck play a role in how much you actually make. You will not be working with 10 domain names per month. Your goal is to work with hundreds of

domain names per month. If you bought 10 domain names every business day that's 200 domain names you have in your monthly portfolio. Assuming the rate of return on the last investment, even without a stellar domain name, you can end up with about \$13,600 per month income.

There is no guarantee, however, that you can manage that much volume or that you will be as successful as the previous example demonstrates. One thing is for sure though, by the end of the year, you will have a portfolio of 2400 domain names. Considering that many domain name resellers have portfolios of domain names in the hundreds of thousands, you can see that volume is the key to a successful domain name business.

2

Understanding Domain Names

Domain names may seem like some bizarre, alien, species that crawled out from the darkness of cyberspace, but they're really not that foreign in concept to another thing we are all familiar with: real estate. That's right, to understand domain names, all you really need to be able to do is compare them to real estate because that's what they are: virtual real estate. Now, that we've taken this technical concept and grounded it into something that has a little more substance, you may be wondering how we got from cyberspace to real estate. It's very simple: the URL address represents a location in cyberspace just like your numerical home address represents your home. Once you understand that idea, the rest follows along easily.

Whenever someone looks up an address you own, by typing into the URL or getting it through a search engine, you have potential visitors to that house. You can sell a domain name based on the curb appeal, the name brand alone. However, if you want to make money on the property you can build it up or use it in some commercial manner, like renting.

The advantage to virtual property is that you don't have to get lawyers involved or a real estate agent to sell your domain names. You don't need a license to sell domain names and you don't have to put down a whole lot of money as a downpayment. In addition, the property doesn't even have to already exist – you can think it up in your head and create it just as easily. The transactions are virtual and electronic, with no inventory and a minimal investment for a fat return.

VIRTUAL PROPERTY

If your domain name is associated with a virtual property, then it stands to reason that the value of the property depends on the neighborhood and what the property offers. Just like you won't want to spend half a million dollars on a run-down one-room shack in Nowhere, Alabama, you don't want to buy domain names that have very little potential to resell or are worthless. You want names that attract buyers and represent a virtual property that appreciates over time.

Just like in real estate there are multiple ways to make money from a house transaction, there are also multiple ways to make money off a domain name. In real estate, if you are looking for a home to call your own then you buy it with the hopes of staying with it for more than five years. Appreciation in the neighborhood and the home eventually end up making your investment worthwhile. However, there are real estate investors that either buy property to flip them or to rent out

to others. The same thing can be done to domain names, in a manner of speaking.

THREE WAYS TO MAKE MONEY

Going back to our real estate analogy, the three most common ways to make money with housing is to flip it, rent it out, or live in it while you build it up. These three ways are exactly how you make money with domain names.

Flipping

Flipping real estate is likely to get you in big trouble these days, but flipping a domain name is much easier. Flipping is that you buy a domain name for the expressed purpose of turning around and selling it very quickly. You don't intend to hold it to develop it, nor do you intend to park it and use it to see how much traffic it generates.

You can taste the domain for a period of five day and during that time you can evaluate whether it's worth flipping or not. If you buy a domain name thinking it's going to be a quick sale, there's no guarantee you will attract a buyer at any time. There are expenses for putting up on auction and for tasting it now. So, you will make a very small investment on each domain name when you decide to flip it. You can recoup it many fold by selling it, but you actually have to do some work first online to flip it. We'll show you all the basics of flipping in **Chapter 6**.

Park It

Parking a domain name is a lot like renting out your property to make some income. Sure, you had to register it and buy it. You may even have to fix up the place a bit to make it presentable to use for rental space. Otherwise, you can park a page and never do anything to it other than check the stats on how many visitors it attracts. If you see the parked page getting traffic that means you can add a page to it with links to see if the traffic can be used to generate revenue. If it has no traffic, you probably don't want to waste your time parking it and then setting up as a rental space. You simply want to try and flip it.

In this situation, when you park a web page on it, it will most likely be a page of links that help you to generate advertising revenues or affiliate referrals from different sources. The time investment is a bit more for parking a web page, even if the money investment is the same as for flipping. However, you have to value your time like money to understand when to try to flip a domain and when to park it. You can be sure that most domain names are appreciating over time because this is the great land rush of cyberspace. Once the good names are taken, it becomes harder to get something that someone doesn't already own. When demand is high and supply is limited, prices rise. It's estimated that domain names have appreciated 22% annually, even when they aren't developed.

Parking a page isn't just about the domain name. Now, the real estate includes the actual visible web pages that a surfer might see when they land on your site. You want them to click on links and generate revenue. You want to see what to do a little market research and figure out what is attracting visitors to this domain name and exploit that traffic. For that, you will either have to build your web page of links or let us tell you how to build them quickly by paying for that service. This also will be discussed more in-depth in **Chapter 6**.

Develop It

Lastly, if you are a home developer, you know that building a home means taking the time to learn how to properly build one that someone else is willing to buy. The same is true when you buy a domain name, and after parking the page, realize that you would like to develop it into a full-fledged site. You want to have the knowledge that will make this property appreciate in value while not taking too much of your time.

There are ways to make a quick site using templates and online tools and services. We will discuss the nuts and bolts of that information in **Chapter 6** as well.

WHERE TO BUY DOMAIN NAMES

There are so many different venues to buy domain names that we can't show you all of them. We will show you a couple here so you get the idea. There will be other sites that we will discuss throughout the course of this ebook.

Godaddy.Com

Godaddy.com has a discount domain club that can offer you a way to buy available domain names in bulk for a discounted price. The discount domain name club costs \$89.99 per year. This is on top of the pricing for each domain name you buy. However, you do get discounts on the domain names offered by GoDaddy and also 15% off the The Domain Name After Market's offerings too. You can park pages with GoDaddy with this club membership and receive 80% of the revenues generated.

The prices for each domain name sale on GoDaddy differ by the Top Level Domain (TLD). The .com TLD domain name usually registers for \$9.99 per year, but with the club package, you can pick domain names in this TLD for \$6.85 each. That's a savings of 31% on each domain name. The savings structure changes for .net and .org and more. But, mostly you can expect a savings of 10 to 30% off the regular price when you buy the club package.

For domain names that other people own, they will allow you to try to buy the name their service. The price for that differs depending on what the final purchase price ends up being. They charge \$59.99 for the negotiating service plus a commission.

Dynadot.Com

Domain name registration with Dynadot.com is \$8.99 per year. There is no membership club available to get a discounted price. However, you can buy in bulk by spending at least \$500. Then, the prices are discounted more with a .com domain name being offered for \$7.50 per year. The prices are also subject to the TLD being chosen, whether it is a .com, .net, .org, or some other extension.

If you do get a domain name here and sell it someone else with a Dynadot account the transfer is free too. Their services also offer the ability to do bulk editing on multiple domain names when you transfer them to other buyers.

3

How To Choose A Good Domain Name

Good domain names aren't hard to come by. You don't even have to have a way with words. That's because you can get domain names by simply understanding what people are searching for on the web. Another great way to determine a good domain name is to find out what other names have sold to give you an idea on similar names that might sell as well. In this chapter, we will discuss where to find names that sell and how to go about creating ones that might be winners for your own portfolio.

You won't be able to really get into single word domain names, even if you see them selling in hundreds of thousands. All these names are taken, and that's why they're so valuable. Your job will be to look for domain names with multiple words that might sell for two to four thousand. From there, you can get an idea of what might make a good domain name to start.

DNJOURNAL.COM

This website has a weekly listing of domain name sales. Under the “Domain Sales” list you will find good information on current domain name sales, and also where they sold. Most importantly, you will find out how much they sold for in dollars. Scroll down the page at <http://www.dnjournal.com/domainsales.htm> and you will find the AfternicDLS sales between \$2,000 and \$4,000. If you eventually want to expand into .net sales too, there is also information on these domain sales at this website.

FIND THE BUZZ

What are people discussing this week? Where’s the buzz and why are tongues wagging? Well, you can find that sort of thing out at different areas on the web. Buzz.yahoo.com is one domain where you find articles on the latest thing people are discussing on the Internet. It can be a great resource if you are looking for are riding a time-specific trend. They have a Top Ten searches that shows you want people coming to the site are interested in reading about. You will find that gas prices are top on everyone’s mind. That can give an enterprising domain name business owner a good understanding of what might serve as a good niche to explore.

Blogs are also fabulous areas to find out the latest trends or what people are interested in discussing. The problem is that you don't want to have to go to individual blogs all day just to see stories. It would take too long. So, you go to some place like Technorati.com. Bloggers generally add their blogs to this site and they are compiled for everyone and categorized into different subjects. It makes it easy to search and see what people are interested in.

At Blogger Central in Technorati, you can also find a top tags searches and this can give you some valuable clues on what the latest trends are on the World Wide Web. If you use the advanced search feature on Technorati, you can even start with a specific phrase you are interested in developing into domain names and see many current postings on your subject matter. Lastly, if you are thinking of auctioning off your domain names on e-bay, why not check out what their users are searching for? Pulse.ebay.com gives you just that sort of information even though it won't be too helpful with fine-tuning your domain name.

GOOGLE KEYWORDS

Another way to determine what might make a good domain name, is to find out what people are searching for on the web.

You can do this using Google Keywords located here:

<https://adwords.google.com/select/KeywordToolExternal>

This is a tool used by advertisers who are trying to find high-paying keywords or highly searched keywords that drive traffic to their site. It doesn't matter, though, because you can also use it to help you figure out some good domain names.

This step should be done after you've taken a good look at what other people are buying and some of the trends being talked about on the Internet. Once you have a good idea of some potential niches you might want to target, that's when you come to this tool to see what terms are relevant and high paying. Then, choose to the radial button that says: "Descriptive words or phrases." Uncheck the synonyms box and enter the characters in the captcha image in the space provided. Click "Get keyword ideas."

This will pull up an additional box that you can use to filter your results. The last drop-down choice list that says "Show/Hide Columns" and can be set to the following:

- Show Estimated Ad Position
- Show Estimated Avg. CPC
- Show Search Volume Trends

- Show Highest Volume Occurred In

It will also have some hide options, but we're not interested in those. You want to select Show Estimated Avg. CPC (Cost Per Click). This will give you an idea of which search terms are more valuable to Google advertisers because they pay out more. It will then ask you to put a maximum bid in and you can say \$100 to include everything and hit the "Recalculate" button. Voila!

If your niche happened to be muscle building then you might want to try searching for any words associated with muscles. After doing the above procedure, you find it pays \$0.64, which isn't as good as building muscles which pays out \$1.16 per click. Of course, neither of these terms are really that valuable, but it gives you an idea of how to create terms that will be interesting and profitable for people buying domain names who intend to park a page or develop a site. You can also use the search volume trends to find out more about which words or phrases are picking up interest on the Internet.

This is one of the most practical tools on the Internet for figuring out what is being search and why. It also gives you an inside view as to how people are making money on the Internet using specific words and niches. The tool can be sorted in ascending order for any of the search criteria and

the terms can be downloaded into a text file for bulk domain name submissions.

THINKING UP YOUR OWN

Now, if you've done some research you can still think up your own. Or, maybe you have the inside scoop on some very new trend that has something to do with your interests. This can be a line of investigation that is quite profitable. The more you are familiar with a specific industry, the more likelihood you will be able to create some domain names that appeal to somebody who wants to buy it.

Most people have some degree of familiarity with commercial ventures. If you work in a bank, you probably know what the popular finance terms are and what products people are most interested in buying at particular time periods. This is also important. You want to create the domain name when it has the strength and fascination to sell. For instance, right now many people might be more interested in reverse mortgages as the baby boomers retire.

If you were a mortgage loan officer, you probably know all the lingo and what products can appeal to these customers. By default, they will also be the same terms that appeal to the buyer of a domain name. So, it doesn't even matter if you are having trouble making ends meet because of the housing

collapse story, that reservoir of knowledge you built up can be very valuable in helping you restructure your knowledge base so it still makes you money.

Use what you know and follow the trends. That's really all there is to it. Some weeks some types of domains are hot and others are not. Not every domain name will sell when you auction it, so you have to be persistent. It's a volume game and you can't get emotionally attached to finding the "perfect" name or trying to make a big kill in one area. The safest way to make money in domain names is to treat it like a business. The domain names are not your babies; they are a product used to generate revenue. So, don't waste too much time trying to be clever and find that big scoring domain name. Odds are, if it happens, it will hit you like a tripped wire as you innocently make toast or something.

TYPOS AND MORE

Unlike what your English schoolteacher taught you, in the domain name business misspellings are your friend. That's because we are all human beings who are fallible. When people go to search for a term or type in a URL directly, they often misspell it. That's why catchy, one-word, easy to remember names are so valuable. The likelihood of them being misspelled or forgotten is very small. However, for two words and more, you can easily start to find ways to generate domain names by just getting sloppy.

There are words that take multiple "s" for instance, like the word "compressor." If you find that you are targeting this area, you could add an extra "s" or remove one "s" and attempt to sell the domain name that way. This is one way to figure out how to change an already existing and successful domain name to capture some of their traffic.

Now, take a look at the computer keyboard. You will see that some letters are closer to each other on the QWERTY keyboard than others. These are the letters that might be punched in accidentally when typing in a URL. So, if you are typing in a w, you might hit the q or the e instead. See how that works? That's another source of potential names.

None of these names are really going to generate a frenzy in buyer bidding online, unless they're something very clever. Instead, these names are for parking pages or developing sites to get some advertising and affiliate revenue.

EXTENSIONS

The most volume of sales is in the .com domain, although the .org and .net are starting to show some good sales in the higher price ranges. The extensions mean the following:

- .com - Commercial
- .net - Network

- .org – Organization (usually non-profit)
- .info – Resource website.

There are many more extensions than these four, but these are the most popular PC-based Internet domain extensions. Some domain name business owners do only .com names and others will try their hand at other types of extensions. It's a personal decision, but .com are really the most popular and highly sought after domain names.

It's up to you whether you try to expand into other domain extensions, instead of just the .com one. There are new extensions coming out every day and it's wise to keep abreast of that, particularly now that cell phones are becoming very common in our society. More and more people are using them to surf the web and some extensions are coming out like the .mobi extension. They are like finding a whole new undiscovered country and you could be the first one to plant your flag on the surface and stake your claim.

While they may not be extremely profitable now, they could end up being goldmines in the future. A well-diversified portfolio will want to take advantage of any new area that begins to show promise in the domain name business. You will have to pay more for some of these extensions and the same rules apply: no trademark infringement. One way to verify whether something is going to be big is to check out

the adoption rate in other countries. It might give you a head's up on the coming wave of the future in your own country.

Speaking of countries, you can get a .co.uk or .de domain name. One is for Great Britain and the other for Germany. While you might think you have to be a resident to get one of these names, it's not true. The different country extensions have different rules and some of them do require some residency and others do not.

4

Fun With Domain Names

While we do want to generate income and not get too emotionally attached to the process of generating domain names, we can still have some fun with the entire process. Maybe you don't consider yourself hip or trendy, but that doesn't mean you can't start to learn the slang of the Internet and figure out ways to combine it into fun domain name terms.

Having fun with domain names can be like a treasure hunt. You have to figure out what everyone else thinks is worth hunting for, and then you have to get there first. Once you own the treasure, others will pay you to give it to them.

You can create hip and trendy domain names by watching the people who influence culture. Even if you don't know what the trends are in your social circle, you want to get to know who sets those trends. These people are celebrities and people who influence the next big thing. Once you know who those people are, all you have to do is watch them a bit more and be ready to pounce on a new trend the minute appears to be taking off.

Another cultural trick is to use anything that you find in your own background. Are you Hispanic? Why not register a few Spanish term .com domain names and see how they sell? The markets are opening up for foreign terms and they might be very profitable later on.

Keep your eye on the news for new technologies that are being developed or news events that are capturing other people's attention. You can start to mine the domain names from these events, although we would suggest to keep away from any that might be too highly emotionally charged. Those people that registered Virginia Tech domain names after the massacre there ended up fielding a lot of hate mail. It's okay to profit on top events, just be careful what kind of crowd you are attracting.

SLANG ABBREVIATIONS

Some words are slang abbreviations that everyone is familiar with, like luv for love or u for you. In an age that is becoming more and more abbreviated these types of instant message or familiar abbreviations can make good domain names. If you don't have a specific abbreviation in mind or it is already taken, then you can make up a new one just by using the following four prefixes in your domain name:

- i for Internet, instant
- e for Electronic
- u for You

- v for Virtual

This small list can yield a number of different opportunities. The e prefix has been done to death, but that doesn't mean you can't think of any new ones that might be attractive to new buyers. The English language is very versatile and that's the beauty of domaining.

Other types of slang are numerical and they also are becoming more easily sold. Everybody knows what 411 and 911 means. These are taken, but you get the message. Now there are other numbers too that mean specific things to people that would attract a big crowd. It's perfectly okay to add numbers to your domain name to help you be creative.

Lastly, every industry has it's own set of slang that make good domain names too. Think of taxes and form 1040-A. It probably won't surprise you that 1040.com takes you to an online tax preparation site. Well, there are many other forms of industrial slang that have yet to be mined and that can be broadened to make for creative two word domain names. If you are in a particular business that uses a lot of abbreviations, you can start to brainstorm there and see what might pop up.

CELEBRITIES AND POP ICONS

When Jennifer Lopez was set to marry Ben Affleck and he handed her a giant pink diamond ring, what do you think everyone wanted to look up on the Internet? They all were searching to get a glimpse of that pink diamond ring. It

started a huge trend in fancy-colored diamonds. Any domain name that had anything to do with pink diamonds or J. Lo suddenly got a huge influx of visitors. Watching celebrities and what makes the news there is one way to spot trends and figure out some great domain names. Just be careful not to tread too strongly on any name brands that are protected under trademark law.

A celebrity's name is considered a trademark, so you can't just register JenniferLopez.com and expect to keep it unless you can prove you weren't thinking of Jennifer Lopez when you registered it, or it is a fan site. Even then, you still might end up in court. The people who have this domain are using it as a Jennifer Lopez designer celebrity wear. You can run a site for years and then suddenly be hit with a trademark infringement suit. So, be careful.

Celebrities aren't just huge movie stars, they are also sports stars and even religious figures. Scandals can also be interesting fodder for domain names, but try to stay away from anything that will get you too much hate mail. The key is to find something interesting and controversial enough to sell the domain name quickly and for a significant profit. If you include some derivation of their name, you might get away with it or you might not. There's no possible way a famous person can register every single derivation of their famous moniker. However, they do have the right defend their names as a brand.

If you aren't aware of who is making the news, you might want to keep an eye out for celebrity gossip and fashion shows. They are a great way to expand your understanding of this particular scene.

FOREIGN TERMS

More and more people are getting on the Internet, and with that comes some opportunities to add domains in foreign languages. The same advice still applies here. You want short words that attract attention. You want something culturally relevant and that is highly searchable. You can still have fun with foreign film stars or people of notoriety.

Foreign domain extensions and foreign words are getting more interest from domainers. You can register them as a .com or, if that country allows, as a .country extension, or both.

For the most part, you will want to have some exposure to the culture or at least choose generic words that get tons of attention. People often search the web for porn material and so words associated with the sex industry are popular to use in English and foreign languages. Otherwise, you will have to figure out what is of interest to a particular culture. They may

have a great interest in things that Americans aren't interested in, and vice-versa.

THINGS IN THE NEWS

A great resource for new ideas is the news media. You can get up to the minute news on global events that are of interest to everyone. You find out about the introduction of new products on the market and what they foresee to be the business trends in the future. This can all be valuable information for someone trying to create domain names that might be valuable in the future.

For instance, some toys become very popular during Christmas season and take off. One year, Tickle Me Elmo was in such great demand that stores would run out. All the parents who had promised their kids that they would get a Tickle Me Elmo for Christmas were suddenly desperate to get one under the tree. You can bet they were scouring the Internet for a Tickle Me Elmo that could have been shipped to their home in time for Christmas. Whether you actually had one or not, you could have tried a variation of the name, or the actual name, and made some sweet traffic or even a domain name sale during that time.

That's the problem though with ideas that you get from current events or fashion trends. They tend to be cyclical and

transient. If you don't score quickly with them, the crowd moves on and you're left with a domain name that is very brand-able and yet un-sellable. Everyone might recognize it, but it might be considered passé. So, you have to strike while the news is hot and try to capitalize during the time when the domain name will be of interest. Don't hold onto these domain names too long, or you may end up dumping them at the end of the year as the traffic dribbles away.

On the other hand, if you're clever enough, you can actually predict a name based on a prior product's name. Say, for instance, that you are into cell phones. You know that the Razor phone is a very popular product and that Motorola makes it. You also know they are due to come out with an enhancement of this product. Now, you have enough information from the news media to start thinking up names like: razrv3.com. This one is already taken, but you now get the message. If a newer version is due to come out that might give you fodder for a domain name.

ALPHABET SOUP

What about just randomly putting two words together? It kind of will remind you of when you were little and you had some alphabet soup. You just dunked your spoon in the broth and up floated some letters and then you tried to spell something with them. Well, now you've got a bunch of words and you're trying to get a good domain name. So, how do you do that

without messing with a huge pot of soup that contains every word in the dictionary? It would take forever to try out all the possible combinations.

Luckily, human beings are creatures of habit. The attention span of a human being is probably less than that of a fruit fly when it comes to surfing the Internet. If they have an interest, they type it quickly, spot-check it, and move on, if it doesn't grab their attention. So, the best way to figure out how to create a domain name from this huge cauldron of alphabet soup is to figure out which words are the yummiest and use those.

Some Good Word Prefixes

You can bet that one of the most favorite words for anyone in our capitalistic system is the word "free." That's not too hard to figure out. Anytime you offer something for free you get a lot of attention. So, why not use that word when you are creating your domain name? Free-Games.com or whatever niche you are trying to target for that particular week.

Oddly, most of these words are also words that marketing professionals use in their marketing flyers to try to attract attention. So, if you're in that field, you already know what makes a good prefix word. For the rest of you, the following

list gives out some pretty standard prefixes that you can use to create your own domain names:

- Best
- Super
- Ultra
- 1st
- Me
- Top
- Pro
- Cyber

Some Good Word Suffixes

In addition, there are words you can tack onto the end of your domain to give them some attention. Some of these suffixes are listed below

- World
- City
- House
- Portal
- Central
- Site
- Network
- Guide
- Talk
- Zone
- Beat

- Today
- Club
- Story

There are many, many more types of suffixes and prefixes that you can use to get some good domain names created. Some are specific to an industry, like aero for the aerospace industry. If there is some specific prefix or abbreviation that says it all, it can make a good suffix or prefix for your domain name. There are no rules about what you can and can't use to create your domain name, except that they be alphanumeric characters and they can include dashes (although it's not recommended). The shorter and more memorable the domain name, the more likelihood that it will be easy to sell later on.

5

Try Before You Buy

In the business, there is something called “tasting” domains. Tasting a domain allows you five days grace period to figure out if you want to pay the full registration fee. It gives domainers some time to research the probability that this domain name will generate revenue. During the grace period is up, the buyer of the domain can actually use the domain name and park a page full of advertising and affiliate links. This is a very standard practice because it allows a domainer the ability to see what traffic shows up spontaneously and how they get there by checking the site statistics. This gives the domain buyer some insight into whether they’ve picked a good name or not.

At first domain tasting was free, so many domain buyers simply tasted multiple domain names at a time and dropped any that did not appear to be generating any interest, without any expense other than their time. In fact, some domains were continuously tasted and then dropped before the grace period ended and the registration fee was due. Then, they were picked up again by the same buyer for another free 5-day grace period and thus kept in a portfolio of virtual registrations that were never paid. This practice is called

domain kiting and these domains are being targeted for blacklisting by Google.

ADSENSE MAKES NONSENSE

One of the outcomes of this practice is that domain tasters would slap a parked page with adsense advertising links and get paid, even if they never went on to register the domain. This encouraged some people to simply taste as many domains as they could, slap a parked page with Google ads on it and then return the domain before the five-day period was over. GoDaddy.com estimated in 2007 that out of 55.1 million domain names tasted, only 3.6 million domain names were actually registered that year. The rest were canceled before the grace period expired. In January of 2008 there is now some discussion at Google of refusing to allow monetization of any website domain that is less than five days old. If they do this, you will see a drop in the number of tasted domains and more ad revenue going to established websites.

HIJACKED DOMAIN NAMES

Even more scandalous than the millions of advertising revenue being hijacked was the case of Network Solutions tasting domains that were searched in their database that weren't registered. They were obviously hoping to hijack the

name from the interested party and then reselling it even though they did not have an interest in parking a page or developing a site. It was a case where they used their own customer base and the five day grace period to effectively corner the market on searched domain names that were not yet registered, but tasting them if they were searched to see if they were available. This practice is called front running, and it is particularly unethical in that the business provides a service of domain name lookup for the customer that is used by the online business to cut in line when registering it.

It was the practice of domain kiting, tasting, and the Network solutions scandal that eventually caused the ICANN Board of Directors to remove the five-day grace period and no longer issue refunds for domain names. They were trying to make the practice cost prohibitive, and so they now charge to taste a domain. They are setting non-refundable fees on tasting a domain and may even consider getting rid of the grace period all together later. Either way, the end of volume domain tasting is over as it won't be worth the expense.

COSTS OF DOMAIN TASTING

Right now the fee for domain tasting is set to be between \$0.20 and \$0.30, which is far less than the \$7 to \$10 you'll pay to register the domain name. They say the changes will be effective mid 2008. So, you can still taste a domain, but you will pay a small fee and it won't be refunded if you

choose not to register the domain. The fee is an annual fee and if you don't register the domain expires.

The change in the fee structure for domain tasting does add some expense, but not significant expenses for someone just starting. The fees are being focused on domain kitters, front runners, and other would-be domain hogs that aren't letting others register their names on the off chance they can make a fast buck for nothing. Now, they don't have the same motivation because it will cost them \$1 to taste every five-domain names. Since the numbers showed they were actively tasting millions of domain names, the costs begin to skyrocket for these fraud artists into the hundreds of thousands. So, the fee structure is a boon to genuine domainers who aren't involved in domain kiting or front running. It leaves more domain names available for them to taste and gives them more freedom in the market without big players scooping up untold domain names for nothing.

EXPIRED DOMAIN NAMES

There's no way to really tell what is going to happen after the fees take effect, but the hope is that tasters will let their names expire and not try to taste them again (domain kiting). That's because each time they taste it they will have to pay \$0.20 for every five days. At that rate, it's much cheaper to pay the \$7 for the year and just register it. So, those names will fall into the expired domains list.

Next, all the front runners that were blindly tasting domains will not be willing to put out money on bad names. If they continue the practice, it's very probable that irate domainers would simply log into their services and bomb them with bad names that cost them \$.0.20 per taste, since it is a blind process. That would quickly teach them to quit usurping the right of the person searching for a new name that they've taken the time to research and create. Network Solutions has already stated it would drop the practice once a fee took effect, but if not, you can bet the Internet community won't stand for it. So, once they drop this practice, all those names will fall into the expired list too.

Justdropped.com is a website that offers a daily deleted domains list and also a way to search through expired domains. You do have to sign up to the site even if the service is free. You can give it a starting and ending suffix and even choose the extensions you want searched. It can be a great way to sit on the sidelines and see what domains are dropping out of the cybersky from all the domain kiting and front runners that will be dropping out of the game. Their loss could be your gain.

SITE STATISTICS

Okay, so maybe you won't get Google adsense revenue in the first five days after that policy goes through. It doesn't mean that you've lost some of the advantages of tasting a domain

before registering it. You will still have the site statistics available to you through your hosting company. You can taste a domain, put up a web page, and see how much traffic it receives without any marketing on your part. You may find a few winners this way without much effort. Those that show a very poor return in traffic can be dropped.

Typical site statistics will show you the number of daily hits as well as the number of unique visitors to the site. You will be able to see the top search terms that landed someone on your site. You will find out how a visitor landed on your site and where they went after that from your log file. By reviewing the content of your log and the site statistics page you will get a good feel for whether the domain is worth registering or not.

PARK IT

In order to really see what kind of revenue a domain name might bring in, you will have to park the domain but try to also set up a page. Hopefully, you will have a good idea of why this domain name is valuable to you and choose relevant links to affiliates to help bring in some revenue. You won't make any AdSense revenue, but they are not the only advertiser that serves up click ads. You can try to find a revenue sharing program that will have your domain pointed to a parked page that still will allow some revenue using their models during the grace period. However, a parked domain

does not include the domain name server settings of your specific hosting company.

So, even though you don't officially own the domain name, you can still put up a page, after parking the domain and then go on to get some idea of what kind of traffic and revenues it might get later. We will discuss this more in-depth in Chapter 6.

There are numerous online parking services with the expressed idea to generate a quick site with as minimal effort as possible. You can expect some revenue sharing, which can take a share of any profits you see from the traffic on your site. In return, these sites will offer up canned templates that make building a web page extremely easy. You will get tools to help you run your domain business and this can be very valuable when you are doing a volume business.

Sedo.com is probably the most well known online company that offers parking services. Other names of possible places to find domain parking services are: TrafficZ.com, NameDrive.com, Parked.com, and WhyPark.com. Newer services are always being added and WhyPark.com offers its customers the ability to generate a full-content site with their services. You use your own ads too. So, every parked service might tweak their services just a little different than other companies.

GET A SECOND OPINION

You may think you've scored the next big domain name, but it might have an obvious flaw. You will want to write it out and also type it out and see how likely it is to be used in a direct navigation from the URL address locator. You don't want to end up with something completely silly like Auctions Hits, only to come out with AuctionShits. There are actually people who have registered domain names and later realized their mistake. So, be sure to write it down without the capitals and see that it really sends out the message that you want. You don't want to end up with some of these beauties:

- **Whorepresents.com**
No it's not a site for presents for prostitutes, it's a site for agents who represent celebrities.
- **Therapistfinder.com**
Why would anyone want to find a rapist, you wonder? Well, maybe they were looking for a therapist instead...
- **Speedofart.com**
It's not the silent ones but the quickies that get you! Or maybe you are speaking about the Speed of Art instead?

These may seem really funny but they don't make for good advertising or a good return on your investment. So, don't

think that just because you are using your own name, a company name, or even generic words, that it can't be turned into something else. Be sure to write it down and see if it really means what you think it does.

Finally, you should try to find out if other people can easily remember and write it down without too much fuss. Just have someone you regularly bounce domain names off of to see if they grab the name on the first try. How do you like ABCXYZ.com? If they come back with: ABCYWZ.com? Well, then you know you need to try again.

6

Flipping, Parking, And Site Development

We discussed earlier that there are three popular ways to make money from domain name businesses. You can flip the domain, park, it or develop it. Obviously, with some of the changes coming in from Google and the loss of free tasting, domainers may end up flipping or developing more than parking. This is a very young industry and there are changes happening very quickly. One day one business model works well, and the next you have to shift with the presiding currents.

Most people are finding that domain names as real estate are more valuable when they are developed sites. However, not many domainers have the necessary time or skills to build a site from the ground up. So, there are companies and tools out there that can help you develop the domains that you want to keep in your portfolio for a while. The simple truth is that as your domain gets more visitors and traffic, you will end up increasing the value of the domain name as a viable business for someone to take over.

FLIPPING

Like real estate investors, domain name investors will find stiff competition in a hot domain name market, especially for the dot com extensions. Most people suggest all the good names are taken, but that shouldn't stop you from trying to be creative or checking out the expired domain list.

You can try to buy many different domain names from \$7 to \$10 and quickly flip them. What you will be selling is a perceived value based on brand name alone. The domain name will have very little traffic to encourage the perception that it is a valuable piece of cyber real estate. If you come up with some good names the likelihood that they will sell is good. But, where do you go to find your buyer? Well, you want to find an auction place that will allow you sell the domain in a way that will let the buyers set the price. After all, you don't want to buy your domain, sell it for a set price of \$100 and find out someone else flipped it later for \$300. Instead, you want the market to determine the right price for the domain for the time period you are selling within.

This concept is very similar to real estate. When you buy a house it is due to appreciate about 3 to 5% a year in a stable economy. So, if you hold the house for two years, you can expect maybe the price to increase 10% on the market. You may not get 10% or you may get more, until it's put on the market there's no way to tell other than that it appreciated

somewhat. So, you don't start by putting your house on the market for what you bought it for. You try to find out how much it might have appreciated and then let the buyers figure out how much they want to offer. For this, an auction site is perfect. It pressures the buyers to fight over your domain and helps to drive up the price you sell for.

Ebay.Com

Who doesn't know that ebay is the largest auction house online? Their fees are still relatively low and you aren't shipping anything, so it makes a good venue for your domain name auction. If you want to see how others are auctioning off their domain names, it's very easy. You don't even have to have an account to go take a look. Just go to ebay.com and their Web Domains & Services category. At this time, there are 2497 domain names being offered on ebay.

Right now, the hottest items are four letter acronyms that are being sold at auction. They don't even have to make sense, as long as they are easily pronounced. Not every entry has an image, but if you want to capture a buyer's attention an image of something that is of interest can get you noticed.

There are fees associated with selling on eBay. You will end up paying to list it and also paying to add an image too. There are fees for a "Buy it Now!" option and reserve fees. Although

the fees are not exorbitant to list, they do depend on what you are selling, how much it is selling for, and the actual price it sold at. For a full listing of ebay fees take a look at their fee structure located at the address below:

<http://pages.ebay.com/help/sell/fees.html>

As you can see, you may start out with a \$0.15 insertion fee and decide to upgrade your image to Gallery Plus for \$0.35. There are so many different options and fees to make your image or offering stand out, that you will have to eventually decide what works best for you. Take a look at what domain names are selling and how they listed them in ebay. This can give you some hints on what fees might product a return on their investment and which aren't being used at all, so probably worthless. Later, we will discuss some of the ways to set up a listing with an image.

Sedo.Com

Some of the same places that you went to buy your domain name are also in business of getting sellers to offer their domain names through them too. Sedo.com offers domain names for sale with services that attracts both sellers and buyers. While this isn't an auction place, you still have the ability to allow the buyer to "Make Offer." This can keep you from setting your price too high (and scaring away potential customers) or setting it too low and hurting yourself unnecessarily. You want to stay away from "Fixed Price" options because they generally don't work well for domain name sales.

There is no fee to list at Sedo.com but a commission is taken if a sale is finalized. This commission structure begins at 10% and so you have to price your domain names to take the commissions into account. And, the minimum for .com extensions is \$50. So, you don't want to fuss around with low potential domains, if you are trying to sell on Sedo.com. Save those for eBay.com. Sell your more marketable domain names through Sedo.com or your premium domain name through its premium service called Greatdomains.com.

Greatdomains.Com

You do have to sign up for a SEDO account to be able to sell through GreatDomains.com. This site is only for premium

domain names so it is much harder to get your domain listed. The domain actually has to meet specific criteria, as follows:

- Short name,
- Real word,
- Easy to remember,
- Generic,
- No typos,
- Product-related,
- No trademark infringement,
- Domain in language relevant to the country domain,
- Reserve price is not exorbitant.

You may think it's an easy thing to come up with names like these, but the odds are someone already has bought the name. That's what makes these names so valuable. It doesn't mean you can't buy one of these names and hold it and later on down the line see if you can flip it to make a profit. Then, you know right where to go to sell the domain name.

Other Places

There are so many different places these days to sell your domain name. In fact, you may not even have to go anywhere to sell it, the buyer may come to you. However, you can also try to sell in multiple venues at one time, as long as they don't require an exclusive agreement. Since most won't charge you unless you sell the domain, you have nothing to lose to try to sell it through various agencies at

one time. Other trusted names to sell your domain name include snapnames.com and tdnam.com (The Domain Name After Market).

It used to be that domainers made most of their money through flipping domains. Then, the model went more towards parking, and now many are interesting in actually developing their sites. This is pretty much the trajectory of real estate investment too, where the land in cyberspace becomes scarcer, the initial investment to get in becomes higher. So, instead of going for Park Place or Boardwalk now, many domainers will pick up a Tennessee Avenue and put up a canned stored through parking their domain. When that revenue starts to drop, they start to think about what might attract the buyers back and they start to develop their location. So, it's all part and parcel of a business model that chases the biggest return for the littlest investment. Depending on how well you do, you may do a little of everything or end up concentrating on one way to make money and becoming an expert in that.

PARKING

So, maybe you tried to flip a few names and some sold. But, now you're wondering if you could ever manage to park a domain and still make money from it. Yes, you can! There are many online services that want to help you make money from your domain for a cut of the Internet advertising revenues.

You may have a tougher time now that Google has started to really buckle down on link farms (blacklisting or moving them down the search engines), but if you are committed to learning about the Internet and domaining then you will eventually get into this area. Why not learn now?

Parking services will typically ask you to use their name servers when setting up the account. This makes it easier for them to serve up parked web pages. It speeds up the process and makes it more reliable. Any parking service will offer their customers multiple templates to choose from where you can choose your niche of advertising. This will serve up relevant ads and the payment for the service will be taken from the revenue that you generate. The amount of commission that the sites make is dependent on their rules and regulations. Most work on a PPC, or “pay per click” model and some have a CPM model (cost per thousand). After the pages are set up, you will have access to some domain statistics through the parking service.

Trafficz.Com

This is one place that you can get parking services. You cannot transfer your account to anyone, so it is strictly for your own use. TrafficZ.com decides whether to allow you to use their services based on the strength of your portfolio. The decision is made on an individual basis. You can import

multiple domain names to set up parked pages by using the mass import feature.

Namedrive.Com

This is another site popular with domainers. It offers the same services as TrafficZ.com and many other places, but they don't appear to be as restrictive on who can use the service. They have an option called Park&Sell that also allows you to sell the domain after you park it with them. This service displays random domains on the front page that are up for sale and can be a great way to get your domain some exposure.

Parked.Com

This site requires that you have at least 10 domain names in your portfolio, which shouldn't be too hard if you are a domain business owner. They claim to have the highest payouts in the business. There is no fee to sign up and the payment is taken off the revenues that you generate through advertising. Everyone is approved as long as they meet the minimum number of domain names in their portfolio. You can optimize the site manually, instead of just accepting the automatic settings. They do offer 100's of templates, but also give you the ability to create your own. Unlike other parking services that pay once a month, Parked.com pays twice a

month. They also offer statistics to help you optimize your site and you can even talk to an account manager when you have that need.

Whypark.Com

WhyPark.com offers a slightly different parking page concept that is appealing to more and more domainers. They will not only serve up parked web pages, but they also will include new content every day. You get to pick your own keywords and thus, fine-tune your marketing strategy. This service is not free. There is a one-time \$99.95 fee for 100 domain names. They do not revenue share, if you don't request their own advertising network, and you get to keep all the revenues from your site. There may be some issues with duplicate content, but they suggest your content is unique across your site. That may be good for your site, but Google has a different way of determining duplicate content and will penalize a site that shows too much duplicate content across the web. If you are relying on adwords for most of your revenue, you will have to be careful to make sure you don't trigger the duplicate content blacklisting algorithm. You can use WhyPark.com's own advertising network and they will then revenue share for that privilege.

SITE DEVELOPMENT

Now that you've seen how easy it is to get a parked page service, it might not be as intimidating to figure out how to develop the site. WhyPark.com can get you started in developing a full site. If you find one of your parked domains is doing a good business, then it might make more sense to keep the domain name and develop the site. There are a number of things that will make a site appreciate in value. They are:

- **PageRank**

The Google score that influences placement in search engines. The score is from 1 to 10, with 10 being the best score.

- **Content**

A site with unique content is worth more than one that is just serving up garbage or duplicate content.

- **One-way inbound links**

The number of links to your site can impact the value since they are a way of determining your site's popularity and worth. It's not just a matter of how many inbound links you have, but also of the quality of the person linking to you.

- **Marketable Niche**

You will want to be in on a marketing niche that will appreciate. Selling clothing pins may make you feel light-headed, but wrack up a big zero in sales.

- **Site revenue**

When a buyer asks about buying a site, they're interested in how much revenue it generates each month. If you have no revenue to speak of, it won't be as interesting to your buyer unless they really want the domain name for something.

Developing a site can be as easy or as hard as you make it. You don't want to spend too much making it pretty as much as you want to get the above five characteristics to make it sellable. You can pay freelancers to create unique content for your site and keep track of PageRank and analytics with the Google Toolbar.

If you find that you are gathering enough traffic to do some retail sales or affiliate marketing, you can start to add that into the equation too. There are many different online vendors that offer canned website products that include a shopping cart, if that's what you are interested in. However, you don't necessarily have to develop your site to this level to get the five characteristics above to be good enough to sell for a profit.

You can actually just start to develop a marketing pipeline, with the main aim to capture as many email addresses as you can and develop an emailing list. This will help you to develop a mass emailing campaign for specific affiliate offers or even your own products.

Full Sites With Less Work

If you want to develop a full site with less work, you can take advantage of some third-party vendors like Amazon.com, CafePress.com, and anyone that does affiliate programs and can make it easy to create links to your products. You should check your affiliate links every now and then to make sure they are still active. An offer may end up selling out and then you have a link that is not valid and you've lost a customer.

Blogs are also becoming viable full sites and they typically can be done with templates, although some will not allow you to add advertising links anymore. Bloggers are getting much more exposure and advertising opportunities with places like ReviewMe.com and Blogitive.com. If you want to make money from the site in this fashion, you have to build up the blog to get readers and subscribers and then start looking to see who wants advertising. You can sell links on your site or add text-link ads.

Getting Into The Innards

If you've been in a technical position, it's really not that hard to learn HTML and some coding, at least enough to do your own website. You can buy a web editor and start to make your own pages fairly quickly. You can opt for a shopping cart that your

hosting provider provides and set it up with the offers that you want.

You will need an HTML editor, an FTP application, and some knowledge of the directory that you are hosting within. The nice part is that you can get a better feel for how to customize other template sites and how to add special features.

At the very least, if you have a viable site and you want to develop it with forums or blogs, you can hire a contracting freelancer at elance.com or rentacoder.com. All you have to do is find a sample site that appeals to you and then ask for bids to duplicate the same structure and look and feel for your particular project. Obviously, this is a much larger investment than merely parking a page or flipping a domain, but it can pay off quite a bit later when you want to sell it. Right now, the prices for tech experts is particularly low as the number of outsourced geeks is high.

7

What To Avoid

We've talked briefly about avoiding any celebrity names that might be construed as a trademark infringement. There is now legislation to protect trademark and service mark owners from a practice called "cybersquatting." Cybersquatting is when a person decides to try to appropriate a domain name that they are using in "bad faith" to profit from later.

The Federal Law is called The AntiCyberSquatting Consumer Protection Act (ACPA) and is also known as the Truth in Domain Names Act. It was passed in 2003. It is now being used to get judgments against domainers who have appropriated names to either ransom to the original owner or profit from despite having no rights to the name. In order for a domain name to fall under this act, it has to be "identical or confusingly similar" to some other trademark or service mark already copyrighted, it has to be a famous or distinctive mark, and the buyer intended to profit from the domain name.

Another form of trademark violation is the typosquatter. In this case, the domain name may be very similar to another trademark or service mark name except for a misspelling.

Both the cybersquatter and typosquatters are being taken to court and judgements are being levied against them.

SOME COURT CASES

If you think that people don't mean serious business, when they are protecting their trademarks, you would be wrong. Take the case of John Zuccarini who reportedly held 5500 domain names when he was first arrested. His mistake was not in domaining, but in taking popular and famous brand names like Cartoon Network and Hot Wheels and then registering typosquats of those domains. To add to the insult, he then redirected all the people who landed on his sites to pornographic websites.

The ACPA was a direct result of this man's efforts and included a clause that made it illegal to use squatted domain name for the expressed purpose of deceiving people into viewing obscene materials. He went to prison for 2 ½ years and was released in 2005. In addition, his actions fall under a civil suit that has him requiring to pay back many hundreds of thousands of dollars, plus attorney's fees, to the people who have been harmed by his activities. He was the first person to be prosecuted under the ACPA, but he won't be the last.

Other court cases center on a celebrity, like Julia Roberts. She sued the owner, Russell Boyd, after he placed the domain name up for sale, even though the site was dedicated as a fan site. While Julia did get rights to the domain name, it opened a can of worms, as other people may own private names as domain names that aren't necessarily famous until later. Boyd was ordered to transfer the name to Julia Roberts, but no monies or jail time was awarded. Right now, there are people holding domain names that might be construed as trademark infringement but that doesn't mean they'll necessarily be sued for holding it.

WHO OWNS THAT NAME?

If you want to know who owns the name as it is registered, all you have to do is do a Whois search at whois.net. If you have any doubts whether a name you are considering is a trademark infringement, there are ways to check to see what trademarks are out there. It is up to the registrant to make sure they don't infringe on a trademark rather than the other way around. It's far too late to figure it out after you've registered the domain name and built up the site. By then, the loss won't just be the price you paid for the domain name, but all the associated traffic and sales that are being attracted by that domain name too.

So, in point of fact, the owner of a trademark owns the domain names that are exact or confusingly similar to his

own. It doesn't matter if you registered it. They can send a complaint and request that you give it up. At the very least, you may end up in court and have to pay attorney's fees to keep the domain name. There is no guarantee they will let you either. There are companies and online services that can help you figure out if there is a trademark out there exact or confusingly similar to a domain name that you want to register. The U.S. Patent and Trademark Office offers online search capabilities located at:

<http://www.uspto.gov/main/trademarks.htm>

If after searching, you think you are safe, you can also make sure to keep your domain name by registering it with the Patent and Trademark office as your own trademark. That will keep others from cyber squatting on your domain names too.

UNINTENTIONAL CYBERSQUATTING

For the most part, you're not going to go to jail for cyber squatting on someone's domain unless you do something stupid like sending him or her to pornographic sites. You may be asked to relinquish the domain name and it can totally wreck your business plans. However, the plaintiff has to prove that you squatted on their trademark in "bad faith." If the only reason you ended up with something like their domain name is that your last name was the same and you wanted that as a business name, they'll have difficulty proving you

did it in “bad faith.” But, that won’t keep a court from sending a judgment to transfer the domain name to some other party.

The laws for cyber squatting are very new and every day there is some new twist to the cases coming to court. Domainers do have to be more cautious, but businesses and celebrities are becoming savvier about domain names. Recently, when Angelina Jolie and Brad Pitt had their baby, their attorney registered multiple names that were derivatives of Shiloh, their baby’s name. Many people are finding it is far cheaper and easier to register and reserve their own domain names rather than having to face a costly court battle later.

8

Selling Your Domain Website

If you are flipping your domain, there are many places already listed in Chapter 6 under flipping. You can go with an auction house like eBay or use Sedo.com. In this chapter, we're not so much interested in flipping as in figuring out how to evaluate the worth of a site that has been developed and then selling it. If you buy a domain, it's a fairly simple matter to turn around and just list the name with a provocative or interesting picture. If you are selling a website, now you have some leverage to decide what the site might actually be worth using the five characteristics we talked about in Chapter 6 under site development. To remind you, they were:

- **PageRank**

The Google score that influences placement in search engines. The score is from 1 to 10, with 10 being the best score.

- **Content**

A site with unique content is worth more than one that is just serving up garbage or duplicate content.

- **One-way inbound links**

The number of links to your site can impact the value since they are a way of determining your site's popularity and worth. It's not just a matter of how many inbound links you have, but also of the quality of the person linking to you.

- **Marketable Niche**

You will want to be in on a marketing niche that will appreciate. Selling clothing pins may make you feel light-headed, but wrack up a big zero in sales.

- **Site revenue**

When a buyer asks about buying a site, they're interested in how much revenue it generates each month. If you have no revenue to speak of, it won't be as interesting to your buyer unless they really want the domain name for something.

We'll also add to this list the following:

- **Age of site**

The older sites tend to be more valuable, but that's not always the case.

- **Established Traffic**

Alexa is the place that keeps track of traffic, but it's a bit misleading. The person visiting would have to have the Alexa toolbar downloaded for their visit to count. That's why unique site visitors and pages from your own statistics might be

more relevant.

ONLINE CALCULATORS

There are a variety of online tools that will give you a value for your website by plugging in your domain name and some site statistics. They weight monthly revenue a lot and this has a huge impact on the value of your website.

Take a look at this calculator at glurk.com/index.php. It gives you a good idea of what variables some people use to determine the site's worth. Here they use the length of the domain name and the number of words. If you stick to the advice we gave out before in choosing domain names, you will already know how to pick good domain names that give you better value when you go to sell. Then, they also want to determine your PageRank. A PageRank of 4 or above makes it more viable to sell. It can take several months to generate a good PageRank with Google and they do penalize sites that have duplicate content or link farms on them. So, don't expect to get a good PageRank simply because you parked a page there. The algorithms that Google uses have become quite a bit more sophisticated over time.

They are interested in the incoming links (inbound) and the monthly number of unique visitors and pages accessed. The site revenue is also key to determining how much they

evaluate your site is worth. There are a few more variables there like Alexa Traffic rank and years the website has been in existence. In addition, the more unique you make your site through content or offerings, the less competitors you have and the higher your website is worth. However, now you have a good idea how these things impact the value of a website that has been developed.

Some online calculators aren't as sophisticated and will just ask you to plug in your domain name. That's really not sufficient to figure out what your site is worth and can be very misleading if they aren't looking at the site revenue. However, it can be a start. For instance, dnscoop.com can give you a good basic number before it really figures out the uniqueness of the site or what kind of revenues you are making.

MARKET ANALYSIS OF YOUR NEIGHBORHOOD

Okay, so now we have one number. You will find that this isn't automatically what your site is worth. It just helps you define why your site is worth a particular number, but not justify the actual value. You may remember that we talked about domain names being very similar to real estate. When someone goes to sell a house, the first thing that is done is a market analysis of the value of the home. They do this by

finding comparable homes on the market with the same or similar statistics and then comparing your home to them. From this smart market evaluation, you get a good idea of what your property is worth.

Whereas real estate people need a license and access to the Multiple Listing Service (MLS), domainers just hop online to find comparable sales. You can get information on what domains sold that are near in name to your own domain most recently at the following URL address at dnsaleprice.com:

<http://dnsaleprice.com/SalePrice.aspx>

They not only tell you how much it sold for, but what venue sold it too. You will see the same information that we talked about with Sedo.com, DNJournal, Afternic, Moniker, and TDNAM being popular places to sell domain names

This search tool is so handy for a very quick market analysis that you can even limit the search to the Top Level Domain (TLD) you are using. If you have registered a .com name, then search the names in that neighborhood. You won't get the same value from different TLDs, so always make sure you set that up correctly.

PUTTING OUT THE SIGN

Okay, so now you have a bunch of domain names and websites, you have a fairly good idea of what you might sell them for and you know what benefits they offer your buyer. Well, now you have to either list them as simple domain name sales or you have to find a place to sell the entire website. It would be nice if you could just put a sign outside your door so any relevant traffic that went by and saw your domain might contact you, right? You sure can do that!

Remember how you could look up who owns a particular domain name through whois.net? Well, if you own the domain name you can add some information in the contacts area to show that your domain name is for sale. This way, when someone else looks up a domain you hold, they see that you are interested in selling it.

FINDING A GOOD MEDIUM

Okay, so now you probably have a low and a high figure for what your domain might be worth. After taking into account all the variables and seeing what other comparables are selling for, you have to decide what you are willing to sell your domain name for. If you are including content and other appreciating assets, then you need to include that in your estimate.

As a seller, you may feel some attachment to your domain names. This rarely works for you as this should be a business, and not an emotional love affair. Yes, some names are worth keeping after you've developed them and they only appreciate in value, but your domain name is only worth what it sells for, and not what you think it's worth. So, you have to find the happy medium between what you think it's worth and what you think a buyer is willing to pay. The buyer won't have any attachment to the domain name and will most likely see it as a product. If you do get an emotional buyer who simply has to have your domain name, obviously the price should go up, not down.

SELLING THROUGH FORUMS

Webmasters tend to congregate in online forums. Sitepoint.com and Forums.DigitalPoint.com offer market places for people who want to see websites, as well as domain names or links. Here you can go in and see how other people evaluate the worth of their sites and how much might be a good starting bid.

Forums.DigitalPoint.com is set up like a bulletin board but you can set up an auction within the posts. They do have a great article that indicates how to sell a website in their forum at:

<http://forums.digitalpoint.com/showthread.php?t=48847>

People on this site are not only interested in PageRank, but also want some income statistics too. What's nice about DigitalPoint is that it has an iTrader score for everyone that is selling on the site. While this isn't fallible, it's a good indication if you are dealing with someone who is reputable or not. It is very similar to the eBay buyer feedback ratings. To join the Digital Point forum is free, but you have to be an active participant to get some of the perks.

You have to have been a member for at least 14 days and posted at least 25 posts and not be in the red to use the Buy, Sell or Trade forum. This keeps the community active and helps to keep spammers out. So, if you are thinking of using this forum, you need to sign up ahead of time and start contributing to the forum with posts. They do have ad revenue sharing for your posts, but you have to have contributed at least 50 posts to do that. And, of course, you have to have your own Google account.

Sitepoint.com also has a great article on how to sell your website. It is located here:

[http://marketplace.sitepoint.com/static/marketplace/pdf/sellingweb sitefaq.pdf](http://marketplace.sitepoint.com/static/marketplace/pdf/sellingweb%20sitefaq.pdf)

They do advise on getting the monthly revenues in the most recent months and multiplying it by a factor of 12 to get a reasonable selling price. The forum is free to join and a great

way to find out how other people are selling full sites. You can also just sell your domain name there too.

GETTING PAID

After the auction ends and the sale is closed, you still have to collect your money before you transfer the website or domain name. Many people use PayPal to facilitate online payments. It is a very good system that can allow you to quickly verify if payment has been made. The really nice thing about PayPal is that it can convert monies into other currencies. So, if you have a foreign buyer then can still pay you in dollars, which is the denomination of currency that SitePoint lists all its prices in.

If your site is selling for thousands, you probably want to look for a reputable escrow service, like escrow.com. This intermediary service is so that there is no funny business when the transaction takes place. You won't want to hand over your baby to someone who ends up cheating you, and likewise, the buyer doesn't want to pay for something they don't receive. So, in comes an escrow service. The money is sent to them, they hold it until the buyer receives the goods or services and then releases it when the buyer confirms receipt.

There are fraudulent escrow services just like there are con artists who play shell games. You have to try and pick one that is reputable. Sitepoint.com recommends escrow.com.

The last way you can get paid is good, old-fashioned money orders and/or checks. If you want to have money wired, you can do that too. Realize that wiring money, Paypal, and escrow services are going to cost you fees. You won't get the full amount once the transaction is done. As always, try to verify the person you are dealing with and see if they have references or a good buyer profile.

9

Transferring Domain Names

If you are just flipping a domain name, then the transfer can be as easy or as difficult as your domain registrar makes it. It used to be that you had to get a notarized document that was reviewed and signed by both parties to the registrar to change the domain name. If that is the only way your registrar allows you to change the domain name, then you have some document handling to do before you can actual transfer the domain name. However, there are other ways to do this.

UNLOCKING A DOMAIN

For security purposes, many domain names are locked to keep unauthorized transfer from happening. You will have to go into your account manager and see if your domain happens to have a lock or an active status. Once you find that area, if it is locked, you will have to unlock it before you can attempt to transfer the domain to another person. There is usually a check mark or an option that you can select to unlock the domain.

TRANSFERRING TO ANOTHER DOMAIN HOST

If you are changing the registrar from one company to another, you can often authorize a domain name transfer by having the

either the buyer or the seller set up the new DNS information and request a domain name transfer while also changing the ownership information at the same time. Then, email notifies the owner of the domain name that there is a transfer request, which he or she must authorize. When the authentication goes through, the domain name is transferred. Other times it can be done online from an account manager screen.

Your buyer should let you know the DNS server information that you need to use to transfer the domain name, if you are changing from one hosting service to another. If not, you can always go to the hosting service and look it up in their FAQ. One of the biggest ways for them to make money is to transfer domain names in, so of course, it's the question they want to answer the most from new owners.

You do want to be careful if you are transferring the domain name from one host to another. There may be services or email and such that can be interrupted. The entire process can take about 24 to 36 hours to propagate throughout the entire Internet. You can keep the registrar as the previous host, but the domain name rights go to the new owner.

TRANSFERRING DOMAIN WITHIN THE SAME HOST

The safest way to transfer your domain name and website is to transfer to another buyer account that uses the same host. So, if whether you are using GoDaddy, Parked, or Sedo, you will want to specify in your sales advertisement where it is easiest to transfer the domain. You can even specify that only buyers with a GoDaddy,

Parked, or Sedo account make bids as this can make the transfer much quicker and quite seamless.

Depending on which host you are using, you can find out the rules they have for transferring an account within their own host. You will find it typically is just a matter of going to an online screen within your account manager and transferring the domain with a few clicks. It's a very simple process to do within the same companies hosting services, although the services might shift a bit depending on the package that is chosen to transfer with the domain name.

TRANSFERRING CONTENT WITH DOMAIN

Transferring an entire website with content, is a bit more difficult. You may have to transfer the website to another host (depending on if your buyer wants to do that). In that case, you will have to download the website and zip it into some archive file that they can unzip onto a new host. If you have scripts or programs that run on a particular configuration of server than the buyer will have to also use the same configuration. They will have to FTP up the site contents and see what's working and not working.

If your buyer wants you to transfer affiliate programs they should set up their own account and put in their own affiliate tracking ID. However, if that's not possible, you might want to notify the affiliate program owner that the ownership has changed, and change the account details that way. Remember that revenue producing websites may contain a lot of your own financially sensitive information. Be careful what you transfer over and get rid of any information that might include social security numbers or personal contact numbers.

If you are leaving the website at the same hosting company, you will have to send the buyer the login information for control panel that issues the statistics for the site and manages emails and databases. You should change out the password to something generic and ask the new buyer to change the password when they first log in. This will keep you from being liable for anything that changes after the transfer has been made.

Don't rely on information from the buyer that they will be responsible for changing the hosting account to their name. Contact the host company and explain that you sold the domain and that they want to continue hosting and you need to change the name on the accounts. They will tell you how to do that so that there is no mix-up later and you are asked to pay for months of hosting on a domain you already sold.

TRANSFERRING REGISTRARS

This is a different process than transferring a domain name. You can transfer the ownership of a domain name, but still hold the registrar as a separate company. The registrars are the people involved in taking care to register your domain name annually, billing you, or canceling it when it's time to do so. They don't own the domain name, they just register it. Most companies that host the domain name are also the registrar of the domain name. However, if you find that you have multiple hosting companies and it's becoming difficult to keep track of the paperwork, you might want to consolidate your registrations under one company. Another reason might be that the new owner wants the registrar to be the same as the hosting company, so they may request that you also change the registrar for the domain name. This is an easy enough process that the new hosting company can take care of while

you're changing the host of the domain name. After all, they will want to be the domain name registrar as well as the host. They may not charge to transfer the domain registrar rights but they may ask you to pay for an additional year of registration to solidify their relationship with you.

Finally, there are some basic requirements you must meet to be able to transfer to another registrar. The domain name has to be older than 60 days. You can't have any outstanding bills due. So, if you just parked a page and then turned around and flipped the domain, you will want to look for a buyer that has an account on the same hosting service that you are on. Otherwise, they may get the domain name transferred, but they will have to wait to get the registrar transferred.

COSTS ASSOCIATED WITH TRANSFERRING

Transferring a domain name should be free, however, there are some places that put transfer fees in the fine print. This might be if you are transferring out of their domain hosting service or just because they're trying to make a fast buck. Either way, you should check the term of your agreements to see if there is a charge for transferring your domain name out of their host server. Hopefully, you won't end up finding out that you can't transfer without having massive fees tacked on. There are some unscrupulous companies that are even charging two or three times the original registration fee to transfer a domain out. Obviously, not cool.

EXCEPTIONS

Some exceptions to the above scenarios are top level domains from foreign countries. As we discussed earlier, every country has their own set of rules as to who can register a domain name. Some require residency and others do not. In addition, the pricing is different and in different currencies. Many of the foreign country names may still be relying on the fax document procedure to actually change the domain name ownership. In addition, they may also require proof that the new owner meets the terms of the original ownership registration requirements. You can usually expect to pay a transfer fee too, unlike the .com, .net, and .org top level domain names.

DON'T BE INTIMIDATED

As you can see the process is really not very hard. About the hardest element is figuring out what the new DNS server settings are and typing that in. You don't have to be a technical wizard to transfer a domain name and it generally is not too lengthy a process. That may vary from one domain host to another. Network Solutions claim they take up to seven days to transfer a domain even within their own network. So, it really does vary from one company to another.

Not all transfers will be smooth. You may end up typing the wrong server information. You may not fulfill all the requirements necessary to transfer the domain or the registrar. However, you can always contact customer support from your host and ask them what might be the problem. You shouldn't just assume that once you type everything in that everything is working okay. You should check your email for any messages that the registration did not go through, for whatever reason, and try to verify the settings with your buyer and the hosting company.

The most problems can happen when you are 1) Transferring out of your domain host completely to another host or, 2) You are including content, scripts, images, revenue programs, in the sale of your domain too. If you can keep the domain name sale simple, that's the best option for reducing problems. You can request that the buyers have an account that allow you to push the domain name within the same host service without the possibility of interrupting email or other tied in services.

While problems can and do occur, the majority of your transfers will be seamless and easy. So, don't let a few DNS server names intimidate you. They are just settings that you need to get right and you don't even have to understand what they mean or how they work to get the transfer completed. Pretty soon you will be so quick at this that you might even attempt to sell multiple domain names at one shot, increasing

the volume of your business exponentially. Then, you might find there are tools available for bulk transfers that make even that process incredibly simple.

10

Conclusion

By now you have a very clear idea of how to go about getting your own domain name business going. The investment to start is not prohibitive, as it is in other types of businesses. The return on the investment can be quite large. Another aspect of the business that can make it attractive is that it can be done from the privacy of your own home. There's no need to get up and go somewhere to buy, sell, or develop a site. As long as you have the right type of home office, you can easily do plenty of sales in your own home.

So, now we come to the prospect of not just doing a sale here and there, but actually making this a business. The way to make money in domain name sales is through volume. So, we are going to talk a little about some of the support you might need to start a volume domain name sales business and how to run it so that it becomes a profitable part of your life.

SET UP A SEPARATE WORK AREA

This is very important for any home business. You should think of this activity as a business, not as a hobby. The goal is to make so much money you have to quit your day job.

Wouldn't that be terrible? Not! So, despite the fact that you can do this all online and anywhere you choose, you want to set up some boundaries in your home to separate your work space from your living space. Trust us, this will come in handy when you're endeavoring to make the killing in the last few minutes of a hot auction for a domain name and your home life begins to intrude. This is a business, treat it like one.

For a home office, it's best if you have a clear boundary like a separate room. When you are in your home office, your family should know not to disturb you because you are working. This includes taking calls or running errands while you are trying to work.

Your office should have a computer with a highspeed connection to the Internet. You should have a dedicated phone so that you can deduct phone business expenses at the end of the year for all the networking, sales, or issues that you resolved related to your domain name business. You should have a comfortable working area. Buy an old-fashion rolodex, you will need it. You want to use it for all the username and passwords you will need to keep track of as you do your business online. Just put the URL address at the top, and file them alphabetically according the domain name. Add the username and password and any extra information on the card before re-inserting it into the rolodex. This goes for all your email addresses too.

You will need to sign up for multiple commerce sites. You will need a PayPal account. You will want an eBay account. You may want to set up accounts with escrow services. You might need to sign up to affiliate accounts. You may have multiple hosts for your domain name. You may have multiple registrars. Each one of these may have different email addresses, usernames, and passwords. In order to do business online, you want to have the information at your fingertips and not online in an electronic file where it can disappear one day or be hijacked by a hacker.

UNDERSTAND YOUR BEST SCHEDULE

Working at home requires that you be self-motivated. If you have a daytime full-time job then you probably will have to schedule your home business working hours on the weekend or after hours. If you work only part-time, you will have a greater degree of flexibility to fix your work into day hours. If you know that you work best between 10 PM and midnight, don't think you have to only work day hours. Many people who work at home find that they are night owls and appreciate the fact that the house is quiet during these hours. It can be very productive to set a schedule that makes it easy to concentrate on your side business.

KEEP TRACK OF EARNINGS AND EXPENSES

Accounting is part of being your own boss. You will have to pay taxes on your profits. Don't think that because the business is online that no one is watching over your shoulder. You don't want to make a ton of money and yet end up in prison. So, it's up to you to track how much money you make, what expenses you paid to run the business, and to fill out the appropriate forms.

As a business owner, you will undoubtedly have to file quarterly taxes. This can be a whole new learning experience. You should keep track of your expenses and income on a spreadsheet and use separate bank accounts than your personal accounts to differentiate income that comes from other pursuits, like a regular job or hobby.

If you start to get very profitable, you can hire an accountant to help you keep track of everything and file the appropriate tax forms on time. However, you want to know what is involved and be able to review the filed forms because ultimately you are the one responsible for them.

KEEP LAWYERS ON RETAINER

The domain name area can be full of people suing each other. However, if you stick to the rules we suggested, you should have very little problem. If you feel you need representation, don't wait until the last minute to find a relationship with a good trademark lawyer or someone who understands domain names. There are many programs that allow you to prepay to get legal advice when you need it for a small monthly sum. One such program is Prepaid Legal, and you can check to see if they have someone available who can help in a trademark dispute before you actually need them.

NETWORK, NETWORK, NETWORK

A business is a learning process. You will want to start networking in the forums and with other professionals who can support you in your ability to establish a solid business. There are even people willing now to offer financing for people who want to buy and sell domain names, just like we have banks who want to help people with mortgages.

Besides an accountant, a tax professional, and a lawyer, you may decide to look up successful people in the domain name business. By understanding how they made their money and how some lost big time, you can start to fine tune your chances without having to make the same mistakes.

TECHNICAL SUPPORT

Eventually, you will have to contact technical support from one person or another. This can take quite a bit of time. So, try to find companies that offer you good customer service support. Some options that will help you determine how fast you can contact someone are the tools they make available to their customers. Do they have a phone number you can call? Do they have a web contact support form? What is their estimated reply time? Can you log online and chat with someone should you have problems with a particular issue?

ANONYMOUS CONNECTIONS

Be sure to check the reputation of all the people you decide to do business with. If you are doing an escrow service, in particular, take the time to make sure they aren't fraudulent. It can save you thousands of dollars. All it takes is to check the Better Business Bureau to see if they have any complaints listed under their name.

Other times, you won't find them in the BBB, but by putting their name in and words "fraud" or "scam" you can often bring up some information that was hidden deep in the search engine. Another good term to add after a name you are checking is the word "complaints." This little bit of extra legwork is well worth it in some cases.

For buyers, you can ask for references from other domainers who have worked with them. Often, their profile contains information on how reputable the buyer is because it includes feedback. Eventually, you will start to get a feel for when a transaction doesn't seem to be on the up and up. As always, make sure you don't give up the domain name before the check has cleared.

TAKE ADVANTAGE OF TOOLS

Don't try to do every transaction one at a time. There are multiple tools and resources available to make your job easier. Don't be shy to try some tool that others are using with great success. The little bit of time you spend learning a new tool or forum can help you to build a volume business faster. For instance, you may be able to create domain names in bulk, download them to a text editor, and then upload the entire file to your new hosting server. You can also find ways to sell domain names in bulk and have only one Paypal transaction for numerous names.

Once you start getting familiar with tools that create parked pages or mini-websites with a few clicks, it will speed up the development of your business and help you to generate profits more easily. Online tools are your friend, use them. At the end of this section, we've included a listing of the domain names for many of the marketplaces and tools that you will

need as you start this journey. Be aware that more and better tools become available every year as people begin to understand the needs of people doing business on the Internet. So, keep an eye open for any tool that can make your life easier and don't be afraid to try it and see how it works for you.

DON'T FORGET TO HAVE FUN!

While this is a serious business, don't forget that it is optional and should be fun! The more fun you have at learning the ins and outs of an Internet business like domaining, the more likely it is you will persist into the big money. Have fun creating domain names out of thin air! Just doing your own business has a way to bring new confidence and opportunities into your life. Pat yourself on the back when you find a way to shorten the cycle from domain name registration to the final ka-ching of the cash register! You can be happy when you realize that you are in control of your own destiny. Whatever you learn here, you can take into any other online business you decide to investigate later. So, even though there is some work to do in learning the systems and tools, you can be happy creating a sustainable source of wealth that should evolve as the Internet evolves.

ON YOUR MARK!

You've completed this ebook and now have enough information to get started on your own. This will be a journey

of self-discovery as well as way to become financially independent. There is always something to learn when you own your own business, and this can't be any more true for domain names. This is a very young area that is evolving at a very quick pace. What works one day may be replaced with a whole new set of dynamics from big players like Google or ICANN. Your best bet is to keep connected, keep your nose to the grindstone, and be persistent.

Once you make the first sale, you'll be hooked! The domain name sale business is by far one of the most profitable ventures that can be embarked on during this time period when all other investment vehicles are collapsing. What you learn here, will only serve to position you to become highly successful in further ventures as the Internet continues to expand and grow, not just in the United States, but worldwide. You can start with only .com domains in a particular industry and then as you get more confident, you can expand to include other TLDs, countries, or industries. The Internet is really is an undiscovered country of wealth, and you are the person who now has the tools to become a worthy prospector of gold.

Resources

DOMAIN NAME MARKET PLACES (BUY/SELL/BOTH)

[Dynadot.com](https://dynadot.com)

[GoDaddy.com](https://godaddy.com)

[Afternic.com](https://afternic.com)

[Moniker.com](https://moniker.com)

[Snapnames.com](https://snapnames.com)

[TDNAM.com](https://tdnam.com)

[GreatDomains.com](https://greatdomains.com)

[Sedo.com](https://sedo.com)

PARKING SERVICES

[TrafficZ.com](https://trafficz.com)

[NameDrive.com](https://namedrive.com)

[Parked.com](https://parked.com)

[WhyPark.com](https://whypark.com)

ONLINE RESEARCH TOOLS FOR DOMAIN NAMES

DNJournal.com

Buzz.yahoo.com

Technorati.com

Pulse.ebay.com

Justdropped.com

Uspto.gov

DOMAIN NAME FORUMS

Forums.digitalpoint.com

Sitepoint.com

ASSESSING WORTH

Glurk.com/index.php

Dnsaleprice.com

PAYMENT TOOLS

Paypal.com

Escrow.com